SIF Muntenia S.A.

Individual Financial Statements as at 31 December 2016

Prepared in accordance with Rule 39/2015 for approving Accounting regulations compliant with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervision Authority of the Financial Investment Instruments Sector

Content

Individual statement of profit or loss and other elements of comprehensive result

For the financial exercise ended as of 31 December 2016

in LEI	***Note***	**2016**	**2015**
Income			
Dividend income	*6*	60,581,257	18,125,060
Interest income	*7*	955,890	1,088,718
Other operational income		70,073	17,284
Investment profit			
Net profit/loss from foreign exchange differences		(691,266)	309,342
Net profit from the sale of assets	*8*	37,107,874	34,891,794
Net profit/loss from revaluation of financial assets at fair value by profit or loss	*9*	(8,438,880)	48,920,416
Expenses			
Loss from depreciation of assets	*10*	(11,421,464)	(5,138,597)
Administration expenses			
Administration fees	*25*	(17,858,250)	(17,400,000)
Expenses with the remuneration of the Shareholders Representatives Committee	*25*	(1,423,017)	(1,421,727)
Other operational expenses	*11*	(3,599,713)	(3,748,952)
Profit before taxes		**55,282,504**	**75,643,338**
Profit tax	*12*	(4,896,320)	(11,787,601)
Net profit for the period		**50,386,184**	**63,855,737**
Other elements of comprehensive result			
Elements that are or may be tarnsferred to profit or loss			
Revaluation at fair value of financial assets available for sale, net of defferred tax		34,743,561	88,267,985
Reserve related to financial assets available for sale transferred to profit or loss		(11,655,572)	(30,040,608)
Other elements of comprehensive result		**23,087,989**	**58,227,377**
Total comprehensive result for the period		**73,474,173**	**122,083,114**
Result per share			
Basic	*22*	0.062	0.079
Dilluted	*22*	0.062	0.079

Individual financial statements were approved by the Board of Directors on 13 March 2017 and were signed on its behalf by SAI Muntenia Invest S.A., Administrator of SIF Muntenia S.A., by:

ADMINISTRATOR,	PREPARED BY,
SAI MUNTENIA INVEST S.A.	3B EXPERT AUDIT S.R.L.
Gabriela GRIGORE	Certified legal entity, CECCAR member
General Director	No. of registration with the professional body A000158/26.01.2000
	Adriana – Anişoara BADIU, Administrator

Notes at pages 7 to 58 are part of these individual financial statements.

Individual statement of financial position

For the financial exercise ended as of 31 December 2016

In LEI	***Note***	**31 December 2016**	**31 December 2015**
Assets			
Cash	*13*	4,861,588	4,571,094
Bank deposits	*14*	76,631,897	12,131,507
Financial assets at fair value through profit or loss	*15a*	79,279,822	144,834,354
Financial assets available for sale	*15b*	954,163,015	903,618,737
Loans and receivables	*15c*	8,259,365	8,256,386
Tangible assets	*16*	223,605	287,878
Other assets	*17*	5,013,016	2,925,503
Total assets		**1,128,432,308**	**1,076,625,459**
Liabilities			
Dividends to be paid	*18*	82,193,835	129,728,625
Liabilities with deferred tax	*19*	13,387,776	5,111,037
Other liabilities	*20*	8,404,099	17,904,547
Total liabilities		**103,985,710**	**152,744,209**
Equity			
Share capital	*21a*	80,703,652	80,703,652
Hyperinflation effect- IAS 29	*21a*	803,294,017	803,294,017
Cummulated loss	*21a*	(111,719,355)	(189,196,714)
Reserves from revaluation of financial assets available for sale	*21b*	252,168,284	229,080,295
Total equity		**1,024,446,598**	**923,881,250**
Total liabilities and equity		**1,128,432,308**	**1,076,625,459**

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Individual statement of changes in equity

For the financial exercise ended as of 31 December 2016

In LEI	**Share capital**	**Reserves from revaluation of financial assets available for sale**	**Cummulated loss revised**	**Total**
Balance as of 1st January 2016	**883,997,669**	**229,080,295**	**(189,196,714)**	**923,881,250**
Comprehensive result				
Profit of the period	-	-	50,386,184	50,386,184
Other elements of comprehensive result				
Revaluation at fair value of financial assets available for sale, net of defferred tax	-	34,743,561	-	34,743,561
Reserve related to financial assets available for sale transferred to profit or loss	-	(11,655,572)	-	(11,655,572)
Total comprehensive result for the period (retreated *)	**-**	**23,087,989**	**50,386,184**	**73,474,173**
Transactions with shareholders, directly recognized in equity				
Prescribed dividends	-	-	63,407,818	63,407,818
Dividends to be paid	-	-	(36,316,643)	(36,316,643)
Total transactions with shareholders, directly recognized in equity	**-**	**-**	**27,091,175**	**27,091,175**
Balance as of 31 December 2016	**883,997,669**	**252,168,284**	**(111,719,355)**	**1,024,446,598**

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Individual statement of changes in equity

For the financial exercise ended as of 31 December 2016

in LEI	**Share capital**	**Reserves from revaluation of financial assets available for sale**	**Cummulated loss revised**	**Total**
Balance as of 1st January 2015	**883,997,669**	**170,852,918**	**(221,016,018)**	**833,834,569**
Comprehensive result				
Profit of the period	-	-	63,855,737	63,855,737
Other elements of comprehensive result				
Revaluation at fair value of financial assets available for sale, net of defferred tax	-	88,267,985	-	88,267,985
Reserve related to financial assets available for sale transferred to profit or loss	-	(30,040,608)	-	(30,040,608)
Total comprehensive result for the period	**-**	**58,227,377**	**63,855,737**	**122,083,114**
Transactions with shareholders, directly recognized in equity				
Prescribed dividends	-	-	25,666,678	25,666,678
Dividends to be paid	-	-	(57,703,111)	(57,703,111)
Total transactions with shareholders, directly recognized in equity	**-**	**-**	**(32,036,433)**	**(32,036,433)**
Balance as of 31 December 2015	**883,997,669**	**229,080,295**	**(189,196,714)**	**923,881,250**

ÎNTOCMIT,

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Individual statement of cash flow

For the financial exercise ended as of 31 December 2016

In LEI	*Note*	2016	2015
Operating activities			
Profit before tax		55,282,504	75,643,338
Adjustments:			
Loss from depreciation of financial asets available for sale and other assets	*10*	11,650,297	5,233,214
Net loss/gain from revaluation of financial assets at fair value through profit or loss	*9*	8,438,880	(48,920,416)
Dividend income	*6*	(60,581,257)	(18,125,060)
Interest income	*7*	(955,890)	(1,088,718)
(Income) / Expenses with a djustments for depreciation of loans and liabilities	*10*	(228,833)	(94,617)
Net income from foreign exchange differences		691,266	(309,342)
Other adjustments		68,030	65,958
Changes in assets and liabilities related to operating activities			
Changes in financial assets at the fair value through profit or loss		(16,375,259)	(9,798,209)
Changes in financial assets available for sale		41,200,823	(202,862)
Changes in loans and liabilities		-	4,304,022
Changes in other assets		(4,477,262)	12,889,265
Changes in other liabilities		(101,061)	(24,049,933)
Dividend received		58,882,826	17,183,578
Interest received		1,130,936	1,078,120
Profit tax paid		(10,336,829)	-
Net cash resulted from / (used for) operating activities		**84,289,170**	**13,808,337**
Investment activities			
Payments for acquisition of tangible assets		(21,608)	-
Cash used for investment activities		**(21,608)**	**-**
Financing activities			
Dividens paid, including tax on paid dividends		(19,504,206)	(30,295,964)
Net investments in deposits with maturiy more than 3 months and less than 1 year		(53,733,000)	(12,033,000)
Net cash used in financing activities		**(73,237,206)**	**(42,328,964)**
Net decrease of cash and cash equivalents		**11,030,357**	**(28,520,627)**
Foreign exchange variation effect over cash and cash equivalents		(24,863)	221,896
Cash and cash equivalents as of 1 January		4,571,094	32,869,825
Cash and cash equivalents as of 31 December		**15,576,588**	**4,571,094**

Notes at pages 7 to 58 are part of these individual financial statements.

Individual statement of cash flow (continued)

For the financial exercise ended as of 31 December 2016

Cash and cash equivalent comprise:

In LEI	*Note*	**31 decembrie 2016**	**31 decembrie 2015**
Cash in petty cash	*13*	1,111	6,105
Current accounts in banks	*13*	4,860,477	4,564,989
Bank deposits with original maturity less than 3 months	*14*	10,715,000	-
Cash and cash equivalents		**15,576,588**	**4,571,094**

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Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

1. Reporting entity

SIF Muntenia S.A. (the "Company") is an undertaking for collective investments established in 1996 which operates in Romania in accordance with Law 31/1990 and Law 297/2004 on the capital market.

The Company is headquartered in 16, Splaiul Unirii, Sector 4, Bucharest, România.

The main field of activity of the Company is:

- administration and management of its own securities portfolio;
- investments in securitis according to regulations in force;
- undertakings of financial resources available from natural or legal persons and their investmenst in securities.

The company operates under an administration contract concluded with Societatea de Administrare a Investiţiilor Muntenia – Invest S.A.

The Company's shares are listed on the Bucharest Stock Exchange, Premium Category, symbol SIF4, starting with 1 November 1999.

S.C. Depozitarul Central S.A. Bucureşti keeps evidence of shares and shareholders, according to law.

BRD - Société Générale S.A. – Company authorised by the FSA offers custodian services for the Company’s assets.

KPMG Audit SRL performed the statutory audit for the 2016 financial exercise. The auditor has exclusively provided financial audit services. The financial auditor’s fee for the year ended 31 December 2016 is 196.403 lei.

2. Basis of preparation
(a) Declaration of compliance

The financial statements have been prepared in accordance with FSA Rule no.39/28 December 2015 approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA, Sector of Investment and Financial Instruments (" FSA Rule no.39/2015 ").

These financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate in the foreseeable future.

In accordance with Regulation no. 1606/2002 of the European Parliament and the EU Council Regulation as of 19 July 2002 and FSA Rule no.39 /2015 the Company will prepare also annual consolidated financial statements in accordance with International Financial Reporting Standards adopted by the European Union for the financial year ended 31 December 2016. The consolidated financial statements as of 31 December 2015 can be found on the Company's website www.sifmuntenia.ro. Consolidated financial statements as of 31 December 2016 will be drafted, approved and made public until 30 August 2017.

31 December 2015 is the transition date to IFRS as an accounting basis, date on which, by restatement, operations determined by passing from Regulation 4/2011 approved by NSC Order No.13 / 2011 regarding accounting regulations compliant with fourth Directive to the European Economic Community to Accounting Regulations according to International Financial Reporting Standards were made and accounted.

Basis of preparation (continued)

(a) Declaration of compliance (continued)

Main retreatment operations consist of:

- Adjustments to the elements of assets, liabilities and equity in accordance with IAS 29 - "Financial reporting in hyperinflationary economies" because the Romanian economy was a hyperinflationary economy until 31 December 2003.
- Fair value adjustments and impairment losses in accordance with IAS 39 - "Financial Instruments: Recognition and Evaluation".
- Adjustments to the statement of profit or loss and other comprehensive income to record the dividend income at the moment of declaring and at gross value;
- Adjustments for recognition of assets and liabilities related to deferred income tax in accordance with IAS 12 "Income Taxes".

(b) Presentation of financial statements

Individual financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Company has adopted a presentation based on liquidity in the statement of financial position and a presentation o fincome and expenditure according to their nature in the situation of profit or loss and other comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than those that would have been presented under other methods permitted by IAS 1.

(c) Basis of evaluation

Individual financial statements are prepared using the fair value of financial assets and liabilities at fair value through profit or loss and financial assets available for sale, except those for which fair value can not be determined reliably.

Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or historical cost.

The methods used for measuring the fair value are presented in Note 3 (e) (iv) and Note 5.

(d) Functional and presentation currency

The Company's management considers that the functional currency, as defined by the IAS 21 "Effects of exchange rate variation", is the Romanian leu (RON or lei). Individual financial statements are presented in RON, rounded to the nearest leu, which the Company's management has chosen as presentation currency.

(e) Use of estimates and judgments

Preparation of financial statements in accordance with IFRS as adopted by the European Union involves the management's use of estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Judgments and assumptions associated with these estimates are based on historical experience and on other factors deemed reasonable in light of these estimates. The results of these estimates form the basis for judgments related to accounting values of assets and liabilities that can not be obtained from other sources of information. The results obtained can differ from these estimates.

