

SIF Banat-Crişana S.A.

**Condensed interim standalone financial statements
as of September 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 statement of profit and loss and other comprehensive income as of September 30, 2022

<i>Denominated in RON</i>	<i>Note</i>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Income			
Dividend income	5	166,177,167	122,805,794
Interest income (assets at amortized cost, assets at FVTOCI)	6	2,506,695	1,409,119
Interest income (assets at FVTPL)	6	3,243,078	1,037,462
Other operating revenues	7	580,858	355,864
Gain/(Loss) on investment			
Gain/(Loss) on investment property	16	-	874
Gain/(Loss) on foreign exchange differences		(193,502)	2,214,087
Gain/(Loss) on financial assets at FVTPL	8	(142,932,553)	222,311,898
Expenses			
Commissions expenses	9	(3,218,439)	(3,942,024)
Other operating expenses	10	(11,232,354)	(10,993,340)
Profit/(Loss) before tax		<u>14,930,950</u>	<u>335,199,734</u>
Income tax	11	(7,660,691)	(13,603,194)
Net profit/(loss) for the period		<u>7,270,260</u>	<u>321,596,540</u>
Other comprehensive income			
Items that are or could be transferred to profit and loss			
Amounts that could be transferred to profit and loss (debt instruments)		(65,892)	8,512
Items that are or could be transferred to retained earnings			
Change of fair value related to financial assets measured through OCI		(469,171,609)	365,295,941
Effect of income tax related to them		70,902,368	(57,322,529)
Other comprehensive income		<u>(398,335,133)</u>	<u>307,981,924</u>
Total comprehensive income for the period		<u>(391,064,873)</u>	<u>629,578,464</u>
Earnings per share			
Basic		0.0143	0.624
Diluted		0.0143	0.624

The condensed interim financial statements were approved by the Board of Directors on November 14, 2022, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, CEO

Dorel Baba
Financial Reporting Manager

Condensed statement of financial position as of September 30, 2022

<i>Denominated in RON</i>	<i>Note</i>	September 30, 2022	December 31, 2021
Assets			
Cash and cash equivalents	12	200,761,053	260,126,530
Bank deposits		-	79,232,230
Financial assets at fair value through other comprehensive income (bonds)	14	5,280,248	5,283,259
Other financial assets	15	17,909,385	10,514,505
Other assets		158,597	225,875
Financial assets at fair value through profit and loss	13	1,511,304,527	1,680,415,609
Financial assets at fair value through other comprehensive income (shares)	14	1,376,761,160	1,554,069,140
Assets representing rights to use the underlying assets under leasing contract		538,816	725,329
Investment property	16	12,953,334	12,953,334
Tangible assets (items of property, plant, and equipment)		3,633,667	3,840,248
Total assets		3,129,300,785	3,607,386,059
Liabilities			
Payable dividends		10,104,126	-
Other financial liabilities	17	12,622,606	10,219,192
Other deferred liabilities and revenues		695,295	293,418
Liabilities on leasing contract		597,037	789,288
Liability on deferred income tax	18	109,215,975	179,957,876
Total liabilities		133,235,040	191,259,774
Equity (own capital)			
Share capital	19	51,542,236	51,542,236
Treasury shares	19	(21,363,229)	(21,363,229)
Losses from the repurchase of own shares		(330,998)	(330,998)
Benefits granted in equity instruments		1,454,936	-
Other reserves	19	1,606,128,538	1,249,578,037
Reserves from the revaluation of tangible assets		1,176,569	1,176,569
Legal reserves	19	10,308,447	10,308,447
Reserves from revaluation of financial assets designated at fair value through other comprehensive income	14, 19	583,636,560	984,425,325
Retained earnings	19	763,512,686	1,140,789,898
Total equity (own capital)		2,996,065,745	3,416,126,285
Total liabilities and equity		3,129,300,785	3,607,386,059

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Condensed Statement of Changes in Equity as of September 30, 2022

Denominated in RON

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
Balance on January 1, 2022	51,542,236	(21,363,229)	(330,998)	10,308,447	984,425,325	1,176,569	-	1,249,578,037	1,140,789,898	3,416,126,285
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	7,270,260	7,270,260
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	-	-	-	-	(469,250,051)	-	-	-	-	(469,250,051)
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	70,553,913	-	-	-	361,006	70,914,919
Total comprehensive income for the period	-	-	-	-	(400,788,765)	-	-	-	9,723,892	(391,064,873)
Other reserves – own sources	-	-	-	-	-	-	-	356,550,501	(356,550,501)	-
Payable dividends for 2021	-	-	-	-	-	-	-	-	(30,450,603)	(30,450,603)
Prescribed dividends	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-	-	1,454,936	-	-	1,454,936
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders recognized directly in equity	-	-	-	-	-	-	1,454,936	356,550,501	(387,001,104)	(28,995,667)
Balance on September 30, 2022	51,542,236	(21,363,229)	(330,998)	10,308,447	583,636,560	1,176,569	1,454,936	1,606,128,538	763,512,686	2,996,065,745

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Condensed Statement of Changes in Equity as of September 30, 2022

Denominated in RON

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

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Condensed cash flow statement as of September 30, 2022

