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1Q 2018 FINANCIAL

RESULTS

MAY 9, 2018



Key market events during 1Q 2018

January 9

Romania Macroeconomic Outlook in 2018 - Debate with Financial-Banking Analysts, a debate focused on the macroeconomic outlook for Romania in 2018. What sectors will drive the economic growth, what investment opportunities lie ahead, and what will be the macroeconomic context for Romania in 2018 have been just a few questions looking for an answer.

January 29

The next four years at BVB - Adrian Tanase, BVB CEO, in dialogue with journalists. BVB will keep on developing the infrastructure and the environment to reach its maximum potential so that Romania is promoted to the Emerging Market status as a consequence of these developments.

February 1

Official opening of the trading session when Elvila shares started trading on the AeRO market of BVB.

February 5

Official opening of the trading session dedicated to the anniversary of a decade since the listing of Transgaz on BVB. Transgaz is the technical operator of the national gas transmission system implementing the national strategy for domestic and international gas transmission, gas dispatching as well as research and design, under conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness.

February 9



About 600 representatives of the capital market, financial industry and entrepreneurs attended one of the most important events of the year for the capital market in Romania. Bucharest Stock Exchange announced the winners of the Capital Market Awards at the Inauguration of the Stock Exchange Year 2018. This year, Bucharest Stock Exchange and its partners handed 19 awards, out of which four were voted by the public, who had cast about 3,000 valid votes on the dedicated website: www.isey.ro.

February 15



Official opening of the trading session when Purcari Wineries shares float on the main market of BVB, after the successful completion of the initial public offer conducted between January 29 - February 8.

March 8



Ring the bell for gender equality, in celebration of International Women's Day, for raising awareness about the importance of gender equality to both business and sustainable development. The aim of this global initiative is to have "bells ringing" to draw attention to the critical role business and markets can and must play in closing the gender inequality gap.

March 18



Money Matters Matter - Ring the Bell with Global Money Week, a Child & Youth Finance International initiative, is an annual financial awareness campaign built to inspire children and young people to learn about money matters, livelihoods and entrepreneurship.

1Q 2018 Improving the offer



Made in Romania / BVB League

The first edition of "Made in Romania: The League of 15 Companies for the Growth of the Romanian Economy" project was launched in February 2017. Successfully completed, the BVB launched in January 2018 the nominations for the second edition of the project. The aim of the initiative is to select and promote 15 of the most innovative Romanian companies that have the greatest potential for growth and chances to become players with an impact in the local and perhaps even regional economy.

Purcari IPO

IPO on the Main Market, following the sale of 49% stake in the company for RON 186 mn (EUR 40 mn). Purcari Wineries is one of the largest CEE wine groups, encompassing four wineries in Moldova and Romania: Purcari, Crama Ceptura, Bostavan and Bardar, operating over 1,000 hectares of vineyards. The company is the leader in the premium segment in Romania, with a 26% segment share, and the largest wine exporter from Moldova, delivering to over 30 countries around the globe. It started trading on February 15, 2018, under symbol WINE.

Elvila listing on AeRO

Elvila shares float on the AeRO market of BVB on February 1. Elvila is a Romanian company established in 1990 and has become a leading furniture production and sale company in Romania. Elvila operates 25 stores nationwide, out of which 14 own stores in Alexandria, Bacau, Botosani, Beius, Brad, Brasov, Bucuresti, Cluj-Napoca, Constanta, Focsani, Iasi, Oradea, Mizil, and Ploiesti, and 11 franchise stores.

1Q 2018 Improving the demand



7/24 CAPITAL

In May 2017, the Bucharest Stock Exchange launched its own video production of financial education, 7/24 Capital, where we deal with topics related to the capital market in an unconventional manner.

Over one million minutes of financial education were watched and more than half a million views for the YouTube channel of the Bucharest Stock Exchange in the past two years.

Roadshows and Investor Days

BVB has organized or participated in 1Q 2018 to events dedicated to institutional investors, to promote the local capital market and the progress made in recent years.

There have been events dedicated to institutional investors, in partnership with brokerage companies, focusing on London, Vienna, Budapest, Zagreb and Sofia.



