

SIF Banat-Crișana SA

**Individual financial statements for the year ended
31 December 2014**

**prepared in accordance with Regulation no. 4/2011 regarding the accounting
regulations compliant with Directive IV of the European Economic Communities
applicable to authorized entities, regulated and supervised by the National
Securities Commission, approved by the Order of the President of the National
Securities Commission no. 13/2011**

FREE TRANSLATION¹

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Independent Auditor's Report (free translation¹)

To the shareholders,
SIF Banat-Crisana S.A.

Report on the Individual Financial Statements

1 We have audited the accompanying individual financial statements of SIF Banat-Crisana S.A. (the "Company"), which comprise the balance sheet as at 31 December 2014, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 1 to 58. The individual financial statements mentioned above present the following:

- Total equity: RON 1,154,100,892
- Net profit for the period: RON 134,172,864

Management's Responsibility for the Individual Financial Statements

2 Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the Financial Supervision Authority ("FSA") (former National Securities Commission), approved by the Order of the President of the National Securities Commission no. 13/2011 and as described in the accounting policies presented in the notes to the individual financial statements and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3 Our responsibility is to express an opinion on these individual financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the individual financial statements are free from material misstatement.

¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version, and refers to the Romanian version of the financial statements which was subject to our audit and the Romanian version of the Report of the Board of Directors

- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the individual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the individual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the individual financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6 In our opinion, the individual financial statements for the year-ended 31 December 2014 have been prepared, in all material respects, in accordance with the Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the FSA, approved by the Order of the President of the National Securities Commission no. 13/2011 and as described in the accounting policies presented in the notes to the individual financial statements.

Other aspects

- 7 This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for the report on the individual financial statements and the report on conformity, or for the opinion we have formed.
- 8 The accompanying individual financial statements are not intended to present the financial position and results of operations, cash flows and a complete set of notes to the individual financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying individual financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including the Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the FSA, approved by the Order of the President of the National Securities Commission no. 13/2011.

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Report on conformity of the Report of the Board of Directors with the Individual Financial Statements

In accordance with the Regulation no. 4/2011 regarding the accounting regulations compliant with Directive IV of the European Economic Communities applicable to entities authorized, regulated and supervised by the FSA, approved by the Order of the President of the National Securities Commission no. 13/2011, article no. 282, point 1, paragraph e) we have read the Report of the Board of Directors accompanying the individual financial statements and presented from page 1 to 41. The Report of the Board of Directors is not a part of the individual financial statements. In the Report of the Board of Directors we have not identified any financial information which is not consistent, in all material respects, with the information presented in the accompanying individual financial statements.

For and in the name of KPMG Audit SRL:

Greco Tudor Alexandru

**Refer to the original signed
Romanian version**

registered with the Chamber of Financial
Auditors of Romania under no 2368/22.01.2008

Bucharest, Romania
7 April 2015

**Refer to the original signed
Romanian version**

registered with the Chamber of Financial
Auditors of Romania under no 9/2001

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SIF Banat-Crişana SA
Balance sheet for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)

Arad County
Legal entity **SIF Banat-Crişana**
Address **Arad, 35A Calea Victoriei**

Telephone **0257-304426** Fax **0257-270073**

Trade Registry number:
J02/1898/1992

Financial statement type **SI**
Ownership type **34**
Main activity
(NACE Class denomination)
Other types of financial service activities
NACE group code **6499**

Unique Registration Code **RO 2761040**

	Line No.	Note	Balance as at	
			01.01.2014	31.12.2014
A. Non-current assets				
I. Intangible assets				
3. concessions, patents, licenses, other intangible assets	03		7,142	15,491
Total: (line 01 to 05)	06	1a	7,142	15,491
II. Tangible assets				
1. land and buildings	07		4,538,284	4,391,243
2. technical installations and machinery	08		241,426	177,749
3. other plants, equipment and furniture	09		54,957	55,581
Total: (line 07 to 10)	11	1b	4,834,667	4,624,573
III. Financial assets				
5. Securities and other financial instruments held as non current financial assets	16	11	992,652,771	979,016,242
6. Other receivables	17		8,973	-
Total: (line 12 to 17)	18	1c	992,661,744	979,016,242
Total non current assets (lines 06+11+18)	19		997,503,553	983,656,306
B. Current assets				
I. Inventories				
1. consumables	20		2,434	2,239
Total: (line 20 to 22)	23		2,434	2,239
II. Receivables				
1. trade receivables	24		2,746,927	17,897,403
4. other receivables	27		1,603,823	1,674,001
Total: (line 24 to 28)	29	5	4,350,750	19,571,404
III. Current financial assets				
2. other current financial assets	31	11,16	105,901,521	216,047,038
Total: (line 30 to 31)	32		105,901,521	216,047,038
IV. Cash and cash equivalents	33	15	2,331,048	565,144
Total current assets (lines 23+29+32+33)	34		112,585,753	236,185,825
C. Prepaid expenses (acc. 471)	35		134,869	182,711
D. Current liabilities				
4. trade payables	39		186,697	124,011
8. other liabilities, including tax liabilities and other social insurance liabilities	43		33,967,183	15,671,236
Total: (line 36 to 43)	44	5	34,153,880	15,795,247



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SIF Banat-Crişana SA
Balance sheet for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)

	Line No.	Note	Balance as at	
			01.01.2014	31.12.2014
E. Net current assets, or net current liabilities (lines 34+35-44-60.2)	45		78,566,742	220,396,537
F. Total assets less current liabilities (lines 19+45)	46		1,076,070,295	1,204,052,843
H. Provisions				
2. provisions for taxes	57		47,667,668	49,951,951
Total provisions: (lines. 56+57+58)	59	2	47,667,668	49,951,951
I. Deferred income (lines. 60.1+60.2+60.3) of which:	60		-	176,752
2. deferred income	60.2	10f	-	176,752
J. Share capital and reserves				
I. Share capital (lines 62+63) out of which:	61	7	54,884,927	54,884,927
- subscribed and paid-in share capital	63		54,884,927	54,884,927
III. Revaluation reserves				
credit balance	65	17	4,802,152	4,799,772
IV. Reserves (lines 68-69+70+71+72+73+74)	67	17	883,134,183	953,737,097
1. legal reserves	68		10,976,985	10,976,985
2. reserves for allowances for impairment of financial assets (debit balance)	69		108,676,608	91,331,942
4. reserves from securities / shares received at no cost	71		434,323,516	397,426,366
6. reserves representing realized revaluation surplus	73		881,460	884,293
7. other reserves	74		545,628,830	635,781,395
V. Retained earnings				
Credit balance	78	17	5,437,415	6,506,232
VI. Result for the year				
Credit balance	80	3	80,143,950	134,172,864
Total equity (rd. 61+64+65-66+67-75+76-77+78-79+80-81-82)	83		1,028,402,627	1,154,100,892

The notes from pages 9 to 62 form an integral part of these financial statements.

These individual financial statements were approved and authorized for issue by the Company's Management on March 12, 2015 and completed on March 27, 2015.

Ştefan Dumitru
Board Vicepresident

Ştefan Doba
Director of Economic Department



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SIF Banat-Crişana SA
Income statement for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)

Indicator	Nr. rd.	Note	Financial year	
			2013	2014
A. Operating income* - total (line 02 to 11)	01	4, 13	142,094,475	255,500,156
1. Income from non-current financial assets	02		18,339,692	14,154,508
2. Income from short-term investments	03		213,365	34,573
4. Income from disposal of financial assets	05		98,974,344	230,765,357
6. Income from reversal of provisions, reactivated receivables and sundry debtors	07		9,307,046	1,422,513
7. Foreign exchange gains	08		7,035,664	1,285,516
8. Interest income	09		6,489,121	6,506,501
10. Other operating income	11		1,735,243	1,331,188
B. Operating expenses**- total (line 13 to 20)	12	4, 14	51,147,824	94,685,929
12. Expenses with the disposal of financial assets	14		16,301,174	61,833,926
13. Foreign exchange losses	15		5,590,787	1,201,974
15. Fees and commissions expenses	17		3,289,654	3,512,744
16. Expenses with bank services and similar charges	18		55,298	18,882
17. Expenses with depreciation, amortization, provisions, losses from receivables and sundry debtors	19		6,749,375	1,438,714
18. Other operating expenses, out of which:	20		19,161,536	26,679,689
a. Materials	21		192,490	207,459
b. Energy and water	22		177,786	153,297
c. Personnel, out of which: (lines 24+25)	23	8	15,937,857	8,551,741
c1. Salaries	24		13,319,573	6,987,358
c2. Social security	25		2,618,284	1,564,383
d. Third party services	26		2,639,540	17,584,408
e. Expenses with other duties, taxes and similar payments	27		213,863	182,784
C. Operating result				
- profit (lines 01-12)	28		90,946,651	160,814,227
19. Total income (lines 01+30)	34		142,094,475	255,500,156
20. Total expenses (lines 12+31)	35		51,147,824	94,685,929
G. Gross result				
- profit (lines 34-35)	36		90,946,651	160,814,227
21. Income tax				
- Income tax expense	38	10c	10,802,701	26,641,363
H. Result for the year				
- profit (lines 36-38-39)	40		80,143,950	134,172,864

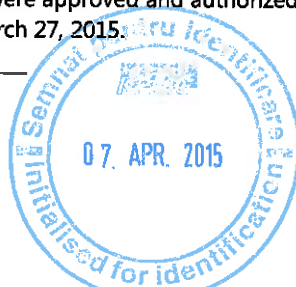
* Operating income is detailed in Note 13 The structure of gross income (page 50).

** Expenses from current activity are detailed in Note 14 Structure of expenses (page 51).

The notes from pages 9 to 62 form an integral part of these financial statements.

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Ștefan Dumitru
Board Vicepresident



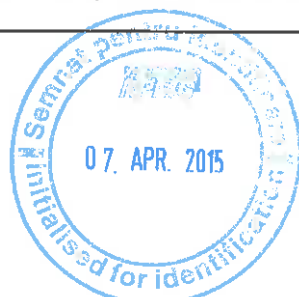
Ștefan Doba
Director of Economic Department

SIF Banat-Crişana SA
Cash flow statement for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)

Nr. crt. Description	Line no.	Financial year		
		Note	2013	2014
A Operating activities				
+ Cash receipts from clients	01		160,386	318,091
- Payments to suppliers and employees	02		(19,118,381)	(13,615,469)
- Interest paid	03		-	-
- Income tax paid	04		(3,696,935)	(34,760,842)
Net cash flows from / (used in) operating activities	05		(22,654,930)	(48,058,220)
B Investing activities				
- Purchases of financial assets	06		(268,060,689)	(249,020,196)
- Purchases of tangible and intangible assets	07		(18,751)	(46,507)
+ Proceeds from sale of financial assets	08		163,074,557	316,067,882
+ Proceeds from sale of tangible assets	09		541,133	-
+ Interest received	10		6,049,301	6,759,017
+ Dividends received	11		18,897,902	13,455,031
- Other payments from investment activity	12		(1,460,684)	(205,570)
+ Other proceeds from investment activity	13		2,698,775	422,370
Net cash flow from/(used in) investing activities	14		(78,278,456)	87,432,027
C Financial activities				
+ Proceeds from the issue of shares	15		-	-
+ Proceeds from long term borrowings	16		-	-
- Dividends paid	17		(3,539,483)	(204,211)
Net cash flows used in financial activity	18		(3,539,483)	(204,211)
Net increase / (decrease) in cash and cash equivalents	19		(104,472,869)	39,169,596
Cash and cash equivalents as at the beginning of year	20	15	124,130,913	19,658,044
Cash and cash equivalents as at the end of year	21	15	19,658,044	58,827,640

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Ştefan Dumitru
Board Vicepresident



Ştefan Doba
Director of the Economic Department

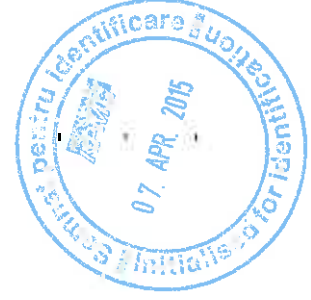
SIF Banat-Crișana SA

Statement of changes in equity
for the year ended 31 December 2014

(all amounts are presented in RON, unless otherwise stated)

Statement of changes in equity as at 31 December 2014

EQUITY ITEM	Note	Balance as of		Increases		Decreases		Balance as of 31 December 2014
		1 January 2014	2014	Total, out of which:	By transfers	Total, out of which:	By transfers	
Share capital		54,884,927	-	-	-	-	-	54,884,927
Share premium		-	-	-	-	-	-	-
Revaluation reserve	17	4,802,152	453	(2,833)	(2,833)	(2,833)	(2,833)	4,799,772
Legal reserves	17	10,976,985	-	-	-	-	-	10,976,985
Reserves for allowances of impairment of financial assets		(108,676,608)	(15,696,905)	-	-	33,041,571	-	(91,331,942)
Statutory or contractual reserves								
Reserves from financial assets received at no cost		434,323,516	23,265,181	(60,162,331)	-	-	-	397,426,366
Reserves representing realized revaluation surplus	17	881,460	2,833	-	2,833	-	-	884,293
Other reserves	17	545,628,830	90,152,565	80,143,950	80,143,950	-	-	635,781,395
Own shares		-	-	-	-	-	-	-
Retained earnings representing profit not appropriated or accumulated losses		-	80,143,950	(80,143,950)	80,143,950	(80,143,950)	(80,143,950)	-
Retained earnings from first time of adoption of IAS, except for IAS 29	17	5,437,415	-	-	-	-	-	5,437,415
Retained earnings from corrections of errors		-	1,068,817	-	-	-	-	1,068,817
		-	-	-	-	-	-	-



SIF Banat-Crișana SA

Statement of changes in equity
for the year ended 31 December 2014

(all amounts are presented in RON, unless otherwise stated)

EQUITY ITEM	Note	Balance as of		Increases		Decreases		Balance as of 31 December 2014
		1 January 2014	Total, out of which:	By transfers	Total, out of which:	By transfers		
Accumulated losses resulted from applying the accounting regulations in line with E.E.C. Directive IV.	17	-	-	-	-	-	-	-
Result for the year	3	80,143,950	134,172,864	-	(80,143,950)	(80,143,950)	134,172,864	
Debit balance								
Profit appropriation	3	-	-	-	-	-	-	
Total equity		1,028,402,627	313,109,758	160,290,733	(187,411,493)	(160,290,733)	1,154,100,892	



SIF Banat-Crișana SA
Statement of changes in equity
for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)

Equity item	Note	Balance 01 January 2013	Increases		Decreases	Balance as of 31 December 2013
			Total, out of which:	By transfers		
Share capital		54,884,927	-	-	-	54,884,927
Share premium		-	-	-	-	-
Revaluation reserve	17	5,004,464	38,536	-	(240,848)	4,802,152
Legal reserves	17	10,976,985	-	-	-	10,976,985
Reserves for allowances of impairment of financial assets (Debit balance)		-	(15,962,730)	-	27,330,427	(108,676,608)
Statutory or contractual reserves		-	-	-	-	-
Reserves from financial assets received at no cost		376,981,898	95,233,926	-	(37,892,308)	434,323,516
Reserves representing realized revaluation surplus	17	640,612	240,848	240,848	-	881,460
Other reserves	17	440,227,678	105,401,152	100,514,044	-	545,628,830
Own shares		-	-	-	-	-
Retained earnings representing		-	100,514,044	100,514,044	(100,514,044)	-
profit not appropriated or accumulated losses		-	-	-	-	-
Retained earnings from first time of adoption of IAS, except for IAS 29	17	5,437,415	-	-	-	5,437,415
Retained earnings from corrections of errors		-	-	-	-	-
Accumulated losses resulted from applying the accounting	17	-	-	-	-	-



SIF Banat-Crișana SA
Statement of changes in equity
for the year ended 31 December 2014

(all amounts are presented in RON, unless otherwise stated)

Equity item	Note	Balance	Increases		Decreases		Balance as of 31 December 2013
		01 January 2013	Total, out of which:	By transfers	Total, out of which:	By transfers	
regulations in line with E.E.C. Directive IV.		-	-	-	-	-	-
Result for the year	3	100,514,044	80,143,950	-	(100,514,044)	(100,514,044)	80,143,950
Profit appropriation	3	-	-	-	-	-	-
Total equity		874,623,718	365,609,726	201,268,936	(211,830,817)	(201,268,936)	1,028,402,627

The notes from pages 9 to 62 form an integral part of these financial statements.

