

SIF BANAT-CRIȘANA SA

**Individual interim financial reporting for the six month period ended 30 June 2014
and explanatory notes prepared in accordance with Regulation no. 4/2011
regarding the accounting regulations compliant with Directive IV of the European
Economic Communities applicable to entities authorized, regulated and supervised
by the National Securities Commission, approved by the Order of the President of
the National Securities Commission no. 13/2011**

FREE TRANSLATION¹

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SIF Banat-Crișana SA Arad
Balance sheet for the 6 month period ended 30 June 2014
(all amounts are presented in RON, unless otherwise stated)

Arad County Legal entity SIF Banat-Crisana Adress Arad, 35A Calea Victoriei Telephone 0257-304426 , Fax 0257-270073 Trade Registry number: J02/1898/1992	Financial statement type SI Ownership type 34 Main activity (NACE Class denomination) Other types of financial service activities NACE group code 6499 Unique Registration Code RO 2761040																																																																																																																																																				
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Balance sheet for the 6 month period ended 30 June 2014
(all amounts are presented in RON, unless otherwise stated)

	Line no.	Note	Balance as at	
			01.01.2014	30.06.2014
H. Provisions				
2. provisions for taxes	57		47,667,668	46,428,642
Total provisions: (lines. 56+57+58)	59	2	47,667,668	46,428,642
J. Share capital and reserves				
I. Share capital (lines 62+63) out of which:	61	7	54,884,927	54,884,927
- subscribed and paid-in share capital	63		54,884,927	54,884,927
III. Revaluation reserves				
credit balance	65	16	4,802,152	4,799,772
IV. Reserves (lines 68-69+70+71+72+73+74)	67	16	883,134,183	919,988,551
1. legal reserves	68		10,976,985	10,976,985
2. reserves for allowances for impairment of financial assets (debit balance)	69		108,676,608	96,574,552
4. reserves from securities / shares received at no cost	71		434,323,516	378,929,045
6. reserves representing realized revaluation surplus	73		881,460	884,293
7. other reserves	74		545,628,830	625,772,780
V. Retained earnings				
Credit balance	78	16	5,437,415	6,506,232
VI. Result for the year				
Credit balance	80	3	80,143,950	149,295,427
Total equity (lines 61+64+65-66+67-75+76-77+78-79+80-81-82)	83		1,028,402,627	1,135,474,909

This individual interim financial reporting was approved and authorized for issue by the Company's Management on 30 July 2014.

Dragoş-George Bîlteanu
President - General Manager

Ştefan Doba
Economic Director

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SIF Banat-Crişana SA Arad
Income statement for the 6 month period ended 30 June 2014
(all amounts are presented in RON, unless otherwise stated)

Indicator	Line. no.	Note	6 months period-ended	
			30 June 2013	30 June 2014
A. Operating income*-total				
(line 02 to 11)	01	4, 13	53,546,419	235,848,763
1. Income from non-current financial assets	02		16,063,790	12,449,844
2. Income from short-term investments	03		169,396	35,498
4. Income from disposal of financial assets	05		24,152,936	218,852,234
6. Income from reversal of provisions, reactivated receivables and sundry debtors	07		5,335,953	454,286
7. Foreign exchange gains	08		4,299,506	353,144
8. Interest income	09		3,291,061	3,196,892
10. Other operating income	11		233,777	506,865
B. Operating expenses **- total				
(line 13 to 20)	12	4, 14	22,564,552	58,252,989
12. Expenses with the disposal of financial assets	14		7,528,872	50,319,254
13. Foreign exchange losses	15		3,614,367	1,081,133
15. Fees and commissions expenses	17		1,324,965	2,338,135
16. Expenses with bank services and similar charges	18		22,709	9,864
17. Expenses with depreciation, amortization, provisions, losses from receivables and sundry debtors	19		152,696	127,317
18. Other operating expenses, out of which:	20		9,920,943	4,377,286
a. Materials	21		105,087	115,688
b. Energy and water	22		96,825	74,463
c. Personnel, out of which: (lines 24+25)	23	8	8,808,947	3,348,862
c1. Salaries	24		7,429,353	2,582,583
c2. Social security	25		1,379,594	766,279
d. Third party services	26		840,218	775,379
e. Expenses with other duties, taxes and similar payments	27		69,866	62,894
C. Operating result				
- profit (lines 01-12)	28		30,981,867	177,595,774
19. Total income (lines 01+30)	34		53,546,419	235,848,763
20. Total expenses (lines 12+31)	35		22,564,552	58,252,989
G. Gross result				
- profit (lines 34-35)	36		30,981,867	177,595,774
21. Income tax				
- Income tax expense	38	10c	2,302,813	28,300,347
H. Result for the year				
- profit (lines 36-38-39)	40		28,679,054	149,295,427

* Operating income is detailed in Note 13 Structure of gross income.

** Expenses from current activity are detailed in Note 14 Structure of expenses.

This individual interim financial reporting was approved and authorized for issue by the Company's Management on 30 July 2014.

Dragoş-George Bîlteanu
President - General Manager

Ştefan Doba
Economic Director

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SIF Banat-Crișana SA Arad
Informative data for the 6 month period ended 30 June 2014
(all amounts are presented in RON, unless otherwise stated)

I. Result	Line No.	Number of units	Amounts	
A	B	1	2	
Units with profit	01	1	149,295,427	
Units with loss	02			
Units without loss or profit	03			
II. Information on outstanding payments	Line No.	Total (col.2+3)	Of which:	
A	B	1	For current activity	For investments
A	B	1	2	3
Outstanding payments - total (row 05+09+14 to 15+23) of which:	04			
Outstanding suppliers - total (row 06 to 08), out of which:	05			
- above 30 days	06			
- above 90 days	07			
- above 1 year	08			
Outstanding liabilities to social securities budget total (row 10 la 14), out of which:	09			
- contributions to state social securities due by employers, employees and other related persons	10			
- contributions to the health fund	11			
- contributions to the supplementary pension fund	12			
- contributions to the unemployment fund	13			
- other social liabilities	14			
Outstanding liabilities to special funds budgets and other funds	15			
Outstanding liabilities to other creditors	16			
Outstanding taxes to the State Budget not paid at due term	17			
Outstanding taxes to the local budget not paid at due term	18			
Bank loans not repaid at due date				
- total (row 19 to 21), out of which:	19			
- outstanding above 30 days	20			
- outstanding above 90 days	21			
- outstanding above 1 year	22			
Outstanding interests	23			
III. Average number of employees	Line No.	30 June 2013		30 June 2014
A	B	1	2	
Average number of employees	24	77	50	
Effective number of employees working at 30 June 2014	25	76	48	

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IV. Payments of interest and royalties	Line no.	Amounts
A	B	1
Gross income from interest paid by Romanian legal entities to non resident individuals out of which:	26	
- tax due to the State Budget	27	
Gross revenues from interest paid by Romanian legal entities to non resident individuals from Member States, out of which:	28	
- tax due to the State Budget	29	
Gross revenues from interest paid by Romanian legal entities to non resident related parties out of which:	30	
- tax due to the State Budget	31	
Gross revenues from interest paid by Romanian legal entities to non resident related parties, legal entities from Member States out of which:	32	
- tax due to the State Budget	33	
Gross income from royalties paid by Romanian legal entities to non resident related parties, out of which:	34	
- tax due to the State Budget	35	
Gross income from royalties paid by Romanian legal entities to non resident related parties legal entities, according with the prevails of the art. 117, paragraph h) from the Law no. 571/2003 regarding the Fiscal Code, with the further changes and additions, out of which:	36	
- tax due to the State Budget	37	
Gross income from royalties paid by Romanian legal entities to non resident related parties legal entities from the Member States, out of which:	38	
- tax due to the State Budget	39	
Gross income from royalties paid by Romanian legal entities to non resident related parties legal entities, out of which:	40	
- tax due to the State Budget	41	
Royalties paid within the 6 month period ended 30 June 2014, for public domain goods, received in concession, out of which:	42	
- royalties paid to the state budget for goods that belong to the public domain	43	
Paid royalty for mining activities	44	
Gross income from services paid by Romanian legal persons to non residents, out of which:	45	
- tax due to the State Budget	46	
Gross income from services paid by Romanian legal persons to non residents, from the Member States of the European Union, from which:	47	
- tax due to the State Budget	48	

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Informative data for the 6 month period ended 30 June 2014
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Subventions received during the current reporting period, from which:	49		
- subventions received during the current reporting period related to assets	50		
- subventions related to revenues, from which:	51		
- subventions for the stimulation of the employment	52		
Overdue receivables that were not collected within the time frame, stipulated in the commercial contracts and/or addendums in force, out of which:	53		
- overdue receivables entities owned entirely or partially by the government	54		
- overdue debts from private entities	55		
V. Meal tickets	Line no.	Amounts	
A	B	1	
Meal tickets given to employees	56		51,397
VI. Research and development expenses	Line no.	30 June 2013	30 June 2014
A	B	1	2
Research and development expenses, out of which:	57		
- from public funding	58		
- from private funding	59		
VII. Innovation expenses	Line no.	30 June 2013	30 June 2014
A	B	1	2
Innovation expenses –total (row 61 to 63), out of which:	60		
- Innovation expenses finalized during the year	61		
- Innovation expenses in progress during the year	62		
- Innovation expenses canceled during the year	63		
VIII. Other information	Line no.	30 June 2013	30 June 2014
A	B	1	2
Advances given for intangible assets (acc. 234)	64		
Advances given for tangible assets (acc. 232)	65		
Financial assets gross value (row 67+76), out of which:	66	1,051,606,686	1,097,654,447
Shares held in affiliated entities, participating interests, other securities and long term bonds, in gross amounts, (row 68 to 75), out of which:	67	1,051,606,686	1,097,654,447
- listed shares issued by residents	68	531,428,530	473,112,371
- unlisted shares issued by residents	69	155,656,140	164,465,252
- social individual parts issued by residents	70		
- bonds issued by residents	71	48,989,370	48,634,471
- shares issued by resident collective investment entites	72		
- funds units issued by resident collective investment entites	73		23,200,000

