

# **SIF Banat-Crișana SA**

**Individual financial statements for the year ended  
31 December 2013**

**prepared in accordance with Regulation no. 4/2011 regarding the accounting  
regulations compliant with Directive IV of the European Economic Communities  
applicable to entities authorized, regulated and supervised by the National  
Securities Commission, approved by the Order of the President of the National  
Securities Commission no. 13/2011**

**FREE TRANSLATION<sup>1</sup>**

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## **Independent Auditor's Report (free translation<sup>1</sup>)**

To the shareholders,  
SIF Banat-Crisana S.A.

### **Report on the Individual Financial Statements**

1 We have audited the accompanying individual financial statements of SIF Banat-Crisana S.A. (the "Company"), which comprise the balance sheet as at 31 December 2013, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 1 to 57. The individual financial statements mentioned above present the following:

- Total equity: RON 1,028,402,627
- Result of the period, profit: RON 80,143,950

### *Management's Responsibility for the Individual Financial Statements*

2 Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the Financial Supervision Authority ("FSA") (former National Securities Commission), approved by the Order of the President of the National Securities Commission no. 13/2011 and as described in the accounting policies presented in the notes to the individual financial statements and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

3 Our responsibility is to express an opinion on these individual financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the individual financial statements are free from material misstatement.

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<sup>1</sup> TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version, and refers to the Romanian version of the financial statements which was subject to our audit.

- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the individual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the individual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the individual financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

- 6 In our opinion, the individual financial statements for the year-ended 31 December 2013 have been prepared, in all material respects, in accordance with the Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the FSA, approved by the Order of the President of the National Securities Commission no. 13/2011 and as described in the accounting policies presented in the notes to the individual financial statements.

#### **Other aspects**

- 7 This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for the report on the individual financial statements and the report on conformity, or for the opinion we have formed.
- 8 The accompanying individual financial statements are not intended to present the financial position and results of operations, cash flows and a complete set of notes to the individual financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying individual financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including the Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the FSA, approved by the Order of the President of the National Securities Commission no. 13/2011.



### **Report on conformity of the Administrator's Report with the Individual Financial Statements**

In accordance with the Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the FSA, approved by the Order of the President of the National Securities Commission no. 13/2011, article no. 282, point 1, paragraph e) we have read the Administrator's Report accompanying the individual financial statements and presented from page 1 to 38. The Administrators' Report is not a part of the individual financial statements. In the Administrator's Report we have not identified any financial information which is not consistent, in all material respects, with the information presented in the accompanying individual financial statements.

**For and in the name of KPMG Audit SRL:**

**Greco Tudor Alexandru**

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Romanian version**

registered with the Chamber of Financial  
Auditors of Romania under no 2368/22.01.2008

Bucharest, Romania  
4 March 2014

**KPMG Audit SRL**

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Romanian version**

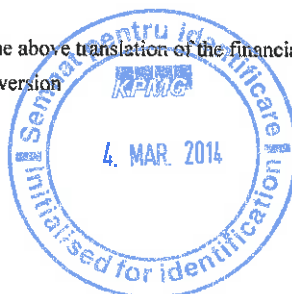
registered with the Chamber of Financial  
Auditors of Romania under no 9/2001

**SIF Banat-Crişana SA**  
**Balance sheet for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

<b>Arad County</b> Legal entity <b>SIF Banat-Crisana</b> <b>Address Arad, 35A Calea Victoriei</b>  Telephone <b>0257-304426</b> Fax <b>0257-270073</b>	Financial statement type <b>SI</b> Ownership type <b>34</b> Main activity <b>(NACE Class denomination)</b> <b>Other types of financial service activities</b> NACE group code <b>6499</b>
Trade Registry number: <b>J02/1898/1992</b>	Unique Registration Code <b>RO 2761040</b>

	Line No.	Note	Balance as at	
			01.01.2013	31.12.2013
<b>A. Non-current assets</b>				
<b>I. Intangible assets</b>				
3. concessions, patents, licenses, other intangible assets	03		21,184	7,142
<b>Total: (line 01 to 05)</b>	<b>06</b>	<b>1a</b>	<b>21,184</b>	<b>7,142</b>
<b>II. Tangible assets</b>				
1. land and buildings	07		4,932,171	4,538,284
2. technical installations and machinery	08		341,286	241,426
3. other plants, equipment and furniture	09		61,270	54,957
<b>Total: (line 07 to 10)</b>	<b>11</b>	<b>1b</b>	<b>5,334,727</b>	<b>4,834,667</b>
<b>III. Financial assets</b>				
5. Securities and other financial instruments held as non current financial assets	16	<b>11</b>	809,243,201	992,652,771
6. Other receivables	17		-	8,973
<b>Total: (line 12 to 17)</b>	<b>18</b>	<b>1c</b>	<b>809,243,201</b>	<b>992,661,744</b>
<b>Total non current assets (lines 06+11+18)</b>	<b>19</b>		<b>814,599,112</b>	<b>997,503,553</b>
<b>B. Current assets</b>				
<b>I. Inventories</b>				
1. consumables	20		2,434	2,434
3. prepayments for purchase of inventory	22		636	-
<b>Total: (line 20 to 22)</b>	<b>23</b>		<b>3,070</b>	<b>2,434</b>
<b>II. Receivables</b>				
1. trade receivables	24		400,552	2,746,927
4. other receivables	27		347,488	1,603,823
<b>Total: (line 24 to 28)</b>	<b>29</b>	<b>5</b>	<b>748,040</b>	<b>4,350,750</b>
<b>III. Current financial assets</b>				
2. other current financial assets	31	<b>11</b>	143,374,756	105,901,521
<b>Total: (line 30 to 31)</b>	<b>32</b>		<b>143,374,756</b>	<b>105,901,521</b>
<b>IV. Cash and cash equivalents</b>				
<b>Total current assets (lines 23+29+32+33)</b>	<b>34</b>	<b>15</b>	<b>148,434</b>	<b>2,331,048</b>
<b>Total current assets (lines 23+29+32+33)</b>	<b>34</b>		<b>144,274,300</b>	<b>112,585,753</b>
<b>C. Prepaid expenses (acc. 471)</b>				
	<b>35</b>		<b>191,217</b>	<b>134,869</b>
<b>D. Current liabilities</b>				
4. trade payables	39		124,946	186,697
8. other liabilities, including tax liabilities and other social insurance liabilities	43		32,934,036	33,967,183
<b>Total: (line 36 to 43)</b>	<b>44</b>	<b>5</b>	<b>33,058,982</b>	<b>34,153,880</b>

<sup>1</sup>TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version



**SIF Banat-Crişana SA**  
**Balance sheet for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

	Line No.	Note	Balance as at	
			01.01.2013	31.12.2013
<b>E. Net current assets, or net current liabilities (lines 34+35-44-60.2)</b>	<b>45</b>		<b>111,362,375</b>	<b>78,566,742</b>
<b>F. Total assets less current liabilities (lines 19+45)</b>	<b>46</b>		<b>925,961,487</b>	<b>1,076,070,295</b>
<b>H. Provisions</b>				
2. provisions for taxes	57		46,783,769	47,667,668
3. other provisions	58		4,554,000	-
<b>Total provisions: (lines. 56+57+58)</b>	<b>59</b>	<b>2</b>	<b>51,337,769</b>	<b>47,667,668</b>
<b>I. Deferred income (lines. 60.1+60.2+60.3) of which:</b>	<b>60</b>		<b>44,160</b>	<b>-</b>
2. deferred income	60.2	<b>10f</b>	44,160	-
<b>J. Share capital and reserves</b>				
<b>I. Share capital (lines 62+63) out of which:</b>	<b>61</b>	<b>7</b>	<b>54,884,927</b>	<b>54,884,927</b>
- subscribed and paid-in share capital	63		54,884,927	54,884,927
<b>III. Revaluation reserves</b>				
credit balance	65	<b>16</b>	5,004,464	4,802,152
<b>IV. Reserves (lines 68-69+70+71+72+73+74)</b>	<b>67</b>	<b>16</b>	<b>708,782,868</b>	<b>883,134,183</b>
1. legal reserves	68		10,976,985	10,976,985
2. reserves for allowances for impairment of financial assets (debit balance)	69		120,044,305	108,676,608
4. reserves from securities / shares received at no cost	71		376,981,898	434,323,516
6. reserves representing realized revaluation surplus	73		640,612	881,460
7. other reserves	74		440,227,678	545,628,830
<b>V. Retained earnings</b>				
Credit balance	78	<b>16</b>	5,437,415	5,437,415
<b>VI. Result for the year</b>				
Credit balance	80	<b>3</b>	100,514,044	80,143,950
<b>Total equity</b> (rd. 61+64+65-66+67-75+76-77+78-79+80-81-82)	<b>83</b>		<b>874,623,718</b>	<b>1,028,402,627</b>

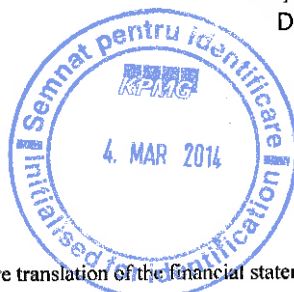
The notes on pages 9-57 form part of these financial statements.

These individual financial statements were approved and authorized for issue by the Company's Management on 21 February 2014.

Dragoş-George Bîlteanu  
Chairman – General Director



Ştefan Doba  
Director of Economic Department



<sup>1</sup>TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version

**SIF Banat-Crişana SA**  
**Income statement for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

Indicator	Nr. rd.	Note	Financial year	
			2012	2013
<b>A. Operating income* - total (line 02 to 11)</b>	<b>01</b>	<b>4, 13</b>	<b>159,132,782</b>	<b>142,094,475</b>
1. Income from non-current financial assets	02		14,106,496	18,339,692
2. Income from short-term investments	03		223,452	213,365
4. Income from disposal of financial assets	05		118,856,410	98,974,344
6. Income from reversal of provisions, reactivated receivables and sundry debtors	07		10,862,121	9,307,046
7. Foreign exchange gains	08		4,753,742	7,035,664
8. Interest income	09		9,104,342	6,489,121
10. Other operating income	11		1,226,219	1,735,243
<b>B. Operating expenses**- total (line 13 to 20)</b>	<b>12</b>	<b>4, 14</b>	<b>42,288,492</b>	<b>51,147,824</b>
12. Expenses with the disposal of financial assets	14		15,637,769	16,301,174
13. Foreign exchange losses	15		3,458,076	5,590,787
15. Fees and commissions expenses	17		2,367,196	3,289,654
16. Expenses with bank services and similar charges	18		44,870	55,298
17. Expenses with depreciation, amortization, provisions, losses from receivables and sundry debtors	19		5,569,138	6,749,375
18. Other operating expenses, out of which:	20		15,211,443	19,161,536
a. Materials	21		277,244	192,490
b. Energy and water	22		182,466	177,786
c. Personnel, out of which: (lines 24+25)	23	<b>8</b>	11,515,410	15,937,857
c1. Salaries	24		9,274,823	13,319,573
c2. Social security	25		2,240,587	2,618,284
d. Third party services	26		3,127,675	2,639,540
e. Expenses with other duties, taxes and similar payments	27		108,648	213,863
<b>C. Operating result</b>				
- profit (lines 01-12)	<b>28</b>		<b>116,844,290</b>	<b>90,946,651</b>
19. Total income (lines 01+30)	34		159,132,782	142,094,475
20. Total expenses (lines 12+31)	35		42,288,492	51,147,824
<b>G. Gross result</b>				
- profit (lines 34-35)	<b>36</b>		<b>116,844,290</b>	<b>90,946,651</b>
21. Income tax				
- Income tax expense	38	<b>10c</b>	16,330,246	10,802,701
<b>H. Result for the year</b>				
- profit (lines 36-38-39)	<b>40</b>		<b>100,514,044</b>	<b>80,143,950</b>

\* Operating income is detailed in Note 13 The structure of gross income (page 48).

\*\* Expenses from current activity are detailed in Note 14 Structure of expenses (page 49).

The notes on pages 9-57 form part of these financial statements.

These individual financial statements were approved and authorized for issue by the Company's Management on 21 February 2014.

Dragoş-George Bîlteanu  
Chairman – General Director



Stefan Doba  
Director of Economic Department

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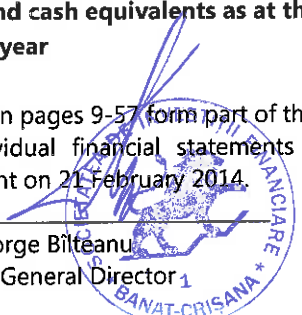
**SIF Banat-Crişana SA**  
**Cash flow statement for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

Nr. crt. Description	Line no.	Note	Financial year	
			2012	2013
<b>A Operating activities</b>				
+ Cash receipts from clients	01		370,203	160,386
- Payments to suppliers and employees	02		(16,746,482)	(19,118,381)
- Interest paid	03		-	-
- Income tax paid	04		(28,440,859)	(3,696,935)
<b>Net cash flows from / (used in) operating activities</b>	<b>05</b>		<b>(44,817,138)</b>	<b>(22,654,930)</b>
<b>B Investing activities</b>				
- Purchases of financial assets	06		(47,935,990)	(268,060,689)
- Purchases of tangible and intangible assets	07		(71,750)	(18,751)
+ Proceeds from sale of financial assets	08		116,354,710	163,074,557
+ Proceeds from sale of tangible assets	09		-	541,133
+ Interest received	10		8,122,265	6,049,301
+ Dividends received	11		15,373,836	18,897,902
- Other payments from investment activity	12		(328,969)	(1,460,684)
+ Other proceeds from investment activity	13		1,303,829	2,698,775
<b>Net cash flow used in investing activities</b>	<b>14</b>		<b>92,817,931</b>	<b>(78,278,456)</b>
<b>C Financial activities</b>				
+ Proceeds from the issue of shares	15		-	-
+ Proceeds from long term borrowings	16		-	-
- Dividends paid	17		(44,093,205)	(3,539,483)
<b>Net cash flows used in financial activity</b>	<b>18</b>		<b>(44,093,205)</b>	<b>(3,539,483)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>19</b>		<b>3,907,588</b>	<b>(104,472,869)</b>
<b>Cash and cash equivalents as at the beginning of year</b>	<b>20</b>	<b>15</b>	<b>120,223,325</b>	<b>124,130,913</b>
<b>Cash and cash equivalents as at the end of year</b>	<b>21</b>	<b>15</b>	<b>124,130,913</b>	<b>19,658,044</b>

The notes on pages 9-57 form part of these financial statements

These individual financial statements were approved and authorized for issue by the Company's Management on 21 February 2014.

