



HALF-YEARLY REPORT

as of 30 June 2015

 BUCHAREST
STOCK
EXCHANGE

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Notes

The financial data represent the individual results of the Bucharest Stock Exchange, prepared according to the Romanian Accounting Standards (RAS), in compliance with the rules and regulations of the Financial Supervisory Authority (FSA). The financial results as of 30 June 2015 are not audited.

The Assets, liabilities and equity statement, the Profit and loss account, Cash flow statement, Statement of Changes in Shareholders' Equity and Notes to Financial Statements as of 30 June 2015 were prepared according to the Accounting Rules in compliance with Directive IV of the European Economic Community applicable for authorized entities, supervised and monitored by FSA.

The financial figures expressed in million RON are rounded off to the nearest integer and may result in small reconciliation differences.

Disclaimer

This English language report is a convenience translation of the Romanian language "*Quarterly Report as of 30 June 2015*". The Romanian version of the report is the official document.

Executive summary

“With more efforts and initiatives launched in the second quarter, the Bucharest Stock Exchange focused on stimulating the local demand and growing the retail investors base, thus answering to the unfavorable international context and a slowdown in conducting the privatization projects in Romania.”

Ludwik Sobolewski, CEO

RON 31 mn

Average trading value in 2Q

(regulated equities market, offers not included)

Despite all initiatives targeting new and existing local and foreign investors, the trading activity continued to decline compared to the year-ago levels the Bucharest Stock Exchange (BVB) ended the second quarter with lower financial results.

The new wave of actions also focused on enhancing the information channels between the main market stakeholders, diversifying trading tools and mechanisms and supporting further regulatory changes. All these efforts are expected to show results in the following reporting periods, while in the short-term factors such as investor sentiment and regional context played the leading role.

RON 2.3 mn

Net profit in 2Q

(as per statutory reporting)

Thus, the equities trading activity for the second quarter was 30% lower y-o-y, at almost RON 2 bn, excluding public offers. On a q-o-q basis, the decline was 6%. On average, the daily turnover for the regulated stock market alone was RON 31.3 mn, excluding public offers.

In the fixed-income segment, all eyes were on two significant deals, i.e. the bond issuance of the Bucharest Municipality, worth of RON 2.22 bn, and the RON 65 mn issuance of government securities dedicated to retail investors, the first such exercise of the past 10 years.

RON 0.52/share

EPS in 1H

(as per statutory reporting)

As regards the financial picture, sales revenues were RON 4.2 mn for the reporting period, half the figure reported in the year-ago period. The operating profit was also lower, at RON 0.7 mn, as Electrica IPO and higher fees created a high base effect in 2014, affecting operating profitability.

4.4%

Dividend yield

(as of 30 June 2015)

Compared to the previous quarter, sales revenues picked up by 3.7% q-o-q due to fees from public offers and the better performance of the structured products market. Growth in the other business lines (i.e. issuers' admission and maintenance fees, data vending) and the 9.3% decline in operating expenses contributed to a higher operating profit in q-o-q terms.

The financial activity added RON 1.7 mn to the 2nd quarter result, mainly driven by the RON 1.3 mn dividends approved to be distributed by the Central Depository, which offset the net loss from adverse exchange rate moves.

The net profit for the 2nd quarter of 2015 stood at RON 2.3 mn, while the cumulated figure for the first 6 months of the year was almost RON 4 mn.

By the end of June, BVB had paid almost entirely the dividends from the 2014 net profit. The gross dividend approved for 2014 was RON 1.4579/share.

Financial highlights

Financial performance

(RON mn, unless otherwise stated)

	2Q 2015	2Q 2014	%	1Q 2015	%	1H 2015	1H 2014	%
Sales revenues	4.21	8.45	-50%	4.06	4%	8.28	13.09	-37%
Operating result	0.74	4.68	-84%	0.25	196%	0.99	5.88	-83%
Financial result	1.72	0.37	364%	1.69	2%	3.41	0.82	313%
Net result	2.34	4.25	-45%	1.62	45%	3.96	5.64	-30%
EPS (RON)	0.30	0.55	-45%	0.21	45%	0.52	0.73	-30%

Profitability ratios

(%)

	2Q 2015	2Q 2014	%	1Q 2015	%	1H 2015	1H 2014	%
Operating margin	18%	55%	-	6%	-	12%	45%	-
Net margin	56%	50%	-	40%	-	48%	43%	-
Return on equity	3%	5%	-	2%	-	4%	6%	-

Operating highlights

(RON mn; all markets, including offers unless otherwise stated)

	2Q 2015	2Q 2014	%	1Q 2015	%	1H 2015	1H 2014	%
Traded value – shares, rights, units	1,988	4,906	-59%	2,110	-6%	4,097	7,243	-43%
Traded value – certificates	109	37	195%	100	10%	209	82	154%
Traded value – fixed-income	2,324	818	184%	121	1,818%	2,445	855	186%
Total	4,421	5,760	-23%	2,331	90%	6,751	8,180	-17%
Avg. daily value (shares*)	31.3	44.5	-30%	33.4	-6%	32.4	40.6	-20%

* Value for the Regulated market, offers not included

BVB share statistics

(RON, unless otherwise stated)

	2Q 2015	2Q 2014	%	1Q 2015	%	1H 2015	1H 2014	%
Closing price (e-o-p)	33.25	29.81	12%	36.58	-9%	33.25	29.81	12%
Weighted average price	35.93	28.27	27%	38.28	-6%	37.83	29.33	29%
High (intraday)	39.50	29.81	33%	40.50	-2%	40.50	32.39	25%
Low (intraday)	32.50	25.00	30%	33.66	-3%	32.50	24.70	32%
Total trading value (RON mn)	6.38	10.30	-38%	35.59	-82%	41.97	21.88	92%
Average trading value (RON mn)	0.10	0.17	-39%	0.57	-82%	0.34	0.18	90%

Company information

Main activity

Administration of financial markets

CAEN code 6611

The Bucharest Stock Exchange (BVB) is the leading exchange in Romania and operates several markets:

- The Regulated Market where financial instruments such as shares and rights issued by international and Romanian entities, debt instruments (corporate, municipality and government bonds issued by Romanian entities and international corporate bonds), UCITs (shares and fund units), structured products, tradable UCITS (ETFs) are traded;
- AeRO Market for Equities, designed for start-ups and SMEs, launched on February 23, 2015; separate sections of the alternative trading system are available for trading bonds and foreign stocks listed on other markets;
- RASDAQ market where shares and rights issued by Romanian entities are traded, most of them coming from the mass privatization program. According to the Law no. 151/2014, which entered into force in October 2014 and was followed at the beginning of December 2014 by FSA's Regulation no. 17/2014, companies currently listed on RASDAQ market must choose between a transfer to a regulated market, migration to an alternative trading system or delisting from the exchange. RASDAQ market will cease operating in 12 months from the law's enforcement, i.e. in October 2015.

BVB's operating revenues are generated mainly from the trading of all the listed financial instruments, from fees charged to issuers for the admittance and maintenance to the trading system, as well as from data vending to various users.

Share tickers

BVB

BVB.RO (Bloomberg)

ROBVB.BX (Reuters)

ROBVBAACNOR0 (ISIN)

Since 8 June 2010, BVB is a listed company on its own spot regulated market.

BVB is included in indices focused on listed exchanges and other trading venues (FTSE Mondo Visione Exchanges Index and Dow Jones Global Exchanges Index), as well as in local market indices: BET and its total return version BET-TR, BET-XT and BET-XT-TR, BET-BK, BET Plus, ROTX.

Identification data

34-36 Carol I Blvd., floors
13-14, District 2, Bucharest

Address

J40/12328/2005

Trade Registration No

17777754

Sole Registration Code

BVB was established as a public non-profit institution, based on the Decision of the National Securities Commission (NSC) no. 20/1995. In 2005 it became a joint stock company.

Main events during the 2nd quarter of 2015

- 15 April** **Bittnet Systems (BNET)** became the first Romanian IT company listed on AeRO market, assisted by the Polish company INC (as Authorized Advisor).
- 20 April** BVB participated to the high-level session entitled '**Mobilizing Investment for Development: Contribution of United Nations Conference on Trade and Development (UNCTAD) in the context of financing for development**'. The session was a core part to 2015 Investment, Enterprise and Development Commission held from 20 to 24 April at the Palais des Nations, the United Nations office in Geneva, Switzerland. BVB's participation is a result of its joining of the United Nations Sustainable Stock Exchanges Initiative (SSE) on 27 March 2015.
- 29 April** The 5th event from the '**Investors Day**' series took place in Timisoara. BVB showcased the opportunities available on the newly launched AeRO market, dedicated to start-ups and SMEs, while the newly listed Bittnet and other names such as Perind, Distri Gaz Energy, Apollini Company, Emro Quantum and Norad Group delivered insightful presentations of their businesses.
- 30 April** BVB launched its **Arena-XT Web**, the web-based version of the Arena-XT trading platform. Arena-XT Web is available for brokers and their clients, with zero integration effort for the brokerage firms already using the Arena-XT framework.
- 4 May** The 6th event from the '**Investors Day**' series took place in Bucharest.
- 5 May** The RON 2.22 bn **municipal bonds issued by the Bucharest City Hall** started trading on BVB's bond regulated market, after a successful offering in April. The issuance was split into four tranches of RON 555 mn (EUR 125 mn) each, with maturities of 3, 5, 7 and 10 years. In secondary trading, Raiffeisen Bank registered as market maker on the bonds.
- 6 May** BVB co-organized the conference '**Bucharest – new destination for financing European growth stories**' at the European Parliament, Brussels, Belgium. The event was aimed to shed light on how the Romanian capital market can provide access to financing for SMEs and start-ups, both local and European.
- 7 May** BVB participated at the **2015 Angel Summit** organized by the European Business Angels Network (EBAN), in Eindhoven, the Netherlands. Ludwik Sobolewski, BVB's CEO, was part of a panel dedicated to stock exchanges and discussed the opportunities offered by AeRO, BVB's new market segment for SMEs and start-ups.
- 7 May** **SSIF Broker** started acting as **market maker** for the fund units of the closed-end fund **BET-FI Index Invest (BTF)**, managed by SAI Broker.
- 18 May-12 June** The 3rd edition of the virtual trading competition **BVB Invest Quest (BVB IQ)** took place. Starting with 11 May, BVB and its partners (BT Securities, IFB Finwest, Intercapital Invest and Tradeville) organized workshops in major cities in the country, as well as webinars. Premieres of this edition included the introduction of Arena-XT Web for virtual trading, as well as virtual bonuses (added to virtual portfolios) for participants recommending the contest to others.
- 21 May** BVB extended its **trading program** by 30 minutes, until 18:30, for shares, ETF and fund units markets, thus aligning the trading schedule to other important European stock exchanges.
- 21 May** The **Chamber of Commerce and Industry of Romania (CCIR)** and BVB signed a cooperation protocol for supporting the community of entrepreneurs in Romania, to promote the solutions offered by the capital market to finance growth and

development of the business community. The first project is to organize events in major cities for companies which are members of the County Chambers of Commerce and for other local businesses, with a view to promoting AeRO market.

3 June

Albalact (ALBZ), a leading local dairy producer, started trading on the Regulated Market. The company was previously traded on RASDAQ market.

3 June

The 7-year **corporate bonds issued by Imocredit IFN** started trading at BVB. The value of the issuance was RON 15 mn (EUR 3.4 mn) and the bonds carry a varying interest rate of ROBOR 6M + 3% p.a.

5 June

BVB and the World Pensions Council organized the first **Annual Central & Eastern European Pension Investment Forum** in Bucharest. The event hosted more than 120 representatives of pension and social security institutions, reserve funds, central banks, insurers and asset managers from across Austria, Central Europe, the Baltics, the Balkans and Eastern Europe. Participants debated on important topics shaping the pension industry in the region, such as the latest trends in asset allocation and regulatory change, equity and bonds investments as well as risk management.

