



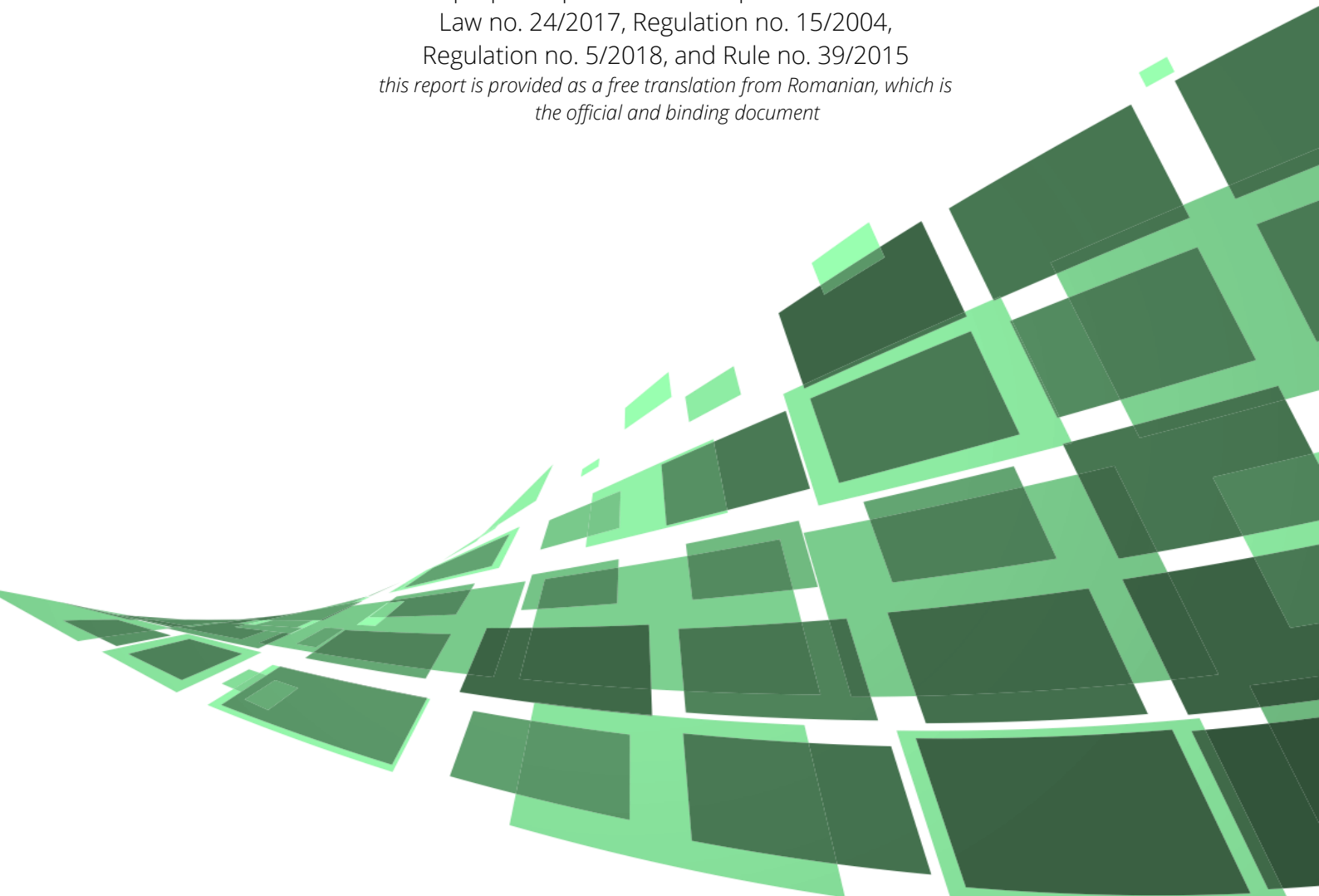
**SIF BANAT-CRIȘANA**

SOCIETATE DE INVESTIȚII FINANCIARE

# QUARTERLY REPORT

— AS AT MARCH 31, 2019 —

prepared pursuant to the provisions of  
Law no. 24/2017, Regulation no. 15/2004,  
Regulation no. 5/2018, and Rule no. 39/2015  
*this report is provided as a free translation from Romanian, which is  
the official and binding document*



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## 1. GENERAL INFORMATION

CORPORATE NAME	<b>Societatea de Investiții Financiare Banat-Crișana S.A.</b> (hereinafter referred to as “SIF Banat-Crișana” or “the Company”)
COMPANY TYPE	<ul style="list-style-type: none"> <li>▪ closed-end investment company self-managed, with a diversified investment policy investment policy, endorsed by the Financial Supervisory Authority by Endorsement no. 258 / 14.12.2005 and as AIFM with Authorization no. 78/09.03.2018</li> <li>▪ set-up as a joint stock company in November 1996 pursuant to the provisions of Law no. 133/1996 for the conversion of the Private Property Funds (FPP) into Financial Investment Companies (SIF)</li> <li>▪ Romanian legal entity with private capital</li> </ul>
SHARE CAPITAL	<ul style="list-style-type: none"> <li>▪ RON 51,746,072.40 – subscribed and paid-in capital</li> <li>▪ 517,460,724 shares issued, 517,371,068 outstanding shares</li> <li>▪ RON 0.10 per share nominal value</li> </ul>
REGISTRATIONS	<ul style="list-style-type: none"> <li>▪ J02/1898/1992 at Trade Registry of the Arad Court</li> <li>▪ Unique Fiscal Registration Code RO 2761040</li> <li>▪ Number in ASF AFIAA Register PJR07.1AFIAA/020007/09.03.2018</li> <li>▪ Number in ASF SIIR Register PJR09SIIR/020002/2006</li> <li>▪ Legal Entity Identifier (LEI Code) 254900GAQ2XT8DPA7274</li> </ul>
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except insurance and pension funding (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> <li>▪ carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force;</li> <li>▪ management of investment portfolio and exercising all of the rights related to the instruments in which investments are made;</li> <li>▪ risk management;</li> <li>▪ other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.</li> </ul>
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker <b>SIF1</b>
DEPOSITARY BANK	BRD - Groupe Société Générale
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	<b>Arad</b> , 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
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## 2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

<b>MAIN BALANCE SHEET ITEMS [RON mn]</b>		
	<b>31.12.2018</b>	<b>31.03.2019</b>
Total assets, of which	2,452.94	2,542.52
Total financial assets	2,427.11	2,505.26
Equity	2,321.42	2,399.71
Total current liabilities	1.62	12.89

<b>FINANCIAL PERFORMANCE [RON mn]</b>		
	<b>31.03.2018</b>	<b>31.03.2019</b>
Operational income	8.92	15.20
Gains on investments	2.1	(3.46)
Operating expenses	3.49	4.33
Gross profit	7.53	7.42
Net profit	7.26	6.63

<b>PERFORMANCE OF SHARES AND NET ASSET</b>		
	<b>31.12.2018</b>	<b>31.03.2019</b>
Share price (end of period, RON)	2.04	2.10
NAV/S* (RON)	4.3067	4.4488
Accounting net asset / share (RON)	4.4863	4.6383
Nominal value of share (RON)	0.1	0.1
Number of outstanding shares**	517,371,068	517,371,068

\* calculated acc. to ASF regulations

\*\* number of shares not including treasury stock

<b>OPERATIONAL DATA</b>		
	<b>31.12.2018</b>	<b>31.03.2019</b>
Number of permanent employees, end of period	34	34
Branch offices	1	1

### 3. SIGNIFICANT EVENTS DURING Q1 2019

Transaction regulated under art. 82 of Law 24/2017

On January 28, 2019, SIF Banat-Crișana informed the shareholders about the acquisition of 7,500 unlisted corporate bonds with a nominal value of 2,000 Euro, issued by the company SIFI BH RETAIL S.A. Bucharest, a transaction regulated under the provisions of Article 82 of Law 24/2017.

SIFI BH RETAIL S.A. was incorporated in 2014 and has SIF Imobiliare PLC, a SIF Banat-Crișana subsidiary, as main shareholder, holding 99.9% of its share capital.

Preliminary results for 2018

On February 28, 2019, SIF Banat-Crișana announced the preliminary financial results for the year ended December 31, 2018 prepared according to IFRS, communicating on the market (Bucharest Stock Exchange) and publishing on own website, [www.sif1.ro](http://www.sif1.ro)

Announcement of the valuation of assets

On March 1, 2019, SIF Banat-Crișana informed the investors that, as per the provisions of the ASF Regulation no. 10 / 2015 (article 19) and the EU Regulation 231/2013 (articles 69-70), for reasons of stability and coherence, will maintain throughout the year 2019

Events after the reporting period

Resolutions of the Ordinary General Meeting of Shareholders held on April 22, 2019

The ordinary general meeting of Societatea de Investiții Financiare Banat-Crișana's shareholders gathered by convening, with the direct participation or by correspondence of the shareholders holding 154,927,270 shares, representing 29.95% of the total voting rights, of which 14,777,376 shares with suspended voting rights.

The Convening Notice was published in the Official Gazette of Romania, part. IV, no. 1227 of March 19, 2019, in the national newspaper Bursa no. 51 (6346) of March 19, 2019, the local newspaper Jurnal Arădean no. 8282 of March 19, 2019 and posted on Company's website [www.sif1.ro](http://www.sif1.ro) and on Bucharest Stock Exchange website.

With the required quorum and majority as provided by law and company's Articles of Association, recorded in the minutes of the meeting, the ordinary general meeting decided: approval of the standalone financial statements for the financial year 2018, based on the discussions and reports presented by the Board of Directors, the Chairman of the Board and the Financial Auditor; approval of appropriation of the entire net profit for the year 2018, in the amount of RON 77,186,227 to Other Reserves, for own financing sources, to support a buyback program; approval of the consolidated financial statements for the year ended December 31, 2018, based on the discussions and the reports presented by the Board of Directors and the financial auditor; approval of the discharge from liability of the Board of Directors for the activity carried out during financial year 2018; approval of the Budget of revenues and expenses and the Activity Program for the year 2019; approval, for the financial year 2019, of maintaining the monthly remuneration due to the members of the Board of Directors in the amount approved by the resolution of the ordinary general meeting of shareholders of April 26, 2016; approval of reducing the general limits of all additional remunerations set for the members of the Board of Directors and the general limits of the directors' remuneration to 0.42% of the average annual net asset value; approval of September 20, 2019 as the registration date (September 19, 2019 as ex date), in accordance with the provisions of Article 86 par. (1) of Law no. 24/2017 and of ASF Regulation no. 5/2018.

Resolutions of the Extraordinary General Meeting of Shareholders held on April 22, 2019

The extraordinary general meeting of Societatea de Investiții Financiare Banat-Crișana's shareholders, gathered at first call with the direct participation or by correspondence of the shareholders holding 141,677,421 shares, representing 27.38% of the total voting rights, of which 14,777,376 shares with suspended voting rights.

The Convening Notice was published in the Official Gazette of Romania, part. IV, no. 1227 of March 19, 2019 in the national newspaper Bursa no. 51 (6346) of March 19, 2019, the local newspaper Jurnal Arădean no. 8282 of March 19, 2019 and posted on Company's website [www.sif1.ro](http://www.sif1.ro) and on Bucharest Stock Exchange website.

With the required quorum and majority as provided by law and company's Articles of Association, recorded in the minutes of the meeting, the extraordinary general meeting decided: approval of Company's carrying out a buyback program ("Program I"); approval of Company's carrying out a buyback program ("Program II") in compliance with applicable legal provisions; approval of using the shares purchased under Program II for the repurchase of own shares for their distribution free of charge to members of the company's management (administrators, directors) in a "Stock Option Plan", in compliance with applicable law; approval of May 15, 2019 as the registration date (May 14, 2019 as ex-date), in accordance with the provisions of Article 86 par. (1) of Law no. 24/2017 and of ASF Regulation no. 5/2018.

Amendment to the Disclosure document published by Current Report of May 21, 2018

SIF Banat-Crișana informed the shareholders that the Board of Directors, in the meeting held on April 22, 2019, approved the prolonging of the duration of the Stock Option Plan.

By Current Report of May 21, 2018, SIF Banat-Crișana informed the shareholders on the approval of the "Stock Option Plan", by which 1,400,000 SIF1 shares were offered to Company's administrators and directors, as per the Resolution of the Extraordinary General Meeting of Shareholders of April 26, 2018. T

The disclosure document regarding the offering or allocation of shares to the members SIF Banat-Crișana's management structure, prepared according to Annex no. 21 to CNVM Regulation no. 1/2006 and Annex no. 4 to Regulation no. 5/2018, was amended according to the decision of the Board of Directors dated April 22, 2019.

#### 4. FINANCIAL POSITION AND RESULTS AS AT MARCH 31, 2019

SIF Banat-Crișana prepared the accounting report as at March 31, 2019 pursuant to ASF Rule no. 39/2015 for the approval of Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments sector and considering the provisions of IFRS 9 - Financial Instruments, applicable as of January 1, 2018.

The accounting report as at March 31, 2019, has not been audited by the financial auditor, as it is not a legal or statutory requirement.

The following are a summary of Company's financial position and results as at March 31, 2019:

##### Condensed standalone statement of financial position - extract

	<b>31.12.2018</b>	<b>31.03.2019</b>
<i>(all amounts denominated in RON)</i>		
Cash and cash equivalents	29,230,410	79,957,781
Bank deposits, including interest	6,044,457	4,539,125
Financial assets at fair value through profit and loss	1,105,989,265	1,152,339,387
Financial assets at fair value through other comprehensive income	1,279,345,173	1,261,877,908
Financial assets at amortized cost	6,505,683	6,543,245
Investment property and tangible assets	23,332,032	23,276,871
Other assets	2,496,233	13,986,403
<b>Total assets</b>	<b>2,452,943,252</b>	<b>2,542,520,720</b>
Liabilities	<b>131,522,639</b>	<b>142,807,835</b>
Equity	<b>2,321,420,613</b>	<b>2,399,712,885</b>
<b>Total liabilities</b>	<b>2,452,943,252</b>	<b>2,542,520,720</b>

The value of **total assets** held as at March 31, 2019, was of RON 2,542.5 million, 3.7% higher than the value of assets as at 2018-year end.

The progress of main items as compared to the beginning of the period:

- **Cash and cash equivalents** are higher as compared to 2018 year-end, as the Company did not reinvest during the first three months the proceeds from transactions with shares (mainly Erste Bank), placing the amounts on short-term liquid (cash available and deposits with maturity <3 months).
- **Bank deposits** stood roughly at the level of the beginning of the year, given that The Company did not significantly alter during Q1 the allocation structure of those with initial maturities of less than 3 months (recognized as cash equivalents) and over 3 months (presented as Bank deposits).
- **Financial assets at fair value through profit and loss**, amounting to RON 1,152.3 million, are higher as compared to December 31, 2018, as a result of recognizing within this category the purchase of corporate bonds denominated in foreign currency during Q1 (SIFI BH Retail SA) and recording the fair value differences of the financial assets portfolio as at March 31, 2019.
- **Other assets** rose as compared to the beginning of the period. The dynamics of this asset component is largely influenced by the recording of claims on dividends to be collected from portfolio companies that were declared during Q1 2019 and not yet collected as at the reporting date.
- **Equity** significantly rose as compared to December 31, 2018, mainly because of the positive fair value differences on the securities portfolio, recorded in other comprehensive income as of March 31, 2019. Deferred income tax liabilities were incurred on these differences, which explains the increase in the Company's debts towards the end of the previous year.

Condensed standalone statement of profit and loss and  
other items of comprehensive income - extract

<i>(all amounts denominated in RON)</i>	<b>31.03.2018</b>	<b>31.03.2019</b>
<b>Income</b>		
Dividend income	7,828,241	13,557,288
Interest income	949,109	1,611,943
Other operational revenues	144,519	34,801
<b>Gain on investments</b>		
Net gain on foreign exchange	47,551	1,666,998
Net gain /(loss) on financial assets at fair value through profit and loss	2,432,955	(5,122,358)
Net gain/(loss) on sale of assets	(377,150)	-
<b>Expenses</b>		
Expenses related to fees, commissions	(867,202)	(755,425)
Other operating expenses	(2,623,443)	(3,573,389)
<b>Profit before income tax</b>	<b>7,534,580</b>	<b>7,419,859</b>
Income tax	(269,881)	(787,418)
<b>Net profit</b>	<b>7,264,699</b>	<b>6,632,441</b>
<b>Other comprehensive income</b>	<b>111,109,836</b>	<b>25,530,261</b>
<b>Total comprehensive income for the period</b>	<b>118,374,535</b>	<b>32,162,702</b>

Progress of **revenues** having significant weight:

- **Dividend income** is higher as compared to the first three months of the previous year, representing, both in 2018 and 2019, the dividends declared by one of Company's subsidiary (SAI Muntenia).