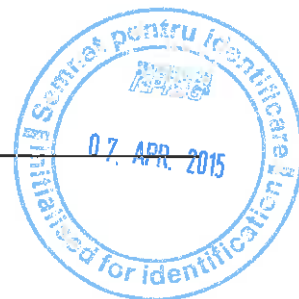
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Ștefan Dumitru
Board Vicepresident

Ștefan Doba
Director of the Economic Department



SIF Banat-Crişana SA
Notes to the individual financial statements
for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)



1. NON-CURRENT ASSETS

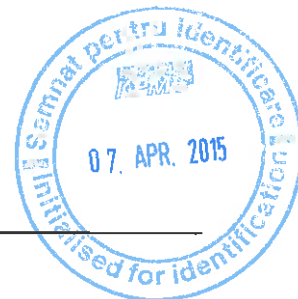
a) Intangible assets

	Concessions, patents and licenses	Prepayments and intangible assets in progress	Total intangible assets
Gross value			
Balance as at 1 January 2014	421,064	-	421,064
Acquisitions	12,744	6,245	18,989
Disposals	183,642	6,245	189,887
Balance as at 31 December 2014	250,166	-	250,166
Cumulated amortization			
Balance as at 1 January 2014	413,922	-	413,922
Acquisitions	4,395	-	4,395
Disposals	183,642	-	183,642
Balance as at 31 December 2014	234,675	-	234,675
Net book value			
Balance as at 1 January 2014	7,142	-	7,142
Balance as at 31 December 2014	15,491	-	15,491

b) Tangible assets

	Land and buildings	Technical installations and machinery	Other plants, equipment and furniture	Total tangible assets
Gross value				
Balance at 1 January 2014	7,243,772	1,979,807	450,579	9,674,158
Acquisitions	-	22,755	16,130	38,885
Disposals	-	103,981	25,528	129,509
Balance as at 31 December 2014	7,243,772	1,898,581	441,181	9,583,534
Cumulated depreciation				
Balance as at 1 January 2014	2,705,488	1,738,381	395,622	4,839,491
Acquisitions	147,041	86,432	15,484	248,957
Disposals	-	103,981	25,506	129,487
Balance as at 31 December 2014	2,852,529	1,720,832	385,600	4,958,961
Net book value				
Balance as at 1 January 2014	4,538,284	241,426	54,957	4,834,667
Balance as at 31 December 2014	4,391,243	177,749	55,581	4,624,573

SIF Banat-Crişana SA
Notes to the individual financial statements
for the year ended 31 December 2014
(all amounts are presented in RON, unless otherwise stated)



1. NON-CURRENT ASSETS (continued)

Based on the internal Decision no. 1/11.01.2013, the Company revalued the "Buildings" class as at 31 December 2012.

As at 31 December 2014 and 31 December 2013 the Company had no assets pledged or in custody at third parties.

c) Financial assets

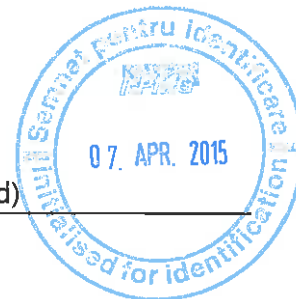
Gross value	Shares	Bonds	Closed- end funds	Other receivables	Total non-current financial assets
Balance as at 1 January 2014	1,123,805,266	49,117,392	-	8,973	1,172,931,631
Acquisitions	46,760,213	579,801	53,199,972	-8,973	100,531,013
Disposals	115,560,926	16,666,779	-	-	132,227,705
Balance as at 31 December 2014	1,055,004,553	33,030,414	53,199,972	-	1,141,234,939
Allowances for impairment					
Balance as at 1 January 2014	180,269,887	-	-	-	180,269,887
Charge	11,339,117	-	5,063,829	-	16,402,946
Reversal	34,454,136	-	-	-	34,354,757
Balance as at 31 December 2014	157,154,868	-	5,063,829	-	162,218,697
Net book value					
Balance as at 1 January 2014	943,535,379	49,117,392	-	8,973	992,661,744
Balance as at 31 December 2014	897,849,685	33,030,414	48,136,143	-	979,016,242

Shares

Acquisitions mainly comprise of the following:

- purchases of shares from the stock market amounting to RON 6,334,575 (Conpet SA RON 2,203,513, Biofarm SA RON 1,994,720, SIF Hoteluri SA Oradea (formerly Calipso SA) RON 846,959, Rusca SA RON 726,528, etc.);
- direct purchases of shares (also including cash participation for the capital increase), amounting to RON 18,399,847, representing the following:
 - direct purchases of shares in the amount of RON 15,966,404 (Central Cluj RON 11,594,880, SAI Muntenia Invest, management company of SIF Muntenia, RON 4,171,524 and IFB Finwest SA Arad RON 200,000);
 - participation in the share capital increase in cash in the amount of RON 2,433,443, of which RON 1,767,060 (Hidrochim SA Timisoara, Petrocart SA and Nord Conforest SA) and the contribution in kind RON 666,383 (Azuga Turism SA);
- the value of securities resulting from the capital increase by incorporating elements of equity by two issuers (Banca Transilvania SA and IAMU Blaj SA) amounting to RON 22,025,791.

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1 NON-CURRENT ASSETS (continued)

Disposals mainly comprise:

- the book value of the shares disposed in amount of RON 114,555,467 (Erste Group Bank AG Vienna RON 58,014,961, BRD Groupe Societe Generale RON 16,476,434, Turbomecanica SA RON 10,226,242, Fondul Proprietatea SA RON 9,197,332, Biofarm SA RON 5,671,881, Teraplast SA RON 5,076,965, Ductil SA RON 2,839,675, Zentiva RON 2,945,655, Contor Group SA RON 1,065,173, etc);
- the value of securities transferred as a result of the division of a company, in amount of RON 666,388;
- the value of units disposed of due to the bankruptcy of the companies in the portfolio amounts to RON 339,071 (Comcereal Caras, Flamingo International, etc.).

As at 31 December 2014, allowances for impairment of financial assets, amounting to RON 11,339,117, were set up, comprising:

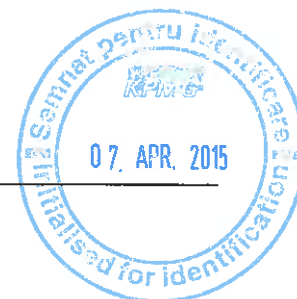
- the adjustments determined as the difference between the higher accounting value and the value determined under Measure no. 23/20.12.2012, issued by CNMV, in total of RON 2,841,512, out of which the amount of RON 2,762,921 is recognized in reserves in equity, in accordance with the allowed alternative treatment of CNVM Order no. 13/2011, and the value of RON 78,591 which is recognized in expenses, relating to a bankrupt company during 2014;
- in order to provide more relevant information on certain financial assets listed on a regulated market, but not traded or unlisted, held by the company, the Company proceeded to determining the fair value of these entities by assessing the internal and external evaluators' reports. The values set by the evaluators were considered fair values of these financial assets. The adjustments determined based on the assessments carried out by valuers in the amount of RON 7,870,155 are recognized in reserves (Azuga Turism SA RON 1,222,292, Argus SA RON 1,246,213 and SIF Imobiliare PLC RON 5,401,650).
- the adjustments transferred from reserves for the companies which entered into liquidation / insolvency during 2014 and from which no return is expected, recognized in expenses, in amount of RON 627,450.

Reversals of adjustments for impairment in amount of RON 34,454,136 include:

- The amount of RON 14,997,737 representing reversals of adjustments related to disposals of shares from the portfolio (sold or liquidated);
- The amount of RON 18,828,949 as a result of the appreciation of value determined under NSC Measure no. 23/2012 as at 31 December 2014 for long term investments for which the Company previously set-up allowances for impairment
- The amount of RON 627,450 relating to the companies which entered into liquidation / insolvency procedures during 2014, transferred into the Profit and Loss account.

Out of the adjustments for impairment reversed in 2014, RON 1,412,565 was recognized as income from reversal of impairment allowances (the allowances were previously accounted for as expenses) and RON 33,041,571 was recognized against reserves from recognition of impairment allowances on financial assets (previously, the allowances were charged against reserves).

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1 NON-CURRENT ASSETS (continued)

Bonds

Additions include favorable foreign exchange differences resulting from the evaluation at BNR exchange rate of the bonds held in EURO.

Disposals mainly include the value of government bonds in EURO with maturity in July 2015, which were transferred to current assets, and the value of unfavorable exchange differences resulting from the evaluation at BNR exchange rate of the bonds held in EURO.

On maturity, respectively as of 15 January 2014 and as of 15 July 2014, the interest on the second coupon (15.07.2013-14.01.2014) was received, respectively on the third coupon (15.01.2014-14.07.2014) totaling RON 406,611 related to the bonds issued in Euro by Banca Transilvania, in amount of RON equivalent 6,080,414, as of 31 December 2014.

Before the due date, on 6 June 2014, the interest related to the first coupon (21.06.2013-09.06.2014) was received, in amount of RON 2,120,067 related to the corporate bonds issued by Industrial Energy (derived by dividing Romenergo SA) amounting to RON 26,950,000 as at 31 December 2014.

At the maturity date, 29 July 2014, the interest related to the third coupon was received (29.07.2013-28.07.2014) in amount of RON 742,331, for the bonds denominated in euro issued by the Ministry of Finance.

Unit funds of closed-end investment funds

The additions represent the value of the unit funds purchased in 2014 from Active Plus closed-end investment fund in amount of RON 41,200,000, and from Omnitrend closed-end investment fund in amount of RON 11,999,972.

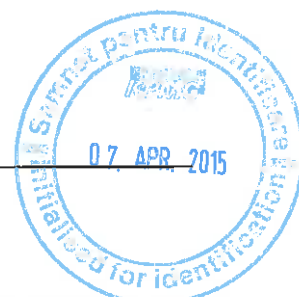
The adjustments booked as at 31 December 2014 in the amount of RON 5,063,829 were recognized in reserves (Omnitrend closed-end investment fund RON 3,821,938 and Active Plus closed-end investment fund RON 1,241,891).

Based on the FSA regulations, the unit funds are measured based on the NAV calculated by the fund manager, using the closing quotations for traded financial instruments. In case the Company observes that for the holdings of the fund there is no active market, public financial statements evaluation of the fund's holdings is used, respectively the net asset value is adjusted. Based on the net assets, a corrected NAV is obtained, used to evaluate the unit funds in the financial statements of SIF Banat-Crişana.

As at 31 December 2014 the total assets of Active Plus closed-end investment fund consisted mainly of shares held in SIFs 65.9% and other securities admitted for trading on a market in other member states 33.32%, respectively structured products (Royal Bank of Scotland NV 10.623% and Merrill Lynch Intl & CO 22.7%).

The manager of the Active Plus fund is SAI Swiss Capital, located in Bucharest, Bd. Dacia no. 20, 4th floor, Sector 1, registered at the Trade Register of Bucharest Tribunal under no. J40 /10183/1998, unique registration code 11070990, authorized by NSC by Decision no. D4551 / 28.10.1998, registered in the NSC register under no. PJR05SAIR / 400 015 of 14/12/2004, phone 021.408.42.25, fax 021.408.42.22.

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2 NON-CURRENT ASSETS (continued)

The depository for Active Plus fund is UniCredit Tiriac Bank SA, legal entity established in Bucharest, Str. Glacier no. 23-25, sector 1, RO-014106, Romania, registered in the Trade Register of Bucharest Tribunal under no. J40 / 7706/1991, having the tax code RO361536, with approval of BNR, Series B No. 000007 / 07.01.1994, registered with the CNVM Register no. PJR10DEPR / 400011.

As at 31 December 2014, Omnitrend closed-end investment fund's assets were represented mainly of shares of SIF Moldova - 35.37% and stocks and bonds traded on official listing on a stock exchange of a non-member state 63.61% (Transeastern Power Trust).

The administrator of Omnitrend is SAI SIRA located in Bucharest, Finlanda Street no. 25, 2nd floor, Sector 1 registered with the Trade Register of Bucharest Tribunal under no. J40 / 914/1996, unique registration code 8106253, authorized by NSC by Decision no. 256 / 19.01.2004, registered in the NSC register under no. PJR05SAIR / 400008, phone 021.230.00.78, fax 021.230.45.50.

Depository for the Omnitrend fund is Banca Comerciala Romana S.A., Romanian legal entity, with the headquarter in Bucharest, B-dul Regina Elisabeta no. 5, sector 3, registered with the Trade Register no. J40 / 90 / 23.01.1991, unique registration code 361757, registered in the NSC register under the no. PJR10 / DEPR / 400010 from 04.05.2006.

2. PROVISIONS

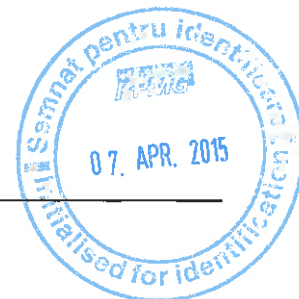
Provision description	1 January 2014	Transfers		31 December 2014
		In the account	From the account	
Provision for taxes	47,667,668	3,524,126	1,239,843	49,951,951
Total	47,667,668	3,524,126	1,239,843	49,951,951

Provision for taxes, amounting to RON 49,951,951 represents the transposition of the deferred taxes, recognized until 1 January 2006, for the reserves related to the value of securities assets, fixed assets revaluation reserve and for the reserves for shares received at no cost (Note 17). Transfers in the account amounting to RON 3,524,126 comprise deferred tax related to reserves for shares received at no cost (capital increases from reserves and net profit), and the transfers from the account amounting to RON 1,239,843 represent mainly the deferred tax release related to reserves from shares received at no cost which were disposed of.

The main components of the provision for taxes arising from temporary differences are presented in the following table:

Provisions for taxes related to:	31 December 2013	31 December 2014
- reserves for the value of shares	43,579,701	45,864,438
- revaluation reserves	914,696	914,242
- reserves for tax facilities	3,173,271	3,173,271
Total provisions for taxes	47,667,668	49,951,951

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3. PROFIT APPROPRIATION

On April 15, 2014, the Board of Directors proposed the profit appropriation of the 2013 financial year profit, amounting to RON 80,143,950 in other reserves for own sources of funding.

The Board of Directors proposes and recommends allocation of net profit of the financial year 2014 amounted to RON 134,172,864, as follows:

- The amount of RON 79,287,937 to other reserves for own financing sources used in the future as decided by the ordinary general meeting of shareholders;

- The amount of RON 54,884,927 for dividends, representing RON 0.10 gross per share. Dividends are payable to the entitled shareholders who hold shares on the registration date approved by the Ordinary General Shareholders' Meeting.

