



SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

PRELIMINARY FINANCIAL RESULTS

— AS AT DECEMBER 31, 2017 —

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This report herein presents the preliminary unaudited financial results of SIF Banat-Crișana as at December 31, 2017, prepared in compliance to the Norm 39/2015 issued by the Financial Supervisory Authority (ASF). The financial results presented herein are preliminary and subject to change.

This English version of the report is a convenience translation of the Romanian language "Preliminary financial results as at December 31, 2017". The Romanian version of the report is the official document.

1. COMPANY PRESENTATION

COMPANY NAME	Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none"> ▪ closed-end investment company with a diversified investment policy ▪ set-up as a joint stock company in November 1996 pursuant to the provisions of Law 133/1996 for the conversion of the Private Property Funds (FPP) into Financial Investment Companies (SIF) ▪ Romanian legal entity with private capital
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 52,000,000 - subscribed and paid-in capital ▪ 520,000,000 issued shares, 517,460,724 outstanding shares ▪ shares with a nominal value of RON 0.10
REGISTRATIONS	<ul style="list-style-type: none"> ▪ Number in Trade Register J02/1898/1992 ▪ Tax Identification Code RO 2761040 ▪ Number in ASF Register PJR09SIIR/020002/2006 ▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except insurance and pension funding (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> ▪ financial investments to maximize the value of own shares pursuant to the regulations in force; ▪ management of the investment portfolio and exercising all rights associated to the investments; ▪ other additional and related activities pursuant to the regulations in force.
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category - ticker SIF1
FINANCIAL AUDITOR	PricewaterhouseCoopers Audit S.R.L.
DEPOSITARY BANK	BRD - Groupe Société Générale
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	Arad , 35A Calea Victoriei, 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
BRANCH	Bucharest 175 Calea Floreasca, 7th floor, room A1, sector 1, 014459, Bucharest

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2. STATEMENT OF MAIN ITEMS OF THE FINANCIAL POSITION AND THE PRELIMINARY RESULTS AS AT DECEMBER 31, 2017

SIF Banat-Crișana submits the preliminary unaudited financial results as at December 31, 2016, prepared in compliance to the Norm 39/2015 for the approval of the Accounting Regulations compliant with IFRS applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority (FSA) Financial Instruments and Investments Sector.

Total assets held by SIF Banat-Crișana as at December 31, 2017 amounting to RON 2,478.2 mn, 17.4% up as compared to 2016, resulting from the rise of fair value of financial assets.

Within the total assets, the financial assets have the most significant weight, of 99% (2016: 98.9%), mainly comprising financial assets available for sale, cash and cash equivalents and investments held to maturity. Financial assets available for sale are assessed at fair value through equity accounts based on existing market prices on an active market or based on the assessments of certified appraisers. These items of the financial position may be subject to changes in the separate financial statements for the year 2017 compared to these preliminary amounts. Financial assets for which there was no fair value available are recorded at cost, less eventual impairment.

Total liabilities rose as compared to 2016, mainly resulting from a higher deferred tax related to reserves from the fair value measurement of securities.

As at December 31, 2017, *the equity is RON 2,281.6 mn*, up 16.8% as compared to the end of the previous year, due to the increased reserve from fair value measurement of financial assets available for sale and of other reserves.

Dividend income, interest income and other income, as at December 31, 2017 (preliminary) amounted to RON 84.9 mn.

Budget indicators for 2017 were focused on the performance of assets and their capacity of generating revenues from dividends. The proposed objectives were attained, a consistent profit was achieved without significant sales of securities from the portfolio.

During the year, there have been taken advantaged of several sale opportunities, mainly divestments from holdings that fell outside the investment strategy. The volume and value of sales made stood at the previous year's level. *Net profit on sale of assets* amounted to RON 2.2 mn.

Adjustments for impairment of assets, preliminary for 2017, represent a net income of RON 3.9 mn, compared to a net expense of RON 5.5 mn in 2016, as a result of the reversal of some adjustments related to investments in fund units, provided that there were no significant expenses on adjustment during the year 2017.

Other operating expenses include functioning expenses, that stood at the same level as the previous year's.

Preliminary net profit for the year 2017 amounts to RON 69.5 mn, 13% above the projected budget.

Income tax was determined under the provisions of the Tax Code, including expenses related to tax on profit, tax on dividends recorded at gross value and changes of deferred tax.

