



Raiffeisen
LEASING

ANNUAL REPORT

2020

Contents



About Raiffeisen - Leasing, s.r.o.	3
Introduction of Raiffeisen - Leasing, s.r.o.	3
General information on the Company as at 31 December 2020	4
Company's management	4
Business activities in 2020 and outlook for 2021	5
Position of Raiffeisen - Leasing, s.r.o. on the market	7
Corporate social responsibility principles	8
Labour relation activities	8
Capital investments	9
Information on pricing, credit and liquidity risks faced by the reporting entity, and risk management aims and methods, including the Company's policy on using hedging derivatives	13
Research and development	13
Branch or another part of business enterprise abroad	13
Financial statements for the current reporting period	13
Information on material post-balance sheet events	13
Auditor's report	14
Financial statements as at 31 December 2020	19
Statement of financial position	21
Statement of profit and loss and other comprehensive income	22
Statement of changes in equity	23
Cash flow statement	24
Notes to the financial statements	25
Report on relations	107

ABOUT RAIFFEISEN - LEASING, S.R.O.

Introduction of Raiffeisen - Leasing, s.r.o.

Operating on the Czech lease market since 1994, Raiffeisen - Leasing, s.r.o. has belonged among the most successful players for many years.

Raiffeisen - Leasing, s.r.o. is a 100% subsidiary of Raiffeisenbank a.s. and a member of the Raiffeisen group, a major financial group.

We offer a wide spectrum of financial and related services, which we are continuously developing further. We finance cars and motorcycles to private persons. We offer an entirely unique range of financing to companies to cover their investment needs. We provide financing for cars, utility vehicles, trucks, buses, machines, equipment, and technology. Apart from standard objects, we also successfully finance specific assets, such as airplanes, locomotives, and real estate.

We rank among the most successful lease companies in the Czech Republic in financing freight transport technology, machines, airplanes, rail technology, IT, and handling technology.

We pride ourselves on having exceptional know-how in the lease financing of real estate projects. Thanks to our unique knowledge of this area, we participate in the construction and reconstruction of hotels, shopping centres, residential areas, and other attractive projects. Our own property development projects are an important part of our activities. According to information published by the Czech Lease and Finance Association, Raiffeisen - Leasing, s.r.o. has for many years placed first in the non-banking financing of real estate, both in the volume of new business transactions, and in the total volume of its real estate portfolio.

Our product line also includes a wide range of insurance products. We do not limit ourselves to direct financial services but strive to provide our clients with a maximum of experience and know-how.

A successful example of this approach are our subsidy advisory services, popular and highly sought-after among our clients. For a detailed summary of services and products offered by us see www.rl.cz.

We are characterised by our strong client orientation and willingness to search for individual solutions. Since the very beginning of our activities, we have held the role of a stable, reliable, and responsible financing partner. At all times, we endeavour to use the synergy with Raiffeisenbank a.s., our parent company, for the benefit of our clients, and thus offer them an effective combination of banking and lease services and products.

Our clients' favourable experience with our services and the attractiveness of our products are the key factors of our success. Reliability, high-quality services, and helpfulness towards the customer – these are the values that we maintain in our practice. Our activities follow the strategy of the Raiffeisen group, and we support group corporate values.

Our Company's basic philosophy includes corporate social responsibility, which we develop not only through CSR projects. We are guided by our awareness that the main prerequisite of our successful operation is an experienced and professional team of employees.

We have all applicable authorisations and licenses necessary for us to run our business. We hold the Czech National Bank's license authorising us to provide consumer loans. We are long-standing members of the Czech Lease and Finance Association (CLFA) and the German-Czech Chamber of Industry and Commerce.

General Information on the Company

as at 31 December 2020

Company name:	Raiffeisen - Leasing, s.r.o. (the "Company")
Legal status:	Limited liability company
Recorded in the Register of Companies:	22 June 1994
Corporate ID:	614 67 863
Registered office:	Hvězdova 1716/2b, Nusle, 140 00 Prague 4
Registered capital:	CZK 450,000,000
Owner:	Raiffeisenbank a.s. (100%)
Company management:	Tomáš Gürtler, general manager Alois Lanegger, statutory representative responsible for front office Josef Langmayer, statutory representative responsible for back office
Website:	www.rl.cz

Company's management



Tomáš Gürtler



Alois Lanegger



Josef Langmayer

Business activities in 2020 and outlook for 2021

2020 was very specific for both the Czech and the world economy. The adverse effects of the COVID-19 epidemic were also evident in the operation of Raiffeisen - Leasing, s.r.o. But despite all restrictions affecting the functioning of the Czech economy last year, we maintained our long-term strong position among the most successful lease companies.

The satisfaction of our clients is of crucial importance for our activities. And it was not different in 2020, when we helped our clients face new challenges. Throughout the year, we actively approached our current clients' requests with maximum helpfulness, especially requests for the restructuring of individual business transactions, fulfilling them within the statutory moratorium, even going beyond our mandatory obligations.

Representatives of Raiffeisen - Leasing, s.r.o. pro-actively participated in the activities of the Czech Lease and Financial Association, which resulted in the introduction of initiatives aimed at supporting clients beyond the statutory moratorium. Such initiatives for instance included the preparation and subsequent accession to the Declaration of Non-bank Loan Providers on Aid to Clients Upon the End of the Loan Moratorium. This declaration included the possibility of further repayment postponement beyond the loan moratorium, which ended at the end of October 2020. This initiative significantly helped clients who due to the pandemic have had difficulties with repayment even after the end of the statutory deferral of payments.

While maintaining an acceptable level of risk, we continuously endeavoured to achieve the set-out business results to the maximum extent possible, and largely succeeded in doing so.

As at 31 December 2020, the Company's total assets amounted to CZK 23.397 billion, a year-on-year increase of 0.8%. In 2020, Raiffeisen - Leasing, s.r.o. financed commodities and real estate in new business transactions totalling CZK 7.838 billion, a year-on-year decline of 23%. Profit after tax under IFRS amounted to CZK 399.541 million in 2020, representing a year-to-year increase of 14.7%. This growth was partly realised thanks to received dividends.

With respect to the safety of our employees and clients, we adopted a working-from-home regime for most working positions in 2020. Despite these changes, we managed to process our clients' requests professionally and quickly. The requests were for the most part handled remotely. We intensified our work on the further optimisation of our products, the improvement of our processes' efficiency, and automation and digitalisation to be able to fulfil our clients' expectations to the best of our abilities. A big thank-you is due to our employees for their great effort under adverse conditions, who for the whole time supported the running of our Company, and at the same time, helped our clients find solutions to their often difficult situation.

In 2020, we continued in our effort to use the synergy with our parent company to the maximum to be able to offer our clients a better combination of banking and lease services and products. For many years, clients segmented as non-entrepreneurial individuals, small companies and entrepreneurs have had the opportunity to take advantage of the direct car financing offer using the bank's branch network. The business networks of Raiffeisen - Leasing, s.r.o. and Raiffeisenbank a.s. have been closely cooperating in the corporate clientele segment for a long time.

Last year brought about several innovations relating to a better use of digital technologies. We implemented a new front-end system focused on car financing, thanks to which our services are more accessible and thus also more comfortable both for our business partners and clients. This tool significantly

helps us in one of our key targets, which is growth in the car financing area. We have taken several major steps towards growth in the area of operating lease with services provided for both cars and utility vehicles. We consider further development of this product among our priorities for 2021 as well.

Last year, we introduced LiLi, our own mobile application, which automatically recognises a vehicle using a photograph, shows the user its price as well as the amount of loan payments. Via this application, users may simply request financing of the selected vehicle.

In 2020, Raiffeisen - Leasing, s.r.o. succeeded in the 18th year of the Golden Crown competition, in which a professional committee and the public evaluate the quality of financial products. We received the Silver Crown for our on-line car financing offer in the leases for the category of entrepreneurs.

We are proud of our long-term above-standard relationships with our clients and business partners. This manifests itself both in the total volume of realised financing, and in the successfully met individual needs of our clients and business partners. Clients from small and medium-sized enterprises and our corporate clientele represent a significant portion in our portfolio. The share of consumers has been continually growing.

In 2021, we will continue in projects leading to process digitalisation and automation. The goal of our activities is to offer our clients friendlier and simpler tools both in the closing of business transactions, and in handling a variety of requests that they usually deal with during the lifetime of a financing contract. At the same time, these projects facilitate and accelerate our internal processes, leading to higher efficiency inside the Company.

In 2021, we plan to establish independent insurance broking services. To this end, we have obtained an independent insurance brokerage license from the Czech National Bank.

Despite the expected ongoing impact of the COVID-19 pandemic, we believe that the restrictive measures will be gradually lifted and that the economy will eventually recover. In 2021, Raiffeisen - Leasing expects year - to - year growth in total assets of 9.6%, revenue growth of 3.1% and a slight increase in expenses. We will continue in our effort to strengthen the position in the financing of cars, utility vehicles, real estate, machines and equipment, handling, and transport technology. We plan growth in the area of operating leases with services provided for cars and utility vehicles. We will further develop and reinforce the successfully set-up cooperation with Raiffeisenbank a.s., our parent company. Our primary goal will remain the orientation towards the customer and the quality of provided products and services while maintaining an optimum credit risk level and the profitability of business transactions. The universality and width of our services will continue to be one of the key parameters of our success.

Position of Raiffeisen - Leasing, s.r.o. on the market

Raiffeisen - Leasing, s.r.o. belongs among the largest lease companies on the Czech market based on the aggregate volume of assets and the volume of newly concluded business transactions.

The total market share of our Company amounted to 7.4% based on the volume of newly concluded business transactions. As at 31 December 2020, the Company reached a market share of 9.2% in the total volume of receivables from concluded contracts among Czech Lease and Finance Association members.

According to information published by the Czech Lease and Finance Association, we were again number one in 2020 on the non-banking real estate financing market. In 2020, our market share in this financing segment amounted to a commendable 71%.

We also maintained a high market share in the financing of other commodities despite the year-to-year decline in the total volume of funds expended by our Company in 2020 for financing of new business transactions. In 2020, 35.6% of financing of IT technology on the lease market belonged to us, 24.5% in financing of handling and storage technology, 21.9% in financing of airplanes, rail carriages and locomotives, and 7.7% in financing of trucks, semi-trailers and trailers. We also held a significant market position in the financing of cars, where our market share amounted to 6.2% in 2020.

When assessing our results, we cannot ignore the fact that last year's economic development affected the entire domestic lease market. Based on the statistics of the Czech Lease and Finance Association, the volume of funds expended by members of the association on financing new business transactions declined year-on-year by 18.7% in 2020.

We also experienced a decline in acquisition of investments on the side of our clients for the past year. We endeavoured to help our clients, especially those from the ranks of small and medium-sized enterprises, to find an efficient way of how they can draw from available local and EU subsidy programmes in acquiring an investment.

Corporate social responsibility principles

As in previous years, in 2020, we maintained the standards of responsible behaviour and entrepreneurship. Responsible behaviour means for us a way of conduct that is responsible, ethical, and transparent towards all parties involved, i.e. to clients, business partners, our employees, and owners.

We comply with the Raiffeisen Bank International group's code of ethics without any exception. The code sets out our Company's basic values and represents the cornerstone of our corporate culture, which is committed to keeping all formally or informally based obligations and is built on ethical principles. The safety of processing and a high standard of personal data protection presents a priority for us.

In the social sphere, we have actively contributed to the development of non-profit cultural and social activities. We have been a long-term partner of Tichý svět, o.p.s., which supports the integration of the hearing-impaired individuals into society. In 2020, we supported a joint project consisting of production of diaries by the hearing-impaired. The proceeds from the sale of diaries are used to enhance activities intended for the support of the hearing-impaired. Raiffeisen - Leasing, s.r.o. has also been a long-term partner of the classical music festival Treasures of the Broumov region. We are also active in a number of educational and cultural projects as well as sport activities. In the labour relations area, equal opportunities for employees, employee health, safety and development are important for us.

We also apply the corporate social responsibility principles on our own activities. In 2020, in terms of the environmental area, we continued with digitalisation, which enables us to expand the paperless approach and to develop tools for efficient remote operation contributing to environmental protection. Furthermore, we replaced a major part of our business trips with video conferences. We also support an environment-friendly approach by financing a variety of our clients' projects that have a positive impact on the environment.

We operatively respond to the current needs in the corporate social responsibility. As part of the re-use principle, we enabled our employees to purchase computers that our company disposes for their net book values, allowing them to equip their children at home for distance learning purposes.

Labour relations activities

Employee's personal development presents one of the Company's main priorities. We managed to further expand this area even in this demanding and specific year of 2020. We adjusted our efforts to the new situation to fulfil our employees' needs, and the Company adapted the existing activities, such as training for new and current employees, to make them safe, but still efficient. With respect to the work-from-home regime concerning most employees, the Company provided support in the form of workshops focusing on remote working and adaptation to changes. Furthermore, internal communication and information pooling across the Company were reinforced at a time when employees had limited possibilities to meet in person. The Company started to issue regular newsletters with Company news, interviews, and economic results. It also introduced on-line meetings of employees with the Company's management.

We continued with our cafeteria benefit system as well as employees' language education, which moved to on-line environment. The facts above confirm that our Company is flexible and open to new perspectives and impulses. All these activities and changes contribute to the improvement of employee's potential, quality of work and interpersonal relationships. These relationships, together with employee's satisfaction, creation of a safe environment, and equal opportunities have always been the priorities of Raiffeisen - Leasing, s.r.o.

Capital investments

As at 31 December 2020, Raiffeisen - Leasing, s. r. o. owned in **total 105** special purpose vehicles:

- › **less than 100% direct and indirect ownership in case of 19 special purpose vehicles (for more details see below)**
- › **100% indirect ownership in 11 special purpose vehicles (for more details see below)**
- › **100% direct ownership in 75 special purpose vehicles (for more details see below)**

As at 31 December 2020, Raiffeisen - Leasing, s.r.o.'s ownership of 19 special purpose vehicles was as follows:

a) companies that are economically controlled by the Company and considered subsidiaries in accordance with International Financial Reporting Standards (IFRS) adopted by the EU:

- › **10%** owned in special-purpose vehicle Luna Property, s.r.o., where the remaining 90% is owned by Raiffeisen - Leasing International Gesellschaft m.b.H.
- › **10%** owned in special-purpose vehicle Kalypso Property, s.r.o., where the remaining 90% is owned by Raiffeisen - Leasing International Gesellschaft m.b.H.
- › **10%** owned in special-purpose vehicle Viktor Property, s.r.o., where the remaining 90% is owned by RLKG Raiffeisen - Leasing Gesellschaft m.b.H.

The three above-mentioned special purpose vehicles are economically controlled by the Company, on a basis of a trust agreement.

- › **77%** owned in Létó Property, s.r.o., where the remaining 23% is owned by RUHR FVE s.r.o.

b) companies that are not economically controlled by the Company, however, considered as subsidiaries in accordance with International Financial Reporting Standards (IFRS) adopted by the EU:

- › **90%** owned in special-purpose vehicle GS55 Sazovice s.r.o., where the remaining 10% is owned by GS5 s.r.o.;
- › **90%** owned in special-purpose vehicle Palace Holding s.r.o., where the remaining 6% is owned by Petr Skrla and the remaining 4% is owned by Mr. Milan Hagan;
- › **90%** owned in special-purpose vehicle Fidurock Residential a.s., where the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle Evarne Property, s.r.o., where the remaining 10% is owned by NF Property, s.r.o.;
- › **95%** owned in special-purpose vehicle Hébé Property, s.r.o., where the remaining 5% is owned by Mr. Pavel Diviš;
- › **95%** owned in in special-purpose vehicle Rheia Property, s.r.o., where the remaining 5% is owned in by Snow-How ČR, s.r.o.;
- › **77%** owned in special-purpose vehicle Sky Solar Distribuce s.r.o. indirectly via Létó Property, s.r.o.; the remaining 23% is owned by RUHR FVE s.r.o.;
- › **90%** owned in special-purpose vehicle Antonínská 2 s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle Dolní náměstí 34 s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;

- › **90%** owned in special-purpose vehicle Stará 19 s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle Vlhká 26 s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle Chodská 12 s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle Křížkovského 3 s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle cube ventures, s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.;
- › **90%** owned in special-purpose vehicle KARAT s.r.o. indirectly via Fidurock Residential a.s. and the remaining 10% is owned by Fidurock Core Assets a.s.

As at 31 December 2020, Raiffeisen - Leasing, s.r.o. held indirectly a 100% share in the following 11 companies:

- › Appolon Property, s.r.o. (90% Raiffeisen - Leasing, s.r.o., 10% Raiffeisen FinCorp, s.r.o.)
- › KAPMC s.r.o. (100% Dike Property, s.r.o.)
- › Gaia Property, s.r.o. (100% Folos Property, s.r.o.)
- › Theia Property, s.r.o. (100% Dike Property, s.r.o.)
- › Strašnická realitní a.s. (100% Harmonia Property, s.r.o.)
- › RDI Czech 1 s.r.o. (100% Raiffeisen Direct Investments CZ, s.r.o.)
- › RDI Czech 3 s.r.o. (100% Raiffeisen Direct Investments CZ, s.r.o.)
- › RDI Czech 4 s.r.o. (100% Raiffeisen Direct Investments CZ, s.r.o.)
- › RDI Czech 5 s.r.o. (100% Raiffeisen Direct Investments CZ, s.r.o.)
- › RDI Czech 6 s.r.o. (100% Raiffeisen Direct Investments CZ, s.r.o.)
- › RDI Management s.r.o. (100% Raiffeisen Direct Investments CZ, s.r.o.)

As at 31 December 2020, Raiffeisen - Leasing, s.r.o. held a 100% share in the following 75 companies:

a) companies that are economically controlled by the Company and considered subsidiaries in accordance with International Financial Reporting Standards (IFRS) adopted by the EU:

- › Raiffeisen FinCorp, s.r.o., fully owned by the Company
- › Orchideus Property, s.r.o., fully owned by the Company
- › RESIDENCE PARK TŘEBEŠ, s.r.o., fully owned by the Company
- › RLRE Ypsilon Property, s.r.o., fully owned by the Company
- › RLRE Carina Property, s.r.o., fully owned by the Company
- › Janus Property, s.r.o., fully owned by the Company
- › Médea Property, s.r.o., fully owned by the Company
- › Hestia Property, s.r.o., fully owned by the Company
- › Ananké Property, s.r.o., fully owned by the Company

- › Raiffeisen Direct Investments CZ s.r.o., fully owned by the Company
- › Theseus Property, s.r.o., fully owned by the Company
- › Argos Property, s.r.o., fully owned by the Company
- › Aglaia Property, s.r.o., fully owned by the Company
- › Hefaistos Property, s.r.o., fully owned by the Company
- › Plutos Property, s.r.o., fully owned by the Company
- › Thaumias Property, s.r.o., fully owned by the Company
- › Ligea Property, s.r.o., fully owned by the Company
- › Dero Property, s.r.o., fully owned by the Company
- › Cranto Property, s.r.o., fully owned by the Company
- › Beroe Property, s.r.o., fully owned by the Company.

b) companies that are not economically controlled by the Company and not considered subsidiaries in accordance with International Financial Reporting Standards (IFRS) adopted by the EU:

- › RLRE Beta Property, s.r.o., fully owned by the Company
- › RLRE Eta Property, s.r.o., fully owned by the Company
- › Kaliopé Property, s.r.o., fully owned by the Company
- › JFD Real s.r.o., fully owned by the Company
- › CRISTAL PALACE Property, s.r.o., fully owned by the Company
- › Sirius Property, s.r.o., fully owned by the Company
- › Hypnos Property, s.r.o., fully owned by the Company
- › Chronos Property, s.r.o., fully owned by the Company
- › Holečkova Property, s.r.o., fully owned by the Company
- › Pontos Property, s.r.o., fully owned by the Company
- › Dike Property, s.r.o., fully owned by the Company
- › UPC Real s.r.o., fully owned by the Company
- › Photon SPV 3 s.r.o., fully owned by the Company
- › Photon Energie s.r.o., fully owned by the Company
- › Photon SPV 8 s.r.o., fully owned by the Company
- › Exit 90 SPV s.r.o., fully owned by the Company
- › Onyx Energy s.r.o., fully owned by the Company
- › Onyx Energy projekt II s.r.o., fully owned by the Company
- › Photon SPV 4 s.r.o., fully owned by the Company
- › Photon SPV 6 s.r.o., fully owned by the Company
- › Photon SPV 10 s.r.o., fully owned by the Company
- › Selene Property, s.r.o., fully owned by the Company
- › ALT POHLEDY s.r.o., fully owned by the Company
- › SeEnergy PT, s.r.o., fully owned by the Company

- › FVE Cihelna s.r.o., fully owned by the Company
- › Credibilis a.s., fully owned by the Company
- › Morfeus Property, s.r.o., fully owned by the Company
- › Zefyros Property, s.r.o., fully owned by the Company
- › Astra Property, s.r.o., fully owned by the Company
- › Kleió Property, s.r.o., fully owned by the Company
- › Dafné Property, s.r.o., fully owned by the Company
- › Áté Property, s.r.o., fully owned by the Company
- › Harmonia Property, s.r.o., fully owned by the Company
- › OfiÓN Property, s.r.o., fully owned by the Company
- › Grainulos Property, s.r.o., fully owned by the Company
- › GRENA REAL s.r.o., fully owned by the Company
- › Melpomené Property, s.r.o., fully owned by the Company
- › Éós Property, s.r.o., fully owned by the Company
- › Boreas Property, s.r.o., fully owned by the Company
- › Apaté Property, s.r.o., fully owned by the Company
- › Fobos Property, s.r.o., fully owned by the Company
- › Nereus Property, s.r.o., fully owned by the Company
- › Nyx Property, s.r.o., fully owned by the Company
- › Eunomia Property, s.r.o., fully owned by the Company
- › Kappa Estates, s.r.o., fully owned by the Company
- › Ares Property, s.r.o., fully owned by the Company
- › Foibe Property, s.r.o., fully owned by the Company
- › GEONE Holešovice Two s.r.o., fully owned by the Company
- › Belos Property, s.r.o., fully owned by the Company
- › Démétér Property, s.r.o., fully owned by the Company
- › Kétó Property, s.r.o., fully owned by the Company
- › Folos Property, s.r.o., fully owned by the Company
- › Halie Property, s.r.o., fully owned by the Company
- › Spio Property, s.r.o., fully owned by the Company
- › Merea Property, s.r.o., fully owned by the Company.

Information on pricing, credit and liquidity risks faced by the reporting entity, risk management aims and methods, including the Company's policy on using hedging derivatives

Raiffeisen - Leasing, s.r.o. maintains sufficient liquidity through loans. Leased assets are not pledged in favour of creditors. The pricing policy and the Company's risk management (i.e. interest rate, currency, and economic risks) are subject to the standard processes of the Raiffeisen Group.

Research and development

In 2020, Raiffeisen - Leasing, s.r.o. did not record any research and development activity.

Branch or another part of business enterprise abroad

In 2020, the Company did not have any branch or another part of a business enterprise abroad.

Financial statements for the current reporting period

The annual financial statements for the current reporting period are an integral part of this annual report, and they clearly show an overview of the Company's assets.

Information on material post balance sheet events

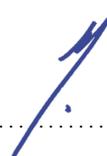
As of the annual report date, the management of Raiffeisen - Leasing, s.r.o. is not aware of occurrence of any significant events that would materially influence the financial statements as of 31 December 2020.

The statutory representatives declare that the information contained in the annual report reflects the actual state of affairs and that they are not aware of any material events that occurred between the balance sheet date and the preparation date of the annual report.

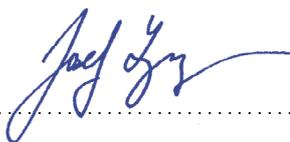
In Prague, on 22 June 2021



.....
Tomáš Gürtler
statutory representative



.....
Alois Lanegger
statutory representative



.....
Josef Langmayer
statutory representative

Auditor's Report





KPMG Česká republika Audit, s.r.o.

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This document is a signed English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Member of Raiffeisen
– Leasing, s.r.o.**

Opinion

We have audited the accompanying financial statements of Raiffeisen - Leasing, s.r.o. ("the Company"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2020, and the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 above regulations will always 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.

As part of an audit in accordance with the above regulations, 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 the statutory body.
- Conclude on the appropriateness of the statutory body'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.
- 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.

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



Statutory Auditor Responsible for the Engagement

Milan Bláha is the statutory auditor responsible for the audit of the financial statements of Raiffeisen - Leasing, s.r.o. as at 31 December 2020, based on which this independent auditor's report has been prepared.

Prague
22 June 2021

A handwritten signature in blue ink, appearing to read 'Milan Bláha', written over a faint, illegible background.

KPMG Česká republika Audit, s.r.o.
Registration number 71

A handwritten signature in blue ink, appearing to read 'Milan Bláha', written over a faint, illegible background.

Milan Bláha
Partner
Registration number 2007

Financial Statements as at 31 December 2020



FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

Company name:	Raiffeisen - Leasing, s.r.o.
Registered office:	Hvězdova 1716/2b, Nusle, 140 00 Prague 4
Recorded in the Register of Companies:	22 June 1994
Corporate ID:	614 67 863

Components of the Financial Statements as at 31 December 2019 prepared under IFRS as adopted by the EU:

Statement of financial position

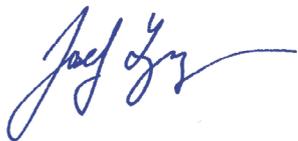
Statement of profit or loss and other comprehensive income

Statement of changes in equity

Statement of cash flows

Notes to the Financial Statements

These financial statements were prepared on 22 June 2021.