BVB Group and the operated markets

Markets operated by BVB



Main Market

Listed companies:
85 domestic and 2 foreign

Domestic market cap:
EUR 21.6 bn

Total market cap:
EUR 38.9 bn

Instruments:
shares, rights, corporate and municipal bonds, government securities, structured products, fund units, tradable UCITS (ETFs), warrants



AeRO market for SMEs

Listed companies:
314 domestic and 2 foreign

Domestic market cap:
EUR 1.37 bn

Total market cap:
EUR 1.48 bn

Instruments:
shares, rights, bonds

Segments within BVB Group:

- **Trading segment** – Bucharest Stock Exchange
- **Post-trading segment** - Clearing & settlement services of the Central Depository
- **Registry segment** – Registry activities of the Central Depository
- **Other services** – Activities of the Investors Compensation Fund and of the Bucharest Clearing House
- **SIBEX Depository** - was acquired on 29.12.2017 and its activity is reported as discontinued operation according to IFRS5



Key financial highlights - consolidated

Financial performance, BVB Group (RON mn, unless otherwise stated)

	1Q 2018	1Q 2017	Change (%)
Operating revenues	11.90	9.19	29%
Operating expenses	(7.13)	(6.23)	14%
Operating profit	4.77	2.96	61%
Net financial revenue/(expenses)	0.21	0.45	-53%
Profit before tax	4.98	3.41	46%
Profit from continuing operations	4.18	2.83	48%
Loss from discontinued operations	(0.15)	-	-
Profit for the period	4.03	2.83	42%
Total comprehensive income	4.03	2.95	37%
EPS attributable to owners (RON/share)	0.4941	0.3623	36%

* The financial results for 1Q 2018 are prepared in accordance with IFRS and are not audited.

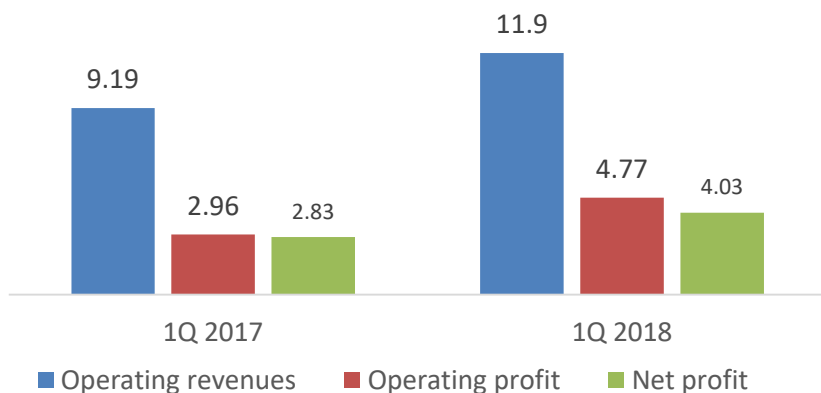
Profitability ratios, BVB Group (%)

	1Q 2018	1Q 2017	Change (%)
Operating margin	40%	33%	-
Net margin	35%	31%	-
Return on equity (ROE)	3.2%	2.6%	-

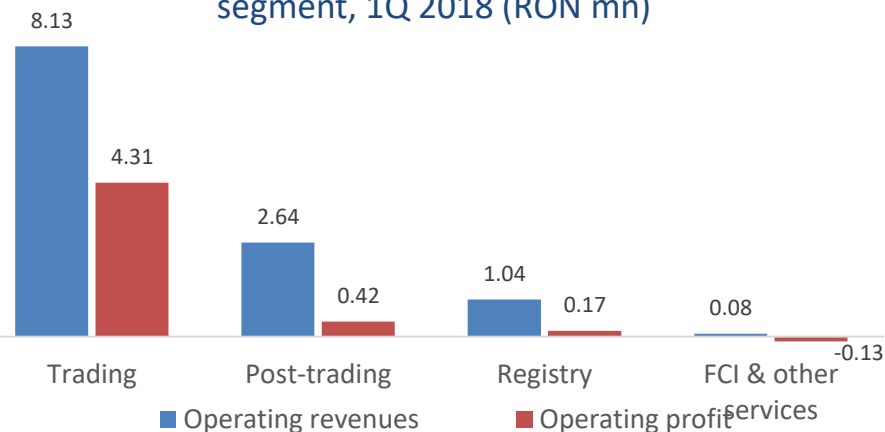
* Indicators based on consolidated financial results

