

**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 2021**

# **BT Leasing Transilvania IFN S.A.**

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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	
		6 months period ending 30 June		6 months period ending 30 June	
		2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Interest income from leasing agreements		45,501,960	40,595,752	45,501,960	40,595,752
Interest income calculated using the effective interest method		174,419	302,857	157,704	285,686
Interest expense		(8,917,403)	(9,255,126)	(8,917,403)	(9,255,126)
<b>Net interest income</b>	<b>6</b>	<b>36,758,976</b>	<b>31,643,483</b>	<b>36,742,261</b>	<b>31,626,312</b>
Fee and commission income		7,865,800	6,503,876	-	-
Fee and commission expense		(84,573)	(59,604)	(73,481)	(48,045)
<b>Net fee and commission income/(expense)</b>	<b>7</b>	<b>7,781,227</b>	<b>6,444,272</b>	<b>(73,481)</b>	<b>(48,045)</b>
Net gain from foreign currency translation	<b>8</b>	3,853,796	3,424,886	3,853,796	3,424,886
Other operating income	<b>9</b>	3,273,307	2,646,522	15,515,298	11,750,379
Gains/(Losses) from assets previously leased to customers	<b>10</b>	5,936,207	7,380,234	5,936,207	7,380,234
Net impairment charges of financial assets	<b>11</b>	(3,542,458)	(13,552,223)	(3,542,458)	(13,552,223)
Personnel expenses	<b>12</b>	(8,035,686)	(5,221,216)	(7,570,224)	(4,830,738)
Depreciation expense	<b>22,23</b>	(1,084,020)	(1,071,248)	(1,065,309)	(1,048,002)
Other operating expenses	<b>13</b>	(4,779,270)	(5,409,171)	(4,651,063)	(5,217,468)
<b>Profit before tax</b>		<b>40,162,079</b>	<b>26,285,539</b>	<b>45,145,027</b>	<b>29,485,335</b>
Income tax (expense)/credit	<b>14</b>	(5,226,241)	(3,670,433)	(5,147,407)	(3,608,506)
<b>Net profit for the year</b>		<b>34,935,838</b>	<b>22,615,106</b>	<b>39,997,620</b>	<b>25,876,829</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income</b>		<b>34,935,838</b>	<b>22,615,106</b>	<b>39,997,620</b>	<b>25,876,829</b>
<b>Profit of the Group attributable to:</b>					
Owners of the Company		34,933,680	22,613,453	39,997,620	25,876,829
Non-controlling interests		2,158	1,653	-	-

The financial statements were approved by the Board of Directors on 28 September 2021 and were signed on its behalf by:

**Morar Ionut Calin**  
General Manager

**Moldovan Sabina**  
Financial Manager

# BT Leasing Transilvania IFN S.A.

## Interim Consolidated and Separate Statement of Financial Position

- in RON -

As at	No te	Group		Company	
		30 June 2021 (unaudited)	31 December 2020	30 June 2021 (unaudited)	31 December 2020
<b>Assets</b>					
Cash and cash equivalents	15	26,450,722	22,085,227	24,586,169	18,657,932
Finance lease receivables	16	1,167,023,939	1,100,910,510	1,167,023,939	1,100,910,510
Other financial assets	17	11,380,291	11,766,636	7,438,437	7,675,016
Repossessed assets	18	7,029,725	8,780,430	7,029,725	8,780,430
Equity investments	19	16	16	69,536	69,536
Premises and equipments	20	1,505,722	1,249,277	1,483,031	1,207,876
Intangible assets	21	728,742	601,912	728,742	601,912
Right-of-use assets	22	2,177,549	2,368,729	2,177,549	2,368,729
Deferred tax assets		7,076,861	7,346,007	7,051,917	7,321,063
Other assets	23	16,405,056	4,649,211	16,398,822	4,641,875
<b>Total assets</b>		<b>1,239,778,623</b>	<b>1,159,757,955</b>	<b>1,233,987,867</b>	<b>1,152,234,879</b>
<b>Liabilities</b>					
Loans from banks and other financial institutions	24	719,687,715	678,895,763	719,687,715	678,895,763
Issued bonds	25	195,791,506	193,388,861	195,791,506	193,388,861
Lease liabilities	26	2,252,647	2,428,808	2,252,647	2,428,808
Provisions for liabilities and charges	27	7,534,537	7,814,131	7,388,537	7,645,208
Other financial liabilities	28	5,619,299	8,292,127	8,070,420	14,083,429
Current tax liabilities		2,599,149	3,294,980	2,559,127	3,257,645
Other liabilities	29	13,050,315	7,332,095	12,879,210	7,174,080
<b>Total liabilities</b>		<b>946,535,168</b>	<b>901,446,765</b>	<b>948,629,162</b>	<b>906,873,794</b>
<b>Equity</b>					
Share capital	30	59,572,544	59,572,544	59,572,544	59,572,544
Legal reserves and other reserves	31	12,015,293	12,015,293	11,890,581	11,890,581
Retained earnings		221,653,412	186,719,734	213,895,580	173,897,960
<b>Total equity attributable to Company's owners</b>		<b>293,241,249</b>	<b>258,307,571</b>	<b>285,358,705</b>	<b>245,361,085</b>
Non-controlling interest		2,206	3,619	-	-
<b>Total equity</b>		<b>293,243,455</b>	<b>258,311,190</b>	<b>285,358,705</b>	<b>245,361,085</b>
<b>Total liabilities and equity</b>		<b>1,239,778,623</b>	<b>1,159,757,955</b>	<b>1,233,987,867</b>	<b>1,152,234,879</b>

The financial statements were approved by the Board of Directors on 28 September 2021 and were signed on its behalf by:

**Morar Ionut Calin**  
General Manager

**Moldovan Sabina**  
Financial Manager

# BT Leasing Transilvania IFN S.A.

## Consolidated Statement of Changes in Equity

- in RON -

Group	Share capital	Legal reserves and other reserves	Retained earnings	Total equity attributable to Company's owners	Non-controlling interest	Total equity
<b>Balance as at 1 January 2020</b>	<b>59,572,544</b>	<b>10,889,314</b>	<b>145,822,776</b>	<b>216,284,634</b>	<b>2,437</b>	<b>216,287,071</b>
Net profit for the year	-	-	22,613,453	22,613,453	1,653	22,615,106
Other changes to OCI	-	-	-	-	-	-
<b>Total comprehensive income for the 6 months period ended on 30 June 2020 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>22,613,453</b>	<b>22,613,453</b>	<b>1,653</b>	<b>22,615,106</b>
Distribution to legal reserve	-	996,779	(996,779)	-	-	-
Dividends	-	-	-	-	(2,437)	(2,437)
Other changes	-	-	1,163,057	1,163,057	-	1,163,057
<b>Balance as at 30 June 2020 (unaudited)</b>	<b>59,572,544</b>	<b>11,886,093</b>	<b>168,602,507</b>	<b>240,061,144</b>	<b>1,653</b>	<b>240,062,797</b>
<b>Balance as at 1 January 2021</b>	<b>59,572,544</b>	<b>12,015,293</b>	<b>186,719,734</b>	<b>258,307,571</b>	<b>3,619</b>	<b>258,311,190</b>
Net profit for the year	-	-	34,933,678	34,933,678	2,158	34,935,836
Other changes to OCI	-	-	-	-	-	-
<b>Total comprehensive income for the 6 months period ended on 30 June 2021 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>34,933,678</b>	<b>34,933,678</b>	<b>2,158</b>	<b>34,935,836</b>
Dividends	-	-	-	-	(3,571)	(3,571)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>59,572,544</b>	<b>12,015,293</b>	<b>221,653,412</b>	<b>293,241,249</b>	<b>2,206</b>	<b>293,243,455</b>

# BT Leasing Transilvania IFN S.A.

## Statement of Changes in Equity

- in RON -

Company	Share capital	Legal reserves and other reserves	Retained earnings	Total equity
<b>Balance as at 1 January 2020</b>	<b>59,572,544</b>	<b>10,764,602</b>	<b>136,138,798</b>	<b>206,475,944</b>
Net profit for the year	-	-	25,876,829	25,876,829
Other changes to OCI	-	-	-	-
<b>Total comprehensive income for the 6 months period ended on 30 June 2020 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>25,876,829</b>	<b>25,876,829</b>
Distribution to legal reserve				
- of the Company	-	996,779	(996,779)	-
Other changes	-	-	1,163,057	1,163,057
<b>Balance as at 30 June 2020 (unaudited)</b>	<b>59,572,544</b>	<b>11,761,381</b>	<b>162,181,905</b>	<b>233,515,830</b>
<b>Balance as at 1 January 2021</b>	<b>59,572,544</b>	<b>11,761,381</b>	<b>173,897,960</b>	<b>245,361,085</b>
Net profit for the year	-	-	39,997,620	39,997,620
Other changes to OCI	-	-	-	-
<b>Total comprehensive income for the 6 months period ended on 30 June 2021 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>39,997,620</b>	<b>39,997,620</b>
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>59,572,544</b>	<b>11,761,381</b>	<b>213,895,580</b>	<b>285,358,705</b>

