



# SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

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**SIF BANAT-CRIȘANA**

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**HALF YEAR REPORT**

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**JANUARY 1 – JUNE 30, 2016**

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Prepared pursuant to Law no. 297/2004, Regulation no. 15/2004,  
Regulation no.1/2006 and FSA Norm no. 39/2015

*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	<b>Societatea de Investiții Financiare Banat-Crișana S.A.</b> (hereinafter referred to as “SIF Banat-Crișana” or “the Company”)
COMPANY TYPE	<ul style="list-style-type: none"> <li>▪ closed-end investment company self-managed with diversified investment policy, endorsed by the Financial Supervisory Authority by Endorsement no. 258 / 14.12.2005</li> <li>▪ set up as a joint stock company in November 1996 pursuant to Law no. 133/1996 for the transformation of Private Ownership Funds into Financial Investment Companies</li> <li>▪ Romanian legal entity with private capital</li> </ul>
SHARE CAPITAL	<ul style="list-style-type: none"> <li>▪ RON 54,884,926.80 – subscribed and paid-in share capital</li> <li>▪ 548,849,268 shares issued</li> <li>▪ RON 0.10 per share nominal value</li> </ul>
REGISTRATIONS	<ul style="list-style-type: none"> <li>▪ J02/1898/1992 at Trade Registry of the Arad Court</li> <li>▪ Unique Registration Code 2761040</li> <li>▪ Number in ASF Registry PJR09SIIR/020002/2006</li> </ul>
MAIN ACTIVITY	<ul style="list-style-type: none"> <li>▪ financial investments to maximize the value of own shares pursuant to the regulations in force; management of the investment portfolio and exercising the rights associated to the investments; other additional and related activities pursuant to the regulations in force;</li> <li>▪ main object of activity: other financial intermediation n.c.a. (CAEN code 6499) <i>CAEN - Classification of Activities from National Economy</i></li> </ul>
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker <b>SIF1</b>
FINANCIAL AUDITOR	KPMG Audit S.R.L. for the previous financial year PricewaterhouseCoopers Audit SRL, starting with the financial year 2016
DEPOSITARY	BRD - Groupe Société Générale
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	<b>Arad</b> , 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
BRANCH OFFICE	<b>Bucharest</b> 175 Calea Floreasca, 7th floor, room A1, S1, 014459, Bucharest

## MAIN FINANCIAL AND OPERATIONAL INFORMATION

<b>MAIN BALANCE SHEET ITEMS [RON mn]</b>			
	<b>30.06.2015</b>	<b>31.12.2015</b>	<b>30.06.2016</b>
Total assets, of which	1,759.71	1,941.52	<b>1,885.72</b>
Total financial assets	1,747.12	1,914.52	<b>1,828.03</b>
Equity	1,596.35	1,788.81	<b>1,756.37</b>
Total current liabilities	69.50	28.60	<b>29.52</b>

<b>FINANCIAL PERFORMANCE [RON mn]</b>			
	<b>30.06.2015</b>	<b>31.12.2015</b>	<b>30.06.2016</b>
Operational income	26.81	51.28	78.86
Operational expenses	5.40	15.78	6.41
Gross profit	46.24	88.34	72.39
Net profit	43.12	75.32	68.93

<b>FINANCIAL INDICATORS [%]</b>			
	<b>30.06.2015</b>	<b>31.12.2015</b>	<b>30.06.2016</b>
ROE (net profit / equity)	2.70	4.21	3.92
ROA (net profit / total assets)	2.45	3.88	3.66
Gross profit margin (gross profit / total revenues)	72.65	63.5	65.58

<b>PERFORMANCE OF SHARES AND NET ASSET</b>			
	<b>30.06.2015</b>	<b>31.12.2015</b>	<b>30.06.2016</b>
Share price (end of period, RON)	1.4600	1.6880	1.4300
NAV/S* (RON)	3.1591	3.3831	3.2368
Accounting net asset / share (RON)	2.9085	3.2592	3.2001
Nominal value of share (RON)	0.1	0.1	0.1
Number of shares	548,849,268	548,849,268	548,849,268

\* calculated acc. to FSA regulations  
for NAV as at 30.06.2015 non-portfolio elements were calculated using accounting records prepared under RAS

<b>OPERATIONAL DATA</b>			
	<b>30.06.2015</b>	<b>31.12.2015</b>	<b>30.06.2016</b>
Number of permanent employees, end of period	48	41	40
Branch offices	2	1	1

<b>SHAREHOLDING STRUCTURE as at June 30, 2016</b>			
	number of shareholders	holdings	
Romanian individuals	5,769,031	41.40%	
Non-resident individuals	1,942	0.50%	
Romanian legal entities	203	32.64%	
Non-resident legal entities	43	25.46%	
<b>TOTAL</b>	<b>5,771,219</b>	<b>100%</b>	

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# 1. ANALYSIS OF THE ACTIVITY OF SIF BANAT-CRIȘANA

## Analysis of the portfolio

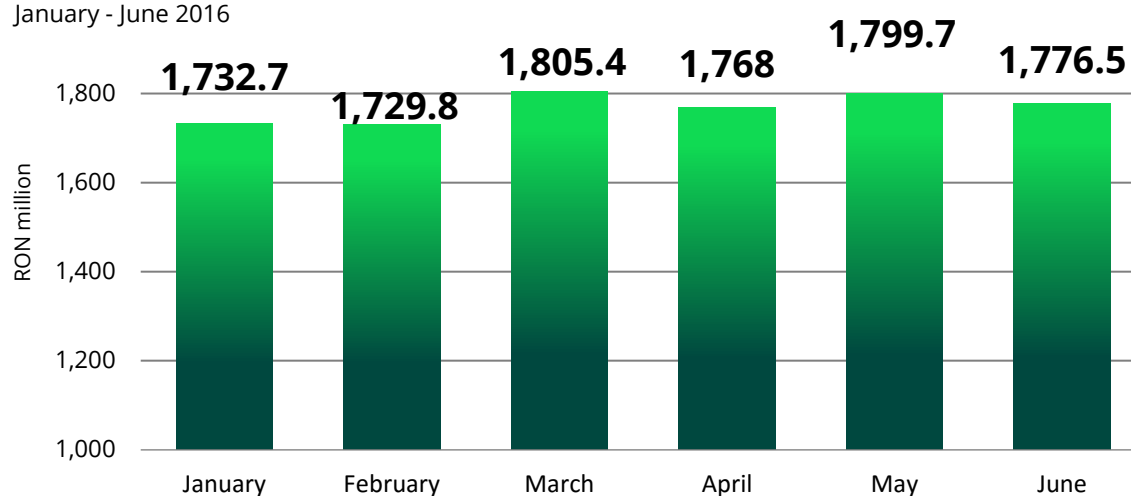
### Net Asset Value

SIF Banat-Crișana's net asset value (NAV), key performance indicator for the activity of the Company, reached **RON 1,776.5 mn** at the end of the H1 2016, 2.53% up as compared to RON 1,732.7 mn on January 29, 2016. Net asset value per share (NAV/S) rose to RON **3.2368** as at June 30, 2016, as compared to RON 3.1571, the value recorded on January 29, 2016.

For compatibility reasons, the analysis of the portfolio asset values' evolution used as comparative date the net asset value reported as at the end of January 2016 as the first report using accounting financial data prepared under IFRS.

### MONTHLY EVOLUTION OF THE NET ASSET VALUE NET

January - June 2016



Monthly values for net asset were calculated by SIF Banat-Crișana and certified by BRD Groupe Société Générale. The valuation of assets for the calculation of net asset value of SIF Banat-Crișana was performed pursuant to FSA Regulation no. 9/2014 (art. 113-122) and FSA Regulation no. 10/2015.

The monthly reports for the net asset value were submitted to the Bucharest Stock Exchange and FSA – Financial Investments and Instruments Sector, and published on SIF Banat-Crișana's website [www.sif1.ro](http://www.sif1.ro) within 15 days from the end of the reporting month.

Net assets statement as at June 30, 2016, 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

For the period January-June 2016, the calculation of net asset value was performed under the provisions of FSA Regulation no. 10/2015, FSA Regulation no. 9/2014 and CNVM Regulation no. 15/2004.

Listed securities are valued at the closing market price for the day for which the calculation is made. The securities not admitted to trading on a regulated market or not traded during the last 30 trading days are valued at the book value per share recorded in the most recent annual financial statements, or equity value comprised in the monthly reports submitted to BNR (the

Romanian central bank) for credit institutions. Fixed income instruments are valued using the method

of daily interest recognition and amortization of discount / premium for the period passed from the date of the investment. Shares of companies undergoing insolvency proceedings, liquidation or reorganization are valued at zero until the completion of the procedure.

The company used throughout 2016 this valuation method for the monthly calculation of net asset value.

Starting January 1, 2016, for non-portfolio items used in the calculation of net asset value, the company used the accounting records prepared pursuant to IFRS.

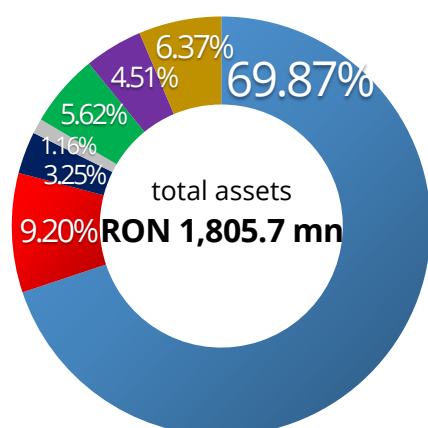
## Portfolio structure

SIF Banat-Crișana's investment objective is the management of a diversified portfolio of high-quality assets, able to provide a constant flow of revenues, the preservation and the medium-long term capital growth.

