SIF BANAT-CRIȘANA

SOCIETATE DE INVESTIȚII FINANCIARE

QUARTERLY REPORT

— AS OF MARCH 31, 2021 —

prepared pursuant to the provisions of
Law no. 24/2017, Law no. 74/2015, ASF Regulation no. 10/2015,
ASF Regulation no. 5/2018, and ASF Rule no. 39/2015

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

CONTENTS

1. GENERAL INFORMATION	*3*
2. MAIN FINANCIAL AND OPERATIONAL INFORMATION	*4*
3. PORTFOLIO AS OF MARCH 31, 2021	*5*
4. THE SHARES ISSUED BY SIF BANAT-CRIȘANA	*10*
5. SIGNIFICANT RISKS MANAGEMENT	*12*
6. SIGNIFICANT EVENTS DURING Q1 2021	*20*
7. FINANCIAL POSITION AND RESULTS AS OF MARCH 31, 2021	*21*
8. EVENTS AFTER THE REPORTING PERIOD	*24*
9. ANNEXES	
Annex 1 - Condensed interim standalone financial statements as of March 31, 2021, prepared pursuant to the Financial Supervisory Authority Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector - unaudited	
Annex 2 - Net asset statement as of March 31, 2021, prepared pursuant to Regulation no. 15/2004 (Annex 16)	
Annex 3 - Detailed statement of investments as of March 31, 2021, pursuant to Regulation no. 15/2004 (Annex 17)	

1. GENERAL INFORMATION

CORPORATE NAME	**Societatea de Investiții Financiare Banat-Crișana S.A.** (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	▪ 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 closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) ▪ Romanian legal entity with entire private capital
SHARE CAPITAL	▪ RON 51,542,236.30 – subscribed and paid-in capital ▪ 514,422,363 shares issued; 514,542,363 outstanding shares ▪ RON 0.10 per share nominal value
REGISTRATIONS	▪ Number in Trade Register J02/1898/1992 ▪ Tax Identification Code RO 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018 ▪ Number in ASF SIIRS Register PJR09SIIR/020002/2006 ▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	Main activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except for insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499): ▪ portfolio management ▪ risk management; ▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force.
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker **SIF1**
FINANCIAL AUDITOR	**Deloitte Audit S.R.L.** starting with financial year 2019
DEPOSITARY BANK	**Banca Comercială Română (BCR)** starting with November 2019
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

2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RONm]		
	31.12.2020	**31.03.2021**
Total assets, of which	2,883.77	3,087.22
Total financial assets	2,859.53	3,069.90
Equity (own capital)	2,729.90	2,914.20
Total liabilities	153.87	173.02

FINANCIAL PERFORMANCE [RONm]		
	31.03.2020	**31.03.2021**
Operating income	18.71	0.87
Gain/(Loss) on investments	(87.63)	100.84
Operating expenses	3.65	5.32
Gross profit / (Loss)	(72.58)	96.39
Net profit / (Loss)	(72.58)	94.76

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2020	**31.03.2021**
Share price (end of period, RON)	2.2000	2.4900
NAV/S* (RON)	5.6051	5.9899
Accounting net asset / share (RON)	5.3055	5.6637
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	514,542,363

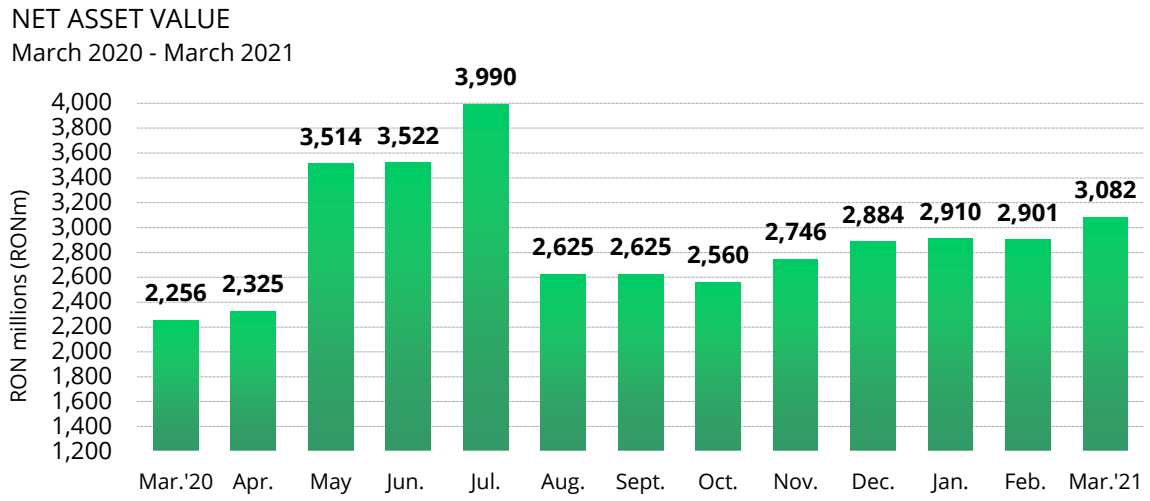
** calculated acc. to ASF regulations*

OPERATIONAL DATA		
	31.12.2020	**31.03.2021**
Number of permanent employees	34	34
Branch offices	1	1

3. PORTFOLIO AS OF MARCH 31, 2021

Net Asset Value

SIF Banat-Crișana's net asset value (NAV) was of **RON 3,082.08m** as of March 31, 2021, up 6.87% vs. 2020-year end (December 31, 2020: RON 2,884.04m) and 36.62% higher as compared to Q1 2020 (March 31, 2020: RON 2.255.99m). Net asset value per share (NAV/S) was of **RON 5.9899** as of March 31, 2021 (December 31, 2020: RON 5.6051/share, and March 31, 2020: RON 4.3845/share).



Monthly values for net asset are calculated by SIF Banat-Crișana and certified by the depositary bank Banca Comercială Română (BCR). Throughout Q1 2021, the valuation of assets for the calculation of SIF Banat-Crișana's net asset value was performed pursuant to the regulations issued by The Financial Supervisory Authority (ASF).

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

Net asset statement as of March 31, 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

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

Per these regulations:

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

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

b) By way of exception from the provisions of section i) above, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by SIF Banat-Crișana, based on a prudential value judgment regarding the active market defined by International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the mark to market valuation method, the shares of those

companies will be measured in SIF Banat-Crișana' assets in accordance with the evaluation standards in force, according to the law, based on an evaluation report. Starting with August 2020, SIF Banat-Crișana applied this valuation method 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) also maintaining this valuation method during Q1 2021.

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

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

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

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

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

The valuation methods applied by the Company to evaluate the financial assets in the portfolio are presented on Company's website, www.sif1.ro, in the section *Investments › Net Asset › Net asset value calculation methodology.*

Portfolio structure

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

The investment limits and restrictions incidental to the operations carried out by SIF Banat-Crișana during Q1 2021 complied with the applicable legal provisions, established by Law no. 243/2019 on the regulation of alternative investment funds, given that in accordance with the provisions of this law SIF Banat-Crișana is classified as a Closed, Diversified Alternative Investment Fund addressed to retail investors (AIFRI).

During Q1 2021, no violations of the regulated prudential investment limits were registered.

The detailed statement of SIF Banat-Crișana's investments as of March 31, 2021, prepared pursuant to Regulation no. 15/2004 (Annex 17), is presented as annex to this report.

Total assets value[1] under SIF Banat-Crișana management as of March 31, 2021 was of **RON 3,094.15 million**, 36.98% higher than the value recorded for December 31, 2021, when reached RON 2,258.83 million.

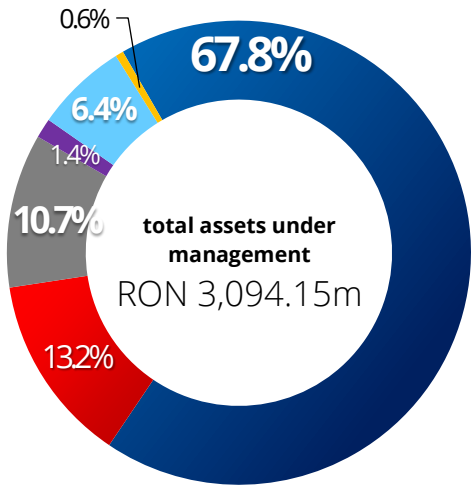
The value of the stock portfolio (listed and unlisted shares) accounted for **81%** of SIF Banat-Crișana's total assets as of March 31, 2021, amounting to **RON 2,504 million**.

At the end of Q1 2021, SIF Banat-Crișana held *majority stakes* - over 50% of the issuer's share capital - in 13 companies, with a total value of RON 993 million, representing 39.6% of NAV.

[1] *calculated pursuant to 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 those of ASF Regulation no. 10/2015*

ASSETS UNDER MANAGEMENT as of March 31, 2021

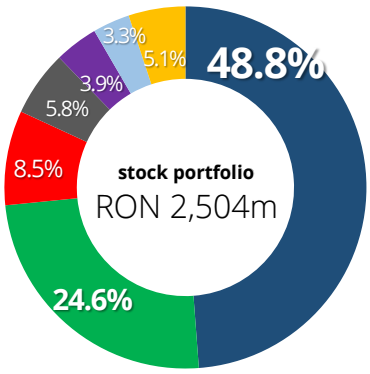
breakdown on classes (weight on total assets)



- **listed shares**
value **RON 2,097.02m**
(31.12.2020: RON 1,951.14m)
- **unlisted shares**
value **RON 407.03m**
(31.12.2020: RON 407.03m)
- **fund units**
value **RON 332.11m**
(31.12.2021: RON 305. 38m)
- **corporate bonds**
value **RON 42.37m**
(31.12.2020: RON 53.60m)
- **bank deposits and cash available**
value **RON 198.29m**
(31.12.2020: RON 150.69m)
- **receivables and other assets**
value **RON 17.33m**
(31.12.2020: RON 23.38m)

values calculated as of March 31, 2021, and December 31, 2020 pursuant to the provisions of ASF Regulations no. 9/2014, no. 10/2015, no. 2/2018; the amounts for fixed income financial instruments include interest receivables

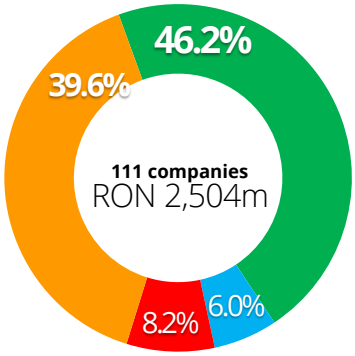
STOCK PORTFOLIO - breakdown by sector



- **banking - financial**
stakes in **15** companies, worth **RON 1,222.40m**
(31.12.2020: RON 1,151.26m)
- **commerce – real estate**
stakes in **14** companies, worth **RON 616.21m**
(31.12.2020: RON 617.32m)
- **pharmaceuticals**
stakes in **2** companies, worth **RON 211.67m**
(31.12.2020: RON 161.86m)
- **cardboard and paper**
stakes in **5** companies, worth **RON 146.43m**
(31.12.2020: RON 122.43m)
- **hospitality (hotels and restaurants)**
stakes in **4** companies, worth **RON 97.29m**
(31.12.2020: RON 100.03m)
- **energy - utilities**
stakes in **7** companies, worth **RON 82.97m**
(31.12.2020: RON 72.33m)
- **other industries and activities**
stakes in **64** companies, worth **RON 127.06m**
(31.12.2020: RON 132.94m)

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

STOCK PORTFOLIO - breakdown by stake held



■ up to 5%
stakes in **37** companies
worth **RON 1,156.88m** (31.12.2021: RON 1,025.35m)

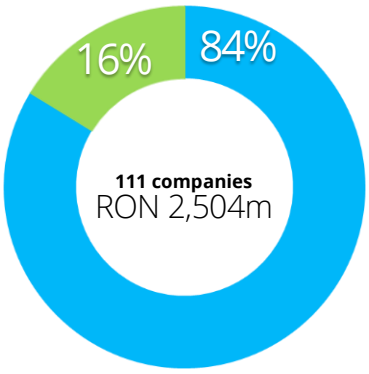
■ 5-33%
stakes in **58** companies
worth **RON 149.44m** (31.12.2020: RON 208.71m)