- **Interest income** is higher as compared to Q1 2018, given the change of fixed-income investments from bank deposits to corporate bonds, in terms of significantly more favourable returns.

**Gain on investments** had the following progress:

- **Net result on foreign exchange** recorded as at March 31, 2019, is favourable, resulting from the corporate bonds held, and has a positive progress over the same period of the previous year, given the significant increase in investments in this type of instruments during Q1 2019.

- **Net gain / (loss) on financial assets at fair value through profit or loss** is negative, mainly due to the fair value measurement at March 31, 2019 of financial assets at fair value through profit or loss (FVTPL). On the structural side, the positive differences in the valuation of fund units were cancelled by the negative fair value differences recorded for listed shares (subsidiaries and associates) and corporate bonds.

**Expenses** as at March 31, 2019 are slightly above those recorded for the corresponding period of 2018.

**Net profit** as at March 31, 2019 amounting to RON 6.6 million is slightly below the net result for Q1 2018, as higher earnings from recognized dividends were affected by the negative impact of the fair value differences of financial assets measured at fair value through profit or loss (FVTPL).

**Total comprehensive income** as at March 31, 2019 in the amount of RON 32.16 million is the effect of recognition in other comprehensive income, for the quarterly reporting, of the fair value increase of the financial assets portfolio classified as FVTOCI (assets at fair value through other comprehensive income).



## Financial ratios as at March 31, 2019

Ratio	Calculation	Result as at 31.03.2019
<b>1. Current liquidity ratio</b> <sup>1)</sup>	Current assets/Current liabilities	7.73
<b>2. Debt to equity ratio</b> <sup>2)</sup>	Debt / Equity x 100	not applicable
	Debt / Capital employed x 100	not applicable
<b>3. Accounts receivables turnover</b> <sup>3)</sup>	Average clients' accounts / Turnover x 90	89
<b>4. Non-current assets turnover</b> <sup>4)</sup>	Turnover / Non-current assets	0.006

<sup>1)</sup> **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the first three months of 2019 was of 7.73. This is due to the high level of current assets as at March 31, 2019, as there were significant amounts of liquidity in bank accounts.

<sup>2)</sup> **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues, with impact on fulfilling the assumed commitments. The Company had no borrowings as at March 31, 2019, and therefore this indicator is zero.

<sup>3)</sup> **The accounts-receivable turnover** indicates the effectiveness of the company in collecting its receivables, respectively the number of days until the debtors pay their debt to the company.

In determining the average balance of clients, the receivables were considered at gross value. The weight in total receivables is of the dividends to be collected from portfolio companies and interest receivable on securities.

For the turnover, the company's total revenues as at March 31, 2019 was used.

Turnover ratio calculated as at March 31, 2019, was of 89 days, and is characteristic for the average time passed between the moment of recording the dividend receivables from the portfolio companies and the effective date of collecting them.

<sup>4)</sup> **Non-current assets turnover** measures the efficiency in managing the non-current assets, by examining the value of the turnover (for SIF Banat-Crișana - the total operating income) generated by a certain portion of non-current assets. In determining the ratio, the gross value of financial assets was considered. As at March 31, 2019, this ratio has a value of 0.006.

## 5. ANNEXES

**Condensed interim standalone financial statements** as at March 31, 2019, prepared pursuant to Rule no. 39/2015 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from Financial Instruments and Investments Sector - unaudited

**Net asset statement** as at March 31, 2019,  
prepared pursuant to annex 16 to Regulation no. 15/2004

**Detailed statement of investments** as at March 31, 2019,  
prepared pursuant to annex 17 to Regulation no. 15/2004

The quarterly report prepared as at March 31, 2019, was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on May 14, 2019.

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**SIF Banat-Crişana S.A.**

**Condensed interim standalone financial statements  
as at March 31, 2019**

Prepared pursuant to Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector

**unaudited**

*FREE TRANSLATION  
from Romanian which is the official and binding version*

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**Condensed statement of profit or loss and other comprehensive income  
as at March 31, 2019**

<i>Denominated in RON</i>	<i>Note</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Income</b>			
Dividend income	5	13,557,288	7,828,241
Interest income	6	1,611,943	949,109
Other operating revenues		34,801	144,519
<b>Investment gains</b>			
Gains on investment property		-	-
(Loss) Net gain from foreign exchange differences		1,666,998	47,551
Net profit / (Loss) from financial assets at fair value through profit and loss	7	(5,122,358)	2,432,955
Profit/(Loss) from sale of assets	8	-	(377,150)
<b>Expenses</b>			
Commissions expenses	9	(755,425)	(867,202)
Other operating expenses	10	(3,573,389)	(2,623,443)
<b>Profit before tax</b>		<b>7,419,859</b>	<b>7,534,580</b>
Income tax	11	(787,418)	(269,881)
<b>Net profit for the period</b>		<b>6,632,441</b>	<b>7,264,699</b>
<b>Other comprehensive income</b>			
Fair value reserve financial assets:			
Amount transferred to profit or loss (equity instruments)		0	377,124
Change in fair value of the shares measured by other comprehensive income		30,977,768	132,079,790
Effect of the income tax related to them		(5,447,507)	(21,347,078)
Change of reserve from revaluation to fixed assets			
<b>Other comprehensive income</b>		<b>25,530,261</b>	<b>111,109,836</b>
<b>Total comprehensive income for the period</b>		<b>32,162,702</b>	<b>118,374,535</b>
<b>Earnings per share</b>			
Basic		0.013	0.014
Diluted		0.013	0.014

The condensed interim financial statements were approved by the Board of Directors on May 14, 2019 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Ștefan Doba  
Economic Director

## Condensed statement of financial position as at March 31, 2018

<i>Denominated in RON</i>	<i>Note</i>	<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>Assets</b>			
Cash and cash equivalents	12	79,957,781	29,230,410
Bank deposits	13	4,539,125	6,044,457
Financial assets at fair value through profit or loss	14	1,152,339,387	1,105,989,265
Financial assets at fair value through other comprehensive income	15	1,261,877,908	1,279,345,173
Financial assets at amortized cost	16	6,543,245	6,505,683
Investment property	17	20,128,515	20,128,515
Tangible assets (property, plant and equipment)		3,148,356	3,203,517
Other financial assets	18	13,726,960	2,277,307
Other assets		259,443	218,926
<b>Total assets</b>		<b>2,542,520,720</b>	<b>2,452,943,252</b>
<b>Liabilities</b>			
Dividends payable		-	5,495
Deferred income tax liabilities	19	129,915,461	129,889,043
Other financial liabilities	20	12,880,295	1,614,344
Other liabilities and deferred revenues		12,079	13,757
<b>Total liabilities</b>		<b>142,807,835</b>	<b>131,522,639</b>
<b>Equity</b>			
Statutory share capital	21	51,746,072	51,746,072
The effect of applying IAS 29 on the share capital	21	645,164,114	645,164,114
Treasury shares	21	(223,486)	(223,486)
Losses from the repurchase of own shares		(559)	(559)
Benefits granted in equity instruments		3,272,500	2,380,000
Reserves set-up from the application of Law no. 133/1996		2,105,675,691	2,105,675,691
The effect of applying IAS 29 to equity elements on retained earnings		(2,605,353,717)	(2,605,353,717)
Accumulated profit		735,281,094	683,411,583
Other reserves		775,288,784	775,288,784
Reserves from revaluation of tangible assets		105,016	105,016
Legal reserves		10,349,214	10,349,214
Differences from the change in fair value of financial assets measured by other items of comprehensive income		678,408,162	652,877,901
<b>Total equity</b>		<b>2,399,712,885</b>	<b>2,321,420,613</b>
<b>Total liabilities and equity</b>		<b>2,542,520,720</b>	<b>2,452,943,252</b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2019 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Ștefan Doba  
Economic Director

## Condensed Statement of Changes in Equity as at March 31, 2019

Denominated in RON

	Inflated share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the application of Law no. 133/1996 (including hyperinflation)	Changes from revaluation of financial assets through other comprehensive income	Reserves from revaluation of fixed assets	Other reserves	Benefits granted in equity instruments	Accumulated profit	The effect of applying IAS 29 on items of equity on retained earnings	Total
<b>Balance at January 1, 2018</b>	<b>696,910,187</b>	<b>(223,487)</b>	<b>(559)</b>	<b>10,349,214</b>	<b>2,105,675,691</b>	<b>652,877,901</b>	<b>105,016</b>	<b>775,288,783</b>	<b>2,380,000</b>	<b>683,411,583</b>	<b>(2,605,353,718)</b>	<b>2,321,420,613</b>
<b>Comprehensive income</b>												
<i>Profit for the period</i>	-			-	-	-				6,632,441	-	6,632,441
<i>Other comprehensive income</i>												
Reserve from revaluation of assets available for sale transferred to profit or loss	-			-	-	-				-	-	-
Reserve from revaluation of financial assets transferred to retained earnings						(53,272,718)				53,272,718		0
Change in reserve from revaluation of financial assets through other comprehensive income	-			-	-	84,250,486				-	-	84,250,486
Revaluation of tangible assets												-
Related deferred tax						(5,447,507)				(8,035,648)		(13,483,155)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,530,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,869,511</b>	<b>-</b>	<b>77,399,772</b>
Other reserves – own sources												0
<b>Transactions with shareholders recognized directly in equity</b>												
Dividends payable for 2018	-			-	-	-				-	-	-
Dividends written-off	-			-	-	-				-	-	-
Repurchase of own shares									892,500			892,500
Cancellation of treasury shares		0										0
<b>Total transactions with shareholders recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>892,500</b>	<b>-</b>	<b>-</b>	<b>892,500</b>
	<b>696,910,187</b>	<b>(223,487)</b>	<b>(559)</b>	<b>10,349,214</b>	<b>2,105,675,691</b>	<b>678,408,162</b>	<b>105,016</b>	<b>775,288,783</b>	<b>3,272,500</b>	<b>735,281,094</b>	<b>(2,605,353,718)</b>	<b>2,399,712,885</b>
<b>Balance at March 31, 2019</b>	<b>696,910,187</b>	<b>(223,487)</b>	<b>(559)</b>	<b>10,349,214</b>	<b>2,105,675,691</b>	<b>652,877,901</b>	<b>105,016</b>	<b>775,288,783</b>	<b>2,380,000</b>	<b>683,411,583</b>	<b>(2,605,353,718)</b>	<b>2,321,420,613</b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2019 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Ștefan Doba  
Economic Director

## Condensed Statement of Changes in Equity as at March 31, 2019

Denominated in RON

	Inflated share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the application of Law no. 133/1996 (including hyperinflation)	Changes from revaluation of financial assets through other comprehensive income	Reserves from revaluation of fixed assets	Other reserves	Benefits granted in equity instruments	Accumulated profit	The effect of applying IAS 29 on items of equity on retained earnings	Total
<b>Balance at December 31, 2017</b>	<b>700,330,055</b>	<b>(4,748,190)</b>	<b>(124,659)</b>	<b>10,976,985</b>	<b>2,105,675,691</b>	<b>1,251,829,179</b>	<b>97,794</b>	<b>690,289,841</b>	<b>145,433,106</b>	<b>(2,608,519,658)</b>	<b>2,291,240,143</b>	<b>700,330,055</b>
<b>Balance as at January 1, 2018 - restated</b>	<b>700,330,055</b>	<b>(4,748,190)</b>	<b>(124,659)</b>	<b>10,976,985</b>	<b>2,105,675,691</b>	<b>1,176,253,311</b>	<b>97,794</b>	<b>690,289,841</b>	<b>239,606,863</b>	<b>(2,608,519,658)</b>	<b>2,309,838,033</b>	<b>700,330,055</b>
<b>Comprehensive income</b>												
<i>Profit for the period</i>	-			-	-	-			7,264,699	-	7,264,699	-
<i>Other comprehensive income</i>												
Reserve from revaluation of assets available for sale transferred to profit or loss	-			-	-	377,124			-	-	377,124	-
Reserve from revaluation of financial assets transferred to retained earnings						(67,553,902)		67,553,902			0	
Change in reserve from revaluation of financial assets through other comprehensive income	-			-	-	199,633,692			-	-	199,633,692	-
Revaluation of tangible assets											-	
Related deferred tax						(21,347,078)		(10,717,547)			(32,064,625)	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,109,836</b>	<b>-</b>	<b>-</b>	<b>64,101,054</b>	<b>-</b>	<b>175,210,890</b>	<b>-</b>
<b>Transactions with shareholders recognized directly in equity</b>												
Dividends payable for 2017	-			-	-	-			-	-	-	-
Dividends written-off	-			-	-	-			-	-	-	-
Cancellation of treasury shares		0									0	
<b>Total transactions with shareholders recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Balance at March 31, 2019</b>	<b>700,330,055</b>	<b>(4,748,190)</b>	<b>(124,659)</b>	<b>10,976,985</b>	<b>2,105,675,691</b>	<b>1,287,363,147</b>	<b>97,794</b>	<b>690,289,841</b>	<b>303,707,917</b>	<b>(2,608,519,658)</b>	<b>2,485,048,923</b>	<b>700,330,055</b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2019 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Ștefan Doba  
Economic Director



## Condensed cash flow statement as at March 31, 2019

<i>Denominated in RON</i>	<i>Note</i>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<b>Operating activities</b>			
Net profit for the period		6,632,441	7,264,699
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets		62,715	70,585
Net (gain)/loss from disposal of tangible assets		1,585	0
Gain from valuation of investment property		0	0
(Reversals) / Expenses on adjustments for impairment		0	0
Net profit from sale of assets (debt instruments)	8	0	377,150
(Net gain)/Net loss from financial assets at fair value through profit or loss		5,122,357	(2,432,955)
Dividend income	5	(13,557,288)	(7,828,241)
Interest income	6	(1,611,943)	(949,109)
Expense with / (income from) foreign exchange differences financial assets		(967,035)	0
Benefits granted in equity instruments		892,500	0
Income tax	11	787,418	269,881
<b>Changes in operating assets and liabilities</b>			
Change in other assets (claims, etc.)		(54,012)	(1,329,521)
Change in other liabilities		(853,531)	(1,599,752)
Income tax paid		0	0
<b>Net cash used in operating activities</b>		<u><b>-3,544,793</b></u>	<u><b>-6,157,261</b></u>
<b>Investment activities</b>			
Payments for acquisition of shares in subsidiaries and other financial assets (shares, fund units, govt. bonds)	14, 15	(71,570,314)	(117,181,230)
Proceeds from sales of financial assets (shares, govt. bonds)		102,817,178	120,245,164
(Placements) / Proceeds from term deposits greater than three months		1,500,000	2,400,000
Proceeds from sale of assets at fair value through profit or loss account		20,668,827	0
Proceeds / (Payments) from sale of assets measured at amortized cost		0	2,848
Proceeds for sale of tangible assets and investment property		0	0
Payments for purchases of tangible assets		(7,734)	(4,600)
Dividends collected		0	0
Interest collected		869,702	2,215,766
<b>Net cash from investment activities</b>		<u><b>54,277,659</b></u>	<u><b>7,677,948</b></u>
<b>Financing activities</b>			
Dividends paid		(5,495)	
Repurchase of own shares		0	
<b>Net cash used in financing activities</b>		<u><b>(5,495)</b></u>	<u><b>0</b></u>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at January 1		29,230,410	11,320,217
<b>Cash and cash equivalents at the end of the period</b>		<u><b>79,957,781</b></u>	<u><b>12,840,904</b></u>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2019 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Ștefan Doba  
Economic Director

## **Selected explanatory notes to the condensed financial statements as at March 31, 2019**

### **1. Reporting entity**

Societatea de Investiții Financiare Banat-Crișana SA ("the Company") was established based on Law no. 133/1996 by the reorganization and transformation of Fondul Proprietății Private Banat-Crișana and it is a joint stock company operating under Law 31/1990 and Law no. 297/2004.

SIF Banat-Crișana is headquartered in Arad, 35A Calea Victoriei, Arad county, postal code 310158, tel.: +40257 304 438, fax: +40257 250 165. The registration number in the Trade Register is: J02/1898/1992, and the tax identification number is: RO 2761040

The main activity of the company:

- carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force;
- management of investment portfolio and exercising all of the rights related to the instruments in which investments are made;
- risk management;
- other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.

