

To:
Financial Supervisory Authority
Financial Instruments and Investments Sector

Bucharest Stock Exchange

CURRENT REPORT

In compliance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations and Regulation no. 5/2018 on issuers of financial instruments and market operations

Date of the report: November 27th, 2020

Name of issuer: SSIF BRK Financial Group SA

Headquarters: Cluj-Napoca, 119 Moșilor Street, Cluj County

Telephone/fax no: 0364-401.709/0364-401.710

Tax Identification Code: 6738423

Trade Register no/date: J12/3038/1994

Subscribed and paid share capital: RON 54,039,987.04

Regulated market where issued securities are traded: Bucharest Stock Exchange, - Premium Tier, market symbol: BRK

Important events to be reported: Consolidated Half-yearly Report as of June 30, 2020

BRK Financial Group SA informs the investors and the general public that the Consolidated Half-yearly Report as of June 30, 2020, is available starting from November 27th, 2020, at 18:30 (local time) in printed version, at the headquarters of BRK Financial Group SA from Cluj-Napoca, 119, Moșilor Street, as well as in electronic format on the official website, www.brk.ro, in the section "Investor Relations / Financial Results", as well as in the link below.

We mention that the consolidated financial statements as of June 30, 2020, are not audited.

Monica Ivan
General Manager



Financial statements

Simplified and
consolidated
June 30th 2020

Consolidated half-yearly financial statements prepared in accordance with International Financial Reporting Standards adopted by the European Union (“IFRS”) on June 30, 2020

www.brk.ro



OUTLINE

Page

Consolidated financial statements

Consolidated statement of financial position	5
Consolidated statement of comprehensive income	6
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	10
Notes to the individual financial statements	12

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of financial position – June 30th 2020

In RON

		30.06.2020	31.12.2019
Assets			
Intangible assets	8	1.992.336	2.308.808
Tangible assets	9	5.797.365	5.914.801
Real estate investments	10	669.959	669.959
Financial assets at fair value through profit or loss	11	35.307.601	41.468.492
Financial assets at amortized cost	11	-	-
Loans and advances granted	15	7.264.232	12.111.428
Trade receivables	15	1.183.765	1.065.958
Other financial assets on clients' behalf (international markets)		75.053.325	24.773.144
Client accounts	17	42.628.002	53.626.771
Cash and equivalents	17	8.671.481	1.240.115
Assets held for sale	14	-	303.389
Total assets		178.568.066	143.482.865
Equity			
Share capital	18	54.039.987	54.039.987
Share capital adjustments	18	4.071.591	4.071.591
Own shares	18	(24.047)	(24.047)
Share premiums	18	5.355	5.355
Other reserves	19	12.140.179	11.163.983
Current result	20	(6.797.641)	7.283.070
Reported result	20	(7.257.482)	(13.564.158)
		-	-
Total shareholders' equity		56.177.942	62.976.641
Non-controlling interest		414	407
Total equity		56.178.356	62.977.048
Liabilities			
Financial leasing	26	-	-
Provisions		-	-
Total long-term liabilities		-	-
Short-term bank debt	22	1.414.413	4.187.543
Current financial lease liabilities	22	13.813	28.640
Client amounts	22	112.806.483	60.770.151
Other current liabilities	21	5.352.454	12.475.036
Provisions	23	2.802.547	3.044.447
Total current liabilities		122.389.710	80.505.817
Total liabilities		122.389.710	80.505.817
Total equity and liabilities		178.568.066	143.482.865
CEO		CFO	
Monica Ivan		Sandu Pali	

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of comprehensive income

June 30th 2020

In RON

		30.06.2020	30.06.2019
Continuing operations			
Fee and commission income	25	5.317.070	2.700.498
Net financial income, other than dividend income, of which:	22	(7.265.613)	10.338.613
Share and bond trading	29	(7.878.880)	7.665.935
Trading with structured products	29	1.758.564	363.558
Unrealized gains from fair value assets through profit or loss	29	(1.145.298)	2.309.121
Dividend income	29	310.573	306.134
Interest income	29	1.058.486	1.084.282
Rent income	25	14.340	-
Gains from the evaluation of real estate and available for sale assets		-	-
Gains / (losses) from the evaluation/sale of tangible assets		(88.389)	-
Other income	26	602.901	696.698
Income from the cancellation of provisions		-	-
Income from the adjustment of current assets		5.167	4.291
Result from continuing operations		(45.466)	15.130.518
Personnel expenses	27	(2.928.554)	(3.249.722)
Other operational expenses	28	(302.636)	(515.919)
Raw materials		(104.983)	(64.102)
Energy and water		(79.982)	(75.264)
Taxes and similar fees		(117.670)	(116.781)
External benefits	29	(2.827.439)	(1.883.484)
Adjustments related to intangible and tangible assets		(475.379)	(497.350)
Expenses related to provisions		-	-
Interest expense		(171.509)	(151.135)
Net financial losses	30	-	-
Losses from equity depreciation		-	(3.399)
Losses from asset disposals		-	-
Receivables depreciation		(33.094)	(7.168)
Other expenses	30	(2.928.554)	(3.249.722)
Total expenses		(6.738.610)	(6.048.404)
Risk provisions		-	-
Operating profit		(6.784.077)	9.082.114
Earnings before taxes		(6.784.077)	9.082.114
Income tax	31	(13.335)	(15.319)
Net income		(6.797.412)	9.066.795

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SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of comprehensive income (continued)

June 30th 2020

In RON

	30.06.2020	30.06.2019
Other elements of comprehensive income		
Net change in fair value of available for sale financial assets		
Elements that may be reclassified through profit or loss	-	-
Net change in fair value of available for sale financial assets		
Free of charge received shares classified as available for sale	-	-
Change in value of available for sale assets	-	-
Elements that may not be classified through profit or loss		
Change in value of used property		
Change in value of real estate investments		-
Establishment / cancellation of profit reserves for granting free of charge shares	-	-
Taxes on other elements of comprehensive income	-	-
Total comprehensive income elements	-	-
Total comprehensive income	(6.797.412)	9.066.795
	30.06.2020	30.06.2019
Profit/Loss attributable to:		
Shareholders	(6.796.052)	9.064.982
Non-controlling interests	((1.359)	1.813
Profit for the period	(6.797.412)	9.066.795
Total comprehensive income attributable to:		
Shareholders	(6.796.052)	9.064.982
Non-controlling interests	((1.359)	1.813
Total comprehensive income	(6.797.412)	9.066.795
Earnings per share		
Basic earnings per share (RON)	24 (0,0190)	0,0268
Diluted earnings per share (RON)	24 (0,0190)	0,0268
Continuing operations		
Basic earnings per share (RON)	(0,0201)	0,0268
Diluted earnings per share (RON)	(0,0201)	0,0268
30.06.2020		
Weighted average shares:	337.749.919	337.749.919

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SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of changes in equity as of June 30th 2020

<i>In RON</i>	Share capital	Own shares	Re-evaluation differences	Legal reserves	Other reserves	Losses from own shares	Reported result from IFRS conversion	Reported result	Non-controlling interests	Total equity
Balance – Jan 1st 2020	54.039.986	(24.048)	3.524.052	4.587.874	2.748.759	4.071.591	(4.166.869)	(6.281.089)	407	62.976.641
Loss for the period	-	-	-	-	-	-	-	(6.797.641)	414	(6.797.641)
Other comprehensive income elements	-	-	-	-	-	-	0	-	-	-
Transferred gains through profit or loss	-	-	-	-	-	-	-	-	-	-
Changes in value of available for sale assets	-	-	-	-	-	-	-	-	-	-
Changes in value of used assets	-	-	-	-	-	-	-	-	-	-
Changes in value of real estate investments	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-
Deferred income tax related to non-current assets	-	-	-	-	-	-	-	-	-	-
Changes in the profit and loss account or comprehensive income	-	-	-	-	-	-	-	-	-	-
Contractions of share capital	-	-	-	-	-	-	-	-	-	-
Transfers of differences from re-evaluation for sold assets in reserves	-	-	-	-	-	-	-	-	-	-
Transfers in reported result	-	-	-	-	-	-	-	(6.797.641)	-	(6.424.942)
Total other elements of comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Own share operations	-	-	-	-	-	-	-	-	-	-
Share buybacks	-	-	-	-	-	-	-	-	-	-
Total own shares operations	-	-	-	-	-	-	-	-	-	-
Balance – June 30th 2020	54.039.986	(24.048)	3.524.052	4.587.874	2.748.759	4.071.591	(4.166.869)	(7.257.482)	414	56.178.356

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of changes in equity for 2019

<i>In RON</i>	Share capital	Own shares	Re-evaluation differences	Legal reserves	Other reserves	Losses from own shares	Reported result from IFRS conversion	Reported result	Non-controlling interests	Total equity
Balance – January 1st 2019	54.039.986	(24.048)	3.524.052	4.587.874	2.748.759	4.071.591	(4.166.869)	(6.281.089)	-	56.260.406
Loss for the period	-	-	-	-	-	-	-	8.153.016	-	8.153.016
Other comprehensive income elements	-	-	-	-	-	-	0	-	-	-
Transferred gains through profit or loss	-	-	-	-	-	-	-	-	-	-
Changes in value of available for sale assets	-	-	-	-	-	-	-	-	-	-
Changes in value of used assets	-	-	-	-	-	-	-	-	-	-
Changes in value of real estate investments	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-
Deferred income tax related to non-current assets	-	-	-	-	-	-	-	-	-	-
Changes in the profit and loss account or comprehensive income	-	-	-	-	-	-	-	-	-	-
Contractions of share capital	-	-	-	-	-	-	-	-	-	-
Transfers of differences from re-evaluation for sold assets in reserves	-	-	-	-	-	-	-	-	-	-
Transfers in reported result	-	-	-	-	-	-	-	8.153.016	-	8.153.016
Total other elements of comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Own share operations	-	-	-	-	-	-	-	-	-	-
Share buybacks	-	-	-	-	-	-	-	-	-	-
Total own shares operations	-	-	-	-	-	-	-	-	-	-
Balance – December 31st 2019	54.039.986	(24.048)	3.524.052	4.587.874	2.748.759	4.071.591	(4.166.869)	(6.281.089)	407	62.976.641

