



SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

CONSOLIDATED REPORT

OF THE BOARD OF DIRECTORS

— FOR THE YEAR ENDED DECEMBER 31, 2019 —

prepared pursuant to Law no. 24/2017 and ASF Rule no. 39/2015

this report is provided as a free translation from Romanian, which is the official and binding version

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ANNEX 1	The consolidated financial statements for the year ended December 31, 2019, prepared pursuant to Rule no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority (ASF) – Financial Instruments and Investments Sector – audited

1. GENERAL INFORMATION ON SIF BANAT-CRIȘANA GROUP

1.1 PRESENTATION OF THE GROUP

This report presents SIF Banat-Crișana's consolidated financial results for the year ended December 31, 2019, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, and ASF Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by ASF from the Financial Instruments and Investments Sector.

The Company's consolidated financial statements prepared for the year ended on December 31, 2019 include the Company and its subsidiaries (hereinafter referred to as "Group"). For the financial year 2018, the Group comprises SIF Banat-Crișana (parent company), SAI Muntenia and Administrare Imobiliare.

1.2 ENTITIES INCLUDED IN THE CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by the Company. The control exists when the Company is exposed or has rights to the variable return based on its participation in the investee entity and could influence those revenues through its authority over the entity in which it invested. When assessing control, potential voting rights that are exercisable or convertible at that time are considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the moment the exertion of control begins and until its termination. Accounting policies of subsidiaries have been changed to align them with those of the Group.

The list of investments in subsidiaries as at December 31, 2019 and December 31, 2018 is as follows:

No.	Company name	Stake held (%)	
		December 31, 2019	December 31, 2018
1	(SIF Imobiliare PLC Nicosia)	99.99	99.99
2	(SIF SPV Two Bucharest)	99.99	99.99
3	SAI Muntenia Invest SA Bucharest	99.98	99.98
4	(Napomar SA Cluj-Napoca)	99.43	99.43
5	(SIF Hoteluri SA Oradea)	99.00	99.00
6	(Azuga Turism SA Bucharest)	98.94	98.94
7	Administrare Imobiliare SA Bucharest	97.40	97.40
8	(Silvana SA Cehu Silvaniei)*	96.28	96.28
9	(Iamu SA Blaj)	76.70	76.70
10	(Vrancart SA Adjud)	75.06	75.06
11	(Somplast SA Bistrița)	70.75	70.75
12	(Central SA Cluj)	67.08	63.51
13	(Uniteh SA Timișoara)**	36.34	33.81
14	(Ario SA Bistrița)***	93.64	93.64

Note: The subsidiaries shown in brackets in the table above were excluded from the consolidation starting January 1, 2018.

* The company Silvana SA Cehu Silvaniei has filed the application to open the insolvency procedure, on December 17, 2019, admitted by the Court on December 19, 2019.

** Uniteh SA is owned by 50.7% by SIF Imobiliare Plc Nicosia (2018: 50.7%).

*** The company Ario SA Bistrița is in bankruptcy, so the voting rights held by SIF Banat-Crișana do not give authority over the investee entity and is therefore excluded from the consolidation.

In order to remove the subsidiary from consolidation, the Company proceeded to: (i) derecognise the assets (including any goodwill) and the debts of the consolidated subsidiaries and the carrying amount of non-controlling interests in these subsidiaries, (ii) reclassification to profit or loss or to retained earnings of the values recognized in other comprehensive income for deconsolidate entities and (iii) recognition of any difference resulting as gain or loss in the profit or loss attributable to the Company.

The impact on the consolidated financial statements as of December 31, 2018 as a result of the elimination from the consolidation of the subsidiaries is summarized in the table below:

The difference from deconsolidation associated entities (RON)	26,325,355
Gain / (Loss) on loss of control over subsidiaries (RON)	(17,809,885)
Total result of excepting from consolidation according to IFRS 10 – gain (RON)	8,515,470

Associated entities

Associated companies are those companies in which the Company can exercise significant influence, but not the control on the financial and operating policies.

The number of entities in which the Company holds stakes between 20% and 50% on which exert significant influence, and which fall within the scope of consolidation are Biofarm and Gaz Vest.

	Name of the company	Stake held (%)	
		December 31, 2019	December 31, 2018
1	Gaz Vest SA Arad	25.82	25.82
2	Biofarm SA Bucharest	36.75	23.22

SIF Banat-Crişana has representatives on the Board of Directors of the two entities Biofarm and Gaz Vest and participates in the elaboration of their policies.

Starting with the year 2018 following the application of IFRS 10, the Company measures these holdings at fair value through profit and loss.

Transactions removed from consolidation

Settlements and transactions within the Group, as well as unrealized profits resulting from transactions within the Group, are completely removed from the consolidated financial statements.

The following accounting policies have been applied consistently over all periods presented in these consolidated financial statements. Accounting policies have been consistently applied by all Group entities.

2. PRESENTATION OF THE ENTITIES WITHIN THE GROUP

2.1 INFORMATION OF THE ACTIVITY OF SIF BANAT-CRIȘANA

COMPANY NAME	Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none">▪ closed-end investment company self-managed, with a diversified investment policy investment policy, endorsed by the Financial Supervisory Authority by Endorsement no. 258 / 14.12.2005 and as AIFM with Authorization no. 78/09.03.2018, equivalent to closed-ended AIF▪ set-up as a joint stock company in November 1996 pursuant to the provisions of Law no. 133/1996 for the conversion of the Private Property Funds (FPP) into Financial Investment Companies (SIF)▪ Romanian legal entity with private capital
SHARE CAPITAL	<ul style="list-style-type: none">▪ RON 51,746,072.40 – subscribed and paid-in capital▪ 517,460,724 shares issued; 514,542,363 outstanding shares▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none">▪ Number in Trade Register J02/1898/1992▪ Tax Identification Code RO 2761040▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018▪ Number in ASF SIIRS Register PJR09SIIR/020002/2006▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except for insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499): <ul style="list-style-type: none">▪ carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force;▪ management of investment portfolio and exercising all of the rights related to the instruments in which investments are made;▪ risk management;▪ other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category - ticker SIF1
FINANCIAL AUDITOR	Deloitte Audit S.R.L. starting with 2019 financial year (PricewaterhouseCoopers Audit S.R.L. for 2016 – 2018 financial years)
DEPOSITARY BANK	Banca Comercială Română (BCR) , starting with November 2019 (BRD - Groupe Société Générale during January 2014 – October 2019)
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	Arad , 35A Calea Victoriei, 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
BRANCH	SIF Banat-Crișana SA Arad-Bucharest branch-Rahmaninov 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

CONTACT Investor relations: email investitori@sif1.ro **tel** +40257 304 446

KEY FINANCIAL AND OPERATIONAL INFORMATION

FINANCIAL POSITION [RONm]			
	2017	2018	2019
Total assets, of which	2,488.15	2,452.94	2,926.68
Total financial assets	2,462.83	2,427.11	2,900.02
Equity	2,291.24	2,321.42	2,748.20
Total liabilities	196.91	131.52	178.47

FINANCIAL PERFORMANCE (IFRS) [RONm]			
	2017	2018	2019
Income	84.93	114.88	121.54
Gain on investment	3.31	(16.05)	75.95
Expenses	15.75	17.93	22.24
Gross profit	72.49	80.89	175.26
Net profit for the year	69.55	77.19	159.49

FINANCIAL INDICATORS [%]			
	2017	2018	2019
ROE (net profit / equity)	3.04	3.32	5.80
ROA (net profit / total assets)	2.80	3.15	5.45
Gross profit margin (gross profit / total income)	35.55	37.49	66.54

SHARES AND NET ASSET PERFORMANCE			
	2017	2018	2019
Share price (year end, in RON)	2,770	2.0400	2.7300
Net asset value* / share (RON)	5.0111	4.3067	5.2959
PER**	20.7	13.7	8.9
Dividend / share (RON)	-	-	***
Accounting net asset / share (RON)	4.4062	4.4863	
Nominal value of share (RON)	0.1	0.1	0.1
Number of issued shares	520,000,000	517,460,724	517,460,724
Number of outstanding shares	517,460,724	517,371,068	514,542,363

* calculated acc. to ASF regulations
** calculated using EPS for the average number of shares in the respective year
*** as per GMS decision

OPERATIONAL DATA				
	2016	2017	2018	2019
Number of employees, year end	38	37	34	34
Number of branch offices	1	1	1	1

SHAREHOLDING STRUCTURE as at December 31, 2019		
	number of shareholders	stake
Romanian individuals	5,747,210	39.80%
Non-resident individuals	2,055	0.33%
Romanian legal entities	147	38.04%
SIF Banat-Crişana (treasury stock)*	1	0.56%
Non-resident legal entities	31	21.26
TOTAL	5,749,444	100%

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MILESTONES OF SIF BANAT-CRIȘANA'S ACTIVITY IN 2019

Portfolio management

SIF Banat-Crișana's investment strategy targets the maximizing of portfolio performance, thus increasing the value of the managed assets and the investment income.

SIF Banat-Crișana's objective is the efficient management of a diversified portfolio comprised of high-quality assets, capable of providing a steady flow of revenues, preservation and medium-term capital growth, in order to increase the value for shareholders and obtain as high yields for the capital invested.

The strategic allocations by asset classes and within each class are based on assessments of the individual attractiveness of investment opportunities, under the existing conditions on the macroeconomic and market environment.

