

# **Annual Report 2015**



***Czech Republic***

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## General Information

effective as of 31 December 2015

|   |   |
|---|---|
| Name of the Company:                              | Raiffeisen – Leasing, s.r.o.  |
| Legal status:                                     | Limited Liability Company   |
| Recorded in the Register of Companies:            | 22 June 1994  |
| Corporate ID:                                     | 61467863  |
| Registered office:                                | Hvězdova 2b, Prague 4   |
| Principal activities:                             | Lease of movable and immovable assets   |
| Share capital:                                    | CZK 450,000,000   |
| Owners:   | Raiffeisenbank, a.s. (50%)  |
|   | Raiffeisen – Leasing International Gesellschaft m.b.H. (50%)  |
| Statutory executive:                              | Alois Lanegger  |
|   | Jiří Kruncľ   |
|   | Tomáš Gürtler   |
| Representation:                                   | The Company is represented by two statutory executives who act jointly. The statutory executives sign by adding their own signatures to the Company's name. |
| Supervisory Board:                                | Advisory body without executive competencies, its task is to make recommendations on matters defined in the Company's internal regulations                  |
|   | Rudolf Rabiňák, Chairman of the Supervisory Board   |
|   | Renate Kattinger, Member of the Supervisory Board   |
|   | Václav Štětina, Member of the Supervisory Board   |
|   | Michael Hackl, Member of the Supervisory Board  |
|   | František Ježek, Member of the Supervisory Board  |
| Branches abroad:                                  | None  |
| Branches in the Czech Republic:                   | Ostrava, Pardubice, Brno  |
| Equity investments in other entities:             | Refer to Capital Investments  |
| Research and development activities:              | None  |
| Environmental activities:                         | None  |
| Labour relations:                                 | In line with the Labour Code and relating regulations   |
| Information on the acquisition of treasury shares | None  |

## Company's History

Raiffeisen - Leasing, s.r.o. has been active on the Czech market since 1994 and provides a comprehensive offer of financial products to companies, businessmen and individuals.

In 2012, the managements and work teams of Raiffeisen - Leasing, s.r.o. and Raiffeisen - Leasing Real Estate, s.r.o. were merged. As a result of this merger, the Company currently offers comprehensive financing of your investment needs under one roof. In 2013, Raiffeisen - Leasing, s.r.o. sold its equity investment of 50% in Raiffeisen - Leasing Real Estate, s.r.o. to Raiffeisen bank, a.s. This change in ownership was not recorded to the Register of Companies before 2014. On 1 January 2015, Raiffeisen - Leasing Real Estate, s.r.o. merged with Raiffeisen - Leasing, s.r.o.

Raiffeisen - Leasing, s.r.o. is a member of the Czech Leasing and Finance Association (CLFA) and contributes to the improvement of services provided in the field of leasing and dealing with issues related to leasing resulting from valid legal and tax legislative of the Czech Republic.

Cost of financed assets and other provided financing (CZK million)

|                      | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cars                 | 326          | 376          | 316          | 245          | 332          | 630          | 1018         |
| Trucks               | 129          | 73           | 108          | 172          | 165          | 287          | 472          |
| Machinery            | 486          | 254          | 431          | 247          | 348          | 420          | 378          |
| Computers            | 80           | 53           | 43           | 127          | 143          | 110          | 133          |
| Other movable assets | 344          | 1,980        | 1,274        | 520          | 1,049        | 1,235        | 761          |
| Real estate          | 0            | 0            | 0            | 0            | 0            | 0            | 2,342        |
| <b>Total</b>         | <b>1,365</b> | <b>2,736</b> | <b>2,173</b> | <b>1,312</b> | <b>2,037</b> | <b>2,682</b> | <b>5,103</b> |

## Principal activities

Financing of:

- Real estate, construction projects;
- Machinery;
- Technology;
- Personal;
- Utility vehicles and trucks;
- Airplanes;
- Buses;
- Railway wagons;
- Machining tools;
- Manufacturing lines;
- Handling technology;
- Information and communication technology; and
- Healthcare technology and a number of other commodities.

Services we provide:

- Valuation of immovable assets; and
- Production, trading and other services not listed in Appendices 1 to 3 to the Trade Licensing Act.

## **Capital Investments**

Raiffeisen - Leasing, s.r.o. possesses the following:

- 73 project companies, directly or indirectly owned by the Company in full;
- An investment of 50% in the project company RLRE Ypsilon Property, s.r.o.; the remaining investment of 50% is held by Raiffeisen - Leasing Gesellschaft m.b.H.;
- An investment of 10% in three project companies: RLRE Carina Property, s.r.o., Luna Property, s.r.o. and Kalypso Property, s.r.o.; the remaining investment of 90% is held by RLI GmbH;
- An investment of 10% in the project company Viktor Property, s.r.o.; the remaining investment of 90% is held by RLKG Raiffeisen - Leasing Gesellschaft mbH;
- Indirectly (via RLRE Carina Property, s.r.o.) a 10% investment in the project company RLRE Dorado Property, s.r.o.; the remaining investment of 90% is held by RLI GmbH;
- An investment of 10% in a project company with an own project: Bondy Centrum s.r.o.; an investment of 40% is held by RLI GmbH, an investment of 50% is held by CZ-Invest GmbH;
- An investment of 77% in the project company Leto Property, s.r.o.; the remaining investment of 23% is held by RUHR FVE s.r.o.;
- Indirectly (via Leto Property, s.r.o.) an investment of 77% in the project company Sky Solar Distribuce s.r.o.; the remaining investment of 23% is held by RUHR FVE s.r.o.;
- An investment of 95% in the project company Héb  Property, s.r.o.; the remaining investment of 5% is held by Pavel Diviř;
- An investment of 95% in the project company Rheia Property, s.r.o.; the remaining investment of 5% is held by Snow-How  R, s.r.o.;
- An investment of 90% in the project company GS55 Sazovice s.r.o.; the remaining investment of 10% is held by GS5 s.r.o.; and
- Sundry relations are disclosed in the notes to the financial statements.

## **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**

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

## **Financial Statements for the Current Reporting Period**

The annual financial statements for the current reporting period are provided in Appendix 2 to this Annual Report. An overview of the Company's assets is evident from the schedules disclosed in the Company's financial statements that form an integral part of this Annual Report.

## **Information on Significant Post Balance Sheet Events**

At the beginning of 2016, Raiffeisen - Leasing Real Estate, s.r.o. sold an investment of 10% in a project company with an own project: Bondy Centrum s.r.o.

## **Anticipated Development in Company's Activities**

In 2016, the Company plans to continue conducting its standard principal business activities with a view to generating profits.

## **Report on Related Party Transactions pursuant to Sections 82-88 of Act No. 90/2012 Coll., on Business Corporations**

The Report on Related Party Transactions pursuant to the provisions of Sections 82-88 of Act No. 90/2012 Coll., on Business Corporations, is provided in Appendix 3 to this Annual Report.

## **Auditor's Report**

The Auditor's report is provided in Appendix 1 to this Annual Report.

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

In Prague on 27 June 2016



Tomáš Gürtler, Statutory Executive



Alois Lanegger, Statutory Executive



Jiří Kruncel, Statutory Executive

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Partners of Raiffeisen - Leasing, s.r.o.**

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle  
Identification number: 614 67 863

We have audited the accompanying financial statements of Raiffeisen - Leasing, s.r.o. prepared on the basis of International Financial Reporting Standards as adopted by the EU, which comprise the statement of financial position as of 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Statutory Body's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen - Leasing, s.r.o. as of 31 December 2015, 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 EU.

#### Emphasis of Matter

We draw attention to Note 1.7. to the financial statements describing that a merger with Raiffeisen - Leasing Real Estate, s.r.o. took place as of 1 January 2015. For this reason, the prior year's figures are not fully comparable. Our opinion is not modified in respect of this matter.

#### Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 27 June 2016

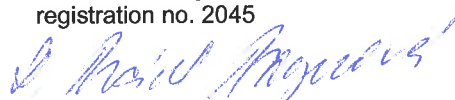
Audit firm:

Deloitte Audit s.r.o.  
registration no. 079



Statutory auditor:

Diana Rádľ Rogerová  
registration no. 2045





**SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Name of the Company:** Raiffeisen - Leasing, s.r.o.  
**Registered Office:** Hvězdova 1716/2b, 14078 Praha 4 - Nusle  
**Legal Status:** Limited Liability Company  
**Corporate ID:** 614 67 863

**Components of Separate Financial Statements for 2015 Prepared under IFRS as Adopted by the EU:**

**Statement of Financial Position (Balance Sheet)**

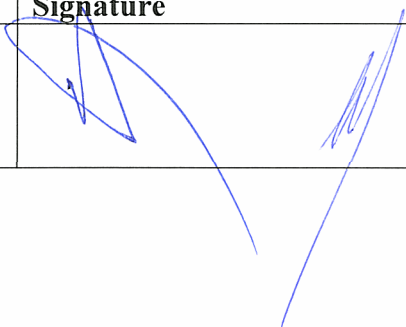
**Statement of Comprehensive Income**

**Statement of Changes in Equity**

**Cash Flow Statement**

**Notes to the Financial Statements**

**These financial statements were prepared on 27 June 2016.**

| Statutory body of the reporting entity: |                               | Signature  |
|---|-------------------------------|--|
| Mag. Alois Lanegger<br>jednatel         | Ing. Jiří Kruncel<br>jednatel |  |



**Statement of Comprehensive Income**  
for the Year Ended 31 December 2015

| CZK  | Note | 2015           | 2014           |
|--|------|----------------|----------------|
| Interest income and similar income                           | 1    | 381 601        | 290 839        |
| Interest expense and similar expense                         | 2    | -102 061       | -97 025        |
| <b>Net interest income</b>                                   |      | <b>279 540</b> | <b>193 814</b> |
| Change in allowances for risks arising from contract funding | 3    | -9 450         | 11 330         |
| <b>Net interest income net of allowances</b>                 |      | <b>270 090</b> | <b>205 144</b> |
| Fee and commission income                                    | 4    | 19 741         | 5 133          |
| Fee and commission expense                                   | 5    | -13 868        | -25 428        |
| <b>Net fee and commission income</b>                         |      | <b>5 873</b>   | <b>-20 295</b> |
| Foreign exchange rate gains or losses                        | 6    | 336            | -463           |
| Profit or loss from derivative transactions                  | 7    | 29 205         | -2 802         |
| Income from dividends  | 8    | 6              | 0              |
| Income from investments                                      | 9    | 1 966          | 0              |
| General operating expenses                                   | 10   | -201 729       | -162 191       |
| Other operating income                                       | 11   | 340 152        | 64 431         |
| Other operating expenses                                     | 12   | -143 882       | -6 980         |
| <b>Profit before tax</b>                                     |      | <b>302 017</b> | <b>76 844</b>  |
| Income tax   | 13   | -53 415        | -14 744        |
| <b>Total comprehensive income for the year</b>               |      | <b>248 602</b> | <b>62 100</b>  |



**Raiffeisen**  
**LEASING**

**Balance sheet**

as of 31 December 2015

| CZK   | Note   | 2015             | 2014             |
|---|--------|------------------|------------------|
| <b>ASSETS</b>                                 |        |                  |                  |
| Cash on hand                                  |        | 150              | 89               |
| Cash at bank                                  |        | 432 998          | 212 988          |
| Receivables from clients (net)                | 14, 15 | 8 283 354        | 5 308 050        |
| Positive fair values of financial derivatives | 16     | 760              | 489              |
| Investments in subsidiaries                   | 17     | 519 437          | 350              |
| Intangible fixed assets                       | 18     | 9 795            | 8 367            |
| Property, plant and equipment                 | 18     | 183 349          | 26 169           |
| Investment property                           | 18     | 159 275          | -                |
| Other assets                                  | 19     | 183 416          | 56 408           |
| <b>TOTAL ASSETS</b>                           |        | <b>9 772 534</b> | <b>5 612 910</b> |
| <b>LIABILITIES</b>                            |        |                  |                  |
| Payables to banks                             | 20     | 7 805 302        | 4 434 318        |
| Payables to clients                           | 21     | 256 830          | 14 509           |
| Negative fair values of financial derivatives | 22     | 37 287           | 65 826           |
| Deferred tax liability                        | 23     | 63 708           | 43 053           |
| Provisions                                    | 24     | 58 137           | 22 355           |
| Other liabilities                             | 25     | 158 925          | 42 937           |
| Share capital                                 | 26     | 450 000          | 440 000          |
| Statutory reserve fund                        | 26     |                  | 5 000            |
| Retained earnings/accumulated losses          | 26     | 693 743          | 482 812          |
| Profit for the period                         | 26     | 248 602          | 62 100           |
| <b>TOTAL LIABILITIES</b>                      |        | <b>9 772 534</b> | <b>5 612 910</b> |



## Statement of Changes in Equity

For the Year Ended 31 December 2015

| CZK thousand                                     | Share capital  | Statutory reserve fund | Retained earnings/acc<br>umulated losses | Profit for the<br>period | Total<br>equity  |
|--|----------------|------------------------|--|--------------------------|------------------|
| <b>Balance at 31 Dec 2013</b>                    | <b>270 000</b> | <b>5 000</b>           | <b>64 819</b>                            | <b>454 793</b>           | <b>794 612</b>   |
| Dividends  |                |                        | -36 800                                  |                          | -36 800          |
| Share capital increase                           | 170 000        |                        |  |                          | 170 000          |
| Allocation to reserve funds                      |                |                        |  |                          | 0                |
| Allocation to retained earnings                  |                |                        | 454 793                                  | -454 793                 | 0                |
| Net profit for the period                        |                |                        |  | 62 100                   | 62 100           |
| Other comprehensive income, net                  |                |                        |  |                          |                  |
| <b>Total comprehensive income for the period</b> |                |                        |  |                          |                  |
| <b>Balance at 31 Dec 2014</b>                    | <b>440 000</b> | <b>5 000</b>           | <b>482 812</b>                           | <b>62 100</b>            | <b>989 912</b>   |
| Merger   | 10 000         | 1 000                  | 116 261                                  | 106 490                  | 233 751          |
| Dividends  |                |                        | -79 920                                  |                          | -79 920          |
| Allocation to reserve funds                      |                | -6 000                 | 6 000                                    |                          | 0                |
| Share capital increase                           |                |                        |  |                          | 0                |
| Allocation to retained earnings                  |                |                        | 168 590                                  | -168 590                 | 0                |
| Net profit for the period                        |                |                        |  | 248 602                  | 248 602          |
| Other comprehensive income, net                  |                |                        |  |                          | 0                |
| <b>Total comprehensive income for the period</b> |                |                        |  |                          |                  |
| <b>Balance at 31 Dec 2015</b>                    | <b>450 000</b> | <b>0</b>               | <b>693 743</b>                           | <b>248 602</b>           | <b>1 392 345</b> |



**Raiffeisen**  
**LEASING**

## Cash Flow Statement

For the Year Ended 31 December 2015

| CZK thousand  | 2015            | 2014            |
|---|-----------------|-----------------|
| <b>Opening balance of cash and cash equivalents</b>                                 | <b>213 077</b>  | <b>581 514</b>  |
| <b>Profit before tax</b>  | <b>302 017</b>  | <b>76 844</b>   |
| <b>Adjustment for non-cash transactions</b>   | <b>-245 097</b> | <b>-186 362</b> |
| Recognition/release of allowances for financing risks, write-off of receivables     | 9 450           | -11 330         |
| Depreciation of property, plant and equipment and amortisation of intangible assets | 26 607          | 8 693           |
| Recognition/release of provisions   | 29 901          | 6 398           |
| Change in the fair value of derivatives   | -29 056         | 3 183           |
| Received dividends  | -6              | -               |
| Profit/loss from the sale of property, plant and equipment and intangible assets    | -151            | 45              |
| Profit/loss from the sale of equity investments                                     | -1 966          | -               |
| Foreign currency translation  | -336            | 463             |
| Interest expense and interest income  | -279 540        | -193 814        |
| <b>Operating profit before the change in operating assets and liabilities</b>       | <b>56 920</b>   | <b>-109 518</b> |
| <b>Change in working capital</b>  | <b>-388 249</b> | <b>-516 868</b> |
| Change in receivables and deferred expenses and accrued income                      | 100 303         | -593 501        |
| Change in payables and accrued expenses and deferred income                         | -522 198        | -3 816          |
| Change in other assets  | -17 930         | 90 483          |
| Change in other liabilities   | 11 937          | -10 034         |
| Cash acquired as a result of merger   | 39 639          | -               |
| Paid interest   | -98 621         | -95 346         |
| Received interest   | 378 221         | 288 533         |
| <b>Net cash flow from operating activities before tax</b>                           | <b>-51 729</b>  | <b>-433 199</b> |
| Income tax paid   | -27 697         | -               |
| <b>Net cash flow from operating activities</b>                                      | <b>-79 426</b>  | <b>-433 199</b> |
| <b>Cash flow from investment activities</b>   |                 |                 |
| Income from the sale of fixed assets  | 2 117           | 1 043           |
| Purchase of tangible and intangible assets  | -637 368        | -23 493         |
| Dividends received  | 6               | -               |
| <b>Net cash flow from investment activities</b>                                     | <b>-635 245</b> | <b>-22 450</b>  |
| <b>Cash flow from financing activities</b>  |                 |                 |
| Change in payables from financing   | 1 014 662       | -45 988         |
| <b>Impacts of changes in equity</b>   | <b>-79 920</b>  | <b>133 200</b>  |
| Cash increase in share capital  |                 | 170 000         |
| Dividends paid  | -79 920         | -36 800         |
| <b>Net cash flow from financing activities</b>                                      | <b>934 742</b>  | <b>87 212</b>   |
| <b>Net change in cash and cash equivalents</b>                                      | <b>220 071</b>  | <b>-368 437</b> |
| <b>Closing balance of cash and cash equivalents</b>                                 | <b>433 148</b>  | <b>213 077</b>  |

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**Name of the Company:** Raiffeisen – Leasing, s.r.o.