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Sandu Pali

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of cash flows for June 30th 2020

	30.06.2020	30.06.2019
	RON	
Operating activities:		
Gross income	(6.797.412)	9.066.795
Net reconciliation adjustments with net utilized cash in operating activities:		
Value adjustments for non-current assets	475.379	954.158
Gains from the redemption of share buybacks	-	-
Unrealized gains (-)/(+) losses from financial assets evaluation	2.494.762	-
Adjustment in value for short-term investments	-	(5.088.393)
Income tax	-	-
Provisions for current and non-current assets	-	-
Risk provisions	-	37.330
Interest expense	-	2.653.298
Interest income	171.509	374.117
Dividend income	(988.514)	(2.308.167)
Gains from relative Market Making	(309.718)	(822.354)
Gain/(loss) from the sale of tangible assets	(1.758.564)	(796.680)
Gains from exchange rate differences	(153.511)	(289.393)
Increase/(decrease) in operating cash before changes in current	(6.866.069)	3.754.392
Changes in working capital:		
(Increase)/Decrease in receivables	531.772	(147.898)
Increase/(Decrease) in payables and other liabilities	(6.249.448)	3.166.562
Increase/(Decrease) in available for sale assets	-	-
Cash flows generated from operational activities	(12.583.744)	6.773.055
Cash flows from operating activities:		
Paid income tax	-	-
Interest income	575.128	852.470
Interest expense	(170.828)	(221.543)
Net cash flows from operating activities	(12.179.444)	7.403.982
Cash flows from investing:		
Cash acquisitions of tangible and intangible assets, and investment property	(46.167)	440.687
Cash acquisitions of financial instruments	7.517.624	15.876.379
Cash gains from the sale of buildings, property, plant and equipment, intangible assets and other non-current assets	215.000	-
Dividend income	309.699	1.443.513
Dividend payments	-	(8.260.550)
Gains from share capital increases	-	-
Payments related to share capital	-	3.559.668
(Loans granted)/reimbursed to related parties and margin accounts	(1.200.000)	394.391
	4.401.487	(600.000)
Net position from the sale of turbo certificates and IG payments		
Interest income	55.112	440.687
Dividends paid	-	15.876.379
Exchange rate effect on credits and liabilities	133.116	-

SSIF BRK FINANCIAL GROUP SA
Consolidated and simplified financial statements - IFRS la June 30th 2020

Consolidated statement of cash flows – June 30th 2020 (continued)		
Net cash flows from investing activities	11.385.871	12.854.088
	30.06.2020	30.06.2019
	RON	
Cash flows from financing:		
Lease payments	-	(104.038)
Collection / payment of short-term bank loans	(2.773.130)	(804.327)
Net cash flows from financing activities	(2.773.130)	(908.364)
Cash flows - total	(3.566.703)	19.349.705
Changes in cash and equivalents		
Cash and equivalents at the beginning of the reporting period	54.866.185	35.517.181
Increase / (decrease) in cash and equivalents	(3.592.542)	20.466.037
Exchange rate effect on cash and equivalents		
Cash and equivalents at the end of the reporting period	51.299.482	54.866.886
Of which unavailable (seized)	-	4.980.780
Of which:		
Cash on clients' behalf	50.815.163	53.626.771
Cash on company's behalf	8.187.162	1.240.115

24

CEO
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CFO
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1. REPORTING ENTITY

SSIF BRK FINANCIAL GROUP SA („Societatea”) este o societate de servicii de investitii financiare cu sediul in Romania. Adresa sediului social este Cluj-Napoca, str Motilor nr 119. Activitatea principala a SSIF BRK FINANCIAL GROUP SA este intermedierea serviciilor de investitii financiare.

The financial statements of SSIF BRK FINANCIAL GROUP SA are half-year consolidated financial statements (“the financial statements”) of the company and have been prepared according to Law no. 39/2015 and in compliance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”), applied by entities authorized, regulated and supervised by the Financial Supervisory Authority – Financial Instruments and Investments, and are the Company’s responsibility.

These financial statements have been prepared based on the regulations, standards and accounting policies included in this report.

SSIF BRK FINANCIAL GROUP SA hereby issues these consolidated financial statements for the period 2020-1H according to the International Financial Reporting Standard adopted by the European Union. (IFRS)

These consolidated financial statements have been authorized for public disclosure on November 26th 2020 by the Board of Administration of BRK FINANCIAL GROUP SA, without the possibility of making changes after the respective date.

Entities of the group

Subsidiaries

The group has consolidated one subsidiary, which is shown below:

Entity	Address	Type	Stake	
			2020	2019
S.A.I. Broker S.A.	Cluj-Napoca, Romania	Subsidiary	99.98%	99.98%

Name of subsidiary: S.A.I. Broker S.A.

Registered address: Cluj-Napoca, str. Motilor nr. 119, judet Cluj

Operational address: Cluj-Napoca, str Motilor nr. 119

Legal form: S.A.

Unique code: 30706475

Object of activity: Other financial intermediation services

Description: S.A.I Broker is an asset management company. It has been formed on September 26th 2012

As of June 30th 2020, S.A.I Broker S.A. manages 9 investment funds with total assets worth RON 189.14 million:

Closed end fund BET-FI Index Invest

- Open end fund FIX INVEST
- Private fund SMART MONEY
- Open end fund Optim Invest
- Open end fund Prosper Invest
- Open end fund Fortuna Classic
- Open end fund Fortuna Gold
- Open end fund H.Y.B Invest;

- Open end fund ALPHA Invest.

2. BASIS OF PREPARATION

Statement of compliance

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 half-yearly financial statements in accordance with IAS 34 Interim Financial Reporting, and with the requirements of Norm 39/2015, updated, for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority. from the Financial Instruments and Investments Sector (FSA).

3. SIGNIFICANT ACCOUNTING POLICIES

Metodele de calcul și politicile contabile utilizate în aceste situații financiare consolidate simplificate sunt aceleași utilizate în cele mai recente situații financiare anuale, întocmite pentru anul financiar încheiat la 31 decembrie 2019.

Impozitul pe profit pentru perioadele intermediare este calculat utilizând cota de impozit și metodologia de calcul care se estimează că va fi utilizată pentru întregul (întreaga) profit (pierdere) anual(ă).

4. Estimates

The calculation methods and accounting policies used in these simplified consolidated financial statements are the same as those used in the most recent annual financial statements prepared for the financial year ended 31 December 2019.

The income tax for the interim periods is calculated using the tax rate and the calculation methodology that is estimated to be used for the entire annual profit (loss).

5. Classification as an investment entity

The Company has applied the Amendments to IFRS 10, IFRS 12 and IAS 27 as of January 1, 2015, when, after reviewing the criteria set forth in the Amendments, the Company's management concluded that the Company meets the conditions for classification as an investment entity.

During 2018, the Company reconsidered the classification criteria as an investment entity and concluded that it still meets them, considering that the Company:

- a) Obtain funds from several investors in order to provide those investors with investment management services;
- b) Has committed to its investors that the purpose of its activity is to invest funds mainly for gains from the increase in the value of the investment, investment income or both; and
- c) Quantifies and evaluates the performance of its investments based on fair value.

In addition, the Company has other characteristics specific to an investment entity, as follows:

- a) Investment related activities

The company is a joint stock company that operates as a closed-end financial investment company, providing directly related investment management services to its investors, having as its main object of activity exclusively the activities specific to closed-end investment companies.

The Company provides investment advisory and support services and administrative services directly or through a subsidiary, third parties and / or its investors.

b) Scope of activity

The purpose of the Company is to carry out lucrative activities specific to its object of activity and to obtain profit in order to distribute it among shareholders and / or own sources for financing the necessary and opportune financial investments, allowed by the statutory object of activity and by the legal provisions in force.

The multi-annual strategic guidelines and the annual investment program of the Company approved by the General Meeting of Shareholders are public information, being presented on the official website of the Company, and can be consulted by third parties, potential investors, to support the investment decision in the Company.

The Company's objective is to manage the investments in the portfolio and to permanently identify investment opportunities in order to ensure a reasonable level of investment risk dispersion, in order to offer its shareholders the opportunity to achieve attractive performance, while increasing invested capital.

c) Exit strategy

Starting with January 2018, the Company applies an exit strategy based on permanent monitoring of investments made through approved investment programs and on continuous analysis of current market conditions, aiming to identify optimal exit times in order to achieve the objectives set by annual revenue and expenditure budgets, respectively achieving superior aggregate yields.

The company applies an exit strategy adapted to the specifics of each investment category, defined on the basis of the following elements: the applied strategy, the investment time horizon and the triggers of the exit transaction.

6. FINANCIAL RISK MANAGEMENT

Financial risk factors

The simplified consolidated financial statements do not include all the information related to the management of the financial risks required for the annual financial statements; these statements must be read in conjunction with the company's annual financial statements as of 31 December 2019.

The Group is exposed to risks as a result of its complex activity and the use of financial instruments, following the following risk categories:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Interest rate risk
- Currency risk

The explanations provide present information on the company's exposure to each risk category, the objectives, policies, processes and procedures used to assess and manage risk and capital.

Risk categories

6.1 Credit risk

Credit risk is the risk of incurring losses or not realizing the estimated profits due to the non-fulfillment of contractual obligations by a customer or a third party, and this risk results mainly from the inability of customers to meet their payment obligations in connection with risky, balance sheet or off-balance sheet assets.

Regarding the activity of intermediation of securities, at the balance sheet date we cannot speak of the existence of a credit risk because according to the internal procedures approved by the Board of Directors, clients can register debts to the group only based on analysis and approvals and only on short-term.

