



AKCENTA CZ a.s. - ANNUAL REPORT 2013

akcenta  
forex and payments



## Motto

“A man's riches lie in what he has done  
for other people.”

**Johann Wolfgang Goethe**

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## Foreword by the Company Director

Dear Sir, Dear Madam

Let me take this opportunity to look back over the past year 2013. The unlucky number 13 inspired pessimistic economic development scenarios, and indeed they came partly true in the first half of the year. Yet the economy picked up in the second half of the year with growing demand coming from neighbouring markets reflected in our clients' greater appetite for trading. Thanks to certain measures previously adopted, and thanks to its business policy, our Company has fared well also in the area of new client acquisitions.

The profit of 6.6 million and a sharp growth of total assets of over 30% in 2013 is perhaps the best evidence that we have managed to be efficient even during tough economic times and that our business philosophy complies with the current needs of mostly small and middle-sized businesses as evidenced by the year-on-year increase in client transactions by 9% in the Czech Republic. AKCENTA CZ is no longer just a local Czech company; it now successfully operates in Slovakia, Hungary and Poland. We have managed to grow in all those markets in 2013, especially in Hungary. Our active engagement in the markets of the Visegrad Four brings a number of synergistic effects, which make our services stand out from the competition. We can offer exceptionally fast settlement of our clients' transactions, high-quality services provided by the network of our sales reps, and, above all, maximum cost effectiveness. However, we continue to rely on our prudent approach that helped us overcome even sharp fluctuations brought about by the currency intervention of the Czech National Bank (CNB) last November.

Over 23 thousand of our clients also trade outside Central Europe – their transactions are increasingly directed to new, exotic markets. We expanded our product offer in 2012 to enable them to make smooth payments in over 120 exotic currencies. Cautious at first, we have seen a growing interest in this service in 2013 and ventured one step further: we are now one of the few in the Czech market offering to our clients direct payments in Chinese yuan without the need for any additional conversions. It makes it even easier for our clients to realize transactions with their Chinese partners, facilitating their access to this key market.

In 2013 we focused on instruments eliminating risks related to exchange rate fluctuations. We launched Dealing Limit to make those transactions readily accessible; it helps businesses enter into futures transactions without the need to block their funds. We have added option contracts to our product portfolio. The fact that small and middle-sized businesses are interested in FX hedging is evidenced by the growing number of futures and forward contracts entered into by our clients every year. It has more than doubled compared to the last year's figure. We wouldn't have been able to offer more readily accessible hedged products without increasing the number of staff in our risk management team led by Jan Karger, a member of the Board of Directors.

I would also like to take this opportunity to express my gratitude to all our colleagues for being true professionals and for their excellent performance at work. It helps us provide the above standard individual services expected by our clients, and achieve excellent economic results at the same time.

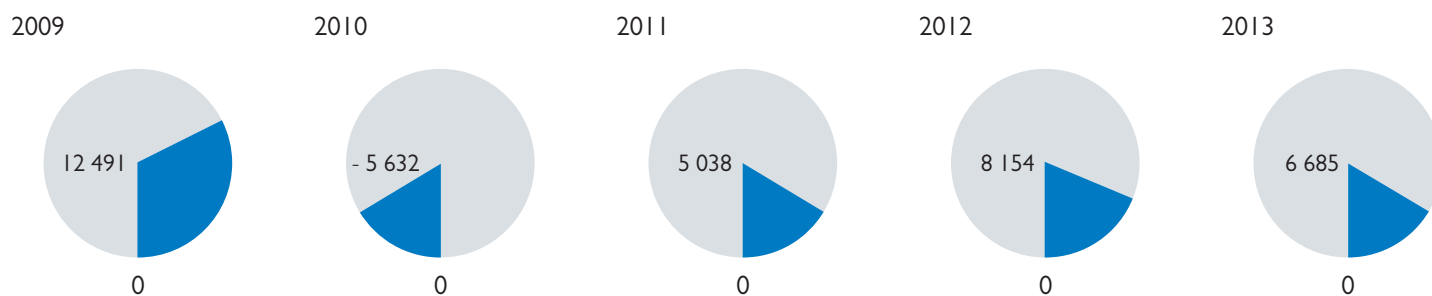
We shall not lessen our efforts to operate as a market leader in 2014 and we are ready to further improve and expand our services. Our clients can already look forward to more ancillary products that will help them become even more successful in the complex universe of the foreign trade. We feel delighted and obliged to be there with them.



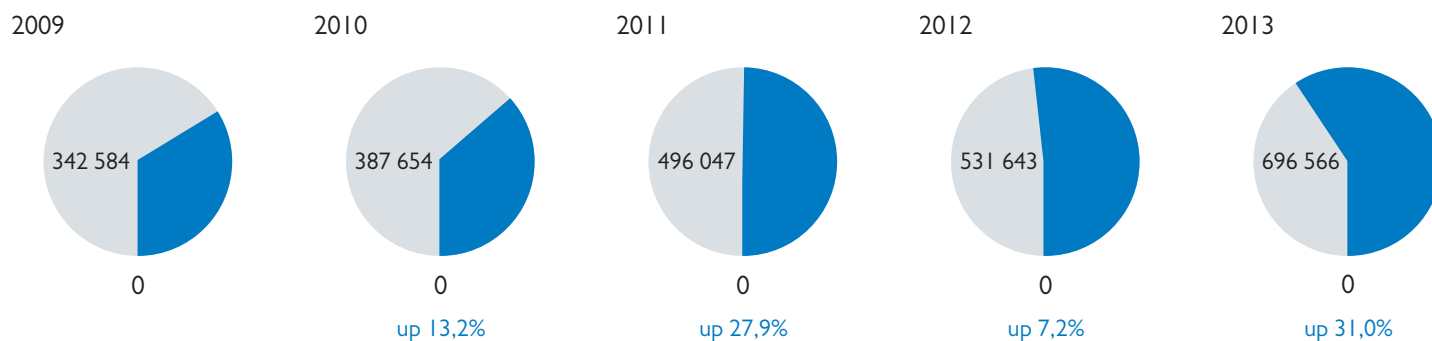
Milan Cerman  
Board of Directors Chairman,  
Sales Director

## Key Performance Indicators

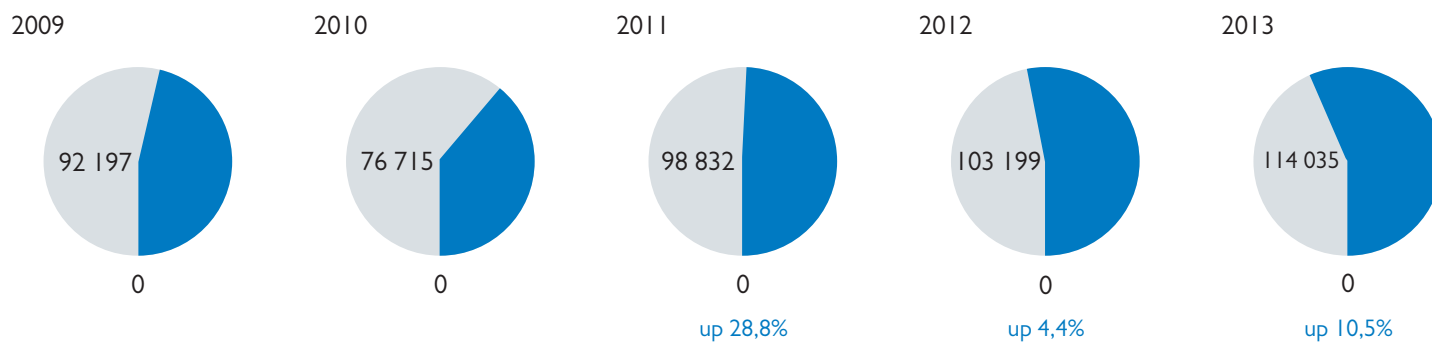
### Development of profit/loss after taxation (in CZK thousands)



### Total assets and liabilities (in CZK thousands)



### Development of profit from financial operations (in CZK thousands)



## Major Events in 2013

- Investment firm licence notification for Polish, Slovak and Hungarian markets
- Launch of direct payments in Chinese yuan
- Changes in the Company Board of Directors
- A stronger position in Hungarian and Polish markets
- Change of the Company registered office

## Subsequent events

- Launch of preparations to enter the Romanian market
- Expanded offer of services: a dealing limit for hedging transactions
- Expanding the product portfolio: option contracts
- Launch of the mobile version of the Company web pages

## Anticipated Development of the Company in 2014

- Enter the Romanian market
- Further development and strengthening of the Company's position in markets of the Visegrad Four countries
- Expanding our offer: ancillary products and services

## Company Profile

*Basic Characteristics of the Company (as at 31 December 2013)*

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Company Name: AKCENTA CZ a.s.

Registered office: Ovocný trh 575/11  
11000 Prague 1

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Office: Gočárova třída 312  
500 02 Hradec Králové 2  
Czech Republic

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ID: 251 63 680  
Tax No.: CZ 699 001 844

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Court of Registration: Municipal Court in Prague, Section B, Insert 9662

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Date of Incorporation: 16 June 1997

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Registered capital: CZK 24,030,000

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Shares: Not publicly traded

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Statutory Bodies: Board of Directors

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Number of Employees: 54 (headcount as at 31 December 2013)



# Products and Services

AKCENTA CZ a.s. provides services to its clients in the following areas:

## Foreign currency exchange transactions (forex trades)

Spot transactions – include purchase and sale of foreign exchange funds and are settled within 2 days at the latest.

## Payment services (domestic and foreign payment transactions)

Include processing and implementation of domestic and foreign payments as required by our customers. The main benefits for our clients include savings, speed and reliability.

## Foreign exchange hedges

Options, forward and swap contracts - long-term contracts used to hedge the risk resulting from foreign exchange rate movements.

## **Other services:**

### Online dealing platform - Online Broker (OLB)

Serves to send out payments abroad, to receive foreign payments and to exchange currencies.