4. ANALYSIS OF THE OPERATING RESULT

Indicator	Line No.	31 December 2013	31 December 2014
Income from non-current financial assets	1	18,339,692	14,154,508
Income from current financial assets	2	213,365	34,573
Income from non-current receivables	3	-	-
Income from disposal of financial assets	4	98,974,344	230,765,357
Income from services provided	5	-	-
Income from re-activated receivables and sundry debtors	6	-	-
Income from reversal of provisions	7	9,307,046	1,422,513
Foreign exchange gain	8	7,035,664	1,285,516
Interest income	9	6,489,121	6,506,501
Income from capitalized production	10	-	-
Other operating income from: (line. 12 to 18)	11	1,735,243	1,331,188
- research and development	12	-	-
- royalties, leases and rent	13	73,974	86,708
- sundry activities	14	-	-
- subsidies	15	-	-
- other income	16	616,729	56,130
- discount received	17	335	-
- other financial income	18	1,044,205	1,188,350
OPERATING INCOME (line 01 to 11)	19	142,094,475	255,500,156
Losses on receivable from associates	20	-	-
Expenses with the disposal of financial assets	21	16,301,174	61,833,926
Foreign exchange loss	22	5,590,787	1,201,974
Interest expense	23	-	-
Fees and commissions expenses	24	3,289,654	3,512,744
Expenses with bank services and similar charges	25	55,298	18,882
Losses from receivables and sundry debtors	26	13,296	9,948

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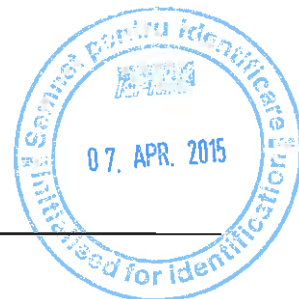
4. ANALYSIS OF THE OPERATING RESULT (CONTINUED)

Indicator	Line	31 December 2013	31 December 2014
Impairment allowances and depreciation expense	27	6,736,079	1,428,766
Other operating expenses, out of which: (line 29+30+31+34+47)	28	19,161,536	26,679,689
- materials	29	192,490	207,459
- energy and water	30	177,786	153,297
- personnel, out of which (line. 32+33)	31	15,937,857	8,551,741
- salaries	32	13,319,573	6,987,358
- social security	33	2,618,284	1,564,383
- third party services, out of which (line 35 to 46)	34	2,639,540	17,584,408
- maintenance and repairs	35	64,118	84,513
- royalties, leases and rent	36	143,865	153,511
- insurance premiums	37	37,270	56,521
- research and studies	38	-	-
- protocol, advertising and publicity	39	165,016	212,864
- transportation of goods and personnel	40	591	-
- travel, posting and transfers	41	333,457	321,939
- postal and telecommunications	42	141,169	138,463
- other third party services	43	639,894	611,706
- other expenses	44	622,094	148,127
- expenses with discounts granted	45	-	-
- other financial expenses	46	492,066	15,856,764
- expenses with other duties, taxes and similar payments	47	213,863	182,784
<u>OPERATING EXPENSES (line 20 to 28)</u>	<u>48</u>	<u>51,147,824</u>	<u>94,685,929</u>
<u>OPERATING RESULT (line 19 – line 48)</u>	<u>49</u>	<u>90,946,651</u>	<u>160,814,227</u>

Income and expenses with a certain weight in total are detailed and explained in notes 13 Structure of gross income and 14 Structure of expenses.



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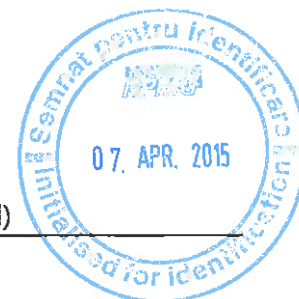


5. STATEMENT OF RECEIVABLES AND PAYABLES

RECEIVABLES		31 December 2014	Liquidity term	
			Less than 1 year	More than 1 year
Prepayments to suppliers and receivables from clients		83,215	83,215	-
Dividends receivable	a)	1,179,732	1,179,732	-
Sundry debtors		15,017	15,017	-
Income tax recoverable		1,658,984	1,658,984	
Penalties related to dividends not collected		58,361	58,361	-
Government bonds	b)	16,074,126	16,074,126	
Accrued interest	c)	1,740,062	1,740,062	
Adjustments for impairment of receivables - sundry debtors	d)	(1,238,093)	(1,238,093)	-
Sundry debtors-participation in capital increase	e)	-	-	-
TOTAL		19,571,404	19,571,404	-

- a Dividends receivable amounting to RON 1,179,732 include dividends receivable from previous years (31 December 2013: RON 1,333,761);
- b Government bonds in EURO in amount of RON 16,074,126 maturing in July, 2015 (December 31, 2013: RON 999,994, corporate bonds issued by European Bank);
- c Accrued interest amounting to RON 1,740,062 represents the interest related to bonds with maturity more than one year (31 December 2013: RON 1,721,887).
- d Adjustments for impairment of receivables amounting to RON 1,238,093 (31 December 2013: RON 778,667) were accounted for dividends receivable from previous years amounting to RON 1,179,732 and the related penalties amounting to RON 58,361.
- e Sundry debtors – participation in share capital increase in the amount of RON 0 (31 December 2013: RON 834,200);

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5. STATEMENT OF RECEIVABLES AND PAYABLES (CONTINUED)

RECEIVABLES	31 December 2013	Liquidity term	
		Less than 1 year	More than 1 year
Prepayments to suppliers and receivables from clients	26,586	26,586	-
Dividends receivable	a) 1,333,761	1,333,761	-
Sundry debtors	146,969	146,969	-
Penalties related to dividends not collected	66,020	66,020	-
Corporate bonds	b) 999,994	999,994	-
Accrued interest	c) 1,721,887	1,721,887	-
Adjustments for impairment of receivables - sundry debtors	d) (778,667)	(778,667)	-
Sundry debtors-participation in capital increase	e) 834,200	834,200	-
TOTAL	4,350,750	4,350,750	-

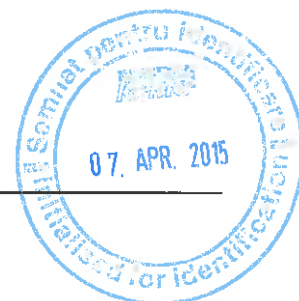
PAYABLES	31 December 2014	Settlement term		
		Less than 1 year	Between 1 and 5 years	More than 5 years
Suppliers	124,011	124,011	-	-
Salaries and social contributions	2,167,488	2,167,488	-	-
Other duties and taxes	f) 366,426	366,426	-	-
Dividends payables to Shareholders	g) 13,126,579	13,126,579	-	-
Sundry creditors	10,743	10,743	-	-
Amounts payable for financial Assets	h)	-	-	-
Total	15,795,247	15,795,247	-	-

f Other duties and taxes amounting to RON 366,426 represent mainly payroll tax maturing in January 2015 (31 December 2013: RON 396,383);

g Dividends payable to shareholders amounting to RON 13,126,579 (31 December 2013: RON 23,322,091) include dividends payable for 2011. Dividends not collected for the financial years prior to 2011 have been prescribed, and were transferred in other reserves (see Note 17).

h Payments made for financial assets amounting to RON 0 (31 December 2013: RON 354,845).

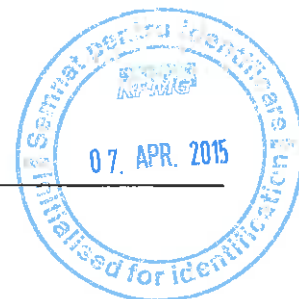
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5. STATEMENT OF RECEIVABLES AND PAYABLES (CONTINUED)

		<u>Settlement term</u>			
		31 December 2013	Less than 1 year	Between 1 and 5 years	More than 1 year
Suppliers		186,697	186,697	-	-
Salaries and social contributions		2,360,725	2,360,725	-	-
Income tax		7,529,311	7,529,311	-	-
Other duties and taxes	f)	396,383	396,383	-	-
Dividends payables to Shareholders	g)	23,322,091	23,322,091	-	-
Amounts payable for financial Assets	h)	354,845	354,845	-	-
Sundry creditors		3,828	3,828	-	-
Total		34,153,880	34,153,880	-	-

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

6.1 General Information

The financial statements are the responsibility of the Company and were prepared in accordance with the Accounting Regulations compliant with E.E.C. Directive IV, applicable to entities authorized, regulated and supervised by the National Securities Commission (NSC), approved through the Order no. 13/2011 of the President of the National Securities Commission, which are applied together with the Romanian Accounting Law no. 82/1991, republished with subsequent amendments. For the preparation of the annual financial statements the regulations stipulated in NSC Order no.3/2013 for the approval of Instruction no. 1/2013 for the amendment of Instruction no. 2/2007 regarding the preparation and publication of annual financial statements by entities authorized, regulated and supervised by the National Securities Commission were also taken into account.

These financial statements comprise the individual financial statements of the Company.

These individual financial statements have not been prepared to reflect the financial position and results of operation and of cash flows of the Company in accordance with International Financial Reporting Standards.

In accordance with FSA Instruction no. 1/2013 for the approval of Instruction no. 6/2011 regarding the application of International Financial Reporting Standards by entities authorized, regulated and supervised by the National Securities Commission, the financial investment companies have the obligation to prepare annual financial statements, for informative purposes, in accordance with the International Financial Reporting Standards, for the years 2011, 2012, 2013 within 180 days from the closing of financial year. The financial statements prepared in accordance with IFRS will be obtained by restating the information presented in the annual financial statements prepared in accordance with EEC Directive IV. The financial statements prepared in accordance with IFRS are published on the website and are subject to financial audit.

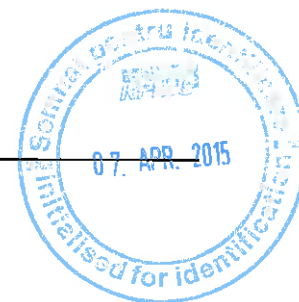
According to FSA Instruction no. 2/06.08.14 on the application of International Financial Reporting Standards by entities authorized, regulated and supervised by FSA from Investment Sector and Financial Instruments ("SIIF"), starting with 1 January 2015, regulated entities authorized and supervised by FSA-SIIF shall keep accounts in accordance with IFRS adopted under the procedure foreseen in Art. 6 para. (2) of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

According to this instruction, the provisions of Instruction no. 6/2011, as amended, are applicable to fiscal year 2014.

FSA Council by a decision adopted on 26 February 2015 approved the postponement for the requirement of implementing IFRS until 1 January 2016.

In accordance with NSC Decision no. 1176 / 15.09.2010, financial investment companies are required to prepare and submit to FSA (former C.N.M.V) annual consolidated financial statements in accordance with International Financial Reporting Standards adopted by the European Union within 8 months after the closing of the financial year.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.2 Accounting principles underlying the individual financial statements

The financial statements were prepared on historical cost basis, in accordance with the provisions of the Order no. 13/2011 of the President of the National Securities Commission for the approval of the CNVM Regulation no. 4/2011 regarding Accounting Regulations compliant with E.E.C. Directive IV, applicable to entities authorized, regulated and supervised by NSC, respecting also the accruals principle.

Therefore, the effects of transactions and events are recognized when incurred and are accounted for and reported in the financial statements of the related periods.

The accounting principles underlying the individual financial statements are:

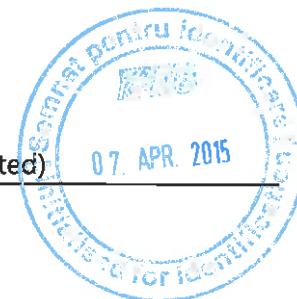
- **Going concern principle** - it assumes that the Company will continue its activity in the foreseeable future, without becoming impossible for the Company to continue its activity and without significantly curtailing the scale of its activity.
- **Consistency principle** – it assumes the consistency in the rules and methods selected for valuation, accounting of transactions and presentation of assets and liabilities, as well as of the results, ensuring the comparability of financial information presented
- **Prudence principle** – the value of each element is determined taking into account:
 - a. only the profits recognized until the date of the preparation of the financial statements
 - b. Foreseeable liabilities and potential losses, which arose in the current or previous financial year, even if these occur between balance sheet date and its preparation date.
 - c. All the depreciations, regardless if the financial year result is profit or loss.
- **Accrual's principle** – all income and expenses incurred in the financial year are accounted for, irrespective of the date of payment or collection.
- **Principle of separate valuation of assets and liabilities** – it assumes separate valuation of assets and liabilities.
- **Intangibility principle** – the opening balance sheet for each financial year corresponds to the prior financial year closing balance sheet.
- **Netting off principle** – assets are not netted off against liabilities, respectively income is not netted off against expenses.
- **Substance over form principle** – the information disclosed in the financial statements illustrates the economic substance of events and transactions, and not merely their legal form;
- **Materiality principle** – only those items which are material are individually disclosed in the financial statements. Those items with immaterial amounts, which have similar functions and nature have to be aggregated, their separate disclosure is not necessary.

6.3 Accounting policies

(a) Use of estimates

The preparation of financial statements in accordance with NSC Order no. 13/2011 requires management to make estimates and assumptions that affect the reported value of assets and liabilities, disclosure of contingent assets and contingent liabilities at balance sheet date, and income and expenses reported to

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

the respective financial year. Although the estimates and assumptions are made by management, using the most reliable information available at balance sheet date, the actual results may differ from these estimates.

(b) Going concern

The nature of the Company's operations and the result of the economic policies currently implemented may generate variations in what regards future cash inflows. The Administrators believe that the Company will be able to continue its activity as a going concern in the foreseeable future and, consequently, the financial statements were prepared in accordance with this principle.

(c) Foreign currency transactions

Functional and presentation currency

The functional and presentation currency of the financial statements is the Romanian Leu (RON).

Foreign currency transactions and balances

The Company's foreign currency transactions are translated to RON at the exchange rate communicated by the National Bank of Romania ("NBR"), for the transaction date. Any gains or losses resulting from settlement of foreign currency transactions and from conversion of foreign currency monetary assets and liabilities are recognized in the profit or loss account of the current year.

The foreign currency balances are translated to RON, at the exchange rates communicated by NBR for balance sheet date. Profit or loss resulting from settlement of foreign currency transactions and from translation of foreign currency items is recognized in the profit or loss account.

At 31 December 2014, the official exchange main courses were: RON 3.6868 for 1 USD (31 December 2013: 3.2551) and RON 4.4821 for 1 euro (31 December 2013: 4.4847).

(d) Intangible assets

An intangible asset is recognized to the extent it is estimated the asset will generate future economic benefits and the asset can be measured reliably.

- Initial recognition

Intangible assets are initially recognized at cost

- Subsequent expenditures

Subsequent expenditure is capitalized when it is probable that these expenses enable the asset to generate future economic benefits over the ones initially estimated and when they can be reliably measured.

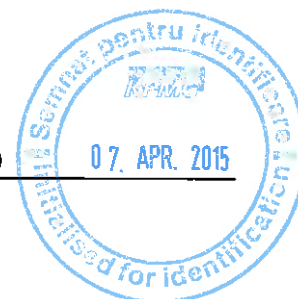
- Measurement at balance-sheet date

Intangible assets are presented in the balance sheet at acquisition cost, less cumulated value adjustments.

- Amortization

Acquisition cost of patents, trademarks, licenses, computer software are capitalized and amortized using the straight-line method, according to their useful life, up to 5 years.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(e) Tangible assets

Tangible assets are assets held for the own use of the Company or for rental to third parties, are used by the Company for periods greater than one year and have an acquisition cost greater than RON 2,500 (starting with July 1, 2013), previously RON 1,800.

- Initial Recognition

Tangible assets are recognized at acquisition cost.

- Subsequent expenditures

Expenses with maintenance and repairs of tangible assets are recognized in the profit or loss account when incurred whereas major improvements of the tangible assets, which result in increase of their useful life, or in a significant increase in their capacity to generate economic benefits, are capitalized.

- Measurement at balance sheet date

Tangible assets are presented in the balance sheet at acquisition cost, less cumulated value adjustments, or, at revalued amount.

In accordance with the alternative measurement rules, tangible assets are revalued periodically and therefore they are presented in the balance sheet at revalued amount. The measurement is recorded based on a revaluation report prepared by an evaluator accredited by ANEVAR.

The revaluation of land and buildings is performed every 3 years, both the gross carrying amount and the accumulated depreciation related to buildings being updated.

The resulting differences are recognized in the account „Revaluation reserve”, as a separate element of the equity.

An increase arising as a result of a revaluation should be recognized as income to the extent that it represents a reversal of a revaluation decrease of the same asset, previously recognized as an expense.

If the carrying amount of an asset is reduced as a result of a revaluation, this decrease is recognized as an expense. Nevertheless, a decrease arising as a result of a revaluation is debited to the related revaluation surplus, to the extent that it does not exceed any amount previously credited to the revaluation surplus relating to the same asset.

Any revaluation surplus included in equity may be transferred in reserves when it is realized.

- Depreciation

Depreciation is calculated at cost, using the straight-line method, over the estimated useful life of the assets, as follows:

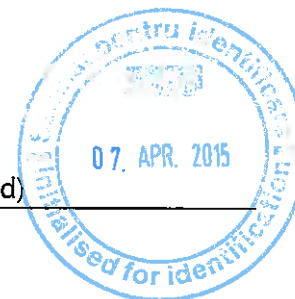
	<u>Years</u>
Buildings and special constructions	10 - 50
Technical installations and machinery	3 - 30
Furniture, office equipment, other tangible assets	3 - 20

Land is not depreciated because it is assumed it has an indefinite useful life.

- Sale and disposal

Written off or sold tangible assets are derecognized from the balance sheet, altogether with the

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(e) Tangible assets (continued)

accumulated depreciation. Any resulting profit or loss from such operations is determined as the difference between the proceeds from sale and the carrying amount and it is included in the profit or loss account.

