SIF Banat-Crișana S.A.

Condensed interim consolidated financial statements as of June 30, 2020

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

unaudited

FREE TRANSLATION
from Romanian which is the official and binding version

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Condensed interim consolidated financial statements

Denominated in RON	*Note*	June 30, 2020	June 30, 2019
Income			
Dividend income	*8*	22,333,278	85,737,938
Interest income (assets at amortized cost, assets FVTOCI)	*9*	4,145,262	962,562
Interest income (assets FVTPL)	*9*	1,372,697	2,405,597
Other operating revenues	*10*	10,676,878	10,729,522
Investment gains			
Gain/(Loss) from investment property		2,466,217	
Net gain from exchange rate differences		1,340,878	1,050,783
Net Gain / (Loss) from financial assets at fair value through profit and loss	*11*	(80,695,018)	19,941,711
Expenses			
Reversals / (set-up) of provisions for risks and expenses		910,005	-
Reversals / (set-up) of adjustments for impairment of current assets		7,551	-
Interest expenses		(204,745)	(198,233)
Commissions expenses	*12*	(1,545,842)	(1,645,436)
Other operating expenses	*13*	(14,013,041)	(12,929,533)
Profit / (Loss) before tax		**(53,205,880)**	**106,054,911**
Income tax	*14*	(1,140,909)	(8,405,118)
Net profit / (Loss) for the period		**(54,346,788)**	**97,649,793**
Profit / (Loss) is attributed to:			
Parent company		(54,347,620)	97,634,269
Non-controlling interests		832	15,524
Other comprehensive income			
Items that are or may be transferred to profit or loss			
Amounts that may be transferred to profit or loss (debt instruments)		(190,767)	20,549
Amounts transferred to profit or loss			
Items that are or may be transferred to retained earnings			
Change in fair value of the shares measured by other comprehensive income		((305,730,644)	160,026,272
Effect of the income tax related to them		47,227,865	(25,086,769)
Other comprehensive income		**(258,693,546)**	**134,960,052**
Total comprehensive income for the period		**(313,040,334)**	**232,609,845**
Earnings per share			
Basic		(0.106)	0.189
Diluted		(0.106)	0.189

The condensed interim consolidated financial statements were approved by the Board of Directors on September 29, 2020 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi	Dorel Baba
Chairman, CEO	Financial Reporting Manager

Denominated in RON	***Note***	**June 30, 2020**	**December 31, 2019**
Assets			
Cash and cash equivalents	*15*	165,495,219	118,938,341
Bank deposits	*16*	4,982,637	14,998,737
Financial assets at fair value through profit or loss	*17*	1,139,183,178	1,226,791,566
Financial assets at fair value through other comprehensive income (shares)	*18*	1,120,981,775	1,419,485,824
Financial assets at fair value through other comprehensive income (bonds)	*18*	4,891,132	5,053,634
Financial assets at amortized cost	*19*	38,822,333	43,246,691
Investment property	*20*	65,012,117	71,669,701
Tangible assets (property, plant, and equipment)		5,387,606	5,265,407
Assets representing rights to use the underlying assets in a leasing contract		-	1,950,690
Other financial assets	*21*	4,819,325	12,407,954
Other assets		361,772	260,146
Total assets		**2,549,937,094**	**2,920,068,691**
Liabilities			
Other financial liabilities	*22*	2,834,709	4,302,517
Current income tax liability		140,694	6,016,671
Deferred income tax liabilities	*23*	123,491,723	170,631,789
Leasing liabilities		60,127	2,132,985
Borrowings	*24*	11,720,724	11,524,982
Provisions for risks and expenses		2,010,750	2,920,755
Other accrued liabilities and deferred income		18,097	10,473
Total liabilities		**140,276,824**	**197,540,172**
Equity			
Statutory share capital	*25*	51,746,072	51,746,072
Treasury (own) shares	*25*	(7,295,461)	(7,295,461)
Losses from the repurchase of own shares		(134,838)	(134,838)
Benefits granted in equity instruments		174,533	-
Retained earnings	*25*	597,965,769	811,806,713
Other reserves		1,157,455,631	997,961,099
Reserves from revaluation of tangible assets		1,176,569	1,176,569
Legal reserves		10,609,615	10,609,615
Reserves from revaluation of financial assets designated FVTOCI	*25*	597,948,933	856,643,688
Total		**2,409,646,824**	**2,722,513,457**
Non-controlling interests		13,445	15,062
Total equity		**2,409,660,269**	**2,722,528,519**
Total liabilities and equity		**2,549,937,094**	**2,920,068,691**

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Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed consolidated statement of changes in equity

for the first semester ended June 30, 2020 (all amounts presented in RON)

in RON	Share capital	Treasury (own) shares	Losses from repurchase of own shares	Legal reserves	Reserves from change of financial assets through other comprehensive income	Reserves from revaluation of tangible assets	Other reserves	Benefits granted in equity instruments	Accumulated profit	Total equity (own capital)	Non-controlling interests	Total
Balance on January 1, 2020	**51,746,072**	**(7,295,461)**	**(134,838)**	**10,609,615**	**856,643,688**	**1,176,569**	**997,961,099**	**0**	**811,806,713**	**2,722,513,457**	**15,062**	**2,722,528,519**
Profit / (Loss) for the period	-	-	-	-	-	-	-	-	(54,347,620)	(54,347,620)	832	(54,346,788)
Reserve from revaluation of financial assets transferred to profit and loss										-		-
Reserve from revaluation of financial assets transferred to retained earnings					(10,847)				10,847	-		-
Change in reserve	-	-	-	-	(305,957,747)	-	-	-	-	(305,957,747)	-	(305,957,747)
Revaluation of tangible assets										-		-
Related deferred tax	-	-	-	-	47,273,839	-	-	-	(9,637)	47,264,202)	-	47,264,202
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(258,694,755)**	**-**	**-**	**-**	**(54,346,410)**	**(313,041,166)**	**832**	**(313,040,334)**
Other reserves – own sources	**-**	**-**	**-**	**-**	**-**	**-**	159,494,532	-	(159,494,532)	-	-	-
Change of the reserve related to subsidiaries	**-**	**-**	**-**	-	**-**	**-**	-	-	-	-	(2,448)	(2,448)
Dividends payable for 2019										-		
Dividends written-off										-		-
Change in benefits granted	-	-	-		-	-	-	174,533	-	174,533	-	174,533
Cancellation of own shares										-		-
Total transactions with shareholders recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**159,494,532**	**174,533**	**(159,494,532)**	**174,533**	**(2,448)**	**172,085**
Balance on June 30, 2020	**51,746,072**	**(7,295,461)**	**(134,838)**	**10,609,615**	**597,948,933**	**1,176,569**	**1,157,455,631**	**174,533**	**597,965,769**	**2,409,646,824**	**13,445**	**2,409,660,269**

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Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

for the first semester ended June 30, 2020 (all amounts presented in RON)

in RON	Share capital	Treasury (own) shares	Losses from repurchase of own shares	Legal reserves	Reserves from change of financial assets through other comprehensive income	Reserves from revaluation of tangible assets	Other reserves	Benefits granted in equity instruments	Accumulated profit	Total equity (own capital)	Non-controlling interests	Total
Balance on January 1, 2019	**51,746,072**	**(223,487)**	**(559)**	**10,605,771**	**622,243,796**	**105,016**	**920,774,871**	**2,380,000**	**682,583,150**	**2,290,214,631**	**1,045,677**	**2,291,260,308**
Profit / (Loss) for the period	-	-	-	-	-	-	-	-	97,634,269	97,634,269	15,524	97,649,793
Reserve from revaluation of financial assets transferred to profit and loss										-		-
Reserve from revaluation of financial assets transferred to retained earnings										-		-
Change in reserve	-	-	-	-	107,234,874	-	-	-	52,815,861	160,050,736	-	160,050,736
Revaluation of tangible assets										-		-
Related deferred tax	-	-	-	-	(17,055,035)	-	-	-	(8,035,648)	(25,090,683)	-	(25,090,683)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**90,179,839**	**-**	**-**	**-**	**142,414,483**	**232,594,322**	**15,524**	**232,609,846**
Other reserves – own sources	-	-	-	-	-	-	77,186,227	-	(77,186,227)	-	-	-
Change of the reserve related to subsidiaries	-	-	-	3,898	-	-	-	-	20,766	24,664	(2,053)	22,611
Dividends payable for 2018										-		
Dividends written-off										-		-
Change in benefits granted	-	-	-	-	-	-	-	1,190,000	-	1,190,000	-	-
Cancellation of own shares										-		-
Total transactions with shareholders recognized directly in equity	**-**	**-**	**-**	**3,898**	**-**	**-**	**77,186,227**	**1,190,000**	**(77,165,461)**	**1,214,664**	**(2,053)**	**22,611**
Balance on June 30, 2019	**51,746,072**	**(223,487)**	**(559)**	**10,609,669**	**712,423,635**	**105,016**	**997,961,098**	**3,570,000**	**747,832,171**	**2,524,023,617**	**1,059,148**	**2,525,082,765**