■ 33-50%
stakes in **3** companies
worth **RON 205.07m** (31.12.2020: RON 144.46m)

■ above 50%
majority stakes in **13** companies
worth **RON 992.65m** (31.12.2020: RON 968.65m)

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

STOCK PORTFOLIO - on liquidity

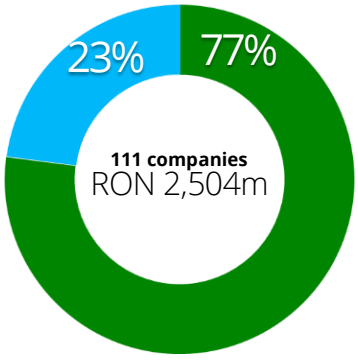


■ listed companies
RON 2,097m *(31.12.2020: RON 1,951.14m)* value of stakes in **37** companies *(31.12.2020: 42)*

■ unlisted companies
RON 407.03m *(31.12.2020: RON 407.03m)* value of stakes **74** companies *(31.12.2020: 74)*

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

STOCK PORTFOLIO - geographical exposure



■ Romania
RON 1,929.45m *(31.12.2020: RON 1,813.91m)* value of stakes in **109** companies *(30.06.2020: 121)*

■ foreign
RON 574.59m (31.12.2020: RON 544.27m) value of stakes in **2** companies (31.12.2020: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

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

TOP 10 COMPANIES IN SIF BANAT-CRIȘANA PORTFOLIO as of March 31, 2021

	Company (symbol)	**Sector**	**Stake**	**Value of holding* [RON]**	**% of NAV**
1	Banca Transilvania (TLV)	banking - financial	4.56%	628,566,429.60	20.39%
2	SIF Imobiliare Plc (SIFI)	real estate	99.99%	368,782,153.86	11.97%
3	BRD Groupe Société Générale (BRD)	banking - financial	1.95%	215,941,782.42	7.01%
4	SIF1 IMGB	real estate	99.92%	214,789,506.77	6.97%
5	Erste Group Bank AG (EBS)	banking - financial	0.34%	205,816,973.94	6.68%
6	Biofarm București (BIO)	pharmaceuticals	36.75%	204,584,571.66	6.64%
7	Vrancart (VNC)	cardboard and paper	75.06%	146,364,634.21	4.75%
8	SIF Hoteluri (CAOR)	hospitality	98.99%	57,535,380.14	1.87%
9	SAI Muntenia Invest	fund management	99.98%	51,969,608.00	1.69%
10	CONPET (COTE)	energy - utilities	6.50%	51,546,984.00	1.67%
TOTAL				**2,145,898,025**	**69.62%**

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

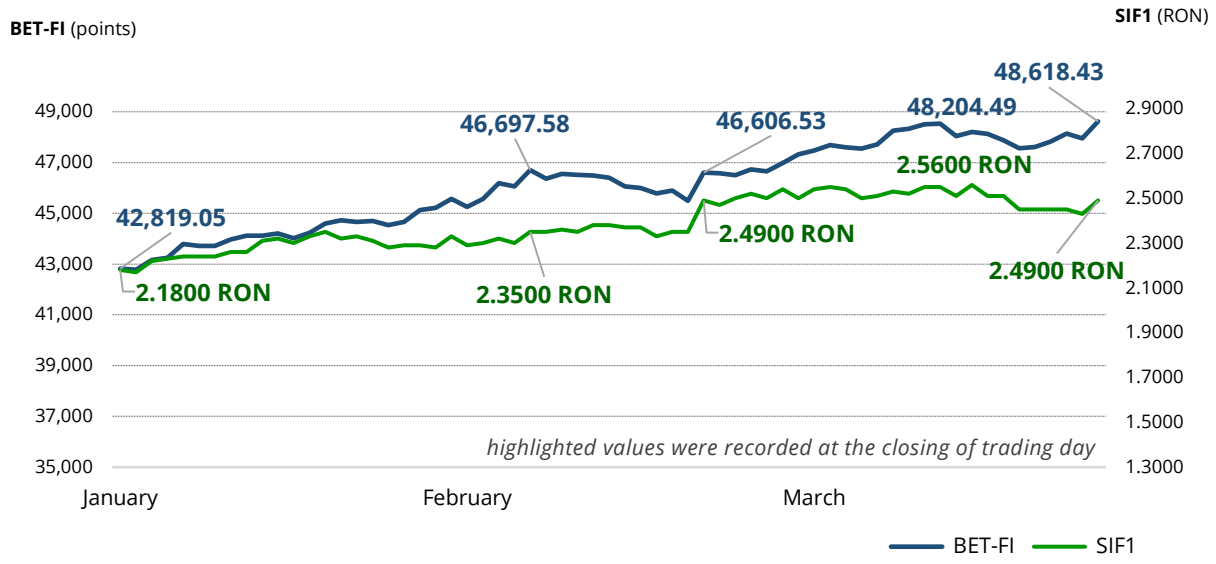
4. THE SHARES ISSUED BY BANAT-CRIȘANA

CHARACTERISTICS OF THE SHARES ISSUED BY SIF BANAT-CRIȘANA

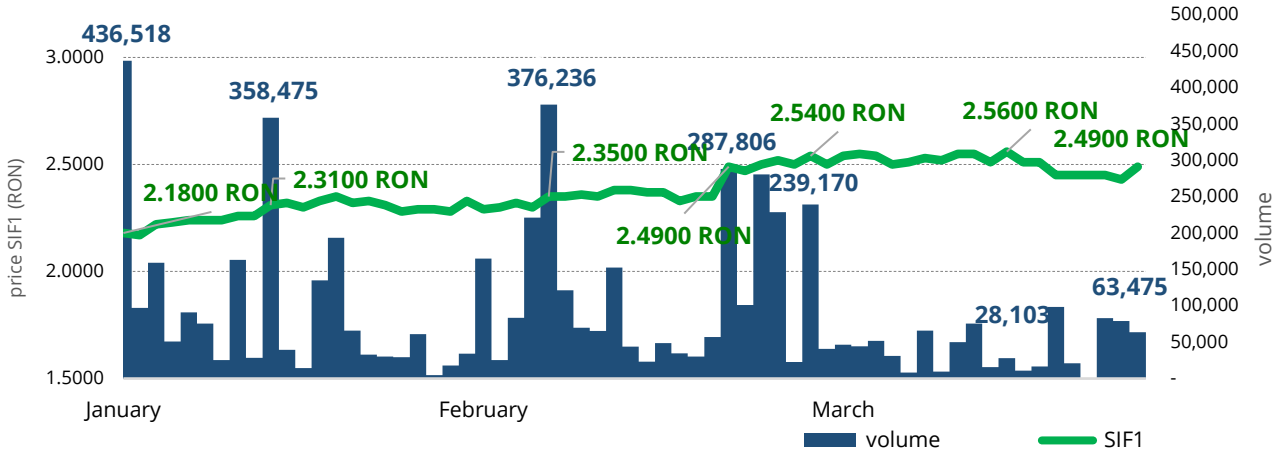
Total number of issued shares (March 31, 2021)	**515,422,363**
Outstanding shares* (March 31, 2021)	**514,542,363**
Nominal value	**RON 0.1000 / share**
Type of shares	**common, ordinary, registered, dematerialized, indivisible**
Trading market	**Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category**, listed since November 1, 1999
Trading venue (MIC)	**XBSE**
BVB (BSE) symbol (ticker)	**SIF1**
Bloomberg BBGID	**BBG000BMN388**
ISIN	**ROSIFAACNOR2**
Reuters	**SIF1.BX**
Part of indices	**BVB (BSE) indices: BET-XT, BET-FI, BET-BK** and **BET-XT-TR**

* As of March 31, 2021, SIF Banat-Crișana holds 880,000 own shares, purchased in the buyback programs approved by GMS

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



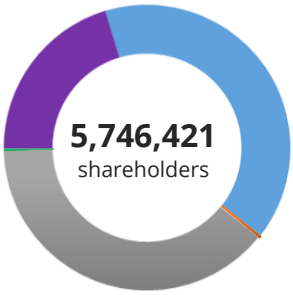
SIF1 PRICE AND VOLUME DURING JANUARY - MARCH 2021



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

As of March 31, 2021, SIF Banat-Crișana has 5,746,421 shareholders, according to the data reported by Depozitarul Central SA Bucharest, the company keeping the shareholders registry.

SHAREHOLDERS' STRUCTURE
as per holdings, as at March 31, 2021



- 40.19% Romanian individuals (5,744,187 shareholders)
- 0.34% non-resident individuals (2,080 shareholders)
- 38.94% Romanian legal entities (127 shareholders)
- 20.36% non-resident legal entities (26 shareholders)
- 0.17% treasury stock (880,000 shares)

5. SIGNIFICANT RISKS MANAGEMENT

Risk management system

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, in order to maintain 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, representing 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 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 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 and the

stress tests performed in 2018 and 2019. 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 department for 2021 will 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,*** comprising the sub-categories: price / position risk, interest rate risk, foreign exchange risk and concentration risk, ***liquidity risk, credit and counterparty risk, operational risk*** including the sub-categories: risk related to technical resources / IT systems, professional risk, model / process risk, risk associated with outsourced activities, ***other risks*** including sub-categories: reputational risk, strategic risk, regulatory risk, tax-related risk, business-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 bonds, 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 attained 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 conducted 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 as a result of 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.

On 31.03.2021 VaR for the PROXI-85 portfolio was 11.83% of the market value of RON 1,706.405 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 6.5% and *Expected shortfall (Conditional VaR)*, which indicates the potential loss of the portfolio in extreme cases of exceeding the 99% confidence level, was of 14.32%, lower as compared to 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 (1.37%) 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) and foreign currency (Euro) in Q1 2021, the Romanian currency fluctuated compared to foreign currencies, the average value of EURRON rate for Q1 2021 was of 4.8782 vs. 4.8371, the average for 2020. The value of Company's portfolio exposure (shares, bonds and current accounts) represents a weight of 17.58% of total assets as of March 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 38.94% in TA at 31.03.2021. 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 19.03, 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 Q1 2021, bank deposits were made at the highest ranked banking institutions in the system, with a rating similar to or close to the country rating (BBB- and BB +).

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 for the corporate bond portfolio, as of March 31, 2021, comes from the collecting the principal for SIFI BH Retail bonds.

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 Company's activities.

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 Q1 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.

In view of the maintain the incidence of pandemic risk on the health and safety of employees, measures have been further been 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 prevented in time.

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 the interval 2019 - March 2021, it resulted that all business partners have an inherently low risk (score obtained between 0-5 points). 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 follows ethical practices.

Regarding the efficient management of events that may give rise to reputational risk, the Risk Management department 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 within the low risk level for Q1 2021, and the measures to mitigate the increase in reputational risk, communication and transparency, adopted at Company level can keep the reputational risk low.

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 Q1 2021 several procedures were updated, pending the approval of SIF Banat-Crișana as AIFRI and the application of legal regulations in this regard. 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 the Company's.

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 / disinvestment 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 is 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 Q1 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. In accordance with SIF Banat-Crișana's investment risk management policy, the portfolios 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, CNVM Regulation no. 15/2004 and Law no. 297/2004 art. 286^1 until June 30, 2020, and with the implementation of the AIF legislation (AIF Law no. 243/2019 and ASF Regulation no. 7/2020) qualifying SIF Banat-Crișana as an alternative investment fund addressed to retail investors (AIFIR), the investments allowed and investing limits are those mentioned in art. 35 paragraph (1) of Law no. 243/2019. The compliance term for the adjustment of the investment portfolio for the inclusion in the new limits of the allowed investments is of 6 months from the date of authorization, according to art. 72, paragraph (2) of the ASF regulation no. 7/2020.

