



## QUARTER III REPORT

**2018**

PURSUANT TO THE ARRANGEMENTS OF ARTICLE 130 OF REGULATION FSA NO.5 / 2018 ON THE APPROVAL OF FINANCIAL INSTRUMENTS AND MARKET OPERATIONS

### **TRANSILVANIA BROKER DE ASIGURARE S.A.**

Issuer admitted to trading on the Regulated Market - administered by the Bucharest Stock Exchange S.A.

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

Report date: 12.11.2018

Issuer: TRANSILVANIA BROKER DE ASIGURARE S.A.

Address: Str Zorilor Nr 5, Bistrița

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

Fiscal code.: 19044296

Registration no.: J06/674/2006

Subscribed and paid capital: 500.000 LEI

Market on which the securities are traded: Regulated Market



## A. ANALYSIS OF ECONOMIC-FINANCIAL INDICATORS

### ➤ Liquidity and solvability indicators

Indicator	Calculation	01.01. 2018	30.09. 2018	Evolution (+/-) (percentage)	
General Liquidity (Lg)	AC/Current debts	1,36	1,68	0,32	↑
Intermediary liquidity (Lri)	(AC-Stocks)/Current debts	1,35	1,68	0,32	↑
Immediate liquidity (Li)	Cash/Current debts	0,83	0,67	(0,16)	↓
General solvability (Sg)	TA/TD	1,37	1,71	0,34	↑
Patrimonial solvability (Sp)	Equity/(Equities+TD)	0,23	0,42	0,19	↑

➤ Against the backdrop of a sharper decrease in current liabilities (-44.01%) compared to current assets (-30%), the liquidity indicators have showed a positive development, reflecting the strengthening of the company's ability to pay its current financial liabilities. The exception is the "immediate liquidity" indicator, which developed negatively (-0.16 pp.).

➤ Also, the solvency ratios showed a positive dynamics, as an expression of the strengthening of self-financing capacity and financial independence.

### ➤ Risk indicators

➤ The decrease in the global indebtedness ratio reflects the decrease in the financial risk to which the Company is exposed.

Indicator	Calculation	01.01. 2018	30.09. 2018	Evolution (+/-) (percentage)	
Global indebtedness rate	(DT / TA)*100	72,95	58,31	(14,64)	↓

### ➤ Profitability indicators and margin rates

Name (the values are expressed in lei currency)	Calculation	30.09.2017	30.09.2018	Evolution (+/-) (percentage)	
Margin of operating result	(RE/CA)*100	6,86	7,45	0,58	↑
Margin of gross result	(RB/CA)*100	6,86	7,47	0,61	↑
Margin of net result	(RN/CA)*100	5,88	6,34	0,46	↑
Financial profit margins	(RN/Equity)*100	40,33	81,83	41,50	↑

➤ On the background of the increase in operating profit (+ 21.60%), gross profit (+ 22.12%) and net profit (+ 20.97%), on the reporting date, 30.09.2018, compared to the previous reference period.

➤ At the same time, the increase in the net result associated with the decrease of the equity (-40.38%) implied an upward dynamic of the financial profitability.

