



LEASING S
České spořitelny

Annual Report 2022

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Introducing by the members of the Board of Directors of Leasing České spořitelny



From left: Tomáš Veverka (Vice-Chairman of the Board of Directors), **Petr Vacek** (Chairman of the Board of Directors), **Radek Hejna** (Member of the Board of Directors)

Dear Ladies and Gentlemen,

we have had a successful year. We managed to achieve very good financial and business results. At the same time, we worked on improving customer-friendly practice.

In the non-bank financing market, we recorded a significant increase in the volume of concluded transactions. We grew 15% faster than the market in terms of concluded business. At the same time, we have significantly improved our market share. For the first time in history, we exceeded the 10% market share level.

We achieved our business numbers thanks to several aspects – greater synergies with the parent company Česká spořitelna, a.s., especially in the area of financing the needs of corporate and business clients, but also well-developing cooperation with our business partners – suppliers of cars, agricultural equipment, machinery and equipment. At the same time, we worked throughout the past year to expand the range of financed commodities. Thanks to close cooperation with the parent company, we have managed to significantly expand the financing offer

to include other commodities, such as rolling stock, medical technology, production and food technologies and others.

In 2022, we also focused on development in the area of digital sales. We have achieved our first partial successes. We have launched an online loan application for car dealers clients in the retail sales network. From the second half of the year, we also launched digital signing through George and BUSINESS 24 in the corporate sales network for commercial centers clients and corporate clients with an account in Česká spořitelna.

Last year we have also focused on raising awareness in the field of electromobility. We realise that electric cars will start gaining importance quite quickly in terms of the requirements associated with reducing the carbon footprint. We have made it a point to provide our clients with objective information related to costs, range, charging and other specifics.

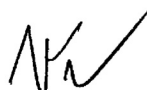
We continued the activity associated with the development of the IT system for machines, that will replace the existing IT platform in the future.

We have also not forgotten the development of our people. We have implemented an onboarding process for new employees and we have offered our existing employees the opportunity to develop their skills and knowledge by offering internal and external training. We have also dedicated ourselves to creating an adequate working environment that is based on informality, open communication and other values that we consider important.

We evaluate last year as successful, but also very challenging. It is appropriate to thank our employees for their efforts, commitment and loyalty. Many thanks also go to our business partners, colleagues from the parent company Česká spořitelna, a.s. for their cooperation and our clients for the trust they have placed in us.



Petr Vacek
Chairman of the Board of Directors



Tomáš Veverka
Vice-Chairman of the Board of Directors



Radek Hejna
Member of the Board of Directors

General information

Company name

Leasing České spořitelny, a.s.

Registered office

Budějovická 1912/64b, Krč, 140 00 Praha 4

Company Identification Number (IČ): 27089444

Shareholders

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

Members of the Board of Directors as at 31 December 2022

Petr Vacek, Chairman

Tomáš Veverka, Vice-Chairman

Radek Hejna, Member

Members of the Supervisory Board as at 31 December 2022

Jan Seger, Chairman

David Mokroš, Vice-Chairman

Andrej Šebeš, Member

Dr. Wilhelm Douda, Member

Major business activities

Provision of leasing services, consumer loans and instalment sale

Report on business activity and assets status

Macroeconomic Framework

- Gross domestic product increased by 2.5%
- The number of new vehicle registrations decreased significantly in 2022, the year-on-year decrease in new car registrations was most pronounced in the categories of passenger cars and light commercial vehicles. For passenger cars there was a decrease of 7.15%, for LCVs by 14%. Trucks showed a year-on-year increase of 3.56%. Registrations of purely electric passenger cars increased by 47% year-on-year, but their market share is only 2%.
- The average inflation rate for the entire year 2022 was 15.1%
- The overall unemployment rate increased slightly compared to 2021 and reached 3.7%.
- As a reaction to inflation development, ČNB significantly increased interest rates in 2022, gradually increased the two-week repo rate to 7% in the course of 2022. During the year, the ČNB prevented excessive fluctuations in the exchange rate of the Czech crown through its interventions on the financial markets.

A certain part of the demand for the financing of investment or consumer plans was associated with significant risks and could not be accepted when applying prudent criteria for evaluating the customer and the financed commodity. Despite the negative effects of external economic influences, the total volume of financing of business entities and the volume of provided consumer loans increased. Within the financing of business entities, the share of provided loans decreased slightly compared to leasing financing. The volume of concluded factoring transactions increased.

In 2022, ČLFA / AFS ČR member companies provided leasing, factoring, and consumer and business loans:

- total amount financed of CZK 163.63 bn (by CZK 11.39 bn more than in 2021, year-on-year growth by 7.5%), of which:
 - CZK 135.83 bn to finance movable and immovable investments and the operation of business entities (by CZK 8.55 bn more than in 2021, year-on-year growth by 6.7%) and
 - CZK 27.80 bn to finance goods and services for households (by CZK 2.84 bn more than in 2021, year-on-year growth by 11.4%)
- financed road vehicles (mostly new) by amount of CZK 71.03 bn (43.4% of total financed amount), i.e., by CZK 1.39 bn more than in 2021, year-on-year growth by 2.0%
 - of which CZK 42.59 bn for the acquisition of passenger cars (by CZK 0.91 bn more than in 2021, year-on-year growth by 2.1%) including CZK 28.33 bn for acquisition of 48,155 new passenger cars (they thus financed 25.1% of the number of new passenger cars first registered in the Czech Republic in 2022)
 - provided also CZK 32.58 bn to finance machinery and equipment (by CZK 3.73 bn more than in 2021, year-on-year growth 12.9%)
 - concluded 498,754 new leasing and credit transactions (by 15,563 more than in 2021, year-on-year growth 3.2%)
 - at the end of year 2022 managed 971,966 active leasing and loan agreements
 - receivables from current leasing and credit transactions at the end of 2022 reached amount CZK 263.26 bn (by CZK 15.03 bn more than in 2021, year-on-year growth 6.1%).

Development of non-bank financing of business entities in 2022

For financing of business entities, member companies provided CZK 135.83 bn (by CZK 8.85 bn more than in 2021, year-on-year growth by 6.7%)

Leasing of movable investments (machinery, equipment and means of transport)

- total amount financed (input debt) of – CZK 32.31 bn (by CZK 3.43 bn more than in 2021, year-on-year growth by 11.9%)
- estimate of the whole market – CZK 36.61 bn
- The share of operating leases in the total leasing of movable investments decreased year-on-year – 50.9% (in 2021 – 55.2%)
- 31,326 new contracts for the leasing of machinery, equipment and means of transport for entrepreneurs were concluded (by 4.5% more than in 2021)

Loans and instalment sales for entrepreneurs (movable investments)

- total loans amount – CZK 68.45 bn (by CZK 3,98 bn more than in 2021, year-on-year growth by 6.2%)
- total of 63,956 loans were provided (year-on-year decrease by 5.9% compared to 2021)
- with domination of loans for passenger cars and commercial vehicles – 40.2% (44.5% in 2021)

- loans for machinery and equipment grew – 36.0% (34.9% in 2021)

Factoring

- receivables of CZK 285.96 bn were assigned to factoring companies that are members of the Association of Factoring Companies of the Czech Republic (AFS CR) (CZK 51.54 bn more than in the same period last year, a year-on-year increase by 22%)
- the volume of funds provided by AFS ČR members to clients as at 31 December 2022 reached CZK 31.11 bn, i.e. an increase of CZK 0.67 bn compared to 31 December 2021 (year-on-year growth by 2.2%)

Development of non-bank consumer financing in 2022

Member companies provided CZK 27.80 bn to finance goods and services for households (o 2.84 bn more than in 2021, year-on-year growth by 11.4%)

Report on the Company's operating results

Leasing České spořitelny, a.s. recorded a profit of CZK 221 mil in 2022 and CZK 131 mil in 2021.

The development of key financial indicators is presented in the table below. Data prior to 2021 are separately for Leasing České spořitelny, a.s. before the merger, i.e., without data of Erste Leasing, a.s.

Changes in Key Financial Indicators in CZK millions

CZK mil.	2022	2021	2020	2019	2018	2017	2016	2015
Total assets	28,245	24,007	12,984	13,181	12,389	11,273	10,029	9,174
Fixed assets	18,527	15,442	7,512	7,666	7,292	6,426	5,903	5,250
Total revenues	2,080	1,927	1,330	1,425	1,493	1,497	1,470	1,514
Profit before tax	298	199	112	154	160	153	164	179
Profit for the year	221	131	80	116	123	120	125	138
Average number of employees	171	171	114	111	109	110	115	111

Report on the Company's Business Activities

Leasing České spořitelny, a.s. (at that time called s Autoleasing, a.s.) commenced its business activities on 1 October 2004. The Company primarily focuses on top quality services relating to the provision of loans and leases in cooperation with business partners, leased commodity suppliers, sales representatives and parent company Česká spořitelna, a.s.

