

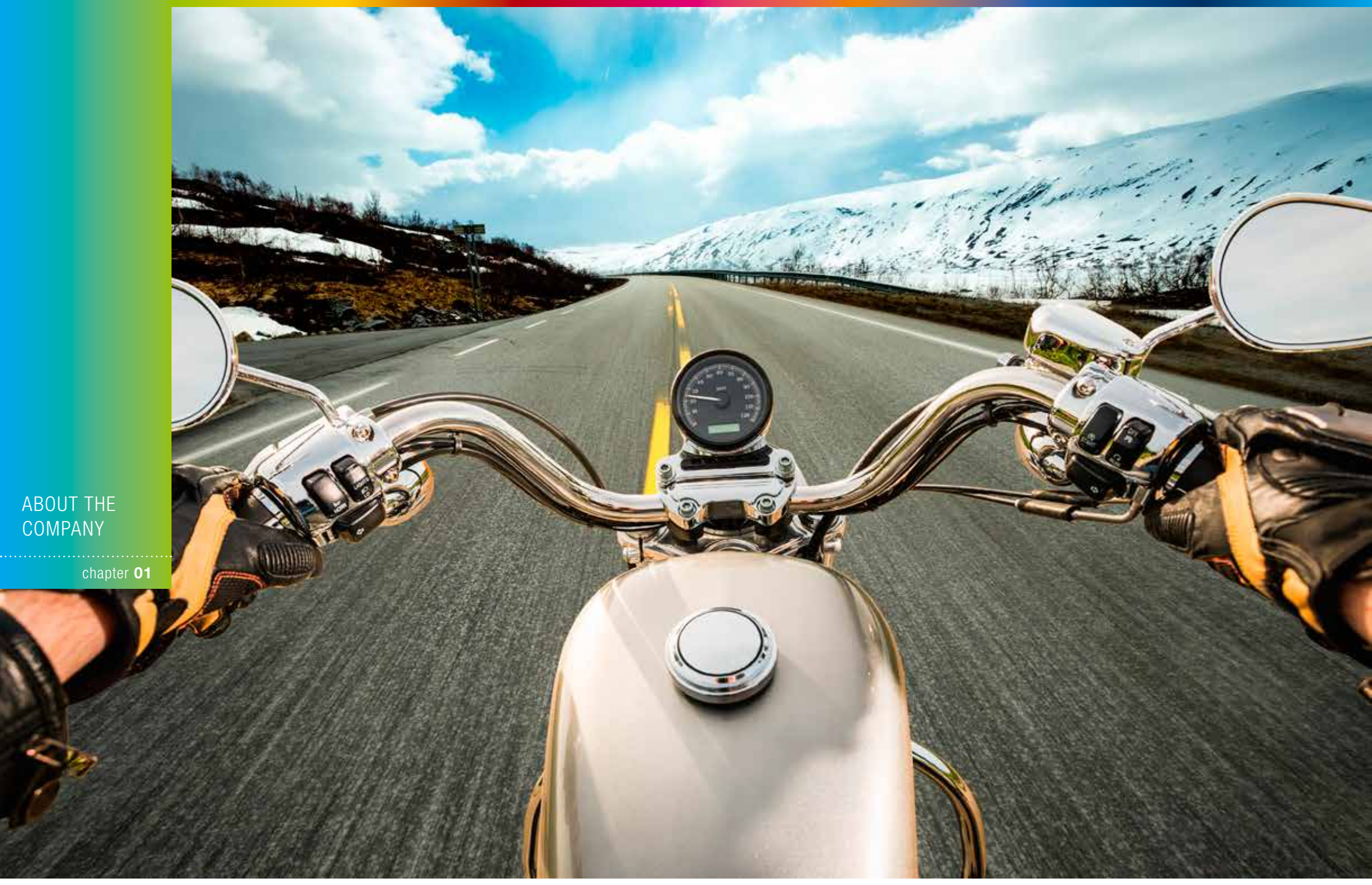
ANNUAL REPORT

2015

ČSOB Leasing pojišťovací makléř, s. r. o.

<u>COMPANY</u>	ČSOB Leasing pojišťovací makléř, s. r. o.
<u>ADDRESS</u>	Na Pankráci 60/310, 140 00 Prague 4, Czech Republic
<u>LEGAL FORM</u>	limited liability company
<u>REGISTRATION</u>	registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 100163
<u>DATE OF REGISTRATION</u>	17 May 2004
<u>IDENTIFICATION NUMBER</u>	27151221
<u>SUBSIDIARY OF</u>	ČSOB Leasing, a. s.
<u>URL</u>	www.csoblpm.cz

01 About the company	04
Company mission and profile	05
The management of ČSOB Leasing Pojišťovací Makléř, s. r. o.	06
02 Highlights of 2015	07
03 Insurance products and services offered, partners	09
Insurance products and services offered for the customers of ČSOB Leasing	10
Other services offered	11
Partners	12
04 Annual report statement	13
05 Financial Report	15
Balance sheet in full format	16
Profit and loss statement in full format	22
Appendix to financial statements	25
Report on relations among related entities	34
06 Contacts	38



ABOUT THE
COMPANY

chapter 01

COMPANY MISSION AND PROFILE

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

It also provides related services including assistance with claim settlement.

ČSOB Leasing pojišťovací makléř is a wholly owned subsidiary of ČSOB Leasing. It provides all types of insurance, in particular vehicle and machinery insurance, car insurance (obligatory insurance), payment protection insurance (PPI) and other kinds of insurance that supplement the financial services offered by ČSOB Leasing or PSA Finance.