Investments are performed over a specified period, complying to the regulated prudential terms, under appropriate risk monitoring and control, to ensure a steady balance of risk and expected return. The investment decision-making process is formalized through internal procedures and the levels of competence approved by the company's Board of Directors.

SIF Banat-Crișana has under management a complex portfolio, consisting of the following main categories of financial instruments: shares, bonds fund units. The company applies an exit strategy tailored to the specificity of each investment, defined based on the applied strategy, investment objectives and the conditions (that trigger) of the exit transaction.

The differentiated approach addressed by the Company for each of its shareholding aims at capitalizing on an aggregate return, generated by dividend gain and capital gain.

The execution of the various exit strategies is adapted and correlated with a series of internal and external factors, such as: general economic prospects, bull or bear evolution of the Bucharest Stock Exchange, the liquidity of the listed securities and the daily trading volumes, the regionality of small businesses, access (interest) barriers, depending on the ownership structure, SIF Banat-Crișana's need of liquidity.

Lines of action in portfolio management:

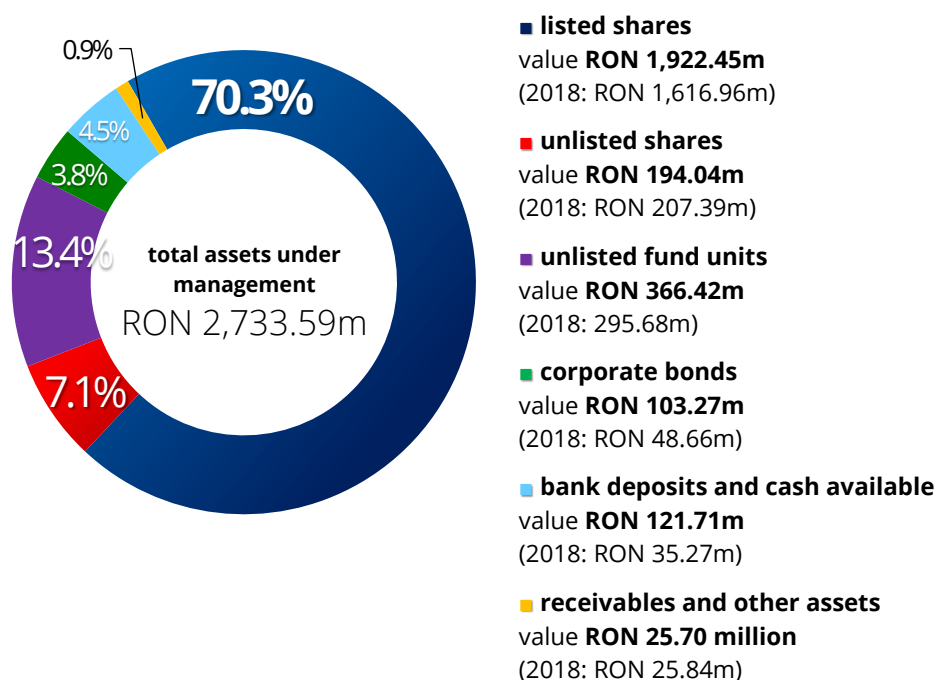
- creating a varied portfolio comprised of assets capable of achieving the targeted returns at the level of risk assumed;
- increasing the quality of the portfolio, as a basis for its value growth and its capacity of constantly generating income;
- management and development of the portfolio to adapt to the overall risk profile;
- developing the specific areas of expertise that form the basis of our operations;
- improving corporate governance practices.

The net asset value (NAV) of SIF Banat-Crișana, key indicator for Company's performance, amounted to **RON 2,724,969,019** as at December 31, 2019, up 22.30% compared to the value for the 2018-year end, of **RON 2,228,169,271**. Net asset value per share (NAV/S) was of **RON 5.2959**, vs. **RON 4.3067** as at December 31, 2018.

The monthly net asset values were calculated by SIF Banat-Crișana during 2019 pursuant to the regulations issued by the Financial Supervisory Authority (ASF). The calculated values for NAV were certified by the depositary bank of Company's assets – during January – October 2019 BRD - Groupe Société Générale, and for November – December 2019 Banca Comercială Română. The monthly reports for the calculation of NAV were submitted to the Bucharest Stock Exchange and ASF – Securities and Financial Investment Sector and were published on SIF Banat-Crișana's website - www.sif1.ro - no later than 15 calendar days from the end of the reporting month.

The prudential limits applicable to investments performed by the Company are set by Law no. 297/2004 regarding the capital market, amended and supplemented by GEO no. 32/2012 and CNVM Regulation no. 15/2004 regarding authorization and operation of asset management companies, collective investment undertakings and depositories.

ASSETS UNDER MANAGEMENT as at December 31, 2019
breakdown on classes (weight on total assets)



Note: values calculated as at December 31, 2019, acc. to ASF Regulations no. 9/2014, no. 10/2015 and no. 2/2018

Throughout 2019, SIF Banat-Crişana's portfolio of assets fell within the holding limits set by the ASF regulations.

As at December 31, 2019, the value of SIF Banat-Crişana's stock portfolio reached RON 2,116m (2018: RON 1,824m) (calculated pursuant to ASF Reg. no. 9/2014, Reg. no. 10/2015, and no. 2/2018), having the dominant weight, of 77.42% of the total assets under management at 2019 year-end.

As at 2019-year end, SIF Banat-Crişana was *majority stakeholder* (with a stake above 50%) in 13 companies, (2018:13) with an aggregate value of RON 540.46 million (2018: RON 524.96 million), standing for 19.83% of NAV.

The companies where SIF Banat-Crişana holds majority stakes are under the careful analysis and monitoring of company's analysts, the managerial involvement from SIF Banat-Crişana focuses on: negotiating competitive performance objectives with the management teams; monthly assessment and analyse of results and supporting the implementation of some measures to increase efficiency of the activity; introducing good corporate governance practices, modern management techniques, and promotion of highly managerial teams; regular visits to companies and analyses, together with the management teams, of the results, prospects, opportunities and potential risks.

The most important holdings as per their weight in SIF Banat-Crișana's NAV are stakes in companies listed on regulated markets. An efficient portfolio management requires the adjustment of portfolios' structure and exposure to the current economic realities in order to achieve performant returns in relation to the assumed investment risks.

For an efficient portfolio management, the Company continuously analyses the dynamics of the Romanian economy and the domestic capital market, as well as the progress of macroeconomic and geopolitical factors, and foreign capital markets evolution that generate major effects on the development of the domestic capital market, to identify the risk factors that may devalue Company's portfolio.

Detailed information on SIF Banat-Crișana's activity in 2019 is presented in the Annual Report 2019 and the Standalone Financial Statements as of 31.12.2019 prepared under IFRS, available on the Company's website at www.sif1.ro.

2.2 INFORMATION ON THE ENTITIES INCLUDED IN THE CONSOLIDATION

SAI MUNTENIA INVEST SA Bucharest

SIF Banat-Crișana stake as at 31.12.2019: 99.98%

Societatea de Administrare a Investițiilor (Investment Management Company) Muntenia Invest SA ("SAI Muntenia Invest SA") was established in 1997, as a joint stock company, and entered in SIF Banat-Crișana's portfolio in 2013. SAI Muntenia Invest does not have subsidiaries, branches or places of business.

The company has as main object of activity (CAEN Code 6499 - Other financial intermediaries n.c.a.) the management of Undertakings Collective Investment in Transferable Securities (Romanian acronym: OPCMV) established in Romania or in another member state and the activity of managing alternative investment funds (AIF), in compliance with the provisions of the relevant legislation, having the authorization issued by ASF to operate as an investment management company (SAI). The activity of SAI Muntenia Invest is regulated and supervised by ASF.

Starting with 21.12.2017, SAI Muntenia Invest was registered as an alternative investment fund manager (AIFM) and was registered in the ASF Registry as registered AIFM. Thus, SAI Muntenia Invest can carry out both activities of management of Undertakings Collective Investment in Transferable Securities (Romanian acronym: OPCMV), as well as activities of alternative fund management (AIF), with reference to portfolio management and risk management.

In 2019, the Company's activity was carried out in compliance with the provisions of Law no. 31/1990 on trading companies, Capital Market Law no. 297/2004, Law no. 74/2015 regarding the managers of alternative investment funds, of ASF Regulation no. 9/2014, with subsequent amendments and changes, as well as in accordance with the provisions of its articles of incorporation and its own internal regulations.

The current activity of SAI Muntenia Invest SA carried out during 2019 was the management of SIF Muntenia and FDI Plus Invest.

The administration, the management of the portfolio of financial assets and performing financial investments for SIF Muntenia S.A. were executed in compliance with the legal provisions, with the provisions of the management contract concluded between the Company and SIF Muntenia S.A., of SIF Muntenia S.A. articles of association, as well as the provisions of the Management Program approved by the General Meeting of SIF Muntenia S.A. Shareholders, which took place in April 2019.

The open investment fund PLUS Invest operates under the authorization no. A/86/09.04.20014 issued by ASF and it is registered in the ASF Registry under no. CSC06FDIR/120092.

FDI Plus Invest has as its primary objective the long-term growth of the capital invested, using an integrated asset allocation and an optimization of the investment structure. Inflationary protection and low yield volatility are also objectives of the fund.

In 2019, the management of the Fund was carried out under conditions of continuity, in compliance with the Fund's documents and the legal regulations in force.