**Registered Office:** Hvězdova 1716/2b, 140 78 Prague 4 - Nusle

**Legal Status:** Limited Liability Company

**Corporate ID:** 614 67 863

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### 1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

#### 1.1. Incorporation and Description of Business

Raiffeisen – Leasing, s.r.o. (hereinafter the “Company”) was recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 29553, 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.

As a result of a merger by amalgamation, all assets and liabilities, including the rights and obligations arising from labour relations, of Raiffeisen – Leasing Real Estate, s.r.o., corporate ID 264 92687, which was dissolved without liquidation, were transferred to the Company.

The principal activities of the Company include:

- Provision or mediation of consumer loans;
- Valuation of assets – 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, services regarding administration and organisational and economic services; and
- Accounting advisors, 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 plants in any legal form.

The Company generates a predominant part of its sales in the Czech Republic.

The Company increased its share capital to CZK 450,000 thousand in 2015 as a result of the merger. The amount of the paid capital is CZK 450,000 thousand as of 31 December 2015 (2014: CZK 440,000 thousand).

#### 1.2. Entities with Equity Interests in the Company

| <b>Owners as of 31 Dec 2015</b>  | <b>Share</b> |
|--|--------------|
| Raiffeisenbank a.s., Hvězdova 1716/2b, Nusle, 140 00 Prague 4, Czech Republic              | 50 %         |
| Raiffeisen–Leasing International Gesellschaft m.b.H., Am Stadtpark 9, 1030 Vienna, Austria | 50 %         |
| <b>Total</b>   | <b>100%</b>  |

#### 1.3. Statutory Body as of 31 December 2015

| <b>Statutory body</b> | <b>Position</b>     |
|-----------------------|---------------------|
| Alois Lanegger        | Statutory executive |
| Jiří Kruncí           | Statutory executive |
| Tomáš Gürtler         | Statutory executive |

# **Raiffeisen – Leasing, s.r.o.**

## **Notes to the Separate Financial Statements**

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### **1.4. Changes in the Register of Companies**

The following changes were recorded in the Register of Companies:

- On 1 January 2015, the number of statutory body members was recorded; and
- On 1 January 2015, a change in the amount of investments made by owners as a result of the merger, a change in the share capital resulting from the merger and information on the merger were recorded.

### **1.5. Organisational Structure**

The Company is internally organised into the Sales Department, Administration Department, Accounting Department, Risk Management Department, Treasury Department, Controlling Department, IT Department, Legal Department, Fleet Management, Marketing and Product Development. Pursuant to its internal guideline, the Company established the Company's Advisory Board as the supreme oversight and advisory body. Statutory executives are authorised to implement certain resolutions only after obtaining the prior opinion of the Advisory Board.

As of 31 December 2015, the Company had branches with registered offices in Pardubice, Brno, Teplice and Ostrava.

### **1.6. Consolidation Group Identification**

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. The Company is part of the Raiffeisen financial group that is controlled by Raiffeisen Bank International AG, Vienna. Consolidated financial statements are prepared by Raiffeisenbank, a.s.

With the approval of both of its owners, the Company does not prepare the consolidated financial statements. Raiffeisen Bank International AG (ultimate parent) prepares the consolidated financial statements which are available for public use and which comply with International Financial Reporting Standards.

### **1.7. Other Information**

Raiffeisen – Leasing, s.r.o. and Raiffeisen – Leasing Real Estate, s.r.o. prepared a project of merger by amalgamation with effect from 1 January 2015. Raiffeisen – Leasing, s.r.o. is the successor company while Raiffeisen – Leasing Real Estate, s.r.o. is the dissolved company.

The merger project was prepared by the Company's statutory executives pursuant to the Czech Act on Transformations, the Act on Business Corporations and other effective regulations.

The successor company, Raiffeisen – Leasing, s.r.o., assumed the assets and liabilities of the dissolved Raiffeisen – Leasing Real Estate, s.r.o. and included them in the relevant line items of the opening balance sheet. Mutual transactions in the amount of CZK 20,647 thousand were excluded from other assets of the successor company and other liabilities of the dissolved company.

# **Raiffeisen – Leasing, s.r.o.**

## **Notes to the Separate Financial Statements**

Year ended 31 December 2015

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This matter thus has an impact on the comparability of figures presented in the profit and loss account.

### **2. CHANGE IN THE APPLICATION OF ACCOUNTING STANDARDS SINCE 1 JANUARY 2011**

In accordance with the amendment to Act No. 563/1991 Coll. on Accounting, as amended, effective since 1 January 2011, the general meeting of the Company decided to prepare the statutory local financial statements under International Financial Reporting Standards ("IFRS") and interpretations approved by the International Accounting Standards Board ("IASB"), as adopted by the European Union. The reason for this change is the fact that IFRS better present the economic situation of the Company in financing assets, primarily in finance leases, than Czech Accounting Standards.

The Company uses a similar structure of financial statements as the parent company Raiffeisenbank, a.s.

### **3. ACCOUNTING POLICIES AND GENERAL ACCOUNTING PRINCIPLES**

The Company used the accounting policies described in Note 4 on a consistent basis throughout the reporting period.

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

The financial statements were prepared on an accrual principle, ie 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, including the notes thereto, are unconsolidated and do not include the effect of financial statements of jointly controlled entities.

The Company prepares the unconsolidated financial statements in line with the requirements of Act No. 563/1991 Coll., on Accounting, as amended.

The financial statements are prepared as of the balance sheet date on 31 December 2015.

The reporting period is the calendar year.

These financial statements are presented in CZK thousands.

#### **a) Standards and Interpretations Effective in the Reporting Period**

In the reporting period, the following standards, interpretations and amendments to existing standards issued by the IASB and adopted by the European Union were effective:

- Amendments to various standards “Improvements to IFRSs (cycle 2011-2013)” resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (amendments are to be applied for annual periods beginning on or after 1 January 2015); and
- IFRIC 21 “Levies” adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

### **b) Standards and Interpretations Issued by the IASB and Adopted by the EU but Not Yet Effective**

The Company assessed the impact of the standards, interpretations and amendments to applicable standards that are not yet effective, that were not used in the preparation of these financial statements but are approved and will have an impact on the preparation of the financial statements of the Company at a later date. At present, the Company is undertaking an analysis of the impacts related to the application of the standards. The Company plans to implement the following standards as of their effective dates.

- Amendments to various standards “Improvements to IFRSs (cycle 2010-2012)” resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015);
- Amendments to various standards “Improvements to IFRSs (cycle 2012-2014)” resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IFRS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 15 December 2015 (amendments are to be applied for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 19 “Employee Benefits” - Defined Benefit Plans: Employee Contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015);
- Amendments to IAS 1 “Presentation of Financial Statements” – Disclosure Initiative adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture” – Bearer Plants adopted by the EU on 23 November 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” – Acceptable Methods of Depreciation and Amortisation adopted by the EU on 2 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 27 “Individual Financial Statements” – Equity Method in Separate Financial Statements adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016); and
- Amendments to IFRS 11 “Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations adopted by the EU on 24 November 2015 (effective for annual periods beginning on or after 1 January 2016).

**c) Standards and Interpretations issued by the IASB, but not yet adopted by the European Union**

- IFRS 9 “Financial Instruments” effective for annual periods beginning on or after 1 January 2018 containing requirements for reporting and measurement, impairment, derecognition and general hedge accounting;

Classification and measurement – IFRS 9 introduced a new approach to financial asset classification, which is based on the characteristics of cash flows and a business model based on which an assets is held. This single approach arises from the principles of and replaces the existing requirements of IAS 39. The new model also results in forming a new impairment model applied to all financial instruments.

Impairment – IFRS 9 introduced a new impairment model based on expected losses requiring earlier reporting of expected credit losses. Specifically, the new standard requires that entities account for their expected financial losses when the financial instruments are initially recognised and that they report expected losses earlier over the useful life of the financial instrument.

The standard introduces a three-level model reflecting changes in credit quality from the initial recognition:

Level 1 includes financial assets with no material increase in the credit risk from the initial recognition or with a low credit risk as of the financial statements date. Twelve-month expected credit losses are recognised for these assets. Interest income is calculated based on the gross book value of assets.

Level 2 includes financial assets with a material increase in the credit risk from the initial recognition but lacking an objective evidence of impairment. The expected credit losses over the entire useful lives are recognised for these assets. Interest income is calculated based on the gross book value of assets.

Level 3 includes financial assets with objective evidence of impairment. The expected credit losses over the entire useful lives are recognised for these assets. Interest income is calculated based on the net book value of assets.

Hedge accounting – IFRS 9 introduces a revised model of hedge accounting, including a more precise disclosure of risk management activities. The new model is a significant revision of hedge accounting aligning accounting policies and activities in risk management.

Internal credit risk – IFRS 9 eliminates volatility in profit or loss, which resulted from the changing credit risk of liabilities selected to be measured at fair value. This change in recognition means that profits resulting from the deterioration of the internal credit risk of the liabilities is no longer recognised in profit or loss.

- IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods beginning on or after 1 January 2016); the European Commission has decided not to start the approval procedure of the interim standard and rather wait for the final standard;

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

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- IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2017);
- IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures” – Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017).

The Company assesses the impact of the application of IFRS 9 on its financial statements. The assessment includes the application of new guidance for the classification and measurement of financial instruments and impairment rules. The analysis of impacts has not been completed as of the date of the financial statements.

Summary of significant accounting 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 (Tangible Fixed Assets)

Tangible fixed assets include internal assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 40 thousand on an individual basis. Intangible fixed assets include internal assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 60 thousand.

The cost of fixed asset improvements exceeding CZK 60 thousand or CZK 40 thousand for the taxation period increases the acquisition cost of the related intangible and tangible fixed asset, respectively.

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



# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

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### Valuation

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and allowances and are depreciated in the statement of comprehensive income 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 accounting methods and depreciation periods according to groups of assets:

| <b>Intangible and tangible fixed assets</b>       | <b>Method</b> | <b>Depreciation period</b>                                    |
|---|---------------|---|
| Software - Core system                            | Straight line | 4-5 years   |
| Machinery and equipment 1st depreciation group    | Straight line | 3-4 years   |
| Machinery and equipment second depreciation group | Straight line | 4 years   |
| Vehicles (company cars)                           | Straight line | 5 years   |
| Vehicles (contracts fleet management)             | Straight line | According to the lease contract and determined net book value |
| Buildings   | Straight line | 30-50 years   |
| Improvements on leased premises                   | Straight line | 72 months (according to the lease contract)                   |

The Company periodically examines the usability of assets and tests them for impairment.

Regular repairs and maintenance are reported in the statement of comprehensive income 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 and/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.

Business and administrative investment property is depreciated on a straight line basis for 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.

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

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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. Receivables

#### Valuation

Receivables are measured at net book values using the effective interest rate method less impairment losses.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company recognises a direct accumulated depreciation to receivables arising from the financial settlement of prematurely terminated contracts, they actually negate the value of the receivable in "Receivables from customers". The profit or loss is impacted by the moment of the payment of receivable from financial settlement.

#### Recognition of Allowances

The Company determines allowances against doubtful receivables based on its own analysis of the solvency of its customers using the methodology of the Raiffeisen financial group so that allowances reflect the coverage of the risk resulting from the lease contract as a whole. Receivables from prematurely terminated contracts or contracts tending to premature termination are allowed for according to the individual perspective of the client with the anticipation of the form of the lease collateral and possibility to resell the lease asset.

The calculation is made using the following formula:

Billed and outstanding receivables based on the particular financing contract + present value of future lease payments or the balance of the loan principal – value of the lease asset measured in accordance with the intracompany guideline – value of other collateral of the particular contract determined according to the intracompany guideline = tax non-deductible allowance.

The Company additionally recognises portfolio allowances for active financing contracts. For the individuals and small and medium sized companies segments, the Company uses the Flow-rate calculation model reflecting, on an annual average basis,

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

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the statistical likelihood of the premature termination of the contract due to default in particular segments and the anticipated level of return.

In respect of the corporate clients segments, the calculation is based on the client default likelihood on the basis of its rating, migration rating tables calculated centrally by the Raiffeisen group, weighted collateralisation and also likely return of the unsecured part of the portfolio (again, calculated centrally).

The Company recognises allowances on a net basis, ie the amount of the difference between the balance of allowances at the beginning and end of the reporting period is debited or credited to expenses.

### 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 on a gross basis, ie existing provisions are released to the relevant expense account and are recognised in the amount of provisions at the end of the reporting period.

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

### 3.7. Trade Payables

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

### 3.8. Loans

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

In order to provide economic hedging of its interest rate and currency risks, the Company concludes interest rate swaps and currency swaps. This interest rate and currency risk results from the different interest on assets and liabilities or differently denominated assets and liabilities.

#### Hedging and Trading Derivatives

Hedging derivatives are concluded either for fair value hedging or cash flow hedging.

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

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The Company designates a derivative as hedging only if the criteria set out below are met at the designation date:

- Compliance with the risk management strategy;
- At the inception of the hedge, the hedging relationship is formally documented;
- The documentation identifies the hedged item and the hedging instrument, defines the risk that is being hedged and the approach to assessing whether the hedge is effective;
- The hedge is expected to be highly effective at inception and throughout the period; and
- Changes in the fair value or cash flows of the hedged item are almost fully offset by changes in the fair value or cash flows of the hedging instrument and the results are within a range of 80 percent to 125 percent.

Other derivatives are treated as trading derivatives.

### Valuation

Interest rate and currency swaps are carried at acquisition cost at the acquisition date. The acquisition cost includes direct acquisition costs, e.g. fees and commissions to brokers, advisors and stock exchanges.

At the balance sheet date, interest rate or foreign currency swaps are remeasured at fair value which is arrived at on the basis of a reasonable determination of the fair value of all expected cash flows.

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 equity and 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 comprehensive income line "Profit or loss from derivative transactions". Fair values of derivatives are based upon quoted market prices or 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 underlying the positions.

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 comprehensive income as appropriate.

The Company recognises the revaluation of currency swaps to fair value through foreign exchange rate gains or losses.

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

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The Company uses derivative instruments to hedge the risks. The Company does not use hedge accounting.

### 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 Hedge

The Company concluded a derivative instrument in the form of an interest rate swap with a hedged granted loan. 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 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
- The 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 is measured at fair value. In line with accounting policies, profit or loss arising from the changes in the fair value of the hedged item and the hedging instrument are recognised in income or expenses when the fair value hedge method is applied. Interest income and expenses arising from the derivative instrument are recognised together with the interest expense and hedged granted loans to interest expenses.

### **3.10. Leases**

The Company provides financing only in the form of finance leases under IFRS. Although certain contracts are defined as operating leases, they meet the definition of finance leases under IFRS and are recognised as such.

The accounting treatment is as follows: 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 comprehensive income 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.

# **Raiffeisen – Leasing, s.r.o.**

## **Notes to the Separate Financial Statements**

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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 costs are the costs that directly relate with the lease in the lessee. These costs are released over the lease period.

In the event of the premature termination of the contract, a fee will be imposed on receivables in the amount of remaining lease payments adjusted by insurance and finance service discount and a corresponding allowance is recognised.

### **3.11. Income and Expense Recognition**

The Company recognises income and expenses on an accrual basis, i.e. recognises them on the relevant accounts of expense accounts and income items on an accrual basis.

Expenses relating to future periods take the form of deferred expenses and accrued expenses.

The income relating to future periods take the form of deferred income and accrued income.

### **3.12. Taxation**

#### **3.12.1. Income Tax Payable**

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

The tax currently payable 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.

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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 comprehensive income, 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. 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 rate gains and losses are recorded through the current year's financial expenses or revenues as appropriate and are 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 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 revenues 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 future results may differ from these 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

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for in accordance with internal guidelines. The allowance recognition policy is disclosed in Note 4.5.

### 3.15. Cash Flow Statement

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:

|  | (CZK thousand) |                |
|--|----------------|----------------|
|  | 31 Dec 2015    | 31 Dec 2014    |
| Cash on hand and cash in transit       | 150            | 89             |
| Cash at bank                           | 432 998        | 212 988        |
| <b>Total cash and cash equivalents</b> | <b>433 148</b> | <b>213 077</b> |

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

Adjustments for other non-cash transactions include expenses relating to disposals of fixed assets due to prematurely terminated lease contracts and the amount of expenses relating to the write-off of bad receivables.



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### 4. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

#### 4.1. Interest Income and Similar Income (Note 1)

| CZK thousand  | 2015           | 2014           |
|---|----------------|----------------|
| from receivables from banks                                   | 66             | 487            |
| from receivables from banks from financial derivatives        | 3 506          | 3 796          |
| from receivables from customers                               | 378 029        | 286 556        |
| of which: <i>interest on impaired assets</i>                  | 6 937          | 7 610          |
| of which: <i>interest on the default from impaired assets</i> | 1 305          | 6 207          |
| <b>Total interest income and similar income</b>               | <b>381 601</b> | <b>290 839</b> |

The income of the Company is primarily generated from the provision of financing contracts (leases, consumer loans and instalment sale) and relating services provided to clients. The Company generated all sales from principal activities in 2015 and 2014 in the Czech Republic.