Statutory body of the reporting entity	Signature
Alois Lanegger Josef Langmayer	 

Financial statements

Statement of financial position

As at 31 December 2020

TCZK	Note	31.12.2020	31.12.2019
ASSETS			
Cash and balances with banks payable on demand	6.14.	415 609	400 533
Receivables from clients	6.15. and 6.16.	21 267 645	20 916 116
Positive fair values of financial derivatives	4.17. and 6.30.	1 870	9 489
Equity investments in subsidiaries	6.18.	456 980	458 130
Intangible fixed assets	6.19.	63 139	40 949
Property, plant and equipment	6.19.	998 953	1 015 446
Investment property	6.19.	0	145 949
Current tax assets	6.20.	19 723	17 027
Other assets	6.21.	173 315	214 680
TOTAL ASSETS		23 397 234	23 218 319
LIABILITIES			
Payables to banks	6.22.	20 513 386	20 433 083
Payables to clients	6.23.	66 880	194 732
Negative fair values of financial derivatives	6.24. and 6.30.	303	867
Deferred tax liability	6.25.	225 212	159 197
Provisions	6.26.	39 319	40 775
Other liabilities	6.27.	193 905	154 284
Share capital	6.28.	450 000	450 000
Retained profits/accumulated losses	6.28.	1 508 688	1 437 166
Profit for the period	6.28.	399 541	348 215
TOTAL LIABILITIES AND EQUITY		23 397 234	23 218 319

Financial statements

Statement of profit and loss and other comprehensive income

for the year ended 31 December 2020

TCZK	Note	2020	2019
Interest income and similar income Of which: interest income calculated base on effective interest rate	6.1.	580 358 346 706	595 792 349 770
Interest expense and similar expense	6.2.	-53 707	-86 181
Net interest income		526 651	509 611
Impairment losses from receivables from clients and off-balance sheet exposures	6.3.	-122 529	-26 702
Interest income net of loss allowances		404 122	482 909
Fee and commission income	6.4.	35 719	27 005
Fee and commission expense	6.5.	-4 032	-5 198
Net fee and commission income		31 687	21 807
Foreign exchange gains/losses	6.6.	-600	2 647
Profit and loss from derivative operations	6.7.	-8 977	7 395
Dividend income	6.8.	124 486	20 125
Profit and loss from investments	6.9.	79 968	53 418
General operating expenses	6.10.	-525 633	-516 245
Other operating revenues	6.11.	595 450	543 535
Other operating expenses	6.12.	-236 734	-168 701
Profit before tax		463 769	446 890
Income tax	6.13.	-64 228	-98 675
Profit for the period		399 541	348 215

Items that are or may be reclassified to statement of profit and loss:

Change in the valuation differences from cash flow hedging (net of tax)	6.28.	0	-9 500
Other comprehensive income (net of tax)		0	-9 500
Total comprehensive income for the accounting period		399 541	338 715

Financial statements

Statement of changes in equity

for the year ended 31 December 2020

TCZK	Share capital	Cash flow hedge reserve	Retained profits	Profit for the current period	Total equity
Balance as at 01/01/2019	450 000	9 500	1 434 510	177 656	2 071 666
Dividends			-175 000		-175 000
Transfers to retained profits			177 656	-177 656	0
Net profit for the period				348 215	348 215
Other comprehensive income (net of tax)		-9 500			-9 500
Balance as at 31/12/2019	450 000	0	1 437 166	348 215	2 235 381
Change in capital due to the demerger by spin-off of a part of the Company			-19 693		-19 693
Balance as at 01/01/2020	450 000	0	1 417 473	348 215	2 215 688
Dividends			-257 000		-257 000
Transfers to retained profits			348 215	-348 215	0
Net profit for the period				399 541	399 541
Balance as at 31/12/2020	450 000	0	1 508 688	399 541	2 358 229

Financial statements

Statement of cash flows

for the year ended 31 December 2020

TCZK	2020	2019
Opening balance of cash and cash equivalents	400 533	315 222
Profit before tax	463 769	446 890
Adjustment for non-cash operations	-394 541	-303 513
Balance of additions/release of allowances for risk financing, write-off of receivables	122 529	26 702
Depreciation/amortisation of property, plant and equipment and intangible assets	209 965	189 323
Balance of additions/release of provisions	-1 456	9 874
Change in the fair value of derivatives	7 055	62 851
Dividends received	-124 486	-20 125
Gain/ loss from the sale of property, plant and equipment and intangible assets	-2 377	-3 867
Gain/ loss on sale of equity investments	-79 968	-53 418
Remeasurement of foreign currency positions	5 886	-5 243
Interest expenses and income	-526 651	-509 610
Other non-cash transactions	-5 038	0
Operating profit before the change of operating assets and liabilities	69 228	143 377
Change in working capital	-172 586	-3 057 465
Change in receivables and accruals of assets	-271 079	-3 321 946
Change in liabilities and accruals of liabilities	13 508	111 306
Change in other assets	32 357	222 672
Change in other liabilities	52 628	-69 497
Interest paid	-54 426	-91 944
Interest received	571 994	586 128
Dividends received	124 486	20 125
Net cash flow from operating activities before tax	538 696	-2 399 779
Income tax paid	-1 936	-23 840
Net cash flow from operating activities	536 760	-2 423 619
Cash flows from investing activities		
Proceeds from the sale of fixed assets	209 652	57 285
Purchase of property, plant and equipment and intangible assets	-347 539	-410 539
Net cash flows from investing activities	-137 887	-353 254
Cash flows from financing activities		
Increase (utilisation) of payables to banks	10 880 753	13 328 044
Decrease (repayment) of payables to banks	-10 999 436	-10 282 291
Lease liabilities	-8 114	-8 569
Impact of changes in equity	-257 000	-175 000
Dividends paid	-257 000	-175 000
Net cash flow from financing activities	-383 797	2 862 184
Net change of cash and cash equivalents	15 076	85 311
Closing balance of cash and cash equivalents	415 609	400 533

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

Company name:	Raiffeisen - Leasing, s.r.o.
Registered office:	Hvězdova 1716/2b, 140 00 Praha 4 - Nusle
Legal form:	limited liability company
Company ID no.:	614 67 863

CONTENT

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES	29
1.1. INCORPORATION AND DESCRIPTION OF BUSINESS	29
1.2. ENTITIES WITH EQUITY INVESTMENTS IN THE COMPANY	29
1.3. STATUTORY BODY AND THE SUPERVISORY BOARD AS AT 31 DECEMBER 2020	29
1.4. CHANGES IN THE COMMERCIAL REGISTER	30
1.5. ORGANISATIONAL STRUCTURE	30
1.6. CONSOLIDATION GROUP IDENTIFICATION	30
2. ACCOUNTING POLICIES, GENERAL ACCOUNTING PRINCIPLES AND THEIR CHANGES	31
2.1. CHANGES IN ACCOUNTING POLICIES IN 2020	31
a) Newly applied standards and interpretations whose application has had a significant impact on the financial statements	31
b) Newly applied standards and interpretations in the current accounting period	31
c) Standards and interpretations issued by IASB and adopted by the European Union that will come into effect after the end of the current accounting period	32
d) Standards and interpretations issued by IASB but not yet adopted by the European Union	32
3. SIGNIFICANT ACCOUNTING PRINCIPLES, POLICIES AND VALUATION METHODS	33
3.1. TRANSACTION RECOGNITION DATE	33
3.2. INTANGIBLE FIXED ASSETS AND PROPERTY, PLANT AND EQUIPMENT	33
3.3. INVESTMENT PROPERTY	34
3.4. EQUITY INVESTMENTS	34
3.5. FINANCIAL ASSETS	34
3.5.1. Classification and measurement of financial assets	34
3.5.2. Impairment of financial assets	37
3.6. PROVISIONS	45
3.6.1. Provisions for off-balance sheet items	45
3.7. TRADE PAYABLES	45
3.8. RECEIVED LOANS	45
3.9. FINANCIAL DERIVATIVES	45
3.10. LEASES	47
3.10.1. The Company as a lessor	48
3.10.2. The Company as a lessee	48
3.11. INCOME AND EXPENSE RECOGNITION	49
3.11.1. Interest income and expense	49
3.11.2. Fee and commission income	49
3.11.3. Dividends	49
3.11.4. Other income and expenses reported in the statement of profit and loss	49
3.12. INCOME TAX	49
3.12.1. Current income tax	50
3.12.2. Deferred tax	50

3.13.	FOREIGN CURRENCY TRANSLATION	50
3.14.	USE OF ESTIMATES	51
3.15.	STATEMENT OF CASH FLOWS	51
4.	THE COMPANY'S DEMERGER BY SPIN-OFF INVOLVING A MERGER WITH JANUS PROPERTY S.R.O. ("THE SUCCESSOR COMPANY")	52
4.1.	REASONS FOR AND CONDITIONS OF THE DEMERGER BY SPIN-OFF INVOLVING A MERGER	52
4.2.	ACCOUNTING FOR THE DEMERGER PROJECT	52
5.	IMPACT OF THE COVID-19 PANDEMIC ON FINANCIAL STATEMENTS	53
6.	ADDITIONAL INFORMATION TO THE FINANCIAL POSITION STATEMENT, STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	55
6.1.	INTEREST INCOME AND SIMILAR INCOME	55
6.2.	INTEREST EXPENSE AND SIMILAR EXPENSE	55
6.3.	IMPAIRMENT LOSSES FROM RECEIVABLES FROM CLIENTS AND OFF-BALANCE SHEET EXPOSURES	55
6.3.1.	Impairment losses from receivables from clients and off-balance sheet exposures (net)	56
6.4.	FEE AND COMMISSION INCOME	58
6.5.	FEE AND COMMISSION EXPENSE	58
6.6.	FOREIGN EXCHANGE GAINS/LOSSES	58
6.7.	PROFIT AND LOSS FROM DERIVATIVE OPERATIONS	58
6.8.	DIVIDEND INCOME	59
6.9.	INCOME FROM INVESTMENTS	59
6.10.	GENERAL OPERATING EXPENSES	61
6.10.1.	Employees and executives	61
6.11.	OTHER OPERATING REVENUES	62
6.12.	OTHER OPERATING EXPENSES	63
6.13.	INCOME TAX	63
6.14.	CASH AND BALANCES WITH BANKS PAYABLE ON DEMAND	64
6.15.	RECEIVABLES FROM CLIENTS	64
6.15.1.	Receivables analysis by type of financing	64
6.15.2.	Ageing of receivables from customers	65
6.15.3.	Allocation of financial assets at amortised cost and finance lease receivables based on internal rating and stage of impairment	65
6.15.4.	Analysis of receivables from clients by segments and type of collateral	68
6.15.5.	Receivables from clients by segment	70
6.15.6.	Structure of receivables from clients by segment and stage of impairment	70
6.15.7.	Participation loans	71
6.16.	ALLOWANCES FOR RECEIVABLES FROM CLIENTS	71
6.16.1.	Structure of allowances for receivables from clients by segment and stage of impairment	71
6.16.2.	Quantitative information about the collateral for impaired financial asset	72
6.16.3.	Changes in allowances by impairment stage	72
6.16.4.	Allowances for Receivables from Related Parties	73

6.17.	POSITIVE FAIR VALUES OF FINANCIAL DERIVATIVES	75
6.18.	EQUITY INVESTMENTS IN SUBSIDIARIES	75
6.19.	PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE FIXED ASSETS	78
6.20.	CURRENT TAX ASSETS	80
6.21.	OTHER ASSETS	80
6.22.	PAYABLES TO BANKS	80
	6.22.1. Payables to banks by maturity	81
6.23.	PAYABLES TO CLIENTS	81
6.24.	NEGATIVE FAIR VALUES OF FINANCIAL DERIVATIVES	81
6.25.	DEFERRED TAX LIABILITY	81
6.26.	PROVISIONS	82
	6.26.1. Structure of provision for contingencies and financial guarantees by impairment	83
	6.26.2. Changes in provisions for contingencies and financial guarantees	83
6.27.	OTHER LIABILITIES	84
6.28.	EQUITY	84
6.29.	FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES – STAGE 3	84
6.30.	FINANCIAL DERIVATIVES	86
6.31.	AGEING OF RECEIVABLES FROM FINANCE LEASES	86
6.32.	STRUCTURE OF ASSETS HELD UNDER FINANCE LEASES	87
6.33.	FUTURE OPERATING LEASE PAYMENTS OF THE LESSOR	87
7.	RELATED PARTY TRANSACTIONS	88
7.1.	TRADE RECEIVABLES AND PAYABLES	88
7.2.	SALES AND PURCHASES	91
7.3.	RECEIVED LOANS AND BORROWINGS	94
7.4.	GRANTED LOANS	94
8.	LITIGATIONS	97
9.	RISK MANAGEMENT	97
9.1.	CREDIT RISK	97
9.2.	INTEREST RATE RISK	99
9.3.	CURRENCY RISK	101
9.4.	LIQUIDITY RISK	102
	9.4.1. Financial liabilities including future contractual interest	104
10.	SUBSEQUENT EVENTS	106

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

1.1. Incorporation and Description of Business

Raiffeisen - Leasing, s.r.o. (the "Company" or "Accounting Entity") was recorded in the Commercial Register maintained by the Municipal Court in Prague, file number 29553, section C on 22 June 1994. The Company was formed through a deed of association at the beginning of 1994. The Company started its operations on 1 July 1994.

The principal business of the Company comprises:

- › provision or mediation of consumer loans;
- › valuation of immovable assets;
- › production, trade and services not listed in appendices 1 to 3 to the Trade Licensing Act. These primarily include: lease of movable and immovable assets (leases), purchase of goods for resale, provision of loans and borrowings, administrative, organisational and economic services; and
- › activities of accounting advisers, bookkeeping, and maintenance of tax records.

In addition to the principal activities, the Company is authorised to perform all activities that seem to be necessary or useful for the achievement of its interests. The Company may form branches and/or subsidiaries in the Czech Republic or abroad and be involved in their operations in any legal form.

In 2020 and 2019, the Company generated all its sales from its principal activity in the Czech Republic.

The amount of the paid-up share capital as at 31 December 2020, is TCZK 450,000 (as at 31 December 2019: TCZK 450,000).

Due to a change in the portfolio of Raiffeisen - Leasing, s.r.o. (the "Company Being Demerged"), the management of the Company Being Demerged decided to carry out a transformation in the form of a demerger by spin-off involving a merger with its subsidiary Janus Property, s.r.o. based on the demerger project prepared as of 22 November 2019 and approved by the decision of the sole member exercising the powers of the general meeting ("the Demerger Project") with 1 January 2020 as the effective date.

1.2. Entities with equity investments in the Company

Owners as at 31 December 2020	Share
Raiffeisenbank a.s., Hvězdova 1716/2b, Nusle, 140 00 Praha 4, Česká republika	100%
Total	100%

1.3. Statutory body and the supervisory board as at 31 December 2020

Statutory body	Position
Mag. Alois Lanegger	Statutory representative
Josef Langmayer	Statutory representative
Tomáš Gürtler	Statutory representative

Supervisory board	Position
František Ježek	Chairman of the supervisory board
Igor Vida	Member of the supervisory board
Tomáš Jelínek	Member of the supervisory board
Michael Hackl	Member of the supervisory board
Mag. iur. Dr. iur. Martin Stotter	Member of the Supervisory Board

1.4. Changes in the Commercial Register

The following changes were recorded in the Commercial Register in the reporting period:

- › The information about the Company's demerger by spin-off involving a merger was recorded on 1 January 2020 with company Janus Property, s.r.o.
- › The change in the address of Josef Langmayer, a statutory representative, was recorded on 19 February 2020.

1.5. Organisational structure

The Company is internally organised into the Sales Department (car financing, technology financing, real estate financing), Administration Department, Accounting Department, Risk Management Department, including asset valuation, (corporate clients and real estate, retail clients), Finance Controlling Department, Risk Controlling Department, IT Department, Legal Department and Management Support, Real Estate Legal Department, Car Fleet Management, Marketing and Product Development, Real Estate Investment Department, Secretariat, Asset Remarketing Department, Workout Department, Insurance Department, and Project Management Department. The following activities are outsourced to a company in the group: internal audit, compliance, HR activities, ALM and procurement.

As at 31 December 2020, the Company had branches with registered offices in Pardubice, Brno, Teplice and Ostrava.

1.6. Consolidation group identification

The Company is part of the Raiffeisen financial group that is controlled by Raiffeisen Bank International AG, Vienna. Raiffeisen Bank International AG prepares the consolidated financial statements which are available for public use and which comply with International Financial Reporting Standards as adopted by the European Union.

The Company is part of the consolidation sub-group of Raiffeisenbank a.s., whose registered office is located at Hvězdova 1716/2b, 140 78, Prague 4. Consolidated financial statements are prepared by Raiffeisenbank a.s. The Company does not prepare the consolidated financial statements.

2. ACCOUNTING POLICIES, GENERAL ACCOUNTING PRINCIPLES AND THEIR CHANGES

The Company used the accounting policies described in Note 3 consistently throughout the reporting period and the previous period, with the exception described in Note 2.1.

The financial statements include the statement of financial position, statement of profit and loss and other comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements, including accounting policies and explanatory comments.

The financial statements were prepared:

- › on an accrual principle;
- › on the basis that transactions and other facts were recognised at the time of their origination and recognised in the financial statements in the period to which they relate on an accrual basis;
- › and under the going concern assumption.

These financial statements were prepared on a cost valuation basis, except for financial assets and financial liabilities at fair value through profit or loss (including all financial derivatives).

The financial statements are unconsolidated and do not include the effect of financial statements of jointly controlled entities. The Company prepares the financial statements pursuant to the requirements of Act No. 563/1991 Coll., on Accounting, as amended.

The financial statements are prepared as at the balance sheet date on 31 December 2020. The reporting period is the calendar year.

These financial statements are presented in TCZK (thousands Czech crowns).

2.1. CHANGES IN ACCOUNTING POLICIES IN 2020

a) Newly applied standards and interpretations whose application has had a significant impact on the financial statements

In 2020, the Company did not use any standards or interpretations, whose application had a significant impact on the separate financial statements.

b) Newly applied standards and interpretations in the current accounting period

In the reporting period, the following standards, interpretations and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union were effective:

- › **Amendments to the Conceptual Framework for Financial Reporting** (effective for accounting periods beginning on or after 1 January 2020),
- › **Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material** (effective for annual periods beginning on or after 1 January 2020),

- › **Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments and IFRS 7 Financial Instruments: Disclosure** – Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2020),
- › **Amendments to IFRS 16 Leases** – COVID-19- Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020),
- › **Amendments to IFRS 3 Business Combinations** – Definition of a Business (effective for annual periods beginning on or after 1 January 2020),

The adoption of these amendments resulted in no changes in the Company's accounting policies.

c) Standards and interpretations issued by IASB and adopted by the European Union that will come into effect after the end of the current accounting period

- › **Interest Rate Benchmark Reform – Stage 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** – effective for annual periods beginning on or after 1 January 2021) The amendments address issues that may affect financial reporting due to the interest rate benchmark reform and deal with the impact of the changes brought on by the replacement of benchmark interest rates with alternative benchmark rates on contractual cash flows and hedging relationships.
- › **Amendments to IFRS 4 Insurance Contracts** (effective for annual periods beginning on or after 1 January 2023),

d) Standards and interpretations issued by IASB but not yet adopted by the European Union

At present, the version of standards adopted by the European Union does not significantly differ from the standards approved by IASB. The exception are the following standards, amendments and interpretations that were not adopted for use in the EU as at the date of approval of the financial statements (the effective dates listed below apply to the IFRS standards issued by the IASB).

- › **Amendments to IAS 1 Presentation of Financial Statements** – Classification of Liabilities into Current and Non-current (effective for annual periods beginning on or after 1 January 2022),
- › **Amendments to IAS 16 Property, Plant and Equipment** – Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022),
- › **Amendments to IAS 37 Onerous Contracts** – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),
- › **Amendments to IFRS 3 Business Combinations** – Reference to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022),
- › **IFRS 17 Insurance Contracts** (effective for annual periods beginning on or after 1 January 2023; to be applied prospectively. Earlier application permitted.),
- › **Amendments to various standards – Improvements of IFRS (cycle 2018 to 2020)** – amendments apply to standards IFRS 1, IFRS 9, IFRS 16 and IAS 41 (effective for accounting periods beginning on or after 1 January 2022).

The Company anticipates that in the period of their first-time adoption, the adoption of the above standards, amendments to existing standards and interpretations will have no significant impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING PRINCIPLES, POLICIES AND VALUATION METHODS

3.1. Transaction recognition date

The transaction recognition date is the day when a delivery is performed, a payable is settled, a receivable is collected, an advance payment is made or received, a shortfall, deficit, surplus or damage is determined, an asset is transferred within the reporting entity or when other events occur arising from the internal circumstances of the Company that are subject to accounting and that occurred in the Company or can be supported by relevant documents.

3.2. Intangible fixed assets and property, plant and equipment

Property, plant and equipment include internal assets with an estimated useful life greater than one year and an acquisition cost greater than TCZK 40 on an individual basis. Property, plant and equipment also include vehicles held under operating lease (fleet management).

Intangible fixed assets include internal assets with an estimated useful life greater than one year and an acquisition cost greater than TCZK 60.

The cost of fixed asset improvements exceeding TCZK 60 or TCZK 40 for the taxation period increases the acquisition cost of the related intangible fixed asset and a property, plant and equipment item, respectively. Fixed assets improvement increases the acquisition cost of the fixed assets.

Intangible fixed assets with an acquisition cost lower than TCZK 60 and property, plant and equipment with an acquisition cost lower than TCZK 40 treated as low value intangible fixed assets or property, plant and equipment are expensed in the period of acquisition. These assets are not reported on the face of the balance sheet.

Valuation

Property, plant and equipment and intangible fixed assets are stated at cost less accumulated depreciation and allowances and are depreciated in the statement of the statement of profit and loss in "General operating expenses" starting from the moment when they are ready for use, on a straight line basis over the anticipated useful lives.

Depreciation for accounting purposes

The following table shows methods and depreciation periods according to groups of assets:

Intangible fixed assets and property, plant and equipment	Method	Period
Software - Core system	Straight-line	4-10 years
Machinery and equipment I. depreciation group	Straight-line	3-4 years
Machinery and equipment II. depreciation group	Straight-line	4 years
Vehicles (company cars)	Straight-line	5 years
Vehicles (fleet management contracts)	Straight-line	Based on lease contract and determined net book value
Buildings	Straight-line	30-50 years
Right-of-use	Straight-line	based on the lease contract
Improvements on leased premises	Straight-line	72 months (based on the lease contract)

Usability of assets

The Company periodically examines the usability of assets and tests them for impairment. Regular repairs and maintenance are reported in the statement of profit and loss in "General operating expenses" in the year in which the relating expenses were incurred.

3.3. Investment property

Investment property is the property held to earn rentals or for capital appreciation (including property in the phase of construction to be used as investment property at a later date). Investment property is measured at cost including any auxiliary expenses relating to the acquisition of the property. Investment property is depreciated and recognised net of all accumulated depreciation and accumulated impairment losses for which investment property is tested annually. Impairment losses and any reduction of the losses are recognised in profit or loss.

Investment property is derecognised at sale or when the investment property is permanently removed from the use and no future economic benefits are expected from its sale. Profit or loss arising from property derecognition (determined as the difference between proceeds from the sale and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Investments in business and administrative property that were transferred to the Successor Company as part of the spin-off as of 1 January 2020 were depreciated on a straight-line basis for a period of 50 years.

3.4. Equity Investments

Equity investments in subsidiary and associated undertakings and joint ventures are recorded at acquisition cost including transaction costs less allowances for any temporary impairment losses or write-downs due to other-than-temporary impairment.

At the financial statement date or interim financial statement date, the Company assesses equity investments in subsidiary or associated undertakings and joint ventures for impairment. Impairment of equity investments in subsidiary or associated undertakings is identified as a difference between the net book value and the recoverable value of the investment. The recoverable amount is the higher of an asset's fair value and its value in use determined as a sum of discounted expected cash flows. Impairment of equity investments in subsidiary or associated undertakings is reflected through the recognition of allowances.

3.5. Financial assets

3.5.1. Classification and measurement of financial assets

IFRS 9 contains a new classification approach for financial assets that reflects the cash flow characteristics ("SPPI test") and business model in which assets are managed. Based on these criteria, the Group classifies financial instruments into the following categories:

- › financial assets measured at amortised cost ("AC");
- › financial assets measured at fair value through other comprehensive income ("FVOCI");
- › financial assets measured at fair value through profit or loss ("FVTPL").

Financial assets measured at amortised cost (AC)

A financial asset is measured at amortised cost if it is held in a business model whose objective is to hold financial assets to collect contractual cash flows, and the cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding.

In the balance sheet, financial assets at amortised cost are recognised in "Receivables from clients (net)" and include loans and advances to customers.

The amortised cost is the cost minus repayments of principal, plus accrued interest, increased or decreased by amortisation of discount or premium, if any, and decreased by expected credit losses using a loss allowance. The amortised cost is calculated using the effective interest rate method. Fees and related transaction costs are an integral part of the effective interest rate. All loans and advances are recognised when funds are provided to customers. Interest income from financial assets at amortised cost is reported in the statement of profit and loss in "Interest income and similar income". Impairment losses are reported in the statement of profit and loss in "Impairment losses on impaired client receivables and off-balance sheet exposures".

Financial assets measured at fair value through other comprehensive income ("FVOCI")

Debt instruments can be measured at fair value through other comprehensive income if they are held in a business model whose objective is collecting contractual cash flows from selling and at the same time the cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. Unrealised gains and losses on debt securities are recognised directly in other comprehensive income. Upon sale, cumulated gains and losses are reclassified from other comprehensive income to profit or loss. Currently, the Company does not measure any debt instrument at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets are measured at fair value through profit or loss if the cash flows do not meet the conditions of the contractual cash flow characteristics test or present a part of the business model whose objective is to hold financial assets to realise their value through sale.

In addition, the Company may, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Company currently does not use this option.

Analysis of contractual cash flow characteristics

As part of the analysis of contractual cash flow characteristics, the Company assesses whether the contractual cash flows from loans and debt securities represent solely payments of principal and interest (SPPI) on the principal amount outstanding. Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic and lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company will consider:

- › contingent events that would change the amount and timing of contractual cash flows;
- › leverage;
- › prepayment and extension terms;
- › terms that limit the entity's claim to cash flows from specified assets; and
- › features that modify consideration for the time value of money.

