SIF Banat-Crișana S.A.

Condensed interim consolidated financial statements
as of June 30, 2022

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, 2022**	**June 30, 2021**
Income			
Dividend income	*7*	109,015,457	22,490,675
Interest income (assets at amortized cost, assets at FVTOCI)	*8*	1,372,268	1,401,586
Interest income (assets at FVTPL)	*8*	2,012,038	709,974
Other operating revenues	*9*	16,439,867	15,448,909
Gan/(Loss) on investment			
Gain/(Loss) from investment property	*19*	-	874
Net gain/(Loss) from exchange rate differences		(303,883)	622,712
Net Gain / (Loss) from financial assets at FVTPL	*10*	(99,005,512)	207,017,003
Expenses			
Reversals / (set-up) of provisions for risks and expenses		1,635,264	1,182,595
Reversals / (set-up) of adjustments for impairment of current assets		483,119	(35,324)
Interest expenses		(215,672)	(216,533)
Commissions expenses	*11*	(2,146,619)	(2,783,101)
Other operating expenses	*12*	(15,660,941)	(15,104,817)
Profit / (Loss) before tax		**13,625,386**	**230,734,552**
Income tax	*13*	(10,745,868)	(12,577,534)
Net profit / (Loss) for the period		**2,879,518**	**218,157,019**
Profit / (Loss) is attributed to:			
Parent company		2,877,842	218,155,431
Non-controlling interests		1,676	1,588
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)		(58,049)	8,512
Amounts transferred to profit or loss (debt instruments)			
Items that are or may be transferred to retained earnings			
Change in fair value of the shares measured by other comprehensive income		(268,454,522)	241,812,760
Effect of the income tax related to them		43,897,028	(37,699,100)
Other comprehensive income		**(224,615,543)**	**204,122,171**
Total comprehensive income for the period		**(221,736,025)**	**422,279,190**

The condensed interim consolidated financial statements were approved by the Board of Directors on September 29, 2022, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Dorel Baba
Financial Reporting Manager

Denominated in RON	*Note*	**June 30, 2022**	**December 31, 2021**
Assets			
Cash and cash equivalents	*14*	270,629,057	268,254,328
Bank deposits	*15*	18,686,619	114,910,692
Financial assets at fair value through other comprehensive income (bonds)	*17*	5,210,496	5,283,259
Other financial assets	*18*	13,717,562	34,583,936
Other assets		379,336	308,166
Assets held for sale	*20*	45,798,797	45,522,520
Financial assets at fair value through profit and loss	*16*	1,592,413,845	1,680,565,630
Financial assets at fair value through other comprehensive income (shares)	*17*	1,380,360,509	1,421,724,975
Investment property	*19*	30,848,781	30,840,716
Tangible assets (property, plant, and equipment)		6,967,795	6,820,615
Total assets		**3,365,012,798**	**3,608,814,837**
Liabilities			
Dividends payable		30,450,603	-
Other financial liabilities	*21*	63,794,166	42,082,799
Other accrued liabilities and deferred income		280,652	293,418
Borrowings	*22*	16,092,679	15,878,238
Leasing liabilities		17,047	28,572
Provisions for risks and expenses		953,932	2,329,196
Deferred income tax liabilities	*23*	137,099,454	180,597,407
Total liabilities		**248,688,533**	**241,209,630**
Equity			
Statutory share capital	*24*	51,542,236	51,542,236
Treasury shares	*24*	(21,363,229)	(21,363,229)
Losses from the repurchase of own shares		(330,998)	(330,998)
Benefits granted in equity instruments		909,335	-
Other reserves	*24*	1,606,128,538	1,249,578,037
Reserves from revaluation of tangible assets		1,176,570	1,176,569
Legal reserves		10,568,848	10,568,848
Reserves from revaluation of financial assets designated FVTOCI	*24*	683,536,782	910,357,994
Retained earnings	*24*	784,137,813	1,166,055,407
Total		**3,116,305,895**	**3,367,584,864**
Non-controlling interests		18,370	20,343
Total equity		**3,116,324,265**	**3,367,605,207**
Total liabilities and equity		**3,365,012,798**	**3,608,814,837**

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

SIF Banat-Crișana

Condensed consolidated statement of changes in equity

for the first semester ended June 30, 2022 (all amounts presented in RON)

in RON	Share capital	Treasury shares	Losses from repurchase of own shares	Legal reserves	Reserves from change of financial assets through other comprehensive income	Reserves from revaluation of fixed assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total equity (own capital)	Non-controlling interests	Total
Balance on January 1, 2022	**51,542,236**	**(21,363,229)**	**(330,998)**	**10,568,848**	**910,357,994**	**1,176,569**	**-**	**1,249,578,037**	**1,166,055,407**	**3,367,584,864**	**20,343**	**3,367,605,207**
Profit / (Loss) for the period	-	-	-	-	-	-	-	-	2,877,842	2,877,842	1,676	2,879,518
Reserve from revaluation of financial assets transferred to profit and loss												
Reserve from revaluation of financial assets transferred to retained earnings					(2,092,626)	-	-	-	2,092,626	-		-
Change in reserve					(268,275,664)	-	-	-	(247,964)	(268,523,628)		(268,523,628)
Revaluation of tangible assets					-	-	-	-	-	-		-
Related deferred tax					43,547,078	-	-	-	361,006	43,908,085		43,908,085
Total comprehensive income for the period					**(226,821,212)**	**-**	**-**	**-**	**5,083,510**	**(221,737,701)**	**1,676**	**(221,736,025)**
Other reserves – own sources							-	356,550,501	(356,550,501)	-		-
Dividends payable for 2021							-	-	(30,450,603)	(30,450,603)		(30,450,603)
Dividends prescribed							-	-	-	-		-
Change of the reserve related to subsidiaries											(3,649)	(3,649)
Change in benefits granted							909,335	-	-	909,335		909,335
Cancellation of own shares							-	-	-	-		-
Total transactions with shareholders recognized directly in equity							**909,335**	**356,550,501**	**(387,001,104)**	**(29,789,232)**	**(3,649)**	**(29,544,917)**
Balance on June 30, 2022	**51,542,236**	**(21,363,229)**	**(330,998)**	**10,568,848**	**683,536,782**	**1,176,569**	**909,335**	**1,606,128,538**	**784,137,813**	**3,116,305,895**	**18,370**	**3,116,324,265**

