



HALF-YEARLY REPORT

as of 30 June 2019

 BUCHAREST
STOCK
EXCHANGE

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Notes

The Directors' consolidated report herein presents the interim condensed consolidated financial statements of the Bucharest Stock Exchange, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and in compliance with the rules and regulations of the Financial Supervisory Authority (FSA). The financial results as of 30 June 2019 are not audited.

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

Entities included in the consolidation process: Bucharest Stock Exchange, Central Depository, Investors Compensation Fund. The Bucharest Clearing House has been eliminated from consolidation as a result of the General Shareholders Meeting Decision on the cancellation of the company dated 19.06.2019.

Disclaimer

This English language report is a convenience translation of the Romanian language "*Raport semestrial întocmit la data de 30 iunie 2019*". The Romanian version of the report is the official document.

Executive summary

RON 5.25 bn, +12%

Total trading value, increase compared with 1H 2018

(1st semester 2019, regulated market, offers excluded)

The Bucharest Stock Exchange (BVB) ended the first half of the year with all the indices on the positive side and double-digit increases. The BET index rose by almost 20% in the first six months, and the BET - Total Return (BET-TR) index crossed the threshold of 14,000 points, an increase of almost 30%. This accelerated growth also appeared as a result of a base effect because the market was very low at the end of last year.

The market capitalization of all listed companies on the regulated market of BVB exceeded EUR 34.8 bn in the last trading session of June 2019, compared to EUR 30.6 bn at the end of 2018, up 14%.

The regulated shares market, excluding initial and secondary public offers, which generated 93% of total trading revenues in the first half of 2019 (1H 2018: 60% of total trading revenues of BVB) registered a 12% increase in the traded value, respectively RON 5.25 bn, a result of the interest of investors for trading on the secondary market.

RON 5.60 bn, -25%

Total trading value, decrease compared with 1H 2018

(1st semester 2019, all markets, offers included)

Trading activity for all markets, including offers, decreased by 25% in the first six months of 2019 compared to the similar period of 2018, from RON 7.46 bn to RON 5.60 bn. The decrease comes, to a large extent, from the drastic decrease in the value of the offers carried out on the main market of shares and bonds, both of the initial public offers and especially of the secondary public offers, from RON 2,373 mn in 1H 2018 to RON 57 mn in 1H 2019. The lack of offers was strongly influenced by the investors' perception of the changes in the legislative framework in Romania, with a direct impact on the capital market.

RON 10.32 mn, -17%

Operating revenues of BVB Group in 1H 2019, decrease compared with 1H 2018

(as per consolidated IFRS reporting)

Compared to the first half of 2018, the settlement activity concluded at the BVB (in lei and euros) by the Central Depository decreased by 3% to the value of RON 4.84 mn, due to the decrease of the value traded at BVB while the revenues obtained from the registry activity decreased by 20% from RON 2.92 mn to RON 2.33 mn, as a base effect, considering the one-off type revenues registered in the first half of 2018.

The operating revenues of the BVB Group registered a 17% decrease in the first six months of the year compared to the similar period of 2018, to a level of RON 17.41 mn (1H 2018: RON 21.30 mn), decrease mainly determined by the decrease of the income from commissions related to the total value of the "offers" transactions carried out on the BVB markets.

RON 2.04 mn, +10%

Net financial revenues of BVB Group in 1H 2019, increase compared with 1H 2018

(as per consolidated IFRS reporting)

The consolidated operating expenses amounted to RON 15.18 mn, registering an increase of 4.7% compared to the first six months of last year (1H 2018: RON 14.49 mn), mainly due to the increase in expenses with depreciation and amortization of fixed assets, determined by the investments made by the group in 2018, of the expenses with other services provided by third parties and of the marketing expenses, as a result of the intensification of the efforts to promote the capital market in 2019 compared to the previous year, especially through the events organized by the BVB Group for the promotion of the capital market.

The BVB group registered a 62% decrease in the consolidated operating profit in the first half of 2019 to the value of RON 2.57 mn (1H 2018: RON 6.81 mn), the main cause being the drastic decrease in the value of the offers carried out on the shares and bonds regulated market.

RON 3.87 mn, -45%

Net profit of BVB Group in 1H 2019, decrease compared with 1H 2018

(as per consolidated IFRS reporting)

The net financial income increased by 10% in the first six months of 2019 compared to the similar period of 2018, up to the value of RON 2.04 mn (1H 2018: RON 1.86 mn), the unrealized exchange rate differences from the revaluation financial instruments in foreign currency generating a gain of RON 0.54 mn (1H 2018: gain of RON 0.41 mn).

The consolidated net profit reached the level of RON 3.87 mn in the first semester of 2019 (1H 2018: RON 6.99 mn), decreasing by 45% compared to the previous year, this being obtained in a proportion of 73% by the trading segment of the Group. The profit attributable to the shareholders of the parent company was RON 3.60 mn (1H 2018: ROM 6.74 mn).

On June 27, 2019, BVB started to pay the dividends from the 2018 net profit of RON 9.02 mn, representing 100% of the net profit after reserves. The gross dividend for 2018 was RON 1.12593 / share.

Financial and operating highlights

Consolidated financial performance – BVB Group (RON mn, unless otherwise stated)

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Operating revenue	17.41	21.30	-17%	8.89	9.41	-6%
Operating expenses	15.18	14.49	5%	7.93	7.37	+8%
Operating profit	2.57	6.81	-62%	0.95	2.04	-54%
Net financial revenue/(expenses)	2.04	1.86	10%	0.35	1.65	-79%
Profit before tax	4.67	8.67	-46%	1.36	3.69	-63%
Profit from continuing operations	3.87	7.22	-46%	1.11	3.05	-64%
Profit from discontinued operation	-	(0.23)	-	0.04	(0.09)	143%
Profit for the period	3.87	6.99	-45%	1.15	2.96	-61%
EPS attributable to owners (RON/share)	0.4475	0.8371	-47%	0.1221	0.3430	-64%

Profitability ratios (%)

	1H 2019	1H 2018	2Q 2019	2Q 2018
Operating margin	14%	32%	11%	22%
Net margin	22%	33%	13%	31%
Return on equity	3%	6%	1%	3%

* Indicators based on consolidated financial results

Individual financial performance – BVB only, (RON mn, unless otherwise stated), including intra-group transactions