The total amount of input debt on all financed commodities and all financial products financed by the members of Czech leasing and financial association on the domestic market was CZK 131.95 bn in 2022, whereas Leasing

Consumer loans

- loans for personal use were provided in the total amount of CZK 26.93 bn (by CZK 2.91 bn more than in 2021, year-on-year growth by 12.1%)
- volume of receivables from active loan agreements at the end of 2022 – CZK 33.95 bn (growth by CZK 2.00 bn comparing to balance as at 31 December 2021, year-on-year growth by 6.3%)

Consumer leasing

- total amount financed (input debt) of items transferred to leasing and short-term leases in 2022 – CZK 0.87 bn (by 0.08 bn less than in 2021, year-to-year decrease by 8.1%)
- receivables from concluded consumer leasing contracts reached - 1.25 bn at the end of 2022

České spořitelny, a.s. accounted for CZK 13.66 bn, which represents a 10.35% market share.

Research and Development Activities

The Company does not carry out any research and development activities.

Acquisition of Own Shares

The Company did not acquire its own shares during the period.

Activities in the Field of Environmental Protection

The activity of the Company has no nature and focus that would have any particular impact on the environment. For this reason, the Company does not have any specific activities in this area.

**Information on Organisational Units or Other
Parts of the Business in the Abroad**

In the period, the Company had a branch in Znojmo and no part of the business plant abroad.

Subsequent Events

No other events, subsequent to year-end, have occurred that would have a material impact on the financial statements as at 31 December 2022 and/or on the matters stated in this annual report.

Future Plans

In 2023, we will continue to deliver on our strategy – simplifying our processes, focusing on digital sales and growing our client portfolio across all channels served.

In the coming year, we intend to once again strengthen our position and consolidate our position as an important provider of financial services in the non-bank financing market.

The year 2023 will thus belong to maximum sales support, as in previous periods. We want to primarily focus on further expanding the list of financed commodities, especially for corporate clients, where the offer has been limited to a certain extent. In close cooperation with the parent company, we want to offer our corporate and business clients financing for other commodities that are in demand by clients.

We will also pay great attention to the development of digital sales. Our ambition is to have a functional e-commerce solution by the end of 2024. Gradually, we want to implement a car financing offer into Česká spořitelna's online banking. The goal for 2023 is to be able to sign contracts digitally with clients from all sales channels and to work efficiently with digital storage.

In the commodity transport technology up to 3.5 tons, we want to strengthen our position, be the first choice after captive financing and continue to be the preferred provider

of financial services for our business partners. We want to work on expanding online lending across the dealer sales network.

We will continue to provide quality services to our clients. Our ambition is to bring added value to clients in the form of consulting and, in accordance with the strategy of Česká spořitelna, lead them to prosperity. We will work to make our services more personalised to the needs of the individual client. Therefore, our efforts will be directed towards consulting and education in the area of cash-flow management for car loans, for example by appropriate choice of financial product. We plan to focus more on offering low-payment financing through the Puzzle product. During 2023, we will launch a consultancy service for clients who want to start converting their fleets to carbon-free solutions. This will also include cooperation with other companies that offer solutions in the field of electromobility.

In 2023, we will complete the development of a new IT system for the financing of machinery and equipment and start work on the development of a new system for the financing of transport equipment up to 3.5 tons.

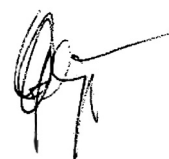
We believe that we will strengthen our position as a trusted and preferred financial and business partner in 2023.



Petr Vacek
Chairman of the Board of Directors



Tomáš Veverka
Vice-Chairman of the Board of Directors



Radek Hejna
Member of the Board of Directors

Points of sales

The products of Leasing České spořitelny, a.s. are distributed via a network of business partners and through the branch network of Česká spořitelna, a.s.

Direct contact information – headquarters

Leasing České spořitelny, a.s.
Budějovická 1912/64b
140 00 Prague 4

Telephone: 956 785 111
Fax: 224 646 111

E-mail: info@leasingcs.cz
Internet: www.leasingcs.cz

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Independent Auditor's Report

To the shareholder of Leasing České spořitelny, a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Leasing České spořitelny, a.s., with its registered office at Budějovická 1912/64b, Praha 4 (the "Company") as at 31 December 2022, and of the Company's financial performance and cash flows for the year ended 31 December 2022 in accordance with Czech accounting legislation.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022,
- the income statement for the year ended 31 December 2022,
- the statement of changes in equity for the year ended 31 December 2022,
- the statement of cash flows for the year ended 31 December 2022, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

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 about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- 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 has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors and supervisory board of the Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 of the Company is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit 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 Audit regulations, we exercise professional judgment and maintain professional scepticism 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 board of directors and 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.

27 March 2023

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner



Eva Loulová
Statutory Auditor, Licence No. 1981

Financial Statements for the Year 2022

Company Name

Leasing České spořitelny, a.s.

Registered Office

Budějovická 1912/64b, Krč, 140 00 Praha 4

Legal Form

Joint stock company

Identification Number

27089444

Balance Sheet

for the Year Ended 31 December 2022

CZK ths.	31. 12. 2022			31. 12. 2021
	Gross	Provision	Net	Net
Total assets	30,859,566	(2,614,859)	28,244,707	24,006,525
B. Fixed assets	3,468,423	(1,696,658)	1,771,765	1,223,346
B.I. Intangible fixed assets	211,272	(167,437)	43,835	33,382
B.I.2. Royalties	208,920	(167,437)	41,483	31,579
B.I.2. 1. Software	197,589	(157,168)	40,421	30,072
B.I.2. 2. Other royalties	11,331	(10,269)	1,062	1,507
B.I.5. Advances paid and intangible fixed assets in the course of construction	2,352	–	2,352	1,802
B.I.5. 2. Intangible fixed assets in the course of construction	2,352	–	2,352	1,802
B.II. Tangible fixed assets	3,076,561	(1,529,221)	1,547,340	1,041,795
B.II.1. Land and constructions	28,082	(24,403)	3,679	4,519
B.II.1. 2. Constructions	28,082	(24,403)	3,679	4,519
B.II.2. Equipment	3,048,419	(1,504,818)	1,543,601	1,034,421
B.II.4. Other tangible fixed assets	60	–	60	60
B.II.4. 3. Tangible fixed assets – other	60	–	60	60
B.II.5. Advances paid and tangible fixed assets in the course of construction	–	–	–	2,795
B.II.5. 2. Tangible fixed assets in the course of construction	–	–	–	2,795
B.III. Long-term investments	180,590	–	180,590	148,169
B.III.1. Investments – subsidiaries and controlling party	142,752	–	142,752	144,446
B.III.7. Other long-term investments	37,838	–	37,838	3,722
B.III.7. 2. Advances paid for long-term investments	37,838	–	37,838	3,722
C. Current Assets	26,815,325	(918,201)	25,897,124	22,180,420
C.II. Receivables	26,744,101	(918,201)	25,825,900	22,075,250
C.II.1. Long-term receivables	17,237,322	(459,975)	16,777,347	14,245,433
C.II.1. 1. Trade receivables	17,215,758	(459,975)	16,755,783	14,218,555
C.II.1. 4. Deferred tax asset	21,564	–	21,564	26,878
C.II.2. Short-term receivables	9,506,779	(458,226)	9,048,553	7,829,817
C.II.2. 1. Trade receivables	7,105,990	(347,121)	6,758,869	5,986,869
C.II.2. 4. Receivables – other	2,400,789	(111,105)	2,289,684	1,842,948
C.II.2. 4. 3. Taxes – receivables from the state	5,829	–	5,829	12,798
C.II.2. 4. 4. Short-term advances paid	2,086	–	2,086	2,200
C.II.2. 4. 5. Estimated receivables	55,013	–	55,013	20,196
C.II.2. 4. 6. Other receivables	2,337,861	(111,105)	2,226,756	1,807,754
C.IV. Cash	71,224	–	71,224	105,170
C.IV.1. Cash in hand	332	–	332	457
C.IV.2. Cash at bank	70,892	–	70,892	104,713
D. Prepayments and accrued income	575,818	–	575,818	602,760
D.1. Prepaid expenses	524,284	–	524,284	562,473
D.3. Accrued income	51,534	–	51,534	40,287

CZK ths.	31. 12. 2022	31. 12. 2021
Total liabilities and equity	28,244,707	24,006,525
A. Equity	4,488,639	4,272,387
A.I. Share capital	500,000	500,000
A.I.1. Share capital	500,000	500,000
A.II. Share premium and capital contributions	2,806,991	2,811,687
A.II.1. Share premium	256,000	256,000
A.II.2. Capital contributions	2,550,991	2,555,687
A.II.2. 1. Other capital contributions	2,550,900	2,550,900
A.II.2. 2. Assets and liabilities revaluation	91	4,787
A.III. Reserves from profit	75,368	73,247
A.III.1. Other reserve funds	75,368	68,799
A.III.2. Statutory and other reserves	–	4,447
A.IV. Retained earnings / Accumulated losses	885,332	756,085
A.IV.1. Retained earnings or (accumulated losses)	1,101,794	972,547
A.IV.2. Restatements of retained earnings	(216,462)	(216,462)
A.V. Profit / (loss) for the current period	220,948	131,367
B. + C. Liabilities	23,562,402	19,658,716
B. Provisions	5,203	39,413
B.4. Other provisions	5,203	39,413
C. Payables	23,557,199	19,619,303
C.I. Long-term payables	15,601,348	11,486,970
C.I.2. Liabilities due to financial institutions	15,601,348	11,486,970
C.II. Short-term payables	7,955,851	8,132,333
C.II.2. Liabilities due to financial institutions	7,631,713	7,829,536
C.II.3. Short-term advances received	142,199	150,024
C.II.4. Trade payables	9,870	11,387
C.II.8. Liabilities – other	172,069	141,387
C.II.8. 3. Liabilities to employees	11,101	10,117
C.II.8. 4. Liabilities for social security and health insurance	4,872	4,613
C.II.8. 5. Taxes and state subsidies payable	6,880	8,422
C.II.8. 6. Estimated payables	135,714	110,717
C.II.8. 7. Other liabilities	13,502	7,517
D. Accruals and deferred income	193,666	75,422
D.1. Accrued expenses	34,009	18,922
D.2. Deferred income	159,657	56,501