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- shares and social parts issued by non residents	74	315,532,646	388,242,353
- bonds issued by non residents	75		
Gross non-current trade receivables (row 77+78), out of which:	76		
- Trade receivables for non-current assets in RON and expressed in RON, whose settlement is made based on the exchange rate currency (from the acc. 267)	77		
- Trade receivables from non-current assets in foreign currency (acc. 267)	78		
Trade receivables , advances to suppliers and other similar accounts, in gross amounts (acc. 4092+411+413+418), out of which:	79	35,575	79,599
- external trade advances to suppliers and other similar accounts, in gross amounts (acc. 4092+411+413+418)	80	1,321	
Trade receivables not received at the due date (acc. 4092+acc. 411+acc. 413)	81		
Receivables related to personnel and similar accounts (acc. 425+4282)	82		
Receivables related to social security budget and state budget (acc. 431+437+4382+441+4424 +4428+444+445+446+447+4482),(row 84 to 88), out of which:	83	337	337
- receivables related to social security budget (acc. 431 + 437 + 4382)	84		
- receivables related to the state budget (acc. 441 + 4424 + 4428 + 444 + 446)	85		
- subventions to be received (acc. 445)	86		
- special funds – tax and similar liabilities (acc. 447)	87		
- other receivables related to the state budget (acc. 4482)	88	337	337
Receivables from related parties (acc. 451)	89		
Receivables related to social security budget and state budget not received within the due date (acc. 431+acc.437+ acc. 4382+acc. 441+acc. 4424+ct 4428+acc.444+acc.445+ acc.446+acc.447+acc. 4482)	90		
Other receivables (acc. 453+456+4582+461+471+473), out of which:	91	14,180,632	7,950,338
- settlements regarding participation interests, transactions with shareholders/associates related to capital, transactions related to joint operations (acc. 453+456+4582)	92		
- other receivables related to individuals and companies, other than the receivables related to those related to the public institutions (acc. 461 + 471 + acc. 473)	93	14,180,632	7,948,623
- amounts from the acc. 542 "Treasury advances" representing the treasury advances, granted according with law and unsettled until reporting date (acc. 461)	94		
Accrued interest receivable (acc. 5187), out of which:	95		
- from non-residents	96		
Loans granted to other entities	97		

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Short-term financial investments in gross amounts (acc. 501+503+505+506+507+acc.508) (row 99 la 107), out of which:	98	99,422,208	218,654,704
- listed shares issued by residents	99	1,600,848	118,457,759
- unlisted shares issued by residents	100		
- social individual shares issued by residents	101		
- bonds issued by residents	102		
- shares issued by collective investment bodies	103		
- fund units issued by collective investment entities	104	360,985	30,171,870
- shares issued by non-residents	105	8,026,843	2,484,575
- bonds issued by non-residents	106		
- short-term bank deposits	107	80,433,532	67,540,500
Other cash equivalents to be collected (acc. 5113+5114)	108		
Petty cash in lei and in foreign currencies (row 110+111), out of which:	109	6,667	3,932
- in lei (acc. 5311)	110	6,667	3,932
- in foreign currencies (acc. 5314)	111		
Current accounts at banks in lei and in foreign currencies (row 113+115), out of which:	112	4,244,930	45,191,970
- in lei (acc. 5121), out of which:	113	2,756,548	31,361,801
- current accounts in lei at non-resident banks	114		
- in foreign currencies (acc. 5124), out of which:	115	1,488,382	13,830,169
- current accounts in foreign currencies at non-resident banks	116		
Other cash at bank accounts and letters of credit (row 118+119), out of which:	117		
- amounts under settlement, letters of credit and other values to be collected in lei (acc. 5112+5125+5411)	118		
- amounts under settlement and letters of credit in foreign currencies (acc. 5125+5412)	119		
Payables (row 121+124+127+130+133+136+139+142+145+148+151+152+156+158+159+164+165+166+172), out of which:	120	36,671,248	42,409,210
Debenture loans in gross amounts (acc. 161) (row 122+123), out of which:	121		
- in lei	122		
- in foreign currencies	123		
Accrued interest on debenture loans, in gross amounts (acc. 1681) (row 125+126), out of which:	124		
- in lei	125		
- in foreign currencies	126		
Short term domestic loans (acc. 5191+5192+5197), (row 128+129), out of which:	127		
- in lei	128		
- in foreign currencies	129		
Accrued interest on short-term domestic bank loans (acc. 5198), (row 131+132), out of which:	130		
- in lei	131		

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- in foreign currencies	132		
Short term foreign loans (acc. 5193+5194+5195), (row 134+135), out of which:	133		
- in lei	134		
- in foreign currencies	135		
Accrued interest on short-term foreign loans (acc. 5198), (row 137+138), out of which:	136		
- in lei	137		
- in foreign currencies	138		
Long term bank loans (acc. 1621+1622+1627), (row 140+141), out of which:	139		
- in lei	140		
- in foreign currencies	141		
Accrued interest on long term loans (acc. 1682), (row. 143+144), out of which:	142		
- in lei	143		
- in foreign currencies	144		
Long term foreign bank loans (acc. 1623+1624+1625), (row. 146+147), out of which:	145		
- in lei	146		
- in foreign currencies	147		
Accrued interest on long-term foreign bank loans (from acc. 1682), (row 149+150), out of which:	148		
- in lei	149		
- in foreign currencies	150		
State Treasury loans (acc. 1626+acc. 1682)	151		
Other loans and related interest (acc. 166+167+1685+1686+1687) (row 153+154), out of which:	152		
- in lei or expressed in lei, whose settlement is done in relation to a foreign currency	153		
- in foreign currencies	154		
Value of the received concessions (from acc. 167)	155		
Trade payables, advances received from customers and other similar accounts in gross amount (acc. 401+403+404+405+408 +419), out of which:	156	155,852	122,801
- foreign trade payables, advances received from foreign customers and other similar accounts in gross amount (from acc. 401+403+404+405+408+419)	157		
Payables related to personnel and similar accounts (acc. 421+423+424+426+427+4281)	158	325,489	144,722
Payables related to social insurances budget and to state budget (acc. 431+437+4381+441 +4423+4428+444+446+447+4481), (row 160 la 163), out of which:	159	949,130	18,874,453
- payables related to social insurances budget (acc. 431+437+4381)	160	583,061	158,220
- fiscal liabilities related to state budget (acc. 441+4423+4428+444+446)	161	366,069	18,715,383

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- special funds - taxes and similar liabilities (acc. 447)	162		850
- other debts related to state budget (acc. 4481)	163		
Payables to the realted parties (acc. 451)	164		
Amounts owed to shareholders/associates (acc.455)	165		
Other payables (acc. 452+456+457+4581+462+472+473+269+509), out of which:	166	35,240,777	23,267,234
- settlements regarding participation interests, transactions with shareholders / associates related to capital, transactions related to joint operations (acc. 452+456+457+4581)	167	28,479,294	23,215,803
- other payables related to individuals and legal entities, other than the ones with the public institutions (acc. 462+din acc. 472+ din acc. 473)	168	335,290	51,431
- government grants (din acc. 472)	169		
- amounts payable for non-current financial assets and short term financial investments (acc. 269+509)	170	6,426,193	
- income in advance afferent to the assets transferred from the clients (acc. 472)	171		
- Payable accrued interest (acc. 5186)	172		
Loans from entities	173		
Subscribed and paid in share capital (acc. 1012), out of which:	174	54,884,927	54,884,927
- quoted shares	175	54,884,927	54,884,927
- un-quoted shares	176		
- social individual parts	177		
- subscribed share capital paid-in by non-residents (acc. 1012)	178		
Paid-in share capital (acc. 1012) (row. 180+183+187 to 189), out of which:	179	54,884,927	54,884,927
- hold by public institutions, out of which:	180	254	254
- public institutions with central subordination	181	253	253
- public institutions with local subordination	182	1	1
- hold by commercial societies, state owned, out of which:	183		
- integrally state owned	184		
- with major state ownership	185		
- with minor state ownership	186		
- hold by commercial societies with private capital	187	25,715,249	27,747,521
- hold by private individual persons	188	29,169,424	27,137,152
- hold by other entities	189		
Patents, licences (din acc. 205)	190		234,632
IX. Information regarding the collaborators expenses	Line no.	30 June 2013	30 June 2014
A	B	1	2
Expenses with collaborators (acc. 621)	191		
X. Information regarding public state goods	Line no.	30 June 2013	30 June 2014
The amount of the administered public state goods	192		

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The amount of public state goods in concession	193		
The amount of rented public state goods	194		
XI. Dividends of the entities with state capital paid during the reporting period, out of which:	195		
-Dividends afferent to the previous closed financial exercise, paid during the reporting period by public institutions, out of which:	196		
- towards public institutions, with central subordination	197		
- towards public institutions, with local subordination	198		
-Dividends from the profit afferent to the financial exercises previous to the last closed financial exercise, paid during the reporting period towards public institutions, out of which:	199		
- towards public institutions, with central subordination	200		
- towards public institutions, with local subordination	201		

Dragoş-George Bilteanu
President - General Manager

Ştefan Doba
Economic Director

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1. Non-current assets

a) Intangible assets

	Concessions, Patents and licenses	Advances for Intangible Assets	Total Intangible Assets
Gross value			
Balance as at 1 January 2014	421,064	-	421,064
Acquisitions	-	6,016	6,016
Disposals	183,642	-	183,642
Balance as at 30 June 2014	237,422	6,016	243,438
Accumulated amortization			
Balance as at 1 January 2014	413,922	-	413,922
Acquisitions	2,388	-	2,388
Disposals	183,642	-	183,642
Balance as at 30 June 2014	232,668	-	232,668
Net book value			
Balance as at 1 January 2014	7,142	-	7,142
Balance as at 30 June 2014	4,754	6,016	10,770

b) Tangible assets

	Land and buildings	Technical installations and machinery	Other plants, Equipment and furniture	Total Tangible assets
Gross value				
Balance as at 1 January 2014	7,243,772	1,979,807	450,579	9,674,158
Acquisitions	-	11,421	10,771	22,192
Disposals	-	103,981	25,528	129,509
Balance as at 30 June 2014	7,243,772	1,887,247	435,822	9,566,841
Accumulated depreciation				
Balance as at 1 January 2014	2,705,488	1,738,381	395,622	4,839,491
Acquisitions	73,835	43,589	7,505	124,929
Disposals	-	103,981	25,507	129,488
Balance as at 30 June 2014	2,779,323	1,677,989	377,620	4,834,932
Net book value				
Balance as at 1 January 2014	4,538,284	241,426	54,957	4,834,667
Balance as at 30 June 2014	4,464,449	209,258	58,202	4,731,909

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1. Non-current assets (continued)

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

As at 30 June 2014 and 31 December 2013, the Company had no assets pledged or in custody at third parties.

c) Financial assets

Gross value	Shares	Closed-end investment fund units	Bonds	Other receivables	Total Financial non-current assets
Balance as at 1 January 2014	1,123,805,266	-	49,117,392	8,973	1,172,931,631
Acquisitions	6,089,076	23,200,000	73,154		29,362,230
Disposals	104,074,366		556,075		104,630,441
Balance as at 30 June 2014	1,025,819,976	23,200,000	48,634,471	8,973	1,097,663,420
Allowances for impairment					
Balance as at 1 January 2014	180,269,887		-		180,269,887
Charge			-		-
Reversal	12,556,342		-		12,556,342
Balance as at 30 June 2014	167,713,545		-		167,713,545
Net book value					
Balance as at 1 January 2014	943,535,379	-	49,117,392	8,973	992,661,744
Balance as at 30 June 2014	858,106,431	23,200,000	48,634,471	8,973	929,949,875

Shares

Acquisitions mainly comprise of the following:

- purchases of shares from the stock exchange in total amount of RON 1,052,592 (Calipso SA Oradea RON 846,959; Conpet SA RON 133,012; etc.);
- direct acquisition of shares (including participation to share capital increase) in total amount of RON 5,036,484, out of which direct acquisition of SAI Muntenia Invest' shares in amount of RON 4,171,524 and participation to share capital increase of Hidrotim SA Timișoara in amount of RON 864,960.