Denominated in RON

	<i>Note</i>	September 30, 2022	September 30, 2021
Operating activities			
Net profit/(Loss) for the period		7,270,260	321,596,540
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets		408,921	382,499
(Gain)/Loss from disposal of tangible assets		-	5,369
(Gain)/Loss from evaluation/disposal of property investment	16	-	(874)
(Gain)/Loss from financial assets at fair value through profit and loss	8	142,932,553	(222,311,898)
Dividend income	5	(166,177,167)	(122,805,794)
Interest income	6	(5,749,773)	(2,446,581)
Expenses on interest on leasing contract		29,699	42,408
Expenses/(Income) on foreign exchange differences financial assets and other income / (expenses)		(567,359)	(127,396)
Benefits granted in equity instruments		1,454,936	2,198,533
Income tax	11	7,660,691	13,603,194
Changes in operating assets and liabilities			
Change in other assets (claims, etc.)		(1,395,504)	(28,032,737)
Change in other financial liabilities		2,156,617	1,006,849
Income tax paid		-	(18,415,396)
Net cash used in operating activities		(11,976,126)	(55,305,284)
Investment activities			
Payments for acquisition of financial assets measured at FVTOCI (shares, bonds)	14	(295,099,463)	-
Proceeds from sales of financial assets measured at FVTOCI (shares, bonds)		3,186,540	188,294,196
(Placements) / Proceeds from term deposits greater than three months		79,198,863	(79,182,857)
Proceeds from sale/repurchase of assets at FVTPL (shares, fund units, bonds)		27,193,910	16,484,890
Payments for purchase of assets at FVTPL (shares, fund units, bonds)		(657,463)	-
Proceeds from sale of tangible assets and investment property		-	926,060
Payments for purchases of tangible assets		(13,386)	(26,182)
Dividends collected		154,218,099	100,454,667
Interest collected		3,943,122	3,013,488
Net cash from investment activities		(28,029,778)	229,964,262
Financing activities			
Payments related to leasing		(221,545)	(209,018)
Dividends paid		(19,138,030)	-
Repurchase own shares		-	(5,888)
Net cash used in financing activities		(19,359,574)	(214,906)
Net increase / (Decrease) in cash and cash equivalents		(59,365,478)	174,444,071
Cash and cash equivalents on January 1		260,126,530	150,710,816
Cash and cash equivalents at the end of the period		200,761,052	325,154,887

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1. Reporting entity

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

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

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

The main activity of the company:

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

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

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

The company providing registry services is Depozitarul Central SA Bucharest.

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements as of September 30, 2022, were prepared up in accordance with Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (the Rule) and with the requirements of IAS 34 "Interim financial reporting" and must be read together with the standalone financial statements for 2021.

In accordance with Regulation no. 1606/2002 of the European Parliament and of the Council of the European Union of July 19, 2002, as well as with Law no. 24/2017 on issuers of financial instruments and market operations from 2017, the Company has to prepare and submit to the Financial Supervisory Authority (ASF) annual consolidated financial statements, in accordance with IFRS, within 4 months from the end of the financial year financial. The company prepared and made public the consolidated financial statements for the financial year 2021. Based on the requirements of Law no. 24/2017 and ASF Regulation no. 5 on issuers of financial instruments and market operations, the Company has to prepare and publish interim consolidated financial statements for H1 2022 within 3 months from its end. The company prepared and made public the financial statements as of June 30, 2022, on August 31 (standalone) and September 30 (consolidated).

In accordance with IAS 27 and IFRS 10, starting from the financial year 2018, the Company measures all its subsidiaries at fair value through the profit or loss account, except for subsidiaries providing investment-related services, which will continue to be consolidated. Under these conditions, the Company will prepare two sets of financial statements: standalone and consolidated, in accordance with the provisions of IFRS 10 and IAS 27. At the same time, the Company reviewed the analysis regarding the fulfilment of the classification criteria as an investment entity for the years 2021 and 2022, concluding that they are met and that it will apply the exception provided by IFRS 10 regarding investment entities and for the financial statements related to the financial years 2021 and 2022.

The business segments are reported in a manner compatible with internal reporting, analysed by the Company's main decision-maker (the Board of Directors), which is responsible for allocating resources and evaluating the performance of the operating segments. Reportable segments whose revenues, result or

assets are ten or more percent of all segments are reported separately. The Company manages all activities as a single reportable business segment.

(b) Presentation of the financial statements

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

(c) Basis of measurement

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

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

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

(f) Changes in the accounting policies

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

3. Significant accounting policies - extract

The accounting policies used in these condensed interim financial statements are the consistent with those of the standalone financial statements prepared as of December 31, 2021.

Assets and financial liabilities

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

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

(i) Classification

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

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

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

Business model

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

Business model for the shares held for which the option FVTOCI was selected at the date of transition or the date of initial recognition

- Effective management of a diversified portfolio of quality assets, able to ensure a constant flow of income, preservation, and medium-long term growth of capital, 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 yield, generated from dividend income and capital gain.

Model of assets held for collecting

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

Model of assets held for collecting and sale

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

Other business model

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

SPPI test

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

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

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

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

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

Financial assets measured at fair value through profit 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 (FVOCI)

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

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

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

Financial instruments measured at amortized cost

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

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

Financial liabilities

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

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

The other financial debts are measured at amortized cost.

(ii) Recognition

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

(iii) Measurement

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

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

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

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

Measurement at amortized cost

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

The effective interest rate represents the rate that precisely updates the future proceeds in cash during the forecasted life of the financial instrument up to the level of the gross carrying amount of the financial asset

or of the financial liability. For the calculation of the effective interest rate, the entity must estimate the cash flows considering all contractual conditions of the financial instrument but must not consider the future losses from the changes in credit risk. The calculation includes all commissions paid or cashed by the contracting parties that make integral part of the effective interest rate, transaction costs and all the other premiums and discounts.

Measurement at fair value

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

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

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

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

The fund units are measured according to the Unitary Net Asset Value, calculated by the fund administrator using the closing quotations for the quoted financial instruments.