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Operating revenue	10.32	13.34	-23%	4.94	5.13	-4%
Operating expenses	8.41	7.63	10%	4.39	3.81	15%
Operating profit	1.92	5.71	-66%	0.55	1.32	-59%
Net financial revenue/(expenses)	3.03	2.53	20%	1.60	2.37	-32%
Profit before tax	5.00	8.07	-38%	2.20	3.63	-39%
Profit for the period	4.37	6.86	-36%	2.02	3.14	-36%

Operating highlights, trading segment (RON mn, all markets)

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Trading value	2019	2018	(%)	2019	2018	(%)
Shares, units, rights	5,424	5,810	-7%	2,658	2,246	18%
<i>Out of, Shares traded on regulated market, without offers</i>	5,255	4,692	12%	2,611	2,039	28%
Certificates	75	182	-59%	38	95	-60%
Fixed-income	104	1,466	-93%	42	1,337	-97%
Total	5,603	7,457	-25%	2,738	3,677	-26%
Avg. daily value (shares, without offers)*	43.07	38.45	12%	42.80	33.98	26%
Avg. daily value (shares, including offers)*	43.52	46.97	-7%	42.91	36.36	18%

*Value for the Regulated market

Operating indicators, post-trading and registry segments

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
No. companies with registry contract at CSD	879	887	-1%	879	887	-1%
No. procedures resulted from issuers' corporate events	353	296	24%	339	273	24%
<u>Local settlement</u>						
Value of trades settled on net basis (RON bn)	12.91	13.93	-7%	6.20	5.09	22%
Value of trades settled on gross basis (RON bn)	2.04	1.94	5%	0.98	0.73	34%
<u>Settlements through T2S platform (euro)</u>						
Value of trades settled on gross basis (EUR mn)	2.79	517.29	-99%	1.57	515.28	-100%
Avg. monthly portfolio managed by custodians (RON bn)	39.88	41.39	-4%	42.01	40.48	4%

Share statistics for BVB as parent company (RON, unless otherwise stated)

	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Closing price (e-o-p)	22.30	24.90	-10%	22.30	24.90	-10%
Weighted average price	22.28	27.58	-19%	22.15	25.96	-15%
High (intraday)	24.60	30.70	-20%	23.00	28.70	-20%
Low (intraday)	21.10	22.90	-8%	21.70	22.90	-22%
Total trading value (RON mn)	6.68	17.31	-61%	4.26	6.00	-29%
Average trading value (RON mn)	0.05	0.14	-61%	0.07	0.10	-30%

Analysis of the consolidated results for the first half of 2019

Macroeconomic background and financial markets overview in the second quarter of 2019. Romania's GDP dynamics in the 1st quarter advanced at a 5% rate year-over-year, way above economists' expectations. This level confirms the Romanian economy is in a good place for now as consumption has accelerated once again. Unemployment rate stood at the 3.9% level while the number of employees remained at more than 4.9 mn. Inflation remained at an elevated level although it is decelerating reaching 3.8% year-over-year, at the end of June.

The National Bank of Romania kept the key rate at 2.5% during the 2nd quarter as uncertainties regarding inflation and economic activity remained present.

The EUR/RON exchange rate remained steady in the 2nd quarter of the current year, fluctuating, on average, near the value of 4.74. As for the USD/RON exchange rate, it continued its increase, compared with the previous quarter, moving, on average, around the value of 4.22.

The Romanian equity market, represented by BET index, continued its rebound, increasing by 9.5% during the 2nd quarter as the initial provisions of Emergency Ordinance no. 114 / 2018 were eased significantly. This performance comes also as the Romanian market offers again one of the highest dividend yields in the world. International equity markets performed broadly positive in the 2nd quarter amid hints from central banks that new rounds of monetary easing might be ahead if inflation stays persistently below target. Specifically, S&P500 increased by 3.8%, FTSE100 advanced by 2% although uncertainty regarding Brexit developments continued to weigh on investors' sentiment. The German index, DAX, was up 7.6%, while MSCI Emerging Markets Index stayed mainly flat, being down by only 0.3%.

Review of the consolidated financial results the first half of 2019. The operating revenues of the BVB Group registered a level of RON 17.74 mn in the first half of the year, a decrease of 17% compared to the similar period of the previous year, due to the decrease of the trading activity of the BVB, mainly of the "secondary public offers" transactions carried out on the BVB markets that generated revenues of RON 3.95 mn in 1H 2018 while in 1H 2019 these were of RON 0.24 mn.

The trading activity at BVB on the stock market was lower in the first half of the year, with a decrease of 7% compared to the first half of 2018, to the level of RON 5.42 bn. Although the value of the "offers" transactions decreased significantly on the main stock market, from RON 1,043 mn in 1H 2018 to RON 57 mn in 1H 2019, the "regular" transactions on the regulated stock market increased by 12%, from RON 4.69 bn to RON 5.25 bn.

The market for fixed income instruments (bonds and government securities) registered a considerable decrease, of 93%, from RON 1,466 mn in the first half of 2018 to RON 104 mn in 1H 2019, also determined by the decrease in "offers" transactions that in 1H 2018 were of RON 1,330 mn while in the first half of 2019 no such transactions were made on the fixed income instruments market.

The structured products market decreased by 59% compared to the first half of 2018, to RON 75 mn (1H 2018: RON 182 mn).

The main operating indicators for the **trading activity** registered by BVB during the reporting period, compared to the year-ago period, are presented below:

	1H	1H	Change	2Q	2Q	Change
Trading value (RON mn)	2019	2018	(%)	2019	2018	(%)
Trading value – shares, rights, units	5,424	5,810	-7%	2,658	2,246	18%
Trading value – certificates	75	182	-59%	38	95	-60%
Trading value – fixed-income	104	1,466	-93%	42	1,337	-97%
Total	5,603	7,457	-25%	2,738	3,677	-26%

Note: Figures refer to all markets and include offers

The revenues from the **registry activity** carried out by the Central Depository registered a 20% decrease from RON 2.92 mn to RON 2.33 mn, as a base effect, considering the one-off type revenues registered in the first half of 2018.

Regarding the **post-trading activity** carried out by the Central Depository, the related revenues decreased by 3% to the value of RON 4.84 mn, due to the decrease of the value traded at BVB.

