



ČSOB Leasing pojišťovací makléř, s. r. o.

ANNUAL REPORT 2013

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CORPORATE MISSION AND PROFILE

The company ČSOB Leasing pojišťovací makléř, s.r.o.¹⁾ provides comprehensive services in insurance brokerage for the companies ČSOB Leasing, a.s.²⁾ and PSA FINANCE ČESKÁ REPUBLIKA, s.r.o.³⁾, as well as their clients.

It also provides related services, including assistance in claim settlement.

- ČSOB Leasing pojišťovací makléř is a fully owned subsidiary of ČSOB Leasing. It deals with the provision of all types of insurance, in particular for cars and machinery, third party liability insurance (obligatory insurance), Credit for protection insurance (CPI) and other kinds of supplementary insurance for the financial products of ČSOB Leasing or PSA Finance.

- ČSOB Leasing pojišťovací makléř is able to provide insurance for all financed items, especially automobiles, motorcycles, machinery and equipment (also when part of real estate), technologies, IT equipment (hardware) and non-standard objects (wagons, airplanes, ships) financed by financial leases, loans, and operational leases. Operational leasing is offered by ČSOB Leasing under the brand name ČSOB Autolease (including full service leasing, fleet management and leaseback).

- ČSOB Leasing pojišťovací makléř also offers intermediation of advantageous insurance to clients of ČSOB Leasing and PSA Finance, for automobiles, technologies, machinery and equipment that were not purchased through their financial products.

- ČSOB Leasing pojišťovací makléř also provides a range of insurance products for other commodities and for other types of risks.

- ČSOB Leasing pojišťovací makléř cooperates in all areas of insurance with all major domestic and foreign insurers.

The Company has intermediated frame contracts for transport technology insurance with ČSOB Pojišťovna, Allianz pojišťovna, Generali pojišťovna and Kooperativa pojišťovna for both its clients. For ČSOB Leasing, this also includes Česká pojišťovna, UNIQA Pojišťovna and Servisní pojišťovna, while for commodities machinery and equipment insurance for ČSOB Leasing, this also includes ČSOB Pojišťovna, Allianz pojišťovna, Česká pojišťovna and Kooperativa pojišťovna.

- ČSOB Leasing pojišťovací makléř is able to provide intermediation of the conclusion of various forms of insurance contracts including so called frame insurance contracts that provide a really fast and comfortable arrangement of insurance to the benefit of its clients in addition to financial services provided by ČSOB Leasing or PSA Finance. The insurance premium is included in the client's installments (leasing, loan), so it can be paid monthly, which has a positive effect on the time value of money and reduces the amount of financial transfers.

¹⁾ hereinafter referred to as ČSOB Leasing pojišťovací makléř or The Company

²⁾ hereinafter referred to as ČSOB Leasing

³⁾ hereinafter referred to as PSA Finance



EXECUTIVES



JAN STARÝ
since 17/05/2004



MGR. PETR NEUVIRTH
since 01/01/2011



KEY EVENTS IN 2013 AND THE FIRST HALF OF 2014

2013 • In 2013, the company achieved a volume of CZK 1.186 bn in brokered insurance premiums.

- In the course of the year, the company actively partook in preparing and implementing successful marketing sales campaigns for ČSOB Leasing, a.s., namely “We will mix just what you like” and “Rivals”, and again managed to enrich the offer of ČSOB Leasing, a.s. financial products with various attractive benefits for customers, such as free motor hull insurance for the first year or extended Insurance coverage to include car glass for free with selected insurance companies.

- The company also pursued the process development of its assets in the area of comprehensive offering of insurance apart from the financial services of ČSOB Leasing, a.s. or PSA FINANCE ČESKÁ REPUBLIKA, s.r.o., particularly in the area of contracting insurance after the due termination of customer contracts with ČSOB Leasing, a.s. and PSA FINANCE ČESKÁ REPUBLIKA, s.r.o. and in the area of industrial and corporate insurance. The aim of these activities is to provide clients with the quality contracting of a range of other insurance products to cover risks that are not related directly to financing (e.g. insurance of property and liability for business entities, including insurance of greater risks, construction-installation insurance, insurance of transport and other services related to the adjustment of insured events).

- The insurance market in the Czech Republic is relatively stable and mature, so the only significant change was the change in insurance premium rates on the non-life insurance market. In the last quarter of 2013, the impact of the altered premium rates related to the implementation of the new Civil Code and other legislative became apparent, particularly in the area of liability insurance. There was a gradual increase of insurance premium prices linked e.g. to the following reasons:

- *Fire rescue brigade* – lawfully imposed obligation to pay costs in the case of intervention by the fire rescue brigade in traffic accidents;

- *Contributions to the Damage Prevention Fund* – new obligation to pay 3% of the total received premiums from motor third-party liability insurance;

- *New Civil Code* – changes in the area of indemnity for property and non-property losses.

2014 • In the first half of 2014, the company established the new comprehensive cooperation between ČSOB Leasing, a.s. in the area of insurance related to financing means of transport, machinery and equipment and another major Insurer on the market, namely Česká podnikatelská pojišťovna, a.s. Vienna Insurance Group.

- In 2014, the company will continue to develop activities aimed at expanding its services within the ČSOB group and providing high-quality auxiliary services. The company perceives the onset of a new generation of customers that use digital technologies, and is gradually working on digitalising electronic services in areas where this offers added value for the customer.



SCOPE OF OFFERED INSURANCE PRODUCTS AND SERVICES

Basic Types of Insurance

- Casco insurance
- Motor third party liability insurance (obligatory insurance)
- machinery and equipment
- creditor protection insurance (CPI)

Additional Types of Insurance *(examples)*

- windshield insurance
- accident insurance for persons in a vehicle
- baggage insurance
- assistance services insurance
- replacement vehicle rental cost insurance
- legal expenses insurance
- GAP insurance (guaranteed asset protection)
- transport insurance
- installation insurance for machinery and equipment
- insurance of cargo

Claim Settlement Standards

The Company has negotiated standards with cooperating insurers for claims processing, which significantly accelerate their solution. The standards relate, among other things, to the setting of binding terms for the inspection of cars by insurance technicians, deadlines for the provision of indemnities and insurance benefits as well as the pricing of wrecks.

