



SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

SIF BANAT-CRIȘANA

HALF YEAR REPORT

JANUARY 1 – JUNE 30, 2015

Prepared pursuant to Law 297/2004, Regulation no. 1/2006
and Regulation no. 15/2004

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

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GENERAL INFORMATION

CORPORATE NAME	Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter referred to as "SIF Banat-Crișana" or "the Company")	
COMPANY TYPE	<ul style="list-style-type: none"> ▪ Closed-end investment company with a diversified investment policy ▪ set up as a joint stock company in November 1996 pursuant to Law no. 133/1996 for the transformation of Private Ownership Funds in Financial Investment Companies; Romanian legal entity with private capital 	
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ subscribed and paid in capital: RON 54,884,926.80 ▪ total number of shares issued: 548,849,268 ▪ nominal value: RON 0.1 per share 	
RECORDINGS	<ul style="list-style-type: none"> ▪ Registered at the Trade Registry under no. J02/1898/1992 ▪ Unique Registration Number 2761040 ▪ Number in FSA Registry PJR09SIIR/020002/2006 	
MAIN ACTIVITY	<ul style="list-style-type: none"> ▪ Main object of activity, acc. to the classification of activities from national economy (CAEN): other financial intermediation n.c.a. (CAEN code 6499) 	
TRADING MARKET	listed on the regulated market of Bucharest Stock Exchange (BSE or BVB), symbol SIF1 , since November 1, 1999	
FINANCIAL AUDITOR	KPMG Audit S.R.L. Bucharest	
DEPOSITARY	BRD Groupe Société Générale	
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest	
HEADQUARTERS	Arad , 35A Calea Victoriei, 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro	
BRANCHES	Bucharest 175 Calea Floreasca, 7 th floor, room A1, district 1, 014459, Bucharest	Cluj-Napoca 1 Muzeului Sq., Cluj-Napoca 400019, Cluj county

MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RON mn]		
	31.12.2014	30.06.2015
Total assets, of which	1,220.02	1,261.98
Total financial assets	1,195.63	1,232.79
Equity	1,154.10	1,142.90
Total current liabilities	15.79	69.49

FINANCIAL PERFORMANCE [RON mn]		
	30.06.2014	30.06.2015
Total revenues	235.85	61.08
Total expenses	58.25	14.21
Gross profit	177.59	46.88
Net profit	149.30	43.68

SHARES AND NET ASSET PERFORMANCE		
	31.12.2014	30.06.2015
Share price (RON, end of period)	1.3030	1.4600
Net asset value * / share (RON)	2.9228	3.1591
Accounting net asset value / share (RON)	2.1938	2.1727
Nominal value of share (RON)	0.1	0.1
Number of shares	548,849,268	548,849,268

* calculated acc. to FSA regulations

OPERATIONAL DATA		
	31.12.2014	30.06.2015
Number of permanent employees	48	48
Number of branches	2	2

SHAREHOLDING STRUCTURE as at June 30, 2015		
	number of shareholders	holdings
Romanian individuals	5,777,466	44.31%
Non-resident individuals	1,912	0.52%
Romanian legal entities	228	32.82%
Non-resident legal entities	41	22.35%
TOTAL	5,779,647	100%

CONTACT Investor Relations: email comunicare@sif1.ro **tel** +40257 250 181

1. ANALYSIS OF SIF BANAT-CRIȘANA ACTIVITY

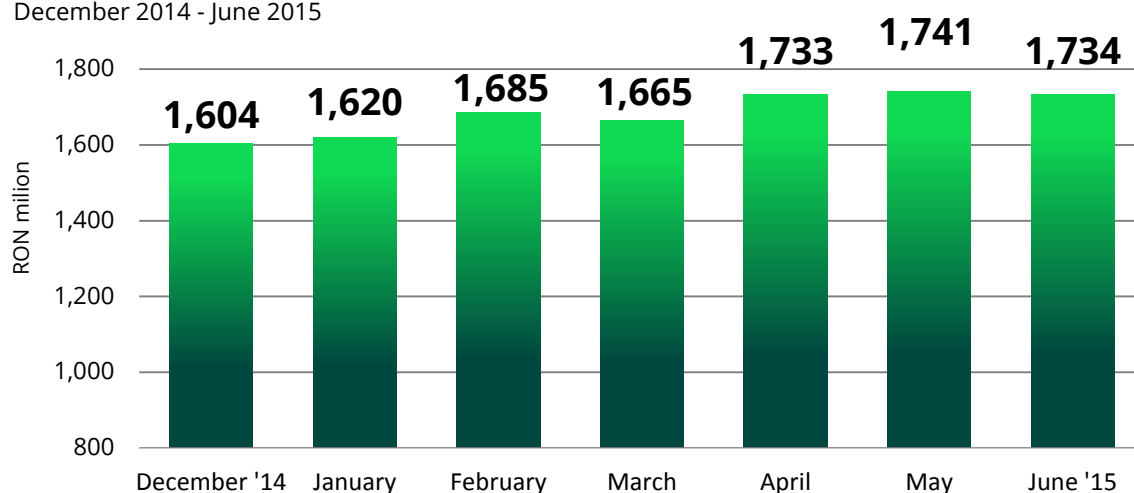
Analysis of the portfolio

Net asset value

Net asset value (NAV) of SIF Banat-Crisana, a key performance indicator of the activity, was of **RON 1,733.8 mn** at the end of H1 2015, 8.08% higher as compared to December 31, 2014. Net asset value per share (NAV/S) rose to **RON 3.1591** as recorded on June 30, 2015 while at December 31, 2014 was of RON 2.9228.

MONTHLY EVOLUTION OF NET ASSET VALUE

December 2014 - June 2015



The monthly values of the net asset were calculated by SIF Banat-Crișana and have been certified by BRD - Groupe Société Générale, the depositary bank of Company's assets.

The monthly reports for the calculation of net asset value were submitted to the Bucharest Stock Exchange and FSA – Securities and Financial Investment Sector, and were published on SIF Banat-Crișana website, www.sif1.ro no later than 15 calendar days from the end of the reporting month.

Net assets statement as at June 30, 2015, prepared pursuant to annex 16 of the Regulation no. 15/2004, is presented as annex to this report.

The methodology for calculating the net asset value

Valuation of assets managed by the company was performed pursuant to the Disposal of Measures no. 23/2012, which established a common framework and harmonized the methods of valuation of assets of collective investment undertakings authorized and / or endorsed by the regulatory authority.

According to regulations in force, listed shares are valued at the closing price of the market for the day for which the calculation is made. Unlisted shares are valued at the book value per share as it results from the latest annual financial statements, respectively the equity value recorded in the monthly reports submitted the central bank (BNR) for credit institutions, without applying de-quotation as per the stake held in the share capital of the issuer.

