# Annual Report 2024

PPF Banka

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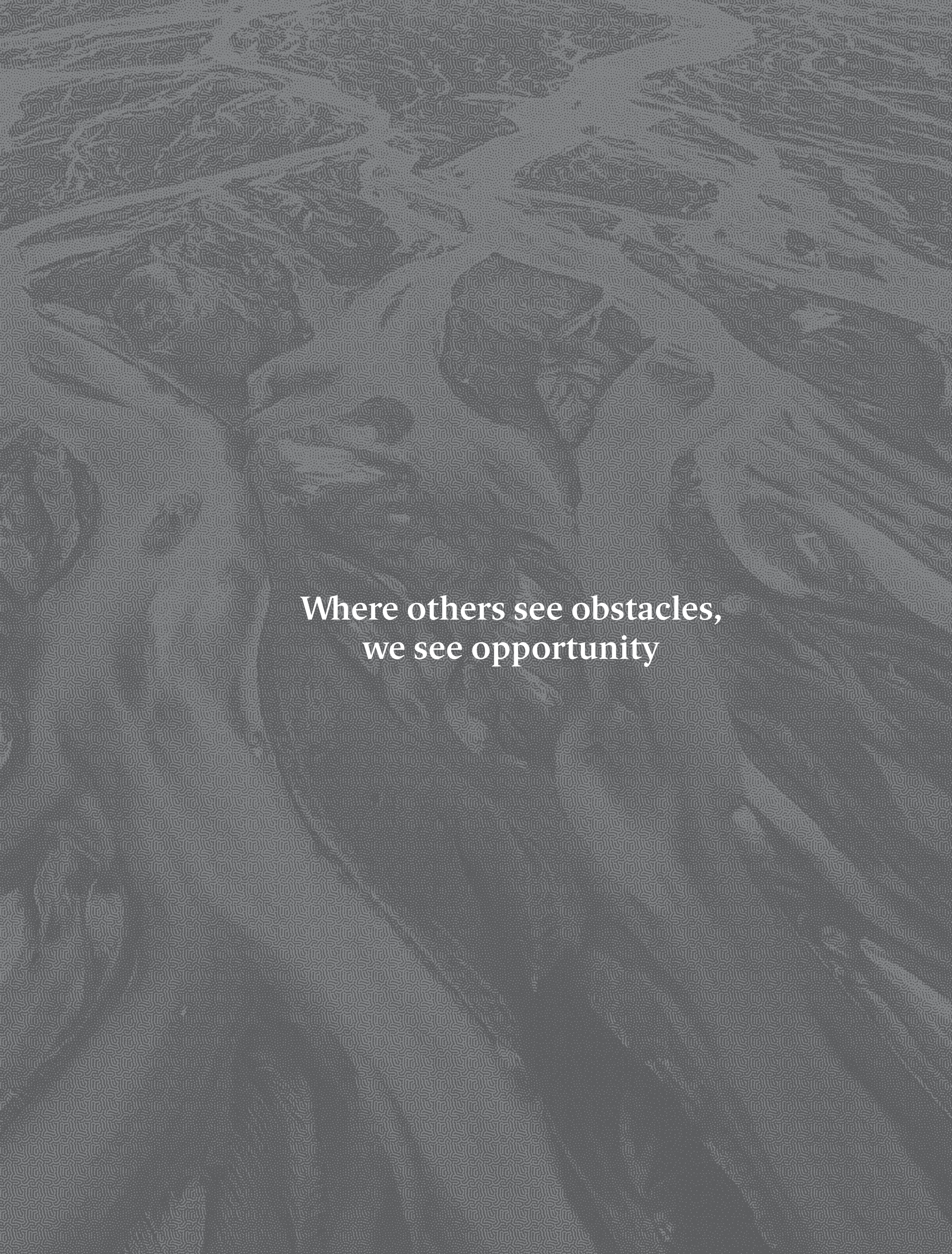
# Contents



**Where others see obstacles, we see opportunity**

# Chairman's Statement

Dear Shareholders, Business Partners,
and Colleagues,

I am pleased to report that the past year has reaffirmed the pivotal role PPF banka plays in our financial landscape and enabled us to consolidate our position in the face of shifting market conditions. We have navigated these changes with flexibility and determination, as reflected in our business performance, creating value for our clients and partners, while also fostering a sense of pride among our employees.

Our record net profit of CZK 4.2 billion is a testament not only to the Bank's strong financial health, but also to our efficiency, strategic vision, and commitment to drive change. With a capital adequacy ratio of 21.8% and a high-quality loan portfolio, we have proven our ability to deliver secure, sustainable financing, bolster economic growth, and support long-term investment.

In 2024, we actively participated in major bond issuances, further reinforcing our position in the capital markets. We are proud to announce that last year we secured the top ranking among the Ministry of Finance's primary dealers, leading both the overall assessment and the primary and secondary markets. This achievement underscores our strong standing among domestic and international financial institutions and our expertise in bond trading.

Technology and innovation remain key priorities for us. In 2024, we introduced new products and services that not only enhance client convenience, but also improve data security and protection. Sustainability continues to be an important focus. Our efforts extend beyond responsible lending to include innovative products for our clients, such as payment cards made from 100% recycled plastic.

We also remain deeply committed to corporate social responsibility, supporting a wide range of projects through PPF Group's foundations. Last year, we contributed CZK 301 million to non-profit organisations, helping others to create better conditions for societal development.

None of this success would have been possible without the extraordinary dedication and professionalism of our employees, to whom I extend my sincere gratitude. We are equally thankful for the support of our shareholders and the enduring trust of our clients. As we look ahead to 2025, we are ready to embrace new challenges and opportunities with vigour, humility, and a vision for continued growth.

*Petr Jirásko*
*Chairman of the Board of Directors*
*and Chief Executive Officer*
*PPF banka a.s.*

# Introducing PPF banka

## We are a bank for unique clients

We are a bank for corporate, public and private sector clients who appreciate our professional and personalised approach. Our services are built on professional expertise, bespoke solutions, and sophisticated financial operations. We regularly earn plaudits for our activity in the financial markets.

We offer wide-ranging banking and financial services with an emphasis on high value added and premium quality. We specialise in trading on the financial and capital markets. We also provide structured financing (project, export, acquisition, leverage, and real estate financing) and related services.

A member of the Prague Stock Exchange, we are one of the most influential securities traders, providing investment services in the Czech Republic and on foreign markets.

We support our clients' operations and development by delivering tailor-made solutions. We arrange money-market operations, provide investment loans, and analyse and hedge interest-rate and currency risks. For customers, we are a stable, professional and reliable partner providing financing in many areas of the economy, such as trade, industrial production, energy, renewable energy sources, agriculture and forestry, services, including IT and e-commerce, and other sectors.

We also provide financing for commercial and residential real estate and other development projects. We have long-standing partnerships with Czech regions and cities, supporting their initiatives in energy, the circular economy, education, and other projects. An important aspect of the portfolio is the services offered to private clients, who benefit from a personal approach towards their financial needs.

As an integral part of the PPF Group and the hub of its financial activities, we carry out international payments, manage financial assets and trade on capital markets for other PPF Group companies.

Beyond our core business, we are committed to social responsibility, supporting The Kellner Family Foundation, the PPF Foundation, and Pipan, a bilingual nursery school for hearing-impaired children. Alongside other PPF Group companies, we have been a long-term partner of the Summer Shakespeare Festival and the Jára Cimrman Theatre. Since 2021, PPF banka has been a general partner to Cirk La Putyka and the Jatka78 theatre, further contributing to the advancement of Czech culture.

## Our mission

- To create value for the Bank's shareholders, clients, and employees.
- To continue building on our core pillars of integrity, diligence, and cooperation.
- To foster and uphold, through our activities, intangible values, especially reliability, transparency, respect, and trust.
- To engage in corporate social responsibility that extends beyond these values.

## Our vision

- To be active in the provision of services to corporate, private, and institutional clients, as well as government entities.
- To stand out from other banks thanks to our exceptional value added, flexibility, and superior service quality.
- To harness synergies within PPF Group.
- To be a trusted partner with a long-term sustainable position in the domestic market.

# Corporate Profile

## General information

| | |
|---|---|
| Company name: | PPF banka a.s. |
| Legal form: | public limited company (akciová společnost) |
| Registered office: | Evropská 2690/17, Praha 6, 160 41, Czech Republic |
| Registration number: | 47116129 |
| Court of registration: | Municipal Court in Prague, Section B, File 1834 |
| Date of incorporation: | 31 December 1992 |

## Date and method of establishment

PPF banka was established by a deed of incorporation of 3 December 1992, without a share subscription, under the company name of ROYAL BANKA CS, a.s. On 14 December 1994, the general meeting decided to change the Bank's name to První městská banka, a.s., which was accompanied by a change in the Bank's registered office, and approved a one-off increase in registered capital, including a merger with Společnost pro založení První městské banky, a.s. with effect as of 31 January 1995. On 23 June 2004, the annual general meeting of První městská banka, a.s. decided to change the Bank's name to PPF banka a.s. with effect as of 1 September 2004.

| | |
|---|---|
| Registered capital: | CZK 769 million |
| Equity: | CZK 22,626 million |
| Total assets: | CZK 350,741 million |
| Shares: | registered, dematerialised shares maintained in the Central Securities Depository Prague |

Note: figures valid as at 31 December 2024

## Objects of business

PPF banka engages in all types of banking transactions and provides a full range of banking and financial services, along with related offerings, both domestically and internationally. Its services are primarily tailored to Czech municipal and corporate clients. The Bank specialises in trading on financial and capital markets in accordance with applicable legislation and on the basis of licences granted by the Czech National Bank.

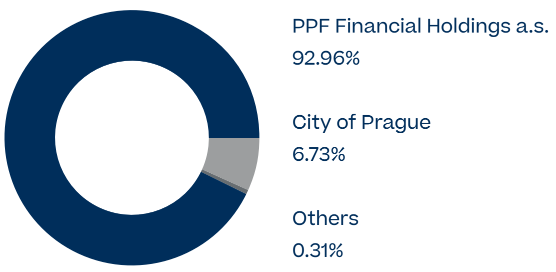
## History

1992 — Bank established as ROYAL BANKA CS, a.s.
1995 — renamed První městská banka, a.s., with the City of Prague becoming the majority shareholder
2002 — Česká pojišťovna a.s., a PPF Financial Group company, becomes the majority shareholder and a strategic partner
2003 — full integration into PPF Group
2004 — renamed PPF banka a.s.

## PPF banka is a member of:

- Czech Banking Association;
- Czech Institute of Internal Auditors;
- Prague City Chamber of Commerce;
- Prague Stock Exchange;
- Bank Card Association;
- International Swaps and Derivatives Association (ISDA).

## Shareholder structure




Official web address for mandatory disclosures about the Bank:
https://www.ppfbanka.cz/en/important-documents

# Significant Events in 2024

### It is in our DNA to help where it makes sense to do so

We have long supported the endeavours of The Kellner Family Foundation and the PPF Foundation and helped to fund the operation of the Pipan bilingual nursery school for the hearing impaired. Last year, our assistance came to CZK 301 million, which was allocated across a range of projects intended to enhance education and training, enrich the cultural landscape, and distribute resources to those in need.

### Top primary dealer for Czech government bonds

In the Ministry of Finance's 2024 ranking of primary dealers, we secured top spot overall and in both subcategories, i.e. in the primary and secondary markets. This recognition underscores our strong standing among domestic and international financial institutions and our expertise in bond trading.

### A strong year in securities issuance

In 2024, as lead manager/arranger or distributor, we contributed to the success of 12 corporate securities issues, including some of the most significant transactions on the Czech market. Among our private banking clients, we placed bonds, investment certificates, and other securities with a total value exceeding CZK 4 billion, far surpassing the previous year's results and reaffirming our position among the five largest lead managers in the Czech Republic.

### Recognised for the quality of formal data in our payment instructions

The Bank of New York Mellon, our correspondent bank in the US, regularly evaluates banks based on the quality of formal data in payment instructions, enabling fast straight-through processing (STP). Once again, PPF banka was recognised for an STP success rate of over 97% across 49,675 foreign payments made through The Bank of New York Mellon.

### Improving our products and services

We introduced a redesigned mobile banking app for iOS and Android, offering an improved user experience, a modern interface, and more intuitive navigation with new features. We also converted our investment questionnaire to a digital format and developed an Investment Portal within internet banking, giving clients easy access to information on their investment portfolios at any time. For private and corporate clients, we launched premium cards made from 100% recycled plastic, featuring an updated design and benefits such as premium travel insurance, airport lounge access, fast-track security screening, and more. Finally, we initiated the implementation of Apple Pay and Google Pay.

## Modernising our internal platform

To streamline administrative processes and introduce new solutions, we launched a new HR Portal incorporating a digital business travel management system. We also transitioned to the modern Microsoft 365 environment, enhancing file security, sharing capabilities, and searchability across documents, emails, and chats. Alongside Microsoft 365, we can now leverage the newly launched Power BI cloud service platform for reporting and data analysis. We also implemented a new SharePoint-based intranet to simplify and streamline communication and collaboration. Another key upgrade was the introduction of a new loan app, optimising loan portfolio management and administration.

## Continued investment in IT and cybersecurity

We expanded our IT infrastructure with modern security tools that enhance detection and the response to potential security incidents and cyber threats. We are continuously strengthening our security configuration standards to ensure that both our services and data remain fully protected.

## First annual PPF banka Insight

At our inaugural PPF banka Insight event, we welcomed distinguished guests to discuss the latest developments and presented our clients with an economic outlook, insights into financial markets, and expected trends for the coming year. In our insightful discussions, we explored key factors shaping both global and local markets and shared expert perspectives on sector-specific trends. The event met with keen interest and positive feedback, encouraging us to continue it in the years ahead.

## Helping to improve the general public's financial literacy

In 2024, in partnership with the Czech Banking Association, we continued our commitment to "Bankers Go To School", an educational initiative aimed at Year 8 and 9 students of primary schools and Year 1 and 2 students of grammar and other secondary schools. The plan is to enhance financial literacy and impart fundamental cybersecurity knowledge.

## Championing the Czech cultural scene

In 2024, we continued our sponsorship of the Cirk La Putyka ensemble and the Jatka78 theatre, reaffirming our belief in the importance of supporting projects, activities, and people who are dedicated to continual growth and advancement. With our backing, they can continue to captivate theatre and arts audiences with their exceptional performances and outstanding experiences. Their projects – enriched by an international dimension – have consistently garnered top reviews on the Czech cultural scene. We stand alongside fellow PPF Group companies in supporting the Summer Shakespeare Festival and the Jára Cimrman Theatre.

## Sustainability as a key element of our strategy and responsible business practices

As sustainability becomes increasingly important, we are preparing for the transparent disclosure of information on the social and environmental risks we face, as well as the impact of our activities on society and the environment. This includes data collection processes that enable us to manage and communicate our commitments in this area efficiently. We recognise our responsibility towards key stakeholders, including our shareholders, who monitor both the Bank's financial performance and its non-financial values; our clients, who rely on our banking services; our employees, who contribute to building a strong and stable company; and regulatory authorities, which ensure compliance with legislative and ethical standards. We consider social and environmental risks an integral part of overall risk management, and their assessment is embedded in our decision-making processes, particularly when evaluating the financial stability and long-term outlook of our clients and the industries in which they operate. In terms of social responsibility, we are raising employee awareness of the Bank's commitment to education and culture, as supporting meaningful causes is embedded in our DNA. At the same time, we invest in employees' growth and development, focus on their overall satisfaction, and foster an environment that encourages not only professional and personal growth, but also innovation. We also remain committed to transparency and responsible business conduct, which strengthen our market position. By adhering to the highest ethical and regulatory standards, we enhance our credibility and stability. We are proud that these principles allow us to contribute actively to the sustainable development and stability of the financial sector.

# Key Non-Consolidated Financial Indicators

Until 2014: under Czech Accounting Standards
As of 2015: under International Financial Reporting Standards (IFRS)

### Profit before tax

| (CZK millions) | |
|---|---|
| 2012 | 1,144 |
| 2013 | 784 |
| 2014 | 893 |
| 2015 | 1,583 |
| 2016 | 1,473 |
| 2017 | 1,908 |
| 2018 | 2,689 |
| 2019 | 2,629 |
| 2020 | 1,311 |
| 2021 | 2,127 |
| 2022 | 3,181 |
| 2023 | 4,681 |
| 2024 | 4,844 |

### Total assets

| (CZK millions) | |
|---|---|
| 2012 | 76,843 |
| 2013 | 104,818 |
| 2014 | 108,237 |
| 2015 | 103,084 |
| 2016 | 136,625 |
| 2017 | 232,941 |
| 2018 | 235,162 |
| 2019 | 226,958 |
| 2020 | 169,723 |
| 2021 | 236,622 |
| 2022 | 288,650 |
| 2023 | 384,955 |
| 2024 | 350,741 |

## Key non-consolidated financial indicators

under International Financial Reporting Standards (IFRS)

| (CZK millions) | 2024 | 2023 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | 150,517 | 166,093 |
| Financial assets at fair value through profit or loss | 65,108 | 105,642 |
| Financial assets at fair value through other comprehensive income | 53,781 | 29,010 |
| Investment securities at amortised cost | 19,804 | 19,333 |
| Loans and advances to banks | 11,910 | 11,101 |
| Loans and advances to customers | 48,613 | 52,952 |
| Investments in subsidiaries | 237 | 237 |
| Other assets | 771 | 587 |
| TOTAL ASSETS | 350,741 | 384,955 |
| EQUITY AND LIABILITIES | | |
| Deposits from banks | 3,178 | 15,948 |
| Deposits from customers | 265,740 | 241,239 |
| Debt securities issued | 1,350 | 4,436 |
| Financial liabilities at fair value through profit or loss | 55,824 | 100,271 |
| Other liabilities | 2,023 | 2,298 |
| Issued capital | 769 | 769 |
| Other components of equity | 21,857 | 19,994 |
| TOTAL EQUITY AND LIABILITIES | 350,741 | 384,955 |
| INCOME STATEMENT | | |
| Net interest income | 6,221 | 6,623 |
| Net fee and commission income | 255 | 258 |
| Net income/expense from financial operations | 558 | 12 |
| General administrative expenses | (1,422) | (1,262) |
| Impairment losses | (466) | (495) |
| Other operating profit or loss | (302) | (455) |
| Income tax expense | (647) | (797) |
| PROFIT OR LOSS FOR THE YEAR | 4,197 | 3,884 |
| KEY RATIOS | | |
| Non-performing client loans/total client loans | 0.95% | 0.56% |
| Total capital ratio | 21.75% | 23.15% |
| ROAA | 1.33% | 1.25% |
| ROAE | 19.56% | 20.24% |
| Assets per employee (CZK millions) | 1,280 | 1,492 |
| Administrative expenses per employee (CZK millions) | 5 | 5 |
| Net profit per employee (CZK millions) | 15 | 15 |

Details of capital and capital requirements at Bank level, as required by Articles 437 and 438 of Regulation (EU) No 575/2013, are disclosed under the “Capital management” section in the Separate Financial Statements.

# Macroeconomic Developments in the Czech Republic

Following stagnation in 2023, the long-anticipated recovery of the Czech economy arrived in 2024, albeit with little fanfare. GDP grew by 1%, driven primarily by foreign trade, though this was more a result of weak investment activity and subdued domestic demand, which kept imports lower, than a significant rebound in exports. The sluggish growth in exports was largely held back by weak external demand. The economy's recovery was further hampered, particularly in the first half of the year, by the unwinding of high inventory levels accumulated during the pandemic and the subsequent supply chain disruptions. On the other hand, Czech household demand improved, though retail sales data suggests that the upturn in consumption lifted sales (excluding cars) to a mere 1% above the 2019 average. The fact that Czech households remained cautious was also reflected in the savings rate, which held above 17% – five percentage points higher than the long-term average – in 2024. The labour market remained resilient, with unemployment low. However, signs of cooling emerged, with the number of job vacancies no longer exceeding the number of unemployed individuals.

From an output perspective, trade and services saw a recovery, whereas the country's traditional economic engine – industry – struggled. The Czech Republic's largest trading partner, Germany, teetered on the brink of recession throughout the year, which weighed on industrial performance. The relatively solid performance of the automotive sector helped to prevent an even worse outcome, though this was largely due to the clearing of a backlog of orders. Other industrial sectors remained in negative territory, and by year-end, the backlog-driven boost in automotive manufacturing was fading, leaving industry's contribution to overall economic growth negative. Industrial production declined by 1.4% year on year.

With the real economy rebounding in 2024, inflation returned to the Czech National Bank's target range. It edged higher towards year-end due to base effects, but remained within target, peaking at 3% in December. The average annual inflation rate fell to 2.5%, a sharp drop from 10.8% the previous year.

This decline gave the CNB room to ease monetary policy, beginning its rate-cutting cycle in December 2023. The central bank lowered rates at every monetary policy meeting in 2024, with four initial cuts of 50 basis points, followed by smaller 25-basis-point reductions. At the final meeting in December, the CNB paused the cuts, leaving rates unchanged at 4%. Despite this significant easing, monetary policy remained relatively tight.

The CNB's rate cuts had little impact on lending to non-financial corporations, which grew by 5.2% year on year, though the demand for CZK-denominated loans remained largely unchanged. While the total volume of CZK loans stabilised after the previous year's decline, the modest 2.3% annual growth was insufficient to boost their share of total loans. Euro-denominated loans continued to account for more than half (52%) of lending to non-financial corporations, growing 8% year on year – far slower than the 23.5% surge in 2023, when firms shifted to euros to escape high CZK interest rates. By contrast, the household lending market, where foreign-currency loans had never gained traction, responded more visibly to the lower rates. In 2024 as a whole, banks and building societies issued CZK 228 billion in new mortgage loans, an 83% year-on-year increase. Even after adjusting for rising property prices, real growth remained strong. The number of new mortgages rose by 53% to 62,000, while the average mortgage amount climbed 20% to CZK 3.7 million.

Despite higher flood-related expenditure, the state budget deficit narrowed further in 2024. The final shortfall of CZK 271.4 billion represented a CZK 17.1 billion year-on-year improvement, driven by stronger tax and social security revenues alongside moderate spending growth. While this was the best fiscal result since the Covid-19 pandemic, it remained the fifth-largest deficit in the country's history.

# PPF banka's Financial Performance in 2024

In 2024, PPF banka achieved the highest post-tax profit in its history, building on a series of highly successful years and significantly exceeding the strong 2023 result by more than CZK 300 million.
The 2024 after-tax profit was CZK 4,197 million.
Total comprehensive income for the year stood at CZK 4,247 million. Other comprehensive income, primarily reflecting revaluation differences on debt instruments measured at fair value through the Bank's equity, amounted to CZK 50 million.
In 2024, PPF banka's general meeting sanctioned a dividend payout of CZK 2,384 million. Despite this, the Bank's strong overall performance led to an increase in total equity by CZK 4,247 million to CZK 22,626 million. The return on average equity was 19.56%, with a capital ratio of 21.8%. Both the Bank's short-term and long-term liquidity remain at a strong and stable level.
Total assets at the end of 2024 stood at CZK 351 billion. The decline from the previous year reflects a reduction in repo transactions, while investment in government bonds increased, particularly within the portfolio measured at fair value through other comprehensive income.
Reverse repo transactions with the central bank – recorded both as cash equivalents and as assets at fair value through profit or loss – amounted to CZK 187 billion at the end of 2024. The high volume reflects the Bank's strategy of capitalising on liquidity placement opportunities towards the end of the year.
The CZK 19.8 billion portfolio of investment securities at amortised cost is predominantly composed of government bonds.
Loans and advances to customers grossed CZK 50.1 billion.
Retail loans and factoring receivables financing, managed via the subsidiary PPFCO3, amounted to CZK 11 billion.
Loss allowances and provisions for loans and advances to clients increased by CZK 297 million, mainly as a precautionary measure. Of the total allowances and provisions of CZK 1,541 million, CZK 1,263 million relate to performing loans, i.e. loans where the borrower is not in default. PPF banka's credit portfolio remains healthy, with the non-performing loan (NPL) ratio staying below 1% for the third consecutive year, the lowest level in the Bank's history.
The net value of NPLs remains very low at CZK 199 million.

Deposits from customers increased by CZK 25 billion, reflecting a rise in both deposits payable on demand (up CZK 38 billion) and term deposits (up CZK 35 billion). This overall increase was offset by a CZK 48 billion reduction in repo transactions.

Pre-tax profit for 2024 reached an all-time high of CZK 4,844 million. Operating income totalled CZK 7,041 million, surpassing the already strong 2023 result by CZK 143 million, while operating expenses remained broadly unchanged. Impairment losses improved year on year, decreasing by CZK 29 million.

Net interest income, at CZK 6,221 million, remained above CZK 6 billion, consistent with the previous year. This sustained performance reflects the strength of the Bank's investment portfolios and loan book throughout 2024, alongside a visible decline in the cost of external funding compared to 2023.

Net fee and commission income reached CZK 255 million, in line with 2023 levels.

Profit from financial operations increased by CZK 546 million year on year, primarily driven by higher foreign exchange gains and trading derivatives income.

PPF banka recorded an impairment loss of CZK 466 million in 2024, reflecting a prudent approach to provisioning for loans and corporate bonds.

Total operating expenses rose only marginally, by CZK 9 million, to CZK 1,731 million. The increase in personnel expenses was driven by headcount growth and the broader economic context. IT and consultancy expenses reflected rising costs, with IT spending also influenced by a greater share of SaaS-based services. On the other hand, the Bank's contribution to the crisis resolution fund declined significantly.

PPF banka remained committed to its charitable work in 2024, with corporate social responsibility continuing to be one of its core values. Donations totalled CZK 301 million.

# PPF banka's Business Activities

PPF banka operates as PPF Group's hub for access to financial markets. The same investment and transaction services are also provided to a wide range of corporate and private customers.

## Activity on financial markets

PPF banka exceeded its projected revenues from financial-market trading, delivering outstanding performance in both proprietary trading and client transactions. These results are shown on two separate rows in the financial statements: net interest income and net profit (loss) from financial operations.

### Bonds

PPF banka achieved excellent results in the proprietary trading of bonds and treasury bills. However, client trading fell slightly short of expectations due to lower activity from financial institutions in the secondary market. Despite ongoing monetary policy easing and declining bond yields, the bank successfully traded securities worth over CZK 400 billion in 2024.
A key market maker in Czech government bonds, PPF banka also remains one of the largest traders in the market. It consistently ranks among the top-performing primary dealers in the annual evaluation by the Czech Ministry of Finance.

In 2024, PPF banka was named the best primary dealer for Czech government bonds and secured first place in both subcategories (covering the primary and secondary markets), beating strong competition from major Czech and international banks. This recognition reaffirms the Bank's leading position in the bond market, where it remains a key counterparty for many financial institutions.

### Equities

PPF banka provides clients with transactional services in equities, leveraging its direct access to all major stock exchanges, as well as some select exotic ones. In addition to executing standard orders, the Bank facilitates block trades, offers securities custody services, and delivers a comprehensive equity trading service. In 2024, it carried out equity transactions totalling CZK 13 billion for corporate and private clients.

### Securities issuance

PPF banka was also active in securities issuance in 2024, placing bonds, investment certificates, and other securities exceeding CZK 4 billion exclusively among its private banking clients. Half of these issuances were denominated in currencies other than the Czech crown, reflecting sustained demand among clients for greater currency diversification in their portfolios.

The Bank further enhanced its already broad range of investment opportunities for clients with several noteworthy issuances last year, ranking among the largest placements on the Czech market.
Depending on the type of transaction, the Bank served as lead manager/arranger, distributor, administrator, or calculation agent for the securities issued.

### Foreign exchange and derivative markets

Client trading activity in the foreign exchange market declined year on year due to continued weak demand for currency hedging from larger corporate clients. This was driven by expectations of the Czech crown's depreciation and a relatively low interest rate differential between the crown and the euro, which made hedging less attractive for exporters. On the other hand, PPF banka outperformed expectations in bond repo operations and foreign exchange and interest rate transactions with financial institutions. The positive results were supported by the successful acquisition of new clients during the year.

### Cooperation with PPF Group

PPF banka continued to play an active role in hedging market risks for PPF Group companies and executing their financial market transactions. As the Group's treasury bank, PPF banka facilitated significant trades, acting as both counterparty and hedging provider for various transactions.

## Corporate banking and the public sector

In 2024, as always, numerous clients sought our assistance in making acquisitions, initiating new investment ventures, increasing production capabilities, addressing escalating operational expenses, and exploring fresh business prospects to grow their portfolios of clients and products. Some leveraged PPF banka's financing to acquire other companies, while others worked with us to restructure their capital, in particular by adjusting their bank debt levels and optimising the array of banking products they are using. The terms we devised for our deposit products proved enticing to customers and acted as a catalyst for the expansion of our deposit portfolio.
We have maintained our commitment to assisting numerous industry leaders, aiding them in acquisitions, enhancing and expanding production capacity, and fostering the advancement of their business endeavours. Our support extends to clients not only in the Czech Republic, but also across various global regions. Our most significant transactions are structured as club financing in collaboration with other prominent Czech and international banks.
We consistently strive to identify the most suitable financing structure for our customers, complementing bank financing with options such as bond issuance where appropriate. We assist developers and property investors in the financing of construction projects and investments in residential, commercial, and industrial real estate.

In the public sector, in 2024 the Bank consolidated its collaborative ties with the regions and cities of the Czech Republic, building on active cooperation established in previous years. Aligned with our strategy of serving as an engaged partner for the public sector, we also offer our services to companies with regional and municipal ownership.
In 2024, we remained focused on developing our product offerings and refining the Bank's core client systems. We are optimistic that they will elevate the quality of our collaborations, enabling customers to manage their finances as efficiently as possible.

## Private banking for individuals

PPF banka's private banking services are tailored to meet the needs of the most affluent individuals and their SPVs. Our primary objective is to fulfil the most rigorous demands by offering customers personalised transaction and investment services. Our exclusive customer care is underpinned by a stable team of highly experienced senior private bankers. Leveraging their expert knowledge, they are able to provide customers with optimal solutions, ensuring that their assets remain stable, protected, and poised for long-term growth. In a world where opportunities are fleeting, we understand the importance of acting swiftly and decisively.
The number of clients we serve and the volume of funds we manage are on a constant upward trajectory. Our successful issuance of in-house structured and investment products continues to empower customers to generate returns on their available funds efficiently. In tandem with the expansion of our portfolio, we are bolstering our team of private bankers to ensure that we uphold the highest standards of service for the Bank's growing clientèle. Like the previous year, 2024 brought its share of challenges, but also presented numerous exciting investment opportunities.
We are dedicated to broadening our service offerings in the realms of investment and payment cards, ensuring that customers experience unparalleled convenience even while travelling. We are diligently enhancing PPF banka's Smart Banking app to maximise convenience and responsiveness for customers when they manage their own accounts directly from their mobile devices. We also keep our clients up to date on economic developments in our Macro Monthly analytical newsletter.
The increasing interest in our services underscores our commitment to meeting and exceeding our customers' expectations. Despite the challenges of the past year, we have remained a resilient and dependable partner for our clients. Our enduring strategy revolves around upholding a personalised and professional approach, nurturing mutual trust, and prioritising customer satisfaction. These values serve as our guiding principles, ensuring that we continue to provide premium banking services to our customers both now and in the future.

## Information technology and information system security

The Bank's strategic objective is to maintain applications that are consistently reliable, cost-effective, and secure, supported by robust downstream infrastructure and auxiliary systems. That is why, in 2024, the Bank's IT department continued to play a pivotal role, placing an emphasis on the reliable and secure operation and development of applications.
The Bank's IT strategy rests on several pillars: digitalisation of the customer agenda, streamlining of processes to enhance the customer experience, modernisation of the Bank's internal environment to boost efficiency, the strengthening and development of information security, managed compliance with applicable legislation and regulations, the leveraging of cloud technology, and, just as importantly, the development and strengthening of the knowledge and internal capacity of the Bank's IT team.
The objectives defined for the continuity of security technologies, and the associated monitoring and response processes, were met, and the overall resilience of selected parts of the security environment was strengthened.

### For clients

We introduced a redesigned mobile banking app for iOS and Android, offering an improved user experience, a modern interface, and more intuitive navigation with new features. We also converted our investment questionnaire to a digital format and developed an Investment Portal within internet banking, giving clients easy access to information on their investment portfolios at any time. For private and corporate clients, we launched premium cards made from 100% recycled plastic, featuring an updated design and benefits such as premium travel insurance, airport lounge access, fast-track security screening, and more. Finally, we initiated the implementation of Apple Pay and Google Pay.

### For loan management, internal auditing, and committees

A key development in lending was the introduction of a new app that optimises loan portfolio management and administration, replacing the previous Lotus Notes app. Our in-house development team also created a new internal auditing app and migrated all committee agendas within the Bank to the new system.

### For day-to-day operations

To streamline administrative processes and introduce new solutions, we launched a new HR Portal incorporating a digital business travel management system. We also transitioned to the modern Microsoft 365 environment, enhancing file security, sharing capabilities, and searchability across documents, emails, and chats. Alongside Microsoft 365, we can now leverage the newly launched Power BI cloud service platform for reporting and data analysis. We also implemented a new SharePoint-based intranet to simplify and streamline communication and collaboration.

### For internal process automation

We automated data transfer between Bloomberg and Kondor, which improved efficiency in our trading processes. Data integration was implemented between the CRM system and both the card system and Multichannel platform, enabling the automatic synchronisation of key information. We took steps to stabilise instant payments and digitalised financial planning for OPEX/CAPEX using IBM Planning Analytics, which we also use for client profitability analysis.

### For audit and regulatory changes

We completed further GDPR-related updates (data retention) and deployed AML onboarding, allowing for efficient risk assessment before establishing client relationships. We also prepared updates based on the European CRR III regulation, specifically in the area of capital requirement (RWA) calculations.

### For technological advancements

A new testing environment was established by upgrading AS400 hardware for Midas, the core banking system. We changed our CRM system provider, upgraded and migrated JIRA/Confluence, transitioned Oracle BI to Oracle Analytics Server, and significantly strengthened the Bank's virtual infrastructure (VDI) to enhance everyone's performance.

### For stronger IT security

We expanded our IT infrastructure with modern EDR/XDR security tools that enhance detection and the response to potential security incidents and cyber threats. With the broader adoption of new technologies in the Microsoft 365 environment, data classification and protection processes were streamlined. We are continuously strengthening our security configuration standards to ensure that both our services and data remain fully protected.

### For sharing responsibility for security

A key development focus in security was the further general enhancement of oversight, response capabilities, and overall awareness of the repercussions of security risks. Our security specialists successfully completed the next stage of SIEM tool optimisation, expanded service perimeter monitoring, and increased visibility into user activities. Additionally, employees participated in training exercises to identify and respond effectively to the most common types of social engineering and phishing threats.

### For internal processes

Throughout 2024, regulators continued refining and issuing technical standards for information system security as part of the Digital Operational Resilience Act (DORA), effective as of 17 January 2025. The Bank is continuously reviewing its internal processes and system settings to ensure compliance with these requirements.

## Our people

We recognise that it is individuals, more so than numbers and processes alone, that mould the essence of our Bank. Our employees shape how we treat one another, the calibre of service extended to our customers, and our overarching trajectory. That is why we are committed to creating an environment where people can grow, develop their talents, and feel valued. The most important virtues we value are respect, trust, initiative, diligence, and a drive for progress. This ethos ensures that we remain a bank catering to extraordinary customers, supported by exceptional staff.

In 2024, we successfully completed key projects under our three-year HR strategy. We finalised the HR Portal, streamlining day-to-day administration, and introduced the last missing component – business travel management. Our quarterly employee survey, now running for two years, has provided valuable insights, enabling us to take concrete steps to enhance our working environment. This year, our focus has been on ensuring that all employees have a clear understanding of divisional strategic priorities and how they interconnect across the Bank.

Employee development remains a priority. In addition to mandatory statutory training, our people have access to specialist external training, industry conferences, and language courses. Over 2024, we also organised 57 internal training sessions. As a result, 71% of our employees participated in at least one external or internal training programme beyond statutory requirements. This amounts to over 8,000 hours dedicated to professional expertise, personal development, and strategic skills that drive the Bank forwards.

We are committed to fostering an open and fair corporate culture. We actively promote equal opportunities and diversity of perspectives and experiences, whether in terms of gender balance, career backgrounds, or age groups. We recognise that diversity strengthens us and brings fresh perspectives.

Viewing young talent as an investment in our future, we continue to collaborate with secondary schools and universities, offering trainee programmes that provide students and junior colleagues with valuable hands-on experience while bringing new ideas into the Bank. Specifically for our trainee programme, we created 17 new positions, and our first participants have already transitioned to full-time employment.

Our employees are also actively engaged in initiatives that extend beyond the Bank. For example, we continue to run “Bankers Go To School”, a scheme where our colleagues help students to improve their financial literacy and cybersecurity awareness. We aspire to be a stable and inspiring employer fostering an environment where people can thrive and find purpose in their work. Our employees are what makes our Bank exceptional, and thanks to them we can look to the future with confidence.