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

Judgments and the assumptions that are their basis are regularly reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period in which the estimate is revised if the revision and future periods affect both the current period and future periods.

Judgments made by management in applying IFRS that have a significant effect on the individual financial statements and estimates that involve a significant risk of a material adjustment in the next year are disclosed in Note 4 and Note 5.

3. Significant accounting policies

Significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Subsidiaries and associates

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to lead, directly or indirectly, financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control are taken into account potential voting rights that are exercisable or convertible at that time.

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

List of subsidiaries and associated entities as of 31 December 2016 and 31 December 2015 are presented in Note 25. The Company has classified in these financial statements shareholdings in subsidiaries and associates as financial assets available for sale (in accordance with IAS 39 - see accounting policy 3e).

(b) Transactions in foreign currencies

Transactions denominated in foreign currencies are recorded in lei at the official exchange rate at the settlement date of transactions. Monetary assets and liabilities denominated in foreign currencies at the financial position statement date are translated into the functional currency at the exchange rate of the day.

Gains or losses from their settlement and conversion using the exchange rate at year-end of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Translation differences on non-monetary items such as holdings at fair value through profit or loss are presented as gains or losses from fair value. Exchange differences relating to monetary financial assets denominated in foreign currency classified as available for sale, at fair value are reflected in a separate reserves account.

The exchange rates of major foreign currencies were:

Currency	31 December 2016	31 December 2015	Variation
Euro (EUR)	1: LEU 4,5411	1: LEU 4,5245	+ 0.37%
US Dollar (USD)	1: LEU 4,3033	1: LEU 4,1477	+ 3.75%

3. Significant accounting policies (continued)
c. Registration of the hyperinflation effect

Under IAS 29, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in the measuring unit current at the financial exercise date (non-monetary items are restated using a general price index from the date of purchase or contribution).

Under IAS 29, an economy is considered hyperinflationary if, among other factors, the cumulative inflation rate over a period of three years exceeds 100%. Continued decline in inflation 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 ceased to be hyperinflationary with effect for financial periods starting January 1, 2004.

Therefore, provisions of IAS 29 have been adopted in the preparation of financial statements until 31 December 2003.

Thus, the values expressed in the measuring unit current as of 31 December 2003 are treated as the basis for the accounting amounts reported in these financial statements and do not represent appraised value, replacement cost, or any other measure of the current value of assets or the prices at which transactions would take place at this time.

In order to draw up individual financial statements as of 31 December 2016 and 31 December 2015, the Company adjusted the following non-cash items to be expressed in the measuring unit current at 31 December 2003: Share capital (see Note 21) and financial assets available for sale for which no active market exists. Tangible and intangible assets acquired until 31 December 2003 are insignificant, fully depreciated and that is why they were not inflated.

(d) Cash and cash equivalents

Cash and cash equivalents comprise: cash, current accounts and deposits with banks (including blocked deposits and interest earned on cash deposits).

When preparing the cash flow statement, the following have been considered as cash and cash equivalents: cash, current accounts at banks, deposits with an original maturity of less than 90 days (excluding blocked deposits).

(e) Financial assets and liabilities

(i) Classification

The Company classifies financial instruments held in the following categories:

Financial assets and liabilities at fair value through profit or loss

This category includes financial assets or financial liabilities held for trading and financial instruments classified at fair value through profit or loss on initial recognition. An asset or financial liability is classified in this category if acquired principally for the speculative purpose or has been designated in this category by the management.

Investments held to maturity

Investments held to maturity are those non-derivative financial assets with fixed or determinable payments and fixed maturity which the Company has the positive intention and ability to hold to maturity. Investments held to maturity are measured at amortized cost through the effective interest method less impairment losses.

3. Significant accounting policies (continued)
(e) Financial assets and liabilities (continued)

(i) Classification (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell immediately or in the near future.

F*inancial assets available for sale*

Financial assets available for sale are those financial assets that are not classified as loans and receivables, held to maturity or financial assets at fair value through profit or loss.

(ii) Recognition

Assets and liabilities are recognized on the date on which the Company becomes party to the contractual terms of the respective instrument. Financial assets and liabilities are measured at initial recognition at fair value plus transaction costs directly attributable, except for financial assets at fair value through profit or loss and equity investments whose fair value can not be reliably determined and they are initially recognized at cost.

(iii) Compensations

Financial assets and liabilities are offset and the net result is presented in the statement of financial position only when there is a legal right to compensation if their intention is to settle on a net basis, or if it is intended simultaneously the ahievement of the asset and settlement of the liabilities.

Revenues and expenses are presented net only when permitted by the accounting standards, or for the profit and loss resulted from a group of similar transactions such as the trading activity of the Company.

(iv) Evaluation

Valuation at amortized cost

The amortized cost of a financial asset or liability is the amount at which that asset or financial liability is measured after initial recognition, less principal payments, plus or minus the accumulated depreciation to date using the effective interest method, less reductions related to impairment losses.

Valuation at fair value

Since 1 January 2013, following the application of IFRS 13 "Fair value measurement", the fair value is the price that would be received to sell an asset or paid to settle a liability in a transaction carried out under normal conditions between participants on the main market at the valuation date or if no principal market, on the most advantageous market in which the company has access to that date.

The Company measures the fair value of a financial instrument using quoted prices in an active market for that instrument. A financial instrument hass an active market if for that instrument there are available and regularly quoted prices. The category of financial instruments quoted in an active market includes all those instruments admitted to trading on a stock exchange and frequently presents at least 30 transactions during the 30 trading days prior to the evaluation. The market price used to determine fair value is the closing market price on the last trading day before the valuation date.In the absence of price quotations in an active market, the Company uses valuation techniques based on the analysis of discounted cash flows and other valuation methods commonly used by market participants, making full use of market information, relying as little as possible on company-specific information. The Company uses valuation techniques that maximize the use of observable data and minimizes the use of unobservable inputs.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

3. Significant accounting policies (continued)
(e) Finacial assets and liabilities (continued)

The value resulting by using a valuation model is adjusted based on a number of factors, due to the fact that assessment techniques do not reliably reflect all the factors considered by market participants when a transaction is performed. Adjustments are recorded to reflect the risk models, differences between quotations for sale and purchase, liquidity risks, and other factors.

Financial assets available for sale for which no active market exists and where it is not possible to determine reliably a fair value, given that the company does not have access to information that would facilitate the application of an alternative valuation technique are evaluated at cost and periodically tested for impairment.

(v) Identification and evaluation of impairment

Financial assets carried at amortized cost

On conclusion of each financial year, the Company examines whether there is any indication that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired if and only if there is objective evidence of impairment arising as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and loss event or events have an impact on future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that there has been an impairment loss on financial assets measured at amortized cost, the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows using the effective interest rate of the financial asset at initial moment.

If a financial asset measured at amortized cost has a variable interest rate, the discount rate for measuring any loss of impairment is the current variable interest rate specified in the contract. The carrying amount of the asset is reduced through use of an adjustment account for impairment. The value of the depreciation expense is recognized in profit or loss.

If in a time following an event occurring after the impairment reduces recognition of the impairment loss, previously recognized impairment loss is reversed through the use of an allowance account for impairment. Reducing impairment loss is recognized in profit or loss.

Financial assets available for sale

In the case of financial assets available for sale, when a decline in the fair value of a financial asset available for sale was recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in equity will resume in equity accounts and recognized in the profit or loss and other comprehensive income even though the financial asset has not been derecognised.

The value of the cumulative loss that is resumed from equity items in profit or loss will be the difference between the acquisition cost (net of principal repayments and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss. Impairment losses recognized in profit or loss related to certain equity instrument classified as available for sale can not be reversed in profit or loss. If, in a subsequent period, the fair value of an impaired equity increases, the recovery is recognized directly in other comprehensive income. If there is objective evidence of an impairment loss on an unlisted participation which is not presented at fair value as fair value can not be reliably measured, or on a derivative asset that is linked or is to be settled by such an unlisted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of future cash flows using current internal rate of return for a similar financial asset market. These impairment losses are not reversed in profit or loss.

3. Significant accounting policies (continued)

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

(v) Identification and evaluation of impairment (continued)

To determine whether an asset is impaired, the Company takes into account the loss-relevant events, such as significant long-term decline in fair value below cost; market conditions and industry, to the extent that they influence the recoverable amount of the asset; financial conditions and near-term prospects of the issuer, including any specific adverse events that may influence the operations of the issuer, the issuer recent losses, qualified independent auditor's report on the most recent financial statements of the issuer, etc.

Given the inherent limitations of the methodologies applied and the significant uncertainty of assets of international and local markets, the Company's estimates may be revised significantly following the date of approval of the financial statements.

(vi) Derecognition

The Company derecognises a financial asset when the rights to receive cash flows of 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 substantially transferred all the risks and rewards related to ownership.

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

The Company derecognises a financial liability when its contractual obligations have been completed or when contractual obligations are canceled or expires.

The Company derecognises a financial asset when transferring between categories of the financial assets available for sale at the end of the reporting period, when there is no active market or where it is not possible to reliably determine a fair value when the financial asset market it becomes active.

(vii) Reclassification of financial assets

The reclassification of a financial asset outside the category of the 'financial assets held for trading" is allowed only in rare circumstances.

Transfer from the category of "financial assets available for sale" under "assets held to maturity" (for debt instruments) is possible if there is a change of intent and/or capacity or it is a period of contamination. The fair value of the asset at the date of transfer becomes its new cost or amortized cost, as applicable. If, after the change in intention or ability, it is no longer appropriate the classification of an asset as "available to maturity", it should be reclassified as "available for sale" and will be remeasured at fair value.

The Company reclassified financial assets only if there was a change in the business model for managing those financial instruments. The Company estimates that such changes are rare. The changes are determined by management as a result of changes in foreign and domestic operations are significant for the Company.

The business model for managing financial assets determines whether their cash flows are recovered by collecting the contractual cash flows through sale of financial assets or both.

(f) Other financial assets or liabilities

Other financial assets and liabilities are measured at amortized cost using the effective interest method, less any impairment losses.

3. Significant accounting policies (continued)

(g) Tangible assets

(i) Recognition and evaluation

Tangible assets are initially recognized as an asset at cost. The cost of a tangible assets item comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts, and any costs directly attributable to bringing the asset to the location and conditions necessary for it to be used for the purpose intended by the management, such as staff costs arising directly from the construction or acquisition of assets, the costs of site preparation, initial delivery and handling costs, installation and assembly costs, professional fees.

Tangible assets are classified by the Company in the following asset classes of the same nature and similar use:

- Lands;
- Constructions;
- Equipment, technical equipment and machinery;
- Vehicles;
- Furniture and other tangible assets.

The Company does not own land and buildings.

Tangible assets and equipment are stated at cost, less accumulated amortization and the impairment loss (see accounting policy 3 h).

Expenditure on maintenance and repairs of tangible assets are recorded in profit or loss when incurred, while significant improvements to tangible assets, which increase the value or duration of their life, or which increase their capacity to generate economic benefits, are capitalized.

(ii) Depreciation

Depreciation is calculated using the straight line method over the estimated useful life of the assets as follows:

Equipment, Plant and machinery	3-20 years
- Vehicles	3-6 years
- Furniture and other tangible assets	3-15 years

Depreciation methods, useful life durations and estimated residual values are reviewed by management at each reporting date.

(iii) Sale / scrapping of tangible assets

Tangible assets that are scrapped or sold are removed from the financial position statement along with the corresponding accumulated depreciation. Any profit or loss resulting from such operations are included in current profit or loss.

(h) Impairment of assets other than financial

The carrying amount of the Company's assets that are not financial, other than deferred tax assets, are reviewed at each reporting date to identify the existence of indications of impairment. If such indication exists, the recoverable amount is estimated for the respective assets.

3. Significant accounting policies (continued)
(h) Impairment of assets other than financial (continued)

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash independently of other assets and other groups of assets. Impairment losses are recognized in profit or loss and other comprehensive income. The recoverable amount of an asset or cash-generating unit is the maximum of its value in use and its fair value less costs to sell the asset or units. To determine value in use, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether it decreased or no longer exists. The impairment loss shall be resumed if there was a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(i) Share capital

Ordinary shares are recognized in equity.

(j) Provisions for risks and expenses

Provisions are recognized in the statement of financial position when the Company acquires the obligation related to a past event and it is likely to be required in the future consumption of economic resources to extinguish this obligation and can make a reasonable estimate of the obligation. To determine the allowance, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the liability.