Details of the assessment methods adopted by SIF Banat-Crișana for each class of assets are published on Company's website, at www.sif1.ro/en/investments/net-asset/net-asset-value-calculation-methodology/

Structure of the portfolio

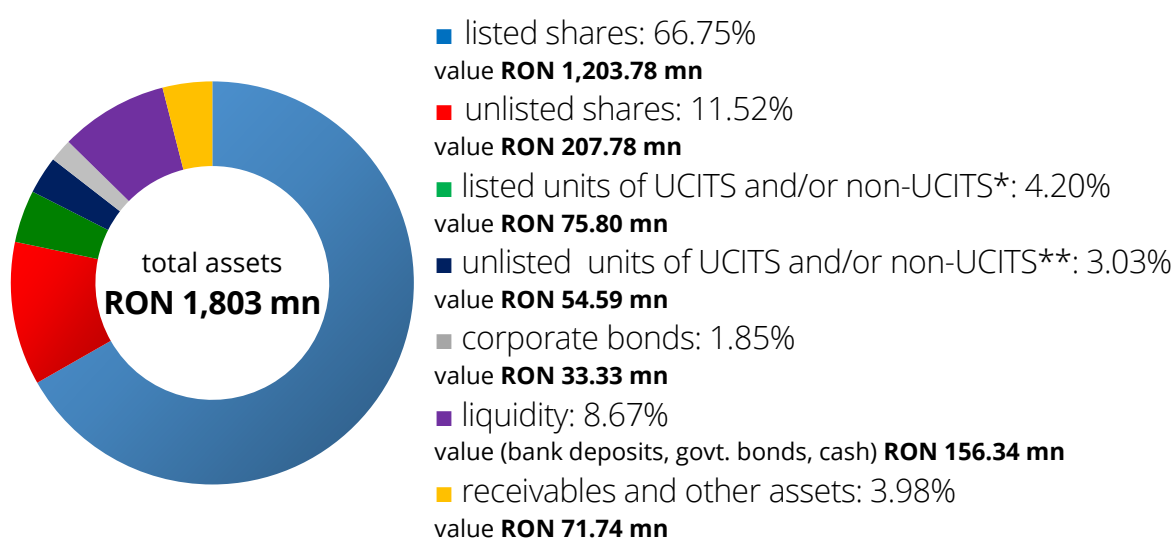
SIF Banat-Crișana has as investment objective the administration of a diversified portfolio of high quality assets, apt to provide a constant income flow, while preserving and growing the capital on a medium to long term.

Asset allocation strategy aims the maximizing the portfolio performance within the prudential framework set by Law no. 297/2004 regarding the capital market, with subsequent amendments, and Regulation no. 15/2004 on the authorisation and functioning of investment management firms, collective investment undertakings and depositories. Throughout the first half of year 2015, the assets managed by the company were within the legal allowable limits.

The breakdown of the assets managed by SIF Banat-Crișana as at June 30, 2015 is presented in the following chart:

SIF BANAT-CRIȘANA PORTFOLIO

breakdown on assets under management (weight on total assets)



* this category includes stakes in SIFs and FP

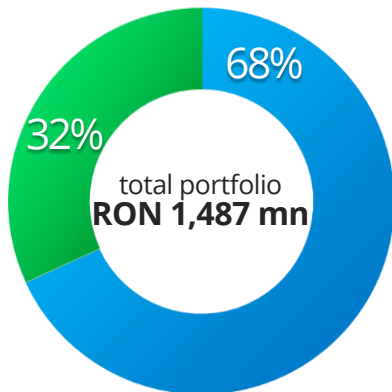
** this category include fund units in the portfolio

values computed as at June 30, 2015, pursuant to Regulation 15/2004 and Measure 23/2012

The detailed statement of SIF Banat-Crișana's investments as at June 30, 2015, prepared pursuant to annex 17 to Regulation no. 15/2004 is presented as annex to this report.

The value of the stock portfolio weights 82.48% in the total assets managed by SIF Banat-Crișana as at 30 June, 2015, including in this category the listed units of UCITS and/or non-UCITS.

STOCK PORTFOLIO geographical exposure



■ Romania: 68%

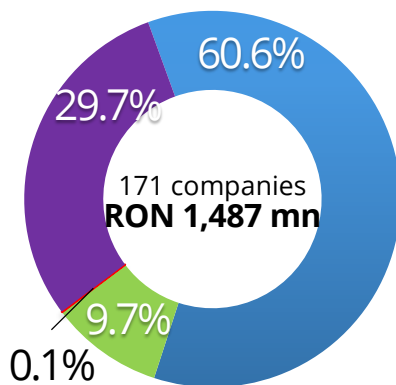
RON 1,013.40 mn (Dec. 31, 2014: RON 990 mn) value of holdings in 169 companies (Dec. 31, 2014: 178)

■ foreign: 32%

RON 473.96 mn (Dec. 31, 2014: RON 407 mn) value of holdings in 2 companies (Dec. 31, 2014: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

values computed as at 30.06.2015 pursuant to Regulation no. 15/2004 and Measure. 23/2012; percentages in the chart represent the stake of the category in the stock portfolio

STOCK PORTFOLIO breakdown by stake held



■ up to 5%

stakes **up to 5%** in **60** companies worth of **RON 900.98 mn** (Dec. 31, 2014: RON 803.31 mn)

■ 5-33%

stakes **between 5 - 33%** in **92** companies worth of **RON 144.36 mn** (Dec. 31, 2014: RON 135.19)

■ 33-50%

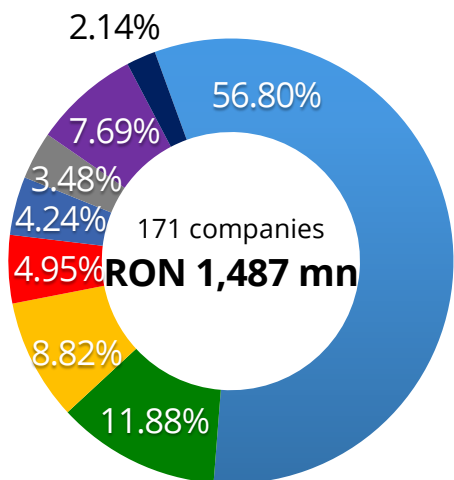
stakes **between 33-50%** in **3** companies worth of **RON 0.95 mn** (Dec. 31, 2014: RON 1.03 mn)

■ above 50%

majority stakes, above 50%, in **16** companies worth of **RON 441.06 mn** (Dec. 31, 2014: RON 457.54 mn)

values computed as at 30.06.2015 pursuant to Regulation no. 15/2004 and Measure. 23/2012; percentages in the chart represent the stake of the category in the stock portfolio

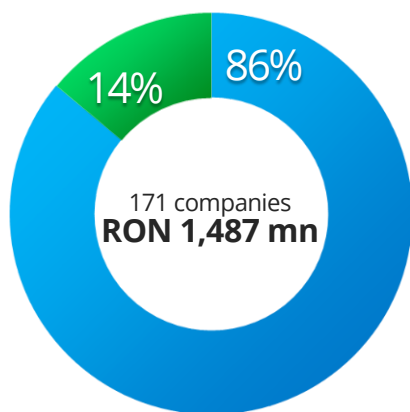
STOCK PORTFOLIO
sectoral breakdown



- financial-banking: 56.80%
holdings in **13** companies, worth of **RON 844.75 mn**
(Dec. 31, 2014: RON 722.42 mn)
- commerce - real-estate: 11.88%
holdings in **22** companies, worth of **RON 176.68 mn**
(Dec. 31, 2014: RON 191.73 mn)
- tourism and public-food services: 8.82%
Holdings in **9** companies, worth of **RON 131.20 mn**
(Dec. 31, 2014: RON 125.23 mn)
- pharmaceuticals: 4.95%
holdings in **2** companies, worth of **RON 73.67 mn**
(Dec. 31, 2014: RON 68.18 mn)
- pulp and paper: 4.24%
holdings in **6** companies, worth of **RON 63.09 mn**
(Dec. 31, 2014: RON 61.61 mn)
- energy - utilities: 3.48%
holdings in **9** companies, worth of **RON 51.75 mn**
(Dec. 31, 2014: RON 59.22 mn)
- various industries: 7.69%
holdings in **71** companies, worth of **RON 114.42 mn**
(Dec. 31, 2014: RON 118.71 mn)
- other activities: 2.14%
holdings in **39** companies, worth of **RON 31.79 mn**
(Dec. 31, 2014: RON 49.98 mn)

values computed as at 30.06.2015 pursuant to Regulation no. 15/2004 and Measure. 23/2012; percentages in the chart represent the stake of the category in the stock portfolio