The strategy for asset allocation aims to maximize the performance of the portfolio within the prudential conditions set by Capital Market Law no. 297/2004 with the subsequent amendments, and Regulation no. 15/2004 regarding authorization and operation of asset management companies, collective investment undertakings and depositories. **Throughout H1 2016, the assets managed by the Company have been within the allowed legal limits.**

The structure of SIF Banat-Crișana's assets under management at June 30, 2016 is presented in the following chart:

**ASSETS UNDER MANAGEMENT as at June 30, 2016**  
asset class breakdown (weight in total assets)



- listed shares: 69.87%  
value **RON 1,261.68 mn** (Jan. 2016: RON 1,351.31 mn)
- unlisted shares: 9.20%  
value **RON 166.19 mn** (Jan 2016: RON 172.45 mn)
- unlisted non-UCITS securities: 3.25%  
value **RON 58.73 mn** (Jan. 2016: RON 46.34 mn)
- unlisted corporate bonds: 1.16%  
value **RON 21 mn** (Jan 2016: RON 31.68 mn)
- govt. bonds: 5.62%  
value **RON 101.56 mn** (Jan 2016: 0)
- bank deposits and current account: 4.51%  
value **RON 81.45 mn** (Jan 2016: RON 148.18 mn)
- receivables and other assets: 6.37%  
value **RON 115.11 mn** (Jan 2016: RON 26.86 mn)

*values calculated as at June 30, 2016, pursuant to the provisions of FSA Regulation no. (art. 113-122) and FSA Regulation no. 10/2015; the amounts for fixed income financial instruments include interest receivables*

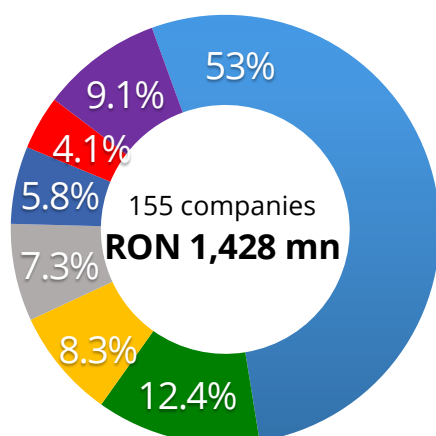
Total asset value of SIF Banat-Crișana as at June 30, 2016 was of **RON 1,805.7 million**, up 1.63% than recorded at the end of January 2016, namely RON 1,776.8 million. Compared to that date, the value of listed shares lowered by 6.78%, following the trend of the capital market.

Unlisted securities slightly decreased, following the update of the financial results of issuers in the portfolio classified in this category as at December 2015. Monetary investment structure was rebalanced towards government bonds, which represented 5.62% of total assets under management at June 30, 2016.

The value of stock portfolio weighted 79.07% of the total assets managed by SIF Banat-Crișana as at June 30, 2016, holdings in shares were throughout the period within the limits provided by Law 297/2004 and CNVM Regulation no. 15/2004.

The detailed statement of SIF Banat-Crișana's investments as at June 30, 2016, prepared pursuant to Regulation no. 15/2004 (Annex 17), is presented as annex to this report.

### STOCK PORTFOLIO breakdown by sector

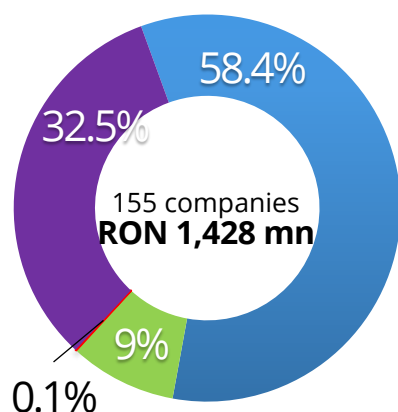


■ financial-banking: 53%
stakes in <b>13</b> companies worth <b>RON 757 mn</b> (Dec. 31, 2015: RON 955 mn)
■ comerce – real-estate: 12.4%
stakes in <b>20</b> companies worth <b>RON 177 mn</b> (Dec. 31, 2015: RON 175 mn)
■ tourism and public-food services: 8.3%
stakes in <b>4</b> companies worth <b>RON 118 mn</b> (Dec. 31, 2015: RON 123 mn)
■ cardboard and paper: 7.3%
stakes in <b>6</b> companies worth <b>RON 105 mn</b> (Dec. 31, 2015: RON 84 mn)
■ energy-utilities: 5.8%
stakes in <b>11</b> companies worth <b>RON 83 mn</b> (Dec. 31, 2015: RON 82 mn)
■ pharmaceuticals: 4.1%
stakes in <b>2</b> companies worth <b>RON 58 mn</b> (Dec. 31, 2015: RON 69 mn)
■ other industries: 9.1%
stakes in <b>99</b> companies worth <b>RON 130 mn</b> (Dec. 31, 2015: RON 133 mn)

*values as at 30.06.2016 acc. to FSA Reg. no. 9/2014 (art. 113-122) and FSA Reg. no. 10/2015; 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 **RON 834 mn** (Dec. 31, 2015: RON 1,026 mn)

## ■ 5-33%

stakes **between 5 - 33%** in **81** companies  
worth **RON 128 mn** (Dec. 31, 2015: RON 140 mn)

## ■ 33-50%

stakes **between 33-50%** in **3** companies  
worth **RON 1.05 mn** (Dec. 31, 2015: RON 0.95 mn)

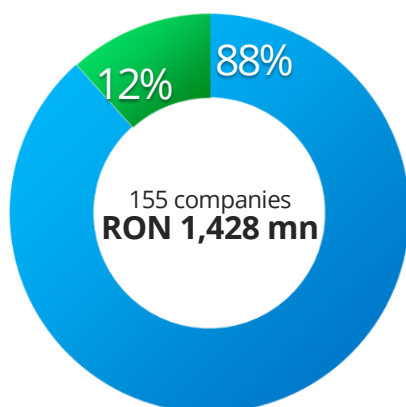
## ■ above 50%

**majority** stakes, **above 50%**, in **11** companies  
worth **RON 465 mn** (Dec., 31 2015: RON 454 mn)

*values as at 30.06.2016 acc. to FSA Reg. no. 9/2014 (art. 113-122) and FSA Reg. no. 10/2015; percentages in the chart represent the stake of the category in the stock portfolio*

**STOCK PORTFOLIO**

on liquidity



## ■ listed companies

**RON 1,262 mn** (Dec. 31, 2015: RON 1,449 mn) value of stakes held in 59 companies (Dec. 31, 2015: 58)

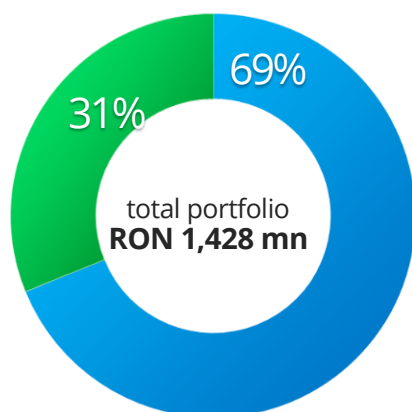
## ■ unlisted companies

**RON 166 m** (Dec. 31, 2015: RON 172 mn) value of stakes held in 96 companies (Dec. 31, 2015: 103)

*values as at 30.06.2016 acc. to FSA Reg. no. 9/2014 (art. 113-122) and FSA Reg. no. 10/2015; percentages in the chart represent the stake of the category in the stock portfolio*

**STOCK PORTFOLIO**

geographical exposure



## ■ Romania: 69%

**RON 1,049 mn** (Dec. 31, 2015: RON 1,141 mn) value of holdings in 153 companies (Dec. 31, 2015: 159)

## ■ foreign: 31%

**RON 379 mn** (Dec. 31, 2015: RON 480 mn value of holdings in 2 companies (Dec. 31, 2015: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

*values as at 30.06.2016 acc. to FSA Reg. no. 9/2014 (art. 113-122) and FSA Reg. no. 10/2015; 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, 2016

Company	sector	Value of holding* as at June 30, 2016 [RON mn]	% of NAV
Banca Transilvania	banking - financial	279,273,580	15.72%
Erste Group Bank AG	banking - financial	240,504,776	13.54%
SIF Imobiliare Plc	financial services applicable to real estate	138,243,910	7.78%
BRD - Groupe Société Générale	banking - financial	133,431,870	7.51%
Vrancart	cardboard and paper	98,738,047	5.56%
SIF Hoteluri	tourism and public food services	73,188,084	4.12%
Biofarm	pharmaceuticals	51,735,798	2.91%
Azuga Turism	tourism and public food services	42,718,348	2.40%
SNGN Romgaz	energy - utilities	39,448,842	2.22%
SIF Moldova	other financial intermediations	36,564,947	2.06%
<b>TOTAL</b>		<b>1,133,848,202</b>	<b>63.82%</b>

\* calculated pursuant to ASF Reg. no 9/2014 and ASF Reg. no 10/2015

## 1. BANCA TRANSILVANIA

	2013	2014	2015	Q1-2016
<b>Net income</b> [RON mn]	1,352	1,546	2,755	599
<b>Net profit</b> [RON mn]	375	434	2,418	228
<b>Total assets</b> [mil. lei]	32,065	35,619	47,343	46,120
<b>CET-1 ratio (phased-in)<sup>1</sup></b> [%]	13.78	17.32	22.26	18.20
<b>NPL coverage<sup>2</sup></b> [%]	122.4	126.8	119	120
<b>Cost/Income ratio</b> [%]	48.7	41.4	30.5*	45.2

<sup>1</sup> minimum value acc. to NBR 8% <sup>2</sup> NPL – non-performing loans \* Including the gain resulting from the merger with Volksbank, without the gain resulted from the merger of Volksbank the value is 47.8%

As at June 30, 2016, SIF Banat-Crișana held a stake of 4.43% of Banca Transilvania's share capital.

On April 28, 2016 Banca Transilvania announced their financial results as at March 31, 2016. The bank reported a net profit of RON 228.5 mn, up 50.8% compared to the same period of 2015, operating income of RON 599.1 mn, 10.7% higher than the same period of 2015. Banca Transilvania's assets worth RON 46.12 bn, of which net loans represent RON 25.5 bn, up 1.5% compared to the balance of net loans at 2015 year-end.