## Remuneration of senior management and supervisory board members

Senior management comprises members of the board of directors and the managing directors of divisions. These managing directors work for the Bank under employment contracts drawn up in accordance with the relevant provisions of Act No 262/2006, the Labour Code, as amended. Their contractual relationship and conditions of employment are subject to approval by the board of directors. The board of directors is the governing body responsible for the company’s business management.
It performs its duties with loyalty, the requisite expertise, and due diligence, acting in good faith and in the best interests of the Bank. Members of the board of directors adhere to ethical standards and bear liability for any damage caused by breaches of legal obligations.
They are remunerated under an “Agreement on the Service of a Member of the Board of Directors”, concluded in accordance with the relevant provisions of Act No 90/2012 on companies and cooperatives, as amended (the “Business Corporations Act”) and Act No 89/2012, the Civil Code, as amended.
Individual service agreements of members of the board of directors and their remuneration are subject – along with the PPF banka a.s. Remuneration Policy – to approval by the supervisory board. The remuneration structure consists of fixed and variable components. In accordance with Implementing Decree No 163/2014 on the activities of banks, savings and loan associations, and securities dealers, as amended, part of the variable component is subject to deferral and retention mechanisms, and a concept of non-cash instruments is applied. The service agreements of members of the board of directors, adhering to the risk-based Remuneration Policy, stipulate a contractual obligation barring board members from using insurance or other hedging strategies in relation to their remuneration or liability that could compromise or mitigate the impact of risk-based elements under the Remuneration Policy. Furthermore, members are subject to the potential implementation of “malus” and “clawback” provisions, particularly in instances where:

- capital and liquidity ratios dip below thresholds set by the Bank for a specific period;
- the Bank experiences a notable deterioration in financial performance;
- an individual is involved in or responsible for actions leading to significant losses for the Bank, or fails to meet prescribed standards of integrity, expertise, and professional conduct, including cases where they engage in serious misconduct or breaches of work discipline;
- an individual’s professional activities, negligence, or misconduct significantly damage the Bank’s reputation or result in penalties that have a material impact on the Bank’s financial standing or capital.

Members of the supervisory board are remunerated under an “Agreement on the Service of a Member of the Supervisory Board” concluded in accordance with the relevant provisions of the Business Corporations Act. Individual service agreements of members of the supervisory board and their remuneration require approval by the general meeting.
Consistent with the aforementioned Implementing Decree, the Internal Audit Department conducts an annual review of compliance with the Remuneration Policy, including relevant legislative and regulatory requirements and internal rules, and reports its findings to the Bank’s supervisory board and the board of directors. For 2024, approved cash bonuses were disbursed; no in-kind benefits were provided.

## Audit and non-audit services

Fees paid to the external auditor for audit services rendered to PPF banka in 2024 amounted to CZK 7.8 million (2023: CZK 7.8 million).
All external auditor services in 2024 and 2023 are related to the auditing of the financial statements, the annual report, the underlying documentation for the consolidation package, the condensed interim financial statements, and the MiFID report.
The audit and non-audit services provided to PPF banka and its subsidiary by an external auditor, or by member firms of the external auditor, are listed in the table below:

### PPF banka a.s.

| CZK millions | 2024 | 2023 |
|---|---|---|
| Audit services | 7.8 | 7.8 |
| Other assurance services | 6.7 | 2.7 |
| Advisory services | 5.0 | 0.1 |
| TOTAL | 19.5 | 10.6 |

### Subsidiary of PPF banka a.s.

| CZK millions | 2024 | 2023 |
|---|---|---|
| Audit services | 1.6 | 1.2 |
| Other assurance services | – | – |
| Advisory services | – | – |
| TOTAL | 1.6 | 1.2 |

## Good causes

Every year, PPF banka contributes to numerous projects primarily geared towards the development of Czech education and culture. Together with other PPF Group companies, the Bank is a long-standing partner of major cultural projects in the Czech Republic.
It supports the activities of The Kellner Family Foundation and the PPF Foundation. It helps to fund Pipan, a bilingual nursery school for the hearing impaired that is part of the Tamtam Children's Hearing Centre.
For many years, it has sponsored the Summer Shakespeare Festival, Europe's largest open-air theatre festival to specialise in the staging of William Shakespeare's works. The festival runs from the end of June to the beginning of September and takes place on outdoor stages in Prague, Brno, Ostrava, and Bratislava. Likewise, the Bank sponsors the Jára Cimrman Theatre, which is woven into the very fabric of the Czech theatre scene and has been entertaining audiences and inspiring other professional and amateur theatre ensembles for more than 50 years.
In 2021, PPF banka became the general partner of the Cirk La Putyka company and the Jatka78 theatre because it believes in the importance of supporting projects, activities, and people who are constantly looking for ways and opportunities to grow. With our support, they can continue to offer culture vultures unique performances and outstanding cultural experiences. Their projects – thanks in part to their international dimension – have long been among the best rated on the Czech cultural scene.

## Other information

In 2024 and 2023, the Bank incurred no expenditure on research and development or environmental protection.
The Bank has no branches abroad.
The Bank did not acquire any of its own shares.
The Bank does not foresee any significant changes in the development of its activities.

## Risk management objectives and methods

The risk management objectives and methods are described in detail in the Financial Section of the Annual Report on both an individual and consolidated basis.

## Subsequent events

The Bank's management is not aware of any events occurring after the balance-sheet date that would require an adjustment to this Annual Report.

## Proposal for the distribution of profit for 2024

PPF banka made a profit after tax of CZK 4,197,496,022.74. PPF banka's board of directors proposes the following profit distribution:

| | |
|---|---|
| Payment of dividends | CZK 2,937,596,531.05 |
| Appropriation to retained earnings | CZK 1,259,899,491.69 |

Prague, 17 March 2025

*Petr Jirásko*
*Chairman of the Board of Directors of PPF banka a.s.*

*Miroslav Hudec*
*Member of the Board of Directors of PPF banka a.s.*

# Corporate Governance

## Board of Directors

### Petr Jirásko

*Chairman of the Board of Directors since 14 October 2013 (member of the Board of Directors since 8 October 2013)*
*Chief Executive Officer*

Born in 1973, Petr Jirásko graduated from the Prague University of Economics and Business. During his university studies, he was employed part-time by Budějovický Budvar, Investa Příbram a.s., Credit Lyonnais Bank Praha a.s., and Tabák Kutná Hora. In 1998, he started working full-time for Credit Lyonnais Bank Praha a.s. as an FX dealer. Between 2000 and 2002, he worked at Komerční banka, a.s. as an FX option dealer and later as the head of the Derivatives Desk. He joined PPF Group in 2002. He worked for PPF burzovní společnost (as a bond dealer and chief dealer) until 2004, when he started working for PPF banka a.s. as Managing Director of Financial Markets. In October 2013, he became the Chairman of the Board of Directors and Chief Executive Officer of PPF banka a.s.

### Jaroslava Studenovská

*Vice-Chairwoman of the Board of Directors since 9 December 2016 (member of the Board of Directors since 16 April 2012)*
*Director, Operations Division*

Born in 1968, Jaroslava Studenovská graduated in General Economic Theory from the Prague University of Economics and Business. Between 1992 and 1998, she worked for Česká spořitelna a.s. in various investment banking positions, her last position being back office director. Between 1999 and 2001, she worked as back office director at IPB/ČSOB. From 2001 to 2005, she was the director of back-office treasury at Raiffeisenbank a.s. She joined PPF banka a.s. in 2006 as a specialist in the Group’s Treasury Division. She has been the Managing Director of Operations since 2007. She was named a member of the Board of Directors in 2012, and has been Vice-Chairwoman of the Board of Directors since December 2016.

### Miroslav Hudec

*Member of the Board of Directors since 1 May 2016*
*Director, Financial Management Division*

Born in 1966, Miroslav Hudec graduated from the University of Chemistry and Technology in Pardubice, majoring in Industry Economics and Management. He headed the financial departments at Monokrystaly Turnov a.s. and Šroubárna Turnov a.s. Later, he worked for Česká spořitelna, a.s. as the head of the internal bank and held various positions in the company’s finance division. Prior to joining PPF banka a.s., he worked as the head of controlling and deputy chief financial officer at Credit Lyonnais Bank Praha and held the same position at Credit Agricole Bank Praha. He has worked for PPF banka since 1 September 2012, starting out as an adviser to the Chief Executive Officer. He became Managing Director of Financial Management in January 2014 and a member of the Board of Directors in May 2016.

## Luboš Prchal

*Member of the Board of Directors*
*since 3 November 2021*
*Director, Risk Management Division*

Born in 1980, Luboš Prchal graduated in Mathematical Statistics from the Faculty of Mathematics and Physics of Charles University, where he also completed his PhD studies combined with studies at Paul Sabatier University in Toulouse, France. He gained extensive experience in the financial sector at Ernst & Young, s.r.o., where he worked from 2007 to 2019, from 2016 as a partner and from 2018 as CESA financial services risk management leader. He joined PPF banka a.s. in November 2020 as adviser to the CEO, then adviser to the Managing Director of Risk Management, and in November 2021 he became a member of the Board of Directors and Managing Director of Risk Management.

## Karel Tregler

*Member of the Board of Directors*
*since 3 November 2021*
*Director, Commercial and*
*Investment Banking Division*

Born in 1978, Karel Tregler graduated from the Prague University of Economics and Business with a master's degree and PhD in Finance. In 2009, he successfully completed his postgraduate studies at CFA Institute. He joined PPF Group in 2000. He initially worked for PPF burzovní a.s. as an equity analyst, before joining PPF Asset Management as a portfolio manager in 2004. Starting in 2008, he worked for Generali PPF Asset Management as a senior portfolio manager. In 2014, he joined PPF banka a.s. as Managing Director of Financial Markets, and in November 2021 he was appointed to the Board of Directors and made Managing Director of Commercial and Investment Banking.

## Supervisory Board

### Ladislav Chvátal

*Chairman of the Supervisory Board since 20 August 2015 (Member of the Supervisory Board since 29 April 2015)*

Born in 1963, Ladislav Chvátal graduated from the Prague University of Economics and Business, majoring in Automated Control Systems in Economics. He joined PPF Group in 1994. Within PPF Group, he has held a number of key managerial positions. Between 1998 and 2007, he managed Home Credit Group's development and international expansion as its CEO while serving as PPF Group's Executive Director for Retail Banking and Consumer Finance with responsibility for the strategic management of eBanka and ČP Leasing. Between 2009 and 2014, he was part of PPF Partners' management team.

### Bohuslav Samec

*Member of the Supervisory Board since 16 January 2009*

Born in 1959, Bohuslav Samec graduated from a two-semester Monetary Economics and Banking course at the University of Economics, Prague. Between 1985 and 1993, he held managerial positions in services. He has worked for PPF Group since 1994, in which time he has held various managerial positions. For ten years, he has served as a member of the board of directors of PPF burzovní společnost, and he also acts as a member of the supervisory board of Slezan Frýdek-Místek a.s. and Gramofonové závody, a.s. He currently works for Česká pošta in the CEO's Section. Between 2006 and 2009, he was a member of the Supervisory Board of PPF banka a.s. Since 2009, he has also been a member of the Audit Committee of PPF banka a.s.

### Lenka Baramová

*Member of the Supervisory Board since 7 January 2009*

Born in 1965, Lenka Baramová graduated from the University of Economics and Business and joined Komerční banka, a.s. in 1987 (when it was still an SBČS branch). Between 1993 and 1994, she worked in the credit risk department of ABN AMRO Bank N.V. in Prague. Between 1994 and 2000, she worked for Calyon (then known as Credit Lyonnais Bank Praha a.s.), initially in the corporate banking department and then in corporate finance. Between 2000 and 2002, she worked for the consultancy firm Celestis Finance s.r.o. Since 2002, she has worked for PPF banka a.s., where she is currently a Senior Sales Consultant.

## Martin Hýbl

*Member of the Supervisory Board since 2 June 2011*

Born in 1974, Martin Hýbl graduated from the Faculty of Business and Management of the Silesian University, Karviná, majoring in Business Economics. In 1998, he joined ČP Leasing a.s. and progressively held the positions of financial analyst, head of financial management, chief financial officer, and member of the board of directors. Between 2003 and 2005, he worked for PPF Group in various financial management positions. Since 2005, he has been with PPF banka a.s., initially heading the HC Treasury Department, before taking charge of Institutional and Corporate Client Banking Services, and now serving as Director of Investment and Transaction Services.

## Aleš Kozelský

*Vice-Chairman of the Supervisory Board since 18 September 2024 (member of the Supervisory Board since 3 January 2024)*

Born in 1967, Aleš Kozelský he earned his master's degree in Automated Control Systems in Economics and then pursued a business PhD at the Faculty of Economics of the VSB – Technical University of Ostrava. He worked as a stockbroker and portfolio manager for a number of financial institutions (Moravia Banka, Creditanstalt Securities, Guttmann & Cie, Delta Securities, and QUORUM Pro), before putting his hands-on experience of the capital market to use at institutions responsible for capital market supervision (Securities Commission, Czech National Bank).

## Štěpán Křeček

*Member of the Supervisory Board since 3 January 2024*

Born in 1989, Štěpán Křeček graduated in Economics and Business Administration from the Prague University of Economics and Business before starting work as an economic analyst in 2012. He has held the position of chief economist at BH Securities, a licensed securities trader and member of the Prague Stock Exchange, since 2017. In 2022, he joined the Advisory Panel of the Prime Minister of the Czech Republic. In the past, he has served on a regional public procurement committee and municipal committees for street furniture, tendering, and asset disposals.

## Audit Committee

### Valdemar Linek

*Chairman of the Audit Committee since 1 October 2021 (member of the Audit Committee since 10 December 2009; Vice-Chairman of the Audit Committee from 13 April 2010 to 30 September 2021)*

Born in 1971, Valdemar Linek graduated from the Prague University of Economics and Business, majoring in Corporate Economics and Accounting and Corporate Financial Management. He also completed a postgraduate two-semester course in Internationally Accepted Accounting Standards and is a certified balance sheet accountant and registered assistant auditor. In 1997-2003, he worked for HZ Praha, spol. s r.o. as auditing division director, where he was responsible for audit engagements, economic consulting, due diligence and forensic investigation. Since 1999, he has been a managing director of PRAGUE ACCOUNTING SERVICES s.r.o. (an expert institute in the field of economics), where he is responsible for the preparation of expert opinions on business combinations, accounting, taxes and valuations of assets and companies. Since 2005, he has been a director at PRAGUE TAX SERVICES a.s., where he is responsible for economic, accounting and tax consulting. Since 2003, he has been the board chairman, a director and a partner at NEXIA AP a.s., where he is responsible for forensic engagements and project consultancy contracts. In 2011–2018, he was a member of the audit committee of Air Bank a.s.

### Jitka Mašátová

*Vice-Chairwoman of the Audit Committee since 1 October 2021 (member of the Audit Committee from 29 April 2013, Chairwoman of the Audit Committee from 29 April 2013 to 30 September 2021)*

Born in 1978, Jitka Mašátová graduated from the Prague University of Economics and Business, where she studied Monetary and Economic Politics at the Faculty of Finance and Accounting. While still studying, she joined the Banking Supervision Section of the Czech National Bank, where she held various positions over the course of four years. Since 2005, she has worked for PPF a.s.'s Group Internal Audit Department. Since 2007, she has been the Head of Group Internal Audit. In 2011, she was a member of the supervisory board of SAZKA sázková kancelář, a.s. Since 2018, she has been a member of the Supervisory Board of PPF banka a.s. Since 2021, she has also worked for PPF Financial Holdings a.s. in the position of Chief Internal Audit Officer.

## Senior Management

### Bohuslav Samec
*Member of the Audit Committee since 10 December 2009*

Born in 1959, Bohuslav Samec graduated from a two-semester Monetary Economics and Banking course at the Prague University of Economics and Business. Between 1985 and 1993, he held managerial positions in services. He has worked for PPF Group since 1994, in which time he has held various managerial positions. For ten years, he has served as a member of the board of directors of PPF burzovní společnost and a member of the supervisory board of Slezan Frýdek-Místek a.s. and Gramofonové závody, a.s. He currently works for Česká pošta in the CEO's Section. Since 2006, he has also been a member of the Supervisory Board of PPF banka a.s.

### Petr Jirásko
*Chief Executive Officer since 14 October 2013*

### Jaroslava Studenovská
*Director, Operations Division, since 1 May 2007*

### Miroslav Hudec
*Director, Financial Management Division, since 1 January 2014*

### Luboš Prchal
*Director, Risk Management Division, since 3 November 2021*

### Karel Tregler
*Director, Commercial and Investment Banking Division, since 3 November 2021*

### Daniel Votápek
*Director, IT Division, since 1 June 2022*

# Organisational Structure of PPF banka a.s. as at 31 December 2024

**Supervisory Board**

**Audit Committee**

**Risk Committee**

**Board of Directors**

003 Compliance Department
004 Internal Audit Department

**Chief Executive Officer**

010 Office of the CEO and HR Department
030 Concierge Department
040 Legal Department

**200 Financial Management Division**
210 Accounting Department
240 Controlling and Reporting Department

**500 IT Division**
510 User and Aplication Department
520 IT Infrastructure Department
530 Digital, Transactions Systems, Backoffice Department
540 Loans, Invesments and Architecture Department
550 Project Management Office and Datamanagement Department
533 Datamanagement Unit
535 Testing Unití

**600 Operations Division**
610 Client Contact Centre Department
620 Passive Product Methodology Department
630 Validation and Control Department
640 Payment Department
650 Back Office Financial Markets Department
651 Back Office Money Market Unit
652 Back Office Capital Market Unit
653 Validation and Control Transactions Unit
660 Loan Administration Department
670 Custody Department
680 Middle Office Financial Markets Department
690 Electronic Payment Systems Department

**700 Risk Management Division**

**710 Market Risk Management Department**

711 Credit Controlling Unit

**720 Credit Risk Management Department**

721 Financial Institutions Analysis Unit

722 Monitoring and Extraction Unit

723 Corporate Clients Analysis Unit

**730 Restructuring and Workout Department**

**770 Information Security Department**

771 Security Supervision Unit

772 Information Systems Security Department

**780 Operational Risk Management Unit**

**800 Commercial and Investment Banking Division**

**300 Investment Banking Section**

**310 Debt Capital Markets**

**320 Trading Department**

**330 Corporate and Municipal Client Sales Department**

**340 Treasury Department**

**350 Investment and Transaction Services Department**

**370 Institutional Client Sales Department**

**380 Private Banking Department**

**400 Commercial Banking Section**

**410 Corporate Banking Department**

**470 Public Sector Department**

**830 Products, Analysis, Support Section**

**831 Products Department**

**832 Macroeconomic Analysis Department**

**833 Support Services Department**

# Independent Auditor's Report

Building a better
working world

(Translation of a report originally issued in Czech)

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of PPF banka a.s.:

## Report on the Audit of the Financial Statements

*Opinion*

We have audited the accompanying separate financial statements of PPF banka a.s. (hereinafter also the "Company") prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the separate statement of financial position as at 31 December 2024, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a material accounting policy information. For details of the Company, see Note 1 to the separate financial statements.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of PPF banka a.s. as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

*Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the separate financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying separate financial statements.

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*Loss allowance for loans and advances to customers*

Loans to customers measured at amortized cost of CZK 48,613 million as at 31 December 2024 accounts for a major portion of the Company's total assets. As described in Note 20 (Loans and advances to customers) to the separate financial statements, they comprise the gross carrying amount of loans to customers that are measured at amortized cost of CZK 50,154 million and the loss allowance of CZK 1,541 million.

Determination of the amount and timing of the recognition of a loss allowance for expected credit losses requires management to make significant judgements and involve complex estimates and assumptions that are disclosed in the Notes 3 and 5 to the separate financial statements (Note 3 Material accounting principles and Note 5 Critical accounting estimates and judgements), Note 20 (Loans and advances to customers), Note 13 (Impairment gains/losses) and Note 43 (Risk management disclosure).

Key assumptions and judgements relevant for assessment of performing exposures include:

- Definition of default and a significant increase in the credit risk (SICR).
- Probability of Default (PD), estimated using statistical methods on the basis of available market data and forward-looking information based on macroeconomic scenarios.
- Loss Given Default (LGD), back-tested by the Company using the number of observations available.
- Exposure at Default (EAD), derived by the Company from the current exposure to the counterparty, taking into account the repayment schedules; and being reduced by the net realizable value of collateral received.

The Company also accounts for the additional adjustments to the expected credit losses ('management overlays') in response to risks that were not considered in the macroeconomic model.

As part of our audit procedures, we documented our understanding of the Company's credit risk management processes.

We engaged IT specialists to assist us in testing the effectiveness of the internal control mechanisms of the IT systems in which the Company calculates credit risk parameters and loss allowances for expected credit losses.

We assessed the governance and process over the loss allowance for loans and advances to customers. We tested design and operating effectiveness of the Company's internal controls over the loss allowance for loans and advances to customers.

We reconciled the register of loans to customers with the accounting records, in order to evaluate the completeness of reported loans to customers that form the basis for calculation of a loss allowances for expected credit losses.

In collaboration with credit risk specialists, we assessed the methodology of creating loss allowances, methods and results of testing the credit risk parameters (so-called 'back-testing'), methodologies of rating models and credit risk parameters, their assumptions, and implementation into the system in accordance with IFRS 9 requirements.

Together with credit risk specialists, we also evaluated management overlays.

On a selected sample, we analyzed credit exposures that the Company assessed individually. For selected exposures, we analyzed the borrowers' economic and financial position and compliance with the terms of loan agreements to assess the appropriateness of classification into risk categories, known as 'staging.' For selected exposures in stage 3, we assessed the adequacy of expected cash flows from repayments and the recoverability of collateral value based on available financial and market data, and independently recalculated the amount of respective loss allowance and compared the calculated value with the amount of loss allowance recognized by the client.

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Given the significance and complexity of management's judgements and estimates in relation to expected credit losses as described above, we have evaluated loss allowances for loans to customers as a key audit matter.

We applied analytical procedures on the development of loss allowance for loans to customers, aimed at identifying the customers' loan portfolios with undervalued loss allowance. These procedures included analyzing the development of the structure and characteristics of the loan portfolio, including loss allowance, which reflect the quality of the loan portfolio in terms of a loss allowance for expected credit losses from loans to customers.

At the same time, we evaluated the disclosures in the Notes to the separate financial statements - Note 20 (Loans and advances to customers), Note 3 (Material accounting principles), Note 5 (Critical accounting estimates and judgements), Note 13 (Impairment gains/losses) and Note 43 (Risk management disclosure) - concerning the expected credit losses from loans to customers included in the separate financial statements in terms of their completeness and compliance with IFRS Accounting Standards as adopted by the European Union.

*Other Matters*

The separate financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those separate financial statements on 4 April 2024.

*Other Information*

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the separate financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

As described in Note 1 to the separate financial statements, the Company has not prepared a separate annual report as at 31 December 2024, because the Company includes the relevant information in the consolidated annual report. Accordingly, we do not express an opinion thereon.

*Responsibilities of the Company's Board of Directors, Supervisory Board and Audit Committee for the Separate Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board and the Audit Committee are responsible for overseeing the Company's financial reporting process.

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*Auditor's Responsibilities for the Audit of the Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

*Appointment of Auditor and Period of Engagement*

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 26 April 2024 and engaged as the auditors for the first year.

*Consistence with Additional Report to Audit Committee*

We confirm that our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 19 March 2025 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

*Provision of Non-audit Services*

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the separate financial statements.

*Statutory auditor responsible for the engagement*

Eva Seifertová Schmidtová is the statutory auditor responsible for the audit of the separate financial statements of the Company as at 31 December 2024, based on which this independent auditor's report has been prepared.

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

Eva Seifertová Schmidtová, Auditor
License No. 2440

Tomáš Nemec
Procurist

19 March 2025
Prague, Czech Republic

# Separate Financial Statements

for the year ended 31 December 2024 in accordance with International Financial Reporting Standards (IFRS)

## Separate Statement of Comprehensive Income

for the year ended 31 December 2024

| In millions of CZK | Note | 2024 | 2023 |
|---|---|---|---|
| Interest and similar income* | 7 | 16,129 | 18,886 |
| Interest expense and similar charges | 7 | (9,908) | (12,263) |
| **Net interest and similar income** | | **6,221** | **6,623** |
| Fee and commission income | 8 | 600 | 592 |
| Fee and commission expense | 8 | (345) | (334) |
| **Net fee and commission income** | | **255** | **258** |
| Net income/expense from financial operations | 9 | 558 | 12 |
| Other operating income | | 7 | 5 |
| **Operating income** | | **7,041** | **6,898** |
| Personnel expenses | 10 | (656) | (567) |
| Other general administrative expenses | 10 | (766) | (695) |
| **General administrative expenses** | | **(1,422)** | **(1,262)** |
| Depreciation and amortisation | 11 | (90) | (90) |
| Other operating expenses | 12 | (219) | (370) |
| **Operating expenses** | | **(1,731)** | **(1,722)** |
| Impairment gains/(losses) | 13 | (466) | (495) |
| **Profit before income tax** | | **4,844** | **4,681** |
| Income tax expense | 14 | (647) | (797) |
| **NET PROFIT FOR THE YEAR** | | **4,197** | **3,884** |

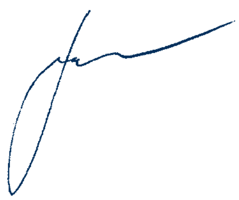
* The breakdown of interest and similar income into amounts calculated using the effective interest rate and others is set out in note 7.

| Other comprehensive income | 2024 | 2023 |
|---|---|---|
| Items that are or may be reclassified to profit or loss | | |
| Fair value reserve (debt instruments measured at fair value through other comprehensive income, tax included): | 31 | 829 |
| Change in fair value | (88) | 957 |
| Net amount transferred to profit or loss | 127 | 74 |
| Deferred tax | (8) | (202) |
| Items that will not be reclassified to profit or loss | | |
| Fair value reserve (equity instruments designated at fair value through other comprehensive income, tax included): | 19 | 17 |
| Change in fair value | 24 | 21 |
| Deferred tax | (5) | (4) |
| Other comprehensive income for the period | 50 | 846 |
| Total comprehensive income for the period | 4,247 | 4,730 |

The notes on pages 43 to 113 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 17 March 2025 for issue on 19 March 2025 and are subject to approval at the Supervisory Board and Shareholder meeting.

Signed on behalf of the Board of Directors by:



*Petr Jirásko*
*Chairman of the Board of Directors*

*Miroslav Hudec*
*Member of the Board of Directors*

# Separate Statement of Financial Position

for the year ended 31 December 2024

| In millions of CZK | Note | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 15 | 150,517 | 166,093 |
| Financial assets at fair value through profit or loss | 16 | 65,108 | 105,642 |
| Of which pledged as collateral | | 2,061 | - |
| Financial assets at fair value through other comprehensive income | 17 | 53,781 | 29,010 |
| Of which pledged as collateral | | 12,888 | - |
| Investment securities at amortised cost | 18 | 19,804 | 19,333 |
| Of which pledged as collateral | | 2,509 | 1,268 |
| Loans and advances to banks | 19 | 11,910 | 11,101 |
| Loans and advances to customers | 20 | 48,613 | 52,952 |
| Investments in subsidiaries | 21 | 237 | 237 |
| Property, plant and equipment | 22 | 104 | 95 |
| Intangible assets | 23 | 161 | 162 |
| Deferred tax assets | 31 | 58 | - |
| Other assets | 24 | 448 | 330 |
| TOTAL ASSETS | | 350,741 | 384,955 |
| LIABILITIES | | | |
| Deposits from banks | 25 | 3,178 | 15,948 |
| Deposits from customers | 26 | 265,740 | 241,239 |
| Debt securities issued | 27 | 1,350 | 4,436 |
| Financial liabilities at fair value through profit or loss | 29 | 55,824 | 100,271 |
| Income tax liabilities | 30 | 262 | 261 |
| Deferred tax liabilities | 31 | - | 5 |
| Provisions | 32 | 263 | 215 |
| Other liabilities | 33 | 1,498 | 1,817 |
| TOTAL LIABILITIES | | 328,115 | 364,192 |
| SHAREHOLDERS’ EQUITY | | | |
| Issued capital | 37 | 769 | 769 |
| Share premium | 37 | 412 | 412 |
| Retained earnings | | 21,143 | 19,330 |
| Fair value reserve | 38 | 302 | 252 |
| TOTAL SHAREHOLDERS’ EQUITY | | 22,626 | 20,763 |
| TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY | | 350,741 | 384,955 |

# Separate Statement of Cash Flows

for the year ended 31 December 2024

| In millions of CZK | Note | 2024 | 2023* (restated) |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | | 4,844 | 4,681 |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 11 | 90 | 90 |
| Net impairment loss on investment securities | | 149 | (90) |
| Net impairment loss on loans and advances and other financial assets | | 317 | 585 |
| Net interest income | 7 | (6,222) | (6,623) |
| Revaluation of financial assets and liabilities at fair value through profit or loss | | (94) | (647) |
| Net gain/loss on the sale of financial assets at fair value through other comprehensive income | | 127 | 74 |
| Other non-cash adjustments | | (210) | 140 |
| **Operating profit before the change in operating assets and liabilities** | | **(999)** | **(1,790)** |
| **Changes in:** | | | |
| Financial assets at fair value through profit or loss | | 40,628 | (71,958) |
| Loans and advances to banks | | (809) | (2,854) |
| Loans and advances to customers | | 3,217 | (7,793) |
| Other assets | | (118) | 29 |
| Financial liabilities at fair value through profit or loss | | (44,447) | 69,851 |
| Deposits from banks | | (12,732) | (7,739) |
| Deposits from customers | | 23,580 | 30,721 |
| Other liabilities | | (287) | 1,054 |
| | | 8,033 | 9,521 |
| Interest received | | 17,042 | 18,229 |
| Interest paid | | (9,081) | (12,610) |
| Income taxes paid | | 713 | (604) |
| **NET CASH FROM/(USED IN) OPERATING ACTIVITIES** | | **15,281** | **14,536** |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | (72,743) | (5,062) |
| Proceeds from sale of and matured financial assets at fair value through other comprehensive income | | 47,987 | 2,026 |
| Acquisition of investment securities at amortised cost | | (455) | 4,239 |
| Acquisition of property and equipment | | (54) | (20) |
| Acquisition of intangible assets | | (44) | (25) |
| **NET CASH FROM/(USED IN) INVESTING ACTIVITIES** | | **(25,309)** | **(7,320)** |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of debt securities | | 1,704 | 436 |
| Repayment of debt securities issued | | (4,740) | (1,117) |
| Leasing payments | | (32) | (26) |
| Dividends paid | | (2,384) | (1,298) |
| **NET CASH FROM/(USED IN) FINANCING ACTIVITIES** | | **(5,452)** | **(2,005)** |
| Net increase/(decrease) in cash and cash equivalents | | (15,480) | 5,211 |
| Cash and cash equivalents at 1 January | 15 | 166,093 | 160,928 |
| Effect of exchange rate fluctuations on cash and cash equivalents held | | (96) | (46) |
| **CASH AND CASH EQUIVALENTS AT 31 DECEMBER** | | **150,517** | **166,093** |

* Restated, see note 6 Changes in accounting policies.

# Separate Statement of Changes in Equity

for the year ended 31 December 2024

| In millions of CZK | Issued capital | Share premium | Fair value reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| BALANCE AT 1 JANUARY 2024 | 769 | 412 | 252 | 19,330 | 20,763 |
| **Total comprehensive income for the period** | | | | | |
| Net profit for 2024 | - | - | - | 4,197 | 4,197 |
| **Other comprehensive income** | | | | | |
| Changes in fair value of financial assets at fair value through other comprehensive income (tax included) | - | - | 50 | - | 50 |
| Total | 769 | 412 | 302 | 23,527 | 25,010 |
| **Transactions with owners, contribution and distribution to owners** | | | | | |
| Dividends paid (note 39) | - | - | - | (2,384) | (2,384) |
| BALANCE AT 31 DECEMBER 2024 | 769 | 412 | 302 | 21,143 | 22,626 |
| BALANCE AT 1 JANUARY 2023 | 769 | 412 | (594) | 16,744 | 17,331 |
| **Total comprehensive income for the period** | | | | | |
| Net profit for 2023 | - | - | - | 3,884 | 3,884 |
| **Other comprehensive income** | | | | | |
| Changes in fair value of financial assets at fair value through other comprehensive income (tax included) | - | - | 846 | - | 846 |
| Total | 769 | 412 | 252 | 20,628 | 22,061 |
| **Transactions with owners, contribution and distribution to owners** | | | | | |
| Dividends paid (note 39) | - | - | - | (1,298) | (1,298) |
| BALANCE AT 31 DECEMBER 2023 | 769 | 412 | 252 | 19,330 | 20,763 |

# Notes to the Separate Financial Statements

for the year ended 31 December 2024

## 1 Introduction

PPF banka a.s. (“the Bank”) was established on 31 January 1995 as the successor to the former ROYAL BANKA CS,a.s. (operating on the market from 31 December 1992) by a resolution of Prague City Council in order to create a strong financial partner for cities and municipalities.

The Bank is registered in the Commercial Register as a joint-stock company, with the following scope of business:

— execution of banking transactions and provision of banking services in the Czech Republic and abroad, to the extent permitted by relevant legislation and the licence granted by the Czech National Bank (CNB). The Bank may acquire an interest in other companies both in the Czech Republic and abroad, including non-financial service companies.

On 23 June 2004, the shareholders of the Bank decided to change the name of První městská banka,a.s. to PPF banka a.s. The change of name to PPF banka a.s. was recorded in the Commercial Register on 1 September 2004.

As at 31 December 2024, the parent company of the Bank is PPF Financial Holdings a.s., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 10907718, the ultimate parent company is AMALAR HOLDING s.r.o., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 19696477 (as at 31 December 2023, the ultimate parent company of the Bank was PPF Group N.V., with its registered office in the Netherlands, Amsterdam, Strawinskylaan 933, 1077XX, registration number: 33264887).

Registered office of the Bank:
PPF banka a.s.
Evropská 2690/17
160 41 Praha 6
Czech Republic

The Bank has not prepared a separate annual report, because the Bank includes the relevant information in the consolidated annual report.

## 2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

# 3 Material accounting policies

## 3.1 Basis of preparation

The financial statements are presented in Czech Crowns, which is the Bank's functional currency, rounded to the nearest million. The financial statements are prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss, and assets at fair value through other comprehensive income.

### Use of judgements and estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements concerning the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that may have a significant effect on the financial statements in the year ended 31 December 2024 is included in the following notes:

— impairment of financial instruments, determining inputs in the expected credit loss measurement model, including the incorporation of forward-looking information in note 5;
— sensitivity analysis of loss allowance by relevant categories in note 43.1;
— determination of the fair value of financial instruments with significant unobservable inputs in note 3.3.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Estimates which may have a significant effect on the financial statements in the next year regarding standards that are not yet effective and are relevant to the financial statements are discussed in note 4.

Information about judgements made in the application of accounting policies that may have a significant effect on the financial statements is included in the following notes.

— classification of financial instruments, especially an assessment of the business model and an assessment of whether contractual cash flows are solely payments of principal and interest on unpaid principal ("SPPI"), in note 3.3;
— assessment of whether there has been a significant increase in the credit risk of financial instruments since initial recognition, considering all available and relevant information, including quantitative and qualitative information, an analysis based on historical experience of the Bank and forward-looking information, in note 5.

### Russian-Ukrainian conflict and its impact on the financial statements and the going-concern assessment

The Bank realises that the geopolitical situation emerging from the Russian-Ukrainian conflict in February 2022 will have significant repercussions for the economy in the Czech Republic and other countries. The Bank's direct exposure to Russia and Ukraine is insignificant. The Bank's analysis did not identify any significant indirect effects because the Bank has limited business activities in Russia and Ukraine and its clients have limited dependence on these regions. The Bank is ready to make the appropriate response if the situation arises.

The Bank is continuously monitoring the situation and, based on its current knowledge and after considering all available information, it does not expect these events to have an impact on its ability to continue as a going concern in the future.

The separate financial statements have been prepared on the basis of the going-concern principle.

### Consolidated entities

In addition to the separate financial statements, the Bank prepares consolidated financial statements, which include the companies stated in note 21.

## 3.2 Foreign currency

### 3.2.1 Functional currency

The separate financial statements are presented in Czech Crowns (CZK), which is the Bank's functional currency.

### 3.2.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Bank at the foreign exchange rate ruling at the date of the initial recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the presentation currency at the foreign exchange rate ruling at the dates that the values were determined and recognised accordingly as the change in fair value of the non-monetary instrument.

## 3.3 Financial instruments

### 3.3.1 Classification and measurement of financial assets

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

A financial asset (debt instrument) is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

A financial asset (debt instrument) is measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is classified under one of these categories on initial recognition.

### POCI assets

IFRS 9 also includes so-called POCI assets. POCI assets are purchased or originated financial assets that are credit-impaired on initial recognition.

### Business model assessment

The Bank made an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, and the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Bank's business models are as follows:

- "held and collect";
- "held, collect and sell";
- "other".

Financial assets that are held for trading and those that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

### Assessment of whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets, e.g. non-recourse asset arrangements; and
- features that modify consideration for the time value of money, e.g. the periodic reset of interest rates.

### 3.3.2 Initial recognition of financial assets

Financial assets/liabilities at AC are recognised on the settlement date.

Financial assets/liabilities at FVTPL are recognised on the trade date. From this date, any gains or losses arising from changes in the fair value of the assets are recognised in the statement of comprehensive income. In the case of spot transactions, the Bank recognises financial assets/liabilities on the settlement day.

Financial assets classified at FVOCI are recognised on the settlement date. From this date, any gains or losses arising from changes in the fair value of the assets are recognised in equity as differences from the revaluation of assets.

Financial assets/liabilities are recognised at fair value on initial recognition. Financial assets/liabilities not measured at FVTPL, are additionally adjusted for transaction costs directly attributable to the acquisition/issue or disposal of a financial asset/liability.

### 3.3.3 Fair value measurement principles

Fair value is the price the Bank would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date.

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using discounted cash flow techniques or other pricing models.

#### Valuation models

The Bank measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

— Level 1: quoted market prices (unadjusted) in active markets for identical instruments.
— Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
— Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on probability-weighted scenarios of discounted cash-flows or other standard valuation techniques that are not based on observable inputs.

#### Valuation framework

The Bank has an established control framework with respect to the measurement of fair value. This framework includes Risk Management, which is independent of front office management and which has overall responsibility for independently verifying the results of all significant fair value measurements. Specific controls include:

— verification of observable pricing;
— re-performance of model valuations;
— a review and approval process for new models and changes to models;
— calibration and back-testing of models against observed market transactions;
— analysis and investigation of significant daily valuation movements; and
— a review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous period.