The Company can provide insurance for all of the items financed, particularly automobiles, motorcycles, machinery and equipment (also when part of buildings), technology, IT equipment (hardware) and non-standard items (railway carriages, aircraft, ships). The purchase of these items can be financed through a capital lease, loan, or operating lease (and also as part of full-service leasing, fleet management and leaseback).

ČSOB Leasing pojišťovací makléř also offers the clients of ČSOB Leasing and PSA Finance the procurement of attractive insurance products for automobiles, technology, machinery and equipment not financed through the financial services of these companies. In addition, the Company offers a range of insurance products for other commodities and other types of risks.

It cooperates, in all areas of insurance, with all major domestic and foreign insurers.

The Company has arranged framework/group insurance policies for transport equipment with ČSOB Pojišťovna, Allianz pojišťovna, Generali pojišťovna and Kooperativa pojišťovna for both of its clients. In the case of ČSOB Leasing, this also includes Česká pojišťovna, UNIQA Pojišťovna and Servisní pojišťovna. In the case of commodity, machinery and equipment insurance for ČSOB Leasing, this also includes ČSOB Pojišťovna, Allianz pojišťovna, Česká pojišťovna and Kooperativa pojišťovna.

The Company is able to arrange various types of insurance policies including framework/group insurance policies which enable clients quickly and comfortably to purchase insurance to supplement the financial services offered by ČSOB Leasing or PSA Finance.

The premium is included in the client's payments for financial products (a lease, loan).

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



THE MANAGEMENT OF ČSOB LEASING POJIŠŤOVACÍ MAKLÉŘ, S. R. O. 31 December 2015



Ing. Libor BOSÁK
chairman of the board of directors



Ing. Josef ROSENKRANZ
vice-chairman of the board of directors



Ing. Pavel PROKŠ
member of the board of directors



Ing. Rudolf KYPTA
member of the board of directors



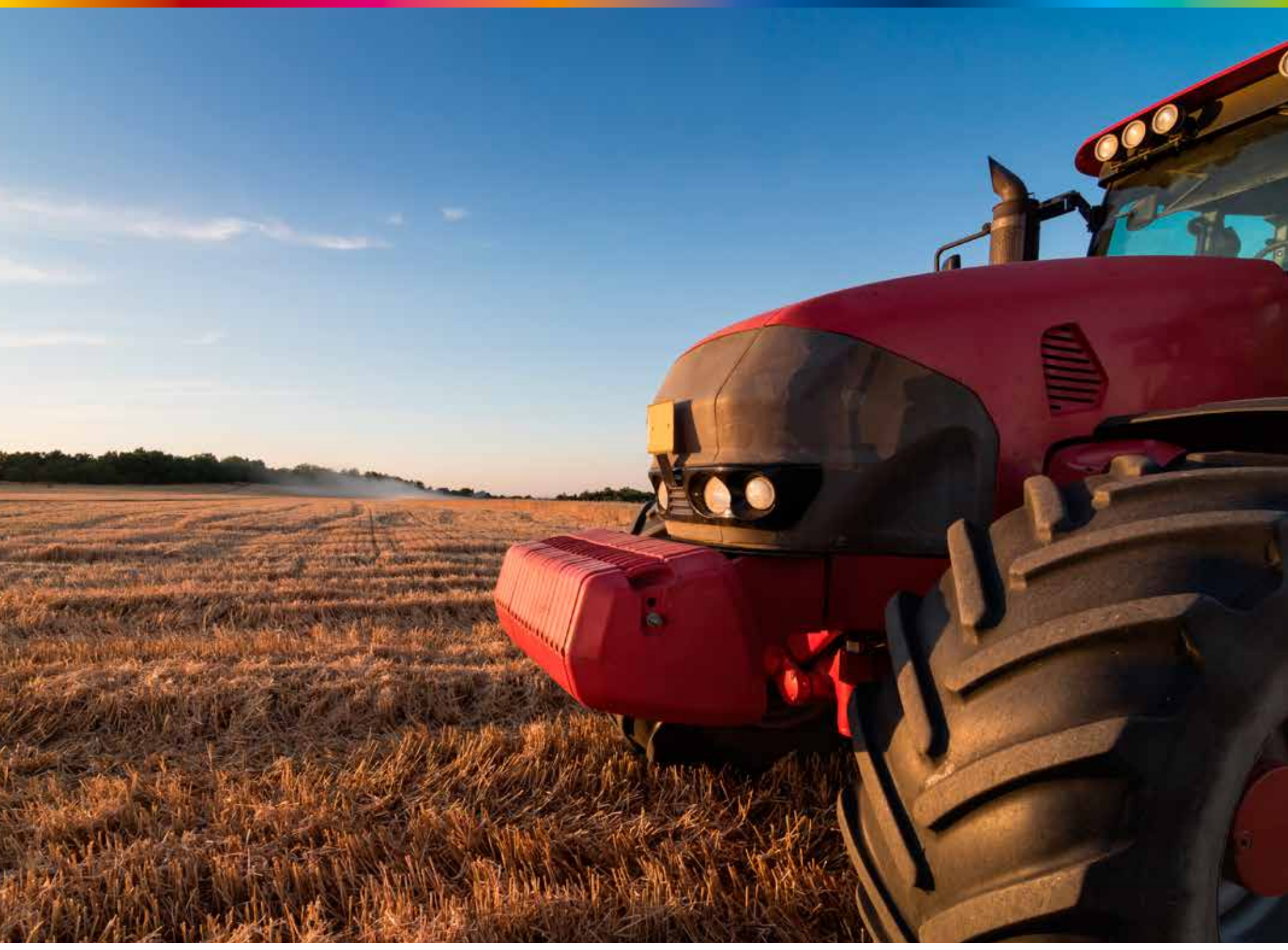
Mgr. Petr NEUVIRTH
member of the board of directors