Credit risk exposure

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

The risk of incurring losses due to default by the debtor can have two causes:

d) bankruptcy of the debtor / issuer - also called the risk of bankruptcy of the debtor (long-term credit risk). This risk takes into account the financial assets that are held for a long time and which, implicitly, are affected by the dynamics of the issuer's solvency of the respective securities.

e) the bad faith of the debtor (of the counterparty with which the company carries out certain types of financial transactions) also called the credit risk of the counterparty (short-term credit risk).

The financial operations to which this type of risk refers are the following:

- 1 OTC derivative financial instruments and credit derivative financial instruments;
- 2 repo agreements, reverse repo agreements, operations of giving or taking securities / commodities with a Loan that are based on securities or commodities included in the trading book;
- 3 margin lending transactions In connection with securities or commodities and
4. Settlement transactions (long-term).

6.2 Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulties in fulfilling the obligations associated with financial debts that are settled in cash or by transferring another financial asset. At the date of this report, the group has outstanding loans.

Regarding the intermediation activity, the liquidity in the relations with the clients is ensured by the fact that the investment companies have the obligation to maintain the availabilities of the clients in separate accounts, without being able to use them in any way.

Regarding the general liquidity, the current sources of cash are represented by the results of the investment activity, the commissions collected from clients, and as extraordinary sources the capital increases.

6.3 Market risk

Market risk is the risk that changes in market prices, such as the price of equity instruments, the exchange rate and the interest rate will affect the company's income or the value of 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 the return on investment.

The selection of investment opportunities is made by:

- Technical analysis;
- Fundamental analysis – determining the issuer's ability to generate profit;
- Relative valuation – determining the relative value of an issuer in relation to the market or other similar companies;
- Statistical analysis – determining trends and correlations using the history of prices and volumes traded.

6.4 Operational risk

Operational risk is the risk of direct or indirect losses resulting from a wide range of factors associated with the company's processes, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risk, such as coming from legal, regulatory requirements and from generally accepted standards regarding organizational behavior.

The company's objective is to identify, measure, monitor, manage and reduce operational risk, so as to achieve a balance between avoiding direct or indirect financial losses that may occur.

6.5 Interest rate risk

The group has a credit line contracted on June 30, 2020, until December 2020, in order to support the current activity of the company.

Interest rates used to determine the fair value

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

For uncertain receivables (receivables whose recovery is uncertain), at the end of the reporting period, value adjustments were made for impairment at the level of the entire amount.

The company faces interest rate risk due to exposure to unfavorable interest rate fluctuations. The change in the market interest rate directly affects the income and expenses related to financial assets and liabilities bearing variable interest, as well as the market value of those bearing fixed interest.

6.6 Currency risk

The Group is a financial institution regulated and authorized by the Financial Supervisory Authority and which is subject to European regulations, respectively to the CRD - CRR legislative package with the Technical Standards related to it.

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

The limits within which exposures to this risk must be located are calculated as the ratio between the value of the exposure of the assets exposed to foreign exchange risk and the value of the group's own funds.

The currency exposures are as follows :

- Derivatives (CFD, futures, optiuni, warrante);
- Cash deposited in external accounts
- Foreign currency bank deposits;
- Leasing contracts;
- Market institutions;
- Foreign currency bonds.

6. OPERATIONAL SEGMENTS

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

- Intermediation
- Trading
- Asset management

SSIF BRK FINANCIAL GROUP SA

Notes to the financial statements - IFRS

Strategic business units offer different services and products, being managed separately because they require different skills and marketing strategies. The executive director reviews the activities related to the main segments, at least monthly. Some of the segments also have common expenses that cannot be separated without a very high degree of subjectivism. The brokerage activity includes brokerage transactions for clients on the spot market.

The significant positions in the financial statements that are influenced by these operations are:

- Commission income from clients, expenses related to paid commissions to market institutions;
- Net receivables regarding client amounts, from client orders.
- Liabilities towards clients representing client amounts deposited for trading.
 - a) The trading activity includes the operations of buying and selling investment securities and derivative products. 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, the market value of derivative products;
 - trading expenses and revenues;
 - adjustment of the value of investments, recognized either in the income statement, in the case of financial instruments at fair value through profit or loss and in derivative products, or in the global income statement in the case of securities available for sale;

C) Investment fund management activity. SAI BROKER SA manages on 30.06.2020 a number of 9 investment funds.

The fund management segment generated revenues from the administration of the following investment funds:

Closed-End Investment Fund BET-FI Index Invest registered with the Financial Supervisory Authority under no. PJR05SAIR / 120031 dated 29.01.2013.

The purpose of establishing the Fund is exclusive and consists in attracting the financial resources available from individuals and legal entities through a regular public offer of fund units and investing these resources mainly in shares that are part of the BET-FI index.

FIX INVEST Open-End Investment Fund, authorized by the Financial Supervisory Authority no. A / 8 / 14.02.2014.

SMART Money Private Investment Fund, approved by the Financial Supervisory Authority with no. A / 19 / 09/04/2014.

The Optim Invest Closed-End Investment Fund, operates on the basis of the Authorization of the Financial Supervisory Authority (A.S.F.) no. A / 171 / 22.05.2015 and is registered in the A.S.F Register under no. CSC08FIIRS / 120 040.

6. OPERATIONAL SEGMENTS (continued)

The fund is set up to attract, privately, the financial resources of qualified investors natural or legal persons, in order to invest them mainly in shares issued by companies and participation titles of UCITS and / or AOPC, in accordance with the provisions of the regulatory framework incident.

The Prosper Invest Open-End Investment Fund operates based on the Authorization of the Financial Supervisory Authority (A.S.F.) 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 consists in the mobilization of financial resources, through a continuous offer of participation titles, in order to make investments on the capital markets, in the conditions of a high degree of assumed risk, specific to the investment policy provided in the Issue Prospectus.

The Fortuna Classic Open-End Investment Fund is registered in the A.S.F. with the number CSC06FDIR / 120008 dated 18.12.2003. The fund's sole purpose is to make collective investments, placing financial resources in liquid financial instruments and operating on the principle of risk diversification and prudential management.

The Fortuna Gold Fund is registered with A.S.F. with the number CSC06FDIR / 120009 dated 18.12.2003. The fund's sole purpose is to make collective investments, placing financial resources in liquid financial instruments and operating on the principle of risk diversification and prudential management.

FIA H.Y.B. Invest is registered in the A.S.F. with the number CSC09FIAR / 120003 dated 08.08.2019.. The objective of the Fund is to increase the long-term capital invested through investments in debt instruments such as high-yield bonds (non-investment grade or junk).

FIA Alpha Invest is registered in the A.S.F. with the number CSC09FIAR / 120002 dated 08.08.2019. The objective of the Fund is to increase the long-term capital invested through investments in listed shares with favorable development prospects.

The information regarding the reportable segments is presented as follows:

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

6. OPERATIONAL SEGMENTS (continued)

Information regarding the reporting segments

	June-20					June-19				
	Total of which: Σ	Asset management (1)	Intermediatio n(2)	Trading (3)	Unclassified	Total of which: Σ	Asset management (1)	Intermedi ation (2)	Trading (3)	Unclassified
Fee and commission income	5.317.070	1.676.261	3.640.809	-	-	2.700.498	1.430.607	1.268.675	-	-
Closing income	14.340	-	-	14.340	-	0	-	-	-	0
Net financial income from trading	(7.265.613)	-	-	(7.265.613)	-	11.053.864	-	10.928	11.042.936	-
Dividend income	310.573	-	-	310.573	-	306.134	-	17.578	888.556	-
Interest income	988.514	-	-	988.514	-	1.216	-	-	-	1.216
UF distribution income	887.873	-	361.001	215.000	-	919.003	-	315.423	667.987	-
Other income	-	-	-	-	-	-	-	-	-	-
Net financial losses	(2.928.554)	-	(660.078)	(1.581.288)	-	(3.253.120)	-	(246.094)	(2.441.673)	(565.353)
Personnel expenses	(470.212)	-	(132.786)	(318.103)	-	(497.464)	-	-	(325.199)	(172.265)
Value adjustments of intangible and tangible assets excluding goodwill	-	-	-	-	-	-	-	-	-	-
Net expenses with provisions for risks and expenses	(3.130.109)	(35.899)	(883.141)	(2.099.686)	(111.383)	(2.139.631)	(49.587)	(185.305)	(1.844.458)	(60.280)
Expenses regarding external services, taxes and fees	(521.293)	-	(148.414)	(355.542)	(17.337)	(22.753)	-	-	-	(22.753)
Other expenses	(6.797.412)	1.640.362	2.177.390	(10.091.806)	(128.720)	9.066.532	1.381.020	866.998	7.988.148	(569.633)
Total :	(6.797.412)	1.640.362	661.164	(8.594.480)	(128.720)	9.066.532	1.381.020	866.998	7.988.148	(569.633)
Profit before taxes	-	-	-	-	-	-	-	-	-	-

7 . RECONCILIATION OF INCOME, PROFITS OR LOSSES, ASSETS AND LIABILITIES OF REPORTING SEGMENTS

Reconciliation

<i>In RON</i>	June-20	June-19
Income		
Total income related to reporting segments	5.317.070	2.699.282
Income unrelated to reporting segments	0	0
Elimination of discontinued operations	0	0
Consolidated income	5.643.320	2.699.282
Result account		
Total profit related to reporting segments	(6.797.411)	9.066.532
Elimination of reporting segments	-	-
Unallocated amounts:	-	-
Consolidated loss before taxes	(6.797.411)	9.066.532
Assets		
Total assets related to reporting segments	178.029.402	134.266.287
Assets related to non-reporting segments	538.664	9.216.578
Goodwill		
Total assets	178.568.066	143.482.865
Liabilities		
Liabilities related to reporting segments	113.971.469	78.988.591
Risk provisions	2.802.547	149.249
Liabilities related to deferred taxes	-	-
Liabilities related to non-reporting segments	5.615.694	1.367.977
Total consolidated liabilities	122.389.710	80.505.817

The intermediation segment generates income from commissions from the following products:

