

BT LEASING TRANSILVANIA IFN S.A.

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS**

Prepared in accordance with IAS 34 “Interim Financial Reporting”

As at 30 June 2020

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BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

For the 6 months period ending 30 June

- in RON

| | Note | Group | | Company | |
|---|--------------|---------------------|---------------------|---------------------|---------------------|
| | | 2020 (unaudited) | 2019 (unaudited) | 2020 (unaudited) | 2019 (unaudited) |
| Interest income | | 40,898,609 | 46,737,888 | 40,881,438 | 46,719,936 |
| Interest expense | | (9,255,126) | (10,721,385) | (9,255,126) | (10,721,385) |
| Net interest income | 6 | 31,643,483 | 36,016,503 | 31,626,312 | 35,998,551 |
| Fee and commission income | | 6,503,876 | 5,016,389 | - | - |
| Fee and commission expense | | (59,604) | (149,833) | (48,045) | (138,378) |
| Net fee and commission income | 7 | 6,444,272 | 4,866,556 | (48,045) | (138,378) |
| Net gain from foreign currency translation | 8 | 3,424,886 | 4,906,955 | 3,424,886 | 4,906,955 |
| Other operating income | 9 | 2,646,522 | 2,400,957 | 11,750,379 | 9,574,670 |
| Revenue/Expense(-) from sale of assets previously leased to customers | 10 | 2,095 | (533,767) | 2,095 | (533,767) |
| Net impairment income/(charges) of financial assets | 11 | (6,174,084) | (2,691,991) | -6,174,084 | (2,691,991) |
| Personnel expenses | 12 | (5,221,216) | (5,498,964) | -4,830,738 | (5,109,503) |
| Depreciation expense | 22,23 | (1,071,248) | (814,278) | -1,048,002 | (794,542) |
| Other operating expenses | 13 | (5,409,171) | (4,631,375) | -5,217,468 | (4,454,116) |
| Profit before tax | | 26,285,539 | 34,020,596 | 29,485,335 | 36,757,879 |
| Income tax expense | 14 | (3,670,433) | (4,417,356) | (3,608,506) | (4,366,834) |
| Net profit for the year | | 22,615,106 | 29,603,240 | 25,876,829 | 32,391,045 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income | | 22,615,106 | 29,603,240 | 25,876,829 | 32,391,045 |
| Profit of the Group attributable to: | | | | | |
| Owners of the Company | | 22,613,453 | 29,602,155 | 25,861,372 | 34,590,841 |
| Non-controlling interests | | 1,653 | 1,085 | - | - |

The financial statements were approved by the Board of Directors on September 28th, 2020 and were signed on its behalf by:

Morar Ionut Calin
General Manager

Moldovan Sabina
Financial Manager

Interim Consolidated and Separate Statement of Financial Position

- in RON -

- in RON -

| As at | Note | Group | | Company | |
|--|------|----------------------------|----------------------|----------------------------|----------------------|
| | | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Assets | | | | | |
| Cash on hand | | 2,784 | 2,792 | 2,639 | 2,238 |
| Placements with banks | 15 | 15,026,626 | 33,247,063 | 14,770,370 | 31,341,165 |
| Finance lease receivables | 16 | 1,048,676,984 | 1,052,145,372 | 1,048,676,984 | 1,052,145,372 |
| Other financial assets | 17 | 9,646,311 | 8,184,005 | 5,081,827 | 4,278,044 |
| Inventory | 18 | 12,463,865 | 9,907,766 | 12,463,865 | 9,907,766 |
| Equity investments | 19 | 19 | 19 | 69,539 | 69,539 |
| Premises and equipments | 20 | 1,188,831 | 1,263,739 | 1,128,719 | 1,184,916 |
| Intangible assets | 21 | 640,534 | 235,324 | 639,776 | 230,031 |
| Right-of-use assets | 22 | 2,762,465 | 2,326,949 | 2,762,465 | 2,326,949 |
| Deferred tax assets | | 3,460,999 | 2,524,232 | 3,436,055 | 2,499,288 |
| Other assets | 23 | 3,093,900 | 3,008,084 | 3,086,766 | 3,003,310 |
| Total assets | | 1,096,963,318 | 1,112,845,345 | 1,092,119,005 | 1,106,988,618 |
| Liabilities | | | | | |
| Loans from banks and other financial institutions | 24 | 637,283,022 | 674,943,313 | 637,283,022 | 674,943,313 |
| Issued bonds | 25 | 192,118,448 | 189,498,266 | 192,118,448 | 189,498,266 |
| Lease liabilities | 26 | 2,840,371 | 2,392,102 | 2,840,371 | 2,392,102 |
| Provisions for liabilities and charges | 27 | 8,900,764 | 12,703,998 | 8,900,764 | 12,535,154 |
| Other financial liabilities | 28 | 7,734,296 | 8,049,914 | 9,686,450 | 12,317,265 |
| Other liabilities | 29 | 8,023,572 | 8,970,681 | 7,774,120 | 8,826,574 |
| Total liabilities | | 856,900,473 | 896,558,274 | 858,603,175 | 900,512,674 |
| Equity | | | | | |
| Share capital | 30 | 59,572,544 | 59,572,544 | 59,572,544 | 59,572,544 |
| Legal reserves and other reserves | 31 | 11,886,093 | 10,889,314 | 11,761,381 | 10,764,602 |
| Retained earnings | | 168,602,507 | 145,822,776 | 162,181,905 | 136,138,798 |
| Total equity attributable to Company's owners | | 240,061,144 | 216,284,634 | 233,515,830 | 206,475,944 |
| Non-controlling interest | | 1,701 | 2,437 | - | - |
| Total equity | | 240,062,845 | 216,287,071 | 233,515,830 | 206,475,944 |
| Total liabilities and equity | | 1,096,963,318 | 1,112,845,345 | 1,092,119,005 | 1,106,988,618 |

The financial statements were approved by the Board of Directors on September 28th, 2020 and were signed on its behalf by:

Morar Ionut Calin
General Manager



Moldovan Sabina
Financial Manager



BT Leasing Transilvania IFN S.A.

Interim Consolidated Statement of Changes in Equity

- în RON -

| Group | Share capital | Legal reserves and other reserves | Retained earnings | Total equity attributable to Company's owners | Non-controlling interest | Total equity |
|--|-------------------|-----------------------------------|--------------------|---|--------------------------|--------------------|
| Balance as at 1 January 2019 | 59,572,544 | 8,203,447 | 99,771,711 | 167,547,702 | 1,574 | 167,549,276 |
| Net profit for the period | - | - | 29,602,155 | 29,602,155 | 1,085 | 29,603,240 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2019 | - | - | 29,602,155 | 29,602,155 | 1,085 | 29,603,240 |
| <i>(unaudited)</i> | | | | | | |
| Distribution to legal reserve of the Company | - | 1,814,889 | (1,814,889) | - | - | - |
| Distribution of dividends | - | - | - | - | (1,574) | -1,574 |
| Other changes | - | (35,258) | 35,258 | - | - | - |
| Balance as at 30 June 2019 (unaudited) | 59,572,544 | 9,983,078 | 127,594,235 | 197,149,857 | 1,085 | 197,150,942 |
| Balance as at 1 January 2020 | 59,572,544 | 10,889,314 | 145,822,776 | 216,284,634 | 2,437 | 216,287,071 |
| Net profit for the period | - | - | 22,613,453 | 22,613,453 | 1,653 | 22,615,106 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2020 | - | - | 22,613,453 | 22,613,453 | 1,653 | 22,615,106 |
| <i>(unaudited)</i> | | | | | | |
| Distribution to legal reserve of the Company | - | 996,779 | (996,779) | - | - | - |
| Distribution of dividends | - | - | - | - | (2,437) | -2,437 |
| Other changes | - | - | 1,163,057 | 1,163,057 | - | 1,163,057 |
| Balance as at 30 June 2020 (unaudited) | 59,572,544 | 11,886,093 | 168,602,507 | 240,061,144 | 1,653 | 240,062,797 |

Interim Separate Statement of Changes in Equity

- in RON -

| Company | Share capital | Legal reserves and other reserves | Retained earnings | Total equity |
|--|-------------------|---|--------------------|--------------------|
| Balance as at 1 January 2019 | 59,572,544 | 8,078,735 | 92,001,188 | 159,652,467 |
| Net profit for the period | - | - | 32,391,045 | 32,391,045 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2019 (unaudited) | - | - | 32,391,045 | 32,391,045 |
| Distribution to legal reserve | - | - | (1,779,632) | - |
| - of the Company | - | 1,779,632 | (1,779,632) | - |
| Balance as at 30 June 2019 (unaudited) | 59,572,544 | 9,858,367 | 122,612,601 | 192,043,512 |
| Balance as at 1 January 2020 | 59,572,544 | 10,764,602 | 136,138,798 | 206,475,944 |
| Net profit for the period | - | - | 25,876,829 | 25,876,829 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2020 (unaudited) | - | - | 25,876,829 | - |
| Distribution to legal reserve | - | - | - | - |
| - of the Company | - | 996,779 | (996,779) | - |
| Other changes | - | - | 1,163,057 | 1,163,057 |
| Balance as at 30 June 2020 (unaudited) | 59,572,544 | 11,761,381 | 162,181,905 | 233,515,830 |

BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Cash Flows

For the 6 month period ending June 30

- in RON -

| | Note | Group | |
|---|-----------|---------------------|---------------------|
| | | 2020 (unaudited) | 2019 (unaudited) |
| Operating activities | | | |
| Profit before tax | | 26,285,539 | 34,020,596 |
| Adjustments for non-monetary elements | | | |
| Depreciation expense of premises and equipment and intangible assets | 22,23, 24 | 1,071,248 | 814,278 |
| Net impairment charges for finance lease receivables | | 13,555,232 | 5,674,691 |
| Net impairment expenses for other assets | | (3,009) | (1,092,533) |
| Net release of provisions for repossessed inventory | | (1,586,034) | (6,068,784) |
| Net provisions for other liabilities | | (3,803,234) | (2,860,252) |
| Interest income from banks | 6 | (302,857) | (146,931) |
| Interest expense | | 9,255,126 | 10,721,385 |
| Dividend income | 9 | - | (2) |
| Income tax | | (3,670,431) | (4,417,356) |
| Other adjustments for non-cash items | | 1,879,095 | 468,274 |
| Operating profit before the change in operating assets and liabilities | | 42,680,675 | 37,113,366 |
| (-) Increase in net finance lease receivables | | (10,086,844) | (71,161,047) |
| (-) Increase / Decrease (+) in other assets | | (1,545,131) | 4,708,967 |
| Decrease in inventory | | (970,065) | 2,828,529 |
| Increase of trade payables and other liabilities | | (1,262,726) | 357,230 |
| Interest expense paid | | (9,213,290) | (10,682,051) |
| Income tax paid | | (1,833,497) | (49,190) |
| Net cash flow used in operating activities | | 17,769,122 | (36,884,196) |
| Investing activities | | | |
| Acquisitions of premises, equipment and intangible assets | | (684,800) | (293,918) |
| Proceeds from disposal of premises and equipment and intangible assets | | 61,038 | 65,650 |
| Interest received from banks | | 302,839 | 150,528 |
| Dividends received | 9 | - | 2 |
| Net cash flow from investing activities | | (320,923) | (77,738) |
| Financing activities | | | |
| Net receipts of loans and other borrowings | | (37,660,291) | 54,920,826 |
| Receipt from bonds issued | | 2,620,183 | |
| Instalment payments for right-of-use assets | | (628,553) | (515,856) |
| Net cash flow from financing activities | | (35,668,661) | 54,404,970 |
| Cash and cash equivalents at the beginning of the period | | 33,248,528 | 9,167,633 |
| Net increase/(decrease) in cash and cash equivalents | | (18,220,462) | 17,443,036 |
| Cash and cash equivalents at the end of the period | | 15,028,066 | 26,610,669 |

BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Cash Flows

For the 6 month period ending June 30

- in RON -

| | Note | Company | |
|---|-------------|---------------------|---------------------|
| | | 2020 (unaudited) | 2019 (unaudited) |
| Operating activities | | | |
| Profit before tax | | 29,485,335 | 36,757,879 |
| Adjustments for non-monetary elements | | | |
| Depreciation expense of premises and equipment and intangible assets | 22,232 4 | 1,048,002 | 794,542 |
| Net impairment charges for finance lease receivables | | 13,555,233 | 5,674,694 |
| Net impairment expenses for other assets | | (3,009) | (1,092,533) |
| Net release of provisions for repossessed inventory | | (1,586,034) | (6,068,784) |
| Net provisions for other liabilities | | (3,634,390) | (2,708,664) |
| Interest income from banks | 6 | (285,686) | (128,979) |
| Interest expense | | 9,255,126 | 10,721,385 |
| Dividend income | 9 | (9,104,993) | (7,191,541) |
| Income tax | | (3,608,506) | (4,366,834) |
| Other adjustments for non-cash items | | 1,821,225 | 420,608 |
| Operating profit before the change in operating assets and liabilities | | 36,942,303 | 32,811,773 |
| (-) Increase in net finance lease receivables | | (10,086,845) | (71,161,047) |
| (-) Increase / Decrease (+) in other assets | | (884,250) | (1,512,315) |
| Decrease in inventory | | (970,065) | 2,828,528 |
| Increase of trade payables and other liabilities | | (3,683,270) | 4,365,311 |
| Interest expense paid | | (9,213,289) | (10,682,050) |
| Income tax paid | | (1,773,235) | - |
| Net cash flow used in operating activities | | 10,331,349 | (43,349,800) |
| Investing activities | | | |
| Acquisitions of premises, equipment and intangible assets | | (684,800) | (184,474) |
| Proceeds from disposal of premises and equipment and intangible assets | | 61,038 | 65,650 |
| Interest received from banks | | 285,669 | 132,575 |
| Dividends received | 9 | 9,104,993 | 7,191,541 |
| Net cash flow from investing activities | | 8,766,900 | 7,205,292 |
| Financing activities | | | |
| Net receipts of loans and other borrowings | | (37,660,291) | 54,920,826 |
| Receipt from bonds issued | | 2,620,183 | - |
| Instalment payments for right-of-use assets | | (628,553) | (515,856) |
| Net cash flow from financing activities | | (35,668,661) | 54,404,970 |
| Cash and cash equivalents at the beginning of the period | | 31,342,077 | 8,017,567 |
| Net increase/(decrease) in cash and cash equivalents | | (16,570,412) | 18,260,462 |
| Cash and cash equivalents at the end of the period | | 14,771,665 | 26,278,029 |

BT LEASING TRANSILVANIA IFN S.A.

**CONDENSED INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS**

Prepared in accordance with IAS 34 “Interim Financial Reporting”

As at 30 June 2020

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BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

For the 6 months period ending 30 June

- in RON

| | Note | Group | | Company | |
|---|--------------|---------------------|---------------------|---------------------|---------------------|
| | | 2020 (unaudited) | 2019 (unaudited) | 2020 (unaudited) | 2019 (unaudited) |
| Interest income | | 40,898,609 | 46,737,888 | 40,881,438 | 46,719,936 |
| Interest expense | | (9,255,126) | (10,721,385) | (9,255,126) | (10,721,385) |
| Net interest income | 6 | 31,643,483 | 36,016,503 | 31,626,312 | 35,998,551 |
| Fee and commission income | | 6,503,876 | 5,016,389 | - | - |
| Fee and commission expense | | (59,604) | (149,833) | (48,045) | (138,378) |
| Net fee and commission income | 7 | 6,444,272 | 4,866,556 | (48,045) | (138,378) |
| Net gain from foreign currency translation | 8 | 3,424,886 | 4,906,955 | 3,424,886 | 4,906,955 |
| Other operating income | 9 | 2,646,522 | 2,400,957 | 11,750,379 | 9,574,670 |
| Revenue/Expense(-) from sale of assets previously leased to customers | 10 | 2,095 | (533,767) | 2,095 | (533,767) |
| Net impairment income/(charges) of financial assets | 11 | (6,174,084) | (2,691,991) | -6,174,084 | (2,691,991) |
| Personnel expenses | 12 | (5,221,216) | (5,498,964) | -4,830,738 | (5,109,503) |
| Depreciation expense | 22,23 | (1,071,248) | (814,278) | -1,048,002 | (794,542) |
| Other operating expenses | 13 | (5,409,171) | (4,631,375) | -5,217,468 | (4,454,116) |
| Profit before tax | | 26,285,539 | 34,020,596 | 29,485,335 | 36,757,879 |
| Income tax expense | 14 | (3,670,433) | (4,417,356) | (3,608,506) | (4,366,834) |
| Net profit for the year | | 22,615,106 | 29,603,240 | 25,876,829 | 32,391,045 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income | | 22,615,106 | 29,603,240 | 25,876,829 | 32,391,045 |
| Profit of the Group attributable to: | | | | | |
| Owners of the Company | | 22,613,453 | 29,602,155 | 25,861,372 | 34,590,841 |
| Non-controlling interests | | 1,653 | 1,085 | - | - |

The financial statements were approved by the Board of Directors on September 28th, 2020 and were signed on its behalf by:

Morar Ionut Calin
General Manager

Moldovan Sabina
Financial Manager

Interim Consolidated and Separate Statement of Financial Position

- in RON -

- in RON -

| As at | Note | Group | | Company | |
|--|------|----------------------------|----------------------|----------------------------|----------------------|
| | | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Assets | | | | | |
| Cash on hand | | 2,784 | 2,792 | 2,639 | 2,238 |
| Placements with banks | 15 | 15,026,626 | 33,247,063 | 14,770,370 | 31,341,165 |
| Finance lease receivables | 16 | 1,048,676,984 | 1,052,145,372 | 1,048,676,984 | 1,052,145,372 |
| Other financial assets | 17 | 9,646,311 | 8,184,005 | 5,081,827 | 4,278,044 |
| Inventory | 18 | 12,463,865 | 9,907,766 | 12,463,865 | 9,907,766 |
| Equity investments | 19 | 19 | 19 | 69,539 | 69,539 |
| Premises and equipments | 20 | 1,188,831 | 1,263,739 | 1,128,719 | 1,184,916 |
| Intangible assets | 21 | 640,534 | 235,324 | 639,776 | 230,031 |
| Right-of-use assets | 22 | 2,762,465 | 2,326,949 | 2,762,465 | 2,326,949 |
| Current tax assets | | 3,460,999 | 2,524,232 | 3,436,055 | 2,499,288 |
| Deferred tax assets | 23 | 3,093,900 | 3,008,084 | 3,086,766 | 3,003,310 |
| Other assets | | 1,096,963,318 | 1,112,845,345 | 1,092,119,005 | 1,106,988,618 |
| Liabilities | | | | | |
| Loans from banks and other financial institutions | 24 | 637,283,022 | 674,943,313 | 637,283,022 | 674,943,313 |
| Lease liabilities | 25 | 192,118,448 | 189,498,266 | 192,118,448 | 189,498,266 |
| Provisions for liabilities and charges | 26 | 2,840,371 | 2,392,102 | 2,840,371 | 2,392,102 |
| Other financial liabilities | 27 | 8,900,764 | 12,703,998 | 8,900,764 | 12,535,154 |
| Current tax liabilities | 28 | 7,734,296 | 8,049,914 | 9,686,450 | 12,317,265 |
| Other liabilities | 29 | 8,023,572 | 8,970,681 | 7,774,120 | 8,826,574 |
| Total liabilities | | 856,900,473 | 896,558,274 | 858,603,175 | 900,512,674 |
| Equity | | | | | |
| Share capital | 30 | 59,572,544 | 59,572,544 | 59,572,544 | 59,572,544 |
| Legal reserves and other reserves | 31 | 11,886,093 | 10,889,314 | 11,761,381 | 10,764,602 |
| Retained earnings | | 168,602,507 | 145,822,776 | 162,181,905 | 136,138,798 |
| Total equity attributable to Company's owners | | 240,061,144 | 216,284,634 | 233,515,830 | 206,475,944 |
| Non-controlling interest | | 1,701 | 2,437 | - | - |
| Total equity | | 240,062,845 | 216,287,071 | 233,515,830 | 206,475,944 |
| Total liabilities and equity | | 1,096,963,318 | 1,112,845,345 | 1,092,119,005 | 1,106,988,618 |

The financial statements were approved by the Board of Directors on September 28th, 2020 and were signed on its behalf by:

Morar Ionut Calin
General Manager

Moldovan Sabina
Financial Manager

Interim Consolidated Statement of Changes in Equity

| Group | Share capital | Legal reserves and other reserves | Retained earnings | Total equity attributable to Company's owners | Non-controlling interest | Total equity |
|--|-------------------|-----------------------------------|--------------------|---|--------------------------|--------------------|
| Balance as at 1 January 2019 | 59,572,544 | 8,203,447 | 99,771,711 | 167,547,702 | 1,574 | 167,549,276 |
| Net profit for the period | - | - | 29,602,155 | 29,602,155 | 1,085 | 29,603,240 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2019 | - | - | 29,602,155 | 29,602,155 | 1,085 | 29,603,240 |
| <i>(unaudited)</i> | | | | | | |
| Distribution to legal reserve of the Company | - | 1,814,889 | (1,814,889) | - | - | - |
| Distribution of dividends | - | - | - | - | (1,574) | -1,574 |
| Other changes | - | (35,258) | 35,258 | - | - | - |
| Balance as at 30 June 2019 (unaudited) | 59,572,544 | 9,983,078 | 127,594,235 | 197,149,857 | 1,085 | 197,150,942 |
| Balance as at 1 January 2020 | 59,572,544 | 10,889,314 | 145,822,776 | 216,284,634 | 2,437 | 216,287,071 |
| Net profit for the period | - | - | 22,613,453 | 22,613,453 | 1,653 | 22,615,106 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2020 | - | - | 22,613,453 | 22,613,453 | 1,653 | 22,615,106 |
| <i>(unaudited)</i> | | | | | | |
| Distribution to legal reserve of the Company | - | 996,779 | (996,779) | - | - | - |
| Distribution of dividends | - | - | - | - | (2,437) | -2,437 |
| Other changes | - | - | 1,163,057 | 1,163,057 | - | 1,163,057 |
| Balance as at 30 June 2020 (unaudited) | 59,572,544 | 11,886,093 | 168,602,507 | 240,061,144 | 1,653 | 240,062,797 |

- in RON -

BT Leasing Transilvania IFN S.A.