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

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

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

The valuation techniques are used consistently.

(iv) Identification and measurement of value impairment

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

The Company applies the impairment provisions for the recognition of the provision for losses corresponding to the assets measured at fair value through other comprehensive income (debt instruments that meet the criteria of pt. 4.1.2A of IFRS 9 – assets held to collect the cash flows and to sale, whose cash flows represent exclusively principal reimbursement or interest payments). The provision so determined is recognized considering other comprehensive income and does not reduce the carrying amount (book value) of the financial asset from the statement of the financial position.

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

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

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

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

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

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

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

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

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

(v) Derecognition

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

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

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

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

(vi) Reclassifications

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

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

If a reclassification occurs, the Company proceeds as follows:

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

- When reclassifying an asset from fair value through other comprehensive income category to fair value through profit and loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to profit and loss as a reclassification adjustment (as per IAS1).

(vii) Gains and losses

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

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

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

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

Gains on debt instruments (bonds):

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

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

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

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

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

Other financial assets and liabilities

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

4. Management of significant risks

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

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

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

4.1 Financial risks

(a) Market risk

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

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

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

Concentration risk

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

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

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

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

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

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

(i) Equity (own capital) price risk

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

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

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

A positive change of 10% in the price of financial assets at fair value through profit and loss (shares of subsidiaries, associates, fund units and corporate bonds) would lead to an increase in profit after tax by RON 144,750,024 (December 31, 2021: RON 161,503,340), a negative change of 10% having an equal net impact in the opposite direction.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of tax, of RON 117,984,877 (December 31, 2021: RON 133,426,086), a negative change of 10% having an equal net impact in the opposite direction.

The company holds stakes in companies operating in various sectors. As it can be noticed from the table below, as of September 30, 2022, the Company mainly held shares in companies in the banking-financial and insurance field, having a weight of 45.9% on the total portfolio, slightly decreasing from the weight of 49.9% as of December 31, 2021.

in RON	September 30, 2022	%	December 31, 2021	%
Financial intermediation and insurance	1,140,150,996	45.9%	1,409,857,853	49.9%
Manufacturing industry	656,875,590	26.4%	796,836,286	28.2%
Hotels and restaurants	129,499,880	5.2%	97,642,827	3.5%
Wholesale and retail trade, repair of motor vehicles	39,066,175	1.6%	39,048,278	1.4%
Production and supply of energy, gas, and water	0	0.0%	27,214,550	1.0%
Extractive industry	81,871,904	3.3%	17,897,034	0.6%
Other activities	332,010	0.0%	1,174,734	0.0%
Financial services applicable to real estate	398,152,984	16.0%	390,087,877	13.8%
Constructions	605,080	0.0%	606,059	0.0%
Transportation and storage	34,973,734	1.4%	44,560,504	1.6%
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	2,484,268,808	100%	2,827,396,787	100%

The decrease in the total value of the portfolio under management compared to the end of the previous year is due to the declines of capital markets during first nine months of 2022 with negative influence on the market prices of the listed financial assets, in the Company's portfolio.

As of September 30, 2022, and December 31, 2021, the Company holds fund units in the closed end investment funds Active Plus, Optim Invest, Certinvest Shares, Star Value, and Romania Strategy Fund. The Company is exposed to price risk in terms of placements made with different risk degrees by these Investment Funds, the fair value of the investments in these assets being as of September 30, 2022, of RON 357,081,224 (December 31, 2021: RON 369,180,263).

(ii) Interest rate risk

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

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

With respect to the fixed interest-bearing assets or tradable assets, the Company is exposed to the risk that fair value of future cash flows related to financial instruments will fluctuate following the changes in market interest rates. However, most financial assets of the Company are in stable currencies whose interest rates are unlikely to vary significantly.

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

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

The following table shows the annual interest rates earned by the Company for interest-bearing assets during first three quarters of 2022:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Bank deposits	0.80	8.20	0.06	0.12
Financial assets at fair value through profit and loss*	4.30	9.51	-	-
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75

* In the financial assets at fair value through profit and loss are included bonds denominated in RON issued by a SIF Banat-Crişana subsidiary

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

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

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

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

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

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

<i>in RON</i>	September 30, 2022	December 31, 2021
Cash and cash equivalent*	73,450,000	106,464,876
Bank deposits	-	79,198,863
Financial assets at FVTPL – corporate bonds	37,612,296	37,612,296
Financial assets at FVTOCI – corporate bonds	5,195,930	5,273,438
TOTAL	116,258,226	228,549,473

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

Selected explanatory notes to the condensed financial statements as of September 30, 2022

The impact on the Company's net profit (through interest income) of a change of $\pm 1.00\%$ in the interest rate on variable interest rate assets and liabilities denominated in other currencies in conjunction with a change of $\pm 1.00\%$ in the interest rate related to the assets and liabilities bearing variable interest and expressed in RON is of RON 976,569 (December 31, 2021: RON +/-1,919.816).

For bonds recorded at fair value (level 1) held, a variation of +/- 5% of their market price determines a net impact in the amount of RON +/- 1,579,716 (December 31, 2021: RON +/- 1,579,716) in the profit and loss account, respectively in the amount of RON +/-218,229 (December 31, 2021: RON +/-221,484) in other comprehensive income.

(iii) Currency risk

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

In the reporting periods the company conducted transactions in Romanian currency (RON) and in foreign currencies. The Company has not carried out any exchange rate derivative transaction during the financial years presented.

