



SIF BANAT-CRIȘANA

QUARTERLY REPORT

— AS OF SEPTEMBER 30, 2021 —

prepared pursuant to the provisions of
Law no. 24/2017, Law no. 74/2015, Law no. 243/2019,
ASF Regulation no. 10/2015, ASF Regulation no. 7/2020,
ASF Regulation no. 5/2018, and ASF Rule no. 39/2015
*this report is provided as a free translation from Romanian, which is
the official and binding document*



CONTENTS

1. GENERAL INFORMATION	3
2. MAIN FINANCIAL AND OPERATIONAL INFORMATION	4
3. PORTFOLIO AS OF SEPTEMBER 30, 2021	5
4. THE SHARES ISSUED BY SIF BANAT-CRIȘANA	11
5. THE MANAGEMENT OF SIGNIFICANT RISKS	13
6. SIGNIFICANT EVENTS DURING Q3 2021	20
7. FINANCIAL POSITION AND RESULTS AS OF SEPTEMBER 30, 2021	21
8. EVENTS AFTER THE REPORTING PERIOD	24
9. ANNEXES	
Annex 1 - Condensed interim standalone financial statements as of September 30, 2021, prepared pursuant to the Financial Supervisory Authority Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector - unaudited	
Annex 2 - Net asset statement as of September 30, 2021, prepared pursuant to Annex 10 of Regulation no. 7/2020	
Annex 3 - Detailed statement of investments as of September 30, 2021, pursuant to Annex 11 of Regulation no. 7/2020	

1. GENERAL INFORMATION

CORPORATE NAME	Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none"> ▪ joint stock company, Romanian legal entity with entire private capital ▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 51,542,236.30 – subscribed and paid-in capital ▪ 515,422,363 shares issued; entirely outstanding as of 30.09.2021 ▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none"> ▪ Number in Trade Register J02/1898/1992 ▪ Tax Identification Code RO 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018 ▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021 ▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except for insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> ▪ portfolio management ▪ risk management; ▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force.
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker SIF1
FINANCIAL AUDITOR	Deloitte Audit S.R.L.
DEPOSITARY BANK	Banca Comercială Română (BCR)
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	<p>Arad, 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro</p>
BRANCH OFFICE	<p>SIF Banat-Crișana SA Arad-Bucharest Branch-Rahmaninov 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest</p>

CONTACT Investor Relations: email investitori@sif1.ro tel +40257 304 446

2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RONm]		
	31.12.2020	30.09.2021
Total assets, of which	2,883.77	3,566.52
Total financial assets	2,859.53	3,500.39
Equity (own capital)	2,729.90	3,361.73
Total liabilities	153.87	204.79

FINANCIAL PERFORMANCE [RONm]		
	30.09.2020	30.09.2021
Operating income	56.94	125.61
Gain/(Loss) on investment	(84.83)	224.53
Operating expenses	13.87	14.94
Gross profit / (Loss)	(41.76)	335.20
Net profit / (Loss)	(42.43)	321.60

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2020	30.09.2021
Share price (end of period, RON)	2.2000	2.6800
NAV/S* (RON)	5.6051	6.5490
Accounting net asset / share (RON)	5.3055	6.5233
Nominal value of share (RON)	0.1	0.1
Number of shares issued	515,422,363	515,422,363
Number of outstanding shares	514,542,363	515,422,363

* calculated acc. to ASF regulations

** calculated considering the shares repurchased by the Company

OPERATIONAL DATA		
	31.12.2020	30.09.2021
Number of permanent employees	34	34
Branch offices	1	1

SHAREHOLDING STRUCTURE as of September 30, 2021		
	number of shareholders	holdings
Romanian individuals	5,742,643	40.12%
Non-resident individuals	2,081	0.35%
Romanian legal entities	132	39.22%
Non-resident legal entities	25	20.31%
TOTAL	5,744,881	100%

3. PORTFOLIO AS OF SEPTEMBER 30, 2021

Investment objective and policy

SIF Banat-Crișana's investment strategy on long term aims to maximize the portfolio performance to increase the value of the assets under management and the investment income.

The financial objective is to reap an aggregate return on the portfolio generated from dividend and capital gains.

SIF Banat-Crișana's investment objective is the efficient management of a diversified portfolio comprised of high-quality assets, capable of providing a constant flow of revenues, the preservation and medium-long term capital growth, to increase the value for shareholders and obtain as high yields for the invested capital.

The strategic allocations by asset classes and within each class are based on assessments of the individual attractiveness of investment opportunities, under the conditions of the macroeconomic and market environment at the time.

SIF Banat-Crișana's investments, as AIFRI, are made exclusively in the assets and within the limits regulated by *Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts*.

Investments are made over a certain period, under appropriate risk monitoring and control, to ensure a steady balance of risk and expected return. The investment decision-making process is formalized through internal procedures and the levels of competence approved by the company's Board of Directors.

The company applies an exit strategy tailored to the specifics of each investment, defined based on the applied strategy, the investment objectives, the conditions (triggers) of the exit transaction.

The execution of the various exit strategies is adapted and correlated with a series of internal and external factors, such as: the general economic perspectives; the evolution of financial markets; liquidity of listed securities and daily trading volumes; small business regionality; access barriers (interest), depending on the shareholding structure; SIF Banat-Crișana's liquidity needs.

As of September 30, 2021, SIF Banat-Crișana has under management a complex portfolio, consisting of (i) equity instruments: listed shares, unlisted shares (i) debt instruments: corporate bonds, bank deposits, fund units issued by AIF.

Lines of action in portfolio management:

- building a diverse portfolio consisting of assets capable of achieving target returns at the designated risk level;
- continuous increase of portfolio quality, as a basis for the increase of its value and the capacity to constantly generate income;
- portfolio management and development so as to adapt to the global risk profile;
- diversification of income channels for a high adaptability necessary in volatile periods;
- ensuring an appropriate liquidity level to enable the desired investments to be made and operational expenses to be covered;
- improving corporate governance practices.

In the investment process, SIF Banat-Crișana acknowledges that global sustainability challenges, including climate change, resource scarcity and human rights are of critical importance and need to be addressed. In this regard, to provide long-term value to the investments made, SIF Banat-Crișana analyses the sustainability risk of issuers with respect to the criteria applied to determine whether an economic activity qualifies as sustainable and contributes substantially to one or more of the sustainability objectives.

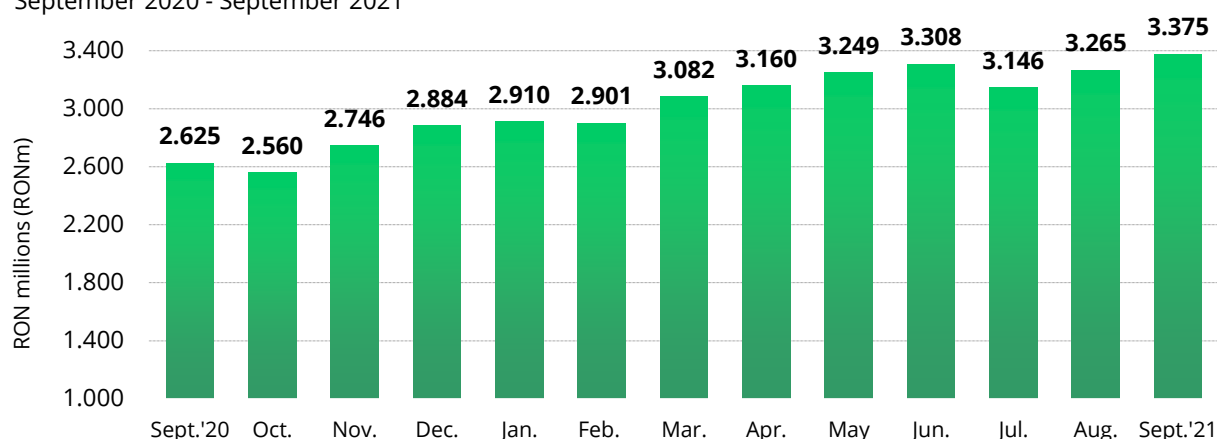
The Policy on integrating ESG risks in the investment decision-making process and the Statement prepared in accordance with the provisions of art. 4 (1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosures in the financial services sector are available on Company's website, www.sif1.ro, in Corporate Governance section.

Net Asset Value

SIF Banat-Crișana's net asset value (NAV) was of **RON 3,375.48m** as of September 30, 2021, up 2.03% vs. RON 3,308.21m, the value recorded as of June 30, 2021, and 28.61% higher as compared to September 30, 2020. Net asset value per share (NAV/S) was of **RON 6.5490** as of September 30, 2021 (June 30, 2021: RON 6.4184/share).

NET ASSET VALUE

September 2020 - September 2021



Monthly values for net asset are calculated by SIF Banat-Crișana and certified by the depositary bank Banca Comercială Română (BCR).

Throughout Q3 2021, the valuation of assets for the calculation of SIF Banat-Crișana's net asset value was performed pursuant to the regulations issued by The Financial Supervisory Authority (Regulation no. 9/2014 with subsequent changes and amendments and Regulation no. 10/2015).

Starting with July 1, 2021, the date of SIF Banat-Crișana authorization as an alternative investment fund addressed to retail investors (AIFRI), the calculation of the net asset value was performed in accordance with the provisions of *Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts* and of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds with subsequent amendments and completions*. From this date, the reporting formats on the *assets and liabilities*, and respectively *the detailed statement of investments*, related to the reporting period comply with the content established in annexes no. 10 and 11 of the ASF Regulation no. 7/2020.

According to ASF Regulation no. 7/2020, the net asset value of an AIFRI established as an investment company is determined as the difference between the total value of the assets and the sum of the deferred liabilities and revenues. The calculation of the total value of debts includes both current and non-current debts, as well as established provisions. In accordance with these regulations, starting with July 1, 2021, following the authorization of SIF Banat-Crișana as AIFRI, the company calculated the value of the net assets by summing the deferred profit tax (non-current liabilities) to the total liabilities. The change in NAV for July vs. the value for June, highlighted in the chart above, is mainly due to the increase in the value of liabilities following the inclusion of deferred income tax.

The statement of SIF Banat-Crișana's assets and liabilities as of September 30, 2021, prepared as per annex 10 of the Regulation no. 7/2020, is presented as annex to this report.

The monthly reports for the net asset value were submitted to the Bucharest Stock Exchange and ASF – Financial Investments and Instruments Sector and published on SIF Banat-Crișana's website www.sif1.ro no later than 15 calendar days from the end of the reporting month.

The methodology for calculating the net asset value

During the reporting period, the calculation of net asset value was performed under the provisions of ASF Regulation no. 9/2014 (art. 113-122), amended and supplemented by ASF Regulation no. 2/2018 and ASF Regulation no. 20/2020 and with the provisions of ASF Regulation no. 10/2015.

As per these regulations:

- Financial instruments admitted to trading or traded in the last 30 trading days on a regulated market or under systems other than the regulated markets including under an alternative trading system in Romania, in a member or non-member state, are valued:

- a) at the closing price on the market section considered as main market or at the reference price provided on trading systems others than the regulated markets including the alternative systems by the operator of the respective trading system as of day for which the calculation is made;

- b) By way of exception from the provisions of section i) above, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by SIF Banat-Crișana, based on a prudential value judgment regarding the active market defined by International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the mark to market valuation method, the shares of those companies will be measured in SIF Banat-Crișana's assets in accordance with the evaluation standards in force, according to the law, based on an evaluation report. Throughout Q3 2021, this valuation method was applied in the case of the following companies in the portfolio: SIF Imobiliare PLC (symbol SIFI), SIF Hoteluri SA (symbol CAOR), and IAMU SA (symbol IAMU).

- Securities not admitted to trading on a regulated market or not traded during last 30 trading days are valued at the book value per share as it results from the latest annual financial statement, respectively the equity value as entered in the monthly reports submitted to the National Bank of Romania for credit institutions.

- For joint stock-companies not admitted to trading on a regulated market or an alternative system, where SIF Banat-Crișana owns more than 33% of the share capital, the respective shares are valued in SIF Banat-Crișana's net asset value exclusively as per the international valuation standards based on an evaluation report, updated at least annually. These companies are presented in a separate annex within the Detailed statement for the portfolio.

- Fixed income financial instruments are evaluated by the method based on the daily recognition of the interest and the amortization of the discount / premium for the period passed from the date of the placement.

- The shares of companies in insolvency, judicial liquidation or reorganization procedure are evaluated at zero value until the end of the procedure.

- The values of the non-portfolio items considered in the calculation of the net asset are in accordance with the International Financial Reporting Standards ("IFRS").

The valuation methods applied by the Company to evaluate the financial assets in the portfolio are presented on Company's website, www.sif1.ro, in the operating as AIFRI documents, namely: Simplified Prospectus and Rules of the Fund in the section Corporate Governance › AIFRI, as well as in the section *Investments › Net Asset › Net asset value calculation methodology*.

Portfolio structure

The strategy for asset allocation aims to maximize the performance of the portfolio under the prudential requirements established by the regulations.

The investment limits and restrictions incidental to the operations carried out by SIF Banat-Crișana during Q3 2021 complied with the applicable legal provisions, established by Law no. 243/2019 on the regulation of alternative investment funds, given that in accordance with the provisions of this law SIF Banat-Crișana is classified as a Closed, Diversified Alternative Investment Fund addressed to retail investors (AIFRI).

During Q3 2021, no violations of the regulated prudential investment limits were registered.

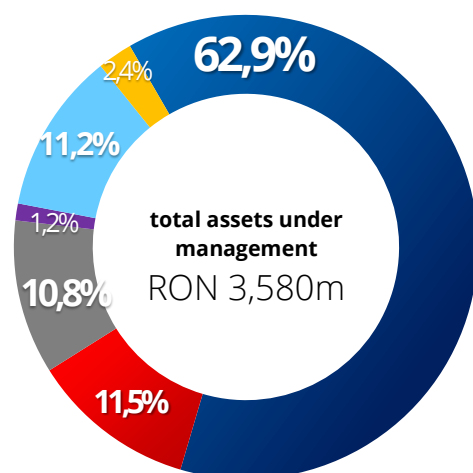
The detailed statement of SIF Banat-Crișana's investments as of September 30, 2021, prepared pursuant to Annex 11 of Regulation no. 7/2020, is presented as annex to this report.

Total value of assets under SIF Banat-Crișana management as of September 30, 2021 was of **RON 3,580m**, 23.80% higher than the value recorded for December 31, 2020, when reached RON 2,891.67m.

The value of the stock portfolio (listed and unlisted shares) accounted for **74.4%** of SIF Banat-Crișana's total assets as of September 30, 2021, amounting to **RON 2,680.07m**. At the end of Q3 2021, SIF Banat-Crișana held *majority stakes* - over 50% of the issuer's share capital - in 13 companies, with a total value of RON 1,032m, representing 30.57% of NAV.

ASSETS UNDER MANAGEMENT as of September 30, 2021

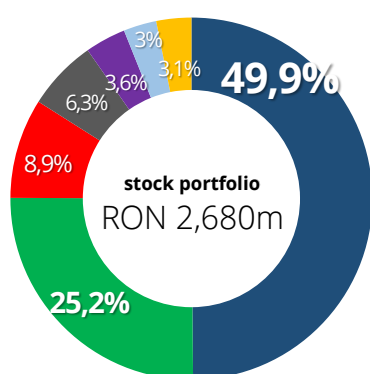
breakdown on classes (weight on total assets)



- **listed shares**
value **RON 2,265m**
(31.12.2020: RON 1,951.14m)
- **unlisted shares**
value **RON 415.07m**
(31.12.2020: RON 407.03m)
- **fund units**
value **RON 387.33m**
(31.12.2021: RON 305.83m)
- **corporate bonds**
value **RON 42.39m**
(31.12.2020: RON 53.60m)
- **bank deposits and cash available**
value **RON 404.35m**
(31.12.2020: RON 150.69m)
- **receivables and other assets**
value **RON 87.61m**
(31.12.2020: RON 23.38m)

values calculated as of September 30, 2021, and December 31, 2020 pursuant to the provisions of ASF Regulations no. 9/2014, no. 10/2015, no. 2/2018.

STOCK PORTFOLIO - breakdown by sector



■ **banking - financial**
stakes in **14** companies, worth **RON 1,336m**
(31.12.2020: RON 1,151m)

■ **commerce - real estate**
stakes in **14** companies, worth **RON 676m**
(31.12.2020: RON 617m)

■ **pharmaceuticals**
stakes in **2** companies, worth **RON 239m**
(31.12.2020: RON 162m)

■ **cardboard and paper**
stakes in **5** companies, worth **RON 169m**
(31.12.2020: RON 122m)

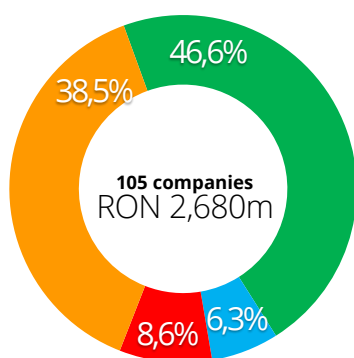
■ **hospitality (hotels and restaurants)**
stakes in **4** companies, worth **RON 98m**
(31.12.2020: RON 100m)

■ **energy - utilities**
stakes in **6** companies, worth **RON 79m**
(31.12.2020: RON 72m)

■ **other industries and activities**
stakes in **60** companies, worth **RON 84m**
(31.12.2020: RON 133m)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018.

