

Current Report according to: CNVM Regulation 1/2006
Report date: June 30, 2015
Regulated market on which the issued securities are traded:
Bucharest Stock Exchange, first tier

**To: FINANCIAL SUPERVISORY AUTHORITY
Financial Instruments and Investments Sector**

BUCHAREST STOCK EXCHANGE

Important event to report:

Separate Financial Statements for 2014 prepared in accordance with IFRS, audited

The **separate** financial statements for 2014, prepared in accordance with IFRS, represent the second set of financial statements and have been prepared for **informational purposes** (according to CNVM Instruction 6/2011 modified by ASF Instruction 1/2013). SIF Moldova presented the separate financial statements prepared in accordance with IFRS starting with the financial year 2011 (www.sifm.ro/Reports).

The separate financial statements are accompanied by the independent auditor report - Deloitte Audit SRL ([IFRS 2014 audit opinion](#)); the expressed opinion is - no reserve: *“In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of SIF Moldova on December 31, 2014, its separate financial performance and its cash flows for the year ended at that date, in accordance with the International Financial Reporting Standards as adopted by the European Union.”*

Considerations:

➤ **relevance**

The separate financial statements prepared in accordance with IFRS have as final goal the fair presentation of the separate comprehensive income, the separate financial position and the changes in the equity and cash flows of SIF Moldova, at the end of the financial year 2014.

➤ **presentation**

SIF Moldova has adopted a presentation of the financial statements based on liquidity, within the situation of the financial position and a presentation of the revenues and expenses according to their nature, within the situation of the global income, this method of presentation providing credible and relevant information. The separate financial statements IFRS are prepared using the fair value for the derivatives, for the financial assets and liabilities at the fair value through the profit and loss account and for the financial assets available for sale, except those for which the fair value cannot be reliably determined. Other financial assets and liabilities as well as the non-financial assets and liabilities are stated at amortized cost, reassessed value or historical cost. SIF Moldova has presented the equity instruments, for which no active market could be determined, at cost, less any possible depreciation adjustment and at amortized cost the investments held to maturity (bonds, government securities, deposits). The accounting policies were applied consistently to all periods presented in the separate financial statements prepared in accordance with IFRS.

➤ **RAS / IFRS comparison**

SIF Moldova accounting records are maintained in lei, according to Romanian Accounting Regulations (RAS). These accounts have been restated to reflect the differences between RAS accounting principles and the accounting principles under IFRS. Correspondingly, the RAS accounts are adjusted, if necessary, in order to harmonize the separate financial statements, in all material respects, with the IFRS adopted by the European Union. The most significant changes to the financial statements prepared in accordance with RAS in order to be aligned to IFRS requirements were as follows: (a) sorting of elements into more comprehensive categories; (b) adjustments of assets, liabilities and equity; (c) calculation of overall income and deferred income tax. Since the Romanian economy was a hyperinflationary economy until December 31, 2003, adjustments of the assets, liabilities and equity were calculated.

Comparison between RAS and IFRS on December 31, 2014:

	RAS 2014	IFRS 2014	Differences (IFRS-RAS)
a. Financial position			
Total assets	1,054,847,291	1,321,255,631	266,408,340
Total debt	119,367,820	121,008,980	1,641,160
Equity	935,479,471	1,200,246,651	264,767,180
b. Comprehensive income			
Net profit	237,065,814	187,543,180	(49,522,634)
Other comprehensive income	-	(56,371,873)	(56,371,873)
Total comprehensive income	237,065,814	131,171,307	(105,894,507)

The analysis of the differences between IFRS and RAS reveals the following aspects for each significant position:

- „Total assets” – shows an increase motivated mainly by the recording of the differences of fair value related to the financial assets compliant with IFRS;
- „Total debt” – shows an increase motivated by the recalculation of the deferred tax related to the new differences of fair value;
- „Net profit” – shows a decrease as a result of the influence of applying the provisions of IAS 39 regarding the recognition of the revenues from the sale of "the financial assets available for sale".
- „Other comprehensive income” – the income is generated, in bulk, by the increases of the reserves from the revaluation of the financial assets at fair value.

➤ **Impact**

The impact that the transition to IFRS has had on the financial position, financial performance and cash flows is detailed in the Notes 28 and 29 (which are part of the explanatory notes that accompany the financial statements).

Note 1 The separate financial statements prepared in accordance with IFRS for the year ended on December 31, 2014, are intended solely for information purposes by shareholders/investors and FSA, and cannot be relied upon as the basis of investment decision and does not affect the rights of shareholders on the dividend.

Note 2 Starting with January 1, 2016, the financial investment companies will keep the accounting records in accordance with the International Financial Reporting Standards (*in compliance with ASF Instruction 2/2014 and 1/2015*).

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