8-19 June

The Ministry of Public Finance issued, for the first time in 10 years, **government bonds for population**, with a 2-year maturity. The total amount raised was RON 65 mn, at 2.15% p.a. interest rate. The minimum investment was RON 1,000, equal to the bonds' nominal value. The bonds started trading at BVB on 26 June, benefiting from lower trading fees charged by market institutions.

11-12 June

BVB participated to **Interactive Central & Eastern Europe Festival (iCEEfest 2015)**, supporting entrepreneurial initiative and promoting the capital market financing among participants. BVB also moderated a panel of representatives of AeRO-listed companies and Authorized Advisors, on topics such as the listing process, the role of Authorized Advisors, business perspectives after listing on AeRO.

16-17 June

BVB organized its first **'Romania Investor Days'** in Bucharest (**'reverse roadshow'**). The event was attended by local and international investors and analysts interested in meeting key Romanian listed companies. 227 one-on-one meetings between 22 listed or to-be-listed companies and 48 investors were held.

22 June

Chronos Curier (CHR) started trading on AeRO market, assisted by the Romanian intermediary BT Securities (as Authorized Advisor).

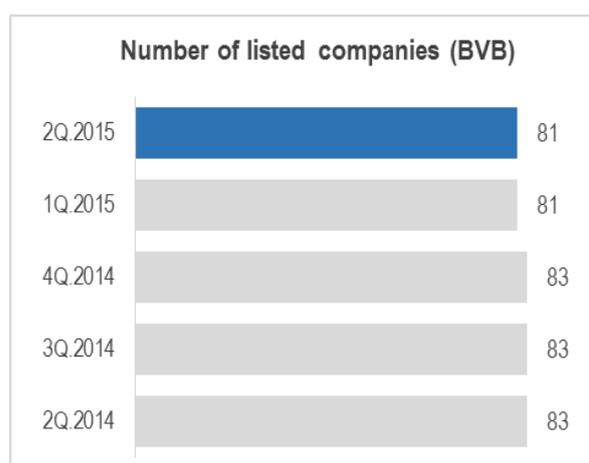
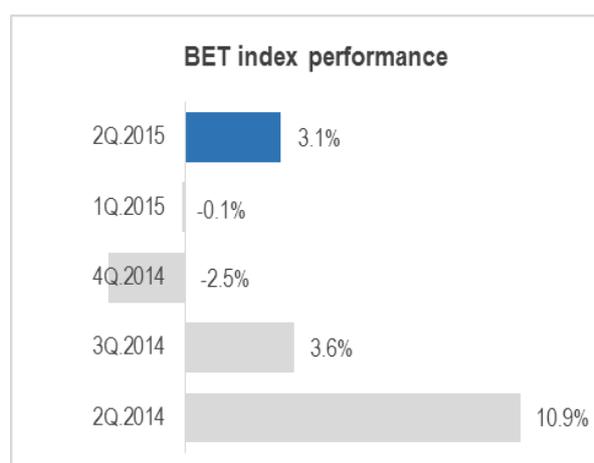
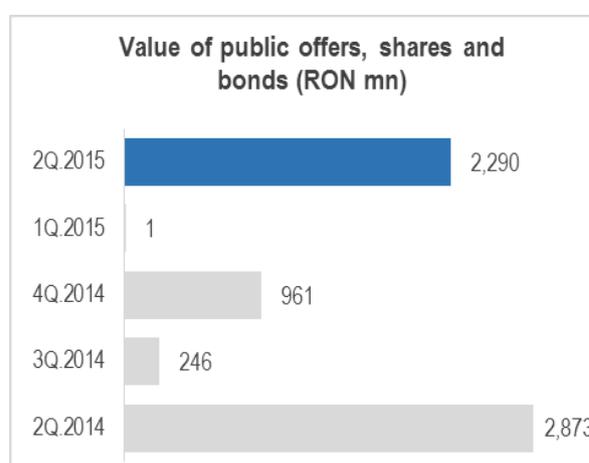
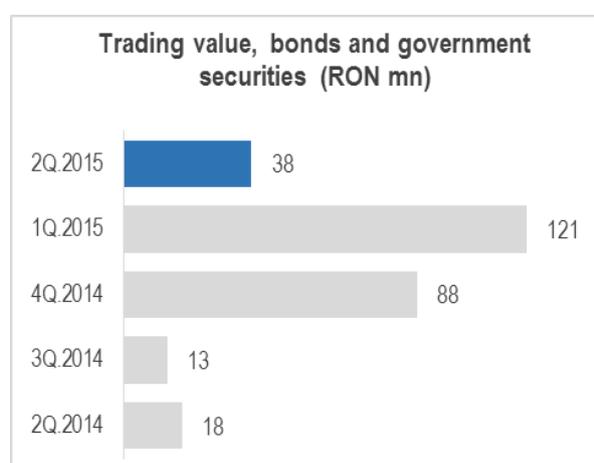
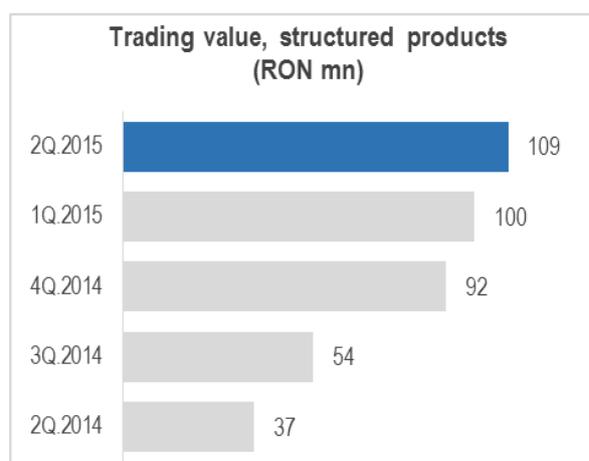
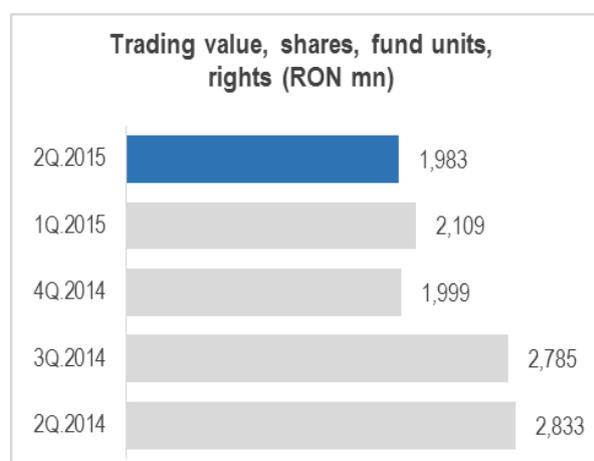
22 June

The Central Depository (Depozitarul Central) migrated to the pan-European settlement platform **TARGET2-Securities**, a project made live in cooperation with BVB. By connecting to the most modern European settlement platform, the Central Depository will be able to offer to its participants comparable services with the ones from the other European markets for EUR settlements.

During the **2nd quarter of the year**, a number of **102 companies** formerly traded on RASDAQ market, cumulating more than RON 1.5 bn in market capitalization, started trading on AeRO market. The largest among these are Unirea Shopping Center (SCDM), Generalcom (GECM) and Foraj Sonde Craiova (FOSB).

A number of 15 new series of turbo **certificates** issued by Erste Bank and 6 new series of certificates issued by SSIF Broker (2 capital protected, 4 turbo) started trading at BVB during the reporting period. These instruments have indices, commodities, foreign currencies and stocks (Erste Bank, Banca Transilvania, Deutsche Bank, Allianz, Verizon) as underlying assets.

Quarterly operating highlights



Note

The traded value is presented based on a “single counted” basis, includes Deal trades and excludes offers

Financial review

Results for the 2nd quarter of the year

Markets overview. The second quarter of the year brought further improvements to the macroeconomic picture in the developed world. In the US, the winter slowdown that brought GDP lower during the first quarter proved to be temporary, while macro indicators picked up towards the end of the analyzed period. The prospect of higher rates remained one of the key themes, with the timing being more of a concern. S&P 500 index reached new all-time highs, but preoccupations related to the Greek situation brought the index down towards the end of the quarter.

In the Eurozone, growth consolidated, as GDP advanced by 1% y-o-y in 1Q 2015 due to a rebound in investments and consumption. In addition, the quantitative easing program that kicked off in March appeared to be having a positive impact on inflation, which went into positive territory in May and June, arresting concerns about deflation. Towards the end of the quarter, the worsening of the Greek debt situation dominated headlines, as it became clearer that Greece would miss the payment to the International Monetary Fund (IMF) on 30 June. The country scheduled a referendum for 5 July, further adding to uncertainty related to the outcome of negotiations between Greece and IMF & the European Commission. The situation added nervousness to European markets and volatility increased, so the markets fell abruptly during the last week of June, with DJ Stoxx 600 ending the quarter 4% lower.

Emerging markets fared well during the quarter, in the context of speculations that the US Federal Reserve would delay the interest rate hike until this year's second half. In addition, political decisions in Brazil against retirement benefits were supportive for equities, while Russia gained on the recovery of oil prices. A particular development happened in China, where markets became increasingly disconnected from economic fundamentals after the 100% rally over the past 12 months. Stimulus measures aimed at stabilizing the economy have done more to fuel the equity markets. After peaking in mid-June, the Chinese market started losing ground and tumbled about 20% in two weeks, prompting authorities to halt most of the listed companies from trading.

Local market performance. In Romania, the economy advanced by 4.2% y-o-y during the 1st quarter of the year (seasonally adjusted), the fastest pace in Europe, exclusively driven by domestic demand. The trend is expected to continue, supported by the re-launch of fixed investments, the low financing costs and higher real disposable income given the VAT cut and record low inflation. Starting 1 June 2015, the VAT for food was cut from 24% to 9%. The draft Fiscal Code introduced a lower VAT for non-food goods and services from 24% to 19%, applicable starting next year, which prompted the National Bank of Romania to adjust its inflation forecasts for 2015-16 and to cut the monetary policy rate to a new record low of 1.75%.

These positive developments in the macroeconomic landscape countered the influences of the Greek situation that shook the European markets. The market recovered from the negative performance episodes, with the main market index BET ending the quarter with a 3.1% gain, in local currency terms.

The stock market turnover, excluding public offers, registered a 6% decline compared to the previous quarter to approx. RON 2 bn. The average daily turnover for the regular stock market, excluding offers, was RON 31.3 mn, 6% below the previous quarter and 30% below the y-o-y period.

It is worth noticing that for the 3rd consecutive quarter more than 80% of the trades were carried out on regular trading, whereas negotiated trades (Deal trades) remained steady at about one fifth of the equities turnover. This compares with a rough 50%/50% split on average during 1H 2014. Such positive development, even if at the expense of trading revenues in the short term, is proof that BVB was successful in its initiative of improving the quality of the market and building better fundamentals for price discovery.

The offers segment was animated by three bond offers, of which the issuance of municipal bonds of Bucharest City Hall was the largest, i.e. RON 2.22 bn. It was followed by the RON 65 mn issuance of government bonds for population, the first such issuance in the past 10 years. For retail-dedicated government bonds, BVB did not charge any fees for the public offering, in the primary market. The third deal was the RON 1.9 mn offer for the C&V Water Control bonds which were listed on the alternative trading system in July.

The structured products segment continued its growth during the quarter and reached RON 109 mn, up 10% q-o-q and 3 times above the year-ago period. The fixed-income market generated trades worth of RON 38 mn.

Financial review. The second quarter ended with **sales revenues** worth of RON 4.21 mn, higher by 4% compared to the previous quarter, of which **trading revenues** accounted for about 76% or RON 3.21 mn. As shown above, the regulated stock market slowed compared to the previous three months but it was offset by the fee charged for the public offer of the Bucharest Municipality bonds and the pick-up in structured products fees.