STOCK PORTFOLIO - breakdown by stake held



■ **up to 5%**
stakes in **30** companies
worth **RON 1,248m** (31.12.2020: RON 1,025m)

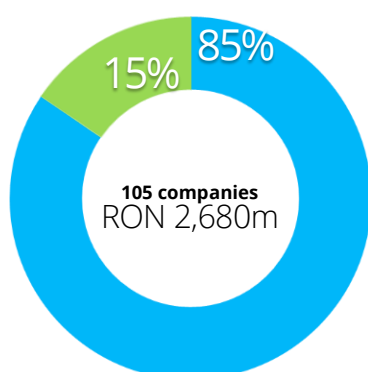
■ **5-33%**
stakes in **53** companies
worth **RON 169m** (31.12.2020: RON 209m)

■ **33-50%**
stakes in **3** companies
worth **RON 231m** (31.12.2020: RON 155m)

■ **above 50%**
majority stakes in **13** companies
worth **RON 1,032m** (31.12.2020: RON 969m)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

STOCK PORTFOLIO - on liquidity



■ listed companies

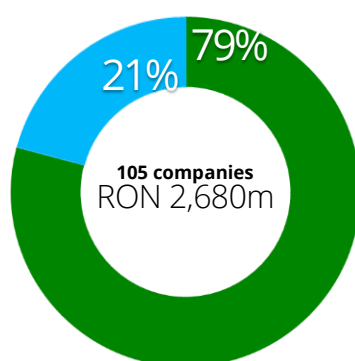
RON 2,265m (31.12.2020: RON 1,951m) value of stakes in **36** companies (31.12.2020: 42)

■ unlisted companies

RON 415m (31.12.2020: RON 407m) value of stakes **69** companies (31.12.2020: 74)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

STOCK PORTFOLIO - geographical exposure



■ Romania

RON 2,121m (31.12.2020: RON 1,814m) value of stakes in **103** companies (31.12.2020: 116)

■ foreign

RON 559m (31.12.2020: RON 544m) value of stakes in **2** companies (31.12.2020: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2021 and December 31, 2020, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

TOP 10 COMPANIES IN SIF BANAT-CRIȘANA PORTFOLIO as of September 30, 2021

Company (symbol)	Sector	Stake	Value of holding* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking - financial	4.39%	742,609,095	22%
2 SIF Imobiliare Plc (SIFI)	real estate	99.99%	370,794,536	10.98%
3 BRD Groupe Société Générale (BRD)	banking - financial	1.95%	255,971,344	7.58%
4 Biofarm București (BIO)	pharmaceuticals	36.75%	231,017,623	6.84%
5 SIF1 IMGB	real estate	99.92%	217,469,107	6.44%
6 Erste Group Bank AG (EBS)	banking - financial	0.34%	188,286,626	5.58%
7 Vrancart (VNC)	cardboard and paper	75.06%	168,822,700	5%
8 SIF Muntenia (SIF4)	financial	5.11%	62,793,278	1.86%
9 SIF Hoteluri (CAOR)	hospitality	98.99%	57,783,583	1.71%
10 SAI Muntenia Invest	financial (AIFM)	99.98%	52,559,482	1.56%
TOTAL			2,348,107,373	69.56%

* calculated pursuant to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

4. THE SHARES ISSUED BY BANAT-CRIȘANA

CHARACTERISTICS OF THE SHARES ISSUED BY SIF BANAT-CRIȘANA

Total number of issued shares (Sept. 30, 2021)	515,422,363
Outstanding shares (Sept. 30, 2021)	515,422,363
Nominal value	RON 0.1000 / share
Type of shares	common, ordinary, registered, dematerialized, indivisible
Trading market	Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category , listed since November 1, 1999
Trading venue (MIC)	XBSE
BVB (BSE) symbol (ticker)	SIF1
Bloomberg BBGID	BBG000BMN388 (SIF1:RO)
ISIN	ROSIFAACNOR2
Reuters	SIF1.BX
Part of indices	BVB (BSE) indices: BET-FI BET-XT BET-XT-TR BET-BK BET-XT-TRN

SIF1 shares on BVB (BSE)

The liquidity of SIF1 stock was higher vs. the similar period of 2020, a total of 23,398,498 shares were traded in 2021, standing for 4.54% of the total issued securities, the total value of the traded shares was of RON 60,257,649.

On the "DEAL" market, two trades were carried out, with 3.50m shares worth RON 9.060m.

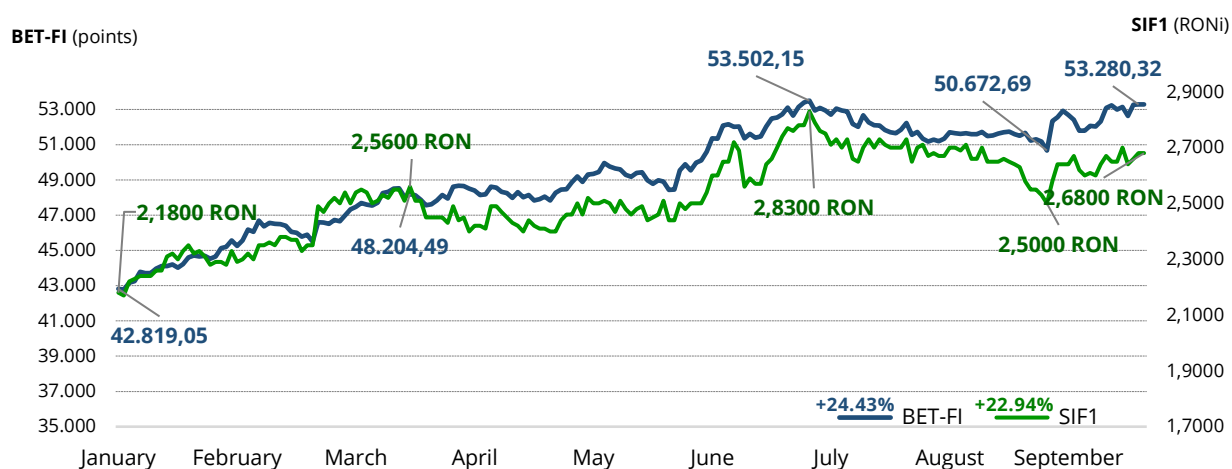
Of the 190 trading days, 79 days were with positive changes (highest +5.96% on February 24) and 74 days with negative variations (lowest -4.83% on June 18)

The highest closing price for SIF1 securities in 2021 was of RON 2.8300 per share, in the session of July 7, and the lowest closing price was of RON 2.1700 per share, during the session of 5 January, the trading range between the highest and lowest of the period being 30%. The average price of the period was of RON 2.5753 per share.

During Q3 2021, the trading of SIF1 shares increased, the average daily volume being over 190 thousand shares compared to the average daily volume of the entire period of 123 thousand shares. The upsurge of the SIF1 share price of in 2021 (of 22.94%) was tempered by the decrease of 2.19% of the price recorded during Q3.

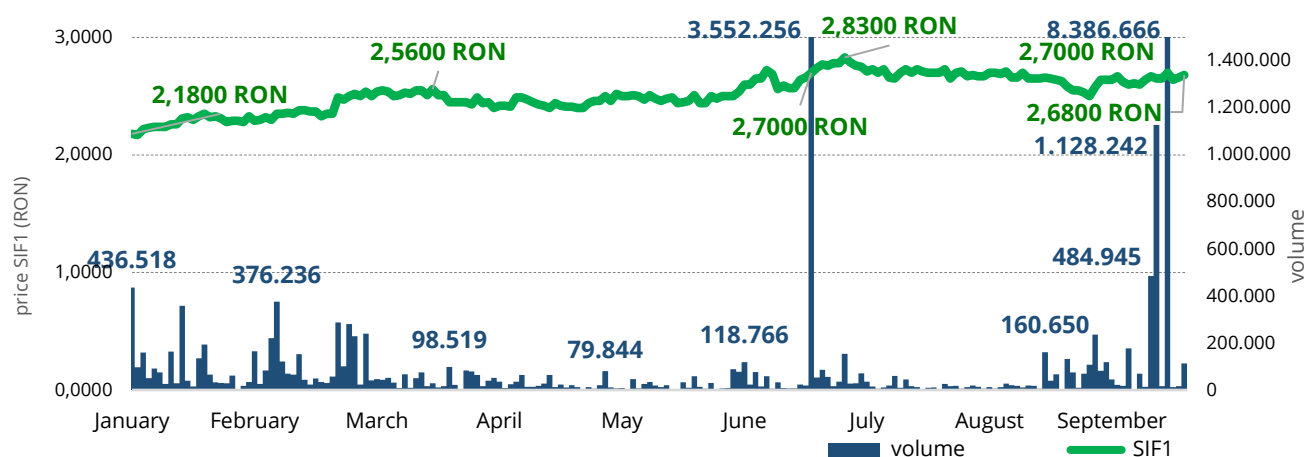
On September 30, 2021, the market capitalization of SIF1 stock was of RON 1,381.33m, calculated using the closing price.

SIF1 vs. BET-FI PERFORMANCE DURING JANUARY - SEPTEMBER 2021



highlighted values were recorded at the closing of trading day

SIF1 PRICE AND VOLUME DURING JANUARY - SEPTEMBER 2021

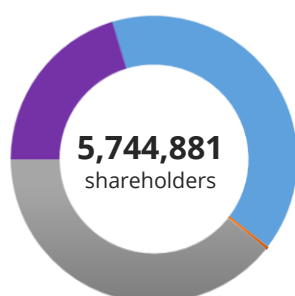


highlighted values for SIF1 price were recorded at the closing of trading day

As of September 30, 2021, SIF Banat-Crișana has 5,744,881 shareholders, according to the data reported by Depozitarul Central SA Bucharest, the company keeping the shareholders registry.

SHAREHOLDERS' STRUCTURE

as per holdings, as at September 30, 2021



40.12%
Romanian individuals
(5,742,643 shareholders)

0.35%
non-resident individuals
(2,081 shareholders)

39.22%
Romanian legal entities
(132 shareholders)

20.31%
non-resident legal entities
(25 shareholders)

5. THE MANAGEMENT OF SIGNIFICANT RISKS

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

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

Risk profile and risk limits

By the nature of the object of activity, the Company is exposed both to the risks associated with the financial instruments and to the markets on which it has exposures, as well as to certain operational risks, which can materialize in loss of capital or low investment performance in relation to the chosen risks.

The strategy of management of significant risks assumed by the Board of Directors is based on risk management objectives and pursues three parameters: risk appetite, risk profile and risk tolerance.

Risk appetite

According to the Policy on the management of significant risks, SIF Banat-Crișana's Board of Directors has assumed a medium risk appetite. This level represents the level of risk that the Company accepts for new exposures, in addition to the risk arising from existing exposures in its portfolio.

This objective considers the fact that, in conditions of economic difficulties, the Company will objectively accept a higher level of risk from the existing exposures of the Company's portfolio but will take all necessary measures to reduce the risk appetite for new (future) exposures.

The company's risk appetite is clearly connected to the overall business strategy and business plan.

Risk profile represents all the risks to which the Company is estimated to be exposed depending on the strategic objectives and the defined risk appetite. By risk management, the risk profile is not considered as a static measure, but a dynamic assessment of the evolving risks, at a predetermined frequency that would protect as solidly as possible the Company's investment portfolio exposed to risk. The role of the risk profile is to determine the size of each significant risk and the overall level of risk, based on relevant, qualitative, and quantitative indicators.

The Board of Directors approved the classification of the global risk of the Company at MEDIUM level in the year 2021, corresponding to a medium risk appetite.

The risk management policy is based on a system of limits used to monitor and control significant risks, in accordance with the risk profile and the approved investment strategy.

The risk profile is assessed annually, and it is monitored against the established risk level objectives. Depending on the progress of the risk profile in relation to these objectives, as well as the temporal dimension of a certain evolution, corrective or control measures of the risk factors may be ordered.

The assessment of the global risk profile and the establishment of risk limits was performed based on the information included in the periodic risk reports and stress tests from 2019 to 2020. In addition, assessments were performed at other intermediate dates, when large fluctuations of SIF Banat-Crișana's NAV were ascertained.

The objectives of the Risk Management Office for 2021 address both the identification of risk-generating situations in the activity associated with the management of SIF Banat-Crișana portfolio and its secondary risks, as well as the risk assessment with strict observance of the regulations specific to the field of activity (both local and European directives and regulations) and the adequacy of working procedures to the new regulations on the activity of AIFM / AIF.

Main risks for the Company

The significant risks to which SIF Banat-Crișana is exposed are **market risk, liquidity risk, credit and counterparty risk, operational risk, and other risks** (reputational risk, strategic risk, regulatory risk, tax-related risk, business-environment related risk).

The Company's exposure to each of the aforementioned risks is detailed in *Note 4 to the Financial Statements*.

In the analysis of risks and their materialization potential, all significant holdings of the Company were structured according to the relevant portfolios of financial instruments into 3 classes of instruments as follows: (i) equity instruments: listed shares, unlisted shares; (ii) debt instruments: government securities, municipal bonds, corporate bonds, bank deposits (investments), fund units issued by AIF, (iii) derivative instruments for the purpose of risk reduction / hedging / management.

For the risks associated with each class of instruments mentioned, the rules of identification, assessment, and monitoring described in the approved specific risk procedures shall apply.

a) Market risk

Market risk is the risk resulting from the unfavourable variation in the value or revenues made from the assets held, or from changes in exchange rates or interest rates.

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

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

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

The four subcategories of market risk specific to financial instrument portfolios are: *price / position risk, interest rate volatility risk, currency risk and concentration risk*.

PROXI-85 risk portfolio, a reference for price risk in the traded stock portfolio, is analysed compared to the total risk of the BET-BK index as a forecast of future volatilities. With the annual assessment of the risk limits, it was decided that the risk indicator used, the VaR risk value (99%, 1M), should be monitored both for the portfolio, for a benchmark (BET-BK index) or active portfolio / difference.

As of 30.09.2021, VaR for the PROXI-85 portfolio was 10.44% of the market value of RON 1,873.915 million. *Tracking-error*, indicating active management and representing the risk for the part of the PROXI-85 portfolio other than the BET-BK benchmark, was 6.18% and *Expected shortfall (Conditional VaR)*, which indicates the potential loss of the portfolio in extreme cases of exceeding the 99% confidence level, was of 11.98%, lower as compared to the data for 2020 year-end.

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

Only small stake of net assets (1.18%) is placed in corporate bonds, whose interest rates are unlikely to vary significantly. Thus, the Company is subject to limited exposure to changes in fair value or future cash flows due to fluctuations in prevailing market interest rate levels.

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

Financial instruments denominated in euro: shares and corporate bonds, as well as monetary instruments: deposits and current accounts, are subject to currency risk. The amounts representing the balance of current accounts opened in currencies other than EURO (GBP and USD) are of the level of thousands of RON, irrelevant for the currency risk analysis.

The company traded in both Romanian currency (Leu or RON) and foreign currency (Euro) in Q3 2021, the Romanian currency fluctuated compared to foreign currencies, the average value of EURRON rate for Q3 2021 was of 4.9315 vs. 4.8371, the average for 2020. The value of Company's portfolio exposure (shares, bonds, and current accounts) represents a weight of 17.41% of total assets as of September 2021. The exposure remains at the level of H1, but is distributed differently by types of instruments (shares, bonds, deposits and current accounts).

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

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

Due to the specifics and history of its portfolio, the exposure on the banking sector remains significant, issuers in the banking sector and issued financial instruments (equity instruments, deposits, and current accounts) have a share of 44.55% in TA as of 30.09.2021. The exposure increase is mainly due to the upsurge of the prices of listed bank shares (TLV, EBS and BRD) and the collection of dividends for 2020 distributed by issuers in the portfolio. Banks are most exposed to systemic and contagion risk in crisis situations, a positive aspect of these holdings is the liquidity of the investment.

b) Liquidity risk

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

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

The liquidity risk related to the company's payment obligations is very low, as current debts can be immediately covered by the current account balance and short-term deposits. The liquidity indicator (LCR) is 17.66, calculated on the value of assets having high liquidity.

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

The value of assets with a liquidation period on short intervals of up to 30 days increased to 16.24% of TA (from 15.74% of TA in H1), short-term and medium-term deposits were made based on the inflows from the sale transactions carried out in 2021 and the due dividends. Assets with a liquidation period of more than 365 days increased to 80.61% of TA (from 55.65% of TA in H1) due to the exposure on TLV during this period.

The Company has implemented procedures and policies that establish appropriate actions to measure liquidity in order to assess the quantitative and qualitative risks of the positions and expected investments that have a significant impact on the liquidity profile of the asset portfolio, in order to properly measure their effects on the global liquidity profile, including by simulating liquidity crisis situations (LST).

The liquidity buffer was 15.80% of the TA with a limit of at least 7% of total assets.

In order to limit / avoid liquidity risk, the Company systematically monitors the liquidity profile of assets and liabilities, and will continuously adopt a prudent cash outflow policy.

c) Credit risk

Credit risk is the risk of an economic loss due to a counterparty's failure to meet contractual obligations or the increased default risk during the transaction as a result of changes in the factors that determine the credit quality of an asset.