Prepared on: 27 March 2023

Income Statement

for the Year Ended 31 December 2022

in CZK ths.	Accounting period 2022	Accounting period 2021
I. Sales of products and services	521,717	620,796
II. Sales of goods	366	1,271
A. Cost of sales	401,272	412,804
A.1. Cost of goods sold	366	1,271
A.2. Raw materials and consumables used	9,089	7,207
A.3. Services	391,817	404,326
D. Staff costs	203,858	190,364
D.1. Wages and salaries	142,784	134,151
D.2. Social security, health insurance and other costs	61,074	56,213
D.2. 1. Social security and health insurance costs	50,558	49,949
D.2. 2. Other costs	10,516	6,264
E. Value adjustments in operating activities	528,829	563,488
E.1. Value adjustments of fixed assets	417,885	492,381
E.1. 1. Depreciation, amortisation and write off of fixed assets	430,075	505,120
E.1. 2. Provision for impairment of fixed assets	(12,190)	(12,739)
E.3. Provision for impairment of receivables	110,944	71,107
III. Other operating income	285,477	304,491
III.1. Income from sale of fixed assets	149,667	198,552
III.3. Miscellaneous operating income	135,810	105,939
F. Operating expenses – other	205,750	313,738
F.1. Net book value of fixed assets sold	163,228	210,242
F.3. Taxes and charges	447	1,062
F.4. Operating provisions and complex prepaid expenses	(34,202)	519
F.5. Other operating expenses	76,277	101,914
* Operating result	(532,149)	(553,836)
VI. Interest and similar income	1,245,346	971,288
VI.1. Interest and similar income – subsidiaries or controlling party	1	18,144
VI.2. Other interest and similar income	1,245,345	953,144
J. Interest and similar expenses	432,395	237,675
J.1. Interest and similar expenses – subsidiaries or controlling party	332,884	222,781
J.2. Other interest and similar expenses	99,511	14,894
VII. Other financial income	27,134	28,716
K. Other financial expenses	9,668	9,783
* Financial result	830,417	752,546
** Net profit / (loss) before tax	298,268	198,709

	Accounting period 2022	Accounting period 2021
L. Tax on profit or loss	77,320	67,342
L.1. Tax on profit or loss – current	75,008	60,582
L.2. Tax on profit or loss – deferred	2,312	6,760
** Net profit / (loss) after tax	220,948	131,367
*** Net profit / (loss) for the financial period	220,948	131,367
* Net turnover for the financial period	2,080,040	1,926,561

Prepared on: 27 March 2023

Cash Flow Statement

for the Year Ended 31 December 2022

CZK ths.	Accounting period 2022	Accounting period 2021
Cash flows from operating activities		
Z. Profit or loss on ordinary activities before taxation	298,268	198,709
A.1. Adjustments for non-cash movements	(296,105)	379,070
A.1. 1. Depreciation and amortisation of fixed assets	438,741	564,426
A.1. 2. Change in allowances	98,754	501,195
A.1. 3. Change in provisions	(34,210)	35,372
A.1. 5. (Gain)/Loss on disposal of fixed assets	13,561	11,690
A.1. 6. Interest expense and interest income	(812,951)	(733,613)
A* Net cash flow from operating activities before taxation, changes in working capital and extraordinary items	2,163	577,779
A.2. Change in non-cash components of working capital	(3,651,404)	(10,894,093)
A.2. 2. Change in trade receivables	(3,379,420)	(10,743,407)
A.2. 3. Change in other receivables and in prepaid expenses and unbilled revenue	(439,793)	(313,077)
A.2. 4. Change in trade payables	(1,517)	11,329
A.2. 5. Change in other payables, and in accruals and deferred income	169,325	151,062
A** Net cash from operating activities before taxation, interest paid and extraordinary items	(3,649,242)	(10,316,314)
A.3. 1. Interest paid excl. interest included in the long-term assets valuation	(460,619)	(244,705)
A.4. 1. Income tax paid	(65,037)	(4,229)
A*** Net cash used in operating activities	(4,174,898)	(10,565,248)
Cash flows from investing activities		
B.1. 1. Acquisition of fixed assets	(1,153,913)	(1,205,843)
B.2. 1. Proceeds from sale of fixed assets	149,667	198,552
B.4. 1. Interest received	1,233,338	963,911
B*** Net cash provided by (used in) investing activities	229,092	(43,380)
Cash flows from financing activities		
C.1. Change in long-term liabilities, and long-term and short-term loans	3,916,555	9,129,177
C.2. 3. Effect of other changes in own capital on cash	(4,696)	1,571,035
C*** Net cash provided by financing activities	3,911,860	10,700,212
F. Net increase (decrease) in cash	(33,946)	91,584
P. Cash and cash equivalents at beginning of year	105,170	13,586
R. Cash and cash equivalents at end of year	71,224	105,170

Prepared on: 27 March 2023

Statements of Changes in Equity

as at 31 December 2022

CZK ths.	Share capital	Share premium	Other capital contributions	Assets and liabilities revaluation	Other reserve funds	Statutory and other	Retained earnings or (accumulated losses)	Restatement of retained earnings	Total
Balance as at 1 January 2020	500,000	256,000	2,550,900	(10,653)	64,790	4,763	976,558	(216,462)	4,125,896
Changes in accounting policies				15,440					15,440
Fair value gains/ (losses) – investments in subsidiaries and associates						(316)			(316)
Allocation to funds					4,009		(4,009)		–
Net profit/loss for the period							131,367		131,367
Balance as at 31 December 2021	500,000	256,000	2,550,900	4,787	68,799	4,447	1,103,916	(216,462)	4,272,387
Valuation difference from investment revaluation				(4,696)					(4,696)
Use of the statutory reserve fund						(4,447)	4,447		–
Increase in other funds					6,569		(6,569)		–
Net profit/loss for the period							220,948		220,948
Balance as at 31 December 2022	500,000	256,000	2,550,900	91	75,368	–	1,322,743	(216,462)	4,488,639

Prepared on: 27 March 2023

Notes to the Financial Statements

for the Year Ended 31 December 2022

1. General information

1.1 Incorporation and description of the business

Leasing České spořitelny, a.s. („the Company“ or „LČS“) 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.

On 3 May 2021, the statutory bodies of Leasing České spořitelny, a.s. and Erste Leasing, a.s. concluded Merger by acquisition project, on the basis of which the above-mentioned companies merge into Leasing České spořitelny, a.s. The subject of the Merger by acquisition project is in accordance with the provisions of § 61 par. 1 et seq. Act No. 125/2008 Coll., on transformations of companies and cooperatives, as amended (hereinafter referred to as the “Transformations Act”):

- the acquiring company Leasing České spořitelny, a.s. with its registered office at Budějovická 1912/ 64b, Krč, 140 00 Prague 4, ID 270 89 444, entered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 8912, it's registered capital is fully paid and amounts to CZK 500,000 thousand (hereinafter referred to as „Acquiring company“); and
- the dissolving company Erste Leasing, a.s., with its registered office at Horní náměstí 264/18, 669 02 Znojmo, ID 163 25 460, entered in the Commercial Register kept by the Regional Court in Brno, Section B, Insert 3745, it's registered capital is fully paid and amounts to CZK 200,000 thousand (hereinafter referred to as the “Dissolving Company”).

The reason for the merger was the decision to simplify the functioning of the group, especially its organisational and administrative structure.

Detailed information on the merger is included in the Merger Project and the opening balance sheet as at 1 January 2021, i.e., as of the decisive date of the merger published in the Commercial Register.

The Company's share capital is CZK 500,000 thousand as at 31 December 2022. The Company's sole shareholder is Česká spořitelna, a. s., holding 100% of the share capital.

The Company has not concluded 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 2021. Consolidated financial statements prepared in accordance with International Financial Reporting Standards for the smallest group of entities within the Erste Bank group (Česká spořitelna Financial Group (CSFG), “Group”), the Company being part of it, are prepared by the parent company Česká spořitelna, a. s., and published on its website. Consolidated financial statements for the entire group and the largest group of entities of Erste Group Bank are prepared and published on its website by Erste Group Bank AG, based in Austria.

The high level of uncertainty in the markets caused by the covid-19 pandemic was replaced in 2022 by uncertainties and fluctuations in the markets caused by the war in Ukraine (energy crisis, high inflation, high interest rates, etc.). Therefore, the Company, as well as the Group, analyses the impact of inflation and interest rate growth and continues to monitor and assess current developments and reflects their impacts on the financial statements.

The Group regularly reviews impairment indicators for tangible and intangible fixed assets and the right-of-use assets.

1.2 Changes and Amendments in the Commercial Register in the past accounting period

There were no changes recorded in 2022 in the Commercial Register kept by the Municipal Court in Prague.