Dragoş-George Bilfeanu  
Chairman - General Director



Stefan Doba  
Director of the Economic Department

**SIF Banat-Crişana SA**  
**Statement of changes in equity**  
**for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

**Statement of changes in equity as at 31 December 2013**

EQUITY ITEM	Note	Balance as of		Increases		Decreases		Balance as of 31 December 2013
		1 January 2013	Total, out of which:	Total, out of which:	Total, out of which:			
Share capital		54,884,927	-	-	-	-	-	54,884,927
Share premium		-	-	-	-	-	-	-
Revaluation reserve	16	5,004,464	38,536	-	(240,848)	(240,848)		4,802,152
Legal reserves	16	10,976,985	-	-	-	-		10,976,985
Reserves for allowances of impairment of financial assets (Debit balance)		(120,044,305)	(15,962,730)	-	27,330,427			(108,676,608)
Statutory or contractual reserves		-	-	-	-	-		-
Reserves from financial assets received at no cost		376,981,898	95,233,926	-	(37,892,308)			434,323,516
Reserves representing realized revaluation surplus	16	640,612	240,848	240,848	-			881,460
Other reserves	16	440,227,678	105,401,152	100,514,044	-			545,628,830
Own shares		-	-	-	-			-
Retained earnings representing profit not appropriated or accumulated losses		-	100,514,044	100,514,044	(100,514,044)	(100,514,044)		-
Retained earnings from first time of adoption of IAS, except for IAS 29	16	5,437,415	-	-	-	-		5,437,415
Retained earnings from corrections of errors		-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-
		-	-	-	-	-		-



**SIF Banat-Crişana SA**  
**Statement of changes in equity**  
**for the year ended 31 December 2013**

(all amounts are presented in RON, unless otherwise stated)

EQUITY ITEM	Note	Balance as of		Increases		Decreases		Balance as of
		1 January 2013	Total, out of which:	Total, out of which:	Total, out of which:	31 December 2013		
Accumulated losses resulted from applying the accounting regulations in line with E.E.C. Directive IV.	16							
Debit Balance								
Result for the year	3	100,514,044	80,143,950		(100,514,044)	(100,514,044)	80,143,950	
Credit balance								
Profit appropriation	3							
Debit balance								
<b>Total equity</b>		<b>874,623,718</b>	<b>365,609,726</b>	<b>201,268,936</b>	<b>(211,830,817)</b>	<b>(201,268,936)</b>	<b>1,028,402,627</b>	



SIF Banat-Crișana SA

Statement of changes in equity  
for the year ended 31 December 2013

(all amounts are presented in RON, unless otherwise stated)

Statement of changes in equity as at 31 December 2012

Equity item	Note	Balance 01 January 2012	Increases		Decreases		Increases Total, out of which:
			Total, out of which:	By transfers	Total, out of which:	By transfers	
Share capital		54,884,927	-	-	-	-	54,884,927
Share premium		-	-	-	-	-	-
Revaluation reserve	16	4,977,496	(95,953)	-	122,921	-	5,004,464
Legal reserves	16	10,976,985	-	-	-	-	10,976,985
Reserves for allowances of impairment of financial assets (Debit balance)		-	(15,228,824)	-	77,865,750	-	(120,044,305)
Statutory or contractual reserves		(182,681,231)	-	-	-	-	-
Reserves from financial assets received at no cost		256,251,499	159,120,746	-	(38,390,347)	-	376,981,898
Reserves representing realized revaluation surplus	16	639,952	660	-	-	-	640,612
Other reserves	16	429,104,770	11,123,419	8,121,592	(511)	-	440,227,678
Own shares		-	-	-	-	-	-
Retained earnings representing		-	63,006,519	63,006,519	(8,121,592)	-	-
profit not appropriated or accumulated losses		-	-	-	-	-	-
Retained earnings from first time of adoption of IAS, except for IAS 29	16	5,437,415	-	-	-	-	5,437,415
Retained earnings from corrections of errors		-	-	-	-	-	-
Accumulated losses resulted from applying the accounting	16	-	-	-	-	-	-



**SIF Banat-Crişana SA**  
**Statement of changes in equity**  
**for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

Equity item	Note	Balance 01 January 2012		Increases		Decreases		Increases Total, out of which:
		Total	out of which:	Total, out of which:	By transfers	Total, out of which:	By transfers	
regulations in line with E.E.C. Directive IV.								
Debit balance								
Credit balance	3	63,006,519	100,514,044			(63,006,519)	(63,006,519)	100,514,044
Profit appropriation	3							
<b>Total equity</b>		<b>642,598,332</b>	<b>318,440,611</b>	<b>71,128,111</b>	<b>(86,415,225)</b>	<b>(71,128,111)</b>	<b>(71,128,111)</b>	<b>874,623,718</b>

The notes on pages 9-57 form part of these financial statements.

These individual financial statements were approved and authorized for issue by the Company's Management on 21 February 2014.

Dragoş-George Bîlteanu  
Chairman, General Director



Ştefan Doba  
Director of the Economic Department



**SIF Banat-Crişana SA**  
**Notes to the individual financial statements**  
**for the year ended 31 December 2013**  
(all amounts are presented in RON, unless otherwise stated)

**1. NON-CURRENT ASSETS**

**a) Intangible assets**

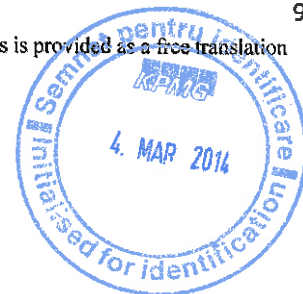
	<b>Concessions, patents and licenses</b>	<b>Prepayments and intangible assets in progress</b>	<b>Total intangible assets</b>
<b>Gross value</b>			
<b>Balance as at 1 January 2013</b>	418,221	-	418,221
Acquisitions	3,992	-	3,992
Disposals	1,149	-	1,149
<b>Balance as at 31 December 2013</b>	<b>421,064</b>	<b>-</b>	<b>421,064</b>
<b>Cumulated amortization</b>			
<b>Balance as at 1 January 2013</b>	397,037	-	397,037
Acquisitions	18,034	-	18,034
Disposals	1,149	-	1,149
<b>Balance as at 31 December 2013</b>	<b>413,922</b>	<b>-</b>	<b>413,922</b>
<b>Net book value</b>			
Balance as at 1 January 2012	21,184	-	21,184
<b>Balance as at 31 December 2013</b>	<b>7,142</b>	<b>-</b>	<b>7,142</b>

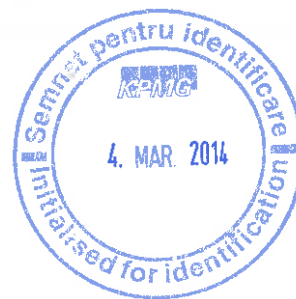
**b) Tangible assets**

	<b>Land and buildings</b>	<b>Technical installations and machinery</b>	<b>Other plants, equipment and furniture</b>	<b>Prepayments and tangible assets in progress</b>	<b>Total tangible assets</b>
<b>Gross value</b>					
<b>Balance at 1 January 2013</b>	7,554,921	2,142,317	480,338	-	10,177,576
Acquisitions	-	19,369	7,306	4,417,810	4,444,485
Disposals	311,149	181,879	37,065	4,417,810	4,947,903
<b>Balance as at 31 December 2013</b>	<b>7,243,772</b>	<b>1,979,807</b>	<b>450,579</b>	<b>-</b>	<b>9,674,158</b>
<b>Cumulated depreciation</b>					
<b>Balance as at 1 January 2013</b>	2,622,750	1,801,031	419,068	-	4,842,849
Acquisitions	160,189	119,035	13,619	-	292,843
Disposals	77,451	181,685	37,065	-	296,201
<b>Balance as at 31 December 2013</b>	<b>2,705,488</b>	<b>1,738,381</b>	<b>395,622</b>	<b>-</b>	<b>4,839,491</b>
<b>Net book value</b>					
Balance as at 1 January 2013	4,932,171	341,286	61,270	-	5,334,727
<b>Balance as at 31 December 2013</b>	<b>4,538,284</b>	<b>241,426</b>	<b>54,957</b>	<b>-</b>	<b>4,834,667</b>

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'TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version





**SIF Banat-Crişana SA**  
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**1. NON-CURRENT ASSETS (continued)**

Based on the internal Decision no. 1/11.01.2013, the Company revalued the "Buildings" class as at 31 December 2012.

As at 31 December 2013 and 31 December 2012 the Company had no assets pledged or in custody at third parties

**c) Financial assets**

<b>Gross value</b>	<b>Shares</b>	<b>Bonds</b>	<b>Other receivables</b>	<b>Total non-current financial assets</b>
<b>Balance as at 1 January 2013</b>	981,412,721	16,882,612	-	998,295,333
Acquisitions	220,806,815	34,189,084	8,973	255,004,872
Disposals	78,414,270	1,954,304	-	80,368,574
<b>Balance as at 31 December 2013</b>	<b>1,123,805,266</b>	<b>49,117,392</b>	<b>8,973</b>	<b>1,172,931,631</b>
<b>Allowances for impairment</b>				
<b>Balance as at 1 January 2013</b>	189,052,132	-	-	189,052,132
Charge	22,387,932	-	-	22,387,932
Reversal	31,170,177	-	-	31,170,177
<b>Balance as at 31 December 2013</b>	<b>180,269,887</b>	<b>-</b>	<b>-</b>	<b>180,269,887</b>
<b>Net book value</b>				
Balance as at 1 January 2013	792,360,589	16,882,612	-	809,243,201
<b>Balance as at 31 December 2013</b>	<b>943,535,379</b>	<b>49,117,392</b>	<b>8,973</b>	<b>992,661,744</b>

**Shares**

Acquisitions mainly comprise of the following:

- purchases of shares from the company SIF Imobiliare PLC Cipru, amounting to RON 145,230,337, out of which RON 100,476,337 is the result of the share exchange performed by contribution of SIF Banat-Crisana with the shares held at 18 companies whose activity is real estate, and RON 44,754,000 is the result of the cash participation for increasing the capital.

- direct purchases of shares (also including cash participation for the capital increase), amounting to RON 44,499,174, representing the following:

- shares from Azuga Turism SA Bucuresti amounting of RON 29,520,290, out of which RON 20,340,000 is the result of the share purchases and RON 9.180.290 is the participation for increasing the capital.

- the shares from SAI Muntenia Invest SA, amounting to RON 8,283,385, result of the direct purchase.

- the value of the shares acquired as a result of the capital increase of Calipso SA Oradea, amounting of RON 6,516,155, out which as at 31 december 2013 the amount of RON 6,161,310 was received in the account.

- the value of the shares resulting of the capital increase of Banca Transilvania SA, Vrancart SA and Antibiotice SA, amounting to RON 19,027,559.

- the purchases of shares from the stock market, amounting to RON 11,046,572 (Biofarm SA Bucuresti, RON 4,527,531, SNTGN Transgaz RON 2,148,183, Antibiotice SA Iasi RON 2,119,116, Compa SA Sibiu RON 1,643,244)

**SIF Banat-Crişana SA**  
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**2. NON-CURRENT ASSETS (continued)**

Disposals mainly comprise of:

- the book value of the shares disposed of (through sale, redemption) amounting to RON 45,295,939 (Erste Group Bank AG RON 25,617,966, Transilvania Construcții SA Cluj RON 6,165,162, BRD Groupe Societe Generale RON 3,963,540, Prodplast SA București RON 2,570,204, Cominex Nemetalfere SA Cluj RON 1,740,508, etc);
- the book value of the shares held in 18 companies, contribution to the capital of SIF Imobiliare PLC, amounting of RON 31,468,495
- the value of the shares disposed of due to the bankruptcy of the companies in the portfolio amounts to RON 646,655 (Marga SA Bihor, Foresta Muscel Argeş, Agricola Satulung Maramureş, etc).

As at 31 December 2013 allowances for impairment of financial assets, amounting to RON 22,387,932, were set up, which comprise of:

- adjustments determined as the difference between the higher accounting value and the value determined under Measure no. 23/20.12.2012, recognized in reserves in equity, in accordance with the allowed alternative treatment of CNVM Order no. 13/2011, amounting to RON 15,962,730.
- adjustments set-up for companies which entered into liquidation / insolvency procedures during 2013 and for which a recovery of the activity is not expected, recognized in expenses in the amount of RON 6,425,202.

Reversals of adjustments for impairment in the amount of RON 31,170,177 comprise:

- the amount of RON 4,272,160 representing adjustments related to disposals of shares from the portfolio (sold or liquidated);
- the amount of RON 23,168,068 as a result of appreciation of the value determined under NSC Measure no. 23/2012 as at 31 December 2013 for long term investments for which the Company previously set-up allowances for impairment.
- the amount of RON 3,729,949 afferent to the companies which entered into liquidation / insolvency procedures during 2013, transferred into the Profit and Loss account.

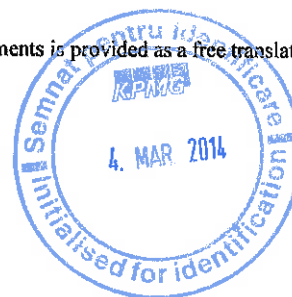
Out of the adjustments for impairment reversed in 2013, RON 3,839,750 was recognized as income from reversal of impairment allowances (the allowances were previously accounted for as expenses) and RON 27,330,427 was recognized against reserves from recognition of impairment allowances on financial assets (previously, the allowances were charged against reserves).

**Bonds** include the value of bonds purchased, issued by State and by corporate institutions and have a residual maturity greater than one year.

Additions mainly include the value of the bonds purchased during the year 2013, namely the bonds issued by Banca Transilvania, in foreign currency, amounting to RON 6,083,941 and bonds issued by Romenergo SA, amounting to RON 26,950,000.

Disposals of bonds include the value of bonds issued by the European Investment Bank in the amount of RON 999,994, with maturity on May 10, 2014, which were transferred to current assets and respectively to unfavorable foreign exchange differences arising from the monthly assessment of state and corporate bonds denominated in euro.

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**2. PROVISIONS**

Provision description		1 January 2013	Transfers		31 December 2013
			In the account	From the account	
Provision for taxes	(a)	46,783,769	3,044,414	2,160,515	47,667,668
Other provisions for risks and charges	(b)	4,554,000	-	4,554,000	
<b>Total</b>		<b>51,337,769</b>	<b>3,044,414</b>	<b>6,714,515</b>	<b>47,667,668</b>

(a) Provision for taxes, amounting to RON 47,667,668 represents the transposition of the deferred taxes, recognized until 1 January 2006, for the reserves related to the initial portfolio, tangible assets revaluation reserve and for the reserves for shares received at no cost (Note 16). Transfers in the account amounting to RON 3,044,414 comprise deferred tax related to reserves for shares received at no cost (capital increases from reserves and net profit), and the transfers from the account amounting to RON 2,160,515 represent mainly the deferred tax release related to reserves from shares received at no cost which were disposed of.

The main components of the provision for taxes arising from temporary differences are presented in the following table:

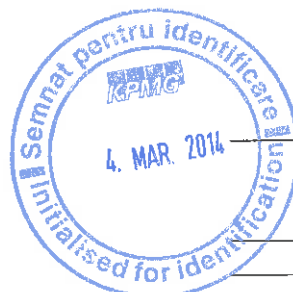
Provisions for taxes related to:	31 December 2012	31 December 2013
= reserves for the value of shares	42,657,268	43,579,701
= revaluation reserves	953,230	914,696
= reserves for tax facilities	3,173,271	3,173,271
<b>Total provisions for taxes</b>	<b>46,783,769</b>	<b>47,667,668</b>

(b) Other provisions for risks and charges, amounting to RON 4,554,000, comprising of incentives to employees and administrators, payable in 2013, as a result of the realization of the 2012 profit, were recognized as income during 2013, following the approval of the Ordinary General Shareholders' Meeting of the individual financial statements for 31 December 2012.

**3. PROFIT APPROPRIATION**

On 24 April 2013, the Ordinary General Shareholders' Meeting, approved the appropriation of 2012 financial year net profit as follows:

Profit appropriation:	2012
1. Legal reserve	100,514,044
2. Reserves – for own sources of funding	100,514,044
3. Dividends	-
<b>Total distributed profit</b>	<b>100,514,044</b>



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**3. PROFIT APPROPRIATION (CONTINUED)**

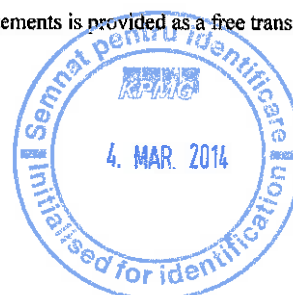
The Board of Directors proposes the profit appropriation of the 2013 financial year profit, amounting to RON 80,143,950, in other reserves for own sources of funding which will be used in accordance with the Ordinary General Shareholders' Meeting decision.