### Dealing limit

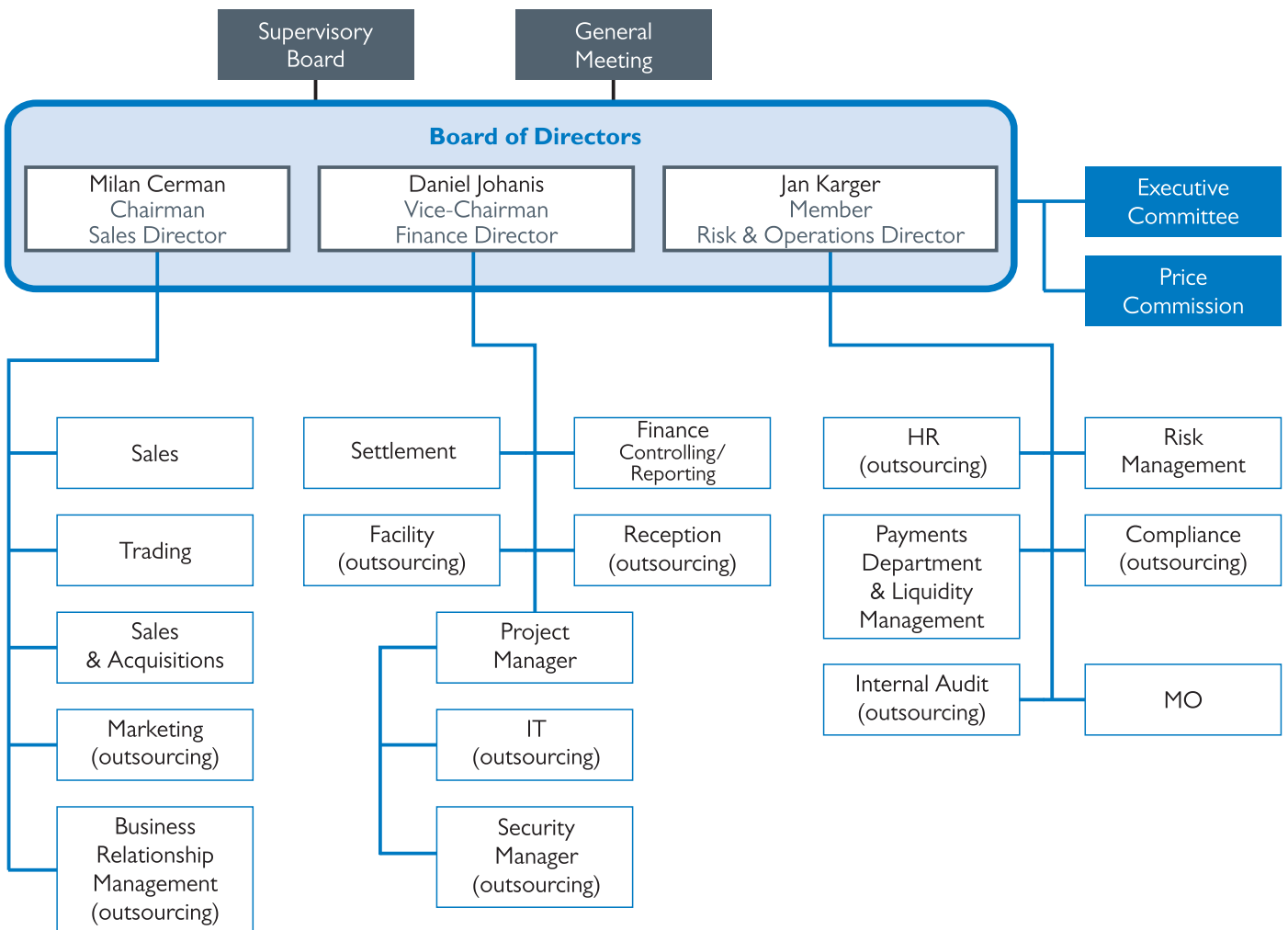
### Orders

Automated trading system when the exchange rate reaches a specified level.

### Other services including client information service

# Organization Chart – AKCENTA CZ a.s.

Valid through 12 June 2013



# Risk Statement

## 1) Risk Statement

With respect to the permission to carry out activities of an investment firm granted in July 2009 and the acquisition of the payment institution licence in March 2011, AKCENTA CZ a.s. has since managed its risks and provided quantification of statutory capital requirements. The capital requirements are broken down by individual areas of risks that the Company is exposed to, as described below.

### Credit risks

The Company does not undertake any material credit risk within its activities. The Company is not exposed to the settlement risk as the foreign exchange trades with clients are always settled only after the client's funds are credited to the Company accounts. The counterparty risk arising from derivative trades is eliminated by the strict application of collateral management processes, i.e. collateral funds must be deposited to the Company accounts.

### Market risks

The currency risk is the most significant market risk that the Company is exposed to. Other risks are insignificant.

### Market risks are managed:

- using prudent and efficient management of open foreign exchange positions
- by setting stop/loss limits
- by setting and checking internal limits for the maximum amount of total open foreign exchange positions.

### Operational risk

are managed in the Company using mainly:

- system process support
- consistent separation of roles in agreeing the transaction, settling the transaction and clearing the transaction
- setting of user rights
- standardised working procedures
- multiple checks within the processes with a quantitative high impact on P/L
- application of the four-eye rule
- professional supervision of Compliance, Internal Audit, and Risk Management
- alternative plans to deal with emergencies

### Liquidity risk

AKCENTA CZ a.s. has consistent mechanisms separating the clients' funds from the Company's operating funds. All trades with clients are covered (by a collateral) in the full amount by the client's funds at the moment of settlement.

## 2) Development of capital adequacy and financial ratios

With respect to the permission to carry out activities of an investment firm granted in July 2009 and the acquisition of the payment institution licence in February 2011, the Company meets its reporting duty to the Czech National Bank (CNB). It regularly provides the central bank with information about its financial results, customer assets, their qualified participations and other supplementary information required by the CNB. Such information is, depending on its nature, provided to the central bank on a monthly or quarterly basis.

Using regular comparisons of the aggregate sum of capital requirements and the Company's capital, the Company also quantifies its capital adequacy which is regularly submitted to the CNB. The Company's capital adequacy ratio shows sufficient capital security of the Company's business activities.

# Risk Statement

## 1. Capital (CZK thousands)

Summary of capital data and basic characteristics of its components	31. 12. 2013	31. 12. 2012
Total core capital (Tier 1)	64 279	54 418
Registered capital	24 030	24 030
Share premium	140	140
Reserve funds, indivisible fund, and other funds from profit	32 086	31 679
Retained earnings- audited	17 809	14 062
Intangible assets (not goodwill) reducing Tier 2	-9 786	-15 493
Total supplementary capital (Tier 2)	0	0
Total capital to cover market risk (Tier 3)	-56	-129
Total deductibles from core and supplementary capital	0	0
Total capital after deductibles	64 223	54 289

## 2. Capital requirements (CZK thousands)

	31. 12. 2013	31. 12. 2012
Sum of capital requirements on credit risk	5 417	1 800
Sum of capital requirements on settlement risk	0	0
Sum of capital requirements on position, currency and commodity risk	693	1 456
Sum of capital requirements on operational risk	0	0
Sum of capital requirements based on overhead costs	23 604	23 659
Sum of capital requirements on business portfolio exposure	0	0
Sum of capital requirements on other business portfolio instruments	0	0
Sum of other and temporary capital requirements	0	0
Total capital requirements	29 714	26 914

## 3. Financial ratios

	31. 12. 2013	31. 12. 2012
Capital adequacy ratio	17,29%	16,14%
Indebtedness I (total debt less customer assets/assets less customer assets)	1,76%	5,58%
Indebtedness II (total debt less customer assets/equity)	3,05%	6,66%
Return on average assets (ROAA, assets less customer assets)	7,12%	9,12%
Return on average equity (ROAE)	11,58%	14,34%
Return on sales (earnings after taxation/yields from investment services)	5,39%	7,16%
Administrative costs per employee	1 717	1 766

## Company as an Employer

AKCENTA CZ offers high-quality services in the area of individual, comprehensive foreign payment solutions, especially for businesses and entrepreneurs. The cornerstone of our company is our team of experts, highly professional and experienced to comply with our clients' expectations. We have succeeded in building up a loyal and highly qualified team via consistent and systematic work, emphasis on the education and development of our staff, as well as open communication and clear rules and targets.

While, as an employer, we strive and put an emphasis on building up long-term relationships with our clients, taking care of our positive thinking and loyal employees is fundamental for our success.

Only qualified, creative and motivated staff can offer services of the highest quality.

# Statement on the Method of Determining Contributions to the Investment Firms Guarantee Fund

Within the scope of its investment services, AKCENTA CZ a.s. ("AKCENTA CZ") offers to its clients exclusively currency forward and swap transactions. When entering into these contracts, AKCENTA CZ acts as the customer's counterparty. We understand that the funds deposited as a pledge to cover market risks (collateral) and the forward principal paid by the customer to the respective bank account during the forward settlement represents the customer assets within the meaning of Section 128 (12) of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended ("CMUA").

When entering into forward transactions with customers, AKCENTA CZ does not collect any fees or commissions from customers. The yields generated by AKCENTA CZ in relation to forward transactions with customers are derived from the spread between the exchange rate agreed with a customer in the agreed forward contract and the rate that AKCENTA CZ manages to acquire on the interbank market in transactions used to close open positions when agreeing forward transactions with customers.

Under Section 129 (1) of the CMUA, an investment firm shall make an annual contribution of 2% of the volume of yields from fees and commissions for the provided investment services in the past calendar year to the Investment Firms Guarantee Fund. As AKCENTA CZ does not collect any fees or commissions for the investment services provided, and does not keep any records of such fees and commissions for the provided investment services in its books, as mentioned above, we believe that the base for determining the contribution amount under Section 129 (1) equals zero. We also understand that AKCENTA CZ should therefore pay an annual contribution of CZK 10,000 under the provisions of Section 129 (2) of the CMUA.