Counterparty risk is a contingent one, any loss being dependent on a counterparty's failure (credit risk) in an ongoing transaction (market risk) at the time of the credit counterparty's default.

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

Cash held by the Company, which is not invested in portfolio companies or government securities, may be placed in short-term bank deposits. The credit risk is also diminished by placing the Company's cash in several banks. In Q3 2021, bank deposits were made at the highest ranked banking institutions in the system, with a rating similar or close to the country rating (BBB- and BB +), confirmed by Fitch Rating Agency in June 2021.

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

The diversification of exposures in the banking sector, through short-and medium-term investments in deposits in euro, can be beneficial for protection against fees and negative interest rates charged by the largest Romanian banks, and protection against rising inflation.

The assessment of the counterparty's credit risk indicators based on exposure to unlisted or unrated issuers and based on exposure by business sectors leads to the conclusion that they fall within the approved risk limits for a medium risk appetite.

The company did not trade derivative financial instruments (listed or OTC), so it is not subject to counterparty risk.

d) Operational risk

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

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

The risk limits for the operational risk subcategories (legal, professional, process / model and associated with outsourced activities) are established as a result of the risk indicator assessment (KRI), the appetite for operational risk being medium.

During Q3 2021, there were no incidents of an operational risk arising from IT systems. All the important IT systems comply with the requirements of art. 16 of the ASF Rule no. 4/2018, ensuring

the integrity, confidentiality, authenticity, and availability of data in accordance with the risk category of the important computer system internally defined.

Given that the incidence of pandemic risk on the health and safety of employees remains, measures have been further taken within the Company to combat this risk, being observed, and strictly applied the measures provided in the Business Continuity Plan so that the situations of contamination (spread) of the SARS COV2 virus can be timely prevented.

Risk of money laundering and terrorist financing (ML/TF)

The Company shall ensure that it takes appropriate measures to identify and assess the risks related to money laundering and terrorist financing, considering the risk factors, including those relating to customers, countries or geographical areas, products, services, transactions, or distribution channels, in proportion to the nature and size of its activity. The assessment of ML / TF risks associated with the clientele of SIF Banat-Crișana is performed both at the initiation of a business relationship and after the transaction, if during it one of the risk factors changes.

Following the ML/TF risk assessment for Q3 2021, it resulted that all business partners have an inherently low risk. Simplified customer awareness and normal business relationship monitoring measures were applied. The total residual risk remaining after the internal controls have been applied to the inherent risk leads to the conclusion that the exposure of SIF Banat-Crișana to the risk of ML / TF is low.

e) Other risks the Company is exposed to

The internal assessment of other types of risks not included in the main categories (market, credit, liquidity, operational) consists in their qualitative assessment depending on the impact it could cause on the income, expenses, and value of Company's assets.

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

Regarding the efficient management of events that may give rise to reputational risk, the Risk Management Office monitored the image of the Company in the media in order to identify any events/rumours that could generate reputational risk and link them with the course of SIF1 stock on BVB (BSE).

The positive progress of the SIF1 quotation was in line with the favourable evolution of BVB in the analysed period, the traded volumes are increasing compared to the previous period (in 83% of the 66 trading days were recorded trading volumes >100K), the average daily volume traded in Q3 being of 190,886 shares.

Thus, the reputational risk assessment falls within the low risk level for Q3, the increase in trading volumes can be related with the execution of buyback programs.

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

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

Regulatory (compliance) risk is uncontrollable and unquantifiable in that neither the triggering event nor the level of impact can be anticipated. The regulatory risk assessment is part of the medium risk appetite. On July 1, 2021, SIF Banat-Crișana was authorized as AIFRI and the legal regulations in this regard became applicable. From a qualitative point of view, the management of regulatory risk was achieved by permanently adapting policies, rules, and procedures to changes occurred and by reducing or increasing the level of activities where appropriate.

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

The taxation risk remains medium, the interpretation of texts and the practical implementation of the procedures of the new applicable tax regulations harmonized with European legislation could vary from entity to entity, and there is a risk that in some situations the tax authorities will adopt a different position from that of the Company.

The business environment risk is high due to the domestic economy evolution on short and medium term.

Measures to raise short-term interest rates for money markets in Central and Eastern European countries are expected in the coming period amid prospects for the normalization of monetary policy, persistent high inflationary pressures, and a positive climate in the real economy (the progress of the economy at a rate above potential). The analysis recently published by the IMF, on the challenges facing European economies in the post-pandemic period, draws attention to inflationary pressures (annual consumer price dynamics accelerated in the Eurozone in September to the highest level in 13 years determined by supply-side shocks) which are temporary in nature due to the upward trend in inflation and which cannot be counteracted by monetary policy instruments.

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

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

No exceedances of the risk limits at the level of the global risk profile were reported during Q3 2021.

As a result of this assessment, it is ascertained that the analysed risks fit in the average global risk profile.

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

Risk of exceeding the prudential limits of holding

Compliance with the holding limits regulated by the supervisory authority is one of the main lines of action for managing and controlling the risk associated with the asset portfolio. The analysis of the compliance with the holding limits is performed both monthly with the approval of the net asset calculation reports, as well as part of the pre-investment verification procedure. During the reporting period, in accordance with SIF Banat-Crișana's investment risk management policy, it was pursued the compliance of the portfolio with the limits of ownership provided by Law no. 24/2017, art. 90 (1) regarding cumulative investments, and the provisions of allowed investments and shareholding limits.

During Q3 2021, the portfolio of assets held by SIF Banat-Crișana complied with the legal provisions in force stated by Law 243/2019 and Law no. 24/2017.

Leverage

Leverage means any method by which the Company increases the exposure of the portfolio under its management either by borrowing cash or securities, or by derivative financial positions or by any other means. The leverage effect is expressed as the ratio between the global exposure of the portfolio of financial instruments and the value of the net asset. The Company performs the calculation of the exposure using the gross method and the commitment method complying with the

provisions of EU Regulation 231/2013 art. 7 and art. 8, Annex I on “Methods of increasing the exposure of an AIF” and Annex II on “Conversion methodologies for financial derivatives”, and the approved internal procedures.

The leverage indicator on September 30, 2021, by the gross method is 99.63% (excluding cash and cash equivalents as per the requirements of AFIM regulations), and by the commitment method is of 100%.

Through the investment policy for 2021, the Company planned not to use financing operations through financial instruments (SFTs) and not to invest in *total return swap* instruments, defined by EU Regulation 2365/2015, and in the process of portfolio of financial instruments management, not to use methods to increase the exposure of the portfolio, to fit the average risk profile decided. In Q3 2021, the Company did not use the leverage effect for the portfolio under management, not having the tools to generate such an effect.

Crisis simulations

As per the Risk Management Policy and the AIFM legislation (Law 74/2015, EU Regulation 231/2013), periodic crisis simulations in normal and exceptional situations are performed at least annually, on the date established according to the working procedures and notified to the Financial Supervisory Authority. Crisis simulations in exceptional circumstances are performed whenever the situation requires it.

In Q4 2021, the Risk Management Office will perform a crisis simulation, according to the Annual Plan on risk management activity, based on scenario analysis, with the prior approval of the methodology by the Board of Directors and in accordance with approved work procedures.

6. SIGNIFICANT EVENTS DURING Q3 2021

Authorization of the Company as Alternative Investment Fund addressed to Retail Investors

During H1 2021, the company completed the process of adapting the company's internal operating documents in accordance with the requirements of Law no. 243/2019 and ASF Regulation no. 7/2020 on alternative investment funds.

Based on the documentation submitted by the company, the Financial Supervisory Authority issued Authorization no. 130 / 01.07.2021 by which SIF Banat-Crișana is authorized as an Alternative Investment Fund addressed to Retail Investors (AIFRI) with Banca Comercială Română as depositary bank.

By the same authorization, the Financial Supervisory Authority (ASF) authorized the changes in Company's Articles of Association, in accordance with Resolution of the Extraordinary General Meeting of SIF Banat-Crișana Shareholders no. 3 of July 6, 2020, and no. 1 of November 2, 2020.

The documents regarding the company operating as AIFRI, containing the Articles of Association, the Simplified Prospectus, the Rules of the Fund, the Key Investor Information Document were published on company's website, www.sif1.ro, in the Corporate Governance section.

Amendment to the disclosure document published by current report of August 17, 2020

On August 2, 2021, The Company informed the investors on the decision of the Board of Directors from July 30, 2021, to prolong the duration of the Share-based payment plan (Stock Option Plan) announced by the Current Report of August 17, 2020. At that date, SIF Banat-Crișana informed the shareholders on the approval of the "Share-based payment plan" ("Stock Option Plan"), by which 880,000 SIF1 shares were offered to members of Company's leadership, as per the Resolution no. 5 of the Extraordinary General Meeting of Shareholders of April 27, 2020.

The updated disclosure document is available for consultation on Company's website, at www.sif1.ro, in the *Investor Relations* section.

Convening the Ordinary and Extraordinary General Meeting of Shareholders of October 11 (12), 2021

The Board of Directors, in the meeting held on September 2, 2021, convened the Ordinary and the Extraordinary Meeting of Shareholders for October 11 (12), 2021. The Convening Notices (and the Resolutions adopted by the OGM and EGM of October 11, 2021, are available for consultation on Company's website, at www.sif1.ro, in the *Investor Relation* section. Information on the resolutions adopted are presented in this report in Chapter 8 – Events after the reporting period.

Approval of Public Tender Offer for SIF1 shares

On September 8, 2021, the Company informed the shareholders and investors that, in order to carry out the EGM Resolutions no. 3 and 4 of April 27, 2020, and no. 3 of November 2, 2020, the Company filed at the Financial Supervisory Authority the Public Tender Offer Document in respect of the shares issued by SIF Banat-Crișana, together with the related documentation. SSIF SWISS CAPITAL S.A. was appointed as intermediary for the Public Tender Offer in respect of the shares issued by SIF Banat-Crișana. On September 22, 2021, by Decision no. 1166/22.09.2021, ASF approved the tender offer document for the buyback of 30,880,000 shares, for a price of RON 2.70 per share, the period of the offer being 29.09.2021 – 12.10.2021.

7. FINANCIAL POSITION AND RESULTS AS OF SEPTEMBER 30, 2021

SIF Banat-Crișana has prepared the financial statements as of September 30, 2021 pursuant to Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector, and considering the provisions of IFRS 9 – Financial Instruments, standard applicable beginning January 1, 2018.

The interim condensed financial statements as of September 30, 2021 are not audited, as there is no legal or statutory requirement.

The interim condensed financial statements as of September 30, 2021 and the explanatory notes are presented as Annex 1 to this report.

The following are comments on the main elements of the financial position and results of the Company as of September 30, 2021:

Condensed standalone statement of financial position

Standalone statement of financial position - extract		
<i>denominated in RON</i>	31/12/2020	30/09/2021
Cash and cash equivalents, bank deposits	150,710,816	404,348,170
Financial assets at fair value through profit and loss (FVTPL)	1,394,390,304	1,604,449,126
Financial assets at fair value through other comprehensive income (FVTOCI)	1,314,430,895	1,491,598,240
Investment property and tangible assets (property, plant, and equipment)	17,186,786	16,076,406
Other assets	7,052,842	50,051,776
Total assets	2,883,771,643	3,566,523,718
Liabilities	153,866,952	204,789,792
Equity (own capital)	2,729,904,691	3,361,733,926
Total liabilities	2,883,771,643	3,566,523,718

Total assets value held as of September 30, 2021, was of RON 3,566.5m, 23.7% higher as compared to the value of assets at the end of 2020.

The main patrimonial elements changed compared to the beginning of the period as follows:

- **Cash and cash equivalents** are up by RON 253.6m compared to 2020-year end, given that (1) the Company adopted an investment policy of divestment during the first 9 months of the year, with full or partial sales of stakes in the equity portfolio in with a view to increasing the liquidity supply and (2) dividends collected during 2021 were invested in instruments with immediate liquidity.

- **Financial assets at fair value through profit and loss (FVTPL)**, amounting to RON 1,604.4m are 15.1% higher compared to December 31, 2020 due to the effect of recording differences in fair value fund units and listed companies - subsidiaries and associates (with active market – VNC and BIO) as of September 30, 2021.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**, amounting to RON 1,491.6m, are 13.5% higher than the level recorded on December 31, 2020, as a result of recording the favourable fair value differences of the financial assets investment portfolio (listed shares) as of September 30, 2021, noting that sales of shares during first three quarters of 2021 were made under this category of assets, their carrying amount (book value) decreasing the value of this item.

- The **Other assets** category increased compared to the beginning of the period, influenced by the guarantee transferred to the intermediary for the execution of the public offer for the repurchase of

own shares, started at the end of September, respectively by the dividends declared but not yet paid by some companies in the portfolio.

- The volume of **equity** (own capital) significantly rose compared to the level recorded on December 31, 2020, mainly due to the favourable fair value differences related to the securities portfolio, recorded in other comprehensive income as of September 30, 2021, and the net income recorded on that date. The increase in the volume of the fair value reserve also explains the increase in the Company's debts compared to the end of the previous year, due to the adjustment of the deferred income tax liability.

Condensed statement of profit and loss and other comprehensive income

Standalone statement of profit or loss and other comprehensive income - extract		
<i>denominated in RON</i>	30/09/2020	30/09/2021
Income		
Dividend income	49,237,370	122,805,794
Interest income	7,568,700	2,446,581
Other operating revenues	137,753	355,864
Gain / (Loss) on investment		
Gain on investment property	2,466,217	874
Gain from foreign exchange differences	2,055,628	2,214,087
Gain / (Loss) on financial assets at fair value through profit and loss	(89,355,261)	222,311,898
Expenses		
Commissions expenses	(2,803,799)	(3,942,024)
Other operating expenses	(11,070,991)	(10,993,340)
Profit /(Loss) before tax	(41,764,383)	335,199,734
Income tax	(665,276)	(13,603,194)
Net Profit/(Loss) for the period	(42,429,659)	321,596,540
Other comprehensive income	(225,885,081)	307,981,924
Total comprehensive income for the period	(268,314,740)	629,578,464

Progress of **income** with significant weight was as follows:

- **Dividend income** is significantly higher than in the corresponding period of the previous year, mainly due to dividends distributed by the company's subsidiaries and the banking companies resuming dividend distribution.

- **Interest income** is lower vs. the same period of the previous year, given the collection at maturity of a significant volume of liquidity placed in high yield corporate bonds, which are no longer in the portfolio as of September 30, 2021 (bonds issued by Blue Air, SIFI BH Retail).

Gain / (loss) on investment had the following evolution:

- **Gain on investment property** resulted following the sale during the Q1 2021 of a building located in Timișoara, accounted in the *investment property* category. The low level of reported earnings is due to the recognition even as of December 31, 2020, of the difference between the sale price and the carrying amount (book value) of the property sold. The amount reported above represents the difference between the RON equivalent at the date of the transaction and that as of December 31, 2020.

- **The net result from exchange rate differences** recorded as of September 30, 2021, is a favourable one, related to cash in foreign currency held. Its level increased as compared to the same period of the previous year, on the back of: (1) collecting significant amounts in euro from the sale of shares or the distribution of dividends and (2) the conversion of a significant proportion of cash in foreign currency during 2021.

- **Gain / (Loss) on financial assets at fair value through profit and loss (FVTPL)** is a favourable one, as compared to the negative result for this item as of September 30, 2020. The gain was mainly due to the valuation at fair value as of September 30, 2021 of the listed shares (subsidiaries and

associates), fund units and bonds. The upward progress of global stock markets has positively influenced the market value of shares listed locally and recorded in this category (Vrancart, Biofarm).

Expenses as of September 30, 2021, stood roughly at the same level as those of the corresponding period of 2020, except for commissions expenses, (directly connected to the dynamics of the total assets under management).

Net Profit as of September 30, 2021, amounting to RON 321.6m, is the effect of the significant dividend income and the result from the valuation at fair value of the above-mentioned interests.

Total comprehensive income as of September 30, 2021, is positive, amounting to RON 629.6m, the effect of recognizing in other comprehensive income of the fair value increase of the portfolio of financial assets classified in FVTOCI (assets at fair value assets through other comprehensive income - mainly interests in the banking financial sector).

Financial ratios as of September 30, 2021

Ratio	Calculation method	Result as at 30.09.2021
1. Current liquidity ratio ¹⁾	Current assets/Current liabilities	22.6
	Debt / Equity x 100	not applicable
2. Debt to equity ratio ²⁾	Debt / Capital employed x 100	not applicable
3. Accounts receivables turnover ³⁾	Average clients' accounts / Turnover x 270	29.2
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0.0404

¹⁾ **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the first nine months of 2021 was of 22.6. This is due to the high level of current assets as of September 30, 2021, as there were significant amounts of liquidity in bank accounts and deposits.

²⁾ **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues, with impact on fulfilling the assumed commitments. The Company had no borrowings as of September 30, 2021, and therefore this indicator is zero.

³⁾ **The accounts-receivable turnover** indicates the effectiveness of the company in collecting its receivables, respectively the number of days until the debtors pay their debt to the company.

In determining the average balance of clients, the receivables were considered at gross value. The weight in total receivables is held by dividends receivable from portfolio companies and other receivables.

For the turnover, the company's total revenues as of September 30, 2021 was used.

Turnover ratio calculated as of September 30, 2021, was of 29 days.