**4. ANALYSIS OF THE OPERATING RESULT**

Indicator	Line No.	31 December 2012	31 December 2013
Income from non-current financial assets	1	14,106,496	18,339,692
Income from current financial assets	2	223,452	213,365
Income from non-current receivables	3	-	-
Income from disposal of financial assets	4	118,856,410	98,974,344
Income from services provided	5	-	-
Income from re-activated receivables and sundry debtors	6	-	-
Income from reversal of provisions	7	10,862,121	9,307,046
Foreign exchange gain	8	4,753,742	7,035,664
Interest income	9	9,104,342	6,489,121
Income from capitalized production	10	-	-
Other operating income (line 12 to 18), from: (line. 12 to 18)	11	1,226,219	1,735,243
- research and development	12	-	-
- royalties, leases and rent	13	64,304	73,974
- sundry activities	14	-	-
- subsidies	15	-	-
- other income	16	373,774	616,729
- discount received	17	-	335
- other financial income	18	788,141	1,044,205
<b>OPERATING INCOME (line 01 to 11)</b>	<b>19</b>	<b>159,132,782</b>	<b>142,094,475</b>
Losses on receivable from associates	20	-	-
Expenses with the disposal of financial assets	21	15,637,769	16,301,174
Foreign exchange loss	22	3,458,076	5,590,787
Interest expense	23	-	-
Fees and commissions expenses	24	2,367,196	3,289,654
Expenses with bank services and similar charges	25	44,870	55,298
Losses from receivables and sundry debtors	26	124,095	13,296
Impairment allowances and depreciation expense	27	5,445,043	6,736,079
Other operating expenses, out of which: (line 29+30+31+34+47)	28	15,211,443	19,161,536
- materials	29	277,244	192,490

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**SIF Banat-Crişana SA**  
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**4. ANALYSIS OF THE OPERATING RESULT (CONTINUED)**

Indicator	Line No.	31 December 2012	31 December 2013
- energy and water	30	182,466	177,786
- personnel, out of which (line. 32+33)	31	11,515,410	15,937,857
- salaries	32	9,274,823	13,319,573
- social security	33	2,240,587	2,618,284
- third party services, out of which (rd.35 la 46)	34	3,127,675	2,639,540
- maintenance and repairs	35	131,039	64,118
- royalties, leases and rent	36	95,121	143,865
- insurance premiums	37	46,388	37,270
- research and studies	38	-	-
- protocol, advertising and publicity	39	339,988	165,016
- transportation of goods and personnel	40	71	591
- travel, posting and transfers	41	232,259	333,457
- postal and telecommunications	42	135,515	141,169
- other third party services	43	645,376	639,894
- other expenses	44	405,677	622,094
- expenses with discounts granted	45	-	-
- other financial expenses	46	1,096,241	492,066
- expenses with toher duties, taxes and similar payments	47	108,648	213,863
<b>OPERATING EXPENSES (line 20 to 28)</b>	<b>48</b>	<b>42,288,492</b>	<b>51,147,824</b>
<b>OPERATING RESULT (line 19-48)</b>	<b>49</b>	<b>116,844,290</b>	<b>90,946,651</b>

Income and expenses with a certain weight in total are detailed and explained in notes 13 Structure of gross income and 14 Structure of expenses.



**SIF Banat-Crişana SA**  
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**5. STATEMENT OF RECEIVABLES AND PAYABLES**

RECEIVABLES	31 December 2013	Liquidity term	
		Less than 1 year	More than 1 year
Prepayments to suppliers and receivables from clients	26,586	26,586	-
Dividends receivable	a) 1,333,761	1,333,761	-
Sundry debtors-participation in capital increase	b) 834,200	834,200	-
Sundry debtors	c) 146,969	146,969	-
Penalties related to dividends not collected	66,020	66,020	-
Corporate bonds	d) 999,994	999,994	-
Accrued interest	e) 1,721,887	1,721,887	-
Adjustments for impairment of receivables - sundry debtors	f) (778,667)	(778,667)	-
<b>TOTAL</b>	<b>4,350,750</b>	<b>4,350,750</b>	<b>-</b>

- a Dividends receivable amounting to RON 1,333,761 include dividends receivable from previous years in amount of RON 712,647 and dividends receivable from 2012 in amount of RON 621,114 (31 December 2012: RON 1,687,682);
- b Sundry debtors – participation in share capital increase in the amount of RON 834,200, represents amounts paid by the Company to participate in the capital increase for the companies Hidrotim SA Timisoara and Nord Conforest Cluj, operations pending registration in the Trade Register Office (December 31, 2012: 12,000 RON);
- c Sundry debtors amounting to RON 146,969 (31 December 2012: RON 271,449) include mainly an amount to be recovered from judicial executor;
- d Corporate bonds issued by the European Bank of Investments amounting to RON 999,994 maturing on May 10, 2014 (December 31, 2012: RON 0).
- e Accrued interest amounting to RON 1.721.887 represents the interest related to bonds with maturity more than one year (31 December 2012: RON 365,411).
- f Adjustments for impairment of receivables amounting to RON 778,667 (31 December 2012: 1,691,963 RON) were accounted for dividends receivable from previous years amounting to RON 712,647 and the related penalties amounting to RON 66,020.



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**5. STATEMENT OF RECEIVABLES AND PAYABLES (CONTINUED)**

RECEIVABLES	31 December 2012	Liquidity term	
		Less than 1 year	More than 1 year
Prepayments to suppliers and receivables from clients	33,140	33,140	-
Debtors for unpaid dividends	a) 1,687,682	1,687,682	-
Debtors from share capital increase	b) 12,000	12,000	-
Sundry debtors	c) 271,449	271,449	-
Penalties related to dividends not collected	70,321	70,321	-
Accrued interest	e) 365,411	365,411	-
Adjustments for impairment of receivables - sundry debtors	f) (1,691,963)	(1,691,963)	-
<b>TOTAL</b>	<b>748,040</b>	<b>748,040</b>	<b>-</b>

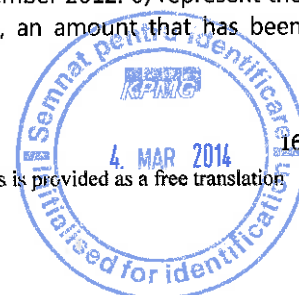
PAYABLES	31 December 2013	Settlement term	
		Less than 1 year	More than 1 year
Suppliers	186,697	186,697	-
Salaries and social contributions	2,360,725	2,360,725	-
Income tax	7,529,311	7,529,311	-
Other duties and taxes	g) 396,383	396,383	-
Dividends payables to Shareholders	h) 23,322,091	23,322,091	-
Amounts payable for financial Assets	i) 354,845	354,845	-
Sundry creditors	3,828	3,828	-
<b>Total</b>	<b>34,153,880</b>	<b>34,153,880</b>	<b>-</b>

g. Other duties and taxes amounting to RON 396,383 represent mainly payroll tax maturing in January 2014 (31 December 2012: RON 2,217,848 included the tax on dividends);

h. Dividends payable to shareholders amounting to RON 23,322,091 (31 December 2012: RON 29,676,491) include dividends payable for (2010 and 2011). Dividends not collected for the financial years prior to 2009 have been prescribed, and were transferred in other reserves.

i. Payments made for financial assets amounting to RON 354,845 (31 December 2012: 0) represent the underwriting for share capital increase in the company Calipso SA Oradea, an amount that has been transferred during January 2014.

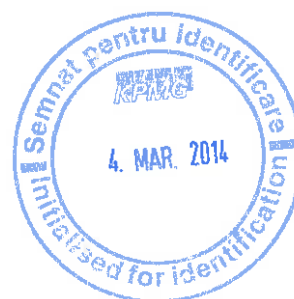
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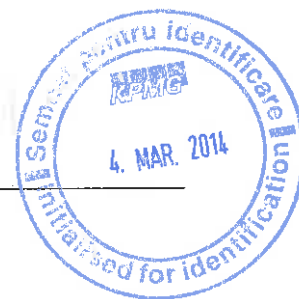
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**5. STATEMENT OF RECEIVABLES AND PAYABLES (CONTINUED)**

<b>PAYABLES</b>	<b>31 December 2012</b>	<b>Settlement term</b>	
		<b>Less than 1 year</b>	<b>More than 1 year</b>
Suppliers	124,946	124,946	-
Salaries and social contributions	590,546	590,546	-
Income tax	423,546	423,546	-
Other duties and taxes	g) 2,217,848	2,217,848	-
Dividends payable to Shareholders	h) 29,676,491	29,676,491	-
Sundry creditors	25,605	25,605	-
<b>Total</b>	<b>33,058,982</b>	<b>33,058,982</b>	<b>-</b>



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## 6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

### 6.1 General Information

The financial statements are the responsibility of the Company and were prepared in accordance with the Accounting Regulations compliant with E.E.C. Directive IV, applicable to entities authorized, regulated and supervised by the National Securities Commission (C.N.V.M.), approved through the Order no. 13/2011 of the President of the National Securities Commission, which are applied together with the Romanian Accounting Law no. 82/1991, republished with subsequent amendments.

For the preparation of the annual financial statements the regulations stipulated in CNVM Order no.3/2013 for the approval of Instruction no. 1/2013 for the amendment of Instruction no. 2/2007 regarding the preparation and publication of annual financial statements by entities authorized, regulated and supervised by the National Securities Commission were also taken into account.

These financial statements comprise the individual financial statements of the Company.

These individual financial statements have not been prepared to reflect the financial position and results of operation and of cash flows of the Company in accordance with International Financial Reporting Standards.

In accordance with FSA Instruction no. 1/2013 for the approval of Instruction no. 6/2011 regarding the application of International Financial Reporting Standards by entities authorized, regulated and supervised by the National Securities Commission, the financial investment companies have the obligation to prepare annual financial statements, for informative purposes, in accordance with the International Financial Reporting Standards, for the years 2011, 2012, 2013 within 180 days from the closing of financial year. The financial statements prepared in accordance with IFRS will be obtained by restating the information presented in the annual financial statements prepared in accordance with EEC Directive IV. The financial statements prepared in accordance with IFRS are published on the website and are subject to financial audit.

According to CNVM Decision no. 1176/15.09.2010, the financial investment companies have the obligation to prepare and submit to the CNVM annual consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union, within eight months from the closing of the financial year. Due to the lack of a legislative framework that imposes to companies which enter into the consolidation perimeter the obligation to prepare a set of financial statements in accordance with IFRS and to have this set of financial statements audited, the consolidated financial statements prepared for 31 December 2013 will have an informative role, without reflecting the fair view of the group. These consolidated financial statements will not be audited taking into account the certainty of a qualified opinion and the high costs of auditing in relation to the relevance of information provided to investors.

### 6.2 Accounting principles underlying the individual financial statements

The financial statements were prepared on historical cost basis, in accordance with the provisions of the Order no. 13/2011 of the President of the National Securities Commission for the approval of the CNVM Regulation no. 4/2011 regarding Accounting Regulations compliant with E.E.C. Directive IV, applicable to entities authorized, regulated and supervised by CNVM, respecting also the accruals principle.

Therefore, the effects of transactions and events are recognized when incurred and are accounted for and reported in the financial statements of the related periods.



**SIF Banat-Crişana SA**  
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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.2 Accounting principles underlying the individual financial statements (Continued):**

The accounting principles underlying the individual financial statements are:

- **Going concern principle** - it assumes that the Company will continue its activity in the foreseeable future, without becoming impossible for the Company to continue its activity and without significantly curtailing the scale of its activity.
- **Consistency principle** – it assumes the consistency in the rules and methods selected for valuation, accounting of transactions and presentation of assets and liabilities, as well as of the results, ensuring the comparability of financial information presented
- **Prudence principle** – the value of each element is determined taking into account:
  - a. only the profits recognized until the date of the preparation of the financial statements
  - b. Foreseeable liabilities and potential losses, which arose in the current or previous financial year, even if these occur between balance sheet date and its preparation date.
  - c. All the depreciations, regardless if the financial year result is profit or loss.
- **Accrual's principle** – all income and expenses incurred in the financial year are accounted for, irrespective of the date of payment or collection.
- **Principle of separate valuation of assets and liabilities** – it assumes separate valuation of assets and liabilities.
- **Intangibility principle** – the opening balance sheet for each financial year corresponds to the prior financial year closing balance sheet.
- **Netting off principle** – assets are not netted off against liabilities, respectively income is not netted off against expenses.
- **Substance over form principle** – the information disclosed in the financial statements illustrates the economic substance of events and transactions, and not merely their legal form;
- **Materiality principle** – only those items which are material are individually disclosed in the financial statements. Those items with immaterial amounts, which have similar functions and nature have to be aggregated, their separate disclosure is not necessary.

**6.3 Accounting policies**

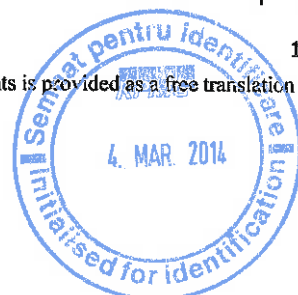
**(a) Use of estimates**

The preparation of financial statements in accordance with CNVM Order no. 13/2011 requires management to make estimates and assumptions that affect the reported value of assets and liabilities, disclosure of contingent assets and contingent liabilities at balance sheet date, and income and expenses reported to the respective financial year. Although the estimates and assumptions are made by management, using the most reliable information available at balance sheet date, the actual results may differ from these estimates.

**(b) Going concern**

The nature of the Company's operations and the result of the economic policies currently implemented may generate variations in what regards future cash inflows. The Administrators believe that the Company

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3 Accounting policies (continued)**

will be able to continue its activity as a going concern in the foreseeable future and, consequently, the financial statements were prepared in accordance with this principle.

**(c) Foreign currency transactions**

**Functional and presentation currency**

The functional and presentation currency of the financial statements is the Romanian Leu (RON).

**Foreign currency transactions and balances**

The Company's foreign currency transactions are translated to RON at the exchange rate communicated by the National Bank of Romania ("NBR"), for the transaction date. Any gains or losses resulting from settlement of foreign currency transactions and from conversion of foreign currency monetary assets and liabilities are recognized in the profit or loss account of the current year.

The foreign currency balances are translated to RON, at the exchange rates communicated by NBR for balance sheet date. Profit or loss resulting from settlement of foreign currency transactions and from translation of foreign currency items is recognized in the profit or loss account.

At December 31, 2013, official main exchange rates used were: RON 3.2551 for 1 USD (December 31, 2012: 3.3575) and RON 4.4847 for 1 Euro (December 31, 2012: 4.4287).

**(d) Intangible assets**

An intangible asset is recognized to the extent it is estimated the asset will generate future economic benefits and the asset can be measured reliably.

**- Initial recognition**

Intangible assets are initially recognized at cost

**- Subsequent expenditures**

Subsequent expenditure is capitalized when it is probable that these expenses enable the asset to generate future economic benefits over the ones initially estimated and when they can be reliably measured.

**- Measurement at balance-sheet date**

Intangible assets are presented in the balance sheet at acquisition cost, less cumulated value adjustments.

**- Amortization**

Acquisition cost of patents, trademarks, licenses, computer software are capitalized and amortized using the straight-line method, according to their useful life, up to 5 years



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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3 Accounting policies (continued)**

**(e) Tangible assets**

Tangible assets are assets held for the own use of the Company or for rental to third parties, are used by the Company for periods greater than one year and have an acquisition cost greater than RON 2,500 (starting with July 1, 2013), previously RON 1,800.

**- Initial Recognition**

Tangible assets are recognized at acquisition cost.

**- Subsequent expenditures**

Expenses with maintenance and repairs of tangible assets are recognized in the profit or loss account when incurred whereas major improvements of the tangible assets, which result in increase of their useful life, or in a significant increase in their capacity to generate economic benefits, are capitalized.