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SIF Banat-Crișana

Condensed consolidated statement of changes in equity

for the first semester ended June 30, 2022 (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	Retained earnings	Total equity (own capital)	Non-controlling interests	Total
Balance on January 1, 2021	**51,542,236**	**(2,199,867)**	**(40,659)**	**10,568,848**	**725,960,324**	**1,176,569**	**1,867,063**	**1,157,455,631**	**740,422,170**	**2,686,752,315**	**14,807**	**2,686,767,122**
Profit for the period	-	-	-	-	-	-	-	-	415,162,676	415,162,676	6,877	415,169,553
Change of reserve from revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(117,660,625)	-	-	-	117,660,625	-	-	-
Change in reserve	-		-	-	340,329,337	-	-	-	-	340,329,337	-	340,329,337
Related deferred tax	-	-	-	-	(38,271,042)	-	-	-	(15,067,658)	(53,338,700)	-	(53,338,700)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**184,397,670**	**-**	**-**	**-**	**517,755,643**	**702,153,313**	**6,877**	**702,160,190**
Other reserves – own sources	-	-	-	-	-	-	-	92,122,406	(92,122,406)	-	-	-
Dividends prescribed	-	-	-	-	-	-	-	-	-	-	-	-
Change of the reserve related to subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Change in benefits granted											(1,341)	(1,341)
Repurchase of own shares	-	4,575,867	77,472	-	-	-	(1,867,063)	-	-	2,786,276	-	2,786,276
Cancellation of own shares	-	(23,739,229)	(367,811)	-	-	-	-	-	-	(24,107,040)	-	(24,107,040)
Total transactions with shareholders recognized directly in equity	**-**	**(19,163,362)**	**(290,339)**	**-**	**-**	**-**	**(1,867,063)**	**92,122,406**	**(92,122,406)**	**(21,320,764)**	**(1,341)**	**(21,322,105)**
Balance on June 30, 2021	**51,542,236**	**(21,363,229)**	**(330,998)**	**10,568,848**	**910,357,994**	**1,176,569**	**-**	**1,249,578,037**	**1,166,055,407**	**3,367,584,864**	**20,343**	**3,367,605,207**

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Denominated in RON	June 30, 2022	June 30, 2021
Cash flow from operating activities		
Net profit for the period	2,879,518	218,157,019
Adjustments for:		
Amortization of tangible and intangible assets	478,236	387,474
Net (gain)/Loss from disposal of tangible assets	(600)	5,369
Net (gain)/Loss from valuation of investment property	-	(874)
(Income) / Expenses on adjustments for impairment of assets	(483,118)	35,324
(Income) / Expenses from other provisions and adjustments	(1,635,264)	(1,182,595)
(Net gain)/Net loss from financial assets at fair value through profit or loss (Note 16)	99,005,512	(207,017,003)
Dividend income (Note 7)	(109,015,457)	(22,490,675)
Interest income	(3,384,306)	(2,111,560)
Interest expenses	215,672	216,533
Benefits granted in equity instruments	909,335	1,889,067
(Income)/Expenses on foreign exchange differences	2,425	25,155
Income tax (Note 13)	10,745,868	12,577,534
Operating profit before changes in assets and liabilities	**(282,180)**	**490,768**
Changes in operating assets and liabilities		
Changes in other assets	24,960,547	(2,538,887)
Changes in other liabilities	21,557,650	(213,575)
Income tax paid	(5,241,271)	(3,962,107)
Net cash generated by / used in operating activities	**40,994,747**	**(6,223,801)**
Cash flow from investment activities		
Payments for purchase of financial assets FVTOCI (shares, bonds)	(230,056,864)	-
Proceeds from sale of financial assets FVTOCI (shares, bonds) (Note 17)	3,186,540	111,682,553
(Placements) / Proceeds from term deposits greater than 3 months	96,207,406	(4,598,000)
Proceeds from sale/repurchase of assets FVTPL (fund units, bonds, shares)	-	15,632,603
Payments for purchase of assets FVTPL (fund units, bonds, shares)	(657,463)	-
Proceeds / (Payments) from sale of assets at amortized cost	-	-
Proceeds from sale of tangible assets and investment property	600	930,641
Payments for purchase of tangible assets and investment property	(762,167)	(2,261,890)
Collected dividends	101,268,230	11,951,135
Collected interest	2,203,568	2,733,778
Net cash generated / (used) in/from investment activities	**(28,610,150)**	**136,070,820**
Cash flow from financing activities		
Proceeds / Loan repayments	(11,524)	(119,082)
Loan granted	(9,994,745)	-
Dividends paid to shareholders of the company	(3,600)	(1,340)
Repurchase of own shares		-
Interest paid		-
Net cash generated / (used) in financing activities	**(10,009,869)**	**(120,422)**
Net increase / (decrease) in cash and cash equivalents	2,374,729	129,726,598
Cash and cash equivalents at the beginning of the period	268,254,328	187,639,649
Cash and cash equivalents at the end of the period	**270,629,057**	**317,366,247**

Cash and cash equivalent comprise:

	June 30, 2022	June 30, 2021
Cash in hand	4,651	9,700
Current accounts in banks (including due interest)	137,792,037	60,046,757
Bank deposits with initial maturity less than 3 months (including due interest)	132,821,587	257,304,611
Other values	10,782	5,179
Cash and cash equivalent	**270,629,057**	**317,366,247**

The condensed interim consolidated financial statements were approved by the Board of Directors on September 29, 2022, and were signed on its behalf by:

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Chairman and CEO

Dorel Baba
Financial Reporting Manager

1. Reporting entity

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

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 business activity of the company is:
- portfolio management
- risk management;
- other activities other activities carried within the collective management of an investment fund, permitted by the legislation 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 the end of the semester. At the same time, the Company also applied an interpretation included 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 4th and 7th 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, 2022, were approved by the Board of Directors on August 30, 2022, prior to the approval of these condensed interim consolidated financial statements.

The Company's condensed interim consolidated financial statements as of June 30, 2022, 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.

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 in the Financial Instruments and Investments Sector ("The Rule").

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

These condensed interim consolidated financial statements for H1 ended on June 30, 2022, have been prepared pursuant to the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the consolidated financial statements for 2021 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 and loss or by other comprehensive income.

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

(d) 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.

(all amounts presented in RON)

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.

During Q1 2018, based on the information available as of 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 2021 and 2022, 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 2021 and 2022.