(k) Dividend income and interest expenses

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the expected cash receipts and payments in the future during the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the asset or financial liability.

(l) Dividend income

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

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

Dividend income is recorded on a gross basis including dividend tax, which is recognized as a current income tax expense.

3. Significant accounting policies (continued)

(m) Employees benefits

(i) Short term benefitst

Obligations with short-term benefits granted to employees are not updated and are recognized in the statement of profit or loss and other comprehensive income as the services are provided.

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are rendered. It recognizes a provision for the amounts expected to be paid as premiums in short-term cash while the company currently has a legal or constructive obligation to pay those amounts as a result of past service rendered by employees and whether that obligation can be estimated reliably.

(ii) Defined contribution plans

The Company makes payments on behalf of their employees to the Romanian State pension system, health insurance and unemployment fund, in the normal course of business.

All members and employees of the Company are also legally obliged to contribute (through social contributions) to the Romanian State pension (a State defined contribution plan). All relevant contributions are recognized in profit or loss when incurred. The Company has no further obligations.

The Company is not engaged in any independent pension scheme and consequently, has no other obligations in this regard. The Company is not engaged in any other post retirement benefit system. The Company has no obligation to provide further services to current or former employees.

(iii) Long term employees benefits

The Company's net obligation in respect of services related to long-term benefits is the amount of future benefit that employees have earned in return for services rendered by them in the current and prior periods.

The Company has no obligation to grant benefits to employees at retirement date.

(n) Gains and losses from foreign exchange rate differences

Foreign currency transactions are recorded in the functional currency (leu), by converting the amount in foreign currency at the official exchange rate of the National Bank of Romania for the trade date. At the financial position statement date, monetary items denominated in foreign currencies are translated using the closing exchange rate.

Gains or losses resulting from the settlement thereof and the conversion using the exchange rate at year-end of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and other comprehensive income except those that have been recognized in equity following their registration in accordance with hedge accounting.

Translation differences on elements such as participations at fair value through profit or loss are presented as gains or losses from fair value. Exchange differences relating to monetary financial assets denominated in foreign currency classified as available for sale, at fair value are reflected in a separate reserves account.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

3 Significant accounting policies (continued)

(o) Profit tax

Tax on profit for the period comprises current tax and deferred tax. Current income tax includes income tax from dividends recognized at gross value.

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

Current tax is the expected tax payable on the profit realized in the current period, using tax rates applied at the financial position statement date and any adjustments related to prior periods.

Deferred tax is provided for temporary differences arising between the tax base for calculating the tax for assets and liabilities and their carrying amount in the financial statements used for individual financial statements reporting.

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 that affects neither the accounting profit or the tax differences arising on investments in subsidiaries, provided that they are not resumed in the near future. Deferred tax is calculated using tax rates expected to apply to temporary differences in their replay, the laws in force at the reporting date or issued at the reporting date and which will come into force later. Assets and liabilities deferred tax are offset only if a legally enforceable right to offset debts and claims current tax and whether they are related to the tax collected by the same taxation authority on the same entity subject to taxation or tax authorities different but they want to achieve settlement of claims and current tax liabilities using the net or related assets and liabilities will be realized simultaneously.
Deferred tax asset is recognized only to the extent that it is probable that future profits that can be used to cover the tax loss. The claim is reviewed at each financial year and is reduced to the extent that the related tax benefit is unlikely to be realized.

Additional taxes that arise from the distribution of dividends are recognized at the same time as the obligation to pay dividends.

For the financial year ended 31 December 2016 and 31 December 2015, the income tax rate was 16%. The tax rate related to taxable dividend income for the year ended 31 December 2016 was of 5% (at 31 December 2015:16%).

(p) Earnings per share

The Company presents basic earnings per share and diluted for ordinary shares. Basic earnings per share is determined by dividing profit or loss attributable to ordinary equity shareholders of the Company's weighted average number of ordinary shares outstanding over the reporting period. 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 dilution effects arising from potential ordinary shares.

(q) Dividends to be distributed

Dividends are treated as an appropriation of profit in the period in which they were declared and approved by the General Meeting of Shareholders. Since the financial year ended 31 December 2015, the profit available for distribution is recorded in the profit of financial statements prepared in accordance with FSA Rule no. 39/2015. Dividends not collected for three years after expiry of prescription period are recorded directly in equity being treated as contributions from shareholders according to the decision of the General Shareholders Meeting.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

3. Significant accounting policies (continued)

(r) Subsequent events

Events occured after the financial year are those events favorable and unfavorable, that occur between the end of the financial year and the date the financial statements are authorized for issue. Subsequent events that provide additional information about the Company's position to the date of ending the financial year (adjusting events) are reflected in the financial statements.
Events after the financial year that require no adjustments are shown in the notes, when considered significant.

(s) Related parties

Different entities or persons are considered to be in special relationship with the Company in case one of the parties, either through ownership or through contractual rights, family relationship or other similar situations may directly or indirectly control the other party, or can influence significantly in the financial and operational decision making process.
Related party transactions represent a transfer of resources or obligations between related parties regardless of whether a price is charged.

3. Significant accounting policies (continued)

(s) Standards and new interpretations that are not yet in force

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2016 and have not been applied in preparing these financial statements:

A. Standards which have been adopted by the European Union

a) IFRS 9 Financial Instruments (effective date: annual periods beginning with January 1, 2018)

This standard replaces the provisions of IAS 39 "Financial Instruments: Recognition and Evaluation" on classification and measurement of financial assets, with the exception of aspects relating to hedge accounting in respect of which entities may choose to apply the old provisions of IAS 39 or to apply IFRS 9.

Financial assets will be classified using one of two methods of evaluation: amortized cost and fair value through other comprehensive income and fair value through profit or loss. A financial asset can be measured at amortized cost only if the following two conditions are met: assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and contractual terms generate, at the certain dates, cash flows representing only payments of principal and interest on the outstanding principal.

Gains or losses on subsequent changes in the value of assets measured at fair value are recognized in profit or loss except for investments in equity instruments that are not held for trading, for which the standard allows upon initial recognition the measurement at fair value with recognition of subsequent changes of value in the overall result.

The happened loss in IAS 39 is replaced with the expected loss model, which means it will not be necessary that a loss event to take place before the recognition of an impairment adjustments. However, the disclosure requirements are substantial.

The Company believes that IFRS 9, upon initial application will have a significant impact on the financial statements, since it is expected to change the classification and measurement of certain financial instruments.

B. Standards which have not yet been adopted by the European Union

a) IFRS 15 – Revenue from contracts with customers (effective for periods beginning on or after January 1, 2017)

Issued 28 May 2014, the standard replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC - 31. The standard is applicable to contracts with clients other than insurance, financial instruments, leasing. It prescribes a single model for analysis of customer contracts and two revenue recognition approaches - at a certain point in time or during the contract, depending on the time of fulfillment the obligation under the contract.

The Company does not consider that these amendments will have a significant effect on the individual financial statements.

b) Amendments to IAS 7 (effective for periods beginning on or after January 1, 2017)

Amendments to IAS 7 bring the need to submit additional information to enable users to evaluate changes in debt in flows from financing activities.

The Company does not consider these amendments will have a significant effect on the individual financial statements.

3. Significant accounting policies (continued)

(s) Standards and new interpretations that are not yet in force (continued)

c) Amendments to IAS 12 (effective for periods beginning on or after January 1, 2017)

The amendments clarify the accounting for deferred tax assets in relation to debt securities measured at fair value. Specifically, it clarifies that losses from the valuation at fair value generates a deductible temporary difference. The Company does not consider these amendments will have a significant effect on the individual financial statements.

4. Significant risks administration

Investment activity exposes the Company to a variety of risks associated with financial instruments owned and financial markets in which it operates. The main risks to which the Company is exposed are:

- Market risk (interest rate risk, currency risk and price risk);
- Liquidity risk;
- Credit risk;
- Risk related to taxation;
- Operational risk.

The overall risk management strategy seeks to maximize Company's profit reported to the level of risk to which it is exposed and minimize any potential adverse variations on the financial performance of the Company.

The company uses a variety of policies and procedures for the management and evaluation of the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

(a) Market risk

Market risk is the risk of a loss or the failure to achieve expected profit as a result of fluctuations in prices, interest rates and exchange rates of currencies.

The Company is exposed to the following market risk categories:

(i) Price risk

The Company is exposed to risks associated with variation in the price of financial assets at fair value through profit or loss and financial assets available for sale.

Of the total shares held by the Company with an active market, on 31 December 2016 49% (31 December 2015: 48%) were investments in companies that were part of the BET index of the Bucharest Stock Exchange, index weighted by market capitalization and designed to reflect the trend of prices of the most liquid ten shares traded on the Bucharest Stock Exchange. The Board of Directors of SAI Muntenia Invest SA fulfills its role of monitoring the risk management framework and of approvings trading limits on the Romanian capital market for speculative purposes.

A positive variation of 10% in the price of financial assets at fair value through profit or loss would lead to an increase in profit after tax at 31 December 2016 of 6,659,505 lei lei (31 December 2015: 12,166,086 lei), a negative variation of 10% having an equal net impact and of opposite sign.

A positive variation of 10% in prices of financial assets available for sale would lead to an increase in equity, net of tax, with 81,967,956 lei (31 December 2015: 73,540,360 lei), a negative variation 10 % having an equal net impact and of opposite sign.

4. Significant risks administration (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The company holds shares in companies operating in various sectors, such as:

in LEI	**31 December 2016**	**%**	**31 December 2015**	**%**
Financial, banking and insurance	345,082,895	40%	343,521,232	40%
Real estate, renting and other services	101,811,063	12%	106,968,219	12%
Wholesale, retail, tourism and restaurants	90,526,639	11%	92,992,531	11%
Building materials industry	75,758,617	9%	73,415,069	8%
Agriculture, livestock, fishing	27,930,633	3%	24,531,486	3%
Metallic construction and metal products	45,623,068	5%	47,268,952	5%
Pharmaceutical and medical industry	136,564,244	16%	142,614,068	16%
Chemical and petrochemical industry	3,454,090	0%	3,710,000	0%
Energy industry	16,597,254	2%	13,103,627	2%
Others	16,277,101	2%	17,609,305	2%
TOTAL	**859,625,604**	**100%**	**865,734,489**	**100%**

As can be noticed from the above table, on 31 December 2016 the Company had mainly shares in companies active in banking and insurance, accounting for 40% of the total portfolio, up from the weight recorded 31 December 2015. On the other hand, 16% of the equity portfolio at 31 December 2016 represents holding in companies in the pharmaceutical and medical industry, down from the 16% as recorded on 31 December 2015.

Fund units held by the Company are exposed to price risk, they having different degrees of risk investments themselves (bank deposits, bonds, other fixed income instruments, equities, derivatives etc.) - see note 26.

Structured products held by the Company are also exposed to price risk, amounting to 64,226,991 lei (31 December 2015: 55,263,607 lei), in terms of support assets - see note 15.

(ii) Interest rate risk

The company faces interest rate risk exposure to adverse movements in interest rates. Changing market interest rates directly affects income and expenses related to financial assets and liabilities bearing floating interest rates and the market value of the interest bearing assets (for example, the bonds). As of 31 December 2016 and 31 December 2015, the majority of the Company's assets and liabilities are not interest bearing. As a result, the Company is not directly affected significantly by the risk of interest rate fluctuations. Cash and cash equivalents are generally invested in short-term interest rates. However, lowering the yield on the market can affect the evaluation value of assets held by the Company.

4. Significant risks administration (continued)

(a) Market risk (continued)

Of total financial assets of the Company, the only variable interest bearing assets are represented by bonds issued by Banca Transilvania SA, amounting to 1,132,094 RON, whose interest will be reset within 1-6 months to 31 December 2016. For more information on contractual maturity of interest-bearing financial assets of the Company, see note 4 (c) liquidity risk. The Company does not use derivative financial instruments to protect itself against interest rate fluctuations. The impact on net profit of the Company of a change of ± 1.00% interest rate related to variable interest-bearing assets and liabilities denominated in other currencies in conjunction with a change of ± 5.00% interest rate related to variable interest-bearing assets and liabilities denominated in lei lei is of ± 9.510 (31 December 2015: ± 9.475 lei).