⁴⁾ **Non-current assets turnover** measures the efficiency of management of the non-current assets, by examining the value of the turnover (for SIF Banat-Crișana - the total operating income) generated by a certain portion of non-current assets. In determining the ratio, the gross value of financial assets was considered. As of September 30, 2021, this ratio has a value of 0.0404.

8. EVENTS AFTER THE REPORTING PERIOD

Resolutions of the Ordinary and the Extraordinary General Meeting of Shareholders of October 11, 2021

The ordinary and the extraordinary general meeting of SIF Banat-Crișana shareholders were held on October 11, 2021, starting with 10:00 (Romanian time) and 12:00 (Romanian time), respectively, at the first call.

The Ordinary General Meeting of Shareholders (OGM) approved the appointment of Deloitte Audit S.R.L. as financial auditor, extending the existing mandate with 2 (two) years, and the empowerment of the board of directors to negotiate and conclude the audit for the purpose of auditing the standalone and consolidated financial statements for the financial years ended December 31, 2022 and December 31, 2023.

The extraordinary general meeting of shareholders approved the following main topics agenda:

- the execution of a buyback program for 880,000 shares ("Program 4") for the distribution free of charge to members of the Company's management (administrators, executive directors) in order to build their loyalty and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors. The approved program has the following main features: price range approved: RON 0.1 - RON 6.1042; duration of a maximum of 18 months after publication of the decision in the Official Gazette of Romania, Part IV; the shares acquired under the program will be paid from sources permitted by law.
- the use of the shares purchased under Buyback Program 4 for their distribution free of charge to members of the company's management (administrators, executive directors) in a "Stock Option Plan", in compliance with applicable law. The Board of Directors of the company is empowered to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the "Stock Option Plan".

The Resolutions adopted by the OGM and EGM of October 11, 2021, in full, are available for consultation on Company's website, at www.sif1.ro, in the *Investor Relation* section.

Notification on the results of the Public Tender Offer for the purchase of shares issued by SIF Banat-Crișana

By the Resolutions no. 3 of April 27, 2020, published in the Official Gazette of Romania, Part IV, no. 1682 of 12.05.2020 and no. 4 of April 27, 2020, published in the Official Gazette of Romania, Part IV, no. 1611 of 06.05.2020, the Extraordinary General Meeting of Shareholders approved the execution of two buyback:

- Program 1 for the buyback of 15,000,000 shares, to reduce the Company's share capital,
- Program 2 for the buyback of 880,000 shares, for their distribution free of charge to members of the company's management.

By Resolution no. 3 of November 2, 2020, published in the Official Gazette of Romania, Part IV, no. 4256 of 03.12.2020, the Extraordinary General Meeting of Shareholders approved the execution of a buyback (Program 3) for the repurchase of 15,000,000 shares, to reduce the Company's share capital.

In accordance with the decisions of the aforementioned general meetings, the acquisition of shares under the buyback programs will be carried out through all market operations permitted by law, including through public tender offers initiated by the Company, in compliance with legal provisions.

Also, by the same resolutions of the general meetings mentioned above, the Board of Directors of the Company was empowered to adopt all the necessary measures and to fulfil all the necessary formalities, in order to implement the approved buyback programs.

Based on the mandate granted by the general meeting of shareholders, the Board of Directors approved the cumulative execution, for a total of a maximum of 30,880,000 shares, of the Buyback Programs no. 1, 2 and 3, mentioned above, SIF Banat-Crișana initiating a public offer to purchase its own shares, in compliance with the requirements approved by EGM Resolutions no. 3 / 27.04.2020, no. 4 / 27.04.2020 and no. 3 / 01.11.2020.

As intermediary within the Public Tender Offer in respect to shares issued by SIF Banat-Crișana was appointed SSIF Swiss Capital SA.

The document of the public offer for the purchase of shares issued by SIF Banat-Crișana was approved by the Financial Supervisory Authority by Decision no. 1166/22.09.2021, approving the purchase by the company of 30,880,000 shares, at a price of RON 2.70 / share.

In accordance with the decision of the authority, the public offer took place between 29.09.2021 - 12.10.2021, using exclusively the market systems on which the Company's shares are traded, thus allowing unrestricted and unlimited access of all potential sellers, individuals and legal entities, without determining in any way the persons to whom it is addressed, ensuring equal reception possibilities.

On October 15, 2021, the intermediary SSIF Swiss Capital SA communicated to BVB the notification on the results of the public tender offer in respect to shares issued by SIF Banat-Crișana, according to which, within the offer a number of 8,792,307 shares were acquired, representing 1.7058% of SIF Banat-Crișana's share capital.

Total amount paid by the Company (less fees and commissions) was of RON 23,739,228.90, and the settlement was made through Depozitarul Central on 15.10.2021.

Convening the Extraordinary General Meeting of SIF Banat-Crișana Shareholders for November 25 (26), 2021

The Board of Directors of SIF Banat-Crișana, gathered in the meeting held on October 21, 2021, convened, pursuant to art. 117 of Law no. 31/1990, the extraordinary general meeting of shareholders (EGM) for November 25 (26), 2021, with the main topic on the agenda:

- Approval of the method for allocating the 8,792,307 treasury shares repurchased by the Company under the buyback programs previously approved by the general meeting of shareholders in order to reduce the company's share capital and for the distribution free of charge to members of the Company's management, programs carried out through conducting the public tender offer approved by the Financial Supervisory Authority by Decision no. 1166 / 22.09.2021, the allocation is to be done in one of the following options: *Option 1*: allocation of all the 8,792,307 repurchased shares to reduce the Company's share capital; *Option 2*: the *pro rata* allocation of the 8,792,307 repurchased shares, respectively a number of 8,541,749 shares to reduce the Company's share capital, and a number of 250,558 shares to be distributed free of charge to the members of the Company's management; *Option 3*: the allocation of a number of 7,912,307 shares to reduce the Company's share capital and the allocation of a number of 880,000 shares to be distributed free of charge to the members of the Company's management.

In case of approval of one of the 3 proposed options, the Board of Directors has to convene an extraordinary general meeting of shareholders having on the agenda the proposal to reduce the Company's share capital by the cancelation of the shares allocated for this purpose.

On Company's website, at www.sif1.ro, are available all the information and documents for this general meeting of shareholders, including the informative materials, documents for exercising the vote, draft resolutions and procedure on organising and conducting the EGM.

9. ANNEXES

- Annex 1** **Condensed interim standalone financial statements** as of September 30, 2021, prepared pursuant to the ASF Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector - unaudited
- Annex 2** **Net asset statement** as of September 30, 2021, prepared pursuant to Annex 10 of Regulation no. 7/2020
- Annex 3** **Detailed statement of investments** as of September 30, 2021, pursuant to Annex 11 of Regulation no. 7/2020

The quarterly report prepared as of September 30, 2021, was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on November 12, 2021.

Bogdan-Alexandru DRĂGOI
Chairman and CEO

SIF Banat-Crişana S.A.

**Condensed interim standalone financial statements
as of September 30, 2021**

prepared pursuant to Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector

unaudited

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

CONTENTS

Condensed interim financial statements

Condensed statement of profit or loss and other comprehensive income	1
Condensed statement of financial position	2
Condensed statement of changes in equity	3 – 4
Condensed cash flow statement	5
Selected explanatory notes to the condensed financial statements	6 – 29

Condensed statement of profit or loss and other comprehensive income as of September 30, 2021

Denominated in RON

	<i>Note</i>	September 30, 2021	September 30, 2020
Income			
Dividend income	5	122,805,794	49,237,370
Interest income (assets at amortized cost, assets at FVTOCI)	6	1,409,119	5,638,180
Interest income (assets at FVTPL)	6	1,037,462	1,930,520
Other operating revenues	7	355,864	137,753
Gain/(Loss) on investment			
Gain/(Loss) on investment property	17	874	2,466,217
Gain/(Loss) on foreign exchange differences		2,214,087	2,055,628
Gain/(Loss) on financial assets at FVTPL	8	222,311,898	(89,355,261)
Expenses			
Commissions expenses	9	(3,942,024)	(2,803,799)
Other operating expenses	10	(10,993,340)	(11,070,991)
Profit/(Loss) before tax		335,199,734	(41,764,383)
Income tax	11	(13,603,194)	(665,276)
Net profit/(loss) for the period		321,596,540	(42,429,659)
Other comprehensive income			
Items that are or could be transferred to profit and loss			
Amounts that could be transferred to profit and loss (debt instruments)		8,512	(89,048)
Amounts transferred to profit and loss (debt instruments)			-
Items that are or could be transferred to retained earnings			
Change of fair value related to financial assets measured through other comprehensive income		365,295,941	(266,046,071)
Change of reserve from revaluation of tangible assets			
Effect of income tax related to them		(57,322,529)	40,250,038
Other comprehensive income		307,981,924	(225,885,081)
Total comprehensive income for the period		629,578,464	(268,314,740)
Earnings per share			
Basic		0.624	(0.082)
Diluted		0.624	(0.082)

The condensed interim financial statements were approved by the Board of Directors on November 12, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed statement of financial position as of September 30, 2021

Denominated in RON

	Note	September 30, 2021	December 31, 2020
Assets			
Cash and cash equivalents	12	325,154,887	150,710,816
Bank deposits	13	79,193,283	-
Financial assets at fair value through other comprehensive income (bonds)	15	5,277,104	5,111,504
Other financial assets	16	49,205,553	5,973,797
Other assets		128,479	189,805
Financial assets at fair value through profit or loss	14	1,604,449,126	1,394,390,304
Financial assets at fair value through other comprehensive income (shares)	15	1,486,321,136	1,309,319,391
Assets representing rights to use the underlying assets under leasing contract		717,744	889,240
Investment property	17	12,255,013	13,180,199
Tangible assets (items of property, plant, and equipment)		3,821,393	4,006,587
Total assets		3,566,523,718	2,883,771,643
Liabilities			
Deferred income tax liabilities		12,317,362	-
Other financial liabilities	18	7,710,203	6,673,694
Other deferred liabilities and revenues		16,944	26,797
Liabilities on leasing contract		781,723	934,521
Liability on current income tax	19	183,963,560	146,231,940
Total liabilities		204,789,792	153,866,952
Equity (own capital)			
Share capital	20	51,542,236	51,542,236
Treasury shares	20	-	(2,199,867)
Losses from the repurchase of own shares		(5,888)	(40,659)
Benefits granted in equity instruments		1,883,196	1,867,063
Retained earnings	20	1,070,850,626	743,318,231
Other reserves	20	1,249,578,037	1,157,455,631
Reserves from revaluation of tangible assets		1,176,569	1,176,569
Legal reserves	20	10,308,447	10,308,447
Reserves from revaluation of financial assets designated at FVTOCI	15, 20	976,400,703	766,477,039
Total equity (own capital)		3,361,733,926	2,729,904,691
Total liabilities and equity		3,566,523,718	2,883,771,643

The condensed interim financial statements were approved by the Board of Directors on November 12, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed Statement of Changes in Equity as of September 30, 2021

Denominated in RON

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Accumulated profit	Total
Balance on January 1, 2021	51,542,236	(2,199,867)	(40,659)	10,308,447	766,477,039	1,176,569	1,867,063	1,157,455,631	743,318,231	2,729,904,691
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	321,596,540	321,596,540
Reserve from revaluation of financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(112,965,766)	-	-	-	112,965,766	-
Change in reserve	-	-	-	-	365,306,075	-	-	-	-	365,306,075
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	(42,416,645)	-	-	-	(14,907,505)	(57,324,150)
Total comprehensive income for the period	-	-	-	-	209,923,664	-	-	-	419,654,801	629,578,465
Other reserves – own sources	-	-	-	-	-	-	-	92,122,406	(92,122,406)	-
Dividends payable for 2020	-	-	-	-	-	-	-	-	-	-
Dividends written-off	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	2,199,867	40,659	-	-	-	16,133	-	-	2,256,659
Cancellation of treasury shares	-	-	(5,888)	-	-	-	-	-	-	(5,888)
Total transactions with shareholders recognized directly in equity	-	2,199,867	34,771	-	-	-	16,133	92,122,406	(92,122,406)	2,250,770
Balance on September 30, 2021	51,542,236	-	(5,888)	10,308,447	976,400,703	1,176,569	1,883,196	1,249,578,037	1,070,850,626	3,361,733,926

The condensed interim financial statements were approved by the Board of Directors on November 12, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed Statement of Changes in Equity as of September 30, 2021

<i>Denominated in RON</i>	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
Balance on January 1, 2020	51,746,072	(7,295,461)	(134,838)	10,349,214	882,094,444	1,176,569		997,961,099	812,306,354	2,748,203,454
Profit/(Loss) for the period	-			-	-				(42,429,659)	(42,429,659)
Reserve from revaluation of financial assets transferred to profit or loss	-			-	-					
Reserve from revaluation of financial assets transferred to retained earnings					(3,823,451)				3,823,451	-
Change in reserve	-			-	(266,131,013)					(266,131,013)
Revaluation of tangible assets					40,562,432				(295,433)	40,266,999
Related deferred tax										
Total comprehensive income for the period	-	-	-	-	(229,392,032)	-	-	-	(38,901,641)	(268,293,674)
Other reserves – own sources								159,494,532	(159,494,532)	-
Dividends payable for 2019	-			-	-				-	-
Dividends written-off	-			-	-	-			-	-
Change of granted benefits							852,865			852,865
Cancellation of treasury shares		-								
Total transactions with shareholders recognized directly in equity	-	-	-	-	-	-	852,865	159,494,532	(159,494,532)	852,865
Balance on September 30, 2020	51,746,072	(7,295,461)	(134,838)	10,349,214	652,702,412	1,176,569	852,865	1,157,455,631	613,910,181	2,480,762,645

The condensed interim financial statements were approved by the Board of Directors on November 12, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed cash flow statement as of September 30, 2021

Denominated in RON

Note September 30, 2021 September 30, 2020

Operating activities

Net profit/(Loss) for the period		321,596,540	(42,429,659)
Adjustments for:			
Depreciation of tangible and intangible assets		382,499	380,473
(Gain)/loss from disposal of tangible assets		5,369	20,068
(Gain)/loss from evaluation/disposal of property investment	17	(874)	(2,466,217)
(Gain)/Loss from financial assets at fair value through profit or loss	8	(222,311,898)	89,355,261
Dividend income	5	(122,805,794)	(49,237,370)
Interest income	6	(2,446,581)	(7,568,700)
Expenses on interest on leasing contract		42,408	50,959
Expenses/(Income) on foreign exchange differences financial assets		(127,396)	(1,088,982)
Benefits granted in equity instruments		2,198,533	852,865
Income tax	11	13,603,194	665,276

Changes in operating assets and liabilities

Change in other assets (claims, etc.)		(28,032,737)	(15,708,891)
Change in other financial liabilities		1,006,849	(1,272,063)
Income tax paid		(18,415,396)	(4,451,293)
Net cash used in operating activities		(55,305,284)	(32,898,274)

Investment activities

Payments for acquisition of financial assets measured at FVTOCI (shares, bonds)	15	-	(7,354,965)
Proceeds from sales of financial assets measured at FVTOCI (shares, bonds)		188,294,196	55,235,842
(Placements) / Proceeds from term deposits greater than three months		(79,182,857)	4,500,000
Proceeds from sale/repurchase of assets at FVTPL (fund units, bonds)		16,484,890	8,246,243
Payments for purchase of assets at FVTPL (fund units, bonds, shares)	14	-	(329,448)
Proceeds/(Payments) for sale assets at amortized cost		-	14,527,200
Proceeds from sale of tangible assets and investment property		926,060	9,636,800
Payments for purchases of tangible assets		(26,182)	(209,788)
Dividends collected		100,454,667	48,736,527
Interest collected		3,013,488	7,963,167
Net cash from investment activities		229,964,262	140,951,579

Financing activities

Payments related to leasing		(209,018)	(205,476)
Dividends paid		-	-
Repurchase of own shares		(5,888)	-
Net cash used in financing activities		(214,906)	(205,476)

Net increase / (Decrease) in cash and cash equivalents

Cash and cash equivalents on January 1		150,710,816	117,203,806
Cash and cash equivalents at the end of the period		325,154,887	225,051,636

The condensed interim financial statements were approved by the Board of Directors on November 12, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

1. Reporting entity

Societatea de Investiții Financiare Banat-Crișana SA ("the Company") was established based on Law no. 133/1996 by the reorganization and transformation of Fondul Proprietății Private (Private Ownership Fund) Banat-Crișana and it is a joint stock company operating under Law 31/1990. The company is established as a self-managed investment company, authorized by the Financial Supervisory Authority as an Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, classified in accordance with the provisions of Law no. 243/2019 as a closed, diversified alternative investment fund, addressed to retail investors (AIFRI) (ro: FIAIR). The Financial Supervisory Authority issued the Authorization no. 130/01.07.2021 authorizing SIF Banat-Crișana as Alternative Investment Fund addressed to Retail Investors (AIFRI).

The Company also prepares annual and half-yearly consolidated financial statements, as final parent-company for the entities in the Group.

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

The main activity of the company:

- portfolio management;
- risk management;
- other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.

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

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

The company providing registry services is Depozitarul Central SA Bucharest.