Changes in the legislative framework related to the sector of activity of SAI Muntenia Invest have demanded plentiful changes in the internal regulations and working procedures, as the preparing and approving of new procedures that implement the requirements of the legal provisions into the activity of the company.

During 2019, SAI Muntenia Invest did not invest in derivatives (traded on regulated markets, on organized trading systems *OTF* or outside markets (over the counter *OTC*) and did not use securities financing operations (SFTs) and total return swaps, defined by the EU Regulation 2365/2015, both for its own activity and in the activity of the collective investment bodies under its management.

Administrare Imobiliare SA Bucharest

SIF Banat-Crișana stake as at 31.12.2019: 97.398%

The company was established in 2007 under the name of "Dacia Meridian Express" having a portfolio of assets with which SIF Banat-Crișana withdrew its contribution from various trading companies from the counties of Arad and Bihor, namely: Aris SA Arad (in 2007), Amet SA Arad (in 2012) and Argus SA Salonta (in 2010).

In 2013, the company changed its name to Administrare Imobiliare SA and its headquarters is moved to Bucharest. In the same year, the company is incorporated into the holding SIF Imobiliare Plc., which holds a stake of 98.9% of its share capital.

The main activity of AISA is the business and management consulting activity, providing investment management services to all SIFI group companies (investment management, investment opportunities consultancy, management consultancy services and administrative).

As per its Articles of Incorporation, besides its main activity, AISA could provide other secondary activities, such as: 4110 real estate development (promotion), 6810 purchase and sale of own real estate properties, 6820 - Renting and sub-renting own or rented real estate properties.

In December 2018, as an investment opportunity in the real estate field emerged, a capital increase of AISA is operated, with cash contribution, to capitalize the company and to attract financing sources to capitalize on opportunities appeared on the real estate market. SIF Banat-Crișana is co-opted as shareholder, the cash contribution being of RON 40.12m. Following this transaction, SIF Banat-Crișana becomes a shareholder with a stake of 97.4% in the share capital of AISA while the stake of SIF Imobiliare Plc decreases to 2.6%.

The investment projects (amounting to RON 44.5m) intended by AISA at the time of the share capital increase were completed during 2019 and materialized in the purchase of a building S+P+4E, with an usable area of 1,792.11 sqm, related land of 1,792.11 sqm land in undivided share and an undivided area of the common spaces of 732.81 sqm located in Bucharest, 46-48 Serghei Vasilevici Rahmaninov Str., Sector 2 and a land of 30,447 sqm (with 17,646 sqm of constructions) located in Bucharest, 59 Șos. Vergului, Sector 2.

2.3 PERSPECTIVE ON THE ACTIVITY

SIF Banat-Crișana's investment strategy is to efficiently manage a diversified portfolio comprised of high-quality assets, capable of providing a steady flow of revenues, preservation and medium-term capital growth, in order to increase the value for shareholders and obtain as high yields for the capital invested.

An important element in the conduct of the activity is the promulgation, at the end of 2019, of the Law no. 243/2019 on the regulation of alternative investment funds and on the modification and completion of some normative acts (AIF Law), the law entering into force on January 24, 2020. This normative act aims to adapt the incident legislation of the non-UCITS (in Romanian AOPC) domain to the current European practice, by creating the national regulatory and classification framework for a new category of collective investment undertakings, namely alternative investment funds (AIFs).

The coming into force of this law is extremely important for SIF Banat-Crișana, as the Company, according to the provisions of the AFIM legislation, is qualified as a closed-end type alternative investment fund oriented to retail investors.

Recent and accelerated developments of the global situation caused by Covid-19 outbreak, together with the impact on social and economic level and their implications on Romania, could significantly impact the financial performance of the company during the financial year 2020. At this stage, the management is not able to reliably assess the financial impact, given that the events are in an unpredictable progress from day to day.

Although the current situation may affect in the long term the volumes traded, the cash flows and the profitability, both of the Company itself and of the companies in which it holds stakes, the management makes it clear that the Company maintains a solid financial position and will make all the necessary efforts to take the best decisions for the company and for the benefit of its shareholders.

Analysing the factors and elements generating effects on the investment activity and on the areas on which SIF Banat-Crișana has exposures, the main objectives for 2020 address:

- Improving the quality of the portfolio by investment projects in areas of economy with good perspectives, in conditions of optimizing the risk – return balance;
- Further restructuring the existing portfolio with an aim to reduce exposure in minority-stake companies that do not fit in the Company's investment strategy;
- Active involvement in majority-owned companies to improve their business and performance;
- Productive portfolio management and maximizing its performance, meeting all regulatory requirements;
- Adapting to the major economic challenges;
- Maintaining the transparency and the good corporate governance;

3. SUMMARY OF CONSOLIDATED FINANCIAL DATA FOR THE GROUP AS AT 31.12.2019

The consolidated financial statements were prepared ASF Rule no. 39/2015 for the approval of Accounting Regulations applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority (ASF) in the Sector of Financial and Investment Instruments.

3.1 BASES OF PRESENTATION OF CONSOLIDATED STATEMENTS

The Group adopted a presentation based on liquidity in the consolidated statement of financial position and a presentation of revenues and expenses by their nature in the consolidated statement of comprehensive income, considering that these presentation methods provide information which is credible and relevant those that would have been presented under other methods permitted by IAS 1 "Presentation of Financial Statements".

The consolidated financial statements are prepared using the fair value convention for financial assets and liabilities at fair value through profit or loss and financial assets available for sale, tangible assets such as land and buildings, investment property, except for those for which the fair value cannot be reliably established.

The consolidated financial statements have been prepared using the going concern principle, which implies that SIF Banat-Crișana and the companies in the portfolio will be able to dispose of their assets and meet their obligations in the course of business.

During Q1 2018, based on the information available as at December 31, 2017, the Company reviewed the criteria for its classification as an investment entity and concluded that they were met. As per IAS 27 and IFRS 10, starting with the financial year 2018, the Company measures all its subsidiaries at fair value through profit or loss, except for subsidiaries providing investment-related services, that will further be consolidated. Furthermore, in May 2019, the Company reviewed the analysis on meeting the classification as investment entity criteria, concluding that they are met, and will also apply the exception provided by IFRS 10 regarding the investment entities for the financial statements for the financial year 2019.

In order to remove the subsidiaries from consolidation, the Company proceeded to: (i) derecognise the assets (including any goodwill) and the debts of deconsolidated subsidiaries and the book value of non-controlling interests in these subsidiaries, (ii) reclassification to profit or loss or retained earnings of recognized values in other comprehensive income for the deconsolidated subsidiaries and (iii) recognition of any difference resulting in profit or loss in the profit or loss attributable to the Company.

Thus, the Company applied the Amendments to IFRS 10 on Investment Entities from the financial year 2018, when following the review of the criteria presented by the Amendments, the Company's management concluded that the Company qualifies as an investment entity. Thus, the Company amended the accounting policy for its investments in subsidiaries and associates, measured at fair value through profit or loss. Changes in accounting policies are prospectively applied from the date of the change in accordance with the provisions of IFRS 10.30.

3.2 CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (extract from the accompanying consolidated financial statements)

[in RON]	December 31, 2019	December 31, 2018
Revenues		
Dividend income	101,530,735	102,476,153
Interest income	6,378,244	4,748,665
Other operating revenues	30,946,353	19,995,650
Gain/(Loss) on investment		
Gain / Loss) on investment property	384,618	166,163
Gain / Loss) on foreign exchange	1,885,807	89,735
Gain / Loss) on financial assets at fair value through profit and loss	74,073,706	(6,434,805)
Loss from sale of assets	-	(1,282,416)
Expenses		
Reversals / (provisions) for risks and expenses	(1,615,730)	162,398
Reversals / (adjustments) for impairment of current assets	(32,095)	129,218
Interest expenses	(410,275)	(19,456)
Commissions expenses	(3,322,619)	(3,248,490)
Other operating expenses	(31,805,408)	(27,066,243)
Profit before tax	178,013,337	89,716,572
Income tax	(19,271,605)	(4,954,904)
Net profit for the financial year	158,741,732	84,761,668
Profit is attributed to:		
Parent company	158,739,125	84,757,115
Non-controlling interests	2,607	4,553
Total profit for the period	158,741,732	84,761,668
Other comprehensive income	282,057,911	(86,845,117)
Total other comprehensive income for the period	440,799,644	(2,083,449)
Result per share		
Basic	0.3072	0.1637
Diluted	0.3072	0.1637

Structurally, Group's revenues in 2019 are the result of the dividends collected from the parent company's holdings (73% of the total operating revenues) and the income earned by subsidiaries from the investment management activity (administration fee), including the performance commission, which explains the increase of *Other operating revenues* compared to the previous year.

The increase in the Gain/(Loss) on investments vs. the previous year is due to the recognition of the differences in value related to the assets valued at fair value through profit or loss (shares in deconsolidated subsidiaries, shares in associates, holdings in fund units and corporate bonds).

Operating expenses comprise the total operating expenses (remuneration, fees and commissions etc.) incurred by the Group's investment management activity. Their structure and details are presented in the notes to the consolidated financial statements accompanying this report.

Other comprehensive income includes both gain on transactions recognized directly in equity (retained earnings) and the effect of fair value measurement of the Group's securities portfolio. Both the gain from transactions and the Change in the fair value of financial assets are mostly attributable to the parent. The favourable progress of this component over the previous year is the effect of the significant growth of the fair value of portfolio of financial assets at fair value through other comprehensive income listed on stock exchange (stakes in banks and energy companies), during 2019.