As of March 31, 2021, the portfolio compliance with the holding limits provided by Law no. 24/2017, Law 243/2019 is presented in the following table:

No.	Category of legal limit	Legal basis	Total assets	Legal limit		Accomplished		Status
			RON	RON	%	RON	%	
1	Cumulated investments	Law 24/2017, Art. 90 (1)	2,889,847,592	577,969,518	20%	40,895,894	1.42%	✓
2	Instruments issued by the same issuer	Law 243/2019, Art.35 par (2) sec. a)	3,094,153,826	309,415,383	10%	0	0.00%	✓
				1,237,661,531	40%	628,566,430	20.31%	
				2,475,323,061	80%	997,348,583	32.23%	
3	Instruments issued by a group	Law 243/2019, Art.35 par. (2) sec. b)	3,094,153,826	1,547,076,913	50%			
				1,237,661,531	40%			
3.a	Banca Transilvania Group: shares issued by the bank shares of BT Asset Management					634.132.530	20,49%	✓
3.b	SIFI Group: shares of SIFI, AISA, UNIT and CACU, bonds issued by SIFI BH Retail					415.885.377	13,44%	✓
3.c	Erste Group: shares issued by Erste Bank and BCR					205.816.975	6,65%	✓
3.d	Vrancart Group: shares and bonds issued by the company					183.479.474	5,93%	✓
3.e	BVB Group: shares of BVB, CCP.RO and Depozitarul Central					5.485.673	0,18%	✓
4	Derivatives – not the case							
5	Current accounts / Cash	Law 243/2019, Art.35 par. (2) sec. e)	3,094,153,826	618,830,765	20%	47,621,579	1.54%	✓
			3,094,153,826	1,547,076,913	50%		0.00%	
6	Deposits at the same bank	Law 243/2019, Art.35 par. (2) sec. f)	3,094,153,826	928,246,148	30%	127,459,495	4.12%	✓
7	Equity securities by UCITS or AIF		3,094,153,826			436,503,964	14,11%	
7.a	- non-traded issued by a single AIFRI	Law 243/2019, Art.35 par. (2) sec. g)	3,094,153,826	618,830,765	20%	0	0.00%	✓
7.b	- non-traded issued by a single AIFPI	Law 243/2019, Art.35 par. (2) sec. h)	3,094,153,826	309,415,383	10%	178,158,458	5.76%	✓
7.c	- non-traded issued by other open type AIF	Law 243/2019, Art.35 par. (2) sec. i)	3,094,153,826	1,547,076,913	50%	71,192,393	2.30%	✓
			3,094,153,826	1,237,661,531	40%		0.00%	✓
7.d	- issued by a single UCITS member state	Law 243/2019, Art.35 par. (2) sec. j)	3,094,153,826	1,237,661,531	40%	0	0.00%	✓
	- issued by a single traded OPC		3,094,153,826	1,237,661,531	40%	45,028,515	1.46%	✓
8	Loans of financial instruments	Law 243/2019, Art.35 par. (2) sec. k)						
9	Cash loans, syndicated loans, cash loan guarantee in favour of a third party for group entities	Law 243/2019, Art.35 par. (2) sec. l)						
10	Securities, money market instruments – non-traded	Law 243/2019, Art.35 par. (2) sec. m)	3,094,153,826	1,237,661,531	40%	407,030,420	13.15%	✓
11	Shares in LLC	Law 243/2019, Art.35 par. (2) sec. n)						
12	Greenhouse gas emission certificates	Law 243/2019, Art.35 par. (2) sec. o)						

Exposures higher than 10% on instruments issued by the same issuer are in Banca Transilvania (highest wight in TA: 20.31%) and SIF Imobiliare (weight in TA: 11.92%). Together, these holdings represent an exposure of 32.23% of the TA without exceeding the upper limit of 80%.

In Q1 2021, SIF Banat-Crișana's portfolio of assets complied with the legal provisions in force regarding the holding limits stated by Law 243/2019 Law 24/2017, and CNVM / ASF Regulation no. 15/2004.

Leverage

Leverage means any method by which the Company increases the exposure of the portfolio it manages 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 calculation of the exposure is made using the gross method and the commitment method according to 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 March 31, 2021, by the gross method is 95.48% (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 plans 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 managing portfolio of financial instruments, not to use methods to increase the exposure of the portfolio, to fit the average risk profile decided. Throughout Q1 2021, the Company did not use the leverage effect for the portfolio under management, not having the tools to generate such an effect.

6. SIGNIFICANT EVENTS DURING Q1 2021

Ordinary General Meeting of Shareholders of January 6, 2021

On January 6, 2021, the Ordinary General Meeting of Shareholders took place, deciding upon:

• the election of the members of the Board of Directors of the company for a term of office of 4 years, starting with April 25, 2021 and until April 25, 2025, in the following composition: Bogdan-Alexandru Drăgoi, Radu Răzvan Străuț, Ionel Marian Ciucioi, Marcel Heinz Pfister, and Sorin Marica.

• the approval of the Remuneration Policy in accordance with the provisions of art. 92^1 of Law no. 24/2017 on issuers of financial instruments and market operations.

• the approval of the remuneration due to the members of the Board of Directors for the financial year 2021, at the level established by the Resolution of the OGM held on April 26, 2016.

• the approval of 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 Resolution no. 7 of OGM held on April 27, 2020.

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

Publication of preliminary financial results for 2020

On February 26, 2021, SIF Banat-Crișana published the preliminary financial results for the year ended on December 31, 2020, prepared in accordance with IFRS, by communicating to the market (BVB) and posting on Company's website, www.sif1.ro.

Authorization of administrators

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

The composition of the Board of Directors of SIF Banat-Crișana, authorized by ASF Authorization no. 44/18.03.2021, is the following: Bogdan-Alexandru Drăgoi, Radu Răzvan Străuț, Ionel Marian Ciucioi, Marcel Heinz Pfister, and Sorin Marica.

Convening of the Ordinary and Extraordinary General Meeting of SIF Banat-Crișana Shareholders for April 26 (27), 2021

The Board of Directors of SIF Banat-Crișana S.A., gathered in the meeting held on March 19, 2021, convened, pursuant to art. 117 of Law no. 31/1990, the Ordinary General Meeting of Shareholders ("OGM") for April 26 (27), 2021, at 10:00 and the Extraordinary General Meeting of Shareholders ("EGM"), for April 26 (27), 2021, at 12:00 at the headquarters of the company in Arad, 35A Calea Victoriei. Starting with March 26, 2021, all the informative materials related to the topics included on the agenda and the draft resolutions subject to the approval of the general meeting, were made available to the shareholders, being published on Company's website, www.sif1.ro, in the *Investor Relation* section.

7. FINANCIAL POSITION AND RESULTS AS OF MARCH 31, 2021

SIF Banat-Crișana has prepared the financial statements as of March 31, 2021 pursuant to 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, and considering the provisions of IFRS 9 – Financial Instruments, standard applicable beginning January 1, 2018.

The interim condensed financial statements as of March 31, 2021 are not audited, as there is no legal or statutory requirement.

The interim condensed financial statements as of March 31, 2021 and the explanatory notes are presented as Annex 1 to this report.

The following are comments on the main elements of the financial position and results of the Company as of March 31, 2021:

Condensed standalone statement of financial position

Standalone statement of financial position - extract		
denominated in RON	**31/12/2020**	**31/03/2021**
Cash and cash equivalents	150,710,816	198,306,624
Financial assets at fair value through profit and loss	1,394,390,304	1,483,303,429
Financial assets at fair value through other comprehensive income	1,314,430,895	1,388,292,724
Investment property and tangible assets (property, plant, and equipment)	17,186,786	16,210,504
Other assets	7,052,842	1,105,605
Total assets	**2,883,771,643**	**3,087,218,886**
Liabilities	153,866,952	173,021,435
Equity (own capital)	2,729,904,691	2,914,197,451
Total liabilities	**2,883,771,643**	**3,087,218,886**

Total assets value held as of March 31, 2021 was of RON 3,087.2 million, 7.05% higher as compared to the value of assets at the end of 2020.

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

- **Cash and cash equivalents** are up by RON 47.6 million compared to 2020-year end, given that the Company adopted an investment policy of divestment during the first 3 months of the year, with full or partial sales of stakes in the equity portfolio in with a view to increasing the liquidity supply.

- **Financial assets at fair value through profit and loss**, amounting to RON 1,483.3 million, are higher compared to December 31, 2020 by RON 88.9 million, due to the effect of recording differences in fair value fund units and listed companies - subsidiaries and associates (with active market) as of March 31, 2021.

- **Financial assets at fair value through other comprehensive income**, amounting to RON 1,388.3 million, are higher than the level recorded on December 31, 2021 by RON 73.9 million, as a result of recording the favourable fair value differences of the financial assets investment portfolio (listed shares) as of March 31, 2021, noting that sales of shares during Q1 2021 were made under this category of assets, their carrying amount (book value) decreasing the value of this item.

- The **Other assets** category decreased compared to the beginning of the period, influenced by the settlement of some sales of shares made at the end of 2020 and settled in January 2021, respectively by the collection of dividends outstanding on December 31, 2020.

- The volume of **equity** (own capital) significantly increased compared to the level recorded on December 31, 2020, mainly due to the favourable fair value differences related to the securities

portfolio, recorded in other comprehensive income as of March 31, 2021 and net income achieved on that date. The increase in the volume of the fair value reserve also explains the increase in the Company's debts compared to the end of the previous year, due to the adjustment of the deferred income tax liability.

Condensed statement of profit and loss and other comprehensive income

Standalone statement of profit or loss and other comprehensive income - extract		
denominated in RON	**31/03/2020**	**31/03/2021**
Income		
Dividend income	15,858,518	-
Interest income	2,795,802	851,662
Other operating revenues	50,843	14,495
Gain / (Loss) on investment		
Gain on investment property	2,466,217	874
Gain from foreign exchange differences	907,403	566,188
Gain / (Loss) on financial assets at fair value through profit and loss	(91,004,345)	100,277,137
Expenses		
Commissions expenses	(769,091)	(1,463,971)
Other operating expenses	(2,884,788)	(3,852,508)
Profit /(Loss) before tax	**(72,579,442)**	**96,393,876**
Income tax	-	(1,630,655)
Net Profit/(Loss) for the period	**(72,579,442)**	**94,763,222**
Other comprehensive income	**(358,367,930)**	**88,541,740**
Total comprehensive income for the period	**(430,947,373)**	**183,304,962**

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

- Dividend income is zero in Q1 2021, as no company in the portfolio approved the distribution of dividends until the date of interim reporting. The high level of income recorded in the first 3 months of the previous year is due to the registration of dividends receivables from SAI Muntenia and additional ones distributed by Biofarm, approved at the end of 2019, and having the registration date in March 2020.

- Interest income is lower vs. the same period of the previous year, given the collection at maturity of a significant volume of liquidity placed in high yield corporate bonds, which are no longer in the portfolio as of March 31, 2021 (bonds issued by Blue Air, SIFI BH Retail, Banca Transilvania).

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

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

- **The net result from exchange rate differences** recorded as of March 31, 2021 is a favourable one, related to corporate bonds and cash in foreign currency held. Its level decreased as compared to the same period of the previous year.

- **Gain / (Loss) on financial assets at fair value through profit and loss** (FVTPL) is a favourable one, above that as of March 31, 2020. The gain was mainly due to the valuation at fair value as of March 31, 2021 of the listed shares (subsidiaries and associates), fund units and bonds. The upward progress of global stock markets has positively influenced the market value of shares listed locally and recorded in this category (Vrancart, Biofarm).

Expenses as of March 31, 2021 are above the level of those of the corresponding period of 2020, with a dynamic clearly inferior to the progress of the net result achieved.

Net Profit as of March 31, 2021, amounting to RON 94.8 million, is the effect of the result from the valuation at fair value of the above-mentioned interests.

Total comprehensive income as of March 31, 2021 is positive, amounting to RON 183.3 million, the effect of recognizing in other comprehensive income of the fair value increase of the portfolio of financial assets classified in FVTOCI (assets at fair value assets through other comprehensive income - mainly interests in the banking financial sector).

Financial ratios as of March 31, 2021

(as per pt. A of Annex no. 13 to ASF Regulation no. 5/2018)

Ratio	Calculation	Result as at 31.03.2021
1. Current liquidity ratio [1)]	Current assets/Current liabilities	16.43
2. Debt to equity ratio [2)]	Debt / Equity x 100 Debt / Capital employed x 100	not applicable not applicable
3. Accounts receivables turnover [3)]	Average clients' accounts / Turnover x 90	2.68
4. Non-current assets turnover [4)]	Turnover / Non-current assets	0.0353

[1)] **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the first three months of 2021 was of 16.43. This is due to the high level of current assets as of March 31, 2021, as there were significant amounts of liquidity in bank accounts and deposits.