The table below presents the main operating indicators registered by the Central Depository during the reporting period as compared to the year-ago period:

Post-trading and registry segment indicators	1H 2019	1H 2018	Change (%)	2Q 2019	2Q 2018	Change (%)
Registry activity						
No. companies with a registry contract at the Depository:	<u>879</u>	<u>887</u>	-1%	<u>879</u>	<u>887</u>	-1%
- listed companies	408	415	-2%	408	415	-2%
- closed companies	471	472	0%	471	472	0%
No. procedures resulted from issuers' corporate events, of which:	<u>353</u>	<u>285</u>	24%	<u>339</u>	<u>273</u>	24%
- share capital changes	21	24	-13%	7	12	-42%
- dividend payments	332	261	27%	332	261	27%
Settlement activity						
Admission and maintenance						
No. of intermediaries / participants to the clearing & settlement system	29	32	-9%	29	32	-9%
No. of custodians	8	9	-11%	8	9	-11%
Avg. monthly portfolio managed by custodians (RON bn)	39,88	41,39	-4%	42,01	40,48	4%
No. of clearing participants paying maintenance fees	4	3	33%	4	3	33%
Local settlement						
Value of trades settled on net basis (RON bn)*	12,91	13,93	-7%	6,20	5,09	22%
Value of trades settled on gross basis (RON bn)**	2,04	1,94	5%	0,98	0,73	34%
Settlements through T2S platform (euro)						
Value of trades settled on gross basis (RON mn)	2,79	517,29	-99%	1,57	515,28	-100%

* Trades executed at BVB as well as allocation transactions. Value presented on a single-counted basis.

** Trades executed outside trading systems and deal-type trades executed at BVB and settled on gross basis. Value presented on a single-counted basis.

The income of the Investor Compensation Fund (FCI) are represented by the interest income related to the investments of the FCI, classified as operating revenues, ie those remaining at the disposal of the FCI to cover the administrative expenses or to increase the fund's resources. They have a small share in the total operating revenues of the BVB Group and come to cover only a fraction of FCI's expenses.

Regarding **operating expenses**, they totaled RON 15.18 mn for the BVB Group, up by 4.7% compared to the first six months of last year.

Personnel expenses decreased by 3% in the reporting period from RON 8.42 mn in 1H 2018 to RON 8.15 mn in 1H 2019, mainly due to the decrease of estimated expenditures with the benefits granted in financial instruments to the management and employees of BVB but also of the Board allowance expenses, influenced by the postponement of the FSA approval of a new Board of Director for the Central Depository, the new Board being elected in April 2019.

During the reporting period, a total of 16,522 shares, worth a market value at the granting date of RON 0.37 mn, were transferred free of charge to BVB' Board of Governors and Management, according to the Stock Option Plan (SOP) approved by the General Shareholders Meeting (GSM).

Expenditure on services rendered by third parties increased by 19% in the first half of 2019 compared to the same period of the previous year to the value of RON 1.74 mn (1H 2018: RON 1.46 mn), mainly due to the increase the expenses with other services provided by third parties determined by the advance of the costs recorded by the Central

Depository (DC) for carrying out the cross-border transactions that were subsequently re-invoiced to the DC clients but also of the recording of consultancy expenses that were not contracted during the similar period of 2018.

The category of Other operating expenses advanced by 15%, from RON 4.62 mn in 1H 2018 to RON 5.29 mn in 1H 2019, mainly due to the increase in the depreciation expense of fixed assets, determined by the investments carried out at the level of the Group in 2018 and 2019, as well as of the promoting expenses, which are recorded in the protocol expenses, marketing & advertising and travel, as a result of intensified efforts to promote the capital market in 2019 compared to the previous year, in particular through the events organized by the BVB Group to promote the capital market, such as "Inauguration of the Stock Market Year" and "Made in Romania".

At the same time, there were increases with other current expenses at the BVB Group level, such as: maintenance expenses of IT systems to cover the related risks, expenses with rents & utilities that registered an advance both on the basis of the contractual conditions and due to the increase in prices from the market and the evolution of the exchange rate RON/EUR and RON/USD, while the category of "other expenses" increased due to a donation made by BVB, but without influencing the net result considering the tax facilities applied. The impact of these increases was diminished by the reduction of the expenses with the postal services related to the registry activities of DC, but also the positive effect of the reversal of some impairment adjustments for uncertain clients.

The consolidated operating profit of the BVB Group of RON 2.57 mn, decreased by 62% compared to the similar semester of 2018 (1H 2018: RON 6.81 mn), as a result of the combined effect of the 17% decrease in operating revenues while the operating expenses advanced by 5%.

The net financial income increased by 10% in the first six months of 2019 compared to the similar period of 2018, up to the value of RON 2.04 mn (1H 2018: RON 1.86 mn). The net interest income increased by 3% in the first half of 2019, from RON 1.45 mn to RON 1.49 mn, being obtained from the interests related to financial assets held in government securities and bank deposits. Also, the unrealized exchange rate differences from the revaluation of financial instruments in foreign currency generated a profit of RON 0.54 mn, compared to the same period of the year 2018, when a gain of RON 0.41 mn was recorded.

The consolidated net profit in the first semester of 2019 reached the level of RON 3.87 mn (1H 2018: RON 6.99 mn), decreasing by 45% compared to the previous year, 73% being generated by the Group's trading segment. The profit attributable to the shareholders of the parent company was RON 3.60 mn (1H 2018: RON 6.74 mn).

Review of the consolidated financial position as of end-June 2019. At the end of June 2019, the **total assets** of the BVB Group amounted to RON 187.68 mn (December 31, 2018: 214.13 mn), down by 12% compared to the beginning of the year, mainly as a result of the decrease in current assets. The **non-current assets** registered a slight decrease of 1%, to the value of RON 74.75 mn, while the **current assets** decreased by 19% to RON 112.93 mn (December 31, 2018: RON 138.84 mn), as a result of the decrease of other restricted assets influenced by the payment of dividends made by the Central Depository to the shareholders of the listed companies, clients of the Central Depository, but also due to the reduction in bank deposits covering the guarantee fund and the margin as a result of the compensation paid by the Investors' Compensation Fund in February and March to the investors of Mobinvest SA amounting to RON 2.61 mn.

The amounts for the payment of dividends were highlighted in **Other restricted assets** and represented at the end of June 2019, the amount of RON 45.56 mn (December 31, 2018: RON 66.69 mn).

