



QUARTERLY REPORT

1ST JULY – 30TH SEPTEMBER 2018

Report prepared in accordance with Law no. 297/2004, Law no. 24/2017, F.S.A. Regulation no. 5/2018 and 15/2004, BSE Code and F.S.A. Rule no. 39/2015

by **Societatea de Administrare a Investițiilor Muntenia Invest S.A.**

Report date: 30.09.2018

Company Name	Societatea de Investiții Financiare Muntenia S.A.
Headquarters	16, Splaiul Unirii, Bucharest, sector 4
Sole Registration Code	3168735
Trade Registry Registration Number	J40/27499/1992
LEI Code	2549007DHG4WLBMAAO98
FSA Registry number	PJR09SIIR/400005
Subscribed and paid up share capital	80,703,651.5 lei
Number of issued shares	807,036,515
Shares characteristics	Common, nominative, indivisible, dematerialized
Face value	0.1 lei
Regulated Market on which the issued securities are traded	Bucharest Stock Exchange, Main segment, Premium Tier, SIF4 symbol
Main object of activity	Performing financial investments in order to maximize the value of its own shares, in accordance with the regulations in force; managing the investment portfolio and exercising all the rights associated with the instruments in which it is invested; risk management CAEN Code 6499 - Other financial service activities
Shareholding structure	100% private
Free float	100%
Custody and depository services	BRD Groupe Societe Generale
Shares and shareholders registry	Depozitarul Central S.A.
Financial auditor	KPMG Audit S.R.L.
Contact	Romania, Bucharest, District 4, Splaiul Unirii no. 16, postal code 040035 Tel: +4021-3873210; +4021- 3873208 Fax: +4021-3873265; +4021-3873209 www.sifmuntenia.ro e-mail: relatii@sifmuntenia.ro; sai@munteniainvest.ro

REPORT PREPARED BY SOCIETATEA DE ADMINISTRARE A INVESTIȚIILOR MUNTENIA INVEST S.A.



Authorised by NSC Decision no. D6924/17.07.1997

Reauthorised by NSC Decision no. 110/13.01.2004

Registered in the NSC Registry under no. PJR05SAIR/400006/as of 21.12.2017 following the registration as AIFM

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1 GENERAL INFORMATION

SIF Muntenia is a Romanian legal person, established as a joint stock company. The operation of the company is governed by the provisions of ordinary and special Romanian laws, applicable in the field of financial investment companies, as well as by the provisions of its Articles of Incorporation.

SIF Muntenia was incorporated as a joint stock company in November 1996, through the reorganization and transformation of Muntenia IV Private Property Fund, pursuant to Law no. 133/1996 for the transformation of the Private Property Funds into financial investment companies.

SIF Muntenia S.A. is a collective investment institution operating in Romania in accordance with the provisions of Law no. 31/1990 on trading companies, Law no. 297/2004 regarding the capital market, Law no. 74/2015 regarding alternative investment fund managers and Law no. 24/2017 on issuers of financial instruments and market operations. SIF Muntenia is registered in the FSA Register of Financial Instruments and Investments in the Alternative or Closed Investment Companies section.

During the third quarter of 2018 there were no reorganizations, mergers or divisions of SIF Muntenia's activity.

The main fields of activity of SIF Muntenia, as provided for in the Articles of Incorporation, are:

- a) performing financial investments, in order to maximize the value of its own shares, according to the regulations in force;
- b) management of the investment portfolio and the exercise of all the rights associated with the instruments in which it is invested;
- c) risk management;
- d) other auxiliary and related activities in accordance with the regulations in force.

SIF Muntenia professionally uses financial instruments with significant effects on the valuation of assets, liabilities, financial position and profit or loss. Acquisitions and disposals of assets carried out by SIF Muntenia during the third quarter of 2018 relate to sale and purchase transactions with financial instruments. Details of these transactions are presented below in this Report.

Considerations on the macroeconomic situation, developments in some industrial sectors, the capital market and the financial market are presented in the body of the report in sections where they may be relevant.

Within the investment policy of SIF Muntenia S.A., its administrator, S.A.I. Muntenia Invest S.A., does not carry out securities financing transactions (SFT) and does not use total return swap instruments as defined by the E.U. Regulation 2365/2015.

Starting 1st January 2018, the Company has implemented the provisions of the IFRS 9 Accounting Standard, in accordance with the FSA Rule no. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA, with subsequent amendments and completions. Details are presented in the chapter FINANCIAL STATEMENT.

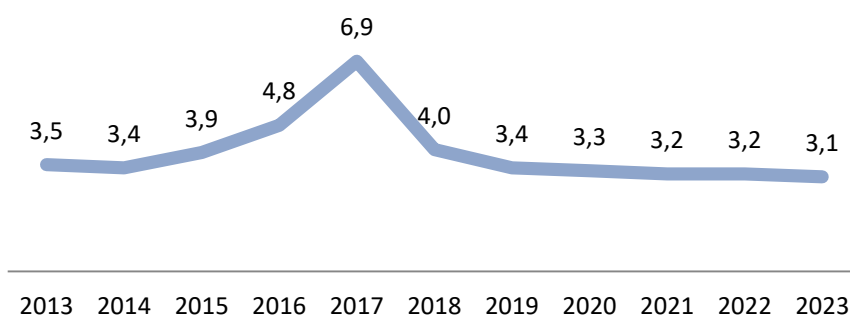
According to the amendments to IFRS 10, SIF Muntenia fulfills the specific criteria to be an investment entity. Below, we recall the main criteria that the Administrator, S.A.I. Muntenia Invest S.A., is constantly pursuing, which were approved within the Administration Program for 2018:

- Assessing the quasi-totality of SIF Muntenia's investments based on fair value;
- Exit strategies for SIF Muntenia's investments;
- Commitment to act in the name and on behalf of SIF Muntenia to invest funds exclusively with a purpose to increase the equity value and/or investment income.

SIF Muntenia and S.A.I. Muntenia Invest S.A. do not intend to provide investment-related activities, either directly or through a subsidiary, representing a substantial separate economic activity or a separate, significant source of income for SIF Muntenia's investment entity.

1.1 ECONOMIC FRAMEWORK IN THE THIRD QUARTER OF CURRENT YEAR

Chart no. 1.1. GDP evolution and forecast



Source: International Monetary Fund, WEO X.2018 data

Growth in emerging markets and emerging economies is expected to remain constant at 4.7% in 2018-2019 and to grow moderately in the medium term, according to the *World Economic Outlook - Challenges to Steady Growth*¹. Romania's economy grew by 6.9% in 2017, amid fiscal stimuli and strong foreign demand. Growth is expected to fall up to 4% by the end of 2018 and further to 3.4% in 2019.

Consumer prices in August 2018, compared to the same period of the previous year, increased by 5.1% and the average inflation rate was 4.1%, according to the data announced by the National Institute of Statistics in September of the current year.

The inflation rate is projected to decelerate to 3.5% of the target set by the National Bank of Romania at the end of 2018 and 2.7% at the end of 2019.

ENERGY SECTOR

The draft law on some measures necessary for the implementation of petroleum operations by offshore oil perimeter agreement holders concerns the procedure applicable to the authorization of works and drills, oil-specific aspects of offshore oil perimeters, fiscal - financial and commercial measures, as well as the legal regime of applicable contraventions and sanctions. Amendments that are worth mentioning, in favour of petroleum companies - at the date of the report, refer to upstream offshore investments that will be deducted from the calculation of the additional income tax on liberalization of the gas market and, according to the second amendment, the tax regime of the royalty, the additional tax rate and the 50% percentage quota (the obligation to sell the gas extracted on the local market) will remain unchanged for the entire duration of the oil agreements.

CAPITAL MARKET

In the first three quarters of 2018, the BET index recorded a plus of 8.5% and BET-TR a plus of 17.6%. This result was supported by the financial results recorded in the first half of 2018 by the companies listed on the Bucharest Stock Exchange, higher than in the previous year and by the high dividend yield offering to investors.

Concerning the promotion of the Romanian capital market from the border market to the emerging market, progress was registered in market liquidity in 2018, but the number of active investors is still very small and, moreover, a number of conditions regarding the operations of custody are not met. The transition to emerging market status in 2019 would confirm the development and performance of the Romanian capital market.

¹ International Monetary Fund, October 2018

2 ACTIVITY ANALYSIS

The overall administration objective is maintaining SIF Muntenia as a balanced multi-asset fund, that combines a balanced growth of the asset with satisfactory earnings at a medium risk level.

