



SIF BANAT-CRIȘANA
SOCIETATE DE INVESTIȚII FINANCIARE

QUARTERLY REPORT

— AS AT MARCH 31, 2016 —

prepared pursuant to the provisions of Law no. 297/2004,
Regulation no. 15/2004, Regulation no. 1/2006 and 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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<ul style="list-style-type: none"> ▪ Condensed interim financial statements as at March 31, 2016, prepared pursuant to Norm no. 39/2015 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from Financial Instruments and Investments Sector, unaudited 	
<ul style="list-style-type: none"> ▪ Net assets statement as at March 31, 2016 – prepared pursuant to annex 16 of the Regulation no. 15/2004 	
<ul style="list-style-type: none"> ▪ Detailed statement of investments as at March 31, 2016 – prepared pursuant to annex 17 of the Regulation no. 15/2004 	

1. 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 self-managed with diversified investment policy, endorsed by the Financial Supervisory Authority by Endorsement no. 258 / 14.12.2005 ▪ 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 ▪ Romanian legal entity with private capital
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 54,884,926.80 – subscribed and paid-in capital ▪ 548,849,268 shares issued ▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none"> ▪ J02/1898/1992 at Trade Registry of the Arad Court ▪ Unique Registration Code 2761040 ▪ Number in ASF Registry PJR09SIIR/020002/2006
MAIN ACTIVITY	<ul style="list-style-type: none"> ▪ 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; ▪ main object of activity: other financial intermediation n.c.a. (CAEN code 6499) <i>CAEN - Classification of Activities from National Economy</i>
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker SIF1
FINANCIAL AUDITOR	KPMG Audit S.R.L. Bucharest, as at March 31, 2016
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
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2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RON mn]		
	31.12.2015	31.03.2016
Total assets, of which	1,941.52	1,947.84
Total financial assets	1,914.52	1,903.94
Equity	1,788.81	1,793.07
Total current liabilities	28.60	30.65

FINANCIAL PERFORMANCE [RON mn]		
	31.12.2015	31.03.2016
Operational income	51.28	7.16
Gains from investments	52.85	(0.20)
Operational expenses	15.78	2.69
Gross profit	88.34	4.27
Net profit	75.32	4.27

FINANCIAL INDICATORS [%]		
	31.12.2015	31.03.2016
ROE (net profit / equity)	4.21	0.24
ROA (net profit / total assets)	3.88	0.22
Gross profit margin (gross profit / total revenues)	63.5	55.97

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2015	31.03.2016
Share price (end of period, RON)	1.6880	1.5300
NAV/S* (RON)	3.3831	3.2894
Accounting net asset / share (RON)	3.2592	3.2670
Nominal value of share (RON)	0.1	0.1
Number of shares	548,849,268	548,849,268

* calculated acc. to ASF regulations

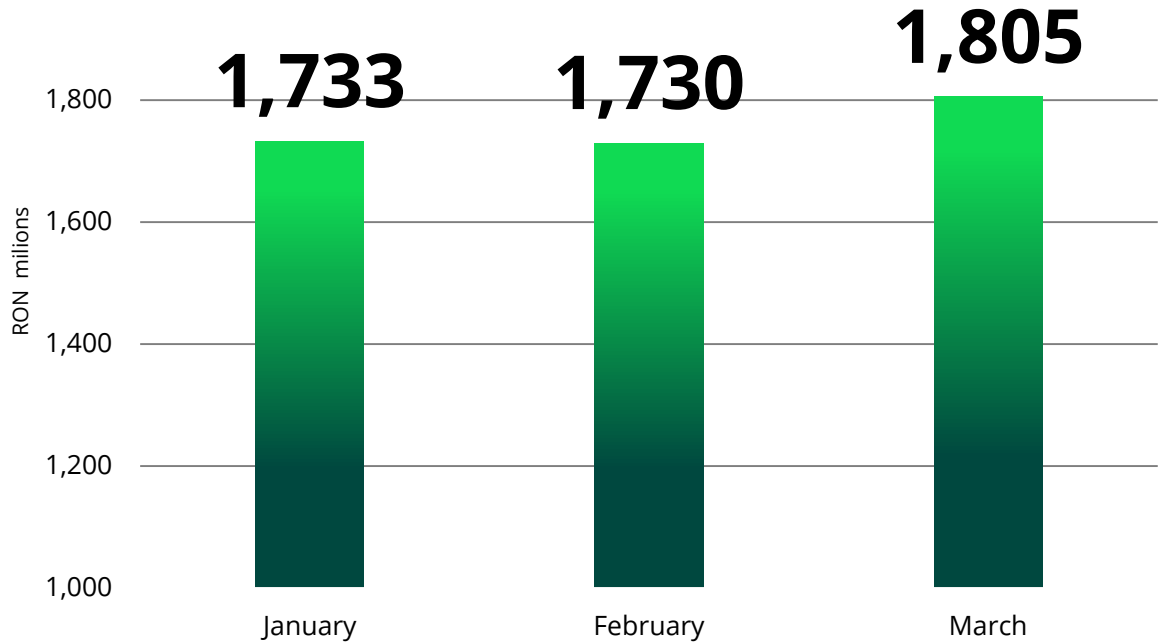
OPERATIONAL DATA		
	31.12.2015	31.03.2016
Number of permanent employees, end of period	41	40
Branch offices	1	1