(iii) Currency risk

Currency risk is the risk of loss or failure to achieve estimated profit as a result of unfavorable exchange rate fluctuations. The Company is exposed to fluctuations in exchange rates, but has not formalized a policy of currency hedging. Most of the Company's financial assets and liabilities are denominated in local currency, other currencies in which operations are performed are EUR and USD.
Financial assets and liabilities denominated in foreign currencies and LEI as of 31 December 2016 and 31 December 2015 are presented in the following tables.

31 December 2016

In LEI	**Book value**	**LEI**	**USD**	**EUR**
Financial assets				
Cash and cash equivalent	**4,861,588**	4,852,211	819	8,558
Deposits with banks	**76,631,897**	76,631,897	-	-
Financial assets at fair value through profit or loss	**79,279,822**	35,774,231	-	43,505,591
Financial assets available for sale	**954,163,015**	954,163,015	-	-
Loans and receivables	**8,259,365**	-	-	8,259,365
Other assets	**4,959,899**	4,959,899	-	-
TOTAL	**1,128,155,586**	**1,076,381,253**	**819**	**51,773,514**
Financial liabilities				
Dividends to be paid	**82,193,835**	82,193,835	-	-
Other liabilities	**8,404,099**	8,404,099	-	-
TOTAL	**90,597,934**	**90,597,934**	-	-

4. Significant risks administration (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

31 December 2015

In LEI	**Book value**	**LEI**	**USD**	**EUR**
Financial assets				
Cash and cash equivalent	**4,571,094**	4,562,005	982	8,107
Deposits with banks	**12,131,507**	12,131,507	-	-
Financial assets at fair value through profit or loss	**144,834,354**	110,304,747	-	34,529,607
Financial assets available for sale	**903,618,737**	899,804,515	-	3,814,222
Loans and receivables	**8,256,386**	-	-	8,256,386
Other assets	**2,891,544**	2,891,544	-	-
TOTAL	**1,076,303,622**	**1,029,694,318**	**982**	**46,608,322**
Financial liabilities				
Dividends to be paid	**129,728,625**	129,728,625	-	-
Other liabilities	**17,904,547**	17,904,547	-	-
TOTAL	**147,633,172**	**147,633,172**	-	-

The net impact on Company's profit of a change of ± 5% of the RON/ EUR currency rate together with a modification of ± 5% of the RON/ USD currency rate as of 31 December 2016, all other variables remaining constant, is of ± 2,174,522 lei (31 December 2014: ± 1,957,591 lei).

(b) Credit risk

Credit risk is the risk of loss or failure to achieve estimated profits due to failure of a counterparty to comply with financial obligations. The Company is exposed to credit risk due to investments in bonds issued by companies, current accounts and bank deposits and loans and receivables.

As of 31 December 2016 and 31 December 2015 the Company holds bonds in the amount of 15,872,291 lei, issued by Medical Competences Muntenia SA, which entered into insolvency proceedings and a real estate collateral was established as a guarantee, worth of 15,090,618 lei. For these bonds, impairment adjustments are made in the amount of 8,777,411 lei.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

4. Significant risks administration (continued)

(b) Credit risk (continued)

The Company's maximum exposure to credit risk amounts to 94,711,638 lei as of 31 December 2016 and of 27,844,426 lei as of 31 December 2015 and can be analyzed as follows:

In LEI	**2016**	**31 decembrie 2015**
Exposure from current accounts and bank deposits (Note 13 and Note 14)		
Veneto Banca S.A.	13,225,801	-
Banca Transilvania S.A.	15,675,205	1,910
Libra Internet Bank S.A.	20,394,379	885,173
Banca Comercială Română S.A.	79	382
BRD - Groupe Societe Generale S.A.	35,963	9,919
Credit Europe Bank S.A.	6,515,265	3,351,096
Marfin Bank S.A.	20,056,596	8,111,819
Banca Comercială Feroviară S.A.	5,199,930	4,016,321
Other commercial banks	389,156	319,876
Total	**81,492,374**	**16,696,496**
Loans and receivables (Note 15 c))		
Bonds Muntenia Medical Competences S.A.	7,094,880	7,094,880
Bonds Banca Transilvania S.A.	1,132,094	1,127,955
Other receivables and related interest	32,391	33,551
Total	**8,259,365**	**8,256,386**
Loans and receivables clasiffied according to maturity:		
- current (Banca Transilvania S.A., bonds and related interest)	1,164,485	1,161,506
- outstanding, adjusted gross values Muntenia Medical Competences S.A., Transchim S.A., Siderca S.A. bonds)	19,958,710	20,187,543
- aadjustmnets for outstanding receivables Muntenia Medical Competences S.A., Transchim S.A., Siderca S.A. bonds)	(12,863,830)	(13,092,663)
Total	**8,259,365**	**8,256,386**

4. Significant risks administration (continued)

(b) Credit risk (continued)

In LEI	**31 decembrie 2016**	**31 decembrie 2015**
Various debtors and trade receivables (Note 17)		
Consol S.A.	2,057,414	2,076,100
Banca Română de Scont S.A.	1,283,228	1,283,228
Autoritatea Administrării Activelor Statului	1,154,742	1,157,741
Timpuri Noi S.A.	2,529,526	-
Galgros S.A.	1,951,258	-
Vulturul Comarnic S.A.	2,451,251	-
Dividende de încasat	746,870	1,056,474
Alţi debitori diverşi	711,663	3,144,960
Impairment of trade receivables and various debtors	(7,926,054)	(5,826,958)
Total	**4,959,899**	**2,891,544**

Various debtors and trade receivables classified according to maturity:

- current (various debtors)	6,684	2,568,244
- outstanding, adjustments of gross values (various debtors and dividends to be received)	12,868,263	5,826,958
- adjustments for various debtors (Consol S.A.,Banca Română de Scont S.A.,Autoritatea Administrării Activelor Statului, Timpuri Noi S.A., Galgros S.A.,Vulturul Comarnic S.A.) and outstanding dividends to be received	(7,926,054)	(5,826,958)
- outstanding, not adjsuted (dividends to be received)	11,006	323,300
Total	**4,959,899**	**2,891,544**
Total exposure	**94,711,638**	**27,844,426**

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

4. Significant risks administration (continued)

(c) Liquidity risk

Liquidity risk is the risk of loss or failure to achieve estimated profits resulting from failure to meet payment obligations at any time in the short term, without this entailing excessive costs or losses that may be incurred by the Company.

The structure of assets and liabilities was analyzed based on the period remaining as of the financial position statement date to contractual maturity date, both for the financial year ended 31 December 2016 and for the one ended 31 December 2015 as follows:

31 December 2016

In LEI	**Book value**	**Below 3 months**	**Betrween 3 and 12 months**	**More than 1 year**	**No pre-established maturity**
Finnacial assets					
Cash and cash equivalents	**4,861,588**	4,860,477	-	-	1,111
Bank deposits	**76,631,897**	76,621,236	-	-	10,661
Financial assets at fair value through profit or loss	**79,279,822**	-	20,721,400	43,505,591	15,052,831
Financial assets available for sale	**954,163,015**	-	-	-	954,163,015
Loans and receivables	**8,259,365**	7,127,271	-	1,132,094	-
Other assets	**4,959,899**	4,959,899	-	-	-
Total financial assets	**1,128,155,586**	**93,568,883**	**20,721,400**	**44,637,685**	**969,227,618**
Financial liabilities					
Dividends to be paid	**82,193,835**	82,193,835	-	-	-
Other liabilities	**8,404,099**	8,404,099	-	-	-
Total finnacial liabilities	**90,597,934**	**90,597,934**	**-**	**-**	**-**
Liquidity surplus	**1,037,557,652**	**2,970,949**	**20,721,400**	**44,637,685**	**969,227,618**

4. Significant risks administration (continued)

(c) Liquidity risk (continued)

31 December 2015

In LEI	**Book value**	**Below 3 months**	**Betrween 3 and 12 months**	**More than 1 year**	**No pre-established maturity**
Finnacial assets					
Cash and cash equivalents	**4,571,094**	4,564,989	-	-	6,105
Bank deposits	**12,131,507**	12,121,846	-	-	9,661
Financial assets at fair value through profit or loss	**144,834,354**	-	55,263,607	-	89,570,747
Financial assets available for sale	**903,618,737**	-	-	-	903,618,737
Loans and rceivables	**8,256,386**	7,128,431	-	1,127,955	-
Other assets	**2,891,544**	2,891,544	-	-	-
Total financial assets	**1,076,303,622**	**26,706,810**	**55,263,607**	**1,127,955**	**993,205,250**
Financial liabilities					
Dividends to be paid	**129,728,625**	129,728,625	-	-	-
Other liabilities	**17,904,547**	17,904,547	-	-	-
Total finnacial liabilities	**147,633,172**	**147,633,172**	**-**	**-**	**-**
Liquidity surplus	**928,670,450**	**(120,926,362)**	**55,263,607**	**1,127,955**	**993,205,250**

Based on estimates made and taking into account the statistical data relating to previous years, the management considers that the quota of dividends required by shareholders is insignificant from dividends distributed until 31 December 2015.

(d) Taxation risk

Romanian tax legislation provides detailed and complex rules that undergone several changes in recent years. Interpretation of the text and the practical implementation of tax laws may vary with the risk that certain transactions is interpreted differently by the tax authorities as compared to the Company’s treatment.

In terms of profit tax there is a risk of different interpretation by the tax authorities of the fiscal rules applied according to IFRS accounting regulations.
Romanian Government has a number of agencies authorized to conduct audits (controls) of companies operating in Romania. These controls are similar to tax audits in other countries, and may extend not only to tax matters but also to other legal and regulatory issues of interest to these agencies. There is posible that the Company may be subject to tax audits on the extent of issuing new tax regulations.

4. Significant risks administration (continued)

(e) Operational risk

Operational risk is the risk of incurring losses or not reaching the estimated profits due to internal factors such as inappropriate conduct of internal activities, the existence of personnel or systems failure or due to external factors such as economic conditions, changes in capital market, technological progress. Operational risk is inherent in all activities of the Company. Defined policies for operational risk management took into consideration each type of event that can generate significant risks and ways of their manifestations, to eliminate or reduce financial or reputational losses.

(f) Capital adequacy

The Management's policy regarding capital adequacy focuses on maintaining a sound capital base in order to support the ongoing development of the Company and investment objectives.

5. Significant Accounting Estimates and judgments

The Management discussed the development, selection, presentation and application of significant accounting policies and estimates. All these are approved at the meetings of the Board of Directors of SAI Muntenia Invest S.A.

These presentations complement the information on financial risk management (see Note 4). Significant accounting judgments on applying the Company's accounting policies include:

Key sources of uncertainty of estimation

Impairment of loans and receivables

Assets carried at amortized cost are evaluated for impairment in accordance with accounting policy described in Note 3 (e) (v).

Assessment for impairment of receivables is made on an individual level and are based on management's best estimate of the present value of cash flows expected to be received. To estimate these flows, the management makes certain estimates related to the financial position of the counterparty. Each impaired asset is individually analyzed. Accuracy of the adjustments depends on estimates of future cash flows for specific counterparties.

Determining the fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques in accounting policy described in Note 3 (e) (v). For financial instruments rarely traded and for which there is no price transparency, fair value is less objective and is determined using various levels of estimates of the degree of liquidity, the concentration, uncertainty of market factors, assumptions of price and other risks affecting the respective financial instrument.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

5. Significant Accounting Estimates and judgments (continued)

Fair value hierarchy

The Company uses the following hierarchy for fair value measurement methods:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes items that are not based on observable and unobservable input parameters which can have a significant effect on the assessment instrument. This category includes instruments that are valued based on quoted prices for similar instruments but which are subject to adjustments based largely on unobservable data or estimates to reflect the difference between the two instruments.

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or the prices quoted by brokers. For all other financial instruments, the Company determines fair value by using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation techniques. Assumptions and variables used in valuation techniques include interest rates without risk and reference rates, margins for credit risk and other premiums used in estimating discount rates, yields on bonds and equity, exchange rates, indices price of capital, volatilities and correlations predicted. The purpose of valuation techniques is to determine the fair value of financial instruments which reflect the price at the reporting date, the price would be determined by objective conditions market participants.

The Company uses valuation recognized models to determine the fair value of financial instruments using only simple observable market data and asks very little from management estimates and analysis. Prices and observable input parameters in the model are usually available in the market for capital instruments. Their availability reduce the need for analysis from management estimates and uncertainty associated with determining fair value. The availability of observable market prices and inputs varies depending on products and markets and is subject to changes arising from specific events and general conditions in the financial markets.