The list of investments in subsidiaries as of June 30, 2022, and December 31, 2021, is the following:

No.	Company name	Percentage held (%)	
		June 30, 2022	December 31, 2021
1	(SIF Imobiliare PLC Nicosia)	99.99	99.99
2	(SIFI SPV TWO Bucharest)	99.99	99.99
3	SAI Muntenia Invest SA Bucharest	99.98	99.98
4	(SIF1 IMGB)	99.92	99.92
5	(Napomar SA Cluj Napoca)	99.43	99.43
6	(SIF Hoteluri SA Oradea)	98.99	98.99
7	(Azuga Turism SA Bucharest)	98.94	98.94
8	Administrare Imobiliare SA	97.40	97.40
9	(Silvana SA Cehu Silvaniei)*	96.28	96.28
10	(IAMU SA Blaj)	76.70	76.70
11	(Vrancart SA Adjud)	75.50	75.06
12	(Central SA Cluj)	74.53	74.53
13	(SIFI Uniteh SA Timișoara)**	36.34	36.34
14	(SIFI CJ Logistic)**	5.53	5.53
15	(Ario SA Bistrița) *	93.64	93.64

** bankruptcy*
*** the companies Uniteh SA and SIFI CJ Logistic are subsidiaries by the direct control and indirect through SIF Imobiliare Plc Nicosia*

Note: The subsidiaries shown in brackets in the table above are reflected at fair value through profit and loss in the consolidated statements.

Associates

The number of entities in which the Company holds stakes between 20% and 50% as of June 30, 2022 is of 17 (December 31, 2021: 18), 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, 2021: 4) that do not qualify as associates because the Company does not exercise significant influence in companies;
c. 11 entities (December 31, 2021: 12) 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 hereinafter have been consistently applied for all the periods presented within these consolidated financial statements. The accounting policies have been applied consistently by all the entities of the Group.

4. Operational segments

The Group operates on a single segment, viz. 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, 2021.

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, borrowings);
- 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 at fair value through profit or loss based on:
(a) the entity’s business model for the management of financial assets and
b) the characteristics of the contractual cash flows of the financial asset.

Business model

• 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 method of their performance*, the current *risks* and the *management method* thereof and the *management compensation method* (based on fair value or based on cash flows related to these investments);

Business model for shares held for which the FVTOCI option was selected at the date of transition or at the date of initial recognition
• Effective management of a diversified portfolio of quality assets, able to ensure a constant income flow, preservation and medium-long term growth of capital, in order to increase value for shareholders and obtain the highest returns on invested capital
• The differentiated approach adopted by the Company for each of its holdings aims at the fruition of an aggregate return, generated from dividend income and capital gain.

Model of assets held to collect
• 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-to-collect and 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;
• Collecting 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 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 and loss (FVTPL)
A financial asset must be measured at fair value through profit and 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 (FVTOCI)
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 would have been evaluated otherwise at the fair value through profit or loss to present the subsequent changes 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 requirements below are met:
(a) the financial asset is held within a business model whose goal is to hold financial assets to collect the contractual cash flows and
(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the 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 value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15)
e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Measurement at amortized cost

The amortized cost of a financial asset or of a financial liability is the value at which the financial asset or the financial liability is measured after the initial derecognition 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 using an adjustment account) for impairment or non-recoverable status.

The effective interest rate represents the rate that exactly updates 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 and points 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 and regularly available. 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 and regularly available from an exchange, dealer, broker, association within the industry, a service for establishing the prices or a regulatory agency, and these prices reflect the transactions occurring actually and regularly, developed under objective market conditions.

Within the category of shares listed 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 valuation 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 and by external valuators.

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

The valuation techniques are used consistently.

(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 gain or loss from impairment, the value of the forecasted, recognized or reversed losses, required to adjust the provision for losses on the reporting date up to the level 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 significantly transferred 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 that of 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 asset is 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. 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 applicable national and European legislation and regulations.

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.

6.1 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 an exposure too large on a single debtor / issuer at Group level.

The management policy on 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 shares valued at fair value through other elements of the global result and through the profit or loss account. The entities in which the Group holds stakes (shareholdings) operate in various industries.

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

(all amounts presented in RON)

The Group is exposed to the risk that the fair value of the financial instruments it holds fluctuates following the 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 152,334,094 (December 31, 2021: RON 161,515,907), 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 comprehensive income, investments in shares and corporate bonds would lead to an increase in equity, net of corporate income tax, with RON 116,739,827 (December 31 2021: RON 120,191,670), 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, 2022, the Group held mainly shares in companies active in the financial-banking and insurance sector, with a weight of 47.2% in the total portfolio, down from the weight of 49% recorded as of December 31, 2021.

in RON	**June 30, 2022**	**%**	**December 31, 2021**	**%**
Financial intermediation and insurance	1,199,891,682	47.2%	1,321,045,619	49.0%
Manufacturing industry	673,515,350	26.5%	796,836,286	29.6%
Hotels and restaurants	110,340,273	4.3%	97,642,827	3.6%
Wholesale and retail trade, repair of motor vehicles	39,066,175	1.5%	39,048,278	1.4%
Production and supply of energy, gas, and water	27,214,550	1.1%	27,214,550	1.0%
Extractive industry	95,484,578	3.8%	17,897,034	0.7%
Other activities	332,010	0.0%	1,174,734	0.0%
Financial services applicable to real estate	355,801,703	14.0%	346,555,946	12.9%
Constructions	605,080	0.0%	606,059	0.0%
Transport and storage	38,687,818	1.5%	44,560,504	1.7%
Rental of real estate	2,572,921	0.1%	2,319,072	0.1%
Agriculture, forestry, and fishing	167,535	0.0%	151,713	0.0%
TOTAL	**2,543,679,675**	**100%**	**2,695,052,625**	**100%**

As of June 30, 2022, the Group holds fund units amounting to RON 380,990,308 (December 31, 2021: RON 369,329,872) in Closed-ended Investment Funds Active Plus, Star Value, Optim Invest, Certinvest Shares, Romania Strategy Fund and Open Investment Fund Plus Invest.

The Group is exposed to price risk in terms of placements made with a different degree of risk by these investment funds (listed shares, bonds, bank deposits).