(f) Allowances for impairment of assets

The carrying amount of the Company's assets is reviewed at each balance-sheet date in order to determine if any impairment triggers exist. If such triggers occur, the Company estimates the recoverable amount of its assets. If the carrying amount of the assets exceeds their recoverable amount, the Company accounts for an allowance to impairment.

If a change occurs in the conditions existent at the date the recoverable amount was assessed, then the allowance for impairment may be reversed. The adjustment reversal may be performed, provided that the current net carrying amount of the asset will not exceed its historical net accounting value, considering the depreciation charge and ignoring the allowance for impairment.

(g) Financial instruments

The portfolio of financial instruments portfolio comprises of:

- non-current financial assets
- current financial assets

(g.1.) Non-current financial assets

Non-current financial assets include: securities and other financial instruments held as non-current assets and other non-current receivables.

Securities and other financial instruments held as non-current assets include shares held as financial assets available for sale, units held in closed investment funds, bonds issued by municipalities, financial institutions and the state with a maturity greater than 1 year.

Other receivables comprise of deposits placed at banks with a maturity greater than 1 year and other non-current receivables.

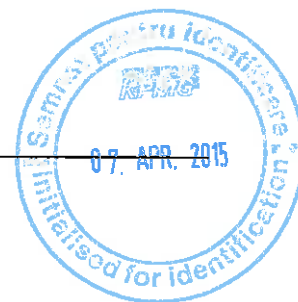
(a) Recognition

Non-current financial assets are recognized at the date they were transferred (settlement date). In the case of listed companies, all shares purchases and sales which involve a settlement in a certain period, determined according to the regulations in place or upon market agreement, are recognized at the date the transaction is recognized at the Bucharest Stock Exchange.

In case of unlisted companies, the shares purchases are recognized at the date of registration at the Trade Registry and shares disposals are accounted for at settlement date.

Non-current financial assets brought as contribution in kind to the capital of another entity are derecognised together with the reserve for the value of non-current financial assets received at no cost. At the same time, the Company recognizes as an financial asset the participation in that company, at issue

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

value or contribution value. The difference between the value of shares received as a result of participation in the capital of other entities and the carrying amount of financial assets subject to holding is recognized as reserve for the value of non-current financial assets received at no cost.

Management decides the way in which the classification of financial assets will be made upon the acquisition date.

(b) Measurement of non-current financial assets

- **At acquisition date** the non-current financial assets are measured at acquisition cost or the amount determined by the acquisition contract. The cost of acquisition of shares and other long-term financial investments (listed or unlisted), includes transaction costs directly attributable to their acquisition.

The value of financial assets received at no cost is recognized at nominal value in the account 1065 "Reserves from the shares received at no cost";

- **At disposal date** the non-current financial assets are measured using the weighted average cost method;
- **At the balance sheet date** the acquisition value is compared with the value established through inventory procedures, called inventory value. The negative differences between inventory value and book value are recognized as adjustments for impairment. The positive differences between the inventory value and the book value are not accounted for, in accordance with the CNVM's Order no. 13/2011.

For the shares, the inventory value is the value established according to the provisions of Measure no. 23/20.12.12 issued by NSC, effective from March 2013 and to the decision of the Board of Directors no. 10 of February 28, 2013 to approve the use of alternative methods provided in this Measures.

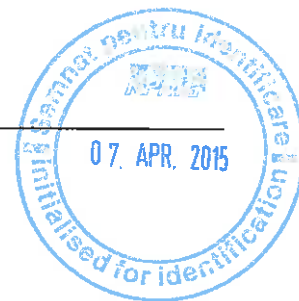
Therefore in the case of shares traded in the last 30 trading days, the inventory value is computed based on the closing price of the market section considered the main market or the reference price provided by other trading systems than regulated markets for the day for which the computation is available.

Securities listed on foreign financial markets are valued at the inventory value, based on the above calculation method and are discounted at the NBR exchange rate valid on the date of the calculation.

For securities admitted to trading, but not traded in the last 30 trading days and for unlisted securities, inventory value is the book value per share determined on the basis of latest annual financial statements of the entity (prepared in accordance with applicable accounting regulations). For credit institutions, book value per share is based on the equity value contained in the monthly reports submitted to the NBR.

Securities not traded or admitted to trading and not traded in the last 30 days, whose financial statements are not available within 90 days from the deposition date considered as zero value or at the value determined by using information from quarterly/half-yearly financial reports published on the website of the regulated market or alternative trading system, where this information is available.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

The inventory value of the securities held in unlisted companies with negative values of equity and companies involved in the insolvency or reorganization process, judicial liquidation or other forms of liquidation or permanent cessation of activity is considered as zero value.

For securities issued by OPC admitted to trading or traded in the last 30 days of trading on a regulated market, the inventory value is set at the closing price of the market section considered the main market. In the case of securities issued by OPC not admitted to trading, the inventory value is determined by an evaluation method based on the latest net asset value calculated and published.

The inventory value is established under NSC Measure no. 23/20.12.12, a decision made by the Company because it is an accepted method used in the reports submitted to the AFS by investors to calculate monthly and annual net assets. The Company considers that the value of shares presented to the investors in the financial statements can't be determined by different methods. The Company has consistently applied this method of evaluation.

(c) Impairment

If at the balance sheet date, the value of financial assets has decreased with the difference between the value established under the above principles and the carrying amount, adjustments are made for impairment.

CNVM Order no. 13/2011 provides the alternative accounting treatment for recognition of adjustments for impairment of financial assets, respectively in the profit or loss account or in equity. Starting with 2008, the Company decided to apply the accounting treatment for recognition of impairment adjustments in equity.

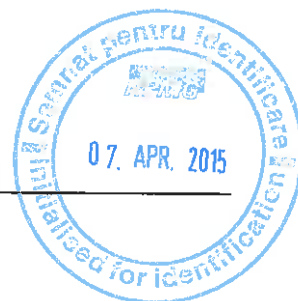
In addition to the accounting treatment for recognition in the impairment of equity, starting with the year 2011 the Company has developed this method in the sense of distinction between temporary and permanent reductions. Consequently, the adjustments for the loss of value related to companies in liquidation, reorganization, insolvency, are recognized in profit or loss account because these losses are estimated to have a permanent character, and the financial standing of these companies will not improve.

Measurement at minimum values cannot continue if the reasons for which the respective adjustments were made are no longer applicable.

Adjustments for impairment will be cancelled or reversed for the financial assets disposed of or in case of fair value appreciation. The reversal of adjustments for depreciation will be done proportionately according to the source from which they were formed, respectively at income and / or reserves.

(d) Derecognition

The derecognition of financial assets is effected at the settlement date for listed on a regulated market or at the date the ownership is transferred, for unlisted shares or bankruptcy of an issuer. Any resulting gain or loss from derecognition is determined as the difference between the proceeds from



6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

sale and the carrying amount of the securities sold reduced with the related reserves.

The results from the financial assets sold are accounted for in the profit or loss account.

(g.2.) Current financial assets include shares, fund units held in closed-end investment funds, securities, bonds issued by Government, certificates, bonds issued by municipalities, financial companies and banks with maturity less than one year, purchased in order to realize a profit in the short term.

Measurement:

☛ **At acquisition date:** the current financial assets are measured at acquisition cost determined by the acquisition contract. Short-term financial investments in foreign currencies are initially recognized at the exchange rate communicated by NBR from the day of transaction. In case of shares and other financial investments which are not admitted for trading on a regulated market, the acquisition price contains the costs of trading directly attributable to their acquisition.

Shares received at no cost are booked in account 768 "Other financial income"

☛ **At disposal date** the current financial assets are measured using the weighted average cost method. Sale/liquidation of short-term investments in foreign currency is made at the exchange rate communicated by NBR, from the date the operation was made. The exchange difference between the rate registered in the accounting and the rate of NBR on the date of liquidation is registered in income or expenses from exchange rate differences.

☛ **At balance sheet date** the impairment of financial assets held as current assets, determined through inventory process, is accounted for as expense. The positive difference between the inventory value and the book value are not recognized.

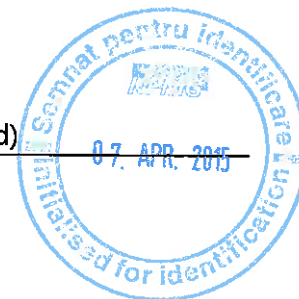
For short-term financial investments the inventory value or fair value is the value established according to the provisions of Measure no. 23/20.12.12 issued by NSC, effective from March 2013 and to the decision of the Board of Directors no. 10 of February 28, 2013 to approve the use of alternative methods provided in this Measures.

For short-term held securities, admitted to trading or traded in the last 30 trading days, the inventory value is calculated based on the closing price of the market section considered the main market.

Securities listed on foreign financial markets are measured at the inventory value based on the above calculation method and are converted to RON at the exchange rate of the 31 December.

For securities admitted to trading, but not traded in the last 30 trading days, the inventory value is the book value per share of the entity, determined based on the last annual financial statements (prepared in accordance with accounting regulations applicable to the issuer). In the case of credit institutions, book value per share calculation is based on the equity value presented in the monthly reports submitted to the NBR.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(g) Financial instruments (continued)

Securities admitted to trading and not traded in the last 30 working days whose financial statements are not available within 90 days from the legal submission dates are assessed at zero or the value set by using information from financial reports quarterly / half-yearly published on the website of the regulated market or alternative trading system, where this information is available.

The fair value of securities held in companies under insolvency, reorganization, judicial liquidation or other liquidation forms and those in temporary or permanent cessation of activity is set to zero.

Derivative financial instruments admitted to trading and traded in the last 30 days of trading on a regulated market are valued at the closing price of the market considered primary market section. For those not admitted to trading on a regulated market, fair value is determined using valuation methods applied in conformity with international valuation standards (the fair value principle is used) and approved by the Board.

Short-term financial assets held in foreign currency are valued at the end of the financial year at the closing quotation, expressed in RON at the exchange rate of the National Bank of Romania.

(e) Reclassifications

Initial classification of financial assets as financial assets and short-term investments depends on the purpose for which they are intended, the entity's intention during its financial instruments up to a year or more than a year, according to accounting policies approved by the Board of Directors.

Subsequent reclassification of financial instruments, from short-term financial investments in financial assets, and vice versa, can be determined by changing the intent to hold the Company and/ or change/ deterioration of economic and financial context in which the Company operates, financial market that these instruments are traded (low transaction volumes, prices, etc.) and which are not possible to achieve the expected profit by exploiting their acquisition date these financial instruments within the 12 months.

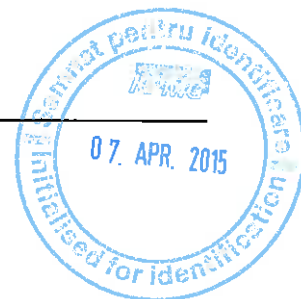
(h) Inventory

Inventories are carried at the lower of cost and net realizable value. Cost is determined by first in first out method (FIFO) for all types of inventories. Net realizable value is estimated based on the selling price used in the ordinary course of business minus the completion and selling costs.

(i) Receivables

Receivables are measured at the expected recoverable amount. For doubtful receivables, adjustments for impairment are made when they are identified. Receivables in foreign currency are recognized both in RON and the foreign currency at the exchange rate given by NBR. At the end of each month, receivables in foreign currency are valued at the exchange rate communicated by NBR. Foreign exchange gains or losses are recognized in the profit or loss account.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(j) Payables

Payables are accounted for at nominal amount.

Foreign currency payables are recognized both in RON and in the foreign currency at the exchange rate communicated by NBR. At the end of each month, foreign currency payables are revalued at the exchange rate communicated for last day of the month. Foreign exchange gains or losses are recognized in the profit or loss account.

(k) Dividends payable

Dividends declared before the balance sheet date, are accounted for as liabilities on the balance sheet date. Dividends proposed or declared after balance sheet date, are not recognized as liabilities but they are disclosed in the notes to the financial statements. Dividends not claimed within 3 years after expiry of limitation are recorded in equity, other reserves.

(l) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

For the purpose of the cash flow statement, cash and cash equivalents include petty cash, current accounts with banks, treasury advances and short term financial assets (securities, bonds) with a maturity less than 3 months. Cash equivalents are highly liquid, short term financial assets, which can be easily converted to cash and bear an insignificant risk of change in value.

(m) Provisions

Provisions are recognized when the Company has a legal or constructive obligation arising from past events, for the settlement of which an outflow of resources embodying economic benefits is necessary, and when the liability can be reliably measured.

Provisions for incentives granted to employees and administrators for the realization of the profit, are recognized in accordance with the provisions of the Collective Labor Agreement.

(n) Taxation

Provisions for taxes

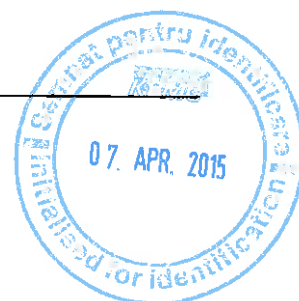
Deferred taxes were recognized by the Company in accordance with the Accounting Regulations in force until 1 January 2006.

Deferred taxes on balance as at the end of 2005 were transposed to provisions for taxes. Deferred tax was calculated at rates expected to be enacted for the year of the realization of the asset or the settlement of the liability.

Provisions for taxes are set-up for future amounts payable due to the state budget, provided that those amounts are not reflected as current liabilities in relation to the state.

Provisions for taxes are calculated from 1 January 2006 under the provisions of Accounting Regulations in accordance with CEE Directive IV.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(n) Taxation (continued)

Current tax expenses

In 2014, the Company paid a corporate tax rate of 16%, equal to the rate in force in 2013.

Income tax calculation starts from the accounting result, corrected with the deductible and non-deductible items to which tax rates enacted at that date, are applied.

(o) Employees benefits

During the normal course of its operations, the Company makes payments to health, pensions and unemployment national funds, in accordance with legal regulations in force during the year, calculated on gross salaries. These costs are accounted for in the profit or loss account, upon recognition of the employees' salaries. All the employees of the Company are members of the Romanian state pension plan.

The Company retains and transfers to private pension funds, the amounts with which employees are enrolled in a voluntary pension plan. The persons who retire at the age limit can benefit from a social help amounting to 5 average salaries at Company level.

(p) Revenue recognition

Income from transactions

Income from trading shares is recognized at gross amount (the value of transaction), and those resulted from transactions with current financial assets are recognized based on the net value (the difference between selling price and cost).

Revenues resulting from financial assets transactions made on external financial markets are converted into RON at NBR exchange rate from day the transaction was made, foreign exchanges gains and losses being recognized in the income statement.

The gains from the sale of investment securities on foreign financial markets is determined as the difference between the income obtained (at the exchange rate of NBR from the date the transaction was made) and the acquisition value at the exchange rate from the date of acquisition.

In determining the gain or loss from transactions, only the variations of the quotations of the respective instruments is taken into account, the Foreign exchange gains and losses are recognized separately.

Interest income

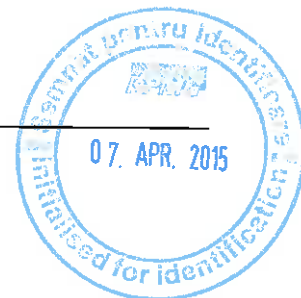
Interest income is recognized periodically (monthly), proportionally, while the income is generated, in the profit or loss account for all financial instruments. Interest income includes fixed income from financial assets and commercial titles, as well as reductions and premiums related to treasury securities.

For interest income for which the collection has become uncertain, the adjustment for impairment is recognized separately as an expense. The reduction or cancellation of adjustments for impairment is made by reversal if the allowance for impairment is no longer justified.

Income from financial assets

The income from financial assets includes dividend income which is recognized when the shareholders' right is established and for the amounts presented by the companies in their financial statements.

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6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

6.3 Accounting policies (continued)

(q) Expenses recognition

Expenses related to financial investments disposed

Expenses related to financial investments disposed of equal the carrying amount of the securities ceded (calculated using the weighted average cost), reduced by the amount of reserves afferent to the respective securities.

If the shares are traded on the foreign markets, the expenses related to financial investments disposed of will be recognized at the exchange rate from the date of acquisition, currency differences will be accounted for at financial expenses.

The expenses regarding the disposal of short-term financial investments represent the unfavorable differences between the accounting value (acquisition value) of the short term financial investments and the selling price.

In the case of short-term financial investments disposed, made on foreign financial markets, the carrying amount represents the value of securities in the course of the acquisition date (value calculated based on the weighted average cost) exchange differences are recorded in the foreign exchange costs.