**- Measurement at balance sheet date**

Tangible assets are presented in the balance sheet at acquisition cost, less cumulated value adjustments, or, at revalued amount.

In accordance with the alternative measurement rules, tangible assets are revalued periodically and therefore they are presented in the balance sheet at revalued amount. The measurement is recorded based on a revaluation report prepared by an evaluator accredited by ANEVAR.

The revaluation of land and buildings is performed every 3 years, both the gross carrying amount and the accumulated depreciation related to buildings being updated.

The resulting differences are recognized in the account „Revaluation reserve”, as a separate element of the equity.

An increase arising as a result of a revaluation should be recognized as income to the extent that it represents a reversal of a revaluation decrease of the same asset, previously recognized as an expense.

If the carrying amount of an asset is reduced as a result of a revaluation, this decrease is recognized as an expense. Nevertheless, a decrease arising as a result of a revaluation is debited to the related revaluation surplus, to the extent that it does not exceed any amount previously credited to the revaluation surplus relating to the same asset.

Any revaluation surplus included in equity may be transferred in reserves when it is realized.

**- Depreciation**

Depreciation is calculated at cost, using the straight-line method, over the estimated useful life of the assets, as follows:

	<u>Years</u>
Buildings and special constructions	10 - 50
Technical installations and machinery	3 - 30
Furniture, office equipment, other tangible assets	3 - 20

Land is not depreciated because it is assumed it has an indefinite useful life.



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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3 Accounting policies (continued)**

**(e) Tangible assets (continued)**

**- Sale and disposal**

Written off or sold tangible assets are derecognized from the balance sheet, altogether with the accumulated depreciation. Any resulting profit or loss from such operations is determined as the difference between the proceeds from sale and the carrying amount and it is included in the profit or loss account.

**(f) Allowances for impairment of assets**

The carrying amount of the Company's assets is reviewed at each balance-sheet date in order to determine if any impairment triggers exist. If such triggers occur, the Company estimates the recoverable amount of its assets. If the carrying amount of the assets exceeds their recoverable amount, the Company accounts for an allowance to impairment.

If a change occurs in the conditions existent at the date the recoverable amount was assessed, then the allowance for impairment may be reversed. The adjustment reversal may be performed, provided that the current net carrying amount of the asset will not exceed its historical net accounting value, considering the depreciation charge and ignoring the allowance for impairment.

**(g) Financial instruments**

The portfolio of financial instruments portfolio comprises of:

- non-current financial assets
- current financial assets

**(g.1.) Non-current financial assets**

Non-current financial assets include: securities and other financial instruments held as non-current assets and other non-current receivables.

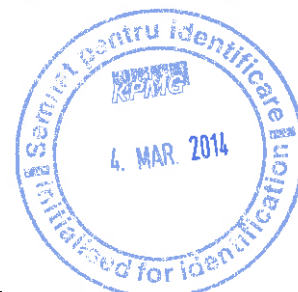
**Securities and other financial instruments held as non-current assets include** shares held as financial assets available for sale, units held in closed investment funds, bonds issued by municipalities, financial-institutions and the state with a maturity greater than 1 year.

**Other receivables** comprise of deposits placed at banks with a maturity greater than 1 year and other non-current receivables.

**(a) Recognition**

Non-current financial assets are recognized at the date they were transferred (settlement date).

In the case of listed companies, all shares purchases and sales which involve a settlement in a certain period, determined according to the regulations in place or upon market agreement, are recognized at the date the transaction is recognized at the Bucharest Stock Exchange.



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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3 Accounting policies (continued)**

**(g) Financial instruments (continued)**

In case of unlisted companies, the shares purchases are recognized at the date of registration at the Trade Registry and shares disposals are accounted for at settlement date.

Non-current financial assets brought as contribution in kind to the capital of another entity are derecognised together with the reserve for the value of non-current financial assets received at no cost. At the same time, the Company recognizes as an financial asset the participation in that company, at issue value or contribution value. The difference between the value of shares received as a result of participation in the capital of other entities and the carrying amount of financial assets subject to holding is recognized as reserve for the value of non-current financial assets received at no cost.

Management decides the way in which the classification of financial assets will be made upon the acquisition date.

**(b) Measurement of non-current financial assets**

- **At acquisition date** the non-current financial assets are measured at acquisition cost or the amount determined by the acquisition contract. The cost of acquisition of shares and other long-term financial investments (listed or unlisted), includes transaction costs directly attributable to their acquisition.

The value of financial assets received at no cost is recognized at nominal value in the account 1065 "Reserves from the shares received at no cost";

- **at disposal date** the non-current financial assets are measured using the weighted average cost method;
- **At the balance sheet date** the acquisition value is compared with the value established through inventory procedures, called inventory value. The negative differences between inventory value and book value are recognized as adjustments for impairment. The positive differences between the inventory value and the book value are not accounted for, in accordance with the CNVM's Order no. 13/2011.

For the shares, the inventory value is the value established according to the provisions of Measure no. 23/20.12.12 issued by NSC, effective from March 2013 and to the decision of the Board of Directors no. 10 of February 28, 2013 to approve the use of alternative methods provided in this Measures.

Therefore in the case of shares traded in the last 30 trading days, the inventory value is computed based on the closing price of the market section considered the main market or the reference price provided by other trading systems than regulated markets for the day for which the computation is available.

Securities listed on foreign financial markets are valued at the inventory value, based on the above calculation method and are discounted at the NBR exchange rate valid on the date of the calculation.



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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3 Accounting policies (continued)**

**(g) Financial instruments (continued)**

For securities admitted to trading, but not traded in the last 30 trading days and for unlisted securities, inventory value is the book value per share determined on the basis of latest annual financial statements of the entity (prepared in accordance with applicable accounting regulations). For credit institutions, book value per share is based on the equity value contained in the monthly reports submitted to the NBR.

Securities not traded or admitted to trading and not traded in the last 30 days, whose financial statements are not available within 90 days from the deposition date considered as zero value or at the value determined by using information from quarterly/half-yearly financial reports published on the website of the regulated market or alternative trading system, where this information is available.

The inventory value of the securities held in unlisted companies with negative values of equity and companies involved in the insolvency or reorganization process, judicial liquidation or other forms of liquidation or permanent cessation of activity is considered as zero value.

For securities issued by OPC admitted to trading or traded in the last 30 days of trading on a regulated market, the inventory value is set at the closing price of the market section considered the main market. In the case of securities issued by OPC not admitted to trading, the inventory value is determined by an evaluation method based on the latest net asset value calculated and published.

The inventory value is established under NSC Measure no. 23/20.12.12, a decision made by the Company because it is an accepted method used in the reports submitted to the AFS by investors to calculate monthly and annual net assets. The Company considers that the value of shares presented to the investors in the financial statements can not be determined by different methods. The Company has consistently applied this method of evaluation.

**(c) Impairment**

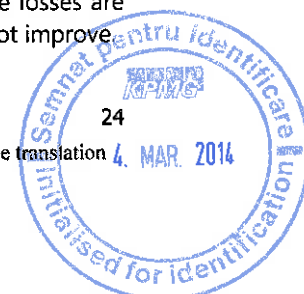
If at the balance sheet date, the value of financial assets has decreased with the difference between the value established under the above principles and the carrying amount, adjustments are made for impairment.

CNVM Order no. 13/2011 provides the alternative accounting treatment for recognition of adjustments for impairment of financial assets, respectively in the profit or loss account or in equity.

Starting with 2008, the Company decided to apply the accounting treatment for recognition of impairment adjustments in equity.

In addition to the accounting treatment for recognition in the impairment of equity, starting with the year 2011 the Company has developed this method in the sense of distinction between temporary and permanent reductions. Consequently, the adjustments for the loss of value related to companies in liquidation, reorganization, insolvency, are recognized in profit or loss account because these losses are estimated to have a permanent character, and the financial standing of these companies will not improve.

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3. Accounting policies (continued)**

**(g) Financial instruments (continued)**

Measurement at minimum values cannot continue if the reasons for which the respective adjustments were made are no longer applicable.

Adjustments for impairment will be cancelled or reversed for the financial assets disposed of or in case of fair value appreciation. The reversal of adjustments for depreciation will be done proportionately according to the source from which they were formed, respectively at income and / or reserves.

**(d) Derecognition**

The derecognition of financial assets is effected at the settlement date or at the date the ownership is transferred.

Any resulting gain or loss from derecognition is determined as the difference between the proceeds from sale and the carrying amount of the securities sold reduced with the related reserves.

The results from the financial assets sold are accounted for in the profit or loss account.

**(g.2.) Current financial assets** include shares, bonds held in closed-end investment funds, securities, bonds issued by municipalities, financial companies and banks with maturity less than one year, purchased in order to realize a profit in the short term.

**Evaluation:**

- **At acquisition date:** the current financial assets are measured at acquisition cost determined by the acquisition contract. Short-term financial investments in foreign currencies are initially recognized at the exchange rate communicated by NBR from the day of transaction. In case of shares and other financial investments which are not admitted for trading on a regulated market, the acquisition price contains the costs of trading directly attributable to their acquisition.

Shares received at no cost are booked in account 768 "Other financial income"

- **At disposal date** the current financial assets are measured using the weighted average cost method. Sale/liquidation of short-term investments in foreign currency is made at the exchange rate communicated by NBR, from the date the operation was made.

The exchange difference between the rate registered in the accounting and the rate of NBR on the date of liquidation is registered in income or expenses from exchange rate differences.

- **At balance sheet date** the impairment of financial assets held as current assets, determined through inventory process, is accounted for as expense. The positive difference between the inventory value and the book value are not recognized.

For short-term held securities, admitted to trading or traded in the last 30 trading days, the inventory value is calculated based on the closing price of the market section considered the main market.

Securities listed on foreign financial markets are measured at the inventory value based on the above calculation method and are converted to RON at the exchange rate of the 31 December.

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**6 ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3 Accounting policies (continued)**

**(g) Financial instruments (continued)**

For securities admitted to trading, but not traded in the last 30 trading days, the inventory value is the book value per share of the entity, determined based on the last annual financial statements (prepared in accordance with accounting regulations applicable to the issuer). In the case of credit institutions, book value per share calculation is based on the equity value presented in the monthly reports submitted to the NBR.

Securities admitted to trading and not traded in the last 30 working days whose financial statements are not available within 90 days from the legal submission dates are assessed at zero or the value set by using information from financial reports quarterly / half-yearly published on the website of the regulated market or alternative trading system, where this information is available.

The fair value of securities held in companies under insolvency, reorganization, judicial liquidation or other liquidation forms and those in temporary or permanent cessation of activity is set to zero.

Short-term financial assets held in foreign currency are valued at the end of the financial year at the closing quotation, expressed in RON at the exchange rate of the National Bank of Romania.

**(h) Inventory**

Inventories are carried at the lower of cost and net realizable value. Cost is determined by first in first out method (FIFO) for all types of inventories. Net realizable value is estimated based on the selling price used in the ordinary course of business minus the completion and selling costs.

**(i) Receivables**

Receivables are measured at the expected recoverable amount. For doubtful receivables, adjustments for impairment are made when they are identified. Receivables in foreign currency are recognized both in RON and the foreign currency at the exchange rate given by NBR. At the end of each month, receivables in foreign currency are valued at the exchange rate communicated by NBR. Foreign exchange gains or losses are recognized in the profit or loss account.

**(j) Payables**

Payables are accounted for at nominal amount.

Foreign currency payables are recognized both in RON and in the foreign currency at the exchange rate communicated by NBR. At the end of each month, foreign currency payables are revalued at the exchange rate communicated for last day of the month. Foreign exchange gains or losses are recognized in the profit or loss account.

**(k) Dividends payable**

Dividends declared before the balance sheet date, are accounted for as liabilities on the balance sheet date. Dividends proposed or declared after balance sheet date, are not recognized as liabilities but they are disclosed in the notes to the financial statements.

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3. Accounting policies (continued)**

**(k) Dividends payable (continued)**

Dividends not claimed within 3 years after expiry of limitation are recorded directly in equity.

**(l) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost.

For the purpose of the cash flow statement, cash and cash equivalents include petty cash, current accounts with banks, treasury advances and short term financial assets (securities, bonds) with a maturity less than 3 months. Cash equivalents are highly liquid, short term financial assets, which can be easily converted to cash and bear an insignificant risk of change in value.

**(m) Provisions**

Provisions are recognized when the Company has a legal or constructive obligation arising from past events, for the settlement of which an outflow of resources embodying economic benefits is necessary, and when the liability can be reliably measured.

Provisions for incentives granted to employees and administrators for the realization of the profit, are recognized in accordance with the provisions of the Collective Labor Agreement.

**(n) Taxation**

**Provisions for taxes**

Deferred taxes were recognized by the Company in accordance with the Accounting Regulations in force until 1 January 2006.

Deferred taxes on balance as at the end of 2005 were transposed to provisions for taxes. Deferred tax was calculated at rates expected to be enacted for the year of the realization of the asset or the settlement of the liability.

Provisions for taxes are set-up for future amounts payable due to the state budget, provided that those amounts are not reflected as current liabilities in relation to the state.

Provisions for taxes are calculated from 1 January 2006 under the provisions of Accounting Regulations in accordance with CEE Directive IV.

**Current tax expenses**

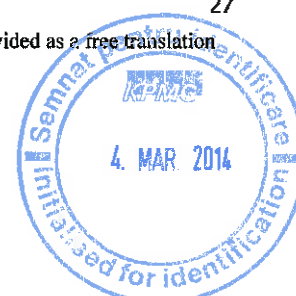
In 2013, the Company paid a corporate tax rate of 16%, equal to the rate in force in 2012.

Income tax calculation starts from the accounting result, corrected with the deductible and non-deductible items to which tax rates enacted at that date, are applied.

**(o) Employees benefits**

During the normal course of its operations, the Company makes payments to health, pensions and unemployment national funds, in accordance with legal regulations in force during the year, calculated on gross salaries. These costs are accounted for in the profit or loss account, upon recognition of the employees' salaries. All the employees of the Company are members of the Romanian state pension plan.

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3. Accounting policies (continued)**

**(o) Employees benefits (continued)**

The Company retains and transfers to private pension funds, the amounts with which employees are enrolled in a voluntary pension plan. The persons who retire at the age limit can benefit from a social help amounting to 5 average salaries at Company level.

**(p) Revenue recognition**

**Income from transactions**

Income from trading shares is recognized at gross amount (the value of transaction), and those resulted from transactions with current financial assets are recognized based on the net value (the difference between selling price and cost).

Revenues resulting from financial assets transactions made on external financial markets are converted into RON at NBR exchange rate from day the transaction was made, foreign exchanges gains and losses being recognized in the income statement.

The gains from the sale of investment securities on foreign financial markets is determined as the difference between the income obtained (at the exchange rate of NBR from the date the transaction was made) and the acquisition value at the exchange rate from the date of acquisition.

In determining the gain or loss from transactions, only the variations of the quotations of the respective instruments is taken into account, the Foreign exchange gains and losses are recognized separately.

**Interest income**

Interest income is recognized periodically (monthly), proportionally, while the income is generated, in the profit or loss account for all financial instruments. Interest income includes fixed income from financial assets and commercial titles, as well as reductions and premiums related to treasury securities.

For interest income for which the collection has become uncertain, the adjustment for impairment is recognized separately as an expense. The reduction or cancellation of adjustments for impairment is made by reversal if the allowance for impairment is no longer justified.

**Income from financial assets**

The income from financial assets includes dividend income which is recognized when the shareholders' right is established and for the amounts presented by the companies in their financial statements.

**(q) Expenses recognition**

**Expenses related to financial investments disposed of**

Expenses related to financial investments disposed of equal the carrying amount of the securities ceded (calculated using the weighted average cost), reduced by the amount of reserves afferent to the respective securities.



