

# Annual Report 2016

s Autoleasing, a. s.



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# Introduction by the Chairman of the Board of Directors

**Dear Ladies and Gentlemen,**

I consider the year 2016 a great success from the sAutoleasing's perspective as we achieved excellent results in business activities, satisfaction of our business partners as well as clients. Thanks to the efforts of our employees, we managed to continue the trend of being a partner of choice for our business partners and customers.

Having maintained the position among TOP 5 in the lease market we became yet again the largest brand independent provider of financial services in the Czech Republic. The volume of financing increased both in the segment of new and used cars along with utility vehicles up to 3.5t, where the Company outperformed the general growth rate in the market.

Further, sAutoleasing intensified cooperation within the financial group of Erste Bank in order to further develop our business activities and seek new business opportunities.

We focused on improving our IT system with a view to better and more efficiently manage the dealer network and corporate customers; product and process improvements of the system were not left behind and our clients could thus profit not only from an extended range of products but also from enhanced on-line zone services. Car operating lease portfolio of selected brands was also enhanced in cooperation with Česká spořitelna, a. s.

In November 2016, we successfully moved to a new address, i.e. in the premises of our shareholder Česká spořitelna, a. s. In just a single weekend we managed to relocate all technical and administrative facilities and thereby eliminated to the maximum extent possible the risk of losing business.

We are fully aware of the Company's most valuable resource, and that is the employees. For that reason, we paid a lot of attention to their development in order to enhance their skills and satisfaction so that we would stay a partner of choice for our employees as well.

I thank all business partners, clients and employees for your confidence and trust as I very much appreciate that we represented a trustworthy, friendly and reliable partner for all of you in the fiscal year 2016.



Wilfried Elbs  
Chairman of the Board of Directors



**Wilfried Elbs**  
Chairman of the Board of Directors

# General Information

## Company Name

s Autoleasing, a. s.

## Registered Office

Budějovická 1912/64b, 140 00 Praha 4

Company Identification Number (IČO): 27089444

## Shareholders

Česká spořitelna, a. s., CZK 500,000,000 (100%)

## Members of the Board of Directors as at 31 December 2016

Wilfried Elbs, Chairman

Tomáš Veverka, Member

## Members of the Supervisory Board as at 31 December 2016

Jan Jeřábek, Chairman

Radka Turková, Vice-Chairwoman

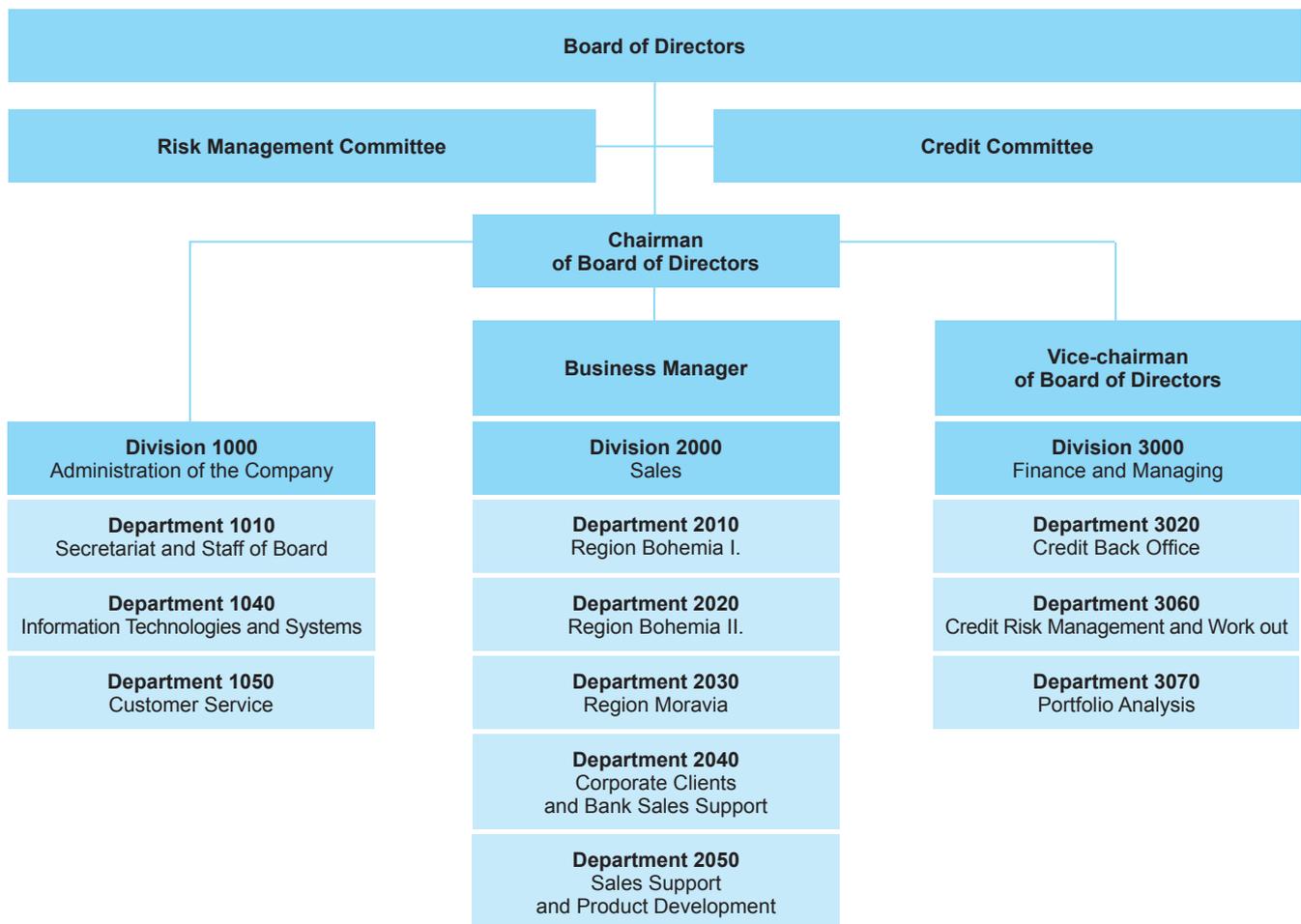
Petr Kapoun, Member

## Major Business Activities

Provision of lease services, consumer loans  
and hire-purchase sale.

# Organizational Structure

The organizational structure of s Autoleasing, a.s. is as follows



# Management Report

## Macroeconomic framework

In 2016, the marketing of financial products relied on the economic growth as both investments and household expenditures experienced a growth. Under these circumstances in 2016, the volume of non-bank financing further increased year-on-year.

Information on economic development in the Czech Republic relevant to non-bank financing business:

- GDP growth year-on-year;
- industrial production growth year-on-year;
- investment growth;
- retail revenues real growth year-on-year;
- annual inflation rate remained low despite its rise at the end of the year (in December by 2%); and
- unemployment reached 5.2% in December (compared to 6.2% at the end of 2015).

In 2016, the volume of financing provided by the member companies of the Czech Leasing and Finance Association (CLFA) through leasing, factoring, consumer loans and loans for businesses totaled CZK 154.96 billion (by CZK 10.09 billion more than in 2015, i.e. year-on-year increase of 7%), of which: CZK 124.01 billion went to financing of investments and business operations and CZK 30.95 billion to financing of goods and services for households. A total of CZK 88.11 billion was provided for financing (mostly new) road vehicles, of which the acquisition of passenger cars accounted for CZK 57.06 billion, including CZK 46.09 billion for the acquisition of 113,013 new passenger cars (thus financing 43.5% of new passenger cars first registered in the CR in 2016). In addition, CZK 23.66 billion were provided to finance machinery and equipment. The member companies concluded 761,751 new lease and loan agreements. At the end of 2016, CLFA members had a total of 1,367,665 active lease and loan agreements. Receivables from active lease and loan transactions amounted CZK 251.7 billion at the end of 2016.

Concerning the lease of movable assets, the aggregate of the acquisition cost (excluding VAT) of the portfolio managed by CLFA members totaled CZK 57.36 billion (a year-on-year increase of 17.5% generated by top fifteen companies). The estimation of the overall market is CZK 59.14 billion and the total amount financed (input debt) was CZK 54.66 billion. The share of operating leases in the total leases of movable assets increased significantly to 60.1% in comparison with 2015.

A total of 65,103 new lease agreements were concluded on the lease of machinery, equipment and vehicles for entrepreneurs, of which 14,852 were finance leases, 13,512 were operating leases, 33,096 full service leases and 3,643 short-term lease agreements. The number of newly concluded lease agreements to finance business investments increased by 19.7% compared to 2015. Receivables from concluded agreements on the lease of movable assets for entrepreneurs amounted to CZK 106.08 billion at the end of 2016 (as compared to CZK 95.5 billion at the end of 2015).

23 CLFA member companies provided loans and installment sales to businesses. The total volume of provided loans was CZK 49.35 billion, which represents a year-on-year decrease by 1.5% in the volume of loans provided to businesses by the top 15 companies. The number of provided loans totaled 74,147, i.e. a 3.2% increase year-on-year. The average loan amount was CZK 665,521. Receivables from loans totaled CZK 90.50 billion at the end of 2016.

Consumer loans were provided by 17 CLFA members. Loans provided for personal purposes totaled CZK 27.61 billion, representing a 2.9% decrease year-on-year. The volume of loans provided for the purposes of financing a passenger car increased to CZK 10.07 billion year-on-year, i.e. by 15.5%; the number of the above loans increased by 3,372 to 55,635 loans. A total of 608,069 consumer loan agreements were concluded in 2016 (down by 15.2% year-on-year). The volume of receivables from active loan agreements was CZK 39.43 billion at the end of 2016.

The acquisition cost of movable assets (excluding VAT) acquired through consumer leases and short-term leases amounted to CZK 3.35 billion in 2016. The volume of consumer leases, including short-term leases, increased by 32.4% year-on-year. The share of finance leases in total consumer leases of movable assets was 2.6%, the share of operating leases was 78.6%, the share of full service leases was 15.1% and the share of short-term leases was 3.7%. At the end of 2016, there were 15,343 active agreements on consumer leases concluded by member companies of CLFA. Receivables from consumer agreements amounted to CZK 1.82 billion at the end of 2016.

## Report on the Company's operating results

s Autoleasing, a.s., recorded a profit of CZK 125 million and CZK 138 million in 2016 and 2015, respectively.

The changes in key financial indicators were as follows:

### Changes in key financial indicators

CZK mil.	2016	2015	2014	2013	2012	2011	2010
Total assets	10,029	9,174	8,559	8,352	8,432	8,459	9,230
Fixed assets	5,903	5,250	4,930	4,853	4,961	5,166	6,089
Total revenues	1,470	1,514	1,658	2,036	2,573	3,004	4,212
Profit/loss before tax	164	179	172	176	144	74	26
Profit/loss for the year	125	138	130	128	101	44	20
Average number of FTE employees	115	111	110	108	106	109	108

## Report on the Company's business activities

s Autoleasing, a. s. commenced its business activities on 1 October 2004. The Company primarily engages in top quality services relating to the provision of loans and leases in cooperation with business partners, leased commodity suppliers and sales representatives.

The total input debt on all commodities financed by the members of CLFA and relating to all financial products on the domestic market was CZK 128.22 billion in 2016; the share of s Autoleasing, a. s., was CZK 4.63 billion, i.e. 3.6% market share. Based on the recorded results in 2016, the Company ranked ninth on the market of movables.

