



# SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

## QUARTERLY REPORT

— AS AT SEPTEMBER 30, 2014 —

prepared pursuant to the provisions of Law 297/2004 and the  
Regulations no. 1/2006 and no. 15/2004

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



# CONTENTS

<b>1. GENERAL INFORMATION</b>	2
<b>2. MAIN FINANCIAL AND OPERATIONAL INFORMATION</b>	3
<b>3. PORTFOLIO AS AT SEPTEMBER 30, 2014</b>	4
<b>4. SIGNIFICANT EVENTS</b>	9
<b>5. FINANCIAL POSITION AND RESULTS AS AT SEPTEMBER 30, 2014</b>	10
<b>6. ANNEXES</b>	
<ul style="list-style-type: none"> <li>▪ Statement of assets, liabilities and equity, Income statement, and Informative data as at September 30, 2014, prepared pursuant to CNVM Order no. 13 / February 3, 2011 for the approval of 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 (CNVM) and with CNVM Instruction no. 5 / 2006 regarding the accounting reporting system, as amended</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Net assets statement as at September 30, 2014 – prepared pursuant to annex 16 of the Regulation no. 15/2004</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Detailed statement of investments as at September 30, 2014 - prepared pursuant to annex 17 of the Regulation no. 15/2004</li> </ul>	

## 1. GENERAL INFORMATION

NAME	<b>Societatea de Investiții Financiare Banat-Crișana S.A.</b> (hereinafter referred to as "SIF Banat-Crișana" or "the Company")	
COMPANY TYPE	<ul style="list-style-type: none"> <li>▪ closed – end investment company with a diversified investment policy, registered as "Other Undertakings for Collective Investments" (AOPC)</li> <li>▪ set-up as a joint stock company in November 1996; Romanian legal entity with private capital</li> </ul>	
EQUITY	<ul style="list-style-type: none"> <li>▪ RON 54,884,926.80 – subscribed and paid-in capital</li> <li>▪ 548,849,268 issued shares</li> <li>▪ shares with a nominal value of RON 0.10 per share</li> </ul>	
REGISTRATIONS	<ul style="list-style-type: none"> <li>▪ No. J02/1898/1992 at Trade Registry of the Arad Court</li> <li>▪ Unique Registration Code 2761040</li> <li>▪ Number in ASF Registry PJR09SIIR/020002/2006</li> </ul>	
MAIN ACTIVITY	<ul style="list-style-type: none"> <li>▪ main object of activity: other financial intermediation n.c.a. (CAEN code 6499) <i>CAEN - Classification of Activities from National Economy</i></li> </ul>	
TRADING MARKET	Bucharest Stock Exchange (BVB/BSE), tier I of the regulated market, ticker <b>SIF1</b>	
FINANCIAL AUDITOR	KPMG Audit S.R.L. Bucharest	
DEPOSITARY	BRD Groupe Société Générale	
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest	
HEADQUARTERS	<b>Arad</b> , Calea Victoriei nr. 35 A, 310158, Romania TEL +40257 234 473 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB <b>www.sif1.ro</b>	
BRANCHES	<b>Bucharest</b> 175 Calea Floreasca, 7th floor, room A1, sector 1, Bucharest	<b>Cluj-Napoca</b> Piața Muzeului no. 1, Cluj-Napoca 400019, jud. Cluj

## 2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

<b>MAIN BALANCE SHEET ITEMS [RON mn]</b>		
	<b>31.12.2013</b>	<b>30.09.2014</b>
Total assets, of which	1,110.22	1,231.12
Total financial assets	1,100.89	1,219.52
Equity	1,028.40	1,157.55
Total current liabilities	34.15	23.62

<b>FINANCIAL PERFORMANCE [RON mn]</b>		
	<b>30.09.2013</b>	<b>30.09.2014</b>
Total revenues	68.83	248.68
Total expenses	29.37	69.15
Gross profit	39.46	179.53
Net profit	36.19	151.36