STOCK PORTFOLIO
breakdown on liquidity



- listed companies
RON 1,279.58 mn (Dec. 31, 2014: RON 1,192.86 mn) value of holdings in 69 companies (Dec. 31, 2014: 72)
- unlisted companies
RON 207.77 mn (Dec. 31, 2014: RON 204.21 mn) value of holdings in 102 companies (Dec. 31, 2014: 108)

values computed as at 30.06.2015 pursuant to Regulation no. 15/2004 and Measure. 23/2012; percentages in the chart represent the stake of the category in the stock portfolio

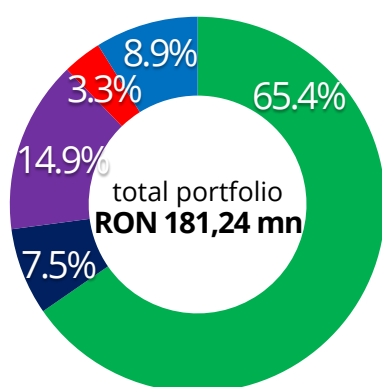
TOP 10 COMPANIES IN SIF BANAT-CRIȘANA PORTFOLIO as at June 30, 2015

Issuer	Sector	Value* as at June 30, 2015 [RON mn]	% of NAV
Erste Group Bank AG	financial - banking	334.6	19.30%
Banca Transilvania	financial - banking	246.4	14.21%
BRD - Groupe Société Générale	financial - banking	159.7	9.21%
SIF Imobiliare Plc	financial services applicable to real estate	139.3	8.04%
Biofarm București	pharmaceuticals	65.4	3.77%
Vrancart Adjud	cellulose and paper	56.7	3.27%
SIF Hoteluri	tourism & public food services	45.1	2.60%
Azuga Turism	tourism & public food services	43.5	2.51%
Napomar Cluj	machinery & equipment	33.8	1.95%
SIF Muntenia	other financial intermediations	33.7	1.94%
TOTAL		1,158.3	66.8%

* calculated acc. to Regulation no. 15/2004 and Measure no. 23/2012

PORTFOLIO OF FIXED INCOME FINANCIAL INSTRUMENTS

breakdown by type of investment



■ bank deposits in RON

RON 118.49 mn (Dec. 31, 2014: RON 79.24 mn)

■ bank deposits in euro

equivalent of **RON 13.62 mn** (Dec. 31, 2014: RON 13.52 mn)

■ corporate bonds in RON

RON 26.95 mn (Dec. 31, 2014: RON 26.95 mn)

■ corporate bonds in euro

equivalent of **RON 6.07 mn** (Dec. 31, 2014: 6.08 mn)

■ state bonds in euro

equivalent of **RON 16.11 mn** (Dec. 31, 2014: RON 16.14 mn)

percentages in the chart represent the weight of the respective category in the value of the portfolio of fixed income financial instruments as at June 30, 2015; values calculated acc. to Regulation no. 15/2004 and Measure no. 23/2012; amounts do not include interest receivable

In the first semester of 2015, the average interest rates for these investments were of 3.13% for bank deposits in RON, 2.06% for bank deposits in euro, 8% for corporate bonds in RON, 6.43% for corporate bonds denominated in euro, and 4.70% for govt. bonds denominated in euro.

Investment activity in the first semester of 2015

SIF Banat-Crișana has as strategic vision the development of the company by an effective management of the portfolio and the increase of the assets under management value by improving the allocation of resources, aiming higher yields for the capital invested.

The investment activity in the first six months of 2015 followed the strategy for optimizing the portfolio structure apt to maintain a strong financial position and a sustainable growth in the medium and long term.

Financial assets acquisitions and inflows:

- acquisition of shares on the stock market in the amount of RON 3.85 mn, of which RON 1.40 mn investment in securities and RON 2.45 mn purchases of shares as short term holdings; significant transactions with FP shares (RON 1.88 mn);
- direct investment amounting to RON 5.67 mn, representing shares issued by SAI Muntenia. Pursuant to contractual obligations to Grupul Financiar Muntenia SA, the Company paid to Grupul Financiar Muntenia SA the price of the last tranche of shares (29,976 shares), representing 24.98% of the share capital of SAI Muntenia Invest SA. Following the execution of the contract, SIF Banat-Crișana held on April 7, 2015, 99.96% of the share capital of SAI Muntenia Invest SA.

Sales and outflows of financial assets:

- sales of listed shares amounting to RON 27.69 mn, with a profit of RON 19.29 mn ; significant transactions with BRD shares (RON 19.60 mn), TEL (RON 7.39 mn);
- direct sales of shares in unlisted companies amounting to RON 0.44 mn;
- securities erased from the portfolio as a result of the liquidation of the companies amounting to RON 2.17 mn, with afferent cost of RON 1.07 mn;
- other investment securities sold (SIF4 PNote and minilong SIF4 certificates) with a sale value of RON 14.66 mn;
- outflowed securities following the withdrawal from two companies in the portfolio amounting to RON 0.84 mn.

Human resources

As at June 30, 2015, the number of SIF Banat-Crișana's employees was of 48, of which 42 in the headquarters in Arad and 6 in branches in Bucharest and Cluj-Napoca.

The structure of the education among employees is as follows: 81% of employees have higher education, 19% secondary education.

The employment relationships are regulated by the Individual Labour Contracts and by the Collective Labour Contract. There were no conflicting aspects throughout the first half of 2015 in the relations between management and employees. SIF Banat-Crișana provides a positive working environment and offers equal opportunities to all of its employees during the entire period of employment.

Thinking that performance is essential for sustaining a successful business, its assessment is a priority. In the first part of the year the review of employees' performance for 2014 was finalized, and were set out the objectives for 2015.

Ensuring compliance

Internal audit

Internal audits missions carried out in the first half 2015 considered:

- management of financial instruments portfolio, decision making in investment / divestment in these instruments and compliance with the limits of competence in force;
- trading of securities, compliance with the short-term investment policy and procedures in force;
- organizing the Board of Directors' meetings and the degree of fulfilment of the decisions taken;
- compliance with the procedures for archiving the documents.

The audit reports comprising the mission, its findings, conclusions, recommendations and proposals of the Internal Auditor were presented to the Audit Committee and the Company's Board of Directors.

