



SIF BANAT-CRIȘANA

SIF BANAT-CRIȘANA

HALF YEAR REPORT

JANUARY 1 – JUNE 30, 2021

prepared pursuant to ASF Regulation no. 5/2018, Law no. 24/2017,
and ASF Rule no. 39/2015

this report is provided as a free translation from Romanian, which is the official and binding version

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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, established as self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) – Authorization no. 78/09.03.2018, classified as per the provisions of Law no. 243/2019 as a closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) ▪ Romanian legal entity with entire private capital
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 51,542,236.30 – subscribed and paid-up capital ▪ 515,422,363 shares issued, entirely outstanding ▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none"> ▪ J02/1898/1992 at Trade Registry ▪ Unique Registration Code 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018 ▪ Legal Entity Identifier (LEI Code) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except insurance and pension 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"> ▪ carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force ▪ management of investment portfolio and exercising all of the rights related to the instruments in which investments are made ▪ risk management ▪ other activities auxiliary and associated to the collective investment activity, in accordance with the regulations 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	Arad , 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
BRANCH OFFICE	SIF Banat-Crișana SA Arad-Bucharest Branch-Rahmaninov 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

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

MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RONm]			
	30.06.2020	31.12.2020	30.06.2021
Total assets, of which	2,560.23	2,883.77	3,353.02
Total financial assets	2,539.74	2,859.53	3,323.63
Equity	2,434.84	2,729.90	3,153.95
Total liabilities	125.39	153.87	199.07

FINANCIAL PERFORMANCE [RONm]			
	30.06.2020	31.12.2020	30.06.2021
Income	40.09	94.84	31.07
Gain / (Loss) on investments	(76.99)	27.82	207.59
Expenses	8.68	28.47	10.55
Gross profit / (Loss)	(45.59)	94.18	228.10
Net profit / (Loss)	(46.09)	92.12	216.93

FINANCIAL INDICATORS [%]			
	30.06.2020	31.12.2020	30.06.2021
ROE (net profit / equity)	(1.89)	3.37	7.23
ROA (net profit / total assets)	(1.80)	3.19	6.80
Gross profit margin (gross profit / total revenues)	(44.58)	30.47	95.16

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2020	30.06.2021
Share price (end of period, RON)	2.2000	2.7400
NAV/S* (RON)	5.6051	6.4184
Accounting net asset / share (RON)	5.3055	6.1192
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

OPERATIONAL DATA		
	31.12.2020	30.06.2021
Number of permanent employees, end of period	34	34
Branch offices	1	1

SHAREHOLDING STRUCTURE as of June 30, 2021		
	number of shareholders	holdings
Romanian individuals	5,743,462	40.34%
Non-resident individuals	2,084	0.34%
Romanian legal entities	127	38.99%
Non-resident legal entities	25	20.33%
TOTAL	5,745,698	100%

1. ANALYSIS OF SIF BANAT-CRIȘANA ACTIVITY

Analysis of the portfolio under management

SIF Banat-Crișana's investment strategy 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 objective is the efficient management of a diversified portfolio comprised of high-quality assets, capable of providing a steady 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.

Investments are performed over a certain period, complying to the regulated prudential terms, 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 of the exit transaction.

During the reporting period, SIF Banat-Crișana had under management a complex portfolio, consisting of the following main categories of financial instruments: shares, bonds, and fund units.

Analysing the factors and elements generating effects on the investment activity and on the areas in which SIF Banat-Crișana has exposures, the objectives pursued during H1 2021 continued the investment strategy approved by the shareholders, having as major lines of action:

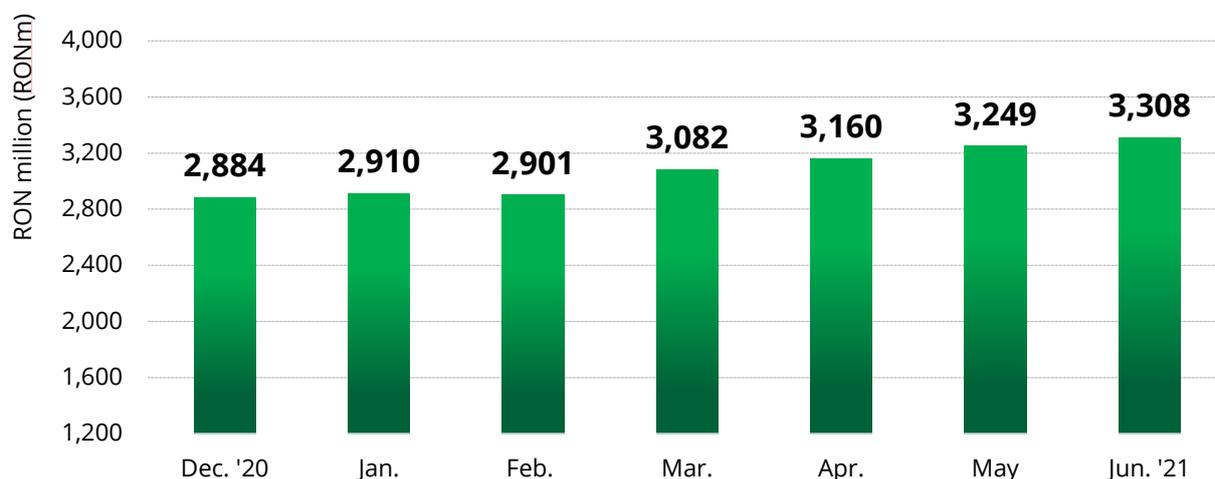
- improving portfolio quality by taking advantage of investment projects in sound businesses or assets, in conditions of optimizing the portfolio risk-return balance;
- continuing the portfolio restructure by reducing exposure on minority shareholdings that do not fit in the Company's investment strategy and in the "core" portfolio;
- active management in the majority shareholdings for the development of the business and their performances;
- efficient portfolio management and maximising its performances, complying with all the regulatory requirements;
- adapting the activity to the major social and economic challenges;
- maintaining transparency and a good corporate governance.

The progress of net asset value

SIF Banat-Crișana's net asset value (NAV) reached **RON 3,308m** at the end of the H1 2021, 14.71% higher as compared to RON 2,884m at 2020-year end. Net asset value per share (NAV/S) was of **RON 6.4184** at the end of H1 2021, as compared to RON 5.6051, the value recorded as of December 31, 2020.

MONTHLY PROGRESS OF NET ASSET VALUE

December 2020 - June 2021



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

The monthly reports for the net asset value (NAV) were submitted to the Bucharest Stock Exchange and Financial Supervisory Authority – Financial Investments and Instruments Sector, and published on SIF Banat-Crișana's website www.sif1.ro no later than 15 days from the end of the reporting month, as per the regulations in force.

Net asset statement (statement of assets and liabilities) as of June 30, 2021, prepared pursuant to annex 16 of the Regulation no. 15/2004, is presented as annex to this report.

The methodology for calculating the net asset value

Throughout H1 2021, the valuation of assets for the calculation of SIF Banat-Crișana's net asset value was performed as per the regulations issued by the Financial Supervisory Authority, complying with 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 of the provisions of ASF Regulation no. 10/2015.

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 evaluated:

- 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 subsection a) 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. SIF Banat-Crișana maintains this valuation method for a period of at least one calendar year, for the respective shares considered illiquid - *valuation method applied starting with the calculation of the net asset value as of June 30, 2021, 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 evaluated 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 evaluated 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 completion 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 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 conditions established by the regulations incident to the operation of the Company.

In the matter of investment policy, for the reporting period are applicable the provisions of Law no. 243/2019 on alternative investment funds are applicable to SIF Banat-Crișana, classified as a Closed-ended, Diversified Alternative Investment Fund, Addressed to Retail Investors (AIFRI).

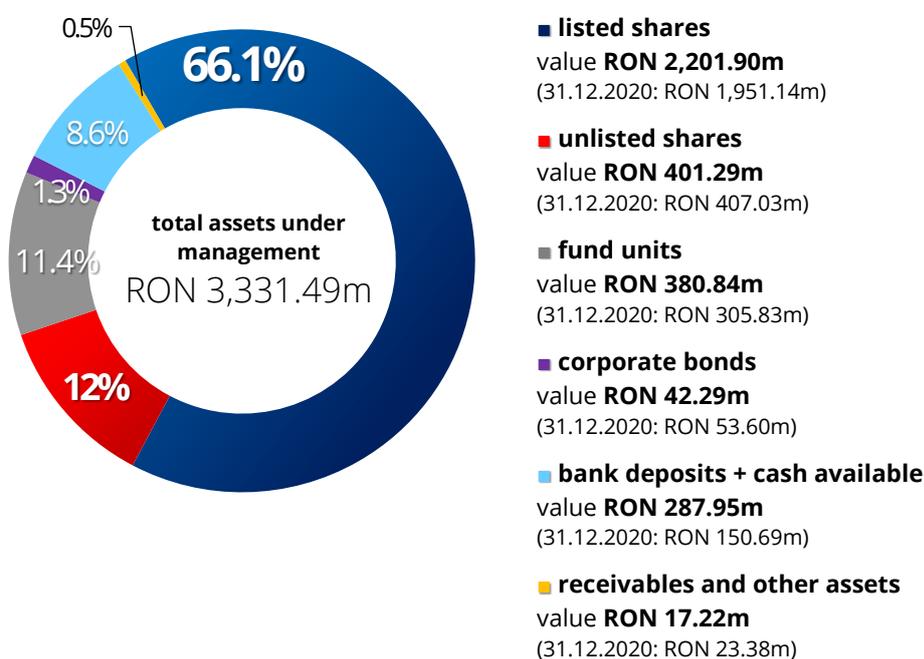
The management has instituted procedures for internal risk management, to identify, monitor and cover the risks associated with the investments made by SIF Banat-Crișana. The management regularly reviews the compliance with prudential limits and investment restrictions. If violations of the applicable investment restrictions are found due to changes in stock market prices or other circumstances, the management is required to take immediate action to correct these breaches.

During H1 2021, the regulated prudential investment limits were complied with.

The detailed statement of SIF Banat-Crișana's investments as of June 30, 2021, prepared pursuant to Regulation no. 15/2004 (Annex 17), is presented as annex to this report.

ASSETS UNDER MANAGEMENT as of June 30, 2021

(breakdown on assets, weight on total assets)



Note: values calculated as of June 30, 2021, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

Total assets value¹ of SIF Banat-Crișana, calculated as per ASF regulations as of June 30, 2021, was of **RON 3,331.49m**, up 15.21% as compared to the value recorded at 2020-year end, when it reached RON 2,891.67m.

The value of the stock portfolio (listed and unlisted shares) accounted for **78.14%** of SIF Banat-Crișana's total assets as of June 30, 2021, amounting to **RON 2,603m²** (December 2020: RON 2,358m).

Stock portfolio structure

As per the market value of the portfolio, a significant weight in the portfolio structure as of 30.06.2021 is still that of the financial-banking sector (49.46%), including banks, investment companies (SIFs) and other financial companies, the real estate - commerce sector (23.66%) and the pharmaceutical sector (8.88%).

The financial-banking sector continues to have the largest stake in the portfolio under management, and the value of shareholdings in this sector, calculated as per ASF regulations, recorded a slight upsurge during the first half of the year due to the rise of quotations on trading markets.

SIF Banat-Crișana's asset portfolio complied with the holding limits provided by the ASF regulations throughout the first half of 2021. Detailed information is presented in the *Risk Management* subchapter.

Stock portfolio management

As of June 30, 2021, SIF Banat-Crișana held *majority holdings* - over 50% of the issuer's share capital - in 13 companies, with a total value of RON 1,015.1m, representing 30.68% of NAV.

¹ calculated pursuant to the provisions of ASF Regulation no. 9/2014 (art. 113-122), ASF Regulation no. 10/2015, and no. 2/2018

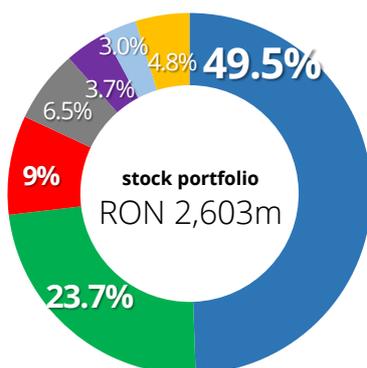
² calculated pursuant to the provisions of ASF Regulation no. 9/2014, no. 2/2018, and no. 20/2020

During 2021, the Company re-analysed the criteria regarding the classification as an investment entity and concluded that they are met, except for the subsidiaries that provide investment related services (SAI Muntenia Invest SA and Administrare Imobiliare SA). Thus, in accordance with IAS 27 and IFRS 10, the Company measures all its subsidiaries at fair value through profit and loss, except for subsidiaries that provide investment services, which will further be consolidated.

During H1 2021, SIF Banat-Crișana's management focused on streamlining the management process of majority holdings to ensure high financial profitability and a competitive management.

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STOCK PORTFOLIO - breakdown by sector



■ banking - financial

stakes in **14** companies, worth **RON 1,287.46m** (39.82% of NAV)
(31.12.2020: 16 companies, worth RON 1,151.26m; 40.48% of NAV)

■ commerce - real estate

stakes in **14** companies, worth **RON 615.92m** (18.62% of NAV)
(31.12.2020: 14 companies, worth RON 617.32m, 21.71% of NAV)

■ pharmaceuticals

stakes in **2** companies, worth **RON 231.18m** (6.99% of NAV)
(31.12.2020: 2 companies, worth RON 161.86m; 5.69% of NAV)

■ cardboard and paper

stakes in **5** companies, worth **RON 168.89m** (5.11% of NAV)
(31.12.2020: 5 companies, worth RON 122.43m, 4.30% of NAV)

■ hospitality (hotels and restaurants)

stakes in **4** companies, worth **RON 97.40m** (2.94% of NAV)
(31.12.2020: 4 companies, worth RON 100.03m; 3.52% of NAV)

■ energy - utilities

stakes in **6** companies, worth **RON 77.35m** (2.34% of NAV)
(31.12.2020: 7 companies, worth RON 72.33m; 2.54% of NAV)

■ other industries and activities

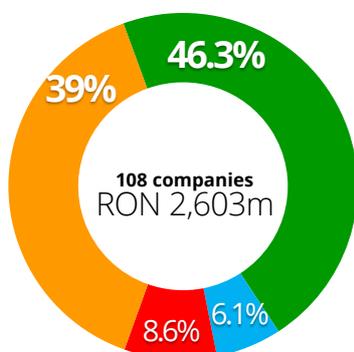
stakes in **64** companies, worth **RON 124.99m** (3.78% of NAV)
(31.12.2020: 68 companies, worth RON 132,94m; 4.67% of NAV)

Note: percentages in the chart represent the stake of the category in the stock portfolio, values calculated as of June 30, 2021, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

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STOCK PORTFOLIO - breakdown by stake held



■ up to 5%

stakes in **36** companies worth **RON 1,206.35m** (36.47% of NAV)
(31.12.2020: 40 companies worth RON 1,025.35m; 35.55% of NAV)

■ 5-33%

stakes in **56** companies worth **RON 158.68m** (4.80% of NAV)
(31.12.2020: 60 companies worth RON 208.71m; 7.24% din VAN)

■ 33-50%

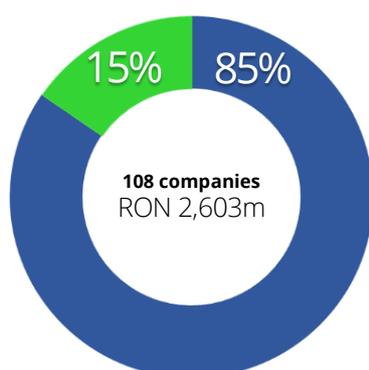
stakes in **3** companies worth **RON 223.05m** (6.74% of NAV)
(31.12.2020: 3 companies worth RON 155.46m; 5.39% of NAV)

■ above 50%

majority stakes in **13** companies worth **RON 1,015.11m** (30.68% of NAV)
(31.12.2020: 13 companies worth RON 968.65m; 33.59% of NAV)