Bc. Jan ČÍŽEK
member of the board of directors

HIGHLIGHTS
OF 2015

chapter 02





- Czech Insurance Association data for last year shows that premium for 2015 recorded a year-on-year increase of CZK 1.1 billion, reaching CZK 116.1 billion – an increase of 1%. Insurance premium grew 0.3% in the second half of the year compared with the first half of the year. As in the previous year, non-life insurance dominated the insurance market, recording an increase of 4%.
- A positive trend was observed in the non-life insurance market where premium increased from CZK 68.9 billion in 2014 to CZK 71.6 billion – an increase amounting to CZK 2.7 billion. Car insurance premium increased 1.9%. This increase was principally related to increased motorisation.
- An amendment to Act no. 38/2004 on Insurance Intermediaries and Independent Loss Adjusters is on the Government's legislative agenda for 2016 (the EU's new IDD is to be transposed to Czech law). An insurance law amendment act will be discussed at the same time.
- In 2015, ČSOB Leasing pojišťovací makléř **achieved CZK 1.128 billion in brokered insurance premiums.**
- **During 2015, the Company actively participated in the preparation and execution of successful marketing campaigns for ČSOB Leasing:** "Count with us" (in this campaign, clients of ČSOB Leasing were, for the first time, offered vignettes for 2016 as a bonus), SME programs targeting bus operators and haulage companies ("Autobus" and "Kamion", respectively) as well as the "AGRO 2015" program to promote services relating to the purchase of agricultural machinery.
- The Company continued its exclusive offer of a range of insurance products from ČSOB Pojišťovna as part of ČSOB Leasing's Autopůjčka cross-selling initiative.
- As part of the project-based development of internal systems, the Company successfully completed **a re-design of the insurance section of the eLine web application.** The customer receives a calculation (which can then be approved) and is able to conclude complex contracts relating to a broad spectrum of commodities at a point of sale in a matter of minutes.
- The Company actively cooperated in cross-selling activities within the Group by arranging insurance for the corporate clients of ČSOB and is currently looking to extend these activities to the SME segment.
- Furthermore, the Company intensified its activities in offering insurance not related to leasing through on-line tools. It rolled out a new functionality of the client self-service portal for the clients of ČSOB Leasing whose finance contracts are about to expire.
- The Company began cooperation with new partners, **expanding its own network of subordinated insurance intermediaries (SII).**



INSURANCE
PRODUCTS
AND SERVICES
OFFERED

chapter 03

INSURANCE PRODUCTS AND SERVICES OFFERED FOR THE CUSTOMERS OF ČSOB LEASING

BASIC TYPES OF INSURANCE

- Casco insurance;
- car insurance (obligatory insurance);
- machinery and equipment insurance;
- payment protection insurance (CPI).

TYPES OF SUPPLEMENTAL INSURANCE (EXAMPLES)

- windshield insurance;
- vehicle occupant insurance;
- luggage insurance;
- assistance service insurance;
- replacement vehicle hire insurance;
- legal expenses insurance;
- GAP (guaranteed asset protection) insurance (for transport equipment) – covers the difference between the actual cash value of the vehicle and its net book value;

- GAP (guaranteed asset protection) insurance (for transport equipment) – covers the difference between the actual cash value of the vehicle and its price as new;
- transport insurance;
- machinery and equipment installation insurance;
- freight insurance.

CLAIM SETTLEMENT STANDARDS

The Company has negotiated standards with cooperating insurers for processing claims which significantly expedite claim resolution. The standards relate to, among other things, the setting of mandatory inspection dates for the inspection of cars by insurance technicians and of deadlines for indemnification as well as the assessment of the value of a vehicle after an accident.

THE PROVISION OF INSURANCE AFTER THE EXPIRY OF A CUSTOMER'S CONTRACT (A LEASE, LOAN)

ČSOB Leasing pojišťovací makléř offers the clients of ČSOB Leasing the option to continue their insurance after the expiry of their contract under the same advantageous conditions as they enjoyed under their previous policy. This service is provided free of charge to the clients of ČSOB Leasing and allows for a hassle-free continuation of their insurance policy.





OTHER SERVICES OFFERED

The Company provides comprehensive risk management and insurance services to business and non-commercial entities that cover other property in addition to the items financed, various types of liability, etc. The company can also arrange employee benefit offers.

These services include:

RISK MANAGEMENT

- risk analysis and evaluation including insurance policy review;
- creation of risks reports;
- design of insurance programs.

IMPLEMENTATION OF INSURANCE PROGRAMS

- insurance tenders;
- placement of risks in 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 reduction in indemnification due to ignorance, etc.;
- damage reports, security inspections, collation of documents;
- ensuring the timely payment of indemnification or advances of indemnification;
- keeping record of claims.

