

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 2022

BT Leasing Transilvania IFN S.A.

CONTENTS

Interim Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income	1
Interim Consolidated and Separate Statement of Financial Position	2
Interim Consolidated and Separate Statement of Changes in Equity	3-4
Interim Consolidated and Separate Statement of Cash Flows	5-6
Notes to the Condensed Interim Consolidated and Separate financial statements	7-40

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	
		2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Interest income from leasing agreements		60,704,541	45,501,960	60,704,541	45,501,960
Interest income calculated using the effective interest method		248,499	174,419	184,792	157,704
Interest expense		(8,123,106)	(8,917,403)	(8,123,106)	(8,917,403)
Net interest income	6	52,829,934	36,758,976	52,766,227	36,742,261
Fee and commission income		9,535,369	7,865,800	-	-
Fee and commission expense		(76,478)	(84,573)	(68,015)	(73,481)
Net fee and commission income/(expense)	7	9,458,891	7,781,227	(68,015)	(73,481)
Net gain from foreign currency translation	8	2,272,219	3,853,796	2,272,219	3,853,796
Other operating income	9	4,711,923	3,273,307	18,768,777	15,515,298
Gains/(Losses) from assets previously leased to customers	10	33,568,892	5,936,207	33,568,892	5,936,207
Net impairment charges of financial assets	11	(34,425,584)	(3,542,458)	(34,425,584)	(3,542,458)
Provisions expenses		(181,899)	-	(181,899)	-
Personnel expenses	12	(8,642,084)	(8,035,686)	(8,127,527)	(7,570,224)
Depreciation expense	22,23	(1,120,339)	(1,084,020)	(1,116,829)	(1,065,309)
Other operating expenses	13	(4,584,953)	(4,779,270)	(4,453,026)	(4,651,063)
Profit before tax		53,887,000	40,162,079	59,003,235	45,145,027
Income tax (expense)/credit	14	(11,936,944)	(5,226,241)	(10,885,929)	(5,147,407)
Net profit for the period		41,950,056	34,935,838	48,117,306	39,997,620
Other comprehensive income		-	-	-	-
Total comprehensive income		41,950,056	34,935,838	48,117,306	39,997,620
Profit of the Group attributable to:					
Owners of the Company		41,947,918	34,933,680	48,117,306	39,997,620
Non-controlling interests		2,138	2,158	-	-

The financial statements were approved by the Board of Directors on 29 September 2022 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	Note	Group		Company	
		30 June 2022 (unaudited)	31 December 2021	30 June 2022 (unaudited)	31 December 2021
Assets					
Cash and cash equivalents	15	2,689,797	15,834,274	1,838,465	11,369,686
Finance lease receivables	16	1,443,646,573	1,270,825,274	1,443,646,573	1,270,825,274
Other financial assets	17	12,427,314	11,568,636	6,624,225	7,047,601
Repossessed assets	18	8,643,222	7,653,385	8,643,222	7,653,385
Equity investments	19	16	16	69,536	69,536
Premises and equipments	20	1,767,209	1,189,488	1,766,739	1,185,508
Intangible assets	21	563,468	669,169	563,468	669,169
Right-of-use assets	22	1,764,639	1,590,974	1,764,639	1,590,974
Deferred tax assets		7,843,066	7,215,584	7,818,122	7,190,641
Other assets	23	33,982,235	18,974,663	33,974,178	18,973,001
Total assets		1,513,327,539	1,335,521,463	1,506,709,167	1,326,574,775
Liabilities					
Loans from banks and other financial institutions	24	909,058,359	777,180,611	909,058,359	777,180,611
Issued bonds	25	196,867,610	196,843,964	196,867,610	196,843,964
Lease liabilities	26	1,850,235	1,669,838	1,850,235	1,669,838
Provisions for liabilities and charges	27	6,179,841	9,553,088	6,157,501	9,292,761
Other financial liabilities	28	6,979,986	8,729,040	9,761,751	15,368,293
Current tax liabilities		8,577,854	2,740,718	8,033,818	2,341,033
Other liabilities	29	17,789,042	14,981,326	17,549,162	14,820,900
Total liabilities		1,147,302,927	1,011,698,585	1,149,278,436	1,017,517,400
Equity					
Share capital	30	59,572,544	59,572,544	59,572,544	59,572,544
Legal reserves and other reserves	31	12,485,610	12,229,560	12,360,898	12,104,848
Retained earnings		293,964,272	252,016,393	285,497,289	237,379,983
Total equity attributable to Company's owners		366,022,426	323,818,497	357,430,731	309,057,375
Non-controlling interest		2,186	4,381	-	-
Total equity		366,024,612	323,822,878	357,430,731	309,057,375
Total liabilities and equity		1,513,327,539	1,335,521,463	1,506,709,167	1,326,574,775

The financial statements were approved by the Board of Directors on 29 September 2022 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

- in 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 2021	59,572,544	12,015,293	186,719,734	258,307,571	3,619	258,311,190
Net profit for the year	-	-	34,933,678	34,933,678	2,158	34,935,836
Other changes to OCI	-	-	-	-	-	-
Total comprehensive income for the 6 months period ended on 30 June 2021 (unaudited)	-	-	34,933,678	34,933,678	2,158	34,935,836
Dividends	-	-	-	-	(3,571)	(3,571)
Balance as at 30 June 2021 (unaudited)	59,572,544	12,015,293	221,653,412	293,241,249	2,206	293,243,455
Balance as at 1 January 2022	59,572,544	12,229,560	252,016,393	323,818,497	4,381	323,822,878
Net profit for the year	-	-	41,947,918	41,947,918	2,138	41,950,056
Other changes – stock option plan	-	256,050	-	256,050	-	256,050
Other changes – corection of errors	-	-	(39)	(39)	-	(39)
Total comprehensive income for the 6 months period ended on 30 June 2022 (unaudited)	-	256,050	41,947,879	42,203,929	2,138	42,206,067
Dividends	-	-	-	-	(4,333)	(4,333)
Balance as at 30 June 2022 (unaudited)	59,572,544	12,485,610	293,964,272	366,022,426	2,186	366,024,612

BT Leasing Transilvania IFN S.A.