3. PORTFOLIO AS AT MARCH 31, 2016

Net asset value

SIF Banat-Crișana's net asset value (NAV) was of **RON 1,805 mn** as at March 31, 2016, and correspondingly, NAV/S was of **RON 3.2894**, as compared to RON 3.2894 on **January 29, 2016**.

MONTHLY EVOLUTION OF THE NET ASSET VALUE IN 2016



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

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

The monthly reports for the net asset value were submitted to the Bucharest Stock Exchange and ASF – Investment and Financial Instruments Sector, and published on SIF Banat-Crișana's website www.sif1.ro within 15 days from the end of the reporting month.

Net assets statement as at March 31, 2016, prepared pursuant to annex 16 of the Regulation no. 15/2004, is presented as annex to this report.

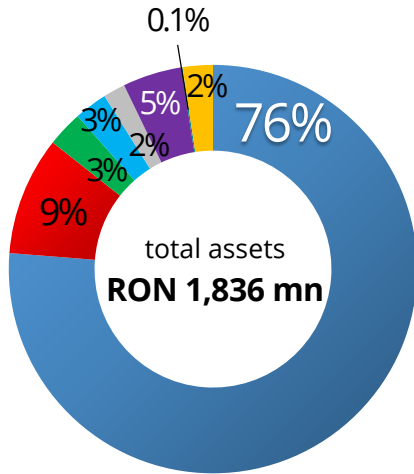
Portfolio structure

The investment objective for SIF Banat-Crișana is the management of a portfolio of high quality diversified assets, apt to provide a constant flow of income, while preserving and increasing the capital over a medium-long term. The strategy of asset allocation aims the maximization of the portfolio performance within the prudential framework set by ASF regulations. Throughout Q1 2016, the assets managed by the company were within the legal allowable limits.

The structure of assets managed by SIF Banat-Crișana as at March 31, 2016, is presented in the chart below:

PORTFOLIO OF SIF BANAT-CRIȘANA

breakdown on assets under management (weight on total assets)

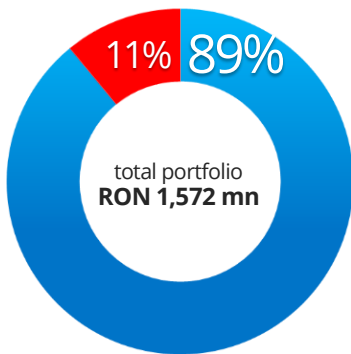


- listed shares*: **RON 1,400 mn**
(31.12.2015: RON 1,449 mn)
- unlisted shares: **RON 172.34 mn**
(31.12.2015: RON 172.46 mn)
- gov. bonds, T-bills: **RON 51.98 mn**
(31.12.2015: RON 0)
- unlisted non-UCITS securities: **RON 48.07 mn**
(31.12.2015: RON 51.21 mn)
- unlisted corporate bonds: **RON 32 mn**
(31.12.2015: RON 34.49 mn)
- bank deposits: **RON 85.49 mn**
(31.12.2015: RON 151.10 mn)
- cash available: **RON 2.19 mn**
(31.12.2015: RON 0.27 mn)
- receivables and other assets: **RON 43.93 mn**
(31.12.2015: RON 27 mn)

* category includes listed non-UCITS securities (SIFs)
values calculated as at 31.03.2016 pursuant to ASF Reg. no 9/2014 and no. 10/2015, the amounts for fixed income financial instruments include interest receivables