The Company's shares are listed on the Bucharest Stock Exchange since November 1st, 1999 and are traded on a regulated market, Premium category, with the market symbol SIF1.

The custodian bank of the Company, starting 29.01.2014, is BRD Groupe Société Générale, replacing ING Bank NV Amsterdam Bucharest Branch, and the company providing registry services is Depozitarul Central SA Bucharest.

The Interim financial statements, condensed, prepared as at the end of March 31, 2019, are not audited or reviewed.

### **2. Basis of preparation**

#### **(a) Statement of compliance**

Pursuant to Rule no. 39/2015 issued by the Financial Supervisory Authority (ASF) of Financial Instruments and Investments Sector, starting with the annual financial statements for the financial year 2015, the entities authorized, regulated and supervised by ASF - Financial Instruments and Investments Sector, shall use the International Financial Reporting Standards adopted by the European Union EU ("IFRS") as the official accounting regulations.

December 31, 2015 is the date of transition to IFRS as an accounting basis, at this date by restatements were performed and accounted for the operations determined by the transition from CNVM Regulation no. 4/2011 to IFRS accounting regulations.

These condensed interim financial statements as at March 31, 2019, have been prepared pursuant to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the separate financial statements for 2018 prepared in accordance with Rule no. 39/2015 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the ASF of Financial Instruments and Investments Sector (The Rule).

Pursuant to Regulation no. 1606/2002 of the European Parliament and the EU Council of July 19, 2002, and Law no. 24/2017 on issuers of financial instruments and market operations, the company is required to prepare and submit to the Financial Supervisory Authority (ASF) annual consolidated financial statements pursuant to IFRS, within 4 months from the end of the financial year. The Company prepared and published consolidated financial statements for the financial year 2018.

As per the requirements of Law no. 24/2017 and the ASF Regulation no. 5 on Issuers of Financial Instruments and Market Operations, the Company prepared and published the consolidated interim financial statements for the H1 2018 within 3 months of its end.

During Q1 2018, the Company reanalysed the criteria for the classification of as an investment entity and ascertained that the requirements are met, except for subsidiaries providing investment services (SAI Muntenia Invest, Administrare Imobiliare SA). Thus, in accordance with IAS 27 and IFRS 10, starting with financial year 2018, the Company measures all its subsidiaries at fair value through profit or loss, except for subsidiaries providing investment-related services, that will continue to be consolidated. Under these

## **Selected explanatory notes to the condensed financial statements as at March 31, 2019**

circumstances, the Company will prepare two sets of financial statements: standalone and consolidated financial statements, in accordance with IFRS 10 and IAS 27.

### **(b) Presentation of the financial statements**

The Company adopted a presentation based on liquidity in the condensed interim statement of financial position and a presentation of income and expenses according to their nature in the interim condensed statement of comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than the information presented on other methods allowed by IAS 1 "Presentation of financial statements".

### **(c) Basis of measurement**

The condensed interim financial statements are prepared on a fair value basis convention, for the financial assets and liabilities, at fair value through profit or loss or by other comprehensive income.

Other financial assets and liabilities as well as non-financial assets and liabilities are stated at amortized cost, revaluated amount or historical cost.

### **(d) Functional and presentation currency**

The Company's management considers that the functional currency, as defined by IAS 21 "The effects of changes in Foreign Exchange Rates", is the Romanian Leu (RON or lei). The condensed interim financial statements are presented in RON, rounded to the nearest unit, which is the presentation currency chosen by the Company's management.

### **(e) Use of estimates and judgements**

The preparation of the condensed interim financial statements pursuant to IFRS requires that management makes estimates, judgements, and assumptions that affect the application of accounting policies as well as the reported value of assets, liabilities, income and expenses.

Such estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the given circumstances. The result of these estimates forms the basis of judgments used in assessing the carrying value of assets and liabilities for which no other evaluation sources are available. Actual results may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period or if the period of the revision and future periods are affected the revision affects both current and future periods.

Judgments made by the management in applying IFRS that have a significant impact on the separate financial statements and the estimates that involve a significant risk of a material adjustment in the next year are presented in the *Notes to the condensed interim financial statements*.

### **(f) Changes in the accounting policies**

The accounting policies adopted are consistent with those used in the previous year.

## **3. Significant accounting policies - extract**

The accounting policies used in these condensed interim financial statements are the consistent with those of the standalone financial statements prepared as at December 31, 2018.

### **Assets and financial liabilities**

#### **Financial assets, as per IFRS 9, include the following:**

- investments in equity instruments (e.g. shares)
- investments in debt instruments (e.g. securities, bonds, loans)
- trade receivables and other receivables;
- cash and cash equivalents;
- derivatives;
- shareholdings in subsidiaries, associates and joint ventures - subject to IFRS 10 / IAS 27 / IAS 28.

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

### (i) Classification

Financial assets held are classified by the Company as per IFRS 9 "Financial Instruments" in financial assets and financial liabilities.

The Company classifies **financial assets** as being measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss on the basis of:

- (a) the entity's business model for the management of financial assets;
- (b) the characteristics of the contractual cash flows of the financial asset.

### Business model

- Represents the manner in which an entity manages its financial assets to generate cash flows: *collecting, sale of assets, or both*;
- Determining it is factually realized considering: *the manner of evaluation and reporting of its performance*, the existing *risks* and their *management*, respectively the way of *compensating the management* (based on the fair value or the cash flows associated with these investments);

#### *Model of assets held for collecting*

- Managed to generate cash flows by collecting the principal and interest over the life of the instrument;
- It is not necessary to hold it until maturity;
- There are categories of sales transactions that are compatible with this model: those due to credit risk increase, miscalculated or insignificant value sales, or sales close to the maturity of the instruments;
- The accounting of these assets (assuming that the SPPI criterion is also met and the fair value option has not been selected) is carried at amortized cost (using the effective interest method, interest, impairment gains or losses and exchange rate differences - in profit and loss).

#### *Model of assets held for collecting and sale*

- Managed both to generate cash flows from collecting and by selling (all) the assets;
- Sales are of high frequency and value compared to the previous model, without specifying a certain threshold for fitting into this model;
- The purpose of these sales may be: managing current liquidity needs, maintaining a certain structure of returns or decisions to optimize the entity's balance sheet (correlating the duration of financial assets with that of financial liabilities).
- The accounting of these assets (assuming that the SPPI criterion is met and the fair value option has not been selected) is made at fair value through other comprehensive income (using the effective interest rate method, interest, gains or losses from impairment) and foreign exchange differences - in profit and loss / change in the fair value of these instruments - in other comprehensive income, amounts recognized in other comprehensive income are recycled through profit or loss on derecognition of the asset).

#### *Other business model*

- Assets managed for the purpose of cash flow from sales;
- Collecting cash flows associated with these investments is incidental, it is not the purpose of holding them;
- Assets whose performance is managed and reported on the basis of their fair value;
- Debt instruments acquired for sale in the near future are intended for short-term profit or are derivatives;
- Their accounting is at fair value through the profit and loss account.

### SPPI test

It comprises criteria that evaluates to what extent the structure of the cash flows of a liability instrument classifies within the model of the base credit agreement (the interest reflects to a great extent of the value in time of money and credit risk).

There are some ratios that indicate the case in which the liabilities instruments held should be measured at the fair value through profit and loss:

- non-standard interest rate;
- presence of the leverage effect;
- hybrid instruments (including an incorporated derivative).

## **Selected explanatory notes to the condensed financial statements as at March 31, 2019**

There are also ratios that, although they would require a registration at fair value, can comply, under certain circumstances, with the SPPI criterion and so the respective assets should be accounted for at amortized cost:

- the existence of an anticipated reimbursement option or extension of the asset term;
- assets without recourse that should guarantee the debt reimbursement
- contractually related instruments.

### **Financial assets measured at fair value through profit or loss (FVTPL)**

A financial asset must be measured at fair value through profit or loss, except if it is measured at amortized cost or at fair value through other comprehensive income.

### **Financial assets measured at fair value through other comprehensive income (FVOCI)**

A financial asset, such as debt instruments, must be measured at fair value through other comprehensive income if both conditions below are complied with:

- a) the financial asset is held within a business model whose goal is achieved by collecting the contractual cash flows and the sale of financial assets and
- b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the principal owed. The company can make an irrevocable choice upon the initial recognition in case of certain investments in equity instruments that otherwise would have been evaluated at the fair value through profit or loss to present the subsequent modifications of the fair value in other comprehensive income (according to pt. 5.7.5 and 5.7.6 of IFRS 9 – Financial Instruments).

### **Financial instruments measured at amortized cost**

A financial asset must be measured at amortized cost if both conditions below are complied with:

- (a) the financial asset is held within a business model whose goal is to hold financial assets in order to collect the contractual cash flows and
- (b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the principal owed.

**Financial liabilities** – They are measured at amortized cost, except for the financial liabilities classified at fair value through profit or loss.

### **(ii) Recognition**

The assets and liabilities are recognized on the date when the Company becomes a contractual party to the conditions of the respective instrument. When the Company recognizes a financial asset for the first time, it must classify it according to pt. 4.1.1 - 4.1.5 (at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) of IFRS 9 and value it according to pt. 5.1.1-5.1.3. (a financial asset or financial liability is measured at fair value adding or subtracting the transaction costs, directly attributable to the acquisition or issue of the asset or liability).

### **(iii) Measurement**

After the initial recognition, the entity must measure the financial assets according to pt. 4.1.1 – 4.1.5 of IFRS 9 at:

- a) Amortized cost;
- b) Fair value through other comprehensive income; or
- c) Fair value through profit or loss.

After the initial recognition, the entity must value the financial liabilities according to pt. 4.2.1-4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except for:

- a) the financial liabilities measured at fair value through profit or loss;
- b) the financial liabilities that appear when the transfer of a financial asset does not qualify for derecognition;
- c) financial collateral contracts valued at the highest of the loss provision value (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15);

## **Selected explanatory notes to the condensed financial statements as at March 31, 2019**

d) commitments to provide a loan at an interest rate below the market value measured at the highest of the loss provision value (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15)

e) Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

### **Measurement at amortized cost**

The amortized cost of a financial asset or of a financial liability is the value at which the financial asset or the financial liability is measured after the initial derecognition minus the reimbursement of principal, plus or minus the accumulated amortization using the effective interest method for each difference between the initial value and the value at due date, and minus any reduction (direct or by the use of an adjustment account) for impairment or un-recoverability.

The effective interest rate represents the rate that updates exactly the future payments and proceeds in cash during the forecasted life of the financial instrument or, where applicable, during a shorter period, up to the level of the net carrying amount of the financial asset or of the financial liability. For the calculation of the effective interest rate, the entity must estimate the cash flows considering all contractual conditions of the financial instrument but must not consider the future losses from the changes in credit risk. The calculation includes all fees paid or cashed by the contracting parties that make integral part of the effective interest rate, transaction costs and all the other premiums and discounts.

### **Measurement at fair value**

Fair value represents the price that would be received upon the sale of an asset or paid to extinguish a debt within a transaction developed under normal conditions between the participants in the principal market, on the measurement date, or in the absence of the principal market, on the most advantageous market to which the Company has access at that date.

The company measures the fair value of a financial instrument using the prices quoted on an active market for that instrument. A financial instrument has an active market if for that instrument quoted prices are readily available and regularly. The company measures the instruments quoted on the active markets using the closing price.

A financial instrument is considered as being quoted on an active market when the quoted prices are readily available and regularly from an exchange, dealer, broker, association within the industry, a service for establishing the prices or a regulatory agency, and these prices reflect the transactions occurring actually and regularly, developed under objective market conditions.

Within the category of shares quoted on an active market, all those shares admitted to trading on the Stock Exchange or on the alternative market having frequent transactions are included. The market price used to determine the fair value is the closing price of the market on the last trading day before the measurement date.

The fund units are measured according to the Unitary Net Asset Value, calculated by the fund administrator using the closing quotations for the quoted financial instruments. If the Company notices that there is no active market for the fund holding, it recurs for measurement to the public financial statements of the fund holding, respectively to the net asset value. According to the net asset, a corrected Unitary Net Asset Value is obtained used to evaluate the units in the financial statements of SIF Banat-Crișana.

Government securities (bonds) are measured based on the market quotation available on Bloomberg for the respective item, multiplied by the unit nominal value.

In the absence of a price quotation on an active market, the Company uses measurement techniques. The fair value of the financial assets not traded on an active market is determined by authorized valuers, within the current assessment compartment within the Company and by external valuers.

The valuation techniques include techniques based on the use of observable inputs, such as the quoted price of the identical element held by another party as asset, on a market that is not active, and for the assets for which the observable prices are not available, measurements techniques based on the analysis of the updated cash flows, and other measurement methods used regularly by the market participants. These include the method of comparisons with similar instruments for which there is an observable market price or the percentage method of the net assets of these companies adjusted with a discount for minority ownership and a discount for lack of liquidity, using at maximum the market information, being based at

## **Selected explanatory notes to the condensed financial statements *as at March 31, 2019***

minimum on the specific company information. The Group uses evaluation techniques that maximize the use of observable data and minimize the use of non-observable data.

The assessment techniques are used consistently.

The value resulted through the use of a measurement model is adjusted depending on the number of factors, because the valuation techniques do not reflect reliably all factors considered by the market participants when closing a transaction. The adjustments are recorded so that to reflect the risk models, the differences between the sale and purchase quotations, the liquidity risks as well as other factors. Company's management considers that these adjustments are necessary to present a correct measure of the value of the financial instruments held at fair value in the statement of financial position.

### **(iv) Identification and measurement of value impairment**

The Company must recognize a provision for the forecasted losses from credit corresponding to a financial asset that is measured according to pt. 4.1.2 or 4.1.2A of IFRS 9 (debt instruments measured at amortized cost or at the fair value through other comprehensive income), a receivable resulting from a leasing agreement, a credit commitment and a financial guarantee agreement.

The Company applies the impairment provisions for the recognition of the provision for losses corresponding to the assets measured at fair value through other comprehensive income (debt instruments that meet the criteria of pt. 4.1.2A of IFRS 9 – assets held in order to collect the cash flows and sales, whose cash flows represent exclusively principal reimbursement or interest payments). The provision so determined is recognized considering other comprehensive income and does not reduce the carrying amount of the financial asset from the statement of the financial position.

Every reporting day, the Company measures the provision for losses corresponding to a financial instrument at a value equal to:

- The credit losses forecasted for a 12-month period, if the credit risk has not increased significantly as of the initial recognition;
- The credit losses forecasted during the entire life, if the credit risk has increased significantly as of the initial recognition.

The Company recognizes in profit or loss, as earnings or losses from impairment, the value of the forecasted, recognized or reversed losses, required to adjust the provision for losses on the reporting date up to the level imposed by the provisions of IFRS 9.

The Company assesses the expected credit losses of a financial instrument so that it represents:

- An impartial value, resulted from the weighting of more possible results depending on the probabilities related thereto;
- The time value of money;
- Reasonable information available at no cost or disproportionate effort at reporting date.

The Company may assume that the risk credit for a financial instrument has not increased significantly as of the initial recognition if the financial instrument is considered to have a low credit risk on the reporting date. A financial instrument is considered to have a low credit risk if:

- The debtor has a high capacity to meet the obligations associated with short-term contractual cash flow;
- Unfavourable changes in the business and the business environment may, but not necessarily, reduce the debtor's ability to meet its obligations.

In the assessment of low credit risk for issuers, no real collateral is taken into account. At the same time, financial instruments are not considered to be low-risk only because they have a lower risk than the other instruments issued by the debtor or in comparison with the credit risk prevailing in the geographical region or the jurisdiction in which it operates. In the credit risk assessment, the company uses both external credit risk ratings and internal ratings that are consistent with generally accepted definitions of credit risk.

### **(v) Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from that financial asset expires, or when the Company transferred the rights to receive the contractual cash flows corresponding to that financial asset in a transaction in which it transferred significantly all risks and benefits of the ownership right.

## **Selected explanatory notes to the condensed financial statements as at March 31, 2019**

Any interest in the financial assets transferred retained by the Company or created for the Company is recognized separately as an asset or liability.

The Company derecognizes a financial liability when the contractual obligations ended or when the contractual obligations are cancelled or expire. Derecognition of financial assets and liabilities is accounted for using the weighted average cost method.

