



**OCEAN CREDIT IFN SA**

**Financial situations  
December 31<sup>st</sup> 2020 Interim**

**Concluded according to the Order of National Bank of Romania no.6 from 17 July 2015. as modified and amended**

## **INDEPENDENT AUDITOR'S REPORT**

To the shareholders of the company Ocean Credit IFN S.A.

### **Opinion**

1. We have audited the attached financial statements of the company OCEAN CREDIT IFN S.A. ("The Company"), having its registered office in Romania, Bucharest, District 1, 112 Calea Floreasca Street, identified by the unique tax registration code 34353350, which comprise the statement of financial position as of 31 December 2020, the profit and loss account, the statement of changes in equity and the cash flow statement for the financial year ended on that date, as well as a summary of significant accounting policies and explanatory notes.

2. The financial statements as of 31 December 2020 present the following:

- Net assets / Total equity and reserves: 2,711,063 lei
- Result of the year: 127,587 lei, profit

In our opinion, the accompanying separate financial statements provide a fair view of the financial position of the Company as of 31 December 2020, as well as, of the financial performance and the cash flow statement for the financial year ended on that date, in accordance with the accounting legislation in Romania, Law Nr. 82/1991, and the Order of the National Bank of Romania Nr. 6/2015 as amended, Regulation no. 5 of March 8, 2012 regarding the classification of loans and the establishment, regularization and use of specific credit risk provisions applicable to entities supervised by the National Bank of Romania, other than credit institutions and with the summary of a summary of significant accounting policies presented in the first explanatory note.

### **Basis for Opinion**

3. We conducted our audit in accordance with International Standards on Auditing (ISA) EU Regulation (EC) No 537/2014 of the European Parliament and of the Council as subsequently amended and supplemented ("Regulation") and Law Nr. 162/2017 (the "Law"). Our responsibilities under these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report.

**MUNTEANU ANE-MARY-SVETLANA**

**Autorizatie CAFR 3972**

**Romania, București, sector 2, Sos. Pantelimon, nr. 10, bl. 5D, sc. A, et. 1, ap. 8**

**CIF: 20352869**

**Tel. 0744552023; E-mail: munteanu\_anemary@yahoo.com**

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company, according to the Ethical Code of Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), according to the ethical requirements that are relevant for the audit of the financial statements in Romania, including the Law, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code.

In good faith and on the basis of the best information, we declare that we have not provided any other services than the audit services to the Company in the period between January 1, 2020 and December 31, 2020

**Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the key audit matter described below, we have provided the description in which our audit has addressed the matter.

We have fulfilled our responsibilities described in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report, including with regards to the key audit matter. As a consequence, our audit included performing the planned procedures to address our assessment of significant risk of errors in the financial statements. The results of our audit, including the undertaken procedures to address the matters below, represent the basis for our opinion.

**Income Recognition**

5. For the fiscal year 2020, interests and assimilated incomes represent a value of 3,288,570 lei, and incomes from commissions represent a value of 2,022,272 lei as a result of the loans extended to clients. These revenues represent the main share of operating income, with direct influences on the company's profitability.

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Due to the specificity of the industry, significant aggregate transactions volume and individually small transaction size, income recognition represents a key audit matter.

Interest income is recognized over the life of the loan using the interest rate and the recognition of commission income depends on the nature of the interest. The revenue recognition policy is presented in detail in Note 1 "Accounting Principles, Policies and Methods".

*Our auditing procedures comprised, but without limitation to it, among others:*

- checking for the proper recognition of the incomes and assess the criteria for recognition of the Company incomes;
- checking that the assessment of the principles of income recognition are consistent with company accounting policies;
- verifying the quantitative methodology applied by the Company for recognition of the income;
- verifying the conformity of the Company's accounting principles with the Order of the National Bank of Romania Nr. 6/2015, as amended;
- verifying customers agreements, in order to perform an own estimate of income, for the purpose of conducting a comparison with the Company's income data.

***Specific provisions for credit risk for impairment of loans to customers***

6. We focused on this area, as Management issues subjective judgments on estimating the amount of losses from specific credit risk provisions that represent a complex area of accounting.

The assessment of the specific credit risk provisions for the impairment of loans granted to customers is made based on the classification of loans in a classification category and according to the forecasting coefficients provided in the NBR Regulation no. 5/2012.