Disposals mainly comprise of the following:

- the book value of the sold shares, in total amount of RON 103,735,295 (Erste Group Bank AG Viena RON 58,014,961; BRD Group Societe General RON 16,476,434; Turbomecanica SA RON 10,226,242; Fondul Proprietatea SA RON 9,197,332; Teraplast SA RON 5,076,965, Ductil SA RON 2,839,675, etc.);
- the value of shares disposed of from the portfolio due to bankruptcy of the companies, in total amount of RON 339,071 (Comcereal Caraș, Flamingo Internațional, etc.).

The amount of RON 12,556,342 registered during the first semester of the year 2014, as reversal of adjustments for impairment, represent the impairment allowances related to the disposals of long term investments from the portfolio of the Company (through sale or liquidation). Out of the total adjustments, the amount of RON 454,286, previously accounted for as expenses, was recognized as income from reversal of impairment allowances, and the amount of RON 12,102,056 against reserves from recognition of impairment allowances on financial assets (previously, the allowances were charged against reserves, as according to National Securities Commission Order no. 13/2011).

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1. Non-current assets (continued)

As at 30 June 2014 and 30 June 2013 no adjustments for impairment of financial assets were recognized, since the adjustments are established and recorded in accounting at the end of the financial year, based on the evaluation at that time, as required by the Accounting Regulations in accordance with the European Directives, approved through the National Securities Commission Order no. 13 2011.

The value of adjustments for impairment as at 30 June 2014, established as difference between the book value and the value calculated based on the Measures no. 23/21.12.2012 issued by the Financial Supervision Authority (former National Securities Commission), is the following:

- adjustments for impairment to be booked in amount of RON 3,782,634 (30 June 2013: RON 14,135,719), recognized as follows:
 - as reserves from impairment of securities, in amount of RON 3,782,634 (30 June 2013: RON 12,059,370);
 - as expense with adjustments for impairment in amount of RON 0 (30 June 2013: RON 2,076,349) related to companies which entered insolvency during the first semester of 2014;
- reversal of adjustments in amount of RON 9,229,217 (30 June 2013: RON 22,844,872), recognized as follows:
 - as reserves accounted from adjustments from impairment of securities, in amount of RON 9,140,463 (30 June 2013: RON 20,095,962);
 - as income from adjustments of impairment of financial assets, in amount of RON 88,754 (30 June 2013: RON 2,748,910), previously accounted as expenses.

Thus, the influence in the statement of assets, liabilities and equity would have been the following:

Assets

- Securities and other financial instruments held as non-current assets RON + 5,446,583

Equity

- Reserves for allowances for impairment of financial assets RON + 5,357,829
- Result for the year RON +88,754

Closed-end investment fund units

The additions represent the amount of the fund units purchased in the first quarter of the year 2014 to the Closed Investment Fund Active Plus.

Bonds

The acquisitions include the favorable exchange rate differences resulted from the evaluation at the NBR exchange rate of the bonds held in EURO.

The disposals include the unfavorable exchange rate differences resulted from the evaluation at the NBR exchange rate of the bonds held in EURO.

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2. Provisions

Provision description	1 January 2014	Transfers		30 June 2014
		In the account	From the account	
Provisions for taxes	47,667,668	-	1,239,026	46,428,642
Total	47,667,668	-	1,239,026	46,428,642

The provisions for taxes in amount of RON 46.428.642 represent the transposition of the deferred profit tax recognized until 1 January 2006 for the reserves constituted as a result of the Law no. 133/1996, reserves constituted from the value of shares received at no cost and the reserves from the reevaluation of fixed assets (Note 16). Transfers in the account amounting to RON 1,239,026 represent mainly the deferred tax release related to reserves from shares received at no cost disposed of.

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

	31 December 2013	30 June 2014
Provisions for taxes related to:		
- reserves for the value of shares	43,579,701	42,341,129
- reevaluation reserves	914,696	914,242
- reserves for tax facilities	3,173,271	3,173,271
Total provisions for profit taxes	47,667,668	46,428,642

3. Profit appropriation

On 15 April 2014, the Ordinary General Shareholders' Meeting has approved appropriation of the 2013 financial year net profit, in amount of RON 80,143,950 to other reserves for own financing sources.

As at 30 June 2014 the net realized profit is in amount of RON 149,295,427 and has not been appropriated.

4. Analysis of the operating result

Indicators	Line. no.	Sem. I 2013	Sem. I 2014
Income from non-current financial assets	1	16,063,790	12,449,844
Income from current financial assets	2	169,396	35,498
Income from non-current receivables	3		
Income from disposal of financial assets	4	24,152,936	218,852,234
Income from services provided	5		
Income from re-activated receivables and sundry debtors	6		
Income from reversal of provisions	7	5,335,953	454,286
Foreign exchange gain	8	4,299,506	353,144
Interest income	9	3,291,061	3,196,892

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4. Analysis of the operating result (continued)

Income from capitalized production	10		
Other operating income (line 12 to 18), from:	11	233,777	506,865
- research and development	12		
- royalties, leases and rent	13	34,170	34,288
- sundry activities	14		
- subsidies	15		
- other income	16	42,232	20,504
- discounts received	17		
- other financial income	18	157,375	452,073
Operating income (line 01 to 11)	19	53,546,419	235,848,763
Losses on receivable from associates	20		
Expenses with the disposal of financial assets	21	7,528,872	50,319,254
Foreign exchange loss	22	3,614,367	1,081,133
Interest expense	23	-	-
Fees and commissions expenses	24	1,324,965	2,338,135
Expenses with bank services and similar charges	25	22,709	9,864
Losses from receivables and sundry debtors	26	-	-
Impairment allowances and depreciation expense	27	152,696	127,317
Other operating expense, out of which:			
(line 29+30+31+34+47)	28	9,920,943	4,377,286
- materials	29	105,087	115,688
- energy and water	30	96,825	74,463
- personnel, out of which (line 32+33)	31	8,808,947	3,348,862
- salaries	32	7,429,353	2,582,583
- social security	33	1,379,594	766,279
- third party services, out of which (line 35 to 46)	34	840,218	775,379
- maintenance and repairs	35	35,202	22,732
- royalties, leases and rent	36	50,903	86,591
- insurance premiums	37	19,286	14,479
- research and studies	38		
- protocol, advertising and publicity	39	79,777	72,456
- transportation of goods and personnel	40	540	
- travel, posting and transfer	41	174,902	164,174
- postal and telecommunications	42	71,005	73,681
- other third party services	43	346,365	271,247
- other expenses	44	62,238	67,525
- expenses related to the discounts granted	45		
- other financial expenses	46		2,494
- expenses with other taxes and similar liabilities	47	69,866	62,894
Operating expenses (line 20 to 28)	48	22,564,552	58,252,989
Operating result (line 19 to 48)	49	30,981,867	177,595,774

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

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5. STATEMENT OF RECEIVABLES AND PAYABLES

Receivables	30 June 2014	Liquidity term	
		Less than 1 year	More than 1 year
Prepayments to suppliers and receivables from clients	79,599	79,599	
Receivables from dividends a)	5,824,102	5,824,102	
Debtors from share capital increase b)	902,101	902,101	
Sundry debtors c)	1,057,158	1,057,158	
Penalties related to uncollected dividends	66,020	66,020	
Accrued interest d)	994,394	994,394	
Adjustments for impairment of receivables - sundry debtors e)	(778,667)	(778,667)	
Total	8,144,707	8,144,707	

- a Receivable from dividends in amount of RON 5,824,102 include dividends to be collected from previous years, in amount of RON 1,182,021 and dividends to be collected for the year 2013, in amount of RON 4,642,081 (31 December 2013: RON 1,333,761)
- b Sundry debtors - participation to the capital increase in amount of RON 902,101, represents the amounts paid by the Company for the participation to the increase of the share capital of the companies Petrocart SA Piatra Neamţ and Nord Conforest Cluj, operations pending registration with the Trade Registry (31 December 2013: RON 834,200).
- c Sundry debtors amounting to RON 1,057,158 (31 December 2013: RON 146,969) mainly include the amount to be collected from Fondul Proprietatea SA, as a result of diminishing the nominal value of shares and cash distribution;
- d Accrued interest amounting to RON 994,394 represents the interest afferent to the bonds with maturity more than one year (31 December 2013: RON 1,721,887).
- e Adjustments for impairment of receivables in amount of RON 778,667 (31 December 2013: RON 778,667) were accounted for the dividends receivable from previous years in amount of RON 712,647 and the related penalties in amount of RON 66,020.

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

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5. STATEMENT OF RECEIVABLES AND PAYABLES (CONTINUED)

Payables	30 June	Settlement term		
		2014	Less than 1 year	Between 1 and 5 years
Suppliers	122,801	122,801		
Salaries and social contributions	302,942	302,942		
Income tax	18,653,173	18,653,173		
Other duties and taxes	f) 63,060	63,060		
Dividends payables to shareholders	g) 23,215,803	23,215,803		
Sundry creditors	51,431	51,431		
Total	42,409,210	42,409,210	-	-

f Other duties and taxes in amount of RON 63,060 mainly represents the tax on salaries related to June 2014 (31 December 2013: RON 396,383).

g Dividends payable to shareholders in amount of RON 23,215,803 (31 December 2013: RON 23,322,091) include payable dividends for previous years. Dividends not collected for the financial years prior to 2009 have been prescribed, and were transferred in other reserves.

