



1ST QUARTER

REPORT

2019

TRANSILVANIA BROKER DE ASIGURARE S.A.

Issuer admitted to trading on the regulated market of Bursa de Valori București S.A.

Issuer TRANSILVANIA **BROKER DE ASIGURARE S.A.** informs interested parties on the financial results for the first quarter of 2018.

The quarterly report is drawn up in accordance with art. 130 of Regulation FSA no. 5/2018

Report date: 14.05.2019

Issuer: TRANSILVANIA BROKER DE ASIGURARE S.A.

Headquarters: Str Zorilor Nr 5, Bistrița

Phone/fax: T: 0263-235900/, F: +0263-235910

Fiscal code: 19044296

Registration no.: J06/674/2006

Subscribed and paid capital: 500.000 LEI

Market on which the issued securities are traded: Regulated Market, Main Segment, Standard Category



A. ANALYSIS OF ECONOMIC AND FINANCIAL INDICATORS

1. Liquidity and solvency ratios

Liquidity and solvency ratios	Calculation	31.03.2018	31.03.2019	Reference Intervals
Current ratio	Current Assets / Current Liabilities	1.225	2.008	>2
Cash ratio	Cash / Current liabilities	0.68	1.12	
General solvency	Total Assets / Total Liabilities	1.246	1.930	>1
Patrimonial solvency	Equities / (Equities + Total liabilities)	100.00%	83.81%	>30%

The value of the current ratio denotes the high ability of the company to finance the coverage of current liabilities on current assets. As compared to 31.03.2018, the *Current Ratio* at the end of the first term of 2019 significantly improved due to the payment of the dividends for 2017, which lowered the short term debt by 2.6m lei. At the same time, the Current Assets value increased by 527.3 thous. lei.

On March 31, 2019, current liabilities could be funded at a rate of 112% of cash resources.

The solvency ratios also show favourable levels both on the extent to which the company's assets can finance the total liabilities as well as the ability to self-finance the company and to meet its payment obligations. The evolution of patrimonial solvency is due to the long-term loan for the acquisition of real estate according to decision EGSM no. 8 / 12.06.2018.

2. Debt ratio indicator

Risk indicators	Calculation	31.03.2018	31.03.2019	Reference intervals
Debt ratio indicator	Borrowed Capital / Equity * 100	0.00%	19.32%	<50%
	Borrowed Capital / Long-term capital*100	0.00%	16.19%	
Global indebtedness rate	Total liabilities/Total assets*100	80.27%	51.82%	<50%

An increase of 21% compared to the same period last year of total assets, mainly as a result of the acquisition of land and buildings, correlated with a 22% decrease in the total debts of the company, led to a decrease of 28.45 pp. of the global indebtedness rate, reflecting a low level of financial risk.

The structure of the Long-term capital, i.e. the ratio between the equity and borrowed capital, indicates a good credit risk management associated with a high capacity to honour the commitments assumed and easy access to external financing.

Taking into consideration the particularities of Transilvania Broker de Asigurare S.A. the provision of services specific to the insurance intermediation sector, deriving from the strong stable nature of this sector, which provides fixed deadlines for settlement between the brokerage company on the one hand and the insurance companies and agents and brokerage assistants, the relevance of the " Customer Flow Rates Speed "is limited.

The rotation rate of fixed assets - with a direct limited role in generating income from brokerage activity - shows declining values from 84 on March 31, 2018 to 9.3 calculated on March 31, 2019 as a result of the