When third-party information, such as broker quotes or pricing services, is used to measure fair value, Risk Management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

— verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
— understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
— when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
— if a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

### 3.3.4 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial assets and liabilities at fair value through profit or loss are recognised directly in profit or loss as “Net income/expense from financial operations”.

Gains and losses arising from a change in the fair value of financial assets measured at fair value through other comprehensive income are recognised directly in other comprehensive income and become the equity item “Fair value reserve”.

### 3.3.5 Specific financial instruments

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash deposited with banks and central banks (incl. mandatory minimum reserves), short-term reverse repo operations and short-term highly liquid investments, including treasury bills and other bills eligible for refinancing with the central bank (except for those held for trading). The financial assets are measured at amortised cost in line with IFRS 9.

#### Loans and advances to banks and customers

Loans and advances to banks and customers are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (except for those held for trading). If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, the financial assets are measured at amortised cost in line with IFRS 9. The financial assets are measured at fair value through profit or loss if the contractual terms do not meet the criteria specified above.

#### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise debt instruments and equity instruments. Debt instruments are held within a business model whose objective is both to hold financial assets in order to collect contractual cash flows and to sell financial assets. If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, the financial assets are measured at fair value through other comprehensive income. The financial assets are measured at fair value through profit or loss if the contractual terms do not meet the criteria specified above. The Bank also elects some equity investments that are not held for trading and are expected to be held in the long term to be measured at fair value through other comprehensive income.

#### Deposits from banks and customers

Deposits from banks and customers (except for those held for trading) are measured at amortised costs.

#### Debt securities issued

Own issued debt securities are recognised at amortised cost under “Debt securities issued”. Upon initial recognition, own debt securities are measured at cost, which includes direct transaction costs.

### Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss include financial derivatives and non-derivative financial assets and financial liabilities held for trading.

### Financial derivatives

Financial derivatives with positive fair value are presented as "Financial assets measured at fair value through profit or loss". Financial derivatives with negative fair value are presented as "Financial liabilities measured at fair value through profit or loss".

For presentation purposes, derivatives are split into

— derivatives held for trading; and
— hedging derivatives.

Derivatives held for trading are those which are not designated as hedging instruments. All kinds of non-hedging derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, or purpose, i.e. both trading derivatives and derivatives held for risk management, are presented in this line item.

Hedging derivatives are those which are designated as hedging instruments in hedges fulfilling the conditions of IFRS 9. The Bank did not apply hedging fulfilling the conditions of IFRS 9 in 2024 or 2023.

Changes in fair value (the clean price) of derivatives are recognised in the income statement in the line item "Net income from financial operations".

## 3.4 Derecognition and contractual modification

### Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the Bank transfers the financial asset, provided that the Bank also transfers substantially all the risks and rewards of ownership of the financial asset. This occurs upon the sale, termination or giving-up of the rights.

A financial liability is derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. Substantial modification of the terms of an existing financial liability is accounted for as extinguishment of the original financial liability and recognition of a new financial liability.

Financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income that are sold are derecognised and the corresponding receivables from the buyer are recognised on the day they are delivered (settlement date accounting).

In the event of the derecognition of investments in equity instruments designated at fair value through other comprehensive income, the Bank does not reclassify the cumulative gain or loss from equity to profit or loss. The cumulative gain or loss is transferred within equity.

Debt instruments measured at amortised cost, loans and advances to banks, and loans and advances to customers are derecognised on the day of maturity or on the day they are transferred by the Bank.

### Modification

Substantial modification of the contractual cash flows of a financial asset is considered by the Bank to be the expiry of contractual rights to the financial asset. The Bank uses internally defined quantitative and qualitative criteria to assess the significance of a change. As for the quantitative criteria, the Bank considers contractual terms to be significantly changed if the discounted present value of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset as of the date of modification. As for the qualitative criteria, the Bank considers contractual terms to be significantly changed if the new contractual cash flow would not meet SPPI criteria or there would be a change of the currency of the financial assets, or the addition of a convertible option to the financial asset terms. If the Bank considers contractual terms to be significantly changed based on at least one of the qualitative or qualitative criteria, the Bank derecognises the modified financial asset. Where the modification of a financial asset results in the derecognition of an existing financial asset and the subsequent recognition of a modified financial asset, the modified asset is treated as a new financial asset for the Bank's purposes.

In the event of the modification of a financial instrument not measured at fair value through profit or loss that does not result in derecognition, the Bank recalculates the gross carrying amount of the financial asset (the amortised cost of the financial liability) as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's (financial liability's) original effective interest rate and recognises the modification gain or loss in profit or loss.

In the case of modified financial assets, the Bank determines whether there was a significant increase in credit risk and estimates impairment losses on these financial assets in accordance with the accounting methods described in note 5.

## 3.5 Repurchase transaction

The Bank enters into purchases (sales) of financial assets under agreements to resell (repurchase) identical financial assets at a certain date in the future at a fixed price.

Financial assets purchased subject to commitments to resell them at future dates are not recognised in the statement of financial position. The amounts paid are recognised as "Cash and cash equivalents", "Financial assets at fair value through profit or loss", "Loans and advances to banks" or "Loans and advances to customers". The receivables are shown as collateralised by the underlying security.

Financial assets sold under repurchase agreements continue to be recognised in the statement of financial position shown as "pledged as collateral" and are measured in accordance with the accounting policies as appropriate. The amounts received are recognised as "Deposits from banks", "Deposits from customers" or "Financial liabilities at fair value through profit or loss".

The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in "Interest and similar income" or "Interest expense and similar charges".

## 3.6 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Bank has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

## 3.7 Impairment gains/(losses)

The Bank assesses impairment loss on financial assets based on a forward-looking "expected credit loss" model in line with IFRS 9. The model assumptions and estimates are described in detail in note 5.

When the expected credit loss increases in the period, the amount of the corresponding impairment loss on the financial asset is recognised in the statement of comprehensive income line item "Impairment gains/losses".

If the expected credit loss decreases in the subsequent period, the amount of corresponding impairment loss reversal is recognised in the statement of comprehensive income line item "Impairment gains/losses".

If the Bank has no reasonable expectations of recovering the financial asset (in either its entirety or a portion of it), the financial assets are written off. This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the asset. A write-off constitutes a derecognition event, the expense is recognised in the statement of comprehensive income in the line item "Impairment gains/losses". The Bank may still apply enforcement activities to financial assets being written off. Recoveries resulting from the Bank's enforcement activities are recognised in the statement of comprehensive income in the line item "Impairment gains/losses".

Loss allowances based on the "expected credit loss" model are recognised as follows:

— for financial assets measured at amortised cost: as a decrease of the assets' gross carrying amount;
— for loan commitments and financial guarantee contracts: generally as a provision;
— for financial instruments that include both the drawn and undrawn portion, the Bank recognises a combined loss allowance for both parts – one is recognised as a decrease in the gross carrying amount of the drawn portion, and the other one exceeding the gross carrying amount of the drawn portion is recognised as a provision; and
— for debt instruments measured at FVOCI: an adjustment relating to the expected credit losses is recognised in profit or loss against the equity line "Fair value reserve".

## 3.8 Net interest and similar income

Interest income or expense from all interest-bearing financial instruments except financial instruments measured at fair value through profit or loss is recognised using the effective interest rate ("EIR") and reported in profit or loss in the line items "Interest and similar income" or "Interest expense and similar charges" as part of revenue/expenses from continuing operations.

The effective interest method calculates the gross carrying amount of a financial asset or amortised cost of a financial liability that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument to its net carrying amount. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument (but not future credit losses). In respect of POCI financial assets, the Bank uses the effective interest rate that is calculated as an estimate of future cash flows including expected credit losses. The calculation of an effective interest rate also includes transaction costs and paid and received fees that are an integral part of the effective interest rate.

### Amortised cost and gross carrying amount of a financial asset

The amortised cost of a financial asset or a financial liability is the amount at which the financial asset or liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The gross carrying amount of financial assets is the amortised cost of a financial asset, before adjustment for any expected credit loss.

### Calculation of interest income and expense

In the calculation of interest income or interest expense, the effective interest rate is applied to the gross carrying amount of assets that are not credit-impaired or to the amortised cost of a liability.

Interest income in respect of financial assets that become credit-impaired after initial recognition is calculated using the effective interest rate method from the amortised cost of an asset. Interest income in respect of POCI financial assets is calculated using the credit-adjusted effective interest rate method from the amortised cost of an asset.

## 3.9 Dividend income

Dividend income is recognised in the statement of comprehensive income on the date when the right to the payment has been established.

## 3.10 Net fee and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate, and therefore included in "Interest and similar income" or "Interest expense and similar charges".

Fee and commission income from contracts with customers, under IFRS 15, is measured based on the consideration specified in the contract with a customer. The fee and commission income arises from financial services provided by the Bank, including cash management services, the central clearing of toll payments, brokerage services, investment advice and financial planning, investment banking services, and project and structured finance transactions. Fee and commission income is recognised when the corresponding service is provided. Penalty fees that have not been claimed or that have been waived are excluded from profit or loss.

A contract with a customer that results in a recognised financial instrument in the Bank's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Other fee and commission expenses relate mainly to transaction and service fees, account maintenance and brokerage fees which are expensed as the services are received.

## 3.11 Net income/expense from financial operations

Net income/expense from financial operations comprises gains less losses related to financial assets and liabilities at fair value through profit and loss and includes all fair value changes. Net income/expense from financial operations also includes realised gains or losses on financial assets at fair value through other comprehensive income (equity instruments excluded) and all foreign exchange differences.

## 3.12 Investments in subsidiaries

Investment in a subsidiary is measured at historical costs decreased by potential accumulated impairment losses.

## 3.13 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | 50 years |
| Other | 1-10 years |

Low value tangible assets with a purchase price of less than TCZK 40 and an estimated useful life shorter than 1 year are recognised as expenses in the period in which they are purchased.

## 3.14 Intangible assets

Software and other intangible assets that are acquired by the Bank are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets.

## 3.15 Leases

### From a lessee perspective

The Bank treats a contract as a lease if it conveys the right to control the use of a given asset for a period of time in exchange for consideration.

A right-of-use asset and a lease liability are recognised at the lease commencement date.

A right-of-use asset is initially measured at cost. The cost of a right-of-use asset comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs; and an estimate of costs to be incurred in restoring the underlying asset. The asset is subsequently depreciated on a straight-line basis over the estimated useful life of the right-of-use asset, or until the end of the lease term, if earlier.

A right-of-use tangible asset is recognised as a tangible asset in the statement of financial position.

A lease liability recognised in other liabilities is measured at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, variable lease payments that depend on an index, amounts expected to be payable by the lessee under residual value guarantees, and the exercise price of a purchase option or an option to extend or terminate a lease if the Bank is reasonably certain to exercise that option. Lease payments are discounted using the Bank's incremental borrowing rate.

After the commencement date, the Bank revises the remeasurement of lease liabilities to reflect changes to the lease payments. The Bank also makes the corresponding adjustment to the value of the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Bank recognises it in profit or loss.

Interest on the lease liability is recognised in interest expense.

### From a lessor perspective

The Bank does not provide leasing services in the capacity of a lessor.

## 3.16 Provisions

Provision means a probable outflow of an uncertain amount and in an uncertain period of time. Provisions are recognised when:

— there is a legal or constructive obligation as a result of past events;
— it is probable, and the probability exceeds 50%, that an outflow of resources will be required to settle the obligation;
— a reliable estimate of the amount of the obligation can be made.

In the statement of financial position, provisions are reported under the line item "Provisions". They include credit risk loss provisions for contingent liabilities (particularly financial guarantees and loan commitments) as well as legal provisions and other provisions. Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item "Impairment gains/losses". Expenses or income related to other provisions are reported in the statement of income under "Operating expenses".

### 3.17 Income taxes

The income tax base is calculated from the current year profit. Expenses considered non-taxable expenses are added and income considered non-taxable income is deducted. The income tax base is modified by tax allowances and tax benefits.

Deferred income tax arises from temporary differences between the accounting values of assets and liabilities and their carrying amounts in the financial statements. The deferred tax is calculated using the tax rates applicable in the periods in which the timing difference is expected to reverse. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

#### Effect of International Tax Reform (Amendments to IAS 12 Income Taxes) – Pillar Two Model

The Bank has applied the temporary mandatory relief from deferred tax accounting for the future impacts of the top-up tax. Neither nor deferred tax impact was recognised for the year ended 31 December 2024.

### 3.18 Financial guarantees

Financial guarantees are contracts that require the Bank to make a specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the debt instrument.

Liabilities under financial guarantee contracts are recorded initially at their fair value, which is generally the fee received or the present value of the fee receivable. Financial guarantee liabilities are subsequently measured at the higher of the initial fair value, less cumulative amortisation, and an amount equalling the expected credit loss determined in accordance with IFRS 9.

The fee received is recognised in the income statement under "Fee and commission income" and is amortised on a straight-line basis over the life of the guarantee.

## 4 Standards, interpretations and amendments to published standards that are newly effective, or not effective yet but may be relevant for the Bank's financial statements

As at 1 January 2024, the Bank adopted new IFRS or amendments to IFRS stated in note 4.1.

Furthermore, a number of new Standards, amendments to Standards, and Interpretations are not yet effective as at 31 December 2024, and have not been applied in preparing these financial statements. Pronouncements, that will potentially have an impact on the Banks's operations are stated in note 4.2. and 4.3.

### 4.1 Standards/amendments that are newly effective and endorsed by the European Union

— IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments).
— IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments).
— IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments).

The newly adopted IFRS and amendments to IFRS did not have a major impact on its accounting policies.

### 4.2 Standards/amendments that are not yet effective, but have been endorsed by the European Union

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.

The Bank assessed the new amendments to standards and found them to have no major impact on its financial statements.

## 4.3 Standards/amendments that are not yet effective and have not yet been endorsed by the European Union

### IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments (Amendments).

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments that amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and become effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The Bank assessed the new amendments to standards to have no major impact on its financial statements.

### IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity (Amendments).

In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The Bank assessed the new amendments to standards and found them to have no major impact on its financial statements.

### IFRS 18 Presentation and Disclosure in Financial Statements.

In April 2024, the IASB issued the IFRS 18 – Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Bank will assess the potential impact of the new standard on the financial statements in the following accounting periods.

### IFRS 19 Subsidiaries without Public Accountability: Disclosures.

In May 2024, the IASB issued the IFRS 19 – Subsidiaries without Public Accountability: Disclosures, which becomes effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Bank assessed the new standards and found them to have no major impact on its financial statements.

### Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. Entities are to apply those amendments to annual reporting periods beginning on or after 1 January 2026, with earlier application is permitted.

The Bank assessed the new amendments to standards and found them to have no major impact on its financial statements.

### Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The Bank assessed the new amendments to standards and found them to have no major impact on its financial statements.

# 5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If significant, the Bank also considers climate risks when making accounting estimates and judgments, which may lead to increased uncertainty. This includes a wide range of possible impacts of both physical and transitive risks.

The Bank makes estimates and assumptions concerning future economic developments. The estimates and assumptions that carry the most significant risk of a material adjustment being required to the carrying amounts of assets and liabilities in the next financial year are discussed below.

## 5.1 Impairment of financial assets

The Bank assesses impairment loss on financial assets based on a forward-looking "expected credit loss" ("ECL") model in line with IFRS 9. The Bank also incorporated an assessment of climate risks into the model, which can affect the client's credit rating and the value of collateral (e.g. flood risks), i.e. have a real impact on the reported amount of ECL.

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

Financial assets for which the provision is reported at 12-month expected credit losses are referred to as stage 1 financial assets. Financial assets are classified under stage 1 if they are assigned a low credit risk or if their credit risk has not significantly increased since the initial recognition.

Financial assets for which the provision is reported at the level of lifetime expected credit losses are referred to as stage 2 financial assets. Financial assets are reclassified under stage 2 if their credit risk has significantly increased since initial recognition and they are not currently assigned a low credit risk.

Financial assets in default are classified as stage 3 financial assets.

### Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn and the cash flows that the Bank expects to receive from this commitment; and
- financial guarantee contracts: the present value of the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

### Definition of default

Under IFRS 9, the Bank considers a financial asset to be in default when there is information available that:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without realising collateral; or
- the borrower is more than 90 days past due. Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Bank mainly considers the following indicators:

— approval of the forced restructuring of the receivable, with the effect of a reduction in the borrower's financial liabilities;
— active insolvency proceedings against the borrower in the insolvency register;
— the removal of the borrower's licence for activity for which licensing is required;
— the declaration of a moratorium on payments to international creditors (valid only for central and local government exposures);
— the initiation of steps by the Bank to activate guarantees provided by guarantors for the borrower's commitments;
— a performing exposure with relief in the probationary period is more than 30 days past due during the probationary period;
— the borrower is unlikely (according to an assessment by the Bank) to fully repay liabilities to the Bank, the parent company or subsidiaries without the realisation of collateral;
— loss of the borrower's regular income intended for the repayment of liabilities to the Bank;
— there are reasonable concerns about the borrower's future ability to generate stable and sufficient cash flows;
— a significant increase in the borrower's level of debt, or a reasonable expectation of such an increase;
— breach of covenants laid down in the contract with the borrower;
— a significant delay in the borrower's payments to other creditors is recorded in the Central Credit Register (or in another credit register);
— a crisis in the borrower's sector, accompanied by the borrower's weak position in that sector;
— the disappearance of an active market for a financial asset because of the borrower's financial difficulties;
— the default of another member in an economically linked group;
— a borrower facing financial difficulties receives material financial assistance (for more than 12 months) from the parent company, shareholders or another member of an economically linked group in order to meet liabilities, unless this is financial assistance pre-planned or expected during the lending approval procedure.

Inputs in the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The Bank considers financial assets recovered if the above-mentioned conditions or indicators are no longer met and reclassifies them from stage 3 to stage 1, or stage 2 if the criteria of increased credit risk are met. All of the following conditions must be met for reclassification from stage 3:

— none of the above indicators for default has been met for at least 3 months;
— the receivable or part thereof has been less than 30 days past due for at least 3 months;
— the debtor's behaviour and financial situation indicate that the debtor will be able to repay its obligations;
— if the reason for default was restructuring, a change in classification is possible at least 1 year from the latest of: a) the moment as of which the restructuring measures are extended, b) the moment when the exposure was classified as defaulted or c) the end of any grace period included in the restructuring arrangements. In addition, the following conditions must be met:
— the client has made a significant payment/repayment with respect to the original repayment plan;
— payments are paid regularly according to the repayment schedule.

### Determining whether credit risk has increased significantly

Under IFRS 9, when determining whether the credit risk (i.e. risk of default) of a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis – based on availability and complexity – consisting of the Bank's historical experience, expert credit assessment and forward-looking information.

In line with IFRS 9, the Bank applies the rebuttable presumption that the credit risk increases significantly when an asset is more than 30 days past due. The Bank determines days past due by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

The Bank primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

— the credit risk as at the reporting date; with
— the credit risk that was estimated on initial recognition of the exposure.

As for the loan portfolio, the Bank considers there to have been a significant increase in credit risk since initial recognition if:

— the credit internal rating has deteriorated by two or more notches since initial recognition and the current credit rating is outside the range A1 to A4 (for credit ratings, see note 43.1);
— the receivable or part thereof has been more than 30 days past due;
— the current credit rating has deteriorated by at least one notch since initial recognition and the client has been assigned a credit rating of C2–C4;
— the exposure has been designated as a exposure with forbearance;
— the exposure has been in the regime of increased monitoring (the so-called "pre-workout")
— an individual assessment has been performed by the Head of the Credit Risk Management Department, who, on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

As for the debt securities and other assets, the Bank considers there to have been a significant increase in credit risk since initial recognition if:

— the credit internal rating has deteriorated by two or more notches since initial recognition and the current credit rating is outside the range A1 to A4 (for credit ratings, see note 43.1);
— the receivable or part thereof has been more than 30 days past due;
— the current credit rating has deteriorated by at least one notch since initial recognition and the client has been assigned a credit rating of C2–C4;
— an individual assessment has been performed by the Head of the Credit Risk Management Department, who, on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

The Bank monitors the suitability of the criteria used to identify significant increases in credit risk by regular reviews to confirm that the results of assessment are compliant with IFRS 9 and internal guidelines and settings.

If the Bank considers that the above-mentioned indicators of significant increased credit risk are no longer met, the Bank reclassifies these financial assets from stage 2 to stage 1, and recognises 12-month expected credit losses.

### Inputs in the measurement of ECLs

The key inputs in the measurement of ECLs are – in general – the following variables:

— probability of default (PD);
— loss given default (LGD); and
— exposure at default (EAD).

These parameters are – separately or collectively – derived from statistical models created on the basis of available market data. Models created on the basis of available market data are periodically back-tested on internal historical data. Failure probability estimates are estimates at a certain date that are calculated on the basis of statistical rating models and assessed using the rating tools established for different categories of counterparties and exposures.

The migration of a counterparty or exposure between credit ratings results in a change in the estimate of the associated PD.

EAD represents the exposure in the event of default. The Bank derives the EAD from the current exposure to the counterparty, taking into account the repayment schedules. As for stage 1 and 2 exposures, the EAD of a financial asset is the gross carrying amount at default reduced by the net realisable value of collateral received.

Loss given default (LGD) is the amount of probable loss in the event of a default. For stage 1 and 2 exposures, the Bank uses external comparative information to assess LGDs as it has insufficient observations and data to derive its own statistically significant LGDs based on an analysis of the Bank's portfolio. For this reason, the Bank bases its determination of LGD on the regulatory loss given default, which is back-tested on the number of observations available. The Bank uses a 0% LGD for the secured part of the exposure. For LGDs assigned to the whole exposure (secured and unsecured), the Bank applies a minimum LGD of 20%, i.e. for every receivable the Bank tests whether the overall LGD ratio for every receivable is at least 20%, and, where this is not the case, the Bank adjusts the calculation and recalculates the expected credit losses with 20% LGD assigned to the whole exposure. This way, the Bank estimates non-zero expected losses even for fully secured loans. These expected losses translate risks related to collateral realisation, which cannot be recognised by other methods.

For stage 3 exposures, the Bank uses the difference between the gross carrying amount of an asset and the present value of estimated future cash flows applying scenario probability weights to measure expected credit losses.

### Forward-looking information

Under IFRS 9, the Bank defines three economic scenarios: (i) the baseline economic scenario, which is the Bank's main scenario and is assigned the highest weight. This scenario is defined internally according to publicly available estimates of trends in key macroeconomic variables by relevant institutions, such as Oxford Economics, the Czech National Bank, the International Monetary Fund, the Organisation for Economic Cooperation and Development, and consensus analyst estimates published by Bloomberg and Reuters; and (ii) two less likely scenarios – optimistic and pessimistic. The Bank monitors the up-to-dateness of macroeconomic scenarios at least on a quarterly basis. The scenarios and their weights applicable as at 31 December 2024 (and as at 31 December 2023) are shown in the table below:

| Czech Republic – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 |
| Baseline scenario | 50% | 2.5% | 2.4% | 2.5% |
| Optimistic scenario | 1% | 3.7% | 4.3% | 3.8% |
| Pessimistic scenario | 49% | (4.4%) | 1.8% | 1.9% |

| World – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 |
| Baseline scenario | 50% | 3.2% | 3.0% | 3.0% |
| Optimistic scenario | 1% | 4.3% | 4.7% | 4.5% |
| Pessimistic scenario | 49% | (1.3%) | 2.8% | 2.0% |

| Czech Republic – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Baseline scenario | 50% | 1.2% | 2.8% | 2.5% |
| Optimistic scenario | 1% | 3.6% | 4.5% | 4.4% |
| Pessimistic scenario | 49% | (3.8%) | 2.3% | 1.4% |

| World – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Baseline scenario | 50% | 3.0% | 3.0% | 3.0% |
| Optimistic scenario | 1% | 4.2% | 4.5% | 4.5% |
| Pessimistic scenario | 49% | (1.3%) | 2.8% | 2.0% |

The resulting estimated credit losses then reflect the expected development of gross domestic product in the three scenarios above.

On the strength of data availability and resource credibility, the Bank uses historical data analysis to estimate the relationships between macroeconomic variables and probabilities of default that are used to measure expected credit losses.

The Bank considers the change in the GDP of the Czech Republic and the change in world GDP to be key variables explaining the changes in the historical probability of default. For exposures of clients whose business risk lies in the Czech Republic, the Bank uses the change in the GDP of the Czech Republic for PD estimates. For other clients' exposures, the Bank uses the change in the world GDP as an explanatory variable.

An analysis of relevant assets' loss allowances for the development of GDP is presented in note 43.1., Sensitivity Analysis of loss allowance by relevant categories.

For risks that were not factored into the macroeconomic model, the Bank recognised additional allowances ("management overlay") equal to MCZK 450 as at 31.12.2024 (31.12.2023: MCZK 350). In making management overlays, the Bank relies on the regular quarterly stress testing of its loan portfolio, the management overlay amount being based on the expected additional loss on the loan portfolio under a slight stress scenario, defined mainly by the expected change in the GDP (see table below). Management overlay is then technically allocated to selected clients according to their risk level. Management overlays are remeasured on a quarterly basis.

| Czech Republic – GDP growth | 2025 | 2026 | 2027 |
|---|---|---|---|
| Stress scenario | (2.76%) | 1.60% | 2.27% |

| World – GDP growth | 2025 | 2026 | 2027 |
|---|---|---|---|
| Stress scenario | 0.30% | 3.01% | 2.47% |

As at 31.12.2023:

| Czech Republic – GDP growth | 2024 | 2025 | 2026 |
|---|---|---|---|
| Stress scenario | (2.33%) | 2.61% | 1.99% |

| World – GDP growth | 2024 | 2025 | 2026 |
|---|---|---|---|
| Stress scenario | 0.25% | 2.89% | 2.48% |

# 6 Changes in accounting policies

There were no changes in accounting policies during the period from 1 January 2024 to 31 December 2024, except for below:

### Change in presentation of cash flows from investment securities at amortised cost

As at 31 December 2023, the Bank presented cash flows from investment securities at amortised cost amounting to MCZK 4,239 in the category Changes in in the statement of cash flows. In 2024, the Bank decided to correct the presentation of cash flows from investment securities at amortised cost to the category Cash flow from investing activities, as this presentation better reflects the characteristics of the cash flows from investment securities at amortised cost. The comparative figures as at 31 December 2023 in the statement of cash flows were restated accordingly. This restatement had no impact on the Bank financial performance, liquidity, statement of financial position or the statement of changes in equity.

Impact of the change in presentation on the statement of cash-flows:

| MCZK | 31 December 2023 (as reported) | Reclassification | 31 December 2023 (restated)* |
|---|---|---|---|
| Changes in: | | | |
| Investment securities at amortised cost | (4,239) | 4,239 | - |
| **Net cash from/(used in) operating activities** | **10,297** | **4,239** | **14,536** |
| **Cash flow from investing activities** | | | |
| Acquisition of investment securities at amortised cost | - | (4,239) | (4,239) |
| Proceeds from sale of investment securities at amortised cost | - | - | - |
| **Net cash from/(used in) investing activities** | **(3,081)** | **(4,239)** | **(7,320)** |

* Restated comparative numbers as at 31 December 2023, as presented in the Annual Report

## 7 Net interest income and similar income

| MCZK | 2024 | 2023 |
|---|---|---|
| **Interest and similar income** | | |
| Cash and cash equivalents | 4,861 | 7,732 |
| Loans and advances to banks | 977 | 1,043 |
| Loans and advances to customers | 4,529 | 4,406 |
| Of which: | | |
| Unpaid interest income from impaired loans | 2 | 3 |
| Unpaid interest income from loans with forbearance | 1 | 2 |
| Financial assets at fair value through other comprehensive income | 2,394 | 2,042 |
| Financial assets at fair value through profit or loss | 2,469 | 2,845 |
| Investment securities at amortised cost | 899 | 818 |
| Of which: | | |
| Interest and similar income – EIR | 13,660 | 16,041 |
| Interest and similar income – other | 2,469 | 2,845 |
| | **16,129** | 18,886 |
| **Interest expense and similar charges** | | |
| Deposits from banks | (365) | (580) |
| Deposits from customers | (7,442) | (9,777) |
| Debt securities issued | (210) | (314) |
| Financial liabilities at fair value through profit or loss | (1,887) | (1,588) |
| Lease liabilities | (4) | (4) |
| | **(9,908)** | (12,263) |
| NET INTEREST INCOME AND SIMILAR INCOME | 6,221 | 6,623 |

The Bank did not waive any interest past due during the years 2024 and 2023.

## 8 Net fee and commission income

| MCZK | 2024 | 2023 |
|---|---|---|
| Fee and commission income | | |
| Toll administration fee income* | 364 | 349 |
| Transaction fee with clients | 108 | 126 |
| Custody fees | 42 | 34 |
| Fees from guarantees provided | 29 | 26 |
| Fees from administration of shares/bonds issue | 28 | 22 |
| Transaction fee with banks | 8 | 8 |
| Other | 21 | 27 |
| Of which: | | |
| Fee income – contracts with customers – under IFRS 15 | 571 | 566 |
| Fee income – other – under IFRS9 | 29 | 26 |
| | 600 | 592 |
| Fee and commission expense | | |
| Toll administration fee expense* | (268) | (257) |
| Transaction fee with other counterparties | (61) | (57) |
| Transaction fee with banks | (13) | (16) |
| Other | (3) | (4) |
| | (345) | (334) |
| NET FEE AND COMMISSION INCOME | 255 | 258 |

* Based on contracts concluded between the Bank and CzechToll a.s. and between the Bank and the issuer of fuel cards or the intermediary for card payments, respectively, the Bank has been providing services as a clearing centre for toll payments in the Czech Republic since 1 December 2019. The service also includes the operation of the authorisation centre, which is provided to the Bank by an external company. The Bank collects and pays fees for the services provided and received.

## 9 Net income/expense from financial operations

| MCZK | 2024 | 2023 |
|---|---|---|
| Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss | 126 | (62) |
| Of which: | | |
| Net gains/(losses) from trading derivatives | (51) | (229) |
| Trading securities | 177 | 167 |
| Net realised gains/(losses) on financial assets at fair value through other comprehensive income | (127) | (74) |
| Of which: | | |
| Debt instruments | (127) | (74) |
| Dividends | 33 | 25 |
| Foreign exchange gains/(losses) | 526 | 123 |
| TOTAL | 558 | 12 |

All derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, or purpose, i.e. both trading derivatives and derivatives held for risk management, are presented as Trading derivatives, because hedge accounting is not applied.

However, the Bank uses derivatives for economic hedging, therefore, the net gain (loss) on derivatives is partially offset by foreign exchange gains (losses) or interest income (expenses).

## 10 General administrative expenses

| MCZK | 2024 | 2023 |
|---|---|---|
| Personnel expenses | | |
| Wages and salaries | (443) | (386) |
| Social expenses | (145) | (117) |
| Liability insurance, pension insurance | (7) | (6) |
| Remuneration paid to key management personnel* | | |
| Short-term benefits | (41) | (43) |
| Long-term benefits | (20) | (15) |
| | (656) | (567) |
| Other general operating expenses | | |
| Donations | (301) | (352) |
| IT | (198) | (169) |
| Consultancy services | (186) | (164) |
| Other | (81) | (10) |
| | (766) | (695) |
| TOTAL | (1,422) | (1,262) |

The average number of employees, members of the Board of Directors, Supervisory Board and executives of the Bank in the years 2024 and 2023 was as follows:

| | 2024 | 2023 |
|---|---|---|
| Board of Directors | 5 | 5 |
| Supervisory Board ** | 6 | 5 |
| Executives | 1 | 1 |
| Employees ** | 274 | 258 |

* Remuneration paid to key management personnel includes wages and salaries paid to the Board of Directors, Supervisory Board and other executives for the service rendered.
** Two employees are also members of the Supervisory Board and are therefore included in the number both of employees and of members of the Supervisory Board.

Other general operating expenses includes fees paid to the external auditor, or member firms of the external auditor for services provided, such as audit services MCZK 8 (2023: MCZK 8), other assurance services MCZK 7 (2023: MCZK 3) and advisory services MCZK 5 (2023: MCZK 0).

## 11 Depreciation and amortisation

| MCZK | 2024 | 2023 |
|---|---|---|
| Depreciation on property, plant and equipment | (13) | (18) |
| Depreciation on property, plant and equipment – ROU | (32) | (26) |
| Amortisation of intangible assets | (45) | (46) |
| TOTAL | (90) | (90) |

## 12 Other operating expenses

| MCZK | 2024 | 2023 |
|---|---|---|
| Payment to Resolution Fund | (216) | (367) |
| Payment to Deposit Insurance Fund | (1) | (1) |
| Payment to Guarantee Fund | (2) | (2) |
| TOTAL | (219) | (370) |

The basis for the calculation of the payment to the Guarantee Fund for 2024 amounted to MCZK 95 (2023: MCZK 99).

## 13 Impairment gains/losses

| MCZK | 2024 | 2023 |
|---|---|---|
| Gains/(Losses) from change in loss allowances: | | |
| Cash and cash equivalents, Loans and advances to banks | (2) | (61) |
| Financial assets at fair value through other comprehensive income | (149) | 90 |
| Investment securities at amortised costs | (3) | (1) |
| Loans and advances to customers | (271) | (259) |
| Other assets | - | 2 |
| Write-offs – loans and advances to customers* | (22) | - |
| Write-offs – loans and advances to banks* | - | (186) |
| Revenues from previously written-off loans and advances to customers | 5 | - |
| Gains/(Losses) from change in provisions – off-balance sheet assets | (24) | (80) |
| TOTAL | (466) | (495) |

* The loans and advances to customers that were written-off were fully covered by loss allowances as at the date of write-off.

Ongoing geopolitical tensions in Europe, together with increased uncertainty regarding the future economic developments have meant, that risks to financial stability and economic activity remained elevated in 2024. The Bank has newly identified a specific risk related to the commercial real estate segment, which was covered by increase of allowances in the amount of MCZK 100 in the form of management overlay. The overlay totalled MCZK 450 in 2024.

Higher losses from the change in loss allowances for financial assets at fair value through other comprehensive income in 2024 were mostly caused by the revaluation of a corporate bond based on probability-weighted scenarios of discounted cash-flows and its reclassification to non-performing assets.

In 2023, the increase in the loss allowances for loans and advances to customers was mainly caused by the growth of a loan portfolio itself. The write-off of loans and advances to banks was caused by the write-off of receivable frozen on a special type of account at a Russian bank, which is subject to Russian counter-sanctions.

## 14 Income tax expense

Taxes on income consist of current tax on income calculated based on the results reported for tax purposes and the change in deferred taxes. The impact of top-up tax on the income tax expense in 2014 is zero.

| MCZK | 2024 | 2023 |
|---|---|---|
| Income tax – current | (819) | (658) |
| Income tax – related to prior years | 96 | 32 |
| Income tax – deferred | 76 | (171) |
| INCOME TAX (EXPENSE)/INCOME | (647) | (797) |

| MCZK | 2024 | 2023 |
|---|---|---|
| Tax rate | 21.0% | 19.0% |
| Profit from operations (before taxation) | 4,844 | 4,681 |
| Computed taxation using applicable tax rate | (1,017) | (889) |
| Tax non-deductible expenses | (357) | (283) |
| Non-taxable income | 565 | 270 |
| Dividends | 7 | 5 |
| Tax related to prior years | 96 | 32 |
| Other items | 59 | 68 |
| INCOME TAX (EXPENSE)/INCOME – CURRENT | (647) | (797) |
| Effective tax rate | 13.4% | 17.0% |

The decrease in the effective tax rate in the year-over-year comparison is mainly due to a lower share of non deductible expenses related to the non-taxable income from bonds issued by member states of the European Union and the release of a corporate income tax provision.

## 15 Cash and cash equivalents

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Cash on hand | 53 | 63 |
| Nostro account balances | 1,123 | 903 |
| Balances with the central bank | 7,790 | 5,332 |
| Reverse repo operations with the central bank | 141,551 | 159,795 |
| Loss allowance | - | - |
| NET CASH AND CASH EQUIVALENTS | 150,517 | 166,093 |

At 31 December 2024, the balances with the central bank included the balance of MCZK 4,020 (31.12.2023: MCZK 3,353) representing the mandatory minimum reserves. Compliance with the requirement to hold a certain level of mandatory minimum reserves is measured using the monthly average of daily closing balances.

The technical parameters of a reverse repo operation with the central bank are as follows: maturity of two weeks, interest rate set by the CNB for two-week repo operations (the “2W repo rate”).

## 16 Financial assets at fair value through profit or loss

All financial assets at fair value through profit or loss are classified as measured at fair value through profit or loss in accordance with IFRS 9. All financial assets listed below are held within the held-for-trading business model.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Bonds and notes issued by: | | |
| Government | 9,467 | 15,050 |
| Corporate | 382 | 178 |
| Shares | 526 | 484 |
| Reverse repo operations | 45,495 | 77,382 |
| Positive fair value of derivatives: | | |
| Interest rate contracts | 7,769 | 10,155 |
| Currency contracts | 1,469 | 2,393 |
| Of which: | | |
| Listed instruments | 9,369 | 15,712 |
| Unlisted instruments | 55,739 | 89,930 |
| TOTAL | 65,108 | 105,642 |

Interest income from trading assets and financial assets at fair value through profit or loss is recognised in "Interest and similar income". The fair value of unlisted instruments was estimated using discounted cash-flow techniques.

## 17 Financial assets at fair value through other comprehensive income

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Debt instruments at fair value through other comprehensive income | | |
| Bonds issued by: | | |
| Government | 42,364 | 20,118 |
| Corporate bonds | 11,149 | 8,648 |
| Equity instruments at fair value through other comprehensive income | | |
| Shares issued by: | | |
| Other issuers | 268 | 244 |
| Of which: | | |
| Listed instruments | 30,370 | 25,639 |
| Unlisted instruments | 23,411 | 3,371 |
| TOTAL | 53,781 | 29,010 |

### Debt instruments at fair value through other comprehensive income

Debt instruments at fair value through other comprehensive income were classified under this category on the basis of the Bank's business model for managing financial assets.

