



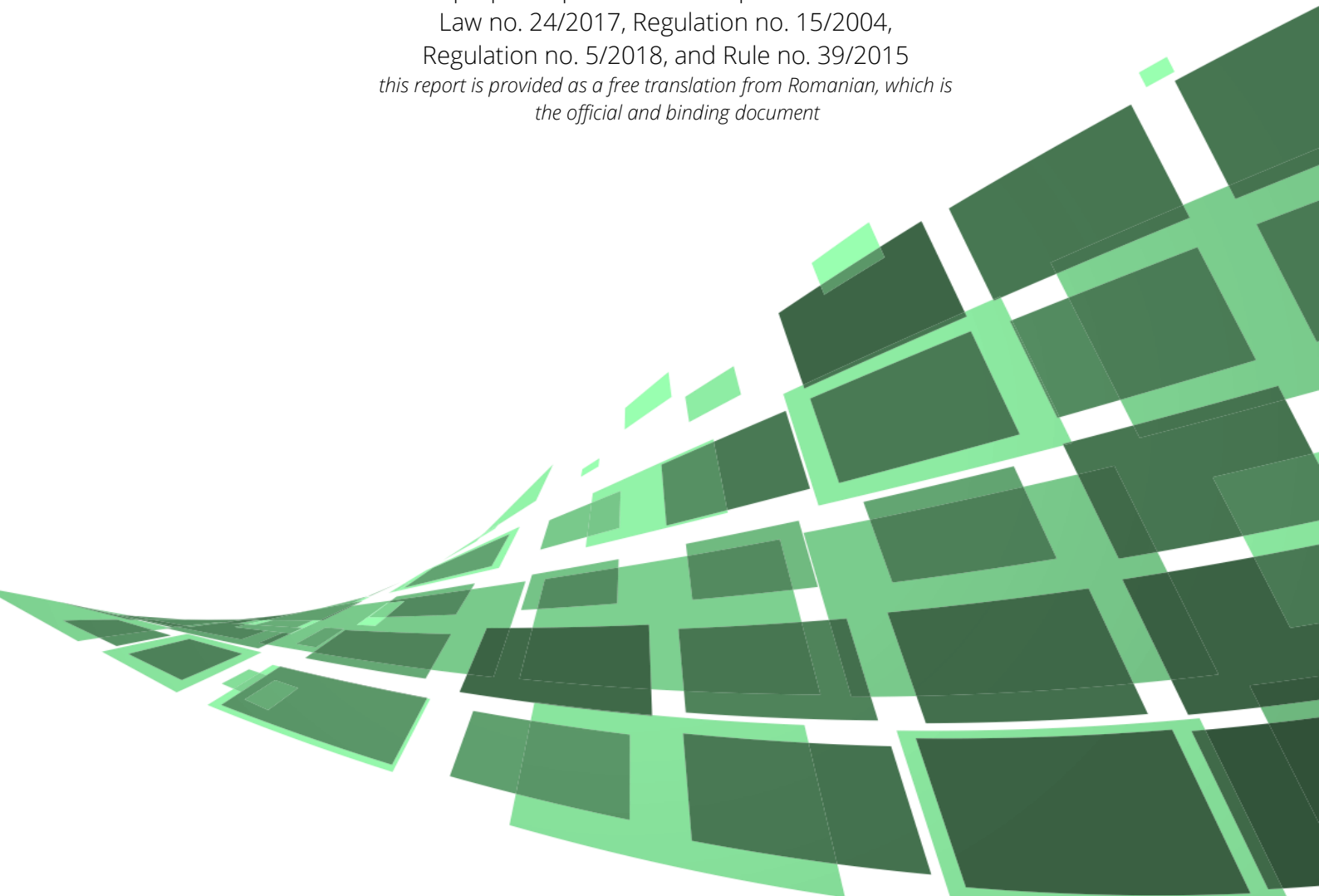
**SIF BANAT-CRIȘANA**

SOCIETATE DE INVESTIȚII FINANCIARE

# QUARTERLY REPORT

— AS OF MARCH 31, 2020 —

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"> <li>▪ Condensed interim standalone financial statements as of March 31, 2020, 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</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Net assets statement as of March 31, 2020 – prepared pursuant to annex 16 of the Regulation no. 15/2004</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Detailed statement of investments as of March 31, 2020 – prepared pursuant to annex 17 of the Regulation no. 15/2004</li> </ul>	

## 1. 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>▪ self-managed investment company, authorized by the Financial Supervisory Authority (ASF) as AIFM (Authorization no. 78/09.03.2018) classified as AIF addressed to retail investors as per the provisions of Law no. 243/2019 on alternative investment funds</li> <li>▪ 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)</li> <li>▪ Romanian legal entity with private capital</li> </ul>
SHARE CAPITAL	<ul style="list-style-type: none"> <li>▪ RON 51,746,072.40 – subscribed and paid-in capital</li> <li>▪ 517,460,724 shares issued, 514,542,363 outstanding shares</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 Fiscal Registration Code RO 2761040</li> <li>▪ Number in ASF AFIAA Register PJR07.1AFIAA/020007/09.03.2018</li> <li>▪ Number in ASF SIIR Register PJR09SIIR/020002/2006</li> <li>▪ Legal Entity Identifier (LEI Code) 254900GAQ2XT8DPA7274</li> </ul>
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except insurance and pension funds (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"> <li>▪ carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force;</li> <li>▪ management of investment portfolio and exercising all of the rights related to the instruments in which investments are made;</li> <li>▪ risk management;</li> <li>▪ other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.</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	<b>Deloitte Audit S.R.L.</b> starting with 2019 financial year (PricewaterhouseCoopers Audit S.R.L. for 2016 – 2018 financial years)
DEPOSITARY BANK	<b>Banca Comercială Română (BCR)</b> , starting with November 2019 (BRD - Groupe Société Générale during January 2014 – October 2019)
SHARES AND SHAREHOLDERS' REGISTRY	<b>Depozitarul Central S.A. Bucharest</b>
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>SIF Banat-Crișana SA Arad-Bucharest Branch-Rahmaninov</b> 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

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## 2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

<b>MAIN BALANCE SHEET ITEMS [RONm]</b>		
	<b>31.12.2019</b>	<b>31.03.2020</b>
Total assets, of which	2,926.68	2,422.58
Total financial assets	2,900.02	2,391.81
Equity (own capital)	2,748.20	2,317.26
Total current liabilities	8.62	2.85

<b>FINANCIAL PERFORMANCE [RONm]</b>		
	<b>31.12.2019</b>	<b>31.03.2020</b>
Operational income	15.20	18.71
Gains/(Losses) on investments	(3.46)	(87.63)
Operating expenses	4.33	3.65
Gross profit/(loss)	7.42	(72.58)
Net profit/(loss)	6.63	(72.58)

<b>PERFORMANCE OF SHARES AND NET ASSET</b>		
	<b>31.12.2019</b>	<b>31.03.2020</b>
Share price (end of period, RON)	2.7300	2.3200
NAV/S* (RON)	5.2959	4.3845
Accounting net asset / share (RON)	5.3411	4.5035
Nominal value of share (RON)	0.1	0.1
Number of issued shares	517,460,724	517,460,724
Number of outstanding shares*	514,542,363	514,542,363

\* calculated acc. to ASF regulations

<b>OPERATIONAL DATA</b>		
	<b>31.12.2019</b>	<b>31.03.2020</b>
Number of permanent employees, end of period	34	34
Branch offices	1	1

### 3. ECONOMIC CONTEXT

The domestic economic environment

The climate in the international financial markets dominated by the spread of the COVID-19 pandemic and the internal factors, including the NBR's monetary policy decisions and signals, were felt on the financial market in March and Q1 2020. The decrease of the interest rates on the money market, the increase of the state financing costs and the persistence of the trend of gradual RON depreciation are obvious.

According to the INS, consumer prices increased by 0.5% month / month in March. The annual dynamics of consumer prices consolidated at 3.05% in March, the lowest level since October 2017. In Q1, consumer prices rose by 3.2% YoY (3.1% YoY on the harmonized EU index).

For the 2021-2022 period an average annual inflation of about 3% is expected.

Recent data published by the INS reveal the deterioration of the labour market climate, amid the incidence of pandemic-induced shock. The unemployment rate rose from 3.9% in February to 4.6% in March, the highest level since November 2017.

The INS statistics published for March and Q1 2020 confirm the drop of private consumption, in the context of the incidence of the COVID-19 pandemic and the implementation of restrictions to counter the health crisis, with an impact on the labour market climate.

Romania is at the lowest degree of investment in all three major agencies (Moody's Baa3, Fitch BBB-, S&P BBB- / A-3), with negative prospects.

The yield curve shifted upwards in March, averaging 48 bp, with interest rates advancing more sharply over medium-long maturities. This development, in divergence compared to those in the USA and Germany, was determined by the intensification of the risk perception regarding the situation of public finances internally after the incidence of the pandemic-induced shock, given the deterioration trend of previous years. At the same time, the prospect of a deterioration in the short-term macroeconomic climate has led to an increase in the perception of risk regarding the sovereign rating in the next period.

At the monetary policy meeting on March 20, the NBR implemented unprecedented easing measures to counteract the economic impact of the pandemic. The NBR has reduced the monetary policy interest rate from 2.50% to 2.00% starting March 23rd, the interest rate on the deposit facility will remain at 1.50%, and the interest rate on the credit facility will decrease from 3.50% to 2.50%.

The two measures aim at counteracting the recent upward pressures in the money market, influenced by the rise of the risk perception on the international financial markets and by the accumulation of uncertainties for real economy and the financial economy in Romania.

The central bank decided to resume the REPO auctions for the efficient functioning of the money market and the financial market and decided to buy government bonds denominated in RON on the secondary market, this non-standard monetary relaxation program aimed at consolidating structural liquidity in the banking system and reducing financing costs in the economy.

The interest rate on 10-year government bonds stood at 5.015% at the end of March, up 23.4% month / month and 13.7% YTD, the average level recorded in March by this indicator was of 4.66%, up 16.1% month / month.

In March, loans made by the Ministry of Finance amounted to RON 4.8 billion through issues of securities on the domestic market, with 18.3% below the scheduled level.

According to Bloomberg, at the end of March, NBR carried out the first operations to buy securities in the secondary market.

## The capital market

The Romanian capital market closes Q1 in line with the main European markets, strongly impacted by the COVID-19 pandemic. One of the most severe public health crises has sent all the major EU stock market indices into negative territory at the end of Q1.

All capital markets in the European Union declined at the end of Q1 2020 after the COVID-19 pandemic led to a halt of activity in several economic sectors. Capital markets have gone through periods of crisis in the past, but the magnitude and speed of correction relative to previously highs were unprecedented.

In the main European markets, the situation at the end of Q1 looked like this: the DAX index (Germany) recorded -25%, the CAC 40 index (France) -26%, FTSE MIB (Italy) -27%, IBEX 35 (Spain) -29 %.

In the Central and Eastern European region, the drops were 28% in Hungary and 30% in Poland.

The BET index of the Bucharest Stock Exchange (BVB) slumped by 16.4% in March and 23.6% at the end of Q1 (YtD). Among the indices listed on BVB, the steepest decline in March was of BET-BK index with -16.84% (-23.34% YtD), and the most temperate was of BET-FI index with -13.45% in March (-17.05% YtD).

At Q1 level, at BVB, the average daily trading value was 11.5 million euros, and the total trading value on all types of financial instruments exceeded 740 million euros in the same time frame. At the end of March, the market value of Romanian companies listed on the BSE was about RON 84 billion (equivalent of 17.5 billion euros), a significant decline compared to RON 111.5 billion (equivalent to 23.3 billion Euros) at the end of 2019.

## International economic environment

The Global Macroeconomic Report, entitled "The Great Lockdown" published by the IMF, updates the central macroeconomic scenario for 2020 and 2021 by incorporating the latest developments in real economy and financial economy indicators.

The report examines the incidence of the pandemic, an unprecedented shock to the world economy, which could lead to the most severe adjustment since the Great Depression (the crisis of the 1930s). IMF experts point to uncertainties about the duration and intensity of this shock, which can be counteracted by measures to stabilize the health crisis and revive the economy.

According to the IMF's updated macroeconomic scenario, the world economy could decline by 3% YoY in 2020, mainly due to the decline in GDP of developed countries (by 6.1% YoY). Thus, GDP could decline at annual rates of 5.9% in the US, 7.5% in the Eurozone, 7% in Germany, 7.2% in France, 9.1% in Italy, 8% in Spain and 5.2% in Japan.

For the group of emerging and developing countries, the IMF expects a decrease in GDP of 1% YoY in 2020.

In this scenario, the volume of international trade could decrease by 11% YoY in 2020.

The IMF forecasts the decline in international oil prices at an average annual rate of 42% in 2020, slowing the average annual inflation to 0.5% in developed countries and 4.6% in emerging and developing countries.

For 2021, the IMF experts expect the revitalization of the world economy (advance by 5% YoY), amid the feeling of the impact of fiscal-budgetary measures, after counteracting the health crisis. The IMF's central scenario is focused on a "V" crisis in the world economy, induced by the pandemic shock.

As for the Romanian economy, IMF experts predict an adjustment of 5% YoY in 2020, followed by revitalization to 3.9% in 2021.

## 4. PORTFOLIO AS OF MARCH 31, 2020

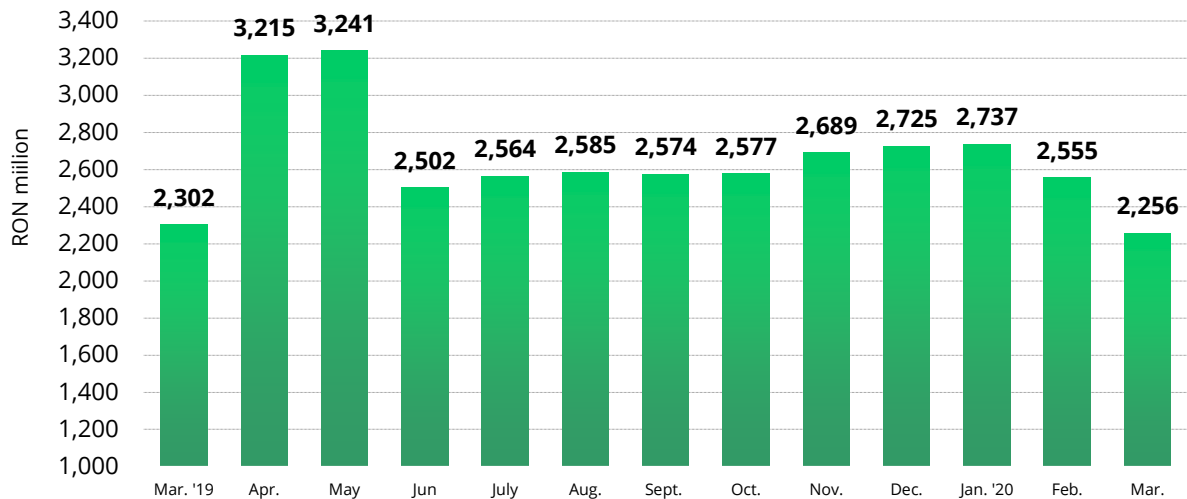
### Net Asset Value

SIF Banat-Crișana's net asset value (NAV) was of **RON 2,255.98 million** at the end of the Q1 2020, below the value recorded as of December 31, 2019, (RON 2,724.97 million) and 2% below the value as of March 31, 2019. Net asset value per share (NAV/S) was of **RON 4.3845** as of March 31, 2020 (December 31, 2019: RON 5.2959).

The decrease of NAV by 17.21% as compared 2019-year end was recorded amidst the crisis generated by the COVID-19 pandemic, caused by the significant drops of stock quotes and their marking to market for the listed securities in the portfolio. Significant declines were recorded in all international stock markets. On the Bucharest Stock Exchange, the BET index dropped during Q1 2020 from the value of 9,977.30 (31.12.2019) to 7,625.38 (31.03.2020), viz. a slump of 23.57%.

### NET ASSET VALUE

March 2019 - March 2020



Monthly values for net asset were calculated by SIF Banat-Crișana and certified by Banca Comercială Română. Throughout Q1 2020, the valuation of assets for the calculation of net asset value of SIF Banat-Crișana was performed pursuant to the regulations issued by the Financial Supervisory Authority (ASF).

The monthly reports for the net asset value (NAV) were submitted to the Bucharest Stock Exchange and ASF – 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, as per the regulations in force.

Net asset statement as of March 31, 2020, 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

During H1 2019, the calculation of net asset value was performed under the provisions of art. 113-122 of ASF Regulation no. 9/2014, ASF Regulation no. 10/2015 and ASF Regulation no. 2/2018.

Per these regulations:

- shares and securities referred to in art. 3 par. (1) pt. 26 letter c) from GEO no. 32/2012 admitted to trading and traded in the last 30 trading days on a regulated market or in trading systems other than regulated markets, are evaluated: (i) at the closing price of the market section considered the main market, for the day for which the calculation is made, in the case of shares admitted to trading on the respective regulated market; or (ii) at the reference price for the day for which the

calculation is made, in the case of shares traded under trading systems other than regulated markets.

- The securities not admitted to trading on a regulated market or not traded during the last 30 trading days are valued at the accounting (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.
- In the case of joint stock companies not admitted to trading on a regulated market or on an alternative system, in which SIF Banat-Crișana holds more than 33% of the share capital, these shares are valued in the net asset of SIF Banat-Crișana exclusively in accordance with international valuation standards based on an evaluation report, updated at least annually. These companies are presented in a separate annex within the Detailed Statement of the Portfolio.
- Fixed income financial instruments are evaluated by the method based on the daily recognition of the interest and the amortization of the discount / premium for the period passed from the date of the placement.
- The shares of companies in insolvency, judicial liquidation or reorganization procedure are evaluated at zero value until the end of the procedure.
- The values of the non-portfolio items considered in the calculation of the net asset are in accordance with the International Financial Reporting Standards ("IFRS").

The company has maintained the valuation methods presented above throughout Q1 2020. The valuation methods applied by the Company to evaluate the financial assets in the portfolio are presented on Company's website, [www.sif1.ro](http://www.sif1.ro), in the section *Investments > Net Asset > Net asset value calculation methodology*.

## Portfolio structure

SIF Banat-Crișana aims as strategy for asset allocation to maximize the performance of the portfolio under the prudential conditions established by the regulations incident to the operation of the Company.

The financial instruments under Company's management comply with the prudential conditions set by Capital Market Law no. 297/2004, amended and supplemented by GEO no. 32/2012, and Regulation no. 15/2004 regarding authorization and operation of asset management companies, collective investment undertakings and depositories. There were no failures to comply with the investment limits throughout Q1 2020.

The detailed statement of SIF Banat-Crișana's investments as of March 31, 2020, prepared pursuant to Regulation no. 15/2004 (Annex 17), is presented as annex to this report.

Total assets value<sup>1</sup> of SIF Banat-Crișana, calculated as per ASF regulations as of March 31, 2020, was of **RON 2,258.83 million**, 17.37% below the value recorded as of December 31, 2019, when reached RON 2,733.59 million.

The value of the stock portfolio (listed and unlisted shares) accounted for **76.4%** of SIF Banat-Crișana's total assets as of March 31, 2020, amounting to **RON 1,725 million**. At the end of Q1 2020, SIF Banat-Crișana held *majority holdings* - over 50% of the issuer's share capital - in 13 companies, with a total value of RON 574 million, representing 25.46% of NAV.

