



Transilvania Broker[®]
BROKER DE ASIGURARE

TRANSILVANIA BROKER DE ASIGURARE S.A.

Str. Zorilor, Nr. 5 , Bistrița, Jud. Bistrița-Năsăud, Romania, 420032

Registrul Comerțului: J06/674/2006 | Cod fiscal: 19044296

Capital social : 500.000 lei

CURRENT RAPORT

**concerning the PRELIMINARY Annual Financial Results
related to the Financial Year that ended on**

December 31st, 2017

TRANSILVANIA BROKER DE ASIGURARE S.A.

Issuer admitted on the stock exchange market, managed by the Bursa de Valori București S.A. (stock exchange Bucharest)

The issuer **TRANSILVANIA BROKER DE ASIGURARE S.A.** informs the interested parties about the preliminary financial results of the company as per December 31st, 2017

Report date: February 15th, 2018

Company name: TRANSILVANIA BROKER DE ASIGURARE S.A.

Head office: 5 Zorilor street, Bistrița

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

Fiscal code: 19044296

Company no.: J06/674/2006

Signed and paid in main capital: 500,000 LEI

Market on which the issued movables are traded: Organized Stock Market

1. THE ECONOMICAL AND FINANCIAL SITUATION

ANALYSIS OF THE FINANCIAL POSITION

The ASSETS of the company

Indexes of the financial position (the values are quoted in lei)	01 January 2017	31 December 2017	Variation (+/-) (lei)	Variation (+/-) (%)
Capital assets	230,738	129,879	↓ (100,859)	↓ (43.71)
Intangible assets	21,928	15,954	↓ (5,974)	↓ (27.24)
Tangible assets	183,018	98,850	↓ (84,168)	↓ (45.99)
Financial investments	25,792	15,075	↓ (10,717)	↓ (41.55)
Ciculating assets	6,574,889	12,518,972	↑ 5,944,083	↑ 90.41
Debts	2,986,827	5,232,820	↑ 2,245,993	↑ 75.20
Cash and bank accounts	3,588,062	7,286,152	↑ 3,698,090	↑ 103.07
Expenses in advance	36,489	-	n/a	n/a
Total assets	6,842,116	12,648,851	5,806,735	84.87

- Compared with the beginning of the report period we state an increase of 84.87% of the assets' value; the increase amounts 5,806,735 lei,
- Decrease of 43,71% of the fixed assets as a result of the decrease of the value of tangible assets (-45,99%) and as a result of the depreciation of their value, the decrease of the financial assets, respectively (-41,55%) due to the cash of the granted loan,
- Decrease of the intangible assets with 27,24%, following the scrapping and registration of depreciations,
- The increase of circulating assets (+90,41%) was influenced both by the 2-fold increase of liquid availability of the company i.e. with 3,698,090 lei, as well as the increase of receivables (+75,20%),

➤ CAPITALS and DEBTS of the company

- The most of the current debts are 162,86% higher compared with the beginning of the period of report. This is to be explained with a higher increase of debts due to the broking activity (+114,15%) and the debts coming from the current taxes (+77,40%), compared with the decrease of commercial and other debts (-33.01).
- At the end of the period the company has acknowledged dividends to be paid of a total amount of 2,875,861 lei.
- The main cause of diminishing non-current debts is the fact that during the year the company fully paid achitat integral the value of the leasing contracts.
- Alterations are registered both with current debts as well as the non-current debts and influenced the increase of of the total debts of the company (+158,76%), that means an unfavourable influence on the solvability.
- During the reporting period the issuer registered a growth of his own capitals of 14,07%.

Indicators of the financial position (Values are expressed in lei)	January 01 2017	December 31 2017	Variation (+/-) (lei)	Variation (+/-) (%)
Current debts	3,295,439	8,662,470	↑ 5,367,031	↑ 162.86
Debts linked to the activity as a broker	2,355,489	5,044,351	↑ 2,688,862	↑ 114.15
Commercial debts and others	837,989	561,376	↓ (276,613)	↓ (33.01)
Dividends to be paid	(0,12)	2,875,861	n/a	n/a
Debts coming from the current profit tax	101,961	180,882	↑ 78,921	↑ 77.40
Non-current debts	52,127	-	n/a	n/a
Long term loans	52,127	-	n/a	n/a
Own capitals	3,494,550	3,986,381	↑ 491,831	↑ 14.07
Signed in and paid main	150,000	500,000	↑ 350,000	↑ 233.33
Signed in and not paid main	350,000	-	n/a	n/a
Reserves	30,000	100,000	70,000	233.33
Reported result out of which:	(62,131)	(62,131)	n/a	n/a
- From correction of accountancy errors	(62,131)	(62,131)	n/a	n/a
Result of the period	3,051,681	3,518,512	n/a	n/a
Distribution from profit	(25,000)	(70,000)	n/a	n/a
Total capitals & debts	6,842,116	12,648,851	5,806,735	84.87