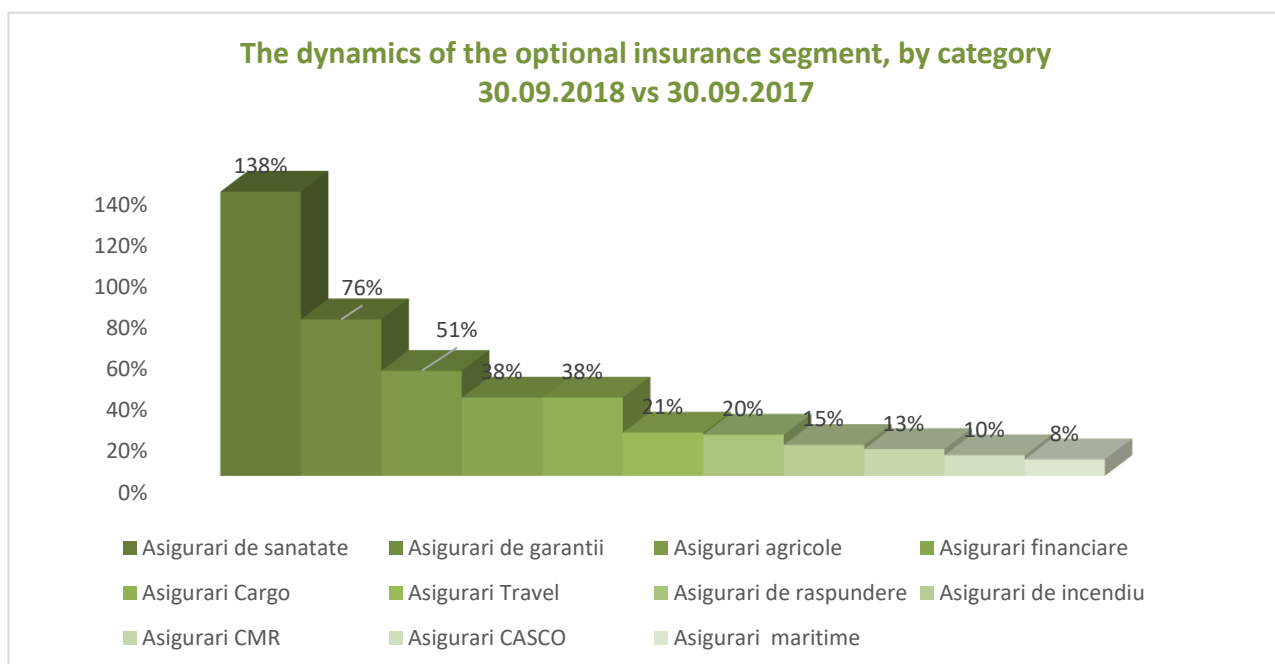


## B. OTHER INFORMATION

### B.1 IMPORTANT EVENTS TO REPORT

#### B.1.1. SIGNIFICANT GROWTH OF THE FACULTATIVE INSURANCE SEGMENT

The systematic and consistent effort for the development of the optional insurance segment led to significant increases in this segment for the third quarter of 2018. Compared with the same period of the previous year, the company recorded the following dynamics on the main types of optional insurance.



## II. IT DEVELOPMENT, SECURITY AND GDPR

During the first nine months of 2018, Transilvania Broker de Asigurare made investments in the IT system worth 436,458 lei, aiming at both the efficiency and security of the system, as well as the alignment with GDPR (EU Regulation 2016/679 on the protection of individuals with regard to the processing of personal data).

Thus, the new version of the 24broker IT application has been implemented, and it manages the entire activity of the company and facilitates the work method of the network of collaborators. This version also integrates a new security system that has improved the security level of access accounts for employees and company's agents by supplementing previous access steps (user and password) when entering a "token" type code.

For compliance with the obligations imposed by the GDPR (EU Regulation 2016/679), in addition to the IT system elements, the following measures have been adopted within the company:

- a person in charge of data protection was hired (Data Protection Officer);
- an audit of company data and flows was conducted;
- following the audit, specific procedures for data security and protection were created and implemented.

### III. IDENTITY AND PROJECTS OF TRANSILVANIA BROKER

During this year, several branding projects took place, both online and offline, in order to create a more unitary image of the company. Also, various communication and development projects targeted at company employees and collaborators took place. They aimed to improve communication with Transilvania Broker's collaborators and clients, focusing on communicating the company's values quickly and transparently, as well as on the information related to the activity performed.