#### 4.2. Interest Expense and Similar Expense (Note 2)

| CZK thousand                                      | 2015            | 2014           |
|---|-----------------|----------------|
| From loans at banks                               | -56 048         | -48 215        |
| From client loans                                 | -5 218          | -              |
| From financial derivatives                        | -40 795         | -48 810        |
| <b>Total interest expense and similar expense</b> | <b>-102 061</b> | <b>-97 025</b> |

#### 4.3. Change in Allowances for Risks Arising from Contract Funding (Note 3)

| CZK thousand   | 2015           | 2014          |
|--|----------------|---------------|
| Recognition of allowances  | -54 668        | -11 060       |
| of which: <i>Orchideus Property, s.r.o.</i>                                    | -4 102         | -             |
| <i>PZ Projekt a.s.</i>   | -5 052         | -             |
| Release of allowances  | 62 221         | 18 208        |
| of which: <i>Luna Property, s.r.o.</i>   | 31 995         | -             |
| <i>RLRE Carina Property, s.r.o.</i>  | 17 106         | -             |
| Write-off of receivables   | -3 486         | -2 000        |
| Income from written-off receivables  | 650            | 437           |
| Income from the sale of seized items   | 2 939          | 5 745         |
| <b>Total change in allowances</b>  | <b>7 656</b>   | <b>11 330</b> |
| <b>Provisions for off-balance sheet credit risks</b>                           |                |               |
| Release of provisions  | -17 106        | -             |
| of which: <i>RLRE Carina Property, s.r.o.</i>                                  | -17 106        | -             |
| <b>Total change in provisions for off-balance sheet credit risks</b>           | <b>-17 106</b> | <b>-</b>      |
| <b>Change in provisions and allowances for the risks of contract financing</b> | <b>-9 450</b>  | <b>11 330</b> |

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### 4.4. Fee and Commission Income (Note 4)

| <b>CZK thousand</b>                            | <b>2015</b>   | <b>2014</b>  |
|--|---------------|--------------|
| Fees from the provision of services to clients | 6 156         | 1 711        |
| Bonus from the mediation of insurance          | 3 904         | 3 422        |
| Fee for the provision of a guarantee           | 9 625         | -            |
| Received subsidies for the sales promotion     | 56            | -            |
| <b>Total fee and commission income</b>         | <b>19 741</b> | <b>5 133</b> |

Fees from the provision of services to clients include, for example, fees for the preparation of the lease and loan contracts, change in the repayment schedule or contract cession, for premature termination and variable lease payment.

Received subsidies include subsidies from the Company's suppliers for sales promotion.

### 4.5. Fee and Commission Expense (Note 5)

Fee and commission expense includes fees for the administration of bank accounts held at banks in the amount of CZK (1,386) thousand (2013: CZK (1,062) thousand), fees for received bank guarantees of CZK (9,181) thousand (2014: CZK (5,963) thousand), fee for a premature loan repayment of CZK 0 thousand (2014: CZK (18,403) thousand) and other commissions and costs related to client service fees of CZK (3,301) thousand (2014: CZK 0).

### 4.6. Foreign Exchange Rate Gains or Losses (Note 6)

Foreign exchange rate gains or losses include realised and unrealised foreign exchange rate gains or losses from the revaluation of assets and liabilities denominated in foreign currencies of CZK 336 thousand (2014: CZK (463) thousand).

### 4.7. Profit or Loss from Derivative Transactions – Revaluation of Derivatives (Note 7)

| <b>CZK thousand</b>                           | <b>2015</b>   | <b>2014</b>   |
|---|---------------|---------------|
| Revaluation of swaps - IRS                    | 28 812        | -3 777        |
| <i>Of which: IRS used to hedge fair value</i> | <i>581</i>    | <i>-</i>      |
| Revaluation of swaps – CCS                    | 800           | 975           |
| Revaluation of hedged item                    | -407          | -             |
| <b>Total revaluation of swaps</b>             | <b>29 205</b> | <b>-2 802</b> |

This item reflects the effect on the profit or loss from the hedging of the interest rate and foreign currency liquidity.

The Company has concluded derivative instruments in the form of interest rate swaps to hedge provided loans. In order to prevent fluctuations in profit or loss arising from changes in the variable interest rate of the provided loan and revaluation of the derivative instrument to fair value, the Company applied fair value hedging through its profit or loss. Individual items disclosed in the table above are recognised in net values.

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### 4.8. Income from Dividends (Note 8)

The Company received dividends of CZK 6 thousand (2014: CZK 0) from the equity investment held in GS55 Sazovice s.r.o.

### 4.9. Income from Investments (Note 9)

2015

| Sold investments                                      | Selling price       | Net book value | Income form sold investments       |
|---|---------------------|----------------|------------------------------------|
| Thetis Property, s.r.o.                               | 200                 | -200           | 0                                  |
| RLRE Lyra Property, s.r.o.                            | 200                 | -200           | 0                                  |
| Phoenix Property, s.r.o.                              | 200                 | -200           | 0                                  |
| RLRE Epsilon Property, s.r.o.                         | 1 719               | -200           | 1 519                              |
| Trojské výhledy s.r.o.                                | 200                 | -200           | 0                                  |
| Elektrárna Dynín s.r.o.                               | 200                 | -200           | 0                                  |
| Logistický areál Hostivař, s.r.o.                     | 727                 | -200           | 527                                |
| Studio Invest, s.r.o.                                 | 200                 | -200           | 0                                  |
| <b>Total sold investments</b>                         | <b>3 646</b>        | <b>-1 600</b>  | <b>2 046</b>                       |
| Investments with completed liquidation                | Liquidation balance | Net book value | Income from investment liquidation |
| Pyrit Property, s.r.o v likvidaci                     | 179                 | -200           | -21                                |
| RLRE Alpha Property, s.r.o. v likvidaci               | 141                 | -200           | -59                                |
| Green Energie větrný park Bílčice, s.r.o. v likvidaci | 100                 | -100           | 0                                  |
| <b>Total impaired investments</b>                     | <b>420</b>          | <b>-500</b>    | <b>-80</b>                         |
| <b>Total investment income</b>                        |                     |                | <b>1 966</b>                       |

In 2014, the Company made no transactions with investments and income from investments was CZK 0 thousand.

### 4.10. General Operating Expenses (Note 10)

| CZK thousand   | 2015            | 2014            |
|--|-----------------|-----------------|
| <b>Payroll costs</b>   | <b>-113 268</b> | <b>-99 566</b>  |
| Wages and salaries   | -84 527         | -73 484         |
| Social security and health insurance                                     | -26 062         | -23 961         |
| Other employee costs   | -2 679          | -2 121          |
| <b>Operating expenses</b>  | <b>-61 853</b>  | <b>-53 932</b>  |
| Rental, repairs and other services relating to the operations of offices | -14 090         | -13 289         |
| Marketing costs  | -6 504          | -7 022          |
| Audit  | -913            | -637            |
| Tax advisory   | -1 953          | -453            |
| Other advisory   | -18 418         | -12 850         |
| Costs relating to IT support   | -6 885          | -5 577          |
| Telecommunication, postal fees and other services                        | -2 805          | -2 664          |
| Insurance of assets  | -898            | -701            |
| Training costs   | -862            | -717            |
| Travel costs   | -579            | -776            |
| Fuel, repairs and maintenance  | -2 523          | -2 572          |
| Office supplies  | -1 136          | -1 221          |
| Other operating expenses   | -4 287          | -5 453          |
| <b>Depreciation of tangible and intangible assets</b>                    | <b>-26 608</b>  | <b>-8 693</b>   |
| <b>Total general operating expenses</b>                                  | <b>-201 729</b> | <b>-162 191</b> |

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### 4.10.1. Employees and Managers

| <b>2015</b>         |                            |                      |                        |
|---------------------|----------------------------|----------------------|------------------------|
| <b>CZK thousand</b> | <b>Number of employees</b> | <b>Payroll costs</b> | <b>Social security</b> |
| Employees           | 78                         | -56 782              | -19 415                |
| Managers            | 11                         | -27 745              | -6 647                 |
| <b>Total</b>        | <b>89</b>                  | <b>-84 527</b>       | <b>-26 062</b>         |

| <b>2014</b>         |                            |                      |                        |
|---------------------|----------------------------|----------------------|------------------------|
| <b>CZK thousand</b> | <b>Number of employees</b> | <b>Payroll costs</b> | <b>Social security</b> |
| Employees           | 67                         | -55 403              | -18 906                |
| Managers            | 11                         | -18 081              | -5 055                 |
| <b>Total</b>        | <b>78</b>                  | <b>-73 484</b>       | <b>-23 961</b>         |

In 2015, members of the statutory and advisory body were paid bonuses of CZK 2,003 thousand (2014: CZK 705 thousand).

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

In 2015 and 2014, members of statutory bodies received no loans, granted guarantees, prepayments and other benefits, and own no equity investments in the Company.

Social costs primarily include costs of meal vouchers and catering provided to all Company employees.

### 4.11. Other Operating Income (Note 11)

| <b>CZK thousand</b>  | <b>2015</b>    | <b>2014</b>   |
|--|----------------|---------------|
| Income from insurance of financed assets                       | -              | 350           |
| Income from short-term lease of financed assets                | 23             | 139           |
| Other income from financed assets                              | 403            | 619           |
| Sales of services provided in the Raiffeisen group             | -              | 60 834        |
| Sales of internal assets                                       | 191            | 1 043         |
| Sales of fleet management assets                               | 17 874         | -             |
| Income from operating leases of property (investment property) | 15 865         | -             |
| Fleet management   | 24 648         | 861           |
| Income from administration fees                                | 91 065         | -             |
| Construction arrangement                                       | 184 285        | -             |
| Income from the release of other provisions                    | 2 263          | 94            |
| Sundry income  | 3 535          | 491           |
| <b>Total other operating income</b>                            | <b>340 152</b> | <b>64 431</b> |

The Company concluded a Contract for General Arrangement of a Construction Plan with a related party, Pontos Property, s.r.o., in 2014. Income from invoices arising from this Contract are recognised as income from construction arrangement and the expenses relating to the construction are disclosed in Note 4.12 in the line 'Expenses for construction arrangement'.

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### 4.12. Other Operating Expenses (Note 12)

| In CZK thousand  | 2015            | 2014          |
|--|-----------------|---------------|
| Expenses for the insurance of financed assets                | -2 250          | -             |
| Other expenses for financed assets                           | -509            | -2 301        |
| Expenses for the disposal of internal assets                 | -109            | -1 088        |
| Expenses for the disposal of assets under operating leases   | -17 818         | -             |
| Taxes and fees   | -699            | -369          |
| Property tax and fees  | -1 509          | -             |
| Fleet management costs                                       | -6 448          | -344          |
| Expenses for property operating leases (investment property) | -1 045          | -             |
| Expenses for the recognition of other reserves               | -110 285        | -             |
| Expenses for construction arrangement                        | -2 100          | -2 318        |
| Sundry expenses  | -1 110          | -560          |
| <b>Total other operating expenses</b>                        | <b>-143 882</b> | <b>-6 980</b> |

### 4.13. Income Tax (Note 13)

The change in the tax payable and deferred tax for 2015 and 2014 is composed of the following items:

| CZK thousand                         | 2015           | 2014           |
|--------------------------------------|----------------|----------------|
| Income/expense from tax payable      | -46 819        | -              |
| Income/expense from the deferred tax | -6 596         | -14 744        |
| <b>Total income tax</b>              | <b>-53 415</b> | <b>-14 744</b> |

For 2014, the Company recorded no tax liability arising from the corporate income tax.

The income tax payable is calculated using the applicable tax rate from the accounting profit according to Czech Accounting Standards (CAS) increased or decreased by permanently or temporarily tax deductible costs and non-taxed income. The corporate income tax for 2015 and 2014 is 19%.

The general tax base is derived from the accounting records in accordance with Czech Accounting Standards and is further adjusted by items to add and deductible items in line with the Income Taxes Act and the Provisioning Act. The accounting for finance leases under IFRS and CAS significantly differs. The principal accounting treatment of the lessor is as follows:

- IFRS: assets held under finance leases are reported in the form of a receivable in the amount of the net investment in the lease, CAS: assets are reported in the form of depreciated tangible fixed assets;
- IFRS: income includes financial interest from the provided financing on an annuity basis; CAS: income includes the lease payment that has linear development in time.

When comparing the results under CAS and IFRS, the total profit for the entire financing period from the financed contract is equal. However, there is an important difference in the timing of profit generation. Under CAS, the profit grows over the contract period and reaches its peak at its end. On the contrary, the profit is the

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highest at the beginning of the contract and gradually decreases during the period under IFRS.

The tax payable for the year may be compared to the result in the statement of comprehensive income as follows:

| CZK thousand  | 2015    | 2014    |
|---|---------|---------|
| Profit before tax                                       | 302 017 | 76 844  |
| Theoretical amount of tax calculated using the tax rate | -57 383 | -14 600 |
| Differences from IFRS adjustments                       | -7 397  | -48 707 |
| Profit before tax under CAS                             | 294 620 | 28 137  |
| Items to add  | 68 796  | 12 423  |
| Deductible items  | -94 436 | -74 441 |
| Tax base  | 268 980 | -33 881 |
| Utilisation of the tax loss from prior periods          | -22 245 | -       |
| Income tax for the year                                 | -46 880 | -       |
| Income tax for the prior period                         | 61      | -       |

In 2013, the Company interrupted the depreciation for tax purposes for the selected part of the portfolio so that the total tax loss from prior years of CZK 93,934 thousand is used in the tax return for 2013. The depreciation interrupted in 2013 was reflected in tax net book values in 2014 and the Company consequently reported a tax loss.

The effective tax rate as of 31 December 2015 is 17.69% (2014: 19.19%).

### 4.14. Receivables from Customers (Note 14)

#### 4.14.1. Analysis of Receivables by Categories of Financing (gross)

| CZK thousand                                      | 2015             | 2014             |
|---|------------------|------------------|
| Receivables from finance leases                   | 4 923 076        | 4 402 153        |
| Receivables from provided loans                   | 3 498 083        | 899 550          |
| Receivables from instalment sale                  | 33 925           | 44 274           |
| Receivables from prematurely terminated contracts | 2 528            | 2 528            |
| Other receivables                                 | 10 067           | 12 287           |
| <b>Total receivables from customers</b>           | <b>8 467 679</b> | <b>5 360 792</b> |

Receivables from finance lease include both receivables described below in Notes 4.28 and 4.29, and billed and as yet unmade finance lease payments.

#### 4.14.2. Aging of Receivables from Customers

##### 2015

| CZK thousand                | Before due date  | within 1 month | 1 – 3 months | 3 – 6 months | 6 – 12 months | More than 1 year | Total            |
|-----------------------------|------------------|----------------|--------------|--------------|---------------|------------------|------------------|
| Receivables without default | 8 180 747        | 10 089         | 1 983        | -            | -             | -                | 8 192 819        |
| Receivables with default    | 190 515          | 867            | 1 227        | 825          | 3 958         | 77 468           | 274 860          |
| <b>Gross</b>                | <b>8 371 262</b> | <b>10 956</b>  | <b>3 210</b> | <b>825</b>   | <b>3 958</b>  | <b>77 468</b>    | <b>8 467 679</b> |
| Allowances                  | -113 176         | -              | -85          | -            | -3 353        | -67 711          | -184 325         |
| <b>Net</b>                  | <b>8 258 086</b> | <b>10 956</b>  | <b>3 125</b> | <b>825</b>   | <b>605</b>    | <b>9 757</b>     | <b>8 283 354</b> |

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### 2014

| CZK thousand                | Before due date  | within 1 month | 1 – 3 months | 3 – 6 months | 6 – 12 months | More than 1 year | Total            |
|-----------------------------|------------------|----------------|--------------|--------------|---------------|------------------|------------------|
| Receivables without default | 5 288 657        | 9 428          | 980          | 0            | 0             | 0                | 5 299 065        |
| Receivables with default    | 4 203            | 1 490          | 7 755        | 1 879        | 10 843        | 35 557           | 61 727           |
| <b>Gross</b>                | <b>5 292 860</b> | <b>10 918</b>  | <b>8 735</b> | <b>1 879</b> | <b>10 843</b> | <b>35 557</b>    | <b>5 360 792</b> |
| Allowances                  | -15 343          | -1 109         | -1 004       | -1 174       | -10 694       | -23 418          | -52 742          |
| <b>Net</b>                  | <b>5 277 517</b> | <b>9 809</b>   | <b>7 731</b> | <b>705</b>   | <b>149</b>    | <b>12 139</b>    | <b>5 308 050</b> |

Receivables “without default” include receivables with a zero individual allowance. Other receivables are reported as receivables with default. Receivables “with default” are covered by either allowances or collateral (eg pledge of real estate).

The Company records receivables past their due dates primarily arising from outstanding payments by lessees and financial settlement of prematurely terminated financing contracts. Receivables that are not impaired (without default): primarily unsettled contractual fines and penalty imposed due to late payments, outstanding fees for administrative acts or receivables from financing contracts that are sufficiently covered by a financed asset or another form of collateral.

### 4.14.3. Portfolio Quality

Rating that shows the portfolio quality represents internal rating used in the Raiffeisen Group. In the rating categories, “A” is the best in the specific category and “C” is the worst in the specific category.