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Denominated in RON	**June 30, 2020**	**June 30, 2019**
Cash flow from operating activities		
Net profit for the period	(54,346,788)	97,649,793
Adjustments for:		
Amortization of tangible and intangible assets	398,745	477,050
Net (gain)/loss from disposal of tangible assets	20,068	(10,415)
Net (gain)/loss from valuation of investment property	(2,466,217)	
Expenses on adjustments for impairment of assets		
(Net gain)/Net loss from financial assets at fair value through profit or loss (Note 17)	80,695,018	(19,941,711)
Dividend income (Note 8)	(22,333,278)	(85,737,938)
Interest income	(5,517,960)	(3,368,160)
Interest expenses	204,745	198,233
Expense with / (income from) other provisions and adjustments	(910,005)	
(Income)/Expenses on foreign exchange differences	(940,421)	(742,404)
Benefits granted in equity instruments	174,533	1,190,000
Income tax (Note 15)	1,140,909	8,405,118
Operating profit before changes in assets and liabilities		
Changes in operating assets and liabilities		
Changes in other assets	8,842,625	(1,630,894)
Changes in other liabilities	(1,884,221)	(711,340)
Income tax paid	(6,326,894)	(12,623,461)
Net cash generated by / used in operating activities	**(3,249,142)**	**(16,846,128)**
Cash flow from investment activities		
Payments for purchase of financial assets FVTOCI (shares, bonds)	(7,250,565)	(5,135,642)
Proceeds from sale of financial assets FVTOCI (shares, bonds)	23,970	103,332,318
(Placements) / Proceeds from term deposits greater than three months	9,978,000	19,230,661
Proceeds from sale/repurchase of assets FVTPL (fund units, bonds)	6,600,189	84,698,625
Payments for purchase of assets FVTPL (fund units, bonds, shares)		(123,637,912)
Proceeds / (Payments) from sale of assets at amortized cost	4,842,600	
Proceeds from sale of tangible assets and investment property	9,636,800	12,000
Payments for purchase of tangible assets and investment property	(944,874)	(43.214.374)
Collected dividends	20,636,067	80,797,410
Collected interest	6,234,865	3,162,721
Net cash generated / (used) in investment activities	**49,757,053**	**119,245,807**
Cash flow from financing activities		
Proceeds / Loan repayments	53,180	4,774,928
Dividends paid to shareholders of the company	(2,448)	(8,207)
Repurchase of own shares		
Interest paid	-	(107,181)
Net cash generated / (used) in financing activities	50,732	**4,659,540**
Net increase / (decrease) in cash and cash equivalents	46,558,643	107,059,219
Cash and cash equivalents at the beginning of the period	118,936,576	71,691,538
Cash and cash equivalents at the end of the period	**165,495,219**	**178,750,757**

Cash and cash equivalent comprise:

	June 30, 2020	**June 30, 2019**
Petty cash	3,548	6,650
Current accounts at banks	48,309,803	74,322,625
Bank deposits with initial maturity less than 3 months	117,063,050	104,350,000
Interest attached to deposits	94,524	57,972
Other values	24,294	13,510
Cash and cash equivalent	**165,495,219**	**178,750,757**

The condensed interim consolidated financial statements were approved by the Board of Directors on September 29, 2020 and were signed on its behalf by:

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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 Banat-Crișana and it is a joint stock company operating under Law 31/1990, Capital market Law no. 297/2004, with subsequent amendments and changes, authorized as AIFM according to Law no. 74/2015.

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

The main activity of the company:
- carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force;
- management of investment portfolio and exercising all of the rights related to the instruments in which investments are made;
- risk management;
- other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.

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 is Banca Comercială Română (BCR) starting with November 28, 2019, until that date (since January 29, 2014) was BRD Groupe Société Générale.

The company providing registry services is Depozitarul Central SA Bucharest.

The company has applied the requirement of Law no. 24/2017 on issuers of financial instruments and market operations which provides that the half-yearly financial report shall be published no later than 3 months after its end. At the same time, the Company also applied an interpretation contained in the document on the agenda issued by the European Commission Internal Market Service for the meeting of the Accounting Regulation Committee (document ARC / 08/2007) regarding the relationship between the IAS Regulation and the Directives of 4 and 7 of the Trading Companies Law. The Commission Services Department was of the opinion that, if a company chooses or has to prepare annual financial statements, in accordance with IFRS adopted by the European Union, it can independently prepare and submit a set of standalone financial statements as opposed to a set of consolidated financial statements.

SIF Banat-Crișana's condensed interim standalone financial statements as of June 30, 2020 were approved by the Board of Directors on August 31, 2020, prior to the approval of these condensed interim consolidated financial statements.

The Company's condensed interim consolidated financial statements as of June 30, 2020 comprise the Company, its subsidiaries and associates (the "Group"). Subsidiaries and associates are disclosed in the Note 3 to these interim financial statements.

The Group's business is structured on one segment, the financial one.

During Q1 2018, the Company reviewed the criteria for its classification as an investment entity and concluded that they were met, except for the subsidiaries providing investment services (SAI Muntenia Invest, Administrare Imobiliare SA). Thus, starting with the financial year 2018, the Company prepares consolidated financial statements, including in the consolidation the subsidiaries providing investment services (SAI Muntenia Invest, Administrare Imobiliare SA). The other subsidiaries and associates were deconsolidated and measured by the Company at fair value through profit or loss. Under these circumstances, the Company prepares two sets of financial statements: standalone and consolidated financial statements, in accordance with IFRS 10 and IAS 27. The Company reviewed the analysis regarding the fulfilment of the classification criteria as an investment entity for the years 2019 and 202 also, concluding that they are met and that it will also apply the exception provided by IFRS 10 regarding the investment entities and for the financial statements related to the financial years 2019 and 2020.

Based on the requirements of Law no. 24/2017 and the ASF Regulation no. 5 on Issuers of Financial Instruments and Market Operations, the Company will prepare and submit consolidated interim financial statements for H1 2020 within three months of its end.

2. Bases of preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared pursuant to 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").

The accounting records of the Company and its subsidiaries are kept in RON.

As not all subsidiaries apply International Financial Reporting Standards as the accounting basis, accounts prepared in accordance with the Romanian Accounting Regulations ("RAR") are restated to reflect the differences between RAR-compliant and IFRS-compliant accounts. Accordingly, the RAR accounts are adjusted to the necessary extent to harmonize these financial statements in all material respects with the IFRS requirements adopted by the European Union by Regulation 1606/2002 of the European Parliament and of the Council of the European Union from July 2002 and those of the ASF Rule no. 39/2015.

In addition to the specific consolidation adjustments, the main restatements of the financial information presented in the financial statements prepared in accordance with the RAR and the IFRS adopted by the European Union are:

- grouping several items into more comprehensive categories;
- adjustments of items of assets, liability and equity adjustments, in accordance with IAS 29 "Financial reporting in hyperinflationary economies" because the Romanian economy was a hyperinflationary economy until December 31, 2003;
- fair value adjustments also for the impairment of financial assets (debt instruments at amortized cost or at fair value through other comprehensive income) in accordance with IAS 9 "Financial Instruments";
- adjustments in the consolidated statement of comprehensive income to record dividend income at the time of their reporting and at gross value;
- adjustments for the recognition of deferred tax assets and liabilities in accordance with IAS 12 "Income Tax";
- investment property adjustments for their fair value measurement in accordance with IAS 40 "Investment Property"; and
- disclosure requirements in accordance with IFRSs.

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 from CNVM Regulation no. 4/2011 to IFRS accounting regulations.

These condensed interim consolidated financial statements for H1 ended on June 30, 2020, have been prepared pursuant to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the consolidated financial statements for 2019 prepared in accordance with 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).

(b) Presentation of the condensed interim consolidated financial statements

The Group has adopted a presentation based on liquidity in the condensed 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 based on other methods allowed by IAS 1 "Presentation of financial statements".

(c) Bases of measurement

The condensed interim consolidated financial statements are prepared on a fair value basis convention, for the financial assets and liabilities, at fair value through profit or 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) Going concern

The condensed interim consolidated financial statements have been prepared using the going concern assumption that the companies in the Group will be able to use their assets and meet their obligations during their operating activities.

(e) Functional and presentation currency

The management of the Group 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 consolidated financial statements are presented in RON, rounded to the nearest unit, which is the presentation currency chosen by the Group's management.

(f) Use of estimates and judgements

The preparation of the condensed interim consolidated financial statements 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 requires that management of the Group 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 of the Group in applying IFRS that have a significant impact on the consolidated financial statements and the estimates that involve a significant risk of a material adjustment in the next year are presented in the annual financial statements.

(g) Changes in the accounting policies

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

3. Bases of consolidation

a) Subsidiaries and associated entities

The subsidiaries are entities under the control of the Company. The control exists when the Company is exposed or has rights on the variable profitability based on its participation in the entity in which it invested and has the capacity to influence that income through its authority over the invested entity. On the date of control evaluation, the potential or convertible voting rights exercised on the respective date are taken into account.

The financial statements of the subsidiaries are included in the consolidated financial statements as of the date when it begins exercising the control until its termination. The accounting policies of the subsidiaries were amended in order to harmonize them with the Group's policies.

(all amounts presented in RON)

During Q1 2018, based on the information available as at December 31, 2017, the Company reviewed the criteria for its classification as an investment entity and concluded that they were met, except for the subsidiaries providing investment services (SAI Muntenia Invest, Administrare Imobiliare SA). As per the provisions of IAS 27 and IFRS 10, starting with the financial year 2018, the Company measures all the subsidiaries at fair value through profit or loss, except for the subsidiaries providing investment related services, that will continue to be consolidated. At the same time, the Company reviewed the analysis regarding the fulfilment of the classification criteria as an investment entity for 2019 and 2020, concluding that they are met and that will further apply the exception provided by IFRS 10 regarding the investment entities for the financial statements for the financial years 2019 and 2020.