# BT Leasing Transilvania IFN S.A.

## Consolidated and Separate Statement of Cash Flows

For the 6 months period ending 30 June

- in RON -

Note	Group	
	6 months period ending 30 June	
	2021 (unaudited)	2020 (unaudited)
<b>Operating activities</b>		
<i>Profit before tax</i>	<b>40,162,079</b>	<b>26,285,539</b>
<b>Adjustments for non-monetary elements</b>		
Depreciation expense of premises and equipment and intangible assets	22,23,24 1,084,020	1,071,248
Net impairment charges for finance lease receivables	(3,517,518)	13,555,232
Net impairment expenses for other assets	24,941	(3,009)
Net release of provisions for repossessed inventory	(1,420,998)	(1,586,034)
Provisions for other risks and charges	(279,594)	(3,803,234)
Interest income from leasing agreements	(45,501,960)	(40,174,539)
Interest income from banks	6 (174,419)	(302,857)
Interest expense	8,917,403	9,255,126
Other adjustments for non-cash items	5,523,964	10,227,967
<b>Operating profit before the change in operating assets and liabilities</b>	<b>4,817,918</b>	<b>14,525,439</b>
(Increase) in net finance lease receivables	(61,213,582)	(10,086,844)
(Increase)/Decrease in other assets	(15,721,475)	(1,545,131)
(Increase)/Decrease in inventory	5,202,384	(970,065)
Increase/(Decrease) of trade payables and other liabilities	2,349,559	(1,262,726)
Interest received from leasing agreements	46,606,987	38,395,465
Interest expense paid	(8,956,178)	(9,213,290)
Income tax paid	(5,652,926)	(1,833,497)
<b>Net cash flow from/(used in) operating activities</b>	<b>(32,567,313)</b>	<b>28,009,351</b>
<b>Investing activities</b>		
Acquisitions of premises, equipment, and intangible assets	(914,767)	(684,800)
Proceeds from disposal of premises and equipment and intangible assets	166,727	61,038
Interest received from banks	174,610	302,839
<b>Net cash flow from investing activities</b>	<b>(573,430)</b>	<b>(320,923)</b>
<b>Financing activities</b>		
Gross proceeds from loans and other borrowings	487,915,803	160,168,745
Gross payments from loans and other borrowings	(454,158,314)	(205,449,082)
Repayment of lease liabilities	(578,283)	(628,553)
<b>Net cash flow from financing activities</b>	<b>33,179,206</b>	<b>(45,908,890)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>22,083,570</b>	<b>33,248,528</b>
Net increase/decrease (-) in cash and cash equivalents	38,463	(18,220,462)
<b>Cash and cash equivalents at the end of the period</b>	<b>22,122,033</b>	<b>15,028,066</b>

# BT Leasing Transilvania IFN S.A.

## Consolidated and Separate Statement of Cash Flows

For the 6 months period ending 30 June

- in RON -

	Note	Company	
		6 months period ending 30 June	
		2021 (unaudited)	2020 (unaudited)
<b>Operating activities</b>			
Profit before tax		45,145,027	29,485,335
<b>Adjustments for non-monetary elements</b>			
Depreciation expense of premises and equipment and intangible assets	22,23,24	1,065,310	1,048,002
Net impairment charges for finance lease receivables		(3,517,518)	13,555,233
Net impairment expenses for other assets		24,941	(3,009)
Net release of provisions for repossessed inventory		(1,420,998)	(1,586,034)
Provisions for other risks and charges		(256,671)	(3,634,390)
Interest income from leasing agreements		(45,501,960)	(40,174,539)
Interest income from banks	6	(157,704)	(285,686)
Interest expense		8,917,403	9,255,126
Dividend income	9	(12,242,790)	(9,104,993)
Other adjustments for non-cash items		5,530,205	10,232,022
<b>Operating profit before the change in operating assets and liabilities</b>		<b>(2,414,755)</b>	<b>8,787,067</b>
(Increase) in net finance lease receivables		(61,213,582)	(10,086,845)
(Increase)/Decrease in other assets		(15,872,328)	(884,250)
(Increase)/Decrease in inventory		5,202,384	(970,065)
Increase/(Decrease) of trade payables and other liabilities		(1,006,397)	(3,683,270)
Interest received from leasing agreements		46,606,987	38,395,465
Interest expense paid		(8,956,178)	(9,213,289)
Income tax paid		(5,576,779)	(1,773,235)
<b>Net cash flow from/(used in) operating activities</b>		<b>(43,230,648)</b>	<b>20,571,578</b>
<b>Investing activities</b>			
Acquisitions of premises, equipment, and intangible assets		(914,767)	(684,800)
Proceeds from disposal of premises and equipment and intangible assets		166,727	61,038
Interest received from banks		157,911	285,669
Dividends received	9	12,242,790	9,104,993
<b>Net cash flow from investing activities</b>		<b>11,652,661</b>	<b>8,766,900</b>
<b>Financing activities</b>			
Gross proceeds from loans and other borrowings		487,915,803	160,168,745
Gross payments from loans and other borrowings		(454,158,314)	(205,449,082)
Repayment of lease liabilities		(578,283)	(628,553)
<b>Net cash flow from financing activities</b>		<b>33,179,206</b>	<b>(45,908,890)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>18,656,275</b>	<b>31,342,077</b>
Net increase/decrease (-) in cash and cash equivalents		1,601,219	(16,570,412)
<b>Cash and cash equivalents at the end of the period</b>		<b>20,257,494</b>	<b>14,771,665</b>



# **BT Leasing Transilvania IFN S.A.**

## **Notes to the 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 2021 include the Parent Company and its Subsidiaries.

The Group also has, as of 30 June 2021, investments in the associated companies BT Asset Management SAI 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 2021, the Group has 125 active employees (31 December 2020: 126 active employees).

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

<b><u>Position</u></b>	<b><u>30 June 2021</u></b>	<b><u>31 December 2020</u></b>
Chairman	Moisa Tiberiu	Moisa Tiberiu
Member	Szekely Daniel	Szekely Daniel
Member	Nistor Ioan-Daniel	Nistor Ioan-Daniel

# **BT Leasing Transilvania IFN S.A.**

## **Notes to the consolidated and separate financial statements**

### **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 2021.

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 2020.

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

#### **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:

<b>Currency</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Euro („EUR”)	1: RON 4.9267	1: RON 4.8694
American Dollar („USD”)	1: RON 4.1425	1: RON 3.9660

#### **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 consolidated and separate financial statements**

### **3. Significant accounting methods and policies**

The significant accounting methods and policies applied by the Bank and 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 2020.

### **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;

This note discloses information regarding the exposure of the Group and the Company to each risk mentioned above, the objectives of the Group and of the Company, the policies and processes for risk assessment and management. The most important financial risks to which the Group and the Company are exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk and interest rate 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 customer's credit risk before approving the leasing agreements, to set exposure limits, to monitor their ability to repay the principal and the attached interest during the duration of the lease.

As at 30 June 2021 total irrevocable on-balance exposure was in amount of RON 1,204,854,952 ( 31 December 2020: RON 1,134,760,473) for the Group and RON 1,199,048,545 (31 December 2020: RON 1,127,241,704) for the Company. The amounts presented above reflect the maximum accounting loss that would be recognized at the reporting date if the customers failed completely to perform their contractual obligations and if any collateral or security proved to be of no value.

The Board of Directors has delegated the responsibility for managing the credit risk to the Risk Committee. The Department of financial analysis and valuation of assets also operates within the Group and has duties regarding:

- formulating credit policies by covering the requirements for collateral, leasing assessment, risk classification and reporting, legal and documentation procedures, and compliance with statutory and regulatory requirements;
- establishing the authorization structure for the approval of leasing agreements. Authorisation limits are allocated on the levels of Credit Committee. Larger leasing agreements require the approval of the Risk Committee or the Board of Directors, as the case may be;
- limiting concentration of the exposure based on third parties and industries;
- developing and maintaining the risk classification system to classify exposures according to the risk levels of potential financial losses and to allow management to focus on the risks that accompany them. The risk classification system is used to determine the risk monitoring activities and the relationship with the customers. The scoring system is subject to periodic reviews;

# BT Leasing Transilvania IFN S.A.

## Notes to the consolidated and separate financial statements

### 4. Financial risk management policies (*continued*)

- reviewing, checking the compliance of the unit with the established exposure limits, including those for specific industries and products; and
- providing information, guidance and experts for the units, to promote the best practice in the Group regarding credit risk management.