There were no significant situations identified to require the intervention of the Board of Directors.

Internal Audit considers that the activities and operations conducted by SIF Banat-Crișana in the first half of 2015, subject to the audit, are consistent with the policies, programs and management of the company, pursuant to the legislation and internal regulations.

Internal control

The activity of the Compartment for internal control was carried out pursuant to the Plan for Investigation and control plan for the year 2015, as approved by the Board of Directors of SIF Banat-Crișana in the meeting from January 23, 2015, the provisions of Regulation no. 9 and no. 15/2004, the work procedures and regulations.

Lines of action considered were: controlling compliance with the applicable regulations specific for the capital market and / or internal procedures, providing information for the company and personnel on legal requirements on the capital market, endorsement of documents submitted by SIF Banat-Crișana to FSA to obtain the authorizations provided by FSA regulations, endorsement of the reports submitted to capital market entities and FSA, endorsement of informative and publicity materials of the company, other activities regarding the compliance

of the company and employees with legislation in force for the capital market and the internal regulations.

During the control activity conducted in 1H 2015, the following were addressed: compliance with the capital market legislation and working procedures in the activities for preparing and transmitting the list of persons with access to inside information; redaction, transmittal and publication of mandatory reports, requests for FSA endorsements, the observance of regulations and procedure for the calculation of net asset value and the status of holdings limits under Law 297/2004 (as amended by Ordinance 32/2012) and Regulation no. 15/2004.

The actions of control ascertained the compliance with current legislation, regulations and internal procedures for the controlled operations. Following the control activities, recommendations for improving work procedures and activities were made.

2. SECURITIES ISSUED BY SIF BANAT-CRIȘANA

CHARACTERISTICS OF SIF BANAT-CRIȘANA SHARES

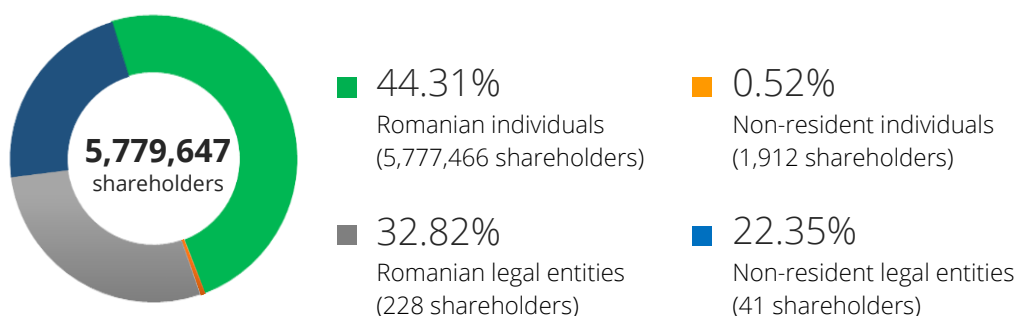
Total number of shares issued (June 30, 2015)	548,849,268
Nominal value	RON 0.1 / share
Type of shares	common, ordinary, nominative, dematerialized, indivisible
Market	Regulated market of the Bucharest Stock Exchange (BSE/BVB) Premium category
Free float	100%
BSE symbol	SIF1
International identifier	Bloomberg BBGID: BBG000BMN388
ISIN code	ROSIFAACNOR2
Part of indices	BSE indices: BET-XT, BET-FI, BET-BK and BET-XT-TR

Since its establishment, SIF Banat-Crișana has not issued bonds or other debt instrument, nor has acquired or held its shares at any given time.

As of June 30, 2015, SIF Banat-Crișana had 5,779,647 shareholders, as reported by Depozitarul Central S.A. Bucharest, the company that keeps the Company's registry of shareholders.

SIF BANAT-CRIȘANA SHAREHOLDERS' STRUCTURE

as per holdings at June 30, 2015



SIF1 stock on Bucharest Stock Exchange

(analysis for Regular market)

In the first semester of 2015, SIF 1 shares were traded on Bucharest Stock Exchange in 124 trading sessions, on 60 of which the price went upwards, while on 59 it went down.

In the first half of 2015 the price of SIF1 rose by 12.83%, from RON 1.2940 on January 05, 2015 the closing price in the first trading session of the year, to RON 1.4600, the closing price on June 30, 2015.

Highest price for SIF1 in H1 2015 was of RON 1.4970 per share, recorded on May 13th, and the lowest was of RON 1.2530, on January 19, 2015. Trading range between the highest and the lowest price of the period was of 19%.

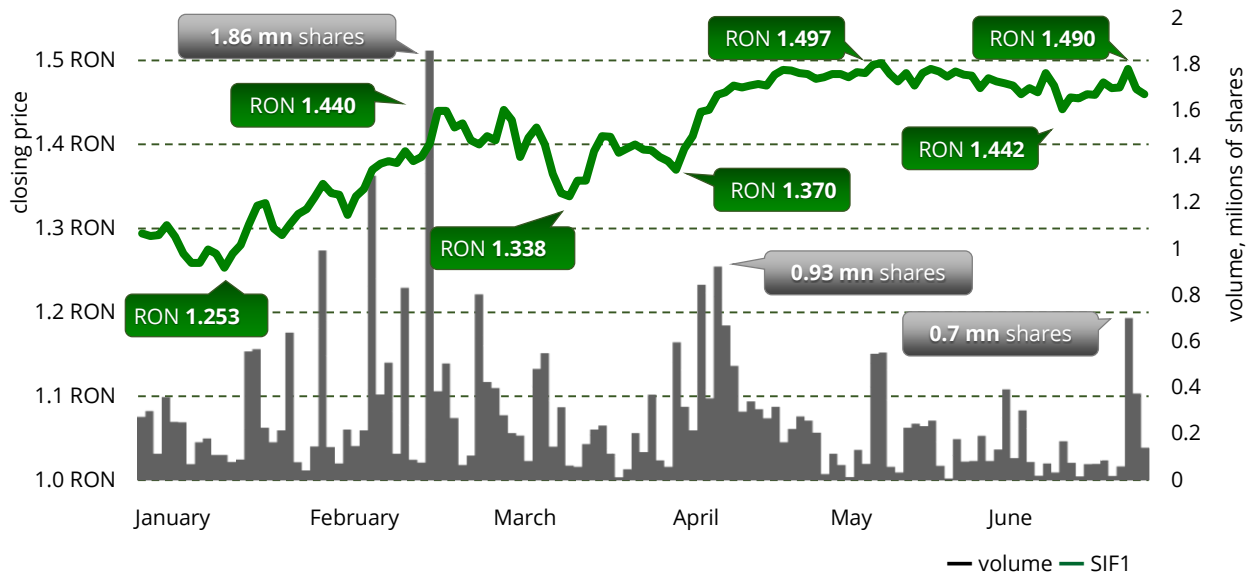
The highest volume in a trading day was of 1,856,739 shares, traded on February 23, in a period of rising prices.

Liquidity for SIF1 title was rather low in the first half of 2015, a total of 32,460,535 shares were traded, representing 5.91% of total shares issued, less than the total shares traded in the first half of 2014 (just over 63 million).

Six transactions were performed on the "deal" segment of the market, totalling 15,879,500 shares, worth of RON 23.6 mn.