## B.2 FINANCIAL SITUATION

### B.2.1 ANALYSIS OF THE FINANCIAL POSITION

#### ➤ Company ASSETS

Indicators of financial position (the values are expressed in lei currency)	01 January 2018	30 September 2018	Variation (+/-) (lei)	Variation (+/-) (%)
<b>Fixed assets</b>	<b>129.878</b>	<b>167.427</b>	<b>↑ 37.549</b>	<b>↑ 28,91</b>
Intangible assets	15.954	19.741	↑ 3.787	↑ 23,74
Tangible assets	98.849	123.524	↑ 24.675	↑ 24,96
Financial assets	15.075	24.162	↑ 9.087	↑ 60,28
<b>Circulation assets</b>	<b>11.821.715</b>	<b>8.192.747</b>	<b>↓ (3.628.968)</b>	<b>↓ (30,70)</b>
Stocks	942	-	(942)	n.a.
Debts	4.554.909	4.903.483	↑ 348.574	↑ 7,65
Cash and bank accounts	7.265.864	3.289.264	↓ (3.976.600)	↓ (54,73)
<b>Expenses in advance</b>	<b>6.656</b>	<b>15.444</b>	<b>↑ 8.788</b>	<b>↑ 132,03</b>
<b>Total assets</b>	<b>11.958.249</b>	<b>8.375.618</b>	<b>(3.582.631)</b>	<b>(29,96)</b>

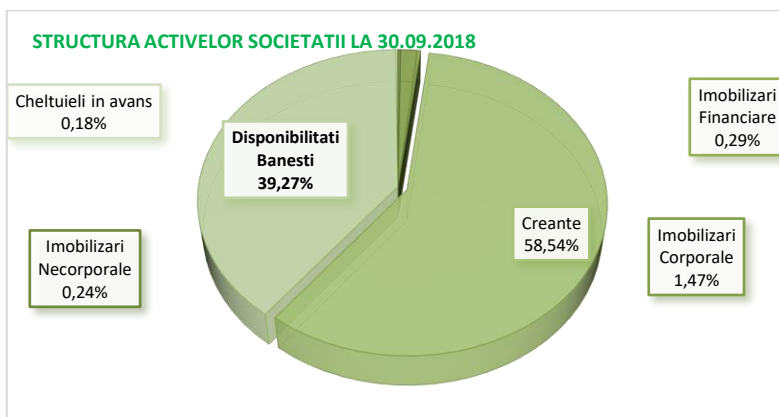
➤ Compared to the beginning of the current financial year, there is a decrease by 29.96% of the total value of assets, which recorded a decrease of 3,582,631 lei.

➤ The value of fixed assets increased by 28.91% as a result of the increase in the value of tangible assets (24.96%) and intangible assets (23.74%) on the acquisition of such assets and the increase in the value of financial assets (60,28%) as a result of the recording of new receivables.

➤ The decrease in current assets (-30.70%) was determined by the decrease of the Company's cash reserves by 54.73% due to the payment of dividends.



- There are two elements in the structure of assets: 97.82% of the total value of the assets: receivables with 58.54% in the assets of the company and, respectively, cash funds of 39.27% of the company's assets.
- Company debts increased by 7.63%.
- Current debts decreased by 44.01%, in particular the debt on payment dividends by 99.83% which led to the decrease of the cash by 54.73%.



### ➤ Company debts

- Compared to 01.01.2018, the current debts recorded a decrease of 44.01%, amid a fall in dividend payments (-99.83%), of corporate tax liabilities (-44.01%) of intermediation liabilities (-13.60%) and commercial debts (-43.83%).
- The Company did not record non-current liabilities at the end of the reporting period.

Indicators of financial position (Valorile sunt exprimate în lei)	01 January 2018	30 September 2018	Variation (+/-) (lei)	Variation (+/-) (%)
<b>Current debts</b>	<b>8.723.850</b>	<b>4.884.097</b>	<b>↓(3.839.753)</b>	<b>↓ (44,01)</b>
Debts related on the brokerage activities	5.044.351	4.358.267	↓ (686.084)	↓ (13,60)
Commercial debts and other debts	629.876	353.803	↓ (276.073)	↓ (43,83)
Payment dividends	2.875.861	5.092	↓(2.870.769)	↓ (99,83)
Current income tax debt	173.762	166.935	↓ (6.827)	↓ (44,01)
<b>Noncurrent debts</b>	<b>-</b>	<b>-</b>	<b>n.a</b>	<b>n.a</b>
Long term loans	-	-	n.a	n.a
<b>Total Debts</b>	<b>8.723.850</b>	<b>4.884.097</b>	<b>(3.839.753)</b>	<b>(44,01)</b>