Note: percentages in the chart represent the stake of the category in the stock portfolio, values calculated as of June 30, 2021, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

STOCK PORTFOLIO - on liquidity



■ listed companies

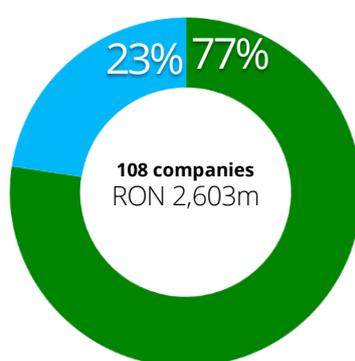
RON 2,202m (66.56% of NAV) value of stakes in **36** companies
(31.12.2020: 42 companies worth RON 1,951.14m; 67.65% of NAV)

■ unlisted companies

RON 401m (12.13% of NAV) value of stakes in **72** companies
(31.12.2020: 74 companies worth RON 407m; 14,11% of NAV)

Note: percentages in the chart represent the stake of the category in the stock portfolio, values calculated as of June 30, 2021, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

STOCK PORTFOLIO - geographical exposure



■ Romania

RON 2,014.14m (60.88% of NAV) value of stakes in **106** companies
(31.12.2020: 114 companies worth RON 1,813.91m; 62.89% of NAV)

■ foreign markets

RON 589.05m (17.81% of NAV) value of stakes in **2** companies: Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)
(31.12.2020: 2 companies worth RON 544.27m; 18.87% of NAV)

Note: percentages in the chart represent the stake of the category in the stock portfolio, values calculated as of June 30, 2021, acc. to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

Presentation of the largest holdings in the portfolio

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

Company (market symbol)	Sector	Stake	Value* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking-financial	4.39%	686,434,800	20.75%
2 SIF Imobiliare Plc (SIFI)	real estate	99.99%	368,782,154	11.15%
3 BRD-Groupe Société Générale (BRD)	banking-financial	1.95%	238,271,198	7.20%
4 Biofarm (BIO)	pharmaceuticals	36.75%	223,051,498	6.74%
5 Erste Group Bank AG (EBS)	banking-financial	0.34%	220,264,382	6.66%
6 SIF1 IMGB	real estate	99.92%	214,789,507	6.49%
7 Vrancart (VNC)	cardboard and paper	75.06%	168,822,700	5.10%
8 SIF Hoteluri (CAOR)	hospitality	98.99%	57,535,380	1.74%
9 SIF Muntenia (SIF4)	banking-financial	5.11%	55,370,430	1.67%
10 SAI Muntenia Invest	banking-financial	99.98%	51,969,608	1.57%
TOTAL			2,285,291,656	69.08%

* calculated as per ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018 | NAV = net asset value

The most important holdings as per their weight in the net assets of SIF Banat-Crișana are participations in companies listed on regulated markets. Considering the specifics of SIF Banat-Crișana activity, the structure and the exposure of the portfolio are adapted to the current economic realities in order to obtain performant returns in correlation with the assumed investment risks.

For an efficient portfolio management and risk management, the company continuously analyses the dynamics of the Romanian economy and capital market, as well as the progress of macroeconomic, geopolitical factors and foreign capital markets, generating major influences on the evolution of the domestic capital market, to identify the risk factors that may devalue the Company's portfolio.

1. BANCA TRANSILVANIA

Results of the bank (RONm)	Q1 2021	Q1 2020	Δ
NII	665.9	660.1	0.9%
Net fee and commission income	181.3	157.3	15.3%
Net income from transactions	95.9	53.0	81.1%
Other operating expenses	80.3	-53.5	
Net banking income	1.023.5	816.8	25.3%
Operating expenses	-494.8	-472.3	4.8%
CoR	144.0	-41.0	
Net result	581.3	261.0	122.7%
ROE	25.7%	12.7%	
Loans/Deposits	49.2%	49.3%	
CAR	23.8%	22.2%	
Cost/Income	45.6%	54.3%	

Banca Transilvania recorded a higher by over 122% yoy quarterly net result, mainly due to the marking on the market of financial assets recognized at fair value through profit and loss and the positive impact of the net cost of risk.

Net commission income increased significantly, while net interest income stood at the same level as in 2020.

The bank is well capitalized and expects to distribute capital to shareholders following the termination of the recommendation of the National Bank of Romania and the European Central Bank.

Banca Transilvania, market symbol TLV and ISIN ROTLVAACNOR1, is listed on the Bucharest Stock Exchange and is traded on the Main segment, Premium category.

2. SIF IMOBILIARE

	2018*	2019*	2020*
Revenues [EURm]	7.52	6.92	11.50
Gross profit [EURm]	10.03	4.62	7.94
Net profit [EURm]	9.49	3.28	6.95

*consolidated financial statements

SIF Imobiliare Plc (SIFI) is an important company in SIF Banat-Crișana's portfolio, holding a stake of 99.99%.

The company SIF Imobiliare Plc is listed on the Bucharest Stock Exchange since December 23, 2013, its securities are traded on AeRo segment, under the symbol SIFI (ISIN: CY0104062217). The independent auditor of SIF Imobiliare Plc is Evoserve Auditors Limited incorporated in Cyprus.

As of the end of H1 2021, SIF Imobiliare Plc holds majority stakes in 17 companies in Romania, most of them developing activities in the real estate field. These companies are under the management of Administrare Imobiliare SA Bucharest, a subsidiary of SIF Banat-Crișana.

SIFI's portfolio management is focused on optimizing the activity of portfolio companies, analysing and taking advantage of business opportunities to improve the performance of SIFI's global portfolio, as well as streamlining and reviewing operational processes at affiliate level, to increase efficiency and performance, cost reduction and improving the quality of services.

3. BRD - GROUPE SOCIÉTÉ GÉNÉRALE

Individual results (RONm)	Q1 2021	Q1 2020	Δ
NII	473.7	512.7	-7.6%
Net fee and commission income	171.1	165.1	3.6%
Net income from transactions	63.1	54.1	16.6%
Net banking income	720.2	721.2	-0.1%
Operating expenses	-416.3	-402.4	3.5%
CoR	-42.7	-45.7	
Net Result	218.1	233.3	-6.5%
ROE	9.2%	11.9%	
Loans/Deposits	58.1%	62.6%	
Cost/Income	57.8%	55.8%	
NPL	3.3%	3.3%	

BRD-GSG recorded a net quarterly result slightly decreasing yoy as a result of a prudent provisioning policy. Thus, the Bank continued to record a similar negative effect yoy of the net cost of risk of over RON 42m. The yoy decrease of the net interest income was fully compensated by the income from transactions and those from commissions, the operational income remaining at the same level yoy.

BRD-Groupe Société Générale, market symbol BRD and ISIN ROBRDBACNOR2, is listed on the BVB/BSE, traded in the Main segment, the Premium category.

4. BIOFARM

	2019	2020	Q1 2021
Turnover [RONm]	202.8	216.4	64.0
Operating profit [RONm]	60.8	63.5	23.3
Net profit [RONm]	50.8	54.2	18.6
Dividends [RONm]	30.5	21.6	

As of June 30, 2021, SIF Banat-Crișana holds a stake of 36.75% of Biofarm's share capital.

With a track record of over 98 years in the Romanian pharmaceutical industry, BIOFARM has a portfolio of over 200 products covering 60 therapeutic areas. In 2020, the company continued its development, turnover rose +6.7% and net profit recorded a +6.7% upsurge.

Biofarm, market symbol BIO, is listed on BVB since November 19, 1996, currently traded in Main segment, Premium category.

5. ERSTE GROUP BANK AG

Results at group level (EURm)	Q1 2021	Q1 2020	Δ
NII	1,172.1	1,229.0	-4.6%
Net fee and commission income	540.0	504.2	7.1%
Net income from transactions	9.5	-157.4	
Operational result	725.3	551.8	31.4%
Operating income	1,828.6	1,663.0	9.9%
Operating expenses	-1,103.3	-1,111.2	-0.7%
CoR	-35.7	-61.7	-42.1%
Net Result	355.1	235.3	50.9%
CAR	19.40%	17.70%	
ROE	9.6%	6.6%	
Loans/Deposits	81.7%	88.7%	
NIM	1.99%	2.18%	
Cost/Income	60.3%	66.8%	
NPL	2.60%	2.40%	

The quarterly net profit attributable to the shareholders of the Erste Group Bank increased by 50% yoy due to the trading activity and marking on the market of the financial assets recognized at fair value through profit or loss, as well as the reduction of risk cost to 8 bp (-40% yoy).

Although the cost of risk decreased and the rate of non-performing loans increased very little, the level of assets recorded in Stage 2 rose yoy (18.7% and EUR 32bn respectively in Q1 2021 vs 10.7% and EUR 17.6bn respectively in Q1 2020).

Considering the excess capital that the bank has, the management maintained the intention to distribute EUR 1/ share in the 4th quarter of 2021 and in 2022 EUR 1.6 / share from the profit of the financial year 2021.

Erste Group Bank AG securities, market symbol EBS, are listed on the stock exchanges in Vienna, Prague, and Bucharest.

6. SIF1 IMGB SA

SIF Banat Crișana purchased, in Q4 2020, the majority stake in Doosan IMGB SA representing 99.92% of the share capital. Following the acquisition, the name of the company was changed to SIF1 IMGB SA.

The company recorded a loss of RON 22.9m in 2020 and ended the year having RON 127.5m in equity.

Following the General Meeting of Shareholders in January 2020, the termination of the production activity was approved, a cessation that took place gradually between the months February and May 2020.

In March 2021, the General Meeting of Shareholders approved the strategy of capitalization of the assets and settling the Company's liabilities with a view to transforming the former industrial platform into a modern mixed urban project.

Thus, in H1 2021, according to the GMS resolution, measures were initiated and carried out to sell the SIF1 IMGB SA surplus assets.

7. VRANCART

	2019	2020	Q1 2020	Q1 2021
Turnover [RONm]	300.8	286.5	75.7	83.8
Operating profit [RONm]	30.6	26.2	3.6	7.0
Financial result [RONm]	-6.4	-5.4	-1.6	-0.7
Amortization and depreciation [RONm]	26.8	31.8	7.8	8.1
Net profit [RONm]	22.9	18.5	1.8	5.4

In Q1 2021, Vrancart's turnover rose yoy by 11%, given the lower increase in operating expenses (+5% yoy). Thus, the increase of the operational activity, accompanied by lower financial costs, determined the yoy triple increase of the net quarterly result to RON 5.4m.

The company should continue to feel pressure on costs at least from utilities.

Vrancart, symbol VNC, is listed on BVB since July 15, 2005, currently traded in Main segment, Standard category.

8. SIF HOTELURI

	2019	2020	Q1 2021
Turnover [RONm]	26.5	8.33	1.49
Operating profit [RONm]	0.61	-13.5	-1.41
Net profit [RONm]	1.5	-13.3	-1.09
EBITDA [RONm]	5.294	-10.0	-0.736

* source: Financial Statement Q1 2021 submitted to BVB

As of June 30, 2021, SIF Banat-Crișana holds a stake of 98.99% of the share capital of SIF Hoteluri. Since 2012, the company SIF Hoteluri is listed on the regulated market BVB, under market symbol CAOR.

As of the end of H1 2021, the company had 5 hotels in its portfolio, located in the western and central area of Romania. The most important asset in the portfolio is the DoubleTree by Hilton Hotel in Oradea, under the management of Hilton International Worldwide, providing hospitality services at the highest level.

As the entire hotel industry, the activity of SIF Hoteluri has been severely impacted by the health and economic crisis generated by the COVID-19 pandemic, as government measures to support this industry are not enough to counteract the negative effects, a widespread phenomenon in the hospitality sector.

The activity in H1 2021 aimed at reducing the financial exposure and maintaining the financial health of the company, to ensure the conditions for overcoming difficult periods and ensuring business continuity.

9. SIF MUNTENIA

	2019	2020	Q1 2021
Net profit [RONm]	111.9	-25.9	93.9
Dividends [RONm]	-	-	-

SIF Muntenia is a closed-end financial investment company with a diversified investment policy. The strategic objectives adopted by the fund are the continuation of the portfolio restructuring process and its efficient management, respectively the continuation of the investment process, with an emphasis on investments in Romania and in listed shares.

The Financial Supervisory Authority issued on 09.07.2021 the authorization by which SIF Muntenia was classified as an Alternative Investment Fund addressed to Retail Investors (AIFRI), having BRD-Groupe Société Générale as depositary bank, and being under the management of SAI Muntenia Invest SA.

SIF Banat-Crișana holds as of June 30, 2021, a stake of 5.11% of the share capital of SIF Muntenia.

10. SAI MUNTENIA INVEST

	2019	2020
Operating revenues [RONm]	26.14	20.69
Operating profit [RONm]	13.89	13.00
Net profit [RONm]	12.25	6.80

The company was established in 1997 and SIF Banat-Crișana owns, as at 30.06.2020, 99.98% of the share capital of SAI Muntenia.

The company's main activity (CAEN Code 6499 - Other financial intermediation n.c.a.) is the management of collective investment undertakings in transferable securities (UCITS, ro: OPCVM) established in Romania or in another Member State, and the activity of management of alternative investment funds (AIF), in compliance with the provisions of the relevant legislation, holding the ASF authorization to operate as an investment management company (ro: SAI). The activity of SAI Muntenia Invest is regulated and supervised by ASF.

The current activity carried out by SAI Muntenia Invest SA is the management of SIF Muntenia and FDI Plus Invest.

Workout portfolio

In the internal structure of shareholdings management, the workout portfolio consists of companies undergoing various stages during the procedure of judicial liquidation, insolvency or those inactive, and those likely to enter the insolvency proceedings.

As of June 30, 2021, the number of companies in the workout portfolio was of 54 (2020: 54).

Most of these companies originate from the earlier portfolio taken from FPP1 when SIF Banat-Crișana was established, and they are not the result of portfolio investment decisions.

During Q1 2021 there 2 new companies recorded in the workout portfolio, and one was removed from the portfolio following its liquidation, whose value was provisioned in previous years, and a company was sold on the capital market.

As of June 30, 2021, 48 companies in the portfolio were still in bankruptcy / insolvency / dissolution proceedings. All these companies are reflected in the calculated value of the portfolio at zero.

The Company monitors the progress of these companies in the workout portfolio, without allocating significant resources. The main activities concerning these companies are: (i) monitoring and recording important events occurring in their situation; (ii) exercising shareholder's duties, monitoring the legality and expediency of the decisions of their governing bodies; (iii) choosing the appropriate legal means to protect the interests of the Company as a result of possible unlawful OGM decisions; (iv) preparing and submitting declarations of debt / other legal papers that need to be prepared; (v) periodically checking of the files for insolvency in Insolvency Bulletin and Courts' Portal and Trade Register website; (vi) the removal of records when companies are de-registered.

Risk management

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 30.06.2021, VaR for the PROXI-85 portfolio was 10.44% of the market value of RON 1,810.169 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 6.08% and *Expected shortfall (Conditional VaR)*, which indicates the potential loss of the portfolio in extreme cases of exceeding the 99% confidence level, was of 12.75%, 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 (1.27%) 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 H1 2021, the Romanian currency fluctuated compared to foreign currencies, the average value of EURRON rate for H1 2021 was of 4.9007 vs. 4.8371, the average for 2020. The value of Company's portfolio exposure (shares, bonds, and current accounts) represents a weight of 19.32% of total assets as of June 2021.

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 43.13% in TA as of 30.06.2021. 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 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 15.68, 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 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).

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 H1 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 decrease in credit risk as of June 30, 2021, is due to the decrease in the probability of default (DP) for the main counterparties (improvement in the financial statements as of H1).

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 H1 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 H1 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.

From this analysis it can be concluded that there is a connection between the evolution of the price of SIF1 stock on BVB and the articles in the media, it is possible that small investors (speculators who give liquidity to the market) withdraw at that time, analyse the events, and wait for their conclusion. Thus, the reputational risk assessment falls within the low risk level for H1 2021, and the measures to mitigate the increase in reputational risk, communication, and transparency, adopted at Company level, can keep the reputational risk at a low level.