Interim Separate Statement of Changes in Equity

- în RON -

| Company | Share capital | Legal reserves and other reserves | Retained earnings | Total equity |
|--|-------------------|---|--------------------|--------------------|
| Balance as at 1 January 2019 | 59,572,544 | 8,078,735 | 92,001,188 | 159,652,467 |
| Net profit for the period | - | - | 32,391,045 | 32,391,045 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2019 (unaudited) | - | - | 32,391,045 | 32,391,045 |
| Distribution to legal reserve | - | - | (1,779,632) | - |
| - of the Company | - | 1,779,632 | - | - |
| Balance as at 30 June 2019 (unaudited) | 59,572,544 | 9,858,367 | 122,612,601 | 192,043,512 |
| Balance as at 1 January 2020 | 59,572,544 | 10,764,602 | 136,138,798 | 206,475,944 |
| Net profit for the period | - | - | 25,876,829 | 25,876,829 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the 6 month period ending 30 June 2020 (unaudited) | - | - | 25,876,829 | 25,876,829 |
| Distribution to legal reserve | - | - | (996,779) | - |
| - of the Company | - | 996,779 | 1,163,057 | 1,163,057 |
| Other changes | - | - | - | - |
| Balance as at 30 June 2020 (unaudited) | 59,572,544 | 11,761,381 | 162,181,905 | 233,515,830 |

The explanatory notes to the financial statements from page 7 to page 40 are an integral part of these financial statements

BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Cash Flows

For the 6 month period ending June 30

| | | - in RON - | |
|---|-----------|---------------------|---------------------|
| | | Group | |
| | Note | 2020 (unaudited) | 2019 (unaudited) |
| Operating activities | | | |
| Profit before tax | | 26,285,539 | 34,020,596 |
| Adjustments for non-monetary elements | | | |
| Depreciation expense of premises and equipment and intangible assets | 22,23, 24 | 1,071,248 | 814,278 |
| Net impairment charges for finance lease receivables | | 13,555,232 | 5,674,691 |
| Net impairment expenses for other assets | | (3,009) | (1,092,533) |
| Net release of provisions for repossessed inventory | | (1,586,034) | (6,068,784) |
| Net provisions for other liabilities | | (3,803,234) | (2,860,252) |
| Interest income from banks | 6 | (302,857) | (146,931) |
| Interest expense | | 9,255,126 | 10,721,385 |
| Dividend income | 9 | - | (2) |
| Income tax | | (3,670,431) | (4,417,356) |
| Other adjustments for non-cash items | | 1,879,095 | 468,274 |
| Operating profit before the change in operating assets and liabilities | | 42,680,675 | 37,113,366 |
| (-) Increase in net finance lease receivables | | (10,086,844) | (71,161,047) |
| (-) Increase / Decrease (+) in other assets | | (1,545,131) | 4,708,967 |
| Decrease in inventory | | (970,065) | 2,828,529 |
| Increase of trade payables and other liabilities | | (1,262,726) | 357,230 |
| Interest expense paid | | (9,213,290) | (10,682,051) |
| Income tax paid | | (1,833,497) | (49,190) |
| Net cash flow used in operating activities | | 17,769,122 | (36,884,196) |
| Investing activities | | | |
| Acquisitions of premises, equipment and intangible assets | | (684,800) | (293,918) |
| Proceeds from disposal of premises and equipment and intangible assets | | 61,038 | 65,650 |
| Interest received from banks | | 302,839 | 150,528 |
| Dividends received | 9 | - | 2 |
| Net cash flow from investing activities | | (320,923) | (77,738) |
| Financing activities | | | |
| Net receipts of loans and other borrowings | | (37,660,291) | 54,920,826 |
| Receipt from bonds issued | | 2,620,183 | |
| Instalment payments for right-of-use assets | | (628,553) | (515,856) |
| Net cash flow from financing activities | | (35,668,661) | 54,404,970 |
| Cash and cash equivalents at the beginning of the period | | 33,248,528 | 9,167,633 |
| Net increase/(decrease) in cash and cash equivalents | | (18,220,462) | 17,443,036 |
| Cash and cash equivalents at the end of the period | | 15,028,066 | 26,610,669 |

The explanatory notes to the financial statements from page 7 to page 40 are an integral part of these financial statements

BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Cash Flows

For the 6 month period ending June 30

- in RON -

| | Note | Company | |
|---|-------------|---------------------|---------------------|
| | | 2020 (unaudited) | 2019 (unaudited) |
| Operating activities | | | |
| Profit before tax | | 29,485,335 | 36,757,879 |
| Adjustments for non-monetary elements | | | |
| Depreciation expense of premises and equipment and intangible assets | 22,232 4 | 1,048,002 | 794,542 |
| Net impairment charges for finance lease receivables | | 13,555,233 | 5,674,694 |
| Net impairment expenses for other assets | | (3,009) | (1,092,533) |
| Net release of provisions for repossessed inventory | | (1,586,034) | (6,068,784) |
| Net provisions for other liabilities | | (3,634,390) | (2,708,664) |
| Interest income from banks | 6 | (285,686) | (128,979) |
| Interest expense | | 9,255,126 | 10,721,385 |
| Dividend income | 9 | (9,104,993) | (7,191,541) |
| Income tax | | (3,608,506) | (4,366,834) |
| Other adjustments for non-cash items | | 1,821,225 | 420,608 |
| Operating profit before the change in operating assets and liabilities | | 36,942,303 | 32,811,773 |
| (-) Increase in net finance lease receivables | | (10,086,845) | (71,161,047) |
| (-) Increase / Decrease (+) in other assets | | (884,250) | (1,512,315) |
| Decrease in inventory | | (970,065) | 2,828,528 |
| Increase of trade payables and other liabilities | | (3,683,270) | 4,365,311 |
| Interest expense paid | | (9,213,289) | (10,682,050) |
| Income tax paid | | (1,773,235) | - |
| Net cash flow used in operating activities | | 10,331,349 | (43,349,800) |
| Investing activities | | | |
| Acquisitions of premises, equipment and intangible assets | | (684,800) | (184,474) |
| Proceeds from disposal of premises and equipment and intangible assets | | 61,038 | 65,650 |
| Interest received from banks | | 285,669 | 132,575 |
| Dividends received | 9 | 9,104,993 | 7,191,541 |
| Net cash flow from investing activities | | 8,766,900 | 7,205,292 |
| Financing activities | | | |
| Net receipts of loans and other borrowings | | (37,660,291) | 54,920,826 |
| Receipt from bonds issued | | 2,620,183 | - |
| Instalment payments for right-of-use assets | | (628,553) | (515,856) |
| Net cash flow from financing activities | | (35,668,661) | 54,404,970 |
| Cash and cash equivalents at the beginning of the period | | 31,342,077 | 8,017,567 |
| Net increase/(decrease) in cash and cash equivalents | | (16,570,412) | 18,260,462 |
| Cash and cash equivalents at the end of the period | | 14,771,665 | 26,278,029 |

The explanatory notes to the financial statements from page 7 to page 40 are an integral part of these financial statements

BT Leasing Transilvania IFN S.A.

Notes to the condensed interim consolidated and separate financial statements

1. Reporting entity

BT Leasing Transilvania IFN SA ("Company", "Parent Company") was established in 1995 as a privately owned joint-stock company and having as main activity financing of purchase of motor vehicles and equipment under finance leases by legal entities and natural persons from Romania. BT Leasing Transilvania IFN SA is part of Banca Transilvania Financial Group ("BT Group"), being a subsidiary of it. Banca Transilvania SA ("BT") is the parent company and the ultimate controlling party.

The Company also owns the following subsidiaries: BT Intermedieri Agent de Asigurare SRL, BT Solution Agent de Asigurare SRL, BT Safe Agent de Asigurări SRL and BT Asiom Agent de Asigurare SRL (hereinafter defined as the "Subsidiaries"). The Parent Company and its Subsidiaries are based in Romania and are further defined as the "Group". The consolidated and separate financial statements as at 30 June 2020 include the Parent Company and its Subsidiaries.

As at 30 June 2020 the Group also has investments in associates such as BT Asset Management SAI SA and BT Direct IFN SA.

The Group has the following activities: finance lease, which is carried out by BT Leasing Transilvania IFN S.A. and insurance intermediation that is carried out by the subsidiaries: BT Intermedieri Agent de Asigurare, BT Safe Agent de Asigurare, BT Solution Agent de Asigurare and BT Asiom Agent de Asigurare.

As a result of applying the provisions of the Government Ordinance no. 28/2006, during 2007, the Company was registered in the Special Register of the National Bank of Romania as a non-banking financial institution and operates in compliance with the regulations issued by the National Bank of Romania ("NBR").

The address of the Group's registered office is 74-76 Constantin Brancusi Street, Cluj-Napoca, Romania.

As at 30 June 2020 the Group had 124 active employees (31 December 2019: 121 active employees).

The Group is managed by the Board of Directors consisting of three members, including a chairman:

| <u>Pozitie</u> | <u>30-Jun-2020</u> | <u>31-Dec-2019</u> |
|-----------------------|---------------------------|---------------------------|
| Președinte | Tiberiu Moisa | Hanga Radu |
| Membru | Szekely Daniel | Tiberiu Moisa |
| Membru | Nistor Ioan-Daniel | Szekely Daniel |

BT Leasing Transilvania IFN S.A.

Note la situațiile financiare interimare sumarizate consolidate și individuale

2. Basis of preparation

a) Conformity statement

The condensed interim consolidated and separate financial statements of the Group and the Company have been prepared in accordance with IAS 34 “Interim Financial Reporting”, effective as at the Group’s and Company’s interim reporting date, 30 June 2020.

They do not include all the information required for a complete set of financial statements in accordance with the International Financial Reporting Standard (“IFRS”) endorsed by the European Union. However, certain notes are included in order to explain the events and transactions that are significant in order to understand the changes in the Company’s and the Group’s financial position and performance as of the last annual consolidated and separate financial statements as at and for the year ended 31 December 2019.

The financial information for the period ending on 30 June are not audited.

b) Basis of measurement

The consolidated and separate financial statements were prepared on historical cost basis.

c) Functional and presentation currency

The items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which that entity operates (the “functional currency”). The functional currency of the entities within the Group is the Romanian lei, “RON”. The consolidated and separate financial statements are presented in RON.

The exchange rates for the major foreign currencies were:

| Moneda | 30-Jun-2020 | 31-Dec-2019 |
|-------------------|--------------------|--------------------|
| Euro („EUR”) | 1: RON 4,8423 | 1: RON 4,7793 |
| US Dollar („USD”) | 1: RON 4,3233 | 1: RON 4,2608 |

d) Use of estimates and significant judgments

The preparation of the condensed interim consolidated and separate financial statements in accordance with the IAS 34 “Interim Financial Reporting”, as endorsed by the European Union implies that the management uses estimations and judgements that affect the application of accounting policies, as well as the reported value of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical data and various other factors that are believed to be relevant under the given circumstances, the result of which forms the basis of the judgements used in assessing the carrying value of the assets and liabilities for which no other evaluation sources are available. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

The review of the accounting estimates are recognized in the period in which the estimate is reviewed, if the review affects only that period, or in the period of the review and future periods if the review affects both current and future periods.

The Group and the Company make estimates and assumptions that affect the amounts of assets and liabilities reported within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the given circumstances.

BT Leasing Transilvania IFN S.A.

Notes to the condensed interim consolidated and separate financial statements

3. Significant accounting methods and policies

The significant accounting methods and policies applied by the Company and by the Group entities in these interim condensed consolidated and separate financial statements are the ones also applied in the Consolidated and separate financial statements as at and for the fiscal year ended 31 December 2019.

4. Financial risk management policies

The Group and the Company are exposed to the following risks, as a result of using the financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;

The credit risk associated with the leasing activity is managed through the Group's risk management processes. The Group's largest exposure to credit risk is related to finance lease receivables. In this case, the exposure is the book value of the assets in the balance sheet. In order to minimize the risk, the Group has certain procedures designed to evaluate the customers before approving the leasing agreements, to set exposure limits, to monitor their ability to repay the principal and the resulting interest, during the duration of the lease.

The Board of Directors has delegated the responsibility for managing the credit risk to the Risk Committee.