All the Group's **payables** are only short-term and, at the end of June 2019, amounted to RON 72.84 mn (December 31, 2018: RON 93.71 mn), approximately 63% of this amount is represented by dividends to be paid by the Central Depository on behalf of its clients amounting to 45.56 mn, and 28% representing guarantee, clearing and margin funds for the settlement of transactions worth RON 20.16 mn. The decrease of liabilities compared to the beginning of the year is mainly due to the dividend payments made by the Central Depository but also to the decrease of the Guarantee, clearing and margin Fund as a result of the compensations paid by FCI in the first quarter of 2019 to the investors of Mobinvest S.A.

The remaining debts include dividends payable to BVB's shareholders', trade payables to various suppliers, other liabilities to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholder's equity reached RON 114.84 mn, down by 5% compared to the beginning of the year, as a result of the distribution of dividends from the retained earnings of 2018.

Expectations for the second half of 2019

Bucharest Stock Exchange decided in January 2019 the implementation of CCP-clearing services at the level of existing listed instruments as well as for the derivatives. The CCP project relies on three major objectives: establishment of the local entity to perform specific services; getting the EMIR authorisation and launching of the services for the cash and derivatives markets, including energy-based products.

For the establishment of the local company which will apply for the authorisation according to the EMIR requirements, BVB, as founding shareholder of the CCP, will contribute with cash investment of maximum EUR 10 mn, while OPCOM, the energy market operator in Romania, as BVB's strategic partner in the CCP project, will invest EUR 3.2 mn. Other local stakeholders of the capital market as well as energy market will complete the CCP shareholders palette for ensuring the level of the CCP initial equity capital agreed (i.e. minimum EUR 16 million).

The CCP will run on a hosted solution provided by an existing EU CCP, which will provide also consultancy services for obtaining the CCP authorisation under EMIR provisions.



Condensed consolidated interim financial statements as at and for the period ended 30 June 2019

**Prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union**

Condensed consolidated income statement and statement of comprehensive income

All amounts are indicated in RON, unless otherwise stated

	Six-month period ended	
	30 Jun 2019	30 Jun 2018
	Unaudited	Unaudited
Revenues from services	17,293,879	21,033,019
Other revenues	448,023	268,383
Operating revenue	17,741,902	21,301,402
Personnel expenses and Directors' fees	(8,146,578)	(8,417,107)
Expenses with services provided by third parties	(1,744,009)	(1,460,558)
Other operating expenses	(5,285,643)	(4,615,787)
Operating profit	2,565,672	6,807,950
Net financial revenues/(expenses)	2,043,183	1,858,174
(Losses)/Gains from subsidiaries impairment	56,204	-
Profit before tax	4,665,059	8,666,124
Corporate income tax expense	(796,659)	(1,441,490)
Profit from continuing operations	3,868,400	7,224,634
Profit from discontinued operation	-	(232,445)
Profit for the period	3,868,400	6,992,189
Profit attributable to:		
Non-controlling interests	265,989	254,111
Owners of the Company	3,602,411	6,738,078
Profit for the period	3,868,400	6,992,189
Earnings per share		
Earnings per share – base/diluted (RON)	0.4475	0.8371

The notes on pages 18 to 24 are an integral part of these condensed consolidated financial statements.

President,

Lucian Anghel

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated income statement and statement of comprehensive income

All amounts are indicated in RON, unless otherwise stated

	Three-month period ended	
	30 Jun 2019	30 Jun 2018
	Unaudited	Unaudited
Revenues from services	8,702,052	9,366,263
Other revenues	<u>181,519</u>	<u>40,796</u>
Operating revenue	8,883,571	9,407,059
Personnel expenses and Directors' fees	(4,249,157)	(4,285,074)
Expenses with services provided by third parties	(944,312)	(793,810)
Other operating expenses	<u>(2,741,359)</u>	<u>(2,287,042)</u>
Operating profit	<u>948,743</u>	<u>2,041,133</u>
Net financial revenues/(expenses)	352,090	1,645,941
(Losses)/Gains from subsidiaries impairment	<u>56,204</u>	<u>-</u>
Profit before tax	1,357,037	3,687,074
Corporate income tax expense	<u>(248,862)</u>	<u>(640,557)</u>
Profit from continuing operations	1,108,175	3,046,517
Profit from discontinued operation	<u>36,922</u>	<u>(85,632)</u>
Profit for the period	<u>1,145,097</u>	<u>2,960,885</u>
Profit attributable to:		
Non-controlling interests	161,534	200,076
Owners of the Company	<u>983,563</u>	<u>2,760,809</u>
Profit for the period	<u>1,145,097</u>	<u>2,960,885</u>
Earnings per share		
Earnings per share – base/diluted (RON)	0.1221	0.3430

The notes on pages 18 to 24 are an integral part of these condensed consolidated financial statements.

President,

Lucian Anghel

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated statement of financial position

All amounts are indicated in RON, unless otherwise stated

	30 June 2019	31 Dec 2018
	Unaudited	Audited
Non-current assets		
Tangible assets	7,637,262	7,850,199
Intangible assets	2,972,030	3,357,115
Restricted financial assets covering the guarantee and clearing funds and the margin at amortised cost	16,894,163	14,751,612
Financial assets at amortised cost	47,246,105	49,329,673
Total non-current assets	<u>74,749,558</u>	<u>75,288,599</u>
Current assets		
Trade and other receivables	4,239,201	5,145,718
Prepayments	977,954	500,877
Bank deposits	17,867,505	20,176,232
Restricted bank deposits covering the guarantee fund and the margin	625,938	2,814,314
Restricted financial assets covering the guarantee and clearing funds and the margin at amortised cost	2,604,853	3,889,184
Other financial assets at amortised cost	2,296,960	4,173,054
Cash and cash equivalents	38,758,301	35,292,005
Other restricted assets at amortised cost	45,558,606	66,692,122
Assets classified as held for sale	-	160,292
Total current assets	<u>112,929,318</u>	<u>138,843,798</u>
Total assets	<u>187,678,876</u>	<u>214,132,397</u>
Equity		
Share capital	80,492,460	80,492,460
Treasury shares and and Share-base benefits	(155,541)	(683,716)
Share premiums	6,303,263	6,303,263
Legal reserve	10,446,758	10,458,721
Revaluation reserve	3,644,141	3,644,141
Retained earnings	4,342,198	10,021,138
Total shareholders' equity attributable to the owners of the Company	<u>105,073,278</u>	<u>110,236,007</u>
Non-controlling interests	9,762,270	10,190,477
Total shareholders' equity	<u>114,835,548</u>	<u>120,426,484</u>

Condensed consolidated statement of financial position (continued)

All amounts are indicated in RON, unless otherwise stated

	30 June 2019	31 Dec 2018
	Unaudited	Audited
Payables		
Trade and other payables	51,041,728	71,173,266
Deferred income	1,388,507	892,490
Current corporate income tax payables	248,862	277,907
Guarantee and clearing funds and settlement operation margin	20,164,230	21,361,970
Liabilities directly associated with assets classified as held for sale	-	280
Total current payables	<u>72,843,327</u>	<u>93,705,913</u>
Total payables and equity	<u>187,678,876</u>	<u>214,132,397</u>

The notes on pages 18 to 24 are an integral part of these condensed consolidated financial statements.