Commissions for transactions on the foreign markets are recognized at the exchange rate from the date the transaction was made.

Expenses with bank commissions

Expenses with bank commissions are recognized when they occur. Fees from negotiating or from participation in the negotiation of a transaction, such as loans, shares or other securities, purchase or sale of business, are recognized at the conclusion of the transaction.

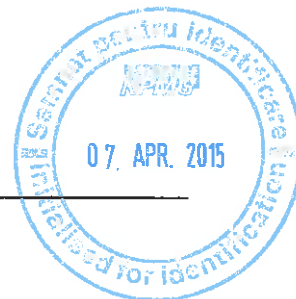
(r) Other operating income and expenses

Other operating income and expenses are recognized when they occur.

(s) Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders to the weighted average number of shares for the year.

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7. PARTICIPATIONS AND SOURCES OF FUNDING

The share capital of SIF Banat Crișana has a value of RON 54,884,926.80 being divided into 548,849,268 shares with face value of RON 0.1000 and is the direct result of subscriptions made to the share capital of SIF, by converting into shares the amounts due as dividends according to Law no. 55/1995 and Law no.133/1996. As at 31 December 2014, the number of shareholders was of 5,785,854 (31 December 2013: 5,798,807).

Shares issued by SIF Banat Crișana are traded on the Bucharest Stock Exchange since November 1999. The evidence regarding the shares and shareholders is held by the SC Depozitarul Central SA Bucharest.

The company has not issued any bonds on 31 December 2014 and 31 December 2013.

8. INFORMATION REGARDING EMPLOYEES AND MEMBERS OF THE MANAGEMENT AND SUPERVISION BODIES

	<u>2013</u>	<u>2014</u>
Administrators	7	3
Administrative Director under the Law no. 31/1990	1	-
Employees with higher education	38	37
Employees with secondary education	7	5
Employees with general education	6	6
TOTAL	<u>58*</u>	<u>51</u>

* There is one person that holds the role of administrator and director based on a mandate contract.

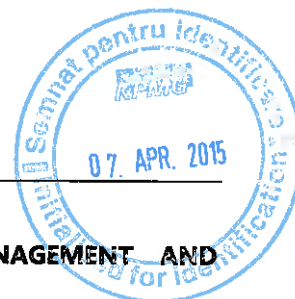
	<u>2013</u>	<u>2014</u>
Expenses with salaries**	8,987,190	6,836,332
Expenses with insurance and social security	2,618,284	1,564,383
Other staff expenses	192,383	151,026
Expenses with incentives granted to Employees and directors as a result of profit realization***	4,140,000	-
TOTAL	<u>15,937,857</u>	<u>8,551,741</u>

** The amount includes compensatory payments for employees laid off, according to the collective labor agreement and awards for achievement, according to income and expenditure budget approved by GSM;

*** As at 31 December 2012 a provision for risks and charges was created for incentives to be granted to employees and directors as a result of exceeding the budgeted profit in 2012. In 2013, after the approval of the financial statements for 2012, the provision was reversed and the amount was included in the expenses with incentives granted to employees and administrators.

The remuneration paid to employees in 2014 and 2013 amounted to RON 6,836,332 and RON 8,987,190, respectively, of which:

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8. INFORMATION REGARDING EMPLOYEES AND MEMBERS OF THE MANAGEMENT AND SUPERVISION BODIES (continued)

	<u>2013</u>	<u>2014</u>
Board of Directors	886,540	820,550
Managing Director under the Law no. 31/1990	738,224	718,763
Employees	7,362,426	5,297,019
Total	<u>8,987,190</u>	<u>6,836,332</u>

On December 5, 2014, the Board of Directors was informed about the resignation of Mr. Ali H. Lakis from the function of Administrator and on December 9, 2014, the Company acknowledged Mr. Adrian Petreanu's notification on resignation from the function of Administrator.

As at 11 December 2014 the Company received the following decisions from the FSA:

- Decision no. 1980 / 10.12.2014 through which FSA decides that Notice A / 8 / 06.27.2013 is no longer valid, regarding the position of Mr. Dragos-George Bîlteanu as administrator of SIF Banat-Crişana
- Decision no. 1981 / 10.12.2014 rejecting the request of SIF Banat-Crişana to approve the change of composition of the Board of Directors, following the election of Mr. Najib El Lakis as administrator of the company, in accordance with Resolution no. 1 / 15.04.2014 of the Ordinary General Meeting of Shareholders of SIF Banat-Crişana

As at 31 December 2014 the company's management was carried out by a Board of Directors consisting of 3 members.

a) Remuneration of directors and administrators

During the financial year, there were no prepayments and loans granted to directors and administrators of the Company, except for travel prepayments in the interest of the service.

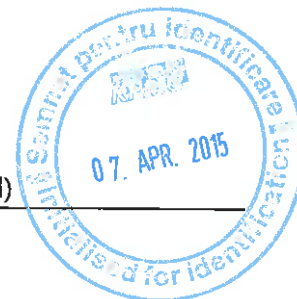
As at 31 December 2014 and 31 December 2013, the administrators had concluded contracts for professional liability insurance.

The Company has no contractual obligations regarding pensions to former administrators and directors of the Company.

b) Employees

As at 31 December 2014, the Company had 51 employees (2013: 58), out of which 46 were permanent employees (2013: 51) and 5 were temporary employees (2013: 7). The average number of employees in 2014 was of 49 (2013: 69).

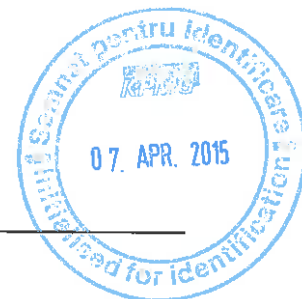
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9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS

	2013	2014
1 LIQUIDITY RATIOS		
a) Current liquidity ratio		
Current assets/ Current liabilities	3.30	14.80
Current assets	112,720,622	236,368,536
Current liabilities	34,153,880	15,971,999
b) Quick asset ratio		
(Current assets-Inventories) /Current liabilities	3.30	14.80
Current assets-Inventories	112,718,188	236,366,297
Current liabilities	34,153,880	15,971,999
c) Cash ratio		
(Petty cash and cash at bank + Short term Investments) / Current Debts	3.17	13.56
Petty cash and cash at bank + Short term Investments	108,232,569	216,612,182
Current Liabilities	34,153,880	15,971,999
2 RISK RATIOS	Not the case	Not the case
3 ACTIVITY RATIOS		
a) Clients receivables days		
Average receivables balance/ Turnover * 365	10	19
Average receivables balance (including debtors- Note 5a)	3,784,710	12,969,457
Turnover (the total operating income)	142,094,475	255,500,156
Average payables balance/ Purchases of goods except for services * 365	11	12
Average payables balance	86,737	86,643
Purchases of goods except for services- credit movement 401	2,831,915	2,663,199
b) Non-current assets turnover		
Turnover/Non-current assets	0.14	0.26
Turnover (total operating income)	142,094,475	255,500,156
Non-current assets	997,503,553	983,656,306
c) Total assets turnover		
Turnover/Total assets	0.13	0.21

SIF Banat-Crișana SA
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9. ANALYSIS OF THE MAIN FINANCIAL AND ECONOMIC RATIOS (CONTINUED)

	2013	2014
3 ACTIVITY RATIOS		
Turnover(total operating income)	142,094,475	255,500,156
Total assets	1,110,224,175	1,220,024,842
4 Profitability ratios		
a) Return on capital employed		
Earnings before interest and tax/Capital employed	8.84%	13.93%
Earnings before interest and tax	90,946,651	160,814,227
Capital employed (equity)	1,028,402,627	1,154,100,892
b) Return on assets		
Net profit / Total assets x 100	7.22	11.00
Net profit	80,143,950	134,172,864
Total assets	1,110,224,175	1,220,024,842
c) Return on equity		
Net profit / Equity x 100	7.79	11.63
Net profit	80,143,950	134,172,864
Equity	1,028,402,627	1,154,100,892
5 Working capital (WC)		
(Equity + long term loans) – non-current assets	30,899,074	170,444,586
Equity + long term loans	1,028,402,627	1,154,100,892
Total non-current assets	997,503,553	983,656,306
6 Demand for working capital (DWC)		
(Inventories + Receivables) – current liabilities	(29,800,696)	3,601,644
Inventories + Receivables	4,353,184	19,573,643
Current liabilities	34,153,880	15,971,999
7 Net treasury (NT)		
WC – DWC	60,699,770	166,842,942
8 Dividend yield		
Dividend per share / Price per share	0.00%	0.00%
Dividend per share	0.0000	0.0000
Price per share (average price year)	1.1550	1.2213
9 Dividend pay-out rate		
Dividend per share / Profit per share	0.00%	0.00%
Dividend per share	0.0000	0.0000
Profit per share	0.1460	0.2445

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10. OTHER INFORMATION

a) Information regarding the presentation of the Company

SIF Banat Crişana SA (the "Company") was set up under the Law no. 133/1996 through the reorganization and transformation of the Private Property Fund Banat-Crişana and it is a joint-stock Company operating under Law 31/1990 and Law no. 297/2004.

SIF Banat-Crişana is located in Arad, 35 A Calea Victoriei, Arad County, code 310158, phone no: 0257.234.167, Fax: 0257.250.165. The registration number from the Trade Registry Office is J02/1898/1992 and the unique fiscal identification number is 2761040.

The Company's depository since 29.01.2014 is BRD Groupe Société Générale, the company's depository since July 2005 until the January, 2014 has been ING Bank NV Amsterdam Bucharest Branch, and the Company registry services are provided by SC Depozitarul Central SA Bucharest.

The Company's core activity is:

- Placements in financial instruments, in order to maximize the value of own shares in accordance with regulations in force;
- Management of the investments portfolio and exercise of all rights associated to the instruments in which it invests;
- Other related activities in accordance with the regulations in force.

b) Information about the relationship with the companies in which SIF holds a share of over 20%

In order to motivate the management of the companies in which SIF Banat Crişana has participations, management contracts were signed with the companies in which SIF has a significant interest.

For more information regarding the companies in which SIF holds participations of more than 20%, please see Note 11.

c) Information on current income tax

The fiscal profit for the year ended 31 December 2013 and 31 December 2014 is presented below:

	<u>31 December</u> <u>2013</u>	<u>31 December</u> <u>2014</u>
Accounting profit	90,946,650	160,814,227
Non-deductible expenses	1,765,263	14,453,165
Non-taxable income	(22,817,212)	(7,908,959)
Other taxable items	<u>122,178</u>	<u>30,881</u>
Taxable profit	70,016,879	167,389,314
Income tax rate	16%	16%
Current income tax	11,202,701	26,782,290
Other facilities	<u>(400,000)</u>	<u>(140,927)</u>
Current income tax payable	<u>10,802,701</u>	<u>26,641,363</u>

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10. OTHER INFORMATION (CONTINUED)

d) Turnover

Turnover includes total operating income. The most significant weight in the total revenues is held by the revenues from financial assets and transferred financial assets.

e) Subsequent events of the balance

- Board of Directors of SIF Banat-Crişana, based on art. 117 of Law no. 31/1990 and the FSA decision no. 1982 / 10.12.2014, convoked the Ordinary General Meeting of Shareholders (AGOA) to fill four vacancies in the board of directors for 2 (3) March 2015 at the company's headquarter in Arad, Calea Victoriei, 35A.

Gathered on 3 March 2015, second call, AGOA of SIF Banat-Crişana selected one administrator, in the person of Mr. Bogdan Alexandru Dragoi, with a term of office valid until the expiration of the current administrators' mandate (04/24/2017). Following the secret vote of the shareholders, other candidates did not meet the majority of votes' condition laid down by legal regulations and Articles of Association.

SIF Banat-Crişana initiated the necessary steps for authorization by the FSA in accordance with Art. 23 and art. 24 of FSA Regulation no. 9/2014 of the administrator elected by AGOA.

- Board of Directors of SIF Banat-Crişana, under art. 286³ in Law no. 297/2004 - as amended by Law no. 10/2015, approved at the meeting from 20 February 2015 the amendment of the company's Statute regarding the quorum conditions for the extraordinary general meetings of shareholders.

Art. 6 para. (18) of the Company Statute shall be read as follows:

"To validate the proceedings of the extraordinary general meeting of shareholders, is required for the first call, the presence of shareholders holding at least a quarter of the total number of voting rights and for the subsequent calls, the presence of shareholders representing at least one fifth of the total voting rights. Decisions are taken by a majority of votes held by shareholders present or represented. The decision to change the main activity of the company, to reduce or increase the share capital, change of legal form, merger, division or dissolution of the company shall be taken by a majority of at least two thirds of the voting rights held by shareholders present or represented."

Modifications of Statute shall be registered at the Trade Register, based on the decision of the Board, after obtaining authorization from the FSA (according to art. 286³ of the Law no. 297/2004).

- The transfer contract regarding the sale by SIF Banat-Crişana, of 786,882 shares of the issuer Azuga Turism SA is no longer valid after the notice received from the buyer on 26 March 2015, through which the latter has communicated its intention to cancel the contract. The parties concluded an addendum in which they jointly agree on the termination of the contract.

f) Deferred income

The Company has deferred income 31 December 2014 amounting to RON 176,752, representing receipts relating to contracts of direct sale of shares (Ardudana SA and Mobipet SA) (31 December 2013: RON 0).

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10. OTHER INFORMATION (CONTINUED)

g) Installments paid under a lease contract

As at 31 December 2014 and 31 December 2013, the Company did not have operational or financial leases.

h) Fees paid to auditors

The Company paid in 2014 a total of RON 101,703 for the audit of the financial statements of the year 2013 and for the review of the financial reporting as at 30 June 2014 (2013: RON 121,710).

i) Contingent liabilities and commitments given

Contracts for purchases of non-current tangible and financial assets

- There were no tangible assets in progress as of 31st of December 2014 (31 December 2013: RON 0).
- As of 31st of December 2014 and 31st of December 2013 the Company had no contracts for raw materials and spare parts.
- As of 31st of December 2014 the Company had no contracts for the purchase of non-current financial assets (31 December 2013: RON 834,200). (Note 5)
- As of 31st December 2014, the Company had no contract for subscription to the share capital (31 December 2013: RON 354,845) (Note 5).

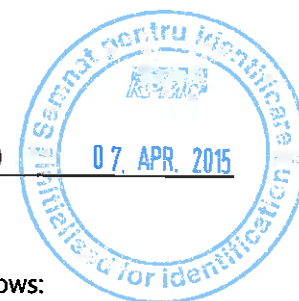
j) Commitments received

The company signed on 03.10.2014 an agreement regarding the sale of 786,882 shares of the issuer Azuga Turism SA, representing 94.415% of its share capital, the shares being payable in installments over three years, after paying an advance. The total value of the contract exceeded the cost of holding.

The contract provided a suspension clause of execution, consisting of the withdrawal by SIF Banat-Crişana of a in-kind contribution to the capital of the Company, representing a piece of land located in Busteni, and whose value has not been subject of the transaction.

On 26 March 2015, the buyer announced the Company of its intention to cancel the contract regarding the sale of 786,882 shares by SIF Banat-Crişana of the issuer Azuga Turism SA. An addendum whereby the parties jointly agreed on the termination of the contract will be concluded.

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11. PORTFOLIO STRUCTURE

As at 31 December 2014, the structure of the Company's portfolio is presented as follows:

Description	Adjusted value ¹		Differences±
	Purchase value		
I Non-current financial assets			
A Securities listed on a regulated market or an alternative trading system;	874,280,110	1,053,096,477	178,816,367
B Securities not listed on a regulated market or an alternative trading system;	180,724,443	189,204,411	8,479,968
C Debt instruments issued by the Central Public Administration;	-	-	-
D Debt instruments issued by Local Public Administration	-	-	-
E Bonds of companies whose securities are listed on a regulated market;	6,080,414	6,080,414	-
F Shares and bonds of closed companies whose securities are not listed on a regulated market	26,950,000	26,950,000	-
G Other assets or financial instruments – closed-end investment funds	53,199,972	48,136,143	-5,063,829
I Total non-current financial assets (Nota 1)	1,141,234,939*	1,323,467,445	182,232,506
II Current financial assets			
A Securities listed on a regulated market or an alternative trading system	121,621,381	124,600,534	2,979,153
G Other actives and financial instruments - SIF4 Pnote certificates and SIF4 minilong SIF4	17,025,989	7,717,992	-9,307,997
II Total current financial assets (Nota 16)	138,647,370**	132,318,526	-6,328,844
III Accounts payable			
C Credit instruments issued by the Central Public Administration;	16,074,126	16,074,126	-
III Total Accounts payable (Nota 5)	16,074,126	16,074,126	-
Total portofoliu I+II+III	1,295,956,435	1,471,860,097	175,903,662

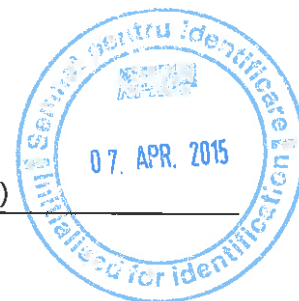
¹ The fair value determined under the NSC Disposal of measures 23 / 20.12.12 and internal and external evaluations conducted.