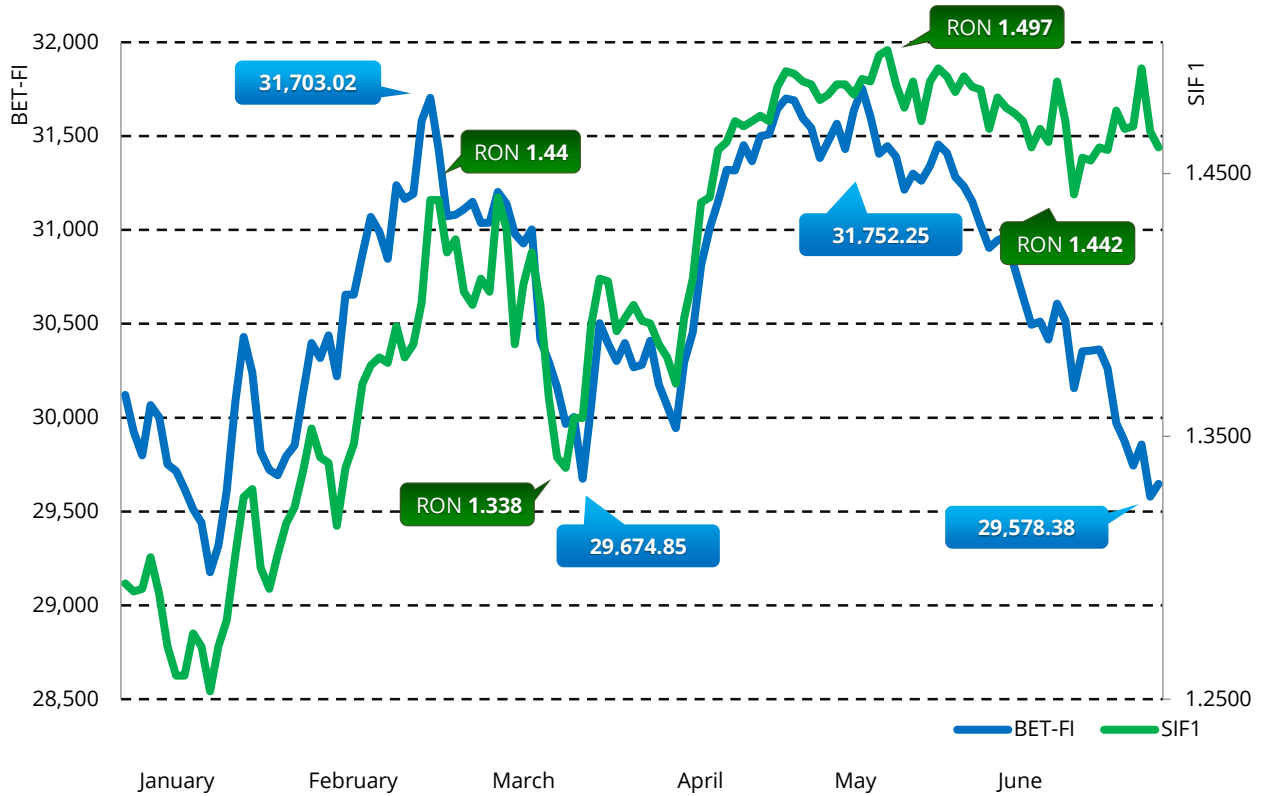
Market capitalization for SIF1 was of RON 801.32 mn on June 30, 2015 (calculated using the closing price).

SIF1 SHARE PRICE AND VOLUME TRADED IN 1H 2015



highlighted values were recorded at the closing of trading day

SIF1 SHARE PRICE vs. BET-FI INDEX IN 1H 2015



highlighted values were recorded at the closing of trading day

3. CORPORATE GOVERNANCE

Administration and Management of the Company

Pursuant to the provisions of its By-Laws, SIF Banat-Crișana is administrated under a unitary system, specific to collective investment undertakings regulated by Financial Supervisory Authority (FSA).

Board of Directors

Pursuant to the provisions of SIF Banat-Crișana's By-Laws, the administration of the Company is performed by a Board of Directors, consisting of seven members. The members are elected by the General Shareholders' Meeting, by means of secret vote, pursuant to a transparent procedure for their appointment and with the majority of votes. The members are elected for an office term of four years, with the possibility of being re-elected.

Members of the Board must meet the general conditions set by Law no. 31/1990 R for exercising that position, supplemented by those established by Law no. 297/2004 on the capital market, and FSA regulations. Members of the Board are authorized by FSA for their position.

Changes in the composition of the Board of Directors in the first semester of 2015

During the period January - March 2015, the Company was administrated by a Board of Directors composed of three members, elected by the OGM from April 24, 2013 and endorsed by FSA by Endorsement no. A/8/27.06.2013). On January 1st, 2015 the Board of Directors' composition was as follows: Ștefan DUMITRU - Vice-Chairman, Valentin CHISER - member, Ion STANCU - member.

The Ordinary General Meeting of Shareholders (OGM) held on March 3rd, 2015 elected as administrator Mr. Bogdan-Alexandru Drăgoi, for a term of office valid until the expiry of their term in office of the current administrators (24.04.2017). By Endorsement no. 115 / 09.04.2015, FSA endorsed the change of art. 7 para. 2 of the company's By-Laws with reference to the composition of the Board of Directors following the election as administrator of Mr. Bogdan Alexandru Drăgoi. The change was registered at the Trade Register Office within Arad Court by Mention no. 12910 / 21.04.2015.

The Ordinary General Meeting of Shareholders (OGM) held on April 29, 2015 elected on the vacant seats 2 (two) administrators, for a term equal to the remaining period until the expiry of their term in office of the current administrators (24.04.2017), namely: Mr. Octavian Avrămoiu and Mr. Dan Weiler. By Endorsement no. 223/03.07.2015, FSA has endorsed the change in the composition of the Board of Directors of the company following the election of the two new administrators. The change was registered at Trade Register Office within Arad Court by Mention no. 23109/09.07.2015.

Audit Committee

Within the Board of Directors was set-up an audit committee having a consultative role, consisting of two non-executive members of the Board of Directors, pursuant to the legal provisions. As at June 30, 2015, the members of the Audit Committee were Mr. Ion Stancu and Mr. Valentin Chiser, appointed on April 24, 2013 by Board of Directors' resolution.

The Audit Committee assists the Board of Directors in fulfilling their responsibilities concerning the financial reporting, internal control and risk management and supports the Board of Directors in monitoring the reliability and integrity of the financial information provided by the Company, in particular by reviewing the relevance and the consistency of the accounting standards it applies.

During the first six months of 2015, the Audit Committee met four times. These meetings were held in order to analyse the financial statements for the year 2014 prepared in accordance with Romanian accounting regulations, the tenders for financial audit, the quarterly report prepared by SIF Banat-Crișana as at March 31, 2015, and respectively the separate financial statements as at December 31 2014 prepared in accordance with IFRS.

Executive directors

During the first semester of 2015 the executive management of SIF Banat-Crișana was provided by two directors appointed by the Board of Directors pursuant to the provisions of GEO 32/2012 and Regulation no. 15 / 2004 and endorsed by FSA, namely Mrs. Gabriela GRIGORE, Deputy General Director - Operations and Mrs. Teodora SFERDIAN, Deputy General Director - Development.