Business model

The definition of the Company's business models reflects how groups of financial assets are managed together to achieve a particular business objective. In assessing the objective of a business model, the Company primarily considers the following information:

- › the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, the Company considers whether the management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- › how the performance of the business model is measured and reported to the Company's key management personnel;
- › the risks that affect the performance of the business model and financial assets held within this business model, and how those risks are managed;
- › how managers of the entity are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

the Company classifies financial assets into the following two business model categories:

- (i) "Hold and collect contractual cash flows"; and
- (ii) "Derivatives held for risk management purposes".

The Company does not have any other business models.

(i) "Hold and collect contractual cash flows" business model

Loans and debt securities in the "hold and collect contractual cash flows" category are held for the purpose of acquiring contractual cash flows over the entire useful life of the instrument. The Company expects and has intention and ability to hold these loans and debt securities to maturity. When determining whether cash flows will be generated by collecting financial assets' contractual cash flows, the Company assesses the frequency, value and timeline of sales in previous periods as well as reasons why these sales were carried out and expectations regarding the future selling activities within the given portfolio.

The Company considers the following sales to be consistent with the “hold and collect contractual cash flows” business model:

- › a sale as a result of an increase in the credit risk associated with a financial instrument, irrespective of the frequency and value;
- › a sale carried out to manage credit risk concentration if this sale is unique (even if material in terms of its value) or immaterial in terms of value but frequent.

(ii) “Derivatives held for risk management purposes” business model

Derivative transactions categorised as falling in the “hold and collect contractual cash flows” category represent hedging derivatives intended to manage the Company’s interest rate and currency risks. Hedging derivatives are used according to the type of hedging relationship, i.e. fair value hedges or cash flow hedges.

3.5.2. Impairment of financial assets

IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses (“ECL”) relating to an increase in the borrower’s credit risk.

The Company determines impairment of financial assets using the ECL model in respect of the following financial assets:

- › Financial assets at amortised cost;
- › Receivables from finance leases;
- › Financial guarantees and loan commitments.

For the purpose of calculating loss allowances, IFRS 9 requires using a new three-stage model that evaluates changes in portfolio quality since initial recognition as at the reporting date.

Stage 1 includes financial assets the credit risk of which has not increased significantly since initial recognition and assets with low credit risk as at the reporting date. The 12-month expected credit losses are recognised for all assets in this category. Interest income is calculated on the basis of the gross carrying amount of financial assets. The parameters of the probability of default (“PD”), loss given default (“LGD”), the amount of the receivable, qualitative and statistical data on contracts and data on future contractual cash flows are taken into account in the calculation. In addition, macroeconomic factors need to be considered in the calculation.

Stage 2 includes financial assets the credit risk of which has increased significantly since initial recognition but for which there is no objective evidence of impairment. Expected credit losses are recognised for these assets over their lifetime. Interest income is calculated on the basis of the gross carrying amount of financial assets. The same parameters need to be considered in the calculation as for the calculation in Stage 1.

Stage 3 includes financial assets for which there is objective evidence of the borrower’s default. Expected credit losses (loss allowances) are recognised for these assets over their entire lifetime. Interest income is calculated on the basis of the net carrying amount of the assets. Allowances for corporate clients for Stage 3 are calculated as estimated loss over the entire useful life of the contract using a minimum of two scenarios (Going concern, Gone concern) with a corresponding probability of implementation. The scenarios are prepared based on expected cash flow (client/contractual cash flow, hedging implementation, expected supply in insolvency proceeding, etc.). Allowances for retail clients for Stage 3 are estimated using the BEEL (best expected estimate of loss) method.

The default of the borrower (receivable) is defined as a situation when at least one of the following conditions is met:

- › It can be assumed that the borrower is unlikely to repay in full his loan obligation to the Company, its parent or any of its subsidiaries without the Company taking steps such as hedging implementation;
- › Any of the borrower's substantial credit obligations to the Company, its parent or any of its subsidiaries is more than 90 days overdue.

Purchased or originated credit-impaired financial assets ("POCI") are those financial assets that are credit-impaired on initial recognition. Their expected credit loss is always measured on a lifetime basis.

Expected credit losses (ECL)

The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of the money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

I. General approach

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and fair value through other comprehensive income is an area that requires the use of complex models and significant assumptions about future economic conditions and payment behaviour. Significant judgements are required in applying the accounting requirements for measuring expected credit losses, inter alia:

- › Determining criteria for significant increase in credit risk;
- › Choosing appropriate models and assumptions for the measurement of expected credit losses;
- › Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated expected credit losses;
- › Establishing groups of similar financial assets for the purposes of measuring expected credit losses.

For the Company (as defined in the methodology of Raiffeisen Bank International Group), credit risk arises from the risk of suffering financial loss should any customers, clients or market counterparties fail to fulfil their contractual obligations. Credit risk arises mainly from commercial and consumer leases, loans and loan commitments arising from such lending activities, but can also arise from financial guarantees given, such as, credit guarantees.

The estimation of the credit risk for risk management purposes is complex and requires the use of models, as the risk varies with changes in market conditions, expected cash flows and the passage of time. The assessment of the credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and related default indicators. The Bank measures credit risk using the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). This is the predominant approach used for the purposes of measuring expected credit losses under IFRS 9.

Financial instruments in Stage 1 have their expected credit loss measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next twelve months. Instruments in Stage 2 have their expected credit losses measured based on expected credit losses on a lifetime basis. Instruments in Stage 3 have their expected credit losses measured based on the best

expected estimate of loss method (“BEEL”) in the retail segment, and based on individual method in the non-retail segment. According to IFRS 9, when measuring expected credit losses it is necessary to consider forward-looking information.

II. Significant increase in credit risk

Raiffeisen Bank International (“RBI Group”) (note: the methodology is implemented by the Company) considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

The RBI Group uses quantitative criteria as a primary indicator of a significant increase in credit risk for all portfolios.

Upon meeting the below criteria, the instrument is transferred to Stage 2:

- › 30 days past due;
- › Based on expert opinion, i.e. holistic flag.

For financial institutions’, corporate and project finance portfolios, this transfer occurs if the debtor meets one or more of the following criteria:

- › the debtor is transferred to PreWorkout Action in the Early Warning System (EWS);
- › the quantitative criterion – the lifetime PD curve at reporting date is compared with the forward lifetime PD curve at the date of initial recognition. To make the two curves comparable, the PDs are scaled down to annualized PDs. A significant increase in credit risk is considered to have occurred if the PD increase was 250% or higher. For longer maturities the threshold of 250% is reduced to account for a maturity effect.

Based on the current market practice, the RBI Group has decided on thresholds at which a financial instrument must be transferred to Stage 2.

For retail exposures, the simplified model of rating assignment is used consisting of two stages. If we observe more than 30 days past due or we provide a concession (and at the same time, we find the client in financial difficulties) or based on a professional assessment (i.e. a holistic flag), the transfer to Stage 2 follows and at the same time a worsened PD curve is assigned.

III. Definition of default

The definition of default used to calculate the expected credit losses is identical to the definition of default used for internal credit risk management. Default is evaluated based on both quantitative and qualitative indicators.

The debtor is considered a debtor in default if it is in default of a specific material credit liability for over 90 days. No attempt is made to rebut the presumption that financial assets which are more than 90 days past due are to be shown in Stage 3.

The new definition of default also presents a new definition of the days past due (“DPD”). DPD calculation considers all receivables from the specific client and not just individual contracts.

DPD calculation starts when the debt past due exceeds the materiality threshold set by the Company.

In case of partial repayment where the debt remains above the materiality threshold set by the Company, the DPD calculation shall not take into account the DPD from other receivables of the same debtor which becomes the eldest unpaid receivable but continues with DPD calculation for the client as if the payment was not made.

The debtor is also considered in default if it meets the criteria for unlikeness to pay which show that the debtor has material financial difficulties and it is unlikely the debtor could pay any credit liability in full. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout expected loss calculations of RBI Group. A credit obligation is considered to no longer be in default after a probation period of minimum 3 months (12 months after a distressed restructuring), where during the probation period the debtor demonstrated good payment discipline and no other indication of unlikeness to pay was observed.

The new definition of default represents a significant change in the approach to the definition of default which requires the banks to re-evaluate their models for PD and LGD estimates as they must be done over recalculated historical data.

The new definition of default impacts two areas of the profit and loss:

- › The first is the increase or decrease of expected credit losses due to the change in the credit quality stage, namely the change in the volume of stage 3.
- › The second is the decrease or increase of expected credit losses due to adjustments to the stage 1 and 2 model to new default levels.

Due to the nature of the changes, the impact of the first change will not be completely offset by the impact of the second. ECL adjustments shall increase due to the change in the calculation of the DPD, result of cross default of several contracts of one individual – debtor, and longer probation periods.

IV. Explanation of inputs, assumptions and ECL calculation techniques

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. Expected credit losses are the discounted product of the probability of default (PD), loss given default (LGD), exposure at default (EAD) and discount factor (D).

Probability of Default (PD)

The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation. Various statistical methods are used to generate an estimate of how the default profile will develop from the point of initial recognition throughout the lifetime of the loan or portfolio of loans. The profile is based on historical observed data and parametric functions.

Different models have been used to estimate the default profile of outstanding lending amounts and these can be grouped into the following categories:

- › Corporate customers, project finance and financial institutions the default profile is generated using a parametric survival regression (Weibull) approach. Forward looking information is incorporated into the probability of default using the Vasicek one-factor model. The default rate calibration is based on the Kaplan-Maier methodology with withdrawal adjustment.

- › For retail leases and retail lending, the default profile is generated using the Kaplan-Maier methodology for parametric survival regression in the month from the exposure start and following default in competing risk frameworks.

Loss Given Default

Loss given default represents the Company's expectation of the extent of loss on a defaulted exposure. Loss given default varies by type of counterparty and product. Loss given default is expressed as a percentage loss per unit of exposure at the time of default.

Different models have been used to estimate the loss given default of outstanding lending amounts and these can be grouped into the following categories:

- › For corporate customers, project financing, and financial institutions, the loss given default is generated by discounting cash flows collected during the workout process. Forward looking information is incorporated into the loss given default using the Vasicek one-factor model.
- › For retail leases and retail lending, the LGD is generated using discounted cash flows acquired through the collection process, which comprise two main sources – direct payments by the client and sale of seized vehicles. The cost of the debt recovery and collection is deducted from the cash flows.

Exposure at Default

Exposure at default is based on the amounts the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. Where relevant early repayment/refinance assumptions are also considered in the calculation.

For off-balance exposures, the exposure at default is predicted by taking current undrawn balance and using a credit conversion factor, which allows for the expected drawdown of the remaining limit by the time of default. The prudential regulatory margins are removed from the credit conversion factor.

Discount Factor

The discount rate used in the expected credit loss calculation equals the effective interest rate.

Calculation

The expected credit loss is the product of PD, LGD and EAD times the probability not to default prior to the considered time period. The latter is expressed by the survivorship function S . This effectively calculates future values of expected credit losses, which are then discounted back to the reporting date and summed. The calculated values of expected credit losses are then weighted by forward looking scenario.

V. Forward looking information

Both the assessment of significant increase in credit risk and the calculation of expected credit losses incorporate forward-looking information. RBI Group has performed historical data analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the probability of default, loss given default and exposure at default vary by category type. Forecasts of these economic variables (the base economic scenario) are provided by Raiffeisen Research on a quarterly basis and provide the best estimate view of the economy over the next three years. The set of forward looking information also includes the currently assumed state of the credit cycle (in form of the so called 'credit clock') and the derived outlook of the credit cycle development. After three years, a mean reversion approach has been used to project the economic variables for the full remaining lifetime of each instrument, which means that economic variables tend to either a long-term average rate or a long-term average growth rate until maturity. The impact of these economic variables on the probability of default, loss given default and exposure at default has been determined by performing statistical regression to understand the impact changes in these variables have had historically on default rates and on the components of loss given default and exposure at default.

In addition to the base economic scenario, Raiffeisen Research also estimates an optimistic and a pessimistic scenario to ensure non-linearities are captured. Expert judgment on idiosyncratic risks has also been applied in this process on the level of Raiffeisen Research in coordination with RBI Group risk management, resulting in selective adjustments to the to the optimistic and pessimistic scenarios. In case of a potential negative or positive forecast bias of selected macroeconomic indicators a potential bias correction might be performed on a single country level.

The probability-weighted expected credit losses are determined by running each macro scenario represented by the macro-coefficient vectors which reflect the increase/decrease of the future ECL against the average ECL estimate for the period in the future. For retail, the period comprises future months, and for non-retail, future years. The macro coefficients are multiplied by an average estimate for the relevant ECL model for the period in future and by appropriate scenario weighting.

The probability-weighted expected credit losses are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the future outcomes and cover any potential non-linearities and asymmetries within the Company's different portfolios.

The Company accepts economic scenarios from Raiffeisen Research. In retail segment, the Company applies its benchmark models of macro-economic coefficients for PD and LGD. In non-retail, the coefficients are applied directly by RBI to the calculation of loss allowances. Below are the most significant presumptions used in the estimates of the macro-economic coefficients:

Real GDP	Scenario	2021	2022	2023
Czech Republic	Optimistic	2.8%	7.4%	2.7%
	Base	1.0%	6.0%	1.8%
	Pessimistic	(1.5%)	4.1%	0.5%

Unemployment	Scenario	2021	2022	2023
Czech Republic	Optimistic	5.1%	5.2%	4.7%
	Base	6.4%	6.2%	5.4%
	Pessimistic	8.2%	7.6%	6.3%

Lifetime bond rate	Scenario	2021	2022	2023
Czech Republic	Optimistic	0.4%	0.8%	1.4%
	Base	1.1%	1.4%	1.7%
	Pessimistic	3.0%	2.8%	2.7%

The weightings assigned to each scenario at quarter end are as follows:

- › 25% for the optimistic scenario;
- › 50% for the base scenario;
- › 25% for the pessimistic scenario.

Sensitivity analysis

The following presumptions have the largest impact on ECL sensitivity:

- › Gross domestic product;
- › Unemployment;
- › Lifetime bond rate.

The table below provides a comparison between the reported accumulated impairment for expected credit losses for financial assets in Stage 1 and 2 (weighted by 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios) and then each scenario weighted by 100 % on their own. The optimistic and pessimistic scenarios do not reflect extreme cases, but the average of the scenarios which are distributed in these cases.

31 December 2020 – Accumulated impairment (Stage 1 & 2)

TCZK	Reported	Optimistic	Base	Pessimistic
Retail exposures	37,352	35,437	37,005	39,959
Non-retail exposures	124,140	117,776	122,989	132,807
Total	161,492	153,213	159,994	172,766

31 December 2019 – Accumulated impairment (Stage 1 & 2)

TCZK	Reported	Optimistic	Base	Pessimistic
Retail exposures	3,122	2,986	3,088	3,328
Non-retail exposures	56,471	54,006	55,844	60,190
Total	59,593	56,992	58,932	63,518

The table below shows the impact of staging on the Company's accumulated impairment for financial assets by comparing the reported amounts accumulated for all performing assets subject to the above calculation with the special case where all accumulated impairment is measured based on 12 month expected losses (Stage 1).

31 December 2020 – Accumulated impairment (Stage 1 & 2)

TCZK	Reported	Accumulated impairment (Stage 1)	Decrease of allowances
Retail exposures	37,352	5,851	(31,501)
Non-retail exposures	124,140	75,403	(48,737)
Total	161,492	81,254	(80,238)

31 December 2019 – Accumulated impairment (Stage 1 & 2)

TCZK	Reported	Accumulated impairment (Stage 1)	Decrease of allowances
Retail exposures	3,122	2,868	(254)
Non-retail exposures	56,471	39,870	(16,601)
Total	59,593	42,738	(16,855)

The table below shows the impact of staging on the Company's accumulated impairment for financial assets by comparing the reported amounts accumulated for all performing assets subject to the above calculation with the special case where all accumulated impairment is measured based on 12 month expected losses (Stage 2). As there are no historical data on the use of stages, it is impossible to estimate adequate increase at present. However, we do not expect the share of assets in Stage 2 to ever reach 100%.

31 December 2020 – Accumulated impairment (Stage 1 & 2)

TCZK	Reported	Accumulated impairment (Stage 2)	Increase of allowances
Retail exposures	37,352	195,870	158,518
Non-retail exposures	124,140	234,930	110,790
Total	161,492	430,800	269,308

31 December 2019 – Accumulated impairment (Stage 1 & 2)

TCZK	Reported	Accumulated impairment (Stage 2)	Increase of allowances
Retail exposures	3,122	58,064	54,942
Non-retail exposures	56,471	139,143	82,672
Total	59,593	197,207	137,614

Write-offs

Loans and debt securities are written-off (either partially or fully) where there is no reasonable expectation of recovery. This happens when the borrower does not have any operating income and collateral values cannot generate sufficient cash flows to repay amounts subject to the write-off.

Receivables are written-off if the financed item has been sold and the income from the sale was not sufficient to cover the receivable, and further successful recovery from the debtor does not seem likely. Only then are the receivables written-off.

3.6. Provisions

Provisions are probable liabilities of uncertain timing or amount. Provisions are recognised only when all of the following criteria are met:

- › The Company has a present obligation (legal or constructive) as a result of a specific past event;
- › It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- › A reliable estimate can be made of the amount of the obligation.

The Company recognises provisions for outstanding vacation days of employees, litigations, bonuses paid to the management and employees, and other provisions relating to the operations of the Company.

3.6.1. Provisions for off-balance sheet items

In off-balance assets, the Company reports potential receivables relating to guarantees issued and binding credit promises (undrawn portion). Loss allowances to estimated losses of these receivables are created based on the same principles as loss allowances to financial assets. Changes in these provisions are reported in "Impairment losses on client receivables and off-balance sheet exposures".

3.7. Trade payables

Trade payables are stated at carrying amount using the effective interest rate method.

3.8. Received loans

Received loans are stated at carrying amount using the effective interest rate method.

Interest on loans is accrued and reported in the profit or loss for the period to which it relates on an accrual basis.

3.9. Financial Derivatives

The Company uses derivative instruments to hedge the risks. In order to provide economic hedging of its interest rate and currency risks, the Company concludes interest rate swaps and forwards. This interest risk ensues from different interest rates of assets and liabilities.

Derivatives measurement

As at the date of acquisition, derivatives are measured at fair value. As at the date of the financial statements, derivatives are remeasured at fair value, which is based upon quoted market prices or pricing models based on qualified fair value measurement of all expected cash flows taking into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions.

Fair value changes in respect of trading derivatives are recognised as a financial expense or income as appropriate.

Fair value changes in respect of derivatives that are classified as fair value hedges are also included in financial expenses or income together with the relevant change of the fair value of the hedged asset or liability attributable to the hedged risk.

Fair value changes in respect of derivatives that are classified as cash flow hedges are recognised in profit and loss and in equity through the revaluation gains or losses on assets and liabilities in the balance sheet. The ineffective portion of the hedge is reported directly in financial expenses or income as appropriate.

Fair values are reported in the statement of financial position as "Positive fair value of financial derivative transactions" and "Negative fair value of financial derivative transactions". Realised and unrealised gains and losses are recognised in the statement of profit and loss line "Profit or loss from derivative transactions".

In addition, the Company recognises accrued interest income and expenses of interest rate swaps which are reported as net interest income or expense under interest income or interest expenses in the statement of profit and loss as appropriate.

Embedded Derivatives

The Company does not separate embedded foreign currency derivatives denominated in EUR from the host contracts which represent lease contracts concluded in EUR. The Company acts on the assumption that EUR is the commonly used currency in lease contracts in the Czech economic environment. The above lease contracts are also funded in EUR.

Fair value hedges

In the prior accounting period, the Company had a derivative in the form of interest swap (hedging instrument) which hedged a provided loan (hedged item) to hedge against interest rate risk at the credit risk level. In order to prevent fluctuations in profit or loss due to the remeasurement of derivative instruments to fair value the Company applied the fair value hedge method to its profit or loss.

The derivative instrument complied with the following conditions:

- › at the inception of the hedging, a decision was made on the hedged item, the hedging instrument, the risks to be hedged and the method of calculation and evidence supporting effectiveness of hedging; the hedging relationship is formally documented;
- › the hedging is highly effective (ranging from 80% to 125%); and effectiveness of hedging is reliably measurable and is continuously assessed as of the date of hedging inception and at the end of each calendar month.

The derivative instrument was measured at fair value. In line with the accounting policies, profit or loss arising from the changes in the fair value of the hedged item and the hedging instrument were recognised

in income or expenses when the fair value hedge method is applied. Interest income and expenses arising from the derivative instrument were recognised together with the interest expense of the hedged granted loans to interest expenses.

In 2019, the above fair value measurement was terminated due to interest rate swap termination (hedging instrument).

Cash flow hedges

The Company has concluded interest rate swaps (hedging instruments) to hedge cash flows from received loans (hedged items) to hedge against interest rate risk. The Company decided to apply hedge accounting to prevent fluctuations of profit and loss caused by remeasurement of derivatives to fair value. The Company classified the transaction as a cash flow hedge. As of the balance sheet date, the hedging interest rate swap is measured at fair value, with the effective portion of the hedging instrument being recognised through equity.

The derivative instrument complies with the following conditions:

- › at the inception of the hedging, a decision was made on the hedged item, the hedging instrument, the risks to be hedged and the method of calculation and evidence supporting effectiveness of hedging; the hedging relationship is formally documented;
- › the hedging is highly effective (ranging from 80% to 125%); and effectiveness of hedging is reliably measurable and is continuously assessed as of the date of hedging inception and at the end of each calendar month.

In 2019, the above cash flow hedges were terminated as the received loans (hedged items) were repaid. The effective part of the hedging instrument was reclassified from equity to profit and loss. Interest rate swaps are further reported as trading derivatives.

3.10. Leases

Under IFRS 16, in assessing whether the contract contains a lease, the economic basis of the transaction is taken in to account, i.e. whether the contract conveys the right to control and to use an identifiable asset for a period of time in exchange for consideration.

Another IFRS 16 requirement is separating the lease-related parts of contract from the non-related. Each lease-related part must be reported separately. An independent lease means that:

- › the lessee can make use of the subject of the use either separately or in connection with other resources at its disposal;
- › the subject of the lease is not highly dependent on or related to other assets in the contract.

Payments which do not transfer any goods or services to the lessee may be related to the contract. These include for instance insurance, property tax, etc. The payments are part of fixed payments and appear both in the price of the liability and the price of the lease asset.

Parts of the contract not related to the lease are reported by the lessee/lessor according to relevant principles. This may include e.g. cleaning services, water and sewage charges, and utilities.

3.10.1. The Company as a lessor

The Company provides financing in the form of finance and operating leases. The Company determines the lease form at the product level. Products in whose financing there is a significant transfer of remuneration and risks relating to the ownership of the financed assets from the lease provider to the lease beneficiary are reported as finance leases.

The accounting treatment of finance lease

Long-term, gradually amortised receivable (over the contract period) is recorded in "Receivables from clients". The payment for the provision of finance is the interest that is reported in the statement of profit and loss in "Interest income and similar income". The income from finance leases is allocated to reporting period in order to reflect a constant periodic level of return of the net investment of the Company in finance leases.

The gross investment in leases is the total of lease payments from the perspective of the lessor that will be made in the lease period plus potential uncollateralised net book value of a specific asset.

The difference between the gross investment in leases and unrealised financial income is the "net investment in leases".

The original direct expenditure directly related with the lease are timely deferred over the duration of lease contract.

The calculation method for finance lease receivables impairment is described in chapter 3.5.

The accounting treatment of operating lease

Vehicles held under operating leases are accounted for as property, plant and equipment (refer to Note 3.2).

The income from operating lease is accounted for when it originates and is recognised through "Other operating income".

Services relating to operating lease are accounted for when they originate and are recognised through "Other operating expenses".

Operating lease receivables impairment is calculated by a simplified method based on the expected loss throughout the term of the receivable.

3.10.2. The Company as a lessee

Under IFRS 16, a lessee recognises a right-of-use asset and a lease liability. A right-of-use asset is initially measured at cost and is subsequently depreciated until the end of its useful life or until the end of the lease contract term. The Company reports the right-of-use of leased assets in "Property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments which have not been paid as at the effective date of the lease contract, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. Lease payments entering into the calculation of the lease liability measurement include fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option that the lessee is reasonably certain to exercise and payments for terminating the lease if the lease term reflects early termination.

Subsequently, the lease liability is measured at carrying amount plus the relevant interest and less lease payments made, and remeasured to take into account a modification or reassessment of the lease.

Lease liabilities are reported in the statement of financial position in "Other liabilities". Interest is reported in the statement of profit and loss in "Interest expense and similar expense".

In applying IFRS 16, the Company applies exemptions for lease terms of 12 months or less and not containing a purchase option (short-term leases), and exemptions for leases when the underlying asset has a low value when new. The Company sets the low-value limit at TCZK 129. In such cases, the right-of-use asset or the relating liability is not reported and the relevant payments are reported in the statement of profit and loss in "General operating expenses".

3.11. Income and Expense Recognition

3.11.1. Interest income and expense

Interest income and expense are recognised in the statement of profit and loss lines "Interest income and similar income" and "Interest expense and similar expense" when earned or incurred, on an accrual basis.

The Company accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows as at the maturity date to the present value. Fees and commissions directly related to the provision of financing (e.g. commissions to third parties) are included in the calculation of the effective interest rate.

Income from finance lease receivables are recognised in "Interest income and similar income".

3.11.2. Fee and commission income

Fees and commissions revenues comprise administrative fees (e.g. early settlement fees, change in the repayment schedule or contract cession), and bonuses for mediation of insurance.

3.11.3. Dividends

Income from dividends on equity investments is recorded as declared and included as a receivable in the statement of financial position line "Other assets" and in "Dividend income" in the statement of profit and loss. Upon receipt of the dividend, the receivable is offset against the collected cash.