[2)] **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues, with impact on fulfilling the assumed commitments. The Company had no borrowings as of March 31, 2021, and therefore this indicator is zero.

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

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

For the turnover, the company's total revenues as of March 31, 2021 was used.

Turnover ratio calculated as of March 31, 2021, was of 3 days.

[4)] **Non-current assets turnover** measures the efficiency in managing the non-current assets, by examining the value of the turnover (for SIF Banat-Crișana - the total operating income) generated by a certain portion of non-current assets. In determining the ratio, the gross value of financial assets was considered. As of March 31, 2021, this ratio has a value of 0.0353.

8. EVENTS AFTER THE REPORTING PERIOD

Resolutions of the Ordinary and the Extraordinary General Meeting of Shareholders of April 26, 2021

The ordinary and the extraordinary general meeting of SIF Banat-Crișana shareholders were held on April 26, 2021, starting with 10:00 (Romanian time) and 12:00 (Romanian time), respectively, at the first call.

The Ordinary General Meeting of Shareholders (OGM) approved the following important topics on the agenda:

- The individual financial statements for the financial year 2020, based on the discussions and reports presented by the Board of Directors, the Chairman and the Financial Auditor.
- Appropriation of the net profit for 2020 in the following option: Appropriation of the amount of RON 92,122,406 lei Other reserves, as own financing sources. By approving this profit distribution option, it became obsolete and was removed from the agenda of EGM April 26, 2021 the proposal to approve a buyback program for the share capital reduction (Program 4), included on topic 3 of the said meeting.
- The consolidated financial statements prepared for the year ended on December 31, 2020, based on the discussions and reports presented by the Board of Directors and the Financial Auditor.
- Discharge of liability of the members of the Board of Directors for the activity carried out during the financial year 2020.
- The Income and Expenses Budget and the Activity Program for 2021.
- Amendment to point 9 of the Remuneration Policy of SIF Banat-Crișana, approved by Resolution no. 4 of the OGM of January 6, 2021, for its correlation with the provisions of art. 5 of the EU Regulation no. 2088/2019 on sustainability-related disclosures in the financial services sector, with the following provisions: *"SIF Banat-Crișana promotes an effective and solid risk management, without the remuneration structure encouraging taking excessive risks, including in relation to risk related to sustainability , being correlated with the risk-adjusted performance."*

The extraordinary general meeting of shareholders approved the first two topics on the agenda, namely the election of the secretaries of the works and the commission for counting the votes.

Considering:

- the provisions of the Convening Notice of the Ordinary General Meeting of Shareholders (OGM) on topic 4 on the agenda of this meeting, according to which in the situation of OGM approving the second option on the distribution of net profit for 2020, it became obsolete, and it was removed from the Agenda of EGM of April 26, 2021 the proposal for the approval of a buyback program for the reduction of share capital (Program 4), included on topic 3 of the agenda of this meeting;
- the resolution no. 4 adopted by the OGM of April 26, 2021, approving the second option of profit appropriation;
- The Extraordinary General Meeting of Shareholders (EGM) of April 26, 2021 ascertained that the proposal from topic 3 of the agenda of the EGM regarding the approval of a buyback program ("Program 4") became obsolete, thus no longer subject to debate and approval by shareholders.

Consequently, in the absence of a decision on topic 3 of the agenda, it was also no longer subject to debate and approval by shareholders the topic 4 of the agenda of the EGM, on the approval of 21.05.2021 as the registration date (20.05.2021 as ex date) in accordance with the provisions of Art. 86 par. 1 of Law no. 24/2017 and ASF Regulation no. 5/2018.

The Resolutions adopted by the OGM and EGM of April 26, 2021 in full are available for consultation on Company's website, at www.sif1.ro, in the *Investor Relation* section.

Decisions of the Board of Directors from April 25, 2021

SIF Banat-Crișana informed the investors that the Board of Directors of SIF Banat-Crișana, gathered on April 25, 2021, in the presence of the five administrators elected by the Ordinary general Meeting of Shareholders of January 6, 2021, and authorized by ASF with ASF Authorization no. 44 of March 18, 2021.

According to the provisions of Art. 7 par. (6), par. (13) section h) and par. (15) of SIF Banat-Crișana's Articles of Associations, the administrators (members of the Board of Directors) adopted the following decisions:

- Mr. Bogdan-Alexandru Drăgoi was re-elected as Chairman of the Board of Directors for a term of office of four years, starting with 25.04.2021 and until April 25, 2025.
- Mr. Radu Răzvan Străuț was re-elected as Vice-Chairman of the Board of Directors for a term of office of four years, starting with 25.04.2021 and until April 25, 2025.
- Elected the Audit Committee for the term of office 2021 – 2025, with the following composition: Mr. Marcel PFISTER – chairman of the committee, Mr. Sorin MARICA – member, Mr. Ionel Marian CIUCIOI – member.
- Elected the Nomination and Remuneration Committee for the term of office 2021 – 2025, with the following composition: Mr. Sorin MARICA – chairman of the committee, Mr. Marcel PFISTER – member, Mr. Ionel Marian CIUCIOI – member.
- The Board of Directors re-elected Mr. Bogdan-Alexandru Drăgoi as CEO (General Director) and Mr. Radu-Răzvan Străuț as Deputy General Director, delegating to them the management of the company in accordance with the provisions of art. 143 of Law no. 31/1990, following that they will exercise their attributions related to the position of CEO, respectively Deputy General Director, only after obtaining the approval decision issued by the ASF.

Authorisation of Company's directors

On April 27, 2021, SIF Banat-Crișana informed the investors that, by ASF Authorisation no. 79 / 26.04.2021, the Financial Supervisory Authority (ASF) authorised Mr. Bogdan-Alexandru Drăgoi and Mr. Radu Răzvan Străuț as directors of SIF Banat-Crișana, in accordance with the Decision of the Board of Directors no. 6/25.04.2021.

The ASF authorisation entered into force on 26.04.2021, the date of its communication to SIF Banat-Crișana.

On May 5, 2021, SIF Banat-Crișana transmitted to ASF the copy of the registration certificate of the new mandates granted issued by the National Trade Register Office.

9. ANNEXES

Annex 1 **Condensed interim standalone financial statements** as of March 31, 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 March 31, 2021, prepared pursuant to Annex 16 of Regulation no. 15/2004

Annex 3 **Detailed statement of investments** as of March 31, 2021, pursuant to Annex 17 of Regulation no. 15/2004

The quarterly report prepared as of March 31, 2021, was approved by the Board of Directors of SIF Banat-Crișana in the meeting held on May 14, 2021.

Bogdan-Alexandru DRĂGOI
Chairman and CEO

SIF Banat-Crișana S.A.

Condensed interim standalone financial statements as of March 31, 2021

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

unaudited

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

CONTENTS

Condensed interim financial statements

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

Condensed statement of profit or loss and other comprehensive income as of March 31, 2021

Denominated in RON	*Note*	March 31, 2021	March 31, 2020
Income			
Dividend income	*5*	-	15,858,518
Interest income (assets at amortized cost, assets at FVTOCI)	*6*	471,974	2,068,028
Interest income (assets at FVTPL)	*6*	379,687	727,774
Other operating revenues		14,495	50,843
Gain/(Loss) on investment			
Gain/(Loss) on investment property	*15*	874	2,466,217
Gain/(Loss) on foreign exchange differences		566,188	907,403
Gain/(Loss) on financial assets at FVTPL	*7*	100,277,137	(91,004,345)
Expenses			
Commissions expenses	*8*	(1,463,971)	(769,091)
Other operating expenses	*9*	(3,852,508)	(2,884,788)
Profit/(Loss) before tax		**96,393,876**	**(72,579,442)**
Income tax	*10*	(1,630,655)	-
Net profit/(loss) for the period		**94,763,222**	**(72,579,442)**
Other comprehensive income			
Items that are or could be transferred to profit or loss			
Amounts that could be transferred to profit or loss (debt instruments)		8,512	(272,908)
Amounts transferred to profit or 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		104,849,940	(425,413,706)
Change of reserve from revaluation items of tangible assets		-	**-**
Effect of income tax related to them		(16,316,712)	67,318,683
Other comprehensive income		**88,541,740**	**(358,367,930)**
Total comprehensive income for the period		**183,304,962**	**(430,947,373)**
Earnings per share			
Basic		0.184	(0.141)
Diluted		0.184	(0.141)

The condensed interim financial statements were approved by the Board of Directors on May 14, 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 March 31, 2021

Denominated in RON	***Note***	**March 31, 2021**	**December 31, 2020**
Assets			
Cash and cash equivalents	*11*	198,306,624	150,710,816
Bank deposits		-	-
Financial assets at fair value through other comprehensive income (bonds)	*13*	5,253,636	5,111,504
Financial assets at amortized cost	*14*	-	-
Other financial assets	*12*	88,358	5,973,797
Other assets	*13*	185,172	189,805
Financial assets at fair value through profit or loss	*16*	1,483,303,429	1,394,390,304
Financial assets at fair value through other comprehensive income (shares)		1,383,039,088	1,309,319,391
Assets representing rights to use the underlying assets under leasing contract		832,074	889,240
Investment property	*15*	12,255,013	13,180,199
Tangible assets (items of property, plant, and equipment)		3,955,491	4,006,587
Total assets		**3,087,218,886**	**2,883,771,643**
Liabilities			
Deferred income tax liabilities		3,233,548	-
Other financial liabilities	*16*	7,929,411	6,673,694
Other deferred liabilities and revenues		23,303	26,797
Liabilities on leasing contract		887,793	934,521
Liability on current income tax	*17*	160,947,380	146,231,940
Total liabilities		**173,021,435**	**153,866,952**
Equity (own capital)			
Share capital	*18*	51,542,236	51,542,236
Treasury shares	*18*	(2,199,867)	(2,199,867)
Losses from the repurchase of own shares		(40,659)	(40,659)
Benefits granted in equity instruments		2,854,861	1,867,063
Retained earnings	*18*	849,709,689	743,318,231
Other reserves	*18*	1,157,455,631	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*	843,390,543	766,477,039
Total equity (own capital)		**2,914,197,451**	**2,729,904,691**
Total liabilities and equity		**3,087,218,886**	**2,883,771,643**

The condensed interim financial statements were approved by the Board of Directors on May 14, 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 March 31, 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	-	-	-	-	-	-	-	-	94,763,222	94,763,222
Reserve from revaluation of financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(12,775,534)	-	-	-	12,775,534	-
Change in reserve	-	-	-	-	104,860,074	-	-	-	-	104,860,074
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	(15,171,035)	-	-	-	(1,147,298)	(16,318,333)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**76,913,504**	**-**	**-**	**-**	**106,391,458**	**183,304,962**
Other reserves – own sources	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	**-**
Dividends payable for 2020	-	-	-	-	-	-	-	-	-	-
Dividends written-off	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-	-	987,798	-	-	987,798
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**987,798**	**-**	**-**	**987,798**
Balance on March 31, 2021	**51,542,236**	**(2,199,867)**	**(40,659)**	**10,308,447**	**843,390,543**	**1,176,569**	**2,854,861**	**1,157,455,631**	**849,709,689**	**2,914,197,451**

The condensed interim financial statements were approved by the Board of Directors on May 14, 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 March 31, 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	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	-	-	-	-	-	-	-	(72,579,442)	(72,579,442)
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	-	-		-	(425,738,596)	-	-	-	(425,738,596)
Revaluation of tangible assets			-			-	-	-	-
Related deferred tax	-	-	-	-	67,380,302	-	-	(9,637)	67,370,665
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(358,369,140)**	**-**	**-**	**(72,578,233)**	**(430,947,373)**
Other reserves – own sources	-	-	-	-	-	-	-	-	-
Dividends payable for 2019	-	-	-	-	-	-	-	-	-
Dividends written-off	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognized directly in equity	-	-	-	-	-	-	-	-	-
Balance on March 31, 2020	**51,746,072**	**(7,295,461)**	**(134,838)**	**10,349,214**	**523,725,304**	**1,176,569**	**997,961,099**	**739,728,121**	**2,317,256,081**