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 bank 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 2022:

	RON range %		**EUR range %**	
Financial assets	**min**	**max**	**min**	**max**
Bank deposits	0.00	6.50	0.06	0.12
Financial assets at fair value through profit and loss*	4.30	6.73	-	-
Financial assets at fair value through other items of comprehensive income**	-	-	5.75	5.75
Loans granted to affiliated parties***			-	3.31
Loans from affiliated parties	2.00	3.50	1.00	1.00

** 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 (not included in the scope of consolidation)*
*** in financial assets at fair value through other comprehensive income the corporate bonds are included*
**** Euribor 3M+3.5%*

The table below shows the annual interest rates obtained by the Group for interest-bearing assets during H1 2021:

	RON range %		**EUR range %**	
Financial assets	**min**	**max**	**min**	**max**
Bank deposits	0.00	1.65	0.00	0.00
Financial assets at fair value through profit and loss*	3.59	4.16	6.00	6.00
Financial assets at fair value through other items of comprehensive income**	-	-	5.75	5.75
Investments measured at amortized cost	-	-	-	-
Loans from affiliates	1.25	3.50	1.00	1.00

** 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 (not included in the scope of consolidation).*
*** 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, 2022**	**December 31, 2021**
Cash and cash equivalents*	132,456,920	106,465,095
Bank deposits	18,590,353	114,784,395
Financial assets measured at FVTPL - corporate bonds	37,612,296	37,612,296
Financial assets measured at FVTPL – loans granted	9,994,745	
Financial assets measured at FVTOCI - corporate bonds	5,201,498	5,273,438
Loans from affiliates	(14,531,243)	(14,531,699)
TOTAL	**189,324,569**	**249,603,525**

** 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 1,590,326 (December 31, 2021: RON 2,096,670).

In the case of the bonds held recorded at fair value (level 1), a change of +/- 5% of their market price determines a net impact in the amount of +/-1,579,716 RON (December 31, 2021: +/-1,579,616 RON) in the profit or loss account respectively in the amount of +/-218,463 RON (December 31, 2021: +/-221,484 RON) in other items of comprehensive income.

iii) Currency risk

The currency risk is the risk of recording some losses or nor achieving the estimated profit in the wake of 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.

(all amounts presented in RON)

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, by 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, 2022, and December 31, 2021, may be analysed as follows:

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

	June 30, 2022	December 31, 2021
Cash and cash equivalents	129,510,603	252,546,206
Bank deposits	3,953,574	83,185,935
Financial assets at fair value through profit and loss *	42,949,343	15,217,333
Financial assets at fair value through profit and loss – loans granted	10,036,125	-
Financial assets at fair value through other comprehensive income **	125,335,718	209,887,194
TOTAL	**311,785,363**	**560,836,669**
Loans	(1,150,098)	(1,146,579)
Liabilities from leasing agreements	(17,047)	(28,572)
Total liabilities	**(1,167,145)**	**(1,175,151)**
Net financial assets	**310,618,218**	**559,661,517**

* *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*
** *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, 2022		December 31, 2021	
	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% (2021: 5%)	8,019,461	5,026,505	14,912,418	8,593,365
Decrease EUR with 5% (2021: 5%)	(8,019,461)	(5,026,505)	(14,912,418)	(8,593,365)
Total	-	-	-	-

(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 in 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 closely and constantly monitors 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, 2022, and December 31, 2021, the Group did not have security interests as insurance nor other credit rating improvements. As of June 30, 2022, and December 31, 2021, 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, 2022	Current accounts	Bank deposits	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Loan granted (FVTPL)	Other financial assets	Total
Rating AAA to A-							
BBB+	34,227,389	600,000					34,827,389
BBB	2,102,162	4,029,000					6,131,162

(all amounts presented in RON)

June 30, 2022	Current accounts	Bank deposits	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Loan granted (FVTPL)	Other financial assets	Total
BBB-	19,340,765	20,630,572					39,971,338
BB+	17,805,343	115,500,000					133,305,343
BB	58,430,804						58,430,804
BB-	5,809,327						5,809,327
B-			5,210,496				5,210,496
Baa2	56,914	-					56,914
Baa3	1,026						1,026
NR	194	10,287,700	-	38,067,836	10,036,125	13,717,562	72,109,417
TOTAL	**137,773,923**	**151,047,272**	**5,210,496**	**38,067,836**	**10,036,125**	**13,717,562**	**355,853,215**

December 31, 2021	Current accounts	Bank deposits	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Other financial assets	Total
Rating AAA to A-						
BBB+	36,321,781	18,485,591	-	-	-	54,807,372
BBB	23,184	5,000,000	-	-	-	5,023,184
BBB-	19,775,675	187,630,899	-	-	-	207,406,574
BB+	99,102,745	-	-	-	-	99,102,745
BB-	6,495,556	-	-	-	-	6,495,556
B-	-	-	5,283,259	-	-	5,283,259
Baa2	42,180	-	-	-	-	42,180
Baa3	1,181	-	-	-	-	1,181
NR	1,108	10,133,000	-	37,907,699	34,583,936	82,625,742
TOTAL	**161,763,409**	**221,249,490**	**5,283,259**	**37,907,699**	**34,583,936**	**460,787,793**

The Group’s maximum exposure to credit risk is of RON 355,853,215 as of June 30, 2022 (December 31, 2021: RON 460,787,793) and can be analysed as follows:

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

	Credit rating			**June 30, 2022**	**December 31, 2021**
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	14,641,287	13,684,206
Banca Transilvania	BB+	Banca Transilvania	Fitch	133,305,343	99,102,745
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	20,186,102	28,575,512
CEC Bank	BB	CEC Bank	Fitch	58,430,804	102,938,404
Exim Bank	BBB-	Exim Bank Romania	Fitch	34,362,240	98,968,551
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	4,050,890	5,023,184
Procredit	BBB-	Procredit	Fitch	5,609,098	5,499,619
Raiffeisen Bank Romania	Baa2	Raiffeisen Bank Romania	Moody's	56,914	42,180
Credit Europe Bank	BB-	Credit Europe Bank	Fitch	5,809,327	6,495,556
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	2,080,272	12,547,654
Libra Bank	Baa3	Libra Bank	Moody's	1,026	1,181
Techventures Bank	NR			10,287,700	10,133,620
Other banks	NR			194	488
TOTAL				**288,821,196**	**383,012,899**

*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, 2022 is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of June 30, 2022, in RON	Maturity
Impact SA**	EUR	210	5,000,00	5.75%	5,201,498	2022
Vrancart SA*	RON	368,748	100.00	6.73%	37,612,296	2024
Total					**42,813,794**	

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

The Group's exposure to credit and counterparty risk through corporate bonds held as of December 31, 2021 is presented in the following table:

(all amounts presented in RON)

Issuer		Quantity	Nominal value	Interest rate	Value as of December 31, 2021 in RON	Maturity
Impact SA**	EUR	210	5,000.00	5.75%	5,273,438	2022
Vrancart SA*	RON	368,748	100.00	4.30%	37,612,296	2024
TOTAL					**42,885,734**	