Considering the nature of forward transactions as derivative transactions, the funds deposited by customers as a collateral in the customer bank account are very low and the period when the funds to settle a forward transaction are deposited in this account is also very short. This is why we believe that the risk of a failure of a specific trader within the meaning of Section 130 of the CMUA and the impossibility to deliver customer assets is relatively very low, especially when compared to securities trading or portfolio management. For this reason, the amount of the contribution to the Investment Firms Guarantee Fund determined in the minimum amount under Section 129 (2) of the CMUA would correspond to the low rate of risk of delivering customer assets within the meaning of Section 130 of the CMUA.

AKCENTA CZ makes due and proper payments of contributions to the Investment Firms Guarantee Fund in accordance with Section 129 (2) of Act No. 256/2004 Coll.

# Report on Relations between the Controlling and Controlled Person and Relations between the Controlled Person and Other Persons Controlled by the Same Controlling Person in 2013 Accounting Period

In accordance with the requirements laid down in Section 66a (9) of Act No. 513/1991 Coll., Commercial Code, as amended (hereinafter referred to as the "Commercial Code"), the Board of Directors of AKCENTA CZ a.s. hereby executes this Report on Relations between the Controlling Person, **Mr Milan Lacina** (hereinafter referred to as „ML"), birth number 560603/0617, residing at Tábor, Čekanická 325 (hereinafter referred to as the "Controlling Person")

and

the Controlled Person, **AKCENTA CZ a.s.**, having its registered office at Prague 1, Ovocný trh 572/11, postcode 110 00, Company ID: 25163680, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 9662 (hereinafter referred to as the "Controlled Person"), for 2013 accounting period.

## A. Relationship Structure and the Role of the Controlled Person

The report also contains information about relations between the Controlled Person and other persons controlled by the same controlling person (hereinafter referred to as the "interconnected persons"). Below is a list of the interconnected persons as at 31 December 2013:

- **AKCENTA, spořitelní a úvěrní družstvo**, ID: 649 46 85 1, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 312/52, postcode 500 02 (hereinafter referred to as "ASUD")
- **AKCENTA ENERGIE a.s.**, ID: 27945251, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 312/52, postcode 500 02 (hereinafter referred to as "AE")
- **AKCENTA GROUP SE**, ID: 28252900, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 312/52, postcode 500 02 (hereinafter referred to as "AG")
- **FPSROK, spol. s r.o.**, ID: 27381471, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 312/52, postcode 500 02 (hereinafter referred to as "F")
- **PROAKCENT a.s.**, ID: 28807596, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 312/52, postcode 500 02 (hereinafter referred to as "P")
- **AKCENTA LOGISTIC**, a.s., ID: 28807588, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 312/52, postcode 500 02 (hereinafter referred to as "AL")
- **METROPOL SERVICES s.r.o.**, ID: 024 04 958, having its registered office at Hradec Králové, Pražské předměstí, Gočárova třída 227/50, postcode 500 02 (hereinafter referred to as "MS")

The Controlling Person held the following business shares in the said companies as at 31 December 2013: ASUD 58.77% (indirect share), AE 66.67%, AG 90.42%, F 58.77% (indirect share), P 90%, AL 90%, MS 100%.

The Controlling Person held 100% business shares in the Controlled Person as at 31 December 2013. The Controlled Person is one of the persons controlled by the same Controlling Person. It has no other roles in the structure of the above relations between the interconnected persons.

## B. Method and Means of Control

The Controlled Person is controlled by the means of the General Meeting, or the decision of the sole shareholder and the Supervisory Board of the Company; the Controlling Person is a member of the Supervisory Board of the Controlled Person.

## C. The list of actions carried out upon the initiative or in the interest of the Controlling Person or persons controlled by the Controlling Person in 2013, provided such actions were related to assets exceeding 10% of the Controlled Person's equity as per the latest financial statements

In 2013, there were no actions carried out upon the initiative or in the interest of the Controlling Person related to assets exceeding 10% of the Controlled Person's equity.

## D. List of Mutual Contracts

The Report contains information on the contracts made and entered into by and between these persons in the 2013 accounting period, on other legal acts undertaken by and between the interconnected persons in their own interest, and information on any other measures adopted or undertaken by the Controlling Person in the interest of or upon the initiative of these persons.

The Report is executed in writing and forms a part of the annual report pursuant to special legislation.

# Report on Relations between the Controlling and Controlled Person and Relations between the Controlled Person and Other Persons Controlled by the Same Controlling Person in 2013 Accounting Period

## Contracts and Agreements

Business relations between the Controlled Person and interconnected persons were determined by the following contracts and the following supplies were provided thereunder in 2013 accounting period:

AKCENTA CZ x ASUD	Agreement on Lease of Non-Residential Premises (Gočárova 312, HK)
AKCENTA CZ x ASUD	Amendment 1 to Agreement on Lease of Non-Residential Premises
AKCENTA CZ x ASUD	Amendment 2 to Agreement on Lease of Non-Residential Premises
AKCENTA CZ x ASUD	Amendment 3 to Agreement on Lease of Non-Residential Premises
AKCENTA CZ x ASUD	Amendment 4 to Agreement on Lease of Non-Residential Premises
AKCENTA CZ x ASUD	Amendment 5 to Agreement on Lease of Non-Residential Premises
AKCENTA CZ x ASUD	Framework Agreement on Foreign Exchange Futures No. 25087
AKCENTA CZ x ASUD	Framework Agreement on Provision of Selected Services - Current Account Management
AKCENTA CZ x AE	Agreement on Conditions of Securing Liability with Promissory Note and the Issuer's Right to Fill In a Blank Note, securing liability with a promissory note
AKCENTA CZ x AE	Framework Agreement, foreign exchange - ACZ provider
AKCENTA CZ x AL	Lease Agreement - AL as lessor of Scoda Octavia 5H3 6785
AKCENTA CZ x AL	Lease Agreement - AL as lessor of TC 5H3 8337
AKCENTA CZ x AL	Outsourcing Agreement - AL provider, ACZ purchaser
AKCENTA CZ x AL	Framework Agreement, foreign exchange - ACZ provider
AKCENTA CZ x AL	Agreement on Personal Data Processing
AKCENTA CZ x AG	Framework Agreement, foreign exchange - ACZ provider
AKCENTA CZ x PROAKCENT	Lease Agreement, PROAKCENT lessor, AKCENTA CZ lessee
AKCENTA CZ x Milan Lacina	Framework Agreement ACZ as contractor and ML as purchaser - foreign exchange



# Report on Relations between the Controlling and Controlled Person and Relations between the Controlled Person and Other Persons Controlled by the Same Controlling Person in 2013 Accounting Period

## Supply and consideration

Supply and consideration arising out of the contractual covenants specified above were realised for prices usual in business relations as in relations with other non-interconnected persons.

The Board of Directors of the Controlled Person hereby declares that neither benefits nor disadvantages were provided under these contracts and that they were not detrimental to the Controlled Person.

## E. Other legal acts and other measures in the interest or upon the initiative of interconnected persons and evaluation of potential harm to the Controlled Person

There have been no other legal acts or other measures apart in the interest of the Controlled Person from the above contracts or significant measures taken by the Controlled Person upon the initiative of the Controlling Person.

The Board of Directors of the Controlled Person hereby declares that the Controlled Person did not suffer from any harm in respect of the aforementioned contracts, other measures and acts or other adopted or provided supplies.

## F. Evaluation of benefits and damages arising from relations between interconnected persons listing whether there are more benefits or damages and what are the related risks for the Controlled Person

ACZ is a member of VAT AKCENTA Group; invoices exchanged between members do not include VAT. This fact has an impact on cost savings and cash-flow. No damages arising from mutual relationships have been identified.

Considering the above fact the Board of Directors reckons that benefits prevail in relations between the Controlled Person and the Controlling Person and interconnected persons. There are no risks arising from the said relationships for the Controlled Person.

Hradec Králové, 26 March 2014



Milan Cerman  
Board of Directors Chairman,  
Sales Director



Daniel Johanis  
Board of Directors Vice-Chairman

# Report of the Supervisory Board

## Supervisory Board Members

The Supervisory Board members were as follows: Milan Lacina - Supervisory Board Chairman, members Ing. Milan Lacina, Sylva Hajná. A new member - Petra Nová – was added to the Board in mid-2013. The Board meetings included both regular quarterly meeting and extraordinary meetings, all in compliance with the Articles of Association of the Company.

## Activities of the Board

The Supervisory Board attended meetings of the Board of Directors, was informed by the Board of Directors about the financial results on a regular basis, reviewed information about the setup of both financial and strategic plan and supervised the fulfilment thereof including indicators specified by applicable regulations. It has also examined the system of management and control, especially using the Internal Audit findings and the Company remuneration system. Other checks focused on fulfilment of resolutions of the Board of Directors, compliance with the Articles of Association and compliance of indicators with statutory regulations based on Compliance documentation.

## Identification and Removal of Flaws

The Board has not identified any facts at variance with the approved Articles of Association of the Company or the applicable legislation.

## Financial Statements, Financial Results and Profit Distribution

The Supervisory Board reviewed the financial statements for 2013 and the opinion of the auditor, KPMG Česká republika Audit, s.r.o., on these financial statements. On the basis of those supporting documents, the Board has no objections to the presented financial statements.

The Supervisory Board recommends that the general meeting of AKCENTA CZ a.s. approve the regular financial statements of AKCENTA CZ a.s. for 2013.

Prague 28 April 2014



Milan Lacina  
Supervisory Board Chairman  
AKCENTA CZ a.s.

## Other

Activities of AKCENTA CZ a.s. have no environmental impact. The Company is not involved in any environmental or research and development activities.

Within our strategy, we meet our statutory obligations. As far as labour-law relations are concerned, the Company complies with any and all statutory standards in accordance with the laws of the Czech Republic.



**KPMG Česká republika Audit, s.r.o.**  
Pobřežní 648/1a  
186 00 Praha 8  
Česká republika

Telephone +420 222 123 111  
Fax +420 222 123 100  
Internet www.kpmg.cz

## **Independent Auditor's Report to the Sole Shareholder of AKCENTA CZ a.s**

### *Financial Statements*

On 29 April 2014, we have we have issued the following report on the financial statements forming a part of this annual report based on our audit.