### **(vi) Reclassifications**

If the Company reclassifies the financial assets according to pt. 4.4.1 of IFRS 9 (as a result of changing the business model for the management of its financial assets), then all the affected financial assets will be reclassified. The financial liabilities cannot be reclassified after the initial recognition.

The Company applies the reclassification of financial assets prospectively as of the reclassification date. The eventual earnings, losses or interests previously recognized will not be restated.

If a reclassification occurs, the Company proceeds as follows:

- When reclassifying an asset in the amortized cost category to fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in profit or loss;
- When reclassifying an asset in the fair value through profit or loss category to the amortized cost, the fair value at the date of reclassification becomes the new gross carrying amount;
- When reclassifying an asset in the amortized cost category to fair value through other comprehensive income, fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in other comprehensive income, without adjusting the effective interest rate or the expected loss from the borrowing;
- When reclassifying an asset in the fair value category by other elements of the comprehensive income to the amortized cost, the reclassification is carried at the fair value of the asset from the reclassification date. Amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset, without affecting the profit or loss account. The actual interest rate and the expected loss on credit are not adjusted as a reclassification effect;
- When reclassifying an asset in the fair value through profit or loss category to fair value through other comprehensive income, the asset continues to be measured at its fair value;
- When reclassifying an asset of fair value through other comprehensive income to fair value through profit or loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment (as per IAS1).

### **(vii) Gains and losses**

Gains or losses resulting from a change in the fair value of a financial asset or of a financial liability that is not part of a hedging relationship are recognized as follows:

- a) The gains or losses generated by financial assets or financial liabilities classified as being measured at fair value through profit or loss are recognized in profit or loss;
- b) The gains or losses generated by a financial asset at fair value through other comprehensive income are recognized at other comprehensive income.

When the assets are derecognized, the accumulated losses or gains previously recognized in other comprehensive income:

- are reclassified from equity in profit or loss, in the case of debt instruments;
- are transferred to retained earnings, in case of equity instruments (shares).

When the financial assets are impaired or derecognized and the financial liabilities are accounted for at amortized cost, and through their amortization process, the Company recognizes the gains or the loss in the income statement.

As regards the recognized financial assets using the settlement date accounting, no change of the fair value of the asset to be received during the period between the trading date and the settlement date is recognized for the assets carried at cost or at amortized cost (except for impairment losses). But for the assets accounted for at fair value, the change in fair value must be recognized in profit or loss or in equity, as the case may be.



## **Selected explanatory notes to the condensed financial statements *as at March 31, 2019***

### **Other financial assets and liabilities**

Other financial assets and liabilities are measured at amortized cost using the effective interest method

### **4. Management of significant risks**

The risk management policy can be found in the Company organizational structure and it encompasses both general and specific risks, as set forth in Law no. 297/2004 and the Regulation of the National Securities Commission no. 15/2004, as amended and completed.

The most significant financial risks to which the Company is exposed to are the credit risk, the liquidity risk and the market risk. The market risk included the foreign currency risk, the interest rate risk and the price risk of the equity instruments. This note provides information on the Company's exposure to each of the above-mentioned risks, the Company's objectives and policies, and the risk assessment and risk management processes.

The company uses a variety of policies and procedures for managing and assessing the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

#### **4.1 Financial risks**

##### **(a) Market risk**

Market risk is the present or future risk of recording losses related balance and off-balance sheet due to adverse movements in market price (such as stock prices, interest rates, foreign exchange rates). Management sets the limits on the value of risk that may be accepted, which are monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Position risk is associated with financial instruments portfolio held by the Company with intention to benefit from positive evolution of prices of underlined financial assets or potential dividends/coupons issued by entities. The Company is exposed to general position risk as well as specific, due to short term investments made in bonds, shares and fund units.

The management has monitored and is permanently monitoring the reduction of adverse effects related to this financial risk, through an active procedure of diversifying prudently the investment portfolio and by using one or more technics of diminishing of the risk through trading activity or market prices evolution related to financial instruments held by the Company.

##### **Concentration risk**

Concentration risk relates to all assets held by the Company, regardless of Company intention to hold these assets, and through diminishing this risk is intended to avoid large exposure against the same debtor/entity at Company level.

The management policy of diversifying exposures is applied to portfolio structure, business structure as well as structure of financial risks exposure. Thus, this diversifying policy implies: avoiding excessive exposures against the same debtor/issue, or geographical area; diversifying business structure implies avoiding at Company's level excessive exposure against specific type of business/sector; diversifying structure of financial risks intends to avoid excessive exposure against the same financial risk.

The market risk of equity instruments is mainly the result of shares measured at fair value through other comprehensive income and through profit or loss. Entities in which the Company holds shares operate in various industries.

The objective of market risk management is to control and manage market risk exposures in acceptable parameters to the extent that profitability is optimized.

The Company's strategy for managing market risk is driven by its investment objective, and market risk is managed in accordance with its policies and procedures.

The Company is exposed to the following categories of market risk:

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

### (i) Equity Price risk

Price risk is the risk of decline both in value of a security or portfolio related to changes in asset prices.

The Company is exposed to the risk of fair value of financial instruments fluctuation due to changes in market prices, whether caused by factors specific to the activity of its issuer or factors affecting all instruments traded in the market.

The Board of Directors monitors the market risk management and internal procedures, which require that when price risks are not consistent with the Company's investment policy and principles, it shall proceed to rebalance the portfolio.

A positive variation of 10% in the price of financial assets at fair value through profit or loss (shares of subsidiaries, associates and fund units) would lead to an increase in profit after tax by RON 108,887,692 (December 31, 2018: RON 92,903,098), a negative variation of 10% having an equal net impact on the opposite direction.

A positive variation of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and unit funds would lead to an increase in equity, net of tax, of RON 108,065,083 (December 31, 2018: RON 107,464,995), a negative variation of 10% with an equal net impact on an opposite direction.

The company holds shares in companies operating in various sectors, such as:

As it can be noticed from the table below, as at March 31, 2019, the Company mainly held shares in companies in the banking-financial and insurance field, having a weight of 50.8 % on the total portfolio, decreasing compared to the 51.2% as at December 31, 2018.

in RON	March 31, 2019	%	December 31, 2018	%
Financial brokerage and insurance	1,026,008,269	50.8%	1,047,441,047	51.2%
Manufacturing industry	325,215,264	16.1%	333,231,839	16.3%
Hotels and restaurants	126,700,202	6.3%	126,746,145	6.2%
Wholesale and retail trade, repair of motor vehicles	29,907,258	1.5%	37,902,258	1.9%
Production and supply of energy, gas and water	28,123,203	1.4%	27,242,153	1.3%
Extractive industry	63,647,518	3.2%	54,416,217	2.7%
Other activities	2,964,881	0.1%	2,901,664	0.1%
Financial services applicable to real estate	344,682,950	17.1%	344,682,950	16.9%
Constructions	667,239	0.0%	667,238	0.0%
Transportation and storage	59,680,696	3.0%	57,659,329	2.8%
Rental of property investment	10,572,133	0.5%	10,570,630	0.5%
Agriculture, forestry and fishing	378,546	0.0%	378,546	0.0%
<b>TOTAL</b>	<b>2,018,548,159</b>	<b>100%</b>	<b>2,043,840,016</b>	<b>100%</b>

As at March 31, 2019 and December 31, 2018, the Company holds fund units at the closed investment funds Active Plus, Optim Invest, Certinvest Shares, Star Value and Romania Strategy Fund (as at December 31, 2018 also Omnitrend closed investment fund). The Company is exposed to price risk in terms of placements made with different degrees of risk by these Investment Funds, the fair value of the investments in these assets being as at March 31, 2019 of RON 280,314,428 (December 31, 2018: RON 295,681,969).

### (ii) Interest rate risk

Interest rate risk is the risk that revenues or expenses, or the value of assets or liabilities of the Company will fluctuate due to changes in market interest rates.

As regards the interest-bearing financial instruments: the interest rate risk consists of the risk of fluctuation recorded in the value of a financial instrument due to changes in interest rates and risk differences between the maturity of interest-bearing financial assets and interest-bearing liabilities. However, the interest rate risk may also affect the value of assets bearing fixed interest rates (e.g. bonds) so that an increase in interest rate on the market will determine a decrease in the value of future cash flows generated by them and may lead to their price reduction if it increases the preference of investors to place their funds in bank deposits or other instruments whose interest has grown, and vice versa - a reduction in interest rate on the market

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

may increase the price of shares and bonds and will lead to an increase in the fair value of future cash flows.

With respect to the Company's interest-bearing financial instruments, the policy is to invest in profitable financial instruments, with due date over 1 year. With respect to the fixed interest-bearing assets or tradable assets, the Company is exposed to the risk that fair value of future cash flows related to financial instruments will fluctuate as a result of changes in market interest rates. However, most financial assets of the Company are in stable currencies whose interest rates are unlikely to vary significantly.

Thus, the Company will be subject to limited exposure to the fair value interest rate risk or to future cash flows due to fluctuations in the prevailing levels of market interest rates.

The Company does not use derivative financial instruments to protect itself against interest rate fluctuations.

The following table shows the annual interest rates earned by the Company for interest-bearing assets Q1 2019:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Cash and cash equivalents	1.00	3.00	-	-
Financial assets at fair value through profit and loss*	5.03	5.15	6.00	6.00
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	5.98	6.01

\* In the financial assets at fair value through profit and loss are included bonds, denominated in RON and foreign currency, issued by subsidiaries of SIF Banat-Crișana.

\*\* Corporate bonds are included in the financial assets at fair value through other items of comprehensive income.

The following table shows the annual interest rates earned by the Company for interest-bearing assets during Q1 2019:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Cash and cash equivalents	0.45	1.50	-	-
Financial assets at fair value through profit and loss	3.85	3.97	6.00	6.00
Financial assets at fair value through other comprehensive income*	3.25	5.75	5.75	5.75
Investments measured at amortized cost	-	-	5.98	5.98

\* Financial assets at fair value through all items of comprehensive income include government bonds (interest is the nominal coupon, not yield on acquisition / adjudication) and corporate bonds.

The following table shows a summary Company's exposure to the interest rate risk. The table includes the Company's assets and liabilities at the carrying amounts classified by the most recent date of the change in the interest rate and the maturity date.

<i>in RON</i>	<b>March 31, 2019</b>
Cash and cash equivalent	44,000,000
Bank deposits	4,500,000
Financial assets at fair value through profit and loss – corporate bonds	109,238,670
Financial assets at fair value through comprehensive income – corporate bonds	4,900,921
Investments measured at amortized cost – corporate bonds	6,461,212
<b>TOTAL</b>	<b>169,100,803</b>

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

<i>in RON</i>	<b>December 31, 2018</b>
Cash and cash equivalent	15,500,000
Bank deposits	6,000,000
Financial assets at fair value through profit and loss – corporate bonds	40,562,280
Financial assets at fair value through comprehensive income – corporate bonds	4,872,610
Investments measured at amortized cost – corporate bonds	6,327,044
<b>TOTAL</b>	<b>73,261,933</b>

The impact on the Company's net profit and equity of a change of  $\pm 1.00\%$  in the interest rate related to variable interest-bearing assets and liabilities and expressed on other currencies corroborated with a change of  $\pm 1.00\%$  in the interest rate related to variable interest bearing assets in RON is RON 1,420,447 (December 31, 2018: RON 615,400).

### (iii) Currency risk

Currency risk is the risk of loss or failure to achieve the estimated profit as a result of unfavourable exchange rate fluctuations. The Company invests in financial instruments and enters into transactions which are denominated in currencies other than the functional currency, thus being exposed to risks that the exchange rate of the national currency in relation to another currency may adversely affect the fair value or future cash flows of that share of financial assets and liabilities denominated in other currencies.

In the reporting periods the company conducted transactions in Romanian currency (RON) and in foreign currencies. The Romanian currency has fluctuated compared to the foreign currencies EUR and USD.

The financial instruments used enable the conservation of the value of monetary assets held in RON, by making investments and collecting interest according to their maturity.

The Company has not entered into any fix derivative transaction during the financial years presented.

The Company's assets and liabilities in RON and foreign currencies at March 31, 2019 and December 31, 2018 can be analysed as follows:

#### *Financial assets exposed to foreign currency risk (in RON)* *in RON*

	<b>March 31, 2019</b>
Cash and cash equivalent	33,025,444
Bank deposits	-
Financial assets at fair value through profit and loss*	86,263,356
Financial assets at fair value through comprehensive income**	230,444,445
Investments measured at amortized cost	6,543,245
<b>TOTAL</b>	<b>356,276,490</b>

\* Financial assets at fair value through profit or loss include euro bonds issued by SIFI BH Retail and foreign exchange holdings of closed-end investment funds, proportional to the Company's holding in their net assets.

\*\* Financial assets at fair value through other comprehensive income in EUR result include holdings held abroad, namely Austria - Erste Bank and corporate bonds issued by Impact.

#### *Financial assets exposed to foreign currency risk (in RON)* *in RON*

	<b>December 31, 2018</b>
Cash and cash equivalent	9,025,982
Bank deposits	-
Financial assets at fair value through profit and loss*	20,255,448
Financial assets at fair value through comprehensive income**	290,081,290
Investments measured at amortized cost	6,505,683
<b>TOTAL</b>	<b>325,868,403</b>

\* The financial assets at fair value through profit or loss include foreign exchange holdings of closed-end investment funds, proportional to the Company's holding in their net assets.

\*\* Financial assets at fair value through other comprehensive income in EUR result include holdings held abroad, namely Austria - Erste Bank and corporate bonds issued by Impact.

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

The following table shows the sensitivity of profit or loss as well as equity to possible changes at the end of the reporting period of the exchange rates in line with the reporting currency, consistently maintaining all other variables:

	March 31, 2019		December 31, 2018	
	Impact on P&L account	Impact on OCI	Impact on P&L account	Impact on OCI
EUR increase with 5% (2018: 5%)	5,284,946	9,678,667	1,229,820	12,456,653
EUR decrease with 5% (2018: 5%)	-5,284,946	-9,678,667	-1,229,820	-12,456,653
<b>Total</b>	-	-	-	-

### (b) Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet its contractual obligations, or a financial engagement in which it has entered into a relationship with the Company, resulting in a loss for the Company. The Company is exposed to credit risk as a result of investments in bonds issued by commercial companies or the Romanian State, current accounts and bank deposits and other receivables.

The management of the Company closely monitors and expands the exposure to credit risk so that it does not suffer losses as a result of the concentration of credit in a particular sector or field of activity.

As at December 31, 2018 and December 31, 2017, the Company did not have any security interests as insurance, nor any other credit enhancement.

As at December 31, 2018 and December 31, 2017, the Company did not record outstanding financial assets, but they are not impaired. Below we present our financial assets with exposure to credit risk:

March 31, 2019	Current accounts	Bank deposits	Bonds issued by financial entities (measured at amortized cost)	Corporate bonds (measured at FVOCI)	Corporate bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>							
Rating AAA to A-							
BBB+	34,584,800	19,000,000					53,587,800
BBB	24,051						24,051
BB+	1,319,010	29,500,000	6,461,212				37,280,222
Baa1	4,253						4,253
Ba3	3,352						3,352
C	103						103
NR	1,442			4,900,921	109,238,670	13,726,960	127,867,993
<b>TOTAL</b>	<b>35,940,011</b>	<b>48,500,000</b>	<b>6,461,212</b>	<b>4,900,921</b>	<b>109,238,670</b>	<b>13,726,960</b>	<b>218,743,723</b>

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

December 31, 2018	Current accounts	Bank deposits	Bonds issued by financial entities (measured at amortized cost)	Corporate bonds (measured at FVOCI)	Corporate bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>							
Rating AAA to A-							
BBB+	10,988,692	13,000,000					23,988,692
BBB	24,299						24,299
BB+	2,698,188	8,500,000	6,505,683				17,703,871
Baa1	4,367						4,367
Ba3	3,554						3,554
C	284						284
NR	1,501			4,882,639	40,929,816	2,277,307	48,091,262
<b>TOTAL</b>	<b>13,720,885</b>	<b>21,500,000</b>	<b>6,505,683</b>	<b>4,882,639</b>	<b>40,929,816</b>	<b>2,277,307</b>	<b>89,816,329</b>

The Company's maximum exposure to credit risk is of RON 218,743,723 as at March 31, 2019 (December 31, 2018: RON 89,816,329) and can be analysed as follows:

Exposure of current accounts and deposits placed at banks (excluding interest accrued)

	Credit rating			March 31, 2019	December 31, 2018
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	53.539.736	23.940.933
Banca Transilvania	BB+	Banca Transilvania	Fitch	30.819.010	11.197.124
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	47.389	46.776
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	24.051	24.299
Raiffeisen Bank Romania	Baa1	Raiffeisen Bank Romania	Moody's	4.253	4.367
Alpha Bank Romania	Ba3	Alpha Bank Romania	Moody's	3.352	3.554
Bancpost**	C	Eurobank Ergasias Athens	Fitch	-	1.064
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	675	983
Banca Comercială Feroviara	NR			1.442	1.501
Piraeus Bank Romania***	C	Piraeus Bank Athens	Fitch	103	284
<b>TOTAL</b>				<b>84.440.011</b>	<b>35.220.885</b>

\* For banks for which there is no rating, the parent company's rating was considered

\*\* At the end of year 2018, the taking over of Bancpost by Banca Transilvania was completed.