Interest income from debt instruments at fair value through other comprehensive income is recognised in interest and similar income.

The fair value of unlisted bonds was estimated using discounted cash-flow techniques.

The loss allowance for the expected credit loss on debt instruments at fair value through other comprehensive income was MCZK 352 as at 31 December 2024 (2023: MCZK 195). The loss allowance for expected credit loss is recognised in the statement of comprehensive income in the line "Impairment gains/losses" against the equity line "Fair value reserve".

A credit risk analysis and a detailed overview of the impairment loss on debt instruments at fair value through other comprehensive income are disclosed in notes 43.1 and 13.

### Equity instruments at fair value through other comprehensive income

The Bank designated certain investments shown in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are not considered trading instruments and are expected to be held in the long term.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Swift S.C. (ISIN: BE0016790090) | 2 | 2 |
| CREDITAS ASSETS SICAV a.s. (ISIN: CZ0008047214) | 266 | 242 |
| TOTAL | 268 | 244 |

The Bank recognised a gain (loss) due to changes in the fair value of these investments in other comprehensive income. In 2024 or 2023, the Bank did not dispose of any equity instruments from the portfolio. The Bank did not receive any dividends from the instruments in 2024 or 2023.

## 18 Investment securities at amortised cost

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Debt instruments at amortised cost | | |
| Bonds issued by: | | |
| Government | 18,931 | 18,930 |
| Corporate bonds | 877 | 404 |
| Loss allowance | (4) | (1) |
| NET INVESTMENT SECURITIES AT AMORTISED COST | 19,804 | 19,333 |

A credit risk analysis and a detailed overview of loss allowances for investment securities at amortised cost are disclosed in note 43.1.

## 19 Loans and advances to banks

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Loans to banks | 6,801 | 6,305 |
| Cash collateral for derivative instruments | 5,134 | 4,641 |
| Reverse repo operations with banks | - | 178 |
| Loss allowance | (25) | (23) |
| NET LOANS AND ADVANCES TO BANKS | 11,910 | 11,101 |

A credit risk analysis and a detailed overview of loss allowances for loans and advances are disclosed in note 43.1.

## 20 Loans and advances to customers

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Total loans and advances to customers | 50,154 | 54,196 |
| Loss allowance | (1,541) | (1,244) |
| NET LOANS AND ADVANCES TO CUSTOMERS | 48,613 | 52,952 |

A credit risk analysis and a detailed overview of loss allowances for loans and advances are disclosed in note 43.1.

## 21 Investments in subsidiaries

The Bank controls the following subsidiaries:

| | Principal place of business | Registered office | 31. 12. 2024 Share (%) | 31. 12. 2023 Share (%) | 31. 12. 2024 MCZK | 31. 12. 2023 MCZK |
|---|---|---|---|---|---|---|
| PPF Co3 B.V. | IN, RS, VN, EU* | NL** | 100% | 100% | 237 | 237 |
| INVESTMENT IN SUBSIDIARIES | | | | | 237 | 237 |

* India, Serbia, Vietnam, European Union
** Netherlands

In 2016, the Bank purchased 100% of shares in PPF Co3 B.V. with the aim of entering the consumer credit segment in Asia. It is currently used for the purchase and financing of retail loans from companies under Home Credit, the purchase of retail loans from Yettel Bulgaria and Hungary, the depositing of collateral for Yettel Serbia at Mobi Bank, and the financing of the factoring of receivables from telecommunication services.

The Bank held no interest participation with significant influence as at 31 December 2024 and 31 December 2023.

## 22 Property, plant and equipment

| MCZK | Low value fixed assets | Building | Furniture and fittings | Equipment | Fixed assets not in use yet | Total |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| At 1 January 2023 | 4 | 193 | 15 | 135 | 4 | 351 |
| Additions | - | 17 | 2 | 5 | 3 | 27 |
| Disposals/Transfer | - | - | - | (1) | (7) | (8) |
| At 31 December 2023 | 4 | 210 | 17 | 139 | - | 370 |
| At 1 January 2024 | 4 | 210 | 17 | 139 | - | 370 |
| Additions | - | 20 | - | 30 | 34 | 84 |
| Disposals/Transfer | (1) | (5) | (2) | (27) | (30) | (65) |
| At 31 December 2024 | 3 | 225 | 15 | 142 | 4 | 389 |
| Depreciation | | | | | | |
| At 1 January 2023 | 4 | 107 | 12 | 109 | - | 232 |
| Additions | - | 26 | 1 | 17 | - | 44 |
| Disposals | - | - | - | (1) | - | (1) |
| At 31 December 2023 | 4 | 133 | 13 | 125 | - | 275 |
| At 1 January 2024 | 4 | 133 | 13 | 125 | - | 275 |
| Additions | - | 32 | 1 | 12 | - | 45 |
| Disposals | (1) | (5) | (2) | (27) | - | (35) |
| At 31 December 2024 | 3 | 160 | 12 | 110 | - | 285 |
| Net book value | | | | | | |
| AT 31 DECEMBER 2023 | - | 77 | 4 | 14 | - | 95 |
| AT 31 DECEMBER 2024 | - | 65 | 3 | 32 | 4 | 104 |

At 31 December 2024, the Bank recorded right-of-use assets in the amount of MCZK 60 (2023: MCZK 72).

## 23 Intangible assets

| MCZK | Software | Software not in use yet | Total |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2023 | 669 | 8 | 677 |
| Additions | 10 | 25 | 35 |
| Disposals/Transfer | - | (10) | (10) |
| At 31 December 2023 | 679 | 23 | 702 |
| At 1 January 2024 | 679 | 23 | 702 |
| Additions | 28 | 44 | 72 |
| Disposals/Transfer | - | (28) | (28) |
| At 31 December 2024 | 707 | 39 | 746 |
| **Amortisation** | | | |
| At 1 January 2023 | 494 | - | 494 |
| Additions | 46 | - | 46 |
| Disposals | - | - | - |
| At 31 December 2023 | 540 | - | 540 |
| At 1 January 2024 | 540 | - | 540 |
| Additions | 45 | - | 45 |
| Disposals | - | - | - |
| At 31 December 2024 | 585 | - | 585 |
| **Net book value** | | | |
| **At 31 December 2023** | 139 | 23 | 162 |
| **At 31 December 2024** | **122** | **39** | **161** |

## 24 Other assets

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Cash collateral to payment cards | 178 | 164 |
| Trade receivables | 116 | 68 |
| Clearing with securities market | 62 | 8 |
| Prepaid expenses and accrued revenues | 96 | 98 |
| Other | 6 | 2 |
| Loss allowance | (10) | (10) |
| TOTAL | 448 | 330 |

## 25 Deposits from banks

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Payable on demand (loro accounts) | 684 | 2 |
| Cash collateral to derivatives | 2,494 | 3,723 |
| Repo operations | - | 12,223 |
| TOTAL | **3,178** | 15,948 |

## 26 Deposits from customers

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Payable on demand | 120,913 | 82,812 |
| Term deposits | 73,545 | 38,836 |
| Repo operations | 71,017 | 119,131 |
| Cash collateral to derivatives | 265 | 460 |
| TOTAL | **265,740** | 241,239 |

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Financial institutions* | 69,093 | 61,608 |
| Public sector | 114,378 | 100,561 |
| Non-financial institutions | 31,776 | 30,986 |
| Households/Individuals | 9,317 | 9,327 |
| Holding companies | 41,176 | 38,757 |
| TOTAL | **265,740** | 241,239 |

* Holding companies excluded

## 27 Debt securities issued

| | Interest | Maturity | 31. 12. 2024 MCZK | 31. 12. 2023 MCZK |
|---|---|---|---|---|
| Investment certificates | fixed | 2025–2026 | 1,350 | 4,436 |
| TOTAL | | | **1,350** | 4,436 |

The Bank has not had any defaults of principal or interest or other breaches with respect to its debt securities issued during the years ended 31 December 2024 and 2023.

## 28 Reconciliation of movements of liabilities to cash flows arising from financing activities

| MCZK | Debt securities issued | Lease liabilities | Total |
|---|---|---|---|
| At 1 January 2024 | **4,436** | **74** | **4,510** |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Lease payments | - | (32) | (32) |
| Changes in lease liabilities | - | 20 | 20 |
| Proceeds from issue of debt securities | 1,704 | - | 1,704 |
| Repayment of debt securities issued | (4,740) | - | (4,740) |
| Other | 7 | - | 7 |
| **Net cash from financing activities** | **(3,029)** | **(12)** | **(3,041)** |
| Interest expense | 210 | 4 | 214 |
| Interest paid | (267) | (4) | (271) |
| AT 31 DECEMBER 2024 | **1,350** | **62** | **1,412** |

| MCZK | Debt securities issued | Lease liabilities | Total |
|---|---|---|---|
| At 1 January 2023 | 5,117 | 83 | 5,200 |
| Net increase/(decrease) in cash and cash equivalents | | | - |
| Lease payments | - | (26) | (26) |
| Changes in lease liabilities | - | 17 | 17 |
| Proceeds from issue of debt securities | 436 | - | 436 |
| Repayment of debt securities issued | (1,117) | - | (1,117) |
| Other | (7) | - | (7) |
| **Net cash from financing activities** | (688) | (9) | (697) |
| Interest expense | 314 | 4 | 318 |
| Interest paid | (307) | (4) | (311) |
| AT 31 DECEMBER 2023 | 4,436 | 74 | 4,510 |

## 29 Financial liabilities at fair value through profit or loss

All financial liabilities at fair value through profit or loss are classified as held for trading.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Negative fair value of derivatives: | | |
| Interest rate contracts | 7,498 | 10,267 |
| Currency contracts | 1,580 | 1,848 |
| Repo operations | 38,883 | 76,603 |
| Liabilities from short sales of securities | 7,863 | 11,553 |
| TOTAL | **55,824** | 100,271 |

## 30 Income tax assets/liabilities

As at 31 December 2024, the Bank recognised total Income tax liability of MCZK 262 (31.12.2023: Income tax liability of MCZK 261) in the statement of financial position.

As at 31 December 2024, the tax liabilities of the Bank totalled MCZK 819 (31.12.2023: MCZK 658), the Bank paid income tax advances totalling MCZK 547 (31.12.2023: MCZK 388) and tax paid abroad amounts to MCZK 10 (31.12.2023: MCZK 9).

## 31 Deferred tax liability/asset

Deferred taxes are calculated from all temporary differences between the tax and accounting value of assets and liabilities. To determine the recognised deferred taxes, the Bank uses the income tax rate applicable in the periods in which deferred taxes are expected to be utilised, i.e. 21% tax rate in 2024 for the following years (2023: 21%).

The recognised deferred tax assets and liabilities consist of the following items:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Deferred tax assets | | |
| Deferred tax asset from wages and unpaid social and health insurance | 51 | 36 |
| Deferred tax asset from financial assets at fair value through other comprehensive income | - | - |
| Deferred tax asset from lease liabilities | 13 | 15 |
| Deferred tax asset from loans and advances to customers | 15 | - |
| Deferred tax assets | 79 | 51 |
| Deferred tax liabilities | | |
| Deferred tax liability from loans and advances to customers | - | (12) |
| Deferred tax liability from financial assets at fair value through other comprehensive income | (7) | (26) |
| Deferred tax liability from tangible assets – ROU assets | (13) | (15) |
| Deferred tax liability from intangible assets | (1) | (3) |
| Deferred tax liabilities | (21) | (56) |
| NET DEFERRED TAX ASSETS (LIABILITIES) | 58 | (5) |

The deferred tax assets are recognised to the full extent as it is highly probable, that they will be utilised in subsequent accounting periods. There was no unrecognised item related to deferred tax.

The analysis of the movements of Deferred tax is as follows:

| MCZK | Total |
|---|---|
| At 1 January 2024 | (5) |
| Deferred tax income/(expense) recognised in Profit or Loss | 76 |
| Deferred tax income/(expense) recognised in Other comprehensive income | (13) |
| AT 31 DECEMBER 2024 | 58 |
| At 1 January 2023 | 372 |
| Deferred tax income/(expense) recognised in Profit or Loss | (171) |
| Deferred tax income/(expense) recognised in Other comprehensive income | (206) |
| AT 31 DECEMBER 2023 | (5) |

The difference between the deferred tax income/expense recognised in other comprehensive income and the year-over-year change in the balance of deferred tax assets/liabilities from financial assets at fair value through other comprehensive income relates to the recognition of the expected credit losses to debt instruments measured at FVOCI in Profit or loss against Fair values reserve in equity, see note 3.7.

# 32 Provisions

The development of provisions is disclosed in the following table:

| MCZK | Provisions for guarantees provided | Legal provisions | Other provisions | Total |
|---|---|---|---|---|
| Provisions at 1 January 2024 | 117 | 43 | 55 | 215 |
| Creation | 324 | - | 35 | 359 |
| Use | - | - | - | - |
| Release | (299) | (12) | - | (311) |
| PROVISIONS AT 31 DECEMBER 2024 | 142 | 31 | 90 | 263 |
| Provisions at 1 January 2023 | 36 | 141 | 19 | 196 |
| Creation | 209 | 26 | 36 | 271 |
| Use | - | (6) | - | (6) |
| Release | (128) | (118) | - | (246) |
| PROVISIONS AT 31 DECEMBER 2023 | 117 | 43 | 55 | 215 |

In 2023, the Bank released provisions of MCZK 118 due to the termination of the court case by the decision of the Court of Appeal in favour of the Bank.

# 33 Other liabilities

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Liabilities from clearing | 390 | 874 |
| Payables to suppliers | 309 | 256 |
| Lease liabilities | 62 | 74 |
| Accrued expenses and deferred income | 120 | 151 |
| Blocked and escrow accounts | 207 | 72 |
| Other liabilities to employees | 33 | 26 |
| Social and health insurance | 10 | 10 |
| Other payables | 367 | 354 |
| TOTAL | 1,498 | 1,817 |

# 34 Lease liabilities

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Lease liabilities | 62 | 74 |
| Current | 31 | 23 |
| Non-current | 31 | 51 |
| Interest on lease liabilities | 4 | 4 |

The Bank leases branch and office premises under operating leases.

Variable lease payments depend on the consumer price index set by the Czech Statistical Office. Payments are updated annually as at 1 January.

Lease liabilities are recognised under the item “Other liabilities” in the statement of financial position (for details see note 33). Interest on lease liabilities is recognised in the income statement in the line item “Interest and similar income” (for details see note 7).

Maturity analysis – contractual undiscounted cash flows:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Less than one year | 33 | 26 |
| Between one and five years | 33 | 53 |
| More than five years | - | - |
| TOTAL | 66 | 79 |

## 35 Repurchase and reverse repurchase agreements

The Bank purchases financial instruments under reverse repurchase agreements. The seller commits to repurchase the same or similar instruments at an agreed future date. Reverse repurchases are entered into as a facility to provide funds to customers.

Assets purchased under reverse repurchase agreements were as follows:

| MCZK | Carrying amounts of receivables | Fair value of assets held as collateral |
|---|---|---|
| Assets at 31 December 2024: | | |
| Cash and cash equivalents | 141,551 | 138,999 |
| Financial assets at fair value through profit or loss | 45,495 | 45,212 |
| Loans and advances to banks | - | 751 |
| Loans and advances to customers | 4,395 | 7,063 |
| Assets at 31 December 2023: | | |
| Cash and cash equivalents | 159,795 | 156,841 |
| Financial assets at fair value through profit or loss | 77,382 | 75,992 |
| Loans and advances to banks | 178 | 1,428 |
| Loans and advances to customers | 6,633 | 10,674 |

The Bank raises funds by selling financial instruments under agreements to repay the funds by repurchasing the instruments at future dates at the same price plus interest at a predetermined rate. Repurchase agreements are commonly used as a tool for short-term financing.

Assets sold under repurchase agreements were as follows:

| MCZK | Carrying amounts of liabilities | Fair value of assets given as collateral |
|---|---|---|
| Liabilities at 31 December 2024: | | |
| Deposits from customers | 71,017 | 69,565 |
| Deposits from banks | - | 388 |
| Financial liabilities at fair value through profit or loss | 38,883 | 40,157 |
| Liabilities at 31 December 2023: | | |
| Deposits from customers | 119,131 | 116,595 |
| Deposits from banks | 12,223 | 14,162 |
| Financial liabilities at fair value through profit or loss | 76,603 | 77,073 |

# 36 Offsetting financial instruments

Financial assets subject to offsetting and potential offsetting agreements as at 31 December 2024

| MCZK | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments (incl. non-cash collateral) | Cash collateral received | |
| Derivatives held for trading | 4,594 | - | 4,594 | (1,885) | (2,759) | - |
| Reverse repurchase agreements | 192,585 | (1,144) | 191,441 | (188,606) | - | 2,835 |
| TOTAL | **197,179** | **(1,144)** | **196,035** | **(190,491)** | **(2,759)** | **2,835** |

Financial liabilities subject to offsetting and potential offsetting agreements as at 31 December 2024

| MCZK | Gross amounts of recognised financial liabilities | Gross amounts of recognised financial assets offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments | Cash collateral provided | |
| Derivatives held for trading | (6,330) | | (6,330) | 4,004 | 5,239 | - |
| Repurchase agreements | (111,044) | 1,144 | (109,900) | 108,448 | - | (1,452) |
| TOTAL | **(117,374)** | **1,144** | **(116,230)** | **112,452** | **5,239** | **(1,452)** |

Financial assets subject to offsetting and potential offsetting agreements as at 31 December 2023

| MCZK | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments (incl. non-cash collateral) | Cash collateral received | |
| Derivatives held for trading | 10,588 | - | 10,588 | (8,224) | (4,183) | - |
| Reverse repurchase agreements | 245,259 | (1,271) | 243,988 | (244,935) | - | - |
| TOTAL | 255,847 | (1,271) | 254,576 | (253,159) | (4,183) | - |

Financial liabilities subject to offsetting and potential offsetting agreements as at 31 December 2023

| MCZK | Gross amounts of recognised financial liabilities | Gross amounts of recognised financial assets offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments | Cash collateral provided | |
| Derivatives held for trading | (8,426) | - | (8,426) | 5,440 | 4,875 | - |
| Repurchase agreements | (209,228) | 1,271 | (207,957) | 207,830 | - | (127) |
| TOTAL | (217,654) | 1,271 | (216,383) | 213,270 | 4,875 | (127) |

The Bank uses repurchase agreements and master netting agreements as a means of reducing the credit risk of derivative and financing transactions. They qualify as potential offsetting agreements.

The Bank accepts and provides collateral in the form of cash and marketable securities for the following transactions:

— derivatives;
— repurchase agreements, reverse repurchase agreements.

This collateral is subject to standard market conditions, including the ISDA credit support annex. This means that securities accepted/provided as collateral may be pledged or sold during the transaction period, but must be returned upon maturity of the transaction.

Derivative transactions under the ISDA and similar framework agreements do not meet the criteria for compensation in the statement of financial position as, for both counterparties, they create a right to set off recognised amounts that is enforceable only in the event of default, insolvency or bankruptcy of the Bank or counterparties or further to other predetermined events. In addition, the Bank and its counterparties do not intend to settle on a net basis or settle assets and liabilities simultaneously.

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities stay in the hands of the lender as collateral in case the borrower defaults in any obligations. Offsetting effects from repurchase agreements are disclosed in the column Non-cash financial collateral received/pledged. Collateral is presented at the fair value of the transferred securities. However, if the fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction, the value is capped at the level of the carrying amount. The remaining position may be secured by cash collateral.

## 37 Issued capital

| | Number of shares | Nominal value CZK | Registered capital MCZK |
|---|---|---|---|
| As at 31 December 2024: | | | |
| | 192,131 | 2,602.5 | 500 |
| | 384,262 | 700.0 | 269 |
| | 576,393 | | 769 |
| As at 31 December 2023: | | | |
| | 192,131 | 2,602.5 | 500 |
| | 384,262 | 700.0 | 269 |
| | 576,393 | | 769 |

Holders of ordinary shares are entitled to declared dividends and have the right to vote at the General Meeting of the Bank in the amount of 26,025 votes, or 7,000 votes per share, respectively. All ordinary shares have the same rights to the Bank's residual assets.

The shareholder structure as at 31 December 2024 and as at 31 December 2023 was as follows:

| Name | Residence | Number of shares | Share MCZK | Share % |
|---|---|---|---|---|
| PPF Financial Holdings a.s. | Czech Republic | 554,711 | 715 | 92.96 |
| Hlavní město Praha | Czech Republic | 19,882 | 52 | 6.73 |
| Other (less than 1%) | | 1,800 | 2 | 0.31 |
| Total | | **576,393** | **769** | **100.00** |

No members of the management, the Board of Directors or the Supervisory Board held any shares of the Bank as at 31 December 2024 or 31 December 2023.

The Bank has not introduced any scheme for the purchase of its own shares or provided any remuneration in the form of options to purchase its shares. All shares of the Bank were fully paid. The share premium amounts to MCZK 412 (31.12.2023: MCZK 412).

## 38 Fair value reserve

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Fair value reserve | 302 | 252 |
| TOTAL | 302 | 252 |

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income and a loss allowance for expected credit losses on debt instruments at fair value through other comprehensive income, until the assets are derecognised.

## 39 Dividends paid

The following dividends were paid by the Bank in 2024.

| MCZK | 2024 |
|---|---|
| CZK 8,067.75 per registered share with a nominal value of CZK 2,602.5 per share | 1,550 |
| CZK 2,170.00 per registered share with a nominal value of CZK 700 per share | 834 |
| TOTAL | 2,384 |

The following dividends were paid by the Bank in 2023.

| MCZK | 2023 |
|---|---|
| CZK 4,393.02 per registered share with a nominal value of CZK 2,602.5 per share | 844 |
| CZK 1,181.60 per registered share with a nominal value of CZK 700 per share | 454 |
| TOTAL | 1,298 |

## 40 Proposed allocation of net profit for the year

The Bank proposes to allocate its profit as follows

| MCZK | Net profit for the year |
|---|---|
| Net profit for the year 2024 | 4,197 |
| Proposed allocation of profit for 2024: | |
| Dividend payout | (2,938) |
| Transfer to retained earnings | (1,259) |

## 41 Off-balance sheet items

### Commitments and contingent liabilities

Guarantees and credit commitments are subject to the same procedures within the standard lending process, in terms of credit risk monitoring and regulation of the Bank’s credit activity.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Guarantees issued | 2,301 | 1,880 |
| Undrawn credit commitments | 17,490 | 12,001 |
| Irrevocable credit commitments | 5,280 | 4,290 |
| Revocable credit commitments | 12,210 | 7,711 |
| TOTAL | 19,791 | 13,881 |

The total outstanding contractual commitments to extend the credits indicated above do not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

A credit risk analysis and a detailed overview of provisions are disclosed in note 43.1.

### Derivatives

| MCZK | Notional value | | Positive fair value | | Negative fair value | |
|---|---|---|---|---|---|---|
| | 31. 12. 2024 | 31. 12. 2023 | 31. 12. 2024 | 31. 12. 2023 | 31. 12. 2024 | 31. 12. 2023 |
| Derivatives | | | | | | |
| Interest rate swaps | 266,435 | 287,390 | 7,755 | 10,116 | (7,489) | (10,243) |
| Interest rate forwards | 28,750 | 70,310 | 6 | 39 | (2) | (25) |
| Interest rate futures | 710 | 443 | 8 | 1 | (7) | - |
| FX/Cross-currency swap | 228,768 | 177,727 | 1,309 | 2,084 | (1,105) | (1,648) |
| FX forwards | 23,819 | 16,829 | 160 | 304 | (475) | (195) |
| FX options purchase | - | 123 | - | 4 | - | - |
| FX options sale | - | 123 | - | - | - | (4) |
| | | | 9,238 | 12,548 | (9,078) | (12,115) |

### Residual maturity of derivatives

The following table represents expected cash outflows and inflows related to derivatives:

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| At 31 December 2024 | | | | | |
| Outflow | | | | | |
| Interest derivatives | (6,273) | (48,210) | (110,574) | (130,964) | (296,021) |
| Currency derivatives | (113,988) | (108,775) | (29,910) | - | (252,673) |
| Inflow | | | | | |
| Interest derivatives | 6,286 | 48,219 | 110,447 | 130,942 | 295,894 |
| Currency derivatives | 113,997 | 108,642 | 29,947 | - | 252,586 |
| NET POSITION | 22 | (124) | (90) | (22) | (214) |
| At 31 December 2023 | | | | | |
| Outflow | | | | | |
| Interest derivatives | (5,863) | (81,125) | (150,157) | (121,205) | (358,350) |
| Currency derivatives | (107,807) | (63,865) | (22,553) | - | (194,225) |
| Inflow | | | | | |
| Interest derivatives | 5,839 | 81,122 | 149,957 | 121,225 | 358,143 |
| Currency derivatives | 108,002 | 64,182 | 22,617 | - | 194,801 |
| NET POSITION | 171 | 314 | (136) | 20 | 369 |

## 42 Fair value disclosures

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy in which each fair value measurement is categorised.

| MCZK | As at 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total fair values | Total carrying amount |
| **Financial assets** | | | | | |
| Cash and cash equivalents | - | 150,517 | - | 150,517 | 150,517 |
| Investment securities at amortised cost | 19,451 | 886 | - | 20,337 | 19,804 |
| Loans and advances to banks | - | 5,134 | 6,813 | 11,947 | 11,910 |
| Loans and advances to customers | - | 105 | 48,848 | 48,953 | 48,613 |
| **Financial liabilities** | | | | | |
| Deposits from banks | - | 3,178 | - | 3,178 | 3,178 |
| Deposits from customers | - | 265,556 | - | 265,556 | 265,740 |
| Debt securities issued | - | 1,362 | - | 1,362 | 1,350 |

| MCZK | As at 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total fair values | Total carrying amount |
| **Financial assets** | | | | | |
| Cash and cash equivalents | - | 166,093 | - | 166,093 | 166,093 |
| Investment securities at amortised cost | 19,655 | 409 | - | 20,064 | 19,333 |
| Loans and advances to banks | - | 3,498 | 7,597 | 11,095 | 11,101 |
| Loans and advances to customers | - | 277 | 52,809 | 53,086 | 52,952 |
| **Financial liabilities** | | | | | |
| Deposits from banks | - | 15,948 | - | 15,948 | 15,948 |
| Deposits from customers | - | 241,076 | - | 241,076 | 241,239 |
| Debt securities issued | - | 4,441 | - | 4,441 | 4,436 |

The major methods and assumptions used in estimating the fair values of financial instruments shown in the table are summarised below.

Where available, the fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input in the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral. To improve the accuracy of the valuation estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as vintage, LTV ratios, product and borrower type, prepayment and delinquency rates, and default probability.

### Cash and cash equivalents

For cash and cash equivalents the carrying value is deemed to be equal to the fair value.

### Loans and advances to banks

Loans to banks are net of loss allowances. The estimated fair value of loans to banks represents the discounted amount of the estimated future cash flows expected to be received. The expected cash flows are discounted at current market rates to determine the fair value. Other loans and advances with banks will mature in less than twelve months and their fair value has therefore been deemed to be equal to their carrying value.

### Loans and advances to customers

Loans and advances are net of loss allowances. The estimated fair value of loans and advances represents the discounted amount of the estimated future cash flows expected to be received. The expected cash flows are discounted at current market rates to determine the fair value. For loans and advances that will mature or be renewed within twelve months, the fair value was deemed to be equal to the carrying value.

### Deposits from banks

Deposits from banks will mature in less than twelve months and their fair value has therefore been deemed to be equal to their carrying value.

### Deposits from customers

The estimated fair value of deposits is the discounted amount of estimated future cash flows. Expected cash flows are discounted at current market rates to determine their fair value.

### Debt securities issued

For issued debt securities, the fair value is calculated based on market inputs.

The following table analyses financial assets and liabilities recognised at fair value based on the quality of entry data used for valuation. The fair value levels are defined in note 3.3:

| MCZK | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Securities held for trading | 9,362 | 1,013 | - | 10,375 |
| Reverse repo operations | - | 45,495 | - | 45,495 |
| Derivatives held for trading | 8 | 9,230 | - | 9,238 |
| Financial assets at fair value through other comprehensive income | 30,369 | 22,170 | 1,242 | 53,781 |
| Financial liabilities | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Securities held for trading | 7,863 | - | - | 7,863 |
| Repo operations | - | 38,883 | - | 38,883 |
| Derivatives held for trading | 7 | 9,071 | - | 9,078 |

| MCZK | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Securities held for trading | 15,711 | - | - | 15,711 |
| Reverse repo operations | - | 77,383 | - | 77,383 |
| Derivatives held for trading | - | 12,548 | - | 12,548 |
| Financial assets at fair value through other comprehensive income | 25,639 | 3,127 | 244 | 29,010 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Securities held for trading | 11,553 | - | - | 11,553 |
| Reverse repo operations | - | 76,603 | - | 76,603 |
| Derivatives held for trading | - | 12,115 | - | 12,115 |

The following table states the transfers of financial assets recognised at fair value between Level 1 and Level 2:

| MCZK | 2024 | 2023 |
|---|---|---|
| **Financial assets at fair value through profit or loss** | | |
| Corporate bonds | 60 | - |
| **Financial assets at fair value through other comprehensive income** | | |
| Corporate bonds | 240 | - |

The above financial assets were transferred from Level 1 to Level 2 as they ceased to be actively traded during the year and fair values were consequently obtained using valuation techniques using observable market inputs. There were no financial liabilities measured at fair value that were transferred from Level 1 to Level 2 in 2024 or 2023. Furthermore, the Bank did not have any financial derivatives that were transferred from Level 1 to Level 2. There were no transfers of financial assets or liabilities measured at fair value from Level 2 to Level 1 in 2024 and 2023.

The following table states the transfers of financial assets recognised at fair value to and from Level 3:

| MCZK | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Total |
|---|---|---|---|
| Balance as at 1 January 2024 | - | 244 | 244 |
| Profit and loss from revaluation | - | - | - |
| In profit or loss | - | - | - |
| In other comprehensive income | - | 24 | 24 |
| Purchases | - | 944 | 944 |
| Sales | - | - | - |
| Transfers into Level 3 | - | 30 | 30 |
| Transfers out of Level 3 | - | - | - |
| Transfers between portfolios | - | - | - |
| BALANCE AS AT 31 DECEMBER 2024 | - | 1,242 | 1,242 |
| Balance as at 1 January 2023 | 11 | 124 | 135 |
| Profit and loss from revaluation | - | - | - |
| In profit or loss | (11) | - | (11) |
| In other comprehensive income | - | 22 | 22 |
| Purchases | - | - | - |
| Sales | - | (124) | (124) |
| Transfers into Level 3 | - | 222 | 222 |
| Transfers out of Level 3 | - | - | - |
| Transfers between portfolios | - | - | - |
| BALANCE AS AT 31 DECEMBER 2023 | - | 244 | 244 |

In 2024, there was a transfer of a bond within financial assets at fair value through other comprehensive income in the amount of MCZK 30 from Level 2 into Level 3 due to the non-existence of market for the bond. Furthermore, the Bank purchased one bond in the amount of MCZK 944 and due to the non-existence of a market for this bond, it was classified as Level 3.

In 2023, there was a transfer of equity instruments within financial assets at fair value through other comprehensive income in the amount of MCZK 222 into Level 3 due to the non-existence of markets for these instruments.

## 43 Risk management disclosure

This section provides details of the Bank's exposure to risk and describes the methods used by the management to control risk. The most important types of financial risk to which the Bank is exposed are:

— credit risk;
— liquidity risk;
— market risk;
— operational risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

## 43.1 Credit risk

### Credit risk management

The Bank is exposed to credit risks in relation to its business activities. Credit risks are managed at the individual business case, client and entire portfolio level. The Credit Risk Management Department, part of the Risk Management Division, is primarily responsible for the management of credit risks. The Credit Risk Management Department is independent of the Sales Division in terms of organisation and reports directly to the member of the Board of Directors in charge of the Risk Management Division.

The Banks's risk management strategy, risk appetite and other internal standards define the general principles, objectives and methods of its credit risk management. In its internal norms, the Bank also defines competences for the approval of credit exposures and for the Credit Committee.

### Managing credit risk at individual business case or client level

At the individual business case or client level, credit risk is managed by assessing and evaluating such risk through credit analysis and the determination of a client's creditworthiness. To assess a client's risk and credit status, the Bank applies a comprehensive set of tools, models and methods, which make up the Bank's rating scheme. When determining the rating of individual clients, the Bank assesses financial and non-financial aspects as well as its economic position. An entity's rating is defined as its ability and will to meet its short-term and long-term liabilities.

The aim of the analysis is to prevent any losses the Bank may incur as a result of the client's failure. In practice, this means estimating the risk arising from the ability to meet short-term and long-term liabilities and assessing the long-term financial stability of the client.

When determining a rating, the Bank also specifies the likelihood of a client's default and what the expected loss relating to the Bank's potential engagement in respect to the client may be.

An internal rating is assigned to each client constituting a credit risk to the Bank, i.e. representing an exposure in both the investment and the trading portfolios. The exposures evaluated include both balance sheet and off-balance sheet exposures. The internal rating system comprises 15 ratings (A1–A4, B1–B6, C1–C4, D). Clients with default receivables must always be assigned a D rating. The Bank has plotted this internal scale to reflect the rating scales of prominent external rating agencies. Below is a table showing the indicative pairing of the risk level with external ratings.

| | Internal rating | External rating |
|---|---|---|
| Very low risk | A1 | AAA – AA |
| Low to fair risk | A1 – A3 | A – BBB |
| Medium risk | A4 – B5 | BB – B |
| High risk | B6 – C4 | CCC |
| Default | D | CC and lower |

### Credit risk management at the entire portfolio level

This credit risk management level primarily comprises credit portfolio reporting, including analyses and monitoring of trends in individual credit portfolios. The Bank closely monitors its overall credit risk exposure and thus considers all its balance sheet and off-balance sheet exposures. The Bank regularly monitors its credit exposure in individual industries, segments, countries and economically connected groups of debtors. The Bank regularly measures the credit portfolio concentration risk and, where necessary, sets concentration limits for individual segments, countries and economically connected groups of debtors.

### Classification of receivables, assessment of impairment losses

The Bank classifies receivables into the following categories:

— performing receivables (without the default of the debtor);
— non-performing receivables (debtor in default).

The Bank assesses the impairment loss on performing receivables at an amount equal to the 12-month expected credit losses (stage 1 under IFRS9) or to the lifetime expected credit losses (stage 2 under IFRS9).

The Bank assesses the impairment loss on non-performing receivables at an amount equal to the lifetime expected credit losses (stage 3 under IFRS). To determine the impairment loss, the Bank applies the method of discounting estimated future cash flows. The loss is determined as the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial asset. The original effective interest rate is the effective interest rate ascertained upon the establishment of the receivable or on the last date the modification of the contractual cash flow or interest income was made. The Bank writes off a receivable when it does not expect any cash inflows from the receivable or from received collateral related to such a receivable.

Set out below is an analysis of the gross and net (of loss allowances for impairment) carrying amounts of financial assets as at year end. The amounts represent the Bank's maximum exposure to credit risk.

The tables analysing changes in loss allowance/provision in the respective categories present the development of loss allowance/provision during the year. These were affected by various factors during the year, such as:

— a change in the stage of a financial asset (see below – an increase or decrease in a loss allowance/provision within the scope of a transfer, as reported in the values of a loss allowance/provision corresponding to the appropriate stage);
— the emergence of new assets (i.e. the recognition of a new loss allowance/provision reported at the stage under which a financial asset was classified at the end of the accounting period);
— the derecognition or write-off of financial assets (i.e. the derecognition of the corresponding loss allowance/provision);
— a change in the PD/EAD/LGD of individual financial assets (i.e. an increase or decrease in the loss allowance/provision);
— a change in the calculation methodology,
— a modification of the cash flows of financial assets,
— or a change in the exchange rates of financial assets (and loss allowance/provision) in foreign currencies during the year.

The Bank did not recognise any financial asset in 2024 or 2023 that has been modified since initial recognition and transferred from stage 2 or 3 (the loss allowance measured at an amount equal to lifetime expected credit losses) to stage 1 (the loss allowance measured at an amount equal to 12-month expected credit losses).

In 2024 and 2023, the Bank accounted for modifications; the profit (loss) from the modification was immaterial, both individually and on aggregate.

### Financial assets at fair value through other comprehensive income (excluding equity instruments designated at fair value through other comprehensive income)

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Fair value amount | Gross carrying amount | Loss allowance | Fair value amount |
| Debt instruments | 53,544 | (352) | 53,513 | 28,484 | (195) | 28,766 |
| TOTAL | 53,544 | (352) | 53,513 | 28,484 | (195) | 28,766 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 40,820 | - | - | - | 40,820 |
| Low to fair risk | 3,100 | - | - | - | 3,100 |
| Medium risk | 8,573 | 723 | - | - | 9,296 |
| High risk | 51 | - | - | - | 51 |
| Default | - | - | 277 | - | 277 |
| GROSS CARRYING AMOUNT | 52,544 | 723 | 277 | - | 53,544 |
| Loss allowance | (86) | (18) | (248) | - | (352) |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 19,604 | - | - | - | 19,604 |
| Low to fair risk | 2,275 | - | - | - | 2,275 |
| Medium risk | 5,050 | 1,360 | - | - | 6,410 |
| High risk | 30 | 165 | - | - | 195 |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 26,959 | 1,525 | - | - | 28,484 |
| Loss allowance | (46) | (149) | - | - | (195) |

The loss allowance for the expected credit loss on debt instruments at fair value through other comprehensive income is presented in the equity line item “Fair value reserve”.

In the year-over-year comparison, the gross value of assets increased by MCZK 25,060 but mainly due to the purchase of Czech government bonds with insignificant effect on the amount of loss allowances. However, a bond in the gross amount of MCZK 277 was transferred from stage 2 to stage 3, which led to the additional creation of loss allowances in the amount of MCZK 139 in 2024.

