



# PRELIMINARY INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

For the 2020 reporting period

## **Preliminary and consolidated financial statements as of December 31<sup>st</sup> 2020**

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## A WORD FROM THE CEO

Dear shareholders,

**We have published the preliminary financial statements for 2020 today.** The past year has been a year in which BRK has proven resilience in a challenging and competitive market environment and has managed to obtain a solid financial performance while continuing the upward trend of the past 24 months. Our continuous business change has registered significant progress, with a focus on increasing the total number of clients and improving their digital experience, on bringing innovative services to the issuers, scaling the business, as well as striving to use our competitive advantages such as over 10 years of experience in market making.

We hereby report a **2020 net profit of RON1.87 million**, taking into account what a difficult year this has been, with a loss of RON5.24 million during the first 6 months, followed by a strong rebound during the third and the fourth quarter of 2020 (RON4.22 million Q3/2020 profit, **RON4.1 million** profit in Q4/2020), significantly surpassing the budget projections that were made in April – when the portfolio was yet to be impacted by the market corrections.

BRK broke-even from the intermediation and market making income. These revenues cover all operational costs, **the result from continuing operations being RON +1.13 million**. On top of these, another **RON748 thousand** is added as the net result from own account trading (house).

With respect to our expenses, the only significant increase is related to the commissions of the stock exchanges in which BRK intermediates transactions, which have increased as well. **Our staff related expenses have decreased by 10% as a direct consequence of our personnel efficiency program.**

### Intermediation segment

Each of the 3 intermediation segments (domestic market trading, international market trading, services addressed to issuers) **generated an income at least double compared to the previous year, so that all revenues from the intermediation segment reached the level of RON8.3 million (vs RON3.8 million / 2019)**, increasing by 114% compared to the previous year. Among the growth catalysts we mention the ascending evolution of the number of newly opened accounts, but also the increase of the value of transactions made by existing customers, BRK intermediating transactions totaling RON1.38 billion on BVB in 2020 (vs. RON 616 million in 2019, + 124%) . As to the market positioning, BRK was the 7th place in the top of intermediaries on BVB, the market share increasing from 2.53% in 2019 to 3.70% in 2020. The exponential growth of fees related to transactions on international markets as well as the quantitative increase of primary market operations offered to issuers.

## Market making and asset management

We report a net result of RON3.94 million from market making operations (vs RON1.2M / 2019) increasing by 228% compared to 2019, in line with the evolution of revenue from structured products (RON347 million in 2020 compared to RON87 million in 2019). We appreciate that the volatility that characterized the stock market context in 2020 contributed to the increase in revenues from structured products, as well as the diversification of the product range by including commodities (gold, silver, oil) as underlying assets.

Contributing to this result are also the revenues from the contracts with issuers regarding **the issuer's market maker** service, which became more and more consistent in the second half of the year, with a maximum in December, when BRK's client portfolio reached six customers for this service.

Other transactions carried out on own account (where we include transactions with financial instruments, re-evaluation of subsidiary holdings, interest income, coupons and dividends, exchange rate differences, interest expense, marking of market positions in the portfolio - generally the related transactions market risk) recorded a result of RON +748 thousand. Own-account transactions were the main cause of reported losses on interim reports at 3 and 6 months, respectively (especially the effect of branding portfolio positions), but overall we managed to recover losses in Q3 and Q4, a large part from the value of the own portfolio being correlated with the evolutions of the local and / or international stock market indices.

**Monica Ivan**  
**CEO**

**Individual statement of financial position**
**As of December 31**
*In RON*
**Assets**

Intangible assets	600.354	1.213.729
Tangible assets	8.019.937	5.887.007
Real estate investments	-	669.959
Financial assets valued through profit and loss	48.761.259	44.644.883
Financial assets at amortized cost	-	-
Loans granted	7.772.861	12.111.428
Receivables	914.854	662.686
Other financial assets	72.450.030	24.773.064
Client accounts	51.746.125	53.626.771
Cash and equivalents	4.931.596	781.635
Assets held for sale	-	303.389
Prepayments	-	-

**Total assets**
**195.197.016**      **144.674.551**
**Equity**

Share capital	54.039.987	54.039.987
Adjustment of share capital	4.071.591	4.071.591
Treasury shares	(24.047)	(24.047)
Share premiums	5.355	5.355
Other reserves	13.621.430	11.268.338
Current result	1.879.074	7.745.366
Reported result	(4.947.866)	(12.693.166)