<b>STOCK AND NET ASSET PERFORMANCE</b>		
	<b>31.12.2013</b>	<b>30.09.2014</b>
Stock price (end of period, RON)	1.2920	1.2370
Net asset value* / share (RON)	2.9094	2.8357
Accounting net asset / share (RON)	1.9606	2.2001
Nominal value of share (RON)	0.1	0.1
Number of shares	548,849,268	548,849,268

\* values computed pursuant to Regulation no. 15/2004 and Measure no. 23 / 2012

<b>OPERATIONAL DATA</b>		
	<b>31.12.2013</b>	<b>30.09.2014</b>
Number of permanent employees	51	48
Number of branches	2	2

**CONTACT Investor Relations:** email [comunicare@sif1.ro](mailto:comunicare@sif1.ro) tel +40257 250 181

### 3. PORTFOLIO AS AT SEPTEMBER 30, 2014

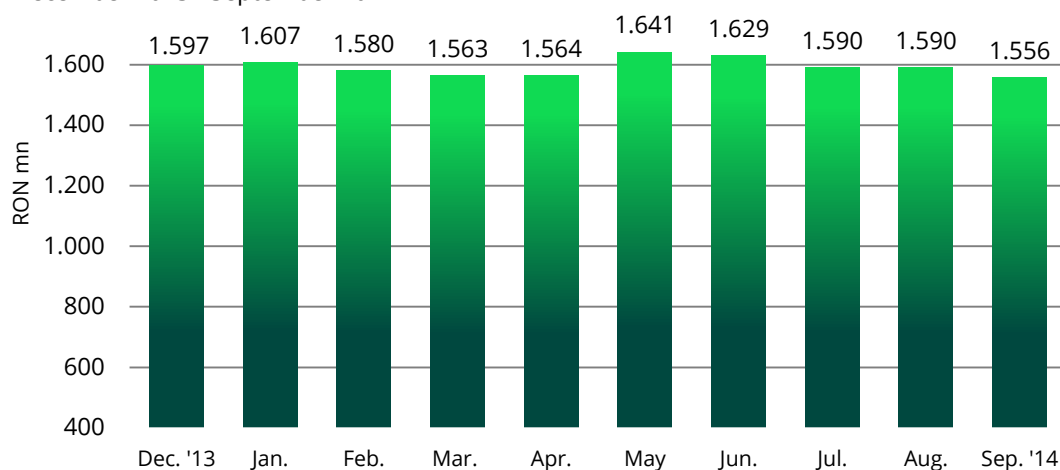
#### Net asset value

SIF Banat-Crișana's net asset value (VAN) was of **RON 1,556.39 mn** at the end of third quarter of the year, 4.46% lower as compared to the end of H1 2014 and 2.53% below the value recorded at December 31, 2013.

Net asset value per share (NAV/S) was of **RON 2.8357** at September 30, 2014, as compared to **RON 2.9680** at June 30, 2014, respectively **RON 2.9094** at December 31, 2013.

#### MONTHLY EVOLUTION OF THE NET ASSET VALUE

December 2013 - September 2014



The monthly net asset values were calculated SIF Banat-Crișana and certified by BRD Groupe Société Générale. The valuation of assets managed by the company was performed pursuant to the provisions in Disposal of Measures no. 23/2012, which established a unified and harmonized framework for the methods of assets valuation for Undertakings for Collective Investments (OPC) authorized / endorsed by the regulatory authority.

The monthly reports concerning net asset value were submitted to the BSE and ASF - Investment and Financial Instruments Sector, and published on SIF Banat-Crișana website [www.sif1.ro](http://www.sif1.ro) within 15 days from the end of the reporting month.

Net assets statement as at September 30, 2014 – prepared pursuant to annex 16 of the Regulation no. 15/2004, is presented as annex to this report.

## Portfolio structure

SIF Banat-Crișana's investment objective is the management of a diversified assets portfolio of high quality apt to provide a constant income flow, while preserving and increasing the capital over a medium-long term.