2. Basis of preparation

(a) Statement of compliance

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

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

These condensed interim financial statements as of June 30, 2021, have been prepared pursuant to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the standalone financial statements for 2020 prepared in accordance with the Rule no. 39/2015 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the ASF of Financial Instruments and Investments Sector (The Rule).

As per Regulation no. 1606/2002 of the European Parliament and of the Council of the European Union of July 19, 2002, as well as according to Law no. 24/2017 on issuers of financial instruments and market operations, from 2017 the Company has to prepare and submit to the Financial Supervisory Authority (ASF) consolidated annual financial statements, in accordance with IFRS, within 4 months from the end of the year financial. The company has prepared and made public consolidated financial statements for the financial year 2020. As per the requirements of Law 24/2017 and ASF regulation no. 5 on issuers of financial instruments and market operations, the Company has to prepare and make public interim consolidated financial statements for H1 2021 within three months from its end. The company has prepared and made public on August 31 financial statements as of June 30, 2021 (standalone), and September 30 (consolidated).

Pursuant to IAS 27 and IFRS 10, starting with financial year 2018, the Company measures all its subsidiaries at fair value through profit or loss, except for subsidiaries providing investment-related services, that will continue to be consolidated. Under these circumstances, the Company prepares two sets of financial statements: standalone and consolidated financial statements, in accordance with IFRS 10 and IAS 27. At

the same time, the Company revised the analysis regarding the fulfilment of the classification criteria as an investment entity for the years 2020 and 2021, concluding that they are met, and that it will also apply the exception provided by IFRS 10 regarding the investment entities for the financial statements related to the financial years 2020 and 2021.

(b) Presentation of the financial statements

The Company has adopted a presentation based on liquidity in the condensed interim statement of financial position and a presentation of income and expenses according to their nature in the interim condensed statement of comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than the information presented on other methods allowed by IAS 1 "Presentation of financial statements".

(c) Basis of measurement

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

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

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

(f) Changes in the accounting policies

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

3. Significant accounting policies - extract

The accounting policies used in these condensed interim financial statements are the consistent with those of the standalone financial statements prepared as of December 31, 2020.

Assets and financial liabilities

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

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

(i) Classification

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

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

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

Business model

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

Model of assets held for collecting

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

Model of assets held for collecting and sale

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

Other business model

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

SPPI test

It comprises criteria measuring to what extent the structure of the cash flows of a debt instrument classifies within the model of the base credit agreement (the interest reflects to a great extent the value in time of money, credit risk associated with the principal, coverage of other risks and costs associated with lending and a profit margin).

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

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

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

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

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

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

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

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

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

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

Financial instruments measured at amortized cost

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

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

Financial liabilities

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

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

The other financial debts are measured at amortized cost.

(ii) Recognition

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

(iii) Measurement

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

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

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

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

Measurement at amortized cost

The amortized cost of a financial asset or of a financial liability is the value at which the financial asset or the financial liability is measured after the initial derecognition minus the reimbursement of principal, plus or minus the accumulated amortization using the effective interest method for each difference between the initial value and the value at due date, and minus any reduction for estimated credit losses.

The effective interest rate represents the rate that precisely updates the future proceeds in cash during the forecasted life of the financial instrument up to the level of the gross carrying amount of the financial asset or of the financial liability. For the calculation of the effective interest rate, the entity must estimate the cash flows considering all contractual conditions of the financial instrument but must not consider the future losses from the changes in credit risk.

The calculation includes all fees paid or cashed by the contracting parties that make integral part of the effective interest rate, transaction costs and all the other premiums and discounts.

Measurement at fair value

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

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

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

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

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

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

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

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

The valuation techniques are used consistently.

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

(iv) Identification and measurement of value impairment

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

The Company applies the impairment provisions for the recognition of the provision for losses corresponding to the assets measured at fair value through other comprehensive income (debt instruments that meet the criteria of pt. 4.1.2A of IFRS 9 – assets held to collect the cash flows and to sale, whose cash flows represent exclusively principal reimbursement or interest payments). The provision so

determined is recognized considering other comprehensive income and does not reduce the carrying amount (book value) of the financial asset from the statement of the financial position.

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

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

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

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

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

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

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

In the assessment of low credit risk for issuers, no real collateral is considered. At the same time, financial instruments are not considered to be of low risk only because they have a lower risk than the other instruments issued by the debtor or in comparison with the credit risk prevailing in the geographical region or the jurisdiction in which it operates.

In the credit risk assessment, the company uses both external credit risk ratings and internal ratings that are consistent with generally accepted definitions of credit risk.

(v) Derecognition

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

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

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

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

(vi) Reclassifications

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

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

If a reclassification occurs, the Company proceeds as follows:

- When reclassifying an asset from the amortized cost category to fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in profit and loss;
- When reclassifying an asset from the fair value through profit or loss category to the amortized cost, the fair value at the date of reclassification becomes the new gross carrying amount;
- When reclassifying an asset from the amortized cost category to fair value through other comprehensive income, fair value is determined at the date of reclassification. The difference between the amortized cost

and the fair value is recognized in other comprehensive income, without adjusting the effective interest rate or the expected loss from lending;

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

(vii) Gains and losses

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

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

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

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

Gains on debt instruments (bonds):

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

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

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

When the financial assets accounted for at amortized cost are impaired or derecognized, as well as through their amortization process, the Company recognizes a gain or a loss in the profit and loss account (income statement).

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

Other financial assets and liabilities

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

4. Management of significant risks

The risk management activity can be found in the Company organizational structure, and it addresses both general and specific risks.

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

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

4.1 Financial risks

(a) Market risk

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

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

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

Concentration risk

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

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

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

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

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

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

(i) Equity (own capital) price risk

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

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

The Board of Directors monitors the market risk management, and the internal procedures require that when price risks are not consistent with the Company's investment policy and principles, the portfolio must be rebalanced.

A positive change of 10% in the price of financial assets at fair value through profit and loss (shares of subsidiaries, associates, fund units and corporate bonds) would lead to an increase in profit after tax by RON 150,128,169 (December 31, 2020: RON 130,238,674), a negative change of 10% having an equal net impact in the opposite direction.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of tax, of RON 127,292,644 (December 31, 2020: RON 112,627,921), a negative change of 10% having an equal net impact in the opposite direction.

The company holds stakes in companies operating in various sectors. As it can be noticed from the table below, as of September 30, 2021, the Company mainly held shares in companies in the banking-financial

and insurance field, having a weight of 50% on the total portfolio, slightly up vs. 49.1% as of December 31, 2020.

in RON	September 30, 2021	%	December 31, 2020	%
Financial intermediation and insurance	1,333,294,969	50.0%	1,153,509,071	49.1%
Manufacturing industry	696,964,865	26.1%	574,531,935	24.5%
Hotels and restaurants	97,545,126	3.7%	100,015,985	4.3%
Wholesale and retail trade, repair of motor vehicles	39,909,402	1.5%	30,964,570	1.3%
Production and supply of energy, gas, and water	14,198,658	0.5%	12,951,575	0.6%
Extractive industry	16,390,671	0.6%	13,037,218	0.6%
Other activities	1,180,179	0.0%	3,738,815	0.2%
Financial services applicable to real estate	418,055,016	15.7%	415,606,095	17.7%
Constructions	604,908	0.0%	197,061	0.0%
Transportation and storage	46,248,836	1.7%	42,978,421	1.8%
Rental of real-estate	1,044,422	0.0%	1,104,583	0.0%
Agriculture, forestry, and fishing	152,502	0.0%	411,121	0.0%
TOTAL	2,665,589,554	100%	2,349,046,451	100%

The increase in the total value of the portfolio under management compared to the end of the previous year is due to the progress of the capital markets in the first 9 months of the year, with a favourable influence on the market prices of listed financial assets in the Company's portfolio.

As of September 30, 2021, and December 31, 2020, the Company holds fund units in the closed end investment funds Active Plus, Optim Invest, Certinvest Shares, Star Value, and Romania Strategy Fund. The Company is exposed to price risk in terms of placements made with different risk degrees by these Investment Funds, the fair value of the investments in these assets being as of September 30, 2021, of RON 387,327,970 (December 31, 2020: RON 305,468,130).

(ii) *Interest rate risk*

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

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

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

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

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

The following table shows the annual interest rates earned by the Company for interest-bearing assets during first nine months of 2021:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Bank deposits	0.00	1.65	0.06	0.12
Financial assets at fair value through profit and loss*	3.50	4.16	6.00	6.00
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	-	-

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

** Corporate bonds in euro issued by Impact are included in the financial assets at fair value through other items of comprehensive income

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

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Bank deposits	0.77	2.75	0.00	0.00
Financial assets at fair value through profit and loss*	4.15	5.16	5.91	6.00
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	13.00	13.00

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

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

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

in RON	September 30, 2021	December 31, 2020
Cash and cash equivalent*	189,777,331	114,600,000
Financial assets at fair value through profit and loss – corporate bonds	37,612,296	48,303,551
Financial assets at fair value through comprehensive income – corporate bonds	5,194,455	5,102,644
TOTAL	232,584,082	168,006,195

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

The impact on the Company's net profit (through interest income) of a change of $\pm 1.00\%$ in the interest rate on variable interest rate assets and liabilities denominated in other currencies in conjunction with a change of $\pm 1.00\%$ in the interest rate related to the assets and liabilities bearing variable interest and expressed in RON is of RON 1,953,706 (December 31, 2020: +/- RON 1,411,252).

For bonds recorded at fair value (level 1 & level 2) held, a variation of +/- 5% of their market price determines a net impact in the amount of +/- RON 1,579,716 (December 31, 2020: RON +/- 2,028,749) in the profit and loss account, respectively in the amount of +/- RON 218,167 (December 31, 2020: +/- RON 214,311) in other comprehensive income.

(iii) Currency risk

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

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

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

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

The Company's assets and liabilities in RON and foreign currencies on September 30, 2021, and December 31, 2020 can be analysed as follows:

Financial assets exposed to foreign currency risk (in RON) in RON	September 30, 2021	December 31, 2020
Cash and cash equivalent	392,165,979	34,944,113
Financial assets at fair value through profit and loss – (including assets held by investment funds) *	17,140,970	28,483,377
Financial assets at fair value through comprehensive income**	193,563,730	180,596,402
Investments measured at amortized cost	-	-
Total assets	602,870,679	244,023,892
Liabilities on leasing contract	(781,723)	(934,521)
Total liabilities	(781,723)	(934,521)
Net financial assets	602,088,956	243,089,371

* Financial assets at fair value through profit or loss include euro bonds and foreign exchange holdings of closed-end investment funds, proportional to the Company's holding in their net assets (as of 31.12.2020 also the value of bonds denominated in euro).

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

Selected explanatory notes to the condensed financial statements as of September 30, 2021

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

	September 30, 2021		December 31, 2020	
	Impact on P&L	Impact on OCI	Impact on P&L	Impact on OCI
EUR increase with 5% (2020: 5%)	17,379,698	7,908,038	2,839,388	7,370,366
EUR decrease with 5% (2020: 5%)	(17,379,698)	(7,908,038)	(2,839,388)	(7,360,366)
Total	-	-	-	-

(b) Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet their contractual obligations, or a financial engagement in which it has entered into a relationship with the Company, thus resulting in a loss for the Company. The Company is exposed to credit risk as a result of investments in bonds issued by commercial companies or the Romanian State, current accounts and bank deposits and other receivables. The management of the Company closely and constantly monitors the exposure to credit risk so that it does not suffer losses as a result of the concentration of credit in a certain sector or field of activity.

As of September 30, 2021 and December 31, 2020, the Company did not have any real collaterals as insurance, nor any other improvements in the credit rating.

As of September 30, 2021 and December 31, 2020, the Company did not record any outstanding financial assets, for which it had not recorded any impairment adjustments.

Below are presented the financial assets with exposure to credit risk:

September 30, 2021	Current accounts	Bank deposits	Bonds (measured at FVOCI)	Bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>						
Rating AAA to A-						
BBB+	75,555,549	10,050,000	-	-	-	85,605,549
BBB	22,061	-	-	-	-	22,061
BBB-	19,763,489	178,127,331	-	-	-	197,890,820
BB+	119,209,296	1,600,000	-	-	-	120,809,296
Baa2	2,632	-	-	-	-	2,632
NR	-	-	5,277,104	37,852,740	49,205,553	92,335,397
TOTAL	214,553,027	189,777,331	5,277,104	37,852,740	49,205,553	496,665,755

December 31, 2020	Current accounts	Bank deposits	Bonds (measured at FVOCI)	Bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>						
Rating AAA to A-						
BBB+	35,058,726	90,600,000	-	-	-	125,658,726
BBB	22,683	-	-	-	-	22,683
BB+	941,635	24,000,000	-	-	-	24,941,635
Baa1	3,153	-	-	-	-	3,153
NR	-	-	5,111,504	49,195,115	5,973,797	60,280,417
TOTAL	36,026,197	114,600,000	5,111,504	49,195,115	5,973,797	210,906,614

The Company's maximum exposure to credit risk is of RON 496,665,755 as of September 30, 2021 (December 31, 2020: RON 210,906,614) and can be analysed as follows:

Credit rating				September 30, 2021	December 31, 2020
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	33,463,290	34,554,259
Banca Transilvania	BB+	Banca Transilvania	Fitch	120,809,296	24,941,635
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	52,141,790	91,103,916
CEC Bank**	BBB-		Fitch	98,947,216	-
Exim Bank	BBB-	Exim Bank Romania	Fitch	98,943,604	-
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	22,061	22,683
Raiffeisen Bank Romania	Baa2	Raiffeisen Bank Romania	Moody's	2,632	3,153
UniCredit Tirioc	BBB+	UniCredit Tirioc	Fitch	469	552
TOTAL (Note 12 and 13)				404,330,358	150,626,197

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

Selected explanatory notes to the condensed financial statements as of September 30, 2021

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

The Company's exposure to credit and counterparty risk through corporate bonds held as of September 30, 2021 is presented in the following table:

Issuer	Quantity	Nominal value	Interest rate	Value as of September 30, 2021 (RON)	Maturity
Impact SA*	EUR 210	5,000.00	5.75%	5,194,455	2022
Vrancart SA**	RON 368,748	100.00	3.50%	37,612,296	2024
Total				42,806,751	

* fixed interest rate | ** variable interest rate

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

Issuer	Quantity	Nominal value	Interest rate	Value as of December 31, 2020 (RON)	Maturity
Impact SA*	Eur 210	5,000.00	5.75%	5,102,644	2022
Vrancart SA**	RON 368,748	100.00	5.04%	37,612,296	2024
SIFI BH Retail SA*	Eur 1,100	2,000.00	6.00%	10,691,225	2021
Total				53,406,195	

* fixed interest rate | ** variable interest rate

(c) Liquidity risk

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

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

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

The breakdown of assets and liabilities was analysed based on the remaining period from the balance sheet date to contractual maturity date, both as of September 30, 2021 and December 31, 2020, as follows:

in RON

	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
September 30, 2021					
Financial assets					
Cash and cash equivalent	325,154,887	325,154,887	-	-	-
Bank deposits	79,193,283	-	79,193,283	-	-
Financial assets at FVTPL	1,604,449,126	240,444	-	37,612,296	1,566,596,386
Financial assets at FVTOCI	1,491,598,240	82,649	-	5,194,455	1,486,321,136
Financial assets at amortized cost	-	-	-	-	-
Other financial assets	50,498,070	50,498,070	-	-	-
Total financial assets	3,550,893,606	375,976,050	79,193,283	42,806,751	3,052,917,522
Financial liabilities					
Liabilities on leasing contract	781,723	55,961	177,955	547,807	-
Liabilities income tax	12,317,362	12,317,362	-	-	-
Other financial liabilities	7,710,203	7,710,203	-	-	-
Total financial liabilities	20,809,288	20,083,526	177,955	547,807	-
Liquidity surplus	3,530,084,318	355,892,524	79,015,328	42,258,944	3,052,917,522

in RON

	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
December 31, 2020					
Financial assets					
Cash and cash equiv.	150,710,816	150,710,816	-	-	-
Bank deposits	-	-	-	-	-
Financial assets at FVTPL	1,394,390,304	11,582,819	-	37,612,296	1,345,195,189
Financial assets at FVTOCI	1,314,430,895	-	8,860	5,102,644	1,309,319,391
Financial assets at amortized cost	-	-	-	-	-
Other financial assets	7,379,529	7,379,529	-	-	-
Total financial assets	2,866,911,544	169,673,165	8,860	42,714,940	2,654,514,579
Financial liabilities					
Liabilities on leasing contract	934,521	55,090	165,215	714,216	-
Other financial liabilities	6,673,694	6,673,694	-	-	-
Total financial liabilities	7,608,215	6,728,784	165,215	714,216	-
Liquidity surplus	2,859,303,329	162,944,381	(156,355)	42,000,725	2,654,514,579

4.2 Other risks

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

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

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

The risk management has in view the maximization of Company's profit in relation to the risk level it is exposed to.

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

(a) Taxation risk

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

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

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

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

(b) Economic environment risk

SIF Banat-Crişana's management cannot predict all the effects of the international economic developments with an impact on the financial sector in Romania but has confidence in that in the first six months of 2021 has adopted the necessary measures for the Company's sustainability and development under the present state of the financial market by monitoring its cash flows and adapting its investment policies.