#### Total gross receivables – 2015

| CZK thousand  | Rating | 2015             |
|---|--------|------------------|
| <b>Corporate segment and small and medium-sized companies segment</b> |        | <b>4 209 802</b> |
| Minimum risk  | 1C     | -                |
| Excellent credit rating   | 2A     | -                |
|   | 2B     | -                |
|   | 2C     | -                |
| Very good credit rating   | 3A     | 342              |
|   | 3B     | 315 836          |
|   | 3C     | -                |
| Good credit rating  | 4A     | 142 229          |
|   | 4B     | 107 950          |
|   | 4C     | 151 846          |
| Healthy credit rating   | 5A     | 393 518          |
|   | 5B     | 226 648          |
|   | 5C     | 291 384          |
| Acceptable credit rating  | 6A     | 509 578          |
|   | 6B     | 382 382          |
|   | 6C     | 195 064          |
| Limit credit rating   | 7A     | 546 866          |
|   | 7B     | 441 530          |
|   | 7C     | 156 288          |
| Weak credit rating  | 8A     | 93 022           |
|   | 8B     | 75 413           |

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Year ended 31 December 2015

| CZK thousand   | Rating | 2015             |
|--|--------|------------------|
|  | 8C     | 18 033           |
| Very weak credit rating/watch                                  | 9A     | 55 028           |
|  | 9B     | 11 739           |
|  | 9C     | 2 383            |
| Default  | 10     | 92 723           |
| <b>Project financing</b>                                       |        | <b>3 011 092</b> |
| Excellent project profile – very low risk                      | 6,1    | 1 154 734        |
| Good project profile – low risk                                | 6,2    | 1 491 000        |
| Acceptable project profile – average risk                      | 6,3    | 319 840          |
| Bad project profile – high risk                                | 6,4    | -                |
| Default  | 6,5    | 45 518           |
| <b>Other without rating</b> (micro segment, individuals, etc.) |        | <b>1 246 785</b> |
| <b>Total gross receivables</b>                                 |        | <b>8 467 679</b> |

### Receivables without default before due dates – 2015

| CZK thousand  | Rating | 2015             |
|---|--------|------------------|
| <b>Corporate segment and small and medium-sized companies segment</b> |        | <b>4 109 005</b> |
| Minimum risk  | 1C     | -                |
| Excellent credit rating   | 2A     | -                |
|   | 2B     | -                |
|   | 2C     | -                |
| Very good credit rating   | 3A     | 342              |
|   | 3B     | 315 836          |
|   | 3C     | -                |
| Good credit rating  | 4A     | 142 168          |
|   | 4B     | 107 939          |
|   | 4C     | 151 845          |
| Healthy credit rating   | 5A     | 393 495          |
|   | 5B     | 226 646          |
|   | 5C     | 291 350          |
| Acceptable credit rating  | 6A     | 509 023          |
|   | 6B     | 381 213          |
|   | 6C     | 194 692          |
| Limit credit rating   | 7A     | 543 363          |
|   | 7B     | 437 569          |
|   | 7C     | 155 346          |
| Weak credit rating  | 8A     | 93 014           |
|   | 8B     | 73 746           |
|   | 8C     | 18 033           |
| Very weak credit rating/watch   | 9A     | 55 028           |
|   | 9B     | 11 739           |
|   | 9C     | 2 383            |
| Default   | 10     | 4 235            |
| <b>Project financing</b>  |        | <b>2 845 672</b> |
| Excellent project profile – very low risk                             | 6,1    | 1 154 733        |
| Good project profile – low risk                                       | 6,2    | 1 472 796        |
| Acceptable project profile – average risk                             | 6,3    | 218 143          |
| Bad project profile – high risk                                       | 6,4    | -                |
| Default   | 6,5    | -                |
| <b>Other without rating</b> (micro segment, individuals, etc.)        |        | <b>1 226 070</b> |
| <b>Total gross receivables</b>  |        | <b>8 180 747</b> |



# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### Total gross receivables - 2014

| CZK thousand  | Rating | 2014             |
|---|--------|------------------|
| <b>Corporate segment and small and medium-sized companies segment</b> |        | <b>2 845 307</b> |
| Minimum risk  | 1C     | -                |
| Excellent credit rating   | 2A     | -                |
|   | 2B     | -                |
|   | 2C     | 13 193           |
| Very good credit rating   | 3A     | -                |
|   | 3B     | -                |
|   | 3C     | 18 551           |
| Good credit rating  | 4A     | 7 000            |
|   | 4B     | 30 666           |
|   | 4C     | 57 300           |
| Healthy credit rating   | 5A     | 495 236          |
|   | 5B     | 323 215          |
|   | 5C     | 254 740          |
| Acceptable credit rating  | 6A     | 278 630          |
|   | 6B     | 304 620          |
|   | 6C     | 283 848          |
| Limit credit rating   | 7A     | 187 912          |
|   | 7B     | 159 265          |
|   | 7C     | 140 841          |
| Weak credit rating  | 8A     | 80 426           |
|   | 8B     | 52 182           |
|   | 8C     | 81 032           |
| Very weak credit rating/watch   | 9A     | -                |
|   | 9B     | 43 865           |
|   | 9C     | -                |
| Default   | 10     | 32 785           |
| <b>Project financing</b>  |        | <b>1 451 398</b> |
| Excellent project profile – very low risk                             | 6.1    | 5 304            |
| Good project profile – low risk                                       | 6.2    | 1 405 146        |
| Acceptable project profile – average risk                             | 6.3    | 40 948           |
| Bad project profile – high risk                                       | 6.4    | -                |
| Default   | 6.5    | -                |
| <b>Other without rating</b> (micro segment, individuals, etc.)        |        | <b>1 064 087</b> |
| <b>Total gross receivables</b>  |        | <b>5 360 792</b> |

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### Receivables without default before due dates - 2014

| <b>CZK thousand</b>   | <b>Rating</b> | <b>2014</b>      |
|---|---------------|------------------|
| <b>Corporate segment and small and medium-sized companies segment</b> |               | <b>2 798 694</b> |
| Minimum risk  | 1C            | -                |
| Excellent credit rating   | 2A            | -                |
|   | 2B            | -                |
|   | 2C            | 13 193           |
| Very good credit rating   | 3A            | -                |
|   | 3B            | -                |
|   | 3C            | 18 551           |
| Good credit rating  | 4A            | 7 000            |
|   | 4B            | 29 158           |
|   | 4C            | 57 122           |
| Healthy credit rating   | 5A            | 495 228          |
|   | 5B            | 322 912          |
|   | 5C            | 254 740          |
| Acceptable credit rating  | 6A            | 278 428          |
|   | 6B            | 302 577          |
|   | 6C            | 281 978          |
| Limit credit rating   | 7A            | 187 912          |
|   | 7B            | 159 199          |
|   | 7C            | 140 571          |
| Weak credit rating  | 8A            | 80 368           |
|   | 8B            | 52 016           |
|   | 8C            | 79 572           |
| Very weak credit rating/watch   | 9A            | -                |
|   | 9B            | 38 169           |
|   | 9C            | -                |
| Default   | 10            | -                |
| <b>Project financing</b>  |               | <b>1 451 095</b> |
| Excellent project profile – very low risk                             | 6.1           | 5 304            |
| Good project profile – low risk                                       | 6.2           | 1 404 843        |
| Acceptable project profile – average risk                             | 6.3           | 40 948           |
| Bad project profile – high risk                                       | 6.4           | -                |
| Default   | 6.5           | -                |
| <b>Other without rating (micro segment, individuals, etc.)</b>        |               | <b>1 038 868</b> |
| <b>Total gross receivables</b>  |               | <b>5 288 657</b> |

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### 4.14.4. Analysis of Receivables from Customers by Sectors and by Type of Collateral

2015

| CZK thousand   | Receivables collateralised by real estate | Receivables collateralised by movable assets | Total            |
|--|---|--|------------------|
| Agriculture, game-keeping, forestry, fishing                   | -   | 213 682                                      | 213 682          |
| Mining of minerals   | -   | 25 163                                       | 25 163           |
| Production sector  | 199 652                                   | 1 340 598                                    | 1 540 250        |
| Production and distribution of electricity, gas and water      | 1 189 056                                 | 1 296 388                                    | 2 485 444        |
| Construction industry  | 123 082                                   | 237 602                                      | 360 684          |
| Wholesale and retail; repair of motor vehicles, motorcycles    | 43 019                                    | 820 019                                      | 863 038          |
| Accommodation and public catering                              | -   | 51 311                                       | 51 311           |
| Transport, storage and communications                          | -   | 1 338 748                                    | 1 338 748        |
| Activities in real estate and lease, other business activities | 253 104                                   | 196 229                                      | 449 333          |
| Public administration; obligatory social security              | -   | 1  | 1                |
| Education  | -   | 319 345                                      | 319 345          |
| Healthcare and social care                                     | -   | 44 571                                       | 44 571           |
| Other public, social and personal services                     | 146 887                                   | 522 510                                      | 669 397          |
| Activities of households                                       | -   | 106 712                                      | 106 712          |
| <b>Total</b>   | <b>1 954 800</b>                          | <b>6 512 879</b>                             | <b>8 467 679</b> |

2014

| CZK thousand   | Receivables collateralised by real estate | Receivables collateralised by movable assets | Total            |
|--|---|--|------------------|
| Agriculture, game-keeping, forestry, fishing                   | -   | 167 856                                      | 167 856          |
| Mining of minerals   | -   | 6 137  | 6 137            |
| Production sector  | -   | 1 155 411                                    | 1 155 411        |
| Production and distribution of electricity, gas and water      | -   | 1 467 650                                    | 1 467 650        |
| Construction industry  | -   | 121 125                                      | 121 125          |
| Wholesale and retail; repair of motor vehicles, motorcycles    | -   | 695 223                                      | 695 223          |
| Accommodation and public catering                              | -   | 40 092                                       | 40 092           |
| Transport, storage and communications                          | 4 361                                     | 1 071 790                                    | 1 076 151        |
| Financial mediation  | -   | 7 838  | 7 838            |
| Activities in real estate and lease, other business activities | -   | 73 737                                       | 73 737           |
| Public administration; obligatory social security              | -   | 65   | 65               |
| Education  | -   | 1 766  | 1 766            |
| Healthcare and social care                                     | 4 285                                     | 40 106                                       | 44 391           |
| Other public, social and personal services                     | -   | 435 800                                      | 435 800          |
| Activities of households                                       | -   | 67 550                                       | 67 550           |
| <b>Total</b>   | <b>8 646</b>                              | <b>5 352 146</b>                             | <b>5 360 792</b> |

### 4.15. Allowance for Receivables from Customers (Note 15)

Allowances for receivables of CZK 184,325 thousand (2014: CZK 52,742 thousand) include individual allowances of CZK 159,000 thousand (2014: CZK 41,602 thousand) that are recognised primarily for receivables in prematurely terminated contracts due to default and for receivables where the payment discipline of a client deteriorated and where the collateral underlying the specific receivable is not sufficiently high, and portfolio allowances disclosed in Note 3.5. of CZK 25,325 thousand (2014: CZK 11,140 thousand).

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### 4.15.1. Allowance for Receivables from Related Parties

| CZK thousand                 | 2015          | 2014     |
|------------------------------|---------------|----------|
| RLRE Carina Property, s.r.o. | 6 800         | -        |
| Orchideus Property, s.r.o.   | 41 811        | -        |
| PZ Projekt a.s.              | 34 292        | -        |
| <b>Total</b>                 | <b>82 903</b> | <b>-</b> |

### 4.16. Positive Fair Values of Financial Derivatives (Note 16)

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

The fair value of financial derivatives is based on valuation models that reflect the present market and contractual values of the underlying instrument similarly as the time value and yield curve or volatility factors. Subsequent to the initial recognition financial instruments are measured at fair value on level 2. The valuation of IRS and CCS is based on quoted yield curves. These markets are active. Market inputs directly correspond to the valued instruments.

The Company purchases financial derivatives primarily from Raiffeisenbank, a.s. which also remeasures them at fair value on a monthly basis.

| CZK thousand             | 2015 | 2014 |
|--------------------------|------|------|
| Interest rate swap - IRS | 760  | 489  |

### 4.17. Investments in Subsidiaries (Note 17)

#### 2015

|                                     | Investment | Equity at 31 Dec 2015 | Share in equity | Profit/Loss after tax for the year ended 31 Dec 2015 | Carrying amount at 31 Dec 2015 |
|-------------------------------------|------------|-----------------------|-----------------|--|--------------------------------|
| RLRE Beta Property, s.r.o.          | 100 %      | -6 698                | -6 698          | -189   | 200                            |
| RLRE HOTEL ELLEN, s.r.o.            | 100 %      | -27 357               | -27 357         | 21 580   | 100                            |
| RLRE Eta Property, s.r.o.           | 100 %      | 605                   | 605             | 95   | 200                            |
| RLRE Jota Property, s.r.o.          | 100 %      | -1 116                | -1 116          | -283   | 200                            |
| RLRE Orion Property, s.r.o.         | 100 %      | -2 885                | -2 885          | 1 303  | 8 991                          |
| RLRE Carina Property, s.r.o.        | 100 %      | -16 390               | -16 390         | 4 836  | 200                            |
| RLRE Dorado Property, s.r.o.        | 90 %       | -6 287                | -5 658          | -1 625   | 181                            |
| Raines Property, s.r.o.             | 100 %      | 693                   | 693             | 103  | 200                            |
| CRISTAL PALACE Property, s.r.o.     | 100 %      | 33 059                | 33 059          | 605  | 27 418                         |
| Ilris Property, s.r.o.              | 100 %      | -6 543                | -6 543          | 1 845  | 200                            |
| Raiffeisen FinCorp, s.r.o.          | 100 %      | 433 273               | 433 273         | -8 938   | 451 588                        |
| Sirius Property, s.r.o.             | 100 %      | -221 637              | -221 637        | -155   | 400                            |
| Dione Property, s.r.o.              | 100 %      | 220                   | 220             | -13  | 200                            |
| Gaia Property, s.r.o.               | 100 %      | 16 579                | 16 579          | 6 321  | 200                            |
| Orchideus Property, s.r.o.          | 100 %      | -38 727               | -38 727         | -6 896   | 200                            |
| Luna Property, s.r.o.               | 100 %      | -43 235               | -43 235         | 3 007  | 200                            |
| Kalypso Property, s.r.o.            | 100 %      | 56                    | 56              | -3   | 200                            |
| Athena Property, s.r.o. v likvidaci | 90 %       | 782                   | 704             | -1 011   | 1 840                          |
| Chronos Property, s.r.o.            | 100 %      | 236                   | 236             | 4  | 200                            |
| Viktor Property, s.r.o.             | 100 %      | -53 667               | -53 667         | 25 500   | 200                            |
| Appolon Property, s.r.o.            | 90 %       | -90 535               | -81 482         | 5 159  | 180                            |
| Holečková Property, s.r.o.          | 100 %      | -13 336               | -13 336         | -1 475   | 210                            |
| RESIDENCE PARK TŘEBEŠ, s.r.o.       | 100 %      | 10 121                | 10 121          | -694   | 200                            |
| Euros Property, s.r.o.              | 100 %      | 127 013               | 127 013         | 14 438   | 200                            |

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

|                                     |       |          |          |        |                |
|-------------------------------------|-------|----------|----------|--------|----------------|
| Pontos Property, s.r.o.             | 100 % | 285      | 285      | 226    | 200            |
| Dike Property, s.r.o.               | 100 % | 170      | 170      | -8     | 200            |
| Hermes Property, s.r.o.             | 100 % | -5 042   | -5 042   | 4 054  | 200            |
| Nike Property, s.r.o.               | 100 % | -2 341   | -2 341   | 36     | 200            |
| Rheia Property, s.r.o.              | 95 %  | 41 526   | 39 450   | 7 811  | 190            |
| UPC Real, s.r.o.                    | 100 % | -27 340  | -27 340  | -2 216 | 200            |
| Photon SPV 3 s.r.o.                 | 100 % | 21 076   | 21 076   | 4 481  | 200            |
| Photon Energie s.r.o.               | 100 % | 19 836   | 19 836   | 4 181  | 200            |
| Photon SPV 8 s.r.o.                 | 100 % | 46 691   | 46 691   | 8 626  | 200            |
| FORZA SOLE s.r.o.                   | 100 % | 63 021   | 63 021   | 16 162 | 200            |
| Exit 90 SPV s.r.o.                  | 100 % | 51 235   | 51 235   | 9 842  | 200            |
| Michalka – Sun s.r.o.               | 100 % | 202 276  | 202 276  | 27 558 | 200            |
| GS55 Sazovice s.r.o.                | 90 %  | 29 682   | 26 714   | 6 717  | 180            |
| Onyx Energy s.r.o.                  | 100 % | 36 304   | 36 304   | 8 152  | 200            |
| Onyx Energy projekt II s.r.o.       | 100 % | 31 324   | 31 324   | 7 169  | 200            |
| Photon SPV 4 s.r.o.                 | 100 % | 19 453   | 19 453   | 3 270  | 200            |
| Photon SPV 6 s.r.o.                 | 100 % | 22 498   | 22 498   | 4 493  | 200            |
| Photon SPV 10 s.r.o.                | 100 % | 33 705   | 33 705   | 6 021  | 200            |
| Photon SPV 11 s.r.o.                | 100 % | 51 870   | 51 870   | 11 086 | 200            |
| Selene Property s.r.o.              | 100 % | -24 239  | -24 236  | 13 204 | 200            |
| ALT POHLEDY s.r.o.                  | 100 % | 161 387  | 161 387  | 27 172 | 200            |
| PZ Projekt a.s.                     | 100 % | -112 083 | -112 083 | -5 185 | 20             |
| VILLA ATRIUM BUBENEČ s.r.o.         | 100 % | 10 139   | 10 139   | 68     | 200            |
| FVE Cihelna s.r.o.                  | 100 % | 96 432   | 96 432   | 18 259 | 200            |
| Credibilis a.s.                     | 100 % | -7 029   | -7 029   | -3 128 | 2 000          |
| Maharal Hotels, s.r.o.              | 100 % | 34 836   | 34 836   | -1 085 | 200            |
| Zefyros Property, s.r.o.            | 100 % | 119      | 119      | -171   | 200            |
| T.L.S. building construction s.r.o. | 100 % | 50 382   | 50 382   | 50 788 | 200            |
| Létó Property s.r.o.                | 77%   | 4 701    | 3 620    | 149    | 3 064          |
| Eris Property s.r.o.                | 100%  | -11      | -11      | -210   | 200            |
| Hébé Property s.r.o.                | 95%   | 1 003    | 953      | 772    | 180            |
| EUDOXUS s.r.o.                      | 100 % | -2 970   | -2 970   | -2 345 | 200            |
| NC Ivančice, s.r.o.                 | 100 % | 506      | 506      | -1 104 | 200            |
| Afrodité Property, s.r.o.           | 100 % | 10       | 10       | -22    | 50             |
| Astra Property, s.r.o.              | 100 % | 1 623    | 1 623    | 1 574  | 50             |
| Gala Property, s.r.o.               | 100 % | 40       | 40       | -8     | 50             |
| Ilnó Property, s.r.o.               | 100 % | 40       | 40       | -10    | 50             |
| Niobé Property, s.r.o.              | 100 % | 40       | 40       | -10    | 50             |
| Na Stárce, s.r.o.                   | 100 % | 276      | 276      | 80     | 200            |
| RLRE Ypsilon Property, s.r.o.       | 50 %  | -79      | -40      | 23     | 100            |
| Bondy Centrum s.r.o.                | 50 %  | 169 935  | 84 968   | 40 541 | 1 040          |
| Janus Property, s.r.o.              | 100 % | 40       | 40       | -10    | 50             |
| Dafné Property, s.r.o.              | 100 % | 40       | 40       | -10    | 50             |
| Médea Property, s.r.o.              | 100 % | 40       | 40       | -10    | 50             |
| Amfión Property, s.r.o.             | 100 % | 16       | 16       | -34    | 50             |
| Theia Property, s.r.o.              | 100 % | 36       | 36       | -14    | 50             |
| Zéthos Property, s.r.o.             | 100 % | 40       | 40       | -10    | 50             |
| Neptun Property, s.r.o.             | 100 % | -112     | -112     | -162   | 50             |
| Erató Property, s.r.o.              | 100 % | 44       | 44       | -6     | 50             |
| Harmonia Property, s.r.o.           | 100 % | 43       | 43       | -8     | 50             |
| Ofión Property, s.r.o.              | 100 % | 250      | 250      | 200    | 50             |
| Hyperion Property, s.r.o.           | 100 % | 50       | 50       | 0      | 50             |
| Kirké Property, s.r.o.              | 100 % | -61      | -61      | -111   | 50             |
| Éós Property, s.r.o.                | 100 % | 42       | 42       | -8     | 50             |
| Boreas Property, s.r.o.             | 100 % | 47       | 47       | -3     | 50             |
| Hestia Property, s.r.o.             | 100 % | 47       | 47       | -3     | 50             |
| Kappa Estates, s.r.o.               | 100 % | -57 060  | -57 060  | 14 289 | 13 795         |
| Easy Develop, s.r.o.                | 100 % | -112     | -112     | -263   | 200            |
| <b>Total</b>                        |       |          |          |        | <b>521 277</b> |