Responsibilities and powers of the executive management members are set by the Board of Directors and are detailed in the Internal Regulations and in the "Powers of decision and signature" approved by BoD.

Observance of shareholders' rights

SIF Banat-Crișana provides an unbiased treatment to all shareholders, including the minority and foreign shareholders, pursuant to legal provisions and those of Company's By-Laws.

Right to vote SIF Banat-Crișana strives to facilitate the participation of shareholders at the general meetings of shareholders (GMS). SIF Banat-Crișana's shareholders can participate in the GMS directly, by designating a representative by means of a special / general empowerment, or can vote by correspondence.

Company's Board approved procedures for the orderly and efficient organization of GMS works, pursuant to the incident laws and FSA regulations. The information and materials concerning the General Meeting were made available at Company's headquarters and posted on its website for the shareholders: the convening notice for the GMS, informative materials and the documents to be discussed and approved by the meeting, the participation and voting procedures, special empowerment forms and correspondence voting forms, the resolutions approved by GMS, and the results of votes for each item on the agenda.

Right to information SIF Banat-Crișana respects the right of its shareholders to be informed, providing them relevant and up-to-date information to facilitate the exercise of their rights in a fair manner. Information on the Company's activity considered to affect the price of shares on the stock exchange market was subject to current reports or announcements, communicated within 24 hours to the market, being immediately made available to investors on the BSE website and as well on the Company's website, www.sif1.ro.

To ensure the equal access to information for the investors, posting on the Company's website of reports and announcements destined to the market participants is made after the information is published by the market operator, Bucharest Stock Exchange (BSE) on its website www.bvb.ro

In order to inform the shareholders and investors, the Company sets a financial reporting calendar that is communicated to BSE and FSA, and also published on the Company's website, www.sif1.ro

Financial calendar for 2015:

February 16 - Presentation of the preliminary financial results for 2014;

April 28/29 - General Meeting of the Shareholders for the approval of the financial statements for 2014;

April 30 - Presentation of 2014 Annual Report – financial statements for 2014;

May 12 - Presentation of the quarterly report – financial results for 1Q 2015;

June 29 - Presentation of the financial statements for 2014 – IFRS;

August 14 - Presentation of the half yearly report – financial results for 1H 2015;

August 31 - Presentation of the consolidated financial statements for 2014;

November 3 - Presentation of the quarterly report – financial results for 3Q 2015;

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

Right to dividend All existing shareholders as at the registration date are entitled to the dividends approved by the Ordinary General Meeting of Shareholders. The payment is made pursuant to the legal requirements and the resolutions of the general meeting of shareholders. The OGM held on April 29, 2015 approved the distribution of a gross dividend of RON 0.1 / share, with the registration date on August 14, 2015, and empowered the Board of Directors to decide the payment methods pursuant to legal provisions

General meeting of shareholders

OGM held on March 3, 2015 On 9 January 2015, the Board of Directors has convened the Shareholders Ordinary General Meeting (OGM), which met at the second call on March 3, 2015, with the direct participation, by representative or by correspondence of the shareholders holding 140,807,184 shares, representing 25.65% of the share capital.

The OGM held on March 3, 2015 elected by secret ballot a Board member, namely Mr. Bogdan Alexandru Drăgoi, and empowered (with authority to be substituted) Mr. Ștefan Dumitru, administrator of the company, to sign the necessary documents, in order to carry out all procedures and formalities with the Financial Supervisory Authority, Trade Register or wherever necessary for the purpose of implementing the resolutions of the general meeting of shareholders.

OGM held on April 29, 2015 On March 13, 2015, the Board of Directors has convened the Shareholders Ordinary General Meeting (OGM), which met at the second call on April 29, 2015, with the direct participation, by representative or by correspondence of the shareholders holding 120,533,688 shares, representing 21.96% of the share capital.

The OGM held on April 29, 2015 approved: the financial statements for the 2014 fiscal year; the profit appropriation, and setting the gross dividend of RON 0.1 per share; the discharge from liability of the Board of Directors for the fiscal year 2014; the Budget and the Operation Plan for 2015 fiscal year; the remuneration for the members of the Board of Directors, the general limits of all additional remunerations set for the members of the Board of Directors and the general limits of the directors' remuneration; election on the vacant seats of 2 (two) administrators, namely Mr. Octavian Avrămoiu and Mr. Dan Weiler, for a term equal to the remaining period until the expiry of their term in office of the current administrators (24.04.2017); the registration date.

OGM held on June 9, 2015 On May 6, 2015, the Board of Directors has convened the Shareholders Ordinary General Meeting (OGM), which met at the second call on June 9, 2015, with the direct and by correspondence participation of the shareholders holding 39,079,584 shares, representing 7.12% of the share capital.

The OGM held on June 9, 2015 approved the extension of mandate of KPMG Audit SRL as financial auditor of the company, for a duration of the audit contract of one year.

In the general meeting of shareholders, the suspension of voting rights for the holdings above the above the legal and statutory ownership threshold of 5% was made in accordance with the legal provisions.

Transparency in communication

SIF Banat-Crișana values the transparency in communication, committed that the confidence of the public is essential for the proper activity of the Company. SIF Banat-Crișana aims to ensure the continuous and periodic reporting in an objective and fair manner, covering all the important aspects of the Company's business and the results it achieved.

The Company's website is a useful means for communicating with the shareholders. The section dedicated to investor relations hosts information of interest for the shareholders and all the announcements and reports of the Company are made available in Romanian as well as in English.

Risk management

SIF Banat-Crișana acknowledges its exposure to risks arising from daily operations as well as from achieving its strategic objectives. The Company has a proactive approach as regards the risks, by identifying and containing them before the generating events take place. Moreover, the Company's management is concerned with providing the specific technical, operational and financial solutions in order to minimize and prevent potential losses.

SIF Banat-Crișana's management structure, through the Board of Directors, approves and periodically reviews both the risk strategy, and the management policy for significant risks. Company's Board of Directors oversees the execution of risk management practices and their implementation in the Company, alerting on significant risks and the management responses. The Board of Directors has assigned to the Audit Committee of SIF Banat-Crișana the task of monitoring the effectiveness of internal control systems, internal audit, internal audit, and risk management.

The Compartment for Internal Control and Risk Management within SIF Banat-Crișana reports directly to the Board of Directors, being responsible for verifying the effectiveness the system for controlling the risk, the classification of financial assets on classes / categories held within regulated prudential limits, endorsement of NAV and NAV/share calculation, identifying the significant risks the Company is exposed to and their analysis as to provide recommendations, advice and proposals for mitigation / keeping under control the risks identified. The responsibility for risk management lies with personnel in all business lines and should not be limited to the position of risk management.

Risk management incorporates a distinct system and representative at Company level, consisting of sound integrated regulations and procedures.

Sound documented work procedures implemented in the organization pursue the activation of preventive and corrective actions for risk management. The procedures are readily available for the personnel, as they are published on Company's Intranet to be inspected by the responsible persons.

At the end of 1H 2015 there were 52 operational documented procedures, pursuing the observance of legal provisions, the generating of information flows and effective operations, and to strengthen the internal control.