In 2023, significant changes in the gross carrying amount that contributed to changes in the loss allowances were the repayment and sale of corporate bonds bearing the risk of the Russian Federation in the gross amounts of MCZK 231 and MCZK 763, respectively, which led to a decrease in the loss allowances by MCZK 229 and MCZK 632, respectively, see the analyses below.

Set out below is an analysis of changes in loss allowances by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 46 | 149 | - | - | 195 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | 7 | (13) | - | - | (6) |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | (109) | 248 | - | 139 |
| New financial assets originated or purchased | 38 | - | - | - | 38 |
| Changes in PD/LGD/EADs, unwind of discount | (3) | (5) | (3) | - | (11) |
| Derecognition of financial asset | (5) | (6) | - | - | (11) |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 3 | 2 | 3 | - | 8 |
| NET CHANGE IN 2024 | 40 | (131) | 248 | - | 157 |
| Loss allowance as at 31. 12. 2024 | 86 | 18 | 248 | - | 352 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 45 | 892 | - | - | 937 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | (13) | 131 | - | - | 118 |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 13 | 4 | - | - | 17 |
| Changes in PD/LGD/EADs, unwind of discount | 4 | 3 | - | - | 7 |
| Derecognition of financial asset | (3) | (229) | - | - | (232) |
| Sale of financial assets | - | (632) | - | - | (632) |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | (20) | - | - | (20) |
| NET CHANGE IN 2023 | 1 | (743) | - | - | (742) |
| Loss allowance as at 31. 12. 2023 | 46 | 149 | - | - | 195 |

## Investment securities at amortised cost

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Net carrying amount | Gross carrying amount | Loss allowance | Net carrying amount |
| Debt instruments | **19,808** | **(4)** | **19,804** | 19,334 | (1) | 19,333 |
| TOTAL | **19,808** | **(4)** | **19,804** | 19,334 | (1) | 19,333 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | **18,931** | - | - | - | **18,931** |
| Low to fair risk | **150** | - | - | - | **150** |
| Medium risk | **727** | - | - | - | **727** |
| High risk | - | - | - | - | - |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | **19,808** | - | - | - | **19,808** |
| Loss allowance | **(4)** | - | - | - | **(4)** |
| NET CARRYING AMOUNT | **19,804** | - | - | - | **19,804** |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 18,930 | - | - | - | 18,930 |
| Low to fair risk | 251 | - | - | - | 251 |
| Medium risk | 153 | - | - | - | 153 |
| High risk | - | - | - | - | - |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 19,334 | - | - | - | 19,334 |
| Loss allowance | (1) | - | - | - | (1) |
| NET CARRYING AMOUNT | 19,333 | - | - | - | 19,333 |

In 2024, compared to 2023, there were no significant changes in either the gross amount of assets or the amount of loss allowances.

### Cash and cash equivalents (excl. cash on hand) and loans and advances to banks

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Net carrying amount | Gross carrying amount | Loss allowance | Net carrying amount |
| Nostro account balances | 1,123 | - | 1,123 | 903 | - | 903 |
| Balances with the central bank | 7,790 | - | 7,790 | 5,332 | - | 5,332 |
| Reverse repo with the central bank | 141,551 | - | 141,551 | 159,795 | - | 159,795 |
| Loans and advances to banks | 11,935 | (25) | 11,910 | 11,124 | (23) | 11,101 |
| TOTAL | 162,399 | (25) | 162,374 | 177,154 | (23) | 177,131 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 147,198 | - | - | - | 147,198 |
| Low to fair risk | 6,737 | - | - | - | 6,737 |
| Medium risk | 8,232 | 227 | - | - | 8,459 |
| High risk | - | 5 | - | - | 5 |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 162,167 | 232 | - | - | 162,399 |
| Loss allowance | (25) | - | - | - | (25) |
| NET CARRYING AMOUNT | 162,142 | 232 | - | - | 162,374 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 163,634 | - | - | - | 163,634 |
| Low to fair risk | 5,642 | - | - | - | 5,642 |
| Medium risk | 7,629 | 242 | - | - | 7,871 |
| High risk | - | 7 | - | - | 7 |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 176,905 | 249 | - | - | 177,154 |
| Loss allowance | (23) | - | - | - | (23) |
| NET CARRYING AMOUNT | 176,882 | 249 | - | - | 177,131 |

The Bank did not report any accrued interest to individually credit-impaired loans and advances to banks as at 31 December 2024 and 2023.

In the year-over-year comparison, the gross value of assets decreased by MCZK 14,755, mainly due to the decrease in the item Reverse repo with the central banks but with zero effect on the amount of loss allowances. The slight increase in loss allowances relates to a slight increase in the total balance of Loans and advances to banks.

In 2023, the most significant change was the gradual increase in loss allowances (by MCZK 232) up to 100% of the gross carrying amount and subsequent decrease (by MCZK 186, the remaining decrease by MCZK 46 was due to the devaluation of the RUB) due to the write-off of a receivable frozen on a special type of account at a Russian bank, which is subject to Russian counter-sanctions (see analyses below).

Set out below is an analysis of changes in loss allowances by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 23 | - | - | - | 23 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | - | - | - | - | - |
| Changes in PD/LGD/EADs, unwind of discount | 2 | - | - | - | 2 |
| Derecognition of financial asset | - | - | - | - | - |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | - | - | - | - |
| **NET CHANGE IN 2024** | **2** | **-** | **-** | **-** | **2** |
| Loss allowance as at 31. 12. 2024 | 25 | - | - | - | 25 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 3 | 5 | - | - | 8 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 23 | - | - | - | 23 |
| Changes in PD/LGD/EADs, unwind of discount | - | 232 | - | - | 232 |
| Derecognition of financial asset | (3) | (5) | - | - | (8) |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | (186) | - | - | (186) |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | (46) | - | - | (46) |
| **NET CHANGE IN 2023** | **20** | **(5)** | **-** | **-** | **(15)** |
| Loss allowance as at 31. 12. 2023 | 23 | - | - | - | 23 |

### Loans and advances to customers

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Net carrying amount | Gross carrying amount | Loss allowance | Net carrying amount |
| Loans and advances to customers | 50,154 | (1,541) | 48,613 | 54,196 | (1,244) | 52,952 |
| TOTAL | **50,154** | **(1,541)** | **48,613** | 54,196 | (1,244) | 52,952 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 1,744 | - | - | - | 1,744 |
| Medium risk | 33,111 | 4,021 | - | - | 37,132 |
| High risk | 9,761 | 1,040 | - | - | 10,801 |
| Default | - | - | 477 | - | 477 |
| GROSS CARRYING AMOUNT | **44,616** | **5,061** | **477** | **-** | **50,154** |
| Loss allowance | (971) | (292) | (278) | - | (1,541) |
| NET CARRYING AMOUNT | **43,645** | **4,769** | **199** | **-** | **48,613** |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 2,584 | - | - | - | 2,584 |
| Medium risk | 38,095 | 4,312 | - | - | 42,407 |
| High risk | 8,626 | 274 | - | - | 8,900 |
| Default | - | - | 305 | - | 305 |
| GROSS CARRYING AMOUNT | 49,305 | 4,586 | 305 | - | 54,196 |
| Loss allowance | (927) | (92) | (225) | - | (1,244) |
| NET CARRYING AMOUNT | 48,378 | 4,494 | 80 | - | 52,952 |

In 2024, there was a year-over-year decrease in the gross carrying amount of loans and advances, while the amount of loss allowances increased. One of the reasons for this development is that the Bank has newly identified a specific risk related to the commercial real estate segment, which was covered by an increase in allowances in the amount of MCZK 100 in the form of management overlay. Secondly, there were several transfers between stages with significant effects on the loss allowances. Specifically, the loans and advances in the gross amount of MCZK 3,730 were transferred from stage 1 to stage 2 (most of the existing loans in stage 2 as at 31.12.2023 were repaid in 2024), and MCZK 193 from stage 2 to stage 3, which led to the additional creation of loss allowances in the amount of MCZK 195 and MCZK 36, respectively.

In 2023, the increase in the loss allowances for loans and advances to customers was mainly caused by the growth of the gross carrying amount of the loan portfolio itself by MCZK 7,957 (of which: increase by MCZK 8,508 in stage 1, and a slight decrease by MCZK 400 in stage 2 and MCZK 151 in stage 3) and also due to gradual lowering of GDP growth estimates by all major agencies which also led to the higher creation of loss allowances.

Set out below is an analysis of changes in loss allowances by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 927 | 92 | 225 | - | 1,244 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | 1 | - | - | 1 |
| Transfer to stage 2 | (66) | 261 | - | - | 195 |
| Transfer to stage 3 | - | (50) | 86 | - | 36 |
| New financial assets originated or purchased | 616 | 3 | - | - | 619 |
| Changes in PD/LGD/EADs, unwind of discount | (373) | 25 | (14) | - | (362) |
| Derecognition of financial asset | (154) | (42) | - | - | (196) |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | (22) | - | (22) |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 21 | 2 | 3 | - | 26 |
| **NET CHANGE IN 2024** | **44** | **200** | **53** | **-** | **297** |
| Loss allowance as at 31. 12. 2024 | 971 | 292 | 278 | - | 1,541 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 621 | 130 | 213 | - | 964 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | 1 | (3) | - | - | (2) |
| Transfer to stage 2 | (1) | 6 | - | - | 5 |
| Transfer to stage 3 | - | (1) | 15 | - | 14 |
| New financial assets originated or purchased | 700 | 2 | - | - | 702 |
| Changes in PD/LGD/EADs, unwind of discount | (338) | (17) | 2 | - | (353) |
| Derecognition of financial asset | (76) | (25) | (6) | - | (107) |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 20 | - | 1 | - | 21 |
| **NET CHANGE IN 2023** | 306 | (38) | 12 | - | 280 |
| Loss allowance as at 31. 12. 2023 | 927 | 92 | 225 | - | 1,244 |

Interest accured to credit-impaired loans and advances to customers was reported in the amount of MCZK 58 as at 31 December 2024 (31.12.2023: MCZK 56).

Financial assets that are written off but still subject to enforcement activities amounted to MCZK 562 as at December 2024 (31.12.2023: MCZK 552).

Analysis of Loans and advances to customers by days past due

| MCZK | 2024 | 2023 |
|---|---|---|
| Gross | 50,154 | 54,196 |
| Performing | 49,677 | 53,891 |
| Due | 49,673 | 53,396 |
| 1-30 days past due | 4 | 495 |
| 31-90 days past due | - | - |
| 91-360 days past due | - | - |
| More than 360 days past due | - | - |
| Non-performing | 477 | 305 |
| Loss allowance | (1,541) | (1,244) |
| TOTAL | 48,613 | 52,952 |

## Loan commitments

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 1,426 | - | - | - | 1,426 |
| Medium risk | 5,731 | 5,753 | - | - | 11,484 |
| High risk | 4,498 | 13 | - | - | 4,511 |
| Default | - | - | 69 | - | 69 |
| GROSS AMOUNT | 11,655 | 5,766 | 69 | - | 17,490 |
| Loss allowance | (49) | (6) | (49) | - | (104) |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 1,731 | - | - | - | 1,731 |
| Medium risk | 4,404 | 4,309 | - | - | 8,713 |
| High risk | 1,470 | 87 | - | - | 1,557 |
| Default | - | - | - | - | - |
| GROSS AMOUNT | 7,605 | 4,396 | - | - | 12,001 |
| Loss allowance | (47) | (43) | - | - | (90) |

### Financial guarantees, letters of credit

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 310 | - | - | - | 310 |
| Medium risk | 1,609 | 83 | - | - | 1,692 |
| High risk | - | 150 | - | - | 150 |
| Default | - | - | 149 | - | 149 |
| GROSS AMOUNT | 1,919 | 233 | 149 | - | 2,301 |
| Loss allowance | (7) | (5) | (26) | - | (38) |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | - | - | - | - | - |
| Medium risk | 1,357 | 87 | - | - | 1,444 |
| High risk | 30 | 406 | - | - | 436 |
| Default | - | - | - | - | - |
| GROSS AMOUNT | 1,387 | 493 | - | - | 1,880 |
| Loss allowance | (4) | (23) | - | - | (27) |

The slight year-over-year increase in provisions by MCZK 25 was mainly caused by the growth of the loan commitments and financial guarantees portfolio itself by MCZK 5,910. In 2024, a client with total off-balance sheet exposure in the amount of MCZK 218 was transferred from stage 2 to stage 3 with a provision in the amount of MCZK 75 as at 31.12.2024. However the impact on the amount of provisions was only MCZK 12 due to provisions prudently created already in 2023.

Set out below is an analysis of changes in provisions to loan commitments, financial guarantees and letters of credit by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 51 | 66 | - | - | 117 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | (1) | 4 | - | - | 3 |
| Transfer to stage 3 | - | (47) | 38 | - | (9) |
| New financial assets originated or purchased | 91 | 2 | 2 | - | 95 |
| Changes in PD/LGD/EADs, unwind of discount | (75) | 3 | 34 | - | (38) |
| Derecognition of financial asset | (10) | (17) | - | - | (27) |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | - | 1 | - | 1 |
| NET CHANGE IN 2024 | 5 | (55) | 75 | - | 25 |
| Loss allowance as at 31. 12. 2024 | 56 | 11 | 75 | - | 142 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 35 | 1 | - | - | 36 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | - | 1 | - | - | 1 |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 91 | 2 | - | - | 93 |
| Changes in PD/LGD/EADs, unwind of discount | (67) | 62 | - | - | (5) |
| Derecognition of financial asset | (9) | - | - | - | (9) |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 1 | - | - | - | 1 |
| NET CHANGE IN 2023 | 16 | 65 | - | - | 81 |
| Loss allowance as at 31. 12. 2023 | 51 | 66 | - | - | 117 |

### Other assets – Past due, but not impaired

As at 31 December 2024 the Bank reported MCZK 0 of other assets as "Past due, but not impaired" (31.12.2023: MCZK: 0).

Sensitivity analysis of loss allowance by relevant categories

The sensitivity analyses of loss allowance/provision in the relevant categories in the following scenarios are presented below:

— change (increase/decrease) in the probability of default by 10%;
— change (improvement/deterioration) in credit rating by one notch according to the Bank's internal scale;
— change (increase/decrease) in the expected development of GDP by 3 percentage points.

Set out below is the analysis of changes in loss allowance/provision which would occur in the event of an increase in PD by 10%:

| 2024<br>MCZK | Loss allowance/ provision | Increase in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 352 | 362 | 10 | 3% |
| Investment securities at amortised cost | 4 | 5 | 0 | 10% |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 25 | 28 | 3 | 10% |
| Loans and advances to customers | 1,541 | 1,622 | 82 | 5% |
| Loan commitments, financial guarantees and letters of credit | 142 | 148 | 6 | 4% |

| 2023<br>MCZK | Loss allowance/ provision | Increase in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 195 | 203 | 8 | 4% |
| Investment securities at amortised cost | 1 | 1 | 0 | 10% |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 23 | 25 | 2 | 10% |
| Loans and advances to customers | 1,244 | 1,307 | 63 | 5% |
| Loan commitments, financial guarantees and letters of credit | 117 | 122 | 5 | 4% |

Set out below is the analysis of changes in loss allowance/provision which would occur in the event of a decrease in PD by 10%

| 2024 MCZK | Loss allowance/ provision | Decrease in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 352 | 341 | (10) | (3%) |
| Investment securities at amortised cost | 4 | 4 | 0 | (10%) |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 25 | 23 | (3) | (10%) |
| Loans and advances to customers | 1,541 | 1,459 | (82) | (5%) |
| Loan commitments, financial guarantees and letters of credit | 142 | 135 | (6) | (4%) |

| 2023 MCZK | Loss allowance/ provision | Decrease in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 195 | 187 | (8) | (4%) |
| Investment securities at amortised cost | 1 | 1 | 0 | (10%) |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 23 | 21 | (2) | (10%) |
| Loans and advances to customers | 1,244 | 1,181 | (63) | (5%) |
| Loan commitments, financial guarantees and letters of credit | 117 | 113 | (5) | (4%) |

For loans and advances to customers, loan commitments, financial guarantees and letters of credit, the Bank also discloses an analysis of the sensitivity of a loss allowance/provision to changes in credit rating.

| 2024 MCZK | Loss allowance/ provision | Improvement of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,541 | 1,307 | (234) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 142 | 124 | (18) | (13%) |

| 2023 MCZK | Loss allowance/ provision | Improvement of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,244 | 1,060 | (184) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 117 | 104 | (14) | (12%) |

| 2024 MCZK | Loss allowance/ provision | Deterioration of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,541 | 1,922 | 382 | 25% |
| Loan commitments, financial guarantees and letters of credit | 142 | 154 | 12 | 9% |

| 2023 MCZK | Loss allowance/ provision | Deterioration of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,244 | 1,489 | 245 | 20% |
| Loan commitments, financial guarantees and letters of credit | 117 | 138 | 21 | 18% |

For loans and advances to customers, loan commitments, financial guarantees and letters of credit, the Bank also discloses an analysis of the sensitivity of a loss allowance/provision to changes in forward-looking information, specifically to the change in the expected development of GDP.

| 2024<br>MCZK | Loss allowance/<br>provision | Increase in GDP by 3 p.p.<br>compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/<br>provision | Absolute<br>difference | Relative<br>difference |
| Loans and advances to customers | 1,541 | 1,313 | (227) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 142 | 125 | (16) | (11%) |

| 2023<br>MCZK | Loss allowance/<br>provision | Increase in GDP by 3 p.p.<br>compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/<br>provision | Absolute<br>difference | Relative<br>difference |
| Loans and advances to customers | 1,244 | 1,056 | (188) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 117 | 105 | (12) | (10%) |

| 2024<br>MCZK | Loss allowance/<br>provision | Decrease in GDP by 3 p.p.<br>compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/<br>provision | Absolute<br>difference | Relative<br>difference |
| Loans and advances to customers | 1,541 | 1,891 | 351 | 23% |
| Loan commitments, financial guarantees and letters of credit | 142 | 167 | 25 | 18% |

| 2023<br>MCZK | Loss allowance/<br>provision | Decrease in GDP by 3 p.p.<br>compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/<br>provision | Absolute<br>difference | Relative<br>difference |
| Loans and advances to customers | 1,244 | 1,551 | 307 | 25% |
| Loan commitments, financial guarantees and letters of credit | 117 | 139 | 22 | 19% |

### Evaluation of collateral

The Bank generally requires collateral before providing loans to certain debtors. To reduce gross credit exposure, the Bank considers the following to be acceptable types of collateral:

— guarantee;
— pledge on the pledgor's bank account;
— mortgage on an immovable;
— pledge on receivables arising from supplier-customer relations;
— pledge on securities and ownership interest in a corporation;
— pledge on trademarks and other industrial property concepts;
— pledge on an establishment;
— pledge on movables.

The net realisable value of the collateral assessed by the Bank is usually based on an opinion prepared by an expert acceptable to the Bank. The net realisable value of the collateral is determined using this value and a coefficient reflecting the Bank's ability to realise the collateral when necessary, including the time factor of the realisation.

The following table shows gross carrying amounts of loans and advances to customers, loan commitments, financial guarantees and letters of credit, split according to type of collateral:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Guarantees | 1,122 | 1,132 |
| Property | 12,746 | 10,603 |
| Cash collateral | 714 | 549 |
| Other collateral | 3,600 | 11,260 |
| Unsecured | 51,763 | 44,533 |
| TOTAL | 69,945 | 68,077 |

The following table shows gross carrying amounts of loans and advances to customers, loan commitments, financial guarantees and letters of credit classified as non-performing according by type of collateral:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Guarantees | 7 | - |
| Property | 104 | 81 |
| Cash collateral | 2 | - |
| Other collateral | 100 | - |
| Unsecured | 482 | 224 |
| TOTAL | 695 | 305 |

The "Unsecured" category also includes loans and advances to customers, loan commitments, financial guarantees and letters of credit that are secured by collateral, but the Bank assigns zero accounting value to the collateral.

### Loans with renegotiated terms and the Bank's forbearance policy

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to the current or potential credit deterioration of the customer. An existing loan whose terms have been significantly modified may be derecognised and the renegotiated loan recognised as a new loan at fair value.

Exposures with forbearance are exposures where the debtor is considered unable to comply with the contract due to financial difficulties and the Bank has decided to grant a concession to a debtor. A forbearance measure can be either a modification of terms and conditions or the refinancing of the contract. The modification of terms includes payment schedule changes (deferrals or reductions of regular payments, extended maturities, etc.), interest rate reductions or penalty interest waivers.

The Bank renegotiates loans to customers in financial difficulties (referred to as "forbearance activities") to maximise collection opportunities and minimise the risk of default. Loan forbearance is granted on a selective basis if the debtor is currently in default on debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The following table shows loans and advances to customers with forbearance:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Performing | 48,414 | 52,872 |
| Of which: | | |
| Loans and advances to customers with forbearance: | - | - |
| Non-performing | 199 | 80 |
| Of which: | | |
| Loans and advances to customers with forbearance: | 26 | 25 |
| TOTAL | 48,613 | 52,952 |

The following table shows loans and advances to customers with forbearance and without forbearance split by sectors.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Loans and advances to customers without forbearance: | 48,587 | 52,927 |
| Residents: | | |
| Financial institutions* | 4,105 | 2,902 |
| Non-financial institutions | 15,186 | 21,288 |
| Households/individuals | 104 | 102 |
| Public sector | - | - |
| Holding companies | 210 | 85 |
| Non-residents | 28,982 | 28,550 |
| Loans and advances to customers with forbearance: | 26 | 25 |
| Residents: | | |
| Financial institutions* | - | - |
| Non-financial institutions | 26 | 25 |
| Households/individuals | - | - |
| Public sector | - | - |
| Holding companies | - | - |
| Non-residents | - | - |
| TOTAL | 48,613 | 52,952 |

* Holding companies excluded

## Concentration of credit risks

The concentration of credit risks arises as a result of the existence of loans with similar economic characteristics affecting the debtor's ability to meet its obligations.

The Bank manages the exposure limits in line with the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) so that the Bank does not incur an exposure, after taking into account the effect of the credit risk to a client or group of connected clients the value of which exceeds 25% of its eligible capital. Where that client is an institution or where a group of connected clients includes one or more institutions, that value must not exceed 25% of the institution's eligible capital or EUR 150 million, whichever is higher, provided that the sum of exposure values, after taking into account the effect of the credit risk mitigation in relation to all connected clients that are not institutions, does not exceed 25% of the institution's eligible capital.

The Bank calculates the capital requirement for the credit risk of the investment portfolio using a standardised approach in accordance with the Basel III standard under the CRR.

### Concentration of credit risks by economic sector/industry

| MCZK | Financial institutions* | Public sector | Non-financial institutions | Of which: Real estate | Households/ Individuals | Holding entities | Total |
|---|---|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | | | |
| Cash and cash equivalents | 150,464 | - | - | - | - | - | 150,464 |
| Financial assets at fair value through profit or loss | 55,035 | 9,467 | 398 | 91 | 5 | 203 | 65,108 |
| Financial assets at fair value through other comprehensive income | 3,561 | 42,364 | 6,787 | 421 | - | 1,069 | 53,781 |
| Investment securities at amortised cost | 302 | 18,931 | 99 | - | - | 472 | 19,804 |
| Loans and advances to banks | 11,910 | - | - | - | - | - | 11,910 |
| Loans and advances to customers | 17,480 | - | 26,794 | 14,578 | 109 | 4,230 | 48,613 |
| **At 31 December 2023** | | | | | | | |
| Cash and cash equivalents | 166,030 | - | - | - | - | - | 166,030 |
| Financial assets at fair value through profit or loss | 90,122 | 15,050 | 293 | 52 | 4 | 173 | 105,642 |
| Financial assets at fair value through other comprehensive income | 3,292 | 20,118 | 4,873 | 402 | - | 727 | 29,010 |
| Investment securities at amortised cost | 303 | 18,930 | 100 | - | - | - | 19,333 |
| Loans and advances to banks | 11,101 | - | - | - | - | - | 11,101 |
| Loans and advances to customers | 21,158 | - | 26,593 | 15,170 | 109 | 5,092 | 52,952 |

* Holding entities excluded.

### Concentration of credit risk according to geographical areas, by country of risk

| MCZK | Czech Republic | Other EU countries | Asia | North America | Other | Total |
|---|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | | |
| Cash and cash equivalents | 146,378 | 3,413 | 227 | 356 | 90 | 150,464 |
| Financial assets at fair value through profit or loss | 57,881 | 4,764 | - | 766 | 1,697 | 65,108 |
| Financial assets at fair value through other comprehensive income | 44,793 | 2,563 | 1,466 | 2,321 | 2,638 | 53,781 |
| Investment securities at amortised cost | 19,804 | - | - | - | - | 19,804 |
| Loans and advances to banks | 8,143 | 3,308 | - | - | 459 | 11,910 |
| Loans and advances to customers | 27,752 | 8,687 | 7,603 | - | 4,571 | 48,613 |
| **At 31 December 2023** | | | | | | |
| Cash and cash equivalents | 163,160 | 2,117 | 242 | 394 | 117 | 166,030 |
| Financial assets at fair value through profit or loss | 95,948 | 6,464 | 22 | 641 | 2,567 | 105,642 |
| Financial assets at fair value through other comprehensive income | 22,416 | 1,186 | 1,472 | 1,817 | 2,119 | 29,010 |
| Investment securities at amortised cost | 19,333 | - | - | - | - | 19,333 |
| Loans and advances to banks | 7,657 | 3,377 | - | - | 67 | 11,101 |
| Loans and advances to customers | 33,586 | 7,911 | 5,435 | 885 | 5,135 | 52,952 |

## 43.2 Liquidity risk

The liquidity risk represents the Bank's risk of incurring losses due to momentary insolvency. The Bank may also suffer a loss as a result of low liquidity in the market for the financial instruments included in the Bank's portfolios. The liquidity risk threatens the Bank's funding and investment needs. Market liquidity risk represents the risk of not being able to liquidate financial instruments quickly enough, or in sufficient volume and for reasonable prices. If the conditions are not favourable, this risk may substantially worsen the Bank's position.

The Bank has access to diverse sources of funds, which comprise deposits and other savings, loans accepted and equity. This diversification makes the Bank flexible and limits its dependency on any one financing source. The Bank regularly evaluates the liquidity risk, in particular by monitoring changes in the structure of financing and comparing these changes with the Bank's liquidity risk management strategy, which is approved by the Board of Directors. The Bank also holds, as part of its liquidity risk management strategy, a portion of its assets in highly liquid funds, such as state treasury bills and similar bonds.

### Residual maturity of the Bank's assets and liabilities

The following table shows the carrying amounts of the Bank's assets and liabilities on the basis of their earliest possible contractual maturity.

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Cash and cash equivalents | 150,517 | - | - | - | - | 150,517 |
| Financial assets at fair value through profit or loss | 47,040 | 974 | 4,578 | 11,990 | - | 64,582 |
| Financial assets at fair value through other comprehensive income | 7,844 | 14,462 | 15,390 | 15,817 | - | 53,513 |
| Investment securities at amortised cost | 704 | 652 | 11,121 | 7,327 | - | 19,804 |
| Loans and advances to banks | 5,110 | - | 6,800 | - | - | 11,910 |
| Loans and advances to customers | 10,437 | 11,360 | 25,374 | 1,442 | - | 48,613 |
| Other assets | 346 | - | - | - | - | 346 |
| TOTAL | 221,998 | 27,448 | 63,263 | 36,576 | - | 349,285 |
| Deposits from banks | 3,178 | - | - | - | - | 3,178 |
| Deposits from customers | 223,719 | 5,784 | 36,237 | - | - | 265,740 |
| Debt securities issued | 9 | 188 | 1,153 | - | - | 1,350 |
| Financial liabilities at fair value through profit or loss | 39,663 | 2,105 | 4,066 | 9,990 | - | 55,824 |
| Other liabilities | 1,257 | 24 | 36 | - | - | 1,317 |
| TOTAL | 267,826 | 8,101 | 41,492 | 9,990 | - | 327,409 |

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| At 31 December 2023 | | | | | | |
| Cash and cash equivalents | 166,093 | - | - | - | - | 166,093 |
| Financial assets at fair value through profit or loss | 78,382 | 1,717 | 5,812 | 19,248 | - | 105,159 |
| Financial assets at fair value through other comprehensive income | 218 | 4,599 | 13,211 | 10,738 | - | 28,766 |
| Investment securities at amortised cost | 209 | 159 | 10,980 | 7,985 | - | 19,333 |
| Loans and advances to banks | 4,824 | - | 6,277 | - | - | 11,101 |
| Loans and advances to customers | 12,322 | 8,988 | 28,136 | 3,506 | - | 52,952 |
| Other assets | 230 | - | - | - | - | 230 |
| TOTAL | 262,278 | 15,463 | 64,416 | 41,477 | - | 383,634 |
| Deposits from banks | 15,948 | - | - | - | - | 15,948 |
| Deposits from customers | 239,969 | 1,270 | - | - | - | 241,239 |
| Debt securities issued | 1,074 | 1,849 | 1,513 | - | - | 4,436 |
| Financial liabilities at fair value through profit or loss | 77,557 | 3,068 | 8,425 | 11,221 | - | 100,271 |
| Other liabilities | 1,536 | 19 | 78 | - | - | 1,633 |
| TOTAL | 336,084 | 6,206 | 10,016 | 11,221 | - | 363,527 |

The negative position of the liquidity gap up to 3 months is mainly caused by current accounts and customer deposits. Based on the historical data analysis these deposits are expected to be extended.

Expected maturities differ from contracted ones as historical evidence shows that most short-term loans and deposits are prolonged.

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. With regards to amounts due from customers, the Bank uses behavioral model of maturity.

| MCZK | Up to 12 months | Over 12 months | Total |
|---|---|---|---|
| At 31 December 2024 | | | |
| Cash and cash equivalents | 150,517 | - | 150,517 |
| Financial assets at fair value through profit or loss | 48,014 | 16,568 | 64,582 |
| Financial assets at fair value through other comprehensive income | 22,306 | 31,207 | 53,513 |
| Investment securities at amortised cost | 1,356 | 18,448 | 19,804 |
| Loans and advances to banks | 5,110 | 6,800 | 11,910 |
| Loans and advances to customers | 21,797 | 26,816 | 48,613 |
| Other assets | 346 | - | 346 |
| TOTAL | 249,446 | 99,839 | 349,285 |
| Deposits from banks | 3,178 | - | 3,178 |
| Deposits from customers | 155,461 | 110,279 | 265,740 |
| Debt securities issued | 197 | 1,153 | 1,350 |
| Financial liabilities at fair value through profit or loss | 41,768 | 14,056 | 55,824 |
| Other liabilities | 1,281 | 36 | 1,317 |
| TOTAL | 201,885 | 125,524 | 327,409 |

| MCZK | Up to 12 months | Over 12 months | Total |
|---|---|---|---|
| At 31 December 2023 | | | |
| Cash and cash equivalents | 166,093 | - | 166,093 |
| Financial assets at fair value through profit or loss | 80,099 | 25,060 | 105,159 |
| Financial assets at fair value through other comprehensive income | 4,817 | 23,949 | 28,766 |
| Investment securities at amortised cost | 368 | 18,965 | 19,333 |
| Loans and advances to banks | 4,824 | 6,277 | 11,101 |
| Loans and advances to customers | 21,310 | 31,642 | 52,952 |
| Other assets | 230 | - | 230 |
| TOTAL | 277,741 | 105,893 | 383,634 |
| Deposits from banks | 15,948 | - | 15,948 |
| Deposits from customers | 190,472 | 50,767 | 241,239 |
| Debt securities issued | 2,923 | 1,513 | 4,436 |
| Financial liabilities at fair value through profit or loss | 80,625 | 19,646 | 100,271 |
| Other liabilities | 1,555 | 78 | 1,633 |
| TOTAL | 291,523 | 72,004 | 363,527 |

### Residual maturity of the Banks's off-balance-sheet items

The following table shows the maturity of the Bank's off-balance sheet assets based on the date on which the commitments provided can be drawn or the guarantees provided can be claimed.

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Commitments provided | 17,490 | - | - | - | - | 17,490 |
| Guarantees provided | 630 | - | - | - | - | 630 |
| TOTAL | 18,120 | - | - | - | - | 18,120 |
| At 31 December 2023 | | | | | | |
| Commitments provided | 12,001 | - | - | - | - | 12,001 |
| Guarantees provided | 500 | - | - | - | - | 500 |
| TOTAL | 12,501 | - | - | - | - | 12,501 |

The following table shows undiscounted cash flows on the Bank's financial liabilities on the basis of their earliest possible contractual maturity.

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Deposits from banks | 3,179 | - | - | - | - | 3,179 |
| Deposits from customers | 223,856 | 5,859 | 37,669 | - | - | 267,384 |
| Debt securities issued | 9 | 191 | 1,286 | - | - | 1,486 |
| Financial liabilities at fair value through profit or loss | 38,922 | 1371 | 1,683 | 7,077 | - | 49,053 |
| Derivatives | 772 | 755 | 2,569 | 4,982 | | 9,078 |
| **TOTAL** | **266,738** | **8,176** | **43,207** | **12,059** | **-** | **330,180** |
| At 31 December 2023 | | | | | | |
| Deposits from banks | 15,977 | - | - | - | - | 15,977 |
| Deposits from customers | 240,193 | 1,311 | - | - | - | 241,504 |
| Debt securities issued | 1,079 | 1,923 | 1,761 | - | - | 4,763 |
| Financial liabilities at fair value through profit or loss | 76,802 | 2,066 | 4,786 | 7,601 | - | 91,255 |
| Derivatives | 886 | 1,053 | 4,279 | 5,897 | | 12,115 |
| TOTAL | 334,937 | 6,353 | 10,826 | 13,498 | - | 365,614 |

## 43.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Bank buys and sells derivatives, and also incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Department.

### Trading

The Bank holds trading positions in certain financial instruments. The majority of the Bank's business activities are based on the requirements of its customers. These positions are also held for the purpose of speculation on the future development of financial markets. The Bank's business strategy is thus affected by speculative expectation and market creation and its goal is to maximise net income from trading.

The Bank manages the risks associated with its trading activities at the level of individual risks and individual types of financial instruments. The basic instruments used for risk management are volume limits for individual transactions and risk position limits.

### Stress testing

The Bank carries out daily stress testing of interest rates, currency risks and changes in prices of equity instruments by applying internally defined improbable scenarios and simulating their impact on the net present value of the Bank's portfolio.

### 43.3.1 Currency risk

Currency risk is the risk of a change in the value of a financial instrument due to a change in the exchange rates.

Assets and liabilities denominated in foreign currencies including off-balance sheet instruments represent the Bank's exposure to exchange rate risk. Realised and non-realised exchange rate gains and losses are stated directly in the profit and loss statement.

The Bank has set currency risk limits based on its net currency exposure in individual currencies according to their significance. The Bank also sets a limit with respect to the total net currency exposure.

#### Currency risk exposure

| MCZK | CZK | EUR | USD | INR | Other | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Financial assets | 281,554 | 48,052 | 11,286 | 6,988 | 2,139 | 350,019 |
| Financial liabilities | 237,674 | 78,127 | 8,810 | 3 | 2,446 | 327,060 |
| FX derivatives | (20,486) | 29,648 | (2,445) | (7,113) | 311 | (86) |
| NET EXPOSURE | 23,394 | (427) | 31 | (128) | 4 | |
| At 31 December 2023 | | | | | | |
| Financial assets | 328,200 | 41,649 | 8,980 | 3,493 | 2,031 | 384,353 |
| Financial liabilities | 292,512 | 59,983 | 9,054 | 89 | 1,356 | 362,994 |
| FX derivatives | (13,499) | 18,174 | 84 | (3,499) | (682) | 577 |
| NET EXPOSURE | 22,189 | (160) | 10 | (95) | (7) | |

The table below shows the sensitivity of the (pre-tax) income statement to currency risk for foreign currencies significantly represented in the Bank's balance sheet as at 31 December 2024 and 2023:

| MCZK | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Net position in foreign currency | 5% exchange rate increase | 5% exchange rate decrease | Net position in foreign currency | 5% exchange rate increase | 5% exchange rate decrease |
| EUR | (427) | (21) | 21 | (160) | (8) | 8 |
| USD | 31 | 2 | (2) | 10 | - | - |
| INR | (128) | (6) | 6 | (95) | (5) | 5 |
| GBP | (4) | - | - | 1 | - | - |

The change in the exchange rate of the CZK to foreign currencies had no effect on the Bank's equity components other than the annual profit.

### 43.3.2 Interest rate risk

The interest rate risk is the risk of a change in the value of a financial instrument due to a change in market interest rates.

The Bank is exposed to interest rate risks resulting from the different maturity or renewal period of interest rates and the different amounts of interest bearing assets and liabilities in these periods. Interest rate management activities are intended to optimise the net interest income of the Bank in accordance with the strategy approved by its Board of Directors.

Part of the Bank's income is generated by the difference between interest rate sensitive assets and liabilities, which is summarised in the table below.

### Interest sensitivity of the Bank's assets and liabilities

The following table shows the carrying amounts of the Bank's financial assets and liabilities on the basis of their earliest possible repricing.