The list of investments in subsidiaries as of June 30, 2020 and December 31, 2019 is the following:

No.	Company name	Percentage held (%)	
		June 30, 2020	December 31, 2019
1	(SIF Imobiliare PLC Nicosia)	99.99	99.99
2	(SIFI SPV TWO)	99.99	99.99
3	SAI Muntenia Invest SA Bucharest	99.98	99.98
4	(Napomar SA Cluj Napoca)	99.43	99.43
5	(SIF Hoteluri SA Oradea)	99.00	99.00
6	(Azuga Turism SA Bucharest)	98.94	98.94
7	Administrare Imobiliare SA	97.40	97.40
8	(Silvana SA Cehu Silvaniei)*	96.28	96.28
9	(IAMU SA Blaj)	76.70	76.70
10	(Vrancart SA Adjud)	75.06	75.06
11	(Somplast SA Bistrița)	70.75	70.75
12	(Central SA Cluj)	67.08	67.08
13	(Uniteh SA Timișoara)**	36.34	36.33
14	(Ario SA Bistriţa) – bankruptcy***	93.64	93.64

Note: The subsidiaries shown in brackets in the table above were excluded from the scope of consolidation starting January 1, 2018.
** The company Silvana SA Cehu Silvaniei filed the request to open the insolvency procedure, on December 17, 2019, admitted by the court on December 19, 2019.*
*** a stake of 50.2% in Uniteh SA is owned by SIF Imobiliare Plc Nicosia (2019: 50.2%).*
**** Ario SA Bistriţa is undergoing bankruptcy proceedings, so the voting rights held by SIF Banat-Crișana do not give authority over the entity in which it invested and thus is excluded from the scope of consolidation.*

Associates

The number of entities in which the Company holds stakes between 20% and 50% as of 30 June 2020 is of 20 (December 31, 2019: 21), of which:

a. Two entities (Gaz Vest SA Arad, Biofarm SA Bucharest), in which the Company exerts a significant influence, removed from the scope of consolidation beginning January 1, 2018, as a result of the classification of the Company as an investment entity;
b. 4 entities (December 31, 2019: 5) that do not qualify as associates because the Company does not exercise significant influence in companies;
c. 14 entities (December 31, 2019: 14) in insolvency / liquidation / bankruptcy.

b) Transactions removed from consolidation

The settlements and the transactions within the Group, as well as the profits not realized resulted from transactions within the Group, are entirely removed from the consolidated financial statements.

The accounting policies presented below have been applied coherently for all periods presented within these consolidated financial statements. The accounting policies have been applied coherently by all the entities of the Group.

4. Operational segments

The Group operates on a single segment, i.e. financial activity.

5. Significant accounting policies

The accounting policies used in these condensed interim consolidated financial statements are consistent with those of the consolidated financial statements prepared as of December 31, 2019.

The main accounting policies applicable to financial instruments are presented below:

Financial assets and liabilities

Financial instruments, as per IFRS 9, comprise the following:
- investments in equity (own capital) instruments (e.g. shares);
- investments in debt instruments (e.g. securities, bonds, loans);
- trade receivables and other receivables;
- cash and cash equivalent;
- derivatives;
- stakes in subsidiaries, associates, and joint ventures - according to the provisions of IFRS 10 / IAS 27 / IAS 28.

(i) Classification

Financial instruments held are classified by the Group in accordance with IFRS 9 “Financial Instruments” in financial assets and financial liabilities.

The Group classifies **the financial assets** as measured at amortized cost, at fair value through other comprehensive income or fair value through profit or loss based on:
(a) the entity 's business model for the management of financial assets;
b) the characteristics of the contractual cash flows of the financial asset.

Business model

• It represents the manner in which an entity manages its financial assets in order to generate cash flows: *collection, sale of assets* or *both*;
• Its determination is realized by facts, considering: *the valuation and reporting modality of their performance*, the current *risks* and the *management modality* thereof and the *management compensation modality* (based on fair value or based on cash flows related to these investments);

Model of held for collection assets
• Managed in order to carry out the cash flows by collecting the principal and the interest during the lifetime of the instrument;
• The hold-to-maturity is not necessary;
• There are categories of sale transactions compatible to this model: those ones due to the increase of the credit risk, infrequent or insignificant sales from the value point of view or sales on dates closed to the due date of the instruments;
• The accounting recording of these assets (if the SPPI criterion is also fulfilled and the fair value option was not selected) is made at amortized cost (using the effective interest method; the interests, earnings or losses from impairment and the exchange rate differences – in profit and loss).

Model of assets held-for-collection and held-for-sale
• Managed both to realize cash flows from collection and through the (full) sale of assets;
• The sales have high frequency and value compared to the previous model, without mentioning a certain threshold to classify within this model;
• The purpose of these sales can be: managing the current liquidity needs, mentioning certain structure of the output obtained or optimization decisions of the entity’s balance sheet (correlation of the term of financial assets with that of financial liabilities).
• The accounting registration of these assets (if the SPPI criterion is also fulfilled and the fair value option was not selected) is made at the fair value through other comprehensive income (using the effective interest method; the interests, earnings or losses from impairment and the exchange rate differences – in profit and loss / variation of the fair value of these instruments – in other comprehensive income, the amounts recognized in other comprehensive income are recycled through profit and loss when the asset is derecognized).

Other business model
• The assets managed in order to carry out the cash flows by means of sale;
• The collection of cash flows related to these investments is incidental, it does not represent the purpose of their holding;
• Assets whose performance is managed and reported based on their fair value;
• Liability items (debt instruments) acquired for the sale in the near future, are meant to obtain short-term profit or these are derivative instruments;
• The accounting recording of these assets is made at the fair value through profit and loss.

SPPI test
It comprises criteria that evaluates to what extent the structure of the cash flows of a liability instrument classifies within the model of the base credit agreement (the interest reflects to a great extent of the value in time of money and credit risk).

There are some ratios that indicate the case in which the liabilities instruments held should be evaluated at the fair value through profit and loss:

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

There are also ratios that, although they would impose a registration at fair value, can comply, under certain circumstances, with the SPPI criterion and so the respective assets should be 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 below are complied with:

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

Financial assets measured at amortized cost
A financial asset must be measured at amortized cost if both conditions below are complied with:

(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 principal owed.

Financial liabilities – are measured at fair value through profit and loss (FVTPL) if:
- they meet the requirements of the definition of "held for trading";
- are designated in the FVTPL category at the initial recognition (if the specific conditions are met).

The other financial liabilities are measured at amortized cost.

(ii) Recognition

The assets and liabilities are recognized on the date when the Group becomes a contractual party to the conditions of the respective instrument. When the Group recognizes a financial asset for the first time, it must classify it according to paragraphs 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 value it according to paragraphs 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 the financial assets according to paragraphs 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 or loss.

After the initial recognition, the entity must value the financial liabilities according to paragraphs 4.2.1-4.2.2 of IFRS 9. Thus, the Group will classify all financial liabilities at amortized cost, except for:
a) the financial liabilities measured at fair value through profit or 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 of the loss provision value (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 of the loss provision value (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 less 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 (direct or by the use of an adjustment account) for impairment or unrecoverability.

The effective interest rate represents the rate that updates exactly the future payments and proceeds in cash during the forecasted life of the financial instrument or, where applicable, during a shorter period, up to the level of the net 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 extinguish a debt within a transaction performed 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 Group has access at that date.

The Group 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 Group 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 available and regularly 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, developed 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 Net Asset Value, calculated by the fund manager using the closing quotations for the quoted financial instruments. If the Group notices that there is no active market for the fund holding, it appeals for measurement to the public financial statements of the fund holdings, respectively to the net asset value. According to the net asset, a corrected Net Asset Value is obtained used to evaluate the units in the financial statements of SIF Banat-Crișana.

Government securities 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 Group uses measurement techniques. The fair value of the financial assets not traded on an active market is determined by authorized valuators, within the assessment compartment existing within the parent-Company or 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 Group uses evaluation techniques that maximize the use of observable data and minimize the use of non-observable data.

The assessment techniques are used consistently.

The value resulted using a measurement model is adjusted depending on the number of factors, as the valuation techniques do not reflect reliably all factors considered by the market participants when closing 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. The Company management considers that these adjustments are necessary to present a faithful 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 Group must recognize a provision for the forecasted losses from credit corresponding to a financial asset that is measured according to paragraph 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 Group 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 paragraph 4.1.2A of IFRS 9 – assets held in order to collect the cash flows and sales, whose cash flows represent exclusively principal reimbursement or interest payments). The provision determined is recognized considering other comprehensive income and does not reduce the carrying amount of the financial asset from the statement of the financial position.

For each reporting date, the Group measures the provision for losses corresponding to a financial instrument at a value equal to:

- 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 Group recognizes in profit or loss, as earnings or losses 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 imposed by the provisions of IFRS 9.

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

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

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

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

(v) Derecognition

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

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

The Group derecognizes a financial debt when all contractual obligations ended or when the contractual obligations are cancelled or expired.

Derecognition of financial assets and liabilities is accounted for using the weighted average cost method.

(vi) Reclassifications

If the Group reclassifies the financial assets according to paragraph 4.4.1 of IFRS 9 (because 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 Group applies the reclassification of financial assets prospectively as of the reclassification date. The potential earnings, losses or interests recognized before will not be restated.

If a reclassification occurs, the Groups proceeds as follows:

- When reclassifying an asset in 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 or loss;
- When reclassifying an asset in 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 (book value);
- When reclassifying an asset in 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 the borrowing;
- When reclassifying an asset in the fair value category by other elements of the 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 or loss account. The actual interest rate and the expected loss on credit are not adjusted as a reclassification effect;
- When reclassifying an asset in 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 of fair value through other comprehensive income to fair value through profit or loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment (in accordance with 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 or loss are recognized in profit or loss;
b) The gains or losses generated by a financial asset measured at fair value through other comprehensive income are recognized in other comprehensive income.

When the assets are derecognized, the accumulated losses or gains previously recognized in other comprehensive income:

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

When the financial assets are impaired or derecognized and the financial liabilities are accounted for at amortized cost, and through their amortization process, the Group recognizes the gains or the loss in the income statement (profit and loss account).

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 or loss or in equity, as the case may be.

e) Other financial assets and liabilities

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

6. Comparative financial information

Until December 31, 2017, the Company prepared consolidated financial statements only at the end of the financial year. Starting January 1, 2018, the Company also prepares half-year consolidated financial statements.

7. Management of significant risks

The risk management activity can be found in the organizational structure of the Company and covers both general and specific risks, as provided by Law no. 297/2004 and by C.N.V.M. Regulation no. 15/2004, as subsequently amended and supplemented.

The most important financial risks to which the Group is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and price risk of equity instruments. This note presents information regarding the Group's exposure to each of the aforementioned risks, the Group's objectives and policies, and the risk assessment and risk management processes.

The Group uses a variety of policies and procedures for managing and evaluating the types of risk to which it is exposed. These policies and procedures are presented in each subchapter for each risk type.