** floating interest rate (corresponding to the latest coupon)*
*** fixed interest rate*

(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 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, 2022, and as December 31, 2021, as follows:

in RON	Carrying amount	Less than 3 months	Between 3 and 12 months	Over 1 year	Without pre-established maturity
June 30, 2022					
Financial assets					
Cash and cash equivalents	**270,629,057**	270,629,057	-	-	-
Bank deposits	**18,686,619**	14,733,045	3,953,574	-	-
Financial assets at fair value through profit and loss	**1,592,413,845**	455,540	10,036,125	37,612,296	1,544,309,883
Financial assets at fair value through other comprehensive income	**1,385,571,005**		5,210,496		1,380,360,509
Other financial assets	**15,048,681**	15,048,681	-	-	-
Total financial assets	**3,282,349,207**	**300,866,323**	**19,200,195**	**37,612,296**	**2,924,670,392**
Financial liabilities					
Loans	**16,092,679**	-	16,092,679		
Liabilities from leasing agreement	**17,047**	5,862	11,185		
Current income tax liability	**-**	-	-		
Dividends payable	**30,450,603**	30,450,603			
Other financial liabilities	**63,794,166**	63,794,166	-		
Total financial liabilities	**110,354,495**	**94,250,631**	**16,103,864**	**-**	**-**
Liquidity surplus	**3,171,994,712**	**206,615,692**	**3,096,331**	**37,612,296**	**2,924,670,392**

December 31, 2021	Carrying amount	Less than 3 months	Between 3 and 12 months	Over 1 year	Without pre-established maturity
Financial assets					
Cash and cash equivalents	**268,254,328**	268,254,328	-	-	-
Bank deposits	**114,910,692**	62,083,707	52,826,985	-	-
Financial assets at fair value through profit and loss	**1,680,565,630**	295,403	-	37,612,296	1,642,657,932
Financial assets at fair value through other comprehensive income	**1,427,008,234**		5,283,259		1,421,724,975
Other financial assets	**36,398,174**	36,398,174	-	-	-
Total financial assets	**3,527,137,058**	**367,031,611**	**58,110,244**	**37,612,296**	**3,064,382,907**
Financial liabilities					
Loans	**15,878,238**	-	14,731,659	1,146,579	-
Liabilities from leasing agreement	**28,572**	5,721	17,599	5,252	-
Other financial liabilities	**42,082,800**	42,082,800	-	-	-
Total financial liabilities	**57,989,610**	**42,088,521**	**14,749,258**	**1,151,831**	**-**
Liquidity surplus	**3,469,147,448**	**324,943,090**	**43,360,986**	**36,460,465**	**3,064,382,907**

6.2 Other risks

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

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

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 in the subchapter dedicated to each type of risk.

(a) Taxation risk

Starting with January 1st, 2007, following Romania's accession to the European Union, the Group had to comply with 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 2022 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 the first 6 months of 2022, the global economic and financial environment was significantly influenced by geopolitical developments in Eastern Europe and significant disruptions in global supply flows, both with energy products and raw materials. Although global index developments have stabilized recently, volatility remains high due to investors' lack of visibility both in terms of geopolitical developments and in terms of central banks' reaction to these events, with a direct influence on inflation and the possibilities of counteracting it.

(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 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) Capital adequacy

The policy of the management 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 3,116,324,265 as of June 30, 2022 (RON 3,367,605,207 as of December 31, 2021).

7. Dividend income

Please note that, in accordance with IFRS 9 and since 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 2022 from resident and non-resident companies were 0, 5% and 27.5% (2021: 0 and 5%). The breakdown of dividend income on the main counterparties is shown in the table below:

Denominated in RON	**June 30, 2022**	**June 30, 2021**	**Measurement**
BRD	50,396,401	1,019,801	FVTOCI
Banca Transilvania	38,214,355	-	FVTOCI
Erste Bank	7,916,320	3,556,506	FVTOCI
SNP Petrom	6,679,024	1,111,840	FVTOCI
Conpet	4,098,765	3,880,988	FVTOCI
Azuga Turism	989,347	10,009,139	FVTPL
Bursa de Valori București	393,883	-	FVTOCI
Others	273,966	334,353	FVTOCI
BT Asset Management	-	2,000,000	FVTOCI
Evergent Investments (SIF Moldova)	-	496,605	FVTOCI
Others	53,396	81,443	FVTPL
Total	**109,015,457**	**22,490,675**	
FVTOCI	107,972,714	12,400,093	
FVTPL	1,042,743	10,090,582	

FVTPL* *= financial assets at fair value through profit and loss /* ***FVTOCI* *= financial assets at fair value through other comprehensive income*

8. Interest income

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

denominated in RON	**June 30, 2022**	**June 30, 2021**
Interest income on deposits and current bank accounts	1,224,270	1,254,170
Interest income on assets measured through other comprehensive income (corporate bonds)	147,998	147,416
	1,372,268	**1,401,586**

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

denominated in RON	**June 30, 2022**	**June 30, 2021**
Interest income (bonds and loans)	1,060,342	709,974
Interest income related to sale of shares contract*	951,696	
	2,012,038	**709,974**

** The amount represents the financing component extracted from the total value of the contracts for the transfer of shares in Central S.A. and GazVest S.A., according to the contractual clauses agreed between the parties*

9. Other operating revenues

denominated in RON	**June 30, 2022**	**June 30, 2021**
Income from management activities (SAI Muntenia and Administrare Imobiliare)	16,411,824	15,105,074
Other operating revenues	28,043	343,835
	16,439,867	**15,448,909**

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

denominated in RON	**June 30, 2022**	**June 30, 2021**
Profit / (Loss) from valuation / disposal of fund units	11,660,436	75,420,538
Profit / (Loss) from valuation of bonds (Vrancart)	-	21,232
Profit / (Loss) from valuation of shares in subsidiaries and associates	(110,665,947)	131,575,233
Total	**(99,005,512)**	**207,017,003**

As of June 30, 2022, the Group evaluated the participations held in fund units, the shares held in subsidiaries and associates and the bonds held, measured through the profit and loss account, resulting a decrease of RON 99m (June 30, 2021: decrease amounting to RON 207m).

