



**SOCIETATEA DE INVESTIȚII FINANCIARE**  
**T R A N S I L V A N I A S.A.**

## **QUARTERLY REPORT** **AS AT 31 MARCH 2017**

This version of the accompanying documents is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

---

## TABLE OF CONTENTS

<b>INFORMATION ABOUT THE COMPANY</b> .....	<b>3</b>
<b>PREAMBLE</b> .....	<b>4</b>
General macroeconomic context .....	4
Context of Romanian capital market.....	8
<b>Evolution of S.I.F. Transilvania shares during the first quarter of 2017</b> .....	<b>9</b>
<b>ANALYSIS OF S.I.F. TRANSILVANIA ACTIVITY</b> .....	<b>10</b>
General framework .....	10
Investment entity .....	10
Net asset .....	13
Main aspects regarding the evolution of the portfolio of financial instruments during the first three months of 2017 .....	13
Investment strategy .....	16
Implementation of the investment program during the first quarter of 2017 .....	18
Management of portfolio in the first quarter of 2017 .....	21
Corporate governance .....	244
<b>ANALYSIS OF FINANCIAL STATEMENTS</b> .....	<b>277</b>
Statement of assets, liabilities and equity .....	277
Evolution of the calculated net asset .....	29
Result of the financial year and execution of the revenue and expenditure budget .....	29
Other significant information .....	30
Significant transactions / events that took place in the first quarter of 2017 .....	311
<b>FINANCIAL AND ECONOMIC RATIOS ON 31 MARCH 2017</b> .....	<b>311</b>
<b>APPENDIX</b>	
• INTERIM CONDENSED FINANCIAL STATEMENTS AT 31 MARCH 2017, prepared in accordance with the F.S.A. Norm 39/2015 regarding the approval of the Accounting Regulations compliant with I.F.R.S. applicable to entities authorized, regulated and supervised by F.S.A.	
• Statement of assets and liabilities at 31 March 2017, prepared in accordance with Annex 16 to the FSA Regulation 15/2004	
• Statement of investments at 31 March 2017, prepared in accordance with Annex 17 to the FSA Regulation 15/2004	

## INFORMATION ABOUT THE COMPANY

Quarterly report drafted on 31 March 2017 in accordance with the Law no. 297/2004, Law 24/2017, N.S.C. Regulations no. 1/2006 and 15/2004, as subsequently amended and supplemented, B.S.E. Rulebook and F.S.A. Norm no. 39/2015 for the approval of the Accounting Regulations compliant with I.F.R.S. applicable to the entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Investments and Instruments Sector.

### **Date of report: 15 May 2017**

Name of the company	Societatea de Investiții Financiare Transilvania S.A.
Registered office	Brasov, 2 Nicolae Iorga Street, Postal Code 500057
Telephone / Fax	0268 41 61 71 0268 47 32 15
Internet page	<a href="http://www.siftransilvania.ro">www.siftransilvania.ro</a>
Sole Registration Code	3047687
Tax Code	RO3047687
Trade Register Number	J 08/3306/1992
Registered with	F.S.A. as <b>other collective investment undertaking</b> with a diversified investment policy, under Certificate 258 / 14 December 2005
Registered with the Office of Securities within F.S.A.	registration certificate no. 401/20 August 1999, and no. 401/12 July 2007
Registered with F.S.A. Register at section 9	Closed-end financial companies – no. PJR09SIIR / 080004, under Certificate no. 146 / 6 March 2006
Subscribed and paid-up share capital	RON 218,428,666.40
Nominal value of one share	RON 0.10
Regulated market on which the issued securities are traded	PREMIUM Category of BUCHAREST STOCK EXCHANGE (market symbol: SIF 3)

The Company is managed in a two-tier management system by an Executive Board which is controlled by the Supervisory Board.

The register of the shareholders of the Company is kept, under contract and as provided by the law by the independent depository and registry company Depozitarul Central S.A. Bucharest.

The depository services related to the financial instruments held in portfolio are provided by BRD-Groupe Societe Generale, and the financial statements of the Company are audited by the financial (statutory) auditor Deloitte Audit S.R.L. Bucharest.

## **PREAMBLE**

Due to the specific activity performed, S.I.F. Transilvania activity is related to the Romanian economic and legal context, a series of events recorded during the first quarter of 2017 directly or indirectly influencing the results and performances of the Company.

### **General macroeconomic context**

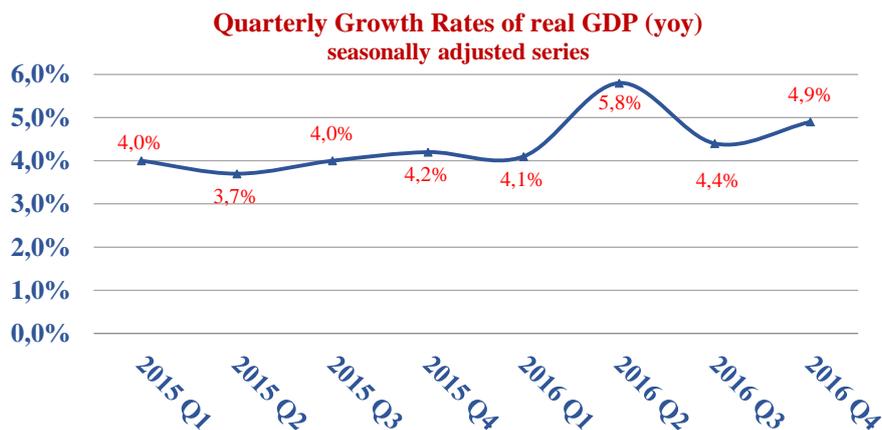
At global level, from macroeconomic perspective, a few general trends/events were recorded:

- continuation by FED of the cycle of increase of the reference interest rate, having as support the positive trend of USA economy and the uncertainties related to the pace of the restrictive monetary policy decisions;
- maintenance of quantitative relaxation measures in the economic area of the European Union;
- perspective of implementation by Trump Administration of protective measures with impact on the volume and dynamics of the commercial exchanges at global level;
- uncertainties regarding the fiscal stimulus promised during the election campaign by Trump Administration and the modality of implementing such fiscal policy;
- uncertainties induced by the timetable of political events planned to take place during 2017; the perspective of contamination of the political spectrum with a series of populist initiative could represent a volatility vector for the financial markets because of the impact generated at European Union stability level;
- bilaterally (UK vs. EU) negotiated roadmap for BREXIT implementation;
- geopolitical tensions which could affect and involve decision-makers important at global level, which could induce reconsiderations related to risk aversion of the investors who operate on various financial markets;
- evolution and volatility of reference indicators like currency pairs, state bond yield, configuration of yield curves, maturity reserves, raw material and precious metal quotations;
- manner of implementation in Romania of the government program supported by the governing coalition and the implications of the measure chart at the level of the stability of the agreed indicators; a series of initiatives regarding the salaries of the budgetary personnel, fiscal reform, dividend policy of state companies and public investment policy could influence the perception of the investors with regard to the predictability of the national economic model.

The quarterly evolution of the Gross Domestic Product shows a favourable trend recorded by the national economy and supported by the same factors that were also recorded during the previous periods, namely:

- ❖ fast pace of growth of the real available income,
- ❖ high level of consumers' trust,
- ❖ low level of interest rates,

with favourable impact at the level of the aggregate demand, also leading to positive expectations for the following quarters.



Source: National Institute of Statistics

At the level of the estimations regarding the evolution of the emerging economies in the South-East and Central Europe, Romania maintains its leadership position in terms of annual average dynamics estimates of the actual Gross Domestic Product (reference period 2017 – 2018) – the estimations marking the return within the interval which characterizes the potential growth pace.

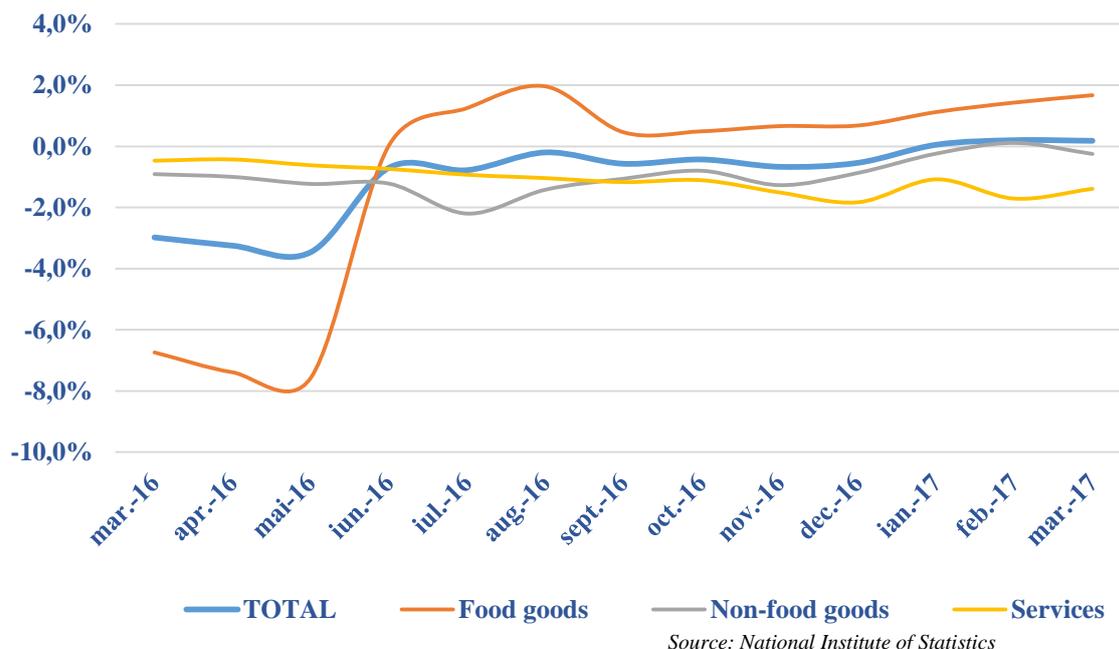
The return of the confidence of consumers to pre-crisis levels had the same driving factors, namely, the low unemployment rate and the fast increase of the salary in real terms (with direct implications at the level of the real available income), the feeling of the consumers keeping its role of favourable support for the evolution of the private consumption and, implicitly, of the Gross Domestic Product in the recent years.



Source: National Institute of Statistics

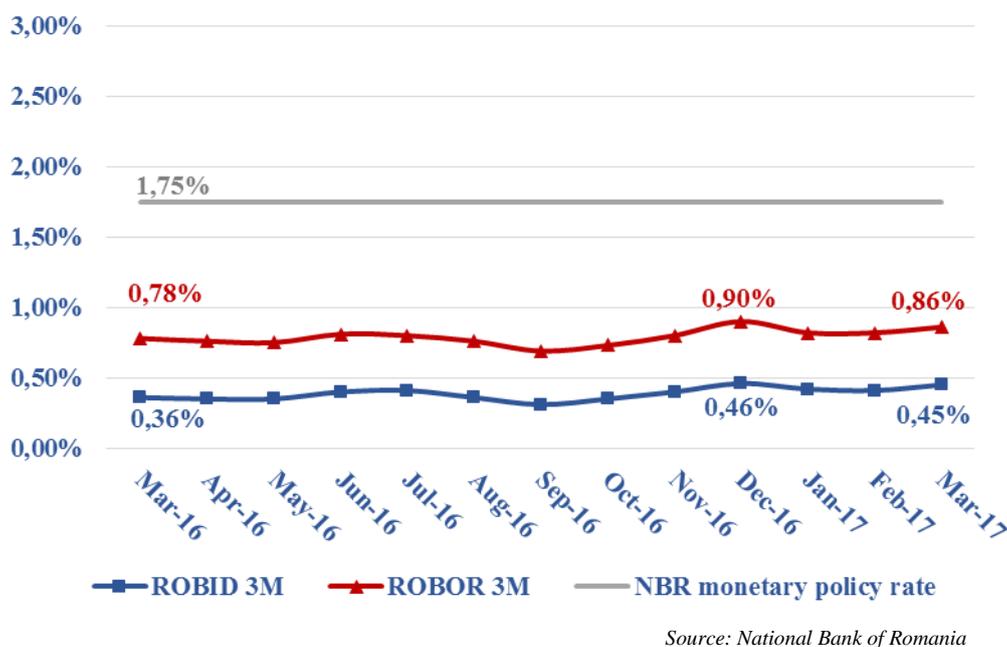
It is estimated that the inflationary pressures shall become visible during the financial year 2017 (due to the disappearance of the favourable basis effect induced by a series of previous fiscal measures), the estimations regarding the inflation rate at the end of 2017 returning the indicator in the interval targeted by the National Bank of Romania.

### Consumer price index evolution (yoy)

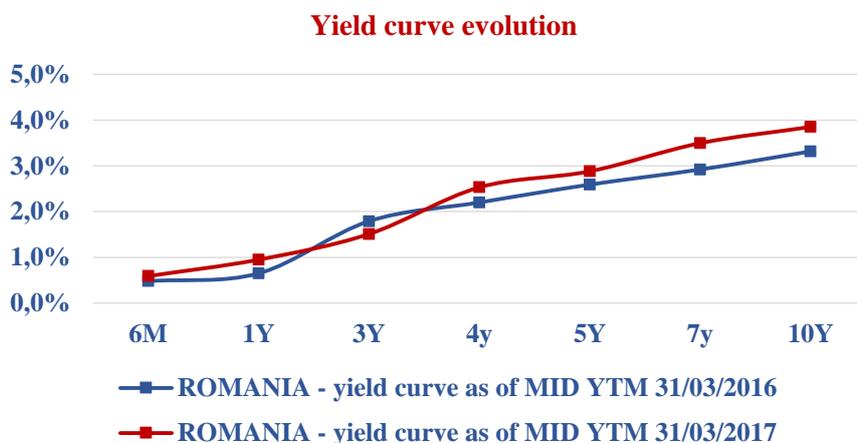


The monetary policy rate of the National Bank of Romania remained stable during the first quarter of 2017 at a level of 1.75%. It has lost its monetary targeting as evidenced by the maintenance of the interest rates in an evolution corridor slightly inferior to the signal rate. Still, the short term estimations related to the possible modifications regarding the monetary policy do not include significant adjustments on either of the action instruments.

### Monthly evolution of key interest rates

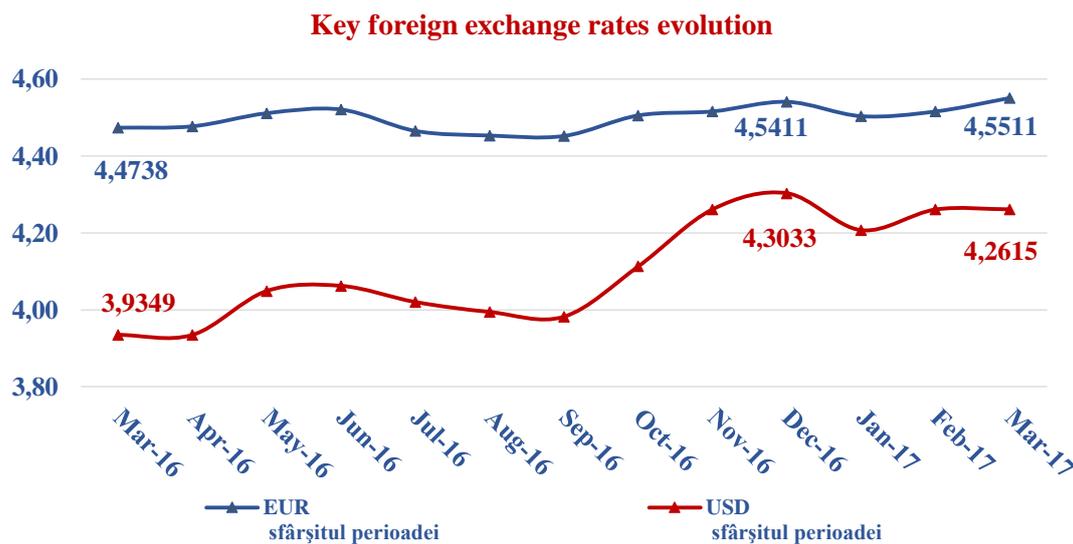


In the regional macroeconomic context, the yield curve of the state bonds maintains an emphasis which characterizes the maturities greater than five years. As opposed to the situation recorded at the end of the 1<sup>st</sup> quarter of 2016, the curve recorded on 31 March 2017 is slightly accentuated, 1 – 10 year spread being slightly superior. If during the first interval of the curve (6 months – 3 years) the curves record yoy variations of approximately  $\pm 30$  bps, the long maturities are characterized by superior reserves.



Source: Bloomberg

The evolution of the exchange rate of the national currency against major currencies has resulted, during the first quarter of 2017, in slightly divergent trends, namely, depreciation against EUR and US Dollar.



Source: National Bank of Romania

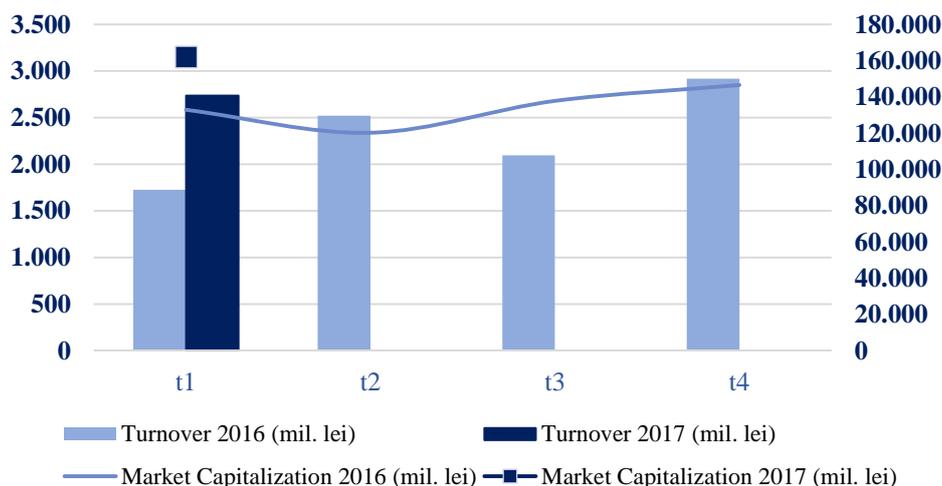
In all, the first quarter of 2017 was for the Romanian economy a period of continuing the macroeconomic trends recorded in the previous financial year, being characterized by a short/medium term macroeconomic balance. However, the economy remains exposed to the specific external risks generated by the regional geopolitical context and the volatility of the financial markets. Also, there is a series of legislative initiatives which could induce uncertainties with regard to the medium / long term stability of the trends currently recorded and to the perception enclosed to the national economy in general.

## Context of Romanian capital market

During the first quarter of 2017, the development of the shares listed on the regulated market as the basic segment of Bucharest Stock Exchange, as compared to the similar period of the previous year has reported a series of positive elements:

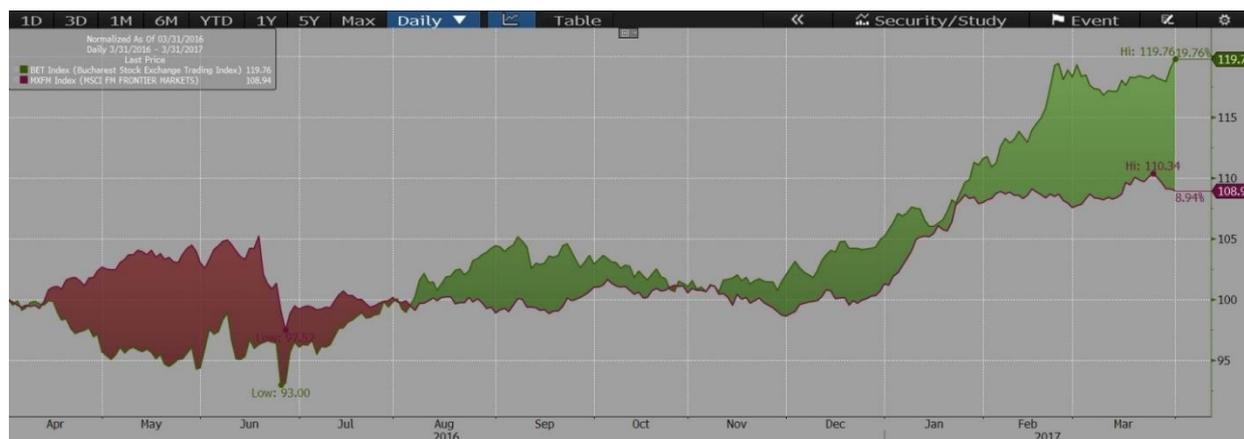
- ⇒ by relating to the similar period of the previous year, the quarterly value of the transactions made on the regulated segment of Bucharest Stock Exchange recorded a slightly superior level;
- ⇒ at the end of the first three months of 2017 financial year, the stock exchange capitalization of the regulated market was above the one recorded at the end of the first quarter of 2016 and also above the reference level recorded at the end of the previous year.

### Capital market evolution (2016 - 2017 Q1)



Source: Bucharest Stock Exchange

During the first three months of 2017, the main index of the regulated market (BET) has recorded a positive trend in general, resulting at the end of the period in a positive yield. After slightly divergent evolutions recorded at the beginning of the analysed period, the end of the 1<sup>st</sup> quarter records levels in accordance with the slightly ascending evolution of MSCI FM Frontier Markets regional index, the yield of BET index being net superior.

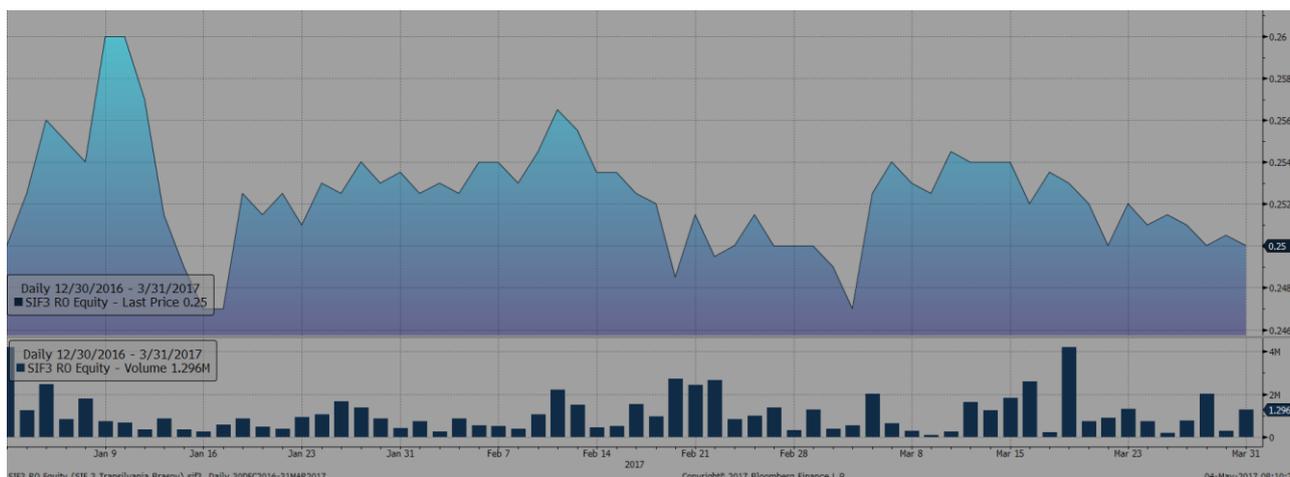


Source: Bloomberg

## EVOLUTION OF S.I.F. TRANSILVANIA SHARES DURING THE FIRST QUARTER OF 2017

During the first quarter of 2017, SIF3 shares have recorded an evolution characterized by the following trading benchmarks on the main market (BVB-REGS):

⇒ minimum quotation	RON 0.2450 / share
⇒ average quotation	RON 0.2520 / share
⇒ maximum quotation	RON 0.2640 / share
⇒ traded volume	62.9 million shares
⇒ number of trading sessions	63 sessions
⇒ average daily volume traded	1.0 million shares / session



Source: Bloomberg

The first three months of 2017 have recorded for SIF3 shares a lateral evolution characterized at the end of the period by a closing quotation similar to the reference price of the period (closure of the trading session of 30 December 2016).

During the period, there were no registration data recorded for payments of dividends / distributions of cash / other corporate events; therefore, the agreed yield is similar to the one illustrated in the previous chart.

## **ANALYSIS OF S.I.F. TRANSILVANIA ACTIVITY**

### **General framework**

S.I.F. Transilvania is a joint-stock company which operates as a self-administered closed-end financial investment company. The company is authorized and supervised by the Financial Supervisory Authority, being included in the category of “other collective investment undertakings (NON-UCITS) with a diversified investment policy”. The company is managed in a two-tier management system by an Executive Board which is controlled by a Supervisory Board. S.I.F. Transilvania shares are listed on the Bucharest Share Exchange – under symbol “SIF3”, Main segment, Premium Category.

S.I.F. Transilvania goal is the management of the investments in its portfolio and the continuous identification of investment opportunities within a reasonable dispersion of the investment risk, with the intent of offering its shareholders the opportunity of achieving attractive returns and the increase of the capital invested.

The Company holds and manages an investment portfolio consisting of shares, bonds and other financial instruments. The share sub-portfolio includes shares listed on the Romanian capital markets, respectively international stock exchanges, as well as unlisted shares. S.I.F. Transilvania investment portfolio is diversified and currently includes both financial instruments that offer controlling rights or rights to significantly influence other entities, as well as other financial investments.