7.1 Financial risk

(a) Market risk

Market risk is the current or future risk of recording losses on balance sheet and off-balance sheet positions due to adverse market fluctuations in prices (such as, for example, stock prices, interest rates, exchange rates). The management of the Company sets the limits of risk that can be accepted, limits that are regularly monitored. However, the use of this approach does not prevent losses outside the limits set in the event of a significant market fluctuation.

The position risk is related to the portfolio of financial instruments held by the Company with the intention of benefiting from the favourable progress of the price of the respective financial assets or the possible dividends / coupons granted by the issuers. The Group is exposed to the risk of position, both to the general and to the specific one, due to the short-term investments in bonds, shares, and fund units.

The management has always pursued and aims to minimize possible adverse effects associated with this financial risk, through an active policy of prudential diversification of the portfolio, as well as using one or more risk mitigation techniques depending on the evolution of prices on the market related to the financial instruments owned by the Group.

Concentration risk

The concentration risk concerns all the assets held by the Group, irrespective of their holding period, and by means of mitigating this type of risk, the aim is to avoid recording a too large exposure on a single debtor / issuer at Group level.

The management policy of the diversification of exposures is applied on the structure of the portfolio, on the structure of the business model, as well as on the structure of exposures to financial risks. Thus, 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 Group level to avoid excessive exposure to a certain line of business / sector of activity; the diversification of the financial risk structure aims to avoid excessive exposure to a certain type of financial risk.

The market risk of equity instruments mainly results from the actions valued at fair value through other elements of the global result and through the profit or loss account. The entities in which the Group owns stakes operate in various industries.

(all amounts presented in RON)

The objective of market risk management is to control and manage market risk exposures within acceptable parameters, in order to optimize profitability.

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

The Group is exposed to the following categories of market risks:

(i) Equity (own capital) price risk

Price risk is the risk of incurring losses from both balance sheet and off-balance sheet positions due to asset price developments.

The Group is exposed to the risk that the fair value of the financial instruments it holds fluctuates as a result of changes in market prices, either due to factors specific to the activity of its issuer or factors affecting all instruments traded on the market.

The Board of Directors monitors how the market risk is managed, and the internal procedures provide that when the price risks are not in line with the investment policy and the Group's principles, the portfolio must be re-balanced.

A positive 10% change in the price of financial assets at fair value through profit and loss account (subsidiary shares, associates, fund units, corporate bonds) would lead to an increase in profit after tax, with RON 108,084,653 (December 31, 2019: RON 115,285,158), a negative change of 10% having an equal net impact and with opposite sign.

A positive change of 10% in the prices of financial assets valued at fair value through other elements of the global result, investments in shares and corporate bonds would lead to an increase in equity, net of corporate income tax, of RON 95,094,841 (December 31 2019: RON 115,923,898), a negative change of 10% having an equal net impact and with opposite sign.

The Group holds shares in companies that operate in various economic sectors. As can be seen from the table below, on June 30, 2020, the Group held mainly shares in companies active in the financial-banking and insurance field, with a weight of 49.8% in the total portfolio, decreasing from the weight of 54.6% recorded as of December 31, 2019.

In RON	**June 30, 2020**	**%**	**December 31, 2019**	**%**
Financial intermediation and insurance	944,663,804	49.8%	1,215,398,031	54.6%
Manufacturing industry	355,440,299	18.8%	348,689,712	15.7%
Hotels and restaurants	113,998,343	6.0%	136,308,329	6.1%
Wholesale and retail trade, repair of motor vehicles	28,000,911	1.5%	32,259,604	1.5%
Production and supply of energy, gas, and water	17,252,339	0.9%	15,728,248	0.7%
Extractive industry	61,756,697	3.3%	74,340,858	3.3%
Other activities	3,095,411	0.2%	3,408,584	0.2%
Financial services applicable to real estate	313,758,881	16.6%	327,545,411	14.7%
Constructions	299,898	0.0%	408,679	0.0%
Transport and storage	56,667,428	3.0%	60,662,664	2.7%
Rental of real estate	75,496	0.0%	8,572,297	0.4%
Agriculture, forestry, and fishing	553,554	0.0%	750,922	0.0%
TOTAL	**1,895,563,062**	**100%**	**2,224,073,340**	**100%**

As of June 30, 2020 and December 31, 2019, the Group holds fund units of Closed Investment Funds Active Plus, Optim Invest, Certinvest Shares, Star Value, and Romania Strategy Fund. The Group is exposed to price risk in terms of placements made with a different degree of risk by these investment funds, the fair value of the investments in these assets as at June 30, 2020 is of RON 316,176,396 (December 31, 2019: RON 366,420,749).

ii) Interest rate risk

The interest rate risk represents the risk that the income or expenses, or the value of the Group's assets or liabilities fluctuate following the change of the interest rates on the market.

As concerns the interest bearing financial instruments: the interest rate risk is composed of the fluctuation risk registered in the value of certain financial instruments following the variation of the interest rates and from the risk of the differences between the due date of the interest bearing financial assets and the interest bearing liabilities. But the interest rate risk can also influence the value of the interest bearing assets (for example: bonds), so that an increase of the interest rate on the market will determine the reduction of the future cash flows and can result in the reduction of their price, if they determine the increase of the investor's preference to place their funds in banking deposits or other instruments whose interest increased, and vice-versa – a reduction of the interest rate on the market can determine the increase of the price of shares and bonds and will determine an increase of the fair value of the future cash flows.

Concerning the Group's interest-bearing financial instruments, the policy is to invest in profitable financial instruments with a maturity of more than one year. Regarding the fixed interest-bearing assets or marketable assets, the Group is exposed to the risk that the fair value of future cash flows related to financial instruments will fluctuate because of changes in market interest rates. However, most of the Group's financial assets are in stable currencies, whose interest rates are unlikely to vary significantly.

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

The Group does not use derivative financial instruments to protect against the interest rate fluctuations.

The table below shows the annual interest rates obtained by the Group for interest-bearing assets during H1 2020:

	RON range %		**EUR range %**	
Financial assets	**min**	**max**	**min**	**max**
Bank deposits	0.77	2.75	0.00	0.00
Financial assets at fair value through profit or loss*	4.0	5.16	5.91	6.00
Financial assets at fair value through other items of comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	13.00	13.00
Loans from affiliated parties	1.75	3.5	1	1

** in the financial assets at fair value through profit and loss are included the bonds, denominated in RON and foreign currency, issued by SIF Banat-Crișana's subsidiaries.*

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

The table below shows the annual interest rates obtained by the Group for interest-bearing assets during H1 2019:

	RON range %		**EUR range %**	
Financial assets	**min**	**max**	**min**	**max**
Bank deposits	1.00	3.00	-	-
Financial assets at fair value through profit or loss*	5.03	5.39	6.00	6.00
Financial assets at fair value through other items of comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	5.98	6.01
Loans from affiliated parties	1.75	3.5	1	1

** in the financial assets at fair value through profit and loss are included the bonds, denominated in RON and foreign currency, issued by SIF Banat-Crișana's subsidiaries.*

*** in financial assets at fair value through other comprehensive income are included govt. bonds (interest is the nominal coupon, not the yield on purchase / adjudication) and corporate bonds.*

The table below contains a summary of the Group's exposure to interest rate risks. The table includes the assets and liabilities of the Group at the accounting (book) values, classified according to the most recent date between the interest rate change date and the maturity date.

in RON	**June 30, 2020**	**December 31, 2019**
Cash and cash equivalents	117,063,050	86,900,000
Bank deposits	4,980,000	14,958,000
Financial assets measured at FVTPL - corporate bonds	47,840,299	54,662,924
Financial assets measured at FVTOCI - government and corporate bonds	4,881,547	5,043,356
Financial assets measured at amortized cost – corporate bonds	38,738,400	43,013,700
Loans from related parties	(11,013,819)	(11,003,172)
TOTAL	**202,489,477**	**193,574,808**

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

The impact over the net profit of the Group (interest revenues/expenses) of a change of ± 1,00% of the interest rate corresponding to the floating interest bearing assets and liabilities denominated in other currencies, together with a change of ± 1.00% of the interest rate for floating interest-bearing assets and liabilities denominated in RON is of RON 1,700,912 (December 31, 2019: RON 1,626,028).

In the case of the bonds held recorded at fair value (level 1 & level 2), a change of +/- 5% of their market price determines a net impact in the amount of +/- 2,009,293 RON (December 31, 2019: RON 2,023,532) in the profit or loss account respectively in the amount of +/- 205,025 RON (December 31, 2019: 211,811 RON) in other items of comprehensive income.

In the case recorded at amortized cost, a change of +/- 1% of their average market yield determines a net impact on the bond price of -90,168 RON / + 90,544 RON (December 31, 2019: -211,902 RON / +213,805 RON).

iii) Currency risk

The currency risk is the risk of recording some losses or nor achieving the profit estimated following the non-favourable changes of the exchange rate. The Group invests in financial instruments and incurs transactions that are denominated in foreign currency, other than the functional currency, so that, it is exposed to the risks that the exchange rate of the national currency related to other foreign currency has adverse effects over the fair value or future cash flows of that part of the financial assets and liabilities denominated in another foreign currency.

The Group carried-out transactions during the reporting periods both in the Romanian currency (Leu), and in foreign currency. The Romanian currency fluctuated compared to the foreign currencies, EURO, and USD.

The financial instruments used give the possibility to keep the value of the monetary assets held in RON, making investments, and cashing the interests depending on the due date.

The Group did not carry out any transaction with derivatives on the exchange rate during the financial years presented.