Main strategic objectives for 2018 are:

- Continue the portfolio restructuring process and its efficient administration so as to ensure sustainable long-term growth.
- Continue the investment process, focusing on investments in Romania and listed shares.

2.1 TOTAL ASSET AND NET ASSET

TOTAL CERTIFIED ASSET represents the value of the total asset calculated according to the NSC / FSA regulations and certified by the depository. The value is calculated on the last working day of the reference period.

NET ASSET VALUE (NAV) is the net asset value calculated according to the NSC / FSA regulations and certified by the depository = Total Certified Asset - Liabilities.

NET ASSET VALUE PER SHARE (NAV per SHARE) calculated according to the NSC / FSA regulations and certified by the depository = NAV / number of SIF Muntenia shares.

Monthly Net Asset Values were published to inform shareholders on www.sifmuntenia.ro and reported under legal provisions to FSA - Financial Instruments and Services Sector and to the Bucharest Stock Exchange (BSE) no later than 15 calendar days as of the end of the reporting month.

The total asset, net asset and liabilities values for the period were calculated in accordance with Regulation no. 9/2014 regarding the authorization and functioning of the investment administration companies, the undertakings for collective investment in transferable securities and the depositaries of the undertakings for collective investment in transferable securities, as subsequently amended and supplemented, issued by the FSA, using accounting elements related to the financial statements in accordance with the FSA Rule no. 39/2015 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority of the Financial Instruments and Investments Sector, as subsequently amended and supplemented, and then certified by SIF Muntenia's asset management company, Banca Română pentru Dezvoltare (BRD) – GSG.

For the total asset, net asset and liabilities related to 31.12.2017, the amounts **restated** after the conclusion of the report drawn up by SIF Muntenia S.A.'s financial auditor are presented and used in this report.

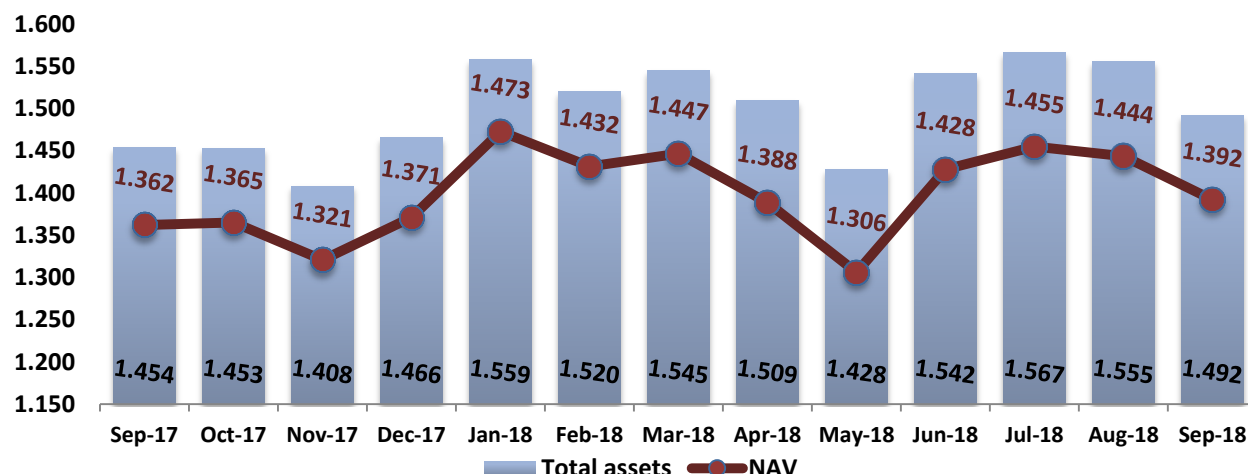
In LEI	Q3 2018	2017	Q3 2017
TOTAL CERTIFIED ASSET	1,491,799,372	1,465,569,907	1,453,685,601
TOTAL LIABILITIES	100,030,418	94,643,957	91,737,760
NET ASSET	1,391,768,954	1,370,925,950	1,361,947,841
NAV per SHARE	1.7245	1.6987	1.6876
<i>ECB EUR exchange rate</i>	<i>4.6638</i>	<i>4.6585</i>	<i>4.5993</i>
TOTAL CERTIFIED ASSET expressed in EUR	319,867,784	314,601,247	316,066,706
NET ASSET expressed in EUR	298,419,519	294,284,845	296,120,680

Table no. 2.1. Total assets and net assets (value comparison)

SIF Muntenia reported a total value of the certified asset increasing by 1.79% in the first nine months of 2018 and by 2.62% year on year. The net asset and net asset per share increased by 1.52% in the first 9 months of 2018 (2.19% year on year).

S.A.I Muntenia Invest S.A. was registered as an AIFM for SIF Muntenia, according to art. (2) para. b) of Law 74/2015, SIF Muntenia having a portfolio of managed assets that does not exceed, in total, the threshold of 500,000,000 Euros for non-leveraged AIF. The euro / leu exchange rate of the European Central Bank (ECB) was used to calculate the euro equivalent of the assets managed.

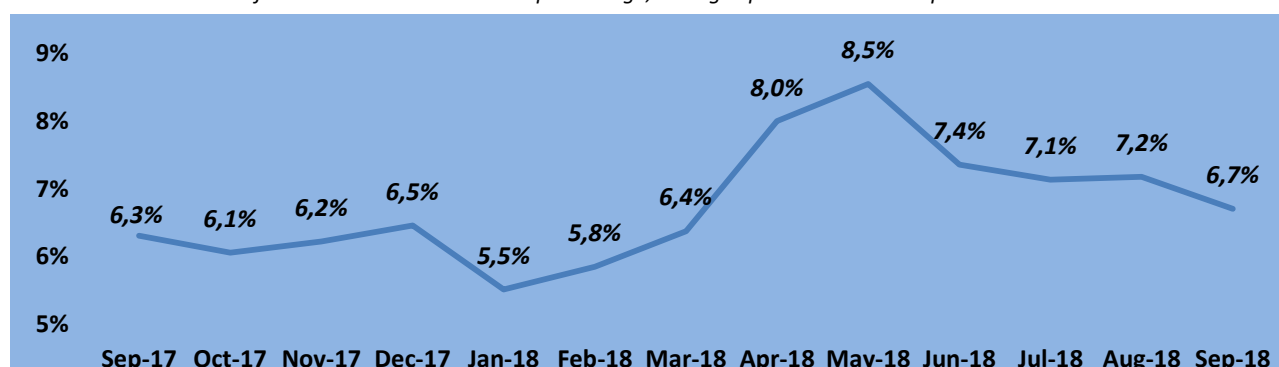
Chart no. 2.1. Total asset and Net Asset (NAV) during 09.2017 – 09.2018 mn lei



The main movements in the company's liabilities accounts in the third quarter of this year were:

- Decrease in debt with dividend payments from a balance of 81.83 million lei (30.06.2018) to a balance of 68.39 million lei (30.09.2018). *In September 2018 the distribution of dividends for the financial year 2017 began (the amount of 12.94 million RON was distributed).*
- The increase of the deferred tax liability by 2.84 million lei.