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

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

The risk management aims at: (i) identifying and assessing significant risks with major impact in achieving the target investment and developing activities to counter the risk identified; (ii) adapting the risk management policies to the developments in the financial capital market, monitoring performance and

improving risk management procedures; (iii) reviewing investment decisions in line with the development of the capital and money market; (iv) compliance with the legislation in force.

During the first nine months of 2021, the global economic and financial environment was significantly influenced both by the monetary and fiscal measures adopted mainly by the US to counter the effects of the pandemic and by information on the progress of global covid vaccination campaigns and their influence on the pace of complete reopening and returning to "normal" of economic and social activities. From an investment point of view, the efficient management of the portfolio in this context will have to consider (1) the sustainability of accelerated increases in financial asset prices (implicitly of global and local stocks) and (2) the increased likelihood of inflation, both against the background of monetary policies over the last decade and the recent direct stimulus of consumption, and its impact on asset returns.

(c) Operational risk

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

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

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

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

(d) Capital adequacy

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

The Company's equity includes the share capital, various types of reserves and the retained earnings. Equity amounted to RON 3,361,733,926 as of September 30, 2021 (RON 2,729,904,691 as of December 31, 2020).

5. Dividend income

As per IFRS 9 and since the Company has opted to measure shareholdings through other comprehensive income, dividends from these shareholdings are recognized as income unless they are a substantially recovery of the cost of investment. Dividend income is recorded as gross value. The tax rate for dividends from companies was 0%, 5%, 27.5% (2020: 0% and 5%). The breakdown of dividend income on the main counterparties is shown in the table below:

<i>denominated in RON</i>	September 30, 2021	September 30, 2020	Measurement
SIF Imobiliare PLC	52,286,577	-	FVTPL
Banca Transilvania	21,951,593	-	FVTOCI
Azuga Turism	10,009,139	-	FVTPL
Biofarm	7,966,125	11,224,994	FVTPL
Vrancart SA	7,511,836	-	FVTPL
SAI Muntenia Invest	6,698,660	12,237,552	FVTOCI
Conpet	3,880,988	3,968,618	FVTOCI
Erste Bank	3,556,506	18,343	FVTOCI
IAMU Blaj	3,067,867	3,067,867	FVTPL
BT Asset Management	2,000,000	-	FVTOCI
SNP Petrom	1,111,840	1,111,840	FVTOCI
BRD - Groupe Société Générale	1,019,801	-	FVTOCI
SIF Oltenia	580,414	1,160,829	FVTOCI
Evergent Investments (SIF Moldova)	496,605	3,005,937	FVTOCI
Antibiotice Iasi	46,843	423,328	FVTOCI
Others	539,817	567,632	FVTOCI
SIFI CJ Logistic	81,184	-	FVTPL
Uniteh	-	7,770,077	FVTPL
SNGN ROMGAZ	-	2,530,384	FVTOCI
Gaz Vest Arad	-	752,117	FVTPL
SNTGN Transgaz	-	678,282	FVTOCI
Electrica	-	477,389	FVTOCI
Rompetrol Well Services	-	242,181	FVTOCI
Total	122,805,794	49,237,370	

Selected explanatory notes to the condensed financial statements as of September 30, 2021

<i>denominated in RON</i>	September 30, 2021	September 30, 2020	Measurement
FVTOCI	41,883,066	26,422,315	
FVTPL	80,922,728	22,815,055	
FVTPL = financial assets at fair value through profit and loss FVTOCI = financial assets at fair value through other comprehensive income			

6. Interest income

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

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Interest income on deposits and current bank accounts	1,186,389	1,546,658
Interest income on bonds measured at amortized cost	-	3,871,677
Interest income on assets measured through other comprehensive income (corporate bonds)	222,730	219,845
	1,409,119	5,638,180

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

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Interest income on corporate bonds	1,037,462	1,930,520
	1,037,462	1,930,520

7. Other operating income

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Income from adjustments for impairment of receivables	113,215	-
Other operating income	242,650	137,753
	355,864	137,753

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

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Profit / (Loss) from measurement of fund units	82,749,308	(65,322,245)
Profit / (Loss) from measurement of bonds	21,232	(222,116)
Profit / (Loss) from measurement of shares in subsidiaries and associates	139,541,358	(23,810,900)
Total	222,311,898	(89,355,261)

As of September 30, 2021 and September 30, 2020, the Company measured the investments held in fund units, the shares held in subsidiaries and associates (measured at level 1), and the bonds held, through the profit and loss account, resulting an increase of RON 221.4m (September 30, 2020: decrease amounting to RON 91m).

During the first 9 months of 2021 and 2020, the amount of RON 0.9m was collected (September 30, 2020: RON 1.7m) transferred by Certinvest Investment Fund, representing dividends received from the companies in the portfolio, in proportion to the SIF1 shareholding.

9. Fees and commissions expenses

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Financial Supervisory Authority commissions	2,183,648	1,993,997
Depository fees	688,629	487,447
Commissions due for transactions	846,165	152,684
Registry fees	135,000	108,000
Other fees and commissions	88,582	61,671
Total	3,942,024	2,803,799

10. Other operating expenses

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Expenses with other taxes, fees, and assimilated payments	92,628	212,236
Expenses with salaries and other personnel expenses	8,983,454	7,540,792
Depreciation expenses	211,002	208,976
Expenses for external services	1,492,352	2,886,530
Expenses on interest and depreciation of assets with the right to use under the leasing contract	213,905	222,456
Total	10,993,340	11,070,991

Selected explanatory notes to the condensed financial statements as of September 30, 2021

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Expenses with salaries	6,361,864	6,337,844
Stock Option Plan expenses	2,198,533	852,865
Expenditure on insurance and social protection	308,677	246,733
Other personnel expenses	114,380	103,350
Total	8,983,454	7,540,792

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

In the period ended on September 30, 2021, the average number of employees was of 34 (September 30, 2020: 34), and the actual number of employees recorded at the end of the reporting period was of 34 (September 30, 2020: 34).

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

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

11. Income tax

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Current income tax		
Current income tax (16%)	11,243,387	-
Tax on dividend (0%, 5%, 27.5%)	2,462,966	708,318
Expense on / (income from) deferred tax		
Financial assets at FVTOCI	-	-
Financial assets at FVTPL	-	-
Tangible assets / Investment property	(103,159)	(43,042)
Total income tax recognized in profit or loss	13,603,194	665,276

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

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

<i>denominated in RON</i>	September 30, 2021	September 30, 2020
Profit before tax	335,199,734	(41,764,383)
Tax under statutory tax rate of 16% (2020: 16%)	53,631,957	(6,682,301)
Income tax effect of:		
Tax on dividend (0%, 5%, 27.5%*)	2,462,966	708,318
Non-deductible expenses and similar items	4,912,048	10,675,988
Non-taxable revenues	(44,985,183)	(13,812,543)
Revenue related items	19,621,067	361,950
Expenses related items	-	-
Recoverable tax loss	(1,396,849)	9,456,907
Deferred tax	(103,159)	(43,042)
Amounts of sponsorship within legal limits and other deductions	(1,050,282)	-
Tax recognized in retained earnings	(19,489,371)	-
Income tax	13,603,194	665,276

* withheld at source according to Austrian tax rules, in the case of dividends distributed by Erste Bank. The actual tax is to be regularized in future financial years on account of the double taxation convention between Romania and Austria.

12. Cash and cash equivalents

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Cash in hand and other valuables	3,106	19,449
Current accounts in banks	214,553,027	36,026,197
Deposits in banks with original maturity less than 3 months (including interest)	110,598,753	114,665,170
Cash and cash equivalents with maturity less than 3 months	325,154,887	150,710,816

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

13. Bank deposits

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Deposits in banks with original maturity over 3 months (including interest)	79,182,857	-
Attached interest	10,426	-
Total	79,193,283	-

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

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Shares	1,179,268,416	1,039,727,059
Fund units	387,327,970	305,468,130
Corporate bonds (including attached interest)	37,852,740	49,195,115
Total	1,604,449,126	1,394,390,304

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

The movement of the financial assets measured at fair value through profit and loss account as of September 30, 2021, is presented in the table below:

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds	Total
January 1, 2021	1,039,727,058	305,468,130	49,195,115	1,394,390,304
Acquisitions	-	-	-	-
Sales	-	-	(10,712,680)	(10,712,680)
Change in interest receivable	-	-	(651,121)	(651,121)
Change in fair value (including foreign exchange differences)	139,541,358	81,859,840	21,425	221,422,623
September 30, 2021	1,179,268,416	387,327,970	37,852,740	1,604,449,126

As of September 30, 2021, the participations held in subsidiaries and associated entities were valued at fair value, the difference being a favourable one, amounting to RON 139.54m (vs. the value on December 31, 2020).

The valuation of the fund units at fair value as of September 30, 2021, generated a favourable difference of RON 81.86m (vs. the value on December 31, 2020).

Outflows on corporate bonds represent the redemption at maturity of the principal of the bonds issued by SIFI BH Retail S.A.

The movement of financial assets measured at fair value through profit and loss account in 2020 is presented in the following table:

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds	Total
January 1, 2020	804,587,514	366,420,749	55,782,890	1,226,791,154
Acquisitions	158,938,967	497,690	-	159,436,657
Sales	(4,882,742)	-	(6,568,790)	(11,451,432)
Change in interest receivable	-	-	(228,402)	(228,402)
Change in fair value (including foreign exchange differences)	81,083,319	(61,450,309)	209,417	19,842,426
December 31, 2020	1,039,727,058	305,468,130	49,195,115	1,394,390,304

Acquisitions made during 2020 include shares of entities classified as subsidiaries and fund units of Certinvest Shares. Sales of shares include the value of Somplast SA shares. Within corporate bonds, the outflows represent the equivalent value of Banca Transilvania bonds repurchased at maturity.

15. Financial assets measured at fair value through other comprehensive income

The movement of financial assets measured at fair value through other comprehensive income during the first three quarters of 2021 is presented in the table below:

<i>denominated in RON</i>	Shares *	Corporate bonds**
January 1, 2021	1,309,319,391	5,111,504
Acquisitions	-	-
Sales	(188,294,195)	-
Change of interest receivable	-	73,789
Change in fair value (including foreign exchange differences)	365,295,941	91,811
September 30, 2021	1,486,321,136	5,277,104

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

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

The sales of shares amounting to RON 188.3m mainly include the sale of shares in Evergent Investments, Erste Bank, Banca Transilvania, BT Asset Management, Iproeb, Rompetrol Well Services and Compa. The gain on transactions amounting to RON 112.97 was recognized in the retained earnings.

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

<i>denominated in RON</i>	Shares *	Corporate bonds**
January 1, 2020	1,503,213,414	5,053,634
Acquisitions	7,459,123	-
Sales	(65,497,597)	-
Change of interest receivable	-	(1,417)
Change in fair value (including foreign exchange differences)	(135,855,548)	59,288
December 31, 2020	1,309,319,391	5,111,504

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

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

Purchases of shares in 2020, in the total amount of RON 7.5m mainly include the acquisition of Banca Transilvania shares in the amount of RON 4.4m and BVB amounting to RON 2.5m.

The sales of shares, in the amount of RON 65.5m, mainly include the sale of shares of Romgaz, Transgaz and Electrica.

The gain on transactions amounting to RON 3.9m was recognized in the retained earnings.

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

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

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

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

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

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

September 30, 2021	Level 1	Level 2	Level 3	Total
<i>denominated in RON</i>				
Financial assets at fair value through profit and loss - shares	399,840,322	-	779,428,095	1,179,268,417
Financial assets at fair value through profit and loss - fund units	387,327,970	-	-	387,327,970
Financial assets at fair value through profit and loss - bonds	37,852,740	-	-	37,852,740
Financial assets at fair value through other comprehensive income - shares	1,370,592,397	-	115,728,740	1,486,321,137
Financial assets at fair value through other comprehensive income - corporate bonds	5,277,104	-	-	5,277,104
Investment property	-	-	12,255,013	12,255,013
Land and buildings	-	-	3,505,000	3,505,000
	2,200,890,533	-	910,916,848	3,111,807,381

December 31, 2020

<i>denominated in RON</i>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss – shares	277,335,076	-	762,391,983	1,039,727,059
Financial assets at fair value through profit and loss – fund units	305,468,130	-	-	305,468,130
Financial assets at fair value through profit and loss – bonds	37,898,081	11,297,035	-	49,195,115
Financial assets at FVOCI - shares	1,183,689,056	-	125,630,335	1,309,319,392
Financial assets at FVOCI – corporate bonds	5,111,504	-	-	5,111,504
Investment property	-	-	13,180,199	13,180,199
Land and buildings	-	-	3,602,488	3,602,488
	1,809,501,847	11,297,035	904,805,005	2,725,603,887

During first nine months of 2021, no transfers between the levels of fair value were made.

16. Other financial assets

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Sundry debtors	50,440,739	7,196,933
Other financial assets	57,331	182,596
Impairment for depreciation of sundry debtors	(1,292,517)	(1,405,732)
Total	49,205,553	5,973,797

Sundry debtors mainly include dividends receivable from portfolio companies (RON 20.9m) and the advance for the public offer for SIF1 stock buyback (RON 28m).

17. Investment property

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Balance on January 1	13,180,199	20,047,164
Entries	-	-
Sales	(926,060)	(9,636,800)
Changes in fair value – gain/(loss)	874	2,769,835
Balance at the end of period	12,255,013	13,180,199

During first nine months of 2021 the building of the former branch in Timișoara was sold. In 2020 a building located in Timișoara was sold, the gain on transaction amounting to RON 2.47 million.

18. Other financial liabilities

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Debts to employees and related contributions	683,757	2,370,287
Taxes and dues	-	1,806
Suppliers and creditors	7,026,445	4,301,601
Total	7,710,203	6,673,694

19. Deferred tax liabilities

Deferred tax assets and liabilities on September 30, 2021, and December 31, 2020, are generated by the elements detailed in the following tables:

September 30, 2021

<i>denominated in RON</i>	Assets	Liabilities	Net
Financial assets at FVOCI	-	1,136,814,190	(1,136,814,190)
Tangible assets and investment property	-	12,958,054	(12,958,054)
Total		1,149,772,244	(1,149,772,244)
Net temporary differences - 16% rate			(183,963,560)
Deferred tax liabilities			(183,963,560)

December 31, 2020

<i>denominated in RON</i>	Assets	Liabilities	Net
Financial assets at FVOCI	-	900,346,816	(900,346,816)
Tangible assets and investment property	-	13,602,799	(13,602,799)
Total	-	913,949,615	(913,949,615)
Net temporary differences - 16% rate	-	-	(913,949,615)
Deferred tax liabilities	-	-	(146,231,940)

Deferred tax liabilities in balance on September 30, 2021, amounting to RON 183,963,560 (2020: RON 146,231,940) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 177,755,670 (2020: 135,339,025), being entirely generated by reserves for financial assets measured at fair value through other comprehensive income (FVOCI)
- the deferred tax related mainly to the differences from inflation of the financial assets and the impairment adjustments, amounting to RON 6,207,890 recognized in retained earnings (2020: RON 10,892,914).

20. Capital and reserves

(a) Share capital

As of September 30, 2021, the share capital of SIF Banat-Crişana amounts to RON 51,542,236.30, divided into 515,422,363 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by the conversion into shares of the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As of September 30, 2021, the number of shareholders was of 5,744,881 (December 31, 2020: 5,747,126).

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

All shares are ordinary shares, were subscribed and fully paid as of September 30, 2021 and December 31, 2020. All shares have equal voting rights and a nominal value of RON 0.1/share. The number of shares authorized to be issued is equal to the shares issued.

The EGM of April 27, 2020 approved:

- the reduction of the share capital of the Company pursuant to art. 207 par. (1) section c) of Law no. 31/1990, from RON 51,746,072.4 to RON 51,542,236.3 following the cancellation of a number of 2,038,361 own shares acquired by the company, within the buyback programs.
- the use of a number of 880,000 shares, held by the Company and repurchased pursuant to the EGM resolution of April 26, 2018, for their distribution free of charge to members of the Company's management (administrators, directors), in a Stock Option Plan, approved by the Resolution of EGM held on April 22, 2019. The Board of Directors of the Company approved at the end of May 2020 the "Share-based Payment Plan". The Stock Option Plan was completed in May 2021, by which there was granted to members of Company's leadership, free of charge, 880,000 SIF1 shares.
- the execution of a buyback program for 15,000,000 own shares ("Program I") to reduce the Company's share capital;
- the buyback of a maximum of 880,000 shares ("Program II"), for their distribution free of charge to the members of the Company's management (administrators, directors), in order to build their loyalty as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The Board of Directors of the Company approved in August 2020 the "Share-based Payment Plan", which is ongoing.