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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)**

**6.3. Accounting policies (continued)**

**(q) Expenses recognition (continued)**

If the shares are traded on the foreign markets, the expenses related to financial investments disposed of will be recognized at the exchange rate from the date of acquisition, currency differences will be accounted for at financial expenses.

The expenses regarding the disposal of short-term financial investments represent the unfavorable differences between the accounting value (acquisition value) of the short term financial investments and the selling price.

Commissions for transactions on the foreign markets are recognized at the exchange rate from the date the transaction was made.

**Expenses with bank commissions**

Expenses with bank commissions are recognized when they occur. Fees from negotiating or from participation in the negotiation of a transaction, such as loans, shares or other securities, purchase or sale of business, are recognized at the conclusion of the transaction.

**(r) Other operating income and expenses**

Other operating income and expenses are recognized when they occur.

**(s) Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders to the weighted average number of shares for the year.

**7. PARTICIPATIONS AND SOURCES OF FUNDING**

The share capital of SIF Banat Crişana has a value of RON 54,884,926.8 being divided into 548,849,268 shares with face value of RON 0.1000 and is the direct result of subscriptions made to the share capital of SIF, by converting into shares the amounts due as dividends according to Law no. 55/1995 and Law no.133/1996. As at 31 December 2013, the number of shareholders was de 5,798,807 (31 December 2012: 5,810,816).

Shares issued by SIF Banat Crişana are traded on the Bucharest Stock Exchange since November 1999. The evidence regarding the shares and shareholders is held by the SC Depozitarul Central SA Bucharest. The company has not issued any bonds on 31 December 2013 and 31 December 2012.



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**8. INFORMATION REGARDING EMPLOYEES AND MEMBERS OF THE MANAGEMENT AND SUPERVISION BODIES**

	<u>2012</u>	<u>2013</u>
Expenses with salaries	6,698,416	8,987,190*
Expenses with insurance and social security	2,240,587	2,618,284
Other staff expenses	228,907	192,383
Expenses with incentives granted to Employees and directors as a result of profit realization*	2,347,500	4,140,000
<b>TOTAL</b>	<b><u>11,515,410</u></b>	<b><u>15,937,857</u></b>

\* The amount includes compensation payments for employees disposed during 2013, according to the collective labor agreement and awards for achievement in 2013, according to income and expenditure budget provisions for 2013 approved by GSM;

\*\*As at 31 December 2012 a provision for risks and charges was created for incentives to be granted to employees and directors as a result of exceeding the budgeted profit in 2012. In 2013, after the approval of the financial statements for 2012, the provision was reversed and the amount was included in the expenses with incentives granted to employees and administrators.

The remuneration paid to employees in 2013 and 2012 amounted to RON 8,987,190 and RON 6,698,416, respectively, of which:

	<u>2012</u>		<u>2013</u>	
	<u>No. Of Employees</u>	<u>Salaries</u>	<u>No. Of Employees</u>	<u>Salaries</u>
Employees	70	3,843,884	47	5,803,247
Administrators	7	600,600	7	886,540
Directors	9	2,253,932	5	2,297,403
<b>Total</b>	<b><u>85***</u></b>	<b><u>6,698,416</u></b>	<b><u>58***</u></b>	<b><u>8,987,190*</u></b>

\*\*\* There is one person that holds the role of administrator and director based on a mandate contract.

**a) Remuneration of directors and administrators**

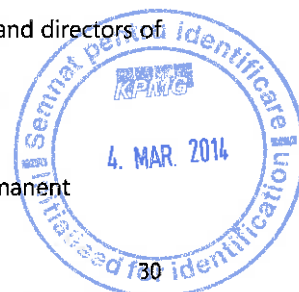
During the financial year, there were no prepayments and loans granted to directors and administrators of the Company, except for travel prepayments in the interest of the service.

As at 31 December 2013 and 31 December 2012, the administrators had concluded contracts for professional liability insurance.

The Company has no contractual obligations regarding pensions to former administrators and directors of the Company.

**b) Employees**

As at 31 December 2013, the Company had 58 employees (2012: 85) of which 51 were permanent



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**8. INFORMATION REGARDING EMPLOYEES AND MEMBERS OF THE MANAGEMENT AND SUPERVISION BODIES (CONTINUED)**

employees (2012: 78) and 7 were temporary employees (2012: 7). The average number of employees in 2013 was of 69 (2012: 77).

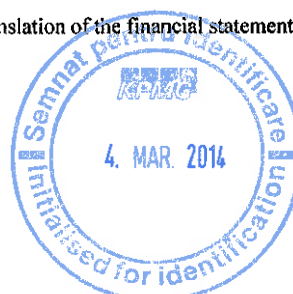
The decrease in the number of staff during 2013 is the effect of dismissals, therefore compensatory amounts under collective labor expenses are included in the remuneration.

**9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS**

	2012	2013
<b>1 LIQUIDITY RATIOS</b>		
<b>a) Current liquidity ratio</b>		
<b>Current assets/ Current liabilities</b>	<b>4.36</b>	<b>3.30</b>
Current assets	144,465,517	112,720,622
Current liabilities	33,103,142	34,153,880
<b>b) Quick asset ratio</b>		
<b>(Current assets-Inventories) /Current liabilities</b>	<b>4.36</b>	<b>3.30</b>
Current assets-Inventories	144,462,447	112,718,188
Current liabilities	33,103,142	34,153,880
<b>c) Cash ratio</b>		
<b>(Petty cash and cash at bank + Short term Investments) / Current Debts</b>	<b>4.34</b>	<b>3.17</b>
Petty cash and cash at bank + Short term Investments	143,523,190	108,232,569
Current Liabilities	33,103,142	34,153,880
<b>2 RISK RATIOS</b>	<b>not the case</b>	<b>Not the case</b>
<b>3 ACTIVITY RATIOS</b>		
<b>a) Clients receivables days</b>		
<b>Average receivables balance/ Turnover * 365</b>	<b>7 Days</b>	<b>10 Days</b>
Average receivables balance (including debtors- Note 5a)	2,975,188	3,784,710
Turnover (the total operating income)	159,132,782	142,094,475
<b>Average payables balance/ Purchases of goods except for services * 365</b>	<b>21 Days</b>	<b>11 Days</b>
Average payables balance	194,144	86,737
Purchases of goods except for services- credit movement 401	3,380,276	2,831,915
<b>b) Non-current assets turnover</b>		
<b>Turnover/Non-current assets</b>	<b>0.20</b>	<b>0.14</b>
Turnover (total operating income)	159,132,782	142,094,475
Non-current assets	814,599,112	997,503,553
<b>c) Total assets turnover</b>		
<b>Turnover/Total assets</b>	<b>0.17</b>	<b>0.13</b>
Turnover(total operating income)	159,132,782	142,094,475
Total assets	959,064,629	1,110,224,175

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<sup>1</sup>TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version



**SIF Banat-Crişana SA**  
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**9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS (CONTINUED)**

<b>4 Profitability ratios</b>		
<b>a) Return on capital employed</b>		
<b>Earnings before interest and tax/Capital employed</b>	<b>13.36%</b>	<b>8.84%</b>
Earnings before interest and tax	116,844,290	90,946,651
Capital employed (equity)	874,623,718	1,028,402,627
<b>b) Return on assets</b>		
<b>Net profit / Total assets x 100</b>	<b>10.48</b>	<b>7.22</b>
Net profit	100,514,044	80,143,950
Total assets	959,064,629	1,110,224,175
<b>c) Return on equity</b>		
<b>Net profit / Equity x 100</b>	<b>11.49</b>	<b>7.79</b>
Net profit	100,514,044	80,143,950
Equity	874,623,718	1,028,402,627
<b>5 Working capital (WC)</b>		
<b>(Equity + long term loans) – non-current assets</b>	<b>60,024,606</b>	<b>30,899,074</b>
Equity + long term loans	874,623,718	1,028,402,627
Total non-current assets	814,599,112	997,503,553
<b>6 Demand for working capital (DWC)</b>		
<b>(Inventories + Receivables) – current liabilities</b>	<b>(32,352,032)</b>	<b>(29,800,696)</b>
Inventories + Receivables	751,110	4,353,184
Current liabilities	33,103,142	34,153,880
<b>7 Net treasury (NT)</b>		
<b>WC – DWC</b>	<b>92,376,638</b>	<b>60,699,770</b>
<b>8 Dividend yield</b>		
<b>Dividend per share / Price per share</b>	<b>9.47%</b>	<b>0.00%</b>
Dividend per share	0.1000	0.0000
Price per share (average price year)	1.0563	1.1550
<b>9 Dividend pay-out rate</b>		
<b>Dividend per share / Profit per share</b>	<b>54.60%</b>	<b>0.00%</b>
Dividend per share	0.1000	0.0000
Profit per share	0.1831	0.1460



**SIF Banat-Crişana SA**  
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**10. OTHER INFORMATION**

**a) Information regarding the presentation of the Company**

SIF Banat Crişana SA (the "Company") was set up under the Law no. 133/1996 through the reorganization and transformation of the Private Property Fund Banat-Crişana and it is a joint-stock Company operating under Law 31/1990 and Law no. 297/2004.

SIF Banat-Crişana is located in Arad, 35 A Calea Victoriei, Arad County, code 310158, phone no: 0257.234.167, Fax: 0257.250.165. The registration number from the Trade Registry Office is J02/1898/1992 and the unique fiscal identification number is 2761040.

The Company's depository since July 2005 has been ING Bank NV Amsterdam Bucharest Branch, and the Company registry services are provided by SC Depozitarul Central SA Bucharest.

The Company's core activity is:

- Placements in financial instruments, in order to maximize the value of own shares in accordance with regulations in force;
- Management of the investments portfolio and exercise of all rights associated to the instruments in which it invests;
- Other related activities in accordance with the regulations in force.

**b) Information about the relationship with the companies in which SIF holds a share of over 20%**

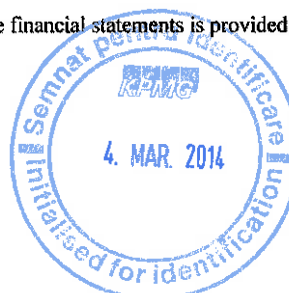
In order to motivate the management of the companies in which SIF Banat Crişana has participations, management contracts were signed with the companies which SIF has a significant interest.

For more information regarding the companies in which SIF holds participations of more than 20%, please see Note 11.

**c) Information on current income tax**

1. The fiscal profit for the year ended 31 December 2012 and 31 December 2013 is presented below

	<u>31 December 2012</u>	<u>31 December 2013</u>
Accounting profit	116,844,290	90,946,650
Non-deductible expenses	13,351,908	1,765,263
Non-taxable income	(25,667,771)	(22,817,212)
Other taxable items	<u>32,231</u>	<u>122,178</u>
Taxable profit	104,560,658	70,016,879
Income tax rate	16%	16%
Current income tax	16,729,706	11,202,701
Other facilities	<u>(399,460)</u>	<u>(400,000)</u>
<b>Current income tax payable</b>	<b><u>16,330,246</u></b>	<b><u>10,802,701</u></b>



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**10. OTHER INFORMATION (CONTINUED)**

**d) Turnover**

Turnover includes total operating income. The most significant weight in the total revenues is held by the revenues from financial assets and transferred financial assets.

**e) Subsequent events of the balance**

On January 29, 2014 the Company received notice no. A/4/28.01.2014 from the FSA regarding the change of Company's depository with BRD Groupe Société Générale, which shall enter into force as of 29.01.2014. According to FSA Decision no. 23/05.02.2014, the Company has the opportunity to invest in shares issued by AOPC admitted to trading on a regulated market or alternative trading system.

**f) Deferred income**

The Company has no deferred income at December 31, 2013 (December 31, 2012: RON 44,160).

**g) Installments paid under a lease contract**

As at 31 December 2013 and 31 December 2012, the Company did not have operational or financial leases.

**h) Fees paid to auditors**

The Company paid in 2013 a total of RON 121,710 for the audit of the financial statements of the year 2012 and for the review of the financial reporting as at 30 June 2013 (2012: RON 106,532).

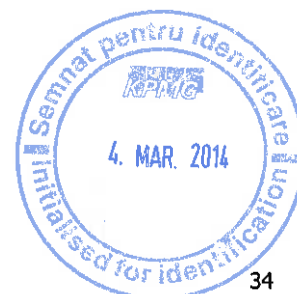
**i) Contingent liabilities and commitments given**

**Contracts for purchases of non-current tangible and financial assets**

- There were no tangible assets in progress on the 31st of December 2013 (31st of December 2012: RON 0).
- On the 31<sup>st</sup> of December 2013 and the 31<sup>st</sup> of December 2012 the Company had no contracts for raw materials and spare parts.
- On the 31<sup>st</sup> of December 2013 the Company had two contracts for the purchase of non-current financial assets, for which the company paid RON 834,200 (31 December 2012: RON 12,000). (Note 5)
- On the 31<sup>st</sup> December 2013, the Company had one contract for subscription to the share capital of one company amounting to RON 354,845 (31 December 2012: RON 0) (Note 5).

**j) Commitments received**

As at 31 December 2013 there were no commitments received.





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**11. PORTFOLIO STRUCTURE**

As at 31 December 2013, the structure of the Company's portfolio is presented as follows:

Description	Value calculated according to Measure 23/2012		Differences±
	Purchase value		
<b>I Non-current financial assets</b>			
<b>A</b> Securities listed on a regulated market or an alternative trading system;	964,037,806	1,288,399,957	324.362.151
<b>B</b> Securities not listed on a regulated market or an alternative trading system;	159,767,461	174,364,977	14.597.516
<b>C</b> Debt instruments issued by the Central Public Administration;	16,083,450	16,083,450	-
<b>D</b> Debt instruments issued by Local Public Administration	-	-	-
<b>E</b> Bonds of companies whose securities are listed on a regulated market;	6,083,941	6,083,941	-
<b>F</b> Shares and bonds of closed companies whose securities are not listed on a regulated market	26,950,000	26,950,000	-
<b>G</b> Other assets or financial instruments	-	-	-
<b>I Total non-current financial assets</b>	<b>1,172,922,658*</b>	<b>1,511,882,325</b>	<b>338.959.667</b>
<b>II Current financial assets</b>			
<b>A</b> Securities listed on a regulated market or an alternative trading system:			
- shares	18,007,724	18,433,150	425,426
- fund units	360,813	377,820	17,007
<b>II Total current financial assets</b>	<b>18,368,537**</b>	<b>18,810,970</b>	<b>442,433</b>
<b>Total portfolio I+II</b>	<b>1,191,291,195</b>	<b>1,530,693,295</b>	<b>339,402,100</b>

Compared to the amounts presented above under "Total non-current financial assets" and "Total current financial assets", the balance-sheet amounts are as follows:

\*The balance sheet position "securities and other financial instruments held as non-current financial assets" includes securities available for sale, at book value or cost less adjustments for impairment, amounting to RON 180,269,887, calculated as at 31 December 2013, as the difference between the higher book value and the fair value determined according to NSC Measure no. 23/20.12.12 (Note 1).