Loan / deposit ratio is more efficient, as it increased from 65% at 2015 year-end, to 69% at the end of Q1 2016. The cost / income ratio as at March 31, 2016 was of 45.2%.

As at March 31, 2016, the bank recorded expenses on net impairment adjustments and provisions of RON 59.6 million (including the impact of removing off-balance sheet of RON 296 mn). NPL having arrears of more than 90 days stand for 9.04% of the total loan portfolio of the bank. NPL provisioning coverage and related mortgage is 119.84%. Solvency of the bank, taking into account the revenue from Q1 2016 and the proposed special dividend is 18.20%.

## 2. ERSTE GROUP BANK AG

	2013	2014	2015	Q1-2016
<b>Net income</b> [EUR mn]	6,492	6,878	6,772	1,629
<b>Operating result</b> [EUR mn]	3,099	3,091	2,903	621
<b>Net profit</b> [EUR mn]	60	-1,442	968	275
<b>Total assets</b> [EUR mn]	200,118	196,287	199,743	206,369
<b>CET-1 ratio (phased-in)<sup>1</sup></b> [%]	11.4	10.6	12.3	12.1
<b>NPL coverage</b> [%]	63.1	68.9	64.5	66.5
<b>Cost/Income ratio</b> [%]	52.5	55.1	57.1	61.9

<sup>1</sup> Capital adequacy ratio calculated by reference to common equity tier 1 capital

As at June 30, 2016, SIF Banat-Crișana held a stake of 0.61% of Erste Bank's share capital.

On May 4, 2016, Erste Bank announced their financial results as at March 31, 2016. Net revenues decreased by 3.5% as compared to March 31, 2015, recording a value of EUR 1.63 billion, as the net profit of EUR 275 million, reported by the bank is EUR 50 million higher than the value recorded as at March 31, 2015.

Total assets of the bank showed an increase from EUR 199.7 billion as at March 31, 2015, to a value of EUR 206.4 billion as at March 31, 2016.

The loans / deposits ratio was of 98.5%, and the cost / income ratio was of 61.9%. Capital adequacy ratio (under Basel 3) was of 12.1%.

On July 14, 2016, Erste Bank announced that for Q2 2016 estimates to record a net profit of EUR 560 million and a cumulative profit for H1 2016 of EUR 830 million.

### 3. SIF IMOBILIARE PLC

	2013*	2014*	2015*
<b>Turnover</b> [EUR mn]	2.13	5.19	12.36
<b>Operating profit</b> [EUR mn]	-0.46	13.43	8.98
<b>Net profit</b> [EUR mn]	0.06	3.04	4.84

\* consolidated financial statements

SIF Banat-Crișana owns 99.99% of the share capital of SIF Imobiliare Plc.

The company SIF Imobiliare Plc is listed on the Bucharest Stock Exchange since December 23, 2013, its securities are traded on AeRo segment, under the symbol SIFI (ISIN: CY0104062217).

In H1 2016 the company increased its share capital by EUR 2.99 million. SIF Banat-Crișana was the sole shareholder that exercised its right to subscribe, and paid to the date of this report the amount of EUR 1.23 million.

### 4. BRD - GROUPE SOCIÉTÉ GÉNÉRALE

	2013	2014	2015	Q1-2016
<b>Net income</b> [RON mn]	2,371	2,233	2,140	543
<b>Net profit</b> [RON mn]	-386	43	445	63
<b>Total assets</b> [mil. lei]	47,079	45,180	49,192	47,515
<b>CET-1 ratio (phased-in)<sup>1</sup></b> [%]	14.2	17.0	17.3	19.5
<b>NPL coverage</b> [%]	68.9	71	76,6	72.8
<b>Cost/Income ratio</b> [%]	47.4	50.2	51.2	63.2

<sup>1</sup> minimum value acc. to NBR 8%

As at June 30, 2016, SIF Banat-Crișana owns 1.95% of the share capital of BRD-Groupe Société Générale. On May 4, 2016, BRD announced the financial results as at March 31, 2016. The bank reported a net profit of RON 63 million (RON 73 for the BRD Group), as compared to RON 82 million (RON 85 million for the BRD Group) recorded as at March 31, 2015. This result is determined by a 2.5% increase in net banking income during Q1 2016 as compared to the same period of 2015 and a 36.7% increase in the net cost of risk for the same interval, under the effect of additional provisions for performing exposures. Following the deletion of impaired receivables, the NPL ratio decreased to 16.4% as at March 31, 2016, compared to 20.3% as at March 31, 2015. The coverage of NPLs by provisions under IFRS has improved to 81.5% as at March 31, 2016 from 72.8% as at March 31, 2015.

Net loans / deposits indicator reached 68.7% as at March 31, 2016 (from 64.7% as at December 31, 2015, and 72.7% as at March 31, 2015).

Total own funds ratio was of 19.5% as at March 31, 2016, well above the minimum level of 8% required by NBR.

## 5. VRANCART S.A. ADJUD

	2013	2014	2015	Budget for 2016
<b>Turnover</b> [RON mn]	183.9	197.4	210,1	224.6
<b>Operating profit</b> [RON mn]	(5.2)	22.8	21,8	23.2
<b>Net profit</b> [RON mn]	(6.8)	18.8	18,2	20.9*
<b>Dividends</b> [RON mn]	-	2.6	13,8	

\*gross profit

SIF Banat-Crișana owns 74.72% of the share capital of Vrancart SA as at June 30, 2016.

The main activity of Vrancart is the production and sale of papers for the production of corrugated cardboard in various assortments, corrugated cardboard, packages made of corrugated cardboard (boxes) of different sizes, embossed and printed, toiled and various hygienic-sanitary papers.

The large investments made in the recent years have led to a steady increase in turnover, and the company's profitability.

Vrancart SA, symbol VNC, is listed on BVB since July 15, 2005, currently traded in Main segment, Standard category.

## 6. SIF HOTELURI

	2013	2014	2015	Budget for 2016
<b>Turnover</b> [RON mn]	12.5	11.5	12.0	19.5
<b>Operating profit</b> [RON mn]	-4.7	-0.8	-9.4	-3.8
<b>Net profit</b> [RON mn]	-6.9	0.2	-9.6	-4.1
<b>EBITDA</b>	0.38	4.13	-4.57	1.15

SIF Banat-Crișana owns a stake of 98.99 of the share capital of SIF Hoteluri.

SIF Hoteluri (former Calipso SA) has as main activity bars and serving drinks. The main activity, as its contribution in turnover, is represented by accommodation.

SIF Hotels owns six hotels of which the most important is *DoubleTree* by Hilton Oradea.

SIF Hoteluri is listed on BVB (ticker CAOR), main segment, Standard category.

## 7. BIOFARM S.A. BUCUREȘTI

	2013	2014	2015	Budget for 2016
<b>Turnover</b> [RON mn]	117.6	128.5	149.7	150.9
<b>Operating profit</b> [RON mn]	22.3	27.4	31.1	32.1
<b>Net profit</b> [RON mn]	25.5	26.5	27.2	28.0
<b>Dividends</b> [RON mn]	-	14.7	15.8	

As at June 30, 2015, SIF Banat-Crișana holds a stake of 22.06 of the share capital of Biofarm.

Company founded in 1921, Biofarm is one of the first medicines and dietary supplements manufacturers in Romania, having a competitive portfolio, of over 200 products, covering 61 therapeutic areas.

The company had a continuous advance of turnover, recording +42.7% over the past three years, and an increase of +33.3% profit in this period. With a stable position on the Romanian pharmaceutical market, Biofarm aims at improving its position in the international arena. Biofarm is currently present in 12 countries.

Biofarm, ticker BIO, is listed on BVB since November 19, 1996, currently traded in Main segment, Premium category.

## 8. AZUGA TURISM

	2013	2014	2015	Budget for 2016
<b>Turnover</b> [RON mn]	3.17	3.37	3.43	2.95
<b>Operating profit</b> [RON mn]	-0.59	-1.05	-0.11	-0.41
<b>Net profit</b> [RON mn]	-0.92	-1,08	-0.15	-0.41
<b>EBITDA</b>	0.43	0.04	1.17	0.85

SIF Banat-Crișana owns 98.94% of the share capital of Azuga Turism.

The company Azuga Turism SA is part of SIF Banat-Crișana's portfolio of closed unlisted companies, operating in the field of tourism services.

The company has as assets a three-star hotel, an entertainment centre, a sports field, the facility of cableway transportation - gondolas, ski lifts, baby ski, center for renting sports equipment, public food services units, all assets located in the city Azuga, in the upper valley of Prahova touristic area.

The facility of cableway transportation with gondolas, the most valuable asset of the company, has a transport capacity of 1,200 persons per hour, over a runway of 2 km, covering a difference in height of 600 m and serves the two ski slopes Sorica and Cazacu. The city of Azuga entered in the winter tourism circuit starting with this equipment entering into service.

The Hotel "Azuga Ski&Bike Resort", with an accommodation capacity of 60 beds, ranked as a three-star hotel, is located at the bottom of the ski slopes, offering guests accommodation, food and leisure. For the high quality services offered to customers, the hotel was honoured by Booking.com with the award of excellence "Award Guest Review 2015".

Located in a mountainous tourist area, the company operates mainly in two seasons - winter and summer - which induces large periodic fluctuations cash inflows.

## 9. SNGN ROMGAZ S.A.

	2013	2014	2015	Budget for 2016
<b>Turnover</b> [RON mn]	3,894.3	4,493.3	4,052.7	4,497.9
<b>Operating profit</b> [RON mn]	1,180.7	1,753.8	1,454.1	1,657.1
<b>Net profit</b> [RON mn]	995.6	1,409.9	1,194.3	1,323.9
<b>Dividends</b> [RON mn]	990.5	1,214.1	1,040.6	

As at June 30, 2016, SIF Banat-Crișana held a stake of 0.41% of the share capital of SNGN Romgaz SA.