BT Leasing Transilvania IFN S.A.**Notes to the condensed interim consolidated and separate financial statements****4. Financial risk management policies (continued)****Credit risk**

The table below presents the risk concentrations by economic sectors for balance sheet exposures, related to finance lease receivables, both at group and individual level:

| | 30-Jun-2020 <i>(unaudited)</i> | 31-Dec-2019 <i>- in RON -</i> |
|---|--|---|
| Transport | 264,754,862 | 282,716,740 |
| Trade | 214,579,436 | 226,043,535 |
| Manufacturing | 171,900,699 | 153,473,168 |
| Construction | 147,536,017 | 137,615,996 |
| Services | 96,235,332 | 91,705,095 |
| Agriculture and Forestry | 56,708,533 | 60,422,749 |
| Mining | 31,025,197 | 30,315,294 |
| Real-estate | 29,190,403 | 32,648,358 |
| Financial institutions | 33,373,222 | 34,661,596 |
| Other | 37,776,817 | 34,829,254 |
| Authorized person | 26,387,464 | 24,384,805 |
| Telecommunications | 14,800,485 | 12,823,894 |
| Natural person (retail clients) | 10,408,573 | 9,555,088 |
| Chemical | 2,459,213 | 2,384,253 |
| Energy | 786,725 | 1,110,995 |
| Fisheries | 564,542 | 688,343 |
| Governmental bodies | 131,574 | 163,467 |
| Gross exposure | 1,138,619,094 | 1,135,542,630 |
| Impairment allowances related to finance lease receivables | (89,942,110) | (83,397,258) |
| Net receivables from finance lease agreements | 1,048,676,984 | 1,052,145,372 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

The exposures to the credit risk for receivables from finance lease agreements granted to customers at consolidated and separate level on 30 June 2020 are presented below:

- in RON -

| At amortized cost | Receivables from finance lease agreements which are not impaired, class I - stage 2 | Impaired finance lease receivables at reporting date, class II - stage 3 | Receivables from finance lease agreements impaired at initial recognition (POCI) | Total |
|------------------------------|---|--|--|--------------------|
| Vehicles | 751,189,718 | 55,759,452 | 6,327,013 | 813,276,183 |
| - RON | 126,880,774 | 18,188,268 | 2,975,735 | 148,044,777 |
| - up to 3 years | 74,050,294 | 15,939,656 | 2,433,448 | 92,423,398 |
| - between 3-5 years | 50,518,683 | 2,248,612 | 542,287 | 53,309,582 |
| - more than 5 years | 2,311,797 | - | - | 2,311,797 |
| - in foreign currency | 624,308,944 | 37,571,184 | 3,351,278 | 665,231,406 |
| - up to 3 years | 247,479,184 | 29,043,986 | 2,804,198 | 279,327,368 |
| - between 3-5 years | 371,471,006 | 8,462,153 | 547,080 | 380,480,239 |
| - more than 5 years | 5,358,754 | 65,045 | - | 5,423,799 |
| Equipment | 188,810,114 | 44,834,763 | 26,282,335 | 259,927,212 |
| - RON | 63,273,422 | 21,140,991 | 370,231 | 84,784,644 |
| - up to 3 years | 40,259,442 | 17,318,882 | 370,231 | 57,948,555 |
| - between 3-5 years | 22,604,516 | 3,822,109 | - | 26,426,625 |
| - more than 5 years | 409,464 | - | - | 409,464 |
| - currency | 125,536,692 | 23,693,772 | 25,912,104 | 175,142,568 |
| - up to 3 years | 67,456,915 | 18,630,039 | 25,912,104 | 111,999,058 |
| - between 3-5 years | 56,390,304 | 5,063,733 | - | 61,454,037 |
| - more than 5 years | 1,689,473 | - | - | 1,689,473 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

- în RON -

| At amortized cost | Receivables from finance lease agreements which are not impaired, class I - stage 2 | Impaired finance lease receivables at reporting date, class II - stage 3 | Receivables from finance lease agreements impaired at initial recognition (POCI) | Total |
|--|---|--|--|----------------------|
| Buildings | 63,113,389 | 2,302,310 | - | 65,415,699 |
| - RON | 13,680,827 | 2,107,565 | - | 15,788,392 |
| - up to 3 years | 4,011,773 | 1,741,563 | - | 5,753,336 |
| - between 3-5 years | 7,015,180 | 366,002 | - | 7,381,182 |
| - more than 5 years | 2,653,874 | - | - | 2,653,874 |
| - currency | 49,432,562 | 194,745 | - | 49,627,307 |
| - up to 3 years | 6,148,352 | 194,745 | - | 6,343,097 |
| - between 3-5 years | 15,542,453 | - | - | 15,542,453 |
| | 27,741,757 | - | - | 27,741,757 |
| Total receivables from finance lease agreements before impairment adjustments | 1,003,113,221 | 102,896,525 | 32,609,348 | 1,138,619,094 |
| Impairment allowance related to finance lease receivables | (22,355,495) | (47,240,141) | (20,376,474) | (89,972,110) |
| Total finance lease receivables | 980,757,726 | 55,656,384 | 12,232,874 | 1,048,646,984 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

The exposures to the credit risk for receivables from finance lease agreements granted to customers at consolidated and separate level on 31 December 2019 are presented below:

- in RON -

| At amortized cost | Receivables from finance lease agreements which are not impaired, class I - stage 2 | Impaired finance lease receivables at reporting date, class II - stage 3 | Receivables from finance lease agreements impaired at initial recognition (POCI) | Total |
|---------------------|---|--|--|--------------------|
| Vehicles | 745,999,265 | 52,727,832 | 6,932,117 | 805,659,214 |
| - RON | 144,959,090 | 18,321,569 | 3,387,464 | 166,668,123 |
| - up to 3 years | 87,428,516 | 15,042,292 | 2,339,814 | 104,810,622 |
| - between 3-5 years | 57,317,666 | 3,279,277 | 1,047,650 | 61,644,593 |
| - more than 5 years | 212,908 | - | - | 212,908 |
| - currency | 601,040,175 | 34,406,263 | 3,544,653 | 638,991,091 |
| - up to 3 years | 227,768,236 | 24,524,735 | 2,180,118 | 254,473,089 |
| - between 3-5 years | 373,139,891 | 9,881,528 | 1,364,535 | 384,385,954 |
| - more than 5 years | 132,048 | - | - | 132,048 |
| Equipment | 195,487,482 | 35,256,687 | 25,773,961 | 256,518,130 |
| - RON | 80,580,389 | 11,568,390 | 437,274 | 92,586,053 |
| - up to 3 years | 55,961,867 | 8,048,707 | 297,546 | 64,308,120 |
| - between 3-5 years | 24,618,522 | 3,519,683 | 139,728 | 28,277,933 |
| - more than 5 years | - | - | - | - |
| - currency | 114,907,093 | 23,688,297 | 25,336,687 | 163,932,077 |
| - up to 3 years | 57,043,227 | 16,645,260 | 25,336,687 | 99,025,174 |
| - between 3-5 years | 56,054,446 | 7,043,037 | - | 63,097,483 |
| - more than 5 years | 1,809,420 | - | - | 1,809,420 |

Notele explicative la situațiile financiare de la pagina 7 la 40 fac parte integrantă din aceste situații financiare

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

- in RON -

| | Receivables from finance lease agreements which are not impaired, class I - stage 2 | Impaired finance lease receivables at reporting date, class II - stage 3 | Receivables from finance lease agreements impaired at initial recognition (POCI) | Total |
|--|---|--|--|---------------|
| At amortized cost | 68,618,677 | 4,746,609 | - | 73,365,286 |
| Buildings | | | | |
| - RON | 14,184,972 | 4,553,674 | - | 18,738,646 |
| - up to 3 years | 4,249,573 | 4,553,674 | - | 8,803,247 |
| - between 3-5 years | 7,768,357 | - | - | 7,768,357 |
| - more than 5 years | 2,167,042 | - | - | 2,167,042 |
| - currency | 54,433,705 | 192,935 | - | 54,626,640 |
| - up to 3 years | 9,185,216 | 192,935 | - | 9,378,151 |
| - between 3-5 years | 6,046,944 | - | - | 6,046,944 |
| - more than 5 years | 39,201,545 | - | - | 39,201,545 |
| Total receivables from finance lease agreements before impairment adjustments | 1,010,105,424 | 92,731,128 | 32,706,078 | 1,135,542,630 |
| Impairment allowance related to finance lease receivables | (20,921,900) | (42,559,912) | (19,915,446) | (83,397,258) |
| Total finance lease receivables | 989,183,524 | 50,171,216 | 12,790,632 | 1,052,145,372 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

The exposures to the credit risk for receivables from finance lease agreements granted to customers at consolidated and separate level on 30 June 2020 are presented below:

- in RON -

| Gross value of finance lease receivables granted to clients, not impaired, class I, stage 2 | Vehicles | | Equipment | | Buildings | | TOTAL | |
|---|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | in RON | in FCY | in RON | in FCY | in RON | in FCY | in RON | in FCY |
| Low-moderate risk | 122,980,565 | 612,112,482 | 61,294,874 | 123,993,845 | 13,657,980 | 49,432,561 | 197,933,419 | 785,538,888 |
| Sensitive risk | 2,963,732 | 8,948,569 | 1,578,070 | 767,234 | 22,847 | - | 4,564,649 | 9,715,803 |
| High risk | 936,478 | 3,247,893 | 400,479 | 775,612 | - | - | 1,336,957 | 4,023,505 |
| Total finance lease receivables not impaired before impairment allowance | 126,880,775 | 624,308,944 | 63,273,423 | 125,536,691 | 13,680,827 | 49,432,561 | 203,835,025 | 799,278,196 |
| Impairment allowance related to finance lease receivables | (2,281,381) | (12,732,356) | (2,228,450) | (4,963,959) | (30,874) | (118,475) | (4,540,705) | (17,814,790) |
| Total finance lease receivables not impaired, net of impairment allowance | 124,599,394 | 611,576,588 | 61,044,973 | 120,572,732 | 13,649,953 | 49,314,086 | 199,294,320 | 781,463,406 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

- in RON -

| Gross value of finance lease receivables granted to clients, not impaired, class I, stage 2 | Vehicles | | Equipment | | Buildings | | TOTAL | |
|---|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | in RON | in FCY | in RON | in FCY | in RON | in FCY | in RON | in FCY |
| 0-30 days | 122,980,565 | 612,112,482 | 61,294,874 | 123,993,845 | 13,657,980 | 49,432,561 | 197,933,419 | 785,538,888 |
| 30-60 days | 2,935,962 | 8,948,569 | 1,578,070 | 767,234 | 22,847 | - | 4,536,879 | 9,715,803 |
| 60-90 days | 964,248 | 3,247,893 | 400,479 | 775,612 | - | - | 1,364,727 | 4,023,505 |
| Total finance lease receivables not impaired before impairment allowance | 126,880,775 | 624,308,944 | 63,273,423 | 125,536,691 | 13,680,827 | 49,432,561 | 203,835,025 | 799,278,196 |
| Impairment allowance related to finance lease receivables | (2,281,381) | (12,732,356) | (2,228,450) | (4,963,959) | (30,874) | (118,475) | (4,540,705) | (17,814,790) |
| Total finance lease receivables not impaired, net of impairment allowance | 124,599,394 | 611,576,588 | 61,044,973 | 120,572,732 | 13,649,953 | 49,314,086 | 199,294,320 | 781,463,406 |

| Gross value of impaired finance lease receivables granted to clients, Class II, Stage 3 and POCI | Vehicles | | Equipment | | Buildings | | TOTAL | |
|--|-------------------|-------------------|-------------------|-------------------|------------------|----------------|-------------------|-------------------|
| | in RON | in FCY | in RON | in FCY | in RON | in FCY | in RON | in FCY |
| Less than 90 days past due | 6,605,975 | 13,816,551 | 14,332,634 | 38,121,982 | 1,060,641 | - | 21,999,250 | 51,938,533 |
| More than 90 days past due | 14,558,028 | 27,105,910 | 7,178,588 | 11,483,894 | 1,046,924 | 194,745 | 22,783,540 | 38,784,549 |
| Total impaired and POCI finance lease receivables before impairment allowance | 21,164,003 | 40,922,461 | 21,511,222 | 49,605,876 | 2,107,565 | 194,745 | 44,782,790 | 90,723,082 |
| Impairment allowance related to finance lease receivables | (8,786,147) | (14,669,361) | (14,021,668) | (29,944,694) | - | (194,745) | (22,807,815) | (44,808,800) |
| Total impaired and POCI finance lease receivables, net of impairment allowance | 12,377,856 | 26,253,100 | 7,489,554 | 19,661,182 | 2,107,565 | - | 21,974,975 | 45,914,282 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