Chart no. 2.2. Evolution of liabilities in total asset as a percentage, during September 2017 – September 2018

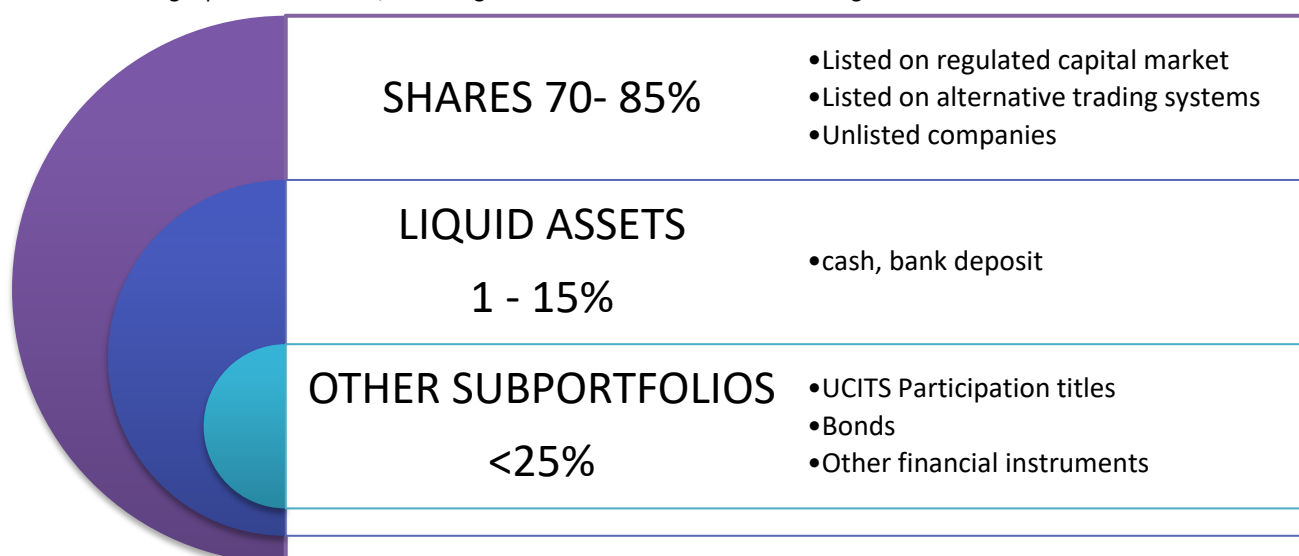


2.2 ASSET ALLOCATION

Allocation of SIF Muntenia's assets was closer to a **strategic asset allocation** that pursues a long-term target portfolio structure - within certain limits, which are defined annually through administration programs and approved by shareholders.

During the entire period, SIF Muntenia's portfolio fell within the applicable legal limits and within the indicative limits defined by SIF Muntenia's target portfolio, of balanced multi – asset fund, approved by the Administration Program for 2018.

Chart no. 2.3. Target portfolio for 2018, according to SIF Muntenia's Administration Program for 2018



The main sub-portfolios that comprise SIF Muntenia's portfolio are presented below, both in value and as a percentage of the total certified assets.

In LEI	Q3 2018	2017	Q3 2017
Listed shares	1,016,451,994	992,239,037	1,001,626,122
Unlisted shares	187,595,602	170,101,775	171,021,020
Listed bonds	82,342,626	83,745,681	78,328,320
Unlisted bonds	6,563,985	1,194,062	1,161,211
Cash available	4,714,412	5,498,622	11,375,305
Bank deposits	8,242,589	15,546,412	16,515,565
Participation titles to UCITS	165,286,133	181,191,076	163,872,060
Other assets	20,602,031	16,053,242	9,785,998
TOTAL ASSETS	1,491,799,372	1,465,569,907	1,453,685,601

Tabeel no. 2.2. SIF Muntenia Portofolio (value comparison)

In % of total certified asset	Q3 2018	2017	Q3 2017
Listed shares	68.1%	67.7%	68.9%
Unlisted shares	12.6%	11.6%	11.8%
Listed bonds	5.5%	5.7%	5.4%

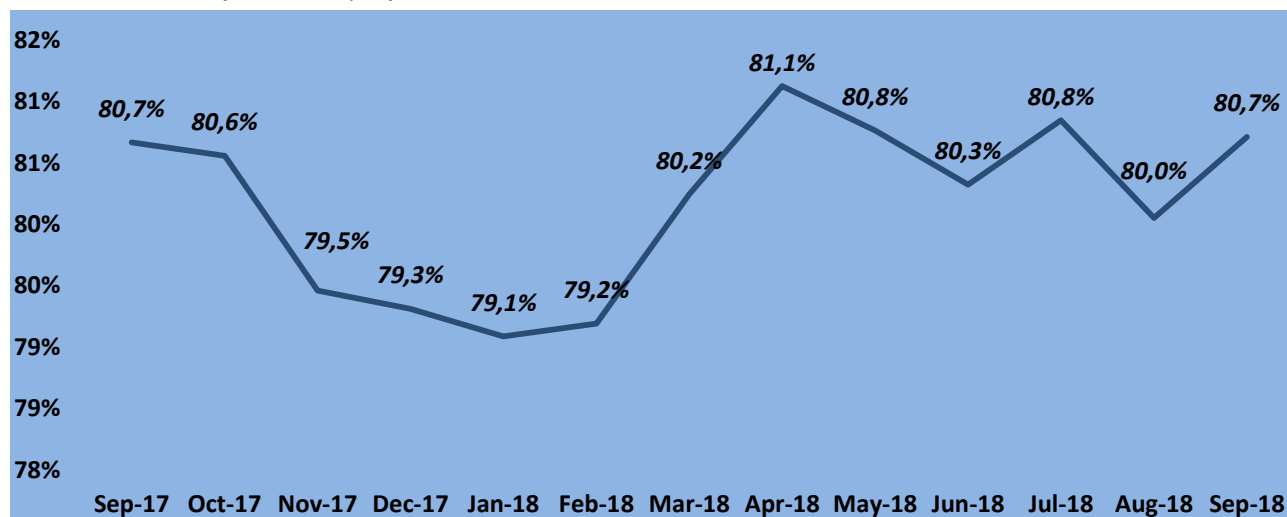
In % of total certified asset	Q3 2018	2017	Q3 2017
Unlisted bonds	0.4%	0.1%	0.1%
Cash available	0.3%	0.4%	0.8%
Bank deposits	0.6%	1.1%	1.1%
Participation titles to UCITS	11.1%	12.4%	11.3%
Other assets	1.4%	1.1%	0.7%

Table no. 2.3. SIF Muntenia Portofolio (percentage comparison)

The detailed statement of SIF Muntenia investments on 28 September 2018, prepared in accordance with Annex 17 of Regulation no. 15/2004, is attached to this report.

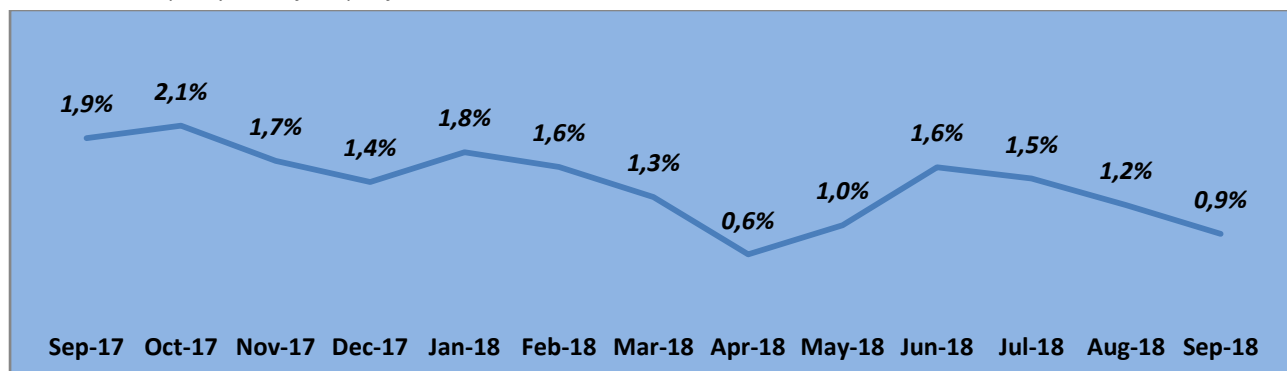
The chart below shows the evolution during the last year of the participation in shares as a percentage of SIF Muntenia's total asset. Details regarding the composition of this sub-portfolio and the evolution during the reporting period are presented in the SHARES SUBPORTFOLIO chapter.

Chart no. 2.4. Quota of Shares sub-portfolio in SIF Muntenia's Total Asset



The liquidity degree of the portfolio, defined as the ratio of liquidity plus bank deposits and total asset, was within the limits required by prudent liquidity risk management. Details can be found in the OTHER SUBPORTFOLIOS chapter.

Chart no. 2.5. Liquidity level of the portfolio



Maintaining the liquidity level at low levels is due to the decision to invest in listed financial instruments that offer higher yields than interest rates on bank deposits offered by credit institutions in Romania.