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. In H1 2021 several procedures were updated, as 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 will be 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 volatile evolution of the main macroeconomic variables in the current context of the COVID-19 pandemic. The macroeconomic influences could impact the business of the companies in the company's portfolio and implicitly on the investment activity.

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 H1 2021.

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 H1 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 June 30, 2021, by the gross method is 93.5% (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 H1 2021, the Company did not use the leverage effect for the portfolio under management, not having the tools to generate such an effect.

Other significant information

Human resources

The number of SIF Banat-Crișana's employees as of June 30, 2021, was of 34 persons (41% women, 59% men) with labour contract, of which 27 working at the headquarters in Arad and 7 at the Bucharest branch.

The company's personnel have the necessary studies, skills, and experience to ensure the conduct of the company's activities in optimal conditions and to meet all the requirements imposed by the specific regulations applicable.

SIF Banat-Crișana is makes sure a climate conducive to performance is ensured, paying special attention to the safety and security of employees, especially during this pandemic period. For the employees of SIF Banat-Crișana to obtain superior professional performances, in accordance with the internal needs and in close correlation with the legislative changes in the field of investment funds, personal development programs tailored to the specifics of each activity are developed.

The employment relationships are regulated by the Individual Labour Contracts and by the Collective Labour Contract. As per the provisions of Law 55/2020 on some measures for preventing and combating the COVID-19 pandemic, the collective labour contracts whose validity expires during the alert state remain active. Thus, the Collective Labour Contract registered at the Territorial Labour Inspectorate Arad under no. 1485/14.02.2019 remains in force.

There were no conflicting elements in the relations between the management and the employees.

Litigations

As of June 30, 2021, as documented in the records of SIF Banat-Crișana's Legal Office, the Company was involved in 110 litigations. The Company had locus standi in 82 disputes, passive capacity to stand trial in 19 disputes, and intervenient in 9 litigations.

In most disputes in which the Company acts as plaintiff, the subject of litigation is the annulment / ascertainment of nullity of some decisions of the General Meetings of Shareholders in portfolio companies, recovery uncollected dividends or insolvency proceedings of portfolio companies.

2. THE SHARES ISSUED BY BANAT-CRIȘANA

CHARACTERISTICS OF THE SHARES ISSUED BY SIF BANAT-CRIȘANA

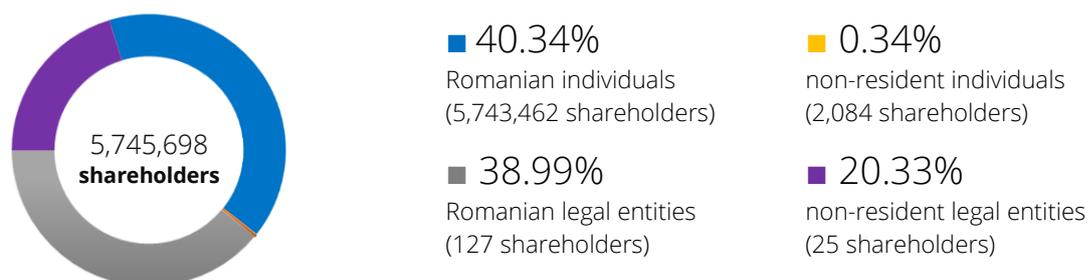
Total number of issued shares (June 30, 2021)	515,422,363
Outstanding shares (June 30, 2021)	515,422,363
Nominal value	RON 0.1000 / share
Type of shares	common, ordinary, registered, dematerialized, indivisible
Trading market	Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category
BVB (BSE) symbol (ticker)	SIF1
Bloomberg BBGID	BBG000BMN388
ISIN	ROSIFAACNOR2
Part of indices	BVB (BSE) indices: BET-FI, BET-XT-TR, BET-XT, BET-BK

Shares issued by SIF Banat-Crișana grant all shareholders equal rights.

Since its set-up, SIF Banat-Crișana has not issued bonds or other debt instruments.

As of June 30, 2021, SIF Banat-Crișana has 5,745,698 shareholders, according to the data reported by Depozitarul Central SA Bucharest, the company that keeps the shareholders registry.

SHAREHOLDERS' STRUCTURE as per holdings, as of June 30, 2021



SIF1 shares on Bucharest Stock Exchange (BVB/BSE)

The liquidity of the SIF1 title was lower in H1 2021 compared to the similar period of 2020, a total of 10,800,051 shares were traded in H1 2021, representing 2.095% of the total shares issued, worth of RON 26,713,451.

A single trade was recorded on the "DEAL" market during the period, with 1.5m shares, worth of RON 3.690m.

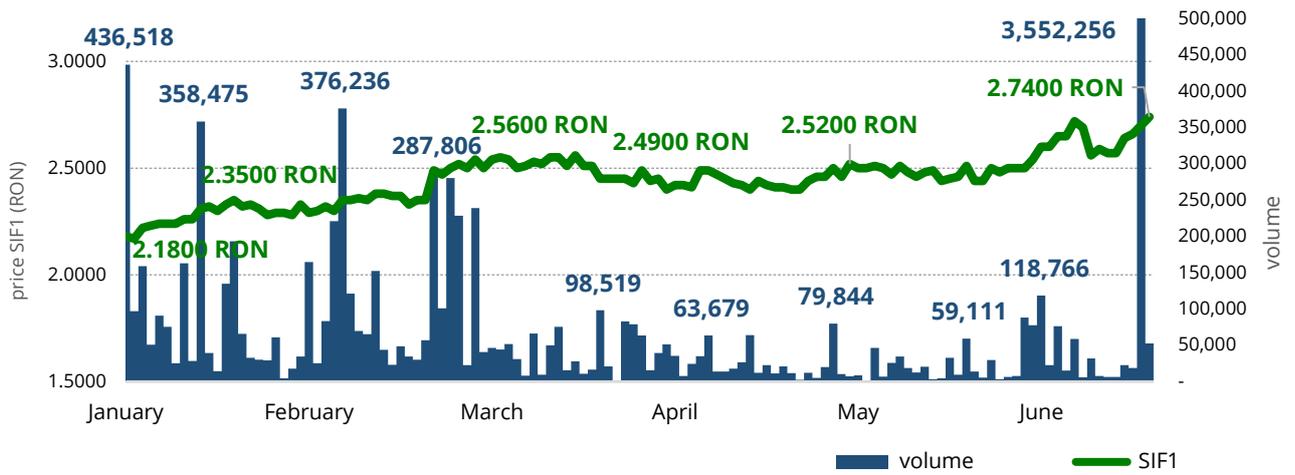
Of the 124 trading days, 54 days were with positive variations (maximum + 5.96% on February 24) and 45 days with negative variations (minimum -4.83% on June 18).

The highest closing price during H1 2021 was of RON 2.7400 per share, in the trading day of June 30, and the lowest closing price was of RON 2.1700 per share, in the trading day of January 5, the trading range between the highest and the lowest price of the period being 26%. The average price of the period was of RON 2.4735 per share.

In June 2021, the trading of SIF1 shares picked up momentum, the average daily volume exceeding 200,000 shares compared to the average daily volume of the entire period of 87,000. The increase of the SIF1 share price registered in June was of 12.3%, half of the increase for the period of 25.69%.

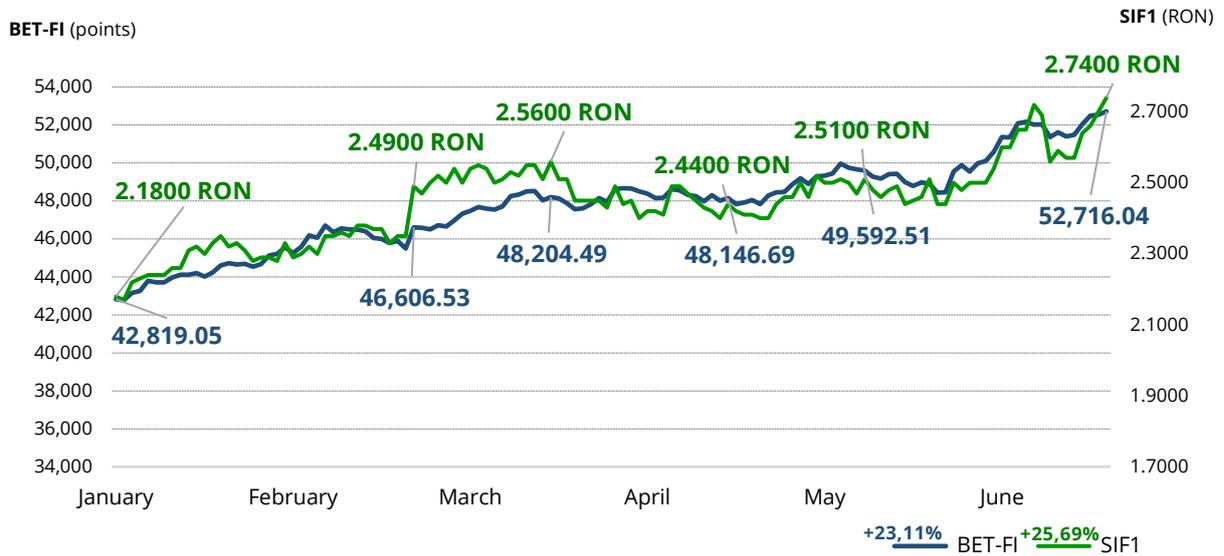
On June 30, 2021, the market capitalization for the SIF1 title, calculated using the closing price, was of RON 1,412.26m.

SIF1 PRICE AND VOLUME DURING JANUARY - JUNE 2021



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

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



+23,11% BET-FI +25,69% SIF1

highlighted values were recorded at the closing of trading day

3. CORPORATE GOVERNANCE

SIF Banat-Crișana is committed to upholding and developing the best practices of corporate governance, thus ensuring an efficient decision-making process, leading to the long-term viability of the business, achieving the objectives of the company, and creating sustainable value for all stakeholders (shareholders, management, employees, partners, and authorities).

The Corporate Governance Regulation of SIF Banat-Crișana is available for consultation on company's website, at www.sif1.ro, in the *Corporate Governance* section.

The status of compliance with the provisions of the Corporate Governance Code issued by Bucharest Stock Exchange Code was presented in the Board of Directors' annual report for 2020, available on company's website, in *Corporate Governance* section. The same section hosts SIF Banat-Crișana's statement on the application of corporate governance principles, prepared pursuant to the annex of the ASF Regulation no. 9/2019, settling the unitary regulatory framework for the implementation of corporate governance principles to entities authorized, regulated, and supervised by ASF.

Company leadership

Pursuant to its Articles of Association, SIF Banat-Crișana is administrated under a unitary system, capable of ensuring an efficient operation of the Company, in accordance with the objectives of good corporate governance and the protection of the shareholder's legitimate interests.

The Board of Directors

SIF Banat-Crișana is under the management of a Board of Directors (i.e. administrators) comprised of five members, elected by the ordinary general meeting of shareholders for a mandate (term of office) of four years, with the possibility of being re-elected, having decision-making powers regarding the administration of the Company in the period between the general meetings of shareholders, except for the decisions that the law or company's Articles of Association provide exclusively for the general meeting.

Given that on April 24, 2021, the term of office of the directors was to expire, on January 6, 2021, the Ordinary General Meeting of Shareholders was held, electing the members of the Board of Directors of the Company for a new term of 4 years, starting with April 25, 2021, and until April 25, 2025. All five administrators were re-elected: Mr. Bogdan-Alexandru Drăgoi, Mr. Radu-Răzvan Străuț, Mr. Ionel Marian Ciucioi, Mr. Marcel Heinz Pfister and Mr. Sorin Marica.

By Authorization no. 44 of March 18, 2021, the Financial Supervisory Authority authorized the members of the Board of Directors of SIF Banat-Crișana, as per the Ordinary General Meeting of Shareholders Resolution no. 3 of 06.01.2021, for a term of 4 years, starting with 25.04.2021.

Also, the OGM of January 6, 2021, approved:

- the remuneration due to the members of the Board of Directors for the financial year 2021, at the level established by the Resolution of OGM of April 26, 2016;
- the general limits of all the additional remunerations of the members of the board of directors and the general limits of the directors' remuneration, for the financial year 2021, at the level established by the OGM Resolution no. 7 of April 27, 2020;
- Remuneration policy in accordance with the provisions of art. 92¹ of Law no. 24/2017 on issuers of financial instruments and market operations.

The resolutions by the OGM of January 6, 2021, in full, are available for consultation on the Company's website, at www.sif1.ro, in the *Investor Relations* section.

During January 1 and June 30, 2021, the composition of the Board of Directors was the following: Mr. Bogdan Alexandru DRĂGOI – Chairman and CEO, Mr. Radu Răzvan STRĂUȚ - Vice Chairman, Mr. Sorin MARICA - Member, Mr. Marcel Heinz PFISTER – member and Mr. Ionel Marian CIUCIOI - member.

During H1 2021, the Board of Directors of SIF Banat-Crișana met in 19 sessions, pursuant to the statutory provisions.

The convening of the board members was made as per the Procedure on the convening and conducting the meetings of the Board of Directors of SIF Banat-Crișana.

The presence of Board members at meetings held during H1 2021 was in accordance with the legal provisions. The Chairman of the Board chaired all the meetings.

During H1 2021, the Board of Directors issued a total of 70 decisions concerning the current activity of the company. All decisions were taken by the vote "for" of the majority of those present.

Of the 70 decisions issued by the Board of Directors during the period under review 34 decisions had well defined objective, requiring its fulfilment and 36 were resolutions for the approval of procedures, mandatory reports, and activity reports (14 decisions for the approval of internal regulations and working procedures and 22 decisions for the approval of the mandatory periodical reports: annual, half-yearly and quarterly periodic reports submitted to ASF, BVB, MFP).

From the analysis of the way in which the decisions taken by the Board of Directors were fulfilled, it results that they were fully implemented.

Advisory Committees

During H1 2021, the Board of Directors was assisted in fulfilling its responsibilities by the following advisory committees:

The Audit Committee, operating in the following composition: Mr. Marcel PFISTER – chairman of the committee, Mr. Sorin MARICA – member, and Mr. Ionel Marian CIUCIOI - member.

The Nomination and Remuneration Committee, operating in the following composition: Mr. Sorin MARICA – Chairman of the Committee, Mr. Marcel PFISTER – member and Mr. Ionel Marian CIUCIOI – member.

The executive management

The effective management of the Company is performed by Executive Directors appointed by the Board of Directors, in accordance with the Company's bylaws and applicable regulations so that everyday management of the Company to be provided, at any given time, by at least two persons.

Following the re-election by the OGM of January 6, 2021, of Mr. Bogdan-Alexandru Drăgoi and of Mr. Radu-Răzvan Străuț as administrators of SIF Banat-Crișana for a new term of office of four years, by ASF Authorization no. 79/April 26, 2021, the Financial Supervisory Authority authorized as directors of SIF Banat-Crișana, according to the Decision of the Board of Directors no. 6/April 25, 2021, Mr. Bogdan-Alexandru Drăgoi and Mr. Radu-Răzvan Străuț. The ASF Authorization entered into force on April 26, 2021, the date of its communication to SIF Banat-Crișana

During H1 2021 no changes occurred in the composition of executive team.

As of June 30, 2021, the composition of the executive team of SIF Banat-Crișana is the following: Mr. Bogdan-Alexandru Drăgoi – Chairman - CEO; Mr. Radu Răzvan Străuț – Vice-Chairman, Deputy General Director; Mrs. Teodora Sferdian - Deputy General Director, and Mr. Laurențiu Riviș - Director.

Description of the main elements of the internal control systems and risk management

Risk management system

SIF Banat-Crișana acknowledges its exposure to risks resulting from daily operations, and those from the pursuit of achieving its strategic objectives. Throughout H1 2021, it was ensured the framework for identifying, assessing, monitoring, and controlling these risks in order to maintain them at adequate levels based on the Company's risk appetite and its ability to cover, absorb or mitigate these risks, as per the *Risk management policy*.