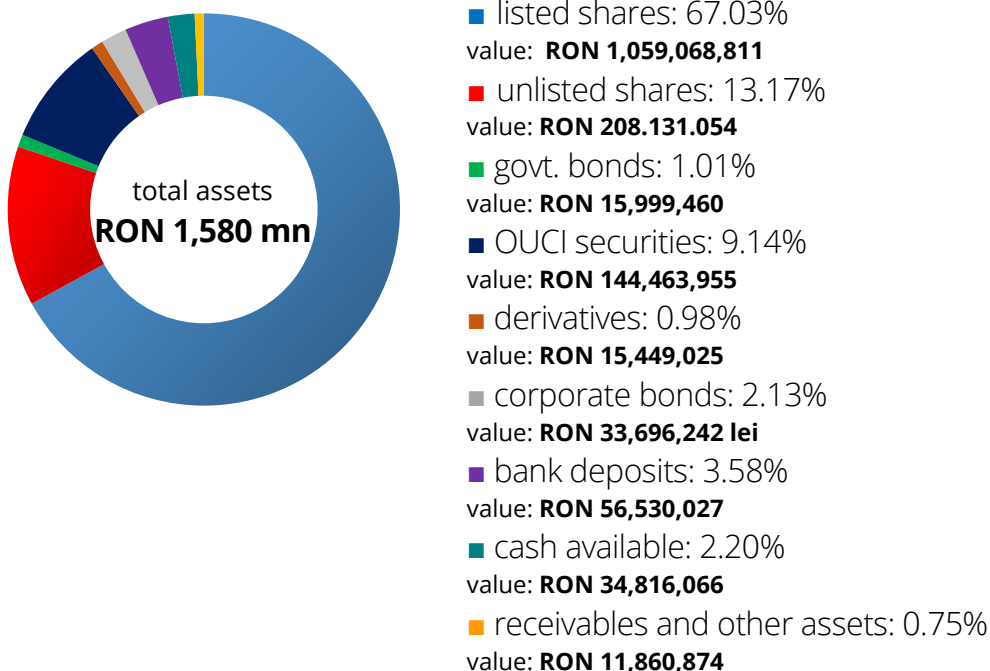
Asset allocation strategy aims the maximization of the portfolio performance in the prudential framework set by Law no. 297/2004 regarding the capital market with subsequent amendments and Regulation no. 15/2004 on the authorisation and functioning of investment management firms, collective investment undertakings and depositories. Throughout the third quarter of 2014 the assets managed by the company were within the legal limits allowed.

The value of listed securities decreased by 3.97% as compared to the end of H1 2014, while increasing their weight in total assets at 67.03% from 65.98%. The unlisted securities class rose in value by 5.77% due to the acquisitions made and the improved financial results reported by the issuers of this class.

The structure of assets managed by SIF Banat-Crișana as at September 30, 2014 is presented in the following chart:

### SIF BANAT-CRIȘANA PORTFOLIO

breakdown on assets under management (weight on total assets)



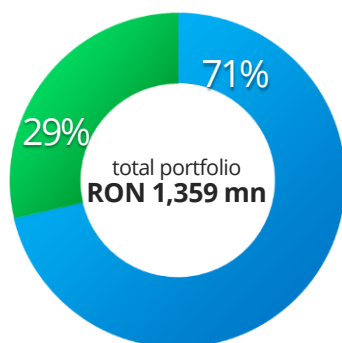
values computed as at September 30, 2014 pursuant to Regulation no. 15/2004 and Measure no. 23 / 2012

Detailed statement of investments as at September 30, 2014 - prepared pursuant to annex 17 of the Regulation no. 15/2004 is presented as annex to this report.

Stock portfolio is the most important class in the assets managed by SIF Banat-Crișana, with a weight of 86.02% in total asset value calculated as at September 30, 2014.