# Raiffeisen – Leasing, s.r.o.

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Year ended 31 December 2015

|   |  |
|---|--|
| <b>Allowance for equity investments</b> | <b>Allowance<br/>as of 31<br/>Dec 2015</b> |
| Athena Property, s.r.o. in liquidation  | -1 840                                     |
| <b>Total allowances</b>                 | <b>-1 840</b>                              |
| <b>Net book value</b>                   | <b>519 437</b>                             |

### 2014

|                         | Invest<br>ment | Equity at<br>31 Dec<br>2014 | Share in<br>equity | Loss after tax<br>for the year<br>ended 31 Dec<br>2014 | Carrying<br>amount at<br>31 Dec<br>2014 |
|-------------------------|----------------|-----------------------------|--------------------|--|---|
| Janus Property, s.r.o.  | 100 %          | 44                          | 44                 | -6   | 50                                      |
| Dafné Property, s.r.o.  | 100 %          | 44                          | 44                 | -6   | 50                                      |
| Médea Property, s.r.o.  | 100 %          | 44                          | 44                 | -6   | 50                                      |
| Amfión Property, s.r.o. | 100 %          | 44                          | 44                 | -6   | 50                                      |
| Theia Property, s.r.o.  | 100 %          | 44                          | 44                 | -6   | 50                                      |
| Zéthos Property, s.r.o. | 100 %          | 44                          | 44                 | -6   | 50                                      |
| Neptun Property, s.r.o. | 100 %          | 44                          | 44                 | -6   | 50                                      |
| <b>Total</b>            |                |                             |                    |  | <b>350</b>                              |

The statutory accounting records of subsidiaries are maintained according to Czech Accounting Standards. The figures on equity and the profit or loss for 2015 and 2014 are based on preliminary financial statements of the relevant companies.

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 having registered offices in the Czech Republic.

The Company has not concluded a controlling agreement or contract for the profit allocation with subsidiaries.

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.

| <b>Business name</b>         | <b>Equity investment in the company held based on a trust<br/>agreement in %</b> |
|------------------------------|--|
| RLRE Dorado Property, s.r.o. | 90 %   |
| Bondy Centrum s.r.o.         | 40 %   |
| Luna Property, s.r.o.        | 90 %   |
| RLRE Carina Property, s.r.o. | 90 %   |
| Kalypso Property, s.r.o.     | 90 %   |
| Viktor Property, s.r.o.      | 90 %   |

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### 4.18. Tangible and Intangible Fixed Assets (Note 18)

#### Cost

| CZK thousand             | Balance at 31 Dec 2013 | Additions     | Disposals     | Balance at 31 Dec 2014 |
|--------------------------|------------------------|---------------|---------------|------------------------|
| IFA – core system        | 38 110                 | 1 415         | -             | 39 525                 |
| IFA – under construction | 734                    | 3 134         | -2 183        | 1 685                  |
| Vehicles                 | 14 172                 | 8 432         | -3 209        | 19 395                 |
| Machinery and equipment  | 2 078                  | 514           | -353          | 2 239                  |
| Low value assets         | 1 854                  | -             | -250          | 1 604                  |
| FM                       | -                      | 11 064        | -             | 11 064                 |
| Other                    | 5 673                  | 768           | -             | 6 441                  |
| <b>Total</b>             | <b>62 621</b>          | <b>25 327</b> | <b>-5 995</b> | <b>81 953</b>          |

| CZK thousand                     | Balance at 31 Dec 2014 | Additions arising from the merger | Transfer between categories | Additions      | Disposals      | Balance at 31 Dec 2015 |
|----------------------------------|------------------------|-----------------------------------|-----------------------------|----------------|----------------|------------------------|
| IFA – core system                | 39 525                 | -                                 | -                           | 1 335          | -              | 40 860                 |
| Software                         | -                      | 384                               | 4 080                       | 2 637          | -              | 7 101                  |
| Valuable rights                  | -                      | 105                               | -                           | -              | -              | 105                    |
| IFA - under construction         | 1 685                  | -                                 | -                           | 3 853          | -3 981         | 1 557                  |
| Other buildings and land         | -                      | 5 243                             | 1 730                       | 124            | -              | 7 097                  |
| Vehicles                         | 19 395                 | 1 071                             | -                           | 4 054          | -1 205         | 23 315                 |
| Machinery and equipment          | 2 239                  | 365                               | -                           | 951            | -              | 3 555                  |
| Low value assets                 | 1 604                  | 123                               | -                           | -              | -23            | 1 704                  |
| FM                               | 11 064                 | -                                 | -                           | 186 705        | -19 028        | 178 741                |
| Other                            | 6 441                  | 175                               | -5 810                      | -              | -              | 806                    |
| Buildings under operating leases | -                      | 186 366                           | -                           | 934            | -              | 187 300                |
| Land under operating leases      | -                      | 15 000                            | -                           | -              | -              | 15 000                 |
| <b>Total</b>                     | <b>81 953</b>          | <b>208 832</b>                    | <b>0</b>                    | <b>200 593</b> | <b>-24 237</b> | <b>467 141</b>         |

#### Accumulated Depreciation and Allowances

| CZK thousand             | Balance at 31 Dec 2013 | Additions     | Disposals    | Balance at 31 Dec 2014 |
|--------------------------|------------------------|---------------|--------------|------------------------|
| IFA – core system        | -27 672                | -4 481        | -            | -32 153                |
| IFA – under construction | -690                   | -             | -            | -690                   |
| Vehicles                 | -5 827                 | -4 303        | 3 209        | -6 921                 |
| Machinery and equipment  | -1 704                 | -244          | 353          | -1 595                 |
| Low value assets         | -1 854                 | -             | 250          | -1 604                 |
| FM                       | -                      | -420          | -            | -420                   |
| Other                    | -3 701                 | -333          | -            | -4 034                 |
| <b>Total</b>             | <b>-41 448</b>         | <b>-9 781</b> | <b>3 812</b> | <b>-47 417</b>         |

| CZK thousand                     | Balance at 31 Dec 2014 | Additions arising from the merger | Transfer between categories | Additions      | Disposals     | Balance at 31 Dec 2015 |
|----------------------------------|------------------------|-----------------------------------|-----------------------------|----------------|---------------|------------------------|
| IFA – core system                | -32 153                | -                                 | -                           | -2 835         | -             | -34 988                |
| Software                         | -                      | -384                              | -3 313                      | -453           | -             | -4 150                 |
| IFA – under construction         | -690                   | -                                 | -                           | -              | -             | -690                   |
| Other buildings and land         | -                      | -2 300                            | -721                        | -651           | -             | -3 672                 |
| Vehicles                         | -6 921                 | -587                              | -                           | -4 152         | 1 204         | -10 456                |
| Machinery and equipment          | -1 595                 | -321                              | -                           | -369           | -             | -2 285                 |
| Low value assets                 | -1 604                 | -89                               | -                           | -25            | 23            | -1 695                 |
| FM                               | -420                   | -                                 | -                           | -32 194        | 19 028        | -13 586                |
| Other                            | -4 034                 | -175                              | 4 034                       | -              | -             | -175                   |
| Buildings under operating leases | -                      | -39 171                           | -                           | -3 854         | -             | -43 025                |
| <b>Total</b>                     | <b>-47 417</b>         | <b>-43 027</b>                    | <b>0</b>                    | <b>-44 533</b> | <b>20 255</b> | <b>-114 722</b>        |



# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### Net Book Value

| CZK thousand                     | Balance at<br>31 Dec 2015 | Balance at<br>31 Dec 2014 |
|----------------------------------|---------------------------|---------------------------|
| IFA – core system                | 5 872                     | 7 372                     |
| Software                         | 2 951                     | -                         |
| Valuable rights                  | 105                       | -                         |
| IFA – under construction         | 867                       | 995                       |
| Other property and land          | 3 425                     | -                         |
| Vehicles                         | 12 859                    | 12 474                    |
| Machinery and equipment          | 1 270                     | 644                       |
| Low value assets                 | 9                         | 0                         |
| FM                               | 165 155                   | 10 644                    |
| Other                            | 631                       | 2 407                     |
| Buildings under operating leases | 144 275                   | -                         |
| Land under operating leases      | 15 000                    | -                         |
| <b>Total</b>                     | <b>352 419</b>            | <b>34 536</b>             |

### Depreciation and allowances

| CZK thousand                     | Balance at<br>31 Dec 2015 | Balance at<br>31 Dec 2014 |
|----------------------------------|---------------------------|---------------------------|
| DNM – core system                | 2 835                     | 4 482                     |
| Software                         | 453                       | -                         |
| Other buildings and land         | 651                       | -                         |
| Vehicles                         | 4 044                     | 3 215                     |
| Machinery and equipment          | 369                       | 244                       |
| Low value assets                 | 25                        | -                         |
| FM                               | 14 376                    | 420                       |
| Other                            | -                         | 332                       |
| Buildings under operating leases | 3 854                     | -                         |
| <b>Total</b>                     | <b>26 607</b>             | <b>8 693</b>              |

The fair value of a building and land under operating leases, determined by an internal expert in real estate, is CZK 163,000 thousand.

### Low Value Intangible and Tangible Assets

Low value assets acquired in the reporting period and directly expensed in 2015 amounted to CZK 1,800 thousand (2014: CZK 1,353 thousand).

#### **4.19. Other Assets (Note 19)**

| CZK thousand  | 2015           | 2014          |
|---|----------------|---------------|
| Operating receivables                               | 60 835         | 21 590        |
| Prepayments made for tangible assets – lease assets | 549            | 2 835         |
| Acquisition of tangible assets – lease assets       | 74 970         | 12 823        |
| Cash equivalents                                    | 325            | 153           |
| Operating prepayments made                          | 3 360          | 2 128         |
| Estimated receivables – insurance                   | 509            | 795           |
| Deferred expenses - rental                          | 2 898          | 4 058         |
| VAT entitlement for December                        | 31 304         | 10 205        |
| Other assets  | 8 666          | 1 821         |
| <b>Total</b>  | <b>183 416</b> | <b>56 408</b> |

As of 31 December 2015, operating receivables include intercompany receivables of CZK 26,366 thousand (2014: CZK 20,647 thousand) for services relating to the Company's operations.



# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### 4.20. Payables to Banks – Short-Term and Long-Term Loans (Note 20)

Loans are collateralised by a bank guarantee from a foreign related bank of CZK 1,714,987 thousand (2014: CZK 1,319,484 thousand) and a bank guarantee from a local related bank of CZK 475,000 thousand (2014: CZK 0). The drawn loan are used primarily for the financing of the Company's transactions. Loans are provided in CZK and foreign currencies (EUR, USD). Short-term loans additionally include overdraft loans in selected banks.

#### 4.20.1. Payables to Banks by Creditors

| CZK thousand | 2015             | 2014             |
|--------------|------------------|------------------|
| Creditor A   | 53 470           | 80 773           |
| Creditor B   | 6 409 586        | 3 032 196        |
| Creditor C   | 73 131           | 255 742          |
| Creditor D   | 48 463           | 152 009          |
| Creditor E   | -                | 911 384          |
| Creditor F   | -                | 2 214            |
| Creditor G   | 475 178          | -                |
| Creditor H   | 745 474          | -                |
| <b>Total</b> | <b>7 805 302</b> | <b>4 434 318</b> |

#### 4.20.2. Payables to Banks by Maturity

| CZK thousand            | 2015             | 2014             |
|-------------------------|------------------|------------------|
| Within 3 months         | 587 384          | 636 133          |
| From 3 months to 1 year | 1 000 836        | 674 438          |
| From 1 year to 5 years  | 4 670 097        | 2 699 266        |
| More than 5 years       | 1 546 985        | 424 481          |
| <b>Total</b>            | <b>7 805 302</b> | <b>4 434 318</b> |

### 4.21. Payables to Clients (Note 21)

Payables to clients of CZK 256,830 thousand (2014: CZK 14,509 thousand) include the cash pool from subsidiaries of CZK 223,877 thousand (2014: CZK 0) and received prepayments for the carrying amount, received deposits and premature payments for unbilled payments of CZK 32,953 thousand (2014: CZK 14,509 thousand).

### 4.22. Negative Fair Values of Financial Derivatives (Note 22)

The fair value of financial derivatives is based on valuation models that reflect the present market and contractual values of the underlying instrument similarly as the time value and yield curve or volatility factors. Subsequent to the initial recognition financial instruments are measured at fair value on level 2. The valuation of IRS and CCS is based on quoted yield curves. These markets are active. Market inputs directly correspond to the valued instruments.

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The Company purchases financial derivatives solely from Raiffeisenbank, a.s. that remeasures them to fair value in its Midas and Crafos systems on a monthly basis.

| <b>CZK thousand</b>      | <b>2015</b>   | <b>2014</b>   |
|--------------------------|---------------|---------------|
| Interest rate swap - IRS | 35 740        | 62 666        |
| Currency swap - CCS      | 1 547         | 3 160         |
| <b>Total</b>             | <b>37 287</b> | <b>65 826</b> |

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

### 4.23. Deferred Tax Liability (Note 23)

| <b>CZK thousand</b>    | <b>2015</b> | <b>2014</b> |
|------------------------|-------------|-------------|
| Deferred tax liability | 63 708      | 43 053      |

The purpose of the deferred tax is to reflect the difference between the accounting and tax reporting of the profit and loss. The basis for the calculation of the deferred tax is the tax calculated under CAS which is adjusted in line with IAS 17.

Movements in temporary differences arising from the difference between the accounting and tax carrying value of tangible and intangible fixed assets, difference between receivables under CAS and IFRS, difference between the accrual of income under CAS and IFRS, difference between the accounting and tax allowances for receivables after reflecting the success rate of their recovery, differences between accounting and tax allowances for assets, provisions and tax losses utilisable in the future are shown in the below table:

| <b>CZK thousand</b>  | <b>2015</b>       | <b>2014</b>       |
|--|-------------------|-------------------|
| <b>Deferred tax liability</b>  | <b>-1 255 314</b> | <b>-1 145 496</b> |
| Present value of future debt   | -982 124          | -886 878          |
| Accrual of lease payments  | -233 685          | -232 593          |
| Difference between accounting and tax allowances                     | -39 505           | -26 025           |
| <b>Deferred tax asset</b>  | <b>1 191 606</b>  | <b>1 102 443</b>  |
| Difference between accounting and tax value of tangible fixed assets | 1 159 175         | 1 044 542         |
| Provisions   | 3 633             | 1 109             |
| Tax loss   | -                 | 6 437             |
| Valuation difference on acquired assets                              | 5 853             | 6 967             |
| Other temporary impacts  | 22 945            | 43 388            |
| <b>Total deferred tax</b>  | <b>-63 708</b>    | <b>-43 053</b>    |

The deferred tax is calculated using the anticipated tax rate in the period when the tax asset is realised or tax liability settled.