“We have audited the attached financial statements of AKCENTA CZ a.s. which comprise the balance sheet as at 31 December 2013, income statement and statement of changes in equity for 2013, and the related notes, including the description of major accounting policies and other supplementary information.” The data about AKCENTA CZ a.s. are provided in note I of the notes to these financial statements.

### *Responsibility of the Company's statutory body for the financial statements*

The statutory body of AKCENTA CZ a.s. is responsible for the preparation of the financial statements giving a true and fair view in accordance with the Czech accounting standards and for such internal audits that the Company deems to be necessary for the preparation of the financial statements so that they are free of any material misstatement, whether caused by 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, International Standards on Auditing, and the related application clauses of the Chamber of Auditors of the Czech Republic. These regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement.

An audit includes performance of audit procedures to obtain evidence supporting the amounts and disclosures in the financial statements. The selection of audit procedures depends on the auditor's judgement, including the assessment of the risk of material misstatement in the data provided in the financial statements, whether caused by fraud or error. When assessing such risks, the auditor takes into account internal audits relevant for the preparation and the true and fair presentation of the financial statements. The aim of such assessment is to suggest appropriate audit procedures, not to express any opinion on efficiency of internal audits. An audit also involves assessment of whether the accounting policies are appropriate, of the reasonableness of the accounting estimates made by the management, and the overall presentation of the financial statements.

We believe that the evidence obtained provides a sufficient and reasonable basis for our opinion.

### *Auditor's opinion*

In our opinion, the financial statements give a true and fair view of the assets and liabilities of AKCENTA CZ a.s. as at 31 December 2013, and of its expenses, income and profit/loss for 2013 in accordance with the Czech accounting standards.”

Obchodní rejstřík vedený  
Městským soudem v Praze  
oddíl C, vložka 24185.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

IČ 49619187  
DIČ CZ699001996



KPMG Česká republika Audit, s.r.o.  
Pobřežní 648/1a  
186 00 Praha 8  
Česká republika

Telephone +420 222 123 111  
Fax +420 222 123 100  
Internet www.kpmg.cz

## Report on Relations

We have audited the subject-matter accuracy of the information provided in the Report on Relations between the Related Parties of AKCENTA CZ a.s. for the year ended 31 December 2013 prepared under the respective provisions of Act No. 90/2012 Coll. on Commercial Companies and Cooperatives. The governing body of the Company is responsible for the preparation of the Report on Relations and its subject-matter accuracy. Our responsibility is to express an opinion on this Report on Relations based on our examination.

We have examined the Report in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the examination to obtain limited assurance about whether the Report on Relations is free from any material misstatement. The examination is in particular limited to the questioning of the Company's employees and analytical procedures and an examination of, on a selective basis, objective accuracy of the information. This is why this examination gives a lower degree of assurance than an audit. We have not audited the Report on Relations, which is why we do not give any audit opinion.

Based on our examination, we have not established any facts leading us to the assumption that the Report on Relations between the Related Parties of AKCENTA CZ a.s. for the year ended 31 December 2013 would contain any material misstatement.

## Annual Report

We have audited the accordance of the annual report with the above financial statements. The statutory body of the Company is responsible for the accuracy of the annual report. Our responsibility is to express an opinion on the accordance of the annual report with the financial statements based on our audit.

We conducted our audit in accordance with the Act on Auditors, International Standards on Auditing, and the related application clauses of the Chamber of Auditors of the Czech Republic. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the information contained in the annual report describing the facts being the subject matter of the financial statements is in all material respects in accordance with the respective financial statements. We believe that the audit provides a reasonable basis for our opinion.

In our opinion, the information contained in the annual report is in all material respects in accordance with the above financial statements.

Prague 29 April 2014

*KPMG Česká republika Audit*

KPMG Česká republika Audit, s.r.o.  
Licence No. 71

Ing. Vladimír Dvořáček  
Partner

Ing. Pavel Závitovský  
Partner  
Licence No. 69

# Balance Sheet

## Assets

Full Version as at 31 December 2013  
(in CZK thousands)

Company name: **AKCENTA CZ a.s.**  
Registered office: Ovocný trh 572/11, Staré Město, 110 00  
Prague I  
ID: 25163680  
Scope of business: Investment firm  
Financial Statements date: 29 April 2014

	Note	31. 12. 2013	31. 12. 2012
1		65	57
3	14	631 700	508 831
		631 700	500 346
			8 485
4	15	3 233	1 924
9		3 233	1 924
10	16	9 786	15 493
	17	56	129
11		15	15
13	18	50 869	4 891
		857	318
<b>Total assets</b>		<b>696 566</b>	<b>531 643</b>

# Balance Sheet

## Liabilities

Full Version as at 31 December 2013  
(in CZK thousands)

Company name: **AKCENTA CZ a.s.**  
Registered office: Ovocný trh 572/11, Staré Město, 110 00  
Prague I  
ID: 25163680  
Scope of business: Investment firm  
Financial Statements date: 29 April 2014

	Note	31. 12. 2013	31. 12. 2012
1	Liabilities to banks and credit unions	19	19
	<i>including: a) repayable on demand</i>		19
2	Liabilities to non-banking entities	20	556 433
	<i>including: a) repayable on demand</i>		556 433
4	Other liabilities	23	51 935
5	Accruals and deferred income		365
6	Provisions		7 083
	<i>c) other</i>	27	7 083
8	Registered capital	25	24 030
	<i>including: a) paid-up registered capital</i>		24 030
9	Share premium		140
10	Reserve funds and other funds from profit		32 086
	<i>including: a) statutory reserve funds and risk funds</i>		4 084
	<i>b) other reserve funds</i>		
	<i>c) other funds created from profit</i>		28 002
14	Retained earnings or accumulated loss		17 809
15	Profit/loss for the year		6 685
<b>Total liabilities</b>			<b>696 566</b>
			<b>531 643</b>

# Off-Balance Sheet Accounts

## Off-Balance Sheet Accounts

Full Version as at 31 December 2013

(in CZK thousands)

Company name: **AKCENTA CZ a.s.**

Registered office: Ovocný trh 572/11, Staré Město, 110 00  
Prague I

ID: 25163680

Scope of business: Investment firm

Financial Statements date: 29 April 2014

		Note	31.12. 2013	31.12. 2012
	<b>OFF-BALANCE SHEET ITEMS</b>			
	Off-balance sheet assets			
2	Granted pledges	30	25 000	25 000
3	Receivables from spot transactions	30	121 795	68 485
4	Receivables from fixed futures transactions	30	2 207 963	369 008
	Off-balance sheet liabilities			
9	Accepted pledges and guarantees	19	10 000	10 000
11	Liabilities from spot transactions	30	121 683	69 831
12	Liabilities from fixed futures transactions	30	2 201 969	367 309



# Profit and Loss Account (Income Statement)

## Profit and Loss Account (Income Statement)

Full Version as at 31 December 2013

(in CZK thousands)

Company name: **AKCENTA CZ a.s.**

Registered office: Ovocný trh 572/11, Staré Město, 110 00 Prague I

ID: 25163680

Scope of business: Investment firm

Financial Statements date: 29 April 2014

	Note	31.12. 2013	31.12. 2012	
1	Interest income and similar income	5	313	543
2	Interest expense and similar expenses	5	(45)	(524)
4	Revenues from fees and commissions	6	9 705	10 113
5	Costs of fees and commissions	6	(8 537)	(7 959)
6	Profit/loss from financial operations	7	114 035	103 199
7	Other operating revenues	8	795	931
8	Other operating expenses	8	(1 160)	(1 433)
9	Administrative expenses	9	(92 692)	(88 306)
	<i>including: a) personnel expenses</i>		(34 840)	(32 237)
	<i>of which: aa) social security and health insurance</i>		(8 950)	(8 206)
	<i>b) other administrative expenses</i>		(57 852)	(56 069)
11	Write-offs, creation and use of provisions and adjustments for fixed tangibles and intangible assets		(7 394)	(6 111)
13	Write-offs, creation and use of adjustments and provisions for receivables and guarantees		(48)	(306)
Annex	Creation and use of other provisions	27	(6 532)	615
19	<b>Profit/loss for the year from ordinary activities before taxation</b>		<b>8 440</b>	<b>10 762</b>
23	Income tax	29	(1 755)	(2 608)
24	<b>Profit/loss for the year after taxation</b>		<b>6 685</b>	<b>8 154</b>

# Statement of Changes in Equity

## Statement of Changes in Equity

Full Version as at 31 December 2013

(in CZK thousands)

Company name: **AKCENTA CZ a.s.**

Registered office: Ovocný trh 572/11, Staré Město, 110 00 Prague I

ID: 25163680

Scope of business: Investment firm

Financial Statements date: 29 April 2014

CZK thousands	Registered capital	Share premium	Legal reserve fund	Other funds	Accumulated P/L of previous yrs	Total
<b>Balance as at 1 Jan 2012</b>	<b>24 030</b>	<b>140</b>	<b>3 425</b>	<b>28 002</b>	<b>17 892</b>	<b>73 489</b>
Profit transfers			252		(252)	
Dividends					(3 578)	<b>(3 578)</b>
Net profit/loss for the year					8 154	<b>8 154</b>
<b>Balance as at 31 Dec 2012</b>	<b>24 030</b>	<b>140</b>	<b>3 677</b>	<b>28 002</b>	<b>22 216</b>	<b>78 065</b>
<b>Balance as at 1 Jan 2013</b>	<b>24 030</b>	<b>140</b>	<b>3 677</b>	<b>28 002</b>	<b>22 216</b>	<b>78 065</b>
Profit transfers			407		(407)	
Dividends					(4 000)	<b>(4 000)</b>
Net profit/loss for the year					6 685	<b>6 685</b>
<b>Balance as at 31 Dec 2013</b>	<b>24 030</b>	<b>140</b>	<b>4 084</b>	<b>28 002</b>	<b>24 494</b>	<b>80 750</b>

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### I. GENERAL INFORMATION

#### a) Company Description

AKCENTA CZ a.s. was established on 16 June 1997.