Other comprehensive income includes changes in fair value of financial assets available for sale (net amount transferred to profit and loss and net change in fair value). Preliminary value of other comprehensive is positive, amounting to RON 259.3 mn. Due to the accelerated advance of the fair value of the company's portfolio of financial assets available for sale listed on stock exchange, this value is significantly higher than the previous year.

Total comprehensive income for the period shows an increase of 50.4% over the previous year, due to the progress of *Other comprehensive income*, as mentioned above.

Bogdan-Alexandru Drăgoi

Chairman and CEO

Ștefan Doba

Economic Director

Separate statement of financial position
- preliminary unaudited -

<i>in RON</i>	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	11,320,217	16,372,090
Bank deposits	4,814,586	41,253,904
Financial assets at fair value through profit and loss – held for trading	338	309
Financial assets available for sale	2,430,363,909	2,007,925,978
Investments held to maturity	6,509,784	6,336,716
Investment property	20,042,164	19,466,667
Tangible assets	3,435,599	3,183,928
Other financial assets	1,509,640	15,434,596
Other assets	214,068	215,140
Total assets	<u>2,478,210,305</u>	<u>2,110,189,328</u>
Liabilities		
Dividends to be paid	15,586,380	20,204,246
Deferred income tax liabilities	176,100,465	130,804,501
Other financial liabilities	3,703,802	4,465,122
Other deferred liabilities and revenues	1,181,726	-
Provisions for risks and charges	-	469,374
Total liabilities	<u>196,572,373</u>	<u>155,943,243</u>
Equity		
Statutory share capital	52,000,000	54,884,927
Effect of applying IAS 29 on share capital	648,330,055	684,298,992
Own shares	(4,748,190)	(52,443,756)
Loss on repurchase of own shares	(124,659)	(734,130)
Reserves set under Law 133/1996	2,105,675,691	2,105,675,691
Effect of applying IAS 29 on equity items over retained earnings	(2,608,519,657)	(2,644,488,595)
Accumulated profit	145,347,503	204,087,976
Other reserves	690,289,841	608,927,140
Reserves from revaluation of tangible assets	97,794	97,794
Legal reserves	10,976,985	10,976,985
Reserves from revaluation of financial assets available for sale	1,242,312,570	982,963,061
Total equity	<u>2,281,637,932</u>	<u>1,954,246,085</u>
Total liabilities and equity	<u>2,478,210,305</u>	<u>2,110,189,328</u>

Bogdan-Alexandru Drăgoi
Chairman and CEO

Ștefan Doba
Economic Director

Separate statement of profit and loss and other comprehensive income
- preliminary unaudited -

<i>in RON</i>	Dec. 31, 2017	Dec. 31, 2016
Revenues		
Dividend income	81,469,412	101,624,336
Interest income	3,277,959	5,314,722
Other operating income	180,497	225,646
Gain on investments		
Gain on investment property	989,353	177,703
(Loss)/Net gain from foreign exchange differences	168,443	(110,431)
Net profit on sale of assets	2,150,991	2,189,901
Profit / (Net loss) on financial assets at fair value through profit and loss	30	(140)
Expenses		
(Expenses)/Reversals of adjustments for impairment of financial assets available for sale	3,944,481	(5,489,150)
Other (Expenses)/Reversals on adjustments for impairment of other assets and provisions	(202,512)	(458,984)
Expenses related to fees	(2,717,509)	(2,255,325)
Other operating expenses	(16,737,900)	(16,916,799)
Profit before income tax	72,523,246	84,301,479
Income tax	(3,055,654)	(2,938,778)
Net profit for the period	69,467,593	81,362,702
Other comprehensive income		
Items that are or may be transferred to profit or loss		
Fair value reserve (financial assets available for sale)		
Amount transferred to profit or loss	-2,442,752	3,861,082
Change in fair value	306,223,424	140,679,472
The effect of profit tax for these	-44,431,163	-7,321,445
Reserves from revaluation of fixed assets	-	32,765
Other comprehensive income	259,349,509	137,251,875
Total comprehensive income for the period	328,817,102	218,614,576
Earnings per share		
Basic	0.134	0.151
Diluted	0.134	0.151

Bogdan-Alexandru Drăgoi
Chairman and CEO

Ștefan Doba
Economic Director