The Group's financial assets and liabilities in foreign currencies as of June 30, 2020 and December 31, 2019, may be analysed as follows:

Financial assets and liabilities exposed to exchange rate risk (in RON)

	June 30, 2020	**December 31, 2019**
Cash and cash equivalents	45,528,672	29,600,696
Financial assets at fair value through profit or loss account*	34,088,896	44,435,959
Financial assets at fair value through other comprehensive income **	151,480,869	236,821,963
Investment measured at amortized cost	38,822,333	43,246,691
TOTAL	**269,920,770**	**354,105,309**
Loans	1,109,755	1,091,289
Liabilities from leasing agreements	60,127	2,132,985
Total liabilities	**1,169,882**	**3,224,274**
Net financial assets	**268,750,888**	**350,881,035**

**financial assets at fair value through profit or loss include foreign currency holdings of closed-end investment funds, in proportion to the share of total assets held by the Group, and the bonds denominated in euro issued by SIFI BH Retail*
*** financial assets at fair value through other comprehensive income in EUR include stakes abroad, namely Austria – Erste Bank, and corporate bonds issued by Impact*

The following table presents the profit or loss sensitivity as well as the sensitivity of equity to potential change at the end of the reporting period in the foreign currency exchange rates related to the reporting currency, while maintaining constant all the other variables:

	June 30, 2020		**December 31, 2019**	
	Impact over profit and loss account	**Impact over other comprehensive income**	**Impact over profit and loss account**	**Impact over other comprehensive income**
Increase EUR with 5% (2019: 5%)	5,130,768	6,156,769	5,002,734	9,734,270
Decrease EUR with 5% (2019: 5%)	(5,130,768)	(6,156,769)	(5,002,734)	(9,734,270)
Total	-	-	-	-

(all amounts presented in RON)

(b) Credit risk

The credit risk is the risk that a counterparty of a financial instrument fails to fulfil an obligation or a financial commitment in which it entered a relation with the Group, resulting a loss for the Group. The Group is exposed to the credit risk following the investments in bonds issued by trading companies or the Romanian State, the current accounts and the bank deposits and other receivables. The Group management follows-up closely and constantly the exposure to the credit risk so that it does not incur losses following the concentration of the credit in certain sector or field of activity.

As of June 30, 2020 and December 31, 2019 the Group did not have security interests as insurance nor other credit rating improvements, except for those related to the bonds issued by Blue Air Aviation S.A. (movable and real estate collaterals), presented in the table below in the NR category (no rating), valued at amortized cost. As of June 30, 2020, and December 31, 2019, the Group did not record any outstanding financial assets, for which it had not recorded any impairment adjustments.

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

June 30, 20120	Current accounts	Bank deposits	Corporate bonds (measured at amortized cost)	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Other financial assets	Total
Current and not impaired Rating AAA to A-							
BBB+	38,885,458	79,793,050					118,678,507
BBB	140,677	2,480,000					2,620,677
BBB-		2,500,000					2,500,000
BB+	7,722,906	35,000,000					42,722,906
BB-	1,526,734						1,526,734
Baa1	20,188						20,188
Baa3	6,153	2,270,000					2,276,153
NR	2,740		38,822,333	4,891,132	48,425,085	4,819,325	96,960,615
TOTAL	**48,304,856**	**122,043,050**	**38,822,333**	**4,891,132**	**48,425,085**	**4,819,325**	**267,305,780**

December 31, 2019	Current accounts	Bank deposits	Corporate bonds (measured at amortized cost)	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Other financial assets	Total
Current and not impaired Rating AAA to A-							
BBB+	30,335,084	37,000,000					67,335,084
BBB	137,751	4,348,000					4,485,751
BB+	504,901	54,400,000			6,664,481		61,569,381
BB-	836,737	2,000,000					2,836,737
Baa1	36,268	2,660,000					2,696,268
Baa3	26,967						26,967
NR	7,561	1,450,000	43,246,691	5,053,633	49,118,410	12,407,953	111,284,249
TOTAL	**31,885,269**	**101,858,000**	**43,246,691**	**5,053,633**	**55,782,891**	**12,407,953**	**250,234,437**

The Group's maximum exposure to credit risk is of RON 267,305,780 as of June 30, 2020 (December 31, 2019: RON 250,234,437) and can be analysed as follows:

Exposure of current accounts and bank deposits (excluding attached interest)

	Credit rating			June 30, 2020	December 31, 2019
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	38.201.558	29.446.044
Banca Transilvania	BB+	Banca Transilvania	Fitch	42.722.906	54.904.901
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	79.816.810	37.191.183
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	2.620.677	4.485.751

(all amounts presented in RON)

	Credit rating			June 30, 2020	December 31, 2019
Credit Europe Bank	BB-	Credit Europe Bank	Fitch	1.526.734	2.836.737
Raiffeisen Bank Romania	Baa1	Raiffeisen Bank Romania	Moody's	20.188	2.696.268
Libra Bank	Baa3	Libra Bank	Moody's	2.276.153	26.967
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	660.139	697.857
ProCredit Bank	BBB-	ProCredit Bank	Fitch	2.500.000	-
Banca Feroviara	NR			2.457	1.456.993
Other banks	NR			283	567
TOTAL (Note 15 and 16)				**170.347.905**	**133.743.269**

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

Cash and cash equivalents and bank deposits are not outstanding and are not impaired. Corporate bonds are not outstanding and are not impaired.

The Group's exposure to credit and counterparty risk through corporate bonds held as of June 30, 2020 is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of June 30, 2020 in RON	Maturity
Blue Air Aviation** (^)	EUR	80	100,000.00	13.00%	38,738,400	2020
Impact SA**	EUR	210	5,000,00	5.75%	4,881,547	2022
Vrancart SA*	RON	368,748	100.00	4.50%	37,612,296	2024
SIFI BH Retail SA**	EUR	1,100	2,000.00	6.00%	10,228,003	2021
Total					**91,460,246**	

** floating interest rate*
*** fixed interest rate*

(^) During July 2020, the amount of EUR 2,000,000 was collected, together with the related interests, representing the equivalent value of 20 bonds issued by Blue Air Aviation SA, with a nominal value of EUR 100,000. At the date of publication of the interim standalone financial statements as of June 30, 2020, the remaining balance of these instruments is of EUR 6,000,000 plus interest receivable according to the issuance document.

In the case of bonds issued by Blue Air Aviation S.A. we specify that after the reporting date, on August 14, 2020, the Government of Romania adopted the Emergency Ordinance on establishing the legal framework for granting state aid to the Company "Romanian National Air Transport Company - TAROM" SA, respectively to the Company Blue Air Aviation SA to compensate the losses suffered as a result of the COVID-19 pandemic. The content of the Emergency Ordinance adopted, in art.12, paragraph 1, letter f) clearly states the agreement of the Romanian Government that out of the total amount RON 300,775,000 to be granted as a loan, are to be paid, with priority, the amount of EUR 6,000,000 (together with all costs related to this amount), related to the bonds issued and remaining in the portfolio of SIF Banat-Crișana SA at the date of adoption of the GEO respectively at the date of publication of these condensed interim consolidated financial statements. In June 2020 and September 2020 respectively, two additional amendments to the Offer Document were concluded, extending, under the same conditions as the initial offer, the maturity of the bonds until September 15, 2020 and October 15, 2020, respectively.

The Group's exposure to credit and counterparty risk through corporate bonds held as of December 31, 2019 is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of December 31, 2020 in RON	Maturity
Banca Transilvania*	EUR	2,260,999	0.61	5.91%	6,483,596	2020
Blue Air Aviation**	EUR	90	100,000.00	13.00%	43,013,700	2020
Impact SA**	EUR	210	5,000.00	5.75%	5,043,356	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%	10,567,032	2021
TOTAL					**102,719,980**	

** floating interest rate*
*** fixed interest rate*

(all amounts presented in RON)

(c) Liquidity risk

Liquidity risk is the risk that the Group encounters difficulties in meeting obligations associated with short-term financial liabilities, that are extinguished by the cash payment or by other financial means, or such obligations should be extinguished under an unfavourable manner for the Group.

The Groups monitors the evolution of the liquidity level in order to be able to pay the obligations on the date when these ones become due and permanently analyses the assets and liabilities, depending on the period remaining until the contractual due dates.

The structure of the assets and liabilities was analysed based on the period remaining as of the balance sheet date until the contractual date of the due date, both as of June 30, 2020 and as December 31, 2019, as follows:

in RON	Carrying amount	Less than 3 months	Between 3 and 12 months	More than 1 year	Without pre-established maturity
June 30, 2020					
Financial assets					
Cash and cash equivalents	**165,495,219**	165,495,219			
Bank deposits	**4,982,637**		4,982,637		
Financial assets at fair value through profit and loss	**1,139,183,178**	304,596	10,508,193	37,612,296	1,090,758,093
Financial assets at fair value through other comprehensive income	**1,125,872,907**	-	9,585	4,881,547	1,120,981,775
Financial assets measured at amortized cost	**38,822,333**	38,822,333			
Other financial assets	**6,461,598**	6,461,598			
Total financial assets	**2,480,817,872**	**211,083,746**	**15,500,416**	**42,493,843**	**2,211,739,868**
Financial liabilities					
Borrowings	**11,720,724**	2,050,822	9,669,902	-	-
Liabilities from leasing agreement	**60,127**	5,195	15,980	38,952	
Current income tax liability	**140,694**	140,694			
Other financial liabilities	**2,834,709**	2,834,709			
Total financial liabilities	**14,756,254**	**5,031,420**	**9,685,882**	**38,952**	**-**
Liquidity surplus	**2,466,061,618**	**206,052,326**	**5,814,534**	**42,454,891**	**2,211,739,868**

December 31, 2019	Carrying amount	Less than 3 months	Between 3 and 12 months	More than 1 year	Without pre-established maturity
Financial assets					
Cash and cash equivalents	**118,938,341**	118,938,341		-	
Bank deposits	**14,998,737**	11,990,320	3,008,417		-
Financial assets at fair value through profit and loss	**1,226,791,566**	1,119,967	6,483,596	48,179,328	1,171,008,675
Financial assets at fair value through other comprehensive income	**1,419,485,824**	-	10,277	5,043,356	1,414,432,191
Financial assets measured at amortized cost	**43,246,691**	-	43,246,691	-	-
Other financial assets	**14,057,778**	14,057,778	-	-	-
Total financial assets	**2,837,518,937**	**146,106,406**	**52,748,980**	**53,222,685**	**2,585,440,866**
Financial liabilities					
Borrowings	**11,524,982**		5,191,602	6,333,380	-
Liabilities from leasing agreement	**2,132,985**	106,691	320,455	1,705,839	
Current income tax liability	**6,016,671**	6,016,671			
Other financial liabilities	**4,302,517**	4,302,517		-	
Total financial liabilities	**23,977,156**	**10,425,879**	**5,512,057**	**8,039,219**	**-**
Liquidity surplus	**2,813,541,781**	**135,680,527**	**47,236,923**	**45,183,466**	**2,585,440,866**

7.2 Other risks

By the nature of the business object, the Group is exposed to various types associated to financial instruments and to market on which it invests. The main types of risks the Group is exposed to are:

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

The risk management considers the maximization of the Group profit related to the risk level it is exposed to.