The Company's assets and liabilities in RON and foreign currencies on September 30, 2022, and December 31, 2021 can be analysed as follows:

*Financial assets exposed to foreign currency risk (in RON)
in RON*

	September 30, 2022	December 31, 2021
Cash and cash equivalent	126,907,087	252,423,162
Bank deposits	-	79,232,230
Financial assets at FVTPL – (including assets held by investment funds) *	48,033,444	15,217,333
Financial assets at FVTOCI**	117,325,608	209,887,194
Total assets	292,266,140	556,759,919
Liabilities on leasing contract	(597,037)	(789,288)
Total liabilities	(597,037)	(789,288)
Net financial assets	291,669,102	555,970,631

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

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

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

	September 30, 2022		December 31, 2021	
	Impact on P&L	Impact on OCI	Impact on P&L	Impact on OCI
5% EUR increase (2021: 5%)	7,544,197	4,705,905	14,757,401	8,593,365
5% EUR decrease (2021: 5%)	(7,544,197)	(4,705,905)	(14,757,401)	(8,593,365)
Total	-	-	-	-

(b) Credit risk

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

As of September 30, 2022, and December 31, 2021, the Company did not have any real collaterals as insurance, nor any other improvements in the credit rating.

As of September 30, 2022, and December 31, 2021, the Company did not record any outstanding financial assets, for which it had not recorded any impairment adjustments.

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

Selected explanatory notes to the condensed financial statements as of September 30, 2022

September 30, 2022	Current accounts	Bank deposits	Bonds (measured at FVOCI)	Bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>						
Rating AAA to A-						
BBB+	31,677,688	72,550,000	-	-	-	104,227,688
BBB	21,126	-	-	-	-	21,126
BBB-	28,312,755	-	-	-	-	28,312,755
BB+	17,544,115	900,000	-	-	-	18,444,115
BB	49,508,809	-	-	-	-	49,508,809
B-	-	-	5,280,248	-	-	5,280,248
NR	-	-	-	38,265,616	17,909,385	56,175,001
TOTAL	127,064,494	73,450,000	5,280,248	38,265,616	17,909,385	261,969,743

December 31, 2021	Current accounts	Bank deposits	Bonds (measured at FVOCI)	Bonds (measured at FVTPL)	Other financial assets	Total
<i>Current and not impaired</i>						
Rating AAA to A-						
BBB+	34,760,929	7,485,591	-	-	-	42,246,521
BBB	21,852	-	-	-	-	21,852
BBB-	19,765,325	178,178,148	-	-	-	197,943,473
BB+	99,102,745	-	-	-	-	99,102,745
B-	-	-	5,283,259	-	-	5,283,259
NR	-	-	-	37,907,699	10,514,505	48,422,204
TOTAL	153,650,852	185,663,739	5,283,259	37,907,699	10,514,505	393,020,053

The Company's maximum exposure to credit risk is of RON 261,969,743 as of September 30, 2022 (December 31, 2021: RON 393,020,053) and can be analysed as follows:

	Credit rating			September 30, 2022	December 31, 2021
BRD - Groupe Soci�t� G�n�rale	BBB+	BRD - Groupe Soci�t� G�n�rale	Fitch	14,402,502	13,670,675
Banca Transilvania	BB+	Banca Transilvania	Fitch	18,444,115	99,102,745
Banca Comercial� Rom�n�	BBB+	Banca Comercial� Rom�n�	Fitch	89,825,185	28,575,512
CEC Bank**	BBB-		Fitch	49,508,809	98,979,897
Exim Bank	BBB-	Exim Bank Romania	Fitch	28,312,755	98,963,576
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	21,055	21,852
UniCredit Tiriac	BBB+	UniCredit Tiriac	Fitch	71	333
TOTAL (Note 12 and 13)				200,514,494	339,314,591

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

** sovereign rating

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

The Company's exposure to credit and counterparty risk through corporate bonds held as of September 30, 2022, is presented in the following table:

Issuer	Quantity	Nominal value	Interest rate	Value as of September 30, 2022 (RON)	Maturity
Impact SA*	EUR 210	5,000.00	5.75%	5,195,930	2022
Vrancart SA**	RON 368,748	100.00	9.51%	37,612,296	2024
Total				42,808,226	

* fixed interest rate | ** variable interest rate

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

Issuer	Quantity	Nominal value	Interest rate	Value as of December 31, 2021 (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	

* fixed interest rate | ** variable interest rate (corresponding to the most recent coupon)

(c) Liquidity risk

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

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

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

The breakdown of assets and liabilities was analysed based on the remaining period from the balance sheet date to contractual maturity date, both as of September 30, 2022, and December 31, 2021, as follows:

<i>in RON</i>	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
September 30, 2022					
Financial assets					
Cash and cash equivalent	200,761,053	200,761,053	-	-	-
Bank deposits	-	-	-	-	-
Financial assets at FVTPL	1,511,304,527	653,320	-	37,612,296	1,473,038,911
Financial assets at FVTOCI	1,382,041,408	5,280,248	-	-	1,376,761,160
Other financial assets	18,635,884	18,635,884	-	-	-
Total financial assets	3,112,742,872	225,330,506	-	37,612,296	2,849,800,070
Financial liabilities					
Liabilities on leasing contract	597,037	66,028	203,882	327,127	-
Dividends payable	10,104,126	10,104,126	-	-	-
Other financial liabilities	12,622,606	12,622,606	-	-	-
Total financial liabilities	23,323,769	22,792,760	203,882	327,127	-
Liquidity surplus	3,089,419,102	202,537,745	(203,882)	37,285,169	2,849,800,070
December 31, 2021					
Financial assets					
Cash and cash equivalent	260,126,530	260,126,530	-	-	-
Bank deposits	79,232,230	26,405,245	52,826,985	-	-
Financial assets at FVTPL	1,680,415,609	295,403	-	37,612,296	1,642,507,911
Financial assets at FVTOCI	1,559,352,399	-	5,283,259	-	1,554,069,140
Other financial assets	11,807,022	11,807,022	-	-	-
Total financial assets	3,590,933,790	298,634,199	58,110,244	37,612,296	3,196,577,050
Financial liabilities					
Liabilities on leasing contract	789,288	63,319	195,013	530,955	-
Other financial liabilities	10,219,192	10,219,192	-	-	-
Total financial liabilities	11,008,480	10,282,511	195,013	530,955	-
Liquidity surplus	3,579,925,310	288,351,688	57,915,231	37,081,341	3,196,577,050