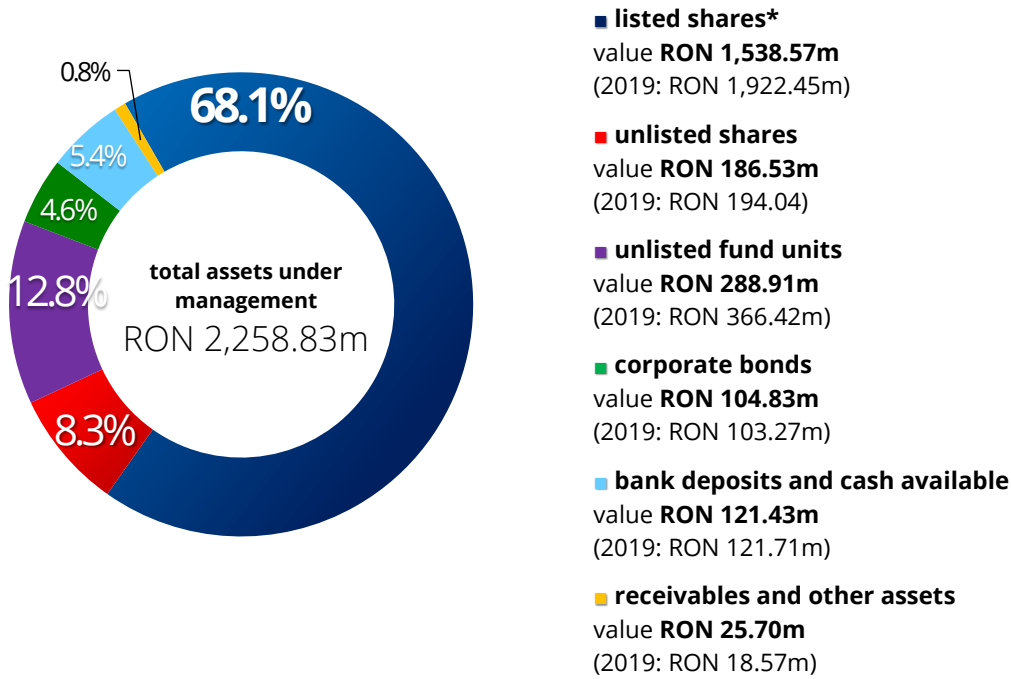
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<sup>1</sup> calculated pursuant to the provisions of ASF Regulation no. 9/2014 (art. 113-122) and ASF Regulation no. 10/2015



ASSETS UNDER MANAGEMENT AS OF MARCH 31, 2020

assets class breakdown (weight in total assets)



■ **listed shares\***  
value **RON 1,538.57m**  
(2019: RON 1,922.45m)

■ **unlisted shares**  
value **RON 186.53m**  
(2019: RON 194.04)

■ **unlisted fund units**  
value **RON 288.91m**  
(2019: RON 366.42m)

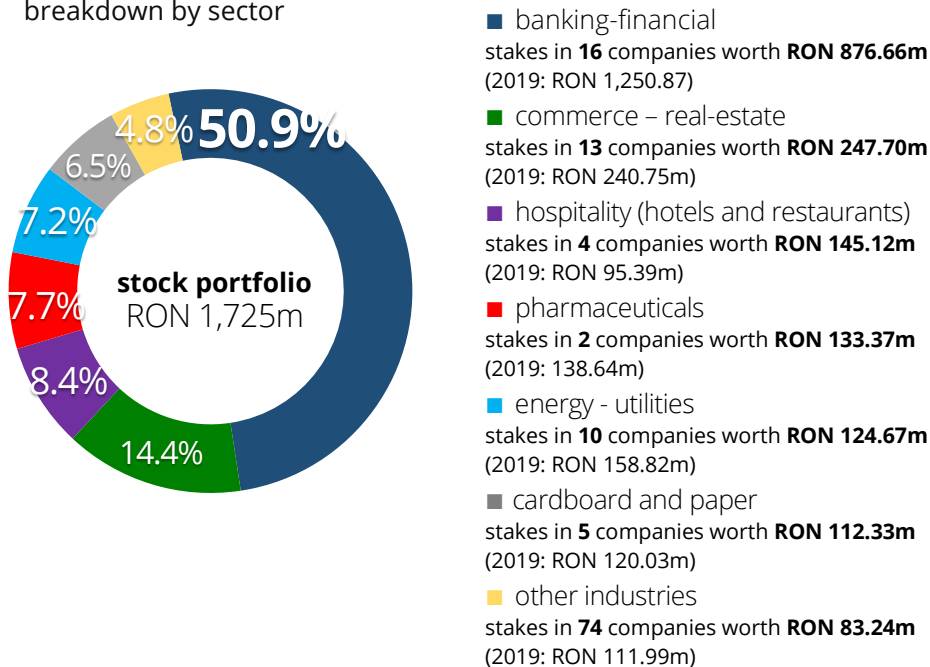
■ **corporate bonds**  
value **RON 104.83m**  
(2019: RON 103.27m)

■ **bank deposits and cash available**  
value **RON 121.43m**  
(2019: RON 121.71m)

■ **receivables and other assets**  
value **RON 25.70m**  
(2019: RON 18.57m)

*\*the category also includes listed non-UCITS securities (SIFs); values calculated as of March 31, 2020 and December 31, 2019, pursuant to the provisions of ASF Regulations no. 9/2014, no. 10/2015 and no. 2/2018*

STOCK PORTFOLIO  
breakdown by sector



■ **banking-financial**  
stakes in **16** companies worth **RON 876.66m**  
(2019: RON 1,250.87)

■ **commerce – real-estate**  
stakes in **13** companies worth **RON 247.70m**  
(2019: RON 240.75m)

■ **hospitality (hotels and restaurants)**  
stakes in **4** companies worth **RON 145.12m**  
(2019: RON 95.39m)

■ **pharmaceuticals**  
stakes in **2** companies worth **RON 133.37m**  
(2019: 138.64m)

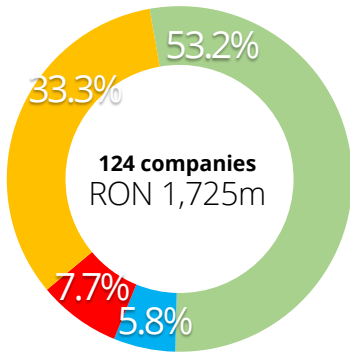
■ **energy - utilities**  
stakes in **10** companies worth **RON 124.67m**  
(2019: RON 158.82m)

■ **cardboard and paper**  
stakes in **5** companies worth **RON 112.33m**  
(2019: RON 120.03m)

■ **other industries**  
stakes in **74** companies worth **RON 83.24m**  
(2019: RON 111.99m)

*values calculated as of March 31, 2020, and December 31, 2019, acc. to ASF Reg. no. 9/2014, no. 10/2015 and no. 2/2018; percentages in the chart represent the stake of the category in the stock portfolio*

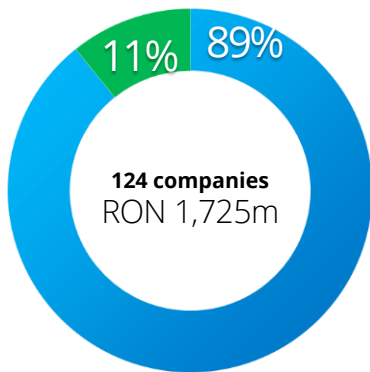
STOCK PORTFOLIO  
breakdown by stake held



- up to 5%  
stakes in **46** companies  
worth **RON 917.25m** (2019: RON 1,324m)
- 5-33%  
stakes in **62** companies  
worth **RON 99.91m** (2019: RON 115.95m)
- 33-50%  
stakes in **3** companies  
worth **RON 133.57m** (2019: RON 136.04m)
- above 50%  
majority stakes in **13** companies  
worth **RON 547.37** (2019: RON 540.46m)

values calculated as of March 31, 2020, and December 31, 2019, acc. to ASF Reg. no. 9/2014, no. 10/2015 and no. 2/2018; percentages in the chart represent the stake of the category in the stock portfolio

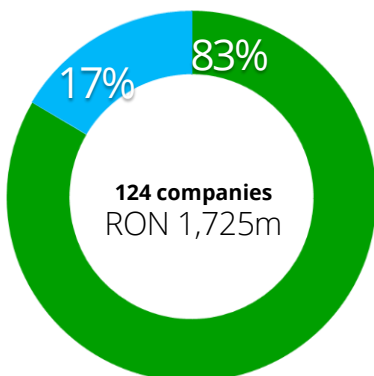
STOCK PORTFOLIO  
on liquidity



- listed companies  
**RON 1,538.57m** (2019: RON 1,922.45m) value of stakes held in **46** companies (2019: 45)
- unlisted companies:  
**RON 186.53m** (2019: RON 194.04m) value of stakes held in **78** companies (2019: 79)

values calculated as of March 31, 2020, and December 31, 2019, acc. to ASF Reg. no. 9/2014, no. 10/2015 and no. 2/2018; percentages in the chart represent the stake of the category in the stock portfolio

STOCK PORTFOLIO  
geographical exposure



- Romania  
**RON 1,440.35m** (2019: RON 1,719.30) value of holdings in **122** companies (2019: 122)
- foreign markets  
**RON 284.75m** (2019: RON 397.19m) value of holdings in 2 companies (2019: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

values calculated as of March 31, 2020, and December 31, 2019, acc. to ASF Reg. no. 9/2014, no. 10/2015 and no. 2/2018; percentages in the chart represent the stake of the category in the stock portfolio

**TOP 10 COMPANIES IN SIF BANAT-CRIȘANA PORTFOLIO** as of March 31, 2020

Issuer	Activity	Stake held [%]	Value of holding* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking - financial	4.56%	432,377,515	19.17%
2 SIF Imobiliare Plc (SIFI)	real estate	99.99%	167,015,153	7.40%
3 BRD Groupe Société Générale (BRD)	banking - financial	1.95%	159,845,935	7.09%
4 Biofarm București (BIO)	pharmaceuticals	36.75%	126,371,709	5.60%
5 Erste Group Bank AG (EBS)	banking - financial	0.34%	117,734,090	5.22%
6 Vrancart Adjud (VNC)	cardboard and paper	75.06%	112,290,328	4.98%
7 SIF Hoteluri (CAOR)	tourism and public food services	98.99%	97,588,355	4.33%
8 SIF Moldova (SIF2)	financial investments	4.99%	66,381,119	2.94%
9 SNGN Romgaz (SNG)	energy - utilities	0.41%	43,928,093	1.95%
10 SAI Muntenia Invest	asset management	99.98%	42,043,586	1.86%
<b>TOTAL</b>			<b>1,365,575,881</b>	<b>60.53%</b>

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

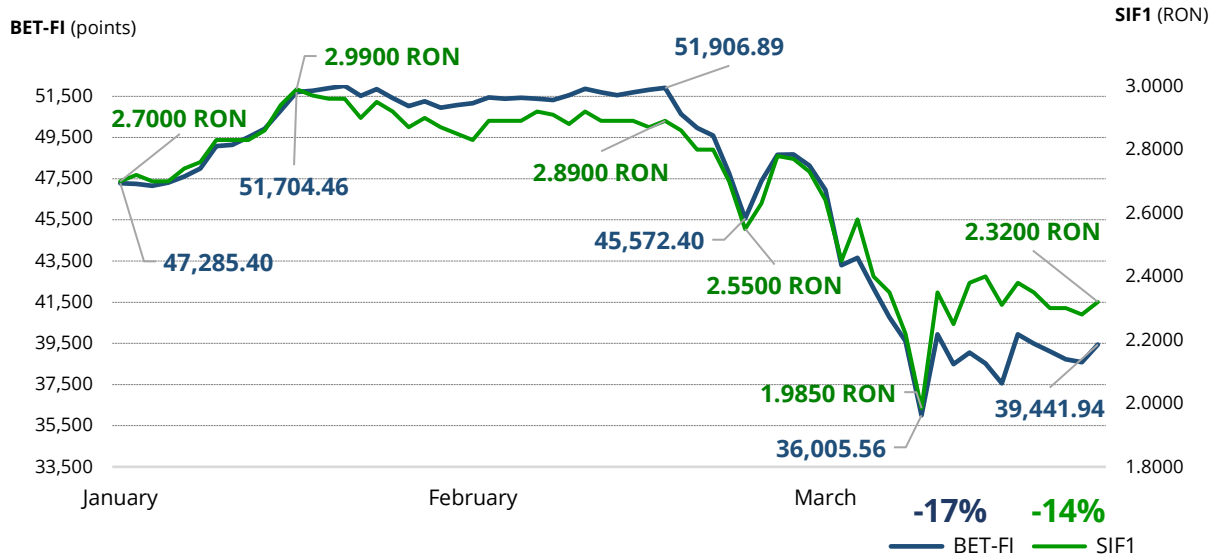
## 5. THE SHARES ISSUED BY BANAT-CRIȘANA

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

Total number of issued shares (March 31, 2020)	<b>517,460,724</b>
Outstanding shares (March 31, 2020)*	<b>514,542,363</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, listed since November 1, 1999</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>

\*As of March 31, 2020, SIF Banat-Crișana holds 2,918,361 own shares, purchased in 2018 and 2019 in the buyback programs approved by the general meeting of shareholders.

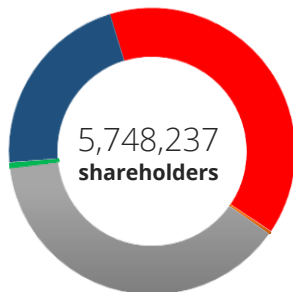
### SIF1 vs. BET-FI PERFORMANCE IN Q1 2020



highlighted values were recorded at the close of trading sessions

### SHAREHOLDERS' STRUCTURE

as per holdings, as of March 31, 2020



- 39.13% Romanian individuals (5,745,998 shareholders)
- 0.33% non-resident individuals (2,063 shareholders)
- 38.47% Romanian legal entities (142 shareholders)
- 21.50% non-resident legal entities (33 shareholders)
- 0.56% treasury stock (the company holds 2,918,361 own shares)

## 6. MANAGEMENT OF SIGNIFICANT RISKS

### Risk management system

SIF Banat-Crișana acknowledges its exposure to risks resulting from daily activities, and the achievement of its strategic objectives. In this context, SIF Banat-Crișana's policy on significant risk management provides the framework for identifying, evaluating, monitoring and controlling these risks, in order to maintain them at acceptable levels depending on the Company's risk appetite and its ability to cover, absorb or mitigate these risks.

Through the risk management system, SIF Banat-Crișana assigns a central role to the *risk management function, policies and procedures* related to significant and relevant risk management for the investment strategy, *measures, processes and techniques* related to the measurement and management of the risks the Company uses for the portfolio under management.

**The permanent risk management function** has a main role in defining the risk policy, in monitoring and measuring the risks, ensuring the permanent compliance of the risk level with the risk profile of the Company assumed by the Board of Directors. The person responsible for the risk management has access to all relevant information and provides the senior management with up-to-date data on which to take prompt remedial action if necessary.

Mrs. Adina Eleonora Hodăjeu holds the quality of Person responsible for risk management starting March 9, 2018, no. ASF register: PFR13.2FARA / 020053.

**The significant risk management policy** of SIF Banat-Crișana includes all the elements necessary for risk management operations associated with each investment position to be properly identified, assessed, managed and monitored, including using appropriate crisis simulation procedures. The company has implemented a documented procedure for pre-investment verification, which monitors whether the investment / divestment process is carried out according to the investment strategy, objectives and risk profile assumed.

### Risk profile and risk limits

#### **The main risks the Company is exposed to**

By the nature of its business, the Company is exposed to various types of risks associated with the financial instruments and the markets it is exposed to, as well as certain operational risks, which may materialize in the loss of capital or low investment performance in relation to the risks assumed.

From the aggregation of the significant risks identified it results the assessment of **Company's overall risk at an AVERAGE level.**

The risk management policy is based on a system of limits used for monitoring and controlling significant risks according to the approved risk profile and the investment strategy.

Depending on the evolution of the risk profile in relation to the approved limits and the temporal extent of a particular development (e.g. the period in which the risk exceeds a certain level), the Company may command measures to correct or control the risk factors.

The risk profile did not change during the analysed period, the negative movements of stock prices did not lead to exceeding the risk limits.

### Main risk the Company is exposed to

#### **Market risk**

The objective of market risk management is to control and manage market risk exposures within acceptable parameters, in order to optimize profitability in relation to the associated risk.

The Company's strategy for managing market risk is conducted within the investment objective and the market risk is managed in accordance with the policies and procedures considered most appropriate.

The Company is exposed to the risk that the fair value of the financial instruments held will fluctuate as a result of changes in market prices caused either by factors specific to the activity of issuers or by factors affecting all instruments traded on the market.

The total risk of the PROXI-85 portfolio, a reference for price risk in the traded portfolio, is analysed in comparison with the total risk of the BET-BK index as a forecast of future volatilities.

On 31.03.2020, the VaR for the PROXI-85 portfolio was of 5.01% of the market value of RON 1,296.6 million.

With respect to interest-bearing financial instruments, the Company's policy is to invest in short-term financial instruments in general, thus partially reducing both the risk of fluctuation and the risk of maturity differences (the Company has no liabilities with maturities over 1 year).

A small stake of net assets (4.64%) is placed in interest-bearing instruments, whose interest rates are unlikely to vary significantly. Thus, the Company is subject to limited exposure to changes in fair value or future cash flows due to fluctuations in prevailing market interest rate levels.

The company did not use derivative financial instruments for hedging against interest rate fluctuations.

The company traded in both Romanian currency (Leu) and foreign currency (Euro) in 2020, the Romanian currency fluctuated compared to foreign currencies, but the volatility of the exchange rate was not high, its growth being restrained by the monetary policy and NBR intervention, the value of Company's portfolio exposure (shares, bonds and current accounts) represents a weight of 17% of total assets as of March 2020.

The company did not make any derivative transactions on the exchange rate during the financial year presented.

The Company's exposure diversification policy applies to the structure of the portfolio, the structure of the business model, as well as the structure of exposures to financial risks. This diversification policy involves: diversifying the portfolio by avoiding excessive exposure to a debtor, issuer, country or geographical region; the diversification of the structure of the business plan aims at the level of the Company to avoid excessive exposure to a certain line of business / sector of activity; diversifying the structure of financial risks aims at avoiding excessive exposure to a certain type of financial risk.

Due to the specifics and history of its portfolio, the highest exposure of the Company is in the banking sector, issuers in the banking sector and issued financial instruments (equity instruments, deposits and current accounts, debt instruments) have a share of 35.9% in TA at 31.03.2020. Banks are most exposed to systemic and contagion risk in crisis situations, a positive aspect of these holdings is the liquidity of the investment.

### **Credit risk**

The company is exposed to credit and counterparty risk as a result of investments made in bonds issued by companies, current accounts and bank deposits and other receivables.

Cash held by the Company, which is not invested in portfolio companies or government securities, may be placed in short-term bank deposits. The credit risk is also diminished by placing the Company's cash in several banks.

Credit risk management is performed by closely and constantly monitoring credit risk exposures so that the Company does not suffer losses as a result of the concentration of credit in a certain sector or field of activity.

The company does not carry out transactions with a counterparty without assessing its creditworthiness and without taking due account of the counterparty risk recorded before and at the time of settlement. The creditworthiness of each counterparty of a transaction is assessed at the level of the sub-funds that substantiate investment / divestment proposals.

The company does not intend to perform transactions with derivative financial instruments.

### **Liquidity risk**

The company carefully maintains a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the assets on the market, taking into account the period required for liquidation and the price or value at which those assets can be liquidated, as well as their sensitivity to market risks or other market factors.

In the risk management process, the liquidity of the financial instruments portfolio is analysed separately from the liquidity risk related to the Company's payment obligations.

The liquidity risk related to the company's payment obligations is very low, as current debts can be immediately covered by the current account balance and short-term deposits. The liquidity indicator (LCR) is 21.49, calculated on the value of assets with high liquidity.

The Company systematically monitors the liquidity profile of assets, considering the marginal contribution of each asset that may have a significant impact on liquidity, as well as significant liabilities and commitments, contingent or otherwise, that the Company may have in relation to its underlying obligations.

The Company has implemented a procedure that establishes appropriate actions to measure liquidity in order to assess the quantitative and qualitative risks of the positions and expected investments that have a significant impact on the liquidity profile of the asset portfolio, in order to properly measure their effects. on the global liquidity profile.

In order to limit / avoid liquidity risk, the Company will constantly adopt a prudent cash outflow policy.

### **Operational risk**

The Company's objective of managing operational risk in such a way as to limit financial losses, to not damage its reputation, to achieve its investment objective and to generate benefits for investors was met throughout the year.

The Company identified the pandemic risk (in this case generated by COVID-19) and recorded it in the Risk Register. Since the beginning of the pandemic, even before the state of emergency was declared at national level, measures were taken to combat this risk.

No operational risk events were recorded in Q1 2020, with minor vulnerabilities in IT systems through the implementation of telework, and no vulnerabilities in employee health and safety, even though two general meetings of shareholders were held during the pandemic.

### **Other risks the Company is exposed to**

From a risk management perspective, *reputational risk* can be divided into two important classes: (i) the belief that the Company can and will deliver on its promises to shareholders and investors; (ii) the belief that the Company conducts its business properly and follows ethical practices.

Regarding the efficient management of events that may give rise to reputational risk, the Risk Management department implemented, in 2019, measures to identify situations potentially generating reputational risk and monitor the image of the Company in the media in order to identify any rumours that could generate reputational risk. The activity of monitoring the alerts continued with the analysis of the impact of these news / announcements on the evolution of the SIF1 share price on BVB and it was ascertained that price volatility was a consequence of investors' reaction to the COVID-19 pandemic, unrelated to the Company's activity.

Thus, the reputational risk assessment falls within the low risk level.

The Company's policy on *strategic risk* addresses the establishing of rational long-term strategic objectives, the management structure constantly adopting a prudential policy to mitigate / avoid strategic risk and will continuously monitor the progress of the market in relation to budgeted operations.

According to the internal evaluation methodology, the strategic risk is low for the Company.

The macroeconomic influences can be reflected on the business of companies in the company's portfolio and implicitly on the investment / de-investment activity.

Among the risk factors regarding the progress of the world economy in the short term, IMF experts mention: the persistence and intensification of the pandemic and the limits of economic policy in counteracting the consequences of this shock.

Without a broad political consensus in Romania, given the bipolar political scene, to address the concerns expressed by rating agencies, the risk of a downgrade by the end of this year is significant. Although some of the major agencies seem willing to analyse the election cycle, the fiscal damage may not be recoverable until after the election. Therefore, even late, the risk of downgrade to junk territory remains significant even after the election.

For the next period, the prospect of *systemic and contagion risk* is generally increasing.

*Regulatory risk* is uncontrollable and unquantifiable in that neither the triggering event nor the level of impact can be anticipated. From a qualitative point of view, the mitigation of regulatory risk will be achieved by adapting policies, rules and procedures to changes and by reducing or increasing the level of activities where appropriate.

Compliance risks are considered to be components of the risk management framework. The compliance function monitors all aspects of compliance with legal and regulatory provisions and provides reports to directors on a regular basis, if necessary, in cooperation with the risk management function.

The company is subject to regulations approved at both national and European Union level and applies changes to national and European legislation to reduce the risk of taxation.

SIF Banat-Crișana adopts the necessary measures for the sustainability and development of the Company in the existing conditions on the financial market, by monitoring the cash flows and the adequacy of the investment policies.

The avoidance of risks, the mitigation of their effects is ensured by the Company through an investment policy that respects the prudential rules imposed by the applicable legal provisions and regulations in force.

***Through risk management, both by prior substantiation of investments and by ex-post monitoring, the Company ensures that portfolio management is within the appropriate risk parameters.***

#### **Risk of exceeding the legal limits of prudential holding**

The investment policy of SIF Banat-Crișana is subject to the limits imposed by the ASF regulations. Currently, the company has a *diversified investment policy* characteristic of Other Collective Investment Undertakings (AOPC) in accordance with the provisions of CNVM Regulation no. 15/2004, allowing a classification of the asset portfolio in the **MEDIUM RISK** category.

In Q1 2020, the asset portfolio of SIF Banat-Crișana was within the holding limits specified by ASF / CNVM Regulation no. 15/2004.

With the implementation of the AIF legislation (AIF Law no. 243 of December 2019 and ASF Regulation no. 7 of April 2020) SIF Banat-Crișana will become an alternative investment fund for retail investors



(FIAIR). The investments allowed to a FIAIR are those mentioned in art. 35 paragraph (1) of Law no. 243/2019 with the observance of the limits from paragraph (2).

