

ERB LEASING a.d. BELGRADE

**Financial Statements as of and for
the Year Ended 31 December 2016**

and

Notes to the Financial Statements

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INCOME STATEMENT
For the Year Ended 31 December 2016
In RSD thousand

	Note	2016	2015
OPERATING INCOME AND EXPENSES			
Interest income	3.1, 5	9,964	44,654
Interest expenses	3.1, 6	(3,378)	(21,482)
Net Interest Income		6,586	23,172
Fee and commission income	3.1, 6	2,194	13,929
Fee and commission expenses	8	(966)	(2,312)
Net Income from Fees		1,228	11,617
Net foreign exchange gains/(losses) and effects of foreign currency clause	3.3, 9	(296)	9,436
Other operating revenues	13	3,950	10,900
Net impairment losses from financial leasing activities	10	21,118	68,378
Net impairment losses from repossessed assets	11	(2,772)	(21,286)
Total Operating Revenues		22,000	102,217
Salaries and other personnel costs	3.15, 14	(11,796)	(29,123)
Net impairment losses from other non-financial assets		-	-
Deepreciation and amortization costs		(132)	(81)
Other expenses	13	(15,758)	(41,930)
PROFIT/(LOSS) BEFORE TAX		2,128	31,083
Current tax expense	3.13, 15	(297)	(8,798)
Deferred tax income	3.13, 15	(454)	(1,597)
PROFIT/(LOSS) AFTER TAX		1,377	20,688

Jelena Moravcevic

Chief Accounting Officer



Vladan Miljanovic

President of The Executive Board




The notes on pages 9 to 43
are an integral part of these financial statements.

BALANCE SHEET
As of 31 December 2016
In RSD thousand

	Note	2016	2015	2014
ASSETS				
Cash and cash equivalents	3.10., 21	124,087	109,784	6,193
Short-term financial placements	20	-	-	336,372
Receivables from financial leasing activities	3.6., 3.7., 17, 18	72,273	245,266	1,279,908
Repossessed assets	3.9, 16	9,608	14,791	42,833
Leased assets		-	361	361
Intangible assets	3.4.	-	-	-
Equipment	3.5	463	85	166
Receivables for overpaid income tax	3.13.	7,745	6,915	15,713
Deferred tax assets	16	3,246	3,700	5,297
Other assets	20	18,737	16,736	12,285
TOTAL ASSETS		236,159	397,638	1,699,128
EQUITY AND LIABILITIES				
Liabilities				
Long-term borrowings abroad	3.11., 23	90,340	248,708	1,563,078
Long-term provisions	3.14.	1,182	3,481	3,402
Other liabilities	3.12., 24	5,487	7,676	15,563
		97,009	259,865	1,582,043
Equity				
Share capital	22	80,200	80,200	80,200
Retained earnings		57,573	36,885	51,543
Current year profit/(loss)		1,377	20,688	(14,658)
		139,150	137,773	117,085
TOTAL LIABILITIES		236,159	397,638	1,699,128

Jelena Moravcevic

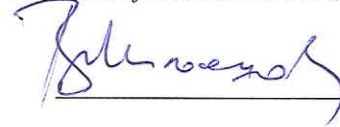
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STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2016
In RSD thousand

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as of 1 January 2015	80,200	36,885	117,085
Profit/(Loss) for the year	-	20,688	20,688
Balance as of 31 December 2015	80,200	57,573	137,773
Profit/(Loss) for the year	-	1,377	1,377
Balance as of 31 December 2016	80,200	58,950	139,150

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2016
In RSD thousand

	<u>2016</u>	<u>2015</u>
Profit/(Loss) for the period	1,377	20,688
Total comprehensive income/ (loss) for the year	1,377	20,688

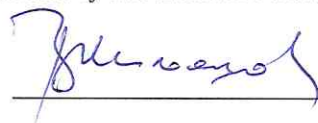
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STATEMENT OF CASH FLOW
For the Year Ended 31 December 2016
In RSD thousand

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	216,525	1,147,561
Receipts from finance lease placements	202,367	1,069,989
Receipts and advances received from finance lease activities	2	4
Receipts from rent and sales and other advances received	757	20,618
Other receipts from operations	13,399	56,950
Cash outflow from operating activities	(38,065)	(71,981)
Payment of liabilities and advance payments in respect of finance lease activities	-	-
Other payments to suppliers and advances paid	(110)	(90)
Payments for salaries and other personnel costs	(11,576)	(27,592)
Income tax paid	1,128	-
Other public duties paid	-	(2,754)
Other outflows from operations	(25,251)	(41,545)
Net cash flows from operating activities	178,460	1,075,580
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	-	342,375
Sale on intangibles and equipment	-	-
Other inflows from investing activities	-	333,873
Interests receipts from term deposits	-	8,502
Cash outflow from investing activities	-	-
Purchase of intangible assets, property, plant and equipment	-	-
Other financial placements (net outflows)	-	-
Net cash flows used in investing activities	-	342,375
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflow from financing activities	-	-
Proceeds from long-term and short-term borrowings (net outflows)	(164,157)	(1,314,364)
Net cash flows from financing activities	(164,157)	(1,314,364)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	14,303	103,591
Cash and cash equivalents, beginning of the year	109,784	6,193
Foreign exchange gains on translation of cash and cash equivalents	-	-
Foreign exchange losses on translation of cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS, END OF THE YEAR (Note 21)	124,087	109,784

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STATISTICAL ANNEX
For the Year Ended 31 December 2016
In RSD thousand