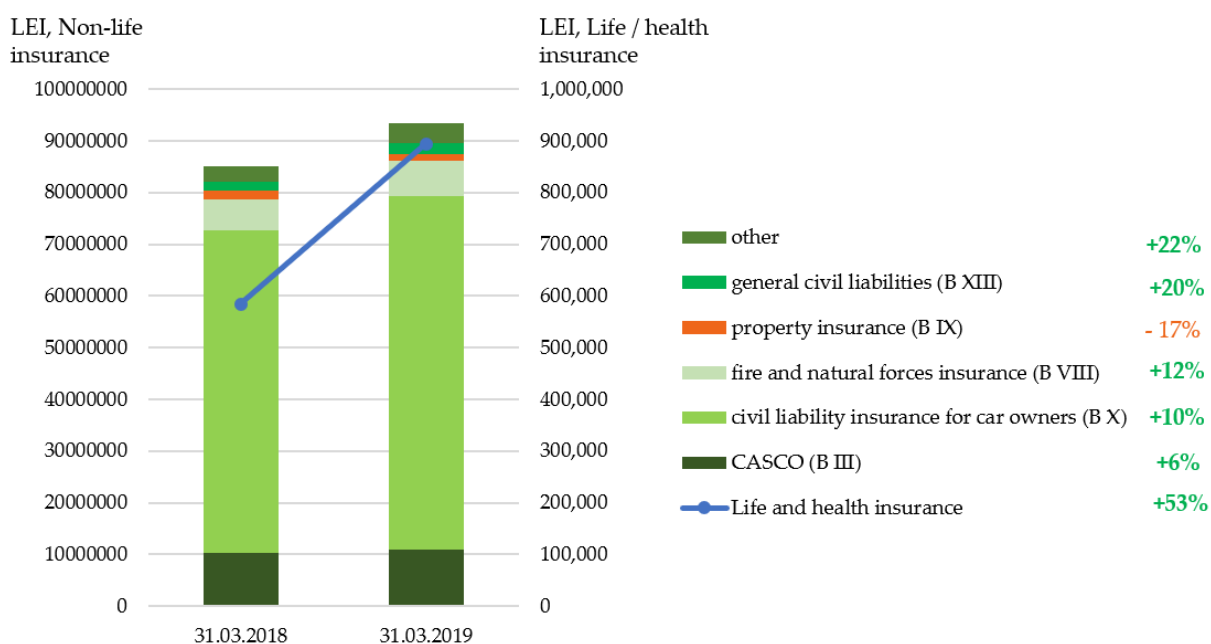


increase in book value of immobilized assets as a result of the acquisition of real estate and land worth 1.7 million lei.

B. OTHER DATA

1. Important events to report

In the first quarter of 2019, the company strengthens its growth in the emerging segment of life and health insurance, with the value of premiums reaching 53% higher than that reported on 31.03.2018. The 10% appreciation of the total volume of premiums in the first quarter of this year compared to the same period of the previous year was also supported by major increases in most of the non-life insurance classes, as follows:



2. Financial position and issuer performance during the reporting period

2.1 Analysis of the financial position

ASSETS

Financial position ratios (values expressed in lei currency)	2019 January 1	2018 March 31	2019 March 31	Variation (%) Quarter I 2019/ quarter I 2018
Fixed assets	1.856.788	177.515	1.882.170	+960,3%
Intangible assets	18.045	17.173	14.517	-15,47%
Tangible assets	1.816.081	136.180	1.855.687	+1262,7%
Financial assets	22.662	24.162	11.966	-50,48%

Current assets	8.003.378	10.474.880	11.002.204	+5,03%
Stocks	0	946	0	-100%
Receivables of which:	4.111.730	4.617.777	4.891.636	+5,93%
receivables from brokerage activity	836.446	701.842	870.670	+24,05%
other receivables	3.275.284	3.915.935	4.020.966	+2,68%
Cash	3.891.649	5.856.157	6.110.568	+4,34%
Expenses registered in advance	11.117	3.225	4.373	+35,6%
TOTAL ASSETS	9.871.284	10.655.620	12.888.747	+21%
EQUITIES AND LIABILITIES				
Current liabilities	4.078.759	8.553.330	5.479.862	-35,93%
Bank loans	200400	0	150.300	n.a.
Debts related to brokerage activity	3.315.470	5.384.289	4.704.284	-12,63%
Other short-term liabilities	562.889	3.169.041	625.278	-80,27%
Non-current liabilities	1.199.600	0	1.199.600	n.a.
Long-term loans	1.199.600	0	1.199.600	n.a.
Total liabilities	5.278.359	8.553.330	6.679.462	-21,9%
Social capital	500.000	500.000	500.000	0%
Reserves, of which:	100.000	100.000	100.000	0%
Legal reserves	100.000	100.000	100.000	0%
Reported result	34.399	34.399	3.992.926	+11.507,7%
Result of the period	3.958.526	1.467.891	1.616.359	+10,11%
Total equities	4.592.925	2.102.290	6.209.285	+195,4%
TOTAL EQUITIES AND LIABILITIES	9,871,284	10,655,620	12,888,747	+21%

The purchase of the land and the related building in the amount of 1,698,272 lei for the registered office according to the decision of EGMS no. 8 / 06.12.2018 is reflected in a significant positive change of the fixed assets and of the total assets, whose bank value at March 31, 2019 is with 2,233,127 lei, or 21% higher than in the same period of the previous year. The same event led to the increase of the company's debt through the contracted mortgage loan of 1,400,000.