3.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(extract from the accompanying consolidated financial statements)

[in RON]	Note	December 31, 2019	December 31, 2018
ASSETS			
Cash and cash equivalents	17	118,938,341	71,692,346
Bank deposits	18	14,998,737	21,830,010
Financial assets at fair value through profit and loss	19	1,226,791,566	1,105,989,676
Financial assets at fair value through other comprehensive income (shares)	20	1,419,485,824	1,185,551,596
Financial assets at fair value through other comprehensive income (bonds)	20	5,053,634	4,882,639
Financial assets at amortized cost	21	43,246,691	6,505,683
Investment property	11	71,669,701	21,122,392
Tangible assets	22	5,265,407	3,539,223
Assets – rights to use the underlying assets	23	1,950,690	-
Other financial assets	24	12,407,953	6,994,465
Other assets		260,146	421,892
Total assets		2,920,068,691	2,428,529,920
Liabilities			
Other financial liabilities	25	4,302,517	2,582,652
Current income tax liabilities		6,016,671	157,283
Deferred tax liabilities	26	170,631,789	129,776,548
Leasing liabilities	23	2,132,985	86,659
Borrowings	27	11,524,982	3,342,194
Provisions for risks and expenses		2,920,755	1,305,025
Other liabilities and deferred income		10,473	19,252
Total liabilities		197,540,172	137,269,613
Equity			
Share capital	28	51,746,072	51,746,072
Treasury shares	28	(7,295,461)	(223,486)
Losses from the repurchase of own shares		(134,838)	(559)
Benefits granted in equity instruments		-	2,380,000
Retained earnings	28	811,806,713	682,583,148
Other reserves	28	997,961,099	920,774,872
Reserves from revaluation of tangible assets		1,176,569	105,016
Legal reserves		10,609,615	10,605,771
Reserves from revaluation of financial assets at fair value through other comprehensive income	20	856,643,688	622,243,796
Total		2,722,513,457	2,290,214,631
Non-controlling interests		15,062	1,045,677
Total equity		2,722,528,519	2,291,260,308
Total equity and liabilities		2,920,068,691	2,428,529,920

Significant changes in patrimonial items over the previous year are due to:

- investment property of subsidiaries in 2019;
- structural changes in the assets of the parent company, effect of:
 - recognition of positive changes of value related to financial assets at fair value through profit or loss respectively of financial assets at fair value through other comprehensive income;
 - investment activity in 2019, by divesting from certain placements recorded in the category of Financial assets at fair value through other comprehensive income and by investing in financial instruments recognized as Financial assets at fair value through profit and loss (shares of associates, bonds)

- steering of the cash surplus resulting from the investment activity to short-term monetary investments, recorded in the Cash and cash equivalents category.

3.4 PRESENTATION ON SEGMENTS

In 2019 and 2018, the Group operated on a single segment, namely the financial activity.

The Group does not report revenue from external customers, either on aggregate or breakdown on countries, because the information is not available and the cost of obtaining it is excessive.

The activity of three companies (2018: 3) was included in the financial activity.

<i>In RON</i>	December 31, 2019	December 31, 2018
Income		
Dividend income	101,530,735	102,476,153
Interest income	6,378,244	4,748,665
Other operating income	30,946,353	19,995,650
Total income	138,855,332	127,220,468
Gain on investment	76,344,131	(7,461,323)
Expenses	(37,186,127)	(30,042,573)
Profit before tax	178,013,337	89,716,572
Income tax	(19,271,605)	(4,954,904)
Net profit for the year	158,741,732	84,761,667
Result of the segment	158,741,732	84,761,667
Cash and cash equivalent	118,938,341	71,692,346
Bank deposits	14,998,737	21,830,010
Investments in financial assets	2,694,577,714	2,302,929,593
Investment property and fixed assets	76,935,108	24,661,615
Other assets (financial and non-financial)	14,618,790	7,416,357
Total assets of the segment	2,920,068,691	2,428,529,920
Dividends payable	-	5,495
Deferred tax liabilities	170,631,789	129,776,548
Other liabilities (financial and non-financial)	26,908,383	7,487,569
Total liabilities of the segment	197,540,172	137,269,613
Payments for investments in financial assets at fair value through other comprehensive income	(173,219,778)	(206,876,797)

4. DESCRIPTION OF MAIN RISKS FOR THE GROUP

The most significant financial risks the Group is exposed to are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and the price risk of equity instruments.

The Group uses a variety of policies and procedures for managing and assessing the types of risk to which it is exposed, both at the parent company and subsidiary levels. These policies and procedures are detailed in the sub-chapters dedicated to each type of risk under *Note 5* of the attached Consolidated Financial Statements 2019.

4.1 Financial risks

Market risk

Market risk is the risk that changes in market prices, such as price of shares, interest rates and exchange rates to have impact on Group's revenues or the value of financial instruments held. Market risk of equity instruments represent the risk that the value of such instrument to vary following the changes of prices on the market, either due to factors specific to the issuer's activity or factors affecting all instruments traded on the market.

The market risk of equity instruments is mainly the result of shares available for sale. Entities in which the Group holds shares operate in various industries. The objective of market risk management is to control and manage market risk exposures in acceptable parameters, to optimize returns. The Group's strategy for market risk management is driven by its investment objective, and market risk is managed in accordance with its policies and procedures.

The Group is exposed to the following market risk categories:

Price risk is the risk of losses both on balance sheet and off-balance sheet positions due to asset price developments.

The Group is exposed to the risk that the fair value of the financial instruments held may fluctuate as a result of changes in market prices, whether due to factors specific to the issuer's activity or factors impacting all instruments traded on the market.

The Board of Directors monitors the execution of market risk management, and the internal procedures provide that when price risks are not consistent with the investment policy and the Group's principles, the portfolio should be rebalanced.

A positive 10% change in the price of financial assets at fair value through profit or loss would lead to a profit increase after tax, by RON 115,923,898 (December 31, 2018: RON 92,903,098), a negative variation of 10% having an equal net impact of the opposite sign.

A positive 10% change in fair value prices of other financial assets at fair through other comprehensive income value would lead to an increase in equity, net of profit tax, by RON 120,344,199 (December 31, 2018: RON 96,148,705), a negative variation of 10% having an equal net impact of the opposite sign.

Interest rate risk is the risk that the Group's revenues or expenses, or the value of the Group's assets or liabilities fluctuate following the changes in market interest rates.

For interest-bearing financial instruments: the interest rate risk consists of the fluctuation risk in the value of a particular financial instrument as a result of the change in interest rates and the risk of the differences between the maturity of the interest-bearing financial assets and the debt-bearing debt interest rate. However, the interest rate risk may also influence the value of fixed-interest assets (e.g. bonds), so that an increase in market interest rate will result in a decrease in the value of future cash flows generated by them and may lead to a price reduction if they increase the preference of investors to place their funds in bank deposits or other instruments whose

interest rates have risen, and vice versa - a reduction in market interest rates may lead to an increase in the price of shares and bonds and will lead to an increase in the fair value of future cash flows.

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

Impact on the Group's net profit of a change of $\pm 1.00\%$ in the interest rate on variable-yield assets and liabilities denominated in other currencies corroborated by a change of $\pm 1.00\%$ in the interest rate on assets and liabilities carrying liabilities variable interest rate and denominated in RON is a loss of RON 1,626,028 (December 31, 2018; RON 1,098,052).

Currency risk is the risk of loss or not achieving the expected profit due to unfavourable fluctuations in the exchange rate. The Group invests in financial instruments and performs transactions denominated in currencies other than its functional currency and is thus exposed to the risk that the exchange rate of the domestic currency in relation to another currency will have adverse effects on fair value or future cash flows of that portion of the financial assets and liabilities denominated in another currency.

The Group performed transactions in the reporting periods in both the Romanian currency (Leu) and in foreign currency. The Romanian currency fluctuated compared to foreign currencies, EURO, USD, GBP and CHF.

The financial instruments used make it possible to preserve the value of the monetary assets held in RON by making investments and collecting interest according to the maturity term.

Financial assets and liabilities of the Group in local and foreign currency as at December 31, 2019 and December 31, 2018 are presented in the table below:

Financial assets exposed to currency risk (in RON)

	2019	2018
Cash and cash equivalent	29,600,696	9,026,215
Financial assets at fair value through profit and loss	44,435,959	20,255,448
Financial assets at fair value through other comprehensive income	236,821,963	290,081,290
Investments measured at amortized cost	43,246,691	6,505,683
TOTAL	354,105,309	325,868,636
Loans	1,091,289	1,143,716
Liabilities from leasing contracts	2,132,985	-
Total liabilities	3,224,274	1,143,716
Net financial assets	350,881,035	324,724,920

Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet an obligation or financial engagement in which it has entered into a relationship with the Group, resulting in a loss for the Group.

The Group is exposed to credit risk as a result of investments in bonds issued by trading companies or the Romanian State (2018), current accounts and bank deposits and other receivables.

The management of the Group closely and consistently monitors the exposure to credit risk so that it does not suffer losses as a result of the concentration of credit in a particular sector or business.