Payables	31 December	Settlement date		
		2013	Less than 1 year	Between 1 and 5 years
Suppliers	186,697	186,697		
Personnel and social security liabilities	2,360,725	2,360,725		
Income tax	7,529,311	7,529,311		
Other duties and taxes	f) 396,383	396,383		
Dividends payable to shareholders	g) 23,322,091	23,322,091		
Payments to be completed for the financial non-current assets	354,845	354,845		
Sundry creditors	3,828	3,828		
Total	34,153,880	34,153,880	-	-

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

SIF Banat-Crişana SA Arad
Notes to the individual interim financial reporting
for the 6 month period ended at 30 June 2014

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

6. Accounting principles, policies and methods

6.1 General Information

The individual interim financial reporting ("the financial statements") are the responsibility of the Company and were prepared in accordance with the Accounting Regulations compliant with E.E.C. Directive IV, applicable to entities authorized, regulated and supervised by the Financial Supervision Authority (FSA), former National Securities Commission, approved through the Order no. 13/2011 of the President of the National Securities Commission, which are applied together with the Romanian Accounting Law no. 82/1991, republished with subsequent amendments. In preparing the interim half-year reporting, the provisions of Regulation no. 1/2008 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, and the Instruction no. 5/2006 on the system of interim half-year accounting of entities authorized, regulated and supervised by FSA, as amended, have been considered.

The individual interim financial reporting as at 30 June 2014 includes:

- Statement of assets, liabilities and equity;
- Profit and loss account;
- Information dates.

Without being part of the half-yearly accounting reports, explanatory notes are submitted as required by Regulation no. 31/2006.

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

In accordance with CNVM Order no. 116/21.12.2011 for the approval of Instruction no. 6/2011 regarding the application of International Financial Reporting Standards by entities authorized, regulated and supervised by the FSA, the financial investment companies have the obligation to prepare annual financial statements („IFRS”), for informative purpose, for the financial years 2011, 2012 and 2013 within 180 days after year-end. The financial statements prepared in accordance with IFRS will be obtained by restating the information presented in the annual financial statements prepared in accordance with EEC Directive IV. The financial statements prepared in accordance with IFRS are published on the website and are subject to financial audit.

The company prepared separate financial statements in accordance with International Financial Reporting Standards as adopted by the EU starting with 2011, that were audited and published on the company's website.

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

6.2 Accounting principles underlying the individual financial statements:

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

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

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

6. Accounting principles, policies and methods (continued)

6.2 Accounting principles underlying the individual financial statements (continued)

The accounting principles underlying the individual financial statements are:

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)
6.3 Accounting policies

(a) Use of estimates

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

(b) Going concern

The nature of the Company's operations and the result of the economic policies currently implemented may generate variations in what regards future cash inflows. The Administrators believe that the Company will be able to continue its activity as a going concern in the foreseeable future and, consequently, the financial statements were prepared in accordance with this principle.

(c) Foreign currency transactions

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

As at 30 June 2014, the main official exchange rate used were: RON 3.2138 lei for 1 USD (31 decembrie 2013: 3.2551) and RON 4.3870 for 1 EURO (31 decembrie 2013: 4.4847).

(d) Intangible assets

An intangible asset is recognized if there is an estimation that the asset will generate future economic benefits and the asset can be measured reliably.

- Initial recognition

Intangible assets are initially recognized at cost.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(d) Intangible assets (continued)

- Subsequent expenditures

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

- Measurement at balance-sheet date

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

- Amortization

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

(e) Tangible assets

Tangible assets are assets held for the own use of the Company or for rental to third parties, are used by the Company for periods greater than one year and have an acquisition cost greater than RON 2,500.

- Initial Recognition

Tangible assets are recognized at cost.

- Subsequent expenditures

The subsequent expenditures afferent to tangible assets, respectively, expenses with maintenance and repairs, are recognized as expenses in the profit or loss account when incurred.

Further improvements on the intangible assets, are recognized as part of the asset if the effect is the improvement of initial technical parameters and will bring future economic benefits in addition to those initially estimated.

- Evaluation at the balance sheet date

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

In accordance with the allowed alternative revaluation rules, tangible assets are revalued periodically and therefore they are presented in the balance sheet at revalued amount.

The revalued amount is recorded based on the revaluation report prepared by an assessor accredited by ANEVAR.

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

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(e) Tangible assets (continued)

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

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

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

- Depreciation

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

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

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

- Sale and disposal

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

(f) Allowances for impairment of assets

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

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

(g) Financial instruments

The portfolio of financial instruments includes:

- Non-current financial assets
- Current financial investments

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

(g.1.) Non-current financial assets

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

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

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

(a) Recognition

Financial assets are recognized at the date they were transferred (settlement date).

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

In case of unlisted companies, the shares purchases are recognized at the date of registration in the Shareholders' Registry, the increase of the share capital is recognized at the date of the transaction registration at the Trade Register and share disposals are accounted for at the settlement date.

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

(b) Measurement of non-current financial assets

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

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

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

The inventory value of participation interests is established based on the provisions of Measure no. 23/20.12.12, with effect from March 2013 and the Resolution of Board of Directors no. 10 of 28 February 2013 for approval of the use of alternative methods mentioned in this Measure.

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

Securities listed on foreign financial markets are assessed at the inventory value based on the above calculation method and are converted to RON at the NBR exchange rate available on the calculation date.

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

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

The securities held in companies which are not admitted to trading, with negative values of equity and the companies in insolvency, reorganization, judicial liquidation or other liquidation forms and those in temporary or permanent cessation of activity have an inventory value considered zero.

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

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

(c) Impairment

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

CNVM Order no. 13/2011 provides the alternative accounting treatment for recognition of adjustments for impairment of financial assets, respectively in the profit or loss account or in equity. Starting with 2008, the Company decided to apply the accounting treatment for recognition of impairment adjustments in equity.

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

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

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

(d) Derecognition

The derecognition of financial assets is effected at the settlement date or at the date the ownership is transferred (sales through direct contracts).

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

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

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

Evaluation of current financial investments:

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

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

- **At disposal date** the current financial assets are measured using the weighted average cost method. Sale/liquidation of short-term investments in foreign currency is made at the exchange rate communicated by NBR, from the date the operation was made. The exchange difference between the rate registered in the accounting and the rate of NBR on the date of liquidation is registered in income or expenses from exchange rate differences, by case.
- **At balance sheet date** the impairment of financial assets held as current assets, determined through the inventory process, based on expenses, is reflected as allowances for impairment. The positive differences between the inventory value and the book value are not recognized.

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

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

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

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

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

Current financial investments in foreign currencies are evaluated at the end of the financial year at the quotation from the last transaction day, in RON, using the exchange rate communicated by NBR.

(h) Inventory

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

(i) Receivables

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

Foreign exchange gains or losses are recognized in the profit or loss account, as incomes or expenses from exchange rate differences, by case.

(j) Payables

Payables are accounted for at nominal amount.

Foreign currency payables are recognized both in lei and in the foreign currency at the exchange rate from the date of completing the operation, communicated by NBR.

At the end of each month, foreign currency payables are revalued at the exchange rate communicated by NBR for last day of the afferent month. Foreign exchange gains or losses are recognized in the profit or loss account, as incomes or expenses from exchange rate differences.

(k) Dividends payable

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

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

(l) Cash and cash equivalents

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

For the purpose of the cash flow statement, cash and cash equivalents include petty cash, current accounts with banks, treasury advances and short term financial assets (securities, bonds) with a maturity less than 3 months.

Cash equivalents are highly liquid, short term financial assets, which can be easily converted to cash and bear an insignificant risk of change in value.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(m) Provisions

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

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

(n) Taxation

Provisions for taxes

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

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

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

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

Current tax expenses

In first semester of the year 2014, the Company paid a corporate tax rate of 16%, equal to the rate in force in 2013.

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

(o) Employees pensions and other benefits after retirement

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

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

(p) Revenue recognition

Income from ceded financial investments

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(p) Revenue recognition (continued)

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

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

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

Interest income

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

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

Income from non-current financial assets

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

(q) Expenses recognition

Expenses related to financial investments disposed of

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

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

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

For current financial investments disposed of on the foreign markets, the carrying amount represents the value of the investments at the exchange rate from acquisition date (amount calculated based on the weighted average cost), the foreign exchange gains and losses are recognized separately.

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

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(q) Expenses recognition (continued)

Expenses with bank commissions

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

(r) Other operating income and expenses

Other operating income and expenses are recognized when they occur.

(s) Earnings per share

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

7. PARTICIPATIONS AND SOURCES OF FUNDING

The share capital of SIF Banat Crişana has a value of RON 54,884,926.80 being divided into 548,849,268 shares with face value of 0.1000 lei and is the direct result of subscriptions made to the share capital of SIF, by converting into shares the amounts due as dividends according to Law no. 55/1995 and Law no.133/1996. As at 30 June 2014, the number of shareholders was 5,792,560 (31 decembrie 2013: 5,798,807).

The shares issued by SIF Banat Crişana are traded on the Bucharest Stock Exchange since November 1999. The evidence regarding the shares and shareholders is held by the SC Depozitarul Central SA Bucharest.

The company does not have any bonds issued as at 30 June 2014 and 31 December 2013.

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

	Sem. I 2013	Sem. I 2014
Expenses with salaries	3,206,580	2,515,291
Expenses with insurance and social security	1,379,594	766,279
Other staff expenses	82,773	67,292
Expenses with incentives granted to Employees and directors as a result of profit realization*	4,140,000*	-
TOTAL	8,808,947	3,348,862

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

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

The remuneration paid to employees in the first semester of 2013 and the first semester of 2014 amounted to RON 3,206,580 and RON 2,515,291, respectively, of which:

	Sem. I 2013		Sem. I 2014	
	No. of employees	Salaries	No of employees	Salaries
Employees	68	1,861,995	44	1,414,726
Administrators	6	333,004	7	300,300
Directors	9	1,011,581	5	800,265
Total	82*	3,206,580	55*	2,515,291

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

a) Remuneration of directors and administrators

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

As at 30 June 2013 and 30 June 2014, the administrators had concluded contracts for professional liability insurance.

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

b) Employees

At 30 June 2014, the Company had 55 employees (Sem I 2013: 82) of which 48 were permanent employees (sem I 2013: 76) and 7 were temporary employees (sem I 2013: 6). The average number of employees in semester I 2014 was of 50 (Sem I 2013: 77).

