

**Interim simplified individual financial statements**

**as of 30<sup>th</sup> September 2019**

prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to the entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector

**UNAUDITED**

**SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

**SIMPLIFIED INTERIM INDIVIDUAL FINANCIAL STATEMENTS  
as of 30<sup>th</sup> September 2019**

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## **SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

### **Simplified interim individual financial statements of profit or loss and of other items of the comprehensive income as of 30<sup>th</sup> September 2019**

<i>In lei</i>	<i>Nota</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
<b>Incomes</b>			
Gross income from dividends	6	125,161,240	87,269,123
Income from interest		655,340	375,982
Other operating income	7	89,623	15,081,339
Net gain from exchange rate differences		6,399,733	13,695
Net gain on financial assets at fair value through profit or loss		689,006	206,272
<b>Costs</b>			
Fees and charges for administration and supervision	8	(2,047,503)	(1,593,315)
Income from the reversal of provisions for risks and charges		5,505,632	-
Other operating costs	9	(12,120,510)	(6,072,559)
<b>Profit before taxing</b>		<b>124,332,561</b>	<b>95,280,537</b>
Profit tax	10	(6,856,294)	(7,027,681)
<b>Net profit for the financial year</b>		<b>117,476,267</b>	<b>88,252,856</b>
<b>Other items of the comprehensive income</b>			
Earnings related to the transfer of financial assets assessed at fair value through other elements of comprehensive income net of tax, recognized in the deferred result		9,810,454	6,501,147
Change in reserve from revaluation of property, plant and equipment, net of deferred tax		-	-
Net change in fair value of financial assets assessed by other comprehensive income items		272,981,492	218,649,044
Fair value reserve of financial assets assessed by other comprehensive income items transferred to profit or loss, net of tax		-	-
Fair value reserve of financial assets assessed by other comprehensive income items transferred, transferred to net tax deferred income		(11,206,418)	(5,460,963)
<b>Total other elements of comprehensive income</b>		<b>271,585,528</b>	<b>219,689,228</b>
<b>Total comprehensive income for the period</b>		<b>389,061,795</b>	<b>307,942,084</b>
<b>Result per share</b>			
Basic	22	0.2025	0.1521
Diluted		0.2025	0.1521

Simplified interim individual financial statements have been approved by the Board of Directors on 13 November 2019 and signed on its behalf by:

Associate Professor PhD Ec. Ciurezu Tudor  
Chairman/General Manager

Associate Professor PhD Bușu Cristian  
Vicepresident/Deputy General Manager

Ec. Sichigea Elena  
Financial Manager

**Simplified interim individual financial statements of the financial position  
as of 30<sup>th</sup> September 2019**

<i>In lei</i>	<i>Nota</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
<b>Assets</b>			
Cash and cash equivalents	11	24,528,203	472,375,238
Deposits placed in banks	12	70,998,956	554,340
Financial assets are assessed at fair value through other comprehensive income items	13	2,095,324,398	1,478,457,359
Financial assets assessed at fair value through profit or loss	13	3,421,946	2,732,940
Loans and receivables	14	82,072	15,836,743
Property, plant and equipment		11,551,879	11,965,182
Real estate investments		555,001	555,001
Other assets	15	159,676	134,574
<b>Total assets</b>		<b>2,206,622,131</b>	<b>1,982,611,377</b>
<b>Liabilities</b>			
Dividends to pay	16	65,362,098	42,515,955
Fees and charges	17	3,073,852	97,715,503
Deferred tax liabilities	18	122,246,377	72,404,246
Other liabilities	19	726,829	9,855,891
<b>Total liabilities</b>		<b>191,409,156</b>	<b>222,491,595</b>
<b>Stockholders' equity</b>			
Share capital	20	58,016,571	58,016,571
Reserves constituted following the application of Law 133/1996	20	144,636,073	144,636,073
Legal reserves	20	11,603,314	11,603,314
Reserves from assessment of financial assets measured at fair value through other items of comprehensive income	20	609,554,862	347,779,788
Other reserves	21	519,443,933	555,210,270
Reserves from the reassessment of tangible assets		7,584,883	7,844,289
Own shares		(1,962,259)	-
The result carried forward with the exception of the carried forward result from the first adoption of IAS 29		548,859,331	538,769,677
Current profit		117,476,267	96,259,800
<b>Total Stockholders' equity</b>		<b>2,015,212,975</b>	<b>1,760,119,782</b>
<b>Total Liabilities and Stockholders' equity</b>		<b>2,206,622,131</b>	<b>1,982,611,377</b>

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**SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

**Simplified interim individual financial statements of the changes in stockholders' equity  
as of 30th September 2019**

<i>In lei</i>	Share capital	Own shares	Reserves from the reassessment of tangible assets	Legal reserves	Other reserves	Differences from the change of fair value in financial assets assessed through other elements of the comprehensive income	Other elements of own equities	Cumulated profit	TOTAL
<b>SOLD LA 1ST JANUARY 2019</b>	<b>58,016,571</b>		<b>7,844,289</b>	<b>11,603,314</b>	<b>699,846,343</b>	<b>350,841,468</b>	<b>(3,061,680)</b>	<b>635,029,477</b>	<b>1,760,119,782</b>
<b>COMPREHENSIVE INCOME</b>									
<b>Profit of financial year</b>	-	-	-	-	-	-	-	<b>117,476,267</b>	<b>117,476,267</b>
<b>Other elements of the comprehensive income</b>									
1. Variation of the reserve from the reassessment of the net tangible fixed assets	-	-	(259,406)	-	-	-	-	259,406	0
2. The net variation of the differences from the fair value modification of the financial assets assessed by other comprehensive income items	-	-	-	-	-	272,981,495	(3)	-	272,981,492
3. Fair value reserve of financial assets assessed at fair value through other comprehensive income items transferred, transferred to the net tax deferred income	-	-	-	-	-	(11,206,418)	-	9,810,454	(1,395,964)
<b>TOTAL COMPREHENSIVE INCOME affluent to the period</b>	<b>0</b>	<b>0</b>	<b>(259,406)</b>	<b>0</b>	<b>0</b>	<b>261,775,077</b>	<b>(3)</b>	<b>127,546,127</b>	<b>389,061,795</b>
Deferred tax related to the result carried forward reassessment surplus unachieved taxed	-	-	-	-	-	-	-	19,794	19,794
Other reserves – own sources of funding	-	-	-	-	-	-	-	-	-
Other reserves – share repurchase	-	-	-	-	(35,766,337)	-	-	(12,178,331)	(47,944,668)
Shares redemption	-	(1,962,259)	-	-	-	-	-	-	(1,962,259)
<b>Transactions with shareholders directly recognized in equity</b>	-	-	-	-	-	-	-	-	-
1. Dividends prescribed by law – transfer to the profit or loss account from other reserves	-	-	-	-	-	-	-	-	-
2. Dividends to pay for year 2018	-	-	-	-	-	-	-	(84,081,469)	(84,081,469)
<b>TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(84,081,469)</b>	<b>(84,081,469)</b>
<b>BALANCE AS OF 30TH SEPTEMBER 2019</b>	<b>58,016,571</b>	<b>(1,962,259)</b>	<b>7,584,883</b>	<b>11,603,314</b>	<b>664,080,006</b>	<b>612,616,545</b>	<b>(3,061,683)</b>	<b>666,335,598</b>	<b>2,015,212,975</b>

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**SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

**Simplified interim individual financial statements of the changes in stockholders' equity**  
as of 30th September 2019

<i>In lei</i>	Share capital	Own shares	Reserves from the reassessment of tangible assets	Legal reserves	Other reserves	Differences from the change of fair value in financial assets assessed through other elements of the comprehensive income	Other elements of own equities	Cumulated profit
<b>SOLD LA 1st January 2018</b>	<b>58,016,571</b>	<b>7,175,074</b>	<b>11,603,314</b>	<b>666,153,979</b>	<b>784,613,031</b>	<b>(3,061,680)</b>	<b>81,978,328</b>	<b>1,606,478,617</b>
<b>COMPREHENSIVE INCOME</b>	-	-	-	-	-	-	-	-
<b>Profit of financial year</b>	-	-	-	-	-	-	88,252,856	88,252,856
<b>Other elements of the comprehensive income</b>	-	-	-	-	-	-	-	-
1. Variation of the reserve from the reassessment of the net tangible fixed assets	-	(215,334)	-	-	-	-	215,334	-
2. The net variation of the reserve from the modification of the fair value of the financial assets assessed at fair value by other elements of the comprehensive income	-	-	-	-	218,649,044	-	-	218,649,044
3. Gain / loss related to financial assets assessed at fair value through other comprehensive income items, assigned	-	-	-	-	(5,460,963)	-	6,501,147	1,040,184
4. Transfer of the reserve to the result reported as a result of the transition to IFRS 9	-	-	-	-	(23,014,132)	-	23,014,132	-
<b>TOTAL COMPREHENSIVE INCOME affluent to the period</b>	<b>0</b>	<b>(215,334)</b>	<b>0</b>	<b>0</b>	<b>190,173,949</b>	<b>0</b>	<b>117,983,469</b>	<b>307,942,084</b>
Deferred tax related to the result carried forward reassessment surplus unachieved taxed	-	-	-	-	-	-	11,389	11,389
Other reserves – own sources of funding	-	-	-	33,692,364	-	-	(33,692,364)	-
Other reserves – share repurchase	-	-	-	-	-	-	-	-
<b>Transactions with shareholders directly recognized in equity</b>	-	-	-	-	-	-	-	-
1. Dividends prescribed by law – transfer to the profit or loss account from other reserves	-	-	-	-	-	-	-	-
2. Dividends to pay for year 2018	-	-	-	-	-	-	(40,611,600)	(40,611,600)
<b>TOTAL TRANSACTIONS WITH SHAREHOLDERS DIRECTLY RECOGNIZED IN EQUITY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(40,611,600)</b>	<b>(40,611,600)</b>
<b>SOLD LA 30th September 2018</b>	<b>58,016,571</b>	<b>6,959,740</b>	<b>11,603,314</b>	<b>699,846,343</b>	<b>974,786,980</b>	<b>(3,061,680)</b>	<b>125,669,222</b>	<b>1,873,820,490</b>

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Ec. Sichigea Elena  
Financial Manager

# ***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

## **Simplified interim individual financial statements of the treasury cash flows as of 30th September 2019**

In lei

Element name	Reporting period	
	30 <sup>th</sup> September 2019	30 <sup>th</sup> September 2018
A	1	2
<b>Treasury flows from operating activities</b>		
Cashes from customers, other cashes	7,196,585	851,066
Cashes from sales of financial investments (securities)	74,224,952	14,844,685
Payments for the purchase of shares	(369,490,922)	(37,086,184)
Payments to suppliers and employees, other payments	(9,468,841)	(5,563,121)
Payments to the state budget, social security budget and local budget	(4,862,748)	(1,856,016)
Interest received	595,454	304,825
Dividends received	119,308,538	83,081,098
Interests paid	-	-
Profit tax paid	(98,738,528)	(4,919,364)
Cashes from insurance against earthquakes	-	-
<b>Net treasury from operating activities</b>	<b>(281,235,510)</b>	<b>49,656,989</b>
<b>Treasury flows from investment activities:</b>		
Payments for acquisition of tangible assets	(13,720)	(10,980)
Cashes from sale of tangible assets	-	-
<b>Net treasury from investment activities</b>	<b>(13,720)</b>	<b>(10,980)</b>
<b>Treasury flows from financing activities:</b>		
Cashes from emission of shares	-	-
Cashes from loans on long term	-	-
Payment of debts related to financial leasing	-	-
Dividends paid	(35,181,343)	-
Downpayments to the Central Deposit for dividends payments	(58,890,584)	(227,879)
Tax on payed dividends	(44,908)	(43,244)
Cashes from emission of shares	(2,096,242)	(426,472)
<b>Net treasury from financing activities</b>	<b>(96,213,077)</b>	<b>(697,595)</b>
<b>Net increase of treasury and cash equivalents</b>	<b>(377,462,307)</b>	<b>48,948,414</b>
<b>Treasury and cash equivalents at the beginning of the reporting period</b>	<b>472,928,957</b>	<b>3,813,119</b>
<b>Treasury and cash equivalents at the end of the reporting period</b>	<b>95,466,650</b>	<b>52,761,532</b>

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Financial Manager

# ***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

## ***Selected explanatory notes to simplified interim individual financial statements***

*on September 30<sup>th</sup>, 2019*

*(all amounts are expressed in lei, unless otherwise stated)*

### **1. REPORTING ENTITY**

Societatea de Investiții Financiare Oltenia S.A. („The Company”) was founded on 01<sup>st</sup> November 1996 in Craiova – Romania, being the under successor of V Oltenia Private Property Fund, reorganized and transformed according to the provisions of Law No. 133/1996, a law for the transformation of the Private Property Funds into financial investment companies.

The company is classified in the category of Alternative Investment Fund Administrators (AIFM) authorized by the Financial Supervisory Authority with the number 45/15<sup>th</sup> of February 2018 and operates in compliance with the provisions of Law no. 74/2015 regarding alternative investment fund managers, Law no. 24/2017 on issuers of financial instruments and market transactions, Law no. 297/2004 regarding the capital market, as subsequently amended and supplemented and Law no. 31/1990 on companies.

The Company is self-administered and has its registered office in Craiova, no. 1, Tufănele Street, postal code 200767, Dolj County.

The Company is registered at the Trade Register Office attached to Dolj Court, under the Registration Number J16/1210/1993, Taxpayer Identification Number 4175676, fiscal attribute RO.

The shares of the Company are listed according to the Bucharest Stock Exchange, the Premium category, with market symbol SIF 5, as from the 1<sup>st</sup> of November 1999.

The Company's shareholders and shares records are kept according to law by the DEPOZITARUL CENTRAL S.A. BUCHAREST.

The depositing activity provided by legislation and R.N.S.C./F.S.A. regulations is provided by Raiffeisen Bank S.A. as from the 22<sup>nd</sup> of January 2014, until such date, the depositing activity having been held by ING Bank NV Amsterdam - Bucharest Branch.

According to the articles of incorporation, the Company has the following scope of activity:

- a) administrating and managing the shares in the trading companies for which there were issued own shares, corresponding to the Ownership Certificates and the Nominal Privatization Coupons subscribed by citizens according to the provisions of Art. 4 Paragraph 6 of Law no. 55/1995;
- b) Administrating and managing its own securities portfolio and investing in securities in accordance with the regulations in force;
- c) risk administration;
- d) other activities, auxiliary and adjacent to the collective management activities.

The subscribed and paid-up social capital is 58,016,571 LEI, divided into 580,165,714 shares with a nominal value of 0.1 LEI/share.

The main characteristics of the shares issued by the company are: ordinary, indivisible, nominative, of equal value, issued in a dematerialized form and granting equal rights to their holders.

Simplified interim financial statements elaborated on 30<sup>th</sup> September 2019, are not audited.

### **2. Bases of preparation**

#### **a) Declaration of Conformity**

According to the Norm no. 39/2015 issued by the Financial Supervision Authority of the Financial Instruments and Investment Sector (ASF), starting with the annual financial statements for the financial year 2015, the authorized, regulated and supervised entities by the ASF, apply the International Financial Reporting Standards adopted by the European Union ("IFRS") as official accounting regulations.



## ***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

### ***Selected explanatory notes to simplified interim individual financial statements***

*on September 30<sup>th</sup>, 2019*

*(all amounts are expressed in lei, unless otherwise stated)*

## **2. Bases of preparation (continued)**

### **a) Declaration of Conformity (continued)**

The date of 31<sup>st</sup> of December 2015 is the date of transition to IFRS as the basis for accounting, when the operations determined by the changeover from the CNVM Regulation no. 4/2011 to the Accounting Regulations in accordance with IFRS.

The simplified interim financial statements prepared on 30th September 2019, were prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and should be read together with the individual financial statements for the year 2018 prepared in accordance with Standard no. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector.

In accordance with the provisions of Regulation no. No 1606/2002 of the European Parliament and of the Council of the European Union of 19<sup>th</sup> of July 2002 and of Law no. 24/2017 on issuers of financial instruments and market transactions, the Company has the obligation to prepare and submit to ASF consolidated annual financial statements in accordance with IFRS no later than 4 months after the end of the financial year.

The consolidated financial statements of the S.I.F. Oltenia S.A. Group on the 31<sup>st</sup> of December 2018 were drafted, approved and released on 24<sup>th</sup> of April 2019. These can be consulted electronically on the company's website: [www.sifolt.ro](http://www.sifolt.ro).

Based on the provisions of Law 24/2017 and Regulations no. 5/2018 regarding issuers of financial instruments and market operations, the Company prepares consolidated half-yearly accounting report in accordance with IFRS.

