



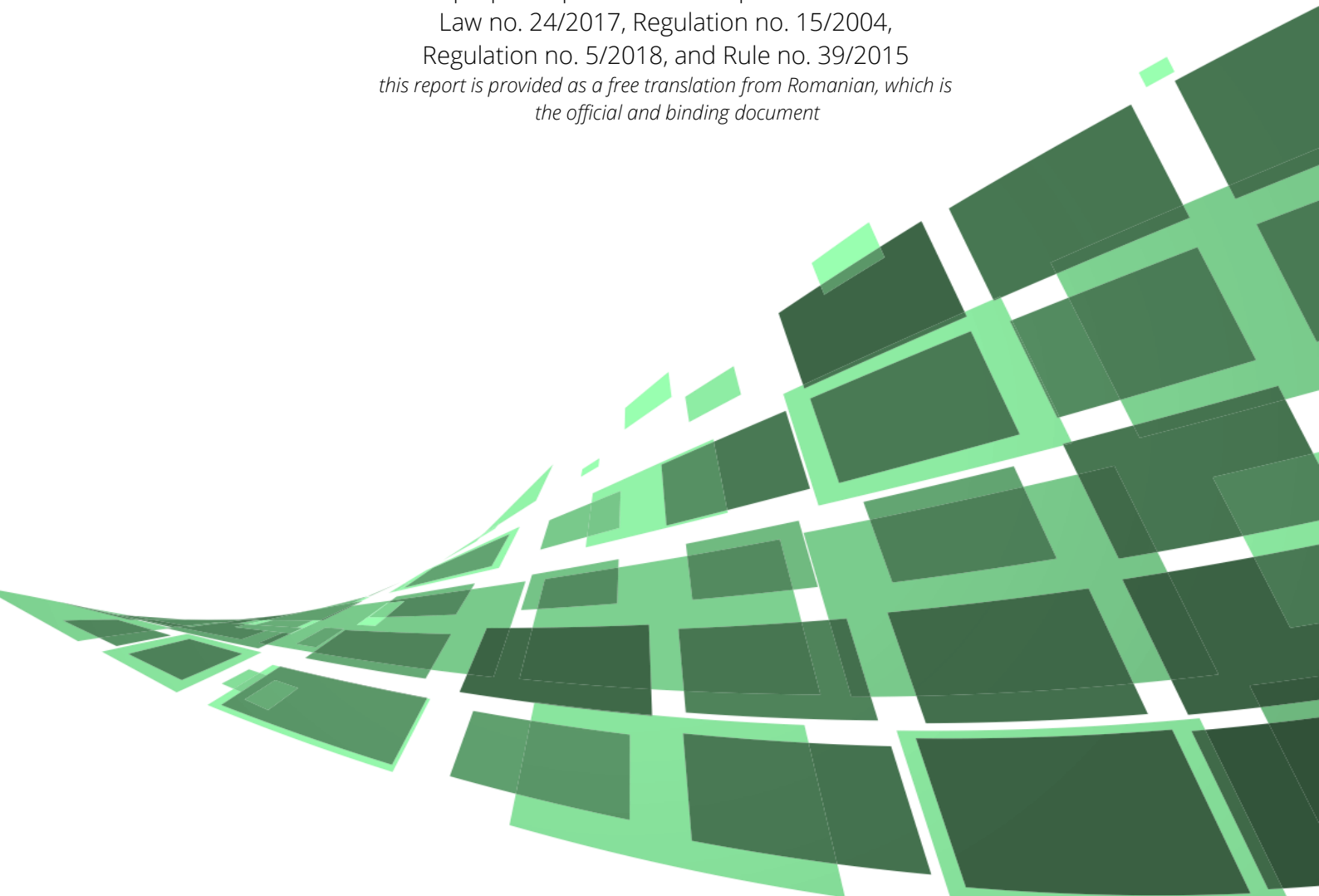
SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

QUARTERLY REPORT

— AS AT MARCH 31, 2019 —

prepared pursuant to the provisions of
Law no. 24/2017, Regulation no. 15/2004,
Regulation no. 5/2018, and Rule no. 39/2015
*this report is provided as a free translation from Romanian, which is
the official and binding document*