3 SHARES SUBPORTFOLIO

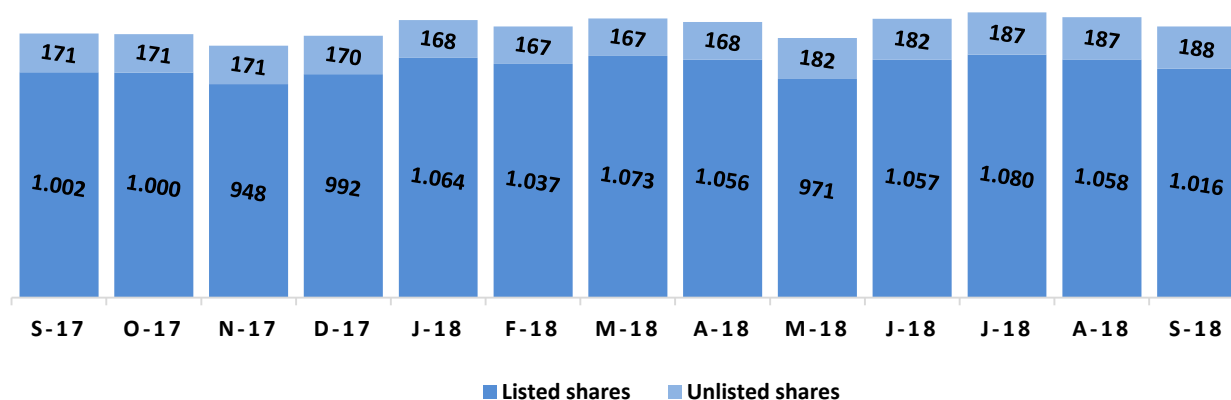
Participations in shares, especially in those listed on organized markets and alternative trading systems, remained the most important, both in terms of value and income in SIF Muntenia's portfolio.

The management of this sub-portfolio aimed at achieving the objectives set out in the Strategic Management Program approved for 2018.

The main evolution in the structure of the portfolio in the third quarter of 2018, as compared to the end of the previous quarter, was the decrease as a percentage (3.81%) and value (40.2 million lei) of the listed shares sub-portfolio, due to the decrease in net asset values of some ATS listed companies with low liquidity and the decrease of the quotation of shares listed on the BSE, which entered the post-dividend period.

Compared to the same period of the previous year, the listed shares sub-portfolio registered an increase in value of 14.83 million lei (1.48%), and during the current year it had a oscillating evolution in tight limits, with an increasing general trend, as can be seen in the chart below.

Chart no. 3.1. Evolution of listed shares and unlisted shares (monthly series) mn lei



In LEI	Q3 2018	2017	Q3 2017
Listed shares	1,016,451,994	992,239,037	1,001,626,122
- listed on the BSE	705,966,011	617,297,189	620,141,415
- listed on ATS	154,333,548	246,037,216	283,422,535
- listed but not traded during the last 30 days	156,152,435	128,904,632	98,062,172
Unlisted shares – closed companies	187,595,602	170,101,775	171,021,020
Total	1,204,047,596	1,162,340,812	1,172,647,142

Table nr. 3.1. Evolution of the shares sub-portfolio net assets (expressed in lei)

Transactions and other events in the shares sub-portfolio

In the third quarter of 2018, the trading activity in the shares sub-portfolio was centered on acquisitions. Thus, shares listed on BSE were traded, with transaction liquidity and dividend yields above the market average, worth RON 4.49 mn (OMV Petrom SA, BRD - Groupe Societe Generale and Macofil SA Târgu Jiu). Cash paid from listed shares amounted to 1.45 mn RON (OMV Petrom SA).

11,750,075 shares were received following the free of charge share capital increase by increasing the number of shares in Banca Transilvania S.A.

In July 2018, the share package held in Cotroceni Park S.A. was fully sold for the amount of 1.58 million lei and Mercur Trading S.A. Bucurest was de-registered.

In the third quarter of 2018, dividends were collected in the amount of RON 17.99 million.

Gross income (which, according to the IFRS rules also includes dividend tax) of dividends in the first nine months of 2018 was 51.76 mn lei.

Pursuant to the Valuation Rules used for the valuation of financial securities listed in SIF Muntenia's portfolio, dividends are recorded in the assets of the entities being managed on the first day when the investors who buy the shares no longer receive dividends or the first day when the investors who buy the shares can no longer participate to the share capital increase.

In the third quarter of 2018, the debt recovery from **Galgros S.A.** was completed. By partial voluntary payment and subsequently enforced, the amount of 2,283,880.57 RON was fully received, representing the equivalent of the 648,222 shares held by SIF Muntenia as a result of exercising the right to withdraw from the company, based on Law 151/2014, as well as following the update of the due amount from the due date until the total payment in full, amounting to 124,627.93 lei.

3.1 CONTROLLED COMPANIES/SUBSIDIARIES

Subsidiaries are entities under the control of the Company. The control exists when the Company is exposed or has rights to variable return on the basis of its participation in the investee and has the ability to influence that income through its authority over the investee. At the time of the assessment of control, the potential or convertible voting rights that are exercisable at that time are also considered.

Until 31.12.2017, SIF Muntenia has prepared consolidated financial statements of the Group. Between 31.12.2017 - 30.09.2018, SIF Muntenia held a control position in 14 companies to which it is a shareholder:

Denomination of the subsidiary	Denomination of the CAEN Code	Type of company closed/listed
Biofarm S.A. București	Manufacture of pharmaceutical preparations	BVB-REGS (BIO)
Avicola S.A. București	Raising of poultry	BVB-ATS (AVBW)
CI-CO S.A. București	Renting and operating of own or leased real estate	BVB-ATS (CI-CO)
Firos S.A. București	Manufacture of articles of concrete, cement and plaster	unlisted
Voluthema Property Developer S.A.	Development of building projects	unlisted
Muntenia Medical Competences S.A.	Medical and dental practice activities	unlisted
Bucur S.A. București	Wholesale of food, beverages and tobacco	BVB-ATS (BUCV)
Gecsatherm S.A.	Manufacture of glass and glass products	unlisted
Fondul Român de Garantare a creditelor pentru întreprinzătorii privați-IFN SA	Other financial service activities, except insurance and pension funding	unlisted
Casa de Bucovina-Club de Munte S.A.	Hotels and similar accommodation	BVB-REGS (BCM)
Semrom Muntenia S.A. București	Wholesale of agricultural raw materials and live animals	BVB-ATS (SEOM)
Semrom Oltenia S.A. Craiova	Growing of non-perennial crops	BVB-ATS (SEOL)
Unisem S.A. București	Wholesale of grain, unmanufactured tobacco, seeds and	BVB-ATS (UNISEM)

Denomination of the subsidiary	Denomination of the CAEN Code	Type of company closed/listed
	animal feeds	
Mindo S.A. Dorohoi	Manufacture of articles of concrete, cement and plaster	BVB-ATS (MINO)

Table no. 3.2. *Subsidiaries list*

Starting 1st January 2018, in the process of alignment with the requirements for an investment entity, SIF Muntenia S.A.:

- invests in subsidiaries in order to increase the value of equity and / or the income from these investments and does not intend to obtain other benefits resulting from the entity's investments.

- values subsidiaries at fair value through profit or loss. As a result, the impact of these valuations is directly reflected in the profit distributable to shareholders.

- discloses gain or loss arising from derecognition of subsidiaries' assets and liabilities (details in Note 28 of the Notes to Interim Financial Statements on 30 September 2018).

As an investment entity, the Company ceased to consolidate its subsidiaries from 1st January 2018 and discloses gain or loss arising from the derecognition of the assets and liabilities of subsidiaries in the Statement of Financial Position as at 31 December 2017 and the recognition of investments in subsidiaries at fair value through profit or loss in accordance with IFRS 9.

Subsidiaries are monitored analytically by constantly increasing their fair value by taking immediate measures, especially in the case of non-fulfillment of the indicators of the revenues and expenses budgets approved by the SGA. It is constantly pursuing their growth, both in terms of the result and the position on the market in which it operates, so that the fair value does not have any negative influences in the annual result registered by SIF Muntenia.

All controlled companies are based in Romania. For these, SIF Muntenia's holding in the share capital of the company is not different from the percentage of the votes held.

The table below shows the values (in million lei) of SIF Muntenia S.A.'s subsidiaries, calculated according to the regulations issued by the Financial Supervisory Authority regarding the calculation of the net assets (NAV, mn Lei) and the fair values of the entities (fair value, mn Lei), calculated according to the International Valuation Standards (IVS).