### Credit risk

The table below presents the risk concentrations by economic sectors for balance sheet exposures, related to finance lease receivables of the Group and of the Company:

*- in RON -*

	<b>30 June 2021</b> <i>(unaudited)</i>	<b>31 December 2020</b>
Transport	276,109,594	259,798,654
Trade	222,643,590	225,354,667
Manufacturing	192,590,101	192,336,622
Construction	173,377,537	153,041,361
Services	108,526,497	103,648,132
Agriculture and Forestry	61,290,086	57,072,014
Other	62,273,967	54,692,750
Authorized person	45,185,529	37,527,087
Financial institutions	29,237,871	31,084,155
Mining	32,805,009	30,990,823
Real-estate	33,110,933	29,385,048
Natural person (retail clients)	20,206,767	17,211,535
Telecommunications	8,348,855	7,637,115
Chemical	2,799,222	3,101,453
Energy	629,060	694,979
Fisheries	551,299	559,995
Governmental bodies	83,117	97,839
<b>Gross exposure</b>	<b>1,269,769,034</b>	<b>1,204,234,229</b>
<b>Impairment allowances related to finance lease receivables</b>	<b>(102,745,095)</b>	<b>(103,323,719)</b>
<b>Net receivables from finance lease agreements</b>	<b>1,167,023,939</b>	<b>1,100,910,510</b>

## BT Leasing Transilvania IFN S.A.

### Notes to the 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 2021, based on their contractual maturity, are presented below:

- in RON -

At amortised 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
<b>Vehicles</b>	<b>883,173,694</b>	<b>74,747,978</b>	<b>6,485,630</b>	<b>964,407,302</b>
- RON	<b>119,744,506</b>	<b>18,460,822</b>	<b>1,935,005</b>	<b>140,140,333</b>
- up to 3 years	54,630,165	15,276,240	1,935,005	71,841,410
- between 3-5 years	64,127,568	3,184,582	-	67,312,150
- more than 5 years	986,773	-	-	986,773
- in foreign currency	<b>763,429,188</b>	<b>56,287,156</b>	<b>4,550,625</b>	<b>824,266,969</b>
- up to 3 years	317,309,245	43,294,045	3,598,298	364,201,588
- between 3-5 years	445,742,646	12,993,111	952,327	459,688,084
- more than 5 years	377,297	-	-	377,297
<b>Equipment</b>	<b>195,651,718</b>	<b>40,723,790</b>	<b>24,634,751</b>	<b>261,010,259</b>
- RON	<b>64,874,646</b>	<b>20,618,983</b>	<b>140,244</b>	<b>85,633,873</b>
- up to 3 years	32,424,812	20,341,528	140,244	52,906,584
- between 3-5 years	32,352,763	277,455	-	32,630,218
- more than 5 years	97,071	-	-	97,071
- currency	<b>130,777,072</b>	<b>20,104,807</b>	<b>24,494,507</b>	<b>175,376,386</b>
- up to 3 years	61,922,053	17,844,307	5,520,896	85,287,256
- between 3-5 years	68,855,019	2,260,500	18,973,611	90,089,130
- more than 5 years	-	-	-	-

## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 4. Financial risk management policies (*continued*)

##### Credit risk (*continued*)

- in RON -

<b>At amortized cost</b>	<b>Receivables from finance lease agreements which are not impaired, class I - stage 2</b>	<b>Impaired finance lease receivables at reporting date, class II - stage 3</b>	<b>Receivables from finance lease agreements impaired at initial recognition (POCI)</b>	<b>Total</b>
<b>Buildings</b>	<b>34,682,783</b>	<b>9,668,690</b>	-	<b>44,351,473</b>
- <b>RON</b>	<b>8,487,290</b>	<b>7,775,481</b>	-	<b>16,262,771</b>
- up to 3 years	3,641,678	1,751,783	-	5,393,461
- between 3-5 years	1,964,409	6,023,698	-	7,988,107
- more than 5 years	2,881,203	-	-	2,881,203
- <b>currency</b>	<b>26,195,493</b>	<b>1,893,209</b>	-	<b>28,088,702</b>
- up to 3 years	2,664,490	1,893,209	-	4,557,699
- between 3-5 years	19,076,439	-	-	19,076,439
- more than 5 years	4,454,564	-	-	4,454,564
<b>Total receivables from finance lease agreements before impairment adjustments</b>	<b>1,113,508,195</b>	<b>125,140,458</b>	<b>31,120,381</b>	<b>1,269,769,034</b>
<b>Impairment allowance related to finance lease receivables</b>	<b>(32,743,193)</b>	<b>(51,571,610)</b>	<b>(18,430,292)</b>	<b>(102,745,095)</b>
<b>Total finance lease receivables</b>	<b>1,080,765,002</b>	<b>73,568,848</b>	<b>12,690,089</b>	<b>1,167,023,939</b>

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

## BT Leasing Transilvania IFN S.A.

### Notes to the 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 2020, based on their contractual maturity, 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
<b>Vehicles</b>	<b>794,711,202</b>	<b>76,939,720</b>	<b>6,424,925</b>	<b>878,075,847</b>
- RON	<b>120,234,730</b>	<b>18,289,678</b>	<b>2,341,992</b>	<b>140,866,400</b>
- up to 3 years	64,059,691	15,268,632	2,117,038	81,445,361
- between 3-5 years	55,506,520	3,021,046	224,954	58,752,520
- more than 5 years	668,519	0	0	668,519
- in foreign currency	<b>674,476,472</b>	<b>58,650,042</b>	<b>4,082,933</b>	<b>737,209,447</b>
- up to 3 years	285,405,693	45,016,416	2,913,732	333,335,841
- between 3-5 years	388,723,852	13,633,626	1,169,201	403,526,679
- more than 5 years	346,927	0	0	346,927
<b>Equipment</b>	<b>210,363,534</b>	<b>29,362,219</b>	<b>22,584,366</b>	<b>262,310,119</b>
- RON	<b>75,965,095</b>	<b>11,779,482</b>	<b>282,108</b>	<b>88,026,685</b>
- up to 3 years	46,591,401	11,408,226	282,108	58,281,735
- between 3-5 years	28,962,672	371,256	0	29,333,928
- more than 5 years	411,022	0	0	411,022
- currency	<b>134,398,439</b>	<b>17,582,737</b>	<b>22,302,258</b>	<b>174,283,434</b>
- up to 3 years	70,533,016	16,771,255	551,648	87,855,919
- between 3-5 years	62,534,955	811,482	21,750,610	85,097,047
- more than 5 years	1,330,468	0	0	1,330,468

## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 4. Financial risk management policies (*continued*)

##### Credit risk (*continued*)

- in RON -

<b>At amortized cost</b>	<b>Receivables from finance lease agreements which are not impaired, class I - stage 2</b>	<b>Impaired finance lease receivables at reporting date, class II - stage 3</b>	<b>Receivables from finance lease agreements impaired at initial recognition (POCI)</b>	<b>Total</b>
<b>Buildings</b>	<b>53,553,014</b>	<b>10,295,249</b>	<b>0</b>	<b>63,848,263</b>
- <b>RON</b>	<b>9,612,768</b>	<b>7,898,941</b>	<b>0</b>	<b>17,511,709</b>
- up to 3 years	5,856,929	1,785,421	0	7,642,350
- between 3-5 years	2,497,018	6,113,520	0	8,610,538
- more than 5 years	1,258,821	0	0	1,258,821
- <b>currency</b>	<b>43,940,246</b>	<b>2,396,308</b>	<b>0</b>	<b>46,336,554</b>
- up to 3 years	4,158,875	2,396,308	0	6,555,183
- between 3-5 years	18,137,060	0	0	18,137,060
- more than 5 years	21,644,311	0	0	21,644,311
<b>Total receivables from finance lease agreements before impairment adjustments</b>	<b>1,058,627,750</b>	<b>116,597,188</b>	<b>29,009,291</b>	<b>1,204,234,229</b>
<b>Impairment allowance related to finance lease receivables</b>	<b>(40,479,602)</b>	<b>(46,027,724)</b>	<b>(16,816,393)</b>	<b>(103,323,719)</b>
<b>Total finance lease receivables</b>	<b>1,018,148,148</b>	<b>70,569,464</b>	<b>12,192,898</b>	<b>1,100,910,510</b>

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



## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 4. Financial risk management policies (continued)

##### Credit risk (continued)

The exposures from finance lease receivables at consolidated and separate level, as at 30 June 2021 are presented below:

- in RON -

Gross value of finance lease receivables granted to clients, not impaired, class I, stage 2	Vehicles		Equipment		Buildings		TOTAL	
	RON	FCY	RON	FCY	RON	FCY	RON	FCY
Low-moderate risk*	119,021,471	759,722,336	64,788,984	130,593,351	7,668,774	26,195,494	191,479,229	916,511,181
Sensitive risk	723,035	3,047,320	85,662	-	818,516	-	1,627,213	3,047,320
High risk	-	659,532	-	183,721	-	-	-	843,253
<b>Total finance lease receivables not impaired before impairment allowance</b>	<b>119,744,506</b>	<b>763,429,188</b>	<b>64,874,646</b>	<b>130,777,072</b>	<b>8,487,290</b>	<b>26,195,494</b>	<b>193,106,442</b>	<b>920,401,754</b>
Impairment allowance related to finance lease receivables	(2,424,390)	(19,849,587)	(3,958,192)	(6,211,968)	(85,095)	(213,961)	(6,467,677)	(26,275,516)
<b>Total finance lease receivables not impaired, net of impairment allowance</b>	<b>117,320,116</b>	<b>743,579,601</b>	<b>60,916,454</b>	<b>124,565,104</b>	<b>8,402,195</b>	<b>25,981,533</b>	<b>186,638,765</b>	<b>894,126,238</b>