Providing Insurance after the Ending of Customer Contracts *(leasing, loan)*

ČSOB Leasing pojišťovací makléř offers to ČSOB Leasing customers the possibility of insurance after the regular completion of a customer contract, while maintaining the same advantageous insurance rates as the customer had during the contract. This service is free for ČSOB Leasing customers and allows for elegant continuous insurance without, for example, having to present the vehicle to the insurance company. It is also possible to use the no claims bonuses from the earlier period and bonuses earned during financing at ČSOB Leasing.



OTHER SERVICES

The Company provides comprehensive services to businesses and private entities in the areas of insurance risk management and insurance that in addition to financed items also cover other property insurance, various forms of liability, etc., including securing supply and employee benefits, etc.

These services for example include:



Risk Management

- analysis and evaluation of risks, including audits of insurance contracts
- elaboration of risk reports
- design of insurance programs

Implementation of Insurance Programs

- tenders for insurers
- placement of risks on Czech and foreign insurance/reinsurance markets

Insurance Management

- administration of insurance contracts
- payments and settlement accounting
- suggestions for additions and improvements to the existing insurance program
- processing of amendments and renewals of insurance contracts

Claims Settlement

- expert assistance in settling claims
- representing clients in negotiations with insurers and defending their interests to prevent shortcomings in settlement due to ignorance, etc.
- damage reports, security inspections collection of documents
- ensuring timely payment of indemnities or deposits on indemnities
- evidence of claims

Consultation Services in the Areas of Insuring and Insurance

- monitoring of the insurance market
- proposals for changes in insurance programs with regard to changes in the insurance market, the economic environment etc.

Comprehensive Range of Insurance Products

- property insurance and business interruption insurance
- building installation insurance
- liability insurance, including product liability insurance
- insurance for members of statutory bodies (D&O)
- employee liability insurance for damages caused to the employer
- insurance of motor vehicle fleets
- carrier / transporter insurance
- cargo insurance
- agricultural insurance (crops and livestock)
- aircraft insurance and ship insurance
- credits and guarantees insurance
- insurance for cultural or sporting events cancellation
- insurance for temporary and permanent physical incapacity
- accident insurance
- employee programs

COOPERATING INSURERS:



Insurance in Leasing

- Allianz pojišťovna, a. s.
- BNP Paribas Cardif Pojišťovna, a.s.:
- Česká pojišťovna a. s.
- ČSOB Pojišťovna, a. s.,
holding member ČSOB
- Generali Pojišťovna a. s.
- Kooperativa pojišťovna, a. s.,
Vienna Insurance Group
- Servisní pojišťovna, a. s.
- UNIQA pojišťovna, a. s.

Insurance Outside of Financing

- AIG Europe Limited, Organizational unit
- Allianz pojišťovna, a. s.
- Atradius Credit Insurance N.V.,
Organizational unit
- AXA pojišťovna a.s.
- BNP Paribas Cardif Pojišťovna, a.s.
- Česká podnikatelská pojišťovna, a. s.,
Vienna Insurance Group
- Česká pojišťovna a. s.
- ČSOB Pojišťovna, a. s.,
holding member ČSOB
- D.A.S. pojišťovna právní ochrany, a.s.
- ERV pojišťovna, a.s.
- Generali Pojišťovna a. s.
- Hasičská vzájemná pojišťovna, a.s.
- Kooperativa pojišťovna, a. s.,
Vienna Insurance Group
- Pojišťovna VZP, a.s.
- QBE Insurance (Europe) Limited
- Servisní pojišťovna, a. s.
- Slavia Pojišťovna, a. s.
- Triglav pojišťovna, a. s.
- UNIQA pojišťovna, a. s.



ANNUAL REPORT STATEMENT



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

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ČSOB Leasing pojišťovací makléř, s.r.o.:

- I. We have audited the financial statements of ČSOB Leasing pojišťovací makléř, s.r.o. ("the Company") as at 31 December 2013 presented in the annual report of the Company on pages 10 - 28 and our audit report dated 21 March 2014 related to them is on page 29.
- II. We have also audited the consistency of the annual report with the financial statements described above. The management of ČSOB Leasing pojišťovací makléř, s.r.o. is responsible for the accuracy of the annual report. Our responsibility is to express, based on our audit, an opinion on the consistency of the annual report with the financial statements.

We conducted our audit in accordance with International Standards on Auditing and the related implementation guidance issued by the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the information presented in the annual report that describes the facts reflected in the financial statements is consistent, in all material respects, with the financial statements. We have checked that the accounting information presented in the annual report on pages 1 - 8 is consistent with that contained in the audited financial statements as at 31 December 2013. Our work as auditors was confined to checking the annual report with the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Company. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting information presented in the annual report is consistent, in all material respects, with the financial statements described above.

- III. In addition, we have reviewed the accuracy of the information contained in the report on related parties of ČSOB Leasing pojišťovací makléř, s.r.o. for the year ended 31 December 2013 presented in the annual report of the Company on pages 30 - 31. As described in report on related parties, the Company prepared this report in accordance with Commercial Code. The management of ČSOB Leasing pojišťovací makléř, s.r.o. is responsible for the preparation and accuracy of the report on related parties. Our responsibility is to issue a report based on our review.

We conducted our review in accordance with the applicable International Standard on Review Engagements and the related Czech standard No. 56 issued by the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the report on related parties is free from material misstatement. The review is limited primarily to enquiries of company personnel, to analytical procedures applied to financial data and to examining, on a test basis, the accuracy of information, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.



Based on our review, nothing has come to our attention that causes us to believe that the report on related parties of ČSOB Leasing pojišťovací makléř, s.r.o. for the year ended 31 December 2013 is materially misstated.