#### *Name and registered office of the Company*

AKCENTA CZ a.s.

Ovocný trh 572/11

11000 Prague 1

Czech Republic

ID: 25163680

TAX No.: CZ25163680

#### *Members of the Board of Directors and Supervisory Board as at 31 December 2013*

Board of Directors	Supervisory Board
Milan Cerman (Chairman)	Milan Lacina (Chairman)
Bc. Daniel Johanis, MBA (Vice-Chairman)	Sylva Hajná
Jan Karger	Ing. Milan Lacina
	Petra Nová

#### *Changes in the Commercial Register*

The following changes were made in the Commercial Register in 2013:

- 19 March 2013: resignation of the member of the Board of Directors, Petra Nová
- 28 May 2013: appointment of Jan Karger as the member of the Board of Directors
- 28 May 2013: appointment of Petra Nová as the member of the Supervisory Board
- 1 July 2013: change of the company name AKCENTA CZ a.s., and the new name recorded: AKCENTA CZ a.s.
- 1 July 2013: change of the company registered office recorded - Ovocný trh 572/11, Staré Město, 11000 Prague 1

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### I. GENERAL INFORMATION (continued)

#### *Scope of Business:*

AKCENTA CZ a.s. is authorised to provide the following services as a part of its business on the basis of a copy of an entry in the Commercial Register:

- Production, trade and services not listed in Annexes 1 to 3 of Trade Licensing Act

AKCENTA CZ a.s. is listed in the register maintained by the Czech National Bank (CNB) in the following sectors:

- Payment institutions and branches of foreign payment institutions,
- Investment firms and branches of a foreign investment firm.

Based on the decision of the CNB authorising the Company to undertake activities of a Payment Institution dated 22 February 2011 and the permission to Investment Firm activities dated 15 July 2011, AKCENTA CZ a.s. is authorised to perform the following:

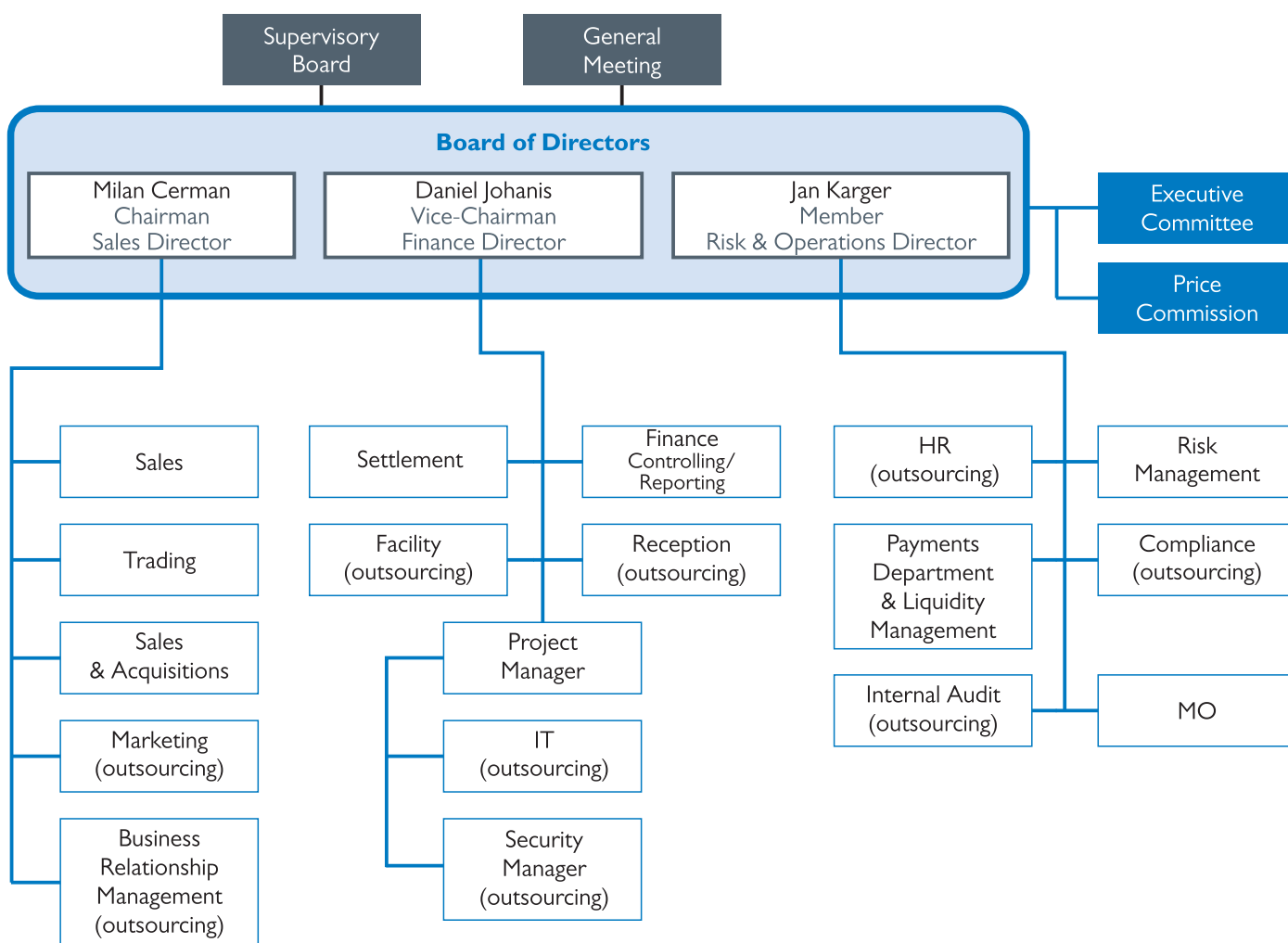
- payment services under Act No. 284/09 Coll.:
  - cash deposits into a payment account maintained by the Company under Section 3, par. 1 a) of the said act,
  - cash withdrawals from a payment account maintained by the Company under Section 3, par. 1 a) of the said act,
  - money transfers under Section 3, par. 1 c) of the said act,
  - issuance and management of the means of payment and facilities to accept means of payment under Section 3, par. 1 e) of the said act,
  - performing money transfers under Section 3, par. 1 f) of the said act,
- activities of an investment firm under Act No. 256/04 Coll., in the extent of principal investment services, i.e.:
  - accepting and providing instructions on investment instruments,
  - performing instructions on investment instruments for the customer's account,
  - trading investment instruments for its own account,
  - supplementary investment services: depositing and managing investment instruments, including related services, all in respect of the provision of investment instruments under Section 3, par. 1 d) of the said act

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### I. GENERAL INFORMATION (continued)

Organization Chart as at 31 December 2013



# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### I. GENERAL INFORMATION (continued)

#### b) Basis for Preparation of the Financial Statements

The financial statements have been prepared on the basis of books kept in accordance with the Act on Accounting No. 563/1991, Coll., and applicable regulations and decrees valid in the Czech Republic. The Financial Statements have been prepared on the accrual basis of costs and revenue and under the historical cost convention, except for certain financial instruments that have been measured at fair value.

These financial statements have been prepared in accordance with Regulation of the Ministry of Finance of the Czech Republic No. 501 dated 6 November 2002, as amended, establishing the arrangement and codes of financial statements items and contents of such items, as well as accounting policies and their application for banks and other financial institutions.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The bank's financial statements have been prepared in accordance with the following significant accounting policies:

#### a) Date of Accounting Transaction

Depending on the type of transaction, the moment of the accounting transaction is in particular the date of payment or acceptance of money in circulation, the date of purchase or sale of foreign exchange, foreign currency, or securities, the date of making the payment or collection from the customer's account, the date of order to the correspondent to make the payment, the date the funds are debited (value date) according to the message received from the correspondent of the Company (meaning a message in the SWIFT system, bank's advice, account statement or other documents), date of arrangement and date of settlement of a transaction with foreign exchange, other derivatives, the date of issue or acceptance of a guaranty, the date of providing the service.

As for invoices received in foreign currencies, the date of taxable supply shall be the day of the service provision, or the invoice date in case the exact day of service provision cannot be identified, or the day of payment in the case of pro forma overhead invoices from EC countries. As for invoices received from sales representatives, the date of taxable supply shall be the last day of the month when the service is provided.

The accounting transactions of the purchase and sale of financial assets with the normal date of delivery (spot transactions) are reported directly in the relevant asset/liability item on the date the transaction is arranged. Trades which are not settled as at the financial statements date are transferred to off-balance sheet accounts. Fixed futures contracts are recorded in off-balance sheet accounts from the moment the transaction is arranged until the settlement of the trade.

#### b) Debt Securities, Shares, Units and Other Interests

AKCENTA CZ a.s. does not perform any transactions with debt securities, shares, units and other interests.

#### c) Securities Transactions for Clients

AKCENTA CZ a.s. does not perform any securities transactions for clients.

#### d) Ownership Interests Constituting Dominant or Significant Influence

AKCENTA CZ a.s. has no ownership interests constituting dominant or significant influence.

#### e) Receivables from Customers from Financial Operations

Receivables are recognised at the acquisition cost; receivables denominated in foreign currencies are translated using the rate agreed on the date of transaction (the rate is set based on the current supply and demand development of the respective currency pair in the interbank foreign exchange market). On the last day of the month, any unsettled transactions are revalued using the CNB rate valid as at the last day of the respective month. As at 31 December 2013 receivables are translated using the CNB rate on 31 December 2013. Receivables and payables from unrealised transactions on 31 December 2013 are recorded in the off-balance sheet accounts and are not included in the balance sheet as at 31 December 2013.

In 2013, the Company continued to make accounting adjustments from expenses recorded under "Write-offs, creation and allocation of adjustments and reserves to receivables and guaranties". The Company also wrote off irrecoverable receivables. The provisions for the paid receivables were charged to income.

In 2013, the Company also created adjustments to unexpired receivables in compliance with the Process Book No. 9 "Adjustments to receivables" dated 11 June 2013. Tax adjustments are also recorded in "Write-offs, creation and allocation of adjustments and reserves to receivables and guaranties".