For the shares that do not have a quoted market price in an active market, the Company uses valuation models which are usually derived from known models of evaluation. Some or all significant data input into these models may not be observable in the market and are derived from market prices or estimated based on assumptions. Valuation models requiring unobservable inputs require a greater analysis and estimation by management to determine fair value. Analyze and estimate from management affect, in particular, the selection of a suitable evaluation to determine future cash flows of a financial instrument, to determine the probability of default by the counterparty and payments in advance and selecting discount rates appropriate.

The table below uses financial instruments recorded at fair value according to the based method of assessment.

31 December 2016

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	15,052,831	-	64,226,991	79,279,822
Financial assets available for sale at fair value	561,953,202	-	311,266,272	873,219,474
	577,006,033	**-**	**375,493,263**	**952,499,296**

31 December 2015

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	31,540,386	-	113,293,968	144,834,354
Financial assets available for sale at fair value	549,542,430	-	239,504,649	789,047,079
	581,082,816	**-**	**352,798,617**	**933,881,433**

For the year ending 31 December 2016, the Company presented financial assets at fair value through profit or loss on fair value hierarchy level 3, instruments held in structured products worth 64,226,991 lei (31 December 2015: 55,263,607 lei) and and only as at 31 December 2015 in closed fund units worth 58,030,361 lei.

For the year ending 31 December 2016 the Company has classified financial assets available for sale at fair value in Level 3 of the fair value hierarchy, shares held in ten companies whose fair value of 239,511,605 lei (as at 31 December 2015: in nine companies whose fair value of is of 219,635,120 lei) was determined by an independent valuer using valuation models according to the evaluation standards ANEVAR - EVS applicable from 1 July 2015 and closed fund units worth 71,754,667 lei (31 December 2015: 19.869.529 lei).

The principal assumptions used at 31 December 2016 and 31 December 2015 in the valuation model for financial assets available for sale - shares, together with the amounts are presented in the following table:

Assumptions used in the valuation model	**Indicator's value used for the valuation as of 31 December 2016**	**Indicator's value used for the valuation as of 31 December 2015**
The annual change in EBITDA	0% - 8%	-0,5% - 7%
Variation in perpetuity of revenue and expenditure	1.40%	1.40%
Weighted average cost of capital (WACC)	6,6% - 10,2%	8,3% - 9,2%

Although the Company considers its fair value estimates as appropriate, using other methods or assumptions could result in different values of fair value. For fair values recognized following the use of a significant number of unobservable inputs (Level 3) modifying one or more hypotheses other reasonable alternative assumptions would have an influence on the situation of profit or loss and other comprehensive income, as follows:

Variable changing at the valuation as of 31 December 2016	Impact on the profit and loss account	Impact on other elements of comprehensive result
Increase of EBITDA with 3%	-	8,725,120
Decrease of EBITDA with 3%	-	(8,503,927)
Increase of WACC with 0,5%	-	(11,361,658)
Decrease of WACC with 0,5%	-	13,373,129
Increase of perpetuity of revenues and expenses with 0,5%	-	7,977,675
Decrease of perpetuity of revenues and expenses with 0,5%	-	(6,832,794)

Variable changing at the valuation as of 31 December 2015	Impact on the profit and loss account	Impact on other elements of comprehensive result
Increase of EBITDA with 3%	-	8,070,394
Decrease of EBITDA with 3%	-	(8,083,914)
Increase of WACC with 0,5%	-	(6,510,594)
Decrease of WACC with 0,5%	-	8,359,730
Increase of perpetuity of revenues and expenses with 0,5%	-	8,223,358
Decrease of perpetuity of revenues and expenses with 0,5%	-	(7,053,986)

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

5. Significant Accounting Estimates and judgments (continued)

Fair value hierarchy (continued)

In the valuation model for financial assets available for sale – fund units, a positive change in fair value of 10% leads to an increase in equity, net of tax, with 6,027,392 lei on 31 December 2016 (31 December 2015: 1,669,040 lei), a 10% adverse change having an equal net impact and of opposite sign.

In the valuation model for financial assets at fair value through profit or loss – fund units and structured products, a positive change in fair value of 10% leads to an increase in profit after tax of 5,395,067 lei as of 31 December 2016 (31 December 2015: 9,516,693 lei), a 10% adverse change having an equal net impact and of opposite sign.

Reconciliation of fair value evaluations classified in Level 3 of the fair value hierarchy

In LEI	**Financial assets at fair value through profit or loss**	**Financial assets available for sale at fair value**
31 December 2014	**114,070,451**	**161,478,930**
Transfers to level 3	-	50,551,865
Transfers from level 3	-	-
	(776,483)	-
Gains or losses for the period included in profit or loss		
	-	20,026,349
Gains or losses for the period included in comprehensive result		
	-	7,447,505
Acquisitions to share capital		
31 December 2015	**113,293,968**	**239,504,649**
Transfers to level 3	-	62,322,767
Transfers from level 3	(55,645,599)	(3,800,026)
	5,996,222	(1,956,913)
Gains or losses for the period included in profit or loss		
	-	16,711,663
Gains or losses for the period included in comprehensive result		
Acquisitions, participations to share capital	66,203,757	-
Sales	(65,621,357)	(1,515,868)
31 December 2016	**64,226,991**	**311,266,272**

The participation held in Unisem S.A. was transferred from Level 1 to Level 3 of the fair value hierarchy as of 31 December 2016 at the fair value of 15,533,457 lei (31 December 2015: Semrom Muntenia S.A., at the fair value of 50,551,865 lei). Fund units of FII BET-FI Index Invest were transferred from Level 3 to Level 1 of the fair value hierarchy as of 31 December 2016, at the fair value of 3,891,239 lei.

5. Significant Accounting Estimates and judgments (continued)

Classification of financial assets and liabilities

The Company's accounting policies provide the basis so that the assets and liabilities to be classified, initially, in various accounting categories. For the classification of assets and liabilities at fair value through profit or loss, the Company has determined to have been met one or more criteria as presented in note 3 (e) (i).

Details of the classification of financial assets and liabilities of the Company are presented in Note 23.

6. Dividend income

Dividend income is recorded on a gross basis. Tax rates related to dividends for the financial year ended 31 December 2016 were 5% and nil (2015: 16% and zero). Detailing the main counterparts of dividend income is presented in the table below:

In LEI	**2016**	**2015**
SIF Oltenia S.A.	2,262,000	2,088,000
SIF Banat-Crişana S.A.	-	2,716,977
BRD GSG S.A.	926,025	-
Banca Transilvania S.A.	32,684,748	-
Sticloval S.A. Valeni de Munte	1,913,926	-
SNGN Romgaz S.A.	1,016,474	-
Ci-Co S.A.	4,026,113	-
Biofarm S.A.	8,038,065	7,535,686
Metav S.A.	-	1,103,016
Firos S.A.	712,751	-
Casa de Bucovina S.A.	335,701	369,271
CNTEE Transelectrica S.A.	359,930	-
SIN S.A. Bucuresti	3,337,574	-
Merrill Lynch	1,260,000	1,518,000
Others	3,707,950	2,794,110
Total	**60,581,257**	**18,125,060**

7. Interest income

In LEI	**2016**	**2015**
Interest income on deposits and current accounts	885,577	1,016,641
Interest income on loans and receivables	70,313	72,077
Total	**955,890**	**1,088,718**

8. Net gain from the sale of assets

In LEI	2016	2015
Net income from sale of financial assets available for sale *(i)*	25,420,384	34,412,149
(Net loss) / Net income from sale of financial assets at fair value through profit or loss *(ii)*	11,687,490	479,645
Total	**37,107,874**	**34,891,794**

(i) The book value of financial assets available for sale valuated at cost at the time of sale was 48,073,794 lei (2015: 2,449,716 lei) and the selling profit was RON 17,796,846 lei (2015: 4,720,047 lei)

The book value of financial assets available for sale evaluated at fair value at the time of sale was 51,135,184 lei (2015: 43,700,882 lei) and the selling profit was 7,623,538 lei (2015: 29,692,102 lei).

(ii) The book value of financial assets at fair value through profit or loss at the moment of sale was of 56,749,867 lei (2015: 36,762,493 lei), and the gain after sale was of 11,687,490 lei (2015: 479,645 lei).

9. (Net loss)/Net profit from revaluation of financial assets at fair value through profit or loss

In LEI	2016	2015
Net profit from revaluation of financial assets held for trading - shares	91,351	51,448,826
(Net loss) / Net profit from revaluation of financial assets held for trading - structured products	(2,816,766)	2,002,000
Net loss from revaluation of financial assets designated at fair value through profit or loss - fund units	(5,713,465)	(4,530,410)
Total	**(8,438,880)**	**48,920,416**

10. Impairment losses

In LEI	2016	2015
Impairment losses on financial assets available for sale (Note 15b)	(9,551,202)	(5,788,179)
Resumption losses / (Loss) from impairment of loans and receivables (Note 15c)	228,833	94,617
(Loss)/Resumption losses from impairment of other assets (Note 17)	(2,099,095)	554,965
Total	**(11,421,464)**	**(5,138,597)**

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

11. Other operating expenses

In LEI	**2016**	**2015**
Expenses with third party services	1,395,983	1,363,007
Expenses for commissions	1,190,445	1,172,285
Custody fees	218,650	252,317
Transactions costs	525,486	488,295
Protocol, advertising and publicity	155,327	185,618
Other operational expenses	113,822	287,430
Total	**3,599,713**	**3,748,952**

Other operating expenses include the costs of transport and telecommunications, other taxes, etc.

12. Income tax

In LEI	**2016**	**2015**
Current income tax		
Current income tax (16%)	-	20,848,309
Dividend tax (5%, 16%)	2,010,724	1,257,329
	2,010,724	**22,105,638**
Deferred income tax		
Financial assets available for sale	(1,263,699)	(10,909,528)
Financial assets at fair value through profit or loss	4,448,537	487,558
Provision adjustments for other assets, loans and receivables	(299,242)	103,933
	2,885,596	**(10,318,037)**
Total	**4,896,320**	**11,787,601**

Reconciliation of profit before tax with the Income tax expense:

In LEI	**2016**	**2015**
Income before tax	**55,282,504**	**75,643,338**
Tax according to statutory rate of taxation of 16% (2015: 16%)	8,845,201	12,102,934
Effect on income tax of:		
The dividends tax rates	2,010,724	1,257,329
Nondeductible expenses	4,406,588	12,066,179
Nontaxable income	(14,164,858)	(3,162,304)
Amounts of sponsorship within legal limits	-	(158,500)
Recording and reversal of temporary differences	2,885,596	(10,318,037)
Fiscal loss	913,069	-
Income tax	**4,896,320**	**11,787,601**

12. Income tax (continued)

Starting with the financial year 2015, in determining taxable profit, income and expenses are the ones registered in the accounting books according to IFRS accounting regulations net of non-taxable income while deductible expenses are added according to the Fiscal Code.

When calculating the profit tax, in the taxable revenue category there is included, along with dividend income and income from sale/transfer of shares and liquidation proceeds, no matter if the legal entities where participations are owned are legal Romanian or foreign entities from states with which Romania has concluded double taxation agreements (including outside the EU). This income is not taxable if certain conditions are met (if as of the date of sale/assignment of shares or as of the date of starting the liquidation operation the period of minimum of one year of uninterrupted holding is comlied with, for a participation of at least 10%). Given that the economic benefits associated with financial assets available for sale that meet the conditions stipulated in the Tax Code are not taxable, according to IAS 12, the tax basis of the assets is equal to the accounting basis and therefore were resumed on deferred tax expenses previously recognized for temporary differences arising from adjustments for impairment.

13. Cash and current accounts

In LEI	**31 December 2016**	**31 December 2015**
Cash in the petty cash	1,111	6,105
Current accounts at banks	4,860,477	4,564,989
Total cash	**4,861,588**	**4,571,094**

Current accounts held in banks are permanently available to the Company and are not restricted or encumbered.

14. Bank deposits

In LEI	**31 December 2016**	**31 December 2015**
Bank deposits with an initial maturity less than 3 months *(i)*	10,715,000	-
Bank deposits with an initial maturity more than 3 months and less than 1 year *(i)*	65,766,000	12,033,000
Receivables attached	140,236	88,846
Blocked deposits	10,661	9,661
Total deposits with banks	**76,631,897**	**12,131,507**

(i) Bank deposits are permanently available to the Company and are not restricted or encumbered.