Starting with the 2015 financial year, S.I.F. Transilvania has adopted the I.F.R.S. as the accounting basis according to the requirements of F.S.A Norm 39/2015.

I.F.R.S. 10.4 provides certain exceptions from the drafting of consolidated financial statements, among which the exception applicable to parent entities which are classified as “Investment Entities”. Starting with January 01, 2015, as a result of the analysis made, the management of S.I.F. Transilvania found that the company fulfils the requirements in order to be defined as an "Investment Entity" according to I.F.R.S. 10.

Under such circumstances, for the financial year 2016, S.I.F. Transilvania has drafted only one set of financial statements, respectively separate financial statements, according to I.F.R.S.. During the financial year 2017, S.I.F. Transilvania has not presented other interim financial statements in accordance with I.F.R.S.

### **Investment entity**

I.F.R.S. 10 defines an investment entity as being the entity that:

- i. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- ii. commits to its investors(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and;
- iii. measures and evaluates the performance of substantially all of its investment on a fair value basis (I.F.R.S. 10.27).

S.I.F. Transilvania directly provides asset management services to its investors, having as the main scope the activities specific to closed-end investment companies. S.I.F. Transilvania does not provide consultancy services for investments and administrative services, directly or through a branch, to third parties and/or its investors.

S.I.F. Transilvania presents its strategy to both its current and potential investors based on two documents whose discussion and approval is done by the General Meeting of Shareholders: the Multi-Annual Strategic Guidelines and the Annual Investment Program.

On the date of this report, the following documents are in force:

- ✓ Strategic Guidelines for the period 2017 – 2021;
- ✓ Investment Program for 2017.

The Company frequently monitors the structure and evolution of the investment portfolio and:

- i. publishes the situation of assets and liabilities on a monthly basis (Net Asset – Appendix 16 to F.S.A Regulation 15 / 2004);
- ii. calculates on monthly basis and publishes, along with the quarterly / bi-annual / annual reports, the Statement of Assets (Detailed Statement of Investments – Appendix 17 to F.S.A Regulation 15/2004).

S.I.F. Transilvania applies an exit strategy based on the permanent monitoring of the investments made in accordance with the approved investment programs and on the continuous analysis of current market circumstances, intending to identify the optimum exit momentum in order to reach the objectives established in the Annual Revenues and Expenditures Budgets respectively the reaching of higher aggregated outcomes.

As of 1 January 2015, all financial investments of the Company are measured at fair value. S.I.F. Transilvania has classified the investments in subsidiaries and associated entities and the bonds issued by the latter and held by the Company as financial assets at fair value through profit and loss account. The investments of the Company in other equity instruments, corporate bonds and fund units (other than those related to subsidiaries and associated entities) are classified as financial assets available for sale.

In the process of revaluation of the status of investment entity, S.I.F. Transilvania regularly analyses the extent to which the conditions for its classification as investment entity are complied with.

### **Financial assets recorded at fair value**

According to the International Financial Reporting Standards, the fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

According to IFRS 13, the levels of the fair value depending on the input data used in the valuation template are defined as follows:

- Level 1 input data are listed prices (unadjusted) on active markets for identical assets and liabilities which the entity has access to on the evaluation date;
- Level 2 input data are input data different from the listed prices included in level 1, which are directly or indirectly observable for the asset or liability;
- Level 3 input data are the input data unobservable for the asset or liability;

Determining the input data significance level in the fair value measurement process within its entirety requires the use of professional rationale, considering the specific factors as a result of the complexity of measuring these investments, and also of the reflection of the fair value changes into the financial statements.

The measuring process of the fair values of the financial instruments held by S.I.F. Transilvania is carried out according to the internal procedure and the afferent methodology.

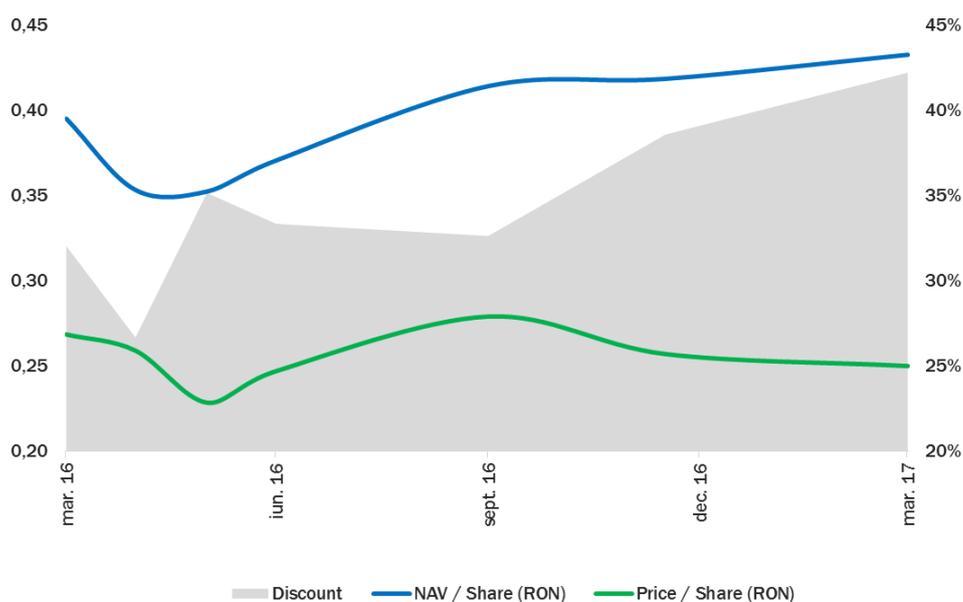
-RON-

<b>Financial assets on 31 March 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets available for sale</b>	<b>475,665,185</b>	-	<b>63,851,044</b>	<b>539,516,229</b>
Shares	467,932,639	-	35,609,987	503,542,626
Corporate bonds	-	-	12,497,049	12,497,049
Fund units	7,732,546	-	15,744,008	23,476,554
<b>Financial assets at fair value through profit or loss</b>	<b>129,141,470</b>	-	<b>300,731,442</b>	<b>429,872,912</b>
Shares	129,141,470	-	289,777,334	418,918,804
Corporate bonds	-	-	10,954,108	10,954,108
Fund units	-	-	-	-
<b>Total financial assets at fair value on 31 March 2017</b>	<b>604,806,656</b>	<b>364,582,486</b>	<b>969,389,141</b>	

## Net asset

The Statement of Assets and Liabilities of the Company is drafted in RON, as at the end of the last working day of the month and, if applicable, at any other reference date. The Statement of Assets and Liabilities of the Company for a certain date shall be drafted and presented in the format requested by the F.S.A. (according to F.S.A. Regulations 9 / 2014 and 15 / 2004). The net asset is calculated on monthly basis by the Company, is certified by the depository BRD – Groupe Societe Generale S.A. Bucharest and is provided to the F.S.A. and B.S.E. no later than the 15<sup>th</sup> day of the following month.

The monthly value of the Net Asset of the Company is established as the difference between the total value of the assets held and the total value of liabilities and deferred income of the Company.



Source: S.I.F. Transilvania

## **Main aspects regarding the evolution of the portfolio of financial instruments during the first three months of 2017**

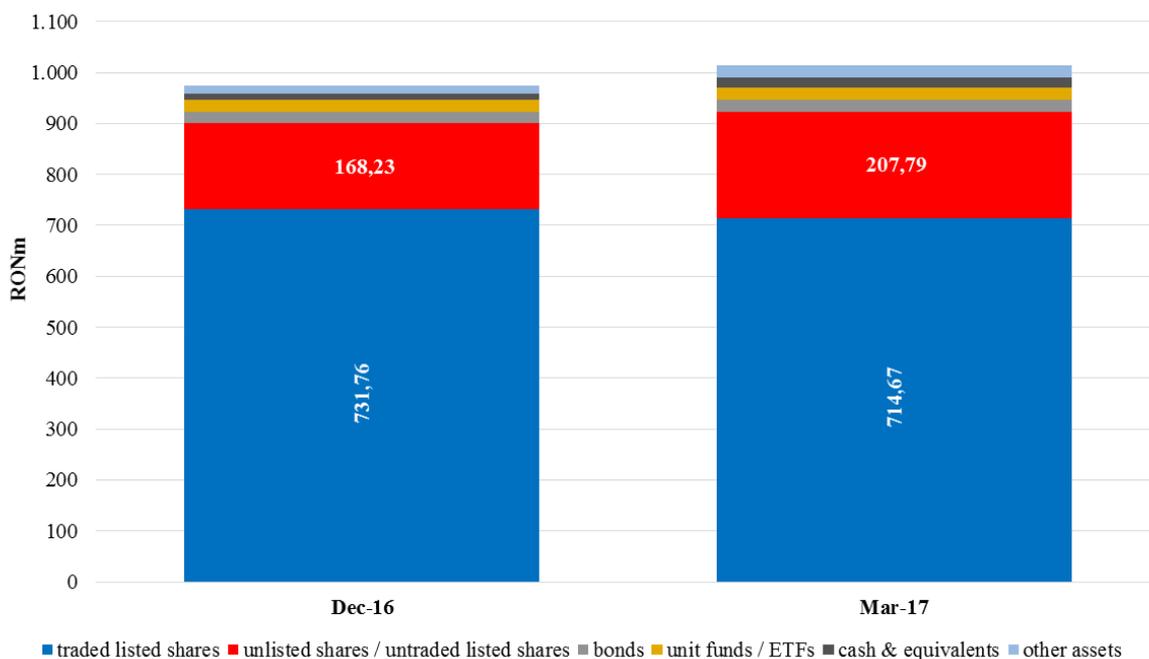
- ❖ moderate advance of the value of the total assets, given a 4.2% increase rate corresponding to the first three months of 2017;

### **Evolution and components of S.I.F. Transilvania portfolio**

- million RON -	Dec.-16	evolution	Mar.-17
value of total assets	973.9	↗	1.014.7
value of net asset	909.4	↗	944.6
companies in portfolio *	151	→	151
portfolio of financial instruments (incl. cash)	958,2	↗	991.0
portfolio of financial instruments	945,8	↗	969.4
cash & equivalent	12.4	↗	21.6

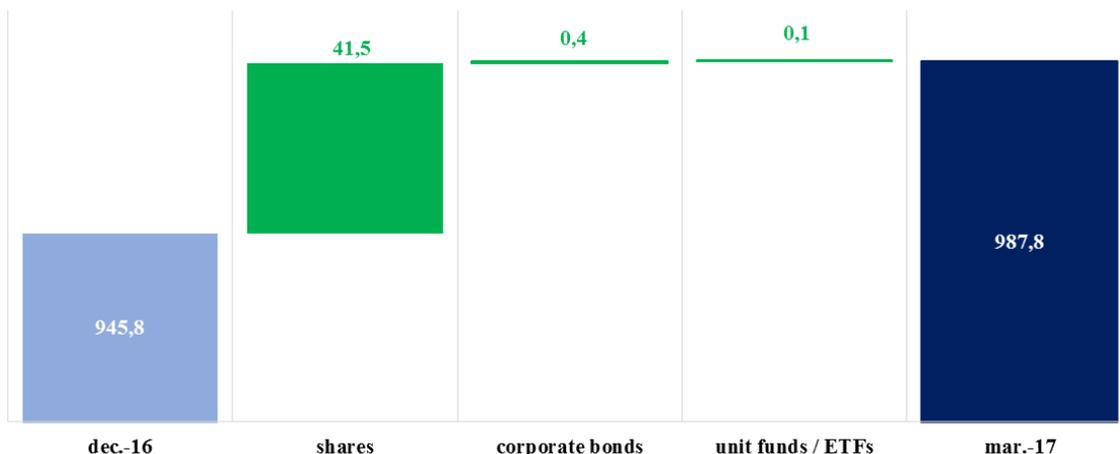
\* including shares pending the sale

Source: S.I.F. Transilvania, I.F.R.S. fair values, Appendix 16 acc. to F.S.A. Reg. 15 / 2004, F.S.A Reg. 9 / 2014



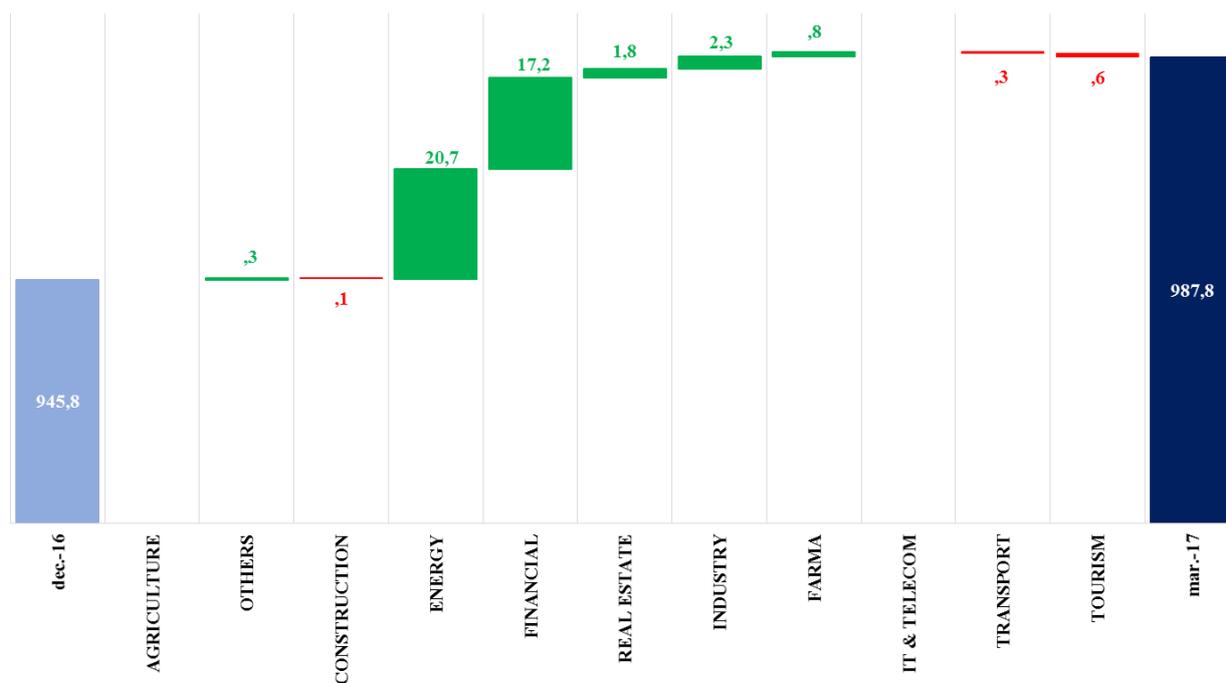
Source: S.I.F. Transilvania, Appendix 16 acc. to F.S.A. Reg 15 / 2004, F.S.A. Reg. 9 / 2014

- ❖ analysis of financial instrument portfolio variation (fair value + generated cash + corresponding receivables deducted from the fair value)



Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-16) of the financial instruments portfolio is calculated according to IFRS fair values. The final value (March -17) of the financial instruments portfolio is calculated by summing up IFRS fair values and the contribution of each instrument resulting from the execution of the investment program (cash generated / immobilized through sale / purchase transactions, collected dividends, collected cash distributions, other collected amounts (shares pending the sale), attached receivables). The values are expressed in millions of RON.

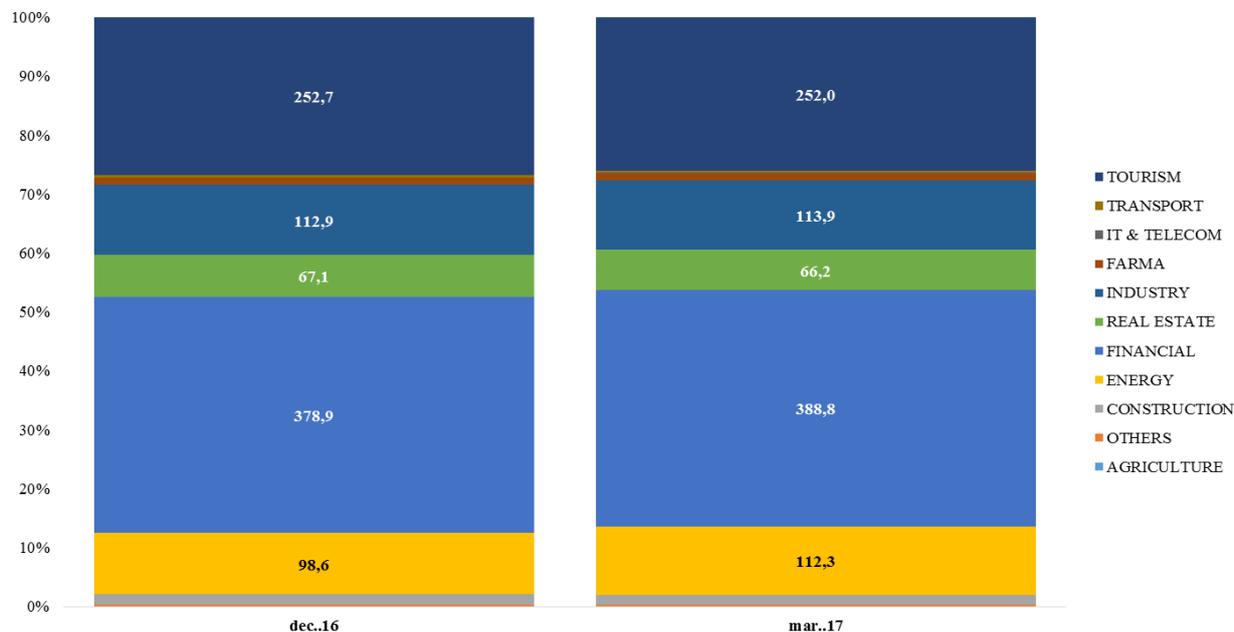


Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-16) of the financial instruments portfolio is calculated according to IFRS fair values. The final value (Sept. -17) of the financial instruments portfolio is calculated by summing up IFRS fair values and the contribution of each instrument resulting from the execution of the investment program (cash generated / immobilized through sale / purchase transactions, collected dividends, collected cash distributions, other collected amounts (securities pending the sale), attached receivables). The values are expressed in millions of RON.

- the shares sub-portfolio has generated - at the level of the value of managed assets, a net positive impact totally amounting RON 41.5 million; the impact is determined based on the fair values of the financial assets in the portfolio on the reference date, the outcome of the transactions performed with different financial instruments, the financial liquidities generated by such holdings (collected dividends, collected cash distributions, collections related to shares pending the sale, cash from sale / purchase transactions), corresponding receivables (dividends to be collected deducted from the fair value of the financial instruments);
- the financial and energy sectors record the most important positive net adjustments (+ RON 20.7 mil., respectively + RON 17.2 million);
- the construction, transport and tourism sectors are the only ones who record negative net adjustments, but the variations are still reduced in amplitude (- RON 0.1 mil., - RON 0.3 mil., respectively – RON 0.6 million);
- the financial and energy sectors are the ones with the most important contribution at the level of the generated financial liquidities;
- ❖ the cash position (cash & equivalent) has increased by RON 9.2 million as compared to the beginning of 2017;
- ❖ during the first quarter of financial year 2017, a constant number of companies is maintained in the portfolio;

- ❖ as far as the operational portfolio is concerned, the investments structure is characterised by a bi-sectorial concentration (the tourism and financial sectors cumulate more than 65% of it); the continuation of sectorial rebalancing process concretized in the balancing of the exposure from the two dominating sectors (financial and tourism) with contribution in other important sectors (energy, industry and real-estate).



Source: S.I.F. Transilvania

Obs.: Fair values (expressed in RON, including shares pending the sale)

## **Investment strategy**

The Investment Program for 2017 complies both with the Strategic Guidelines of S.I.F. Transilvania for the period 2013-2017 approved by the annual general meeting of shareholders of 20 April 2013 and the Strategic Guidelines for 2017 – 2021 approved by the annual general meeting of shareholders of 28 April 2017.

Through the way in which it is construed, the program represents a continuity element, being anchored in unitary multiannual strategic guidelines and resulting in gradual staging of the action instruments necessary to be implemented in order to reach the main objectives.

Moreover, the program achieves a progressive passage towards the principles and objectives proposed by the management of the Company in the Strategic Guidelines of S.I.F. Transilvania for 2017 – 2021.

Through the implementation of the Investment Program, S.I.F. Transilvania maintains its commitment to accelerate the portfolio restructuring process in order to fulfil the following objectives:

- ensuring the quality of the managed portfolio;
- ensuring the sources for an efficient and attractive remuneration of shareholders;
- structural balancing of the portfolio in terms of sectors, asset classes, etc.;
- improvement of the portfolio liquidity degree through investments in financial instruments with a liquidity at least similar to the one of those assets whose disinvestment has ensured the financial resources.

In the context of:

- Strategic Guidelines approved for 2013 – 2017 by the General Meeting of Shareholders to close 2012 financial year (20 April 2013),
- Strategic Guidelines proposed for 2017 – 2021 and approved by the General Meeting of Shareholders to close 2016 financial year (28 April 2017),
- Maintaining the status of S.I.F. Transilvania of investment entity which measures and evaluates the performance of its investments based on the fair value.

S.I.F. Transilvania shall adjust its investment objectives, courses of action and strategic guidelines on the remuneration of shareholders to the current and forecasted liquidity conditions.

The courses of actions set in the multiannual strategies (restructuring of the managed portfolio, encouraging investments correlated with the dividend policy approved by the shareholders and with the level of existing liquidities, the consolidation of the position and image of the Company on the capital market) are basic elements that constantly increase the efficiency of S.I.F. Transilvania activity.

The **financing sources** of the investment program consider the active management of the entire managed portfolio and they are mainly based on the following components:

- ⇒ amounts attached to the investments held, which do not involve actual sale operations (dividends, coupons, cash distributions);
- ⇒ amounts resulted from speculative operations supported by a wide range of financial instruments allowed by the capital market regulations, in order to valorise favourable market conditions and conjunctures;
- ⇒ amounts resulted from the active management of the portfolio, with details for the following components:
  - income resulted from the portfolio restructuring process by accelerating the sale of holdings held in unlisted companies or listed companies with reduced liquidity (according to the exit strategy defined at the level of S.I.F. Transilvania – basic element of the process of classification as investment entity);
  - sale of listed holdings with high liquidity conditioned by the market conjuncture and the current financing needs (according to the same exit strategy);
  - portfolio restructuring through operationalization of the investment vehicle which shall manage the holdings in non-operational companies;
- ⇒ financing sources obtained, allowed by the law in force applicable to the sector in which S.I.F. Transilvania performs its activity.

The **investments** targeted within the investment program consider:

- ⇒ purchase of highly liquid listed shares in order to expand the sub-portfolio of companies that have an attractive and sustainable dividend policy and structural rebalancing of the portfolio in terms of sectors;
- ⇒ continuation of the development process of the portfolio companies by using the entire range of operations allowed by the applicable law, according to the commitments undertaken through the previous investment programs, having as interest either the development and/or optimization of the companies' activities / the balancing of the structure of the invested capital;

- ⇒ the carrying out of speculative operations supported by a wide range of financial instruments allowed through capital market regulations in order to benefit from market-favourable conditions and circumstances;
- ⇒ investments in companies that activate in areas that have favourable perspectives and attractive profit margins;
- ⇒ continuation of the process of structural rebalancing of the portfolio by diversifying the investments in financial instrument meant to optimize the estimated yield / undertaken risk ratio;
- ⇒ the carrying out of operations supported by financial instruments allowed by the capital market regulations in order to implement a market risk management strategy.

**Other operations** specific to the investment program:

- ⇒ sale / purchase of highly liquid monetary financial instruments allowing the increase in the efficiency and the profitability of the cash-management operations.

### **Implementation of the investment program during the first quarter of 2017**

The investments made by S.I.F. Transilvania targeted acquisitions exclusively on external capital market.

The investment efforts concretized in acquisitions of financial instruments listed on regulated markets and characterized by high liquidity.

The acquisition strategy was focused on speculative operations supported by a wide range of financial instruments allowed by the capital market regulations in order to turn to good account favourable market conditions and conjunctures, also focusing on the implementation of a market risk management strategy.

In accordance with the desiderate of portfolio restructuring based on liquidity criteria, and intending to meet the objective of investment in financial instruments with a liquidity at least comparable to that of the assets whose disinvestment provided the financial resources, no acquisition of unlisted financial instrument was made during the analysed period.

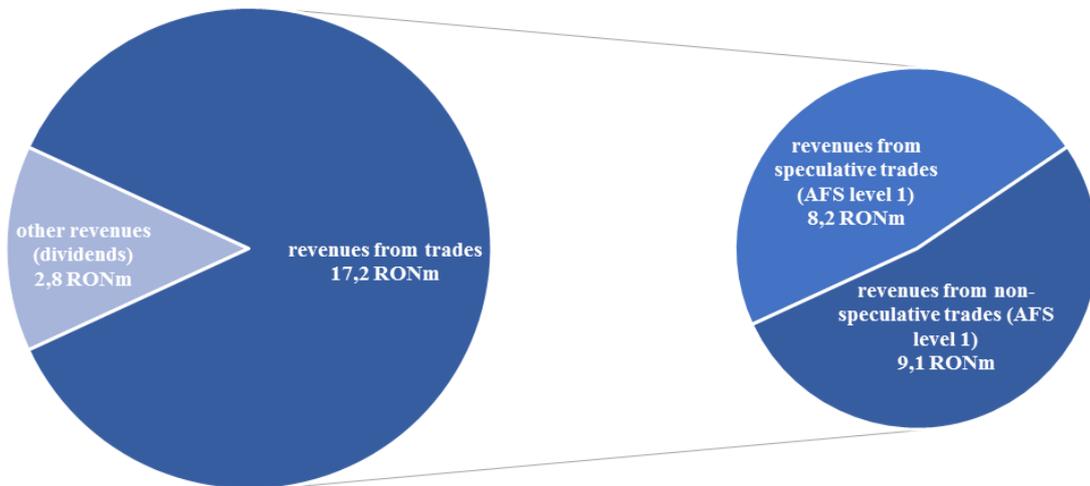
During the first quarter of 2017, the company has not made transactions with related parties.