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

D. Burnham
Douglas Burnham
Partner

Iveta Sobolová
Iveta Sobolová
Auditor, License No. 2328

20 June 2014
Prague, Czech Republic

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

BALANCE SHEET – LONG FORM (CZK THOUSANDS)

| | | | | Current year | | | Prior year 2012 |
|--------------|-------------------------------|-------------------|--|--------------|------------|---------|-----------------|
| | | | | Gross | Allowances | Net | Net |
| TOTAL ASSETS | | | | 174,746 | (1,419) | 173,327 | 171,412 |
| A. | STOCK SUBSCRIPTION RECEIVABLE | | | | | | |
| B. | FIXED ASSETS | | | 1,678 | (1,419) | 259 | 83 |
| B. | I. | Intangible assets | | 1,678 | (1,419) | 259 | 83 |
| B. | I. | 1 | Foundation and organization expenses | 509 | (509) | 0 | |
| | | 2 | Research and development | | | | |
| | | 3 | Software | 951 | (910) | 41 | |
| | | 4 | Patents, royalties and similar rights | | | | |
| | | 5 | Goodwill | | | | |
| | | 6 | Other intangible assets | | | | |
| | | 7 | Intangible assets in progress | 218 | | 218 | 83 |
| | | 8 | Advances granted for intangible assets | | | | |
| B. | II. | Tangible assets | | 0 | 0 | 0 | 0 |
| B. | II. | 1 | Land | | | | |
| | | 2 | Constructions | | | | |
| | | 3 | Separate movable items and groups of movable items | | | | |
| | | 4 | Perennial crops | | | | |
| | | 5 | Livestock | | | | |
| | | 6 | Other tangible assets | | | | |
| | | 7 | Tangible assets in progress | | | | |
| | | 8 | Advances granted for tangible assets | | | | |
| | | 9 | Gain or loss on revaluation of acquired property | | | | |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

BALANCE SHEET – LONG FORM (CZK THOUSANDS)

| | | | | Current year | | | Prior year 2012 |
|-----------|-------------|------------------------------|---|----------------|------------|----------------|-----------------|
| | | | | Gross | Allowances | Net | Net |
| B. | III. | Financial investments | | 0 | 0 | 0 | 0 |
| B. | III. | 1 | Subsidiaries | | | | |
| | | 2 | Associates | | | | |
| | | 3 | Other long-term securities and interests | | | | |
| | | 4 | Loans to subsidiaries and associates | | | | |
| | | 5 | Other long-term investments | | | | |
| | | 6 | Long-term investments in progress | | | | |
| | | 7 | Advances granted for long-term investments | | | | |
| C. | | CURRENT ASSETS | | 173,068 | 0 | 173,068 | 171,324 |
| C. | I. | Inventory | | 0 | 0 | 0 | 0 |
| C. | I. | 1 | Materials | | | | |
| | | 2 | Work in progress and semi-finished production | | | | |
| | | 3 | Finished products | | | | |
| | | 4 | Livestock | | | | |
| | | 5 | Goods | | | | |
| | | 6 | Advances granted for inventory | | | | |
| C. | II. | Long-term receivables | | 967 | 0 | 967 | 587 |
| C. | II. | 1 | Trade receivables | | | | |
| | | 2 | Receivables from group companies with majority control | | | | |
| | | 3 | Receivables from group companies with control of 20 % –50 % | | | | |
| | | 4 | Receivables from partners, co-operative members and participants in association | | | | |
| | | 5 | Long-term advances granted | | | | |
| | | 6 | Unbilled revenue | | | | |
| | | 7 | Other receivables | | | | |
| | | 8 | Deferred tax asset | 967 | | 967 | 587 |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

BALANCE SHEET – LONG FORM (CZK THOUSANDS)

| | | | | Current year | | | Prior year 2012 |
|-----------|-------------|--|---|----------------|------------|----------------|-----------------|
| | | | | Gross | Allowances | Net | Net |
| C. | III. | Short-term receivables | | 119,780 | 0 | 119,780 | 67,763 |
| C. | III. | 1 | Trade receivables | 3,091 | | 3,091 | 4,640 |
| | | 2 | Receivables from group companies with majority control | 55,000 | | 55,000 | |
| | | 3 | Receivables from group companies with control of 20 % –50 % | | | | |
| | | 4 | Receivables from partners, co-operative members and participants in association | | | | |
| | | 5 | Social security and health insurance | | | | |
| | | 6 | Due from government – tax receivables | 7,703 | | 7,703 | 14,198 |
| | | 7 | Short-term advances granted | | | | |
| | | 8 | Unbilled revenue | 53,983 | | 53,983 | 48,919 |
| | | 9 | Other receivables | 3 | | 3 | 6 |
| C. | IV. | Short-term financial assets | | 52,321 | 0 | 52,321 | 102,974 |
| C. | IV. | 1 | Cash | 222 | | 222 | 244 |
| | | 2 | Bank accounts | 52,099 | | 52,099 | 102,730 |
| | | 3 | Short-term securities and interests | | | 0 | |
| | | 4 | Short-term financial assets in progress | | | | |
| D. | | OTHER ASSETS – TEMPORARY ACCOUNTS OF ASSETS | | 0 | 0 | 0 | 5 |
| D. | I. | Accrued assets and deferred liabilities | | 0 | 0 | 0 | 5 |
| D. | I. | 1 | Prepaid expenses | | | | 5 |
| | | 2 | Prepaid expenses (specific-purpose expenses) | | | | |
| | | 3 | Unbilled revenue | | | | |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