Board of Directors and Supervisory Board as at 31 December 2022:

Board of Director

Chairman	Petr Vacek
Vice-Chairman	Tomáš Veverka
Member	Radek Hejna

Supervisory Board

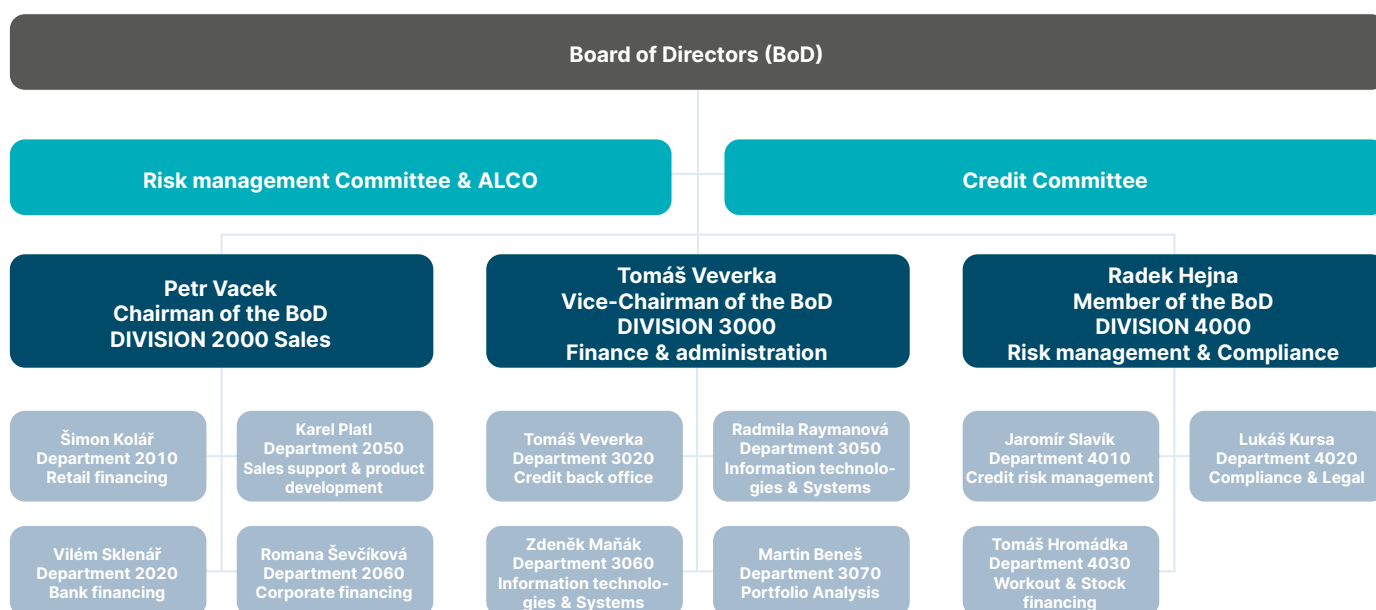
Chairman	Jan Seger
Vice-Chairman	David Mokroš
Member	Wilhelm Douda
Member	Andrej Šebeš

1.3 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.

1.4 Organisational structure of the Company

Organization chart of the Leasing České spořitelny, a.s.



The Company has no foreign branch.

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.

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

3. Summary of significant accounting policies

3.1 Tangible and intangible fixed assets

Tangible fixed assets include asset for a separate technical-economic purpose 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 asset for a separate technical-economic purpose 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 collateralised transfer of the ownership right from loan contracts are recorded in tangible fixed assets in the amount of outstanding receivables from customers.

Technical improvement, if it exceeded the amount of CZK 40 thousand for an individual tangible asset or CZK 60

thousand for an individual tangible asset in total for the tax period, increases the acquisition cost of the fixed asset.

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, art works and assets under construction are not depreciated.

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

Asset category	Depreciation period in years
Constructions	30
Machinery and equipment	4–12
Vehicles	5
Furniture and fixtures	4–6
Software, licenses and other intangible assets	4–12

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 of Leased Assets and Receivables

Allowances to 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.

Allowances to impaired leased tangible and intangible fixed assets for active contracts is calculated based on the exposure level to which a percentage based on the probability of loss of individual contracts is applied.

The impairment is assessed using a statistical model, which determines a specific impairment allowance for each contract. The level of the allowance 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 to assets and an allowance to 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 3.4).

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

Portfolio allowances are not created for active contracts under the guarantee of Česká spořitelna, a.s.

3.2 Long-term financial assets

Long-term financial assets are equity investments.

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 long-term 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,
- 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 and associate's equity.

3.3 Cash

Cash include stamps, vouchers and money in bank accounts.

3.4 Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate allowances to doubtful and bad amounts. Receivables are presented as short-term and long-term according to the maturity date. Long-term receivable is receivable which is payable after more than one year from the balance sheet date. Receivables consist of outstanding lease payments and the aggregate balance of amounts due from instalment sales and granted consumer loans.

For policy for impairment of leased assets and receivables see Note 3. 1.

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

3.5 Derivatives

Derivatives are initially measured at cost. In the attached balance sheet, derivatives are stated as part of other long-term receivables.

At the balance sheet date derivatives are remeasured to fair value. Changes in the fair values of derivatives are recognised in financial expenses, resp. revenues.

3.6 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.

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.

3.7 Trade payables

Trade payables are recorded at their nominal values. Other liabilities also include values hedged as a result of the measurement of derivative financial instruments at fair value.

3.8 Loans received

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.

3.9 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.

3.10 Foreign currency translation to the Czech currency

Assets and liabilities acquired in a foreign currency are translated and recorded in CZK at the rate of exchange valid at the transaction date and at the balance sheet date, the monetary items were translated at the exchange rate valid on 31 December published by the Czech National Bank.

All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement and presented net.

3.11 Taxes

3.11.1 Depreciation of fixed assets for tax purposes

Assets held under finance leases from contracts concluded since 1 January 2008 are depreciated in accordance with § 31 of Act No. 586/1992 Coll., on Income Taxes as amended, as this method appropriately spreads depreciation over the lease term.

3.11.2 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.

3.11.3 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 to which 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.

3.12 Borrowing costs

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

3.13 Revenue recognition

Revenues are divided into operational and financial. Revenues relating to future periods are recognised on the accrual basis:

- Interest from provided loans is accrued 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.

The Company settles the received rents under financial and operating leases using the straight-line method for the lease period from the month following its conclusion. For the same period, it depreciates leased fixed assets.

Differences between equally recognised rental income and lease payments are included in deferred income.

The Company accounts for income from prematurely terminated contracts when the receivable arises in accordance with the general terms and conditions.

3.14 Costs

Costs are recorded on the accrual basis, i.e. in the period to which they belong to. Dealer commissions are deferred and amortised over the contract term on a straight-line basis.

The Company also differentiates any commissions to suppliers for the duration of the lease agreement. The Company recognises uncommitted commissions in prepaid expenses.

Interest on business loans is recognised when a specific amount is prescribed. At the end of 2021, accrued income or estimated receivable include interest that is recognised for the period from the last instalment prescription to the balance sheet date.

3.15 Use of estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available. However, as the nature of the estimate suggests, the actual values in the future may differ from these estimates.

3.16 Cash-flow statement

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

3.17 Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the Company, their subsidiaries and associates,
- parties, which have directly or indirectly significant influence on the Company,
- members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence,
- subsidiaries and associates and joint-venture companies.

4. Balance sheet and income statement – additional information

4.1 Fixed assets

4.1.1 Intangible fixed assets

Acquisition cost

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Royalties	21,415	434	–	(10,518)	11,331	–	–	11,331
Software	150,010	21,849	13,564	(3,758)	179,863	17,726	–	197,589
Intangibles under construction	–	–	1,802	–	1,802	2,352	(1,802)	2,352
Total	171,425	22,283	15,366	(14,276)	192,996	20,078	(1,802)	211,272

Accumulated amortisation

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Royalties	(16,052)	(385)	(1,023)	7,636	(9,824)	(445)	–	(10,269)
Software	(124,644)	(20,453)	(7,865)	3,171	(149,791)	(7,377)	–	(157,168)
Total	(140,696)	(20,838)	(8,889)	10,808	(159,615)	(7,822)	–	(167,437)

Net book value

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	As at 31 December 2021	As at 31 December 2022
Royalties	5,363	49	1,507	1,062
Software	25,366	1,396	30,072	40,421
Intangibles under construction	–	–	1,802	2,352
Total, incl. allowances	30,729	1,445	33,382	43,835

All the intangible fixed assets are used by the Company.