I GENERAL CORPORATE INFORMATION

	<u>2016</u>	<u>2015</u>
Number of months of operations (1 to 12)	12	12
Size indication (1 to 4)	4	4
Ownership structure indication (1 to 5)	2	2
Number of foreign entities holding a share in capital	2	2
Average number of employees, based on the number at the end of each month (whole number)	4	10

II MOVEMENTS IN INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated depreciation/ amortization</u>	<u>Net book value</u>
1. Intangible assets			
Balance at the beginning of the year	5,244	(5,244)	-
Additions during the year	-	-	-
Disposals	-	-	-
Revaluation	-	-	-
Balance at end of year	<u>5,244</u>	<u>(5,244)</u>	<u>-</u>
2. Property, plant and equipment			
Balance at the beginning of the year	8,168	(8,083)	85
Additions during the year	510	-	510
Disposals	-	(132)	(132)
Revaluation	-	-	-
Balance at the end of the year	<u>8,678</u>	<u>(8,215)</u>	<u>463</u>

III INVENTORY STRUCTURE

	<u>2016</u>	<u>2015</u>
Inventories of materials used in the process of service delivery	-	-
Leased assets and other assets repossessed in exchange of uncollectible receivables	9,602	14,709
Leased assets	-	-
Non-current assets held for sale and assets from discontinued operations	-	-
Advances paid	6	82
Total	<u>9,608</u>	<u>14,791</u>

STATISTICAL ANNEX (Continued)
For the Year Ended 31 December 2016
In RSD thousand

IV CAPITAL STRUCTURE

	<u>2016</u>	<u>2015</u>
Share capital	80,200	80,200
Out of which: foreign capital	59,700	59,700
Stakes of a limited liability company	-	-
Out of which: foreign capital	-	-
Stakes of partnership or limited partnership	-	-
Out of which: foreign capital	-	-
Total	<u>80,200</u>	<u>80,200</u>

V SHARE CAPITAL STRUCTURE

	<u>2016</u>	<u>2015</u>
Ordinary shares		
Number of ordinary shares	802	802
Nominal value of ordinary shares – total	80,200	80,200
Preference shares	-	-
Number of preference shares	-	-
Nominal value of preference shares – total	-	-
Total – nominal value of shares	<u>80,200</u>	<u>80,200</u>

VI RECEIVABLES AND LIABILITIES

	<u>2016</u>	<u>2015</u>
Receivables during the year from insurance companies (credit turnover without opening balance)		
VAT paid for purchase of goods and services (debit turnover without opening balance)	3,523	19,597
Liabilities for net salaries and benefits (credit turnover without opening balance)	6,926	14,761
Liabilities for tax on salaries and benefits paid by employee (credit turnover without opening balance)	915	1,903
Liabilities for contributions on salaries and benefits paid by employee (credit turnover without opening balance)	1,884	3,767
Liabilities for dividends, share in profit and personal income of the employer (credit turnover without opening balance)	-	-
Liabilities to individuals in respect of contract fees (credit turnover without opening balance)	-	-
VAT payable (annual amount per Tax returns)	751	5,846
Control total	<u>13,999</u>	<u>45,874</u>

STATISTICAL ANNEX (Continued)
For the Year Ended 31 December 2016
In RSD thousand

VII OTHER COSTS AND EXPENSES

	<u>2016</u>	<u>2015</u>
Materials used in the process of service delivery, fuel and energy	235	228
Spare parts and tools	-	-
Transportation costs	310	430
Insurance premiums	103	255
Fairs exhibit costs	-	-
Advertising costs	7	4
Intellectual service costs	1,902	2,251
Representation costs	30	73
Bank charges	228	1,019
Membership fees	602	624
Rent	2,283	2,492
Rent of land	-	-
Maintenance costs	2,560	2,303
Research and development	-	-
Salaries and benefits (gross)	9,725	20,185
Taxes and contributions on salaries and benefits paid by employer	1,695	3,377
Compensations to individuals (gross) in respect of contracts	-	-
Compensations to the members of Board of Directors and Supervisory Board (gross)	-	-
Other personal expenses and compensations	155	4,043
Other taxes, contributions and customs	-	734
Interest on loans, rent and sales	-	-
Foreign exchange losses	5,893	52,103
Losses from foreign currency clause	20,954	145,626
Expenses arising from share in losses of subsidiaries and joint ventures	-	-
Expenses for humanitarian, cultural, health, educational, scientific and religious activities, environmental protections and sports activities	-	-
Control total	<u>46,682</u>	<u>235,747</u>

VIII OTHER INCOME

	<u>2016</u>	<u>2015</u>
Interest on loans, rent and sales	2,007	8,590
Foreign exchange gains	1,981	50,825
Gains from foreign currency clause	24,569	156,341
Dividends and income arising from share in profit of subsidiaries and joint ventures	-	-
Control total	<u>28,557</u>	<u>215,756</u>

STATISTICAL ANNEX (Continued)
For the Year Ended 31 December 2016
In RSD thousand

IX OTHER INFORMATION

	<u>2016</u>	<u>2015</u>
Calculated customs and other import duties (total annual amount according to calculation)	-	-
State grants	-	-
Donations from abroad and other grants	-	-
Control total	-	-

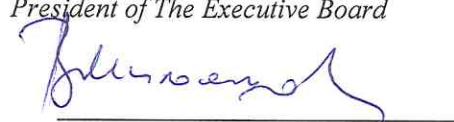
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