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### 4.24. Provisions (Note 24)

| CZK thousand              | Provision<br>for<br>bonuses | Provision<br>for<br>vacation<br>days | Other<br>provisions | Provision<br>for off-<br>balance<br>sheet<br>payments | Provision<br>for<br>income<br>tax | Total         |
|---------------------------|-----------------------------|--------------------------------------|---------------------|---|-----------------------------------|---------------|
| <b>31 Dec 2013</b>        | <b>12 774</b>               | <b>3 064</b>                         | <b>119</b>          | -   | -                                 | <b>15 957</b> |
| Recognition of provisions | 13 387                      | 3 494                                | 2 318               | -   | -                                 | 19 199        |
| Use of provisions         | -7 968                      | -3 064                               | -                   | -   | -                                 | -11 032       |
| Release of provisions     | -1 676                      | -                                    | -93                 | -   | -                                 | -1 769        |
| <b>31 Dec 2014</b>        | <b>16 517</b>               | <b>3 494</b>                         | <b>2 344</b>        | -   | -                                 | <b>22 355</b> |
| Addition from the merger  | 2 992                       | -                                    | 104                 | 1 094   | 1 691                             | 5 881         |
| Recognition of provisions | 25 842                      | 3 873                                | 2 100               | 17 106  | 20 813                            | 69 734        |
| Use of provisions         | -10 584                     | -3 494                               | -239                | -   | -1 630                            | -15 947       |
| Release of provisions     | -21 800                     | -                                    | -2 025              | -   | -61                               | -23 886       |
| <b>31 Dec 2015</b>        | <b>12 967</b>               | <b>3 873</b>                         | <b>2 284</b>        | <b>18 200</b>   | <b>20 813</b>                     | <b>58 137</b> |

### 4.25. Other Liabilities (Note 25)

| CZK thousand                                      | 2015           | 2014          |
|---|----------------|---------------|
| Estimated payables to insurance                   | 5 906          | 4 978         |
| Estimated payables for operations                 | 7 321          | 2 879         |
| Accrued interest                                  | 2 592          | 1 626         |
| Accrued expenses                                  | -              | -             |
| Deferred income                                   | 98             | 365           |
| Payables to suppliers                             | 50 108         | 25 239        |
| Payables to employees                             | 8 676          | 4 063         |
| Payables to the taxation authority                | 2 325          | 914           |
| Payables for social security and health insurance | 3 772          | 1 901         |
| Other   | 78 127         | 972           |
| <b>Total</b>                                      | <b>158 925</b> | <b>42 937</b> |

### 4.26. Share Capital and Capital Funds (Note 26)

#### Share Capital

In 2015, the share capital was increased to CZK 450,000 thousand due to a merger (an increase of CZK 10,000 thousand of the registered capital of the dissolved Raiffeisen – Leasing Real Estate, s.r.o.). As of 31 December 2015, the capital was paid up to CZK 450,000 thousand.

The reserve fund was cancelled and its balance of CZK 5,000 thousand plus CZK 1,000 thousand from the dissolved Raiffeisen – Leasing Real Estate, s.r.o. were transferred to retained earnings.

The dividend paid in 2015 of CZK 79,920 thousand was paid out in the amounts of CZK 38,888 thousand and CZK 41,032 thousand to owners Raiffeisen – Leasing International Gesellschaft m.b.H. and Raiffeisenbank a.s., respectively.

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The dividend paid in 2014 in the amount of CZK 36,800 thousand was paid out in the amount of CZK 18,400 thousand to each of the owners (Raiffeisen – Leasing International Gesellschaft m.b.H. and Raiffeisenbank a.s.).

### 4.27. Off-balance Sheet Items – Hedging Financial Instruments

The list of hedging financial instruments (financial derivatives) is reported off balance sheet at nominal values:

| <b>CZK thousand</b>                   | <b>2015</b>      | <b>2014</b>      |
|---------------------------------------|------------------|------------------|
| Interest rate swap - IRS              | 4 689 454        | 4 759 616        |
| Currency swap – CCS – purchase of EUR | -57 370          | -65 289          |
| <b>Total</b>                          | <b>4 632 084</b> | <b>4 694 327</b> |

The residual maturity of financial derivatives – nominal values

#### 2015

| <b>CZK thousand</b>                   | <b>within 1<br/>year</b> | <b>from 1 year to 5<br/>years</b> | <b>More than<br/>5 years</b> | <b>Total</b>     |
|---------------------------------------|--------------------------|-----------------------------------|------------------------------|------------------|
| Interest rate swap - IRS              | 286 211                  | 1 422 911                         | 2 980 332                    | 4 689 454        |
| Currency swap – CCS – purchase of EUR | -57 370                  | -                                 | -                            | -57 370          |
| <b>Total</b>                          | <b>228 841</b>           | <b>1 422 911</b>                  | <b>2 980 332</b>             | <b>4 632 084</b> |

#### 2014

| <b>CZK thousand</b>                   | <b>within 1<br/>year</b> | <b>from 1 year to 5<br/>years</b> | <b>More than<br/>5 years</b> | <b>Total</b>     |
|---------------------------------------|--------------------------|-----------------------------------|------------------------------|------------------|
| Interest rate swap - IRS              | 823 994                  | 1 275 996                         | 2 659 626                    | 4 759 616        |
| Currency swap – CCS – purchase of EUR | -                        | -65 289                           | -                            | -65 289          |
| <b>Total</b>                          | <b>823 994</b>           | <b>1 210 707</b>                  | <b>2 659 626</b>             | <b>4 694 327</b> |

Total loan commitments as of 31 December 2015 amounted to CZK 513,027 thousand (2014: CZK 103,398 thousand).

The Company provided a group entity with a guarantee for the loan amounting to CZK 4,375,485 thousand (2014: CZK 72,656 thousand).

Received collateral by type:

| <b>CZK thousand</b>  | <b>2015</b>      | <b>2014</b>      |
|--|------------------|------------------|
| Real estate pledged as collateral for a loan receivable          | 1 713 927        | -                |
| Solar power stations pledged as collateral for a loan receivable | 1 971 864        | -                |
| Real estate as a lease asset                                     | 280 519          | 7 500            |
| Leased movable assets  | 4 365 595        | 3 323 060        |
| Received guarantees  | 427 163          | -                |
| <b>Total</b>   | <b>8 759 068</b> | <b>3 330 560</b> |

# Raiffeisen – Leasing, s.r.o.

## Notes to the Separate Financial Statements

Year ended 31 December 2015

### 4.28. Aging of Receivables from Finance Leases

| <b>CZK thousand</b>                        | <b>2015</b>      | <b>2014</b>      |
|--|------------------|------------------|
| <b>Gross investments in finance leases</b> | <b>5 707 195</b> | <b>5 289 517</b> |
| within 3 months                            | 382 553          | 280 662          |
| from 3 months to 1 year                    | 1 246 530        | 973 226          |
| from 1 year do 5 let                       | 3 294 131        | 3 222 486        |
| more than 5 years                          | 783 981          | 813 143          |
| <b>Unrealised financial income</b>         | <b>776 996</b>   | <b>882 104</b>   |
| within 3 months                            | 52 082           | 46 804           |
| from 3 months to 1 year                    | 169 706          | 162 300          |
| from 1 year to 5 let                       | 448 474          | 537 396          |
| more than 5 years                          | 106 734          | 135 604          |
| <b>Net investments in finance leases</b>   | <b>4 930 199</b> | <b>4 407 413</b> |

### 4.29. Structure of Assets that are Leased under Finance Leases

| <b>CZK thousand</b>     | <b>2015</b>      | <b>2014</b>      |
|-------------------------|------------------|------------------|
| Lease of motor vehicles | 1 992 598        | 1 658 330        |
| Lease of real estate    | 362 398          | 8 646            |
| Lease of facilities     | 2 575 203        | 2 740 437        |
| <b>Total</b>            | <b>4 930 199</b> | <b>4 407 413</b> |

# Raiffeisen – Leasing, s.r.o.

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Year ended 31 December 2015

### 5. RELATED PARTY TRANSACTIONS

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

#### 5.1. Trade Receivables and Payables

The above receivables and payables include the following balances of accounts relating to intercompany relations.

|  | Receivables<br>at 31 Dec |               | Payables<br>at 31 Dec |              |
|--|--------------------------|---------------|-----------------------|--------------|
|  | 2015                     | 2014          | 2015                  | 2014         |
| Raiffeisen – Leasing Real Estate, s.r.o.     | -                        | 20 647        | -                     | -            |
| Raiffeisenbank, a.s.                         | 242                      | -             | -                     | 1 614        |
| Raiffeisen FinCorp, s.r.o.                   | 65                       | -             | -                     | -            |
| Photon SPV 3, s.r.o.                         | 194                      | -             | -                     | -            |
| UPC Real, s.r.o.                             | 1 504                    | -             | -                     | -            |
| Appolon Property, s.r.o.                     | 288                      | -             | -                     | -            |
| Photon SPV 8 s.r.o.                          | 412                      | -             | -                     | -            |
| Easy Develop s.r.o.                          | 93                       | -             | -                     | -            |
| Exit 90 SPV s.r.o.                           | 914                      | -             | -                     | -            |
| Gaia Property, s.r.o.                        | 1 130                    | -             | -                     | -            |
| GS55 Sazovice s.r.o.                         | 12                       | -             | -                     | -            |
| Hermes Property, s.r.o.                      | 1 787                    | -             | -                     | -            |
| Photon SPV 10 s.r.o.                         | 379                      | -             | -                     | -            |
| Photon SPV 11 s.r.o.                         | 481                      | -             | -                     | -            |
| Na Stárce, s.r.o.                            | 157                      | -             | -                     | -            |
| Neptun Property, s.r.o.                      | 100                      | -             | -                     | -            |
| Nike Property, s.r.o.                        | 184                      | -             | -                     | -            |
| Onyx Energy Projekt II s.r.o.                | 300                      | -             | -                     | -            |
| Onyx Energy s.r.o.                           | 300                      | -             | -                     | -            |
| PILSENINVEST, uzavřený investiční fond, a.s. | 236                      | -             | -                     | -            |
| Photon SPV 6 s.r.o.                          | 259                      | -             | -                     | -            |
| Photon SPV 4 s.r.o.                          | 402                      | -             | -                     | -            |
| PMC Špindlerův Mlýn s.r.o.                   | 15                       | -             | -                     | -            |
| Pontos Property, s.r.o.                      | 6 806                    | -             | 63                    | -            |
| PZ Projekt a.s.                              | 11 872                   | -             | 36                    | -            |
| RESIDENCE PARK TŘEBEŠ, s.r.o.                | 407                      | -             | -                     | -            |
| RLRE Carina Property, s.r.o.                 | 3 297                    | -             | -                     | -            |
| Selene Property, s.r.o.                      | 3 607                    | -             | -                     | -            |
| Bondy Centrum s.r.o.                         | 3 069                    | -             | -                     | -            |
| Theia Property, s.r.o.                       | 4                        | -             | -                     | -            |
| VILLA ATRIUM BUBENEČ s.r.o.                  | 459                      | -             | -                     | -            |
| Viktor Property, s.r.o.                      | 17                       | -             | -                     | -            |
| Credibilis a.s.                              | 773                      | -             | -                     | -            |
| Maharal Hotels, s.r.o.                       | 225                      | -             | -                     | -            |
| T.L.S. building construction s.r.o.          | 1 210                    | -             | -                     | -            |
| RLRE Dorado Property, s.r.o.                 | 727                      | -             | -                     | -            |
| Afrodité Property, s.r.o.                    | 52                       | -             | -                     | -            |
| Eris Property, s.r.o.                        | 53                       | -             | -                     | -            |
| EUDOXUS s.r.o.                               | 255                      | -             | -                     | -            |
| Hébé Property, s.r.o.                        | 44                       | -             | -                     | -            |
| Luna Property, s.r.o.                        | 975                      | -             | -                     | -            |
| NC Ivančice, s.r.o.                          | 424                      | -             | -                     | -            |
| Orchideus Property, s.r.o.                   | 833                      | -             | -                     | -            |
| <b>Total</b>                                 | <b>44 563</b>            | <b>20 647</b> | <b>99</b>             | <b>1 614</b> |

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In addition, the Company records a payable of CZK 36,246 thousand (2014: CZK 64,275 thousand) and a receivable of CZK 760 thousand (2014: CZK 494 thousand) in respect of Raiffeisenbank a.s. arising from concluded hedging derivative instruments.

As of 31 December 2015, the Company records a balance on bank accounts with Raiffeisenbank, a.s. of CZK 404,079 thousand (2014: CZK 180,209 thousand). As of 31 December 2015, the balance on the bank account held at Raiffeisen Bank International AG is CZK 3,089 thousand (2014: CZK 1,869 thousand).

Deferred expenses include the lease of office premises paid in advance to Raiffeisenbank a.s. of CZK 2,898 thousand (2014: CZK 4,058 thousand).

### 5.2. Sales and Purchases

|  | Sales for |        | Purchases for |        |
|--|-----------|--------|---------------|--------|
|  | 2015      | 2014   | 2015          | 2014   |
| Raiffeisenbank a.s.                      | 43 435    | 4 535  | 87 246        | 76 426 |
| Raiffeisen – Leasing Real Estate, s.r.o. | -         | 60 834 | -             | 586    |
| Raiffeisen – Leasing International GmbH  | -         | -      | 2 718         | 2 269  |
| Raiffeisen Bank International AG         | -         | -      | 12 115        | 45 534 |
| RLRE Beta Property, s.r.o.               | 2 667     | -      | 1 176         | -      |
| RLRE HOTEL ELLEN, s.r.o.                 | 1 566     | -      | 1 035         | -      |
| RLRE Eta Property, s.r.o.                | 1 459     | -      | 180           | -      |
| RLRE Jota Property, s.r.o.               | 3 141     | -      | 315           | -      |
| RLRE Ypsilon Property, s.r.o.            | 163       | -      | 171           | -      |
| Selene Property, s.r.o.                  | 10 176    | -      | -             | -      |
| Sirius Property, s.r.o.                  | 3 659     | -      | -             | -      |
| RLRE Orion Property, s.r.o.              | 777       | -      | 315           | -      |
| Gaia Property, s.r.o.                    | 934       | -      | -             | -      |
| Raines Property, s.r.o.                  | 376       | -      | 95            | -      |
| RLRE Dorado Property, s.r.o.             | 792       | -      | -             | -      |
| Dafné Property, s.r.o.                   | 10        | -      | -             | -      |
| CRISTAL PALACE Property, s.r.o.          | 1 112     | -      | -             | -      |
| Credibilis a.s.                          | 2 330     | -      | -             | -      |
| Easy Develop s.r.o.                      | 95        | -      | -             | -      |
| FVE Cihelna s.r.o.                       | 5 242     | -      | -             | -      |
| RLRE Carina Property, s.r.o.             | 3 051     | -      | -             | -      |
| Amfión Property, s.r.o.                  | 24        | -      | -             | -      |
| Appolon Property, s.r.o.                 | 238       | -      | 17            | -      |
| Bondy Centrum s.r.o.                     | 7 759     | -      | 1 467         | -      |
| Iris Property, s.r.o.                    | 1 532     | -      | -             | -      |
| Orchideus Property, s.r.o.               | 1 305     | -      | -             | -      |
| Raiffeisen FinCorp, s.r.o.               | 275       | -      | 25            | -      |
| Chronos Property, s.r.o.                 | 1 219     | -      | -             | -      |
| UPC Real, s.r.o.                         | 4 083     | -      | -             | -      |
| ALT POHLEDY s.r.o.                       | 12 132    | -      | -             | -      |
| Photon SPV 3 s.r.o.                      | 2 124     | -      | -             | -      |
| Photon Energie s.r.o.                    | 2 033     | -      | -             | -      |
| Hermes Property, s.r.o.                  | 1 716     | -      | -             | -      |
| Holečková Property, s.r.o.               | 808       | -      | -             | -      |
| Kappa Estates, s.r.o.                    | 3 967     | -      | -             | -      |
| Luna Property, s.r.o.                    | 2 073     | -      | -             | -      |
| Euros Property, s.r.o.                   | 7 612     | -      | -             | -      |
| Exit 90 SPV s.r.o.                       | 4 840     | -      | -             | -      |
| FORZA SOLE s.r.o.                        | 5 475     | -      | -             | -      |

# Raiffeisen – Leasing, s.r.o.

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|  |                |               |                |                |
|--|----------------|---------------|----------------|----------------|
| GS55 Sazovice s.r.o.                         | 723            | -             | -              | -              |
| Maharal Hotels, s.r.o.                       | 6 048          | -             | -              | -              |
| Michalka – Sun s.r.o.                        | 16 779         | -             | -              | -              |
| Neptun Property, s.r.o.                      | 200            | -             | -              | -              |
| Nike Property, s.r.o.                        | 1 249          | -             | -              | -              |
| Ofión Property, s.r.o.                       | 116            | -             | -              | -              |
| Onyx Energy projekt II s.r.o.                | 3 217          | -             | -              | -              |
| Onyx Energy s.r.o.                           | 3 195          | -             | -              | -              |
| Photon SPV 10 s.r.o.                         | 3 793          | -             | -              | -              |
| Photon SPV 11 s.r.o.                         | 5 135          | -             | -              | -              |
| Photon SPV 6 s.r.o.                          | 2 739          | -             | -              | -              |
| Photon SPV 8 s.r.o.                          | 4 370          | -             | -              | -              |
| Photon SPV 4 s.r.o.                          | 2 694          | -             | -              | -              |
| PILSENINVEST, uzavřený investiční fond, a.s. | 144            | -             | -              | -              |
| PZ Projekt a.s.                              | 6 019          | -             | 1 112          | -              |
| Pontos Property, s.r.o.                      | 187 414        | -             | 1 256          | -              |
| Viktor Property, s.r.o.                      | 12 929         | -             | -              | -              |
| VILLA ATRIUM BUBENEČ s.r.o.                  | 725            | -             | -              | -              |
| Rheia Property, s.r.o.                       | 4 522          | -             | -              | -              |
| T.L.S. building construction s.r.o.          | 1 871          | -             | -              | -              |
| Theia Property, s.r.o.                       | 3              | -             | -              | -              |
| RESIDENCE PARK TŘEBEŠ, s.r.o.                | 336            | -             | 87             | -              |
| Afrodíté Property, s.r.o.                    | 243            | -             | -              | -              |
| Astra Property, s.r.o.                       | 587            | -             | -              | -              |
| Eris Property, s.r.o.                        | 208            | -             | -              | -              |
| EUDOXUS s.r.o.                               | 997            | -             | -              | -              |
| Hébé Property, s.r.o.                        | 248            | -             | -              | -              |
| NC Ivančice, s.r.o.                          | 2 165          | -             | -              | -              |
| Na Stárce, s.r.o.                            | 525            | -             | -              | -              |
| PMC Špindlerův Mlýn s.r.o.                   | 1 639          | -             | -              | -              |
| <b>Total</b>                                 | <b>411 033</b> | <b>65 369</b> | <b>109 330</b> | <b>124 815</b> |

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

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

The relation to Raiffeisenbank a.s. and Raiffeisen – Leasing International GmbH is described in Note 1.2. Raiffeisen Bank International AG and Raiffeisen – Leasing Real Estate, s.r.o. are group entities (shareholder of Raiffeisenbank a.s.).