The compliance term for the modification of the investment portfolio for the inclusion in the new limits of the allowed investments is of 6 months from the date of authorization, according to art. 72, paragraph (2) of the ASF regulation no. 7/2020.

A preliminary analysis of SIF Banat-Crișana investments shows that they comply with the new AIF regulations, following the approval as an AIF, the reporting to investors will be made according to the new regulations.

### **Leverage**

Leverage means any method by which the Company increases the exposure of the portfolio under management either by borrowing cash or securities, or by derivative financial positions or by any other means. The leverage effect is expressed as the ratio between the global exposure of the portfolio of financial instruments (calculated by both the gross method and the commitment method) and the value of the net assets.

The leverage indicator as of March 31, 2020, calculated by the gross method was of 96.10% (excluding cash and cash equivalents as per requirements of AFIA regulations) and by the commitment method it was 100.00%.

SIF Banat-Crișana's policy is not to actively use leverage in the portfolio management process, respectively not to use methods to increase portfolio exposure.

In Q1 2020, there were no financial instruments financing operations (SFTs) and there were no transactions with financial instruments of total return swap type, as defined by EU Regulation 2365/2015.

### **Crisis simulations**

According to the Risk Management Policy and the AIFM legislation (Law 74/2015, EU Regulation 231/2013) periodic crisis simulations in normal and exceptional situations are performed at least annually, on the date established according to the working procedures and notified to the Financial Supervisory Authority. Crisis simulations in exceptional situations are performed whenever the situation requires it. In 2020, the Risk Management department did not perform any crisis simulations on the formalized methodology.

Further information on the risks the Company is exposed to is presented in Note 4 to the Financial statements.

## 7. SIGNIFICANT EVENTS DURING Q1 2020

Activating the action plan to ensure business continuity amidst the COVID-19 pandemic

The unprecedented situation triggered by the spread of the new COVID-19 virus epidemic and its expansion in Romania put us in front of finding the best intervention solutions at Company level to respond to the health and socio-economic crisis.

Since February, SIF Banat-Crișana has been closely monitoring the progress of the situation generated by the new COVID-19 virus, as presented by the competent authorities. In this context, the main preventive measures adopted by the Company aimed at ensuring increased sanitation and disinfection measures at the workplace and a permanent internal communication was established, informing employees on the mandatory preventive measures to be observed and the provisions of the authorities.

At the beginning of March, SIF Banat-Crișana activated the Plan of measures for ensuring the continuity of the activity, this being adapted according to the nature of the situation and the complexity of the activities carried out by the Company, to ensure the safe, continuity and risk mitigation on all levels.

The business continuity management procedure (business continuity plan) also includes the scenario in case of illness / unavailability of several employees in the event of a virus, and substitutes have been appointed for all operations to ensure business continuity without disruption.

The internal policies and mechanisms have been updated to ensure the uninterrupted relation with shareholders, investors, and business partners, as well as at the institutional level, adopting the preferential measures of communication and operation through remote means and systems.

The tele-work system was implemented, using secure communication connections, so that at the end of March 95% of the staff was operational working from home, and the Company's activity is carried out in normal conditions and without disturbances.

Also, SIF Banat-Crișana took all measures to organize the general meetings of shareholders in safe conditions, to properly inform the shareholders and to facilitate the possibility to express the vote through alternative ways of participation directly or through the representative, as these are provided by law (voting by mail).

At the portfolio level, close monitoring of issuers is carried out, strengthening the analysis and evaluation of existing or potential activity and risks at their level. At the same time, the communication of the portfolio managers with the management of the majority participations was intensified, in a common approach to identify the best solutions to counteract the adverse effects induced by the coronavirus crisis on their activity.

Starting the implementation of the provisions of Law 243/2019

As per the provisions of art. 81 par. (3) letter. b) of Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts, the provisions of art. 286<sup>1</sup> of Law no. 297/2004 regulating the holding threshold of maximum 5% of the share capital of a financial investment company were repealed.

Considering the express provisions of art. 79 paragraph (2) of Law no. 243/2019 and the legal consequences regulated by this article, the Company is bound to adapt its Articles of Association to the provisions of Law no. 243/2019, within the term provided in art. 79 par. (1), viz. in maximum 6 months from the date of entry into force of Law no. 243/2019.

The Board of Directors of the Company analysed the legal provisions and concluded that the provisions of Company's Articles of Association concerning the holding limit of 5% of the share capital of SIF, taken based on art. 286<sup>1</sup> of Law 297/2004, that will become contrary to the provisions of Law no. 243/2019.

Considering these, the Board of Directors convened the extraordinary general meeting of shareholders for March 10 (11), 2020, having on the agenda the approval of amending the Articles of Association for the elimination of the provisions of art. 3, par. 3, 4, 5, and 6 restricting the shareholding limit to 5% of the share capital.

The extraordinary general meeting of shareholders took place at the first call on March 10, 2020, and approved by resolution no. 3 the amending the Company's Articles of Association, to correlate with the provisions of Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts (AIF Law), as follows:

- in Art. 3, the paragraphs (3), (4), (5) and (6) concerning the holding limits of 5% of Company's share capital are removed, so Art. 3 to be read as follows: "Art. 3 Share capital and shares. (1) The share capital of the company amounts to RON 51,746,072.40 and is divided into 517,460,724 shares of RON 0.10 each, appropriated per shareholders as shown in the records entered in the shareholders' registry. (2) The shares issued by the company are registered, of equal values, issued in dematerialized form and grant equal rights to their holders. The nominal value of a share is of RON 0.10. The shares are indivisible, and the company recognizes a sole representative for exercising the rights attached to a share." The amendment of Art. 3 of the Articles of Association shall take effect from July 24, 2020, the date of repeal of art. 286<sup>1</sup> of Law no. 297/2004, according to art. 81 paragraph (3) of Law no. 243/2019, viz. at the fulfilment of the term of 6 months from the entry into force of Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts.

Following the reporting date, the Articles of Association was subject to the authorization of the Financial Supervisory Authority, as per legal provisions.

Detailed information on the Extraordinary General Meeting of Shareholders of March 10, 2020, the informative materials for the topics on the agenda, including the additional topics included on the agenda at the request of a group of shareholders, and the full version of the resolutions adopted by the EGM, are available for consultation on Company's website, at [www.sif1.ro](http://www.sif1.ro), in the *Investor Relations* section.

Authorizations issued by ASF during Q1 2020

The Financial Supervisory Authority, by Authorization no. 11/ 23.01.2020, authorized the amendments to the Articles of Association of the Company, in accordance with Resolutions no. 1 and no. 2 of 19.12.2019 of the Board of Directors of SIF Banat-Crișana, following the establishment/closure of a secondary office in Bucharest. The aforementioned Decisions of the Board of Directors have been the subject of the current report of 20.12.2019 published on Company's website and BVB. From the date of authorization, the branch of SIF Banat-Crișana is the Bucharest-Rahmaninov branch, an unincorporated (without legal personality) entity, that carries out the same activity as the parent company and is located in Bucharest, Sector 2, 46-48 Serghei Vasilievici Rahmaninov Street, 3rd floor.

Publication of audit report as per art. 82 of Law no. 24/2017

SIF Banat-Crișana, in compliance with the provisions of article 82 of Law no. 24/2017 and article 144 of ASF Regulation no. 5/2018, submitted *the Limited Independent Assurance Report on the information included in the current reports prepared by the company in accordance with the provisions of Law no. 24/2017 and Regulation no. 5/2018*, prepared by the financial auditor Deloitte Audit SRL concerning the transaction reported by the company on 07.10.2019 with the company Administrare Imobiliare SA Bucharest, a SIF Banat-Crișana subsidiary. (The report is available on Company's website, in *Investor Relations* section)

## 8. FINANCIAL POSITION AND RESULTS AS AT MARCH 31, 2020

SIF Banat-Crișana prepared the accounting report as at March 31, 2020 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 financial statements and the notes to the financial statements are presented as annex to this report.

The accounting report as of March 31, 2020, has not been audited by the financial auditor, as it is not a legal or statutory requirement.

The following are comments on Company's financial position and results as of March 31, 2020:

Condensed standalone statement of financial position - extract

	31.12.2019	31.03.2020
<i>(all amounts denominated in RON)</i>		
Cash and cash equivalents	117,203,806	118,431,538
Bank deposits, including interest	4,512,500	3,027,565
Financial assets at fair value through profit and loss	1,226,791,154	1,135,383,143
Financial assets at fair value through other comprehensive income	1,508,267,047	1,089,875,809
Financial assets at amortized cost	43,246,691	45,090,950
Investment property and tangible assets	24,127,294	16,922,497
Other assets	2,529,847	13,850,170
<b>Total assets</b>	<b>2,926,678,339</b>	<b>2,422,581,672</b>
Liabilities	<b>178,474,885</b>	<b>105,325,590</b>
Equity (own capital)	<b>2,748,203,454</b>	<b>2,317,256,082</b>
<b>Total liabilities</b>	<b>2,926,678,339</b>	<b>2,422,581,672</b>

The value of **total assets** held as of March 31, 2020, was of RON 2,422.6 million, 17.2% lower than the value of assets as at 2019-year end.

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

- **Cash and cash equivalents and Bank deposits** are below the 2019 year-end, as the Company has adopted a prudent investment policy, given the current macroeconomic and social context.

- **Financial assets at fair value through profit and loss**, amounting to RON 1,135.4 million, down vs. December 31, 2019 by RON 91 million following the recording of fair value differences for investments in fund units and listed companies – subsidiaries and associates (with active market) as of March 31, 2020.

- **Financial assets at fair value through other comprehensive income**, amounting to RON 1,089.9 million, are with RON 418.4 million below the level recorded on December 31, 2019, following the recording of unfavourable fair value of financial assets portfolio (listed shares) as of March 31, 2020.

- **Other assets** rose as compared to the beginning of the period, influenced by the recording of dividends to be collected for 2019 FY from SAI Muntenia Invest SA.

- **Equity** significantly contracted as compared to December 31, 2019, mainly due to unfavourable differences in fair value related to the securities portfolio, recorded in other comprehensive income on March 31, 2020 and net income achieved on that date. The decrease in the volume of fair value differences also explains the reduction in the Company's liabilities compared to the end of the previous year, due to the adjustment of the deferred income tax liability.

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

<i>(all amounts denominated in RON)</i>	<b>31.03.2019</b>	<b>31.03.2020</b>
<b>Income</b>		
Dividend income	13,557,288	15,858,518
Interest income	1,611,943	2,795,802
Other operational revenues	34,801	50,843
<b>Gain/(Loss) on investments</b>		
Gain on investment property	-	2,466,217
Gain on foreign exchange	1,666,998	907,403
Gain/(loss) on financial assets at fair value through profit and loss	(5,122,358)	(91,004,345)
<b>Expenses</b>		
Expenses related to fees, commissions	(755,425)	(769,091)
Other operating expenses	(3,573,389)	(2,884,788)
<b>Profit/(loss) before tax</b>	<b>7,419,859</b>	<b>(72,579,442)</b>
Income tax	(787,418)	-
<b>Net profit/(loss)</b>	<b>6,632,441</b>	<b>(72,579,442)</b>
<b>Other comprehensive income</b>	<b>25,530,260</b>	<b>(358,367,930)</b>
<b>Total comprehensive income for the period</b>	<b>32,162,701</b>	<b>(430,947,373)</b>

Progress of **revenues** having significant weight:

- **Dividend income** is higher as compared to the first three months of the previous year, following the recording of additional dividends distributed by Biofarm, approved at the end of 2019, having the record date during March 2020.

- **Interest income** is higher as compared to the same period of the previous year, given investments made at the end of 2019 in fixed-income investments with a nominal yield above the market average.

**Gain/(Loss) on investments** had the following progress:

- **Gain on investment property** resulted from the sale during the Q1 2020 of a real estate located in Timișoara, accounted in the category investment property.

- **Net result on foreign exchange** recorded as of March 31, 2020, is a favourable one, resulting from the corporate bonds and cash held in foreign currency. Its level is below the result for the corresponding period of the previous year.

- **Net gain / (loss) on financial assets at fair value through profit or loss (FVTPL)** is unfavourable and above that as of March 31, 2019. The loss is mainly due to the measurement at fair value as of March 31, 2020, of listed shares (subsidiaries and associates), fund units and bonds. The sharp decline in stock market values is the effect of the global situation due to Covid-19, having a severe economic and social impact.

**Expenses** as of March 31, 2020 are below those recorded for the corresponding period of 2019.

**Net loss** as of March 31, 2020, amounting to RON 72.6 million, is the effect of the result from fair value measurement of the abovementioned holdings.

**Total comprehensive income** as of March 31, 2020, amounting to RON 430.9 million is the effect of recognition in other comprehensive income of the fair value decrease of the financial assets portfolio classified as FVTOCI (assets at fair value through other comprehensive income).

## Financial ratios as of March 31, 2020

(as per pt. A of Annex no. 13 to ASF Regulation no. 5/2018)

Ratio	Calculation	Result as at 31.03.2020
<b>1. Current liquidity ratio</b> <sup>1)</sup>	Current assets/Current liabilities	47.2
<b>2. Debt to equity ratio</b> <sup>2)</sup>	Debt / Equity x 100	not applicable
	Debt / Capital employed x 100	not applicable
<b>3. Accounts receivables turnover</b> <sup>3)</sup>	Average clients' accounts / Turnover x 90	41
<b>4. Non-current assets turnover</b> <sup>4)</sup>	Turnover / Non-current assets	0.0097

<sup>1)</sup> **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 2020 was of 47.2. This is due to the high level of current assets as of March 31, 2020, as there were significant amounts of liquidity in bank accounts.

<sup>2)</sup> **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 of March 31, 2020, and therefore this indicator is zero.

<sup>3)</sup> **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 of March 31, 2020, was used.

Turnover ratio calculated as of March 31, 2020, was of 41 days.

<sup>4)</sup> **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 of March 31, 2020, this ratio has a value of 0.0097.

## 9. EVENTS AFTER THE REPORTING PERIOD

### Authorization of amendment to the Articles of Association

The Financial Supervisory Authority, by Authorization no. 54 of 16.04.2020, authorized the amendments to the Articles of Association of the Company, in accordance with the Resolution no. 3 / 10.03.2020 of the Extraordinary General Meeting of Shareholders of SIF Banat-Crișana, namely the elimination of the provisions regarding the holding threshold of maximum 5% of the share capital, provided in art. 3 of the Articles of Association.

The change of art. 3 of the Articles of Association will take effect starting with July 24, 2020, the date of repeal of art. 286<sup>1</sup> of Law no. 297/2004, according to art. 81 para. (3) of Law no. 243/2019, i.e. upon the fulfilment of the term of 6 months from the entry into force of Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts.

### Publication of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds*

The management of SIF Banat-Crișana carefully and with maximum responsibility analysed the provisions of Law 243/2019, identifying the necessary measures to comply to the new legislative framework. The recent publication (on April 24, 2020) of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds* completes the internal legislative framework allowing the implementation of the AIF Law. In this context, SIF Banat-Crișana is to take all steps to adapt the operating documents and activity to the provisions of the law and to obtain the authorizations from the Financial Supervisory Authority within the established legal deadline.

With the implementation of the AIF legislation (Law no. 243 of December 2019 and ASF Regulation no. 7 of April 2020) SIF Banat-Crișana will become an **alternative investment fund addressed to retail investors** (Romanian acronym: FIAIR). The investments allowed to a FIAIR are those mentioned in art. 35 paragraph (1) of Law no. 243/2019 with the observance of the limits from paragraph (2).

The compliance term for the modification of the investment portfolio to comply with the new limits of allowed investments is of 6 months from the date of authorization, according to art. 72, paragraph (2) of the ASF Regulation no. 7/2020.

### Ordinary and Extraordinary General Meetings of Shareholders of April 27, 2020

The OGM and EGM convened by the Board of Directors took place under legal conditions, at the first call, on April 27, 2020.

Main resolutions addressed the following:

#### OGM:

- approval of the standalone and consolidated financial statements for 2019 financial year, based on the discussions and the reports presented by the Board of Directors, the Chairman of the Board and the financial auditor;
- approval of the appropriation of the entire net profit of the year 2019, in the amount of RON 159,494,532 to Other Reserves, for own financing sources, to support a buyback program. From its own financing sources as provided by law, the Company will conduct a buyback program for 15,000,000 shares, to reduce the share capital by the cancelation of the repurchased shares;
- approval of the budget and activity plan for 2020;
- approval of the discharge from liabilities of the administrators for the activity carried out in 2019;
- approval of administrators' remuneration and general limits on additional remuneration for administrators and directors;

## EGM

- approval of the reduction of the share capital of SIF Banat-Crișana SA, pursuant to art. 207 par. (1) letter c) of Law no. 31/1990, from RON 51,746,072.4 to RON 51,542,236.3, following the cancellation of 2,038,361 own shares acquired by the company, in the buy-back programs.
- approval of the use of a number of 880,000 shares, held by the Company and repurchased based on the Resolution of EGM of April 26, 2018, for their distribution free of charge to members of the company's management (administrators, executive directors) in a "Stock Option Plan", approved by the Resolution of the EGM of April 22, 2019.
- approval of executing a buyback program for 15,000,000 own shares ("Program I") to reduce the share capital;
- approval of executing a buyback program for 800,000 own shares ("Program II") for their distribution free of charge to members of the Company's management (administrators, executive directors) in order to build their loyalty and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors.
- approval of distribution free of charge of the shares purchased under Program II in a Stock Option Plan.

Detailed information on the Ordinary and Extraordinary General Meeting of Shareholders of April 27, 2020, the informative materials for the agenda, and the full version of the resolutions adopted by the OGM and the EGM are available for consultation on Company's website, at [www.sif1.ro](http://www.sif1.ro), in the *Investor Relations* section.



## 10. ANNEXES

**Condensed interim standalone financial statements** as of March 31, 2020, 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 of March 31, 2020,  
prepared pursuant to annex 16 to Regulation no. 15/2004

**Detailed statement of investments** as of March 31, 2020,  
prepared pursuant to annex 17 to Regulation no. 15/2004

The quarterly report prepared as of March 31, 2020, was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on May 14, 2020.

**Bogdan-Alexandru DRĂGOI**  
Chairman and CEO

**SIF Banat-Crişana S.A.**

**Condensed interim standalone financial statements  
as of March 31, 2020**

Prepared pursuant to Rule 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**

*FREE TRANSLATION  
from Romanian, which is the official and binding version*

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**Condensed statement of profit or loss and other comprehensive income  
as of March 31, 2020**

<i>Denominated in RON</i>	<i>Note</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Income</b>			
Dividend income	5	15,858,518	13,557,288
Interest income (assets at amortized cost, assets at FVTOCI)	6	2,068,028	348,252
Interest income (assets at FVTPL)	6	727,774	1,263,691
Other operating revenues		50,843	34,801
<b>Gain/(Loss) on investment</b>			
Gain/(Loss) on investment property	16	2,466,217	
Gain/(Loss) on foreign exchange differences		907,403	1,666,998
Gain/(Loss) on financial assets at FVTPL	7	(91,004,345)	(5,122,358)
<b>Expenses</b>			
Commissions expenses	8	(769,091)	(755,425)
Other operating expenses	9	(2,884,788)	(3,573,389)
<b>Profit/(Loss) before tax</b>		<b>(72,579,442)</b>	<b>7,419,859</b>
Income tax	10	-	(787,418)
<b>Net profit/(loss) for the period</b>		<b>(72,579,442)</b>	<b>6,632,441</b>
<b>Other comprehensive income</b>			
<b>Items that are or could be transferred to profit or loss</b>			
Amounts that could be transferred to profit or loss (debt instruments)		(272,908)	(63,466)
Amounts transferred to profit or loss (debt instruments)			
<b>Items that are or could be transferred to retained earnings</b>			
Change of fair value related to financial assets measured through other comprehensive income		(425,413,706)	31,053,322
Change of reserve from revaluation items of tangible assets			
Effect of income tax related to them		67,318,683	(5,459,596)
<b>Other comprehensive income</b>		<b>(358,367,930)</b>	<b>25,530,260</b>
<b>Total comprehensive income for the period</b>		<b>(430,947,373)</b>	<b>32,162,701</b>
<b>Earnings per share</b>			
Basic		(0.141)	0.013
Diluted		(0.141)	0.013

The condensed interim financial statements were approved by the Board of Directors on May 14, 2020, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Dorel Baba  
Financial Reporting Manager

## Condensed statement of financial position as of March 31, 2020

<i>Denominated in RON</i>	<i>Note</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Assets</b>			
Cash and cash equivalents	11	118,431,538	117,203,806
Bank deposits	12	3,027,565	4,512,500
Financial assets at fair value through profit or loss	13	1,135,383,143	1,226,791,154
Financial assets at fair value through other comprehensive income (shares)	14	1,085,026,303	1,503,213,414
Financial assets at fair value through other comprehensive income (bonds)	14	4,849,506	5,053,633
Financial assets at amortized cost	15	45,090,950	43,246,691
Investment property		12,876,581	20,047,164
Tangible assets (items of property, plant and equipment)		4,045,916	4,080,130
Assets representing rights to use the underlying assets under leasing contract		1,060,736	1,117,902
Other financial assets	17	12,434,496	1,191,647
Other assets		354,937	220,299
<b>Total assets</b>		<b><u>2,422,581,672</u></b>	<b><u>2,926,678,339</u></b>
<b>Liabilities</b>			
Deferred income tax liabilities	18	102,479,947	169,850,613
Liabilities on leasing contract		1,081,494	1,121,202
Liability on current income tax		-	4,451,293
Other financial liabilities	19	1,755,685	3,041,305
Other liabilities and deferred revenues		8,463	10,473
<b>Total liabilities</b>		<b><u>105,325,590</u></b>	<b><u>178,474,885</u></b>
<b>Equity (own capital)</b>			
Share capital	20	51,746,072	51,746,072
Treasury shares	20	(7,295,461)	(7,295,461)
Losses from the repurchase of own shares		(134,838)	(134,838)
Retained earnings	20	739,728,121	812,306,354
Other reserves	20	997,961,099	997,961,099
Reserves from revaluation of tangible assets		1,176,569	1,176,569
Legal reserves	20	10,349,214	10,349,214
Reserves from revaluation of financial assets designated at FVTOCI	14. 20	523,725,303	882,094,444
<b>Total equity (own capital)</b>		<b><u>2,317,256,082</u></b>	<b><u>2,748,203,454</u></b>
<b>Total liabilities and equity</b>		<b><u>2,422,581,672</u></b>	<b><u>2,926,678,339</u></b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2020, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Dorel Baba  
Financial Reporting Manager