The consolidated half-yearly accounting report shall be prepared and submitted to FSA no later than 3 months after the end of the semester.

It will be drawn up, approved by the Board of Directors and published on 27<sup>th</sup> September 2019 and made available to the public in electronically format on the company's website: [www.sifolt.ro](http://www.sifolt.ro).

### **b) Presentation of financial statements**

The presentation adopted by the Company is based on the liquidity within the simplified interim individual statement of the financial position, and the disclosure of the income and costs has been made in relation to their nature within the simplified interim individual statement of profit or loss and other items of the comprehensive income. The Company considers that such presentation methods provide information that is more credible and relevant than what would have been disclosed under other methods permitted by IAS 1 "Presentation of Financial Statements".

### **c) Functional and Presentation Currency**

The Company's management believes that the functional currency, as defined by IAS 21 "The Effects of Foreign Exchange Rates Variation", is the Romanian currency (lei). The simplified interim individual financial statements are presented in lei, rounded to the nearest lei, the currency that the Company's management chose to be the presentation currency.

## ***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

### ***Selected explanatory notes to simplified interim individual financial statements***

*on September 30<sup>th</sup>, 2019*

*(all amounts are expressed in lei, unless otherwise stated)*

## **2. Bases of preparation (continued)**

### **d) Basis of Assessment**

The simplified interim individual financial statements are prepared on the basis of the fair value convention for financial assets and liabilities measured at fair value through profit or loss and financial assets at fair value through other comprehensive income elements.

Other financial assets and liabilities, as well as non-financial assets and liabilities are presented at amortized cost, re-assessed or historical cost.

### **e) Using Estimates and Judgments**

The preparation of the simplified interim individual financial statements in accordance with IFRS implies the management's use of estimates, judgments and assumptions that affect the application of the accounting policies as well as the reported amount of assets, liabilities, income and expenses.

The estimates and assumptions associated with these judgments are based on historical experience as well as on other factors considered to be reasonable in the context of these estimates. The results of such estimates form the basis of the judgments relating to the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimates amounts.

The Company periodically reviews the estimates and assumptions underlying the accounting records. The revisions of the accounting estimates are recognized in the period in which the estimate is reviewed, if the review affects only that period, or in the period in which the estimate is reviewed and the future periods, if the review affects both the current period and future periods.

## **3. Significant Accounting Policies**

The accounting policies represent the principles, bases, conventions, rules and specific practices applied in the preparation and presentation of the financial statements.

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

The financial statements are prepared on the basis that the Company will continue its activity in the foreseeable future. In order to evaluate the applicability of this principle, the management analyses the forecasts regarding the future cash inflows.

### **a) Subsidiaries and associated entities**

Subsidiaries are entities under the control of the Company. The Company controls an entity in which it has invested when exposed or has variable return rights based on its participation in the investing entity and has the ability to influence those revenues through its authority over the entity in which it has invested.

Potential or convertible voting rights that can be exercised at that time must also be taken into account when assessing the control.

Associated entities are those companies in which the Company can exercise significant influence, but not control over the financial and operational policies.

The list of subsidiaries and associated entities as of 30<sup>th</sup> September 2019 and December 31<sup>st</sup>, 2018, is presented in Note 24.

The Company has classified and accounted for in these individual financial statements all financial investments in subsidiaries and associated entities as financial assets assessed at fair value through other elements of the comprehensive income according to IFRS 9 "Financial Instruments".

## **SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

### ***Selected explanatory notes to simplified interim individual financial statements***

*on September 30<sup>th</sup>, 2019*

*(all amounts are expressed in lei, unless otherwise stated)*

### **3. Significant Accounting Policies (continuation)**

#### **b) Foreign currency transactions**

The transactions expressed in foreign currency are initially recorded in lei at the official exchange rate from the date of the transactions. Monetary assets and liabilities recorded in foreign currencies at the date of preparation of the statement of financial position are converted into functional currency at the exchange rate of that day.

Gains or losses from their settlement and conversion using the exchange rate at the end of the reporting period of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss, except those recognized in equity as a result of recording in compliance with risk hedging accounting.

The differences of conversion on the elements of the nature of the investments held at the fair value through the profit or loss account, are presented as gains or losses from the fair value.

Conversion differences on the elements of the nature of financial instruments classified as fair value through other elements of the comprehensive income are included in the reserve arising from the modification of the fair value of these financial instruments.

The exchange rates of the main foreign currencies, related to the leu, used at the reporting date are:

<b>Currency</b>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>	<b>Variation</b>
EUR	4.7511	4.6639	+ 1.87 %
USD	4.3488	4.0736	+ 6.76 %

#### **c) Accounting the hyperinflation effect**

According to IAS 29 "Financial Reporting in Hyperinflationary Economies", the individual financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in terms of the current purchasing power of the currency at the date of preparing the statement of financial position, i.e. non-monetary items are restated by applying the general index of prices from the date of purchase or contribution. IAS 29 states that an economy is considered hyperinflationary if, among other factors, the cumulative inflation rate exceeds 100% over a three-year period.

The continuous decrease of the inflation rate and other factors related to the characteristics of the economic environment in Romania, indicate that the economy whose functional currency was adopted by the company has ceased to be hyperinflationary, with effect on the financial periods starting with January 1<sup>st</sup>, 2004. Thus, the provisions of IAS 29 were adopted in the preparation of the individual financial statements until December 31<sup>st</sup>, 2003.

Thus, the values expressed in the unit of measurement as at December 31<sup>st</sup>, 2003 are treated as the basis for the accounting values reported in the individual financial statements and do not represent measured values, replacement cost, or any other measurement of the current value of the assets or prices at which the transactions would take place at this time.

For the preparation of the financial statements under IFRS at December 31<sup>st</sup>, 2015, the Company adjusted to be expressed in the current unit of measure as at December 31<sup>st</sup>, 2003 the following elements:

- the share capital and elements of the nature of the reserves;
- financial assets available for sale assessed at cost, for which there is no active market or the market is not active.

#### **d) Cash and cash equivalents**

The cash includes the available in the house and in the banks and the deposits in sight.

Cash equivalents are short-term, highly liquid financial investments that are easily convertible to cash and which are subject to insignificant risk of changes in value.

When drawing up the statement of cash flows, the cash and cash equivalents were considered: the actual cash, the current accounts with banks and the deposits with an initial maturity of less than 90 days.

### **3. Significant accounting policies (continuation)**

#### **e) Financial assets and liabilities**

Financial instruments, in accordance with IFRS 9 "Financial Instruments", 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;
- Derivative financial instruments;
- Participations in subsidiaries, associates and joint ventures - according to the provisions of IFRS 10, IAS 27, IAS 28.

#### **• Classification**

The Company classifies the financial instruments held in accordance with IFRS 9 "Financial Instruments" in financial assets and financial liabilities.

An asset is a resource controlled by the company as a result of past events and from which future economic benefits for the company are expected.

A debt represents a current obligation of the company resulting from past events, the settlement of which is expected to result in an outflow of resources incorporating economic benefits for the company.

The company classifies financial assets as: assessed at amortized cost, at fair value through other elements of the comprehensive income or at fair value through profit or loss on the basis of:

- the business model of the company for managing financial assets and
- the characteristics of the contractual cash flows of the financial asset.

In accordance with IFRS 9, financial assets fall into one of the following categories:

#### *Financial assets assessed at fair value through profit or loss*

The financial assets measured at fair value through profit or loss are:

- equity instruments held for trading;
- equity instruments designated to be measured at fair value through profit or loss account;
- debt instruments.

A financial asset must be measured at fair value through profit or loss, unless it is measured at amortized cost or at fair value through other comprehensive income.

A financial asset or financial liability is held for trading if they meet the following conditions cumulatively:

- is held for sale and redemption in the near future;
- at initial recognition it is part of a portfolio of identified financial instruments, which are managed together and for which there is evidence of a recent real pattern of short-term profit tracking.

This category includes financial assets or financial liabilities held for trading and financial instruments designated at fair value through profit or loss at the time of initial recognition.

Derivative financial instruments are classified as held for trading if they are not used for hedge accounting.

#### *Financial assets measured at fair value through other comprehensive income*

The financial assets assessed at fair value through other elements of the comprehensive income are:

- equity instruments designated to be assessed at fair value through other elements of the comprehensive income;
- debt instruments.

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#### **3. Significant accounting policies (continuation)**

##### **e) Financial assets and liabilities (continuation)**

A financial asset of an instrumental nature to come back must evaluate only other elements of the comprehensive income if both of the following conditions are met:

a) the financing activation is directly related to a business model because its objective is achieved for collecting the contractual cash flows and for selling the financial activity and

b) the contractual terms of the financing activity give birth, the deadline, the cash care flows are exclusively payments of the principal and the interest related to the main values of the data.

The company may face or make irrevocable the initial recognition in the case of certain investigations in equity instruments the care of others would be to evaluate only the principle of profit or loss to present further changes of the fair values in other elements of the comprehensive income (according to points 5.7.5 and 5.7.6 of IFRS 9 - Financial Instruments).

Investments of companies in equity instruments (shares) are fully classified as financial activities to evaluate only the justification and other elements of the comprehensive income.

Company investments in fund units are classified and evaluate only the profit or loss rules.

Active repayment and financial liabilities are presented at amortized costs, may be reassessed or historical costs.

The method used to record the investigations of companies in capital instruments (shares) is the "first place", in terms of quantifying and evaluating companies and the bases of fair values.

The financial activity evaluates the correct use of the elements of the results at the global level are measured at the correct establishment of the elements of the comprehensive incomes.

Changes in value are recognized in other comprehensive income when it is properly investigated, when cumulative gains or losses can be reclassified from other comprehensive income to a reported income statement over the period.

The dividends received from the entities in the care of the stock companies are recognized in profit or loss when they are lost:

a) The company for granting the dividend payment premiums is established;

b) it is probable that the economic benefits associated with the dividend will be generated for the company, and

c) the dividend can be reliably measured.

##### *Financial assets measured at amortized cost*

A financial asset must be measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise, at certain dates, to cash flows that are exclusively payments of the principal and the interest related to the value of the principal due.

##### *Financial debt*

They are measured at amortized cost, except for financial liabilities classified at fair value through profit or loss.

- ***Initial recognition***

Financial assets and liabilities are recognized on the date on which the Company becomes a contractual party under the conditions of the respective instrument. When the Company first recognizes a financial asset, it must classify it in accordance with 4.1.1 - 4.1.5 (at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) in IFRS 9 and evaluate it in accordance with points 5.1.1 - 5.1.3. (a financial asset or a financial liability is measured at its fair value plus or minus the transaction costs that are directly attributable to the acquisition or issuance of the asset or debt).

All other financial assets and liabilities are initially recognized at the date of the transaction.

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#### **3. Significant accounting policies (continuation)**

##### **e) Financial assets and liabilities (continuation)**

- ***Assessment***

After the initial recognition, the Company must evaluate the financial assets, in accordance with points 4.1.1 - 4.1.5 at:

- a) amortized cost;
- b) the fair value through other elements of the comprehensive income; or
- c) fair value through profit or loss.

After the initial recognition, the Company shall evaluate the financial liabilities in accordance with paragraphs 4.2.1 - 4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except:

- a) financial liabilities measured at fair value through profit or loss;
- b) the financial debts that arise when the transfer of a financial asset does not meet the conditions for derecognition;
- c) financial guarantee contracts, assessed at the highest value between the amount of the loss provision (section 5.5 of IFRS 9) and the amount initially recognized less the cumulative income (recognized under IFRS 15);
- d) commitments to provide an interest rate loan at market value, measured at the highest value between the amount of the loss provision (section 5.5 of IFRS 9) and the value initially recognized less cumulative income (recognized under IFRS 15);
- e) the contingent consideration recognized by an acquirer in a business combination for which IFRS 3 applies. Such contingent consideration must be subsequently assessed at fair value with the changes recognized in profit or loss.

##### *Assessment at amortized cost*

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, less principal repayments, plus or minus accumulated depreciation using the effective interest method for each difference between the initial value and the value at maturity, and minus any reduction (direct or through the use of an adjustment account) for impairment or inability to recover.

The effective interest rate is the rate that exactly updates future payments or cash receipts estimated over the expected life of the financial asset or financial debt at the gross book value of the financial asset or at the amortized cost of a financial debt. When calculating the effective interest rate, the entity must estimate the expected cash flows taking into account all the contractual conditions of the financial instrument (e.g. prepayment, extension, call options and other similar options), but must not take into account the losses expected from lending. The calculation includes all commissions and points paid or collected by the contracting parties that form an integral part of the effective interest rate (see points B 5.4.1 - B 5.4.3), transaction costs and all other premiums or discounts.

##### *Assessment at fair value*

Fair value is the price that would have been received when selling an asset or paid for the settlement of a debt in a transaction carried out under normal conditions between participants in the main market, at the assessment date, or in the absence of the main market, on the most advantageous market on which the Company has access to 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 quoted prices are available quickly and regularly for that instrument. The company measures the instruments quoted on active markets using the closing price.

**3. Significant accounting policies** *(continuation)*

**e) Financial assets and liabilities** *(continuation)*

A financial instrument is considered to be listed on an active market when quoted prices are available immediately and regularly from a exchange, a dealer, a broker, an industry association, a pricing service or a regulatory agency, and these prices reflect transactions that occur on a real and regular basis, conducted under objective market conditions.

In the category of shares listed on an active market are included all those shares admitted to trading on the Stock Exchange or on the alternative market and which present frequent transactions. The market price used to determine the fair value is the closing price of the market from the last trading day before the assessment date.

For the calculation of fair value, for equity instruments (shares), the Company uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: Entries other than quoted prices included in Level 1 which are observable for assets or liabilities, either directly (ex: prices) or indirectly (ex: price derivatives).
- Level 3: assessment techniques based largely on unobservable elements. This category includes all instruments for which the assessment technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the assessment of the instrument.

The assessment at the fair value of the equity instruments (shares) held is as follows:

- for listed and traded securities during the reporting period, the market value was determined by taking into account the quotation from the last trading day (closing quotation on the main capital market for those listed on the regulated market - BVB, respectively the reference price for the alternative system - AERO for level 1, and for level 2, quotations are taken for the shares traded in the last 30 trading days);
- for listed securities that have no transactions in the last 30 days of the reporting period, as well as for unlisted securities, the market value is determined as it results from the last approved annual financial statement of the entity;
- for securities not admitted to trading on a regulated market or within an alternative trading system in Romania issued by issuers holding more than 33% of the share capital, these are assessed exclusively in accordance with International Assessment Standards on the basis of a assessment report updated at least annually;
- for the securities related to the companies in the insolvency or reorganization procedure, the assessment is made at zero value;

The equity securities issued by OPC are assessed taking into account the last unit value of the net asset, calculated and published.

• ***Identifying and assessing the impairment***

The company must recognize a provision for the expected loan losses related to a financial asset that is assessed in accordance with point 4.1.2 or 4.1.2A (debt instruments assessed at amortized cost or at fair value through other elements of the comprehensive income), a debt that arises from a leasing agreement, a loan commitment and a financial guarantee contract.

The Company applies the impairment provisions for the recognition and measurement of the provision for losses related to the assets assessed at fair value through other elements of the comprehensive income in accordance with point 4.1.2A (assets held for the purpose of collecting cash flows and sales, whose cash flows represent Excluding principal repayments or interest payments). The provision thus determined is recognized on the basis of other comprehensive income and does not reduce the carrying amount of the financial asset from the statement of financial position.

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#### **3. Significant accounting policies (continuation)**

##### **e) Financial assets and liabilities (continuation)**

- ***Derecognition***

The Company derecognises a financial asset when the rights to receive cash flows from that financial asset expire, or when the Company has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction in which it has significantly transferred all the risks and benefits of ownership.

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

The company derecognises a financial debt when the contractual obligations have been concluded or when the contractual obligations are cancelled or expired.

In derecognition of equity instruments (shares), the Company uses the "first in first out" method.

- ***Reclassification***

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

The Company applies the reclassification of financial assets prospectively from the date of reclassification. Any previously recognized gains, losses or interest will not be restated.

In the event of a reclassification, the Company proceeds as follows:

- when reclassifying an asset from the category of amortized cost to that of fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between amortized cost and fair value is recognized in profit or loss;
- when reclassifying an asset from the category of fair value through profit or loss to that of the amortized cost, the fair value at the date of reclassification becomes the new gross book value;
- when reclassifying an asset from the category of amortized cost to that of fair value through other elements of the comprehensive income, the fair value is determined at the date of reclassification. The difference between amortized cost and fair value is recognized in other comprehensive income, without adjusting the effective interest rate or expected loan losses;
- when reclassifying an asset from the fair value category through other elements of the comprehensive income to the amortized cost, the reclassification is carried out at the fair value of the asset as of the reclassification date. The amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset, without affecting the profit or loss account. The effective interest rate and expected lending losses are not adjusted as a result of the reclassification;
- when reclassifying an asset from the category of fair value through profit or loss to that of fair value through other elements of the comprehensive income, the asset continues to be measured at its fair value;
- when reclassifying an asset from the category of fair value through other elements of the comprehensive income to that of fair value through profit or loss, the financial asset continues to be measured at fair value. The amounts previously recognized in other comprehensive income are reclassified from equity into profit or loss, as an adjustment from reclassification (according to IAS 1).