Below we present the financial assets with exposure to credit risk:

December 31, 2018	Current accounts	Bank deposits	Corporate bonds (measured at amortized cost)	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Other financial assets	Total
<i>Current and unimpaired</i>							
Rating AAA to A-							
BBB+	30,335,084	37,000,000					67,335,084
BBB	137,751	4,348,000					4,485,751
BB+	504,901	54,400,000	6,664,481				61,569,381
BB-	836,737	2,000,000					2,836,737
Baa1	36,268	2,660,000					2,696,268
Ba3	26,967						26,967
NR	7,561	1,450,000	43,246,691	5,053,633	49,118,410	12,407,953	111,284,249
TOTAL	31,885,269	101,858,000	49,911,172	5,053,633	49,118,410	12,407,953	250,234,437

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations arising from short-term financial liabilities that fall due by cash or other financial means, or that such obligations are extinguished in an unfavourable manner for the Group.

The Group monitors the evolution of the liquidity level in order to be able to pay its obligations at the date when they become due and continuously analyses the assets and liabilities, depending on the remaining period up to the contractual maturities.

The structure of assets and liabilities was analysed based on the remaining period from the balance sheet date to the contractual maturity date as at 31 December 2019 and is presented in the table below:

In RON

	Accounting value	under 3 months	between 3 and 12 months	Over 1 year	Without pre-established maturity
December 31, 2019					
Financial assets					
Cash and cash equiv.	118,938,341	118,938,341	-	-	-
Bank deposits	14,998,737	11,990,320	3,008,417		-
Financial assets at fair value through profit or loss	1,226,791,566	1,119,967	6,483,596	48,179,328	1,171,008,675
Financial assets at fair value through other comprehensive income	1,419,485,824	-	10,277	5,043,356	1,414,432,191
Financial assets at amortized cost	43,246,691	-	43,246,691	-	-
Other financial assets	14,057,778	14,057,778	-	-	-
Total financial assets	2,837,518,937	146,106,407	52,748,980	53,222,685	2,585,440,866
Financial liabilities					
Loans	11,524,982		5,191,602	6,333,380	-
Liabilities from leasing contract	2,132,985	106,691	320,455	1,705,839	-
Liability on current income tax	6,016,671	6,016,671			
Other financial liabilities	4,302,517	4,302,517			
Total financial liabilities	23,977,156	10,425,879	5,512,057	8,039,219	-
Liquidity excess	2,813,541,781	135,680,528	47,236,923	45,183,466	2,585,440,866

Other risks

By the nature of its activity, the Group is exposed to various types of risks associated with the financial instruments and the market it invests. The main types of risks to which the Group is exposed are:

- taxation risk;
- business environment risk;
- operational risk.

The risk management aims at maximizing the Group's profit related to the risk level at which it is exposed.

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

Taxation risks

Since January 1, 2007, following the accession of Romania to the European Union, the Group has had to comply with the European Union's regulations and, as a result, has prepared itself to apply the changes brought about by European legislation. The group has implemented these changes, but their implementation remains open to fiscal audit for 5 years.

The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations may vary and there is a risk that in certain situations the tax authorities will adopt a different position from that of the Group.

From the corporate tax point of view, there is a risk that the tax authorities will interpret the accounting treatment that is determined by the transition to IFRS as a basis for accounting.

In addition, the Romanian Government has various agencies authorized to carry out the audit (control) of companies operating in Romania. These controls are similar to tax audits in other countries and can cover not only tax issues but also other legal and regulatory issues of interest to these agencies. The Group may be subject to tax controls as new tax regulations are issued.

Business environment risks

SIF Banat-Crișana's management cannot predict all the effects of the international economic developments impacting on the financial sector in Romania but considers that in 2019 it has adopted the necessary measures for the sustainability and development of the Company under the conditions existing on the financial market, by monitoring cash flows and suiting the investment policies.

Avoiding risks and mitigating their effects are provided by the company by an investment policy that complies with the prudential rules imposed by the applicable legal provisions and regulations.

SIF Banat-Crișana has adopted risk management policies that provide for active management of those risks by applying specific risk identification, assessment, measurement and control procedures that provide reasonable assurance that the Company's objectives are met, with a constant balance between risk and expected profit.

The risk management process aims at: (i) identifying and evaluating significant risks with a major impact on achieving the investment objective and developing activities that counteract the identified risk; (ii) adapting risk management policies to the financial market developments of the capital market, monitoring performance and improving risk management procedures; (iii) reviewing investment decisions in line with the evolution of the capital and monetary markets; (iv) compliance with applicable law.

The Eurozone economy has seen a significant recovery in recent years, both in terms of GDP growth (with annualized increases of more than 1.5%) and the gradual reduction of unemployment and the return of inflation to the target set by ECB (2%). However, the ECB has maintained both the benchmark interest rate in the historical absolute low (0%) and the commitment to fully re-invest the amounts collected at the maturity of the purchased financial instruments in the quantitative easing program, the duration of this program being dependent on the sustainability of the inflation rate to the 2% target set by the ECB. Maintaining these exceptional measures, against the backdrop of recent macroeconomic data indicating a slowdown

in economic activity in key economies in the Eurozone (including the technical recession in Italy), signals the persistence of risks despite positive developments in recent years.

At the same time, the persistence of global trade tensions between the world's major economies, as well as the accelerated progress of the global situation regarding Covid-19 outbreak, together with the impact on social and economic level and their implications on Romania, will pose significant challenges on the investment management in 2020.

Operational risk

Operational risk is the risk of incurring direct or indirect losses resulting from shortfalls or deficiencies in the Group's procedures, personnel, internal systems, or external events that may impact on its operations. Operational risks arise from all Group activities.

The Group's objective is to manage operational risk to limit its financial losses, not to damage its reputation and to achieve its investment objective to generate benefits for investors.

Topmost responsibility for the implementation and development of operational risk control rests with the Board of Directors. This responsibility is underpinned by the development of general operational risk management standards, which includes controls and processes at service providers and service engagements with service providers.

Capital adequacy

The management's policy on capital adequacy focuses on maintaining a solid capital base to support the Group's continued development and investment objectives.

The Group's equity includes its share capital, various types of reserves, retained earnings and minority interests. The equity amounted to RON 2,722,528,519 as at December 31, 2019.

5. THE MARKET OF SECURITIES ISSUED BY THE GROUP

CHARACTERISTICS OF SIF BANAT-CRIȘANA SHARES

Total number of shares issued (December 31, 2019)	517,460,724
Outstanding shares (December 31, 2019)	514,542,363
Nominal value	RON 0.1000 / share
Type of shares	common, ordinary, registered, dematerialized, indivisible
Trading market	Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category, listed since November 1, 1999
Symbol on BVB (ticker)	SIF1
ISIN code	ROSIFAACNOR2
International identifier	Bloomberg BBGID: BBG000BMN388 (SIF1:RO)

Shares issued by SIF Banat-Crișana grant all shareholders equal rights.

Pursuant to art. 286¹ par. (1) of Capital Market Law no. 297/2004, as amended by Law no. 11/2012, any person may acquire under any title or may hold, alone or together with the persons acting in concert with such person, shares issued by the Company, but not more than 5% of the share capital. The voting right is suspended for the shares held by shareholders that exceed this limit, pursuant to art. 286¹ par. (2) of Law no. 297/2004 and CNVM/ASF Instruction no. 6/2012 issued in application of art. 286¹ of Law no. 297/2004.

Since its set-up, SIF Banat-Crișana has not issued bonds or other debt instruments.

SIF1 PERFORMANCE AND VOLUMES IN 2019



highlighted values recorded at the close of trading sessions

Bucharest Stock Exchange (BVB) indices including SIF1 shares:

BET-FI is the first sectorial index of BVB and reflects the overall trend of prices of financial investment funds (SIFs and Fondul Proprietatea) traded on the BVB regulated market. Performance of BET-FI in 2019: +37.53%. Weight of SIF1 in BET-FI: 16.72% (2019 year-end).

BET-BK is a price index weighted by the free-float capitalization of the most liquid companies listed on the regulated market of BVB, which can be used as a benchmark by fund managers, and other institutional investors, the calculation methodology reflecting the legal requirements and the investment limits of funds. Performance of BET-BK in 2019: +28.47%. Weight of SIF1 in BET-BK: 4.70% (2019 year-end).

BET-XT is a blue-chip index and reflects the evolution of the prices of the 25 most liquid stocks traded in the regulated market, including the SIFs, the maximum weight of a ticker in the index being of 15%. Performance of BET-XT in 2019: +33.208%. Weight of SIF1 in BET-XT: 3.33% (2019 year-end).

BET-XT-TR is the total return version of BET-XT index, which includes the 25 most traded Romanian companies listed on BVB, tracking the price changes of its constituent companies and is adjusted to also reflect the dividends paid by them. Performance of BET-XT-TR in 2019: +44.076%. Weight of SIF1 in BET-XT-TR: 3.33% (2019 year-end).

The two subsidiaries included in the consolidation do not have their shares listed on an organized capital market or an alternative trading system.

6. CORPORATE GOVERNANCE

SIF Banat-Crișana is committed to maintaining and developing the best practices of corporate governance, thus ensuring an efficient decision-making process, leading to the long-term viability of the business, achieving the objectives of the company and creating sustainable value for all stakeholders (shareholders, management, employees, partners and authorities).

To remain competitive in an extremely dynamic environment, SIF Banat-Crișana develops and adapts its corporate governance practices to comply with the new requirements and take advantage of the new opportunities, policies promoted at Group level.

SIF Banat-Crișana has adhered to the Corporate Governance Code issued by the Bucharest Stock Exchange ("the Code"), the compliance with Code's principles is presented in the statement accompanying the Annual Report 2019.