15. Financial assets

a) Financial assets at fair value through profit or loss

In LEI	**31 December 2016**	**31 December 2015**
Financial assets held for trading - shares *(i)*	15,052,831	11,040,111
Financial assets held for trading - structured products *(ii)*	64,226,991	55,263,607
Financial assets designated at fair value through profit or loss - fund units *(iii)*	-	78,530,636
Total	**79,279,822**	**144,834,354**

(i) At 31 December 2016 and 31 December 2015, financial assets held for trading - shares are represented by shares issued by companies listed on the Bucharest Stock Exchange. At 1 December 2015 the Company has reclassified from financial assets held for trading - shares in financial assets available for sale, at fair value, number of six companies (Biofarm SA, Banca Transilvania SA, SN Nuclearelectrica SA, SSIF Broker SA, SIF Banat -Crişana SA, SIF Oltenia SA) at a fair value of 361,505,256 lei. At 31 December 2015 their value was of 367, 863,293 lei. The amount recognized in other comprehensive income related to these instruments is of 6,358,037 lei. The fair value of these shares as at 31 December 2016 is 358,931,233 lei. The amount recognized in other comprehensive income related to these instruments is minus 6,532,409 lei.

Biofarm S.A. carried out in 2015 a public offering following which the Company acquired a total of 205,275,304 shares, so that it accounted for more than 50% of share capital. Dividend policy and the probability of finding a strategic investor to be interested in acquiring the entire stake lead to a change in strategy of keeping this initial shareholding for a period of 3-5 years as assets available for sale.

Banca Transilvania S.A. completed on 31 December 2015 the merger with Volksbank Romania S.A. and the impact of this action will be felt over a period of at least 3 years. The probability of increasing the shares quotation on a medium and long term and a possible change of dividend policy leads to a change in strategy of keeping this initial shareholding for a period of minimum 3 years. SNN Nuclearelectrica S.A. is part of the energy sector, which is in a phase of modernization and expansion, this being the reason why after performing the analyzes it was reached the conclusion that this share should be capitalized within at least 3 years.

SSIF Broker is in the process of diversifying its core business and trying to enter the insurance market as well, in parallel with the issuance of new capital protected products which are a viable alternative to bank deposits. Under these conditions, a growth of the company's revenues is expected, fact that can lead to an increase of the market price of the issuer. Hence, capitalizing the investment within a period of 3-5 years can lead to profit for the Company.

SIF Banat-Crisana S.A. and SIF Oltenia S.A. dividend policy and increased probability of increased quotations on a medium and long term lead to a change in the initial strategy of keeping those holdings for a period of 3-5 years, especially given that banks offer low interest rates on bank deposits.

15. Financial assets (continued)

a) Financial assets at fair value through profit or loss (continued)

(ii) During 2016, the Company invested in 28 million units at a cost of 21,582,400 lei, structured financial instruments issued by Merrill Lynch International & CO C, instruments that track the evolution of SIF Moldova S.A. (SIF 2) share for a period of one year. Merrill Lynch International & Co. CV is a company specialized in issuing warrants and financial instruments as well as in the distribution of fund units managed by Merrill Lynch International. The company operates as a subsidiary of Merrill Lynch Cayman Holdings Inc. Owning the financial instruments presented above do not carry voting right to investors for the stakes in SIF Moldova S.A. The purchase of this type of investment instrument is in pursuit of SIF Muntenia S.A.'s portfolio diversification.

At 31 December 2016, the Company has evaluated these securities using a valuation model which considers the closing quotation published by Bloomberg (0.779 lei/unit) and an adjustment factor which mainly addresses market liquidity risk of the respective asset and its effect on the quotation of securities by their issuer.
The aforementioned adjustment factor determined the decrease of the fair value of these structured products with 1,090,600 lei on account of net loss from revaluation of financial assets at fair value through profit or loss.

During 2016, the Company invested in bonds issued by OPUS Chartered Issuance SA with a maturity of two years and an acquisition cost of 44,621,357 lei, equivalent of 10,000,080 euros for a total of 1,140 units. The purchase of such securities in the investment policy is part of SIF Muntenia S.A.'s diversification of the investment portfolio. The titles follow the evolution price of a basket of SIF Moldova S.A. shares (a quota of 9.17%) and SIF Oltenia S.A. (a quota of 90.83%), giving the holder the right to dividend, but without conferring for the investor in SIF 2 and SIF5 shares the voting right. OPUS Chartered Issuance SA is a public limited liability company registered in Luxembourg as unregulated securitization company, the transaction dealer being represented by Morgan Stanley International Plc.

As of 31 December 2015, the Company has evaluated these securities using a valuation model which considers the closing quotation published by Bloomberg (87.758 Euro/certificate) and an adjustment factor which mainly addressed the liquidity risk on the market of the respective asset and its effect over the quotation of the securities by their issuer.
Previously mentioned adjustment factor determined a decrease in fair value of these units with 2,270,568 lei on account of profit or loss.

(iii) Fund units issued by closed-end investment fund Active Dinamic, Active Plus, Multicapital Invest, Omnitrend, Star Value, STK Emergent have a balance value at 31 December 2015 of 58,030,361 lei and units issued by open investment trusts such as Next Star, Star Focus have a balance value of 20,500,275 lei.
On 1 April 2016 the Company has reclassified from financial assets designated at fair value through profit or loss - units in financial assets available for sale, at fair value a number of eight funds (FDI Active Dinamic, FII Active Plus, FII Multicapital Invest, Omnitrend BE, BE Star value, STK Emergent FII, FDI and FDI Star Star Next Focus) at a fair value of 72,817,171 lei.

These fund units have been reclassified die to the emergence of circumstances occurring after the time of acquisition and initial recognition by the Company. Because of low yields, fund units were not traded during the last 18 months (due to significant decreases in funds' portfolios of assets). Thus the Company will keep the fund units for a period of minimum three years, during which growth of quotations is expected.

15. Financial assets (continued)

b) Financial assets available for sale

In LEI	**31 December 2016**	**31 December 2015**
Shares valuated at fair value *(i)*	763,629,232	740,122,720
Shares valuated at cost *(ii)*	80,943,541	114,571,658
Fund units valuated at fair value*iii)*	109,590,242	48,924,359
Total	**954,163,015**	**903,618,737**

(i) The fair value valuation of the shares was done by multiplying the number of shares to the closing price on the last trading day of the reporting period or by obtaining the evaluation reports carried out by independent evaluators. At 31 December 2016 and 31 December 2015 the shares category at fair value mainly includes the value of shares in BRD - Groupe Societe Generale, Banca Transilvania, Biofarm SA, SIF Banat-Crisana SA, SIF Oltenia SA.

(ii) The value of the shares on 31 December 2016 evaluated at a cost of 80,943,541 lei (31 December 2015: 114,571,658 lei) is determined by their cost or transfer value from shares category evaluated at fair value amounting to 271,329,672 lei (31 December 2015: 351,291,718 lei) decreased by adjustments for impairment amounting to 190,386,131 lei (31 December 2015: 236,720,060 lei). Adjustments for impairment were performed in 2016 financial year amounting to 4,867,159 lei (2015: 5,938,223 lei).

(iii) At 31 December 2016 the Company holds fund units at fair value, of which: to open end investment trusts (Certinvest Prudent, Certinvest Dynamic, Star Next Star Focus, Raiffeisen Confort, Napoca, Transylvania, STK Europe, Prosper Invest, Active Dinamic) amounting to 32,722,140lei and closed end investment funds (Certinvest Properties EN, BT Invest 1 BET-FI Index Invest, Invest Multicapital, Omnihedge, STK Emergent Active Plus, Omnitrend, Star Value and Action Fund Transylvania) amounting to 77,897,022 lei.

In Note 26, Fund units details are presented on investment fund managers, their objectives, structure tof he portfolio to the latest available date.

Based on the regulations issued by the FSA, the fund units are valued based on net asset value, calculated by the fund manager using closing prices of the financial instruments. If the company notices that there is not an active market for the holdings of a fund, the assessment calls for public information on fund holdings (financial statements, audit reports, public portfolio structure, etc.) and the net asset value. Based on net asset a corrected NAV per SHARE is obtained, adjustments deemed necessary at the net asset value after analyzing public information mentioned above.

On 31 December 2016 provisions for impairment amounting to 1,028,920 lei (31 December 2015: 1,028,920 lei) are recognized mainly for FDI STK Europe, FII Omnihedge and FII Certinvest Properties RO.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016
15. Financial assets (continued)

b) Financial assets available for sale (continued)

The movement of financial assets available for sale during the financial years ended 31 December 2016 and 31 December 2015 is presented in the table below:

In LEI	**Shares evaluated at fair value**	**Shares evaluated at cost**	**Fund units**	**Total**
1 January 2015	**354,033,657**	**86,223,405**	**48,337,726**	**488,594,788**
Net change during the period (i)	(28,874,942)	(677,173)	4,493,980	(25,058,135)
Transfer between categories (ii)	(34,963,648)	34,963,648	-	-
Impairment losses	361,505,256	-	-	361,505,256
Changes in fair value	-	(5,938,223)	150,044	(5,788,179)
Modificarea valorii juste	88,422,397	-	(4,057,391)	84,365,006
31 December 2015	**740,122,720**	**114,571,658**	**48,924,359**	**903,618,737**
Net change during the period (i)	(21,995,689)	(4,073,586)	(15,131,548)	(41,200,823)
Transfer between categories (ii)	24,687,372	(24,687,372)	-	-
Reclassification (iii)	-	-	72,817,171	72,817,171
Impairment losses	(4,684,043)	(4,867,159)	-	(9,551,202)
Changes in fair value	25,498,872	-	2,980,260	28,479,132
31 December 2016	**763,629,232**	**80,943,541**	**109,590,242**	**954,163,015**

15. Financial assets (continued)

b) Financial assets available for sale (continued)

(i) Entries of shares during 2016 are: participation in the share capital increase to existing portfolio companies, such as Vrancart S.A., purchases of shares on a regulated market such as OMV Petrom S.A., BRD Groupe Societe Generale S.A .

The exits of shares during 2016 are: sales of securities in the portfolio such as Banca Transilvania S.A. Teraplast S.A., Globalworth Real Estate Investments Limited, SIF Banat Crișana S.A., Petrotel Lukoil S.A deregistration of companies such as Banca Transilvania S.A. Teraplast S.A., Globalworth Real Estate Investments Limited, SIF Banat Crișana S.A., Petrotel Lukoil S.A withdrawals from companies such as: Energopetrol Com S.A., Timpuri Noi S.A., Galgros Galați S.A., Vulturul S.A. Comarnic.

During 2016 there were no entires of fund units.
The exists of fund units during the year 2016 represent buybacks such as FII STK Emergent, FDI BRD Obligațiuni, FDI Raiffeisen Confort, FDI Raiffeisen Confort EURO, FDI Certinvest Obligațiuni, FII BET-FI Index Invest.

Entries of shares during 2015 represent: participation to the share capital increase of existing portfolio companies, such as Firos S.A., CI-CO S.A., purchases of shares on a regulated market such as Banca Transilvania S.A. Participation to the capital increase of the company CI-CO S.A. amounts to 5,986,500 lei of which there is still to be paid the amount of 4,190,550 lei no later than 16 February 2018.

Exits of shares during the year 2015 represent: sales of securities in the portfolio such as: BRD Groupe Societe Generale S.A., Transelectrica S.A., Cemacon S.A., Banca Transilvania S.A. Primcom S.A., deregistrations of companies such as Romflor S.A., Foraje Sonde S.A., CIPROM S.A. Ploiesti, Unirea SA Targu-Jiu, withdrawals from companies such as: INDCOM S.A., Stela S.A., Titan Echipamente Nucleare S.A., Medimfarm S.A.

Entries of fund units during 2015 represent subscriptions, such as: FDI BRD Obligațiuni, FDI Certinvest Obligațiuni, FII BT Invest 1, FDI Napoca, FDI Transilvania, FDI Prosper, Fondul de actiuni privat Transilvania.

Exists of fund units during 2015 represet buybacks such as: FDI BRD Obligațiuni, FDI Certinvest Obligațiuni, FII BT Invest 1, FDI Napoca, FDI Transilvania, Fondul de actiuni privat Transilvania.

(ii) During the financial years ended December 31, 2016 and December 31, 2015 the market of some shares owned by the Company became active, so it was possible to determine their fair value. Also, the market of some shares held by the Company became inactive, the fair value can no longer be reliably determined.

(iii) On 1 April 2016 the Company has reclassified from financial assets designated at fair value through profit or loss - units in financial assets available for sale, at fair value of eight funds (FDI Active Dinamic, FII Active Plus, FII Multicapital Invest, FII Omnitrend, FII Star Value, FII STK Emergent, FDI Star Next and FDI Star Focus) at a fair value of 72,817,171 lei.