The classification categories are determined by grouping the loans according to the debt service and the existence of debt recovery procedures. In accordance with the legal provisions, the company has calculated and recorded specific risk provisions. These are highlighted in note 3.2. "Claims on customers".

*Our auditing procedures comprised, but without limitation to it, among others:*

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- regarding the policy for calculating specific credit risk provisions for the impairment of receivables from customers, we assessed the adequacy of the main assumptions used in the calculation of the Company's provisions with the principles and requirements of the NBR Regulation no. 5/2012;
- we evaluated and tested on a sample basis the operation and operational effectiveness of the key controls on the data and the calculations for determining the specific credit risk provisions for the impairment of receivables from customers.
- these include those controls performed by the Company's management to ensure that the lending process is conducted in accordance with internal policies, that repayments are properly allocated to the correct credit balances and that the days of delay are calculated correctly by the Company's system.

***Other Information - Administrators' Report***

7. Administrators are responsible for compiling and presenting other information. That other information includes the Directors' Report, but does not include the auditor's financial statements and report, nor the non-financial statement.

Our opinion on the financial statements does not cover this other information and, unless it is explicitly mentioned in our report, we do not express any assurance of assurance.

With regard to the audit of the financial statements for the year ended 31 December 2020, it is our responsibility to read that other information and, in this regard, to assess whether that other information is materially inconsistent with the financial statements or with the knowledge we have acquired, we obtained during the audit, or if they appear to be significantly distorted.

Regarding the Administrators' Report, we read and report on whether it was drafted, in all material respects, in accordance with the Order of the National Bank of Romania Nr. 6/2015, paragraph 229. On the sole basis of the activities to be carried out during the audit of the financial statements, in our opinion:

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- a) The information presented in the Administrators' Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with the financial statements;
- b) The Administrators' Report was drawn up, in all material respects, in accordance with Order of the National Bank of Romania no. 6/2015, paragraph 225.

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the course of our audit of the financial statements for the year ended 31 December 2020, we are required to report whether we have identified significant misstatements in the Administrators' Report. We have nothing to report on this issue.

***Responsibilities of Management and Those charged with Governance for the Financial Statements***

8. The Management of the Company is responsible for preparing the financial statements to provide a fair view in accordance with the accounting legislation in Romania, Law Nr. 82/1991, and the Order of the National Bank of Romania Nr. 6/2015, with subsequent amendments, and internal control that management deems necessary to enable it to prepare financial statements free of material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue its business, to present, if applicable, business continuity and use-of-business accounting, unless the management intends to liquidate the Company or stop the operations, or have no other realistic alternative outside of them.

10. Those charged with Governance are responsible with overseeing the process of preparing the financial statements of the Company.

***Auditor's Responsibilities for the Audit of the Financial Statements***

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Audit Standards will always

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detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with the International Audit Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Munteanu Ane-Mary-Svetlana,

Financiar Auditor

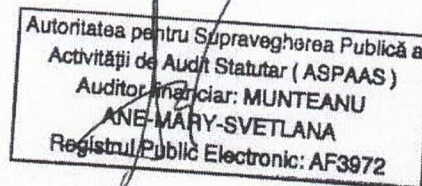
Registered at Romanian Chamber of Financial Auditors

Registration no. 3972/15.06.2011

Registered at Authority for Public Supervision of the Statutory Audit Activity

Registration no. AF3972

Bucuresti, 06.05.2021







OCEAN CREDIT IFN S.A.  
BALANCE ON DECEMBER 31<sup>ST</sup> 2020  
(ALL AMOUNTS ARE EXPRESSED IN RON)

31.12.2020 BALANCE SHEET INTERIM

ASSETS	Code position	Note	Financial exercise	
			previous	concluded
A	B		1	2
The house and other values	010	3	6.057	6.678
Receivables over credit institutions	030	3	252.433	106.147
- In sight	033	3	252.433	106.147
- Other receivables	036			
Receivables over the clientele	040	3	3.082.983	5.126.700
Debentures and other titles with fixed income	050			
- Issued by public bodies	053			
- Issued by other issuers. from which:	056			
- Own debentures	058			
Shares and other titles with variable income	060			
Shares. from which:	070			
- Shares on credit institutions	075			
Shares in the bound commercial companies. from which:	080			
- Shares in credit institutions	085			
Intangible assets. from which:	090	5	50.736	24.074
- Set up / Incorporation Expenses	093			
- Commercial fund. to the extent that it has been provided with onerous title	096			
Tangible assets. from which:	100	5	44.380	153.347
- Lands and constructions used for the purpose of developing own activities	105			
Unpaid subscribed capital	110			
Other assets	120	2	273.472	55.977
Expenses registered in advanced and accrued incomes	130	2	362.985	700.660
<b>Total assets</b>	<b>140</b>		<b>4.073.046</b>	<b>6.173.583</b>