**Condensed Statement of Changes in Equity as of March 31, 2020**

<i>Denominated in RON</i>	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of fixed assets	Other reserves	Accumulated profit	Total
<b>Balance on January 1, 2020</b>	<b>51,746,072</b>	<b>(7,295,461)</b>	<b>(134,838)</b>	<b>10,349,214</b>	<b>882,094,444</b>	<b>1,176,569</b>	<b>997,961,099</b>	<b>812,306,354</b>	<b>2,748,203,454</b>
Profit/(Loss) for the period	-	-	-	-	-	-	-	(72,579,442)	(72,579,442)
Reserve from revaluation of financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(10,847)	-	-	10,847	-
Change in reserve	-	-	-	-	(425,738,596)	-	-	-	(425,738,596)
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	67,380,302	-	-	(9,637)	67,370,665
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(358,369,140)</b>	<b>-</b>	<b>-</b>	<b>(72,578,233)</b>	<b>(430,947,373)</b>
Other reserves – own sources	-	-	-	-	-	-	-	-	-
Dividends payable for 2019	-	-	-	-	-	-	-	-	-
Dividends written-off	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-
<b>Total transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance on March 31, 2020</b>	<b>51,746,072</b>	<b>(7,295,461)</b>	<b>(134,838)</b>	<b>10,349,214</b>	<b>523,725,304</b>	<b>1,176,569</b>	<b>997,961,099</b>	<b>739,728,121</b>	<b>2,317,256,081</b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2020, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Dorel Baba  
Financial Reporting Manager

**Condensed Statement of Changes in Equity as of March 31, 2020**

*Denominated in RON*

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of fixed assets	Other reserves	Benefits granted in equity instruments	Retained earnings	Total
<b>Balance on January 1, 2019</b>	<b>51,746,072</b>	<b>(223,487)</b>	<b>(559)</b>	<b>10,349,214</b>	<b>652,877,901</b>	<b>105,016</b>	<b>920,774,872</b>	<b>2,380,000</b>	<b>683,411,583</b>	<b>2,321,420,613</b>
<b>Comprehensive income</b>										
Profit for the period	-			-	-				6,632,441	6,632,441
Reserve from revaluation of financial assets transferred to profit or loss	-			-	-				-	-
Reserve from revaluation of financial assets transferred to retained earnings					(53,272,718)				53,272,718	-
Change in reserve	-			-	84,250,486				-	84,250,486
Revaluation of tangible assets										-
Related deferred tax					(5,447,507)				(8,035,648)	(13,483,155)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,530,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,869,511</b>	<b>77,399,772</b>
Other reserves – own sources									-	-
Dividends payable for 2018				-	-				-	-
Dividends written-off	-			-	-				-	-
Change of granted benefits								892,500		892,500
Cancellation of treasury shares										-
<b>Total transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>892,500</b>	<b>-</b>	<b>892,500</b>
<b>Balance on March 31, 2019</b>	<b>51,746,072</b>	<b>(223,487)</b>	<b>(559)</b>	<b>10,349,214</b>	<b>678,408,162</b>	<b>105,016</b>	<b>920,774,871</b>	<b>3,272,500</b>	<b>735,281,094</b>	<b>2,399,712,885</b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2020, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Dorel Baba  
Financial Reporting Manager

## Condensed cash flow statement as of March 31, 2020

<i>Denominated in RON</i>	<i>Note</i>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>Operating activities</b>			
Net profit/(loss) for the period		<b>(72,579,442)</b>	<b>6,632,441</b>
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets		121,628	62,715
(Gain)/loss from disposal of tangible assets		20,068	1,585
(Gain)/loss from valuation/disposal of property investment	16	(2,466,217)	-
(Gain)/Loss from financial assets at fair value through profit or loss	7	91,004,345	5,122,357
Dividend income	5	(15,858,518)	(13,557,288)
Interest income	6	(2,795,802)	(1,611,943)
Expenses on interest on leasing contract		16,888	
Expenses/(income) on foreign exchange differences financial assets		(615,305)	(967,035)
Benefits granted in equity instruments		-	892,500
Income tax	11	-	787,418
<b>Changes in operating assets and liabilities</b>			
Change in other assets (claims, etc.)		(103,086)	(54,012)
Change in other financial liabilities		(1,287,629)	(853,531)
Income tax paid		(4,451,293)	-
<b>Net cash used in operating activities</b>		<b><u>(8,994,363)</u></b>	<b><u>(3,544,793)</u></b>
<b>Investment activities</b>			
Payments for acquisition of financial assets measured at FVTOCI (shares, bonds)	14	(7,250,565)	(855,811)
Proceeds from sales of financial assets measured at FVTOCI (shares, bonds)		23,970	102,817,178
(Placements) / Proceeds from term deposits greater than three months		1,500,000	1,500,000
Proceeds from sale/repurchase of assets at FVTPL (fund units, bonds)		-	20,668,827
Payments for purchase of assets at FVTPL (fund units, bonds, shares)		-	(70,714,503)
Proceeds/(Payments) for sale assets at amortized cost		-	-
Proceeds from sale of tangible assets and property investment		9,636,800	-
Payments for purchases of tangible assets		(46,757)	(7,734)
Dividends collected		4,580,558	-
Interest collected		1,846,186	869,702
<b>Net cash from investment activities</b>		<b><u>10,290,192</u></b>	<b><u>54,277,659</u></b>
<b>Financing activities</b>			
Payments related to leasing		(68,097)	
Dividends paid		-	(5,495)
Repurchase of own shares		-	-
<b>Net cash used in financing activities</b>		<b><u>(68,097)</u></b>	<b><u>(5,495)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,227,732</b>	<b>50,727,371</b>
Cash and cash equivalents on January 1		117,203,806	29,230,410
<b>Cash and cash equivalents at the end of the period</b>		<b><u>118,431,538</u></b>	<b><u>79,957,781</u></b>

The condensed interim financial statements were approved by the Board of Directors on May 14, 2020, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi  
Chairman, CEO

Dorel Baba  
Financial Reporting Manager



## **Selected explanatory notes to the condensed financial statements as of March 31, 2020**

### **1. Reporting entity**

Societatea de Investiții Financiare Banat-Crișana SA ("the Company") was established based on Law no. 133/1996 by the reorganization and transformation of Fondul Proprietății Private Banat-Crișana and it is a joint stock company operating under Law 31/1990 and Capital Market Law no. 297/2004 as subsequently amended and supplemented, authorized as AIFM as per Law no. 74/2015.

SIF Banat-Crișana is headquartered in Arad, 35A Calea Victoriei, Arad county, postal code 310158, tel.: +40257 304 438, fax: +40257 250 165. The registration number in the Trade Register Office is: J02/1898/1992, and the tax identification number is: RO 2761040.

The main activity of the company:

- 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.

The Company's shares are listed on the Bucharest Stock Exchange since November 1st, 1999 and are traded on a regulated market, Premium category, with the market symbol SIF1.

The custodian bank of the Company, starting November 28, 2019, is Banca Comercială Română, until that date being BRD Groupe Société Générale (from January 29, 2014).

The company providing registry services is Depozitarul Central SA Bucharest.

The interim financial statements, condensed, prepared as at the end of March 31, 2020, are not audited, or reviewed.

### **2. Basis of preparation**

#### **Statement of compliance**

Pursuant to Rule no. 39/2015 issued by the Financial Supervisory Authority (ASF) of Financial Instruments and Investments Sector, starting with the annual financial statements for the financial year 2015, the entities authorized, regulated and supervised by ASF - Financial Instruments and Investments Sector, shall use the International Financial Reporting Standards adopted by the European Union EU ("IFRS") as the official accounting regulations.

December 31, 2015 is the date of transition to IFRS as an accounting basis, at this date by restatements were performed and accounted for the operations determined by the transition from CNVM Regulation no. 4/2011 to IFRS accounting regulations.

These condensed interim financial statements as at March 31, 2020, have been prepared pursuant to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the standalone financial statements for 2019 prepared in accordance with 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 ASF of Financial Instruments and Investments Sector (The Rule).

Pursuant to IAS 27 and IFRS 10, starting with financial year 2018, the Company measures all its subsidiaries at fair value through profit or loss, except for subsidiaries providing investment-related services, that will continue to be consolidated. Under these circumstances, the Company will prepare two sets of financial statements: standalone and consolidated financial statements, in accordance with IFRS 10 and IAS 27. At the same time, the Company reviewed the analysis regarding the fulfilment of the classification criteria as an investment entity, concluding that they are met, and that it will also apply the exception provided by IFRS 10 regarding the investment entities for the financial statements related to the financial years 2019 and 2020.

#### **(b) Presentation of the financial statements**

The Company adopted a presentation based on liquidity in the condensed interim statement of financial position and a presentation of income and expenses according to their nature in the interim condensed

## **Selected explanatory notes to the condensed financial statements as of March 31, 2020**

statement of comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than the information presented on other methods allowed by IAS 1 "Presentation of financial statements".

### **(c) Basis of measurement**

The condensed interim financial statements are prepared on a fair value basis convention, for the financial assets and liabilities, at fair value through profit and loss or by other comprehensive income.

Other financial assets and liabilities as well as non-financial assets and liabilities are stated at amortized cost, revaluated amount or historical cost.

### **(d) Functional and presentation currency**

The Company's management considers that the functional currency, as defined by IAS 21 "The effects of changes in Foreign Exchange Rates", is the Romanian Leu (RON or lei). The condensed interim financial statements are presented in RON, rounded to the nearest unit, which is the presentation currency chosen by the Company's management.

### **(e) Use of estimates and judgements**

The preparation of the condensed interim financial statements pursuant to IFRS requires that management makes estimates, judgements, and assumptions that affect the application of accounting policies as well as the reported value of assets, liabilities, income and expenses.

Such estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the given circumstances. The result of these estimates forms the basis of judgments used in assessing the carrying value of assets and liabilities for which no other evaluation sources are available. Actual results may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period or if the period of the revision and future periods are affected the revision affects both current and future periods. Judgments made by the management in applying IFRS that have a significant impact on the separate financial statements and the estimates that involve a significant risk of a material adjustment in the next year are presented in the *Notes to the condensed interim financial statements*.

### **(f) Changes in the accounting policies**

The accounting policies adopted are consistent with those used in the previous year.

## **3. Significant accounting policies - extract**

The accounting policies used in these condensed interim financial statements are the consistent with those of the standalone financial statements prepared as of December 31, 2019.

### **Assets and financial liabilities**

#### **Financial assets, as per IFRS 9, include the following:**

- investments in equity instruments (e.g. shares)
- investments in debt instruments (e.g. securities, bonds, loans)
- trade receivables and other receivables;
- cash and cash equivalents;
- shareholdings in subsidiaries, associates, and joint ventures.

#### **(i) Classification**

Financial assets held are classified by the Company as per IFRS 9 "Financial Instruments" in financial assets and financial liabilities.

The Company classifies **financial assets** as being measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss on the basis of:

- (a) the entity's business model for the management of financial assets, and
- (b) the characteristics of the contractual cash flows of the financial asset.

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

### Business model

- Represents the way an entity manages its financial assets to generate cash flows: *collecting, sale of assets, or both*;
- Determining it is factually realized considering: *the manner of assessment and reporting of its performance, the existing risks and their management, respectively the way of compensating the management* (based on the fair value or the cash flows associated with these investments);

#### *Model of assets held for collecting*

- Managed to generate cash flows by collecting the principal and interest over the life of the instrument;
- It is not necessary to hold them until maturity;
- There are categories of sales transactions that are compatible with this model: those due to credit risk increase, miscalculated or insignificant value sales, or sales close to the maturity of the instruments;
- Interest income, gains or losses from depreciation or foreign exchange differences are recognized in profit and loss;
- The accounting of these assets (assuming that the SPPI criterion is also met and the fair value through profit and loss option has not been selected) is carried at amortized cost (using the effective interest method).

#### *Model of assets held for collecting and sale*

- Managed both to generate cash flows from collecting and by selling (all) the assets;
- Sales are of high frequency and value compared to the previous model, without specifying a certain threshold for fitting into this model;
- The purpose of these sales may be: managing current liquidity needs, maintaining a certain structure of returns or decisions to optimize the entity's balance sheet (correlating the duration of financial assets with that of financial liabilities).
- The accounting of these assets (assuming that the SPPI criterion is met and the fair value through profit and loss option has not been selected) is made at fair value through other comprehensive income (using the effective interest rate method, interest, gains or losses from impairment) and foreign exchange differences - in profit and loss / change in the fair value of these instruments - in other comprehensive income, amounts recognized in other comprehensive income are recycled through profit or loss on derecognition of the asset).

#### *Other business model*

- Assets managed for the purpose of cash flow from sales;
- Collecting cash flows associated with these investments is incidental, it is not the purpose of holding them;
- Assets whose performance is managed and reported on the basis of their fair value;
- Their accounting is at fair value through profit and loss account.

### SPPI test

It comprises criteria measuring to what extent the structure of the cash flows of a debt instrument classifies within the model of the base credit agreement (the interest reflects to a great extent the value in time of money and credit risk).

There are some ratios indicating the case in which the debt instruments held should be measured at fair value through profit and loss:

- certain non-standard interest rate;
- presence of the leverage effect;
- certain hybrid instruments (including an incorporated derivative).

There are also ratios that, although they would require a registration at fair value, could comply, under certain circumstances, with the SPPI criterion and so the respective assets should be accounted for at amortized cost:

- the existence of an anticipated reimbursement option or extension of the asset term;
- assets without recourse that should guarantee the debt reimbursement
- contractually bound instruments.

### Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset must be measured at fair value through profit or loss, except if it is measured at amortized cost or at fair value through other comprehensive income.

## **Selected explanatory notes to the condensed financial statements *as of March 31, 2020***

### **Financial assets measured at fair value through other comprehensive income (FVOCI)**

A financial asset, such as debt instruments, must be measured at fair value through other comprehensive income if both conditions presented below are met:

- a) the financial asset is held within a business model whose goal is achieved by collecting the contractual cash flows and the sale of financial assets and
- b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the principal owed.

The company can make an irrevocable choice upon the initial recognition in case of certain investments in equity instruments that otherwise would have been measured at fair value through profit or loss to present the subsequent changes of fair value in other comprehensive income (according to pt. 5.7.5 and 5.7.6 of IFRS 9 – Financial Instruments).

### **Financial instruments measured at amortized cost**

A financial asset must be measured at amortized cost if both conditions below are met:

- (a) the financial asset is held within a business model whose goal is to hold financial assets in order to collect the contractual cash flows and
- (b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the principal owed.

### **Financial liabilities**

Financial liabilities are measured at fair value through profit and loss (FVTPL) if they:

- meet the requirements of the definition of being "held for trading"
- are designated in the FVTPL category at the initial recognition (if the specific requirements are met).

The other financial debts are measured at amortized cost.

### **(ii) Recognition**

The assets and liabilities are recognized on the date when the Company becomes a contractual party to the conditions of the respective instrument. When the Company recognizes a financial asset for the first time, it must classify it according to pt. 4.1.1 - 4.1.5 (at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) of IFRS 9 and to assess it according to pt. 5.1.1-5.1.3. (a financial asset or financial liability is measured at fair value adding or subtracting the transaction costs, directly attributable to the acquisition or issue of the asset or liability).

### **(iii) Measurement**

After the initial recognition, the entity must measure (assess) the financial assets according to pt. 4.1.1 – 4.1.5 of IFRS 9 at:

- a) Amortized cost;
- b) Fair value through other comprehensive income; or
- c) Fair value through profit or loss.

After the initial recognition, the entity must measure the financial liabilities according to pt. 4.2.1-4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except for:

- a) the financial liabilities measured at fair value through profit or loss;
- b) the financial liabilities that appear when the transfer of a financial asset does not qualify for derecognition;
- c) financial collateral contracts valued at the highest of the loss provision value (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15);
- d) commitments to provide a loan at an interest rate below the market value measured at the highest of the loss provision value (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15)
- e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

### **Measurement at amortized cost**

The amortized cost of a financial asset or of a financial liability is the value at which the financial asset or the financial liability is measured after the initial derecognition minus the reimbursement of principal, plus

## **Selected explanatory notes to the condensed financial statements *as of March 31, 2020***

or minus the accumulated amortization using the effective interest method for each difference between the initial value and the value at due date, and minus any reduction for estimated credit losses.

The effective interest rate represents the rate that precisely updates the future proceeds in cash during the forecasted life of the financial instrument up to the level of the gross carrying amount of the financial asset or of the financial liability. For the calculation of the effective interest rate, the entity must estimate the cash flows considering all contractual conditions of the financial instrument but must not consider the future losses from the changes in credit risk. The calculation includes all fees paid or cashed by the contracting parties that make integral part of the effective interest rate, transaction costs and all the other premiums and discounts.

### **Measurement at fair value**

Fair value represents the price that would be received upon the sale of an asset or paid to settle a debt within a transaction developed under normal conditions between the participants in the principal market, on the measurement date, or in the absence of the principal market, on the most advantageous market to which the Company has access at that date.

The company measures the fair value of a financial instrument using the prices quoted on an active market for that instrument. A financial instrument has an active market if for that instrument quoted prices are readily available and regularly. The company measures the instruments quoted on the active markets using the closing price.

A financial instrument is considered as being quoted on an active market when the quoted prices are readily and regularly available from an exchange, dealer, broker, association within the industry, a service for establishing the prices or a regulatory agency, and these prices reflect the transactions occurring actually and regularly, developed under objective market conditions.

Within the category of shares quoted on an active market, all those shares admitted to trading on the Stock Exchange or on the alternative market having frequent transactions are included. The market price used to determine the fair value is the closing price of the market on the last trading day before the measurement date.

The fund units are measured according to the Unitary Net Asset Value, calculated by the fund administrator using the closing quotations for the quoted financial instruments. If the Company notices that there is no active market for the fund holding, it recurs for measurement to the public financial statements of the fund holding, respectively to the net asset value. According to the net asset, a corrected Unitary Net Asset Value is obtained used to evaluate the units in the financial statements of the company.

Government securities (bonds) are measured based on the market quotation available on Bloomberg for the respective item, multiplied by the unit nominal value.

In the absence of a price quotation on an active market, the Company uses measurement techniques. The fair value of the financial assets not traded on an active market is determined by authorized valuers, within the current assessment compartment within the Company and by external valuers.

The valuation techniques include techniques based on the use of observable inputs, such as the quoted price of the identical element held by another party as asset, on a market that is not active, and for the assets for which the observable prices are not available, measurements techniques based on the analysis of the updated cash flows, and other measurement methods used regularly by the market participants. These include the method of comparisons with similar instruments for which there is an observable market price or the percentage method of the net assets of these companies adjusted with a discount for minority ownership and a discount for lack of liquidity, using at maximum the market information, being based at minimum on the specific company information. The Group uses evaluation techniques that maximize the use of observable data and minimize the use of non-observable data.

The valuation techniques are used consistently.

The value resulted using a measurement model is adjusted depending on the number of factors, because the valuation techniques do not reflect reliably all factors considered by the market participants when closing a transaction. The adjustments are recorded so that to reflect the risk models, the differences between the sale and purchase quotations, the liquidity risks as well as other factors. Company's management considers that these adjustments are necessary to present a correct measure of the value of the financial instruments held at fair value in the statement of financial position.

## **Selected explanatory notes to the condensed financial statements *as of March 31, 2020***

### **(iv) Identification and measurement of value impairment**

The Company must recognize an adjustment for the forecasted losses from credit corresponding to a financial asset that is measured according to pt. 4.1.2 or 4.1.2A of IFRS 9 (debt instruments measured at amortized cost or at the fair value through other comprehensive income), a receivable resulting from a leasing agreement, a credit commitment and a financial guarantee agreement.

The Company applies the impairment provisions for the recognition of the provision for losses corresponding to the assets measured at fair value through other comprehensive income (debt instruments that meet the criteria of pt. 4.1.2A of IFRS 9 – assets held in order to collect the cash flows and sales, whose cash flows represent exclusively principal reimbursement or interest payments). The provision so determined is recognized considering other comprehensive income and does not reduce the carrying amount of the financial asset from the statement of the financial position.

On each reporting date, the Company measures the provision for losses corresponding to a financial instrument as to reflect:

- The credit losses forecasted for a 12-month period, if the credit risk has not increased significantly as of the initial recognition;
- The credit losses forecasted during the entire life if the credit risk has increased significantly as of the initial recognition.

The Company recognizes in profit or loss, as earnings or losses from impairment, the value of the forecasted, recognized or reversed losses, required to adjust the provision for losses on the reporting date up to the level imposed by the provisions of IFRS 9.

The Company assesses the expected credit losses of a financial instrument so that it represents:

- An impartial value, resulted from the weighting of more possible results depending on the probabilities related thereto;
- The time value of money;
- Reasonable information available at no cost or disproportionate effort at reporting date.

The Company may assume that the risk credit for a financial instrument has not increased significantly as of the initial recognition if the financial instrument is considered to have a low credit risk on the reporting date. A financial instrument is considered to have a low credit risk if:

- The debtor has a high capacity to meet the obligations associated with short-term contractual cash flow;
- Unfavourable changes in the business and the business environment may, but not necessarily, reduce the debtor's ability to meet its obligations.

In the assessment of low credit risk for issuers, no real collateral is considered. At the same time, financial instruments are not considered to be low-risk only because they have a lower risk than the other instruments issued by the debtor or in comparison with the credit risk prevailing in the geographical region or the jurisdiction in which it operates. In the credit risk assessment, the company uses both external credit risk ratings and internal ratings that are consistent with generally accepted definitions of credit risk.