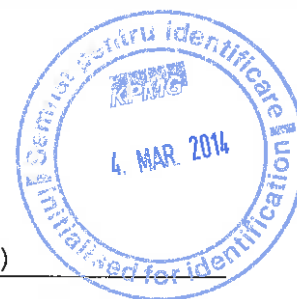
\*\* The balance sheet position "Other current financial assets" includes:

- securities held for trading presented at cost less adjustments for impairment as at 31 December 2013, in amount of RON 1,184,657;
- fund units held for trading presented at acquisition value;
- bank deposits (including the attached interest) in amount of RON 88,717,641 (presented in detail in Note 12);





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**11. PORTFOLIO STRUCTURE (CONTINUED)**

As at 31 December 2013, the structure of the portfolio, based on the holding percentage is:

% participation	Number of companies	Book value	Share in total portfolio
above 50%	15	381,283,355	33.39%
between 20-50%	35	91,703,357	8.03%
below 20%	172	668,826,280	58.58%
<b>Total</b>	<b>222</b>	<b>1,141,812,991</b>	<b>100.00%</b>

As at 31 December 2012 the structure of the Company's portfolio is presented as follows:

Description	Value calculated according to		Differences±
	Purchase value	Reg. 15/2004	
<b>I Non-current financial assets</b>			
<b>A</b> Securities listed on a regulated market or an alternative trading system	855,747,007	1,040,674,181	184,927,174
<b>B</b> Securities not listed on a regulated market or an alternative trading system;	125,665,714	146,718,869	21,053,155
<b>C</b> Debt instruments issued by the Central Public Administration	15,882,618	15,882,618	-
<b>D</b> Debt instruments issued by local public administration	-	-	-
<b>E</b> Bonds of companies whose securities are listed on a regulated market;	999,994	999,994	-
<b>F</b> Shares and bonds of closed companies whose securities are not listed on a regulated market	-	-	-
<b>G</b> Other assets or financial instruments	-	-	-
<b>I Total non-current financial assets</b>	<b>998,295,333*</b>	<b>1,204,275,662</b>	<b>205,980,329</b>
<b>II Current financial assets</b>			
<b>A</b> Securities listed on a regulated market or an alternative trading system;		<b>Value at closing price</b>	<b>Differences±</b>
- shares	9,123,036	7,526,159	(1,596,877)
- unit funds	346,896	269,900	(76,996)
<b>II Total current financial assets</b>	<b>9,469,932**</b>	<b>7,796,059</b>	<b>(1,673,873)</b>
<b>Total portfolio I+II</b>	<b>1,007,765,265</b>	<b>1,212,071,721</b>	<b>204,306,456</b>

Compared to the amounts presented above under "Total non-current financial assets" and "Total current financial assets", the balance-sheet amounts are as follows:

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**11. PORTFOLIO STRUCTURE (CONTINUED)**

\*The balance sheet position "Total non-current financial assets" includes securities available for sale, listed at book value or cost less adjustments for impairment, amounting to RON 189,052,132, calculated as at 31 December 2012, as the difference between the higher book value and the fair value, determined according to CNVM Regulation no. 15/2004 (Note 1).

\*\* The balance sheet position "Other current financial assets" include:

- securities held for trading presented at cost less adjustments for impairment as at 31 December 2012 of RON 1,659,801;
- fund units held for trading presented at acquisition value, amounting to RON 346,896, diminished with adjustments for impairment amounting to RON 76,996;
- bank deposits (including the attached interest) in amount of RON 126,324,373 (presented in detail in Note 12);
- treasury certificates in RON (including the attached interest) in amount of RON 9,317,248 (presented in Note 12).

As at 31 December 2012 the structure of the portfolio, based on the holding percentage is:

% participation	Number of companies	Book value	Share in total portfolio
Above 50%	30	218,037,058	22.01%
Between 20-50%	39	42,643,385	4.31%
Below 20%	199	729,855,315	73.68%
<b>Total</b>	<b>268</b>	<b>990,535,758</b>	<b>100.00%</b>

In accordance with the applicable laws, the depositary services for the Company were provided by ING Bank NV Amsterdam Bucharest Branch.



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**11. PORTFOLIO STRUCTURE (continued)**

In accordance with art. 238 (1) of CNVM Regulation nr. 4/2011, below are presented the entities where the Company holds interests in the percentage of at least 20%. The data on the amount of capital and reserves and profit or loss from SIF Company's portfolio are not available for the year 2013.

No	Unique identification code	Company	Address			Participation percentage	Share capital	Carrying amount	Status
			County	City	Address				
1	HE323682	SIF IMOBILIARE PLC		NICOSIA	KARPENISIOU nr. 30	99.999	6,695,819	145,229,633	
2	6496150	VALY-TIM	TM	TIMISOARA	MEHADIEI nr. 5	99.999	5,435,000	6,155,955	
3	2204171	TRANS EURO HOTEL	MM	BAIA MARE	BUCURESTI nr. 23	99.935	6,600,205	6,600,205	
4	14393678	BETA TRANSPORT	CJ	CLUJ NAPOCA	GIORDANO BRUNO nr. 1-3 cod 400243	99.757	2,412,798	2,412,798	
5	199176	NAPOMAR	CJ	CLUJ-NAPOCA	MUNCII nr.14 cod 400641	99.435	25,640,603	25,864,965	
6	28330211	AZUGA TURISM	B_	BUCURESTI	REGINA ELISABETA nr. 54, ap 2	98.935	13,770,435	29,520,290	
7	12274093	HOTEL MESESUL	SJ	ZALAU	1 DECEMBRIE 1918 nr. 11/A	98.398	1,342,518	1,430,978	
8	56150	CALIPSO	BH	ORADEA	P-TA INDEPENDENTEI nr. 53 bl. A10	97.075	49,957,205	49,958,894	
9	684200	SILVANA	SJ	CEHU SILVANIEI	PLOPILOR nr. 2	96.283	3,609,430	3,790,498	
10	2736489	ARIO	BN	BISTRITA	INDUSTRIEI nr. 10	93.641	13,035,178	13,034,523	Ins
11	2127419	RUSCA	HD	HUNEDOARA	DACIA nr. 10	87.659	3,440,560	5,069,557	
12	1766830	IAMU	AB	BLAJ	GH BARITIU nr. 38	76.695	12,143,833	13,687,863	
13	1454846	VRANCART	VN	ADJUD	E. TEODOROIU nr. 17	74.717	64,534,671	64,837,896	
14	575688	SOMPLAST	BN	NASAUD	G. COSBUC nr. 147	70.751	5,757,950	5,405,915	
15	9415761	SAL MUNTENIA INVEST	B_	BUCURESTI	SPLAIUL UNIRII, NR-16	50.001	600,010	8,283,385	
		<b>Total book value of companies in which SIF holds more than 50%</b>						<b>381,283,355</b>	

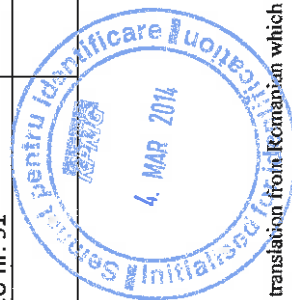


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**11. PORTFOLIO STRUCTURE (continued)**

No	Unique identification code	Company	Address			Participation percentage	Share capital	Carrying amount	Status
			County	City	Address				
16	3357599	NORD CONSTRUCTII	SM	CAREI	UZINEI NR. 117	44.310	79,550		
17	8218044	COMCEREAL CARAS	CS	RESITA	LUNCA POMOSTULUI nr. 3/5	42.413	270,203	LJ	
18	1703521	ARADEANCA	AR	ARAD	PADURI nr. 2-4	39.161	222,673	LJ	
19	2196087	COMAR	MM	BAIA MARE	MINERILOR nr. 16	34.942	101,503		
20	16276186	MOBILA USI	BC	BACAU	str. MOINESTI nr. 34	32.452	126,280	LJ	
21	2816987	ELBAC	BC	BACAU	CALEA MOINESTI nr. 34	32.450	829,956	LJ	
22	17716200	ATLASCARD	HD	DEVA	Pta UNIRII nr 10	31.363	32,190		
23	1062656	AGROPRODUCT RESITA	CS	RESITA	PAUL IORGOVICI nr. 44	30.005	181,800	RJ	
24	2761369	CRISCOM	AR	CHISINAU CRIS	INFRATRII nr. 125	30.001	80,180	LJ	
25	1765460	TRANSILVANIA AIUD	AB	AIUD	TUDOR VLADIMIRESCU nr. 51	30.000	116,948	LJ	
26	2441828	UZINA ARDEALUL	AB	ALBA IULIA	MICIURIN nr. 9	29.508	138,983	LJ	



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11. PORTFOLIO STRUCTURE (continued)

No	Unique identification code	Company	Address			Participation percentage	Share capital	Carrying amount	Status
			County	City	Address				
27	7245512	REMAT MARGHITA	BH	MARGHITA	BRINDUSEI NR. 16	29.390	4,795	4,795	diz
28	1719170	AGROINDUSTRIALA NADLAC	AR	NADLAC	G. GENESCU nr. 85	29.027	166,018	166,018	DIZ
29	1770300	COMMIXT	AB	OCNA MURES	BRAZILOR bl. 20 parter	28.967	26,358	26,358	LJ
30	9654130	MOBIMET	HD	HATEG	RAU MARE nr. 94	28.875	36,738	36,995	LJ
31	5184591	MOBIPET	HD	PETROSANI	LIVEZENI nr. 232	28.874	121,600	122,454	
32	2046136	PETROCART	NT	PIATRA NEAMT	DECEBAL nr. 171	28.541	2,887,129	2,887,129	
33	7072756	METALURGICA	BH	MARGHITA	C. REPUBLICII NR. 72	28.409	126,090	126,090	LJ
34	1753147	SUINPROD GALDA	AB	GALDA DE JOS	OIEIDEA-nr.300	27.091	357,710	357,710	LJ
35	569007	MEBIS	BN	BISTRITA	INDUSTRIEI nr. 4	26.781	866,593	866,593	Ins
36	13061000	GAZ VEST	AR	ARAD	Prunului nr. 129	25.819	10,506,800	10,506,800	
37	10702460	FORESTIERA	DB	TIRGOVIESTE	ALFEEA SINAIA nr. 6	25.752	105,673	105,673	
38	5462698	EXFOR	B	BUCURESTI	SOS. PIPERA nr. 46 A	24.231	999,135	999,135	LJ
39	644184	MOBICOM	SM	SATU MARE	LIVIU REBREANU nr. 43	24.110	40,983	40,983	
40	7323645	AGROMECA GATAIA	TM	GATAIA 1837	SUMIGULUI	23.910	33,963	33,963	



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**11. PORTFOLIO STRUCTURE (continued)**

No	Unique identification code	Company	Address			Participation percentage	Share capital	Carrying amount	Status
			County	City	Address				
41	1728194	AGROINDUSTRIALA SAGU	AR	SAGU	Sagu FN	23.620	343,843	343,843	LJ
42	1071522	AGROTRANSPORT	CS	RESITA	P.IORGOVICI nr. 34	23.460	9,648	9,648	RJ
43	1758098	CTCE	AB	ALBA-IULIA	M.VITEAZU nr. 4	23.236	21,253	21,253	
44	1856312	AGROINDUSTRIALA SOCGAT	TM	GATAIA	REPUBLICII	22.652	264,280	264,280	DIZ
45	3094999	MOPAL	BN	BISTRITA	TARPIULUI nr. 14	21.894	20,197,562	20,197,562	RJ
46	768506	MOLIDUL	SV	VAMA	STEFAN CEL MARE	21.633	226,448	226,448	RJ
47	341563	BIOFARM	B_	BUCURESTI	STR. LOGOFAT TATU, NR. 99	21.299	23,319,590	50,197,421	
48	1754770	COMAT ALBA	AB	ALBA IULIA	GARII nr. 10	20.666	132,115	132,115	
49	1060620	COMAT CARAS SEVERIN	CS	RESITA	MONIOM nr. 113	20.406	62,210	62,210	
50	1765044	METALURGICA	AB	AIUD	VULCAN nr. 2-10	20.007	1,787,623	1,787,623	RJ
<b>Total book value of companies in which SIF holds between 20% and 50%</b>								<b>91,703,357</b>	

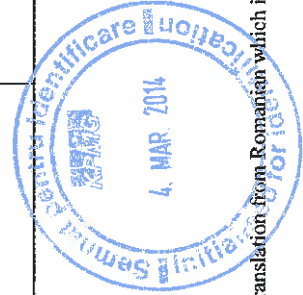
Legend:

Ins - insolvency

LJ -- wound

RJ -- judicial reorganization

DIZ -- dissolution



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**12. STRUCTURE OF BANK DEPOSITS**

As at 31 December 2013 the Company had the following bank deposits:

Name	Bank	Account symbol	Deposit Amount		Interest as at 31.12.2013		Share in total interest	Deposit	Date of Maturity
			Maturity <60 zile	Maturity >60 zile	%	Amount			
	Banca Intesa Sanpaolo	RON		1,000,000	4.60	13,672.22	1.77	16/09/2013	11/09/2014
	Banca Intesa Sanpaolo	RON		710,000	4.60	9,707.28	1.26	16/09/2013	11/09/2014
	Banca Intesa Sanpaolo	RON		1,600,000	4.50	12,800.00	1.66	29/10/2013	23/10/2014
	Banca Intesa Sanpaolo	RON		400,000	4.50	3,150.00	0.41	30/10/2013	23/10/2014
	Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
	Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014



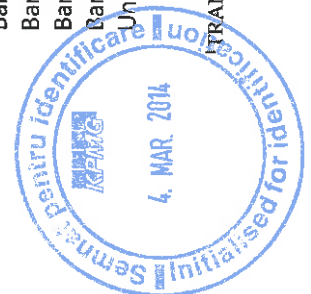
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**SIF Banat-Crişana SA**  
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**12. STRUCTURE OF BANK DEPOSITS (CONTINUED)**

Name Bank	Account symbol	Deposit Amount		Maturity <60 zile	Maturity >60 zile	%	Interest as at 31.12.2013		Share in total interest	Deposit	Date of Maturity
		<60 zile	>60 zile				Amount	%			
Banca Intesa Sanpaolo	RON		2,000,000		2,000,000	4.50	14,250.00	4.50	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		2,000,000		2,000,000	4.50	14,250.00	4.50	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000		500,000	4.10	2,448.61	4.10	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000		500,000	4.10	2,448.61	4.10	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000		500,000	4.10	2,448.61	4.10	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		400,000		400,000	4.10	1,958.89	4.10	0.25	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000		1,000,000	4.10	4,897.22	4.10	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000		1,000,000	4.10	4,897.22	4.10	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000		1,000,000	4.10	4,897.22	4.10	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000		1,000,000	4.10	4,897.22	4.10	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		600,000		600,000	4.10	2,938.33	4.10	0.38	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000		500,000	4.10	2,448.61	4.10	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000		1,000,000	4.10	4,897.22	4.10	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000		1,000,000	4.10	4,897.22	4.10	0.64	19/11/2013	16/11/2014
Banca Transilvania	RON		250,000		250,000	3.65	1,444.79	3.65	0.19	05/11/2013	08/01/2014
Banca Transilvania	RON		550,000		550,000	3.68	3,204.67	3.68	0.42	05/11/2013	23/01/2014
Banca Transilvania	RON		250,000		250,000	3.75	1,484.38	3.75	0.19	05/11/2013	06/02/2014
Banca Transilvania	RON		500,000		500,000	3.75	2,968.75	3.75	0.39	05/11/2013	23/02/2014
Banca Transilvania	RON		250,000		250,000	3.78	1,496.25	3.78	0.19	05/11/2013	06/03/2014
Banca Transilvania	RON		500,000		500,000	3.78	2,992.50	3.78	0.39	05/11/2013	23/03/2014
Banca Transilvania	RON		200,000		200,000	3.80	1,203.33	3.80	0.16	05/11/2013	08/04/2014
Banca Transilvania	RON		500,000		500,000	3.62	2,111.67	3.62	0.27	20/11/2013	23/04/2014
Banca Transilvania	RON		200,000		200,000	3.64	849.33	3.64	0.11	20/11/2013	08/05/2014
Banca Transilvania	RON		500,000		500,000	3.65	2,129.17	3.65	0.28	20/11/2013	22/05/2014
Unicredit Tiriac Bank	RON		1,000,000		1,000,000	3.76	4,491.11	3.76	0.58	19/11/2013	19/01/2014