As compared to the year-ago period, when Electrica IPO and the ABB for Romgaz took place, the decline in trading revenues is 58%. The weaker trading activity and approximately 15% lower fees for regular trading of equities also weighed on fees generated by trading.

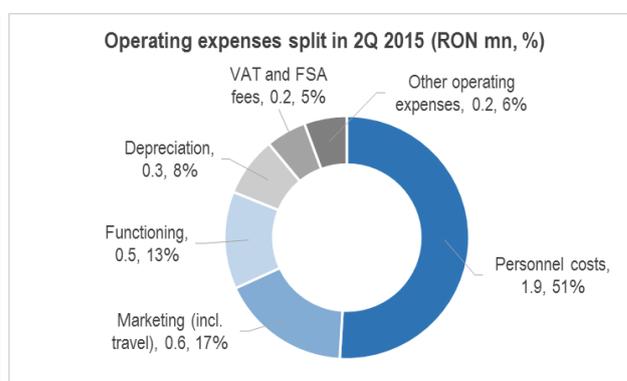
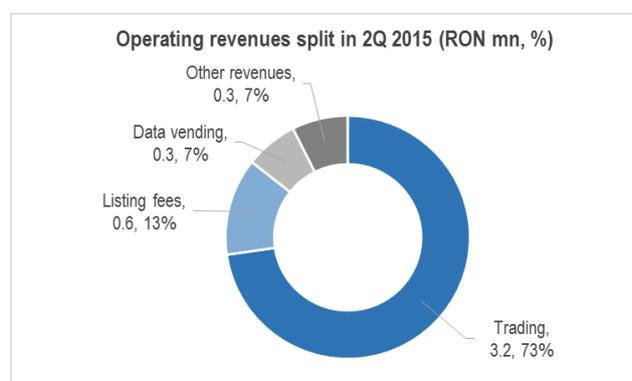
Admission and maintenance fees charged to issuers increased significantly compared to both periods of reference to RON 0.57 mn, mostly driven by fees paid by the companies transferring from RASDAQ to AeRO market or to the Regulated market.

Revenues from data vending increased by 3% compared to the previous quarter, to RON 0.31 mn, as new contracts were signed with data vendors. The figure was flattish compared to the year-ago period.

Operating revenues for the second quarter of 2015 reached RON 4.41 mn, 2.6% higher q-o-q and lower by 47.9% compared to the year-ago period.

Profit and loss account

RON mn	2Q 2015	2Q 2014	Change	1Q 2015	Change
Operating revenues, of which:	4.41	8.45	-47.9%	4.30	2.6%
Sales revenues	4.21	8.45	-50.1%	4.06	3.7%
Operating expenses, of which:	3.67	3.77	-2.7%	4.05	-9.3%
Personnel expenses	1.87	1.74	7.2%	1.79	4.4%
Operating profit	0.74	4.68	-84.2%	0.25	195.5%
Financial profit	1.72	0.37	364.1%	1.69	1.8%
Pre-tax profit	2.46	5.05	-51.3%	1.94	26.8%
Net profit	2.34	4.25	-45.0%	1.62	44.6%



Operating expenses declined compared to both periods of reference to RON 3.67 mn, driven mostly by lower marketing and promotion expenses (including travelling), functioning and administrative expenses, non-deductible VAT and FSA fees.

The **operating profit** was RON 0.74 mn for the analyzed quarter, 3 times higher compared to the previous quarter but much lower compared to the year-ago period.

The **financial profit** reached RON 1.72 mn, close to the figure for the first three months of the year. During the second quarter, the main driver was the RON 1.31 mn dividend from the Central Depository, while foreign currencies' movements resulted in net unrealized losses of RON 0.16 mn after the revaluation of the company's investments. Interest earned remained flat at RON 0.68 mn.

BVB registered a **net profit** of RON 2.34 mn during the second quarter, or RON 0.3 per share, 44.6% above the first quarter and 45% below the year-ago figure.

Results for the first half of 2015

After the first 6 months of the year, the company's **operating revenues** cumulated RON 8.70 mn, 34.1% below the first half of 2014. The main influencer was the less intense trading activity, as the daily average traded value declined by 20% y-o-y for the regulated stock market (excluding offers). In addition, the fees applied for the regular trading of shares were 15% lower y-o-y and affected trading revenues further.

The revenues generated by the offers market were lower, as the bond issuance of the Bucharest Municipality was the only deal with a positive contribution to revenues. As a reminder, for the government retail bonds, the Bucharest Stock Exchange decided not to charge any fees from the primary market activity, aiming to support these new products.

The other categories of operating revenues registered increases, led in absolute terms by **processing, admission and maintenance fees charged to issuers** which rose by 33% y-o-y to RON 0.97 mn due to fees paid by RASDAQ issuers for admission to the Regulated Market and AeRO. **Revenues from data vending** were 1% higher to RON 0.61 mn, after BVB became the sole vendor of its data and signed new contracts with data vendors directly.

Services provided to the Central Depository within the capital market development projects drove **revenues from IT services** to RON 0.39 mn, up 88% y-o-y. BVB also registered **revenues from the in-house software development** of Arena-XT Web, expected to add RON 0.13 mn to the intangible assets value.

Profit and loss account

RON mn	1H 2015	1H 2014	Change
Operating revenues, of which:	8.70	13.20	-34.1%
Sales revenues	8.28	13.09	-36.8%
Operating expenses, of which:	7.72	7.32	5.4%
Personnel expenses	3.66	3.41	7.4%
Operating profit	0.99	5.88	-83.2%
Financial profit	3.41	0.82	313.4%
Pre-tax profit	4.40	6.71	-34.5%
Net profit	3.96	5.64	-29.8%

On the cost side, **operating expenses** reached RON 7.72 mn, 5.4% above the year-ago figure, determined mainly by the 66.1% advance of depreciation charges, as most investments were finalized after June 2014, and the 7.4% increase in personnel costs. Personnel costs were influenced mainly by the taxes related to the remuneration paid to the members of the Board of Governors, as approved in the shareholders' meeting, and the increase in the number of employees as compared to the year-ago period.

The **operating profit** went down to almost RON 1 mn, but the decline was partly offset by the 4-times higher **financial profit** which cumulated RON 3.41 mn since the beginning of the year. Dividends from investments (mainly those from the Central Depository) and interest earned were comparable, at RON 1.33 mn and RON 1.36 mn respectively, while net unrealized foreign exchange gains added another RON 0.93 mn to the financial result. These gains were mainly driven by the 8.4% appreciation of the USD versus the local currency which resulted in gains from the revaluation of the company's investments denominated in USD.

The **net profit** for the first 6 months thus reached RON 3.96 mn or RON 0.52 per share, almost 30% below the year-ago period.

Financial position as of 30 June 2015

At the end of June 2015, BVB's **total assets** were RON 99.46 mn, down by 6.6% compared to the beginning of the year, as dividends were paid to the company's shareholders starting with June 2015. **Non-current assets** increased by 9.2% to RON 77.53 mn due to further acquisitions of long-term government securities, the registration of interest earned on long-term investments, as well as to the acquisition of software licenses and other fixed assets.

Current assets declined by RON 13.55 mn since the 1 January, to RON 21.82 mn, driven primarily by the payment of dividends from last years' net profits, amounting to RON 8.7 mn. In addition, funds were used for further acquisitions of longer term government securities, as mentioned above. Consequently, the value of **cash and short term investments** went to RON 17.04 mn versus 27.97 mn at the beginning of the year.

Financial position

RON mn	30 Jun 2015	1 Jan 2015	RON mn	30 Jun 2015	1 Jan 2015
Non-current assets	77.53	70.98	Shareholders' equity	93.45	100.68
Current assets, of which:	21.82	35.37	Short-term payables	5.27	4.63
- cash, bank accounts, other short term financial investments	17.04	27.97	Provisions	0.09	0.48
Prepaid expenses	0.11	0.13	Deferred revenues	0.65	0.69
Total assets	99.46	106.48	Total equity & liabilities	99.46	106.48

BVB's **debt** at the end of June 2015 was all due in less than 1 year. The amount was RON 5.27 mn, 13.7% above the figure reported at the end of 2014, and included liabilities to BVB's shareholders' (dividends payable), liabilities to the company's employees, to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholders' equity reached RON 93.45 mn, down by 7.2% since the beginning of the year, as the retained profit was transferred to debt based on the shareholders' resolutions and the net profit accumulated over the first 6 months of 2015 was registered.

Expectations for the second half of 2015

After launching various projects and others being in the making-of over the past months, the second part of the year is expected to show the first results of the so called “Second Wave” of measures designed to attract more investors and improve the trading mechanisms of the market. At the time of this report some of these initiatives have already been implemented or launched.

Projects such as “Fluent in Finance” and “Bursa e Pentru Oameni” Call Center are just two of the projects specifically targeting retail investors, supplementing the existing portfolio of tools aiming to increase awareness and attract new retail investors.

A significant number of changes were implemented in the market tools and mechanisms area. After the launch of Arena-XT Web in 2Q, the second part of the year already brought the Arena-XT smartphone app for trading shares on BVB, new features to BVB’s website related to intermediaries activity, improved flexibility of settlements for Deal trades (availability of T+0, T+1, T+2 settlement cycles on gross basis) and a redesigned market making program with two categories of market makers differentiated based on quotation characteristics. One of the main features of the market making program is the reduction of fees charged for intraday trades performed by the clients of the market maker on the shares on which their broker is market maker.

All the above, as well as other measures that are currently under preparation, are all aimed at offering a more modern trading venue and a friendlier environment for investors.

Increasing awareness also remains key for developing the investor community. Therefore, efforts to make the local market known will continue, both in Romania and abroad. The second *Romania Investor Days* event in Bucharest is scheduled to take place at the end of September and other events are planned for this autumn, aimed at building on the favorable investor perception of Romania’s macroeconomic standing and financial markets.

During the following months, the international context that had impacted the markets during the first part of the year (Greece, Ukraine, China, low oil price environment) will probably show no major breakthrough, maintaining the uncertainty and increasing investors’ risk aversion. In such an unfavorable context, it seems unlikely that companies, including state-owned, will be willing to tap the market in the coming period.

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Assets, liabilities and equity statement (Form 10)

All amounts are indicated in RON, unless otherwise stated

Indicator	Row	Balance as at	
		30 Jun 2015	1 Jan 2015
A. NON-CURRENT ASSETS			
I. Intangible assets			
3. Licenses, other intangible assets (acc. 205+208-2805-2808-2905-2908)	3	888,816	1,043,164
5. Advance payments and intangible non-current assets in progress (acc. 233+234-2933)	5	<u>132,294</u>	<u>-</u>
Total intangible assets (rows 01 to 05)	6	1,021,110	1,043,164
II. Tangible assets			
1. Land and constructions (acc. 211+212-2811-2812-2911-2912)	7	3,344,100	3,344,100
2. Equipment and machinery (acc. 214-2814-2914)	8	790,544	865,311
3. Other equipment and furniture (acc. 214-2814-2914)	9	539,582	415,972
4. Advance payments and tangible assets in progress (acc. 231+232-2931)	10	<u>-</u>	<u>-</u>
Total tangible assets (rows 07 la 10)	11	4,674,226	4,625,383
III. Financial assets			
1. Shares held in subsidiaries (acc. 261-2961)	12	25,540,363	25,540,363
5. Investments held as financial assets (acc. 262+264+265+266-2696-2962-2964)	16	1,230,088	1,391,447
6. Other receivables (acc. 2673+2674+2678+2679-2966-2969)	17	<u>45,065,212</u>	<u>38,375,645</u>
Total financial assets (rows 12 to 17)	18	<u>71,835,663</u>	<u>65,307,455</u>
TOTAL NON-CURRENT ASSETS (rows 06+11+18)	19	77,530,999	70,976,002
B. CURRENT ASSETS			
I. Inventories			
3. Advance payments for purchases of inventories (acc. 4091)	22	<u>2,028</u>	<u>6,325</u>
Total inventories (rows 20 la 22)	23	2,028	6,325
II. Receivables			
1. Trade receivables (acc. 2675*+2676*+2678*+2679*-2966*-2969*+4092+411+413+418-491)	24	1,935,399	6,024,307
2. Receivables from affiliates (acc. 4511+4518-4951)	25	1,311,764	-
4. Other receivables (acc. 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187)	27	<u>1,530,199</u>	<u>1,371,885</u>
Total receivables (rows 24 to 28)	29	4,777,362	7,396,192
III. Short term financial investments			
2. Other short term financial investments (acc. 5031+5032+505+5061+5062+5071+5072+5081+5082+...+5113+5114)	31	<u>13,180,597</u>	<u>26,879,739</u>
Total short term financial investments (rows 30 to 31)	32	13,180,597	26,879,739
IV. Cash and bank accounts (acc. 5112+5121+5122+5123+5124+5125+5311+5314+5321+5322+5323+...+542)			
TOTAL CURRENT ASSETS (rows 23+29+32+33)	34	21,823,515	35,371,411
C. PREPAID EXPENSES (acc. 471)	35	106,974	134,433