4.1.2 Tangible fixed assets**4.1.2.1 Own tangible fixed assets****Acquisition costs**

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Constructions	–	244	–	–	244	573	(261)	556
Individual movable assets, of which:	38,859	23,655	8,609	(4,786)	66,338	7,758	(18,678)	55,418
Plant, machinery and equipment	590	3,953	2,795	(185)	7,153	582	(6,155)	1,580
Vehicles	15,826	8,296	1,944	(4,601)	21,465	7,176	(5,730)	22,911
IT equipment	22,444	11,406	3,870	–	37,720	–	(6,793)	30,927
Other tangible fixed assets, of which:	–	60	–	–	60	–	–	60
Artworks	–	60	–	–	60	–	–	60
Total	38,859	23,959	8,609	(4,786)	66,642	8,331	(18,393)	56,034

Accumulated depreciation

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Constructions	–	(98)	(8)	–	(106)	(16)	113	(9)

Individual movable assets, of which:	(28,864)	(18,971)	(5,393)	3,771	(49,456)	(5,869)	14,785	(40,540)
Plant, machinery and equipment	(372)	(3,685)	(64)	186	(3,935)	(64)	3,286	(713)
Vehicles	(8,256)	(4,280)	(4,083)	3,585	(13,034)	(4,156)	4,707	(12,483)
IT equipment	(20,236)	(11,006)	(1,246)	–	(32,487)	(1,649)	6,792	(27,344)
Total	(28,864)	(19,069)	(5,401)	3,771	(49,562)	(5,885)	14,898	(40,549)

* 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

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	As at 31 December 2021	As at 31 December 2022
Constructions	–	146	138	574
Individual movable assets, of which:	9,996	4,684	16,882	14,878
Machinery and equipment	218	268	3,218	867
Vehicles	7,570	4,016	8,431	10,428
IT equipment	2,208	400	5,233	3,583
Other tangible fixed assets, of which:	–	60	60	60
Artworks	–	60	60	60
Total	9,995	4,890	17,080	15,485

4.1.2.2 Tangible leased fixed assets and seized assets

Acquisition cost

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Immovable assets, of which:	–	32,043	–	(4,517)	27,526	–	–	27,526
Constructions	–	32,043	–	(4,417)	27,526	–	–	27,526
Land	–	100	–	(100)	–	–	–	–
Individual movable assets, of which:	1,253,832	1,905,525	421,294	(1,001,638)	2,579,012	1,139,595	(725,606)	2,993,001
Machinery and equipment	43,060	1,485,311	160,918	(387,269)	1,302,021	847,556	(249,704)	1,899,873
Vehicles	1,176,26	412,363	146,321	(519,822)	1,215,122	213,765	(372,276)	1,056,611
Furniture and fixtures	1,911	793	–	(1,911)	793	–	–	793
Seized assets from client loans	32,600	7,057	114,055	(92,636)	61,076	78,274	(103,626)	35,724
Other tangible fixed assets, of which:	–	–	307,165	(307,165)	–	–	–	–
Other tangible fixed assets	–	–	307,165	(307,165)	–	–	–	–
Total	1,253,832	1,937,568	421,294	(1,006,155)	2,606,538	1,139,595	(725,606)	3,020,527

Accumulated depreciation

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Constructions	–	(25,964)	(1,327)	4,158	(23,133)	(1,255)	–	(24,388)
Individual movable assets, of which:	(614,672)	(1,138,672)	(560,478)	827,085	(1,486,737)	(569,368)	675,965	(1,380,140)
Machinery and equipment	(31,724)	(897,094)	(236,038)	363,717	(801,140)	(227,155)	249,704	(778,591)
Vehicles	(581,164)	(241,104)	(249,983)	387,211	(685,041)	(288,106)	372,237	(600,910)
Furniture and fixtures	(1,784)	(474)	(211)	1,911	(556)	(83)	–	(639)
Seized assets from client loans	–	–	(74,246)	74,246	–	(54,024)	54,024	–
Total	(614,672)	(1,164,636)	(561,805)	831,243	(1,509,870)	(570,623)	675,965	(1,404,528)

Allowances

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Constructions	–	(285)	–	272	(13)	–	7	(6)
Allowance to individual movable assets, of which:	(46,176)	(57,743)	(67,694)	99,673	(71,940)	(91,527)	79,329	(84,138)
Allowance to machinery and equipment	–	(32,707)	(3,852)	18,030	(18,528)	(26,322)	9,139	(35,711)
Allowance to vehicles	(18,913)	(18,372)	(21,303)	37,194	(21,395)	(19,072)	19,805	(20,662)
Allowance to seized assets from client loans	(27,263)	(6,664)	(42,539)	44,449	(32,017)	(46,133)	50,385	(27,765)
Total	(46,176)	(58,028)	(67,694)	99,945	(71,953)	(91,527)	79,336	(84,144)

Net book value

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	As at 31 December 2021	As at 31 December 2022
Immovable assets, of which:	–	5,794	4,380	3,132
Constructions	–	5,694	4,380	3,132
Land	–	100	–	–
Individual movable assets, of which:	592,984	709,110	1,020,336	1,528,723
Machinery and equipment	11,336	555,510	482,352	1,085,571
Vehicles	576,184	152,887	508,689	435,039
Furniture and fixtures	127	320	236	154
Seized assets from client loans	5,337	393	29,059	7,959
Total	592,984	714,904	1,024,716	1,531,855

4.1.3 Long-term investments

Ownership interests in subsidiaries

As at 31 December 2022, the Company holds 100% ownership interest in DINESIA 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 2022, the Company holds 100% ownership interest in s Autoleasing SK, s. r. o.; the ownership interest was acquired through establishing a subsidiary in 2012.

As at 31 December 2022, the Company holds 100% ownership interest in S SERVIS, s.r.o. This equity interest was created through the merger on 1 January 2021.

2022

Subsidiaries (in CZK ths.)	As at 1 January 2022	Additions/Disposals	Revaluation	As at 1 December 2022
DINESIA a.s.	12,118	–	667	12,785
s Autoleasing SK, s. r. o.	115,033	–	(4,098)	110,935
S SERVIS, s.r.o.	17,295	–	1,737	19,032
Total	144,446	–	(1,694)	142,752

2021

Subsidiaries (in CZK ths.)	As at 1 January 2021	Additions/Disposals	Revaluation	As at 1 December 2021
DINESIA a.s.	11,214	–	904	12,118
s Autoleasing SK, s. r. o.	113,720	–	1,313	115,033
S SERVIS, s.r.o.	3,900	–	13,395	17,295
Total	128,834	–	15,612	144,446

* Data for the year 2021 are based on audited financial statements.

Acquisition cost (in CZK ths.)

Company name	Registered office	Acquisition cost	Voting rights	Equity	Profit/loss for the year	Dividends and other income per year 2022	Valuation as at 31 December 2022
DINESIA a.s.	Střelničná 8/1680, Praha 8	2,105	100 %	12,652	534	–	12,785
s Autoleasing SK, s. r. o.	Vajnorská 100/A, Bratislava	40,538	100 %	110,935	(651)	–	110,935
S SERVIS, s.r.o.	Horní náměstí 264/18, Znojmo	3,900	100 %	18,829	1,628	–	19,032
Total		46,543		142,416	1,511	–	142,752

4.2 Long-term receivables

The Company records long-term trade receivables from loan contracts with maturity over one year. These receivables are all due to be paid.

Gross value

CZK ths.	As at 31 December 2020	Impact of the merger As at 1 January 2021	Change in loans	As at 31 December 2021	Change in loans	As at 31 December 2022
Loans granted – private persons	1,595,676	–	(118,544)	1,477,132	(342,798)	1,134,334
Loans granted-entrepreneurs / legal entities	5,266,535	6,104,634	1,789,818	13,160,987	2,920,437	16,081,424
Total	6,862,211	6,104,634	1,671,274	14,638,119	2,577,639	17,215,758

Allowances

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Allowance to principal – private person	(12,219)	–	(34,885)	26,010	(21,094)	(46,338)	55,391	(12,041)
Allowance to principal – entrepreneurs / legal entities	(96,233)	(220,224)	(237,741)	155,728	(398,470)	(404,061)	354,597	(447,934)
Total	(108,453)	(220,224)	(272,626)	181,738	(419,564)	(450,399)	409,988	(459,975)

Net book value

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	As at 31 December 2021	As at 31 December 2022
Loans granted – private persons	1,583,457	–	1,456,038	1,122,293
Loans granted-entrepreneurs / legal entities	5,170,302	5,884,410	12,762,517	15,633,490
Total	6,753,758	5,884,410	14,218,555	16,755,783

4.3 Short-term receivables**4.3.1 Aging of trade receivables**

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

CZK ths.	As at 31 December 2021	As at 31 December 2022
Receivables from instalment sales	10,822	10,547
Receivables from lease instalments	61,432	41,145
Receivables from consumer loans	3,684,988	4,510,028
Receivables from client loans	2,555,633	2,544,270
Total receivables	6,312,875	7,105,990

Year / Category (CZK ths.)	Before due date	0–90 days	91–180 days	181–360 days	1–2 years	Past due		Total
						More than 2 years		
2022								
Gross	6,925,505	58,083	43,668	27,187	13,384	38,163		7,105,990
Allowance								(347,121)
Net								6,758,869
2021								
Gross	6,172,382	41,656	29,524	27,186	11,766	30,362		6,312,875
Allowance								(326,006)
Net								5,986,869

4.3.2 Allowances to short-term receivables

CZK ths.	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	As at 31 December 2022
Current contracts	(48,753)	(109,619)	(146,398)	97,264	(207,506)	(189,628)	201,084	(196,050)
Prematurely terminated contracts	(64,078)	(4,578)	(95,233)	102,165	(61,724)	(118,903)	87,034	(93,593)
Contractual penalties	(18,819)	–	(13,467)	13,788	(18,499)	(30,998)	13,570	(35,927)
Bankruptcy	(26,772)	(21,089)	(19,085)	28,668	(38,277)	(12,025)	28,751	(21,551)
Total allowances to trade receivables	(158,422)	(135,286)	(274,183)	241,885	(326,006)	(351,554)	330,439	(347,121)
Stock financing	–	(29,289)	(1,263)	21,318	(9,234)	(250,303)	148,432	(111,105)
Other receivables	(89,345)	–	(188,667)	201,179	(76,833)	–	76,833	–
Total allowances to receivables	(247,767)	(164,575)	(464,113)	464,382	(412,073)	(601,857)	555,704	(458,226)

4.3.3 Short-term receivables including intercompany receivables

Company name (CZK ths.)	As at 31 December 2021	As at 31 December 2022
Česká spořitelna, a. s.	1,179	1,305
s Autoleasing SK, s. r. o.	1,902	702
Total short-term intercompany receivables	3,081	2,007
Receivables to third parties	8,238,810	9,504,772
Total short-term receivables (gross)	8,241,891	9,506,779

Short-term receivables consist of trade receivables, including intercompany receivables, tax receivables, short-term advances paid, estimated receivable and other short-term receivables.