Disinvestments referred both to the sale of certain listed holdings characterised by a high liquidity (shares and ETFs), conditioned by market circumstances, and also to speculative operations initiated in the previous quarters.

In the context of the multi-annual strategic guidelines, the investment program for 2017 and the exit strategy approved by S.I.F. Transilvania, the process of active management of the entire managed portfolio was continued. Thus, both liquid companies listed on the Bucharest Stock Exchange regulated market (BRD–Groupe Societe Generale, S.N.G.N. ROMGAZ, OMV Petrom București) and also financial instruments traded on external markets (iShares Gold Producers ETF) were sold.

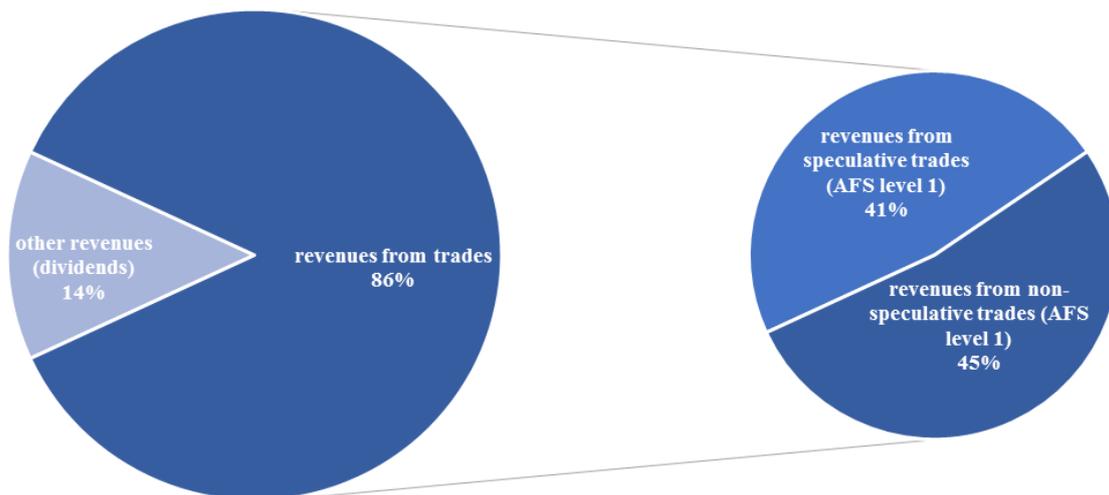
In March 2017, as a result of the subscription within the Tender Offer made by Fondul Proprietatea in order to redeem its own shares, the stake held in this issuer was partially sold.

### Volume of resources generated during the first quarter of 2017



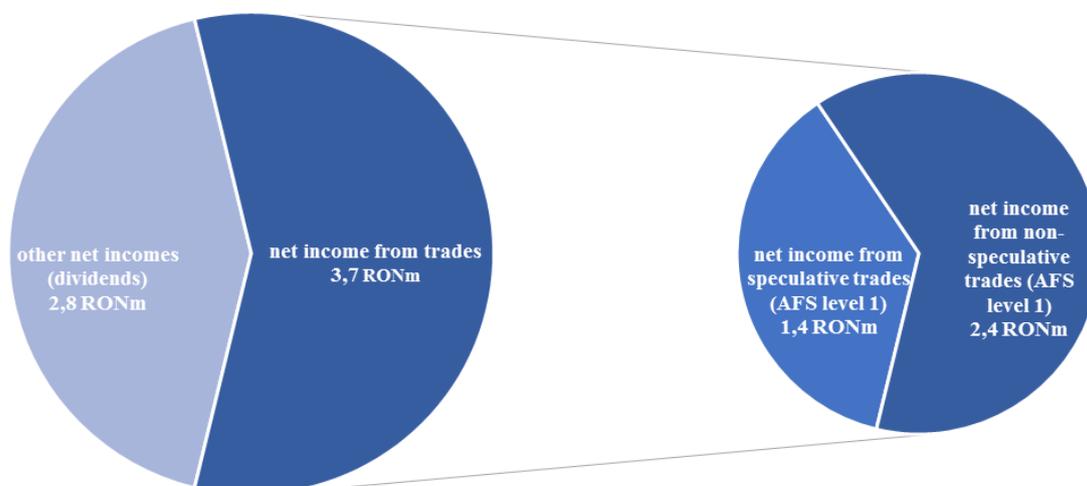
Source: S.I.F. Transilvania

### Structure of resources generated in the first quarter of 2017



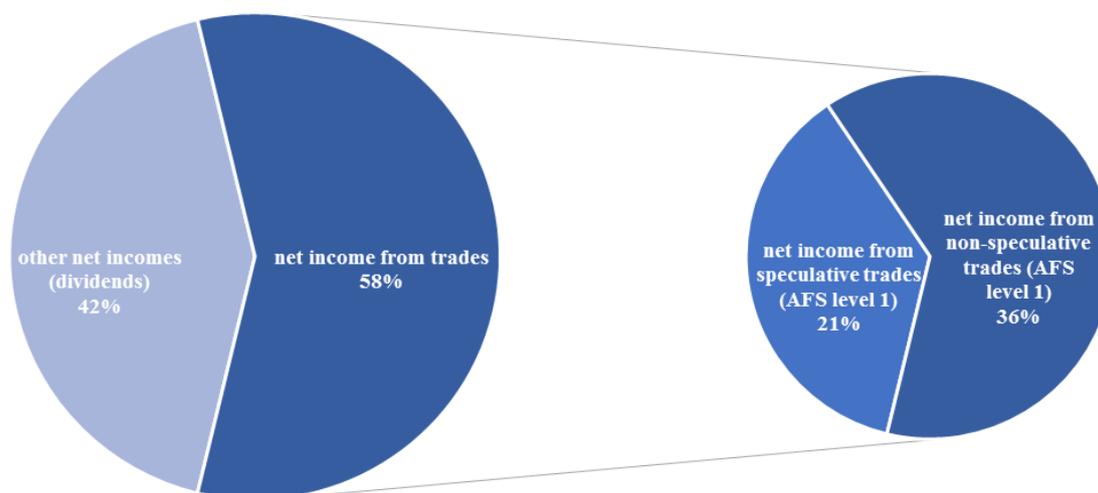
Source: S.I.F. Transilvania

### Result generated by the execution of the investment program during the first quarter of 2017



Source: S.I.F. Transilvania

### Structure of the result generated by the execution of the investment program during the first quarter of 2017



Source: S.I.F. Transilvania

The value of dividends collected during the first 3 months of 2017 was higher than the budgeted values for the issuers whose payment date was set prior to 31 March 2017.

### **Management of portfolio in the first quarter of 2017**

In the 1<sup>st</sup> quarter of 2017, S.I.F. Transilvania continued the implementation of the measures provided in the Strategic Guidelines for 2017-2021 with regard to the portfolio management, namely:

- ⇒ identification of the companies proposed for “exit”, especially those whose shares are not admitted to trading on a regulated market or an alternative trading system;
- ⇒ monitoring and analysis of the activity of the companies from the portfolio based on the financial results recorded on 31 December 2016;
- ⇒ continuation of the measures for operationalization of the investment vehicle which shall manage the holdings in non-operational companies; implementing the operation of the vehicle makes efficient the process of management of these holdings and correctly reflects the quality and structure of the managed portfolio;
- ⇒ promotion of innovating and efficient management and administration systems (in the case of the companies in which S.I.F. Transilvania holds the capacity of majority shareholder), including by setting the performance criteria and objectives approved for 2017 for each company depending on the specificity of the activity, value indicators established under the Revenue and Expenditure Budget and the Investment Programs afferent to 2017;
- ⇒ completion of the processes for stabilization and balancing of the activities of the companies in which S.I.F. Transilvania holds majority holdings and benefited from investment programs (with emphasis on the companies from the tourism sector);
- ⇒ promotion of balanced dividend policies which to determine the increase of S.I.F. Transilvania dividend income without affecting the capacity of the companies to generate performance in the future.

Implementation of measures to continue the process of restructuring and improvement of the portfolio managed by S.I.F. Transilvania is carried out based on a **measure plan** approved by the Executive Board.

### **Evolution of the portfolio structure by sectors (excluding shares pending the sale)**

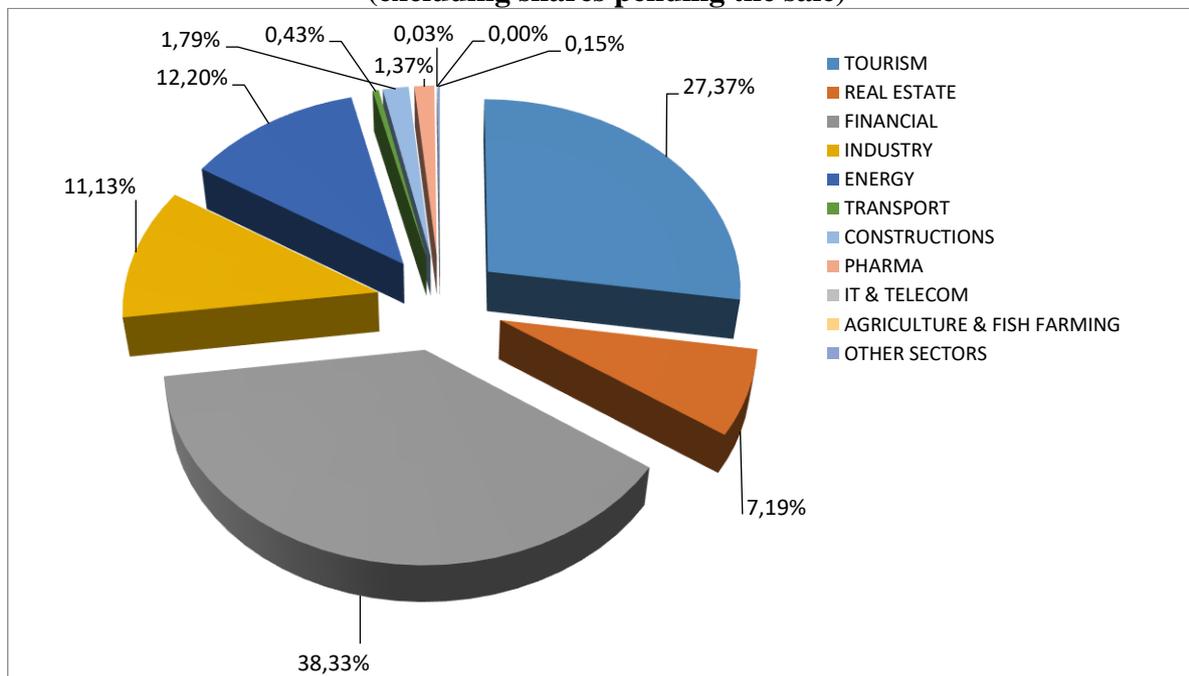
Portfolio structure by activity sectors	2015		Q1 2016		2016		Q1 2017	
	No. of companies	%						
Tourism	28	25.96%	28	25.83%	23	28.13%	23	27.37%
Real-Estate	15	9.68%	15	9.65%	14	7.48%	14	7.19%
Financial	14	36.60%	14	37.07%	14	38.43%	14	38.33%
Industry	39	12.58%	37	11.98%	36	11.16%	35	11.13%
Energy	11	10.77%	11	11.15%	7	10.98%	7	12.20%
Transport	5	0.26%	5	0.26%	5	0.48%	5	0.43%
Constructions	15	2.25%	15	2.25%	14	1.85%	14	1.79%
Pharmaceutical industry	1	1.58%	1	1.50%	1	1.32%	1	1.37%
IT & Telecom	1	0.03%	1	0.03%	1	0.03%	1	0.03%
Agriculture & Fish Farming	22	0.01%	22	0.01%	18	0.00%	18	0.00%
Other sectors	16	0.27%	16	0.28%	13	0.16%	13	0.15%
<b>Total</b>	<b>167</b>		<b>165</b>		<b>146</b>		<b>145</b>	

Source: S.I.F. Transilvania

Obs.: According to IFRS fair values, excluding the shares pending the sale

Considering a significant decrease of the number of companies in the portfolio (1<sup>st</sup> quarter of 2017 as compared to the 1<sup>st</sup> quarter of 2016, namely 145 companies as compared to 165 companies), a relatively constant maintenance of the share of sub-portfolios from the most important sectors of activity is observed, namely: tourism, financial, energy and industry, and a slight diminution of the share of the real-estate sector.

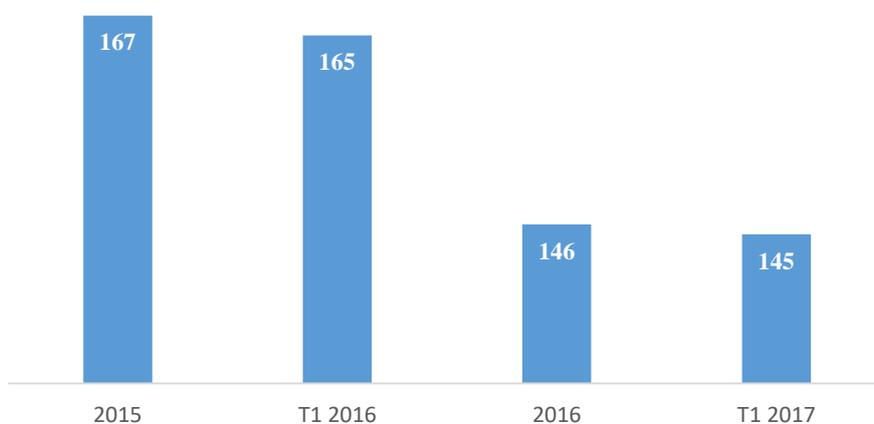
**Portfolio structure by sectors on 31 March 2017**  
**(excluding shares pending the sale)**



Source: S.I.F. Transilvania

Obs.: According to IFRS fair values, excluding shares pending the sale

**Evolution of the number of portfolio companies**  
**(excluding shares pending the sale)**



Source: S.I.F. Transilvania

The decrease of the number of portfolio companies (1<sup>st</sup> quarter of 2017 as compared to the 1<sup>st</sup> quarter of 2016, namely, 145 companies as compared to 165 companies) was especially caused by the decrease of the number of unlisted companies as important part of the share portfolio restructuring process.

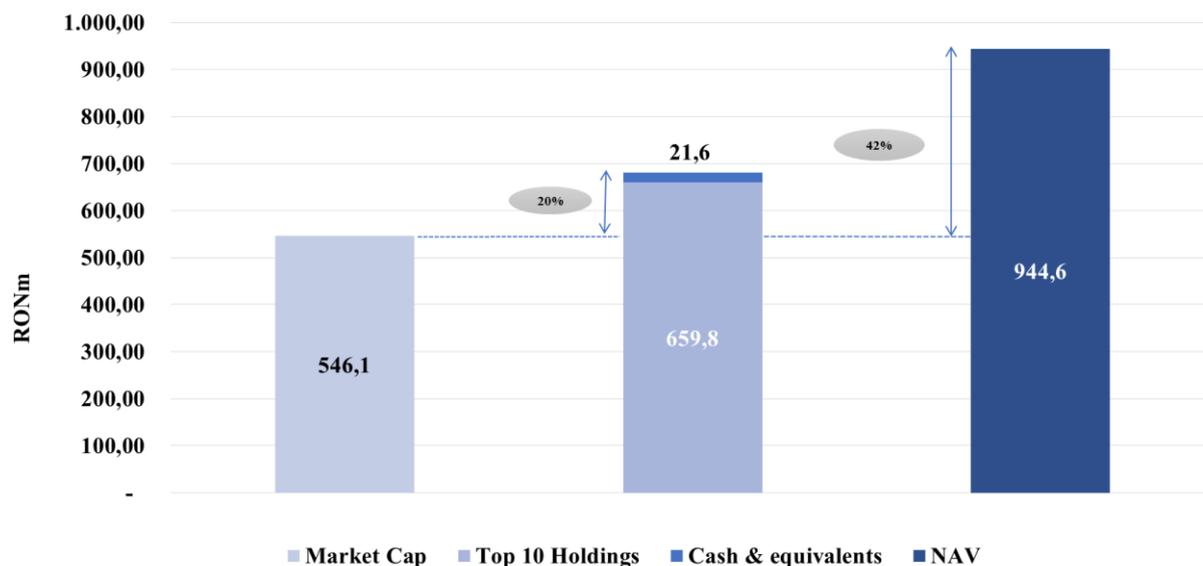
**Top 10 holdings**

Seq. no.	Name	SIF percentage	% of Total Assets *
2	BRD - GROUPE SOCIETE GENERALE	3%	28%
7	S.N.G.N. ROMGAZ	1%	7%
9	TURISM FELIX	63%	7%
1	ARO-PALACE	86%	4%
4	FEPER	86%	4%
6	OMV PETROM	0%	4%
10	T. H. R. MAREA NEAGRA	78%	4%
5	FONDUL PROPRIETATEA	0%	3%
3	CRISTIANA	100%	2%
8	TURISM COVASNA	93%	2%
<b>Top 10 holdings</b>			<b>65.03%</b>
<b>Total portfolio of financial instruments</b>			<b>97.67%</b>
<b>Total Assets</b>			<b>100.00%</b>

Source: S.I.F. Transilvania

\* IFRS fair values (expressed in RON)

**Analysis of SIF3 share trading discount**



Source: S.I.F. Transilvania

## **Corporate governance**

S.I.F. Transilvania is a closed-end financial investment company incorporated under articles of incorporation, being included, according to F.S.A. regulations, in the category “*Other undertakings for collective investment (A.O.P.C.) with a diversified investment policy*”.

Currently, the company is in process of authorization as Alternative Investment Fund Manager (A.F.I.A.), in accordance with the Law no. 74/2015 *on alternative investment fund managers*.

- **Governance structures**

S.I.F. Transilvania is managed in two-tier system by an Executive Board that carries out its activity under the control of a Supervisory Board. The Supervisory Board is supported in its activity by the Audit Committee, Remuneration Committee, Risk Committee and Nomination Committee.

During the reporting period, no modification was made with regard to the structure of the Supervisory Board, this carrying out its activity with six members, the seventh member (elected by the Ordinary General Meeting of Shareholders of 29 April 2015) not exercising his mandate as a result of not being endorsed by F.S.A. (please, see the Current Report of 6 July 2015). During the reporting period, nine meetings of the Supervisory Board took place, of which three meetings at the head office of the company, five meetings in teleconference system and one meeting in electronic system.

With regard to the Executive Board of the company, on 1 January 2017, it consisted of Mr. Iulian Stan – Executive Vice-President / Deputy C.E.O, and Mr. Marius Adrian Moldovan - Executive Vice-President / Deputy C.E.O. We recall that under the Decision no. 1995/12 October 2016, F.S.A. rejected the request of S.I.F. Transilvania to approve the appointment of Mr. Mihai Fercală in the Executive Board of the company. Subsequently, under the Decision no. 208/10 February 2017, F.S.A. revoked the Decision no. 1995/12 October 2016, and under the Endorsement no. 51/23 February 2017, F.S.A. endorsed the modification of the structure of the Executive Board as a result of appointing Mr. Mihai Fercală in the capacity of member of the Executive Board.

We state that from 16 January 2017 until 21 February 2017, Mr. Marius Adrian Moldovan had the capacity of Member of the Executive Board/Director, subsequently being revoked under the Resolution of the Supervisory Board of 21 February 2017. Under the same resolution, Mr. Ștefan Szitaș was appointed as Member of the Executive Board/Director for a mandate equal to the current mandate of the members of the Executive Board. On 31 March 2017, the request to endorse the modification of the structure of the Company’s Executive Board as a result of appointing Mr. Ștefan Szitaș in the capacity of member of the Executive Board was pending the endorsement.

Considering the above mentioned aspects, on 31 March 2017, the structure of the Executive Board was as follows:

- Mr. Mihai Fercală – Executive President / C.E.O.
- Mr. Iulian Stan – Executive Vice-President / Deputy C.E.O.

We state that during the reporting period, 17 meetings of the Executive Board have taken place.

- **Corporate events**

In the 1<sup>st</sup> quarter of 2017, the Executive Board summoned the ordinary general meeting of shareholders and the extraordinary general meeting of shareholders on 28/29 April 2017. The agenda of the ordinary general meeting of shareholders included the approval of the financial statements for 2016, distribution of the net profit obtained in 2016, discharge from administration of the members of the Supervisory Board and the Executive Board, election of a new Supervisory Board for a four-year mandate, approval of the revenue and expenditure budget and the investment program for 2017 and approval of the strategic guidelines for 2017-2021. All the items afferent to the agenda of the Ordinary General Meeting of the Shareholders were approved by the shareholders in the meeting of 28 April 2017.

With regard to profit distribution, the Executive Board proposed and the shareholders approved the distribution of a gross dividend in amount of RON 0.02/share representing a 7.73% yield in relation to the average trading price of SIF3 shares in 2016, this being in accordance with the Company policy regarding the remuneration of shareholders.

The extraordinary general meeting of shareholders was summoned in order to supplement the articles of incorporation of the company with the basic responsibilities of the Supervisory Board with regard to the application of the corporate governance principles, in this way, the company complying with the provisions of F.S.A. Regulation no. 2/2016 regarding the application of the corporate governance principles by the entities authorized, regulated and supervised by F.S.A. All the items afferent to the agenda of the extraordinary general meeting of shareholders were approved by the shareholders in the meeting of 28 April 2017.

- **Relationship with shareholders and investors**

In the 1<sup>st</sup> quarter of 2017, the company complied with all the requirements and obligations for transparency, information and reporting provided by the legal regulations and the Corporate Governance Code of Bucharest Stock Exchange.

In this respect, current reports, periodical reports and press releases were drawn-up and provided to the shareholders and investors by publishing them on the website of Bucharest Stock Exchange, F.S.A. and of the company and also in the media, as the case may be. The reports and press releases were simultaneously disseminated both in Romanian and English.

Also, the company, through the Shareholding Department, has been permanently in contact with the shareholders, answering to their questions in writing, by telephone or email.

In order to prepare the general meetings of shareholders, the company made available to them on the website [www.siftransilvania.ro](http://www.siftransilvania.ro) all the materials afferent to the items from the agenda, the voting and representation procedures and forms.

Also, the shareholders were informed by correspondence with regard to the summons of the general meetings, on which occasion they were provided with voting bulletin forms and special proxies to facilitate voting right exercising.

The contact data of the Shareholding Department are:

- ✓ telephone: 0268 401141, 0268 401157, 0800800112 (free telephone line available during business days from 9<sup>00</sup> to 11<sup>00</sup>)
- ✓ fax: 0268 473215, 0268 473216
- ✓ e-mail: [actionari@siftransilvania.ro](mailto:actionari@siftransilvania.ro), [investitori@siftransilvania.ro](mailto:investitori@siftransilvania.ro).

- **Shareholding structure as at 31 March 2017**

On 31 March 2017, according to the data received from Depozitarul Central S.A., S.I.F. Transilvania shareholding structure was the following:

	<b>Number of shareholders</b>	<b>Number of shares held</b>	<b>% of the share capital</b>
Resident natural persons	6,982,932	1,366,060,089	62.54
Resident legal entities	297	699,838,281	32.04
<b>TOTAL resident shareholders</b>	<b>6,983,229</b>	<b>2,065,898,370</b>	<b>94.58</b>
Non-resident natural persons	2,278	17,137,648	0.78
Non-resident legal entities	40	101,250,646	4.63
<b>TOTAL resident shareholders</b>	<b>2,318</b>	<b>118,388,294</b>	<b>5.42</b>
<b>TOTAL</b>	<b>6,985,547</b>	<b>2,184,286,664</b>	<b>100.00</b>

---

Source: Depozitarul Central  
(Central Depository)

## ANALYSIS OF FINANCIAL STATEMENTS

### Economic and financial position

At the end of the 1<sup>st</sup> quarter of 2017, the economic and financial position of the company can be synthesized as follows:

### Statement of assets, liabilities and equity

-RON-

INDICATORS	BALANCE AT THE END OF THE PERIOD (RON)		
	31.03.2017	31.12.2016	31.03.2016
<b>NON-CURRENT ASSETS</b>			
Intangible assets	137,582	215,038	404,398
Tangible assets	14,211,342	14,373,671	11,670,838
Financial assets	969,389,141	944,738,393	894,888,046
<b>TOTAL NON-CURRENT ASSETS</b>	<b>983,738,065</b>	<b>959,327,102</b>	<b>906,963,282</b>
<b>CURRENT ASSETS</b>			
Inventories	78,545	65,809	57,452
Receivables	7,598,597	6,567,305	6,783,707
Short-term financial investments	-	-	-
Cash and bank accounts	23,012,508	12,370,319	22,471,384
<b>TOTAL CURRENT ASSETS</b>	<b>30,689,650</b>	<b>19,003,433</b>	<b>29,312,543</b>
<b>DEFERRED EXPENSES</b>	<b>243,704</b>	<b>162,579</b>	<b>142,079</b>
<b>TOTAL ASSETS</b>	<b>1,014,671,419</b>	<b>978,493,114</b>	<b>936,417,904</b>
<b>LIABILITIES</b>			
Liabilities due within less than one year (current liabilities)	31,595,953	31,421,046	49,125,274
Liabilities due within more than one year - total	38,497,729	33,242,135	24,428,321
<b>TOTAL LIABILITIES</b>	<b>70,093,682</b>	<b>64,663,181</b>	<b>73,553,595</b>
<b>OTHER PROVISIONS</b>		-	<b>159,577</b>
Tax provisions (registered in the reserves accounts)			-
<b>CAPITAL AND RESERVES</b>			
Subscribed and paid-in share capital	218,428,666	218,428,666	218,428,666
Share capital adjustments	-	-	669,806,471
Other equity	195,759,861	168,167,994	128,248,688
Revaluation reserves	11,502,852	11,502,852	9,684,169
Total reserves, of which:	450,673,696	450,673,696	483,989,704
Legal reserves	36,644,133	36,644,133	32,900,239
Profit/loss carried forward (excl. the ones resulting from the first implementation of IAS26)	-	-	29,255,734
Profit/loss carried forward resulting from the first implementation of IAS29	-	-	(669,806,471)
Retained earnings	65,056,725	950	-
<b>PROFIT/LOSS OF THE YEAR</b>	<b>3,155,937</b>	<b>68,799,669</b>	<b>1,464,282</b>
Distribution of profit		(3,743,894)	(8,366,511)
<b>TOTAL EQUITY</b>	<b>944,577,737</b>	<b>913,829,933</b>	<b>862,704,732</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,014,671,419</b>	<b>978,493,114</b>	<b>936,417,904</b>

Source: S.I.F. Transilvania

On 31 March 2017, the total assets of the company increased by RON 36.18 million as compared to the end of the previous year, of which:

- **Non-current assets** increased by RON 24.41 million.