Indicator	Row	Balance as at	
		30 Jun 2015	1 Jan 2015
D. PAYABLES WITHIN ONE YEAR			
3. Advance payments from clients (acc. 419)	38	25,824	7,704
4. Trade payables (acc. 401+404+408)	39	738,979	911,384
8. Other payables, including tax and social security payables (acc. 1623+1626+167+1687+2698+421+423+424+...+5197)	43	<u>4,504,485</u>	<u>3,713,853</u>
TOTAL PAYABLES WITHIN ONE YEAR (rows 36 to 43)	44	5,269,288	4,632,941
E. NET CURRENT ASSETS OR NET CURRENT LIABILITIES (rows 34+35-44-60.2)			
	45	16,006,787	30,178,125
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rows 19+45-60.1)			
	46	93,537,786	101,154,127
H. PROVISIONS			
1. Pension and other similar provisions (acc. 1515)	56	91,770	178,746
3. Other provisions (acc. 1511+1512+1513+1514+1518)	58	-	<u>300,000</u>
TOTAL PROVISIONS (rows 56+57+58)	59	91,770	478,746
I. DEFERRED REVENUE (rows 60.1+60.2+60.3)			
2. Deferred revenue (acc. 472)	60.2	<u>654,414</u>	<u>694,778</u>
		654,414	694,778
J. SHARE CAPITAL AND RESERVES			
I. Capital (rows 62+63), of which:			
- paid-in subscribed capital (acc. 1012)	61	<u>76,741,980</u>	<u>76,741,980</u>
	63	76,741,980	76,741,980
II. Share premium (acc. 104)			
	64	8	8
III. Revaluation reserves (acc. 105)			
- Credit balance	65	2,325,080	2,325,080
IV. Reserves (rows 68 to 73-74)			
1. Legal reserves (acc. 1061)	67	<u>10,420,087</u>	<u>10,419,789</u>
	68	6,507,834	6,507,834
2. Reserves for bonus shares received (acc. 1065*)	70	2,413,197	2,413,197
3. Reserves representing the surplus from reevaluation reserves (acc. 1067)	72	57,109	57,109
	73	1,441,947	1,441,649
4. Other reserves (acc. 1068)			
V. Retained earnings			
Profit – Credit balance	77	-	-
VI. Result for the year			
Profit (acc. 121) – Credit balance	79	3,958,861	11,896,005
Profit distribution (acc. 129)	81	-	<u>707,481</u>
TOTAL SHAREHOLDERS' EQUITY (rows 61+64+65-66+67+75-76+77-78-79)			
	82	93,446,016	100,675,381

Profit and loss account (Form 20)

All amounts are indicated in RON, unless otherwise stated

Indicator	Row	2Q		1H	
		1 Apr 2015	1 Apr 2014	1 Jan 2015	1 Jan 2014
		30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
1. Sales revenues	1	4,213,141	8,450,985	8,275,555	13,093,976
3. Production realized by the company for its own purposes and capitalized (acc. 721+722)		-	-	132,294	-
4. Other operating revenues (acc. 7417+758)	7	<u>195,184</u>	<u>2,371</u>	<u>296,558</u>	<u>110,862</u>
Operating revenues – TOTAL (rows 01+04-05+06+07)	8	4,408,325	8,453,356	8,704,407	13,204,838
5. Material expenses and other third party expenses (rows 10 to 12)	9	<u>73,914</u>	<u>72,813</u>	<u>158,354</u>	<u>151,131</u>
a) Consumable materials expenses (acc. 602-7412)	10	25,530	26,492	57,829	48,146
b) Other material expenses (acc. 603+604)	11	15,260	11,614	31,759	28,467
c) Other third party expenses (water and energy) (acc. 605-7413)	12	33,124	34,707	68,766	74,518
6. Personnel expenses (rows 14+15)	13	<u>1,868,709</u>	<u>1,743,695</u>	<u>3,658,808</u>	<u>3,405,489</u>
a) Base personnel salaries (acc. 641+642-7414)	14	1,499,427	1,334,707	2,963,759	2,657,032
b) Social security contributions (acc. 645-7415)	15	369,282	408,988	695,049	748,457
7. a) Adjustments of tangible and intangible assets (rows 17-18)	16	<u>281,821</u>	<u>167,908</u>	<u>552,602</u>	<u>332,617</u>
a.1) Expenses (acc. 6811+6813)	17	281,821	167,908	552,602	332,617
a. 2) Revenues (acc. 7813+7815)	18	-	-	-	-
7. b) Adjustments of current assets (rows 20-21)	19	<u>8,018</u>	-	<u>8,018</u>	-
b.1) Expenses (acc. 654+6814)	20	8,366	-	8,366	-
b.2) Revenues (acc. 754+7814)	21	348	-	348	-
8. Other operating expenses (rows 23 to 25)	22	<u>1,780,737</u>	<u>1,955,543</u>	<u>3,725,003</u>	<u>3,666,209</u>
a) Third party expenses (acc. 611+612+613+614+ 621+622+623+ +624+625+626+627+628-7416)	23	1,568,635	1,631,546	3,292,370	3,041,512
b) Other taxes, duties and similar expenses (acc. 635)	24	189,738	302,039	410,173	602,738
c) Compensation expenses, donations and disposed assets (acc. 658)	25	22,364	21,958	22,460	21,959
d) Adjustments for provisions (rows 27-28)	26	<u>-343,488</u>	<u>-167,380</u>	<u>-386,976</u>	<u>-234,760</u>
d.1) Expenses (acc. 6812)	27	-	-	-	-
d.2) Revenues (acc. 7812)	28	343,488	167,380	386,976	234,760
Operating expenses – TOTAL (row 09+13+16+19+22+26)	29	3,669,711	3,772,579	7,715,809	7,320,686
Operating result					
- Profit (rows 08-29)	30	738,614	4,680,777	988,598	5,884,152
- Loss (rows 29-08)	31	-	-	-	-
Financial revenues					
9. Revenues from inv. in associates (acc. 7613)	32	-	-	-	-
10. Revenues from other financial investments (acc. 7611+7612)	34	1,325,909	9,030	1,332,443	11,673

Indicator	Row	2Q		1H	
		1 Apr 2015	1 Apr 2014	1 Jan 2015	1 Jan 2014
		30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
- of which revenues from affiliates (acc. 7611)	35	1,311,764	-	1,311,764	-
11. Interest earned (acc. 766)	36	677,522	674,066	1,361,496	1,378,889
12. Other financial revenues (acc. 7616+7617+762+763+764+765+767+768)	38	476,709	<u>90,322</u>	<u>1,797,699</u>	<u>353,612</u>
Financial revenues – TOTAL (rows 32+34+36+38)	39	2,480,140	773,418	4,491,638	1,744,174
13. Adjustments of financial assets and of financial investments classified as current assets (row 41-42)	40	<u>126,269</u>	<u>66,600</u>	<u>214,376</u>	<u>173,443</u>
Expenses (acc. 686)	41	126,269	113,486	241,342	247,269
Revenues (acc. 786)	42	-	46,886	26,966	73,826
14. b) Other financial expenses (acc. 663+664+665+667+668)	45	<u>634,650</u>	<u>336,397</u>	<u>868,999</u>	<u>746,238</u>
Financial expenses – TOTAL (rows 40+43+45)	46	760,919	402,997	1,083,375	919,681
Financial result					
- Profit (row 39-46)	47	1,719,221	370,421	3,408,263	824,493
- Loss (row 46-39)	48	-	-	-	-
15. Current result					
- Profit (rows 08+39-29-46)	49	2,457,835	5,051,198	4,396,861	6,708,645
- Loss (rows 29+46-08-39)	50	-	-	-	-
Total revenues (rows 08+39+51)	55	6,888,465	9,226,774	13,196,045	14,949,012
Total expenses (rows 29+46+52)	56	4,430,630	4,175,576	8,799,184	8,240,367
Pre-tax result					
- Profit (row 55-56)	57	2,457,835	5,051,198	4,396,861	6,708,645
- Loss (row 56-55)	58	-	-	-	-
19. Income tax expenses	59	<u>117,661</u>	<u>797,272</u>	<u>438,000</u>	<u>1,072,663</u>
21. Result for the year					
- Profit (rows 57-59-60)	61	2,340,174	4,253,926	3,958,861	5,635,982
- Loss (rows 58+59+60) or (rows 59+60-57)	62	-	-	-	-

Informative data (Form 30)

All amounts are indicated in RON, unless otherwise stated

I. Information regarding the result	Row	No. of units	Amounts
Business units that registered a profit	1	1	3,958,861

Indicator	Row	30 Jun 2015	30 Jun 2014
III. Average number of employees	24	43	40
Effective number of employees as of the end of period (June 30)	25	44	44

Indicator	Row	Amounts
IV. Gross revenues from dividends paid to nonresident individuals, of which:	34	60,888
- tax due to the state budget	35	7,274
Gross revenues from dividends paid to nonresident legal entities, of which:	36	1,959,164
- tax due to the state budget	37	204,067
V. Equivalent value of meal vouchers granted to employees	64	43,665

VIII. Other information	Row	30 Jun 2015	30 Jun 2014
Advance payments for intangible assets (acc. 234)	72	-	19,050
Financial assets, gross amounts (rows 75+84), of which:	74	72,888,110	63,428,562
Shares held in subsidiaries, investments in associates, other investments held in financial assets and long term bonds, gross amounts (rows 76 to 83), of which:	75	27,822,897	28,011,222
- unlisted shares issued by residents	77	26,594,392	26,782,717
- shares issued by nonresidents	82	1,228,505	1,228,505
Long-term receivables, gross amounts (rows 85+86), of which:	84	45,065,213	35,417,340
- long-term receivables in RON and denominated in RON, to be settled based on the exchange rate of a given foreign currency (from acc. 267)	85	27,215,945	24,484,050
- long-term receivables denominated in a foreign currency (from acc. 267)	86	17,849,268	10,933,290
Trade receivables, amounts prepaid to suppliers and other similar accounts, gross amounts (acc. 4092+411+413+418), of which:	87	2,396,370	6,200,280
- external trade receivables, advances to foreign suppliers and other similar accounts, gross amounts (from acc. 4092+from acc. 411+from acc. 413+from acc. 418)	88	338,575	284,597
Trade receivables not cashed in at the due date (from acc. 4092+from acc. 411+from acc. 413)	89	460,971	461,319
Receivables related to personnel and related accounts (acc. 425+4282)	90	-	2,637
Social security and state budget receivables (acc. 431+437+...+447+4482) (rows 92 to 96), of which:	91	101,266	57,285
- social security receivables (acc. 431+437+4382)	92	101,266	57,285
- state budget receivables (acc. 441+4424+4428+444+446)	93	-	-
Receivables related to affiliates (acc. 451)	97	1,311,764	-
Social security and state budget receivables not cashed in at the due date (from acc. 431+from acc. 437+...+from acc. 447+from acc 4482)	98	101,266	57,285