STOCK PORTFOLIO

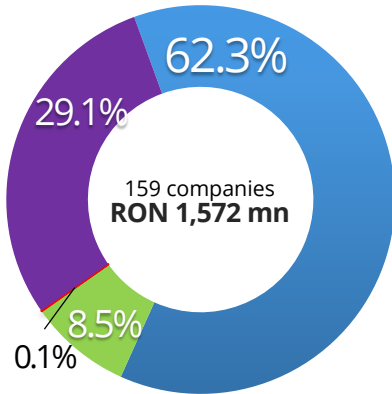
on liquidity



- listed companies
RON 1,400 mn (Dec. 31, 2015: RON 1,448 mn) value of holdings in **58** companies (Dec. 31, 2015: 58)
- unlisted companies
RON 172.34 mn (Dec. 31, 2015: RON 172.46 mn) value of holdings in **101** companies (Dec. 31, 2015: 103)

weight in stock portfolio,
values calculated as at 31.03.2016 pursuant to ASF Reg. no 9/2014 and no. 10/2015

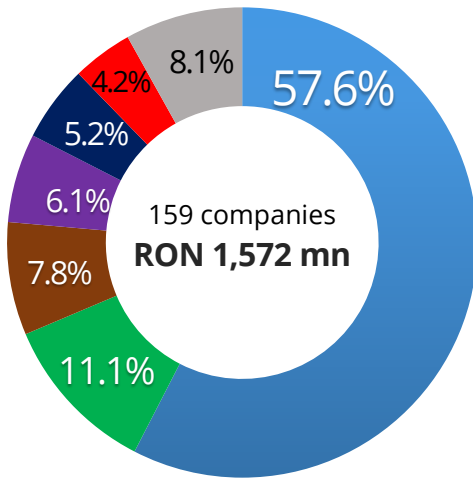
STOCK PORTFOLIO
breakdown by stake held



- up to 5%
stakes **up to 5%** in **59** companies
worth **RON 979.52 mn** (Dec. 31, 2015: RON 1,026 mn)
- 5-33%
stakes **between 5 - 33%** in **86** companies
worth **RON 133.78 mn** (Dec. 31, 2015: RON 139.92 mn)
- 33-50%
stakes **between 33-50%** in **3** companies
worth **RON 0.95 mn** (Dec. 31, 2015: RON 0.95 mn)
- above 50%
majority stakes, above 50%, in **11** companies
worth **RON 458.11 mn** (Dec. 31, 2015: RON 453.9 mn)

*weight in stock portfolio,
values calculated as at 31.03.2016 pursuant to ASF Reg. no 9/2014 and no.
10/2015*

STOCK PORTFOLIO
sectoral breakdown

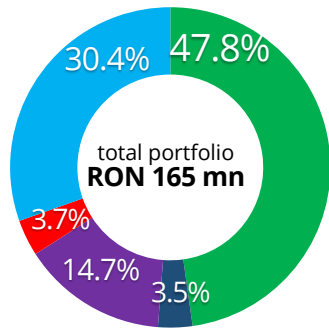


- financial-banking
stakes in **13** companies worth **RON 905.2 mn**
(Dec. 31, 2015: RON 954.6 mni)
- commerce - real-estate
stakes in **21** companies worth **RON 173.9 mn**
(Dec. 31, 2015: 175,4 mil lei)
- tourism and public-food services
stakes in **4** companies worth **RON 122.1 mn**
(Dec. 31, 2015: RON 123.3 mn)
- cardboard and paper
stakes in **6** companies worth **RON 96.3 mn**
(Dec. 31, 2015: RON 84.2 mn)
- energy-utilities
stakes in **11** worth **RON 82.1 mn**
(Dec. 31, 2015: RON 81.8 mn)
- pharmaceuticals
stakes in **2** companies worth **RON 65.4 mn**
(Dec. 31, 2015: RON 68.8 mn)
- other industries and activities
stakes in **102** companies worth **RON 127.3 mn**
(Dec. 31, 2015: RON 133.1 mni)

*weight in stock portfolio,
values calculated as at 31.03.2016 pursuant to ASF Reg. no 9/2014 and
no. 10/2015*

PORTOFOLIO OF FIXED INCOME FINANCIAL INSTRUMENTS

breakdown by type of investment



- bank deposits in RON
RON 78.95 mn (Dec. 31, 2015: RON 140.18 mn)
- bank deposits in euro
equivalent of **RON 5.73 mn** (Dec. 31, 2015: RON 10.05 mn)
- corporate bonds in RON
RON 24.26 mn (Dec. 31, 2015: RON 26.95 mn)
- corporate bonds in euro
equivalent of **RON 6.07 mn** (Dec. 31, 2015: RON 6.14 mn)
- govt. bonds in RON
RON 50.27 mn (Dec. 31, 2015: 0)

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

Detailed statement of SIF Banat-Crișana's investments as at March 31, 2016, prepared pursuant to annex 17 of the Regulation no. 15/2004 is available as annex to this report.