\*\*\*In 2018, the local subsidiary of Piraeus Bank Greece was taken over by the American investment fund JC Flowers, the name of the bank was changed to First Bank

The cash and cash equivalent and bank deposits are not past due and not impaired. The corporate bonds are not past due and not impaired.

Of other financial assets category, the financial assets, amounting to RON 13,726,960 (December 31, 2018: 34,519) are not past due and not impaired.

As at March 31, 2019 the Company considers impaired the value of the receivables (within sundry debtors) amounting to RON 1,406,362 (December 31, 2018 RON 1,406,362 representing dividends and penalties due from the companies in the portfolio and not collected for the previous periods.

The company has no outstanding claims.

### (c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations arising from short-term financial liabilities that are settled by payment of cash or other financial means, or the risk that such obligations are extinguished in an unfavourable manner for the Company.

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

The company monitors the progress of its liquidity levels to be able to meet its payment obligations at due date and constantly analyses its assets and liabilities, based on the remaining period to the contractual maturities.

The breakdown of assets and liabilities was analysed based on the remaining period from the balance sheet date to contractual maturity date, both as at March 31, 2019 and December 31, 2018, as follows:

<i>in RON</i>	Carrying amount	Less than 3 months	3 to 12 months	More than 1 year	No fixed maturity
<b>March 31, 2019</b>					
<b>Financial assets</b>					
Cash and cash equiv.	79,957,781	79,946,635	-	-	11,146
Bank deposits	4,539,125	-	4,539,125	-	-
Financial assets at fair value through profit and loss	1,152,339,387	335,389	798,585	109,238,670	1,041,966,744
Financial assets at fair value through other comprehensive income	1,261,877,908	81,145	-	4,900,921	1,256,895,842
Financial assets at amortized cost	6,543,245	-	82,033	6,461,212	-
Other financial assets	13,726,960	13,726,960	-	-	-
<b>Total financial assets</b>	<b>2,518,984,406</b>	<b>94,090,129</b>	<b>5,419,743</b>	<b>120,600,803</b>	<b>2,298,873,732</b>
<b>Financial liabilities</b>					
Dividends payable	-	-	-	-	-
Other financial liabilities	12,880,295	12,880,295	-	-	-
<b>Total financial liabilities</b>	<b>12,880,295</b>	<b>12,880,295</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liquidity surplus</b>	<b>2,506,104,111</b>	<b>81,209,834</b>	<b>5,419,743</b>	<b>120,600,803</b>	<b>2,298,873,732</b>

<i>in RON</i>	Carrying amount	Less than 3 months	3 to 12 months	More than 1 year	No fixed maturity
<b>December 31, 2018</b>					
<b>Financial assets</b>					
Cash and cash equiv.	29,230,410	29,230,410	-	-	-
Bank deposits	6,044,457	3,030,457	3,014,000	-	-
Financial assets at fair value through profit and loss	1,105,989,265	-	-	40,929,816	1,065,059,449
Financial assets at fair value through other comprehensive income	1,279,345,173	-	-	4,882,639	1,274,462,535
Financial assets at amortized cost	6,505,683	-	-	6,505,683	-
Other financial assets	2,277,307	2,277,307	-	-	-
<b>Total financial assets</b>	<b>2,429,392,294</b>	<b>34,538,174</b>	<b>3,014,000</b>	<b>52,318,137</b>	<b>2,339,521,984</b>
<b>Financial liabilities</b>					
Dividends payable	5,495	5,495	-	-	-
Other financial liabilities	1,614,344	1,614,344	-	-	-
<b>Total financial liabilities</b>	<b>1,619,839</b>	<b>1,619,839</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liquidity surplus</b>	<b>2,427,772,455</b>	<b>32,918,335</b>	<b>3,014,000</b>	<b>52,318,137</b>	<b>2,339,521,984</b>

### 4.2 Other risks

By the nature of the business object, the Company is exposed to various types associated to financial instruments and to market on which it invests.

The main types of risks the Company is exposed to are:

- taxation risk;
- economic environment risk;
- operational risk.

## **Selected explanatory notes to the condensed financial statements as at March 31, 2019**

The risk management takes into account the maximization of the Company profit related to the risk level it is exposed to.

The Company uses various management and measurement policies and procedures for the risk types it is exposed to. These policies and procedures are presented in the subchapter dedicated to each type of risk.

### **(a) Taxation risk**

Starting with 1 January 2007, following Romania's accession to the European Union, the Company had to comply with the EU regulations and, therefore, prepared to implement changes brought by the European legislation. The Company has implemented these changes, but their implementation remains open to tax audit for 5 years.

Interpretation of texts and practical implementation of the procedures of the new applicable tax regulations could vary and there is a risk that in some cases the tax authorities might adopt a position different from that of the Company.

In terms of income tax there is a risk of different interpretation by the tax authorities to accounting treatments that were determined by the transition to IFRS as an accounting basis.

In addition, the Romanian Government has several agencies authorized to conduct audits (controls) of companies operating in Romania. These controls are similar to tax audits in other countries and may extend not only to tax matters but also to other legal and regulatory issues of interest to these agencies. The Company may be subject to tax audits as new tax regulations are issued.

### **(b) Economic environment risk**

SIF Banat-Crișana's management cannot predict all the effects of the financial crisis with an impact on the financial sector in Romania, but has confidence in that in Q1 2019 adopted the necessary measures for the Company's sustainability and development under the present state of the financial market by monitoring its cash flows and adapting its investment policies.

Risk avoidance and mitigation of their effects is ensured by the company through an investment policy which complies with prudential rules imposed by the applicable laws and regulations in force.

SIF Banat-Crișana adopted risk management policies through which risks are managed actively, by implementing specific risk identification, evaluation, measurement and control procedures meant to provide reasonable assurance with respect to the achievement of the Company's objectives, thus seeking a consistent balance between risk and expected profit. The risk management aims at: (i) identifying and assessing significant risks with major impact in achieving the target investment and developing activities to counter the risk identified; (ii) adapting the risk management policies to the developments in the financial capital market, monitoring performance and improving risk management procedures; (iii) reviewing investment decisions in line with the development of the capital and money market; (iv) compliance with the legislation in force.

The Euro area economy has experienced a significant recovery in recent years, both in terms of GDP growth (with annualized increases of more than 1.5%) and the progressive reduction of unemployment and the return of inflation to the ECB target (2%). However, the ECB has also maintained during the latest period (at the meeting in January 2019) both the benchmark interest rate in absolute historical absolutes (0%) and the commitment to fully reinvest the amounts cashed on the maturity date of the financial instruments acquired in the quantitative easing program, the duration of this program being dependent on the sustainability of the inflation rate to the 2% target set by the ECB. Maintaining these exceptional measures, considering the recent macroeconomic data that indicate a slowdown of the economic activity in the main economies of the Euro area (including technical recession in Italy), signals the persistence of some risks despite positive developments in recent years.

### **(c) Operational risk**

Operational risk is the risk of direct or indirect loss resulting from deficiencies or weaknesses in procedures, personnel, the Company's internal systems or from external events that can have an impact on its operations. Operational risks arise from all the Company's activities.

The Company's objective is to manage the operational risk so as to limit financial loss, not damage its reputation and achieve the investment objective of generating returns for investors.



## Selected explanatory notes to the condensed financial statements as at March 31, 2019

The primary responsibility for implementation and development of control over the operational risk lies with the Board of Directors. This responsibility is supported by the development of general standards of operational risk management, including controls and processes within service providers and service commitments with service providers.

### (d) Capital adequacy

The management policy with respect to capital adequacy focuses on maintaining a sound capital base in order to support the ongoing development of the Company and attain the investment objectives.

The Company's equity includes the share capital, different types of reserves and the retained earnings. The equity amounted to RON 2,399,712,885 as at March 31, 2018 (RON 2,321,420,613 as at December 31, 2018).

## 5. Dividend income

Please note that in accordance with IFRS 9 and due to the fact that the Company has opted to measure participations by other comprehensive income, dividends from these shareholdings are recognized as income unless they are a substantially recovery of the cost of investment. Dividend income is recorded as gross value. The tax rates for dividends for H1 2018 from resident and non-resident companies were 5% and zero (2018: 5% and zero). The breakdown of dividend income on the main counterparties is shown in the table below:

<i>Denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
SAI Muntenia Invest SA	13,557,288	7,748,450
Hercules SA Satu Mare	0	79,791
<b>Total</b>	<b>13,557,288</b>	<b>7,828,241</b>

## 6. Interest income

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Interest income on deposits and current accounts	180,350	81,498
Interest income on bonds measured at amortized cost	96,786	94,379
Interest income on assets measured through profit and loss	1,263,691	358,058
Interest income on assets measured through other comprehensive income (govt. and corporate bonds)	71,116	415,174
	<b>1,611,943</b>	<b>949,109</b>

## 7. Profit/(Loss) on measurement of assets through profit and loss

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Profit / (Loss) from measurement / disposal of fund units	5,369,919	2,482,952
Profit / (Loss) from measurement of bonds (Vrancart)	(2,765,610)	(49,997)
Profit / (Loss) from measurement of shares in subsidiaries and associates	(7,726,667)	
Gain / (Loss) from sale of shares held for short term		
	<b>(5,122,358)</b>	<b>2,432,955</b>
<b>Total</b>	<b>5,369,919</b>	<b>2,482,952</b>

On March 31, 2019, the Company measured equity holdings, shareholdings in subsidiaries and associates (measured at level 1) and liabilities held at subsidiaries through the profit and loss resulting a value decrease in the amount of RON 4.3 million.

During Q1 2019 units of fund were redeemed by the closed-end investment fund Omnitrend amounting to RON 20.7 mn, RON 0.8 mn below the current book value.

## Selected explanatory notes to the condensed financial statements *as at March 31, 2019*

### 8. Net profit /(loss) from sale of assets

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Acquisition cost for financial assets (government bonds)	0	(15,421,340)
Proceeds from sale	0	15,044,190
<b>Total</b>	<b>0</b>	<b>(377,150)</b>

Please note that under IFRS 9 and due to the fact that the Company has opted to measure holdings through other items of comprehensive income, gain from sale of shares until March 31, 2019, in the amount of RON 53,272,719, is reflected in retained earnings.

### 9. Fees and commissions expenses

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
ASF commissions	511,799	599,281
Depository fees	73,226	92,434
Fees payable to SSIF (financial institutions)	112,667	133,239
Registry fees	36,000	36,000
Other fees and commissions	21,733	6,248
<b>Total</b>	<b>755,425</b>	<b>867,202</b>

### 10. Other operating expenses

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Expenses with other taxes and fees and assimilated payments	60,660	91,030
Expenses with salaries and other personnel expenses	2,940,980	1,940,550
Amortization expenses	62,715	70,584
Expenses for external services	509,034	521,279
<b>Total</b>	<b>3,573,389</b>	<b>2,623,443</b>

In other operating expenses are included personnel expenses, expenditure with taxes and fees, amortization expenses and other expenses on external services.

In the period ended on March 31, 2019, the average number of employees was of 34 (March 31, 2018: 36), and the number of employees recorded at the end of the reporting period was of 34 (March 31, 2018: 35).

All employees are members of the pension plan of the Romanian State. The company does not operate any other pension scheme or post-retirement benefits and, consequently, has no other obligations concerning pensions. Furthermore, the Company is not bound to provide additional benefits to employees after their retirement.

### 11. Income tax

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Current income tax</b>		
Current income tax (16%)	787,418	265,891
Tax on dividend (0%, 5%)	-	3,990
Tax exemption on transactions with ownership greater than 10%		
<b>Deferred tax expense / (income)</b>		
Financial assets available for sale		
Financial assets at fair value through profit or loss		
Tangible assets / Investment property		
<b>Total income tax recognized in profit or loss</b>	<b>787,418</b>	<b>269,881</b>

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

The effective tax rate used to calculate the deferred tax of the Company was of 16%.

Reconciliation of profit before tax with expense on income tax in the profit and loss account:

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Profit before tax</b>	<b>7,419,859</b>	<b>7,534,580</b>
<b>Tax under statutory tax rate of 16% (2018: 16%)</b>	1,187,177	1,205,533
<b>Income tax effect of:</b>		
Tax on dividend (0%, 5%)	0	3,990
Non-deductible expenses and similar items	1,792,305	372,418
Non-taxable income	(2,169,166)	(1,252,519)
Revenue related items	13,457,839	15,875,796
Amounts of sponsorship within legal limits and other deductions	-24,000	-60,642
Tax recognized in retained earnings	(13,456,737)	(15,874,694)
<b>Income tax</b>	<b>787,418</b>	<b>269,881</b>

### 12. Cash and cash equivalents

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Cash in hand and other valuables	11,146	9,526
Current accounts in banks	35,940,010	13,720,884
Deposits at banks with original maturity less than 3 months	44,006,625	15,500,000
<b>Cash and cash equivalents with maturity less than 3 months</b>	<b>79,957,781</b>	<b>29,230,410</b>

Current bank accounts and bank deposits are permanently available to the Company and are not restricted.

### 13. Bank deposits

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Bank deposits with maturity more than 3 months	4,500,000	6,000,000
Interest on deposits	39,125	44,457
<b>Cash and cash equivalents with maturity greater than 3 months</b>	<b>4,539,125</b>	<b>6,044,457</b>

### 14. Financial assets measured at fair value through profit and loss account

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Shares	761,652,316	769,377,480
Fund units	280,314,428	295,681,969
Corporate bonds (including the interest)	110,372,643	40,929,816
<b>Total</b>	<b>1,152,339,387</b>	<b>1,105,989,265</b>

As the Company met the classification criteria as an "investment entity", it measures all its subsidiaries at fair value through profit or loss, except for subsidiaries that provide investment-related services that will continue to be consolidated.

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

The movement of the financial assets measured at fair value through profit and loss account as at March 31, 2019 is presented in the table below:

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds in subsidiaries	Total
<b>January 1, 2019</b>				
Acquisitions	769,377,480	295,681,969	40,929,816	1,105,989,265
Sales				
Attached interest	1,503	0	70,713,000	70,714,503
Change in fair value (including foreign exchange differences)		-21,455,948		-21,455,948
			766,438	766,438
<b>March 31, 2019</b>	<b>-7,726,667</b>	<b>6,088,407</b>	<b>-2,036,610</b>	<b>-3,674,871</b>

As at March 31, 2019, the holdings in subsidiaries and associates classified at Level 1 were measured at fair value, the difference being an unfavourable one, amounting to RON 7.7 million.

During the period fund units were redeemed in the amount of RON 21.5 million, by Omnitrend clod end investment fund.

Purchases of corporate bonds amounting to RON 70.7 million include the equivalent of 7,500 bonds issued by BIFI BH retail, denominated in euro.

### 15. Financial assets measured at fair value through other comprehensive income

<i>denominated in RON</i>	March 31, 2019	March 31, 2018
Shares at fair value	1,256,895,841	1,274,462,535
Corporate bonds (including attached interest)	4,982,067	4,882,639
<b>Total</b>	<b>1,261,877,908</b>	<b>1,279,345,173</b>

The measurement of shares at fair value was done by multiplying the number of shares held as at the reporting date with the closing price on the last trading day of the reporting period or the price determined by other valuation methods, respectively valuation performed by certified evaluators. As at March 31, 2019, the category of shares that are classified as measured at fair value includes mainly the value of shares held in Banca Transilvania, SIF Imobiliare PLC, Erste Group Bank AG, BRD-Groupe Société Générale (December 31, 2018: Banca Transilvania, SIF Imobiliare Plc, Erste Group Bank AG, BRD-Groupe Groupe Société Générale).