VIII. Other information	Row	30 Jun 2015	30 Jun 2014
Other receivables (acc. 452+456+4582+461+471+473), of which:	99	1,279,566	3,399,600
- other receivables related to natural persons and legal entities, other than public institutions (acc. 461+471+473)	101	1,279,566	3,399,600
Interest to be collected (acc. 5187), of which:	103	256,341	448,195
- from nonresidents	104	-	-
Short-term investments, gross amounts			
(acc. 501+503+505+506+507+from acc.508) (rows 107 to 115), of which:	106	13,180,597	23,687,863
- short-term deposits	115	13,180,597	23,687,863
Cash in RON and foreign currency (rows 118+119), of which:	117	12,011	14,712
- in RON (acc. 5311)	118	3,468	6,229
- in foreign currency (acc. 5314)	119	8,543	8,483
Current accounts in banks, in RON and foreign currency (rows 121+123, of which:	120	3,851,487	2,347,648
- in RON (acc. 5121)	121	1,126,563	2,108,153
- in foreign currency (acc. 5124)	123	2,724,924	239,495
- current accounts in foreign currency opened with nonresident banks	124	19,243	14,171
Payables (rows 129+132+135+138+141+144+147+150+153+156+159+160+164+166+167+172+173+174+180), of which:	128	5,923,702	8,921,278
Trade payables, advances received from clients and other similar accounts, gross amounts (acc. 401+403+404+405+408+419), of which:	164	764,803	691,245
- external commercial debt, advances from external clients and other similar accounts, gross amounts (from acc. 401+from acc. 403+from acc. 404+...+from acc. 419)	165	249,706	133,253
Personnel payables and other similar accounts (acc. 421+423+424+426+427+4281)	166	242,913	270,166
Social security and state budget liabilities (acc. 431+437+...+4481), (rows 171 to 174), of which:	167	1,812,248	2,257,436
- social security liabilities (acc. 431+437+4381)	168	159,201	71,596
- fiscal liabilities to the state budget (acc. 441+4423+4428+444+446)	169	1,653,047	2,185,840
Other liabilities (acc. 451+453+455+456+457+4581+462+472+473+ 269+509), of which:	174	3,103,738	5,702,431
- settlements for paid-in capital, payments to shareholders / associates, settlements of transactions in venture (acc. 452+456+457+4581)	175	1,767,666	2,216,789
- other liabilities related to natural persons and legal entities, other than public institutions (from acc. 462+from acc. 472+from acc. 473)	176	1,336,072	3,485,642
Paid-in subscribed capital (acc. 1012), (rows 186 to 189), of which:	182	76,741,980	76,741,980
- listed shares	183	76,741,980	76,741,980
Patents and licenses (from acc. 205)	187	-	-

IX. Paid-in share capital	Row	30 Jun 2015		30 Jun 2014	
		Amount	%	Amount	%
Paid-in share capital (acc. 1012), (rows 189+192+196+197+198), of which:	188	76,741,980	100.0%	76,741,980	100.0%
- owned by privately-owned entities	196	66,687,900	86.9%	63,318,940	82.5%
- owned by natural persons	197	10,054,080	13.1%	13,423,040	17.5%

IX. Expenses information	Row	30 Jun 2015	30 Jun 2014
Expenses with externally contracted collaborators (acc. 621)	199	520,446	351,701

Statement of Changes in Shareholders' Equity

All amounts are indicated in RON, unless otherwise stated

Indicator	Balance on 1 Jan 2015	Increases		Decreases		Balance on 30 Jun 2015
		Total, of which:	By transfer:	Total, of which:	By transfer:	
Subscribed capital	76,741,980	-	-	-	-	76,741,980
Share premium	8	-	-	-	-	8
Revaluation reserves	2,325,080	-	-	-	-	2,325,080
Statutory or contractual reserves	-	-	-	-	-	-
Reserves representing the value of bonus shares received	2,413,197	-	-	-	-	2,413,197
Reserves representing surplus from reevaluation reserves	57,109	-	-	-	-	57,109
Legal reserves	6,507,834	-	-	-	-	6,507,834
Other reserves	1,441,649	298	298	-	-	1,441,947
Retained result representing profit/loss						
- retained profit	-	11,896,005	11,896,005	11,896,005	-	-
- uncovered loss	-	-	-	-	-	-
Result of the year						
Profit	11,896,005	3,958,861	3,958,861	11,896,005	11,896,005	3,958,861
Loss	-	-	-	-	-	-
Profit distribution (-)						
Credit balance	-	-	-	-	-	-
Debit balance	<u>707,481</u>	<u>-</u>	<u>-</u>	<u>707,481</u>	<u>707,481</u>	<u>-</u>
Total shareholders' equity	100,675,381	15,855,164	15,855,164	23,084,529	11,188,524	93,446,016

Cash flow statement

All amounts are indicated in RON, unless otherwise stated

Indicator	Reporting period	
	30 Jun 2015	30 Jun 2014
OPERATING ACTIVITY		
Net profit for the period before tax	4,396,861	6,708,645
Adjustments for:		
Depreciation, amortization expense	552,602	332,617
Expenses / (Revenues) for the disposal of fixed assets	-	-2,371
Expenses / (Revenues) from provisions (net)	-386,976	-234,760
Revenues from production of intangible assets	-132,294	-
Adjustments for overdue receivables - Revenues	8,018	-
Reclassification of investment activity – Interest income	-1,361,496	-1,378,889
Reclassification of investment activity – Dividend income	-1,332,443	-11,673
Other adjustments (resulting from revaluation of foreign currency denominated long- and short-term investments, receivables, payables etc)	<u>-687,994</u>	<u>173,593</u>
Total adjustments	-3,340,583	-1,121,483
Operating result before changes in working capital	1,056,278	5,587,162
Decrease / (increase) in receivables and other similar accounts	4,658,087	-4,387,715
Decrease / (increase) in liabilities and other similar accounts	<u>-1,430,607</u>	<u>-1,734,400</u>
Change in working capital	3,227,480	-6,122,115
Income tax paid	<u>-801,184</u>	<u>522,163</u>
Cash flows from operating activities	3,482,574	-12,790
INVESTMENT ACTIVITY		
Payments to acquire tangible and intangible assets	-447,097	-495,264
Proceeds from sale of tangible and intangible assets	-	2,371
Payments to acquire long-term financial assets	-6,201,578	-5,447,580
Proceeds from sales of long-term financial assets	-	157,652
Net proceeds/ (payments) from short-term financial assets	13,885,372	10,472,107
Interest received from deposits	655,136	574,176
Dividends received	<u>20,679</u>	<u>11,673</u>
Cash flows from investing activities	7,912,512	5,275,135
FINANCING ACTIVITY		
Dividends paid (including tax on dividends)	<u>-8,788,996</u>	<u>-6,179,051</u>
Cash flow from financing activities	-8,788,996	-6,179,051
Net increase/(decrease) in cash and cash equivalents	2,606,090	-916,706
Cash and cash equivalents as at beginning of period, 1 January	<u>2,037,175</u>	<u>3,291,186</u>
Cash and cash equivalents as at end of period, 30 June	4,643,265	2,374,480

Notes to the financial statements

All amounts are indicated in RON, unless otherwise stated

1. Non-current assets

Assets (RON)	Gross amounts			Depreciation charges and adjustments						
	Balance on	Increases	Decreases	Balance on	Balance on	Depreciation	Decreases or	Balance on	Carrying	Carrying
	1 Jan 2015			30 Jun 2015						
						year	forward		1 Jan 2015	30 Jun 2015
Other intangible assets	5,093,375	155,592	288,834	4,960,133	4,050,212	309,940	288,834	4,071,317	1,043,164	888,816
Advance payments for intangible assets	-	132,294	-	132,294	-	-	-	-	-	132,294
Total intangible assets	5,093,375	287,886	288,834	5,092,427	4,050,212	309,940	288,834	4,071,317	1,043,164	1,021,110
Land	3,344,100	-	-	3,344,100	-	-	-	-	3,344,100	3,344,100
Technical equipment and machinery	6,820,509	90,887	88,910	6,822,486	5,955,198	165,654	88,910	6,031,942	865,311	790,544
Other equipment and furniture	930,429	200,618	-	1,131,047	514,457	77,008	-	591,465	415,972	539,582
Total tangible assets	11,095,038	291,505	88,910	11,297,633	6,469,655	242,662	88,910	6,623,407	4,625,383	4,674,226
Interest in subsidiaries	26,573,467	-	-	26,573,467	1,033,104	-	-	1,033,104	25,540,363	25,540,363
Securities and other long-term financial instruments	1,437,754	-	188,325	1,249,429	46,308	-	26,966	19,342	1,391,446	1,230,088
Other financial assets	38,375,645	7,734,845	1,045,278	45,065,212	-	-	-	-	38,375,645	45,065,212
Total financial assets	66,386,866	7,734,845	1,233,603	72,888,108	1,079,412	-	26,966	1,052,446	65,307,454	71,835,663
Total non-current assets	82,575,279	8,314,236	1,611,347	89,278,168	11,599,278	552,602	404,710	11,747,170	70,976,001	77,530,999

a) Tangible and intangible assets

Tangible and intangible assets recognized in the financial statements as of 30 June 2015 meet the requirements of the Accounting regulations complying with Directive IV of the European Economic Community applicable for authorized entities, as regulated and monitored by the FSA.

Assets are recognized according to the requirements of the general framework for the drawing up and presentation of financial statements if:

- the generation of future economic benefits is possible;
- the cost of the asset is higher than the limit stipulated by legal requirements;
- the asset is used during a period longer than 1 year and is used for the delivery of services.

The valuation base used for accounting records is the historic cost minus the cumulated adjustments and the fair value for the land. The items removed from tangible assets are recognized at their carrying amount on the operation date. In 1H 2015, the Bucharest Stock Exchange registered investments in non-current assets amounting to RON 155,592 according to the investment plan approved by the General Shareholders Meeting.

b) Financial assets

The Company's financial assets as at 30 June 2015, are detailed below:

<u>Indicator (RON)</u>	<u>Balance on 1 Jan 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance on 30 Jun 2015</u>
Depozitarul Central S.A. (Central Depository)	22,656,932	-	-	22,656,932
Casa de Compensare București S.A. (Bucharest Clearing House)	3,651,494	-	-	3,651,494
Fondul de Compensare a Investitorilor S.A. (Investors' Compensation Fund)	215,040	-	-	215,040
Fundația Institutul de Guvernare Corporativă a BVB (BVB Corporate Governance Institute Foundation)	50,000	-	-	50,000
Adjustments for the impairment of interest held in subsidiaries	-1,033,104	-	-	-1,033,104
I) Total financial assets in subsidiaries	25,540,363	-	-	25,540,363
Casa Romana de Compensatie Sibiu (Romanian Compensation House, Sibiu)	209,250	-	-188,325	20,925
Bursa BVC Chișinău (Chisinau Stock Exchange)	19,342	-	-	19,342
Shares held in international entities – value before depreciation adjustments	1,209,163	-	-	1,209,163
Total financial assets in entities outside the group (entry value)	1,437,755	-	-188,325	1,249,430
Adjustments for the impairment of the shares held in international entities	-46,308	-	26,966	-19,342
II) Total financial assets in entities outside the group after adjustments	1,391,447	-	-161,359	1,230,088
III) Long-term bonds	38,367,008	7,734,845	-1,045,278	45,056,575
IV) Other financial assets	8,637	-	-	8,637
TOTAL	65,307,455	7,734,845	-1,206,637	71,835,663

On 30 June 2015, BVB registered the decrease in the participation to the share capital of the Romanian Compensation House in Sibiu, by the amount of RON 188,325, repaid following the company's share capital decrease, as approved in the GSM. BVB's remaining participation is RON 20,925.