11. Fees and commissions expenses

denominated in RON	**June 30, 2022**	**June 30, 2021**
ASF commissions	1,546,090	1,425,537
Depository fees	471,035	432,027
Fees payable for transactions	6,545	755,417
Registry fees	93,200	90,000
Other fees and commissions	29,750	80,120
Total	2,146,619	**2,783,101**

12. Other operating expenses

denominated in RON	**June 30, 2022**	**June 30, 2021**
Expenses with other taxes and fees and assimilated payments	369,801	411,829
Expenses with salaries and other personnel expenses	11,687,612	11,761,789
Amortization expenses	478,232	352,151
Expenditure on third party services and other expenses	3,125,296	2,520,922
Other operating expenses	-	58,126
Total	**15,660,941**	**15,104,817**

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, 2022, the average number of employees was of 65 (June 30, 2021: 70), and the number of employees recorded at the end of the reporting period was of 72 (June 30, 2021: 79).

The Group makes 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.

13. Income tax

denominated in RON	**June 30, 2022**	**June 30, 2021**
Current income tax		
Current income tax (16%)	3,315,305	11,132,266
Tax on dividend (0%, 5%, 27.5%*)	7,174,983	1,323,749
Income tax (1%)	18,468	22,471
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	237,113	(90,167)
Provisions for risks and expenses and receivables impairment adjustments	-	189,215
Total income tax recognized in result of the period	**10,745,868**	**12,577,534**

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

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, 2022**	**June 30, 2021**
Profit before tax	**13,625,386**	**230,734,552**
Tax under statutory tax rate of 1 and 16% (2021: 1 and 16%)	5,115,180	37,981,432
Income tax effect on:		

Tax on dividend (0%, 5%, 27.5%)	7,174,983	1,323,749
Non-deductible expenses and similar items	25,223,733	611,242
Non-taxable income	(26,500,027)	(25,067,648)
Revenue related items	(169,045)	8,593,800
Tax loss to be recovered	-	(1,396,849)
Amounts of sponsorship within legal limits and other deductions	(509,086)	(1,103,150)
Tax recognized in retained earnings	173,018	(8,464,091)
Deferred tax	237,113	99,048
Income tax	**10,745,868**	**12,577,534**

14. Cash and cash equivalents

denominated in RON	**June 30, 2022**	**December 31, 2021**
Cash in hand and other valuables	15,432	8,789
Current accounts in banks	137,792,037	161,771,661
Deposits at banks with original maturity less than 3 months*	132,821,587	106,473,878
Cash and cash equivalents with maturity less than 3 months	**270,629,057**	**268,254,328**

** including attached interest*

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

15. Bank deposits

denominated in RON	**June 30, 2022**	**December 31, 2021**
Bank deposits with maturity greater than 3 months	18,590,353	114,784,395
Attached interest on deposits	96,266	126,297
Cash and cash equivalents with maturity greater than 3 months	**18,686,619**	**114,910,692**

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

denominated in RON	**June 30, 2022**	**December 31, 2021**
Shares	1,163,319,576	1,273,328,059
Fund units	380,990,308	369,329,872
Corporate bonds (including attached interest)	38,067,836	37,907,699
Loans granted (including attached interest)	10,036,125	-
Total	**1,592,413,845**	**1,680,565,630**

Following the application of IFRS 9 starting January 1, 2018, the shareholdings in associates, fund units and bonds held in related parties were reclassified in the category of assets measured at fair value through profit and loss.

The movement of the financial assets measured at fair value through profit and loss account as of June 30, 2022, is presented in the table below:

denominated in RON	**Shares**	**Fund units**	**Corporate bonds in subsidiaries**	**Loans granted**	**Total**
January 1, 2022	**1,273,328,059**	**369,329,872**	**37,907,699**	**-**	**1,680,565,630**
Acquisitions	657,463	-	-	9,994,745	10,652,209
Sales	-	-	-	-	-
Change in interest to be collected	-	-	160,138	41,380	201,518
Change in fair value (including exchange rate differences)	(110,665,947)	11,660,436	-	-	(99,005,512)
June 30, 2022	**1,163,319,576**	**380,990,308**	**38,067,836**	**10,036,125**	**1,592,413,845**

As of June 30, 2022, the shareholdings in subsidiaries and associated entities were measured at fair value, the difference being an unfavourable one in the amount of RON 110.66m (vs. the value on December 31, 2021).

The evaluation of the fund units at fair value as of June 30, 2022, generated a favourable difference of RON 11.66 million (vs. the value on December 31, 2021).

During the first semester of 2022, a subsidiary granted a loan to an affiliate in the amount of RON 9.99m.

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

denominated in RON	Shares	Fund units	Corporate bonds in subsidiaries	Total
January 1, 2021	**1,039,727,470**	**305,468,130**	**49,195,115**	**1,394,390,716**
Acquisitions	12.906.934	130.000	-	13.036.934
Sales	-	-	(10.712.680)	(10.712.680)
Change in interest to be collected	-	-	(596.162)	(596.162)
Change in fair value (including exchange rate differences)	220.693.655	63.731.742	21.425	284.446.823
December 31, 2021	**1.273.328.059**	**369.329.872**	**37.907.699**	**1.680.565.630**

Acquisitions made during the year 2021 include the participation in the capital increase with cash contribution in the company Vrancart SA, carried out in December 2021 and completed in February 2022. The exits from the corporate bonds represent the redemption at maturity of the remaining principal of the bonds issued by SIFI BH Retail S.A

17. 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 2022 is presented in the following table:

in RON	Shares*	Corporate bonds **
January 1, 2022	**1,421,724,976**	**5,283,259**
Acquisitions	230,028,633	-
Sales	(3,186,540)	-
Change of interest to be collected	-	(823)
Change of fair value (including exchange rate difference)	(268,206,558)	(71,940)
June 30, 2022	**1,380,360,509**	**5,210,496**

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

Inflows of shares amounting to RON 230m represent the purchases of listed shares (SNP, BVB, SIFs). The sale of shares amounting to RON 3.2m includes the sale of Reva, Transgex and Prospection shares, the amount transferred to the related retained earnings being of RON 2.09m.

The movement of financial assets measured at fair value through other items of comprehensive income in 2021 is presented in the following table:

in RON	Shares*	Corporate bonds **
January 1, 2021	**1,210,525,841**	**5,111,504**
Acquisitions	67,751,279	-
Sales	(196,793,416)	-
Change of interest to be collected	-	962
Change of fair value (including exchange rate difference)	340,241,271	170,793
December 31, 2021	**1,421,724,976**	**5,283,259**

** the option to measure at fair value through other comprehensive income was exercised at the initial recognition or at the date of transition to IFRS 9*
*** SPPI tested and recognized as held for collection and sale*

Purchases of shares in 2021, in the total amount of RON 67.7m, mainly include the acquisition of shares in Banca Transilvania amounting to RON 61.2m, and BVB amounting to RON 6.5m.