No. Crt.	Denomination	NAV (mn lei)	Share on SIF's total asset	Fair value (mn lei)	Percentage held by SIF
1.	Biofarm S.A. București	174.33	11.69%	174.33	50.98%
2.	Avicola S.A. București	57.50	3.85%	33.60	99.40%
3.	CI-CO S.A. București	45.56	3.05%	45.56	97.34%
4.	Firos S.A. București	40.37	2.71%	40.37	99.69%
5.	Voluthema Property Developer S.A.	18.41	1.23%	18.41	69.11%
6.	Muntenia Medical Competences S.A.	18.40	1.23%	18.40	98.94%
7.	Bucur S.A. București	16.98	1.14%	16.86	67.98%
8.	Gecsatherm S.A.	14.90	1.00%	14.90	50.00%
9.	Fondul Român de Garantare a creditelor pentru întreprinzătorii privați-IFN S.A.	11.18	0.75%	11.18	53.60%
10.	Casa de Bucovina-Club de Munte S.A.	7.83	0.53%	7.83	66.87%
11.	Semrom Muntenia S.A. București	7.35	0.49%	24.74	90.68%
12.	Semrom Oltenia S.A. Craiova	6.08	0.41%	10.42	88.49%
13.	Unisem S.A. București	6.07	0.41%	14.82	76.91%
14.	Mindo S.A. Dorohoi	4.22	0.28%	9.40	98.02%
	TOTAL	429.18		440.82	

Table no. 3.3. *Subsidiaries list at their fair value as at 30.09.2018*

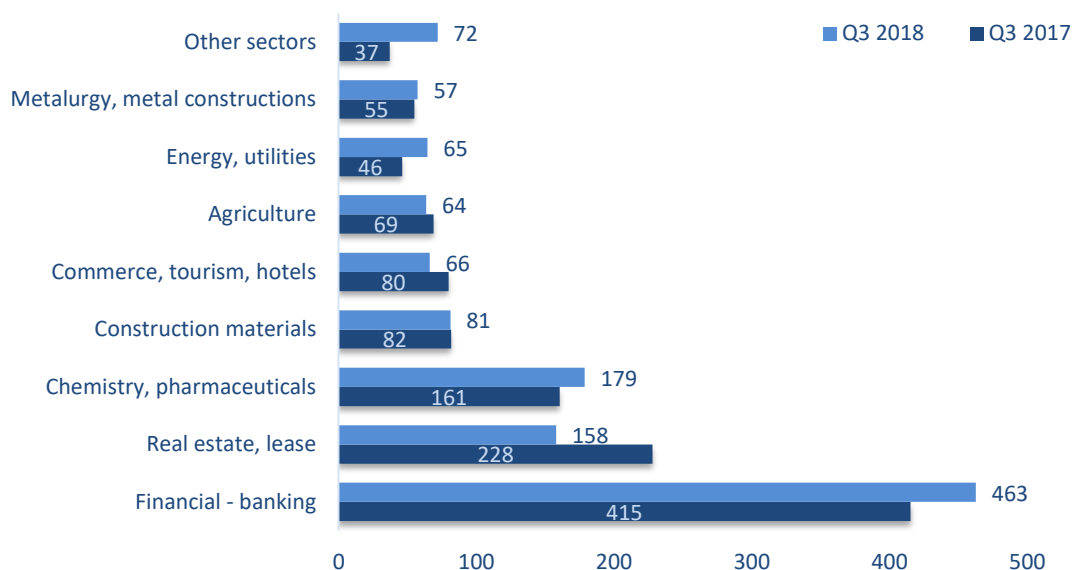
3.2 ALLOCATION BY SECTORS OF ACTIVITY

SIF Muntenia's 2018 Administration Program:

"Increase holdings in issuers operating in high performance economic sectors at this time. Currently, among the sectors of activity with potential in the business cycle, we can mention the banking, energy and utilities sector, the pharmaceutical industry"

The main sectors of activity in which SIF Muntenia holds participations in shares (Q3 2018 compared to Q3 2017, asset values, million Lei) are presented in the chart below.

Chart no. 3.2. Activity sectors (comparison Q3 2018 versus Q3 2017)



FINANCIAL BANKING SECTOR

Due to rising inflation and interest rates on the interbank market, institutions in the banking system reported substantial increases in net earnings. As the cost of risk has fallen, banks have released provisions or have made less provisions than last year, which has influenced the result in a positive way.

In the first half of 2018, BRD, the bank controlled by the French group Societe Generale, reported a profit of 767 million lei, up to 2%. BCR, the number one in the banking market and part of the Austrian group Erste, reported a profit of 697 million lei in the first semester, up to 129%. Banca Transilvania, number two on the market, announced a profit of 663 million lei, up to 34%. At Banca Transilvania's entire group level, the profit was 865 million lei, the figures including at group level as well the results of Bancpost, a bank acquired from the Greek group Eurobank.

Cumulatively, the three largest banks by assets reported net profits of more than 2.1 billion lei. The following three banks - Raiffeisen, ING and UniCredit - reported a cumulative profit of 1.047 billion lei.

The relevant interbank money market rates have gradually narrowed their positive spread over the monetary policy rate over the past two months (August and September 2018). The exchange rate RON/EUR remained relatively stable, according to the National Bank of Romania's BoD minutes on monetary policy issues of 3 October 2018.

The credit to the private sector shows an upward trend in the third quarter of 2018, with a total weight of the RON component of approx. 60% (from a minimum of approximately 35.6% in May 2012), and the weight of credit to the population reached, in August 2018, a new historical high of 53.2% of total loans granted by financial institutions to non-government sector.

CHEMISTRY, PHARMACEUTICALS

The pharmaceutical market has been influenced in recent years by frequent legislative changes and measures with a strong impact on the whole industry, such as the progressive increase of the clawback tax, the non-differentiation between original and generic medicines, changes to the lists of compensated medicines or the settlement with the Health Insurance House.

According to an analysis performed by Keysfin², which has taken into account the financial data of drug-production and distribution companies, their business has evolved in recent years, from 37.92 billion lei in 2012 to 47.87 billion lei in 2017, the estimates for 2018 going towards reaching the 50 billion lei threshold. Growth in business has also been accompanied by a significant evolution in profitability. If in 2012 the firms in the pharmaceutical industry reported a total profit of 1.65 billion lei, in 2017 it reached 2.38 billion lei, and in 2018 it is estimated a level 54% higher than the reference year 2012, of RON 2.53 billion.

Among the performers of the pharmaceutical market in Romania, we can mention Biofarm S.A. (BIO symbol), where SIF Muntenia holds 50.98% (at the date of this report), a company that ranks among the most profitable securities on the Bucharest Stock Exchange.

PRODUCTION, TRANSPORT AND TRADE OF ENERGY

By Order no. 168 / 17.09.2018 regarding the establishment of the regulated rate of profitability applied to the tariffs for the electricity distribution service provided by the distribution operators' dealers as of 1st January 2019, effective as of 19th September 2018, the National Regulatory Authority (ANRE) decided to reduce by 26% the regulated profit rate (RPR) of the electricity distribution companies, which represents a guaranteed profit margin for the distribution activity of the profile operators used for the calculation of the energy distribution tariffs. Thus, from 1st January 2019, the regulated rate of profitability of electricity distribution operators will be 5.66%, expressed in real terms, before tax, 26% lower than the current one of 7.7%. The RPR indicator is a parameter taken into account when determining the regulated revenues of the distribution operators and the setting of the regulated distribution tariffs. A.N.R.E. states³

² Barometer on the state of the Romanian business, a project developed by KeysFin by analyzing the financial data on the commercial companies and active Self Employed Persons in Romania.

³ <https://www.anre.ro/ro/presa/comunicate/comunicat-17-09-2018-aprobarea-ratei-reglementate-a-rentabilitatii>

that the RPR, approved for the purpose of calculating tariffs for the electricity distribution service from 1st January 2019, will lead to reaching an optimum between maintaining the investment required to ensure the quality of the electricity distribution service and ensuring a reasonable rewards level of the distribution operator's dealers, according to the regulatory framework established by the Law on Electricity and Natural Gas no. 123/2012, as amended and supplemented. The regulated profitability rate⁴ is calculated on the basis of yields on government securities or treasury bills, rate of return on the market for shares listed on the BSE (market portfolios) and the coefficient expressing the correlation between the result of the market portfolio and the individual income of the company, with the cost of borrowed capital.

In the third quarter as well, the Regulatory Committee of A.N.R.E. approved, at the meeting held on 05.09.2018, the order no. 167/2018 regarding the modification and completion of the Network Code for the National Gas Transmission System, approved by the Order of the President of the National Regulatory Authority for Energy no. 16/2013.