9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS

	sem I 2013	sem I 2014
1 LIQUIDITY RATIOS		
a) Current liquidity ratio		
Current assets/ Current liabilities	2.97	6.83
Current assets	108,793,131	289,620,207
Current liabilities	36,672,248	42,409,210
b) Quick asset ratio		
(Current assets-Inventories) /Current liabilities	2.97	6.83
Current assets-Inventories	108,790,061	289,617,968
Current liabilities	36,672,248	42,409,210
c) Payment capacity		
(Petty cash and cash at bank + Short term Investments) / Current liabilities	2.56	6.63
Petty cash and cash at bank + Short term Investments	93,896,354	281,371,967
Current liabilities	36,672,248	42,409,210

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9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS (CONTINUED)

2 RISK RATIOS	not the case	not the case
3 ACTIVITY RATIOS		
a) Clients receivables days		
Average receivables balance/ Turnover * 180 (days)	29	5
Average receivables balance (including debtors- Note 5a)	8,748,031	7,026,396
Turnover (the total operating income)	53,546,419	235,848,763
Average payables balance/ Purchases of goods except for services* 180 (zile)	8	14
Average payables balance	59,029	113,124
Purchases of goods and services- credit movement 401	1,404,195	1,415,526
b) Non-current assets turnover		
Turnover/Non-current assets	0.06	0.25
Turnover (total operating income)	53,546,419	235,848,763
Non-current assets	869,969,610	934,692,554
c) Total assets turnover		
Turnover/Total assets	0.05	0.19
Turnover(total operating income)	53,546,419	235,848,763
Total assets	978,762,741	1,224,312,761
4 PROFITABILITY RATIOS		
a) Return on capital employed		
Earnings before interest and tax/Capital employedx100	3.46%	15.64%
Earnings before interest and tax	30,981,867	177,595,774
Capital employed (equity)	895,377,460	1,135,474,909
b) Return on assets		
Net profit / Total assets x 100	2,93%	12,19%
Net profit	28,679,054	149,295,427
Total assets	978,762,741	1,224,312,761
c) Return on equity		
Net profit / Equity x 100	3.20%	13.15%
Net profit	28,679,054	149,295,427
Equity	895,377,460	1,135,474,909
5 Working capital (WC)		
(Equity + long term loans) – non-current assets	25,407,850	200,782,355
Equity + long term loans	895,377,460	1,135,474,909
Total non-current assets	869,969,610	934,692,554

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9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS (CONTINUED)

6 Demand for working capital (DWC)		
(Inventories + Receivables) – current liabilities	-21,905,088	-34,262,264
Inventories + Receivables	14,767,160	8,146,946
Current liabilities	36,672,248	42,409,210
7 Net treasury (NT)		
WC – DWC	47,312,938	235,044,619
8 Dividend yield		
Dividend per share / Price per share	-	-
Dividend per share	0.0000	0.0000
Price per share (average price for Semester I)	1.2260	1.2126
9 Dividend pay-out rate		
Dividend per share / Profit per share	-	-
Dividend per share	0.0000	0.0000
Profit per share	0.0523	0.2720

10. OTHER INFORMATION

a) Information regarding the presentation of the Company

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

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

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

The Company's core activity is:

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

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

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

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

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10. OTHER INFORMATION (CONTINUED)

c) Information about the current income tax

The fiscal profit for the period ended 30 June 2013 and 30 June 2014 is presented below:

	<u>30 June 2013</u>	<u>30 June 2014</u>
Accounting profit	30,981,867	177,595,774
Non-deductible expenses	316,322	4,344,853
Non-taxable income	(16,536,638)	(4,657,211)
Other taxable items	<u>18,533</u>	<u>15,631</u>
Taxable profit	14,780,084	177,299,047
Income tax rate	16%	16%
Current income tax	2,364,813	28,367,847
Other facilities	<u>(62,000)</u>	<u>(67,500)</u>
Current income tax payable	<u>2,302,813</u>	<u>28,300,347</u>

d) Turnover

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

e) Subsequent events

There are no subsequent events following the date of the Balance sheet.

f) Deferred income

There is no deferred income as at 30 June 2014 (31 December 2013: RON 0).

g) Installments paid under a lease contract

As at 30 June 2013 and 30 June 2014, the Company has no ongoing operational or financial leasing contracts.

h) Fees paid to auditors

The Company has paid to the auditors during the first semester of the year 2014 a total of RON 62,495 for the audit of the financial statements prepared in accordance with national regulations for 2013 (2013: RON 109,478).

i) Contingent liabilities and commitments given

Contracts for purchases of non-current tangible and financial assets

- There were no tangible and intangible assets in progress at 30 June 2014 (31 December 2013: RON 0).
- At 30 June 2014 and 31 December 2013, the Company had no contracts for the acquisition of raw materials and spare parts.

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

10. OTHER INFORMATION (continued)

i) Contingent liabilities and commitments given (continued)

- At 30 June 2014 the Company had two contracts for the purchase of non-current financial assets for which was paid the amount of RON 902,101 (31 December 2013: RON 834,200) (Note 5).
- At 30 June 2014, the Company had no contract for subscription to the share capital of other societies (31 December 2013: RON 354,845) (Note 5).

j) Commitments received

As at 30 June 2014 and 31 December 2013 there were no commitments received.

11. PORTFOLIO STRUCTURE

As at 30 June 2014, the structure of the Company's portfolio is presented as follows:

Description	Value calculated according to		Differences ±
	Purchase value	Reg. 23/2012	
I Non-current financial assets			
A Securities listed on a regulated market or an alternative trading system;	861,354,724	1,077,362,512	216,007,788
B Securities not listed on a regulated market or an alternative trading system;	164,465,252	196,777,421	32,312,169
C Debt instruments issued by the Central Public Administration;	15,733,069	15,733,069	-
D Debt instruments issued by Local Public Administration;	-	-	-
E Bonds of companies whose securities are listed on a regulated market;	-	-	-
F Shares and bonds of closed companies whose securities are not listed on a regulated market	32,901,402	32,901,402	-
G Other assets or financial instruments –closed investment fund units	23,200,000	21,922,097	(1,277,903)
I Total non-current financial assets	1,097,654,447*	1,344,696,501	247,042,054
II Current financial assets			
A Securities listed on a regulated market or an alternative trading system:			
- shares	121,114,232	116,311,236	(4,802,996)
- fund units	120,942,334	116,145,186	(4,797,148)
	171,898	166,050	(5,848)
G Other assets or financial instruments –closed investment fund units	47,025,961	44,486,552	(2,539,409)
- closed investment fund units	29,999,972	28,616,550	(1,383,422)
- financial derivative instruments	17,025,989	15,870,002	(1,155,987)
II Total current financial investments	168,140,193**	160,797,788	(7,342,405)
Total portfolio I+II	1,265,794,640	1,505,494,289	239,699,649

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11. PORTFOLIO STRUCTURE (CONTINUED)

Compared to the amounts presented above under "Total non-current financial assets" and "Total current financial assets", the statement of assets, liabilities and shareholders' equity amounts at 30 June 2014 are as follows:

*The balance sheet position "securities and other financial instruments held as non-current financial assets" includes available for sale securities, at book value or cost less adjustments for impairment, in total amount of RON 167,713,545 as at 30 June 2014, from those established at 31 December 2013, as the difference between the higher carrying amount and the fair value determined according to CNVM Measure no. 23/20.12.12 (Note 1).

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

- securities held for trading presented at cost, less adjustments for impairment in amount of RON 744,933, in balance at 30 June 2014, from those set on 31 December 2013;
- fund units held for trading at the acquisition cost;
- securities held at closed investment funds, at acquisition cost;
- financial derivative instruments at acquisition cost;
- bank deposits (including the accrued interest) in amount of RON 68,750,196 (presented in detail at Note 12);

At 30 June 2014 and 30 June 2013 were not registered any allowances for impairment of the non-current financial investments and of the current financial investments, as the allowances are established and registered in accounting at the closing of the financial year, based on the evaluation completed at this date, according with the accounting Regulations compliant with European Directives, approved by CNVM Order no. 13 of 2011.

Value adjustments for value losses at 30 June 2014 is as follows:

- adjustments for value losses to be set up in amount of RON 13,703,450, recognized as:
 - reserves from adjustments for value losses of non-current securities, amounting to RON 3,782,634 (30 June 2013: RON 12,059,370);
 - costs on account of adjustments for value losses in amount of RON 9,920,816 (30 June 2013: RON: 4,404,379), for current financial investments (speculative securities, fund units, financial derivative instruments).
- Reversal of adjustments worth RON 9,453,810, recognized as:
 - Reserves from adjustments for value losses of the non-current securities, amounting to RON 9,140,463 (30 June 2013: RON 20,095,962);
 - Income from reversal of impairment adjustments in amount of RON 313,347 (30 June 2013: RON 2,930,443), constituted previously on the account of the expenses, out of which the amount of RON 88,754 afferent to the securities hold as non-current assets and the amount of RON 224,593 related to the short term financial investments.

Thus the influences of the condition of assets, liabilities and equity are as follows:

Assets	RON	- 4,429,640
- Securities and other financial instruments held as non-current assets	RON	+ 5,446,583
- other short term investments	RON	- 9,696,223
Equity	RON	- 4,249,640
- Reserves for allowances for impairment of financial assets	RON	+ 5,357,829
- Result for the year	RON	- 9,607,469

As at 30 June 2014, the structure of the portfolio, based on the holding percentages in the share capital of societies included in SIF portfolio is:

% Participation	Number of companies	Book value	Share in total portfolio
above 50%	15	386,281,974	33.69%
between 20-50%	35	92,347,037	8.05%
below 20%	150	668,133,299	58.26%
Total	200	1,146,762,310	100.00

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SIF Banat-Crișana SA Arad
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(all amounts are presented in RON, unless otherwise stated)

11. PORTFOLIO STRUCTURE (CONTINUED)

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

Description	Value calculated according to Measure		Differences ±
	Purchase value	23/20.12.12	
I Non-current financial assets			
A Securities listed on a regulated market or an alternative trading system;	964,037,806	1,288,399,957	324,362,151
B Securities not listed on a regulated market or an alternative trading system;	159,767,461	174,364,977	14,597,516
C Debt instruments issued by the Central Public	16,083,450	16,083,450	-
D Debt instruments issued by Local public administration	-	-	-
E Bonds of companies whose securities are listed on a regulated market	6,083,941	6,083,941	-
F Shares and bonds of closed companies whose securities are not listed on a regulated market	26,950,000	26,950,000	-
G Other assets or financial instruments	-	-	-
I Total non-current financial assets	1,172,922,658*	1,511,882,325	338,959,667
		Value at	
		closing price	Differences ±
II Current financial assets			
A Securities listed on a regulated market or an alternative trading system:			
- shares	18,007,724	18,433,150	425,426
- fund units	360,813	377,820	17,007
II Total current financial assets	18,368,537**	18,810,970	442,433
Total portfolio I+II	1,191,291,195	1,530,693,295	339,402,100

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

* The balance sheet position "Total non-current financial assets" includes the securities available for sale, presented at book value or acquisition cost less adjustments for impairment, in total amount of RON 180,269,887, established at 31 December 2013, as difference between the higher book value and the fair value, determined according to CNVM Measure no. 23/20.12.12 (Note 1).