4.2 Other risks

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

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

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

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

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

(a) Taxation risk

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

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

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

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

(b) Economic environment risk

SIF Banat-Crișana's management cannot predict all the effects of the international economic developments with an impact on the financial sector in Romania but has confidence in that in the first nine months of 2022 has adopted the necessary measures for the Company's sustainability and development under the present state of the financial market by monitoring its cash flows and adapting its investment policies.

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

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

The risk management aims at: (i) identifying and assessing significant risks with major impact in achieving the target investment and developing activities to counter the risk identified; (ii) adapting the risk management policies to the developments in the financial capital market, monitoring performance and improving risk management procedures; (iii) reviewing investment decisions in line with the development of the capital and money market; (iv) compliance with the legislation in force.

During first nine months of 2022, the global economic and financial environment has been 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 in terms of geopolitical developments. Another key element is the reaction of central banks to these events, both the European Central Bank and the Federal Reserve are in the midst of an accelerated cycle of raising key interest rates in an attempt to counter inflation and its impact on the macroeconomic balance and outlook of economic growth.

(c) Operational risk

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

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

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

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

(d) Capital adequacy

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

The Company's equity includes the share capital, various types of reserves and the retained earnings. Equity amounted to RON 2,996,065,745 as of September 30, 2022 (RON 3,416,126,285 as of December 31, 2021).

5. Dividend income

As per IFRS 9 and since the Company has opted to measure shareholdings through other comprehensive income, dividends from these shareholdings are recognized as income unless they are a substantially recovery of the cost of investment.

Dividend income is recorded as gross value. The tax rate for dividends from companies was of 0, 5%, 27,5% (2021: 0 and 5%). The breakdown of dividend income on the main counterparties is shown in the table below:

<i>denominated in RON</i>	September 30, 2022	September 30, 2021	Measurement
BRD - Groupe Société Générale	50,396,401	1,019,801	FVTOCI
Banca Transilvania	38,214,355	21,951,593	FVTOCI
SAI Muntenia Invest	17,996,400	6,698,660	FVTOCI
SNP Petrom	15,492,985	1,111,840	FVTOCI
SIF Imobiliare	11,959,384	52,286,577	FVTOCI
Biofarm	8,690,318	7,966,125	FVTPL
Erste Bank	7,916,320	3,556,506	FVTOCI
IAMU	4,985,279	3,067,867	FVTPL
Conpet	4,098,765	3,880,988	FVTOCI
Vrancart SA	3,816,173	7,511,836	FVTPL
Azuga SA	989,347	10,009,139	FVTPL
SIF Oltenia	774,050	580,414	FVTOCI
Bursa de Valori București	393,883	123,170	FVTOCI
Others	400,110	463,490	FVTOCI
Others	53,396	81,184	FVTPL
BT Asset Management	-	2,000,000	FVTOCI
Evergent Investments (SIF Moldova)	-	496,605	FVTOCI
Total	166,177,167	122,805,794	
FVTOCI	147,642,654	94,169,644	
FVTPL	18,534,513	28,636,151	

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

6. Interest income**Interest income (assets at amortized cost, assets at FVTOCI)**

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Interest income on bank deposits and current accounts	2,283,378	1,186,389
Interest income on assets measured through other comprehensive income (corporate bonds)	223,317	222,730
	2,506,695	1,409,119

Interest income (assets at FVTPL)

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Interest income on corporate bonds	1,835,469	1,037,462
Interest income related to the transfer of financial assets*	1,407,609	-
	3,243,078	1,037,462

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

7. Other operating revenues**Interest income (assets at amortized cost, assets at FVTOCI)**

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Income from adjustments for impairment of receivables	566,017	113,215
Other revenues	14,841	242,650
Total	580,858	355,864

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

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Profit / (Loss) from measurement/transfer of fund units	(12,099,039)	82,749,308
Profit / (Loss) from measurement of bonds	-	21,232
Profit / (Loss) from measurement of shares in subsidiaries and associates	(130,833,514)	139,541,358
Total	(142,932,553)	222,311,898

As of September 30, 2022, and September 30, 2021, the Company measured the investments held in fund units, the shares held in subsidiaries and associates (fair values of level 1), and the bonds held, through the profit and loss account, resulting a decrease of RON 130.8m (September 30, 2021: increase amounting to RON 221.4m)

During the first 9 months of 2021, the sum of RON 0.9mi was collected, transferred by the Certinvest Investment Fund, representing dividends received from the companies in the portfolio, proportional to the stake held by SIF Banat-Crişana.