With more than 6,000 employees, Romgaz is the largest natural gas producer and supplier in Romania, with a market share of 45% of total domestic consumption of natural gas in 2015. Romgaz records annual revenues of RON 4 bn, with an average net return of over 20%. Romgaz's main business segments are: exploration, production and supply of natural gas, underground storage of natural gas, and electricity production.

Company's majority shareholder is Romanian State, through the Ministry of Energy, with a holding of 70.0071%, the average liquidity on BVB goes above RON 2 mn daily.

SNGN Romgaz S.A., ticker SNG, is listed on BVB since November 12, 2013, being traded in Main segment, Premium category.

## 10. SIF MOLDOVA

	2013	2014	2015	Budget for 2016
<b>Net profit</b> [RON mn]	90.8	237.0	100.34	95.44
<b>Dividends</b> [RON mn]	34.2	52.5	46.25	

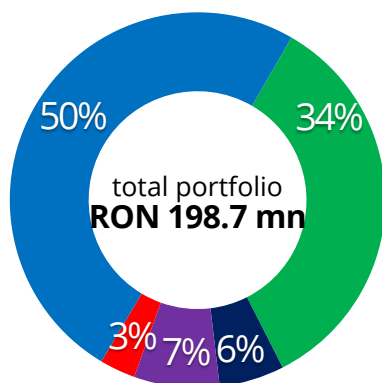
SIF Banat-Crișana held, as at June 30, 2016, a stake of 4.96% of SIF Moldova's share capital.

SIF Moldova is a closed-end financial investment company established pursuant to Law 133/1996.

During 2015 the company distributed bonus shares in the ratio 1: 1, the quota for SIF Banat-Crișana was of 25,749,960 shares. For 2016, SIF Moldova is carrying out a consolidation of the nominal value of the share, from RON 0.10 per share to RON 2.50 per share.

SIF Moldova, ticker SIF2, is listed on BVB since November 1, 1999, traded currently in Main segment, Premium category.

#### PORTOFOLIO OF FIXED INCOME FINANCIAL INSTRUMENTS



■ bank deposits in RON

**RON 67.9 mn** (Dec. 31, 2015: RON 140.2 mn)

■ bank deposits in EUR

equivalent of **RON 11.1 mn** (Dec. 31, 2015: RON 10.1 mn)

■ corporate bonds in RON

**RON 14.6 mn** (Dec. 31, 2015: RON 26.95 mn)

■ corporate bonds in EUR

equivalent of **RON 6.1 mn** (Dec. 31, 2015: RON 6.1 mn)

■ govt. bonds

**RON 98.9 mn** (Dec. 31, 2015: 0)

*values calculated as at 31.03.2016 pursuant to ASF Reg. no 9/2014 and no. 10/2015; weight in portfolio of fixed income financial instruments, amounts do not include interest receivables*

As at June 30, 2016 SIF Banat-Crișana held fixed income instruments such as term deposits denominated in RON and foreign currency, government bonds on the primary market denominated in RON and foreign currency, corporate bonds denominated in RON, totalling an equivalent of RON 198.7 mn, of which RON 181.41 mn denominated in RON and RON 17.27 mn equivalent of EUR 3.82 mn.

The average return achieved in H1 2016 for the monetary investments in RON was of 3.18%, higher throughout the period than ROBOR (3M), which recorded values between 0.73% and 1% during the period.

The average return achieved in H1 2016 for the monetary investments in EUR was of 3.28%, throughout the period higher than EURIBOR (3M), which recorded values between -0.286% and -0.132% during the period.

During H1 2016, SIF Banat-Crișana acquired govt. bonds with maturities of three years, and five years respectively, to diversify the portfolio of financial instruments with fixed income, thus providing higher returns than bank deposits, a low risk and an optimal liquidity.

## Investment activity during H1 2016

2016, SIF Banat-Crișana planned to continue the process of optimization of resource allocation and the management under higher efficiency parameters, focusing on developing the investment segments generating healthy revenues, and thus profit. Investment activities in H1 2016 aimed at increasing the value of the assets under management, able to generate strong future revenue without disinvestment in key positions of the portfolio. The operation plan and budget for 2016 approved by the OGM of April 26, 2016 were prepared taking into account the performance of owned assets and their potential of generating revenues to translate into real profits.

During H1 2016, SIF Banat-Crișana invested RON 20.9 million, in shares listed on BSE and in fund units. Also, during the first half of the year, SIF Banat-Crișana subscribed 2.99 million Euro to the share capital increase of SIF Imobiliare, of which paid the amount of 1.23 million Euro.

There were no sales on the capital market from the portfolio during H1 2016.

Dividend revenues as at June 30, 2016:

<i>denominated in RON</i>	<b>June 30, 2016</b>
Banca Transilvania	53,244,339
Erste Group Bank AG	5,896,618
SAI Muntenia Invest SA	5,526,049
BRD	4,356,959
SIF Moldova	2,317,497
Gaz Vest	2,100,782
SNTGN Transgaz	1,210,560
Iproeb	344,540
Spumotim	124,260
Comelf	121,191
Hercules SA Satu Mare	137,275
Others	764,988
<b>Total</b>	<b>76,145,058</b>

## 2. THE SHARES ISSUED BY BANAT-CRIȘANA

### CHARACTERISTICS OF THE SHARES ISSUED BY SIF BANAT-CRIȘANA

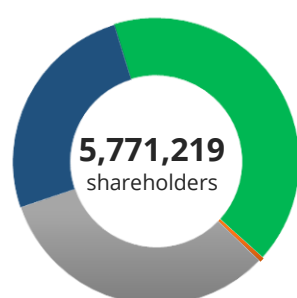
Total number of issued shares (June 30, 2016)	<b>548,849,268</b>
Nominal value	<b>RON 0.1000 / share</b>
Type of shares	<b>common, ordinary, registered, dematerialized, indivisible</b>
Trading market	<b>Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category</b> , listed since November 1, 1999
Free float	<b>100%</b>
BVB (BSE) symbol (ticker)	<b>SIF1</b>
Bloomberg BBGID	<b>BBG000BMN388</b>
ISIN	<b>ROSIFAACNOR2</b>
Part of indices	<b>BVB (BSE) indices: BET-XT, BET-FI, BET-BK and BET-XT-TR</b>

During H1 2016, SIF Banat-Crișana has not issued bonds or other debt instruments, nor has it acquired or held its own shares.

As at June 30, 2016, SIF Banat-Crișana had 5,771,219 shareholders, according to the data reported by Depozitarul Central SA Bucharest, the company that keeps the registry of shareholders for the company. At the time there were 548,849,268 outstanding shares, representing the total number of securities issued by the company.

### SHAREHOLDERS' STRUCTURE

as per holdings, on June 30, 2016



■ 41.40%  
Romanian individuals  
(5,769,031 shareholders)

■ 0.50%  
non-resident shareholders  
(1,942 shareholders)

■ 32.64%  
Romanian legal entities  
(203 shareholders)

■ 25.46%  
non-resident legal entities  
(43 shareholders)

SIF1 shares on Bucharest Stock Exchange (BVB/BSE)  
(analysis for Regular market)

During H1 2016, SIF1 shares were on BVB in 125 trading sessions, of 55 of which the price went upwards, while on 62 it went down.

Liquidity for SIF1 was noticeably low during H1 2016, with a total of 15,751,045 shares traded, representing 2.87% of total shares issued, on 77 of the 125 trading sessions of the sub volume is 100,000 shares. The total value of shares traded during H1 2016 was worth of RON 23,514,422. The highest daily volume traded on the Main Regular Market (REGS) was of 1,194,595 shares, recorded on February 4th, amid the increasing price at the time.

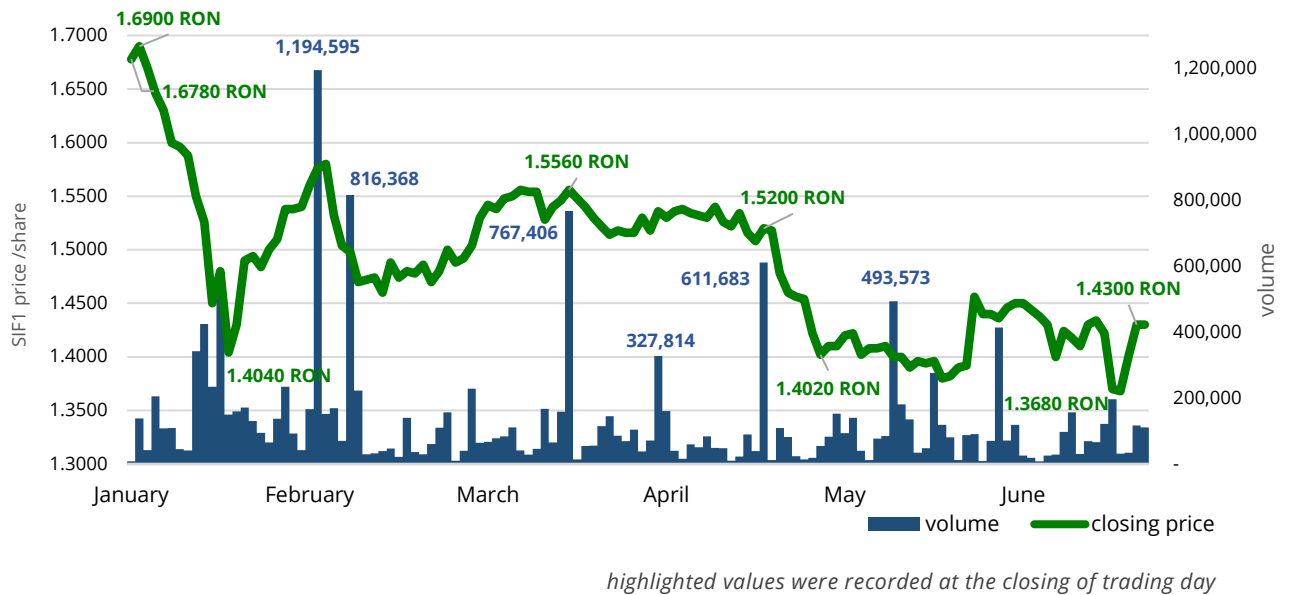
Four transactions were concluded on the "DEAL" market, with a total of 9,866,492, worth of RON 16.19 mn, very close in terms of value and volume to main regular market, due to its low liquidity and the lack of small speculators.