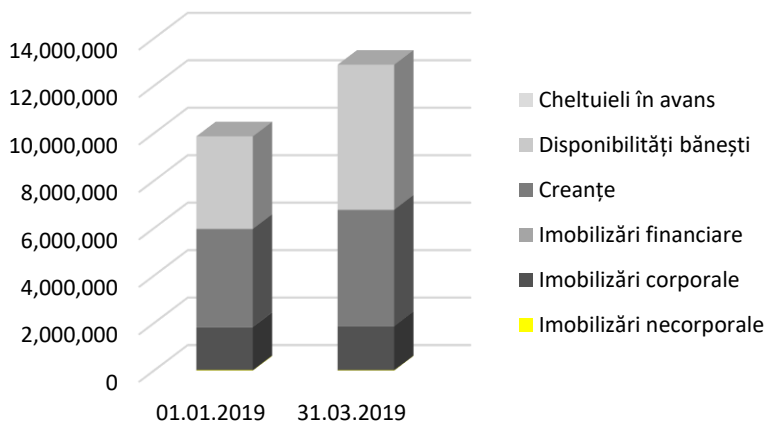


Given the specific nature of the issuer's activity, the increase in receivables from brokerage activity by 24% indicates a higher intensity of activity in the first quarter of 2019 compared to the first quarter of 2018, which is also found in the level of brokerage income with 17.13%.

Almost three times higher, on March 31, 2019 compared to March 31, 2018 of equities, the reported result (3,992,926 lei), the result of the period (1,616,359 lei), respectively the share capital and the reserves whose values have not been modified, reflected.

Compared with the beginning of the current financial year, the 30.6% increase in assets is mainly due to the increase in current assets (+ 37.5%) because of cash assets, which is 47.4% of the total assets and they appreciated by 57.02% in the first quarter (+2.2 million lei). The receivables, in direct relationship with the brokerage activity, also reported an increase of 36.8% compared to the beginning of the year.

From the point of view of the structure of the asset, the variations from 01.01.2019 are shown in the figure below:



Between the beginning of the year and the end of the first quarter, significant changes are recorded in terms of tangible assets whose share decreases from 18.4% to 14.4%. Also, receivables, representing 38% of the asset, reported a decrease of 3.7 pp. in the reporting period. These share decreases are counterbalanced by cash whose share in total assets increased from 39.4% to 47.4%.

The same relative change recorded in receivables is found with short-term liabilities related to intermediation activity (+ 36.5%), also closely correlated with receivables from intermediation activity. Equity includes the reported result and reports a value of 35.2% higher than as for 31.12.2018.

2.2. Analysis of economic and financial performance

In the first quarter of 2019, the company reports financial results higher to the first quarter of the previous year: a 17.13% higher turnover, which, combined with the operating expenses of 17.88%, projects a net profit increase 10.11%.

Income from brokerage activity is growing at a rate slightly lower than commission expenses due to brokerage assistants, this gap contributing most to a 0.58 p.p. decline. of the gross operating margin.



PROFIT AND LOSS ACCOUNT

Indicators of financial performance (values are expressed in lei currency)	2018 March 31	2019 March 31	Variation (%) quarter I 2019 / quarter I 2018	Share in the income / expense category (%) 2019
Income from operations, of which:	14.916.114	17.470.341	+17,12%	100%
Income from brokerage activity	14.915.191	17.470.341	+17,13%	99,95%
Income from other activities related to the object of activity	23.177	8.046	-65,28%	0,05%
Operating expenditures, of which:	13.232.696	15.599.264	+17,88%	100%
Expenditure on fees due to brokerage assistants	12.214.452	14.413.860	+18%	92,4%
Expenditure on services rendered by third parties	366.156	434.268	+18,6%	2,8%
Expenditure on consumables and materials inventory items	38.000	106.073	+179,14%	0,68%
Expenditure with other taxes, fees and similar payments	20.002	50.298	+151,5%	0,32%
Staff costs	558.107	563.928	+1,04%	3,62%
Other operating expenditures	35.979	30.837	-14,3%	0,19%
OPERATING RESULT	1.683.418	1.871.077	+11,15%	-
Financial income	5.083	1.405	-72,36%	-
Financial expenses	0	13.499	n.a.	-
FINANCIAL RESULT	5083	(12.094)	n.a.	-
GROSS RESULT	1.688.501	1.858.983	+10,10%	-
Profit tax	220.610	242.624	+9,98%	-
NET RESULT	1.467.891	1.616.359	+10,11%	-

Expenditures on commission due to assistants are the most important category of expenditure, maintaining 92.4% of total operating expenses. Relating to the turnover, their share increased slightly, from 81.9% to 82.5% in the reporting period compared to the reference period. Expenditure on services rendered by third parties retains a specific share of 2.8% in total operating expenses, while the share of staff expenditure decreases significantly, from 4.22% on 31.03.2018 to 3.62% at the end of first quarter of the current year.