BALANCE SHEET – LONG FORM (CZK THOUSANDS)

| | | | | Current year | Prior year 2012 |
|----------------------------|-------------|---|--|--------------|-----------------|
| TOTAL EQUITY & LIABILITIES | | | | 173,327 | 171,412 |
| A. | EQUITY | | | 163,140 | 163,262 |
| A. | I. | Basic capital | | 2,000 | 2,000 |
| A. | I. | 1 | Registered capital | 2,000 | 2,000 |
| | | 2 | Own shares and own ownership interests (-) | | |
| | | 3 | Changes in basic capital | | |
| A. | II. | Capital funds | | 0 | 0 |
| A. | II. | 1 | Share premium (agio) | | |
| | | 2 | Other capital funds | | |
| | | 3 | Gain or loss on revaluation of assets and liabilities | | |
| | | 4 | Gain or loss on revaluation of company transformations | | |
| | | 5 | Gain or loss on company transformations | | |
| | | 6 | Gain or loss on revaluation upon company transformations | | |
| A. | III. | Reserve funds and other funds created from profit | | 200 | 200 |
| A. | III. | 1 | Legal reserve fund | 200 | 200 |
| | | 2 | Statutory and other funds | | |
| A. | IV. | Profit (loss) for the previous years | | 0 | 0 |
| | IV. | 1 | Retained earnings for the previous years | | |
| | | 2 | Accumulated loss of previous years | | |
| | | 3 | Other retained earnings for previous years | | |
| A. | V. | Profit (loss) for the year (+/-) | | 160,940 | 161,062 |
| B. | LIABILITIES | | | 10,187 | 8,150 |
| B. | I. | Provisions | | 0 | 0 |
| B. | I. | 1 | Provisions created under special legislation | | |
| | | 2 | Provision for pensions and similar obligations | | |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

BALANCE SHEET – LONG FORM (CZK THOUSANDS)

| | | | Current year | Prior year 2012 |
|----|------|---|--------------|-----------------|
| | 3 | Provision for corporate income tax | | |
| | 4 | Other provisions | | |
| B. | II. | Long-term liabilities | 0 | 0 |
| B. | II. | 1 Trade payables | | |
| | 2 | Liabilities to group companies with majority control | | |
| | 3 | Liabilities to group companies with control of 20%–50% | | |
| | 4 | Liabilities to partners, co-operative members and participants in association | | |
| | 5 | Long-term advances received | | |
| | 6 | Bonds payable | | |
| | 7 | Long-term notes payable | | |
| | 8 | Unbilled deliveries | | |
| | 9 | Other liabilities | | |
| | 10 | Deferred tax liability | | |
| B. | III. | Current liabilities | 10,187 | 8,150 |
| B. | III. | 1 Trade payables | 2,201 | 3,069 |
| | 2 | Liabilities to group companies with majority control | | |
| | 3 | Liabilities to group companies with control of 20%–50% | | |
| | 4 | Liabilities to partners, co-operative members and participants in association | | |
| | 5 | Liabilities to employees | 1,148 | 1,015 |
| | 6 | Liabilities arising from social security and health insurance | 694 | 537 |
| | 7 | Due to government – taxes and subsidies | 255 | 201 |
| | 8 | Short-term advances received | | |
| | 9 | Bonds payable | | |
| | 10 | Unbilled deliveries | 5,880 | 3,288 |
| | 11 | Other liabilities | 9 | 40 |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

BALANCE SHEET – LONG FORM (CZK THOUSANDS)

| | | | Current year | Prior year 2012 |
|----|-----|---|--------------|-----------------|
| B. | IV. | Bank loans and borrowings | 0 | 0 |
| B. | IV. | 1 Long-term bank loans | | |
| | | 2 Short-term bank loans | | |
| | | 3 Borrowings | | |
| C. | | OTHER LIABILITIES – TEMPORARY ACCOUNTS OF LIABILITIES | 0 | 0 |
| C. | I. | Accrued liabilities and deferred assets | | |
| C. | I. | 1 Accruals | | |
| | | 2 Deferred income | | |

PREPARED ON: 21 March 2014

Signature of accounting entity's statutory body:



Ing. Rudolf Kypta



Jan Starý

Person responsible for accounting
(name, signature):



Ing. Pavel Burša

Person responsible for financial statements
(name, signature):



Ing. Pavel Burša

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

INCOME STATEMENT – LONG FORM (CZK THOUSANDS)

| | | | Current year | Prior year 2012 |
|------|---|---|--------------|-----------------|
| I. | 1 | Revenue from sale of goods | | |
| A. | 2 | Cost of goods sold | | |
| + | | Gross margin | 0 | 0 |
| II. | | Production | 244,191 | 237,439 |
| II. | 1 | Revenue from sale of finished products and services | 244,191 | 237,439 |
| | 2 | Change in inventory produced internally | | |
| | 3 | Own work capitalized | | |
| B. | | Production related consumption | 15,658 | 12,081 |
| B. | 1 | Consumption of material and energy | 560 | 559 |
| B. | 2 | Services | 15,098 | 11,522 |
| + | | Value added | 228,533 | 225,358 |
| C. | | Personnel expenses | 30,153 | 27,500 |
| C. | 1 | Wages and salaries | 21,718 | 20,215 |
| C. | 2 | Bonuses to members of company or cooperation bodies | 120 | 120 |
| C. | 3 | Social security and health insurance | 7,440 | 6,340 |
| C. | 4 | Other social costs | 875 | 825 |
| D. | 1 | Taxes and charges | 1,992 | 1,224 |
| E. | 1 | Amortization and depreciation of intangible and tangible fixed assets | 42 | 300 |
| III. | | Revenue from sale of intangible and tangible fixed assets and materials | 0 | 0 |
| III. | 1 | Revenues from sale of intangible and tangible fixed assets | | |
| | 2 | Revenue from sale of materials | | |
| F. | | Net book value of intangible and tangible fixed assets and materials sold | 0 | 0 |
| F. | 1 | Net book value of intangible and tangible fixed assets sold | | |
| F. | 2 | Materials sold | | |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