During H1 2016, the price of SIF1 shares fell by 14.78%, from RON 1,6780 (the closing price on January 4th, the first trading session of the year) to RON 1,4300, the closing price on June 30.

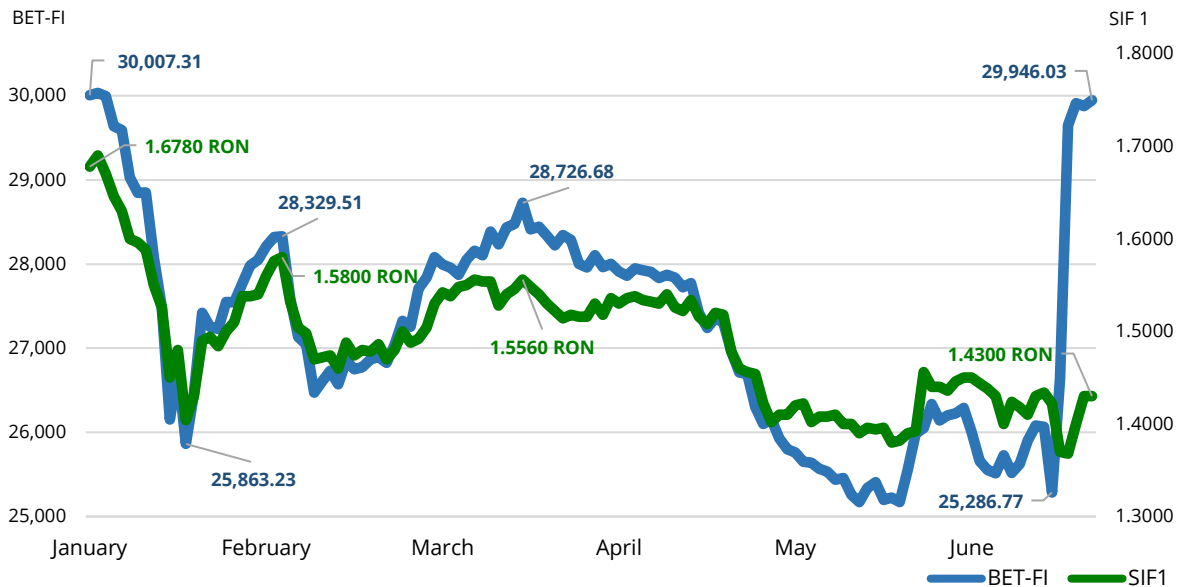
The highest price for the period, of RON 1.69 per share was reached during the trading session of January 5th, and the lowest, when the price dropped to RON 1.3680 per share, was recorded in the trading session of June 27th, the spread between the highest and the lowest price for the period was of 24%.

As at June 30, 2016, market capitalization for SIF1 was of RON 784.85 mn (calculated using the closing price).

**SIF1 PRICE AND VOLUME IN H1 2016**



**SIF1 vs. BET-FI PERFORMANCE IN H1 2016**





### 3. CORPORATE GOVERNANCE

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

SIF Banat-Crișana has always considered good corporate governance of a great importance and has observed most of the principles set by the Corporate Governance Code issued by the Bucharest Stock Exchange. To remain competitive in an extremely dynamic environment, SIF Banat-Crișana develops and adapts its corporate governance practices so that the company could comply with the recent requirements and take advantage of new opportunities.

Pursuant to best corporate governance practices, the administration of the company is conducted in a climate of openness, based on an honest dialogue between the executive management and Board of Directors, and within each of these bodies, as well. Board members, directors, and employees of the Company have assumed the duty to be diligent, responsible and loyal to the company, adopting decisions in the interests of the Company and to increase its value, taking into account the legitimate interests of all interested parties (stakeholders).

#### Administration and management of the Company

Pursuant to its bylaws, SIF Banat-Crișana is administrated under a unitary system, capable to ensure an efficient operation of the Company, in accordance with the objectives of good corporate governance and the protection of the shareholder's legitimate interests.

##### General meeting of shareholders

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

General meetings are ordinary and extraordinary. The Ordinary General Meeting convenes at least once a year no later than four months after the close of the financial year. The Extraordinary General Meeting shall be convened whenever necessary. The powers of the general meeting of shareholders are stated in the bylaws and comply with the legal provisions. Bylaws is published on company's website, [www.sif1.ro](http://www.sif1.ro), in Corporate Governance section.

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

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

##### The Board of Directors

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

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

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

Board members must cumulatively meet the general conditions stipulated by Law no. 31/1990 regarding the companies, completed with the criteria established by Law no. 297/2004 regarding the capital market, and the regulations issued by the Financial Supervision Authority.

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

### **Powers of the Board of Directors**

The Board has the following main responsibilities:

- a) Decides and periodically reviews the general investment policy of the Company
- b) Convenes the general meetings of shareholders and coordinates the organization and holding of the meeting complying with the law and implements its resolutions
- c) Submits for the approval of the general meeting of shareholders within the legal terms, the report on the company's business, the financial statements, profit distribution, the activity plan and draft budget for the current year
- d) Reviews as necessary the budget of revenues and expenses
- e) Reports to ASF and the regulated market on which the company is listed, under the signature of Company's representatives, the information required by regulations in force, compliant with the terms and the requested content
- f) Appoints and recalls the Directors of the Company and decides their remuneration
- g) Delegates the management of the Company pursuant to the legal provisions
- h) Decides the Investment Committee's composition
- i) Approves the limits of competence decisions on Company's operations
- j) Approves the contract with the depositary, the company keeping the Company's shareholders' registry pursuant to the regulations in force and the financial auditor
- k) Approves the Company's organizational chart, internal regulations, internal rules and system procedures
- l) Approves the strategic plan and the annual internal audit plans; analyses the internal audit reports and takes the appropriate measures
- m) Approves the plan for the investigation of the Internal Control department; analyses the reports prepared by the Internal Control department and takes the appropriate measures
- n) Approves prospectuses and advertisements in case of issuance of own shares
- o) Authorizes the initiation and the course of public offerings on own issues of shares
- p) Decides on the marketing tactics and strategy
- q) Analyses the reports prepared by the financial auditor
- r) Analyses the activity reports of the functional departments of the Company
- s) Analyses the reports of transactions performed on behalf of the Company
- t) Decides upon the methods for evaluating the portfolio performance
- u) Approves the methods for the valuation of assets
- v) Approves policies, methodologies and procedures for identifying, assessing, monitoring and control of significant risks
- w) Approves the classification of information in the categories of privileged and confidential and the measures for their management
- x) Authorize associations, partnerships and joining the Company as a member of various associations, unions, foundations or business centres
- y) Approves the positions with the pay limits, company-wide salary increases, salary increases and bonuses for the Directors
- z) Other duties specified in Company's bylaws or applicable law.

The Board may create advisory committees comprised of its members, to conduct investigations and make recommendations to the Board.

## Changes in the composition of the Board of Directors during H1 2016

During January - June 2016, the Company was administered by a Board of Directors composed of seven members: Mr. Bogdan Alexandru Drăgoi - Chairman, Mr. Octavian Avrămoiu - Vice Chairman, Mr. Ștefan Dumitru - Member, Mr. Valentin Chiser - Member, Mr. Ion Stancu - Member, Mr. Dan Weiler - Member and Mr. Ionel Marian Ciucioi – interim member, endorsed by FSA by Endorsements no. A/8/27.06.2013, no. 115/09.04.2015, no. 223/03.07.2015, and no. 312/16.09.2015.

The Ordinary General Meeting of Shareholders (OGM) held on April 26, 2016 elected Mr. Ionel Marian Ciucioi as administrator (member of the Board) for a term equal to the remaining period until the expiry of their term in office of the current administrators (24.04.2017). By Endorsement no. 186/28.07.2016, FSA approved the change in the composition of the Board of Directors of the Company following the OGM electing Mr. Ionel-Marian CIUCIOI as administrator.

The activity of the Board of Directors during H1 2016

During H1 2016, the Board of Directors of SIF Banat-Crișana met in 18 sessions, pursuant to the statutory provisions.

The presence of Board members at meetings held during H1 2016 was in accordance with the legal provisions. The Chairman of the Board President chaired all the meetings.

During H1 2016, the Board of Directors issued a total of 87 resolutions concerning the current activity of the company. All decisions were taken by the vote "for" of the majority of those present.

Of the 87 resolutions issued by the Board of Directors during the period under review:

- 56 resolutions had well defined objective, requiring its fulfilment;
- 31 were resolutions for the approval of procedures, mandatory reports and activity reports, of which: (i) 21 resolutions for the approval of internal regulations and working procedures; (ii) 8 resolutions for the approval of mandatory annual, quarterly and half-yearly periodic reports submitted to FSA, BVB, MFP; (iii) 2 resolution for the approval of the activity reports issued by company's compartments.

The Audit Committee

The Board of Directors created therein, with an advisory capacity, an Audit Committee comprised of three non-executive directors.

As at June 30, 2016, the composition of the Audit Committee within the Board of Directors of SIF Banat-Crișana is as follows: Mr. Valentin Chiser – Chairman of the Committee, Mr. Ion Stancu – member, Mr. Ștefan Dumitru – member. The members of the Audit Committee have the appropriate experience for the specific duties incumbent as members of the Committee.

The Audit Committee assists the Board in fulfilling its responsibilities in matters of financial reporting, internal control and risk management. The Committee supports the Board in monitoring the trustworthiness and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards the Company applied.

The executive leadership

The effective management of the Company is performed by Executive Directors appointed by the Board of Directors, in accordance with the Company's bylaws and applicable regulations so that everyday management of the Company to be provided, at any given time, by at least two persons.