The accounting value of shares held by BVB in several international entities amounted to RON 1,209,163 on 30 June 2015 and had a fair value of RON 1,209,163. These investments were made for financial revenues, without any intervention in the management of these companies. The investments in shares of international entities are unchanged since the beginning of the year, as follows:

Indicator (RON)	Accounting value on 1 Jan 2015	Increases	Decreases	Accounting value on 30 Jun 2015	Net value on 30 Jun 2015
London Stock Exchange	253,564	-	-	253,564	253,564
Australian Stock Exchange	54,186	-	-	54,186	54,186
Deutsche Borse	180,180	-	-	180,180	180,180
NASDAQ OMX Group	178,693	-	-	178,693	178,693
CME Group	71,128	-	-	71,128	71,128
Bolsas y Mercados Espanoles	216,252	-	-	216,252	216,252
Intercontinental Exchange	255,160	-	-	255,160	255,160
Total	1,209,163	-	-	1,209,163	1,209,163

The interest rates for government bonds were 4.75-5.60% for RON-denominated bonds, 4.625% for EUR-denominated bonds and 4.875-6.75% for USD denominated bonds.

c) Depreciation charges and adjustments of tangible and financial assets

The depreciation schedules and calculation methodology were established according to the provisions of Government Decision no. 2139/2004 approving the Catalogue on the classification and normal operation period of fixed assets and according to the accounting policies adopted by BVB. Depreciation is recognized in the profit and loss account; depreciation is calculated on a straight-line basis.

Financial assets are indicated in the balance sheet at their entry value less the accumulated adjustments for value losses. During the first half of 2015, as the market value increased for certain shares held by BVB in international entities, reductions of some adjustments for value losses were registered and revenues were recognized; adjustments declined since the beginning of the year to a total value of RON 1,052,446 (30 June 2014: RON 440,076) on 30 June 2015. This amount includes the adjustment for impairment of Casa de Compensare Bucuresti S.A. (RON 1,033,104). The net value of investments in international entities (foreign exchanges) reached RON 1,209,163 (30 June 2014: RON 1,111,227), while the market value reached RON 1,839,097 on 30 June 2015.

The adjustments for the depreciation of the financial assets during the first half of 2015 are presented below:

Indicator (RON)	1H 2015	1H 2014
Balance on 1 January	1,079,412	421,786
Increase of the adjustment for the depreciation of financial assets	-	92,116
Adjustment for the depreciation of financial assets brought forward	26,966	-73,826
Balance on 30 June	1,052,446	440,076

2. Provisions for risks and expenses

In the first half of 2015, provisions for holidays not taken in 2014 and the provision for the remuneration of the members of the Board of Governors, cumulating RON 386,976, were reversed. The balance at 30 June 2015, is RON 91,770.

3. Profit distribution

Not applicable.

Bucharest Stock Exchange

Half-yearly report for the period ended on 30 June 2015

4. Analysis of operating profit/loss

During 1H 2015, the Bucharest Stock Exchange registered net sales of RON 8,275,555, down by 36.8% compared to the year-ago period. The sales decline is attributable to the high-base effect generated by Electrica IPO in 2014, the less intense trading activity in equities and the lower fees charged starting with October 2014.

Indicator (RON)	1H 2015	1H 2014
1. Net sales, out of which:	8,275,555	13,093,976
Revenues from current activity	8,275,555	13,093,976
2. Production realized by the company for its own purposes and capitalized	132,294	-
3. Other operating revenues	296,558	110,862
4. Expenses with raw materials	89,588	76,613
5. Third party expenses for energy and water	68,766	74,518
6. Personnel expenses	3,658,808	3,405,489
7. Adjustments of tangible and intangible assets	552,602	332,617
8. Adjustment of current assets	8,018	-
9. Other operating expenses	3,725,003	3,666,209
10. Provision adjustments	<u>-386,976</u>	<u>-234,760</u>
11. OPERATING RESULT profit/(loss)	988,598	5,884,152

Other operating expenses, amounting to RON 3,725,003 for the first six months (30 June 2014: RON 3,666,209), mainly include expenses with third party services, mostly expenses for marketing events – RON 994,250, fees charged by FSA and non-deductible VAT – RON 410,172, contributions to international organizations and lawyers' fees – RON 121,370, rent – RON 431,778, remunerations of members of the Board of Governors and of Special Committees – RON 520,446, expenses with marketing and brand advertising – RON 283,137, expenses for repairs and maintenance of equipment – RON 237,284, other expenses for business development – RON 549,906.

The operating result on 30 June 2015 is a profit amounting to RON 988,598, lower by 83% compared to the operating result of the year-ago period.

5. Receivables and payables

a) Receivables

Initial recognition

Receivables are recognized according to the provisions of the Accounting regulations in compliance with Directive IV of EEC applicable for authorized entities, as regulated and monitored by the Financial Supervisory Authority, at cost.

Subsequent measurement

Receivables are measured at cost less any value adjustments. Receivables (and payables) in foreign currency on 30 June 2015, are measured at the exchange rate applicable at the end of June (RON 3.9969/USD and RON 4.4735/EUR), the difference of exchange rate being recognized as revenue or expense, as the case may be, according to the Accounting regulations in compliance with Directive IV of EEC applicable for authorized entities, as regulated and monitored by the Financial Supervisory Authority.

Receivables statement on 30 June 2015:

Receivables (RON)	Balance on	Due date	
	30 Jun 2015	Below 1 year	More than 1 year
	Gross value		
Trade receivables i)	2,396,369	1,935,399	460,971
Receivables related to affiliates ii)	1,311,764	1,311,764	-
Other receivables iii)	1,530,199	1,241,435	288,764
Depreciation adjustments (-)	-460,971	-	460,971
Total receivables	4,777,362	4,488,598	288,764
Prepaid expenses iv)	106,974	106,974	-
Total	4,884,336	4,595,572	288,764

On 30 June 2015, BVB's receivables amounted to RON 4,884,336, lower by RON 2,646,289 compared to the beginning of the year (1 January 2015: RON 7,530,625), mostly on lower trade receivables related to a less intense trading activity.

i) Trade receivables

Trade receivables, of RON 1,935,399 (net of depreciation adjustments), account for 40% of total receivables. They are mainly receivables related to the services provided by BVB. Trade receivables are mainly related to invoiced services (provided in June 2015) to brokerage companies, as well as to invoiced services to the companies listed on the stock exchange and to other clients: fees for maintenance to trading, fees charged for the use of an additional terminal, on-line data vending, fees charged for the index license, fees charged for data dissemination and others. The adjustment of doubtful receivables declined slightly compared to the beginning of the year and reached at RON 460,971.

ii) Receivables related to affiliate entities

As of 30 June 2015, the amount of RON 1,311,764 representing the dividends to be received from the Central Depository from the 2014 net profit accounted for 27% of total receivables.

iii) Other receivables

Other receivables amounting to RON 1,530,199 are receivables registered according to the provisions of Regulation no. 16/2014, representing the amounts charged by the regulatory authority for the buy trades executed at the Bucharest Stock Exchange (RON 589,456), receivables representing interest earned on bank deposits maturing after 30 June 2015 (RON 256,341) and other receivables (RON 559,435).

iv) Prepaid expenses

Prepaid expenses amounting to RON 106,974 (1 January 2015: RON 134,433) mainly represent amounts paid for insurance and maintenance for equipment, premiums for directors liability insurance, to be liquidated at the end of the invoice period.

Short-term financial investments

Short term financial investments in 1H 2015 are bank deposits in RON and foreign currencies.

Short-term financial investments on 30 June 2015 and 1 January 2015 respectively are presented below:

Indicator (RON)	1 Jan 2015	30 Jun 2015
Investments in short-term deposits	<u>26,879,739</u>	<u>13,180,597</u>
Total short-term financial investments	26,879,739	13,180,597

Short-term financial investments declined following the start of dividend payments to BVB's shareholders in June 2015, from the 2014 net profit.

Returns of short-term deposits are between 2.95%-4% for RON-denominated deposits, depending on the deposits' maturity, 2.05% for EUR-denominated deposits and 1.80% for USD-denominated deposits.

Cash and bank accounts

Cash and cash equivalents in bank accounts on 30 June 2015, amounted to RON 3,863,528 (1 January 2015: RON 1,089,155).

For cash flows purposes, the Company's cash and cash equivalents, including deposits with maturity below 3 months, as of 30 June 2015 amounted to RON 4,643,265.

b) Payables

Initial recognition

Payables are recognized according to the provisions of the Accounting regulations in compliance with Directive IV of EEC applicable for authorized entities, as regulated and monitored by the Financial Supervisory Authority, at cost.

Payables statement on 30 June 2015:

Payables (RON)	Balance on 30 Jun 2015	Due date		
		Below 1 year	Between 1 and 5 years	Above 5 years
Trade payables i)	738,979	738,979	-	-
Other payables, including tax payables and other payables to the social security budget ii)	4,530,309	4,530,309	-	-
Total payables	5,269,288	5,269,288	-	-
Deferred income iii)	654,414	654,414	-	-
Total	5,923,702	5,923,702	-	-

BVB's payables on 30 June 2015 amounted to RON 5,923,702, higher by RON 595,983 compared to the beginning of the year (1 January 2015: RON 5,327,719), as dividends payable to BVB's shareholders and amounts payable to the state budget (due in July 2015) were registered.

i) Trade payables

Trade payables worth of RON 738,979 (1 January 2015: RON 911,384) are mainly payables to local suppliers, some with maturity in less than 30 days, but not due on the reporting date.

ii) Other payables

Other payables, including payables to the state budgets due in less than 1 year, amount to RON 4,530,309 (1 January 2015: RON 3,721,557) and are detailed below:

- obligations to BVB's personnel, to the state budget and the social security budget, including the withholding tax for dividends paid and the corporate income tax – RON 2,055,160;
- obligations to BVB's shareholders, representing dividends from previous years unpaid on 30 June 2015 – RON 1,767,666;
- other obligations – RON 707,481, representing mainly the amounts charged by the regulatory authority to brokerage companies (RON 612,997).

iii) Deferred income

Deferred income on 30 June 2015, amounting to RON 654,414 (1 January 2015: RON 694,778) represents annual maintenance fees charged to listed issuers but not due on the reporting date.

6. Accounting policies, principles and methodologies

6.1. Background information

The financial report of 30 June 2015 was drawn up according to the provisions of the Accounting rules complying with Directive IV of EEC applicable to authorized entities, as regulated and monitored by the Financial Supervisory Authority (Directive IV of EEC), as approved by Order of the chairman of the National Securities Commission no. 13/2011, as well as according to the following:

- Accountancy Law no. 82/1991, republished, as subsequently amended;
- Rule no. 5/2006 on the half-yearly accounting reporting system of entities regulated and monitored by the Financial Supervisory Authority, as subsequently amended;
- Other legislation on financial reporting and accounting.

Other regulations specific to the activity performed include:

- the Capital Market Law no. 297/2004, as subsequently amended;
- the Company Law no. 31/1990 republished, as subsequently amended.

The financial report of 30 June 2015 refer to BVB's individual financial reports. The half-yearly financial statements were prepared based on the trial balance resulted after applying the specifications included in the Accounting rules applicable to entities, as regulated and monitored by the FSA. These individual financial statements were not drawn up to reflect the Company financial position, operating results and cash flows according to the International Financial Reporting Standards (IFRS).