INCOME STATEMENT – LONG FORM (CZK THOUSANDS)

| | | | Current year | Prior year 2012 |
|-------|---|--|----------------|-----------------|
| G. | 1 | Change in provisions and allowances relating to operations and in prepaid expenses (specific-purpose expenses) | | |
| IV. | 2 | Other operating revenues | 2,612 | 2,945 |
| H. | 1 | Other operating expenses | 538 | 777 |
| V. | 2 | Transfer of operating revenues | | |
| I. | 1 | Transfer of operating expenses | | |
| * | | Profit or loss on operating activities | 198,420 | 198,502 |
| VI. | 1 | Revenue from sale of securities and interests | | |
| J. | 1 | Securities and interests sold | | |
| VII. | | Income from financial investments | 0 | 0 |
| VII. | 1 | Income from subsidiaries and associates | | |
| | 2 | Income from other long-term securities and interests | | |
| | 3 | Income from other financial investments | | |
| VIII. | 1 | Income from short-term financial assets | | |
| K. | 2 | Expenses related to financial assets | | |
| IX. | 1 | Gain on revaluation of securities and derivatives | | |
| L. | 2 | Loss on revaluation of securities and derivatives | | |
| M. | 1 | Change in provisions and allowances relating to financial activities | | |
| X. | 1 | Interest income | 643 | 872 |
| N. | 2 | Interest expense | | |
| XI. | 1 | Other finance income | 18 | 10 |
| O. | 2 | Other finance cost | 31 | 48 |
| XII. | 1 | Transfer of finance income | | |
| P. | 2 | Transfer of finance cost | | |

FINANCIAL REPORT / FINANCIAL STATEMENT AS OF 31ST DECEMBER 2013

INCOME STATEMENT – LONG FORM (CZK THOUSANDS)

| | | | Current year | Prior year 2012 |
|-------|--|---|--------------|-----------------|
| * | Profit or loss on financial activities | | 630 | 834 |
| Q. | Tax on profit or loss on ordinary activities | | 38,110 | 38,274 |
| Q. | 1 | – due | 38,490 | 38,045 |
| Q. | 2 | – deferred | (380) | 229 |
| ** | Profit or loss on ordinary activities after taxation | | 160,940 | 161,062 |
| XIII. | 1 | Extraordinary gains | | |
| R. | 2 | Extraordinary losses | | |
| S. | 1 | Tax on extraordinary profit or loss | 0 | 0 |
| S. | 1 | – due | | |
| S. | 2 | – deferred | | |
| * | Extraordinary profit or loss | | 0 | 0 |
| | 1 | Transfer of share of profit or loss to partners (+/-) | | |
| *** | Profit or loss for the year (+/-) | | 160,940 | 161,062 |
| **** | Profit or loss before taxation | | 199,050 | 199,336 |

PREPARED ON: 21 March 2014

Signature of accounting entity's statutory body:

Ing. Rudolf Kypita

Jan Starý

Person responsible for accounting
(name, signature):

Ing. Pavel Burša

Person responsible for financial statements
(name, signature):

Ing. Pavel Burša

01. DESCRIPTION OF THE COMPANY

ČSOB Leasing pojišťovací makléř, s.r.o. ("the Company") is a limited liability company incorporated on 17 May 2004 in the Czech Republic. The Company's registered office is located at Na Pankráci 60/310, 140 00 Prague 4, Czech Republic, and the business registration number (IČ) is 271 51 221. The Company is involved in insurance brokerage activities.

The parent company is ČSOB Leasing, a.s. ("ČSOBL"), which holds a 100% interest in the Company's basic capital, and the parent company of the entire group is Československá obchodní banka, a.s. The ultimate parent company is KBC Group N.V., with its registered office in Belgium.

The Company is included in the consolidated group of the parent company ČSOBL, which prepares consolidated financial statements.

Members of the statutory bodies as at 31 December 2013 were as follows:

| Statutory Representatives | | From |
|---------------------------|--------------------|----------------|
| Statutory Representative | Mgr. Petr Neuvirth | 1 January 2011 |
| Statutory Representative | Jan Starý | 17 May 2004 |

Changes made to the Commercial Register in 2013 concerning the composition of the statutory bodies were as follows:

| Statutory Representatives | | Until |
|---------------------------|------------------------|-----------------|
| Statutory Representative | Mgr. Ivana Vondráčková | 4 December 2013 |

02. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines and the Czech Accounting Standards as applicable for 2013 and 2012.

The amounts disclosed in the financial statements, including the notes, are rounded to thousands of Czech Crowns, unless stated otherwise.

Explanation Added for Translation into English

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

03. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in preparing the 2013 and 2012 financial statements are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are recorded at their acquisition cost and related expenses.

Intangible fixed assets with a cost exceeding CZK 60 thousand are amortized on a straight line basis over their useful economic lives.

Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset.

The useful economic lives are as follows:

| | Years |
|--------------------------------------|-------|
| Foundation and organization expenses | 5 |
| Software | 3 |

If the net book value of amortized assets exceeds their estimated value in use, an allowance is created against such assets.

Small intangible assets with a cost of less than CZK 60 thousand are expensed in the year of acquisition.

b) Financial Assets

Short-term financial assets consist of cash in hand and at bank.

c) Receivables

Receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income.

d) Equity

The basic capital of the Company is stated at the amount recorded in the Commercial Register.

In accordance with the Commercial Code, the Company creates a legal reserve fund from profit or from amounts contributed by partners above their contributions.

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

In the first year in which profit is generated, the Company allocates profit to the legal reserve fund (not more than 5% of basic capital). In subsequent years, the legal reserve fund is allocated 5% of profit after tax until the fund reaches 10% of basic capital. These funds can only be used to offset losses.

e) Liabilities

Long-term liabilities and current liabilities are carried at their nominal values.

f) Operating Leases

The Company leases personal automobiles under operating leases from ČSOBL, which are recorded by expensing the lease payments. Lease payments paid in advance are recorded as prepaid expenses and amortized over the lease term.

g) Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

The Company recognizes as an expense any additions to provisions for or allowances against risks, losses or physical damage that are known as at the date of the financial statements.