4. SIGNIFICANT EVENTS DURING Q1 2016

January 2016

- SIF Banat-Crișana assessed the degree of compliance with the new provisions of the Code of Corporate Governance issued by BVB, entered into force on January 4, 2016, presenting the status of compliance with the provisions of the new Code as at December 31, 2015. *(Current report of January 8, 2016)*

February 2016

- SIF Banat-Crișana published on February 15, 2016, the preliminary financial results for the year ended December 31, 2015, prepared pursuant to the International Financial Reporting Standards (IFRS) adopted by the European Union, and to Norm no. 39/2015 issued by Financial Supervisory Authority (ASF).
- By Endorsement no. 64 of February 18, 2016, ASF has endorsed the changes in the Company's Internal Regulations, following the resolution no. 2/29.01.2016 of the Board of Directors. *(Current report of February 19, 2016)*
- By Endorsement no. 75/February 25, 2016, the Financial Supervision Authority has endorsed the changes in Company's management, following the appointment of Mr. Laurențiu Riviș as Director, pursuant to Resolution no. 3/27.11.2015 and Resolution no. 8/29.01.2016 of the Board of Directors of SIF Banat-Crișana. *(Current report of February 26, 2016)*.

March 2016

- The Board of Directors convened the OGM and EGM of SIF Banat-Crișana for April 25 (26), 2016 *(Current report of March 14, 2016)*

Events after the reporting period

April 2016

- The Agenda of the OGM convened for April 25 (26), 2016 was supplemented at the request of a group of shareholders holding together 5.4% of company's share capital. *(Current reports of April 1 and 5, 2015)*
- The Agenda of the EGM convened for April 25 (26), 2016 was amended considering ASF Letter no. VPI/3761/04.04.2016, by means of which the authority requests the submission to shareholders of its standpoint concerning a series of amendments to the documents of incorporation of the company, subject for the approval of the EGM. *(Current reports of April 5, 2016)*
- SIF Banat-Crișana informed the shareholders on the ASF Decisions no. 922/20.04.2016 and no. 924/20.04.2016, concerning the restriction of voting rights pursuant to Art. 286¹ par. (1) of Law no. 297/2004 as amended and supplemented, for the shareholders ASF presumed to act in concert. *(Current report of April 21, 2016)*
- The EGM of SIF Banat-Crișana was held on April 25, 2016 at the first call, and the shareholders approved the resolutions submitted by the Board of Directors of the Company on running a program to repurchase its own shares, supplementation of the main object of the company, amendments of the constitutive documents of the company, setting the registration date for May 17, 2016 (ex-date May 16, 2016). *(Current report of April 25, 2016)*

- The annual OGM of SIF Banat-Crișana was held, at the second call, on April 26, 2016, and the shareholders approved the resolutions submitted by the Board of Directors concerning the approval of the financial statements for 2015, appropriation of 2015 profit to retained earnings, 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, election as auditor financial with a minimum duration of the of three years of the firm PricewaterhouseCoopers Audit SRL, setting the registration date for August 17 (ex-date august 16th). The OGM has not approved the dividend proposal submitted by a group of shareholders. (*Current report of 26 April 2016*)

5. FINANCIAL POSITION AND RESULTS AS AT MARCH 31, 2016

SIF Banat-Crișana prepared the accounting report as at March 31, 2016 pursuant to ASF Norm no. 39/2015 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments sector.

For the comparability of the data, a restatement of the financial statements at March 31, 2015, which were prepared under the Regulation no. 4/2011 was performed.

The accounting report as at March 31, 2016, has not been audited by the financial auditor, as it is not a legal or statutory requirement.

The following are comments on the Company's financial position and results as at March 31, 2016:

Condensed Statement of Financial Position - extract

<i>(all amounts denominated in RON)</i>	31/12/2015	31/03/2016
Cash and cash equivalents, of which	151,400,510	87,699,750
- with maturity of less than three months	1,478,015	2,208,182
- with maturity over three months	149,922,495	85,491,568
Financial assets at fair value through profit and loss	449	449
Financial assets available for sale	1,728,617,277	1,784,239,790
Investments held to maturity	34,498,231	32,000,026
Investment property and tangible assets	22,619,438	22,562,525
Other assets	4,388,799	21,339,950
Total assets	1,941,524,704	1,947,842,490
Liabilities	152,715,310	154,767,746
Equity	1,788,809,394	1,793,074,744
Total liabilities	1,941,524,704	1,947,842,490

The value of **total assets** held as at March 31, 2016 was of RON 1,947.8 mn, slightly higher as compared to 2015-year end.