The condensed interim financial statements were approved by the Board of Directors on May 14, 2021, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed cash flow statement as of March 31, 2021

Denominated in RON	*Note*	March 31, 2021	March 31, 2020
Operating activities			
Net profit/(Loss) for the period		**94,763,222**	**(72,579,442)**
Adjustments for:			
Depreciation of tangible and intangible assets		128,192	121,628
(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*	(100,277,137)	91,004,345
Dividend income	*5*	-	(15,858,518)
Interest income	*6*	(851,662)	(2,795,802)
Expenses on interest on leasing contract		14,046	16,888
Expenses/(Income) on foreign exchange differences financial assets		(37,896)	(615,305)
Benefits granted in equity instruments		987,798	-
Income tax	*10*	1,630,655	-
Changes in operating assets and liabilities			
Change in other assets (claims, etc.)		124,463	(103,086)
Change in other financial liabilities		1,239,802	(1,287,629)
Income tax paid		-	(4,451,293)
Net cash used in operating activities		**(2,274,022)**	**(8,994,363)**
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)		31,130,243	23,970
(Placements) / Proceeds from term deposits greater than three months		-	1,500,000
Proceeds from sale/repurchase of assets at FVTPL (fund units, bonds)		15,595,421	-
Payments for purchase of assets at FVTPL (fund units, bonds, shares)		-	-
Proceeds/(Payments) for sale assets at amortized cost		-	-
Proceeds from sale of tangible assets and investment property		926,060	9,636,800
Payments for purchases of tangible assets		(23,383)	(46,757)
Dividends collected		880,951	4,580,558
Interest collected		1,429,766	1,846,186
Net cash from investment activities		**49,939,058**	**10,290,192**
Financing activities			
Payments related to leasing		(69,228)	(68,097)
Dividends paid		-	-
Repurchase of own shares		-	-
Net cash used in financing activities		**(69,228)**	**(68,097)**
Net increase / (Decrease) in cash and cash equivalents		**47,595,808**	**1,227,732**
Cash and cash equivalents on January 1		150,710,816	117,203,806
Cash and cash equivalents at the end of the period		**198,306,624**	**118,431,538**

The condensed interim financial statements were approved by the Board of Directors on May 14, 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 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 custodian 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 March 31, 2021, have been prepared pursuant to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the standalone financial statements for 2020 prepared in accordance with the Rule no. 39/2015 for the approval of the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the ASF of Financial Instruments and Investments Sector (The Rule).

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

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 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)

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 (assess) the financial assets according to pt. 4.1.1 – 4.1.5 of IFRS 9 at:
a) Amortized cost;
b) Fair value through other comprehensive income; or
c) Fair value through profit and loss.

After the initial recognition, the entity must measure the financial liabilities according to pt. 4.2.1-4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except for:
a) the financial liabilities measured at fair value through profit and loss;
b) the financial liabilities that appear when the transfer of a financial asset does not qualify for derecognition;
c) financial collateral contracts valued at the highest value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15);
d) commitments to provide a loan at an interest rate below the market value measured at the highest value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15)
e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Measurement at amortized cost

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

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

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

Measurement at fair value

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

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

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

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

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

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

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

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

The valuation techniques are used consistently.

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

(iv) Identification and measurement of value impairment

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

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

whose cash flows represent exclusively principal reimbursement or interest payments). The provision so determined is recognized considering other comprehensive income and does not reduce the carrying amount (book value) of the financial asset from the statement of the financial position.

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

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

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

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

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

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

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

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

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

(v) Derecognition

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

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

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

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

(vi) Reclassifications

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

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

If a reclassification occurs, the Company proceeds as follows:

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

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

(vii) Gains and losses

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

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

Gains on shares measured at fair value through other comprehensive income are recognized as follows:
- Changes in fair value (including exchange rate) in other comprehensive income
- Dividend income is recognized in profit and loss

Gains on debt instruments (bonds):
- Changes in fair value (including exchange rate) in other comprehensive income
- Interest income is recognized in profit and loss

When the asset is derecognized, the accumulated losses or gains previously recognized in other comprehensive income:
- are reclassified from equity in profit and loss, in the case of debt instruments;
- are transferred to retained earnings, in case of equity instruments (shares).

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

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

Other financial assets and liabilities

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

4. Management of significant risks

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

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

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

4.1 Financial risks

(a) Market risk

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

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

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

Concentration risk

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

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

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

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

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

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

(i) Equity (own capital) price risk

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

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

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

A positive change of 10% in the price of financial assets at fair value through profit and loss (shares of subsidiaries, associates, fund units and corporate bonds) would lead to an increase in profit after tax by RON 138,939,931 (December 31, 2020: RON 130,238,674), a negative change of 10% having an equal net impact in the opposite direction.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of tax, of RON 118,782,397 (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 March 31, 2020, the Company mainly held shares in companies in the banking-financial and

insurance field, having a weight of 49.1% on the total portfolio, standing at the same level of 49.1% as of December 31, 2020.

in RON	March 31, 2021	%	December 31, 2020	%
Financial intermediation and insurance	1,224,654,242	49.1%	1,153,509,071	49.1%
Manufacturing industry	642,903,218	25.8%	574,531,935	24.5%
Hotels and restaurants	97,281,555	3.9%	100,015,985	4.3%
Wholesale and retail trade, repair of motor vehicles	30,964,570	1.2%	30,964,570	1.3%
Production and supply of energy, gas, and water	12,951,575	0.5%	12,951,575	0.6%
Extractive industry	15,422,294	0.6%	13,037,218	0.6%
Other activities	3,239,346	0.1%	3,738,815	0.2%
Financial services applicable to real estate	415,606,095	16.6%	415,606,095	17.7%
Constructions	197,061	0.0%	197,061	0.0%
Transportation and storage	51,644,617	2.1%	42,978,421	1.8%
Rental of real-estate	1,104,583	0.0%	1,104,583	0.0%
Agriculture, forestry, and fishing	411,121	0.0%	411,121	0.0%
TOTAL	**2,496,380,278**	**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 3 months of the year, with a favourable influence on the market prices of listed financial assets in the Company's portfolio.

As of March 31, 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 March 31, 2021 of RON 332,109,905 (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 the first three months of 2021:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Bank deposits	0.31	1.65	0.00	0.00
Financial assets at fair value through profit and loss*	3.60	4.16	-	-
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-Crișana*

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

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

	RON interval		EUR interval	
Financial assets	**Min**	**Max**	**Min**	**Max**
Bank deposits	0.89	2.75	-	-
Financial assets at fair value through profit and loss*	5.04	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-Crișana 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	**March 31, 2021**	**December 31, 2020**
Cash and cash equivalent*	150,550,000	114,600,000
Bank deposits	-	-
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	5,171,355	5,102,644
Investments measured at amortized cost – corporate bonds	-	-
TOTAL	**193,333,651**	**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 ±1.00% in the interest rate on variable interest rate assets and liabilities denominated in other currencies in conjunction with a change of ±1.00% in the interest rate related to the assets and liabilities bearing variable interest and expressed in RON is of RON 1,624,003 (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 or 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 March 31, 2021, and December 31, 2020 can be analysed as follows:

Financial assets exposed to foreign currency risk (in RON) *in RON*	**March 31, 2021**	**December 31, 2020**
Cash and cash equivalent	46,823,704	34,944,113
Financial assets at fair value through profit and loss – (including assets held by investment funds) *	29,629,623	28,483,377
Financial assets at fair value through comprehensive income**	211,070,610	180,596,402
Investments measured at amortized cost	-	-
Total assets	**287,523,937**	**244,023,892**
Liabilities on leasing contract	(887,793)	(934,521)
Total liabilities	**(887,793)**	**(934,521)**
Net financial assets	**286,636,144**	**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.*
*** 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:

	March 31, 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%)	3,394,405	8,644,313	2,839,388	7,370,366
EUR decrease with 5% (2020: 5%)	(3,394,405)	(8,644,313)	(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 March 31, 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 March 31, 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:

March 31, 2021	**Current accounts**	**Bank deposits**	**Bonds** (measured at amortized cost)	**Bonds** (measured at FVOCI)	**Bonds** (measured at FVTPL)	**Other financial assets**	**Total**
Current and not impaired							
Rating AAA to A-							
BBB+	46,946,331	127,350,000	-	-	-	-	174,296,331
BBB	22,477	-	-	-	-	-	22,477
BB+	649,371	23,200,000	-	-	-	-	23,849,371
Baa1	2,594	-	-	-	-	-	2,594
NR	-	-	-	5,253,636	37,852,336	88,358	43,194,330
TOTAL	**47,620,773**	**150,550,000**	**-**	**5,253,636**	**37,852,336**	**88,358**	**241,365,103**

December 31, 2020	**Current accounts**	**Bank deposits**	**Bonds** (measured at amortized cost)	**Bonds** (measured at FVOCI)	**Bonds** (measured at FVTPL)	**Other financial assets**	**Total**
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 241,365,103 as of March 31, 2021 (December 31, 2020: RON 210,906,614) and can be analysed as follows:

	Credit rating			March 31, 2021	December 31, 2020
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	46,488,061	34,554,259
Banca Transilvania	BB+	Banca Transilvania	Fitch	23,849,371	24,941,635
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	127,808,029	91,103,916
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	22,477	22,683
Raiffeisen Bank Romania	Baa2	Raiffeisen Bank Romania	Moody's	2,594	3,153
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	241	552
TOTAL (Note 11 and 12)				**198,170,773**	**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 March 31, 2021 is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of Mach 31, 2021 (RON)	Maturity
Impact SA*	EUR	210	5,000.00	5.75%	5,171,355	2022
Vrancart SA**	RON	368,748	100.00	3.61%	37,612,296	2024
Total					**42,783,651**	

* 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 March 31, 2021 and December 31, 2020, as follows:

in RON	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
March 31, 2021					
Financial assets					
Cash and cash equiv.	**198,306,624**	198,306,624	-	-	-
Bank deposits	**-**	-	-	-	-
Financial assets at FVTPL	**1,483,303,429**	240,040	-	37,612,296	1,445,451,093
Financial assets at FVTOCI	**1,388,292,724**	82,281	-	5,171,355	1,383,039,088
Financial assets at amortized cost	**-**	-	-	-	-
Other financial assets	**1,487,478**	1,487,478	-	-	-
Total financial assets	**3,071,390,255**	**200,116,423**	**-**	**42,783,651**	**2,828,490,181**

in RON	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
Financial liabilities					
Liabilities on leasing contract	**887,793**	62,606	168,696	656,491	-
Liabilities income tax	**3,233,548**	3,233,548	-	-	-
Other financial liabilities	**7,929,411**	7,929,411	-	-	-
Total financial liabilities	**12,050,752**	**11,225,565**	**168,696**	**656,491**	**-**
Liquidity surplus	**3,059,339,503**	**188,890,858**	**(168,696)**	**42,127,160**	**2,828,490,181**

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.

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

(c) Operational risk

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

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

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

Amidst 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 2,914,197,451 as of March 31, 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 for dividends from companies was 0 (2020: 0). The breakdown of dividend income on the main counterparties is shown in the table below:

denominated in RON	**March 31, 2021**	**March 31, 2020**	**Measurement**
SAI Muntenia Invest	-	12,237,552	FVTOCI
Biofarm	-	3,620,966	FVTPL
Total	**-**	**15,858,518**	
FVTOCI	-	12,237,552	
FVTPL	-	3,620,966	

6. Interest income

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

denominated in RON	March 31, 2021	March 31, 2020
Interest income on deposits and current accounts	398,553	566,163
Interest income on bonds measured at amortized cost	-	1,429,359
Interest income on assets measured through other comprehensive income (corporate bonds)	73,421	72,506
	471,974	**2,068,028**

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

denominated in RON	March 31, 2021	March 31, 2020
Interest income on bonds	379,687	727,774
	379,687	**727,774**

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

denominated in RON	March 31, 2021	March 31, 2020
Profit / (Loss) from measurement / disposal of fund units	26,641,775	(77,510,110)
Profit / (Loss) from measurement of bonds	21,232	(680,722)
Profit / (Loss) from measurement of shares in subsidiaries and associates	73,614,130	(12,813,513)
Total	**100,277,137**	**(91,004,345)**

As of March 31,2021, 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.