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 2021	59,572,544	11,890,581	173,897,960	245,361,085
Net profit for the year	-	-	39,997,620	39,997,620
Other changes to OCI	-	-	-	-
Total comprehensive income for the 6 months period ended on 30 June 2021 (unaudited)	-	-	39,997,620	39,997,620
Balance as at 30 June 2021 (unaudited)	59,572,544	11,890,581	213,895,580	285,358,705
Balance as at 1 January 2022	59,572,544	12,104,848	237,379,983	309,057,375
Net profit for the year	-	-	48,117,306	48,117,306
Other changes – stock option plan	-	256,050	-	256,050
Total comprehensive income for the 6 months period ended on 30 June 2022 (unaudited)	-	256,050	48,117,306	48,373,356
Balance as at 30 June 2022 (unaudited)	59,572,544	12,360,898	285,497,289	357,430,731

BT Leasing Transilvania IFN S.A.

Interim 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	
	2022 (unaudited)	2021 (unaudited)
Operating activities		
<i>Profit after tax</i>	41,950,056	40,162,079
Adjustments for non-monetary elements		
Depreciation expense of premises and equipment and intangible assets	20,21,22 1,120,340	1,084,020
Net impairment charges for finance lease receivables	34,276,769	(3,517,518)
Net impairment expenses for other assets	148,816	24,941
Net release of provisions for repossessed inventory	(1,306,375)	(1,420,998)
Provisions for other risks and charges	(3,373,247)	(279,594)
Interest income from leasing agreements	(60,704,541)	(45,501,960)
Interest income from banks	6 (248,499)	(174,419)
Interest expense	8,123,106	8,917,403
Other adjustments for non-cash items	(22,504,739)	5,523,964
Operating profit before the change in operating assets and liabilities	(2,518,314)	4,817,918
(Increase) in net finance lease receivables	(191,922,300)	(61,213,582)
(Increase)/Decrease in other assets	(11,685,547)	(15,721,475)
(Increase)/Decrease in inventory	12,768,014	5,202,384
Increase/(Decrease) of trade payables and other liabilities	6,895,797	2,349,559
Interest received from leasing agreements	60,693,259	46,606,987
Interest expense paid	(8,150,873)	(8,956,178)
Income tax paid	(6,725,481)	(5,652,926)
Net cash flow from/(used in) operating activities	(140,645,445)	(32,567,313)
Investing activities		
Acquisitions of premises, equipment, and intangible assets	(138,502)	(914,767)
Proceeds from disposal of premises and equipment and intangible assets	-	166,727
Interest received from banks	250,907	174,610
Net cash flow from investing activities	112,405	(573,430)
Financing activities		
Gross proceeds from loans and other borrowings	707,242,460	487,915,803
Gross payments from loans and other borrowings	(574,980,952)	(454,158,314)
Repayment of lease liabilities	(543,424)	(578,283)
Net cash flow from financing activities	131,718,084	33,179,206
Cash and cash equivalents at the beginning of the period	11,503,741	22,083,570
Net increase/decrease (-) in cash and cash equivalents	(8,814,956)	38,463
Cash and cash equivalents at the end of the period	2,688,785	22,122,033

BT Leasing Transilvania IFN S.A.

Interim Consolidated and Separate Statement of Cash Flows

For the 6 months period ending 30 June

- in RON -

		Company	
		6 months period ending 30 June	
		2022	2021
Note		(unaudited)	(unaudited)
Operating activities			
<i>Profit after tax</i>		48,117,306	45,145,027
Adjustments for non-monetary elements			
Depreciation expense of premises and equipment and intangible assets	20,21,22	1,116,830	1,065,310
Net impairment charges for finance lease receivables		34,276,769	(3,517,518)
Net impairment expenses for other assets		148,816	24,941
Net release of provisions for repossessed inventory		(1,306,375)	(1,420,998)
Provisions for other risks and charges		(3,135,260)	(256,671)
Interest income from leasing agreements		(60,704,541)	(45,501,960)
Interest income from banks	6	(184,792)	(157,704)
Interest expense		8,123,106	8,917,403
Dividend income	9	(14,057,386)	(12,242,790)
Other adjustments for non-cash items		(23,402,886)	5,530,205
Operating profit before the change in operating assets and liabilities		(11,008,413)	(2,414,755)
(Increase) in net finance lease receivables		(191,922,300)	(61,213,582)
(Increase)/Decrease in other assets		(10,399,432)	(15,872,328)
(Increase)/Decrease in inventory		12,768,014	5,202,384
Increase/(Decrease) of trade payables and other liabilities		2,814,504	(1,006,397)
Interest received from leasing agreements		60,693,259	46,606,987
Interest expense paid		(8,150,873)	(8,956,178)
Income tax paid		(5,820,625)	(5,576,779)
Net cash flow from/(used in) operating activities		(151,025,866)	(43,230,648)
Investing activities			
Acquisitions of premises, equipment, and intangible assets		(138,502)	(914,767)
Proceeds from disposal of premises and equipment and intangible assets		-	166,727
Interest received from banks		184,862	157,911
Dividends received	9	14,057,386	12,242,790
Net cash flow from investing activities		14,103,746	11,652,661
Financing activities			
Gross proceeds from loans and other borrowings		707,242,460	487,915,803
Gross payments from loans and other borrowings		(574,980,952)	(454,158,314)
Repayment of lease liabilities		(543,424)	(578,283)
Net cash flow from financing activities		131,718,084	33,179,206
Cash and cash equivalents at the beginning of the period			
		7,041,539	18,656,275
Net increase/decrease (-) in cash and cash equivalents		(5,204,036)	1,601,219
Cash and cash equivalents at the end of the period		1,837,503	20,257,494

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

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 2022 include the Parent Company and its Subsidiaries.

The Group also has, as of 30 June 2022, 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 2022, the Group has 132 active employees (31 December 2021: 127 active employees).

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

<u>Position</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
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 2022.

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 2021.

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:

Moneda	30 June 2022	31 December 2021
Euro („EUR”)	1: RON 4.9454	1: RON 4.9481
American Dollar („USD”)	1: RON 4.7424	1: RON 4.3707

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 2021.