President,

Lucian Anghel

CEO,

Adrian Tănase

CFO,

Virgil Stroia

Condensed consolidated statement of changes in equity

All amounts are indicated in RON, unless otherwise stated

Unaudited	Treasury shares			Retained earnings	Revaluation reserve	Legal reserve	Total		Total shareholders' equity
	Share capital	Share premiums	and and Share-base benefits				attributable to shareholders	Non-controlling interests	
Balance as at 1 January 2018	<u>80,492,460</u>	<u>6,303,263</u>	<u>(683,716)</u>	<u>10,021,138</u>	<u>3,644,141</u>	<u>10,458,721</u>	<u>110,236,007</u>	<u>10,190,477</u>	<u>120,426,484</u>
Comprehensive income for the year									
Profit or loss	-	-	-	3,602,411	-	-	3,602,411	265,989	3,868,400
Other items of comprehensive income									
Legal reserve increase	-	-	-	-	-	-	-	-	-
Total other items of comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	<u>3,602,411</u>	-	-	<u>3,602,411</u>	<u>265,989</u>	<u>3,868,400</u>
Contributions by and distributions to owners of the Company									
Benefits granted to employees settled in shares	-	-	340,349	-	-	-	340,349	-	340,349
Losses as effect of granting shares for free within SOP	-	-	187,825	(187,825)	-	-	-	-	-
Dividend paid to owners of BVB	-	-	-	(9,021,420)	-	-	(9,021,420)	-	(9,021,420)
Total contributions by and distributions to owners of the Company	-	-	<u>528,174</u>	<u>(9,209,245)</u>	-	-	<u>(8,681,071)</u>	-	<u>(8,681,071)</u>
Reduction of interests in subsidiaries	-	-	-	(72,107)	-	(11,963)	(84,070)	(75,940)	(160,010)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(618,255)	(618,255)
Total changes in interests in subsidiaries	-	-	-	<u>(72,107)</u>	-	<u>(11,963)</u>	<u>(84,070)</u>	<u>(694,195)</u>	<u>(778,265)</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>528,174</u>	<u>(9,281,352)</u>	<u>-</u>	<u>(11,963)</u>	<u>(8,765,141)</u>	<u>(694,195)</u>	<u>(9,459,336)</u>
Balance as at 30 June 2019	<u>80,492,460</u>	<u>6,303,263</u>	<u>(155,541)</u>	<u>4,342,198</u>	<u>3,644,141</u>	<u>10,446,758</u>	<u>105,073,278</u>	<u>9,762,270</u>	<u>114,835,548</u>

Condensed consolidated statement of changes in equity (continued)

All amounts are indicated in RON, unless otherwise stated

Audited	Share capital	Own shares	Share premium	Retained earnings	Revaluation reserve	Legal reserve	Total attributable to shareholders	Non-controlling interests	Total shareholders' equity
Balance as at 31 December 2017, restated	80,492,460	6,303,263	834,705	14,841,507	3,644,141	9,858,111	114,304,777	10,695,922	125,000,699
Impact Opening balances –IFRS9	-	-	-	(344,153)	-	-	(344,153)	(59,798)	(403,951)
Balance as at 31 December 2017, restated	<u>80,492,460</u>	<u>6,303,263</u>	<u>834,705</u>	<u>14,497,354</u>	<u>3,644,141</u>	<u>9,858,111</u>	<u>113,960,624</u>	<u>10,636,124</u>	<u>124,596,748</u>
Comprehensive income for the year									
Profit or loss	-	-	-	9,748,422	-	-	9,748,422	438,806	10,187,228
Other items of comprehensive income									
Legal reserve increase	-	-	-	(600,611)	-	600,611	-	-	-
Total items of comprehensive income	-	-	-	<u>(600,611)</u>	-	<u>600,611</u>	-	-	-
Total comprehensive income for the year	-	-	-	<u>9,147,811</u>	-	<u>600,611</u>	<u>9,748,422</u>	<u>438,806</u>	<u>10,187,228</u>
Contributions by and distributions to owners of the Company									
Acquisition of treasury shares	-	-	(997,995)	-	-	-	(997,995)	-	(997,995)
Benefits granted to employees settled in shares	-	-	1,036,530	-	-	-	1,036,530	-	1,036,530
Losses as effect of granting shares for free within SOP	-	-	112,454	(112,454)	-	-	-	-	-
Dividend paid to BVB shareholders	-	-	-	<u>(13,550,791)</u>	-	-	<u>(13,550,791)</u>	-	<u>(13,550,791)</u>
Total contributions by and distributions to owners of the Company	-	-	<u>150,989</u>	<u>(13,663,245)</u>	-	-	<u>(13,512,256)</u>	-	<u>(13,512,256)</u>
Change in interests in subsidiaries that do not result in a loss of control									
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(419,780)	(419,780)
Reduction of non controlling interests	-	-	-	-	-	-	-	(304,180)	(304,180)
Reclassification of NCI to parent company	-	-	-	114,952	-	-	114,952	(114,952)	-
Change in retained earnings - subsidiaries	-	-	-	(75,733)	-	-	(75,733)	(45,541)	(121,274)
Total changes in interests in subsidiaries	-	-	-	<u>39,219</u>	-	-	<u>39,219</u>	<u>(884,453)</u>	<u>(845,234)</u>
Total transactions with owners	-	-	<u>150,989</u>	<u>(13,624,026)</u>	-	-	<u>(13,473,037)</u>	<u>(884,453)</u>	<u>(14,357,490)</u>
Balance as at 31 December 2018	<u>80,492,460</u>	<u>6,303,263</u>	<u>(683,716)</u>	<u>10,021,138</u>	<u>3,644,141</u>	<u>10,458,721</u>	<u>110,236,007</u>	<u>10,190,477</u>	<u>120,426,484</u>