The EGM of November 2, 2020 approved:

- the partial revocation of the Resolution of the Extraordinary General Meeting of Shareholders of April 22, 2019, published in the Official Gazette of Romania, Part IV, no. 2154 / 23.05.2019, namely of article 1 of this resolution, which approved the execution of a buyback program for a maximum of 15,000,000 shares;
- the execution of a Buyback ("Program 3") by the Company, in compliance with the applicable legal provisions and having the following main characteristics: (i) The purpose of Program 3: The Company will repurchase shares under Program 3 in order to reduce its share capital; (ii) Maximum number of shares that can be repurchased: 15,000,000 shares at most; (iii) Minimum price per share: RON 0.1 (iv) Maximum price per share: RON 5.1020 (v) Duration of Program 3: maximum 12 months from the date of publication of the resolution in the Official Gazette of Romania, part IV; (vi). Payment for shares acquired under Program 3 will be made from the sources provided by law.

denominated in RON

	September 30, 2021	December 31, 2020
Share capital*	51,542,236	51,542,236
Total	51,542,236	51,542,236

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

(b) Retained earnings

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Retained earnings from the transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from application of IFRS 9 (including gains on transactions)	305,994,026	207,935,766
Undistributed profit	18,874,346	18,874,346
Result for the period	321,596,541	92,122,406
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,062,005	2,062,005
Total	1,070,850,626	743,318,231

(c) Other reserves

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Reserves allotted from the net profit	995,838,093	903,715,687
Reserves set-up under Law no. 133/1996*	145,486,088	145,486,088
Reserves from written-off dividends	88,420,910	88,420,910
Reserves from exchange rate differences and investment facilities	19,832,946	19,832,946
Total	1,249,578,037	1,157,455,631

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

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

(d) Legal reserves

Pursuant to the legal requirements, the Company set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as of September 30, 2021, amounts to RON 10,308,447 (December 31, 2020: RON 10,308,447).

Legal reserves cannot be distributed to shareholders.

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

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

Reserves are recorded net of related deferred tax. The amount of deferred tax recognized directly through impairment of equity is shown in Note 19.

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

<i>denominated in RON</i>	September 30, 2021	December 31, 2020
Differences from changes in fair value of financial assets measured through other comprehensive income (bonds)	-	(8,511)
Differences from changes in fair value of financial assets measured through other comprehensive income (shares)	976,400,703	766,485,550
Total	976,400,703	466,477,039

(f) Dividends

During the first nine months of 2021 there was no approval for dividend distribution. During 2020, there was no approval of a dividend distribution from the profit of the financial year 2019.

(g) Effect of hyperinflation (IAS29)

The effect of hyperinflation over the share capital amounting to RON 642,622,709 and over the reserve set-up under Law no. 133/1996 amounting to RON 1,960,189,603 was recorded by reducing the retained earnings, resulting in an accumulated loss related to applying IAS 29 on the capital items in the amount of RON 2,602,812,312 (December 31, 2020: RON 2,602,812,312), with no impact on total value of equity (own capital).

<i>denominated in RON</i>	Effect of applying IAS 29 on share capital	Effect of applying IAS 29 on reserve set-up under Law no. 133/1996	Effect on retained earnings of applying IAS 29 on equity items
Balance on January 1, 2020	645,164,114	1,960,189,603	(2,605,353,717)
Reduction	(2,541,405)	-	2,541,405
Balance on December 31, 2020	642,622,709	1,960,189,603	(2,602,812,312)
Balance on January 1, 2021	642,622,709	1,960,189,603	(2,602,812,312)
Reduction	-	-	-
Balance on September 30, 2021	642,622,709	1,960,189,603	(2,602,812,312)

21. Earnings per share

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

<i>denominated in RON</i>	September 30, 2021	June 30, 2020
Profit attributable to ordinary shareholders	321,596,540	(46,094,114)
Weighted average number of ordinary shares	514,980,751	514,542,363
Basic earnings per share	0.624	(0.090)

Diluted earnings per share equals basic earnings per share, as the Company did not record potential ordinary shares. Between September 29 and October 12, 2021, a public offer for stock buyback was carried out, in which a number of 8,792,307 shares were repurchased. If this operation had been completed on September 30, the weighted average number of ordinary outstanding shares would have been 514,948,545 shares and the basic earnings per share would have been of RON 0.625.

22. Contingent assets and liabilities

(a) Litigations in court

As of September 30, 2021, the Legal Office of the Company reported there were 107 litigations ongoing in Courts. The Company had legal standing in 78 lawsuits, passive legal standing in 20 lawsuits, and intervenient in 9 litigations.

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

(b) Other liabilities

not the case

23. Related parties

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

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

Key management personnel

September 30, 2021

- As of September 30, 2021, the Board of Directors of SIF Banat-Crișana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of September 30, 2021, the members of the executive team of SIF Banat-Crișana are: Bogdan-Alexandru Drăgoi - CEO (General Director), Radu-Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș - Director.

December 31, 2020

- As of December 31, 2020, the Board of Directors of SIF Banat-Crișana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.

- As of December 31, 2020, the members of the executive team of SIF Banat-Crişana were: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu-Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, and Laurențiu Riviș – Director.

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

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

Subsidiaries

As of September 30, 2021, the Company held majority stakes (directly and indirectly) in 15 companies (December 31, 2020: 15). Following the classification of the Company as an investment entity, the subsidiaries performing investment services for the Company (SAI Muntenia and AISA) remained in the scope of consolidation and the other subsidiaries were deconsolidated.

Associated entities

The number of entities in which the Company holds stakes between 20% and 50% of the share capital as of September 30, 2021 is of 18 (December 31, 2020: 19), of which:

- Two entities (Gaz Vest SA Arad, Biofarm SA Bucharest), in which the Company exercises significant influence;
- 4 (December 31, 2020: 4) entities that do not qualify as associates, because the Company does not exercise significant influence in those companies;
- 12 (December 31, 2020: 13) entities in insolvency / liquidation / bankruptcy.

Transactions with related parties during the interim reporting period:

During the first six months of 2021, the Company made the following transactions with affiliated parties:

	September 30, 2021	September 30, 2020
Transactions by profit and loss		
Dividend income, of which:		
SIF Imobiliare PLC	52,286,577	-
Azuga Turism	10,009,139	-
SAI Muntenia Invest	6,698,660	12,237,552
Vrancart	7,511,836	-
Biofarm	7,966,125	11,224,994
IAMU Blaj	3,067,867	3,067,867
Uniteh	-	7,770,077
Total	87,540,204	34,300,490
Interest income, of which:		
VRANCART	998.680	1.295.390
SIFI BH Retail	38.782	481.826
Total	1.037.462	1.777.216
Other expenses, of which:		
Administrare Imobiliare - rent and operating expenses	209,018	207,466
Gaz Vest – supply of natural gas	26,263	28,066
Total	235,281	235,532

Transactions by statement of financial position

	September 30, 2021	December 31, 2020
Other receivables, of which:		
SILVANA CEHU SILVANIEI - dividends	790,389	671,886
SILVANA CEHU SILVANIEI - receivables depreciation adjustments	(565,284)	(671,886)
VRANCART - bonds	37,612,296	37,612,296
VRANCART - interest receivable	240,444	285,785
SIFI BH Retail - bonds	-	10,691,255
SIFI BH Retail - interest receivable	-	605,780
Gaz Vest – dividends receivable	-	752,117
Total	38,077,845	49,947,232
Other debts, of which:		
Gaz Vest SA Arad	-	7,398
Total	-	7,398

24. Events after the interim period

October 11, 2021 - Resolutions of the OGM and EGM

- By the OGM Resolution of October 11, 2021, it was approved the appointment of Deloitte Audit SRL as financial auditor, extending the existing mandate for a period of 2 years.
- By the EGM Resolution of October 11, 2021, it was approved the execution of a stock buyback program ("Program 4") for a maximum of 880,000 shares, for their distribution free of charge to members of the Company's management (administrators, directors) , within a "Stock Option Plan", in compliance with the legislation in force.

October 15, 2021 - The notification on the results of the public tender offer in respect to shares issued by SIF Banat-Crișana was published.

October 21, 2021 – It was published the Convening Notice for the EGM of November 25 (26), 2021 having on the agenda the approval of the method of allocation of the 8,792,307 treasury shares repurchased by the Company. The Convening Notice is published on Company's website.

STATEMENT OF
SIF Banat-Crișana assets and liabilities
AIFRI established by a constitutive act
30.09.2021

Annex 10
as per Reg. 7/2020

ITEM	VALUE [RON]
1 Intangible assets	5,114
2 Tangible assets	3,821,393
3 Investment property	12,255,013
4 Biological assets	-
5 Assets representing rights to use the underlying assets in a leasing contract	717,744
6 Financial assets	3,109,798,139
6.1 Financial assets measured at amortized cost	-
6.2 Financial assets measured at fair value through profit and loss	1,605,658,520
6.2.1 Shares	1,181,215,307
6.2.1.1 Admitted to trading on a trading venue	875,386,415
6.2.1.2.1 in Romania	875,386,415
6.2.1.2.1.1 Traded in the last 30 trading days	400,782,930
6.2.1.2.1.2 Not traded in the last 30 trading days	474,603,485
6.2.1.2.2 in a Member State	-
6.2.1.2.3 in a third country	-
6.2.1.2 Not admitted to trading	305,828,892
6.2.1.2.1 in Romania	305,828,892
6.2.1.2.2 in a Member State	-
6.2.1.2.3 in a third country	-
6.2.2 Corporate bonds	37,115,244
6.2.2.1 Admitted to trading on a trading venue	37,115,244
6.2.2.1.1 in Romania	37,115,244
6.2.2.1.1.1 Traded in the last 30 trading days	-
6.2.2.1.1.2 Not traded in the last 30 trading days	37,115,244
6.2.2.1.2 in a Member State	-
6.2.2.1.3 in a third country	-
6.2.2.2 Not admitted to trading	-
6.2.3 Securities of AIF / UCITS	387,327,970
6.2.3.1 Shares	-
6.2.3.2 Fund units	387,327,970
6.2.3.2.1 Admitted to trading on a trading venue	-
6.2.3.2.2 Not admitted to trading	387,327,970
6.2.3.2.2.1 in Romania	346,966,350
6.2.3.2.2.2 in a Member State	-
6.2.3.2.2.3 in a third country	40,361,620
6.3 Financial assets measured at fair value through other comprehensive income	1,504,139,619
6.3.1 Shares	1,412,283,414
6.3.1.1 Admitted to trading on a trading venue	1,303,038,678
6.3.1.2.1 in Romania	1,114,752,052
6.3.1.2.1.1 Traded in the last 30 trading days	1,100,983,367
6.3.1.2.1.2 Not traded in the last 30 trading days	13,768,685
6.3.1.2.2 in a Member State	188,286,626
6.3.1.2.2.1 Traded in the last 30 trading days	188,286,626
6.3.1.2.2.2 Not traded in the last 30 trading days	-
6.3.1.2.3 in a third country	-
6.3.1.2.3.1 Traded in the last 30 trading days	-
6.3.1.2.3.2 Not traded in the last 30 trading days	-
6.3.1.2 Not admitted to trading	109,244,736
6.3.1.2.1 in Romania	109,244,736
6.3.1.2.2 in a Member State	-
6.3.1.2.3 in a third country	-
6.3.2 Corporate bonds	5,277,104
6.3.2.1 Admitted to trading on a trading venue	5,277,104
6.3.2.1.1 in Romania	5,277,104
6.3.2.1.1.1 Traded in the last 30 trading days	5,277,104
6.3.2.1.1.2 Not traded in the last 30 trading days	-
6.3.2.1.2 in a Member State	-
6.3.2.1.3 in a third country	-
6.3.2.2 Not admitted to trading	-
6.3.3 Securities of AIF / UCITS	86,579,101
6.3.3.1 Shares	86,579,101
6.3.3.1.1 Admitted to trading on a trading venue	86,579,101
6.3.3.1.1.1 in Romania	86,579,101
6.3.3.1.1.1.1 Traded in the last 30 trading days	86,579,101
6.3.3.1.1.1.2 Not traded in the last 30 trading days	-
6.3.3.1.2 in a Member State	-
6.3.3.1.3 in a third country	-
6.3.3.2 Not admitted to trading	-
6.3.3.2 Fund units	-
7 Cash available (cash and cash equivalent)	214,553,741
8 Bank deposits	189,792,036
9 Other assets:	49,207,792
9.1 Dividends or other receivables	20,906,382
9.2 Other assets	28,301,411
10 Accrued expenses	121,126
11 Total assets	3,580,272,099
12 Total liabilities	204,772,847
12.1 Financial liabilities measured at amortized cost	20,809,287
12.2 Deferred income tax liabilities	183,963,560
12.3 Other liabilities	-
13 Provisions for risks and expenses	-
14 Deferred income	16,944
15 Equity, of which:	3,361,733,927
15.1 Share capital	51,542,236
15.2 Items treated as equity	642,622,709
15.3 Other components of equity	978,283,899
15.4 Premium related to capital	-
15.5 Revaluation reserves	1,176,569
15.6 Reserves	3,220,076,087
15.7 Treasury shares	-5,888
15.8 Retained earnings	683,976,306
15.9 Retained earnings first-time adoption of IAS 29 (debtor account)	-2,537,534,532
15.10 Result for the period	321,596,541
16 Net Asset Value	3,375,482,307
17 Number of issued shares	515,422,363
18 Net Asset Value per Share	6,5490
19 Number of companies in the portfolio, of which:	105
19.1 Companies admitted to trading on an EU trading venue	36
19.2 Companies admitted to trading on a stock exchange in a third country	-
19.3 Companies not admitted to trading	69

ANNEX - according to art.38 par. (4) of Law 243/2019

Assets in SIF Banat-Crișana portfolio evaluated using valuation methods in accordance with International Valuation Standards

as of 30.09.2021

No.	Name of the issuer	Tax Identification Code	Symbol	No. of shares held	No./date of valuation report	RON / share	Total value	Valuation method
Companies not admitted to trading where SIF BC stake is > 33% of the share capital								
1	AZUGA TURISM	28330211		786,882	1777/16.08.2021	27.7900	21,867,451	income approach, discounted cash flow method
2	NAPOMAR	199176		10,256,241	1783/16.08.2021	1.0228	10,490,083	income approach, discounted cash flow method
3	CENTRAL	199230		53,120	1784/16.08.2021	748.5587	39,763,438	income approach, discounted cash flow method
4	SAI MUNTENIA INVEST	9415761		119,976	1785/16.08.2021	438.0833	52,559,482	income approach, discounted cash flow method
5	SIF SPV TWO	40094500		119,988	1781/16.08.2021	0.3878	46,531	asset approach, corrected Net Asset method
6	Administrare Imobiliare SA	20919450		16,049,741	1780/16.08.2021	2.8837	46,282,638	asset approach, corrected Net Asset method
7	SIF1 IMGB	380430		301,078,647	1776/16.08.2021	0.7223	217,469,107	asset approach, corrected Net Asset method
Companies admitted to trading with irrelevant liquidity for the application of the mark to market valuation method (according to Art.114 par. (4) of Reg.9 / 2014)								
8	SIF Imobiliare PLC	HE323682	SIFI	4,499,961	1779/16.08.2021	82.3995	370,794,536	asset approach, corrected Net Asset method
9	SIF Hoteluri	56150	CAOR	31,820,906	1778/16.08.2021	1.8159	57,783,583	income approach, discounted cash flow method
10	IAMU	1766830	IAMU	7,286,299	1786/16.08.2021	6.3167	46,025,365	income approach, discounted cash flow method

Leverage and exposure calculated in accordance with the provisions of Regulation (EU) no. 231/2013 - as of 30.09.2021

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,363,314,969	99.64
Commitment method	3,375,482,307	100

