

Individual Financial Statements

1Q 2022

Message from the CEO

Dear shareholders,

BRK Financial Group publishes today the financial results for the first quarter of 2022 and we continue our tradition of explaining in detail the achievements of the business segments. We report a loss of **RON2.8 million** (Q1/2021: + RON10.7M), composed of the profit of the core activities of + RON1.13M (Q1/2021: + RON609K) and a loss of RON3.93M (Q1/2021: RON10.4M) related to own account operations.

We mention that the result of the **operations on own account** is affected to the greatest extent by the effect of the revaluation (marking on the market) of the positions in the portfolio (RON-2.7M net result of the revaluation) as well as of the closed transactions at loss (RON816k), at which adds the costs of financing and exchange rate differences.

Regarding the **core operations**, seen in all 4 sub-segments, we report a result of RON+1.13M, increasing by 86% compared to the first quarter of the previous year (RON+609k). **Revenues from intermediation of transactions at BVB** were of RON3.32M, increasing by 32% compared to the same period of the previous year, amid increasing intermediation volumes (RON1.04 billion, market share 8.24% in Q1 / 2022 compared with RON619 million and a market share of 6.22% in Q1/2021). **The Corporate** segment had residual revenues in this first quarter (RON18k), due to the reluctance of investors towards potential issuers, in the context of geopolitical developments that overlapped with the first three months of 2022.

The revenues of the **market making segment** increased from RON1.44M in Q1/2021 to RON2.43M in Q1/2022 (+66%), an increase to which both the “**Issuance and trading of structured products**” sub-segment contributed, where the net gains increased by 26%, from RON1.01M in Q1/2021 to RON1.28M in Q1/2022, as well as **Revenues from market making services provided to issuers**. The latter amounted to RON1.14M (compared to RON428k in Q1/2021), the increase being explained primarily by the incidence of revenues from issuers with which BRK concluded collaborations after 01.04.2021, and in secondly, by the newly concluded contracts in the first 3 months of 2022. At the same time, we consider that we need to clarify that these revenues refer strictly to the amount invoiced, not to the result of transactions in these types of operations, which was (significant) negative, in line with market evolution and volatility.

Monica IVAN,

CEO

Individual Statement of Financial Position on 31.03.2022

In RON

Assets

	31.03.2022	31.12.2021
Intangible assets	213,029	304,263
Tangible fixed assets	9,133,455	9,062,918
Real estate investments	-	-
Financial assets measured at fair value through other comprehensive income	50,026,332	42,044,539
Financial assets measured at fair value through profit or loss	48,311,960	59,659,013
Financial assets at amortized cost	-	-
Loans and advances granted	7,151,783	8,588,612
Trade and other receivables	1,890,968	1,390,340
Other financial assets	65,260,890	63,751,161
Client bank accounts	73,307,967	63,316,765
Cash and cash equivalents	2,484,282	881,285
Assets classified as held for sale	-	-
Total assets	257,780,667	248,998,896

Liabilities

Bond Loans	24,335,712	24,303,570
Financial leasing liabilities	500,714	515,978
Provisions	-	-
Total non-current liabilities	24,836,426	24,819,548

Interest on bonds	220,852	221,666
Deferred income tax liabilities	978,691	978,691
Current income tax liabilities	0	558,690
Short-term bank debt	1,284,239	5,041,915
Current part of financial leasing liabilities	145,580	161,953
Amounts due to customers	121,441,415	115,962,249
Trade and other payables	22,911,764	10,804,516
Provisions	830,800	1,022,068
Total current liabilities	147,813,342	134,751,748
Total liabilities	172,649,768	159,571,296

Equity

Share capital	54,039,987	54,039,987
Share capital adjustment	4,071,591	4,071,591
Own shares	(921,675)	(24,047)
Share premiums	5,355	5,355
Reserves from the revaluation of financial assets measured at fair value through other comprehensive income	(837,178)	(239,980)
Other reserves	13,574,706	13,608,320
Total reserves	12,737,528	13,368,340
The current result	(2,801,875)	22,000,682
Retained earnings	17,999,988	(4,034,307)
Total equity attributable to the Company's shareholders	85,130,899	89,427,600
Total equity and liabilities	257,780,667	248,998,896