The exposures to the credit risk for receivables from finance lease agreements granted to customers at consolidated and separate level on 31 December 2019 are presented below:

- in RON -

| Gross value of finance lease receivables granted to clients, not impaired, class I, stage 2 | Vehicles | | Equipment | | Buildings | | TOTAL | |
|---|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | in RON | in FCY | in RON | in FCY | in RON | in FCY | in RON | in FCY |
| Low-moderate risk | 141,463,350 | 591,267,842 | 79,031,097 | 113,978,958 | 14,184,971 | 54,433,707 | 234,679,418 | 759,680,507 |
| Sensitive risk | 2,039,480 | 7,122,994 | 323,388 | 594,976 | - | - | 2,362,868 | 7,717,970 |
| High risk | 1,456,259 | 2,649,339 | 1,225,904 | 333,160 | - | - | 2,682,163 | 2,982,499 |
| Total finance lease receivables not impaired before impairment allowance | 144,959,089 | 601,040,175 | 80,580,389 | 114,907,094 | 14,184,971 | 54,433,707 | 239,724,449 | 770,380,976 |
| Impairment allowance related to finance lease receivables | (2,243,090) | (10,287,198) | (3,259,816) | (4,935,814) | (8,919) | (187,063) | (5,511,825) | (15,410,075) |
| Total finance lease receivables not impaired, net of impairment allowance | 142,715,999 | 590,752,977 | 77,320,573 | 109,971,280 | 14,176,052 | 54,246,644 | 234,212,624 | 754,970,901 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

- in RON -

| Gross value of finance lease receivables granted to clients, not impaired, class I, stage 2 | Vehicles | | Equipment | | Buildings | | TOTAL | |
|---|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | in RON | in FCY | in RON | in FCY | in RON | in FCY | in RON | in FCY |
| 0-30 days | 141,463,350 | 591,267,842 | 79,031,097 | 113,978,958 | 14,184,971 | 54,433,707 | 234,679,418 | 759,680,507 |
| 30-60 days | 2,039,480 | 7,122,994 | 323,388 | 594,976 | - | - | 2,362,868 | 7,717,970 |
| 60-90 days | 1,456,259 | 2,649,339 | 1,225,904 | 333,160 | - | - | 2,682,163 | 2,982,499 |
| Total finance lease receivables not impaired before impairment allowance | 144,959,089 | 601,040,175 | 80,580,389 | 114,907,094 | 14,184,971 | 54,433,707 | 239,724,449 | 770,380,976 |
| Impairment allowance related to finance lease receivables | (2,243,090) | (10,287,198) | (3,259,816) | (4,935,814) | (8,919) | (187,063) | (5,511,825) | (15,410,075) |
| Total finance lease receivables not impaired, net of impairment allowance | 142,715,999 | 590,752,977 | 77,320,573 | 109,971,280 | 14,176,052 | 54,246,644 | 234,212,624 | 754,970,901 |

| Gross value of impaired finance lease receivables granted to clients, Class II, Stage 3 and POCI | Vehicles | | Equipment | | Buildings | | TOTAL | |
|--|-------------------|-------------------|-------------------|-------------------|------------------|----------------|-------------------|-------------------|
| | in RON | in FCY | in RON | in FCY | in RON | in FCY | in RON | in FCY |
| Less than 90 days past due | 9,985,505 | 14,902,867 | 5,616,785 | 36,946,690 | 1,483,431 | - | 17,085,721 | 51,849,557 |
| More than 90 days past due | 11,723,528 | 23,048,049 | 6,388,879 | 12,078,294 | 3,070,243 | 192,935 | 21,182,650 | 35,319,278 |
| Total impaired and POCI finance lease receivables before impairment allowance | 21,709,033 | 37,950,916 | 12,005,664 | 49,024,984 | 4,553,674 | 192,935 | 38,268,371 | 87,168,835 |
| Impairment allowance related to finance lease receivables | (9,047,294) | (14,852,710) | (6,879,349) | (30,817,826) | (685,243) | (192,935) | (16,611,886) | (45,863,471) |
| Total impaired and POCI finance lease receivables, net of impairment allowance | 12,661,739 | 23,098,206 | 5,126,315 | 18,207,158 | 3,868,431 | - | 21,656,485 | 41,305,364 |

Notes to the condensed interim consolidated and separate financial statements

4. Financial risk management policies (continued)

Credit risk (continued)

Politica de garantare

An analysis of the fair value of collaterals related to financial assets as at 30 June 2020 is presented below:

| <i>- in RON -</i> | <u>Sub - garantate</u> | <u>Supra - garantate</u> |
|-----------------------------|-------------------------------|---------------------------------|
| Gross exposure | | |
| Vehicles | | |
| Gross exposure | 239,788,467 | 573,487,716 |
| Collaterals | 194,974,867 | 829,651,278 |
| Equipment | | |
| Gross exposure | 74,663,461 | 185,263,751 |
| Collaterals | 50,930,174 | 290,924,917 |
| Buildings | | |
| Gross exposure | 875,668 | 64,540,031 |
| Collaterals | - | 154,833,190 |
| Total Gross exposure | <u>315,327,596</u> | <u>823,291,498</u> |
| Total collaterals | <u>245,905,041</u> | <u>1,275,409,385</u> |

An analysis of the fair value of collaterals related to financial assets as at 31 December 2019 is presented below:

| <i>- in RON -</i> | <u>Sub - garantate</u> | <u>Supra - garantate</u> |
|-----------------------------|-------------------------------|---------------------------------|
| Gross exposure | | |
| Vehicles | | |
| Gross exposure | 226,335,909 | 579,323,305 |
| Collaterals | 189,645,581 | 831,420,834 |
| Equipment | | |
| Gross exposure | 87,106,865 | 169,411,265 |
| Collaterals | 68,192,939 | 265,078,412 |
| Buildings | | |
| Gross exposure | 3,263,178 | 70,102,108 |
| Collaterals | 1,562,300 | 149,696,555 |
| Total Gross exposure | <u>316,705,952</u> | <u>818,836,678</u> |
| Total collaterals | <u>259,400,820</u> | <u>1,246,195,801</u> |

Notes to the condensed interim consolidated and separate financial statements

5. Accounting estimates and significant judgements

The Group and the Company make estimates and assumptions that affect the value of assets and liabilities reported within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the given circumstances.

Notes to the condensed interim consolidated and separate financial statements

6. Net interest income

- in RON -

| | Group | | Company | |
|---|--------------------|---------------------|--------------------|---------------------|
| | 30-Jun-2020 | 30-Jun-2019 | 30-Jun-2020 | 30-Jun-2019 |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Interest income | | | | |
| Interest income from leasing agreements | 40,595,752 | 46,590,957 | 40,595,752 | 46,590,957 |
| Interest income from current accounts and deposits | 302,857 | 146,931 | 285,686 | 128,979 |
| Total interest income | 40,898,609 | 46,737,888 | 40,881,438 | 46,719,936 |
| Interest expense | | | | |
| Interest expense on loans from banks and financial institutions | (7,242,292) | (10,717,992) | (7,242,292) | (10,717,992) |
| Interest expense on bonds issued | (2,008,457) | - | (2,008,457) | - |
| Interest expense for lease contracts | (4,377) | (3,393) | (4,377) | (3,393) |
| Total interest expense | (9,255,126) | (10,721,385) | (9,255,126) | (10,721,385) |
| Net interest income | 31,643,483 | 36,016,503 | 31,626,312 | 35,998,551 |

7. Net fee and commission income/(expense)

- in RON -

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-2020 | 30-Jun-2019 | 30-Jun-2020 | 30-Jun-2019 |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Fee and commission income | | | | |
| Insurance brokerage commissions | 6,503,876 | 5,016,389 | - | - |
| Total fee and commission income | 6,503,876 | 5,016,389 | - | - |
| Fee and commission expenses | | | | |
| Fees paid for banking operations | (56,687) | (149,833) | (45,128) | (138,378) |
| Fees paid for bonds issued | (2,917) | - | (2,917) | - |
| Total fee and commission expenses | (59,604) | (149,833) | (48,045) | (138,378) |
| Net fee and commission | 6,444,272 | 4,866,556 | (48,045) | (138,378) |

8. Net gain/(loss) from foreign currency translation

- in RON -

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-2020 | 30-Jun-2019 | 30-Jun-2020 | 30-Jun-2019 |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Net gain/(loss) from exchange rate differences – balance revaluation | 1,374,896 | 2,413,183 | 1,374,896 | 2,413,183 |
| Net gain from exchange rate revaluation of transactions | 2,049,990 | 2,493,772 | 2,049,990 | 2,493,772 |
| Net gain/(loss) from foreign currency translation | 3,424,886 | 4,906,955 | 3,424,886 | 4,906,955 |

Notes to the condensed interim consolidated and separate financial statements

9. Other operating income

- in RON -

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) |
| Income from the sale of tangible non-current assets | 89,635 | 65,650 | 89,635 | 65,650 |
| Dividend income (i) | - | 2 | 9,104,993 | 7,191,541 |
| Other income (ii) | 2,556,887 | 2,335,305 | 2,555,751 | 2,317,479 |
| Total other operating income | 2,646,522 | 2,400,957 | 11,750,379 | 9,574,670 |

(i) The dividend income was collected by the Company from the four subsidiaries of the Group:

- BT Intermedieri Agent de Asigurare SRL, in amount of RON 3,280,846 (30 June 2019: RON 3,604,632);
- BT Safe Agent de Asigurare SRL, in amount of RON 1,592,717 (30 June 2019: RON 917,884);
- BT Solution Agent de Asigurare SRL, in amount of RON 1,756,802 (30 June 2019: RON 1,135,450);
- BT Asiom Agent de Asigurare SRL, in amount of RON 2,474,628 (30 June 2019: RON 1,533,573);
- BT Direct IFN SA, in amount of RON 0 (30 June 2019: RON 2).

(ii) Other income include the amounts obtained from re invoicing of various registration services, insurance costs for the goods that are the underlying object of the lease agreements: RON 1,353,117 (30 June 2019: RON 1,575,183), compensation received from insurance companies: RON 707,923 (30 June 2019: RON 300,786), damages claims received from the terminated leasing agreements: RON 155,367 (30 June 2019: RON 123,993) and other revenues collected: RON 340,480 (30 June 2019: RON 335,343).