By Regulation no. 2/2016, with subsequent changes and amendments, the Financial Supervisory Authority (ASF) settled the unitary regulatory framework for the implementation of corporate governance principles to entities authorized, regulated and supervised by ASF. SIF Banat-Crișana's statement on the application of corporate governance principles during 2018, prepared pursuant to the annex of the Regulation no. 9/2019, is accompanying the Annual Report 2019.

During 2019, the Board of Directors approved the revision of the Corporate Governance Regulation of SIF Banat-Crișana.

Detailed information on SIF Banat-Crișana's corporate governance in 2019 and the statements on corporate governance statements are presented in the Annual Report 2019, available on the Company's website at www.sif1.ro.

SIF Banat-Crișana's management

Pursuant to the provisions of Company's Articles of Association, SIF Banat-Crișana is administrated under a unitary system, apt to ensure Company's efficient operation, in accordance with the objectives of good corporate governance and the protection of the shareholders' legitimate interests.

General meeting of shareholders

The General Meeting of Shareholders (GMS) is the supreme governing body of the company.

General meetings are ordinary and extraordinary. The Ordinary General Meeting gathers at least once a year, no later than four months after the close of the financial year. The Extraordinary General Meeting shall be convened whenever necessary. The powers of the general meeting of shareholders are stated in the Articles of Association and comply with the legal provisions in force. Company's Articles of Association are available on company's website, www.sif1.ro, in the *Corporate Governance* section.

General Meeting's decisions are taken by show of hands or by secret vote. The secret vote is compulsory for electing Board members and for the appointment of the financial auditor and to revoke them and also for decisions on the liability of the Board members. The decisions taken by the general meeting within the law and Company's Articles of Association shall be binding upon the shareholders who did not attend the meeting or voted against.

The general meeting of shareholders is chaired by the Chairman of the Board of the Directors and in his absence by the vice-chairman. The meetings are recorded by the secretariat elected by the General Meeting. Minutes of the meeting shall be recorded in a special register.

During 2019, SIF Banat-Crișana's Board of Directors convened twice the Ordinary General Meeting and twice the Extraordinary General Meeting of Shareholders. Information on the general

meetings of shareholders and the resolutions adopted are presented on Company's website, in the section *Investor Relations* › *General Shareholders' Meetings*.

The Board of Directors

SIF Banat-Crișana is administered by the Board of Directors (i.e. administrators) comprised of five members, elected by the ordinary general meeting of shareholders for a mandate of four years, with the possibility of being re-elected.

The Board of Directors has decision-making powers regarding the administration of the Company in the period between the general meetings of shareholders, except for the decisions that the law or company's Articles of Association provide exclusively for the general meeting.

The Board elects from among its members a chairman and a vice-chairman. As per the Articles of Association, the chairman of the Board holds the position of CEO (general director) of the Company.

Board members must cumulatively meet the general conditions stipulated by Law no. 31/1990 on trading companies, completed with the criteria established by Law no. 297/2004 regarding the capital market, Law no. 74/2015, Law no. 24/2017, and the regulations issued by the Financial Supervisory Authority (ASF).

The members of the Board are authorized in this function by ASF following their election by the general meeting of shareholders.

The Board of Directors may create advisory committees comprised of its members, charged with conducting investigations and making recommendations to the Board.

The composition of the Board of Directors in 2019

The composition of the Board of Directors as at December 31, 2019, was the following:

- Bogdan-Alexandru Drăgoi – Chairman of the Board
- Radu Răzvan Străuț – Vice-Chairman of the Board
- Sorin Marica – member of the Board
- Marcel Heinz Pfister – member of the Board
- Ionel-Marian Ciucioi – member of the Board

Advisory committees within the Board of Directors

The Audit Committee - assists the Board of Directors in fulfilling its responsibilities in the financial reporting, internal control and risk management areas, assists the Board of Directors in monitoring the trustworthiness and integrity of financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by This one. The duties of the Audit Committee are detailed in the Company's Internal Regulations.

The Audit Committee consists of at least three non-executive members of the Board of Directors. The Chairman of the committee is an independent non-executive member. At least one member of the audit committee shall have competence in accounting or auditing.

The Nomination and Remuneration Committee - assists the Board in fulfilling its responsibilities for the nomination of candidates for management positions and their remuneration. NRC duties are detailed within the Company's Internal Regulations.

The Nomination and Remuneration Committee is comprised of at least at least two members elected from non-executive members of the Board of Directors, subject to the condition of independence provided for by the Company Law.

The executive management

The effective management of the Company is performed by executive directors appointed by the Board of Directors, in accordance with the Company's Articles of Association and applicable regulations, so that everyday management of the Company to be provided, at all times, by at least two persons.

As per Law no. 31/1990 on trading companies, the Board of Directors has delegated some of his powers to the Chairman of the Board - CEO (General Director) and the Vice-Chairman – Deputy General Director, within the limits set by the law, Company's Articles of Association and decisions of the Board of Directors, except for the powers reserved by the law and / or Company's Articles of Association for the general meeting of shareholders or the Board of Directors.

Responsibilities and duties of directors are set by the Board of Directors and are described in the Company's Internal Regulations.

The composition of company's executive team as at December 31, 2019 was the following: Mr. Bogdan-Alexandru Drăgoi, Mr. Radu Răzvan Străuț, Mrs. Teodora Sferdian and Mr. Laurențiu Riviș.

Description of the main elements of the internal control systems and risk management

Risk management - SIF Banat-Crișana established and permanently and operationally maintains the risk management function, which is carried out independently of other activities. The Risk Management Office is subordinated to the Board of Directors, and the person in charge of risk management is authorized by ASF in this position and is registered in the ASF registry.

The diversity of activities carried out by SIF Banat-Crișana also creates complex risks as well as a plethora of opportunities for its shareholders, but also for the entire Romanian financial and capital market. Company's management considers that risk management is an integral part of good corporate governance and of best management practices.

Given the company's specific provisions concerning the risk management introduced by the AIFM law, the Company has completely reorganized the risk management activity, strengthening this segment through a rigorous procedure and a complex analysis, evaluation, reporting and management system, unitary on society.

The Company implements adequate and modern systems of risk management to effectively identify, measure, manage and monitor all the risks relevant for the investment strategy and the existing investment portfolio.

The risk management policy is appropriate to the nature, size and complexity of Company's activities and its assets under management.

The fulfilment of the risk management function is regularly examined by the internal and external audit functions.

Compliance - SIF Banat-Crișana established and permanently and operatively maintains the internal control function, which runs independently of other activities. The Internal Control Compartment reports to the Board of Directors and has the following main responsibilities: (i) to monitor and regularly evaluate the effectiveness and the means of implementation of the set measures and procedures, as well as measures decided to resolve any situations of non-compliance by the Company; (ii) to advise and assist the relevant responsible persons for carrying out services and activities to meet the requirements set for the Company under the law and ASF regulations.

The person holding the position of compliance officer / representative of the compliance office is authorized by ASF in this position and is registered in the ASF registry.

ASF periodic control. During May 13 – 31, 2019, a control team of the Financial Supervisory Authority conducted the periodic control of the activity carried out by SIF Banat-Crișana for the period 17.05.2016 - 13.05.2019. The control action was materialized by the *Control Report* that was communicated to SIF Banat-Crișana on 21.08.2019. The Board of Directors analysed the findings, requests and recommendations presented by the control report and approved the response modalities presented by the Company's departments. By letter no. 055 / 30.08.2019 SIF Banat-Crișana submitted its objections, accompanied by supporting documents, to the findings of the control report.

At the end of the activities / procedures regarding the periodic control conducted, on October 4, 2019, the Financial Supervisory Authority communicated to SIF Banat Crișana a Plan of measures with a 90-day implementation deadline. In summary, the measures ordered relate to the internal organization and reporting methods, the need to update some policies and procedures and the planning of additional verification and control activities. SIF Banat-Crișana has started the implementation of the measures ordered, and the action is to be completed at the beginning of 2020.

Resolution of petitions. The shareholders have the right to address SIF Banat-Crișana by means of a petition should they have complaints regarding the company's activities, performed under Law no. 297/2004, or regarding the information provided by the company following their request. The settlement of petitions submitted by shareholders is set by ASF Regulation no. 9/2015, and the procedure to be followed is published company's website. As per the provisions of the regulation, the Company prepared a unique register of petitions in a secure electronic format, to record the submitted petitions, questions addressed and their solution. The responsibility of keeping the register of petitions on the representative of the internal control compartment.

Internal Audit - SIF Banat-Crișana established and permanently and operatively maintains the internal audit function, which runs independently of other functions and activities, reporting directly to Company's Board of Directors.

Company's activities are subject to an internal audit that is conducted periodically, in order to provide an independent assessment of the operations carried out, their control and management processes, considering the possible exposure to risk on various business segments (safety of assets, compliance with regulations and contracts, integrity of financial and operational information, etc.) makes recommendations to improve the systems, controls and procedures to provide efficient and effective operations and observes the proposed corrective actions and the attained results.

The internal audit activity is an independent and objective activity granting the Company a guarantee of a certain control over the operations and which is performed pursuant to the procedures prepared for the purposes of the work. Each internal audit assignment is performed based on a detailed program, which comprises the applicability, scope, objectives, allocated resources and its period.

The internal audit objectives are to assist the Company in identifying and evaluating the significant risks providing an independent assessment of the risk management, of control and management processes and assisting the Company in maintaining an effective and efficient control system.