Dividends reduce retained earnings in the period in which their payment is approved by the annual general meeting.

3.11.4. Other income and expenses reported in the statement of profit and loss

Other income and expenses presented in the statement of comprehensive income are recognised under the accrual basis of accounting, i.e. in the period to which they relate in terms of substance and time irrespective of the moment of their payment or receipt.

3.12. Income tax

The income tax for the period is composed of current income tax and movements in deferred tax.

3.12.1. Current income tax

The current income tax is based on taxable profit for the reporting period. The profit of the current period is adjusted by adding non-tax-deductible expenses and deducting income that is exempt from income tax. In addition, it is adjusted by tax relief. The calculation of the tax payable is made at the end of the taxation period in accordance with Act No. 586/1992 Coll., on Income Taxes. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

3.12.2. Deferred tax

Deferred tax is accounted for using the balance sheet liability method.

Under the liability method, deferred tax is calculated at the income tax rate that is expected to apply in the period when the tax liability is settled or the asset realised. The balance sheet liability method focuses on temporary differences which are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount that will be deductible for tax purposes in the future.

The deferred tax asset or deferred tax liability are determined as the sum of all products of the resulting temporary differences and the tax rate that is expected to apply in the period in which individual differences will be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the statement of profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet.

3.13. Foreign currency translation

The functional and presentation currency of the Company is the Czech crown (CZK). Transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank prevailing on the date preceding the date of the transaction.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date. Any resulting foreign exchange gains or losses are recognised as financial income or financial expenses as appropriate and reported in "Foreign exchange rate gains or losses".

Fixed assets acquired in foreign currencies are recognised in Czech crowns using the foreign exchange rate applicable when these assets were acquired or individual items of assets were included into assets.

Unrealised foreign exchange rate gains or losses are recognised in the profit or loss of the current period.

Income or expenses denominated in foreign currencies are reported in Czech crowns and are retranslated using the foreign exchange rate of the Czech National Bank as of the transaction date. Any resulting foreign exchange gains or losses are recognised as other financial income or other financial expenses as appropriate and are reported in "Foreign exchange rate gains or losses".

3.14. Use of estimates

The presentation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Actual results may differ from the estimates.

The Company regularly reviews its portfolio of receivables arising from leases and advanced loans for potential impairment. Receivables past their due dates are allowed for in accordance with internal guidelines. The allowance recognition policy is disclosed in Note 3.5.

3.15. Statement of cash flows

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance.

Cash and cash equivalents can be analysed as follows:

TCZK	31 Dec 2020	31 Dec 2019
Cash on hand and cash in transit	72	93
Cash at bank	415,537	400,440
Total cash and cash equivalents	415,609	400,533

The cash flow statement is segmented into cash flows from operating, investment and financial activities.

Reconciliation of liabilities arising from funding, including changes arising from cash flows and non-cash changes:

TCZK	As at 1 January 2020	Cash flows		Non-cash changes		As at 31 December 2020
		Inflow	Outflow	Other non-cash changes	Remeasurement of foreign currency positions	
Liabilities to bank institutions	20,433,083	10,880,753	(10,999,436)	-	198,986	20,513,386
Lease liabilities	44,479	-	(8,114)	(6,070)	1,515	31,810

TCZK	As at 1 January 2019	Cash flows		Non-cash changes		As at 31 December 2019
		Inflow	Outflow	Other non-cash changes	Remeasurement of foreign currency positions	
Liabilities to bank institutions	17,462,562	13,328,044	(10,282,291)	-	(75,232)	20,433,083
Lease liabilities	51,589	-	(8,569)	2,047	(588)	44,479

4. THE COMPANY'S DEMERGER BY SPIN-OFF INVOLVING A MERGER WITH JANUS PROPERTY, S.R.O. ("THE SUCCESSOR COMPANY")

4.1. Reasons for and conditions of the demerger by spin-off involving a merger

Due to the change in the Company's portfolio, the Company's management decided to carry out a transformation in the form of a demerger by spin-off involving a merger with Janus Property, s.r.o., its subsidiary (the "Successor Company"), based on the Demerger Project prepared as of 22 November 2019 and approved by the decision of the sole member exercising the powers of the general meeting with 1 January 2020 as the effective date. By recording the demerger of Raiffeisen - Leasing, s.r.o. in the Commercial Register, the identified part of its business assets was transferred to the Successor Company.

The Company Being Demerged will continue to legally exist and is not being dissolved; instead, identified parts of its business assets are being transferred to Janus Property, s.r.o.

4.2. Accounting for the Demerger Project

Further, it has been described which items of the financial statements of the Company Being Demerged subject to the spin-off to the Successor Company were transferred as at the date preceding the effective date (i.e. 31 December 2019).

TCZK	31 Dec 2019	Spin-off part	01 Jan 2020
ASSETS			
Cash and balances with banks payable on demand	400,533	5,038	395,495
Receivables from clients	20,916,116	-	20,916,116
Positive fair values of financial derivatives	9,489	-	9,489
Equity investments in subsidiaries	458,130	-	458,130
Intangible fixed assets	40,949	-	40,949
Property, plant and equipment	1,015,446	-	1,015,446
Investment property	145,949	145,949	-
Current tax assets	17,027	-	17,027
Other assets	214,680	6,312	208,368
TOTAL ASSETS	23,218,319	157,299	23,061,020

TCZK	31 Dec 2019	Spin-off part	01 Jan 2020
LIABILITIES			
Liabilities to bank institutions	20,433,083	-	20,433,083
Payables to clients	194,732	137,945	56,787
Negative fair values of financial derivatives	867	-	867
Deferred tax liability	159,197	(1,027)	160,224
Provisions	40,775	-	40,775
Other liabilities	154,284	688	153,596
TOTAL LIABILITIES	20,982,938	137,606	20,845,332

5. IMPACT OF THE COVID-19 PANDEMIC ON FINANCIAL STATEMENTS

The outbreak of the COVID-19 pandemic in February 2020 on the European continent affected the Company's operational and strategic goals. In response to the pandemic and the related declaration of the state of emergency by the Czech government on the entire Czech Republic's territory as of 12 March 2020 lasting until 17 May 2020 and to protect its employees and clients, the Company adopted measures which are being regularly monitored and assessed by the Company's management.

The Company also introduced a number of measures to protect the health of its employees and clients. To this end, supplies of necessary hygienic equipment on the Company's working premises were reinforced. The Company enabled almost all its employees to work from home for extended periods of time. In connection with this, necessary communication means were implemented and vital technical measures were secured allowing this working-from-home regime even in the long term. In addition, the Company optimised the distribution and number of work stations at the Company's working premises combined with support to long-term work from home for a vast majority of the Company's employees.

Of its own accord during March 2020, the Company started to offer to suspend the repayment of finance and operating leases and loans provided to clients from among the ranks of citizens, entrepreneurs and companies for a period of three to six months. On 1 April 2020, the Czech government approved the draft of an act on some measures in the loan repayment area (incl. finance leases) in connection with the COVID-19 pandemic, allowing the introduction of payment moratoria. The Company enabled clients who applied for the statutory moratorium to postpone payments for the period from 31 July 2020 to 31 October 2020. This statutory moratorium on the repayment of loans (incl. finance leases) also included the determination of the maximum interest rate for consumer loans of 8% over a two-week repo rate announced by the Czech National Bank (0.25%). Companies were not allowed to charge clients any penalties or interest on default during this moratorium. Even after the statutory moratorium, the Company approached applications for the deferral of payments with understanding, and continued to voluntarily enable its clients to postpone the payments of loans and leases (both finance and operating) by 3 to 6 months under agreed terms and conditions. The statutory moratorium and the voluntary deferral of payments resulted in over 1,470 approved applications totalling MCZK 4,123 (gross) of receivables from clients as at 31 December 2020. Approximately 180 approved applications totalling MCZK 391 relate to voluntary/private moratoria and 1,362 applications totalling MCZK 3,732 were approved under the statutory moratorium.

Under IFRS 9, a loan moratorium leads to the modification (change) in the contractual cash flows of a financial asset. The Company assessed this modification as an immaterial modification of financial assets not leading to the derecognition of the original financial asset (i.e. cash flows from the original financial asset and the modified financial asset are not substantially different). The profit or loss from the modification equals the difference between the gross carrying amount of the loan before the modification and the net present value of cash flows of the modified financial asset discounted by the original effective interest rate. The Company did not recognise any loss from the modification in the statement of comprehensive income as their amounts were immaterial.

In compliance with a recommendation from the EBA, the granting of a private or public moratorium to a client is not automatically considered an indicator of a significant increase in credit risk leading to the deterioration in the stage of the exposure. On the other hand, a client's stage may deteriorate based on an individual assessment as part of extraordinary and regular monitoring or during the annual rating renewal. In assessing whether a significant increase in credit risk occurred, the Company continues to apply a summary of qualitative, quantitative and additional criteria.

The Company regularly monitors the development of clients who were in the regime of moratoria on loan repayments with the aim of (i) setting up the personnel capacity for debt collection for the expected wave of default on liabilities upon the end of the legislative moratorium, (ii) regularly estimating any future impacts on the statement of profit and loss. The ongoing work and activities mainly consist of: i) dynamic monitoring of risk indicators, ii) client research.

The Company closely monitors the segments most affected by the COVID-19 pandemic (hospitality industry, tourism, entertainment, transport, etc.). The Company deems that the expected credit risk in these segments is included in the forward-looking components and algorithm for the classification into credit risk stages used in IFRS 9 models.

The economic outlook currently remains uncertain due to the COVID-19 pandemic. Based on the assessment of the current situation and possible scenarios of future development, the Company's management expects that in the next periods, the Company's profit and loss will remain profitable and the Company's economic results and liquidity position will be sufficient and not give rise to a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

6. ADDITIONAL INFORMATION TO THE FINANCIAL POSITION STATEMENT, STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

6.1. Interest income and similar income

TCZK	2020	2019
from financial assets at amortised cost based on the effective interest rate	346,706	349,770
<i>of which: interest from impaired assets</i>	9,713	13,662
<i>of which: interest on the default from impaired assets</i>	1,924	2,294
from finance leases receivables	228,688	233,697
<i>of which: interest from impaired assets</i>	6,772	9,535
from financial derivatives – IRS	4,964	12,325
Total interest income and similar income	580,358	595,792

The income of the Company is primarily generated from the provision of financing contracts (leases, consumer loans, credit financing and instalment sale) and related services provided to clients. The Company generated all sales from principal activities in 2020 and 2019 in the Czech Republic.

6.2. Interest expense and similar expense

TCZK	2020	2019
From loans at banks	(52,621)	(84,698)
from lease liabilities	(206)	(241)
From financial Derivatives	(880)	(1,242)
Total interest expense and similar expense	(53,707)	(86,181)

In 2020, the decrease in interest expense from loans at banks was primarily caused by a decline in market interest rates.

6.3. Impairment losses from receivables from clients and off-balance sheet exposures

TCZK	2020	2019
Recognition of allowances	(176,806)	(127,782)
Release of allowances	47,557	91,901
Utilisation of loss allowances	29,212	17,244
Nominal value of assigned and written-off receivables	(29,247)	(17,279)
<i>of which: direct write-offs of receivables</i>	(35)	(35)
Income from written-off/sold receivables	4,238	1,790
Income from the sale of seized items	6,008	7,026
Total change in allowances	(119,038)	(27,100)
Provision for off-balance sheet credit risks		
Recognition of provisions	(5,931)	(3,017)
Release of the provision	2,440	3,415
Total change in provisions for off-balance sheet credit risks	(3,491)	398
Impairment losses from receivables from clients and off-balance sheet exposures	(122,529)	(26,702)

The increase in impairment loss in 2020 was primarily caused by the impact of the COVID-19 pandemic. For more information see Note 5.

6.3.1. Impairment losses from receivables from clients and off-balance sheet exposures (net)

The table below includes the net expenses on additions to and revenue from release of allowances to inter-company receivables. The data below are part of the movements in lines “recognition of allowances” and “release of allowances” in the table presented in Note 6.3.

TCZK	2020	2019
Orchideus Property, s.r.o.	(54)	(126)
Viktor Property, s.r.o.	62	9
Áté Property, s.r.o.	-	92
ALT POHLEDY s.r.o.	(3,523)	(37,122)
Ares Property, s. r. o.	(29)	(19)
Antonínská 2 s.r.o.	(252)	-
Astra Property, s.r.o.	(44)	-
RLRE Beta Property, s.r.o.	1	-
RLRE Carina Property, s.r.o.	(897)	288
FVE Cihelna s.r.o.	43	19
Carolina Corner s.r.o.	-	(151)
CRISTAL PALACE Property, s.r.o.	56	603
Credibilis a.s.	(23)	7
Dafné Property, s.r.o.	(90)	646
Dolní náměstí 34 s.r.o.	(96)	-
Exit 90 SPV s.r.o.	52	(157)
Evarne Property, s.r.o.	(81)	-
Eunomia Property, s.r.o.	(303)	-
Fobos Property, s.r.o.	(11,610)	(78)
Gaia Property, s.r.o.	2,893	(3,464)
GEONE Holešovice Two s.r.o.	5	(34)
Grainulos s.r.o.	708	(760)
GS55 Sazovice s.r.o.	(308)	(191)
GRENA REAL s.r.o.	(868)	471
Halie Property, s.r.o.	(108)	-
Hestia Property, s.r.o.	354	(284)
TERASA Lavande s.r.o.	-	7
Holečkova Property, s.r.o.	(85)	(52)
Hypnos Property, s.r.o.	(31)	(58)
Chodská 12 s.r.o.	(254)	-
Inó Property, s.r.o.	-	1

TCZK	2020	2019
Janus Property, s.r.o.	(517)	-
Logistický areál Hostivař, s.r.o.	-	(147)
Luna Property, s.r.o.	-	147
Kappa Estates, s.r.o.	(313)	(196)
KARAT s.r.o.	(127)	-
Kétó Property, s.r.o.	(91)	-
Kleió Property, s.r.o.	68	(68)
Křížkovského 3 s.r.o.	(248)	-
Melpomené Property, s.r.o.	(16)	(18)
Merea Property, s.r.o.	(48)	-
Niobé Property, s.r.o.	-	2
Nereus Property, s.r.o.	(192)	(16)
JFD Real s.r.o.	(1,051)	(28)
KAPMC s.r.o.	-	181
Palace Holding s.r.o.	(37)	(132)
Ofión Property, s.r.o.	(12)	(24)
Onyx Energy s.r.o.	35	(106)
Onyx Energy Projekt II s.r.o.	34	(101)
Photon Energie s.r.o.	2	7
Photon SPV 3 s.r.o.	23	(68)
Photon SPV 4 s.r.o.	28	(89)
Photon SPV 6 s.r.o.	31	(91)
Photon SPV 8 s.r.o.	46	(142)
Photon SPV 10 s.r.o.	46	(128)
SIGMA PLAZA s.r.o.	-	9
RDI Czech 4 s.r.o.	(10)	(51)
Rheia Property, s.r.o.	101	17
RUBY Place s.r.o.	-	(158)
Selene Property s.r.o.	38	(333)
Stará 19 s.r.o.	(97)	(56)
Strašnická realitní a.s.	229	98
Sirius Property, s.r.o.	84	(252)
SeEnergy PT, s.r.o.	34	69
Spio Property, s.r.o.	(86)	-
Raiffeisen FinCorp, s.r.o.	(5)	51
UPC Real, s.r.o.	(768)	2,333
Vlhká 26 s.r.o.	(262)	-
Zátiší Rokytka s.r.o.	-	462
Total	(17,563)	(39,181)

The loss allowance to ALT POHLEDY s.r.o. was increased by TCZK 3,523 (2019: TCZK 37,122) due to the decrease in expected cash flows to pay the receivable to which the loss allowance is established.

The recognition of the loss allowance for Fobos Property, s.r.o. of TCZK 11,610 (2019: TCZK 78) was realised due to the deterioration of payment habits, and thus a worse rating and the transfer of the receivable to Stage 2 for a client of Fobos Property, s.r.o. from whose lease payments the repayments of the loan provided to the Company are realised.

6.4. Fee and commission income

TCZK	2020	2019
Administrative fees	14,852	10,504
Bonuses for the mediation of insurance	20,294	15,410
Fee for the provision of a guarantee	573	1,091
Total fee and commission income	35,719	27,005

Administrative fees include, for example, fees for early settlement fees, change in the repayment schedule or contract cession and variable lease payment.

6.5. Fee and commission expense

TCZK	2020	2019
Bank account administration fees	(3,041)	(3,784)
Fees for received bank guarantees	(147)	(905)
Other commission and expense related to fees from the provision of services to clients	(844)	(509)
Total fee and commission expense	(4,032)	(5,198)

6.6. Foreign exchange gains/losses

Foreign exchange gains or losses include realised and unrealised foreign exchange gains or losses from the revaluation of assets and liabilities denominated in foreign currencies of TCZK (600) (2019: TCZK 2,647).

6.7. Profit and loss from derivative operations

TCZK	2020	2019
From IRS	(4,486)	5,065
<i>of which: IRS held for trading</i>	<i>(4,486)</i>	<i>5,273</i>
<i>of which: IRS used to hedge fair value (hedging instrument)</i>	<i>-</i>	<i>(208)</i>
revaluation of hedged item – fair value hedges	176	307
of forwards held for trading	(4,667)	2,023
Total profit and loss from derivative operations	(8,977)	7,395

In 2019, the fair value measurement was terminated due to interest rate swap termination (hedging instrument).

6.8. Dividend income

TCZK	2020	2019
GS55 Sazovice s.r.o.	19	47
FORZA SOLE s.r.o.	-	78
Raiffeisen FinCorp, s.r.o.	124,467	-
Gaia Property, s.r.o.	-	10,000
Hermes Property, s.r.o.	-	10,000
Total dividend income	124,486	20,125

6.9. Income from investments

2020

Sold investments	Selling price	Net book value	Profit and loss from sold investments
Niobé Property, s.r.o.	50	50	0
Inó Property, s.r.o.	50	50	0
RUBY Place s.r.o.	50	50	0
Erató Property, s.r.o.	50	50	0
Terasa LAVANDE s.r.o.	60	48	12
Terasa LAVANDE I s.r.o.	10	2	8
FIDUROCK Projekt 20, s.r.o.	10	10	0
SIGMA PLAZA s.r.o.	60	50	10
KARAT, s.r.o.	100	100	0
Stará 19 s.r.o.	200	200	0
Daimon Property, s.r.o.	50	50	0
Vlhká 26 s.r.o.	200	200	0
FIDUROCK Projekt 18, s.r.o.	10	10	0
Zátiší Rokytka s.r.o.	200	200	0
Iris Property, s.r.o.	200	200	0
Na Stárce, s.r.o.	200	200	0
Theia Property, s.r.o.	100	100	0
Carolina Corner s.r.o.	60	50	10
Logistický areál Hostivař, s.r.o.	200	200	0
Evarne Property, s.r.o.	5	5	0
Folos Property, s.r.o.	50	50	0
Gaia Property, s.r.o.	26,776	200	26,576
Hermes Property, s.r.o.	53,552	200	53,352
Total income from investments	82,243	2,275	79,968

2019

Sold investments	Selling price	Carrying amount	Profit and loss from sold investments
Euros Property, s.r.o.	200	200	0
RLRE Jota Property, s.r.o.	200	200	0
Daimon Property, s.r.o.	5	5	0
Neptun Property, s.r.o.	50	50	0
Landia – Jordánská, s.r.o.	50	50	0
Photon SPV 11 s.r.o.	200	200	0
FORZA SOLE s.r.o.	4,098	200	3,898
Hyperion Property, s.r.o.	50	50	0
Steffany's Court s.r.o.	50	50	0
Peitó Property, s.r.o.	50	50	0
NATUM Alfa s.r.o.	200	200	0
Don Giovanni Properties, s.r.o.	7,558	50	7,508
Gherkin, s.r.o.	50	50	0
PZ PROJEKT a.s.	42,032	20	42,012
Total income from investments	54,793	1,375	53,418

In 2020, the Company sold a share in Hermes Property, s.r.o. with a profit of TCZK 53,352 and a share in Gaia Property, s.r.o. with a profit of TCZK 26,576. These companies carried out a joint real estate project.

In 2019, the Company sold a 100% share in PZ PROJEKT a.s., carrying out real estate projects, with a profit of TCZK 42,012.

6.10. General operating expenses

TCZK	2020	2019
Payroll expenses	(229,007)	(235,850)
Wages and salaries	(168,168)	(172,318)
Social security and health insurance	(56,952)	(54,310)
Other employee costs	(6,039)	(7,070)
Additions to/release of provisions for severance payments	2,152	(2,152)
Operating expenses	(86,661)	(91,072)
Rental, repairs and other services relating to the operation of offices	(5,950)	(4,818)
Marketing costs	(13,604)	(15,525)
Expenses paid to the statutory auditor	(865)	(724)
Other audit expenses	(70)	-
Tax advisory	(882)	(1,057)
Other advisory	(32,924)	(31,628)
Costs relating to IT support	(15,506)	(16,974)
Telecommunication, postal fees and other services	(5,045)	(4,175)
Insurance of assets	(1,345)	(1,239)
Training costs	(993)	(1,869)
Travel costs	(930)	(1,136)
Fuel, repairs and maintenance	(4,303)	(3,364)
Office supplies	(2,286)	(3,701)
Other operating expenses	(1,958)	(4,862)
Depreciation/amortisation of property, plant and equipment and intangible assets	(209,965)	(189,323)
Total general operating expenses	(525,633)	(516,245)

6.10.1. Employees and executives

2020

TCZK	Number of employees	Payroll costs	Social security
Employees	168	(126,405)	(45,573)
Executives	18	(41,763)	(11,379)
Total	186	(168,168)	(56,952)

2019

TCZK	Number of employees	Payroll costs	Social security
Employees	162	(132,231)	(44,020)
Executives	17	(40,087)	(10,290)
Total	179	(172,318)	(54,310)

In 2020, members of the statutory and advisory body were paid bonuses of TCZK 3,371 (2019: TCZK 3,253).

Statutory representatives of the Company and executives may use Company cars for private purposes.

In 2020 and 2019, members of statutory bodies received no loans, granted guarantees, prepayments and other benefits, and own no equity investments in the Company.

Other employee costs primarily include the expenses on the benefit scheme for employees and catering provided to all Company employees.

6.11. Other operating revenues

TCZK	2020	2019
Revenue from operating lease of vehicles	343,901	317,161
Revenue from sale of operating lease assets	127,823	49,787
Revenue from operating leases of property (investment property)	-	16,959
Revenue from management fee	108,513	142,229
Revenue from services connected with finance lease	3,543	-
Other income from financed assets	2,438	6,904
Sales of own-used assets	1,467	1,961
Income from the release of other provisions	35	1,439
Sundry income	7,730	7,095
Total other operating expenses	595,450	543,535

6.12. Other operating expenses

TCZK	2020	2019
Expenses relating to the provided operating lease	(90,053)	(91,230)
Expenses on the disposal of assets under operating leases	(125,897)	(46,520)
Expenses on property operating leases (investment property)	-	(1,102)
Expenses from services connected with finance lease	-	(88)
Expenses on insurance	(2,099)	(3,845)
Other expenses for financed assets	(1,202)	(3,934)
Expenses on the disposal of internal assets	(1,408)	(1,361)
Expenses for the recognition of other provisions	-	(3,530)
Taxes and fees	(7,797)	(8,841)
Property taxes and fees	(1)	(625)
Sundry expenses	(8,277)	(7,625)
Total other operating expenses	(236,734)	(168,701)

6.13. Income tax

Income tax for 2020 and 2019 comprises the following items:

TCZK	2020	2019
Current tax	761	(32,066)
Income/expense from deferred tax changes	(64,989)	(66,609)
Total income tax	(64,228)	(98,675)

The reconciled amount of the Income tax item and the theoretical income tax calculated from profit before tax and the calculation of the effective tax rate for 2020 and 2019 are as follows:

TCZK	2020	2019
Profit before tax	463,769	446,890
Theoretical income tax calculated with the 19% tax rate	88,116	84,909
Tax non-deductible expenses (tax effect)	15,719	26,869
Revenue not subject to taxation (tax effect)	(38,846)	(13,973)
Income tax for the given year	64,989	97,805
Income tax relating to the prior accounting period	(761)	870
Income tax	64,228	98,675
Effective tax rate	13.85 %	22.08 %

The tax non-deductible expenses line comprises expense relating to thin capitalisation or expense relating to recognition of allowances for Group receivables.

The non-tax income line primarily comprises dividend income, income from the sale of equity investments, or income relating to release of loss allowances for Group receivables.

The lower effective tax rate in 2020 is mainly caused by dividend income not subject to taxation of TCZK 124,486 (2019: TCZK 20,125) and the sale of ownership interests of TCZK 79,968 (2019: TCZK 53,418).

6.14. Cash and balances with banks payable on demand

TCZK	2020	2019
Cash in hand	72	93
Deposits in banks – payable on demand	415,537	400,440
Total cash in hand and deposits payable on demand	415,609	400,533

6.15. Receivables from clients

6.15.1. Receivables analysis by type of financing

TCZK	31 Dec 2020	31 Dec 2019
Receivables from finance leases	8,253,602	8,741,478
Receivables at amortised cost from provided loans	13,328,613	12,385,425
Receivables at amortised cost from instalment sale	1,576	4,935
Total gross receivables from clients	21,583,791	21,131,838
Loss allowances	(316,146)	(215,722)
Total net receivables from customers	21,267,645	20,916,116

Receivables from finance leases include both receivables described below in Notes 6.31 and 6.32, and billed and as yet unmade finance lease payments.

The increase in loss allowances in 2020 was mainly caused by the impact of the COVID-19 pandemic. For more information see Note 5.