Analysis of the consolidated results for the quarter

Main financial indicators, 1Q 2018 vs. 1Q 2017
(RON mn)



Distribution of operating revenues and result, by segment, 1Q 2018 (RON mn)

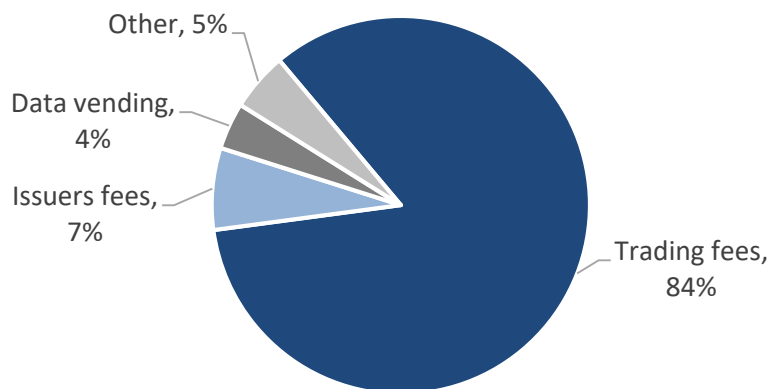


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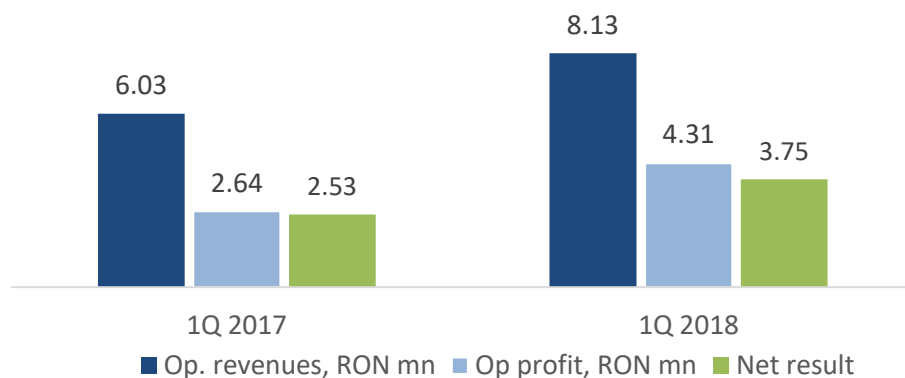
- The Bucharest Stock Exchange Group (BVB Group) ended the first quarter of 2018 with 61% increase in consolidated operating profit from RON 2.96 mn to 4.77 mn
- The BVB Group's operating income grew by 29% in the first three months of the year compared to the similar period of 2017, up to RON 11.90 mn, mainly driven by the increase in the total value of transactions traded on the BVB markets.
- Operating expenses, amounted to RON 7.33 mn, were up by 14% compared with the first three months of the previous year, well below the level of revenue growth
- Consolidated net profit in 1Q 2018, amounted to RON 4.03 mn, advanced by 42% compared to the net result obtained in the same period of the previous year, with a net margin of 35%, 93% being generated by the Group's trading segment.

Analysis of the trading segment revenues (1/2)

Breakdown of trading segment revenues in 1Q 2018 (%)



Operating revenues and profit, trading segment (RON mn)



* The financial indicators for the 1Q 2018 are prepared in accordance with IFRS and are not audited.