4.4 Other receivables

4.4.1 Tax receivables and short-term advances paid

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.

4.4.2 Estimated receivables

CZK ths.	As at 31 December 2021	As at 31 December 2022
Insurance commissions	7,734	7,382
Other	347	556
Interest income on dealer loans	10,835	45,795
Unbilled receivables	1,280	1,280
Total estimated receivables	20,196	55,013

4.4.3 Other receivables

CZK ths.	As at 31 December 2021	As at 31 December 2022
Short-term loan to suppliers – Gross	1,893,821	2,337,861
Loan allowances	(86,067)	(111,105)
Total other receivables	1,807,754	2,226,756

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

4.5 Cash

CZK ths.	As at 31 December 2021	As at 31 December 2022
Cash in hand	457	332
Cash at bank	104,713	70,892
Total cash	105,170	71,224

4.6 Prepayments and accrued income

Prepaid expenses include supplied services invoiced in the current period but related partially to the subsequent 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.

Accrued income includes unbilled lease revenues and unbilled interest on loans granted, which are recognised into income in the year in which they were earned.

4.7 Equity

The Annual General Meetings held on 21 June 2022 approved the profit distribution for 2021 (see Statement of Changes in Equity). In accordance with its Articles of Association, the Company allocated a portion of profit to the reserve fund in amount of CZK 6,569 thousand. The statutory reserve funds thus increased to the amount of CZK 75,368 thousand.

Disposable profit for year 2021 in the amount CZK 124,799 thousand and social fund balance in the amount of CZK 4,447 thousand were transferred into the retained earnings account. The retained earnings thus increased to the amount of CZK 885,332 thousand.

The Company expects to use the profit of 2022 to allocation to reserve fund and retained earnings.

4.7.1 Assets and liabilities revaluation

Ownership interest (CZK ths.)	Revaluation as at 31 December 2020	Impact of the merger as at 1. 1. 2021	Additions	Disposals	Revaluation as at 31 December 2021	Additions	Disposals	Revaluation as at 31 December 2022
DINESIA a.s.	9,109	-	904	-	10,013	668	-	10,681
s Autoleasing SK, s. r. o.	(18,031)	-	1,313	-	(16,718)	-	(4,099)	(20,817)
S SERVIS, s.r.o.	-	-	13,394	-	13,394	1,737	-	15,131
Deferred tax arising from revaluation differences	(1,731)	-	-	(171)	(1,902)	-	(3,002)	(4,904)
Total revaluation	(10,653)	-	15,611	(171)	4,787	2,405	(7,101)	91

4.8 Provisions

As at 31 December 2022 provision balance was in the amount of CZK 5,203 thousand (as at 31 December 2021: CZK 39,413 thousand). These reserves are created mainly for litigation.

4.9 Bank loans and borrowings

4.9.1 Bank loans

CZK ths.	As at 31 December 2021	As at 31 December 2022
Long-term bank loans	11,486,970	15,601,348
Short-term bank loans	7,829,536	7,631,713
Total bank loans	19,316,506	23,233,061

2022 (CZK ths.)

Bank/Creditor	Type of collateral	Currency	As at 31 December 2022
Česká spořitelna, a.s.	no collateral	CZK	15,495,028
Česká spořitelna, a.s.	no collateral	EUR	4,065,874
Raiffeisenbank a.s.	bank guarantee	CZK	2,037,056
Raiffeisenbank a.s.	bank guarantee	EUR	784,759
UniCredit Bank Czech Republic and Slovakia, a.s.	bank guarantee	CZK	100,000
UniCredit Bank Czech Republic and Slovakia, a.s.	bank guarantee	EUR	250,344
ING Bank N.V.	bank guarantee	CZK	500,000
Total			23,233,061

2021 (CZK ths.)

Banka/ Věřitel	Forma zajištění	Měna	Stav k 31. 12. 2021
Česká spořitelna, a.s.	no collateral	CZK	15,572,301
Česká spořitelna, a.s.	no collateral	EUR	2,389,913
Raiffeisenbank a.s.	bank guarantee	CZK	890,778
Raiffeisenbank a.s.	bank guarantee	EUR	153,096
UniCredit Bank Czech Republic and Slovakia, a.s.	bank guarantee	CZK	10,418
ING Bank N.V.	no collateral	CZK	300,000
Total			19,316,506

4.9.2 Payment schedule of bank loans as at 31 December 2022

CZK ths.									
Bank/Creditor	2023	2024	2025	2026	2027	2028	2029	2030	Total
Česká spořitelna, a.s.	6,280,952	4,823,563	3,543,694	2,265,606	1,287,314	595,337	387,023	377,413	19,560,901
Raiffeisenbank a.s.	1,032,678	689,195	548,548	391,849	159,545	-	-	-	2,821,815
UniCredit Bank Czech Republic and Slovakia, a.s.	193,083	109,435	26,087	21,740	-	-	-	-	350,345
ING Bank N.V.	125,000	125,000	125,000	125,000	-	-	-	-	500,000
Total	7,631,713	5,747,193	4,243,329	2,804,195	1,446,859	595,337	387,023	377,413	23,233,061

Accrued interest on received loans are included in accrued expenses. Interest is charged to the expenses of the current year.

4.10 Short-term liabilities

4.10.1 Short-term advances received

Short-term advances received totalling CZK 142,199 thousand as at 31 December 2022 (as at 31 December 2020: CZK 150,024 thousand) include in particular payments received before the receivable due date.

4.10.2 Short-term trade payables

Before due date (CZK ths.)	As at 31 December 2021	As at 31 December 2022
Short-term trade payables	11,387	9,870

The Company has no overdue trade payables. Short-term trade payables comprise payables to suppliers.

4.10.3 Other short-term liabilities

CZK ths.	As at 31 December 2021	As at 31 December 2022
Liabilities to employees	10,117	11,101
Liabilities from social security	4,613	4,872
Due to government – taxes	8,422	6,880
Estimated payables	110,717	135,714
Unbilled deliveries	80,728	89,630
Other	29,989	46,084
Other liabilities	7,517	13,502
Total other short-term liabilities	141,386	172,069

Estimated payables include mainly payables from unbilled deliveries of services and energy and fees for guarantees of Česká spořitelna, a.s. to the provided loans. No liabilities are overdue.

Overview of short-term liabilities from the perspective of related parties

Company name	As at 31 December 2021	As at 31 December 2022
Česká spořitelna, a. s. – loan interest	17,758	22,806
Česká spořitelna, a. s. – risk participation	11,109	1,505
Česká spořitelna, a. s. – payables	19,648	5,079
Total short-term intercompany payables	48,515	29,390

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

Total non-cancellable future commitments in respect of operating leases (not recorded in the balance sheet) amounted to CZK 2,323 thousand as at 31 December 2022 (as at 31 December 2021: CZK 2,578 thousand).

4.11 Deferred income

CZK ths.	As at 31 December 2021	As at 31 December 2022
Lease instalments	55,045	159,149
Fee for entering into agreements	1,456	508
Total deferred income	56,501	159,657
Total accrued expenses	18,922	34,009

The Company presents as deferred income the share of the first increased instalment (advance payment) attributable to the following period.

4.12 Derivatives

The Company started recognising derivatives as a result of the merger in 2021. As at 31 December 2021 the Company remeasured derivatives to fair value and positive values of derivatives are reported in other receivables.

As at 31 December 2022, the Company no longer recognise derivatives.

The following table provides an overview of the nominal amounts and positive fair values of open derivatives held for trading.

CZK ths.	As at 31 December 2021			As at 31 December 2022		
	Contractual / Nominal value	Fair value positive	Fair value negative	Contractual / Nominal value Positive	Fair value positive	Fair value negative
Interest contracts – CAP	141,215	1	–	–	–	–

4.13 Revenues from ordinary activities by principal activity

CZK ths.	2021	2022
Loan item sales (sales of goods)	1,271	366
Total sales of goods	1,271	366
Finance lease	441,497	375,774
Operating lease	91,627	70,189
Other	10,937	5,338
Total lease (sales of own products and services)	544,061	451,301

Commissions for the mediation of insurance	47,335	44,983
Revenues from fees for loan agreements conclusion and processing	2,251	995
Revenues from other fees	25,467	22,221
Other revenues	1,683	2,217
Total sales of own products and services	620,796	521,717
Total sales of goods, own products and services	622,067	522,083

All revenues from ordinary activities come from the Czech Republic. Related revenues are contract fees collected, commissions and the effects of prematurely terminated contracts.