8. Fees and commissions expenses

denominated in RON	March 31, 2021	March 31, 2020
Financial Supervisory Authority commissions	680,746	626,308
Depository fees	161,026	90,076
Fees payable to SSIF (brokers)	549,761	48
Registry fees	45,000	36,000
Other fees and commissions	27,438	16,659
Total	**1,463,971**	**769,091**

9. Other operating expenses

denominated in RON	March 31, 2021	March 31, 2020
Expenses with other taxes and fees and assimilated payments	33,367	150,501
Expenses with salaries and other personnel expenses	3,262,685	2,109,324
Depreciation expenses	71,027	64,463
Expenses for external services	414,218	486,447
Expenses on interest and depreciation of assets with the right to use under the leasing contract	71,211	74,053
Total	**3,852,508**	**2,884,788**

denominated in RON	March 31, 2021	March 31, 2020
Expenses with salaries	2,105,116	2,009,098
Stock Option Plan expenses	987,798	-
Expenditure on insurance and social protection	128,451	70,196
Other personnel expenses	41,320	30,030
Total	**3,262,685**	**2,109,324**

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 March 31, 2021, the average number of employees was of 34 (March 31, 2020: 34), and the number of employees recorded at the end of the reporting period was of 34 (March 31, 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

denominated in RON	**March 31, 2021**	**March 31, 2020**
Current income tax		
Current income tax (16%)	1,733,814	-
Tax on dividend (0%, 5%)	-	-
Expense on / (income from) deferred tax		
Financial assets at FVTOCI	-	-
Financial assets at FVTPL	-	-
Tangible assets / Investment property	(103,159)	-
Total income tax recognized in profit or loss	**1,630,655**	**-**

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:

denominated in RON	**March 31, 2021**	**March 31, 2020**
Profit before tax	**96,393,876**	**(72,579,442)**
Tax under statutory tax rate of 16% (2020: 16%)	15,423,020	(11,612,711)
Income tax effect of:		
Tax on dividend (0%, 5%)	-	-
Non-deductible expenses and similar items	167,626	2,472,557
Non-taxable revenues	(11,779,319)	(2,537,363)
Revenue related items	1,627,457	36,241
Expenses related items	-	
Recoverable tax loss	(1,396,849)	11,641,275
Deferred tax	(103,159)	-
Amounts of sponsorship within legal limits and other deductions	(808,387)	-
Tax recognized in retained earnings	(1,499,734)	-
Income tax	**1,630,655**	

11. Cash and cash equivalents

denominated in RON	**March 31, 2021**	**December 31, 2020**
Cash in hand and other valuables	20,520	19,449
Current accounts in banks	47,620,773	36,026,197
Deposits in banks with original maturity less than 3 months (including interest)	150,665,331	114,665,170
Cash and cash equivalents with maturity less than 3 months	**198,306,624**	**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

denominated in RON	**March 31, 2021**	**December 31, 2020**
Shares	1,113,341,188	1,039,727,059
Fund units	332,109,905	305,468,130
Corporate bonds (including attached interest)	37,852,336	49,195,115
Total	**1,483,303,429**	**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 March 31, 2021, is presented in the table below:

denominated in RON	Shares	Fund units	Corporate bonds	Total
January 1, 2021	**1,039,727,058**	**305,468,130**	**49,195,115**	**1,394,390,304**
Acquisitions	-	-	-	-
Sales	-	-	(10,712,680)	(10,712,680)
Change in interest receivable	-	-	(651,525)	(651,525)
Change in fair value (including foreign exchange differences)	73,614,130	26,641,775	21,425	100,277,330
March 31, 2021	**1,113,341,188**	**332,109,905**	**37,852,336**	**1,483,303,429**

As of March 31, 2021, the holdings in subsidiaries and associated entities were measured at fair value, the difference being a favourable one amounting to RON 73.61 million (vs. the value as of December 31, 2020). Outflows from corporate bonds represent the redemption at maturity of the principal of the bonds issued by SIFI BH Retail S.A.

The measurement of the fund units at fair value on March 31, 2021 generated a favourable difference of RON 26.64 million (vs. the value on December 31, 2020).

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

denominated in RON	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 of shares in 2020 include purchases of Doosan IMGB and SIFI CJ Logistic shares, and fund units of Certinvest Shares. Sale of shares include the value of Somplast SA shares. Within corporate bonds, the outflows include 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:

denominated in RON	Shares *	Corporate bonds**
January 1, 2021	**1,309,319,391**	**5,111,504**
Acquisitions	-	-
Sales	(31,130,243)	-
Change of interest receivable	-	73,421
Change in fair value (including foreign exchange differences)	104,849,940	68,711
March 31, 2021	**1,383,039,088**	**5,253,636**

** 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 31.1 million lei mainly include the sale of shares of Iproeb, Evergent and Compa. The gain on transactions amounting to RON 12.8 million was recognized in retained earnings.

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

denominated in RON	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:

March 31, 2021

denominated in RON	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss - shares	350,949,206	-	762,391,983	1,113,341,189
Financial assets at fair value through profit and loss - fund units	332,109,905	-	-	332,109,905
Financial assets at fair value through profit and loss - bonds	37,852,336	-	-	37,852,336
Financial assets at fair value through other comprehensive income - shares	1,257,420,525	-	125,618,564	1,383,039,089
Financial assets at fair value through other comprehensive income - corporate bonds	5,253,636	-	-	5,253,636
Investment property	-	-	12,255,013	12,255,013
Land and buildings	-	-	3,569,406	3,569,406
	1,983,585,608	**-**	**903,834,966**	**2,887,420,574**

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

During Q1 2021, no transfers between the levels of fair value were made.

14. Other financial assets

denominated in RON	March 31, 2021	December 31, 2020
Sundry debtors	1,417,932	7,196,933
Other financial assets	69,546	182,596
Impairment for depreciation of sundry debtors	(1,399,119)	(1,405,732)
Total	**88,358**	**5,973,797**

15. Investment property

denominated in RON	March 31, 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 three months of 2021 a property held 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	March 31, 2021	December 31, 2020
Debts to employees and related contributions	693,192	2,370,287
Taxes and dues	95	1,806
Suppliers and creditors	7,236,124	4,301,601
Total	**7,929,411**	**6,673,694**

17. Deferred tax liabilities

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

March 31, 2021

denominated in RON	Assets	Liabilities	Net
Financial assets at FVOCI	-	992,963,064	(992,963,064)
Tangible assets and investment property	-	12,958,054	(12,958,054)
Total		**1,005,921,118**	**(1,005,921,118)**
Net temporary differences - 16% rate			(160,947,380)
Deferred tax liabilities			**(160,947,380)**

December 31, 2020

denominated in RON	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 March 31, 2021 amounting to RON 160,947,380 (2020: RON 146,231,940) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 150,510,060 (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 10,437,320 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 March 31, 2021, the number of shareholders was of 5,746,421 (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 March 31, 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 26, 2018, approved the execution of a buyback program for the repurchase of 17,460,724 own shares ("Program I") by the Company, to reduce its share capital.

The EGM of April 26, 2018, approved the execution of a buyback program for the repurchase of 1,400,000 own shares ("Program II") by the Company, for their distribution free of charge to the members of the Company's management (administrators, directors) in order to build their loyalty as well and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors. In December 2019, the stock option plan was completed, through which 1,400,000 shares were granted to the Company's administrators and directors, free of charge.

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", which is ongoing.

- the execution of a buyback program for 15,000,000 own shares ("Program I") to reduce the Company's share capital;

- the buyback of a maximum of 880,000 shares ("Program II"), for their distribution free of charge to the members of the Company's management (administrators, directors), in order to build their loyalty as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The Board of Directors of the Company approved in August 2020 the "Share-based Payment Plan", which is ongoing.

The EGM of November 2, 2020 approved:
- the partial revocation of the Resolution of the Extraordinary General Meeting of Shareholders of April 22, 2019, published in the Official Gazette of Romania, Part IV, no. 2154 / 23.05.2019, namely of article 1 of this resolution, which approved the execution of a buyback program for a maximum of 15,000,000 shares;

- the execution of a Buyback ("Program 3") by the Company, in compliance with the applicable legal provisions and having the following main characteristics: (i) The purpose of Program 3: The Company will repurchase shares under Program 3 in order to reduce its share capital; (ii) Maximum number of shares that can be repurchased: 15,000,000 shares at most; (iii) Minimum price per share: RON 0.1 (iv) Maximum price per share: RON 5.1020 (v) Duration of Program 3: maximum 12 months from the date of publication of the resolution in the Official Gazette of Romania, part IV; (vi). Payment for shares acquired under Program 3 will be made from the sources provided by law.

denominated in RON	**March 31, 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

denominated in RON	**March 31, 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)	219,564,002	207,935,766
Undistributed profit	110,996,751	18,874,346
Result for the period	94,763,222	92,122,406
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,062,005	2,062,005
Total	**849,709,689**	**743,318,231**

(c) Other reserves

denominated in RON	**March 31, 2021**	**December 31, 2020**
Reserves allotted from the net profit	903,715,687	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	**1,157,455,631**	**1,157,455,631**

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

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

(d) Legal reserves

Pursuant to the legal requirements, the Company set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as of March 31, 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:

denominated in RON	**March 31, 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)	843,390,543	766,485,550
Total	**843,390,543**	**466,477,039**

(f) Dividends

During the first three 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 645,164,111 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).

denominated in RON	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, 2021	**642,622,709**	**1,960,189,603**	**(2,602,812,312)**
Increase / (Reduction)	-	-	-
Balance on March 31, 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:

denominated in RON	March 31, 2021	March 31, 2020
Profit attributable to ordinary shareholders	94,763,222	(72,579,442)
Weighted average number of ordinary shares	514,542,363	514,542,363
Basic earnings per share	**0.184**	**(0.141)**

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 March 31, 2021, the Legal Office of the Company reported there were 109 litigations ongoing in Courts. The Company had legal standing in 81 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:

Key management personnel

March 31, 2021

- As of March 31, 2021, the Board of Directors of SIF Banat-Crișana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Heinz Pfister, and Ionel Marian Ciucioi.
- As of March 31, 2021, the members of the executive team of SIF Banat-Crișana are: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș – Director.

December 31, 2020

- As of December 31, 2020, the Board of Directors of SIF Banat-Crișana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Heinz Pfister, and Ionel Marian Ciucioi.
- As of December 31, 2020, the members of the executive team of SIF Banat-Crișana 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 March 31, 2021, the Company held stakes 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 March 31, 2021 is of 19 (December 31, 2020: 19), of which:

a. Two entities (Gaz Vest SA Arad, Biofarm SA Bucharest), in which the Company exercises significant influence;

b. 4 (December 31, 2020: 4) entities that do not qualify as associates, because the Company does not exercise significant influence in those companies;

c. 13 (December 31, 2020: 13) entities in insolvency / liquidation / bankruptcy.

Transactions with related parties during the interim reporting period:

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

	March 31, 2021	March 31, 2020
Transactions by profit and loss		
Dividend income, of which:		
SAI Muntenia	-	12,237,552
BIOFARM BUCURESTI	-	3,620,966
Total	**-**	**15,858,518**
Interest income, of which:		
VRANCART	340,905	468,443
SIFI BH Retail	38,778	630,863
Total	**379,683**	**1,099,306**
Other expenses, of which:		
Administrare Imobiliare - rent and operating expenses	69,222	102,696
Gaz Vest – supply of natural gas	21,299	27,300
Total	**90,521**	**129,996**

Transactions by statement of financial position

	March 31, 2021	March 31, 2020
Other receivables, of which:		
SILVANA CEHU SILVANIEI - dividends	671,886	671,886
SILVANA CEHU SILVANIEI - receivables depreciation adjustments	(671,886)	(671,886)
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
Gaz Vest – dividends receivable	-	752,117
Total	**37,852,336**	**49,947,232**
Other debts, of which:		
Administrare Imobiliare	23,122	7,398
Total	**23,122**	**7,398**

22. Events after the interim period

April 25 - SIF Banat-Crișana's Board of Directors gathered, in the presence of the five administrators (viz. members of the Board) elected by the Ordinary General Meeting of Shareholders of the company on January 6, 2021 and authorized by ASF, by ASF Authorization no. 44 of March 18, 2021. The administrators adopted the following decisions: Mr. Bogdan-Alexandru DRĂGOI was re-elected as Chairman of the Board of Directors, for a term of office of 4 years, starting with 25.04.2021 and until 25.04. 2025. Mr. Radu-Răzvan STRĂUȚ was re-elected as Vice-Chairman of the Board of Directors for a term of office of 4 years, starting with 25.04.2021 and until 25.04.2025. At the same time, the members of the Audit Committee and of the Nomination and Remuneration Committee were elected for the 2021 – 2025 mandate. The directors of the company were authorized by ASF, by ASF Authorization no. 79/26.04.2021.