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

(a) Taxation risk

Starting with January 1st, 2007, following the joining of Romania to the European Union, the Group has to fulfil the regulations of the European Union, and therefore it prepared for the application of the changes brought by the European legislation. The Group implemented these changes, but the implementation modality remains open to the tax audit for 5 years.

The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations could vary and there is the risk that under certain situations the tax authorities should adopt a different position from that of the Group.

From the profit tax point of view corresponding there is the risk of different interpretation by the tax organisms of the accounting treatment determined by the transition to IFRS as accounting basis.

Furthermore, the Romanian Government has various agencies authorized to carry-out the audit (control) of the companies operating within the territory of Romania. These controls are similar to the tax audits of other countries, and can cover only tax aspects, and other legal and regulatory aspects that present an interest for those agencies. It is possible that the Group be subject to the tax inspection while new tax regulations are issued.

(b) Economic environment risk

The Group management cannot predict all the effects of the financial crisis with an impact on the financial sector in Romania, but it believes that in the first 6 months of 2019 it adopted the necessary measures for the Group'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 is ensured by the company through an investment policy which complies with prudential rules imposed by the applicable laws and regulations in force.

At parent company level, risk management policies were adopted through which risks are managed actively, by implementing specific risk identification, evaluation, measurement and control procedures meant to provide reasonable assurance with respect to the achievement of the Group'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 March 2020, amid the global spread of tensions related to the Covid-19 virus, the Federal Reserve reduced the key monetary policy interest rates to 0% in two exceptional meetings, along with a USD 700 billion package for operations of quantitative relaxation.

The exceptional measures taken by most countries of the world (implicitly by Romania's main economic partners) to limit the spread of the Sars-Cov2 virus make impossible a realistic estimate of the return to normal economic activity worldwide, despite the accelerated return of stock market quotations on major global capital markets (mainly the shares of US technology companies), given that current key macroeconomic information indicates an unprecedented contraction in economic activity and GDP dynamics.

(c) Operational risk

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

The Group'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 returns 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.

(d) Capitals adequacy

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

The Group's equity (own capital) includes the share capital, various types of reserves and the retained earnings. Equity amounted to RON 2,409,660,269 as of June 30, 2020 (RON 2,722,528,519 as at December 31, 2019).

8. Dividend income

Please note that, in accordance with IFRS 9 and due to the fact that the Group has opted to measure participations by 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 rates for dividends for H1 2020 from resident and non-resident companies were 5% and zero (2018: 5% and zero). The breakdown of dividend income on the main counterparties is shown in the table below:

Denominated in RON	**June 30, 2020**	**June 30, 2019**	**Measurement**
Uniteh	7,770,077	96,730	FVTPL
Conpet	3,968,618	4,202,445	FVTOCI
Biofarm	3,620,966	0	FVTPL
SIF Moldova	3,005,937	1,539,758	FVTOCI
SIF Oltenia	1,160,829	1,741,243	FVTOCI
SNP Petrom	1,111,840	968,377	FVTOCI
SNTGN Transgaz	678,282	949,683	FVTOCI
Electrica	477,389	479,975	FVTOCI
Rompetrol Well Services	242,181	99,754	FVTOCI
Banca Transilvania	-	36,980,164	FVTOCI
BRD	-	22,329,415	FVTOCI
Erste Group Bank AG	-	9,634,942	FVTOCI
SNGN Romgaz	-	6,553,851	FVTOCI
Comelf	80,834	75,744	FVTOCI
Spumotim	-	61,990	FVTOCI
Others	216,325	23,867	FVTOCI
Total	**22,333,278**	**85,737,938**	
FVTOCI	10,942,235	85,641,208	
FVTPL	11,391,043	96,730	

9. Interest income

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

denominated in RON	**June 30, 2020**	**June 30, 2019**
Interest income on deposits and current bank accounts	1,142,801	626,343
Interest income on bonds measured at amortized cost	2,856,576	193,961
Interest income on assets measured through other comprehensive income (corporate bonds)	145,885	142,258
	4,145,262	**962,562**

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

denominated in RON	**June 30, 2020**	**June 30, 2019**
Interest income related to bonds	1,372,697	2,405,597
	1,372,697	**2,405,597**

10. Other operating revenues

denominated in RON	June 30, 2020	June 30, 2019
Income from management activities (SAI Muntenia and Administrare Imobiliare)	10,193,358	10,262,897
Other operating revenues	483,520	466,625
	10,676,878	**10,729,522**

11. Profit/(Loss) from measurement of assets through profit and loss

denominated in RON	June 30, 2020	June 30, 2019
Profit / (Loss) from valuation / disposal of fund units	(50,212,954)	20,350,886
Profit / (Loss) from valuation of bonds (Vrancart)	(475,836)	(2,765,610)
Profit / (Loss) from valuation of shares in subsidiaries and associates	(30,006,228)	2,356,435
Total	**(80,695,018)**	**19,941,711**

As of June 30, 2020, the Group assessed the participations held in fund units, the shares held in subsidiaries and associates and the bonds held, through the profit and loss account, resulting in a decrease in value amounting to RON 80.7 million.

During H1 2019, fund units were redeemed by Omnitrend Closed Investment Fund in the amount of RON 20.7 million, with RON 0.8 million below the current book value. Amounts representing dividends received from the fund and distributed to the participants in the amount of RON 3.3 million were collected (reflected in the position *Profit / (Loss) from valuation / disposal of fund units*).

12. Fees and commissions expenses

denominated in RON	June 30, 2020	June 30, 2019
ASF commissions	1,182,244	1,200,250
Depository fees	253,052	222,273
Fees payable to SSIF (brokers)	48	112,854
Registry fees	72,000	72,000
Other fees and commissions	38,498	38,059
Total	**1,545,842**	**1,645,436**

13. Other operating expenses

denominated in RON	June 30, 2020	June 30, 2019
Expenses with other taxes and fees and assimilated payments	457,313	219,749
Expenses with salaries and other personnel expenses	9,732,586	10,295,955
Amortization expenses	396,344	477,049
Expenditure on third party services and other expenses	3,426,798	1,936,779
Total	**14,013,041**	**12,929,533**

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

In the period ended on June 30, 2020, the average number of employees was of 75 (June 30, 2019: 81), and the number of employees recorded at the end of the reporting period was of 77 (June 30, 2019: 91).

The Group make payments to institutions of the Romanian state accounting for the pensions of its employees. All employees are members of the pension plan of the Romanian State. The Group does not operate any other pension scheme or post-retirement benefits and, consequently, has no other obligations concerning pensions. Furthermore, the companies in the Group are not bound to provide additional benefits to employees after their retirement.

14. Income tax

denominated in RON	June 30, 2020	June 30, 2019
Current income tax		
Current income tax (16%)	450,437	4,565,106
Tax on dividend (0%, 5%)	547,112	3,804,752
Income tax (1%)	19,225	20,421

denominated in RON	June 30, 2020	June 30, 2019
Deferred tax expense / (income)		
Financial assets at fair value through other comprehensive income	-	-
Financial assets at fair value through profit or loss	-	-
Tangible assets / Investment property	(21,466)	14,838
Provisions for risks and expenses and receivables impairment adjustments	145,601	-
Total income tax recognized in result of the period	**1,140,909**	**8,405,118**

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	June 30, 2020	June 30, 2019
Profit before tax	**(53,205,880)**	**106,054,911**
Tax under statutory tax rate of 11 and 6% (2019: 1 and 16%)	(8,605,925)	16,968,786
Income tax effect of:		
Tax on dividend (0%, 5%)	547,112	3,804,752
Non-deductible expenses and similar items	10,338,074	2,345,245
Non-taxable income	(8,668,543)	(14,706,706)
Revenue related items	39,113	13,458,348
Tax loss to be recovered	7,463,553	
Amounts of sponsorship within legal limits and other deductions	(99,610)	(24,000)
Tax recognized in retained earnings		(13.456.145)
Deferred tax (related to consolidated subsidiaries)	124,135	14,838
Income tax	**1,140,909**	**8,405,118**

15. Cash and cash equivalents

denominated in RON	June 30, 2020	December 31, 2019
Cash in hand and other valuables	27,842	16,151
Current accounts in banks*	48,309,803	31,887,034
Deposits at banks with original maturity less than 3 months*	117,157,574	87,035,157
Cash and cash equivalents with maturity less than 3 months	**165,495,219**	**118,938,341**

** including attached interest*

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

16. Bank deposits

denominated in RON	June 30, 2020	December 31, 2019
Bank deposits with maturity greater than 3 months	4,980,000	14,958,000
Attached interest on deposits	2,637	40,737
Cash and cash equivalents with maturity greater than 3 months	**4,982,637**	**14,998,737**

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

denominated in RON	June 30, 2020	December 31, 2019
Shares	774,581,697	804,587,926
Fund units	316,176,396	366,420,749
Corporate bonds (including attached interest)	48,425,085	55,782,891
Total	**1,139,183,178**	**1,226,791,566**

Following the Company's fulfilment of the classification criteria as an “investment entity”, the Company measures all its subsidiaries at fair value through profit or loss, except for subsidiaries that provide investment services, which will continue to be consolidated.