Commissions on insurance are recorded upon the provision of services after the commission amount is determined in a reliable manner.

h) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

i) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.).

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization. A deferred tax asset is recorded if it is likely to be tax deductible in the following tax periods.

j) Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation

is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of preparation of the financial statements the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.



FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

04. FIXED ASSETS

Intangible Fixed Assets

| COST | 31/12/2011 | Additions | Disposals | 31/12/2012 | Additions | Disposals | 31/12/2013 |
|--------------------------------------|------------|-----------|-----------|------------|-----------|-----------|------------|
| Foundation and organization expenses | 509 | 0 | 0 | 509 | 0 | 0 | 509 |
| Software | 868 | 0 | 0 | 868 | 83 | 0 | 951 |
| Intangibles in progress | 0 | 83 | 0 | 83 | 218 | (83) | 218 |
| Total | 1,377 | 83 | 0 | 1,460 | 301 | (83) | 1,678 |

| ACCUMULATED AMORTIZATION | 31/12/2011 | Amortization during year | Disposals | 31/12/2012 | Amortization during year | Disposals | 31/12/2013 |
|--------------------------------------|------------|--------------------------|-----------|------------|--------------------------|-----------|------------|
| Foundation and organization expenses | 509 | 0 | 0 | 509 | 0 | 0 | 509 |
| Software | 568 | 300 | 0 | 868 | 42 | 0 | 910 |
| Total | 1,077 | 300 | 0 | 1,377 | 42 | 0 | 1,419 |
| Net book value | 300 | 0 | 0 | 83 | 0 | 0 | 259 |

05. RECEIVABLES

| | 31/12/2013 | 31/12/2012 |
|--|------------|------------|
| Trade receivables | 3,091 | 4,640 |
| Receivables from group companies | 55,000 | 0 |
| Due from government – tax receivables | 7,703 | 14,198 |
| Unbilled revenue and other receivables | 53,986 | 48,925 |
| Short-term receivables | 119,780 | 67,763 |
| Deferred tax asset | 967 | 587 |
| Receivables from group companies | 0 | 0 |
| Long-term receivables | 967 | 587 |

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

| Overdue receivables | 31/12/2013 | 31/12/2012 |
|---------------------|------------|------------|
| 1 to 30 days | 0 | 668 |
| 31 to 90 days | 0 | 58 |
| 91 to 180 days | 0 | 0 |
| 181 to 365 days | 0 | 1 |
| Over 1 year | 0 | 1,262 |

The Company has no receivables secured by collateral or guarantees.

As at 31 December 2013 and 2012, the Company had long-term receivables of CZK 967 thousand and CZK 587 thousand, respectively, arising from a deferred tax asset (see Note 9). Unbilled revenue represents, in particular, commissions for insurance brokerage and interest due on loans. Receivables from related parties (see Note 13).

06. EQUITY

The basic capital of the Company consists of a fully paid interest of ČSOBL, the sole shareholder, with a nominal value of CZK 2,000 thousand.

A legal reserve fund has been created up to the statutory amount of 10% of the basic capital and will not be further increased.

The profit distribution for 2013 was not approved as at the date of the financial statements.

The movements in the capital accounts during 2013 and 2012 were as follows:

| | Balance as at 31/12/2011 | Increase | Decrease | Balance as at 31/12/2012 | Increase | Decrease | Balance as at 31/12/2013 |
|--------------------|--------------------------|----------|----------|--------------------------|----------|----------|--------------------------|
| Basic capital | 2,000 | 0 | 0 | 2,000 | 0 | 0 | 2,000 |
| Legal reserve fund | 200 | 0 | 0 | 200 | 0 | 0 | 200 |

The Annual General Meetings held on 25 June 2013 and 29 June 2012, respectively, approved the following profit distribution for 2012 and 2011:

| Profit for 2011 | 180,933 | Profit for 2012 | 161,062 |
|--|---------|--|---------|
| Allocation to legal reserve fund | 0 | Allocation to legal reserve fund | 0 |
| Dividends and profit distribution | 180,933 | Dividends and profit distribution | 161,062 |
| Undistributed profits added to retained earnings | 0 | Undistributed profits added to retained earnings | 0 |
| Retained earnings as at 31/12/2012 | 0 | Retained earnings as at 31/12/2013 | 0 |
| Accumulated loss as at 31/12/2012 | 0 | Accumulated loss as at 31/12/2013 | 0 |

The profit distributions for 2011 and 2012 were made through an offset of loans granted to the parent company ČSOBL and through an additional payment made to the ČSOBL current account.

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

07. PROVISIONS

The Company creates only a provision for corporate income tax due.

| | Provision for income tax |
|---------------------------------|--------------------------|
| Balance as at 31/12/2011 | 0 |
| Additions | 36,895 |
| Corporate income tax prepayment | (36,895) |
| Deductions | 0 |
| Balance as at 31/12/2012 | 0 |
| Additions | 37,884 |
| Corporate income tax prepayment | (37,884) |
| Deductions | 0 |
| Balance as at 31/12/2013 | 0 |

As at 31 December 2013 and 2012, the paid income tax advances exceed the provision for income tax. Due to this fact, the Company has an income tax receivable of CZK 7,578 thousand and CZK 14,075 thousand as at 31 December 2013 and 2012 presented within due from government – tax receivables (see Note 5).

08. CURRENT LIABILITIES

The Company had overdue payables of CZK 46 thousand and CZK 308 thousand as at 31 December 2013 and 2012, respectively, as follows:

| Overdue payables | 31/12/2013 | 31/12/2012 |
|------------------|------------|------------|
| 1 to 30 days | 46 | 218 |
| 31 to 90 days | 0 | 50 |
| 91 to 180 days | 0 | 40 |
| 181 to 365 days | 0 | 0 |
| Over 1 year | 0 | 0 |

The Company has no current payables secured by collateral or guarantees in favor of a creditor.