## BT Leasing Transilvania IFN S.A.

### Notes to the 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	
	RON	FCY	RON	FCY	RON	FCY	RON	FCY
0-30 days	119,021,471	759,722,336	64,788,984	130,593,351	7,668,774	26,195,493	191,479,229	916,511,180
30-60 days	723,035	3,047,320	85,662	-	818,516	-	1,627,213	3,047,320
60-90 days	-	659,532	-	183,721	-	-	-	843,253
<b>Total finance lease receivables not impaired before impairment allowance</b>	<b>119,744,506</b>	<b>763,429,188</b>	<b>64,874,646</b>	<b>130,777,072</b>	<b>8,487,290</b>	<b>26,195,493</b>	<b>193,106,442</b>	<b>920,401,753</b>
Impairment allowance related to finance lease receivables	(2,424,390)	(19,849,587)	(3,958,192)	(6,211,968)	(85,095)	(213,961)	(6,467,677)	(26,275,516)
<b>Total finance lease receivables not impaired, net of impairment allowance</b>	<b>117,320,116</b>	<b>743,579,601</b>	<b>60,916,454</b>	<b>124,565,104</b>	<b>8,402,195</b>	<b>25,981,532</b>	<b>186,638,765</b>	<b>894,126,237</b>

  

Gross value of impaired finance lease receivables granted to clients, Class II, Stage 3 and POCI	Vehicles		Equipment		Buildings		TOTAL	
	RON	FCY	RON	FCY	RON	FCY	RON	FCY
Under 90 days	9,173,976	38,009,092	14,054,056	11,257,493	7,094,559	1,696,038	30,322,591	50,962,623
Over 90 days	11,221,852	22,828,688	6,705,172	33,341,820	680,923	197,170	18,607,947	56,367,678
<b>Total impaired and POCI finance lease receivables before impairment allowance</b>	<b>20,395,828</b>	<b>60,837,780</b>	<b>20,759,228</b>	<b>44,599,313</b>	<b>7,775,482</b>	<b>1,893,208</b>	<b>48,930,538</b>	<b>107,330,301</b>
Impairment allowance related to finance lease receivables	(9,137,768)	(19,437,532)	(13,640,303)	(25,899,413)	(1,672,756)	(214,130)	(24,450,827)	(45,551,075)
<b>Total impaired and POCI finance lease receivables, net of impairment allowance</b>	<b>11,258,060</b>	<b>41,400,248</b>	<b>7,118,925</b>	<b>18,699,900</b>	<b>6,102,726</b>	<b>1,679,078</b>	<b>24,479,711</b>	<b>61,779,226</b>

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

## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 4. Financial risk management policies (continued)

##### Credit risk (continued)

The exposures from finance lease receivables at consolidated and separate level, as at 31 December 2020 are presented below:

Gross value of finance lease receivables granted to clients, not impaired, class I, stage 2	Vehicles		Equipment		Buildings		TOTAL	
	RON	FCY	RON	FCY	RON	FCY	RON	FCY
Low-moderate risk*	118,731,946	664,038,388	75,424,235	133,823,782	9,612,767	43,940,247	203,768,948	<b>841,802,417</b>
Sensitive risk	661,007	6,932,971	221,239	491,212	0	0	882,246	<b>7,424,183</b>
High risk	841,774	3,505,114	319,623	83,445	0	0	1,161,397	<b>3,588,559</b>
<b>Total finance lease receivables not impaired before impairment allowance</b>	<b>120,234,727</b>	<b>674,476,473</b>	<b>75,965,097</b>	<b>134,398,439</b>	<b>9,612,767</b>	<b>43,940,247</b>	<b>205,812,591</b>	<b>852,815,159</b>
Impairment allowance related to finance lease receivables	(2,299,448)	(18,878,260)	(11,399,331)	(7,132,779)	(58,838)	(710,946)	(13,757,617)	<b>(26,721,985)</b>
<b>Total finance lease receivables not impaired, net of impairment allowance</b>	<b>117,935,279</b>	<b>655,598,213</b>	<b>64,565,766</b>	<b>127,265,660</b>	<b>9,553,929</b>	<b>43,229,301</b>	<b>192,054,974</b>	<b>826,093,174</b>

\*The Company uses a rating system for leasing underwriting that takes into account both borrower information (qualitative and financial information) and asset-related information. Based on these factors, debtors are grouped into rating categories when the leasing is granted. This rating is not reassessed, except to the extent modifications arise in the financing structure. Probabilities of default are computed for portfolios with similar risk characteristics, these being the initial rating class.

## BT Leasing Transilvania IFN S.A.

### Notes to the 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	
	RON	FCY	RON	FCY	RON	FCY	RON	FCY
0-30 days	118,731,946	664,038,388	75,424,235	133,823,782	9,612,767	43,940,247	203,768,948	841,802,417
30-60 days	661,007	6,932,971	221,239	491,212	0	0	882,246	7,424,183
60-90 days	841,774	3,505,114	319,623	83,445	0	0	1,161,397	3,588,559
<b>Total finance lease receivables not impaired before impairment allowance</b>	<b>120,234,727</b>	<b>674,476,473</b>	<b>75,965,097</b>	<b>134,398,439</b>	<b>9,612,767</b>	<b>43,940,247</b>	<b>205,812,591</b>	<b>852,815,159</b>
Impairment allowance related to finance lease receivables	(2,299,448)	(18,878,262)	(11,399,331)	(7,132,779)	(58,838)	(710,946)	(13,757,617)	(26,721,987)
<b>Total finance lease receivables not impaired, net of impairment allowance</b>	<b>117,935,279</b>	<b>655,598,211</b>	<b>64,565,766</b>	<b>127,265,660</b>	<b>9,553,929</b>	<b>43,229,301</b>	<b>192,054,974</b>	<b>826,093,172</b>
Gross value of impaired finance lease receivables granted to clients, Class II, Stage 3 and POCI	Vehicles		Equipment		Buildings		TOTAL	
	RON	FCY	RON	FCY	RON	FCY	RON	FCY
0-30 days	4,925,188	26,870,805	4,636,880	5,794,797	7,218,018	0	16,780,086	32,665,602
30-60 days	273,950	2,060,638	161,748	0	0	0	435,698	2,060,638
60-90 days	415,003	1,214,645	129,618	86,172	0	0	544,621	1,300,817
over 90 days	15,017,533	32,586,885	7,133,343	34,004,025	680,923	2,396,308	22,831,799	68,987,218
<b>Total impaired and POCI finance lease receivables before impairment allowance</b>	<b>20,631,674</b>	<b>62,732,973</b>	<b>12,061,589</b>	<b>39,884,994</b>	<b>7,898,941</b>	<b>2,396,308</b>	<b>40,592,204</b>	<b>105,014,275</b>
Impairment allowance related to finance lease receivables	(9,133,928)	(20,413,969)	(6,474,630)	(24,877,966)	(1,748,100)	(195,524)	(17,356,658)	(45,487,459)
<b>Total impaired and POCI finance lease receivables, net of impairment allowance</b>	<b>11,497,746</b>	<b>42,319,004</b>	<b>5,586,959</b>	<b>15,007,028</b>	<b>6,150,841</b>	<b>2,200,784</b>	<b>23,235,546</b>	<b>59,526,816</b>

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

**Notes to the consolidated and separate financial statements**

**4. Financial risk management policies (continued)**

**Credit risk (continued)**

*Collateral policy*

An analysis of the fair value of collaterals related to financial assets as at 30 June 2021 of the Group and of the Company is presented below:

<i>- in RON -</i>	<u>Under - collateralised</u>	<u>Over - collateralised</u>
<b>Gross exposure</b>		
<b>Vehicles</b>		
Gross exposure	264,614,857	699,792,445
Collaterals	216,979,431	1,029,324,920
<b>Equipment</b>		
Gross exposure	64,757,276	196,252,983
Collaterals	48,629,991	333,437,285
<b>Buildings</b>		
Gross exposure	3,066,262	41,285,211
Collaterals	2,089,906	86,375,430
<b>Total Gross exposure</b>	<b><u>332,438,395</u></b>	<b><u>937,330,639</u></b>
<b>Total collaterals</b>	<b><u>267,699,328</u></b>	<b><u>1,449,137,635</u></b>

An analysis of the fair value of collaterals related to financial assets as at 31 December 2020 of the Group and of the Company is presented below:

<i>- in RON -</i>	<u>Under - collateralised</u>	<u>Over - collateralised</u>
<b>Gross exposure</b>		
<b>Vehicles</b>		
Gross exposure	263,619,468	614,456,379
Collaterals	209,991,941	900,560,091
<b>Equipment</b>		
Gross exposure	70,419,851	191,890,268
Collaterals	48,265,657	316,651,937
<b>Buildings</b>		
Gross exposure	3,144,261	60,704,002
Collaterals	2,065,599	108,832,334
<b>Total Gross exposure</b>	<b><u>337,183,580</u></b>	<b><u>867,050,649</u></b>
<b>Total collaterals</b>	<b><u>260,323,197</u></b>	<b><u>1,326,044,362</u></b>

## **Notes to the 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.

#### ***Expected credit losses for finance lease receivables***

The estimated expected credit losses for the finance lease receivables involves significant judgements in order to assess the methodology, models and historical data used in calculations.

The following items are considered to have a major impact in the calculations of expected credit losses: definition of default, probability of default (“PD”), exposure at default (“EAD”), loss given default (“LGD”) incorporation of forward looking information for collective assessment of impairment and estimation of recoverable cash-flows in the case of individual assessment of impairment. The Group and the Company reviews and validates periodically the models and the data used in the calculations of ECL in order to reduce the differences between the estimated expected credit losses and the actual losses incurred from credit risk, the calculations for expected credit losses being performed on a monthly basis.