Compared to the amounts presented above under "Total non-current financial assets" and "Total current financial assets", the balance-sheet amounts are as follows:

*The balance sheet position "securities and other financial instruments held as non-current financial assets" includes securities available for sale, at book value or cost less adjustments for impairment, amounting to RON 162.218.697, calculated as at 31 December 2014, as the difference between the higher book value and the fair value determined according to NSC Measure no. 23/20.12.12 (Note 1).

** The balance sheet position "Other current financial assets" includes:

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11. PORTFOLIO STRUCTURE (CONTINUED)

- securities held for trading presented at cost less adjustments for impairment as at 31 December 2014, in amount of RON 6,554,930;
- other assets and financial instruments presented at cost less adjustments for impairment as at 31 December 2014, in amount of RON 9,307,997 (presented in detail in Note 16);
- bank deposits (including the attached interest) in amount of RON 93,262,595 (presented in detail in Note 12);

As at 31 December 2014, the structure of the portfolio, based on the holding percentage is:

% participation	Number of companies	Book value	Share in total portfolio
above 50%	16	405,358,992	34.45%
between 20-50%	34	43,005,848	3.66%
below 20%	130	728,261,094	61.89%
Total	180	1,176,625,934	100.00

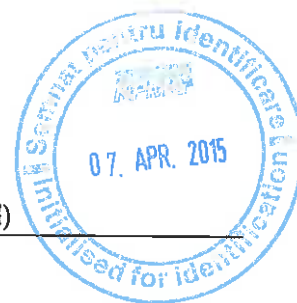
As at 31 December 2013 the structure of the Company's portfolio is presented as follows:

Description	Value calculated according to		
	Purchase value	Measure 23/2012	Differences±
I Non-current financial assets			
A Securities listed on a regulated market or an alternative trading system;	964,037,806	1,288,399,957	324,362,151
B Securities not listed on a regulated market or an alternative trading system;	159,767,461	174,364,977	14,597,516
C Debt instruments issued by the Central Public Administration;	16,083,450	16,083,450	-
D Debt instruments issued by Local Public Administration	-	-	-
E Bonds of companies whose securities are listed on a regulated market;	6,083,941	6,083,941	-
F Shares and bonds of closed companies whose securities are not listed on a regulated market	26,950,000	26,950,000	-
G Other assets or financial instruments	-	-	-
I Total non-current financial assets	1,172,922,658*	1,511,882,325	338,959,667

II Current financial assets

A Securities listed on a regulated market or an alternative trading system:			
- shares	18,007,724	18,433,150	425,426
- fund units	360,813	377,820	17,007

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11. PORTFOLIO STRUCTURE (CONTINUED)

II Total current financial assets	18,368,537**	18,810,970	442,433
Total portfolio I+II	1,191,291,195	1,530,693,295	339,402,100

Compared to the amounts presented above under "Total non-current financial assets" and "Total current financial assets", the balance-sheet amounts are as follows:

*The balance sheet position "securities and other financial instruments held as non-current financial assets" includes securities available for sale, at book value or cost less adjustments for impairment, amounting to RON 180,269,887, calculated as at 31 December 2013, as the difference between the higher book value and the fair value determined according to NSC Measure no. 23/20.12.12 (Note 1).

** The balance sheet position "Other current financial assets" includes:

- securities held for trading presented at cost less adjustments for impairment as at 31 December 2013, in amount of RON 1,184,657;
- fund units held for trading presented at acquisition value;
- bank deposits (including the attached interest) in amount of RON 88,717,641 (presented in detail in Note 12);

As at 31 December 2013 the structure of the portfolio, based on the holding percentage is:

% participation	Number of companies	Book value	Share in total portfolio
Above 50%	15	381,283,355	33.39%
Between 20-50%	35	91,703,357	8.03%
Below 20%	172	668,826,280	58.58%
Total	222	1,141,812,991	100.00%

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11. PORTFOLIO STRUCTURE (continued)

In accordance with art. 238 (1) of NSC Regulation nr. 4/2011, below are presented the entities where the Company holds interests in the percentage of at least 20%. The data on the amount of capital and reserves and profit or loss from SIF Company's portfolio are not available for the year 2014.

No	Unique identification code	Company	Address				Participation Percentage	Share capital	Carrying amount	Status
			County	City	Street	No Flat				
1	6496150	VALY-TIM	TM	TIMISOARA	M EHADIEI	5	99.999	5,435,000	6,155,955	
2	HE323682	SIF IMOBILJARE	ZZ	NICOSIA	KARPENISOU	30	99.986	6,689,050	145,209,688	
3	2204171	TRANS EURO HOTEL	M M	BAJA MARE	BUCURESTI	2 3	99.935	6,600,205	6,600,205	
4	14393678	BETA TRANSPORT	C J	CLUJ-NAPOCA	GIORDANO BRUNO	1-3	99.757	2,412,798	2,412,798	
5	199176	NAPOMAR	CJ	CLUJ-NAPOCA	M UNCII	14	99.435	25,640,603	25,864,965	
6	2127419	RUSCA	HD	HUNEDOARA	DACIA	10	99.228	3,894,640	5,796,085	
7	28330211	AZUGA TURISM	B_	BUCURESTI	REGINA ELISABETA	54	98.984	14,436,818	30,186,673	
8	56150	SF HOTELURI	BH	ORADEA	P-TA EMANUIL	53 A10	98.658	50,771,468	50,805,854	
9	12274093	HOTEL MESESUL	SJ	ZALAU	1 Decembrie 1918	11/ A	98.398	1,342,518	1,430,978	
10	684200	SILVANA	SJ	CEHU SILVANIE	PLOPILOR	2	96.283	3,609,430	3,790,498	
11	2736489	ARIO	BN	BISTRITA	Drumul Cetatii	85	93.641	13,035,178	13,034,523	F
12	1766830	IAMU	AB	BLAJ	GHEORGHE BARTIU	38	76.697	18,215,748	19,759,778	
13	9415761	SAI MUNTENIA INVEST (managing company of SIF Muntenia)	B_	BUCURESTI	SPLAIUL UNIRII	16	74.980	899,760	12,454,908	



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11. PORTFOLIO STRUCTURE (continued)

No	Unique identification code	Company	Address			Participation Percentage	Share capital	Carrying amount	Status
			County	City	Street				
14	1454846	VRANCART	VN	ADJJD	E. TEODOROIU	74.717	64,534,671	64,837,896	
15	575688	SOM PLAST	BN	NASAUD	G.COSBUC	70.751	5,757,950	5,405,915	
16	199230	CENTRAL	CJ	CLUJ-NAPOCA	Regele Ferdinand	63.510	232,400	11,612,273	
Total book value of companies in which SIF holds more than 50%									
17	3357599	NORD CONSTRUCTII	SM	CAREI	UZINEI	44.310	79,550	79,550	
18	1703521	ARADEANCA	AR	ARAD	PADURII	39.161	222,673	222,673	INS
19	2196087	COMAR	MM	BAIA MARE	MINERILOR	34.942	101,503	101,503	
20	16276186	MOBILA US	BC	BACAU	Calea MOINESTI	32.452	126,280	126,280	LJ
21	2816987	ELBAC	BC	BACAU	CALEA MOINESTI	32.450	829,956	829,956	LJ
22	17716200	ATLASCARD	HD	DEVA	Pta UNIRII	31.363	32,190	32,190	
23	1828800	HIDROTIM	TM	TIMISOARA	M ARTIRILOR	30.509	112,523	913,883	
24	2046136	PETROCART	NT	PIATRA NEAMT	DECEBAL	30.177	3,743,362	3,743,362	
25	1062656	AGROPRODUCT RESTA	CS	RESTA	PAUL IORGOVICI	30.005	181,800	181,800	RJ
26	2761369	CRISCOM	AR	CHISNEU CRIS	INFRATIRII	30.001	80,180	80,180	LJ
27	1765460	TRANSILVANIA AIUD	AB	AIUD	TUDOR	30.000	116,948	116,948	LJ
28	2441828	UZINA ARDEALUL	AB	ALBA IULIA	MICIURIN	29.508	138,983	138,983	LJ
29	7245512	REMAT MARGHITA	BH	MARGHITA	BRINDUSE	29.390	4,795	4,795	DIZ



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11. PORTFOLIO STRUCTURE (continued)

No	Unique identification code	Company	Address			Participation Percentage	Share capital	Carrying amount	Status
			Country	City	Street				
30	1719170	AGROINDUSTRIALA NADLAC	AR	NADLAC	GEORGE ENESCU	85			DIZ
31	1770300	COMMIXT	AB	OCNA MURES	BRAZILOR		20		LJ
32	9654130	MOBIMET	HD	HATEG	RAU MARE	94			LJ
33	5184591	MOBIPET	HD	PETROSANI	LIVEZENI	232			
34	7072756	METALURGICA	BH	MARGHITA	C. REPUBLIC	72			LJ
35	1753147	SUJNPROD GALDA	AB	GALDA DE JOS	OJEIDEA	300			LJ
36	569007	MEBIS	BN	BISTRITA	INDUSTRIE	4			INS
37	13061000	GAZ VEST	AR	ARAD	PRUNULUI	129			
38	10702460	FORESTIERA	DB	TARGOVISTE	SLOZULUI				
39	5462698	EXFOR	B.	BUCURESTI	SOSEAJA PIPERA	46A			LJ
40	644184	MOBICOM	SM	SATU MARE	L1 VIU REBREANU	43			40,983
41	7323645	AGROMEC GATAIA	TM	GATAIA	SUM IGULUI				33,963
42	1728194	AGROINDUSTRIALA SAGU	AR	SAGU					343,843
43	1071522	AGROTRANSPORT	CS	RESTA	PJORGOVICI	34			9,648
44	1758098	CTCE	AB	ALBA IULIA	MIHAI VITEAZU	4			21,253
45	1856312	AGROINDUSTRIALA SOCGAT	TM	GATAIA	REPUBLICI				264,280
46	3094999	MOPAL	BN	BISTRITA	TARPIULUI	14			20,197,562



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11. PORTFOLIO STRUCTURE (continued)

No	Unique identification code	Company	Address			Participation Percentage	Share capital	Carrying amount	Status
			Country	City	Street				
47	768506	MOLIDUL	SV	VAMA	STEFAN CEL MARE		226,448	226,448	RJ
48	1754770	COMAT ALBA	AB	ALBA IULIA	GARI	10	132,115	132,115	
49	1060620	COMAT CARAS SEVERIN	CS	RESTA	MONIOM	113	62,210	62,210	
50	1765044	METALURGICA	AB	AIUD	VULCAN	2-10	1,787,623	1,787,623	RJ
Total book value of companies in which SIF holds between 20% and 50%							42,204,155	43,005,848	

Legend:

- Ins - insolvency
- LJ - judicial liquidation
- RJ - judicial reorganization
- F - bankruptcy
- DIZ - dissolution



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12. STRUCTURE OF BANK DEPOSITS

As at 31 December 2014 the Company had the following bank deposits:

Name	Bank	Account symbol	Maturity		Interest as at <u>31.12.2014</u>		Share in total interest	Deposit	Date of Maturity
			<60 days	>60 days	%	Amount			
	Alpha Bank	ron		2,000,000	3.20	12,273.97	2.45	23/10/2014	23/01/2015
	Alpha Bank	ron		2,000,000	3.20	12,273.97	2.45	23/10/2014	23/01/2015
	Alpha Bank	ron		2,160,000	3.20	13,066.52	2.61	24/10/2014	23/01/2015
	Banca Comerciala Feroviara	ron	3,500,000		3.00	863.01	0.17	29/12/2014	08/01/2015
	Banca Comerciala Feroviara	ron	10,000,000		3.40	13,972.60	2.79	17/12/2014	19/01/2015
	Banca Comerciala Feroviara	ron	10,000,000		3.40	12,109.59	2.42	19/12/2014	21/01/2015
	Banca Comerciala Feroviara	ron	10,000,000		3.40	9,315.07	1.86	22/12/2014	22/01/2015
	Banca Comerciala Feroviara	ron	3,000,000		3.00	2,219.18	0.44	23/12/2014	23/01/2015
	Banca Intesa Sanpaolo	ron		5,000,000	3.35	92,590.28	18.51	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		3,000,000	3.35	55,554.17	11.11	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		2,000,000	3.35	37,036.11	7.41	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		1,000,000	3.35	18,518.06	3.70	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		1,000,000	3.35	18,518.06	3.70	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		500,000	3.35	9,259.03	1.85	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		500,000	3.35	9,259.03	1.85	16/06/2014	15/06/2015
	Banca Intesa Sanpaolo	ron		1,000,000	3.05	4,913.89	0.98	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		500,000	3.05	2,456.94	0.49	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		2,000,000	3.05	9,827.78	1.97	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		2,000,000	3.05	9,827.78	1.97	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		2,000,000	3.05	9,827.78	1.97	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		2,000,000	3.05	9,827.78	1.97	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		1,000,000	3.05	4,913.89	0.98	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		1,000,000	3.05	4,913.89	0.98	04/11/2014	02/11/2015
	Banca Intesa Sanpaolo	ron		5,000,000	3.05	24,569.44	4.91	04/11/2014	02/11/2015



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12. STRUCTURE OF BANK DEPOSITS (CONTINUED)

Name Bank	Account symbol	Deposit Amount		Interest as at <u>31.12.2014</u>		Share in total interest	Deposit	Date of Maturity
		Maturity < 60 days	Maturity > 60 days	%	Amount			
Banca Intesa Sanpaolo	ron		3,000,000	3.05	14,741.67	2.95	04/11/2014	02/11/2015
Banca Intesa Sanpaolo	ron		2,000,000	3.05	9,827.78	1.97	04/11/2014	02/11/2015
Piraeus Bank sucursala Stefan cel Mare	ron		2,080,000	3.20	8,206.03	1.64	17/11/2014	17/02/2015
Bancpost sucursala Vitan (in ron)	eur		6,723,150	2.20	34,512.17	6.90	09/10/2014	09/01/2015
Bancpost sucursala Vitan (in ron)	eur		6,799,346	2.20	34,903.31	6.98	09/10/2014	09/01/2015
Total Bank Deposits		36,500,000	56,262,496		500,098.78	100.00		



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12. STRUCTURE OF BANK DEPOSITS (CONTINUED)

As at 31 December 2013 the Company had the following bank deposits:

Name Bank	Account symbol	Deposit Amount		Maturity >60 days	Maturity <60 days	%	Amount	Share in total interest	Deposit	Date of Maturity
		Maturity >60 days	Maturity <60 days							
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.60	13,672.22	1.77	16/09/2013	11/09/2014
Banca Intesa Sanpaolo	RON	710,000		710,000		4.60	9,707.28	1.26	16/09/2013	11/09/2014
Banca Intesa Sanpaolo	RON	1,600,000		1,600,000		4.50	12,800.00	1.66	29/10/2013	23/10/2014
Banca Intesa Sanpaolo	RON	400,000		400,000		4.50	3,150.00	0.41	30/10/2013	23/10/2014
Banca Intesa Sanpaolo	RON	500,000		500,000		4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	250,000		250,000		4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	250,000		250,000		4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	250,000		250,000		4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	250,000		250,000		4.50	1,781.25	0.23	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	500,000		500,000		4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	500,000		500,000		4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	500,000		500,000		4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	500,000		500,000		4.50	3,562.50	0.46	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	1,000,000		1,000,000		4.50	7,125.00	0.92	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	2,000,000		2,000,000		4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	2,000,000		2,000,000		4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON	2,000,000		2,000,000		4.50	14,250.00	1.85	05/11/2013	02/11/2014