Trading segment revenues

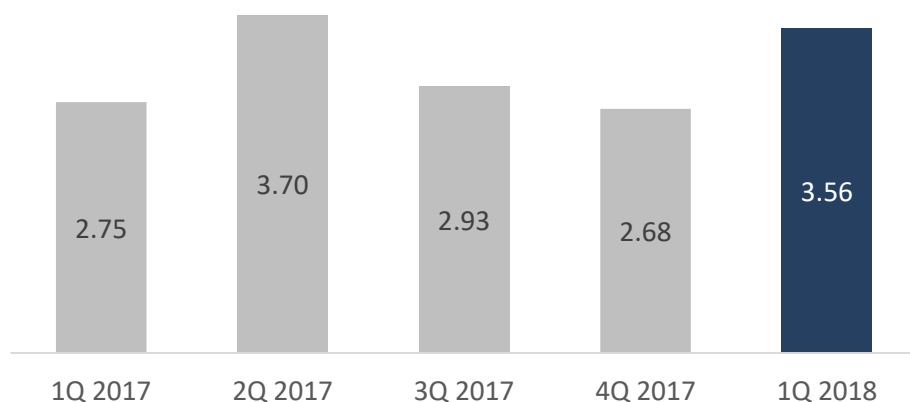
- BVB's trading activity on the stock market was more intense, with a 30% increase from the first quarter of 2017 to a level of RON 3.78 bn.
- For the regulated market of shares, the average daily value of the transactions was RON 53.68 mn.
- The stock market capitalization of Romanian companies exceeded EUR 21.5 bn at the end of March 2018, while the capitalization of all listed companies on the regulated market of BVB came close to EUR 39 bn.

Trends in trading activity

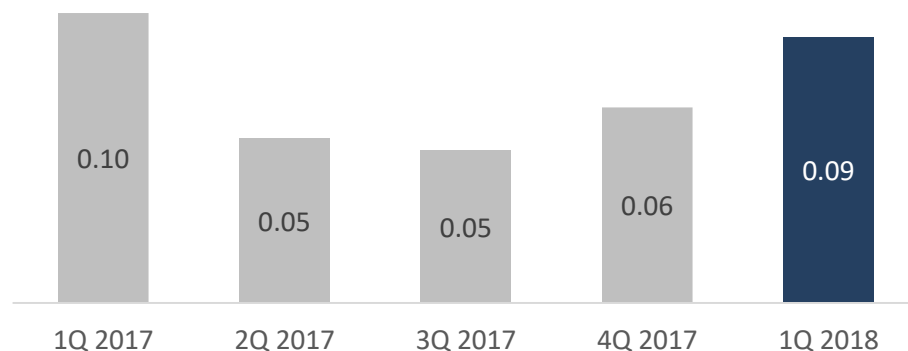
- BVB's trading on the stock market was more intense in the first quarter of the year, up by 29% comparing to the first quarter of 2017 to a level of RON 3.56 bn
- The market for fixed income instruments (bonds and government securities) grew by 137% over the same period last year to RON 129 mn.
- The structured products market decreased by 8% compared to the first quarter of 2017, to RON 88 mn, but it recorded higher values compared to the last three quarters.

Analysis of the trading segment revenues (2/2)

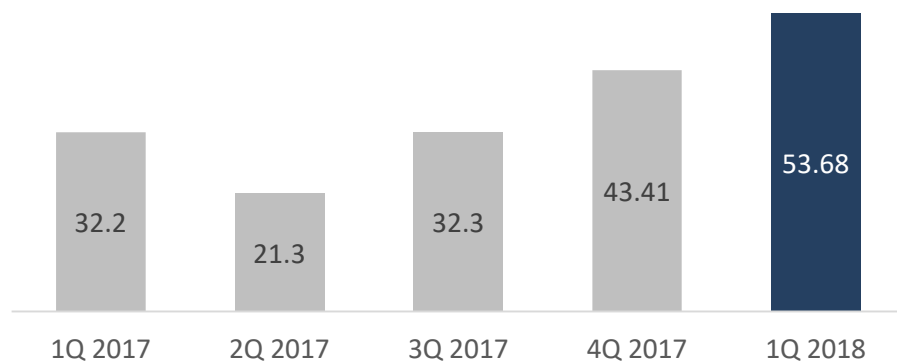
Trading value for shares, rights and units
(RON bn)