The Group and the Company made the choice to use the simplified approach to determine expected credit losses, based on Lifetime PD for each contract except for class 2 clients (stage 3) where the PD is considered to be 100%%.

## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 6. Net interest income

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
<b>Interest income</b>				
Interest income from leasing agreements	45,501,960	40,595,752	45,501,960	40,595,752
Interest income from current accounts and deposits, using the effective interest	174,419	302,857	157,704	285,686
<b>Total interest income</b>	<b>45,676,379</b>	<b>40,898,609</b>	<b>45,659,664</b>	<b>40,881,438</b>
<b>Interest expense</b>				
Interest expense on loans from banks and financial institutions	(6,878,770)	(7,242,292)	(6,878,770)	(7,242,292)
Interest expense on bonds	(2,035,178)	(2,008,457)	(2,035,178)	(2,008,457)
Interest expense on leasing	(3,455)	(4,377)	(3,455)	(4,377)
<b>Total interest expense</b>	<b>(8,917,403)</b>	<b>(9,255,126)</b>	<b>(8,917,403)</b>	<b>(9,255,126)</b>
<b>Net interest income</b>	<b>36,758,976</b>	<b>31,643,483</b>	<b>36,742,261</b>	<b>31,626,312</b>

#### 7. Net fee and commission income/(expense)

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
<b>Fee and commission income</b>				
Insurance brokerage commissions	7,865,800	6,503,876	-	-
<b>Total fee and commission income</b>	<b>7,865,800</b>	<b>6,503,876</b>	<b>-</b>	<b>-</b>
<b>Fee and commission expenses</b>				
Fees paid for banking operations	(74,357)	(56,687)	(63,265)	(45,128)
Fees paid for the issuing of bonds	(10,216)	(2,917)	(10,216)	(2,917)
<b>Total fee and commission expenses</b>	<b>(84,573)</b>	<b>(59,604)</b>	<b>(73,481)</b>	<b>(48,045)</b>
<b>Net fee and commission income/(expense)</b>	<b>7,781,227</b>	<b>6,444,272</b>	<b>(73,481)</b>	<b>(48,045)</b>

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

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
Net gain/(loss) from exchange rate differences – balance revaluation	1,812,688	1,374,896	1,812,688	1,374,896
Net gain from exchange rate revaluation of transactions	2,041,108	2,049,990	2,041,108	2,049,990
<b>Net gain/(loss) from foreign currency translation</b>	<b>3,853,796</b>	<b>3,424,886</b>	<b>3,853,796</b>	<b>3,424,886</b>

## BT Leasing Transilvania IFN S.A.

# Notes to the consolidated and separate financial statements

### 9. Other operating income

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
Income from the sale of tangible non-current assets	78,082	89,635	78,082	89,635
Rental income	42,017	-	42,017	-
Dividend income (i)	-	-	12,242,790	9,104,993
Other income (ii)	3,153,208	2,556,887	3,152,409	2,555,751
<b>Total other operating income</b>	<b>3,273,307</b>	<b>2,646,522</b>	<b>15,515,298</b>	<b>11,750,379</b>

(i) The dividend income was collected by the Company from the four entities the Company holds interest in:

- BT Intermedieri Agent de Asigurare SRL, in amount of RON 3,684,421 (30 June 2020: RON 3,280,846);
- BT Safe Agent de Asigurare SRL, in amount of RON 2,117,352 (30 June 2020: RON 1,592,717);
- BT Solution Agent de Asigurare SRL, in amount of RON 2,561,154 (30 June 2020: RON 1,756,802);
- BT Asiom Agent de Asigurare SRL, in amount of RON 3,879,863 (30 June 2020: RON 2,474,628);

(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 1,975,016 (30 June 2020: RON 1,353,117), compensation received from insurance companies: RON 552,652 (30 June 2020: RON 707,923) damages claims received from the terminated leasing agreements: RON 412,252 (30 June 2020: RON 155,367) and other revenues collected: RON 213,288 (30 June 2020: RON 340,480).

### 10. Gains/(losses) from assets previously leased to customers

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
Net losses from sale of assets previously leased to customers	(1,665,789)	(62,951)	(1,665,789)	(62,951)
Net gains/(losses) from inventory placed back in leasing	413,172	65,045	413,172	65,045
Net income from early terminated contracts and repossessed assets	7,188,824	7,378,140	7,188,824	7,378,140
<b>Total</b>	<b>5,936,207</b>	<b>7,380,234</b>	<b>5,936,207</b>	<b>7,380,234</b>



**Notes to the consolidated and separate financial statements**

**11. Net impairment charge of financial assets**

- in RON -

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>30-Jun-2020</b> <i>(unaudited)</i>	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>30-Jun-2020</b> <i>(unaudited)</i>
Charge of ECL losses for finance lease receivables	(27,846,929)	(35,555,900)	(27,846,929)	(35,555,900)
Release of ECL for finance lease receivables	24,329,411	22,000,668	24,329,411	22,000,668
Impairment charge for other financial assets	(24,940)	(500)	(24,940)	(500)
Release of impairment for other financial assets	-	3,509	-	3,509
<b>Net expense with adjustments for impairment of financial assets</b>	<b>(3,542,458)</b>	<b>(13,552,223)</b>	<b>(3,542,458)</b>	<b>(13,552,223)</b>

**12. Personnel expenses**

- in RON -

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>30-Jun-2020</b> <i>(unaudited)</i>	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>30-Jun-2020</b> <i>(unaudited)</i>
Wages and benefits	(7,969,978)	(8,672,342)	(7,501,201)	(8,128,861)
Contribution for social security and insurance	(294,887)	(303,850)	(275,279)	(288,009)
Other taxes, duties and similar payments	(50,416)	(48,258)	(50,416)	(48,258)
Bonuses for employees and provisions for untaken holidays	359,030	3,831,888	336,108	3,663,044
Income/(expenses) with provisions for pensions and similar obligations	(79,435)	(28,654)	(79,436)	(28,654)
<b>Total personnel expenses</b>	<b>(8,035,686)</b>	<b>(5,221,216)</b>	<b>(7,570,224)</b>	<b>(4,830,738)</b>

## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 13. Other operating expenses

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
Tax and duties expenses	(66,248)	(216,962)	(65,931)	(216,657)
Utilities, repairs and other maintenance services expenses	(816,884)	(1,273,798)	(816,884)	(1,273,798)
Advertising, protocol and sponsorship expenses	(84,515)	(349,303)	(84,515)	(348,961)
Postage, telecommunications and texting expenses	(155,579)	(244,532)	(155,579)	(179,662)
Materials and consumables expenses	(294,698)	(270,665)	(293,247)	(269,502)
Electricity and heating expenses	(133,661)	(158,837)	(121,413)	(146,814)
Collaborator expenses	(27,360)	(556)	(27,360)	(556)
Transportation, travel and secondment expenses	(31,293)	(65,671)	(31,293)	(65,671)
Losses from the assignment and disposal of premises and equipment and intangible assets	-	(58,462)	-	(58,462)
Sponsorship expenses	(890,000)	-	(890,000)	-
Other operating expenses	(2,279,032)	(2,770,385)	(2,164,841)	(2,657,385)
<b>Total other operating expenses</b>	<b>(4,779,270)</b>	<b>(5,409,171)</b>	<b>(4,651,063)</b>	<b>(5,217,468)</b>

#### 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-2021 (unaudited)	30-Jun-2020 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2020 (unaudited)
Current tax	(4,957,095)	(3,444,141)	(4,878,261)	(3,382,214)
Deferred tax	(269,146)	(226,292)	(269,146)	(226,292)
<b>(Expense)/credit for income tax</b>	<b>(5,226,241)</b>	<b>(3,670,433)</b>	<b>(5,147,407)</b>	<b>(3,608,506)</b>

**Notes to the consolidated and separate financial statements**

**15. Cash and cash equivalents**

- in RON -

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>
Cash on hand	1,834	1,469	1,688	1,324
Current accounts	2,282,611	3,979,361	418,218	552,211
Sight deposits with banks	19,837,588	18,102,740	19,837,588	18,102,740
Collateral deposits with banks	4,327,912	687	4,327,912	687
Accrued interest	346	539	332	539
Other amounts	431	431	431	431
<b>Total</b>	<b>26,450,722</b>	<b>22,085,227</b>	<b>24,586,169</b>	<b>18,657,932</b>

The current accounts and sight/term deposits are freely available to the Group and are unencumbered. The demand deposits with banks are overnight deposits placed at banks.