The Executive Directors must meet the conditions set by the regulations issued by the Financial Supervisory Authority applicable to the Company, and are endorsed in this position by the Authority.

Pursuant to Company Law no. 31/1990, the Board of Directors has delegated some of his powers to the CEO (General Director) and the Vice-Chairman - Deputy Director General, within the limits set by

the law, Company's bylaws and the resolutions of the Board of Directors, except for the powers reserved for the general meeting of shareholders or the Board of Directors by the law and / or Company's bylaws.

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

### **Changes in the composition of executive team during H1 2016**

Between January 1, 2016 - June 30, 2016, directors of the company were: Mr. Bogdan- Alexandru Drăgoi - CEO, Mr. Octavian Avrămoiu - Deputy General Director, Mrs. Theodora Sferdian - Deputy General Director, and Mr. Laurențiu Riviș - Director, endorsed by FSA by Endorsement no. A/28/22.05.2014, Endorsement no. 285/19.08.2015 and Endorsement no. 75/25.02.2016.

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

SIF Banat-Crișana provides a permanent risk management function, which is hierarchically and functionally independent from the other functional compartments. The operations of the internal control and risk management systems are described in SIF Banat-Crișana's Internal Regulations, which are, at each revision, subject for the approval of FSA.

By Endorsement no. 64 of 18.02.2016, FSA endorsed the changes in the company's internal regulations in accordance with the Board's Decision no. 2 of 29.01.2016. The new organizational structure ensures a permanent risk management function, which is hierarchically and functionally independent of other operational departments.

The leadership of the Company is responsible for providing the function of risk management with the necessary authority, status, independence (including from the revenue-generating activities) and resources (financial, human and technical) to achieve the identifying, assessing and measuring risks both across the organization and at individual level.

The executive team takes the appropriate measures both for the adjustment of the risk infrastructure to the external environment and the risk profile, and as well for the timely and accurate communication within the organization of all aspects related to risk.

The Board of Directors of SIF Banat-Crișana approves and periodically reviews the risk strategy and the management policy of significant risks.

Company's Board supervises the execution of risk management practices and their implementation in the Company, forewarning with regard to the significant risks and the responses of the executive team.

Responsibility of risk management to which the Company is exposed is on the duty of personnel in all business lines and is not limited to the risk management function.

SIF Banat-Crișana acknowledges its exposure to risks resulting from daily operations and those from the pursuit of achieving its strategic objectives. The company tracks a proactive risk prevention and containment by identifying them before the events occur. At the same time, the Company's management is concerned with ensuring technical, operational and technical solutions in order to minimize and prevent potential losses.

Documented work procedures implemented in the Company aim at activating preventive and counteractive actions to manage risks. During H1 2016 the Company has revised its internal procedures in the process of implementing the provisions of Law no. 74/2015 on alternative investment fund managers.

## Internal Control

SIF Banat-Crișana establishes and permanently and operatively maintains the internal control function, which runs independently of other activities. The Internal Control Compartment reports to the Board of Directors and has the following main responsibilities: monitor and regularly evaluate of the effectiveness and means of implementation of the set measures and procedures, as well as measures decided to resolve any cases of non-compliance to the Company' obligations; advices and assists the relevant responsible persons for carrying out services and activities to meet the requirements set for the Company under the law.

The person carrying the duties of being representative of the Compartment of Internal Control is Mr. Eugen Cristea, authorized by Decision no. 3521/29.12.2005 by the regulatory and supervisory body – and is registered in FSA Registry under no. PFR13/RCCI/020033.

The activity of the Compartment for internal control was carried out during H1 2016 pursuant to the Plan for Investigation and control for the year 2016, as approved by the Board of Directors of SIF Banat-Crișana in the meeting held on January 29, 2016, the provisions of Regulation no. 15/2004 and 9/2014, the work procedures and internal regulations.

Lines of action considered were: controlling the compliance with the applicable regulations specific for the capital market and / or internal procedures, providing information for the company and its 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 materials and advertisements issued by the company, other activities regarding the compliance of the company and employees with the legislation in force for the capital market and the internal regulations.

During the control activity conducted in H1 2016, were addressed: the 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 compliance of holdings limits for the portfolio, under Law 297/2004 (as amended by Government 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.

## Internal Audit

SIF Banat-Crișana establishes and permanently and operatively maintains the internal audit function, which runs independently of other functions and activities, reporting directly to the Board of Directors. The activity of internal audit of SIF Banat-Crișana has been outsourced to the company New Audit SRL from Arad.

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

The internal audits missions carried out in the first half 2016 considered:

- compliance with internal regulations and the approved procedures concerning the activity of the branches;
- compliance with the procedures concerning the administrative activities;

- the management of human resources, compliance with the Collective Labour Agreement, internal regulation and the approved procedures;
- trading of financial instruments on the capital market, compliance with the short-term investment policy and the approved procedures.

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 2016, subject to the audit, are consistent with the policies, programs and management of the company, pursuant to the legislation and internal regulations.

### Observance of shareholders' rights

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

Pursuant to art. 286<sup>1</sup> par. (1) of Capital Market Law no. 297/2004, as amended by Law no. 11/2012, any person may acquire under any title or may hold, alone or together with the persons acting in concert with such person, shares issued by the Company, but not more than 5% of the share capital.

The exercise of voting right is suspended for the shares held by shareholders that exceed this limit, pursuant to art. 286<sup>1</sup> par. (2) of Law no. 297/2004 and CNVM/FSA Instruction no. 6/2012 issued in application of art. 286<sup>1</sup> of Law no. 297/2004.

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

**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 (by post or electronic mail).

Company's Board approves 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.

Are entitled to attend and vote at the general meeting of shareholders only the shareholders registered at the reference date in consolidated shareholders' register kept by the Central Depository Company S.A. Bucharest.

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

During H1 2016, the Board of Directors convened the ordinary general meeting of shareholders (OGM) and the extraordinary general meeting of shareholders (EGMS).

**The EGMS held on April 25, 2016.** On March 16, 2016, the Board of Directors of SIF Banat-Crișana convened the extraordinary general meeting of shareholders (EGMS), that gathered statutorily on April 25, 2016 at the first call, with the direct participation, or by representative or by correspondence of shareholders holding 168,668,864 shares, representing 30.73% of the share capital.

EGMS held on April 25, 2016 approved: the running a program to repurchase its own shares, ("Program") by the Company, in compliance with applicable legal provisions; supplementation of the

main object of the company, with the activity of “risk management” and “other activities auxiliary and associated to the collective investment activity” in accordance with Art. 5 of Law no. 74/2015 and FSA Regulation no. 10/2015, as well as amendments of the constitutive documents of the company, by ending the validity of the Contract of the company, renaming the Statute (bylaws) of the company as Articles of association and amendment of the Statute (bylaws or Articles of association) for its adaptation to legal provisions, as proposed by the Board in the Annex to the convening notice published in the Official Gazette of Romania.

**The OGM held on April 26, 2016.** On March 16, 2016, the Board of Directors of SIF Banat-Crișana convened the ordinary general meeting of shareholders (OGM), that gathered statutorily on April 26, 2016 on the second call, with the direct participation, or by representative or by correspondence of shareholders holding 167,510,024 shares, representing 30.52% of the share capital.

The OGM held on April 26, 2016, approved: the financial statements for 2015, based on the discussions and reports presented by the Board of Directors, the Chairman of the Board and the Financial Auditor; appropriation of 2015 profit in the amount of RON 75,324,568, to retained earnings; the discharge from liability of the Board of Directors for the financial year 2015, Budget and Activity Plan for 2016, the monthly remuneration for the members of the Board and the general limits of all additional remunerations for the directors and administrators, election of Mr. Ionel Ciucioi as administrator on the vacant seat in the Board of Directors, for a term equal to the remaining period until the expiry of their term in office of the current administrators (24.04.2017), election as auditor financial with a minimum duration of the of three years of the firm PricewaterhouseCoopers Audit SRL, and empowering the Board of Directors to conclude the audit contract.

For the general meeting of shareholders, the suspension of voting rights for the holdings above the legal and statutory threshold of 5% of the share capital was performed pursuant to the legal provisions.

**Right to information** SIF Banat-Crișana observes the right of shareholders to be informed, providing them timely and relevant information, enabling them to exercise their rights in a fair manner. Information on 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, immediately made available to investors on BVB website and on the Company's website, [www.sif1.ro](http://www.sif1.ro).

To ensure 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 (BVB or BSE), on its website.

In order to inform the shareholders and investors, the Company sets a financial reporting calendar that is communicated to BVB and ASF, and also published on Company's website, [www.sif1.ro](http://www.sif1.ro).

#### **Financial calendar for 2016:**

*February 15* - Presentation of the preliminary financial results for 2015;

*April 25/26* - General Meeting of the Shareholders for the approval of the financial statements for 2015;

*April 27* - Presentation of 2015 Annual Report – financial statements for 2015;

*May 16* - Presentation of the quarterly report – financial results for Q1 2015;

*August 12* - Presentation of the half yearly report – financial results for H1 2016;

*August 31* - Presentation of the consolidated financial statements for 2015;

*November 8* - Presentation of the quarterly report – financial results for Q3 2016;

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

**Right to dividend** SIF Banat-Crișana aims at keeping a balance between the annual remuneration of

shareholders by dividend and the need to finance its investments from reinvested profits, this statement is comprised in the annual reports to shareholders, published on the website of the Company, even though it was not formalized as a distinct statement.

The OGM held on April 26, 2016, decided the allocation of the net profit for the 2015 financial year, in the amount of RON 75,324,568, to retained earnings.

### Transparency in communication

SIF Banat-Crișana pays a great importance to transparency in communication, convinced that the confidence of the public is essential for the proper activity of the Company. SIF Banat-Crișana aims to ensure continuous and periodic reporting in an objective and fair manner, covering all the important characteristics of Company's business and the achieved results.

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 both in Romanian and in English.