1.2. ANALISIS OF THE FINANCIAL PERFORMANCE

Indicators of the financial performance	On December 31, 2016	On December 31, 2017	Evolution 2017/2016 (lei)	Evolution 2017/2016 (%)
Incomes from the business	62,497,215	53,906,286	(8,590,929) ↓	(13.75) ↓
Incomes from the broker activity	62,492,184	53,835,203	(8,656,981) ↓	(13.85) ↓
Incomes from subventions and other incomes from the business	5,031	71,083	66,052 ↑	1,312.90 ↑
Expenses from the business	58,884,504	49,811,119	(9,073,385) ↓	(15.41) ↓
Expenses due to the brokerage assistants	53,991,987	45,541,298	(8,450,689) ↓	(15.65) ↓
Expenses of services provided by third persons	1,705,856	1,280,379	(425,477) ↓	(24.94) ↓
Expenses with consumables and inventory objects	151,313	131,427	(19,886) ↓	(13.14) ↓
Expenses with other taxes and fees and similar payments	188,271	135,528	(52,743) ↓	(28.01) ↓
Personnel payments	2,044,433	2,270,043	225,610 ↑	11.04 ↑
Depreciation	174,076	135,931	(38,145) ↓	(21.91) ↓
Other business expenses	628,568	316,513	(312,055) ↓	(49.65) ↓
Business result – Profit	3,612,711	4,095,167	482,456	13.35

➤ Incomes from brokerage that are the same as the net turnover diminished with 8,656,981 lei, i.e. 13.85%; this fact can be explained with the decrease of incomes, the negotiation of the insurance contracts (-14.03%),

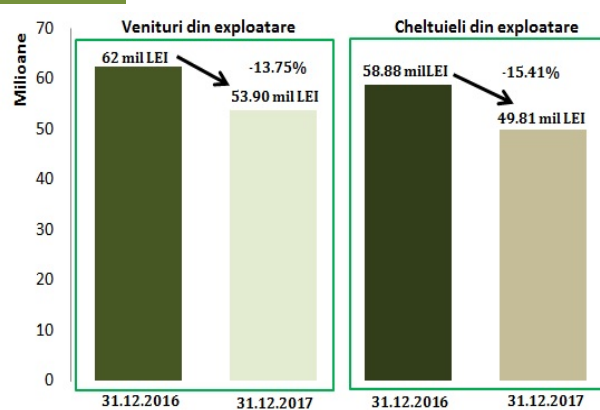
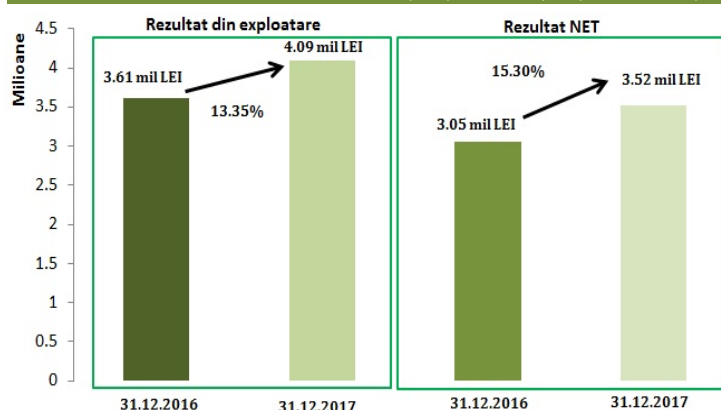
➤ In the period we are analysing the company registers a decrease of incomes from business subventions (-77.45%), an increase of other business incomes respectively of a total amount of 66,052 lei,

➤ In this context business incomes diminished with 13.75%, compared with the previous period,

➤ At the level of business expenses, we could see an downward trend as expenses diminished with 15.41%,

➤ During the reporting period they registered growth with the expenses level with the personnel (+11.04%) as the company made an increase of payment.