Since 2012, SIF Banat-Crișana holds the certification of Information Security Management System (SMSI) – pursuant to the requirements of ISO 27001: 2005 certification body from United Registrar of Systems Ltd accredited by UKAS (United Kingdom Accreditation Service). In March 2015 a recertification audit for SMSI was conducted by ROS SYSTEMA Romania.

Conflict of interest and transactions with related parties

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

Each member of the Board of Directors must ensure that he/she avoids any direct or indirect conflict of interest with SIF Banat-Crișana or with the companies controlled by the Company. To the extent that there is a conflict of interest, the concerned administrator (Board member) has the obligation to inform the Board and shall refrain from the debate and vote on those issues.

SIF Banat-Crișana's *Code of Ethics and Business Conduct* comprises a series of mandatory rules for the management and employees in order to protect the shareholders' interest and the market integrity.

Pursuant to the provisions of Law no. 297/2004 and Regulation no. 1/2006, insiders and people with access to inside information about SIF Banat-Crișana have to notify FSA and the Company of any transaction with SIF Banat-Crișana shares. Notifications are published on the BSE website. SIF Banat-Crișana disseminated these notifications throughout 1H 2015 on its website, as well.

Corporate information regime

Members of the Board of Directors, SIF Banat-Crișana's directors and employees are required to maintain the confidentiality of the documents and corporate data and comply with the *Code of Ethics and Business Conduct* and with the procedures approved by the Board of Directors regarding corporate information.

The Board of Directors adopted procedures regarding the Company's internal circuit of the documents and the disclosure to third parties of documents and information concerning SIF Banat-Crișana, giving special importance to inside information, as defined by Law no. 297/2004, which may influence the market price of the shares issued by the Company.

Social responsibility

SIF Banat-Crișana understands to be an involved and responsible player, attentive and responsive to the needs of the community and to the sustainable development of the society. SIF Banat-Crișana chooses to carry out activities, projects and campaigns for social responsibility that are consistent both with the company's strategy and community needs, aiming to promote and strengthen its brand values. The role of social actor for SIF Banat-Crișana is to promote professionalism, excellence, innovation, responsibility, teamwork, diversity, and commitment.

4. ANALYSIS OF FINANCIAL STATEMENTS

Legislative and methodological explanations

Organization and bookkeeping of accounting records at SIF Banat-Crișana was performed pursuant to the Accounting Law no. 82/1991, republished and amended, the provisions of CNVM (now Financial Supervisory Authority – FSA) Regulation no. 4/2011 (approved by Order no. 13/2011) on Accounting Regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority.

The accounting report as at June 30, 2015 and explanatory notes are presented in annex 3 to this report. The half-yearly accounting report has not been audited by the financial auditor, as it is not a legal or regulatory requirement.

The following are a summary of the Company's financial position and results for the first half of 2015:

BALANCE SHEET		
<i>(all amounts in RON, unless mentioned otherwise)</i>	December 31, 2014	June 30, 2015
Securities and other financial instruments held as non-current financial assets	979,016,242	980,876,118
Receivables	19,571,404	23,898,880
Current financial assets	216,047,038	245,563,694
Other assets	5,390,158	11,645,142
Total assets	1,220,024,842	1,261,983,834
Current liabilities	15,795,247	69,490,834
Provisions	49,951,951	49,575,034
Other liabilities	176,752	17,024
Equity	1,154,100,892	1,142,900,942
Total liabilities	1,220,024,842	1,261,983,834

Securities and other financial instruments held as non-current financial assets mainly include the value of securities held in the portfolio companies, carried at their historical cost adjusted with the allowances for impairment set-up on December 31, 2014, and are the weightiest in total assets. The volume of financial securities assets held at June 30, 2015 slightly increased as compared to December 31, 2014, as a result of lower volume of adjustments for impairment, following the resumption of adjustments related to sold or liquidated non-current assets.

Receivables as at June 30, 2015 and the end of the previous year mainly include the value of bonds issued by the Ministry of Finance having maturity in July, 2015 (RON 16 mn). The volume of receivables is higher than at the beginning of the year, as a result of the registration of dividends for 2014 from the companies in SIF Banat-Crișana's portfolio.

Current financial assets significantly increased as at June 30, 2015 compared to the beginning of the year, as a result of allocating the revenues from the sale of non-current assets to short term investments, and bank deposits respectively.

Other assets mainly include tangible and intangible assets owned by the Company and cash available in the Company's current accounts. The growth of these assets as compared to 2014 year end is due to a higher volume of available funds in the current accounts of the Company.

Company's **current liabilities** predominantly include liabilities related to dividends payable to shareholders, trade payables, liabilities with the personnel, tax and other debts. The significant upsurge is due to allocating for dividend distribution of a portion of 2014 profit.

As for the **provisions**, a significant stake is represented by the provisions for deferred income tax calculated on the reserves afferent to securities held, revaluation reserves of fixed assets and reserves from tax incentives. The shrinkage of the volume of the provisions as at June 30, 2015 compared to the beginning of the year is due to the reduction of provisions for deferred tax related to reserves for securities as a result of sale of some stakes and respectively the diminishing of related reserves.

Equity represent the largest stake in the structure of liabilities and mainly include reserves for non-current assets and those set-up as own sources of funding. Equity slightly declined compared to the beginning of the year due to the allocation of part of 2014 profit for dividends.

INCOME STATEMENT

<i>(all amounts in RON, unless mentioned otherwise)</i>	1H 2014	1H 2015
Income from non-current financial assets	12,449,844	20,184,037
Income from disposal of financial assets	218,852,234	23,616,319
Income from reversal of provisions, reactivated receivables and sundry debtors	454,286	1,615,636
Income from foreign exchange differences	353,144	589,716
Interest income	3,196,892	3,414,954
Other income	542,363	11,661,707
Total income	235,848,763	61,082,369
Expenses with the disposal of financial assets	50,319,254	8,115,022
Expenses on foreign exchange differences	1,081,133	692,347
Fees and commissions expenses	2,338,135	1,418,783
Amortization, provisions and losses from receivables	127,317	126,144
Other expenses on current activity	4,387,150	3,854,437
Total expenses	58,252,989	14,206,733
Gross profit	177,595,774	46,875,636
Income tax	28,300,347	3,196,139
Net profit	149,295,427	43,679,497

Total income as at June 30, 2015 is lower than H1 2014 as a result of smaller volume of income from the disposal of financial investments.

The evolution of income with significant weight:

Income from financial assets (dividends and amounts from capital reduction) increased as compared to the first half of 2014, mainly as a result of attaining a higher volume of dividends from the financial companies. The amount of dividends collected during the first half of 2015 was of RON 16.28 mn.

Income from disposal of financial assets (sales of shares and short-time financial investments) is lower than 1H 2014, following the lower volume of transactions.

Income from reversal of provisions, reactivated receivables and sundry debtors mainly include the reversal of value adjustments for impairment losses on securities upon disposal (sold or liquidated). These revenues increased in 1H 2015 as compared to 1H 2014.

Income from foreign exchange, afferent, primarily to foreign currency investments, are higher as compared to the corresponding period of the previous year.

Interest income (bank deposits and bonds) paid on fixed income investments exceeds the volume registered in the same period of the previous year as a result of the upsurge in monetary investments.