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**12. STRUCTURE OF BANK DEPOSITS (CONTINUED)**

Name	Account symbol	Deposit Amount		Interest as at 31.12.2013		Share in total interest	Deposit	Maturity	Date of
		Maturity <60 zile	Maturity >60 zile	%	Amount				
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		500,000	3.76	2,245.56	0.29	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		500,000	3.76	2,245.56	0.29	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014	
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		1,026,996	1.75	449.31	0.06	23/12/2013	22/01/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		4,484,700	3.10	59,858.29	7.77	30/07/2013	28/07/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		977,665	3.10	12,796.54	1.66	02/08/2013	28/07/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		896,940	3.10	11,353.77	1.47	07/08/2013	03/08/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		4,484,700	3.10	56,768.83	7.37	07/08/2013	03/08/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		4,484,700	3.10	56,768.83	7.37	07/08/2013	03/08/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	26,067.32	3.38	07/08/2013	17/08/2014	
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	26,067.32	3.38	07/08/2013	17/08/2014	
<b>Total Bank Deposits</b>			<b>1,026,996</b>		<b>770,789.87</b>	<b>100.00</b>			

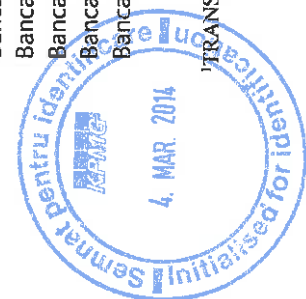
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**SIF Banat-Crişana SA**  
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**12. STRUCTURE OF BANK DEPOSITS (CONTINUED)**

As at 31 December 2012 the Company had the following bank deposits:

Name	Account symbol	Deposit AMOUNT		Maturity > 60 zile	INTEREST AS AT 31.12.2012	Share in total interest	Deposit	Date of Maturity
		Maturity < 60 zile	Maturity > 60 zile					
Banca Italo-Romana	RON		1,000,000	7.20	28,602.74	1.98	09/08/2012	08/01/2013
Banca Italo-Romana	RON		1,000,000	7.20	28,602.74	1.98	09/08/2012	08/01/2013
Banca Italo-Romana	RON		1,360,000	7.20	38,899.73	2.69	09/08/2012	08/01/2013
Banca Italo-Romana	RON		5,000,000	7.20	143,013.70	9.90	09/08/2012	08/01/2013
Banca Italo-Romana	RON		5,000,000	7.20	143,013.70	9.90	09/08/2012	08/01/2013
Banca Italo-Romana	RON		2,000,000	7.20	57,205.48	3.96	09/08/2012	08/01/2013
Banca Italo-Romana	RON		11,445,000	7.10	126,898.40	8.78	05/11/2012	04/02/2013
Banca Intesa Sanpaolo	RON		5,000,000	6.30	55,232.88	3.82	29/10/2012	28/01/2013
Banca Intesa Sanpaolo	RON		5,000,000	6.30	55,232.88	3.82	29/10/2012	28/01/2013
Banca Intesa Sanpaolo	RON		8,000,000	6.30	88,372.60	6.12	29/10/2012	28/01/2013
Banca Intesa Sanpaolo	RON		98,000	6.30	1,082.56	0.07	29/10/2012	28/01/2013
Banca Transilvania	RON		148,000	5.25	237.42	0.02	21/12/2012	02/01/2013
Banca Transilvania	RON		250,000	6.20	6,070.83	0.42	13/08/2012	08/01/2013
Banca Transilvania	RON		300,000	6.00	900.00	0.06	14/12/2012	13/01/2013
Banca Transilvania	RON		1,100,000	6.20	26,711.67	1.85	13/08/2012	23/01/2013
Banca Transilvania	RON		10,000,000	6.25	147,569.44	10.21	08/10/2012	23/01/2013
Banca Transilvania	RON		300,000	6.25	4,427.08	0.31	08/10/2012	23/01/2013
Banca Transilvania	RON		250,000	6.20	6,070.83	0.42	13/08/2012	07/02/2013
Banca Transilvania	RON		600,000	6.20	14,570.00	1.01	13/08/2012	21/02/2013
Banca Transilvania	RON		600,000	6.20	14,570.00	1.01	13/08/2012	21/02/2013
Banca Transilvania	RON		250,000	6.20	6,070.83	0.42	13/08/2012	07/03/2013
Banca Transilvania	RON		650,000	6.20	12,313.89	0.85	13/09/2012	16/01/2013
Banca Transilvania	RON		250,000	6.20	5,941.67	0.41	16/08/2012	08/04/2013
Banca Transilvania	RON		347,000	6.20	6,095.63	0.42	21/09/2012	23/04/2013



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12. STRUCTURE OF BANK DEPOSITS (CONTINUED)

Name Bank	Account symbol	Deposit AMOUNT		Maturity >60 zile	Maturity <60 zile	%	INTEREST AS AT 31.12.2012		Share in total interest	Deposit	Date of Maturity
		Maturity >60 zile	Maturity <60 zile				Amount	Amount			
Banca Transilvania	RON			300,000		6.25	2,760.42	0.19	09/11/2012	23/04/2013	
Unicredit Tiriac Bank	RON			3,110,000		6.30	28,845.25	2.00	09/11/2012	15/01/2013	
Unicredit Tiriac Bank	RON			1,500,000		6.30	13,912.50	0.96	09/11/2012	15/01/2013	
Unicredit Tiriac Bank	RON			3,394,000		6.30	29,697.50	2.06	12/11/2012	15/01/2013	
Unicredit Tiriac Bank	RON			1,005,000		6.30	7,035.00	0.49	22/11/2012	21/01/2013	
Unicredit Tiriac Bank	RON			2,212,000		6.30	15,096.90	1.04	23/11/2012	22/01/2013	
Unicredit Tiriac Bank	RON			1,000,000		6.30	2,450.00	0.17	18/12/2012	17/02/2013	
Unicredit Tiriac Bank	RON			1,000,000		6.30	2,450.00	0.17	18/12/2012	17/02/2013	
Unicredit Tiriac Bank	RON			1,300,000		6.30	3,185.00	0.22	18/12/2012	17/02/2013	
Unicredit Tiriac Bank	EUR			6,336,274		4.25	62,711.75	4.34	08/10/2012	07/02/2013	
Banca Italo-Romena (RON equivalent)	EUR			13,286,100		4.00	93,184.70	6.45	29/10/2012	05/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			2,214,350		4.00	15,530.78	1.07	29/10/2012	05/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			1,249,336		4.00	8,762.47	0.61	29/10/2012	05/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			4,428,700		4.05	22,604.57	1.56	16/11/2012	17/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			2,214,350		4.05	11,302.29	0.78	16/11/2012	17/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			2,214,350		4.05	11,302.29	0.78	16/11/2012	17/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			664,305		4.05	3,390.69	0.23	16/11/2012	17/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			735,164		4.05	3,752.36	0.26	16/11/2012	17/02/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			1,107,175		4.05	1,619.24	0.11	19/12/2012	28/03/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			1,107,175		4.05	1,619.24	0.11	19/12/2012	28/03/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			1,107,175		4.05	1,619.24	0.11	19/12/2012	28/03/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			4,428,700		4.05	6,476.97	0.45	19/12/2012	28/03/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			1,107,175		4.05	1,619.24	0.11	19/12/2012	28/03/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			487,157		4.05	712.47	0.05	19/12/2012	28/03/2013	
Banca Intesa Sanpaolo (RON equivalent)	EUR			885,740		4.05	1,295.39	0.09	19/12/2012	28/03/2013	



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12. STRUCTURE OF BANK DEPOSITS (CONTINUED)

Name	Account symbol	Deposit AMOUNT		INTEREST AS AT 31.12.2012		Share in total interest	Date of Deposit	Maturity
		Maturity <60 zile	Maturity >60 zile	%	Amount			
Banca Intesa Sanpaolo (RON equivalent)	EUR		2,214,350	4.05	1,992.91	0.14	24/12/2012	28/03/2013
Transilvania (RON equivalent)	EUR		4,322,903	4.15	72,258.51	5.00	09/08/2012	08/01/2013
<b>Total Bank Deposits (I)</b>		<b>448,000</b>	<b>124,431,479</b>		<b>1,444,894.38</b>	<b>100.00</b>		
Ministry of Finance	RON		9,074,696	5.53	242,551.50	100.00	11/07/2012	09/06/2013
<b>Total Treasury (II)</b>		<b>0</b>	<b>9,074,696</b>		<b>242,551.50</b>	<b>100.00</b>		
<b>TOTAL (I+II)</b>		<b>448,000</b>	<b>133,506,175</b>		<b>1,687,445.88</b>			



**SIF Banat-Crişana SA**  
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**13. STRUCTURE OF GROSS INCOME**

	Year ended 31 December 2012	Year ended 31 December 2013
1 Revenues from long term financial investments (domestic-external dividends)	14,106,496	18,339,692
2 Revenues from short term financial investments	223,452	213,365
3 Revenues from long term receivables	-	-
4 Revenues on disposal of financial investments <sup>1</sup>	118,856,410	98,974,344
5 Revenues from commissions for works and services	-	-
6 Foreign exchange gains	4,753,742	7,035,664
7 Interest income	9,104,342	6,489,121
8 Bad debts written off subsequently collected	-	-
9 Capitalised costs of non-current assets	-	-
10 Write back of provisions <sup>2</sup>	10,862,121	9,307,046
11 Other revenues		
- From studies and research	-	-
- From rental and royalty	64,304	73,974
- From sundry activities	-	-
- From subsidies	-	-
- From other revenues	373,774	616,729
- From discounts received	-	335
- From other financial revenues	788,141	1,044,205
12 Revenues from subsidies for extraordinary events and other similar revenues	-	-
<b>13 TOTAL REVENUES</b>	<b>159,132,782</b>	<b>142,094,475</b>

<sup>1</sup> Revenues on disposal of financial investments include revenues from disposal of long-term financial investments in the amount of RON 87,768,906 (2012: RON 118,015,152) and gains from disposal of short-term financial investments in the amount of RON 11,205,438 (2012: RON 841,258).

<sup>2</sup> Write back of provisions include reversal of impairment losses on financial non-current assets and depreciation of current assets in the amount of RON 4,753,046 (2012: RON 8,277,121) and write back of provisions in the amount of RON 4,554,000 representing reversal of provisions for incentives for achieving profit (2012: RON 2,585,000).





**SIF Banat-Crişana SA**  
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14. STRUCTURE OF EXPENSES	Year ended 31 December 2012	Year ended 31 December 2013
Losses on receivables from associates	-	-
Losses on disposal of financial investments	15,637,769	16,301,174
Fees and commissions expense <sup>3</sup>	2,367,196	3,289,654
Foreign exchange loss	3,458,076	5,590,787
Interest expense	-	-
Expenses with bank services and similar charges	44,870	55,298
Bad debt written off and various debtors	124,095	13,296
Expenses with depreciation and provisions <sup>4</sup>	5,445,043	6,736,079
Expenditure on third parties		
- maintenance and repairs	131,039	64,118
- rent and royalties	95,121	143,865
- insurance premiums	46,388	37,270
- research and studies	-	-
- advertising and protocol	339,988	165,016
- transport of goods and people	71	591
- travel, postings, transfers	232,259	333,457
- postal and telecommunication	135,515	141,169
- other third party services	645,376	639,894
- other expenses	405,677	622,094
- expenses with discounts granted	-	-
- other financial expenses	1,096,241	492,066
Other duties, taxes and similar payments	108,648	213,863
Other expenses:		
- consumables	149,731	122,100
- inventory	38,801	13,178
- materials, other than inventory	88,712	57,212
- energy and water	182,466	177,786
- expense with liberal professions	-	-
- salaries	9,106,532	13,170,415
- meal tickets	168,291	149,158
- social security	2,240,587	2,618,284
Expenditure on disasters and extraordinary events	-	-
Income tax	16,330,246	10,802,701
Tax expenses, other than mentioned above	-	-
<b>TOTAL EXPENSES</b>	<b>58,618,738</b>	<b>61,950,525</b>

<sup>3</sup> Fees and commissions expenses include amounts owed to the depository company, to the company providing registry services, the commission of 0.1% of the net assets due to FSA, fees for the transactions performed by the financial investment services companies, audit fees, fees for bailiffs and other expenses with fees and commissions.

<sup>4</sup> Expenses with depreciation and provisions include provision charges amounting to RON 0 (2012: RON 4,554,000), depreciation expenses of tangible and intangible assets amounting to RON 310,877 (2012: RON 365,228) and the expense on adjustments for loss of value of financial assets related to companies in liquidation, reorganizing or insolvency, that are expected to be permanent and a return of the financial position of these companies is not expected, amounting to RON 6,425,202 (2012: RON 525,815).

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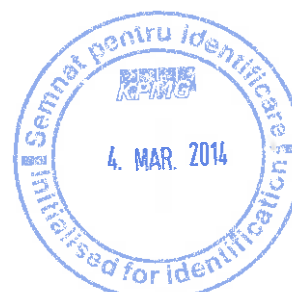


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**15. Cash and cash equivalents**

	<u>31 December 2012</u>	<u>31 December 2013</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Bank accounts	103,490	2,294,149
Petty cash	1,404	6,439
Cash prepayments and other values	<u>43,540</u>	<u>30,460</u>
<b>Total petty cash and bank accounts</b>	<u><b>148,434</b></u>	<u><b>2,331,048</b></u>
Bank deposits	124,879,479	87,946,851
Less deposits with a residual maturity of more than 3 months	<u>(897,000)</u>	<u>(70,619,855)</u>
<b>Total liquid bank deposits (Note 12)</b>	<u><b>123,982,479</b></u>	<u><b>17,326,996</b></u>
Bonds and securities	9,074,696	-
Less bonds and securities with a residual maturity of more than 3 months	<u>(9,074,696)</u>	<u>-</u>
<b>Total liquid bonds and securities (Note 12)</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Total cash and cash equivalents</b>	<u><b>124,130,913</b></u>	<u><b>19,658,044</b></u>

As at 31 December 2013 there are no restrictions on cash in bank accounts.



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**16. RESERVES**

As at 31 December 2013, the Company's reserves amount to RON 887,936,335 (2012: RON 713,787,332), and the retained earnings amounting RON 5,437,415 (2012: RON 5,437,415) include:

<b>2013</b>	<b>Gross amounts</b>	<b>Provisions for taxes Note 2(a)</b>	<b>Net amounts</b>
<b>A</b> Legal reserve	10,976,985		10,976,985
<b>B</b> Reserves for allowances for Impairment of financial assets	(108,676,608)		(108,676,608)
<b>C</b> Reserves for the value of non-current financial assets received at no cost	454,625,443	(20,301,927)	434,323,516
<b>D</b> Reevaluation surplus reserves	881,460		881,460
<b>E</b> Other reserves created as a result of Law no. 133/1996	145,486,088	(23,277,774)	122,208,314
<b>F</b> Other reserves - own funds	356,687,145		356,687,145
<b>G</b> Other reserves – tax incentives	19,832,945	(3,173,271)	16,659,674
<b>H</b> Other reserves, dividends prescribed	50,073,697		50,073,697
<b>I</b> Revaluation reserve	5,716,848	(914,696)	4,802,152
<b>J</b> Retained earnings	5,437,415		5,437,415
<b>Total</b>	<b>941,041,418</b>	<b>(47,667,668)</b>	<b>893,373,750</b>

<b>2012</b>	<b>Gross amounts</b>	<b>Provisions for taxes Note 2(a)</b>	<b>Net amounts</b>
<b>A</b> Legal reserve	10,976,985		10,976,985
<b>B</b> Reserves for allowances for impairment of impairment of financial assets	(120,044,305)		(120,044,305)
<b>C</b> Reserves for the value of non-current Financial assets received at no cost	396,361,392	(19,379,494)	376,981,898
<b>D</b> Revaluation surplus reserves from reevaluation reserves	640,612		640,612
<b>E</b> Other reserves created as a result of Law no. 133/1996	145,486,088	(23,277,774)	122,208,314
<b>F</b> Other reserves - own funds	256,173,101		256,173,101
<b>G</b> Other reserves – tax incentives	19,832,945	(3,173,271)	16,659,674
<b>H</b> Other reserves, dividends prescribed	45,186,589		45,186,589
<b>I</b> Revaluation reserve of current assets	5,957,694	(953,230)	5,004,464
<b>J</b> Retained earnings	5,437,415		5,437,415
<b>Total</b>	<b>766,008,516</b>	<b>(46,783,769)</b>	<b>719,224,747</b>

<sup>1</sup>TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version



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**16. RESERVES (CONTINUED)**

**A. Legal reserve**, amounting to RON **10,976,985** (2012: RON **10,976,985**), are set up in accordance with Law 31/1990, through the allocation of 5% of accounting profit (calculated in accordance with Romanian accounting standards) until the reserve fund reaches 20% of the share capital. In 2006 the reserve reached 20% of the Company's share capital.