### ➤ Current assets and liabilities

Nr. Crt	Name	01 January 2018	30 September 2018	Variation (+/-) (lei)	Variation (+/-) (%)
1	Current assets	11.821.715	8.192.747	↓ (3.628.968)	↓ (30,70)
2	Expenses in advance	6.656	15.444	↑ 8.788	↑ 132,03
3	Current debts	8.723.850	4.884.097	↓ (3.839.753)	↓ (44,01)
4	Income in advance	-	-	n.a.	n.a.
5	<b>Net current assets (1+2) – (3+4)</b>	<b>3.104.521</b>	<b>3.324.094</b>	<b>219.573</b>	<b>7,07</b>

- As a result of the decrease of the current liabilities (44.01%) compared to the decrease in the value of current assets (30.70%), the working capital increased by 7.07%, or 219.573 lei.
- The increase in the working capital indicates the improvement of the self-financing capacity of the company.



## ➤ Company liabilities

➤ The value of the equities recorded a positive development, compared with the beginning of reporting period, increasing by 7,95%, due to the positive value of the reported result.

➤ The company liabilities decreased by 29,96% respectively by 3.582.631 lei.

Indicators of financial position (The values are expressed in lei currency)	01 January 2018	30 September 2018	Variation (+/-) (lei)	Variation (+/-) (%)
<b>Total debts</b>	<b>8.723.850</b>	<b>4.884.097</b>	<b>↓(3.839.753)</b>	<b>↓ (44,01)</b>
<b>Equity</b>	<b>3.234.399</b>	<b>3.491.521</b>	<b>↑ 257.122</b>	<b>↑ 7,95</b>
Subscribed and paid share capital	500.000	500.000	n.a	n.a
Subscribed and unpaid share capital	-	-	n.a	n.a
Reserves	100.000	100.000	n.a	n.a
The result carried over, of which:	(701.223)	34.399	n.a	n.a
- resulting from the correction of accounting errors	(701.223)	0	n.a	n.a
Result of the period	3.405.622	2.857.122	n.a.	n.a.
Profit share	(70.000)	0	n.a	n.a
<b>Total Liabilities</b>	<b>11.958.249</b>	<b>8.375.618</b>	<b>(3.582.631)</b>	<b>(29,96)</b>

## B.2.2 ANALYSIS OF FINANCIAL PERFORMANCE

Indicators of financial performance	On 30.09.2017	On 30.09.2018	Evolution 2018/2017 (lei)	Evolution 2018/2017 (%)
<b>Incomes from business</b>	<b>40.188.221</b>	<b>45.053.710</b>	<b>4.865.489</b>	<b>↑ 12,11</b>
Incomes from the brokerage activity	40.186.595	45.051.491	4.864.896	↑ 12,11
Incomes from subventions and other incomes from the business	1.626	2.219	593	↑ 36,47
<b>Expenses from business</b>	<b>37.429.820</b>	<b>41.699.615</b>	<b>4.269.795</b>	<b>↑ 11,41</b>
Expenses with commissions owe to broker agents	34.442.595	37.945.832	3.503.237	↑ 10,17
Expenses of services provided by third parties	826.356	1.331.636	505.280	↑ 61,15
Expenses with materials and consumables	94.712	112.985	18.273	↑ 19,29
Expenses with other taxes and fees and similar payments	112.445	53.988	(58.457)	↓ (51,99)
Personnel expenses	1.591.940	1.670.924	78.984	↑ 4,96
Depreciations	105.203	497.143	391.940	↑ 372,56
Other expenses from business	256.569	87.107	(169.462)	↓ (66,05)
<b>Result from business – Profit</b>	<b>2.758.401</b>	<b>3.354.095</b>	<b>595.694</b>	<b>21,60</b>

➤ The favorable trend registered in the optional insurance segment was reflected in the dynamics of brokerage income (net turnover), which increased by 12.11%.

➤ Compared to the same period of the previous year, the indicator "Other business income" recorded a 36.47% increase which attracted a 12.11% increase in total business income.

➤ In the context of the development of the company's activity, operating expenses increased by 11.41%.