	June-30-20	June-30-19
Intermediation income		
Income from international trading	1.644.104	964.247
Commissions from international trading	1.463.575	268.643
Similar income	533.393	37.234
Fee and commission income	3.641.071	1.270.124
Asset management income	1.675.999	1.430.374
Total income	5.317.070	2.700.498

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

8 INTANGIBLE ASSETS

In RON

	Software	Prepayments	Total
Cost			
Balance Jan 1st 2019	6.079.632	27.820	6.107.452
Acquisitions	33.742	-	33.742
Through transfers	-	-	-
Outflows	(1.692)	-	(1.692)
Balance Dec 31st 2019	6.111.682	27.820	6.139.501
Balance Jan 1st 2020	6.111.682	27.820	6.139.501
Acquisitions	-	-	-
Through transfers	-	-	-
Outflows	-	-	-
Through transfers	-	-	-
Balance Jun 30th 2020	6.111.682	27.820	6.139.501

	Software	Prepayments	Total
Depreciation and amortization			
Balance Jan 1st 2019	3.168.968	-	3.168.968
Amortization during the year	663.419	-	663.419
Amortization related to outflows	-	-	-
	1.692	-	1.692
Balance Dec 31st 2019	3.830.694	-	3.830.694
Balance Jan 1st 2020	3.830.694	-	3.830.694
Amortization during the year	316.470	-	316.470
Amortization related to outflows	-	-	-
Balance Jun 30th 2020	4.147.165	-	4.147.165
Book values			
Balance Jan 1st 2019	2.910.664	27.820	2.938.484
Balance Dec 31st 2019	2.280.988	27.820	2.308.808
Balance Jan 1st 2020	2.280.988	27.820	2.308.808
Balance Jun 30th 2020	1.964.517	27.820	1.992.336

The component of the balance of intangible assets consists of computer programs and software licenses.

The significant value in the total of intangible assets is represented by the Tradis back office system.

The useful lives used to calculate intangible assets are on average 3 years, the depreciation method used is linear.

The expenses regarding the depreciation of the intangible assets during the year are included in the statement of comprehensive income under the item Value adjustments of tangible and intangible assets.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

9. TANGIBLE ASSETS

<i>In RON</i>	Land	Vehicles and installations	Furniture and office equipment	Non-current assets under construction	Total
Balance – Jan 1st 2019	6.036.262	1.638.105	313.567	12.823	8.000.756
Acquisitions and reenactments performed	-	13.922	-	9.520	23.442
Advances granted	-	-	-	-	-
Ongoing transfers	-	-	-	-	-
Inflows from executed guarantees	-	-	-	-	-
Re-evaluation:	-	-	-	-	-
compensation for depreciation	-	-	-	-	-
Increases in value	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-
Transfers to investment property	-	-	-	-	-
Outflows:	-	-	-	-	-
- through sale	-	-	-	-	-
- through disposal	-	-	-	-	-
Balance – Dec 31st 2019	6.036.262	1.652.028	313.567	22.343	8.024.198
Balance – Jan 1st 2020	6.036.262	1.652.028	313.567	22.343	8.024.198
Acquisitions and reenactments performed	0	0	32.023	0	32.023
Ongoing transfers	-	-	-	-	0
Inflows from executed guarantees	-	-	-	-	0
Re-evaluation:	-	-	-	-	0
compensation for depreciation	-	-	-	-	0
Increases in value	-	-	-	-	0
Transfers to assets held for sale	-	-	-	-	0
Transfers to investment property	-	-	-	-	0
Outflows:	-	-	0	0	0
- through sale	-	-	0	0	0
- through disposal	-	-	-	-	0
	6.036.262	1.658.328	348.738	22.343	8.065.670

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

Balance – Jun 30th 2020

<i>In RON</i>	Land	Vehicles and installations	Furniture and office equipment	Non-current assets under construction	Total
Amortization and depreciation losses					
Balance – Jan 1st 2019	196.817	1.353.019	249.839	-	1.799.675
Amortization during the year	199.937	84.146	25.640	-	309.723
Losses from depreciation, of which:	-	-	-	-	-
- recognition through expenses	-	-	-	-	-
- deducted from other elements of comprehensive income	-	-	-	-	-
Amortization related to outflows of non-current assets	-	-	-	-	-
Amortization related to disposal of non-current assets	-	-	-	-	-
Compensation of re-evaluation	-	-	-	-	-
Balance – Dec 31st 2019	396.754	1.437.165	275.479	-	2.109.398
Balance – Jan 1st 2020	396.754	1.437.165	275.479	-	2.109.398
Amortization during the year	99.968	42.709	16.230	-	158.907
Losses from depreciation, of which::	-	-	-	-	-
- recognition through expenses	-	-	-	-	-
- deducted from other elements of comprehensive income	-	-	-	-	-
Amortization related to outflows of non-current assets	-	-	-	-	-
Amortization related to disposal of non-current assets	-	-	-	-	-
Compensation of re-evaluation	-	-	-	-	-
Balance – Jun 30th 2020	496.722	1.479.874	291.709	-	2.268.305
Book values:					
Balance – Jan 1st 2019	5.839.444	285.086	63.727	12.823	6.201.082
Balance – Dec 31st 2019	5.639.508	214.863	38.088	22.343	5.914.802
Balance – Jan 1st 2020	5.639.508	214.863	38.088	22.343	5.914.802
Balance – Jun 30th 2020	5.539.539	178.454	57.030	22.343	5.797.365

9. TANGIBLE ASSETS (continued)

On 30.06.2020, the parent company operates, in Cluj Napoca, str. Motilor 119, as well as the buildings owned in Bucharest, Suceava, Iasi where the agencies for the intermediation activity operate.

The company does not own on 30.06.2020 lands for the exploitation activity, and those related to the buildings in operation are incorporated in the value of the building.

The depreciation expenses for the year are included in the global income statement under the item Value adjustments of tangible and intangible assets.

Pledged or mortgaged property, plant and equipment

In December 2017, the parent company contracted a credit line worth RON 5,340,000, and guaranteed the loan with the company's operating properties. The details related to these guarantees can be found in note 22. The credit line was extended during 2019 for another 12 months until 31.12.2020.

10. INVESTMENT PROPERTY

In RON

	June-20	Dec-19
Balance – Jan 1st 2020	669.959	918.186
Transfers to property, plant and equipment during the year	-	-
Entry following the execution of received guarantees	-	-
Acquisitions during the year (exchange of assets)	-	-
Real estate investments in progress inflows	-	-
Real estate investments under construction outflows	-	-
Advances for real estate investments	-	-
Disposals of investment property (trade-off)	-	-
		(248.227)
Plus value on of revaluation	-	-
Minus value of revaluation	-	-
Balance – Jun 30th 2020	669.959	669.959

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

10. REAL STATE INVESTMENTS (continued)

Presentation related to re-evaluation

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

There were no significant increases in the value of real estate investments for the exploitation activity in the first semester of 2020.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

11. FINANCIAL INVESTMENTS

In RON

		Jun-20	Dec-19
Financial assets at fair value through profit or loss			
	listed shares	8.483.040	18.801.233
	fund units	431.300	566.500
	Unlisted fund units	8.956.348	9.125.683
	Listed bonds	1.398.246	1.613.030
	Unlisted bonds	92.436	106.905
	Unlisted shares	15.154.143	9.127.513
Other financial instruments	Structured products	792.108	2.127.627
Total financial assets at fair value through profit or loss		35.307.621	41.468.491
Total financial investments		35.307.621	41.468.491

11. FINANCIAL INVESTMENTS (continued)

Listed securities: shares, bonds and fund units are valued at the exchange rate on 30.06.2020 published by the Bucharest Stock Exchange.

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

Financial instruments traded on international markets are futures, options and contracts for difference (CFDs) and are used for speculative and hedging purposes for market maker operations. These are valued at the quotation on 30.06.2020

The category "unlisted fund units" includes fund units held in investment funds FDI Certinvest Obligatiuni, Fdi Transilvania, Fdi SanoGlobinvest. These holdings have been reclassified from available-for-sale financial assets to fair value financial assets through profit or loss as a result of the adoption of IFRS 9.

12. LOANS AND ADVANCES GRANTED

In RON

	Jun-20	Dec-19
Gross value of margin loans	2.884.393	4.067.830
Loans to affiliated parties	6.580.885	10.586.435
Interest on loans granted	282.456	403.722
Receivables increase in share capital of affiliated parties	500.000	500.000
Impairment of related party loans	(2.983.503)	(3.446.502)
Loans and advances granted - net value	7.264.232	12.111.485

Loans represent the loans that Sai Broker SA granted to Firebyte Games SA, GoCab Software SA.

On 03.01.2020 SAI Broker SA concluded an additional act of extension of a loan agreement amounting to RON 54,095 granted in 2019 with Firebyte Games SA. At the same time, on 30.01.2020 it concluded a new loan agreement in value of RON 50,000 maturing on December 31, 2020.

For the loans due on 30.06.2019, amounting to RON 285,253, the decision to convert it into shares of Firebyte Games SA was made, an operation that is in the authorization phase at ORC. For the loan due on December 31, 2019, amounting to RON 50,000, in order to determine the fair value, the company's management performed an analysis regarding the recoverability of receivables.

12. LOANS AND ADVANCES GRANTED (continued)

For the loan granted to FireByte SA, the management of BRk Financial Group, based on the accounting policy described in these financial statements, considers that this loan is in default stage 2, so a depreciation of 25% of the total value of the loan was taken into account. the loan in the absolute amount of RON 80,252 to determine the fair value.

The company maintained the service offered to customers to perform margin transactions. The credit balance in the margin granted to the clients on 30.06.2020 was of RON 2,884,393. For the margin loans, the clients bring the securities purchased with these loans as guarantees, therefore there are no indications of depreciation and this represents the fair value on June 30, 2020.

13. INVESTMENTS IN ASSOCIATES

Affiliates as well as associates (where significant influence is held) are mentioned below. At those where the holding rate is below 20%, the significant influence is due to the presence in the board of directors of the respective company.