6.15.2. Ageing of receivables from customers

31 December 2020

TCZK	Not past due	Under 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Over 1 year	Total
Stage 1	16,259,747	568,376	3,125	-	-	-	16,831,248
Stage 2	3,455,828	763,171	38,900	-	-	-	4,257,899
Stage 3	246,641	154,802	30,413	3,575	10,572	48,641	494,644
Gross	19,962,216	1,486,349	72,438	3,575	10,572	48,641	21,583,791
Loss allowances	(202,789)	(59,581)	(9,843)	(1,226)	(4,620)	(38,087)	(316,146)
Net	19,759,427	1,426,768	62,595	2,349	5,952	10,554	21,267,645

31 December 2019

TCZK	Not past due	Under 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Over 1 year	Total
Stage 1	18,391,080	743,687	8,203	-	-	-	19,142,970
Stage 2	1,289,632	86,122	12,838	-	-	-	1,388,592
Stage 3	313,950	179,341	49,928	7,046	16,683	33,328	600,276
Gross	19,994,662	1,009,150	70,969	7,046	16,683	33,328	21,131,838
Loss allowances	(131,846)	(35,649)	(17,509)	(2,382)	(5,810)	(22,526)	(215,722)
Net	19,862,816	973,501	53,460	4,664	10,873	10,802	20,916,116

The Company records overdue receivables arising mainly from outstanding payments from finance leases and loans, and from residual principal of prematurely terminated financing contracts.

The increase in receivables from clients in the under-1-month time bucket in 2020 compared to 2019 was primarily caused by the end of the statutory moratorium in October 2020 and a slower start in clients' good payment habits after the deferral of payments. For a detailed description of the effects of the COVID-19 pandemic see Note 5.

6.15.3. Allocation of financial assets at amortised cost and finance lease receivables based on internal rating and stage of impairment**a) Rating stages***Corporate exposures*

To each loan exposure, the Company assigns a rating stage based on the rating model relevant for the exposure, debtor's segment and product type if applicable (project financing – special rating model) for corporate exposures.

The Company has two types of rating stages for corporate exposures:

- › corporate (scale of 29 rating stages);
- › project (scale of 5 rating stages).

Rating models and credit risk stages are defined based on statistical models and techniques. The allocated credit risk stage is a result of a combination of qualitative and quantitative parameters which indicate the probability of default of the credit exposure.

Each credit exposure must be allocated to a credit risk stage. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk stage. Throughout the relation with the Company, the exposure and debtor can be transferred to a different credit risk rating stage. The monitoring typically involves use of the following data:

- › Information obtained from a borrower – request for a loan, audited financial statements, management accounts, financial budget and projections, structure of sales, customers, receivables, costs, suppliers and liabilities, bank loans structure, intragroup transactions, competitors, management, etc.
- › Internally collected data – overdue status, fulfilment of financial covenants, internal monitoring of the client and credit exposure, and property valuation;
- › Data from credit reference agencies, press articles, changes in external credit ratings;
- › Quoted securities prices of the borrower where applicable;
- › Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.

Retail exposures

For retail exposures, the Company uses a simplified model of rating stage assignment, which works with a range of only two rating stages.

b) Rating categories

Corporate and retail exposures

Each corporate and retail exposure has a specified probability of default (PD). And then the exposures are divided into 6 rating categories according to PD as follows:

Rating categories	Probability of default (in %)
Excellent	0.0000 - 0.0300
Strong	0.0310 - 0.1878
Good	0.1879 - 1.1735
Satisfactory	1.1736 - 7.3344
Substandard	7.3345 - 99.999
Credit-impaired	100

31 December 2020

TCZK	Strong	Good	Satisfactory	Substandard	Credit-impaired	No rating	Total
Stage 1	653,868	6,335,364	9,807,693	30,523	-	3,800	16,831,248
Stage 2	375	613,816	2,896,016	712,686	-	35,006	4,257,899
Stage 3	-	-	-	-	494,644	-	494,644
Total gross receivables	654,243	6,949,180	12,703,709	743,209	494,644	38,806	21,583,791

31 December 2019

TCZK	Strong	Good	Satisfactory	Substandard	Credit-impaired	No rating	Total
Stage 1	706,687	12,925,757	5,427,502	56,829	-	26,195	19,142,970
Stage 2	1,250	299,686	779,609	233,866	-	74,181	1,388,592
Stage 3	-	-	-	409	599,867	-	600,276
Total gross receivables	707,937	13,225,443	6,207,111	291,104	599,867	100,376	21,131,838

The significant transfer of receivables from the 'Good' to the 'Satisfactory' rating category in 2020 compared to 2019 was mainly caused by the effects of the COVID-19 pandemic, when the Company carried out individual assessments as part of extraordinary and regular monitoring or during the annual rating renewal. For a detailed description of the effects of the COVID-19 pandemic see Note 5.

6.15.4. Analysis of receivables from clients by segments and type of collateral

31 December 2020

TCZK	Gross amount of receivables that are entirely or partially secured by real estate	Gross amount of receivables that are entirely or partially secured by movable assets	Total
Agriculture, game-keeping, forestry, fishing	-	454,799	454,799
Mining of minerals	-	116,206	116,206
Production sector	117,550	3,428,618	3,546,168
Production and distribution of electricity, gas and water	-	1,126,638	1,126,638
Construction industry	-	1,266,900	1,266,900
Wholesale and retail; repair of motor vehicles, motorcycles	81,147	2,249,862	2,331,009
Accommodation and public catering	-	137,134	137,134
Banking and insurance	151,108	223,427	374,535
Transport, storage and communications	-	4,015,638	4,015,638
Activities in real estate and lease, other business activities	2,307,891	1,086,443	3,394,334
Public administration; obligatory social security	-	6,615	6,615
Education	-	16,614	16,614
Healthcare and social care	215,263	398,883	614,146
Other public, social and personal services	312,674	1,818,169	2,130,843
Activities of households	-	2,052,212	2,052,212
Total	3,185,633	18,398,158	21,583,791

31 December 2019

TCZK	Gross amount of receivables that are entirely or partially secured by real estate	Gross amount of receivables that are entirely or partially secured by movable assets	Total
Agriculture, game-keeping, forestry, fishing	-	400,783	400,783
Mining of minerals	-	114,931	114,931
Production sector	137,658	3,048,098	3,185,756
Production and distribution of electricity, gas and water	-	1,452,664	1,452,664
Construction industry	-	1,123,559	1,123,559

TCZK	Gross amount of receivables that are entirely or partially secured by real estate	Gross amount of receivables that are entirely or partially secured by movable assets	Total
Wholesale and retail; repair of motor vehicles, motorcycles	110,988	2,257,114	2,368,102
Accommodation and public catering	-	152,163	152,163
Banking and insurance	553,170	31,262	584,432
Transport, storage and communications	-	4,349,322	4,349,322
Activities in real estate and lease, other business activities	1,993,675	568,996	2,562,671
Public administration; obligatory social security	-	5,844	5,844
Education	-	12,738	12,738
Healthcare and social care	-	380,592	380,592
Other public, social and personal services	559,990	1,681,753	2,241,743
Activities of households	-	2,196,538	2,196,538
Total	3,355,481	17,776,357	21,131,838

Collateral accepted from client receivables is considered in the amount based on the internal evaluation prepared by a special Company department or based on expert opinions. The recoverable amount of the collateral is subsequently determined based on this value by applying a correction coefficient that reflects the ability to realise the collateral. The value of the collateral and the amount of the correction coefficients are regularly reassessed. Received collateral is reported for individual contracts up to the amount of current contract exposure.

Received collateral in respect of receivables from clients by type:

TCZK	31 Dec 2020	31 Dec 2019
Real estate pledged as collateral for a loan receivable	2,665,960	3,086,239
Real estate as a leased asset	129,564	150,791
Leased movable assets	9,815,387	10,252,528
Received guarantees	218,688	229,561
Total	12,829,599	13,719,119

6.15.5. Receivables from clients by segment

31 December 2020

TCZK	Gross carrying amount	Loss allowances	Net carrying amount
Government institutions	4,692	(8)	4,684
Other financial institutions	374,535	(5,970)	368,565
Non-financial institutions	19,152,352	(276,447)	18,875,905
Households	2,052,212	(33,721)	2,018,491
Total receivables from customers	21,583,791	(316,146)	21,267,645

31 December 2019

TCZK	Gross carrying amount	Loss allowances	Net carrying amount
Government institutions	1,786	(1)	1,785
Other financial institutions	584,432	(4,333)	580,099
Non-financial institutions	18,349,082	(183,752)	18,165,330
Households	2,196,538	(27,636)	2,168,902
Total receivables from customers	21,131,838	(215,722)	20,916,116

6.15.6. Structure of receivables from clients by segment and stage of impairment

31 December 2020

TCZK	Stage 1	Stage 2	Stage 3	Total
Government institutions	4,459	233	-	4,692
Other financial institutions	263,072	111,463	-	374,535
Non-financial institutions	14,881,393	3,834,220	436,739	19,152,352
Households	1,682,324	311,983	57,905	2,052,212
Total gross receivables from clients	16,831,248	4,257,899	494,644	21,583,791

31 December 2019

TCZK	Stage 1	Stage 2	Stage 3	Total
Government institutions	1,535	251	-	1,786
Other financial institutions	437,262	147,170	-	584,432
Non-financial institutions	16,827,434	998,841	522,807	18,349,082
Households	1,876,739	242,330	77,469	2,196,538
Total gross receivables from clients	19,142,970	1,388,592	600,276	21,131,838

During 2020, the Company carefully assessed credit risks relating to the COVID-19 pandemic and cautiously transferred a part of the portfolio to Stage 2, which shows an increase in the volume of receivables in Stage 2 as at 31 December 2020 compared to the situation as at 31 December 2019. This primarily concerned the most affected segments and clients. For a detailed description of the effects of the COVID-19 pandemic see note 5.

6.15.7. Participation loans

To finance some transactions, the Company concludes participation loans with Raiffeisenbank a.s., the reason of which is participation of Raiffeisenbank a.s. in the risk of non-payment of the Company's receivable from clients. Any acts made towards the borrower relating to realisation of the collateral must be approved in writing by the provider of the purpose participation loan.

An overview of the Company's gross provided receivables from clients before the reduction by the value of the participation loan:

TCZK	31 Dec 2020	31 Dec 2019
Gross amount of provided receivables from clients with a 50% participation share of Raiffeisenbank a.s.	1,372,119	1,226,024
Gross amount of provided receivables from clients with a 100 % participation share of Raiffeisenbank a.s.	157,912	476,469
Total	1,530,031	1,702,493

The receivables from clients item in the Company's statement of financial position is recorded after the reduction by participation loans/shares of Raiffeisenbank a.s., which amounted to TCZK 841,571 as at 31 December 2020 (as at 31 December 2019: TCZK 1,081,656).

6.16. Allowances for receivables from clients

6.16.1. Structure of allowances for receivables from clients by segment and stage of impairment

31 December 2020

TCZK	Stage 1	Stage 2	Stage 3	Total
Government institutions	(7)	(1)	-	(8)
Other financial institutions	(1,379)	(4,591)	-	(5,970)
Non-financial institutions	(38,411)	(98,433)	(139,603)	(276,447)
Households	(1,553)	(10,604)	(21,564)	(33,721)
Allowances for receivables from clients	(41,350)	(113,629)	(161,167)	(316,146)

31 December 2019

TCZK	Stage 1	Stage 2	Stage 3	Total
Government institutions	(1)	(1)	-	(1)
Other financial institutions	(849)	(3,484)	-	(4,333)
Non-financial institutions	(28,999)	(18,887)	(135,866)	(183,752)
Households	(955)	(6,418)	(20,262)	(27,636)
Allowances for receivables from clients	(30,804)	(28,790)	(156,128)	(215,722)

For a detailed description of the effects of the COVID-19 pandemic see Note 5.

6.16.2. Quantitative information about the collateral for impaired financial assets

2020

TCZK	Gross carrying amount	Collateral
Receivables from clients (Stage 3)	494,644	165,375
Total	494,644	165,375

2019

TCZK	Gross carrying amount	Collateral
Receivables from clients (Stage 3)	600,276	221,599
Total	600,276	221,599

The main types of security are movable assets and real estate.

The difference between the gross carrying amount and the amount of the collateral of TCZK 329,269 (2019: TCZK 378,677) is covered by an allowance of TCZK 161,167 (2019: TCZK 156,128). The remaining portion of TCZK 168,102 (2019: TCZK 222,549) is covered by the ability to acquire cash flows from financial assets.

6.16.3. Changes in allowances by impairment stage

2020

TCZK	Stage 1	Stage 2	Stage 3	Total
Allowances as at 1 Jan 2020	30,804	28,790	156,128	215,722
Transfers between stages during the year	3,274	19,967	(23,241)	-
Increase arising from originations (of a new transaction)	15,247	10,684	898	26,829
Decrease arising from full repayment of exposure	(2,210)	(7,044)	(12,093)	(21,347)
Decrease in allowance due to write-offs	(6)	0	(26,212)	(26,218)
Changes resulting from a change in the credit risk	(6,294)	60,253	64,143	118,102
Foreign exchange gains/losses	535	979	1,544	3,058
Allowances as at 31 Dec 2020	41,350	113,629	161,167	316,146

2019

TCZK	Stage 1	Stage 2	Stage 3	Total
Allowances as at 1 Jan 2019	40,459	32,303	124,587	197,349
Transfers between stages during the year	10,328	(12,763)	2,435	-
Increase arising from originations (of a new transaction)	15,193	2,714	1,885	19,792
Decrease arising from full repayment of exposure	(3,739)	(2,156)	(23,407)	(29,302)
Decrease in allowance due to write-offs	-	-	(17,244)	(17,244)
Changes resulting from a change in the credit risk	(31,287)	8,861	68,336	45,910
Foreign exchange gains/losses	(150)	(169)	(464)	(783)
Allowances as at 31 Dec 2019	30,804	28,790	156,128	215,722

For a detailed description of the effects of the COVID-19 pandemic see Note 5.

6.16.4. Allowances for Receivables from Related Parties

TCZK	31 Dec 2020	31 Dec 2019
Palace Holding s.r.o.	169	132
Orchideus Property, s.r.o.	293	239
Viktor Property, s.r.o.	144	207
Ares Property, s.r.o.	48	19
Křížkovského 3 s.r.o.	248	-
Spio Property, s.r.o.	86	-
ALT POHLEDY s.r.o.	44,820	41,297
RLRE Beta Property, s.r.o.	1	2
RLRE Carina Property, s.r.o.	1,350	454
FVE Cihelna s.r.o.	34	77
CRISTAL PALACE Property, s.r.o.	-	56
Credibilis a.s.	110	87
Antonínská 2 s.r.o.	251	-
Photon SPV 10 s.r.o.	82	128
RUBY Place s.r.o.	-	158
Dafné Property, s.r.o.	117	27
Eunomia Property, s.r.o.	303	-
Kétó Property, s.r.o.	91	-
Fobos Property, s.r.o.	11,892	282
Dolní náměstí 34 s.r.o.	96	-
Chodská 12 s.r.o.	254	-
GEONE Holešovice Two s.r.o.	29	34
Gaia Property, s.r.o.	591	3,483
GRENA REAL s.r.o.	881	13
Grainulos s.r.o.	52	760
Hypnos Property, s.r.o.	88	58
Holečkova Property, s.r.o.	137	52

TCZK	31 Dec 2020	31 Dec 2019
Hestia Property, s.r.o.	-	354
Terasa LAVANDE s.r.o.	-	79
KARAT, s.r.o.	127	-
Kappa Estates, s.r.o.	509	196
Kleió Property, s.r.o.	-	68
Exit 90 SPV s.r.o.	105	157
Logistický areál Hostivař, s.r.o.	-	180
Astra Property, s.r.o.	44	-
Melpomené Property, s.r.o.	73	57
Niobé Property, s.r.o.	-	1
Nereus Property, s.r.o.	211	19
Evarne Property, s.r.o.	81	-
Ofión Property, s.r.o.	36	24
JFD Real s.r.o.	1,140	89
Halie Property, s.r.o.	108	-
Photon Energie s.r.o.	23	25
Photon SPV 3 s.r.o.	45	68
SIGMA PLAZA s.r.o.	-	127
RDI Czech 4 s.r.o.	61	51
Rheia Property, s.r.o.	30	131
GS55 Sazovice s.r.o.	499	191
Photon SPV 6 s.r.o.	60	91
Selene Property s.r.o.	316	354
Carolina Corner s.r.o.	-	151
Strašnická realitní a.s.	-	229
SeEnergy PT, s.r.o.	32	66
Raiffeisen FinCorp, s.r.o.	5	-
Stará 19 s.r.o.	153	56
Sirius Property, s.r.o.	168	252
Photon SPV 4 s.r.o.	62	89
UPC Real, s.r.o.	6,277	5,509
Onyx Energy s.r.o.	71	106
Onyx Energy projekt II s.r.o.	67	101
Janus Property, s.r.o.	517	-
Photon SPV 8 s.r.o.	96	142
Merea Property, s.r.o.	48	-
Vlhká 26 s.r.o.	262	-
Total allowances for receivables from related parties	73,393	56,528

In 2019, the loss allowance to receivable from ALT POHLEDY s.r.o., of TCZK 44,820 (as at 31 December 2019 TCZK 41,297) was increased due to the reduction of expected cash flows for the repayment of the receivable to which the allowance was created.

The loss allowance to a receivable from Fobos Property, s.r.o. of TCZK 11,892 (as at 31 December 2019 TCZK 282) was increased due to the deterioration of payment habits, and thus a worse rating and the transfer of the receivable to Stage 2 for a client of Fobos Property, s.r.o. from whose lease payments the repayments of the loan provided to the Company are realised.

6.17. Positive fair values of financial derivatives

In the course of its business, the Company conducts transactions with financial derivatives. Financial derivatives include interest rate swaps and forwards and are used to hedge risks and mitigate their impact.

Fair values of financial derivatives are based upon pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors. Subsequent to the initial recognition, financial derivatives are measured at fair value at stage 2. The valuation of IRS and forwards is based on quoted yield curves. These markets are active. Market inputs directly correspond to the valued instruments.

TCZK	31 Dec 2020	31 Dec 2019
Interest rate swap – economic hedge	1,870	6,920
Forward exchange contract	-	2,569
Total	1,870	9,489

6.18. Equity investments in subsidiaries

31 December 2020

TCZK	Share	Equity as at 31 Dec 2020	Share in equity	Profit (loss) for the period until 31 Dec 2020 net of tax	Carrying amount as at 31 Dec 2020
Raiffeisen FinCorp, s.r.o.	100 %	572,138	572,138	2,746	451,588
Létó Property, s.r.o.	77 %	5,210	4,012	(191)	3,064
Orchideus Property, s.r.o.	100 %	(6,621)	-	(1,646)	200
Luna Property, s.r.o.	100 %	6,908	6,908	(120)	200
Kalypso Property, s.r.o.	100 %	39	39	(5)	200
Viktor Property, s.r.o.	100 %	103,963	103,963	33,452	200
RESIDENCE PARK TŘEBEŠ, s.r.o.	100 %	9,674	9,674	15	200
RLRE Ypsilon Property, s.r.o.	100 %	(296)	-	(13)	200
RLRE Carina Property, s.r.o.	100 %	40,392	40,392	(5,043)	198
Appolon Property, s.r.o.	90 %	(16,220)	-	29,609	180
Janus Property, s.r.o.	100 %	31,767	31,767	7,693	50
Médea Property, s.r.o.	100 %	210	210	106	50
Hestia Property, s.r.o.	100 %	16,854	16,854	18,042	50
Ananké Property, s.r.o.	100 %	26	26	(8)	50

TCZK	Share	Equity as at 31 Dec 2020	Share in equity	Profit (loss) for the period until 31 Dec 2020 net of tax	Carrying amount as at 31 Dec 2020
Raiffeisen Direct Investments CZ s.r.o.	100 %	159,017	159,017	157,871	50
Theseus Property, s.r.o.	100 %	26	26	(9)	50
Argos Property, s.r.o.	100 %	30	30	(7)	50
Aglaia Property, s.r.o.	100 %	28	28	(22)	50
Hefaistos Property, s.r.o.	100 %	28	28	(22)	50
Plutos Property, s.r.o.	100 %	30	30	(20)	50
Thaumas Property, s.r.o.	100 %	29	29	(21)	50
Ligea Property, s.r.o.	100 %	29	29	(21)	50
Dero Property, s.r.o.	100 %	32	32	(18)	50
Cranto Property, s.r.o.	100 %	30	30	(20)	50
Beroe Property, s.r.o.	100 %	28	28	(22)	50
Total					456,980

Equity investments are based on economic ownership of subsidiaries that may be different from legal ownership of shares in subsidiaries. The differences are in companies with respect to which the Company concluded trust agreements for equity investments in subsidiaries with Raiffeisen - Leasing International G.m.b.H. and RLKG Raiffeisen - Leasing Gesellschaft m.b.H. Companies with a trust agreement are stated in the table below.

Corporate name	Equity investment in the company held based on a trust agreement in %
Luna Property, s.r.o.	90 %
Kalypso Property, s.r.o.	90 %
Viktor Property, s.r.o.	90 %

31 December 2019

TCZK	Share	Equity as at 31 Dec 2019	Share in equity	Profit (loss) for the period until 31 Dec 2019 net of tax	Carrying amount as at 31 Dec 2019
Raiffeisen FinCorp, s.r.o.	100 %	693,860	693,860	13,468	451,588
Létó Property s.r.o.	77 %	5,425	4,177	245	3,064
Fidurock Residential a.s.	100 %	571	571	(29)	600
Gaia Property, s.r.o.	100 %	21,760	21,760	5,114	200
Orchideus Property, s.r.o.	100 %	(4,795)	-	(724)	200
Luna Property, s.r.o.	100 %	9,224	9,224	10,930	200
Kalypso Property, s.r.o.	100 %	44	44	(3)	200
Viktor Property, s.r.o.	100 %	70,512	70,512	29,346	200
RESIDENCE PARK TŘEBEŠ, s.r.o.	100 %	9,659	9,659	87	200
Hermes Property, s.r.o.	100 %	9,817	9,817	8,883	200
RLRE Ypsilon Property, s.r.o.	100 %	(327)	-	(399)	200
RLRE Carina Property, s.r.o.	100 %	45,435	45,435	(2,749)	198

TCZK	Share	Equity as at 31 Dec 2019	Share in equity	Profit (loss) for the period until 31 Dec 2019 net of tax	Carrying amount as at 31 Dec 2019
Appolon Property, s.r.o.	90 %	(45,829)	-	31,300	180
Janus Property, s.r.o.	100 %	28	28	(3)	50
Médea Property, s.r.o.	100 %	104	104	105	50
Hestia Property, s.r.o.	100 %	(1,188)	-	(65)	50
Ananké Property, s.r.o.	100 %	35	35	(15)	50
Démétér Property, s.r.o.	100 %	38	38	(12)	50
Raiffeisen Direct Investments CZ s.r.o.	100 %	946	946	1,669	50
Theseus Property, s.r.o.	100 %	36	36	(14)	50
Kétó Property, s.r.o.	100 %	34	34	(16)	50
Folos Property, s.r.o.	100 %	37	37	(13)	50
Argos Property, s.r.o.	100 %	37	37	(13)	50
Aglaia Property, s.r.o.	100 %	36	36	(14)	50
Hefaistos Property, s.r.o.	100 %	36	36	(14)	50
Plutos Property, s.r.o.	100 %	36	36	(14)	50
Thaumas Property, s.r.o.	100 %	36	36	(14)	50
Ligea Property, s.r.o.	100 %	37	37	(13)	50
Dero Property, s.r.o.	100 %	38	38	(12)	50
Cranto Property, s.r.o.	100 %	38	38	(12)	50
Beroe Property, s.r.o.	100 %	37	37	(13)	50
Total					458,130

The Company holds equity investments predominantly in companies trading with real estate and companies engaged in power production from renewable sources. Most subsidiaries were founded for the purpose.

All equity investments are in companies with registered offices in the Czech Republic.

The statutory accounting records of subsidiaries are maintained according to Czech Accounting Standards. The figures on equity as at 31 December 2020 and 31 December 2019, and profit (loss) for 2020 and 2019 are based on preliminary financial statements of the relevant companies.

Equity investments are based on economic ownership of subsidiaries that may be different from legal ownership of shares in subsidiaries. The differences are in companies with respect to which the Company concluded trust agreements for equity investments in subsidiaries with Raiffeisen - Leasing International G.m.b.H. and RLKG Raiffeisen - Leasing Gesellschaft m.b.H. Companies with a trust agreement are stated in the table below.

Corporate name	Equity investment in the company held based on a trust agreement in %
Luna Property, s.r.o.	90 %
Kalypso Property, s.r.o.	90 %
Viktor Property, s.r.o.	90 %

6.19. Property, plant and equipment and intangible fixed assetsAcquisition cost

TCZK	Balance at 31 Dec 2019	Additions	Disposals	Balance at 31 Dec 2020
IFA - Core system	50,946	7,721	-	58,667
Software	21,460	20,059	-	41,519
Intellectual property rights	105	-	-	105
IFA - under construction	23,933	29,25	(28,708)	24,750
Intangible assets	96,444	57,305	(28,708)	125,041
Other buildings and land	2,728	-	-	2,728
Vehicles	42,972	9,408	(5,540)	46,840
Right to use a property	53,216	2,297	(8,116)	47,397
Machinery and equipment	7,829	404	-	8,233
Low value assets	1,604	-	-	1,604
Operating lease assets	1,258,001	314,503	(256,488)	1,316,016
FA - under construction	-	8,431	(6,477)	1,954
Other	2,016	-	(147)	1,869
Property, plant and equipment	1,368,366	335,043	(276,768)	1,426,641
Buildings under operating leases	189,453	-	(189,453)	-
Land under operating leases	15,000	-	(15,000)	-
Investment property	204,453	-	(204,453)	-
Total	1,669,263	392,348	(509,929)	1,551,682

The right to use a property comprises principally the right to use the leased premises of the Company's office.

The investment property was part of the Company's assets that was transferred to Janus Property, s.r.o., the Successor Company, as part of the Company's demerger by spin off.