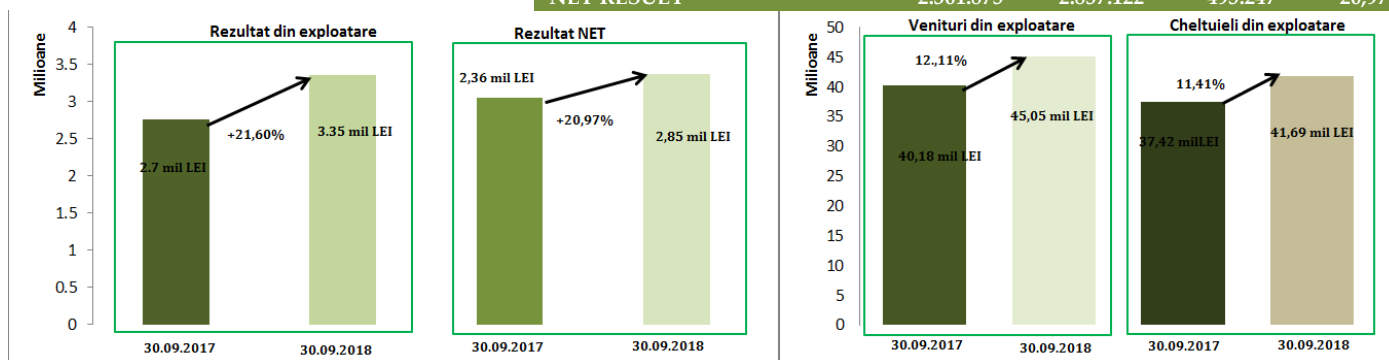
➤ During the reporting period, there were increases in expenses on services rendered by third parties (61.15%), expenses on consumables (19.29%) and personnel expenses (4.96%).

➤ Based on the increase in brokerage income, the expenses related to this activity, for example commissions due to brokerage agents, increased by 10.17%.

➤ The dynamics of business revenues and expenditures resulted in a positive operating result of 3,354,095 lei, 21.60% higher than the one recorded in the reference period.

- The increase of the financial incomes with the amount of 11,771 lei, as well as the absence of the financial expenses influenced favorably the financial result on 30.09.2018, which resulted in a profit of 13.088 lei.
- The positive gross result at the end of the current period, amounting to 3,367,183 lei, marks an increase of 22.12% over the reference period.
- After deducting the profit tax expense (510,061 lei), in the current period, the entity obtained a net profit of 2,857,122 lei, up 20.97% over the reference period.

Indicators	On 30.09.2017	On 30.09.2018	Evolution (+/-) (Lei)	Evolution on (+/-) (%)
Turnover	40.186.595	45.051.491	↑ 4.864.896	↑ 12,11
Operating incomes	40.188.221	45.053.710	↑ 4.865.489	↑ 12,11
Operating expenses	37.429.820	41.699.615	↑ 4.269.795	↑ 11,41
<b>OPERATING RESULT</b>	<b>2.758.401</b>	<b>3.354.095</b>	<b>↑ 595.694</b>	<b>↑ 21,60</b>
Financial incomes	1.317	13.088	↑ 11.771	↑ 893,77
Financial expenses	2.539	-	n.a	n.a
<b>FINANCIAL RESULT</b>	<b>(1.222)</b>	<b>13.088</b>	n.a	n.a
<b>GROSS RESULT</b>	<b>2.757.179</b>	<b>3.367.183</b>	<b>↑ 610.004</b>	<b>↑ 22,12</b>
Profit tax	395.304	510.061	↑ 114.757	↑ 29,03
<b>NET RESULT</b>	<b>2.361.875</b>	<b>2.857.122</b>	<b>495.247</b>	<b>20,97</b>



According to the above-mentioned charts, all major financial performance indicators recorded increases: operating result by 21.40%, net result by 20.97%, operating income by 12.11%. At the same time, operating expenses increased by 11.41%.