Cash and cash equivalents from statement of cash flows does not include collateral deposits, accrued interest and other amounts:

- in RON -

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>
Cash on hand	1,834	1,469	1,688	1,324
Current accounts	2,282,611	3,979,361	418,218	552,211
Sight deposits with banks	19,837,588	18,102,740	19,837,588	18,102,740
<b>Total cash and cash equivalents</b>	<b>22,122,033</b>	<b>22,083,570</b>	<b>20,257,494</b>	<b>18,656,275</b>

## BT Leasing Transilvania IFN S.A.

### Notes to the 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 collaterals. The breakdown of the receivables from finance lease agreements by remaining maturity is presented in the following table:

- in RON -

	30 June 2021 (unaudited)				31 December 2020			
	< 1 y	1 - 5 y	> 5 y	Total	< 1 y	1 - 5 y	> 5 y	Total
Gross receivables from finance lease	528,406,811	834,265,728	2,466,506	<b>1,365,139,045</b>	505,116,103	788,333,117	3,463,665	<b>1,296,912,885</b>
Future interest as per lease agreements	(45,758,429)	(49,515,842)	(95,740)	<b>(95,370,011)</b>	(44,452,850)	(48,098,751)	(127,055)	<b>(92,678,656)</b>
<b>Total receivables from finance lease without future interest payments</b>	<b>482,648,382</b>	<b>784,749,886</b>	<b>2,370,766</b>	<b>1,269,769,034</b>	<b>460,663,253</b>	<b>740,234,366</b>	<b>3,336,610</b>	<b>1,204,234,229</b>
Impairment adjustments for finance lease receivables	(32,338,050)	(70,195,082)	(211,963)	<b>(102,745,095)</b>	(39,628,076)	(63,409,788)	(285,855)	<b>(103,323,719)</b>
<b>Net finance lease receivables</b>	<b>450,310,332</b>	<b>714,554,804</b>	<b>2,158,803</b>	<b>1,167,023,939</b>	<b>421,035,177</b>	<b>676,824,578</b>	<b>3,050,755</b>	<b>1,100,910,510</b>

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

- in RON -

	30 June 2021 (unaudited)	31 December 2020
<b>Balance at 1<sup>st</sup> of January</b>	<b>103,323,719</b>	<b>83,397,258</b>
Cost of impairment for lease receivables (Note 11)	27,846,929	82,337,464
Income from reversal/cancellation of impairment for lease receivables (Note 11)	(24,329,411)	(49,567,261)
Reversal of impairment due to write-offs	(4,096,142)	(12,843,742)
<b>Balance at 31<sup>st</sup> of December</b>	<b>102,745,095</b>	<b>103,323,719</b>

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

**Notes to the consolidated and separate financial statements**

**17. Other financial assets**

- in RON -

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>
Sundry debtors (i)	10,492,566	10,851,507	6,550,712	6,759,887
Other past-due amounts under litigation (ii)	2,698,813	2,701,276	2,698,813	2,701,276
Impairment adjustments for past-due amounts	(1,811,088)	(1,786,147)	(1,811,088)	(1,786,147)
<b>Total</b>	<b>11,380,291</b>	<b>11,766,636</b>	<b>7,438,437</b>	<b>7,675,016</b>

- (i) (i) At Group level, sundry debtors represent amounts related to insurance policies which are to be recovered from users RON 4,157,165 (31 December 2020: RON 4,077,786) VAT guarantees given to external suppliers until the remittance of the proof for Intra-Community transportation of RON 4,339,720 (31 December 2020: RON 4,704,210), amounts to be received as insurance compensation RON 1,995,681 (31 December 2020: RON 1,914,742) and other amounts owed by sundry debtors RON 0 (31 December 2020: RON 154,769), and at Company level sundry debtors represent VAT guarantees given to external suppliers until the remittance of the proof for Intra-Community transportation of: RON 4,339,720 (31 December 2020: RON 4,704,210), amounts to be received as insurance compensation RON 1,995,681 (31 December 2020: RON 1,914,742), other amounts owed by sundry debtors RON 115,311 (31 December 2020: RON 140,935) and amounts to be received as dividends RON 100,000 RON (31 December 2020: RON 0).
- (ii) (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 2020: RON 2,377,676) and past-due amounts under litigation from various services provided RON 321,137 (31 December 2020: RON 323,600).

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

- in RON -

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>	<b>30-Jun-2021</b> <i>(unaudited)</i>	<b>31-Dec-2020</b>
<b>Balance at the beginning of the period</b>	<b>(1,786,147)</b>	<b>(1,789,771)</b>	<b>(1,786,147)</b>	<b>(1,789,771)</b>
Net (expense)/Income from reversal of impairment adjustments for other assets	(24,941)	3,624	(24,941)	3,624
<b>Balance at the end of the period</b>	<b>(1,811,088)</b>	<b>(1,786,147)</b>	<b>(1,811,088)</b>	<b>(1,786,147)</b>

## BT Leasing Transilvania IFN S.A.

# Notes to the consolidated and separate financial statements

### 18. Repossessed assets

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Inventory held at third parties	41,542	151,867	41,542	151,867
Inventory kept in headquarters	12,065,190	15,126,568	12,065,190	15,126,568
Adjustments for write-down	(5,077,007)	(6,498,005)	(5,077,007)	(6,498,005)
<b>Total</b>	<b>7,029,725</b>	<b>8,780,430</b>	<b>7,029,725</b>	<b>8,780,430</b>

The inventories consist mainly of goods recovered from the terminated leasing agreements that have not yet been placed under new lease agreements or sold, goods gained as a result of foreclosure procedures that are to be sold or placed in new lease agreements.

The write-down adjustments of inventories to net realizable value 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-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
<b>Balance at the beginning of the period</b>	<b>6,498,005</b>	<b>6,876,746</b>	<b>6,498,005</b>	<b>6,876,746</b>
Expense with inventory impairment adjustments	-	1,688,302	-	1,688,302
Release of adjustments for inventory	(1,420,998)	(2,067,043)	(1,420,998)	(2,067,043)
<b>Balance at the end of the period</b>	<b>5,077,007</b>	<b>6,498,005</b>	<b>5,077,007</b>	<b>6,498,005</b>

### 19. Equity investments

As at 30 June 2021 and 31 December 2020, the Company had direct investments in subsidiaries in amount of RON 69,536 (2020: RON 69,536). The Group investments are only those held at BT Asset Management SAI SA and BT Direct IFN SA.

- in RON -

<u>Subsidiary name</u>	30-Jun-2021 (unaudited)		31-Dec-2020	
		%		%
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	13	0.000060	13	0.000060
<b>Total</b>	<b>69,536</b>		<b>69,536</b>	

# BT Leasing Transilvania IFN S.A.

## Notes to the consolidated and separate financial statements

### 20. Tangible assets

- in RON -

<i>Group</i>	Computers and equipment	Vehicles	Other tangible assets	Advance payments for tangible assets	Total
<b>Gross book value</b>					
<b>Balance as at 1 January 2020</b>	<b>724,491</b>	<b>4,184,791</b>	<b>163,549</b>	-	<b>5,072,831</b>
Acquisitions	132,981	488,695	16,636	56,915	695,227
Disposals	(2,044)	(291,505)	(11,683)	-	(305,232)
<b>Balance as at 31 December 2020</b>	<b>855,428</b>	<b>4,381,981</b>	<b>168,502</b>	<b>56,915</b>	<b>5,462,826</b>
<b>Balance as at 1 January 2021</b>	<b>855,428</b>	<b>4,381,981</b>	<b>168,502</b>	<b>56,915</b>	<b>5,462,826</b>
Acquisitions	3,637	637,490	3,068	-	644,195
Disposals	(130,711)	(166,727)	-	(56,915)	(354,353)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>728,354</b>	<b>4,852,744</b>	<b>171,570</b>	-	<b>5,752,668</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 1 January 2020</b>	<b>553,056</b>	<b>3,121,220</b>	<b>134,816</b>	-	<b>3,809,092</b>
Depreciation charge for the year	127,799	482,424	12,672	-	622,895
Accumulated depreciation corresponding to disposals	(2,043)	(205,972)	(10,423)	-	(218,438)
<b>Balance as at 31 December 2020</b>	<b>678,812</b>	<b>3,397,672</b>	<b>137,065</b>	-	<b>4,213,549</b>
<b>Balance as at 1 January 2021</b>	<b>678,812</b>	<b>3,397,672</b>	<b>137,065</b>	-	<b>4,213,549</b>
Depreciation charge for the year	61,956	262,055	6,824	-	330,835
Accumulated depreciation corresponding to disposals	(130,711)	(166,727)	-	-	(297,438)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>610,057</b>	<b>3,493,000</b>	<b>143,889</b>	-	<b>4,246,946</b>
<b>Net book value</b>					
<b>As at 31 December 2020</b>	<b>176,616</b>	<b>984,309</b>	<b>31,437</b>	<b>56,915</b>	<b>1,249,277</b>
<b>As at 30 June 2021 (unaudited)</b>	<b>118,297</b>	<b>1,359,744</b>	<b>27,681</b>	-	<b>1,505,722</b>