- ***Gains and losses***

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

- a) Gains or losses generated by financial assets or financial liabilities classified as fair value through profit or loss are recognized in profit or loss;



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#### **3. Significant accounting policies (continuation)**

##### **e) Financial assets and liabilities (continuation)**

b) Gains or losses generated by a financial asset assessed at fair value through other elements of the comprehensive income are recognized against other elements of the comprehensive income.

When the asset (in the case of equity instruments) is derecognised, the previously recognized cumulative losses or gains on other comprehensive income are transferred to the retained earnings.

At the time of depreciation or derecognition of financial assets and financial liabilities accounted for at amortized cost, as well as through their amortization process, the Company recognizes a gain or loss in the profit or loss account.

##### **f) Other financial assets and liabilities**

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

##### **g) Intangible assets**

Intangible assets are initially assessed at cost. After the initial recognition, an intangible asset is accounted for at cost less accumulated depreciation and any accumulated impairment losses.

- ***Amortization of intangible assets***

The amortization is recognized in the profit or loss account using the straight-line method for the estimated useful life of the intangible assets, from the date they are available for use.

The estimated useful lives for the current period and for the comparative periods are the following: computer programs - 3 years, and the licenses for their validity period.

Amortization methods, useful lives and residual values are reviewed at the end of each financial year and adjusted accordingly.

##### **h) Tangible assets**

- ***Recognition and assessment***

Tangible assets recognized as assets are initially assessed at the acquisition cost (for those purchased on an onerous basis), at the contribution value (for those received as an in-kind contribution to the constitution/increase of the share capital), respectively at the fair value from the date the acquisition for those received free of charge.

The cost of an item of property, plant and equipment consists of the purchase price, including non-recoverable taxes, after deducting any commercial price reductions and any costs that can be directly attributed to bringing the asset to the location and under the condition that it can be used. for the purpose set by the management, such as: expenses with employees that result directly from the construction or acquisition of the asset, the costs of setting up the placement, the initial costs of delivery and handling, the costs of installation and assembly, the professional fees.

Property, plant and equipment are classified by the Company in the following classes of assets of the same nature and with similar uses:

- land and buildings;
- machinery and equipment and mean of transport;
- furniture, office equipment, equipment for the protection of human and material values and other tangible assets.

- ***Assessment after recognition***

For further recognition, the Company adopted the reassessment model.

After recognition as an asset, items of tangible assets of the nature of constructions and land whose fair value can be reliably measured are accounted for at a reassessed amount, this being the fair value at the reassessment date minus any subsequent accumulated depreciation and any losses accumulated from impairment.

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### **3. Significant accounting policies (continuation)**

#### **h) Tangible assets (continuation)**

Other property are measured at cost less accumulated depreciation and eventual impairment losses.

The reassessments should be conducted with sufficient regularity to ensure that the carrying amount does not differ significantly from what would have been determined by using the fair value at the reporting period.

If an item of property, plant and equipment is reassessed, then the entire class of property, plant and equipment that is part of that item is subject to reassessment.

The bookings of the reassessment reserves are made on each fixed asset and on each reassessment operation that took place.

The surplus from the reassessment included in the own capital related to an item of property, plant and equipment is transferred directly to the result carried over as the depreciation measure and when the asset is derecognised at the disposal or disposal.

Land and buildings are shown at reassessed value, representing fair value at the reassessment date less accumulated depreciation and impairment losses. The reassessments are carried out by specialized evaluators, members of ANEVAR. The frequency of reassessments is dictated by the dynamics of the markets to which the lands and constructions owned by the Company belong.

#### **• Amortization**

The amortization is calculated at the carrying amount (acquisition cost or reassessed value, minus the residual value) and is recognized in the profit or loss account using the linear method for the estimated useful life for the tangible assets.

The land is not amortized.

The estimated useful lives for the current period and for the comparative periods are the following:

- constructions;	12-50 years
- machinery and equipment and mean of transport;	3-20 years
- furniture, office equipment, equipment for the protection of values human and material and other tangible assets.	3-15 years

Amortization methods, estimated useful lives, and residual values are re-visited by the Company's management on each reporting date.

#### **• Depreciation**

An asset is depreciated when the carrying amount exceeds its recoverable amount.

At each reporting date, the Company must verify that there are indications of depreciation of assets. If such indications are identified, the Company must estimate the recoverable amount of the asset.

#### **• Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised (eliminated from the statement of financial position) upon disposal or when no future economic benefit from its use or disposal is expected.

Property, plant and equipment that are written off or sold are eliminated from the statement of financial position along with the corresponding accumulated depreciation.

The gain or loss resulting from derecognition of an item of property, plant and equipment is included in the current profit or loss account when the item is derecognised.

### **3. Significant accounting policies (continuation)**

#### **i) Real estate investments**

Real estate investments are real estate (land, buildings or parts of a building) owned by the Company for the purpose of renting or for the increase of value or both, and not for:

- be used for the production or supply of goods or services or for administrative purposes;

or

- be sold during the normal course of business.

Some properties include a part that is held for rent or for the purpose of increasing value and another part that is held for the purpose of producing goods, providing services or for administrative purposes.

If these parts can be sold separately (or rented separately under a lease agreement), then they are accounted for separately. If the parts cannot be sold separately, the property is treated as a real estate investment only if the part used for the production of goods, services or administrative purposes is insignificant.

- ***Recognition***

A real estate investment is recognized as an asset if and only if:

- it is probable that a future economic benefit associated with real estate investment will enter the Company;

- the cost of real estate investment can be reliably assessed.

- ***Assessment***

*Initial assessment*

An investment property is initially assessed at cost, including trading costs. The cost of a purchased real estate investment consists of its purchase price plus any directly attributable expenses (for example, professional fees for providing legal services, property transfer fees and other trading costs).

*Afterwards assessment*

The Company's accounting policy regarding the subsequent assessment of real estate investments is based on the fair value model. This policy is applied uniformly to all real estate investments. The assessment of the fair value of the real estate investments is carried out by the evaluators members of the National Association of Romanian Appraisers (ANEVAR). Fair value is based on market price quotations, adjusted, if applicable, to reflect differences related to the nature, location or conditions of the respective asset. These assessments are periodically reviewed by the Company's management.

Gains or losses resulting from changing the fair value of real estate investments are recognized in the profit or loss account of the period in which they occur.

The fair value of real estate investments reflects market conditions at the balance sheet date.

- ***Transfers***

Transfers to and from the category of real estate investments must be made then and only when there is a change in the use of the respective asset.

For the transfer of a real estate investment accounted for at fair value to tangible assets, the implicit cost of the asset for the purpose of its subsequent accounting will be its fair value from the date of the change of use.

- ***Derecognition***

The carrying amount of a real estate investment is derecognised at the time of the disposal or when the investment is definitively withdrawn from use and no future economic benefits from its disposal are expected.

Gains or losses resulting from the divestiture or disposal of a real estate investment are recognized in the profit or loss account when it is sold or sold.

### **3. Significant accounting policies (continuation)**

#### **j) Impairment of assets other than financial assets**

The carrying amount of the Company's assets that are not of a financial nature, other than deferred tax assets, is reviewed at each reporting date to identify the ex-occurrence of impairment indices. If such indications exist, the recoverable amount of the respective assets is estimated.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. A cash generating unit is the smallest identifiable group that generates cash and is independent of other assets and other asset groups. Impairment losses are recognized in the profit or loss account.

The recoverable amount of an asset or cash-generating unit is the maximum between the use value and its fair value less the costs of selling that asset or unit.

To determine the net use value, future cash flows are updated using a pre-tax discount rate that reflects current market conditions and risks specific to that asset.

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether they have decreased or no longer exist. Impairment loss is resumed if there has been a change in the estimates used to determine the recovery value. Impairment loss is resumed only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of depreciation and impairment, if the impairment loss had not been recognized.

#### **k) Share capital**

The share capital consists of ordinary shares, indivisible, registered, of equal value, issued in dematerialized form and grants equal rights to their holders.

#### **l) Provisions**

Provisions are recognized in the profit or loss account when the company has a current obligation (legal or implicit) generated by a past event, when an outflow of resources incorporating economic benefits is required and when it can be made a credible estimate as to the value of the obligation.

To determine the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the respective debt.

#### **m) Employee benefits**

- ***Short-term benefits***

Short-term employee benefits include salaries, bonuses and social security contributions. The short-term benefits obligations to employees are not updated and are recognized in the profit or loss account as the related service is provided.

A provision is recognized for the amounts expected to be paid by way of premiums in short-term instalments or schemes for the participation of staff for profit, given that the Company currently has a legal or implicit obligation to pay these amounts. as a result of past services provided by employees and if the obligation can be reliably estimated.

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### **3. Significant accounting policies (continuation)**

#### **m) Employee benefits (continuation)**

Besides wages and other rights of a salary nature, according to the company contract (the articles of incorporation) and the collective labour agreement, the directors, directors with a mandate contract and the employees of the Company have the right to receive bonuses (incentives) under the conditions of the profit indicator net established by the income and expense budget approved by the General Meeting of Shareholders for the current year, within the limit approved by the GMS approving the financial statements for that year.

This obligation is first recognized in the profit or loss account of the financial year in which the profit was realized in the form of provisions for employee benefits. The distribution of these bonuses (incentives) is made in the following year, after their approval by the General Meeting of Shareholders.

- ***Determined contribution plans***

The company makes payments on behalf of its employees to the Romanian state pension system, health insurance and the insurance contribution for work during the normal activity. All the employees of the Company are members and have the legal obligation to contribute (through individual social contributions) to the pension system and to the health system of the Romanian state. The employment insurance contribution is recognized in the profit or loss account of the period. The company has no additional obligations.

The company is not engaged in any independent pension system and, consequently, has no other obligations in this regard. The company is not engaged in any other system of post-retirement benefits. The company has no obligation to provide subsequent services to former or current employees.

- ***Long-term employee benefits***

The net obligation of the Company regarding the benefits related to the long-term services is represented by the value of the future benefits that the employees have gained in exchange for the services provided by them during the current period and the previous periods. On the basis of the collective labour agreement in force, the persons who retire at the age limit benefit on the date of retirement of an allowance equal to the value of two salaries taken at the time of retirement.

The present value of this obligation is not significant, and as such the company does not recognize these future costs as a provision in the financial statements.

#### **n) Interest income and expenses**

Interest income and expenses are recognized in the profit or loss account by the effective interest method. The effective interest rate is the rate that exactly updates the expected cash payments and receipts in the future over the expected life of the financial asset or debt (or, where appropriate, for a shorter term) to the carrying amount of the financial asset or debt.

#### **o) Dividend income**

Dividend income is recognized in the profit or loss account at the date on which the right to receive such income is established.

Dividend income is recorded at gross value including dividend tax, which is recognized as a current expense with profit tax.

In the case of dividends received in the form of shares as an alternative to cash payment, the income from dividends is recognized at the level of the cash that would have been received, in correspondence with the increase of the related participation. The company does not record dividend income related to the shares received free of charge when they are distributed proportionally to all shareholders.

#### **p) Gains and losses from exchange rate differences**

Transactions in foreign currency are recorded in the functional currency (lei), by converting the amount into value at the official exchange rate communicated by the National Bank of Romania, valid at the date of the transaction.

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#### **3. Significant accounting policies (continuation)**

##### **p) Gains and losses from exchange rate differences (continuation)**

At the reporting date, the monetary items expressed in foreign currency are converted using the exchange rate from the last day of currency auction of the year.

The differences of course that arise when settling the monetary elements or converting the monetary elements at different rates from those at which they were converted to initial recognition (during the period) or in previous financial statements are recognized as profit or loss in the profit or loss account, during the period in which they appear.

##### **r) Dividends to be distributed**

Dividends are treated as a distribution of profit during the period in which they were declared and approved by the Ordinary General Meeting of Shareholders. The profit available for distribution is the profit of the year recorded in the financial statements prepared in accordance with IFRS.

##### **s) Profit tax**

The profit tax for the year includes the current tax and the deferred tax. Current income tax includes income tax from dividends recognized at gross value.

Profit tax is recognized in profit or loss or in other comprehensive income if the tax is related to capital items.

The current tax is the tax payable related to the profit realized during the current period, determined on the basis of the percentages applied at the reporting date and of all the adjustments related to the previous periods.

For the period ended 30th September 2019 and December 31st, 2018, the corporate income tax rate was 16%. The tax rate for income from taxable dividends at 30th September 2019 and December 31st, 2018 was: 5% and 0%.

The deferred tax is determined by the Company using the balance sheet method for those temporary differences that appear between the fiscal basis for calculating the tax for assets and liabilities and their accounting value, used for reporting in the individual financial statements.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities arising from transactions that are not business combinations and which do not affect the accounting or fiscal profit and differences arising from investments in subsidiaries, provided they are not resumed in the near future.

The deferred tax is calculated on the basis of the tax rates that are expected to be applicable to the temporary differences upon their resumption, based on the legislation in force at the reporting date.

The deferred tax claim is recognized by the Company only insofar as it is probable that future profits may be used to cover the tax loss. The claim is revised at the end of each financial year and is diminished to the extent that the related tax benefit is unlikely to be realized. The additional taxes arising from the distribution of dividends are recognized at the same time as the obligation to pay the dividends.

Receivables and debts with deferred tax are offset only if there is a legal right to offset current debts and debts with the tax and if they are related to the tax collected by the same tax authority for the same taxable entity or for different tax authorities but wishing to settle the claims and current liabilities with the net asset using a net basis or the related assets and liabilities will be realized simultaneously.

##### **t) The result per share**

The company presents the result on basic and diluted share for ordinary shares. The result per basic share is determined by dividing the profit or loss attributable to the ordinary shareholders of the Company to the weighted average number of ordinary shares related to the reporting period.

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### **3. Significant accounting policies (continuation)**

#### **t) The result per share (continuation)**

The diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

### **4. Financial risk management**

The management constantly assesses the risks that may affect the achievement of the company's objectives and takes the necessary measures in case of changing the conditions in which they operate.

The risk management activity, an important component of the company's activity, concerns both general and specific risks, as provided by Law no. 297/2004 and CNVM Regulation no. 15/2004, as subsequently amended and supplemented.

By the nature of the object of activity the Company is exposed to different types of risks associated with the financial instruments and the markets on which it has exposure.

The main risks identified in the activity of the Company are:

- a) market risk (price risk, currency risk, interest rate risk)
- b) credit risk
- c) liquidity risk.
- d) the tax risks
- e) the risk related to the economic environment
- f) operational risk

#### **a) Market risk**

Market risk represents the current or future risk of a negative impact on profits, as determined by the market fluctuations in the prices of equity securities - in terms of activities belonging to the trading portfolio, the interest rate, as well as fluctuations in the exchange rate for the entire activity of the company.

The efficient management of the market risk is done by using the fundamental analysis that gives indications on the soundness of an investment, as well as estimating the potential of some companies, and taking into account the forecasts regarding the evolution of the economic branches and financial markets.

The main aspects pursued in the analysis of the market risk are: assessment of the portfolio of actions from the point of view of profitability and growth potential, strategic allocation of long-term investments, identification of short-term investments to take advantage of price fluctuations in the capital market, setting limits of concentration of assets in a certain economic sector.

The company is subject to market risk, mainly because of its trading activity.

The management of the Company has always pursued and aims to minimize the possible adverse effects associated with the market risk, through an active policy of prudential diversification of the portfolio of financial assets managed.

We estimate that the market risk to which the Company is exposed is medium.

The company is exposed to the following market risks:

- **Price risk**

The Company is exposed to the fair value risk of the financial instruments held that fluctuate as a result of changes in market prices, whether it is caused by factors specific to the issuer's activity or factors affecting all the instruments traded on the market.

As of 30<sup>th</sup> September 2019, and December 31<sup>st</sup>, 2018 the Company has the following asset structure subject to credit risk:

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**4. Financial risk management (continuation)****a) Market risk (continuation)**

<i>In lei</i>	<b>Com. No.</b>	<b>Market value 30<sup>th</sup> September 2019</b>	<b>Com. No.</b>	<b>Market value December 31<sup>st</sup>, 2018</b>
Capital investment				
Listed companies	30	1,928,320,474	32	1,319,404,429
Unlisted companies	17	167,003,924	17	159,052,930
Fund units	4	3,421,946	4	2,732,940
<b>Total capital investments</b>	<b>51</b>	<b>2,098,746,344</b>	<b>53</b>	<b>1,481,190,299</b>

The market value of the listed stock portfolio (on BVB - regulated market, BVB-AERO - alternative trading system), at 30<sup>th</sup> September 2019 represents 91.88% (December 31<sup>st</sup>, 2018: 89.08%) of the total value of the portfolio administered.