9. Fees and commissions expenses

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Financial Supervisory Authority commissions	2,287,698	2,183,648
Depository (bank) fees	736,229	688,629
Commissions due for transactions	6,545	846,165
Registry fees	143,342	135,000
Other fees and commissions	44,625	88,582
Total	3,218,439	3,942,024

10. Other operating expenses

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Expenses with other taxes, fees, and assimilated payments	96,571	92,628
Expenses with salaries and other personnel expenses	8,857,944	8,983,454
Depreciation expenses	222,408	211,002
Expenses for external services	1,839,218	1,492,352
Expenses on interest and depreciation of assets with the right to use under the leasing contract	216,212	213,905
Total	11,232,354	10,993,340

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Expenses with salaries	6,974,982	6,361,864
Stock Option Plan expenses	1,454,936	2,198,533
Expenditure on insurance and social protection	279,076	308,677
Other personnel expenses	148,950	114,380
Total	8,857,944	8,983,454

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

In the period ended on September 30, 2022, the average number of employees was of 31 (September 30, 2021: 34), and the actual number of employees recorded at the end of the reporting period was of 32 (September 30, 2021: 34).

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

11. Income tax

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Current income tax		
Current income tax (16%)	-	11,243,387
Tax on dividend (0%, 5%)	7,660,691	2,462,966
Expense on / (income from) deferred tax		
Financial assets at FVTOCI	-	-
Financial assets at FVTPL	-	-
Tangible assets / Investment property	-	(103,159)
Total income tax recognized in profit or loss	7,660,691	13,603,194

Selected explanatory notes to the condensed financial statements as of September 30, 2022

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

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

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Profit before tax	14,930,950	335,199,734
Tax under statutory tax rate of 16% (2021: 16%)	2,388,952	53,631,957
Income tax effect of:		
Tax on dividend (0%, 5%, 27.5%*)	7,660,691	2,462,966
Non-deductible expenses and similar items	29,984,349	4,912,048
Non-taxable revenues	(33,779,414)	(44,985,183)
Revenue related items		19,621,067
Expenses related items	(167,059)	-
Recoverable tax loss	1,803,470	(1,396,849)
Deferred tax	-	(103,159)
Amounts of sponsorship within legal limits and other deductions	(403,316)	(1,050,282)
Tax recognized in retained earnings	173,018	(19,489,371)
Income tax	7,660,691	13,603,194

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

12. Cash and cash equivalents

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Petty cash and other valuables	8,791	2,019
Current accounts in banks	127,064,494	153,650,852
Deposits in banks with original maturity less than 3 months (including interest)	73,687,768	106,473,659
Cash and cash equivalents with maturity less than 3 months	200,761,053	260,126,530

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

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

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Shares	1,115,957,687	1,273,327,647
Fund units	357,081,224	369,180,263
Corporate bonds (including attached interest)	38,265,616	37,907,699
Total	1,511,304,527	1,680,415,609

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

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

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds	Total
January 1, 2022	1,273,327,647	369,180,263	37,907,699	1,680,415,609
Acquisitions	657,463	-	-	657,463
Sales	(27,193,910)	-	-	(27,193,910)
Change in interest receivable	-	-	357,918	357,918
Change in fair value (including foreign exchange differences)	(130,833,514)	(12,099,039)	-	(142,932,553)
September 30, 2022	1,115,957,687	357,081,224	38,265,616	1,511,304,527

The purchases of shares in the amount of RON 0.6m include the consideration of the Vrancart SA shares entered in the portfolio.

In the first 9 months of 2022, the sale transaction of the stake held in Gaz Vest Arad company was completed.

On September 30, 2022, the shares held in subsidiaries and associated entities were measured at fair value, the difference being unfavourable in the amount of RON 130.8m (vs. the value on December 31, 2021). The measurement of fund units at fair value as of September 30, 2022, generated an unfavourable difference of RON 12.1m (vs. the value on December 31, 2021).

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

<i>denominated in RON</i>	Shares	Fund units	Corporate bonds	Total
January 1, 2021	1,039,727,058	305,468,130	49,195,115	1,394,390,304
Acquisitions	12,906,934	-	-	12,906,934
Sales	-	-	(10,712,680)	(10,712,680)
Change in interest receivable	-	-	(596,162)	(596,162)
Change in fair value (including foreign exchange differences)	220,693,655	63,712,133	21,425	284,427,214
December 31, 2021	1,273,327,647	369,180,263	37,907,699	1,680,415,609

Acquisitions made during 2021 include participation in the share capital increase with cash contribution at Vrancart SA, made in December 2021 and completed in February 2022.

The outflows from the corporate bonds represent the redemption at maturity of the remaining principal of the bonds issued by SIFI BH Retail S.A.

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

The movement of financial assets measured at fair value through other comprehensive income during first nine months of 2022 is presented in the table below:

<i>denominated in RON</i>	Shares *	Corporate bonds**
January 1, 2022	1,554,069,140	5,283,259
Acquisitions	295,050,168	-
Sales	(3,186,540)	-
Change of interest receivable	-	74,496
Change in fair value (including foreign exchange differences)	(469,171,609)	(77,507)
September 30, 2022	1,376,761,159	5,280,248

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

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

Acquisitions of shares amounting to RON 295m are listed shares (SNP, BVB. Compania Hotelieră Intercontinental, SIFs). The sales of shares in the amount of RON 3.2m mainly include the sale of Reva, Transgex and Prospecțiuni shares, the amount transferred to retained earning related to these being of RON 2.09m.

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

<i>denominated in RON</i>	Shares *	Corporate bonds**
January 1, 2021	1,309,319,391	5,111,504
Acquisitions	67,751,279	-
Sales	(196,793,416)	-
Change of interest receivable	-	962
Change in fair value (including foreign exchange differences)	373,791,886	170,793
December 31, 2021	1,554,069,140	5,283,259

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

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

Purchases of shares in 2021, in the total amount of RON 67.7m mainly include the acquisition of Banca Transilvania and BVB shares, amounting to RON 62.1m and RON 6.5m.