The changes ensure alignment with the European regulations in the field, as it results from the amendments to the Electricity and Natural Gas Act regarding the trading on the virtual trading point (vtp), as well as the possibility for the final customers to participate in natural gas transactions with a view to balancing their own consumption.

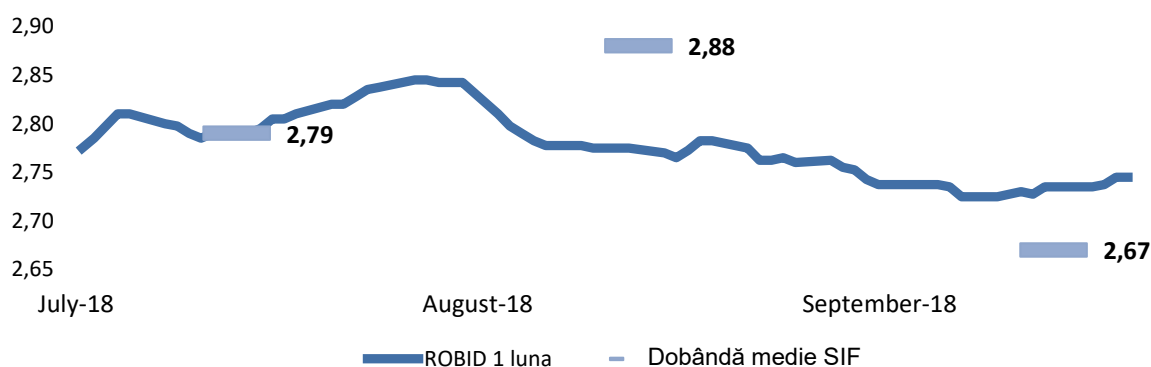
3.3 OTHER SUB-PORTFOLIOS

Bank deposits

Amounts held in bank deposits were kept at low levels, sized to cover dividend payments, investments in other financial instruments and operating expenses.

The average interest rate on SIF Muntenia's deposits with the Romanian credit institutions was, to a large extent, over ROBID at 1 month. At the end of the third quarter, the Company holds 8.24 million lei in bank deposits, at current value.

Chart no. 3.3. One-month ROBID (maximum 3,18%, minimum 2,70%) as compared to the monthly average interest rate of SIF Muntenia's deposits



Bonds

In July 2018, 53,000 unlisted bonds with a face value of 100 lei were purchased at Medimfarm S.A. Ploiesti through a private bond placement. The main activity of Medimfarm S.A. is Wholesale trade of pharmaceutical products, CAEN Code 4646. The bond issue is guaranteed, the maturity is 24 months from the subscription date and the interest is fix, namely 7% / year to EUR.

Coupons amounting to 235,494.21 EUR were received, related to the bonds issued by Banca Transilvania S.A. and Opus Chartered Issuances.

⁴ According to „Parameter values used to establish the regulated profitability rate approved by the ANRE President Order no. 168 of 17.09.2018”, www.anre.ro

In the third quarter of 2018, two amendments were signed, for the extension of the maturity of OPUS bonds. The table below shows the change.

ISIN Bond	Initial maturity	Maturity according to the amendment
DE000A185GT6	03.09.2018	03.09.2020
DE000A17LGN6	24.09.2018	24.09.2020

Table no. 3.4. *Maturity of bonds issued by Opus Chartered Issuances*

Fund units

Participation titles at mutual funds contributes to reduce the overall portfolio risk through diversification and provides access to financial and investment market segments that could not be accessed directly for regulatory or cost reasons. Fund units at FIA Certinvest Actiuni in the amount of 3.00 mn RON were purchased in August 2018.

Other financial instruments

Starting 31st August 2017, SIF Muntenia no longer owns such financial instruments.

4 RISK MANAGEMENT

Risk management represents all activities that aim at identifying, quantifying, monitoring and controlling risks so as to ensure compliance with the principles of general risk policy.

S.A.I. Muntenia Invest S.A. has established and maintained its risk management function on an ongoing basis, operationally and independently of the management of portfolios of managed entities. For SIF Muntenia, S.A.I. Muntenia Invest S.A. as an alternative investment fund manager, pursues a risk management system that includes a set of analyzes, portfolio diversification charts, together with the identification and assessment of financial risks, as well as proposals to mitigate the effects of risk related to the investment and general activity.

The administrator assessed the risk profile of SIF Muntenia according to the requirements of EU Regulation no. 231/2013 on the risk management system. This risk profile is assessed in a detailed system of key risk-limits / indicators.

In this case, during the third quarter of 2018, the following categories of potential or existing risks to which SIF Muntenia S.A. is exposed have been analyzed and evaluated, with a scope to reduce their impact according to the previously presented classification: market risk, credit risk, liquidity risk and operational risk.

(a) *Market risk*

Market risk is the risk of losses arising from fluctuations in the market value of positions in the portfolio of financial instruments, fluctuations that may be attributable to changes in market variables: price of shares, foreign exchange rates, interest rates or commodity prices that could modify the value of the financial instruments held.

For measuring and assessing market risks, tradable portfolio **VaR (value at risk)** is calculated, an indicator that expresses the maximum potential loss with a certain probability of error expected over a given period of time. VaR has a value that falls within the low risk range, according to the agreed Risk Profile.

The calculated **currency risk** is 5.60% and falls within the limits of the average risk assumed for this parameter.

The calculated parameters related to **concentration risk** fall within the degree of risk assumed by the Fund's Risk Profile.

Concerning the **long-term interest rate risk**, on 30th September 2018 there is only one issue of floating rate bonds, that of Banca Transilvania (0.08% of the total asset), with an insignificant impact on the risks that may affect the company's income. SIF Muntenia's bank deposits are interest-bearing assets, which are generally invested in the short term and are not exposed to a major risk of change. The Company does not use derivative financial instruments to protect itself against interest rate fluctuations

(b) *Credit risk*

The calculated indicators (**Exposure rate to listed issuers** and **Exposure rate to unlisted issuers**) fall within the risk profile agreed by the Risk Profile.

Counterparty risk - The possibility of insolvency of institutions providing services (such as assets custody) or situations in which transactions are executed with shares / bonds issued by issuers unlisted on a regulated market or on an alternative trading system. The results fall into the low risk area.

(c) *Liquidity risk*

The main liquidity ratio indicator is: "Liquid assets / Liabilities (30 days)", an indicator that falls within very low risk degree according to SIF Muntenia's Risk Profile, which means that the value of cash or cash equivalent is at least five times more than the amount of liabilities for a 30-day period.

Another liquidity indicator pursued is the grouping of assets in the liquidity bands specified in the ESMA Guide 869/2014 (118, 119), ie the percentage of the fund portfolio that can be liquidated in each of the specified liquidity periods.

Calculations for the entire portfolio show that it falls within the medium risk level, with an optimal level of assets that can be converted into cash over the time horizon analyzed against the proposed level.

(d) *Operational risk*

Operational risks address losses caused either by the use of inadequate processes, internal systems or human resources that can not properly perform their function, or external events and actions. This risk category also includes legal risk. For SIF Muntenia S.A., the amount of aggregate potential loss due to the materialization of operational risks is non-existent, as most of the operational risks affect the Administrator rather than the fund managed.

Categorization of assets in the portfolio within the legal holding limits

The holding limits for SIF Muntenia's portfolio are defined by the applicable law, namely:

- Article 188 of the N.S.C. Regulation no. 15/2004 on the authorization and functioning of investment management companies, collective investment undertakings and depositaries - in relation to the exposure conditions of closed-end investment funds with a diversified investment policy;
- Article 9 of the FSA Rule no. 14/2013 - in relation to direct and indirect investment in promissory notes;
- Limits resulting from the provisions of Law 297/2004 regarding the voting rights of the entities supervised by the FSA;
- Limits provided by art. 3 (2) of Directive 2011/61/EU (legislation regarding Alternative Investment Fund Managers).

The holding limits for points (1) to (3) above were respected throughout Quarter III 2018.

LIMITS REFERRED TO UNDER ARTICLE 3 (2) OF DIRECTIVE 2011/61/EU

At the end of the third quarter of 2018, the assets of the AIF-type entities amounted to 1,491,799,372.47 lei. Their value in Euro is 319,867,784.31. If the amount calculated above exceeds the threshold of EUR 500,000,000, SAI Muntenia Invest S.A., as an AIFM should request an authorization in accordance with the relevant procedures of Directive 2011/61/EU.