6.2. Principles underlying the drawing up of the individual financial statements

The half-yearly financial reports were prepared based on historic costs according to the provisions of Regulation no. 4/2011 approved by Order of the NSC Chairman no. 13/2011 on Accounting Rules according to Directive IV of the European Economic Community applicable to authorized entities, as regulated and monitored by FSA. The financial reports herein are drawn up in compliance with the accrual-based accounting principles. Thus, the effects of transactions and other events are recognized upon occurrence, registered in the accounting records and reported in the associated periods. The accounting principles underlying the drawn up financial reports are presented below:

- The going concern principle – implies that the company will continue to operate under normal circumstances in a foreseeable future, without any significant downsizing;
- The consistency of preparation principle – implies the use of the same rules for the transaction valuation and registration in the accounting records, thus ensuring comparability of financial information over time;
- The prudence principle – all value adjustments due to any depreciation of the asset value, as well as all foreseeable obligations and potential losses arising during the reporting period, during the year that ended or during a previous year are registered in accounting records;
- The matching principle – implies that all revenues and expenses associated to the financial year are registered, irrespective of the date of the collection or payment of such revenues and expenses;
- The separate valuation of assets and liabilities principle – implies the separate valuation of asset and liability items;
- The intangibility principle – the opening balance sheet of each financial year matches the closing balance sheet of the previous financial year;
- The non-compensation principle – the value of asset items is not set off against the value of liability items, and revenues are not set off against expenses, except for the cases in which setting off of assets against liabilities is permitted by Order of NSC no. 13/2011;
- The economic over legal prevalence principle – the information indicated in financial statements reflects the economic reality of events and transactions made and not only their legal status;
- The principle of the significance threshold – any item of significant value is presented separately in the financial statements.

6.3. Accounting policies

a. Use of estimates

Drawing up the financial statements according to the Accounting regulations in compliance with Directive IV of EEC requires the management to make estimates and use hypotheses which affect the reported values of assets and liabilities, the presentation of assets, contingent payables on the reporting date and the expenses reported for the respective period.

b. Going concern

The financial statements are drawn up based on the going concern principle which implies that the company will continue its activity in the foreseeable future.

c. Transaction conversion in foreign currency

The functional currency used for the presentation of the half-yearly statements is RON; transactions in foreign currency are registered at the exchange rates valid on the transaction date. Any gains and losses resulting from the transaction settling and the conversion of the monetary assets and liabilities expressed in foreign currency are recognized in the profit and loss account of the year in progress. The balance of the assets and liabilities in foreign currency is converted in RON at the exchange rate communicated by NBR, valid at the end of the report period, as follows:

- 31 December 2014: RON 3.6868/USD and RON 4.4821/EUR;
- 30 June 2015: RON 3.9969/USD and RON 4.4735/EUR.

d. Tangible assets

Recognition and initial measurement

Tangible assets are initially recognized at the acquisition price which represents the purchase price or the value established through the purchase contract. Asset items are registered in accounting records at the acquisition cost or at the fair value for other entries than those based on acquisition, as the case may be.

Measurement at the reporting date

Tangible assets are presented at the acquisition cost less the accumulated depreciation and value adjustments to the fair value for land owned. The value subject to depreciation is determined after deducting the residual value; if the residual value is insignificant, it shall not be taken into account for depreciation purposes. Tangible assets are depreciated during their estimated useful life from the moment they are commissioned so that their cost should be reduced by the expiration of the useful life taken into account, as follows: for technical installations and machinery: 3 - 20 years, for other equipment and furniture: 2 - 15 years. The quotas and useful life of tangible assets were established according to the classification and normal operation cycles of fixed assets approved by Government Decision no. 2139/2004. Land is not subject to depreciation as its useful life is unlimited.

Subsequent expenses

The expenses for the repair or maintenance of the fixed assets made in order to restore or maintain the value of these assets are recognized in the profit and loss account on the date they are made, while the expenses incurred in order to improve the technical performance are capitalized and depreciated during the remaining depreciation period of the respective fixed asset. Gains and losses generated by the sale of tangible assets are determined by comparing them to their accounting value and they are taken into account when determining the operating profit. Accounting records for non-current asset are kept separately for each category and item.

e. Intangible assets

Intangible assets include software and licenses for the use of software.

Initial recognition

Intangible assets are initially recognized at acquisition price which represents the purchase price or the value established through the purchase contract.

Amortization

Amortization is recognized in the profit and loss account based on the straight-line depreciation method during the estimated useful life of the respective intangible asset. Intangible assets are amortized from the date the asset is ready for use. The useful life for software and licenses is between 1 and 5 years.

Measurement at the reporting date

Intangible assets are recognized at the reporting date at cost less accumulated amortization and adjustments.

Subsequent expenses

Subsequent expenses for intangible assets are capitalized only when future economic benefits are expected for the respective asset. All other expenses are registered under the profit and loss account when made.

f. Adjustments for asset loss of value

The accounting value of the Company's assets is reviewed every time the balance sheet is drawn up in order to determine the existence of any impairment. If such impairment is determined, the recoverable value of the company's asset is estimated. An impairment loss is registered if the accounting value of the asset exceeds its recoverable value. The write-off is recognized in the profit and loss account. The impairment loss can be reversed if there has been a change in the circumstances existing when the recoverable value was established. The reversal of the impairment loss can be made only if the net asset value does not exceed its net historical accounting value, taking into account the depreciation and without considering the previous impairment.

g. Financial instruments

Financial instruments include the following:

- cash and cash equivalents;
- financial assets (shares held in affiliate entities and other investments held as financial assets);
- short-term investments, including securities under repurchase agreements;
- trade receivables and payables;
- long and short-term payables.

Recognition

The Company recognizes financial assets on the date they of their transfer (settlement date). Financial assets are initially recognized at cost. Operations under repurchase agreements involve bank placements, guaranteed by state securities. Securities under repurchase agreement have a fixed due date and are registered as short-term financial investments initially at the acquisition price.

Measurement

After the initial recognition, fixed income securities are measured using the daily recognition of the interest associated to the period starting with the date when the investment was made. Long-term securities are measured at their historical cost less any adjustments for loss of value. Trade receivables are registered at their estimated realizable value. Doubtful clients are measured by analyzing all existing balances at the end of the period. If bad debts are identified, value adjustments are recorded in the year of their identification as such. Upon registering short-term investments in the Company records, including securities under repurchase agreements, measurement is made at acquisition cost plus the accumulated return on the balance sheet date, less any principal and interest received. The depreciation against expenses of the investments held as current assets at the end of the period is recognized as adjustment for loss of value.

Derecognition

Financial assets are derecognized when the Company loses the control of the contractual rights for the respective asset. The Company loses control if it obtains the right on the benefits specified in the contract, if the rights expire or the company waives them. Financial debt is recognized when the obligation specified in the contract is fulfilled, canceled or expired. Derecognition of sold financial assets is effected on the settlement date or on the date of the transfer of property. The gain or loss made at derecognition is calculated based on the historic cost of the financial asset and it is recognized

in the profit and loss account. The company uses the weighted average cost method to determine the cost of the financial assets.

h. Cash and cash equivalents

In order to draw up the cash flow statement, the cash and cash equivalents include existing cash in bank accounts and petty cash. Interest received or paid is classified as cash flow from the investment activity.

i. Inventories

The inventories are estimated at cost or the net realizable value, whichever is lower. The accounting of inventories is kept only at their value.

j. Provisions for risks and expenses

The provisions for risks and expenses are recognized when the company has a legal or implied obligation resulted out of past events, when for the settlement of the obligation a resource outflow that include economic benefits is needed and when a credible estimation can be made for the value of the liability.

k. Dividends payable

Dividends declared before the balance sheet date are recorded as liabilities at that date. Dividends proposed or declared after the balance sheet date are not recorded as liabilities, but they are included in the notes to the financial statements.

l. Taxes

During 1H 2015, the Company paid a 16% corporate profit tax rate, which was also applicable in 2014. The calculation of the tax profit is based on the accounting result, corrected by any deductible and non-deductible items to which the tax percentages in force on the date the profit tax is calculated are applied.

m. Recognition of revenues

The accounting of revenues is kept according to the types of revenues; they are recognized according to accrual-based accounting principles.

Revenues from current activity

Revenues from the current activity include revenues from commissions charged for transactions with shares and fixed income securities, the fees charged for the admission and maintenance to the transaction system, revenues from selling stock exchange information and other revenues. These are recognized according to the matching principle, taking into account the period in which the services were provided by the company.

Revenues from dividends

Revenues from dividends are recognized in the current financial year, after the date of the General Shareholders' Meeting of the companies in which equity investments were made, in line with the GSM resolutions regarding the dividend distribution.

Revenues from interest rates, commissions and other similar revenues

These revenues are recognized according to the matching principle, taking into account the interest due according to the contract terms during the respective year, if it is certain that such interest will be actually earned on the due date. Revenues from securities under repurchase agreements are recognized based on the return on investments calculated on the date of their establishment.

n. Recognition of expenses

Accounting of expenses is kept according to the types of expenses, their nature or destination. Operating expenses are registered on the date of their occurrence. The costs incurred for the interest associated to potential loans are registered on the date of their occurrence under the expense account.

7. Shareholding structure and financing sources

The share capital on 30 June 2015 was unchanged compared to the beginning of the year; it amounted to RON 76,741,980, consisting of 7,674,198 shares with a nominal value of RON 10/share. The shareholders' structure on 30 June 2015 is presented below:

	Number of shares	% of the share capital
Legal entities	6,668,790	86.90
Natural persons	<u>1,005,408</u>	<u>13.10</u>
Total	7,674,198	100.00

According to the provisions of article 129, paragraph 1, of the Capital Market Law no. 297/2004, no shareholder of a market operator can hold directly or indirectly more than 20% of the total number of voting rights. Also, according to BVB's Bylaws, the subscription, acquiring and holding of Company shares shall comply with the requirement that no shareholder can hold directly or indirectly more than 20% of the total number of voting rights. On 30 June 2015, BVB had no significant shareholders and it did not hold any of its own shares.

8. Information on employees, administrators and directors

Indicator	Number of employees 30 Jun 2015	Number of employees 30 Jun 2014	Change
Total number of employees, out of which:	44	44	-
Higher education personnel	43	43	-
Secondary education personnel	1	1	-

The number of employees on June 30, 2015 was 44, similar to the figure for end-June 2015.

The Board of Directors ensured the management of the Company, with the following members:

- Mr. Lucian Claudiu Anghel President
- Mr. Pompei Lupsan Vice-President
- Mr. Dan Paul Vice-President
- Mr. Robert Pana Secretary General
- Mr. Stere Farmache Member
- Mr. Octavian Molnar Member
- Mrs. Narcisa Oprea Member
- Mr. Valerian Ionescu Member
- Mr. Matjaz Schroll Member

The executive management was ensured by:

- Mr. Ludwik Sobolewski General Manager
- Mr. Alin Barbu Deputy General Manager
- Mrs. Anca Dumitru Deputy General Manager
- Mr. Virgil Stroia Financial Manager
- Mr. Calin Macedon Operations Director
- Mrs. Ileana Botez Communication and Marketing Director

During the report period, the following expenses were registered:

• expenses with salaries, out of which:	RON 2,920,094
- expenses with management salaries	RON 1,291,969
• social security expenses	RON 695,049
• expenses with meal tickets	RON 43,665
• expenses with the allowances of the BoG and Special Commissions members	RON 520,446

The Company has no contractual obligations on the administrators' behalf and has not paid any advances or loans to its managers or administrators. Also, the company has no future obligations such as guarantees granted on administrators' behalf, BVB pays its contribution to the state pension fund, health fund, unemployment fund, on a monthly basis, in its employees' accounts, according to the percentages stipulated by the legislation in force. During the report period the Company has not made any contributions on behalf of its employees to optional pension schemes and no costs have been incurred for the voluntary health insurance premiums; it only made contributions to the national pension/health system, according to the legislation in force.