### STOCK PORTFOLIO

geographical exposure



#### ■ Romania: 71%

**RON 970.08 mn** (Dec. 31, 2013: RON 913.99 mn) value of holdings in 181 companies (Dec. 31, 2013: 196)

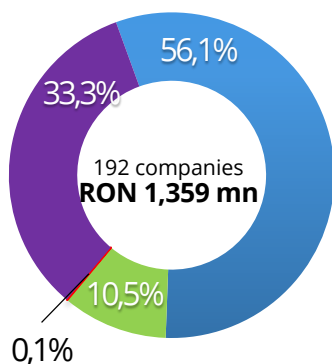
#### ■ Foreign: 29%

**RON 338.97 mn** (Dec. 31, 2013: RON 567.2 mn) value of holdings in 11 companies (Dec. 31, 2013: 26): Austria (1 company – Erste Bank), Cipru (1 company – SIF Imobiliare, listed on BVB) Germany (2), Finland (1), France (1), Italy (1), Luxembourg (1), Holland (3)

*values computed as at September 30, 2014 pursuant to Regulation no. 15/2004 and Measure no. 23 / 2012*

### STOCK PORTFOLIO

breakdown by stake held



#### ■ up to 5%

stakes **up to 5%** in **73** companies  
total value: **RON 763 mn** (Dec. 31, 2013: RON 931.14 mn)

#### ■ 5-33%

stakes **between 5 - 33%** in **100** companies  
total value: **RON 142.61 mn** (Dec. 31, 2013: RON 146.32 mn)

#### ■ 33-50%

stakes **between 33-50%** in **3** companies  
total value: **RON 1.03 mn** (Dec. 31, 2013: RON 1.03 mn)

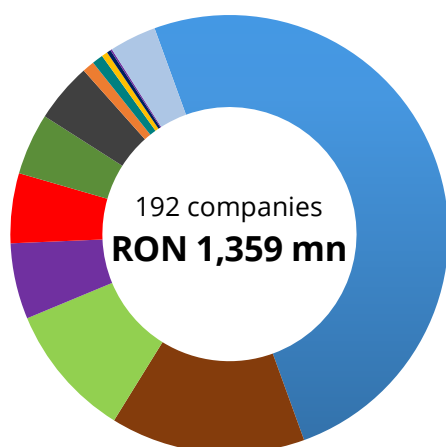
#### ■ above 50%

**majority stakes, above 50%**, in **16** companies  
total value: **RON 452.41 mn** (Dec. 31, 2013: RON 402.7 mn)

*values computed as at September 30, 2014 pursuant to Regulation no. 15/2004 and Measure no. 23 / 2012*