Assets with significant changes as compared to the beginning of the period are:

- **Financial assets available for sale**, amounting to RON 1,784.2 mn, representing 91.6% of total assets, 3.2% higher as compared to December 31, 2015. The increase of these assets is mainly due to the acquisition of govt. bonds amounting to RON 52 mn (the amount includes accrued interest), which resulted in a reduction of cash and cash equivalents.

- **Other assets** increased as compared to the beginning of the period mainly as a result of registration in receivables the underwrite to the share capital increase of SIF Imobiliare PLC (RON 13.4 mn) and the due dividends for 2015 from portfolio companies (RON 5.7 mn).

Liabilities stood to a level close to that from the beginning of the year, and is represented mainly by deferred tax liabilities and outstanding dividends payable to shareholders.

Equity increased slightly as compared to December 31, 2015, due to the result recorded during the first quarter of 2016.

Condensed Statement of profit or loss and other items of comprehensive income - extract

<i>(all amounts denominated in RON)</i>	31/03/2015 restated	31/03/2016
Income		
Dividend income	207,771	5,704,253
Interest income	1,622,730	1,345,985
Other operational income	91,269	113,538
Gain on investments		
Net loss on foreign exchange	(611,271)	(205,494)
Net profit on sale of assets	18,283,146	-
Net gain on financial assets at fair value through profit and loss	3,811,308	-
Reversals (Expenses) on impairment adjustments	469,374	-
Expenses		
Expenses related to fees	(593,889)	(512,118)
Other operating expenses	(2,097,562)	(2,173,950)
Profit before income tax	21,182,876	4,272,214
Income tax	(2,779,219)	(6,864)
Net profit	18,403,657	4,265,350
Other comprehensive income	(14,007,874)	0
Total comprehensive income for the period	4,395,783	4,265,350

Progress of **income** having significant weight:

- **Dividend income** shows significant growth as compared to the same period of the previous year mainly as a result of recording the dividends due for 2015 from SAI Muntenia Invest (RON 5.5 mn), in 2015 dividends from this company were recorded in April.
- **Interest income** is lower compared to the same period last year due to the fall of interest rate.

Investment gains had the following progress:

- **Net loss on foreign exchange** recorded as at 31 March 2016 is lower than that of the last year's corresponding period and results from the monetary investments denominated in euro.

Expenses as at March 31, 2016 hover at the same level as for the first quarter of 2015.

Net profit as at March 31, 2016 amounting to RON 4.3 mn is lower than that of the corresponding period of 2015, due to the changes in company's strategy, i.e. to make profit from dividends and not from transactions of sale of shares.

Total comprehensive income for the first quarter of 2016 in the amount of RON 4.3 mn is the same level recorded for the corresponding period of 2015.

Financial ratios as at March 31, 2016

Ratio	Calculation	Result as at March 31, 2016
1. Current liquidity ratio ¹⁾	Current assets/Current liabilities	3.6
	Debt / Equity x 100	not applicable
2. Debt to equity ratio ²⁾	Debt / Capital employed x 100	not applicable
3. Accounts receivables turnover ³⁾	Average clients' accounts / Turnover x 90	101
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0.003

¹⁾ **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the first quarter was of 3.6.

²⁾ **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues, with impact on fulfilling the assumed commitments. The Company had no borrowings as at March 31, 2016, and therefore this indicator is zero.

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

In determining the average balance of clients the receivables were considered at gross value, and it was not included the amount subscribed for the share capital increase of a company in the portfolio. The weight in total receivables is of dividends to be collected from portfolio companies and interest receivable on securities assets.

For the turnover the company's total income as at March 31, 2016 were used.

Turnover ratio calculated as at March 31, 2016, was of 101 days, due to the lower turnover.

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

As at March 31, 2016, this ratio had a value of 0.003, due to the low turnover.

6. ANNEXES

Condensed interim financial statements as at March 31, 2016, prepared pursuant to Norm no. 39/2015 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority from Financial Instruments and Investments Sector, unaudited

Net asset statement as at March 31, 2016, prepared pursuant to annex 16 to Regulation no. 15/2004

Detailed statement of investments as at March 31, 2016, prepared pursuant to annex 17 to Regulation no. 15/2004

Signatures

Bogdan-Alexandru Drăgoi

Chairman and CEO

Octavian Avrămoiu

Vice-Chairman, Deputy General Director

Ștefan Doba

Economic Director