LEVERAGE

S.A.I. Muntenia Invest S.A.'s policy is not to use leverage in the management process for SIF Muntenia S.A., respectively not to use a method of increasing the exposure of an AIF set out in Annex no. 1 of Regulation 231/2013 of the European Commission, in accordance with the Decision of the Board of Directors. The analysis of SIF Muntenia's portfolio shows that there is no derivative financial instrument or that any method that increases the exposure is used, according to the Annex mentioned in the above paragraph.

Regarding **Systemic and Contagion Risk**, it is part of the National Bank of Romania's objectives of imposing additional capital requirements on institutions of systemic importance and consists in increasing their capacity to absorb losses with positive effects on the reduction of systemic risk generated by the size of the institutions, the likelihood of financial difficulties and the decrease of severity associated with their potential impact.

Considering favorable macroeconomic and financial conditions and the **reduction of contagion risks** on the external channel, N.B.R. has deactivated the 1% systemic shock absorber since 2017.

In SIF Muntenia's portfolio, Banca Transilvania can be considered an exposure that adds systemic risk, especially due to the size of the bank. Regarding the exposure of SIF Muntenia to Banca Transilvania, we appreciate that the bank's performance, the complex evaluations of the NBR and the ratings awarded by the rating agencies lead to a permanent monitoring of the systemic risk generated by this exposure.

5 SIF MUNTENIA SHARES. SHAREHOLDERS RELATIONS

The subscribed and paid-up share capital is 80,703,651.5 lei, divided into 807,036,515 common shares with a nominal value of 0.1000 RON / share.

All shares are ordinary, with a nominal value of 0.1 lei / share.

The shares are issued in dematerialized form and are evidenced by the registration in the shareholders register, administered by DEPOZITARUL CENTRAL S.A. București, a company authorized by the FSA.

There were no changes in the number of shares issued in the third quarter of 2018. SIF Muntenia did not approve any buy-back program and did not acquire its own shares during this period.

SIF Muntenia has not issued bonds and / or other debt securities, and has no obligations of this nature. Funding of the whole activity is done only through own funds.

The Articles of Incorporation were modified in the first part of 2018 and, according to the legislation in force, the following were updated:

- the provisions regarding shareholders' rights (right to dividends, voting rights, organization of the Shareholders General Meetings),
- the attributions of the Shareholders General Meetings,
- changes regarding the number of members of the Shareholders Representatives Council and their attributions.

On 30th September 2018, SIF Muntenia had a number of 5,950,323 individual and legal persons shareholders.

<i>Shareholders</i>	<i>Number of individual shareholders</i>	<i>Number of shares held by individuals</i>	<i>Number of legal persons shareholders</i>	<i>Number of shares held by legal persons</i>	<i>Total number of shareholders</i>	<i>Total number of shares held</i>	<i>% of capital held</i>
Resident	5.948.213	488.384.849	170	273.069.024	5.948.383	761.453.873	94,35
Non-resident	1.920	2.960.970	20	42.621.672	1940	45.582.642	5,65
TOTAL	5.950.133	491.345.819	190	315.690.696	5.950.323	807.036.515	100,00

Table no. 5.1. Shareholding structure at 30.09.2018

During the analyzed period, no Shareholders General Meetings were held.

5.1 TRADING OF SHARES ISSUED BY SIF MUNTENIA

The shares issued by SIF Muntenia are listed on Bucharest Stock Exchange, main segment, premium category, according to the provisions of the BSE Decision no. 200/1999 and are traded on this market starting with 01.11.1999. The ISIN code of SIF Muntenia shares is ROSIFDACNOR6, and the symbol is SIF4.

Other codes of the shares are:

- Bloomberg BBGID - BBG000BMN7T6; symbol SIF4:RO
- Reuters: SIF4.RO
- LEI Code: 2549007DHG4WLBMAAO98.

The shares are included in a series of indices calculated by the Bucharest Stock Exchange, namely BET-FI (the index includes SIF-type investment funds and Fondul Proprietatea; the weight of SIF4 in the index was 8.55% at the date of the report) as well as BET-XT-TR, BET-XT, BET-BK indices.

<i>Share performance</i>	<i>Q3 2018</i>	<i>2017</i>	<i>Q3 2017</i>
Closing price REGS, lei	0.660	0.980	0.928
NAV per SHARE, lei	1.7245	1.6986	1.6876
Net Asset Discount, %	61.7%	42.3%	45.0%
Market capitalization, mn lei	532.64	790.86	748.93

Tabel nr. 5.2. SIF Muntenia share performance

Number of trading sessions	64
Number of trades	3,622
Number of shares traded	13,672,016
Total value of trades	10.007.282
Maximum trading volume:	REGS - [17.09.2018] 1,832,505
Minimum price, lei	REGS - [28.09.2018] 0.6580
Maximum price, lei	[31.08.2018] 0.7840
Average price, lei	0.7320

Table no. 5.3. Details on SIF4 trading during 01.07.2018 - 30.09.2018

DIVIDENDS

The policy on the annual distribution of dividends or other benefits to shareholders is presented on SIF Muntenia website, in the Corporate Governance section.

The table below shows dividends distributed to shareholders during the last years.

Year	Gross dividend per share	Registration date	Ex-dividend date	Payment date
2017	0.0347	19.09.2018	18.09.2018	28.09.2018
2016	0.0400	12.09.2017	11.09.2017	28.09.2017
2015	0.0450	18.08.2016	17.08.2016	08.09.2016

Table no. 5.4. Dividends during the last 3 years

In the third quarter of 2018, distribution of the dividends for 2014, 2015 and 2016 financial years continued, underlying that for dividends not claimed for more than 3 years from the date of their exigibility, ie the dividends for the 2014 financial year (which were registered as due at the end of the 31st day of August 2018), payment was ceased starting with 1st September 2018.

The distribution of dividends for the 2017 financial year began in September of the current year.

The shareholders entitled to receive dividends distributed from the net profit realized in the financial 2017 year were those registered in the consolidated shareholders' register on 19.09.2018 - the registration date according to the decision of the SGOM of 27.04.2018. On 11th September 2018, the dividend payment procedure for the 2017 financial year, valid from 28th September 2018, was made available to the shareholders on the Company's website and on the BSE. The payment started on 28.09.2018 - payment date, according to the SGOM Decision of 27.04.2018.

Payment of dividends, in compliance with the relevant legal provisions, is performed by the Central Depository, and the paying agent appointed by SIF MUNTENIA S.A. is Banca Comercială Română S.A.

In the first 9 months of 2018 gross dividends of RON 14.58 mn were distributed, of which 13.16 mn RON in the third quarter of 2018 (of which 12.94 mn RON in September).

6 FINANCIAL ACCOUNTING STATEMENT

SIF Muntenia prepared financial reports on 30.09.2018 according to the FSA Rule no. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector.

As of 1st January 2018, the Company applies IFRS 9 Financial Instruments. This Standard provides that if an entity prepares interim financial statements in accordance with IAS 34 Interim Financial Reporting, the entity does not need to apply the provisions of this Standard for interim periods prior to the date of initial application if this is not possible (as defined in IAS 8). In accordance with the transitional provisions of IFRS 9, the Company has decided not to restate prior periods. Under these circumstances, comparisons with relevant elements of the past year are not relevant for a number of elements.

Financial reports on 30 September 2018 are not audited or revised.

Below we will present a summary of the financial statement of SIF Muntenia on 30 September 2018. For details, please refer to the Individual Interim Financial Statements on 30 September 2018.