The holding percentage and the value of equity in the associated entities are the following (in RON):

Company	Stake June -20	Equity value	Stake in Dec -19	Equity value in 2019
Sai Broker	99,98%	6.070.389	99,98%	6.070.389
Romlogic Technology	84,00%	7.549.009	37,52%	2.139.479
Firebyte	70,93%	50.233	70,93%	50.233
Total		13.669.631	-	8.260.101

The group has control over SAI Broker SA (99.98%), and has a significant influence in Firebyte (70.93%) and Romlogic Technology with 84%.

During the first half of 2020, dividends were registered from the associated companies amounting to RON 1,500,000.

13. INVESTMENTS IN ASSOCIATES (continued)

The following table represents the transactions carried out during 2020-1H:

Name	Affiliation type	Activity	Volume and weight of activity
SAI Broker	Stake 99.98%	Asset management	-Commission income RON 835 -Income from distribution and intermediation commissions amounting to RON 964 - rental income in the amount of RON 17,100 - income from related dividends related to equity in the amounting to RON 1,500,000
Romlogic Technology SA	Stake 84%		- interest income related to loans granted in the amount of RON 236,440 -conversion of loans in share capital in the amount of RON 5,005,550 - Granting a loan of RON 500,000
Firebyte Games SA	Stake 70,93%	Development of games for mobile devices	- Granting a loan worth RON 500,000 -interest income of RON 14,340 - rental income of RON 14,918

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

Transactions with related parties were carried out at market value.

On 30.06.2020 and 30.06.2019 the balances receivables from the relations with affiliated parties were the following:

<i>In RON</i>	Jun-20	Jun-19
SAI Broker	2.850	52.834
Facos SA Suceava	-	863.427
Firebyte Games SA	1.340.519	336.568
Gocab Software	950.000	-
Romlogic Technology SA	2.038.254	5.531.357
Total	4.331.623	6.784.186

14. FIXED ASSETS FOR SALE

<i>In RON</i>	Jun-20	Dec-19
Balance – Jan 1st	303.389	544.721
Transfers to property, plant and equipment during the year	-	-
Entry following the execution of received guarantees	-	-
Entries during the year (exchange of assets)	-	-
Cessions	(303.389)	(241.332)
Plus value of re-evaluation	-	-
Minus value of re-evaluation	-	-
Balance – Jun 30th 2020	-	303.389

The fixed assets held for sale on balance as of 31.12.2019 were sold in the first half of 2020, marking a loss of RON 88,389. The building sold represents the space owned in Alba Iulia.

The credit line contracted by the group in December was diminished with the value of the guarantee representing the value of the alienated apartment.

15. RECEIVABLES

<i>In RON</i>	Iunie-20	Dec-19
Receivables	293.703	454.010
Receivables from the state budget	-	-
Net receivables related to debtors	294.357	49.302
	28.698	26.847
	265.659	22.456
Other debtors	595.704	561.796
Total receivables	1.183.765	1.065.108

15. RECEIVABLES (continued)

The debtors from the trading of the company's financial instruments come from transactions concluded in June 2020, which have the first two days of July 2020 as settlement date.

Similarly, the debtors from financial instruments settled by clients come from transactions concluded in June 2020 which have the first two days of July 2020 as settlement date.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

For the management activity, Sai Broker SA charges an administration fee provided in the respective Issue Prospectus in the Internal Regulations of the funds managed by Sai Broker SA. The administration commission is collected monthly until the 10th of the month following its registration. The existing trade receivables in the balance come from the administration commission related to June 2020 and was collected in July 2020.

These receivables are valued at amortized cost, are classified on level 1 and do not require an impairment test as the risk of non-collection tends to zero.

In RON

	Jun-20	Dec-19
s from the trading of the Company's financial instruments	3.531.006	2.263.845
Debtors from financial instruments traded by clients	71.522.239	22.684.163
Other financial assets	75.053.245	24.948.008

The entity's exposure to credit and foreign exchange risk, as well as impairment losses on trade receivables are presented below.

Soldurile brute si depreciarile debitorilor sunt urmatoarele:

In RON

	Jun-20	Dec-19
Debtors - former employees and third parties, Stage 3	1.937.891	1.902.048
Depreciation of former and third party debtors	(1.874.425)	(1.879.592)
Debtors - former employees and third parties - net worth	63.466	22.456

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

In RON

	Jun-20	Dec-19
Balance Jan 1 st	1.879.592	1.888.714
Additional provisions	-	-
Cancelling of provisions	(5.167)	(9.122)
Balance Dec 31st	1.874.425	1.879.592

In the first half of 2020, income adjustments related to debt recoveries amounting to RON 5,167 were resumed.

16. RECEIVABLES AND DEBTS REGARDING THE DEFERRED TAX

Unrecognized deferred income tax receivables

Deferred tax receivables were not recognized in respect of the following items:

In RON

	Jun-20	Jun-19
Loss for the period	(6.797.412)	9.066.795
Total income tax expense	-	-
Loss of the period before tax (including related to discontinued operations)	(6.797.412)	9.066.795
Income tax rate	16%	16%

16. RECEIVABLES AND DEBTS REGARDING THE DEFERRED TAX TAX

There are unrecognized deferred tax receivables related to financial instruments for which the impairment loss was not deductible during 2010.

Unrecognized deferred income tax liabilities

	Jun-20	Dec-19
Differences from revaluation of fixed assets	3.524.052	3.524.052
	3.524.052	3.524.052
Income tax rate	16%	16%
Unrecognized deferred tax receivables	563.848	563.848

Recognized deferred income tax receivables and payables

The company has to recover a cumulative fiscal loss of RON 28,007 thousand . Tax losses can be recovered in a period of 7 years. It cannot be expected, for the time being, that the deductible differences will cover the tax loss. As a result, no deferred tax receivables and payables were recognized.

17. CASH AND EQUIVALENTS

In RON

	Jun-20	Dec-19
Client accounts	42.628.002	53.626.771
Cash and equivalents	8.671.481	1.240.115
Balance – June 30th 2020	51.299.482	54.866.885

Cash position and cash equivalents also include short-term deposits.

The balances of the clients in bank accounts are highlighted and managed separately from those of the company and can be used based on the trading orders given by the clients.

The Group has performed an analysis on the calculation of cash depreciation and cash equivalents according to IFRS 9 and considers that the resulting impact is insignificant in the financial statements as a whole.

18. EQUITY AND RESERVES

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

<i>In RON</i>	Share capital value	No. shares	Nominal value / share
Jan 1 st 2019	54.039.987	54.039.987	0,16
Dec 31 st 2019	54.039.987	54.039.987	0,16
Jan 1 st 2020	54.039.987	54.039.987	0,16
Jun 30 th 2020	54.039.987	54.039.987	0,16

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

18. EQUITY AND RESERVES (continued)

In the first semester of 2020 there were no changes in the share capital or the number of shares issued.

The company's own shares as of June 30, 2020 are 319,967 shares.

<i>In RON</i>	Jun-20	Dec-19
Share capital	54.039.987	54.039.987
Adjustment of share capital	4.071.591	4.071.591
Own shares	(24.047)	(24.047)
Premiums	5.355	5.355
Total	58.092.886	58.092.886

19. RESERVES AND RE-EVALUATION DIFFERENCES

<i>In RON</i>	Jun-20	Dec-19
Differences from the revaluation of tangible assets	3.524.052	3.524.052
legal and statutory reserves	4.995.526	4.995.526
Fair value reserves	-	3.623.734
Other reserves	2.748.760	2.748.760
-Of which IAS 29 (adjusted for inflation)	2.748.760	2.748.760
Reserves related to own shares	-	-
Total reserves and re-valuation differences	11.268.338	11.268.338

Re-evaluation differences

The revaluation differences did not change during the first half of 2020.

Legal reserves

The legal reserves represent the amounts constituted annually from the gross profit in the quota of 5%, until reaching the level of 20% of the share capital, recognized as a deduction when calculating the profit tax. This is a tax facility.

Fair value reserves

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

As a result of the transition to IFRS 9, the fair value reserve was transferred to retained earnings.

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

No dividends were paid to shareholders during the first half of 2020.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

20. REPORTED RESULT

<i>In RON</i>	Jun-20	Dec-19
Profit carried forward from the transition to IFRS	2.713.367	2.713.367
Retained earnings from the application of IFRS 9	3.392.306	-
IAS 29 reported result	(6.880.234)	(6.880.234)
Result carried forward from the recycling of the current results of previous periods	(4.173.239)	(11.918.587)
Current result	(6.424.942)	7.745.366
Total reported result	(11.372.742)	(4.947.786)

Result carried forward by transition to IFRS

The result carried forward on the transition to IFRS comes from 2008.
The reported result from the application of IFRS9 comes from 2018.

IAS29 reported result

The financial statements and the corresponding amounts of previous periods have been restated to reflect the change in the general purchasing power of the functional currency and, consequently, are expressed in relation to the unit of measurement existing at the end of the reporting period. This capital position includes the influence of the retraction of the share capital to inflation for the period 1994 - 2002.

The applied inflation index recorded the following values in the updated period:

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

Following the application of these updates, the following values were registered:

Account	Debit	Credit
Share capital adjustments	-	4.071.591
Re-evaluation reserves*	-	59.884
Other reserves**	-	2.748.760
Result carried over from the first adoption of IAS 29	6.880.234	-
Total	6.880.234	6.880.234

* corporation of revaluation reserves in 2011.

** Incorporation of reserves from 2007 on the occasion of the absorption of SC Investco.

21. COMMERCIAL AND OTHER LIABILITIES

<i>In RON</i>	Jun-20	Dec-19
Commercial liabilities	615.085	460.915
Liabilities towards the employees	258.069	293.676
State budget liabilities	226.127	178.253
Various creditors result from house transactions	1.457.645	872.784
Various creditors result from customer transactions	1.211.846	10.237.065
Various creditors results from structured products	1.582.819	434.650
Dividends to be paid	860	-
Total commercial and other liabilities	5.352.451	12.477.343

21. COMMERCIAL AND OTHER LIABILITIES

The various creditors represent settlements with the Bucharest Stock Exchange being settled, within the time interval from the execution of the transactions on behalf of the entity and / or of 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.