As concerns the movements as of 1 January 2017 until 31 March 2017 with regard to the financial instrument portfolio, we note as follows:

- ✓ fund units amounting RON 2.98 million entered the portfolio, of which through acquisitions of fund units from external capital markets (ETFS 3xDAILY Short DAX30);

Also during the reporting period, the share capital increase operation was completed by cash contribution to S.C. Turism Covasna S.A.;

- a) shares and fund units exited the portfolio from 1 January 2017 to 31 March 2017 through sale, amounting RON 17.18 million, of which:
  - ✓ sales on internal capital markets amounting RON 15.96 million;
  - ✓ sales on external capital markets amounting RON 1.22 million.

- **Current assets** increased by RON 11.69 million, of which:
  - ✓ receivables increased by RON 1.05 million;
  - ✓ cash and bank accounts increased by RON 10.64 million.

- **Deferred expenses** increased by RON 0.08 million.

The **liabilities** of the Company at the end of the 1<sup>st</sup> quarter of 2017 totalize RON 70.09 million, being by RON 5.43 million higher than the ones recorded at the end of the previous year, the increase being generated by the deferred tax calculated for the gain from the fair value differences of the assets available for sale.

As concerns the **current liabilities** outstanding on 31 March 2017, the amount of RON 27.15 million (85.93%) represents dividends due to shareholders. From this amount, RON 7.4 million represents dividends distributed from the profit obtained by the Company during the financial year 2014, which have not been requested for payment by the beneficiaries until 31 March 2017.

The Company has not concluded any loan agreements, and the liabilities due within more than one year represent the deferred tax calculated for the gain from the fair value differences of the assets available for sale.

Compared to the end of the previous year, **the equity** of the company on 31 March 2017 is by RON 30.75 million higher, the increase being mainly generated by the gain obtained from the measurement at fair value of the financial assets in the portfolio.

**Evolution of the calculated net asset**

INDICATORS	RESULTS ON:		EVOLUTION (%) Results 2017 Q1 / Results 2016 Q1
	31 March 2017 *)	31 March 2016 *)	
Total assets – calculated amount	1,014,671,419	936,348,931	108.36
Total liabilities - calculated amount	70,093,682	73,553,595	95.30
<b>Calculated net asset</b>	<b>944,577,737</b>	<b>862,795,336</b>	<b>109.48</b>
<b>-RON-</b>	<b>0.4324</b>	<b>0.3950</b>	<b>109.47</b>
<b>-RON / share-</b>			

Source: S.I.F. Transilvania

\*) Calculated according to the internal procedure compliant with the F.S.A Regulation 9 / 2014, procedure that can be found on the website of the company: [www.siftransilvania.ro](http://www.siftransilvania.ro).

**Cash flow**

During the 1<sup>st</sup> quarter of 2017, the Company recorded a positive cash flow, the detailed statement being provided in the Statement of Cash Flows.

**Result of the financial year and execution of the revenue and expenditure budget**

INDICATORS				Achievement degree % compared to:	
	REB 2017	REB Q1 2017	Achieved Q1 2017	REB 2017	REB Q1 2017
Dividend income	39,300	1,834	2,761	7.03	150.54
Interest income	1,000	58	257	25.7	443.10
Gain/Loss from financial assets at fair value through profit or loss	15,700	1,875	2,099	13.37	111.95
Gain/Loss from financial assets classified as assets available for sale	19,500	3,230	3,740	19.18	115.79
Other operating income	-	-	88	-	-
<b>Net operating income</b>	<b>75,500</b>	<b>6,996</b>	<b>8,945</b>	<b>11.85</b>	<b>127.86</b>
Personnel expenses	10,700	2,675	2,522	23.57	94.28
Commissions and fees	3,100	1,022	346	11.16	33.86
Other expenses	5,200	1,252	1,380	26.54	110.22
<b>Profit before tax</b>	<b>56,500</b>	<b>2,047</b>	<b>4,697</b>	<b>8.31</b>	<b>229.46</b>

Source: S.I.F. Transilvania

From the provided data it results that the **net operating income** recorded in the 1<sup>st</sup> quarter (cumulated as of the beginning of the financial year 2017) is by RON 1.95 million higher as compared to the income provided in the revenue and expenditure budget for the first three months of 2017, respectively RON 66 million below the one provided in the revenue and expenditure budget for the entire year 2017.

**The operating expenses** recorded during the 1<sup>st</sup> quarter of 2017 totalize RON 4.25 million, being by RON 0.70 million lower than those provided in the revenue and expenditure budget for the first 3 months of 2017. The **profit before tax** on 31 March 2017 amounts RON 4.69 million, by RON 2.65 million over the one provided in the revenue and expenditure budget for the 1<sup>st</sup> quarter of 2017.

### **Other significant information**

**Presentation and analysis of the trends, items, events or uncertainty factors that influence or might influence the liquidity of the Company, compared to the same period of the previous year.**

At this moment we are not aware of any items, events or uncertainty factors that might influence or could negatively and significantly influence the liquidity of the Company.

The financial statements provided for the 1<sup>st</sup> quarter of 2017 represent the condensed interim financial statements prepared for the activity performed by the Company considering the on-going concern principle.

**Presentation and analysis of events, transactions, economic changes that influence in a significant manner the income obtained from the main activities compared to the corresponding period of the previous year**

The revenues and expenses recorded by the Company in the 1<sup>st</sup> quarter of 2017, as well as the ones estimated to be achieved during the following period are and shall be influenced both by the evolution of the capital market and the financial position and performances recorded by the companies from S.I.F. Transilvania portfolio.

**Description of situations in which the Company could not comply with its financial obligations during the 1<sup>st</sup> quarter of 2017**

The Company permanently had the necessary liquidities that allowed it to timely honour all its financial obligations. At this moment, there are no factors or events leading to the impossibility of the Company to comply with its outstanding financial obligations.

**Description of any change in the rights of the holders of securities issued by the Company**

As concerns the shareholders whose individual and/or joint holdings exceed the 5% threshold of the share capital of the Company, the Company has verified the situation of the voting rights for the reference date of the General meeting of shareholders convened for April 2017, under the conditions provided in the applicable regulations issued by the F.S.A.

Under the Decisions no. 594 and 596 of 27 April 2017, F.S.A. ascertained that a group of shareholders is presumed to act in concert and ordered S.I.F. Transilvania to adopt the necessary measures in order to limit the voting rights within the Ordinary and Extraordinary General Meetings of Shareholders of 28 April 2017.

**Significant transactions / events that took place in the 1<sup>st</sup> quarter of 2017**

During the analysed period, the investments of the company targeted acquisitions/sales on both internal and external market.

During the 1<sup>st</sup> quarter of 2017, the share capital increase operation was completed by contribution in cash to S.C. Turism Covasna S.A.

**FINANCIAL AND ECONOMIC RATIOS ON 31 MARCH 2017**

RATIO	CALCULATION METHOD	RESULT
Current liquidity ratio <sup>1)</sup> (coefficient)	Current assets/Current liabilities	0.98
Debt ratio <sup>2)</sup> (%)	$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100$	not applicable
Receivables turnover <sup>3)</sup> (days)	$\frac{\text{Average clients balance (total receivables)}}{\text{Turnover}} \times 90$	71 days
Non-current assets turnover <sup>4)</sup> (coefficient)	$\frac{\text{Turnover}}{\text{Non – current assets}}$	0.009
Result per share (RON)	$\frac{\text{Net profit /Net loss}}{\text{Number of shares}}$	0.0014
Net unit asset, calculated according to F.S.A. Regulation 9/2014 (RON/share)	$\frac{\text{Calculated asset value}}{\text{Number of shares}}$	0.4324
Share yield (%) <sup>5)</sup>	$\frac{\text{Closing price} + \text{Dividends} - \text{Opening price}}{\text{Opening price}} \times 100$	-

Source: S.I.F. Transilvania

Obs.: I The ratios are calculated according to the Appendix 30B to F.S.A Regulation 1 / 2006.

<sup>1)</sup> This indicator offers the guarantee of covering the current liabilities from current assets

<sup>2)</sup> Expresses the efficiency of credit risk management. S.I.F. Transilvania has concluded no loan agreements.

<sup>3)</sup> Expresses the effectiveness of the Company in collecting its receivables, respectively the average number of days during which the debtors pay their debts to the Company. In the case of SIFs, turnover means the total net income from the current activity and in order to establish the average clients' balance all net receivables included in the balance sheet were calculated, the highest values being held by the debts resulting from dividends and related accessories, due and not collected.

<sup>4)</sup> Expresses the effectiveness of the non-current assets management. The shares measured at fair value held in the companies in the portfolio is of 98.54% of the total non-current assets recorded in the Statement of assets, registered in the book keeping.

<sup>5)</sup> Opening price on 30 December 2016 = RON 0.25 / share; closing price on 31 March 2017 = RON 0.25 / share.

Executive President/C.E.O.

Mihai Fercala

Executive Vice President/Deputy C.E.O.

Iulian Stan

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**INTERIM CONDENSED FINANCIAL STATEMENTS AT 31 MARCH 2017**

**prepared in accordance with the Financial Supervisory Authority (F.S.A.)  
Norm. no. 39/2015 regarding the approval of the accounting regulations in  
accordance with the International Financial Reporting Standards (IFRS),  
applicable to entities authorized, regulated and supervised by the Financial  
Supervisory Authority**

**unaudited**

This version of the accompanying documents is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**INTERIM CONDENSED FINANCIAL STATEMENTS AT 31 MARCH 2017**

**Table of Contents**

STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN EQUITY	5 – 6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8 – 38

**SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA SA**  
**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017**  
**(All amounts in RON, unless otherwise stated)**

<b>Assets</b>	<b>Note</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
Cash and cash equivalents	<b>11</b>	23,012,508	12,370,319
Financial assets at fair value through profit or loss	<b>12</b>	429,872,912	427,704,124
Financial assets available for sale	<b>13</b>	539,516,229	517,034,269
Other financial assets	<b>14</b>	6,045,025	3,484,892
Other assets	<b>15</b>	401,856	296,010
Current income tax assets	<b>10</b>	1,473,965	3,014,791
Intangible assets	<b>16</b>	137,582	215,038
Tangible assets	<b>16</b>	14,211,342	14,373,671
<b>Total Assets</b>		<b>1,014,671,419</b>	<b>978,493,114</b>
Other financial liabilities	<b>17</b>	30,889,368	29,688,319
Current income tax liabilities	<b>10</b>	-	-
Deferred income tax liabilities	<b>10</b>	38,497,729	33,242,135
Provisions	<b>28.1</b>	-	-
Other liabilities	<b>18</b>	706,585	1,732,727
<b>Total Liabilities</b>		<b>70,093,682</b>	<b>64,663,181</b>
Share capital	<b>19</b>	218,428,666	218,428,666
Retained Earnings		68,212,662	65,056,725
Revaluation reserve for investment securities available for sale	<b>20</b>	195,759,861	168,167,994
Revaluation reserve for premises and equipment	<b>21</b>	11,502,852	11,502,852
Other reserves	<b>22</b>	450,673,696	450,673,696
<b>Total Equity</b>		<b>944,577,737</b>	<b>913,829,933</b>
<b>Total Liabilities and Equity</b>		<b>1,014,671,419</b>	<b>978,493,114</b>

The Financial Statements have been approved by the Executive Board and have been signed by:

President of the Executive Board/  
Chief Executive Officer,  
Ec. MIHAI FERCALĂ, PhD

Executive Vice President/  
Deputy C.E.O  
Ec. IULIAN STAN, PhD

Prepared by,

Financial Manager  
DIANA VERES

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME at 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

<b>Description</b>	<b>Note</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
Dividend income	4	2,761,380	1,133,958
Interest income	5	257,063	288,120
Net gains from the disposal of investment securities available for sale	13	3,739,882	10,574,554
Net gains from financial assets at fair value through profit or loss		2,099,458	(4,048,893)
Other operating income	6	87,493	(168,874)
<b>Total net income</b>		<b>8,945,276</b>	<b>7,778,865</b>
Personnel expense	7	(2,522,392)	(2,608,035)
Fees and commissions expense	8	(346,017)	(552,831)
Other operating expenses	9	(1,380,104)	(959,509)
<b>Profit before tax</b>		<b>4,696,763</b>	<b>3,658,490</b>
Income tax	10	(1,540,826)	(2,194,208)
<b>Net profit for Q1</b>		<b>3,155,937</b>	<b>1,464,282</b>
<b>Other Comprehensive Income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Gains less losses from investment securities available for sale, net of deferred tax	20	5,255,594	(50,079,477)
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of premises and equipment	21	-	-
<b>Total Other Comprehensive Income for Q1</b>		<b>5,255,594</b>	<b>(50,079,477)</b>
<b>Total comprehensive income for Q1</b>		<b>8,411,531</b>	<b>(48,615,195)</b>
Earnings per Share		0.0014	
Diluted Earnings per Share		0.0014	

The Financial Statements have been approved by the Executive Board and have been signed by:

President of the Executive Board/  
Chief Executive Officer,  
Ec. MIHAI FERCALĂ, PhD

Executive Vice President/  
Deputy C.E.O  
Ec. IULIAN STAN, PhD

Prepared by,

Financial Manager  
DIANA VERES

**SOCIETATEA DE INVESTIȚI FINANCIARE TRANSILVANIA SA**  
**STATEMENT OF CHANGES IN EQUITY AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

	Note	Share capital	Revaluation reserve for tangible assets	Revaluation reserve for investment securities available for sale	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2017</b>		<b>218,428,666</b>	<b>11,502,852</b>	<b>168,167,994</b>	<b>450,673,696</b>	<b>65,056,725</b>	<b>913,829,933</b>
<b>Total comprehensive income:</b>							
Profit for the year						3,155,937	3,155,937
<b>Other Comprehensive Income:</b>		-	-	-	-	<b>3,155,937</b>	<b>3,155,937</b>
Net gain/(loss) transferred to profit or loss from the sale of financial investments available for sale, net of deferred tax		-	-	-	-	-	-
Net gain/(loss) related to financial investments available for sale, recognized during the financial exercise (Q1), net of deferred tax	<b>20</b>	-	-	27,591,867	-	-	27,591,867
Revaluation of tangible assets	<b>21</b>	-	-	-	-	-	-
<b>Total comprehensive income for Q1 2017</b>		<b>-</b>	<b>-</b>	<b>27,591,867</b>	<b>-</b>	<b>-</b>	<b>27,591,867</b>
<b>Legal reserve</b>							
Allocation of reserves from previous years' profits for dividend distribution		-	-	-	-	-	-
Cancellation of the effects of hyperinflation		-	-	-	-	-	-
Dividends distribution		-	-	-	-	-	-
<b>Balance at 31 March 2017</b>		<b>218,428,666</b>	<b>11,502,852</b>	<b>195,759,861</b>	<b>450,673,696</b>	<b>68,212,662</b>	<b>944,577,737</b>

The Financial Statements have been approved by the Executive Board and have been signed by:

President of the Executive Board/  
Chief Executive Officer,  
Ec. MIHAI FERCALĂ, PhD

Executive Vice President/  
Deputy C.E.O  
Ec. IULIAN STAN, PhD

Prepared by,  
Financial Manager  
ec.DIANA VEREȘ

**SOCIETATEA DE INVESTIȚI FINANCIARE TRANSILVANIA SA**  
**STATEMENT OF CHANGES IN EQUITY AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

	Note	Share capital	Revaluation reserve for tangible assets	Revaluation reserve for investment securities available for sale	Other reserves	Accumulated losses	Total
<b>Balance at 1 January 2016</b>		<b>888,235,137</b>	<b>9,684,169</b>	<b>178,328,165</b>	<b>483,989,704</b>	<b>(648,917,247)</b>	<b>911,319,928</b>
<b>Total comprehensive income:</b>							
Profit of the year		-	-	-	-	68,799,669	68,799,669
<b>Other Comprehensive Income:</b>	<b>20</b>	-	-	(14,561,714)	-	-	(14,561,714)
Changes in fair value of investments securities available for sale, net of deferred tax	<b>20</b>	-	-	4,401,543	-	-	4,401,543
Transfer of revaluation reserve to retained earnings	<b>21</b>	-	1,818,682	-	-	950	1,819,632
<b>Total comprehensive income for the year 2016</b>		<b>-</b>	<b>1,818,682</b>	<b>(10,160,171)</b>	<b>-</b>	<b>68,800,619</b>	<b>60,459,130</b>
Allocation of reserves from previous years' profits for dividend distribution		-	-	-	3,743,894	(3,743,894)	-
Adjustment for deconsolidation	<b>22</b>	-	-	-	(37,059,902)	37,059,902	-
Legal reserve	<b>19</b>	(669,806,471)	-	-	-	669,806,471	-
<b>Balance at 31 December 2016</b>		<b>218,428,666</b>	<b>11,502,852</b>	<b>168,167,994</b>	<b>450,673,696</b>	<b>65,056,725</b>	<b>913,829,933</b>

The Financial Statements have been approved by the Executive Board and have been signed by:

President of the Executive Board/  
Chief Executive Officer,  
Ec. MIHAI FERCALĂ, PhD

Executive Vice President/  
Deputy C.E.O  
Ec. IULIAN STAN, PhD

Prepared by,  
Financial Manager  
ec.DIANA VEREȘ

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**STATEMENT OF CASH FLOWS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

	<b>1 January 2017 – 31 March 2017</b>	<b>1 January 2016 – 31 March 2016</b>
<b>Cash flows from operating activities, total out of which:</b>	<b>12,261,307</b>	<b>15,044,006</b>
Receipt from clients	259,844	324,330
Payment towards suppliers and employees	(3,110,808)	(3,114,767)
Proceeds from sale of shares	17,214,287	28,271,093
Payments for purchasing shares and unit funds, out of which:	(2,983,537)	(4,821,712)
- Financial assets at fair value through profit or loss	-	(1,075,838)
Corporate income tax payments	-	(6,087,847)
Payments of other tax, contributions and other payments towards the state budget	(1,012,676)	(1,005,760)
Other receipts from operating activities	1,690,755	(258,224)
Payments for the acquisition of tangible and intangible assets	(5,833)	(112,931)
Proceeds from sale of tangible assets	-	-
Interest received	264,328	1,437,266
Dividends received	-	596,004
Other receipts and payments from investment activities (including trading sales commission)	(55,053)	(183,446)
<b>Cash flows from financing activities, total out of which:</b>	<b>(1,619,118)</b>	<b>(1,615,801)</b>
Dividends paid to shareholders (including tax)	(1,619,118)	(1,615,801)
<b>Net increase / (decrease) of cash and cash equivalents</b>	<b>10,642,189</b>	<b>13,428,205</b>
<b>Cash and cash equivalents at the beginning of the financial reporting period Q1</b>	<b>12,370,319</b>	<b>9,043,219</b>
<b>Cash and cash equivalents at the end of the financial reporting period Q1</b>	<b>23,012,508</b>	<b>22,471,424</b>

The Financial Statements have been approved by the Executive Board and have been signed by:

President of the Executive Board/  
Chief Executive Officer,  
Ec. MIHAI FERCALĂ, PhD

Executive Vice President/  
Deputy C.E.O  
Ec. IULIAN STAN, PhD

Prepared by,

Financial Manager  
DIANA VERES

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

---

## **1. GENERAL INFORMATION**

Societatea de Investiții Financiare Transilvania S.A. ("SIF Transilvania" or the "Company") is a collective investment undertaking established in 1996 in accordance with Law 133/1996 operating in Romania according to Law 31/1990 regarding trading companies and Law 297/2004 regarding capital markets.

The Company is a "joint stock Company" from a legal point of view and is an entity with unlimited period of functioning.

The Company has its headquarters in Brașov, 2 Nicolae Iorga Street, Postal Code 500057.

Contact details of the Company are:

Phone: 0268-415529, 0268-416171, 0268-413752, 0268-473210, 0268-401132

Fax: 0268-473215, 0268-473216

Web page: [www.siftransilvania.ro](http://www.siftransilvania.ro)

e-mail: [transif@transif.ro](mailto:transif@transif.ro)

Registration code with the Trade Registry: 3047687

Tax code: RO 3047687

Order number in the Trade Registry: J08/3306/1992

The Company is registered with the National Securities Commission ("C.N.V.M.") in Bucharest, currently known as the Financial Supervisory Authority ("A.S.F.") as "other collective investment undertaking" having a diversified investment policy recorded through Certificate no. 258/14.12.2005 at C.N.V.M register under no. PJR09SIIR/080004 and at the Office of Securities from C.N.V.M. with the register certificate no. 401/20.08.1999, respectively no. 401/12.07.2007. According to the Constitutive Act, the main activity of the Company is "Other financial brokerage" NACE code: 6499.

The Company performs its activity in Romania.

The regulated market on which the issued securities are traded is the Bucharest Stock Exchange (market symbol: SIF3).

The main characteristics of the shares issued by the Company are as follows: the shares are common, nominative, indivisible, of equal value and dematerialized securities, issued at the nominal value of RON 0.10 per share.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

The main accounting principles applied for the preparation of these financial statements in accordance with IFRS are described below.

The present financial statements are prepared based on the going concern principle.

### **2.1 Basis of preparation**

The financial statements of the Company were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS") and in accordance with Norm no. 39 from 28 December 2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to the authorized entities, regulated and supervised by the Financial Supervisory Authority ("A.S.F.") – Instruments and financial investments sector ("Norm 39/2015").

Starting with 1 January 2015, the Company applies the Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure in interests in other entities and IAS 27 – Consolidated and Separate Financial Statements ("Amendments"), being the date at which the classification criteria as investment entity were fulfilled.

The Amendments introduced an exception to the principle from IFRS 10 "Consolidated Financial Statements", under which all subsidiaries must be consolidated. The Amendments define an

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

investment entity and provide that a parent company that is classified as an investment entity has to measure the subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated financial statements; therefore the Company no longer consolidates subsidiaries and associates.

### **2.2 Basis of measurement**

The financial statements of the Company have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value through profit or loss, investment securities available for sale recognized at fair value through Other Comprehensive Income and for the revaluation of land and buildings.

### **2.3 Foreign currency translation**

#### *a) Functional and presentation currency*

The functional currency is the Romanian leu ("RON"). This is the currency of the primary economic environment in which the Company performs its activity. The financial statements are prepared and presented in RON, unless otherwise stated.

#### *a) Transaction and balances*

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into RON currency at the official exchange rate of the National Bank of Romania ("NBR") at the end of the reporting period. The translation to the official exchange rate at the end of the reporting period is not applied to non-monetary assets and liabilities measured at historical cost.

The exchange rate of major foreign currencies were:

<b>Currency</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>Increase/ (decrease) (%)</b>
Euro (EUR)	1: RON 4.5511	1: RON 4.4738	1.02
US Dollar (USD)	1: RON 4.2615	1: RON 3.9349	1.08

The foreign exchange differences resulted from the monetary and non-monetary items are reported as follows:

- a) As part of "Gain or loss from unrealised FX differences" in "Other operating expenses" for the unrealised FX differences from revaluation of cash and cash equivalents in foreign currency at the end of the period;
- b) As part of "Gain or loss from realised FX differences from transactions" recorded in "Other operating income" for the realised FX differences from transactions during the period;
- c) As part of "Gain or loss from financial assets at fair value through profit or loss" for the financial assets at fair value through profit or loss; and
- d) As part of "Gain or loss from financial investments available for sale, net of deferred tax" for the financial investments available for sale.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.4 Use of estimates and judgements**

The preparation of financial statements in accordance with IFRS requires the use of management estimates, judgments and assumptions that affect the amounts recognized in the financial statements, as well as the following year reported value of the assets and liabilities. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of this considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and in future periods if the revision affects both current period and following periods.

Change in estimates, by its nature, is not related to prior periods and is not a correction of errors.