**B. Reserves for allowances for impairment of financial assets** consist of adjustments for impairment of financial assets amounting to RON **(108,676,608)** resulting from the measurement of the portfolio at inventory value as at 31 December 2013 and from the recognition of impairment allowances as the difference between the higher book value and the fair value determined in accordance with the NSC Measure no 23/20.12.2012 (2012: RON (120,044,305)).

**C. Reserves for the value of non-current financial assets received at no cost** consist of the value of shares received at no cost amounting to RON **434,323,516** (2012: RON 376,981,898) that include:

- the value of shares acquired as a result of the share capital increase by incorporation of elements of equity in amount of RON **106,585,112** (2012: RON 101,742,355). The provision for income taxes for these reserves amounting to RON **20,301,927** (2012: RON 19,379,494) was deducted from the gross amount of these reserves amounting to RON **126,887,039** (2012: RON 121,121,849) and was calculated at a rate of 16%, in force since 1 January 2005;
- The difference between the issuance value of Erste Group Bank AG Viena shares and BCR shares that the Company increased the share capital of Erste Group Bank AG Viena, in amount of RON **253,654,535** (2012: RON 275,239,543);
- difference resulting from the exchange of shares, the value of the shares acquired in the company SIF Imobiliare PLC Cyprus and the value of disposed shares of 18 companies with activity in real estate, amounting to RON 74,083,869 (2012: 0 RON)

**D. Reserves representing realized revaluation surplus**, amounting to RON **881,460** (2012: RON 640,612) represents the revaluation reserve of tangible assets disposed of.

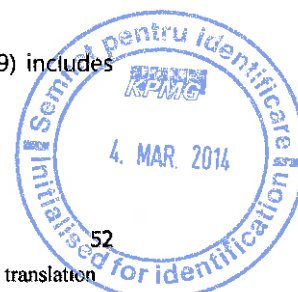
**E. Other reserves – resulted from the application of Law no. 133/1996**, amounting to RON **122,208,314** (2012: RON 122,208,314). The provision for income taxes for these reserves amounting to RON **23,277,774** (2012: RON 23,277,774) was deducted from the gross amount of these reserves amounting to RON **145,486,088** (2012: RON 145,486,088) and was calculated at a rate of 16%, in force since 1 January 2005.

**F. Other reserves - own funds**, amounting to RON **356,687,145**, which were setup from the net profit based on the approval of the General Meeting of Shareholders (2012: RON 256,173,101).

**G. Other reserves – tax incentives** amounting to RON **16,659,674** (2012: RON 16,659,674).

The provision for income taxes for these reserves amounting to RON **3,173,271** (2012: RON 3,173,271) was deducted from the gross amount of these reserves amounting to RON **19,832,945** (2012: RON 19,832,945) and was calculated at a rate of 16%, in force since 1 January 2005.

**H. Other reserves – prescribed dividends** totaling RON **50,073,697** (2012: RON 45,186,589) includes the value of uncollected dividends for the financial year prior to 2009 (inclusive).



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**16. RESERVES (CONTINUED)**

**I. Revaluation reserve** amounting to RON **4,802,152** (2012: RON 5,004,464) includes net revaluation of buildings, in accordance with regulations. Revaluation reserve represents the difference between the gross amount of RON **5,716,848** (2012: RON 5,957,694) and the provision for deferred taxes afferent to the revaluation amounting to RON **914,696**, calculated at a rate of 16% (2012: RON 953,230).

**J. Retained earnings** amounting to RON **5,437,415** represents favorable retained earnings from the first time adoption of IAS, except IAS 29 (2012: RON 5,437,415).

**17. RELATED PARTIES TRANSACTIONS**

During 2013 the Company, given the nature of the business, conducted financing transactions with related parties through participation in portfolio companies (Calipso SA Oradea 6.2 Mil RON, Azuga Tourism SA Bucharest 9.2 mil RON and SIF Imobiliare PLC 44.8 Mil RON) and the purchase of bonds issued by the company Romenergo SA Bucharest worth 26.9 mil RON.

**18. FINANCIAL RISKS**

By the nature of the business, the Company is exposed to various risks, including: market risk, credit risk, liquidity risk, cash flow risk, operational risk, taxation risk and the risk related to the economic environment.

- a. **Market risk** includes foreign exchange risk, interest rate risk and market price risk

**Foreign exchange risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to variations in exchange rates.

In 2013 the company performed transactions in RON and foreign currency. The Romanian currency has fluctuated compared to the EURO and USD, registering a depreciation compared with the other currencies at the end of the year.

The financial instruments used give the possibility of conserving the value of the monetary assets held in RON, by making placements and receiving interest based on due dates.

In 2013 and 2012 the company didn't perform any transactions with derivatives.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk consists of the risk of fluctuation in the value of a particular financial instrument due to changes in interest rates and the risk of differences in maturity between interest-bearing financial assets and interest-bearing debts used to finance those assets.

The period over which the interest rate remains fixed for a financial instrument indicates, therefore, to what extent the instrument is exposed to interest rate risk. Financial instruments bear interest at market rate, therefore it is considered that fair values are not significantly different from book values.

Most financial assets of the Company are in stable currencies whose interest rates are unlikely to vary significantly.



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**18. FINANCIAL RISKS (CONTINUED)**

**Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changing market prices, irrespective whether those changes are caused by factors specific to individual instruments or their issuer, or the changes are caused by factors affecting all instruments traded on the market.

In 2013 the stock exchange capitalization has increased compared with 2012.

Given that the company has in its portfolio a high number of listed shares, it has been adversely affected by price risk.

**b. Credit risk**

Credit risk is the risk that one of the parties to a financial instrument will fail to meet an obligation, which will cause the other party to record a financial loss

Financial assets which potentially subject the Company to concentrations of credit risk include mainly receivables from the core activity. They are presented net of adjustments for doubtful debts. The Company's management closely and constantly monitors the exposure to credit risk in order to reduce losses due to credit concentration in a particular sector or area of activity.

**c. Liquidity risk**

Liquidity risk is the risk that an enterprise has difficulties in accumulating funds to meet its commitments associated with financial instruments.

The Company keeps track of the evolution of liquidity in order to be able to pay obligations on the date they are due. Assets and liabilities are analyzed according to the time remaining until contractual maturity in Note 5 "Statements of receivables and payables".

**d. Cash flow risk**

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in size. In case of a financial instrument with a floating rate for example, such fluctuations will result in a change of the effective interest rate of the financial instrument, usually without any changes in its fair value.

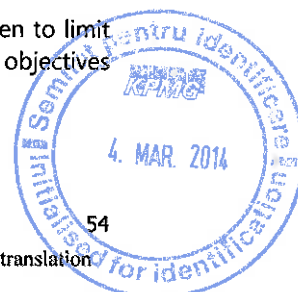
By the nature of its activity, the Company is not subject to a serious risk of changing the projected cash flow, both from financial instruments fluctuation and the interest rate changes.

**e. Operational risk**

Operational risk is the risk of direct or indirect loss record resulting from a wide range of factors associated to the processes, staff and internal systems of the Company or from external factors (other than credit risk, market risk or liquidity risk) such as those from legal and regulatory requirements and generally accepted standards of investment management. The operational risk is resulting from all activities of the Company.

The Company's objective is to manage the operational risk so as to balance the measures taken to limit the financial losses and the damage of its reputation and the implementation of the investment objectives which generates income from investors.

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**18. FINANCIAL RISKS (CONTINUED)**

**f. Taxation Risk**

Since January 1, 2007, following Romania's accession to the European Union, the Company must comply with EU regulations, and therefore has prepared to implement EU law. The company has implemented these changes, but the method of implementation remains open to fiscal controls for 5 years.

The interpretation of the texts and practical implementation of new procedures for tax regulations, could change and it may be the risk that in some cases the tax authorities to adopt a different position from the Company.

In addition, the Romanian Government has a number of agencies authorized to audit (control) companies operating in Romania. These controls are similar to tax audits in other countries, and can cover not only the tax issues, but also other legal and regulatory issues of interest to these agencies. It is possible that the Company will be the subject of the fiscal controls on issuance of new tax rules so far.

**g. Economic environment risk**

The process of risk repricing on international financial markets in recent years has severely affected their performance, including the financial market in Romania, leading to increased uncertainty about future economic developments.

The effects of the international financial crisis were also felt on the Romanian financial market particularly in the form of: significant increase of non-performing loans volume in the local banking system, making access to finance more difficult both for population and economic agents, banks aiming more towards financing of the state authorities through purchases of government bonds rather financing economic and consumption development, national currency depreciation, lower real estate prices, the negative evolution of macroeconomic indicators (inflation, budget deficit, current account deficit, decrease of foreign direct investment, rising unemployment etc.)

SIF Banat-Crisana's management cannot predict all the effects of the crisis affecting the financial sector in Romania, but considers that in 2013 has adopted the measures necessary for sustainability and development of the Company in existing financial market conditions, by monitoring cash flows and adequacy of the investment policies.

The avoidance of risks and mitigation of their effects are provided by the Company through an investment policy that complies with prudential rules imposed by laws and applicable regulations.

SIF Banat-Crisana adopted risk management policies through which an active management is performed, being applied specific procedures for the identification, assessment, measurement and control of risks, in order to provide reasonable assurance regarding the objectives of Company, a constant balance between risk and expected profit being sought.

The risk management process aims: (i) identification and assessment of significant risk with impact in meeting the investment objective and activities development to counter the risks identified, (ii) adapting the risk management policies to the financial developments of the capital market, performance monitoring and improvement of risk management procedures, (iii) reviewing investment decisions in relation to capital market development, (iv) compliance with current legislation.

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**19. CONCENTRATION OF EXPOSURE**

**a. Bank deposits**

As at 31 December 2013 Company's exposure to banks was as follows

Bank	Weight in total deposits	Amounts as at 31 December 2013	Weight in total deposits	Amount as at 31 December 2012
Intesa Sanpaolo Bank	79.9%	70,246,851	46.1%	57,549,302
Unicredit Tiriac Bank	15.9%	14,000,000	11.6%	14,521,000
Banca Transilvania	4.2%	3,700,000	15.8%	19,667,903
Banca Italo-Romana	-	-	26.5%	33,141,274
<b>Total</b>	<b>100%</b>	<b>87,946,851</b>	<b>100%</b>	<b>124,879,479</b>

**b. Non-current financial assets**

As at 31 December 2013 and 31 December 2012, the Company's exposure to financial companies in which it had participations at a significant book value, was as follows:

Company	Share of total assets	Amount as at 31 December 2013	Share of total assets	Amount as at 31 December 2012
Erste Group Bank AG Viena	26.79%	301,047,529	33.29%	326,665,506
SIF Imobiliare PLC Cipru	12.92%	145,229,633	-	-
Banca Transilvania	10.44%	117,365,267	10.56%	103,643,354
Vrancart SA Adjud	5.77%	64,837,896	6.09%	59,742,235
Biofarm SA București	4.47%	50,197,421	4.65%	45,669,890
Calipso SA Oradea	4.45%	49,958,894	4.43%	43,442,739
Banca Română pentru Dezvoltare	3.44%	38,692,175	4.35%	42,655,715
Azuga Turism SA	2.63%	29,520,290	-	-
Mechel SA Campia Turzii	2.38%	26,694,118	2.72%	26,694,118
Napomar SA Cluj	2.30%	25,864,965	2.64%	25,864,965
Mopal SA Bistrița Năsăud	1.80%	20,197,562	2.06%	20,197,562
OMV Petrom SA	1.42%	16,000,395	1.63%	16,000,395
ArcelorMittal SA Hunedoara	1.32%	14,803,188	1.51%	14,803,188
IAMU Blaj	1.22%	13,687,863	1.39%	13,687,863
Ario Bistrița	1.16%	13,034,523	1.33%	13,034,523
Gaz Vest SA Arad	0.93%	10,506,800	1.07%	10,506,800
Turbomecanica SA București	0.91%	10,226,242	1.04%	10,226,242
<b>Total</b>	<b>84.35%</b>	<b>947,864,761</b>	<b>78.76%</b>	<b>772,835,095</b>





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**20. CONTINGENT LIABILITIES**

**Litigations**

As at 31 December 2013, the Company was involved in 153 litigations in Court trial. The Company is the claimant in 112 litigation cases, the defendant in 37 de litigii, and in 4 of the ligation cases the Company is the intervening party.

In most of the litigation in which the Company is a claimant, have as object the annulment of certain decisions of the General Shareholders' Meetings of portfolio companies, recovery of overdue dividends or bankruptcy procedures of portfolio companies.

Concerning the litigations in which the Company is the defendant, the object of the litigations relies on making an offer to SC ARGUS SA Constanta, or other demands based on the legal acts performed during the privatization process.

**21. INFORMATION REGARDING THE IMPAIRMENT ALLOWANCES AS A RESULT OF THE APPLICATION OF ARTICLE 81, PARAGRAPH 5 FROM THE ORDER NO. 13/2011**

As a result of the application of article 81, paragraph 5 from the Order no. 13/2011, the Company recognized directly in equity to "Reserves from impairment allowances of financial assets" the adjustments for impairment of financial assets starting with 2008.

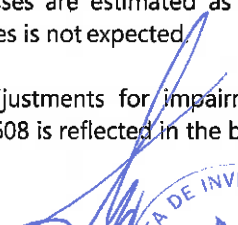
The movement for the adjustments for impairment related to financial assets for 2013 is given below:

<b>Initial balance as at 01 January 2013</b>	<b>(120,044,305) RON</b>
Increases during 2013 financial year	(15,962,730) RON
Decreases during 2013 financial year	(27,330,427) RON
<b>Balance as at 31 December 2013</b>	<b>(108,676,608) RON</b>

Increases recognized during 2013 include adjustments for impairment as at 31 December 2013 as the difference between the higher book value and the fair value determined according to NSC Measure no. 23/20.12.12.

Decreases for impairment adjustments include adjustments related to non-current financial assets disposed from Company's portfolio during 2013 and reversals related to non-current financial assets for which the fair value increased as at 31 December 2013 amounting to RON 23,600,478, as well as the transfer to the profit and loss account in the amount of RON 3,729,949, representing the adjustments made companies in proceedings of winding up, restructuring and insolvency, because these losses are estimated as being permanent and a return of the financial position of these companies is not expected.

Value adjustments for impairment of financial assets at the end of 2013 amounted to RON 108,676,608 is reflected in the balance sheet 69 "Reserves for allowances for impairment of financial assets".

  
Dragoş-George Bîlteanu  
Chairman - General Director



  
Ştefan Doba  
Director of Economic Department

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