**THE FINANCIAL SITUATIONS ON WHICH THIS REPORT IS DRAFTED ARE NOT AUDITED.**

**General Manager,  
DI. NICULAE DAN**

*[signature]*

L.S

Bistrița on,  
12.11.2018

**Balance sheet Transilvania Broker de Asigurare**
**on 30 September 2018**
*(all amounts are expressed in LEI currency, unless is otherwise specified)*

	01 January 2018	30 September 2018
<b><i>Intangible assets, total of which</i></b>	<b>129.878</b>	<b>167.427</b>
Intangible assets	15.954	19.741
Tangible assets	98.849	123.524
Financial assets	15.075	24.162
<b><i>Current assets, total of which</i></b>	<b>11.821.715</b>	<b>8.192.747</b>
Stocks	942	0
Debts on the brokerage activity	4.554.909	4.903.483
Cash and bank accounts	7.265.864	3.289.264
<b><i>Expenses in advance</i></b>	<b>6.656</b>	<b>15.444</b>
<b>TOTAL ASSETS</b>	<b>11.958.249</b>	<b>8.375.618</b>
<b><i>Current assets, total from which</i></b>	<b>8.723.850</b>	<b>4.884.097</b>
Debts on the brokerage activity	5.044.351	4.358.267
Commercial debts and other debts	629.876	353.903
Payment dividends	2.875.861	5.092
Debts on current profit tax	173.762	166.935
<b><i>Net circulating assets / net current debts</i></b>	<b>3.104.521</b>	<b>3.324.094</b>
<b><i>Total assets minus current debts</i></b>	<b>3.234.399</b>	<b>3.491.521</b>
<b><i>Non-current debts, total from which</i></b>	<b>-</b>	<b>-</b>
<b>TOTAL DEBTS</b>	<b>8.723.850</b>	<b>4.884.097</b>
Subscribed and paid share capital	500.000	500.000
Subscribed and unpaid share capital	-	-
Reserves	100.000	100.000
Reported result, from which	(701.223)	34.399
- resulting from the correction of accounting errors	(701.223)	-
Period result	3.405.622	2.857.122
Profit share	(70.000)	
<b>TOTAL EQUITY</b>	<b>3.234.399</b>	<b>3.491.521</b>
<b>TOTAL DEBTS AND EQUITY</b>	<b>11.958.249</b>	<b>8.375.618</b>

**General Manager,**
**Dl. Niculae Dan**
**Head of accounting service,**
**Dna. Pârțiu-Vasilichi Oana**





## Profit and loss account Transilvania Broker de Asigurare

on 30 September 2018

(all amounts are expressed in LEI currency, unless is otherwise specified)

	30 September 2017	30 September 2018
<b>Operating income</b>		
Brokerage income	40.186.595	45.051.491
Income from subsidies and other operating income	1.626	2.219
<b>Total operating income</b>	<b>40.188.221</b>	<b>45.053.710</b>
<b>Operating expenses</b>		
Expenditure on commissions due to brokerage agents	34.442.595	37.945.832
Expenses on services performed by third parties	826.356	1.331.636
Expenditure on consumables and inventory items	94.712	112.985
Expenses with other taxes, duties and similar charges	112.445	53.988
Personnel expenses	1.591.940	1.670.924
Depreciation expenses	105.203	497.143
Other operating expenses	256.569	87.107
<b>Total operating expenses</b>	<b>37.429.820</b>	<b>41.699.615</b>
<b>Profit or loss of operation</b>	<b>2.758.401</b>	<b>3.354.095</b>
<b>Financial incomes</b>		
Interest income	1.239	13.088
Other financial incomes	78	0
<b>Total financial incomes</b>	<b>1.317</b>	<b>13.088</b>
<b>Financial expenses</b>		
Interest charges	1.295	0
Other financial expenses	1.244	0
<b>Total financial expenses</b>	<b>2.539</b>	<b>0</b>
<b>Financial profit or loss</b>	<b>(1.222)</b>	<b>13.088</b>
<b>Gross financial profit or loss</b>	<b>2.757.179</b>	<b>3.367.183</b>
Tax profit expenses	395.304	510.061
<b>Net profit or loss for the financial year</b>	<b>2.361.875</b>	<b>2.857.122</b>

General Manager,

Dl. Niculae Dan

Head of accounting service,

Dna. Pârțiu-Vasilichi Oana