**Total shareholders' equity**
**68.645.523**      **64.413.423**
**Non-controlling interests**
**Total equity**
**68.645.523**      **64.413.423**
**Liabilities**

Payables	-	-
Financial leasing	-	-
Deferred income	-	-
Deferred taxes	-	-

**Total long-term liabilities**
**-**      **-**

Short-term liabilities	2.443.700	4.187.543
Current financial leasing	-	28.639
Liabilities to clients	111.752.738	60.945.094
Payables	12.109.024	12.297.303
Deferred income	-	-
Provisions	246.033	2.802.547

**Total current liabilities**
**126.551.495**      **80.261.126**
**Total liabilities**
**126.551.493**      **80.261.126**
**Total equity and liabilities**
**195.197.016**      **144.674.550**

 Robert Danilă  
 Chairman of the Board

 Monica Ivan  
 CEO

 Sandu Pali  
 Economic Director

## Consolidated statement of financial position

As of December 31

In RON

### Assets

Intangible assets	1.681.040	2.308.808
Tangible assets	8.035.979	5.914.801
Real estate investments	-	669.959
Financial assets valued through profit and loss	45.510.488	41.468.492
Financial assets at amortized cost	-	-
Loans granted	7.772.861	12.111.428
Receivables	1.184.648	1.065.958
Other financial assets	72.450.110	24.773.144
Client accounts	51.746.125	53.626.771
Cash and equivalents	5.350.843	1.240.115
Assets held for sale	-	303.389
Prepayments	-	-

### Total assets

**193.732.095**      **143.482.865**

### Equity

Share capital	54.039.987	54.039.987
Adjustment of share capital	4.071.591	4.071.591
Treasury shares	(24.047)	(24.047)
Share premiums	5.355	5.355
Other reserves	14.604.757	11.163.983
Current result	1.493.317	7.283.070
Reported result	(7.368.801)	(13.564.158)

### Total shareholders' equity

**66.822.158**      **62.976.641**

### Non-controlling interests

608      407

### Total equity

**66.822.767**      **62.977.048**

### Liabilities

Payables	-	-
Financial leasing	-	-
Deferred income	-	-
Deferred taxes	-	-

### Total long-term liabilities

-      -

Short-term liabilities	2.443.700	4.187.543
Current financial leasing	-	28.640
Liabilities to clients	111.693.643	60.770.151
Payables	12.278.953	12.475.036
Deferred income	-	-
Provisions	493.033	3.044.447