The notes on pages 18 to 24 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

All amounts are indicated in RON, unless otherwise stated

	Six-month period ended	
	30 Jun 2019	30 Jun 2018
	Unaudited	Unaudited
Cash flows used in operating activities		
Profit for the year	3,868,400	6,992,189
Adjustments to remove non-cash items and reclassifications:		
Depreciation of fixed assets	1,341,140	1,133,003
Net interest income	(1,491,564)	(1,451,344)
Loss from impairment of uncollected receivables	188,531	168,102
Net expenses/(revenue) with receivables adjustment	(332,954)	(224,933)
Corporate income tax expense – reclassification	796,659	1,441,490
Net provision for holiday not-taken	-	(196,000)
Expense with employees' benefits settled in shares	340,349	592,826
(Revenues)/Expenses with Expected credit losses IFRS 9	(18,277)	
(Gains)/Losses from subsidiaries impairment	(56,204)	
Other non-cash adjustments	-	111,170
	4,636,080	8,566,503
Change in trade and other receivables	23,569,749	7,642,129
Change in prepayments	(477,078)	(251,699)
Change in trade and other payables, including amounts due for dividends payment to clients	(25,124,384)	(8,741,539)
Change in deferred income	496,016	373,601
Changes in guarantee and clearing funds and the margin	1,412,345	1,112,541
Corporate income tax paid	(825,704)	(105,922)
Net cash from operating activities	3,687,024	8,595,614
Cash flows from investing activities		
Interest received	2,779,211	1,355,700
(Purchases)/Repurchases of financial assets	1,829,058	(13,899,548)
Change in bank deposits balance	4,493,561	6,426,763
Acquisition of tangible and intangible assets	(743,117)	(763,060)
Change in held for sale assets	56,204	-
Net cash from investing activities	8,414,916	(6,880,145)
Cash flows from financing activities		
Dividends paid shareholders of the parent	(8,635,644)	(12,185,599)
Dividends paid to minority interests	-	(20,987)
Released share capital of CCB's to minor shareholders	-	(439,983)
Net cash used in financing activities	(8,635,644)	(12,646,569)
Net increase / (decrease) in cash and cash equivalents	3,466,296	(10,931,100)
Cash and cash equivalents 1 January	35,292,005	18,624,936
Cash and cash equivalents 30 June	38,758,301	7,693,836

The notes on pages 18 to 24 are an integral part of these condensed consolidated financial statements.

Bucharest Stock Exchange

Half-yearly report for the period ended 30 June 2019

Notes to the condensed consolidated financial statements

All amounts are indicated in RON, unless otherwise stated

1. General information

Identification data

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

J40/12328/2005
Trade Register No

1777754
Sole Registration Code

The Bucharest Stock Exchange (BVB) was established on 21 June 1995 as a public non-profit institution, based on the Decision of the National Securities Commission (NSC) no. 20/1995 and in July 2005 it became a joint stock company.

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, designed for start-ups and SMEs, launched on 25 February 2015; separate sections of the alternative trading system are available for trading foreign stocks listed on other markets.

Main activity

Administration of financial
markets
CAEN code 6611

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)
BBG000BBWMN3 (Bloomberg
BBGID)
ROBVB.BX (Reuters)
ROBVBAACNOR0 (ISIN)

Since 8 June 2010, BVB is a listed company on its own spot regulated market and is included in the Premium Tier. The company's share capital consists of 8,049,246 shares with a nominal value of RON 10.

In accordance with the provisions of article 136 paragraph 5 of Law no. 126/2018 on financial instruments, no shareholder of a market operator can hold, directly or indirectly, more than 20% of the total voting rights. At the end of June 2019, there were no shareholders holding stakes exceeding this threshold.

BVB is included in indices focused on listed stock 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.

Subsidiaries

BVB is the parent company of BVB Group, which includes the following subsidiaries:

- Central Depository (Depozitarul Central), 69.04% owned by BVB, performs clearing / settlement operations for transactions with securities carried out at BVB and keeps the register of shareholders;
- Investors' Compensation Fund (Fondul de Compensare a Investitorilor), 62.45% owned by BVB, pays compensations when fund members fail to return the money or the financial instruments owed by or belonging to investors, which have been held on their behalf for the provision of financial investment or individual investment portfolio management services;
- Corporate Governance Institute (Institutul de Guvernare Corporativă), fully owned by BVB, offers training services to listed companies and capital market participants, in corporate governance and sustainable development areas;

The consolidated financial statements of BVB for the six-month period ended 30 June 2019 include the financial information of the Company and its subsidiaries, except for the Corporate Governance Institute, an entity considered by BVB management as insignificant for inclusion in the Group's consolidated financial statements and reports.

The Bucharest Clearing House has been eliminated from consolidation as a result of the General Shareholders Meeting Decision on the cancellation of the company dated 19.06.2019.

2. Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2019 have been prepared in accordance with IAS 34, 'Interim financial reporting'. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRSs.

In the consolidated financial statements, subsidiaries – those companies in which the Group, directly or indirectly, holds more than half of the voting rights or which have the power to exercise control over operations – will be fully consolidated.

3. Accounting policies

The accounting policies and methods of computation followed in these condensed consolidated financial statements are consistent with those used in the most recent annual financial statements, prepared for the year ended 31 December 2018.

Taxes on income in the interim periods are accrued using the tax rate and calculation methodology that would be applicable to expected total annual profit or loss.

4. Estimates

The preparation of standalone condensed preliminary financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual standalone financial statements for the year ended 31 December 2018.

5. Financial risk management and financial instruments

5.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The standalone condensed preliminary financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2018.

There have been no changes in risk management or in any risk management policies since the year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the company's liquidity position.

5.3 Fair value estimation

The various levels at which the company measures the fair value of financial instruments have been defined as follows:

- Quoted prices (unadjusted) in active markets for similar instruments (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the financial instrument that are not based on observable market data (that is, unobservable inputs) (Level 3).

During the reporting period there have been no significant changes in carrying amounts and fair values of the main categories of assets and liabilities, as compared to 31 December 2018.

5.4 Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables

6. Segment reporting

The segment information is reported by the Group's activities. Intra-group transactions are conducted under normal market conditions. Segment assets and payables include both items directly attributable to these segments and items that may be allocated using a reasonable basis.