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 2022 total irrevocable on-balance exposure was in amount of RON 1,468,004,792 (31 December 2021: RON 1,298,227,927) for the Group and RON 1,461,350,530 (31 December 2021: RON 1,289,242,462) 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 -

	30 June 2022 <i>(unaudited)</i>	31 December 2021
Transporturi	331,187,489	293,317,618
Trade	279,572,190	242,415,470
Construction	222,105,064	188,008,432
Manufacturing	219,165,774	212,981,505
Services	144,314,970	130,055,355
Other	105,661,047	73,792,204
Agriculture and Forestry	65,996,927	60,616,770
Authorized person	51,618,043	46,591,125
Real-estate	40,347,827	32,387,426
Financial institutions	36,975,110	23,916,749
Natural person (retail clients)	25,651,328	23,432,248
Mining	14,628,544	33,135,101
Telecommunications	11,328,758	10,664,027
Chemical	2,527,930	2,764,635
Energy	404,875	674,010
Fisheries	186,040	293,042
Governmental bodies	79,315	109,774
Gross exposure	1,551,751,231	1,375,155,491
Impairment allowances related to finance lease receivables	(108,104,658)	(104,330,217)
Net receivables from finance lease agreements	1,443,646,573	1,270,825,274

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 2022, 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
Vehicles	1,138,222,181	78,789,562	14,273	1,217,026,016
- RON	126,987,358	17,232,912	-	144,220,270
- up to 3 years	49,600,507	13,533,158	-	63,133,665
- between 3-5 years	75,361,568	3,337,224	-	78,698,792
- more than 5 years	2,025,283	362,530	-	2,387,813
- in foreign currency	1,011,234,823	61,556,650	14,273	1,072,805,746
- up to 3 years	364,350,671	42,936,431	14,273	407,301,375
- between 3-5 years	645,975,699	18,620,219	-	664,595,918
- more than 5 years	908,453	-	-	908,453
Equipment	230,438,240	54,086,793	-	284,525,033
- RON	59,687,795	16,519,865	-	76,207,660
- up to 3 years	28,641,743	16,470,343	-	45,112,086
- between 3-5 years	29,040,851	49,522	-	29,090,373
- more than 5 years	2,005,201	-	-	2,005,201
- currency	170,750,445	37,566,928	-	208,317,373
- up to 3 years	68,537,039	35,715,016	-	104,252,055
- between 3-5 years	102,213,406	1,851,912	-	104,065,318
- 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 -

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	42,153,657	8,046,525	-	50,200,182
- RON	9,315,350	7,297,350	-	16,612,700
- up to 3 years	2,696,669	6,538,678	-	9,235,347
- between 3-5 years	2,006,724	758,672	-	2,765,396
- more than 5 years	4,611,957	-	-	4,611,957
- currency	32,838,307	749,175	-	33,587,482
- up to 3 years	6,763,957	749,175	-	7,513,132
- between 3-5 years	14,179,523	-	-	14,179,523
- more than 5 years	11,894,827	-	-	11,894,827
Total receivables from finance lease agreements before impairment adjustments	1,410,814,078	140,922,880	14,273	1,551,751,231
Impairment allowance related to finance lease receivables	(37,206,764)	(70,883,621)	(14,273)	(108,104,658)
Total finance lease receivables	1,373,607,314	70,039,259	-	1,443,646,573

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 2021, 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
Vehicles	995,437,644	73,826,923	6,153,126	1,075,417,693
- RON	129,621,452	16,823,592	1,584,311	148,029,355
- up to 3 years	52,093,856	14,182,038	1,528,676	67,804,570
- between 3-5 years	75,377,222	2,641,554	55,635	78,074,411
- more than 5 years	2,150,374	0	0	2,150,374
- in foreign currency	865,816,192	57,003,331	4,568,815	927,388,338
- up to 3 years	340,671,487	44,772,551	4,028,893	389,472,931
- between 3-5 years	524,756,122	12,230,780	539,922	537,526,824
- more than 5 years	388,583	0	0	388,583
Equipment	202,289,184	34,069,022	22,979,272	259,337,478
- RON	60,017,752	18,116,089	57,750	78,191,591
- up to 3 years	30,858,179	17,840,361	57,750	48,756,290
- between 3-5 years	28,850,373	275,728	0	29,126,101
- more than 5 years	309,200	0	0	309,200
- currency	142,271,432	15,952,933	22,921,522	181,145,887
- up to 3 years	63,967,474	14,991,236	3,814,638	82,773,348
- between 3-5 years	78,303,958	961,697	19,106,884	98,372,539
- 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 -

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	29,375,007	11,025,313	-	40,400,320
- RON	6,367,422	8,352,228	-	14,719,650
- up to 3 years	2,620,192	7,238,805	-	9,858,997
- between 3-5 years	1,459,817	1,113,423	-	2,573,240
- more than 5 years	2,287,413	-	-	2,287,413
- currency	23,007,585	2,673,085	-	25,680,670
- up to 3 years	3,349,031	2,673,085	-	6,022,116
- between 3-5 years	15,361,858	-	-	15,361,858
- more than 5 years	4,296,696	-	-	4,296,696
Total receivables from finance lease agreements before impairment adjustments	1,227,101,835	118,921,258	29,132,398	1,375,155,491
Impairment allowance related to finance lease receivables	(30,095,115)	(55,185,328)	(19,049,774)	(104,330,217)
Total finance lease receivables	1,197,006,720	63,735,930	10,082,624	1,270,825,274

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 2022 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*	126,647,323	1,001,964,463	59,687,795	170,235,848	9,315,349	32,838,307	195,650,467	1,205,038,618
Sensitive risk	340,035	8,926,091	-	344,690	-	-	340,035	9,270,781
High risk	-	344,269	-	169,908	-	-	-	514,177
Total finance lease receivables not impaired before impairment allowance	126,987,358	1,011,234,823	59,687,795	170,750,446	9,315,349	32,838,307	195,990,502	1,214,823,576
Impairment allowance related to finance lease receivables	(2,700,302)	(23,138,349)	(2,558,914)	(7,480,830)	(189,678)	(1,138,691)	(5,448,894)	(31,757,870)
Total finance lease receivables not impaired, net of impairment allowance	124,287,056	988,096,474	57,128,881	163,269,616	9,125,671	31,699,616	190,541,608	1,183,065,706

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	126,647,323	1,001,964,463	59,687,795	170,235,848	9,315,349	32,838,307	195,650,467	1,205,038,618
30-60 days	340,035	8,926,091	-	344,690	-	-	340,035	9,270,781
60-90 days	-	344,269	-	169,908	-	-	-	514,177
Total finance lease receivables not impaired before impairment allowance	126,987,358	1,011,234,823	59,687,795	170,750,446	9,315,349	32,838,307	195,990,502	1,214,823,576
Impairment allowance related to finance lease receivables	(2,700,302)	(23,138,349)	(2,558,914)	(7,480,830)	(189,678)	(1,138,691)	(5,448,894)	(31,757,870)
Total finance lease receivables not impaired, net of impairment allowance	124,287,056	988,096,474	57,128,881	163,269,616	9,125,671	31,699,616	190,541,608	1,183,065,706