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

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

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11. PORTFOLIO STRUCTURE (CONTINUED)

In accordance with the applicable laws, the depositary services of the assets held by the Company were provided starting with 29 January 2014 by BRD Groupe Societe General, until this date being provided by ING Bank NV Amsterdam Bucharest Branch.

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

% Participation	Number of companies	Book value	Share in total portfolio
Above 50%	15	381,283,355	33.39%
Between 20-50%	35	91,703,357	8.03%
Below 20%	172	668,826,280	58.58%
Total	222	1,141,812,991	100.00

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11. PORTFOLIO STRUCTURE (CONTINUED)

In accordance with art. 238 (1) of CNVM Regulation nr. 4/2011, below are presented the entities where the Company holds interests in the percentage of at least 20%:

NO.	CUI	COMPANY NAME	ADDRESS			OWNERS (%)	SHARE CAPITAL	EQUITY 31.12.2013	STATUS
			COUNTY	CITY	SOCIAL CENTER				
1	6496150	VALY-TIM	TM	TIMISOARA	STR MEHADIEI NR. 5	99.9994	5,435,000	7,241,569	
2	HE323682	SIF IMOBILIARE	ZZ	NICOSIA	KARPENISIOU NR. 30	99.9859	6,689,054	145,911,831	
3	2204171	TRANS EURO HOTEL	MM	BAIA MARE	BDUL BUCURESTI NR. 23	99.9346	6,600,205	12,586,096	
4	14393678	BETA TRANSPORT	CJ	CLUJ NAPOCA	STR GIORDANO BRUNO NR 1-3	99.7566	2,412,798	4,667,594	
5	199176	NAPOMAR	CJ	CLUJ NAPOCA	MUNCII NR. 14	99.4348	25,640,603	42,097,880	
6	28330211	AZUGA TURISM	B_	BUCURESTI	REGINA ELISABETA NR. 54	98.9354	13,770,435	43,949,566	
7	56150	CALIPSO	BH	ORADEA	PIATA INDEPENDENTEI NR. 53	98.6575	50,771,468	63,576,907	
8	12274093	HOTEL MESESUL	SJ	ZALAU	STR 1 DECEMBRIE 1918 NR. 11/A	98.3983	1,342,518	7,477,638	
9	6842	SILVANA	SJ	CEHU SILVANIEI	STR PLOPLILOR NR. 2	96.2832	3,609,430	9,693,031	
10	2736489	ARIO	BN	BISTRITA	DRUMUL CETATII NR. 85	93.6407	13,035,178	7,362,793	F
11	2127119	RUSCA	HD	HUNEDOARA	DACIA NR. 10	87.659	3,440,560	7,316,862	
12	1766830	IAMU	AB	BLAJ	STR GHEORGHE BARITIU NR. 38	76.6951	12,143,833	24,003,380	
13	9415761	SAI MUNTENIA INVEST	B_	BUCURESTI	SPLAIUL UNIRII NR. 16	74.98	899,760	12,511,234	
14	1454846	VRANCART	VN	ADJUD	STR E. TEODOROIU NR. 17	74.7173	64,534,671	81,087,634	
15	575688	SOMPLAST	BN	NASAUD	STR G. COSBUC NR. 147	70.7511	5,757,950	9,381,599	
16	3357599	NORD CONSTRUCTII	SM	CAREI	STR UZINEI NR. 117	44.3101	79,550	1,031,687	
17	1703521	ARDEANCA	AR	ARAD	STR PADURII NR. 2-4	39.1607	222,673		INS
18	2196087	COMAR	MM	BAIA MARE	STR MINERILOR NR. 16	34.9415	101,503		
19	16276186	MOBILA USI	BC	BACAU	CALEA MOINESTI NR. 34	32.452	126,280		LJ
20	2816987	ELBAC	BC	BACAU	CALEA MOINESTI, NR. 34	32.45	829,956		LJ
21	17716200	ATLASCARD	HD	DEVA	PTA UNIRII NR. 10	31.3633	32,190		-
22	18228800	HIDROTIM	TM	TIMISOARA	CALEA MARTIRILOR NR. 1	30.509	112,523	3,820,884	
23	1062656	AGROPRODUCT RESITA	CS	RESITA	STR PAUL IORGOVICI NR. 44	30.0045	181,800		RJ
24	2761369	CRISCOM	AR	CHISINEU CRIS	STR INFRATIRII NR. 125	30.0005	80,180		LJ
25	1765460	TRANSILVANIA AIUD	AB	AIUD	STR TUDOR VLADIMIRESCU NR. 51	29.9998	116,948		LJ
26	2441828	UZINA ARDEALUL	AB	ALBA IULIA	STR MICIURIN NR. 9	29.5075	138,983		LJ
27	7245512	REMAT MARGHITA	BH	MARGHITA	STR BRINDUSEI NR. 16	29.3901	4,795		DIZ

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11. PORTFOLIO STRUCTURE (CONTINUED)

NO.	CUI	COMPANY NAME	ADRESS			OWNERS (%)	SHARE CAPITAL	EQUITY 31.12.2013	STATUS
			COUNTY	CITY	SOCIAL CENTER				
28	1719170	AGROINDUSTRIALA NADLAC	AR	NADLAC	STR. GEORGE ENESCU, NR 85	29.0267	166,018		DIZ
29	1770300	COMMIXT	AB	OCNA MURES	STR BRAZILOR	28.9667	26,358		LJ
30	9654130	MOBIMET	HD	HATEG	STR RAU MARE, NR 94	28.8749	36,738		LJ
31	5184591	MOBIPET	HD	PETROSANI	STR LIVEZENI, NR 232	28.8737	121,600	9,497	
32	2046136	PETROCART	NT	PIATRA NEAMT	STR DECEBAL, NR 171	28.5411	2,887,129	7,532,698	
33	7072756	METALURGICA	BH	MARGHITA	C. REPUBLICII, NR 72	28.409	126,090		LJ
34	1753147	SUINPROD GALDA	AB	GALDA DE JOS	SAT OIEJDEA, NR 300	27.091	357,710		LJ
35	569007	MEBIS	BN	BISTRITA	STR INDUSTRIEII, NR 4	26.7806	866,593		INS
36	13061000	GAZ VEST	AR	ARAD	STR PRUNULUI, NR 129	25.8185	10,506,800	12,724,564	
37	10702460	FORESTIERA	DB	TARGOVISTE	STR SILOZULUI	25.752	105,673	132,276	
38	5462698	EXFOR	B	BUCURESTI	SOSEAU PIPERA, NR 46A	24.2311	999,135		LJ
39	644184	MOBICOM	SM	SATU MARE	STR LIVIU REBREANU, NR 43	24.1095	40,983	751,720	
40	7323645	AGROMECA GATAIA	TM	GATAIA	STR SIMIGULUI	23.9097	33,963		-
41	1728194	AGROINDUSTRIALA SAGU	AR	SAGU	SAGU FN	23.6199	343,843		LJ
42	1071522	AGROTRANSPORT	CS	RESITA	STR P IORGOVICI, NR 34	23.4604	9,648		RJ
43	1758098	CTCE	AB	ALBA IULIA	STR MIHAI VITEAZU, NR 4	23.2357	21,253	298,925	
44	1856312	AGROINDUSTRIALA SOCGAT	TM	GATAIA	STR REPUBLICII	22.6523	264,280		DIZ
45	3094999	MOPAL	BN	BISTRITA	STR TARPIULUI, NR 14	21.8936	20,198,340		RJ
46	768506	MOLIDUL	SV	VAMA	STR SETFAN CEL MARE, NR 1	21.6326	226,448		RJ
47	341563	BIOFARM	B	BUCURESTI	STR. LOGOFATUL TATU, NR 99	21.2991	23,319,590	37,462,377	
48	1754770	COMAT ALBA	AB	ALBA IULIA	STR Garii, NR 10	20.6657	132,115	299,456	
49	1060620	COMAT CARAS SEVERIN	CS	RESITA	STR MONIOM, NR 113	20.4056	62,210	159,488	
50	1765044	METALURGICA	AB	AIUD	STR VULCAN, NR 2-10	20.0068	1,787,623		RJ

LEGEND:

INS - INSOLVENCY; LJ - JUDICIAL LIQUIDATION; RJ - JUDICIAL REORGANIZATION; DIZ- DISSOLUTION; F - BANKRUPTCY

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SIF Banat-Crișana SA Arad
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(all amounts are presented in RON, unless otherwise stated)

12. BANK DEPOSITS

As at 30 June 2014 the Company had the following bank deposits:

Bank name	Account Symbol	Deposit amount		Interest as at		Share in total interest	Deposit date	Maturity date
		Maturity		30 June 2014				
		< 60 days	> 60 days	Interest rate	Amount			
Alpha Bank	RON	13,000,000		3.60	16,668.49	1.38	18/06/2014	24/07/2014
Banca Comerciala Feroviara	RON		2,000,000	5.10	48,065.75	3.97	10/01/2014	10/07/2014
Banca Comerciala Feroviara	RON		1,000,000	5.10	24,032.88	1.99	10/01/2014	10/07/2014
Banca Comerciala Feroviara	RON		500,000	5.10	12,016.44	0.99	10/01/2014	10/07/2014
Banca Comerciala Feroviara	RON		500,000	5.10	12,016.44	0.99	10/01/2014	10/07/2014
Banca Comerciala Feroviara	RON		2,000,000	5.10	47,227.40	3.90	13/01/2014	14/07/2014
Banca Comerciala Feroviara	RON		2,000,000	5.10	47,227.40	3.90	13/01/2014	14/07/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.60	36,800.00	3.04	16/09/2013	12/09/2014
Banca Intesa Sanpaolo	RON		710,000	4.60	26,128.00	2.16	16/09/2013	12/09/2014
Banca Intesa Sanpaolo	RON		1,600,000	4.50	49,000.00	4.05	29/10/2013	24/10/2014
Banca Intesa Sanpaolo	RON		400,000	4.50	12,200.00	1.01	30/10/2013	24/10/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	7,437.50	0.61	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	7,437.50	0.61	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	7,437.50	0.61	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	7,437.50	0.61	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014

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12. BANK DEPOSITS (continued)