While expenditures on services rendered by third parties is 18.6% higher than the reference period, other operating expenses decrease by 14.3% and personnel costs are growing slightly by 1.04%. The increase by

68.1 thousand lei (+ 179.1%) of expenditures on consumables inventory items is associated with the process of relocation of the registered office in the new building. The company's economic and financial results are reflected in profitability and margin ratios as follows:

Indicators	Calculation	31.12.2018	31.03.2018	31.03.2019
Margin of operating result	Operating result / Turnover *100	7.50%	11.29%	10.71%
Net profit margin	Net profit / Turnover * 100	6.37%	9.84%	9.25%
Margin of financial profitability	Profit net / Equities *100	86.19%	69.82%	26.03%
Return on long-term capital	Profit net / Capital permanent *100	68.34%	69.82%	21.82%

Business profitability, expressed as a share of gross operating result, respectively of profit in turnover increased significantly in the first quarter of the current financial year, compared to the end of the previous financial year, while compared to the same period last year, these indicators show values in slight decrease. Turnover of 17.13% compared to 31.03.2018 implied a relatively lower growth rate of operating result (+ 11.15%) and net result by 11.15% higher.

The threefold increase in the value of equity in the first quarter of 2019 as compared to the first quarter of the previous year, notably by the resulted report of the financial year ended on December 31, 2018 and the increase in long-term debt, respectively, significantly exceeded the relative variation of the profit recorded in the same period, so that the financial and long-term capital profitability reduces from 70% on 31.03.2018 to 26% and 21.8%, respectively.

However, we believe that the values of these indicators are particularly favourable to the company if they are analysed against the average financial return calculated for issuers whose symbols make up the BET index of 13.3%.

The management of the company predicts the replication of the growth rate recorded in the first quarter of this year and in the other quarters.

THE FINANCIAL SITUATIONS ON WHICH THE REPORT HAS BEEN SUBMITTED ARE NOT AUDITED.

Chairman of the Board of Directors
Transilvania Broker de Asigurare S.A.,
Mr. NICULAE DAN

[signature] L.S

Bistrița on,
14.05.2019



Balance sheet Transilvania Broker de Asigurare S.A.

On March 31, 2019 (lei)

	January 1, 2019	March 31, 2019
Fixed assets, total, of which	1.856.788	1.882.170
Intangible assets	18.045	14.517
Tangible assets	1.816.081	1.855.687
Financial assets	22.662	11.966
Current assets, of which	8.003.378	11.002.204
Stocks	0	0
Receivables due to brokerage activity and other receivables	4.111.729	4.891.636
Cash and bank accounts	3.891.649	6.110.568
Prepayments	11.117	4.373
TOTAL ASSETS	9.871.283	12.888.747
Current liabilities, of which	4.078.759	5.479.862
Liabilities due to brokerage activity	3.315.470	4.704.284
Amounts owed to credit institutions	200.400	150.300
Trade and other liabilities	562.889	625.278
Net current assets/net current liabilities	3.935.737	5.526.715
Total assets minus current liabilities	5.792.525	7.408.885
Non-current liabilities	1.199.600	1.199.600
TOTAL LIABILITIES	5.278.359	6.679.462
Subscribed and paid share capital	500.000	500.000
Subscribed and unpaid share capital	-	-
Reserves	100.000	100.000
reported result	34.399	3.992.926
Period result	3.958.526	1.616.359
TOTAL EQUITIES	4.592.925	6.209.285
TOTAL LIABILITIES AND EQUITIES	9.871.283	12.888.747



Profit and loss account *Transilvania Broker de Asigurare*

On March 31, 2019 (lei)

	March 31, 2018	March 31, 2019
Operating income	14.916.114	17.470.341
Income from brokerage activity	14.915.191	17.470.341
Income from other activities related to the object of activity	23.177	8.046
Operating expenditures	13.232.696	15.599.264
Expenditure on fees due to brokerage assistants	12.214.452	14.413.860
Expenditure on services rendered by third parties	366.156	434.268
Expenditure on consumables and materials, inventory items	38.000	106.073
Expenditure with other taxes, duties and similar charges	20.002	50.298
Personnel expenditures	558.107	563.928
Other operating expenses	35.979	30.837
<i>Profit or loss of operation</i>	1.683.418	1.871.077
Financial income	5.083	1.405
Financial expenditures	0	13.499
<i>Financial Profit or Loss</i>	5083	(12.094)
<i>Gross profit or loss</i>	1.688.501	1.858.983
Profit tax expense	220.610	242.624
<i>Net profit or loss for the financial year</i>	1.467.891	1.616.359

General manager,

Mr. Niculae Dan

Chief of accounting service,

Mrs. Pârțiu-Vasilichi Oana