The Group's activity consists of the following main business segments:

- Capital markets - trading (securities and financial instruments transactions on regulated markets and alternative trading systems);
- Post-trading services (services provided after a transaction is completed and the bank account is debited and the securities are transferred to the portfolio);
- Registry services (storage and updating of the registry of stakeholders for the listed companies);
- Services of the FCI and other services - related to the investors compensation scheme and other services.

The companies in the Group have been organized by segments as follows: BVB represents the "trading services" segment, the activity of the Central Depository is divided between the "post-trading services" segment and the "registry services" segment according to the share of the related revenues, and the Investors Compensation Fund (FCI) is part of the services segment "FCI and other services".

The Group's revenues, expenses and operating profit for the first half of 2019 are shown below, by segment:

1H 2019	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Revenues from clients outside the Group	10,163,654	4,900,147	2,330,714	347,387	17,741,902
Revenues from intra-group transactions*	160,000	38,141	18,141	0	216,282
Operating expenses	(8,405,075)	(4,312,954)	(2,051,421)	(406,780)	(15,176,230)
- out of which tangible and intangible asset impairment expenses	(704,991)	(428,887)	(203,997)	(3,265)	(1,341,140)
Operating profit	<u>1,758,579</u>	<u>587,193</u>	<u>279,293</u>	<u>(59,393)</u>	<u>2,565,672</u>
Net financial income /(expenses)	<u>1,649,187</u>	<u>261,066</u>	<u>124,174</u>	<u>8,757</u>	<u>2,043,183</u>
Pre-tax profit	<u>3,463,970</u>	<u>848,258</u>	<u>403,467</u>	<u>(50,636)</u>	<u>4,665,059</u>
Corporate income tax	(637,466)	(107,880)	(51,312)	0	(796,659)
Profit from continuing operations	2,826,504	740,378	352,155	(50,636)	3,868,400
Profit from discontinued operation	-	-	-	-	-
Net profit	<u>2,826,504</u>	<u>740,378</u>	<u>352,155</u>	<u>(50,636)</u>	<u>3,868,400</u>

* eliminated on consolidation

The Group's revenues, expenses and operating profit for the first half of 2018 are shown below, by segment:

1H 2018	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Revenues from clients outside the Group	13,178,049	4,990,742	2,902,507	230,104	21,301,402
Revenues from intra-group transactions*	157,590	34,764	20,251	-	212,605
Operating expenses	(7,625,100)	(4,030,559)	(2,347,872)	(489,921)	(14,493,452)
- out of which tangible and intangible asset impairment expenses	(622,030)	(320,629)	(186,772)	(3,573)	(1,133,003)
Operating profit	5,552,949	960,183	554,635	(259,817)	6,807,950
Net financial income /(expenses)	1,597,424	157,908	91,985	10,857	1,858,174
Pre-tax profit	7,150,373	1,118,092	646,619	(248,960)	8,666,124
Corporate income tax	(1,209,439)	(146,634)	(85,417)	-	(1,441,490)
Profit from continuing operations	5,940,934	971,458	561,202	(248,960)	7,224,634
Profit from discontinued operation	-	-	-	(232,445)	(232,445)
Net profit	5,940,934	971,458	561,202	(481,405)	6,992,189

* eliminated on consolidation

The Group's assets and payables and capital expenses are presented below, by segment:

1H 2019	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Assets	86,674,845	25,427,392	57,652,347	17,924,291	187,678,876
Liabilities	4,696,357	3,667,813	47,302,584	17,176,574	72,843,327
Capital expenditures	694,679	31,878	15,162	1,398	743,117

1H 2018	Trading services	Post-trading services	Registry services	FCI services and other services	Group
Assets	89.205.586	25.718.863	56.069.805	20.205.929	191.200.183
Liabilities	3.047.179	4.891.280	45.930.098	18.837.758	72.706.315
Capital expenditures	232.217	335.442	195.401	-	763.060

7. Operating expenses

The operating expenses include the following:

7.1 Personnel expenses and Director's fees

	1H 2019	1H 2018
Personnel expenses and Director's fees, including contributions and taxes	7.806.229	7.749.061
Estimated expenses for personnel and Director's	340.349	668.046
Total	8.146.578	8.417.107

Bucharest Stock Exchange

Half-yearly report for the period ended 30 June 2019

During the reporting period, a total of 16,522 shares, worth a market value at the granting date of RON 0.37 mn, were transferred free of charge to BVB' Board of Governors and Management, according to the Stock Option Plan (SOP) approved by the General Shareholders Meeting (GSM).

7.2 Services provided by third parties

	1H 2019	1H 2018
Business consulting services	94,000	-
Financial, IT and internal audit services	215,360	198,870
Commissions & fees (legal, contributions, etc.)	249,391	240,152
Promotion activities of BVB Group	269,233	268,805
Services provided by third parties for business purposes	<u>916,026</u>	<u>752,731</u>
Total	1,744,009	1,460,558

7.3 Other operating expenses

	1H 2019	1H 2018
Rent and office utilities	1,370,611	1,228,667
Tangible asset amortisation	579,423	534,025
Intangible asset depreciation	761,717	598,978
Costs related to FSA fees and other taxes	668,488	628,565
Consumables	137,709	135,907
IT maintenance and service	719,625	669,587
Protocol	303,668	189,039
Marketing and advertising	112,751	73,026
Transport of goods and personnel	292,669	312,208
Post and telecommunications	137,419	230,706
Loss from non-paying customers	188,531	168,102
Expenses/(Income) from provisions for disputes	-	(100,178)
Net expenses/(income) from adjustment of receivables	(332,954)	(224,933)
Insurance for professional equipment, etc.	119,385	104,253
Bank charges	37,691	41,208
Other expenses	<u>188,910</u>	<u>26,627</u>
Total	5,285,643	4,615,787

8. Financial income and financial costs

Financial income and expenses recognized in profit or loss account include:

	1H 2019	1H 2018
Net Interest income from held-to-maturity financial assets	1,491,564	1,451,344
(Net loss)/Net gain from exchange rate differences	539,922	407,214
Other financial expenses	(6,581)	(383)
Net expected credit losses (IFRS 9)	<u>18,277</u>	<u>-</u>
Net financial income	2,043,183	1,858,175

9. Income taxes

The income tax expense is recognized based on the annual income tax rate and calculation methodology for the full financial year. The annual tax rate used for the period ended 30 June 2018 is 16% (the tax rate for the year ended 31 December 2018 was also 16%).