Accumulated depreciation and loss allowances

TCZK	Balance at 31 Dec 2019	Additions	Disposals	Balance at 31 Dec 2020
IFA - Core system	(45,221)	(3,190)	-	(48,411)
Software	(9,584)	(3,907)	-	(13,491)
IFA - under construction	(690)	-	690	-
Intangible assets	(55,495)	(7,097)	690	(61,902)
Other buildings and land	(2,006)	(101)	-	(2,107)
Vehicles	(21,615)	(11,394)	5,540	(27,469)
Right to use a property	(8,147)	(8,043)	98	(16,092)
Machinery and equipment	(5,472)	(1,029)	-	(6,501)
Low value assets	(1,604)	-	-	(1,604)
Operating lease assets	(313,611)	(185,140)	125,296	(373,455)
Other	(465)	(142)	147	(460)
Property, plant and equipment	(352,920)	(205,849)	131,081	(427,688)
Buildings under operating leases	(58,504)	-	58,504	-
Investment property	(58,504)	-	58,504	-
Total	(466,919)	(212,946)	190,275	(489,590)

Net Book Value

TCZK	Balance at 31 Dec 2020	Balance at 31 Dec 2019
IFA - Core system	10,256	5,725
Software	28,028	11,876
Intellectual property rights	105	105
IFA - under construction	24,750	23,243
Intangible assets	63,139	40,949
Other buildings and land	621	722
Vehicles	19,371	21,357
Right to use a property	31,305	45,069
Machinery and equipment	1,732	2,357
FA - under construction	1,954	-
Operating lease assets	942,561	944,390
Other	1,409	1,551
Property, plant and equipment	998,953	1,015,446
Buildings under operating leases	-	130,949
Land under operating leases	-	15,000
Investment property	-	145,949
Total	1,062,092	1,202,344

Depreciation and loss allowances

TCZK	Balance at 31 Dec 2020	Balance at 31 Dec 2019
IFA - Core system	3,190	2,628
Software	3,907	902
Intangible assets	7,097	3,530
Other buildings and land	101	101
Vehicles	8,413	7,762
Machinery and equipment	1,029	1,008
Right to use a property	8,043	8,430
Operating lease assets	185,140	164,454
Other	142	141
Property, plant and equipment	202,868	181,896
Buildings under operating leases	-	3,897
Investment property	-	3,897
Total	209,965	189,323

Low value intangible fixed assets and property, plant and equipment

Low value property, plant and equipment acquired in the current accounting period and expensed directly in 2020 totalled TCZK 3,252 (2019: TCZK 4,467).

6.20. Current tax assets

Current tax assets totalling TCZK 19,723 (2019: TCZK 17,027) represent the positive difference between the income tax prepayments and the estimated current tax for the period.

6.21. Other assets

TCZK	31 Dec 2020	31 Dec 2019
Operating receivables	51,158	65,168
Prepayments made for property, plant and equipment – leased assets	8,724	-
Acquisition of property, plant and equipment – leased assets	46,990	57,347
Equity investments in companies	50,368	51,243
Stamps and vouchers	339	2,344
Operating prepayments made	2,773	3,578
Estimated payables for insurance	3,782	4,814
VAT entitlement for December	-	15,448
Other assets	9,181	14,738
Total	173,315	214,680

As at 31 December 2020, the line Operating receivables includes inter-company receivables of TCZK 30,976 (as at 31 December 2019: TCZK 43,602) for services relating to the companies' operations.

As at 31 December 2020, the line Equity investments includes ownership interests in non-controlled entities totalling TCZK 50,368 (as at 31 December 2019: TCZK 51,243).

6.22. Payables to banks

Liabilities to bank institutions are received loans, principally to finance the Company's transactions. The loans are provided in CZK, EUR and USD.

Short-term loans additionally include overdraft loans.

Liabilities to banks of TCZK 20,513,386 (as at 31 December 2019: TCZK 20,433,083) are provided by Raiffeisenbank a.s., a related party.

6.22.1. Payables to banks by maturity

TCZK	31 Dec 2020	31 Dec 2019
Under 3 months	2,296,273	1,609,097
3 months to 1 year	4,938,095	4,603,548
1 to 5 years	11,995,857	12,794,006
Over 5 years	1,283,161	1,426,432
Total	20,513,386	20,433,083

6.23. Payables to clients

Payables to clients of TCZK 66,880 (in 2019: TCZK 194,732) comprise:

- › unreleased portion of an extraordinary lease payment for operating lease agreements of TCZK 6,094 (in 2019: TCZK 6,722);
- › extraordinary lease payments relating to inactive finance lease agreements of TCZK 0 (in 2019: TCZK 3,138);
- › received intra-group loan of TCZK 0 (in 2019: TCZK 130,036);
- › and received prepayments for the net book value, received deposits and premature payments for uninvoiced repayments of TCZK 60,786 (in 2019: TCZK 54,836).

6.24. Negative fair values of financial derivatives

Fair values of financial derivatives are based upon pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors. Subsequent to the initial recognition, financial derivatives are measured at fair value at Stage 2. The valuation of IRS and forwards is based on quoted yield curves. These markets are active. Market inputs directly correspond to the valued instruments.

TCZK	31 Dec 2020	31 Dec 2019
Interest rate swap – economic hedge	303	867
Total	303	867

The Company uses interest rate derivatives for the hedging of the interest rate risk that relates to drawn loans.

6.25. Deferred tax liability

TCZK	31 Dec 2020	31 Dec 2019
Deferred tax liability	225,212	159,197

Deferred tax liability and deferred tax asset are calculated from temporary differences in the following table:

TCZK	31 Dec 2020	31 Dec 2019
Deferred tax liability	(333,989)	(168,398)
Temporary differences relating to finance lease	(289,090)	(141,058)
Difference between accounting and tax value of fixed assets	(44,899)	(27,340)
Deferred tax asset	108,777	9,201
Difference between accounting and tax allowances	17,947	1,678
Provisions	6,219	6,130
Valuation difference on acquired assets	279	1,393
Tax loss to be utilised in next periods	84,332	-
Total deferred tax liability (-) / deferred tax asset (+)	(225,212)	(159,197)

Deferred tax as at 31 December 2020 is calculated using the tax rate of 19% (31 December 2019: 19 %).

6.26. Provisions

2020

TCZK	Balance at 1 Jan 2020	Additions to provisions	Use of provisions	Release of provisions	Balance at 31 Dec 2020
Provision for bonuses	26,075	34,703	(30,706)	(5,071)	25,001
Provision for untaken holidays	6,492	-	(1,687)	-	4,805
Provision for contingencies and financial guarantees	3,094	5,931	(2,440)	-	6,585
Provision for severance pay	2,152	-	(2,152)	-	-
Other provisions	2,962	-	(34)	-	2,928
	40,775	40,634	(37,019)	(5,071)	39,319

2019

TCZK	Balance at 1 Jan 2019	Additions to provisions	Use of provisions	Release of provisions	Balance at 31 Dec 2019
Provision for bonuses	21,905	35,269	(26,550)	(4,549)	26,075
Provision for untaken holidays	4,634	1,858	-	-	6,492
Provision for contingencies and financial guarantees	3,491	3,017	-	(3,414)	3,094
Provision for severance pay	-	2,152	-	-	2,152
Other provisions	871	2,876	(35)	(750)	2,962
	30,901	45,172	(26,585)	(8,713)	40,775

6.26.1. Structure of provision for contingencies and financial guarantees by impairment31 December 2020

TCZK	Stage 1	Stage 2	Stage 3	Total
Provision for contingencies and financial guarantees	(6,245)	(340)	-	(6,585)

31 December 2019

TCZK	Stage 1	Stage 2	Stage 3	Total
Provision for contingencies and financial guarantees	(2,851)	(243)	-	(3,094)

As at 31 December 2020, total credit commitments which represent loans and financial leases already concluded but not yet drawn were TCZK 1,426,557 (as at 31 December 2019: TCZK 659,216).

As at 31 December 2020, the Company provided intra-group guarantee totalling TCZK 164,241 (as at 31 December 2019: TCZK 246,419).

6.26.2. Changes in provisions for contingencies and financial guarantees2020

TCZK	Stage 1	Stage 2	Stage 3	Total
Provision for contingencies and financial guarantees Balance at 1 Jan 2020	(2,851)	(243)	-	(3,094)
Increase arising from origination and acquisition	(5,571)	(340)	-	(5,911)
Decrease due to derecognition	1,873	243	-	2,116
Changes resulting from a change in the credit risk (net)	304	-	-	304
Provision for contingencies and financial guarantees as at 31 December 2020	(6,245)	(340)	-	(6,585)

2019

TCZK	Stage 1	Stage 2	Stage 3	Total
Provision for contingencies and financial guarantees Balance at 1 Jan 2019	(3,452)	(39)	-	(3,491)
Changes resulting from a change in the credit risk (net)	601	(204)	-	397
Provision for contingencies and financial guarantees as at 31 December 2019	(2,851)	(243)	-	(3,094)

6.27. Other liabilities

TCZK	31 Dec 2020	31 Dec 2019
Payables to suppliers	41,530	37,042
Payables to tax authority – VAT December	36,976	-
Lease liability	31,810	44,479
Estimates for wages, social security and health insurance payments	15,274	14,034
Estimated payables for insurance	18,793	18,748
Estimated payables for insurance	14,674	19,018
Deferred revenues – early paid interest	1,553	1,666
Deferred revenues – other	11,753	118
Other	21,542	19,179
Total	193,905	154,284

6.28. EquityShare capital

As at 31 December 2020, the amount of the paid-up share capital is TCZK 450,000 (as at 31 December 2019: TCZK 450,000).

Valuation differences from cash flow hedging

In 2019, cash flow hedging was cancelled due to the termination of hedging relationship and the positive valuation difference of TCZK 11,729 (i.e. before the impact of deferred tax of TCZK 2,229) was transferred from other comprehensive income into the statement of profit and loss.

Dividends

In 2020, dividend was paid to the sole member of TCZK 257,000 (2019: TCZK 175,000).

6.29. Fair values of financial assets and liabilities – Stage 3

Stage 3 (level 3) category is the category of financial instruments measured at fair value determined using the techniques based on input information not based on data observable on the market.

The Company used the following methods and estimates in determining the fair values of financial assets and liabilities:

Cash and balances with banks payable on demand

Reported cash and balances with banks payable on demand correspond to their fair values.

Receivables from clients

The fair values of receivables with a variable interest rate that are often remeasured or receivables with the final maturity within one year for which the credit risk changes are immaterial are essentially equivalent to the reported amounts.

The fair values of fixed-rate loans are estimated based on discounted cash flows using the discount interest rate that is standard for loans with similar terms and conditions provided to borrowers with a similar risk profile, including the impact of collateral.

The fair values of delinquent loans are estimated based on discounted cash flows, including proceeds from a collateral foreclosure, if any.

Payables to Banks and Clients

The fair values of deposits repayable on demand at the reporting date are equal to the amounts repayable on demand (i.e. their reported amounts).

The carrying amounts of variable-rate payables are essentially equivalent to their fair values at the reporting date.

The fair values of fixed-rate payables are estimated based on discounted cash flows using market interest rates.

31 December 2020

TCZK	Carrying amount	Fair values	Difference
Cash and balances with banks	415,609	415,609	-
Receivables from clients	21,267,645	21,652,339	384,694
Payables to banks and clients	20,580,266	20,834,371	254,105

31 December 2019

TCZK	Carrying amount	Fair values	Difference
Cash and balances with banks	400,533	400,533	-
Receivables from clients	20,916,116	21,324,682	408,566
Payables to banks and clients	20,627,815	20,929,262	301,447

6.30. Financial derivatives

Off-balance sheet follows financial derivatives in nominal values:

TCZK	31 December 2020	31 December 2019
Interest rate swap – economic hedge	439,440	856,067
Total interest rate swap	439,440	856,067
Forward exchange contract – receivables – economic hedge	-	70,000
Forward exchange contract – liabilities – economic hedge	-	(67,431)
Total forward exchange contract	-	2,569

Residual maturity of financial derivatives by contractual non-discounted cash flows:

31 December 2020

TCZK	Under 1 year	1 to 5 years	Over 5 years	Total
Interest rate swap – economic hedge	100,000	339,440	-	439,440
Total interest rate swap	100,000	339,440	-	439,440

31 December 2019

TCZK	Under 1 year	1 to 5 years	Over 5 years	Total
Interest rate swap – economic hedge	-	856,067	-	856,067
Total interest rate swap	-	856,067	-	856,067
Forward exchange contract – receivables – economic hedge	70,000	-	-	70,000
Forward exchange contract – liabilities – economic hedge	(67,431)	-	-	(67,431)
Total forward exchange contract	2,569	-	-	2,569

6.31. Ageing of receivables from finance leases

TCZK	31 December 2020	31 December 2019
Gross investments in finance leases	8,699,193	9,284,468
Under 3 months	858,797	700,927
3 months to 1 year	2,123,657	2,189,531
1 to 5 years	5,231,672	5,920,230
Over 5 years	485,067	473,780
Unrealised financial income	445,591	542,990
Under 3 months	54,628	63,987
3 months to 1 year	131,736	160,456
1 to 5 years	230,712	285,486
Over 5 years	28,515	33,061
Gross investments in finance leases	8,253,602	8,741,478

6.32. Structure of assets held under finance leases

TCZK	2020	2019
Lease of motor vehicles	6,119,588	6,433,803
Lease of real estate	129,567	151,279
Lease of facilities	2,004,447	2,156,396
Total	8,253,602	8,741,478

6.33. Future operating lease payments of the lessor

TCZK	2020	2019
Under 1 year	279,449	273,827
1 to 5 years	307,118	338,864
Over 5 years	291	-
Total	586,858	612,691

7. RELATED PARTY TRANSACTIONS

Related party transactions comprise transactions with entities from the Raiffeisen group.

7.1. Trade receivables and payables

The above receivables and payables include the following balances of accounts relating to inter-company relations.

TCZK	Receivables at 31 Dec		Payables at 31 Dec	
	2020	2019	2020	2019
Raiffeisenbank a.s.	238	261	38,452	46,653
Raiffeisen FinCorp, s.r.o.	96	124	-	-
Aglaia Property, s.r.o.	1	1	-	-
Ananke Property, s.r.o.	1	1	-	-
Astra Property, s.r.o.	-	114	-	-
Argos Property, s.r.o.	1	-	-	-
Ares Property, s.r.o.	110	205	-	-
ALT POHLEDY s.r.o.	123	140	-	-
Beroe Property, s.r.o.	1	1	-	-
Boreas Property, s.r.o.	1,783	661	-	-
Carolina Corner s.r.o.	-	1,313	-	-
Cranto Property, s.r.o.	1	-	-	-
CRISTAL PALACE Property, s.r.o.	351	380	-	-
Antonínská 2 s.r.o.	-	267	-	-
Dafné Property, s.r.o.	-	267	-	-
Eunomia Property, s.r.o.	1	1,242	-	-
Dolní náměstí 34 s.r.o.	-	123	-	-
Chodská 12 s.r.o.	-	226	-	-
Fidurock Residential a.s.	-	29	-	-
GEONE Holešovice Two s.r.o.	1	307	-	-
Grainulos s.r.o.	2	172	-	-
Halie Property, s.r.o.	2	-	-	-
Harmonia Property, s.r.o.	1	-	-	-
Hefaistos Property, s.r.o.	-	1	-	-
Hypnos Property, s.r.o.	-	625	-	-
Holečkova Property, s.r.o.	297	362	-	-
Chronos Property, s.r.o.	233	232	-	-
Iris Property, s.r.o.	-	179	-	-
Janus Property, s.r.o.	248	-	-	-

TCZK	Receivables at 31 Dec		Payables at 31 Dec	
	2020	2019	2020	2019
Kaliopé Property, s.r.o.	-	99	-	-
Kappa Estates, s.r.o.	1,662	1,691	-	-
KARAT, s.r.o.	-	31	-	-
Keto Property, s.r.o.	455	6	-	-
Kleió Property, s.r.o.	369	354	-	-
Létó Property, s.r.o.	163	-	-	-
Ligea Property, s.r.o.	1	1	-	-
Photon SPV 3, s.r.o.	125	204	-	-
UPC Real, s.r.o.	851	1,223	-	-
Appolon Property, s.r.o.	7	3	-	-
Photon SPV 8 s.r.o.	282	426	-	-
Exit 90 SPV s.r.o.	321	473	-	-
Gaia Property, s.r.o.	44	160	-	-
Hermes Property, s.r.o.	-	541	-	-
Photon Energie s.r.o.	15			
Photon SPV 10 s.r.o.	15	384	-	-
Na Stárce, s.r.o.	-	134	-	-
Melpomené Property, s.r.o.	1,173	1,231	-	-
Merea Property, s.r.o.	424	-	-	-
Nyx Property, s.r.o.	7	-	113	-
Ofión Property, s.r.o.	187	274	-	-
Onyx Energy Projekt II s.r.o.	230	595	-	-
Onyx Energy s.r.o.	205	316	-	-
Palace Holding s.r.o.	452	429	-	-
PILSENINVEST SICAV, a.s.	-	10	-	-
Plutos Property, s.r.o.	1	1	-	-
Photon SPV 6 s.r.o.	193	273	-	-
Photon SPV 4 s.r.o.	189	267	-	-
KAPMC s.r.o.	3	481	-	-
Pontos Property, s.r.o.	6,819	6,841	-	-
cube ventures, s.r.o.	308	-	-	-
RESIDENCE PARK TŘEBEŠ, s.r.o.	15	19	-	-
RDI Czech 1 s.r.o.	1	-	-	-
RDI Management s.r.o.	1	-	-	-

TCZK	Receivables at 31 Dec		Payables at 31 Dec	
	2020	2019	2020	2019
RDI Czech 3 s.r.o.	1	-	-	-
RDI Czech 4 s.r.o.	13	-	-	-
RDI Czech 5 s.r.o.	1	-	-	-
RDI Czech 6 s.r.o.	37	-	-	-
RLRE Beta Property, s.r.o.	126	220	-	-
RLRE Carina Property, s.r.o.	3,932	544	-	-
RLRE Eta Property, s.r.o.	-	191	-	-
RUBY Place s.r.o.	-	1,656	-	-
Sázavská 826 s.r.o.	1	-	-	-
Selene Property s.r.o.	4,458	4,538	-	-
SeEnergy PT, s.r.o.	136	165	-	-
Sirius Property, s.r.o.	1,600	2,818	-	-
Stará 19 s.r.o.	-	1	-	-
Strašnická realitní a.s.	37	611	-	-
Thaumas Property, s.r.o.	1	1	-	-
Theia Property, s.r.o.	1	-	-	-
Viktor Property, s.r.o.	116	106	-	-
Vlhká 26 s.r.o.	-	1	-	-
Zátiší Rokytka s.r.o.	-	1,769	-	-
Credibilis a.s.	392	546	-	-
Hébé Property, s.r.o.	21	23	-	-
Luna Property, s.r.o.	39	108	-	-
Orchideus Property, s.r.o.	945	3	-	-
Áté Property, s.r.o.	5	-	-	-
Apaté Property, s.r.o.	116	120	-	-
Fobos Property, s.r.o.	-	1,511	-	-
GRENA REAL s.r.o.	-	468	-	-
Hestia Property, s.r.o.	39	207	-	-
Terasa LAVANDE s.r.o.	-	1,246	-	-
Logistický areál Hostivař, s.r.o.	-	1,286	-	-
Médea Property, s.r.o.	9	13	-	-
Nereus Property, s.r.o.	595	-	-	-
JFD Real s.r.o.	346	352	-	-
SIGMA PLAZA s.r.o.	-	1,398	-	-
Total	30,976	43,602	38,565	46,653

In addition, the Company recognised a payable of TCZK 10 (2019: TCZK 867) and a receivable of TCZK 1,870 (2019: TCZK 2,572) in respect of Raiffeisenbank a.s., arising from concluded derivatives.

As at 31 December 2020, the Company recognised a balance on bank accounts with Raiffeisenbank a.s. of TCZK 361,155 (as at 31 December 2019: TCZK 316,164). As at 31 December 2020, the balance on the bank account held at Raiffeisen Bank International AG is TCZK 2,425 (as at 31 December 2019: TCZK 2,581).

7.2. Sales and purchases

TCZK	Sales for year		Purchases for year	
	2020	2019	2020	2019
Raiffeisenbank a.s.	27,935	30,727	81,739	102,994
Raiffeisen Bank International AG	-	-	2,711	2,601
RLRE Beta Property, s.r.o.	411	881	-	-
RLRE Eta Property, s.r.o.	1,699	2,332	-	-
Selene Property s.r.o.	15,655	15,653	-	-
Sirius Property, s.r.o.	7,443	9,486	-	-
Gaia Property, s.r.o.	6,389	3,220	-	-
Dafné Property, s.r.o.	2,393	1,934	-	-
Carolina Corner s.r.o.	-	4,249	-	-
CRISTAL PALACE Property, s.r.o.	1,186	1,779	-	-
Credibilis a.s.	2,678	3,357	-	-
FVE Cihelna s.r.o.	1,963	3,066	-	-
RLRE Carina Property, s.r.o.	3,273	2,695	-	-
Appolon Property, s.r.o.	15	24	-	-
Ares Property, s.r.o.	509	281	-	-
Antonínská 2 s.r.o.	2,064	781	-	-
Boreas Property, s.r.o.	1,096	513	-	-
Dolní náměstí 34 s.r.o.	832	263	-	-
Iris Property, s.r.o.	-	104	-	-
Orchideus Property, s.r.o.	926	1,327	-	-
Raiffeisen FinCorp, s.r.o.	674	4,254	-	-
Chronos Property, s.r.o.	695	801	-	-
Chodská 12 s.r.o.	2,218	597	-	-
UPC Real, s.r.o.	2,912	3,684	-	-
ALT POHLEDY s.r.o.	8,248	11,377	-	-

TCZK	Sales for year		Purchases for year	
	2020	2019	2020	2019
Photon SPV 3 s.r.o.	1,722	2,231	-	-
Photon Energie s.r.o.	951	1,484	-	-
Halie Property, s.r.o.	1,128	-	-	-
Hermes Property, s.r.o.	-	1,391	-	9
Holečkova Property, s.r.o.	1,080	729	-	-
Kappa Estates, s.r.o.	5,874	5,806	-	-
KARAT, s.r.o.	1,675	1,016	-	-
Kétó Property, s.r.o.	981	-	-	-
Kleio Property, s.r.o.	1,351	1,223	-	-
Křížkovského 3 s.r.o.	1,388	-	-	-
Hypnós Property, s.r.o.	1,657	2,055	-	-
Luna Property, s.r.o.	50	700	-	-
Erató Property, s.r.o.	-	229	-	-
Eunomia Property, s.r.o.	3,871	4,662	-	-
Evarne Property, s.r.o.	110	-	-	-
Exit 90 SPV s.r.o.	3,846	4,968	-	-
GEONE Holešovice Two s.r.o.	2,100	1,253	-	-
Inó Property, s.r.o.	-	1	-	-
Janus Property, s.r.o.	617	-	-	-
Grainulos s.r.o.	598	573	-	-
GS55 Sazovice s.r.o.	1,699	2,415	-	-
Médea Property, s.r.o.	240	259	-	-
Melpomené Property, s.r.o.	4,409	5,667	-	-
Merea Property, s.r.o.	517	-	-	-
Nyx Property, s.r.o.	120	91	-	-
Ofión Property, s.r.o.	780	943	-	-
Onyx Energy projekt II s.r.o.	2,478	3,212	-	-
Onyx Energy s.r.o.	2,587	3,374	-	-
Palace Holding s.r.o.	1,584	1,573	-	-
Photon SPV 10 s.r.o.	3,107	4,027	-	-
Photon SPV 6 s.r.o.	2,251	2,905	-	-
Photon SPV 8 s.r.o.	3,429	4,466	-	-
Photon SPV 4 s.r.o.	2,211	2,851	-	-
PILSENINVEST SICAV, a.s.	-	120	-	-

TCZK	Sales for year		Purchases for year	
	2020	2019	2020	2019
cube ventures, s.r.o.	308	-	-	-
Viktor Property, s.r.o.	5,934	8,235	-	-
Rheia Property, s.r.o.	2,728	3,934	-	-
Theia Property, s.r.o.	260	348	-	-
RESIDENCE PARK TŘEBEŠ, s.r.o.	29	74	-	-
RDI Czech 4 s.r.o.	1,623	-	-	-
RDI Czech 6 s.r.o.	178	-	-	-
RUBY Place s.r.o.	-	5,852	-	-
SeEnergy PT, s.r.o.	808	1,055	-	-
Spio Property, s.r.o.	254	-	-	-
Stará 19 s.r.o.	849	117	-	-
Strašnická realitní a.s.	3,277	4,375	-	-
Vlhká 26 s.r.o.	1,299	-	-	-
Zátiší Rokytka s.r.o.	-	17,379	-	-
Astra Property, s.r.o.	578	403	-	-
Hébé Property, s.r.o.	70	88	-	-
Na Stárce, s.r.o.	-	915	-	-
KAPMC s.r.o.	3,017	4,244	-	-
Áté Property, s.r.o.	120	(350)	-	-
Apaté Property, s.r.o.	475	492	-	-
Fobos Property, s.r.o.	3,709	5,492	-	-
GRENA REAL s.r.o.	2,375	2,760	-	-
Hestia Property, s.r.o.	800	1,940	-	-
Terasa LAVANDE s.r.o.	-	5,629	-	-
Logistický areál Hostivař, s.r.o.	-	4,452	-	-
Nereus Property, s.r.o.	2,469	1,195	-	-
JFD Real s.r.o.	2,627	2,719	-	-
SIGMA PLAZA s.r.o.	-	6,693	-	-
Niobé Property, s.r.o.	-	2	-	-
Total	179,412	241,652	84,450	105,604

Sales primarily include interest revenue from bank accounts, derivatives and granted loans and fees for related party administration.