The sales of shares, amounting to RON 196.8m, mainly include the sale of shares of Erste Bank, Banca Transilvania, and exits from the companies Evergent, BT Asset Management, Mobex, Iproeb, Rompetrol Well Services, Compa and Comat Maramureș. The gain on transactions amounting to RON 117.66m was recognized in the retained earnings.

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

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

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

The fair value of the financial instruments for which there is no active market (Level 2 and 3) and those that are not traded is determined by external 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.

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, 2022

denominated in RON	**Level 1**	**Level 3**	**Total**
Financial assets at FVTPL - shares	364,566,033	798,753,543	1,163,319,577
Financial assets at FVTPL - fund units	380,990,308	-	380,990,308
Financial assets at FVTPL - bonds	38,067,836	-	38,067,836
Financial assets at FVTPL - loan granted	-	10,036,125	10,036,125
Financial assets at FVTOCI - shares	1,368,380,635	11,979,875	1,380,360,510
Financial assets at FVTOVI - corporate bonds	5,210,496	-	5,210,496
Investment property	-	30,848,781	30,848,781
Assets held for sale	-	45,798,797	45,798,797
Land and buildings	-	3,407,732	3,407,732
TOTAL	**2,157,215,308**	**900,824,853**	**3,058,040,162**

December 31, 2021

denominated in RON	**Level 1**	**Level 3**	**Total**
Financial assets at FVTPL – shares	482,686,045	790,642,016	1,273,328,060
Financial assets at FVTPL – fund units	369,329,872	-	369,329,872
Financial assets at FVTPL – bonds	37,907,699	-	37,907,699
Financial assets at FVTOCI - shares	1,407,516,618	14,208,358	1,421,724,976
Financial assets at FVTOCI - corporate bonds	5,283,259	-	5,283,259
Investment property	-	30,840,715	30,840,715
Assets held for sale	-	45,522,520	45,522,520
Land and buildings	-	3,472,577	3,472,577
TOTAL	**2,302,723,493**	**884,686,186**	**3,187,409,679**

During the first 6 months of 2022, no transfers between levels of fair value were performed.

18. Other financial assets

denominated in RON	**June 30, 2022**	**December 31, 2021**
Trade receivables - net	2,421,892	26,804,404
VAT receivable	1,130,301	1,277,877
Prepayments to suppliers	125,247	413,881
Other receivables - net	10,040,122	6,087,775
Total	**13,717,562**	**34,583,936**

19. Investment property

denominated in RON	**June 30, 2022**	**December 31, 2021**
Balance as of January 1	**30,840,716**	**28,498,134**
Inflows, of which	8,065	2,776,951
- Acquisitions	-	2,776,951
- In progress	8,065	-
Transferred to tangible assets and inventory items		-
Transferred from assets in progress		-
Transferred to assets held for sale		-
Exits	-	(926,060)
Effect of changes in fair value	-	491,691
Balance at the end of period	**30,848,781**	**30,840,716**

During the first six months of 2021, the venue of the former SIF Banat-Crișana branch office in Timișoara was sold.

20. Assets held for sale

denominated in RON	June 30, 2022	December 31, 2021
Balance as of January 1	**45,522,520**	**43,727,212**
Transfer from investment property	-	-
Inflows	276,277	2,399,439
In progress	-	-
Exits	-	-
Changes in fair value	-	(604,131)
Balance at the end of period	**45,798,797**	**45,522,520**

The balance of assets held for sale includes the value of land owned in Bucharest, for which there is a sale contract concluded.

21. Other financial liabilities

denominated in RON	June 30, 2022	December 31, 2021
Trade liabilities	1,100,028	2,266,120
Amounts owed to employees and related contributions	1,237,080	3,240,245
Other liabilities – short term	61,457,058	36,576,434
Other liabilities – long term	-	-
Total	**63,794,166**	**42,082,799**

22. Loans

denominated in RON	June 30, 2022	December 31, 2021
Long-term		
Loans	16,092,679	15,878,238
Total long-term loans	**16,092,679**	**15,878,238**

The outstanding loans in balance as of June 30, 2022, and December 31, 2021, belong to a subsidiary of the Group and are contracted from related parties.

23. Deferred tax liabilities

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

H1 2022

denominated in RON	Assets	Liabilities	Net
Financial assets at FVTPL	-	-	-
Financial assets at FVTOCI	-	837,783,204	(837,783,204)
Tangible assets and investment property	-	20,057,005	(20,057,005)
Value adjustments of assets	-	(14,694)	14,694
Provisions for risks and expenses	-	(953,932)	953,932
Total	**-**	**856,871,583**	**(856,871,583)**
Net temporary differences - 16% rate			(137,099,454)
Deferred tax liabilities			**(137,099,454)**

2021

denominated in RON	Assets	Liabilities	Net
Financial assets at FVTPL	-	-	-
Financial assets at FVTOCI	-	1,111,127,369	(1,111,127,369)
Tangible assets and investment property	-	19,950,309	(19,950,309)
Value adjustments of assets	-	(14,694)	14,694
Provisions for risks and expenses	-	(2,329,196)	2,329,196
Total	-	**1,128,733,788**	**(1,128,733,788)**
Net temporary differences - 16% rate			(180,597,407)
Deferred tax liabilities			**(180,597,407)**

Deferred tax liabilities in balance as of June 30, 2022, amounting to RON 137,099,454 (2021: RON 180,597,407) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 130,062,989 (2021: RON 182,326,531), being wholly generated by reserves for financial assets measured at fair value through other comprehensive income (FVTOCI);
- the deferred tax related mainly to the differences from inflation of the financial assets and the impairment adjustments, amounting to RON 7,036,465 recognized in the retained earnings.

24. Capital and reserves

(a) Share capital

As of June 30, 2022, the share capital of SIF Banat-Crișana amounts to RON 51,542,236,30, divided into 515,422,363 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by converting into shares the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As of June 30, 2022, the number of shareholders was 5,742,731 (December 31, 2021: 5,744,120).

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, 2022, and December 31, 2021. All shares have equal voting rights and a nominal value of RON 0.1/share. The number of shares authorized to be issued is equal to the shares issued.