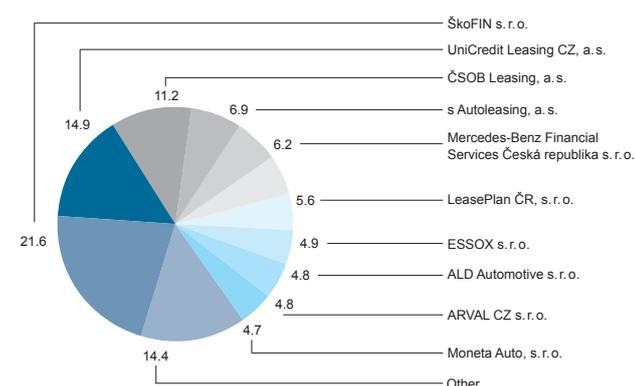
### s Autoleasing, a. s., competitors in non-bank financial product market in 2016 were as follows:

Company	In CZK million	in %
ŠkoFIN s. r. o.	13,906.78	21.62%
UniCredit Leasing CZ, a. s.	9,606.10	14.94%
ČSOB Leasing, a. s.	7,170.52	11.15%
<b>s Autoleasing, a. s.</b>	<b>4,429.58</b>	<b>6.89%</b>
Mercedes-Benz Financial Services Česká republika s. r. o.	3,963.93	6.16%
LeasePlan Česká republika, s. r. o.	3,600.71	5.60%
ESSOX, s. r. o.	3,156.89	4.91%
ALD Automotive s. r. o.	3,094.68	4.81%
ARVAL CZ s. r. o.	3,093.08	4.81%
Moneta Auto, s. r. o.	3,025.55	4.70%
Other	9,268.87	14.41%
<b>Market</b>	<b>64,316.69</b>	<b>100.00%</b>

Note: CLFA members are listed according to their input debt in the aggregate of all products designed to finance cars, utility vehicles and motorcycles.

### s Autoleasing, a. s., competitors in non-bank financial product market for vehicles in 2016

#### Financing of vehicles of up to 3.5 tons



# Future Plans

In 2017, we will focus on continuing to develop our business and maintain the Company's market share.

Promoting business and excellent performance of the Company along with variability of our products, high service quality and both client and business partner satisfaction remain our primary aim also in 2017 as we strive to be a trustworthy, friendly and reliable partner for our customers.

We will continue to find ways to deepen cooperation and profit from business opportunities within the financial group of Erste Bank. A sustainable extension of the parent company's product portfolio for small and medium businesses is another goal we intend to tackle.

In 2017, additional projected improvements of the IT system include mainly faster and better handling of on-line financing requests as well as more reliable assessment of client credibility and creditworthiness. In addition, we plan to develop the internal system for more effective management of the dealer network and corporate clients.

Emphasis will be put on maintaining a personal approach in processing of all client requests, and further increasing the attractiveness of our website, which should not only reflect current web interface features but also provide existing and new clients with a better overview of our products and services.

Last but not least, we will focus on deepening the skills of our employees and provide them with appropriate support and training in order to promote their loyalty and satisfaction and stay the preferred employer for our people in 2017 and beyond.



Wilfried Elbs  
Chairman of the Board of Directors

# Points of Sale

s Autoleasing, a. s. products are distributed via a network of business partners.

## **Direct contact information**

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140 00 Praha 4

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**Fax:** 224 646 111

**E-mail:** [info@sautoleasing.cz](mailto:info@sautoleasing.cz)

**Internet:** [www.sautoleasing.cz](http://www.sautoleasing.cz)

# Financial Section

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(Translation of a report originally issued in Czech - see Note 2 to the financial statements.)

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of s Autoleasing, a.s.:

### *Opinion*

We have audited the accompanying financial statements of s Autoleasing, a.s., (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2016, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### *Basis for Opinion*

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

### *Other Information*

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

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

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

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

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

#### *Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

Ernst & Young Audit, s.r.o.  
License No. 401



Roman Hauptfleisch, Auditor  
License No. 2009

21 March 2017  
Prague, Czech Republic

# Balance Sheet – Long Form

for the Year Ended 31 December 2016

CZK ths.				Current year	Prior year 2015
		Gross	Allowances	Net	Net
<b>TOTAL ASSETS</b>		<b>11,371,516</b>	<b>(1,336,930)</b>	<b>10,034,586</b>	<b>9,173,676</b>
<b>B.</b>	<b>Fixed assets</b>	<b>7,028,004</b>	<b>(1,125,328)</b>	<b>5,902,676</b>	<b>5,250,717</b>
B.I.	Intangible fixed assets	155,007	(123,824)	31,183	28,662
B.I.2.	Valuable rights	155,007	(123,824)	31,183	28,662
B.I.2.1.	Software	137,677	(109,756)	27,921	25,488
B.I.2.2.	Other valuable rights	17,330	(14,068)	3,262	3,174
B.II.	Tangible fixed assets	1,920,381	(990,864)	929,517	960,177
B.II.2.	Movable assets and sets of movable assets	1,919,703	(990,864)	928,839	959,599
B.II.4.	Other tangible fixed assets	27	0	27	27
B.II.4.3.	Miscellaneous tangible fixed assets	27	0	27	27
B.II.5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	651	0	651	551
B.II.5.2.	Tangible fixed assets in progress	651	0	651	551
B.III.	Long-term investments	4,952,616	(10,640)	4,941,976	4,261,878
B.III.1.	Interests – controlled or controlling entity	86,051	0	86,051	45,500
B.III.6.	Loans and borrowings – other	4,866,565	(10,640)	4,855,925	4,216,378
<b>C.</b>	<b>Current assets</b>	<b>3,489,447</b>	<b>(211,602)</b>	<b>3,277,845</b>	<b>3,149,133</b>
C.I.	Inventories	8,238	(8,057)	181	203
C.I.3.	Finished products and goods	8,238	(8,057)	181	203
C.I.3.2.	Goods	8,238	(8,057)	181	203
C.II.	Receivables	3,448,323	(203,545)	3,244,778	3,109,292
C.II.1.	Long-term receivables	65,560	0	65,560	72,581
C.II.1.1.	Trade receivables	0	0	0	9,042
C.II.1.4.	Deferred tax asset	65,560	0	65,560	63,539
C.II.2.	Short-term receivables	3,382,763	(203,545)	3,179,218	3,036,711
C.II.2.1.	Trade receivables	2,382,862	(138,092)	2,244,770	2,071,992
C.II.2.4.	Other receivables	999,901	(65,453)	934,448	964,719
C.II.2.4.3.	Due from government – tax receivables	1,177	0	1,177	5,592
C.II.2.4.4.	Short-term advances granted	5,496	0	5,496	5,416
C.II.2.4.5.	Unbilled revenue	12,880	0	12,880	15,387
C.II.2.4.6.	Miscellaneous receivables	980,348	(65,453)	914,895	938,324
C.IV.	Cash	32,886	0	32,886	39,638
C.IV.1.	Cash in hand	212	0	212	159
C.IV.2.	Cash at bank	32,674	0	32,674	39,479
<b>D.I.</b>	<b>Prepaid expenses and accrued income</b>	<b>854,065</b>	<b>0</b>	<b>854,065</b>	<b>773,826</b>
D.I.1.	Prepaid expenses	812,139	0	812,139	723,761
D.I.3.	Accrued income	41,926	0	41,926	50,065

CZK ths.	Current year	Prior year 2015
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>10,034,586</b>	<b>9,173,676</b>
<b>A. Equity</b>	<b>2,020,692</b>	<b>1,690,790</b>
A.I. Basic capital	500,000	500,000
A.I.1. Registered capital	500,000	500,000
A.II. Share premium and revaluation reserve	1,515,209	1,310,598
A.II.1. Share premium	256,000	256,000
A.II.2. Capital funds	1,259,209	1,054,598
A.II.2.1. Other capital funds	1,256,900	1,056,900
A.II.2.2. Gain or loss on revaluation of assets and liabilities (+/-)	2,309	(2,302)
A.III. Reserves from profit	31,165	24,261
A.III.1. Other reserves	31,165	24,261
A.IV. Profit (loss) brought forward (+/-)	(150,972)	(282,137)
A.IV.2. Accumulated loss (-)	(150,972)	(282,137)
A.V.1. Profit (loss) for the year (+/-)	125,290	138,068
<b>B. + C. Provisions and Liabilities</b>	<b>7,844,131</b>	<b>7,255,290</b>
B.I. Provisions	12,408	12,824
B.I.4. Other provisions	12,408	12,824
C. Liabilities	7,831,723	7,242,466
C.I. Long-term liabilities	4,466,090	4,223,325
C.I.2. Amounts owed to credit institutions	4,466,090	4,223,325
C.II. Current liabilities	3,365,633	3,019,141
C.II.2. Amounts owed to credit institutions	3,159,530	2,827,839
C.II.3. Short-term advances received	60,762	58,057
C.II.4. Trade payables	14,953	3,770
C.II.8. Other liabilities	130,388	129,475
C.II.8.3. Liabilities to employees	4,983	5,081
C.II.8.4. Liabilities arising from social security and health insurance	2,500	2,478
C.II.8.5. Due to government – taxes and subsidies	1,142	2,970
C.II.8.6. Unbilled deliveries	114,749	105,616
C.II.8.7. Miscellaneous liabilities	7,014	13,330
<b>D.I. Accruals and deferred income</b>	<b>169,763</b>	<b>227,596</b>
D.I.1. Accruals	6,767	6,512
D.I.2. Deferred income	162,996	221,084

# Income Statement – Long Form

## for the Year Ended 31 December 2016

CZK ths.		Current year	Prior year 2015
I.	Revenue from sale of finished products and services	616,133	696,077
II.	Revenue from sale of goods	5,631	3,490
A.	Production-related consumption	458,495	459,700
A.1.	Cost of goods sold	9,359	9,527
A.2.	Consumption of material and energy	5,399	5,116
A.3.	Services	443,737	445,057
D.	Personnel expenses	117,423	113,179
D.1.	Wages and salaries	85,168	82,856
D.2.	Social security and health insurance costs and other costs	32,255	30,323
D.2.1.	Social security and health insurance costs	26,693	25,704
D.2.2.	Other costs	5,562	4,619
E.	Value adjustments in respect of operating activities	314,759	249,941
E.1.	Value adjustments in respect of intangible and tangible fixed assets	332,986	388,494
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	353,995	425,596
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets - temporary	(21,009)	(37,102)
E.2.	Value adjustments in respect of inventory	5,866	(1,077)
E.3.	Value adjustments in respect of receivables	(24,093)	(137,476)
III.	Other operating income	278,976	258,097
III.1.	Income from sale of fixed assets	133,577	106,975
III.3.	Miscellaneous operating income	145,399	151,122
F.	Other operating expenses	329,938	414,483
F.1.	Net book value of fixed assets sold	150,900	153,210
F.3.	Taxes and charges relating to operations	1,798	1,899
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	(417)	2,982
F.5.	Miscellaneous operating expenses	177,657	256,392
*	<b>Profit or loss on operating activities (+/-)</b>	<b>(319,875)</b>	<b>(279,639)</b>
VI.	Interest receivable and similar income	567,956	548,134
VI.2.	Other interest receivable and similar income	567,956	548,134
J.	Interest payable and similar expenses	81,706	89,880
J.1.	Interest payable and similar expenses - subsidiaries or parents	79,656	89,170
J.2.	Other interest payable and similar expenses	2,050	710
VII.	Other finance income	1,392	8,181
K.	Other finance cost	3,797	7,858
*	<b>Profit or loss on financial activities (+/-)</b>	<b>483,845</b>	<b>458,577</b>
**	<b>Profit or loss before taxation (+/-)</b>	<b>163,970</b>	<b>178,938</b>
L.	Income tax	38,680	40,870
L.1.	Income tax due	41,502	42,563
L.2.	Income tax deferred (+/-)	(2,822)	(1,693)
**	<b>Profit or loss after taxation (+/-)</b>	<b>125,290</b>	<b>138,068</b>
***	<b>Profit or loss for the year (+/-)</b>	<b>125,290</b>	<b>138,068</b>
*	<b>Net turnover</b>	<b>1,470,088</b>	<b>1,513,979</b>