CONSULTING IN THE AREAS OF INSURANCE AND THE INSURANCE INDUSTRY

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

A COMPREHENSIVE RANGE OF INSURANCE PRODUCTS

- property insurance and business interruption insurance;
- building and installation insurance;
- liability insurance, including product liability insurance;
- insurance for members of statutory bodies (D&O);
- employee liability insurance against damage to the employer;
- insurance of motor vehicle fleets;
- insurance for freight companies;
- freight insurance;
- agricultural insurance (crops and livestock);
- aviation and marine insurance;
- trade credit insurance and financial guarantee insurance;
- insurance against the cancellation of cultural or sporting events;
- temporary or permanent disability insurance;
- accident insurance;
- group life insurance;
- pension insurance;
- employee programs.

PARTNERS

COOPERATING INSURERS:

INSURANCE RELATED TO LEASING

- Allianz 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., člen holdingu ČSOB
- Generali Pojišťovna a. s.
- Kooperativa pojišťovna, a. s., Vienna Insurance Group
- Servisní pojišťovna, a. s.
- UNIQA pojišťovna, a. s.

INSURANCE NOT RELATED TO FINANCING

- AIG Europe Limited, organizační složka
- Allianz pojišťovna, a. s.
- Atradius Credit Insurance N.V., organizační složka
- 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., člen holdingu 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.
- Direct pojišťovna, a. s.
- UNIQA pojišťovna, a. s.







(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 2015, and the income statement and notes to the financial statements, including 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 Responsibilities for the Financial Statements

Management is responsible for preparation and presentation of financial statements that give a true and fair view 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 Responsibilities

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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ČSOB Leasing pojišťovací makléř, s.r.o. as at 31 December 2015, and its financial performance for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.



Other Information

Other information comprises information included in the annual report other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information included and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and whether the annual report has been prepared in accordance with applicable law or regulation. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

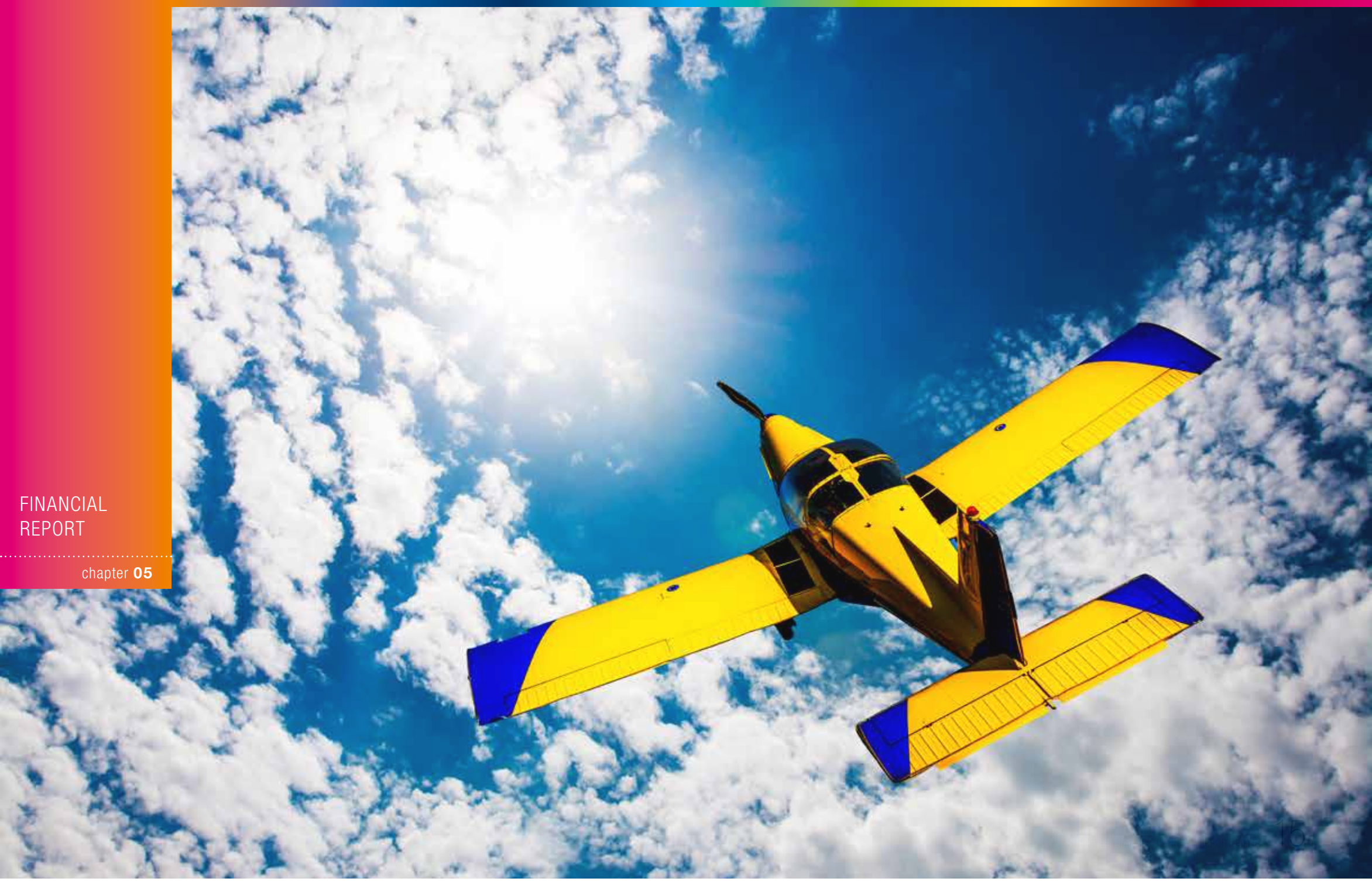
Ernst & Young Audit, s.r.o.
License No. 401