22. BORROWINGS

The situation of the loans contracted by the Company is as follows:

<i>In RON</i>	Jun-20	Dec-19
Long-term liabilities		
Liabilities related to financial leasing	-	-
	-	-
Short-term liabilities	Iunie-20	Dec-19
Credit lines	1.414.413	4.187.543
Current portion of financial leasing liabilities	13.813	28.639
Total short-term liabilities	1.428.226	4.216.182

During the first half of 2020, no new leasing contracts were contracted, and the credit line extended for 12 months at the beginning of December 2019. The credit line was guaranteed with the following real estate assets:

No.	Pledged real estate	Category	Value in EUR	Value in RON
1	Apartment in Suceava Bucharest Bocsa	fixed assets in operation	38.400	176.517
2	building	fixed assets in operation	157.000	721.698
3	Building Cluj- Motilor	fixed assets in operation	1.032.700	4.747.115
4	Apartment Iasi	fixed assets in operation	41.000	188.469
5	Building Cluj - Einstein	Investment property	170.100	781.916
	Total		1.439.200	6.615.715

22.LIABILITIES (continuation)

The amounts due to the clients, in fact, represent the amounts advanced by them in the bank accounts on the internal market or in the accounts held with external brokers that are available either for carrying out transactions or for withdrawals depending on the future options of the clients. Their origin is as follows:

<i>In RON</i>	Jun-20	Dec-19
Amounts owed to customers		
Creditors from domestic transactions	42.952.019	50.328.348
Crediting customers from transactions on foreign markets	69.821.568	10.616.746
Crediting clients from corporate services	152.508	-
	112.926.096	60.945.094

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

23. PROVISIONS FOR RISKS AND EXPENSES

<i>In RON</i>	Jun-20	Dec-19
Provisions		
Balance Jan 1st	149.249	450.182
Canceled during the period	-	300.933
Formed during the period	-	-
Balance Jun 30th	149.249	149.249

During the first half of 2020, no provision for litigation was resumed.

24. OTHER CONTINGENT LIABILITIES

Exista pe rol litigii la care probabilitatea de a produce iesiri de numerar este redusa sau nu se poate aproxima suma datoriei si pentru care nu s-au constituit provizioane.

25. OPERATING INCOME

<i>In RON</i>	Continuing operations Jun-20	Continuing operations Jun-19	Discontinued operations		Jun-20	Total Jun-19
			Jun-20	Jun-19		
Commissions from the domestic market	1.644.104	964.247	-	-	1.644.104	964.247
Commissions from the foreign markets	1.463.575	268.643	-	-	1.463.575	268.643
Income from related activities	533.393	37.234	-	-	533.393	37.234
Income from insurance intermediation	1.675.999	1.430.374	-	-	1.675.999	1.430.374
Income from the administration of funds	1.644.104	964.247	-	-	1.644.104	964.247
Subtotal income from commissions and related activities	5.317.070	2.700.498	-	-	5.317.070	2.700.498
Income from renting fixed assets	31.440	5.681	-	-	31.440	5.681
Other operating income	272.612	517.698	-	-	272.612	517.698
Total income	5.621.122	3.223.877	-	-	5.621.122	3.223.877

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

In order to diversify the revenues from commissions, the aim was to permanently widen the range of products and the markets on which the transactions are carried out. The level of commissions collected for the operations carried out by the Company also included commissions related to operations on foreign markets, as presented above.

Clients are generally assigned to a broker, with the possibility of performing operations both traditionally and online.

Fee income also includes transactions for other non-banking financial institutions, called custodian contracts, for which the group collects transaction fees, but sales and purchase funds do not transit the company's accounts, but are settled through the custodian's accounts.

26. OTHER INCOME

Starting with July 2018, the company chose to charge an additional commission for the clients' accounts that have not had turnover in the last 3 months. These amounts can be found under Other operating income in the table above.

27. PERSONNEL EXPENSES

<i>In RON</i>	Jun-20	Jun-19
Expenses with staff and collaborators	(1.995.983)	(2.215.251)
Expenses with contributions and compulsory social insurance	(725.160)	(949.722)
Profit participation of staff	-	-
Expenses with allowances for CA members	(207.411)	(84.749)
Profit participation of CA members	-	-
Total expenses with salaries in the comprehensive income statement	(2.928.554)	(3.249.722)

The remuneration of the general managers is established by the Decision of the Board of Directors of the Company.

During the first semester of 2020, the management of the company was ensured by the General Manager in the person of Mrs. Monica Ivan and by the Deputy General Manager in the person of Mr. Razvan Rat.

28. OTHER OPERATING EXPENSES

Alte cheltuieli operationale includ cheltuieli cu materii prime si materiale, cheltuieli cu energia si apa si cheltuieli cu impozite si taxe :

<i>In RON</i>	Jun-20	Jun-19
Expenditures on raw materials, materials	(104.565)	(64.102)
Energy and water expenses	(79.982)	(75.264)
Expenses with taxes and fees	(117.670)	(116.781)
Total	(302.218)	(256.147)

29. OTHER EXPENSES

<i>In RON</i>	Jun-20	Jun-19
Expenses with compensations, fines, penalties	(5.382)	(1.673)
Expenses with donations granted	-	-
Other operating expenses	(23.711)	(5.116)
Total	(29.093)	(6.789)

Within the Expenses with compensations and fines during the year 2020, an insignificant amount was registered in the amount of RON 5,382.

30. FINANCIAL INCOME AND EXPENSES

<i>in RON</i>	Jun-20	Jun-19
Net gains / losses from trading financial assets at fair value through profit or loss	(7.890.603)	7.655.007
Net gains / losses from the measurement of financial assets measured at fair value through profit or loss	(1.145.298)	2.309.121
Net gains from trading Turbo certificates	1.758.564	363.558

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

Dividend income:	1.808.844	888.556
Related to available-for-sale financial assets	-	-
Related to financial assets at fair value through profit or loss	1.808.844	888.556
Total trading income	(5.468.492)	11.216.241
Total net changes in the fair value of financial assets at fair value through profit or loss, of which:	-	-
Interest income on deposits	565.250	316.841
Interest income related to margin contracts and loan contracts	423.140	362.490
Interest income / coupons related to holding bonds	124	332.935
Net gain from exchange rate differences	-	-
Other net financial income	-	-
Total financial income	(4.479.979)	12.228.508
Losses from transactions with derivative products - international markets	-	-
Total trading expenses	-	-
Expenses from permanent loss of value of securities available for sale	-	-
Interest expense on financial liabilities measured at amortized cost	(171.509)	(151.135)
Total financial expenses	(171.509)	(151.135)
Net financial result recognized in the income statement	(4.651.487)	12.077.373
Recognized for other elements of the overall result		
<i>In RON</i>		
Detailed on the next page	-	-
Recognized in other elements of comprehensive income in RON		
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	-
related to outstanding securities at the end of the period	-	-
Financial income recognized in other comprehensive income after tax	-	-

30. FINANCIAL INCOME AND EXPENSES

Following the adoption of IFRS 9 as of January 1, 2018, the group changed its accounting policy, classifying all investments in the portfolio at fair value through profit or loss, as a result, in 2018, all changes in fair value were recorded in the income statement or loss. Prior to January 1, 2018, only financial instruments held for trading, as well as investments in subsidiaries and associates, were classified and measured as fair value financial assets through profit or loss, the remaining investments were classified as available-for-sale financial assets and measured at fair value through other items of equity. Unrealized net gains / (losses) from the measurement of investments at fair value through profit or loss for the financial year ended 30 June 2020 were mainly generated by the net change in the fair value of financial instruments that are part of the trading book for which The company analyzed the sales opportunities.

Net gains / (losses) from trading financial assets recorded at fair value through profit or loss account represent income from the disposal of securities less the value of costs for those securities, for transactions for which this difference is positive.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

Dividend income is recognized in profit or loss at net worth.

In RON

	Jun-20	Jun-19
TOTAL	1.808.844	888.556

31. PROFIT TAX EXPENSES

Reconciliation of the effective tax rate

In RON

	Jun- 2020	Jun- 2019
Profit for the period	(6.797.412)	9.066.795
Total income tax expense	0	0
Profit before tax (including discontinued operations)	(6.797.412)	9.066.795
Income tax rate	16%	16%
Profit tax calculated by applying the tax rate to the accounting profit	(1.027.991)	1.304.483
The influence of non-deductible expenses	313.880	543.255
The influence of non-taxable income	(678.924)	(260.493)
The influence of expenses resulting from restatement on IFRS not taken into account when calculating the profit tax	-	-
Cumulative tax losses	8.706.464	18.892.944
The influence of fiscal losses of previous periods	(1.393.034)	(3.022.871)
Total income tax expense calculated according to the tax rate	5.920.395	17.457.318
Unrecorded income tax expense for negative amounts	(5.920.395)	(17.457.318)
Final income tax expense	-	-
Final profit tax rate	-	-

32. EARNINGS PER SHARE

Basic earnings per share

The calculation of the result per basic share as of June 30, 2020 is based on the profit attributable to the shareholders (totally ordinary shareholders) and the average number of ordinary shares in circulation of 337,749,919 shares. As of JUNE 30, 2020, the average number of ordinary shares outstanding was the same, of 337,749,919 shares.

Profit attributable to ordinary shareholders

	Jun-20	Jun-19
Profit attributable to:		
Shareholders	(6.796.052)	9.064.982
Non-controlling interest	(1.359)	1.813
Profit for the period	(6.797.412)	9.066.795
Comprehensive income attributable:		
Shareholders	(6.796.052)	9.064.982
Non-controlling interest	(1.359)	1.813

Total comprehensive income for the period		(6.797.412)	9.066.795
Earnings per share			
Basic earnings per share (RON)	24	(0,0201)	0,0268
Diluted earnings per share (RON)	24	(0,0201)	0,0268
Continuing operations			
Basic earnings per share (RON)		(0,0201)	0,0268
Diluted earnings per share (RON)		(0,0201)	0,0268

32. EARNINGS PER SHARE (continued)

The result presented is after the calculation of the profit tax.