Individual Statement of Comprehensive Income on 31.03.2022

<i>In RON</i>	31.03.2022	31.03.2021
Core activity		
Intermediation activity	<u>3,328,996</u>	<u>2,516,082</u>
Commission income from intermediation	2,921,928	2,126,638
Income from corporate services	18,366	175,512
Other intermediation income	388,702	213,933
Market making activity	<u>2,434,351</u>	<u>1,443,951</u>
Net gains from transactions with structured products	1,286,775	1,015,059
Revenues from market making services provided to issuers	1,147,577	428,892
Other operating income	3,329	13,492
Total operating expenses	<u>(4,631,377)</u>	<u>(3,364,303)</u>
Salary expenses and employee benefits	(1,792,984)	(1,319,591)
Market commissions and intermediary expenses	(1,315,490)	(918,670)
Expenditures on external services	(487,576)	(531,177)
Expenses with collaborators	(98,007)	(135,702)
Other expenses	(645,754)	(228,052)
Depreciation and amortization	(291,566)	(231,111)
Profit / (loss) from core activities	<u>1,135,300</u>	<u>609,224</u>
Net gains / (losses) realized from financial instruments	<u>(816,495)</u>	<u>1,672,069</u>
Dividend income	-	76,417
Income from transactions with shares and bonds	1,209,628	1,859,480
Losses from transactions with shares and bonds	(2,026,123)	(263,828)
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	<u>(2,686,166)</u>	<u>8,286,207</u>
Income from the valuation of financial assets measured at fair value through profit or loss	2,950,152	9,745,422
Losses from the measurement of financial assets measured at fair value through profit or loss	(5,636,318)	(1,459,215)
Net income / (expenses) provisions for financial assets	=	<u>(15,000)</u>
Revenue cancellation of provisions for fixed financial assets	-	300,000
Provisions for fixed assets. financial assets	-	(315,000)
Other net income / (expenses) from interest and exchange rate differences	<u>(472,844)</u>	<u>408,051</u>
Interest income on loans and bonds	66,010	88,644
Interest income on margin loans	84,483	62,894
Other interest income	10,755	6,680
Interest expenses	(571,827)	(21,904)
(Expenses) / Income from exchange rate differences	(62,264)	271,738
Net income / (expenses) provisions for risks and expenses	<u>191,268</u>	<u>30,513</u>
Expenses with provisions for risks and expenses	-	-
Provisional cancellation income for risks and expenses	191,268	30,513
Other net provisions	-	-
Other net income / (expenses)	<u>(152,935)</u>	<u>(16,747)</u>
Net gains / (losses) from the sale of assets	2,500	7,373
Other operating expenses	(181,279)	(49,840)
Other operating income	25,844	25,720
Operating profit	<u>(2,801,871)</u>	<u>10,974,316</u>
Profit before tax	(2,801,871)	10,974,316
Income tax expense	-	(238,312)
Profit from continuing operations	(2,801,871)	10,736,004
Discontinued operations	-	-
Loss from discontinued operations (after tax)	-	-
Profit for the period	<u>(2,801,871)</u>	<u>10,736,004</u>

Statement of comprehensive income (continued)	31.03.2022	31.03.2021
Reported on 31.03.2021		
<i>In RON</i>		
Other elements of comprehensive income	-	-
Net change in the fair value of available-for-sale financial assets transferred to profit or loss	(837,178)	6,698,296
Positions that can be reclassified to profit and loss	-	-
Net change in fair value of financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
Received free shares classified as financial assets measured at fair value through other comprehensive income (FVTOCI)	-	-
Changes in the value of fixed assets available for sale	-	-
Positions that cannot be reclassified to profit and loss	-	-
Changes in the value of fixed assets used	-	-
Changes in the value of real estate investments	-	-
Establishment / cancellation of profit reserves for granting free shares to employees	-	-
The tax related to other elements of comprehensive income	-	-
Total other elements of comprehensive income for the period	(837,178)	6,698,296
Total profit and loss account and other elements of comprehensive income for the period	(3,639,049)	17,434,300
Profit attributable to:	(2,801,871)	10,736,004
Shareholders of the Company	(2,801,871)	10,736,004
Non-controlling interests	-	-
Profit for the period	(2,801,871)	10,736,004
Total comprehensive income attributable to:		
Shareholders of the Company		
Non-controlling interests		
Total comprehensive income attributable to:	(2,801,871)	10,736,004
Earnings per share		
Basic earnings per share (RON)	(0.0083)	0.0318
Diluted earnings per share (RON)	-	-
Continuing operations		
Basic earnings per share (RON)	(0.0083)	0.0318
Diluted earnings per share (RON)	-	-
31.03.2022		
Weighted average number of shares in the balance:	337,749,919	337,749,919