The activity of internal audit of SIF Banat-Crișana is outsourced to the company New Audit SRL from Arad.

Shareholders' rights abiding

SIF Banat-Crişana shares are common, ordinary, nominative, dematerialized, indivisible, granting equal rights to shareholders.

SIF Banat-Crişana guarantees an equitable treatment for all shareholders, including the minority and non-resident shareholders, pursuant to legal provisions and those of Company's Articles of Association.

SIF Banat-Crişana endeavours to ensure an impartial treatment for all shareholders, providing them with relevant and up-to-date information enabling them to exercise their rights of a fair manner. Shareholders should exercise their rights in good faith and with respect for the rights and interests of the Company and other shareholders.

The right to vote - SIF Banat-Crişana endeavours to facilitate the participation of shareholders at the general meetings of shareholders ("GMS"). SIF Banat-Crişana's shareholders can participate in the GSM directly, by designating a representative by a special/general empowerment or can vote by correspondence (through the post or by electronic voting).

The Board approves procedures for the orderly and efficient organization of GMS works, pursuant to the incident laws and ASF regulations. The procedures are available to shareholders at the date of convening the GMS, being published on company's website.

For the general meetings of shareholders, suspending the voting rights for the holdings above the legal and statutory threshold of 5% of the share capital is performed pursuant to the legal provisions, as per ASF Decisions no. 560/18.04.2019 and 561/18.04.2019, and respectively ASF decisions no. 831/19.06.2019 and 834/19.06.2019.

Right to dividend - The dividend policy embraced by SIF Banat-Crişana aims at keeping a balance between the shareholders' remuneration through dividend and the need to finance new investment of the reinvested profits obtained. The strategy of keeping this balance aims to increase the long-term investment attractiveness of SIF Banat-Crişana shares, while maintaining the potential for the future development of the company, ensuring the long-term sustainable profitability of the business for the benefit of increasing the value created for shareholders.

Determining the manner and proportion of the distribution of net profit is subject to the approval of the General Meeting of Shareholders and considers the sustainability of the measure, the economic context and the current market performance.

Right to information - SIF Banat-Crişana considers of great importance the investor relations activities and the transparency in communication, convinced that public confidence is essential for proper activity of the company and the consolidation of its good reputation. The company aims to ensure continuous reporting in an objective and integral manner by providing complete and accurate information on all important aspects of the activity and the results achieved. Company's website (www.sif1.ro) is a useful means for communicating with the shareholders. The section dedicated to investor relations hosts information of interest for the shareholders and all the announcements and reports of the Company are made available both in Romanian and in English.

The organizational structure providing the relationship with shareholders, potential investors, analysts, mass-media and the interested public is the Investor Relations Compartment. Contact details: 35A Calea Victoriei, Arad 310158, Romania, tel | fax: +40257 304 446, email: investitori@sif1.ro, person of contact Mr. Claudiu Horeanu.

Financial reporting - Financial statements for 2019 have been prepared pursuant to the International Financial Reporting Standards and ASF Rule no. 39/2015, which applies along with the Accounting Law no. 82/1991 (republished and amended). The financial auditor is Deloitte Audit SRL.

Conflict of interest and transactions with related parties

Conflict of interest - By internal rules and procedures implemented, the company fulfils its responsibility to prevent conflicts of interest, and if they cannot be avoided, ensures the proper monitoring and supervision, observing shareholders best interest. By the functional organization adopted by the Board of Directors, it was considered the insurance that relevant persons engaged in different activities involving a risk of conflict of interest carry out these activities with a degree of independence adequate for company's size and activities.

The Board of Directors implemented operational solutions to facilitate the proper identification and resolution of situations where an administrator or an employee has a material interest in its own name or on behalf of third parties.

SIF Banat-Crişana's internal regulations and procedures include adequate provisions to ensure, with reasonable certainty, the prevention and avoidance of situations that could constitute conflicts of interest. The Board of Directors periodically revises the procedures and the safeguards against conflicts of interest, examining their effectiveness and takes timely corrective action to address any deficiencies.

Personal transactions - In line with capital market legislation and European regulations, during 2019 have been completed and updated the internal rules and procedures regarding personal transactions, with shares of issuers in SIF Banat-Crişana' portfolio, performed by persons in Company's management and persons having access to privileged information.

Internal rules and procedures have been established for the prior approval of personal transactions, in accordance with the provisions of the ASF Regulation no. 2/2018.

Corporate information regime - The members of the Board, directors and employees of SIF Banat-Crişana are bound to keep the confidentiality of the documents and corporate information/data and comply with the Code of Ethics and Business Conduct and with the procedures approved by the Board of Directors concerning corporate information.

The Board of Directors adopted procedures regarding the Company's internal circuit of the documents and the disclosure to third parties of documents and information concerning the Company, giving special importance to inside information - as defined by Law no. 24/2017 and European regulations, that may impact the market price of the shares issued by the Company.

By internal procedures the use of "inside information" related to the investment policy of SIF Banat-Crişana is forbidden for members of the Board, directors of the company and by any person with whom the Company has entered into an employment contract, when they trade financial instruments in their portfolio ("personal transactions").

The Company submits to ASF and regularly updates the list of persons with access to inside information regarding the Company. Pursuant to Law no. 24/2017 and the European regulations, insiders and persons with access to inside information concerning SIF Banat-Crişana are subject to notification to the Financial Supervisory Authority and the Company regarding transactions in their own account with shares issued by SIF Banat-Crişana.

Market abuse - A special attention was paid in 2019 to the set of European regulations on Market Abuse. There have been implemented the provisions on the establishment of a closed period, of 30 days before the publication of a financial report, during which for persons with access to inside information, the transactions with financial instruments of the issuer are prohibited.

Social responsibility, social matters, diversity

As the companies are no longer judged only by their economic performance, but also by their contribution to the communities they operate in, SIF Banat-Crişana understands to be an involved

and responsible player, attentive and responsive to community needs and to the sustainable development of the society.

The role of social actor for SIF Banat-Crișana is to promote professionalism, excellence, innovation, responsibility, teamwork, diversity, commitment.

The SIF Banat-Crișana Group does not have a formalized integrated procedure on diversity policy.

However, at the group level there is a commitment to maintaining the highest ethical standards, promoting a culture of respect, collaboration and performance where all employees can perform and develop on equal terms in terms of gender, ethnicity, age, etc. The individual needs and abilities of employees to transform them into added value for the organization at the level of human capital are promoted and encouraged.

Assessment of matters concerning the employees

The central social objective of the group consists in establishing a positive organizational culture, aiming at providing good working conditions for employees, pay and motivating motivation systems, correct systems and evaluation criteria, efficient information and control systems, full use and efficient of working hours, availability for change, commitment, good communication.

The evolution of the Group's number of employees is presented in the table below:

Company name	Average number of employees		
	2017	2018	2019
SIF Banat-Crișana	36	34	34
SAI Muntenia Invest	37	36	39
Administrare Imobiliare	10	9	9
TOTAL	83	79	82

Throughout 2019 there were no conflicting matters in the relations between management and employees, neither in SIF Banat-Crișana nor in the companies in the consolidation.

There were no collective layoffs during 2019, neither in the case of SIF Banat-Crișana, nor in the case of the companies in the consolidation.

All companies in the consolidation have organizational and operational regulations approved by the Boards of Directors, describing how they are organized and regulating the operation of their compartments, setting competences for each compartment, their duties and responsibilities.

Assessment of matters concerning the environment

The SIF Banat-Crișana Group does not have an *Integrated Environmental and Social Governance Policy* or *Procedure* but covers the relevant aspects in this area in various corporate documents applicable to each company, specific to their work.

Although the specific activity of SIF Banat-Crișana does not have a negative impact on the environment, the Company is concerned with the use of procedures for proper management of environmental problems in its workflows related to the daily work carried out at the headquarters and the Bucharest branch, efficient use of energy, and protecting the environment.

Both SIF Banat-Crișana and the companies in the group - SAI Muntenia Invest SA and Administration Imobiliare SA - do not need special environmental permits and do not carry out activities with an impact on the environment.

6. OTHER INFORMATION

Amendments to the Articles of Association

The amendment of SIF Banat-Crișana's Articles of Association was made to correlate the provisions of the constitutive act with the provisions of the ASF Regulation no. 10/2015 on alternative investment fund management, in order to eliminate the difference of treatment and interpretation between the statutory provisions and the legal provisions, so that the incompatibility situations regulated by statute are not more restrictive than the incompatibility situations regulated by law. Thus, by the Resolution no. 1 of the EGM of June 20, 2019, it was approved the amendment of *Article 14 Incompatibilities* of the Articles of Association. *(Current Report of 20.06.2019)*

Subsequently, based on the request and documentation submitted, the Financial Supervisory Authority, through the ASF Authorization no. 92 / 24.07.2019, authorized the amendments in the Company's Articles of Association as per Resolution no. 1 / 20.06.2019 of the EGM. *(Current Report of 24.07.2019).*

Appointment of financial auditor

Given the expiry of the statutory financial audit contract concluded with PriceWaterhouseCoopers Audit SRL, SIF Banat-Crișana carried out a procedure for the selection of the financial auditor for the statutory audit of the standalone and consolidated financial statements prepared for the financial years 2019 and 2020.