As at March 31, 2019, was established the fair value for the financial instruments valued at level 1 (quoted).

The movement of financial assets measured at fair value through other comprehensive income in the reporting period ended on March 31, 2019 is presented in the table below:

<i>denominated in RON</i>	Shares at fair value	Corporate bonds	Total
<b>January 1, 2019</b>	<b>1,274,462,535</b>	<b>4,882,639</b>	<b>1,279,345,174</b>
Acquisitions	855,811		855,811
Sales	-102,748,546		-102,748,546
Attached interest		71,116	71,116
Change in fair value	84,326,041	-75,555	84,250,486
Foreign exchange differences		103,867	103,867
<b>March 31, 2019</b>	<b>1,256,895,841</b>	<b>4,982,067</b>	<b>1,261,877,908</b>

Purchases of shares during the current period, amounting to RON 0.8 million, mainly include the acquisition of Intercontinental SA Bucharest.

Sales of shares amounting to RON 102.7 million include mainly the sale of shares in Erste Bank (RON 93.3 million) and Minerva SA (RON 8.8 million).

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

The gain on transactions amounting to RON 53.3 million was recognized in retained earnings.

The movement in 2018 of financial assets available for sale is shown in the table below:

<i>denominated in RON</i>	Shares at fair value	Govt. bonds at fair value	Corporate bonds	Shares at cost	Fund units	Total
<b>January 1, 2018</b>	<b>2,079,884,448</b>	<b>64,044,407</b>	<b>41,901,964</b>	<b>23,956,501</b>	<b>230,404,038</b>	<b>2,440,191,358</b>
<b>January 1, 2018 – restated</b>	<b>2,027,772,253</b>	<b>64,044,407</b>	<b>4,912,490</b>	<b>0</b>	<b>0</b>	<b>2,096,729,150</b>
Acquisitions	101,077,286	0				101,077,286
Reclassifications in assets measured at FVTPL	-635,959,310					-635,959,310
Sales	-111,649,280	-62,228,956				-173,878,235
Interest related		-2,007,441	9			-2,007,432
Change in fair value	-106,778,414	191,989	-29,860			-106,616,285
<b>December 31, 2018</b>	<b>1,274,462,535</b>	<b>(0)</b>	<b>4,882,639</b>	<b>0</b>	<b>0</b>	<b>1,279,345,173</b>

The decrease in the volume of these financial assets as at January 1, 2018 compared to 2017 year-end is due to the reclassification, under IFRS 9 Financial Instruments, of fund units, shares held in associates and bonds purchased from a subsidiary, in the category of assets at FVTPL.

Purchases of shares in 2018, amounting to RON 101.1 million include mainly the acquisition of Conpet shares (RON 48.3 million), Administrare Imobiliare SA București (RON 40.1 million), Banca Transilvania (RON 8.1 million), Erste Bank (RON 4.1 million) and Central SA Cluj (RON 0.4 million).

Sales of shares amounting to RON 111.6 million include mainly the sale of shares issued by Erste Bank (RON 98.8 million), Compa (RON 1.9 million), Celhart Donaris (RON 1.7 million), Hora Reghin (RON 1.5 million), SIF Moldova (RON 1.3 million), Bermas (RON 1.3 million), Silvarom (RON 1.3 million), Hercules (RON 1.1 million), Cotroceni Park RON 0.8 million), etc.

During the year 2018 government bonds were sold, amounting to 62.2 million lei.

The Company uses the following hierarchy of methods to measure fair value:

- Level 1: quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs: quoted market prices in active markets for similar instruments; valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques largely based on unobservable input.

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or on prices quoted by intermediaries (brokers).

The fair value of the financial instruments for which there is no active market (Level 2 and 3) and those that are not traded is determined by external valuers and authorized valuers within the Valuation department of the Company, using the strategy set by the management of the issuer and valuation techniques that meet the requirements of IFRS 13 and the ANEVAR Valuation Standards, in line with best valuation practices. These techniques include: techniques based on the present net value, the discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price and using the method approved by ASF namely a percentage of the net assets of these companies, reduced by a discount for minority ownership and a discount for lack of liquidity.

Valuation techniques are used consistently, there are no changes in their application.

An analysis of the financial instruments and investment property recognized at fair value according to the valuation method is presented in the following table:

## Selected explanatory notes to the condensed financial statements *as at March 31, 2019*

### March 31, 2019

<i>denominated in RON</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit and loss - shares	199,841,362	0	561,810,955	761,652,317
Financial assets at fair value through profit and loss - fund units			280,314,428	280,314,428
Financial assets at fair value through profit and loss - bonds	38,132,059	72,240,585		110,372,643
Financial assets at fair value through other comprehensive income - shares	1,130,173,103	16,138,348	110,584,390	1,256,895,841
Financial assets at fair value through other comprehensive income - corporate bonds	4,982,067			4,982,067
Investment property			20,128,515	20,128,515
Land and buildings			2,745,899	2,745,899
	<u>1,399,630,963</u>	<u>16,138,348</u>	<u>998,972,742</u>	<u>2,414,742,053</u>

### December 31, 2018

<i>denominated in RON</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit and loss - shares	207,568,029		561,809,452	769,377,481
Financial assets at fair value through profit and loss - fund units			295,681,969	295,681,969
Financial assets at fair value through profit and loss - bonds	40,929,816			40,929,816
Financial assets at FVOCI - shares	1,139,744,797	16,138,348	118,579,391	1,274,462,536
Financial assets at FVOCI - corporate bonds	4,882,639			4,882,639
Financial assets at amortized cost - corporate bonds	6,505,683			6,505,683
Investment property			20,128,515	20,128,515
Land and buildings			2,773,415	2,773,415
	<u>1,399,630,963</u>	<u>16,138,348</u>	<u>998,972,742</u>	<u>2,414,742,053</u>

There have been no transfers between levels of fair value during the first three months of 2019.

## 16. Financial assets measured at amortized cost

<i>denominated in RON</i>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Bonds	6,461,212	6,327,044
Interest attached related to bonds	82,033	178,639
<b>Total</b>	<u>6,543,245</u>	<u>6,505,683</u>

Outstanding securities (bonds) at March 31, 2019 include:

- corporate bonds issued by Banca Transilvania denominated in EURO, amounting to RON 6.4 million, purchased in May 2013, convertible in Banca Transilvania shares, with maturity in May 2020, with an annual variable interest rate based on EURIBOR<sub>6 months</sub> + a margin set at 6.25%;

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

### 17. Investment property

<i>denominated in RON</i>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<b>Balance at January 1</b>	<b>20,128,515</b>	<b>20,042,164</b>
Entries		
Sales		
Changes in fair value		86,351
<b>Balance at the end of period</b>	<b>20,128,515</b>	<b>20,128,515</b>

The balance of real investment property includes the value of the building and the land acquired following the withdrawals from companies and the value of the buildings held after the closure of some branches, measured at fair value.

### 18. Other financial assets

<i>denominated in RON</i>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Sundry debtors	14,983,189	1,440,881
Current income tax receivables	0	2,126,352
Other financial assets	150,133	116,436
Impairment for depreciation of sundry debtors	-1,406,362	-1,406,362
<b>Total</b>	<b>13,726,960</b>	<b>2,277,307</b>

### 19. Deferred tax liabilities

Deferred tax assets and liabilities at March 31, 2019 and December 31, 2018 are generated by the elements detailed in the following tables:

#### March 31, 2019

<i>denominated in RON</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets at FVOCI	-	799,207,592	-799,207,592
Tangible assets and investment property	-	12,764,034	-12,764,034
<b>Total</b>	<b>0</b>	<b>811,971,626</b>	<b>-811,971,626</b>
Net temporary differences - 16% rate			(811,971,626)
<b>Deferred tax liabilities</b>			<b>(129,915,461)</b>

#### 2018

<i>denominated in RON</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>
Financial assets at FVOCI	-	799,042,481	(799,042,481)
Tangible assets and investment property	-	12,764,034	(12,764,034)
<b>Total</b>	<b>-</b>	<b>811,806,515</b>	<b>(811,806,515)</b>
Net temporary differences - 16% rate	-	-	<b>(811,806,515)</b>
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(129,889,043)</b>

Deferred tax liabilities in balance for the period ended March 31, 2019 in the amount of RON 129,915,461 (2018: 129,889,043) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 119,418,885 (2018: 113,971,379), being wholly generated by reserves for financial assets measured at fair value through other comprehensive income (FVOCI)

- the deferred tax related mainly to the differences from inflation of the financial assets and the impairment adjustments, amounting to RON 10,496,576 recognized in the retained earnings.

## Selected explanatory notes to the condensed financial statements as at March 31, 2019

### 20. Other financial liabilities

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Payables to employees and related contributions	648,480	1,195,933
Taxes and fees	12,126,024	8,606
Internal suppliers	105,790	409,805
<b>Total</b>	<b>12,880,295</b>	<b>1,614,344</b>

### 21. Capital and reserves

#### (a) Share capital

As at March 31, 2019, the share capital of SIF Banat-Crişana amounts to RON 51,746,072, divided into 517,460,724 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by converting into shares the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As at March 31, 2019 the number of shareholders was of 5,753,602 (December 31, 2018: 5,754,670).

The shares issued by SIF Banat-Crişana are traded on the Bucharest Stock Exchange since November 1999. The records of shares and shareholders is kept by Depozitarul Central S.A. Bucharest.

All shares are ordinary shares, were subscribed and fully paid as March 31, 2019 and December 31, 2018. All shares have equal voting rights and a nominal value of RON 0.1/share. The number of shares authorized to be issued is equal to the shares issued.

The Extraordinary General Meeting of Shareholders of April 26, 2018, approved the reduction of SIF Banat-Crişana's share capital, as per art. 207 par. (1) letter c) of Law no. 31/1990, from RON 52,000,000 to RON 51,746,072.40, following the cancelation of 2,539,276 own shares repurchased by the Company in the buyback programs of 2016 and 2017.

The EGM of April 26, 2018, approved the execution of a buyback program for the repurchase of 17,460,724 own shares ("Program I") by the Company, to reduce its share capital.

The EGM of April 26, 2018, approved the execution of a buyback program for the repurchase of 1,400,000 own shares ("Program II") by the Company, for their distribution free of charge to the members of the Company's management (administrators, directors) in order to build their loyalty as well and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors.

Following the resolution of EGM of April 26, 2018, the Board approved the "Stock-Option Plan" by which were offered to administrators and directors of the Company a total of 1,400,000 SIF1 shares. The vesting (transfer) of shares will be made when the conditions of the "Stock-option Plan" are met and each beneficiary exercise his/her option, after a period of 12 months from signing the payment agreements.

On September 28, 2018, SIF Banat-Crişana reported on the initiation, on October 2, 2018, of the Buyback Program II through daily transactions in the market, according to the resolution of the EGM no. 2 art. 2 of 26.04.2018. The program was suspended by the Company on October 29, 2018.

Reconciliation of the share capital in accordance with IFRS with the share capital in accordance with the statutory share capital is shown in the table below:

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Statutory share capital	51,746,072	51,746,072
The effect of applying IAS 29 on share capital	645,164,114	645,164,114
<b>Restated capital</b>	<b>696,910,187</b>	<b>696,910,187</b>

#### (b) Reserves set up following the application of Law no. 133/1996

The reserve for the initial portfolio was set up under the application of Law no. 133/1996, as the difference between the portfolio value and the subscribed capital contribution to the company. These reserves are treated as an initial contribution (share premium) and are not used when selling the financial assets. Reconciliation of the reserve related to the initial portfolio according to IFRS with the reserve according to



## Selected explanatory notes to the condensed financial statements as at March 31, 2019

the accounting regulations applicable up to the date of application of ASF Rule no. 39/2015 is presented in the following table:

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Reserves from the application of Law no. 133/1996	145,486,088	145,486,088
The effect of applying IAS 29 on reserves set up following the application of Law no. 133/1996	1,960,189,603	1,960,189,603
<b>Reserves set-up from the application of Law no. 133/1996</b>	<b>2,105,675,691</b>	<b>2,105,675,691</b>

The effect of hyperinflation over the share capital amounting to RON 645,164,111 and over the reserve set-up following the application of Law no. 133/1996 amounting to RON 1,960,189,603 was recorded by reducing the retained earnings, resulting in an accumulated loss related to applying IAS 29 on the capital items in the amount of RON 2,605,353,717 at the end of each period presented.

### **(c) Differences from changes in fair value of financial assets measured through other comprehensive income**

This reserve comprises cumulative net changes in the fair values of financial assets measured through other comprehensive income from the date of their classification in this category to the date they have been derecognized or impaired.

Reserves are recorded net of related deferred tax.

### **(d) Legal reserves**

Pursuant to the legal requirements, the Company set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as at March 31, 2019, amounts to RON 10,349,214 (December 31, 2018: RON 10,349,214). In the financial year 2018 and as at March 31, 2019, the Company has no longer set-up legal reserves from the distributed profit, as these reached the upper limit of 20% of the share capital, as per the Articles of Association.

Legal reserves cannot be distributed to shareholders.

### **(e) Dividends**

During the first three months of 2019 there was no approval of dividend distribution. In 2018, it was not approved the distribution of dividends from the profit of the financial year 2017.

## 22. Earnings per share

The calculation of basic earnings per share was made based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares:

<i>denominated in RON</i>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Profit attributable to ordinary shareholders	6,632,441	7,264,699
Weighted average number of ordinary shares	517,371,068	517,460,724
<b>Basic earnings per share</b>	<b>0.013</b>	<b>0.014</b>

Diluted earnings per share equals basic earnings per share, as the Company did not record potential ordinary shares.

## **Selected explanatory notes to the condensed financial statements *as at March 31, 2019***

### **23. Contingent assets and liabilities**

#### ***(a) Litigations***

As at March 31, 2019 the Legal Office of the Company reported 90 litigations pending in Courts. The Company had legal standing in 78 lawsuits, and passive legal standing in 12 lawsuits.

In most lawsuits in which the Company acts as plaintiff, the subject of litigation is the cancellation / ascertainment of cancellation of decisions taken by the General Meetings of Shareholders in portfolio companies, recovery of non-collected dividends or insolvency proceedings of portfolio companies.

#### ***(b) Other liabilities***

not the case

### **24. Related parties**

The parties are considered related if one party has the ability to control the other party or to exercise a significant influence over its financial and operational decision making.

The Company has identified the following related parties in the course of business:

#### ***Key management personnel***

##### *March 31, 2019*

- As at March 31, 2019, the Board of Directors of SIF Banat-Crişana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuţ - Vice-Chairman, Sorin Marica, Marcel Heinz Pfister and Ionel Marian Ciucioi.
- As at March 31, 2019, the members of the executive team of SIF Banat-Crişana are: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuţ - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurenţiu Riviş – Director.

##### *December 31, 2018*

- As at December 31, 2018, the Board of Directors of SIF Banat-Crişana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuţ - Vice-Chairman, Sorin Marica, Marcel Heinz Pfister and Ionel Marian Ciucioi.
- As at December 31, 2018, the members of the executive team of SIF Banat-Crişana were: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuţ - Deputy General Director, Teodora Sferdian - Deputy General Director and Laurenţiu Riviş – Director.

During the period of the interim reporting, there were no transactions carried out and no advances and loans were granted to managers and administrators of the Company, except for work related travel advances.

The Company has not received and has not given guarantees in favour of any related party.

#### ***Subsidiaries***

As at March 31, 2019 and December 31, 2018, the Company held stakes in 13 companies. The reduction in the number of subsidiaries included in the scope of consolidation is the result of the classification of the Company as an investment entity, after which the subsidiaries performing investment services for the Company (SAI Muntenia and AISA) remained in the scope of consolidation and the other subsidiaries were deconsolidated.

#### ***Associated entities***

The number of entities in which the Company holds stakes between 20% and 50% of the capital as at March 31, 2019 is 24 (December 31, 2018: 25), of which:

- a. Two entities (Gaz Vest SA Arad, Biofarm SA Bucharest), in which the Company exercises significant influence;
- b. 9 (December 31, 2018: 9) entities that do not qualify as associates, because the Company does not exercise significant influence in those companies;
- c. 13 (December 31, 2018: 14) entities in insolvency / liquidation / bankruptcy.