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | | |
| Cash and cash equivalents | 150,517 | - | - | - | - | 150,517 |
| Financial assets at fair value through profit or loss | 47,040 | 974 | 4,578 | 11,990 | - | 64,582 |
| Financial assets at fair value through other comprehensive income | 14,123 | 24,016 | 9,367 | 6,007 | - | 53,513 |
| Investment securities at amortised cost | 1,181 | 894 | 10,971 | 6,758 | - | 19,804 |
| Loans and advances to banks | 5,110 | - | 6,800 | - | - | 11,910 |
| Loans and advances to customers | 32,801 | 11,598 | 4,214 | - | - | 48,613 |
| Other assets | 346 | - | | | - | 346 |
| TOTAL | 251,118 | 37,482 | 35,930 | 24,755 | - | 349,285 |
| Deposits from banks | 3,178 | - | - | - | - | 3,178 |
| Deposits from customers | 223,719 | 5,784 | 36,237 | - | - | 265,740 |
| Debt securities issued | 9 | 188 | 1,153 | - | - | 1,350 |
| Financial liabilities at fair value through profit or loss | 39,663 | 2,105 | 4,066 | 9,990 | - | 55,824 |
| Other liabilities | 1,257 | 24 | 36 | | - | 1,317 |
| TOTAL | 267,826 | 8,101 | 41,492 | 9,990 | - | 327,409 |
| Gap | (16,708) | 29,381 | (5,562) | 14,765 | - | - |
| Cumulative gap | (16,708) | 12,673 | 7,111 | 21,876 | - | - |
| **At 31 December 2023** | | | | | | |
| Cash and cash equivalents | 166,093 | - | - | - | - | 166,093 |
| Financial assets at fair value through profit or loss | 78,506 | 1,717 | 5,812 | 19,124 | - | 105,159 |
| Financial assets at fair value through other comprehensive income | 3,510 | 13,633 | 8,004 | 3,619 | - | 28,766 |
| Investment securities at amortised cost | 211 | 407 | 10,829 | 7,886 | - | 19,333 |
| Loans and advances to banks | 4,801 | - | 6,300 | - | - | 11,101 |
| Loans and advances to customers | 31,267 | 10,106 | 11,574 | 5 | - | 52,952 |
| Other assets | 230 | - | | | - | 230 |
| TOTAL | 284,618 | 25,863 | 42,519 | 30,634 | - | 383,634 |
| Deposits from banks | 15,948 | - | - | - | - | 15,948 |
| Deposits from customers | 239,969 | 1,270 | - | - | - | 241,239 |
| Debt securities issued | 1,074 | 1,849 | 1,513 | - | - | 4,436 |
| Financial liabilities at fair value through profit or loss | 77,557 | 3,068 | 8,425 | 11,221 | - | 100,271 |
| Other liabilities | 1,536 | 19 | 78 | - | - | 1,633 |
| TOTAL | 336,084 | 6,206 | 10,016 | 11,221 | - | 363,527 |
| Gap | (51,466) | 19,657 | 32,503 | 19,413 | - | - |
| Cumulative gap | (51,466) | (31,809) | 694 | 20,107 | - | - |

The carrying amounts of assets and liabilities are recorded either in the period in which they are due or in the period in which the interest rate changes, whichever occurs earlier.

Apart from the gap analysis indicated above, the Bank monitors its exposure to interest rate risk by Basis Point Value (BPV) and stress testing. Both of these methods measure the potential impact on the Bank's overall position or shift in interest rate yield curves.

### Basis point value

Basis point value measures how much monetary positions of the Bank will gain or lose for a 100 basis point (1.00 %) movement in the yield curve in terms of fair value changes. Therefore, it quantifies the Bank's interest rate risk for changes in interest rates.

"Trading book" means the portfolio of all positions in financial instruments held by the Bank with trading intent, in accordance with the definition of a trading book under Article 4(1)(86) of Regulation (EU) No 575/2013. A banking book contains all positions that are not included in the trading book.

As at 31 December 2024, BPVs for individual currencies were as follows:

| MCZK | Banking book BPV | Trading book BPV |
|---|---|---|
| CZK | (119) | (25) |
| EUR | (111) | (16) |
| USD | (172) | (36) |
| GBP | (2) | (0) |
| HUF | 3 | - |
| INR | (3) | - |
| TOTAL BPV (ABSOLUTE) | 410 | 77 |

As at 31 December 2023, BPVs for individual currencies were as follows:

| MCZK | Banking book BPV | Trading book BPV |
|---|---|---|
| CZK | (587) | 86 |
| EUR | 58 | 2 |
| USD | (148) | (26) |
| GBP | (4) | (1) |
| HUF | 4 | - |
| INR | (1) | - |
| TOTAL BPV (ABSOLUTE) | 802 | 115 |

### Stress testing

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in significant currencies with respect to the Bank in related yield curves. The analysis of the Bank's trading book sensitivity to an increase or decrease in market interest rates in terms of fair value changes (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

| MCZK | 2024 | | 2023 | |
|---|---|---|---|---|
| | 100 bp parallel increase | 100 bp parallel decrease | 100 bp parallel increase | 100 bp parallel decrease |
| Impact on profit or loss as at 31 December | (78) | 78 | 62 | (62) |
| Average for the period | (12) | 12 | (2) | 2 |
| Maximum for the period | 143 | 107 | 98 | 113 |
| Minimum for the period | (107) | (143) | (113) | (98) |

The Bank uses yield curve shifts to monitor and measure interest rate risk in the banking book in order to track the potential impact of changes in market interest rates. The baseline analysis addresses the sensitivity of net interest income and the economic value of equity and is based on stress scenarios for investment portfolio interest rate risk management in accordance with European Banking Authority Guidelines EBA/GL/2023/14, which anticipate shifts and changes in the shape of the yield curve. The Bank also performs stress testing based on a parallel 200 basis point shift in the yield curve.

The table below shows the sensitivity of the banking book to changes in interest rates:

| MCZK | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Change in annual net interest income | | |
| Impact of +200 bp interest rate movement | (163) | (269) |
| Impact of -200 bp interest rate movement | (939) | (185) |
| Change in the economic value of equity | | |
| Impact of +200 bp interest rate movement | (1,414) | (2,312) |
| Impact of -200 bp interest rate movement | 512 | 1,061 |

The change in the annual net interest income shows the impact of interest rate movements on net interest income over a 12-month horizon. The change in the economic value of equity shows the impact of interest rate movements on the difference between the present value of assets and liabilities. The results presented are in line with the methodology described in the EBA/GL/2022/14 Guidelines.

### 43.3.3 Equity risk

The equity risk is the risk of a change in the value of a financial instrument due to a change in market prices of equities or equity-related instruments.

The Bank is exposed to equity risk resulting from open positions in equities or equity-related instruments in accordance with the strategy approved by its Board of Directors.

### 43.3.4 Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

The Bank is only exposed to immaterial settlement risk as most of its transactions are settled in a delivery-versus-payment manner.

## 43.4 Operational risk

### 43.4.1 Operational risks

The Operational Risk Management Department is responsible for managing operational risks, i.e. the risks of losses caused by deficiencies in or failures of internal processes, the human factor or systems, or from losses caused by external factors, including legal risk. Operational risk excludes strategic and reputational risk.

Operational risks are usually the cause of an increase in the Bank's expenses, a decrease in the Bank's income, fines, penalties, damage, loss of the Bank's tangible and intangible assets and the failure of information systems.

The Operational Risk Management Department prepares the operational risk management methodology, identifies, monitors, measures and assesses the operational risks, and proposes measures to mitigate the operational risks. As part of operational risk management, it is further responsible for physical security. The Information Security Management department ensures the management of the security management system of information systems. Both units thus jointly identify and monitor, measure and assess physical and information security, and prepare the methodology for the management and mitigation of the risks.

The Operational Risk Management Department manages the access of employees, clients and other authorised persons to tangible and intangible assets, and manages the risk in terms of arranging supplies of banking services, the launch of new products, and the utilisation of outsourcing by the Bank. It also manages models, frauds, insurance and legal risk. The Operational Risk Management Department also regularly informs the management and relevant employees about operational risks and significant events that have arisen. Furthermore, it secures training for employees on the identification, reporting and handling of operational risks.

The management and employees in charge of managing operational risks within a division or department are also involved in the management of operational risks. After an operational risk is identified, they propose and arrange the implementation of operational, controlling or organisational measures to mitigate or eliminate the operational risk. In proposing the measures to mitigate operational risk, they also assess the impact on the Bank's expenses and income.

### 43.4.2 Other risks

Legal risk management consists of minimising the uncertainties relating to the enforceability of contracts, insufficient documentation, and changes in the regulatory environment, including accepted case-law and uncertainties in counterparties' acts. The aim is to reduce the risk of loss, the risk of possible or questionable claims against the Bank, or penalties, including damage to the Bank's reputation.

The Compliance Department performs activities aimed at harmonising the Bank's internal policies and processes with external regulations. The main compliance activities are to ensure the compliance of internal guidelines with external standards, the mutual compliance of internal guidelines, the compliance of the Bank's activities with internal guidelines and external standards, and the ongoing monitoring of compliance with legal obligations and responsibilities arising from the internal regulations of the Bank, to establish preconditions for achieving this harmonisation, to establish preconditions for the fair provision of services to customers and to refrain from giving preferential treatment to the Bank and its employees compared to customers, to prevent conflicts of interest, and to mitigate acts which would result in market abuse. It also engages in anti-money laundering activities and activities combating the financing of terrorism (AML-CFT), and runs checks on these activities and handles claims and complaints.

If compliance activities are not performed directly by the Compliance Department, they are delegated to another department of the Bank, the Bank's managers or the Bank's employees, with the Compliance Department acting as coordinator.

The Bank's managers are responsible for creating conditions for the internal and external regulations to be adhered to. They are also responsible for issuing internal policies governing the activities they are in charge of and they are also obliged to check whether the external regulations and internal policies are observed by subordinates.

## 43.5 Climate change risks

The Bank increasingly faces climate-related risks and opportunities related to the transition to a low-carbon economy. During 2024 the Bank has set up processes to collect the data to assess the risks associated with climate change which can impact the portfolio and created a comprehensive database necessary for sustainability reporting (ESRS).

Climate change risks impact key risk categories such as credit, liquidity, market and operational risk. The Bank classifies climate change risks into two main categories:

- physical risks and
- transition-related risks.

Physical risks arise from acute climate events (windstorms, tornadoes, floods and fires) and long-term changes in climate phenomena (sustained warmer temperatures, heat waves, droughts and rising sea levels).

Transition risks arise as a result of measures taken to mitigate the impacts of climate change and the transition to a low-carbon economy (changes in laws and regulations, litigation due to failure to mitigate or adapt, or changes in supply and demand for certain commodities, products and services).

The impact of physical and transition risks on the broader macroeconomic environment, including macroeconomic variables such as GDP and unemployment rates, is currently difficult to predict. We expect the most significant impacts of climate change to occur in the medium to long term. However, it is important to monitor the speed and scale of these issues and consider their potential impacts.

By the nature of its business model, the Bank assesses climate-related risk factors on a case-by-case basis as part of its regular monitoring of borrower performance and regular collateral valuation and eligibility.

## 43.6 Capital management

### Regulatory capital

The Bank's lead regulator sets and monitors the capital requirements of the Bank. The Bank and individual banking operations are directly supervised by local regulators. As the capital regulatory requirements are set only for banks, the structure of Tier 1 capital and Tier 2 capital is set only for the Bank.

In the implementation of current capital requirements, the CNB requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analysed in two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, statutory reserve funds and retained earnings after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities. The Bank currently has no Tier 2 capital component.

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also considered and the Bank recognises the need to maintain a balance between the higher returns and the advantages and security afforded by a sound capital position.

The Bank and its individually regulated operations complied with all externally imposed capital requirements throughout the period.

There were no material changes in the Bank's management of capital during the period.

The Bank's reconciliation between regulatory capital and equity calculated was as follows:

| MCZK | Regulatory capital | Equity |
|---|---|---|
| At 31 December 2024 | | |
| Issued capital | 769 | 769 |
| Share premium | 412 | 412 |
| Retained earnings | 16,945 | 21,143 |
| Profit/(Loss) eligible | - | - |
| Accumulated other comprehensive income | 296 | 302 |
| Less value adjustment due to requirements of prudent valuation | (175) | |
| Less intangible assets | (127) | - |
| Mitigation of impact of IFRS 9 implementation | 240 | |
| Tier 1 capital | 18,360 | |
| TOTAL | 18,360 | 22,626 |
| At 31 December 2023 | | |
| Issued capital | 769 | 769 |
| Share premium | 412 | 412 |
| Retained earnings | 15,446 | 19,330 |
| Profit/(Loss) eligible | 1,000 | - |
| Accumulated other comprehensive income | 201 | 252 |
| Less value adjustment due to requirements of prudent valuation | (236) | |
| Less intangible assets | (124) | - |
| Mitigation of impact of IFRS 9 implementation | 453 | |
| Tier 1 capital | 17,921 | |
| TOTAL | 17,921 | 20,763 |

Capital adequacy ratios are as follows:

| % | 2024 | 2023 |
|---|---|---|
| Tier 1 common capital ratio | 21.75 % | 23.15 % |
| Tier 1 capital ratio | 21.75 % | 23.15 % |
| Total capital ratio | 21.75 % | 23.15 % |

If the mitigation of the impact of IFRS 9 implementation were not applied, tier 1 common capital ratio, tier 1 capital ratio and total capital ratio would be 21.89% as at 31 December 2024 (2023: 22.51%).

Exposures and capital requirements for credit risk related to the following institutions:

| MCZK | Exposure | Capital requirement |
| --- | --- | --- |
| **At 31 December 2024** | | |
| Central government or central banks | 393 | 31 |
| Regional governments or local authorities | 10 | 1 |
| Institutions | 2,608 | 209 |
| Corporates | 51,472 | 4,118 |
| Retail | - | - |
| Secured by mortgages on immovable property | 855 | 68 |
| Exposures in default | 272 | 22 |
| Items associated with particular high risk | 8,541 | 683 |
| Collective investment undertakings | 1,055 | 84 |
| Equity | 239 | 19 |
| Other items | 533 | 43 |
| **TOTAL** | **65,978** | **5,278** |
| **At 31 December 2023** | | |
| Central government or central banks | - | - |
| Regional governments or local authorities | 15 | 1 |
| Institutions | 2,372 | 190 |
| Corporates | 46,143 | 3,691 |
| Retail | - | - |
| Secured by mortgages on immovable property | 834 | 67 |
| Exposures in default | 128 | 10 |
| Items associated with particular high risk | 9,413 | 753 |
| Collective investment undertakings | 967 | 77 |
| Equity | 239 | 19 |
| Other items | 282 | 23 |
| **TOTAL** | **60,393** | **4,831** |

| MCZK | 2024 | 2023 |
| --- | --- | --- |
| Capital requirements for credit risk | 5,278 | 4,831 |
| Capital requirements for market risks | 599 | 648 |
| – for interest rate risk of trading portfolio | 580 | 629 |
| – for equity risk of trading portfolio | - | - |
| – for foreign exchange risk | 19 | 19 |
| Capital requirements for settlement risk | - | - |
| Capital requirements for operational risk | 827 | 655 |
| Capital requirements for credit valuation adjustment risk | 66 | 61 |
| **TOTAL CAPITAL REQUIREMENTS** | **6,770** | **6,195** |

Minimum requirements for capital ratios are as follows:

| | Minimum requirement | Capital conservation buffer | Counter-cyclical buffer |
|---|---|---|---|
| 31. 12. 2024 | | | |
| Common Equity Tier 1 capital (CET1) | 4.5 % | 2.5 % | 1.14 % |
| Tier 1 capital | 6 % | 2.5 % | 1.14 % |
| Total regulatory capital | 8 % | 2.5 % | 1.14 % |
| 31. 12. 2023 | | | |
| Common Equity Tier 1 capital (CET1) | 4.5 % | 2.5 % | 1.27 % |
| Tier 1 capital | 6 % | 2.5 % | 1.27 % |
| Total regulatory capital | 8 % | 2.5 % | 1.27 % |

### Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by the optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect other risks of the transaction. The process of allocating capital is undertaken by those responsible for the operation and is subject to review by the Bank's Capital Strategy Committee.

## 44 Related-party transactions

As at 31 December 2024, the parent company of the Bank is PPF Financial Holdings a.s., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 10907718, the parent company of PPF Financial Holdings a.s. is PPF Group N.V., with its registered office in the Netherlands, Amsterdam, Strawinskylaan 933, 1077XX, registration number: 33264887 and the ultimate parent company is AMALAR HOLDING s.r.o., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 19696477.

The Bank considered the transactions with its parent company, PPF Financial Holdings a.s., its parent company PPF Group N.V., the ultimate parent company AMALAR HOLDING s.r.o. and with all their subsidiaries to be related-party transactions.

The related-party transactions also include transactions with its key management personnel, and enterprises with which it has key management personnel in common.

### 44.1 Transactions with the parent company

The balances stated below are included in the statement of financial position and represented transactions with the parent company:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Deposits from customers | (2,430) | (5,003) |
| TOTAL | (2,430) | (5,003) |

The Bank neither accepted nor provided guarantees related to the above-mentioned transactions.

The figures stated below are included in the statement of comprehensive income and represented transactions with the parent company:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest and similar income | - | - |
| Interest expense and similar charges | (54) | (114) |
| Fee and commission income | 2 | 2 |
| Net income from financial operations | - | - |
| Other operating income | - | - |
| TOTAL | (52) | (112) |

## 44.2 Transactions with subsidiaries

The balances stated below are included in the statement of financial position and represented transactions with subsidiaries:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Loans and advances to customers | 10,559 | 6,435 |
| Deposits from customers | (89) | (139) |
| TOTAL | 10,470 | 6,296 |

The figures stated below are included in the statement of comprehensive income and represented transactions with subsidiaries:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest and similar income | 692 | 588 |
| Interest expense and similar charges | (4) | (4) |
| Net impairment losses on financial assets | (133) | (29) |
| Other operating income | 1 | 1 |
| TOTAL | 556 | 556 |

## 44.3 Transactions with other related parties

The balances stated below are included in the statement of financial position and represented transactions with other related parties:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Cash and cash equivalents | - | - |
| Financial assets at fair value through profit or loss | 834 | 1,103 |
| Financial assets at fair value through other comprehensive income | 34 | 30 |
| Loans and advances to banks | 8,083 | 7,604 |
| Loans and advances to customers | 1,788 | 4,909 |
| Other assets | 26 | 32 |
| Deposits from customers | (45,040) | (36,690) |
| Deposits from banks | (683) | (10) |
| Financial liabilities at fair value through profit or loss | (1,980) | (2,476) |
| Provisions | (9) | (1) |
| Other liabilities | (221) | (165) |
| TOTAL | (37,168) | (25,664) |

The figures stated below are included in the statement of comprehensive income and represented transactions with other related parties:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest and similar income | 1,048 | 976 |
| Interest expense and similar charges | (888) | (844) |
| Fee and commission income | 60 | 87 |
| Fee and commission expense | (2) | (5) |
| Net income from financial operations | (841) | 341 |
| Net impairment losses on financial assets | (4) | (21) |
| Other operating income | 2 | 2 |
| Other general administrative expenses | (193) | (173) |
| TOTAL | (818) | 363 |

### 44.4 Key management personnel

The balances stated below are included in the statement of financial position and represented transactions with key management personnel:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Financial liabilities at fair value through profit or loss | - | (1) |
| Deposits from customers | (98) | (160) |
| TOTAL | (98) | (161) |

The above payables consist mainly of term deposits and balances of current accounts with the Bank.

The balances stated below are included in the statement of other comprehensive income and represented transactions with key management personnel:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest expense and similar charges | (6) | (7) |
| Net income from financial operations | - | (1) |
| General administrative expenses | (61) | (58) |
| TOTAL | (67) | (66) |

General administrative expenses consist of salaries and remuneration of the Bank ‘s key management personnel, described in detail in note 10.

### 44.5 Credit commitments and guarantees provided

As at 31 December 2024 the Bank provided a credit commitment to related parties of MCZK 7,405 (31.12.2023: MCZK 6,417).

## 45 Subsequent events

There have been no events subsequent to the balance sheet date that are material or require adjustment or disclosure in the financial statements or notes.

# Report on Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity for 2024

In accordance with Section 82 et seq. of Act No 90/2012 on companies and cooperatives, as amended, ("the AoC"), PPF banka a.s., with its registered office at Evropská 2690/17, 160 41 Praha 6, registration number 47116129, incorporated by entry in the Commercial Register maintained by the Municipal Court in Prague, section B, file number 1834 ("the Company"), has the obligation to prepare the following report on relations between the controlling entity and the Company and between the Company and entities controlled by the same controlling entity ("Report on Relations") for the accounting period from 1 January 2024 to 31 December 2024 ("the Accounting Period").

### 1. Structure of relations between the controlling entity and the Company and between the Company and entities controlled by the same controlling entity

By reference to information in the possession of the Board of Directors, in which the Company's governing body, to the best of its knowledge, found no incompleteness, the structure is set out in Appendix 1 to this Report on Relations.

### 2. Role of the Company

During the Accounting Period, the Company did not adopt or implement any measures or other legal arrangements providing it with special advantages or imposing special obligations on it in the interest or at the initiative of the controlling entity or entities controlled by the same controlling entity. In relation to control, the Company benefits from no special advantages and has no special obligations vis-à-vis the controlling entity and/or entities controlled by the same controlling entity beyond those negotiated in the agreements listed in Section 5 of this Report on Relations.

### 3. Method and means of control

The controlling entity exercises control through its ownership rights via decisions at the Company's general meetings (or decisions of the Company's sole shareholder). Methods and means of controlling the Company include the Company's articles of association and decisions of the Company's supreme body. No special agreements exist between the Company and the controlling entity with respect to methods and means of controlling the Company.

### 4. Overview of actions pursuant to Section 82(2)(d) of the AoC

In the Accounting Period, the Company did not perform any actions at the initiative or in the interest of the controlling entity or entities controlled by it that related to assets exceeding 10% of the Company's equity as determined from the latest financial statements.

### 5. Overview of mutual agreements

The Company has concluded the following agreements with the controlling entity or with entities controlled by the same controlling entity:

The following agreements have been concluded with AB 4 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34186049:
- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with AB-X Projekt GmbH in liquidation, with its registered office at Landsberger 155, Munich, 806 87, Germany, registration number: HRB 247124:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with AF Airfueling s.r.o., with its registered office at Hůlkova 1075/35, Kbely, 197 00 Praha 9, registration number: 02223953:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Air Bank a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 29045371:
- Confidentiality contract – scope of performance: other services
- Reporting Delegation Agreement – Agreement on EMIR reporting – scope of performance: other services
- Contract with an administrator + special arrangements for the contract with an administrator – scope of performance: financial services
- Contract for opening and maintaining correspondent accounts – scope of performance: financial services
- Framework agreement on trading on financial markets (EMA) – scope of performance: financial services
- ISDA Master Agreement – scope of performance financial services
- Agency agreement on the provision and settlement of transactions with investment instruments and on investment instrument administration – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services
- Agreement on the provision of services for the blocking of access to electronic banking tools – scope of performance: financial services
- Strongbox rental agreement – scope of performance: financial services
- Service agreement (COVID 3 loans) – scope of performance: financial services
- Customer business agreement – switch – scope of performance: financial services
- Agreement on the procurement of a bond issue – scope of performance financial services
- Transfer agreement – scope of performance financial services
- Agreement Reg. No 41630422 on the provision of banking products - scope of performance financial services
- Agreement on Group corporate governance – scope of performance: financial services
- Strongbox rental agreement – scope of performance: financial services
- Agreement on the procurement of a bond issue – scope of performance financial services
- Administrator Agreement – scope of performance: financial services
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Bavella B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 52522911:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with BEFICERY LTD, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BUILDING, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE417922:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Bestsport holding a.s., with its registered office at Českomoravská 2345/17a, Libeň, 190 00 Praha 9, registration number: 06613161:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Bestsport, a.s., with its registered office at Českomoravská 2345/17a, Libeň, 190 00 Praha 9, registration number: 24214795:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with BLUE SEA HOLDING Sárl, with its registered office at Belgium, Bruxelles, Avenue du Port 86C204, Box 204, 1000, registration number: 0771.845.232:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with BONAK a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 05098815:

— General agreement on payment and banking services – scope of performance: financial services
— Share pledge agreements – scope of performance: financial services
— Guarantee and shareholder undertaking agreement – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with CETIN a.s., with its registered office at Českomoravská 2510/19, 190 00 Praha 9, registration number: 040 84 063:

— General agreement on payment and banking services – scope of performance: financial services
— Framework contract on trading on the financial market (EMA) – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Confidentiality agreement – scope of performance: other services
— Internal escrow account – scope of performance: financial services

The following agreements have been concluded with CETIN Finance B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 66805589:

— General agreement on payment and banking services – scope of performance: financial services
— Dealer agreement – scope of performance: financial services

The following agreements have been concluded with CETIN Finco B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 85746592:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Cetin Group N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 65167899:

— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— ISDA master agreement – scope of performance: financial services

The following agreements have been concluded with CETIN Hungary Zártkörűen Működő Részvénytársaság, with its registered office at 2045, Törökbálint, Pannon út 1, Hungary, registration number: 13-10-042052:

— General agreement on payment and banking services – scope of performance: financial services
— ISDA master agreement – scope of performance: financial services

The following agreements have been concluded with CETIN International N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number 95116648:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with CETIN Networks, s.r.o. (previously O2 Networks),, with its registered office at Einsteinova 24 , 851 01 Bratislava, Slovakia, registration number: 54639425:

— Bank guarantee contract No BZ/30367615 – scope of performance: financial services

The following agreements have been concluded with CETIN služby s.r.o., with its registered office at Českomoravská 2510/19, Libeň, 190 00 Praha 9, registration number: 06095577:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with CIAS HOLDING a.s., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 27399052:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with CME Bulgaria B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34385990:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with CME Media Enterprises B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 33246826:

- General agreement on payment and banking services – scope of performance: financial services
- ISDA master agreement – scope of performance: financial services

The following agreements have been concluded with CME Services s.r.o., with its registered office at Kříženeckého náměstí 1078/5a, 152 00 Praha 5 registration number: 29018412:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with CME Slovak Holdings B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34274606:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Cytune Pharma SAS, with its registered office at 3 Chemin du Pressoir Chenaie, 44100 Nantes, France, registration number: 500998703:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Duoland s.r.o., with its registered office at Hůlkova 896/31, Kbely, 197 00 Praha 9, registration number: 06179410:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Eastern Properties B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 58756566:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with ELTHYSIA LIMITED with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BUILDING, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE 290356:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with EmbedIT s.r.o., with its registered office e at Evropská 2690/17, 160 00, Praha 6, registration number: 17139708:

- General agreement on payment and banking services – scope of performance: financial services
- Framework agreement on Reallocation of Software Cost – scope of performance: financial services
- Confidentiality agreement – scope of performance: other services
- Special Agreement on Distribution of QRadar Licenses, – scope of performance: distribution of licences and support
- Agreement on the distribution of licences – scope of performance: distribution of licences and support
- Agreement on the distribution of licences – scope of performance: distribution of licences and support
- Agreement on the distribution of licences – scope of performance: distribution of licences and support
- Agreement on the distribution of licences – scope of performance: distribution of licences and support

The following agreements have been concluded with EMPTY.CO a.s. v likvidaci, with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 05418046:

- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with ENADOCO LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE 316 486:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Erable B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 67330495:

- Agreement on the provision of investment services – scope of performance: financial services
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Excoso a.s. (previously SCTbio a.s.), with its registered office at Českomoravská 2532/19b, 190 00 Praha 9 – Libeň, registration number: 24662623:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with FACIPERO INVESTMENTS LIMITED, with its registered office at Esperidon 5, 4th Floor, Strovolos, 2001, Nicosia, Cyprus, registration number: HE 232483:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Favour Ocean Limited, with its registered office at Nexxus Building, 41 Connaught Road, Central, Hong Kong, China, registration number: 1065678:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with FO Management s.r.o., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 06754295:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with FO servis s.r.o., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 08446407:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with FOSOL ENTERPRISES LIMITED, with its registered office at 10 Diomidous Street, ALPHAMEGA AKROPOLIS BUILDING, 3rd Floor, Flat/Office 401, 2024, Nicosia, Cyprus, registration number: HE 372077:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with GABELLI CONSULTANCY LIMITED, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BUILDING ,Office 603, 1066 Nicosia, Cyprus, registration number: HE 160 589:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with GEMCOL LIMITED, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BUILDING, Office 603, 1066 Nicosia, Cyprus, registration number: HE353410:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with German Properties B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 61008664:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with GEWI, s.r.o., with its registered office at Budečská 1028/16, 120 00 Praha 2 - Vinohrady, registration number: 60203722:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with GRACESPRING LIMITED, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BUILDING , Office 603, 1066 Nicosia, Cyprus, registration number: HE 208337:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with HC Asia B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34253829:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with HC Philippines Holding B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 35024270:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Home Credit a.s., with its registered office at Nové sady 996/25, Staré Brno, 602 00 Brno, registration number: 26978636:
— Contract on cooperation in the performance of work and provision of processing and other services (HC) – scope of performance: other services
— Confidentiality contract – scope of performance: other services
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Home Credit Asia Limited, with its registered office at Nexxus Building, 41 Connaught Road, Central, Hong Kong, China, registration number: 890063:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Home Credit India B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 52695255:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Home Credit Indonesia B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 52695557:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Home Credit International a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 60192666:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Framework agreement on the reallocation of software costs – scope of performance: purchase of software solutions, distribution of software and reinvoicing of expenses
— Agreement on the distribution of licences – scope of performance: distribution of licences and support
— Agreement on the provision of services – scope of performance: financial services
— Framework agreement on trading on financial markets (EMA) – scope of performance: financial services

The following agreements have been concluded with Home Credit N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34126597:
— Special arrangement for the agreement with the administrator – scope of performance: financial services
— Agreement on the assignment of the agreement on a promissory note programme arrangement and assumption of debt – scope of performance: financial services
— Agreement on the assignment of derivative transactions – scope of performance: financial services
— Agreement related to Offer of the Bond – scope of performance: financial services
— Term facilities agreement – scope of performance: financial services
— Novation and amendment agreement – scope of performance: financial services
— General agreement on payment and banking services – scope of performance: financial services
— Commission Agreement on Provision and Settlement of Transactions with Investment Instruments and on Investment Instruments Administration – scope of performance: financial services
— Contract on Group corporate governance – scope of performance: financial services
— Agreement on the assignment of a contract on Group corporate governance – scope of performance: financial services
— Agreement on the termination of the agreement on the provision of the issue of notes – scope of performance: financial services

The following agreements have been concluded with Home Credit Slovakia, a.s., with its registered office at Teplická 7434/147, Piešťany 921 22, Slovakia, registration number: 36234176:
— Contract on cooperation in the performance of work and provision of processing and other services (HCS) – scope of performance: other services
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with HOPAR LIMITED, with its registered office at Themistokli Dervi, 48, Office 603, 1066 Nicosia, Cyprus, registration number: HE188923:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Infrastruktura NTR s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 22401750
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with JARVAN HOLDINGS LIMITED, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BULDING, Office 603, 1066 Nicosia, Cyprus, registration number: HE310140:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with JONSA LIMITED, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BULDING, Office 603, 1066 Nicosia, Cyprus, registration number: HE 275110:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Letiště Praha Letňany, s.r.o., with its registered office at Hůlkova 1075/35, Kbely, 197 00 Praha 9, registration number: 24678350:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Letňany eGate s.r.o., with its registered office at Hůlkova 896/31, Kbely, 197 00 Praha 9, registration number: 06137628:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Letňany Park Gate s.r.o., with its registered office at Hůlkova 896/31, Kbely, 197 00 Praha 9, registration number: 06138446:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with LINDUS SERVICES LIMIT, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BULDING, Office 603, 1066 Nicosia, Cyprus, registration number: HE281891:
— General agreement on payment and banking services – scope of performance: financial services
— AGREEMENT ON THE PROVISION OF INVESTMENT SERVICES – scope of performance: financial services

The following agreements have been concluded with Logistics Project RU, with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 14206498:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Majestic Hospitality s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 22392181:
— Agreement on a special account for the repayment of the deposit upon establishment of a business corporation – scope of performance: financial services

The following agreements have been concluded with Maraflex s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 02415852:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with MICROLIGHT TRADING LIMITED, with its registered office at Themistokli Dervi, 48, ATHIENITIS CENTENNIAL BULDING, Office 603, 1066 Nicosia, Cyprus, registration number: HE224515:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with MIDDLECAP SEAL HOUSE LIMITED, with its registered office at C/O Middlecap Real Estate Ltd, 15 Stratford Place, London W1C 1BE, United Kingdom, registration number: 11669616:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Millennium Hotel Rotterdam B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 67331378:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Miridical Holding Limited, with its registered office at Themistokli Dervi, 48, Office 603, 1066 Nicosia, Cyprus, registration number: HE 425998:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with Montería, spol. s r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 27901998:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement Reg. No 41562120 on the provision of banking products – scope of performance: financial services
— Agreement Reg. No ZBU/41562120/1 on the establishment of a lien on accounts receivable – scope of performance: financial services

The following agreements have been concluded with Moranda, a.s., with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 28171934:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: other services

The following agreements have been concluded with MP Holding 2 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 69457018:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with My Air a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 05479070:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Naneva B. V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 67400639:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Global Master Repurchase Agreement (GMRA) – scope of performance: financial services

The following agreements have been concluded with Navigare Yachting AB, with its registered office at Norra Vallgatan 66, 21122, Malmö, Sweeden, registration number: 5566862354:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with NOVÁ OPTIKA s.r.o. (previously M.NET Studénka s.r.o.), with its registered office at Vyskočilova 1326/5, 140 00 Praha 4 - Michle, registration number: 27809927:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with O2 CRM Services s.r.o. (previously Smart home security s.r.o.) with its registered office at Vyskočilova 1326/5, Michle, 140 00 Praha 4, registration number: 063 21 399:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with O2 Czech Republic a.s., with its registered office at Za Brumlovkou 266/2, 140 22 Praha 4, registration number: 60193336:

— Framework agreement on payment and banking services – scope of performance: setting of a credit limit for the company and the opening of bank accounts in CZK, EUR, USD
— Framework agreement on financial market trading – scope of performance: hedging against financial risk
— Agreement on the provision of publicly available electronic communications services – scope of performance: provision of publicly available electronic communications services, financial services
— Agreement on the provision of the Aculla SIPREC SRS recording system – scope of performance: establishment of conditions for the provision of a recording system to the second contracting party and use thereof for the fulfilment of MiFID regulation requirements, financial services
— Mobile SIPREC service agreement – provision of services in the monitoring and recording of calls to meet the requirements of MiFID (Markets in Financial Instruments Directive) – scope of performance: other services
— Service Provision Agreement on AntiDDoS O2 – scope of performance: other services
— Ethernet service agreement – scope of performance: other services

The following agreements have been concluded with O2 Financial Services s.r.o., with its registered office at Za Brumlovkou 266/2, Michle, 140 00 Praha 4, registration number: 05423716:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with O2 IT Services s.r.o., with its registered office at Za Brumlovkou 266/2, Michle, 140 00 Praha 4, registration number: 02819678:

— Bank guarantee contract BZ/30367615 – scope of performance: financial services
— General agreements on payment and banking services – scope of performance: financial services
— Confidentiality agreement – scope of performance: other services
— Service agreement – scope of performance: other services

The following agreements have been concluded with O2 Slovakia, s.r.o., with its registered office at Einsteinova 24, Bratislava, 851 01, Slovakia, registration number: 47259116:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with O2 TV s.r.o., with its registered office at Za Brumlovkou 266/2, Michle, 140 00 Praha 4, registration number: 03998380:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Obora Podkozí s.r.o., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 21055785:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Office Star Eight a.s., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 27639177:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Office Star Nine, spol. s r. o., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 27904385:

— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Ostrava Production Facilities s.r.o., with its registered office at Emila Škody 2922/1, 301 00 Plzeň, Jižní Předměstí, registration number: 22292101:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Paleos Industries B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 66846919:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PALM Investments a.s. with its registered office at Budečská 1028/16, 120 00 Praha 2 – Vinohrady, registration number: 09262601:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF a.s., with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 25099345:
— LAN service agreement – scope of performance: other services
— Cost reimbursement agreement – scope of performance: financial services
— Contract on the sublease of non-residential premises, as amended – scope of performance: financial services
— Contract on the sublease of parking lots – scope of performance: financial services
— Contract on the provision of services dated 31 March 2006 – scope of performance: other services
— Contract on the sublease of mobile equipment – scope of performance: other services
— Contract on the use of a visual style and the provision of rights to the use of trademarks – scope of performance: other services
— General agreement on payment and banking services – scope of performance: financial services
— Personal data processing agreement – protection of mutually disclosed confidential information and rights and obligations of the parties in the field of personal data processing – scope of performance: other services
— Agreement on the provision of investment services – scope of performance: financial services
— Adherence agreement – scope of performance: other services
— Microsoft Enterprise Services – UES – scope of performance: other services

The following agreements have been concluded with PPF A4 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 63365391:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Advisory (CR) a.s., with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 25792385:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF ADVISORY (RUSSIA) LIMITED, with its registered office at Themistokli Dervi, 48, Office 603, 1066 Nicosia, Cyprus, registration number: HE 276 979:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Advisory (UK) Limited, with its registered office 100 Avebury Boulevard, Milton Keynes, MK9 1FH, United Kingdom, registration number: 05539859:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Art a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 63080672:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Biotech B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 55003982:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with PPF CO 3 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34360935:
- General agreement on payment and banking services – scope of performance: financial services
- Framework agreement on consultancy and cooperation – scope of performance: financial services
- Agreement of 15 August 2019, INR 4,500,000,000 credit facility – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services
- Secured credit facility of up to INR 4,400,000,000 – scope of performance: financial services
- Agreement of 21 November 2019, HUF 6,000,000,000 credit facility – scope of performance: financial services
- Agreement of 21 November 2019, EUR 47,000,000 credit facility – scope of performance: financial services
- Agreement of 22 May 2020, RSD 3,000,000,000 credit facility – scope of performance: financial services
- Agreement of 5 January 2021, INR 5,000,000,000 credit facility – scope of performance: financial services
- Agreement on a CZK 1,500,000,000 credit facility – scope of performance: financial services
- Agreement on a pledge of receivables under a loan agreement, notification of pledge – scope of performance: financial services
- Agreement of 3 May 2021 – USD 40,000,000 – scope of performance: financial services
- Cash automated transfer agreement – scope of performance: financial services
- Engagement Letter dated on 25th August 2022 – scope of performance: financial services
- Agreement dated 26th December 2022 for HC Vietnam in the amount of 50 000 000 USD – scope of performance: financial services
- Recommendation related to INR 4,000,000,000 Credit Facility Agreement dated 23rd March 2018, INR 4,400,000,000 Credit Facility Agreement dated 14th November 2019, INR 5,000,000,000 Credit Facility Agreement dated 16th September 2019 – scope of performance: financial services
- Agreement Dated 19th December, 2023 EUR 11 000 000 – scope of performance: financial services
- Agreement dated 2.5. 2024 EUR 4,000,000 Credit Facility – scope of performance: financial services
- Agreement Dated 25th November, 2024 EUR 40000000 Credit Facility – scope of performance: financial services