10. Net expense from inventory

- in RON -

| | Group | | Company | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) |
| Revenue from sale of assets previously leased to customers | 786,252 | 778,147 | 786,252 | 778,147 |
| Cost of inventory | (2,370,191) | (7,380,698) | (2,370,191) | (7,380,698) |
| Utilisation of provisions for repossessed inventory | 1,586,034 | 6,068,784 | 1,586,034 | 6,068,784 |
| Total | 2,095 | (533,767) | 2,095 | (533,767) |

Notes to the condensed interim consolidated and separate financial statements

11. Net impairment charges of financial assets

- in RON -

| | Group | | Company | |
|--|--|--|--|--|
| | 30-Jun-2020 <i>(unaudited)</i> | 30-Jun-2019 <i>(unaudited)</i> | 30-Jun-2020 <i>(unaudited)</i> | 30-Jun-2019 <i>(unaudited)</i> |
| Cost of impairment for finance lease receivables | (35,555,900) | (37,490,308) | (35,555,900) | (37,490,308) |
| Income from release of impairment for finance lease receivables | 22,000,667 | 31,815,617 | 22,000,667 | 31,815,617 |
| Income from early terminated contracts and repossessed assets | 7,378,140 | 1,890,167 | 7,378,140 | 1,890,167 |
| Net expense from valuation adjustments | (500) | (11,519) | (500) | (11,519) |
| Impairment expense adjustments for other assets | 3,509 | 1,104,052 | 3,509 | 1,104,052 |
| Net expense with adjustments for impairment of financial assets | (6,174,084) | (2,691,991) | (6,174,084) | (2,691,991) |

12. Personnel expenses

- in RON -

| | Group | | Company | |
|--|--|--|--|--|
| | 30-Jun-2020 <i>(unaudited)</i> | 30-Jun-2019 <i>(unaudited)</i> | 30-Jun-2020 <i>(unaudited)</i> | 30-Jun-2019 <i>(unaudited)</i> |
| Wages and benefits | (8,672,342) | (8,055,687) | (8,128,861) | (7,530,525) |
| Contribution for social security and insurance | (303,850) | (261,659) | (288,009) | (245,772) |
| Other taxes, duties and similar payments | (48,258) | (41,870) | (48,258) | (41,870) |
| Bonuses for employees and provisions for untaken holidays | 3,831,888 | 2,904,256 | 3,663,044 | 2,752,668 |
| Income/(Expenses) with provisions for pensions and similar obligations | (28,654) | (44,004) | (28,654) | (44,004) |
| Total personnel expenses | (5,221,216) | (5,498,964) | (4,830,738) | (5,109,503) |

Notes to the condensed interim consolidated and separate financial statements

13. Other operating expenses

- in RON -

| | Group | | Company | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) |
| Tax and duties expenses | (216,962) | (157,121) | (216,657) | (156,990) |
| Utilities, repairs and other maintenance services expenses | (1,273,798) | (738,486) | (1,273,798) | (738,486) |
| Advertising, protocol and sponsorship expenses | (349,303) | (725,503) | (348,961) | (725,083) |
| Postage, telecommunications and texting expenses | (244,532) | (252,727) | (179,662) | (197,169) |
| Materials and consumables expenses | (270,665) | (414,913) | (269,502) | (408,278) |
| Electricity and heating expenses | (158,837) | (130,273) | (146,814) | (118,429) |
| Collaborator expenses | (556) | - | (556) | - |
| Transportation, travel and secondment expenses | (65,671) | (113,939) | (65,671) | (113,939) |
| Losses from the assignment and disposal of premises and equipments and intangible assets | (58,462) | - | (58,462) | - |
| Other operating expenses | (2,770,385) | (2,098,413) | (2,657,385) | (1,995,742) |
| Total other operating expenses | (5,409,171) | (4,631,375) | (5,217,468) | (4,454,116) |

14. Income tax (expense)/credit

The (expense)/credit for corporate income tax as presented in the statement of profit or loss and other comprehensive income includes the following elements:

- in RON -

| | Group | | Company | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) | 30-Jun-2020 (unaudited) | 30-Jun-2019 (unaudited) |
| Current tax | (3,670,433) | (4,417,356) | 3,608,506 | (4,366,834) |
| (Expense)/credit for income tax | (3,670,433) | (4,417,356) | 3,608,506 | (4,366,834) |

Deferred tax

The Group and the Company booked deferred tax for the following items:

- in RON -

| | Group | | Company | |
|--|----------------------------|-------------------|----------------------------|-------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Finance lease receivables | 21,306,492 | 11,817,306 | 21,306,492 | 11,817,306 |
| Provisions for liabilities and charges | 324,751 | 3,959,141 | 168,851 | 3,803,241 |
| Total | 21,631,243 | 15,776,447 | 21,475,343 | 15,620,547 |
| Deferred tax assets (16%) | 3,460,999 | 2,524,232 | 3,436,055 | 2,499,288 |

BT Leasing Transilvania IFN S.A.

15. Placements with banks

- in RON -

| | Group | | Company | |
|--------------------------------|----------------------------|-------------------|----------------------------|-------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Current accounts | 539,877 | 2,390,535 | 283,621 | 484,637 |
| Sight deposits with banks | 14,485,405 | 30,855,201 | 14,485,405 | 30,855,201 |
| Collateral deposits with banks | 687 | 687 | 687 | 687 |
| Accrued interest | 657 | 640 | 657 | 640 |
| Total | 15,026,626 | 33,247,063 | 14,770,370 | 31,341,165 |

The current accounts and sight/term deposits are freely available to the Group and are not pledged. The demand deposits with banks are overnight deposits placed at banks.

The following table presents the reconciliation between cash and cash equivalents at the end of the reporting periods with the statement of cash flows:

- in RON -

| | Group | | Company | |
|--|----------------------------|-------------------|----------------------------|-------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Cash on hand | 2,784 | 2,792 | 2,639 | 2,238 |
| Current accounts | 539,877 | 2,390,535 | 283,621 | 484,638 |
| Demand deposits | 14,485,405 | 30,855,201 | 14,485,405 | 30,855,201 |
| Total cash and cash equivalents | 15,028,066 | 33,248,528 | 14,771,665 | 31,342,077 |

Notes to the condensed interim consolidated and separate financial statements

16. Finance lease receivables

The Group acts as lessor in the finance lease agreements offered mainly for financing motor vehicles and equipment. The lease agreements are in EUR and RON with the transfer of the ownership right over the goods financed at the end of the lease period. Interest is charged for the duration of the lease contract through the lease instalments.

The finance lease receivables are collateralised by the goods that are the object matter of the lease agreements and by other guarantees. The breakdown of the receivables from finance lease agreements by remaining maturity is presented in the following table

| - in RON - | 30-Jun-2020 (unaudited) | | | | 31-Dec-2019 | | |
|--|-------------------------|--------------------|------------------|----------------------|--------------------|--------------------|-------------------|
| | < 1 year | 1 - 5 years | > 5 years | Total | < 1 year | 1 - 5 years | > 5 years |
| Gross receivables from finance lease | 488,271,485 | 727,275,979 | 7,882,387 | 1,223,429,851 | 469,899,335 | 745,705,727 | 10,416,600 |
| Future interest as per lease agreements | (39,473,877) | (45,128,543) | (208,337) | (84,810,757) | (44,253,181) | (45,972,008) | (253,843) |
| Total receivables from finance lease without future interest payments | 448,797,608 | 682,147,436 | 7,674,050 | 1,138,619,094 | 425,646,154 | 699,733,719 | 10,162,757 |
| Impairment adjustments for finance lease receivables | (35,514,204) | (53,825,933) | (601,975) | (89,942,110) | (31,353,531) | (51,303,035) | (740,692) |
| Net finance lease receivables | 413,283,404 | 628,321,503 | 7,072,075 | 1,048,676,984 | 394,292,623 | 648,430,684 | 9,422,065 |

The impairment adjustment of receivables from finance lease agreements is detailed as below:

| - in RON - | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
|---|----------------------------|-------------------|
| | 83,397,258 | 86,893,125 |
| Cost of impairment for lease receivables (Note 11) | 35,555,900 | 84,791,264 |
| Income from reversal/cancellation of impairment for lease receivables (Note 11) | (22,000,668) | (75,298,002) |
| Receivables for terminated lease agreements written-off | (7,010,380) | (12,989,129) |
| Balance at 30 June | 89,942,110 | 83,397,258 |

Notes to the condensed interim consolidated and separate financial statements

17. Other financial assets

- in RON -

| | Group | | Company | |
|--|--|--------------------|--|--------------------|
| | 30-Jun-2020 <i>(unaudited)</i> | 31-Dec-2019 | 30-Jun-2020 <i>(unaudited)</i> | 31-Dec-2019 |
| Sundry debtors (i) | 8,758,584 | 7,250,234 | 4,194,100 | 3,344,273 |
| Other past-due amounts under litigation (ii) | 2,674,489 | 2,723,542 | 2,674,489 | 2,723,542 |
| Impairment adjustments for past-due amounts | (1,786,762) | (1,789,771) | (1,786,762) | (1,789,771) |
| Total | 9,646,311 | 8,184,005 | 5,081,827 | 4,278,044 |

- (i) At Group level, sundry debtors represent amounts related to insurance policies which are to be recovered from users RON 5,137,572 (31 December 2019: RON 3,895,872), amounts to be received from external suppliers regarding the guarantees paid for VAT, until EU transport documentation is sent RON 2,446,224 (31 December 2019: RON 1,840,547), amounts to be received as insurance compensation RON 1,132,002 (31 December 2019: RON 1,513,815) and other amounts owed by sundry debtors RON 42,786 (31 December 2019: RON 0), and at Company level sundry debtors represent amounts to be received from external suppliers regarding the guarantees paid for VAT, until EU transport documentation is sent: RON 2,446,224 (31 December 2019: RON 1,840,547), amounts to be received as insurance compensation RON 1,132,002 (31 December 2019: RON 1,513,815) and other amounts owed by sundry debtors RON 615,874 (31 December 2019: RON 10,089).
- (ii) The past-due amounts under litigation represent advances paid for the purchase of goods, that represent the underlying asset of the lease agreements, for which the supplier has not delivered the goods RON 2,377,676 (31 December 2019: RON 2,377,676) and past-due amounts from various services provided RON 296,813 (31 December 2019: RON 345,866).

Amounts presented in the categories "Advance payments to suppliers" and "Sundry debtors" are current amounts, not impaired, for both the Group and the Company as at 30 June 2020 and 31 December 2019.

The impairment adjustments for past-due amounts under litigations can be further analysed as follows:

- in RON -

| | Group | | Company | |
|---|--|--------------------|--|--------------------|
| | 30-Jun-2020 <i>(unaudited)</i> | 31-Dec-2019 | 30-Jun-2020 <i>(unaudited)</i> | 31-Dec-2019 |
| Balance at the beginning of the year | (1,789,771) | (4,562,711) | (1,789,771) | (4,562,711) |
| Net (expense)/Income from reversal of impairment adjustments for other assets | 3,009 | 2,772,940 | 3,009 | 2,772,940 |
| Balance as at 30 June | (1,786,762) | (1,789,771) | (1,786,762) | (1,789,771) |

Notes to the condensed interim consolidated and separate financial statements

18. Inventory

- in RON -

| | Group | | Company | |
|---------------------------------|----------------------------|------------------|----------------------------|------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Inventory held at third parties | 289,606 | 689,379 | 289,606 | 689,379 |
| Inventory kept in headquarters | 17,464,971 | 16,095,133 | 17,464,971 | 16,095,133 |
| Adjustments for impairments | (5,290,712) | (6,876,746) | (5,290,712) | (6,876,746) |
| Total | 12,463,865 | 9,907,766 | 12,463,865 | 9,907,766 |

The inventories consist mainly of goods recovered from the terminated leasing agreements that have not yet been placed under new lease agreements or sold: RON 17,708,227 (31 December 2019: RON 16,649,877), goods gained as a result of foreclosure procedures: RON 46,350 (31 December 2019: RON 46,350), goods to be placed in new lease agreements RON 0 (31 December 2019: RON 62,104) and equipment for locating the goods that are the underlying asset of lease agreements to be sold to users RON 0 (31 December 2019: RON 26,181).

The impairment adjustments for inventories were established as the difference between the recoverable amount at the time when the inventory has been recognised in the balance sheet and their recoverable amount at the current reporting date, and can be further analysed, as follows:

- in RON -

| | Group | | Company | |
|--|----------------------------|-------------------|----------------------------|-------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Balance at the beginning of the year | 6,876,746 | 23,329,652 | 6,876,746 | 23,329,652 |
| Expenses with inventory impairment adjustments | -1,586,034 | -16,452,906 | -1,586,034 | -16,452,906 |
| Balance at the end of the period | 5,290,712 | 6,876,746 | 5,290,712 | 6,876,746 |

19. Equity investments

As of 30 June 2020 and 31 December 2019, the Company had direct investments in subsidiaries, amounting to RON 69,539 RON (2019: RON 69,539). At Group level there are only the investments in BT Asset Management SAI SA and BT Direct IFN SA.