The movement of the financial assets measured at fair value through profit and loss account as of June 30, 2020 is presented in the table below:

denominated in RON	**Shares**	**Fund units**	**Corporate bonds in subsidiaries**	**Total**
January 1, 2020	**804,587,926**	**366,420,749**	**55,782,890**	**1,226,791,566**
Acquisitions	-	-	-	-
Sales			(6,568,790)	(6,568,790)
Change in interest to be collected			(535,181)	(535,181)
Change in fair value (including exchange rate differences)	(30,006,229)	(50,244,353)	(253,835)	(80,504,417)
June 30, 2020	**774,581,697**	**316,176,396**	**48,425,085**	**1,139,183,178**

As of June 30, 2020, the shareholdings in in subsidiaries and associated entities were measured at fair value, the difference being an unfavourable one in the amount of RON 30 million (vs. the value on December 31, 2019).

The evaluation of the fund units at fair value as of June 30, 2020 generated an unfavourable difference of RON 50.2 million (vs. the value on December 31, 2019).

The sale of corporate bonds includes the equivalent value of Banca Transilvania bonds collected in May 2020, at maturity.

The movement of the financial assets measured at fair value through profit and loss account in 2019 is presented in the table below:

denominated in RON	**Shares**	**Fund units**	**Corporate bonds**	**Total**
January 1, 2019	**769,377,891**	**295,681,969**	**40,929,815**	**1,105,989,676**
Acquisitions	44,425,000	8,499,912	70,713,000	123,637,912
Sales		(21,455,867)	(60,904,960)	(82,360,827)
Related interest			571,546	571,546
Change in fair value (including exchange rate difference)	(9,214,965)	83,694,734	(2,190,992)	72,288,778
Reclassification from amortized cost			6,664,481	6,664,481
December 31, 2019	**804,587,926**	**366,420,749**	**55,782,891**	**1,226,791,566**

Acquisitions of shares during 2019 include shares of Biofarm amounting to RON 44.4m.

During 2019, fund units were purchased at the closed fund Optim Invest in the amount of RON 8.5 million.

The redemption of fund units of RON 21.5 million accounting value was carried out by the Omnitrend Closed-End Investment Fund with a loss of RON 0.8 million.

Acquisitions of corporate bonds in the amount of RON 70.7 million include the equivalent of 7,500 bonds issued by SIFI BH Retail SA denominated in euro. The amount of RON 60.9 million represents the early redemption of 6,400 SIFI BH Retail SA bonds.

During 2019, the company reclassified Banca Transilvania's bonds from measured at amortized cost to measured at fair value through profit or loss.

(all amounts presented in RON)

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

The movement of financial assets measured at fair value through other comprehensive income during H1 2020 is presented in the following table:

in RON

	Shares*	Corporate bonds **
January 1, 2020	**1,419,485,824**	**5,053,634**
Acquisitions	7,250,565	-
Sales	(23,780)	-
Change of interest to be collected		(692)
Change of fair value (including exchange rate difference)	(305,730,834)	(161,809)
June 30, 2020	**1,120,981,775**	**4,891,132**

** the option to measure at fair value through other comprehensive income was exercised at the initial recognition*
*** SPPI tested and recognized as held for collection and sale*

Acquisitions of shares during H1 2020, in a total amount of RON 7.3 million, mainly include the purchase of Banca Transilvania shares in the amount of RON 4.4 million, Bucharest Stock Exchange RON 2.5 million and the subscription to the share capital increase at Mobex SA Târgu Mureș with the amount of RON 0.4 million.

No significant sales were made during H1 2020.

The movement of financial assets measured at fair value through other items of comprehensive income in 2019 is presented in the following table:

in RON

	Shares*	Corporate bonds **
January 1, 2019	**1,185,551,595**	**4,882,639**
Acquisitions	6,586,167	-
Sales	(107,323,972)	-
Change of interest to be collected	-	248
Change of fair value (including exchange rate difference)	334,672,034	170,747
December 31, 2019	**1,419,485,824**	**5,053,634**

** the option to measure at fair value through other comprehensive income was exercised at the initial recognition*
*** SPPI tested and recognized as held for collection and sale*

The entries of shares in 2019, in the total amount of RON 6.6 million mainly include acquisition of shares of Intercontinental SA Bucharest in the amount of RON 5.1 million and the participation to the share capital of the company CCP.RO (Central Counterparty) in the amount of RON 1.43 million.

The sales of shares in the amount of RON 107.3 million mainly include the sale of shares of Erste Bank (RON 93.9 million), Minerva SA (RON 8.9 million), Mobicom SA (RON 1.6 million), Famos SA (RON 1.6 million), SIF Moldova (RON 0.8 million), Nord Construcșii (RON 0.5 million) etc.

The gain on transactions in the amount of RON 54.7 million was recognized 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 evaluators and authorized evaluators within the Valuation department operating in the Group, using the strategy set by the management of the issuer and valuation techniques including 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 table below:

June 30, 2020

denominated in RON	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss – shares	267,196,371		507,385,326	774,581,697
Financial assets at fair value through profit and loss – fund units	316,176,396			316,176,396
Financial assets at fair value through profit and loss – bonds	37,916,892	10,508,193		48,425,085
Financial assets at fair value through other comprehensive income - shares	1,095,870,867		25,110,908	1,120,981,775
Financial assets at fair value through other comprehensive income – corporate bonds	4,891,132			4,891,132
Investment property			65,012,117	65,012,117
Land and buildings			3,668,652	3,668,652
	1,722,051,658	**10,508,193**	**601,177,004**	**2,333,736,855**

December 31, 2019

denominated in RON	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss - shares	251,475,960	-	553,111,966	804,587,926
Financial assets at fair value through profit and loss – fund units	366,420,749			366,420,749
Financial assets at fair value through profit and loss – corporate bonds	37,958,535	17,824,356		55,782,891
Financial assets at fair value through other comprehensive income - shares	1,390,518,610	-	28,967,214	1,419,485,824
Financial assets at fair value through other comprehensive income - corporate bonds	5,053,633			5,053,633
Investment property			71,669,701	71,669,701
Land and buildings			3,734,818	3,734,818
TOTAL	**2,051,427,487**	**17,824,356**	**657,483,699**	**2,726,735,542**

During the first 6 months of 2020, no transfers between levels of fair value were performed

19. Financial assets measured at amortized cost

denominated in RON	**June 30, 2020**	**December 31, 2019**
Bonds	38,738,400	43,013,700
Interest attached related to bonds	83,933	232,991
Total	**38,822,333**	**43,246,691**

At the end of 2019, Banca Transilvania's bonds were reclassified to measured at fair value through profit or loss.

Bonds outstanding as of June 30, 2020 include bonds issued by Blue Air Aviation in EURO, purchased in December 2019, with an initial maturity in June 2020, with an annual interest rate of 13%.

In June 2020 an Additional Agreement to the Offer Document on the issue of Blue Air Aviation bonds was concluded by which the maturity date of the bonds was extended, under the same financial conditions as the initial offer, which expired for the last tranche on September 15, 2020.

In September 2020, after the publication of the condensed standalone financial statements as of June 30, 2020 and given that the State aid procedure involves a longer timeframe than initially anticipated and involves several parties in the granting process, it was concluded another Additional Agreement to the Offer Document by which the maturity date of the bonds was extended, under the same financial conditions as the initial offer, these having a maturity for the last tranche on October 15, 2020.

At the date of initial recognition, the Company has considered the fulfilment of the requirements of IFRS 9 regarding the characteristics of debt instruments. Following the analysis of the specifications of Blue Air Aviation bonds, the Company concluded that both the requirements of the SPPI test (exclusive payments of principal and interest) and compliance with the "Hold to collect" business model (held for cash flow collection) are met.

Moreover, at the date of preparation of the interim financial statements, the Company analysed the credit risk associated with these instruments from the perspective of IFRS 9 regarding the recognition of possible credit losses expected in the event of a significant increase in credit risk compared to initial recognition. Following the analysis and considering several possible scenarios (in accordance with the requirements of the standard), it was concluded that the weighted average probability of possible expected credit losses is insignificant for understanding the Company's financial position and performance at the time of preparation. According to the guidelines for applying IFRS9 on credit risk, the analysis is based on the financial instrument and its characteristics, not the issuer of that instrument. Under these conditions, as specified in Paragraph B.5.7.13 of IFRS 9: *"if an entity issues a secured debt and an unsecured debt that are otherwise identical, the credit risk of those two liabilities will be different, even if they are issued by the same entity. The credit risk of the secured debt will be lower than the credit risk of the unsecured debt. The credit risk of a secured debt can be almost zero."* We emphasize that, in addition to those mentioned in point 4.1 (b) of these interim financial statements, the principal and interest on the bonds issued by Blue Air Aviation S.A. benefited from real estate and movable collaterals that fully cover the amounts receivable, both on the date of the initial issue and on the date of their extension.

20. Investment property

denominated in RON	**June 30, 2020**	**December 31, 2019**
Balance as of January 1	**71,669,701**	**21,122,392**
Entries	-	46,925,788
In progress	512,999	3,236,904
Disposals	(7,170,583)	-
Changes in fair value	-	384,617
Balance at the end of period	**65,012,117**	**71,669,701**

The balance of investment property mainly includes land and buildings owned by a subsidiary of the Group.

During H1 2020 was sold a property located in Timișoara. The gain realized from the transaction is in the amount of RON 2,466,217.

Entries during 2019 represent acquisitions of buildings and land classified as property investments by one of Group's subsidiaries.