Iveta Šebelová

Iveta Šebelová, Auditor
License No. 2328

Douglas Burnham
Douglas Burnham
Partner

21 March 2016
Prague, Czech Republic



BALANCE SHEET – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

				Current year			Prior year 2014
				Gross	Allowances	Net	Net
TOTAL ASSETS				166,297	(1,641)	164,656	153,480
A. STOCK SUBSCRIPTION RECEIVABLE				0		0	0
B. FIXED ASSETS				1,677	(1,641)	36	181
B. I. Intangible assets				1,677	(1,641)	36	181
B.	I.	1	Foundation and organization expenses	509	(509)	0	0
		2	Research and development				
		3	Software	1,168	(1,132)	36	181
		4	Patents, royalties and similar rights				
		5	Goodwill				
		6	Other intangible assets				
		7	Intangible assets in progress				
		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				

BALANCE SHEET – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

				Current year			Prior year 2014
				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 and borrowings 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		164,409	0	164,409	153,207
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		1,088	0	1,088	993
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				
		5	Long-term advances granted				

BALANCE SHEET – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

		Current year			Prior year 2014
		Gross	Allowances	Net	Net
	6	Unbilled revenue			
	7	Other receivables			
	8	Deferred tax asset		1,088	993
C.	III.	Short-term receivables		109,368	62,601
C.	III.	1	Trade receivables	3,123	2,525
	2	Receivables from group companies with majority control		50,000	
	3	Receivables from group companies with control of 20%–50%			
	4	Receivables from partners			
	5	Social security and health insurance			
	6	Due from government – tax receivables		3,547	12,107
	7	Short-term advances granted			5
	8	Unbilled revenue		52,674	47,960
	9	Other receivables		24	4
C.	IV.	Short-term financial assets		53,953	89,613
C.	IV.	1	Cash	199	282
	2	Bank accounts		53,754	89,331
	3	Short-term securities and interests			
	4	Short-term financial assets in progress			
D.	I.	Accrued assets and deferred liabilities		211	92
D.	I.	1	Prepaid expenses	211	92
	2	Prepaid expenses (specific-purpose expenses)		142	92
	3	Unbilled revenue			
	3	Příjmy příštích období		69	

BALANCE SHEET – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

				Current year	Prior year 2014
TOTAL EQUITY & LIABILITIES				164,656	153,480
A.	EQUITY			151,173	141,840
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 corporation transformations		
		5	Gain or loss on corporation transformations		
		6	Gain or loss on revaluation upon corporation transformations		
A	III.	Funds created from profit		200	200
A	III.	1	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 (+ / -)		148,973	139,640

BALANCE SHEET – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

		Current year	Prior year 2014
B.	LIABILITIES	13,483	11,640
B. I.	Provisions	0	0
B. I. 1	Provisions created under special legislation		
2	Provision for pensions and similar obligations		
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		
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	13,483	11,640
B. III. 1	Trade payables	4,150	2,668
2	Liabilities to group companies with majority control		
3	Liabilities to group companies with control of 20%–50%		
4	Liabilities to partners		
5	Liabilities to employees	1,084	1,109
6	Liabilities arising from social security and health insurance	734	645

BALANCE SHEET – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

		Current year	Prior year 2014
7	Due to government – taxes and subsidies	289	239
8	Short-term advances received		
9	Bonds payable		
10	Unbilled deliveries	7,226	6,979
11	Other liabilities		
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	0	0
C. I. 1	Accruals		
2	Deferred income		

PREPARED ON: 21. 3. 2016

Signature of accounting entity's statutory body:

Ing. Pavel Prokš

Ing. Rudolf Kypta

Person responsible for accounting
(name, signature):

Ing. Pavel Burša

Person responsible for financial
statements (name, signature):

Ing. Pavel Burša

INCOME STATEMENT – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

			Current year	Prior year 2014
I.	1	Revenue from sale of goods		
A.	2	Cost of goods sold		
+		Gross margin	0	0
II.		Production	235,698	220,730
II.	1	Revenue from sale of finished products and services	235,698	220,730
	2	Change in inventory produced internally		
	3	Own work capitalized		
B.		Production related consumption	15,867	17,175
B.	1	Consumption of material and energy	480	474
B.	2	Services	15,387	16,701
+		Value added	219,831	203,555
C.		Personnel expenses	34,755	30,574
C.	1	Wages and salaries	25,539	22,307
C.	2	Bonuses to members of corporation management	0	60
C.	3	Social security and health insurance	8,266	7,362
C.	4	Other social costs	950	845
D.	1	Taxes and charges	1,709	1,486
E.	1	Amortization and depreciation of intangible and tangible fixed assets	145	78
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		

INCOME STATEMENT – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

			Current year	Prior year 2014
G.	1	Change in provisions and allowances relating to operations and in prepaid expenses (specific-purpose expenses)		
IV.	2	Other operating revenues	1,060	2,295
H.	1	Other operating expenses	378	1,080
V.	2	Transfer of operating revenues		
I.	1	Transfer of operating expenses		
*		Profit or loss on operating activities	183,904	172,632
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	436	521
N.	2	Interest expense		
XI.	1	Other finance income		
O.	2	Other finance cost	33	28
XII.	1	Transfer of finance income		
P.	2	Transfer of finance cost		

INCOME STATEMENT – LONG FORM (IN THOUSANDS OF CZECH CROWNS)