➤ The dynamic of incomes and expenses from the business showed a final result of profit from business in a total value of 4,095,167 lei, 13.35% higher than the previous period,



- The fact that financial expenses have decreased (-82.55%), and respectively financial income have increased (+1.24%) influenced positively the financial result on December 31st, 2017, so that the profit amounted valoare de 153 lei,
- The increase of the business result with 482,456 lei had direct consequences on the gross result of the period,
- The gross result at the end of the current period was evident in the profit of 4,095,320 lei, 13.73% higher of compared with the value that we registered in the reference period (3,600,821 lei),
- After corporate tax (576,808 lei) the entity got in the current period a net profit of 3,518,512 lei, i.e. an increase of 15.30% if compared with the reference period.

Indicators' names	On December 31, 2016	On December 31, 2017	Evolution (+/-) (lei)	Evolution (+/-) (%)
Turnover	62,492,184	53,835,203	↓(8,656,981)	↓(13.85)
Incomes from business	62,497,215	53,906,286	↓(8,590,929)	↓(13.75)
Expenses for business	58,884,504	49,811,119	↓(9,073,385)	↓(15.41)
BUSINESS RESULTS	3,612,711	4,095,167	↑482,456	↑13.35
Financial incomes	2,659	2,692	↑33	↑1.24
Financial expenses	14,549	2,539	↓(12,010)	↓(82.55)
FINANCIAL RESULT	(11,890)	153	n/a	n/a
GROSS RESULT	3,600,821	4,095,320	↑494.499	↑13.73
Corporate income tax	549,140	576,808	↑27.668	↑5.04
NET RESULT	3,051,681	3,518,512	↑466,831	↑15.30

2. ANALYSIS OF ECONOMIC AND FINANCIAL INDICATORS

➤ Liquidity and solvability indicators

Name of the indicator	Calculation formula	01.01. 2017	31.12. 2017	Evolution (+/-)	
General liquidity (Lg)	AC/Current debts	1,99	1,45	(0,54) ↓	➤ The evolution of the liquidity Lg și Li was not favourable and weakened the capacity of the entity to cover its current debts with circulating assets (Lg and liabilities (Li),
Immediate liquidity (Li)	availabilities/current debts	1,09	0,84	(0,25) ↓	
General solvability (Sg)	TA/TD	2,04	1,46	(0,58) ↓	➤ What the solvability indicators concern the negative trend was here present, too, meaning that the financial independence and the possibility to finance itself decreased
Patrimonial solvability (Sp)	Own cap./(own cap. +TD)	0,51	0,32	(0,19) ↓	

➤ Profitability Indicators and spread rates

Indicator name (percentage)	Calculation formula	01.01. 2017	31.12. 2017	Evolution (+/-) (%)	
The spread of the business result	(RE/CA)*100	5,78	7,61	↑ 1.83	➤ AS the business profit increased (13,35%), the gross profit increased too (13,73%), so that the net profit of the period increased too (15,30%). On the report day 31,12,2017 the profitability indicators showed favourable evolution compared to the previous reference period.
The spread of the gross result	(RB/CA)*100	5,76	7,61	↑ 1.85	
The spread of the net result	(RN/CA)*100	4,88	6,54	↑ 1.66	
The spread of financial rentability	(RN/Cap, Prop,)*100	87,33	88,26	↑ 0.93	
Rentability of the employed capital	(RN/D>1an+Cap,Prop,)*100	86,04	88,26	↑ 2.22	

➤ Risk Indicators

Name of the indicator	Calculation formula	01.01. 2017	31.12. 2017	Evolution (+/-) (%)	
Rate of indebtedness	(DT / TA)*100	48,92	68,48	↑ 19.56	➤ The increase of the rate of the global indebtedness shows the increase of financial risk the company encounters.

3. IMPORTANT EVENTS

TRANSILVANIA BROKER DE ASIGURARE S.A. ("the company") is one of the first 3 insurance brokers in Romania having an experience of more than 10 years and it covers the national territory by means of a net of over 1,500 assistants in 38 counties of Romania. They have a portfolio of over 900 thousand unique clients natural persons and juridical entities.