Under these conditions, the Company has an average risk, associated with the change in the prices of financial assets on the capital market.

Within the managed portfolio are found a number of 7 issuers, of the 16 that constitute the BET index of the Bucharest Stock Exchange.

The market value according to IFRS of the shares held by the 7 issuers, represents on 30<sup>th</sup> September 2019: 77.57% (December 31<sup>st</sup>, 2018: 65.36%) of the market value of the shares held in the listed companies.

The company also monitors the concentration of risk on sectors of activity that are presented as follows:

<b>Portfolio structure</b>	<b>Total market value of package 30<sup>th</sup> September 2019</b>		<b>Total market value of package December 31<sup>st</sup>, 2018</b>	
<b>Economic sectors with weight in SIF value portfolio:</b>	<b>(LEI)</b>	<b>%</b>	<b>(LEI)</b>	<b>%</b>
	<b>2,098,746,344</b>	<b>100.00</b>	<b>1,481,190,299</b>	<b>100.00</b>
Finance and Banking	988,734,210	47.11	461,252,477	31.14
oil resources, methane gas and related services	390,414,837	18.60	258,739,649	17.47
renting and leasing real estate	192,600,026	9.18	265,754,054	17.94
energy and gas transport	144,671,760	6.89	135,190,148	9.13
tourism, public food, Leisure	95,697,415	4.56	94,502,421	6.38
financial intermediation	71,612,074	3.41	28,135,844	1.90
the pharmaceutical industry	64,709,923	3.08	50,319,987	3.40
food industry	56,737,519	2.70	54,070,058	3.65
the electileic, electrotechnical industry	34,156,771	1.63	33,558,808	2.27
machine building industry, processing	26,730,739	1.27	19,174,290	1.29
chemical industry	12,602,955	0.60	10,910,020	0.74
metallurgical industry	11,468,757	0.55	31,089,782	2.10
others	3,526,586	0.17	332,490	0.02
grain storage and trade	1,660,826	0.08	1,660,826	0.11
distribution, supply of electricity and energy services		0.00	33,766,505	2.28
<b>TOTAL CAPITAL SECURITIES</b>	<b>2,095,324,398</b>	<b>99.84</b>	<b>1,478,457,359</b>	<b>99.82</b>
<b>FUNDING UNITS</b>	<b>3,421,946</b>	<b>0.16</b>	<b>2,732,940</b>	<b>0.18</b>



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**4. Financial risk management (continuation)****a) Market risk (continuation)**

From the analysis of the data presented above, on 30<sup>th</sup> September 2019 the Company mainly held shares with issuers operating in the field of finance, banks with a share of 47.11 % of the total portfolio, increasing compared to December 31<sup>st</sup> 2018, when on the same activity sector recorded a share of 31.14%.

- **Currency risk**

Given that most of the Company's assets are expressed in national currency, exchange rate fluctuations do not directly affect the Company's activity. These fluctuations have an influence on the assessment of investments such as foreign currency deposits and current account availability.

Available in foreign currency as of 30<sup>th</sup> September 2019, 0.57% (December 31<sup>st</sup>, 2018: 22.52%) of the total financial assets, so the foreign exchange risk is low.

Investments in bank deposits in foreign currency are constantly monitored and investment, disinvestment measures are taken, depending on the forecast evolution of the exchange rate.

The concentration of assets and liabilities by types of currencies is summarized in the following table:

<i>In lei</i>	<b>Accounting value</b>	<b>LEI</b>	<b>EUR</b>	<b>USD</b>
<b>30<sup>th</sup> September 2019</b>				
<b>Financial assets</b>				
Cash and cash equivalents	24,528,203	12,444,229	12,083,934	40
Deposits placed in banks	70,998,956	70,536,670	-	462,286
Financial assets measured at fair value through other comprehensive income	2,095,324,398	2,095,324,398	-	-
Financial assets measured at fair value through profit or loss	3,421,946	3,421,946	-	-
Loans and receivables	82,072	82,072	-	-
Other financial assets	159,676	159,676	-	-
<b>Total financial assets</b>	<b>2,194,515,251</b>	<b>2,181,968,991</b>	<b>12,083,934</b>	<b>462,326</b>
<b>Financial debts</b>				
Payment dividends	65,362,098	65,362,098	-	-
Other financial debts	726,829	726,829	-	-
<b>Total financial debts</b>	<b>66,088,927</b>	<b>66,088,927</b>	<b>0</b>	<b>0</b>
<i>In lei</i>	<b>Accounting value</b>	<b>LEI</b>	<b>EUR</b>	<b>USD</b>
<b>31<sup>st</sup> December 2018</b>				
<b>Financial assets</b>				
Cash and cash equivalents	472,375,238	29,100,114	443,275,059	65
Deposits placed in banks	554,340	122,244	-	432,096
Financial assets measured at fair value through other comprehensive income	1,478,457,359	1,478,457,359	-	-
Financial assets measured at fair value through profit or loss	2,732,940	2,732,940	-	-
Loans and receivables	15,836,743	15,836,743	-	-
Other financial assets	134,574	134,574	-	-
<b>Total financial assets</b>	<b>1,970,091,194</b>	<b>1,526,383,974</b>	<b>443,275,059</b>	<b>432,161</b>
<b>Financial debts</b>				
Payment dividends	42,515,955	42,515,955	-	-
Other financial debts	9,855,891	9,855,891	-	-
<b>Total financial debts</b>	<b>52,371,846</b>	<b>52,371,846</b>	<b>0</b>	<b>0</b>

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**4. Financial risk management (continuation)****a) Market risk (continuation)**

- Interest rate risk**

The interest rate risk represents the current or future risk of adversely affecting profits and capital, as a result of adverse changes in interest rates. The factors that define this type of market risk are a wide range of interest rates corresponding to a variety of markets, currencies and maturities for which the Company holds positions. The interest rate directly influences the income and expenses attached to the variable interest-bearing financial assets and liabilities.

Most of the assets in the portfolio are not interest bearers. Consequently, the Company is not significantly affected by the interest rate risk. Interest rates applied to cash and cash equivalents are short-term.

In order to benefit from the interest rate volatility for greater flexibility in the policy of allocating the money availabilities, it will be intended that the placing of the money availabilities in monetary instruments will be made especially in the short term, of 1-3 months.

The following table summarizes the Company's exposure to interest rate risk.

<i>In lei</i>	<b>Accounting value</b>	<b>Under 3 months</b>	<b>Between 3 and 12 months</b>	<b>Without interest</b>
<b>30<sup>th</sup> September 2019</b>				
<b>Financial assets</b>				
Cash and cash equivalents	24,528,203	-	-	24,528,203
Deposits placed in banks	70,998,956	70,998,956	-	-
Financial assets measured at fair value through other comprehensive income	2,095,324,398	-	-	2,095,324,398
Financial assets measured at fair value through profit or loss	3,421,946	-	-	3,421,946
Loans and receivables	82,072	-	-	82,072
Other financial assets	159,676	-	-	159,676
<b>Total financial assets</b>	<b>2,194,515,251</b>	<b>70,998,956</b>	<b>0</b>	<b>2,123,516,295</b>
<b>Financial debt</b>				
Payment dividends	65,362,098	-	-	65,362,098
Other financial liabilities	726,829	-	-	726,829
<b>Total financial debt</b>	<b>66,088,927</b>	<b>0</b>	<b>0</b>	<b>66,088,927</b>
<i>In lei</i>	<b>Accounting value</b>	<b>Under 3 months</b>	<b>Between 3 and 12 months</b>	<b>Without interest</b>
<b>31<sup>st</sup> December 2018</b>				
<b>Financial assets</b>				
Cash and cash equivalents	472,375,238	-	-	472,375,238
Deposits placed in banks	554,340	554,340	-	-
Financial assets measured at fair value through other comprehensive income	1,478,457,359	-	-	1,478,457,359
Financial assets measured at fair value through profit or loss	2,732,940	-	-	2,732,940
Loans and receivables	15,836,743	-	-	15,836,743
Other financial assets	134,574	-	-	134,574
<b>Total financial assets</b>	<b>1,970,091,194</b>	<b>554,340</b>	<b>0</b>	<b>1,969,536,854</b>
<b>Financial debt</b>				
Payment dividends	42,515,955	-	-	42,515,955
Other financial liabilities	9,855,891	-	-	9,855,891
<b>Total financial debt</b>	<b>52,371,846</b>	<b>0</b>	<b>0</b>	<b>52,371,846</b>

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**4. Financial risk management (continuation)****b) Credit risk**

Credit risk represents the risk of the Company to record losses as a result of the insolvency of its debtors. The credit risk expresses the possibility that the borrowers or the issuers do not meet their obligations at maturity as a result of the degradation of the financial situation of the borrower or of the general situation of the economy. Credit risk appears in relation to any type of debt.

The issuer risk represents the risk of losing the value of a security in a portfolio as a result of the deterioration of its economic-financial situation.

The main elements of credit risk identified which can significantly influence the Company's activity are:

- the risk of non-payment of dividends from the companies in the portfolio;
- the risk of not receiving the value of the contract, in the case of the activity of selling the shares in "closed" companies, through a sale-purchase contract;
- the risk that in the situation of liquidation of a portfolio company, the value obtained will be lower than the value of the initial investment.

In the case of the Company, the credit risk is largely determined by the exposures on asset items of the type of "shares" which represent 94.96 % of the assets managed, assessed according to the legal provisions.

Credit risk assessment is carried out in two stages, both before carrying out the investment operations, as well as after the approval and the actual execution of the operations, following the evolution of the assets to take appropriate measures in case of occurrence of elements that may lead to the deterioration of the economic activity of the companies and in extreme cases, upon their insolvency.

We estimate that the credit risk to which the Company is exposed is medium.

The maximum exposure to credit risk on 30th September 2019 is 95,491,998 lei (December 31<sup>st</sup>, 2018: 488,735,889 lei) and can be analysed in the following tables.

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Deposits and accounts at banks	95,432,826	472,903,745
Other assets	59,172	15,832,144
<b>TOTAL</b>	<b>95,491,998</b>	<b>488,735,889</b>

Exposure to current accounts and deposits placed with banks (exclusive of attached interest)

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
RAIFFEISEN BANK	10,443,910	28,977,540
BANCA TRANSILVANIA	30,596,844	527,773
BANCA COMERCIALĂ ROMÂNĂ	54,389,657	443,396,211
BRD - GSG	934	741
EXIMBANK	1,481	1,480
<b>Total</b>	<b>95,432,826</b>	<b>472,903,745</b>

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**4. Financial risk management (continuation)****b) Credit risk (continuation)**

Other assets

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Dividends to be cashed	21,578	21,578
Other miscellaneous debtors and trade receivables	772,884	16,545,856
Provisions for impairment of other financial assets	(735,290)	(735,290)
<b>Total</b>	<b>59,172</b>	<b>15,832,144</b>

**c) Liquidity risk**

The Company aims to maintain a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the assets on the market, taking into account the period required for liquidation and the price or value at which the respective assets can be liquidated, as well as their sensitivity, market risks or other external factors.

The company must hold liquid assets, the sum of which will cover the difference between liquidity outflows and liquidity inflows in crisis situations, so as to ensure that the company maintains levels of liquidity reserves that are adequate to enable it to cope any imbalances between liquidity inflows and outflows in crisis situations.

The liquidity risk is mainly related to the shares held in the "closed" type companies existing in the managed portfolio. Thus, the sale of participations - in the case of the appearance of negative aspects in their economic-financial situation or if the aim is to obtain liquidity - it is particularly cumbersome, there is a risk that it will not be possible to obtain a price higher or at least equal to the one with which these investments are assessed in the calculation of the net assets, according to the regulations F.S.A.

The structure of assets and liabilities in terms of liquidity is analysed in the following table:

<i>In lei</i>	<b>Accounting value</b>	<b>Under 3 months</b>	<b>Between 3 and 12 months</b>	<b>Without preestablished maturity</b>
<b>30<sup>th</sup> September 2019</b>				
<b>Financial assets</b>				
Cash and cash equivalents	24,528,203	-	-	24,528,203
Deposits placed in banks	70,998,956	70,998,956	-	-
Financial assets measured at fair value through other comprehensive income	2,095,324,398	-	-	2,095,324,398
Financial assets measured at fair value through profit or loss	3,421,946	-	-	3,421,946
Loans and receivables	82,072	-	-	82,072
Other financial assets	159,676	-	-	159,676
<b>Total financial assets</b>	<b>2,194,515,251</b>	<b>70,998,956</b>	<b>0</b>	<b>2,123,516,295</b>
<b>Financial debt</b>				
Payment dividends	65,362,098	65,362,098	-	-
Other financial liabilities	726,829	726,829	-	-
<b>Total financial debt</b>	<b>66,088,927</b>	<b>66,088,927</b>	<b>0</b>	<b>0</b>

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#### **4. Financial risk management (continuation)**

##### **c) Liquidity risk (continuation)**

<i>In lei</i>	<b>Accounting value</b>	<b>Under 3 months</b>	<b>Between 3 and 12 months</b>	<b>Without preestablished maturity</b>
<b>31<sup>st</sup> December 2018</b>				
<b>Financial assets</b>				
Cash and cash equivalents	472,375,238	-	-	472,375,238
Deposits placed in banks	554,340	554,340	-	-
Financial assets measured at fair value through other comprehensive income	1,478,457,359	-	-	1,478,457,359
Financial assets measured at fair value through profit or loss	2,732,940	-	-	2,732,940
Loans and receivables	15,836,743	-	-	15,836,743
Other financial assets	134,574	-	-	134,574
<b>Total financial assets</b>	<b>1,970,091,194</b>	<b>554,340</b>	<b>0</b>	<b>1,969,536,854</b>
<b>Financial debt</b>				
Payment dividends	42,515,955	42,515,955	-	-
Other financial liabilities	9,855,891	9,855,891	-	-
<b>Total financial debt</b>	<b>52,371,846</b>	<b>52,371,846</b>	<b>0</b>	<b>0</b>

##### **d) The tax risks**

Since the date of Romania's accession to the European Union, the Company has had to comply with EU tax regulations and implement the changes brought by European law. The way in which the Company has implemented these changes remains open for fiscal audit for five years.

The management of the Company considers that it has correctly interpreted the legislative provisions and has recorded correct wave times for taxes, taxes and other debts to the state but, under these conditions, there is a risk attached.

The fiscal system in Romania is subject to various interpretations and permanent changes. In certain situations, the tax authorities may adopt different interpretations of the tax aspects to the Company and may calculate interest and penalties.

Tax and tax returns may be subject to review and review for a period of five years, generally after the date of filing.

The Government of Romania has a large number of agencies authorized to carry out control of companies operating in the territory of Romania. These controls are similar to tax audits in other countries and can cover not only tax issues but also other legal and regulatory issues that are of interest to these agencies. It is possible that the Company will be subject to fiscal controls as new tax regulations are issued.

##### **e) The risk related to the economic environment**

This risk is extremely important, through the direct effect on the activity of the Company, as well as indirectly, through the companies in which holdings are held.

The Romanian economy continues to present the characteristics of an emerging economy and there is a significant degree of uncertainty regarding the development of the political, economic and social environment.

The Romanian economy is still a fragile economy and is affected by the evolution of the other economies, especially the EU countries, which are the main business partners for our country.

The EU economy is subject to political risks in 2019. The policy will influence the economy and generate uncertainty.

How the UK will exit the EU, the conditions to be negotiated, still raises questions about the evolution of the EU economy in 2019.

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**4. Financial risk management** *(continuation)*

**e) The risk related to the economic environment** *(continuation)*

These changes also have their mark on the economic evolution. In Romania, there is also a high political risk. We estimate that the risk related to the economic environment to which the Company is exposed is moderate (average).

**f) Operational risk**

Operational risk is defined as the risk of recording losses or failing to realize the estimated profits due to internal factors, such as the inadequate performance of internal activities, the existence of inadequate personnel or systems, or because of external factors, such as change, economic conditions, legislative changes on the capital market, socio-political events.

Operational risks are inherent in the Company's activity.

The company manages the operational risk by identifying, estimating, monitoring and controlling the risks.

It should be emphasized that in operational risk management, it is not the models and techniques that are most important, but the attitude towards risk, which is formed over time and is an aspect of the organizational culture.