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12. STRUCTURE OF BANK DEPOSITS (CONTINUED)

Name Bank	Account symbol	Deposit Amount		Interest as at <u>31.12.2013</u>		Share in total interest	Deposit	Date of Maturity
		Maturity <60 days	Maturity >60 days	%	Amount			
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		2,000,000	4.50	14,250.00	1.85	05/11/2013	02/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		400,000	4.10	1,958.89	0.25	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		600,000	4.10	2,938.33	0.38	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		500,000	4.10	2,448.61	0.32	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Intesa Sanpaolo	RON		1,000,000	4.10	4,897.22	0.64	19/11/2013	16/11/2014
Banca Transilvania	RON		250,000	3.65	1,444.79	0.19	05/11/2013	08/01/2014
Banca Transilvania	RON		550,000	3.68	3,204.67	0.42	05/11/2013	23/01/2014
Banca Transilvania	RON		250,000	3.75	1,484.38	0.19	05/11/2013	06/02/2014
Banca Transilvania	RON		500,000	3.75	2,968.75	0.39	05/11/2013	23/02/2014
Banca Transilvania	RON		250,000	3.78	1,496.25	0.19	05/11/2013	06/03/2014
Banca Transilvania	RON		500,000	3.78	2,992.50	0.39	05/11/2013	23/03/2014
Banca Transilvania	RON		200,000	3.80	1,203.33	0.16	05/11/2013	08/04/2014
Banca Transilvania	RON		500,000	3.62	2,111.67	0.27	20/11/2013	23/04/2014
Banca Transilvania	RON		200,000	3.64	849.33	0.11	20/11/2013	08/05/2014
Banca Transilvania	RON		500,000	3.65	2,129.17	0.28	20/11/2013	22/05/2014
Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014



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12. STRUCTURE OF BANK DEPOSITS (CONTINUED)

Name	Bank	Account symbol	Deposit Amount		Interest as at 31.12.2013		Share in total interest	Deposit	Date of Maturity
			Maturity < 60 days	Maturity > 60 days	%	Amount			
	Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		500,000	3.76	2,245.56	0.29	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		500,000	3.76	2,245.56	0.29	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		1,000,000	3.76	4,491.11	0.58	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		2,000,000	3.76	8,982.22	1.17	19/11/2013	19/01/2014
	Unicredit Tiriac Bank	RON		1,026,996	1.75	449.31	0.06	23/12/2013	22/01/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		4,484,700	3.10	59,858.29	7.77	30/07/2013	28/07/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	29,929.14	3.88	30/07/2013	28/07/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		977,665	3.10	12,796.54	1.66	02/08/2013	28/07/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	28,384.41	3.68	07/08/2013	03/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		896,940	3.10	11,353.77	1.47	07/08/2013	03/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		4,484,700	3.10	56,768.83	7.37	07/08/2013	03/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		4,484,700	3.10	56,768.83	7.37	07/08/2013	03/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	26,067.32	3.38	07/08/2013	17/08/2014
	Banca Intesa Sanpaolo (RON equivalent)	EUR		2,242,350	3.10	26,067.32	3.38	07/08/2013	17/08/2014
	Total Bank Deposits			1,026,996		770,789.87	100.00		



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13. STRUCTURE OF GROSS INCOME

	Year ended 31 December 2013	Year ended 31 December 2014
1 Revenues from long term financial investments (domestic-external dividends)	18,339,692	14,154,508
2 Revenues from short term financial investments	213,365	34,573
3 Revenues from long term receivables	-	-
4 Revenues on disposal of financial investments ¹	98,974,344	230,765,357
5 Revenues from commissions for works and services	-	-
6 Foreign exchange gains	7,035,664	1,285,516
7 Interest income	6,489,121	6,506,501
8 Bad debts written off subsequently collected	-	-
9 Capitalised costs of non-current assets	-	-
10 Write back of provisions ²	9,307,046	1,422,513
11 Other revenues		
- From studies and research	-	-
- From rental and royalty	73,974	86,708
- From sundry activities	-	-
- From subsidies	-	-
- From other revenues	616,729	56,130
- From discounts received	335	-
- From other financial revenues	1,044,205	1,188,350
12 Revenues from subsidies for extraordinary events and other similar revenues	-	-
13 TOTAL REVENUES	142,094,475	255,500,156

¹ Revenues on disposal of financial investments include revenues from disposal of long-term financial investments in the amount of RON 230,093,846 (2013: RON 87,768,906) and gains from disposal of short-term financial investments in the amount of RON 671,511 (2012: RON 11,205,438).

² Write back of provisions include reversal of impairment losses on financial non-current assets and depreciation of current assets in the amount of RON 1,422,513 (2013: RON 4,753,046 and write back of provisions in the amount of RON 4,554,000 representing reversal of provisions for incentives for achieving profit).



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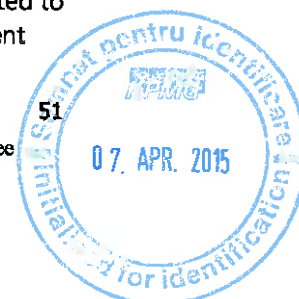
(all amounts are presented in RON, unless otherwise stated)

14. STRUCTURE OF EXPENSES	Year ended 31 December 2013	Year ended 31 December 2014
Losses on receivables from associates	-	-
Losses on disposal of financial investments	16,301,174	61,833,926
Fees and commissions expense ³	3,289,654	3,512,744
Foreign exchange loss	5,590,787	1,201,974
Interest expense	-	-
Expenses with bank services and similar charges	55,298	18,882
Bad debt written off and various debtors	13,296	9,948
Expenses with depreciation and provisions ⁴	6,736,079	1,428,766
Expenditure on third parties		
- maintenance and repairs	64,118	84,513
- rent and royalties	143,865	153,511
- insurance premiums	37,270	56,521
- research and studies	-	-
- advertising and protocol	165,016	212,864
- transport of goods and people	591	-
- travel, postings, transfers	333,457	321,939
- postal and telecommunication	141,169	138,463
- other third party services	639,894	611,706
- other expenses	622,094	148,127
- expenses with discounts granted	-	-
- other financial expenses ⁵	492,066	15,856,764
Other duties, taxes and similar payments	213,863	182,784
Other expenses:		
- consumables	122,100	94,507
- inventory	13,178	29,233
- materials, other than inventory	57,212	83,719
- energy and water	177,786	153,297
- expense with liberal professions	-	-
- salaries	13,170,415	6,885,705
- meal tickets	149,158	101,653
- social security	2,618,284	1,564,383
Expenditure on disasters and extraordinary events	-	-
Income tax	10,802,701	26,641,363
Tax expenses, other than mentioned above	-	-
TOTAL EXPENSES	61,950,525	121,327,292

³ Fees and commissions expenses include amounts owed to the depository company, to the company providing registry services, the commission of 0.1% of the net assets due to FSA, fees for the transactions performed by the financial investment services companies, audit fees, fees for bailiffs and other expenses with fees and commissions.

⁴ Expenses with depreciation and provisions include provision charges amounting to RON 253,352 (2013: RON 310,877), depreciation expenses of tangible and intangible assets amounting to RON 469,374 (2013: RON 0) and the expense on adjustments for loss of value of financial assets related to companies in liquidation, reorganizing process or insolvency, that are expected to be permanent

¹TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version

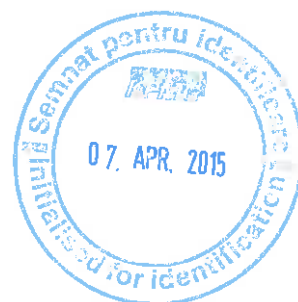


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14. STRUCTURE OF EXPENSES (CONTINUED)

and a return of the financial position of these companies is not expected, amounting to RON 706,040 (2013: RON 6,425,202).

⁵Other financial expenses include adjustments for impairment on financial instruments (shares held on short-term, SIF4 Prnote certificates, SIF4 minilong), amounting to RON 15,854,270 (Note 16) (2013: RON 492,066).



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15. Cash and cash equivalents

	<u>31 December 2013</u>	<u>31 December 2014</u>
CASH AND CASH EQUIVALENTS		
Bank accounts	2,294,149	536,169
Petty cash	6,439	3,235
Cash prepayments and other values	<u>30,460</u>	<u>25,740</u>
Total petty cash and bank accounts	<u>2,331,048</u>	<u>565,144</u>
Bank deposits	87,946,851	92,762,496
Less deposits with a residual maturity of more than 3 months	<u>(70,619,855)</u>	<u>(34,500,000)</u>
Total liquid bank deposits (Note 12)	<u>17,326,996</u>	<u>58,262,496</u>
Bonds and securities	-	-
Less bonds and securities with a residual maturity of more than 3 months	<u>-</u>	<u>-</u>
Total liquid bonds and securities (Note 12)	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>19,658,044</u>	<u>58,827,640</u>

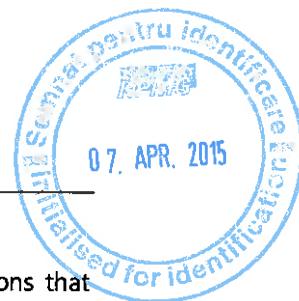
As at 31 December 2014 there are no restrictions on cash in bank accounts.

16. SHORT-TERM FINANCIAL INVESTMENTS

	<u>31 December 2013</u>	<u>31 December 2014</u>
Listed and unlisted shares	18,007,724	121,621,381
Other investment securities (derivatives)	-	17,025,989
Fund units	<u>360,813</u>	<u>-</u>
Total short-term financial investments	<u>18,368,537</u>	<u>138,647,370</u>
Adjustments for impairment actions	-1,184,657	-6,554,930
Adjustments for impairment other investment securities	-	-9,307,997
Total adjustments for impairment	<u>-1,184,657</u>	<u>-15,862,927</u>
Bank deposits and interest attached (Note 12)	88,717,641	93,262,595
Total short-term financial investments	<u>105,901,521</u>	<u>216,047,038</u>

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16. SHORT-TERM FINANCIAL INVESTMENTS (CONTINUED)

As at 2014 the Company holds a portfolio of shares for the purpose of having operations that generate profit in the short term.

As at 2014, shares were purchased mainly from SIF Muntenia RON 38,737,440; SIF Moldova RON 35,277,445; SIF Oltenia RON 22,671,230; Romgaz RON 13,400,000; Transelectrica RON 4,672,401 etc.

Disposals include mainly the sale of shares in companies OMV Petrom SA RON 3,985,380; SNTGN Transgaz RON 2,269,024, Romcarbon SA RON 415,649 etc.

Adjustments for impairment of quoted shares in amount of RON 6,554,930 (2013: RON 1,184,657) were determined as the difference between the asset value (closing price on the last trading day of 2014) and the book value, as of 31 December 2014.

Other investment securities (derivatives) mainly include purchases made during 2014, of SIF4 Pnote certificates (in amount of RON 10,124,885) and minilong SIF 4 (in amount of RON 11,573,560, out of which RON 4,672,456 were sold until 31 December 2014), instruments issued by the Royal Bank of Scotland plc (RBS) with the underlying asset as SIF4 shares.

MiniLong Certificates are derivative financial instruments with SIF4 shares as underlying asset. They are leveraged products, any variation of the underlying asset on the spot market is reflected in product price, being multiplied by the leverage. For these products a margin call is not available.

SIF4 MiniLong entitle the owner to receive dividends, but does not give the holders the right to vote. These instruments comprise the exposure on the evolution of the underlying asset and bear a lower initial cost than the underlying asset. The difference in value is covered by the issuer, and it is called the level of funding for which an interest rate equal to the ROBOR3m + 5% is paid, while holding the products. The level of funding is adjusted monthly with the interest and as often as the case is, with dividends.

SIF4 MiniLong products have no maturity, but a stop loss level that once reached, entails redemption by the issuer.

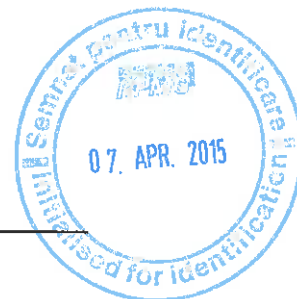
Adjustments for impairment related to other investment securities (derivatives) in amount of RON 9,307,997 include adjustments relating to SIF 4 Pnote certificates and SIF 4 minilong as follows:

- The amount of RON 1,522,584, representing the amount of the adjustment constituted as at 31 December 2014, based on the closing price of the Luxembourg Stock Exchange where certificates were listed.

- The amount of RON 7,785,413, representing additional value adjustment, based on the following considerations: During 2014, RBS decided to sale of the Retail Investor Equity Products & Derivatives division to BNP Paribas. As a result of this transaction, product portfolio issued by RBS was restructured, products held by SIF Banat-Crişana entered into this process, having the expiration date as January 28, 2015 (Issuer Call Date). Under these conditions, the sale of certificates is subject to prior sale of underlying assets, and selling them in the market, due to low liquidity of the shares, considering also the number of underlying shares (28,060,500 SIF 4 shares, representing 12.5% of the volume traded in 2014), could lead to a depreciation of the quotation compared to the closing price as of December 30, 2014. Given the price evolution in the existing conditions for these financial instruments and the prudence principle, it was considered necessary to establish additional adjustments for impairment, based on the last 52 weeks minimum quotation of 0.695 RON / share for SIF4 shares, adjusted by an adjustment factor mainly addressing liquidity risk on the underlying asset market and its effect on the quotation of securities by the issuer thereof.

As at 18 February 2015, the Company received from the Royal Bank of Scotland the amount for Minilong holdings, totaling EURO 913,850, recording a loss of RON 2,807,692, which did not exceed the prudential value adjustment recorded as at 31.12.2014.

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17. RESERVES

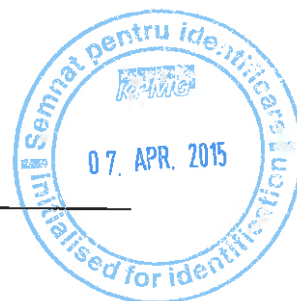
As at 31 December 2014, the Company's reserves amount to RON 958,536,869 (2013: RON 887,936,335) and the retained earnings amounting RON 6,506,232 (2012: RON 5,437,415) include:

2014	Gross amounts	Provisions for taxes Note 2(a)	Net amounts
A Legal reserve	10,976,985		10,976,985
B Reserves for allowances for impairment of financial assets	(91,331,942)		(91,331,942)
C Reserves for the value of non-current financial assets received at no cost	420,013,030	(22,586,664)	397,426,366
D Revaluation surplus reserves	884,293		884,293
E Other reserves created as a result of Law no. 133/1996	145,486,088	(23,277,774)	122,208,314
F Other reserves - own funds	436,831,094		436,831,094
G Other reserves – tax incentives	19,832,945	(3,173,271)	16,659,674
H Other reserves, dividends prescribed	60,082,313		60,082,313
I Revaluation reserve	5,714,014	(914,242)	4,799,772
J Retained earnings	6,506,232		6,506,232
Total	1,014,995,052	(49,951,951)	965,043,101

2013	Gross amounts	Provisions for taxes Note 2(a)	Net amounts
A Legal reserve	10,976,985		10,976,985
B Reserves for allowances for impairment of financial assets	(108,676,608)		(108,676,608)
C Reserves for the value of non-current financial assets received at no cost	454,625,443	(20,301,927)	434,323,516
D Reevaluation surplus reserves	881,460		881,460
E Other reserves created as a result of Law no. 133/1996	145,486,088	(23,277,774)	122,208,314
F Other reserves - own funds	356,687,145		356,687,145
G Other reserves – tax incentives	19,832,945	(3,173,271)	16,659,674
H Other reserves, dividends prescribed	50,073,697		50,073,697
I Revaluation reserve	5,716,848	(914,696)	4,802,152
J Retained earnings	5,437,415		5,437,415
Total	941,041,418	(47,667,668)	893,373,750

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17. RESERVES (CONTINUED)

A. Legal reserves, amounting to RON **10,976,985** (2013: **RON 10,976,985**), are set up in accordance with Law 31/1990, through the allocation of 5% of accounting profit (calculated in accordance with Romanian accounting standards) until the reserve fund reaches 20% of the share capital. In 2006 the reserve reached 20% of the Company's share capital.