The permanent risk management function has a key role in defining the risk policy, monitoring, and measuring risks, ensuring ongoing compliance of the level of risk with the Company's risk profile assumed by the Board of Directors. The person in charge of the administration has access to all relevant information and provides to senior management up-to-date information on the basis of which prompt remedial actions could be taken, if necessary.

Mrs. Adina Eleonora Hodăjeu holds the position Responsible Person for risk management in SIF Banat-Crișana, registered in ASF Registry with number PFR13.2FARA / 020053.

Compliance check function

SIF Banat-Crișana has implemented in its functional structure and permanently and operationally maintains the function of compliance checking, that is carried out independently of other activities, subordinated to the Board of Directors, having as main responsibilities:

- to regularly monitor and evaluate the effectiveness and adequacy of the implementation of the control measures and procedures established, as well as the measures available to resolve any situations of non-fulfilment of company's obligations;
- providing consultancy and assistance to the relevant persons responsible for carrying out the services and activities to comply with the requirements imposed on the company in accordance with the legal provisions and regulations of the Financial Supervisory Authority.

The activity of the Compliance Office was carried out during H1 2021 pursuant to the Plan for Investigation and control for the year 2021 approved by the Board of Directors of SIF Banat-Crișana, of the ASF regulations, the work procedures, and internal regulations. Based on the control activities, the Compliance Officer made recommendations for improving work procedures and activities were made, as no breaches of the laws, regulations and internal procedures in force have been found.

Resolution of petitions. The shareholders might, in case they have any dissatisfaction with the activity of the company, provided based on the legislation in force or the information provided by the company following their requests, to address SIF Banat-Crișana through a petition. The method of solving the petitions submitted by the shareholders is the one established by the ASF Regulation no. 9/2015, and the procedure to be followed is published on company's website. In accordance with the provisions of the regulation, the unique register of petitions in secure electronic format was set up, in which the transmitted petitions, the problems addressed, and the way of solving are registered. The register of petitions is managed by the representative of the office. During H1 2021, there were no petitions received.

Mr Eugen Cristea holds the position of compliance officer, authorized by ASF Authorization no. 80/09.03.2018.

Internal Audit

Company's activities are subject to a periodic internal audit, in order to provide an independent assessment of its operations, the control and management processes, evaluating the possible risk exposure on various activity segments (asset security, compliance with regulations and contracts, integrity of operational information and financial, etc.), making recommendations for the

improvement of the systems, controls and procedures to ensure the efficiency and effectiveness of the operations, and monitoring the corrective actions proposed and the results obtained.

The activity of internal audit was carried out grounded on an audit program prepared in accordance with the objectives of the company, endorsed by the Audit Committee and approved by the Board of Directors.

The internal audits missions carried out in the first half of 2021 addressed (i) compliance with the provisions of the collective labour contract; human resources management and personnel remuneration; (ii) compliance with the working procedures, internal regulations and significant risk management policy of SIF Banat-Crișana; (iii) compliance with working procedures, internal regulations and legislation specific to the compliance office; (iv) observance of the procedure regarding the conflicts of interests, respectively of the conflicts of interests in which the members of the management of SIF Banat-Crișana and certain categories of employees are involved; (v) preparation of the annual report on the internal audit activity.

The audit reports comprising the mission, its findings, conclusions, recommendations, and proposals of the Internal Auditor were presented to the Audit Committee and the Company's Board of Directors. There were no significant situations identified to require the intervention of the Board of Directors.

Internal Audit considers that the activities and operations conducted by SIF Banat-Crișana in the first half of 2021 subject to the audit, are consistent with the policies, programs, and management of the company, pursuant to the legislation and internal regulations.

The activity of internal audit is outsourced to the firm New Audit SRL from Arad.

According to its responsibilities, the Audit Committee evaluated during H1 2021 the internal control system for the entire year 2020, based on the reports submitted by the Internal Audit, Compliance and Risk Management offices.

The conclusions of the evaluation revealed the following:

- At the level of the Company, the process of monitoring the possible deficiencies / vulnerabilities notified in the investment and operational activity of the company is implemented in terms of measures taken to timely implement the recommendations formulated by the offices with key role in the company.
- In view of the increasing incidence of pandemic risk on the health and safety of employees, since the beginning of the pandemic period, measures have been taken at Company level to combat this risk, being strictly observed and applied the measures provided in the Business Continuity Plan so that situations of contamination (spread) with SARS COV2 virus can be timely prevented. The verification and control activities were performed according to the plan approved by the Board of Directors.
- From the analysis of the activity of the three offices having the role of key-function, internal audit, compliance and risk management, the Audit Committee considers that at the level of SIF Banat-Crișana adequate procedures and mechanisms are implemented allowing early identification of potential risk situations or non-compliances, as well as mechanisms for action for their management.
- Permanent risk monitoring - materialized both by periodic risk reports, by scenario analysis and by prior verification at the time of investments - leads to the conclusion that the risk management system at SIF Banat-Crișana is effective, the measures adopted for monitoring and control exposures to the identified risks are adequate and timely, and the recommendations and issues of concern receive the necessary attention.

Observance of shareholders' rights

The shares issued by SIF Banat-Crișana are common, ordinary, nominative, of equal values, issued in dematerialized form and grant equal rights to their holders. The shares are indivisible, and the

Company recognizes a single representative for the exercise of the rights resulting from a share. Each share entitles the holder to one vote.

SIF Banat-Crișana provides an equitable treatment for all shareholders, pursuant to the legal provisions and those of Company's Articles of Association.

On the Company's website, in the section *Information about share ownership*, are published information on the holdings of shares subject to reporting obligations, including the holdings of shares that had to be declared in accordance with the provisions of art. 286¹ of Capital Market Law no. 297/2004 and of the CNVM Instruction no. 6/2012, issued in application of this article, which imposed this obligation for all individual or concerted holdings exceeding 5% of the share capital of the Company.

As per the provisions of Law no. 243/2019, starting with July 24, 2020, are repealed the provisions of art. 286¹ of Capital Market Law no. 297/2004 as well as the subsequent legal provisions issued in application of this article, including the restriction of holding more than 5% of the share capital of SIF Banat-Crișana.

Right to vote SIF Banat-Crișana strives to facilitate the participation of shareholders at the general meetings of shareholders (GMS). SIF Banat-Crișana's shareholders can participate in the GMS directly, by designating a representative by means of a special / general empowerment, or can vote by correspondence (by post or e-mail).

During H1 2021, the Board of Directors convened and organized the ordinary general meeting of shareholders (OGM) of January 6, 2021, and of April 26, 2021, and the extraordinary general meeting of shareholders (EGM) of April 26, 2021. The information materials concerning the topics on the agenda of the meetings, the draft resolutions subject for the approval of the shareholders, the participation and voting procedures, as well as the documents for expressing the vote (special empowerment forms and correspondence voting forms) were made available for shareholders within the legal time, allowing them to substantiate their decisions and express their vote.

Information on the general meetings and the resolutions approved are available on SIF Banat-Crișana website, www.sif1.ro, in the *Investor Relations* section.

Right to information SIF Banat-Crișana respects the right of shareholders to be informed, providing them timely and relevant information, enabling them to exercise their rights in a fair manner. Information on Company's activity considered to affect the price of shares on the stock exchange market was subject to current reports or announcements, communicated within 24 hours to the market, immediately made available to investors on BVB website and on the Company's website, www.sif1.ro.

To ensure equal access to information for the investors, posting on the Company's website of reports and announcements destined to the market participants is made after the information is published by the market operator, Bucharest Stock Exchange (BVB or BSE), on its website.

In order to inform the shareholders and investors, the Company sets a financial reporting calendar that is communicated to BVB and ASF, and also published on Company's website, www.sif1.ro.

Increasing the company's visibility on the Romanian capital market and towards a wider base of international institutional investors was further an objective assumed in the activity plan for 2021, promoting SIF Banat-Crișana in the capital market events (either individually or together with BVB, intermediaries), to increase transparency and attract new investors / shareholders.

The organizational structure providing the relationship with shareholders, potential investors, analysts, mass-media, and the interested public is the Investor Relations Compartment. Contact details: 35A Calea Victoriei, Arad 310158, Romania, tel | fax: +40257 304 446, email: investitori@sif1.ro, person of contact Mr. Claudiu Horeanu.

Right to dividend SIF Banat-Crișana aims at keeping a balance between the annual remuneration of shareholders by dividend and the need to finance its investments from reinvested profits.

The OGM held on April 26, 2021, decided not to distribute dividends, allocating the entire net profit for the 2020 financial year, in the amount of RON 92,122,406, to *Other reserves*, as own financing sources.

SIF Banat-Crișana's dividend policy is published on company's website, in the section dedicated to *Corporate Governance*.

Transparency in communication

SIF Banat-Crișana gives great importance to transparency in communication, convinced that public trust is essential for the proper functioning of the company. The company strives to ensure continuous reporting in an objective and comprehensive manner, covering all important aspects of the activity and the results achieved.

The Company's website is a useful platform for communicating with shareholders. In the section dedicated to *Investor Relations*, information of interest to shareholders is available and all communiqués and reports regarding the company's activity are published in Romanian and English.

Financial reporting

Pursuant to ASF Rule no. 39/2015 for the approval of the Accounting Regulations compliant to IFRS applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority (ASF) in the Financial Instruments and Investment Sector, starting with the annual financial statements for the financial year 2015, SIF Banat -Crișana applies the International Financial Reporting Standards adopted by the European Union ("IFRS") as official accounting regulations.

SIF Banat-Crișana has prepared the standalone and consolidated financial statements as of December 31, 2020 in accordance with IFRS and ASF Rule no. 39/2015. These were audited by Deloitte Audit SRL and approved by OGM of April 26, 2021 and are available on Company's website www.sif1.ro.

Based on the requirements of Law no. 24/2017 and the ASF Regulation no. 5/2018 on Issuers of Financial Instruments and Market Operations, the Company will prepare and submit the consolidated interim financial statements for H1 2021 within three months of its end.

Conflict of interest, transactions with related parties and corporate information regime

In SIF Banat-Crișana there is operational an internal procedure, approved by the Board of Directors, on the conflict of interest and personal transactions, as required by ASF regulations and EU regulations applicable to alternative investment fund managers and concerning market abuse. The procedure includes rules on the Company concerning security and confidentiality of information, mainly dealing, and preventing fraudulent practices and refraining from action of market manipulation.

Social responsibility

SIF Banat-Crișana's social responsibility is also expressed using procedures of appropriate management of environmental issues, responsible management of personnel, ensuring safety standards in the workplace, and in general by conducting socially responsible business practices.

SIF Banat-Crișana's policy on corporate social responsibility is published on company's website, www.sif1.ro, in the section dedicated to *Corporate Governance*.

4. FINANCIAL RESULTS AS OF JUNE 30, 2021

SIF Banat-Crișana has prepared condensed interim standalone financial statements as of June 30, 2021, pursuant to the Norm 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. These are presented in full, accompanied by notes, in Annex 1 to this report.

The condensed interim standalone financial statements as of June 30, 2021, are not audited, as there is no legal requirement.

The following are comments on the main elements of the financial position and results for H1 2021:

4.1. Standalone statement of financial position

<i>denominated in RON</i>	30/06/2021	31/12/2020
Assets		
Cash and cash equivalents	287,950,418	150,710,816
Financial assets at fair value through profit and loss	1,590,000,542	1,394,390,304
Financial assets at fair value through other comprehensive income	1,445,674,378	1,314,430,895
Investment property	12,255,013	13,180,199
Tangible assets (property, plant, and equipment)	3,885,718	4,006,587
Other assets	13,255,853	7,052,842
Total assets	3,353,021,922	2,883,771,643
Liabilities		
Deferred income tax liabilities	175,365,411	146,231,940
Other liabilities, deferred income, provisions for risks and expenses	23,705,184	7,635,012
Total liabilities and other liabilities	199,070,595	153,866,952
Equity		
Share capital	51,542,236	51,542,236
Treasury shares	-	(2,199,867)
Losses from repurchase of own shares	-	(40,659)
Benefits granted in equity instruments	1,573,730	1,867,063
Retained earnings	926,612,625	743,318,231
Other reserves	1,249,578,037	1,157,455,631
Reserves from revaluation of tangible assets	1,176,569	1,176,569
Legal reserves	10,308,447	10,308,447
Reserves from valuation of financial assets at fair value assets through other comprehensive income	913,159,682	766,477,039
Total equity	3,153,951,327	2,729,904,691
Total liabilities and equity	3,353,021,922	2,883,771,643

Cash and cash equivalents include all liquid investments of the Company in term bank deposits, current accounts, and cash in hand. Their level increased significantly compared to 2020-year end, given the disinvestments of RON 111.7m in the first 6 months of 2021 that and no acquisitions of financial assets were made, the liquidity being directed to short term monetary investments.

The category of *financial assets at fair value through profit or loss* includes the Company's equity holdings in the deconsolidated subsidiaries starting with the 2018 financial year (according to IFRS 10), in the associated entities (according to IAS 27), investments made in fund units issued by closed-end investment funds, respectively open-ended alternative funds and the company's investments in fixed income instruments issued by subsidiaries. The 14% increase in this category compared to 2020-year end is mainly the effect of recording the fair values of these assets as of March 31, 2021, and June 30, 2021, respectively, mainly due to the significant upsurge of stock prices in H1 2021.

Financial assets at fair value through other comprehensive income include the Company's investments in financial assets that the Company's management has chosen the irrevocable option to reflect changes in their fair value in other comprehensive income. This category includes: listed and unlisted shares, shareholdings in subsidiaries that will be further consolidated by SIF Banat-Crișana (SAI Muntenia and

Administrare Imobiliare SA) and investments in euro bonds (issued by Impact SA). The increase in this category as compared to December 31, 2020, as in the case of the above asset class, is due to the recording of differences in fair value as of March 31 and June 30, for the Company's main minority interests (especially shares in companies in the financial sector).

Investment property, Tangible assets and Other assets mainly include buildings and lands acquired by the Company as a result of resizing of the activity or the withdrawal of the contribution in kind. The value of Company's investment property at fair value as of June 30, 2021, is of RON 12.9m. The tangible assets (property, plant, equipment) held by the Company are those used for the purpose of carrying out operational and administrative activities. In *Other assets*, the largest weight is of dividends receivable from the companies in the portfolio.

Deferred tax liabilities represent tax payable / recoverable in future periods related to temporary taxable / deductible differences between the carrying amount and the tax value of an asset or liability. The increase in this position compared to the end of the previous year is mainly due to the recognition of deferred tax related to the positive differences in fair value recorded for the portfolio of shares classified at fair value through other comprehensive income.

Equity holds the largest weight in the liability structure. The increase is the effect of including in other comprehensive income the positive differences resulting from the fair value measurement of the portfolio and the net profit recorded in the first 6 months of 2021.

4.2. Standalone statement of profit and loss and other comprehensive income

<i>denominated in RON</i>	30/06/2021	30/06/2020
Income		
Dividend income	29,189,076	34,570,830
Interest income	1,859,684	5,398,937
Other operating revenues	18,153	116,210
Investment gains (losses)		
Net gain / (loss) from investment property	874	2,466,217
Net profit / (loss) from foreign exchange differences	579,791	1,236,993
Net Profit/(Loss) from financial assets at fair value through profit and loss	207,008,472	(80,695,018)
Expenses		
Commissions expenses	(2,760,002)	(1,545,842)
Other operating expenses	(7,791,294)	(7,138,370)
Profit before tax	228,104,755	(45,590,044)
Income tax	(11,171,895)	(504,071)
Net profit for the period	216,932,860	(46,094,114)
Other comprehensive income		
Amount than can be transferred to profit or loss	8,512	(190,767)
Changes in fair value of assets at fair value through other items of comprehensive income	242,857,171	(314,481,229)
The effect of the income tax related to them	(37,699,100)	47,227,865
Other comprehensive income	205,166,583	(267,444,131)
Total comprehensive income for the period	422,099,443	(313,538,245)

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

Dividend income declined in H1 2021, given the decrease of dividends distributed by certain issuers, respectively their registration date (before / after June 30) in 2021 compared to 2020.