**g) Capital adequacy**

The management policy regarding capital adequacy focuses on maintaining a solid capital base in order to support the continued development of the Company and to achieve investment objectives.

The equity of the Company consists of the share capital, the reserves created, the current result and the deferred result. As of 30<sup>th</sup> September 2019, company equities are 2,015,212,975 lei (31<sup>st</sup> December 2018: 1,760,119,782 lei).

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**5. Financial assets and liabilities****Accounting classifications and fair values**

The accounting values and fair values of financial assets and liabilities are presented on 30<sup>th</sup> September 2019, as follows:

<i>In lei</i>	Fair value through other elements of the comprehensive income	Fair value through profit or loss account	Amortized cost	Net accounting value	Fair value
Cash and cash equivalents			24,528,203	24,528,203	24,528,203
Deposits placed in banks			70,998,956	70,998,956	70,998,956
Financial assets measured at fair value through other comprehensive income	2,095,324,398			2,095,324,398	2,095,324,398
Financial assets measured at fair value through profit or loss		3,421,946		3,421,946	3,421,946
Held-to-maturity investments					
Other financial assets			241,748	241,748	241,748
<b>Total financial assets</b>	<b>2,095,324,398</b>	<b>3,421,946</b>	<b>95,768,907</b>	<b>2,194,515,251</b>	<b>2,194,515,251</b>
Payment dividends			65,362,098	65,362,098	65,362,098
Other financial liabilities			726,829	726,829	726,829
<b>Total financial debt</b>	-	-	<b>66,088,927</b>	<b>66,088,927</b>	<b>66,088,927</b>

The accounting values and fair values of financial assets and liabilities are presented on December 31<sup>st</sup>, 2018, as follows:

<i>In lei</i>	Fair value through other elements of the comprehensive income	Fair value through profit or loss account	Amortized cost	Net accounting value	Fair value
Cash and cash equivalents	-	-	472,375,238	472,375,238	472,375,238
Deposits placed in banks	-	-	554,340	554,340	554,340
Financial assets measured at fair value through other comprehensive income	1,478,457,359	-	-	1,478,457,359	1,478,457,359
Financial assets measured at fair value through profit or loss	-	2,732,940	-	2,732,940	2,732,940
Other financial assets	-	-	15,971,317	15,971,317	15,971,317
<b>Total financial assets</b>	<b>1,478,457,359</b>	<b>2,732,940</b>	<b>488,900,895</b>	<b>1,970,091,194</b>	<b>1,970,091,194</b>
Payment dividends	-	-	42,515,955	42,515,955	42,515,955
Other financial liabilities	-	-	9,855,891	9,855,891	9,855,891
<b>Total financial debt</b>	-	-	<b>52,371,846</b>	<b>52,371,846</b>	<b>52,371,846</b>

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**6. Dividend income**

Dividend income is recorded at gross value. Dividend tax rates for the period ended 30<sup>th</sup> September 2019 were 5% and zero (2018: 5% and zero).

Dividend income, mainly by taxpayers, is presented as follows:

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
BRD-GROUPE SOCIETE GENERALE S.A. Bucharest	46,359,520	24,329,621
BANCA TRANSILVANIA S.A.	35,010,273	6,683,453
OMV PETROM S.A. Bucharest	19,633,816	14,362,006
S.N.G.N. ROMGAZ S.A.	7,600,780	7,902,808
S.N.T.G.N. TRANSGAZ S.A. Mediaș	5,270,116	8,770,593
C.N.T.E.E. TRANSELECTICA S.A. Bucharest *	2,467,745	-
UNIVERS S.A. Rm.Vâlcea	1,703,805	1,010,533
TURISM FELIX S.A. Băile Felix	1,336,898	646,886
ANTIBIOTICE S.A. Iași	1,267,744	2,616,639
FLAROS S.A. Bucharest	949,710	810,386
MERCUR S.A. Craiova	781,532	978,336
ELECTROMAGNETICA S.A. Bucharest	706,870	-
ȘANTIERUL NAVAL ORȘOVA S.A.	704,074	512,054
IAMU S.A. Blaj	595,021	546,444
BURSA DE VALORI BUCUREȘTI S.A.	432,030	647,010
SIF MOLDOVA S.A.	114,590	200,957
ELBA S.A. Timisoara	87,211	131,850
DEPOZITARUL CENTRAL S.A. Bucharest	77,995	52,961
PROVITAS S.A. Bucharest	48,351	91,361
RELEE S.A. Medias	13,159	13,074
BANCA COMERCIALĂ ROMÂNĂ S.A.	-	14,365,762
B.T. ASSET MANAGEMENT S.A.	-	1,999,969
EXIMBANK S.A. Bucharest	-	405,825
TURISM S.A. Pucioasa	-	101,060
S.E. ELECTRICA S.A. Bucharest	-	89,535
<b>TOTAL</b>	<b>125,161,240</b>	<b>87,269,123</b>

\* Additional dividends for the financial year 2017, distributed by the Ordinary General Meeting of Shareholders of C.N.T.E.E. Transelectrica S.A. Bucharest from December 14<sup>th</sup> 2018, with ex-date January 3<sup>rd</sup> 2019.

**7. Other operating income**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
Financial income from adjustments in value of financial assets		-
Revenue from provisions for impairment of current assets		-
Other operating revenues	72,960	15,049,133
other incomes	16,663	32,206
Income from deferred income tax		-
<b>Total</b>	<b>89,623</b>	<b>15,081,339</b>



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**8. Net profit from the sale of financial assets**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
Fees on commissions due to SSIF for share transactions	206,959	33,458
Expenses regarding commissions due for shareholder registry services	107,100	107,100
Expenses regarding commissions with the depository company	317,913	236,346
BVB expenses	24,990	24,990
Expenses on taxes due to entities in the capital market (ASF)	1,234,895	1,137,412
Audit fee expenses	39,333	-
Other expenses related to commissions. fees and contributions	116,313	54,009
<b>Total</b>	<b>2,047,503</b>	<b>1,593,315</b>

**9. Other operating expenses**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
Tax and tax expenses	192,172	154,682
Expenses with salaries and other expenses with personnel	10,912,581	4,901,114
Expenses with depreciation. provisions and value adjustments	434,436	328,696
Expenses on external materials and benefits	581,321	688,067
<b>Total</b>	<b>12,120,510</b>	<b>6,072,559</b>

**Salaries and assimilated expenses**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
Salary expenses	10,618,899	4,738,410
Insurance and social protection expenses	293,682	162,704
<b>Total</b>	<b>10,912,581</b>	<b>4,901,114</b>

  

	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
Staff with a mandate contract	2	2
Employees with higher education	29	29
Employees with high school	13	12
Employees with general education	3	3
<b>Total</b>	<b>47</b>	<b>46</b>

Other operating expenses include personnel expenses, expenses with other taxes and duties, expenses with depreciation, provisions and value adjustments, expenses with external benefits.

In the period ended 30<sup>th</sup> September 2019 the average number of employees was 44 (June 30<sup>th</sup>. 2018: 45), and the number of employees registered on 30<sup>th</sup> September 2019 was 45 (June 30<sup>th</sup>. 2018: 44).

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 or benefit plan after retirement and, therefore, has no other obligations regarding pensions. Moreover, the Company is not obliged to provide additional benefits to the employees after retirement.

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**10. Income tax****Reconciliation of profit before tax with the profit tax expense in the profit or loss account**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
<b>Current income tax</b>	<b>1,003,592</b>	<b>3,030,565</b>
Dividend tax	5,852,702	3,997,116
Deferred income tax expense	-	-
Total tax on profit recognized as a result of the year	6,856,294	7,027,681
<b>Profit before tax</b>	<b>124,332,561</b>	<b>95,280,537</b>
Tax according to the statutory quota of 16%	19,893,210	15,244,886
<b>The effect on the profit tax of:</b>		
Non-deductible expenses	2,017,082	1,015,024
Non-taxable income	(20,906,700)	(14,352,930)
Income-like items	-	1,151,374
Items similar to expenses	-	(25,289)
Dividend tax rate	5,852,702	3,997,116
Amounts representing sponsorship within legal limits	-	(2,500)
Records and restatements of temporary differences	-	-
Dividend tax	<b>6,856,294</b>	<b>7,027,681</b>

**11. Cash and cash equivalents**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Cash in the cashier	6,991	6,229
Current accounts in banks	24,494,379	472,350,025
Cash equivalents	26,833	18,984
<b>Total cash and cash equivalents</b>	<b>24,528,203</b>	<b>472,375,238</b>

Current accounts opened at banks are permanently available to the Company and are not restricted.

**12. Deposits placed in banks**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Bank deposits	70,938,447	553,720
Claims attached	60,509	620
<b>Total deposits placed in banks</b>	<b>70,998,956</b>	<b>554,340</b>

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**13. Financial assets**As of 30<sup>th</sup> September 2019, the Company has the following structure of financial assets:

<i>In lei</i>	<b>Com. No.</b>	<b>Market value 30<sup>th</sup> September 2019</b>	<b>Com. No.</b>	<b>Market value December 31<sup>st</sup> 2018</b>
Capital investments				
Listed companies	30	1,928,320,474	32	1,319,404,429
Unlisted companies	17	167,003,924	17	159,052,930
Fund units	4	3,421,946	4	2,732,940
<b>Total capital investments</b>	<b>51</b>	<b>2,098,746,344</b>	<b>53</b>	<b>1,481,190,299</b>

- **Financial assets assessed at fair value through other comprehensive income**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Shares assessed at fair value	2,095,324,398	1,478,457,359
<b>Total</b>	<b>2,095,324,398</b>	<b>1,478,457,359</b>

- **The financial assets measured at fair value through profit or loss (fund units)** are presented as follows:

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Opened investment fund BT INDEX România	2,323,298	1,766,016
Opened investment fund Napoca	224,997	193,470
Opened investment fund Transilvania	404,216	353,194
Opened investment fund Tehnoglobinvest	469,435	420,260
<b>Total</b>	<b>3,421,946</b>	<b>2,732,940</b>

The movement of financial assets during the reporting period ended 30<sup>th</sup> September 2019 is presented in the following table:

<i>In lei</i>	<b>Shares assessed at fair value</b>	<b>Shares assessed at cost</b>	<b>Fund units</b>	<b>Total</b>
<b>1<sup>st</sup> January 2019</b>	<b>1,478,457,359</b>	<b>0</b>	<b>2,732,940</b>	<b>1,481,190,299</b>
Purchases	366,114,019			366,114,019
Sales	(61,343,163)			(61,343,163)
Fair value modification	312,096,183		689,006	312,785,189
<b>30<sup>th</sup> September 2019</b>	<b>2,095,324,398</b>	<b>0</b>	<b>3,421,946</b>	<b>2,098,746,344</b>

The shares in the current period amounting to 366,114,019 lei mainly include the acquisition of shares on the capital market at the Banca Transilvania (204,1 mill. lei), BRD Groupe Societe Generale (86.1 mill. lei), S.I.F. Banat-Crișana (36.9 mill. lei), S.N.G.N. Romgaz (20.7 mill. lei), Antibiotice Iasi (11.6 mill. lei).

The sales of shares in the current period amount to 61,343,163 lei and represent the book value of the shares coming out of the Company's portfolio: S.E. Electrica S.A. (41.3 mill. lei), TMK Artrom S.A. Slatina (16.8 mill. lei) S.I.F. Moldova (3.1 mill. lei) and Contactoare Buzău (0.1 mill. lei).

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**13. Financial assets (continuation)**

The net gain from the sale of shares in the current period amounts to 9,810,454 lei and was recorded according to the provisions of IFRS 9 in the reported result. The movement of financial assets during the reporting period ended December 31<sup>st</sup>, 2018 is presented in the following table:

<i>In lei</i>	<b>Shares assessed at fair value</b>	<b>Shares assessed at cost</b>	<b>Fund units</b>	<b>Total</b>
<b>1<sup>st</sup> January 2018</b>	<b>1,788,585,977</b>	<b>6,721,546</b>	<b>2,789,494</b>	<b>1,798,097,017</b>
Transfer from shares assessed at cost to shares assessed at fair value through other items of the comprehensive income	6,721,546	(6,721,546)	-	-
Acquisitions	242,761,080	-	-	242,761,080
Sales	(112,304,568)	-	-	(112,304,568)
Impairment losses	-	-	-	0
Changing the fair value	(447,306,676)	-	(56,554)	(447,363,230)
<b>31<sup>st</sup> December 2018</b>	<b>1,478,457,359</b>	<b>0</b>	<b>2,732,940</b>	<b>1,481,190,299</b>

The share entries during the year 2018 in a total amount of 242,761,080 lei (purchases amounting to 221,643,696 lei) are mainly represented by acquisitions on the capital market at: Banca Transilvania (88.5 million lei), BRD Groupe Societe Generale (67.9 million lei), SE Electrica (36.6 million lei), S.N.T.G.N. Transgaz Mediaș (17.5 million lei), S.I.F. Banat-Crișana (5.9 million lei), Antibiotice Iași (3.2 million lei).

The sales of shares during 2018 in a total amount of 112,304,568 LEI, represent the book value of the shares issued from the Company's portfolio, respectively: Banca Comercială Română (102,3 million lei), M.A.T. Craiova (5,1 million lei), C.N.T.E.E. Transelectrica (1.5 million lei), etc.

The net profit from the sale of shares during 2018 was in the amount of 507,864,789 lei and was recorded according to the provisions of IFRS 9 in the reported result.

On 30<sup>th</sup> September 2019 and December 31<sup>st</sup>, 2018, in the category of shares assessed at fair value, mainly include the value of shares held by the following issuers: OMV Petrom SA Bucharest, BRD - Groupe Societe Generale, Banca Transilvania SA Cluj Napoca, C.N.T.E.E. Transelectrica SA Bucharest, S.N.T.G.N. Transgaz SA Mediaș, Argus SA Constanța, Antibiotice SA Iași, S.N.G.N. Romgaz SA Medias, etc.

The fair value at 30<sup>th</sup> September 2019 of the first 10 issuers present in the portfolio represents 79.70% of the value of the total assets of the Company and is presented as follows:

<b>No,</b>	<b>Issuer</b>	<b>Fair value</b>	<b>Percentage in total asset</b>	<b>Percentage in net asset</b>
1	BANCA TRANSILVANIA S.A. Cluj-Napoca	542,712,166	24.5947	25.3871
2	BRD GROUPE SOCIETE GENERALE S.A. Bucharest	407,719,670	18.4771	19.0724
3	OMV PETROM S.A. Bucharest	307,232,849	13.9232	14.3718
4	MERCUR S.A. Craiova	106,572,540	4.8297	4.9853
5	SNTGN TRANSGAZ S.A. Mediaș	88,808,515	4.0246	4.1543
6	SNGN ROMGAZ S.A. Mediaș	83,181,988	3.7697	3.8911
7	ANTIBIOTICE S.A. Iași	64,709,923	2.9325	3.0270
8	CNTEE TRANSELECTRICA Bucharest	55,863,245	2.5316	2.6132
9	ARGUS S.A. Constanța	54,110,098	2.4522	2.5312
10	SIF BANAT-CRIȘANA	47,863,817	2.1691	2.2390
	<b>TOTAL</b>	<b>1,758,774,811</b>	<b>79.7044</b>	<b>82.2724</b>

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#### **13. Financial assets (continuation)**

The fair value at December 31<sup>st</sup>, 2018 of the first 10 issuers present in the portfolio represents 56.51% of the value of the total assets of the Company and is presented as follows:

No.	Issuer	Fair value	Percentage in total asset	Percentage in net asset
1	BRD GROUPE SOCIETE GENERALE S.A. Bucharest	232,802,672	11.7422	12.6639
2	OMV PETROM S.A. Bucharest	214,711,983	10.8298	11.6798
3	BANCA TRANSILVANIA S.A. Cluj-Napoca	193,755,280	9.7727	10.5398
4	MERCUR S.A. Craiova	134,991,884	6.8088	7.3432
5	SNTGN TRANSGAZ Mediaș	76,886,276	3.8780	4.1824
6	FLAROS S.A. Bucharest	61,669,500	3.1105	3.3547
7	CNTEE TRANSELECTRICA Bucharest	58,303,872	2.9408	3.1716
8	ARGUS S.A. Constanța	52,873,296	2.6669	2.8762
9	ANTIBIOTICE S.A. Iași	50,319,987	2.5381	2.7373
10	SNGN ROMGAZ S.A. Mediaș	44,027,666	2.2207	2.3950
	<b>TOTAL</b>	<b>1,120,342,416</b>	<b>56.5085</b>	<b>60.9439</b>

#### • *The hierarchy of fair values*

For the calculation of fair value for equity instruments (shares), the Company uses the following hierarchy of methods:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities
- Level 2: Entries other than quoted prices included in Level 1 which are observable for assets or liabilities, either directly (ex: prices) or indirectly (ex: price derivatives)
- Level 3: assessment techniques based largely on unobservable elements. This category includes all instruments for which the assessment technique includes elements that are not based on observable data and for which unobservable input parameters can have a significant effect on the assessment of the instrument.