B. Reserves for allowances for impairment of financial assets in amount of RON **(91,331,942)** resulting from the measurement of the portfolio at inventory value as at 31 December 2014 and from the recognition of impairment allowances as the difference between the higher book value and the fair value determined in accordance with the NSC Measure no 23/20.12.2012 and adjustments set out in the evaluations carried out by internal and external evaluators (2013: (108,676,608)).

C. Reserves for the value of non-current financial assets received at no cost in amount of RON **397,426,366** lei (2013: RON 434,323,516) that include:

- the value of shares acquired as a result of the share capital increase by incorporation of elements of equity in amount of RON **118,579,990** lei (2013: RON 106,585,112). The provision for income taxes for these reserves amounting to RON **22,586,664** (2013: RON 20,301,927) was deducted from the gross amount of these reserves amounting to RON **141,166,654** (2013: 126,887,039) and was calculated at a rate of 16%, in force since 1 January 2005;

- The difference between the issuance value of Erste Group Bank AG Viena shares and BCR shares that the Company increased the share capital of Erste Group Bank AG Viena, in amount of RON **204,772,681** (2013: RON 253,654,535);

- difference resulting from the exchange of shares, the value of the shares acquired in the company SIF Imobiliare PLC Cyprus and the value of disposed shares of 18 companies with activity in real estate, amounting to RON **74,073,695** (2013: RON 74,083,869).

D. Reserves representing realized revaluation surplus, amounting to RON **884,293** (2013: RON 881,460) represents the revaluation reserve of tangible assets disposed of.

E. Other reserves – resulted from the application of Law no. 133/1996, amounting to RON **122,208,314** (2013: RON 122,208,314). The provision for income taxes for these reserves amounting to RON **23,277,774** (2013: RON 23,277,774) was deducted from the gross amount of these reserves amounting to RON **145,486,088** (2013: RON 145,486,088) and was calculated at a rate of 16%, in force since 1 January 2005.

F. Other reserves - own funds, amounting to RON **436,831,094**, which were setup from the net profit based on the approval of the General Meeting of Shareholders (2013: RON 356,687,145).

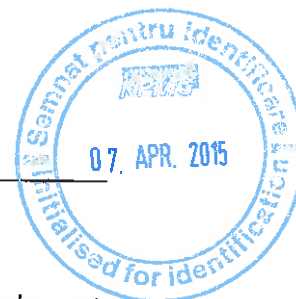
G. Other reserves – tax incentives amounting to RON **16,659,674** (2013: RON 16,659,674).

The provision for income taxes for these reserves amounting to RON **3,173,271** (2013: RON 3,173,271) was deducted from the gross amount of these reserves amounting to RON **19,832,945** (2013: RON 19,832,945) and was calculated at a rate of 16%, in force since 1 January 2005.

H. Other reserves – prescribed dividends totaling **RON 60.082.313** (2013: RON 50.073.697) includes the value of uncollected dividends for the financial year prior to 2010 (inclusive) and the right to request has been prescribed, analytical highlighted for each shareholder individually. Uncollected dividends related to financial years before 2011 and for which prescription was made were booked in Other reserves, for each shareholder.

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17. RESERVES (CONTINUED)

I. Revaluation reserve amounting to RON **4,799,772** (2013: RON 4,802,152) includes net revaluation of buildings, in accordance with regulations. Revaluation reserve represents the difference between the gross amount of RON **5,714,014** (2013: RON 5,716,848) and the provision for deferred taxes afferent to the revaluation amounting to RON **914,242**, calculated at a rate of 16% (2013: RON 914,696).

J. Retained earnings amounting to RON **6,506,232** represents favorable retained earnings from the first time adoption of IAS, except IAS 29 in amount of RON 5,437,415 (2013: RON 5,437,415) and earnings from correction of accounting errors in an amount of RON 1,068,817 (2013: RON 0)

18. RELATED PARTIES TRANSACTIONS

During 2014 the Company, given the nature of the activity, conducted financial transactions with related parties through participation in the share capital increase of Azuga Turism SA Bucharest of RON 0.7 million, contribution to equity with a land value (2013: RON 9.2 million).

During 2014 the Company increased its ownership in the company SAI Muntenia Invest, administrator of SIF Muntenia, from 50.001% to 74.98% following a direct purchase of shares.

During 2013 the Company has purchased bonds issued by the company Romenergo SA Bucharest in an amount of RON 26.9 million (current Industrial Energy, through division of Romenergo SA during 2014). Interest income during 2014 derived from investment in bonds was of RON 2,120,067. At December 31, 2014 there are no related party relationship with Industrial Energy SA following the amendments brought to the Board of Directors of SIF Banat-Crişana.

19. FINANCIAL RISKS

By the nature of the business, the Company is exposed to various risks, including: market risk, credit risk, liquidity risk, cash flow risk, operational risk, taxation risk and the risk related to the economic environment.

1. Market risk includes foreign exchange risk, interest rate risk and market price risk

1.1. Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to variations in exchange rates.

In 2014, the Company carried out transactions both in Romanian currency (leu) and in foreign currency. Romanian currency fluctuated during 2014 compared to foreign currencies, Euro and USD, at the end of the year registering a slight appreciation.

Financial instruments used enabled the conservation value of monetary assets held in RON, by making investments and payment of interest on the due date.

The Company has not made any derivative transaction in 2013 and 2014 to cover currency risk.

1.2. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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19. FINANCIAL RISKS (CONTINUED)

Interest rate risk consists of the risk of fluctuation in the value of a particular financial instrument due to changes in interest rates and the risk of differences in maturity between interest-bearing financial assets and interest-bearing debts used to finance those assets.

The period over which the interest rate remains fixed for a financial instrument indicates, therefore, to what extent the instrument is exposed to interest rate risk. Financial instruments bear interest at market rate, therefore it is considered that fair values are not significantly different from book values.

Most financial assets of the Company are in stable currencies whose interest rates are unlikely to vary significantly.

1.3. Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changing market prices, irrespective whether those changes are caused by factors specific to individual instruments or their issuer, or the changes are caused by factors affecting all instruments traded on the market.

In 2014 the stock exchange capitalization has decreased compared with 2013.

Given that the company has in its portfolio a high number of listed shares, it has been adversely affected by price risk in 2014.

1.4. Investment risk

a) **Risk exposure to a single issuer** - the total exposure to issuers with significant shares in SIF Banat-Crişana is within the limits allowed by the FSA / NSC regulations.

b) **Risk exposure on securities and money market instruments not admitted to trading.** The total value of these types of instruments as of 31.12.2014 is 18.11% and falls within the maximum limit of 20%.

c) **Counterparty risk exposure** in a transaction with derivatives traded outside regulated markets. Weight of derivatives held as of 31.12.2014 (Minilong and Pnote certificates) in total assets is of 1.046% and falls within the maximum limit of 20% of SIF Banat-Crişana's assets.

d) **The global exposure to derivatives** is 1.05% of net assets. In terms of risks associated with derivatives:

- It is likely to record a partial loss of the invested amount driven by a negative evolution of the quotation. A relative protection against loss is the permanent monitoring of the underlying asset, financial and technical analysis, followed by protective decisions such as setting a "Stop Loss" limit quotation.

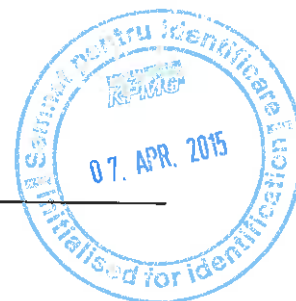
- Selling the instruments may face difficulties if market liquidity of products / underlying assets is reduced.

2. Credit risk

Credit risk is the risk that one of the parties to a financial instrument will fail to meet an obligation, which will cause the other party to record a financial loss

Financial assets which potentially subject the Company to concentrations of credit risk include mainly receivables from the core activity. They are presented net of adjustments for doubtful debts. The Company's management closely and constantly monitors the exposure to credit risk in order to reduce losses due to credit concentration in a particular sector or area of activity.

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19. FINANCIAL RISKS (CONTINUED)

3. Liquidity risk

Liquidity risk is the risk that an enterprise has difficulties in accumulating funds to meet its commitments associated with financial instruments.

The Company keeps track of the evolution of liquidity in order to be able to pay obligations on the date they are due. Assets and liabilities are analyzed according to the time remaining until contractual maturities described in Note 5 "Statements of receivables and payables".

4. Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in size. In case of a financial instrument with a floating rate for example, such fluctuations will result in a change of the effective interest rate of the financial instrument, usually without any changes in its fair value.

By the nature of its activity, the Company is not subject to a serious risk of changing the projected cash flow, both from financial instruments fluctuation and the interest rate changes.

5. Operational risk

Operational risk is the risk of direct or indirect loss record resulting from a wide range of factors associated to the processes, staff and internal systems of the Company or from external factors (other than credit risk, market risk or liquidity risk) such as those from legal and regulatory requirements and generally accepted standards of investment management. The operational risk is resulting from all activities of the Company.

The Company's objective is to manage the operational risk so as to balance the measures taken to limit the financial losses and the damage of its reputation and the implementation of the investment objectives which generates income from investors.

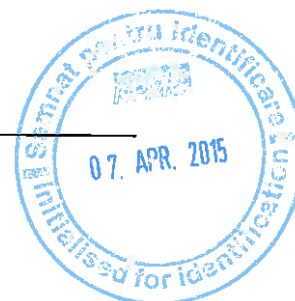
6. Taxation Risk

Since January 1, 2007, following Romania's accession to the European Union, the Company must comply with EU regulations, and therefore has prepared to implement EU law. The company has implemented these changes, but the method of implementation remains open to fiscal controls for 5 years.

The interpretation of the texts and practical implementation of new procedures for tax regulations, could change and THERE may be the risk that in some cases the tax authorities to adopt a different position from the Company.

In addition, the Romanian Government has a number of agencies authorized to audit (control) companies operating in Romania. These controls are similar to tax audits in other countries, and can cover not only the tax issues, but also other legal and regulatory issues of interest to these agencies. It is possible that the Company will be the subject of the fiscal controls on issuance of new tax rules.

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19. FINANCIAL RISKS (CONTINUED)

7. Economic environment risk

The process of risk repricing on international financial markets in recent years has severely affected their performance, including the financial market in Romania, leading to increased uncertainty about future economic developments.

The effects of the international financial crisis were also felt on the Romanian financial market particularly in the form of: significant increase of non-performing loans volume in the local banking system, making access to finance more difficult both for population and economic agents, banks aiming more towards financing of the state authorities through purchases of government bonds rather financing economic and consumption development, national currency depreciation, lower real estate prices, the negative evolution of macroeconomic indicators (inflation, budget deficit, current account deficit, decrease of foreign direct investment, rising unemployment etc.)

SIF Banat-Crişana's management cannot predict all the effects of the crisis affecting the financial sector in Romania, but considers that in 2014 has adopted the measures necessary for sustainability and development of the Company in existing financial market conditions, by monitoring cash flows and adequacy of the investment policies.

The avoidance of risks and mitigation of their effects are provided by the Company through an investment policy that complies with prudential rules imposed by laws and applicable regulations.

SIF Banat-Crişana adopted risk management policies through which an active management is performed, being applied specific procedures for the identification, assessment, measurement and control of risks, in order to provide reasonable assurance regarding the objectives of Company, a constant balance between risk and expected profit being sought.

The risk management process aims: (i) identification and assessment of significant risk with impact in meeting the investment objective and activities development to counter the risks identified, (ii) adapting the risk management policies to the financial developments of the capital market, performance monitoring and improvement of risk management procedures, (iii) reviewing investment decisions in relation to capital market development, (iv) compliance with current legislation.

20. CONCENTRATION OF EXPOSURE

a. Bank deposits

As at 31 December 2014 and 31 December 2013 the Company's exposure to banks was as follows:

Bank	Weight in total deposits	Amounts as at 31 December 2014	Weight in total deposits	Amount as at 31 December 2013
Banca Comercială Feroviară	39.4%	36,500,000	-	-
Intesa Sanpaolo Bank	37.2%	34,500,000	79.9%	70,246,851
BancPost Bucureşti	14.6%	13,522,496	-	-
Alpha Bank	6.6%	6,160,000	-	-
Piraeus Bank	2.2%	2,080,000	-	-
Unicredit Ţiriac Bank	-	-	15.9%	14,000,000
Banca Transilvania	-	-	4.2%	3,700,000
Total	100%	92,762,496	100%	87,946,851

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20. CONCENTRATION OF EXPOSURE (CONTINUED)

b. Non-current financial assets

As at 31 December 2014 and 31 December 2013, the Company's exposure to financial companies in which it had participations at a significant gross book value, was as follows:

Company	Share of total assets	Amount as at 31 December 2014	Share of total assets	Amount as at 31 December 2013
Erste Group Bank AG Viena	23.04%	243,032,568	26.79%	301,047,529
SIF Imobiliare PLC Cipru	13.76%	145,209,688	12.92%	145,229,633
Banca Transilvania	12.64%	133,319,143	10.44%	117,365,267
Vrancart SA Adjud	6.15%	64,837,896	5.77%	64,837,896
SIF Hoteluri SA Oradea	4.82%	50,805,854	4.45%	49,958,894
Biofarm SA București	4.41%	46,520,288	4.47%	50,197,421
Azuga Turism SA	2.86%	30,186,673	2.63%	29,520,290
Mechel SA Campia Turzii	2.53%	26,694,118	2.38%	26,694,118
Napomar SA Cluj	2.45%	25,864,965	2.30%	25,864,965
Banca Română pentru Dezvoltare	2.11%	22,215,741	3.44%	38,692,175
Mopal SA Bistrița Năsăud	1.91%	20,197,562	1.80%	20,197,562
IAMU Blaj	1.87%	19,759,778	1.22%	13,687,863
OMV Petrom SA	1.52%	16,000,395	1.42%	16,000,395
ArcelorMittal SA Hunedoara	1.40%	14,803,188	1.32%	14,803,188
Ario Bistrița	1.24%	13,034,523	1.16%	13,034,523
SAI Muntenia Invest	1.18%	12,454,908	0.74%	8,283,385
Central SA Cluj	1.10%	11,612,273	0.00%	17,393
Gaz Vest SA Arad	1.00%	10,506,800	0.93%	10,506,800
Turbomecanica SA București	-	-	0.91%	10,226,242
Total	85.99%	907,056,361	85.09%	956,165,539

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21. CONTINGENT LIABILITIES

Litigations

As at 31 December 2014, the Company was involved in 165 litigations in Court trial. The Company is claimant in 125 litigation cases, defendant in 38 litigations and in 2 litigation cases the Company is the intervening party.

Most of the litigation cases in which the Company is a claimant have as object the annulment of certain decisions of the General Shareholders' Meetings of portfolio companies, recovery of overdue dividends or bankruptcy procedures of portfolio companies.

22. INFORMATION REGARDING THE IMPAIRMENT ALLOWANCES AS A RESULT OF THE APPLICATION OF ARTICLE 81, PARAGRAPH 5 FROM THE ORDER NO. 13/2011

As a result of the application of article 81, paragraph 5 from the Order no. 13/2011, the Company recognized directly in equity to "Reserves from impairment allowances of financial assets" the adjustments for impairment of financial assets starting with 2008.

The movement for the adjustments for impairment related to financial assets for 2013 is given below:

Initial balance as at 01 January 2014	(108,676,608) RON
Increases during 2014 financial year	(15,696,905) RON
Decreases during 2014 financial year	33,041,571 RON
Balance as at 31 December 2014	(91,331,942) RON

Increases recognized during 2014 include adjustments for impairment as at 31 December 2014 as the difference between the higher book value and the fair value determined according to NSC Measure no. 23/20.12.12 and the additional adjustments following the valuations carried out by internal and external valuers.

Decreases for impairment adjustments include adjustments related to non-current financial assets disposed from Company's portfolio during 2014 and reversals related to non-current financial assets for which the fair value increased as at 31 December 2014 amounting to RON 32,414,121, as well as the transfer to the profit and loss account in the amount of RON 627,450, representing the adjustments made for companies in proceedings of winding up, restructuring and insolvency, because these losses are estimated as being permanent and a return of the financial position of these companies is not expected.

Value adjustments for impairment of financial assets at the end of 2014 amounted to RON 91,331,942 is reflected in the balance sheet 69 "Reserves for allowances for impairment of financial assets".

Ştefan Dumitru
Board Vicepresident



Ştefan Doba
Director of Economic Department