# Cash Flow Statement

for the Year Ended 31 December 2016

CZK ths.	Current year	Prior year 2015	
<b>Cash flows from operating activities</b>			
<b>Z.</b>			
<b>Profit or loss on ordinary activities before taxation (+/-)</b>	<b>163,970</b>	<b>178,938</b>	
A.1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	4,437	79,201
A.1.1.	Depreciation and amortization of fixed assets and write-off of receivables	508,403	655,071
A.1.2.	Change in allowances	(39,235)	(165,372)
A.1.3.	Change in provisions	(416)	2,982
A.1.5.	(Gain)/Loss on disposal of fixed assets	17,323	46,235
A.1.6.	Interest expense and interest income	(486,250)	(458,254)
A.1.7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received)	4,612	(1,461)
<b>A*</b>	<b>Net cash from operating activities before taxation, changes in working capital and extraordinary items</b>	<b>168,407</b>	<b>258,139</b>
A.2.	Change in non-cash components of working capital	(982,979)	(1,013,527)
A.2.1.	Change in inventory	(5,844)	1,695
A.2.2.	Change in trade receivables	(868,172)	(694,747)
A.2.3.	Change in other receivables and in prepaid expenses and unbilled revenue	(67,598)	(247,769)
A.2.4.	Change in trade payables	11,183	2,709
A.2.5.	Change in other payables, and in accruals and deferred income	(52,548)	(75,415)
<b>A**</b>	<b>Net cash from operating activities before taxation, interest paid and extraordinary items</b>	<b>(814,572)</b>	<b>(755,388)</b>
A.3.1.	Interest paid	(81,561)	(87,614)
A.3.2.	Interest received	579,292	558,722
A.4.1.	Income Tax paid	(43,405)	(45,026)
<b>A***</b>	<b>Net cash provided by (used in) operating activities</b>	<b>(360,246)</b>	<b>(329,306)</b>
<b>Cash flows from investing activities</b>			
B.1.1.	Purchase of fixed assets	(554,539)	(359,984)
B.2.1.	Proceeds from sale of fixed assets	133,577	106,975
<b>B***</b>	<b>Net cash provided by (used in) investing activities</b>	<b>(420,962)</b>	<b>(253,009)</b>
<b>Cash flows from financing activities</b>			
C.1.	Change in long-term liabilities, and long-term and short-term loans	574,456	601,557
C.2.3.	Effect of other changes in own capital on cash	200,000	0
<b>C***</b>	<b>Net cash provided by (used in) financing activities</b>	<b>774,456</b>	<b>601,557</b>
F.	Net increase (decrease) in cash	(6,752)	19,242
P.	Cash and cash equivalents at beginning of year	39,638	20,396
R.	Cash and cash equivalents at end of year	32,886	39,638

# Notes to the Financial Statements

for the Year Ended 31 December 2016

## 1. General information

### 1.1 Incorporation and Description of the Business

S Autoleasing, a.s. (“the Company” or “SAL”) was created by a Deed of Incorporation as a joint stock company on 15 August 2003 and was incorporated by registration at the Commercial Register kept in the Municipal Court in Prague on 6 October 2003. The principal business activity of the Company is to provide leasing services including instalment sales and providing consumer loans. These activities account for all of the Company’s activities and the related revenues are generated in the Czech Republic.

The Company’s share capital is CZK 500,000 thousand as at 31 December 2016. The Company’s sole shareholder is Česká spořitelna, a.s., holding 100% of the share capital.

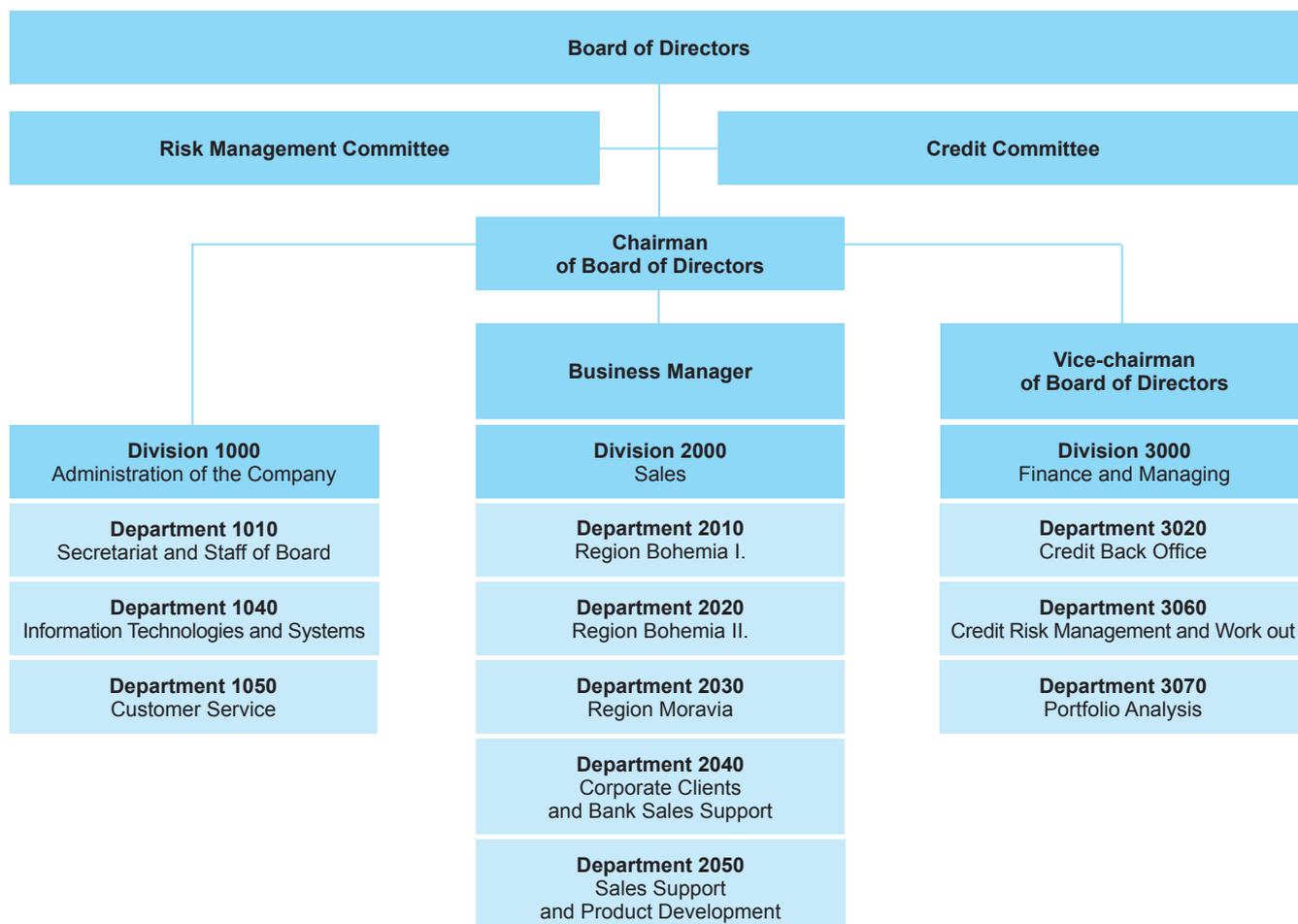
The Company concluded no controlling agreement with the parent company.

The financial statements have been prepared in accordance with the valid Czech accounting legislation as separate financial statements for the year ended 31 December 2016. Consolidated financial statements prepared in accordance with International Financial Reporting Standards within the Erste Bank group (Česka spořitelna Financial Group (CSFG)), the Company being part of it, have been prepared by the parent company Česká spořitelna, a.s., and published on its website. Consolidated financial statements for the entire group of Erste Group Bank have been prepared and published on its website by Erste Bank.

### 1.2 Changes and Amendments in the Commercial Register

As at 17 November 2016, the membership of Martin Klapka in the Board of Directors expired and the change was made to the Commercial Register maintained in the Municipal Court in Prague. For changes in the Supervisory Board see Note 1.5.

### 1.3 Organisational Structure of the Company



The Company has no foreign branch.

#### 1.4 Group Identification

The Company is part of the Česká spořitelna, a. s., financial group. The Company is included in the consolidated group of Česká spořitelna, a. s.

#### 1.5 Board of Directors and Supervisory Board as at 31 December 2016

	Position	Name
Board of Directors	Chairman	Wilfried Elbs
	Vice-Chairman	Tomáš Veverka
	Member	Martin Klapka
Supervisory Board	Chairman	Jan Jeřábek
	Vice-Chairwoman	Radka Turková
	Member	Petr Kapoun

On 17 November 2016, the membership of Martin Klapka in the Board of Directors expired.

On 31 March 2016, the Supervisory Board chair office of Karel Mourek was terminated.

On 31 March 2016, the Supervisory Board vice-chair office of Dr. Heinz Knotzer was terminated.

On 1 April 2016, Jan Jeřábek was appointed the Supervisory Board chair and Petr Kapoun was appointed a Supervisory Board member.

On 30 June 2016, the membership of Reinhard Ortner in the Supervisory Board expired.

## 2. Accounting methods and general accounting principles

The Company's accounting is maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll., which provides implementation guidance on certain allowances of the Accounting Act for reporting entities which maintain a double-entry bookkeeping system and Czech Accounting Standards for Businesses, as amended.

The accounting is maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accrual principle, the prudence concept and the going concern assumption.

Pursuant to requirements of the Act on Accounting amendment and the related guidelines as applicable from 1 January 2016, the presentation of items in the balance sheet and in the income statement has changed. To achieve the comparability of these items with the respective items for the preceding reporting period, the items in the balance sheet and in the income statement for 2015 have been appropriately adjusted. The Company has followed the Czech ac-

counting standard for entrepreneurs No. 024 "Comparative Period for the Reporting Period Started in 2016".

These financial statements are presented in thousands of Czech crowns (CZK), unless stated otherwise.

#### Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

## 3. Summary of significant accounting policies

### 3.1 Tangible and Intangible Fixed Assets

Tangible fixed assets include identifiable assets with physical substance which have an estimated useful life greater than one year and a cost greater than CZK 40 thousand on an individual basis.

Intangible fixed assets include identifiable assets without physical substance which have an estimated useful life greater than one year and a cost greater than CZK 60 thousand.

Purchased tangible and intangible fixed assets are recorded at their acquisition costs, which consist of the purchase price and related costs (assembly, freight, etc.).

The assets acquired based on the collateralized transfer of the ownership right from loan contracts are recorded in tangible fixed assets in the amount of outstanding receivables from customers.

The cost of fixed asset improvements exceeding CZK 40 thousand and CZK 40 thousand in aggregate for individual tangible and intangible fixed assets, respectively for the taxation period increases the acquisition cost of the related fixed asset.

Tangible assets with a cost below CZK 40 thousand which are not included in the selected low value fixed assets, technical improvements and tangible assets with a cost below CZK 40 thousand and intangible assets with a cost below CZK 60 thousand are charged to expenses in the period in which they were acquired.

#### Depreciation for accounting purposes

##### Assets used by the Company

Assets are depreciated using the straight line method over their estimated useful lives.

Irrespective of their value, works of art and assets under construction are not depreciated.

The depreciation periods of the individual asset categories are as follows:

Asset category	Depreciation period in years
Machinery and equipment	4–12
Vehicles	4
Furniture and fixtures	4–6
Software, licences and other intangible assets	4

### Commencement of Depreciation

Depreciation of tangible and intangible fixed assets for internal use begins in the month following the month the assets are put into use.

Depreciation of leased movable assets commences in the month following the month the assets are put into use by the lessee, based on a putting-into-use record received.

### Impairment

Allowances against impaired tangible and intangible fixed assets are established and updated as the difference between the carrying value of the relevant asset and its market value, based on a review of prematurely terminated contracts. The allowance is created as the full amount of the estimated difference less any underlying collateral.