GENERAL MANAGER

Radu Ciorba



ACCOUNTANT

Elena ANTON



# Ocean Credit

OCEAN CREDIT IFN S.A.  
BALANCE ON DECEMBER 31<sup>ST</sup>2020  
(ALL AMOUNTS ARE EXPRESSED IN RON)

LIABILITIES	Code position	Note	Financial exercise	
			previous	concluded
A	B	C	1	2
Debts regarding credit institutions	300			1.587.926
- In sight	303			
- On term	306			1.587.926
Debts regarding the clientele	310			10.800
- In sight	317			10.800
- On term	318			
Debts constituted through titles	320			
- debentures	323			
- other titles	326			
Other debts	330	3	1.228.296	1.355.376
Incomes registered in advance and accrued debts	340		45.894	508.418
Provisions. from which:	350			
- provisions for pensions and similar obligations	353			
- provisions for taxes	355			
- other provisions	356			
Subordinated debts	360			
Subscribed share capital	370	6	3.000.000	3.000.000
Capital premiums	380			
Reservations	390	7		
- legal reservations	392		71.245	78.344
- statutory or contractual reservations	394		71.245	78.344
- other reservations	399			
Reservations from revaluation	400			
Own shares (-)	410			
Reported result				
- Profit	423			
- Loss	426	7	1.114.619	487.769
Financial exercise result				
- Profit	433		659.841	127.587
- Loss	436			
Profit division	440		32.992	7.099
<b>Total liabilities and own capitals</b>	<b>450</b>		<b>4.073.046</b>	<b>6.173.583</b>

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OCEAN CREDIT IFN S.A.  
BALANCE ON DECEMBER 31<sup>ST</sup> 2020  
(ALL AMOUNTS ARE EXPRESSED IN RON)

ELEMENTS OUTSIDE THE BALANCE	Code position	Note	Financial exercise	
			previous	concluded
A	B		1	2
Contingent debts. from which:	600		0	0
- acceptances and endorsements	603		0	0
- guarantees and pledged assets	606		0	0
Commitments. from which:	610		0	0
- commitments related to the sell transactions with redemption possibility	615		0	0

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OCEAN CREDIT IFN S.A.

PROFIT AND LOSS ACCOUNT  
FOR THE FINANCIAL EXERCISE CONCLUDED ON DECEMBER 31<sup>ST</sup> 2020  
(ALL AMOUNTS ARE EXPRESSED IN RON)

Indicator name	Code position	Note	Financial exercise	
			previous	concluded
Interests to receive and assimilated incomes, from which:	010	9	2.387.134	3.288.570
- related to the debentures and other titles with fixed income	015			
Interests to pay and assimilated Expenses	020			59.735
Incomes regarding the titles	030			
- incomes from shares and other titles with variable income	033			
- incomes from shares	035			
- incomes from shares in the bound commercial companies	037			
Incomes from commissions	040	9	1.111.828	2.022.272
Expenses with commissions	050	9	95.012	175.292
Net profit or loss from financial operations	060	9	-3.649	-11.693
Other incomes from exploitation	070	9	963.279	10.315
General administrative Expenses	080	9	1.917.578	2.410.120
- Expenses with the staff, from which:	083	9	523.451	218.217
- Salaries	084		510.876	213.415
- Expenses with the social insurances, from which:	085		12.575	4.802
- Expenses related to the pensions	086		771	
- Other administrative expenses	087	9	1.394.127	2.191.903
Corrections over the intangible and tangible assets value	090	5	77.415	57.761
Other running / exploitation Expenses	100	9	359.511	1.578.739
Corrections over the receivables value, provisions for contingent debts and commitments	110	8	9.437.228	1.231.283
Replays from corrections over the receivables value, provisions for contingent debts and commitments	120	8	8.087.993	345.452
Corrections over the transferable titles value, that have a financial asset character, the shares and shares in the bound commercial companies	130			
Replays from corrections over the transferable titles value, that have a financial asset character, the shares and shares in the bound commercial companies	140			
<b>Result of the current activity</b>				
- Profit	153		659.841	141.986
- Loss	156			
Extraordinary incomes	160			
Extraordinary Expenses	170			
<b>Result of the extraordinary activity</b>				
- Profit	183			
- Loss	186			