### 5.3. Received Loans and Borrowings

|                                  | <b>2015</b>      | <b>2014</b>      |
|----------------------------------|------------------|------------------|
| Raiffeisenbank a.s.              | 6 409 586        | 3 032 195        |
| Raiffeisen Bank International AG | 73 131           | 255 742          |
| Appolon Property, s.r.o.         | 7 006            | -                |
| RLRE Beta Property, s.r.o.       | 109 392          | -                |
| RLRE HOTEL ELLEN, s.r.o.         | 93 468           | -                |
| RLRE Jota Property, s.r.o.       | 6 011            | -                |
| RESIDENCE PARK TŘEBEŠ, s.r.o.    | 8 000            | -                |
| <b>Total</b>                     | <b>6 706 594</b> | <b>3 287 937</b> |



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The Company received loans from related parties under standard interest rates comparable on the market. Loans are provided as uncollateralised.

### 5.4. Granted Loans

|   | 2015             | 2014 |
|---|------------------|------|
| RLRE Carina Property, s.r.o.                | 7 394            | -    |
| Orchideus Property, s.r.o.                  | 58 311           | -    |
| UPC Real, s.r.o.                            | 93 753           | -    |
| Inó Property, s.r.o.                        | 38               | -    |
| EUDOXUS s.r.o.                              | 19 313           | -    |
| Nike Property, s.r.o.                       | 19 178           | -    |
| Michalka – Sun, s.r.o.                      | 262 093          | -    |
| Euros Property, s.r.o.                      | 133 507          | -    |
| Viktor Property, s.r.o.                     | 256 248          | -    |
| Forza Sole, s.r.o.                          | 16 318           | -    |
| Rheia Property, s.r.o.                      | 109 162          | -    |
| PZ Projekt a.s.                             | 79 292           | -    |
| ALT POHLEDY s.r.o.                          | 264 564          | -    |
| FVE Cihelna s.r.o.                          | 109 888          | -    |
| Maharal Hotels, s.r.o.                      | 112 343          | -    |
| Niobé Property, s.r.o.                      | 38               | -    |
| Photon Energie s.r.o.                       | 37 276           | -    |
| T.L.S. building construction s.r.o.         | 19 646           | -    |
| Selene Property, s.r.o.                     | 24 059           | -    |
| PMC Špindlerův Mlýn s.r.o.                  | 25 360           | -    |
| <b>Total loans and borrowings</b>           | <b>1 647 781</b> | -    |
| <b>Revaluation of a collateralised loan</b> | <b>-465</b>      | -    |
| <b>Total</b>                                | <b>1 647 316</b> | -    |

The Company provided loans to related parties under standard interest rates comparable on the market.

### 6. LEGAL DISPUTES

The Company is involved in a legal dispute to determine the existence of a receivable of the Company as a bankruptcy creditor in the amount of CZK 132,421 thousand, which was partly rejected in terms of reason and amount in a review made by a trustee in bankruptcy. In the judgement of 15 October 2008, the claim was dismissed by court. The Company appealed against the judgement within a statutory deadline and, therefore, the judgement has not come into force. No action has been ordered in respect of the appeal to date. The receivable is only recognised in the Company's tax records and is not included in the Company's accounting books.

PORTA BRNO plus a.s. filed an action against the Company to claim a decision that the lien established for the benefit of Raiffeisen – Leasing Real Estate, s.r.o. pertaining to real estate in the cadastral area of Brno Město, the City of Brno, included in title deed LV 896 does not exist as it was not established in a legitimate manner. The dispute has been interrupted until the completion of the proceedings to determine the ownership of the relevant real estate. In the main proceedings, which must be completed so that the proceedings on the action to determine the existence of the lien could continue, no legal action has been ordered to date. The Company does not expect the legal dispute be terminated before 2017.

In September 2014, the Company became another defendant in the proceedings on ineffectiveness of legal acts, specifically a contract on the transfer of an equity 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 (refer to above). The proceedings has been interrupted until a decision in another dispute between RR-Inkasní s.r.o. and ALTENERGIE DEVELOP s.r.o. is made. The Company expects that the proceedings will continue no sooner than in several years.

In addition, the Company was involved, as a defendant, in legal disputes the result of which cannot be estimated with sufficient accuracy. As of 31 December 2015, the Company was involved in several legal disputes through its legal representatives. The Company recognised a provision of CZK 80 thousand for these legal disputes in line with the Raiffeisen group directive.

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### 7. RISK MANAGEMENT

#### 7.1. 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 assets that are seized from the lessee in the event of default and subsequently sold.

The credit risk in respect of liquid funds is limited, as the counterparties are banks with high rating from 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, structure of 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 executives, risk department manager, administrative department manager, accounting department manager and the controlling department manager.

|   | Balance sheet<br>exposure<br>(carrying<br>value) | Off-balance<br>sheet exposure<br>(carrying value) | Total<br>exposure<br>(carrying<br>value) | Total<br>collateral |
|---|--|---|--|---------------------|
| <b>2015</b>                                   |  |   |  |                     |
| <b>ASSETS</b>                                 |  |   |  |                     |
| Cash  | 150  | -   | 150                                      | -                   |
| Deposits at banks                             | 432 998  | -   | 432 998                                  | -                   |
| Receivables from clients                      | 8 467 679  | 4 888 512   | 13 356 191                               | 8 759 068           |
| Allowance for receivables from clients        | -184 325   | -   | -184 325                                 | -                   |
| Positive fair values of financial derivatives | 760  | -   | 760                                      | -                   |
| Equity investments in subsidiaries            | 519 437  | -   | 519 437                                  | -                   |
| Intangible fixed assets                       | 9 795  | -   | 9 795                                    | -                   |
| Tangible fixed assets                         | 183 349  | -   | 183 349                                  | -                   |
| Investment property                           | 159 275  | -   | 159 275                                  | -                   |
| Other assets                                  | 183 416  | -   | 183 416                                  | -                   |
| <b>TOTAL ASSETS</b>                           | <b>9 772 534</b>                                 | <b>4 888 512</b>                                  | <b>14 661 046</b>                        | <b>8 759 068</b>    |

|   | Balance sheet<br>exposure<br>(carrying<br>value) | Off-balance<br>sheet exposure<br>(carrying value) | Total<br>exposure<br>(carrying<br>value) | Total<br>collateral |
|---|--|---|--|---------------------|
| <b>2014</b>                                   |  |   |  |                     |
| <b>ASSETS</b>                                 |  |   |  |                     |
| Cash  | 89   | -   | 89                                       | -                   |
| Deposits at banks                             | 212 988  | -   | 212 988                                  | -                   |
| Receivables from clients                      | 5 360 792  | 176 054   | 5 536 846                                | 3 330 560           |
| Allowance for receivables from clients        | -52 742  | -   | -52 742                                  | -                   |
| Positive fair values of financial derivatives | 489  | -   | 489                                      | -                   |
| Equity investments in subsidiaries            | 350  | -   | 350                                      | -                   |
| Intangible fixed assets                       | 8 367  | -   | 8 367                                    | -                   |
| Tangible fixed assets                         | 26 169   | -   | 26 169                                   | -                   |
| Other assets                                  | 56 408   | -   | 56 408                                   | -                   |
| <b>TOTAL ASSETS</b>                           | <b>5 612 910</b>                                 | <b>176 054</b>                                    | <b>5 788 964</b>                         | <b>3 330 560</b>    |

# Raiffeisen – Leasing, s.r.o.

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### 7.2. Interest Rate Risk

Interest rate risk is 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). This is a risk of the loss from the difference between interest expenses and interest income. 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 risks in the Company are managed pursuant to Raiffeisen Leasing International Market Risk Guidelines for Raiffeisen Leasing International Subsidiaries. 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. In order to prevent market risks, liquidity, foreign currency and interest rate limits are determined, reported and monitored in accordance with the Raiffeisen Leasing International guideline.

The table for 2015 (2014) includes assets and liabilities structured by risk of a change in the interest rate.

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|   | Within 3 months  | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | At request     | Unspecified      | Total            |
|---|------------------|-------------------------|------------------------|-------------------|----------------|------------------|------------------|
| <b>2015</b>                                   |                  |                         |                        |                   |                |                  |                  |
| <b>ASSETS</b>                                 |                  |                         |                        |                   |                |                  |                  |
| Cash  | -                | -                       | -                      | -                 | 150            | -                | 150              |
| Deposits at banks                             | -                | -                       | -                      | -                 | 432 998        | -                | 432 998          |
| Receivables from clients                      | 2 537 244        | 27 410                  | 4 651 259              | 1 251 766         | -              | -                | 8 467 679        |
| Allowance for receivables from clients        | -88 667          | -1 409                  | -68 595                | -329              | -              | -25 325          | -184 325         |
| Positive fair values of financial derivatives | 760              | -                       | -                      | -                 | -              | -                | 760              |
| Equity investments in subsidiaries            | -                | -                       | -                      | -                 | -              | 519 437          | 519 437          |
| Intangible fixed assets                       | -                | -                       | -                      | -                 | -              | 9 795            | 9 795            |
| Tangible fixed assets                         | -                | -                       | -                      | -                 | -              | 183 349          | 183 349          |
| Investment property                           | -                | -                       | -                      | -                 | -              | 159 275          | 159 275          |
| Other assets                                  | 183 416          | -                       | -                      | -                 | -              | -                | 183 416          |
| <b>TOTAL ASSETS</b>                           | <b>2 632 753</b> | <b>26 001</b>           | <b>4 582 664</b>       | <b>1 251 437</b>  | <b>433 148</b> | <b>846 531</b>   | <b>9 772 534</b> |
| <b>LIABILITIES</b>                            |                  |                         |                        |                   |                |                  |                  |
| Payables to banks                             | 7 064 582        | -                       | 355 278                | 385 442           | -              | -                | 7 805 302        |
| Payables to clients                           | 32 953           | -                       | -                      | -                 | -              | 223 877          | 256 830          |
| Negative fair values of financial derivatives | 37 287           | -                       | -                      | -                 | -              | -                | 37 287           |
| Deferred tax liability                        | -                | -                       | -                      | -                 | -              | 63 708           | 63 708           |
| Provisions                                    | -                | -                       | -                      | -                 | -              | 58 137           | 58 137           |
| Other liabilities                             | 158 925          | -                       | -                      | -                 | -              | -                | 158 925          |
| Share capital                                 | -                | -                       | -                      | -                 | -              | 450 000          | 450 000          |
| Retained earnings/accumulated losses          | -                | -                       | -                      | -                 | -              | 693 743          | 693 743          |
| Profit for the period                         | -                | -                       | -                      | -                 | -              | 248 602          | 248 602          |
| <b>TOTAL LIABILITIES</b>                      | <b>7 293 747</b> | <b>-</b>                | <b>355 278</b>         | <b>385 442</b>    | <b>-</b>       | <b>1 738 067</b> | <b>9 772 534</b> |
| <b>2014</b>                                   |                  |                         |                        |                   |                |                  |                  |
| <b>ASSETS</b>                                 |                  |                         |                        |                   |                |                  |                  |
| Cash  | -                | -                       | -                      | -                 | 89             | -                | 89               |
| Deposits at banks                             | -                | -                       | -                      | -                 | 212 988        | -                | 212 988          |
| Receivables from clients                      | 610 006          | 8 318                   | 3 876 695              | 849 084           | 16 689         | -                | 5 360 792        |
| Allowance for receivables from clients        | -825             | -1 829                  | -38 511                | -36               | -              | -11 541          | -52 742          |
| Positive fair values of financial derivatives | 489              | -                       | -                      | -                 | -              | -                | 489              |
| Equity investments in subsidiaries            | -                | -                       | -                      | -                 | -              | 350              | 350              |
| Intangible fixed assets                       | -                | -                       | -                      | -                 | -              | 8 367            | 8 367            |
| Tangible fixed assets                         | -                | -                       | -                      | -                 | -              | 26 169           | 26 169           |
| Other assets                                  | 56 408           | -                       | -                      | -                 | -              | -                | 56 408           |
| <b>TOTAL ASSETS</b>                           | <b>666 078</b>   | <b>6 489</b>            | <b>3 838 184</b>       | <b>849 048</b>    | <b>229 766</b> | <b>23 345</b>    | <b>5 612 910</b> |
| <b>LIABILITIES</b>                            |                  |                         |                        |                   |                |                  |                  |
| Payables to banks                             | 4 258 350        | -                       | 175 968                | -                 | -              | -                | 4 434 318        |
| Payables to clients                           | 14 509           | -                       | -                      | -                 | -              | -                | 14 509           |
| Negative fair values of financial derivatives | 65 826           | -                       | -                      | -                 | -              | -                | 65 826           |
| Deferred tax liability                        | -                | -                       | -                      | -                 | -              | 43 053           | 43 053           |
| Provisions                                    | -                | -                       | -                      | -                 | -              | 22 355           | 22 355           |
| Other liabilities                             | 42 937           | -                       | -                      | -                 | -              | -                | 42 937           |
| Share capital                                 | -                | -                       | -                      | -                 | -              | 440 000          | 440 000          |
| Statutory reserve fund                        | -                | -                       | -                      | -                 | -              | 5 000            | 5 000            |
| Retained earnings/accumulated losses          | -                | -                       | -                      | -                 | -              | 482 812          | 482 812          |
| Profit for the period                         | -                | -                       | -                      | -                 | -              | 62 100           | 62 100           |
| <b>TOTAL LIABILITIES</b>                      | <b>4 381 622</b> | <b>-</b>                | <b>175 968</b>         | <b>-</b>          | <b>-</b>       | <b>1 055 320</b> | <b>5 612 910</b> |

At the year-end, the Company contracted IRS with the nominal amount of CZK 4,689,454 thousand (2014: CZK 4,759,616 thousand) which are disclosed in Note 5.27.

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### 7.3. 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 2015 (2014) includes the Company's currency position in realised currencies (the amounts in the table are translated into CZK).

#### 2015

| CZK thousand  | Total            | CZK              | EUR              | USD            |
|---|------------------|------------------|------------------|----------------|
| <b>ASSETS</b>   |                  |                  |                  |                |
| Cash  | 150              | 92               | 58               | -              |
| Deposits at banks                                     | 432 998          | 231 431          | 182 202          | 19 365         |
| Receivables from clients                              | 8 467 679        | 6 577 430        | 1 752 611        | 137 638        |
| Allowance for receivables from clients                | -184 325         | -176 526         | -7 799           | -              |
| Positive fair values of financial derivatives         | 760              | 760              | -                | -              |
| Equity investments in subsidiaries                    | 519 437          | 519 437          | -                | -              |
| Intangible fixed assets                               | 9 795            | 9 795            | -                | -              |
| Tangible fixed assets                                 | 183 349          | 183 349          | -                | -              |
| Investment property                                   | 159 275          | 159 275          | -                | -              |
| Other assets  | 183 416          | 111 704          | 64 461           | 7 251          |
| <b>TOTAL ASSETS</b>                                   | <b>9 772 534</b> | <b>7 616 747</b> | <b>1 991 533</b> | <b>164 254</b> |
| <b>LIABILITIES</b>                                    |                  |                  |                  |                |
| Payables to banks                                     | 7 805 302        | 5 763 003        | 1 891 592        | 150 707        |
| Payables to clients                                   | 256 830          | 249 605          | 2 325            | 4 900          |
| Negative fair values of financial derivatives         | 37 287           | 37 287           | -                | -              |
| Deferred tax liability                                | 63 708           | 63 708           | -                | -              |
| Provisions  | 58 137           | 58 137           | -                | -              |
| Other liabilities                                     | 158 925          | 52 801           | 103 831          | 2 293          |
| Share capital   | 450 000          | 450 000          | -                | -              |
| Retained earnings/accumulated losses                  | 693 743          | 693 743          | -                | -              |
| Profit for the period                                 | 248 602          | 248 602          | -                | -              |
| <b>TOTAL LIABILITIES</b>                              | <b>9 772 534</b> | <b>7 616 886</b> | <b>1 997 748</b> | <b>157 900</b> |
| <b>Total foreign currency position at 31 Dec 2015</b> |                  | <b>-139</b>      | <b>-6 215</b>    | <b>6 354</b>   |

At the end of 2015, the Company concluded CCS for the purchase of EUR in the nominal amount of CZK 57,370 thousand.