			Current year	Prior year 2014
*	Profit or loss on financial activities		403	493
Q.	Tax on profit or loss on ordinary activities		35,334	33,485
Q.	1	– due	35,429	33,511
Q.	2	– deferred	(95)	(26)
**	Profit or loss on ordinary activities after taxation		148,973	139,640
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 (+/-)		148,973	139,640
****	Profit or loss before taxation		184,307	173,125

SESTAVENO DNE: 21. 3. 2016

Signature of accounting entity’s statutory body:

Person responsible for accounting
(name, signature):

Person responsible for financial
statements (name, signature):

Ing. Pavel Prokš

Ing. Rudolf Kypta

Ing. Pavel Burša

Ing. Pavel Burša

1. 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 2015 were as follows:

BOARD OF STATUTORY REPRESENTATIVES		FROM
Chair	Ing. Libor Bosák	27. 2. 2015
Vice-chair	Ing. Josef Rosenkranz	5. 3. 2014
Member	Mgr. Petr Neuvirth	1. 1. 2011
Member	Ing. Pavel Prokš	27. 2. 2015
Member	Ing. Rudolf Kypta	5. 3. 2014
Member	Bc. Jan Čížek	6. 2. 2015

Changes made to the Commercial Register in 2015 concerning the composition of the statutory and supervisory bodies were as follows:

BOARD OF STATUTORY REPRESENTATIVES		UNTIL
Member	Jan Starý	30. 1. 2015

2. 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 2015 and 2014.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in preparing the 2014 and 2013 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 Articles of Association, the Company creates a reserve fund from profit or from amounts contributed by partners above their contributions.

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.

Realized derivatives transactions are shown within financial gains and losses on revaluation on a net basis.

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 prepares 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 are recognized in the financial statements provided these events provide additional

evidence about conditions that existed at the balance sheet date.

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.



4. FIXED ASSETS

a) Intangible Fixed Assets

COST							
	31/12/2013	Additions	Disposals	31/12/2014	Additions	Disposals	31/12/2015
Foundation and organization expenses	509	0	0	509	0	0	509
Software	951	218	0	1,168	0	0	1,168
Intangibles in progress	218	0	218	0	0	0	0
Total	1,678	218	218	1,677	0	0	1,677

ACCUMULATED AMORTIZATION							
	31/12/2013	Amortization during year	Disposals	31/12/2014	Amortization during year	Disposals	31/12/2015
Foundation and organization expenses	509	0	0	509	0	0	509
Software	910	78	0	987	145	0	1,132
Total	1,419	78	0	1,496	145	0	1,641
Net book value	259	0	0	181	0	0	36

5. RECEIVABLES

	31/12/2015	31/12/2014
Trade receivables incl. short-term advanced payments	3,123	2,530
Receivables from group companies	50,000	0
Due from government – tax receivables	3,547	12,107
Unbilled revenue and other receivables	52,698	47,964
Short-term receivables	109,368	62,601
Deferred tax asset	1,088	993
Receivables from group companies	0	0
Long-term receivables	1,088	993

Overdue receivables	31/12/2015	31/12/2014
1 to 30 days	0	2,769
31 to 90 days	0	1
91 to 180 days	0	0
181 to 365 days	0	0
Over 1 year	0	0

The Company has no receivables secured by collateral or guarantees.

As at 31 December 2015 and 2014, the Company had long-term receivables of CZK 1,088 thousand and CZK 993 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).

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

The profit distribution for 2015 was not approved as at the date of the financial statements.

The movements in the capital accounts during 2015 and 2014 were as follows:

	Balance as at 31/12/2013	Increase	Decrease	Balance as at 31/12/2014	Increase	Decrease	Balance as at 31/12/2015
Basic capital	2,000	0	0	2,000	0	0	2,000
Reserve fund	200	0	0	200	0	0	200

The Annual General Meetings held on 24 June 2015 and 25 June 2014, respectively, approved the following profit distribution for 2014 and 2013:

Profit for 2013	160,940	Profit for 2014	139,640
Allocation to legal reserve fund	0	Allocation to legal reserve fund	0
Dividends and profit distribution	160,940	Dividends and profit distribution	139,640
Undistributed profits added to retained earnings	0	Undistributed profits added to retained earnings	0
Retained earnings as at 31/12/2014	0	Retained earnings as at 31/12/2015	0
Accumulated loss as at 31/12/2014	0	Accumulated loss as at 31/12/2015	0

The profit distributions for 2013 and 2014 were made through an offset of loans granted to the parent company ČSOBL and through an additional payment made to the ČSOBL current account.

7. PROVISIONS

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

	Provision for income tax
Balance as at 31/12/2013	0
Additions	33,239
Corporate income tax prepayment	(33,239)
Deductions	0
Balance as at 31/12/2014	0
Additions	34,997
Corporate income tax prepayment	(34,997)
Deductions	0
Balance as at 31/12/2015	0

As at 31 December 2015 and 2014, the paid income tax advances exceed the provision for income tax. Due to this fact, the Company has an income tax receivable of CZK 3,370 thousand and CZK 11,888 thousand as at 31 December 2014 and 2013 presented within Due from government – tax receivables (see Note 5).

8. CURRENT LIABILITIES

The Company had overdue payables of CZK 0 thousand and CZK 3 thousand as at 31 December 2015 and 2014, respectively, as follows:

Overdue payables	31/12/2015	31/12/2014
1 to 30 days	0	2
31 to 90 days	0	0
91 to 180 days	0	1
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.