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	6,492,928	39,669,687	11,522,710	29,333,000	5,857,755	551,468	23,873,393	69,554,155
Over 90 days	10,739,984	21,901,235	4,997,156	8,233,928	1,439,595	197,707	17,176,735	30,332,870
Total impaired and POCI finance lease receivables before impairment allowance	17,232,912	61,570,922	16,519,866	37,566,928	7,297,350	749,175	41,050,128	99,887,025
Impairment allowance related to finance lease receivables	(10,553,259)	(23,201,028)	(11,591,443)	(23,601,844)	(1,714,010)	(236,310)	(23,858,712)	(47,039,182)
Total impaired and POCI finance lease receivables, net of impairment allowance	6,679,653	38,369,894	4,928,423	13,965,084	5,583,340	512,865	17,191,416	52,847,843

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 2021 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*	128,905,408	862,365,709	60,017,752	141,522,487	6,367,422	23,007,585	195,290,582	1.026.895.781
Sensitive risk	558,572	2,334,727	-	623,852	-	-	558,572	2.958.579
High risk	157,472	1,115,757	-	125,097	-	-	157,472	1.240.854
Total finance lease receivables not impaired before impairment allowance	129,621,452	865,816,193	60,017,752	142,271,436	6,367,422	23,007,585	196,006,626	1.031.095.214
Impairment allowance related to finance lease receivables	(2,707,070)	(18,387,589)	(2,835,268)	(5,717,307)	(60,476)	(387,407)	(5,602,814)	(24.492.303)
Total finance lease receivables not impaired, net of impairment allowance	126,914,382	847,428,604	57,182,484	136,554,129	6,306,946	22,620,178	190,403,812	1.006.602.911

*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.

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	128,905,408	862,365,709	60,017,752	141,522,487	6,367,422	23,007,585	195,290,582	1,026,895,781
30-60 days	558,572	2,334,727	-	623,852	-	-	558,572	2,958,579
60-90 days	157,472	1,115,757	-	125,097	-	-	157,472	1,240,854
Total finance lease receivables not impaired before impairment allowance	129,621,452	865,816,193	60,017,752	142,271,436	6,367,422	23,007,585	196,006,626	1,031,095,214
Impairment allowance related to finance lease receivables	(2,707,071)	(18,387,589)	(2,835,268)	(5,717,307)	(60,476)	(387,407)	(5,602,815)	(24,492,303)
Total finance lease receivables not impaired, net of impairment allowance	126,914,381	847,428,604	57,182,484	136,554,129	6,306,946	22,620,178	190,403,811	1,006,602,911

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	5,946,715	29,574,214	13,341,675	7,241,331	6,884,049	-	26,172,439	36,815,545
30-60 days	543,784	4,237,551	107,993	767,228	-	-	651,777	5,004,779
60-90 days	1,239,433	3,739,157	-	1,346	787,256	2,475,300	2,026,689	6,215,803
over 90 days	10,677,971	24,021,224	4,724,170	30,864,550	680,923	197,785	16,083,064	55,083,559
Total impaired and POCI finance lease receivables before impairment allowance	18,407,903	61,572,146	18,173,838	38,874,455	8,352,228	2,673,085	44,933,969	103,119,686
Impairment allowance related to finance lease receivables	(9,815,119)	(21,857,058)	(13,061,845)	(27,032,538)	(1,811,283)	(657,261)	(24,688,247)	(49,546,857)
Total impaired and POCI finance lease receivables, net of impairment allowance	8,592,784	39,715,088	5,111,993	11,841,917	6,540,945	2,015,824	20,245,722	53,572,829

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 2022 is presented below:

-in RON-	<u>Under - collateralised</u>		<u>Over - collateralised</u>	
	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 2</u>	<u>Stage 3</u>
Gross exposure				
Vehicles				
Gross exposure	310,824,824	40,465,855	832,300,948	33,150,519
Collaterals	274,828,910	14,116,176	1,263,734,300	53,427,050
Equipment				
Gross exposure	92,964,423	45,531,393	140,701,678	5,566,225
Collaterals	81,133,438	27,206,783	219,744,284	9,792,825
Buildings				
Gross exposure	5,200,007	878,631	36,995,519	7,171,209
Collaterals	3,949,396	-	76,327,557	25,153,530
Total Gross exposure	<u>408,989,254</u>	<u>86,875,879</u>	<u>1,009,998,145</u>	<u>45,887,953</u>
Total collaterals	<u>359,911,744</u>	<u>41,322,959</u>	<u>1,559,806,141</u>	<u>88,373,405</u>

An analysis of the fair value of collaterals related to financial assets as at 31 December 2021 is presented below:

-in RON-	<u>Under - collateralised</u>		<u>Over - collateralised</u>	
	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 2</u>	<u>Stage 3</u>
Gross exposure				
Vehicles				
Gross exposure	252,545,015	37,894,484	749,915,579	35,341,331
Collaterals	224,643,123	13,845,996	1,158,302,082	55,491,667
Equipment				
Gross exposure	91,336,305	26,723,207	113,186,936	27,776,817
Collaterals	76,735,795	13,048,925	187,890,411	37,050,813
Buildings				
Gross exposure	2,100,455	878,708	28,229,629	9,227,024
Collaterals	2,069,294	-	75,591,560	12,212,825
Total Gross exposure	<u>345,981,775</u>	<u>65,496,399</u>	<u>891,332,144</u>	<u>72,345,172</u>
Total collaterals	<u>303,448,212</u>	<u>26,894,921</u>	<u>1,421,784,053</u>	<u>104,755,305</u>

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 measurement of expected credit risk losses related to finance lease receivables is a significant estimate that involves determining the methodology, models and data inputs used in the calculation.

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%.