21. Other financial assets

denominated in RON	**June 30, 2020**	**December 31, 2019**
Clients	1,865,203	10,394,895
Adjustments for clients impairment	(17,747)	(27,698)
Sundry debtors	3,760,713	2,605,665
Debt impairment adjustments	(1,624,526)	(1,622,126)
Recoverable VAT	234,415	434,057
Other financial assets	601,266	623,160
Total	**4,819,325**	**12,407,954**

22. Other financial liabilities

denominated in RON	**June 30, 2020**	**December 31, 2019**
Trade liabilities	355,698	697,673
Amounts owed to employees and related contributions	1,140,082	3,241,080
Other liabilities	1,338,929	363,764
Total	**2,834,709**	**4,302,517**

23. Borrowings

denominated in RON	June 30, 2019	December 31, 2018
Long-term		
Borrowings	11,720,724	11,524,982
Total long-term borrowings	**11,720,724**	**11,524,982**

24. Deferred tax liabilities

Deferred tax assets and liabilities as of June 30, 2018 and December 31, 2019 are generated by the elements detailed in the following tables:

H1 2020

denominated in RON	Assets	Liabilities	Net
Financial assets at FVTPL			
Financial assets at FVOCI		752,438,363	(752,438,363)
Tangible assets and investment property		21,429,946	(21,429,946)
Value adjustments of assets		(34,303)	34,303
Provisions for risks and expenses		(2,010,750)	2,010,750
Total		**771,823,256**	**(771,823,256)**
Net temporary differences - 16% rate			(771,823,256)
Deferred tax liabilities			**(123,491,723)**

2019

denominated in RON	Assets	Liabilities	Net
Financial assets at FVTPL			
Financial assets at FVOCI		1,047,839,625	(1,047,839,625)
Tangible assets and investment property		21,564,105	(21,564,105)
Value adjustments of assets		(34,303)	34,303
Provisions for risks and expenses		(2,920,755)	2,920,755
Total		**1,066,448,672**	**(1,066,448,672)**
Tax Loss Carryforward			
Net temporary differences - 16% rate			(1,066,448,672)
Net temporary differences - 10% rate			
Deferred tax liabilities			**(170,631,789)**

Deferred tax liabilities in balance as of June 30, 2020 in the amount of RON 123,491,723 (2019: 170,631,789) include:
- deferred income tax recognized directly through the decrease in equity amounting to RON 112,280,603 (2019: RON 167,654,339), being wholly 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 11,211,120 recognized in the retained earnings.

25. Capital and reserves

(a) Share capital

As of June 30, 2020, the share capital of SIF Banat-Crișana amounts to RON 51,746,072, divided into 517,460,724 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 converting into shares the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As of June 30, 2020, the number of shareholders was 5,748,031 (December 31, 2019: 5,749,444).

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

All shares are ordinary shares, were subscribed and fully paid as of June 30, 2020 and December 31, 2019. 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 17,460,724 own shares ("Program I") by the Company in order to reduce its share capital.

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

The EGM of April 27, 2020, approved:

- reduction of Company's share capital based on 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 2,038,361 own shares acquired by the company, within the buyback programs. This operation is in progress.

- the use of 880,000 shares, owned by the Company and repurchased pursuant to the Decision of EGMS of April 26, 2018, to be distributed free of charge to members of the Company's management (administrators, directors), under the Stock Option Plan, approved by the EGMS Decision of 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 the repurchase of 15,000,000 shares ("Program I") in order to reduce Company's share capital and the repurchase 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 retain them, as well as to reward them for the activity carried out in the Company, according to the performance criteria to be established by the Board of Directors.

denominated in RON	**June 30, 2020**	**December 31, 2019**
Share capital*	51,746,072	51,746,072
Total	**51,746,072**	**51,746,072**

** the effect of hyperinflation over the share capital is presented in section (g)*

(b) Retained earnings

in RON	**June 30, 2020**	**December 31, 2019**
Retained earnings from transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from applying IFRS 9 (including gains on transactions)	204,607,803	204,606,593
Unallocated profit	23,860,282	23,860,282
Result for the period	-54,347,620	158,739,125
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	1,521,595	2,277,004
Total	**597,965,769**	**811,806,713**

(c) Other reserves

in RON	**June 30, 2020**	**December 31, 2019**
Reserves allocated from net profit	903,715,687	744,221,155
Reserves set-up under Law no. 133/1996*	145,486,088	145,486,088
Reserves from prescribed 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**	**997,961,099**

** the effect of hyperinflation over the share capital is presented in section (g)*

The reserve for the initial portfolio was set up under the application of Law no. 133/1996, as the difference between the portfolio value and the subscribed capital contribution to the company. Thus, these reserves are treated as an initial contribution (share premium) and are not used when selling the financial assets.

(all amounts presented in RON)

(d) Legal reserves

Pursuant to the legal requirements, the Group set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as of June 30, 2020 amounts to RON 10,609,615 (December 31, 2019: RON 10,609,615).

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 presented in Note 25.

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

In RON	**June 30, 2020**	**December 31, 2019**
Differences in changes in fair value for financial assets measured through other comprehensive income (bonds)	(169,815)	20,952
Differences in changes in fair value for financial assets measured through other comprehensive income (shares)	598,118,748	856,622,736
Total	**597,948,933**	**856,643,688**

(f) Dividends

During first six months of 2020 there was no approval of dividend distribution. During 2019, there was no approval for the distribution of dividends from the profit of the financial year 2018.

(g) Effect of hyperinflation (IAS 29)

The effect of hyperinflation over the share capital amounting to RON 645,164,114 and over the reserve set up following the application of 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 2,605,353,717 (December 31, 2020 RON 2,605,353,717), without impacting the total value of equity.

in RON	**Effect of applying IAS 29 over share capital**	**Effect of applying IAS 29 on reserves set up under Law no. 133/1996**	**Effect in retained earnings of applying IAS 29 over equity items**
Balance as of January 1, 2019	**645,164,114**	**1,960,189,603**	**(2,605,353,717)**
Decreases	-		-
Balance as of December 31, 2019	**645,164,114**	**1,960,189,603**	**(2,605,353,717)**
Balance as of January 1, 2020	**645,164,114**	**1,960,189,603**	**(2,605,353,717)**
Decreases			
Balance as of June 30, 2020	**645,164,114**	**1,960,189,603**	**(2,605,353,717)**

26. 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	**June 30, 2020**	**June 30, 2018**
Profit attributable to ordinary shareholders of parent company	(54,347,620)	97,634,269
Weighted average number of ordinary shares	514,542,363	517,371,068
Basic earnings per share	**(0.106)**	**0.189**

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

27. Contingent assets and liabilities

(a) Litigations

The Group is the subject of a number of litigations resulting in the normal course of business. The management believes that these actions will not have a significant effect on the economic results and the consolidated financial position.

(b) Other liabilities
not the case

29. 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

June 30, 2020

- As of June 30, 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 June 30, 2020, the members of the executive team of SIF Banat-Crișana: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș – Director.

December 31, 2019

- As of December 31, 2019, 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, 2019, the members of the executive team of SIF Banat-Crișana: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, 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.

Transactions with related parties during the interim reporting period:

During H1 2020, the following transactions with affiliates were performed:

(a) Dividend income

	June 30, 2020	**June 30, 2019**
BIOFARM BUCURESTI	3,620,966	
Uniteh	7,770,077	96,730
Total	**11,391,043**	**96,730**

(all amounts presented in RON)

(b) Interest income

	June 30, 2020	June 30, 2019
VRANCART ADJUD – bonds	901,183	951,903
SIFI BH Retail - bonds	318,210	1,453,694
Total	**1,219,393**	**2,405,597**

(c) Procurement of goods and services

	June 30, 2020	June 30, 2019
Gaz Vest - supply of natural gas	27,972	33,040

(d) Year-end balances resulting from sales / purchases of goods / services

	June 30, 2020	June 30, 2019
Debts to affiliates	-	7,859
Borrowings	11,720,724	11,524,982
Total	**11,720,724**	**11,532,841**

(e) Balance non-current receivables

	June 30, 2020	June 30, 2019
Silvana Cehu Silvaniei - dividends	671,886	671,886
Silvana Cehu Silvaniei - depreciation adjustment	(671,886)	(671,886)
VRANCART ADJUD - bonds	37,612,296	37,612,296
VRANCART ADJUD – due interest	346,239	346,239
SIFI BH Retail – bonds	10,567,032	10,567,032
SIFI BH Retail – due interest	592,843	592,843
Total	**48,425,085**	**49,118,411**

29. Events after the period of interim report

- On **July 6, 2020**, the Extraordinary General Meeting of Shareholders took place, approving the amendment of Company's Articles of Association, to comply with the provisions of Law no. 243/2019 on alternative investment funds and for amending and supplementing some normative acts.

  The full version of the resolutions adopted by the EGM of July 6, 2020, is available for consultation on Company's website, at www.sif1.ro, in the *Investor Relations* section.

- On **August 17, 2020** it was published The Disclosure document on the offer of shares to the members of the management structure of SIF Banat-Crișana. The Company's Board of Directors approved the "Stock Option Plan", by which 880,000 SIF1 shares were offered to the members of Company's management, program approved by the EGM of April 27, 2020 (Program II).

  The disclosure document on the offer or assignment of securities to members of the management of SIF Banat-Crișana in full is available for consultation on Company's website, at www.sif1.ro, in the *Investor Relations* section.

- On **September 7, 2020**, SIF Banat-Crișana informed the investors upon the signing, on September 4, 2020, of the sale-purchase agreement for the acquisition of the stake representing 99.92% of the share capital of DOOSAN IMGB S.A., a company with its registered office in Bucharest, no. 104 Șoseaua Berceni. The completion of the transaction is conditional on obtaining the agreement of the Competition Council, in accordance with applicable law.

  SIF Banat-Crișana was assisted in carrying out the transaction by Biriș Goran SPARL and Crosspoint Real Estate.

- On **September 8, 2020,** SIF Banat-Crișana issued an announcement informing the investors upon the update of the valuation policies and methods applied to evaluate the financial assets in the company's portfolio, to comply with the provisions of art. 114 par. (4) and (5) of the ASF Regulation no. 9/2014 amended and supplemented by the ASF Regulation no. 20/2020.

Starting with the calculation of net asset value as of August 31, 2020, shares admitted to trading on a regulated market or a multilateral trading system with liquidity considered, in accordance with IFRS 13 standard, to be irrelevant for applying the mark to market valuation method, will be valued in accordance with the valuation standards in force, according to the law, based on an evaluation report.

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