With respect to current contracts, an allowance against impaired leased tangible and intangible fixed assets is calculated based on the exposure level, to which a percentage derived from the number of past due days of the oldest receivable relating to the respective lease contract is applied.

The impairment is assessed using a statistical model, which determines a specific impairment coefficient for each contract. The level of the coefficient depends on the category defined by Czech National Bank (“CNB”), the length of collection period and the course of collection.

For reporting purposes, this calculated allowance is then divided into an allowance against assets and an allowance against receivables, based on an analysis of the whole portfolio by commodity, reflecting the share of allowances arising from prematurely terminated transactions which are created separately against assets (see above) and against receivables (see Note 3.3).

An allowance against advances on tangible fixed assets is created on the basis of an analysis of the entity to which the advance was made.

### 3.2 Non-Current Financial Investments

Non-current financial investments mainly include loans falling due after one year and ownership interests.

Loans and borrowings – other include principal of the consumer loans provided to the individuals, entrepreneurs and corporations.

Only the portion of the principal payable after one year is assessed as a non-current financial asset.

### Impairment

Allowances are created individually. The impairment is assessed using a statistical model, which determines a specific impairment coefficient for each contract. The level of the coefficient depends on the CNB category, the length of collection period and the course of collection.

#### 3.2.1 Ownership Interests in Subsidiaries

Ownership interests are valued at their acquisition cost upon purchase. The acquisition cost of securities and ownership interests includes direct costs related to the acquisition, e.g. fees and commissions paid to agents, advisors and stock exchanges.

At the date of acquisition of securities and ownership interests, the Company classifies these non-current financial assets based on their underlying characteristics as investments in subsidiaries and in associates.

Investments in companies in which the Company has the power to govern the financial and operating policies so as to obtain benefits from their operations are classified as “Subsidiaries”.

As at the balance sheet date, investments in subsidiaries are valued as follows:

- ownership interests in subsidiaries are valued under the equity method; and,
- ownership interests recorded at acquisition cost upon acquisition are revalued at the balance sheet date to reflect the value of the Company’s share of the subsidiary’s equity.

### 3.3 Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate allowances against doubtful and bad amounts.

Receivables consist of outstanding lease payments and the aggregate balance of amounts due from instalment sales and granted consumer loans.

#### Impairment (see Note 3.1)

Allowances against receivables arising from penalties are recognised in respect of the entire carrying value of these receivable balances.

### 3.4 Inventory

Seized assets from Stock financing are valued on the basis of the estimated net realizable amount and accounted for as Goods.

### 3.5 Equity

The share capital of the Company is stated at the amount recorded in the Commercial Register maintained in the Municipal Court. Other capital funds consist of monetary contributions in excess of share capital.

The Annual General Meeting may decide to establish a reserve fund from profits and to allocate the net income (or part) as reported in the annual financial statements to the reserve fund. The reserve fund can be used to cover the loss or for any other purpose approved by the General Meeting.

### 3.6 Trade Payables

Trade payables are recorded at their nominal values.

### 3.7 Loans

Loans are stated at their outstanding nominal value. Loan interest is recorded on the accrual basis and included in the profit or loss for the period to which it belongs to.

Any portion of long-term debt which is due within one year of the balance sheet date is classified as short-term debt.

### 3.8 Provisions

Provisions are created in order to cover future payables or expenses the purpose of which is known and is probable that they will arise although their amount and date of arising are usually uncertain.

### 3.9 Foreign Currency Translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate of the CNB prevailing on the date of the transaction.

At the balance sheet date, financial assets, current assets and liabilities denominated in a foreign currency are translated using the effective exchange rate announced by the CNB as at that date. Any resulting foreign exchange rate gains and losses are recorded through the current period's financial expenses or income as appropriate.

### 3.10 Taxes

#### 3.10.1 Depreciation of Fixed Assets for Tax Purposes

Depreciation of the Company's own assets and assets held under operating leases is calculated on a straight line basis for tax purposes. Assets held under finance leases according to contracts concluded before 31 December 2007 are depreciated over the lease term. Assets held under finance leases according to contracts concluded after 1 January 2008 are depreciated on a straight line basis according to Sections 31 of Act No. 586/1992 Coll., on Income Taxes, as amended. Assets held under finance leases according to contracts concluded between 20 July 2009 and 30 June 2010 are depreciated on a straight line basis according to Sections 30a of Act No. 586/1992 Coll., on Income Taxes, as amended.

#### 3.10.2 Current Tax Payable

The current tax payable is based on taxable profit for the reporting period.

Taxable profit differs from the net profit as reported in the income

statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible, further adjusted by tax allowances and potential credits of tax paid abroad.

The current tax payable is determined using tax rates applicable as at the balance sheet date.

#### 3.10.3 Deferred Tax

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

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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also included in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

#### 3.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of fixed assets are added to the cost of those assets.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

#### 3.12 Revenue Recognition

Revenues are recorded on an accrual basis, i.e. they are charged to income for the year in which they were earned. Revenues are recognised on an incremental basis from the beginning of the financial reporting period. With a view to determining the results of operations in the required format, the Company categorises its revenues as operating, financial and extraordinary.

Revenues relating to future periods are recognised on the accrual basis:

- interest on provided loans is accrued on an annuity basis over the loan contract period and is always recognised as at the last day of the month;
- fees for the processing of contracts are accrued on a straight-line basis over the contract period and are always recognised as at the last day of the month; Other revenues are recognised on an accrual basis into income for the period in which they were earned.

#### 3.13 Costs

Costs are recorded on the accrual basis, i.e. they are expenses in the year in which they were incurred.

Dealer commissions are deferred and amortised over the contract term on a straight-line basis.

### 3.14 Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets (specifically receivables and tangible 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.

### 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 ths.	As at 31 Dec 2015	+/- 2016	As at 31 Dec 2016
Cash at bank	39,479	(6,805)	32,674
Liquid valuables	159	53	212
<b>Total cash and cash equivalents</b>	<b>39,638</b>	<b>(6,752)</b>	<b>32,886</b>

Cash flows from operating, investing and financing activities presented in the cash flow statement are not offset.

## 4. Balance Sheet and Income Statement – Additional Information

### 4.1 Fixed Assets

#### 4.1.1 Intangible Fixed Assets

Acquisition cost

CZK ths.	Balance as at 31 Dec 2014	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Patents, royalties and similar rights	15,614	780	0	16,394	936	0	17,330
Software	121,169	7,380	0	128,549	9,128	0	137,677
<b>Total</b>	<b>136,783</b>	<b>8,160</b>	<b>0</b>	<b>144,943</b>	<b>10,064</b>	<b>0</b>	<b>155,007</b>

Accumulated amortisation

CZK ths.	Balance as at 31 Dec 2014	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Patents, royalties and similar rights	(12,396)	(824)	0	(13,220)	(848)	0	(14,068)
Software	(95,581)	(7,480)	0	(103,061)	(6,695)	0	(109,756)
<b>Total</b>	<b>(107,977)</b>	<b>(8,304)</b>	<b>0</b>	<b>(116,281)</b>	<b>(7,543)</b>	<b>0</b>	<b>(123,824)</b>

Net book value

CZK ths.	Balance as at 31 Dec 2014	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Patents, royalties and similar rights	3,218	3,174	3,262
Software	25,588	25,488	27,921
<b>Total, incl. allowances</b>	<b>28,806</b>	<b>28,662</b>	<b>31,183</b>

All the intangible fixed assets are used by the Company.

## Amortisation of intangible fixed assets

<b>CZK ths.</b>	<b>2015</b>	<b>2016</b>
<b>Total</b>	<b>8,304</b>	<b>7,543</b>

## 4.1.2 Tangible Fixed Assets

## 4.1.2.1 Own Tangible Fixed Assets

## Acquisition cost

<b>CZK ths.</b>	<b>Balance as at 31 Dec 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at 31 Dec 2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at 31 Dec 2016</b>
Individual movable assets	34,400	3,888	(6,009)	32,279	13,074	(4,392)	40,961
– Machinery and equipment	20,644	487	(3,441)	17,690	6,600	(742)	23,548
– Vehicles	13,756	3,401	(2,568)	14,589	6,474	(3,650)	17,413
Other tangibles	27	0	0	27	0	0	27
Tangibles in progress	0	551	0	551	651	(551)	651
<b>Total</b>	<b>34,427</b>	<b>4,439</b>	<b>(6,009)</b>	<b>32,857</b>	<b>13,725</b>	<b>(4,943)</b>	<b>41,639</b>

## Accumulated depreciation

<b>CZK ths.</b>	<b>Balance as at 31 Dec 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at 31 Dec 2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at 31 Dec 2016</b>
Individual movable assets	(23,408)	(4,497)	5,204	(22,701)	(3,983)	3,351	(23,333)
– Machinery and equipment	(18,354)	(1,432)	3,441	(16,345)	(919)	741	(16,523)
– Vehicles	(5,054)	(3,065)	1,763	(6,356)	(3,064)	2,610	(6,810)
<b>Total</b>	<b>(23,408)</b>	<b>(4,497)</b>	<b>5,204</b>	<b>(22,701)</b>	<b>(3,983)</b>	<b>3,351</b>	<b>(23,333)</b>

Additions and disposals to accumulated depreciation include both the additions and disposals to accumulated depreciation and the net book value of fixed assets sold and/or damaged.

## Net book value

<b>CZK ths.</b>	<b>Balance as at 31 Dec 2014</b>	<b>Balance as at 31 Dec 2015</b>	<b>Balance as at 31 Dec 2016</b>
Individual movable assets	10,992	9,578	17,628
– Machinery and equipment	2,290	1,345	7,026
– Vehicles	8,702	8,233	10,602
Other tangibles	27	27	27
Tangibles in progress	0	551	651
<b>Total, incl. allowances</b>	<b>11,019</b>	<b>10,156</b>	<b>18,306</b>

#### 4.1.2.2 Tangible Fixed Assets Held Under Leases and Seized Assets

##### Acquisition cost

CZK ths.	Balance as at 31 Dec 2014	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Individual movable assets	2,543,011	346,609	(796,786)	2,092,834	492,600	(706,692)	1,878,742
– Machinery and equipment	808,444	0	(249,833)	558,611	0	(161,334)	397,277
– Vehicles	1,657,034	255,958	(422,745)	1,490,247	394,737	(436,880)	1,448,104
– Furniture and fixtures	22,106	0	(16,980)	5,126	0	0	5,126
– Seized assets from client loans	55,427	90,651	(107,228)	38,850	97,863	(108,477)	28,236
Tangibles in progress	10,283	255,958	(266,241)	0	394,737	(394,737)	0
Advances for tangibles	796	15,985	(16,781)	0	2,107	(2,107)	0
<b>Total</b>	<b>2,554,090</b>	<b>618,552</b>	<b>(1,079,808)</b>	<b>2,092,834</b>	<b>889,444</b>	<b>(1,103,536)</b>	<b>1,878,742</b>

##### Accumulated depreciation

CZK ths.	Balance as at 31 Dec 2014	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Individual movable assets	(1,282,255)	(609,547)	796,786	(1,095,016)	(552,687)	706,962	(940,741)
– Machinery and equipment	(523,172)	(128,329)	249,833	(401,668)	(85,869)	161,334	(326,203)
– Vehicles	(745,732)	(367,146)	422,745	(690,133)	(357,569)	436,880	(610,822)
– Furniture and fixtures	(13,351)	(6,844)	16,980	(3,215)	(502)	0	(3,717)
– Seized assets from client loans	0	(107,228)	107,228	0	(108,748)	108,748	0
<b>Total</b>	<b>(1,282,255)</b>	<b>(609,547)</b>	<b>796,786</b>	<b>(1,095,016)</b>	<b>(552,687)</b>	<b>706,962</b>	<b>(940,741)</b>

Additions and disposals to accumulated depreciation include both the additions and disposals to accumulated depreciation and the net book value of fixed assets sold and/or damaged.