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<ul style="list-style-type: none"> ▪ Condensed interim standalone financial statements as at March 31, 2019, prepared pursuant to Rule 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 	
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<ul style="list-style-type: none"> ▪ Net assets statement as at March 31, 2019 – prepared pursuant to annex 16 of the Regulation no. 15/2004 	
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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 a diversified investment policy investment policy, endorsed by the Financial Supervisory Authority by Endorsement no. 258 / 14.12.2005 and as AIFM with Authorization no. 78/09.03.2018 ▪ set-up as a joint stock company in November 1996 pursuant to the provisions of Law no. 133/1996 for the conversion of the Private Property Funds (FPP) into Financial Investment Companies (SIF) ▪ Romanian legal entity with private capital
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 51,746,072.40 – subscribed and paid-in capital ▪ 517,460,724 shares issued, 517,371,068 outstanding shares ▪ 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 Fiscal Registration Code RO 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA/020007/09.03.2018 ▪ Number in ASF SIIR Register PJR09SIIR/020002/2006 ▪ Legal Entity Identifier (LEI Code) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except insurance and pension funding (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> ▪ carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force; ▪ management of investment portfolio and exercising all of the rights related to the instruments in which investments are made; ▪ risk management; ▪ other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker SIF1
DEPOSITARY BANK	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
BRANCH OFFICE	Bucharest 175 Calea Floreasca, 7th floor, room A1, S1, 014459, Bucharest

CONTACT Investor Relations: email investitori@sif1.ro tel +40257 304 446

2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RON mn]		
	31.12.2018	31.03.2019
Total assets, of which	2,452.94	2,542.52
Total financial assets	2,427.11	2,505.26
Equity	2,321.42	2,399.71
Total current liabilities	1.62	12.89

FINANCIAL PERFORMANCE [RON mn]		
	31.03.2018	31.03.2019
Operational income	8.92	15.20
Gains on investments	2.1	(3.46)
Operating expenses	3.49	4.33
Gross profit	7.53	7.42
Net profit	7.26	6.63

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2018	31.03.2019
Share price (end of period, RON)	2.04	2.10
NAV/S* (RON)	4.3067	4.4488
Accounting net asset / share (RON)	4.4863	4.6383
Nominal value of share (RON)	0.1	0.1
Number of outstanding shares**	517,371,068	517,371,068

* calculated acc. to ASF regulations

** number of shares not including treasury stock

OPERATIONAL DATA		
	31.12.2018	31.03.2019
Number of permanent employees, end of period	34	34
Branch offices	1	1

3. SIGNIFICANT EVENTS DURING Q1 2019

Transaction regulated under art. 82 of Law 24/2017

On January 28, 2019, SIF Banat-Crișana informed the shareholders about the acquisition of 7,500 unlisted corporate bonds with a nominal value of 2,000 Euro, issued by the company SIFI BH RETAIL S.A. Bucharest, a transaction regulated under the provisions of Article 82 of Law 24/2017.

SIFI BH RETAIL S.A. was incorporated in 2014 and has SIF Imobiliare PLC, a SIF Banat-Crișana subsidiary, as main shareholder, holding 99.9% of its share capital.

Preliminary results for 2018

On February 28, 2019, SIF Banat-Crișana announced the preliminary financial results for the year ended December 31, 2018 prepared according to IFRS, communicating on the market (Bucharest Stock Exchange) and publishing on own website, www.sif1.ro

Announcement of the valuation of assets

On March 1, 2019, SIF Banat-Crișana informed the investors that, as per the provisions of the ASF Regulation no. 10 / 2015 (article 19) and the EU Regulation 231/2013 (articles 69-70), for reasons of stability and coherence, will maintain throughout the year 2019

Events after the reporting period

Resolutions of the Ordinary General Meeting of Shareholders held on April 22, 2019

The ordinary general meeting of Societatea de Investiții Financiare Banat-Crișana's shareholders gathered by convening, with the direct participation or by correspondence of the shareholders holding 154,927,270 shares, representing 29.95% of the total voting rights, of which 14,777,376 shares with suspended voting rights.

The Convening Notice was published in the Official Gazette of Romania, part. IV, no. 1227 of March 19, 2019, in the national newspaper Bursa no. 51 (6346) of March 19, 2019, the local newspaper Jurnal Arădean no. 8282 of March 19, 2019 and posted on Company's website www.sif1.ro and on Bucharest Stock Exchange website.

With the required quorum and majority as provided by law and company's Articles of Association, recorded in the minutes of the meeting, the ordinary general meeting decided: approval of the standalone financial statements for the financial year 2018, based on the discussions and reports presented by the Board of Directors, the Chairman of the Board and the Financial Auditor; approval of appropriation of the entire net profit for the year 2018, in the amount of RON 77,186,227 to Other Reserves, for own financing sources, to support a buyback program; approval of the consolidated financial statements for the year ended December 31, 2018, based on the discussions and the reports presented by the Board of Directors and the financial auditor; approval of the discharge from liability of the Board of Directors for the activity carried out during financial year 2018; approval of the Budget of revenues and expenses and the Activity Program for the year 2019; approval, for the financial year 2019, of maintaining the monthly remuneration due to the members of the Board of Directors in the amount approved by the resolution of the ordinary general meeting of shareholders of April 26, 2016; approval of reducing the general limits of all additional remunerations set for the members of the Board of Directors and the general limits of the directors' remuneration to 0.42% of the average annual net asset value; approval of September 20, 2019 as the registration date (September 19, 2019 as ex date), in accordance with the provisions of Article 86 par. (1) of Law no. 24/2017 and of ASF Regulation no. 5/2018.