- in RON -

| <u>Subsidiary name</u> | 30-Jun-2020 (unaudited) | % | 31-Dec-2019 | % |
|--|----------------------------|----------|---------------|----------|
| BT Intermedieri Agent de Asigurare SRL | 25,530 | 99.99802 | 25,530 | 99.99802 |
| BT Safe Agent de Asigurare SRL | 4,010 | 99.98694 | 4,010 | 99.98694 |
| BT Solution Agent de Asigurare SRL | 19,990 | 99.95000 | 19,990 | 99.95000 |
| BT Asiom Agent de Asigurare SRL | 19,990 | 99.95000 | 19,990 | 99.95000 |
| BT Asset Management SAI SA | 3 | 0.000040 | 3 | 0.000040 |
| BT Direct IFN SA | 16 | 0.000060 | 16 | 0.000060 |
| Total | 69,539 | | 69,539 | |

Notes to the condensed interim consolidated and separate financial statements

20. Tangible assets

- in RON -

| <i>Group</i> | Computers and equipment | Vehicles | Other tangible assets | Total |
|---|----------------------------|-----------|-----------------------|-----------|
| <i>Gross book value</i> | | | | |
| Balance as at 1 January 2019 | 675,385 | 4,146,746 | 167,378 | 4,989,509 |
| Acquisitions | 51,108 | 498,259 | 9,087 | 558,454 |
| Disposals | -2,002 | -460,214 | -12,916 | -475,132 |
| Balance as at 31 December 2019 | 724,491 | 4,184,791 | 163,549 | 5,072,831 |
| Balance as at 1 January 2020 | 724,491 | 4,184,791 | 163,549 | 5,072,831 |
| Acquisitions | 128,976 | 189,129 | 6,185 | 324,290 |
| Disposals | -2,043 | -148,358 | -9,180 | -159,581 |
| Balance as at 30 June 2020 (unaudited) | 851,424 | 4,225,562 | 160,554 | 5,237,540 |
| <i>Accumulated depreciation</i> | | | | |
| Balance as at 1 January 2019 | 467,230 | 2,947,181 | 136,959 | 3,551,370 |
| Depreciation charge for the year | 87,828 | 575,085 | 10,773 | 673,686 |
| Accumulated depreciation corresponding to disposals | -2,002 | -401,046 | -12,916 | -415,964 |
| Balance as at 31 December 2019 | 553,056 | 3,121,220 | 134,816 | 3,809,092 |
| Balance as at 1 January 2020 | 553,056 | 3,121,220 | 134,816 | 3,809,092 |
| Depreciation charge for the year | 61,310 | 273,088 | 6,338 | 340,736 |
| Accumulated depreciation corresponding to disposals | -2,043 | -91,157 | -7,919 | -101,119 |
| Balance as at 30 June 2020 (unaudited) | 612,323 | 3,303,151 | 133,235 | 4,048,709 |
| <i>Net book value</i> | | | | |
| As at 31 December 2019 | 171,435 | 1,063,571 | 28,733 | 1,263,739 |
| As at 30 June 2020 (unaudited) | 239,101 | 922,411 | 27,319 | 1,188,831 |

Notele explicative la situațiile financiare de la pagina 7 la 40 fac parte integrantă din aceste situații financiare

Notes to the condensed interim consolidated and separate financial statements

20. Tangible assets

- în RON -

*Company**Gross book value***Balance as at 1 January 2019**

Acquisitions

Disposals

Balance as at 31 December 2019**Balance as at 1 January 2020**

Acquisitions

Disposals

Balance as at 30 June 2020 (unaudited)

| Computers and equipment | Vehicles | Other tangible assets | Total |
|----------------------------|------------------|-----------------------|------------------|
| 675,385 | 4,146,746 | 167,378 | 4,989,509 |
| 51,108 | 388,815 | 6,267 | 446,190 |
| (2,002) | (460,214) | (12,916) | (475,132) |
| 724,491 | 4,075,347 | 160,729 | 4,960,567 |
| 724,491 | 4,075,347 | 160,729 | 4,960,567 |
| 128,976 | 189,129 | 6,185 | 324,290 |
| (2,043) | (148,358) | (9,180) | (159,581) |
| 851,424 | 4,116,118 | 157,734 | 5,125,276 |

*Accumulated depreciation***Balance as at 1 January 2019**

Depreciation charge for the year

Accumulated depreciation corresponding to disposals

Balance as at 31 December 2019**Balance as at 1 January 2020**

Depreciation charge for the year

Accumulated depreciation corresponding to disposals

Balance as at 30 June 2020 (unaudited)

| | | | |
|----------------|------------------|----------------|------------------|
| 467,230 | 2,947,181 | 136,959 | 3,551,370 |
| 87,828 | 541,644 | 10,773 | 640,245 |
| (2,002) | (401,046) | (12,916) | (415,964) |
| 553,056 | 3,087,779 | 134,816 | 3,775,651 |
| 553,056 | 3,087,779 | 134,816 | 3,775,651 |
| 61,310 | 254,848 | 5,868 | 322,026 |
| (2,043) | (91,158) | (7,919) | (101,120) |
| 612,323 | 3,251,469 | 132,765 | 3,996,557 |

Net book value**As at 31 December 2019****As at 30 June 2020 (unaudited)**

| | | | |
|----------------|----------------|---------------|------------------|
| 171,435 | 987,568 | 25,913 | 1,184,916 |
| 239,101 | 864,649 | 24,969 | 1,128,719 |

Notele explicative la situațiile financiare de la pagina 7 la 40 fac parte integrantă din aceste situații financiare

Notes to the condensed interim consolidated and separate financial statements

21. Intangible assets

- in RON -

| <i>Gross book value</i> | Group | Company |
|---|------------------|------------------|
| Balance as at 1 January 2019 | 1,843,756 | 1,796,219 |
| Acquisitions | 191,137 | 191,137 |
| Disposals | - | - |
| Balance as at 31 December 2019 | 2,034,893 | 1,987,356 |
| Balance as at 1 January 2020 | 2,034,893 | 1,987,356 |
| Acquisitions | 549,639 | 549,639 |
| Disposals | - | - |
| Balance as at 30 June 2020 | 2,584,532 | 2,536,995 |
| Accumulated depreciation | | |
| Balance as at 1 January 2019 | 1,563,135 | 1,529,962 |
| Depreciation charge for the year | 236,434 | 227,363 |
| Balance as at 31 December 2019 | 1,799,569 | 1,757,325 |
| Balance as at 1 January 2020 | 1,799,569 | 1,757,325 |
| Depreciation charge for the year | 144,429 | 139,894 |
| Balance as at 30 June 2020 (unaudited) | 1,943,998 | 1,897,219 |
| Net book value | | |
| As at 31 December 2019 | 235,324 | 230,031 |
| As at 30 June 2020 (unaudited) | 640,534 | 639,776 |

Notes to the condensed interim consolidated and separate financial statements

22. Right-of-use assets

- in RON -

| Group and Company | Buildings | Vehicles | Total |
|---|------------------|----------------|------------------|
| Balance as at 1 January 2019 | - | - | - |
| Adoption of new standards (IFRS 16) | 2,123,747 | 270,115 | 2,393,862 |
| Acquisitions | 610,395 | 436,530 | 1,046,925 |
| Disposals | (187,901) | (8,745) | (196,646) |
| Balance as at 31 December 2019 | 2,546,241 | 697,900 | 3,244,141 |
| Balance as at 1 January 2020 | 2,546,241 | 697,900 | 3,244,141 |
| Acquisitions | 981,509 | 331,004 | 1,312,513 |
| Disposals | (237,052) | (53,863) | (290,915) |
| Balance as at 30 June 2020 | 3,290,698 | 975,041 | 4,265,739 |
| Amortizarea cumulata | | | |
| Balance as at 1 January 2019 | - | - | - |
| Depreciation charge for the year | 865,206 | 169,431 | 1,034,637 |
| Accumulated depreciation corresponding to disposals | (117,445) | - | (117,445) |
| Balance as at 31 December 2019 | 747,761 | 169,431 | 917,192 |
| Balance as at 1 January 2020 | 747,761 | 169,431 | 917,192 |
| Depreciation charge for the year | 419,142 | 166,940 | 586,082 |
| Accumulated depreciation corresponding to disposals | - | - | - |
| Balance as at 30 June 2020 | 1,166,903 | 336,371 | 1,503,274 |
| Net book value | | | |
| Balance as at 31 December 2019 | 1,798,480 | 528,469 | 2,326,949 |
| Balance as at 30 June 2020 | 2,123,795 | 638,670 | 2,762,465 |

Notele explicative la situațiile financiare de la pagina 7 la 40 fac parte integrantă din aceste situații financiare

Notes to the condensed interim consolidated and separate financial statements

23. Other assets

- in RON -

| | Group | | Company | |
|--------------------------------|----------------------------|------------------|----------------------------|------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Advance payments to suppliers | 1,539,427 | 2,778,894 | 1,539,427 | 2,778,894 |
| Inventory and similar elements | 51,785 | 17,032 | 51,785 | 17,032 |
| Prepaid expenses | 42,106 | 41,604 | 35,836 | 40,058 |
| Other assets | 65,500 | 131,948 | 64,636 | 128,720 |
| Value added tax to be received | 1,382,697 | - | 1,382,697 | - |
| Value added tax non-deductible | 12,385 | 38,606 | 12,385 | 38,606 |
| Total | 3,093,900 | 3,008,084 | 3,086,766 | 3,003,310 |

24. Loans from banks and other financial institutions

- in RON -

| | Group | | Company | |
|---|----------------------------|--------------------|----------------------------|--------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Loans from banks and other financial institutions | 637,657,592 | 675,504,849 | 637,657,592 | 675,504,849 |
| Interest payable and deferred fees | (374,570) | (561,536) | (374,570) | (561,536) |
| Total | 637,283,022 | 674,943,313 | 637,283,022 | 674,943,313 |

Interest rates corresponding to the term loans received by the Company as at 30 June 2020 range from 1.17% to 2.4% for loans in EUR and between 3.40% and 4.46% for loans in RON (31 December 2019: 1.17% and 1.84% for loans in EUR and between 4.23% and 4.49% for loans in RON).

25. Debt securities issued

- in RON -

| | Grup | | Societate | |
|------------------------------------|----------------------------|--------------------|----------------------------|--------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Bonds issued | 193,692,000 | 191,172,000 | 193,692,000 | 191,172,000 |
| Interest payable and deferred fees | (1,573,552) | (1,673,734) | (1,573,552) | (1,673,734) |
| Total | 192,118,448 | 189,498,266 | 192,118,448 | 189,498,266 |

Interest rates corresponding to the liabilities from issued bonds by the Company as at 30 June 2020 are between 1.75% and 2% (31 December 2019: 1.75% and 2%).

Notes to the condensed interim consolidated and separate financial statements

26. Lease liabilities

- in RON -

| | Group | | Company | |
|------------------------------------|----------------------------|------------------|----------------------------|------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Receipts from lease liabilities | 2,840,305 | 2,392,035 | 2,840,305 | 2,392,035 |
| Interest payable and deferred fees | 66 | 67 | 66 | 67 |
| Total | 2,840,371 | 2,392,102 | 2,840,371 | 2,392,102 |

27. Provisions for liabilities and charges

The provisions for liabilities and charges are presented as follows:

- in RON -

| | Group | | Company | |
|---|----------------------------|-------------------|----------------------------|-------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Provisions for pensions and other similar obligations | 134,198 | 119,342 | 134,198 | 119,342 |
| Provisions for untaken holidays | 34,653 | 356,743 | 34,653 | 333,899 |
| Provisions for bonuses for employees | - | 3,496,000 | - | 3,350,000 |
| Provisions for litigations | 8,731,913 | 8,731,913 | 8,731,913 | 8,731,913 |
| Total | 8,900,764 | 12,703,998 | 8,900,764 | 12,535,154 |

Provisions for litigations

The Company analyses periodically the potential risks raised from litigations in which it is involved. In case there is a loss probability above 50% and the value of the potential losses can be estimated reliably a provision is created. The value of the provision remains in the Company's accounts until the litigation is finalised either by winning or by paying the amounts claimed.