### **(v) Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from that financial asset expires, or when the Company transferred the rights to receive the contractual cash flows corresponding to that financial asset in a transaction in which it transferred significantly all risks and benefits of the ownership right.

Any interest in the financial assets transferred retained by the Company or created for the Company is recognized separately as an asset or liability.

The Company derecognizes a financial liability when the contractual obligations ended or when the contractual obligations are cancelled or expire.

Derecognition of financial assets and liabilities is accounted for using the weighted average cost method. This method involves calculating the value of each item based on a weighted average of the value of similar items in stock at the beginning of the period and the value of similar items purchased during the period.

## **Selected explanatory notes to the condensed financial statements as of March 31, 2020**

### **(vi) Reclassifications**

If the Company reclassifies the financial assets according to pt. 4.4.1 of IFRS 9 (as a result of changing the business model for the management of its financial assets), then all the affected financial assets will be reclassified. The financial liabilities cannot be reclassified after the initial recognition.

The Company applies the reclassification of financial assets prospectively as of the reclassification date. The possible earnings, losses or interests previously recognized will not be restated.

If a reclassification occurs, the Company proceeds as follows:

- When reclassifying an asset in the amortized cost category to fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in profit or loss;
- When reclassifying an asset in the fair value through profit or loss category to the amortized cost, the fair value at the date of reclassification becomes the new gross carrying amount;
- When reclassifying an asset in the amortized cost category to fair value through other comprehensive income, fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in other comprehensive income, without adjusting the effective interest rate or the expected loss from the borrowing;
- When reclassifying an asset in the fair value category by other elements of the comprehensive income to the amortized cost, the reclassification is carried at the fair value of the asset from the reclassification date. Amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset, without affecting the profit or loss account. The actual interest rate and the expected loss on credit are not adjusted as a reclassification effect;
- When reclassifying an asset in the fair value through profit or loss category to fair value through other comprehensive income, the asset continues to be measured at its fair value;
- When reclassifying an asset of fair value through other comprehensive income to fair value through profit or loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment (as per IAS1).

### **(vii) Gains and losses**

Gains or losses resulting from a change in the fair value of a financial asset or of a financial liability that is not part of a hedging relationship are recognized as follows:

- a) The gains or losses generated by financial assets or financial liabilities classified as being measured at fair value through profit or loss are recognized in profit or loss;
- b) The gains or losses generated by a financial asset at fair value through other comprehensive income are recognized at other comprehensive income.

Gains on shares measured at fair value through other comprehensive income are recognized as follows:

- Changes in fair value (including exchange rate) in other comprehensive income
- Dividend income is recognized in profit or loss

Gains on debt instruments (bonds):

- Changes in fair value (including exchange rate) in other comprehensive income
- Interest income is recognized in profit or loss

When the asset is derecognized, the accumulated losses or gains previously recognized in other comprehensive income:

- are reclassified from equity in profit or loss, in the case of debt instruments;
- are transferred to retained earnings, in case of equity instruments (shares).

When the financial assets are impaired or derecognized and the financial liabilities are accounted for at amortized cost, and through their amortization process, the Company recognizes the gains or the loss in the income statement.

As regards the recognized financial assets using the settlement date accounting, no change of the fair value of the asset to be received during the period between the trading date and the settlement date is recognized for the assets carried at cost or at amortized cost (except for impairment losses). But for the assets accounted for at fair value, the change in fair value must be recognized in profit or loss or in equity, as the case may be.

## **Selected explanatory notes to the condensed financial statements *as of March 31, 2020***

### **Other financial assets and liabilities**

Other financial assets and liabilities are measured at amortized cost using the effective interest method.

### **4. Management of significant risks**

The risk management activity can be found in the Company organizational structure and it addresses both general and specific risks, as set forth in Law no. 297/2004 and the Regulation of the National Securities Commission (CNVM) no. 15/2004, as amended and completed.

The most significant financial risks to which the Company is exposed to are the credit risk, the liquidity risk and the market risk. The market risk includes the foreign currency risk, the interest rate risk and the price risk of the equity instruments. This note provides information on the Company's exposure to each of the above-mentioned risks, the Company's objectives and policies, and the risk assessment and risk management processes.

The company various policies and procedures for managing and measuring the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

#### **4.1 Financial risks**

##### **(a) Market risk**

Market risk is the present or future risk of recording losses balance and off-balance sheet related due to adverse movements in market price (such as stock prices, interest rates, foreign exchange rates). Company's management sets the limits on the value of risk that may be accepted, which are regularly monitored. However, the use of this approach does not prevent losses outside these limits in the event of more significant market movements.

Position risk is associated with financial instruments portfolio held by the Company with intention to benefit from positive evolution of prices of underlined financial assets or potential dividends/coupons issued by entities. The Company is exposed to general position risk as well as specific, due to short term investments made in bonds, shares and fund units.

The management has monitored and permanently aims to reduce to a minimum the possible adverse effects related to this financial risk, through an active procedure of diversifying prudently the investment portfolio and by using one or more technics of diminishing of the risk through trading activity or market prices evolution related to financial instruments held by the Company.

##### *Concentration risk*

Concentration risk concerns all assets held by the Company, regardless of the period of holding them, and through mitigating this risk is intended to avoid an exposure too large on the same debtor/entity at Company level.

The management policy of diversifying exposures is applied to the portfolio structure, business structure as well as the structure of financial risks exposure. Thus, this diversifying policy implies: avoiding excessive exposures on a single debtor, issuer, country or geographical area; diversifying business structure implies avoiding at Company's level the excessive exposure against specific type of business/sector; diversifying the structure of financial risks intends to avoid excessive exposure against the same financial risk.

The market risk of equity instruments is mainly the result of shares measured at fair value through other comprehensive income and through profit or loss. Entities in which the Company holds shares operate in various industries.

The objective of market risk management is to control and manage market risk exposures in acceptable parameters to the extent that profitability is optimized.

The Company's strategy for managing market risk is driven by its investment objective, and market risk is managed in accordance with its policies and procedures.

The Company is exposed to the following categories of market risk:

##### *(i) Equity Price risk*

Price risk is the risk of losses in both balance sheet and off-balance sheet positions due to changes in asset prices.



## Selected explanatory notes to the condensed financial statements as of March 31, 2020

The Company is exposed to the risk of fair value of financial instruments fluctuation due to changes in market prices, whether caused by factors specific to the activity of its issuer or factors affecting all instruments traded in the market.

The Board of Directors monitors the market risk management and internal procedures, which require that when price risks are not consistent with the Company's investment policy and principles, it shall proceed to rebalance the portfolio.

A positive change of 10% in the price of financial assets at fair value through profit or loss (shares of subsidiaries, associates, fund units and corporate bonds) would lead to an increase in profit after tax by RON 107,994,145 (December 31, 2019: RON 115,285,158), a negative change of 10% having an equal net impact on the opposite direction.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of tax, of RON 93,497,925 (December 31, 2019: RON 128,716,923), a negative change of 10% with an equal net impact on an opposite direction.

The company holds shares in companies operating in various sectors, such as:

As it can be noticed from the table below, as at March 31, 2020, the Company mainly held shares in companies in the banking-financial and insurance field, having a weight of 46.9% on the total portfolio, lower than the 54.5% weight as of December 31, 2019.

in RON	March 31, 2020	%	December 31, 2019	%
Financial intermediation and insurance	879,908,081	46.9%	1,257,441,617	54.5%
Manufacturing industry	334,119,686	17.8%	348,689,712	15.1%
Hotels and restaurants	131,685,776	7.0%	136,308,329	5.9%
Wholesale and retail trade, repair of motor vehicles	32,259,604	1.7%	32,259,604	1.4%
Production and supply of energy, gas and water	14,865,418	0.8%	15,728,248	0.7%
Extractive industry	54,329,175	2.9%	74,340,858	3.2%
Other activities	2,923,253	0.2%	3,408,584	0.1%
Financial services applicable to real estate	369,229,415	19.7%	369,229,415	16.0%
Constructions	408,679	0.0%	408,679	0.0%
Transportation and storage	47,748,000	2.5%	60,662,664	2.6%
Rental of property investment	8,572,298	0.5%	8,572,298	0.4%
Agriculture, forestry and fishing	750,920	0.0%	750,922	0.0%
<b>TOTAL</b>	<b>1,876,800,304</b>	<b>100%</b>	<b>2,307,800,930</b>	<b>100%</b>

The decrease in the total value of the portfolio under management compared to the end of the previous year is due to the adverse effects of the Covid-19 pandemic on the market prices of the listed financial assets in the Company's portfolio.

As of March 31, 2020 and December 31, 2019, the Company holds fund units in the closed end investment funds Active Plus, Optim Invest, Certinvest Shares, Star Value and Romania Strategy. The Company is exposed to price risk in terms of placements made with different degrees of risk by these Investment Funds, the fair value of the investments in these assets being as of March 31, 2020 of RON 288,910,639 (December 31, 2019: RON 366,420,729).

### (ii) Interest rate risk

Interest rate risk is the risk that revenues or expenses, or the value of assets or liabilities of the Company fluctuate due to changes in market interest rates.

As regards the interest-bearing financial instruments: the interest rate risk consists of the risk of fluctuation recorded in the value of a financial instrument due to changes in interest rates and risk differences between the maturity of interest-bearing financial assets and interest-bearing liabilities. However, the interest rate risk may also affect the value of assets bearing fixed interest rates (e.g. bonds) so that an increase in interest rate on the market will determine a decrease in the value of future cash flows generated by them and may lead to their price reduction if it increases the preference of investors to place their funds in bank deposits or other instruments whose interest has grown, and vice versa - a reduction in interest rate on the market may increase the price of shares and bonds and will lead to an increase in the fair value of future cash flows.

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

With respect to the Company's interest-bearing financial instruments, the policy is to invest in profitable financial instruments, with due date over 1 year. With respect to the fixed interest-bearing assets or tradable assets, the Company is exposed to the risk that fair value of future cash flows related to financial instruments will fluctuate as a result of changes in market interest rates. However, most financial assets of the Company are in stable currencies whose interest rates are unlikely to vary significantly.

Thus, the Company will be subject to limited exposure to the fair value interest rate risk or to future cash flows due to fluctuations in the prevailing levels of market interest rates.

The Company does not use derivative financial instruments for protection against interest rate fluctuations.

The following table shows the annual interest rates earned by the Company for interest-bearing assets during the first quarter of 2020:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Cash and cash equivalents	0.89	2.75	-	-
Financial assets at fair value through profit and loss*	5.04	5.16	5.91	6.00
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	13.00	13.00

\* In the financial assets at fair value through profit and loss are included bonds, denominated in RON and foreign currency, issued by subsidiaries of SIF Banat-Crişana and bonds issued by Banca Transilvania.

\*\* Corporate bonds are included in the financial assets at fair value through other items of comprehensive income.

The following table shows the annual interest rates earned by the Company for interest-bearing assets during the first quarter of 2019:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Cash and cash equivalents	1.00	3.00	-	-
Financial assets at fair value through profit and loss*	5.03	5.15	6.00	6.00
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	5.98	6.01

\* In the financial assets at fair value through profit and loss are included bonds, denominated in RON and foreign currency, issued by subsidiaries of SIF Banat-Crişana

\*\* Corporate bonds are included in the financial assets at fair value through other items of comprehensive income.

The following table presents a summary of Company's exposure to the interest rate risk. The table includes the Company's assets and liabilities at the carrying amounts classified by the most recent date of the change in the interest rate and the maturity date.

in RON	March 31, 2020	December 31, 2019
Cash and cash equivalent*	87,500,000	86,900,000
Bank deposits	3,000,000	4,500,000
Financial assets at fair value through profit and loss – corporate bonds	54,145,851	54,662,924
Financial assets at fair value through comprehensive income – corporate bonds	4,766,723	5,043,356
Investments measured at amortized cost – corporate bonds	43,428,600	43,013,700
<b>TOTAL</b>	<b>192,841,174</b>	<b>194,119,980</b>

\* Within the cash equivalents short-term investments in bank deposits (maturity less than 3 months) are included

Impact on the Company's net profit (through interest income) of a change of  $\pm 1.00\%$  in the interest rate on variable interest rate assets and liabilities denominated in other currencies in conjunction with a change of  $\pm 1.00\%$  in the interest rate related to the assets and liabilities bearing variable interest and expressed in RON is of RON 1,619,866 (December 31, 2019: RON 1,630,608).

For bonds recorded at fair value (level 1 & level 2) held, a variation of  $\pm 5\%$  of their market price determines a net impact in the amount of  $\pm$  RON 1,999,188 (December 31, 2019: RON 2,023, 532) in the profit or loss

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

account respectively in the amount of +/- RON 200,202 (December 31, 2019: RON 211,811) in other comprehensive income.

In the case recorded at fair value by (level 3), a variation of +/- 1% of their average market yield determines a net impact in the amount of – RON 9,388 / + RON 9,415 in the profit account or loss (December 31, 2019: - RON 25,391 lei / + 25,553 lei).

In the case highlighted at amortized cost, a variation of +/- 1% of their average market yield determines a net impact on the bond price of -RON 99,799 / +RON 100,210 (December 31, 2019: - RON 211,902 / + RON 213,805).

### (iii) Currency risk

Currency risk is the risk of loss or failure to achieve the estimated profit as a result of unfavourable exchange rate fluctuations. The Company invests in financial instruments and enters into transactions which are denominated in currencies other than the functional currency, thus being exposed to risks that the exchange rate of the national currency in relation to another currency may adversely affect the fair value or future cash flows of that share of financial assets and liabilities denominated in other currencies.

In the reporting periods the company conducted transactions in Romanian currency (RON) and in foreign currencies. The Romanian currency has fluctuated compared to the foreign currencies EUR and USD.

The financial instruments used enable the conservation of the value of monetary assets held in RON, by making investments and collecting interest according to their maturity.

The Company has not carried out any exchange rate derivative transaction during the financial years presented.

The Company's assets and liabilities in RON and foreign currencies on March 31, 2020, and December 31, 2019 can be analysed as follows:

*Financial assets exposed to foreign currency risk (in RON)  
in RON*

	March 31, 2020	December 31, 2019
Cash and cash equivalent	30,603,712	29,486,095
Financial assets at fair value through profit and loss – (including assets held by investment funds) *	32,887,302	44,435,959
Financial assets at fair value through comprehensive income**	122,583,596	236,821,963
Investments measured at amortized cost	45,090,950	43,246,691
<b>Total assets</b>	<b>231,165,560</b>	<b>353,990,708</b>
Liabilities on leasing contract	(1,081,494)	(1,121,202)
<b>Total liabilities</b>	<b>(1,081,494)</b>	<b>(1,121,202)</b>
<b>Net financial assets</b>	<b>230,084,066</b>	<b>352,869,507</b>

\* Financial assets at fair value through profit or loss include euro bonds and foreign exchange holdings of closed-end investment funds, proportional to the Company's holding in their net assets.

\*\* Financial assets at fair value through other comprehensive income in EUR result include holdings held abroad, namely Austria - Erste Bank and corporate bonds issued by Impact.

The following table shows the sensitivity of profit or loss as well as equity to possible changes at the end of the reporting period of the exchange rates in line with the reporting currency, consistently maintaining all other variables:

	March 31, 2020		December 31, 2019	
	Impact on P&L account	Impact on OCI	Impact on P&L account	Impact on OCI
EUR increase with 5% (2019: 5%)	4.718.699	4.944.832	5.086.249	9.734.270
EUR decrease with 5% (2019: 5%)	(4.718.699)	(4.944.832)	(5.086.249)	(9.734.270)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (b) Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet its contractual obligations, or a financial engagement in which it has entered into a relationship with the Company, thus resulting in a

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

loss for the Company. The Company is exposed to credit risk as a result of investments in bonds issued by commercial companies or the Romanian State, current accounts and bank deposits and other receivables. The management of the Company closely monitors and expands the exposure to credit risk so that it does not suffer losses as a result of the concentration of credit in a certain sector or field of activity.

As of March 31, 2020 and December 31, 2019, the Company did not have any real collaterals as insurance, nor any other improvements in the credit rating, except for those related to the bonds issued by Blue Air Aviation S.A. (securities and real estate), presented in the table below in category NR (no rating), valued at amortized cost. As of March 31, 2020 and December 31, 2019, the Company, did not record any outstanding financial assets, for which it had not recorded any impairment adjustments.

Below we present the financial assets with exposure to credit risk:

March 31, 2020	Current accounts	Bank deposits	Bonds issued by financial entities (measured at amortized cost)	Corporate bonds (measured at FVOCI)	Corporate bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>							
Rating AAA to A-							
BBB+	30,386,823	55,100,000					85,486,823
BBB	22,893						22,893
BB+	480,575	35,400,000			6,629,108		42,509,683
Baa1	3,378						3,378
NR			45,090,950	4,849,506	48,069,396	12,434,496	110,444,348
<b>TOTAL</b>	<b>30,893,669</b>	<b>90,500,000</b>	<b>45,090,950</b>	<b>4,849,506</b>	<b>54,698,504</b>	<b>12,434,496</b>	<b>238,467,125</b>

December 31, 2019	Current accounts	Bank deposits	Bonds issued by financial entities (measured at amortized cost)	Corporate bonds (measured at FVOCI)	Corporate bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>							
Rating AAA to A-							
BBB+	29,627,080	37,000,000					66,627,080
BBB	23,049						23,049
BB+	504,901	54,400,000			6,664,481		61,569,381
Baa1	3,554						3,554
NR	-		43,246,691	5,053,633	49,118,410	1,191,647	98,610,382
<b>TOTAL</b>	<b>30,158,583</b>	<b>91,400,000</b>	<b>43,246,691</b>	<b>5,053,633</b>	<b>55,782,891</b>	<b>1,191,647</b>	<b>226,833,446</b>

The Company's maximum exposure to credit risk is of RON 238,117,855 as of March 31, 2020 (December 31, 2019: RON 226,833,446) and can be analysed as follows:

	Credit rating			March 31, 2020	December 31, 2019
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	30,204,261	29,435,631
Banca Transilvania	BB+	Banca Transilvania	Fitch	35,880,575	54,904,901
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	55,282,102	37,191,183
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	22,893	23,049
Raiffeisen Bank Romania	Baa2	Raiffeisen Bank Romania	Moody's	3,378	3,554
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	460	266
<b>TOTAL (Note 11 and 12)</b>				<b>121,393,669</b>	<b>121,558,583</b>

\* For banks for which there is no rating, the parent company's rating was considered

The cash and cash equivalent and bank deposits are not past due and not impaired. The corporate bonds are not past due and not impaired.

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

The Company's exposure to credit and counterparty risk through corporate bonds held as of March 31, 2020 is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of March 31, 2020 - RON	Maturity
Banca Transilvania*	Eur	2,260,999	0.61	5.93%	6,546,135	2020
Blue Air Aviation**	Eur	90	100,000.00	13.00%	43,428,600	2020
Impact SA**	Eur	210	5,000.00	5.75%	4,766,723	2022
Vrancart SA*	RON	368,748	100.00	5.16%	37,612,296	2024
Sifi Bh Retail SA**	Eur	1,100	2,000.00	6.00%	9,987,420	2021
<b>Total</b>					<b>102,341,174</b>	

\* variable interest rate

\*\* fixed interest rate

Concerning the bonds issued by Blue Air Aviation S.A. we specify that subsequent to the reporting date, in the current economic and social context, the issuer requested a loan from the Romanian Government, given the temporary halt of regular flights during the state of emergency. At the end of April 2020, the Government approved the memorandum lending Blue Air Aviation S.A. and Tarom S.A. the total amount of EUR 130 million. The gradual resumption of the company's operations is expected to commence after May 15, 2020.

The Company's exposure to credit and counterparty risk through corporate bonds held as of December 31, 2019 is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of December 31, 2019 - RON	Maturity
Banca Transilvania*	Eur	2,260,999	0.61	5.91%	6,483,596	2020
Blue Air Aviation**	Eur	90	100,000.00	13.00%	43,013,700	2020
Impact SA**	Eur	210	5,000.00	5.75%	5,043,356	2022
Vrancart SA*	RON	368,748	100.00	5.04%	37,612,296	2024
Sifi Bh Retail SA**	Eur	1,100	2,000.00	6.00%	10,567,032	2021
<b>Total</b>					<b>102,719,980</b>	

\* variable interest rate

\*\* fixed interest rate

### (c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations arising from short-term financial liabilities that are settled by payment in cash or other financial means, or the risk that such obligations are settled in an unfavourable manner for the Company.

The company monitors the progress of its liquidity levels to be able to meet its payment obligations at due date and constantly analyses its assets and liabilities, based on the remaining period to the contractual maturities.

In the current economic context, the Company's management has adopted a prudent policy of managing monetary investments, maintaining a weight of available liquidity in total assets allowing at any time the coverage of any outstanding payment obligations and a liquidity reserve to provide the financing of any attractive investment opportunities.