Interest income includes interest on bank deposits and corporate bonds. In H1 2021, the volume of interest income is significantly below that of the corresponding period of the previous year, as the Company held a significant portion of available liquidity to corporate bonds during H1 2020, at yields significantly higher than for the amounts invested in bank deposits.

The Other operating revenues category includes, as a rule, the Company's proceeds from rents, the recovery of court fees and other occasional revenues. In H1 2021, the amounts received are lower as compared to H1 2020, as the Company no longer owns real estate leased to third parties as of June 30, 2021.

The impact of *investment gains (loss)* realized in H1 2021 is a favourable one and it is, mostly, the effect of the fair value measurement of assets included in the *fair value through profit or loss* category (shares in deconsolidated subsidiaries and associates, bonds issued by subsidiaries, fund units in closed-end funds and open-ended alternative funds), all these categories recording significant increases compared to the beginning of the current year. In the same period of the previous year, the loss recorded is the effect of the impact of the pandemic on stock quotes, mainly in the first quarter of 2020.

Commissions expenses include fees payable to regulatory agencies, the depositary and the stock exchange, the largest weight is that of 0.0078% of the net asset, the monthly commission paid to ASF. The volume of this category of expenditure is above than the similar period of 2020, being directly related to the investment activity of the Company.

Other operating expenses include the costs of staff and management salaries, those on taxes and fees and other expenses incurred in activity of the Company. This category recorded an increase of 9.1% compared to the first 6 months of the previous year.

4.3 Cash flow statement

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Operating activities		
Net profit for the period	216,932,860	(46,094,114)
<i>Adjustments for:</i>		
Amortization of tangible and intangible assets	257,057	250,553
(Gain) / Loss from disposal of tangible assets	5,369	20,068
(Gain) / Loss from valuation / disposal of investment property	(874)	(2,466,217)
(Gain) / Loss from financial assets at fair value through profit or loss	(207,008,472)	80,695,018
Dividend income	(29,189,076)	(34,570,830)
Interest income	(1,859,684)	(5,398,937)
Expenses with interest on debt of leasing contract	28,225	33,915
Expenses with / (income from) foreign exchange differences	22,919	(839,970)
Benefits granted in equity instruments	1,889,067	174,533
Income tax	11,171,895	504,071
Changes in assets and liabilities related to operating activities		
Change in other assets	175,267	94,885
Change in other liabilities	973,967	(1,241,698)
Income tax paid	(3,233,548)	(4,451,293)
Net cash from / (used in) operating activities	(9,835,029)	(13,290,018)
Investment activities		
Payments for acquisitions of assets measured through other comprehensive income	-	(7,250,565)
Proceeds from sale of assets measured through other comprehensive income	111,682,553	23,970
(Placements)/Proceeds from deposits with term greater than three months	-	4,500,000
Proceeds from sale/repurchase of assets at fair value through profit or loss	15,632,603	6,600,189
Payments for purchase of assets at fair value through profit or loss	-	-
Proceeds / (Payments) from sale of assets at amortized cost	-	4,842,600
Proceeds from sale of tangible assets an investment property	926,060	9,636,800
Payments for acquisitions of tangible assets	(23,382)	(217,452)
Dividends collected	16,486,135	32,873,619
Interest collected	2,509,775	6,096,367
Net cash (used in) / from investment activities	147,213,744	57,105,529
Financing activities		
Dividends paid	-	-
Payments in leasing contracts	(139,114)	(136,750)
Net cash (used in) / from financing activities	(139,114)	(136,750)
Net increase / (decrease) in cash and cash equivalents	137,239,602	43,678,761
Cash and cash equivalents as of January 1st	150,710,816	117,203,806
Cash and cash equivalents as of June 30th	287,950,418	160,882,567

The decrease in H1 2021, as compared to the same period of the previous year, of the net cash used in operating activities is mainly due to lower payments made as income tax due by the Company, and the favourable change of current liabilities.

During H1 2021, investment activity generated a cash surplus significantly higher as compared to H1 2020, given that the net receipts from transactions with financial assets (receipts less payments) and the maturity of monetary investments have improved the level of available liquidity.

As of June 30, 2021, *Cash and cash equivalents* increased by 79% compared to the same period of the previous year, given that the net growth of this category was directly influenced by the volume of net divestments made in the first part of 2021.

5. EVENTS AFTER THE REPORTING PERIOD

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.

6. ANNEXES

- Annex 1** Condensed interim financial statements as of June 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 June 30, 2021, prepared pursuant to Regulation no. 15/2004 (Annex 16)
- Annex 3** Detailed statement of investments as of June 30, 2021, pursuant to Regulation no. 15/2004 (Annex 17)
- Annex 4** Statement of the responsible persons

The half-yearly report was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on August 27, 2021.

Bogdan-Alexandru DRĂGOI
Chairman and CEO

The version of half-year report prepared in Romanian is the official and binding version.

SIF Banat-Crişana S.A.

**Condensed interim standalone financial statements
as of June 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*

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

<i>Denominated in RON</i>	<i>Note</i>	June 30, 2021	June 30, 2020
Income			
Dividend income	5	29,189,076	34,570,830
Interest income (assets at amortized cost, assets at FVTOCI)	6	1,149,710	4,026,240
Interest income (assets at FVTPL)	6	709,974	1,372,697
Other operating revenues		18,153	116,210
Gain/(Loss) on investment			
Gain/(Loss) on investment property	15	874	2,466,217
Gain/(Loss) on foreign exchange differences		579,791	1,236,993
Gain/(Loss) on financial assets at FVTPL	7	207,008,472	(80,695,018)
Expenses			
Commissions expenses	8	(2,760,002)	(1,545,842)
Other operating expenses	9	(7,791,294)	(7,138,370)
Profit/(Loss) before tax		228,104,755	(45,590,044)
Income tax	10	(11,171,895)	(504,071)
Net profit/(loss) for the period		216,932,860	(46,094,114)
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	(190,767)
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		242,857,172	(314,481,229)
Change of reserve from revaluation of tangible assets			
Effect of income tax related to them		(37,699,100)	47,227,865
Other comprehensive income		205,166,583	(267,444,131)
Total comprehensive income for the period		422,099,443	(313,538,245)
Earnings per share			
Basic		0.421	(0.090)
Diluted		0.421	(0.090)

The condensed interim financial statements were approved by the Board of Directors on August 27, 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 June 30, 2021

<i>Denominated in RON</i>	<i>Note</i>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Assets			
Cash and cash equivalents	11	287,950,418	150,710,816
Financial assets at fair value through other comprehensive income (bonds)	13	5,180,369	5,111,504
Other financial assets	14	12,331,670	5,973,797
Other assets		149,274	189,805
Financial assets at fair value through profit or loss	12	1,590,000,542	1,394,390,304
Financial assets at fair value through other comprehensive income (shares)	13	1,440,494,009	1,309,319,391
Assets representing rights to use the underlying assets under leasing contract		774,909	889,240
Investment property	15	12,255,013	13,180,199
Tangible assets (items of property, plant, and equipment)		3,885,718	4,006,587
Total assets		<u>3,353,021,922</u>	<u>2,883,771,643</u>
Liabilities			
Deferred income tax liabilities		15,181,848	-
Other financial liabilities	16	7,669,698	6,673,694
Other deferred liabilities and revenues		19,645	26,797
Liabilities on leasing contract		833,993	934,521
Liability on current income tax	17	175,365,411	146,231,940
Total liabilities		<u>199,070,595</u>	<u>153,866,952</u>
Equity (own capital)			
Share capital	18	51,542,236	51,542,236
Treasury shares	18	-	(2,199,867)
Losses from the repurchase of own shares		-	(40,659)
Benefits granted in equity instruments		1,573,730	1,867,063
Retained earnings	18	926,612,625	743,318,231
Other reserves	18	1,249,578,037	1,157,455,631
Reserves from revaluation of tangible assets		1,176,569	1,176,569
Legal reserves	18	10,308,447	10,308,447
Reserves from revaluation of financial assets designated at FVTOCI	13, 18	913,159,682	766,477,039
Total equity (own capital)		<u>3,153,951,327</u>	<u>2,729,904,691</u>
Total liabilities and equity		<u>3,353,021,922</u>	<u>2,883,771,643</u>

The condensed interim financial statements were approved by the Board of Directors on August 27, 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 June 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	-	-	-	-	-	-	-	-	216,932,860	216,932,860
Reserve from revaluation of financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(66,024,395)	-	-	-	66,024,395	-
Change in reserve	-	-	-	-	242,867,305	-	-	-	-	242,867,305
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	(30,160,266)	-	-	-	(7,540,455)	(37,700,722)
Total comprehensive income for the period	-	-	-	-	146,682,643	-	-	-	275,416,800	422,099,443
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	-	-	-	(293,333)	-	-	1,947,193
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognized directly in equity	-	2,199,867	40,659	-	-	-	(293,333)	92,122,406	(92,122,406)	1,947,193
Balance on June 30, 2021	51,542,236	-	-	10,308,447	913,159,682	1,176,569	1,573,730	1,249,578,037	926,612,625	3,153,951,327

The condensed interim financial statements were approved by the Board of Directors on August 27, 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 June 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	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 for the period	-	-	-	-	-	-	-	-	(46,094,114)	(46,094,114)
Reserve from revaluation of financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(10,847)	-	-	-	10,847	-
Change in reserve	-	-	-	-	(314,708,332)	-	-	-	-	(314,708,332)
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	47,273,838	-	-	-	(9,637)	47,264,201
Total comprehensive income for the period	-	-	-	-	(267,445,341)	-	-	-	(46,092,905)	(313,538,246)
Other reserves – own sources	-	-	-	-	-	-	-	159,494,532	(159,494,532)	-
Dividends payable for 2019	-	-	-	-	-	-	-	-	-	-
Dividends written-off	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-	-	174,533	-	-	174,533
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognized directly in equity	-	-	-	-	-	-	174,533	159,494,532	(159,494,532)	174,533
Balance on June 30, 2020	51,746,072	(7,295,461)	(134,838)	10,349,214	614,649,103	1,176,569	174,533	1,157,455,631	606,718,917	2,434,839,742

The condensed interim financial statements were approved by the Board of Directors on August 27, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed cash flow statement as of June 30, 2021

<i>Denominated in RON</i>	<i>Note</i>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Operating activities			
Net profit/(Loss) for the period		216,932,860	(46,094,114)
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets		257,057	250,553
(Gain)/loss from disposal of tangible assets		5,369	20,068
(Gain)/loss from evaluation/disposal of property investment	15	(874)	(2,466,217)
(Gain)/Loss from financial assets at fair value through profit or loss	7	(207,008,472)	80,695,018
Dividend income	5	(29,189,076)	(34,570,830)
Interest income	6	(1,859,684)	(5,398,937)
Expenses on interest on leasing contract		28,225	33,915
Expenses/(Income) on foreign exchange differences financial assets		22,919	(839,970)
Benefits granted in equity instruments		1,889,067	174,533
Income tax	10	11,171,895	504,071
Changes in operating assets and liabilities			
Change in other assets (claims, etc.)		175,267	94,885
Change in other financial liabilities		973,966	(1,241,698)
Income tax paid		(3,233,548)	(4,451,293)
Net cash used in operating activities		(9,835,029)	(13,290,018)
Investment activities			
Payments for acquisition of financial assets measured at FVTOCI (shares, bonds)	13	-	(7,250,565)
Proceeds from sales of financial assets measured at FVTOCI (shares, bonds)		111,682,553	23,970
(Placements) / Proceeds from term deposits greater than three months		-	4,500,000
Proceeds from sale/repurchase of assets at FVTPL (fund units, bonds)		15,632,603	6,600,189
Payments for purchase of assets at FVTPL (fund units, bonds, shares)		-	-
Proceeds/(Payments) for sale assets at amortized cost		-	4,842,600
Proceeds from sale of tangible assets and investment property		926,060	9,636,800
Payments for purchases of tangible assets		(23,382)	(217,452)
Dividends collected		16,486,135	32,873,619
Interest collected		2,509,775	6,096,367
Net cash from investment activities		147,213,744	57,105,529
Financing activities			
Payments related to leasing		(139,114)	(136,750)
Dividends paid		-	-
Repurchase of own shares		-	-
Net cash used in financing activities		(139,114)	(136,750)
Net increase / (Decrease) in cash and cash equivalents		137,239,602	43,678,761
Cash and cash equivalents on January 1		150,710,816	117,203,806
Cash and cash equivalents at the end of the period		287,950,418	160,882,567

The condensed interim financial statements were approved by the Board of Directors on August 27, 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 to prepare and make public interim consolidated financial statements for H1 2021 within three months from its end.

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 reviewed 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

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

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 reviewed 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 **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)

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

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

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

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.

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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:

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

- 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 148,786,816 (December 31, 2020: RON 130,238,674), a negative change of 10% having an equal net impact in the opposite direction.

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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 123,462,762 (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 June 30, 2020, the Company mainly held shares in companies in the banking-financial and insurance field, having a weight of 49.2% on the total portfolio, standing at the same level of 49.1% as of December 31, 2020.

in RON	June 30, 2021	%	December 31, 2020	%
Financial intermediation and insurance	1,285,088,640	49.2%	1,153,509,071	49.1%
Manufacturing industry	689,111,575	26.4%	574,531,935	24.5%
Hotels and restaurants	97,886,930	3.7%	100,015,985	4.3%
Wholesale and retail trade, repair of motor vehicles	40,904,852	1.6%	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	15,242,965	0.6%	13,037,218	0.6%
Other activities	1,231,132	0.0%	3,738,815	0.2%
Financial services applicable to real estate	418,055,016	16.0%	415,606,095	17.7%
Constructions	604,908	0.0%	197,061	0.0%
Transportation and storage	48,274,700	1.8%	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	2,611,796,302	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 6 months of the year, with a favourable influence on the market prices of listed financial assets in the Company's portfolio.

As of June 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. 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 June 30, 2021, of RON 380,842,955 (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.

With respect to 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 H1 2021:

RON interval **EUR interval**

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

Financial assets	Min	Max	Min	Max
Bank deposits	0.00	1.65	0.00	0.00
Financial assets at fair value through profit and loss*	3.59	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 H12020:

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*	4.50	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 classified by the most recent date of the change in the interest rate and the maturity date.

in RON	June 30, 2021	December 31, 2020
Cash and cash equivalent*	237,680,000	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	5,173,035	5,102,644
TOTAL	280,465,331	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 2,355,909 (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 217,197 (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 June 30, 2021, and December 31, 2020 can be analysed as follows:

Financial assets exposed to foreign currency risk (in RON)

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

<i>in RON</i>	June 30, 2021	December 31, 2020
Cash and cash equivalent	49,573,471	34,944,113
Financial assets at fair value through profit and loss – (including assets held by investment funds) *	25,913,500	28,483,377
Financial assets at fair value through comprehensive income**	225,444,754	180,596,402
Investments measured at amortized cost	-	-
Total assets	300,931,725	244,023,892
Liabilities on leasing contract	(833,993)	(934,521)
Total liabilities	(833,993)	(934,521)
Net financial assets	300,097,732	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.