As an exception to the presentation of the effect of a change in the estimate presented above, if these kinds of change give rise to changes in assets and liabilities or equity, the effect of changes will be presented by adjusting assets, liabilities or equity in the period of the change.

### **2.5 General consideration regarding the accounting policies applied**

If a standard or interpretation specifically applies to a transaction, to another event or a condition, then the accounting policies applied to that item are considered selected through the application of the standard or of the respective interpretation, taking into account any implementation guidance issued by the International Accounting Standards Board ("IASB") for the standard or interpretation in question.

The change of an accounting policy is permitted only under one of the following conditions:

- the change is imposed by a standard or an interpretation;
- the change will provide more reliable and relevant information on the effects of transactions, events and conditions.

Any material errors of the previous period identified with regards to the recognition, valuation, presentation or disclosure of financial statements elements must be corrected retroactively in the first financial statements that are authorized for issuance through:

- adjusting the comparative amounts for the previous period or periods in which the error occurred; or
- adjusting the opening balances of the assets, liabilities and equity, for the earliest prior period presented, if the error has occurred before the earliest prior period presented.

The Company has applied the Amendments starting 1 January 2015, when after a thorough reanalysis of the criteria presented in the Amendments the management has concluded that the Company fulfils the definition stated by the standards for an investment entity. As such, the Company has modified the accounting policy regarding the investments in subsidiaries and affiliated entities, the valuation of these investments being performed at fair value through Profit and Loss. In accordance with IFRS 10.30, the change in accounting policies was applied prospectively since the date of the change.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### *a) Subsidiaries and associates*

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or is entitled to the variable benefits that can be obtained from the involvement of the Company in the activity of its subsidiary and when the Company has the possibility to influence such benefits through its control over the subsidiary.

The associates are those entities over which the Company has significant influence over the financial and operational policies but does not have control, or shared control. The existence of significant influence is determined, in each reporting period, through the analysis of the shareholder structure of the entities in which the Company owns more than 20% of the voting rights, analysis of the Articles of Incorporation and also of the Company capabilities to participate in the decision making process over the financial and operational policies of the respective entity.

However, where the Company holds less than 20% of the voting rights in an entity, but is considered a significant shareholder and exercises significant influence through representation on the Board of Directors and through participation in policy decisions entity, then such entity shall be considered an associated entity.

The Company does not have a significant influence on a number of companies in which it holds between 20% and 50% of the voting rights. This is the case for the companies in which the rights of the Company as a minority shareholder are of a protective and non-participative nature and where the majority shareholder or the group of shareholders representing the majority of the holdings in the respective entity acts without taking into account the opinions of the Company.

### **2.6 Presentation of the financial statements**

The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a liquidity based presentation in the Statement of Financial Position and a presentation of the revenue and expenses according to their nature in the Statement of Profit or Loss and Other Comprehensive Income, believing that these methods of presentation provide information that is more relevant than other methods that have been allowed by IAS 1 "Presentation of the financial statements".

### **2.7 Adoption of new standards and interpretations based on the date of entry into force of the IASB**

The Company will present in the notes to the annual financial statements new standards and interpretations that are mandatory for the financial reporting period ended and how they affect the financial statements prepared for that financial year.

### **2.8 Accounting for the effects of hyperinflation**

Up until 31 December 2003, Romania met the definition of a hyperinflationary economy as defined by the International Accounting Standard ("IAS") 29 "Financial Reporting in Hyperinflationary Economies". IAS 29 mentions that economies should be regarded as hyperinflationary if, among other factors, the cumulative inflation rate over a period of three years exceeds 100%. IAS 29 requires that financial statements prepared on a historical cost basis be adjusted to take into account the effects of inflation, for entities reporting in hyperinflationary economies.

The Company has utilized the general price index reported by the Romanian National Institute of Statistics in the application of IAS 29 restating non-monetary items from the date of acquisition or contribution.

Effective 1 January 2004, the economy of Romania ceased to meet the criteria of a hyperinflationary economy. Accordingly, beginning 1 January 2004, the Company ceased to apply IAS 29 on a prospective basis. As a result of this change, the carrying amounts of non-monetary assets expressed in the RON current at 31 December 2003 formed the basis for the

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

respective assets from 1 January 2004 onwards. The Company has restated its share capital in accordance with the requirements of IAS 29.

The General Shareholders Meeting of 28 April 2016 approved the cancellation of the reserve for hyperinflation and the transfer of the amount to retained earnings, in accordance with the requirements of Norm 39, section 5.1, article 74, para. 4.

### **2.9 Financial assets and financial liabilities**

#### *(i) Classification*

##### *a) Financial assets at fair value through profit or loss*

The Company classifies its investments in subsidiaries and associates as financial assets at fair value through profit or loss.

The Company designates financial assets at fair value through profit or loss at the initial recognition of those assets that are not classified as being held for trading, but which are being managed and whose performance is measured on a fair value basis in accordance with the Company's investment strategy.

The Company's policy requires the Investment Manager and the Board of Directors to assess the information on these financial assets on a fair value basis together with other related financial information.

##### *b) Loans and receivables*

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than those that the Company intends to sell immediately or in the near future, those that the Company, upon initial recognition, designates as at fair value through Profit and Loss, those that the Company, upon initial recognition, designates as available for sale or those for which the holder may not substantially recover all of the initial investment in its entirety, other than because of credit deterioration reasons. Loans and receivables include "Other financial assets" and "Cash and cash equivalents".

##### *c) Financial investments available for sale*

The Company's investments in equity instruments, corporate bonds and fund units (other than subsidiaries and associates) are classified as financial investments available for sale. The method used to derecognise each category of financial investments available for sale is "first in, first out", given the measurement and evaluation of the Company's performance at fair value.

The financial investments available for sale are measured at fair value through Other Comprehensive Income.

*Dividends* received from entities in which the Company holds equity are recognized in profit or loss account of the year when the Company has the right to receive dividends and it is probable that these will be collected.

Changes in fair value are recognized in Other Comprehensive Income for the year until the investment is derecognized or depreciated, when the accumulated gain or loss is reclassified from Other Comprehensive Income to Profit and Loss of the year.

For the financial investments available for sale, when a decline in the fair value of the financial asset has been recognized directly in Other Comprehensive Income and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in Other Comprehensive Income will be reversed and recorded in profit or loss even though the financial asset has not been derecognized.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The amount of the cumulative loss that is transferred from Other Comprehensive Income and is recognized in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

Impairment losses recognized in profit or loss for an equity instrument classified as available for sale shall not be reversed through profit or loss, if its value increases in a subsequent period. Subsequent increases are recognized as revaluation reserves.

If, in a subsequent period, the fair value of a *debt instrument* classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss.

*Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the assessment date. The best evidence of fair value is the price quote on an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Company believes that the accurate determination of the fair value is an essential requirement for presenting information that is useful to the investors and the Company's key personnel for proper decision-making purposes. In order to achieve this, a methodology was put in place to estimate the fair value of the financial instruments in compliance with the requirements of ANEVAR Valuation Standards - standards including the International Valuation Standards and with the International Financial Reporting Standards on estimating the fair value (IFRS 13 "Fair value measurement").

The methods were established separately for:

- a) Equity instruments (shares held in trade companies);
- b) Corporate bonds; and
- c) Fund units portfolio.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques using all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

### *(ii) Amortized cost measurement*

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the accumulated amortization using the "effective interest method" of any difference between the initial amount and the amount payable at maturity, minus any reduction for impairment losses.

Accrued interest includes amortization of deferred transaction costs at initial recognition and of any premium or discount granted for the maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and amortized discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the Statement of Financial Position.

### *(iii) Recognition*

Financial assets and financial liabilities are initially recognized at fair value plus the directly attributable transaction costs, for the financial assets and financial liabilities not carried at fair value through profit or loss.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Transaction costs* are incremental costs that are directly attributable to the acquisition, issue or sale of a financial instrument. An incremental cost is one that would not have been incurred had the transaction not taken place. Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and stock exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The Company initially recognises bank deposits on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the transaction date. .

### *(iv) De-recognition*

The Company derecognises a financial asset when the contractual rights to receive cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which all the risks and rewards of ownership of the financial asset are substantially transferred.

The Company fully derecognises a financial liability when its contractual obligations are settled, cancelled or have expired.

### *(v) Offsetting*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

## **2.10 Tangible assets**

### *(i) Recognition and measurement*

The tangible assets are presented at their revalued value less accumulated depreciation and provision for impairment losses. Capital expenditure on property and equipment in progress is capitalized and depreciated once the assets enter into use.

Tangible assets are subject to revaluation with sufficient regularity to ensure that the carrying amount does not materially differ from that which would be determined using fair value at the end of the reporting period. If there is no market based evidence of fair value, fair value is estimated using an income approach. Increases in the carrying amount arising on revaluation are credited to Other Comprehensive Income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognized in Other Comprehensive Income and decrease the previously recognized revaluation surplus in equity while all other decreases are charged to profit or loss for the year.

The revaluation reserve for tangible assets included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the decommissioning or disposal of the asset.

Upon revaluation of tangible assets, accumulated depreciation at the date of revaluation is treated as follows: accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the gross carrying amount after the recording of revaluation is equal to its revalued amount; this method is used when it is performed a detailed valuation of the land and building portfolio.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The revaluation of tangible assets is made at fair value, which is determined based on evaluations made by authorised external valuers.

The latest revaluation of tangible assets of the Company was performed as at 31 December 2016 by REVALTEX SRL (independent appraiser – ANEVAR member), which resulted in an increased revaluation reserve by 3,029,268, namely 31.13%.

Gains and/or losses from de-recognition of tangible assets is determined as the difference between revenues from sales of tangible assets and the expenses incurred by their disposal and are recognized in profit or loss for the year (under other operating income or expenses).

### *(ii) Subsequent costs*

The amounts paid or payable, generated by the repairs and daily maintenance costs of the tangible assets owned, are recorded as expense, according to the accrual accounting principle, impacting accordingly the Company's profit or loss statement for the period.

The amounts paid or to be paid, generated by activities that will lead to an increase in the value and/or the useful life of the asset, through the upgrade of the tangible assets owned, and also the activities that lead to a significant increase in the technical parameters which increase the potential of obtaining future economical benefits are capitalised in the value of the tangible assets (increasing the accounting value of that asset).

### *(iii) Amortization*

The depreciation expense for each reporting period is recorded in the Profit and Loss account.

Depreciation is calculated using the book value (acquisition cost or revalued value) using the straight line depreciation method, over the entire estimated useful life of the asset (starting with the date of its commissioning) and is recorded as expense on a monthly basis. Depreciation of an asset begins when the asset is available for use, when it is in the location and condition necessary for it to operate in the manner intended by management. The depreciation of an asset ceases at the earlier of the date the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), in accordance with IFRS 5, "Non-current assets held for sale discontinued operations" and the date that the asset is derecognized.

Each part of an item of tangible asset that presents a significant cost to the total cost of that item, shall be depreciated separately.

Depreciation methods and useful lives are established at each reporting date.

Land is not depreciated.

<b>Categories</b>	<b><u>Years of depreciation</u></b>
Building	50
Other equipment, furniture and other tangible assets	up to 12
Vehicles	up to 6

The accounting value of a tangible asset must be derecognized:

- a) At sale; or
- b) When there are no future benefits expected from the use of the asset or from the sale.

The gain or loss that results from the derecognition of a tangible asset is included in the Profit and Loss account when the item is derecognized.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.11 Intangible assets**

Intangible assets include software and licenses.

Intangible assets that are acquired by the Company are initially valued at cost. Cost is represented either by the amount of cash or cash equivalents paid, or the fair value of other consideration given to acquire the asset at the time of its acquisition.

For measurement subsequent to initial recognition, the Company applies the cost model, meaning that intangible assets are carried at cost less accumulated amortization and impairment losses.

Amortization is recognized in Profit or Loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimate useful life for software is between 1 to 3 years and licenses are amortized on the validity period, using the straight line method.

### **2.12 Impairment of non-financial assets**

At each balance sheet date, the Company must verify if there are indications of asset impairment. Where such indication exists, the Company shall estimate the asset's recoverable amount as the greater amount between its value in use and its fair value less any associated costs incurred to sell the asset.

### **2.13 Cash and cash equivalents**

Cash and cash equivalents consist of petty cash and cash at bank, including short-term deposits. Cash and cash equivalents are carried at amortized cost in the Statement of Financial Position.

For the purposes of preparing the Cash Flow Statement, cash and cash equivalents include petty cash, current bank accounts, including deposits with original maturity within up to 3 months, cash in transit, other short-term investments that are convertible into cash at any time and that are subject to an insignificant risk of change in value and overdraft facilities as well as their accompanying receivables.

### **2.14 Trade receivables**

Trade receivables are included in the category of financial assets.

Trade receivables are carried at original invoice amount less any allowance (impairment adjustment) created for doubtful debts. The amount of impairment adjustment (adjusting for impairment) is calculated as the difference between the carrying amount and the recoverable amount.

### **2.15 Provisions**

Provisions for liabilities and charges are non-financial liabilities of uncertain maturity or amount.

A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

### **2.16 Liabilities and contingent assets**

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes, unless the possibility of an outflow of economic benefits is remote.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

### **2.17 Dividends payable**

The Company records a liability to pay dividends in the year when the distribution of the profit including dividends is approved by the General Shareholders Meeting.

Dividends payable recognized in the Statement of Financial Position are financial liabilities. The said financial liability is extinguished either by the payment of the amounts owned or when the obligation expires, i.e. 3 years after the approved date for the dividends distribution, period in which the shareholders don't claim their rightful amounts. As such, the financial liability for the dividends payable which become prescribed after the fulfilment of the statutory period of 3 years from the distribution date, is directly reversed into the Profit or Loss and is included under "Other operating income".

### **2.18 Share capital**

Ordinary shares are classified as equity. Share capital has been restated to reflect the impact of IAS 29 up until 1 January 2004 when Romania ceased to be a hyperinflationary economy.

### **2.19 Trade payables and other liabilities**

Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at amortized cost.

### **2.20 Employee benefits**

#### *Short term benefits*

Short-term employee benefits include wages, salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are rendered.

In the normal course of business, the Company makes payments to the public pension, health care and unemployment systems. All employees of the Company are members of the State pension plan and have the legal obligation to contribute to it (through social security contributions). All the contributions due by the Company are recognized in the Profit and Loss account of the year when the expenses incurred.

In addition to salaries and other rights under contract (according to the Articles of Incorporation) and according to the collective labour agreement, the directors/members of the Supervisory Board, managers with mandate contract/members of the Board of Directors and the Company's employees have the right to receive bonuses and incentives from the employees profit participation fund. The Company includes these benefits in the short term benefits.

The Company does not operate any other pension plans and, therefore, has no obligation in respect of pensions.

### **2.21 Income tax expense**

The current income tax includes both the current income tax and the deferred income tax. Income tax is recognized in profit or loss or in equity if the tax is related to equity items.

Current income tax is the tax payable on the taxable profits of the period, determined using the tax rates available at the balance sheet date and any adjustments related to prior periods.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.22 Deferred tax**

The deferred tax is calculated using the balance sheet method, using the temporary differences arising between the tax base for calculating the tax for assets and liabilities and their carrying amount. The deferred tax is calculated using the tax rates that are expected to be applied to temporary differences when achieving the carrying amount of assets and liabilities, as it is specified in the laws in force at the reporting date.

Deferred tax receivables are recognized to the extent that the Company will be obtain sufficient taxable profits in future periods to allow the existence of these claims. Deferred tax receivables are reduced accordingly if it is considered that is not probable to obtain a related tax benefit. The main temporary differences arise from movements in the fair value and impairment of financial investments available for sale. The Company registers deferred tax liabilities from holdings classified as available for sale and from reserves from revaluation of tangible assets.

On 31 March 2017, the tax rate used to calculate the current and deferred tax was 16% (31 December 2016: 16%).

### **2.23 Revenue recognition**

The revenues recorded by the Company are accounted for according to their nature (operational, financial), in accordance with accrual accounting principles.

Revenue is measured at fair value of consideration received or receivable. When the result of a transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

### **2.24 Interest income and interest expense**

Interest income and interest expenses corresponding to financial instruments are recognized in profit or loss using the effective interest method in accordance with accrual accounting principles. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period of time.

The effective interest rate is the rate that exactly discounts the estimated future cash flows payable or receivable during the expected life of the financial instrument or, when appropriate, during a shorter period of time, at the net carrying amount of the financial asset or financial liability. In order to calculate the effective interest rate, the Company estimates the cash flows, considering all contractual terms of the financial instrument, but does not account for future credit losses. The calculation includes all fees paid or received between the parties that are part of the effective interest rate, transaction costs, and all other premiums or discounts.

### **2.25 Dividend income**

Dividends on equity instruments are recognized in the income statement under "Dividend income" when the Company's right to receive payment is established.

### **2.26 Gain/loss from the sale of financial instruments**

a) Net gain/loss from financial assets at fair value through profit or loss

The net gain/loss from financial assets at fair value through profit or loss includes the changes in fair value of financial instruments as an outcome from the mark-to-market process, as well as the outcome of the sale of the said financial instruments.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- b) Net gain/loss from the sale of financial investments available for sale

The net gain/loss from the sale of financial investments available for sale include the revaluation reserve of the financial investments available for sale recycled in the Profit or Loss upon the disposal of said financial investments.

### **2.27 Comparative**

Where necessary, corresponding figures have been adjusted to match the current year presentations.

## **3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the given circumstances. In addition to experience and historical information, the Company takes into account the current conditions of the financial industry in evaluating these effects.

### **3.1 Investment entity classification**

The Company applied the Amendments to IFRS 10, IFRS 12 and IAS 27 from 1 January 2015, and when after consideration of the criteria mentioned in the Amendments, the Company's management concluded that the Company qualifies for classification as investment entity.

At 31 December 2016 the Company has conducted a reassessment and concluded that it meets the investment entity criteria, since the Company still:

- a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c) measures and evaluates the performance of the majority of its investments on a fair value basis.

In addition, the Company has other characteristics specific to an investment entity, as follows:

*(a) Services related to investments*

The Company is a joint stock company which operates as a closed-end financial investment company, providing direct services related to managing investments for its investors, its main business activities are exclusively connected with providing activities specific to the closed-end investment companies.

The Company does not provide advisory services and investment support or administrative services directly or through a subsidiary, to third parties and/or its investors.

*(b) Business purpose*

The Company's scope is to carry out business activities specific to its main object of activity and to obtain profit to be allocated between shareholders and/or own sources to finance necessary and appropriate investments, permitted by the object of activity and legal provisions.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)**

The annual strategic guidelines and the investment program approved by the Annual General Meeting of Shareholders are public information presented on the official website of the Company and can be consulted anytime by third parties and/or potential investors in order to support their investment decisions in the Company.

The Company's objective is the investment management of the portfolio and permanent identification of investment opportunities ensuring a reasonable level of investment risk dispersion in order to offer its shareholders the opportunity to obtain attractive performance while increasing capital invested.

*(c) Exit strategy*

Starting with 1 January 2015, the Company applies an exit strategy based on continuous monitoring of investments made through investment programs approved and on the continuous analysis of current market conditions, aiming to identify the optimal exit moments to achieve the objectives set by the Annual Revenue and Expenditure Budget, respectively to achieve higher aggregated yields.

*(d) Fair value measurement*

Starting with 1 January 2015 the financial investments of the Company are measured at fair value. For investments in subsidiaries and associates, including the corporate bonds issued by these and owned by the Company are classified as financial assets at fair value through profit or loss. Other investments in shares, bonds and fund units are classified as financial investments available for sale.

The fair value determination process for the Company's financial instruments is carried out in accordance with S.I.F. Transilvania's internal procedures and corresponding methodology.

*(i) Implications following the classification of the Company as an investment entity*

A company that is an investment entity is not required to consolidate any of its subsidiaries, except for those subsidiaries that provide services related to investment activities.

Due to the above, the Company changed its accounting policy regarding investments in subsidiaries and associates, measuring them at fair value through profit or loss starting 1 January 2015.

When a company becomes an investment entity, the change of its status should be accounted for as a deconsolidation adjustment in relation to its subsidiaries, as compared to the way they were presented in the consolidated financial statements.

Accordingly, starting 1 January 2015, the Company classified its investments in subsidiaries and associates as financial instruments held at fair value through Profit and Loss and recognized the difference between their fair value on 1 January 2015 and their carrying amounts from the consolidated financial statements in accordance with IFRS for the year ended 31 December 2014 in the Statement of Profit or Loss in the financial year ended 31 December 2015 as a deconsolidation adjustment.

Due to the fact that on 31 December 2014 the Company has not consolidated its subsidiaries and associates in accordance with IFRS 10 "Consolidated Financial Statements", the Company used the accounting values from the individual financial statements in accordance with IFRS for the year ended 31 December 2014 in order to determine the deconsolidation adjustment.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)**

(ii) *Disclosures*

For each unconsolidated subsidiary, an investment entity shall disclose the following information: the subsidiary's name, the main place of business and the proportion of ownership held by the investment entity.

If, during the reporting period, an investment entity or any of its subsidiaries has provided financial or other kind of support to an unconsolidated subsidiary (e.g. acquisition of assets or instruments issued by the respective subsidiary), the entity shall disclose the type and amount of the support provided to each unconsolidated subsidiary and the reasons for providing such support.

**4. DIVIDEND INCOME**

As at 31 March 2017, as compared to 31 March 2016, the Company has recorded dividend income as follows:

<b>Entity</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
CRISTIANA SA	2,761,380	1,133,958
<b>Total</b>	<b>2,761,380</b>	<b>1,133,958</b>

**5. INTEREST INCOME**

	<b>31 March 2017</b>	<b>31 March 2016</b>
Interest income from bank deposits	4,270	18,670
Interest income from corporate bonds	252,793	269,450
Interest income from fund units	-	-
<b>Total</b>	<b>257,063</b>	<b>288,120</b>

**6. OTHER OPERATING INCOME**

	<b>31 March 2017</b>	<b>31 March 2016</b>
Income from foreign exchange rate corresponding to transactions	(37,017)	
Other operating income	124,510	(168,874)
<b>Total</b>	<b>87,493</b>	<b>(168,874)</b>

The amounts under "Other operating income" represent the amounts cashed from the litigations won by the Company.

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**7. PERSONNEL EXPENSE**

	<b>31 March 2017</b>	<b>31 March 2016</b>
Salary expense	2,056,512	2,127,456
Social contribution expense	465,780	480,579
<b>Total</b>	<b>2,522,392</b>	<b>2,608,035</b>

**8. FEES AND COMMISSIONS EXPENSE**

	<b>31 March 2017</b>	<b>31 March 2016</b>
Commission paid for the Net Asset Value owed to the FSA	218,245	229,534
Custody commission	83,033	80,882
Trading costs	35,272	33,130
Other fees and commissions	9,467	209,285
<b>Total</b>	<b>346,017</b>	<b>552,831</b>

**9. OTHER OPERATING EXPENSES**

	<b>31 March 2017</b>	<b>31 March 2016</b>
Legal fees	186,761	188,869
Other tax expenses (i)	257,614	266,562
Fixed assets depreciation expense	244,686	190,232
Audit and consulting fees	126,536	10,500
Postal and telecommunication expenses	20,775	20,319
Supplies expense	34,815	58,388
Insurance premium expense	29,858	33,563
Utilities expense	38,427	34,913
Travel expense	23,387	28,746
Protocol, donations and sponsoring expense	7,935	15,829
Rent	15,218	14,613
Maintenance and repairs expense	6,481	4,223
Net gain/loss from unrealised foreign exchange rate differences	434	
Other expenses (ii)	387,177	92,752
<b>Total</b>	<b>1,380,104</b>	<b>959,509</b>

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

- (i) "Other tax expense" includes charges and local taxes for buildings, vehicles and land, as well as the collected VAT corresponding to the suppliers invoices.
- (ii) "Other expenses" include expenses related to the IT systems maintenance, security, archiving and translation services expense.

**10. CURRENT INCOME TAX AND DEFERRED TAX**

The differences between the regulations issued by the Romanian Ministry of Finance and the accounting rules applied in preparing these financial statements give rise to temporary differences between the carrying value and fiscal value of certain assets and liabilities.

The deferred income tax will be calculated in case of temporary differences using the tax rate applicable at the date of such differences.

Income tax (expense) / credit recorded in profit or loss for the year comprises the following:

	<b>31 March 2017</b>	<b>31 March 2016</b>
Current corporate income tax expense	1,540,826	2,194,208
Deferred income tax	-	-
<b>Total</b>	<b>1,540,826</b>	<b>2,194,208</b>

**Deferred tax analysed by type of temporary difference**

Differences between IFRS and statutory taxation regulations in Romania give rise to temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

	<b>1 January 2017</b>	<b>Credited/ (charged) to other comprehensive income</b>	<b>31 March 2017</b>
<b>Tax effect of deductible/(taxable) temporary differences</b>			
Fair valuation of investment securities available for sale	32,031,999	5,255,594	37,287,593
Fair valuation of tangible assets	1,210,136	-	1,210,136
<b>Net deferred tax liability</b>	<b>33,242,135</b>	<b>5,255,594</b>	<b>38,497,729</b>

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**11. CASH AND CASH EQUIVALENTS**

	<b>31 March 2017</b>	<b>31 December 2016</b>
Current accounts at banks, in RON	2,765,959	1,356,917
Current accounts at banks, in foreign currency	4,651,803	4,860,365
Bank deposits, in RON	15,584,543	6,148,928
Petty cash	10,203	4,109
<b>Total</b>	<b>23,012,508</b>	<b>12,370,319</b>

At 31 March 2017 and 31 March 2016 the amounts presented in the Statement of financial position are neither past due, nor impaired.