4.14 Related party transactions

4.14.1 Revenues generated from related party transactions (CZK ths.)

Entity	Relation to company	2021	2022
Česká spořitelna, a.s.	Parent company	23,710	112
s Autoleasing SK, s. r. o.	Subsidiary	3,991	1,105
S SERVIS, s.r.o.	Subsidiary	648	974
Česká spořitelna – penzijní společnost, a.s.	Sister company	3	–
Slovenská sporiteľňa, a.s.	Other related party	21	–
S Slovensko, spol. s r.o.	Other related party	42	–
Procurement Services CZ, s.r.o.	Other related party	66	–
Total		28,481	2,191

4.14.2 Expenses incurred from related party transactions

2022 (CZK ths.)

Entity	Relation to company	Services	Operating expenses – other	Interest expense	Other financial expenses	Total
Česká spořitelna, a. s.	Parent company	53,820	2,428	332,884	9,638	398,770
S SERVIS, s.r.o.	Subsidiary	6,800	–	–	–	6,800
Slovenská sporiteľňa, a.s.	Other related party	2	–	–	–	2
Procurement Services CZ, s.r.o.	Other related party	374	–	–	–	374
Total		60,996	2,428	332,884	9,638	405,946

2021 (CZK ths.)

Entity	Relation to company	Services	Operating expenses – other	Interest expense	Other financial expenses	Total
Česká spořitelna, a. s.	Parent company	49,865	1,639	222,781	8,844	283,129
s Autoleasing SK, s. r. o.	Subsidiary	–	–	–	96	96
S SERVIS, s.r.o.	Subsidiary	3,000	–	–	–	3,000
Slovenská sporiteľňa, a.s.	Other related party	2	–	–	–	2
Procurement Services CZ, s.r.o.	Other related party	383	–	–	–	383
Total		53,250	1,639	222,781	8,940	286,610

4.15 Consumption

CZK ths.	2021	2022
Consumed material	5,654	6,121
Energy and fuel consumption	1,553	2,968
Total consumption of material and energy	7,207	9,089

4.16 Services

CZK ths.	2021	2022
Marketing	18,600	15,814
Statutory auditor's fees	3,090	2,943
Legal and consulting services	712	229
Services related to the extraordinary termination of contracts	16,783	26,736
Professional services – agreements	32,901	43,830
Training	1,099	1,090
Telephone, fax, postal charges	2,710	2,489
Repairs and maintenance	13,467	15,349
Travel expenses	741	1,164
Outsourcing	7,279	7,219
Commissions for trade partners	257,207	228,197
Rental	11,429	11,307
Other services related to leasing	13,122	8,529
Other	25,186	26,921
Total	404,326	391,817

4.17 Staff costs and number of employees

The recalculated average number of employees and staff costs in 2022 and 2021 are as follows:

2022

CZK ths.	Number	Wages and salaries	Bonuses to members of statutory bodies	Social security and health insurance	Other costs	Total staff costs
Employees	155	109,799	–	37,082	13,033	159,914
Management	16	24,074	8,911	9,321	1,638	43,944
Total	171	133,873	8,911	46,403	14,671	203,858

2021

CZK ths.	Number	Wages and salaries	Bonuses to members of statutory bodies	Social security and health insurance	Other costs	Total staff costs
Employees	158	103,714	–	37,974	9,399	151,087
Management	13	22,110	8,326	8,226	615	39,277
Total	171	125,824	8,326	46,200	10,014	190,364

Management includes the Board of Directors and executive management.

In 2021, the Company entered a new Erste employee share program, where each employee will be provided with a number of Erste bank AG shares. In this context, the company booked an accrual of CZK 2,754 thousand. In 2022, the Company booked an accrual of CZK 1,329 thousand.

4.17.1 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.	2021	2022
Contribution to life and pension insurance	20	53
Passenger cars / other movable and immovable items with the possibility of personal use*	860	980
Other items (personal fuel consumption)*	76	256
Total	956	1,289

* data represent an amount by which the tax base of employees is increased

4.18 Other operating income

CZK ths.	2021	2022
Fixed assets sold	198,552	149,667
Other operating income, of which:	105,939	135,810
Contractual fines and interest on late payments	19,007	19,038
Loss compensation	77,588	82,237
Re-charge and insurance premium proceeds	5,260	4,485
Income from ceded and written-off receivables	2,515	28,696
Other income except for leases	1,569	1,354
Total other operating income	304,491	285,477

Income from ceded receivables includes the sale of a receivable in the amount of CZK 27,537 thousand for the company TECHNOSERVICE – technické a komerční služby, s.r.o. to the company IFIS investiční fond, a.s., which paid the nominal value for it.

4.19 Other operating expenses

CZK ths.	2021	2022
Net book value of sold fixed assets	210,242	163,228
Taxes and fees	1,062	447
Provisions from operating activities	520	(34,202)
Other operating expenses, of which:	101,914	76,277
Other operating expenses	12,018	15,126
Costs of ceded receivables	59,182	28,706
Write-off of receivables	2,638	8,656
Insurance premium cost	6,969	6,250
Shortages and losses in operating activities	21,107	17,539
Total other operating expenses	313,738	205,750

4.20 Interest income

CZK ths.	2021	2022
Interest on loans granted to private persons (non-entrepreneurs)	194,557	165,971
Interest on loans granted to private persons (entrepreneurs) and legal entities	745,597	971,478
Interest – other debtors	31,134	107,897
Total	971,288	1,245,346

4.21 Interest expenses

CZK ths.	2021	2022
Interest on loans	237,666	432,337
Interest on overdrafts	8	58
Other financial income, including revaluation of derivatives	1	–
Total	237,675	432,395

4.22 Other financial income

CZK ths.	2021	2022
Foreign exchange gains	28,208	26,590
Other	508	544
Total	28,716	27,134

4.23 Other financial expenses

CZK ths.	2021	2022
Bank fees	9,756	9,666
Other financial cost, including revaluation of derivatives	27	2
Total	9,783	9,668

5. Tax Analysis

5.1 Tax on ordinary activities

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

CZK ths.	As at 31 December 2021	As at 31 December 2022
Profit before taxes	198,709	298,268
Tax non-deductible items	289,067	186,330
Tax deductible items	(173,079)	(87,488)
Tax base	314,697	397,110
Tax base decrease – gifts	–	–
Tax base adjusted	314,697	397,110
Tax at local income tax rate of 19% (2021: 19 %)	59,792	75,451
Additional tax assessment/refund	790	(443)
Tax current	60,582	75,008
Tax deferred	6,760	2,312
Total tax on ordinary activities	67,342	77,320

5.2 Deferred tax

The deferred tax asset analysis:

Deferred tax from (CZK ths.)	As at 31 December 2020	Impact of the merger as at 1 January 2021	Additions	Disposals	As at 31 December 2021	Additions	Disposals	31 December 2022
Net book value of fixed assets	82,915	(87,294)	800	–	(3,579)	–	(2,134)	(5,713)
Impairment to long-term assets – leasing	3,593	11,025	–	(4,372)	10,246	–	(1,043)	9,203
Impairment to property and goods – credit and stock financing	5,180	–	–	(1,755)	3,425	–	(1,768)	1,657
Impairment to receivables	6,740	2,690	–	(2,919)	6,511	9,663	–	16,174
Provisions and impairment to loans	–	6,622	867	–	7,489	–	(6,500)	989
Unpaid social and health insurance	2,638	1,432	618	–	4,688	–	(530)	4,158
Valuation differences on equity interests	(1,731)	–	–	(171)	(1,902)	–	(3,002)	(4,904)
Total	99,335	(65,525)	2,285	(9,217)	26,878	9,663	(14,977)	21,564

Total decrease of deferred tax asset in 2021 in the amount of CZK (72,457) thousand resulted mainly from the impact of merger as at 1 January 2021 in the amount of CZK (65,525 thousand).

Decrease of deferred tax asset in 2022 in the amount of CZK 5,314 thousand was partially recorded against equity in the amount of CZK 3,002 thousand and against profit for the year in the amount of CZK 2,312 thousand.

6. Contingent assets and liabilities

As at 31 December 2022, the Company was not party to any litigation whose outcome would have a material impact on the Company, and which is not reflected in the reserves.

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

7. Statement of cash flows

The cash flow statement was prepared under the indirect method. Cash and cash equivalents can be analysed as follows:

	31. 12. 2021	+ / – 2022	31. 12. 2022
Cash in bank	104,713	(33,821)	70,892
Liquid valuables	457	(125)	332
Total cash and cash equivalents	105,170	(33,946)	71,224





Cash flows from investing and financing activities are presented in the cash flow statement as uncompensated.

8. Subsequent events

As at 1 January 2023, the company Dinesia is being dissolved without a legal successor, i.e. with liquidation. During the liquidation period, the company uses its trade name with the suffix "v likvidaci" ("in liquidation"), i.e. DINESIA a.s., v likvidaci. The legal entity CEE Attorneys s.r.o., advokátní kancelář, with registered office at Jankovcova 1569/2c, Holešovice, 170 00 Prague 7, ID number: 025 64 742, has been elected as liquidator.

No other events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2023.