##### Allowances

CZK ths.	Balance as at 31 Dec 2014	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Individual movable assets	(74,616)	(79,241)	106,060	(47,797)	(64,269)	85,276	(26,790)
– Tangibles – current contracts	(21,660)	(1,133)	9,996	(12,797)	(698)	8,914	(4,581)
– Tangibles – prematurely terminated contracts	(9,132)	(880)	6,490	(3,522)	(45)	1,426	(2,141)
– Seized assets from client loans	(43,824)	(77,228)	89,574	(31,478)	(63,526)	74,936	(20,068)
Tangibles in progress	(10,283)	0	10,283	0	0	0	0
<b>Total</b>	<b>(84,899)</b>	<b>(79,241)</b>	<b>116,343</b>	<b>(47,797)</b>	<b>(64,269)</b>	<b>85,276</b>	<b>(26,790)</b>

##### Net book value

CZK ths.	Balance as at 31 Dec 2014	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Individual movable assets	1,186,140	950,021	911,211
– Machinery and equipment	285,271	156,943	71,073
– Vehicles	880,511	783,794	830,561
– Furniture and fixtures	8,755	1,911	1,409
– Seized assets from client loans	11,603	7,373	8,168
Tangibles in progress	0	0	0
Advances for tangibles	796	0	0
<b>Total, incl. allowances</b>	<b>1,186,936</b>	<b>950,021</b>	<b>911,211</b>

## Depreciation of tangible fixed assets

CZK ths.	2015	2016
<b>Total</b>	<b>417,292</b>	<b>346,452</b>

## 4.1.3 Non-Current Financial Investments

## Ownership Interests in Subsidiaries

As at 31 December 2016, the Company holds 100% ownership interest in DINESIA a. s. (former Leasing České spořitelny, a. s.). The ownership interest in DINESIA a. s. was acquired based on a contract, from Česká spořitelna, a. s., in 2008.

As at 31 December 2016, the Company holds 100% ownership interest in s Autoleasing SK, s. r. o.; the ownership interest was acquired through establishing a subsidiary in 2012. In 2016, the share capital in s Autoleasing SK, s. r. o. was increased.

## 2016

Subsidiaries CZK ths.	Balance as at 1 Jan 2016	Additions	Revaluation	Balance as at 31 Dec 2016
DINESIA a. s.	34,892	0	4,216	39,108
s Autoleasing SK, s. r. o.	10,608	35,139	1,196	46,943
<b>Total</b>	<b>45,500</b>	<b>35,139</b>	<b>5,412</b>	<b>86,051</b>

## 2015

Subsidiaries CZK ths.	Balance as at 1 Jan 2015	Additions	Revaluation	Balance as at 31 Dec 2015
DINESIA a. s.	34,706	0	186	34,892
s Autoleasing SK, s. r. o.	2,739	9,481	(1,612)	10,608
<b>Total</b>	<b>37,445</b>	<b>9,481</b>	<b>(1,426)</b>	<b>45,500</b>

## Acquisition cost

Name CZK ths.	Registered office	Acquisi- tion price	Share	Voting rights	Equity	Profit for the year	Divi- dends per year	Valuation as at 31 Dec 2016
DINESIA a. s.	Střelnická 8/1680, Prague 8	2,105	100%	100%	39,108	4,165	0	39,108
s Autoleasing SK, s. r. o.	Vajnorská 100/A, Bratislava	40,538	100%	100%	46,943	1,212	0	46,943
<b>Total</b>		<b>33,989</b>			<b>86,051</b>	<b>5,377</b>	<b>0</b>	<b>86,051</b>

Data for the year 2016 are based on unaudited Financial Statements.

## Loans and borrowings – other

## Gross amount

CZK ths.	Balance as at 31 Dec 2014	Change in credit	Balance as at 31 Dec 2015	Change in credit	Balance as at 31 Dec 2016
Loans and borrowings – other	3,684,722	544,145	4,228,867	637,698	4,866,565
Loans granted – Individuals non-entrepreneurs	1,361,826	40,009	1,401,835	197,907	1,599,742
Loans granted – Individuals entrepreneurs/Legal entities	2,322,896	504,136	2,827,032	439,791	3,266,823
<b>Total</b>	<b>3,684,722</b>	<b>544,145</b>	<b>4,228,867</b>	<b>637,698</b>	<b>4,866,565</b>

## Allowances

CZK ths.	Balance as at 31 Dec 2014	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Allowance against principal – Individuals non-entrepreneurs	(5,521)	(7,493)	10,137	(2,876)	(4,283)	4,486	(2,673,442)
Allowance against principal – Individuals entrepreneurs/Legal entities	(13,375)	(27,390)	31,152	(9,613)	(24,928)	26,574	(7,967)
<b>Total</b>	<b>(18,896)</b>	<b>(34,882)</b>	<b>41,289</b>	<b>(12,489)</b>	<b>(29,211)</b>	<b>31,060</b>	<b>(10,640)</b>

## Net value

CZK ths.	Net value as at 31 Dec 2015	Net value as at 31 Dec 2016
Loans and borrowings – other	4,216,378	4,855,925
– Loans granted – Individuals non-entrepreneurs	1,398,959	1,597,069
– Loans granted – Individuals entrepreneurs/Legal entities	2,817,419	3,258,857
<b>Total</b>	<b>4,216,378</b>	<b>4,855,925</b>

## 4.2 Long-term Receivables

Long-term trade receivables were as follows:

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Instalment sales	9,042	0
<b>Total long-term trade receivables</b>	<b>9,042</b>	<b>0</b>

Long-term trade receivables comprise that part of receivables from instalment sales that is due within 1 year of the balance sheet date.

## 4.3 Inventory

## 4.3.1 Goods

## Acquisition cost

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Seized assets from stock financing	2,394	8,238
<b>Total</b>	<b>2,394</b>	<b>8,238</b>

## Allowances

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Seized assets from stock financing	(2,191)	(8,057)
<b>Total</b>	<b>(2,191)</b>	<b>(8,057)</b>

## 4.4 Short-term Receivables

## 4.4.1 Aging of Trade Receivables

Trade receivables represent the aggregate of receivables arising from lease instalments, instalment sales and loan contracts.

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Receivables from instalment sales	19,912	13,004
Receivables from lease instalments	31,816	10,333
Receivables from consumer loans	2,186,421	2,358,946
Other receivables	1,366	579
<b>Total receivables</b>	<b>2,239,515</b>	<b>2,382,862</b>

Year CZK ths.	Category	Before due date	Past due					Total
			0–90 days	91–180 days	181–360 days	1–2 years	More than 2 years	
2016	Gross	2,221,622	45,959	24,414	33,976	15,715	41,176	<b>2,382,862</b>
	Allowances							<b>(138,092)</b>
	Net							<b>2,244,770</b>
2015	Gross	2,058,870	31,437	11,911	45,846	36,172	55,279	<b>2,239,515</b>
	Allowances							<b>(167,523)</b>
	Net							<b>2,071,992</b>

## 4.4.2 Allowances against Short-term Receivables

CZK ths.	Balance as at 1 Jan 2015	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Current contracts	(12,858)	(17,314)	23,901	(6,271)	(13,248)	14,703	(4,816)
Prematurely terminated contracts	(188,188)	(233,898)	320,508	(101,578)	(127,666)	150,345	(78,899)
Penalty	(3,701)	(741)	3,157	(1,285)	(619)	973	(931)
Contractual penalties	(35)	(2)	27	(10)	0	5	(5)
Bankruptcy	(20,334)	(6,848)	7,589	(19,593)	(15,679)	9,215	(26,057)
Contractual fees and late charges	(13,674)	(10,527)	15,575	(8,626)	(8,690)	11,371	(5,945)
Contractual penalties – loans	(38,297)	(25,170)	33,307	(30,160)	(17,629)	26,350	(21,439)
<b>Total allowance against receivables</b>	<b>(277,087)</b>	<b>(294,500)</b>	<b>404,064</b>	<b>(167,523)</b>	<b>(183,531)</b>	<b>212,962</b>	<b>(138,092)</b>
Stock financing	(79,771)	(113,547)	135,051	(58,267)	(89,117)	81,931	(65,453)
<b>Total allowances against receivables</b>	<b>(356,858)</b>	<b>(408,047)</b>	<b>539,115</b>	<b>(225,790)</b>	<b>(272,648)</b>	<b>294,893</b>	<b>(203,545)</b>

#### 4.4.3 Short-term Receivables including Intercompany Receivables

Name CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Česká spořitelna, a. s.	2,413	2,342
DINESIA a. s.	0	0
Reico investiční společnost České spořitelny, a. s.	23	14
ČS do domu, a. s.	0	3
s Autoleasing SK, s. r. o.		
– Receivables from the provision of professional services	280	0
– Receivables from consignment contract	5	0
– Receivables from rebilling of bank guarantees	927	0
<b>Total short-term intercompany receivables</b>	<b>3,648</b>	<b>2,359</b>
Receivables to third parties	3,258,853	3,380,404
<b>Total short-term receivables (gross)</b>	<b>3,262,501</b>	<b>3,382,763</b>

#### 4.5 Other receivables

##### 4.5.1 Tax Receivables and Short-term Advances Granted

Tax receivables include receivables arising from income tax and VAT.

The advance payments include in particular items related to facility management and advances paid to suppliers in the ordinary course of business.

##### 4.5.2 Unbilled Revenues

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Insurance commissions	6,332	5,372
Insurance proceeds	0	0
Other	1,159	332
Interest income on dealer loans	7,896	7,176
<b>Total unbilled revenues</b>	<b>15,387</b>	<b>12,880</b>

##### 4.5.3 Other Receivables

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Short-term loan to suppliers – Gross	996,586	980,337
Allowances against other receivables	(58,267)	(65,453)
Short-term loan to suppliers – Net	938,319	914,884
Other receivables	5	11
<b>Total other receivables</b>	<b>938,324</b>	<b>914,895</b>

Other receivables include short-term loans provided to the suppliers of leased assets.

#### 4.6 Short-term Financial Assets

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Liquid valuables	159	212
Current accounts	39,479	32,674
<b>Total short-term financial assets</b>	<b>39,638</b>	<b>32,886</b>

#### 4.7 Prepaid Expenses

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Prepaid expense	723,761	812,139
Accrued income	50,065	41,925
<b>Total accrued assets and deferred liabilities</b>	<b>773,826</b>	<b>854,065</b>

Prepaid expenses comprise supplied services invoiced in the current period but partly related to the following period. These expenses will be charged against income in the period to which they relate on the accrual basis.

Prepaid expenses include commissions for the mediation of business transactions. The commission expenses are charged against income over the term of the lease and loan contract.

Unbilled revenues include unbilled lease revenues and unbilled interest on loans granted, which are recognized into income in the year in which they were earned.

#### 4.8 Deferred Tax

Deferred tax can be analysed as follows:

Deferred tax arising from CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Net book value of fixed assets	46,881	53,750
Allowances against assets	9,498	6,621
Non-current financial assets	(6,230)	(7,031)
Allowances against receivables	11,165	9,622
Unpaid social security and health insurance	2,225	2,598
<b>Total</b>	<b>63,539</b>	<b>65,560</b>

#### 4.9 Equity

##### Changes in Equity

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Profit for the period	138,068	125,290
Equity	1,690,790	2,020,692

The Annual General Meetings held on 15 June 2016 and 16 June 2015, respectively, approved the profit distribution for 2015 and 2014 (see Note 7). In accordance with its Articles of Association, the Company allocated a portion of profit to the legal reserve fund (see Note 7).

The agreement with Česká spořitelna a. s. about the provision of contribution in excess of registered capital totalling CZK 200 million was concluded on 24 November 2016.