The following agreements have been concluded with PPF Comco N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 85404632:
- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services, – scope of performance: financial services

The following agreements have been concluded with PPF CYPRUS MANAGEMENT LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6 floor, 1066 Nicosia, Cyprus, registration number: HE224463:
- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services
- Share Pledge Agreement – scope of performance: financial services

The following agreements have been concluded with PPF CYPRUS RE MANAGEMENT LTD, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6 Floor, 1066 Nicosia, Cyprus, registration number: HE251908:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Financial Holdings a.s., with its registered office at Evropská 2690/17, 160 41, Praha 6, registration number:10907718:
- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services
- Agreement on administration – scope of performance: financial services
- Agreement on administration – scope of performance: financial services
- Agreement on administration – scope of performance: financial services
- Agreement on administration – scope of performance: financial services
- Agreement on administration – scope of performance: financial services
- Contract on Group corporate governance – scope of performance: financial services
- Sublicensing agreement – scope of performance: other services
- Contract of mandate – scope of performance: other services
- Agreement on the provision of credit risk management services – scope of performance: financial services
- Confidentiality agreement – scope of performance: other services
- Confidentiality agreement – scope of performance: other services

The following agreements have been concluded with PPF Finco B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 77800117:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Finco MF BV, with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 92807836:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Finco RCF BV, with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 92807887:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Gastro s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 24768103:
— General agreement on payment and banking services – scope of performance: financial services
— Contract for employee meals, as amended – scope of performance: other services
— Agreement on the coverage of the costs of catering services and refreshments – scope of performance: other services
— Personal data processing agreement – protection of mutually disclosed confidential information and rights and obligations of the parties in the field of personal data processing – scope of performance: other services

The following agreements have been concluded with PPF GATE a.s., with its registered office at Evropská 2690/17, 160 41 Praha 6, registration number: 27654524:
— Agreement on the letting of non-residential premises – branch – PPF Gate mandate – scope of performance: other services
— Construction contract mandate – scope of performance: other services

The following agreements have been concluded with PPF Group N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 33264887:
— ISDA master agreement, as amended – scope of performance: financial services
— Agreement on a guarantee – scope of performance: financial services
— General agreement on payment and banking services – scope of performance: financial services
— Dealer manager agreement – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Facility agreement Reg. No 41585221 – scope of performance: financial services
— Guarantee and sponsor undertaking – scope of performance: other services

The following agreements have been concluded with PPF Healthcare N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34308251:
— Contract for assignment of a receivable – scope of performance: financial services
— General agreement on payment and banking services – scope of performance: financial services
— ISDA master agreement – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with PPF Holdings B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34186294:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Hospitality s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 22330020
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF IM Ltd. (previously Acolendo Limited), with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6 floor, 1066 Nicosia, Cyprus, registration number: HE 434775:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Global Master Repurchase Agreement – scope of performance: financial services

The following agreements have been concluded with PPF Industrial Holding B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 71500219:
— General agreement on payment and banking services – scope of performance: financial services
— OPTION AGREEMENT Nr. 41678924 – scope of performance: financial services

The following agreements have been concluded with PPF NIPOS B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 90143299:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with PPF Management Services B.V. (previously Fodina B.V.), with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 59400676:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Global master repurchase agreement – scope of performance: financial services

The following agreements have been concluded with PPF RE Consulting s.r.o, with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 24225657:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF RE Management v likvidaci, with its registered office at Evropská 2690/17, Dejvice, 160 41 Praha 6, registration number: 17083923:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Real Estate Holding B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 34276162:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on a promissory note programme arrangement – scope of performance: financial services

The following agreements have been concluded with PPF Real Estate I, Inc., with its registered office at Wilmington, Delawere, 1209, Orange Street, United States, registration number: 7705173:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF REAL ESTATE LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6 Floor, 1066 Nicosia, Cyprus, registration number: HE 188089:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Real Estate s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 27638987:
— Agreement on the provision of services – scope of performance: financial services
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF Telco B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 65167902:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Agreement to ensure the payment of consideration – scope of performance: financial services

The following agreements have been concluded with e& PPF Telecom Group B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 59009187:
- General agreement on payment and banking services – scope of performance: financial services
- Mandate agreement on the arrangement of trades in derivate investment instruments – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial service
- ISDA 2002 master agreement – scope of performance: financial services

The following agreements have been concluded with PPF TMT Bidco 1 N.V. (previously PPF TMT Bidco 1 B.V.), with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 70498288:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF TMT Bidco 2 B.V. (previously PPF Beer Bidco B.V.), with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 67332722:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF TMT Holdco 1 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 70498261:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF TMT Holdco 2 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 70526214:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF TMT Holdco 3 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 92805930:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF TMT Holdco 4 B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 92813372:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PPF TMT Topholdco B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 95062378:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Prague Entertainment Group B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 63600757:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with PT EMBEDINFO TECHNOLOGIES INDONESIA with its registered office at Kebagusan Village/Sub District, Pasar Minggu, Admin.City of South Jakarta, PLAZA OLEOS 12th FLOOR, JL. T.B.SIMATUPANG, 53A, 12520, Republic of Indonesia, registration number: 2202220030052:
- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Public Picture & Marketing a.s., with its registered office at at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 25667254:
- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of banking products 41516419 – scope of performance: financial services
- Agreement on the right to complete a promissory note SD/41516419 – scope of performance: financial services
- Purchase order for travel desk services – scope of performance: financial services
- Confidentiality agreement – scope of performance: other services
- General agreement on event agency services – scope of performance: other services

The following agreements have been concluded with Real Estate Russia B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 63458373:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with REPIENO LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 1066 Nicosia, Cyprus, registration number: HE 282866:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SALEMONTO LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 1066 Nicosia, Cyprus, registration number: HE 161 006:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SCT Cell Manufacturing s.r.o., with its registered office at Jankovcova 1518/2, 170 00 Praha 7, Holešovice registration number: 14088266:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Seal House JV a.s., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 09170782:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SOTIO Biotech a.s., with its registered office at Českomoravská 2532/19b., 190 00 Praha 9 - Libeň , registration number: 10900004:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SOTIO Biotech AG, with its registered office at Lichtstrasse 35, 4056 Basel, Switzerland, registration number: CHE-354.429.802:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SOTIO Biotech B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 80316557:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Stellar Holding s.r.o., with its registered office at Evropská 2690/17, 16000, Dejvice, Praha 6, registration number: 14005816:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with STEPHOLD LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 1066 Nicosia, Cyprus, registration number: HE: 221 908
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Sun Belt Multi I, LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, 19801, Wilmington, USA, registration number: 20213849720:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Sun Belt Multi II, LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, 19801, Wilmington, USA, registration number: 7187888:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Sun Belt Office I Interholdco, LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, 19801, Wilmington, USA, registration number: 20210215807:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Sun Belt Office I, LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, 19801, Wilmington, USA, registration number: 20210116384:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Sun Belt Office II Interholdco, LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, 19801, Wilmington, USA, registration number: 20213597548:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Sun Belt Office II, LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, 19801, Wilmington, USA, registration number: 20213597547:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Škoda a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00, Praha 6, registration number: 14070421:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement on Promissory Note Programme Arrangement – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Loan contract – scope of performance: financial services
— Agreement on the procurement of the issue of bonds, reg. no. MA/ŠKODA 7.00/26– scope of performance: financial services
— Agreement on the subscription and purchase of bonds, reg. no. SubA/ŠKODA 7.00/26– scope of performance: financial services
— Agreement on administration reg. no. SA//ŠKODA 7,00/26 – scope of performance: financial services
— Agreement on administration reg. no. SA/ ŠKODA EUR VAR/ 27 – scope of performance: financial services
— contract for the procurement of the issue of bonds, reg. no. MA/ŠKODA EUR VAR/27– scope of performance: financial services
— Bond subscription and purchase agreement, reg. no. SubA/ ŠKODA EUR VAR/27– scope of performance: financial services
— Contract for the procurement of the issue of bonds, reg. no. MA/ŠKODA CZK VAR/27– scope of performance: financial services
— Agreement on administration reg. č. SA/ ŠKODA CZK VAR/27 – scope of performance: financial services
— Bond Subscription and Purchase Agreement reg. No. Suba/ ŠKODA CZK VAR/27– scope of performance: financial services

The following agreements have been concluded with ŠKODA EKOVA a.s., with its registered office at Martinovská 3422/42, 72300 Ostrava, registration number: 28642457:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with ŠKODA ELECTRIC a.s., with its registered office at Průmyslová 610/2a, 301 00 Plzeň – Doudlevce, registration number: 47718579:
— General agreement on payment and banking services – scope of performance: financial services
— Financial guarantee agreement 400000376/001/2023 + letter of guarantee – scope of performance: financial services
— Loan contract EGAP Plus Programme – scope of performance: financial services
— Intercreditor agreement – scope of performance: financial services
— Agreement on the provision of investment services – scope of performance: financial services
— Agreement on fees – scope of performance: commercial services

The following agreements have been concluded with Škoda Group Austria GmbH, with its registered office at Schubertring 6, Wien, 1010 Austria registration number: 593375k:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with ŠKODA ICT s.r.o., with its registered office at Tylova 1/57, 301 28 Plzeň registration number: 279 94 902:
— General agreement on payment and banking services – scope of performance: financial services
— Agreement 41538220 on the provision of banking products – scope of performance: financial services

The following agreements have been concluded with ŠKODA INVESTMENT a.s., with its registered office at Emila Škody 2922/1,301 00 Plzeň – Jižní Předměstí, registration number: 265 02 399:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with ŠKODA PARS a.s., with its registered office at Žerotínova 1833/56, 787 01 Šumperk, registration number: 25860038:
— Intercreditor Agreement – scope of performance: commercial services
— Amendment And Restatement Agreement Related To The Intercreditor Agreement – scope of performance: financial services

The following agreements have been concluded with ŠKODA TRANSPORTATION a.s., with its registered office at Emila Škody 2922/1,301 00 Plzeň – jižní předměstí, registration number: 626 23 753:

- General agreement on payment and banking services – scope of performance: financial services
- Framework agreement on trading on financial markets (EMA) – scope of performance: financial services
- Agreement of 26 August 2019 on a CZK 3,500,000,000 credit facility – scope of performance: financial services
- Intercreditor Agreement – scope of performance: financial services
- Amendment And Restatement Agreement Related To The Intercreditor Agreement– scope of performance: commercial services
- Financial guarantee agreement 400000365/001/2023 + letter of guarantee – scope of performance: financial services
- Loan contract EGAP Plus Programme – scope of performance: financial services
- Agreement on fees – scope of performance: commercial services

The following agreements have been concluded with ŠKODA TRANSTECH OY, with its registered office at Tutkijantie 8, Oulu, 905 90, Finland, registration number: 1098257-0:

- Intercreditor Agreement – scope of performance: financial services
- Amendment And Restatement Agreement Related To The Intercreditor Agreement – scope of performance: financial services

The following agreements have been concluded with ŠKODA VAGONKA a.s., with its registered office at 1. máje 3176/102, 703 00, Ostrava, registration number: 258 70 637:

- General agreement on payment and banking services – scope of performance: financial services
- Framework agreement on trading on financial markets (EMA) – scope of performance: financial services
- Intercreditor agreement – scope of performance: financial services
- Amendment And Restatement Agreement Related To The Intercreditor Agreement – scope of performance: financial services

The following agreements have been concluded with TANAINA HOLDINGS LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 1066 Nicosia, Cyprus, registration number: HE 318 483:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Tanemo a.s., with its registered office at Evropská 2690/17, 160 00 Praha 6, registration number: 09834273:

- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services
- Agreement on administration related to the voluntary tender offer to purchase part of the shares issued by MONETA Money Bank, a.s. (contract on the administration of a voluntary tender offer) – scope of performance: financial services
- Data processing agreement – scope of performance: other services

The following agreements have been concluded with TELISTAN LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE341864:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with TIMEWORTH HOLDINGS LTD, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE 187475:

- General agreement on payment and banking services – scope of performance: financial services
- ISDA Master Agreement – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with TMT Hungary B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 75752824:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with TMT Hungary Holdco B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 91863899:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with TMT Hungary Infra B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 81357397:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with TOLESTO LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE322834:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Trigon II B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 56068948:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Trilogy Park Nizhny Novgorod Holding B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 67330355:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with TV Holdco B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 75983613:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with TV Nova s.r.o., with its registered office at Kříženeckého náměstí 1078/5, 15200 Praha 5, registration number: 45800456:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with VELTHEMIA LIMITED, with its registered office at Themistokli Dervi, 48, Athienitis Centennial Building, Office 603, 6th Floor, 1066 Nicosia, Cyprus, registration number: HE 282 891:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Velvon GmbH, with its registered office at Karlsbader 1, 83024 Rosenhaim, Germany, registration number: HRB239796-D2601:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Vox Ventures B.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 65879554:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Vsegda Da N.V., with its registered office at Strawinskylaan 933, 1077 XX Amsterdam, Netherlands, registration number: 52695689:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Wagnerford Holdings Limited, with its registered office at Diomidous,10, Alphamega Akropolis Building, 3rd Floor, Office 401, 2024, Nicosia, Cyprus, registration number: HE 210154:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Yettel Bulgaria EAD, with its registered office at Business Park Sofia, Bld.6, Mladost 4, Residental District, 1766 Sofia, Bulgaria, registration number: 130460283:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Yettel Magyarorzág Zrt., with its registered office at Pannon út 1, 2045 Torokbálint, Hungary, registration number: 13-10-040409:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Yettel Real Estate Hungary Ztr., with its registered office at Pannon út 1, 2045 Torokbálint, Hungary, registration number: 13-10-041060:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with ESK Developments Limited, with its registered office at P.O. Box 3443, Belmont Chambers, Tortola, British Virgin Islands, registration number: 1611159:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SR-R Limited, with its registered office at P.O. Box 3443, Belmont Chambers, Tortola VG1110, British Virgin Islands, registration number: 708998:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with VGMC Limited, with its registered office at P.O. Box 3443, Belmont Chambers, Tortola VG1110, British Virgin Islands, registration number: 709492:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with AMALAR a.s., with its registered office at Evropská 2690/17, 160 00 Praha 6 - Dejvice, registration number: 19696752:
— General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with AMALAR HOLDING s.r.o., with its registered office at Evropská 2690/17, 160 00 Praha 6 - Dejvice, registration number: 19696477:

- General agreement on payment and banking services – scope of performance: financial services
- Agreement on the provision of investment services – scope of performance: financial services

The following agreements have been concluded with Czech Equestrian Team a.s., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 01952684:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Gondra Holdings Ltd, with its registered office at 4th Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1002, Cayman Islands, registration number:324452:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Horse Arena s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 04479823:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with RAYTOP LIMITED, with its registered office at Esperidon 5, Strovolos, 2001, Nicosia, Cyprus, registration number: HE 415014:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with RKE Holding s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 21660859:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with SUNDOWN FARMS LIMITED, with its registered office at Esperidon 5, 4th Floor, Strovolos, 2001, Nicosia, Cyprus, registration number: HE 310721:

- General agreement on payment and banking services – scope of performance: financial services

The following agreements have been concluded with Classic Sagittarii s.r.o., with its registered office at Evropská 2690/17, Dejvice, 160 00 Praha 6, registration number: 19955537:

- General agreement on payment and banking services – scope of performance: financial services

## 6. Assessment of whether the Company incurred damage and assessment of the settlement thereof pursuant to Sections 71 and 72 of the AoC

No actions described in Section 4 of this Report on Relations were performed. All agreements described in Section 5 of this Report on Relations were concluded, at arm's length. Similarly, all supplies provided and received under these agreements were provided at arm's length. The Company incurred no damage as a result of these actions and agreements.

The Company declares that in the Accounting Period there were no instances of an influential entity or the controlling entity influencing the Company's actions that would result in the Company's actions being decisively and significantly influenced to its detriment. The Company incurred no damage and thus no assessment of damage settlement within the meaning of Sections 71 and 72 of the AoC is thus necessary.

Upon a thorough assessment of the Company's role vis-à-vis the controlling entity and entities controlled by the same controlling entity, the Company's Board of Directors declares that relations between the Company and the controlling entity and/or entities controlled by the same controlling entity result in no special advantages or disadvantages to the Company.

The Company's role vis-à-vis the controlling entity and entities controlled by the same controlling entity has posed no risk to the Company. Stating whether, how and when damage was or will be settled (within the meaning of Sections 71 and 72 of the AoC) is thus not necessary.

The Report on Relations has been prepared to the best of the author's knowledge, gained from available supporting materials and documents, and with due managerial care. The information contained in this Report on Relations is accurate and complete.

Prague, 17 March 2025
On behalf of the Company:

*Petr Jirásko*
*Chairman of the Board*

*Miroslav Hudec*
*Member of the Board*

## Appendix 1 – List of companies directly or indirectly controlled by the same controlling entity

### Appendix 1A

Controlling entity (person):
Renáta Kellnerová, Petr Kellner, Anna Kellnerová, Lara Kodl Kellnerová and Marie Isabella Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| AB 4 B.V. | 34186049 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Air Bank a.s. |
| AB-X Projekt GmbH v likvidaci | HRB 247124 | Germany | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Acacias Exp | 911177707 | Saint Martin | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter Mauritus |
| AF Airfueling s.r.o. | 02223953 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| Air Bank a.s. | 29045371 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Alcat s.r.l. | 1982487 | Italy | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Italia s.r.l. |
| Anse Marcel Marina SAS | 484763594 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Saint Martin |
| Antille-Sail.com | 439340613 | Guadeloupe | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter Mauritus |
| Aqua Lodge | 489859827 | Guadeloupe | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter Mauritus |
| Aqualodge | 823597950 | Martinique | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| ARC DEVELOPMENT S.R.L. | J40/6011/2010 | Romania | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| Argos Yachtcharter & Touristik GmbH | 9313 | Germany | Entity controlled by the same controlling entity by means of an ownership interest | | Lacani |
| Archipels croisieres | 92125B | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Tahiti |
| Art Office Gallery a.s. | 24209627 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Office Star Eight a.s. |
| Aventon Alaira II JV, LLC | 6648958 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Sun Belt Multi I, LLC |
| Aventon Alaira II Owner, LLC | 6182942 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Aventon Alaira II JV, LLC |
| Bammer trade a.s. | 28522761 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| Bavella B.V. | 52522911 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| Beficery LTD | 417922 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Industrial Holding B.V. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Best Charter | 820563815 | Guadeloupe | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Bestsport holding a.s. | 06613161 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| Bestsport Services, a.s. v likvidaci | 24215171 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF CYPRUS MANAGEMENT LIMITED |
| Bestsport, a.s. | 24214795 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | LINDUS SERVICES LIMITED |
| BLUE SEA HOLDING Sárl | 771845232 | Belgium | Entity controlled by the same controlling entity by means of an ownership interest | | Vox Ventures B.V., |
| BONAK a.s. | 05098815 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF a.s. |
| Boryspil Project Management Ltd. | 34999054 | Ukraine | Entity controlled by the same controlling entity by means of an ownership interest | | Pharma Consulting Group Ltd. |
| Bravewave Limited | HE 416 017 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Industrial Holding B.V. |
| BTV Media Group EAD | 130081393 | Bulgaria | Entity controlled by the same controlling entity by means of an ownership interest | | CME Bulgaria B.V. |
| Capellalaan (Hoofddorp) B.V. | 58391312 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Carolia Westminster Hotel Limited | 8993212384 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | CW Investor S.á.r.l. |
| CEIL (Central Europe Industries) LTD | HE275785 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Bravewave limited, Beficery LTD |
| CETIN a.s. | 04084063 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | CETIN Group N.V. |
| CETIN Bulgaria EAD | 206149191 | Bulgaria | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | CETIN Group N.V. |
| CETIN d.o.o. Beograd – Novi Beograd | 21594105 | Serbia | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | CETIN Group N.V. |
| CETIN Finance B.V. | 66805589 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | CETIN a.s. |
| CETIN Finco B.V. | 85746592 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | CETIN Group N.V. |
| CETIN Group N.V. | 65167899 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Telecom Group B.V., |
| CETIN Hungary Zártkörűen Működő Részvénytársaság | 13-10-042052 | Hungary | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | TMT Hungary Infra B.V. |
| CETIN International N.V. | 95116648 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | from 30. 9. 2024 until 24. 10. 2024 | PPF Telecom Group B.V. |
| CETIN Networks, s.r.o. (previously O2 Networks, s.r.o.) | 54639425 | Slovakia | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Comco N.V. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| CETIN Servis s.r.o. | 19548605 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | until 1. 6. 2024 | CETIN a.s. |
| CETIN služby s.r.o. | 06095577 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | CETIN a.s. |
| CIAS HOLDING a.s. | 27399052 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| CME Bulgaria B.V. | 34385990 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| CME Media Enterprises B.V. | 33246826 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | TV Bidco B.V. |
| CME Media Services Limited | 6847543 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | until 16. 2. 2024 | CME Media Enterprises B.V. |
| CME Services s.r.o. | 29018412 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| CME Slovak Holdings B.V. | 34274606 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | TV Nova s.r.o. |
| Croatia Yacht Club d.o.o. | 100001999 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Nordic AB |
| Croisiere Cabine Antilles | 791273881 | Martinique | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| CW Investor S.á.r.l. | B211446 | Luxembourg | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Westminster JV a.s. |
| Cytune Pharma SAS | 500998703 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Sotio Biotech B.V. |
| De Reling (Dronten) B.V. | 58164235 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 18 .6. 2024 | Seven Assets Holding B.V. |
| DeCeTel s.r.o. (previously Nej.cz s.r.o.) | 03213595 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | until 1. 11. 2024 | CETIN a.s. |
| DEVEDIACO ENTERPRISES LIMITED | HE 372136 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | until 11. 6. 2024 | TELISTAN LIMITED |
| Dream Charter Limited | 8498778 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter Mauritus |
| Dream Yacht Americas, Inc. | D13776851 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Australia Pty Ltd | 138577634 | Australia | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Belize Ltd | 239396 | Belize | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Caribean | 478532559 | Martinique | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Croatia | 80648734 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Finance France | 844801514 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Méditerranée |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Dream Yacht Fleet | 844858043 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Finance France |
| Dream Yacht Grenadines Ltd | No.70 of 2015 | Grenada | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Group SA | BE0681876643 | Belgium | Entity controlled by the same controlling entity by means of an ownership interest | | BLUE SEA HOLDING Sárl |
| Dream Yacht Charter | C10039041 | Mauritius | Entity controlled by the same controlling entity by means of an ownership interest | | DREAM YACHT GROUP SA |
| Dream Yacht Charter (Antigua) Limited | C138/13 | Antigua and Barbuda | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Charter Bahamas Limited | 105631118 | Bahamas | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Charter Balearic, Sociedad Limitada | B57918252 | Spain | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Méditerranée |
| Dream Yacht Charter Grenada Limited | 112OF2013-7013 | Grenada | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Charter, SA DE CV (Dream Yacht Mexico) | DYC1408125Z0 | Mexico | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Americas, Inc., Dream Yacht Charter |
| Dream Yacht Italia s.r.l. | 2113336 | Italy | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Méditerranée |
| Dream Yacht Malaysia | 793437U | Malaysia | Entity controlled by the same controlling entity by means of an ownership interest | until 30. 9. 2024 | Dream Yacht Charter |
| Dream yacht marina (BVI) Limited | 2118504 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Méditérranée | 494440712 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Nordic AB | 5564283728 | Sweden | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Méditerranée |
| Dream Yacht Nouvelle-Calédonie | 963892 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Saint Martin | 812809143 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Santa Lucia in liquidation | 2018/C306 | Saint Lucia | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Seychelles Ltd | 8427841 | Seychelles | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Tahiti | 08179B | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Tortola INC. | 1463569 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht Travel | 477550313 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Dream Yacht USVI LLC | DC0111468 | US Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Duoland s.r.o. | 06179410 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| DYC HELLAS M.C.P.Y. | EL99759440 | Greece | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Méditerranée |
| Eastern Properties B.V. | 58756566 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 28. 6. 2024 | PPF Real Estate Holding B.V. |
| Easy Sailing j.d.o.o za usluge, turisticka agencija | 80883331 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | Croatia Yacht Club d.o.o. |
| Easy Sailing Single-Member Shipping Limited Liability Company | 4313901000 | Greece | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Méditerranée |
| Ecos Yachting | 80422270 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Electric Components a.s. | 26689103 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 14. 5. 2024 | ŠKODA ELECTRIC a.s. |
| ELTHYSIA LIMITED | HE 290 356 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| EmbedInfo Technologies India Private Limited | U72200DL2022 FTC392740 | India | Entity controlled by the same controlling entity by means of an ownership interest | until 5. 6. 2024 | Home Credit International a.s. Home Credit India B.V. |
| EmbedIT Philippines Inc. | 2022010038020-00 | Philippines | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit International a.s. |
| EmbedIT s.r.o. | 17139708 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Embedit Vietnam One Member Company Limited | 317148728 | Vietnam | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit International a.s. |
| EMPTYCO a.s. | 05418046 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | until 23. 7. 2024 | PPF a.s. |
| ENADOCO LIMITED | HE 316 486 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Erable B.V. | 67330495 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| EusebiusBS (Arnhem) B.V. | 58163778 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Excoso a.s. (previously SCTbio a.s.) | 24662623 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Biotech B.V. |
| FACIPERO INVESTMENTS LIMITED | HE 232 483 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V., |
| Favour Ocean Limited | 1065678 | Hong Kong | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Filcommerce Holdings, Inc | CS 201 310 129 | Philippines | Entity controlled by the same controlling entity by means of an ownership interest | | HC Philippines Holding B.V. |
| FLOGESCO LIMITED | HE 172588 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Gilbey Holdings Limited |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Flowervale S.à r.l. | B186378 | Luxembourg | Entity controlled by the same controlling entity by means of an ownership interest | | PPF HOLDINGS B.V. |
| FO Management s.r.o. | 06754295 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF FO Management B.V. |
| FO servis s.r.o. | 08446407 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF FO Management B.V. |
| FOR EVENTS, s.r.o. | 17751543 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | STONES Catering s.r.o. |
| Fórum Karlín a.s. | 08259551 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| FOSOL ENTERPRISES LIMITED | HE 372077 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | until 11. 6. 2024 | DEVEDIACO ENTERPRISES LIMITED |
| GABELLI CONSULTANCY LIMITED | HE 160 589 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | VELTHEMIA LIMITED |
| Ganz-Skoda Electric Zrt. | 110045500 | Hungary | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| Gemcol Limited | 353410 | Greece | Entity controlled by the same controlling entity by means of an ownership interest | from 25. 6. 2024 | PPF Group N.V. |
| Gen Office Gallery a.s. | 24209881 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Office Star Eight a.s. |
| German Properties B.V. | 61008664 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| GEWI, s.r.o. | 60203722 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PALM Investments a.s. |
| GILBEY HOLDINGS LIMITED | HE182860 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| GRACESPRING LIMITED | HE 208 337 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| HC Asia B.V. | 34253829 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 1. 1. 2024 | Home Credit N.V. |
| HC Philippines Holding B.V. | 35024270 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | HC Asia B.V. |
| Hofplein Offices (Rotterdam) B.V. | 64398064 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Home Credit a.s. | 26978636 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Air Bank a.s. |
| Home Credit Asia Limited | 890063 | Hong Kong | Entity controlled by the same controlling entity by means of an ownership interest | | HC Asia B.V. |
| Home Credit Consumer Finance Co., Ltd | 911201166360 67462H | People's Republic of China | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Home Credit India B.V. | 52695255 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | HC Asia B.V. |
| HOME CREDIT INDIA FINANCE PRIVATE LIMITED | U65910HR1997PTC 047448 | India | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit India B.V., Home Credit International a.s. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| HOME CREDIT INDIA STRATEGIC ADVISORY SERVICES PRIVATE LIMITED | U74999HR2017FTC 070364 | Republic of India | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit India B.V., Home Credit International a.s. |
| Home Credit Indonesia B.V. | 52695557 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | HC Asia B.V. |
| Home Credit International a.s. | 60192666 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| Home Credit N.V. | 34126597 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Financial Holdings a.s. |
| Home Credit Slovakia, a.s. | 36234176 | Slovakia | Entity controlled by the same controlling entity by means of an ownership interest | | Air Bank a.s. |
| Home Credit Vietnam Finance Company Limited | 307672788 | Vietnam | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| HomeITTech (previously Qazbiz partners LLP) | 190740017254 | Kazakhstan | Entity controlled by the same controlling entity by means of an ownership interest | | Vsegda Da N.V., Forward Leasing LLP (KZ) |
| HOPAR LIMITED | HE 188 923 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| Hotel Stages Operations s.r.o. (previously Bestsport SPV s.r.o.) | 19867042 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Bestsport, a.s. |
| Infrastruktura NTR s.r.o. | 22401750 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 23. 12. 2024 | O2 Czech Republic a.s. |
| INTENS Corporation s.r.o. | 28435575 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | O2 Czech Republic a.s. |
| Izotrem Investments Limited | HE 192753 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | until 12. 9. 2024 | Gilbey Holdings Limited |
| JARVAN HOLDINGS LIMITED | HE 310 140 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V., PPF CYPRUS RE MANAGEMENT LIMITED |
| Johan H (Amsterdam) B.V. | 58163239 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| JONSA LIMITED | HE275110 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V., PPF CYPRUS RE MANAGEMENT LIMITED |
| JSC Home Credit Bank | 513-1900-AO (UI) | Kazakhstan | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Financial Holdings a.s. |
| Kateřinská Office Building s.r.o. | 03495663 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| kbNET s.r.o., v likvidaci | 04951727 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | CETIN a.s. |
| Komodor LLC | 32069917 | Ukraine | Entity controlled by the same controlling entity by means of an ownership interest | | West Logistics Park LLC |
| La Voile Bleue SCI | 840.844.070 | Saint Martin | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Lacani | 799758412 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Group SA |
| Latesail Limited | 3783328 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | | Lacani |
| Letiště Praha Letňany, s.r.o. | 24678350 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| Letňany eGate s.r.o. | 06137628 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| Letňany Park Gate s.r.o. | 06138446 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Prague Entertainment Group B.V. |
| Limited Liability Company „Dream Yacht Montenegro“ Llc KOTOR | 50961329 | Montenegro | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| LINDUS SERVICES LIMITED | HE 281 891 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Bestsport holding a.s. |
| LLC Almondsey | 1127747228190 | Russian Federation | Entity controlled by the same controlling entity by means of an ownership interest | until 22. 11. 2024 | PPF Real Estate Holding B.V. |
| LLC In Vino | 1052309138628 | Russian Federation | Entity controlled by the same controlling entity by means of an ownership interest | | Gracespring Limited |
| LLC PPF Life Insurance | 1027739031099 | Russian Federation | Entity controlled by the same controlling entity by means of an ownership interest | until 19. 11. 2024 | PPF Group N.V. |
| LLC PPF Real Estate Russia | 1057749557568 | Russian Federation | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| LLC Regional Real Estate | 1137746217950 | Russian Federation | Entity controlled by the same controlling entity by means of an ownership interest | until 14. 11. 2024 | PPF Real Estate Limited |
| LLC Vagonmash | 1117847029695 | Russian Federation | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | until 31. 10. 2024 | ŠKODA TRANSPORTATION a.s. |
| Logistics Project RU, s.r.o. | 14206498 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| LvZH (Rijswijk) B.V. | 58163999 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Majestic Hospitality s.r.o. | 22392181 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 19. 12. 2024 | PPF Real Estate s.r.o. |
| Maraflex s.r.o. | 02415852 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| Marina Zaton d.o.o. za nauticki turizam i usluge | 80861249 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| Marine C | 809764954 | Guadeloupe | Entity controlled by the same controlling entity by means of an ownership interest | | Aqua Lodge |
| MARKÍZA – SLOVAKIA, spol s r.o. | 31444873 | Slovakia | Entity controlled by the same controlling entity by means of an ownership interest | | CME Slovak Holdings B.V. |
| MICROLIGHT TRADING LIMITED | HE 224 515 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| MIDDLECAP SEAL HOUSE LIMITED | 11669616 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Seal House JV a.s. |
| Millennium Hotel Rotterdam B.V. | 67331378 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| Millennium Tower (Rotterdam) B.V. | 56261330 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Miridical Holding Limited | 425998 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF a.s. |
| Monheim Property B.V. | 61012521 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | German Properties B.V. |
| Monchyplein (Den Haag) B.V. | 58163603 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Montería, spol. s r.o. | 27901998 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF FO Management B.V. |
| Moranda, a.s. | 28171934 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| MP Holding 2 B.V. | 69457018 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 11. 6. 2024 | DEVEDIACO ENTERPRISES LIMITED |
| Murcja sp. z o.o. | 905867 | Poland | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| My Air a.s. | 05479070 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Air Bank a.s. |
| Naneva B.V. | 67400639 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| Navigare Yachting AB | 5566862354 | Sweden | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting AS | 990383960 | Sweden | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Bahamas, Ltd | 78803C | Bahamas | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| NAVIGARE YACHTING D.O.O. | 43630049107 | Croatia | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting France | 892758079 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Global Holding AB | 5569860496 | Sweden | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | BLUE SEA HOLDING Sárl |
| Navigare Yachting GmbH | DE354034905 | Germany | Entity controlled by the same controlling entity by means of an ownership interest | from 1. 1. 2024 | Navigare Yachting Holding AB |
| Navigare Yachting Greece Single Member P.C. | 132130909000 | Greece | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Navigare Yachting Holding AB | 5565747861 | Sweden | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Global Holding AB, BLUE SEA HOLDING Sárl |
| Navigare Yachting Ltd | 1779855 | British Virgin Islands | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Ltd under liquidation | EL999903510 | Greece | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Operations Company Limited | 835554001869 | Thailand | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Services BVI Ltd | 1832869 | Greece | Entity controlled by the same controlling entity by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Services Single Member P.C. | 131919703000 | Greece | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Greece Single Member P.C. |
| Navigare Yachting Seychelles | 8429665-1 | Seychelles | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting Spain S.L. | B16562860 | Spain | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting USA, Inc. | 371800516 | United States of America | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yachting USVI LLC | 55248 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Navigare Yachting Holding AB |
| Navigare Yatcilik LTD | VD6300425632 | Türkiye | Entity controlled by the same controlling entity by means of an ownership interest | from 1. 1. 2024 | Navigare Yachting Holding AB |
| Navtours USA INC | F20000004093 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Navtours INC |
| Nej Kanál s.r.o. | 02738252 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Nej.cz s.r.o. |
| Nordic Telecom Regional s.r.o. | 04593332 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 31. 10. 2024 | O2 Czech Republic a.s. |
| NOVÁ OPTIKA s.r.o. (previously M.NET Studénka s.r.o.) | 27809927 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 5. 1. 2024 | CETIN a.s. |
| O2 Business Services, a.s. | 50087487 | Slovakia | Entity controlled by the same controlling entity by means of an ownership interest | from 24. 10. 2024 | O2 Slovakia, s.r.o. |
| O2 CRM Services s.r.o. | 06321399 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | O2 Czech Republic a.s. |
| O2 Czech Republic a.s. | 60193336 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Comco N.V. |
| O2 Financial Services s.r.o. | 05423716 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | O2 Czech Republic a.s. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| O2 IT Services s.r.o. | 02819678 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | O2 Czech Republic a.s. |
| O2 Slovakia, s.r.o. | 47259116 | Slovakia | Entity controlled by the same controlling entity by means of an ownership interest | from 24. 10. 2024 | PPF Comco N.V. |
| O2 TV s.r.o. | 03998380 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | O2 Czech Republic a.s. |
| Obora Podkozí s.r.o. | 21055785 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF FO Management B.V. |
| Oceane Yacht Charter LTD | 8419691 | Seychelles | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Seychelles Ltd |
| Office Star Eight a.s. | 27639177 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| Office Star Nine, spol. s r. o. | 27904385 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| One Westferry Circus B.V. | 88358836 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPR Real Estate s.r.o. |
| Ostrava Production Facilities s.r.o. | 22292101 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 25. 11. 2024 | Škoda a.s |
| Ostravská výrobní hala, s.r.o. | 07265808 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 19. 12. 2024 | Ostrava Production Facilities s.r.o. |
| Pache Properties S.R.L. | 48243284 | Romania | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| Paleos Industries B.V. | 66846919 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| Palm Investments a.s. | 09262601 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Marie Isabella Kellnerová, Petr Kellner, Anna Kellnerová, Lara Kodl Kellnerová |
| Pharma Consulting Group Ltd. | 34529634 | Ukraine | Entity controlled by the same controlling entity by means of an ownership interest | | HOPAR LIMITED, PPF CYPRUS RE MANAGEMENT LIMITED |
| Pilsen Energy Solutions s.r.o. | 08845115 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| Pilsen Production Facilities s.r.o. | 22187944 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 23. 10. 2024 | ŠKODA TRANSPORTATION a.s. |
| Planaco S.A | 7306301000 | Greece | Entity controlled by the same controlling entity by means of an ownership interest | | Vox Ventures B.V. |
| Plaza Development SRL | 22718444 | Romania | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. , PPF CYPRUS RE MANAGEMENT LIMITED |
| POLL,s.r.o. | 62967754 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| Pompenburg (Rotterdam) B.V. | 58163506 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| POP TV d.o.o. | 1381431000 | Slovenia | Entity controlled by the same controlling entity by means of an ownership interest | | PRO PLUS d.o.o. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| PPF a.s. | 25099345 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF A4 B.V. | 63365391 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF Advisory (CR) a.s. | 25792385 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF ADVISORY (RUSSIA) LIMITED | HE 276 979 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF Advisory (UK) Limited | 5539859 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF Art a.s. | 63080672 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF a.s. |
| PPF banka a.s. | 47116129 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Financial Holdings a.s. |
| PPF Biotech B.V. | 55003982 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF CO 3 B.V. | 34360935 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF banka a.s. |
| PPF Comco N.V. | 85404632 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Telecom Group B.V. |
| PPF CYPRUS MANAGEMENT LIMITED | HE 224463 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF CYPRUS RE MANAGEMENT LIMITED | HE 251 908 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| PPF Financial Holdings a.s. | 10907718 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V., |
| PPF Finco B.V. | 77800117 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF Finco MF BV | 92807836 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | from 31. 1. 2024 | PPF Group N.V. |
| PPF Finco RCF BV | 92807887 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | from 31. 1. 2024 | PPF Group N.V. |
| PPF FO Management B.V. | 34186296 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová, Petr Kellner, Anna Kellnerová, Lara Kodl Kellnerová, Marie Isabella Kellnerová |
| PPF Gastro s.r.o. | 24768103 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF a.s. |
| PPF GATE a.s. | 27654524 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| PPF Group N.V. | 33264887 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová, PPF Holdings B.V. |
| PPF Healthcare N.V. | 34308251 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| PPF Holdings B.V. | 34186294 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová |
| PPF Hospitality s.r.o. | 22330020 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 4. 12. 2024 | PPF Real Estate s.r.o. |
| PPF IM Ltd. (previously Acolendo Limited) | HE 434775 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF a.s. |
| PPF Industrial Holding B.V. | 71500219 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF Investments Limited | 91076 | Jersey | Entity controlled by the same controlling entity by means of an ownership interest | from 25. 6. 2024 until 5. 8. 2024 | PPF Group N.V. |
| PPF Management Services B.V. (previously Fodina B.V.) | 59400676 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF NIPOS B.V. | 90143299 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF RE Consulting s.r.o. | 24225657 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| PPF RE Management, a.s. v likvidaci | 17083923 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V., PPF RE Consulting s.r.o. |
| PPF Real Estate Holding B.V. | 34276162 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF Real Estate I, Inc. | 7705173 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| PPF REAL ESTATE LIMITED | HE 188 089 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| PPF Real Estate s.r.o. | 27638987 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V., PPF RE Consulting s.r.o. |
| PPF reality a.s. | 29030072 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| PPF SECRETARIAL LTD | HE 340708 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF CYPRUS MANAGEMENT LIMITED |
| PPF Telco B.V. | 65167902 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Telecom Group B.V. |
| PPF Telecom Group B.V. | 59009187 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | PPF TMT Holdco 2 B.V. |
| PPF TMT Bidco 1 N.V. (previously PPF TMT Bidco 1 B.V.) | 70498288 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | PPF Telecom Group B.V. |
| PPF TMT Bidco 2 B.V. | 67332722 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF TMT Holdco 1 B.V. | 70498261 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PPF TMT Holdco 2 B.V. | 70526214 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF TMT Holdco 1 B.V. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| PPF TMT Holdco 3 BV | 92805930 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | from 31. 1. 2024 | PPF TMT Topholdco B.V. |
| PPF TMT Holdco 4 BV | 92813372 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | from 1. 1. 2024 | PPF TMT Holdco 3 B.V. |
| PPF TMT Topholdco B.V. | 95062378 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | from 23. 7. 2024 | PPF Group N.V. |
| Prague Entertainment Group B.V. | 63600757 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| PRIVILEGE MARINE | 752530683 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Vox Ventures B.V. |
| Pro Digital S.R.L. | 1003600048028 | Moldova | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| PRO PLUS d.o.o. | 5895081000 | Slovenia | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| Pro TV S.R.L. | J40/24578/1992 | Romania | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| PT EmbedInfo Technologies Indonesia | 2202220030052 | Indonesia | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit International a.s. Home Credit Indonesia B.V. |
| Public Picture & Marketing a.s. | 25667254 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF a.s. |
| Radiocompany C.J. OOD | 131117650 | Bulgaria | Entity controlled by the same controlling entity by means of an ownership interest | | BTV Media Group AD |
| RC PROPERTIES S.R.L. | 12663031 | Romania | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o. |
| Real Estate Russia B.V. | 63458373 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 28. 6. 2024 | PPF Real Estate Holding B.V. |
| Redimco S.à r.l. | B186197 | Luxembourg | Entity controlled by the same controlling entity by means of an ownership interest | | PPF HOLDINGS B.V. |
| REPIENO LIMITED | HE 282 866 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| Retail Star 22, spol. s r.o. | 24132161 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Holdings B.V. |
| Robertson and Caine Inc | 59/3594086 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Robertson and Caine Proprietary Limited |
| Robertson and Caine Properties Proprietary Limited | 1994/004415/07 | South Africa | Entity controlled by the same controlling entity by means of an ownership interest | | Vox Ventures B.V. |
| Robertson and Caine Proprietary Limited | 1995/010265/07 | South Africa | Entity controlled by the same controlling entity by means of an ownership interest | | Vox Ventures B.V. |
| ROLLING STOCK COMPONENTS INDIA PRIVATE LIMITED | DELR49894F | India | Entity controlled by the same controlling entity by means of an ownership interest | from 25. 6. 2024 | Rolling Stock Components s.r.o. |
| Rolling Stock Components s.r.o. | 21550425 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 7. 5. 2024 | ŠKODA TRANSPORTATION a.s. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Roses Yachts S.L | B17778598 | Spain | Entity controlled by the same controlling entity by means of an ownership interest | | Drem Yacht Charter Balearic, Sociedad Limitada |
| RTGS Czech Republic s.r.o. | 21882380 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 5. 8. 2024 | RTGS Global Limited |
| RTGS Global Inc | 4246679 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | from 15. 5. 2024 | RTGS Global Limited |
| RTGS Global Limited | 12392504 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | from 15. 5. 2024 | RTGS Group Limited |
| RTGS GROUP LIMITED | 1239225 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | from 15. 5. 2024 | PPF Financial Holdings a.s. |
| RTGS Limited | 86025 | Jersey | Entity controlled by the same controlling entity by means of an ownership interest | from 15. 5. 2024 | RTGS Group Limited |
| RTGS Technologies Limited | 12392508 | United Kingdom of Great Britain and Northern Ireland | Entity controlled by the same controlling entity by means of an ownership interest | from 15. 5. 2024 | RTGS Group Limited |
| RTL Hrvatska d.o.o. | 7330149920 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| Saint Martin Catamaran 2016 SARL | 821355872 | Saint Martin (FR) | Entity controlled by the same controlling entity by means of an ownership interest | from 14. 5. 2024 until 19. 7. 2024 | Dream Yacht Saint Martin |
| Saint World Limited | 1065677 | Hong Kong | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| SALEMONTO LIMITED | HE 161 006 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| SCI LA FORET | 309844371 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová, Petr Kellner, Anna Kellnerová, Lara Kodl Kellnerová, Marie Isabella Kellnerová |
| SCT Bio Inc | 20241146260 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | from 25. 9. 2024 | SCT Cell Manufacturing s.r.o. |
| SCT Cell Manufacturing s.r.o. | 14088266 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Biotech B.V. |
| Seal House JV a.s. | 09170782 | Czech Republic | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | PPF Real Estate s.r.o. |
| Seven Assets Holding B.V. | 58163050 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| Shenzhen Home Credit Number One Consulting Co., Ltd. | 914403006641 74257K | People's Republic of China | Entity controlled by the same controlling entity by means of an ownership interest | until 8. 3. 2024 | Home Credit Asia Limited |
| Shenzhen Home Credit Xinchi Consulting Co., Ltd. | 91440300796638 527A | People's Republic of China | Entity controlled by the same controlling entity by means of an ownership interest | | Favour Ocean Limited |
| SIGURNO LIMITED | HH 172539 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Gilbey Holdings Limited |
| SKODA Transportation Deutschland GmbH | HRD 208 725 | Germany | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| SNC T 2008 | 513120949 | France | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Tahiti |
| Sol Immo Marcel | 921894812 | Saint Martin | Entity controlled by the same controlling entity by means of an ownership interest | | Dream Yacht Charter |
| SOTIO Biotech a.s. | 10900004 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Sotio Biotech B.V. |
| SOTIO Biotech AG | CHE-354.429.802 | Switzerland | Entity controlled by the same controlling entity by means of an ownership interest | | Sotio Biotech B.V. |
| SOTIO Biotech B.V. | 80316557 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Biotech B.V. |
| SOTIO Biotech Inc. | EIN 35-2424961 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | SOTIO Biotech a.s. |
| Sotio Medical Research (Beijing) Co. Ltd | 110000410283022 | People's Republic of China | Entity controlled by the same controlling entity by means of an ownership interest | until 9. 10. 2024 | SCTbio a.s. |
| Stellar Holding s.r.o. | 14005816 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| STEPHOLD LIMITED | HE 221 908 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V. |
| STONES Catering s.r.o. | 27248674 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Bestsport holding a.s. |
| Sun Belt Multi I, LLC | 20213849720 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate I, Inc., Sunbelt Office International LLC |
| Sun Belt Multi II, LLC | 38-4133783 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Inc. |
| SUN BELT OFFICE I HOLDINGS, LLC | 20242971897 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | from 25. 6. 2024 | Sun Belt Office I Sponsor, LLC |
| Sun Belt Office I Interholdco, LLC | 20210215807 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate I, Inc. |
| Sun Belt Office I Sponsor, LLC | 20242971896 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | from 31. 1. 2024 | PPF Real Estate I, Inc. |
| Sun Belt Office I, LLC | 20210116384 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Sun Belt Office I Interholdco, LLC |
| Sun Belt Office II Interholdco, LLC | 20213597548 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate I, Inc. |
| Sun Belt Office II, LLC | 20213597547 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | Sun Belt Office II Interholdco, LLC |
| Škoda Transportation Italia S.r.l. | 7219540486 | Italy | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| Škoda a.s. | 14070421 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Industrial Holding B.V. |
| ŠKODA CITY SERVICE s.r.o. | 29119057 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA DIGITAL s.r.o. | 01731530 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| ŠKODA EKOVA a.s. | 28642457 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA ELECTRIC a.s. | 47718579 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| Škoda group austria GmbH | FN 593375 k | Austria | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA ICT s.r.o. | 27994902 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA INVESTMENT a.s. |
| ŠKODA INVESTMENT a.s. | 26502399 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| ŠKODA PARS a.s. | 25860038 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA POLSKA Sp.z o.o. | NIP 7010213385 | Poland | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA SERVIS s.r.o. | 26351277 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA INVESTMENT a.s. |
| ŠKODA TRANSPORTATION a.s. | 62623753 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| Škoda Transportation Balkan d.o.o. | 21736473 | Serbia | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA TRANSPORTATION UKRAINE, LLC | 42614252 | Ukraine | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| Škoda Transportation USA, LLC | 81-257769 | United States of America | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA TRANSTECH OY | 1098257-0 | Finland | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA TVC s.r.o. | 25247964 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| ŠKODA VAGONKA a.s. | 25870637 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | ŠKODA TRANSPORTATION a.s. |
| TANAINA HOLDINGS LIMITED | HE318483 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | TOLESTO LIMITED |
| Tanemo a.s. | 09834273 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| Te Arearea | 07295C | France | Entity controlled by the same controlling entity by means of an ownership interest | | Archipels Croisiéres |
| TELISTAN LIMITED | HE 341 864 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate s.r.o., Eastern Properties B.V., Hines HRPF Partners LP |
| Temsa Deutschland GmbH | DE256871263 | Germany | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Temsa Skoda Sabanci Ulaşım Araçları A.Ş. |
| TEMSA EGYPT for Bus Manufacturing & Engineering SAE | 3028 | Egypt | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Temsa Skoda Sabanci Ulaşım Araçları A.Ş. |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| TEMSA EGYPT for Trade & Services SAE (under liquidation) | 32173 | Egypt | Entity controlled by the same controlling entity by means of an ownership interest | | Temsa Egypt for Bus Manufacturing & Engineering S.A.E. |
| Temsa North America, INC. | 83-1118821 | United States of America | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Temsa Skoda Sabanci Ulaşım Araçları A.Ş. |
| Temsa Skoda Sabanci Ulaşım Araçları A.Ş. | 8380046749 | Türkiye | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Škoda a.s. |
| Tesco Mobile ČR s.r.o. | 29147506 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | O2 Czech Republic a.s. |
| Tesco Mobile Slovakia, s.r.o. | 36863521 | Slovakia | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | O2 Slovakia, s. r. o., Tesco Store SR a.s. |
| TFR SAS | FR 27 878443936 | France | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | Temsa Skoda Sabanci Ulaşım Araçları A.Ş. |
| The Signalling Company NV | 724925936 | Belgium | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| Tianjin Home Credit E-commerce Co., Ltd. | 91120116MA075 WF70G | People's Republic of China | Entity controlled by the same controlling entity by means of an ownership interest | until 31. 12. 2024 | Shenzhen Home Credit Xinchi Consulting Co., Ltd. |
| TIMEWORTH HOLDINGS LTD. | HE 187 475 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| TMT Hungary B.V. | 75752824 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | PPF TMT Bidco 1 N.V., TMT Hungary Holdco B.V. |
| TMT Hungary Holdco B.V. | 91863899 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N. V. |
| TMT Hungary Infra B.V. | 81357397 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | CETIN Group N.V., TMT Hungary Holdco B.V. |
| TOLESTO LIMITED | HE 322 834 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Real Estate Holding B.V., PPF CYPRUS RE MANAGEMENT LIMITED |
| Trigon II B.V. | 56068948 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 28. 6. 2024 | PPF Real Estate Holding B.V. |
| Trilogy Park Nizhny Novgorod Holding B.V. | 67330355 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | until 28. 6. 2024 | PPF Real Estate Holding B.V. |
| TV Holdco B.V. | 75983613 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF TMT Bidco 2 B.V. |
| TV Nova s.r.o. | 45800456 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | CME Media Enterprises B.V. |
| VELTHEMIA LIMITED | HE 282 891 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | REPIENO LIMITED |
| Velvon GmbH | HRB 239796 | Germany | Entity controlled by the same controlling entity by means of an ownership interest | | AB-X Projekt GmbH |