Purchases primarily include provided services regarding treasury (costs of provided guarantees to received loans, interest expense, banking fees), costs relating to derivative instruments, risk management and rental, including services relating to the lease of office premises.

The relation to Raiffeisenbank a.s. is described in Note 1.2. Raiffeisen Bank International AG is a group entity (the shareholder of Raiffeisenbank a.s.).

7.3. Received loans and borrowings

TCZK	31 Dec 2020	31 Dec 2019
Raiffeisenbank a.s.	20,513,386	20,433,083
Raiffeisen FinCorp, s.r.o.	-	130,036
Celkem	20,513,386	20,563,119

Loans are provided as uncollateralised.

7.4. Granted loans

TCZK	31 Dec 2020	31 Dec 2019
RLRE Carina Property, s.r.o.	83,029	25,860
Orchideus Property, s.r.o.	73,713	53,377
UPC Real, s.r.o.	61,273	65,154
Inó Property, s.r.o.	-	39
Viktor Property, s.r.o.	91,956	111,899
Rheia Property, s.r.o.	61,045	65,366
RLRE Beta Property, s.r.o.	799	800
Ares Property, s.r.o.	14,168	14,528
ALT POHLEDY s.r.o.	162,562	190,913
Astra Property, s.r.o.	42,743	
Carolina Corner s.r.o.	-	91,683
FVE Cihelna s.r.o.	35,113	41,158
Antonínská 2 s.r.o.	80,078	73,774
Eunomia Property, s.r.o.	80,005	80,078
Evarne Property, s.r.o.	26,165	-
Exit 90 SPV s.r.o.	68,892	80,737
Dolní náměstí 34 s.r.o.	30,760	29,842
Chodská 12 s.r.o.	81,146	81,146
GEONE Holešovice Two s.r.o.	30,947	28,871
Grainulos s.r.o.	16,755	17,231
Niobé Property, s.r.o.	-	111
Halie Property, s.r.o.	70,705	-
Holečkova Property, s.r.o.	42,540	43,927
Hypnos Property, s.r.o.	58,582	51,012
Iris Property, s.r.o.	-	4,385

TCZK	31 Dec 2020	31 Dec 2019
Janus Property, s.r.o.	130,025	-
Kappa Estates, s.r.o.	164,617	172,179
KARAT, s.r.o.	60,109	60,201
Kétó Property, s.r.o.	58,877	-
Kleió Property, s.r.o.	56,022	59,513
Křížkovského 3 s.r.o.	79,644	-
Merea Property, s.r.o.	31,547	-
Na Stárce, s.r.o.	-	20,084
Onyx Energy projekt II s.r.o.	44,227	51,367
Onyx Energy s.r.o.	46,275	53,746
OfiÓN Property, s.r.o.	19,812	20,921
Palace Holding s.r.o.	53,630	54,572
Photon Energie s.r.o.	18,726	25,166
Photon SPV 10 s.r.o.	56,147	65,212
Photon SPV 6 s.r.o.	39,895	46,336
Photon SPV 8 s.r.o.	62,247	72,296
Photon SPV 4 s.r.o.	39,123	45,439
Photon SPV 3 s.r.o.	29,911	34,740
RDI Czech 4 s.r.o.	42,785	45,667
RLRE Eta Property, s.r.o.	39,404	46,837
RUBY Place s.r.o.	-	115,540
Selene Property s.r.o.	300,347	309,477
Sirius Property, s.r.o.	210,331	231,105
Spio Property, s.r.o.	60,158	-
Stará 19 s.r.o.	48,875	48,807
Theia Property, s.r.o.	157	-
Vlhká 26 s.r.o.	83,871	-
Credibilis a.s.	74,531	77,057
Hestia Property, s.r.o.	-	82,020
Raiffeisen FinCorp, s.r.o.	133,126	-
Apaté Property, s.r.o.	17,560	18,031
CRISTAL PALACE Property, s.r.o.	50,955	54,309
Dafné Property, s.r.o.	119,118	28,143
Fobos Property, s.r.o.	114,380	116,391

TCZK	31 Dec 2020	31 Dec 2019
Gaia Property, s.r.o.	150,022	146,422
GRENA REAL s.r.o.	81,746	81,122
Terasa LAVANDE s.r.o.	-	108,900
Logistický areál Hostivař, s.r.o.	-	158,097
Melpomené Property, s.r.o.	49,550	50,453
Nereus Property, s.r.o.	68,195	65,844
JFD Real s.r.o.	66,198	67,169
KAPMC s.r.o.	32,888	94,660
SIGMA PLAZA s.r.o.	-	123,367
GS55 Sazovice s.r.o.	36,396	47,320
Strašnická realitní a.s.	-	97,359
SeEnergy PT, s.r.o.	23,493	29,370
Zátiší Rokytka s.r.o.	-	237,855
Total loans and borrowings	4,007,896	4,414,985
Revaluation of a collateralised loan	(586)	(762)
Total	4,007,310	4,414,223

8. LITIGATIONS

Litigations for monetary performance

As at 31 December 2020, Raiffeisen - Leasing, s.r.o., had active litigations before general and arbitration courts where the Company was as a plaintiff and where sued total amounts were at TCZK 5,632 (as at 31 December 2019: TCZK 3,783).

As at 31 December 2020, the Company's management assessed all other passive litigations against the Company. Based on the assessment of these litigations as regards the risk of a possible defeat and the amounts subject to the litigations, the Company did not recognise any provision for passive litigations as at 31 December 2020.

Other litigations

In September 2014, the Company became another defendant in the proceedings on ineffectiveness of juridical acts, specifically a contract for the transfer of an ownership interest in ALT POHLEDY s.r.o. concluded between ALTENERGIE DEVELOP s.r.o. as the transferor and the Company as the acquirer. The action was filed with the District Court in Svitavy by RR-Inkasní s.r.o., initially against ALT POHLEDY s.r.o. and subsequently against the Company (see above). The proceedings were suspended until the decision is made in another litigation between RR-Inkasní s.r.o. and ALTENERGIE DEVELOP s.r.o. The Company does not expect the renewal of these proceedings sooner than in several years. Based on the assessment of this litigation in terms of the risk of possible defeat, the Company did not recognize any provision in connection with this litigation as at 31 December 2020.

9. RISK MANAGEMENT

9.1. Credit risk

The credit risk of the Company primarily relates to receivables arising from contracts for financing (lease contracts, loan contracts, instalment sale contracts). The risk of lease and loan receivables is largely covered by collateral. The Company requires the provided receivables to be secured before being provided. The Company considers collaterals in the form of real estate, machinery and equipment and bank guarantees acceptable security reducing the gross credit exposure. In determining the recoverable amount of the collateral for the purposes of calculating the allowances, the Company uses an internal appraisal prepared by a special department or expert reports. The recoverable amount of the collateral is subsequently determined based on this value by applying a correction coefficient that reflects the ability to realise the collateral. The value of the collateral and the amount of the correction coefficients are regularly reassessed.

The collateral is reflected in the calculation of the allowances only if there is a provable and enforceable legal claim to realisation of the collateral, the extent of the collateral is clear and uncontested and the hedging liability is properly documented. Regardless of the reflected collateral, the Company continues to fully assess the credit risk connected with the relevant exposure.

The credit risk in respect of liquid funds is limited, as the counterparties are banks with high rating by international rating agencies.

The Company reports no significant concentration of credit risks as its exposures are distributed among a significant number of counterparties and clients.

The credit risk is monitored on a monthly basis in monitoring the receivables, allowances, default rates, and structure of the portfolio by rating. The assessment is made by the Receivables Committee that approves the amount of allowances. Members of the committee are the Company's statutory representatives, risk department manager, workout department, administrative department manager, accounting department manager and the controlling department manager.

Furthermore, there is a Committee for distressed loans which meets at least once a month and makes decisions with the aim to achieve the highest net present values of receivables relating to the Company's exposures, taking into account the risks connected with every alternative Workout strategy.

31 December 2020

TCZK	Balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Total exposure (carrying amount)	Total collateral
ASSETS				
Cash and balances with banks payable on demand	415,609	-	415,609	-
Receivables from clients	21,583,791	1,590,798	23,174,589	12,829,599
Allowances for receivables from clients	(316,146)	-	(316,146)	-
Positive fair values of financial derivatives	1,870	-	1,870	-
Equity investments in subsidiaries	456,980	-	456,980	-
Intangible fixed assets	63,139	-	63,139	-
Property, plant and equipment	998,953	-	998,953	-
Current tax assets	19,723	-	19,723	-
Other assets	173,315	-	173,315	-
TOTAL ASSETS	23,397,234	1,590,798	24,988,032	12,829,599

31 December 2019

TCZK	Balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Total exposure (carrying amount)	Total collateral
ASSETS				
Cash and balances with banks payable on demand	400,533	-	400,533	-
Receivables from clients	21,131,838	905,635	22,037,473	13,719,119
Allowances for receivables from clients	(215,722)	-	(215,722)	-
Positive fair values of financial derivatives	9,489	-	9,489	-
Equity investments in subsidiaries	458,130	-	458,130	-
Intangible fixed assets	40,949	-	40,949	-
Property, plant and equipment	1,015,446	-	1,015,446	-
Investment property	145,949	-	145,949	-
Current tax assets	17,027	-	17,027	-
Other assets	214,680	-	214,680	-
TOTAL ASSETS	23,218,319	905,635	24,123,954	13,719,119

9.2. Interest Rate Risk

Interest rate risk is the risk of loss from the difference between interest expense and interest revenue, i.e. the risk that the interest rate of receivables from contracts for financing may change differently than the interest rate based on which these receivables are refinanced (fixed and floating rates). Contracts that are financed using fixed rates are hedged through interest rate swaps, or the financing drawn bears a fixed rate. On the basis of contracts for interest rate swaps, the Company undertakes to swap the difference between the amount of fixed and variable interest calculated from contracted principal amounts.

Financial risk management and reporting in the Company follows the Framework agreement on the provision of services concluded between the Company and Raiffeisenbank a.s. ("RBCZ"), and the principles of Raiffeisen Bank International Capital Markets Rule Book. Under this agreement, authorised persons from the HO Asset & Liability Management department of RBCZ are responsible for ALM activities. The Company's intent is not to speculate with market movements and expose itself to the market risk. The Company may assume the market risk only in such situations and in such quantity as deemed necessary to facilitate day-to-day refinancing administration. To mitigate market risks, liquid, foreign currency and interest limits are reported and monitored by HO market risk department of RBCZ.

According to the calculation of the interest rate sensitivity, the increase in interest rates by 1 percentage point would result in a decrease of the Company's profit by TCZK 120 (2019: TCZK 92).

The table as to 31 Dec 2020 (2019) includes assets and liabilities structured by the risk of a change in the interest rate.

31 December 2020

TCZK	Under 3 months	3 months to 1 year	1 to 5 years	Over 5 years	On demand	Unspecified	Total
ASSETS							
Cash and balances with banks payable on demand	-	-	-	-	415,609	-	415,609
Receivables from clients	4,154,322	61,633	13,739,845	3,627,991	-	-	21,583,791
Allowances for receivables from clients	(73,967)	(147)	(188,760)	(53,272)	-	-	(316,146)
Positive fair values of financial derivatives	1,870	-	-	-	-	-	1,870
Equity investments in subsidiaries	-	-	-	-	-	456,980	456,980
Intangible fixed assets	-	-	-	-	-	63,139	63,139
Property, plant and equipment	-	-	-	-	-	998,953	998,953
Current tax assets	-	-	-	-	-	19,723	19,723
Other assets	-	-	-	-	-	173,315	173,315
TOTAL ASSETS	4,082,225	61,486	13,551,085	3,574,719	415,609	1,712,110	23,397,234
LIABILITIES							
Payables to banks	2,744,894	-	5,865,028	11,903,464	-	-	20,513,386
Payables to clients	66,880	-	-	-	-	-	66,880
Negative fair values of financial derivatives	303	-	-	-	-	-	303
Deferred tax liability	-	-	-	-	-	225,212	225,212
Provisions	-	-	-	-	-	39,319	39,319
Other liabilities	-	-	-	-	-	193,905	193,905
Share capital	-	-	-	-	-	450,000	450,000
Retained profits/accumulated losses	-	-	-	-	-	1,508,688	1,508,688
Profit for the period	-	-	-	-	-	399,541	399,541
TOTAL LIABILITIES AND EQUITY	2,812,077	-	5,865,028	11,903,464	-	2,816,665	23,397,234
OFF-BALANCE SHEET							
Interest rate swap – economic hedge	-	100,000	399,440	-	-	-	439,440
TOTAL OFF-BALANCE SHEET	-	100,000	399,440	-	-	-	439,440

31 December 2019

TCZK	Under 3 months	3 months to 1 year	1 to 5 years	Over 5 years	On demand	Unspecified	Total
ASSETS							
Cash and balances with banks payable on demand	-	-	-	-	400,533	-	400,533
Receivables from clients	4,273,410	53,917	13,773,993	3,030,518	-	-	21,131,838
Allowances for receivables from clients	(59,596)	(40)	(109,163)	(46,923)	-	-	(215,722)
Positive fair values of financial derivatives	9,489	-	-	-	-	-	9,489
Equity investments in subsidiaries	-	-	-	-	-	458,130	458,130
Intangible fixed assets	-	-	-	-	-	40,949	40,949
Property, plant and equipment	-	-	-	-	-	1,015,446	1,015,446
Investment property	-	-	-	-	-	145,949	145,949
Current tax assets	-	-	-	-	-	17,027	17,027
Other assets	-	-	-	-	-	214,680	214,680
TOTAL ASSETS	4,223,303	53,877	13,664,830	2,983,595	400,533	1,892,181	23,218,319
LIABILITIES							
Payables to banks	3,738,699	246,108	8,191,435	8,256,841	-	-	20,433,083
Payables to clients	194,732	-	-	-	-	-	194,732
Negative fair values of financial derivatives	867	-	-	-	-	-	867
Deferred tax liability	-	-	-	-	-	159,197	159,197
Provisions	-	-	-	-	-	40,775	40,775
Other liabilities	-	-	-	-	-	154,284	154,284
Share capital	-	-	-	-	-	450,000	450,000
Retained profits/accumulated losses	-	-	-	-	-	1,437,166	1,437,166
Profit for the period	-	-	-	-	-	348,215	348,215
TOTAL LIABILITIES AND EQUITY	3,934,298	246,108	8,191,435	8,256,841	-	2,589,637	23,218,319
OFF-BALANCE SHEET							
Interest rate swap – economic hedge	-	-	824,915	31,152	-	-	856,067
TOTAL OFF-BALANCE SHEET	-	-	824,915	31,152	-	-	856,067

At year-end, the Company contracted IRS with the total nominal amount of TCZK 439,440 (as at 31 Dec 2019: TCZK 856,067), which are disclosed in Note 6.30. They hedge the discrepancy between the payables to banks sensitive to the interest rate risk within 3 months and receivables with sensitivity to the interest rate risk in categories "1-5 years", and "over 5 years".

9.3. Currency Risk

Pursuant to its risk management strategy, the Company generally applies a rule under which all business activities in the specific currency are refinanced by bank loans in the identical currency.

The table for 2020 (2019) includes the Company's currency position in realised currencies (the amounts in the table are translated into CZK).

According to the currency risk sensitivity analysis, a 5% change in the exchange rate (with negative impact on both currencies) would result in reduction of the Company's profits by TCZK 1,008 (2019: TCZK 870).

31 December 2020

TCZK	Total	CZK	EUR	USD
ASSETS				
Cash and balances with banks payable on demand	415,609	287,087	112,798	15,724
Receivables from clients	21,583,791	13,716,778	7,620,393	246,620
Allowances for receivables from clients	(316,146)	(214,056)	(99,976)	(2,114)
Positive fair values of financial derivatives	1,870	1,870	-	-
Equity investments in subsidiaries	456,980	456,980	-	-
Intangible fixed assets	63,139	63,139	-	-
Property, plant and equipment	998,953	998,953	-	-
Current tax assets	19,723	19,723	-	-
Other assets	173,315	127,869	45,446	-
TOTAL ASSETS	23,397,234	15,458,343	7,678,661	260,230
LIABILITIES				
Payables to banks	20,513,386	12,617,511	7,641,791	254,084
Payables to clients	66,880	46,060	20,820	-
Negative fair values of financial derivatives	303	303	-	-
Deferred tax liability	225,212	225,212	-	-
Provisions	39,319	38,015	1,304	-
Other liabilities	193,905	130,408	61,709	1,788
Share capital	450,000	450,000	-	-
Retained profits/accumulated losses	1,508,688	1,508,688	-	-
Profit for the period	399,541	399,541	-	-
TOTAL LIABILITIES AND EQUITY	23,397,234	15,415,738	7,725,624	255,872
Total foreign currency position at 31 Dec 2020		42,605	(46,963)	4,358

31 December 2019

TCZK	Total	CZK	EUR	USD
ASSETS				
Cash and balances with banks payable on demand	400,533	335,922	62,277	2,334
Receivables from clients	21,131,838	14,024,620	6,823,700	283,518
Allowances for receivables from clients	(215,722)	(150,763)	(63,824)	(1,135)
Positive fair values of financial derivatives	9,489	9,489	-	-
Equity investments in subsidiaries	458,130	458,130	-	-
Intangible fixed assets	40,949	40,949	-	-
Property, plant and equipment	1,015,446	1,015,446	-	-
Investment property	145,949	145,949	-	-
Current tax assets	17,027	17,027	-	-
Other assets	214,680	168,446	46,234	-
TOTAL ASSETS	23,218,319	16,065,215	6,868,387	284,717
LIABILITIES				
Payables to banks	20,433,083	13,276,664	6,880,388	276,031
Payables to clients	194,732	184,857	9,794	81
Negative fair values of financial derivatives	867	867	-	-
Deferred tax liability	159,197	159,197	-	-
Provisions	40,775	38,792	1,983	-
Other liabilities	154,284	86,701	67,583	-
Share capital	450,000	450,000	-	-
Retained profits/accumulated losses	1,437,166	1,437,166	-	-
Profit for the period	348,215	348,215	-	-
TOTAL LIABILITIES AND EQUITY	23,218,319	15,982,459	6,959,748	276,112
Total foreign currency position at 31 Dec 2019		82,756	(91,361)	8,605

9.4. Liquidity risk

The liquidity risk is the risk that the Company will not have sufficient available funds to settle payables arising from financial contracts. It includes both the risk of the ability to finance assets by instruments with appropriate maturity and the ability to sell assets for a reasonable price within a reasonable time frame.

The purpose of liquidity management is to ensure that the Company will have sufficient funds to provide funding to its clients. The Company has been drawing loan tranches from the bank based on information on client loans in order to ensure sufficient funds to make payments on the Company's accounts. In practice, deviations from the expected drawing and repayment of client loans occur and therefore it is necessary to keep a sufficient liquidity reserve on the bank accounts.

Client loans for movable assets funding are financed by the bank either on portfolio basis or, for large transactions and real estate funding, on the back-to-back funding (1:1, matched funding).

The short-term liquidity of the Company is monitored on the key current accounts separately for individual currencies: CZK, EUR and USD. Each currency also has a comfort and requisite limit of the total available liquidity on the bank accounts which form the basis for regular monthly funding for the portfolio-based

drawing of tranches. In case of drop below the requisite limit, the funds are immediately drawn up to the comfort limit. In case of surplus of funds significantly over the comfort limit, the surplus funds are repaid. Usually once a month, portfolio utilisation for the relevant currency is assessed and the funding with the payment structure corresponding to the package is drawn to close the liquidity risk.

The below table includes assets and liabilities structured by residual maturities, i.e. from the financial statements date to the contractual maturity date. Assets and liabilities without the contracted maturity date are presented in the "Unspecified" column.

31 December 2020

TCZK	Under 3 months	3 months to 1 year	1 to 5 years	Over 5 years	On demand	Unspecified	Total
ASSETS							
Cash and balances with banks payable on demand	-	-	-	-	415,609	-	415,609
Receivables from clients	1,952,455	5,299,760	12,866,534	1,308,962	156,080	-	21,583,791
Allowances for receivables from clients	(984)	(22,053)	(243,873)	(49,236)	-	-	(316,146)
Positive fair values of financial derivatives	-	-	1,870	-	-	-	1,870
Equity investments in subsidiaries	-	-	-	-	-	456,980	456,980
Intangible fixed assets	-	-	-	-	-	63,139	63,139
Property, plant and equipment	-	-	-	-	-	998,953	998,953
Current tax assets	-	19,723	-	-	-	-	19,723
Other assets	104,915	17,187	845	-	-	50,368	173,315
TOTAL ASSETS	2,056,386	5,314,617	12,625,376	1,259,726	571,689	1,569,440	23,397,234
LIABILITIES							
Payables to banks	2,296,275	4,938,095	11,995,857	1,283,159	-	-	20,513,386
Payables to clients	43,823	-	20,179	-	2,878	-	66,880
Negative fair values of financial derivatives	-	142	161	-	-	-	303
Deferred tax liability	-	-	-	-	-	225,212	225,212
Provisions	-	-	-	-	-	39,319	39,319
Other liabilities	109,230	51,259	1,606	-	-	-	162,095
Lease liabilities	1,793	5,392	24,625	-	-	-	31,810
Share capital	-	-	-	-	-	450,000	450,000
Retained profits/accumulated losses	-	-	-	-	-	1,508,688	1,508,688
Profit for the period	-	-	-	-	-	399,541	399,541
TOTAL LIABILITIES AND EQUITY	2,451,121	4,994,888	12,042,428	1,283,159	2,878	2,622,760	23,397,234

31 December 2019

TCZK	Under 3 months	3 months to 1 year	1 to 5 years	Over 5 years	On demand	Unspecified	Total
ASSETS							
Cash and balances with banks payable on demand	-	-	-	-	400,533	-	400,533
Receivables from clients	1,593,020	4,860,096	13,277,292	1,280,585	120,845	-	21,131,838
Allowances for receivables from clients	(1,559)	(9,164)	(149,121)	(55,878)	-	-	(215,722)
Positive fair values of financial derivatives	-	2,569	6,920	-	-	-	9,489
Equity investments in subsidiaries	-	-	-	-	-	458,130	458,130
Intangible fixed assets	-	-	-	-	-	40,949	40,949
Property, plant and equipment	-	-	-	-	-	1,015,446	1,015,446
Investment property	-	-	-	-	-	145,949	145,949
Current tax assets	-	17,027	-	-	-	-	17,027
Other assets	140,338	21,140	1,959	-	-	51,243	214,680
TOTAL ASSETS	1,731,799	4,891,668	13,137,050	1,224,707	521,378	1,711,717	23,218,319
LIABILITIES							
Payables to banks	1,609,097	4,603,548	12,794,006	1,426,432	-	-	20,433,083
Payables to clients	176,159	3,138	12,431	-	3,004	-	194,732
Negative fair values of financial derivatives	-	-	867	-	-	-	867
Deferred tax liability	-	-	-	-	-	159,197	159,197
Provisions	-	-	-	-	-	40,775	40,775
Other liabilities	65,461	41,852	2,492	-	-	-	109,805
Lease liabilities	2,142	6,427	35,910	-	-	-	44,479
Share capital	-	-	-	-	-	450,000	450,000
Retained profits/accumulated losses	-	-	-	-	-	1,437,166	1,437,166
Profit for the period	-	-	-	-	-	348,215	348,215
TOTAL LIABILITIES AND EQUITY	1,852,859	4,654,965	12,845,706	1,426,432	3,004	2,435,353	23,218,319

9.4.1. Financial liabilities including future contractual interest

31 December 2020

TCZK	Under 3 months	3 months to 1 year	1 to 5 years	Over 5 years	On demand	Total contractual liabilities	Carrying amount
Payables to banks	2,308,506	4,960,398	12,037,187	1,289,124	-	20,595,215	20,513,386
Payables to clients	43,823	-	20,179	-	2,878	66,880	66,880
Loan commitments issued	66,475	20,366	929,183	410,533	-	1,426,557	1,426,557
Provided guarantees	-	164,241	-	-	-	164,241	164,241
Total non-derivative financial liabilities	2,418,804	5,145,005	12,986,549	1,699,657	2,878	22,252,893	22,171,064

31 December 2019

TCZK	Under 3 months	3 months to 1 year	1 to 5 years	Over 5 years	On demand	Total contractual liabilities	Carrying amount
Payables to banks	1,625,817	4,650,011	12,907,302	1,437,843	-	20,620,973	20,433,083
Payables to clients	176,159	3,138	12,431	-	3,004	194,732	194,732
Loan commitments issued	187,122	212,494	176,346	83,254	-	659,216	659,216
Provided guarantees	-	214,376	32,043	-	-	246,419	246,419
Total non-derivative financial liabilities	1,989,098	5,080,019	13,128,122	1,521,097	3,004	21,721,340	21,533,450

Undiscounted future cash flows for derivative transactions are presented in Note 6.30. to these financial statements.

10. SUBSEQUENT EVENTS

The management of the Company is not aware of any other significant subsequent events which would have impact on these financial statements as at 31 December 2020.

Related Party Transaction Report



Related party transaction report

pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended (the "Act on Business Corporations")

The statutory body of Raiffeisen - Leasing, s.r.o., with its registered office at Hvězdova 1716/2b, 140 78 Prague 4, corporate ID: 61467863, recorded in the Register of Companies held by the Municipal Court in Prague, File No. C 29553 (the "Company") prepared this related party transaction report in accordance with Section 82 of Act No. 90/2012 Coll., and the legal regulation regarding business secrets in accordance with Section 504 of Act No. 89/2012 Coll., Civil Code.

The statutory body of the Company used the information in the Register of Companies in identifying controlling entities.

1. Structure of relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the controlling entity (the "Related Parties")

1.1 The Company is controlled by Raiffeisenbank a.s., corporate ID: 492 40 901, with its registered office at Hvězdova 1716/2b, 140 78 Prague 4, recorded in the Register of Companies held by the Municipal Court in Prague, File No. B 2051 (hereinafter also „Parent company"), which holds an equity investment of 100%.