##### 4.9.1 Differences Arising from Revaluation of Assets and Liabilities

Ownership interest CZK ths.	Revaluation as at 31 Dec 2015	Revaluation as at 31 Dec 2016
DINESIA a. s.	32,788	37,004
s Autoleasing SK, s. r. o.	(28,860)	(27,664)
Deferred tax arising from revaluation differences	(6,230)	(7,031)
<b>Total revaluation</b>	<b>(2,302)</b>	<b>2,309</b>

#### 4.10 Provisions

In 2016 and 2015, the Company recorded provision for litigation of CZK 12,408 thousand and CZK 12,824 thousand, respectively.

#### 4.11 Amounts owed to financial institutions

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Long-term loans	4,223,325	4,466,090
Short-term loans	2,827,839	3,159,530
<b>Total amounts owed to financial institutions</b>	<b>7,051,164</b>	<b>7,625,620</b>

2016

Bank/Creditor CZK ths.	Balance as at 31 Dec 2016	Type of collateral	Currency
Česká spořitelna, a. s.	6,852,231	no collateral	CZK
Česká spořitelna, a. s.	228,255	no collateral	EUR
Uni Credit bank, a. s.	400,000	bank guarantee	CZK
Raiffeisenbank a. s.	145,134	bank guarantee	CZK
	<b>7,625,620</b>		

2015

Bank/Creditor CZK ths.	Balance as at 31 Dec 2015	Type of collateral	Currency
Česká spořitelna, a. s.	6,685,772	no collateral	CZK
Česká spořitelna, a. s.	154,844	no collateral	EUR
Raiffeisenbank a. s.	78,373	bank guarantee	EUR
Raiffeisenbank a. s.	132,175	bank guarantee	CZK
	<b>7,051,164</b>		

#### Payment Schedule of Bank Loans as at 31 December 2016

Bank/Creditor CZK ths.	2017	2018	2019	2020	2021	2022	2023
Česká spořitelna, a. s.	2,614,396	1,904,966	1,285,689	775,454	341,415	125,363	33,203
Uni Credit bank, a. s.	400,000	0	0	0	0	0	0
Raiffeisenbank, a. s.	145,134	0	0	0	0	0	0
<b>Total</b>	<b>3,159,530</b>	<b>1,904,966</b>	<b>1,285,689</b>	<b>775,454</b>	<b>341,415</b>	<b>125,363</b>	<b>33,203</b>

In accordance with applicable accounting standards, a portion of loans due by 31 December 2016 is recorded in short-term bank loans.

Based on existing framework agreements with banks, the Company anticipates ongoing re-financing of the current portions of loans with new sources on a short- and medium-term basis. Given the fact that all non-CS credit lines are guaranteed by the parent company, there is no risk of individual loan tranches being terminated without adequate substitution. Management of cash flow is carried out on a regular short- and medium-term basis in collaboration with the parent bank.

## 4.12 Current Liabilities

### 4.12.1 Short-term Advances Received

Short-term advances received totalling CZK 60,762 thousand (2015: CZK 58,057 thousand) include in particular payments received before the receivable due date.

### 4.12.2 Aging of Current Trade Payables

Before due date CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Current trade payables	3,770	14,953

The Company has no overdue trade payables.

Current trade payables comprise payables to suppliers.

### 4.12.3 Other Current Liabilities

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Liabilities to employees	5,081	4,983
Liabilities from social security and health insurance premiums	2,478	2,500
Due to government – taxes	2,970	1,142
Unbilled deliveries	105,616	114,749
– unbilled supplies	86,424	93,141
– other	19,192	21,608
Other liabilities	13,330	7,014
<b>Total other current liabilities</b>	<b>129,475</b>	<b>130,388</b>

Overview of current liabilities from the perspective of related parties is disclosed in the following table:

Name CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Česká spořitelna, a. s. – loan interest	15,042	6,030
Česká spořitelna, a. s. – risk participation	12,671	3,685
<b>Total short-term intercompany payables</b>	<b>27,713</b>	<b>9,715</b>

Other liabilities include guarantees received from Česká spořitelna, a. s., due to participation in the risk related to business transactions concluded which will be offset with outstanding receivables from prematurely terminated contracts once final settlement with the customer is completed.

## 4.13 Deferred Income

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Lease instalments	145,382	110,997
Fee for entering into agreements	73,932	51,679
Instalment sales	1,770	320
<b>Total deferred income</b>	<b>221,084</b>	<b>162,996</b>

#### 4.14 Revenues from Ordinary Activities by Principal Activity

CZK ths.	As at 31 Dec 2015	As at 31 Dec 2016
Instalment sales (sales of goods)	1,997	0
Loan item sales (sales of goods)	1,493	5,631
<b>Sales of goods total</b>	<b>3,490</b>	<b>5,631</b>
Finance lease	404,716	320,387
Operating lease	72,656	75,120
Other	7,498	16,137
<b>Total lease (sales of own products and services)</b>	<b>484,870</b>	<b>411,644</b>
Commissions for the mediation of insurance	29,216	31,108
Revenues from fees for loan agreements conclusion and processing	152,669	142,780
Revenues from other fees	28,198	27,507
Other revenues	1,125	3,094
<b>Total revenues from the sale of products and services</b>	<b>696,077</b>	<b>616,133</b>

All revenues from ordinary activities come from the Czech Republic market.

#### 4.14.1 Structure of Leasing Portfolio

Commodity	Percentage of portfolio in 2015	Percentage of portfolio in 2016
Cars	49.23	64.53
Vans	8.52	8.56
Trucks	8.26	7.09
Semi-trailers and trailers	5.71	3.72
Tow trucks	7.17	4.35
Buses	3.13	3.00
Handling equipment	0.61	0.06
Marine and railway equipment	0.81	0.71
<b>Total vehicles and transport equipment</b>	<b>83.44</b>	<b>92.03</b>
Machinery	7.45	3.38
Machinery for the food industry	1.91	0.29
Furniture, fixtures and services	2.54	1.98
Office equipment	0.71	–
Other machines	2.43	1.41
Construction machines	0.55	0.27
Measurement and laboratory equipment	0.25	–
Power machinery	0.58	0.48
Other machines and equipment	0.15	0.15
<b>Total machinery and equipment</b>	<b>16.56</b>	<b>7.97</b>
<b>Total net book values, net of allowances</b>	<b>100.00</b>	<b>100.00</b>

## 4.15 Related Party Transactions

### 4.15.1 Revenues Generated from Related Party Transactions

Entity CZK ths.	Relation to Company	As at 31 Dec 2015	As at 31 Dec 2016
Česká spořitelna, a. s.	Parent company	11,541	8,959
Stavební spořitelna, a. s.	Sister company	0	147
s IT Solutions CZ, s. r. o.	Sister company	526	0
REICO investiční společnost České spořitelny, a. s.	Sister company	701	184
Procurement services CZ, s. r. o.	Other related party	101	153
s Autoleasing SK, s. r. o.	Subsidiary	1,364	1,553
ČS do domu, a. s.	Sister company	1,266	1,242
Erste Group Share Services (EGSS), s.r.o.	Other related party	43	0
Erste Leasing, a. s.	Sister company	18	7
Factoring České spořitelny, a. s.	Sister company	4	12
Pojišťovna České spořitelny, a. s.	Other related party	22	72
Česká spořitelna - penzijní společnost, a. s.	Sister company	3	15
Erste Grantika advisory, a. s.	Sister company	282	172
VĚRNOSTNÍ PROGRAM IBOD, a. s.	Sister company	0	164
Procurement Services CZ, s. r. o.	Other related party	0	33
<b>Total</b>		<b>15,871</b>	<b>12,713</b>

### 4.15.2 Expenses Incurred from Related Party Transactions

2016

Entity CZK ths.	Relation to Company	Services	Other costs	Finance cost	Total
Česká spořitelna, a. s.	Parent company	24,804	144	80,974	105,922
Erste Leasing, a. s.	Sister company	791	0	0	791
Procurement Services CZ, s. r. o.	Other related party	120	40	0	160
s Autoleasing SK, s. r. o.	Subsidiary	0	52	0	52
Erste Group Bank AG	Other related party	473	0	0	473
<b>Total</b>		<b>26,188</b>	<b>236</b>	<b>80,974</b>	<b>107,398</b>

2015

Entity CZK ths.	Relation to Company	Services	Other costs	Finance cost	Total
Česká spořitelna, a. s.	Parent company	23,852	77	90,460	126,864
Erste Leasing, a. s.	Sister company	792	0	0	792
ÖCI-G.m.b.H.	Other related party	(1,052)	0	0	(1,052)
Procurement Services CZ, s. r. o.	Other related party	277	0	0	277
<b>Total</b>		<b>23,869</b>	<b>77</b>	<b>90,460</b>	<b>126,881</b>

## 4.16 Cost of Goods Sold

CZK ths.	2015	2016
Cost of sales	9,527	9,359

#### 4.17 Consumption

CZK ths.	2015	2016
Consumed material	2,779	3,458
Energy and fuel consumption	2,337	1,941
<b>Total consumption</b>	<b>5,116</b>	<b>5,399</b>

#### 4.18 Services

CZK ths.	2015	2016
Marketing	26,572	27,892
Statutory auditor's fees	2,279	2,274
Legal and advisory services	28	19
Services related to the extraordinary termination of contracts	11,981	12,173
Consideration for professional services - agreements	11,748	13,666
Training	814	1,068
Telephone, fax, postal charges	2,291	2,356
Repairs and maintenance	1,833	1,348
Travel expenses	727	644
Outsourcing	4,745	3,883
Commissions for trade partners	342,666	329,689
Rental	8,200	8,030
Others services related to leasing	10,442	16,872
Other	20,731	23,823
<b>Total</b>	<b>445,057</b>	<b>443,737</b>

#### 4.19 Personnel Expenses and Number of Employees

The average number of employees and personnel expenses in 2016 and 2015 are as follows:

2016

CZK ths.	Number	Wages and salaries	Bonuses to members of statutory bodies	Social security and health insurance	Other costs	Total personnel expenses
Employees	105	58,184	0	20,070	5,098	83,352
Management	10	16,857	10,127	6,623	464	34,071
<b>Total</b>	<b>115</b>	<b>75,041</b>	<b>10,127</b>	<b>26,693</b>	<b>5,562</b>	<b>117,423</b>

2015

CZK ths.	Number	Wages and salaries	Bonuses to members of statutory bodies	Social security and health insurance	Other costs	Total personnel expenses
Employees	102	55,748	0	19,220	3,159	78,127
Management	9	16,464	10,644	6,484	1,460	35,052
<b>Total</b>	<b>111</b>	<b>72,212</b>	<b>10,644</b>	<b>25,704</b>	<b>4,619</b>	<b>113,179</b>

Management includes the Board of Directors and executive management.