### Financial reporting

Pursuant to FSA Norm no. 39/2015 for the approval of the Accounting Regulations compliant with IFRS applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority (FSA) in Financial Instruments and Investments Sector, starting with the annual financial statements for the year ended on December 31, 2015, IFRS are the official accounting regulations for SIF Banat-Crișana.

SIF Banat-Crișana has prepared separate financial statements as at December 31, 2015 pursuant to IFRS and FSA Norm no. 39/2015, audited by KPMG Audit SRL and approved by OGM held on 26.04.2016, published on Company's website at [www.sif1.ro](http://www.sif1.ro).

For the financial year 2015 SIF Banat-Crișana prepares consolidated financial statements pursuant to IFRS and FSA Norm no. 39/2015, which are subject to audit and are subject to the approval of the OGM convened for August 29 (30), 2016.

SIF Banat-Crișana has analysed the Company's exemption from drawing up consolidated financial statements, given the provisions of IFRS 10 "Consolidated Financial Statements" (effective starting 01.01.2014) on investment entities, obligations of a parent company and definition of investment entities. Since the Company does not measure and assess the performance of almost all of its investments on a fair value basis, the Company's management considered that the necessary conditions to be considered investment entity are not met, and thus cannot apply the exception provided by IFRS 10.

### Conflict of interest, transactions with related parties and corporate information regime

During H1 2016 the Board of Directors approved a specific internal procedure concerning conflicts of interest, insider information and personal transactions, which establishes the rules of reporting and declaring on these matters by the management and personnel of the Company. The procedure includes rules applicable to the Company concerning security and confidentiality of information, also for preventing fraudulent practices and refraining from actions of market manipulation.

### Diversity policy

SIF Banat-Crișana fosters a culture of respect, collaboration and performance, where all employees can perform and grow under conditions of equality in terms of gender, ethnicity, age, etc. The company supports and encourages employees' individual abilities and turns them into added value for the organization, at human capital level.



## Social responsibility

Given that companies are no longer judged only by their economic performance, but also by their contribution to the communities they operate in, SIF Banat-Crișana understands to be an involved and responsible player, attentive and responsive to community needs and to the sustainable development of the society.

SIF Banat-Crișana financially supports by means of sponsorships and other ways of financing, projects in education, culture and arts, healthcare, social, environment protection, sports and expeditions.

Social responsibility of SIF Banat-Crișana is also expressed by the use of procedures of appropriate management of environmental issues, responsible management of personnel, ensuring safety standards in the workplace, and in general by conducting socially responsible business practices.

In H1 2016, SIF Banat-Crișana financially the organizing of the event "International Finance and Banking Conference - FI BA 2016" by the Romanian Association of Finance and Banking - ROFIBA together with the Faculty of Finance, Insurance, Banking and Stock Exchange from Academy of Economic Studies in Bucharest.

## 4. ANALYSIS OF THE FINANCIAL RESULTS AS AT JUNE 30, 2016

SIF Banat-Crișana has prepared condensed interim financial statements as at June 30, 2016 pursuant to the Norm no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector. These are presented in full, accompanied by notes, in Annex 3 to this report.

The condensed interim financial statements as at June 30, 2016, are not audited, as there is no legal requirement.

The following are comments on the main elements of the financial position and results for H1 2016:

### 4.1. Separate statement of financial position

<b>Separate statement of financial position</b>		
<i>denominated in RON</i>	<b>30/06/2016</b>	<b>31/12/2015</b>
<b>Assets</b>		
Cash and cash equivalents with maturity of less than 3 months	1,626,536	1,478,015
Cash and cash equivalents with maturity over 3 months	79,858,973	149,922,495
Financial assets at fair value through profit or loss	360	449
Financial assets available for sale	1,725,531,205	1,728,617,277
Investments held to maturity	21,008,798	34,498,231
Investment property	19,288,964	19,288,964
Tangible assets (Property, plant and equipment)	3,224,742	3,330,474
Other assets	35,183,980	4,388,799
<b>Total assets</b>	<b>1,885,723,558</b>	<b>1,941,524,704</b>
<b>Liabilities</b>		
Dividends payable	20,515,232	20,850,807
Deferred income tax liabilities	99,829,921	124,114,688
Other liabilities	9,003,832	7,749,815
<b>Total liabilities</b>	<b>129,348,985</b>	<b>152,715,310</b>
<b>Equity</b>		
Statutory share capital	54,884,927	54,884,927
The effect of applying IAS 29 on the share capital	684,298,992	684,298,992
Reserves set-up from the application of Law no. 133/1996	145,486,088	145,486,088
The effect of applying IAS 29 on the reserve set-up after the application of Law no.133/1996	1,960,189,603	1,960,189,603
The effect of applying IAS 29 on retained earnings	-2,644,488,595	-2,644,488,595
Accumulated profit	800,577,676	731,652,414
Reserves from revaluation of tangible assets (property, plant and equipment)	65,029	65,029
Legal reserves	10,976,985	10,976,985
Reserves from revaluation of financial assets available for sale	744,383,868	845,743,951
<b>Total equity</b>	<b>1,756,374,573</b>	<b>1,788,809,394</b>
<b>Total liabilities and equity</b>	<b>1,885,723,558</b>	<b>1,941,524,704</b>

*Cash and cash equivalents* include all liquid investments the Company made in term bank deposits, current accounts and petty cash. Their value is lower as compared to 2015 year-end, as acquisitions of shares were made without selling securities from the portfolio, and the proceeds from dividends plus some of the existing liquidity were placed in government bonds denominated in RON, recorded in financial assets available for sale.

The category of *Assets available for sale* includes most of the Company's holdings in securities, reflected at fair value or at cost, where the fair value cannot be reliably determined. The value of these assets is close to that recorded at 2015 year-end, a series of structural changes occurred: the value of

investments in shares decreased, as a result of covering the valuation at fair value of these securities as at June 30, 2016, while the weight of government securities and units held in closed investment funds increased on the back of purchases made during the first six months of the year.

*Investments held to maturity* as at June 30, 2016 represent investments in corporate bonds issued by companies (Industrial Energy) or banks (Banca Transilvania). The decrease in value, as compared to the previous year-end, for these holdings is due to the partial redemption of the bonds issued by Industrial Energy in the first 6 months of 2016.

*Investment property, Tangible assets and Other assets* mainly include land and buildings acquired by the Company following the withdrawal from companies in the portfolio (Hidrochim) or withdrawal of the contribution in kind (Azuga Turism). The value of Company's investment property at fair value as at June 30, 2016 is of RON 19.3 million. Tangible assets held by the Company are those used while performing operational and administrative activities, at headquarters.

*Deferred income tax liabilities* represent the tax payable / recoverable in future periods related to taxable temporary differences / deductibles between the carrying amount and the tax of an asset or liability. The decrease in this item as compared to the end of the previous year is primarily due to the negative adjustment of reserve from fair value measurement of financial assets available for sale.

*Equity* weight the most in the liability structure. Its reducing is the effect of the decrease of reserves for valuation at fair value of the portfolio at a rate higher than the growth of the result for H1 2016.

#### 4.2. Separate statement of profit or loss and other comprehensive income

<b>Separate statement of profit or loss and other comprehensive income</b>		
<i>denominated in RON</i>	<b>30/06/2016</b>	<b>30/06/2015</b>
<b>Income</b>		
Dividend income	76,145,058	23,251,932
Interest income	2,562,810	3,414,954
Other operating revenues	152,934	143,038
<b>Investment gains</b>		
(Loss) Net gain from foreign exchange differences	(62,362)	(102,631)
Net profit from sale of assets	-	18,569,947
Net Profit/(Loss) from financial assets at fair value through profit or loss	(89)	6,033,366
Reversals / (expenses) with adjustments for impairment	-	326,409
<b>Expenses</b>		
Fees and commissions expenses	(1,063,865)	(1,178,493)
Other operating expenses	(5,341,641)	(4,220,873)
<b>Profit before tax</b>	<b>72,392,845</b>	<b>46,237,649</b>
Income tax	(3,467,583)	(3,115,492)
<b>Net profit for the period</b>	<b>68,925,262</b>	<b>43,122,157</b>
<b>Items that are or may be reclassified to profit or loss</b>		
Fair value reserve (financial assets available for sale)		
Net amount transferred to profit or loss		- (14,343,623)
Net change in fair value	(101,360,083)	82,412,324
<b>Other comprehensive income</b>	<b>(101,360,083)</b>	<b>68,068,701</b>
<b>Total comprehensive income for the period</b>	<b>(32,434,821)</b>	<b>111,190,858</b>

Development of **income** with significant weight was as follows:

*Income from financial assets (dividends)* show a significant upsurge in H1 2016, as a result of higher dividends paid by the companies in the portfolio of SIF Banat-Crișana, given that the banks in the

portfolio have resumed the payment of dividends (Erste, BRD) or announced an exceptional dividend due to a surplus of available capital (Banca Transilvania);

*Interest income* includes interest on bank deposits, corporate bonds and government securities. In H1 2016, the volume of interest income is below that achieved in the last year's corresponding period, given that:

- the average volume of liquidity directed towards fixed income stood at the same level;
- yields offered by banks for deposits continued to decline;
- a number of investments in corporate or government bonds have matured or were redeemed in advance by their issuers, the liquidity attained being reinvested, with inferior yields.

*Other operating income* usually includes proceeds from rents, recovery of court costs and other incidental income. In H1 2016, the proceeds stood at the level of H1 2015, while the largest share came from rent.

Impact of *Gain from investments* made in H1 2016 is a low one, given that were not recorded sales of securities from the portfolio, and the effect of financial assets at fair value through profit and loss is insignificant, the large majority of shareholdings held for trading being reclassified as available for sale at 2015 year-end.

*The commission expenses* include fees payable to regulatory agencies, the depositary and the stock exchange, the largest share is that of 0.0078% of the net assets, the monthly commission due to FSA. The decrease compared to H1 2015 is explained by the decrease in commissions payable to intermediaries (SSIF), given that during the first part of 2016 no sales of securities were performed and the commissions related to acquisitions made were capitalized in the acquisition cost of assets available for sale.