The sales of shares, in the amount of RON 196.8m, mainly include the sale of shares in Erste Bank (fair value of the stock as of sale date: RON 71.6m), Banca Transilvania (RON 24m), and exits from Evergent (RON 68.2m), BT Asset Management (RON 11m), Mobex (RON 3.2m), Iproeb (RON 4.1m), Rompetrol Well Services, Compa (RON 1.3m) and Comat Maramureș (RON 1m). Net result from transactions amounting to RON 117.66m was transferred to 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).

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

September 30, 2022				
<i>denominated in RON</i>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - shares	344,418,695	-	771,538,993	1,115,957,688
Financial assets at FVTPL - fund units	357,081,224	-	-	357,081,224
Financial assets at FVTPL - bonds	38,265,616	-	-	38,265,616
Financial assets at FVTOCI - shares	1,242,836,743	-	133,924,418	1,376,761,160
Financial assets at FVTOCI - corporate bonds	5,280,248	-	-	5,280,248
Investment property	-	-	12,953,334	12,953,334
Land and buildings	-	-	3,375,309	3,375,309
	1,987,882,526	-	921,792,054	2,909,674,580

December 31, 2021				
<i>denominated in RON</i>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – shares	482,685,633	-	790,642,016	1,273,327,648
Financial assets at FVTPL – fund units	369,180,263	-	-	369,180,263
Financial assets at FVTPL – bonds	37,907,699	-	-	37,907,699
Financial assets at FVTOCI - shares	1,407,516,618	-	146,552,522	1,554,069,140
Financial assets at FVTOCI – corporate bonds	5,283,259	-	-	5,283,259
Investment property	-	-	12,953,334	12,953,334
Land and buildings	-	-	3,472,577	3,472,577
	2,302,573,472	-	953,620,450	3,256,193,922

During the first nine months of 2022, no transfers between the levels of fair value were made.

15. Other financial assets

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Sundry debtors	12,820,698	6,122,541
Other financial assets	5,815,187	5,684,481
Impairment for depreciation of sundry debtors	(726,500)	(1,292,517)
Total	17,909,385	10,514,505

16. Investment property

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Balance as of January 1	12,953,334	13,180,199
Inflows	-	-
Outflows	-	(926,060)
Change of fair value – gain/(loss)	-	699,195
Balance as of end of period	12,953,334	12,953,334

17. Other financial liabilities

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Debts to employees and related contributions	798,009	2,583,734
Taxes and dues	418,061	-
Suppliers and creditors	11,406,536	7,635,458
Total	12,622,606	10,219,192

The item Suppliers and creditors on September 30, 2022, mainly includes the amounts received as an advance for the transfer of unlisted shares based on a sale-purchase agreement, for which the transfer of ownership has not been completed.

18. Deferred tax liabilities

Deferred tax assets and liabilities on September 30, 2022, and December 31, 2021, are generated by the elements detailed in the following tables:

September 30, 2022*denominated in RON*

	Assets	Liabilities	Net
Financial assets at FVOCI	-	668,990,489	(668,990,489)
Tangible assets and investment property	-	13,609,350	(13,609,350)
Total		682,599,840	(682,599,840)
Net temporary differences - 16% rate			(109,215,975)
Deferred tax liabilities			(109,215,975)

December 31, 2021*denominated in RON*

	Assets	Liabilities	Net
Financial assets at FVOCI	-	1,111,127,369	(1,111,127,369)
Tangible assets and investment property	-	13,609,350	(13,609,350)
Total	-	1,124,736,719	(1,124,736,719)
Net temporary differences - 16% rate	-	-	(1,124,736,719)
Deferred tax liabilities	-	-	(179,957,876)

Deferred tax liabilities in balance on September 30, 2022, amounting to RON 109,215,975 (2021: RON 179,957,876) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 103,056,154 (2021: 173,610,067), being 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 6,159,821 recognized in retained earnings (2021: RON 6,347,809).

19. Capital and reserves**(a) Share capital**

As of September 30, 2022, the share capital of SIF Banat-Crişana amounts to RON 51,542,236.30, divided into 515,422,363 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by the conversion into shares of the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As of September 30, 2022, the number of shareholders was of 5,741,874 (December 31, 2021: 5,744,120).

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

All shares are ordinary shares, were subscribed and fully paid as of September 30, 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 pursuant to art. 207 par. (1) section c) of Law no. 31/1990, from RON 51,746,072.4 to RON 51,542,236.3 following the cancellation of 2,038,361 treasury shares acquired by the company, within the buyback programs.
- the use of 880,000 treasury 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", completed in May 2021. In May 2021, the stock option plan program was completed, whereby 880,000 shares were granted to the members of the Company's management, free of charge.
- 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 in December 2021.

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The EGM of November 2, 2020, approved:

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

The EGM of October 11, 2021, approved:

- the execution of a buyback program ("Program 4"), for their distribution free of charge to the members of the Company's management (administrators, directors), 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 could be repurchased: 880,000 shares at most. The distribution of shares is to 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 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.
- the execution of a share buyback program ("Program 6") for the distribution 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 Stock Option Type, in compliance with the legislation in force.

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Share capital	51,542,236	51,542,236
Total	51,542,236	51,542,236

(b) Retained earnings

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Retained earnings from the transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from application of IFRS 9 (including gain on transactions)	312,982,366	310,528,734
Undistributed profit	18,874,346	18,874,346
Result for the period	7,270,260	387,001,105
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,062,005	2,062,005
Total	763,512,685	1,140,789,898

(c) Other reserves

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Reserves allotted from the 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 written-off dividends	88,420,910	88,420,910
Reserves from exchange rate differences and investment facilities	19,832,946	19,832,946
Total	1,606,128,538	1,249,578,037

* The reserve related to the initial portfolio was set-up under Law no. 133/1996, as the difference between the value of the contributed portfolio and the value of the share capital subscribed to SIF Banat-Crișana.