	31/12/2015	31/12/2014
Trade payables	4,150	2,668
Other liabilities	0	0
Payables to employees	1,084	1,109
Liabilities from social security and health insurance	734	645
Due to government – tax payables	289	239
Unbilled deliveries	7,226	6,979
Total payables	13,483	11,640

As at 31 December 2015, the Company had liabilities of CZK 734 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)

9. INCOME TAXES

	2015	2014
Profit before taxes	184,307	173,125
Non-taxable revenues	(1,802)	(966)
Non-deductible expenses	1,689	2,786
Taxable income	184,194	174,945
Current income tax rate	19%	19%
Tax	34,997	33,239
Adjustment of the tax paid in previous years	432	272
Current tax expense	35,429	33,511

As at 31 December 2015 and 2014, the Company recorded a deferred tax asset of CZK 1,088 thousand and CZK 993 thousand, respectively, arising from salary bonuses and related unpaid social and health insurance premiums.

10. LEASES

The Company leases fixed assets as a lessee, which are not recorded on balance sheet (see Note 3f).
As at 31 December 2015 and 2014, assets which are being used by the Company under operating leases consist of the following:

Description	Terms/Conditions	Expense in 2015	Expense in 2014	Cost
Passenger cars	48 months	1,308	1,041	3,980

11. REVENUES AND EXPENSES

The breakdown of revenues on ordinary activities is as follows:

	2015		2014	
	Domestic	Foreign	Domestic	Foreign
Revenues from insurance brokerage	228,414	0	213,447	0
Revenues from provision of services	7,284	0	7,283	0
Other operating revenues	1,060	0	2,295	0
Total revenues	236,758	0	223,025	0

In 2015, 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:

	2015		2014	
	Total personnel	Of which members of management bodies	Total personnel	Of which members of management bodies
Average number of employees	34	2	32	1
Wages and salaries	25,539	5,910	22,307	2,119

	2015		2014	
	Total personnel	Of which members of management bodies	Total personnel	Of which members of management bodies
Bonuses to members of managerial bodies	0	0	60	60
Social security and health insurance	8,266	1,513	7,362	509
Social cost	950	0	845	0
Total personnel expenses	34,755	7,423	30,574	2,668

Members and former members of statutory and supervisory bodies received total bonuses of CZK 0 thousand and CZK 60 thousand in 2015 and 2014, 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 2015 and 2014 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.

	31/12/2015	31/12/2014
Receivables		
ČSOB Pojišťovna, a. s., member of ČSOB holding – trade receivables and unbilled revenues	40,473	34,724
ČSOB Leasing, a. s. – trade receivables	0	734
Total receivables	40,473	35,458
Payables		
ČSOB Pojišťovna, a. s., member of ČSOB holding – insurance premium collection	0	0
ČSOB Leasing, a. s. – trade payables and unbilled deliveries	839	651
Total payables	839	651
	2015	2014
Expenses		
ČSOB Leasing, a. s.	8,869	8,972

	2015	2014
Československá obchodní banka, a. s.	68	1
První certifikační autorita, a. s.	1	1
Total expenses	8,938	8,974
Revenues		
ČSOB Leasing, a. s.	7,251	7,744
ČSOB Pojišťovna, a. s., member of ČSOB holding	106,445	95,791
Československá obchodní banka, a. s.	1	0
Total revenues	113,697	103,535

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

14. SUBSEQUENT EVENTS

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

PREPARED ON: 21. 3. 2016

Signature of accounting entity's statutory body:

Ing. Rudolf Kypta

Ing. Pavel Prokš

Person responsible for accounting
(name, signature):

Ing. Pavel Burša

Person responsible for financial
statements (name, signature):

Ing. Pavel Burša

The accompanying balance sheet and income statement are an integral part of the financial statements.

REPORT ON RELATIONS AMONG RELATED ENTITIES

Report of the Statutory Representatives of ČSOB Leasing pojišťovací makléř, s. r. o., on Relations between Related Parties

1. CONTROLLED ENTITY

ČSOB Leasing pojišťovací makléř, s. r. o. with its registered office at Praha 4, PSČ 140 00, Na Pankráci 60/310, Company ID No. 27151221, incorporated in the Commercial Register, Section C, Insert No. 1000163, maintained at the Municipal Court in Prague (hereinafter referred to as “the Company”).

2. CONTROLLING ENTITY

ČSOB Leasing, a. s. is the sole shareholder of the Company with its registered office at Praha 4, Na Pankráci 310/60, PSČ: 140 00.

The sole shareholder of ČSOB Leasing, a. s. is Československá obchodní banka, a. s. whose only shareholder is KBC Bank NV.

KBC Group NV which is ultimate controlling entity of the Company is the sole shareholder of KBC Bank NV.

3. STRUCTURE OF RELATIONSHIP BETWEEN A CONTROLLING ENTITY AND CONTROLLED ENTITY AS WELL AS BETWEEN A CONTROLLED ENTITY AND ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY

ČSOB Leasing, a. s. is universal leasing company, which is part of the financial group ČSOB. The ČSOB group is part of the KBC Group.

As for accounting period, the Company had various relations with the controlling entity as well as with other companies controlled by the controlling entity (hereafter mentioned as “related entities” for the purposes of the Related Parties Report) being based as common business.