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**OCEAN CREDIT IFN S.A.**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE FINANCIAL EXERCISE CONCLUDED ON DECEMBER 31<sup>ST</sup>2020**  
**(ALL AMOUNTS ARE EXPRESSED IN RON)**

Indicator name	Code position	Note	Financial exercise	
			previous	concluded
<b>Total Incomes</b>	190		12.550.234	5.666.609
<b>Total Expenses</b>	200		11.890.393	5.524.623
<b>Gross result</b>			0	
- Profit	213		659.841	141.986
- Loss	216			
<b>Tax on profit</b>	220		0	14.399
Other taxes that do not appear in the above elements	230		0	0
<b>Net result of the financial exercise</b>				
- Profit	243		659.841	127.587
- Loss	246			

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OCEAN CREDIT IFN S.A.  
CASH FLOW STATEMENT  
FOR THE FINANCIAL EXERCISE CONCLUDED ON DECEMBER 31<sup>ST</sup>2020  
(ALL AMOUNTS ARE EXPRESSED IN RON)

Indicator name	Nr. rd.	Nota	Financial exercise	
			previous	concluded
<b>Net result</b>	01		659.841	127.587
<i>Elements of Net Result that don't generate cash flows related to operational activities</i>				
± Impairment charge for credit losses	02		1.349.235	885.831
± Depreciation and amortization of the fixed assets	03		77.415	57.761
± other adjustments to elements that don't generate cash flows	04			
± adjustments to elements included in investvemt or financial activities	05			
± other adjustments	06		-570.480	47.062
<b>Sub-total (rd.01 la 06)</b>	07		1.516.011	1.118.241
<i>Changes in assets and liabilities related to operational activities after adjustments to elements that dont generate cash flows related to operational activities</i>				
± titluri care nu au caracter de imobilizări financiare	08			
± Receivables to credit institutions	09		747.757	146.286
± Receivables from customers	10		-255.956	-2.495.923
± Othe receivables	11		-2.092.341	-2.538.044
± other assets related to operational activities	12		238.309	1.995.039
± Debts to credit institutions	13			
± Debts to customers	14			
± Other debts	15			
± other debts related to operational activities	16		-156.469	-204.971
± cash payments representing corporate income tax	17		-101.512	-712.762
<b>Cash flows from operating activities (rd.07 la 17)</b>	18		-104.201	-2.692.134
<b>Cash flows from investing activities</b>				
± cash payments for acquisition of subsidiaries or branches	19			
± cash receipts from sales of subsidiaries or branches	20			
cash dividends received	21			
cash payments for acquisitions of financial assets	22			
cash receipt from sale of financial assets	23			
cash received representing interest gain	24			
cash payments for acquisition of land, plant and equipment and other fixed assets, intangible assets, long term assets	25		-42.537	-140.066
cash received from sale of land, plant and equipment and other fixed assets, intangible assets, long term assets	26			
other cash payments related to investing activities	27			
other cash received related to investing activities	28			
<b>Cash flow from investing activities (rd.19 la 28)</b>	29		-42.537	-140.066



# Ocean Credit

<b>Cash flows from financing activities</b>			
cash in related to redemption of debt securities	30		
cash out related to redemption of debt securities	31		
proceeds from the issue of share capital	32		
Acquisition of shares	33		
Sale of shares	34		
Dividends paid	35		
Other payments related to financing activities	36	-1.795.620	408.228
Other receipts related to financing activities	37	1.200.000	2.290.000
<b>Cash flow from financing activities (rd.30 la 37)</b>	38	-595.620	2.698.228
<b>Cash and cash equivalents at the beginning of the period</b>	39	1.008.848	258.490
<b>± Net cash flow from operating activities (rd.18)</b>	40	-104.201	-2.692.134
<b>± Net cash flow from investing activities (rd.29)</b>	41	-42.537	-140.066
<b>± Net cash flow from financing activities (rd.38)</b>	42	-595.620	2.698.228
<b>± Exchange rate adjustments</b>	43		-11.693
<b>Cash and cash equivalents at the end of the period (rd.39 la 43)</b>	44	258.490	112.825

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