Notes to the consolidated and separate financial statements

6. Net interest income

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Interest income				
Interest income from leasing agreements	60,704,541	45,501,960	60,704,541	45,501,960
Interest income from current accounts and deposits, using the effective interest	248,499	174,419	184,792	157,704
Total interest income	60,953,040	45,676,379	60,889,333	45,659,664
Interest expense				
Interest expense on loans from banks and financial institutions	(6,071,300)	(6,878,770)	(6,071,300)	(6,878,770)
Interest expense on bonds	(2,046,263)	(2,035,178)	(2,046,263)	(2,035,178)
Interest expense on leasing	(5,543)	(3,455)	(5,543)	(3,455)
Total interest expense	(8,123,106)	(8,917,403)	(8,123,106)	(8,917,403)
Net interest income	52,829,934	36,758,976	52,766,227	36,742,261

7. Net fee and commission income/(expense)

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Fee and commission income				
Insurance brokerage commissions	9,535,369	7,865,800	-	-
Total fee and commission income	9,535,369	7,865,800	-	-
Fee and commission expenses				
Fees paid for banking operations	(70,205)	(74,357)	(61,742)	(63,265)
Fees paid for the issuing of bonds	(6,273)	(10,216)	(6,273)	(10,216)
Total fee and commission expenses	(76,478)	(84,573)	(68,015)	(73,481)
Net fee and commission income/(expense)	9,458,891	7,781,227	(68,015)	(73,481)

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

-in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Net gain/(loss) from exchange rate differences – balance revaluation	(709,820)	1,812,688	(709,820)	1,812,688
Net gain from exchange rate revaluation of transactions	2,982,039	2,041,108	2,982,039	2,041,108
Net gain/(loss) from foreign currency translation	2,272,219	3,853,796	2,272,219	3,853,796

BT Leasing Transilvania IFN S.A.

Notes to the consolidated and separate financial statements

9. Other operating income

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2022 (unaudited)	30-Jun-2021 (unaudited)
Income from the sale of tangible non-current assets	-	78,082	-	78,082
Rental income	191,050	42,017	191,050	42,017
Dividend income (i)	-	-	14,057,386	12,242,790
Other income (ii)	4,520,873	3,153,208	4,520,342	3,152,409
Total other operating income	4,711,923	3,273,307	18,768,778	15,515,298

(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 3,970,537 (30 June 2021: 3,684,421 RON);
- BT Safe Agent de Asigurare SRL, in amount of RON 2,141,389 (30 June 2021: 2,117,352 RON);
- BT Solution Agent de Asigurare SRL, in amount of RON 2,696,567 (30 June 2021: 2,561,154 RON);
- BT Asiom Agent de Asigurare SRL, in amount of RON 5,248,893 (30 June 2021: 3,879,863 RON);

(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 2,409,666 (30 June 2021: RON 1,975,016), compensation received from insurance companies: RON 343,992 (30 June 2021: RON 552,652), damages claims received from the terminated leasing agreements: RON 157,864 (30 June 2021: RON 412,252) and other revenues collected: RON 1,609,351 (30 June 2021: RON 213,288).

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

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	30-Jun-2021 (unaudited)	30-Jun-2022 (unaudited)	30-Jun-2021 (unaudited)
Net losses from sale of assets previously leased to customers	(2,038,688)	(1,665,789)	(2,038,688)	(1,665,789)
Net gains/(losses) from inventory placed back in leasing	(11,377,004)	413,172	(11,377,004)	413,172
Net income from early terminated contracts and repossessed assets	46,984,584	7,188,824	46,984,584	7,188,824
Total	33,568,892	5,936,207	33,568,892	5,936,207

Notes to the consolidated and separate financial statements

11. Net impairment charge of financial assets

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Charge of ECL losses for finance lease receivables	(63,674,850)	(27,846,929)	(63,674,850)	(27,846,929)
Release of ECL for finance lease receivables	29,398,082	24,329,411	29,398,082	24,329,411
Impairment charge for other financial assets	(164,465)	(24,940)	(164,465)	(24,940)
Release of impairment for other financial assets	15,649	-	15,649	-
Net expense with adjustments for impairment of financial assets	(34,425,584)	(3,542,458)	(34,425,584)	(3,542,458)

12. Personnel expenses

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Wages and benefits	(11,753,620)	(7,969,978)	(11,028,730)	(7,501,201)
Contribution for social security and insurance	(381,848)	(294,887)	(356,871)	(275,279)
Other taxes, duties and similar payments	(59,085)	(50,416)	(59,085)	(50,416)
Bonuses for employees and provisions for untaken holidays	3,552,469	359,030	3,317,159	336,108
Income/(expenses) with provisions for pensions and similar obligations	-	(79,435)	-	(79,436)
Total personnel expenses	(8,642,084)	(8,035,686)	(8,127,527)	(7,570,224)

Notes to the consolidated and separate financial statements

13. Other operating expenses

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Tax and duties expenses	(53,974)	(66,248)	(53,833)	(65,931)
Utilities, repairs and other maintenance services expenses	(567,020)	(816,884)	(567,020)	(816,884)
Advertising, protocol and sponsorship expenses	(216,244)	(84,515)	(216,244)	(84,515)
Postage, telecommunications and texting expenses	(160,308)	(155,579)	(160,308)	(155,579)
Materials and consumables expenses	(440,746)	(294,698)	(438,231)	(293,247)
Electricity and heating expenses	(156,171)	(133,661)	(143,827)	(121,413)
Collaborator expenses	-	(27,360)	-	(27,360)
Transportation, travel and secondment expenses	(56,469)	(31,293)	(56,469)	(31,293)
Losses from the assignment and disposal of premises and equipment and intangible assets	-	-	-	-
Sponsorship expenses	(8,308)	(890,000)	(8,308)	(890,000)
Other operating expenses	(2,925,713)	(2,279,032)	(2,808,786)	(2,164,841)
Total other operating expenses	(4,584,953)	(4,779,270)	(4,453,026)	(4,651,063)

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-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>	30-Jun-2022 <i>(unaudited)</i>	30-Jun-2021 <i>(unaudited)</i>
Current tax	(12,564,425)	(4,957,095)	(11,513,410)	(4,878,261)
Deferred tax	627,481	(269,146)	627,481	(269,146)
(Expense)/credit for income tax	(11,936,944)	(5,226,241)	(10,885,929)	(5,147,407)

Notes to the consolidated and separate financial statements

15. Cash and cash equivalents

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Cash on hand	257	257	99	99
Current accounts	1,238,528	653,885	387,403	578,840
Sight deposits with banks	1,450,000	10,849,600	1,450,000	6,462,600
Collateral deposits with banks	799	4,327,912	799	4,327,912
Accrued interest	213	2,620	164	235
Total	2,689,797	15,834,274	1,838,465	11,369,686

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.