Bank Name	Account Symbol	Deposit amount		Interest		Share in total interest	Deposit date	Maturity date
		Maturity	Interest rate	as at 30 June 2014				
				< 60 days	> 60 days			
Banca Intesa Sanpaolo	RON	1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	500,000	4.50	14,875.00	1.23	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	2,000,000	4.50	59,500.00	4.92	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	2,000,000	4.50	59,500.00	4.92	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	2,000,000	4.50	59,500.00	4.92	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	2,000,000	4.50	59,500.00	4.92	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	1,000,000	4.50	29,750.00	2.46	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	2,000,000	4.50	59,500.00	4.92	05/11/2013	03/11/2014	
Banca Intesa Sanpaolo	RON	600,000	4.10	15,306.67	1.27	19/11/2013	17/11/2014	
Banca Intesa Sanpaolo	RON	500,000	4.10	12,755.56	1.05	19/11/2013	17/11/2014	
Banca Intesa Sanpaolo	RON	500,000	4.10	12,755.56	1.05	19/11/2013	17/11/2014	
Banca Intesa Sanpaolo	RON	400,000	4.10	10,204.44	0.84	19/11/2013	17/11/2014	
Banca Intesa Sanpaolo	RON	1,000,000	3.35	1,395.83	0.12	16/06/2014	15/06/2015	
Banca Intesa Sanpaolo	RON	1,000,000	3.35	1,395.83	0.12	16/06/2014	15/06/2015	
Banca Intesa Sanpaolo	RON	500,000	3.35	697.92	0.06	16/06/2014	15/06/2015	
Banca Intesa Sanpaolo	RON	500,000	3.35	697.92	0.06	16/06/2014	15/06/2015	
Banca Intesa Sanpaolo	RON	5,000,000	3.35	6,979.17	0.58	16/06/2014	15/06/2015	
Banca Intesa Sanpaolo	RON	3,000,000	3.35	4,187.50	0.35	16/06/2014	15/06/2015	
Banca Intesa Sanpaolo	RON	2,000,000	3.35	2,791.67	0.23	16/06/2014	15/06/2015	
Banca Transilvania	RON	250,000	2.35	799.65	0.07	13/05/2013	09/07/2014	
Banca Intesa Sanpaolo (echivalent in lei)	euro	4,387,000	3.10	123,908.38	10.24	07/08/2013	04/08/2014	
Banca Intesa Sanpaolo (echivalent in lei)	euro	2,193,500	3.10	59,687.57	4.93	19/08/2013	18/08/2014	
Total bank deposits		13,000,000	54,540,500	1,209,696.47	100.00			

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SIF Banat-Crişana SA Arad
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(all amounts are presented in RON, unless otherwise stated)

12. BANK DEPOSITS (continued)

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

BANK NAME	Account Symbol	Deposit amount		Interest as at <u>31.12.13</u>		Share in total interest	Deposit date	Maturity date
		maturity <60 days	maturity >60 days	Interest rate	Amount			
Banca Intesa Sanpaolo	RON		1,000,000	4.60	13,672.22	1.77	16/09/2013	11/09/2014
Banca Intesa Sanpaolo	RON		710,000	4.60	9,707.28	1.26	16/09/2013	11/09/2014
Banca Intesa Sanpaolo	RON		1,600,000	4.50	12,800.00	1.66	29/10/2013	23/10/2014
Banca Intesa Sanpaolo	RON		400,000	4.50	3,150.00	0.41	30/10/2013	23/10/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		250,000	4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.50	7,125.00	0.92	05/11/2013	02/11/2014

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

12. BANK DEPOSITS (continued)

Bank Name	Account Symbol	Deposit amount		Intere st rate	Interest as at <u>31.12.13</u>	Share in total interest	Deposit date	Maturity date
		maturity <60 days	maturity >60 days		Amount			
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		400,000	4.10	1,958.89	0.25	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		600,000	4.10	2,938.33	0.38	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Transilvania	RON		250,000	3.65	1,444.79	0.19	05/11/2013	08/01/2014
Banca Transilvania	RON		550,000	3.68	3,204.67	0.42	05/11/2013	23/01/2014
Banca Transilvania	RON		250,000	3.75	1,484.38	0.19	05/11/2013	06/02/2014
Banca Transilvania	RON		500,000	3.75	2,968.75	0.39	05/11/2013	23/02/2014
Banca Transilvania	RON		250,000	3.78	1,496.25	0.19	05/11/2013	06/03/2014
Banca Transilvania	RON		500,000	3.78	2,992.50	0.39	05/11/2013	23/03/2014
Banca Transilvania	RON		200,000	3.80	1,203.33	0.16	05/11/2013	08/04/2014
Banca Transilvania	RON		500,000	3.62	2,111.67	0.27	20/11/2013	23/04/2014
Banca Transilvania	RON		200,000	3.64	849.33	0.11	20/11/2013	08/05/2014
Banca Transilvania	RON		500,000	3.65	2,129.17	0.28	20/11/2013	22/05/2014
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014

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

12. BANK DEPOSITS (continued)

Bank Name	Account symbol	Deposit amount		Interest as at 31.12.13		Share in		
		maturity <60 days	maturity >60 days	Interest rate	Amount	total interest	Deposit date	Maturity date
Unicredit Tiriac Bank	RON		500,000	3.76	2,245.56	0.29	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		500,000	3.76	2,245.56	0.29	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur	1,026,996		1.75	449.31	0.06	23/12/2013	22/01/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		4,484,700	3.10	59,858.29	7.77	30/07/2013	28/07/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		977,665	3.10	12,796.54	1.66	02/08/2013	28/07/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		896,940	3.10	11,353.77	1.47	07/08/2013	03/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		4,484,700	3.10	56,768.83	7.37	07/08/2013	03/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		4,484,700	3.10	56,768.83	7.37	07/08/2013	03/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	26,067.32	3.38	07/08/2013	17/08/2014
Banca Intesa Sanpaolo (echivalent in lei)	eur		2,242,350	3.10	26,067.32	3.38	07/08/2013	17/08/2014
Total bank deposits		1,026,996	86,919,855		770,789.87	100.00		

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SIF Banat-Crişana SA Arad
Notes to the individual interim financial reporting
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(all amounts are presented in RON, unless otherwise stated)

13. Structure of gross income

	30 June 2013	30 June 2014
1 Revenues from long term financial investments (domestic-external dividends)	16,063,790	12,449,844
2 Revenues from short term financial investments	169,396	35,498
3 Revenues from long term receivables	-	-
4 Revenues on disposal of financial investments ¹	24,152,936	218,852,234
5 Revenues from commissions for works and services	-	-
6 Foreign exchange gains	4,299,506	353,144
7 Interest income	3,291,061	3,196,892
8 Bad debts written off subsequently collected	-	-
9 Capitalised costs of non-current assets	-	-
10 Write back of provisions ²	5,335,953	454,286
11 Other revenues		
- From studies and research	-	-
- From rental and royalty	34,170	34,288
- From sundry activities	-	-
- From subsidies	-	-
- From other revenues	42,232	20,504
- From discounts received	-	-
- From other financial revenues	157,375	452,073
12 Revenues from subsidies for extraordinary events and other similar revenues	-	-
13 Total revenues	53,546,419	235,848,763

¹ Revenues from disposal of financial investments include revenues from disposal of long-term financial investments, in amount of RON 218,222,521 (30 June 2013: RON 23,587,640) and gains from disposal of short-term financial investments in amount of RON 629,714 (30 June 2013: RON 565,296).

² Revenue from provisions include revenues from reversal of impairment losses on financial non-current assets, in the amount of RON 454,286 (30 June 2013: RON 781,953) and write back of provisions in the amount of RON 4,554,000, representing reversal of provisions for incentives for the participation to the profit.

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14. Structure of expenses

	30 June 2013	30 June 2014
Losses on receivables related to participations	-	-
Losses on disposal of financial investments	7,528,872	50,319,254
Fees and commissions expense ³	1,324,965	2,338,135
Foreign exchange loss	3,614,367	1,081,133
Interest expense	-	-
Expenses with bank services and similar charges	22,709	9,864
Bad debt written off and sundry debtors	-	-
Expenses with provisions and amortization	152,696	127,317
Expenditure related to third parties:		
-maintenance and repairs	35,202	22,732
-rent and royalties	50,903	86,591
-insurance premiums	19,286	14,479
-research and studies	-	-
-advertising and protocol	79,777	72,456
-transport of goods and people	540	-
-travel, postings, transfers	174,902	164,174
-postal and telecommunication	71,005	73,681
-other third party services	346,365	271,247
-other expenses	62,238	67,525
-expenses with discounts granted	-	-
-other financial expenses	-	2,494
Other duties, taxes and similar payments	69,866	62,894
Other expenses:		
-consumables	67,359	45,163
-inventory	5,380	17,628
-materials, other than inventory	32,348	52,897
-energy and water	96,825	74,463
-expense with collaborators	-	-
-salaries	7,429,353	2,582,583
-social security	1,379,594	766,279
Expenditure on disasters and extraordinary events	-	-
Income tax	2,302,813	28,300,347
Tax expenses other not mentioned above	-	-
Total expenses	24,867,365	86,553,336

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

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15. Cash and cash equivalents

	31 December 2013	30 June 2014
	<u> </u>	<u> </u>
Petty cash and bank accounts		
Bank accounts	2,294,149	45,191,970
Petty cash	6,439	3,932
Cash prepayments and other values	30,460	30,609
	<u> </u>	<u> </u>
Total petty cash and bank accounts	<u>2,331,048</u>	<u>45,226,511</u>
Bank deposits (Note 12)	87,946,851	67,540,500
Less deposits with residual maturity higher than 3 months	(70,619,855)	(38,000,000)
	<u> </u>	<u> </u>
Total liquid bank deposits	<u>17,326,996</u>	<u>29,540,500</u>
Bonds and securities	-	-
Less bonds and securities with a residual maturity higher than 3 months	-	-
	<u> </u>	<u> </u>
Total liquid bonds and securities	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>
Total cash and cash equivalents	<u>19,658,044</u>	<u>74,767,011</u>

At 30 June 2014 there is no restriction related to cash in bank accounts.