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition: cash in hand and non-restricted deposits at banks.

At 31 March 2017 and 31 March 2016 the bank deposits have a contractual maturity below 1 month.

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Following the classification of the Company as an investment entity all its investments in subsidiaries and associates have been classified as financial assets at fair value through profit or loss and as such the Company has recognised them at fair value starting with 1 January 2015.

At 31 March 2017 the financial assets at fair value through profit or loss by the nature of the financial instrument is presented as follows:

	<b>31 March 2017</b>	<b>31 December 2016</b>
Equity securities quoted on internal markets	368,073,788	364,372,088
Unquoted equity securities	50,845,016	52,441,555
Corporate bonds issued by Romanian entities	10,954,108	10,890,481
<b>Total</b>	<b>429,872,912</b>	<b>427,704,124</b>

Investments in subsidiaries are the following:

<b>Entity</b>	<b>Fair value at 31 March 2017</b>	<b>%</b>	<b>Voting rights %</b>
S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA	287,071	99.99	99.99
CRISTIANA SA	23,132,065	99.80	99.80
TERRACOTTA STAR SA	1,064,746	97.48	97.48
ORGANE DE ASAMBLARE SA	0	95.70	95.70
TURISM COVASNA SA	23,922,963	93.33	95.15
TRATAMENT BALNEAR BUZIAS SA	14,357,715	91.87	91.87
ANCA-IRINA SA VENUS-MANGALIA	0	91.07	91.07
SEMBRAZ SA	1,038,816	90.97	90.97
INTERNATIONAL TRADE&LOGISTIC CENTER SA	3,202,970	87.30	87.30
FEPER SA	43,884,596	85.80	97.53
ARO-PALACE SA	43,489,639	85.74	85.74
MECANICA CODLEA SA	5,534,366	81.07	81.07
TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	40,852,749	77.71	77.71

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

ROMRADIATOARE SA BRASOV	20,075,815	76.51	76.51
TUSNAD SA	15,150,517	76.41	76.41
GRUP BIANCA TRANS SA	3,826,326	70.85	70.85
UTILAJ GREU SA	4,476,143	70.39	70.39
GASTRONOM SA	6,789,506	70.29	70.29
TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	15,650,426	68.51	68.51
TURISM FELIX SA	70,868,854	63.20	63.20
COMCM SA CONSTANTA	1,823,079	56.73	56.73
STATIUNEA OGLINZI SA	866,749	54.52	54.52
VIROLA-INDEPENDENTA SIBIU	3,237,630	53.62	53.62
CASA ALBA INDEPENDENTA SIBIU	11,493,820	53.32	53.32
INDEPENDENTA SA	1,379,409	53.30	53.30
SIBAREX SA	0	52.85	52.85
SANTIERUL NAVAL SA	17,419,868	50.00	50.00
<b>Total</b>	<b>373,825,838</b>		

All the Company's subsidiaries are incorporated in Romania.

The Company held corporate bonds measured at fair value through profit and loss at 31 March 2017 and at 31 March 2016 as follows:

Entity	Currency	Units at 31 December 2016	Units at 31 March 2017	Fair value at 31 December 2016	Fair value at 31 March 2017	Maturity date
Organe de Asamblare SA	RON	2,200,000	2,200,000	-	-	25 January 2017
Feper SA	RON	1,993,160	1,993,160	5,190,987	5,243,765	5 June 2018
Romradiatoare SA	RON	2,260,000	2,260,000	5,699,494	5,710,343	27 November 2017
Sibarex SA	RON	900,000	900,000	-	-	21 November 2016
<b>Total</b>				<b>10,890,481</b>	<b>10,954,108</b>	

At 31 March 2017 the Company held corporate bonds issued by:

- *Organe de Asamblare SA Braşov* – corporate bonds with a total nominal value of RON 5.5 million. The bonds are unquoted, non-convertible into shares, issued at a nominal value of RON 2.50 per bond, with a maturity of 48 months (maturity date: 25 January 2017) and an annual interest rate represented by the variable interest of ROBOR 3 months plus 2.00%. Interest payments are made on an annual basis. At 31 March 2017, accrued interest related to these bonds is RON 835,189. The principal and interest must be repaid in full by the date of repayment, early repayment can not be made without the written agreement of the owner. The bonds issued are secured by the assets from the patrimony of Organe de Asamblare. As a result of the issuer's bankruptcy starting from August 2016, the collection of principal and overdue interest became unlikely, the respective receivables were recorded with a fair value of zero (31 December 2016: zero).
- *Feper SA* – bonds with a total nominal value of RON 4.98 million. The bonds are unquoted, non-convertible into shares, issued at a nominal value of RON 2.50 per bond, with a maturity of 60 months (maturity date: 5 June 2018) and an annual interest rate represented by the variable interest of ROBOR 3 month plus 2.00%. The principal and interest must be repaid in full by the date of repayment, early repayment can not be made without the written agreement of the owner. The bonds have been taken over by Feper SA as a result of the merger process with Orizont Turism SA. At 31 March 2017, the accrued interest related to these bonds amounts to RON 135,732.

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

- *Romradiatoare SA Braşov* – bonds with a total nominal value of RON 5.65 million. The bonds are unquoted, non-convertible into shares, issued at nominal value of RON 2.50 per bond, with a maturity of 60 months (maturity date: 27 November 2017) and an annual interest rate resulting from the variable interest of ROBOR at 6 months plus 1.50%. The interest will be paid on a half year basis. At 31 March 2017, the accrued interest related to these bonds is RON 48,954. The principal and interest must be repaid in full by the date of repayment, early repayment can not be made without the written agreement of the owner. The bonds are secured with the assets from the patrimony of Romradiatoare.
- *Sibarex S.A.* – bonds with a total nominal value of RON 2.25 million. The bonds are unquoted, non-convertible into shares, issued at a nominal value of RON 2.50 per bond, with a maturity of 3 years (maturity date: 21 November 2016) and an annual interest rate resulting from the variable interest of ROBOR at 6 months plus 2.00%. Interest payments are made quarterly. At 31 March 2017, the accrued interest related to these bonds was RON 211,247. The principal and interest must be repaid in full by the repayment date or anticipated (partial or total) at the issuer's request. Given the Resolution of the Extraordinary General Meeting of Shareholders of the issuer dated 14.11.2016 on the company's dissolution followed by liquidation, the fair value of the bonds as at 31 March 2017 is zero (31 December 2016: zero). The bonds issued are secured by pledge without dispossession over the production equipments, up to the value of bonds subscribed and paid plus the entire period estimated interest.

**13. INVESTMENT SECURITIES AVAILABLE FOR SALE**

The Company has classified its financial instruments for which the ownership percentage was lower than 20% of the issuer's share capital as investment securities available for sale. These are measured at fair value at 31 March 2017 and 31 March 2016.

The structure of the investment securities available for sale by the type of assets is presented as follows:

	<b>31 March 2017</b>	<b>31 December 2016</b>
Equity securities quoted on Romanian markets	477,167,957	456,792,323
Equity securities quoted on International markets	-	-
Unquoted equity securities	26,374,669	26,377,380
Corporate bonds (ii)	12,497,049	12,263,954
Quoted fund units (iii)	8,811,397	7,680,756
Unquoted fund units (iii)	14,665,157	13,919,856
<b>Total</b>	<b>539,516,229</b>	<b>517,034,269</b>

The corporate bonds portfolio as at 31 March 2017 is represented by:

- *Banca Transilvania* - the bonds are issued in EUR, are convertible, subordinated, unsecured, nominative and dematerialized. They are issued at a nominal value of EUR 0.60 per bond with a maturity of 7 years (maturity date: 25 May 2020) and an annual interest rate resulting from the variable interest of EURIBOR at 6 months plus 6.25%. At 31 March 2017, the accrued interest related to these bonds is RON 23,873. Interest payments are made bi-annually on 15 January and 15 June. The bonds can not be prepaid or redeemed before the redemption date. The unmatured bonds can be converted into shares.
- *S.A.I. Certinvest SA* – bonds with a total nominal value of RON 9 million. The bonds are unquoted, non-convertible into shares, issued at a nominal value of RON 10,000 per bond, with a maturity of 5 years (maturity date: 12 December 2019) and a fixed interest rate of 7% per year, payable quarterly. The accrued interest at 31 March 2017 is RON 184,685.

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**13. INVESTMENT SECURITIES AVAILABLE FOR SALE (CONTINUED)**

The change in fair value of the corporate bonds available for sale is presented below:

Entity	31 March 2017		31 December 2016		Maturity date
	Number	Fair value	Number	Fair value	
Banca Transilvania	688,362	2,151,610	688,362	2,188,144	22-May-2020
Certinvest	900	10,345,439	900	10,075,810	12-Dec-2019
<b>Total</b>	<b>689,262</b>	<b>12,497,049</b>	<b>689,262</b>	<b>12,263,954</b>	

The portfolio of funds units classified as financial assets available for sale is as follows:

Entity	31 March 2017		31 December 2016	
	Number	Fair value	Number	Fair value
Fondul Inchis de Investitii Multicapital Invest	3,400	7,545,450	3,400	7,112,392
Fond Inchis de Investitii Bet-Fi Index Invest	2,054	1,078,851	2,054	963,326
Fondul Inchis de Investitii Star Value	9,154	7,119,707	9,154	6,807,464
iShares Gold Producers UCITS ETF	-	-	30,000	1,178,196
ETFS 2X Daily Long Gold	15,000	2,547,023	15,000	2,264,192
ETFS 3X Daily Short DAX 30	600,000	5,185,523	400,000	3,275,041
<b>Total</b>	<b>629,608</b>	<b>23,476,554</b>	<b>459,608</b>	<b>21,600,612</b>

**14. OTHER FINANCIAL ASSETS**

	31 March 2017	31 December 2016
<b><i>Other financial assets neither past due nor impaired</i></b>		
Other receivables	196,792	195,118
Receivables from group entities	-	202,603
Dividends receivable	2,771,734	10,672
Receivable from the withdrawal from the shareholding of the company	3,076,499	3,076,499
- Biroul de Turism si Tineret S.A. ("B.T.T.")	3,076,499	3,076,499
<b>Total</b>	<b>6,045,025</b>	<b>3,484,892</b>

**15. OTHER ASSETS**

	31 March 2017	31 December 2016
Consumables and other inventories	78,545	65,809
Prepayments	298,925	218,847
Other assets	24,386	11,354
<b>Total</b>	<b>401,856</b>	<b>296,010</b>

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**16. TANGIBLE AND INTANGIBLE ASSETS**

	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Licenses	Other intangible assets	Total
<b>Balance at 1 January 2017</b>						
<b>Gross value</b>	<b>13,657,692</b>	<b>551,052</b>	<b>164,927</b>	<b>348,672</b>	<b>770,219</b>	<b>15,492,562</b>
<b>Acumulated depreciation</b>	-	-	-	<b>(257,048)</b>	<b>(646,805)</b>	<b>(903,853)</b>
<b>Net book value</b>	<b>13,657,692</b>	<b>551,052</b>	<b>164,927</b>	<b>91,624</b>	<b>123,414</b>	<b>14,588,709</b>
Additions	-	3,315	-	1,587	-	4,902
Disposals and transfers	-	-	-	-	-	-
Depreciation recorded during the year	(97,008)	(54,714)	(13,923)	(17,335)	(61,707)	(244,687)
Depreciation for the assets sold	-	-	-	-	-	-
Revaluation of assets in 2016	<b>13,657,692</b>	<b>551,052</b>	<b>164,927</b>	<b>348,672</b>	<b>770,219</b>	<b>15,492,562</b>

**Balance at 31 March 2017**

<b>Gross value</b>	<b>13,657,692</b>	<b>554,367</b>	<b>164,927</b>	<b>350,259</b>	<b>770,219</b>	<b>15,497,464</b>
<b>Acumulated depreciation</b>	<b>(97,008)</b>	<b>(54,714)</b>	<b>(13,923)</b>	<b>(274,383)</b>	<b>(708,512)</b>	<b>(1,148,538)</b>
<b>Net book value</b>	<b>13,560,684</b>	<b>499,653</b>	<b>151,004</b>	<b>75,876</b>	<b>61,707</b>	<b>14,348,924</b>

	Land and Buildings	Plant and equipment	Fixtures, fittings and furniture	Licenses	Other intangible assets	Total
<b>Balance at 1 January 2016</b>						
<b>Gross value</b>	<b>14,356,499</b>	<b>1,555,233</b>	<b>794,846</b>	<b>228,546</b>	<b>770,219</b>	<b>17,705,343</b>
<b>Acumulated depreciation</b>	<b>(3,222,757)</b>	<b>(1,077,822)</b>	<b>(670,741)</b>	<b>(167,733)</b>	<b>(399,977)</b>	<b>(5,539,029)</b>
<b>Net book value</b>	<b>11,133,742</b>	<b>477,411</b>	<b>124,105</b>	<b>60,813</b>	<b>370,242</b>	<b>12,166,313</b>
Additions	-	56,525	2,622	121,419	-	180,565
Disposals and transfers	-	(8,682)	-	(1,292)	-	(9,974)
Depreciation recorded during the year	(281,664)	(147,884)	(18,672)	(90,607)	(246,828)	(785,655)
Depreciation for the assets sold	-	(8,682)	-	(1,292)	-	(9,974)

**Balance at 31 December 2016**

<b>Gross value</b>	<b>13,657,692</b>	<b>551,052</b>	<b>164,927</b>	<b>348,672</b>	<b>770,219</b>	<b>15,492,562</b>
<b>Acumulated depreciation</b>	-	-	-	<b>(257,048)</b>	<b>(646,805)</b>	<b>(903,853)</b>
<b>Net book value</b>	<b>13,657,692</b>	<b>551,052</b>	<b>164,927</b>	<b>91,624</b>	<b>123,414</b>	<b>14,588,709</b>

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**16. TANGIBLE AND INTANGIBLE ASSETS (CONTINUED)**

The Company has no restrictions over its ownership titles and none of its tangible assets are pledged. At the end of 31 March 2017 the Company had no contractual obligations for the purchase of tangible assets.

The latest revaluation of the land, buildings and other tangible assets owned by the Company was performed on 31 December 2016 and the differences from the revaluation were recorded in other comprehensive income.

**17. OTHER FINANCIAL LIABILITIES**

<b>Description</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
Trade payables	2,003,100	507,924
Dividend payable	27,151,975	27,692,738
Collections made in advance from third parties	1,733,394	1,487,657
Liabilities with related parties	899	-
Other payables	-	-
<b>Total</b>	<b>30,889,368</b>	<b>29,688,319</b>

**18. OTHER LIABILITIES**

	<b>31 March 2017</b>	<b>31 December 2016</b>
Salary liabilities	333,572	324,112
Tax liabilities	99,763	1,180,001
Social contributions owed to the state budget	273,250	228,614
<b>Total</b>	<b>706,585</b>	<b>1,732,727</b>

**19. SHARE CAPITAL**

The statutory share capital of the Company as at 31 March 2017 is RON 218,428,666, out of which RON 218,428,666 represents the subscribed and paid-in share capital (registered with the Trade Register).

The subscribed and paid-in share capital is divided in 2,184,286,664 shares.

The Company's shares are common, nominative, indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10 per share.

**Shareholders structure as at 31 March 2017**

<b>Shareholders</b>	<b>Number</b>	<b>Shares held</b>	<b>% of the share capital</b>
<b>Resident shareholders</b>	<b>6,983,229</b>	<b>2,065,898,370</b>	<b>94.58</b>
natural persons	6,982,932	1,366,060,089	62.54
legal entities	297	699,838,281	32.04
<b>Non-resident shareholders</b>	<b>2,318</b>	<b>118,388,297</b>	<b>5.42</b>
natural persons	2,278	17,137,648	0.78
legal entities	40	101,250,646	4.64
<b>TOTAL</b>	<b>6,985,547</b>	<b>2,184,286,664</b>	<b>100.00</b>
natural persons	6,985,210	1,383,197,737	63.32
legal entities	337	801,088,927	36.68

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**20. REVALUATION RESERVE FOR INVESTMENT SECURITIES AVAILABLE FOR SALE**

The reserve from the fair value revaluation of the investment securities available for sale is presented net of tax.

	<b>31 March 2017</b>	<b>31 December 2016</b>
Gross reserves from the fair value revaluation of investment securities available for sale	233,047,454	200,199,993
Related deferred tax liabilities	(37,287,593)	(32,031,999)
<b>Net reserve</b>	<b>195,759,861</b>	<b>168,167,994</b>

This note presents the movements recorded in the reserve from the fair value revaluation of the investment securities available for sale.

**21. REVALUATION RESERVE FOR TANGIBLE ASSETS**

The last revaluation of the Company's tangible assets was performed as at 31 December 2016 by REVALTEX SRL (independent valuer – ANEVAR member), which resulted in an increase of the revaluation reserve by RON 3,029,268, i.e. by 31.13%.

The revaluation reserves cannot be distributed to shareholders as dividends.

	<b>Gross</b>	<b>Deferred tax</b>	<b>Total Net</b>
<b>Balance at 1 January 2016</b>	<b>9,684,169</b>	-	<b>9,684,169</b>
Allocation of reserve to result carried forward	(950)	-	(950)
Revaluation differences	1,818,682	-	1,818,682
<b>Balance at 31 December 2016</b>	<b>11,502,852</b>	-	<b>11,502,852</b>
Allocation of reserve to result carried forward	-	-	-
<b>Balance at 31 March 2017</b>	<b>11,502,852</b>	-	<b>11,502,852</b>

**22. OTHER RESERVES**

Other reserves have been created as a result of the statutory profit allocation.

	<b>31 March 2017</b>	<b>31 December 2016</b>
Legal reserve	36,644,133	36,644,133
Reserves from previous years profits	410,117,469	410,117,469
Other reserves	3,912,094	3,912,094
<b>Total</b>	<b>450,673,696</b>	<b>450,673,696</b>

### 23. TRANSACTIONS WITH RELATED PARTIES

Entities and persons are considered to be related parties if they are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In the identifying process of the related parties, the Company takes into consideration the substance of the relationship, not merely the legal form.

At 31 March 2017 the Company's transactions with related parties, as compared to 31 March 2016, were as follows:

<b>Expenses with subsidiaries</b>	<b>Transaction type</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
A.P.I. Transilvania S,A,	Rent and utilities	-	29,937
International Trade Center S.A.	Renting services	3,918	5,917
Aro Palace S.A.	Hotel services	8,832	24,015
Cristiana	Rent	32,049	-
THR Marea Neagra	Hotel services	-	-
Transilvania Hotels&Travel	Services	-	1,761
Dorna Turism	Hotel services	320	-
<b>Total</b>		<b>45,119</b>	<b>61,630</b>

Expenses with subsidiaries are included in the "Other operating expenses" line in the statement of profit or loss and other comprehensive income.

In Q1 2017 the Company has not concluded any transactions with its directors, members of the Supervisory Board, managers or employees.

The dividend income obtained by the Company from its subsidiaries as at 31 March 2017, compared to 31 March 2016, is presented as follows:

<b>Dividend income from subsidiaries</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Cristiana SA Braşov	2,761,380	1,133,958
<b>Total</b>	<b>2,761,380</b>	<b>1,133,958</b>

The dividend income from related parties are included in profit or loss and other comprehensive income, in the „Dividend income" line.

The interest income related to the corporate bonds held in related parties are included in profit or loss and other comprehensive income, in the "Interest income" line.

The interest income as at 31 March 2017 as compared to the one at 31 March 2016 is presented as follows:

<b>Interest income from subsidiaries</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Romradiatoare S.A. Braşov	35,247	40,850
Feper S.A.	34,083	42,390
<b>Total</b>	<b>69,330</b>	<b>83,240</b>

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**23. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

Compared with the the previous year, the outstanding receivables in balance at 31 March 2017 (reduced with the value of the impairment adjustments) related to related parties, is presented as follows:

<b>Receivables from subsidiaries</b>	<b>Transaction type</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
Feper SA	Corporate bonds	5,243,765	5,190,987
Romradiatoare SA	Corporate bonds	5,710,343	5,699,494
<b>Total</b>		<b>10,954,108</b>	<b>10,890,481</b>

The above amounts representing receivables from subsidiaries are included in the fair value of financial assets at fair value through profit or loss.

**24. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES**

For the purposes of measurement, IAS 39 "Financial Instruments: Recognition and Measurement" classifies the financial assets into the following categories: (a) loans and receivables; (b) available-for-sale financial assets; (c) financial assets held to maturity and (d) financial assets at fair value through profit or loss ("FVTPL"). As at 31 March 2017, the Company doesn't have any instruments classified as financial assets held to maturity.

The following table provides a reconciliation of financial assets and liabilities with these measurement categories as of 31 March 2017:

	<b>Loans and receivables</b>	<b>Available for sale securities</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial liabilities measured at amortised cost</b>	<b>Total</b>
Cash and cash equivalents	23,012,508	-	-	-	23,012,508
Investment securities available for sale	-	539,516,229	-	-	539,516,229
Financial assets at fair value through profit or loss	-	-	429,872,912	-	429,872,912
Other financial assets	6,045,025	-	-	-	6,045,025
<b>Total financial assets</b>	<b>29,057,533</b>	<b>539,516,229</b>	<b>429,872,912</b>	<b>-</b>	<b>998,446,674</b>
Other financial liabilities	-	-	-	30,889,368	30,889,368
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,889,368</b>	<b>30,889,368</b>

## 25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUE

According to the International Financial Reporting Standards, the fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

According to IFRS 13, the fair value levels based on the inputs used in valuation are defined as follows:

- **Level 1 inputs** are quoted prices (unadjusted) in active markets for identical assets or liabilities to which the entity has access at the measurement date;
- **Level 2 inputs** are inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- **Level 3 inputs** are unobservable inputs for the asset or liability.

Determining the significance level of the inputs in the fair value measurement process as a whole requires the use of professional judgement considering the specific factors due to the complexity of measuring such investments, as well as reflecting the fair value changes in the financial statements.

The process of estimating the fair values of the financial instruments held by S.I.F. Transilvania is carried out according to the internal procedure and the related methodology.

At 31 March 2017 the Company only owned financial assets measured at fair value classified as Level 1 and Level 3 in the fair value hierarchy, as follows:

	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
<b>FINANCIAL ASSETS</b>	475,665,185	63,851,044	539,516,229
<b>Investment securities available for sale, out of which:</b>			
<i>Shares</i>	467,932,639	25,609,987	503,542,626
<i>Fund units</i>	7,732,546	15,744,008	23,476,554
<i>Corporate bonds</i>	-	12,497,049	12,497,049
<b>Financial assets at fair value through profit or loss, out of which:</b>	<b>129,141,470</b>	<b>300,731,442</b>	<b>429,872,912</b>
<i>Shares</i>	129,141,470	289,777,334	418,918,804
<i>Fund units</i>	-	-	-
<i>Corporate bonds</i>	-	10,954,108	10,954,108
<b>Total financial assets</b>	<b>604,806,655</b>	<b>364,582,486</b>	<b>969,389,141</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible assets	-	14,211,342	14,211,342
<b>Total assets measured at fair value</b>	<b>604,806,655</b>	<b>378,793,828</b>	<b>983,600,483</b>

**SOCIETATEA DE INVESTIȚII FINANCIARE TRANSILVANIA SA**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31 March 2017**  
**(All amounts in RON, unless otherwise stated)**

**25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUE (CONTINUED)**

As at 31 December 2016 the Company only owned financial assets measured at fair value classified as Level 1 and Level 3 in the fair value hierarchy, as follows:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
<b>FINANCIAL ASSETS</b>			
<b>Investment securities available for sale, out of which:</b>	<b>455,400,466</b>	<b>61,633,803</b>	<b>517,034,269</b>
<i>Shares</i>	447,719,710	35,449,993	483,169,703
<i>Fund units</i>	7,680,756	13,919,856	21,600,612
<i>Corporate bonds</i>	-	12,263,954	12,263,954
<b>Financial assets at fair value through profit or loss, out of which:</b>	<b>121,344,293</b>	<b>306,359,831</b>	<b>427,704,124</b>
<i>Shares</i>	121,344,293	295,469,350	416,813,642
<i>Fund units</i>	-	-	-
<i>Corporate bonds</i>	-	10,890,481	10,890,481
<b>Total financial assets</b>	<b>576,744,759</b>	<b>367,933,634</b>	<b>944,738,393</b>
<b>NON-FINANCIAL ASSETS</b>			
<i>Tangible assets</i>	-	14,373,671	14,373,671
<b>Total assets measured at fair value</b>	<b>576,744,759</b>	<b>382,367,305</b>	<b>959,112,064</b>

The Company has estimated the fair value of its investments in companies undergoing bankruptcy, insolvency or reorganization procedures at zero value, in accordance with the F.S.A. Regulation 9/2014 and the Company's internal procedures.