#### 4.19.1 Provided Loans, Credits and other Items

Members of the Board of Directors received the following loans and compensation in excess of their base salaries:

CZK ths.	2016
Contribution to life and pension insurance	57
Passenger cars / other movable and immovable items with the possibility of personal use (data represent an amount by which the tax base of employees is increased)	893
Shares (data represent an amount by which the tax base of employees is increased)	0
Other items (increase of tax base – personal fuel consumption)	280
<b>Total</b>	<b>1,230</b>

CZK ths.	2015
Contribution to life and pension insurance	68
Passenger cars / other movable and immovable items with the possibility of personal use (data represent an amount by which the tax base of employees is increased)	302
Shares (data represent an amount by which the tax base of employees is increased)	0
Other items (increase of tax base – personal fuel consumption)	90
<b>Total</b>	<b>460</b>

#### 4.20 Value Adjustments in Operating Activities

CZK ths.	2015	2016
Change in accounting allowances against receivables	(137,476)	(24,093)
Change in accounting allowances against inventory	(1,077)	5,866
Change in accounting allowances against assets	(37,102)	(21,009)
Depreciation of fixed assets	425,596	353,995
<b>Total change in provisions and allowances in operating activities</b>	<b>249,941</b>	<b>314,759</b>

#### 4.20.1 Summary of Changes in Allowances

CZK ths.	Balance as at 1 Jan 2015	Additions	Disposals	Balance as at 31 Dec 2015	Additions	Disposals	Balance as at 31 Dec 2016
Allowance to leased assets	(30,792)	(2,013)	16,486	(16,319)	(743)	10,342	(6,720)
Allowance to trade receivables	(277,087)	(294,500)	404,064	(167,523)	(183,531)	212,962	(138,092)
Allowance to other receivables	(79,771)	(113,547)	135,051	(58,267)	(89,117)	81,931	(65,453)
Allowance to loans	(18,896)	(34,882)	41,289	(12,489)	(29,211)	31,060	(10,640)
Allowance to seized assets	(43,824)	(77,228)	89,574	(31,478)	(63,526)	74,936	(20,068)
Allowance to goods	(3,268)	(819)	1,896	(2,191)	(11,176)	5,310	(8,057)
<b>Total</b>	<b>(463,921)</b>	<b>(522,989)</b>	<b>698,643</b>	<b>(288,267)</b>	<b>(377,304)</b>	<b>416,541</b>	<b>(249,030)</b>

#### 4.21 Other Operating Income

CZK ths.	2015	2016
Fixed assets sold	106,975	133,577
Other operating income: of which	151,122	145,399
Contractual fines and late charges	39,077	28,546
Loss compensation	96,299	102,707
Re-charge and insurance premium proceeds	972	3,856
Income from ceded and written-off receivables	9,963	5,819
Other income except for leases	4,811	4,471
<b>Total other operating income</b>	<b>258,097</b>	<b>278,976</b>

**4.22 Other Operating Expenses**

<b>CZK ths.</b>	<b>2015</b>	<b>2016</b>
Net book value of sold fixed assets	153,210	150,900
Taxes and fees	1,899	1,798
Provisions from operating activities	2,982	(417)
Other operating expenses, of which:	256,392	177,657
Other operating expenses	13,794	12,275
Costs of ceded receivables	186,029	94,665
Write off of receivables	9,137	5,474
Insurance premium cost	3,160	5,155
Shortages and losses in operating activities	44,272	60,088
<b>Total other operating expenses</b>	<b>414,483</b>	<b>329,938</b>

**4.23 Interest Income**

<b>CZK ths.</b>	<b>2015</b>	<b>2016</b>
Interest on current bank accounts	5	0
Margin on instalment sales	4,396	1,449
Interest on loans granted to individuals (non-entrepreneurs)	200,829	196,778
Interest on loans granted to individuals (entrepreneurs) and legal entities	320,777	347,177
Interest – other debtors	22,127	22,552
<b>Total</b>	<b>548,134</b>	<b>567,956</b>

**4.24 Interest Expense**

<b>CZK ths.</b>	<b>2015</b>	<b>2016</b>
Interest on loans	89,417	80,926
Interest on overdrafts	463	780
<b>Total</b>	<b>89,880</b>	<b>81,706</b>

**4.25 Other Finance Income**

<b>CZK ths.</b>	<b>2015</b>	<b>2016</b>
Foreign exchange gains	7,827	1,030
Other	354	362
<b>Total</b>	<b>8,181</b>	<b>1,392</b>

**4.26 Other Finance Cost**

<b>CZK ths.</b>	<b>2015</b>	<b>2016</b>
Bank charges	2,748	2,748
Other	3	0
Foreign exchange losses	5,107	1,049
<b>Total</b>	<b>7,858</b>	<b>3,797</b>

#### 4.27 Tax on Ordinary Activities

The charge for the year can be reconciled to the loss per the income statement as follows:

CZK ths.	Balance as at 31 Dec 2015	Balance as at 31 Dec 2016
Profit before taxes	178,938	163,970
Tax non-deductible items	148,883	154,010
Tax deductible items	(104,387)	(99,334)
Tax base	223,434	218,645
Tax base decrease – gifts	0	0
Tax base adjusted	223,434	218,645
Tax at local income tax rate of 19% (2015: 19%)	42,452	41,543
Additional tax assessment/refund	111	(41)
Tax due	42,563	41,502
Tax deferred	(1,693)	(2,822)
<b>Total tax on ordinary activities</b>	<b>40,870</b>	<b>38,680</b>

#### 5. Contingent Assets and Liabilities

As at 31 December 2016, the Company was not party to any litigation whose outcome would have a material impact on the Company.

As at the balance sheet date, the Company has no contractual commitments comprising investment expenses from executed contracts.

#### 6. Statement of Cash Flows (see Appendix 1)

The cash flow statement was prepared under the indirect method.

## 7. Statement of Changes in Equity

CZK ths.	Share capital	Share premium	Other capital funds	Allocation to legal reserve fund	Differences arising from revaluation of assets	Accumulated loss	Profit/(loss) for the period	Total
<b>As at 31 Dec 2014</b>	<b>500,000</b>	<b>256,000</b>	<b>1,056,900</b>	<b>17,751</b>	<b>(842)</b>	<b>(405,839)</b>	<b>130,213</b>	<b>1,554,183</b>
Distribution of profit or loss	0	0	0	0	0	123,702	(123,702)	0
Differences arising from revaluation of investments	0	0	0	0	(1,461)	0	0	(1,461)
Allocation to reserve fund	0	0	0	6,510	0	0	(6,510)	0
Profit/(loss) for the period	0	0	0	0	0	0	138,068	138,068
<b>As at 31 Dec 2015</b>	<b>500,000</b>	<b>256,000</b>	<b>1,056,900</b>	<b>24,261</b>	<b>(2,302)</b>	<b>(282,137)</b>	<b>138,068</b>	<b>1,690,790</b>
Distribution of profit or loss	0	0	0	0	0	131,165	(131,165)	0
Differences arising from revaluation of investments	0	0	0	0	4,611	0	0	4,612
Allocation to reserve fund	0	0	0	6,903	0	0	(6,903)	0
Other capital funds increase	0	0	200,000	0	0	0	0	200,000
Profit/(loss) for the period	0	0	0	0	0	0	125,290	125,290
<b>As at 31 Dec 2016</b>	<b>500,000</b>	<b>256,000</b>	<b>1,256,900</b>	<b>31,165</b>	<b>2,309</b>	<b>(150,972)</b>	<b>125,290</b>	<b>2,020,692</b>

Prepared on 21 March 2017.

Signature of accounting unit's statutory body:



Wilfried Elbs  
Chairman of the Board of Directors



Tomáš Veverka  
Member of the Board of Directors

Person responsible for accounting:



Tomáš Veverka  
Member of the Board of Directors

Person responsible for financial statements:



Tomáš Veverka  
Member of the Board of Directors

# Report on Relations between Related Parties

pursuant to Section 82 of the Law no. 90/2012 Sb., Business Corporations Act for the year ended 31 December 2016

s Autoleasing, a. s. with its registered address located in Prague 4, Budějovická 1912/64b, Krč, postal code 140 00, Business Registration Number (IČO) 27 08 94 44, incorporated in the Commercial Register, Section B, File No. 8912, maintained in the Municipal Court in Prague (hereinafter the “**Submitter**”) is a member of a group in which the following relations exist between the Submitter and the controlling persons and between the Submitter and other persons controlled by the same controlling persons (hereinafter the “**Related Parties**”).

This Report on relations between the persons listed below has been prepared in compliance with the provisions of Section 82 of Act No. 90/2012 Coll., Business Corporations, as amended, for the year ended 31 December 2016 (hereinafter the “**fiscal year**”). The Submitter and the persons listed below entered into the following contracts and received or made the following legal acts and other distinct measures:

## A. Overview of the Group and/or Persons whose Relations are Described Below (See Notes B and C Below)

Erste Group Bank AG	
	Erste Group Shared Services (EGSS), s. r. o.
	ÖCI-Unternehmensbeteiligungsgesellschaft m. b. H.
	Procurement Services GmbH
	Procurement Services CZ, s. r. o.
	EGB Ceps Beteiligungen GmbH
	EGB Ceps Holding GmbH
	Česká spořitelna, a. s.
	ČS do domu, a. s.
	DINESIA a. s.
	Erste Leasing, a. s.
	REICO investiční společnost České spořitelny, a. s.
	s Autoleasing SK, s. r. o.
	s IT Solutions CZ, s. r. o.
	Česká spořitelna – penzijní společnost, a. s.
	brokerjet České spořitelny, a. s.
	Erste Grantika Advisory, a. s.
	Stavební spořitelna České spořitelny, a. s.
	VĚRNOSTNÍ PROGRAM IBOD, a. s.

## B. Controlling Persons

- **Erste Group Bank AG**,  
with its registered address located in Vienna, Graben 21, Austria  
Relation to the Company: indirectly controlling person  
Description of relations – see **Annex 1**
- **EGB Ceps Beteiligungen GmbH**,  
with its registered address located in Vienna, Graben 21, Austria
- **EGB Ceps Holding GmbH**,  
with its registered address located in Vienna, Graben 21, Austria
- **Česká spořitelna, a. s.**,  
with its registered address located in Prague 4, Olbrachtova 1929/62, postal code 140 00, Business Reg. No. (IČO) 45244782  
Relation to the Company: directly controlling person  
Description of relations – see **Annex 2**

## C. Other Related Parties

- **DINESIA a. s.**,  
with its registered address located in Prague 8, Střelnická 8/1680, postal code 182 00, Business Reg. No. (IČO) 63 99 95 79  
Relation to the Company: a company directly controlled by the Submitter (subsidiary)  
Description of relations – see **Annex 3**
- **s Autoleasing SK, s. r. o.**,  
with its registered address located in Bratislava, Vajnorská 100/A, postal code 831 04, Business Reg. No. (IČO) 46 806 491  
Relation to the Company: a company directly controlled by the Submitter (subsidiary)  
Description of relations – see **Annex 4**
- **ČS do domu, a. s.**,  
with its registered address located in Prague 4, Poláčkova 1976/2, postal code 140 21, Business Reg. No. (IČO) 28 90 90 11  
Relation to the Company: related party directly controlled by Česká spořitelna, a. s. (sister company)  
Description of relations – see **Annex 5**
- **Erste Leasing, a. s.**,  
with its registered address located in Znojmo, Horní náměstí 264/18, postal code 669 02, Business Reg. No. (IČO) 163 25 460  
Relation to the Company: a company directly controlled by Česká spořitelna, a. s. (sister company)  
Description of relations – see **Annex 5**