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SIF Banat-Crişana SA Arad
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(all amounts are presented in RON, unless otherwise stated)

16. RESERVES

As at 30 June 2014, the Company's reserves in amount of RON 924,788,323 (2013: RON 887,936,335) and the retained earnings in amount of RON 6,506,232 (2013: RON 5,437,415) include:

Sem. I 2014	Gross amounts	Provisions for taxes Note 2	Net amounts
A Legal reserve	10,976,985		10,976,985
B Reserves for allowances for impairment of non-current financial assets	(96,574,552)		(96,574,552)
C Reserves for the value of non-current assets received at no cost	397,992,400	(19,063,355)	378,929,045
D Revaluation surplus reserve	884,293		884,293
E Other reserves created as a result of Law no. 133/1996	145,486,088	(23,277,774)	122,208,314
F Other reserves - own funds	436,831,094		436,831,094
G Other reserves – tax incentives	19,832,945	(3,173,271)	16,659,674
H Other reserves, prescribed dividends	50,073,698		50,073,698
I Non-current assets revaluation reserve	5,714,014	(914,242)	4,799,772
J Reported result	6,506,232		6,506,232
Total	977,723,197	(46,428,642)	931,294,555
	Gross amounts	Provisions for taxes Note 2	Net amounts
2013			
A Legal reserve	10,976,985		10,976,985
B Reserves for allowances for impairment of non-current financial assets	(108,676,608)		(108,676,608)
C Reserves for the value of non-current assets received at no cost	454,625,443	(20,301,927)	434,323,516
D Revaluation surplus reserves	881,460		881,460
E Other reserves created as a result of Law no. 133/1996	145,486,088	(23,277,774)	122,208,314
F Other reserves - own funds	356,687,145		356,687,145
G Other reserves – tax incentives	19,832,945	(3,173,271)	16,659,674
H Other reserves, prescribed dividends	50,073,697		50,073,697
I Non-current assets revaluation reserve	5,716,848	(914,696)	4,802,152
J Reported result	5,437,415		5,437,415
Total	941,041,418	(47,667,668)	893,373,750

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16. Reserves (continued)

A. Legal reserve, in amount of RON 10,976,985 (2013: **RON 10,976,985**), is established in accordance with Law 31/1990, through the allocation of 5% of accounting profit (calculated in accordance with Romanian accounting standards) until the reserve fund reaches the level of 20% of the share capital. In 2006 the reserve reached 20% of the Company's share capital.

B. Reserves for allowances for impairment of non-current financial assets in amount of **RON 96,574,552**, resulting from the measurement of the portfolio at inventory value as at 31 December 2013 and from the recognition of impairment allowances established as the difference between the higher book value and the fair value determined in accordance with the CNVM Regulation no 15/2004. (2013: **RON -108,676,608**).

C. Reserves for the value of non-current financial assets received at no cost, in amount of **RON 378,929,045** (2013: **RON 434,323,516** lei) include:

- the value of shares acquired as a result of the share capital increase through the incorporation of elements of equity in amount of **RON 100,082,619** (2013: **RON 106,585,112**). The provision for income taxes for these reserves amounting to **RON 19,063,355** (2013: **RON 20,301,927**) was deducted from the gross amount of these reserves amounting to **RON 119,145,974** (2013: **RON 126,887,039**) and was calculated at a rate of 16%, in force since 1 January 2005;

- the differences between the issuance value of Erste Group Bank AG Viena shares and BCR shares that the Company contributed to the share capital increase of Erste Group Bank AG Viena, in amount of **RON 204,772,682** (2013: **RON 253,654,535**);

-the difference resulted from the change of shares, between the value of shares acquired at SIF Imobiliare PLC Cipru and the value of the shares disposed of, held in 18 commercial societies with activity in the real-estate field, in amount of **RON 74,073,744** (2013: **RON 74,083,869**).

D. Reserves representing realized revaluation surplus, amounting to **RON 884,293** (2013: **RON 881,460**) represents the revaluation reserve of non-current tangible assets disposed of.

E. Other reserves – resulted from the application of Law no. 133/1996 amounting to **RON 122,208,314** (2013: **RON 122,208,314**). The provision for income taxes for these reserves amounting to **RON 23,277,774** (2013: **RON 23,277,774**) was deducted from the gross amount of these reserves amounting to **RON 145,486,088** (2013: **RON 145,486,088**) and was calculated at a rate of 16%, in force since 1 January 2005.

F. Other reserves - own funds, amounting to **RON 436,831,094**, which were constituted from the net profit based on the approval of the General Meeting of Shareholders (2013: **RON 356,687,145**).

G. Other reserves - tax incentives amounting to **RON 16,659,674** (2013: **RON 16,659,674**). The provision for income taxes for these reserves amounting to **RON 3,173,271** (2013: **RON 3,173,271**) was deducted from the gross amount of these reserves amounting to **RON 19,832,945** (2013: **RON 19,832,945**) and was calculated at a rate of 16%, in force since 1 January 2005.

H. Other reserves – prescribed dividends totaling **RON 50,073,698** (2013: **50,073,697** lei) include the value of uncollected dividends for the financial year prior to 2009 (inclusive).

I. Revaluation reserve amounting the **RON 4,799,772** (2013: **RON 4,802,152**) includes net revaluation value of buildings, in accordance with regulations in force. Revaluation reserve represents the difference between the gross amount of **RON 5,714,014** (2013: **RON 5,716,848**) and the provision for deferred taxes afferent to the revaluation amounting to **RON 914,242** calculated at a rate of 16% (2013: **RON 914,696**).

J. Retained earnings amounting to **RON 6,506,232** represents favorable retained earnings from the first time adoption of IAS, except for IAS 29 in amount of **RON 5,437,415** (2013: **RON 5,437,415**) and the retained earning from the correction of accounting errors in amount of **RON 1,068,817** lei (2013: **RON 0**).

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17. Related parties transactions

During first semester of the year 2014, the Company, had no significant commercial transactions with related parties and, given the nature of the business, there is no financing transaction with related parties other than participations to their share capital.

18. Financial risks

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

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

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

During the first semester of 2014, the Company performed transactions in RON and also foreign currency. The Romanian currency has fluctuated compared to foreign currencies, EURO and USD, registering an appreciation of it at the end of the reporting period.

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

The company performed transactions with derivative instruments during the first semester of 2014.

Interest rate risk

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

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

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

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

Market price risk

Market price risk is the risk that the value of a financial instrument fluctuates as a result of the changes in market prices, even though these changes are caused by factors specific to individual instruments or their issuer, or by factors affecting all instruments traded on the market.

The cumulated effects of the European sovereign debt crisis and global economic recession led to a worldwide impairment of the global stock market capitalization. The unfavorable external environment influenced negatively the market capitalization of liquid listed issuers from the portfolio of the company, registered at the position of securities investment at the end of the first semester of 2014.

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

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18. Financial risks (continued)

b. Credit risk

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

Financial assets which potentially subject the Company to concentrations of credit risk include mainly receivables from the core activity. They are presented net of adjustments for doubtful debts.

The Company's management closely and constantly monitors the exposure to credit risk in order to reduce losses due to credit concentration in a particular sector or area of activity.

c. Liquidity risk

Liquidity risk is the risk associated to the difficulties of the Company to obtain the necessary funds to meet its commitments reaching maturity.

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

d. Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in size. In case of a financial instrument with a floating rate for example, such fluctuations will result in a change of the effective interest rate of the financial instrument.

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

e. Operational risk

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

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

f. Taxation risk

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

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

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18. FINANCIAL RISKS (continued)

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

g. Economic environment risk

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

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

SIF Banat-Crisana's management cannot predict all the effects of the crisis affecting the financial sector in Romania, but considers that in the first semester of the year 2014 has adopted the measures necessary for sustainability and development of the Company in existing financial market conditions, by monitoring cash flows and adequacy of the investment policies.

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

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

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

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19. CONCENTRATION OF EXPOSURE

a. Bank deposits

As at 30 June 2014, the Company's exposure to banks was as follows:

Bank	Weight in total deposits	Amount as at 30 June 2014	Weight in total deposits	Amounts as at 31 December 2013
Intesa Sanpaolo Bank	67.5%	46,290,500	79.9%	70,246,851
Alpha Bank	21.8%	13,000,000	-	-
Banca Comercială Feroviară	8.5%	8,000,000	-	-
Banca Transilvania	2.2%	250,000	4.2%	3,700,000
Unicredit Ţiriac Bank	-	-	15.9%	14,000,000
Total	100%	67,540,500	100%	87,946,851

b. Financial non-current assets

As at 30 June 2014 the Company's exposure to companies in which it had participations of significant book value, was as follows:

Client	Share of total assets	Amount as at 30 June 2014	Share of total assets	Amounts as at 31 December 2013
Erste Group Bank AG	23.69%	243,032,568	26.79%	301,047,529
SIF Imobiliare PLC Cipru	14.16%	145,209,785	12.92%	145,229,633
Banca Transilvania	11.44%	117,365,267	10.44%	117,365,267
Vrancart SA Adjud	6.32%	64,837,896	5.77%	64,837,896
Calipso SA Oradea	4.95%	50,805,854	4.45%	49,958,894
Biofarm SA Bucureşti	4.89%	50,197,421	4.47%	50,197,421
Azuga Turism	2.88%	29,520,290	2.63%	29,520,290
Mechel SA Campia Turzii	2.60%	26,694,118	2.38%	26,694,118
Napomar SA Cluj	2.52%	25,864,965	2.30%	25,864,965
Banca Română pentru Dezvoltare	2.17%	22,215,740	3.44%	38,692,175
Mopal SA Bistriţa Năsăud	1.97%	20,197,562	1.80%	20,197,562
OMV Petrom SA	1.56%	16,000,395	1.42%	16,000,395
ArcelorMittal SA Hunedoara	1.44%	14,803,188	1.32%	14,803,188
IAMU Blaj	1.33%	13,687,863	1.22%	13,687,863
Ario Bistriţa	1.27%	13,034,523	1.16%	13,034,523
SAI Muntenia	1.21%	12,454,908	0.74%	8,283,385
Gaz Vest SA Arad	1.02%	10,506,800	0.93%	10,506,800
Turbomecanica SA Bucureşti	-	-	0.91%	10,226,242
Total	85.42%	876,429,143	85.09%	956,148,146

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20. Contingent liabilities

Litigations

As at 30 June 2014 the Company was involved in 161 litigations on the role of the Courts. The Company is the claimant in 119 litigation cases, the defendant in 38 cases, and in 4 of the litigation cases, the Company is the intervening party.

In most of the litigations the Company is involved in as a claimant, the object of the litigations is the cancellation/decision of nullity for the General Shareholders meeting's decisions for companies included in the portfolio, the recovery of un-collected dividends or the insolvency procedure for some companies from the portfolio.

21. Information regarding value adjustments recognized directly in equity

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

The movement for the adjustments for impairment related to financial assets for first semester of 2014 is described below:

Initial balance as at 01 January 2014	RON (108,676,608)
Increases during the first semester 2014	-
Decreases during the first semester 2014	RON (12,102,056)
Balance as at 30 June 2014	RON (96,574,552)

The reduction of adjustments for impairment of securities include the reversal of adjustments afferent to disposals made in the first semester of 2014.

The value of the adjustments for impairment of non-current financial assets amounting to RON 96,574,552 are reflected in position no. 69 of the balance sheet "Reserves for allowances for impairment of financial assets".

According to applicable accounting regulations, the value adjustments for impairment is established and recorded in the accounts at year-end, after the evaluation made at that time.

If the value of adjustments for impairment recognized in the reserve account would have been influenced by the profit and loss account, the financial results of the first semester of 2014 would have been increased by an amount of RON 12,102,056.

Dragoş-George Bîlteanu
President – General Director

Ştefan Doba
Economic Director

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