The breakdown of assets and liabilities was analysed based on the remaining period from the balance sheet date to contractual maturity date, both as of December 31, 2020 and December 31, 2019, as follows:

<i>in RON</i>	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
<b>March 31, 2020</b>					
<b>Financial assets</b>					
Cash and cash equiv.	<b>118,431,538</b>	118,431,538	-	-	-
Bank deposits	<b>3,027,565</b>	3,027,565	-	-	-
Financial assets at FVTPL	<b>1,135,383,143</b>	6,978,378	10,107,830	37,612,296	1,080,684,640
Financial assets at FVTOCI	<b>1,089,875,809</b>	82,783	-	4,766,723	1,085,026,303
Financial assets at amortized cost	<b>45,090,950</b>	45,090,950	-	-	-
Other financial assets	<b>13,840,228</b>	13,840,228	-	-	-
<b>Total financial assets</b>	<b>2,405,649,233</b>	<b>187,451,442</b>	<b>10,107,830</b>	<b>42,379,019</b>	<b>2,165,710,943</b>

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

<i>in RON</i>	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
<b>Financial liabilities</b>					
Liabilities on leasing contract	1,081,494	51,531	157,685	872,278	-
Other financial liabilities	1,755,685	1,755,685	-	-	-
<b>Total financial liabilities</b>	<b>2,837,180</b>	<b>1,807,216</b>	<b>157,685</b>	<b>872,278</b>	<b>-</b>
<b>Liquidity surplus</b>	<b>2,402,812,054</b>	<b>185,644,225</b>	<b>9,950,145</b>	<b>41,506,741</b>	<b>2,165,710,943</b>

<i>in RON</i>	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
<b>December 31, 2019</b>					
<b>Financial assets</b>					
Cash and cash equiv.	117,203,806	117,203,806	-	-	-
Bank deposits	4,512,500	1,504,083	3,008,417	-	-
Financial assets at FVTPL	1,226,791,154	1,119,967	6,483,596	48,179,328	1,171,008,263
Financial assets at FVTOCI	1,508,267,047	-	10,277	5,043,356	1,503,213,414
Financial assets at amortized cost	49,911,172	-	49,911,172	-	-
Other financial assets	2,597,379	2,597,379	-	-	-
<b>Total financial assets</b>	<b>2,902,618,577</b>	<b>122,425,235</b>	<b>52,748,980</b>	<b>53,222,684</b>	<b>2,674,221,677</b>
<b>Financial liabilities</b>					
Liabilities on leasing contract	1,121,202	64,292	139,681	917,229	-
Other financial liabilities	7,492,598	7,492,598	-	-	-
<b>Total financial liabilities</b>	<b>8,613,799</b>	<b>7,556,890</b>	<b>139,681</b>	<b>917,229</b>	<b>-</b>
<b>Liquidity surplus</b>	<b>2,894,004,777</b>	<b>114,868,345</b>	<b>52,609,300</b>	<b>52,305,456</b>	<b>2,674,221,677</b>

### 4.2 Other risks

By the nature of the business object, the Company is exposed to various types associated to financial instruments and to market on which it invests.

The main types of risks the Company is exposed to are:

- taxation risk;
- economic environment risk;
- operational risk.

The risk management considers the maximization of Company's profit related to the risk level it is exposed to.

The Company uses various management and measurement policies and procedures for the risk types it is exposed to. These policies and procedures are presented in the subchapter dedicated to each type of risk.

#### (a) Taxation risk

Starting with 1 January 2007, following Romania's accession to the European Union, the Company had to comply with the EU regulations and, therefore, prepared to implement changes brought by the European legislation. The Company has implemented these changes, but their implementation remains open to tax audit for 5 years.

Interpretation of texts and practical implementation of the procedures of the new applicable tax regulations could vary and there is a risk that in some cases the tax authorities might adopt a position different from that of the Company.

In terms of income tax there is a risk of different interpretation by the tax authorities to accounting treatments that were determined by the transition to IFRS as an accounting basis.

In addition, the Romanian Government has several agencies authorized to conduct audits (controls) of companies operating in Romania. These controls are similar to tax audits in other countries and may extend not only to tax matters but also to other legal and regulatory issues of interest to these agencies. The Company may be subject to tax audits as new tax regulations are issued.

## **Selected explanatory notes to the condensed financial statements *as of March 31, 2020***

### **(b) Economic environment risk**

SIF Banat-Crișana's management cannot predict all the effects of the financial crisis with an impact on the financial sector in Romania, but has confidence in that in the first three months of 2020 has adopted the necessary measures for the Company's sustainability and development under the present state of the financial market by monitoring its cash flows and adapting its investment policies.

Risk avoidance and mitigation of their effects are ensured by the company through an investment policy complying with the prudential rules imposed by the applicable laws and regulations in force.

SIF Banat-Crișana has adopted risk management policies through which risks are actively managed, by implementing specific risk identification, evaluation, measurement and control procedures meant to provide reasonable assurance with respect to the achievement of the Company's objectives, thus seeking a consistent balance between risk and expected profit.

The risk management aims at: (i) identifying and assessing significant risks with major impact in achieving the target investment and developing activities to counter the risk identified; (ii) adapting the risk management policies to the developments in the financial capital market, monitoring performance and improving risk management procedures; (iii) reviewing investment decisions in line with the development of the capital and money market; (iv) compliance with the legislation in force.

During March 2020, amid the global spread of tensions over the Covid-19 virus, the Federal Reserve cut to 0% the key monetary policy interest rates, in two exceptional meetings, along with a \$ 700 billion package for operations of quantitative relaxation.

The exceptional measures taken by most countries in the world (implicitly by Romania's main economic partners) to limit the spread of the Sars-Cov2 virus make it impossible to make a realistic estimate of the return to normal of economic activity worldwide, although some economies estimate a limited and gradual resumption of trade operations from May 2020.

### **(c) Operational risk**

Operational risk is the risk of direct or indirect loss resulting from deficiencies or weaknesses in procedures, personnel, the Company's internal systems or from external events that can have an impact on its operations. Operational risks arise from all the Company's activities.

The Company's objective is to manage the operational risk so as to limit financial loss, not damage its reputation and achieve the investment objective of generating returns for investors.

The primary responsibility for implementation and development of control over the operational risk lies with the Board of Directors. This responsibility is supported by the development of general standards of operational risk management, including controls and processes within service providers and service commitments with service providers.

Amidst the situation created by the COVID-19 virus, the Company has adopted a plan of measures to ensure the continued conduct of business in safe conditions and to minimize operational risks by implementing a business continuity plan and by adapting and updating the internal policies and mechanisms to ensure the uninterrupted and safe connection with investors, shareholders and market institutions.

### **(d) Capital adequacy**

The management policy with respect to capital adequacy focuses on maintaining a sound capital base in order to support the ongoing development of the Company and attain the investment objectives.

The Company's equity includes the share capital, different types of reserves and the retained earnings. The equity amounted to RON 2,317,256,081 as of March 31, 2020 (RON 2,748,203,454 as of December 31, 2019).

## **5. Dividend income**

In accordance with IFRS 9 and since the Company has opted to measure participations by other comprehensive income, dividends from these shareholdings are recognized as income unless they are a substantially recovery of the cost of investment. Dividend income is recorded as gross value. The tax rate for dividends from companies was 0% (2019: 0%). The breakdown of dividend income on the main counterparties is shown in the table below:

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

<i>Denominated in RON</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>Measurement</b>
SAI Muntenia Invest SA	12,237,552	13,557,288	FVTOCI
BIOFARM BUCURESTI	3,620,966	-	FVTPL
<b>Total</b>	<b>15,858,518</b>	<b>13,557,288</b>	

### 6. Interest income

Interest income (assets at amortized cost, assets at fair value through other comprehensive income)

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Interest income on deposits and current accounts	566,163	180,350
Interest income on bonds measured at amortized cost	1,429,359	96,786
Interest income on assets measured through other comprehensive income (corporate bonds)	72,506	71,116
	<b>2,068,028</b>	<b>348,252</b>

Interest income (assets at fair value through profit and loss)

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Interest income on bonds	727,774	1,263,691
<b>Total</b>	<b>727,774</b>	<b>1,263,691</b>

### 7. Profit/(Loss) on measurement of assets through profit and loss

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Profit / (Loss) from measurement / disposal of fund units	(77,510,110)	5,369,919
Profit / (Loss) from measurement of bonds	(680,722)	(2,765,610)
Profit / (Loss) from measurement of shares in subsidiaries and associates	(12,813,513)	(7,726,667)
<b>Total</b>	<b>(91,004,345)</b>	<b>(5,122,358)</b>

At March 31, 2020, the Company measured the investments held in fund units, the shares held in subsidiaries and associates (valued at level 1) and the bonds held, through the profit and loss account, resulting in a decrease amounting to RON 91 million.

As of March 31, 2019, the Company measured the investments held in fund units, the shares held in subsidiaries and associates (valued at level 1) and the bonds held in subsidiaries, through the profit and loss account, resulting in a decrease in value amounting to RON 4.3million.

During Q1 2019, fund units were redeemed by the Closed-End Investment Fund Omnitrend in the amount of RON 20.7 million, RON 0.8 million below the current book value.

### 8. Fees and commissions expenses

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
ASF commissions	626,308	511,799
Depository fees	90,076	73,226
Fees payable to SSIF (brokers)	48	112,667
Registry fees	36,000	36,000
Other fees and commissions	16,659	21,733
<b>Total</b>	<b>769,091</b>	<b>755,425</b>



## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

### 9. Other operating expenses

<i>denominated in RON</i>	March 31, 2020	March 31, 2019
Expenses with other taxes and fees and assimilated payments	150,501	60,660
Expenses with salaries and other personnel expenses	2,109,324	2,940,980
Depreciation expenses	64,463	62,715
Expenses for external services	486,447	509,034
Expenses on interest depreciation of assets with the right to use under the leasing contract	74,053	-
<b>Total</b>	<b>2,884,788</b>	<b>3,573,389</b>

In other operating expenses are included personnel expenses, expenditure with taxes and fees, depreciation expenses and other expenses on external services.

In the period ended on March 31, 2020, the average number of employees was of 34 (March 31, 2019: 34), and the number of employees recorded at the end of the reporting period was of 34 (March 31, 2019: 34).

The company makes payments to institutions of the Romanian State in the account of the pensions of its employees.

All employees are members of the pension plan of the Romanian State. The company does not operate any other pension scheme or post-retirement benefits and, consequently, has no other obligations concerning pensions. Furthermore, the Company is not bound to provide additional benefits to employees after their retirement.

### 10. Income tax

<i>denominated in RON</i>	March 31, 2020	March 31, 2019
<b>Current income tax</b>		
Current income tax (16%)	-	787,418
Tax on dividend (0%, 5%)	-	
Tax exemption on transactions with ownership greater than 10%		
<b>Expense on / (income) deferred tax</b>		
Financial assets at FVTOCI		
Financial assets at FVTPL		
Tangible assets / Investment property		
<b>Total income tax recognized in profit or loss</b>	<b>-</b>	<b>787,418</b>

The effective tax rate used to calculate the deferred tax of the Company was of 16%.

Reconciliation of profit before tax with expense on income tax in the profit and loss account:

<i>denominated in RON</i>	March 31, 2020	March 31, 2019
<b>Profit before tax</b>	<b>(72,579,442)</b>	<b>7,419,859</b>
<b>Tax under statutory tax rate of 16% (2019: 16%)</b>	<b>(11,612,711)</b>	<b>1,187,177</b>
<b>Income tax effect of:</b>		
Tax on dividend (0%, 5%)	-	-
Non-deductible expenses and similar items	2,472,557	1,792,305
Non-taxable revenues	(2,537,363)	(2,169,166)
Revenue related items	36,241	13,457,839
Expenses related items		
Recoverable tax loss	11,641,275	-
Deferred tax	-	-
Amounts of sponsorship within legal limits and other deductions	-	(24,000)
Tax recognized in retained earnings	-	(13,456,737)
<b>Income tax</b>	<b>-</b>	<b>787,418</b>

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

### 11. Cash and cash equivalents

<i>denominated in RON</i>	March 31, 2020	December 31, 2019
Cash in hand and other valuables	33,584	10,066
Current accounts in banks	30,893,669	30,158,583
Deposits in banks with original maturity less than 3 months (including interest)	87,504,285	87,035,157
<b>Cash and cash equivalents with maturity less than 3 months</b>	<b>118,431,538</b>	<b>117,203,806</b>

Current bank accounts and bank deposits are permanently available to the Company and are not restricted.

### 12. Bank deposits

<i>denominated in RON</i>	March 31, 2020	December 31, 2019
Bank deposits with initial maturity over 3 months	3,000,000	4,500,000
Interest on deposits	27,565	12,500
<b>Cash and cash equivalents with maturity over 3 months</b>	<b>3,027,565</b>	<b>4,512,500</b>

### 13. Financial assets measured at fair value through profit and loss account

<i>denominated in RON</i>	March 31, 2020	December 31, 2019
Shares	791,774,001	804,587,514
Fund units	288,910,639	366,420,749
Corporate bonds (including attached interest)	54,698,504	55,782,891
<b>Total</b>	<b>1,135,383,143</b>	<b>1,226,791,154</b>

As the Company met the classification criteria as an "investment entity", it measures all its subsidiaries at fair value through profit or loss, except for subsidiaries providing investment-related services, that will continue to be consolidated.

The movement of the financial assets measured at fair value through profit and loss account as of March 31, 2020, is presented in the table below:

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds	Total
<b>January 1, 2020</b>	<b>804,587,514</b>	<b>366,420,749</b>	<b>55,782,890</b>	<b>1,226,791,153</b>
Acquisitions	-	-	-	-
Sales	-	-	-	-
Change in interest receivable			(567,314)	(567,314)
Change in fair value (including foreign exchange differences) – level 1	(12,813,513)	(77,510,110)	(517,073)	(90,840,696)
<b>March 31, 2020</b>	<b>791,774,001</b>	<b>288,910,639</b>	<b>54,698,503</b>	<b>1,135,383,143</b>

As of March 31, 2020, the holdings in subsidiaries and associated entities (level 1) were measured at fair value, the difference being an unfavourable one amounting to RON 12.8 million (vs. the value as of December 31, 2019).

The measurement of the fund units at fair value on March 31, 2020 generated an unfavourable difference of RON 77.5 million (vs. the value on December 31, 2019).

The movement of financial assets measured at fair value through profit and loss account in 2019 is presented in the following table:

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds	Total
<b>January 1, 2019</b>	<b>769,377,480</b>	<b>295,681,969</b>	<b>40,929,815</b>	<b>1,105,989,265</b>

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

<i>denominated in RON</i>	<b>Shares</b>	<b>Fund units</b>	<b>Corporate bonds</b>	<b>Total</b>
Acquisitions	44,424,999	8,499,912	70,713,000	123,637,912
Sales		(21,455,867)	(60,904,960)	(82,360,827)
Change in interest receivable			571,546	571,546
Change in fair value (including foreign exchange differences)	(9,214,965)	83,694,734	(2,190,992)	72,288,777
Reclassification from amortized cost			6,664,481	6,664,481
<b>December 31, 2019</b>	<b>804,587,514</b>	<b>366,420,749</b>	<b>55,782,890</b>	<b>1,226,791,153</b>

Acquisitions of shares in 2019 amounting to RON 44.4 million mainly include purchases of Biofarm shares.

During 2019 fund units in closed end Investment Fund Optim Invest were purchased, amounting to RON 8.5 million.

During the period fund units were redeemed with the book value of RON 21.5 million, by Omnitrend closed end investment fund with a loss of RON 0.8 million.

Purchases of corporate bonds amounting to RON 70.7 million include the equivalent of 7,500 bonds issued by BIFI BH retail, denominated in euro. The amount of RON 60.9 million represents the early repurchase of 6,400 bonds issued by SIFI BH Retail SA.

During 2019, the Company reclassified Banca Transilvania's bonds from measured at amortized cost to measured at fair value through profit or loss.

### 14. Financial assets measured at fair value through other comprehensive income

The fair value of the shares for which the Company selected the option of accounting at fair value through other comprehensive income as of March 31, 2020 and December 31, 2019 is presented below, structured on the main sectors of economic activity. The Company has chosen this presentation under IFRS 9, provided that this option is consistent with the Company's investment strategy and horizon regarding these investments.

The movement of financial assets measured at fair value through other comprehensive income in the Q1 2020 is presented in the table below:

<i>denominated in RON</i>	<b>Shares *</b>	<b>Corporate bonds**</b>
<b>January 1, 2020</b>	<b>1,503,213,414</b>	<b>5,053,634</b>
Acquisitions	7,250,565	-
Sales	(23,780)	-
Change of interest receivable		72,506
Change in fair value (including foreign exchange differences)	(425,413,896)	(276,633)
<b>March 31, 2020</b>	<b>1,085,026,304</b>	<b>4,849,506</b>

\* the option to measure at fair value through other comprehensive income was exercised at initial recognition

\*\* SPPI tested and recognized as held to collect and sale

Purchases of shares during Q1 2020, amounting to RON 7.3 million, mainly include the acquisition of Banca Transilvania shares, amounting to RON 4.4 million, Bursa de Valori București RON 2.5 million and the subscription to the share capital increase at Mobex SA Târgu Mureș with the amount of RON 0.4 million.

No significant sales were made during Q1 2020.

The movement in 2019 of financial assets measured at fair value through other comprehensive income is presented in the table below:

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

<i>denominated in RON</i>	<u>Shares *</u>	<u>Corporate bonds**</u>
<b>January 1, 2019</b>	<b>1,274,462,535</b>	<b>4,882,639</b>
Acquisitions	6,586,167	-
Sales	(107,323,972)	-
Change of interest receivable		248
Change in fair value (including foreign exchange differences)	329,488,684	170,747
<b>December 31, 2019</b>	<b>1,503,213,414</b>	<b>5,053,634</b>

\* the option to measure at fair value through other comprehensive income was exercised at initial recognition

\*\* SPPI tested and recognized as held to collect and sale

Purchases of shares in 2019, in the total amount of RON 6.6 million mainly include the acquisition of Intercontinental SA Bucharest shares in the amount of RON 5.1 million and the participation in the share capital of the company CCP.RO (Central Counterparty) in the amount of RON 1.43 million.

The sales of shares in the amount of RON 107.3 million, mainly include the sale of shares of Erste Bank (RON 93.9 million), Minerva SA (RON 8.9 million), Mobicom SA (RON 1.6 million), Famos SA (1.6 million), SIF Moldova (RON 0.8 million), Nord Constructii (RON 0.5 million), etc.

The gain on transactions amounting to RON 54.7 million was recognized in the retained earnings.

The Company uses the following hierarchy of methods to measure fair value:

- Level 1: quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs: quoted market prices in active markets for similar instruments; valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques largely based on unobservable input.

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or on prices quoted by intermediaries (brokers).

The fair value of the financial instruments for which there is no active market (Level 2 and 3) and those that are not traded is determined by external appraisers and authorized appraisers within the Appraisal dept. of the Company, using the strategy set by the management of the issuer and appraisal techniques that meet the requirements of IFRS 13 and the ANEVAR Valuation Standards, in line with best valuation practices. These techniques include: techniques based on the present net value, the discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price and using the method approved by ASF namely a percentage of the net assets of these companies, reduced by a discount for minority ownership and a discount for lack of liquidity.

Valuation techniques are used consistently, there are no changes in their application.

An analysis of the financial instruments and investment property recognized at fair value according to the valuation method is presented in the following table:

Given the current economic and social situation, it is impossible to make feasible estimates of the main variables taken into account in determining the fair value of Level 3 financial assets, namely net cash flows, revenue and expenditure budgets, investment budgets and discount rates. Thus, at the date of presentation of the interim financial statements on March 31, 2020, the Company maintained in the case of these assets the values presented in the annual financial statements as of December 31, 2019, values resulting from valuation reports prepared by independent external evaluators.

<b>March 31, 2020</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>denominated in RON</i>				
Financial assets at fair value through profit and loss - shares	238,662,036		553,111,965	791,774,001
Financial assets at fair value through profit and loss - fund units	288,910,639			288,910,639
Financial assets at fair value through profit and loss - bonds	37,961,566	16,736,938		54,698,504

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

### March 31, 2020

<i>denominated in RON</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through other comprehensive income - shares	971,961,697		113,064,607	1,085,026,304
Financial assets at fair value through other comprehensive income – corporate bonds	4,849,506			4,849,506
Investment property	238,662,036		12,876,581	12,876,581
Land and buildings	288,910,639		3,702,925	3,702,925
	<u>1,542,345,444</u>	<u>16,736,938</u>	<u>682,756,078</u>	<u>2,241,838,460</u>

### December 31, 2019

<i>denominated in RON</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit and loss – shares	251,475,549	-	553,111,966	804,587,515
Financial assets at fair value through profit and loss – fund units	366,420,749	-	-	366,420,749
Financial assets at fair value through profit and loss – bonds	37,958,535	17,824,356	-	55,782,891
Financial assets at FVOCI - shares	1,390,518,610	-	112,694,805	1,503,213,415
Financial assets at FVOCI – corporate bonds	5,053,633	-	-	5,053,633
Financial assets at amortized cost – corporate bonds	-	-	20,047,164	20,047,164
Investment property	-	-	3,734,817	3,734,817
Land and buildings	251,475,549	-	553,111,966	804,587,515
	<u>2,051,427,076</u>	<u>17,824,356</u>	<u>689,588,752</u>	<u>2,758,840,184</u>

During the first 3 months of 2020, no transfers between the levels of fair value were made.

## 15. Financial assets measured at amortized cost

<i>denominated in RON</i>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Bonds	43,428,600	43,013,700
Attached interest related to bonds	1,662,350	232,991
<b>Total</b>	<u>45,090,950</u>	<u>43,246,691</u>

At the end of 2019, Banca Transilvania's bonds were reclassified to FVTPL.

Bonds outstanding on March 31, 2020 include bonds issued by Blue Air Aviation in EURO, purchased in December 2019, with maturity in June 2020, with an annual interest rate of 13%.

At the date of initial recognition, the Company has considered compliance with the requirements of IFRS 9 on the characteristics of debt instruments. Following the analysis of the specifications of Blue Air Aviation bonds, the Company concluded that both the requirements of the SPPI test (exclusive payments of principal and interest) and compliance with the “Hold to collect” business model (held to collect cash flows) are met.

## 16. Investment property

<i>denominated in RON</i>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
<b>Balance on January 1</b>	<b>20,047,164</b>	<b>20,128,515</b>
Entries	-	-
Sales	(7,170,583)	-
Changes in fair value – gain/(loss)	-	(81,351)
<b>Balance at the end of period</b>	<u><b>12,876,581</b></u>	<u><b>20,047,164</b></u>

During Q1 2020 a property held in Timișoara was sold. The gain on transaction amounts to RON 2,466,217.

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

### 17. Other financial assets

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Sundry debtors	13,662,006	2,383,090
Other financial assets	178,222	214,289
Impairment for depreciation of sundry debtors	(1,405,732)	(1,405,732)
<b>Total</b>	<b>12,434,496</b>	<b>1,191,647</b>

As of March 31, 2020, Sundry debtors item mainly includes the amount of RON 12.2 million, representing dividends for FY 2019 to be collected from SAI Muntenia Invest SA.