6.1 INDIVIDUAL STATEMENT OF FINANCIAL POSITION

The table below presents the financial position at the end of 2017 and early 2018, in order to see the effects of the implementation of IFRS 9 as of 01.01.2018

In LEI	Q3 2018	1 January 2018	2017
Assets			
Cash and current accounts	5,906,071	6,574,391	6,574,391
Deposits at banks	8,255,769	15,558,404	15,558,404
Financial assets at fair value through profit or loss	700,882,066	704,924,330	98,683,282
Financial assets at fair value through other comprehensive income / Financial assets available for sale	628,936,711	559,534,373	1,164,697,391
Financial assets measured at amortized cost / Loans and receivables	10,128,799	4,669,243	5,863,691
Tangible assets	121,469	165,731	165,731
Other assets	15,333,880	7,728,962	7,728,962
Total Assets	1,369,564,765	1,299,155,434	1,299,271,852
Liabilities			
Dividend to be paid	68,391,044	54,323,451	54,323,451
Deferred tax liabilities	29,526,376	29,550,239	29,550,239
Other liabilities	2,112,998	10,770,267	10,770,267
Total Liabilities	100,030,418	94,643,957	94,643,957
Equity			

In LEI	Q3 2018	1 January 2018	2017
Share capital	80,703,652	80,703,652	80,703,652
Hyperinflation effect on share capital	803,294,017	803,294,017	803,294,017
Retained result / (Cumulated loss)	302,403,762	311,369,533	(50,931,247)
Reserves from revaluation of financial assets at fair value through other comprehensive income / financial assets available for sale	69,137,676	9,144,275	371,561,474
Retained earnings from surplus from revaluation reserves - IFRS 9	13,995,240	-	-
Total Equity	1,269,534,347	1,204,511,477	1,204,627,895
Total Liabilities and Equity	1,369,564,765	1,299,155,434	1,299,271,852

Table no. 6.1. Individual statement of the financial position

The IFRS 9 Accounting Standard has affected the classification and measurement of financial assets held as at 1 January 2018 as follows:

- Bonds that are classified as loans and receivables and measured at amortized cost in accordance with IAS 39 are measured at amortized cost (liabilities issued by Impact Developer & Contractor S.A.) or at fair value through profit or loss (bonds issued by Banca Transilvania) depending on the analysis of the contractual terms in which the cash flows are not exclusively payments of the principal and the interest on the principal due.
- Shares that are classified as available for sale in accordance with IAS 39 are measured, in accordance with IFRS 9, at fair value through other comprehensive income, depending on the circumstances, except for holdings in subsidiaries. These titles are mainly held for long-term strategic purposes.
- Shares held in subsidiaries are measured at fair value through profit or loss as a result of the application of the provisions of IFRS 10 regarding the exception to consolidation, for which an investment in a subsidiary is measured at fair value through profit or loss in accordance with IFRS 9.
- Fund units that are classified as available for sale in accordance with IAS 39 are measured in accordance with IFRS 9 at fair value through profit or loss.

6.2 INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER ITEMS OF COMPREHENSIVE RESULT

In LEI	Q3 2018	Q3 2017
REVENUES		
Dividend revenues	51,759,913	26,269,033
Interest revenues	602,780	533,773
Other operating revenues	556,897	131,927
Investment income		
Net income/ (net loss) from foreign exchange differences	99	(158,690)
Net income from the sale of assets	-	7,203,715
Net income from the revaluation of financial assets at fair value through profit or loss	2,433,153	28,925,298

In LEI	Q3 2018	Q3 2017
EXPENSES		
Gain/Loss from depreciation of assets	1,951,875	(3,735,202)
ADMINISTRATION EXPENSES		
Administration fees	(13,050,000)	(13,050,000)
Expenses with the remuneration of the Shareholders Representatives Council	(766,903)	(981,767)
Other operating expenses	(2,176,673)	(2,254,697)
Profit before tax	41,311,141	42,883,390
Profit tax	(5,452,723)	(3,711,106)
Net profit of the period	35,858,418	39,172,284
OTHER ELEMENTS OF COMPREHENSIVE RESULT	59,993,400	93,648,119
TOTAL COMPREHENSIVE RESULT OF THE PERIOD	95,851,818	132,820,403

Table no. 6.2. Individual statement of profit or loss and other items of comprehensive result

In the Individual Statement of Financial Position under IFRS, dividend income is recorded at gross value and the related tax is included in the income tax. They are recognized in profit or loss at the date when the right to receive such income is established.

Starting 2018, fiscal result is determined from income and expense items in the Profit or Loss Statement plus items similar to income and similar items of expense are discounted, underlined in retained earnings, as a result of the adoption of IFRS 9. In Note 12 to the individual interim financial statements, details on the calculation of current income tax are presented.

For the third quarter of 2018 and the third quarter of 2017, the corporate tax rate was 16%. The tax rate on income from taxable dividends for the third quarter of 2018 and the third quarter of 2017 was 5%.

6.3 BUDGET OF REVENUES AND EXPENSES EXECUTION

The revenues and expenses budget for the financial year 2018 was approved in the SGOM of 27 April 2018, by decision no. 3.

Please note that in the presented financial statements, the income achieved from the decrease in the share capital of Voluthema Property Developer S.A., the gain from the redemption of fund units and the interest of the period related to the bonds held were recorded under the position "Net gain from revaluation of financial assets at fair value through profit or loss". In the execution of the BRE they were included in point 1.1.3. *Income from transactions* or point 1.1.2. *Interest income* because this is how they were budgeted in the proposal made by the SIF Muntenia's administrator and approved by the shareholders.

In LEI	B.R.E. 2018	Achieved 09.2018	A/B.R.E.
1. TOTAL REVENUES	62,500,000	57,022,889	91.24%
1.1. Investment income	62,400,000	56,798,615	91.02%
1.1.1 Dividend income	40,000,000	51,759,913	129.40%
1.1.2 Interest income	2,400,000	1,857,669	77.40%
1.1.3 Net income from trades	20,000,000	3,181,033	15.91%
1.2 Other revenues	100,000	224,274	224.27%
2. TOTAL REVENUES	22,800,000	15,993,576	70.15%

In LEI	B.R.E. 2018	Achieved 09.2018	A/B.R.E.
2.1 Administration expenses	17,400,000	13,050,000	75.00%
2.2 Third party expenses	2,600,000	1,548,581	59.56%
2.3 Portfolio administration expenses	1,300,000	518,370	39.87%
2.4 SRC expenses	1,300,000	876,625	67.43%
2.5 Other expenses	200,000	0	0.00%
3. NET GAIN FROM REVALUATION OF ASSETS		281,828	
4. GROSS PROFIT	39,700,000	41,311,141	104.06%
5. Profit Tax (current and deferred) including received dividend tax		5,452,723	
6. NET PROFIT		35,858,418	

Table no. 6.3. Achievement of the B.R.E. on 30.09.2018

The gross profit resulted from the execution of the B.R.E. as at 30.09.2018 is of 41.3 mn Lei, representing 104.06% of the forecasted profit for 2018.

6.4 FINANCIAL ECONOMIC INDICATORS

The table below shows the relevant indicators for SIF Muntenia's field of activity, indicators presented and monitored as well in the periods prior to the analysis. They are calculated in accordance with the provisions of the FSA Regulation no. 5/2018, Annex 13, letter A, using a set of accounting reporting elements in the MFP format for that period.

Indicator	Method of calculation	Q3 2018	2017	Q3 2017
Current liquidity	Current assets/ Current liabilities	1.2253	1.3584	1.8154
Fixed assets turnover	Turnover/ fixed assets	0.1213	0.0923	0.0683
Net Profit /Net asset (calculated acc. to FSA regulations)	-	2.58%	3.72%	2.88%
ROA	Net Profit / Total accounting assets	2.62%	3.93%	3.11%
ROE	Net Profit / equity	2.82%	4.23%	3.36%

Tabel nr. 6.4. Indicatori economico-financiar

*Presentation of indicators such as Debt Ratio, Turnover speed, for client debit items – Not applicable

Definitions

Current assets = current assets plus prepayments

Current liabilities = debts under one year

Turnover = related to SIF Muntenia's field of activity, Revenues from current activity = total revenues

Return on assets (ROA) is one of the main return on investment indicators of a company and measures asset efficiency in terms of profit and shows how many units a unit invested in assets brings in profit.

ROE (Return on Equity) is one of the most important indicators measuring a company's performance. The indicator is calculated as the ratio between the net profit of the company and the equity, expressing in practice the way and the efficiency with which the shareholders have invested their money.

7 SUBSEQUENT EVENTS

There were no subsequent events to the date of the report relevant to SIF Muntenia's activity.

ANNEXES

- Detailed statement of SIF Muntenia's investments on 30 September 2018, prepared in accordance with Annex 17 of Regulation no. 15/2004.
- Individual Interim Financial Statements as at 30.09.2018.

SIF MUNTENIA S.A. by its Administrator,
S.A.I. MUNTENIA INVEST S.A.
General Director,
Marian Nicușor Buică

3B EXPERT AUDIT S.R.L.

Administrator,
Adriana Anișoara Badiu