In Q1 2017, the following movements between the assets included in Level 3 took place:

	<u>Shares</u>	<u>Bonds</u>	<u>Fund units</u>	<u>Total</u>
<b>Balance at 1 January 2017</b>	<b>330,919,343</b>	<b>23,154,435</b>	<b>13,919,856</b>	<b>367,993,634</b>
Acquisitions during the year	-	-	-	-
Sales during the year	-	-	-	-
Transfers to Level 3	-	-	1,060,310	1,060,310
Transfers from Level 3	-	-	-	-
Gain/(loss) recognised in:				
Net gain / (loss) from financial assets available for sale	159,994	233,095	763,842	1,138,391
Gain from financial assets at fair value through profit or loss	(5,692,016)	63,627	-	(5,628,390)
<b>Balance at 31 March 2017</b>	<b>325,387,321</b>	<b>23,451,157</b>	<b>15,744,008</b>	<b>364,582,486</b>

## **25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES FAIR VALUE (CONTINUED)**

### **Financial assets and financial liabilities not measured at fair value as at 31 March 2017**

The following table summarizes the values of those financial assets and liabilities not recognized at fair value in the Company's statement of financial position. Purchase prices are used to estimate the value of assets and sales prices are considered for liabilities.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Cash and cash equivalents	10,203	23,002,305	-	23,012,508
Other financial assets	-	-	6,045,025	6,045,025
<b>Total financial assets</b>	<b>10,203</b>	<b>23,002,305</b>	<b>6,045,025</b>	<b>29,057,533</b>
<b>Financial liabilities</b>				
Other financial liabilities	-	-	30,889,368	30,889,368
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>30,889,368</b>	<b>30,889,368</b>

## **26. FINANCIAL RISK MANAGEMENT**

The risk management activity can be found in the Company organizational structure and it encompasses both general and specific risks, as set forth in the specific law.

The most important types of financial risks to which the Company is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk.

### **26.1 Credit risk**

Credit risk is the risk of a financial loss for the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations.

The main concentration to which the Company is exposed arises from the Company's investments in corporate bonds. The Company is also exposed to the counterparty credit risk on cash and cash equivalents and other financial assets balances.

The maximum exposure to the credit risk is represented by the carrying amounts of the financial assets recognized in the statement of financial position. The Company is not exposed to credit risk from off-balance sheet.

The credit risk related to investment activities is managed through the market risk management procedures. This risk is controlled both by the way of selecting the partners, by monitoring their activities and by monitoring the exposure limits.

Considering that through its activity, the Company has long term exposure in relation to its participation in a series of financial and non-financial entities, the management is permanently reviewing the risk the Company is exposed to by maintaining it at prudent and manageable level.

Thus, the Company's management uses from case to case, depending on the debtor/entity characteristics, appropriate instruments to reduce the credit risk and in the same time permanently monitors their financial evolution. As of today the Company has not used derivatives in order to reduce the credit risk related to exposure to any debtor.

## **26. FINANCIAL RISK MANAGEMENT (CONTINUED)**

### **26.2 Market risk and position risk**

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

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

The Company's management permanently monitors the reduction to minimum of the possible adverse effects related to this financial risk, through an active policy of diversifying the investment portfolio and by using one or more technics of diminishing of the risk depending on the dynamics of trading places or the evolution of the market prices of the financial instruments held by the Company.

### **26.3 Concentration risk**

Concentration risk relates to all financial assets of the Company regardless the holding period and, by diminishing this risk, the Company seeks to avoid large exposure against the same debtor/entity at the Company level.

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

In order to meet these objective, the Company initiated an extensive process of portfolio restructuring and business policies re-modeling.

### **26.4 Currency risk**

The Company is slightly exposed to exchange rate fluctuations, primarily in the case of shares acquired from foreign markets, foreign currency current accounts, receivables and liabilities in other currencies, as well as receivables and liabilities in RON, but which according to contracts are consolidated in relation to other currencies, usually EUR and/or USD.

The Company did not use and is not using at this time derivatives to protect itself from exchange rate fluctuations against other currencies as the capital requirements level related to this financial risk is insignificant.

By computing and monitoring foreign currency net position and foreign currency rate volatility, the Company is aiming to maintain a balance between foreign currency assets and liabilities against total assets and liabilities of the Company.

### **26.5 Interest rate risk**

Interest rate risk is the current or future risk that profits and equity are negatively impacted by adverse changes of interest rates. The Company operational cash flows are impacted by interest rates fluctuations especially in case of cash placed in bank deposits and corporate bonds. At 31 March 2017 the Company has not contracted any loans.

## **26 FINANCIAL RISK MANAGEMENT (CONTINUED)**

By the interest rate risk strategy, the Company aims to optimize the gap between the assets and liabilities that are sensitive to interest rate fluctuation overall and on time horizon so as the impact of interest rate fluctuation on the net interest income is minimum, thus ensuring the risk impact is maintained within limits. The Company did not use and is not using at this date derivatives to protect itself against interest rate fluctuation, the weight of assets exposed to interest rate fluctuation being insignificant.

The Company adopted risk management policies as well as a procedure on risk management, with a main focus on prudential diversification of the portfolio, in the context of both capital market regulator requirements and financial markets evolution.

### **26.6 Liquidity risk**

Liquidity risk is the current or future risk that profits and equity are negatively impacted by the inability of the Company to meet its obligations at maturity.

The main focus was placed on the Company's ability to invest in liquid assets in a reasonable time frame, enabling the Company to face easier challenges on financial markets such as high volatility, discrepancies between markets, reduced level of transactions on Bucharest Stock Exchange, inability of liquidity suppliers / market makers to perform their roles.

The strategy on liquidity risk management initiated by the Company's management is to restructure the portfolio so as the assets with high liquidity to represent the most important weight in the portfolio structure, both in terms of number of financial instruments and value.

### **26.7 Business environment**

In the past years, the European financial sector faced a significant public debt crisis, triggered by major fiscal imbalance and high public debt in several European countries. Current fears that deteriorating financial conditions could contribute to a further reduction at a later stage of the investor confidence, led to a joint effort of governments and central banks to adopt special measures to counter the vicious circle of increasing risk aversion to ensure the normal operation of the market.

The identification and valuation of investments influenced by a lending market lacking liquidity, the credit analysis of compliance with contracts and other contractual obligations, evaluation of significant uncertainties, including the uncertainties related to the ability of entities to continue to operate for a reasonable period of time, all of these raise new challenges.

Their effects on the Romanian financial market were represented by price and liquidity cuts in the capital markets and increases in long-term interest rates due to liquidity conditions at international and national level.

The debtors of the Company can also be impacted by the liquidity crisis that could affect their ability to meet their current liabilities. The deterioration of the operating conditions of creditors is also impacting the management of cash flow forecasts and the assessment of the impairment of financial and non- financial assets. To the extent to which that information is available, the Company's management has reflected the revised estimates of future cash flows in its investment impairment policy.

## **27. CAPITAL MANAGEMENT**

The Company's objectives on capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure so as to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The equity managed by the Company as of 31 March 2017 amounted to RON 944,577,737 (31 December 2016:RON 913,829,933).

Consistent with others in the industry, the Company monitors the capital on the basis of unitary net asset value. This value is calculated as a ratio between net asset value and number of shares issued by the Company.

## **28. COMMITMENTS AND CONTINGENCIES**

### **28.1 Litigations**

At the end of the first quarter of 2017, the Company continued to be involved in litigations specific to the activity performed. The Company's management believes that these litigations will not have a material adverse effect on the economic and financial position of the Company presented in these financial statements. At 31 March 2017, the Company had no provisions for litigations.

In the reporting period, the number of litigations in which the Company is engaged and their structure were similar to those recorded in the corresponding period of the previous year, predominant being the ones regarding the defence of the Company's corporate rights, as well as litigations in which other rights of the Company are defended.

### **28.2 Contingent liabilities**

At 31 March 2017, the Company had no contingent liabilities.

## **29. SUBSEQUENT EVENTS**

In accordance with the proposal on profit distribution, based on the Resolution of the General Meeting of Shareholders of 28 April 2017, the Company allocated the net profit obtained in 2016 as follows:

<b>No.</b>	<b>Destination</b>	<b>Amount (RON)</b>
1.	Legal reserves	3,743,893.81
2.	Dividends*	43,685,733.28 (RON 0.02 /share)
3.	Other reserves – own financing sources created from profit	21,370,042.20
	<b>TOTAL net profit achieved and distributed</b>	<b>68,799,669.29</b>

\* The gross dividend for one share held at the record date is set at RON 0.02 /share, representing a yield of 7.73% by reference to SIF3 shares average trading price on BVB – REGS between 01.01.2016 and 31.12.2016.

The Company registered no other subsequent events requiring adjustments or presentation in the financial statements prepared as at 31 March 2017.



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro  
Societate administrată în sistem dualist



According to the FSA Regulation no. 9/2014

Certified by BRD - Groupe Société Générale S.A. Bucuresti

STATEMENT OF ASSETS AND LIABILITIES OF S.I.F. TRANSILVANIA			
as at 31 March 2017			
		RON	% of total assets
<b>1</b>	<b>NON-CURRENT ASSETS, of which:</b>	<b>277,891,548</b>	<b>27.39</b>
1.1	Intangible Assets	137,582	0.01
1.2	Tangible Assets	14,211,342	1.40
1.3	Financial Non-Current Assets, of which:	263,542,624	25.97
1.3.1	Listed Shares	151,607,698	14.94
1.3.2	Unlisted Shares	75,340,739	7.43
1.3.3	Government Securities	0	0.00
1.3.4	Certificates of Deposit	0	0.00
1.3.5	Bank Deposits (Guarantees)	4,204	0.00
1.3.6	Municipal Bonds	0	0.00
1.3.7	Corporate Bonds (including Accrued Interest)	21,905,826	2.16
1.3.8	Newly Issued Securities	0	0.00
1.3.9	UCITS and/or non-UCITS Equity Securities	14,665,157	1.45
1.3.10	Other Non-Current Financial Assets - Total, of which:	19,000	0.00
1.3.10.1	Shares and Bonds from subscription to public offerings, share capital increases and bond issues (subscribed amount)	0	0.00
1.3.10.2	Shares from dividend capitalization (valued amount)	0	0.00
1.3.10.3	Shares Receivable (valued amount)	0	0.00



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro



Societate administrată în sistem dualist

1.3.10.4	Other Non-Current Financial Assets	19,000	0.00
<b>2</b>	<b>CURRENT ASSETS, of which:</b>	<b>736,536,167</b>	<b>72.59</b>
2.1	Inventory	78,545	0.01
2.2	Receivables- Total, of which:	8,922,349	0.88
2.2.1.	Bills of Exchange Receivable	0	0.00
2.2.2.	Dividends or Other Receivable Rights	5,837,879	0.58
2.2.3.	Amounts Receivable from the sale of shares with settlement date in the next month	1,413,538	0.14
2.2.4.	Other Receivables	1,670,932	0.17
2.3	Cash and Cash Equivalentents	6,013,427	0.59
2.4	Short-term Financial Investments, of which:	701,317,777	69.12
2.4.1	Listed Shares	663,339,885	65.38
2.4.2	Unlisted Shares	0	0.00
2.4.3	Municipal Bonds	0	0.00
2.4.4	Corporate Bonds	0	0.00
2.4.5	UCITS and/or non-UCITS Equity Securities	37,977,892	3.74
2.4.6	Preference Rights	0	0.00
2.5	Newly Issued Securities	0	0.00
2.6	Government Securities	0	0.00
2.7	Bank Deposits	15,584,543	1.54
2.8	Certificates of Deposit	0	0.00
2.9	Other Current Assets	4,619,526	0.46
<b>3</b>	<b>Derivatives</b>	<b>0</b>	<b>0.00</b>
<b>4</b>	<b>Prepaid Expenses</b>	<b>243,704</b>	<b>0.02</b>



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro



Societate administrată în sistem dualist

<b>5</b>	<b>TOTAL ASSETS</b>	<b>1,014,671,419</b>	<b>100.00</b>
<b>6</b>	<b>TOTAL LIABILITIES, of which:</b>	<b>70,093,682</b>	
6.1	Debenture Loans	0	
6.2	Amounts Owed to Credit and Leasing Institutions	0	
6.3	Advance Payments from Customers	1,733,394	
6.4	Trade Liabilities	30,701	
6.5	Bills of Exchange Payable	0	
6.6	Amounts Owed to Group Companies	899	
6.7	Amounts Owed related to Participation Interests	0	
6.8	Other Liabilities-Total, of which:	68,328,688	
6.8.1	Dividends Payable	27,151,975	
6.8.2	Amounts Subscribed and not paid-in to share capital increases and bond issues	0	
6.8.3	Amounts Payable for Acquisition of Shares with settlement date in the next month	0	
6.8.4	Other Liabilities	41,176,713	
<b>7</b>	<b>PROVISIONS FOR EXPENSES AND TAXES</b>	<b>0</b>	
<b>8</b>	<b>DEFERRED INCOME, of which:</b>	<b>0</b>	
8.1	Investment Subsidies	0	
8.2	Deferred income	0	
<b>9</b>	<b>SHAREHOLDERS' EQUITY, of which:</b>	<b>944,577,737</b>	
9.1	Adjusted Share Capital, of which:	218,428,666	
9.1.1	Subscribed and Paid-in Share Capital	218,428,666	
9.1.2	Share Capital Adjustments under IFRS according to IAS 29 hyperinflation	0	
9.2	Differences from the Change in the Fair Value of	195,759,861	



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | L.91.1

Societate administrată în sistem dualist

	non-monetary financial assets available for sale		
9.3	Premium related to Capital	0	
9.4	Revaluation Differences	11,502,851	
9.5	Reserves	450,673,696	
9.6	Retained Earnings	65,056,726	
9.6.1	Retained Earnings (including from the application of IFRS, with the exception of IAS 29)	0	
9.6.2	Retained Earnings from the first-time adoption of IAS 29	0	
9.6.3	Retained Earnings- Profit Carried Forward	65,056,726	
9.7	Profit (loss) for the Period	3,155,937	
9.8	Profit Appropriation (to be deducted)	0	
<b>10</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>1,014,671,419</b>	
<b>11</b>	<b>NET ASSET VALUE</b>	<b>944,577,737</b>	
<b>12</b>	<b>NUMBER OF SHARES ISSUED</b>	<b>2,184,286,664</b>	
<b>13</b>	<b>NET ASSET VALUE PER SHARE (RON/share)</b>	<b>0.4324</b>	
<b>14</b>	<b>Number of Companies in Portfolio- total, of which:</b>	<b>145</b>	
14.1	Companies Admitted to trading on a Regulated Market	21	
14.2	Companies Admitted to trading on an Alternative Trading System	34	
14.3	Companies not Admitted to Trading	90	
<b>15</b>	<b>Number of Companies for which Financial Statements have not been available*</b>	<b>0</b>	
<b>16</b>	<b>Number of Investment Funds in which the Company holds Fund Units- total, of which:</b>	<b>5</b>	
16.1	Number of open-end Investment Funds in which the Company holds Fund Units	2	



**SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | L.91.1

Societate administrată în sistem dualist

16.2	Number of closed-end Investment Funds in which the Company holds Fund Units	3	
------	---	---	--

\*These companies are included in NAV at nil value.

Note: The Company's procedure for drafting the statement of assets and liabilities harmonized with the provisions of the F.S.A. Regulation no. 9/2014 is available on the Company's website: [www.siftransilvania.ro](http://www.siftransilvania.ro)

**EXECUTIVE PRESIDENT/C.E.O.,  
Mihai FERCALA**

**Certified by the Depository Company  
BRD-Groupe Societe Generale S.A. Bucharest  
Director: Claudia IONESCU**

**EXECUTIVE VICE PRESIDENT/  
DEPUTY C.E.O.  
Iulian STAN**

**FINANCIAL MANAGER  
Diana VERES**

**PORTFOLIO MANAGEMENT DIVISION  
MANAGER  
Sorin Ion RADULESCU**

is a free translation of the "Statement of assets and liabilities of SIF Transilvania as at 31.03.2017" which was prepared in Romanian. In case of discrepancies between the Romanian version and the English version, the Romanian version shall prevail.



13/4/2017

According to Annex no. 17  
to the N.S.C. Regulation no. 15/2004

## RAPORT AS AT 31 MARCH 2017

### Statement of Assets

RON 979,592,355 Total Assets (Annex 16) = RON 1,014,671,419

RON 913,829,898 Net Assets (Annex 16) = RON 944,577,737

Item		Beginning of the reporting period				End of the reporting period				Differences
		% of net assets	% of total assets	Currency - (equivalent in RON)	RON	% of net assets	% of total assets	Currency - (equivalent in RON)	RON	RON
1	2	3	4	5	6	7	8	9	10	11
I.	Total assets	107.20	100.00	14,911,538	964,675,105	107.42	100.00	14,601,737	1,000,069,681	35,084,776
1.	Securities and money market instruments, of which:	89.87	83.84	-	821,250,940	86.28	80.32	-	814,947,582	-6,303,357
1.1.	Securities and money market instruments admitted or traded on a regulated market in Romania, of which:	89.87	83.84	-	821,250,940	86.28	80.32	-	814,947,582	-6,303,357
1.1.1.	- shares	89.87	83.84	-	821,250,940	86.28	80.32	-	814,947,582	-6,303,357
1.1.2.	- bonds	-	-	-	-	-	-	-	-	-



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

1.2.	Securities and money market instruments admitted or traded on a regulated market in a member state, of which:	-	-	-	-	-	-	-	-	-
1.2.1.	- shares	-	-	-	-	-	-	-	-	-
1.2.2.	- bonds	-	-	-	-	-	-	-	-	-
1.3.	Securities and money market instruments admitted to a stock exchange in a non-member state or negotiated on another regulated market in a non-member state	-	-	-	-	-	-	-	-	-
1.3.1.	- shares	-	-	-	-	-	-	-	-	-
1.3.2.	- bonds	-	-	-	-	-	-	-	-	-
2.	Newly issued securities	-	-	-	-	-	-	-	-	-
3.	Other securities and money market instruments referred to in art. 187 indent a), of which:	10.79	10.07	2,231,733	96,412,256	10.30	9.58	2.207.058	95,039,507	-1,397,424
3.1.	- securities: unlisted shares	8.42	7.85	302,833	76,637,154	7.98	7.43	303.502	75,037,237	-1,599,248
3.2.	- unlisted bonds	2.38	2.22	1,928,900	19,775,102	2.32	2.16	1.903.555	20,002,271	201,824
4.	Bank deposits, of which:	0.67	0.63	-	6,148,892	1.65	1.54	-	15,584,543	9,435,650
4.1.	bank deposits held at credit institutions in Romania, total, of which:	0.67	0.63	-	6,148,892	1.65	1.54	-	15,584,543	9,435,650
4.1.1.	- bank deposits in RON	0.67	0.63	-	6,148,892	1.65	1.54	-	15,584,543	9,435,650
5.	Derivatives traded on a regulated market	-	-	-	-	-	-	-	-	-
6.	Current bank accounts and cash, total, of which:	0.68	0.64	4,860,365	1,361,026	0.64	0.59	4.651.803	1,361,624	-207,964
6.1.	in RON	0.15	0.14	-	1,361,026	0.14	0.13	-	1,361,624	598



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

6.2.	in USD, equivalent in RON	0.50	0.47	4,575,261	-	0.48	0.45	4.525.167	-	-50,094
6.3.	in EUR, equivalent in RON	0.03	0.03	284,739	-	0.01	0.01	126.331	-	-158,408
6.4.	in GBP, equivalent in RON	0.00	0.00	365	-	0.00	0.00	305	-	-60
7.	Money market instruments, other than those traded on a regulated market, in accordance with article 101 paragraph (1) indent g) of Law no. 297/2004 - Government securities	0.00	0.00	-	0	0.00	0.00	-	0	0
8.	Equity securities held with NON-UCITS/ UCITS, total, of which:	6.17	5.76	7,809,109	48,584,289	5.57	5.19	7.732.523	44,910,526	-3,750,350
8.1.	Shares listed on BSE	3.69	3.44	-	33,701,107	3.09	2.87	-	29,166,518	-4,534,589
8.2.	Fund units – Investment Funds	2.48	2.32	7,809,109	14,883,182	2.49	2.31	7.732.523	15,744,008	784,239
9.	Other assets (amounts in transit, amounts at distributors, amounts at financial investment service firms, tangible and intangible assets, receivables, etc.)	-0.99	-0.93	10,331	-9,082,299	2.99	2.78	10.354	28,225,898	37,308,220

**Net Asset Value per Unit**

Item	31 March 2017	31 March 2016	Differences
<b>Net Asset Value</b>	944,577,737	862,795,336	81,782,401
<b>Number of outstanding shares</b>	2,184,286,664	2,184,286,664	0
<b>Net Asset Value per share (RON/share)</b>	0.4324	0.3950	0.0374



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

**Detailed Statement of Investments**

**Securities admitted or traded on a regulated market in Romania**

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value RON/share	Share value RON/share	Total value - RON -	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
<b>Securities and money market instruments admitted or traded on a regulated market in Romania</b>										
1	ALUMIL ROM INDUSTRY BUCURESTI	ALU	31/03/2017	323,367	0.2000	0.8000	258,693.60	1.035	0.03	0.03
2	ANTIBIOTICE	ATB	31/03/2017	22,722,058	0.1000	0.5560	12,633,464.25	3.385	1.25	1.34
3	ARMAX GAZ SA	ARAX	27/03/2017	88,135	10.0000	2.0000	176,270.00	1.435	0.02	0.02
4	ARO-PALACE SA	ARO		345,704,600	0.1000	0.1258	43,489,638.68	85.740	4.29	4.60
5	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	BRD	31/03/2017	22,800,000	1.0000	12.3200	280,896,000.00	3.272	27.68	29.74
6	BIROUL DE TURISM PENTRU TINERET (BTT) SA	BIBU	29/03/2017	0	2.5000	1.4900	0.00	0.000	0.00	0.00
7	BURSA DE VALORI BUCURESTI SA	BVB	31/03/2017	688,110	10.0000	30.5000	20,987,355.00	8.967	2.07	2.22
8	CASA ALBA INDEPENDENTA SIBIU	CAIN	06/03/2017	419,484	2.5000	30.0000	12,584,520.00	53.319	1.24	1.33
9	CASA DE BUCOVINA-CLUB DE MUNTE SA	BCM	31/03/2017	6,434,481	0.1000	0.0760	489,020.56	3.845	0.05	0.05
10	COCOR SA	COCR	30/03/2017	30,911	40.0000	52.0000	1,607,372.00	10.246	0.16	0.17
11	COMCM SA CONSTANTA	CMCM	01/09/2014	134,049,930	0.1000	0.1569	21,032,434.02	56.725	2.07	2.23
12	COMP SA SIBIU	CMP	31/03/2017	3,353,936	0.1000	1.1400	3,823,487.04	1.533	0.38	0.40
13	CONCAS SA	CONK	17/10/2013	336,756	2.5000	36.8361	12,404,777.69	47.207	1.22	1.31
14	CONDMAG BRASOV	COMI	20/07/2015	19,000,000	0.1000	0.0000	0.00	4.982	0.00	0.00



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED I.91.1

Societate administrată în sistem dualist

15	DORNA TURISM SA	DOIS	22/03/2017	455,793	2.5000	3.5000	1,595,275.50	32.014	0.16	0.17
16	DUPLEX SA	DUPX	10/03/2017	32,772	2.5000	1.9200	62,922.24	26.867	0.01	0.01
17	ELECTROMAGNETICA S.A.	ELMA	31/03/2017	5,426,452	0.1000	0.1760	955,055.55	0.803	0.09	0.10
18	EMAILUL SA	EMAI	23/03/2017	729,551	2.5000	14.7500	10,760,877.25	28.926	1.06	1.14
19	FEPER SA	FEP	01/02/2017	312,123,729	0.1000	0.1406	43,884,596.30	85.800	4.33	4.65
20	GASTRONOM SA	GAOY	29/03/2017	215,453	2.5000	24.4000	5,257,053.20	70.288	0.52	0.56
21	IAR SA	IARV	31/03/2017	863,212	2.5000	7.0000	6,042,484.00	4.572	0.60	0.64
22	INDEPENDENTA SA	INTA	28/03/2017	1,530,636	2.5000	4.0000	6,122,544.00	53.301	0.60	0.65
23	IUS SA	IUBR	31/03/2017	1,161,362	0.1000	0.0920	106,845.30	2.526	0.01	0.01
24	LEGMAS SA	LGMS	19/09/2012	175,429	2.5000	0.8612	151,079.45	7.276	0.01	0.02
25	LIDO SA	LIDO	30/03/2017	409,710	0.1000	0.2700	110,621.70	3.309	0.01	0.01
26	MECANICA CODLEA SA	MEOY	28/03/2017	100,260,250	0.1000	0.0360	3,609,369.00	81.072	0.36	0.38
27	MECON SA	MECP	01/03/2017	58,966	11.6000	4.5000	265,347.00	12.284	0.03	0.03
28	MED LIFE S.A.	M	31/03/2017	20,000	0.2500	28.6000	572,000.00	0.100	0.06	0.06
29	NEPTUN-OLIMP SA	NEOL	19/12/2016	30,194,757	0.1000	0.0933	2,817,170.83	41.185	0.28	0.30
30	OIL TERMINAL	OIL	31/03/2017	8,249,697	0.1000	0.1965	1,621,065.46	1.416	0.16	0.17
31	OMV PETROM SA BUCURESTI	SNP	31/03/2017	120,000,000	0.1000	0.3025	36,300,000.00	0.212	3.58	3.84
32	ORGANE DE ASAMBLARE SA	ORAS	14/03/2016	129,845,110	0.1000	0.0000	0.00	95.697	0.00	0.00
33	PRAHOVA ESTIVAL 2002 SA	PRAH	09/02/2017	1,288,584	0.1000	0.0979	126,152.37	39.624	0.01	0.01
34	PROSPECTIUNI SA BUCURESTI	PRSN	06/04/2016	41,129,011	0.1000	0.0000	0.00	5.728	0.00	0.00
35	ROMRADIATOARE SA BRASOV	RRD		11,477,141	1.6300	1.7492	20,075,815.04	76.514	1.98	2.13
36	S.N. NUCLEARELECTRICA	SNN	31/03/2017	1,000,203	10.0000	6.7000	6,701,360.10	0.332	0.66	0.71
37	S.N.G.N. ROMGAZ S.A.	SNG	31/03/2017	2,205,873	1.0000	30.5000	67,279,126.50	0.572	6.63	7.12
38	SANTIERUL NAVAL CONSTANTA SA	SNC	31/03/2017	471,605	2.5000	0.8800	415,012.40	0.726	0.04	0.04
39	SANTIERUL NAVAL SA	SNO	31/03/2017	5,711,432	2.5000	3.0500	17,419,867.60	50.000	1.72	1.84
40	SEMBRAZ SA	SEBZ	08/03/2017	719,900	2.5000	2.4100	1,734,959.00	90.968	0.17	0.18



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

41	SERVICE NEPTUN 2002 SA	SECE	29/01/2016	3,610,420	0.1000	0.4280	1,545,259.76	39.624	0.15	0.16
42	SIBAREX SA	SIBX	25/11/2016	1,215,711	1.6000	0.0000	0.00	52.853	0.00	0.00
43	SIBEX SIBIU STOCK EXCHANGE	SBX	06/09/2016	1,714,283	1.0000	1.0374	1,778,397.18	5.128	0.18	0.19
44	SIMEC SA	SIMI	31/03/2017	197,044	2.5000	4.0000	788,176.00	45.775	0.08	0.08
45	SSIF BRK FINANCIAL GROUP S.A.	BRK	31/03/2017	2,039,480	0.1600	0.1015	207,007.22	0.604	0.02	0.02
46	TERRACOTTA STAR SA	BAZL	26/01/2017	2,209,017	1.8000	0.4820	1,064,746.19	97.483	0.10	0.11
47	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	TSLA	31/03/2017	353,282,752	0.1000	0.0288	10,174,543.26	68.507	1.00	1.08
48	TRATAMENT BALNEAR BUZIAS SA	BALN	20/02/2017	145,615,772	0.1000	0.0800	11,649,261.76	91.871	1.15	1.23
49	TURISM COVASNA SA	TUAA	28/03/2017	439,760,355	0.1000	0.0402	17,678,366.27	93.326	1.74	1.87
50	TURISM FELIX SA	TUFE	31/03/2017	313,579,000	0.1000	0.2260	70,868,854.00	63.203	6.98	7.50
51	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	EFO	31/03/2017	449,920,140	0.1000	0.0908	40,852,748.71	77.713	4.03	4.32
52	TUSNAD SA	TSND	28/03/2017	230,601,476	0.1000	0.0420	9,685,261.99	76.408	0.95	1.03
53	UTILAJ GREU SA	UTGR	15/03/2017	476,226	2.5000	2.2000	1,047,697.20	70.387	0.10	0.11
54	VIOLA-INDEPENDENTA SIBIU	VIRO	11/06/2015	74,307	2.5000	43.5710	3,237,630.30	53.616	0.32	0.34
<b>TOTAL Securities and money market instruments admitted or traded on a regulated market in Romania</b>							<b>814,947,582</b>		<b>80.32</b>	<b>86.28</b>
<b>UCITS/NON-UCITS equity securities</b>										
1	FONDUL PROPRIETATEA SA	FP	31/03/2017	32,845,178	0.8500	0.8880	29,166,518.06	0.326	2.87	3.09
<b>TOTAL UCITS/NON-UCITS equity securities</b>							<b>29,166,518</b>		<b>2.87</b>	<b>3.09</b>
<b>TOTAL SHARES</b>							<b>844,114,101</b>		<b>83.19</b>	<b>89.36</b>

<sup>x)</sup> includes the shares presented in Chapter I row 1.1., as well as the shares held in FONDUL PROPRIETATEA, presented in Chapter I row 8.