	Jun- 2020	Jun- 2019
Loss attributed to:		
Shareholders	(6.796.052)	9.064.982
Non-controlling interests	(1.359)	1.813
Loss for the period	(6.797.412)	9.066.795
Total comprehensive loss attributed to:		
Shareholders	(6.796.052)	9.064.982
Non-controlling interests	(1.359)	1.813
Total comprehensive income for the period	(6.797.412)	9.066.795
Earnings per share		
Basic earnings per share (RON)	(0,0201)	0,0268
Diluted earnings per share (RON)	(0,0201)	0,0268
Continuing operations		
Basic earnings per share (RON)	(0,0201)	0,0268
Diluted earnings per share (RON)	(0,0201)	0,0268

Weighted average number of ordinary shares

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

Year	2020	2019	2018	2017	2016
Number of shares	337.749.919	337.749.919	337.749.919	337.749.919	337.749.919

33. FAIR VALUE OF HIERARCHY

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

- **Stage 1:** quoted (unadjusted) prices on active markets. For securities at fair value through profit or loss, the price is the one from the end of the period, from the last trading day.
- **Stage 2:** Input data, other than quoted prices included in Level 1. This includes quoted securities 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 Level 2 input data must contain observable values over the entire period of the asset or liability. Examples: quoted prices for assets or similar liabilities in active markets, quoted prices for identical or similar products in non-active markets, observable values other than quoted prices such as: interest rates, volatility, other input corroborated by on market.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

- **Stage 3:** Input data, 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 indirectly (ex: derived from prices). The fair value for these securities was determined either by applying the DDM (Dividend Discount Model), by applying the DCF (Discounted Cash Flows) method, or by the asset-based method, as presented in the Company's accounting policies.

33. FAIR VALUE OF HIERARCHY (continued)

In RON June 30th 2020	Stage 1 A Stage 1 B	Stage 2 A Stage 2	Stage 3a Stage 3	Total
Financial assets at fair value through profit or loss of which:	12.454.086	9.869.048	20.248.698	42.571.832
Listed shares	9.256.040	5.297.389	-	14.553.429
Listed fund units	431.300	-	-	431.300
Unlisted fund units	1.368.500	4.571.659	3.016.188	8.956.347
Listed bonds	1.398.246	-	-	1.398.246
Unlisted bonds	-	-	92.436	92.436
Unlisted shares	-	-	9.083.754	9.083.754
Structured products	-	-	-	-
Loans and advances granted	-	-	8.056.320	8.056.320
Derivative financial instruments, such as financial assets	-	-	-	-
Other financial instruments	-	-	-	-
TOTAL	12.454.086	9.869.048	20.248.698	42.571.832

In RON December 31st 2019	Stage 1 A Stage 1 B	Stage 2 A Stage 2	Stage 3a Stage 3	Total
Financial assets at fair value through profit or loss of which:	24.031.342	10.869.391	18.679.243	53.579.976
Listed shares	18.751.086	6.120.536	-	24.871.622
Listed fund units	566.500	-	-	566.500
Unlisted fund units	1.346.552	4.748.855	3.030.276	9.125.683
Listed bonds	1.613.030	-	-	1.613.030
Unlisted bonds	-	-	106.905	106.905
Unlisted shares	-	-	3.057.124	3.057.124
Structured products	-	-	-	-
Loans and advances granted	-	-	12.484.938	12.484.938
Derivative financial instruments, such as financial assets	0	-	-	0
Other financial instruments	1.754.174	-	-	1.754.174
TOTAL	24.031.342	10.869.391	18.679.243	53.579.976

33. FAIR VALUE OF HIERARCHY (continued)

The table below shows the change in the carrying amount of investments classified in Level 3 of the fair value hierarchy in June 2020 and 2019:

Change in the level 3 fair value

In RON

	Jun_20	Dec_19
At Jan 1 st	23.834.175	16.479.090
Total gain / loss recognized in the income statement	468.372	3.205.416
Total gain / loss recognized in other comprehensive income		-
Acquisitions during the period (*)		30.000
Sales during the period (**)	4.053.849	(2.984.054)
Transfers in level 3 of the fair value hierarchy (***)		7.103.723
On December 31	20.248.698	23.834.175

(*) Represents the acquisition of a package of shares in the company Firebyte SA

(***) In level 3 of the fair value hierarchy were included the Loans granted to affiliated parties and customers who have margin loans, their value on 30.06.2020 was RON 7,264,232.

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

33. FAIR VALUE OF HIERARCHY (continued)

The valuation methods for Tier 3 financial assets are set out below:

No.	Financial assets	Fair value Jun 30th 2020	Valuation method	Unobservable input data, value ranges	The relationship between unobservable input data and fair value
1	Unlisted majority stake	6.105.300	The income approach - the discounted cash flow method	Weighted average cost of capital: 11.39% Long-term revenue growth rate: 2.6%	The lower the weighted average cost of capital, the higher the fair value The higher the long-term income growth rate, the higher the fair value
2	Unlisted majority stake	-	The income approach - the discounted cash flow method	Weighted average cost of capital: 12.75% Discount for lack of liquidity: 15.60% Long-term revenue growth rate: 1.30%	he lower the weighted average cost of capital, the higher the fair value The lower the weighted average cost of capital, the higher the fair value The higher the long-term income growth rate, the higher the fair value
3	Unlisted minority stake	539.393	Cost approach - adjusted net asset method	Market value of equity in relation to their carrying amount: Weighted average cost of capital: 10.50%	The carrying amount is identified by equity. The lower the resulting price / carrying amount, the lower the fair value. The lower the weighted average cost of capital, the higher the fair value
4	Unlisted minority stake	7.785.508	The income approach - the discounted cash flow method	Discount for lack of control: 10% Long-term revenue growth rate: 2%	The lower the discount for lack of control, the higher the fair value The higher the long-term income growth rate, the higher the fair value
5	Unlisted bonds	6.138	The amortized cost approach - estimated fair value	Annual cash flow discount rate (IRR): 8.23%	The lower the cash flow discount rate, the higher the fair value
6	Loans and advances granted	7.264.232	The income approach - the discounted cash flow method		
7	Unlisted fund units: Smart Money	2.601.976	Cost approach - adjusted net asset method		
Total		20.248.698			

SSIF BRK FINANCIAL GROUP SA
Notes to the financial statements - IFRS

33. FAIR VALUE OF HIERARCHY (continued)

No.	Financial assets	Fair value Dec 31st 2019	Valuation method	Unobservable input data, value ranges	The relationship between unobservable input data and fair value
1	Unlisted majority stake	6.105.300	The income approach - the discounted cash flow method	Weighted average cost of capital: 11.39%	The lower the weighted average cost of capital, the higher the fair value
				Long-term revenue growth rate: 2.6%	The higher the long-term income growth rate, the higher the fair value
2	Unlisted majority stake	-	The income approach - the discounted cash flow method	Weighted average cost of capital: 12.75%	The lower the weighted average cost of capital, the higher the fair value
				Discount for lack of liquidity: 15.60%	The higher the long-term income growth rate, the higher the fair value
				Long-term revenue growth rate: 1.30%	The higher the long-term income growth rate, the higher the fair value
3	Unlisted minority stake	539.393	Cost approach - adjusted net asset method	Market value of equity in relation to their carrying amount:	The carrying amount is identified by equity. The lower the resulting price / carrying amount, the lower the fair value.
4	Unlisted minority stake	2.375.978	The income approach - the discounted cash flow method	Weighted average cost of capital: 10.50%	The lower the weighted average cost of capital, the higher the fair value
				Discount for lack of control: 10%	The lower the discount for lack of control, the higher the fair value
				Long-term revenue growth rate: 2%	The lower the weighted average cost of capital, the higher the fair value
5	Unlisted bonds	6.138	The amortized cost approach - estimated fair value	Annual cash flow discount rate (IRR): 8.23%	The lower the discount for lack of control, the higher the fair value
6	Loans and advances granted	12.111.428	The income approach - the discounted cash flow method		
7	Unlisted fund units: Smart Money	2.716.064	Cost approach - adjusted net asset method		
	Total	23.854.302			

33. FAIR VALUE OF HIERARCHY (continued)

Price / Book value: the indicator measures a company's market price relative to equity (net assets). This indicator reflects the ratio that investors are willing to pay for the value of the net asset per share. The P / BV indicator varies significantly depending on the sector of activity.

A company that requires more assets (for example, a production company with manufacturing space and equipment) will generally have a Price / Value indicator of equity, significantly lower than a company whose income comes from the activity of providing services (e.g. a consulting company).

Weighted average cost of capital: represents the cost of capital of the company in nominal terms (including inflation), based on the "Capital Asset Pricing Model". All sources of capital - shares, bonds and other long-term debt - are included in the calculation of the weighted average cost of capital.

Lack of control: represents the discount applied to reflect the absence of control and is used in the discounted cash flow method to determine the value of the minority interest in the capital of the assessed company.

Discount for illiquidity: represents the discount applied to comparable market multiples, in order to reflect the liquidity differences between the company in the portfolio subject to valuation and the comparable companies considered. The evaluators estimate the discount for the lack of liquidity based on professional judgment, taking into account the market conditions regarding liquidity and the specific factors of the evaluated company.

34. AFFILIATED PARTIES

Benefits of key management staff

Transactions with related parties, in the form of key management personnel, are limited to the benefits granted to the members of the Board of Directors and the members of the executive management, which were presented in the note Expenses with staff.

Investments in associated entities

Note 18 Investments in associates in these financial statements presents all associates, as well as the transactions that took place with them during the period.