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:

	June 30, 2021		December 31, 2020	
	Impact on P&L account	Impact on OCI	Impact on P&L account	Impact on OCI
EUR increase with 5% (2020: 5%)	3,353,001	9,251,104	2,839,388	7,370,366
EUR decrease with 5% (2020: 5%)	(3,353,001)	(9,251,104)	(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 June 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 June 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:

June 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+	49,687,800	124,480,000	-	-	-	174,167,800
BBB	22,269	-	-	-	-	22,269
BB+	427,658	113,200,000	-	-	-	113,627,658
Baa2	2,856	-	-	-	-	2,856
NR	-	-	5,180,369	37,855,296	12,331,670	55,367,335
TOTAL	50,140,583	237,680,000	5,180,369	37,855,296	12,331,670	343,187,918

December 31, 2020	Current accounts	Bank deposits	Bonds (measured at FVOCI)	Bonds (measured at FVTPL)	Other financial assets	Total

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Current and not impaired						
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 343,187,918 as of June 30, 2021 (December 31, 2020: RON 210,906,614) and can be analysed as follows:

	Credit rating			June 30, 2021	December 31, 2020
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	49,454,854	34,554,259
Banca Transilvania	BB+	Banca Transilvania	Fitch	113,627,658	24,941,635
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	124,712,840	91,103,916
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	22,269	22,683
Raiffeisen Bank Romania	Baa2	Raiffeisen Bank Romania	Moody's	2,856	3,153
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	105	552
TOTAL (Note 11)				287,820,583	150,626,197

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

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

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

Issuer		Quantity	Nominal value	Interest rate	Value as of June 3, 2021 (RON)	Maturity
Impact SA*	EUR	210	5,000.00	5.75%	5,173,035	2022
Vrancart SA**	RON	368,748	100.00	3.61%	37,612,296	2024
Total					42,785,331	

* 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 June 30, 2021 and December 31, 2020, as follows:

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

in RON

	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
June 30, 2021					
Financial assets					
Cash and cash equivalent	287,950,418	287,950,418	-	-	-
Bank deposits	-	-	-	-	-
Financial assets at FVTPL	1,590,000,542	243,000	-	37,612,296	1,552,145,247
Financial assets at FVTOCI	1,445,674,378	-	7,334	5,173,035	1,440,494,009
Financial assets at amortized cost	-	-	-	-	-
Other financial assets	13,730,789	13,730,789	-	-	-
Total financial assets	3,337,356,128	301,924,207	7,334	42,785,331	2,992,639,255
Financial liabilities					
Liabilities on leasing contract	833,993	55,714	173,829	604,450	-
Liabilities income tax	15,181,848	15,181,848	-	-	-
Other financial liabilities	7,669,699	7,669,699	-	-	-
Total financial liabilities	23,685,539	22,907,260	173,829	604,450	-
Liquidity surplus	3,313,670,588	279,016,947	(166,495)	42,180,881	2,992,639,255

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	,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.

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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-Crișana'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-Crișana 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 six 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 in order 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. The equity amounted to RON 3,153,951,327 as of June 30, 2021 (RON 2,729,904,691 as of December 31, 2020).

5. Dividend income

In accordance with 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

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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>	June 30, 2021	June 30, 2020	Measurement
Azuga Turism SA	10,009,139	-	FVTPL
SAI Muntenia Invest	6,698,660	12,237,552	FVTOCI
Conpet	3,880,988	3,968,618	FVTOCI
Erste Bank	3,556,506	-	FVTOCI
BT Asset Management	2,000,000	-	FVTOCI
SNP Petrom	1,111,840	1,111,840	FVTOCI
BRD	1,019,801	-	FVTOCI
Evergent Investments (SIF Moldova)	496,605	3,005,937	FVTOCI
Others	334,353	297,159	FVTOCI
SIFI CJ Logistic	81,184	-	FVTPL
Uniteh	-	7,770,077	FVTPL
Biofarm	-	3,620,966	FVTPL
SIF Oltenia	-	1,160,829	FVTOCI
SNTGN Transgaz	-	678,282	FVTOCI
Electrica SA	-	477,389	FVTOCI
Rompetrol Well Services	-	242,181	FVTOCI
Total	29,189,076	34,570,830	
FVTOCI	19,098,753	23,179,787	
FVTPL	10,090,323	11,391,043	

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>	June 30, 2021	June 30, 2020
Interest income on deposits and current accounts	1,002,294	1,023,778
Interest income on bonds measured at amortized cost	-	2,856,576
Interest income on assets measured through other comprehensive income (corporate bonds)	147,416	145,885
	1,149,710	4,026,240

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

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Interest income on bonds	709,974	1,372,697
	709,974	1,372,697

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

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Profit / (Loss) from measurement of fund units	75,374,825	(50,212,954)
Profit / (Loss) from measurement of bonds	21,232	(475,836)
Profit / (Loss) from measurement of shares in subsidiaries and associates	131,575,233	(30,006,228)
Total	207,008,472	(80,695,018)

As of June 30, 2021 and June 30, 2020, the Company measured the investments held in fund units, the shares held in subsidiaries and associates and the bonds held, through the profit and loss account, resulting an increase of RON 207m (June 30, 2020: decrease amounting to RON 80.7m).

8. Fees and commissions expenses

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Financial Supervisory Authority commissions	1,425,537	1,182,244
Depository fees	432,027	253,052
Commissions due for transactions	755,417	48
Registry fees	90,000	72,000
Other fees and commissions	57,021	38,498
Total	2,760,002	1,545,842

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9. Other operating expenses

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Expenses with other taxes, fees, and assimilated payments	62,914	181,949
Expenses with salaries and other personnel expenses	6,449,775	4,590,264
Depreciation expenses	142,726	136,222
Expenses for external services	993,323	2,081,690
Expenses on interest and depreciation of assets with the right to use under the leasing contract	142,556	148,245
Total	7,791,294	7,138,370

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Expenses with salaries	4,261,164	4,208,046
Stock Option Plan expenses	1,889,067	174,533
Expenditure on insurance and social protection	221,884	144,695
Other personnel expenses	77,660	62,990
Total	6,449,775	4,590,264

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

10. Income tax

<i>denominated in RON</i>	June 30, 2021	June 30, 2020
Current income tax		
Current income tax (16%)	9,951,305	-
Tax on dividend (0%, 5%)	1,323,749	547,112
Expense on / (income from) deferred tax		
Financial assets at FVTOCI	-	-
Financial assets at FVTPL	-	-
Tangible assets / Investment property	(103,159)	(43,041)
Total income tax recognized in profit or loss	11,171,895	504,071

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>	June 30, 2021	June 30, 2020
Profit before tax	228,104,755	(45,590,044)
Tax under statutory tax rate of 16% (2020: 16%)	36,496,761	(7,294,407)
Income tax effect of:		
Tax on dividend (0%, 5%, 27.5%)	1,323,749	547,112
Non-deductible expenses and similar items	600,966	10,272,692
Non-taxable revenues	(24,878,432)	(10,480,950)
Revenue related items	8,593,800	39,113
Expenses related items	-	-
Recoverable tax loss	(1,396,849)	7,463,553
Deferred tax	(103,159)	(43,041)
Amounts of sponsorship within legal limits and other deductions	(1,000,850)	-
Tax recognized in retained earnings	(8,464,091)	-
Income tax	11,171,895	504,071

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

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

11. Cash and cash equivalents

<i>denominated in RON</i>	June 30, 2021	December 31, 2020
Cash in hand and other valuables	4,779	19,449
Current accounts in banks	50,140,583	36,026,197
Deposits in banks with original maturity less than 3 months (including interest)	237,805,056	114,665,170
Cash and cash equivalents with maturity less than 3 months	287,950,418	150,716,816

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

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

<i>denominated in RON</i>	June 30, 2021	December 31, 2020
Shares	1,171,302,291	1,039,727,059
Fund units	380,842,955	305,468,130
Corporate bonds (including attached interest)	37,855,296	49,195,115
Total	1,590,000,542	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 or 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 June 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	-	-	(648,565)	(648,565)
Change in fair value (including foreign exchange differences)	131,575,233	75,374,825	21,425	206,971,484
June 30, 2021	1,171,302,291	380,842,955	37,855,296	1,590,000,542

As of June 30, 2021, the participations held in subsidiaries and associated entities were valued at fair value, the difference being a favourable one, amounting to RON 131.58m (vs. the value on December 31, 2020).

The valuation of the fund units at fair value as of June 30, 2021, generated a favourable difference of RON 75.37m (vs. the value on December 31, 2020).

Exits 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 or fund units of Certinvest Acțiuni. Sales of shares include the value of Somplast SA shares. Within corporate bonds, the exits represent the equivalent value of Banca Transilvania bonds repurchased at maturity.

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

The movement of financial assets measured at fair value through other comprehensive income in Q1 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	(111,682,553)	-
Change of interest receivable	-	(1,526)
Change in fair value (including foreign exchange differences)	242,857,172	70,391
June 30, 2021	1,440,494,009	5,180,369

* 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 111.7m mainly include the sale of shares in Evergent Investments, Banca Transilvania, BT Asset Management, Iproeb, Rompetrol Well Services and Compa. The gain on transactions amounting to RON 66.0m 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 7.5 million mainly include the acquisition of Banca Transilvania shares in the amount of RON 4.4 million and BVB amounting to RON 2.5 million.

The sales of shares, in the amount of RON 65.5 million, mainly include the sale of shares of Romgaz (RON 45.4 million), Transgaz (RON 12.9 million) and Electrica (RON 7.1 million).

The gain on transactions amounting to RON 3.9 million 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:

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June 30, 2021

denominated in RON

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss - shares	391,874,197	-	779,428,095	1,171,302,292
Financial assets at fair value through profit and loss - fund units	380,842,955	-	-	380,842,955
Financial assets at fair value through profit and loss - bonds	37,855,296	-	-	37,855,296
Financial assets at fair value through other comprehensive income - shares	1,323,768,252	-	116,725,758	1,440,494,010
Financial assets at fair value through other comprehensive income - corporate bonds	5,180,369	-	-	5,180,369
Investment property	-	-	12,255,013	12,255,013
Land and buildings	-	-	3,536,323	3,536,323
Total	2,139,521,070	-	911,945,189	3,051,466,259

December 31, 2020

denominated in RON

	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
Total	1,809,501,847	11,297,035	904,805,005	2,725,603,887

During H1 2021, no transfers between the levels of fair value were made.

14. Other financial assets

denominated in RON

	June 30, 2021	December 31, 2020
Sundry debtors	13,678,075	7,196,933
Other financial assets	52,714	182,596
Impairment for depreciation of sundry debtors	(1,399,119)	(1,405,732)
Total	12,331,670	5,973,797

15. Investment property

denominated in RON

	June 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 six 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.

16. Other financial liabilities

denominated in RON

	June 30, 2021	December 31, 2020
Debts to employees and related contributions	677,335	2,370,287
Taxes and dues	-	1,806
Suppliers and creditors	6,992,363	4,301,601
Total	7,669,699	6,673,694

17. Deferred tax liabilities

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

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

June 30, 2021

<i>denominated in RON</i>	Assets	Liabilities	Net
Financial assets at FVOCI	-	(1,083,075,760)	(1,083,075,760)
Tangible assets and investment property	-	(12,958,054)	(12,958,054)
Total		(1,096,033,814)	(1,096,033,814)
Net temporary differences - 16% rate			(175,365,411)
Deferred tax liabilities			(175,365,411)

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 June 30, 2021 amounting to RON 175,365,411 (2020: RON 146,231,940) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 165,499,292 (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 9,886,119 recognized in retained earnings (2020: RON 10,892,914).

18. Capital and reserves

(a) Share capital

As of March 31, 2021, the share capital of SIF Banat-Crișana amounts to RON 51,542,236.40, 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 June 30, 2021, the number of shareholders was of 5,745,698 (December 31, 2020: 5,747,126).

The shares issued by SIF Banat-Crișana 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 June 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.

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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.

<i>denominated in RON</i>	June 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>	June 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)	266,419,706	207,935,766
Undistributed profit	18,874,346	18,874,346
Result for the period	216,932,860	92,122,406
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,062,005	2,062,005
Total	926,612,625	743,318,231

(c) Other reserves

<i>denominated in RON</i>	June 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-Crişana. 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 June 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 17.

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

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<i>denominated in RON</i>	June 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)	913,159,682	766,485,550
Total	913,159,682	466,477,039

(f) Dividends

During the first six 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 June 30, 2021	642,622,709	1,960,189,603	(2,602,812,312)

19. 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>	June 30, 2021	June 30, 2020
Profit attributable to ordinary shareholders	216,932,860	(46,094,114)
Weighted average number of ordinary shares	514,756.286	514,542,363
Basic earnings per share	0.421	(0.090)

Diluted earnings per share equals basic earnings per share, as the Company did not record potential ordinary shares.

20. Contingent assets and liabilities

(a) Litigations in court

As of June 30, 2021, the Legal Office of the Company reported there were 110 litigations ongoing in Courts. The Company had legal standing in 82 lawsuits, passive legal standing in 19 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, recovery of non-collected dividends or insolvency proceedings of portfolio companies.

(b) Other liabilities

not the case

21. 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:

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

Key management personnel

June 30, 2021

- As of June 30, 2021, the Board of Directors of SIF Banat-Crişana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of June 30, 2021, the members of the executive team of SIF Banat-Crişana 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-Crişana 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 June 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 June 30, 2021 is of 19 (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;
- 13 (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:

	June 30, 2021	June 30, 2020
Transactions by profit and loss		
Dividend income, of which:		
Azuga Turism S.A.	10,009,139	-
SAI Muntenia Invest	6,698,660	12,237,552
Biofarm	-	3,620,966
Uniteh		
Total	16,707,799	23,628,595
Interest income, of which:		
VRANCART	671,192	901,183
SIFI BH Retail	38,782	318,210
Total	709,974	1,219,393
Other expenses, of which:		
Administrare Imobiliare - rent and operating expenses	139,114	148,245
Gaz Vest – supply of natural gas	26,263	27,972
Total	165,377	176,217

Transactions by statement of financial position

	June 30, 2021	December 31, 2020
Other receivables, of which:		
SILVANA CEHU SILVANIEI - dividends	671,886	671,886
SILVANA CEHU SILVANIEI - receivables depreciation adjustments	(671,886)	(671,886)

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

Transactions by statement of financial position

	June 30, 2021	December 31, 2020
Other receivables, of which:		
VRANCART - bonds	37,612,296	37,612,296
VRANCART - interest receivable	240,040	285,785
SIFI BH Retail - bonds	-	10,691,255
SIFI BH Retail - interest receivable	-	605,780
Azuga Turism S.A. – dividends receivable	10,009,139	-
SAI Muntenia Invest – dividends receivable	2,163,660	-
Gaz Vest – dividends receivable	-	752,117
Total	50,028,095	49,947,232
Other debts, of which:		
Gaz Vest SA Arad	-	7,398
Total	-	7,398

22. Events after the interim period

July 1, - The company received from SIF Oltenia - Report on major holdings according to art. 69 par. 1 of Law no. 24/2017 and ASF FSA Regulation no. 5/2018. It was notified that the stake of the Company had increased from 4.975% to 5.549%.

July 5, ASF issued Authorization no. 130 / 01.07.2021 authorizing SIF Banat-Crișana S.A. as an Alternative Investment Fund addressed to Retail Investors (AIFRI) with depositary bank Banca Comercială Română S.A. By the same authorization, the Financial Supervisory Authority authorized the amendments to the Articles of Association of SIF Banat-Crișana, in accordance with EGMS Decision no. 3 / 06.07.2020 and with the EGMS Decision no. 1 / 02.11.2020.

August 2, - The Company informed the investors that in the meeting held on July 30, 2021, the Board of Directors approved the prolonging of the duration of the Share-based Payment Plan (Stock Option Plan). By Current Report of August 17, 2020, 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.