The reconciliation of the Cash and cash equivalents with the Cash position from the statement of cash flows is presented in the table below:

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Cash on hand	257	257	99	99
Current accounts	1,238,528	653,885	387,404	578,840
Sight deposits with banks	1,450,000	10,849,600	1,450,000	6,462,600
Total cash and cash equivalents	2,688,785	11,503,742	1,837,503	7,041,539

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 2022 (unaudited)				31 December 2021			
	< 1 y	1 - 5 y	> 5 y	Total	< 1 y	1 - 5 y	> 5 y	Total
Gross receivables from finance lease	611,350,157	1,058,116,201	8,867,449	1,678,333,807	552,530,754	925,685,068	2,638,644	1,480,854,466
Future interest as per lease agreements	(58,187,918)	(67,635,629)	(759,029)	(126,582,576)	(49,651,558)	(55,988,410)	(59,007)	(105,698,975)
Total receivables from finance lease without future interest payments	553,162,239	990,480,572	8,108,420	1,551,751,231	502,879,196	869,696,658	2,579,637	1,375,155,491
Impairment adjustments for finance lease receivables	(40,624,142)	(66,849,275)	(631,241)	(108,104,658)	(38,152,410)	(65,982,096)	(195,711)	(104,330,217)
Net finance lease receivables	512,538,097	923,631,297	7,477,179	1,443,646,573	464,726,786	803,714,562	2,383,926	1,270,825,274

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

- in RON -	30 June 2022 (unaudited)	31 December 2021
Balance at beginning of period	104,330,217	103,323,719
Cost of impairment for lease receivables (Note 11)	63,674,851	74,702,559
Income from reversal/cancellation of impairment for lease receivables (Note 11)	(29,398,082)	(59,085,753)
Reversal of impairment due to write-offs	(30,502,328)	(14,610,308)
Balance at end of period	108,104,658	104,330,217

Notes to the consolidated and separate financial statements

17. Other financial assets

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	31-Dec-2021	30-Jun-2022 <i>(unaudited)</i>	31-Dec-2021
Sundry debtors (i)	11,533,242	10,673,614	5,730,153	6,152,579
Other past-due amounts under litigation (ii)	2,658,236	2,510,370	2,658,236	2,510,370
Impairment adjustments for past-due amounts	(1,764,164)	(1,615,348)	(1,764,164)	(1,615,348)
Total	12,427,314	11,568,636	6,624,225	7,047,601

- (i) At Group level, sundry debtors represent amounts related to insurance policies which are to be recovered from users RON 5,803,089 (31 December 2021: RON 4,509,289) guarantees given to external suppliers until the remittance of the proof for Intra-Community transportation of RON 5,015,080 (31 December 2021: RON 3,740,521), amounts to be received as insurance compensation RON 230,430 (31 December 2021: RON 2,283,543) and other amounts owed by sundry debtors RON 484,643 (31 December 2021: RON 140,261), 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 5,015,080 (31 December 2021: RON 3,740,521), amounts to be received as insurance compensation RON 230,430 (31 December 2021: RON 2,283,543), and amounts to be received from sundry debtors RON 484,643 (31 December 2021: RON 128,515).
- (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 2,096,131 (31 December 2021: RON 2,096,131) and past-due amounts under litigation from various services provided RON 562,105 (31 December 2021: RON 414,239).

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

- in RON -

	Group		Company	
	30-Jun-2022 <i>(unaudited)</i>	31-Dec-2021	30-Jun-2022 <i>(unaudited)</i>	31-Dec-2021
Balance at beginning of period	1,615,348	1,786,147	1,615,348	1,786,147
Impairment charge for other financial assets (Note 11)	(15,649)	(306,546)	(15,649)	(306,546)
Release of impairment for other financial assets (Note 11)	164,465	135,747	164,465	135,747
Balance at end of period	1,764,164	1,615,348	1,764,164	1,615,348

Notes to the consolidated and separate financial statements

18. Repossessed assets

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Inventory held at third parties	1,249,648	1,291,188	1,249,648	1,291,188
Inventory kept in headquarters	11,201,094	11,476,092	11,201,094	11,476,092
Adjustments for write-down	(3,807,520)	(5,113,895)	(3,807,520)	(5,113,895)
Total	8,643,222	7,653,385	8,643,222	7,653,385

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-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Balance at the beginning of the period	5,113,895	6,498,005	5,113,895	6,498,005
Expense with inventory impairment adjustments	-	380,855	-	380,855
Release of adjustments for inventory	(1,306,375)	(1,764,965)	(1,306,375)	(1,764,965)
Balance at the end of the period	3,807,520	5,113,895	3,807,520	5,113,895

19. Equity investments

As at 30 June 2022 and 31 December 2021, the Company had direct investments in subsidiaries in amount of RON 69,536 (31 December 2021: RON 69,536). The Group investments are only those held at BT Asset Management SAI SA and BT Direct IFN SA.

- in RON -

Subsidiary name	30-Jun-2022 (unaudited)		31-Dec-2021	
		%		%
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
Total	69,536		69,536	

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
Gross book value					
Balance as at 1 January 2021	855,428	4,381,981	168,502	56,915	5,462,826
Acquisitions	27,500	649,147	3,068	-	679,715
Disposals	(130,711)	(421,995)	-	(56,915)	(609,621)
Balance as at 31 December 2021	752,217	4,609,133	171,570	-	5,532,920
Balance as at 1 January 2022	752,217	4,609,133	171,570	-	5,532,920
Acquisitions	86,668	-	-	777,084	863,752
Disposals	(217,759)	-	(104,464)	-	(322,223)
Balance as at 30 June 2022 (unaudited)	621,126	4,609,133	67,106	777,084	6,074,449
Accumulated amortisation					
Balance as at 1 January 2021	678,812	3,397,672	137,065	-	4,213,549
Amortisation charge for the year	115,858	528,656	13,159	-	657,673
Accumulated amortisation corresponding to disposals	(130,711)	(397,079)	-	-	(527,790)
Balance as at 31 December 2021	663,959	3,529,249	150,224	-	4,343,432
Balance as at 1 January 2022	663,959	3,529,249	150,224	-	4,343,432
Depreciation charge for the year	42,334	237,919	5,778	-	286,031
Accumulated amortisation corresponding to disposals	(217,759)	-	(104,464)	-	(322,223)
Balance as at 30 June 2022 (unaudited)	488,534	3,767,168	51,538	-	4,307,240
Net book value					
As at 31 December 2021	88,258	1,079,884	21,346	-	1,189,488
As at 30 June 2022 (unaudited)	132,592	841,965	15,568	777,084	1,767,209