<i>In lei</i>	<b>30th September 2019</b>	<b>31st December 2018</b>
Level 1	1,697,421,809	1,033,478,989
Level 2	190,255,661	269,243,692
Level 3	211,068,874	178,467,618
<b>Total</b>	<b>2,098,746,344</b>	<b>1,481,190,299</b>

The fair value measurement of the investments (equity instruments - shares) held on 30th September 2019 was performed as follows:

- for quoted and traded securities during the reporting period, the market value was determined by taking into account the quotation of the last trading day (closing quotation on the main capital market for those listed on the regulated market - BVB, respectively the reference price for the alternative system - AERO for level 1, and for level 2 the quotations were taken for the shares traded in the last 30 trading days);
- for listed securities that had no transactions in the last 30 days of the reporting period, as well as for unlisted securities, the market value was determined as it results from the last approved annual financial statement of the entity;
- for securities issued by credit institutions not admitted to trading, the assessment is made at the book value per share calculated on the basis of the value of the own capital included in the monthly reports transmitted to the NBR;

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**13. Financial assets (continuation)**

- for securities not admitted to trading on a regulated market or within an alternative trading system in Romania issued by issuers holding more than 33% of the share capital, these are assessed exclusively in accordance with International Assessment Standards on the basis of a assessment report updated at least annually;

- for the securities related to the companies in the insolvency or reorganization procedure, the assessment is made at zero value;

For the equity securities issued by the OPC, the value taken into account was the last unit value of the net asset, calculated and published.

**14. Loans and receivables**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Trade receivables	46,352	15,830,833
Borrowers	748,111	736,600
Claims on the state budget and the social insurance budget	21,034	-
Other receivables	1,865	4,600
Accrual impairment adjustments	(735,290)	(735,290)
<b>TOTAL</b>	<b>82,072</b>	<b>15,836,743</b>

**15. Alte active**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Intangible assets	2,642	2,521
Other fixed assets	48,797	42,683
Stocks	11,866	10,549
Prepayments	96,371	78,821
<b>TOTAL</b>	<b>159,676</b>	<b>134,574</b>

**16. Payment dividends**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Payment dividends afferent to 2013	644,649	644,780
Payment dividends afferent to 2014	484,065	484,242
Payment dividends afferent to 2015	17,901,751	18,079,375
Payment dividends afferent to 2016	12,609,516	12,820,745
Payment dividends afferent to 2017	10,141,103	10,486,813
Payment dividends afferent to 2018	23,581,014	-
<b>Total payment dividends</b>	<b>65,362,098</b>	<b>42,515,955</b>

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**17. Taxes and fees**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Debts in connection with the Social Insurance Budget	224,640	203,938
Debts related to the State Budget	2,849,212	97,364,185
Other taxes and fees	-	147,380
<b>Total</b>	<b>3,073,852</b>	<b>97,715,503</b>

**18. Debt on deferred income tax**

Deferred tax liabilities are determined by the following elements:

<i>In lei</i>	<b>Assets</b>	<b>Debts</b>	<b>Net</b>	<b>Tax</b>
<b>30<sup>th</sup> September 2019</b>				
Fair value assessment of financial assets assessed at fair value through other comprehensive income	665,874,722		665,874,722	106,539,956
Reassessment of tangible assets	9,029,623		9,029,623	1,444,740
The result carried forward representing reassessment reserves made non-taxable	2,098,632		2,098,632	335,782
The result carried forward representing unachieved reserves	4,110,897		4,110,897	657,744
Deferred result representing unachieved reserves - real estate investments	359,751		359,751	57,561
Differences from the change in the fair value of the financial assets measured at fair value through other elements of the comprehensive income - free shares in the balance	57,050,199		57,050,199	9,128,032
Legal reserves	11,603,314		11,603,314	1,856,531
Other reserves - dividends prescribed according to the OGMS decision of April 23 <sup>rd</sup> , 2005	6,551,528		6,551,528	1,048,245
Other reservations	980,658		980,658	156,907
Differences from the change in the fair value of financial assets measured at fair value through other elements of the comprehensive income - hyperinflation	6,380,492		6,380,492	1,020,879
<b>TOTAL</b>	<b>764,039,816</b>		<b>764,039,816</b>	<b>122,246,377</b>

<i>In lei</i>	<b>Assets</b>	<b>Debts</b>	<b>Net</b>	<b>Tax</b>
<b>31<sup>st</sup> December 2018</b>				
Fair value assessment of financial assets assessed at fair value through other comprehensive income	353,778,539		353,778,539	56,604,566
Reassessment of tangible assets	9,338,439		9,338,439	1,494,150
The result carried forward representing reassessment reserves made non-taxable	2,094,978		2,094,978	335,197
The result carried forward representing unachieved reserves	3,929,462		3,929,462	628,713
Deferred result representing unachieved reserves - real estate investments	359,751		359,751	57,560
Differences from the change in the fair value of the financial assets measured at fair value through other elements of the comprehensive income - free shares in the balance	57,509,383		57,509,383	9,201,501

## ***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

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#### **18. Debt on deferred income tax (continuation)**

Legal reserves	11,603,314	11,603,314	1,856,530
Other reserves - dividends prescribed according to the OGMS decision of April 23 <sup>rd</sup> , 2005	6,551,528	6,551,528	1,048,244
Other reservations	980,658	980,658	156,906
Differences from the change in the fair value of financial assets measured at fair value through other elements of the comprehensive income - hyperinflation	6,380,492	6,380,492	1,020,879
<b>TOTAL</b>	<b>452,526,544</b>	<b>452,526,544</b>	<b>72,404,246</b>

#### **19. Other debts**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Staff debt	278,975	403,872
Commercial debts	118,644	3,628,089
Guarantees received	814	-
Various creditors	8,222	-
Earnings recorded in advance	27,707	25,831
Provisions for employee participation in profit and bonuses payable	292,467	5,798,099
<b>Total other debts</b>	<b>726,829</b>	<b>9,855,891</b>

#### **20. Capital and reserves**

##### ***Share capital***

The share capital according to the Company's articles of association has the value of 58,016,571 lei, is divided into 580,165,714 shares with a nominal value of 0.1 lei/share and is the result of the direct subscriptions made to the share capital of the Company, by transforming it into shares of the amounts due as dividends based on Law no. 55/1995 and through the effect of Law no. 133/1996.

The shares issued by the Company are traded on the Bucharest Stock Exchange, Premium category as of September 1<sup>st</sup> 1999 with SIF5 market symbol.

The records of the shares and the shareholders are kept by the Depozitarul Central S.A. Bucharest.

The shares of the Company are ordinary, indivisible, registered, of equal value, issued in dematerialized form and grant equal rights to their holders. All shares were fully subscribed and paid on 30<sup>th</sup> September 2019 and December 31<sup>st</sup> 2018.

The right to hold shares is limited to 5% of the share capital, respectively 29,008,285 shares.

There were no changes in the number of shares issued during the reporting period.

On April 25<sup>th</sup> 2018 the Extraordinary General Meeting of the Shareholders of the Company was held, where a program of redemption by the company of its shares, in accordance with the applicable legal provisions, was approved under the following conditions:

- size of the program - maximum 32,704,308 shares with a nominal value of 0.10 lei/share representing maximum 5.637% of the share capital;
- the acquisition price of the shares - the minimum price will be 1.50 lei/share and the maximum price will be 2.50 lei/share;
- the duration of the program - the maximum period of 12 months from the date of publication of the decision of the EGMS in the Official Gazette of Romania, Part IV;



**SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.****Selected explanatory notes to simplified interim individual financial statements**on September 30<sup>th</sup>, 2019

(all amounts are expressed in lei, unless otherwise stated)

**20. Capital and reserves (continuation)**

- the payment of the repurchased shares and the size of the related fund - from the available reserves, the maximum amount affected by the repurchases being of 49,056,462,55 lei, according to the decision no. 3 of the OGMS of September 6<sup>th</sup>, 2017;

- the purpose of the program - the reduction of the share capital

On December 13<sup>th</sup> 2018, it was submitted to the Financial Supervisory Authority by SSIF Voltinvest S.A. Craiova - as an intermediary in the Public Purchase Offer Shares issued by the Company - the Document of Public Offer of Purchase Shares issued by the Company, together with the related documentation.

On January 17<sup>th</sup> 2019 the Company received from the Financial Supervisory Authority Decision no. 66/16.01.2019 approving the public offer document for the purchase of shares issued by the Company. The quotation was successfully carried out between January 28<sup>th</sup> 2019 - February 8<sup>th</sup> 2019, a number of 19,662,585 shares were purchased at the price of 2.5 lei/share, representing 3.3822% of the share capital. The quotation was oversubscribed 13.2 times, which demonstrates the interest of the shareholders towards such actions.

The settlement of the transaction related to the public offer was made on February 14, 2019 through the Depozitarul Central.

The share capital according to the constitutive act is presented in the following table:

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Statutory share capital	58,016,571	58,016,571
<b>Share capital</b>	<b>58,016,571</b>	<b>58,016,571</b>

As of 30<sup>th</sup> September 2019, the number of shareholders was 5,738,540 (31<sup>st</sup> December 2018: 5,742,311) which is as follows:

	<b>Shareholders no.</b>	<b>Shares no.</b>	<b>Amount (lei)</b>	<b>(%)</b>
<b>30<sup>th</sup> September 2019</b>				
Resident natural entities	5,736,434	229,859,011	22,985,901	39.62
Non-resident natural entities	1,866	1,910,652	191,065	0.33
Total natural entities	5,738,300	231,769,663	23,176,966	39.95
Resident legal entities	200	240,112,327	24,011,233	41.39
Non-resident legal entities	40	108,283,724	10,828,372	18.66
Total legal entities	240	348,396,051	34,839,605	60.05
<b>Total 30<sup>th</sup> September 2019</b>	<b>5,738,540</b>	<b>580,165,714</b>	<b>58,016,571</b>	<b>100.00</b>
<b>31<sup>st</sup> December 2018</b>				
Resident natural entities	5,740,203	237,561,073	23,756,107	40.95
Non-resident natural entities	1,852	2,168,581	216,858	0.37
Total natural entities	5,742,055	239,729,654	23,972,965	41.32
Resident legal entities	213	246,894,549	24,689,455	42.56
Non-resident legal entities	43	93,541,511	9,354,151	16.12
Total legal entities	256	340,436,060	34,043,606	58.68
<b>Total 2018</b>	<b>5,742,311</b>	<b>580,165,714</b>	<b>58,016,571</b>	<b>100.00</b>

## ***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

### ***Selected explanatory notes to simplified interim individual financial statements***

*on September 30<sup>th</sup>, 2019*

*(all amounts are expressed in lei, unless otherwise stated)*

#### **20. Capital and reserves (continuation)**

##### ***Reserve established according to Law no. 133/1996***

The reserve related to the initial portfolio was established following the application of Law no. 133/1996, as a difference between the value of the portfolio and the value of the share capital subscribed to the Company.

Reserve established according to Law no. 133/1996 is at 30<sup>th</sup> September 2019 in the amount of 144,636,073 lei (31<sup>st</sup> December 2018: 144,636,073 lei).

##### ***Legal reserves***

The legal reserves are constituted according to the legal requirements in the amount of 5% of the profit registered according to the accounting regulations applicable up to the level of 20% of the value of the share capital, according to the constitutive act. The value of the legal reserve at 30<sup>th</sup> September 2019 is 11,603,314 lei (December 31<sup>st</sup> 2018: 11,603,314 lei). On 30<sup>th</sup> September 2019 and in 2018, the Company did not constitute legal reserves of profit, reaching the ceiling of 20% of the share capital, according to the articles of incorporation.

Legal reserves cannot be distributed to shareholders.

##### ***Dividends***

The Ordinary General Meeting of Shareholders, meeting on April 24<sup>th</sup>, 2019, decided to distribute the net profit for the financial year of 2018, in the amount of 96,259,800,47 lei, on the following destinations:

a) Dividends: 84,081,469,35 lei (87,3485% of net profit), which ensures a gross dividend per share of 0.15 lei.

The proposed dividend provides a shareholder remuneration rate of 7.0175% calculated at the average trading price of the shares in 2018 (2.1375 lei/share) and 7.1942% calculated at the closing price for 2018 (2.0850 lei /share).

The date of 17.06.2019 is approved as the date of payment of dividends in accordance with the provisions of art. 178 para. (2) of the FSA Regulation no. 5/2018. The distribution of dividends to the shareholders will be carried out in accordance with the legal provisions, the costs related to the payment being borne by the shareholders from the net dividend value.

b) Other reserves: 12,178,331,12 lei (12.6515% of net profit) in order to set up the necessary funds to carry out a future repurchase program of approximately 30,000,000 own shares in order to reduce the Company's share capital by cancelling the repurchased shares.

Duration of the program: maximum 18 months from the publication in the Official Gazette of Romania part IV of the decision of the EGMS which will establish the conditions for the redemption program to be carried out.

##### ***Differences from the modification of the fair value related to the financial assets assessed at the fair value through other elements of the comprehensive income***

The differences in the assessment of financial assets measured at fair value through other elements of the comprehensive income include the cumulative net changes in the fair values of the financial assets from the date of their classification in this category and until their derecognition. These are recorded at the net amount of the related deferred tax at reporting date in amounts of 609,554,862 lei (31<sup>st</sup> December 2018: 347,779,788 lei).

**SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.****Selected explanatory notes to simplified interim individual financial statements**on September 30<sup>th</sup>, 2019

(all amounts are expressed in lei, unless otherwise stated)

**21. Other reserves**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>31<sup>st</sup> December 2018</b>
Other reserves	555,210,270	521,517,906
- Entries	12,178,331	33,692,364
- Exits	(47,944,668)	-
<b>Total</b>	<b>519,443,933</b>	<b>555,210,270</b>

Mainly the inputs represent reserves distributed from the net profit for the year 2018, set up for the development of a future share repurchase program (12,178,331 lei) and the exits represent reserves related to the share repurchase (47,944,668 lei).

**22. Result per share**

<i>In lei</i>	<b>30<sup>th</sup> September 2019</b>	<b>30<sup>th</sup> September 2018</b>
Profit attributable to ordinary shareholders	117,476,267	88,252,856
The weighted average number of ordinary shares	580,165,714	580,165,714
<b>The result per basic share</b>	<b>0.2025</b>	<b>0.1521</b>

**23. Granted warranties**

The company has no warranties whatsoever.

**24. Transactions and balances with parties in special relationships**

During the course of its activity, the company identified the following parties in special relationships:

**Branches**

In accordance with the legislation in force, the Company holds control in a number of 11 issuers on 30<sup>th</sup> September 2019 (December 31<sup>st</sup>, 2018: 11 issuers). All branches of the Company on 30<sup>th</sup> September 2019 and December 31<sup>st</sup>, 2018 are based in Romania. For them the percentage of holding is not different from the percentage of the number of votes held. The subsidiaries holdings are presented as follows:

<b>No.</b>	<b>Company name</b>	<b>Percentage held at 30<sup>th</sup> September 2019 - % -</b>	<b>Percentage held at December 31<sup>st</sup>, 2018 - % -</b>
1	COMPLEX HOTELIER DAMBOVITA S.A. Targoviște	99.94	99.94
2	VOLTALIM S.A. Craiova	99.19	99.19
3	MERCUR S.A. Craiova	97.86	97.86
4	GEMINA TOUR S.A. Rm. Vâlcea	88.29	88.29
5	ARGUS S.A. Constanța	86.42	86.42
6	FLAROS S.A. Bucharest	81.07	81.07
7	CONSTRUCȚII FERROVIARE S.A. Craiova	77.50	77.50
8	UNIVERS S.A. Rm. Vâlcea	73.75	73.75
9	PROVITAS S.A. Bucharest	70.28	70.28
10	TURISM PUCIOASA S.A. Dâmbovița	69.22	69.22
11	ALIMENTARA S.A. Slatina	52.24	52.24

## **SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.**

### **Selected explanatory notes to simplified interim individual financial statements**

on September 30<sup>th</sup>, 2019

(all amounts are expressed in lei, unless otherwise stated)

#### **24. Transactions and balances with parties in special relationships (continuation)**

The branches held by the Company represent as of 30<sup>th</sup> September 2019: 12.05% of the total assets (31<sup>st</sup> December 2018: 16.80%), and of the net assets represent as of 30<sup>th</sup> September 2019: 12.43% (31<sup>st</sup> December 2018: 18.12%).