STATEMENT OF
assets and liabilities of SIF Banat-Crișana
as of 30.06.2021

annex no. 16

DESIGNATION	VALUE [RON]
1. Non-current assets	1,316,640,864
1.1 Intangible assets	6,266
1.2 Tangible assets	16,915,640
1.3 Financial assets	1,299,718,958
1.3.1 Listed shares	480,472,064
1.3.2 Unlisted shares	401,286,139
1.3.3 Government securities	-
1.3.4 Certificates of deposit	-
1.3.5 Bank deposits	-
1.3.6 Municipal bonds	-
1.3.7 Corporate bonds	37,117,800
1.3.8 Newly issued securities	-
1.3.9 Units of UCITS and / or non-UCITS	380,842,955
1.3.10 Other financial assets	-
2. Current assets	2,014,713,302
2.1 Inventories	2,470
2.2 Receivables, of which:	148,088
2.2.1 Dividends receivables	76,792
2.2.2 Receivables rights	-
2.2.3 Other receivables	71,296
2.3 Cash and equivalents	50,141,852
2.4 Short term financial investments	1,726,612,326
2.4.1 Listed shares	1,641,197,126
2.4.2 Unlisted shares	-
2.4.3 Municipal bonds	-
2.4.4 Corporate bonds	5,180,369
2.4.5 Units of UCITS and / or non-UCITS	80,234,831
2.5 Newly issued securities	-
2.6 Government securities	-
2.7 Bank deposits	237,805,056
2.8 Certificates of deposit	-
2.9 Other current assets	3,509
3. Derivatives	-
4. Prepaid expenses	140,769
5. Total assets	3,331,494,934.91
6. Total liabilities	198,578,359
6.1 Debenture loans	-
6.2 Amounts owed to credit institutions	-
6.3 Payments in advance received from clients	-
6.4 Trade payables	34,211
6.5 Payable bills of exchange	-
6.6 Amounts owed to group companies	-
6.7 Amounts owed to participation interests	-
6.8 Other liabilities, of which	198,544,148
- deferred income tax	175,310,139
7. Provisions for expenses	-
8. Deferred income, of which:	19,645
8.1 Investment subsidies	-
8.2 Deferred income	19,645
9. Shareholders' equity, of which:	3,135,281,263
9.1 Share capital	51,542,236
9.2 Share capital premiums	-
9.3 Revaluation differences	1,176,569
9.4 Reserves	3,220,076,087
9.5 Treasury shares	0
9.6 Retained earnings	644,401,985
9.7 Result for the period (YTD)	200,314,067
9.8 Profit appropriation	-
9.9 Retained earnings adoption of IAS 29 for the first time	-2,537,534,532
9.10 Items treated as capital	642,622,709
9.11 Other elements of equity	912,682,142
10. Total liabilities	3,333,879,267
11. Net asset	3,308,207,070
12. Number of outstanding shares	515,422,363
13. Net asset value per share NAV/S	6.4184
14. Number of companies in the portfolio, of which:	108
14.1 Companies listed on a regulated market	15
14.2 Companies listed on an alternative trading system	21
14.3 Unlisted companies	72

Line 12 - pursuant to Art.123, par. (3) of the ASF Regulation no. 9/2014, on the calculation of NAV, this item represents:
"The total number of issued and outstanding shares, less treasury stock"

**Assets in SIF Banat-Crișana portfolio measured by
valuation methods compliant with International Valuation Standards**

as of 30.06.2021

No.	Company name	Fiscal code	Symbol	Nr. of shares held	No./date Evaluation report	Value	
						RON / share	total
Unlisted companies (closed) where SIF B-C stake is > 33% of the share capital							
1	AZUGA TURISM	28330211		786,882	616/16.03.2021	27.4800	21,623,517
2	NAPOMAR	199176		10,256,241	612/16.03.2021	1.1111	11,395,709
3	CENTRAL	199230		53,120	614/16/03/2021	578.4880	30,729,283
4	SAI MUNTENIA INVEST	9415761		119,976	613/16.03.2021	433.1667	51,969,608
5	SIF SPV TWO	40094500		119,988	640/17.03.2021	0.4378	52,531
6	Administrare Imobiliare SA	20919450		16,049,741	618/16.03.2021	2.8618	45,931,149
7	DOOSAN IMGB	380430		301,078,647	617/16.03.2021	0.7134	214,789,507
Companies admitted to trading with irrelevant liquidity for applying the mark to market valuation method (acc. to Art.114 par. (4) of Reg. 9/2014)							
8	SIF Imobiliare PLC	HE323682	SIFI	4,499,961	619/16.03.2021	81.9523	368,782,154
9	SIF Hoteluri	56150	CAOR	31,820,906	615/16.03.2021	1.8081	57,535,380
10	IAMU	1766830	IAMU	7,286,299	611/16.03.2021	5.9673	43,479,532

SIF Banat-Crișana

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SIF Banat-Crişana's assets as of 30.06.2021

RON

ITEM	Beginning of the reporting period 31.12.2020				End of the reporting period 30.06.2021				Differences
	% of net asset	% of total assets	Currency	RON	% of net asset	% of total assets	Currency	RON	
I. Total assets	100.26	100.00	51,384,303	2,840,286,830	100.70	100.00	54,753,840	3,276,741,094	439,823,803
1. Securities and money market instruments, out of which:	63.62	63.45	-	1,834,722,771	64.13	63.69	-	2,121,669,190	286,946,419
1.1. Securities and money market instruments admitted or traded on a regulated market from Romania, out of which:	57.53	57.38	-	1,659,237,873	57.48	57.07	-	1,901,404,808	242,166,936
1.1.1. Shares issued by companies admitted to trading	57.53	57.38	-	1,659,237,873	57.48	57.07	-	1,901,404,808	242,166,936
1.1.2. Municipal bonds	-	-	-	-	-	-	-	-	-
1.1.3. Bonds issued by banking companies	-	-	-	-	-	-	-	-	-
1.2. Securities and money market instruments admitted or traded on a regulated market from a member state	6.08	6.07	-	175,484,898	6.66	6.61	-	220,264,382	44,779,484
1.3. Securities and money market instruments admitted on a stock exchange from a state not a member or negotiated on another regulated market from a state not a member, that operates on a regular basis and is recognized and opened to the public	-	-	-	-	-	-	-	-	-
2. Newly issued securities	-	-	-	-	-	-	-	-	-
3. Other securities and money market instruments mentioned at art. 187 letter a): securities (by category and by type of issuer) and money market instruments (by category), of which:	15.97	15.93	16,440,190	444,191,171	13.41	13.31	5,180,369	438,403,939	-17,047,052
3.1. Shares issued by companies not admitted to trading	14.11	14.08	-	407,030,586	12.13	12.05	-	401,286,139	-5,744,447
3.2. Corporate bonds	1.86	1.85	16,440,190	37,160,585	1.28	1.27	5,180,369	37,117,800	-11,302,606
4. Bank deposits, of which:	3.98	3.97	0	114,665,170	7.19	7.14	0	237,805,056	123,139,886
4.1. Bank deposits made with credit institutions in Romania	3.98	3.97	0	114,665,170	7.19	7.14	0	237,805,056	123,139,886
4.2. Bank deposits made with credit institutions of a member state	-	-	-	-	-	-	-	-	-
4.3. Bank deposits made with credit institutions of a non-member state	-	-	-	-	-	-	-	-	-
5. Derivatives financial instruments traded on a regulated market:	-	-	-	-	-	-	-	-	-
5.1. Derivatives financial instruments traded on a regulated market from Romania, on categories	-	-	-	-	-	-	-	-	-
5.2. Derivatives financial instruments traded on a regulated market from a member state, on categories	-	-	-	-	-	-	-	-	-
5.3. Derivatives financial instruments traded on a regulated market from a non-member state, on categories	-	-	-	-	-	-	-	-	-
5.4. Derivatives traded outside the regulated markets, on categories	-	-	-	-	-	-	-	-	-
6. Current accounts and cash	1.25	1.25	34,944,113	1,083,516	1.52	1.51	49,573,471	568,381	14,114,224
7. Money market instruments, others than those traded on a regulated market, according to art. 101 par. (1) letter g) of Law no. 297/2004	0.00	0.00	0	-	-	-	0	-	0
7.1. Municipal bonds not traded	-	-	-	-	-	-	-	-	-
7.2. REPO with govt. bonds denominated in RON and foreign currency	-	-	-	-	-	-	-	-	-
7.3. Govt. bonds	0.00	0.00	0	-	-	-	0	-	0
8. UCITS and non UCITS equity securities	14.64	14.60	-	422,247,508	13.94	13.84	-	461,077,786	38,830,278
9. Other assets (amounts in transit, receivables from distributors, brokerage houses, etc.)	0.81	0.81	-	23,376,695	0.52	0.52	-	17,216,742	-6,159,953

SIF Banat-Crişana

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Net Asset Value / Share

as of 30.06.2021

RON

ITEM	Current period [30.06.2021]	Corresponding period of the previous year [30.06.2020]	Differences
Net Asset	3,308,207,070	3,522,448,960	-214,241,890
Number of issued, outstanding shares	515,422,363	514,542,363	880,000
Net asset value per share	6.4184	6.8458	-0.4274

SIF Banat-Crișana

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Securities admitted or traded on a regulated market in Romania
as of 30.06.2021

No.	Issuer	Symbol	Date of last trading session	No. of shares held [units]	Nominal value [RON]	Value of share [RON]	Total value [RON]	Stake in the issuer's share capital [%]	Stake in SIFBC total assets [%]	Stake in SIFBC net asset [%]
LISTED SHARES										
traded in the last 30 days										
1	BANCA TRANSILVANIA	TLV	30.06.2021	251,902,679	1.00	2.7250	686,434,800	4.3903	20.60	20.75
2	BRD - GROUPE SOCIETE GENERALE	BRD	30.06.2021	13,615,497	1.00	17.5000	238,271,198	1.9537	7.15	7.20
3	BIOFARM	BIO	30.06.2021	362,096,587	0.10	0.6160	223,051,498	36.7471	6.70	6.74
4	VRANCART	VNC	30.06.2021	774,416,054	0.10	0.2180	168,822,700	75.0633	5.07	5.10
5	CONPET	COTE	30.06.2021	562,740	3.30	85.6000	48,170,544	6.5000	1.45	1.46
6	OMV PETROM	SNP	30.06.2021	35,865,800	0.10	0.4250	15,242,965	0.0633	0.46	0.46
7	ANTIBIOTICE	ATB	30.06.2021	14,167,736	0.10	0.5740	8,132,280	2.1104	0.24	0.25
8	BURSA DE VALORI BUCURESTI	BVB	30.06.2021	115,414	10.00	25.3000	2,919,974	1.4338	0.09	0.09
9	COMELF	CMF	22.06.2021	1,211,907	0.58	1.7900	2,169,314	5.3919	0.07	0.07
On an alternative trading system										
10	COMPANIA HOTELIERA INTERCONTINENTAL ROMANIA	RCHI	28.iun.21	113,934,583	0.10	0.1600	18,229,533	13.6687	0.55	0.55
11	ARGUS	UARG	29.iun.21	1,790,432	1.50	1.8900	3,383,916	5.0039	0.10	0.10
12	SATURN	SATU	17.iun.21	346,926	2.50	4.7400	1,644,429	17.5385	0.05	0.05
13	PRIMACONSTRUCT	PCTM	22.iun.21	90,685	2.50	13.8000	1,251,453	15.6969	0.04	0.04
14	REVA	REVA	30.iun.21	74,777	2.50	13.5000	1,009,490	5.0112	0.03	0.03
15	SIFI CJ LOGISTIC	CACU	22.iun.21	54,486	2.50	17.0000	926,262	5.5275	0.03	0.03
16	ANTECO	ANTE	29.iun.21	7,042,220	0.10	0.0700	492,955	17.2036	0.01	0.01
17	URBANA	URBA	07.iun.21	13,208	9.20	35.2000	464,922	16.5830	0.01	0.01
18	PROSPECTIUNI	PRSN	30.iun.21	5,198,500	0.10	0.0605	314,509	0.7240	0.01	0.01
19	PROFESSIONAL IMO PARTNERS	PPLI	25.mai.21	1	1.00	2.6400	3	-	0.00	0.00
							1,420,932,745			
Not traded in the last 30 days										
1	UCM	UCM	06.12.2011	1,071,837	0.10	0.0000	0	0.9750	0.00	0.00
On an alternative trading system										
2	MOBEX	MOBG	15.04.2021	443,765	2.50	18.5805	8,245,376	18.0517	0.25	0.25
3	ARCELOR MITTAL HUNEDOARA	SIDG	13.04.2021	5,921,324	2.00	0.2315	1,370,787	2.9820	0.04	0.04
4	TRANSSEX	TRNG	24.02.2021	143,978	2.50	6.13259998	882,959	2.7040	0.03	0.03
5	INDUSTRIA SARMEI CAMPIA TURZII	INSI	12.05.2021	4,604,082	0.10	0.0382	175,876	1.2497	0.01	0.01
6	SOMETRA	SOMR	11.03.2021	1,217,602	2.50	0	-	4.5814	0.00	0.00
7	TALC DOLOMITA	TALD	09.10.2015	167,108	2.50	0	-	7.8944	0.00	0.00
8	ICSH	ICSH	26.03.2012	84,500	2.50	0	-	1.2891	0.00	0.00
9	PETROCART	PTRC	10.07.2019	11,852,163	0.50	0	-	30.1767	0.00	0.00
10	SIFI UNITEH	UNIT	12.08.2020	158,573	2.50	0	0	36.3399	0.00	0.00
							10,674,998			
Companies admitted to trading with irrelevant liquidity for applying the mark to market valuation method (acc. to Art.114 par. (4) of Reg. 9/2014)										
1	SIF IMOBILIARE	SIFI	14.08.2020	4,499,961	4.47	81.9523	368,782,154	99.9997	11.07	11.15
2	SIF HOTELURI	CAOR	19.05.2021	31,820,906	2.50	1.8081	57,535,380	98.9997	1.73	1.74
3	IAMU	IAMU	18.06.2021	7,286,299	2.50	5.9673	43,479,532	76.6967	1.31	1.31
							469,797,066			
ISSUERS of UCITS and non-UCITS TYPE										
1	SIF MUNTENIA	SIF4	30.06.2021	40,123,500	0.10	1.3800	55,370,430	5.1136	1.66	1.67
2	SIF OLTENIA	SIF5	30.06.2021	11,608,286	0.10	1.9560	22,705,807	2.3217	0.68	0.69
3	EVERGENT INVESTMENTS	EVER	30.06.2021	1,598,958	0.10	1.3500	2,158,593	0.1616	0.06	0.07
							80,234,831			

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Banca Comercială Română

SIF Banat-Crișana

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Securities admitted or traded on a regulated market in a member state
as of 30.06.2021

No.	Issuer	Symbol	Date of last trading session	No. of shares held [units]	Nominal value [RON]	Value of share [RON]	Total value [RON]	Stake in the issuer's share capital [%]	Stake in SIFBC total assets [%]	Stake in SIFBC net asset [%]
LISTED SHARES										
1	ERSTE GROUP BANK AG	EBS	30.06.2021	1,445,000	0.00	152.4321	220,264,382	0.3362	6.61	6.66