On 1 December 2015 the Company has reclassified from financial assets held for trading - shares in financial assets available for sale, evaluated at fair value a number of six companies (Biofarm SA, Banca Transilvania SA, SN Nuclearelectrica SA, SSIF Broker SA , SA SIF Banat-Crisana, SIF Oltenia SA) to a value of RON 361,505,256 as of 30 November 2015 (see Note 15 a) i)).

15. Financial assets (continued)

c) Loans and receivables

In LEI	**31 decembrie 2016**	**31 decembrie 2015**
Corporate bonds - other currencies	17,036,776	17,033,797
Corporate bonds - RON	4,086,419	4,315,252
Minus adjustments for impairment of loans and receivables	(12,863,830)	(13,092,663)
TOTAL	**8,259,365**	**8,256,386**
of which with maturity in more than a year:		
Corporate bonds - other currencies	1,132,094	1,127,955

As of 31 December 2016 and 31 December 2015, impairment adjustments made are related to the issuers Muntenia Medical Competences S.A., Siderca S.A., Transchim S.A.

In LEI	**31 decembrie 2016**	**31 decembrie 2015**
At 1st January	**(13,092,663)**	**(13,187,280)**
Resume adjustment for impairment	228,833	94,617
At 31st December	**(12,863,830)**	**(13,092,663)**

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

16. Tangible assets

In LEI	**Plant and machinery**	**Other fixtures, tools and furniture**	**Total**
Cost			
as of 1st January 2016	399,903	3,597	**403,500**
Acquisitions	-	-	-
Sales	(2,056)		**(2,056)**
As of 31st December 2016	**397,847**	**3,597**	**401,444**
Accumulated depreciation and impairment losses			
as of 1st January 2016	115,263	359	**115,622**
Depreciation expenses	63,253	1,020	**64,273**
Outputs	(2,056)		**(2,056)**
As of 31st December 2016	**176,460**	**1,379**	**177,839**
Net accounting value			
as of 1st January 2016	**284,640**	**3,238**	**287,878**
As of 31st December 2016	**221,387**	**2,218**	**223,605**

In LEI	**Plant and machinery**	**Other fixtures, tools and furniture**	**Total**
Cost			
as of 1st January 2015	415,806	4,295	**420,101**
Acquisitions	-	2,999	**2,999**
Outputs	(15,903)	(3,697)	**(19,600)**
As of 31st December 2015	**399,903**	**3,597**	**403,500**
Accumulated depreciation and impairment losses			
as of 1st January 2015	65,981	3,872	**69,853**
Depreciation expenses	65,185	184	**65,369**
Outputs	(15,903)	(3,697)	**(19,600)**
As of 31st December 2015	**115,263**	**359**	**115,622**
Net accounting value			
as of 1st January 2015	**349,825**	**423**	**350,248**
As of 31 December 2015	**284,640**	**3,238**	**287,878**

At 31 December 2016 and 31 December 2015 the Company had no tangible assets pledged or in custody to third parties.

17. Other assets

In LEI	**31 December 2016**	**31 December 2015**
Various debtors	12,139,082	7,662,028
Dividends to be received	746,870	1,056,474
Other assets	53,117	33,959
Minus adjustments for depreciation various debtors	(7,190,189)	(5,093,784)
Minus adjustments for depreciation dividends receivables	(735,864)	(733,174)
Total	**5,013,016**	**2,925,503**
Of which, with credit risk:	4,959,899	2,891,544

Evolution of impairment of various debtors and dividends receivables is the following:

In LEI	**31 December 2016**	**31 December 2015**
as of 1st January	**(5,826,958)**	**(6,381,923)**
Establishment / Resume Adjustment for impairment (Note 10)	(2,099,095)	554,965
as of 31st December	**(7,926,053)**	**(5,826,958)**

18. Dividends to be paid

In LEI	**31 decembrie 2016**	**31 decembrie 2015**
Dividends payable in respect of 2011 profit	-	25,322,711
Amounts due to shareholders under AGOA decision from 7 July 2012	-	38,085,107
Dividends payable in respect of 2012 profit	42,064,246	42,407,107
Dividends payable in respect of 2014 profit	23,066,128	23,913,700
Dividends payable in respect of 2015 profit	17,063,461	-
Total dividend payables	**82,193,835**	**129,728,625**

For dividends not claimed within a 3-year period since their declaration, the Shareholders General meeting approved their transfer to equity (brought forward result).

19. Deferred income tax liabilities

Liabilities with deferred tax as of 31 December 2016 are generated by items detailed within the table below:

In LEI	**Assets**	**Liabilities**	**Net**
Financial assets available for sale	104,463,489	-	104,463,489
Provisions for litigation and other provisions and impairment adjustments	-	20,789,884	(20,789,884)
Total	**104,463,489**	**20,789,884**	**83,673,605**
Net temporary differences - 16% quota			83,673,605
Deferred income tax liabilities			**13,387,776**

Liabilities with deferred tax as of 31 December 2015 are generated by items detailed in the table below:

In LEI	**Assets**	**Liabilities**	**Net**
Financial assets at fair value through profit or loss	(27,803,360)	-	(27,803,360)
Financial assets available for sale	78,666,959	-	78,666,959
and impairment adjustments	-	18,919,622	(18,919,622)
Total	**50,863,599**	**18,919,622**	**31,943,977**
Net temporary differences - 16% quota			31,943,977
Deferred income tax liabilities, restated			**5,111,037**

The balance of the deferred tax directly recognized through decrease of equity amounts to 21,097,447 lei as of 31 decembrie 2016 (31 decembrie 2015: 15,706,304 lei), being entirely generated by financial assets available for sale.

20. Other liabilities

In LEI	**31 December 2016**	**31 December 2015**
Suppliers - invoices to be received	2,849,896	2,422,724
Current income tax liabilities	-	5,759,311
Taxes and fees	1,010,045	4,679,330
Domestic suppliers	80,365	44,999
Other liabilities *(i)*	4,463,793	4,998,183
Total	**8,404,099**	**17,904,547**

(i) In Other liabilities item as of 31 December 2016 and 31 December 2016 the value of 4,190,550 lei is registered, representing payments to be done related to share capital increases of the affiliate CI-CO S.A.. The term established for payment according to CI-CO S.A. BoD Decision is of 3 years since the publication of the SGM resolution related to the increase, 16 February 2018 respectively.

21. Equity and reserves

(a) Share capital

The shareholding structure of the Company is the following:

31 December 2016	**Shareholders number**	**Number of shares**	**Amount (RON)**	**(%)**
Individuals	5,960,982	499,220,852	49,922,085	61.86
Legal entities	208	307,815,663	30,781,566	38.14
Total	**5,961,190**	**807,036,515**	**80,703,652**	**100**

31 December 2015	**Shareholders number**	**Number of shares**	**Amount (RON)**	**(%)**
Individuals	5,967,795	496,617,238	49,661,724	61.54
Legal entities	225	310,419,277	31,041,928	38.46
Total	**5,968,020**	**807,036,515**	**80,703,652**	**100**

All shares are ordinary shares, they were subscribed and paid in full by 31 December 2016. All shares have equal voting rights and a nominal value of 0.1 lei/share. The number of shares authorized to be issued is equal to the shares issued.

During the years 2016 and 2015 there were no changes in the number of issued shares.

21. Equity and reserves (continued)

Reconciliation of capital in accordance with IFRS with the Articles of Association is presented in the following table:

In LEI	**31 December 2016**	**31 December 2015**
	80,703,652	80,703,652
Share capital acc. To the Articles of Association		
Hyperinflation effect- IAS 29	803,294,017	803,294,017
Restated share capital	**883,997,669**	**883,997,669**

Hyperinflation effect on shareholders' equity in the amount of 803,294,017 lei was registered by reducing retained earnings, resulting in an accumulated loss as at 31 December 2016 of 111,719,355 lei (31 December 2015: 189,196,714 lei).

(b) Reserves from revaluation of financial assets available for sale

This reserve includes cumulative net changes in the fair values of financial assets available for sale from the date of their classification in this category and to the date they have been derecognized or impaired.

Revaluation reserves of financial assets available for sale are recorded net of related deferred tax. The value of deferred tax recognized directly by decrease in equity is presented in Note 19.

(c) Legal Reserves

According to legal requirements, the Company creates legal reserves in the amount of 5% of gross profit recorded by the statutory level of 20% of the shares capital according to the Articles of Association. Legal reserve value at 31 December 2016 is of 16,140,730 lei (31 December 2015: 16,140,730 lei).

Legal reserves can not be distributed to shareholders. The value of legal reserves was included in Accumulated loss balance sheet position.

(d) Dividends

During the year 2016 the Company declared dividends amounting to 36,316,643 lei for the year 2015, respectively 0.045 lei/share. During the year 2015 the Company declared dividends amounting to 57,703,111 lei for the year 2014, respectively 0.0715 lei/share.

During 2016 the Company has prescribed dividends amounting to 63,407,818 lei for 2011 and the amounts due to shareholders according to SGOA as of 7 July 2012 (during 2015: 25,666,678 lei for the year 2010, as decided by the Shareholders General Meeting.

22. Earnings per share

The calculation of basic earnings per share was made on the basis of net income and the weighted average number of ordinary shares:

In LEI	**31 December 2016**	**31 December 2015**
Net income	50,386,184	63,855,737
Weighted average number of ordinary shares	807,036,515	807,036,515
Basic earnings per share	**0.062**	**0.079**

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

Gross profit available for distribution is the profit reflected in these financial statements, prepared in accordance with FSA Rule no. 39/2015.

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

23. Financial assets and liabilities

Accounting classifications and fair values

The table below summarizes the carrying amounts and fair values of financial assets and liabilities of the Company on 31 December 2016

In LEI	**Tradable**	**Designated at fair value**	**Available for sale**	**Amortized cost**	**Total accounting value**	**Fair value**
Cash and cash equivalents	-	-	-	4,861,588	**4,861,588**	**4,861,588**
Deposits from banks	-	-	-	76,631,897	**76,631,897**	**76,631,897**
Financial assets at fair value through profit or loss	79,279,822	-	-	-	**79,279,822**	**79,279,822**
Financial assets available for sale	-	-	954,163,015	-	**954,163,015**	**954,163,015**
Loans and receivables	-	-	-	8,259,365	**8,259,365**	**51,906,094**
Other financial assets	-	-	-	4,959,899	**4,959,899**	**4,959,899**
Total financial assets	**79,279,822**	**-**	**954,163,015**	**94,712,749**	**1,128,155,586**	**1,171,802,315**
Dividends to be paid	-	-	-	(82,193,835)	**(82,193,835)**	**(82,193,835)**
Other financial liabilities	-	-	-	(8,404,099)	**(8,404,099)**	**(8,404,099)**
Total financial liabilities	**-**	**-**	**-**	**(90,597,934)**	**(90,597,934)**	**(90,597,934)**

In order to estimate the fair value of financial assets and liabilities measured at amortized cost, the Company used the following estimates and made the following judgments for significant elements such as cash and cash equivalents, other financial assets and liabilities that are issued or held on a very short term and generally do not bear interest or bear fixed interest, the Company approximated fair value with their costs; as for loans and receivables, the Company used valuation techniques such as discounted cash flows, using observable market inputs (as such, the evaluation was performed using Level 3 techniques).

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

23. Financial assets and liabilities (continued)

The table below summarizes the carrying amounts and fair values of financial assets and liabilities of the Company on 31 December 2015

In LEI	**Tradable**	**Designated at fair value**	**Available for sale**	**Amortized cost**	**Total accounting value**	**Fair value**
Cash and cash equivalents	-	-	-	4,571,094	**4,571,094**	**4,571,094**
Deposits from banks	-	-	-	12,131,507	**12,131,507**	**12,131,507**
Financial assets at fair value through profit or loss	66,303,718	78,530,636	-	-	**144,834,354**	**144,834,354**
Financial assets available for sale	-	-	903,618,737	-	**903,618,737**	**903,618,737**
Loans and receivables	-	-	-	8,256,386	**8,256,386**	**8,461,152**
Other financial assets	-	-	-	2,891,544	**2,891,544**	**2,891,544**
Total financial assets	**66,303,718**	**78,530,636**	**903,618,737**	**27,850,531**	**1,076,303,622**	**1,076,508,388**
Dividends to be paid	-	-	-	(129,728,625)	**(129,728,625)**	**(129,728,625)**
Other financial liabilities	-	-	-	(17,904,547)	**(17,904,547)**	**(17,904,547)**
Total financial liabilities	**-**	**-**	**-**	**(147,633,172)**	**(147,633,172)**	**(147,633,172)**

In order to estimate the fair value of financial assets and liabilities measured at amortized cost, the Company used the following estimates and made the following judgments for significant elements such as cash and cash equivalents, other financial assets and liabilities that are issued or held on a very short term and generally do not bear interest or bear fixed interest, the Company approximated fair value with their costs; as for loans and receivables, the Company used valuation techniques such as discounted cash flows, using observable market inputs (as such, the evaluation was performed using Level 3 techniques).