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) Provisions

In 2013, AKCENTA CZ a.s. created a non-tax provision for annual bonuses in the amount of 7,083 CZK thousand to be paid out in 2014; the provision includes related payments of social security and health insurance.

#### g) Tangible and Intangible Fixed Assets

Tangible and intangible assets are recorded at their historical acquisition cost and depreciated on the straight-line basis in accordance with Sections 31 and 32 of Act No. 586/1992 Coll.

Depreciation/amortisation periods for individual groups of tangible and intangible fixed assets:

Patents, royalties and similar rights	72 months
Computers	3 years
Furniture and fixtures	3 to 10 years
Other	3 years
Vehicles	5 years

Depreciation for accounting and tax purposes is identical for tangible fixed assets. Amortisation for accounting and tax purposes is different for "Technical improvements of software" and "Patents, royalties and similar rights". "Technical improvements of software" are amortised over the period of 36 months for accounting purposes (18 months for tax purposes), "Patents, royalties and similar rights" are amortised using the value based on the expert opinion for accounting purposes (using the reduced value for tax purposes).

#### Low-Value Assets

Intangible assets with the cost of acquisition lower than CZK 60,000 and low-value tangible assets with the cost of acquisition lower than CZK 40,000 are charged to income for the period of acquisition with useful life being longer than 1 year. Low value tangible assets worth more than CZK 1 thousand are kept in the operative records of low-value assets depending on location.

#### h) Valuation of Assets and Liabilities

The accounting entity uses the following methods to value assets and liabilities:

*Cost of acquisition* - i.e. the price for which assets were acquired, acquisition cost also includes the related expenses,

*Nominal value* - for the valuation of funds and valuables, receivables and liabilities upon their occurrence,

*Capitalization of costs* - costs incurred at the acquisition of intangible assets.

For foreign currency translations, the rates published by the Czech National Bank (CNB) as at the date of the Financial Statements were applied.

#### i) Financial Derivatives and Spot Transactions

Within its activities, the Company enters into spot, forward and swap transactions.

##### Spot

Purchase or sale of a certain volume of funds denominated in one currency for a certain volume of funds in another currency at the fixed rate of exchange; this rate is determined on the basis of the current offer/demand situation related to the affected currency pair on the interbank foreign exchange market (contracted rate).

##### FX Forward

Purchase or sale of a certain volume of funds denominated in one currency for a certain volume of funds in another currency at the fixed rate of exchange; this rate is determined on the basis of the current offer/demand situation on the foreign exchange market and interest rate values of the affected currencies.

FX forward trades are settled in the future; on the sixth business day at the earliest and one year after the transaction at the latest.

Both the forward rate and date of settlement are determined as binding, i.e. they cannot be changed once the transaction is concluded.

##### Currency Swap

A swap of funds in one currency for an equivalent of funds in another currency for a fixed period of time. If this period starts running in the future, it is a Forward FX Swap.

Settlement is performed as for two independent conversions, i.e. the client first sells the funds to the Company at the current Spot (Forward) rate, and the client buys back the funds from the Company in the future at a Forward rate.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### j) Taxation

The tax base for the income tax was calculated from the profit/loss for the current year with the addition of costs not recognised in taxes and deduction of revenues not subject to the income tax; the tax base was further adjusted for tax abatement and any off-setting of taxes paid abroad.

The deferred tax is based on all temporary differences between the book and tax value of assets and liabilities, using the expected tax rate valid for the coming period. The deferred tax liability is charged only in the case that there is no doubt of its further application in the coming financial years.

#### k) Finance Lease

AKCENTA CZ a.s. has no assets acquired through finance leases.

#### l) Securitisation of Assets

AKCENTA CZ a.s. does not perform securitisation of assets.

#### m) Items from Another Financial Year and Changes in Accounting Policies

Items from another financial year than appropriate for tax and accounting purposes are recorded as revenues or expenses in the Income Statement in the current financial year and are reported as non-tax items.

### 3. CHANGES IN ACCOUNTING POLICIES

In 2013, no changes were made in the accounting policies used.

### 4. CORRECTIONS OF MISTAKES FROM PREVIOUS PERIODS

The Company made no corrections of mistakes of previous periods, nor did it file any additional corporate income tax return or VAT return.

### 5. NET INTEREST INCOME

CZK thousands	2013	2012
<b>Interest income and similar income</b>		
interest income from Company bank accounts	313	543
<b>Total</b>	<b>313</b>	<b>543</b>
<b>Interest expense and similar expenses</b>		
from loans	0	1
other	45	523
<b>Total</b>	<b>45</b>	<b>524</b>
<b>Net interest income</b>	<b>268</b>	<b>19</b>

Interest income represents interest on client accounts, income from speculative cancellations. Other interest expenses represent interest paid to clients out of deposits in internal payment subaccounts.



# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 6. FEES AND COMMISSIONS – REVENUES AND COSTS

CZK thousands	2013	2012
Revenues from fees and commissions		
from spot transactions, derivative transactions and transfers	9 705	10 113
<b>Total</b>	<b>9 705</b>	<b>10 113</b>
Costs of fees and commissions		
from spot transactions, derivative transactions and transfers	8 537	7 959
<b>Total</b>	<b>8 537</b>	<b>7 959</b>
<b>Net revenue from fees and commissions</b>	<b>1 168</b>	<b>2 154</b>

### 7. PROFIT/LOSS FROM FINANCIAL TRANSACTIONS

CZK thousands	2013	2012
Profit/loss from derivative transactions	3 268	- 5 211
Profit/loss from foreign exchange transactions	94 212	97 681
Other exchange rate differences	16 555	10 729
<b>Total</b>	<b>114 035</b>	<b>103 199</b>

### 8. OTHER OPERATING REVENUES AND EXPENSES

	2013	2012
Revenues from sales of services	69	213
Revenues from sales of tangibles	33	174
Revenues - Other operating revenues	693	544
<b>Total</b>	<b>795</b>	<b>931</b>
Expenses - net book value of tangibles sold	0	43
Expenses - Other operating expenses	1 160	1 390
<b>Total</b>	<b>1 160</b>	<b>1 433</b>

Other operating expenses represent mainly unused input VAT deduction and other operating expenses.

### 9. ADMINISTRATIVE EXPENSES

CZK thousands	2013	2012
Employee wages and bonuses	23 790	21 663
Social security and health insurance	8 950	8 206
Wages and bonuses paid to: Supervisory Board members	2 100	2 368
<b>Total</b>	<b>34 840</b>	<b>32 237</b>
Other administrative costs	57 852	56 069
of which: costs of audit, legal and tax counselling	2 115	2 367
<b>Total</b>	<b>92 692</b>	<b>88 306</b>

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

Average headcount was as follows:

	2013	2012
Employees	61	49
Board of Directors members	3	3
Supervisory Board members	4	3
Other management executives	0	1

### 10. EXTRAORDINARY REVENUES AND EXPENSES

AKCENTA a.s. did not record any extraordinary revenues and expenses in 2013.

### 11. REVENUES AND EXPENSES FROM TRANSACTIONS WITH OWNERSHIP INTERESTS CONSTITUTING SIGNIFICANT OR DOMINANT INFLUENCE

AKCENTA CZ a.s. has no ownership interests constituting dominant or significant influence.

### 12. REVENUES AND EXPENSES BROKEN DOWN BY ACTIVITY

#### a) Business Activities

All revenues and expenses arose from cashless trades with foreign exchange values and other financial activities related to such trades (administrative and cancellation fees).

#### b) Geographic Areas

CZK thousands	Czech Republic		Central and East Europe	
	2013	2012	2013	2012
Interest income and similar income	65	216	248	327
Interest expense and similar expenses	45	370	0	154
Revenues from fees and commissions	5 779	7 241	3 926	2 872
Costs of fees and commissions	6 050	6 403	2 487	1 556
Profit/loss from financial operations	89 637	75 729	24 398	27 470

### 13. TRANSACTIONS WITH RELATED PARTIES

CZK thousands	2013	2012
Receivables	389	370
Liabilities	386	2 043
Revenues	25	186
Costs	16 255	21 920

Receivables from related parties include paid advances for services related to rental of the building and receivables from members of the VAT Group for December 2013. Liabilities from related parties include VAT deductions for members of the VAT group for the months of November and December 2013 which the Company received from the Financial Authority in January 2014 and February 2014. Other liabilities include outstanding invoices for services purchased from related parties due for payment. Costs include costs of outsourced services and rent.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 14. RECEIVABLES FROM BANKS

#### a) Classification of Receivables from Banks

CZK thousands	2013	2012
Standard	631 700	508 831
Receivables from banks, gross	631 700	508 831
<b>Receivables from banks, net</b>	<b>631 700</b>	<b>508 831</b>

AKCENTA CZ a.s. records all receivables from banks as standard receivables.

#### b) Receivables from Banks by Remaining Maturity

All receivables from banks are due in one month.

#### c) Analysis of Receivables from Banks by Security

Receivables from banks recorded in the Balance Sheet (Note 14 a) consist of funds deposited in accounts of individual banks and any time disagreement between a payment made from a foreign bank and a payment credited to the account of AKCENTA CZ a.s. (i.e. cash in transit) They are standard receivables and are thus subject to no special security.

#### d) Special Loans (Subordinated)

In 2013, AKCENTA CZ a.s. was not granted any loans.

#### e) Receivables from Ownership Interests Constituting Dominant or Significant Influence

In 2013, AKCENTA CZ a.s. records no receivables from ownership interests constituting dominant or significant influence.

### 15. RECEIVABLES FROM NON-BANKING ENTITIES

#### a) Evaluation of Receivables from non-banking entities

CZK thousands	2013	2012
Receivables from clients	1 772	588
Advances - trades	1371	1 257
Other	218	186
Adjustments	-128	-107
<b>Total</b>	<b>3 233</b>	<b>1 924</b>

AKCENTA CZ a.s. is not obliged to classify receivables to clients and such receivables are not subject to interest.

Receivables from clients consisted mainly of receivables related to trade fees charged to clients.