Individual Statement of Changes in Equity on 31.03.2022

<i>In RON</i>	Share capital	Share capital adjustment	Own shares	Share premiums	Revaluation reserves	Legal reserves	Other reserves	Retained earnings	Retained earnings from IFRS transition	Retained earnings from revaluation IAS 29 inflation	Retained earnings from IFRS transition	Total equity	Other elements of comprehensive income	Total equity
Balance on January 1, 2022	54,039,986	4,071,590	(24,048)	5,354	(4,840,759)	(7,786,659)	2,748,759	18,512,465	6,105,672	(6,880,235)	(774,563)	90,646,271	(1,218,671)	89,427,600
Profit for the period	-	-	-	-	-	-	-	(2,801,875)	-	-	-	(2,801,875)	-	(2,801,875)
Other elements of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	(597,197)	(597,197)
Gains transferred to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the value of fixed assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the value of fixed assets used	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the value of real estate investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax related to fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decreases in share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of revaluation differences for assets sold at reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to retained earnings	-	-	-	-	-	-	-	(2,801,875)	-	-	-	-	-	-
Total other elements of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	(2,801,875)	-	-	-	(2,801,875)	(597,197)	(3,399,072)
Own share operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share buybacks	-	-	(897,628)	-	-	-	-	-	-	-	-	(897,628)	-	(897,628)
Total operations with own shares	-	-	(897,628)	-	-	-	-	-	-	-	-	(897,628)	-	(897,628)
Balance on March 31, 2022	54,039,986	4,071,590	(921,676)	5,354	(4,840,759)	(7,786,659)	2,748,759	15,710,591	6,105,672	(6,880,235)	(774,563)	86,946,768	(1,815,869)	85,130,900

Segment Reporting on 31.03.2022

	March- 2022				March- 2021			
	Total of which:	Brokerage	Trading	Unallocated	Total of which:	Brokerage	Trading	Unallocated
Brokerage activity	3,328,996	3,328,996	-	-	2,516,082	2,516,082	-	-
Market making activity	2,434,351	-	2,434,351	-	1,443,951	-	1,443,951	-
Other income	3,329	-	-	3,329	13,492	-	-	13,492
Net gains / (losses) on financial instruments	(816,495)	-	(816,495)	-	1,672,069	-	1,672,069	-
Net gains / (losses) from the measurement of financial assets measured at fair value through profit or loss	(2,686,166)	-	(2,686,166)	-	8,286,207	-	8,286,207	-
Net income / (expenses) net provisions for fixed financial assets	-	-	-	-	(15,000)	-	-	-
Other net income / (expenses) from interest and exchange rate differences	(472,844)	-	(472,844)	-	408,051	-	408,051	-
Net income / (expenses) provisions for risks and expenses	191,268	-	-	191,268	30,513	-	-	30,513
Other net income / (expenses)	(152,935)	-	-	(152,935)	(16,747)	-	-	(16,747)
Salary expenses and employee benefits	(1,792,984)	(533,168)	(276,032)	(983,784)	(1,319,591)	(521,664)	(301,442)	(496,832)
Market commissions and intermediary expensess	(1,315,490)	(113,471)	(118,832)	(1,083,187)	(918,670)	(440,321)	(248,804)	(229,545)
Hired services expense	(487,576)	(187,149)	(17,729)	(282,697)	(531,177)	(66,640)	(27,120)	(437,418)
Expenses with collaborators	(98,007)	(67,763)	-	(30,243)	(135,702)	(135,702)	-	-
Other expenses	(645,754)	(79,014)	(63,397)	(503,344)	(228,052)	(41,900)	(47,894)	(138,454)
Depreciation and amortization	(291,566)	-	-	(291,566)	(231,111)	-	-	(231,111)
Total:	(2,801,871)	2,348,431	(2,017,143)	(3,133,159)	10,974,316	1,309,856	11,170,019	(1,506,101)
Reportable segment profit before tax	(2,801,871)	2,348,431	(2,017,143)	(3,133,159)	10,974,316	1,309,856	11,170,019	(1,506,101)
Income tax	-	-	-	-	(238,312)	-	-	-
	144,207,816	73,307,967	59,662,397	1,890,968	248,998,896	123,322,508	116,309,207	-
Reportable segment assets, of which:								
- Intangible assets	213,029	-	-	213,029	304,263	-	-	304,263
- Tangible fixed assets	9,133,455	-	-	9,133,455	9,062,918	-	-	9,062,918
- Real estate investments	-	-	-	-	-	-	-	-
- Financial investments	50,026,332	-	50,026,332	-	101,703,552	-	101,703,552	-
- Loans and advances granted	7,151,783	-	7,151,783	-	8,588,612	-	8,588,612	-
- Trade and other receivables	1,890,968	-	-	1,890,968	65,141,500	60,005,743	5,135,757	-
- Customer amounts	75,792,249	73,307,967	2,484,282	-	64,198,050	63,316,765	881,285	-
Debts of the reportable segment, of which:	172,649,768	121,441,415	24,982,006	26,226,347	147,229,399	115,962,249	31,267,150	-
- Client amounts	121,441,415	121,441,415	-	-	115,962,249	115,962,249	-	-

Robert Danila
Chairman of the Board

Monica Ivan
CEO

Sandu Pali
Economic Director



SSIF BRK FINANCIAL GROUP S.A.

📍 Calea Motilor 119, Cluj-Napoca

📞 +40 364 401 709

✉ office@brk.ro

    BRK FINANCIAL GROUP

www.brk.ro