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

| | 31/12/2013 | 31/12/2012 |
|---|---------------|--------------|
| Trade payables | 2,201 | 3,069 |
| Other liabilities | 9 | 40 |
| Payables to employees | 1,148 | 1,015 |
| Liabilities from social security and health insurance | 694 | 537 |
| Due to government – tax payables | 255 | 201 |
| Unbilled deliveries | 5,880 | 3,288 |
| Total payables | 10,187 | 8,150 |

As at 31 December 2013, the Company had liabilities of CZK 694 thousand owing to social security and health insurance premiums.
Unbilled deliveries represent, in particular, estimated bonuses and back-office service outsourcing.
Payables to related parties (see Note 13).

09. INCOME TAXES

| | 2013 | 2012 |
|--|---------|---------|
| Profit before taxes | 199,050 | 199,336 |
| Non-taxable revenues | (3,324) | (5,762) |
| Non-deductible expenses | 3,663 | 610 |
| Taxable income | 199,389 | 194,184 |
| Current income tax rate | 19% | 19 % |
| Tax | 37,884 | 36,895 |
| Adjustment of the tax paid in previous years | 606 | 1,150 |
| Current tax expense | 38,490 | 38,045 |

As at 31 December 2013 and 2012, the Company recorded a deferred tax asset of CZK 967 thousand and CZK 587 thousand, respectively, arising from wage bonuses and related unpaid social and health insurance premiums.

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

10. LEASES

The Company leases fixed assets as a lessee, which are not recorded on balance sheet (see Note 3f).
As at 31 December 2013 and 2012, assets which are being used by the Company under operating leases consist of the following:

| Description | Terms/Conditions | Expense in 2013 | Expense in 2012 | Cost |
|----------------|------------------|-----------------|-----------------|-------|
| Passenger cars | 48 months | 1,118 | 1,118 | 3,665 |

11. REVENUES AND EXPENSES

The breakdown of revenues on ordinary activities is as follows:

| | 2013 | | 2012 | |
|-------------------------------------|----------|---------|----------|---------|
| | Domestic | Foreign | Domestic | Foreign |
| Revenues from insurance brokerage | 236,908 | 0 | 232,063 | 0 |
| Revenues from provision of services | 7,283 | 0 | 5,376 | 0 |
| Other operating revenues | 2,612 | 0 | 2,945 | 0 |
| Total revenues | 246,803 | 0 | 240,384 | 0 |

In 2013, the revenues of the Company were concentrated primarily with seven main customers in the insurance industry.
The statutory auditor's fee is disclosed in the notes to the consolidated financial statements of ČSOB, a.s.

12. PERSONNEL AND RELATED EXPENSES

The breakdown of personnel expenses is as follows:

| | 2013 | | 2012 | |
|---|-----------------|---------------------------------------|-----------------|---------------------------------------|
| | Total personnel | Of which members of management bodies | Total personnel | Of which members of management bodies |
| Average number of employees | 32 | 1 | 28 | 1 |
| Wages and salaries | 21,718 | 2,210 | 20,215 | 2,210 |
| Bonuses to members of managerial bodies | 120 | 120 | 120 | 120 |
| Social security and health insurance | 7,440 | 605 | 6,340 | 605 |
| Social cost | 875 | 0 | 825 | 0 |
| Total personnel expenses | 30,153 | 2,935 | 27,500 | 2,935 |

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

Members and former members of statutory and supervisory bodies received total bonuses of CZK 120 thousand and CZK 120 thousand in 2013 and 2012, respectively. The Company's management comprises a statutory representative who is an employee of the Company. The statutory representative can use a company car for private purposes. The vehicle is financed under an operating lease.

13. RELATED PARTY INFORMATION

The Company receives services from related parties in the ordinary course of business. Transactions with related parties performed in 2013 and 2012 are shown in the following table. The Company also sells services to related parties in the ordinary course of business and provides loans to ČSOBL.

| | 31/12/2013 | 31/12/2012 |
|---|----------------|----------------|
| Receivables | | |
| ČSOB Pojišťovna, a.s., member of ČSOB holding – trade receivables and unbilled revenues | 41,171 | 35,944 |
| ČSOB Leasing, a.s. – trade receivables | 734 | 538 |
| Total receivables | 41,905 | 36,482 |
| Payables | | |
| ČSOB Pojišťovna, a.s., member of ČSOB holding – insurance premium collection | 284 | 1,317 |
| ČSOB Leasing, a.s. – trade payables and unbilled deliveries | 843 | 662 |
| Total payables | 1,127 | 1,979 |
| | | |
| | 2013 | 2012 |
| Expenses | | |
| ČSOB Leasing, a.s. | 9,173 | 8,644 |
| Československá obchodní banka, a.s. | 29 | 29 |
| Total expenses | 9,202 | 8,673 |
| Revenues | | |
| ČSOB Leasing, a.s. | 7,283 | 6,066 |
| ČSOB Pojišťovna, a.s., member of ČSOB holding | 114,572 | 104,266 |
| Československá obchodní banka, a.s. | 170 | 164 |
| Total revenues | 122,025 | 110,496 |

Trade receivables and payables arose on an arm's length basis. Loans granted to ČSOBL bear a market interest rate.

FINANCIAL REPORT / ANNEX TO THE FINANCIAL STATEMENT

14. SUBSEQUENT EVENTS

Following changes to the Commercial Register have been made until the day of the preparation of the financial statements:

| | Statutory Representatives | From |
|--------------------------|---------------------------|--------------|
| Statutory Representative | Ing. Rudolf Kypta | 5 March 2014 |
| Statutory Representative | Ing. Josef Rosenkranz | 5 March 2014 |

There were no other material events subsequent to the balance sheet date to be disclosed in the financial statements.