A basic overview of ČSOB and KBC group companies is provided in Attachment 1 to this report or is available at www.kbc.com. The Bank has relations mainly with the following related entities:

COMPANY	BUSINESS ADDRESS
Československá obchodní banka, a. s.	Radlická 333/150, 150 57 Praha 5, CZ
ČSOB Leasing, a. s.	Na Pankráci 310/60, 140 00 Praha 4, CZ
ČSOB Pojišťovna, a. s., a member of the ČSOB holding	Masarykovo náměstí 1458, 532 18 Pardubice - Zelené předměstí, CZ
První certifikační autorita, a. s.	Podvinný mlýn 2178/6, 190 00 Praha 9, CZ

4. PURPOSE OF A CONTROLLING ENTITY MEASURES AND MEANS OF CONTROL

ČSOB Leasing, a. s. controls the Company through decisions of a single shareholder in line with the Law on Commercial Corporations.

The controlling entity also exercises its influence through its representatives in governing bodies of the Company, especially Statutory Representatives. First and foremost it means cooperation and coordination

on the field of consolidated risk management, auditing, financial and business management and compliance with prudential rules that apply for financial institutions and legal requirements.

5. REVIEW OF ACTIVITIES COMMITTED IN THE ACCOUNTING PERIOD, WHICH HAD BEEN INDUCED BY INTEREST OF THE CONTROLLING ENTITY OR ITS CONTROLLED ENTITIES

If not stated otherwise, no activities have been committed in the accounting period, that had been induced by interest of the controlling entity or its controlled entities that would affected a property that exceeds 10% of the Company’s equity including common business transactions.

6. REVIEW OF MUTUAL AGREEMENTS BETWEEN A CONTROLLED ENTITY AND CONTROLLING ENTITY OR AMONG CONTROLLED ENTITIES

As for accounting period, the Company had contractual relations in the following areas:

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 concluded under standard business terms and conditions.

REPORT ON RELATIONS AMONG RELATED ENTITIES

OTHER RELATIONS

Loan agreements

In the accounting period, the Company entered into a loan agreement with the Controlling Party, value of which exceeded 10% of company's equity. Alternatively, in the Reporting Period the Company provided performance on the basis of agreements entered into in prior reporting periods. Purpose of the activity was efficient financial management of the Company. The loan agreements, described above, arose in the ordinary course of business and are subject to the substantially same terms, including interest rates and security, as for comparable transactions with third party counter-parties. The Company incurred no damage from the fulfillment of these contracts.

Cash management

In the accounting 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 concluded under standard business terms and conditions.

Lease and sub-lease agreements

In the accounting 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 concluded under standard business terms and conditions.

Co-operation Agreements – Employee Benefits

In the accounting period, the Company concluded co-operation agreements – employee benefits or had concluded these contracts from the previous accounting periods. The consideration consisted of the provision of employee benefits. The agreements were concluded under standard business terms and conditions.

Agreement on the outsourcing of services

In the accounting period, the Company concluded an agreement on the outsourcing of services or had concluded such agreement in previous accounting periods. The acquired services relate to administrative agenda such as bookkeeping, taxes, marketing, IT services, controlling. The Company provided counter-performance in the form of contractual fees. The agreement was concluded under standard business terms and conditions.

Other

Amendment nb. 10 of the Agreement on the outsourcing of services dated 1. 8. 2014

In the accounting period, the Company has concluded an amendment to the Agreement on the outsourcing of services dated 1. 8. 2014 in relation to settlement of the remaining claims of ČSOB Leasing, a. s. towards the Company. These claims resulted from previous

intermediation activity of ČSOB Leasing, a. s. for the Company, which ČSOB Leasing, a. s. rendered until 1 March 2011.

DIVIDENDS AND OTHER MEASURES

On 24 June 2015, ČSOB Leasing, a. s. being a single shareholder within scope of competence of General Meeting decided on distribution of 2014 profit in the way that profit (dividends) in the value of 139 640 thousand CZK had been paid to the shareholder.

7. ASSESSMENT OF INCURRED DAMAGE FOR CONTROLLED ENTITIES

There was no damage incurred from contractual and other relationship between the Company and the controlling entity.

8. EVALUATION OF RELATIONSHIP BETWEEN CONTROLLING ENTITY AND CONTROLLED ENTITY AS WELL AS BETWEEN A CONTROLLED ENTITY AND ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY

A common synergy within the financial group ČSOB and KBC Group respectively brings positive effects on the fields of effective cost management, human resources and aid with processes setting so to be in line with the company strategy. The cooperation also supports risk reduction for certain transaction risks as e. g. risks connected with providing sensitive information to the third parties.

The Company provided especially insurance brokerage services, mainly to the controlling entity.

REPORT ON RELATIONS AMONG RELATED ENTITIES

Mutual cooperation of the companies within the groups KBC group and ČSOB as well as other companies, which are controlled by ČSOB, supports building of a common market position and allows extension of range of offered financial services for their clients in the area of products portfolio including mortgages and building savings loans, asset management, collective investment, pension fund products, leasing, factoring as well as insurance products.

9. ACCOUNTING PERIOD

This report describes relations for the accounting period from 1 January 2015 to 31 December 2015.

10. CONCLUSION

The Statutory representatives of the Company state that this Report was prepared within the stated period and in line with § 82 of Law on Commercial Corporations. While processing the report the Statutory representatives exercised due professional care and the content of the Report reflects purpose of legal provisions within Law on Commercial Corporations in relation to the ownership structure of ČSOB.

In Prague, 21 March 2016
ČSOB Leasing pojišťovací makléř, s. r. o.

On behalf of the Statutory Representatives



Pavel Prokš
Statutory representative



Rudolf Kypta
Statutory representative



OVERVIEW OF COMPANIES OF THE KBC GROUP AND THE ČSOB GROUP (31 DECEMBER 2015)





CONTACTS

chapter 06

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