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2014

| CZK thousand  | Total            | CZK              | EUR              | USD           |
|---|------------------|------------------|------------------|---------------|
| <b>ASSETS</b>   |                  |                  |                  |               |
| Cash  | 89               | 54               | 35               | -             |
| Deposits at banks   | 212 988          | 186 307          | 12 024           | 14 657        |
| Receivables from clients                                      | 5 360 792        | 4 243 254        | 1 046 576        | 70 962        |
| Allowance for receivables from clients                        | -52 742          | -44 076          | -8 666           | -             |
| Positive fair values of financial derivatives                 | 489              | 489              | -                | -             |
| Equity investments in subsidiaries                            | 350              | 350              | -                | -             |
| Intangible fixed assets                                       | 8 367            | 8 367            | -                | -             |
| Tangible fixed assets   | 26 169           | 26 169           | -                | -             |
| Other assets  | 56 408           | 44 803           | 11 605           | -             |
| <b>TOTAL ASSETS</b>   | <b>5 612 910</b> | <b>4 465 717</b> | <b>1 061 574</b> | <b>85 619</b> |
| <b>LIABILITIES</b>  |                  |                  |                  |               |
| Payables to banks   | 4 434 318        | 3 340 859        | 1 014 808        | 78 651        |
| Payables to clients   | 14 509           | 9 753            | 249              | 4 507         |
| Negative fair values of financial derivatives                 | 65 826           | 65 826           | -                | -             |
| Deferred tax liability  | 43 053           | 43 053           | -                | -             |
| Provisions  | 22 355           | 22 355           | -                | -             |
| Other liabilities   | 42 937           | 29 473           | 13 185           | 279           |
| Share capital   | 440 000          | 440 000          | -                | -             |
| Statutory reserve fund  | 5 000            | 5 000            | -                | -             |
| Retained earnings/accumulated losses                          | 482 812          | 482 812          | -                | -             |
| Profit for the period   | 62 100           | 62 100           | -                | -             |
| <b>TOTAL LIABILITIES</b>                                      | <b>5 612 910</b> | <b>4 501 231</b> | <b>1 028 242</b> | <b>83 437</b> |
| <b>Total foreign currency position as of 31 December 2014</b> | <b>-</b>         | <b>-35 514</b>   | <b>33 332</b>    | <b>2 182</b>  |

At the end of 2015, the Company concluded CCS for the purchase of EUR in the nominal value of CZK 65,289 thousand.

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

Payables are reported as contractual payables including future interest.

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| 2014  | Within 3 months  | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | At request     | Unspecified      | Total            |
|---|------------------|-------------------------|------------------------|-------------------|----------------|------------------|------------------|
| <b>ASSETS</b>                                 |                  |                         |                        |                   |                |                  |                  |
| Cash  | -                | -                       | -                      | -                 | 150            | -                | 150              |
| Deposits at banks                             | -                | -                       | -                      | -                 | 432 998        | -                | 432 998          |
| Receivables from clients                      | 564 370          | 1 838 972               | 4 859 744              | 1 156 587         | 48 006         | -                | 8 467 679        |
| Allowance for receivables from clients        | -31 957          | -59 576                 | -39 240                | -28 227           | -              | -25 325          | -184 325         |
| Positive fair values of financial derivatives | -                | 169                     | 121                    | 470               | -              | -                | 760              |
| Equity investments in subsidiaries            | -                | -                       | -                      | -                 | -              | 519 437          | 519 437          |
| Intangible fixed assets                       | -                | -                       | -                      | -                 | -              | 9 795            | 9 795            |
| Tangible fixed assets                         | -                | -                       | -                      | -                 | -              | 183 349          | 183 349          |
| Investment property                           | -                | -                       | -                      | -                 | -              | 159 275          | 159 275          |
| Other assets                                  | 183 416          | -                       | -                      | -                 | -              | -                | 183 416          |
| <b>TOTAL ASSETS</b>                           | <b>715 829</b>   | <b>1 779 565</b>        | <b>4 820 625</b>       | <b>1 128 830</b>  | <b>481 154</b> | <b>846 531</b>   | <b>9 772 534</b> |
| <b>LIABILITIES</b>                            |                  |                         |                        |                   |                |                  |                  |
| Payables to banks                             | 600 529          | 1 037 186               | 4 786 546              | 1 588 622         | -              | -                | 8 012 883        |
| Payables to clients                           | 248 311          | -                       | -                      | 8 519             | -              | -                | 256 830          |
| Negative fair values of financial derivatives | 88               | 1 865                   | 9 912                  | 25 422            | -              | -                | 37 287           |
| Deferred tax liability                        | -                | -                       | -                      | -                 | -              | 63 708           | 63 708           |
| Provisions                                    | -                | -                       | -                      | -                 | -              | 58 137           | 58 137           |
| Other liabilities                             | 158 925          | -                       | -                      | -                 | -              | -                | 158 925          |
| Share capital                                 | -                | -                       | -                      | -                 | -              | 450 000          | 450 000          |
| Retained earnings/accumulated losses          | -                | -                       | -                      | -                 | -              | 693 743          | 693 743          |
| Profit for the period                         | -                | -                       | -                      | -                 | -              | 248 602          | 248 602          |
| <b>TOTAL LIABILITIES</b>                      | <b>1 007 853</b> | <b>1 039 051</b>        | <b>4 796 458</b>       | <b>1 622 563</b>  | <b>-</b>       | <b>1 514 190</b> | <b>9 980 115</b> |

| 2014  | Within 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | At request     | Unspecified      | Total            |
|---|-----------------|-------------------------|------------------------|-------------------|----------------|------------------|------------------|
| <b>ASSETS</b>                                 |                 |                         |                        |                   |                |                  |                  |
| Cash  | -               | -                       | -                      | -                 | 89             | -                | 89               |
| Deposits at banks                             | -               | -                       | -                      | -                 | 212 988        | -                | 212 988          |
| Receivables from clients                      | 281 200         | 975 092                 | 3 228 666              | 814 703           | 61 131         | -                | 5 360 792        |
| Allowance for receivables from clients        | -               | -                       | -                      | -52 742           | -              | -                | -52 742          |
| Positive fair values of financial derivatives | -               | 31                      | 458                    | -                 | -              | -                | 489              |
| Equity investments in subsidiaries            | -               | -                       | -                      | -                 | -              | 350              | 350              |
| Intangible fixed assets                       | -               | -                       | -                      | -                 | -              | 8 367            | 8 367            |
| Tangible fixed assets                         | -               | -                       | -                      | -                 | -              | 26 169           | 26 169           |
| Other assets                                  | 56 408          | -                       | -                      | -                 | -              | -                | 56 408           |
| <b>TOTAL ASSETS</b>                           | <b>337 608</b>  | <b>975 123</b>          | <b>3 229 124</b>       | <b>761 961</b>    | <b>274 208</b> | <b>34 886</b>    | <b>5 612 910</b> |
| <b>LIABILITIES</b>                            |                 |                         |                        |                   |                |                  |                  |
| Payables to banks                             | 645 014         | 698 015                 | 2 758 027              | 428 891           | -              | -                | 4 529 947        |
| Payables to clients                           | 14 509          | -                       | -                      | -                 | -              | -                | 14 509           |
| Negative fair values of financial derivatives | 3               | 10 642                  | 19 816                 | 35 365            | -              | -                | 65 826           |
| Deferred tax liability                        | -               | -                       | -                      | -                 | -              | 43 053           | 43 053           |
| Provisions                                    | -               | -                       | -                      | -                 | -              | 22 355           | 22 355           |
| Other liabilities                             | 42 937          | -                       | -                      | -                 | -              | -                | 42 937           |
| Share capital                                 | -               | -                       | -                      | -                 | -              | 440 000          | 440 000          |
| Statutory reserve fund                        | -               | -                       | -                      | -                 | -              | 5 000            | 5 000            |
| Retained earnings/accumulated losses          | -               | -                       | -                      | -                 | -              | 482 812          | 482 812          |
| Profit for the period                         | -               | -                       | -                      | -                 | -              | 62 100           | 62 100           |
| <b>TOTAL LIABILITIES</b>                      | <b>702 463</b>  | <b>708 657</b>          | <b>2 777 843</b>       | <b>464 256</b>    | <b>-</b>       | <b>1 055 320</b> | <b>5 708 539</b> |



# **Raiffeisen – Leasing, s.r.o.**

## **Notes to the Separate Financial Statements**

Year ended 31 December 2015

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### **8. POST BALANCE SHEET EVENTS**

No events occurred after the balance sheet date which would have a material impact on the financial statements.

## **Related Party Transaction Report**

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

- 1.1. 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 (hereinafter 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 secrecy in accordance with Section 504 of Act No. 89/2012 Coll., Civil Code.
- 1.2. The statutory body of the Company used the information in the Register of Companies in identifying controlling entities.

### **2. Structure of Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Controlling Entity (hereinafter the "Related Parties")**

- 2.1 The Company is controlled by Raiffeisenbank a.s., corporate ID: 035 83 554, 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, which holds an equity investment of 50% and by Raiffeisen-Leasing International Gesellschaft m.b.H., registration no: FN 157024v, with its registered office at Am Stadtpark 3, 1030 Vienna, Austria, which holds a 50% equity investment in the Company.

### **3. Role of the Controlled Entity in the Structure of Relations of Related Parties.**

The Company is a subsidiary operating in non-banking financing of movable assets.

### **4. Method and Means of Control**

- 4.1 The Company is controlled through resolutions of Company owners.

### **5. 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 that Exceed 10% of Equity of the Controlled Entity Identified according to the Most Recent Set of Financial Statements**

No such acts were made.

## 6. List of Contracts concluded in the Reporting Period with Some of the Related Parties

| <b>Contract (change to the contract)</b>   | <b>Counter-party</b>                                      | <b>Conclusion date</b> |
|--|---|------------------------|
| Agreement on joining insurance   | Raiffeisenbank a.s., insurance company                    | 1 January 2015         |
| Framework agreement on the provision of services   | Raiffeisenbank a.s.                                       | 14 January 2015        |
| Contract on the provision of a supplementary charge  | Raiffeisen FinCorp, s.r.o.                                | 1 May 2015             |
| Amendment no. 1 to the Contract on non-exclusive business representation   | Raiffeisenbank a.s.                                       | 29 January 2015        |
| Contract for cooperation in ensuring compliance, fraud risk management, information security and physical security | Raiffeisenbank a.s.                                       | 28 December 2015       |
| Amendment no. 12 to loan contract no. 110157/2012/01 dated 27 September 2012                                       | Raiffeisenbank a.s.                                       | 21 April 2015          |
| Amendment no. 13 to loan contract no. 110157/2012/01 dated 27 September 2012                                       | Raiffeisenbank a.s.                                       | 22 June 2015           |
| Amendment no. 14 to loan contract no. 110157/2012/01 dated 27 September 2012                                       | Raiffeisenbank a.s.                                       | 31 July 2015           |
| Amendment no. 15 to loan contract no. 110157/2012/01 dated 27 September 2012                                       | Raiffeisenbank a.s.                                       | 29 July 2015           |
| Amendment no. 16 to loan contract no. 110157/2012/01 dated 27 September 2012                                       | Raiffeisenbank a.s.                                       | 17 August 2015         |
| Amendment no. 17 to loan contract no. 110157/2012/01 dated 27 September 2012                                       | Raiffeisenbank a.s.                                       | 30 September 2015      |
| Framework agreement on risk participation and the provision of restricted loans                                    | Raiffeisenbank a.s.                                       | 30 November 2015       |
| Framework agreement no. 5100000002   | Raiffeisenbank a.s.                                       | 30 September 2015      |
| Purchase contract for the purchase of vehicles no. S/2015/00410  | Raiffeisenbank a.s.                                       | 30 September 2015      |
| Framework purchase contract for the sale to big customers no. S/2015/00356   | Raiffeisenbank a.s., third party                          | 20 October 2015        |
| Lease contract nos. 5019000280 – 5019000373  | Raiffeisenbank a.s.                                       | 30 September 2015      |
| Lease contract nos. 5019000391 – 5019000415  | Raiffeisenbank a.s.                                       | 3 November 2015        |
| Lease contract nos. 5019000417 – 5019000419  | Raiffeisenbank a.s.                                       | 3 November 2015        |
| Lease contract no. 5019000416  | Raiffeisenbank a.s.                                       | 10 November 2015       |
| Lease contract nos. 5019000436 – 5019000500  | Raiffeisenbank a.s.                                       | 10 November 2015       |
| Lease contract nos. 5019000525 – 5019000532  | Raiffeisenbank a.s.                                       | 7 December 2015        |
| Lease contract no. 5019000533  | Raiffeisenbank a.s.                                       | 9 December 2015        |
| Framework contract for cooperation   | Theia Property, s.r.o., client                            | 10 December 2015       |
| Amendment no. 3 to Framework agreement   | Diké Property, s.r.o., PMC ŠPINDLERŮV MLÝN s.r.o., client | 17 June 2015           |
| Amendment no. 4 to framework agreement   | Diké Property, s.r.o., PMC ŠPINDLERŮV MLÝN s.r.o., client | 10 December 2015       |
| Amendment no. 1 to senior loan   | PMC ŠPINDLERŮV MLÝN s.r.o.                                | 17 June 2015           |
| Amendment no. 2 to contract on senior loan   | PMC ŠPINDLERŮV MLÝN s.r.o.                                | 10 December 2015       |
| Amendment no. 1 to contract on cooperation   | Raiffeisen – FinCorp, s.r.o., Maharal Hotels,             | 28 January 2015        |

| <b>Contract (change to the contract)</b>   | <b>Counter-party</b>  | <b>Conclusion date</b> |
|--|---|------------------------|
|  | s.r.o., clients   |                        |
| Contract on mutual waiving rights  | Viktor Property, s.r.o., third party  | 30 December 2015       |
| Contract on the assignment of receivables  | Appolon Property, s.r.o., third party   | 30 December 2015       |
| Contract on the provision of comprehensive project support and a loan                                    | Raiffeisen FinCorp, s.r.o., Hyperion Property, s.r.o.   | 4 December 2015        |
| Framework contract for cooperation regarding funding the Albatros developers' project                    | Easy Develop, s.r.o., client  | 10 August 2015         |
| Amendment no. 1 to Framework contract for cooperation regarding funding the Albatros developers' project | Easy Develop, s.r.o., client  | 20 August 2015         |
| Amendment no. 2 to Framework contract for cooperation regarding funding the Albatros developers' project | Easy Develop, s.r.o., client  | 26 October 2015        |
| Contract on the provision of comprehensive project support and a loan                                    | Raiffeisen FinCorp, s.r.o., Easy Develop, s.r.o.  | 10 August 2015         |
| Framework contract for cooperation   | Kirké Property, s.r.o., client  | 21 December 2015       |
| Contract on the provision of comprehensive project support and a loan                                    | Villa Atrium Bubeneč, s.r.o.  | 4 November 2015        |
| Contract on the provision of comprehensive project support and a loan                                    | Raiffeisen FinCorp, s.r.o., Kirké Property, s.r.o., Dorint Hotel Prag, spol. s r.o.   | 21 December 2015       |
| Contract on future investment transfer   | Kirké Property, s.r.o., client  | 21 December 2015       |
| Loan contract  | Kappa Estates, s.r.o.   | 3 August 2015          |
| Amendment no. 11 to loan contract dated 27 December 2007   | Orchideus Property, s.r.o.  | 17 September 2015      |
| Amendment no. 12 to loan contract dated 27 December 2007   | Orchideus Property, s.r.o.  | 18 December 2015       |
| Agreement on the interconnection of contracts on funding   | Holečková Property, s.r.o., Chronos Property, s.r.o., Credibilis, a.s.  | 9 October 2015         |
| Amendment no. 2 to contract on mutual collateralising and interconnection of projects                    | Onyx Energy s.r.o., Exit 90 SPV s.r.o., Photon SPV 8 s.r.o., Photon SPV 4 s.r.o., Photon SPV 6 s.r.o., Onyx Energy s.r.o., Onyx Energy project II s.r.o., Photon SPV 10 s.r.o., Photon SPV 11 s.r.o., Photon SPV 3 s.r.o., client | 30 December 2015       |
| Amendment no. 2 to loan contract   | Photon SPV 3 s.r.o.   | 30 December 2015       |
| Amendment no. 3 to framework contract on cooperation   | Photon SPV 3 s.r.o., client   | 30 December 2015       |
| Amendment no. 2 to loan contract   | Photon SPV 6 s.r.o.   | 30 December 2015       |
| Amendment no. 3 to framework contract on cooperation   | Photon SPV 6 s.r.o., client   | 30 December 2015       |
| Amendment no. 3 to framework contract on cooperation   | Photon SPV 4 s.r.o., client   | 30 December 2015       |
| Amendment no. 2 to loan contract   | Onyx Energy s.r.o.  | 30 December 2015       |
| Amendment no. 3 to framework contract on cooperation   | Onyx Energy, s.r.o., client   | 30 December 2015       |
| Amendment no. 2 to loan contract   | Onyx Energy project II s.r.o.   | 30 December 2015       |
| Amendment no. 3 to framework contract on cooperation   | Onyx Energy project II s.r.o., client   | 30 December 2015       |

| <b>Contract (change to the contract)</b>                            | <b>Counter-party</b>                                  | <b>Conclusion date</b> |
|---|---|------------------------|
| Amendment no. 3 to framework contract on cooperation                | Photon SPV 10 s.r.o.,<br>client                       | 30 December 2015       |
| Amendment no. 2 to loan contract                                    | Photon SPV 11 s.r.o.                                  | 30 December 2015       |
| Amendment no. 3 to framework contract on cooperation                | Photon SPV 11 s.r.o.,<br>client                       | 30 December 2015       |
| Contract on the provision of comprehensive project support          | Ofi3n Property, s.r.o.,<br>Raiffeisen FinCorp, s.r.o. | 24 August 2015         |
| Contract on risk participation and the provision of restricted loan | Raiffeisen FinCorp, s.r.o.,<br>Raiffeisenbank a.s.    | 13 January 2015        |
| Contract on risk participation and the provision of restricted loan | Raiffeisen FinCorp, s.r.o.,<br>Raiffeisenbank a.s.    | 18 December 2015       |

**7. The Controlled Entity incurred no detriment in the reporting period.**

**8. Benefits and disadvantages arising for the Controlled Entity from related party transactions.**

8.1 The Company generated no benefits and incurred no disadvantages.

In Prague on 31 March 2016

\_\_\_\_\_  
Alois Lanegger

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Jiří Kruncel