Bucharest Stock Exchange

Half-yearly report for the period ended 30 June 2019

10. Dividends

The General Shareholders' Meeting (GSM) held on April 24, 2019 approved the proposed allocation of the statutory net profit for the year 2018 of the Bucharest Stock Exchange in the amount of RON 9,490,411, as follows: the amount of RON 468,880 for the legal reserve and the remaining amount in the form of the gross dividends. Thus, the amount to be distributed in 2019 in the form of gross dividends for 2018 is RON 9,021,531. The payment date set by the GSM was 27 June 2019.

The General Shareholders Meeting of the Central Depository held on 27 May 2019 approved the distribution of the company's statutory net profit for 2018, amounting to RON 2,266,530, as follows: RON 131,731 as legal reserve, RON 137,851 to cover losses generated by the application of IFRS 9 and RON 1,996,948 as dividends.

11. Share capital

On 30 June 2019, BVB had a share capital amounting to RON 80,492,460 divided into 8,049,246 shares with a nominal value of RON 10/share, dematerialized, with the same voting rights, divided into the following categories:

	Number of shares	% of the share capital
Legal entities, of which:	<u>6,428,211</u>	<u>79.86%</u>
Romanian	5,687,284	70.66%
Foreign	740,927	9.20%
Individuals, of which:	<u>1,584,241</u>	<u>19.68%</u>
Romanian	1,450,487	18.02%
Foreign	133,754	1.66%
Bucharest Stock Exchange	36,794	0.46%
Total	<u>8,049,246</u>	<u>100.00%</u>

In accordance with the provisions of the article 136, paragraph 5 of law no. 1226/2018 on financial instruments, a shareholder of a market operator cannot own directly or indirectly more than 20% of the total voting rights. On 30 June 2019, there were no shareholders holding stakes exceeding this threshold.

12. Subsequent events

There are no subsequent events to report.

Statement of persons responsible

The statement herein concerns the extent to which the consolidated financial report of Bursa de Valori Bucuresti SA, prepared on 30 June 2019, contains an accurate presentation of all significant matters related to the consolidated financial position as of 30 June 2019, and of the results of its operations concluded on this date according to the accounting standards required by Romanian legal framework, namely the Accounting Law no. 82/1991, republished, and the Rule of the Financial Supervisory Authority no. 39/2015, for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities regulated, authorized and/or supervised by the ASF, from the Financial Instruments and Investments Sector.

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 the International Financial Reporting Standards, 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 Anghel

CEO,
Adrian Tănase

CFO,
Virgil Stroia

Annex

Resolutions of the Extraordinary General Meeting of Shareholders held on 24 April 2019

The General Extraordinary Meeting of Shareholders of Bucharest Stock Exchange („The Company”)

Convened in accordance with the provisions of art. 31 of the Company's Articles of Incorporation through the convening notice sent to the shareholders, published in the Official Gazette - Part IV no.1135 of March 13, 2019 and in the newspaper Romania Libera of 13 March 2019 as well as on the BVB website in the Investor Relations Section/General Meetings of Shareholders section,

Legally reunited in the meeting held on **24 April 2019**, in the first convening, with the presence of shareholders holding 3,898,960 voting rights, representing 48.76% of the total voting rights, being thus fulfilled the statutory quorum requirements provided in art. 36 para 1 of The Articles of Incorporation in order to vote,

Based on the provisions of The Articles of Incorporation, Law no. 31/1990 on companies, as republished and Law no. 297/2004 on capital market, as amended and supplemented,

DECIDES:

RESOLUTION NO. 1

Article 1. With the majority of votes held by the present or represented shareholders, approves the buyback of its own shares by the Company from the market where the shares are listed or by running public offers in accordance with the legal provisions applicable, in the following conditions: a number of maximum 60,369 shares (representing up to 0.75% of the Company's share capital), at a minimum price equal to the market price from the BVB at the acquisition moment and a maximum price which will be the lesser of (i) RON 35 per share and (ii) the higher of the price of the last independent trade and the highest current purchase bid, in accordance with the provisions of article 3, para. (2) of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buyback programmes and stabilisation measures; the aggregate value of the buy-back programme will be up to RON 2,112,915; the programme will have a maximum duration of 18 months, calculated from the date when the incident shareholders' resolution is published in the Official Gazette of Romania, Part IV and will have as purpose allocation of own shares to the Company's employees and managers, as well as members of the Board of Governors; granting a mandate for the fulfilment of this resolution to the Board of Governors; the buyback transactions will have as object only fully paid shares and will be purchased only out of distributable profits or of the available reserves of the Company, as registered in the last approved annual financial statement, except for the legal reserves.

RESOLUTION NO. 2

Article 1. With the majority of votes held by the present or represented shareholders, approves the date of: (i) 07.06.2019 as Registration Date, according to art. 86 (1) of the Law no. 24/2017; (ii) 06.06.2019 as the "ex-date", according to art. 2 para. 2, letter l) from the Regulation no. 5/2018.

RESOLUTION NO. 3

Article 1. With the majority of votes held by the present or represented shareholders, approves to empower the Chief Executive Officer of the Company, Mr. Adrian Tanase, respectively the Deputy Chief Executive Officer of the Company, Mr. Marius - Alin Barbu, with the right to delegate the powers to: (i) execute and/or sign, on behalf of the Company and/or of the Company's shareholders: the resolutions of the present Extraordinary General Meeting of Shareholders, the updated Company's Articles of Incorporation any and all the decisions, documents, applications, forms and requests adopted/prepared in order to or for the execution of the resolutions of the present Extraordinary General Meeting of Shareholders, in relation with any natural or legal person, private or public and to (ii) fulfill all the legal formalities for implementation, registration, publicity, opposability, execution and publishing of the resolutions made and of the updated Company's Articles of Incorporation. / General Meeting Shareholders.

Bucharest Stock Exchange

Half-yearly report for the period ended 30 June 2019

Contact us

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Financial reports availability

Financial reports are available in our Investor Relations section on our corporate website at this [link](#)

Earnings conference calls

Permanent replays of our recorded earnings conference calls and the related presentations are available [here](#)

Presentation slides and sound will be streamed live over the web [here](#)

Upcoming corporate events

11 Nov 2019

Release of the Quarterly report for 3Q 2019 & conference call

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