## **Selected explanatory notes to the condensed financial statements *as at March 31, 2019***

### **Transactions with related parties during the interim reporting period:**

During the first three months of 2019, the Company made the following transactions with affiliated parties:

- recording and collecting dividend income from SAI Muntenia in the amount of RON 13,557,288;
- proceeds from Vrancart SA, interest on corporate bonds in the amount of RON 497,253;
- paid to the company Administrare Imobiliare SA (the management company of SIF Imobiliare) the total amount of RON 39,302, representing the rent and operating expenses for the rented space, and to the company Gaz Vest SA Arad the amount of RON 34,737 representing natural gas.

### **25. Events after the interim period**

- **April 25, 2019** - The company informed the shareholders that, in the meeting held on 22.04.2019, the Board of Directors, approved the prolonging of the duration of the Stock Option Plan.

- **April 25, 2019** - The company informed the shareholders upon the receiving on April 25, 2019, from Societatea de Investiții Financiare (SIF) Oltenia S.A. of - *Reporting of major shareholdings as per art. 69 par. (1) of Law no. 24/2017 and ASF Regulation no. 5/2018.*

**STATEMENT OF**  
**assets and liabilities of SIF Banat-Crişana as at 29.03.2019**

annex no. 16

DESIGNATION	VALUE [RON]
<b>1. Non-current assets</b>	<b>757,492,628</b>
1.1 Intangible assets	10,746
1.2 Tangible assets	23,281,398
1.3 Financial assets	734,200,484
1.3.1 Listed shares	185,283,843
1.3.2 Unlisted shares	189,812,130
1.3.3 Government securities	-
1.3.4 Certificates of deposit	-
1.3.5 Bank deposits	-
1.3.6 Municipal bonds	-
1.3.7 Corporate bonds	78,758,183
1.3.8 Newly issued securities	-
1.3.9 Units of UCITS and / or non-UCITS	280,346,328
1.3.10 Other financial assets	-
<b>2. Current assets</b>	<b>1,556,842,791</b>
2.1 Inventories	2,239
2.2 Receivables, of which:	169,672
2.2.1 Dividends receivables	-
2.2.2 Receivables rights	-
2.2.3 Other receivables	169,672
2.3 Cash and equivalents	35,941,524
2.4 Short term financial investments	1,472,179,107
2.4.1 Listed shares	1,319,238,649
2.4.2 Unlisted shares	-
2.4.3 Municipal bonds	-
2.4.4 Corporate bonds	42,280,535
2.4.5 Units of UCITS and / or non-UCITS	110,659,923
2.5 Newly issued securities	-
2.6 Government securities	-
2.7 Bank deposits	48,540,646
2.8 Certificates of deposit	-
2.9 Other current assets	9,603
3. Derivatives	-
4. Prepaid expenses	241,931
<b>5. Total assets</b>	<b>2,314,577,350</b>
<b>6. Total liabilities</b>	<b>142,795,756</b>
6.1 Loans from bond issues	-
6.2 Amounts owed to credit institutions	-
6.3 Advances received from clients	-
6.4 Trade payables	48,668
6.5 Bills of exchange payable	-
6.6 Amounts owed to group companies	-
6.7 Amounts owed to related parties	-
6.8 Other liabilities, of which	142,747,088
- deferred income tax	129,915,461
7. Provisions for expenses	-
8. Deferred income, of which:	12,079
8.1 Investment subsidies	-
8.2 Deferred income	12,079
9. Shareholders' equity, of which:	2,399,712,885
9.1 Share capital	51,746,072
9.2 Share capital premiums	-
9.3 Revaluation differences	105,016
9.4 Reserves	2,891,313,689
* 9.5 Own shares	-224,045
9.6 Retained earnings	663,370,873
9.7 Result for the period (YTD)	6,632,441
9.8 Profit appropriation	-
9.9 Retained earnings adoption of IAS 29 for the first time	-2,540,075,937
9.10 Items treated as capital	645,164,114
9.11 Other elements of equity	681,680,662
<b>10. Total liabilities</b>	<b>2,542,520,720</b>
<b>11. Net asset</b>	<b>2,301,684,976</b>
** 12. Number of outstanding shares	517,371,068
<b>13. Net asset value per share NAV/S</b>	<b>4.4488</b>
14. Number of companies in the portfolio, of which:	128
14.1 Companies admitted to trading on a regulated market	20
14.2 Companies admitted to trading on an alternative trading system	27
14.3 Unlisted companies	81

\* The value of own shares repurchased in Buyback Program 2 approved by GMS of April 26, 2018, executed between 02.10.2018 - 26.10.2018

\*\* Pursuant to Art.123, par. (3) of the ASF Regulation no. 9/2014, on the calculation of NAV, this item represents:  
"The total number of issued and outstanding shares, less treasury stock"

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SIF Banat-Crişana

Depository bank

BRD Groupe Société Générale

**Assets in SIF Banat-Crişana portfolio assessed by**

as at: 29.03.2019

No.	Company name	Fiscal code	Symbol	Nr. of shares held	No./date Evaluation report	Value	
						RON / share	total
<b>Unlisted shares (closed)</b>							
1	AZUGA TURISM	28330211		786,882	2183/14.08.2018	34.0000	26,753,988
2	NAPOMAR	199176		10,256,241	2186/14.08.2018	3.1092	31,888,746
3	CENTRAL	199230		53,120	2184/14.08.2018	409.8951	21,773,626
4	SAI MUNTENIA INVEST	9415761		119,976	2185/14.08.2018	341.7167	40,997,799
5	NORD CONSTRUCTII	3357599		31,820	2182/14.08.2018	14.6700	466,799
6	Administrare Imobiliare SA	20919450		16,049,741	64/11.01.2019	2.4396	39,154,948

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## SIF Banat-Crişana's assets as at 29.03.2019 - quarterly report

RON

ITEM	Beginning of the reporting period 31.12.2018				End of the reporting period 29.03.2019				Differences
	% of net asset	% of total assets	Currency	RON	% of net asset	% of total assets	Currency	RON	
I. Total assets	100.07	100.00	20,438,788	2,209,364,078	100.56	100.00	116,864,136	2,197,713,214	84,774,483
1. Securities and money market instruments, out of which:	67.66	67.61	-	1,507,591,885	65.37	65.00	-	1,504,522,492	-3,069,394
1.1. Securities and money market instruments admitted or traded on a regulated market from Romania, out of which:	54.86	54.82	-	1,222,393,234	55.57	55.26	-	1,279,060,113	56,666,878
1.1.1. Shares issued by companies admitted to trading	54.86	54.82	-	1,222,393,234	55.57	55.26	-	1,279,060,113	56,666,878
1.1.2. Municipal bonds	-	-	-	-	-	-	-	-	-
1.1.3. Bonds issued by banking companies	-	-	-	-	-	-	-	-	-
1.2. Securities and money market instruments admitted or traded on a regulated market from a member state	12.80	12.79	-	285,198,651	9.80	9.74	-	225,462,379	-59,736,272
1.3. Securities and money market instruments admitted on a stock exchange from a state not a member or negotiated on another regulated market from a state not a member, that operates on a regular basis and is recognized and opened to the public	-	-	-	-	-	-	-	-	-
2. Newly issued securities	-	-	-	-	-	-	-	-	-
3. Other securities and money market instruments mentioned at art. 187 letter a): securities (by category and by type of issuer) and money market instruments (by category), of which:	11.49	11.48	11,412,807	244,641,719	13.51	13.43	83,838,692	227,012,156	54,796,323
3.1. Shares issued by companies not admitted to trading	9.31	9.30	-	207,399,383	8.25	8.20	-	189,812,130	-17,587,253
3.2. Corporate bonds	2.18	2.18	11,412,807	37,242,336	5.26	5.23	83,838,692	37,200,026	72,383,576
4. Bank deposits, of which:	0.97	0.97	0	21,544,457	2.11	2.10	0	48,540,646	26,996,189
4.1. Bank deposits made with credit institutions in Romania	0.97	0.97	0	21,544,457	2.11	2.10	0	48,540,646	26,996,189
4.2. Bank deposits made with credit institutions of a member state	-	-	-	-	-	-	-	-	-
4.3. Bank deposits made with credit institutions of a non-member state	-	-	-	-	-	-	-	-	-
5. Derivatives financial instruments traded on a regulated market:	-	-	-	-	-	-	-	-	-
5.1. Derivatives financial instruments traded on a regulated market from Romania, on categories	-	-	-	-	-	-	-	-	-
5.2. Derivatives financial instruments traded on a regulated market from a member state, on categories	-	-	-	-	-	-	-	-	-
5.3. Derivatives financial instruments traded on a regulated market from a non-member state, on categories	-	-	-	-	-	-	-	-	-
5.4. Derivatives traded outside the regulated markets, on categories	-	-	-	-	-	-	-	-	-
6. Current accounts and cash	0.62	0.62	9,025,982	4,697,116	1.56	1.55	33,025,444	2,916,081	22,218,426
7. Money market instruments, others than those traded on a regulated market, according to art. 101 par. (1) letter g) of Law no. 297/2004	0.00	0.00	0	-	-	-	0	-	0
7.1. Municipal bonds not traded	-	-	-	-	-	-	-	-	-
7.2. REPO with govt. bonds denominated in RON and foreign currency	-	-	-	-	-	-	-	-	-
7.3. Govt. bonds	0.00	0.00	0	-	-	-	0	-	0
8. UCITS and non UCITS equity securities	18.18	18.17	-	405,053,186	16.99	16.89	-	391,006,251	-14,046,936
9. Other assets (amounts in transit, receivables from distributors, brokerage houses, etc.)	1.16	1.16	-	25,835,714	1.03	1.02	-	23,715,589	-2,120,125

SIF Banat-Crişana

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### Net Asset Value / Share

as at 29.03.2019

RON

ITEM	Current period [29.03.2019]	Corresponding period of the previous year [30.03.2018]	Differences
Net Asset	2,301,684,976	2,764,334,572	-462,649,595
Number of issued, outstanding shares	517,371,068	517,460,724	-89,656
Unitary net asset value	4.4488	5.3421	-0.8933

SIF Banat-Crişana

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Securities admitted or traded on a regulated market in Romania  
as at 29.03.2019

No.	Issuer	Symbol	Date of last trading session	No. of shares held [units]	Nominal value [RON]	Value of share [RON]	Total value [RON]	Stake in the issuer's share capital [%]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>LISTED SHARES</b>										
<b>traded in the last 30 days</b>										
1	BANCA TRANSILVANIA	TLV	29.03.19	217,530,376	1.00	2.0750	451,375,530	4.5177	19.50	19.61
2	BRD - GROUPE SOCIETE GENERALE	BRD	29.03.19	13,615,497	1.00	13.0000	177,001,461	1.9537	7.65	7.69
3	VRANCART	VNC	29.03.19	774,416,054	0.10	0.1635	126,617,025	75.0633	5.47	5.50
4	BIOFARM	BIO	29.03.19	228,826,055	0.10	0.3200	73,224,338	23.2222	3.16	3.18
5	S.N.G.N. ROMGAZ S.A.	SNG	29.03.19	1,571,667	1.00	32.3500	50,843,427	0.4078	2.20	2.21
6	CONPET	COTE	29.03.19	562,740	3.30	79.5000	44,737,830	6.5000	1.93	1.94
7	SIF HOTELURI	CAOR	25.03.19	31,820,906	2.50	1.4000	44,549,268	98.9997	1.92	1.94
8	SNTGN TRANSGAZ	TGN	29.03.19	43,845	10.00	339.0000	14,863,455	0.3724	0.64	0.65
9	OMV PETROM	SNP	29.03.19	35,865,800	0.10	0.3570	12,804,091	0.0633	0.55	0.56
10	ELECTRICA S.A.	EL	29.03.19	657,500	10.00	11.0400	7,258,800	0.1901	0.31	0.32
11	ANTIBIOTICE	ATB	29.03.19	14,167,736	0.10	0.4810	6,814,681	2.1104	0.29	0.30
12	COMELF	CMF	27.03.19	1,211,907	0.58	2.0000	2,423,814	5.3919	0.10	0.11
13	ROMPETROL WELL SERVICES	PTR	29.03.19	5,541,900	0.10	0.3280	1,817,743	1.9921	0.08	0.08
14	COMPA	CMP	29.03.19	2,342,529	0.10	0.7500	1,756,897	1.0705	0.08	0.08
15	SSIF BRK FINANCIAL GROUP SA	BRK	29.03.19	2,867,075	0.25	0.0742	212,737	0.8489	0.01	0.01
<b>On an alternative trading system</b>										
16	IAMU	IAMU	18.03.2019	7,286,299	2.50	4.2400	30,893,908	76.6967	1.33	1.34
17	COMPANIA HOTELIERA INTERCONTINENTAL ROMANIA	RCHI	28.03.2019	93,331,482	0.10	0.1700	15,866,352	11.1970	0.69	0.69
18	PETROCART	PTRC	20.03.2019	11,852,163	0.50	1.3000	15,407,812	30.1767	0.67	0.67
19	UNITEH	UNIT	22.03.2019	158,573	2.50	32.0000	5,074,336	36.3399	0.22	0.22
20	IPOEB	IPRU	29.03.2019	4,097,615	0.30	0.8100	3,319,068	8.6135	0.14	0.14
21	SATURN	SATU	11.03.2019	346,926	2.50	9.4000	3,261,104	17.5385	0.14	0.14
22	ARGUS	UARG	28.03.2019	1,790,432	1.50	1.4500	2,596,126	5.0039	0.11	0.11
23	REVA	REVA	14.03.2019	74,777	2.50	8.2000	613,171	5.0112	0.03	0.03
24	PROSPECTIUNI	PRSN	29.03.2019	5,198,500	0.10	0.0665	345,700	0.7240	0.01	0.02
25	ANTECO	ANTE	18.03.2019	7,042,220	0.10	0.0120	84,507	17.2036	0.00	0.00
26	ELVILA	ELV	28.03.2019	13,085	1.00	1.0000	13,085	0.0492	0.00	0.00
27	PROFESSIONAL IMO PARTNERS	PPLI	28.03.2019	1	1.00	2.8800	3	-	0.00	0.00
							<b>1,093,776,270</b>			

<b>Not traded in the last 30 days</b>										
1	UCM	UCM	06.12.2011	1,071,837	0.10	0.0000	0	0.9750	0.00	0.00

<b>On an alternative trading system</b>										
2	SIF IMOBILIARE	SIFI	05.10.18	4,499,961	4.47	35.3034749	158,864,260	99.9997	6.86	6.90
3	SOMPLAST	SOPL	17.10.17	2,303,180	2.50	3.38241823	7,790,318	70.7511	0.34	0.34
4	ARCELOR MITTAL HUNEDOARA	SIDG	09.01.19	5,921,324	2.00	0.87121777	5,158,763	2.9820	0.22	0.22
5	MOBEX	MOBG	17.10.18	295,844	2.50	17.0555175	5,045,773	17.4504	0.22	0.22
6	SILVANA	SIVX	19.08.09	1,443,772	2.50	2.65838616	3,838,104	96.2832	0.17	0.17
7	FAMOS	FAMS	29.09.08	31,131	2.50	68.995094	2,147,886	5.9061	0.09	0.09
8	TRANSGEX	TRNG	16.10.15	143,978	2.50	5.47301428	787,994	2.7040	0.03	0.03
9	PRIMA CONSTRUCT	PCTM	11.12.18	90,685	2.50	5.98941846	543,150	15.6969	0.02	0.02
10	URBANA	URBA	07.01.19	13,208	9.20	39.4173064	520,624	16.5830	0.02	0.02
11	INDUSTRIA SARMEI CAMPIA TURZII	INSI	11.12.18	4,604,082	0.10	0.06607147	304,198	4.1320	0.01	0.01
12	COMAT CARAS SEVERIN	OMSE	20.06.18	24,884	2.50	11.3636576	282,773	20.4056	0.01	0.01
13	SOMETRA	SOMR	31.12.18	1,217,602	2.50	0	-	4.5814	0.00	0.00
14	ARMAX GAZ	ARAX	30.06.17	18,500	10.00	0	-	0.3012	0.00	0.00
15	TALC DOLOMITA	TALD	09.10.15	167,108	2.50	0	-	7.8944	0.00	0.00
16	ICSH	ICSH	26.03.12	84,500	2.50	0	0	1.2891	0.00	0.00
							<b>185,283,843</b>			

<b>ISSUERS of UCITS and non-UCITS TYPE</b>										
1	SIF MOLDOVA	SIF2	29.03.19	50,649,925	0.10	1.2040	60,982,510	4.9991	2.63	2.65
2	SIF OLTENIA	SIF5	29.03.19	40,123,500	0.10	0.6320	25,358,052	4.9717	1.10	1.10
3	SIF MUNTENIA	SIF4	29.03.19	11,608,287	0.10	2.0950	24,319,361	2.0009	1.05	1.06
							<b>110,659,923</b>			