April 26 - The Ordinary General Meeting of Shareholders approved (1) the standalone financial statements and the consolidated financial statements as of December 31, 2020, (2) the appropriation of the profit for 2020 to Other reserves, (3) discharge of liability of the members of the Board of Directors for the activity carried out during the financial year 2020, (4) the income and expenses budget and the Activity Program for the year 2021, and (5) the amendment to the Remuneration Policy of SIF Banat-Crișana S.A.

STATEMENT OF annex no. 16

assets and liabilities of SIF Banat-Crișana

as of 31.03.2021

DESIGNATION	VALUE [RON]
1. Non-current assets	1,271,457,144
1.1 Intangible assets	8,192
1.2 Tangible assets	17,042,578
1.3 Financial assets	1,254,406,373
1.3.1 Listed shares	478,151,208
1.3.2 Unlisted shares	407,030,420
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	37,114,840
1.3.8 Newly issued securities	-
1.3.9 Units of UCITS and / or non-UCITS	332,109,905
1.3.10 Other financial assets	-
2. Current assets	1,822,521,941
2.1 Inventories	3,049
2.2 Receivables, of which:	87,548
2.2.1 Dividends receivables	-
2.2.2 Receivables rights	-
2.2.3 Other receivables	87,548
2.3 Cash and equivalents	47,621,579
2.4 Short term financial investments	1,624,124,720
2.4.1 Listed shares	1,514,477,026
2.4.2 Unlisted shares	-
2.4.3 Municipal bonds	-
2.4.4 Corporate bonds	5,253,636
2.4.5 Units of UCITS and / or non-UCITS	104,394,059
2.5 Newly issued securities	-
2.6 Government securities	-
2.7 Bank deposits	150,665,331
2.8 Certificates of deposit	-
2.9 Other current assets	19,714
3. Derivatives	-
4. Prepaid expenses	174,741
5. Total assets	**3,094,153,826.30**
6. Total liabilities	172,998,132
6.1 Debenture loans	-
6.2 Amounts owed to credit institutions	-
6.3 Payments in advance received from clients	-
6.4 Trade payables	75,433
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	172,922,699
- deferred income tax	160,947,380
7. Provisions for expenses	-
8. Deferred income, of which:	23,303
8.1 Investment subsidies	-
8.2 Deferred income	23,303
9. Shareholders' equity, of which:	2,914,197,451
9.1 Share capital	51,542,236
9.2 Share capital premiums	-
9.3 Revaluation differences	1,176,569
9.4 Reserves	3,127,953,681
9.5 Treasury shares	-2,240,526
9.6 Retained earnings	689,668,687
9.7 Result for the period (YTD)	94,763,222
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	846,245,404
10. Total liabilities	**3,087,218,886**
11. Net asset	**3,082,079,771**
12. Number of outstanding shares	514,542,363
13. Net asset value per share NAV/S	**5.9899**
14. Number of companies in the portfolio, of which:	111
14.1 Companies listed on a regulated market	16
14.2 Companies listed on an alternative trading system	21
14.3 Unlisted companies	74

Line 9.5 indicate the value of own shares repurchased in the buyback programs approved by the GMS of April 26, 2018
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"

SIF Banat-Crisana's Net Asset Value (NAV) as of March 31, 2021, recorded an increase of 6.2% compared to the value reported for the previous month.
The growth of NAV is due to the progress of stock quotes for several issuers in the portfolio, as well as the recording in the calculation of Company's assets of the fair values resulting from valuation reports as of December 31, 2020 for the securities in the portfolio valued in accordance with the valuation standards in force, based on the provisions of art. 114 par. (4) and (5) of ASF Regulation no. 9/2014 and ASF Regulation no. 2/2018.

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SIF Banat-Crișana Depositary bank

Banca Comercială Română

ANNEX - as per Art. 122 par. (8) of ASF Reg. no. 9/2014

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

as of 31.03.2021

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

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SIF Banat-Crișana

Banca Comercială Română

SIF Banat-Crișana's assets as of 30.03.2021

RON

ITEM	Beginning of the reporting period 31.12.220				End of the reporting period 31.03.2021				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	100.39	100.00	52,077,340	3,042,076,486	202,482,694
1. Securities and money market instruments, out of which:	63.62	63.45	-	1,834,722,771	64.65	64.40	-	1,992,628,234	157,905,463
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	57.97	57.75	-	1,786,811,260	127,573,387
1.1.1. Shares issued by companies admitted to trading	57.53	57.38	-	1,659,237,873	57.97	57.75	-	1,786,811,260	127,573,387
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	6.68	6.65	-	205,816,974	30,332,076
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	14.58	14.52	5,253,636	444,145,260	-11,232,465
3.1. Shares issued by companies not admitted to trading	14.11	14.08	-	407,030,586	13.21	13.15	-	407,030,420	-166
3.2. Corporate bonds	1.86	1.85	16,440,190	37,160,585	1.37	1.37	5,253,636	37,114,840	-11,232,299
4. Bank deposits, of which:	3.98	3.97	0	114,665,170	4.89	4.87	0	150,665,331	36,000,162
4.1. Bank deposits made with credit institutions in Romania	3.98	3.97	0	114,665,170	4.89	4.87	0	150,665,331	36,000,162
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	1.55	1.54	46,823,704	797,875	11,593,950
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	14.16	14.11	-	436,503,964	14,256,456
9. Other assets (amounts in transit, receivables from distributors, brokerage houses, etc.)	0.81	0.81	-	23,376,695	0.56	0.56	-	17,335,822	-6,040,872

SIF Banat-Crișana

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Banca Comercială Română

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Annex 17
Table 2

Net Asset Value / Share

as of 31.03.2021

RON

ITEM	Current period [31.03.2021]	Corresponding period of the previous year [31.03.2020]	Differences
Net Asset	3,082,079,771	2,255,987,282	826,092,489
Number of issued, outstanding shares	514,542,363	514,542,363	0
Net asset value per share	5.9899	4.3845	1.6055

SIF Banat-Crișana

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Annex 17
Table 3

Securities admited or traded on a regulated market in Romania

as of 31.03.2021

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	31.03.2021	261,902,679	1.00	2.4000	628,566,430	4.5646	20.31	20.39
2	BRD - GROUPE SOCIETE GENERALE	BRD	31.03.2021	13,615,497	1.00	15.8600	215,941,782	1.9537	6.98	7.01
3	BIOFARM	BIO	31.03.2021	362,096,587	0.10	0.5650	204,584,572	36.7471	6.61	6.64
4	VRANCART	VNC	31.03.2021	774,416,054	0.10	0.1890	146,364,634	75.0633	4.73	4.75
5	CONPET	COTE	31.03.2021	562,740	3.30	91.6000	51,546,984	6.5000	1.67	1.67
6	OMV PETROM	SNP	31.03.2021	35,865,800	0.10	0.4300	15,422,294	0.0633	0.50	0.50
7	ANTIBIOTICE	ATB	31.03.2021	14,167,736	0.10	0.5000	7,083,868	2.1104	0.23	0.23
8	BURSA DE VALORI BUCURESTI	BVB	31.03.2021	115,414	10.00	24.6000	2,839,184	1.4338	0.09	0.09
9	COMELF	CMF	30.03.2021	1,211,907	0.58	1.7000	2,060,242	5.3919	0.07	0.07
10	ROMPETROL WELL SERVICES	PTR	31.03.2021	4,594,975	0.10	0.4360	2,003,409	1.6517	0.06	0.07
	On an alternative trading system									
11	COMPANIA HOTELIERA INTERCONTINENTAL ROMANIA	RCHI	26.mar.21	113,934,583	0.10	0.1590	18,115,599	13.6687	0.59	0.59
12	ARGUS	UARG	26.mar.21	1,790,432	1.50	1.8400	3,294,395	5.0039	0.11	0.11
13	TRANSGEX	TRNG	24.feb.21	143,978	2.50	15.4000	2,217,261	2.7040	0.07	0.07
14	SATURN	SATU	16.mar.21	346,926	2.50	4.5000	1,561,167	17.5385	0.05	0.05
15	ARCELOR MITTAL HUNEDOARA	SIDG	09.mar.21	5,921,324	2.00	0.2520	1,492,174	2.9820	0.05	0.05
16	INDUSTRIA SARMEI CAMPIA TURZII	INSI	19.feb.21	4,604,082	0.10	0.2120	976,065	1.2497	0.03	0.03
17	REVA	REVA	04.mar.21	74,777	2.50	12.0000	897,324	5.0112	0.03	0.03
18	PRIMACONSTRUCT	PCTM	26.mar.21	90,685	2.50	9.1500	829,768	15.6969	0.03	0.03
19	ANTECO	ANTE	23.mar.21	7,042,220	0.10	0.1000	704,222	17.2036	0.02	0.02
20	SIFI CJ LOGISTIC	CACU	31.mar.21	54,486	2.50	12.6000	686,524	5.5275	0.02	0.02
21	URBANA	URBA	24.feb.21	13,208	9.20	40.0000	528,320	16.5830	0.02	0.02
22	SIFI UNITEH	UNIT	12-Aug-20	158,573	2.50	3.0620	485,551	36.3399	0.02	0.02
23	PROSPECTIUNI	PRSN	31-Mar-21	5,198,500	0.10	0.0645	335,303	0.7240	0.01	0.01
24	SOMETRA	SOMR	11-Mar-21	1,217,602	2.50	0.1010	122,978	4.5814	0.00	0.00
25	PROFESSIONAL IMO PARTNERS	PPLI	26-Mar-21	1	1.00	2.5600	3	0.0000	0.00	0.00
							1,308,660,052			
	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	15.05.2020	443,765	2.50	18.8256	8,354,142	18.0517	0.27	0.27
3	TALC DOLOMITA	TALD	09.10.2015	167,108	2.50	0	-	7.8944	0.00	0.00
4	ICSH	ICSH	26.03.2012	84,500	2.50	0	-	1.2891	0.00	0.00
5	PETROCART	PTRC	10.07.2019	11,852,163	0.50	0	0	30.1767	0.00	0.00
							8,354,142			
	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	4.49	81.9523	368,782,154	99.9997	11.92	11.97
2	SIF HOTELURI	CAOR	11.03.2021	31,820,906	2.50	1.8081	57,535,380	98.9997	1.86	1.87
3	IAMU	IAMU	23.03.2021	7,286,299	2.50	5.9673	43,479,532	76.6967	1.41	1.41
							469,797,066			
	ISSUERS of UCITS and non-UCITS TYPE									
1	SIF MOLDOVA	EVER	31.03.2021	31,598,958	0.10	1.4250	45,028,515	3.1935	1.46	1.46
2	SIF MUNTENIA	SIF4	31.03.2021	40,123,500	0.10	0.9400	37,716,090	5.1136	1.22	1.22
3	SIF OLTENIA	SIF5	31.03.2021	11,608,286	0.10	1.8650	21,649,453	2.2232	0.70	0.70
							104,394,059			

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SIF Banat-Crișana

Banca Comercială Română

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Annex 17
Table 4

Securities admited or traded on a regulated market in a member state
as of 31.03.202

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	30.12.2020	1,445,000		142.4339	205,816,974	0.3362	6.65	6.68