Resolutions of the Extraordinary General Meeting of Shareholders held on April 22, 2019

The extraordinary general meeting of Societatea de Investiții Financiare Banat-Crișana's shareholders, gathered at first call with the direct participation or by correspondence of the shareholders holding 141,677,421 shares, representing 27.38% of the total voting rights, of which 14,777,376 shares with suspended voting rights.

The Convening Notice was published in the Official Gazette of Romania, part. IV, no. 1227 of March 19, 2019 in the national newspaper Bursa no. 51 (6346) of March 19, 2019, the local newspaper Jurnal Arădean no. 8282 of March 19, 2019 and posted on Company's website www.sif1.ro and on Bucharest Stock Exchange website.

With the required quorum and majority as provided by law and company's Articles of Association, recorded in the minutes of the meeting, the extraordinary general meeting decided: approval of Company's carrying out a buyback program ("Program I"); approval of Company's carrying out a buyback program ("Program II") in compliance with applicable legal provisions; approval of using the shares purchased under Program II for the repurchase of own shares for their distribution free of charge to members of the company's management (administrators, directors) in a "Stock Option Plan", in compliance with applicable law; approval of May 15, 2019 as the registration date (May 14, 2019 as ex-date), in accordance with the provisions of Article 86 par. (1) of Law no. 24/2017 and of ASF Regulation no. 5/2018.

Amendment to the Disclosure document published by Current Report of May 21, 2018

SIF Banat-Crișana informed the shareholders that the Board of Directors, in the meeting held on April 22, 2019, approved the prolonging of the duration of the Stock Option Plan.

By Current Report of May 21, 2018, SIF Banat-Crișana informed the shareholders on the approval of the "Stock Option Plan", by which 1,400,000 SIF1 shares were offered to Company's administrators and directors, as per the Resolution of the Extraordinary General Meeting of Shareholders of April 26, 2018. T

The disclosure document regarding the offering or allocation of shares to the members SIF Banat-Crișana's management structure, prepared according to Annex no. 21 to CNVM Regulation no. 1/2006 and Annex no. 4 to Regulation no. 5/2018, was amended according to the decision of the Board of Directors dated April 22, 2019.

4. FINANCIAL POSITION AND RESULTS AS AT MARCH 31, 2019

SIF Banat-Crișana prepared the accounting report as at March 31, 2019 pursuant to ASF Rule no. 39/2015 for the approval of Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments sector and considering the provisions of IFRS 9 - Financial Instruments, applicable as of January 1, 2018.

The accounting report as at March 31, 2019, has not been audited by the financial auditor, as it is not a legal or statutory requirement.

The following are a summary of Company's financial position and results as at March 31, 2019:

Condensed standalone statement of financial position - extract

	31.12.2018	31.03.2019
<i>(all amounts denominated in RON)</i>		
Cash and cash equivalents	29,230,410	79,957,781
Bank deposits, including interest	6,044,457	4,539,125
Financial assets at fair value through profit and loss	1,105,989,265	1,152,339,387
Financial assets at fair value through other comprehensive income	1,279,345,173	1,261,877,908
Financial assets at amortized cost	6,505,683	6,543,245
Investment property and tangible assets	23,332,032	23,276,871
Other assets	2,496,233	13,986,403
Total assets	2,452,943,252	2,542,520,720
Liabilities	131,522,639	142,807,835
Equity	2,321,420,613	2,399,712,885
Total liabilities	2,452,943,252	2,542,520,720

The value of **total assets** held as at March 31, 2019, was of RON 2,542.5 million, 3.7% higher than the value of assets as at 2018-year end.