## STOCK PORTFOLIO

sectoral breakdown



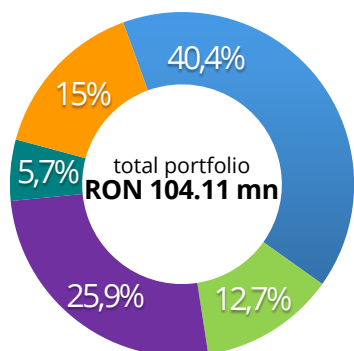
■ financial - banking: 50.02%	stakes in <b>13</b> companies in total value of <b>RON 679.8 mn</b> (Dec. 31, 2013: RON 861.50 mn)
■ commerce- real-estate: 14.36%	stakes in <b>23</b> companies in total value of <b>RON 195.2 mn</b> (Dec. 31, 2013: RON 163.28 mn)
■ tourism and public food services: 9.90%	stakes in <b>9</b> companies in total value of <b>RON 134.5 mn</b> (Dec. 31, 2013: RON 114.67 mn)
■ various industries: 5.60%	stakes in <b>21</b> companies in total value of <b>RON 76.2 mn</b> (Dec. 31, 2013: RON 73.76 mn)
■ pharmaceuticals: 5.16%	stakes in <b>3</b> companies in total value of <b>RON 70.1 mn</b> (Dec. 31, 2013: RON 80.73 mn)
■ energy - utilities: 4.55%	stakes in <b>12</b> companies in total value of <b>RON 61.8 mn</b> (Dec. 31, 2013: RON 45.63 mn)
■ pulp and paper: 4.38%	stakes in <b>7</b> companies in total value of <b>RON 59.5 mn</b> (Dec. 31, 2013: RON 56.39 mn)
■ wood processing: 0.89%	stakes in <b>37</b> companies in total value of <b>RON 12.1 mn</b> (Dec. 31, 2013: RON 11,28 mn)
■ chemicals and plastics: 0.81%	stakes in <b>3</b> companies in total value of <b>RON 11.1 mn</b> (Dec. 31, 2013: RON 19.88 mn)
■ food industry: 0.45%	stakes in <b>4</b> companies in total value of <b>RON 6.1 mn</b> (Dec. 31, 2013: RON 5.71 mn)
■ metallurgy: 0.29%	stakes in <b>9</b> companies in total value of <b>RON 3.9 mn</b> (Dec. 31, 2013: RON 4.19 mn)
■ constructions: 0.12%	stakes in <b>7</b> companies in total value of <b>RON 1.7 mn</b> (Dec. 31, 2013: RON 2.39 mn)
■ other fields: 3.46%	stakes in <b>44</b> companies in total value of <b>RON 47.1 mn</b> (Dec. 31, 2013: RON 41.75 mn)

*weight in stock portfolio, values computed as at September 30, 2014  
pursuant to Regulation no. 15/2004 and Measure no. 23 / 2012*



**FIXED INCOME FINANCIAL INSTRUMENTS**

breakdown on types of investments



- bank deposits in RON  
**RON 42.06 mn** (Dec. 31, 2013: RON 51.41 mn)
- bank deposits in euro  
equivalent **RON 13.23 mn** (Dec. 31, 2013: 36.54 mn)
- corporate bonds in RON  
**RON 26.95 mn** (Dec. 31, 2013: RON 27.95 mn)
- corporate bonds in euro  
equivalent **RON 5.9 mn lei** (Dec. 31, 2013: 6.1 mil lei)
- govt. bonds in euro  
equivalent **RON 15.8 mn** (Dec. 31, 2013: RON 16.1 mn)

*values computed as at September 30, 2014 pursuant to Regulation no. 15/2004 and Measure no. 23 / 2012; amounts do not include interest receivables*

SIF Banat-Crișana's portfolio of fixed income instruments as at September 30, 2014 represented 6.59% of the total assets managed.

**Transactions**

Sales of shares in Q3 2014 on domestic market totalled RON 8.59 mn. Significant transactions were performed with stakes in Biofarm (RON 8.04 mn), subscription and allocation within the public tender offer carried out on BSE during August 26 - September 15, 2014.

Fondul Proprietatea returned a portion of the capital to shareholders, in the amount of RON 0.05 / share, SIF Banat-Crișana thus receiving RON 0.87 mn in the return of capital distributions for the Fondul Proprietatea shareholders.

Investments in the amount of RON 15.2 mn were carried out on the Romanian capital market in Q3 2014, 99.98% of which were short-term investments. The most important purchase in terms of value was represented by the acquisition of a stake in CNTEE Transelectrica (TEL), amounting to RON 3.65 mn.

The stock portfolio on foreign markets comprised 10 companies as of September 30, 2014. During Q3 2014 SIF Banat-Crișana performed few transactions on foreign markets, with a total value of 171,038 euros (RON 0.75 mn equivalent).