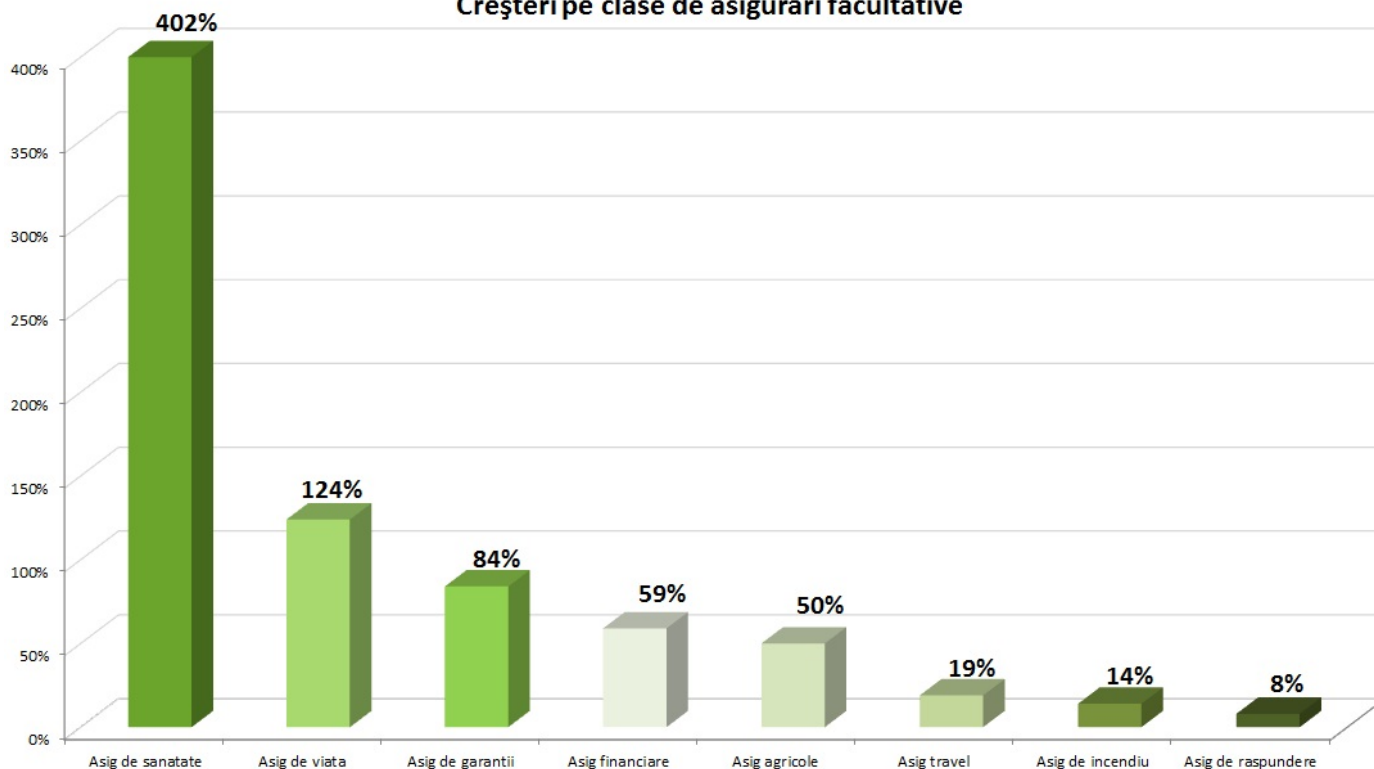
For the market of brokers in Romania 2017 the most important event was that the brokerage offered to insurer when concluding indemnity insurance policies for vehicles diminished (RCA) as this is an important business line for brokers; the decrease led to a significant loss of their incomes.

In order to soften these effects the company made efforts to restructure the portfolio. Thus, there are significant increases with several insurance optional categories (insurances: health, life, financial and agricultural warranties, travel, fire safety, legal liability). Such growth can be observed in the diagram beneath.



Growth on categories of optional insurances

Creșteri pe clase de asigurări facultative



The new structure of the portfolio made that the average provision to go up to 15.8%; the provision is calculated as a relation between incomes realised from brokerage and the total of intermediated policies above the average of the market.