### Total current liabilities

**126.909.329**      **80.505.817**

### Total liabilities

**126.909.329**      **80.505.817**

### Total equity and liabilities

**193.732.095**      **143.482.865**

Robert Danilă  
Chairman of the Board

Monica Ivan  
CEO

Sandu Pali  
Economic Director

**Individual Income Statement**

	<b>31-dec-20</b>	<b>31-dec-19</b>
<b>Income from continuing operations</b>		
<b>Intermediation</b>	<b>8.305.226</b>	<b>3.868.350</b>
Fees and commission income	6.399.427	3.065.675
Corporate income	1.041.523	356.522
Other intermediation income	864.276	446.153
<b>Income from market making</b>	<b>3.947.487</b>	<b>1.190.869</b>
Net transaction income	3.362.768	1.122.551
Other market making income	584.720	68.318
<b>Other income from continuing operations</b>	<b>44.680</b>	<b>8.442</b>
Salaries and employee benefits	(4.098.965)	(4.545.176)
Expenses with fees and commissions	(2.550.132)	(1.134.423)
Expenses related to external benefits	(2.236.385)	(2.174.789)
Expenses with related parties	(526.979)	(316.490)
Other operating expenses	(837.194)	(934.745)
Adjustments related to tangible and intangible assets	(917.313)	(994.922)
<b>Income from continuing operations</b>	<b>1.130.425</b>	<b>(5.032.884)</b>
<b>Income / (Loss) from financial instruments</b>	<b>(2.618.570)</b>	<b>9.115.558</b>
Dividend income	2.249.099	1.422.354
Income from trading with shares and bonds	4.285.779	10.301.174
Loss from trading with shares and bonds	(9.153.448)	(2.607.970)
<b>Income / (Loss) from financial assets at fair value through profit and loss</b>	<b>(243.874)</b>	<b>7.598.271</b>
Income from financial assets at fair value through profit and loss	13.441.681	14.984.233
Loss from financial assets at fair value through profit and loss	(13.685.556)	(7.385.962)
<b>Income / (Loss) from provisions related to financial instruments</b>	<b>3.146.502</b>	<b>(2.889.875)</b>
Income from the cancellation of provisions	5.349.752	196.606
Expenses related to provisions	(2.203.250)	(3.086.481)
<b>Other income / (Expenses) from interest and exchange rate differences</b>	<b>383.077</b>	<b>1.632.074</b>
Interest income	481.917	1.137.057
Interest income from margin accounts	232.752	299.586
Other interest income	106.642	427.780
Interest expense	(205.946)	(374.117)
(Expenses)/Income from exchange rate differences	(232.287)	141.768
<b>Net Income / (Expense) from provisions and related risks</b>	<b>(161.433)</b>	<b>(2.677.963)</b>
Expenses related to provisions and related risks	(2.885.324)	(2.758.452)
Income from the cancellation of provisions	2.807.845	67.824
Other net provisions	(83.954)	12.665
<b>Other Income / (Expenses)</b>	<b>242.911</b>	<b>407.835</b>
Income / (Loss) from the sale of assets	190.009	110.393
Other operating expenses	(30.243)	(73.109)
Other operating income	83.145	370.551
<b>Result from operating activities</b>	<b>1.879.037</b>	<b>8.153.017</b>
Earnings Before Taxes	1.879.037	8.153.017
Income tax	0	0
Earnings from continuing operations	1.879.037	8.153.017
Discontinued operations	0	0
Losses from discontinued operations (after tax)	0	0
<b>Profit for the period</b>	<b>1.879.037</b>	<b>8.153.017</b>

	<b>31-dec-20</b>	<b>31-dec-19</b>
<b>Individual comprehensive income</b>		
<i>In RON</i>		
<b>Other comprehensive income elements</b>	-	-
Net change in fair value of available for sale assets through profit or loss	-	-
<b>Elements which can be reclassified through profit or loss</b>		
Net change in fair value of financial assets held for sale	-	-
Free shares classified as available for sale	-	-
Net change in assets held for sale	-	-
<b>Elements which cannot be reclassified through profit or loss</b>		
Changes in the value of used assets	-	-
Changes in the value of real estate investments	-	-
Consitition / Cancellation of income held for granting free shares to employees	-	-
Tax related to other elements of comprehensive income	-	-
<b>Total other elements of comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<b>1.879.037</b>	<b>8.153.017</b>
<b>Profit attributable to</b>	<b>1.879.037</b>	<b>8.153.017</b>
Shareholders		
Non-controlling interests		
<b>Profit for the period</b>	<b>1.879.037</b>	<b>8.153.017</b>
<b>Total comprehensive income attributable to</b>		
Shareholders		
Non-controlling interests		
<b>Net income</b>	<b>1.879.037</b>	<b>8.153.017</b>
<b>Earnings per share</b>		
Basic earnings per share (RON)	0,0056	0,0241
Diluted earnings per share (RON)		
<b>Continuing operations</b>		
Basic earnings per share (RON)		
Diluted earnings per share (RON)		
Weighted average number of shares	337.749.919	337.749.919