#### **Associated entities**

As of 30<sup>th</sup> September 2019, the Company had holdings of more than 20% but not more than 50% of the share capital in a number of 8 issuers (December 31<sup>st</sup> 2018: 8 issuers). All of them are based in Romania. For these issuers the percentage of holding is not different from the percentage of the number of votes held.

The holdings in these issuers were not qualified as associates, due to the fact that the Company does not exert significant influence in these companies.

The Company does not hold associates on 30<sup>th</sup> September 2019 and December 31<sup>st</sup> 2018.

Issuers whose ownership is over 20% but not more than 50% are as follows:

No,	Company name	Percentage held at 30 <sup>th</sup> September 2019 - % -	Percentage held at December 31 <sup>st</sup> 2018 - % -
1	LACTATE NATURA S.A. Târgoviște	40.38	40.38
2	SINTEROM S.A. Cluj-Napoca	31.88	31.88
3	ELECTRO TOTAL S.A. Botoșani	29.86	29.86
4	TURISM FELIX S.A. Băile Felix	28.97	28.97
5	ȘANTIERUL NAVAL Orșova S,A,	28.02	28.02
6	PRODPLAST S.A. Bucharest	27.55	27.55
7	TURISM LOTUS FELIX S.A. Băile Felix	27.46	27.46
8	ELECTROMAGNETICA S.A. Bucharest	26.14	26.14

Holdings of more than 20% but not more than 50% of the share capital of the 8 issuers above represent as of 30<sup>th</sup> September 2019: 5.99% of the total assets (31<sup>st</sup> December 2018: 6.19%), and in net assets represent as of 30<sup>th</sup> September 2019: 6.18% (31<sup>st</sup> December 2018: 6.68%).

#### **Key management staff**

##### **30<sup>th</sup> September 2019**

The members of the Board of Directors: Tudor Ciurezu - Chairman, Cristian Bușu - Vice-president, Anina Radu, Radu Hanga, Ana - Barbara Bobirca, Nicolae Stoian, Carmen Popa.

Top management: Tudor Ciurezu - General Manager, Cristian Bușu - Deputy General Manager.

##### **31<sup>st</sup> December 2018**

The members of the Board of Directors: Tudor Ciurezu - Chairman, Cristian Bușu - Vice-president, Anina Radu, Radu Hanga, Ana - Barbara Bobirca, Nicolae Stoian, Carmen Popa.

Top management: Tudor Ciurezu - General Manager, Cristian Bușu - Deputy General Manager.

The company has no contracted obligations regarding the payment of pensions to the former members of the Board of Directors and therefore has no commitments of this nature.

The company has not granted loans or advances (except for advances for travel in the interest of the service, justified in legal terms) to the members of the Board of Directors and the management and has not recorded commitments by this type.

The Company has not received and has not given guarantees to any affiliated party.

## **25. Contingent liabilities and liabilities**

### ***Actions in court***

As of 30<sup>th</sup> September 2019, there are 43 disputes pending before the courts. The company had active procedural quality in 18 litigation, passive procedural quality in 19 litigation, in one case it has the quality of intervener, in 2 cases it is called in guarantee, 3 cases being in insolvency proceedings.

In most of the disputes in which the Company has the status of complainant, the object of the litigations is the annulment/finding of invalidity of some decisions of the general meetings of the shareholders in the companies in the portfolio.

### ***Environmental contingencies***

The company has not registered any provision for future costs regarding environmental elements. The management does not consider the expenses associated with these elements to be significant.

### ***Transfer price***

The Romanian tax legislation contains rules on transfer prices between affiliated persons since 2000.

The current legislative framework defines the principle of "market value" for transactions between affiliated persons, as well as the methods of establishing transfer prices. As a result, it is expected that the tax authorities will initiate thorough checks of the transfer prices, in order to ensure that the fiscal result is not distorted by the effect of the prices charged in the relations with affiliated persons.

The company cannot quantify the result of such verification.

## **26. Events after the interim period**

On October 1, 2019, it was registered under no. 8274 / 01.10.2019 the request for the convening of an Extraordinary General Meeting of Shareholders, transmitted by Business Capital for Romania - Opportunity Fund Cooperatief U.A. and Broadhurst Investments Limited, which together hold 5.58% of the share capital of the company, with the following agenda:

1. Approval to carry out a program of redemption by the Company of its own shares, in accordance with the applicable legal provisions, under the following conditions:

(i) size of the program - redemption of 38,393,986 own shares, with a nominal value of 0.10 lei /share, representing 6,6177% of the current share capital;

(ii) the acquisition price of the shares - the minimum purchase price will be 0.1 lei / share, and the maximum price will be 2.75 lei / share;

(iii) the duration of the program - until 15.02.2020;

(iv) the payment of the repurchased shares will be made from the distributable profit or the available reserves of the company registered in the last approved annual financial statement, with the execution of the legal reserves registered in the financial statements 2018, according to the provisions of art. 103<sup>1</sup> lit. d) of Law no. 31/1990 on companies, republished and modified;

(v) the purpose of the program - to reduce the share capital by cancelling the repurchased shares;

2. Approval of the revocation of the decision of the extraordinary general meeting of the shareholders no. 10 from 09.05.2019.

3. Approval of the mandate of the Superior Management of S.I.F. Oltenia S.A. for carrying out, in compliance with the legal requirements, the program of redemption of its own shares, including, but not limited to establishing the way of acquiring its own shares.

***SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.***

***Selected explanatory notes to simplified interim individual financial statements***

*on September 30<sup>th</sup>, 2019*

*(all amounts are expressed in lei, unless otherwise stated)*

**26. Events after the interim period (continuation)**

4. Approval of the reduction of the subscribed share capital of the company from 58,016,571,4 lei to 56,054,312,9 lei by cancelling a number of 19,662,585 own shares acquired by the Company following the period from 28.01.2019 to 08.02.2019 of the public offer to buy its own shares in the application of the redemption program approved by the general meeting of the shareholders of the Company.

5. Approval of the empowerment of the director general of S.I.F. Oltenia S.A. Mister Tudor CIUREZU, to sign the decisions of the extraordinary general meeting of the shareholders, the modified and updated form of the Articles of Incorporation and any other related documents, to represent the company and to carry out all the acts and formalities of publicity, registration and implementation of the decisions adopted by the general meeting of the shareholders at the Trade Register Office, the Financial Supervisory Authority, the Depozitarul Central SA and any other authorities.

- The Board of Directors of the Company, meeting on October 08, 2019, convenes the Extraordinary General Meeting of Shareholders on November 18, 2019 at 10:00 am, following the request registered with the Company under no. 8724 / 01.10.2019.

The individual interim financial statements simplified on September 30, 2019 were approved by the Board of Directors on 13 November, 2019 and signed on its behalf by:

Associate Professor PhD Ec. Ciurezu Tudor  
Chairman/General Manager

Associate Professor PhD Bușu Cristian  
Vicepresident/Deputy General Manager

Ec. Sichigea Elena  
Financial Manager

## ECONOMICAL -FINANCIAL INDICES

30.09.2019

Index	Formula	Result
Current liquidity index	Current assets /Current debts	1.3890
Indebtedness index	Borrowed capital /Shareholders' equity x 100	-
	Borrowed capital / Capital employed x 100	-
Days sales outstanding	Average balance clients /Turnover x 270	0.0023
Fixed assets turnover ratio	Turnover /Fixed assets	0.0657

Assoc. Prof. PhD ec. Tudor CIUREZU  
 Chairman/General Manager

Assoc. Prof. PhD Cristian BUȘU, MBA  
 Vice-Chairman/Deputy General Manager

ec. Elena SICHIGEA  
 Financial Department Manager

ec. Viorica BALAN  
 Compliance Officer

**Statement of assets and debts on 30/09/2019**

(it is filled in every month)

<b>Calculation modality of the net asset value (according to RNSC regulations no. 15/2004)</b>		<b>Value (lei)</b>
<b>1</b>	<b>FIXED ASSETS (rows 1.1 to 1.3)</b>	<b>223,227,193</b>
1.1	Intangible assets	2,642
1.2	Tangible assets	12,106,880
1.3	Financial assets, out of which:	211,117,671
1.3.1	Shares quoted	44,064,950
1.3.2	Shares not quoted	167,003,924
1.3.3	Government securities	0
1.3.4	Certificates of deposit	0
1.3.5	Bank deposits	0
1.3.6	Municipal bonds	0
1.3.7	Corporate bonds	0
1.3.8	Newly issued securities	0
1.3.9	Equity investments of OPCVM and/or AOPC	0
1.3.10	Shares entitled according to subscriptions to share capital increases	0
1.3.11	Other financial assets	48,797
<b>2</b>	<b>CURRENT ASSETS (row 2.1 to 2.4 + 2.5 to 2.9)</b>	<b>1,983,298,567</b>
2.1	Inventories	11,866
2.2	Receivables, out of which:	82,072
2.2.1	Dividends to be cashed	0
2.2.2	Other rights to receive	0
2.2.3	Other receivables	82,072
2.3	Liquid assets	24,528,203
2.4	Financial investments on short term, out of which:	1,887,677,470
2.4.1	Shares quoted	1,884,255,524
2.4.2	Shares not quoted	0
2.4.3	Municipal bonds	0
2.4.4	Corporate bonds	0
2.4.5	Equity investments of OPCVM and/or AOPC	3,421,946
2.4.6	Preference rights	0
2.5	Newly issued securities	0
2.6	Government securities	0
2.7	Bank deposits	70,998,956
2.8	Certificates of deposit	0
2.9	Other current assets	0
<b>3</b>	<b>DERIVATIVES</b>	<b>0</b>
<b>4</b>	<b>EXPENDITURES REGISTERED IN ADVANCE</b>	<b>96,371</b>
<b>5</b>	<b>TOTAL ASSET (rows. 1+2+3+4)</b>	<b>2,206,622,131</b>



**Statement of assets and debts on 30/09/2019**

(it is filled in every month)

<b>Calculation modality of the net asset value (according to RNSC regulations no. 15/2004)</b>		<b>Value (lei)</b>
<b>6</b>	<b>DEBTS AMOUNTS FALLING DUE WITHIN ONE YEAR (row 6.1 to 6.9)</b>	<b>68,842,605</b>
6.1	Loans from issue of bonds	0
6.2	Amounts due to credit institutions	0
6.3	Advances cashed in the account of customers	0
6.4	Commercial debts	118,644
6.5	Commercial bills to be paid	0
6.6	Amounts due to companies within the group	0
6.7	Amounts due regarding equity interests	0
6.8	Dividends or other rights to be paid, out of which:	65,362,098
6.8.1	Dividends to be paid	65,362,098
6.8.2	Amounts subscribed and not paid in the share capital increases of issuers	0
6.9	Other debts	3,361,863
<b>7</b>	<b>DEBTS AMOUNTS FALLING DUE AFTER MORE THEN ONE YEAR</b>	<b>122,246,377</b>
<b>8</b>	<b>PROVISIONS</b>	<b>292,467</b>
<b>9</b>	<b>INCOMES REGISTERED IN ADVANCE, out of which: (rows 9.1 to 9.2)</b>	<b>27,707</b>
9.1	Subsidies for investments	27,707
9.2	Incomes registered in advance	0
<b>10</b>	<b>SHAREHOLDERS EQUITY, out of which: (rows 10.1 to 10.8 - 10.9 - 10.10 - 10.11)</b>	<b>2,015,212,975</b>
10.1	Share capital subscribed and paid	58,016,571
10.2	Premium related to capital	0
10.3	Differences from revaluation	7,584,883
10.4	Reserves	675,683,320
10.5	Retained earnings	548,859,331
10.6	Result of the exercise	117,476,267
10.7	Other shareholders equity items	609,554,862
10.8	Items assimilated to capital	0
10.9	Profit allocation	0
10.10	Losses related to the issuance, repurchasing, sale, disposal free of charge or cancellation of the equity instruments	0
10.11	Own shares	1,962,259
<b>11</b>	<b>TOTAL LIABILITIES (rows 6+7+8+9+10)</b>	<b>2,206,622,131</b>
<b>12</b>	<b>NET ASSET (rows 5-6-9)</b>	<b>2,137,751,819</b>
<b>13</b>	<b>NUMBER OF SHARES ISSUED</b>	<b>580,165,714</b>
<b>14</b>	<b>NET ASSET VALUE PER SHARES (rows 12/13)</b>	<b>3.6847</b>

**Statement of assets and debts on 30/09/2019**

(it is filled in every month)

<b>Calculation modality of the net asset value (according to RNSC regulations no. 15/2004)</b>		<b>Value (lei)</b>
<b>15</b>	<b>Number of companies in the portfolio, out of which: (rows 15.1 to 15.3)</b>	<b>47</b>
15.1	Companies accepted to transaction on a regulated market	17
15.2	Companies accepted to transaction on an alternative transaction system	13
15.3	Companies not accepted to transaction	17
<b>16</b>	<b>Companies where financial statements were not obtained *</b>	<b>0</b>

\* According to art. 116 paragraph (2) of the F.S.A. Regulation no. 9 / 2014, the value of these companies considered in the calculation of the net asset is zero.

Statement certified by Depositary Raiffeisen Bank S.A.

Statement prepared based on the check balance determined under the Norm 39 of ASF/2015 for approval of the Accounting Regulations complying with IFRS (International Financial Reporting Standards) applicable to authorised entities, regulated and monitored by the ASF (Financial Supervisory Authority) from the Financial Instruments and Investment Sector.

According to the art. 192<sup>1</sup> of C.N.V.M Regulation no. 15 / 2004 (article inserted by A.S.F. Regulation no. 2 / 2018) the following companies were assessed through evaluation reports complying with the international standards by independent assessor: VOLTALIM S.A. Craiova, PROVITAS S.A. Bucuresti, COMPLEX HOTELIER DAMBOVITA S.A. Targoviste, TURISM S.A. Pucioasa si GEMINA TOUR S.A. Ramnicu Valcea.

Complying with the provisions of IFRS 9, applicable as from 01.01.2018, the results related to the transactions with financial assets evaluated at fair value through other items of the comprehensive income are reflected in retained earnings.

GENERAL MANAGER,  
Dr. ec. Tudor Ciurezu

ECONOMIC MANAGER,  
Ec. Elena Sichigea

**Situation of assets on 30/09/2019****Net asset****1,838,322,127 lei****2,137,751,819 lei****Total asset****1,982,611,377 lei****2,206,622,131 lei**

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
		% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
I.	<b>TOTAL ASSETS</b>									
	<b>1 Securities and instruments of the monetary market, of which:</b>	<b>71.7722</b>	<b>66.5488</b>	<b>0</b>	<b>1,319,404,429</b>	<b>90.2032</b>	<b>87.3879</b>	<b>0</b>	<b>1,928,320,474</b>	<b>608,916,045</b>
1.1	Securities and instruments of the monetary market admitted or traded on a settled market of Romania, of which: shares, other assimilated securities to them (each category being mentioned) , bonds (on categories of issuer), other receivables (being mentioned on types and categories of issuer), other securities, instruments of the monetary market (on categories);	71.7722	66.5488	0	1,319,404,429	90.2032	87.3879	0	1,928,320,474	608,916,045
	- BVB - shares	56.1636	52.0761	0	1,032,467,421	79.8317	77.3401	0	1,706,602,818	674,135,397
	- AERO -shares	15.6086	14.4727	0	286,937,008	10.3715	10.0478	0	221,717,656	(65,219,352)
	- Preference rights	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
1.2	Securities and instruments of the monetary market admitted or traded on a settled market of a member state, of which: shares, other securities assimilated to them (each category being mentioned), bonds (on categories of issuer), other receivables (being mentioned on types and categories of issuer), other securities, instruments of the monetary market (on categories);	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0

**Situation of assets on 30/09/2019****Net asset****1,838,322,127 lei****2,137,751,819 lei****Total asset****1,982,611,377 lei****2,206,622,131 lei**

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
		% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
<b>I.</b>	<b>TOTAL ASSETS</b>									
1.3	Securities and instruments of the monetary market admitted at the official rate of a stock exchange in a non member state or negotiated on another settled market of a non member state, which regularly operates and is recognized and open to public, approved by R.N.S.C of which: shares, other securities assimilated to them (each category being mentioned), bonds (on categories of issuer), other receivables (being mentioned on types and categories of issuer), other securities, instruments of the monetary market (on categories);	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
<b>2</b>	<b>Newly issued securities</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3</b>	<b>Other securities and instruments of the monetary market mentioned in art. 187 letter a): securities (on categories and types of issuer) and instruments of the monetary market (on categories);</b>	<b>8.6521</b>	<b>8.0224</b>	<b>0</b>	<b>159,052,930</b>	<b>7.8121</b>	<b>7.5683</b>	<b>0</b>	<b>167,003,924</b>	7,950,994