9. Main financial indicators as of 30 June 2015

	Calculation formula	Value
Liquidity indicators		
Current ratio	Current assets / Current liabilities	4.1 times
Acid test ratio	(Current assets - Inventories) / Current liabilities	4.1 times
Debt-to-equity ratio	(Borrowed capital / Equity)*100	BVB has no borrowings
Activity indicators		
Accounts receivable turnover	(Average receivables balance / turnover)*181 days	84.2 days
Accounts payable turnover	(Average supplier balance / turnover)*181 days	18.0 days
Non-current asset turnover	Net sales / Non-current assets	0.11 times
Asset turnover	Net sales / Total assets	0.08 times
Financial leverage	Total liabilities / Shareholders' equity	0.06 times
Profitability indicators		
Operating margin	Operating profit / Net sales*100	11.9%
EBITDA margin	EBITDA / Net sales*100	18.6%
Net margin	Net profit / Net sales*100	47.8%
Return on equity (ROE)	Net profit / Shareholder's equity*100	4.2%
Return on assets (ROA)	Net profit / Total assets*100	4.0%
Market indicators		
Earnings per share	Net profit / No. of shares	RON 0.52
Market capitalization	Market price * No. of shares	RON 255,167,084
Book value per share	Shareholder's equity / No. of shares	RON 12.18

10. Other information

A. Information on the Company

On 21 June 1995, the Bucharest Stock Exchange was established as a public autonomous institution by Decision D20, on the grounds of Law no. 52/1994. Until it became a joint stock company, BVB was operated according to the provisions of Law no. 52/1994 and of GEO no. 28/2002, as a public institution with non-patrimonial purpose, financed from its own sources. On 15 July 2005, by court decision no. 12270/SC/2005 delivered on file no. 531497/SC/2005, the application for the reorganization of BVB by change of its legal status into a joint stock company with no patrimonial liquidation and without the cessation of the activity performed by the former public institution was admitted. BVB's patrimony became according to art. 285, paragraph 1 of Law no. 297/2004 the patrimony of Bursa de Valori Bucuresti SA (Bucharest Stock Exchange). On 31 August 2005 (reference date), Bursa de Valori Bucuresti SA merged by absorption with Bursa Electronică Rasdaq SA the latter conveying its universal right on its own patrimony to the absorbing company. On 18 May 2010, NSC Decision no. 632 approves the BVB prospectus for the listing on the main market.

The official headquarters of Bursa de Valori Bucuresti SA is located in Bucharest, no. 34-36, Carol I Blvd., floors 13-14, district 2, Romania, Bursa de Valori Bucuresti SA has no subsidiaries. Its main activity field complies with CAEN code 6611 – "Administration of financial markets".

B. Information on the relations of this institution with subsidiaries, associated companies or other companies in which strategic equity investments are made

On 30 June 2015, Bursa de Valori Bucuresti SA has equity investments in the share capital of other companies, as shown below:

- Equity investments in the share capital of Depozitarul Central SA (DC), Bucharest, no. 34-36 Carol I Blvd., district 2, floors 3, 8 and 9, amounting to 22,656,932 RON, which represent 69.04% of the share capital of DC;
- Equity investments in the share capital of Casa de Compensare Bucuresti SA (CCB), no. 34-36, Carol I Blvd., 12th floor, district 2, Bucharest, amounting to RON 3,651,494 (52.5080% of the share capital of CCB);
- Contribution to the initial patrimony of the Institutul de Governanta Corporativa al BVB Foundation, no. 34-36, Carol I Blvd., 12th floor, district 2, Bucharest, amounting to RON 50,000 (100%);
- Equity investments in the share capital of Fondul de Compensare a Investitorilor SA, Bucharest, no. 34-36, Carol I Blvd., district 2, Bucharest, amounting to RON 215,041 (62.45%);
- Equity investments in the share capital of Casa Romana de Compensatie Sibiu SA amounting to RON 20,925 (1.94%);
- Equity investments in the share capital of Bursa BVC SRL Chisinau amounting to RON 19,342.

Transactions with subsidiaries:

Indicator (RON)	30 Jun 2015	30 Jun 2014
Operating revenues	541,934	160,306
Revenues from dividends	1,311,764	-
Acquisitions of goods and services	20,083	24,094
Balance of payables (liabilities) on 30 June	2,565	100
Balance of receivables on 30 June	91,066	635,297

Operating revenues received from entities in which BVB has equity investments are based on administration and maintenance IT services for the equipment used for the fulfillment of the company's object of activity and revenues from software development and implementation. Expenses related to subsidiaries consist of services provided by the Central Depository (payment of dividends to BVB's shareholders and services for organizing the shareholders' meetings).

C. Method used for presenting asset and liability items, as well as the revenues and expenses (recorded initially in foreign currency) in the national currency

The company records its asset and liability items, revenues and expenses on 30 June 2015, according to the Accounting rules complying with Directive IV of EEC, as follows:

- monetary items denominated in foreign currency were reported based on the closing exchange rate of the reporting period;
- non-monetary items were recorded at their historic cost and those expressed in foreign currency were reported based on the exchange rate applicable on the transaction date.

D. Information on corporate profit tax

The first 6 months of 2015 ended with a pre-tax profit of RON 4,396,861, entirely generated by the current activity; the corporate profit tax was RON 438,000, payable within the deadline set by the legal framework. The reconciliation between the accounting profit and the result for tax purposes in 1H 2015 vs. 1H 2014 is presented below:

Indicator (RON)	30 Jun 2015	30 Jun 2014
Pre-tax accounting profit reflected in the financial statements, according to the regulations in force	4,396,861	6,708,645
Non-taxable revenues	-1,726,054	-310,958
Non-deductible expenses according to the legislation in force (less the profit tax expenses)	<u>206,473</u>	<u>306,457</u>
Profit subject to tax	2,877,279	6,704,144
Calculated corporate profit tax (16%)	460,365	1,072,663
Sponsorship deducted, according to the law	22,365	-
Corporate profit tax owed for 1H	438,000	1,072,663

Non-taxable revenues for the first 6 months of 2015 are mainly dividends to be received from the Central Depository, revenues from reversal of provisions registered in 2014 and revenues registered from the cancelation of the adjustment for value losses of the securities held in listed international entities. Non-deductible expenses are expenses made for the adjustment of the financial assets held in international entities, expenses for the contributions to the international organizations to which BVB is affiliated that exceed the limit permitted by the law to be accounted as deductible expenses, sponsorship expenses and other expenses that do not meet the criteria for being accounted as deductible expenses.

E. Sales revenues

Net sales reached RON 8,275,555 on 30 June 2015 (30 June 2014: RON 13,093,976), generated from services that represent BVB's current activities, after deducting the taxes directly related to sales, according to the Accounting regulations in compliance with Directive IV of EEC.

F. Auditors' fees

During the first half of the year, expenses with auditors' fees amounting to RON 27,872 were registered, while fees paid during the analyzed period reached RON 115,069.

G. Commitments made and received – not applicable

H. Company reserves on 30 June 2015

The Company's reserves amounting to RON 10,420,087 include the following.

- Legal reserves, amounting to RON 6,507,834, established according to legal provisions in force as 5% of the Company's accounting profit, up to 1/5 of the subscribed and paid share capital;
- Reserves recorded from the bonus shares received from Central Depository amounting to RON 2,413,197;

- Reserves representing a surplus from reevaluation reserves amounting to RON 57,109, which include the reevaluation reserves upon the disposal of the revalued assets;
- Other reserves established according to the legal provisions amounting to RON 1,441,947.

In addition, the Company registered reevaluation reserves of RON 2,325,080 in 2013, resulted from the revaluation of the land owned in Mareşal Averescu Blvd.

I. Litigations

As of 30 June 2015, the Bucharest Stock Exchange was involved in the following litigations:

- litigations through which BVB requests the opening of insolvency procedures for outstanding debtors for the payment of their obligations associated to the services provided by BVB. The gross value of the receivables owed by these debtors was fully provisioned.
- litigations related to the recovery of outstanding receivables;
- other litigations in which BVB is the plaintiff / respondent, related to: the cancelation of trades, the suspension of shares for an issuer, the cancelation of legal acts, obligations to do (litigations with professionals).

J. Risk management

Risks associated to the economic environment. Although significant progress has been made lately in the stabilization of the macroeconomic indicators, the international and regional context remains uncertain and can affect the economic and financial environment in which BVB operates. The materialization of the possible risks associated to the economic environment can result in the reduction of the trading activity on the markets managed by BVB, and consequently the reduction of BVB's revenues.

The Company's management can not foresee all effects of the crisis which would have an impact on the Romanian financial sector or their potential impact on these financial statements. The Company's management believes that it has taken all measures required for the Company's sustainability and development under the current market conditions.

Liquidity risk. The Company's policy on liquid assets is to maintain sufficient resources in order to fulfill its obligations as they become due. The liquidity risk can materialize when the Company cannot fulfill its current obligations due to the lack of cash and equivalents (liquid assets). Taking into account the fact that a significant percentage of the Company's assets consists of high level of liquid investments, the liquidity risk is low. The Company monitors the evolution of the level of cash & equivalents in order to meet its obligations on the date they become due. The assets and liabilities are analyzed based on the period remaining up to the contractual due date (Note 5, Receivables and payables statements).

Credit risk. Credit risk represents an accounting loss which can be recognized if the contracting parties fail to fulfill their obligations. The Company is exposed to the credit risk arising out of the possible failure of its contracting partners to fulfill their payment obligations. However, the company management does not expect significant losses.

Tax associated risk. Starting with 1 January 2007, as a result of Romania's accession to the European Union, the Company had to comply with EU regulations and consequently it has prepared for the application of the changes brought by the European legislation. The Company implemented the changes, but the manner of implementation remains open for fiscal audit for a 5 year period. The text interpretation and the practical implementation of the procedures stipulated by the new tax regulations in force could vary and there is the risk that in certain situations the tax authorities should adopt a different position than that of the Company. Moreover, the Romanian Government has a number of agencies authorized to perform the audit (inspection) of the companies operating on the Romanian territory. These inspections are similar to the tax audits performed in other countries and they can cover not only tax aspects, but also other legal and statutory issues of interest to these agencies. It is possible that the Company would be subject to tax inspections as new tax regulations are issued.

K. Events subsequent to the balance sheet date

Not applicable.

We hereby declare that no other events subsequent to the reporting period, which if not disclosed might affect the users' ability to make valuations and take correct decisions, occurred. These reports were not subject to a financial audit.

President,
Lucian Claudiu Anghel

General Manager,
Ludwik Leszek Sobolewski

Financial Manager,
Virgil Adrian Stroia

STATEMENT

The statement herein concerns the extent to which the financial report of Bursa de Valori Bucuresti SA, prepared on 30 June 2015, contains an accurate presentation of all significant matters related to the financial position of Bursa de Valori Bucuresti SA as of 30 June 2015, and of the results of its operations concluded on this date according to the requirements of the Romanian accounting standards, namely the Accounting Law no. 82/1991, republished, and the Regulation no. 4/2011 on the Accounting Regulations in compliance with Directive IV of the European Economic Community applicable for authorized entities, as regulated and monitored by the National Securities Commission, approved by Order of the National Securities Commission no. 13/2011.

We undertake responsibility for the accurate presentation of the financial reports according to the above mentioned lawful regulations. We confirm with full knowledge of the facts that the half-yearly financial and accounting report was drawn up according to the Accounting Regulations in compliance with Directive IV of the European Economic Community, the accountancy policies used observing the same and providing an accurate and true to reality image of the assets, liabilities, financial position, profit and loss account and that the report of the Board of Governors includes an accurate analysis of the company development and performance, as well as a description of the main risks and uncertainties specific to the activity carried out.

President,
Lucian Claudiu Anghel

General Manager,
Ludwik Leszek Sobolewski

Financial Manager,
Virgil Adrian Stroia

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Financial reports availability

Financial reports are available in our Investor Relations section on our corporate website at

<http://www.bvb.ro/InvestorRelations/FinancialFigures/FinancialReports>

Earnings conference calls

Permanent replays of our recorded earnings conference calls and the related presentations are available at <http://bvb.ro/live/prezentari.aspx>

Presentation slides and sound will be streamed live over the web at <http://bvb.ro/conference/>

Upcoming corporate events

6 August 2015 – Earnings call for the presentation of half-yearly financial results

10 November 2015 – 3rd quarter results & earnings call

Find out more about the Bucharest Stock Exchange



Corporate website

www.bvb.ro

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