#### b) Analysis of Loans Provided to Clients by Sectors

AKCENTA CZ a.s. has not provided any such loans.

#### c) Special Loans (Subordinated)

AKCENTA CZ a.s. has not provided any such loans.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### **d) Breakdown of Receivables from Clients by Sectors and Security**

Receivables from clients consisted mainly of receivables from non-banking organisations that are not subject to any special security.

Derivatives are secured with a security deposit (cash collateral) at the initial rate of 10% of the nominal value of the trade recorded in bank accounts of AKCENTA CZ. The market value of the transaction is monitored using the Market-to-Market (MTM) method from the moment of the trade's arrangement to its maturity. If the MTM value of the trade reaches 80% of the deposited cash collateral, the customer is requested to add up the security deposit to decrease the MTM value under 60% of the security value.

### **e) Written-Off Receivables from Clients and Revenues from Written-Off Receivables**

In the reported period, the Company wrote off bad debts related to trades in the amount of CZK 51 thousand (in 2012: CZK 1,168 thousand); an adjustment for accounting purposes in the amount of CZK 45 thousand was created to the receivable of CZK 51 thousand. The write-off of receivables was approved by the Company management.

Revenues from written-off receivables – none.

### **f) Consortium Loans**

AKCENTA CZ a.s. has no consortium loans.

### **g) Receivables from Persons with Special Relation to the Company and Receivables from Ownership Interests Constituting Dominant or Significant Influence**

AKCENTA CZ a.s. does not keep records of any such receivables.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 16. INTANGIBLE FIXED ASSETS

#### a) Changes in Intangible Fixed Assets

CZK thousands	Software	Patents, royalties and similar rights	Uncategorized assets	Total
<b>Cost</b>				
As at 1 January 2012	4 229	32 540	498	37 267
Additions	4 421	0	804	5 225
Other changes	498	0	-498	0
Disposals	793	0	0	793
<b>As at 31 December 2012</b>	<b>8 355</b>	<b>32 540</b>	<b>804</b>	<b>41 699</b>
As at 1 January 2013	8 355	32 540	804	41 699
Additions	0	0	1 614	1 614
Other changes	2 033	0	-2 033	0
Disposals	0	0	0	0
<b>As at 31 December 2013</b>	<b>10 388</b>	<b>32 540</b>	<b>385</b>	<b>43 313</b>
<b>Accumulated amortisation and adjustments</b>				
As at 1 January 2012	4 212	17 173	0	21 385
Annual amortisation	190	5 424	0	5 614
Disposals	793	0	0	793
Adjustments	0	0	0	0
<b>As at 31 December 2012</b>	<b>3 609</b>	<b>22 597</b>	<b>0</b>	<b>26 206</b>
As at 1 January 2013	3 609	22 597	0	26 206
Annual amortisation	1 898	5 424	0	7 321
Disposals	0	0	0	0
<b>As at 31 December 2013</b>	<b>5 507</b>	<b>28 020</b>	<b>28 020</b>	<b>33 527</b>
<b>Net book value</b>				
As at 31 December 2012	<b>4 746</b>	<b>9 943</b>	<b>804</b>	<b>15 493</b>
As at 31 December 2013	<b>4 881</b>	<b>4 520</b>	<b>385</b>	<b>9 786</b>

#### b) Foundation and Organization Expenses

AKCENTA CZ a.s. has recorded no foundation and organization expenses.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 17. TANGIBLE FIXED ASSETS

#### a) Changes in Tangible Fixed Assets

CZK thousands	Land and constructions	Machinery and equipment	Vehicles	Total
<b>Cost</b>				
As at 1 January 2012	15	8 187	560	8 762
Additions	0	0	0	0
Other changes	0	0	0	0
Disposals	0	0	390	390
<b>As at 31 December 2012</b>	<b>15</b>	<b>8 187</b>	<b>170</b>	<b>8 372</b>
As at 1 January 2013	15	8 187	170	8 372
Additions	0	0	0	0
Other changes	0	0	0	0
Disposals	0	0	-170	-170
<b>As at 31 December 2013</b>	<b>15</b>	<b>8 187</b>	<b>0</b>	<b>8 202</b>
<b>Accumulated amortisation and adjustments</b>				
As at 1 January 2012	0	7 620	472	8 092
Annual amortisation	0	453	44	497
Disposals	0	0	346	346
Adjustments	0	0	0	0
<b>As at 31 December 2012</b>	<b>0</b>	<b>8 073</b>	<b>170</b>	<b>8 243</b>
As at 1 January 2013	0	8 073	170	8 243
Annual amortisation	0	73	0	73
Disposals	0	0	-170	-170
<b>As at 31 December 2013</b>	<b>0</b>	<b>8 146</b>	<b>0</b>	<b>8 146</b>
<b>Net book value</b>				
As at 31 December 2012	<b>15</b>	<b>114</b>	<b>0</b>	<b>129</b>
As at 31 December 2013	<b>15</b>	<b>41</b>	<b>0</b>	<b>56</b>

#### b) Tangible Fixed Assets Purchased under Financial Leases

The Company purchased no tangible fixed assets under financial leases in 2013 and 2012, respectively.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 18. OTHER ASSETS

CZK thousands	2013	2012
Other assets	746	2 256
Positive fair value of derivatives	48 469	2 635
Deferred tax receivable	1 654	0
<b>Total</b>	<b>50 869</b>	<b>4 891</b>

#### Deferred tax receivable

AKCENTA CZ a.s. has recorded a deferred tax receivable of CZK 1,654 thousand in other assets calculated using a 19% income tax rate.

Other assets include operating advances, receivables due from state arising from income tax advances paid for the year of 2013.

### 19. LIABILITIES TO BANKS

#### a) Breakdown of Liabilities to Banks by Remaining Maturity

CZK thousands	2013	2012
Repayable on demand	0	19
Between 3 months and 1 year	0	0
<b>Total</b>	<b>0</b>	<b>19</b>

An overdraft facility in the nominal value of CZK 10,000 thousand was not drawn as at 31 December 2013.

CZK thousands	2013	2012
Loan type	overdraft	overdraft
Nominal value	10,000	10,000
Due in	January 2014	January 2013
Payment schedule	One-time (renewed)	One-time (renewed)
Balance/use	0	0
Due in 1 year	0	0
Due in 1-5 years	0	0

### 20. LIABILITIES TO NON-BANKING ENTITIES

#### a) Breakdown of Liabilities to Clients by Maturity

CZK thousands	2013	2012
Repayable on demand	556 433	438 542
<b>Total</b>	<b>556 433</b>	<b>438 542</b>

#### b) Liabilities to Persons with Special Relation to the Company and Liabilities to Ownership Interests Constituting Dominant or Significant Influence

AKCENTA CZ a.s. has no liabilities to persons with special relation to the company and liabilities to ownership interests constituting dominant or significant influence.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 21. LIABILITIES FROM DEBT SECURITIES

In 2013, AKCENTA CZ a.s. did not make any transaction with debt securities, depository notes, mortgage bonds or other debt securities.

### 22. SUBORDINATED DEBT

In 2013, AKCENTA CZ a.s. had no subordinated debt.

### 23. OTHER LIABILITIES

CZK thousands	2013	2012
Negative fair values of derivatives	42 450	1 175
Suppliers	2 662	1 862
Liabilities to employees	2 127	2 213
Liabilities to social security and health insurance funds	1 198	1 106
Liabilities to SR	1 305	1 358
Liabilities to members of VAT group	190	1 870
Liabilities from trades	22	1 402
Deferred tax liability	0	41
Contingencies loss	1 978	2 646
Other	3	0
<b>Total</b>	<b>51 935</b>	<b>13 673</b>

### 24. ACCRUALS AND DEFERRED INCOME

The Company has recorded passive accruals in the total amount of CZK 365 thousand (2012: CZK 793 thousand).

### 25. REGISTERED CAPITAL

Shareholders as at 31 December 2013:

Name	Registered office	Number of shares (pc)	Share in registered capital (in %)
Milan Lacina	Tábor	183	100%
<b>Total</b>		<b>183</b>	<b>100%</b>

Registered capital in the amount of CZK 24,030 thousand consists of 21 pc registered shares of common stock with the nominal value of CZK 450 thousand and 162 pc registered shares of common stock with the nominal value of CZK 90 thousand.

### 26. EQUITY-LINKED BONUSES

AKCENTA CZ a.s. has no equity-linked bonuses.



# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 27. PROVISIONS AND ADJUSTMENTS FOR ANY LOAN LOSSES

Adjustments development

CZK thousands	Tax Adjustment	Accounting Adjustment	Total
<b>Balance as at 1 January 2012</b>	0	<b>967</b>	<b>967</b>
Creation over the year	0	13	13
Release and use	0	873	873
<b>Adjustments balance As at 31 December 2012</b>	<b>0</b>	<b>107</b>	<b>107</b>
<b>Balance as at 1 January 2013</b>	<b>0</b>	<b>107</b>	<b>107</b>
Creation over the year	21	54	75
Release and use	0	54	54
<b>Adjustments balance As at 31 December 2013</b>	<b>21</b>	<b>107</b>	<b>128</b>

Receivables totalling CZK 27 thousand were written off in 2013 (2012: CZK 1,168 thousand). An adjustment for those receivables of CZK 45 thousand was released (2012: CZK 867thousand).

Provisions

CZK thousands	Provision for bonuses	Total
<b>Balance as at 1 January 2012</b>	<b>1 166</b>	<b>1 166</b>
Creation over the year	551	551
Release of unnecessary provisions	0	0
Use over the year	-1 116	-1 116
<b>Provisions balance as at 31 December 2012</b>	<b>551</b>	<b>551</b>
<b>Balance as at 1 January 2013</b>	<b>551</b>	<b>551</b>
Creation over the year	7 083	7 083
Release of unnecessary provisions	0	0
Use over the year	-551	-551
<b>Provisions balance as at 31 December 2013</b>	<b>7 083</b>	<b>7 083</b>

In 2013, AKCENTA CZ a.s. created a provision for annual bonuses in the amount of CZK 4,135 thousand and three-year bonuses in the amount of CZK 2,948 thousand.