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Administrator's report

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Contents

The important events that took place during the first 6 months of the financial year are as follows, in chronological order.....3

Events after the reporting period, listed chronologically4

Economic and financial situation.....5

Presentation and analysis of trends6

Changes affecting the issuer's capital and administration7

The important events that took place during the first 6 months of the financial year are as follows, in chronological order:

- January 14, 2020 - The company publishes the financial communication calendar for 2020
- January 21, 2020 - BRK Financial Group converts the loans and interest calculated on time granted to Romlogic Technology S.A. into shares, as a result of which the company acquires a number of 540,953 shares issued by Romlogic Technology S.A., with a nominal value of RON 10 / share
- January 27, 2020 - The Board of Directors approves the basic annual prospectus in connection with the structured product issuance program.
- January 31, 2020 - BRK Financial Group SA informs that the sentence expressed in file no. Was published on the court portal. 1034/90/2014 / a13 by the Pitești Court of Appeal.
- January 31, 2020 - The company publishes the report prepared by the financial auditor JPA Audit & Consultanța SRL.
- February 10, 2020 - BRK Financial Group SA concludes a contract for providing market making quotations for the issuer Medlife SA.
- February 12, 2020 - BRK Financial Group SA concludes a contract for the supply of market making quotations for the issuer Teraplast SA.
- February 27, 2020 - BRK Financial Group SA informs about the availability of the Preliminary Annual Report as of December 31, 2019.
- February 28, 2020 - The company publishes the preliminary financial results on December 31, 2019.
- March 2, 2020 - BRK Financial Group concludes a loan agreement with S.C. Firebyte Games SA, in the amount of RON 500,000 at an interest rate of 9% / year, with a repayment deadline of November 30, 2020.
- March 10, 2020 - BRK Financial Group SA concludes a contract for the supply of market making quotations for the shares of the issuer Nuclearelectrica SA.
- March 13, 2020 - BRK Financial Group SA informs about the lifting of the insurance seizure instituted by the Public Ministry - the Prosecutor's Office attached to the High Court of Cassation and Justice - D.I.I.C.O.T. Central Structure in the criminal investigation file with no. 394 / D / P / 2007 on 25.09.2015. On March 13, 2020, the company was informed about the lifting of the insurance seizure for the amount of RON 4,980,779.61.
- March 17, 2020 - The company informs on the measures to ensure the continuity of activity in the context of COVID-19.
- March 20, 2020 - The company suspends the provision of market maker quotations for the following financial instruments: AAGES (AAG), MedLife (M), TeraPlast (TRP) and Nuclearelectrica (SNN) until the President of Romania lifts the state of emergency on the national territory.
- March 25, 2020 - In the context of combating the COVID-19 epidemic, the administrators and executive management of SSIF BRK Financial Group SA agree to waive 12-25% of the allowances for a period of 3 months.

- March 26, 2020 - The OGMS and EGMS were convened for April 27/28, 2020.
- March 30, 2020 - The Company enters into a loan agreement with S.C. Romlogic Technology S.A., in the amount of RON 315,000 with an interest rate of 10% / year, having a repayment deadline of March 31, 2021.
- April 13, 2020 - The Company informs about the completion of the convening of the Ordinary General Meeting of Shareholders for April 27/28, 2020.
- April 13, 2020 - BRK Financial Group SA informs investors about taking several legal steps in order to reduce the possible risks. On 10.04.2020, the Cluj Court ruled in the file no. 6249/211/2020 / A1 and ordered the temporary suspension of the execution, ordered in the file no. 1034-1090 / 2014 / A13.
- April 14, 2020 - BRK Financial Group SA recommends its shareholders to use electronic means at a distance, including voting by mail, regarding the Extraordinary General Meeting of Shareholders (EGMS) and, respectively, the Ordinary General Meeting of Shareholders (OGMS) convened for of 27 / 28.04.2020.
- April 27, 2020 - Development of the OGMS and EGMS
- April 27, 2020 - Publication of the OGMS and EGMS decisions held on April 27, 2020.
- April 27, 2020 - SSIF BRK Financial Group published the Annual Report for 2019
- April 29, 2020 - BRK Financial Group concludes an addendum to the credit agreement with Libra Internet Bank SA. Following the repayment of the amount of RON 2,914,445, the value of the loan is RON 3,927,327 and the other elements of the credit agreement remaining unchanged.
- May 14, 2020 - The Company informs about the availability of the quarterly financial report as of March 31, 2020.
- May 15, 2020 - BRK Financial Group SA publishes the quarterly financial report as of March 31, 2020
- May 21, 2020 - BRK Financial Group informs investors about the approval by the Financial Supervisory Authority, on May 20, 2020, of the Basic Prospectus in connection with the Structured Products Issue Program and the issuance of the Certificate certifying the approval of the Basic Prospectus for its notification to the competent authorities of Austria, Hungary and Poland.

Events after the reporting period, listed chronologically

- July 28, 2020 - BRK Financial Group concludes a loan agreement with S.C. Firebyte Games SA, in the amount of RON 480,000 with an interest rate of 9% / year, with a repayment deadline of June 30, 2021.
- July 31, 2020 - BRK Financial Group S.A. publishes the report prepared by the financial auditor JPA Audit & Consultanta SRL regarding the analysis of the reported transactions according to Art. 82 of Law no. 24/2017.
- August 13, 2020 - The Company informs about the availability of the half-yearly financial report as of June 30, 2020

SSIF BRK FINANCIAL GROUP SA
Administrator's report

- September 7, 2020 - Acquisition of Romlogic SA shares: 455,521 shares with a nominal value of RON 10 per share
- October 2, 2020 - Authorization of Mr. Rober-Iulian Danila and Mr. Gabriel Goia by FSA in order to amend the board of directors
- November 13, 2020 - publication of the report for Q3 2020
- November 23, 2020 - Loan to GoCab Software in the amount of RON 200,000.

During the first 6 months of 2020, there were 3 transactions between the affiliated parties, namely, a loan of RON 500,000 granted to RomLogic SA, a loan granted to FireByte Games of RON 980,000 and a loan granted to GoCab Software in the amount of RON 650,000. Moreover, the table below represents other transactions between the affiliated parties during this period. We mention that the transactions between the affiliated parties were made at market value.

Name	Transaction
SAI Broker SA	<ul style="list-style-type: none"> - Income from intermediation commissions (RON 835) - Revenues from distribution and intermediation commissions (RON 1852) - Rental income (RON 25,650) - Income from related dividends (RON 1.5 million)
Romlogic Technology SA	<ul style="list-style-type: none"> - Income from related interests (RON 291,087) - Conversion of loans into share capital (RON 9.56 million)
Firebyte Games SA	<ul style="list-style-type: none"> - Income from related interests (RON 291,087) - Conversion of loans into share capital (RON 9.56 million)
GoCab	<ul style="list-style-type: none"> - Interest income (RON 64,516)

Economic and financial situation:

RON	H1 2019	H1 2020	%
Financial assets at fair value through profit or loss	29,141,637	37,501,473	29%
Other financial assets	9,373,258	76,411,817	715%
Bank account for customers	44,593,014	42,628,002	-4%
Cash and cash equivalents	11,050,557	8,187,162	-26%
Total current assets	94,944,712	165,757,592	75%
Long-term liabilities	50,570	0	-100%
Bank liabilities	0	1,414,413	

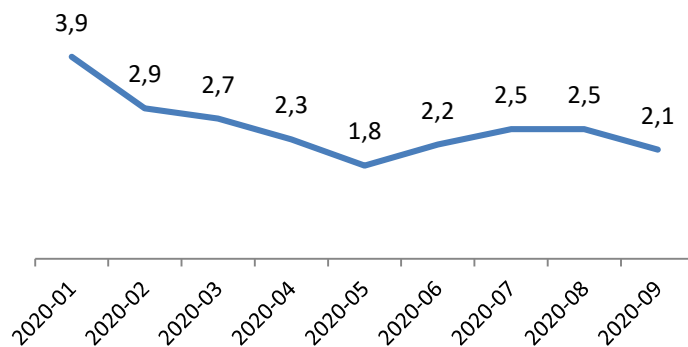
	H1 2019	H1 2020	%
Income from commissions	1,271,107	3,642,609	187%
Dividend income	888,556	1,808,844	104%
Interest income	1,012,266	988,514	-2%
Total income from continuing activities	14,027,285	-528,152	104%

	H1 2019	H1 2020	%
Net cash flow generated from financing activities	-1,679,822	-2,773,130	65%
Cash flows - total	15,138,175	-3,592,542	-124%

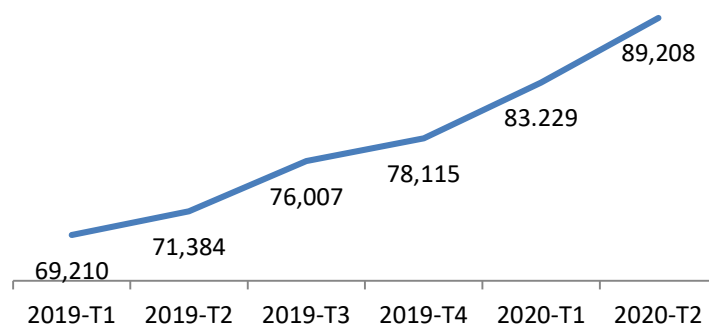
Presentation and analysis of trends

The factors that could affect the issuer's liquidity are represented by the macroeconomic aspects of Romania, namely the categorization to a rating below BBB-, the degree of indebtedness of the country. In addition to these aspects, other factors that may affect liquidity are the potential systemic shocks at the level of the financial sector, the impossibility of recovering receivables and the decrease of the activity on the 3 operational segments of the company.

Inflation rate evolution in Romania:



Public debt (mn EUR)



SSIF BRK FINANCIAL GROUP SA
Administrator's report

	H1 2019	H1 2020	%
Personnel	2,685,706	2,241,367	17%
Expenditures on external services	1,821,023	2,738,321	50%
Total expenses	5,351,469	5,896,790	10%

Changes affecting the issuer's capital and administration:

	H1 2019	H1 2020	%
Cash payment for real estate investments and acquisitions of fixed assets	9,520	36,718	286%



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