Thus, these reserves are assimilated to a contribution premium and are not used in the sale of non-current financial assets.

(d) Legal reserves

Pursuant to the legal requirements, the Company set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as of September 30, 2022, amounts to RON 10,308,447 (December 31, 2021: RON 10,308,447). Legal reserves cannot be distributed to shareholders.

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

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

Reserves are recorded net of related deferred tax. The amount of deferred tax recognized directly through impairment of equity is shown in Note 18.

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

<i>denominated in RON</i>	September 30, 2022	December 31, 2021
Differences from changes in fair value of financial assets measured through other comprehensive income (bonds)	(428)	65,463
Differences from changes in fair value of financial assets measured through other comprehensive income (shares)	583,636,988	984,359,861
Total	583,636,560	984,425,325

(f) Dividends

During first nine months of 2022 the shareholders of the Company approved the distribution of a dividend of gross RON 0.06/share. During 2021, there was no approval of a dividend distribution from the profit of the financial year 2010.

20. Earnings per share

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

<i>denominated in RON</i>	September 30, 2022	September 30, 2021
Profit attributable to ordinary shareholders	7,270,260	321,596,540
Weighted average number of ordinary shares	507,510,056	514,980,751
Basic earnings per share	0.0143	0.624

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

21. Contingent assets and liabilities

(a) Litigations in court

As of September 30, 2022, in the Company's records were 69 litigations ongoing in Courts. The Company had legal standing in 55 lawsuits, passive legal standing in 11 lawsuits, and intervenient in 3 litigations.

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

(b) Other liabilities

not the case

22. Related parties

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

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

Key management personnel

September 30, 2022

- As of September 30, 2022, the Board of Directors of SIF Banat-Crişana was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of September 30, 2022, the members of the executive team of SIF Banat-Crişana are: Bogdan-Alexandru Drăgoi - CEO (General Director), Radu-Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș - Director.

December 31, 2021

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

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

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

Subsidiaries

As of September 30, 2022, the Company held (directly and indirectly) majority stakes in 15 companies (December 31, 2021: 15). Following the classification of the Company as an investment entity, the subsidiaries providing investment services for the Company (SAI Muntenia and AISA) remained in the scope of consolidation, and the other subsidiaries were deconsolidated.

Associated entities

The number of entities in which the Company holds stakes between 20% and 50% of the share capital as of September 30, 2022, is of 17 (December 31, 2021: 18), of which:

- One entity (Biofarm SA Bucharest), in which the Company exercises significant influence;
- 5 (December 31, 2021: 4) entities that do not qualify as associates, because the Company does not exercise significant influence in those companies;
- 11 (December 31, 2021: 12) entities in insolvency / liquidation / bankruptcy.

Transactions with related parties during the interim reporting period:

During the first nine months of 2022, the Company made the following transactions with affiliated parties:

	September 30, 2022	September 30, 2021
Transactions by profit and loss		
Dividend income, of which:		
SIF Imobiliare PLC	11,959,384	52,286,577
Azuga Turism	989,347	10,009,139
SAI Muntenia	17,996,400	6,698,660
Vrancart	3,816,173	7,511,836
Biofarm	8,690,318	7,966,125
IAMU Blaj	4,985,279	3,067,867
Total	48,436,901	87,540,204
Interest income, of which:		
Vrancart	1,835,469	998.680
SIFI BH Retail	-	38.782
Total	1,835,469	1,037.462
Other expenses, of which:		
Administrare Imobiliare - rent and operating expenses	256,870	209,018
Gaz Vest - supply of natural gas	-	26,263
Total	256,870	235,281

Transactions by statement of financial position

	September 30, 2022	December 31, 2021
Other receivables, of which:		
Silvana Cehu Silvaniei - dividends	-	790,389
Silvana Cehu Silvaniei - receivables depreciation adjustments	-	(565,284)
Vrancart - bonds	37,612,296	37,612,296
Vrancart - interest receivable	653,320	295,403
Azuga Turism – dividends receivable	989,347	-
Gaz Vest – dividends receivable	2,607,914	2,607,914
Total	41,862,877	40,740,718
Other debts, of which:		
Administrare Imobiliare	4,226	57,617
Gaz Vest SA Arad	-	34,268
Total	4,226	91,885

During the first nine months of 2022, the following operations were carried out with subsidiaries and associated entities:

- Vrancart SA:
 - participation in the share capital increase (initiated in 2021), stage 2 with cash in the amount of RON 378k, in consideration for 3,437,717 shares.
 - purchase of 1,689,436 shares with a value of RON 279k
- Gaz Vest – sale of the entire stake worth of RON 27.2m.

23. Events after the interim period

October 31 – The company published the report informing the investors that, on October 28, 2022, the company SIF SPV TWO S.A., a subsidiary of SIF Banat-Crișana, paid the auction price for the acquisition by transfer of assets of “Belvedere Cigarette Factory”, assets awarded in the auction organized by the judicial administrator CITR Ilfov Branch SPRL within the insolvency procedure of the company INTERAGRO S.A.. The financing of the acquisition was mostly provided by SIF Banat-Crișana, as well as by two of its subsidiaries. The value of the financing directly provided by SIF Banat-Crișana represents less than 5% of company's net assets value, according to the last standalone financial report published.