The procedure for selecting the financial auditor was conducted under the coordination and supervision of the Audit Committee. Following the evaluation of the offers received, the Audit Committee recommended to the Board of Directors two audit firms and expressed an acknowledged preference for Deloitte Audit SRL. The Board of Directors approved the recommendation and preference of the Audit Committee and including on the voting forms, for the approval of the Ordinary General Meeting of SIF Banat-Crișana's Shareholders, convened for the June 20 (21), 2019, of the financial auditor Deloitte Audit S.R.L.

The OGM approved, by resolution no. 1/20.06.2019, the appointment of Deloitte Audit S.R.L. as financial auditor with a duration of the contract of 2 (two) years and empowerment of the board of directors to negotiate and conclude the audit contract. *(Current Report of 20.06.2019)*

Change of depository bank

During 2019, SIF Banat-Crișana changed the depository bank of its financial assets. Thus, on July 30, 2019, the Company signed the addendum to the Depository and Custody Contract no. 1148/25.09.2017 with BRD - Groupe Société Générale S.A., arranging its termination by the agreement of the parties, and accordingly notified the Financial Supervisory Authority (ASF). At the same time, the Board of Directors of SIF Banat-Crișana approved the conclusion of a new depository contract with Banca Comercială Română, a credit institution authorized by ASF to conduct depository activities. *(Current Report of 01.08.2019)*

By the Authorization no. 149/01.11.2019, the Financial Supervisory Authority authorized Banca Comercială Română S.A. as depository bank for SIF Banat-Crișana's assets based on the Contract for depository services no. 4944 / 19.09.2019 and the Contract for the provision of custody services no. 4945 / 19.09.2019. *(Current Report of 01.11.2019)*

Relocation of Bucharest branch

To benefit from improved operating conditions the Company's Board of Directors decided the relocation the premises of SIF Banat-Crișana's Bucharest branch from the former address in

Bucharest, sector 1, No. 175 Calea Floreasca, 7th floor, room A1, to the new address in Bucharest, sector 2, No. 46-48 Serghei Vasilevici Rahmaninov Str., 3rd floor.

Also, the Board approved the amendment of Company's Articles of Association concerning the change of address of Bucharest branch. *(Current Report of 04.10.2019)*

Following the submission to ASF of the request for the authorization of the amendment of the Articles of Association, the Board of Directors approved in the meeting held on 20.12.2019 a new decision approving the setting up of a branch called SIF Banat-Crișana SA Arad-Bucharest branch-Rahmaninov, with the address at sector 2, 46-48 S.V. Rahmaninov str., 3rd floor, and the termination and deregistration of SIF Banat-Crișana's Bucharest branch located in 175 Calea Floreasca, 7th floor, room A1. *(Current Report of 20.12.2019)*

In January 2020, ASF, by Authorization no. 11/23.01.2020, authorized the changes in Company's Articles of Association concerning the new address of SIF Banat-Crișana's Bucharest-Rahmaninov branch. *(Current Report of 27.01.2020)*

The buyback programs. Stock Option Plan

The EGM of April 26, 2018 approved the execution of two buyback programs, in compliance with the applicable legal provisions and having the following main characteristics:

Program I

The Company will repurchase shares under the Program to reduce its share capital; the maximum number of shares that may be repurchased is of 17,460,724 shares at most; the minimum price per share: RON 1; the maximum price per share: RON 4.81; the duration of the: maximum of 18 months after publication of the decision in the Official Gazette of Romania, Part IV; the shares acquired under the Program I will be paid from sources permitted by law. During 2018 there were no repurchase of shares under Program I.

Program II

The Company will repurchase shares under the Program II for the distribution free of charge to the members of the Company's management (administrators, directors) in order to build their loyalty as well and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors; the maximum number of shares that may be repurchased: 1,400,000 shares at most; the minimum price per share: RON 1; the maximum price per share: RON 4.81; the duration of the program: maximum of 18 months after publication of the decision in the Official Gazette of Romania, Part IV; the shares acquired under the Program II will be paid from sources permitted by law.

The EGM of April 26, 2018 approved the use of the shares purchased under Program II for the redemption of own shares for their distribution free of charge to members of company's management (administrators, directors) in a "Stock Option Plan", in compliance with applicable law, the Board of Directors being empowered to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the "Stock Option Plan".

On May 21, 2018, the company announced by means of a current report and a "Disclosure document" prepared according to CNVM Regulation no. 1/2006 (Annex no. 21), that the Board of Directors approved the "Stock Option Plan", by which 1,400,000 SIF1 shares were offered to the Company's administrators and directors.

The vesting (transfer of shares) will be made when the conditions in the "Stock option plan" are met and the option is exercised by each beneficiary, after a term of 12 months has passed since the signing of the payment agreements.

On September 28, 2018, SIF Banat-Crișana informed on the commencement, starting October 2, 2018 of repurchase of own shares under Buyback Program II, through daily transactions in the market, according to the resolution of the EGM no. 2 art. 2 of 26.04.2018 (published in Part IV of the Official Gazette no. 1893 / 17.05.2018). The company has designated SSIF Swiss Capital SA to provide brokerage services.

The execution of the buyback program complied with the derogating conditions laid down in the market abuse legislation that allows transactions to be made within the issuer's closed periods (Article 5 par. (1) of EU Regulation 596/2014 and Article 4, paragraph 2) of the EU Delegated Regulation 1052/2016).

Between October 2 - 26, 2018, 89,656 shares were repurchased through direct market transactions, at the average price of RON 2.4927 / share. On October 25, 2018, SIF Banat-Crișana informed the shareholders that, starting with October 29, 2018, the execution of the buyback program by daily transactions in the market launched on October 2, 2018, was suspended.

In 2019, for the completion of the two buyback programs SIF Banat-Crișana carried out a Public Tender Offer shares through SWISS CAPITAL.

The public tender offer was approved by the Financial Supervisory Authority by Decision 1263 / 16.10.2019 and aimed at repurchasing 18,771,068 SIF Banat-Crișana SA shares at a price of 2.50 RON / share. The offer was carried out between 22.10.2019 - 04.11.2019.

In the offer, 4,228,705 shares were bought, representing 0.8172% of the share capital of SIF Banat Crișana. (*Notification on the results of the public tender offer for shares issued by SIF Banat-Crișana of 12.11.2019*).

After the public tender offer took place, the provisions of the "Stock Option Plan" have been implemented by the Board of Directors of SIF Banat Crișana, through which there have been offered to the members of the Board and executive directors of the Company a number of 1,400,000 SIF1 shares.

The information document regarding the offering or allocation of shares to the members of the management structure of SIF Banat-Crișana, prepared according to the Annex no. 21 of CNVM Regulation no. 1/2006 and Annex no. 4 to Regulation no. 5/2018, updated with the amendments approved by the decision of the Board of Directors from 22.04.2019, has been the subject of the current report from 25.04.2019. According to the data and information in the updated Disclosure Document, at the expiration of the 17-month term elapsed since the signing of the Stock Option Plan, all persons have exercised their right to receive the offered shares, and on December 10, 2019, SIF Banat-Crișana transferred to the members of the management structure 1,400,000 SIF1 shares, representing 0.2706% of the share capital. As per the provisions of the ASF Regulation no. 5/2018 and of the EU Regulation 596/2014, notifications provided were submitted by the company and the Financial Supervisory Authority.

Law on Alternative Investment Funds (AIF Law)

Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts (AIF Law) was published in the Romanian Official Gazette no. 1035 as of 24 December 2019, Part I. The law has entered into force 30 days after its publication in the respective Official Gazette, starting with January 24, 2020. Within three months of the law coming into force, the Financial Supervisory Authority will issue the secondary legislation, respectively the Regulation implementing the Law 243/2019.

In this way, a legislative program will be finalized that will completely regulate the field of Alternative Investment Funds:

- Law no. 74 / 2015 on managers of alternative investment funds;

- ASF Regulation no. 10 / 2015 on alternative investment fund management;
- Law no. 243 / 2019 on alternative investment funds;
- ASF Regulation (project in progress) on the authorization and operation of alternative investment funds.

According to art. 80 of Law no. 243 and with the provisions of the draft Regulation, it is foreseen that the Financial Investment Companies (SIFs) fall into the category of Alternative Investment Funds authorized as investment companies (with a diversified investment policy) for retail investors.

Also, one of the provisions of Law no. 243 with impact on the activity of Financial Investment Companies (SIF) refers to the repeal of art. 286¹ of Law 297/2004, the old law of the capital market, article that provided for a maximum shareholding threshold of 5% of the share capital.

It is provided for a period of 6 months from the entry into force of the law for entities in the category of AOPC (in which the financial investment companies-SIF are included) so that:

- to adapt their constitutive and operating documents and activity to the provisions of the law;
- to request the ASF to authorize the necessary amendments of the constitutive and operating documents constitution and operation and to submit the applications and the documentation for this purpose.

Events occurred after the date of the balance sheet

- Publication of Auditor report prepared as per art. 82 of Law 24/2017
- Publication of preliminary financial results for 2019
- The Extraordinary General Meeting of Shareholders of March 10, 2020
- Declaring the state of emergency amid COVID-19 epidemic

Further information on the events after the balance sheet date is presented in the Standalone Annual Report of the Board of Directors for the financial year 2019.

This report is accompanied by the following annex:

ANNEX 1	Consolidated financial statements as at December 31, 2019 prepared pursuant to Rule no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the ASF – Financial Instruments and Investments Sector - audited
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The version prepared in Romanian of the consolidated report of the Board of Directors (which is the official and binding version) was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on March 27, 2020.

Bogdan-Alexandru DRĂGOI
Chairman and CEO