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

# BT Leasing Transilvania IFN S.A.

## Notes to the consolidated and separate financial statements

### 20. Imobilizări corporale

- in RON -

<i>Company</i>	Computers and equipment	Vehicles	Other tangible assets	Advance payments for tangible assets	Total
<b>Gross book value</b>					
<b>Balance as at 1 January 2020</b>	<b>724,491</b>	<b>4,075,347</b>	<b>160,729</b>	-	<b>4,960,567</b>
Acquisitions	132,981	488,695	16,636	56,915	695,227
Disposals	(2,044)	(291,505)	(11,683)	-	(305,232)
<b>Balance as at 31 December 2020</b>	<b>855,428</b>	<b>4,272,537</b>	<b>165,682</b>	<b>56,915</b>	<b>5,350,562</b>
<b>Balance as at 1 January 2021</b>	<b>855,428</b>	<b>4,272,537</b>	<b>165,682</b>	<b>56,915</b>	<b>5,350,562</b>
Acquisitions	3,637	637,490	3,068	-	644,195
Disposals	(130,711)	(166,727)	-	(56,915)	(354,353)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>728,354</b>	<b>4,743,300</b>	<b>168,750</b>	-	<b>5,640,404</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 1 January 2020</b>	<b>553,056</b>	<b>3,087,779</b>	<b>134,816</b>	-	<b>3,775,651</b>
Depreciation charge for the year	127,799	445,942	11,732	-	585,473
Accumulated depreciation corresponding to disposals	(2,043)	(205,972)	(10,423)	-	(218,438)
<b>Balance as at 31 December 2020</b>	<b>678,812</b>	<b>3,327,749</b>	<b>136,125</b>	-	<b>4,142,686</b>
<b>Balance as at 1 January 2021</b>	<b>678,812</b>	<b>3,327,749</b>	<b>136,125</b>	-	<b>4,142,686</b>
Depreciation charge for the year	61,956	243,815	6,354	-	312,125
Accumulated depreciation corresponding to disposals	(130,711)	(166,727)	-	-	(297,438)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>610,057</b>	<b>3,404,837</b>	<b>142,479</b>	-	<b>4,157,373</b>
<b>Net book value</b>					
<b>As at 31 December 2020</b>	<b>176,616</b>	<b>944,788</b>	<b>29,557</b>	<b>56,915</b>	<b>1,207,876</b>
<b>As at 30 June 2021 (unaudited)</b>	<b>118,297</b>	<b>1,338,463</b>	<b>26,271</b>	-	<b>1,483,031</b>

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



**BT Leasing Transilvania IFN S.A.**  
**Notes to the consolidated and separate financial statements**

**21. Imobilizări necorporale**

- in RON -

<i>Gross book value</i>	<b>Group</b>	<b>Company</b>
<b>Balance as at 1 January 2020</b>	<b>2,034,893</b>	<b>1,987,356</b>
Acquisitions	698,299	698,299
Disposals	-	-
<b>Balance as at 30 December 2020</b>	<b>2,733,192</b>	<b>2,685,655</b>
<b>Balance as at 1 January 2021</b>	<b>2,733,192</b>	<b>2,685,655</b>
Acquisitions	316,702	316,702
Disposals	-	-
<b>Balance as at 30 June 2021</b>	<b>3,049,894</b>	<b>3,002,357</b>
<i>Accumulated depreciation</i>		
<b>Balance as at 1 January 2020</b>	<b>1,799,569</b>	<b>1,757,325</b>
Depreciation charge for the year	331,711	326,418
<b>Balance as at 31 December 2020</b>	<b>2,131,280</b>	<b>2,083,743</b>
<b>Balance as at 1 January 2021</b>	<b>2,131,280</b>	<b>2,083,743</b>
Depreciation charge for the year	189,872	189,872
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>2,321,152</b>	<b>2,273,615</b>
<b>Net book value</b>		
<b>As at 31 December 2020</b>	<b>601,912</b>	<b>601,912</b>
<b>As at 30 June 2021 (unaudited)</b>	<b>728,742</b>	<b>728,742</b>

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

# BT Leasing Transilvania IFN S.A.

## Notes to the consolidated and separate financial statements

### 22. Right-of-use assets

#### Group and Company

	Buildings	Vehicles	Total
<b>Balance as at 1 January 2020</b>	<b>2,546,241</b>	<b>697,900</b>	<b>3,244,141</b>
Acquisitions	1,334,564	330,785	1,665,349
Disposals	(417,918)	(48,333)	(466,251)
<b>Balance as at 31 December 2020</b>	<b>3,462,887</b>	<b>980,352</b>	<b>4,443,239</b>
<b>Balance as at 1 January 2021 (unaudited)</b>	<b>3,462,887</b>	<b>980,352</b>	<b>4,443,239</b>
Acquisitions	105,885	292,068	397,953
Disposals	(31,508)	(294,684)	(326,192)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>3,537,264</b>	<b>977,736</b>	<b>4,515,000</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 1 January 2020</b>	<b>747,761</b>	<b>169,431</b>	<b>917,192</b>
Depreciation charge for the year	843,745	313,573	1,157,318
Accumulated depreciation corresponding to disposals	-	-	-
<b>Balance as at 31 December 2020</b>	<b>1,591,506</b>	<b>483,004</b>	<b>2,074,510</b>
<b>Balance as at 1 January 2021 (unaudited)</b>	<b>1,591,506</b>	<b>483,004</b>	<b>2,074,510</b>
Depreciation charge for the year	432,043	131,270	563,313
Accumulated depreciation corresponding to disposals	(12,510)	(287,862)	(300,372)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>2,011,039</b>	<b>326,412</b>	<b>2,337,451</b>
<b>Net book value</b>			
<b>As at 31 December 2020</b>	<b>1,871,381</b>	<b>497,348</b>	<b>2,368,729</b>
<b>As at 30 June 2021 (unaudited)</b>	<b>1,526,225</b>	<b>651,324</b>	<b>2,177,549</b>

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

## Notes to the consolidated and separate financial statements

### 23. Other assets

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Advance payments to suppliers	11,573,109	2,455,148	11,573,109	2,455,148
Materials	2,323,920	553,643	2,323,920	553,643
Prepaid expenses	96,811	46,502	90,577	44,716
Other assets	247,546	226,813	247,546	221,263
Value added tax to be received	2,147,774	1,315,190	2,147,774	1,315,190
Value added tax non-deductible	15,896	51,915	15,896	51,915
<b>Total</b>	<b>16,405,056</b>	<b>4,649,211</b>	<b>16,398,822</b>	<b>4,641,875</b>

### 24. Loans from banks and other financial institutions

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Loans from banks and other financial institutions	719,788,244	679,099,265	719,788,244	679,099,265
Interest payable and deferred fees	(100,529)	(203,502)	(100,529)	(203,502)
<b>Total</b>	<b>719,687,715</b>	<b>678,895,763</b>	<b>719,687,715</b>	<b>678,895,763</b>

Interest rates corresponding to the term loans received by the Company as at 30 June 2021 range from 1.17% and 1.84% for loans in EUR and 3.4% for loans in RON (31 December 2020: 1.17% and 1.84% for loans in EUR and between 3,4% and 4,46% for loans in RON).

### 25. Debt securities issued

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Loan from issued debt securities	197,068,000	194,776,000	197,068,000	194,776,000
Interest payable and deferred fees	(1,276,494)	(1,387,139)	(1,276,494)	(1,387,139)
<b>Total</b>	<b>195,791,506</b>	<b>193,388,861</b>	<b>195,791,506</b>	<b>193,388,861</b>

The interest rate for the debt securities issued as of 30 June 2021 range between 1.75% and 2% (31 December 2020: 1.75% and 2%).

The debt securities are listed in the Bucharest Stock Exchange starting 23.12.2019 under the symbol BTL24E (maturity date 12.12.2024) and BTL25E (maturity date 12.12.2025).

## BT Leasing Transilvania IFN S.A.

# Notes to the consolidated and separate financial statements

### 26. Lease liabilities

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Lease liabilities	2,252,647	2,428,808	2,252,647	2,428,808
<b>Total</b>	<b>2,252,647</b>	<b>2,428,808</b>	<b>2,252,647</b>	<b>2,428,808</b>

### 27. Provisions for liabilities and charges

The provisions for liabilities and charges are presented below:

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Provisions for pensions and other similar obligations	206,055	126,618	206,055	126,618
Provisions for untaken holidays	45,074	404,105	45,074	381,182
Provisions for bonuses for employees	2,146,000	2,146,000	2,000,000	2,000,000
Provisions for litigations	5,137,408	5,137,408	5,137,408	5,137,408
<b>Total</b>	<b>7,534,537</b>	<b>7,814,131</b>	<b>7,388,537</b>	<b>7,645,208</b>

#### *Provisions for litigations*

The Company periodically analyses 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.

As of 15th of June 2018, the Company received a request from the Competition Council to provide information about the investigation started on 20th of November 2017 against several banks, non-bank financial institutions, leasing companies, professional and employers' associations in the financial services field. The object of the investigation (as per the injunction of the Bucharest Court of Appeal no. 33 from 22nd of November 2017) is an alleged breach of the article 5 (1) of the Competition Law no. 21/1996, respectively the article 101 (1) of the Treaty on the Functioning of the European Union, through a possible exchange of sensitive information from the competition point of view between competing companies in the financial leasing services market, respectively on the consumer credit market, and that are members of the main professional and employers' associations in the financial services field.

As of 17th of October 2019, the Competition Council communicated to the Company and other entities under investigation the report that proposes to apply fines, calculated as a percentage of the Company's turnover. During October-December 2019, Company management analysed the findings in the investigation report, prepared and sent to the Competition Council a consolidated point of view regarding these findings. In January, the Company participated at the hearings organised by the Competition Council.