**Situation of assets on 30/09/2019**

Net asset

1,838,322,127 lei

2,137,751,819 lei

Total asset

1,982,611,377 lei

2,206,622,131 lei

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
		% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
I.	<b>TOTAL ASSETS</b>									
	<b>4 Bank deposits, of which:</b>	<b>0.0302</b>	<b>0.0280</b>	<b>432,095.95</b>	<b>122,244.25</b>	<b>3.3212</b>	<b>3.2175</b>	<b>462,286.01</b>	<b>70,536,669.52</b>	<b>70,444,615</b>
4.1	Bank deposits made in credit institutions of Romania;	0.0302	0.0280	432,095.95	122,244.25	3.3212	3.2175	462,286.01	70,536,669.52	70,444,615
4.2	Bank deposits made in credit institutions of a member state;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
4.3	Bank deposits made in credit institutions of a non member state;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
	<b>5 Financial instruments derived traded on a settled market</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>
5.1	Financial instruments derived traded on a settled market of Romania, on categories;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.2	Financial instruments derived traded on a settled market of a member state, on categories;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.3	Financial instruments derived traded on a settled market of a non member state, on categories;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
5.4	Financial instruments derived negotiated outside the settled markets, on categories of instruments;	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
	<b>6 Current accounts and cash</b>	<b>25.6960</b>	<b>23.8259</b>	<b>443,275,124</b>	<b>29,100,114</b>	<b>1.1474</b>	<b>1.1116</b>	<b>12,083,974</b>	<b>12,444,229</b>	<b>(447,847,035)</b>
	<b>7 Instruments of the monetary market, other than those traded on a settled market, according to art. 101 paragraph (1) letter g) of the Law no. 297/2004.</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Situation of assets on 30/09/2019****Net asset**

1,838,322,127 lei

2,137,751,819 lei

**Total asset**

1,982,611,377 lei

2,206,622,131 lei

Name of the element		The beginning of the reporting period				The end of the reporting period				Differences (lei)
		% of net asset	% of total asset	Foreign Currency	Lei	% of net asset	% of total asset	Foreign Currency	Lei	
I.	<b>TOTAL ASSETS</b>									
8	<b>Participation securities of AOPC/OPCVM</b>	0.1487	0.1378	0	2,732,940	0.1601	0.1551	0	3,421,946	689,006
9	<b>Other assets (amounts in transit, amounts at distributors, amounts</b>	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
9.1	Shares due according to subscriptions to the increases of social capital	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0
9.2	Other rights to receive	0.0000	0.0000	0	0	0.0000	0.0000	0	0	0

GENERAL MANAGER  
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Ec. Elena Sichigea

***Situation of unit value of net asset on 30/09/2019***

No. Item	Name of the element (according to RNSC Regulations no.15/2004)	30/09/2019	30/09/2018	Differences
1	No of shares issued	580,165,714	580,165,714	0
2	Unitary value of net asset	3.6847	3.5683	0.1164

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ECONOMIC MANAGER  
Ec. Elena Sichigea

***The evolution of net asset and of VUAN in the last 3 years on 30/09/2019***

No. Item	Name of the element (according to RNSC Regulations no.15/2004)	31/12/2017	31/12/2018	30/09/2019
1	Net asset	1,770,430,599	1,838,322,127	2,137,751,819
2	Unit value of net asset	3.0516	3.1686	3.6847

GENERAL MANAGER  
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ECONOMIC MANAGER  
Ec. Elena Sichigea



**SIF Oltenia S.A.**

ANNEX17

***Detailed situation of investments on 30/09/2019***
**Net asset** 2,137,751,819 lei

**Total asset** 2,206,622,131 lei

Securities admitted or traded on a settled market of Romania – BVB (shares)

No. Item	Issuer	Symbol	Date of last transaction	No of shares held	Nominal value	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
1	ALTUR SLATINA	ALT	30/09/2019	49,428,571	0.1000	0.0350	1,730,000	5.9958	0.0784	0.0809
2	ANTIBIOTICE IASI	ATB	30/09/2019	126,882,202	0.1000	0.5100	64,709,923	18.8999	2.9325	3.0270
3	B.R.D.-GROUPE SOCIETE GENERALE BUCURESTI	BRD	30/09/2019	28,472,044	1.0000	14.3200	407,719,670	4.0855	18.4771	19.0724
4	BANCA TRANSILVANIA CLUJ	TLV	30/09/2019	226,130,069	1.0000	2.4000	542,712,166	4.3354	24.5947	25.3871
5	BURSA DE VALORI BUCURESTI	BVB	30/09/2019	383,709	10.0000	27.0000	10,360,143	4.7670	0.4695	0.4846
6	C.N.T.E.E. TRANSELECTRICA BUCURESTI	TEL	30/09/2019	2,711,808	10.0000	20.6000	55,863,245	3.6994	2.5316	2.6132
7	COS TARGOVISTE	COS		6,142,826	2.5000	0.0000	0	8.9220	0.0000	0.0000
8	ELECTROMAGNETICA BUCURESTI	ELMA	30/09/2019	176,717,594	0.1000	0.1395	24,652,104	26.1402	1.1172	1.1532
9	OMV PETROM BUCURESTI	SNP	30/09/2019	727,178,342	0.1000	0.4225	307,232,849	1.2838	13.9232	14.3718
10	PRODPLAST BUCURESTI	PPL	20/09/2019	4,702,595	1.0000	2.6800	12,602,955	27.5450	0.5711	0.5895
11	S.N.G.N. ROMGAZ S.A.	SNG	30/09/2019	2,251,204	1.0000	36.9500	83,181,988	0.5841	3.7697	3.8911
12	SANTIERUL NAVAL ORSOVA	SNO	30/09/2019	3,200,337	2.5000	3.4000	10,881,146	28.0168	0.4931	0.5090
13	SIF BANAT CRISANA	SIF1	30/09/2019	19,536,252	0.1000	2.4500	47,863,817	3.7754	2.1691	2.2390
14	SIF MOLDOVA	SIF2	30/09/2019	1,397,573	0.1000	1.4300	1,998,529	0.1379	0.0906	0.0935
15	SIF TRANSILVANIA	SIF3	30/09/2019	12,450,162	0.1000	0.3000	3,735,049	0.5700	0.1693	0.1747

**SIF Oltenia S.A.**

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**Detailed situation of investments on 30/09/2019****Net asset** 2,137,751,819 lei**Total asset** 2,206,622,131 lei

Securities admitted or traded on a settled market of Romania – BVB (shares)

No. Item	Issuer	Symbol	Date of last transaction	No of shares held	Nominal value	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
16	SNTGN TRANSGAZ MEDIAS	TGN	30/09/2019	243,311	10.0000	365.0000	88,808,515	2.0665	4.0246	4.1543
17	TURISM FELIX BAILE FELIX	TUFE	30/09/2019	143,752,429	0.1000	0.2960	42,550,719	28.9736	1.9283	1.9904
							<b>1,706,602,818</b>		<b>77.3401</b>	<b>79.8317</b>

GENERAL MANAGER  
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Ec. Elena Sichigea

**SIF Oltenia S.A.**

ANNEX17

*Detailed situation of investments on 30/09/2019*

**Net asset** 2,137,751,819 lei

**Total asset** 2,206,622,131 lei

Securities admitted or traded on an alternative market of Romania– AERO (BVB) - (shares)

No. Item	Issuer	Symbol	Date of last transaction	No of shares held	Nominal value	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
1	ALIMENTARA SLATINA	ALRV	23/07/2019	214,742	2.4300	26.2233	5,631,247	52.2352	0.2552	0.2634
2	ARGUS CONSTANTA	UARG	27/09/2019	30,920,056	1.5000	1.7500	54,110,098	86.4160	2.4522	2.5312
3	CEREALCOM ALEXANDRIA	CCOM	27/09/2019	34,672,773	0.1000	0.0479	1,660,826	6.6944	0.0753	0.0777
4	CONSTRUCTII FERROVIARE CRAIOVA	CFED	13/08/2019	2,725,325	0.8500	1.2940	3,526,586	77.5001	0.1598	0.1650
5	CONTACTOARE BUZAU	CONQ	03/07/2019	290,730	2.5000	11.8170	3,435,546	10.1497	0.1557	0.1607
6	FLAROS BUCURESTI	FLAO	13/08/2019	1,233,390	2.5000	10.5340	12,992,540	81.0712	0.5888	0.6078
7	IAMU BLAJ	IAMU	02/09/2019	1,884,289	2.5000	5.2000	9,798,303	19.8343	0.4440	0.4583
8	LACTATE NATURA TARGOVISTE	INBO	15/07/2019	997,302	2.5000	2.6345	2,627,421	40.3798	0.1191	0.1229
9	MERCUR CRAIOVA	MRDO	05/09/2019	7,104,836	2.5000	15.0000	106,572,540	97.8593	4.8297	4.9853
10	RELEE MEDIAS	RELE	12/08/2019	62,080	2.5000	13.5405	840,595	11.4644	0.0381	0.0393
11	SINTEROM CLUJ	SIRM	30/08/2019	1,543,318	2.5000	2.8000	4,321,290	31.8749	0.1958	0.2021
12	TUSNAD BAILE TUSNAD	TSND	27/09/2019	25,861,924	0.1000	0.0460	1,189,649	8.5691	0.0539	0.0556
13	UNIVERS RM.VALCEA	UNVR	02/08/2019	587,519	2.5000	25.5498	15,011,015	73.7494	0.6803	0.7022
							<b>221,717,656</b>		<b>10.0478</b>	<b>10.3715</b>

GENERAL MANAGER  
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ECONOMIC MANAGER  
Ec. Elena Sichigea

**SIF Oltenia S.A.**

ANNEX17

*Detailed situation of investments on 30/09/2019***Net asset** 2,137,751,819 lei**Total asset** 2,206,622,131 lei

Instruments mentioned in art.187 lit.a) of RNSC Regulations no.15/2004

Shares issued by commercial companies of closed type

No. Item	Issuer	No of shares held	Acquisition date	Acquisition price	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BIROUL DE INVESTITII REGIONAL OLTENIA IFN	272,411	01/11/1996	15.4550	10.0028	2,724,876	19.4540	0.1235	0.1275
2	BT ASSET MANAGEMENT S.A.I. CLUJ	716,559	28/02/2006	0.8953	5.1535	3,692,785	9.9998	0.1674	0.1727
3	COMPLEX HOTELIER DAMBOVITA	1,753,217	31/01/1998	2.7577	4.2560	7,461,624	99.9427	0.3381	0.3490
4	COREALIS CRAIOVA	655,757	30/06/2000	2.5000	2.8826	1,890,281	11.4189	0.0857	0.0884
5	CORINT TARGOVISTE	178,297	01/11/1996	0.1929	0.0000	0	5.7978	0.0000	0.0000
6	DEPOZITARUL CENTRAL BUCURESTI	9,878,329	31/07/1998	0.0770	0.1252	1,236,875	3.9057	0.0561	0.0579
7	ELBA TIMISOARA	39,628	01/11/1996	2.5000	131.9402	5,228,526	2.3694	0.2369	0.2446
8	ELECTRO TOTAL BOTOSANI	57,909	28/02/2003	2.5000	0.0000	0	29.8562	0.0000	0.0000
9	EXIMBANK BANCA DE EXPORT IMPORT A ROMANIEI BUC	4,364,430	01/11/1996	5.4039	8.7760	38,302,374	3.2702	1.7358	1.7917
10	GEMINA TOUR RM.VILCEA	757,888	01/11/1996	2.5000	5.8890	4,463,170	88.2866	0.2023	0.2088
11	OTELINOX TARGOVISTE	1,809,195	01/11/1996	2.8091	6.3391	11,468,757	5.4694	0.5197	0.5365
12	PROVITAS BUCURESTI	35,139	01/11/1996	2.0114	177.9586	6,253,289	70.2780	0.2834	0.2925
13	SAGRICOM ULMI	57,941	01/11/1996	0.0025	0.0000	0	4.2057	0.0000	0.0000
14	SANEVIT ARAD	792,662	31/12/1995	0.1000	0.0000	0	13.2841	0.0000	0.0000
15	TURISM LOTUS FELIX	347,859,802	18/12/2009	0.1006	0.0992	34,508,655	27.4554	1.5639	1.6142
16	TURISM PUCIOASA	1,010,599	01/11/1996	2.1170	5.4657	5,523,598	69.2191	0.2503	0.2584

**SIF Oltenia S.A.**

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*Detailed situation of investments on 30/09/2019*

**Net asset** 2,137,751,819 lei  
**Total asset** 2,206,622,131 lei

Instruments mentioned in art.187 lit.a) of RNSC Regulations no.15/2004

Shares issued by commercial companies of closed type

No. Item	Issuer	No of shares held	Acquisition date	Acquisition price	Share value	Total value	Weight in the issuer's social capital	Weight in the total asset of SIF	Weight in the net asset of SIF
17	VOLTALIM CRAIOVA	5,997,519	31/10/1999	2.3836	7.3779	44,249,114	99.1942	2.0053	2.0699
						<b>167,003,924</b>		<b>7.5683</b>	<b>7.8121</b>

GENERAL MANAGER  
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ECONOMIC MANAGER  
Ec. Elena Sichigea

**SIF Oltenia S.A.**

ANNEX17

*Detailed situation of investments on 30/09/2019***Net asset** 2,137,751,819 lei**Total asset** 2,206,622,131 lei

## Securities of AOPC/OPCVM

No. Item	Issuer	Symbol	Quantity	Quotation	Market value	Weight in the number of operating securities	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BT INDEX RO		146,000.000	15.9130	2,323,298	2.8143	0.1053	0.1087
2	FDI NAPOCA		381,222.000	0.5902	224,997	1.6770	0.0102	0.0105
3	FDI TRANSILVANIA		7,444.000	54.3009	404,216	1.2898	0.0183	0.0189
4	FDI TEHNOGLOBINVEST		382.990	1,225.7120	469,435	5.7293	0.0213	0.0220
					<b>3,421,946</b>		0.1551	0.1601

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**SIF Oltenia S.A.**

ANNEX17

*Detailed situation of investments on 30/09/2019***Net asset** 2,137,751,819 lei**Total asset** 2,206,622,131 lei**Bank deposits in lei made in credit institutions of Romania**

No. Item	Name of the bank	Constitution date	Due time	Initial value	Daily interest	Cumulated interest	Updated value	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BANCA TRANSILVANIA	30/09/2019	01/10/2019	118,700.00	1.6486	1.65	118,701.65	0.0054	0.0056
2	BANCA TRANSILVANIA	03/09/2019	04/10/2019	10,000,000.00	680.5556	19,055.56	10,019,055.56	0.4540	0.4687
3	BANCA TRANSILVANIA	03/09/2019	04/10/2019	10,000,000.00	680.5556	19,055.56	10,019,055.56	0.4540	0.4687
4	BANCA TRANSILVANIA	03/09/2019	04/10/2019	5,000,000.00	340.2778	9,527.78	5,009,527.78	0.2270	0.2343
5	BANCA TRANSILVANIA	03/09/2019	04/10/2019	5,000,000.00	340.2778	9,527.78	5,009,527.78	0.2270	0.2343
6	BCR	30/09/2019	20/12/2019	10,000,000.00	763.8889	763.89	10,000,763.89	0.4532	0.4678
7	BCR	30/09/2019	20/12/2019	10,000,000.00	763.8889	763.89	10,000,763.89	0.4532	0.4678
8	BCR	30/09/2019	20/12/2019	10,000,000.00	763.8889	763.89	10,000,763.89	0.4532	0.4678
9	BCR	30/09/2019	20/12/2019	10,000,000.00	763.8889	763.89	10,000,763.89	0.4532	0.4678
10	BCR	30/09/2019	01/10/2019	357,729.93	15.7004	15.70	357,745.63	0.0162	0.0167
				<b>70,476,429.93</b>		<b>60,239.59</b>	<b>70,536,669.52</b>	<b>3.1966</b>	<b>3.2996</b>

GENERAL MANAGER  
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**SIF Oltenia S.A.**

ANNEX17

*Detailed situation of investments on 30/09/2019***Net asset** 2,137,751,819 lei**Total asset** 2,206,622,131 lei**Bank deposits in foreign currency made in credit institutions of Romania**

No. Item	Name of the bank	Constitution date	Due time	Initial value	Daily interest	Cumulated interest	Updated value	Weight in the total asset of SIF	Weight in the net asset of SIF
1	BANCA TRANSILVANIA	23/07/2019	18/10/2019	347,904.00	2.8992	202.94	348,106.94	0.0158	0.0163
2	BANCA TRANSILVANIA	23/07/2019	18/10/2019	114,112.51	0.9509	66.56	114,179.07	0.0052	0.0053
				<b>462,016.51</b>		<b>269.50</b>	<b>462,286.01</b>	<b>0.0209</b>	<b>0.0216</b>

GENERAL MANAGER  
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