The EGM of April 27, 2020, approved:
- the reduction of 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.
- the use of a number of 880,000 shares, held by the Company and repurchased pursuant to the EGM resolution of April 26, 2018, for their distribution free of charge to members of the Company's management (administrators, directors), in a Stock Option Plan, approved by the Resolution of EGM held on April 22, 2019. The Board of Directors of the Company approved at the end of May 2020 the "Share-based Payment Plan". The Stock Option Plan was completed in May 2021, by which there was granted to members of Company's leadership, free of charge, 880,000 SIF1 shares.
- the execution of a buyback program for 15,000,000 own shares ("Program I") to reduce the Company's share capital;
- the buyback of a maximum of 880,000 shares ("Program II"), for their distribution free of charge to the members of the Company's management (administrators, directors), in order to build their loyalty as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The Board of Directors of the Company approved in August 2020 the "Share-based Payment Plan", completed on December 2021.

The EGM of November 2, 2020, approved:
- the partial revocation of the Resolution of the Extraordinary General Meeting of Shareholders of April 22, 2019, published in the Official Gazette of Romania, Part IV, no. 2154 / 23.05.2019, namely of article 1 of this resolution, which approved the execution of a buyback program for a maximum of 15,000,000 shares;
- the execution of a Buyback ("Program 3") by the Company, in order to reduce the Company's share capital. The maximum number of shares that can be repurchased is of 15,000,000 shares at most.

The EGM of October 11, 2021, approved:
- the execution of a share buyback program ("Program 4"), for the distribution of the repurchased shares free of charge to the members of the Company's management (administrators, directors), in order to build their loyalty as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The maximum number of shares that can be repurchased is of 880,000 shares at most. The distribution of shares will be made under a "Share-based Payment Plan" of Stock Option Type, complying with the legal requirements in force.

The EGM of November 25, 2021, approved:
- the method of allocating the 8,792,307 treasury shares repurchased by the Company under the buyback programs previously approved by the general meeting of shareholders to reduce the share capital and for free distribution to members of the Company's management, programs carried out under a Public Tender Offer approved by the Financial Supervisory Authority by Decision no. 1166 / 22.09.2021, in the following variant: allocation of a number of 7,912,307 shares to reduce the Company's share capital and allocation of

a number of 880,000 shares to be distributed free of charge to the members of the Company's management. The Board of Directors of the Company approved in January 2022 the "Share-based Payment Plan", which is ongoing.

The EGM of April 28, 2022, approved:
- the reduction of the Company's share capital from RON 51,542,236.3 to RON 50,751,005.6 following the cancellation of 7,912,307 treasury shares acquired by the company, in the buyback programs.
- execution of a share buyback program ("Program 6") for the distribution of the repurchased shares free of charge to the members of the Company's management (administrators, directors), in order to gain their loyalty, as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The maximum number of shares that can purchased in the buyback program is no more than 990,000 shares. The shares will be distributed within a "Share-based Payment Plan" of a "Stock Option Plan" type, in compliance with the legislation in force.

denominated in RON	**June 30, 2022**	**December 31, 2021**
Share capital*	51,542,236	51,542,236
Total	**51,542,236**	**51,542,236**

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

(b) Retained earnings

in RON	**June 30, 2022**	**December 31, 2021**
Retained earnings from transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from applying IFRS 9 (including gain on transactions)	312,982,366	310,528,734
Unallocated profit	18,874,346	18,874,346
Result for the period	2,877,842	415,162,676
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	27,079,551	(834,057)
Total	**784,137,813**	**1,166,055,407**

(c) Other reserves

in RON	**June 30, 2022**	**December 31, 2021**
Reserves allocated from net profit	1,352,388,594	995,838,093
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	**1,606,128,538**	**1,249,578,037**

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 share premium and are not used when selling the (fixed) financial assets.

(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, 2022 amounts to RON 10,568,848 (December 31, 2021: RON 10,568,848).

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.

(all amounts presented in RON)

Reserves are recorded net of related deferred tax. The amount of deferred tax recognized directly through impairment of equity is presented in Note 23.

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, 2022**	**December 31, 2021**
Differences in changes in fair value for financial assets measured through other comprehensive income (bonds)	7.414	65.463
Differences in changes in fair value for financial assets measured through other comprehensive income (shares)	683.529.368	910.292.531
Total	**683.536.782**	**910.357.994**

(f) Dividends

During first six months of 2022 the shareholders approved a distribution of a gross dividend of RON 0.06/share. During 2021, there was no approval for the distribution of dividends from the profit of the financial year 2020.

25. Contingent assets and liabilities

(a) Litigations

The Group is the subject of some 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

26. Related parties

The parties are considered related if one party has the capability to control the other party or to exercise a significant influence over this in taking financial and operational decision.

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

Key management personnel

June 30, 2022

- As of June 30, 2022, the Board of Directors of SIF Banat-Crișana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of June 30, 2022, 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, 2021

- As of December 31, 2021, the Board of Directors of SIF Banat-Crișana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of December 31, 2021, 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.

(all amounts presented in RON)

Transactions with related parties during the interim reporting period:

During H1 2022, the following transactions with affiliates were performed:

(a) Dividend income

	June 30, 2022	June 30, 202
Azuga Turism	989,347	10,009,139
Total	**989,347**	**10,009,139**

(b) Interest income

	June 30, 2022	June 30, 2021
VRANCART ADJUD – bonds	1,018,970	671,192
SIFI BH Retail - bonds	-	38,782
Total	**1,018,970**	**709,974**

(c) Procurement of goods and services

	June 30, 2022	June 30, 2021
Gaz Vest - supply of natural gas	(350)	26,263

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

	June 30, 2022	June 30, 2021
Debts to affiliates	-	(34,268)
Loans	(16,092,679)	(15,878,238)
Total	**(16,092,679)**	**(15,912,506)**

(e) Balance non-current receivables

	June 30, 2022	December 31, 2021
Silvana Cehu Silvaniei - dividends	-	790,389
Silvana Cehu Silvaniei - depreciation adjustment	-	(565,284)
VRANCART ADJUD - bonds	37,612,296	37,612,296
VRANCART ADJUD – due interest	455,540	295,403
Gaz Vest – due dividends	2,607,914	2,607,914
Azuga Turism – due dividends	989,347	-
SIF SPV TWO – loan (including interest)	10.036.125	-
Total	**51,701,222**	**40,740,718**

27. Events after the period of interim report

July 11 – The company published the Announcement regarding the payment of dividends for the year 2021.

July 14 – The company confirmed the receiving of the last instalment related to the sale-purchase contract of Gaz Vest shares, thus completing the transaction of the full transfer of the stake held by SIF Banat-Crișana.