The progress of main items as compared to the beginning of the period:

- **Cash and cash equivalents** are higher as compared to 2018 year-end, as the Company did not reinvest during the first three months the proceeds from transactions with shares (mainly Erste Bank), placing the amounts on short-term liquid (cash available and deposits with maturity <3 months).
- **Bank deposits** stood roughly at the level of the beginning of the year, given that The Company did not significantly alter during Q1 the allocation structure of those with initial maturities of less than 3 months (recognized as cash equivalents) and over 3 months (presented as Bank deposits).
- **Financial assets at fair value through profit and loss**, amounting to RON 1,152.3 million, are higher as compared to December 31, 2018, as a result of recognizing within this category the purchase of corporate bonds denominated in foreign currency during Q1 (SIFI BH Retail SA) and recording the fair value differences of the financial assets portfolio as at March 31, 2019.
- **Other assets** rose as compared to the beginning of the period. The dynamics of this asset component is largely influenced by the recording of claims on dividends to be collected from portfolio companies that were declared during Q1 2019 and not yet collected as at the reporting date.
- **Equity** significantly rose as compared to December 31, 2018, mainly because of the positive fair value differences on the securities portfolio, recorded in other comprehensive income as of March 31, 2019. Deferred income tax liabilities were incurred on these differences, which explains the increase in the Company's debts towards the end of the previous year.

Condensed standalone statement of profit and loss and
other items of comprehensive income - extract

<i>(all amounts denominated in RON)</i>	31.03.2018	31.03.2019
Income		
Dividend income	7,828,241	13,557,288
Interest income	949,109	1,611,943
Other operational revenues	144,519	34,801
Gain on investments		
Net gain on foreign exchange	47,551	1,666,998
Net gain /(loss) on financial assets at fair value through profit and loss	2,432,955	(5,122,358)
Net gain/(loss) on sale of assets	(377,150)	-
Expenses		
Expenses related to fees, commissions	(867,202)	(755,425)
Other operating expenses	(2,623,443)	(3,573,389)
Profit before income tax	7,534,580	7,419,859
Income tax	(269,881)	(787,418)
Net profit	7,264,699	6,632,441
Other comprehensive income	111,109,836	25,530,261
Total comprehensive income for the period	118,374,535	32,162,702

Progress of **revenues** having significant weight:

- **Dividend income** is higher as compared to the first three months of the previous year, representing, both in 2018 and 2019, the dividends declared by one of Company's subsidiary (SAI Muntenia).

- **Interest income** is higher as compared to Q1 2018, given the change of fixed-income investments from bank deposits to corporate bonds, in terms of significantly more favourable returns.

Gain on investments had the following progress:

- **Net result on foreign exchange** recorded as at March 31, 2019, is favourable, resulting from the corporate bonds held, and has a positive progress over the same period of the previous year, given the significant increase in investments in this type of instruments during Q1 2019.

- **Net gain / (loss) on financial assets at fair value through profit or loss** is negative, mainly due to the fair value measurement at March 31, 2019 of financial assets at fair value through profit or loss (FVTPL). On the structural side, the positive differences in the valuation of fund units were cancelled by the negative fair value differences recorded for listed shares (subsidiaries and associates) and corporate bonds.

Expenses as at March 31, 2019 are slightly above those recorded for the corresponding period of 2018.

Net profit as at March 31, 2019 amounting to RON 6.6 million is slightly below the net result for Q1 2018, as higher earnings from recognized dividends were affected by the negative impact of the fair value differences of financial assets measured at fair value through profit or loss (FVTPL).

Total comprehensive income as at March 31, 2019 in the amount of RON 32.16 million is the effect of recognition in other comprehensive income, for the quarterly reporting, of the fair value increase of the financial assets portfolio classified as FVTOCI (assets at fair value through other comprehensive income).

Financial ratios as at March 31, 2019

Ratio	Calculation	Result as at 31.03.2019
1. Current liquidity ratio ¹⁾	Current assets/Current liabilities	7.73
2. Debt to equity ratio ²⁾	Debt / Equity x 100	not applicable
	Debt / Capital employed x 100	not applicable
3. Accounts receivables turnover ³⁾	Average clients' accounts / Turnover x 90	89
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0.006

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 three months of 2019 was of 7.73. This is due to the high level of current assets as at March 31, 2019, as there were significant amounts of liquidity in bank accounts.

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, 2019, 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. The weight in total receivables is of the dividends to be collected from portfolio companies and interest receivable on securities.

For the turnover, the company's total revenues as at March 31, 2019 was used.

Turnover ratio calculated as at March 31, 2019, was of 89 days, and is characteristic for the average time passed between the moment of recording the dividend receivables from the portfolio companies and the effective date of collecting them.

⁴⁾ **Non-current assets turnover** measures 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, 2019, this ratio has a value of 0.006.

5. ANNEXES

Condensed interim standalone financial statements as at March 31, 2019, prepared pursuant to Rule 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, 2019,
prepared pursuant to annex 16 to Regulation no. 15/2004

Detailed statement of investments as at March 31, 2019,
prepared pursuant to annex 17 to Regulation no. 15/2004

The quarterly report prepared as at March 31, 2019, was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on May 14, 2019.

Bogdan-Alexandru DRĂGOI
Chairman and CEO