Other income category mainly includes income from short-term financial investments and other financial income (income from reversal of adjustments related to financial instruments). The significant increase of these revenues is due to collecting the dividends for short-term financial investments and considering as revenues the adjustments for loss on short term investments, on sale (PNote SIF 4 and minilong SIF 4 certificates).

Evolution of **total expenses** as at June 30, 2015 compared to the same period of 2014 is influenced by the volume of transactions with securities performed.

Evolution of the main items of expenditure are as follows:

Expenses with the disposal of financial assets have the largest stake in the total expenses of the period, their level is influenced by the sales of securities performed and the rapport between the historical cost of such securities and any reserves for shares received at no cost. For 1H 2015 the amount of these expenses is below the level of June 30, 2014, being related with the income from financial investments.

Expenses from foreign exchange differences recorded a decline in 1H 2015 as compared to the corresponding period of the previous year, but the net impact of exchange differences (income minus expenses) as at June 30, 2015 is an unfavourable one.

Fees and commissions expenses are below those achieved as at June 30, 2014, due to lower volume of transactions and consequently the transaction costs related commissions due to SSIFs.

Other current expenses primarily include administrative expenses, staff costs, advertising and publicity and other expenses. The amount of these expenses show a significant drop as compared to previous year's corresponding period, mainly due to the reduction of personnel expenses.

Net profit as at June 30, 2015 is below the result for June 30, 2014, as a result of lower revenues from the disposal of financial assets.

CASH FLOW STATEMENT

<i>(all amounts in RON, unless mentioned otherwise)</i>	No. row	June 30, 2014	June 30, 2015
A Cash flow in operating activities			
+ Receipts from customers	01	65,178	162,084
- Payments to suppliers and employees	02	(8,116,319)	(6,907,548)
- Income tax paid	03	(16,107,668)	(868,621)
Cash flow used in operating activities	04	(24,158,809)	(7,614,085)
B Cash flow in investing activities			
- Payments for acquisition of shares and financial assets	05	(232,140,701)	(76,479,246)
- Payments for acquisition of tangible and intangible assets	06	(23,085)	(17,906)
+ Receipts from sale of shares and financial assets	07	301,084,203	76,984,087
+ Receipts from sale of tangible assets	08	-	-
+ Interest received	09	3,485,478	3,550,578
+ Dividends received	10	7,109,159	16,276,770
- Other payments from investing activities	11	(288,713)	(93,595)
+ Other receipts from investing activities	12	147,724	65,408
Cash flow from investing activities	13	79,374,065	20,286,095
C Cash flow in financing activities			
- Dividends paid	14	(106,290)	(33,869)
Cash flow used in financing activities	15	(106,290)	(33,869)

CASH FLOW STATEMENT

<i>(all amounts in RON, unless mentioned otherwise)</i>	No. row	June 30, 2014	June 30, 2015
Increase / (decrease) of cash flow and cash equivalents (A+B+C)	16	55,108,967	12,638,142
Cash and cash equivalent at the beginning of the period*	17	19,658,044	58,827,640
Cash and cash equivalent at the end of the period*	18	74,767,011	71,465,782

* cash and cash equivalents at the beginning and at the end of the period include petty cash, cash at bank, cash advances and short-term investments (bank deposits, securities, bonds) with residual maturity of less than three months

Evolution of cash flow in the first half of 2015 is similar to that recorded in the first six months of 2014, in the sense that investment activities generated cash, which covered the needs for operating and financing activities, leading to an increase of cash and cash equivalents as compared to the beginning of the period. From a structural perspective, for the cash flow level recorded in the first six months of 2015 there were the following developments:

- decrease of cash necessities for operating activities mainly following a lower volume of debt due on corporation tax;
- generating a lower volume of cash from investment activities, as a result of the reduction of the proceeds from the sale of shares and financial assets (including proceeds on maturity of deposits with residual maturity greater than 3 months), reduction also found in the volume of payments for purchase of shares and financial assets (including the setting up of bank deposits with residual maturity greater than 3 months);
- reducing the amount of cash used in financing activities, as a result of performing payments for outstanding dividend.

5. OTHER SIGNIFICANT INFORMATION

Litigations

As at June 30, 2015, as documented in the records of SIF Banat-Crișana's Legal Dept., the Company was involved in 137 litigations. The Company had locus standi in 109 disputes, passive capacity to stand trial in 27 disputes and in one case as intervener.

In most disputes in which SIF Banat-Crișana is a plaintiff, the subject is the annulment / nullity of certain decisions of the general shareholders meeting in portfolio companies, recovery of uncollected dividends or insolvency proceedings of portfolio companies.

Amendments to the By-Laws

In 1H 2015, FSA endorsed the amendment of Art. 6 para. 18 of the SIF Banat-Crișana's By-Laws concerning the quorum and majority requirements for the extraordinary general meetings of shareholders, change pursuant to art. 286[^]3 par. 1 of Law no. 297/2004 as amended by Law no. 10/2015. The amendment was endorsed by FSA by Endorsement no. 181/04.06.2015 and registered at Trade Register Office with Mention no. 19512 / 10.06.2015.

Events after the date of the report

- By Endorsement no. 223/03.07.2015, FSA endorsed the change in the composition of the Company's Board of Directors pursuant to the Resolution no. 1 of Ordinary General Meeting of Shareholders held on 29.04.2015, which elected Mr. Octavian Avrămoiu and Mr. Dan Weiler as administrators of the Company (members of the Board).
- In the meeting held on July 14, 2015, SIF Banat-Crișana's Board of Directors adopted the following resolutions: 1. appointed Mr. Ionel-Marian CIUCIOI as interim administrator (member of the Board of Directors) of SIF Banat-Crișana, until the general meeting of shareholders. 2. approved the changes in the organization chart and the Internal Regulations, entering into force upon their endorsement by FSA. 3. elected Mr. Bogdan Alexandru Drăgoi as Chairman of the Board of Directors and General Director (CEO) of SIF Banat-Crișana. 4. elected Mr. Octavian Avrămoiu as Vice-Chairman of the Board of Directors and Deputy General Director of SIF Banat-Crișana. 5. approved the delegation of powers of command to the Chairman – CEO and the Vice-Chairman – Deputy General Director, pursuant to Art. 143 of Law no. 31/1990. The changes in management structure of SIF Banat-Crișana and internal regulations were submitted for their endorsement by FSA.

6. ANNEXES

Annex 1 Net asset statement as at June 30, 2015, prepared pursuant to Regulation no. 15/2004 (Annex 16)

Annex 2 Detailed statement of investments as at June 30, 2015, pursuant to Regulation no. 15/2004 (Annex 17)

Annex 3 Individual interim financial reporting for the six month the period ended June 30, 2015 and explanatory notes prepared pursuant to Regulation no. 4/2011 regarding the accounting regulations compliant with the 4th Directive of CEE applicable to entities authorized, regulated and supervised by CNVM, approved by the Order of the President of CNVM no. 13/2011
(available in Romanian)

Annex 4 Statement of the responsible persons

Annex 5 SIF Banat-Crișana By-Laws (the document rewritten on June 9, 2015)
(available in Romanian)

Signatures

Vice-Chairman of the Board of Directors
Ștefan DUMITRU

Director of Economic Dept.
Ștefan DOBA