1.2 Related parties are the following companies:

a) companies that are economically controlled by the Company and are considered subsidiaries in accordance with International Financial Reporting Standards (IFRS) adopted by the EU:

Direct ownership
Raiffeisen FinCorp, s.r.o., which is fully owned by the Company.
Orchideus Property, s.r.o., which is fully owned by the Company.
RESIDENCE PARK TŘEBEŠ, s.r.o., which is fully owned by the Company.
RLRE Ypsilon Property, s.r.o., which is fully owned by the Company.
RLRE Carina Property, s.r.o., which is fully owned by the Company.
Appolon Property, s.r.o., which is fully owned by the Company.
Janus Property, s.r.o., which is fully owned by the Company.
Médea Property, s.r.o., which is fully owned by the Company.
Hestia Property, s.r.o., which is fully owned by the Company.
Ananké Property, s.r.o., which is fully owned by the Company.
Raiffeisen Direct Investments CZ s.r.o., which is fully owned by the Company.
Theseus Property, s.r.o., which is fully owned by the Company.
Argos Property, s.r.o., which is fully owned by the Company.
Aglaiia Property, s.r.o., which is fully owned by the Company.
Hefaistos Property, s.r.o., which is fully owned by the Company.

Direct ownership

Plutos Property, s.r.o., which is fully owned by the Company.

Thaumas Property, s.r.o., which is fully owned by the Company.

Ligea Property, s.r.o., which is fully owned by the Company.

Dero Property, s.r.o., which is fully owned by the Company.

Cranto Property, s.r.o., which is fully owned by the Company.

Beroe Property, s.r.o., which is fully owned by the Company.

Létó Property, s.r.o., which is owned in 77% by the Company and the remaining 23% is owned by RUHL FVE s.r.o.

Ownership based on trust agreement

Luna Property, s.r.o., which is owned in 10% by the Company and the remaining 90 % is owned by Raiffeisen - Leasing International Gesellschaft m.b.H.

Kalypso Property, s.r.o., which is owned in 10% by the Company and the remaining 90 % is owned by Raiffeisen - Leasing International Gesellschaft m.b.H.

Viktor Property, s.r.o., which is owned in 10% by the Company and the remaining 90 % is owned by RLKG Raiffeisen - Leasing Gesellschaft m.b.H.

The above mentioned companies are economically controlled by the Company, on the basis of a trust agreement.

b) companies that are not economically controlled by the Company and are not considered subsidiaries in accordance with International Financial Reporting Standards (IFRS) adopted by the EU:

Based on concluded contracts, the Company does not have the power to control and manage the relevant activities of the companies below and the Company is not exposed to risks related to the given entities. These companies therefore do not constitute controlled or jointly controlled companies, nor companies under significant influence. Loans were granted to most of these companies.

Direct ownership

RLRE Beta Property, s.r.o., which is fully owned by the Company.

RLRE Eta Property, s.r.o., which is fully owned by the Company.

Kaliopé Property, s.r.o., which is fully owned by the Company.

JFD Real s.r.o., which is fully owned by the Company.

CRISTAL PALACE Property, s.r.o., which is fully owned by the Company.

Sirius Property, s.r.o., which is fully owned by the Company.

Hypnos Property, s.r.o., which is fully owned by the Company.

Chronos Property, s.r.o., which is fully owned by the Company.

Holečkova Property, s.r.o., which is fully owned by the Company.

Pontos Property, s.r.o., which is fully owned by the Company.

Direct ownership

Dike Property, s.r.o., which is fully owned by the Company.

UPC Real, s.r.o., which is fully owned by the Company.

Photon SPV 3 s.r.o., which is fully owned by the Company.

Photon Energie s.r.o., which is fully owned by the Company.

Photon SPV 8 s.r.o., which is fully owned by the Company.

Exit 90 SPV s.r.o., which is fully owned by the Company.

Onyx Energy s.r.o., which is fully owned by the Company.

Onyx Energy projekt II s.r.o., which is fully owned by the Company.

Photon SPV 4 s.r.o., which is fully owned by the Company.

Photon SPV 6 s.r.o., which is fully owned by the Company.

Photon SPV 10 s.r.o., which is fully owned by the Company.

Selene Property s.r.o., which is fully owned by the Company.

ALT POHLEDY s.r.o., which is fully owned by the Company.

SeEnergy PT, s.r.o., which is fully owned by the Company.

FVE Cihelna s.r.o., which is fully owned by the Company.

Credibilis a.s., which is fully owned by the Company.

Morfeus Property, s.r.o., which is fully owned by the Company.

Zefyros Property, s.r.o., which is fully owned by the Company.

Astra Property, s.r.o., which is fully owned by the Company.

Kleió Property, s.r.o., which is fully owned by the Company.

Dafné Property, s.r.o., which is fully owned by the Company.

Áté Property, s.r.o., which is fully owned by the Company.

Harmonia Property, s.r.o., which is fully owned by the Company.

OfiÓN Property, s.r.o., which is fully owned by the Company.

Grainulos s.r.o., which is fully owned by the Company.

GRENA REAL s.r.o., which is fully owned by the Company.

Melpomené Property, s.r.o., which is fully owned by the Company.

Éós Property, s.r.o., which is fully owned by the Company.

Boreas Property, s.r.o., which is fully owned by the Company.

Apaté Property, s.r.o., which is fully owned by the Company.

Fobos Property, s.r.o., which is fully owned by the Company.

Nereus Property, s.r.o., which is fully owned by the Company.

Nyx Property, s.r.o., which is fully owned by the Company.

Direct ownership

Eunomia Property, s.r.o., which is fully owned by the Company.

Kappa Estates, s.r.o., which is fully owned by the Company.

Ares Property, s.r.o., which is fully owned by the Company.

Foibe Property, s.r.o., which is fully owned by the Company.

GEONE Holešovice Two s.r.o., which is fully owned by the Company.

Belos Property, s.r.o., which is fully owned by the Company.

Démétér Property, s.r.o., which is fully owned by the Company.

Kétó Property, s.r.o., which is fully owned by the Company.

Folos Property, s.r.o., which is fully owned by the Company.

Halie Property, s.r.o., which is fully owned by the Company.

Spio Property, s.r.o., which is fully owned by the Company.

Merea Property, s.r.o., which is fully owned by the Company.

Evarne Property, s.r.o., which is owned in 90% by the Company and the remaining 10 % is owned by NF Property, s.r.o.

GS55 Sazovice s.r.o., which is owned in 90% by the Company and the remaining 10 % is owned by GS5 s.r.o.

Palace Holding s.r.o., which is owned in 90% by the Company, the remaining 6% is owned by Petr Skrla and the remaining 4% is owned by Milan Hagan.

Hébé Property, s.r.o., which is owned in 95% by the Company and the remaining 5 % is owned by Pavel Diviš.

Rheia Property, s.r.o., which is owned in 95% by the Company and the remaining 5% is owned by Snow-How ČR, s.r.o.

Fidurock Residential a.s., which is owned in 90 % by the Company and the remaining 10% is owned by Fidurock Core Assets a.s.

Indirect ownership

Sky Solar Distribuce s.r.o. which is owned in 77% by the Company indirectly through Létó Property, s.r.o., the remaining 23% is owned by RUHL FVE s.r.o.

Appolon Property, s.r.o., which is fully owned by the Company indirectly through Raiffeisen FinCorp, s.r.o.

KAPMC s.r.o., which is fully owned by the Company indirectly through Dike Property, s.r.o.

Theia Property, s.r.o., which is fully owned by the Company indirectly through Dike Property, s.r.o.

Antonínská 2 s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

Dolní náměstí 34 s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

Stará 19 s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

Vlhká 26 s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

Chodská 12 s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

Křížkovského 3 s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

cube ventures, s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

KARAT s.r.o., which is owned in 90% by the Company indirectly through Fidurock Residential a.s.

Gaia Property, s.r.o., which is fully owned by the Company indirectly through Folos Property, s.r.o.

Strašnická realitní a.s., which is fully owned by the Company indirectly through Harmonia Property, s.r.o.

Indirect ownership

RDI Czech 1 s.r.o., which is fully owned by the Company indirectly through Raiffeisen Direct Investments CZ, s.r.o.

RDI Czech 3 s.r.o., which is fully owned by the Company indirectly through Raiffeisen Direct Investments CZ, s.r.o.

RDI Czech 4 s.r.o., which is fully owned by the Company indirectly through Raiffeisen Direct Investments CZ, s.r.o.

RDI Czech 5 s.r.o., which is fully owned by the Company indirectly through Raiffeisen Direct Investments CZ, s.r.o.

RDI Czech 6 s.r.o., which is fully owned by the Company indirectly through Raiffeisen Direct Investments CZ, s.r.o.

RDI Management s.r.o., which is fully owned by the Company indirectly through Raiffeisen Direct Investments CZ, s.r.o.

2. Role of the controlled entity in the structure of relations of Related Parties

2.1 The Company is a subsidiary of the parent company operating autonomously and independently of the parent company in non-banking financing of movable and immovable assets.

3. Method and means of control

3.1 The Company is controlled through resolutions of the parent company acting in the capacity of the general meeting in matters that are within the authority of the general meeting or the sole member pursuant to law. The Company is not subject to unified management as per Section 79 et seq. of the Act on Business Corporations.

3.2 Decisions are made in the Company at the level of the statutory body, with no one being allowed to give the Company's statutory body binding instructions regarding the business management of the Company.

4. List of acts made in the reporting period at the initiative or in the interest of the controlling entity or entities controlled by the controlling entity that related to assets exceeding 10% of equity of the controlled entity identified according to the most recent set of financial statements

No such acts were made.

5. List of contracts concluded in the reporting period with Related Parties

Contract (change to the contract)	Counter-party	Conclusion date
Lease contract no. 5019004649	Raiffeisenbank a.s.	8 Jan 2020
Lease contract no. 5019004692	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004694	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004695	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004696	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004697	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004698	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004699	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004608	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004609	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004610	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004611	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004612	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004613	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004614	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004615	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004616	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004617	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004689	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004690	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004691	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004693	Raiffeisenbank a.s.	20 Jan 2020
Lease contract no. 5019004700	Raiffeisenbank a.s.	20 Jan 2020
Amendment no. 29 to loan contract no. 110157/2012/01	Raiffeisenbank a.s.	21 Jan 2020
Amendment no. 1 to lease contract no. 5019003355	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019003354	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019003352	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019003351	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019003731	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019004065	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019004191	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019004267	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002624	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002955	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002672	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002671	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002484	Raiffeisenbank a.s.	24 Jan 2020

Contract (change to the contract)	Counter-party	Conclusion date
Amendment no. 1 to lease contract no. 5019002625	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002482	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002481	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002478	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019001273 (terminated on 30 Apr 2020)	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019001270 (terminated on 30 Apr 2020)	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019000646	Raiffeisenbank a.s.	24 Jan 2020
Amendment no. 1 to lease contract no. 5019002669	Raiffeisenbank a.s.	24 Jan 2020
Lease contract no. 5019004701	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004702	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004703	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004704	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004705	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004706	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004707	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004708	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019004709	Raiffeisenbank a.s.	6 Feb 2020
Lease contract no. 5019005106	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005107	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005108	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005109	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005110	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005111	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005112	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005095	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005136	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005096	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005097	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005098	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005099	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005100	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005101	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005102	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005103	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005104	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005105	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005113	Raiffeisenbank a.s.	14 Feb 2020

Contract (change to the contract)	Counter-party	Conclusion date
Lease contract no. 5019005114	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005115	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005116	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005117	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005118	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005119	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005120	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005121	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005122	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005123	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005124	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005125	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005126	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005127	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005128	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005129	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005130	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005131	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005132	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005133	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005134	Raiffeisenbank a.s.	14 Feb 2020
Lease contract no. 5019005135	Raiffeisenbank a.s.	14 Feb 2020
Amendment no. 7 to framework contract on service provision between Raiffeisenbank a.s. and Raiffeisen – Leasing a.s.	Raiffeisenbank a.s.	31 Mar 2020
Contract on risk participation and the provision of a special-purpose loan reg. no. 7168000018	Raiffeisenbank a.s.	8 Apr 2020
Agreement on termination of lease contract no. 5019001268 - 5019001269	Raiffeisenbank a.s.	21 Apr 2020
Agreement on termination of lease contract no. 5019000632	Raiffeisenbank a.s.	21 Apr 2020
Agreement on termination of lease contract no. 5019000525, 526, 532	Raiffeisenbank a.s.	21 Apr 2020
Amendment no. 1 to lease contract no. 5019000488	Raiffeisenbank a.s.	21 Apr 2020
Agreement on termination of lease contract no. 5019001273	Raiffeisenbank a.s.	21 Apr 2020
Agreement on termination of lease contract no. 5019001270	Raiffeisenbank a.s.	21 Apr 2020
Agreement on termination of lease contract no. 5019001271	Raiffeisenbank a.s.	21 Apr 2020
Agreement on termination of lease contract no. 5019001272	Raiffeisenbank a.s.	21 Apr 2020
Contract on risk participation and the provision of a special-purpose loan reg. no. 7168000037	Raiffeisenbank a.s.	11 May 2020
Contract on risk participation and the provision of a special-purpose loan reg. no. 7168000038	Raiffeisenbank a.s.	11 May 2020
Contract on risk participation and the provision of a special-purpose loan reg. no. 7168000052	Raiffeisenbank a.s.	11 May 2020

Contract (change to the contract)	Counter-party	Conclusion date
Amendment no. 3 to framework contract on service provision S/2017/00498	Raiffeisenbank a.s.	12 May 2020
Lease contract no. 5019004920	Raiffeisenbank a.s.	9 Jun 2020
Lease contract no. 5019004921	Raiffeisenbank a.s.	10 Jun 2020
Lease contract no. 5019004924	Raiffeisenbank a.s.	10 Jun 2020
Lease contract no. 5019004925	Raiffeisenbank a.s.	10 Jun 2020
Amendment no. 1 to contract on risk participation and the provision of a special-purpose loan	Raiffeisenbank a.s.	15 Jun 2020
Lease contract no. 5019004923	Raiffeisenbank a.s.	18 Jun 2020
Lease contract no. 5019004926	Raiffeisenbank a.s.	19 Jun 2020
Amendment no. 2 to contract on cooperation in client data exchange S/2012/02973	Raiffeisenbank a.s.	24 Jun 2020
Amendment no. 2 to framework contract on service provision S/2017/00498	Raiffeisenbank a.s.	7 Jul 2020
Amendment no. 30 to loan contract no. 110157/20212/01	Raiffeisenbank a.s.	16 Jul 2020
Lease contract no. 5019004922	Raiffeisenbank a.s.	21 Jul 2020
Agreement on termination of lease contract no. 5019002706	Raiffeisenbank a.s.	30 Jul 2020
Agreement on termination of lease contract no. 5019002668	Raiffeisenbank a.s.	30 Jul 2020
Contract on risk participation and the provision of a special-purpose loan reg. no. 7004003612	Raiffeisenbank a.s.	12 Aug 2020
Amendment no. 1 to lease contract no. 5019003846	Raiffeisenbank a.s.	31 Aug 2020
Amendment no. 1 to lease contract no. 5019002360	Raiffeisenbank a.s.	31 Aug 2020
Amendment no. 1 to lease contract no. 5019002365	Raiffeisenbank a.s.	31 Aug 2020
Amendment no. 1 to lease contract no. 5019002362	Raiffeisenbank a.s.	31 Aug 2020
Amendment no. 1 to lease contract no. 5019002418	Raiffeisenbank a.s.	31 Aug 2020
Amendment no. 1 to lease contract no. 5019002419	Raiffeisenbank a.s.	31 Aug 2020
Amendment no. 10 to contract on non-residential premises	Raiffeisenbank a.s.	8 Sep 2020
Amendment no. 31 to loan contract no. 110157/20212/01	Raiffeisenbank a.s.	9 Sep 2020
Contract on risk participation and the provision of a special-purpose loan	Raiffeisenbank a.s.	22 Sep 2020
Agreement on termination of lease contract no. 5019000466	Raiffeisenbank a.s.	21 Oct 2020
Agreement on termination of lease contract no. 5019000456	Raiffeisenbank a.s.	21 Oct 2020
Agreement on termination of lease contract no. 5019000468	Raiffeisenbank a.s.	21 Oct 2020
Agreement on termination of lease contract no. 5019000454	Raiffeisenbank a.s.	21 Oct 2020
Agreement on termination of lease contract no. 5019000463	Raiffeisenbank a.s.	21 Oct 2020
Agreement on termination of lease contract no. 5019000472	Raiffeisenbank a.s.	21 Oct 2020
Agreement on termination of lease contract no. 5019000494	Raiffeisenbank a.s.	21 Oct 2020
Contract on risk participation and the provision of a special-purpose loan	Raiffeisenbank a.s.	4 Nov 2020
Amendment no. 15 to framework contract on service provision between Raiffeisenbank a.s. and Raiffeisen – Leasing a.s.	Raiffeisenbank a.s.	26 Nov 2020
Agreement on termination of lease contract no. 5019002667	Raiffeisenbank a.s.	30 Nov 2020
Contract on risk participation and the provision of a special-purpose loan	Raiffeisenbank a.s.	30 Nov 2020
Loan contract on financing	Ares Property, s.r.o.	30 Nov 2020

Contract (change to the contract)	Counter-party	Conclusion date
Loan contract on financing	Astra Property, s.r.o.	29 Sep 2020
Loan contract on financing	Astra Property, s.r.o.	29 Sep 2020
Loan contract on financing	Astra Property, s.r.o.	1 Oct 2020
Loan contract on financing	Credibilis a.s.	22 May 2020
Amendment no. 1 to loan contract on financing	CRISTAL PALACE Property, s.r.o.	22 Jun 2020
Amendment no. 1 to loan contract on financing	CRISTAL PALACE Property, s.r.o.	22 Jun 2020
Loan contract on financing	cube ventures, s.r.o.	23 Dec 2020
Amendment no. 1 to loan contract on financing	Antoniská 2 s.r.o.	14 Dec 2020
Amendment no. 1 to loan contract on financing	Eunomia Property, s.r.o.	28 Feb 2020
Loan contract on financing	Eunomia Property, s.r.o.	18 Dec 2020
Loan contract on financing	Evarne Property, s.r.o.	19 Nov 2020
Loan contract on financing	Fidurock Projekt 17, s.r.o.	28 Apr 2020
Loan contract on financing	Křížkovského 3 s.r.o.	1 Dec 2020
Loan contract on financing	Dolní náměstí 34 s.r.o.	1 Dec 2020
Loan contract on financing	Raiffeisen FinCorp, s.r.o.	12 Mar 2020
Loan contract on financing	Raiffeisen FinCorp, s.r.o.	15 Apr 2020
Loan contract on financing	Raiffeisen FinCorp, s.r.o.	16 Oct 2020
Amendment no. 1 to loan contract on financing	Fobos Property, s.r.o.	15 Jun 2020
Loan contract on financing	Gaia Property, s.r.o.	18 Dec 2020
Loan contract on financing	GRENA REAL s.r.o.	29 Jun 2020
Loan contract on financing	Halie Property, s.r.o.	31 Aug 2020
Amendment no. 1 to loan contract on financing	Hypnos Property, s.r.o.	27 Jan 2020
Loan contract on financing	Janus Property, s.r.o.	13 Jan 2020
Amendment no. 1 to loan contract on financing	JFD Real s.r.o.	16 Jun 2020
Loan contract on financing	KAPMC s.r.o.	23 Sep 2020
Loan contract on financing	Kétó Property, s.r.o.	25 Jun 2020
Loan contract on financing	Merea Property, s.r.o.	31 Aug 2020
Amendment no. 1 to loan contract on financing	Nereus Property, s.r.o.	22 May 2020
Amendment no. 1 to loan contract on financing	Orchideus Property, s.r.o.	2 Jan 2020
Amendment no. 1 to loan contract on financing	Orchideus Property, s.r.o.	31 Oct 2020
Amendment no. 1 to loan contract on financing	Palace Holding s.r.o.	13 Jan 2020
Amendment no. 1 to loan contract on financing	Carolina Corner, s.r.o.	2 Jul 2020
Loan contract on financing	Spio Property, s.r.o.	6 Nov 2020
Loan contract on financing	Theia Property, s.r.o.	30 Nov 2020
Amendment no. 3 to loan contract on financing	UPC Real s.r.o.	29 May 2020
Loan contract on financing	Vlhká 26, s.r.o.	12 Mar 2020
Amendment no. 3 to framework contract on financing initial stages of the Bubenská development project	Eunomia Property, s.r.o.	21 Dec 2020
Contract on the provision of comprehensive project support	RDI Czech 4, s.r.o.	1 Jan 2020

Contract (change to the contract)	Counter-party	Conclusion date
Contract on the provision of comprehensive project support	RDI Czech 6, s.r.o.	1 Jan 2020
Contract on the provision of comprehensive project support	Janus Property, s.r.o.	1 Jan 2020
Amendment no. 7 to contract on finance lease with the lease receiver's option to purchase the subject of lease no. 100	Holečkova Property, s.r.o., clients	29 Sep 2020
Amendment no. 3 to agreement on mutual linking of contracts on financing	Raiffeisen FinCorp, s.r.o., Dafné Property, s.r.o., Chronos Property, s.r.o., Holečkova Property, s.r.o., Credibilis, a.s., Hypnos Property, s.r.o., Nereus Property, s.r.o., clients	29 Sep 2020
Amendment no. 6 to contract on finance lease with the lease receiver's option to purchase the subject of lease no. 100	Chronos Property, s.r.o., clients	29 Sep 2020
Amendment no. 1 to senior loan contract	Astra Property, s.r.o.	29 Sep 2020
Contract on development activities to secure the construction of the Farářství residential project – 3rd stage (apartment house F)	KAPMC, s.r.o., client	14 Oct 2020
Amendment no. 3 to framework contract on cooperation in financing the Farářství development project, the 1st stage of the Farářství residential project, which supplements the framework contract on conditions of financing of the 3rd stage of the Farářství residential project	KAPMC, s.r.o., client	22 Sep 2020
Amendment no. 4 to framework contract on cooperation in financing the Farářství development project, the 1st, 2nd and 3rd stage	KAPMC, s.r.o., client	30 Nov 2020
Amendment no. 5 to framework contract on cooperation in financing the Farářství development project, the 1st, 2nd and 3rd stage	KAPMC, s.r.o., client	30 Nov 2020
Agreement on assignment of project-related rights and obligations	FVE Cihelna s.r.o., clients	8 Jan 2020
Contract on development activities to secure the construction of the SMILOVA residential project	Theia Property, s.r.o., client	3 Dec 2020
Contract on transfer of equity investment	Dike Property, s.r.o.	1 Oct 2020
Amendment no. 2 to framework contract on cooperation	Áté Property, s.r.o., client	11 Jun 2020
Amendment no. 1 to contract on creation of real estate pledge	Áté Property, s.r.o.	11 Jun 2020
Contract on the provision of comprehensive project support	Gaia Property, s.r.o.	18 Dec 2020
Contract on future transfer of equity investment	Gaia Property, s.r.o., Folos Property, s.r.o., clients	18 Dec 2020
Framework contract	Folos Property, s.r.o., client	18 Dec 2020
Contract on transfer of business share	Folos Property, s.r.o.	18 Dec 2020
Contract on transfer of equity investment	Fidurock Residential a.s.	28 Apr 2020
Amendment no. 1 to framework contract on financing the Chodská project	Fidurock Residential a.s., client	28 Apr 2020
Contract on transfer of equity investment	Fidurock Residential a.s.	25 May 2020
Amendment no. 1 to framework contract on financing the Antonínská project	Fidurock Residential a.s., client	25 May 2020
Amendment no. 2 to framework contract on financing the Antonínská project	Fidurock Residential a.s., client	14 Dec 2020

Contract (change to the contract)	Counter-party	Conclusion date
Contract on transfer of equity investment	Fidurock Residential a.s.	25 May 2020
Amendment no. 1 to framework contract on financing the Dolní náměstí project	Fidurock Residential a.s., client	25 May 2020
Contract on transfer of equity investment	Fidurock Residential a.s.	25 May 2020
Amendment no. 1 to framework contract on financing the Veletržní project	Fidurock Residential a.s., client	25 May 2020
Contract on transfer of equity investment	Fidurock Residential a.s.	25 May 2020
Amendment no. 1 to framework contract on financing the Vlhká project	Fidurock Residential a.s., client	25 May 2020
Contract on transfer of equity investment	Fidurock Residential a.s.	25 May 2020
Amendment no. 1 to framework contract on financing the Stará project	Fidurock Residential a.s., client	25 May 2020
Framework contract on financing the Křížkovského project	Fidurock Residential a.s., client	28 Apr 2020
Amendment no. 1 to framework contract on financing the Křížkovského project	Fidurock Residential a.s., client	24 Nov 2020
Framework contract on financing the Provazníkova project	Fidurock Residential a.s., client	23 Dec 2020
Contract on subordination and pledging of receivables	Raiffeisen FinCorp, s.r.o., cube ventures s.r.o., client	23 Dec 2020
Framework contract on financing the Zahrada snů development project	Halie Property, s.r.o., client	27 Aug 2020
Contract on the provision of comprehensive support	Halie Property, s.r.o.	27 Aug 2020
Framework contract on financing the Nad Šáreckým údolím development project	Merea Property, s.r.o., client	27 Aug 2020
Contract on the provision of comprehensive support	Merea Property, s.r.o.	27 Aug 2020
Loan contract	Kétó Property, s.r.o.	21 Jul 2020
Contract on the provision of comprehensive support	Kétó Property, s.r.o.	25 Jun 2020

6. The controlled entity incurred no detriment in the reporting period.

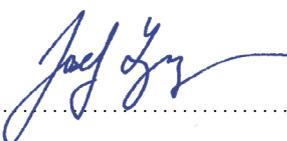
7. Benefits and disadvantages arising for the controlled entity from related party transactions

7.1 The Company generated no benefits and incurred no disadvantages.

In Prague, on 31 March 2021



Mag. Alois Lanegger



Josef Langmayer