Thus, even if at the end of this year (December 31st, 2017) the turnover decreased with 13,85% compared with the previous year, the net profit of the company increased with 15.30%,

In 2017 the company launched a new product on the Romanian market, the, and it is the first product that assures services of traffic assistance for damages, car repair, towing service and replacement vehicles. The services of **TransAsist** products are emergency services and are available day and night and all day a week by the company that ensures these services.

The consolidation of the departments that deal with these activities and to support the clients when they conclude their insurance and to assist them to solve possible damages was another goal of the company. Thus, the Departments Corporate, Life & Health, and Claims were supported both by employing professional personnel and by implementing some computer information that aim to improve their activity.

THERE WAS NO AUDIT MADE ON THE FINANCIAL SITUATIONS THAT ARE THE BASIS OF THIS REPORT

General manager,

Mr. NICULAE DAN

[signature]

L,S

Bistrița, February 15th, 2018

Brokers' Balance Sheet

On December 31st, 2017

(all amounts are expressed in LEI, if there is any note that specifies otherwise)

	January 1 st 2017	December 31 st 2017
Fixed assets, total, out of which	230,738	129,879
Intangible fixed assets	21,928	15,954
Tangible fixed assets	183,018	98,850
Financial fixed assets	25,792	15,075
Current assets, total, out of which	6,574,889	12,518,972
Claims associated with the brokerage and other claims	2,986,827	5,232,820
Cash and bank accounts	3,588,062	7,286,152
Advance expenses	36,489	-
TOTAL ASSETS	6,842,116	12,648,851
Current debts, total, out of which	3,295,439	8,662,470
Debts connected with brokerage	2,355,489	5,044,351
Commercial and other debts	837,989	561,376
Dividends to pay	(0,12)	2,875,861
Current corporate tax	101,961	180,882
Net circulating assets/Net current debts	3,315,939	3,856,502
Total minus assets/ Current debts	3,546,677	3,986,381
Non – current debts, total, out of which	52,127	-
Long-term loans	52,127	-
TOTAL DEBTS	3,347,566	8,662,470
Signed and paid in main capital	150,000	500,000
Signed and not paid in main capital	350,000	-
Reserves	30,000	100,000
Reported result out of which	(62,131)	(62,131)
- Coming from the correction of accountancy errors	(62,131)	(62,131)
Result of the period	3,051,681	3,518,512
Distribution of profit	(25,000)	(70,000)
OWN CAPITAL TOTAL	3,494,550	3,986,381
DEBTS AND OWN CAPITALS, TOTAL	6,842,116	12,648,851

Manager general,
Mr. Niculae Dan

Head of the accountancy dept.,
Mrs. Rus Claudia-Adela

Broker Profit and Loss Account

On December 31st, 2017

(all amounts are expressed in LEI, if there is any note that specifies otherwise)

	December 31 st , 2016	December 31 st , 2017
Incomes from business		
Incomes from brokerage services	62,492,184	53,835,203
Incomes from subventions or other incomes from business	5,031	71,083
Business incomes - Total	62,497,215	53,906,286
Expenses with business		
Expenses with provisions for brokerage assistants	53,991,987	45,541,298
Expenses for services made by third parties	1,705,856	1,280,379
Expenses with consumables and inventory objects	151,313	131,427
Expenses with other taxes and similar payments	188,271	135,528
Personnel costs	2,044,433	2,270,043
Depreciation costs	174,076	135,931
Other business expenses	628,568	316,513
Business expenses - Total	58,884,504	49,811,119
Profit or loss from business	3,612,711	4,095,167
Financial incomes		
Incomes from interests	1,833	2,613
Other financial incomes	826	79
Financial incomes - Total	2,659	2,692
Financial expenses		
Expenses with interests	9,652	1,295
Other financial expenses	4,897	1,244
Total financial expenses	14,549	2,539
Financial profit or loss	(11,890)	153
Gross profit or loss	3,600,821	4,095,320
Expenses with the corporate tax	549,140	576,808
Net profit or loss of the financial year	3,051,681	3,518,512

**Manager general,
Mr. Niculae Dan**

**Head of the accountancy dept.,
Mrs. Rus Claudia-Adela**