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SIF Banat-Crişana

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**Securities admitted or traded on a regulated market in a member state**  
as at 29.03.2019

No.	Issuer	Symbol	Date of last trading session	No. of shares held [units]	Nominal value [RON]	Value of share [RON]	Total value [RON]	Stake in the issuer's share capital [%]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>LISTED SHARES</b>										
1	ERSTE GROUP BANK AG	EBS	29.03.2019	1,445,000	0.00	156.0293	225,462,379	0.3362	9.74	9.80

**SIF Banat-Crişana**

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**BRD Groupe Société Générale**

Instruments mentioned at art.187 letter a) - Unlisted shares  
as at 29.03.2019

No.	Issuer	No. of shares held [units]	Date of acquisition	Price of acquisition [RON]*	Value of share [RON]	Total value [RON]	Stake in issuers's share capital [%]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>UNLISTED SHARES</b>									
1	SAI MUNTENIA INVEST	119,976	22 Jul 2013	151.3009	341.7167	40,997,799	99.9800	1.77	1.78
2	ADMINISTRARE IMOBILIARE	16,049,741	21 Dec 2018	2.5000	2.4396	39,154,948	97.3981	1.69	1.70
3	NAPOMAR	10,256,241	30 Nov 1997	2.5219	3.1092	31,888,746	99.4348	1.38	1.39
4	AZUGA TURISM	786,882	13 Feb 2013	37.5155	34.0000	26,753,988	98.9354	1.16	1.16
5	CENTRAL	53,120	1 Nov 1999	251.5882	409.8951	21,773,626	67.0783	0.94	0.95
6	GAZ VEST	105,068	23 Aug 2002	100.0000	135.0897	14,193,609	25.8185	0.61	0.62
7	BT ASSET MANAGEMENT	716,570	27 Jan 2005	1.0000	5.4950	3,937,581	10.0000	0.17	0.17
8	EXIMBANK	414,740	30 Nov 1997	6.0000	8.6114	3,571,496	0.3108	0.15	0.16
9	DEPOZITARUL CENTRAL	9,878,329	4 Nov 1998	0.1000	0.1222	1,206,689	3.9057	0.05	0.05
10	MOBICOM	16,393	30 Nov 1997	2.5000	56.6154	928,097	24.1095	0.04	0.04
11	IFB FINWEST	7,976,121	21 Dec 2000	0.1749	0.1047	835,286	8.6736	0.04	0.04
12	AMIS MOB	12,607	11 Dec 2003	2.5399	63.4979	800,518	8.1220	0.03	0.03
13	MOBIROM	11,589	30 Nov 1997	2.7675	54.7687	634,714	9.0289	0.03	0.03
14	SPUMOTIM	12,398	30 Nov 1997	2.5000	47.9770	594,819	3.9864	0.03	0.03
15	TREMULA BRAILA	17,465	30 Nov 1997	2.5000	30.9917	541,271	13.4561	0.02	0.02
16	NORD CONSTRUCTII	31,820	30 Nov 1997	2.5000	14.6700	466,799	44.3101	0.02	0.02
17	CTCE	8,501	30 Nov 1997	2.5000	35.1328	298,664	23.2357	0.01	0.01
18	BIZOOFRUCT	39,424	30 Nov 1997	2.5000	7.5036	295,823	4.4235	0.01	0.01
19	COMAT MARAMURES	19,909	30 Nov 1997	2.5000	12.7715	254,267	10.0002	0.01	0.01
20	COMMETCAR	14,862	30 Nov 1997	2.5000	13.6226	202,459	10.0002	0.01	0.01
21	GRUP BIANCA TRANS	562,400	26 Sep 2006	0.1000	0.3292	185,133	5.1783	0.01	0.01
22	APRO HOREA	8,220	30 Nov 1997	2.5000	15.9279	130,928	13.5427	0.01	0.01
23	FORESTIERA	42,269	12 Jun 1998	2.5000	2.9900	126,385	25.7520	0.01	0.01
24	MOLIDUL	90,579	30 Nov 1997	2.5000	0.2292	20,757	21.6326	0.00	0.00
25	MODERN	3,302	30 Nov 1997	2.5000	5.3692	17,729	2.4485	0.00	0.00
26	AGROINDUSTRIALA INEU	59,755	30 Nov 1997	2.5008	-	-	11.5001	0.00	0.00
27	AGROINDUSTRIALA NADLAC	66,406	30 Nov 1997	2.5000	-	-	29.9996	0.00	0.00
28	AGROMEC GATAIA	13,585	30 Nov 1997	4.1242	-	-	23.9097	0.00	0.00
29	AGROPRODUCT RESITA	72,720	30 Nov 1997	2.5000	-	-	30.0045	0.00	0.00
30	AMIS IMPEX	12,607	11 Dec 2003	2.5399	-	-	8.0936	0.00	0.00
31	ARCER	83,213	30 Nov 1997	2.5000	-	-	19.7002	0.00	0.00
32	ARIO	3,523,021	30 Nov 1997	4.3027	-	-	93.6407	0.00	0.00
33	AUTODANUBIUS	11,653	30 Nov 1997	2.5000	-	-	14.0387	0.00	0.00
34	AVERSA	142,699	22 Oct 2004	1.1799	-	-	2.1416	0.00	0.00
35	BANCA COMERCIALA ROMANA	1	30 Nov 1997	0.1000	0.00	0.00	-	0.00	0.00
36	BANCA INTERNATIONALA A RELIGIILOR	110,965	30 Nov 1997	1.2704	0.00	0.00	0.5548	0.00	0.00
37	BRAFOR	5,928,744	30 Nov 1997	0.1000	0.00	0.00	2.6874	0.00	0.00
38	CAPRIS	3,803	30 Nov 1997	0.9734	0.00	0.00	4.5665	0.00	0.00
39	COMBINATUL DE UTILAJ GREU	409,572	24 Mar 1999	4.0000	0.00	0.00	5.0221	0.00	0.00
40	COMMIXT	10,543	30 Nov 1997	2.5000	0.00	0.00	28.9667	0.00	0.00
41	CONTOR GROUP	2,900,049	27 Nov 2007	0.6628	0.00	0.00	1.4962	0.00	0.00
42	CUART	4,516	30 Nov 1997	2.5000	0.0000	0	3.3999	0.00	0.00
43	EDIL CONSTRUCTII	1,771,625	27 Aug 2007	0.8283	0.0000	0	3.8504	0.00	0.00
44	ELBAC	8,299,560	30 Nov 1997	0.1000	0.0000	0	32.4500	0.00	0.00
45	ERGOLEMN	9,637	30 Nov 1997	11.0608	0.0000	0	12.9584	0.00	0.00
46	EXFOR	399,654	30 Nov 1997	2.5000	0.0000	0	24.2311	0.00	0.00
47	FOREMAR	28,047	30 Nov 1997	40.0000	0.0000	0	10.5405	0.00	0.00
48	FORESTA PRIM GHEORGHIEI	17,202	1 Jul 1998	2.5000	0.0000	0	14.7522	0.00	0.00
49	FORTOP	39,226	1 Jul 1998	2.5000	0.0000	0	12.4859	0.00	0.00
50	FORTPRES - CUG	103,523	30 Nov 1997	2.5000	0.0000	0	1.3598	0.00	0.00
51	HICART	4,576	24 Jun 1998	2.5000	0.0000	0	0.7939	0.00	0.00
52	IFOR	101,803	30 Nov 1997	2.5000	0.0000	0	15.3525	0.00	0.00
53	LASPERESIA	20	30 Nov 1997	2.5000	0.0000	0	1.9455	0.00	0.00
54	LEMN-MOL-FA	37,146	8 May 2001	2.0000	0.0000	0	13.0184	0.00	0.00
55	MEBIS	346,637	30 Nov 1997	2.5000	0.0000	0	26.7806	0.00	0.00
56	METALURGICA	50,436	30 Nov 1997	2.5000	0.0000	0	28.4090	0.00	0.00
57	MINIERA CUART	17,396	29 Dec 2006	2.5000	0.0000	0	3.3999	0.00	0.00
58	MOBILA USI	1,262,796	13 Jan 2005	0.1000	0.0000	0	32.4520	0.00	0.00
59	MOBISAL	550	30 Nov 1997	9.1900	0.0000	0	2.7500	0.00	0.00
60	MOBIMET	14,695	30 Nov 1997	2.5175	0.0000	0	28.8749	0.00	0.00
61	MOCARS	119,969	25 Nov 1998	5.5408	0.0000	0	9.6836	0.00	0.00
62	MOPAL	251,067	30 Nov 1997	80.4469	0.0000	0	21.8936	0.00	0.00
63	PROIECT	2,162	30 Nov 1997	8.0000	0.0000	0	10.0000	0.00	0.00
64	REGNA FOREST	33,118	30 Nov 1997	2.5000	0.0000	0	7.0103	0.00	0.00
65	REMAT CARAS SEVERIN	24,257	30 Nov 1997	2.5000	0.0000	0	7.8287	0.00	0.00
66	RETEAUA LIBRARIILOR "BIBLIOPOR"	1,275	30 Nov 1997	2.5000	0.0000	0	10.0047	0.00	0.00
67	ROSTRAMO	434,501	30 Nov 1997	2.4988	0.0000	0	10.0371	0.00	0.00
68	SANEVIT	535,217	30 Nov 1997	0.1000	0.0000	0	8.9696	0.00	0.00
69	SILVANIA FOREST	30,111	30 Nov 1997	2.5000	0.0000	0	0.6049	0.00	0.00
70	SIMATEC	42,886	30 Nov 1997	2.5000	0.0000	0	18.8217	0.00	0.00

71	SOMES	1,653,350	30 Nov 1997	2.0993	0.0000	0	13.1191	0.00	0.00
72	SUINPROD GALDA	143,084	30 Nov 1997	2.5000	0.0000	0	27.0910	0.00	0.00
73	TEHNOLOGIE MOBILA STIL	9,000	20 Sep 2004	2.5000	0.0000	0	4.5523	0.00	0.00
74	TRANSILVANIA AIUD	46,779	30 Nov 1997	2.5000	0.0000	0	20.1873	0.00	0.00
75	TREMULA	66,112	8 Apr 2002	2.5000	0.0000	0	17.9898	0.00	0.00
76	UZINA ARDEALUL	55,593	30 Nov 1997	2.5000	0.0000	0	29.5075	0.00	0.00
77	VINALCOOL	232,433	30 Nov 1997	0.1000	0.0000	0	6.7973	0.00	0.00

ISSUERS WITH BALANCE SHEET NOT SUBMITTED									
78	COMAR	40,601.0000	30 Nov 1997	2.5000	-	-	34.9415	0.00	0.00
79	IPEGM	9,913.0000	16 Jul 1999	2.5000	-	-	3.4000	0.00	0.00
80	SIF SPV TWO	119,988.0000	2 Nov 2018	1.0000	-	-	99.9900	0.00	0.00
81	STREIUL	9,344.0000	30 Nov 1997	2.5000	-	-	17.4419	0.00	0.00

ISSUERS of UCITS and non-UCITS TYPE									
1	Fondul Inchis de Investitii ACTIVE PLUS	15,050.2178	4 Mar 2014	8,396.5368	10,062.6300	151,444,773	76.4216	6.54	6.58
2	Fondul Inchis de investitii OPTIM INVEST	2,595.5500	8 May 2017	8,190.6100	9,474.2100	24,590,786	18.3744	1.06	1.07
3	FII STAR VALUE	9,382.0000	9 Feb 2018	1,065.8700	907.0500	8,509,943	18.8875	0.37	0.37
4	FIA CERTINVEST ACTIUNI	305.2000	23 Mar 2018	244,053.3693	219,185.3400	66,895,366	70.1892	2.89	2.91
5	ROMANIA STRATEGY FUND	58,000.0000	12 Dec 2018	500.0000	498.3700	28,905,460	50.8772	1.25	1.26

**280,346,328**

\* The average price determined as the ratio between the acquisition value (calculated based on the initial value in the portfolio plus, if the case, any subsequent increase in value arising from share capital increase, new acquisitions, diminished by potential sales) and the number of shares held at the reporting date (influenced by possible share splits, consolidations and shares acquired free of charge). Impairment differences calculated on the basis of IAS 29 "Financial reporting in hyperinflationary economies" have not been included.

**SIF Banat-Crişana**

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**BRD Groupe Société Générale**

**Bonds or other debt instruments as at**  
29.03.2019

**Annex 17**  
**Table 10**

No.	Series and number of the issue	No. of units	Date of acquisition	Maturity date	Initial value [RON]	Daily interest [RON]	Cumulative interest [RON]	Current value[RON]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]	Intermediary bank
<b>Marketable, issued or guaranteed by the state or central public administration authorities</b>											
<b>Marketable, issued by companies</b>											
1	ROIMPCDBC030	210	19.12.2017	12.12.2022	5,000,940	788	79,570	5,080,510	0.22	0.22	IMPACT
2	ROVRJUDBC011	368,748	17.03.2017	17.03.2024	36,874,800	5,082	325,226	37,200,026	1.61	1.62	VRANCART ADJUD
<b>Non-marketable, issued by companies</b>											
1		7,500	23.01.2019	23.01.2021	71,442,000	11,744	775,097	72,217,097	3.12	3.14	SIFI BH Retail
2	ROTLVADBC015	2,260,999	22.05.2013	22.05.2020	6,461,212	1,079	79,874	6,541,086	0.28	0.28	TRANSILVANIA

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**Bank deposits**  
as at 29.03.2019

No.	Name of the bank / Starting date	Maturity date	Initial value [RON]	Daily interest [RON]	Cumulative interest [RON]	Current value [RON]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>BRD</b>								
1	29/03/2019	12/04/2019	5,000,000	243	243	5,000,243	0.22	0.22
2	29/03/2019	12/04/2019	3,000,000	146	146	3,000,146	0.13	0.13
3	29/03/2019	12/04/2019	9,000,000	438	438	9,000,438	0.39	0.39
4	29/03/2019	12/04/2019	2,000,000	97	97	2,000,097	0.09	0.09
<b>TRANSILVANIA</b>								
1	29/03/2019	12/04/2019	10,000,000.00	514	513.89	10,000,514	0.43	0.43
2	29/03/2019	12/04/2019	6,000,000.00	308	308.33	6,000,308	0.26	0.26
3	29/03/2019	12/04/2019	3,000,000.00	154	154.17	3,000,154	0.13	0.13
4	29/03/2019	12/04/2019	2,000,000.00	103	102.78	2,000,103	0.09	0.09
5	29/03/2019	12/04/2019	4,000,000.00	206	205.56	4,000,206	0.17	0.17
6	06/11/2018	15/04/2019	1,500,000.00	207	18,000.00	1,518,000	0.07	0.07
7	06/11/2018	15/05/2019	1,500,000.00	207	18,000.00	1,518,000	0.07	0.07
8	04/03/2019	04/06/2019	1,500,000.00	28	2,437.50	1,502,438	0.06	0.07

**48,540,646**

**SIF Banat-Crişana**

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**Evolution of the net asset and the net asset unitary value in the last 3 years**  
as at 29.03.2019

	RON		
<b>Item</b>	<b>31.03.2017</b>	<b>30.03.2018</b>	<b>29.03.2019</b>
Net Asset	2,114,128,974	2,764,334,572	2,301,684,976
NAV / share	4.0813	5.3421	4.4488

**SIF Banat-Crişana**

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## SIF BANAT-CRIȘANA

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PRESS RELEASE

### **Availability of SIF Banat-Crișana quarterly report as at March 31, 2019**

**May 15, 2019, Arad** | SIF Banat-Crișana informs the investors that the quarterly report prepared as at March 31, 2019, pursuant to the provisions of Law no. 24/2017, Regulation no. 5/2018, Regulation no. 15/2004 and Rule no. 39/2015 will be available to the public starting May 15, 2019, at Company's headquarters and on Company's website at [www.sif1.ro](http://www.sif1.ro)

Note that the financial statements as at March 31, 2019 are not audited.

Further information can be obtained from Investor Relations Office, **tel/fax +40257 304 446**  
**+40257 250 165, e-mail [investitori@sif1.ro](mailto:investitori@sif1.ro)**

**Bogdan-Alexandru Drăgoi**

Chairman and CEO

Compliance Officer, Eugen Cristea