## 4. SIGNIFICANT EVENTS

### July 2014

SIF Banat-Crișana informed the investors that pursuant the provisions of art. 45 par. (2). b) of the Competition Law no. 21/1996, republished, the Competition Council issued Decision no. 24/09.07.2014 for non-objection concerning the economic concentration (through the acquisition of control) regarding SC Biofarm SA. The economic concentration was notified to the Competition Council by SIF Banat-Crișana pursuant the takeover bid launched by SIF Muntenia SA. (*Current Report – July 10, 2014*)

### August 2014

SIF Banat-Crisana informed that, by Decision no. 991 / 08.08.2014, Financial Supervisory Authority - Financial Instruments and Investments Sector rejected the request for the approval of change in the composition of the Board of Directors, following the election of Mr Najib El Lakis as administrator by the Ordinary General Meeting of Shareholders held on April 15, 2014. (*Current Report – August 8, 2014*)

SIF Banat-Crișana challenged ASF Decision and on October 3<sup>rd</sup> has received the Decision no. 1379/26.09.2014 issued by Financial Supervisory Authority (ASF) communicating the admission of the prior complaint filed by SIF Banat-Crișana and revoking the ASF Decision no. 991/08.08.2014

### September 2014

The Board of Directors decided, in the meeting held on September 25, 2014, the relocation of company's Bucharest branch to a new address, in 175 Calea Floreasca, 7th floor, room A1, sector 1, Bucharest. The relocation of the branch was submitted for the endorsement by FSA, according to regulations in force. (*Current Report - September 26, 2014*)

By Endorsement no. 192/10.28.2014 ASF approved the relocation of SIF Banat-Crișana's Bucharest branch.

## 5. FINANCIAL POSITION AND RESULTS AS AT SEPTEMBER 30, 2014

SIF Banat-Crișana prepared the accounting report as at September 30, 2014 pursuant to CNVM Order no. 13 / February 3, 2011 for the approval of 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 (CNVM) and with CNVM Instruction no. 5 / 2006 regarding the accounting reporting system, as amended.

The accounting report as at September 30, 2014 has not been audited by the financial auditor, as it is not a legal or regulatory requirement.

The following area summary of the Company's financial position and results as at September 31, 2014:

<b>BALANCE SHEET</b>		
<i>(all amounts in RON)</i>	<b>31.12.2013</b>	<b>30.09.2014</b>
Securities and other financial instruments held as non-current financial assets	992,652,771	946,178,973
Receivables	4,350,750	6,851,645
Current financial assets	105,901,521	238,298,842
Other assets	7,319,133	39,790,929
<b>Total assets</b>	<b>1,110,224,175</b>	<b>1,231,120,389</b>
Current liabilities	34,153,880	23,620,335
Provisions	47,667,668	49,952,073
Equity	1,028,402,627	1,157,547,981
<b>Total liabilities</b>	<b>1,110,224,175</b>	<b>1,231,120,389</b>

The value of **total assets** as at September 30, 2014 was of RON 1,231.1 mn, up 10.9% as compared to the value of the assets at the end of 2013, mainly as a result of a higher volume of current assets.

Securities and other financial instruments held as non-current financial assets, worth RON 946.2 mn, representing 76.9% of total assets, lessened as compared to December 31, 2013, due sale of non-current assets (BRD, Erste Bank etc). A share of the cash resulting from these sales were directed to short-term investments (shares and units).

Securities purchased during 2014 were recorded at initial value (nominal value, issue value or acquisition cost as applicable), and those from the previous years have been recorded at initial value, reduced by provisions for impairment value established on December 31, 2013.

Short-term financial investments as at September 30, 2014 were 125% higher as compared to the end of 2013, due to investments in shares and units.

The other assets category mainly comprise tangible and intangible assets held by the Company and cash and cash equivalents in the current accounts of the Company. The significant increase in the volume of these assets as compared to 2013 year end is due to a large amount of cash available in the current accounts of the Company.

**Equity** grew by 12.6% as compared to December 31, 2013, due to the influence of net earnings as of September 30, 2014 and maintaining in retained earnings the result for the year 2013.