### 18. Deferred tax liabilities

Deferred tax assets and liabilities on March 31, 2020 and December 31, 2019 are generated by the elements detailed in the following tables:

#### March 31, 2020

<i>denominated in RON</i>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Financial assets at FVOCI	-	626,772,967	(626,772,967)
Tangible assets and investment property	-	13,726,697	(13,726,697)
<b>Total</b>	<b>-</b>	<b>640,499,664</b>	<b>(640,499,664)</b>
Net temporary differences - 16% rate			(640,499,664)
<b>Deferred tax liabilities</b>			<b>(102,479,947)</b>

#### December 31, 2019

<i>denominated in RON</i>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Financial assets at FVOCI	-	1,047,839,625	(1,047,839,625)
Tangible assets and investment property	-	13,726,697	(13,726,697)
<b>Total</b>	<b>-</b>	<b>1,061,566,322</b>	<b>(1,061,566,322)</b>
Net temporary differences - 16% rate	-		(1,061,566,322)
<b>Deferred tax liabilities</b>	<b>-</b>		<b>(169,850,613)</b>

Deferred tax liabilities in balance on March 31, 2020 amounting to RON 102,479,947 (2019: RON 169,850,613) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 92,174,140 (2019: 159,554,443), being wholly generated by reserves for financial assets measured at fair value through other comprehensive income (FVOCI)

- the deferred tax related mainly to the differences from inflation of the financial assets and the impairment adjustments, amounting to RON 10,305,807 recognized in the retained earnings.

### 19. Other financial liabilities

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Payables to employees and related contributions	659,043	2,477,882
Taxes and fees	11,878	11,532
Suppliers and creditors	1,084,764	551,890
<b>Total</b>	<b>1,755,685</b>	<b>3,041,305</b>

### 20. Capital and reserves

#### (a) Share capital

As of March 31, 2020, the share capital of SIF Banat-Crişana amounts to RON 51,746,072, divided into 517,460,724 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by the conversion into shares of the amounts due as dividends under Law no.

## Selected explanatory notes to the condensed financial statements *as of March 31, 2020*

55/1995 and pursuant to Law no. 133/1996. As of March 31, 2020, the number of shareholders was of 5,748,237 (December 31, 2019: 5,749,444).

The shares issued by SIF Banat-Crișana are traded on the Bucharest Stock Exchange since November 1999. The records of shares and shareholders is kept by Depozitarul Central S.A. Bucharest.

All shares are ordinary shares, were subscribed and fully paid as March 31, 2020 and December 31, 2019. All shares have equal voting rights and a nominal value of RON 0.1/share. The number of shares authorized to be issued is equal to the shares issued.

The EGM of April 26, 2018, approved the execution of a buyback program for the repurchase of 17,460,724 own shares ("Program I") by the Company, to reduce its share capital.

The EGM of April 26, 2018, approved the execution of a buyback program for the repurchase of 1,400,000 own shares ("Program II") by the Company, for their distribution free of charge to the members of the Company's management (administrators, directors) in order to build their loyalty as well and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors. In December 2019, the stock option plan was completed, through which 1,400,000 shares were granted to the Company's administrators and directors, free of charge.

The EGM of April 22, 2019, approved the execution of a buyback program for the repurchase of 15,000,000 own shares ("Program I") by the Company, to reduce its share capital and the repurchase of 800,000 own shares at most ("Program II") by the Company, for their distribution free of charge to the members of the Company's management (administrators, directors) in order to build their loyalty as well and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors.

During November 2019, a public tender offer for the repurchase of own shares was carried out in which 4,228,705 shares were repurchased (based on the GMS Decision of April 26, 2018 presented above).

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Share capital*	51,746,072	51,746,072
<b>Total</b>	<b>51,746,072</b>	<b>51,746,072</b>

\* The effect of hyperinflation on share capital is presented in point (g)

### **(b) Retained earnings**

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Retained earnings from the transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from application of IFRS 9 (including gains on transactions)	204,607,803	204,606,593
Undistributed profit	183,354,814	23,860,282
Result for the period	(72,579,442)	159,494,532
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,021,238	2,021,238
<b>Total</b>	<b>739,728,121</b>	<b>812,306,354</b>

### **(c) Other reserves**

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Reserves allotted from the net profit	744,221,155	744,221,155
Reserves set-up under Law no. 133/1996*	145,486,088	145,486,088
Reserves from written-off dividends	88,420,910	88,420,910
Reserves from exchange rate differences and investment facilities	19,832,946	19,832,946
<b>Total</b>	<b>997,961,099</b>	<b>997,961,099</b>

\* The effect of hyperinflation on reserve set-up under Law no. 133/1996 is presented in point (g)

The reserve related to the initial portfolio was set-up under Law no. 133/1996, as the difference between the value of the contributed portfolio and the value of the share capital subscribed to SIF. Thus, these reserves are assimilated to a contribution premium and are not used to sell fixed assets.

## Selected explanatory notes to the condensed financial statements as of March 31, 2020

### (d) Legal reserves

Pursuant to the legal requirements, the Company set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as of March 31, 2020, amounts to RON 10,349,214 (December 31, 2019: RON 10,349,214).

Legal reserves cannot be distributed to shareholders.

### (e) Differences from changes in fair value of financial assets measured through other comprehensive income

This reserve comprises cumulative net changes in the fair values of financial assets measured through other comprehensive income from the date of their classification in this category to the date they have been derecognized or impaired.

Reserves are recorded net of related deferred tax. The amount of deferred tax recognized directly through impairment of equity is shown in Note 18.

The following table shows the reconciliation of net differences in the change in fair value for financial assets measured by other comprehensive income:

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Differences from changes in fair value of financial assets measured through other comprehensive income (bonds)	(251,955)	20,952
Differences from changes in fair value of financial assets measured through other comprehensive income (shares)	523,977,258	882,073,492
<b>Total</b>	<b>523,725,303</b>	<b>882,094,444</b>

### (f) Dividends

During the first three months of 2020 there was no proposal for dividend distribution subject for the approval. In 2019, it was not approved the distribution of dividends from the profit of the financial year 2018.

### (g) Effect of hyperinflation (IAS29)

The effect of hyperinflation over the share capital amounting to RON 645,164,111 and over the reserve set-up under Law no. 133/1996 amounting to RON 1,960,189,603 was recorded by reducing the retained earnings, resulting in an accumulated loss related to applying IAS 29 on the capital items in the amount of RON 2,605,353,717 (December 31, 2019), with no impact on total value of equity (own capital).

<i>denominated in RON</i>	<b>Effect of applying IAS 29 on share capital</b>	<b>Effect of applying IAS 29 on reserve set-up under Law no. 133/1996</b>	<b>Effect on retained earnings of applying IAS 29 on equity items</b>
<b>Balance on January 1, 2020</b>	<b>645,164,114</b>	<b>1,960,189,603</b>	<b>(2,605,353,717)</b>
Increase / (Reduction)	-	-	-
<b>Balance on March 31, 2020</b>	<b>645,164,114</b>	<b>1,960,189,603</b>	<b>(2,605,353,717)</b>

## 21. Earnings per share

The calculation of basic earnings per share was made based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares:

<i>denominated in RON</i>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Profit attributable to ordinary shareholders	(72,579,442)	6,632,441
Weighted average number of ordinary shares	514,542,363	517,371,068
<b>Basic earnings per share</b>	<b>(0.141)</b>	<b>0.013</b>

Diluted earnings per share equals basic earnings per share, as the Company did not record potential ordinary shares.



## **Selected explanatory notes to the condensed financial statements as of March 31, 2020**

### **22. Contingent assets and liabilities**

#### **(a) Litigations**

As of March 31, 2020, the Legal Office of the Company reported 103 litigations pending in Courts. The Company had legal standing in 86 lawsuits, passive legal standing in 13 lawsuits, and intervenient in 4 litigations.

In most lawsuits in which the Company acts as plaintiff, the subject of litigation is the cancellation / ascertainment of cancellation of decisions taken by the General Meetings of Shareholders in portfolio companies, recovery of non-collected dividends or insolvency proceedings of portfolio companies.

#### **(b) Other liabilities**

not the case

### **23. Related parties**

The parties are considered related if one party has the ability to control the other party or to exercise a significant influence over its financial and operational decision making.

The Company has identified the following related parties in the course of business:

#### **Key management personnel**

##### *March 31, 2020*

- As of March 31, 2020, the Board of Directors of SIF Banat-Crişana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Heinz Pfister and Ionel Marian Ciucioi.
- As of March 31, 2020, the members of the executive team of SIF Banat-Crişana are: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș – Director.

##### *December 31, 2019*

- As of December 31, 2019, the Board of Directors of SIF Banat-Crişana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Heinz Pfister and Ionel Marian Ciucioi.
- As of December 31, 2019, the members of the executive team of SIF Banat-Crişana were: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director and Laurențiu Riviș – Director.

During the period of the interim reporting, there were no transactions carried out and no advances and loans were granted to managers and administrators of the Company, except for work related travel advances.

The Company has not received and has not given guarantees in favour of any related party.

#### **Subsidiaries**

As of March 31, 2020 and December 31, 2019, the Company held stakes in 13 companies. The reduction in the number of subsidiaries included in the scope of consolidation is the result of the classification of the Company as an investment entity, after which the subsidiaries performing investment services for the Company (SAI Muntenia and AISA) remained in the scope of consolidation and the other subsidiaries were deconsolidated.

#### **Associated entities**

The number of entities in which the Company holds stakes between 20% and 50% of the capital as of March 31, 2020 is of 21 (December 31, 2019: 21), of which:

- a. Two entities (Gaz Vest SA Arad, Biofarm SA Bucharest), in which the Company exercises significant influence;
- b. 5 (December 31, 2019: 5) entities that do not qualify as associates, because the Company does not exercise significant influence in those companies;
- c. 14 (December 31, 2019: 14) entities in insolvency / liquidation / bankruptcy.

## **Selected explanatory notes to the condensed financial statements *as of March 31, 2020***

### **Transactions with related parties during the interim reporting period:**

During the first three months of 2020, the Company made the following transactions with affiliated parties:

- recording as dividend income from:
  - SAI Muntenia, amounting to RON 12,237,552;
  - Biofarm SA Bucharest, amounting to RON 3,620,966;
- proceeds from interest on corporate bonds from the companies:
  - Vrancart SA, in the amount of RON 468,443;
  - SIFI BH retail SA in the amount of RON 630,863.
- payments to the company Administrare Imobiliare SA (the management company of SIF Imobiliare) of the total amount of RON 102,696, representing the rent and operating expenses for the rented space, and to the company Gaz Vest SA Arad the amount of RON 27,300 representing natural gas;

### **24. Events after the interim period**

Main resolutions of the OGM and EGM of April 27, 2020:

- approval of the standalone and condensed financial statements for 2019 financial year, based on the discussions and the reports presented by the Board of Directors, the Chairman of the Board and the financial auditor;
- approval of the appropriation of the entire net profit of the year 2019, in the amount of RON 159,494,532 to Other Reserves, for own financing sources, to support a buyback program. From its own financing sources as provided by law, the Company will conduct a buyback program for 15,000,000 shares, to reduce the share capital by the cancelation of the repurchased shares.
- approval of the reduction of the share capital of SIF Banat-Crișana SA, pursuant to art. 207 par. (1) letter c) of Law no. 31/1990, from RON 51,746,072.4 to RON 51,542,236.3, following the cancellation of 2,038,361 own shares acquired by the company, in the buy-back programs.
- approval of the use of a number of 880,000 shares, held by the Company and repurchased based on the Resolution of EGM of April 26, 2018, for their distribution free of charge to members of the company's management (administrators, executive directors) in a "Stock Option Plan", approved by the Resolution of the EGM of April 22, 2019..
- approval of the execution of a buyback program ("Program II") for the distribution free of charge to members of the Company's management (administrators, executive directors) in order to build their loyalty and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors. The maximum number of shares that may be repurchased: 880,000 shares at most

The full version of the resolutions adopted by the OGM and the EGM of April 27, 2020, is available for consultation on Company's website, at [www.sif1.ro](http://www.sif1.ro), in the Investor Relations section.

**STATEMENT OF**  
**assets and liabilities of SIF Banat-Crișana as at 31.03.2020**

annex no. 16

DESIGNATION	VALUE [RON]
<b>1. Non-current assets</b>	<b>875,454,059</b>
1.1 Intangible assets	11,649
1.2 Tangible assets	18,112,164
1.3 Financial assets	857,330,245
1.3.1 Listed shares	282,100,164
1.3.2 Unlisted shares	186,533,066
1.3.3 Government securities	-
1.3.4 Certificates of deposit	-
1.3.5 Bank deposits	-
1.3.6 Municipal bonds	-
1.3.7 Corporate bonds	99,680,418
1.3.8 Newly issued securities	-
1.3.9 Units of UCITS and / or non-UCITS (AIF)	288,910,638
1.3.10 Other financial assets	105,959
<b>2. Current assets</b>	<b>1,383,166,748</b>
2.1 Inventories	2,239
2.2 Receivables, of which:	90,985
2.2.1 Dividends receivables	-
2.2.2 Receivables rights	-
2.2.3 Other receivables	90,985
2.3 Cash and equivalents	30,894,024
2.4 Short term financial investments	1,261,614,422
2.4.1 Listed shares	1,143,426,578
2.4.2 Unlisted shares	-
2.4.3 Municipal bonds	-
2.4.4 Corporate bonds	5,149,453
2.4.5 Units of UCITS and / or non-UCITS (AIF)	113,038,391
2.5 Newly issued securities	-
2.6 Government securities	-
2.7 Bank deposits	90,531,850
2.8 Certificates of deposit	-
2.9 Other current assets	33,229
3. Derivatives	-
4. Prepaid expenses	212,118
<b>5. Total assets</b>	<b>2,258,832,925</b>
<b>6. Total liabilities</b>	<b>105,317,127</b>
6.1 Loans from bond issues	-
6.2 Amounts owed to credit institutions	-
6.3 Advances received from clients	-
6.4 Trade payables	57,190
6.5 Bills of exchange payable	-
6.6 Amounts owed to group companies	-
6.7 Amounts owed to related parties	-
6.8 Other liabilities, of which	105,259,937
- deferred income tax	102,479,947
7. Provisions for expenses	-
8. Deferred income, of which:	8,463
8.1 Investment subsidies	-
8.2 Deferred income	8,463
9. Shareholders' equity, of which:	2,317,256,081
9.1 Share capital	51,746,072
9.2 Share capital premiums	-
9.3 Revaluation differences	1,176,569
9.4 Reserves	2,968,499,916
* 9.5 Treasury shares	-7,430,298
9.6 Retained earnings	747,029,784
9.7 Result for the period (YTD)	-72,579,442
9.8 Profit appropriation	-
9.9 Retained earnings adoption of IAS 29 for the first time	-2,540,075,937
9.10 Items treated as capital	645,164,114
9.11 Other elements of equity	523,725,303
<b>10. Total liabilities</b>	<b>2,422,581,672</b>
<b>11. Net asset</b>	<b>2,255,987,282</b>
** 12. Number of outstanding shares	514,542,363
<b>13. Net asset value per share NAV/S</b>	<b>4.3845</b>
14. Number of companies in the portfolio, of which:	124
14.1 Companies admitted to trading on a regulated market	21
14.2 Companies admitted to trading on an alternative trading system	25
14.3 Unlisted companies	78

\* The value of own shares repurchased in buyback programs approved by GMS of April 26, 2018, executed by market transactions between 02.10.2018 - 26.10.2018 and PTO between October 22 - November 4, 2019

\*\* Pursuant to Art.123, par. (3) of the ASF Regulation no. 9/2014, on the calculation of NAV, this item represents:

"The total number of issued and outstanding shares, less treasury stock"

**NOTE:**

We inform the investors that the Net Asset Value (NAV) of SIF Banat-Crișana as at 31.03.2020, calculated according to the regulations issued by The Financial Supervisory Authority, recorded a decline of **11.72%** compared to the value as at 28.02.2020, from **RON 2,555,451,607 to RON 2,255,987,282**.

The slump is due to the steep decrease of the stock market quotations during March amidst the COVID-19 pandemic crisis and the declaration of state of emergency starting March 16, 2020. Significant declines were recorded in all international stock markets. On the Bucharest Stock Exchange, the BET index declined from the value of 9121.27 as at 28.02.2020, to 7625.38 recorded on 31.03.2020, viz. a slump of 16.4%.

SIF Banat-Crișana closely monitors the progress of the economic environment and will timely inform the shareholders on any significant impact on the Net Asset Value.

*This statement is provided as a free translation from Romanian, which is the official and binding version*

**SIF Banat-Crișana**

Certified by

**Banca Comercială Română**

**Assets in SIF Banat-Crișana portfolio assessed by  
valuation methods compliant with International Valuation Standards**

as at: 31.03.2020

No.	Company name	Fiscal code	Symbol	Nr. of shares held	No./date Evaluation report	Value	
						RON / share	total
<b>Unlisted shares (closed)</b>							
1	AZUGA TURISM	28330211		786,882	398/20.02.2020	34.7400	27,335,861
2	NAPOMAR	199176		10,256,241	392/20.02.2020	1.4707	15,083,854
3	CENTRAL	199230		53,120	395/20.02.2020	601.7474	31,964,822
4	SAI MUNTENIA INVEST	9415761		119,976	394/20.02.2020	350.4333	42,043,586
5	SIF SPV TWO	40094500		119,988	401/20.02.2020	0.7377	88,515
6	Administrare Imobiliare SA	20919450		16,049,741	399/20.02.2020	2.5434	40,820,911

**SIF Banat-Crișana**

Certified by depositary bank  
**Banca Comercială Română**

## SIF Banat-Crișana's assets as at 31.03.2020 - quarterly report

RON

ITEM	Beginning of the reporting period 31.12.2019				End of the reporting period 31.03.2020				Differences
	% of net asset	% of total assets	Currency	RON	% of net asset	% of total assets	Currency	RON	
I. Total assets	100.32	100.00	95,533,084	2,638,060,208	100.13	100.00	98,209,513	2,160,623,412	-474,760,366
1. Securities and money market instruments, out of which:	65.26	65.05	-	1,778,198,128	63.19	63.11	-	1,425,526,742	-352,671,386
1.1. Securities and money market instruments admitted or traded on a regulated market from Romania, out of which:	56.75	56.57	-	1,546,429,798	57.97	57.90	-	1,307,792,652	-238,637,146
1.1.1. Shares issued by companies admitted to trading	56.75	56.57	-	1,546,429,798	57.97	57.90	-	1,307,792,652	-238,637,146
1.1.2. Municipal bonds	-	-	-	-	-	-	-	-	-
1.1.3. Bonds issued by banking companies	-	-	-	-	-	-	-	-	-
1.2. Securities and money market instruments admitted or traded on a regulated market from a member state	8.51	8.48	-	231,768,330	5.22	5.21	-	117,734,090	-114,034,240
1.3. Securities and money market instruments admitted on a stock exchange from a state not a member or negotiated on another regulated market from a state not a member, that operates on a regular basis and is recognized and opened to the public	-	-	-	-	-	-	-	-	-
2. Newly issued securities	-	-	-	-	-	-	-	-	-
3. Other securities and money market instruments mentioned at art. 187 letter a): securities (by category and by type of issuer) and money market instruments (by category), of which:	10.91	10.88	66,046,988	231,256,700	12.92	12.90	67,605,801	223,757,136	-5,940,751
3.1. Shares issued by companies not admitted to trading	7.12	7.10	-	194,035,660	8.27	8.26	-	186,533,066	-7,502,595
3.2. Corporate bonds	3.79	3.78	66,046,988	37,221,039	4.65	4.64	67,605,801	37,224,070	1,561,844
4. Bank deposits, of which:	3.36	3.35	0	91,547,657	4.01	4.01	0	90,531,850	-1,015,807
4.1. Bank deposits made with credit institutions in Romania	3.36	3.35	0	91,547,657	4.01	4.01	0	90,531,850	-1,015,807
4.2. Bank deposits made with credit institutions of a member state	-	-	-	-	-	-	-	-	-
4.3. Bank deposits made with credit institutions of a non-member state	-	-	-	-	-	-	-	-	-
5. Derivatives financial instruments traded on a regulated market:	-	-	-	-	-	-	-	-	-
5.1. Derivatives financial instruments traded on a regulated market from Romania, on categories	-	-	-	-	-	-	-	-	-
5.2. Derivatives financial instruments traded on a regulated market from a member state, on categories	-	-	-	-	-	-	-	-	-
5.3. Derivatives financial instruments traded on a regulated market from a non-member state, on categories	-	-	-	-	-	-	-	-	-
5.4. Derivatives traded outside the regulated markets, on categories	-	-	-	-	-	-	-	-	-
6. Current accounts and cash	1.11	1.10	29,486,095	675,337	1.37	1.37	30,603,712	290,312	732,591
7. Money market instruments, others than those traded on a regulated market, according to art. 101 par. (1) letter g) of Law no. 297/2004	0.00	0.00	0	-	-	-	0	-	0
7.1. Municipal bonds not traded	-	-	-	-	-	-	-	-	-
7.2. REPO with govt. bonds denominated in RON and foreign currency	-	-	-	-	-	-	-	-	-
7.3. Govt. bonds	0.00	0.00	0	-	-	-	0	-	0
8. UCITS and non UCITS equity securities	18.74	18.68	-	510,677,620	17.82	17.79	-	401,949,029	-108,728,591
9. Other assets (amounts in transit, receivables from distributors, brokerage houses, etc.)	0.94	0.94	-	25,704,766	0.82	0.82	-	18,568,343	-7,136,422

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### Net Asset Value / Share

as at 31.03.2020

RON

ITEM	Current period [31.03.2020]	Corresponding period of the previous year [29.03.2019]	Differences
Net Asset Value (NAV)	2,255,987,282	2,301,684,976	-45,697,694
Number of issued, outstanding shares	514,542,363	517,371,068	-2,828,705
Unitary net asset value (NAV/S)	4.3845	4.4488	-0.0644

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Securities admitted or traded on a regulated market in Romania  
as at 31.03.2020