SIF Banat-Crișana

**Certification of Depositary Bank,
Banca Comercială Română**

ITEM		Beginning of the reporting period [31.08.2021]				End of the reporting period [30.09.2021]				Differences (RON)
		% of net asset	% of total assets	Currency	RON	% of net asset	% of total assets	Currency	RON	
I	Total assets	105.99	100.00	353,576,614	3,106,812,978	106.07	100.00	585,742,168	2,994,529,931	119,882,506
1	Securities and money market instruments, of which:	67.73	63.90	5,239,495	2,206,019,205	65.79	62.03	193,563,730	2,027,253,710	9,558,740
1.1	Securities and money market instruments admitted or traded on a regulated	62.61	59.07	5,239,495	2,038,926,877	60.21	56.77	5,277,104	2,027,253,710	-11,635,558
1.1.1	shares	61.32	57.85	-	2,001,917,711	58.96	55.59	-	1,990,138,467	-11,779,244
1.1.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.1.3	corporate bonds	1.29	1.22	5,239,495	37,009,166	1.26	1.18	5,277,104	37,115,244	143,687
1.1.4	other debt securities	-	-	-	-	-	-	-	-	0
1.1.5	other securities	-	-	-	-	-	-	-	-	0
1.1.6	money market instruments	-	-	-	-	-	-	-	-	0
1.2	Securities and money market instruments admitted or traded on a regulated market in a member state	5.12	4.83	-	167,092,328	5.58	5.26	188,286,626	-	21,194,298
1.2.1	shares	5.12	4.83	-	167,092,328	5.58	5.26	188,286,626	-	21,194,298
1.2.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.2.3	corporate bonds	-	-	-	-	-	-	-	-	0
1.2.4	other debt securities	-	-	-	-	-	-	-	-	0
1.2.5	other securities	-	-	-	-	-	-	-	-	0
1.2.6	money market instruments	-	-	-	-	-	-	-	-	0
1.3	Securities and money market instruments admitted on a stock exchange in a third country or negotiated on another regulated market in a third country, that operates on a regular basis and is recognized and open to the public, approved by ASF, of which:	-	-	-	-	-	-	-	-	0
2	Newly issued securities	-	-	-	-	-	-	-	-	0
3	Other securities and money market instruments	12.63	11.92	-	412,346,625	12.30	11.59	-	415,073,628	2,727,003
4	Bank deposits, of which:	5.84	5.51	177,687,112	13,132,865	5.62	5.30	178,139,790	11,652,246	-1,027,941
4.1	bank deposits with credit institutions in Romania;	5.84	5.51	177,687,112	13,132,865	5.62	5.30	178,139,790	11,652,246	-1,027,941
4.2	bank deposits with credit institutions in a Member State;	-	-	-	-	-	-	-	-	0
4.3	bank deposits with credit institutions in a third country.	-	-	-	-	-	-	-	-	0
5	Derivatives traded on a regulated market	-	-	-	-	-	-	-	-	0
6	Current accounts and cash	5.26	4.96	170,650,008	1,065,294	6.36	5.99	214,038,648	515,092	42,838,439
7	Money market instruments other than those traded on a regulated market, as referred to in Art. 82(g) of GEO no. 32/2012 - Repo contracts on securities	-	-	-	-	-	-	-	-	0
8	Equity securities of AIF/UCITS (RO: FIA/OPCVM) of which:	13.45	12.69	-	438,994,567	14.04	13.24	-	473,907,071	34,912,504
8.1	AIF shares	-	-	-	75,099,754	-	-	-	86,579,101	-
8.2	UCITS fund units	-	-	-	363,894,814	-	-	-	387,327,970	-
9	Dividends or other rights receivable	0.55	0.52	-	18,027,633	0.62	0.58	-	20,906,382	2,878,749
10	Other assets (amounts in transit, amounts with distributors, with brokers, etc.).	0.53	0.50	-	17,226,789	1.34	1.26	-	45,221,801	27,995,012
II	Total liabilities	5.99	5.65	-	195,436,231	6.07	5.72	-	204,789,791	9,353,561
1	Expenses for the payment of fees due to AIFM	-	-	-	-	-	-	-	-	0
2	Expenses for the payment of fees due to depositary bank	-	-	-	-	-	-	-	-	0
3	Expenses for the payment of fees due to intermediaries	-	-	-	-	-	-	-	-	0
4	Expenses on turnover fees and other banking services	-	-	-	-	-	-	-	-	0
5	Interest expenses	-	-	-	-	-	-	-	-	0
6	Issuance expenses	-	-	-	-	-	-	-	-	0
7	Expenses with the payment of commissions/fees due to ASF	-	-	-	-	-	-	-	-	0
8	Financial audit costs	-	-	-	-	-	-	-	-	0
9	Other approved expenses / liabilities	5.99	5.65	-	195,436,231	6.07	5.72	-	204,789,791	9,353,561
10	Redemptions payable	-	-	-	-	-	-	-	-	0
III	Net Asset Value (I-II)	100.00	94.35	353,576,614	2,911,376,748	100.00	94.28	585,742,168	2,789,740,139	110,528,945

Table 2

Statement of net asset value per share 30.09.2021

RON

ITEM	Current period	Corresponding period of the previous year *	Differences
Net Asset Value	3,375,482,307	2,624,536,099	750,946,208
Number of fund units / shares outstanding	515,422,363	514,542,363	880,000
Net asset value per share	6.5490	5.1007	1.4482

Table 3

DETAILED STATEMENT OF INVESTMENTS AS OF: 30.09.2021

I. Securities admitted or traded on a regulated market in Romania

1. Shares traded in the last 30 trading days (working days)

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Value of share	Total value	Stake of issuer's share capital	Weight in AIFRI total assets
					RON	RON	RON	%	%
1	BANCA TRANSILVANIA	TLV	30-Sep-21	277,092,946	1.00	2.6800	742,609,095	4.3903	20.74
2	BRD - GROUPE SOCIETE	BRD	30-Sep-21	13,615,497	1.00	18.8000	255,971,344	1.9537	7.15
3	BIOFARM	BIO	30-Sep-21	362,096,587	0.10	0.6380	231,017,623	36.7471	6.45
4	VRANCART	VNC	30-Sep-21	774,416,054	0.10	0.2180	168,822,700	75.0633	4.72
5	CONPET	COTE	30-Sep-21	562,740	3.30	82.0000	46,144,680	6.5000	1.29
6	COMPANIA HOTELIERA	RCHI	20-Sep-21	113,934,583	0.10	0.1570	17,887,730	13.6687	0.50
7	OMV PETROM	SNP	30-Sep-21	35,865,800	0.10	0.4570	16,390,671	0.0633	0.46
8	ANTIBIOTICE	ATB	30-Sep-21	14,167,736	0.10	0.5680	8,047,274	2.1104	0.22
9	ARGUS	UARG	29-Sep-21	1,790,432	1.50	1.8000	3,222,778	5.0039	0.09
10	BURSA DE VALORI	BVB	30-Sep-21	115,414	10.00	25.0000	2,885,350	1.4338	0.08
11	COMELF	CMF	28-Sep-21	1,211,907	0.58	1.9000	2,302,623	5.3919	0.06
12	SATURN	SATU	30-Sep-21	346,926	2.50	5.5500	1,925,439	17.5385	0.05
13	ARCELOR MITTAL	SIDG	23-Sep-21	5,921,324	2.00	0.2020	1,196,107	2.9820	0.03
14	PRIMA CONSTRUCT	PCTM	8-Sep-21	90,685	2.50	12.7000	1,151,700	15.6969	0.03
15	SIFI Q LOGISTIC	CACU	30-Sep-21	54,486	2.50	17.3000	942,608	5.5275	0.03
16	INDUSTRIA SARMEI CAMPIA	INSI	16-Sep-21	4,604,082	0.10	0.1350	621,551	1.2497	0.02
17	URBANA	URBA	30-Sep-21	13,208	9.20	27.4000	361,899	16.5830	0.01
18	PROSPECTIUNI	PRSN	30-Sep-21	5,198,500	0.10	0.0510	265,124	0.7240	0.01
19	PROFESSIONAL IMO	PPLI	15-Sep-21	1	1.00	2.5600	3	-	0.00
TOTAL							1,501,766,296.62		41.95

2. Shares not traded in the last 30 trading days (working)

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Value of share	Total value	Stake of in issuer's share capital	Weight in AIFRI total assets
					RON	RON	RON	%	%
1	SIF IMOBILIARE	SIFI	14-Aug-20	4,499,951	4.47	82.3995	370,794,536	99.9997	10.36
2	SIF HOTELURI	CAOR	6-Sep-21	31,820,906	2.50	1.8159	57,783,583	98.9997	1.61
3	IAMU	IAMU	30-Sep-21	7,286,299	2.50	6.3167	46,025,365	76.6967	1.29
4	MOBEX	MOBG	2-Jul-21	443,765	2.50	18.5805	8,245,376	18.0517	0.23
5	REVA	REVA	9-Aug-21	74,777	2.50	48.3390	3,614,645	5.0112	0.10
6	ANTECO	ANTE	29-Jun-21	7,042,220	0.10	0.1460	1,028,164	17.2036	0.03
7	TRANSSEX	TRNG	2-Jul-21	143,577	2.50	6.1326	880,500	2.6965	0.02
8	SOMETRA	SOMR	9-Jul-21	1,217,602	2.50	0.0000	0	4.5814	0.00
9	TALC DOLOMITA	TALD	9-Oct-15	167,108	2.50	0.0000	0	7.8944	0.00
10	ICSH	ICSH	26-Mar-12	84,500	2.50	0.0000	0	1.2891	0.00
11	PETROCART	PTRC	10-Jul-19	11,852,163	0.50	0.0000	0	30.1767	0.00
12	SIFI UNITEH	UNIT	12-Aug-20	158,573	2.50	0.0000	0	36.3399	0.00
13	UCM	UCM	6-Dec-11	1,071,837	0.10	0.0000	0	0.9750	0.00
TOTAL							488,372,170		13.64

3. Shares not traded in the last 30 trading days (working days) for which the financial statements are not obtained within 90 days from the legal date of submission

Not the case

4. Preference rights / allocation rights

Not the case

5. Bonds admitted to trading issued or guaranteed by authorities of local public administration / corporate bonds

No.	Issuer	Bond symbol	Date of last trading session	No. of bonds held	Date of acquisition	Date of coupon	Date of coupon maturity	Initial value	Daily increase	Cummulative interest	Cummulative discount/prime	Market price	Total value	Weight in total issued bonds	Weight in AIFRI total assets
								RON	RON	RON	RON	RON	RON	%	%
1	VRANCART ADJUD	VNC24		368,748	17-Mar-17	25-Jul-21	24-Oct-21	36,874,800	3.536	240,444	0		37,115,244	96.41	1.04
2	IMPACT	IMP22E		210	19-Dec-17	22-Jun-21	19-Dec-21	5,194,455	818	82,649	0		5,277,104	8.39	0.15
TOTAL													42,392,348		1.18

6. Bonds admitted to trading issued or guaranteed by central government authorities

Not the case

7. Other securities admitted to trading on a regulated market

Not the case

8. Amounts being settled for securities admitted or traded on a regulated market in Romania

Not the case

II. Securities admitted or traded on a regulated market in a Member State**1. Shares traded in the last 30 trading days (business days)**

Issuer	ISIN code	Date of last trading session	No. of shares held	Nominal value*	Value of share	NBR currency rate EUR/RON	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
				currency	currency	RON	RON	%	%
ERSTE GROUP BANK AG	EBS	30-Sep-21	1,000,000		38.06	4.9471	188,286,626	0.2327	5.26
TOTAL							188,286,626		5.26

2. Bonds admitted to trading issued or guaranteed by authorities of local public administration , corporate bonds

Not the case

3. Bonds admitted to trading issued or guaranteed by central government authorities

Not the case

4. Other securities admitted to trading on a regulated market of a Member State

Not the case

5. Amounts being settled for securities admitted or traded on a regulated market in a Member State

Not the case

III. Securities admitted or traded on a regulated market in a third country

Not the case

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

Not the case

V. Money market instruments admitted or traded on a regulated market in a Member State

Not the case

VI. Money market instruments admitted or traded on a regulated market in a third country

Not the case

VII. Newly issued securities

Not the case

5. Amounts being settled for shares traded on a other systems than regulated market

Not the case

VIII.2. Other money market instruments

Not the case

IX.Current accounts and cash

1. Current accounts and cash, in RON

No.	Bank name	Present value	Weight in total assets of AIFRI
		RON	%
1	Banca TRANSILVANIA	418,221.72	0.01
2	B.R.D. - G.S.G.	67,116.00	0.00
3	Intesa San Paolo	22,060.94	0.00
4	CEC Bank	75.40	0.00
5	Raiffeisen Bank	185.66	0.00
6	Unicredit Tiriac Bank	469.07	0.00
7	Eximbank	916	0.00
8	BCR	5,334	0.00
9	SIF Banat-Crisana - petty cash	713.49	0.00
TOTAL		515,092.26	0.01

2. Current accounts and cash, demoninated in EURO

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		currency			%
1	Banca TRANSILVANIA	24,011,826.01	4.9471	118,788,904.45	3.32
2	B.R.D. - G.S.G.	6,750,656.76	4.9471	33,396,174.06	0.93
3	Raiffeisen Bank	494.46	4.9471	2,446.14	0.00
4	BCR	8,507,028.59	4.9471	42,085,121.14	1.18
5	CEC Bank	539.04	4.9471	2,666.68	0.00
6	Eximbank	3,994,225.04	4.9471	19,759,830.70	0.55
TOTAL				214,035,143.17	5.98

3. Current accounts and cash, denominated in USD

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		currency			%
1	Banca TRANSILVANIA	204.60	4.2653	872.68	0.00
2	BCR	313.03	4.2653	1,335.17	0.00
TOTAL				2,207.85	0.00

4. Disponibil în conturi curente și numerar denuminate în GBP

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		currency			%
1	Banca TRANSILVANIA	225.89	5.7431	1,297.31	0.00
TOTAL				1,297.31	0.00

X. Depozite bancare pe categorii distincte: constituite la instituții de credit din România / din alt stat membru / dintr-un stat terț

1. Depozite bancare denuminate în lei

Nr. crt.	Denumire bancă	Data constituirii	Data scadentei	Valoare inițială	Creștere zilnică	Dobânda cumulată	Valoare totală	Pondere în activul total al F.I.A.I.R.
				lei	lei	lei	lei	%
	BANCA TRANSILVANIA							
1		30/09/2021	08/10/2021	1,600,000	57.78	57.78	1,600,058	0.04
2		24/09/2021	08/10/2021	10,050,000	312.67	2,188.67	10,052,189	0.28
TOTAL							11,652,246	0.33

2. Bank deposits denominated in foreign currency

No.	Bank name	Set up date	Maturity date	Initial value	Daily increase	Accrued interest	NBR exchange rate EUR/RON	Total value	Weight in total assets of AIFRI
				currency	currency	currency	RON	RON	%
	CEC BANK								
1		13/09/2021	13/10/2021	5,000,500	8.22	147.96	4.9471	24,738,706	0.69
2		13/09/2021	13/10/2021	5,000,000	8.22	147.95	4.9471	24,736,232	0.69
3		24/09/2021	25/10/2021	5,000,000	8.22	57.53	4.9471	24,735,785	0.69
4		24/09/2021	25/10/2021	5,000,000	8.22	57.53	4.9471	24,735,785	0.69
	EXIMBANK								
1		23/08/2021	23/02/2022	5,334,500	14.82	577.90	4.9471	26,393,164	0.74
2		19/08/2021	19/05/2022	5,671,414	18.90	812.90	4.9471	28,061,074	0.78
3		19/08/2021	19/05/2022	5,000,000	16.67	716.67	4.9471	24,739,045	0.69
TOTAL								178,139,790	4.98

XI. Derivatives traded on a regulated market

Not the case

XII. Derivatives traded outside regulated markets

Not the case

XIII. Money market instruments, other than those traded on a regulated market

Not the case

XIV. Equity securities of UCITS/AIF

1. Equity securities denominated in RON

No.	Fund name	Date of last trading session	No. of securities held (shares/fund units)	Value of equity security (NAV/unit)	Market price	Total value	Weight in UCITS/AIF's total equity securities	Weight in total assets of AIFRI
				RON	RON	RON	%	%
Shares								
1	EVERGENT INVESTMENTS	30-Sep-21	1,598,958		1.4450	2,310,494	0.1630	0.06
2	SIF MUNTENIA	30-Sep-21	40,123,500		1.5650	62,793,278	5.1136	1.75
3	SIF OLTENIA	30-Sep-21	11,608,286		1.8500	21,475,329	2.3217	0.60
Fund units								
1	Fondul Inchis de Investitii ACTIVE PLUS		15,050.2178	13,581.6100		204,406,189	76.4216	5.71
2	Fondul Inchis de Investitii OPTIM INVEST		3,494.6900	13,246.7800		46,293,390	28.8772	1.29
3	FIA STAR VALUE		9,382.0000	1,201.1300		11,269,002	17.6939	0.31
4	FIA CERTINVEST ACTIUNI		307.6000	276,325.6500		84,997,770	55.6938	2.37
5	ROMANIA STRATEGY FUND Klasse B		58,000.0000	695.8900		40,361,620	50.8772	1.13
TOTAL						473,907,071		13.24

2. Equity securities denominated in foreign currency

Not the case

3. Amounts under settlement for equity securities denominated in RON

Not the case

4. Amounts under settlement for equity securities denominated in foreign currency

Not the case

XV. Dividend or other receivable rights**1. Dividends receivable**

No.	Issuer	Simbol acțiune	Ex-dividend date	No. of shares held	Gross dividend	Amount receivable	Weight in total assets of AIFRI
					RON	RON	%
1	Banca Transilvania	TLV	22-Sep-21	277,092,946	21,951,593	20,854,013	0.58
2	DEPOZITARUL CENTRAL		12-May-21	9,878,329	32,553	30,925	0.00
3	MOBIROM		28-May-21	11,589	22,572	21,443	0.00
	TOTAL					20,906,382	0.58

2. Shares distributed without consideration in cash

Not the case

3. Shares distributed with consideration in cash

Not the case

4. Amounts payable for shares distributed with consideration in cash

Not the case

5. Preemptive rights (prior to admission to trading and after the trading period)

Issuer of shares	Share symbol	Ex-dividend date	No. of preemptive rights	Theoretical value of preemptive rights	Total value
SOMETRA	SOMRR01	29-Sep-20	1,217,602	0	0
VRANCART	VNCR01	17-May-21	774,416,054	0	0
TOTAL				0	0

Evolution of the net asset value and net asset value per share in the last reporting periods

	September 2021	August 2021	July 2021
Net asset value	3,375,482,307	3,264,953,362	3,146,216,668
Net asset value per share	6.5490	6.3345	6.1042

Explanatory note:

The valuation methods used for the financial instruments for which valuation methods have been chosen in accordance with the valuation standards in force, according to the law are the following:

For the companies: IAMU, NAPOMAR, SAI MUNTENIA INVEST, CENTRAL, SIF HOTELURI, AZUGA TURISM income approach, discounted cash flow method was used;

For the companies: SIF 1 IMGB, ADMINISTRARE IMOBILIARE, SIF IMOBILIARE, SIF SPV TWO the asset approach, the corrected Net Asset method was used

Leverage and exposure value as per Regulation (EU) no. 231/2013

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,363,314,969	99.64
Commitment method	3,375,482,307	100.00

SIF Banat-Crișana

Certification of Depositary Bank,
Banca Comercială Română