24. Commitments and contingent liabilities

(a) Litigations

The Company is subject to a number of lawsuits arising in the normal course of business. The management believes, based on consultations with his lawyers, that these actions will not have significant adverse effects on economic performance and financial position of the Company.

(b) Contingencies related to the environment

Environmental regulations are under development in Romania and the Company did not record any obligations at 31 December 2016 and 31 December 2015 for any anticipated costs, including legal fees and consulting studies of site, design, implementation of remedial plans concerning environmental elements. The Company's management does not consider the costs associated with any environmental problems as significant.

(c) Transfer price

Romanian tax legislation contains rules on transfer pricing between related parties since 2000. The current legislative framework defines the "market value" for transactions between affiliates and the methods of transfer pricing. As a result, it is expected that the tax authorities shall initiate thorough checks of transfer pricing, to ensure that the result of fiscal and/or customs value of imported goods are not distorted by the effect of prices in relations with affiliates. The Company can not assess the outcome of such verification.

25. Transactions and balances with parties under special relations

(i) Company's management

The Company operates under an administration contract signed with cu Societatea de Administrare a Investiţiilor Muntenia Invest S.A.. The majority shareholder of the Administration Company Societatea de Administrare a Investiţiilor Muntenia Invest S.A is SIF Banat-Crisana, holding 99.96% of the share capital on 31 December 2016 (31 December 2015: 99.96%). The Board of Directors of SIF Banat Crisana S.A. may change the Board of Directors of SAI Muntenia Invest S.A., the Administrator of the Company.

Transactions performed between the Company and the Manager are the following:

In LEI

Loans and receivables	**31 December 2016**	**31 December 2015**
Commercial receivables	-	8,068
Liabilities related to administration fee	(1,908,250)	(1,450,000)

Revenues and expenses	**31 December 2016**	**31 December 2015**
Administration fee	(17,858,250)	(17,400,000)
Leasing revenues	66,000	5,500

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

25. Transactions and balances with parties under special relations (continued)

(ii) Key management personnel

31 decembrie 2016

- Members of the Board of Directors of S.A.I. Muntenia Invest S.A: Florica Trandafir, Daniel-Silviu Stoicescu and Nicușor Marian Buică;
- Members of the executive management of S.A.I. Muntenia Invest S.A: Gabriela Grigore - General Director, Florica Trandafir – Corporate Management Director, Mircea Constantin – Strategy Director;
- Members of the Shareholders Representatives Council.

Transactions with the Company's key personnel

Other transactions	**31 December 2016**	**31 December 2015**
Expense with the remuneration of Shareholders Representatives Council members, of which:	1,308,160	1,226,842
- Gross remuneration paid to members	1,080,695	1,023,806
- Social security charges and social protection	227,465	203,036
- Number of members	10	9
Expenses with personnel salaries, of which:	114,857	194,885
- Gross wages paid or payable	93,866	160,217
- Social security charges and social protection	20,991	34,668
- Number of employees	2	3

The Company is registered with an actual number of 2 employees and 10 members of the Shareholders Representatives Committee as at 31 December 2016.

25. **Transactions and balances with parties under special relations (continued)**

(iii) Subsidiaries (companies where SIF Muntenia holds control)

On 31 December 2016 and 31 December 2015, all subsidiaries of the Company are based in Romania. For them, the percentage of ownership of the Company is no different from the percentage of number of votes held.

Denomination of the company	Percentage held as of 31 December 2016	Percentage held as of 31 December 2015	Status as of 31 December 2016	Status as of 31 December 2015
Avicola Bucureşti S.A.	99.40%	99.40%	Subsidiary	Subsidiary
Bucur S.A.	67.98%	67.98%	Subsidiary	Subsidiary
Casa de Bucovina - Club de Munte S.A.	66.87%	66.87%	Subsidiary	Subsidiary
CI-CO S.A.	97.34%	97.34%	Subsidiary	Subsidiary
Firos S.A.	99.69%	99.69%	Subsidiary	Subsidiary
FRGC IFN S.A.	53.60%	53.60%	Subsidiary	Subsidiary
Gecsatherm	50.00%	50.00%	Subsidiary	Subsidiary
Mindo S.A.	98.02%	98.02%	Subsidiary	Subsidiary
Muntenia Medical Competences	98.94%	98.94%	Subsidiary	Subsidiary
Semrom Muntenia S.A.	90.68%	90.68%	Subsidiary	Subsidiary
Semrom Oltenia S.A.	88.49%	88.49%	Subsidiary	Subsidiary
Unisem S.A.	76.91%	76.91%	Subsidiary	Subsidiary
Voluthema Property Developer S.A.	69.11%	69.11%	Subsidiary	Subsidiary
Biofarm S.A.	50.98%	50.98%	Subsidiary	Subsidiary

(iv) Associates of the Company

At 31 December 2016 the Company did not hold participations in associated entities.

(v) Transactions and balances with subsidiaries and associates of the Company

Transactions concluded by the Company with parties having special relations were conducted in the normal course of business. The Company did not receive and did not give guarantees in favor of any party under special relations.

Transactions with subsidiaries

Loans and receivables	**31 December 2016**	**31 December 2015**
Commercial receivables	9,661	9,661
Commercial liabilities	(41)	(55)

Revenues and expenses	**31 December 2016**	**31 December 2015**
Acquisition of goods and services	(114,622)	(116,981)

Transactions with associates

There were no transactions or balances with associates.

26. Fund units

Fund units as of 31 December 2016 and 31 December 2015 are:

Financial assets available for sale	**31 December 2016**	**31 December 2015**
FÎI Certinvest Properties RO	722,007	2,509,806
FÎI STK Emergent	1,416,142	1,693,504
FÎI BT Invest 1	7,562,519	7,108,417
FDI Transilvania	4,167,347	4,049,746
FDI Napoca	5,647,736	5,262,238
FÎI Multicapital Invest	9,072,484	4,817,115
FÎI Fondul de acţiuni privat Transilvania	852,107	867,668
FÎI Omnihedge	262,183	262,417
FÎI BET-FI Index Invest	3,891,293	5,139,026
FÎI Omnitrend	10,456,086	-
FDI Raiffeisen Confort EURO	-	10,829,921
FDI STK Europe	1,064,585	885,985
FDI Certinvest Obligaţiuni	-	459,867
FDI Certinvest Prudent	339,439	352,521
FDI Certinvest Dinamic	946,955	932,130
FDI BRD Obligaţiuni	-	1,619,667
FDI Star Next	1,047,205	635,204
FDI Star Focus	879,416	701,726
FDI Raiffeisen Confort	-	811,129
FDI Prosper Invest	1,092,039	1,015,193
FÎI Active Plus	32,407,650	-
FÎI Star Value	11,254,550	-
FDI Active Dinamic	17,537,418	
Total	**110,619,162**	**49,953,279**
Impairment losses (Note 15.b)	(1,028,920)	(1,028,920)
Financial assets available for sale (Note 15.b)	**109,590,242**	**48,924,359**

Financial assets at fair value through profit or loss	**31 December 2016**	**31 December 2015**
FDI Active Dinamic	-	19,949,320
FDI Star Next	-	376,714
FDI Star Focus	-	174,241
FÎI STK Emergent	-	643,264
FÎI Multicapital Invest	-	4,468,142
FÎI Active Plus	-	33,085,004
FÎI Omnitrend	-	8,625,560
FÎI Star Value	-	11,208,392
Total (Nota 15.a)	-	**78,530,636**

26. Fund units (continued)

The objective of the fund, the structure of financial instruments held in portfolio and net asset value certified by the custodian bank at the latest date for which information is public - 30 June 2016, for each investment fund are presented below.

Fund name	**Administrator (SAI)**	**Depository**	**Investments**							
			Deposits	Available	Real estate	Bonds	UCITS Participation titles	Dividends/other rights	Other instruments	NAV per unit 30.06.2016
FII Certinvest Properties RO	Certinvest SA	BRD-GSG	0.0%	0.1%	4.0%	90.8%	5.2%	0.0%	0.0%	249,300.1 lei
FII STK Emergent	STK Financial	BRD-GSG	53.5%	6.6%	36.4%	0.0%	3.5%	0.0%	0.0%	120.8 lei
FII BT Invest 1	BT Asset Management SA	BRD-GSG	17.3%	2.2%	77.8%	0.0%	0.0%	2.6%	0.0%	13,362.6 lei
FII Multicapital Invest	Star Asset Management SA	BRD-GSG	15.5%	0.0%	84.3%	0.0%	0.0%	0.2%	0.0%	1,893.1 lei
FII Omnihedge	SIRA SA	BCR	99.6%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	5,564.1 lei
FII Omnitrend	SIRA SA	BCR	2.4%	0.0%	90.5%	6.9%	0.2%	0.0%	0.0%	7,814.6 lei
FII Star Value	Star Asset Management SA	BCR	25.7%	0.0%	73.2%	0.3%	0.1%	0.5%	0.0%	667.9 lei
FII Active Plus	Swiss Capital Asset Management SA	Unicredit	2.1%	0.0%	97.7%	0.0%	0.0%	1.2%	0.0%	6,994.7 lei
FII BET-FI Index Invest	Broker SA	BRD-GSG	0.0%	3.1%	87.7%	0.0%	9.1%	0.0%	0.0%	434.7 lei

Notes to individual financial statements

for the financial exercise ended as of 31 December 2016

26. Fund units (continued)

Fund denomination	Administrator (SAI)	Depository	Investments							
			Deposits	Available	Real estate	Bonds	UCITS Participation titles	Dividends/other rights	Other instruments	NAV per unit 30.06.2016
FDI Transilvania	Globinvest SA	Bancpost	4.7%	2.1%	55.3%	27.3%	8.7%	0.0%	1.9%	38.6 lei
FDI Napoca	Globinvest SA	Bancpost	4.5%	3.0%	80.5%	0.0%	9.5%	0.0%	2.5%	0.4 lei
FDI TehnoGlobinvest	Globinvest SA	Bancpost	13.2%	4.2%	82.1%	0.0%	0.0%	0.5%	0.0%	1,035.7 lei
FDI STK Europe	STK Financial	BRD-GSG	95.7%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6 lei
FDI Certinvest Prudent	Certinvest SA	BRD-GSG	28.0%	0.0%	29.3%	32.8%	9.3%	0.4%	0.2%	9.8 lei
FDI Certinvest Dinamic	Certinvest SA	BCR	13.4%	1.9%	53.9%	16.7%	9.4%	0.5%	4.4%	4.8 lei
FDI Star Next	Star Asset Management SA	BRD-GSG	33.9%	0.0%	57.1%	4.9%	2.4%	1.7%	0.0%	5.1 lei
FDI Star Focus	Star Asset Management SA	BRD-GSG	56.6%	0.0%	24.9%	15.3%	2.9%	0.2%	0.1%	5.6 lei
FDI Active Dinamic	Swiss Capital Asset Management SA	Uncredit	3.8%	0.0%	79.6%	0.0%	0.0%	16.6%	0.0%	5.7 lei
FDI Prosper Invest	Broker SA	BRD-GSG	14.9%	2.2%	64.3%	9.5%	9.1%	0.0%	0.0%	9.7 lei

27. Subsequent events

On 3 March 2017 Mr Sorin Florian Boldi was authorised by the FSA by Authorisation no. 45, after having been appointed by the SGOM of SAI Muntenia Invest SA dated 27 December 2016, as Member of the Board of Administrators of SAI Muntenia Invest S.A., for a period of 4 years as of his appointment date. At the same time the SGOM of SAI Muntenia Invest SA decided the revocation of the mandate granted to Mr. Sorin Florian Boldi as Member of the Board of Administrators of SAI Muntenia Invest S.A.

ADMINISTRATOR,
SAI MUNTENIA INVEST S.A.
Gabriela GRIGORE
General Director

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A000158/26.01.2000
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