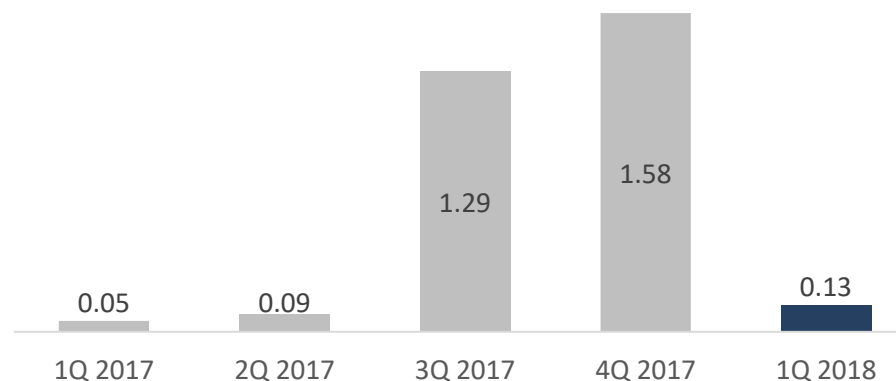
Trading value for certificates (RON bn)



Average trading value, shares - regulated market
(RON mn/day)



Trading value, fixed-income instruments
(RON bn)

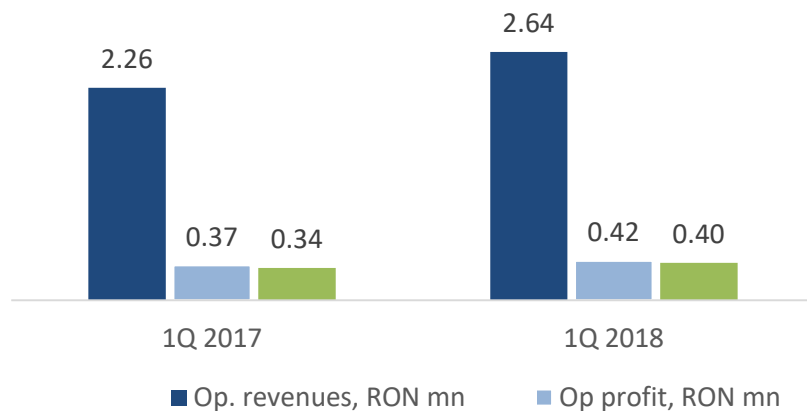


Note: Figures are presented on a "single counted" basis and include Deal trades (for stocks and structured products) and offers. Average trading value includes all equities markets, excluding offers.

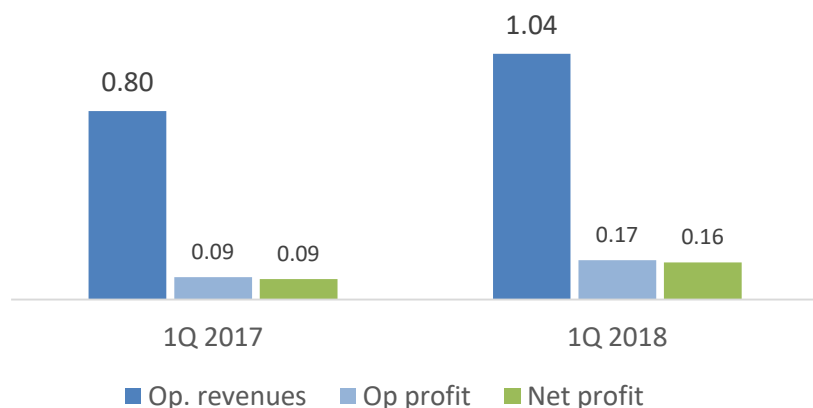
Analysis of the post trading and registry segment

revenues

Operating revenues and profit, post-trading segment (RON mn)



Operating revenues and profit, registry segment (RON mn)