### 28. RETAINED EARNINGS OR ACCUMULATED LOSS, RESERVE FUNDS AND OTHER FUNDS FROM PROFIT

AKCENTA CZ a.s. transferred the retained earnings for 2012 and previous years according to the approved proposal of the Board of Directors.

CZK thousands	Retained earnings or accumulated loss
Balance as at 1 January 2013	<b>14 062</b>
Allocation to reserve fund	-407
Dividends before taxation	-4 000
Net profit/loss for the year	8 154
Balance as at 31 December 2013	<b>17 809</b>

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### 29. INCOME TAX AND DEFERRED TAX LIABILITY/RECEIVABLE

#### a) Income Tax Due

CZK thousands	2013	2012
Profit/loss for the year after taxation	8 440	10 762
Non-deductible expenses	9 263	4 878
Other items reducing the tax base	-863	-2 090
Subtotal	16 840	13 550
<b>Income tax due (19% rate)</b>	<b>3 199</b>	<b>2 575</b>
<b>Tax paid abroad</b>	<b>251</b>	<b>28</b>
<b>Current tax expense</b>	<b>3 450</b>	<b>2 603</b>

The total income tax expense in 2013 amounted to CZK 3,450 thousand (2012: CZK 2,603 thousand). Additional tax calculated for previous periods amounted to CZK 0 thousand in 2013 (2012: CZK 28 thousand).

"Other items reducing the tax base" represent the release of provisions for accounting purposes in 2012 (CZK 551 thousand) and the release of adjustments for accounting purposes from 2012 (54 thousand), unpaid contractual penalties until the end of 2013 (198 thousand) and gifts (60 thousand), i.e. totalling CZK 863 thousand.

#### b) Deferred tax receivable

AKCENTA CZ a.s. has recorded a deferred tax receivable of CZK 1,654 thousand in other assets calculated using a 19% income tax rate (2012: liability of CZK 41 thousand). The Company records a deferred tax receivable arising from provisions to bonuses. The impact of the deferred tax liability on income tax totalled CZK 695 thousand in 2013 (2012: CZK 5 thousand).

### 30. OFF-BALANCE SHEET ITEMS

#### Receivables from spot and fixed futures transactions

AKCENTA CZ a.s. records forward transactions with both clients and banks in off-balance sheet accounts until settlement.

Spot and swap transactions which are not settled in either receivables or liabilities are also transferred to off-balance sheet accounts.

Off-balance sheet receivables and liabilities represent nominal (contract) non-discounted values.

#### Granted pledges

Granted pledges include the amount of pledge for derivative trading.

#### Accepted pledges and guaranties

Accepted pledges and guarantees include unused overdraft facility.

### 31. FINANCIAL INSTRUMENTS-Risk Management

#### a) Credit Risk

AKCENTA CZ a.s. does not undertake any material credit risk within its activities.

Payment transactions and futures contracts with foreign exchange arranged with customers are always settled only once the customer's funds are credited to the accounts maintained by AKCENTA CZ a.s. In addition, AKCENTA CZ a.s. always requires that the funds of clients with whom it makes forward and swap contracts be blocked in order to cover any possible loss from such trades in the future (cash-collateral). In the event of any negative developments during the trade, AKCENTA CZ a.s. requires additional cash-collateral.

Credit risks of AKCENTA CZ a.s. are also associated with the deposition of available funds of the Company and entrusted customer funds in bank accounts. The Company restricts and manages this risk by choosing only such banks-counterparts that have ratings by international rating agencies, primarily Moody's Investors Service and Standard & Poor's Corporation, reflecting the fact that these institutions are sufficiently capable of meeting their financial obligations.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### b) Market risk

Currency risk is the most significant market risk the Company is exposed to due to its principal activities. Currency risk is managed:

- using prudent and efficient management of open foreign exchange positions
- by setting stop/loss limits
- by setting and checking internal limits for the maximum amount of total open foreign exchange positions.

FX positions in the balance sheet broken down by currency:

CZK thousands	EUR	USD	PLN	HUF	CZK	Ostatní	Total
<b>As at 31 December 2013</b>							
Cash at hand and deposits at central banks	12		2	1	49	1	<b>65</b>
Receivables from banks	170 517	80 928	41 540	71 568	225 010	42 137	<b>631 700</b>
Receivables from clients					3 233		<b>3 233</b>
Tangible and intangible fixed assets					9 842		<b>9 842</b>
Other assets					50 869		<b>50 869</b>
Prepaid expenses and unbilled revenues					857		<b>857</b>
<b>Total</b>	<b>170 529</b>	<b>80 928</b>	<b>41 542</b>	<b>71 569</b>	<b>289 860</b>	<b>42 138</b>	<b>696 566</b>
Liabilities to clients	273 816	104 982	9 283	34 719	93 063	40 570	<b>556 433</b>
Other liabilities					51 935		<b>51 935</b>
Accruals and deferred income					365		<b>365</b>
Provisions					7 083		<b>7 083</b>
Equity					80 750		<b>80 750</b>
<b>Total</b>	<b>273 816</b>	<b>104 982</b>	<b>9 283</b>	<b>34 719</b>	<b>233 196</b>	<b>40 570</b>	<b>696 566</b>
Long positions of off-balance sheet instruments	1 083 245	108 515	118 538	5 243	977 894	36 322	<b>2 329 757</b>
Short positions of off-balance sheet instruments	958 251	102 815	147 422	46 459	1 024 645	44 059	<b>2 323 651</b>
<b>FX position , net</b>	<b>21 707</b>	<b>(18 354)</b>	<b>3 375</b>	<b>(4 366)</b>	<b>9 913</b>	<b>(6 169)</b>	<b>6 106</b>

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

FX position (continued)

CZK thousands	EUR	USD	PLN	HUF	CZK	Ostatní	Celkem
<b>As at 31 December 2012</b>							
Cash at hand and deposits at central banks	17		7		33		<b>57</b>
Receivables from banks	248 321	91 579	17 967	10 657	101 785	38 522	<b>508 831</b>
Receivables from clients					1 924		<b>1 924</b>
Tangible and intangible fixed assets					15 622		<b>15 622</b>
Other assets					4 891		<b>4 891</b>
Prepaid expenses and unbilled revenues					318		<b>318</b>
<b>Total</b>	<b>248 338</b>	<b>91 579</b>	<b>17 974</b>	<b>10 657</b>	<b>124 573</b>	<b>38 522</b>	<b>531 643</b>
Liabilities to clients						19	<b>19</b>
Other liabilities	259 329	92 146	25 886	5 687	33 182	22 312	<b>438 542</b>
Accruals and deferred income					13 673		<b>13 673</b>
Provisions					793		<b>793</b>
Equity					551		<b>551</b>
<b>Total</b>					78 065		<b>78 065</b>
	<b>259 329</b>	<b>92 146</b>	<b>25 886</b>	<b>5 687</b>	<b>126 264</b>	<b>22 331</b>	<b>531 643</b>
Long positions of off-balance sheet instruments	206 108	21 113	45 327		161 232	3 713	<b>437 493</b>
Short positions of off-balance sheet instruments	171 662	34 530	52 784	5 793	155 886	16 485	<b>437 140</b>
<b>FX position , net</b>	<b>23 455</b>	<b>(13 984)</b>	<b>(15 369)</b>	<b>(823)</b>	<b>3 655</b>	<b>3 419</b>	<b>353</b>

Other includes GBP, CHF, SEK, AUD, JPY, CAD, DKK, RUB, NOK, CNY and RON.

AKCENTA CZ a.s. does not believe that the interest rate risk is significant, especially due to the fact that 99% of the total volume of client trades are spot transactions. Forward transactions are usually due within three months.

### c) Liquidity Risk

In the Company, liquidity is defined as the Company's ability to perform customer obligations in a due and timely manner by virtue of realisation of currency conversions and related payment transactions.

AKCENTA CZ a.s. has consistent mechanisms separating the clients' funds from the Company's operating funds.

AKCENTA CZ a.s. settles the spot/forward transactions only when it receives financial coverage from the customer to the respective customer account. This means that no transaction is performed if it is not covered, which actually prevents the liquidity risks.

# Notes to Financial Statements (Standalone)

## Year Ended 31 December 2013

### d) Operational Risk

AKCENTA CZ a.s. defines the operational risk as a risk of loss due to the lack or failure of internal processes, human factor or systems, and the risk of loss caused by external circumstances, including the risk resulting from the breach of or failure to perform statutory requirements.

The process of managing the operational risk at the Company means an aggregate of activities performed regularly on a quarterly basis, including, without limitation, identification, evaluation, and monitoring of risks, including checks of performance of preventive and other measures to reduce individual risks. The output of such activities is recorded in an internal document entitled the Risk Matrix. Operational risks associated with the Company's activities are reduced by the Company as follows:

- system process support
- consistent separation of roles when agreeing the transaction, settling the transaction and clearing the transaction
- setting of user rights in all systems
- standardised working procedures
- multiple checks within the processes with a quantitative high impact on P/L
- application of the four-eye rule
- professional supervision of Compliance Internal Audit, and Risk Management
- alternative plans to deal with emergencies

### 32. SUBSEQUENT EVENTS

The Company management is not aware of any subsequent events having a significant impact on the financial statements as at 31 December 2013.

<p>Sent out on:</p> <p>29. april 2014</p>	<p>Stamp and signature of the statutory body:</p>  <p><b>akcenta</b></p> <p><small>AKCENTA CZ a.s., Ovocný trh 572/II 1, I 10 00 Praha 1 DIČ: CZ 699 001 844 tel.: 498 777 770, fax: 498 777 750, www.akcentacz.cz</small></p> <p>Milan Cerman</p>	<p>Person responsible for accounting</p> <p>Name and signature:</p>  <p>Eva Dostálová</p> <p>tel.: +420 498 777 823</p>	<p>Person responsible for financial statements</p> <p>Jméno a podpis:</p>  <p>Dana Sedláková</p> <p>tel.: +420 498 777 766</p>
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## Contact Details

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