SIF Banat-Crișana

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Banca Comercială Română

Instruments mentioned at art.187 letter a) - Unlisted shares
as of 30.06.2021

No.	Issuer	No. of shares held [units]	Date of acquisition	Price of acquisition [RON]*	Value of share [RON]	Total value [RON]	Stake in issuers's share capital [%]	Stake in SIFBC total assets [%]	Stake in SIFBC net asset [%]
UNLISTED SHARES									
1	SIF 1 IMGB	301,078,647	23 Oct 2020	0.5260	0.7134	214,789,507	99.9202	6.45	6.49
2	SAI MUNTENIA INVEST	119,976	22 Jul 2013	151.3009	433.1667	51,969,608	99.9800	1.56	1.57
3	ADMINISTRARE IMOBILIARE	16,049,741	21 Dec 2018	2.5000	2.8618	45,931,149	97.3981	1.38	1.39
4	CENTRAL	53,120	1 Nov 1999	226.1045	578.4880	30,729,283	74.5314	0.92	0.93
5	AZUGA TURISM	786,882	13 Feb 2013	37.5155	27.4800	21,623,517	98.9354	0.65	0.65
6	GAZ VEST	105,068	23 Aug 2002	100.0000	128.2138	13,471,168	25.8185	0.40	0.41
7	NAPOMAR	10,256,241	30 Nov 1997	2.5219	1.1111	11,395,709	99.4348	0.34	0.34
8	EXIMBANK	414,740	30 Nov 1997	6.0000	9.4664	3,926,095	0.3108	0.12	0.12
9	CCP.RO BUCHAREST	142,500	4 Nov 2019	10.0000	9.6527	1,375,510	1.7857	0.04	0.04
10	DEPOZITARUL CENTRAL	9,878,329	4 Nov 1998	0.1000	0.1212	1,197,253	3.9057	0.04	0.04
11	IFB FINWEST	7,976,121	21 Dec 2000	0.1749	0.1084	864,612	8.6736	0.03	0.03
12	SPUMOTIM	12,398	30 Nov 1997	2.5000	50.4533	625,520	3.9864	0.02	0.02
13	MOBIROM	11,589	30 Nov 1997	2.7675	50.3314	583,291	9.0289	0.02	0.02
14	TREMULA BRAILA	17,465	30 Nov 1997	2.5000	30.4340	531,530	13.4561	0.02	0.02
15	AMIS MOB	12,607	11 Dec 2003	2.5399	38.6518	487,283	8.1220	0.01	0.01
16	BIZOOFRUCT	39,424	30 Nov 1997	2.5000	8.4889	334,666	4.4235	0.01	0.01
17	CTCE	8,501	30 Nov 1997	2.5000	31.3769	266,735	23.2357	0.01	0.01
18	COMAT MARAMURES	19,909	30 Nov 1997	2.5000	11.7637	234,204	10.0002	0.01	0.01
19	GRUP BIANCA TRANS	562,400	26 Sep 2006	0.1000	0.4115	231,428	5.1783	0.01	0.01
20	COMMETCAR	14,862	30 Nov 1997	2.5000	12.2881	182,626	10.0002	0.01	0.01
21	FORESTIERA	42,269	12 Jun 1998	2.5000	4.2359	179,047	25.7520	0.01	0.01
22	APRO HOREA	8,220	30 Nov 1997	2.5000	17.4368	143,331	13.5427	0.00	0.00
23	STREIUL	9,344	30 Nov 1997	2.5000	8.1744	76,382	17.4419	0.00	0.00
24	MOLIDUL	90,579	30 Nov 1997	2.5000	0.7601	68,849	21.6326	0.00	0.00
25	SIF SPV TWO	119,988	2 Nov 2018	1.0000	0.4378	52,531	99.9900	0.00	0.00
26	MODERN	3,302	30 Nov 1997	2.5000	4.6358	15,307	2.4485	0.00	0.00
27	BANCA COMERCIALA ROMANA	1	30 Nov 1997	0.1000	0.6100	1	-	0.00	0.00
28	IPEGM	9,913	16 Jul 1999	2.5000	0.0000	0	3.4000	0.00	0.00
29	MOCARS	119,969	25 Nov 1998	5.5408	0.0000	0	9.6836	0.00	0.00
30	FORTOP	39,226	1 Jul 1998	2.5000	0.0000	0	12.4859	0.00	0.00
31	MINIERA CUART	17,396	29 Dec 2006	2.5000	0.0000	0	3.3999	0.00	0.00
32	AUTODANUBIUS	11,653	30 Nov 1997	2.5000	0.0000	0	14.0387	0.00	0.00
33	COMMITX	10,543	30 Nov 1997	2.5000	0.0000	0	28.9667	0.00	0.00
34	TRANSILVANIA AIUD	46,779	30 Nov 1997	2.5000	0.0000	0	20.1873	0.00	0.00
35	SANEVIT	535,217	30 Nov 1997	0.2495	0.0000	0	8.9696	0.00	0.00
36	PROIECT	2,162	30 Nov 1997	8.0000	0.0000	0	10.0000	0.00	0.00
37	LEMN-MOL-FA	37,146	8 May 2001	1.9783	0.0000	0	13.0184	0.00	0.00
38	TREMULA	66,112	8 Apr 2002	2.5000	0.0000	0	17.9898	0.00	0.00
39	SUINPROD GALDA	143,084	30 Nov 1997	2.5000	0.0000	0	27.0910	0.00	0.00
40	AMIS IMPEX	12,607	11 Dec 2003	2.5399	0.0000	0	8.0936	0.00	0.00
41	AGROINDUSTRIALA NADLAC	66,406	30 Nov 1997	2.5000	0.0000	0	29.9996	0.00	0.00
42	AGROINDUSTRIALA INEU	59,755	30 Nov 1997	2.5008	0.0000	0	11.5001	0.00	0.00
43	TEHNOLOGIE MOBILA STIL	9,000	20 Sep 2004	2.5000	0.0000	0	4.5523	0.00	0.00
44	COMBINATUL DE UTILAJ GREU	409,572	24 Mar 1999	4.0000	0.0000	0	5.0221	0.00	0.00
45	BANCA INTERNATIONALA A RELIGIILOR	186,849	30 Nov 1997	0.7544	0.0000	0	0.9342	0.00	0.00
46	MOBISAL	550	30 Nov 1997	9.1900	0.0000	0	2.7500	0.00	0.00
47	AVERSA	142,699	22 Oct 2004	1.1799	0.0000	0	2.1416	0.00	0.00
48	LASPERESIA	20	30 Nov 1997	2.5000	0.0000	0	1.9455	0.00	0.00
49	SILVANIA FOREST	30,111	30 Nov 1997	2.5000	0.0000	0	0.6049	0.00	0.00
50	AGROMECC GATAIA	13,585	30 Nov 1997	4.1242	0.0000	0	23.9097	0.00	0.00
51	SILVANA	1,443,772	30 Nov 1997	2.6254	0.0000	0	96.2832	0.00	0.00
52	ERGOLEMN	9,637	30 Nov 1997	11.0608	0.0000	0	12.9584	0.00	0.00
53	CONTOR GROUP	2,900,049	27 Nov 2007	0.6628	0.0000	0	1.4962	0.00	0.00
54	HICART	4,576	24 Jun 1998	2.5000	0.0000	0	0.7939	0.00	0.00
55	BRAFOR	5,928,744	30 Nov 1997	0.1000	0.0000	0	2.6874	0.00	0.00
56	MEBIS	346,637	30 Nov 1997	2.5000	0.0000	0	26.7806	0.00	0.00
57	SIMATEC	42,886	30 Nov 1997	2.5000	0.0000	0	18.8217	0.00	0.00
58	EXFOR	399,654	30 Nov 1997	2.5000	0.0000	0	24.2311	0.00	0.00
59	SOMES	1,653,350	30 Nov 1997	2.0993	0.0000	0	13.1191	0.00	0.00
60	IFOR	101,803	30 Nov 1997	2.5000	0.0000	0	15.3525	0.00	0.00
61	CUART	4,516	30 Nov 1997	2.5000	0.0000	0	3.3999	0.00	0.00
62	MOPAL	251,067	30 Nov 1997	61.0533	0.0000	0	21.8936	0.00	0.00
63	ELBAC	8,299,560	30 Nov 1997	0.1000	0.0000	0	32.4500	0.00	0.00
64	ARCER	83,213	30 Nov 1997	2.5000	0.0000	0	19.7002	0.00	0.00
65	ARIO	3,523,021	30 Nov 1997	4.3027	0.0000	0	93.6407	0.00	0.00

66	UZINA ARDEALUL	55,593	30 Nov 1997	2.5000	0.0000	0	29.5075	0.00	0.00
67	COMAR	40,601	30 Nov 1997	2.5000	0.0000	0	34.9415	0.00	0.00
68	AGROPRODUCT RESITA	72,720	30 Nov 1997	2.5000	0.0000	0	30.0045	0.00	0.00
69	ROSTRAMO	434,501	30 Nov 1997	2.4988	0.0000	0	10.0371	0.00	0.00
70	RETEAUA LIBRARIILOR "BIBLIOFOR"	1,275	30 Nov 1997	2.5000	0.0000	0	10.0047	0.00	0.00
71	FORTPRES - CUG	103,523	30 Nov 1997	2.5000	0.0000	0	1.3598	0.00	0.00
72	REGNA FOREST	33,118	30 Nov 1997	2.5000	0.0000	0	7.0103	0.00	0.00

401,286,139

ISSUERS WITH BALANCE SHEET NOT SUBMITTED									

ISSUERS of UCITS and non-UCITS TYPE									
1	Fondul Inchis de Investitii ACTIVE PLUS	15,050.2178	4 Mar 2014	8,396.5368	13,488.9900	203,012,237	76.4216	6.09	6.14
2	Fondul Inchis de investitii OPTIM INVEST	3,494.6900	8 May 2017	8,190.6100	12,691.1100	44,351,495	28.8772	1.33	1.34
3	FII STAR VALUE	9,382.0000	9 Feb 2018	1,065.8700	1,177.3000	11,045,429	18.2739	0.33	0.33
4	FIA CERTINVEST ACTIUNI	307.6000	23 Mar 2018	244,053.3693	269,680.6700	82,953,774	55.6938	2.49	2.51
5	ROMANIA STRATEGY FUND	58,000.0000	12 Dec 2018	500.0000	680.6900	39,480,020	50.8772	1.19	1.19

380,842,955

* The average price determined as the ratio between the acquisition value (calculated based on the initial value in the portfolio plus, if the case, any subsequent increase in value arising from share capital increase, new acquisitions, diminished by potential sales) and the number of shares held at the reporting date (influenced by possible share splits, consolidations and shares acquired free of charge). Impairment differences calculated on the basis of IAS 29 "Financial reporting in hyperinflationary economies" have not been included.

SIF Banat-Crişana

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Bonds or other debt instruments as of
as of 30.06.2021

Annex 17
Table 10

No.	Series and number of the issue	No. of units	Date of acquisition	Maturity date	Initial value [RON]	Daily interest [RON]	Cumulative interest [RON]	Current value [RON]	Stake in SIFBC total assets [%]	Stake in SIFBC net asset [%]	Intermediary bank/Issuer
Marketable, issued or guaranteed by the state or central public administration authorities											
Marketable, issued by companies											
1	ROIMPCDBC030	210	19.12.2017	12.12.2022	5,173,035	815	7,334	5,180,369	0.16	0.16	IMPACT
2	ROVRJUDBC011	368,748	17.03.2017	17.03.2024	36,874,800	3,627	243,000	37,117,800	1.11	1.12	VRANCART ADIUD
Non-marketable, issued by companies											

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Bank deposits
as of 30.06.2021

No.	Name of the bank / Starting date	Maturity date	Initial value [RON]	Daily interest [RON]	Cumulative interest [RON]	Current value [RON]	Stake in SIFBC total asset [%]	Stake in SIFBC net asset [%]
BANCA TRANSILVANIA								
1	07/06/2021	05/07/2021	10,000,000	278	6,667	10,006,667	0.30	0.30
2	07/06/2021	05/07/2021	5,000,000	139	3,333	5,003,333	0.15	0.15
3	07/06/2021	05/07/2021	5,000,000	139	3,333	5,003,333	0.15	0.15
4	07/06/2021	05/07/2021	2,400,000	67	1,600	2,401,600	0.07	0.07
5	07/06/2021	05/07/2021	10,000,000	278	6,667	10,006,667	0.30	0.30
6	14/06/2021	12/07/2021	2,500,000	73	1,240	2,501,240	0.08	0.08
7	14/06/2021	12/07/2021	5,000,000	146	2,479	5,002,479	0.15	0.15
8	14/06/2021	12/07/2021	3,000,000	88	1,488	3,001,488	0.09	0.09
9	14/06/2021	12/07/2021	15,000,000	438	7,438	15,007,438	0.45	0.45
10	14/06/2021	12/07/2021	20,000,000	583	9,917	20,009,917	0.60	0.60
11	18/06/2021	16/07/2021	15,000,000	438	5,688	15,005,688	0.45	0.45
12	18/06/2021	16/07/2021	10,000,000	292	3,792	10,003,792	0.30	0.30
13	18/06/2021	16/07/2021	5,000,000	146	1,896	5,001,896	0.15	0.15
14	18/06/2021	16/07/2021	5,300,000	155	2,010	5,302,010	0.16	0.16
BCR								
1	30/06/2021	01/07/2021	100,000.00	2	1.97	100,002	0.00	0.00
2	10/06/2021	09/07/2021	10,000,000.00	292	6,125.00	10,006,125	0.30	0.30
3	10/06/2021	09/07/2021	30,000,000.00	875	18,375.00	30,018,375	0.90	0.91
4	10/06/2021	09/07/2021	15,000,000.00	438	9,187.50	15,009,188	0.45	0.45
5	10/06/2021	09/07/2021	10,000,000.00	292	6,125.00	10,006,125	0.30	0.30
6	10/06/2021	09/07/2021	5,000,000.00	146	3,062.50	5,003,063	0.15	0.15
7	10/06/2021	09/07/2021	5,000,000.00	146	3,062.50	5,003,063	0.15	0.15
8	10/06/2021	09/07/2021	7,100,000.00	207	4,348.75	7,104,349	0.21	0.21
9	10/06/2021	09/07/2021	20,000,000.00	583	12,250.00	20,012,250	0.60	0.60
10	11/06/2021	09/07/2021	480,000.00	14	280.00	480,280	0.01	0.01
11	18/06/2021	19/07/2021	4,300,000.00	125	1,630.42	4,301,630	0.13	0.13
12	25/06/2021	26/07/2021	2,500,000.00	73	437.50	2,500,438	0.08	0.08
13	25/06/2021	26/07/2021	10,000,000.00	292	1,750.00	10,001,750	0.30	0.30
14	25/06/2021	26/07/2021	5,000,000.00	146	875.00	5,000,875	0.15	0.15

237,805,056

SIF Banat-Crișana

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Evolution of the net asset and the net asset unitary value in the last 3 years
as of 30.06.2021

	RON		
Item	30.06.2019	30.06.2020	30.06.2021
Net Asset	2,502,177,651	3,522,448,960	3,308,207,070
NAV / share	4.8363	6.8458	6.4184

SIF Banat-Crișana

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SIF BANAT-CRIȘANA

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STATEMENT

This statement is given pursuant to the provision of Art. 67 par. 2 (c) of Law no. 24/2017, republished, for the condensed interim financial statements of SIF Banat-Crișana SA prepared as of June 30, 2021, regarding the extent to which they fairly present, in all material respects, the financial position of SIF Banat-Crișana SA as of June 30, 2021, and the result of Company's operations as at that date, in accordance with the requirements of the accounting standards in Romania, namely Accounting Law no. 82/1991, republished, and ASF Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority, from the Financial Instruments and Investments Sector.

We take the responsibility for the fair presentation of the financial statements pursuant to the legal regulations listed above. We knowingly and confidently confirm that:

- a) The accounting policies used for the preparing of the condensed interim financial statements are in accordance with Accounting Regulations approved by ASF Rule no. 39/2015;
- b) The condensed interim financial statements prepared as of June 30, 2021, provide a fair and accurate view of the assets, liabilities, financial position and profit or loss and other comprehensive income and other information related to the activity of the Company;
- c) The company operates in terms of continuity;
- d) The report of the Board of Directors provides an accurate analysis of the development and performance of the Company, and a description of the main risks and uncertainties specific to the activity carried out.

Chairman and CEO
Bogdan-Alexandru DRĂGOI

Financial Reporting Manager
Dorel BABA



SIF BANAT-CRIȘANA

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PRESS RELEASE

Availability of SIF Banat-Crișana H1 2021 Report

August 31, 2021, Arad | SIF Banat-Crișana informs the investors that the Report for the first half of 2021 will be made available to the public starting August 31, 2021, on Company's website at www.sif1.ro and at Company's headquarters in Arad, 35A Calea Victoriei.

The half-yearly report was prepared pursuant to the provisions of Law no. 24/2017, the ASF Regulation no. 5/2018, and ASF Rule no. 39/2015.

Note that the financial statements as of June 30, 2021, are not audited by the financial auditor of the company.

Further information can be obtained from Investor Relations Office, tel: +40257 304 446 / +40257 250 165, e-mail: investitori@sif1.ro.

Bogdan-Alexandru Drăgoi
Chairman and CEO

Compliance Officer, Eugen Cristea