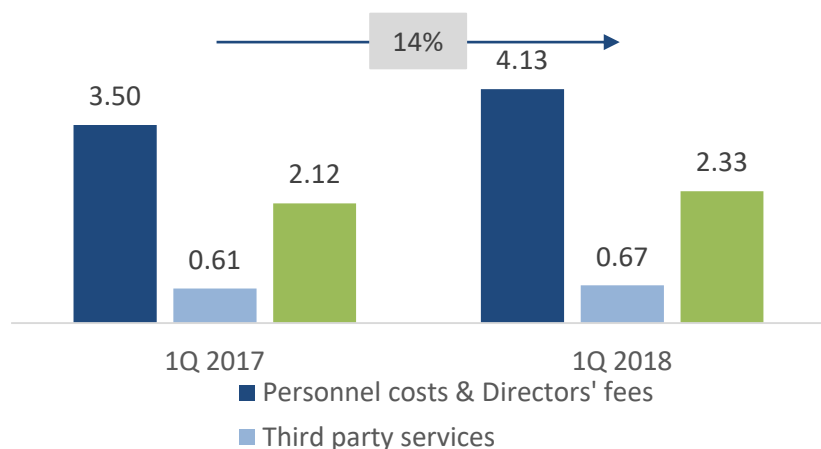
Post-trading segment revenues

- The revenues from the post-trade activity performed by the Central Depository, the related revenues increased by more than 17% based on the additional income from the custodian's portfolio growth and the increase of income directly proportional to the trading activity, namely the local settlement income
- The revenues from the registry activity carried out by the Central Depository are heterogeneous and variations are not generally significant to indicate the trend of these revenues. However, in the first quarter of 2018, there was an increase of 31% compared to the same period last year, due to the evolution of revenue received from services rendered to issuers as well as the conclusion of new registry contracts.
- Revenues from the Group's post-trading segment in the first quarter of 2018, respectively RON 2.64 mn (excluding intra-group transactions), increased by 17% compared to the same period in 2017, amid the increase in the trading activity of the BVB, which generated a 31% increase in local settlement revenues, as well as an 11% increase in income from the admission and maintenance of participants in the clearing-settlement system of custodians.

* The financial indicators for the 1Q 2018 are prepared in accordance with IFRS and are not audited.

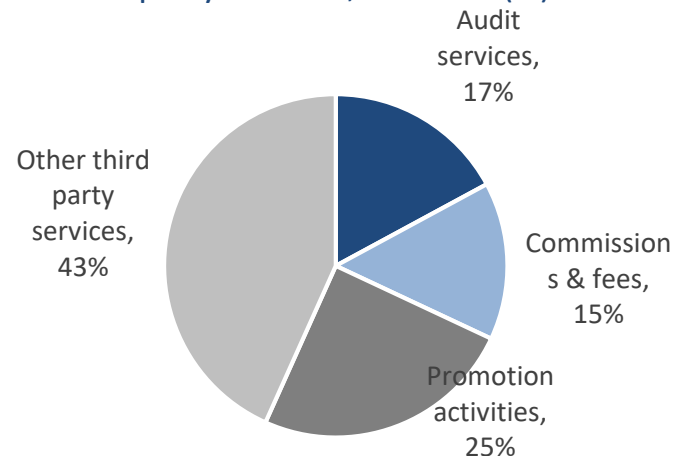
Analysis of operating expenses for BVB Group

Breakdown of operating expenses, 1Q 2018 vs. 1Q 2017 (RON mn)

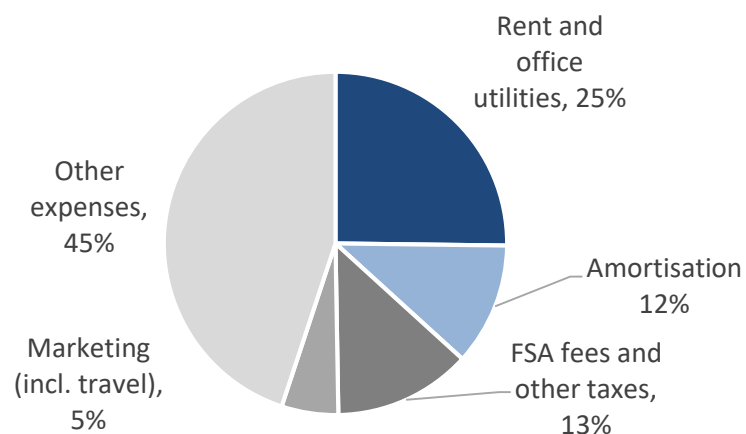


- Consolidated operating expenses amounted to RON 7.13 mn, up by 14% compared with the first three months of the previous year (1Q 2017: RON 6.23 mn), well below the level of revenue growth.
- The increase of personnel expenses in the reporting period from RON 3.50 mn in 1Q 2017 to RON 4.13 mn in 1Q 2018 is mainly due to a new quarterly recognition policy for estimated expenses for benefits granted to personnel starting 2018, while in 1Q 2017 no such expenditures were estimated.
- Increases were also recorded in the cost of services rendered by third parties, generated mainly by the increase in promotion expenses, but also in Other operating expenses, due to the increase in fixed asset depreciation expenses.