The category of *Other operating expenses* includes the costs of staff and management salaries, those on taxes and fees and other expenses incurred in activity of the Company. The rise as compared to the first six months of the previous year is mainly due to the increase in personnel expenses.

*Gross profit* recorded as at June 30, 2016, of RON 72.4 mn, is 56.6% higher than the result of H1 2015.

The *Net profit* of RON 68. mn as at June 30, 2016, is up 59.8% as compared to H1 2015.

*Total comprehensive income* for the period is negative, while the unfavourable change in the fair value of the portfolio (mainly generated by the decline of Erste and BRD) was greater than the net profit recorded for H1 2016.

#### 4.3 Cash flow statement

<b>Cash flow statement</b>		
<i>denominated in RON</i>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>Operating activities</b>		
Net profit for the period	<b>68,925,262</b>	<b>43,122,157</b>
<i>Adjustments for:</i>		
Depreciation of tangible and intangible assets	124,089	126,144
(Reversals) / Expenses on adjustments for impairment	-	(469,374)
Net profit from sale of assets		(18,569,947)
(Net gain)/Net loss from financial assets at fair value through profit or loss	89	(6,033,366)
Dividend income	(76,145,058)	(23,251,932)
Interest income	(2,519,528)	(3,414,954)
Income tax	3,467,583	3,115,492
<b>Changes in operating assets and liabilities</b>		
Change in other assets	(15,603,506)	(94,220)

<b>Cash flow statement</b>		
<i>denominated in RON</i>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Change in other liabilities	(2,192,614)	(1,811,655)
Income tax paid	(1,496,716)	(868,621)
<b>Net cash from/(used in) operating activities</b>	<b>(25,440,399)</b>	<b>(8,150,276)</b>
<b>Investment activities</b>		
Payments for acquisition of shares and other securities available for sale	(127,394,170)	(7,070,432)
Proceeds from sale of shares	-	21,015,478
(Placements)/Proceeds from term deposits greater than three months	70,015,216	(48,833,504)
Net proceeds/(payments) from sale of assets at fair value through profit or loss	-	19,525,295
Proceeds/(payments) for purchase of investments held to maturity	12,324,748	42,508
Payments for purchases of tangible assets (property, plant and equipment)	(9,921)	(17,909)
Dividends collected	71,242,256	16,276,770
Interest collected	3,069,812	3,550,578
<b>Net cash flow proceeds / (used in) investment activities</b>	<b>29,247,941</b>	<b>4,488,784</b>
<b>Financing activities</b>		
Dividends paid	(3,659,021)	(33,869)
<b>Net cash from / (used in) financing activities</b>	<b>(3,659,021)</b>	<b>(33,869)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>148,521</b>	<b>(3,695,361)</b>
Cash and cash equivalents at January 1st	1,478,015	37,065,143
<b>Cash and cash equivalents at June 30th</b>	<b>1,626,536</b>	<b>33,369,782</b>

The significant rise during H1 2016 as compared to the corresponding period of the previous year of the net cash used in operating activities is mainly due to the change of claims' volume, as a result of reflecting in this category of assets of the of payments made within the first 6 months of year for share capital increase in some portfolio companies remained unfinished as at June 30 (SIF Imobiliare) and respectively advances (collateral) granted to SSIF intermediaries for conducting market operations on the account of SIF (repurchase of own shares).

During H1 2016, investment activities generated a higher surplus of cash as compared to H1 2015, as a result of higher dividends collected. Structurally, as compared to the previous year, cash flows related to investment activity have changed significantly. For 2016 the investment policy followed the orientation of available liquidity from bank deposits with maturity less than 3 months (as the interest rates fell) and respectively bonds issued by companies (amid the redemption in advance by the issuer) towards government bonds denominated in RON (assets available for sale at fair value).

The amount for dividend payments in H1 2016 is higher as compared H1 2015 primarily representing tax on dividends declared in 2015 and remained unpaid as at December 31, 2015. The amount for H1 2015 represents outstanding dividends paid to shareholders during the period, given that in 2014 it was not approved a dividend distribution, thus there are no debts on dividend tax as at December 31, 2014 outstanding during H1 2015.

As at June 30, 2016 *Cash and cash equivalents* show a significant decline compared to the same period of the previous year, mainly due to targeting monetary investments to financial assets available for sale. This decrease is due to the longer maturities of monetary investments, while the value of fixed income instruments (including accrued interest) held by the Company exceeds RON 200 million.

## 5. OTHER SIGNIFICANT INFORMATION

### Human resources

The number of SIF Banat-Crișana's employees as at June 30, 2016, was of 40, of which 37 working at the headquarters in Arad and 3 at Bucharest branch.

The structure of employees' education of is as follows: 82.5% have higher education, while 17.5% 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 2016 in the relations between management and employees.

SIF Banat-Crișana provides a positive working environment, offering equal opportunities to all its employees during their entire period of employment.

Considering performance as essential for sustaining a successful business, its assessment is a priority thus in the first part of the year the review of employees' performance for 2015 was completed, and the objectives for 2016 were set out.

### Litigations

As at June 30, 2016, as documented in the records of SIF Banat-Crișana's Legal Dept., the Company was involved in 102 litigations. The Company had locus standi in 83 disputes, passive capacity to stand trial in 19 disputes.

In most disputes in which the Company acts as plaintiff, the subject of litigation is the annulment / ascertainment of nullity of some decisions of the General Meetings of Shareholders in portfolio companies, recovery uncollected dividends or insolvency proceedings of portfolio companies.

### Information concerning the implementation of AIFM Law

In the Official Gazette of Romania, Part I, no. 274 of April 23, 2015 it was published the Law no. 74/2015 on the alternative investment fund managers ("Law no. 74/2015" or "AIFM Law"). The Law no. 74/2015 came into force 30 days after its publication in the Official Gazette, i.e. on May 23, 2015. The main purpose of the Law. 74/2015 is the transposition into Romanian legislation of the Directive 2011/61 / EU (known as AIFM Directive) on the Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC, and Regulations (EC) no. 1060/2009 and (EU) 1095/2010.

In the process of implementing the new legal provisions, pursuant to Art. 63 of Law no. 74/2015, SIF Banat-Crișana has revised the provisions of its articles of incorporation, procedures and internal regulations to align them with the provisions of Law no. 74/2015 and has taken all necessary measures to comply with the AIFM Law. To the same end, the company has filed to the Financial Supervisory Authority on May 20, 2016, within the legal deadline, the authorization request and the supporting documentation to be authorized as self-managed AIF, the request is still under consideration by the capital market authority.

### Amendments to the constitutive documents

In order to comply with the provisions of Law no. 74/2015, the Extraordinary General Meeting of Shareholders held on April 25, 2016 approved the completion of the Articles of Incorporation governing the activity of the company with the activity "risk management" and "other activities related to own administration" under quoted legal norms.

Furthermore, the Extraordinary General Meeting of Shareholders held on April 25, 2016 approved the following:

- the revision and amendments of the documents of incorporation of the company for their correlation with corporate law and capital market in force, as proposed by the Board in the Annex to the Convening Notice published in the Official Gazette of Romania Part IV, no. 1411 of April 7, 2016;
- termination of validity for the SIF Banat-Crișana's Contract of the company and transformation of ByLaws into unique constitutive act, named "Articles of association", pursuant to art. 5 paragraph. (3) of Law no. 31/1990, currently in force.

Pursuant to capital market regulations (art.228 of Regulation no. 15/2004), SIF Banat-Crișana submitted to the FSA, on May 4, 2016, the required documents for obtaining the modification of the documents of incorporation as per Decisions no. 2 and no. 3 of EGMS held on April 25, 2016, currently those documents are still under consideration by the capital market authority.

Full investigation conducted by FSA

During May 16 - June 3, 2016, FSA conducted a regular full investigation of SIF Banat-Crișana for the last three years, with a general thematic as approved by FSA Decision no. 890/14.04.2016. Until the publication of this report, the control report has not been issued.

Events after the reporting period

July 2016

- SIF Banat-Crișana convened the OGM and EGM for 29 (30) August 2016 with the agenda: OGM – approval of the consolidated financial statements prepared under IFRS; EGM - approval of the amendment of the Articles of Incorporation in the sense of reducing the number of the members of the Board from seven (7) to five (5) members, with effect from 24.04.2017. (*Current Report of July 25, 2016*)
- By Decision no. 1499/27.07.2016, the Financial Supervisory Authority approved the document of Public Tender Offer for the shares issued by SIF Banat-Crișana, initiated by SIF Banat-Crișana, the offer having the following characteristics: number of shares subject of the offer is of 27,450, 000, representing 5.0014% of the share capital; nominal value: 0.10 RON / share; purchase price: 1.70 RON / share; Period: 02.08.2016 – 23.08.2016; Intermediary of the offer: Raiffeisen BANK S.A.; Places of subscription: according to information published in the tender offer document.
- By Endorsement no. 186/28.07.2016, FSA approved the change in the composition of the Board of Directors of the Company following the election of Mr. Ionel Marian CIUCIOI as administrator, based on Resolution no. 1 of the Ordinary General Meeting of SIF Banat-Crișana's Shareholders held on 26.04.2016. (*Current Report of July 28, 2016*)

## 6. ANNEXES

**Annex 1** Net asset statement as at June 30, 2016, prepared pursuant to Regulation no. 15/2004 (Annex 16)

**Annex 2** Detailed statement of investments as at June 30, 2016, pursuant to Regulation no. 15/2004 (Annex 17)

**Annex 3** Condensed interim financial statements as at June 30, 2016, prepared pursuant to the Norm of the Financial Supervisory Authority no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector - unaudited

**Annex 4** Statement of the responsible persons

Signatures

**Bogdan-Alexandru DRĂGOI**

Chairman and CEO

**Octavian AVRĂMOIU**

Vice-Chairman, Deputy General Director

**Ștefan DOBA**

Economic Director

*The version prepared in Romanian of half-year report (which is the official and binding version) was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on August 11, 2016.*