No.	Issuer	Symbol	Date of last trading session	No. of shares held [units]	Nominal value [RON]	Value of share [RON]	Total value [RON]	Stake in the issuer's share capital [%]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>LISTED SHARES</b>										
<b>traded in the last 30 days</b>										
1	BANCA TRANSILVANIA	TLV	31.mar.20	238,093,345	1.00	1.8160	432,377,515	4.5646	19.14	19.17
2	BRD - GROUPE SOCIETE GENERALE	BRD	31.mar.20	13,615,497	1.00	11.7400	159,845,935	1.9537	7.08	7.09
3	BIOFARM	BIO	31.mar.20	362,096,587	0.10	0.3490	126,371,709	36.7471	5.59	5.60
4	VRANCART	VNC	31.mar.20	774,416,054	0.10	0.1450	112,290,328	75.0633	4.97	4.98
5	S.N.G.N. ROMGAZ S.A.	SNG	31.mar.20	1,571,667	1.00	27.9500	43,928,093	0.4078	1.94	1.95
6	CONPET	COTE	31.mar.20	562,740	3.30	66.0000	37,140,840	6.5000	1.64	1.65
7	SNTGN TRANSGAZ	TGN	31.mar.20	43,845	10.00	240.0000	10,522,800	0.3724	0.47	0.47
8	OMV PETROM	SNP	31.mar.20	35,865,800	0.10	0.2900	10,401,082	0.0633	0.46	0.46
9	ANTIBIOTICE	ATB	31.mar.20	14,167,736	0.10	0.4940	6,998,862	2.1104	0.31	0.31
10	ELECTRICA S.A.	EL	31.mar.20	658,649	10.00	9.3400	6,151,782	0.1901	0.27	0.27
11	BURSA DE VALORI BUCURESTI	BVB	31.mar.20	115,414	10.00	23.3000	2,689,146	1.4338	0.12	0.12
12	COMELF	CMF	31.mar.20	1,211,907	0.58	1.4900	1,805,741	5.3919	0.08	0.08
13	ROMPETROL WELL SERVICES	PTR	26.mar.20	5,541,900	0.10	0.2900	1,607,151	1.9921	0.07	0.07
14	COMPA	CMP	31.mar.20	2,342,529	0.10	0.5480	1,283,706	1.0705	0.06	0.06
15	SSIF BRK FINANCIAL GROUP SA	BRK	31.mar.20	2,867,075	0.25	0.0700	200,695	0.8489	0.01	0.01
<b>On an alternative trading system</b>										
16	IAMU	IAMU	31.mar.20	7,286,299	2.50	4.5000	32,788,346	76.6967	1.45	1.45
17	COMPANIA HOTELIERA INTERCONTINENTAL ROMANIA	RCHI	27.mar.20	112,745,203	0.10	0.1790	20,181,391	13.5260	0.89	0.89
18	SIFI UNITEH	UNIT	31.mar.20	158,573	2.50	45.4000	7,199,214	36.3399	0.32	0.32
19	ARGUS	UARG	18.mar.20	1,790,432	1.50	1.7500	3,133,256	5.0039	0.14	0.14
20	IPROEB	IPRU	31.mar.20	4,097,615	0.30	0.6650	2,724,914	8.6135	0.12	0.12
21	SATURN	SATU	30.mar.20	346,926	2.50	6.6000	2,289,712	17.5385	0.10	0.10
22	ARCELOR MITTAL HUNEDOARA	SIDG	16.mar.20	5,921,324	2.00	0.3480	2,060,621	2.9820	0.09	0.09
23	REVA	REVA	02.mar.20	74,777	2.50	12.1000	904,802	5.0112	0.04	0.04
24	PRIMA CONSTRUCT	PCTM	26.feb.20	90,685	2.50	4.6200	418,965	15.6969	0.02	0.02
25	PROSPECTIUNI	PRSN	31.mar.20	5,198,500	0.10	0.0360	187,146	0.7240	0.01	0.01
26	ANTECO	ANTE	31-Mar-20	7,042,220	0.10	0.0255	179,577	17.2036	0.01	0.01
27	ELVILA	ELV	18-Mar-20	13,085	1.00	0.7000	9,160	0.0492	0.00	0.00
28	PROFESSIONAL IMO PARTNERS	PPLI	17-Mar-20	1	1.00	2.2600	2	0.0000	0.00	0.00
							<b>1,025,692,488</b>			

<b>Not traded in the last 30 days</b>										
1	SIF HOTELURI	CAOR	43851	31,820,906	2.50	3.0668	97,588,355	98.9997	4.32	4.33
2	UCM	UCM	06.12.2011	1,071,837	0.10		0	0.9750	0.00	0.00

<b>On an alternative trading system</b>										
3	SIF IMOBILIARE	SIFI	25.04.19	4,499,961	4.47	37.1148	167,015,153	99.9997	7.39	7.40
4	MOBEX	MOBG	29.01.20	443,765	2.50	19.5742	8,686,345	18.0517	0.38	0.39
5	SOMPLAST	SOPL	15.01.20	2,303,180	2.50	3.1893	7,345,532	70.7511	0.33	0.33
6	TRANSGEX	TRNG	16.12.19	143,978	2.50	5.365	772,442	2.7040	0.03	0.03
7	URBANA	URBA	24.10.19	13,208	9.20	34.7798001	459,372	16.5830	0.02	0.02
8	INDUSTRIA SARMEI CAMPIA TURZII	INSI	22.01.20	4,604,082	0.10	0.0506	232,967	1.2497	0.01	0.01
9	SOMETRA	SOMR	10.01.20	1,217,602	2.50	0	-	4.5814	0.00	0.00
10	ARMAX GAZ	ARAX	30.06.17	18,500	10.00	0	0	0.3012	0.00	0.00
11	TALC DOLOMITA	TALD	09.10.15	167,108	2.50	0	0	7.8944	0.00	0.00
12	SILVANA	SIVX	19.08.09	1,443,772	2.50	0	0	96.2832	0.00	0.00
13	ICSH	ICSH	26.03.12	84,500	2.50	0	0	1.2891	0.00	0.00
14	PETROART	PTRC	10.07.19	11,852,163	0.50	0	0	30.1767	0.00	0.00
							<b>282,100,164</b>			

<b>ISSUERS of UCITS and non-UCITS TYPE</b>										
1	SIF MOLDOVA	SIF2	31.03.20	50,098,958	0.10	1.3250	66,381,119	4.999	2.94	2.94
2	SIF MUNTENIA	SIF4	31.03.20	40,123,500	0.10	0.5900	23,672,865	4.9717	1.05	1.05
3	SIF OLTENIA	SIF5	31.03.20	11,608,286	0.10	1.9800	22,984,406	2.0009	1.02	1.02
							<b>113,038,391</b>			

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Banca Comercială Română

SIF Banat-Crișana

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**Securities admitted or traded on a regulated market in a member state**  
as at 31.03.2020

No.	Issuer	Symbol	Date of last trading session	No. of shares held [units]	Nominal value [RON]	Value of share [RON]	Total value [RON]	Stake in the issuer's share capital [%]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>LISTED SHARES</b>										
1	ERSTE GROUP BANK AG	EBS	31.03.2020	1,445,000	-	81.4769	117,734,090	0.3362	5.21	5.22

**SIF Banat-Crișana**

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**Banca Comercială Română**



Instruments mentioned at art.187 letter a) - Unlisted shares  
as at 31.03.2020

No.	Issuer	No. of shares held [units]	Date of acquisition	Price of acquisition [RON]*	Value of share [RON]	Total value [RON]	Stake in issuers's share capital [%]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>UNLISTED SHARES</b>									
1	SAI MUNTENIA INVEST	119,976	22 Jul 2013	151.3009	350.4333	42,043,586	99.9800	1.86	1.86
2	ADMINISTRARE IMOBILIARE	16,049,741	21 Dec 2018	2.5000	2.5434	40,820,911	97.3981	1.81	1.81
3	CENTRAL	53,120	1 Nov 1999	226.1045	601.7474	31,964,822	67.0783	1.42	1.42
4	AZUGA TURISM	786,882	13 Feb 2013	37.5155	34.7395	27,335,887	98.9354	1.21	1.21
5	NAPOMAR	10,256,241	30 Nov 1997	2.5219	1.4707	15,083,854	99.4348	0.67	0.67
6	GAZ VEST	105,068	23 Aug 2002	100.0000	137.5804	14,455,297	25.8185	0.64	0.64
7	BT ASSET MANAGEMENT	716,570	27 Jan 2005	1.0000	5.1535	3,692,844	10.0000	0.16	0.16
8	EXIMBANK	414,740	30 Nov 1997	6.0000	8.7153	3,614,584	0.3108	0.16	0.16
9	CCP.RO BUCHAREST	142,500	4 Nov 2019	10.0000	10.0000	1,425,000	1.7857	0.06	0.06
10	DEPOZITARUL CENTRAL	9,878,329	4 Nov 1998	0.1000	0.1252	1,236,767	3.9057	0.05	0.05
11	IFB FINWEST	7,976,121	21 Dec 2000	0.1749	0.0955	761,720	8.6736	0.03	0.03
12	AMIS MOB	12,607	11 Dec 2003	2.5399	53.3778	672,934	8.1220	0.03	0.03
13	MOBIROM	11,589	30 Nov 1997	2.7675	53.9522	625,252	9.0289	0.03	0.03
14	SPUMOTIM	12,398	30 Nov 1997	2.5000	50.0326	620,304	3.9864	0.03	0.03
15	TREMULA BRAILA	17,465	30 Nov 1997	2.5000	28.8967	504,681	13.4561	0.02	0.02
16	CTCE	8,501	30 Nov 1997	2.5000	35.2026	299,257	23.2357	0.01	0.01
17	BIZOOFRUCT	39,424	30 Nov 1997	2.5000	7.5071	295,960	4.4235	0.01	0.01
18	COMAT MARAMURES	19,909	30 Nov 1997	2.5000	12.2171	243,230	10.0002	0.01	0.01
19	COMMETCAR	14,862	30 Nov 1997	2.5000	13.2789	197,351	10.0002	0.01	0.01
20	GRUP BIANCA TRANS	562,400	26 Sep 2006	0.1000	0.3341	187,898	5.1783	0.01	0.01
21	APRO HOREA	8,220	30 Nov 1997	2.5000	16.5096	135,709	13.5427	0.01	0.01
22	FORESTIERA	42,269	12 Jun 1998	2.5000	3.1067	131,317	25.7520	0.01	0.01
23	SIF SPV TWO	119,988	2 Nov 2018	1.0000	0.7377	88,515	99.9900	0.00	0.00
24	STREIUL	9,344	30 Nov 1997	2.5000	4.2707	39,905	17.4419	0.00	0.00
25	MOLIDUL	90,579	30 Nov 1997	2.5000	0.4133	37436	21.6326	0.00	0.00
26	MODERN	3,302	30 Nov 1997	2.5000	5.4648	18045	2.4485	0.00	0.00
27	BANCA COMERCIALA ROMANA	1	30 Nov 1997	0.1000	0.5300	1	-	0.00	0.00
28	SUINPROD GALDA	143,084	30 Nov 1997	2.5000	0.0000	0	27.0910	0.00	0.00
29	PROIECT	2,162	30 Nov 1997	8.0000	0.0000	0	10.0000	0.00	0.00
30	COMMIXT	10,543	30 Nov 1997	2.5000	0.0000	0	28.9667	0.00	0.00
31	MINIERA CUART	17,396	29 Dec 2006	2.5000	0.0000	0	3.3999	0.00	0.00
32	TRANSILVANIA AIUD	46,779	30 Nov 1997	2.5000	0.0000	0	20.1873	0.00	0.00
33	AGROINDUSTRIALA NADLAC	66,406	30 Nov 1997	2.5000	0.0000	0	29.9996	0.00	0.00
34	AGROINDUSTRIALA INEU	59,755	30 Nov 1997	2.5008	0.0000	0	11.5001	0.00	0.00
35	SANEVIT	535,217	30 Nov 1997	0.2495	0.0000	0	8.9696	0.00	0.00
36	EDIL CONSTRUCTII	1,771,625	27 Aug 2007	0.8283	0.0000	0	3.8504	0.00	0.00
37	MOBILA USI	1,262,796	13 Jan 2005	0.1000	0.0000	0	32.4520	0.00	0.00
38	AMIS IMPEX	12,607	11 Dec 2003	2.5399	0.0000	0	8.0936	0.00	0.00
39	TREMULA	66,112	8 Apr 2002	2.5000	0.0000	0	17.9898	0.00	0.00
40	LEMN-MOL-FA	37,146	8 May 2001	1.9783	0.0000	0	13.0184	0.00	0.00
41	IPEGM	9,913	16 Jul 1999	2.5000	0.0000	0	3.4000	0.00	0.00
42	COMBINATUL DE UTILAJ GREU	409,572	24 Mar 1999	4.0000	0.0000	0	5.0221	0.00	0.00
43	AUTODANUBIUS	11,653	30 Nov 1997	2.5000	0.0000	0	14.0387	0.00	0.00
44	FORESTA PRIM GHEORGHIEI	17,202	1 Jul 1998	2.5000	0.0000	0	14.7522	0.00	0.00
45	FORTOP	39,226	1 Jul 1998	2.5000	0.0000	0	12.4859	0.00	0.00
46	MOCARS	119,969	25 Nov 1998	5.5408	0.0000	0	9.6836	0.00	0.00
47	TEHNOLOGIE MOBILA STIL	9,000	20 Sep 2004	2.5000	0.0000	0	4.5523	0.00	0.00
48	IFOR	101,803	30 Nov 1997	2.5000	0.0000	0	15.3525	0.00	0.00
49	MOBILSAL	550	30 Nov 1997	9.1900	0.0000	0	2.7500	0.00	0.00
50	AVERSA	142,699	22 Oct 2004	1.1799	0.0000	0	2.1416	0.00	0.00
51	LASPERESIA	20	30 Nov 1997	2.5000	0.0000	0	1.9455	0.00	0.00
52	SILVANIA FOREST	30,111	30 Nov 1997	2.5000	0.0000	0	0.6049	0.00	0.00
53	AGROMEC GATAIA	13,585	30 Nov 1997	4.1242	0.0000	0	23.9097	0.00	0.00
54	METALURGICA	50,436	30 Nov 1997	2.5000	0.0000	0	28.4090	0.00	0.00
55	ERGOLEMN	9,637	30 Nov 1997	11.0608	0.0000	0	12.9584	0.00	0.00
56	CONTOR GROUP	2,900,049	27 Nov 2007	0.6628	0.0000	0	1.4962	0.00	0.00
57	HICART	4,576	24 Jun 1998	2.5000	0.0000	0	0.7939	0.00	0.00
58	BRAFOR	5,928,744	30 Nov 1997	0.1000	0.0000	0	2.6874	0.00	0.00
59	MEBIS	346,637	30 Nov 1997	2.5000	0.0000	0	26.7806	0.00	0.00
60	REGNA FOREST	33,118	30 Nov 1997	2.5000	0.0000	0	7.0103	0.00	0.00
61	FOREMAR	28,047	30 Nov 1997	40.0000	0.0000	0	10.5405	0.00	0.00
62	ROSTRAMO	434,501	30 Nov 1997	2.4988	0.0000	0	10.0371	0.00	0.00
63	UZINA ARDEALUL	55,593	30 Nov 1997	2.5000	0.0000	0	29.5075	0.00	0.00
64	FORTPRES - CUG	103,523	30 Nov 1997	2.5000	0.0000	0	1.3598	0.00	0.00
65	VINALCOOL	232,433	30 Nov 1997	0.1000	0.0000	0	6.7973	0.00	0.00
66	RETEAUA LIBRARIILOR "BIBLIOFOR"	1,275	30 Nov 1997	2.5000	0.0000	0	10.0047	0.00	0.00
67	AGROPRODUCT RESITA	72,720	30 Nov 1997	2.5000	0.0000	0	30.0045	0.00	0.00
68	SIMATEC	42,886	30 Nov 1997	2.5000	0.0000	0	18.8217	0.00	0.00
69	EXFOR	399,654	30 Nov 1997	2.5000	0.0000	0	24.2311	0.00	0.00
70	COMAR	40,601	30 Nov 1997	2.5000	0.0000	0	34.9415	0.00	0.00
71	BANCA INTERNATIONALA A RELIGIILOR	186,849	30 Nov 1997	0.7544	0.0000	0	0.9342	0.00	0.00

72	ARIO	3,523,021	30 Nov 1997	4.3027	0.0000	0	93.6407	0.00	0.00
73	ARCER	83,213	30 Nov 1997	2.5000	0.0000	0	19.7002	0.00	0.00
74	ELBAC	8,299,560	30 Nov 1997	0.1000	0.0000	0	32.4500	0.00	0.00
75	MOPAL	251,067	30 Nov 1997	61.0533	0.0000	0	21.8936	0.00	0.00
76	CUART	4,516	30 Nov 1997	2.5000	0.0000	0	3.3999	0.00	0.00
77	SOMES	1,653,350	30 Nov 1997	2.0993	0.0000	0	13.1191	0.00	0.00
78	MOBIMET	14,695	30 Nov 1997	2.5000	0.0000	0	28.8749	0.00	0.00

**186,533,066**

<b>ISSUERS WITH BALANCE SHEET NOT SUBMITTED</b>									

<b>ISSUERS of UCITS and non-UCITS TYPE</b>									
1	Fondul Inchis de Investitii ACTIVE PLUS	15,050.2178	4 Mar 2014	8,396.5368	10,113.4500	152,209,625	76.4216	6.74	6.75
2	Fondul Inchis de investitii OPTIM INVEST	3,494.6900	8 May 2017	8,190.6100	9,803.7700	34,261,137	23.4894	1.52	1.52
3	FII STAR VALUE	9,382.0000	9 Feb 2018	1,065.8700	964.7200	9,051,003	18.9047	0.40	0.40
4	FIA CERTINVEST ACTIUNI	305.2000	23 Mar 2018	244,053.3693	209,391.5900	63,906,313	55.5979	2.83	2.83
5	ROMANIA STRATEGY FUND	58,000.0000	12 Dec 2018	500.0000	508.3200	29,482,560	50.8772	1.31	1.31

**288,910,638**

\* The average price determined as the ratio between the acquisition value (calculated based on the initial value in the portfolio plus, if the case, any subsequent increase in value arising from share capital increase, new acquisitions, diminished by potential sales) and the number of shares held at the reporting date (influenced by possible share splits, consolidations and shares acquired free of charge). Impairment differences calculated on the basis of IAS 29 "Financial reporting in hyperinflationary economies" have not been included.

**SIF Banat-Crişana**

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**Banca Comercială Română**

Bonds or other debt instruments as at  
31.03.2020

Annex 17  
Table 10

No.	Series and number of the issue	No. of units	Date of acquisition	Maturity date	Initial value [RON]	Daily interest [RON]	Cumulative interest [RON]	Current value[RON]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]	Intermediary bank
<b>Marketable, issued or guaranteed by the state or central public administration authorities</b>											
<b>Marketable, issued by companies</b>											
1	ROIMPCDBC030	210	19.12.2017	12.12.2022	5,066,670	796	82,783	5,149,453	0.23	0.23	IMPACT
2	ROVRJUDBC011	368,748	17.03.2017	17.03.2024	36,874,800	5,213	349,270	37,224,070	1.65	1.65	VRANCART ADJUD
<b>Non-marketable, issued by companies</b>											
1		1,100	23.01.2019	23.01.2021	10,615,880	1,745	120,410	10,736,290	0.48	0.48	SIFI BH Retail
2	ROTLVADBC015	2,260,999	22.05.2013	22.05.2020	6,546,135	1,078	82,973	6,629,107	0.29	0.29	TRANSILVANIA
3		90	16.12.2019	15.06.2020	43,428,600	15,683	1,662,350	45,090,950	2.00	2.00	BLUE AIR AVIATION
								<b>104,829,871</b>			

Certified by depositary bank

**Banca Comercială Română**

**SIF Banat-Crișana**

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Bank deposits  
as at 31.03.2020

No.	Name of the bank / Starting date	Maturity date	Initial value [RON]	Daily interest [RON]	Cumulative interest [RON]	Current value [RON]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
<b>BANCA TRANSILVANIA</b>								
1	31/03/2020	01/04/2020	32,400,000	1,530	1,530	32,401,530	1.43	1.44
2	22/11/2019	15/04/2020	1,500,000	104	13,646	1,513,646	0.07	0.07
3	22/11/2019	15/05/2020	1,500,000	106	13,919	1,513,919	0.07	0.07
<b>BCR</b>								
1	31/03/2020	01/04/2020	55,100,000.00	2,755	2,755.00	55,102,755	2.44	2.44
						<b>90,531,850</b>		

SIF Banat-Crișana

Certified by depositary bank  
**Banca Comercială Română**

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**Evolution of the net asset and the net asset unitary value in the last 3 years**  
as at 31.03.2020

	RON		
<b>Item</b>	<b>30.03.2018</b>	<b>29.03.2019</b>	<b>31.03.2020</b>
Net Asset	2,764,334,572	2,301,684,976	2,255,987,282
NAV / share	5.3421	4.4488	4.3845

**SIF Banat-Crișana**

Certified by depositary bank  
**Banca Comercială Română**

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



## SIF BANAT-CRIȘANA

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PRESS RELEASE

### **Availability of SIF Banat-Crișana quarterly report as at March 31, 2020**

**May 15, 2020, Arad** | SIF Banat-Crișana informs the investors that the quarterly report prepared as of March 31, 2020, pursuant to the provisions of Law no. 24/2017, Regulation no. 5/2018, Regulation no. 15/2004 and Rule no. 39/2015, will be available to the public starting May 15, 2020, at Company's headquarters and on Company's website at [www.sif1.ro](http://www.sif1.ro)

Note that the financial statements as at March 31, 2020 are not audited.

Further information can be obtained from Investor Relations Office, **tel/fax +40257 304 446**  
**+40257 250 165, e-mail [investitori@sif1.ro](mailto:investitori@sif1.ro)**

**Bogdan-Alexandru Drăgoi**  
Chairman and CEO

Compliance Officer, Eugen Cristea