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. Tangible assets

- in RON -

<i>Company</i>	Computers and equipment	Vehicles	Other tangible assets	Advance payments for tangible assets	Total
Gross book value					
Balance as at 1 January 2021	855,428	4,272,537	165,682	56,915	5,350,562
Acquisitions	27,500	649,147	3,068	-	679,715
Disposals	(130,711)	(421,995)	-	(56,915)	(609,621)
Balance as at 31 December 2021	752,217	4,499,689	168,750	-	5,420,656
Balance as at 1 January 2022	752,217	4,499,689	168,750	-	5,420,656
Acquisitions	86,668	-	-	777,084	863,752
Disposals	(217,759)	-	(104,464)	-	(322,223)
Balance as at 30 June 2022 (unaudited)	621,126	4,499,689	64,286	777,084	5,962,185
Accumulated amortisation					
Balance as at 1 January 2021	678,812	3,327,749	136,125	-	4,142,686
Amortisation charge for the year	115,858	492,174	12,219	-	620,251
Accumulated amortisation corresponding to disposals	(130,711)	(397,078)	-	-	(527,789)
Balance as at 31 December 2021	663,959	3,422,845	148,344	-	4,235,148
Balance as at 1 January 2022	663,959	3,422,845	148,344	-	4,235,148
Amortisation charge for the year	42,334	234,879	5,308	-	282,521
Accumulated amortisation corresponding to disposals	(217,759)	-	(104,464)	-	(322,223)
Balance as at 30 June 2022 (unaudited)	488,534	3,657,724	49,188	-	4,195,446
Net book value					
As at 31 December 2021	88,258	1,076,844	20,406	-	1,185,508
As at 30 June 2022 (unaudited)	132,592	841,965	15,098	777,084	1,766,739

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. Intangible assets

- in RON -

<i>Gross book value</i>	Group	Company
Balance as at 1 January 2021	2,733,192	2,685,655
Acquisitions	517,839	517,839
Disposals	-	-
Balance as at 30 December 2021	3,251,031	3,203,494
Balance as at 1 January 2022	3,251,031	3,203,494
Acquisitions	378,430	378,430
Disposals	(1,019,008)	(1,019,008)
Balance as at 30 June 2022	2,610,453	2,562,916
<i>Accumulated amortisation</i>		
Balance as at 1 January 2021	2,131,280	2,083,743
Amortisation charge for the year	450,582	450,582
Balance as at 31 December 2021	2,581,862	2,534,325
Balance as at 1 January 2022	2,581,862	2,534,325
Amortisation charge for the year	287,607	287,607
	(822,484)	(822,484)
Balance as at 30 June 2022 (unaudited)	2,046,985	1,999,448
Net book value		
As at 31 December 2021	669,169	669,169
As at 30 June 2022 (unaudited)	563,468	563,468

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
Balance as at 1 January 2021	3,462,887	980,352	4,443,239
Acquisitions	105,885	292,068	397,953
Disposals	(125,838)	(319,771)	(445,609)
Balance as at 31 December 2021	3,442,934	952,649	4,395,583
Balance as at 1 January 2022 (unaudited)	3,442,934	952,649	4,395,583
Acquisitions	749,193	1,448	750,641
Disposals	-	(30,275)	(30,275)
Balance as at 30 June 2022 (unaudited)	4,192,127	923,822	5,115,949
Accumulated amortisation			
Balance as at 1 January 2021	1,591,506	483,004	2,074,510
Amortisation charge for the year	859,348	229,915	1,089,263
Accumulated amortisation corresponding to disposals	(71,302)	(287,862)	(359,164)
Balance as at 31 December 2021	2,379,552	425,057	2,804,609
Balance as at 1 January 2022 (unaudited)	2,379,552	425,057	2,804,609
Amortisation charge for the year	454,503	92,198	546,701
Accumulated amortisation corresponding to disposals	-	-	-
Balance as at 30 June 2022 (unaudited)	2,834,055	517,255	3,351,310
Net book value			
As at 31 December 2021	1,063,382	527,592	1,590,974
As at 30 June 2022 (unaudited)	1,358,072	406,567	1,764,639

Notes to the consolidated and separate financial statements

23. Other assets

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Advance payments to suppliers	23,016,142	14,721,178	23,014,530	14,721,178
Materials	492,886	2,689,701	492,886	2,689,701
Prepaid expenses	124,485	32,786	118,039	31,124
Other assets	334,828	257,493	334,828	257,493
Value added tax to be received	9,999,392	912,087	9,999,392	912,087
Value added tax non-deductible	14,503	361,418	14,503	361,418
Total	33,982,236	18,974,663	33,974,178	18,973,001

24. Loans from banks and other financial institutions

- in RON -

	Group		Company	
	30-Jun-2022 (neauditat)	31-Dec-2021	30-Jun-2022 (neauditat)	31-Dec-2021
Loans from banks and other financial institutions	909,034,139	777,203,139	909,034,139	777,203,139
Interest payable and deferred fees	24,220	(22,528)	24,220	(22,528)
Total	909,058,359	777,180,611	909,058,359	777,180,611

Interest rates corresponding to the term loans received by the Company as at 30 June 2022 range from 1.17% % and 1.84% for loans in EUR (31 December 2021: 1.17% și 1.84% pentru împrumuturile in EUR and between 3.4% and 4.46% for loans in RON).

25. Debt securities issued

- in RON -

	Group		Company	
	30-Jun-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Loan from issued debt securities	197,816,000	197,924,000	197,816,000	197,924,000
Interest payable and deferred fees	(948,390)	(1,080,036)	(948,390)	(1,080,036)
Total	196,867,610	196,843,964	196,867,610	196,843,964

The interest rate for the debt securities issued as of 30 June 2022 range between 1.81% and 2.06% (31 December 2021: 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- 2022	31-Dec-2021	30-Jun- 2022	31-Dec-2021
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Lease liabilities	1,850,235	1,669,838	1,850,235	1,669,838
Total	1,850,235	1,669,838	1,850,235	1,669,838

27. Provisions for liabilities and charges

The provisions for liabilities and charges are presented below:

- in RON -

	Group		Company	
	30-Jun- 2022	31-Dec-2021	30-Jun- 2022	31-Dec-2021
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Provisions for pensions and other similar obligations	135,454	135,454	135,454	135,454
Provisions for untaken holidays	61,127	401,773	55,787	372,946
Provisions for bonuses for employees	17,000	3,231,500	-	3,000,000
Provisions for litigations and fines	5,966,260	5,784,361	5,966,260	5,784,361
Total	6,179,841	9,553,088	6,157,501	9,292,761