- **s IT Solutions CZ, s.r.o.,**  
with its registered address located in Prague 4, Antala Staška 32/1292, postal code 140 00, Business Reg. No. (IČO) 27 86 42 60  
Relation to the Company: a company directly controlled by Česká spořitelna, a.s. (sister company) From 1 January 2017, the Company is in liquidation.  
Description of relations – see **Annex 5**
- **brokerjet České spořitelny, a.s.,**  
with its registered address located in Prague 4, Budějovická 1518/13a, postal code 140 00, Business Reg. No. (IČO) 27 86 42 60  
Relation to the Company: a company directly controlled by Česká spořitelna, a.s. (sister company) From 1 January 2017, the Company is in liquidation.  
Description of relations – see **Annex 5**
- **Erste Group Shared Services (EGSS), s.r.o.,**  
with its registered address located in Hodonín, Národní třída 3654/44, postal code 695 01, Business Reg. No. (IČO) 292 16 061  
Relation to the Company: Other Related party  
Description of relations – see **Annex 5**
- **REICO investiční společnost České spořitelny, a.s.,**  
with its registered address located in Prague 4, Antala Staška 2027/79, postal code 140 00, Business Reg. No. (IČO) 27 56 71 17  
Relation to the Company: related party directly controlled by Česká spořitelna, a.s. (sister company)  
Description of relations – see **Annex 5**
- **ÖCI-Unternehmensbeteiligungsgesellschaft. m. b. H.,**  
with its registered address located in Vienna, Graben 21, Austria  
Relation to the Company: a company directly controlled by the parent company of Česká spořitelna, a.s., Erste Group Bank AG  
Description of relations – see **Annex 5**
- **Procurement Services CZ, s.r.o.,**  
with its registered address located in Prague 4 – Krč, Budějovická 1912/64b, postal code 140 00, Business Reg. No. (IČO) 27 63 16 21  
Relation to the Company: a company directly controlled by Procurement Services GmbH  
Description of relations – see **Annex 5**
- **Procurement Services GmbH,**  
with its registered address located in Vienna, Brehmstrasse 12, Austria  
Relation to the Company: related party directly controlled by Erste Group Bank AG  
Description of relations – see **Annex 5**
- **Erste Grantika Advisory, a.s.,**  
with its registered address located in Brno, Jánská 448/10, Brno-město, postal code 602 00  
Relation to the Company: related party directly controlled by Česká spořitelna, a.s. (sister company)  
Description of relations – see **Annex 5**
- **Erste Leasing, a.s.,**  
with its registered address located in Znojmo, Horní náměstí 264/18, postal code 669 02  
Relation to the Company: related party directly controlled by Česká spořitelna, a.s. (sister company)  
Description of relations – see **Annex 5**
- **Česká spořitelna – penzijní společnost, a.s.,**  
with its registered address located in Prague 4, Poláčkova 1976/2, postal code 140 21  
Relation to the Company: related party directly controlled by Česká spořitelna, a.s. (sister company)  
Description of relations – see **Annex 5**
- **VĚRNOSTNÍ PROGRAM IBOD, a.s.,**  
with its registered address located in Prague 4, Olbrachtova 1929/62, postal code 140 00  
Relation to the Company: related party directly controlled by Česká spořitelna, a.s. (sister company)  
Description of relations – see **Annex 5**
- **Stavební spořitelna České spořitelny, a.s.,**  
with its registered address located in Prague 3, Vinohradská 1632/180, postal code 130 11  
Relation to the Company: related party directly controlled by Česká spořitelna, a.s. (sister company)  
Description of relations – see **Annex 5**

## D. Other Factual Acts

On 24 November 2016, an agreement on the provision of contribution in excess of registered capital totalling CZK 200 million was concluded between the Company and Česká spořitelna, a.s.

## E. Other factual arrangement

s Autoleasing cooperates on group projects within Erste Group Bank. The submitter suffers no detriment as a result of this cooperation. Almost all activities related to administration pursuant to Section 38 ZISIF for s Autoleasing are procured by Česká spořitelna, a.s. With respect to close relations within providing loans and other outsourcing activities the Submitter has evaluated the relations among related parties as favourable for s Autoleasing, a.s. with low risk.

## Conclusion

Considering the relations between the Submitter and the Related Parties reviewed by us the Submitter appears to have suffered no detriment as a result of the contracts, other legal acts or other measures entered into, made or received by the Submitter in the interest or at the initiative of the Related Parties in the 2016 fiscal year.

## Annex No. 1 to the Related Party Report

### Description of Relations to Erste Group Bank AG

#### Other legal acts

The Submitter accepted or rendered no other legal acts in the interest or at the initiative of the Controlling Person or Related Parties in the 2016 fiscal year.

## Annex No. 2 to the Related Party Report

### Description of Relations to Česká spořitelna, a. s.

Performance rendered in relation to contracts entered into in prior years:

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Leas agreements	Česká spořitelna, a. s.	2008–2012	Lease of transportation technology and other technology	None incurred
General administration agreement	Česká spořitelna, a. s.	2008	General agreement on vehicle fleet administration	None incurred

Performance received from contracts entered into in prior years:

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Current account contracts	Česká spořitelna, a. s.	2004	Current account maintenance	None incurred
Outsourcing service contract	Česká spořitelna, a. s.	2013	Outsourcing services for internal audit, marketing and corporate communication	None incurred
Addendum No. 1 to the Outsourcing service contract	Česká spořitelna, a. s.	2016	Extension of services to include fire protection and occupational health and safety regulations	None incurred
Business cooperation contract	Česká spořitelna, a. s.	2006	Commission	None incurred
Contract for bank guarantee	Česká spořitelna, a. s.	2006	Bank guarantees for provided bank loans	None incurred
Master agency agreement on receivable portfolio administration	Česká spořitelna, a. s.	2006	Administration of receivable portfolio	None incurred
Contract of cooperation for securing of funds	Česká spořitelna, a. s.	2007	Patronage statement	None incurred
Business cooperation contract	Česká spořitelna, a. s.	2006	Participation in risk	None incurred
Credit line agreement no. 1048/04/LCD	Česká spořitelna, a. s.	2004	Granting of loans	None incurred
Credit line agreement no. 839/09/LCD	Česká spořitelna, a. s.	2009	Granting of loans	None incurred
Agreement on lease of non-residential premises	Česká spořitelna, a. s.	2012	Lease of non-residential premises in Brno, Jánská	None incurred
Agreement on interrelated exchange of information throughout application KLIENT	Česká spořitelna, a. s.	2008	Use of application KLIENT	None incurred
Agreement on lease of non-residential premises	Česká spořitelna, a. s.	2014	Lease of non-residential premises in Praha 4, Antala Staška	None incurred
Agreement on IT services provision	Česká spořitelna, a. s.	2014	Provision of HW a SW infrastructure	None incurred
Addendum to the Agreement on IT services provision	Česká spořitelna, a. s.	2016	Dark fiber channel upgrade	None incurred

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Agreement to provide an extra payment in excess of registered capital	Česká spořitelna, a. s.	2014	Provision of an extra payment in excess of registered capital	None incurred
Agreement to provide an extra payment in excess of registered capital	Česká spořitelna, a. s.	2016	Provision of an extra payment in excess of registered capital	None incurred
General mandatory agreement on receivable portfolio	Česká spořitelna, a. s.	2014	Administration of receivable portfolio	None incurred
Agreement on lease of safe deposit boxes	Česká spořitelna, a. s.	2013	Lease of a safe deposit box	None incurred
Agreement on lease of non-residential premises	Česká spořitelna, a. s.	2014	Lease of non-residential premises in Prague 4, Budějovická, Trianon 13B	None incurred
Agreement on lease of non-residential premises	Česká spořitelna, a. s.	2016	Lease of non-residential premises in Prague 4, Budějovická 1912/64b	None incurred

Summary of transactions with Česká spořitelna, a. s. as at the balance sheet date (in CZK thousands):

Receivables	35,810
Payables	7,094,834
Other liabilities	0
Costs	105,922
Revenues	8,959

Other liabilities include in particular guarantees received from Česká spořitelna due to participation in the risk related to business transactions concluded which will be offset with outstanding receivables from prematurely terminated contracts once final settlement with the customer is done.

#### Other legal acts

The Submitter accepted or rendered no other legal acts in the interest or at the initiative of the Controlling Person or Related Parties in the 2016 fiscal year.

The Submitter did not distribute any dividends, shares in profit or equity shares in the fiscal year.

## Annex No. 3 to the Related Party Report

### Description of Relations to DINESIA a. s.

#### Ownership interest

The Submitter is the sole shareholder of DINESIA a. s. The basic capital of DINESIA a. s. is CZK 30,000 thousand. The Submitter reported the net value of the investment of CZK 39,108 thousand in respect of the above ownership interest.

#### Other legal acts

The Submitter accepted or rendered no other legal acts in the interest or at the initiative of the Controlling Person or Related Parties in the 2016 fiscal year.

## Annex No. 4 to the Related Party Report

### Description of Relations to s Autoleasing SK, s. r. o.

#### Ownership interest

The Submitter is the sole shareholder of s Autoleasing SK, s. r. o. The basic capital of s Autoleasing SK, s. r. o., was increased in 2016 to the total amount CZK 75,656 thousand. The Submitter reported et value of the investment of CZK 46,943 thousand in respect of the above ownership interest.

Performance rendered in relation to contracts entered into in prior years:

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Consignment contract	s Autoleasing SK, s. r. o.	2012	Purchase of hardware, software and movable items (cars; IT technology)	None incurred
Provision of professional services contract	s Autoleasing SK, s. r. o.	2012	Provision of professional services	None incurred
Contract for the sale of assets	s Autoleasing SK, s. r. o.	2012	Sale of assets	None incurred
Decision of the Sole Shareholder	s Autoleasing SK, s. r. o.	2016	Increase of basic capital	None incurred

Summary of transactions with s Autoleasing SK, s. r. o., as at the balance sheet date (in CZK thousands):

Receivables	0
Revenues	1,553
Costs	52

#### Other legal acts

The Submitter accepted or rendered no other legal acts in the interest or at the initiative of the Controlling Person or Related Parties in the 2016 fiscal year.

## Annex No. 5 to the Related Party Report

### Description of Relations to other Related Parties

Performance rendered in relation to contracts entered into in prior years:

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Lease agreements	ČS do domu, a. s.	2012–2015	Lease of transportation and office technology	None incurred
Master lease agreement of vehicle fleet administration	ČS do domu, a. s.	2010–2015	Administration of vehicle fleet	None incurred
Leas agreements	Erste Group Shared Services (EGSS), s. r. o.	2010	Lease of transportation technology	None incurred
General administration agreement	Erste Group Shared Services (EGSS), s. r. o.	2010	Administration of vehicle fleet	None incurred
Lease agreements	Procurement Services CZ, s. r. o.	2012–2016	Lease of transportation technology	None incurred
Master agreement on administration	Procurement Services CZ, s. r. o.	2012–2014	General agreement on vehicle fleet administration	None incurred
Service contract	Procurement Services CZ, s. r. o.	2012	Service contract to the master agreement on car fleet administration	None incurred
Lease agreements	REICO investiční společnost České spořitelny, a. s.	2010–2012	Lease of transportation technology and furniture	None incurred
General administration agreement	REICO investiční společnost České spořitelny, a. s.	2010–2012	Administration of vehicle fleet	None incurred
Service contract	REICO investiční společnost České spořitelny, a. s.	2010–2012	Administration of vehicle fleet	None incurred
Lease agreements	s IT Solutions CZ, s. r. o.	2010–2011	Lease of transportation technology	None incurred
Master agreement on administration	s IT Solutions CZ, s. r. o.	2010–2011	Master agreement on car fleet administration	None incurred

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Service agreement	s IT Solutions CZ, s.r.o.	2010–2011	Service contract to the master agreement on car fleet administration	None incurred
Leas agreements	Erste Leasing, a.s.	2010	Lease of transportation technology and furniture	None incurred
Master agreement on lease of vehicles	Stavební spořitelna, a.s.	2014–2015	Master vehicle operating lease agreement	None incurred
Leas agreements	Stavební spořitelna, a.s.	2014–2015	Lease of transportation technology	None incurred
Master agreement on lease of vehicles	VĚRNOSTNÍ PROGRAM IBOD, a.s.	2015	Master vehicle operating lease agreement	None incurred
Leas agreements	VĚRNOSTNÍ PROGRAM IBOD, a.s.	2015	Lease of transportation technology	None incurred
Loan agreement	Erste Grantika advisory, a.s.	2015–2016	Agreement on loan provision	None incurred

Performance received from contracts entered into in prior years:

Contract name	Contracting party	Year of conclusion	Performance description and quantity	Detriment, if any
Purchase of assets	Procurement Services CZ, s.r.o.	2014	Purchase of assets	None incurred
Purchase of assets	Procurement Services AT	2014	Purchase of assets	None incurred

Summary of other related party transactions as at the balance sheet date (in CZK thousands):

Receivables	17
Payables	48
Costs	1,424
Revenues	2,200

#### Other legal acts

The Submitter accepted or rendered no other legal acts in the interest or at the initiative of the Controlling Person or Related Parties in the 2016 fiscal year.

This Report was discussed with and approved by the Company's Board of Directors on 21 March 2017.



Wilfried Elbs  
Chairman of the Board of Directors



**s Autoleasing, a. s.**

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