Prepared on: 27 March 2023

Signature of accounting unit's statutory body:	Person responsible for accounting	Person responsible for financial statements
		
Petr Vacek Chairman of the Board of Directors	Tomáš Veverka Vice-Chairman of the Board of Directors	Tomáš Veverka
		
		Tomáš Veverka

Report on Relations

Between Related Parties pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act for the accounting period 2022

Leasing České spořitelny, a.s., with its registered seat Prague 4, Budějovická 1912/64B, 140 00, Identification Number (IČO) 27089444, 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 (concern) 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 period from 1 January 2022 till 31 December 2022 (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 (see notes B., C. And d below)

- Erste Group Bank AG
- Česká spořitelna, a.s.
- s Autoleasing SK, s. r. o.
- S SERVIS, s.r.o.
- DINESIA a.s., v likvidaci
- Česká spořitelna – penzijní společnost, a.s.
- Erste Grantika Advisory, a.s.
- Procurement Services CZ, s.r.o.
- Slovenská sporiteľňa, a.s.
- S Slovensko, spol. s r.o.

B. Controlling persons

Erste Group Bank AG, with its registered address located in Vienna, Am Belvedere 1, A-1100, Austria
Relation to the Company: indirectly controlling person

Česká spořitelna, with its registered address located in Prague 4, Olbrachtova 1929/62, Czech Republic,
Identification No. (IČ) 45 24 47 82
Relation to the Company: directly controlling person

C. Controlled persons

s Autoleasing SK, s. r. o. with its registered address located in Bratislava, Vajnorská 100/A, 831 04, Slovak Republic,

Identification No. (IČ) 46 806 491

Relation to the Company: a company directly controlled by the Submitter (subsidiary)

Description of relations – see Annex 2

S SERVIS, s.r.o. with its registered address located in Znojmo, Horní náměstí 264/18, 669 02, Czech Republic,

Identification No. (IČ) 26 30 72 01

Relation to the Company: a company directly controlled by the Submitter (subsidiary)

Description of relations – see Annex 2

DINESIA a.s., v likvidaci with its registered address located in Prague 1680/8, Střelničná 8, Czech Republic,

Identification No. (IČ) 63 99 95 79

Relation to the Company: a company directly controlled by the Submitter (subsidiary)

Description of relations – see Annex 2

D. Other related parties

Česká spořitelna – penzijní společnost, a.s. with its registered address located in Prague 4, Poláčkova 1976/2, Czech Republic,

Identification No. (IČ) 61 67 20 33

Relation to the Company: a company directly controlled by Česká spořitelna (sister company)

Description of relations – see Annex 3

Procurement Services CZ, s.r.o. with its registered address located in Prague 4 Krč, Budějovická 1912/64b, Czech Republic, 140 00,

Identification No. (IČ) 27 63 16 21

Relation to the Company: a company directly controlled by Procurement Services GmbH

Description of relations – see Annex 3

Slovenská sporiteľňa, a.s. with its registered address located in Bratislava, Tomášikova 48, Slovak Republic,

Identification No. (IČ) 00 151 653

Relation to the Company: a company directly controlled by Erste Group Bank AG

Description of relations – see Annex 3

E. Other Legal Acts

During the accounting period, Submitter carried out the following transactions with Related Party which involve assets exceeding in value 10% of the processor's equity determined according to the financial statements for the fiscal year 2021, represented by amount of CZK 427,239 thousand:

- Česká spořitelna, a.s. – drawing loans in the amount of: CZK 9,438,854 thousand,
- Česká spořitelna, a.s. – repayment of loans in the amount of: CZK 7,840,166 thousand.

F. Other Factual Arrangement

Leasing České spořitelny, a.s. cooperates on group projects within Erste Group Bank. Cooperation on these group projects did not cause any harm to the Submitter. With respect to close relations within the field of providing loans and other outsourcing activities the Submitter has evaluated the relations among related parties as favourable for Leasing České spořitelny, a.s. with low risk.

Conclusion

Considering the relations between the Submitter and the Related Parties reviewed by us it is obvious that the Submitter has not suffered any detriment from the contracts, other legal acts or other measures entered into, made or received by the Submitter in the interest or at the instigation of the Related Parties in the 2022 fiscal year.

Annex No. 1 to the Related Party Report

Description of relations to Česká spořitelna, a. s.

Performance received from contracts entered into in prior years

Contract name	Contracting party	Year of conclusion	Performance description	Detriment, if any
Current account contract	Česká spořitelna, a. s.	2004	Current account maintenance	None incurred
Business cooperation contract	Česká spořitelna, a. s.	2021	Commission	None incurred
Business cooperation contract	Česká spořitelna, a. s.	2021	Participation in risk	None incurred
Credit line agreement no. 839/09/LCD	Česká spořitelna, a. s.	2009	Granting of loans	None incurred
Agreement on interrelated exchange of information throughout application KLIENT	Česká spořitelna, a. s.	2008	Use of application KLIENT (FSČS risk management system)	None incurred
Agreement on lease of business premises	Česká spořitelna, a. s.	2014	Lease of non-residential premises in Prague 4, Antala Staška	None incurred
Agreement on IT services provision	Česká spořitelna, a. s.	2014	Provision of HW and SW infrastructure	None incurred
General mandate agreement on receivable portfolio	Česká spořitelna, a. s.	2014	Administration of receivable portfolio	None incurred
Outsourcing service contract (as amended)	Česká spořitelna, a. s.	2022	Outsourcing contract	None incurred
Agreement on lease of safe deposit boxes	Česká spořitelna, a. s.	2013–2015	Lease of a safe deposit box	None incurred
Credit line providing agreement	Česká spořitelna, a. s.	2010	Providing credit line promise	None incurred
Master agency agreement	Česká spořitelna, a. s.	2012	Receivables portfolio monitoring	None incurred
License and support agreement for ORACLE products	Česká spořitelna, a. s.	2019	ORACLE support	None incurred
Agreement on lease of business premises	Česká spořitelna, a. s.	2017	Lease of business premises – Prague	None incurred
Premises sub-lease agreement – TRIANON building	Česká spořitelna, a. s.	2018	Rental of parking spaces	None incurred
Agreement on lease of business premises	Česká spořitelna, a. s.	2017	Rental of space for the location and use of an ATM	None incurred
Framework agreement on trading on the financial market	Česká spořitelna, a. s.	2014	Financial market trading	None incurred

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

CZK ths.	
Receivables	1,305
Current accounts	48,968
Other assets	16,160
Liabilities	1,944
Loans	19,560,902
Other liabilities	29,390
Revenues	112
Costs	398,770

Other liabilities include guarantees from Česká spořitelna due to participation in the risk arising from closed business cases, which will be offset against receivables from clients from prematurely terminated contracts at the time of final settlement with the client and current accounts with Česká spořitelna.

In the fiscal year, the Submitter did not pay any dividends, profit shares or equity interests.

Anex No. 2 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 share capital of DINESIA a. s. as at 1 January 2022 was CZK 15,000 thousand. The Submitter reported the net value of the investment of CZK 12,785 thousand as at 31 December 2022.

Description of relations to Autoleasing SK, s. r. o.

Ownership interest

The Submitter is the sole shareholder of s Autoleasing SK, s. r. o. The registered capital of s Autoleasing SK, s. r. o. is EUR 5,000 thousand. The Submitter reported net value of the investment of CZK 110,935 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	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
Provision of services contract	s Autoleasing SK, s. r. o.	2018	Provision of IT support and services	None incurred

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

CZK ths.	
Receivables	702
Other assets	900
Liabilities	11
Revenues	1,105

Description of relations to S SERVIS, s.r.o.

Ownership interest

The Submitter is the sole shareholder of S SERVIS, s. r. o. The registered capital S SERVIS, s. r. o. is CZK 3,000 thousand. The Submitter reported net value of the investment of CZK 19,032 thousand.

Performance rendered in relation to contracts entered into in prior years

Contract name	Contracting party	Year of conclusion	Performance description	Detriment, if any
Accounting contract	S SERVIS, s.r.o.	2007	Accounting	None incurred
Agreement on sub-lease of non-residential premises	S SERVIS, s.r.o.	2016	Lease of business premises – Znojmo	None incurred

Performance received in relation to contracts entered into in prior years

Contract name	Contracting party	Year of conclusion	Performance description	Detriment, if any
Agreement on insurance mediation and administration and provision of consulting services	S SERVIS, s.r.o.	2021	Insurance mediation and administration	None incurred

Summary of transactions with S SERVIS, s. r. o. as at balance sheet date (in CZK thousands)

CZK ths.	
Receivables	380
Revenues	974
Costs	6,800

Annex No. 3 to the Related Party Report

Description of relations to other Related Parties

Performance received in relation to contracts entered into in prior years

Contract name	Contracting party	Year of conclusion	Performance description	Detriment, if any
Provision of services contract	Procurement Services CZ, s.r.o.	2018	Provision of services framework agreement (purchase of assets)	None incurred
Master Agreement for the Provision of Services	Procurement Services CZ, s.r.o.	2018	Providing shopping services	None incurred
Framework agreement	Slovenská sporitel'ňa, a.s.	2010	Financial market trading	None incurred

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

CZK ths.	
Costs	2

Prepared on: 27 March 2023

Signature of the statutory body of the entity:



Petr Vacek
Chairman of the Board of Directors



Tomáš Veverka
Vice-Chairman of the Board of directors

Leasing České spořitelny, a. s.

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