During 2018 the Competition Council started an investigation at several providers of financial services having as subject an alleged violation of article 5 (1) of the Competition Law no. 21/1996, respectively of article 101 (1) of the Treaty on the Functioning of the European Union, through a possible exchange of sensitive information from a competitive point of view between competing companies that act on the financial leasing market, respectively on the consumer loans market, companies which are members of the main professional and employers' associations in the field of financial services.

In 2019 the Competition Council communicated to the Company and to the other companies under investigation, the investigation report through which it proposed the application of fines, calculated as a percentage from the Company's turnover. In 2020 it was decided to send back the report to the responsible team in order to complete the analysis but, until the moment of signing these financial statements, there is no decision published with regard to the issues pointed out in the report.

Considering all the above, the Company has booked in 2019 a litigation provision in amount of RON 6,698,992, being an estimate of the fine that might be decided by the Competition Council.

Notes to the condensed interim consolidated and separate financial statements

27. Provisions for liabilities and charges (*continued*)

The Company is prepared to introduce a contestation to the measures decided by the Competition Council, there is currently no certainty that the proposed sanctions, or even higher ones, will not be applied.

28. Other financial liabilities

- in RON -

| | Group | | Company | |
|---|----------------------------|------------------|----------------------------|-------------------|
| | 30-iun-2020 (unaudited) | 31-dec-2019 | 30-iun-2020 (unaudited) | 31-dec-2019 |
| Suppliers of goods and services | 1,150,310 | 1,297,903 | 3,112,002 | 5,568,195 |
| Suppliers of goods placed in leasing agreements | 2,226,186 | 1,502,011 | 2,226,186 | 1,502,011 |
| Advances received from customers | 4,328,460 | 5,199,813 | 4,318,922 | 5,196,873 |
| Sundry creditors | 29,340 | 50,186 | 29,340 | 50,186 |
| Total | 7,734,296 | 8,049,913 | 9,686,450 | 12,317,265 |

29. Other liabilities

- in RON -

| | Group | | Company | |
|---|----------------------------|------------------|----------------------------|------------------|
| | 30-Jun-2020 (unaudited) | 31-Dec-2019 | 30-Jun-2020 (unaudited) | 31-Dec-2019 |
| Amounts due to personnel | 615,050 | 298,518 | 584,378 | 298,280 |
| Amounts due for social security and insurance | 611,880 | 717,949 | 578,215 | 685,775 |
| Value added tax due | - | 2,175,207 | - | 2,175,207 |
| Income tax due | 1,746,628 | 135,986 | 1,714,379 | 105,400 |
| Other liabilities | 4,049,520 | 5,008,582 | 3,896,654 | 4,927,472 |
| Deferred income | 989,769 | 619,814 | 989,769 | 619,814 |
| Subventions for investments | 10,725 | 14,625 | 10,725 | 14,625 |
| Total | 8,023,572 | 8,970,681 | 7,774,120 | 8,826,573 |

Notes to the condensed interim consolidated and separate financial statements**30. Share capital and management of capital****Share capital**

The nominal share capital of the Company registered with the Trade Registry as at 30 June 2020 consisted of 586,742,113 shares with a nominal value of RON 0.1 each (as at 31 December 2019, it consisted of 586,742,113 shares with a nominal value of RON 0.1 each). The share capital was entirely paid at 30 June 2020 and at 31 December 2019.

The shareholding structure at 30 June 2020 was as follows:

| | Number of ordinary shares owned by the shareholders | | | |
|---|---|--------------------|------------------------|--------------------|
| | Banca Transilvania SA | BT Investment SRL | BT Capital Partners SA | Total |
| At 30 June 2020 | 369,454,751 | 217,287,337 | 25 | 586,742,113 |
| <i>Ownership percentage (%)</i> | 62.967144% | 37.032852% | 0.000004% | 100.000000% |
| <i>Nominal value of the shares owned (in RON)</i> | 36,945,475 | 21,728,733 | 3 | 58,674,211 |

The shareholding structure at 31 December 2019 was as follows:

| | Number of ordinary shares owned by the shareholders | | | |
|---|---|--------------------|------------------------|--------------------|
| | Banca Transilvania SA | BT Investment SRL | BT Capital Partners SA | Total |
| At 31 December 2019 | 369,454,751 | 217,287,337 | 25 | 586,742,113 |
| <i>Ownership percentage (%)</i> | 62.967144% | 37.032852% | 0.000004% | 100.000000% |
| <i>Nominal value of the shares owned (in RON)</i> | 36,945,475 | 21,728,733 | 3 | 58,674,211 |

The Group is owned, through direct shareholders, in a percentage of 100% by Banca Transilvania SA. In 2002 and 2003, inflation adjustments were made on equity elements amounting to RON 898,333 in compliance with IAS 29 "Financial Reporting in Hyperinflationary Economies" due to the fact that the Romanian economy was a hyperinflationary economy until 31 December 2003.

Management of capital

From the point of view of capital management, the Company must comply with the provisions of the Company Law no. 31/1990 republished and in particular the provisions of article 153²⁴ stating that the value of the net assets of the company, determined as the difference between the total assets and the total liabilities thereof, must not be reduced to less than half the value of the subscribed share capital, otherwise the extraordinary general meeting of shareholders must decide on the state of the company. At the time of preparing these financial statements, the Group and the Company complied with the above provisions.

BT Leasing Transilvania IFN S.A.

Notes to the condensed interim consolidated and separate financial statements

31. Legal reserves and other reserves

As of 30 June 2020, the reserves set-up at Group level are in amount of RON 11,886,093 (31 December 2019: RON 10,889,314), and the reserves of the Company are in amount of RON 11,761,381 (31 December 2019: RON 10,764,602). These include statutory reserves and other reserves set-up by the Group and by the Company in accordance with the applicable regulations. The legal reserve is set-up in accordance with the local regulations that require that a minimum of 5% from the Company's net profit must be transferred to a non-distributable reserve account until the reserve reaches 20% of the Company's share capital. According to Law no. 227/2017 which refers to the Fiscal Code, art. 26 point (5), the transfer of a provision or a reserve is not considered a reduction or a cancelation of the respective provision or reserve if another fiscal entity assumes them and keeps them at the same value before the transfer.

32. Commitments and contingencies

The Group has signed finance lease agreements with its customers for which the goods have not yet been delivered by the suppliers until the end of the reporting period. As of 30 June 2020, the value of these contracts is in amount of RON 27,699,629 (31 December 2019: RON 21,982,105). The Group concluded rental agreements for offices and for the storage of recovered assets from terminated lease agreements.

Notes to the condensed interim consolidated and separate financial statements

33. Related party transactions

| <u>Controlling company</u> | <u>Controlled companies</u> | <u>Other companies</u> |
|----------------------------|--|----------------------------|
| Banca Transilvania | BT Intermedieri Agent de Asigurare SRL | BT Asset Management SAI SA |
| | BT Solution Agent de Asigurare SRL | BT Direct IFN SA |
| | BT Safe Agent de Asigurare SRL | |
| | BT Asiom Agent de Asigurare SRL | |

The transactions with related parties are performed at market prices and are presented below:

| | | 30-Jun-2020 (unaudited) | | | 31-Dec-2019 | | | | |
|---|--|-------------------------|--------------------------|-----------------------|-------------------------|--------------------|--------------------------|-----------------------|-------------|
| Group | | Banca Transilvania | Key management personnel | Other related-parties | Total | Banca Transilvania | Key management personnel | Other related-parties | Total |
| Assets | | | | | | | | | |
| Cash and cash equivalents | | 2,503,085 | - | - | 2,503,085 | 29,691,097 | - | - | 29,691,097 |
| Equity investments | | - | - | 19 | 19 | - | - | 19 | 19 |
| Finance lease receivables | | - | 101,222 | - | 101,222 | - | 148,004 | - | 148,004 |
| Other assets | | - | - | 700,126 | 700,126 | - | - | 752,926 | 752,926 |
| Liabilities | | | | | | | | | |
| Loans from banks and other financial institutions | | 392,395,351 | - | - | 392,395,351 | 398,655,435 | - | - | 398,655,435 |
| Other liabilities | | 155,928 | - | - | 155,928 | 242,429 | - | - | 242,429 |
| Statement of Profit or Loss | | 30-Jun-2020 (unaudited) | | | 30-Jun-2019 (unaudited) | | | | |
| Interest income | | 227,216 | - | - | 227,216 | 102,034 | - | - | 102,034 |
| Interest expense | | 3,476,869 | - | - | 3,476,869 | 4,123,586 | - | - | 4,123,586 |
| Other operating income | | 45,532 | - | - | 45,532 | 134,196 | - | - | 134,196 |
| Income from lease operations | | - | 4,128 | - | 4,128 | - | 5,620 | - | 5,620 |
| Other expenses | | 625,921 | - | 62,556 | 688,477 | 566,031 | - | 15 | 566,046 |

| | 30-Jun-2020 (<i>unaudited</i>) | | | | | | 31-Dec-2019 | | | |
|---------------------------|---------------------------------------|--------------------------|------------------------------|-----------------------|-------------|--------------------|--------------------------|------------------------------|-----------------------|-------------|
| Company | Banca Transilvania | Key management personnel | Consolidated related parties | Other related parties | Total | Banca Transilvania | Key management personnel | Consolidated related parties | Other related parties | Total |
| Assets | | | | | | | | | | |
| Cash and cash equivalents | 2,503,085 | - | - | - | 2,503,085 | 29,691,097 | - | - | - | 29,691,097 |
| Equity investments | - | - | 69,520 | 19 | 69,539 | - | - | 69,520 | 19 | 69,539 |
| Finance lease receivables | - | 101,222 | - | - | 101,222 | - | 148,004 | - | - | 148,004 |
| Other assets | - | - | 600,000 | 700,126 | 1,300,126 | - | - | - | 752,926 | 752,926 |
| Liabilities | | | | | | | | | | |
| Loans from banks and | 392,395,351 | - | - | - | 392,395,351 | 398,655,435 | - | - | - | 398,655,435 |
| Other liabilities | 155,928 | - | 1,994,992 | - | 2,150,920 | 242,429 | - | 4,303,734 | 21,652 | 4,567,815 |

Notele explicative la situațiile financiare de la pagina 7 la 40 fac parte integrantă din aceste situații financiare

Notes to the condensed interim consolidated and separate financial statements

33. Related party transactions (*continued*)

The parties are related if one of these has the ability to control the other party or to exercise significant influence on the other entity's management process related to financial or operational decisions.

During 2020, the Group concluded a series of transactions with the related parties, in contractual terms like its normal activity. The Group and the Company are engaged in related party transactions with other entities from BT Group, its shareholders and its key management personnel. All these transactions, including contractual interest rates and collateral conditions, have been performed at arm's length, similar with transactions with third parties. For consolidation purpose the transactions/balances with subsidiaries have been eliminated.

The transactions with other related parties include transactions with the most important shareholders, the members of the key personnel of the management and the companies where they are shareholders, and which have a relationship with the Company. The main transactions includes the leasing of some properties, the contracting of interest bearing loans, the signing of leasing contracts and the management of bank accounts

34. Events after the end of the reporting period

There were no events after the reporting period that would be significant for the Group and for the Company after the end of the reporting period on 30 June 2020.

The financial statements were approved by the Board of Directors on September 28th, 2020 and were signed on its behalf by:

Morar Ionut Calin
General Manager



Moldovan Sabina
Financial Manager