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

Securities admitted or traded on a regulated market in a member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	TOTAL SHARES								0.00	0.00

Securities admitted or traded on a regulated market in a non-member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	TOTAL SHARES								0.00	0.00

Money market instruments admitted or traded on a regulated market in Romania

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Money market instruments admitted or traded on a regulated market in a member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

Money market instruments admitted or traded on a regulated market in a non-member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Instruments referred to in art. 187, indent a)

No.	Issuer	No. of shares/bonds held	Acquisition date <sup>1)</sup>	Maturity date	Acquisition price RON/share <sup>2)</sup> (RON/bond)	Share (bond) value (RON or equivalent RON)	Total value RON <sup>3)</sup> or equivalent RON	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
<b>SHARES ,TOTAL, of which:</b>							<b>75,340,739</b>		<b>7.43</b>	<b>7.98</b>
1	ADES SA CONSTANTA CT	138,221	01.11.1996		0.0000	0.0000	0.00	40.81	0.00	0.00
2	AGRIAS SA CASTELU CT	39,098	01.11.1996		0.0000	0.0000	0.00	8.71	0.00	0.00
3	AGROHOLDING SA CONSTANTA CT	107,409	01.11.1996		0.0000	0.0000	0.00	21.73	0.00	0.00
4	AGROINDUSTRIALA SA BV	132,143	01.11.1996		0.0000	0.0000	0.00	12.20	0.00	0.00
5	ANCA-IRINA SA VENUS-MANGALIA CT	792,630	01.11.1996		0.0000	0.0000	0.00	91.07	0.00	0.00
6	APOLLO ESTIVAL 2002 SA CT	2,350,890	31.07.2002		0.3433	0.3433	807,060.54	39.62	0.08	0.09
7	ARCOM S.A. BUCURESTI BU	667	27.07.2007		0.0000	0.0000	0.00	0.19	0.00	0.00
8	BANCA DE EXPORT IMPORT A ROMANIEI SA EXIMBANK BU	414,740	01.11.1996		2.0398	2.0398	845,986.65	0.31	0.08	0.09
9	BANCA INTERNATIONALA A RELIGIILOR SA BU	460,440	28.11.1997		0.0000	0.0000	0.00	2.30	0.00	0.00
10	BANCA ROMANA DE SCONT SA BV	150,000	01.11.1996		0.0000	0.0000	0.00	7.50	0.00	0.00
11	BRAV ROMPROT 2000 SA BV	4,060	31.12.1999		0.0000	0.0000	0.00	42.42	0.00	0.00
12	CEZOTOR SA TORTOMANU CT	68,783	01.11.1996		0.0000	0.0000	0.00	16.50	0.00	0.00



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

13	CNM PETROMIN SA CONSTANTA CT	5,358,861	01.11.1996		0.0000	0.0000	0.00	23.83	0.00	0.00
14	COMET SA HIRSOVA CT	65,453	01.11.1996		0.0000	0.0000	0.00	39.44	0.00	0.00
15	COMSIG SA MS	29,304	01.11.1996		9.7544	9.7544	285,842.94	27.09	0.03	0.03
16	CONSTRUCTII AERONAUTICE SA BV	4,283	30.11.2004		0.0000	0.0000	0.00	4.57	0.00	0.00
17	CONSTRUCTII COMPLEXE CONSTANTA SA CT	674	01.11.1996		0.0000	0.0000	0.00	14.15	0.00	0.00
18	CONSTRUCTII FERROVIARE CONSTANTA SA CT	7,083	01.11.1996		0.0000	0.0000	0.00	10.35	0.00	0.00
19	CONTINENTAL HOTELS SA BUCURESTI BU	2,729,171	31.12.1997		7.1934	7.1934	19,632,018.67	9.30	1.93	2.08
20	CRISTIANA SA BV	153,410	01.11.1996		150.7859	150.7859	23,132,064.92	99.80	2.28	2.45
21	DELTAROM SA TL	91,538	01.11.1996		0.0000	0.0000	0.00	21.59	0.00	0.00
22	DEPOZITARUL CENTRAL SA BUCURESTI BU	10,128,748	12.08.1999		0.0290	0.0290	293,733.69	4.00	0.03	0.03
23	DEPOZITARUL SIBEX SA SB	12,480	24.03.2009		24.0015	24.0015	299,538.72	5.44	0.03	0.03
24	DIVERSIS SA VN	11,149	01.11.1996		0.0000	0.0000	0.00	6.68	0.00	0.00
25	DOCURI SA GL	60,579	01.11.1996		4.9804	4.9804	301,707.65	3.53	0.03	0.03
26	ELECTROMECC SA CV	37,577	01.11.1996		0.0000	0.0000	0.00	23.81	0.00	0.00
27	ENERGO SA BV	113,047	01.11.1996		6.8668	6.8668	776,271.14	15.00	0.08	0.08
28	FELAM SA SB	374,907	01.11.1996		0.0000	0.0000	0.00	36.22	0.00	0.00
29	FERMA STUPINI UTB SA BV	5,343,195	23.02.2000		0.0000	0.0000	0.00	26.69	0.00	0.00
30	FERMIT SA BZ	151,468	01.11.1996		14.1516	14.1516	2,143,514.55	16.37	0.21	0.23
31	FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPREI BU	3,697,948	21.12.2006		0.6416	0.6416	2,372,603.44	23.02	0.23	0.25
32	FRUVILEG SA BRASOV BV	154,055	01.11.1996		0.0000	0.0000	0.00	30.00	0.00	0.00
33	FRUVIMED SA MEDGIDIA CT	332,528	01.11.1996		0.0000	0.0000	0.00	20.82	0.00	0.00
34	GRUP BIANCA TRANS SA BV	7,694,200	31.07.2006		0.4973	0.4973	3,826,325.66	70.84	0.38	0.41



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

35	HARGHITA SA HR	45,633	01.11.1996		0.0000	0.0000	0.00	31.42	0.00	0.00
36	HIDROMECANICA SA BV	1,170,304	01.11.1996		0.0000	0.0000	0.00	36.27	0.00	0.00
37	ICIM SA BV	29,748	01.11.1996		0.0000	0.0000	0.00	3.59	0.00	0.00
38	ILEDIFICIA SA IL	35,768	28.02.2003		0.0000	0.0000	0.00	34.47	0.00	0.00
39	IMUM SA MEDGIDIA CT	405,313	01.11.1996		0.0000	0.0000	0.00	22.49	0.00	0.00
40	INTERNATIONAL TRADE&LOGISTIC CENTER SA BV	81,708,428	01.11.1996		0.0392	0.0392	3,202,970.38	87.30	0.32	0.34
41	IRUCOM SA HR	6,269	01.11.1996		1.0900	1.0900	6,833.21	17.41	0.00	0.00
42	ISTRIA ESTIVAL 2002 SA CT	543,940	31.07.2002		0.2622	0.2622	142,621.07	39.62	0.01	0.02
43	LIANA 95 SA VENUS-MANGALIA CT	14,432,354	01.11.1996		0.0000	0.0000	0.00	29.79	0.00	0.00
44	MARCHIM SA VN	614,852	01.11.1996		0.0000	0.0000	0.00	23.76	0.00	0.00
45	MASINI UNELTE SI MECANIZARI UTB SA BV	11,009,890	23.02.2000		0.0000	0.0000	0.00	18.12	0.00	0.00
46	MECANICA SA SB	422,503	01.11.1996		0.0000	0.0000	0.00	10.89	0.00	0.00
47	MIDEX SA CT	32,338	01.11.1996		0.0000	0.0000	0.00	24.89	0.00	0.00
48	MOLDOVA ESTIVAL 2002 SA CT	1,862,343	31.07.2002		0.0000	0.0000	0.00	8.88	0.00	0.00
49	MULTI PREST SA MS	149,686	01.11.1996		0.0000	0.0000	0.00	14.48	0.00	0.00
50	MUNCA OVIDIU SA CT	326,479	01.11.1996		0.0000	0.0000	0.00	18.26	0.00	0.00
51	NAZARCEA OVIDIU SA CT	149,722	01.11.1996		0.0000	0.0000	0.00	30.08	0.00	0.00
52	NEVOCECA SA NEGRU VODA CT	75,343	01.11.1996		0.0000	0.0000	0.00	13.63	0.00	0.00
53	NICOVALA SA MS	150,001	01.11.1996		0.0000	0.0000	0.00	23.72	0.00	0.00
54	NITRAMONIA SA BV	315,283	01.11.1996		0.0000	0.0000	0.00	2.10	0.00	0.00
55	OPAL SA JUPITER MANGALIA CT	120,186	01.11.1996		1.5788	1.5788	189,749.66	28.37	0.02	0.02
56	REUTCOM UTB SA BV	2,134,920	23.02.2000		0.0306	0.0306	65,328.55	8.99	0.01	0.01
57	ROMAGRIBUZ SA RAMNICU SARAT BZ	83,146	01.11.1996		0.0000	0.0000	0.00	7.88	0.00	0.00



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

58	ROMAGRIBUZ VERGULEASA SA BZ	280,631	01.11.1996		0.0000	0.0000	0.00	37.30	0.00	0.00
59	ROMLAG SA BV	247,917	01.11.1996		0.0000	0.0000	0.00	22.84	0.00	0.00
60	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA BV	44,999	26.03.2014		6.3795	6.3795	287,071.12	100.00	0.03	0.03
61	S.U.D.V. BRASOV S.A. BV	2,154,539	28.07.2004		0.0739	0.0739	159,220.43	9.33	0.02	0.02
62	SCUDIVER UTB SA BV	2,232,707	23.02.2000		0.0000	0.0000	0.00	11.91	0.00	0.00
63	SECOM SA MS	26,312	01.11.1996		0.0000	0.0000	0.00	27.09	0.00	0.00
64	SEMLACT SACELE SA CT	98,660	01.11.1996		0.0000	0.0000	0.00	30.00	0.00	0.00
65	SERE CODLEA SA BV	1,218,707	01.11.1996		0.0000	0.0000	0.00	12.52	0.00	0.00
66	SIMARO-SIB SA SB	20,732	31.03.1998		0.0000	0.0000	0.00	10.02	0.00	0.00
67	SIRETUL PASCANI IS	17,116,533	23.03.2004		0.0000	0.0000	0.00	10.78	0.00	0.00
68	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A. B1	1,125	11.11.2014		64.6466	64.6466	72,727.43	15.63	0.01	0.01
69	SOFT APLICATIV SI SERVICII SA SB	47,728	01.11.1996		5.5029	5.5029	262,642.41	28.33	0.03	0.03
70	SOL-LACT SA CV	171,470	01.11.1996		0.0000	0.0000	0.00	29.99	0.00	0.00
71	STATIUNEA OGLINZI SA NT	1,093,552	23.02.2000		0.7926	0.7926	866,749.32	54.52	0.09	0.09
72	TOMIS CAR SA CT	61,561	01.11.1996		0.0000	0.0000	0.00	15.99	0.00	0.00
73	TOMIS ESTIVAL 2002 SA CT	522,893	31.07.2002		0.5292	0.5292	276,714.98	39.62	0.03	0.03
74	TOPLACER SA CT	179,022	01.11.1996		0.0000	0.0000	0.00	27.26	0.00	0.00
75	TRANSIL SA IL	16,857	01.11.1996		7.8387	7.8387	132,136.97	33.16	0.01	0.01
76	TRANSILVANIA ESTIVAL 2002 SA CT	3,589,861	31.07.2002		0.1291	0.1291	463,451.06	11.14	0.05	0.05
77	TRANSILVANIA HOTELS & TRAVEL S.A. BU	1,123,180	01.11.1996		0.0000	0.0000	0.00	37.01	0.00	0.00
78	TRANSMAR IALOMITA S.A. IL	29,422	01.11.1996		0.0000	0.0000	0.00	14.83	0.00	0.00
79	TURISM LOTUS FELIX SA BH	484,853,142	09.12.2009		0.0262	0.0262	12,703,152.32	38.27	1.25	1.34
80	The Foundations Feeder AA	124,000	23.02.2015		2.4476	2.4476	303,502.40	26.67	0.03	0.03



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED I.91.1

Societate administrată în sistem dualist

81	UNICOM SA BZ	94,778	01.11.1996		15.7125	15.7125	1,489,199.33	22.83	0.15	0.16
82	UNIVERSAL-IND SA IL	11,571	01.11.1996		0.0000	0.0000	0.00	25.91	0.00	0.00
83	UNIVERTIS SA CT	14,708	01.11.1996		0.0000	0.0000	0.00	18.03	0.00	0.00
84	UPRUC RAMA SA BV	312,639	29.12.2000		0.0000	0.0000	0.00	31.54	0.00	0.00
85	UPRUC SERV SA BV	192,850	29.12.2000		0.0000	0.0000	0.00	20.69	0.00	0.00
86	UPRUC TAP-SDV SA BV	200,197	29.12.2000		0.0000	0.0000	0.00	12.63	0.00	0.00
87	UPRUC UTCH SA BV	130,869	29.12.2000		0.0000	0.0000	0.00	23.34	0.00	0.00
88	VERITAS PANCIU SA VN	656,693	01.11.1996		0.0000	0.0000	0.00	26.33	0.00	0.00
89	VITIPOMICOLA FETESTI SA IL	74,336	01.11.1996		0.0000	0.0000	0.00	11.34	0.00	0.00
90	VITIVINICOLA BASARABI SA CT	342,580	01.11.1996		0.0000	0.0000	0.00	10.86	0.00	0.00
<b>BONDS, TOTAL, of which:</b>							<b>21,905,826</b>		<b>2.16</b>	<b>2.32</b>
1	BANCA TRANSILVANIA SA	688,362	22.05.2013	22.05.2020	2.6079	2.7653	1,903,555		0,19	0.20
	<b>TOTAL BANCA TRANSILVANIA SA</b>	688,362					<b>1,903,555</b>		<b>0.19</b>	<b>0.20</b>
2	FEPER SA	1,193,160	30.12.2015	05.06.2018	2.5000	2.5675	3,063,489		0.30	0.32
3	FEPER SA	800,000	30.12.2015	05.06.2018	2.5000	2.5689	2,055,143		0.20	0.22
	<b>TOTAL FEPER SA</b>	1,993,160					<b>5,118,632</b>		<b>0.50</b>	<b>0.54</b>
4	ROMRADIATOARE SA BRASOV	2,260,000	27.11.2012	27.11.2017	2.5000	2.5217	5,698,954		0.56	0.60
	<b>TOTAL ROMRADIATOARE SA BRASOV</b>	2,260,000					<b>5,698,954</b>		<b>0.56</b>	<b>0.60</b>
5	S.A.I. CERTINVEST S.A.	900	12.12.2014	12.12.2019	10,000.0000	10,205.2055	9,184,685		0.91	0.97
	<b>TOTAL S.A.I. CERTINVEST S.A.</b>	900					<b>9,184,685</b>		<b>0.91</b>	<b>0.97</b>
<b>TOTAL Instruments referred to in art. 187, indent a) (shares, total + bonds, total)</b>							<b>97,246,565</b>		<b>9.58</b>	<b>10.30</b>

<sup>1)</sup> For all the companies in the portfolio on the date of S.I.F. Transilvania setting up (through reorganization of the former F.P.P. III Transilvania, according to Law no. 133/1996), the acquisition date is considered 1 November 1996; for all the other companies, the acquisition date is considered the date of first acquisition (irrespective of whether the stock existing on the reporting date was acquired through several acquisitions). In the case of bonds, the acquisition date is the payment date of the amount subscribed.

<sup>2)</sup> "Acquisition price" represents the average acquisition price for the securities in portfolio on the reporting date.

<sup>3)</sup> In the case of bonds, the total value includes the interest accrued up to the reporting date.



**SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

**Bonds or other traded debt securities issued or guaranteed by the State or by central public administration authorities**

No.	Series and number of issue	No. of securities	Acquisition date	Maturity date	Initial value	Daily increase	Accrued interest	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %	Intermediary bank

**Bonds or other traded debt securities issued or guaranteed by local public administration authorities**

No.	Issuer	No. of securities	Acquisition date	Maturity date	Initial value	Daily increase	Accrued interest	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

**Bank deposits**

No.	Bank name	Currency	Set-up date	Maturity*	Initial value		Daily interest		Accrued interest		Discounted value		Weight in the SIF total assets %	Weight in the SIF net assets %
					Currency	RON	Currency	RON	Currency	RON	Currency	RON		
1	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	30.03.2017	06.04.2017		10,000,000		58.33		117		10,000,117	0.99	1.06
2	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	31.03.2017	03.04.2017		3,895,707		24.89		25		3,895,732	0.38	0.41
	<b>TOTAL BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI</b>	<b>RON</b>				<b>13,895,707</b>				<b>142</b>		<b>13,895,848</b>	<b>1.37</b>	<b>1.47</b>



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro



Societate administrată în sistem dualist

1	ING BANK	RON	31.03.2017	03.04.2017		1,688,685		9.38		9		1,688,694	0.17	0.18
	TOTAL ING BANK	RON				1,688,685				9		1,688,694	0.17	0.18
TOTAL DEPOSITS IN RON										151		15,584,543	1.54	1.65
GRAND TOTAL DEPOSITS										151		15,584,543	1.54	1.65

\* Maturity date represents the last day of deposit (the amount being available in the current account the next day)

Fund units held in investment funds

No.	Issuer	No. of fund units	Acquisition date	Acquisition price	Value /fund unit - RON or equivalent RON-	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
1	ETFS 2X Daily Long Gold	15,000	14.11.2016	169.8015	169.8015	2,547,023	0.15	0.25	0.27
2	ETFS 3X Daily Short DAX 30	600,000	11.03.2015	8.6425	8.6425	5,185,500	6.00	0.51	0.55
<b>Subtotal open-end funds</b>						<b>7,732,523</b>		<b>0.76</b>	<b>0.82</b>
1	FOND INCHIS DE INVESTITII BET-FI INDEX INVEST	2,054	01.09.2014	525.2439	525.2439	1,078,851	9.82	0.11	0.11
2	FONDUL INCHIS DE INVESTITII MULTICAPITAL INVEST	3,400	14.11.2012	2,219.2500	2,219.2500	7,545,450	36.19	0.74	0.80
3	FONDUL INCHIS DE INVESTITII STAR VALUE	9,154	07.08.2015	777.7700	777.7700	7,119,707	29.44	0.70	0.75
<b>Subtotal closed-end funds</b>						<b>15,744,008</b>		<b>1.55</b>	<b>1.67</b>
<b>TOTAL Fund units</b>						<b>23,476,530</b>		<b>2.31</b>	<b>2.49</b>



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro

**RINA SIMTEX**  
ISO 27001 REGISTERED | 1.91.1

Societate administrată în sistem dualist

Securities pending the sale according to Law no. 151/2014

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
4	CORAL SA			165,500	2.5000	0.0000	0.00	34.580	0.00	0.00
3	GALGROS			568,000	2.5000	3.5233	2,001,234.40	13.699	0.20	0.21
1	LEGUME FRUCTE BUZAU S.A.			207,822	2.5000	14.9900	3,115,251.78	25.227	0.31	0.33
2	METALICA MEDGIDIA SA			19,875	2.5000	0.0000	0.00	6.667	0.00	0.00
5	VULTURUL SA			2,105,276	1.0000	0.2660	560,003.42	7.127	0.06	0.06
	<b>TOTAL SHARES</b>						<b>5,676,490</b>		<b>0.00</b>	<b>0.00</b>

Money market instruments referred to in art. 187 indent a)

No.	Issuer	Acquisition date	Maturity	Initial value	Daily increase	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Newly issued securities

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	<b>TOTAL</b>									



**SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.**

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro



Societate administrată în sistem dualist

**NAV and NAV/share in the last 3 years**

	<b>31 March 2015</b>	<b>31 March 2016</b>	<b>31 March 2017</b>
<b>Net Asset Value</b>	1,064,727,607.00	862,795,336.00	944,577,737.00
<b>Net Asset Value per share (RON/share)</b>	0.4874	0.3950	0.4324

Executive President / C.E.O.,  
Mihai FERCALA

Executive Vice President / Deputy C.E.O.,  
Iulian STAN

Financial Manager,  
Diana VERES

Portfolio Management Division  
MANAGER,  
Sorin Ion RADULESCU



SOCIETATEA DE INVESTITII FINANCIARE  
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171  
fax: +4 0268 473 215, +4 0268 473 216 • [transif@transif.ro](mailto:transif@transif.ro) • [www.siftransilvania.ro](http://www.siftransilvania.ro)



Societate administrată în sistem dualist

No. 3819/12.05.2017

To: **Bucharest Stock Exchange**  
**Financial Supervisory Authority**  
- Financial Instruments and Investments Sector

**COMMUNIQUE**  
**on the availability of the Quarterly Report as at 31 March 2017**

S.I.F. Transilvania informs the shareholders and investors that the **Quarterly Report as at 31 March 2017**, prepared in accordance with the provisions of Law no. 297/2004, Law no. 24/2017, the N.S.C./F.S.A. Regulations no. 1/2006 and no. 15/2004 and the F.S.A. Norm no. 39/2015, will be available to the public starting on **15 May 2017, 18:30**, as follows:

- **on the Company website, [www.siftransilvania.ro](http://www.siftransilvania.ro)**, Section “Investor Relations/ Reports/Periodical Reports”
- **on the Bucharest Stock Exchange website, [www.bvb.ro](http://www.bvb.ro)** and
- **at the Company registered office** in Brasov, 2, Nicolae Iorga Street, Shareholders Department.

Additional information on the 2017 Q1 Report may be obtained by phone, at 0268/40.11.33 and 0268/40.11.34, contact persons: Mrs. Diana Vereş – Financial Manager and Mrs. Adriana Boian – Financial-banking expert.

Mihai Fercală  
Executive President/C.E.O.

Iulian Stan  
Executive Vice President/Deputy C.E.O.