**INCOME STATEMENT**

<i>(all amounts in RON)</i>	<b>30.09.2013</b>	<b>30.09.2014</b>
Income from non-current financial assets	17,874,081	14,154,500
Income from disposal of financial assets	33,584,196	227,393,497
Income from reversal of provisions, reactivated receivables and sundry debtors	5,962,808	834,805
Interest income	4,711,467	4,875,649
Other income (including income from foreign exchange differences)	6,700,527	1,422,792
<b>Total income</b>	<b>68,833,079</b>	<b>248,681,243</b>
Expenses with the disposal of financial assets	8,734,689	58,304,728
Fees and commissions expenses	1,997,265	2,937,410
Amortization, provisions and losses from receivables	227,265	190,136
Other current expenses	18,414,196	7,713,791
<b>Total expenses</b>	<b>29,373,415</b>	<b>69,146,065</b>
<b>Gross brut</b>	<b>39,459,664</b>	<b>179,535,178</b>
<b>Income tax</b>	<b>3,273,389</b>	<b>28,172,910</b>
<b>Net profit</b>	<b>36,186,275</b>	<b>151,362,268</b>

**The total income** at the end of Q3 2014 was of RON 248.7 mn, 3.6 times higher as compared to September 30, 2013, due to the significant growth of income from the disposal of financial investments.

**Total expenses** recorded at September 30, 2014, totalling RON 69.1 mn, are above the corresponding period of the previous year (135.4% higher) due to higher expenses with the disposal of financial assets, whose progress is linked with the income from disposal of financial assets.

**Net profit** at September 30, 2014 amounted to RON 151.4 mn, significantly exceeded the corresponding period of 2013, due to achieving a significant profit from the stock sales.

**FINANCIAL RATIOS AS AT SEPTEMBER 30, 2014**

<b>Ratio</b>	<b>Calculation</b>	<b>Result as at September 30, 2014</b>
<b>1. Current liquidity ratio<sup>1)</sup></b>	Current assets/Current liabilities	11.9
<b>2. Debt to equity ratio<sup>2)</sup></b>	Debt / Equity x 100 Debt / Capital employed x 100	not applicable not applicable
<b>3. Accounts receivables turnover<sup>3)</sup></b>	Average clients' accounts / Turnover x 90	6
<b>4. Non-current assets turnover<sup>4)</sup></b>	Turnover / Non-current assets	0,22

<sup>1)</sup> **Current liquidity ratio** offers the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the quarter was of 11.9.

<sup>2)</sup> **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues with influence on fulfilling the assumed commitments. The Company had no borrowings as at September 30, 2014, and therefore this indicator is zero.

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

In determining the average balance of clients receivables were considered at gross value, the largest stake was dividends receivables from portfolio companies and interest on securities assets.

For SIF Banat-Crișana, turnover represents the total operating income, pursuant to the regulations in force.

The accounts receivable turnover calculated as at September 30, 2014 is of 6 days as compared to 26 days in the same period of the previous year. The reduction of the accounts receivables turnover is due to the decrease of average balance of clients, while turnover has significantly increased as compared to the same period of last year.

<sup>4)</sup> **Non-current assets turnover** evaluates the efficiency in managing the non-current assets, by examining the value of the turnover (for SIF Banat-Crișana - the total operating income) generated by a certain portion of non-current assets. In determining the ratio, the gross value of financial assets were considered.

As at September 30, 2014, this ratio had a value of 0.22, as compared to 0.06 on September 30, 2013. The increase of turnover of non-current assets is due to a sharper growth of the revenues, while non-current assets decreased.

## 6. ANNEXES

*(available in Romanian only)*

**Statement of assets, liabilities and equity** as at September 30, 2014

**Income statement** as at September 30, 2014

**Informative data** as at September 30, 2014

**Net assets statement** as at September 30, 2014  
prepared pursuant to annex 16 of the Regulation no. 15/2004

**Detailed statement of investments** as at September 30, 2014,  
prepared pursuant to annex 17 of the Regulation no. 15/2004

## Signatures

Chairman & CEO  
**Dragoș-George Bîlteanu**

Economic Director  
**Ștefan Doba**