PREPARED ON: 21 March 2014

Signature of accounting unit's statutory body:



Ing. Rudolf Kypta



Jan Starý

Person responsible for accounting
(name, signature):



Ing. Pavel Burša

Person responsible for financial statements
(name, signature):



Ing. Pavel Burša

FINANCIAL REPORT / INDEPENDENT AUDITOR REPORT



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

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ČSOB Leasing pojišťovací makléř, s.r.o.:

We have audited the accompanying financial statements of ČSOB Leasing pojišťovací makléř, s.r.o., which comprise the balance sheet as at 31 December 2013, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information. For details of ČSOB Leasing pojišťovací makléř, s.r.o., see Note 1 to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ČSOB Leasing pojišťovací makléř, s.r.o., as at 31 December 2013, and its financial performance for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

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

D. Burnham
Douglas Burnham
Partner

Iveta Sobolová
Iveta Sobolová
Auditor, License No. 2328

21 March 2014
Prague, Czech Republic

FINANCIAL REPORT / REPORT ON RELATIONS WITH RELATED PARTIES

Report of Statutory Representatives of ČSOB Leasing pojišťovací makléř, s.r.o. on Related Parties pursuant to Section 66a of Act No. 513/1991 Coll., the Commercial Code, as amended (hereinafter the “Commercial Code”)

01. CONTROLLED PARTY

ČSOB Leasing pojišťovací makléř, s.r.o.

Prague 4, postal code 140 00, Na Pankráci 60/310
Business Registration No. (IČ): 27151221,
entered in the Commercial Register maintained by the
Municipal Court in Prague, Section C, Insert No. 1000163
(hereinafter the “Company”)

02. CONTROLLING PARTY

Directly Controlling Party:

ČSOB Leasing, a.s.,

with its registered office in Prague 4, Na Pankráci 310/60,
postal code 140 00
Business Registration No. (IČ): 63998980,
entered in the Commercial Register maintained by the
Municipal Court in Prague, Section B, Insert No. 3491

Ultimate Controlling Party:

KBC Group NV

Belgium, 1080 Brussels, Havenlaan 2

03. REPORTING PERIOD

This Report describes relations between Related Parties pursuant to Section 66a of the Commercial Code for the last

reporting period, i.e. the period from 1 January 2013 to 31 December 2013.

04. RELATIONS BETWEEN RELATED PARTIES

In the Reporting Period, the Company maintained relations with Related Parties as follows:

4.1. Core Business Operations of the Company

4.1.1 Insurance Brokerage

In the Reporting Period, the Company entered into agreements with some Related Parties on business representation, insurance brokerage and administration and related activities. Alternatively, in the Reporting Period the Related Parties provided performance on the basis of agreements entered into in the prior reporting periods. The Related Parties provided counter-performance in the form of commissions paid or provision of the agreed upon services. All agreements were made on an arm's length basis and their performance resulted in no detriment to the Company.

4.2. Other Relations

4.2.1 Loan Agreements

In the Reporting Period, the Company entered into a loan agreement with the Controlling Party. Alternatively, in the Reporting Period the Controlling Party provided performance on the basis of agreements entered into in prior reporting periods. The Controlling Party provided counter-performance in the form of payment of loan interest and principals. All agreements were made on an arm's

length basis and their performance resulted in no detriment to the Company.

4.2.2 Cash Management

In the Reporting Period, the Company entered into agreements with some Related Parties. The scope of the agreements comprised provision of services related to maintenance of current accounts or term deposits, and services related to internet banking. Alternatively, in the Reporting Period the Related Parties provided performance on the basis of agreements entered into in prior reporting periods. The Company provided counter-performance in the form of fees paid. All agreements were made on an arm's length basis and their performance resulted in no detriment to the Company.

4.2.3 Lease and Sub-lease agreements

In the Reporting Period, the Company entered into agreements with some Related Parties on lease and sub-lease of non-residential premises, parking places and car leases. Alternatively, in the Reporting Period the Related Parties provided performance on the basis of lease and sub-lease agreements entered into in prior reporting periods. The Related Parties provided counter-performance in the form of contractual fees or lease of assets or sets of assets. All agreements were made on an arm's length basis and their performance resulted in no detriment to the Company.

4.2.4 Cooperation Agreements – Employee Benefits

In the Reporting Period, the Company entered into cooperation agreements with some Related Parties on employee benefits. Alternatively, in the Reporting Period the

FINANCIAL REPORT / REPORT ON RELATIONS WITH RELATED PARTIES

Related Parties provided performance on the basis of cooperation agreements entered into in prior reporting periods. The Related Parties provided counter-performance in the form of employee benefits. All agreements were made on an arm's length basis and their performance resulted in no detriment to the Company.

4.2.5 Other Agreements

Agreements entered into with Related Parties in the Reporting Period.
None.

Counter-performance on the basis of agreements entered into with Related Parties in prior reporting periods

| Agreement | Counter-performance | Related Party | Detriment |
|---|------------------------|---------------|-----------|
| Agreement on outsourcing of services (incl. Amendments) | Fees paid for services | ČSOB Leasing | none |

4.3. Other Legal Actions

| Legal Action | Related Party Executing the Action | Related Party Benefiting from the Legal Action |
|--|------------------------------------|--|
| Decision of the single member on distribution of profits | ČSOB Leasing | ČSOB Leasing pojišťovací makléř |

05. CONCLUSION

The Company's Statutory Representatives hereby represent that they have exercised due care and diligence in determining the group of Related Parties for purposes of this Report. The Statutory Representatives believe that any pecuniary or other performance or counter-performance arising from the foregoing relations between Related Parties was provided on an arm's length basis as in relations to other non-related parties, and resulted in no detriment to the Company. The Statutory Representatives disclosed significant receivables from, liabilities to and transactions with the Related Parties. The respective balances are included in Note 13 to the Financial Statements.

PRAGUE, 21 MARCH 2014

ČSOB Leasing pojišťovací makléř, s.r.o.



Ing. Rudolf Kypta, Statutory Representative



Jan Starý, Statutory Representative

CONTACT INFORMATION

ČSOB Leasing pojišťovací makléř, s.r.o.

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