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Annex 17
Table 9

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

as of 31.03.2021

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	6.94	6.97
2	SAI MUNTENIA INVEST	119,976	22 Jul 2013	151.3009	433.1667	51,969,608	99.9800	1.68	1.69
3	ADMINISTRARE IMOBILIARE	16,049,741	21 Dec 2018	2.5000	2.8618	45,931,149	97.3981	1.48	1.49
4	CENTRAL	53,120	1 Nov 1999	226.1045	578.4880	30,729,283	74.5314	0.99	1.00
5	AZUGA TURISM	786,882	13 Feb 2013	37.5155	27.4800	21,623,517	98.9354	0.70	0.70
6	GAZ VEST	105,068	23 Aug 2002	100.0000	128.2138	13,471,168	25.8185	0.44	0.44
7	NAPOMAR	10,256,241	30 Nov 1997	2.5219	1.1111	11,395,709	99.4348	0.37	0.37
8	BT ASSET MANAGEMENT	716,570	27 Jan 2005	1.0000	7.7677	5,566,101	10.0000	0.18	0.18
9	EXIMBANK	414,740	30 Nov 1997	6.0000	9.1351	3,788,691	0.3108	0.12	0.12
10	CCP.RO BUCHAREST	142,500	4 Nov 2019	10.0000	10.0037	1,425,527	1.7857	0.05	0.05
11	DEPOZITARUL CENTRAL	9,878,329	4 Nov 1998	0.1000	0.1236	1,220,961	3.9057	0.04	0.04
12	IFB FINWEST	7,976,121	21 Dec 2000	0.1749	0.1095	873,385	8.6736	0.03	0.03
13	TREMULA BRAILA	17,465	30 Nov 1997	2.5000	38.4817	672,083	13.4561	0.02	0.02
14	SPUMOTIM	12,398	30 Nov 1997	2.5000	49.4752	613,394	3.9864	0.02	0.02
15	MOBIROM	11,589	30 Nov 1997	2.7675	52.6511	610,174	9.0289	0.02	0.02
16	AMIS MOB	12,607	11 Dec 2003	2.5399	44.3040	558,541	8.1220	0.02	0.02
17	BIZOOFRUCT	39,424	30 Nov 1997	2.5000	8.0203	316,192	4.4235	0.01	0.01
18	CTCE	8,501	30 Nov 1997	2.5000	35.2339	299,523	23.2357	0.01	0.01
19	COMAT MARAMURES	19,909	30 Nov 1997	2.5000	14.0770	280,259	10.0002	0.01	0.01
20	GRUP BIANCA TRANS	562,400	26 Sep 2006	0.1000	0.3694	207,751	5.1783	0.01	0.01
21	COMMETCAR	14,862	30 Nov 1997	2.5000	12.9056	191,803	10.0002	0.01	0.01
22	APRO HOREA	8,220	30 Nov 1997	2.5000	16.9325	139,185	13.5427	0.00	0.00
23	FORESTIERA	42,269	12 Jun 1998	2.5000	3.1925	134,944	25.7520	0.00	0.00
24	STREIUL	9,344	30 Nov 1997	2.5000	8.1744	76,382	17.4419	0.00	0.00
25	MOLIDUL	90,579	30 Nov 1997	2.5000	0.7601	68,849	21.6326	0.00	0.00
26	SIF SPV TWO	119,988	2 Nov 2018	1.0000	0.4378	52,531	99.9900	0.00	0.00
27	MODERN	3,302	30 Nov 1997	2.5000	7.3300	24,204	2.4485	0.00	0.00
28	BANCA COMERCIALA ROMANA	1	30 Nov 1997	0.1000	0.5800	1	-	0.00	0.00
29	PROIECT	2,162	30 Nov 1997	8.0000	0.0000	0	10.0000	0.00	0.00
30	COMMIXT	10,543	30 Nov 1997	2.5000	0.0000	0	28.9667	0.00	0.00
31	MINIERA CUART	17,396	29 Dec 2006	2.5000	0.0000	0	3.3999	0.00	0.00
32	TRANSILVANIA AIUD	46,779	30 Nov 1997	2.5000	0.0000	0	20.1873	0.00	0.00
33	SUINPROD GALDA	143,084	30 Nov 1997	2.5000	0.0000	0	27.0910	0.00	0.00
34	AGROINDUSTRIALA NADLAC	66,406	30 Nov 1997	2.5000	0.0000	0	29.9996	0.00	0.00
35	SANEVIT	535,217	30 Nov 1997	0.2495	0.0000	0	8.9696	0.00	0.00
36	TEHNOLOGIE MOBILA STIL	9,000	20 Sep 2004	2.5000	0.0000	0	4.5523	0.00	0.00
37	AMIS IMPEX	12,607	11 Dec 2003	2.5399	0.0000	0	8.0936	0.00	0.00
38	TREMULA	66,112	8 Apr 2002	2.5000	0.0000	0	17.9898	0.00	0.00
39	LEMN-MOL-FA	37,146	8 May 2001	1.9783	0.0000	0	13.0184	0.00	0.00
40	IPEGM	9,913	16 Jul 1999	2.5000	0.0000	0	3.4000	0.00	0.00
41	COMBINATUL DE UTILAJ GREU	409,572	24 Mar 1999	4.0000	0.0000	0	5.0221	0.00	0.00
42	AUTODANUBIUS	11,653	30 Nov 1997	2.5000	0.0000	0	14.0387	0.00	0.00
43	FORTOP	39,226	1 Jul 1998	2.5000	0.0000	0	12.4859	0.00	0.00
44	MOCARS	119,969	25 Nov 1998	5.5408	0.0000	0	9.6836	0.00	0.00
45	AGROINDUSTRIALA INEU	59,755	30 Nov 1997	2.5008	0.0000	0	11.5001	0.00	0.00
46	BANCA INTERNATIONALA A RELIGIILOR	186,849	30 Nov 1997	0.7544	0.0000	0	0.9342	0.00	0.00
47	MOBILSAL	550	30 Nov 1997	9.1900	0.0000	0	2.7500	0.00	0.00
48	AVERSA	142,699	22 Oct 2004	1.1799	0.0000	0	2.1416	0.00	0.00
49	LASPERESIA	20	30 Nov 1997	2.5000	0.0000	0	1.9455	0.00	0.00
50	SILVANIA FOREST	30,111	30 Nov 1997	2.5000	0.0000	0	0.6049	0.00	0.00
51	AGROMEC GATAIA	13,585	30 Nov 1997	4.1242	0.0000	0	23.9097	0.00	0.00
52	METALURGICA	50,436	30 Nov 1997	2.5000	0.0000	0	28.4090	0.00	0.00
53	SILVANA	1,443,772	30 Nov 1997	2.6254	0.0000	0	96.2832	0.00	0.00
54	ERGOLEMN	9,637	30 Nov 1997	11.0608	0.0000	0	12.9584	0.00	0.00
55	CONTOR GROUP	2,900,049	27 Nov 2007	0.6628	0.0000	0	1.4962	0.00	0.00
56	HICART	4,576	24 Jun 1998	2.5000	0.0000	0	0.7939	0.00	0.00
57	BRAFOR	5,928,744	30 Nov 1997	0.1000	0.0000	0	2.6874	0.00	0.00
58	MEBIS	346,637	30 Nov 1997	2.5000	0.0000	0	26.7806	0.00	0.00
59	SIMATEC	42,886	30 Nov 1997	2.5000	0.0000	0	18.8217	0.00	0.00
60	EXFOR	399,654	30 Nov 1997	2.5000	0.0000	0	24.2311	0.00	0.00
61	SOMES	1,653,350	30 Nov 1997	2.0993	0.0000	0	13.1191	0.00	0.00
62	IFOR	101,803	30 Nov 1997	2.5000	0.0000	0	15.3525	0.00	0.00
63	CUART	4,516	30 Nov 1997	2.5000	0.0000	0	3.3999	0.00	0.00
64	MOPAL	251,067	30 Nov 1997	61.0533	0.0000	0	21.8936	0.00	0.00
65	ELBAC	8,299,560	30 Nov 1997	0.1000	0.0000	0	32.4500	0.00	0.00
66	ARCER	83,213	30 Nov 1997	2.5000	0.0000	0	19.7002	0.00	0.00
67	ARIO	3,523,021	30 Nov 1997	4.3027	0.0000	0	93.6407	0.00	0.00
68	UZINA ARDEALUL	55,593	30 Nov 1997	2.5000	0.0000	0	29.5075	0.00	0.00
69	COMAR	40,601	30 Nov 1997	2.5000	0.0000	0	34.9415	0.00	0.00
70	AGROPRODUCT RESITA	72,720	30 Nov 1997	2.5000	0.0000	0	30.0045	0.00	0.00
71	ROSTRAMO	434,501	30 Nov 1997	2.4988	0.0000	0	10.0371	0.00	0.00

72	RETEAUA LIBRARIILOR "BIBLIOFOR"	1,275	30 Nov 1997	2.5000	0.0000	0	10.0047	0.00	0.00
73	FORTPRES - CUG	103,523	30 Nov 1997	2.5000	0.0000	0	1.3598	0.00	0.00
74	REGNA FOREST	33,118	30 Nov 1997	2.5000	0.0000	0	7.0103	0.00	0.00
						407,030,420			

	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	11,837.6000	178,158,458	76.4216	5.76	5.78
2	Fondul Inchis de investitii OPTIM INVEST	3,494.6900	8 May 2017	8,190.6100	11,066.8300	38,675,140	28.8772	1.25	1.25
3	FII STAR VALUE	9,382.0000	9 Feb 2018	1,065.8700	1,114.6700	10,457,834	18.9047	0.34	0.34
4	FIA CERTINVEST ACTIUNI	307.6000	23 Mar 2018	244,053.3693	231,444.7100	71,192,393	55.6938	2.30	2.31
5	ROMANIA STRATEGY FUND	58,000.0000	12 Dec 2018	500.0000	579.7600	33,626,080	50.8772	1.09	1.09
						332,109,905			

** 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.*

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Bonds or other debt instruments as of

as of 31.03.2021

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
	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	5,171,355	815	82,281	5,253,636	0.17	0.17	IMPACT
2	ROVRJUDBC011	368,748	17.03.2017	17.03.2024	36,874,800	3,637	240,040	37,114,840	1.20	1.20	VRANCART ADJUD
	Non-marketable, issued by companies										
1											
								42,368,476			

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Annex 17
Table 12

Bank deposits
as of 31.03.2021

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	29/03/2021	12/04/2021	3,700,000	134	401	3,700,401	0.12	0.12
2	29/03/2021	12/04/2021	5,000,000	181	542	5,000,542	0.16	0.16
3	23/03/2021	19/04/2021	3,000,000	113	1,013	3,001,013	0.10	0.10
4	23/03/2021	19/04/2021	7,000,000	263	2,363	7,002,363	0.23	0.23
5	23/03/2021	19/04/2021	4,500,000	169	1,519	4,501,519	0.15	0.15
BCR								
1	29/03/2021	05/04/2021	450,000.00	15	43.88	450,044	0.01	0.01
2	09/03/2021	09/04/2021	2,900,000.00	109	2,501.25	2,902,501	0.09	0.09
3	09/03/2021	09/04/2021	4,000,000.00	150	3,450.00	4,003,450	0.13	0.13
4	09/03/2021	09/04/2021	5,000,000.00	188	4,312.50	5,004,313	0.16	0.16
5	09/03/2021	09/04/2021	15,000,000.00	563	12,937.50	15,012,938	0.49	0.49
6	09/03/2021	09/04/2021	20,000,000.00	750	17,250.00	20,017,250	0.65	0.65
7	09/03/2021	09/04/2021	30,000,000.00	1,125	25,875.00	30,025,875	0.97	0.97
8	09/03/2021	09/04/2021	50,000,000.00	1,875	43,125.00	50,043,125	1.62	1.62
						150,665,331		

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Annex 17
Table 14

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

as of 31.03.2021

RON

Item	29.03.2019	31.03.2020	31.03.2021
Net Asset	2,301,684,976	2,255,987,282	3,082,079,771
NAV / share	4.4488	4.3845	5.9899

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PRESS RELEASE

Availability of SIF Banat-Crișana quarterly report as of March 31, 2021

May 14, 2021, Arad | SIF Banat-Crișana informs the investors that the quarterly report prepared as of March 31, 2021, pursuant to the provisions of Law no. 24/2017 and ASF Regulation no. 5/2018, is available to the public starting May 14, 2021, at Company's headquarters and on Company's website at **www.sif1.ro.**

Note that the financial statements as of March 31, 2021, are not audited.

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

Bogdan-Alexandru Drăgoi
Chairman and CEO

Compliance Officer, Eugen Cristea