Robert Daniilă  
Chairman of the Board

Monica Ivan  
CEO

Sandu Pali  
Economic Director



## Consolidated Income Statement

	31-dec-20	31-dec-19
<b>Income from continuing operations</b>		
<b>Intermediation</b>	<b>11,542,292</b>	<b>7,043,227</b>
Fees and commission income	9,636,492	6,240,552
Corporate income	1,041,523	356,522
Other intermediation income	864,276	446,153
	-	-
<b>Income from market making</b>	<b>3,947,487</b>	<b>1,190,869</b>
Net transaction income	3,362,768	1,122,551
Other market making income	584,720	68,318
<b>Other income from continuing operations</b>	<b>286,580</b>	<b>254,072</b>
Salaries and employee benefits	(5,320,149)	(5,562,816)
Expenses with fees and commissions	(2,550,132)	(1,134,423)
Expenses related to external benefits	(2,392,814)	(2,274,970)
Expenses with related parties	(526,979)	(316,490)
Other operating expenses	(923,755)	(1,033,285)
Adjustments related to tangible and intangible assets	(955,553)	(1,031,670)
<b>Income from continuing operations</b>	<b>3,106,976</b>	<b>(2,865,486)</b>
<b>Income / (Loss) from financial instruments</b>	<b>(3,682,930)</b>	<b>8,208,882</b>
Dividend income	763,788	337,433
Income from trading with shares and bonds	4,706,730	10,479,419
Loss from trading with shares and bonds	(9,153,448)	(2,607,970)
<b>Income / (Loss) from financial assets at fair value through profit and loss</b>	<b>(1,360,014)</b>	<b>5,658,464</b>
Income from financial assets at fair value through profit and loss		13,044,426
Loss from financial assets at fair value through profit and loss		(7,385,962)
<b>Income / (Loss) from provisions related to financial instruments</b>	<b>3,146,502</b>	<b>(2,906,103)</b>
Income from the cancellation of provisions	5,349,752	196,606
Expenses related to provisions	(2,203,250)	(3,102,709)
<b>Other income / (Expenses) from interest and exchange rate differences</b>	<b>520,158</b>	<b>1,757,461</b>
Interest income	481,917	1,137,057
Interest income from margin accounts	232,752	299,586
Other interest income	243,723	553,167
Interest expense	(205,946)	(374,117)
(Expenses)/Income from exchange rate differences	(232,287)	141,768
<b>Net Income / (Expense) from provisions and related risks</b>	<b>(408,433)</b>	<b>(2,919,859)</b>
Expenses related to provisions and related risks	(3,132,324)	(3,000,352)
Income from the cancellation of provisions	2,807,845	67,828
Other net provisions	(83,954)	12,665
<b>Other Income / (Expenses)</b>	<b>201,209</b>	<b>385,265</b>
Income / (Loss) from the sale of assets	190,009	110,393
Other operating expenses	(37,745)	(78,609)
Other operating income	48,945	353,481
<b>Result from operating activities</b>	<b>1,523,468</b>	<b>7,318,624</b>
Earnings Before Taxes	1,523,468	7,318,624
Income tax	(30,151)	(35,110)
Earnings from continuing operations	1,493,317	7,283,514
Discontinued operations		
Losses from discontinued operations (after tax)		
<b>Profit for the period</b>	<b>1,493,317</b>	<b>7,283,514</b>

	31-dec-20	31-dec-19
<b>Consolidated comprehensive income</b>		
<i>In RON</i>		
<b>Other comprehensive income elements</b>	-	-
Net change in fair value of available for sale assets through profit or loss	-	-
<b>Elements which can be reclassified through profit or loss</b>		
Net change in fair value of financial assets held for sale	-	-
Free shares classified as available for sale	-	-
Net change in assets held for sale	-	-
<b>Elements which cannot be reclassified through profit or loss</b>		
Changes in the value of used assets	-	-
Changes in the value of real estate investments	-	-
Consitition / Cancellation of income held for granting free shares to employees	-	-
Tax related to other elements of comprehensive income	-	-
<b>Total other elements of comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<b>1.493.317</b>	<b>7.283.514</b>
<b>Profit attributable to</b>	<b>1.493.317</b>	<b>7.283.514</b>
Shareholders	1.493.018	7.282.057
Non-controlling interests	299	1.457
<b>Profit for the period</b>		
<b>Total comprehensive income attributable to</b>	-	-
Shareholders	-	-
Non-controlling interests	-	-
<b>Net income</b>	<b>1.493.317</b>	<b>7.283.514</b>
<b>Earnings per share</b>		
Basic earnings per share (RON)	0,0044	0,0216
Diluted earnings per share (RON)		
<b>Continuing operations</b>		
Basic earnings per share (RON)		
Diluted earnings per share (RON)		
Weighted average number of shares	337.749.919	337.749.919

Robert Daniilă  
Chairman of the Board

Monica Ivan  
CEO

Sandu Pali  
Economic Director

**Key indicators**

<b>Share indicators</b>	<b>31-dec-20</b>	<b>31-dec-19</b>	<b>Variation %</b>
Net income per share (RON)	0,0056	0,0241	-76,95%
Net assets value (RON)	0,2032	0,1907	6,55%
<b>BRK share price (RON/share)</b>	<b>31-dec-20</b>	<b>31-dec-19</b>	
Opening price	0,0858	0,0736	16,58%
Intraday max	0,1380	0,0900	53,33%
Intraday low	0,0646	0,0710	-9,01%
Closing price	0,0829	0,0848	-2,24%

Robert Danilă  
Chairman of the Board

Monica Ivan  
CEO

Sandu Pali  
Economic Director



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