## BT Leasing Transilvania IFN S.A.

# Notes to the consolidated and separate financial statements

### 27. Provizioane pentru alte riscuri și cheltuieli (*continuare*)

At 25.02.2020 there was a round of hearings and the Competition Council issued a decision to return the investigation report to the responsible team which completed the report in order to add more requested details. In the return decision there is mentioned that the responsible team should clarify and complete the analysis to see if there are anticompetition facts, including facts related to the probatory standard and possible impact in competition environment.

The Competition Council finalised the investigation over the leasing companies, started in November 2017 and communicated to the Company the minute on 18.12.2020. The decision of the Competition Council shall be communicated within 120 days counted from the minute date.

Further to the information received in the minute, we reduced the provision that we booked since 2019, from RON 6,698,992 to RON 4,327,225.22.

On 08.04.2020, the Competition Council sent the Decision no. 68/09.12.2020 to the Company, communicating the value of the fine which is RON 4,327,225.22.

The Company challenged this decision in court.

On 07 July 2021 the Bucharest Court of Appeal, in first instance, decided the suspension of the Competition Council decision in which BT Leasing has been fined until a final ruling will be given in this litigation in which BT Leasing has requested the cancelation of the decision.

### 28. Other financial liabilities

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Suppliers of goods and services	1,258,912	1,391,902	3,724,014	7,189,368
Suppliers of goods placed in leasing agreements	(108,693)	2,437,944	(108,693)	2,437,944
Sundry creditors	4,427,600	4,404,846	4,413,619	4,398,682
Other financial liabilities	41,480	57,435	41,480	57,435
<b>Total</b>	<b>5,619,299</b>	<b>8,292,127</b>	<b>8,070,420</b>	<b>14,083,429</b>

### 29. Other liabilities

- in RON -

	Group		Company	
	30-Jun-2021 (unaudited)	31-Dec-2020	30-Jun-2021 (unaudited)	31-Dec-2020
Advances received from customers	10,234,098	5,426,330	10,137,483	5,302,693
Amounts due to personnel	854,631	308,295	816,482	307,431
Amounts due for social security and insurance	820,509	750,712	784,168	717,198
Other liabilities	1,087,560	838,958	1,087,560	838,958
Subsidies for investments	53,517	7,800	53,517	7,800
<b>Total</b>	<b>13,050,315</b>	<b>7,332,095</b>	<b>12,879,210</b>	<b>7,174,080</b>

## BT Leasing Transilvania IFN S.A.

# Notes to the 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 2021 consisted of 586,742,113 shares with a nominal value of RON 0.1 each (as at 31 December 2020 consisted of 586,742,113 shares with a nominal value of RON 0.1 each). The share capital of the Company was entirely paid at 30 June 2021 and 31 December 2020.

The shareholding structure of the Company as of 30 June 2021 was as follows:

	Number of ordinary shares owned by the shareholders			
	Banca Transilvania SA	BT Investment SRL	BT Capital Partners SA	Total
<b>La 30 June 2021</b>	<b>369,454,751</b>	<b>217,287,337</b>	<b>25</b>	<b>586,742,113</b>
Ownership percentage (%)	62.967144%	37.032852%	0.000004%	100.00000%
Nominal value of the shares owned (in RON)	36,945,475	21,728,733	3	58,674,211

The shareholding structure of the Company as of 31 December 2020 was as follows:

	Number of ordinary shares owned by the shareholders			
	Banca Transilvania SA	BT Investment SRL	BT Capital Partners SA	Total
<b>La 31 December 2020</b>	<b>369,454,751</b>	<b>217,287,337</b>	<b>25</b>	<b>586,742,113</b>
Ownership percentage (%)	62.967144%	37.032852%	0.000004%	100.00000%
Nominal value of the shares owned (in RON)	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 capital management point of view, the Company must comply with the provisions of the Company Law no. 31/1990 republished and in particular the provisions of article 153<sup>^</sup>24 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 consolidated and separate financial statements**

### **31. Legal reserves and other reserves**

As of 30 June 2021, the reserves set-up at Group level are in amount of RON 12,015,293 (31 December 2020: RON 12,015,293), and the reserves of the Company are in amount of RON 11,890,581 (31 December 2020: RON 11,890,581). 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 2021, the value of these contracts is in amount of RON 43,927,525 (31 December 2020: RON 32,054,969). The Group concluded rental agreements for offices and for the storage of recovered assets from terminated lease agreements.

# BT Leasing Transilvania IFN S.A.

## Notes to the 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 Solution Agent de Asigurare SRL BT Safe Agent de Asigurare SRL BT Asiom Agent de Asigurare SRL	BT Asset Management SAI SA BT Direct IFN SA

The transactions with related parties have been performed at arm's length. These are presented below:

	<u>30-Jun-2021 (unaudited)</u>				<u>31-Dec-2020</u>			
	<u>Banca Transilvania</u>	<u>Key management personnel</u>	<u>Other related parties</u>	<u>Total</u>	<u>Banca Transilvania</u>	<u>Key management ent</u>	<u>Other related parties</u>	<u>Total</u>
<b>Group – in RON -</b>								
<b>Assets</b>								
Cash and cash equivalents	24,047,038	-	-	<b>24,047,038</b>	2,456,448	-	-	<b>2,456,448</b>
Equity investments	-	-	16	<b>16</b>	-	-	16	<b>16</b>
Finance lease receivables	-	38,647	-	<b>38,647</b>	-	50,353	-	<b>50,353</b>
<b>Liabilities</b>								
Loans from financial institutions	629,362,726	-	-	<b>629,362,726</b>	462,278,033	-	-	<b>462,278,033</b>
Other liabilities	444,793	-	-	<b>444,793</b>	270,124	-	-	<b>270,124</b>
<b>Statement of Profit or Loss</b>								
	<u>30-Jun-2021 (unaudited)</u>				<u>30-Jun 2020 (unaudited)</u>			
Interest income	78,617	-	-	<b>78,617</b>	227,216	-	-	<b>227,216</b>
Interest expense	4,220,374	-	-	<b>4,220,374</b>	3,476,869	-	-	<b>3,476,869</b>
Expense with banking fees	62,864	-	-	<b>62,864</b>	45,532	-	-	<b>45,532</b>
Income from lease operations	-	1,208	-	<b>1,208</b>	-	1,828	-	<b>1,828</b>
Other expenses	555,159	-	69,722	<b>624,881</b>	626,921	-	62,556	<b>689,477</b>

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



## BT Leasing Transilvania IFN S.A.

### Notes to the consolidated and separate financial statements

#### 33. Related party transactions (continued)

<i>Company – in RON -</i>	<b>30-Jun-2021 (unaudited)</b>					<b>31-Dec-2020</b>				
	<b>Banca Transilvania</b>	<b>Key management</b>	<b>Consolidated related parties</b>	<b>Other related parties</b>	<b>Total</b>	<b>Banca Transilvania</b>	<b>Key management personnel</b>	<b>Consolidated related parties</b>	<b>Other related parties</b>	<b>Total</b>
<b>Assets</b>										
Cash and cash	24,047,038	-	-	-	<b>24,047,038</b>	2,456,448	-	-	-	<b>2,456,448</b>
Equity investments	-	-	69,520	16	<b>69,536</b>	-	-	69,520	16	<b>69,536</b>
Finance lease	-	38,647	-	-	<b>38,647</b>	-	50,353	-	-	<b>50,353</b>
Other assets	-	-	-	571,977	<b>571,977</b>	-	-	-	634,477	<b>634,477</b>
<b>Liabilities</b>										
Loans from financial	629,362,726	-	-	-	<b>629,362,726</b>	462,278,033	-	-	-	<b>462,278,033</b>
Other liabilities	444,793	-	2,587,121	-	<b>3,031,914</b>	270,124	-	5,819,274	-	<b>6,089,398</b>
<b>Statement of Profit or Loss</b>										
	<b>30-June-2021 (unaudited)</b>					<b>30-June-2020 (unaudited)</b>				
Interest income	78,617	-	-	-	<b>78,617</b>	102,934	-	-	-	<b>102,934</b>
Interest expense	4,220,374	-	-	-	<b>4,220,374</b>	3,476,869	-	-	-	<b>3,476,869</b>
Expense with banking fees	62,864	-	-	-	<b>62,864</b>	45,532	-	-	-	<b>45,532</b>
Income from lease operations	-	1,208	-	-	<b>1,208</b>	-	1,828	-	-	<b>1,828</b>
Dividend income	-	-	12,242,790	-	<b>12,242,790</b>	-	-	9,104,993	-	<b>9,104,993</b>
Other expense	555,159	-	4,879,847	62,722	<b>5,504,728</b>	625,921	-	4,089,457	62,556	<b>4,777,934</b>

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

## **Notes to the consolidated and separate financial statements**

### **33. Related party transactions (*continued*)**

During 2020, the Group concluded a series of transactions with the related parties, in contractual terms like those in its normal activity. The Group and the Company are engaged in related party transactions with other entities from the 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 include the leasing of some properties, the contracting of interest-bearing loans, the signing of leasing contracts and the management of bank accounts.

### **34. Events subsequent to the date of the statement of financial position**

No significant subsequent events for the Group and the Company were identified after the date of the statement of financial position as of 30 June 2021.

The financial statements were approved by the Board of Directors on 28 septembrie 2021 and were signed on its behalf by:

**Morar Ionut Calin**  
General Manager

**Moldovan Sabina**  
Financial Manager