Third party services, 1Q 2018 (%)



Other operating expenses, 1Q 2018 (%)



* The financial results for 1Q 2018 restated figures in accordance with IFRS and are not audited

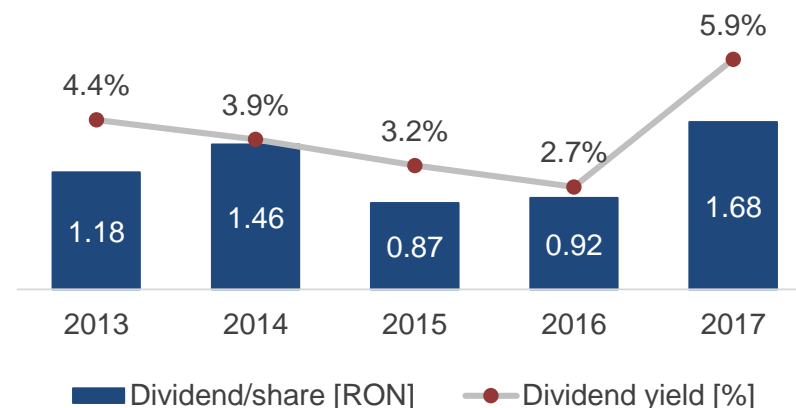
Overview of the consolidated financial position

Consolidated financial position (RON mn)

	March 2018	Dec 2017
Non-current assets	73.5	61.1
Current assets	124.0	142.1
Total assets	197.5	203.2
Shareholders' equity attributable to owners of the Company	118.6	114.3
Minority interest	10.7	10.7
Short-term liabilities	68.2	78.2
Total equity and liabilities	197.5	203.2

- At the end of March 2018, **total assets** of the BVB Group amounted to RON 197.5 mn (31 December, 2017: RON 203.2 mn), down by 3% compared to the beginning of the year, mainly as a result of the decrease in current assets.
- Non-current assets** increased by 20% compared to the beginning of the year amid the growth of financial assets held to maturity, while **current assets** decreased to RON 124.0 mn (31 December 2017: RON 142.1 mn) as a result of the decrease in cash due to the acquisition of non-current financial assets held to maturity, as well as of the dividend payments made by the Central Depository to the shareholders of listed companies, clients of the Central Depository

Dividends and dividend yield



Note: Dividend yields are calculated using the price on the corresponding ex-dates, except for 2017, where the closing price as of 16 April 2018 (GSM date) was used

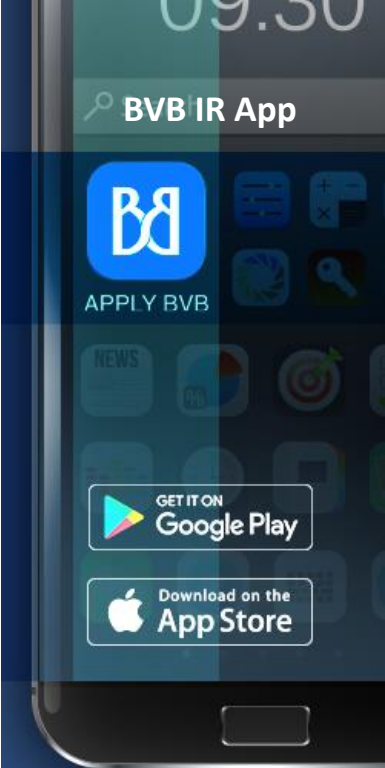
- Stable dividend policy, with a payout ratio of 100%, after legal reserves
- The dividend policy is expected to remain unchanged

Upcoming events:

- May 21, 2018 - Ex-dividend date
- Aug 10, 2018 - H1 Financial results
Conf call with investors and analysts
- Nov 14, 2018 - Q3 Financial results
Conf call with investors and analysts

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