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 2020, 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. Provisions for liabilities and charges (*continued*)

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 to complete the report. 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-2022 (unaudited)	31-Dec-2021	30-Jun-2022 (unaudited)	31-Dec-2021
Suppliers of goods and services	1,906,354	1,815,952	4,663,727	8,469,947
Suppliers of goods placed in leasing agreements	1,296,940	2,872,894	1,296,940	2,872,894
Sundry creditors	3,734,153	3,964,874	3,758,544	3,950,132
Other financial liabilities	42,539	75,320	42,540	75,320
Total	6,979,986	8,729,040	9,761,751	15,368,293

29. Other liabilities

- in RON -

	Group		Company	
	30-iun-2022 (neauditat)	31-dec-2021	30-iun-2022 (neauditat)	31-dec-2021
Advances received from customers	14,761,372	12,095,068	14,597,511	11,976,203
Amounts due to personnel	955,402	492,585	915,918	492,555
Amounts due for social security and insurance	917,723	952,848	881,189	911,317
Other liabilities	1,115,328	1,394,458	1,115,327	1,394,458
Subsidies for investments	39,217	46,367	39,217	46,367
Total	17,789,042	14,981,326	17,549,162	14,820,900

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 2022 consisted of 586,742,113 shares with a nominal value of RON 0.1 each (as at 31 December 2021 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 2022 and 31 December 2021.

The shareholding structure of the Company as of 30 June 2022 was as follows:

	Number of ordinary shares owned by the shareholders			
	Banca Transilvania SA	BT Investment SRL	BT Capital Partners SA	Total
As at 30 June 2022	369,454,751	217,287,337	25	586,742,113
<i>Ownership percentage (%)</i>	62.967144%	37.032852%	0.000004%	100.00000%
<i>Nominal value of the shares owned (in RON)</i>	36,945,475	21,728,733	3	58,674,211

The shareholding structure of the Company as of 31 December 2021 was as follows:

	Number of ordinary shares owned by the shareholders			
	Banca Transilvania SA	BT Investment SRL	BT Capital Partners SA	Total
As at 31 December 2021	369,454,751	217,287,337	25	586,742,113
<i>Ownership percentage (%)</i>	62.967144%	37.032852%	0.000004%	100.00000%
<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 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[^]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 2022, the reserves set-up at Group level are in amount of RON 12,485,610 (31 December 2021: RON 12,229,560), and the reserves of the Company are in amount of RON 12,360,898 (31 December 2021: RON 12,104,848). 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 2022, the value of these contracts is in amount of RON 60,433,277 (31 December 2021: RON 74,271,516). 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-2022 (unaudited)</u>				<u>31-Dec-2021</u>			
	Banca Transilvania	Key management personnel	Other related parties	Total	Banca Transilvania	Key management personnel	Other related parties	Total
Group – in RON - Assets								
Cash and cash equivalents	1,723,598	-	-	1,723,598	10,964,769	-	-	10,964,769
Equity investments	-	-	16	16	-	-	16	16
Finance lease receivables	794,394	24,780	-	819,174	858,773	42,363	-	901,136
Liabilities								
Loans from financial institutions	848,294,116	-	-	848,294,116	714,141,708	-	-	714,141,708
Issued bonds	13,859,909	-	-	13,859,909	-	-	-	-
Other reserves (SOP)	470,317	-	-	470,317	214,267	-	-	214,267
Other liabilities	379,546	-	-	379,546	316,065	-	-	316,065
Statement of Profit or Loss								
	<u>30-Jun-2022 (unaudited)</u>				<u>30-Jun 2021 (unaudited)</u>			
Interest income	180,626	-	-	180,626	78,617	-	-	78,617
Interest expense	5,528,600	-	-	5,528,600	4,220,374	-	-	4,220,374
Expense with banking fees	61,391	-	-	61,391	62,864	-	-	62,864
Income from lease operations	11,678	1,043	-	12,721	-	1,208	-	1,208
Other expenses	616,642	-	71,708	688,350	555,159	-	69,722	624,881

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>	30-Jun-2021 (unaudited)					31-Dec-2021				
	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	1,723,598	-	-	-	1,723,598	10,964,769	-	-	-	10,964,769
Equity investments	-	-	69,520	16	69,536	-	-	69,520	16	69,536
Finance lease receivables	794,394	24,780	-	-	819,174	858,773	42,363	-	-	901,136
Other assets	-	-	-	430,357	430,357	-	-	-	502,312	502,312
Liabilities										
Loans from financial institutions	848,294,116	-	-	-	848,294,116	714,141,708	-	-	-	714,141,708
Issued bonds	13,859,909	-	-	-	13,869,909	-	-	-	-	-
Other reserves (SOP)	470,317	-	-	-	470,317	214,267	-	-	-	214,267
Other liabilities	379,546	-	2,779,730	-	3,159,276	316,065	-	6,677,382	-	6,677,382
Statement of Profit or Loss										
	30-June-2022 (unaudited)					30-June-2021 (unaudited)				
Interest income	180,626	-	-	-	180,626	78,617	-	-	-	78,617
Interest expense	5,528,600	-	-	-	5,528,600	4,220,374	-	-	-	4,220,374
Expense with banking fees	61,391	-	-	-	61,391	62,864	-	-	-	62,864
Income from lease operations	11,678	1,043	-	-	12,721	-	1,208	-	-	1,208
Dividend income	-	-	14,057,36	-	14,357,386	-	-	12,242,790	-	12,242,790
Other expense	616,642	-	1,435,340	71,708	2,123,690	555,159	-	147,467	69,722	772,348

BT Leasing Transilvania IFN S.A.

Notes to the consolidated and separate financial statements

33. Related party transactions (*continued*)

During 2022, 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

On 03.08.2022 the Company purchased the shares of Țiriac Leasing IFN SA. Afterwards, on 16.08.2022, the shareholders of both companies decided the merger by absorption between S.C. BT Leasing Transilvania IFN SA as absorbing company and S.C. Țiriac Leasing IFN SA as absorbed company.

The financial statements were approved by the Board of Directors on 29 September 2022 and were signed on its behalf by:

Morar Ionut Calin
General Manager

Moldovan Sabina
Financial Manager