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Vox Ventures B.V. | 65879554 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Group N.V. |
| Vsegda Da N.V. | 52695689 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Home Credit N.V. |
| VÚKV a.s. | 45274100 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Škoda a.s. |
| Wagnerford Holdings Limited | HE 210154 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | until 11. 6. 2024 | MP Holding 2 B.V. |
| Wagnerford LLC | 5087746372819 | Russian Federation | Entity controlled by the same controlling entity by means of an ownership interest | until 11. 6. 2024 | Wagnerford Holdings Limited |
| West Logistics Park LLC | 35093235 | Ukraine | Entity controlled by the same controlling entity by means of an ownership interest | | Izotrem Investments Limited |
| Westminster JV a.s. | 05714354 | Czech Republic | Entity controlled by the same controlling entity by acting in concert by means of an ownership interest | | PPF Real Estate s.r.o. |
| Wilhelminaplein (Rotterdam) B.V. | 59494034 | Netherlands | Entity controlled by the same controlling entity by means of an ownership interest | | Seven Assets Holding B.V. |
| Yettel Bank a.d. Beograd (MOBI BANKA AD BEOGRAD (NOVI BEOGRAD)) | 17138669 | Serbia | Entity controlled by the same controlling entity by means of an ownership interest | | PPF Financial Holdings a.s. |
| Yettel Bulgaria EAD | 130460283 | Bulgaria | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | PPF TMT Bidco 1 N.V. |
| Yettel d.o.o. Beograd | 20147229 | Serbia | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | PPF TMT Bidco 1 N.V. |
| Yettel Magyarorzág Zrt. | 13-10-040409 | Hungary | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | TMT Hungary B.V. |
| Yettel Real Estate Hungary Ztr. | 13-10-041060 | Hungary | Entity controlled by the same controlling entity by means of an ownership interest | until 24. 10. 2024 | TMT Hungary B.V. |
| Ziza d.o.o za trgovinu, ugostiteljstvo, turizam i promet | 60159616 | Croatia | Entity controlled by the same controlling entity by means of an ownership interest | | Marina Zaton d.o.o. za nauticki turizam i usluge |

## Appendix 1B

Controlling entity (person):
Renáta Kellnerová, Petr Kellner, Lara Kodl Kellnerová and Marie Isabella Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| ESK Developments Limited | 1611159 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Chelton Properties Limited |
| Chelton Properties Limited | 1441835 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová, Petr Kellner, Lara Kodl Kellnerová, Marie Isabella Kellnerová |
| NBWC Limited | 1024143 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | ESK Developments Limited |
| Selman Resources Limited | 1005589 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | SR Development Limited |
| SR Boats Limited | 2016073 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | SR Development Limited |
| SR Development Limited | 1968975 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Chelton Properties Limited |
| SR-R Limited | 708998 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | SR Development Limited |
| VGBC Limited | 700080 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Chelton Properties Limited |
| VGMC Limited | 709492 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | ESK Developments Limited |
| West Hillside Limited | 1582181 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Chelton Properties Limited |

## Appendix 1C

Controlling entity (person):
Renáta Kellnerová, Anna Kellnerová, Lara Kodl Kellnerová and Marie Isabella Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| AMALAR a.s. | 19696752 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Renata Kellnerová, Anna Kellnerová, Lara Kodl Kellnerová, Marie Isabella Kellnerová |
| AMALAR HOLDING s.r.o. | 19696477 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Renata Kellnerová, Anna Kellnerová, Lara Kodl Kellnerová, Marie Isabella Kellnerová |

## Appendix 1D

Controlling entity (person):
Renáta Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Czech Equestrian Team a.s. | 01952684 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | SUNDOWN FARMS LIMITED |
| DRAK INVESTMENT HOLDING LTD | 324472 | Cayman Islands | Entity controlled by the same controlling entity by means of an ownership interest | | GONDRA HOLDINGS LTD |
| GONDRA HOLDINGS LTD | 324452 | Cayman Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Salonica Holding Limited |
| Horse Arena s.r.o. | 04479823 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | SUNDOWN FARMS LIMITED |
| POTLAK LIMITED | HE362788 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová |
| Raytop Limited | HE415014 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová |
| RKE Holding s.r.o. | 21660859 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 29. 5. 2024 | Renáta Kellnerová |
| Salonica Holding Limited | 1949492 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová |
| SUNDOWN FARMS LIMITED | HE 310 721 | Cyprus | Entity controlled by the same controlling entity by means of an ownership interest | | Vixon Resources Limited, Chelton Properties Limited |
| Vixon Resources Limited | 144 18 84 | British Virgin Islands | Entity controlled by the same controlling entity by means of an ownership interest | | Renáta Kellnerová |

## Appendix 1E

Controlling entity (person): :
Anna Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| AKE Holding s.r.o. | 21662398 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 29. 5. 2024 | Anna Kellnerová |
| Classic Sagittarii s.r.o. | 19955537 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Anna Kellnerová |

## Appendix 1F

Controlling entity (person):
Petr Kellner

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| PLP Holding s.r.o. | 19845014 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | | Petr Kellner |

## Appendix 1G

Controlling entity (person):
Lara Kodl Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| Kodl Contemporary s.r.o. | 21805474 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 10. 7. 2024 | LKK Holding s.r.o. |
| LKK Holding s.r.o. | 21662487 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 29. 5. 2024 | Lara Kodl Kellnerová |

## Appendix 1H

Controlling entity (person):
Marie Isabella Kellnerová

| Company name | Identification/ registration number | Country of registration | Method and means of control | Note | Controlled via |
|---|---|---|---|---|---|
| MKE Holding s.r.o. | 21662649 | Czech Republic | Entity controlled by the same controlling entity by means of an ownership interest | from 26. 3. 2024 | Marie Isabella Kellnerová |

# Consolidated Entities

As PPF banka holds shares in one subsidiary, it prepares consolidated financial statements. The Bank consolidates the following subsidiary:

| Share in % | 2024 | 2023 |
|---|---|---|
| PPF Co3 B.V. | 100% | 100% |

In 2016, the Bank purchased 100% shares of PPF Co3 B.V. with the aim of entering the consumer credit segment in Asia. This subsidiary is currently used for the purchase and financing of retail loans from Home Credit companies, the purchase of retail loans from Yettel Bulgaria and Hungary, the depositing of collateral for Yettel Serbia at Mobi Bank, and financing for the factoring of telecommunication service debts.

# Key Consolidated Financial Indicators

Until 2014: under Czech Accounting Standards
As of 2015: under International Financial Reporting Standards (IFRS)

**Profit before tax (MCZK)**

| | |
|---|---|
| 2013 | 757 |
| 2014 | 1,022 |
| 2015 | 1,442 |
| 2016 | 1,630 |
| 2017 | 2,118 |
| 2018 | 2,933 |
| 2019 | 2,917 |
| 2020 | 1,125 |
| 2021 | 2,388 |
| 2022 | 3,263 |
| 2023 | 4,911 |
| 2024 | 5,116 |

**Total assets (MCZK)**

| | |
|---|---|
| 2013 | 105,047 |
| 2014 | 108,884 |
| 2015 | 103,517 |
| 2016 | 136,810 |
| 2017 | 233,055 |
| 2018 | 235,067 |
| 2019 | 226,774 |
| 2020 | 169,490 |
| 2021 | 236,425 |
| 2022 | 288,654 |
| 2023 | 385,293 |
| 2024 | 351,279 |

## Key consolidated financial information

| MCZK | 2024 | 2023 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | 150,537 | 166,137 |
| Financial assets at fair value through profit or loss | 65,229 | 105,642 |
| Financial assets at fair value through other comprehensive income | 53,781 | 29,010 |
| Investment securities at amortised cost | 19,804 | 19,333 |
| Loans and advances to banks | 13,014 | 12,028 |
| Loans and advances to customers | 48,132 | 52,464 |
| Other assets | 782 | 679 |
| TOTAL ASSETS | 351,279 | 385,293 |
| EQUITY AND LIABILITIES | | |
| Deposits from banks | 3,178 | 15,948 |
| Deposits from customers | 265,651 | 241,100 |
| Debt securities issued | 1,350 | 4,436 |
| Financial liabilities at fair value through profit or loss | 55,824 | 100,271 |
| Other liabilities | 2,049 | 2,340 |
| Issued capital | 769 | 769 |
| Other components of equity | 22,458 | 20,429 |
| TOTAL EQUITY AND LIABILITIES | 351,279 | 385,293 |

| MCZK | 2024 | 2023 |
|---|---|---|
| INCOME STATEMENT | | |
| Net interest income | 6,411 | 6,778 |
| Net fee and commission income | 256 | 274 |
| Net income/expense from financial operations | 580 | 106 |
| General administrative expenses | (1,429) | (1,291) |
| Impairment gains/(losses) | (399) | (500) |
| Other operating profit or loss | (303) | (456) |
| Income tax expense | (762) | (830) |
| PROFIT (LOSS) FOR THE YEAR | 4,354 | 4,081 |
| KEY RATIOS | | |
| Non-performing client loans/total client loans | 1.04% | 0.63% |
| ROAA | 1.18% | 1.21% |
| ROAE | 19.60% | 21.06% |
| Assets per employee (MCZK) | 1,273 | 1,482 |
| Administrative expenses per employee (MCZK) | 5 | 5 |
| Net profit per employee (MCZK) | 16 | 16 |

# Independent Auditor's Report

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(Translation of a report originally issued in Czech)

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of PPF banka a.s.:

## Report on the Audit of the Consolidated Financial Statements

*Opinion*

We have audited the accompanying consolidated financial statements of PPF banka a.s. (hereinafter also the "Company") and its subsidiary (together "Group") prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information. For details of the Group, see Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

*Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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*Loss allowance for loans and advances to customers*

Loans to customers measured at amortized cost of CZK 48,132 million as at 31 December 2024 accounts for a major portion of the Bank's total assets. As described in Note 20 (Loans and advances to customers) to the consolidated financial statements, they comprise the gross carrying amount of loans to customers that are measured at amortized cost of CZK 49, 579 million and the loss allowance of CZK 1,447 million.

Determination of the amount and timing of the recognition of a loss allowance for expected credit losses requires management to make significant judgements and involve complex estimates and assumptions that are disclosed in the Notes 3 and 5 to the consolidated financial statements (Note 3 Material accounting principles and Note 5 Critical accounting estimates and judgements), Note 20 (Loans and advances to customers), Note 13 (Impairment gains/losses) and Note 44 (Risk management disclosure).

Key assumptions and judgements relevant for assessment of performing exposures include:

- Definition of default and a significant increase in the credit risk (SICR).
- Probability of Default (PD), estimated using statistical methods on the basis of available market data and forward-looking information based on macroeconomic scenarios.
- Loss Given Default (LGD), back-tested by the Group using the number of observations available.
- Exposure at Default (EAD), derived by the Group from the current exposure to the counterparty, taking into account the repayment schedules; and being reduced by the net realizable value of collateral received.

The Group also accounts for the additional adjustments to the expected credit losses ('management overlays') in response to risks that were not considered in the macroeconomic model.

Given the significance and complexity of management's judgements and estimates in relation to expected credit losses as described above, we have evaluated loss allowances for loans to customers as a key audit matter.

As part of our audit procedures, we documented our understanding of the Bank's and Group's credit risk management processes.

We engaged IT specialists to assist us in testing the effectiveness of the internal control mechanisms of the IT systems in which the Group calculates credit risk parameters and loss allowances for expected credit losses.

We assessed the governance and process over the loss allowance for loans and advances to customers. We tested design and operating effectiveness of the Company`s internal controls over the loss allowances for loans and advances to customers.

We reconciled the register of loans to customers with the accounting records, in order to evaluate the completeness of reported loans to customers that form the basis for calculation of a loss allowances for expected credit losses.

In collaboration with credit risk specialists, we assessed the methodology of creating loss allowances, methods and results of testing the credit risk parameters (so-called 'back-testing'), methodologies of rating models and credit risk parameters, their assumptions, and implementation into the system in accordance with IFRS 9 requirements.

Together with credit risk specialists, we also evaluated management overlays.

On a selected sample, we analyzed credit exposures that the Group assessed individually. For selected exposures, we analyzed the borrowers' economic and financial position and compliance with the terms of loan agreements to assess the appropriateness of classification into risk categories, known as 'staging.' For selected exposures in stage 3, we assessed the adequacy of expected cash flows from repayments and the recoverability of collateral value based on available financial and market data, and independently recalculated the amount of respective loss allowance and compared the calculated value with the amount of loss allowance recognized by the client.

We applied analytical procedures on the development of loss allowance for loans to customers, aimed at identifying the customers' loan portfolios with undervalued loss allowance. These procedures included analyzing the development of the structure and characteristics of the loan portfolio, including loss allowance, which reflect the quality of the loan portfolio in terms of a loss allowance for expected credit losses from loans to customers.

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At the same time, we evaluated the disclosures in the Notes to the consolidated financial statements - Note 20 (Loans and advances to customers), Note 3 (Material accounting principles), Note 5 (Critical accounting estimates and judgements), Note 13 (Impairment gains/losses) and Note 44 (Risk management disclosure) - concerning the expected credit losses from loans to customers included in the consolidated financial statements in terms of their completeness and compliance with IFRS Accounting Standards as adopted by the European Union.

*Other Matters*

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 4 April 2024.

*Other Information*

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated 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. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

*Responsibilities of the Company's Board of Directors, Supervisory Board and Audit Committee for the Consolidated Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

(Translation of a report originally issued in Czech)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of PPF banka a.s.:

**Report on the Audit of the Consolidated Financial Statements**

*Opinion*

We have audited the accompanying consolidated financial statements of PPF banka a.s. (hereinafter also the "Company") and its subsidiary (together "Group") prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information. For details of the Group, see Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

*Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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From the matters communicated with the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

*Appointment of Auditor and Period of Engagement*

We were appointed as the auditors of the Group by the General Meeting of Shareholders on 26 April 2024 and engaged as the Group auditors for the first year.

*Consistence with Additional Report to Audit Committee*

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 19 March 2025 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

*Provision of Non-audit Services*

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the consolidated financial statements or consolidated annual report.

*Statutory auditor responsible for the engagement*

Eva Seifertová Schmidtová is the statutory auditor responsible for the audit of the consolidated financial statements of the Group as at 31 December 2024, based on which this independent auditor's report has been prepared.

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

Eva Seifertová Schmidtová, Auditor
License No. 2440

Tomáš Nemec
Procurist

19 March 2025
Prague, Czech Republic

5

# Consolidated Financial Statements

for the year ended 31 December 2024 in accordance with International Financial Reporting Standards (IFRS)

## Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

| In millions of CZK | Note | 2024 | 2023 |
|---|---|---|---|
| Interest and similar income* | 7 | 16,315 | 19,037 |
| Interest expense and similar charges | 7 | (9,904) | (12,259) |
| **Net interest and similar income** | | 6,411 | 6,778 |
| Fee and commission income | 8 | 601 | 608 |
| Fee and commission expense | 8 | (345) | (334) |
| **Net fee and commission income** | | 256 | 274 |
| Net income/expense from financial operations | 9 | 580 | 106 |
| Other operating income | | 6 | 4 |
| **Operating income** | | 7,253 | 7,162 |
| Personnel expenses | 10 | (660) | (570) |
| Other general administrative expenses | 10 | (769) | (721) |
| **General administrative expenses** | | (1,429) | (1,291) |
| Depreciation and amortisation | 11 | (90) | (90) |
| Other operating expenses | 12 | (219) | (370) |
| **Operating expenses** | | (1,738) | (1,751) |
| Impairment gains/(losses) | 13 | (399) | (500) |
| **Profit before income tax** | | 5,116 | 4,911 |
| Income tax expense | 14 | (762) | (830) |
| **NET PROFIT FOR THE YEAR** | | 4,354 | 4,081 |

* The breakdown of interest and similar income into amounts calculated using the effective interest rate and others is set out in note 7.

| Other comprehensive income | 2024 | 2023 |
|---|---|---|
| **Items that are or may be reclassified to profit or loss** | | |
| Foreign operations – currency translation differences | 9 | 12 |
| Fair value reserve (debt instruments measured at fair value through other comprehensive income, tax included): | 31 | 829 |
| Change in fair value | (88) | 957 |
| Net amount transferred to profit or loss | 127 | 74 |
| Deferred tax | (8) | (202) |
| **Items that will not be reclassified to profit or loss** | | |
| Fair value reserve (equity instruments designated at fair value through other comprehensive income, tax included): | 19 | 17 |
| Change in fair value | 24 | 21 |
| Deferred tax | (5) | (4) |
| **Other comprehensive income for the period** | **59** | **858** |
| **Total comprehensive income for the period** | **4,413** | **4,939** |

The notes on pages 169 to 247 are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors on 17 March 2025 for issue on 19 March 2025 and are subject to approval at the Supervisory Board and Shareholder meeting.

Signed on behalf of the Board of Directors by:

*Petr Jirásko*
*Chairman of the Board of Directors*

*Miroslav Hudec*
*Member of the Board of Directors*

# Consolidated Statement of Financial Position

for the year ended 31 December 2024

| In millions of CZK | Note | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 15 | 150,537 | 166,137 |
| Financial assets at fair value through profit or loss | 16 | 65,229 | 105,642 |
| Of which pledged as collateral | | 2,061 | - |
| Financial assets at fair value through other comprehensive income | 17 | 53,781 | 29,010 |
| Of which pledged as collateral | | 12,888 | - |
| Investment securities at amortised cost | 18 | 19,804 | 19,333 |
| Of which pledged as collateral | | 2,509 | 1,268 |
| Loans and advances to banks | 19 | 13,014 | 12,028 |
| Loans and advances to customers | 20 | 48,132 | 52,464 |
| Property, plant and equipment | 22 | 104 | 95 |
| Intangible assets | 23 | 161 | 162 |
| Other assets | 24 | 517 | 422 |
| TOTAL ASSETS | | 351,279 | 385,293 |
| LIABILITIES | | | |
| Deposits from banks | 25 | 3,178 | 15,948 |
| Deposits from customers | 26 | 265,651 | 241,100 |
| Debt securities issued | 27 | 1,350 | 4,436 |
| Financial liabilities at fair value through profit or loss | 29 | 55,824 | 100,271 |
| Income tax liabilities | 30 | 280 | 270 |
| Deferred tax liabilities | 31 | 6 | 37 |
| Provisions | 32 | 263 | 215 |
| Other liabilities | 33 | 1,500 | 1,818 |
| TOTAL LIABILITIES | | 328,052 | 364,095 |
| SHAREHOLDERS' EQUITY | | | |
| Issued capital | 37 | 769 | 769 |
| Share premium | 37 | 412 | 412 |
| Retained earnings | | 21,739 | 19,769 |
| Translation reserve | 39 | 5 | (4) |
| Fair value reserve | 38 | 302 | 252 |
| TOTAL SHAREHOLDERS' EQUITY | | 23,227 | 21,198 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 351,279 | 385,293 |

# Consolidated Statement of Cash Flows

for the year ended 31 December 2024

| In millions of CZK | Note | 2024 | 2023* (restated) |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | | 5,116 | 4,911 |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 11 | 90 | 90 |
| Net impairment loss on investment securities | | 149 | (90) |
| Net impairment loss on loans and advances and other financial assets | | 250 | 590 |
| Net interest income | 7 | (6,411) | (6,778) |
| Revaluation of financial assets and liabilities at fair value through profit or loss | | (94) | (647) |
| Net gain/loss on the sale of financial assets at fair value through other comprehensive income | | 127 | 74 |
| Other non-cash adjustments | | (191) | (48) |
| **Operating profit before the change in operating assets and liabilities** | | **(964)** | **(1,898)** |
| **Changes in:** | | | |
| Financial assets at fair value through profit or loss | | 40,507 | (71,958) |
| Loans and advances to banks | | (986) | (3,413) |
| Loans and advances to customers | | 3,530 | (7,132) |
| Other assets | | (95) | 13 |
| Financial liabilities at fair value through profit or loss | | (44,447) | 69,851 |
| Deposits from banks | | (12,732) | (7,738) |
| Deposits from customers | | 23,630 | 30,823 |
| Other liabilities | | (286) | 1,053 |
| | | 8,157 | 9,602 |
| Interest received | | 16,974 | 18,235 |
| Interest paid | | (9,077) | (12,606) |
| Income taxes paid | | (797) | (650) |
| **NET CASH FROM/(USED IN) OPERATING ACTIVITIES** | | **15,257** | **14,581** |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | (72,743) | (5,062) |
| Proceeds from sale of and matured financial assets at fair value through other comprehensive income | | 47,987 | 2,026 |
| Acquisition of investment securities at amortised cost | | (455) | (4,239) |
| Acquisition of property and equipment | | (54) | (20) |
| Acquisition of intangible assets | | (44) | (25) |
| **NET CASH FROM/(USED IN) INVESTING ACTIVITIES** | | **(25,309)** | **(7,320)** |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of debt securities | | 1,704 | 436 |
| Repayment of debt securities issued | | (4,740) | (1,117) |
| Leasing payments | | (32) | (26) |
| Dividends paid | | (2,384) | (1,298) |
| **NET CASH FROM/(USED IN) FINANCING ACTIVITIES** | | **(5,452)** | **(2,005)** |
| Net increase/(decrease) in cash and cash equivalents | | (15,504) | 5,255 |
| Cash and cash equivalents at 1 January | 15 | 166,137 | 160,928 |
| Effect of exchange rate fluctuations on cash and cash equivalents held | | (96) | (46) |
| **CASH AND CASH EQUIVALENTS AT 31 DECEMBER** | | **150,537** | **166,137** |

* Restated, see note 6 Changes in accounting policies.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

| In millions of CZK | Issued capital | Share premium | Translation reserve | Fair value reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| BALANCE AT 1 JANUARY 2024 | 769 | 412 | (4) | 252 | 19,769 | 21,198 |
| **Total comprehensive income for the period** | | | | | | |
| Net profit for 2024 | - | - | | - | 4,354 | 4,354 |
| **Other comprehensive income** | | | | | | |
| Foreign operations – currency translation differences | - | - | 9 | - | - | 9 |
| Changes in fair value of financial assets at fair value through other comprehensive income (tax included) | - | - | | 50 | - | 50 |
| Total | 769 | 412 | 5 | 302 | 24,123 | 25,611 |
| **Transactions with owners, contribution and distribution to owners** | | | | | | |
| Dividends paid (note 40) | - | - | - | - | (2,384) | (2,384) |
| BALANCE AT 31 DECEMBER 2024 | 769 | 412 | 5 | 302 | 21,739 | 23,227 |
| BALANCE AT 1 JANUARY 2023 | 769 | 412 | (16) | (594) | 16,986 | 17,557 |
| **Total comprehensive income for the period** | | | | | | |
| Net profit for 2023 | - | - | - | - | 4,081 | 4,081 |
| **Other comprehensive income** | | | | | | |
| Foreign operations – currency translation differences | - | - | 12 | - | - | 12 |
| Changes in fair value of financial assets at fair value through other comprehensive income (tax included) | - | - | - | 846 | - | 846 |
| Total | 769 | 412 | (4) | 252 | 21,067 | 22,496 |
| **Transactions with owners, contribution and distribution to owners** | | | | | | |
| Dividends paid (note 40) | - | - | - | - | (1,298) | (1,298) |
| BALANCE AT 31 DECEMBER 2023 | 769 | 412 | (4) | 252 | 19,769 | 21,198 |

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 1 Introduction

PPF banka a.s. ("the Bank") was established on 31 January 1995 as the successor to the former ROYAL BANKA CS,a.s. (operating on the market from 31 December 1992) by a resolution of Prague City Council in order to create a strong financial partner for cities and municipalities. These consolidated financial statements comprise the Bank and its subsidiary listed in note 21 (further as "Group").

The Bank is registered in the Commercial Register as a joint-stock company, with the following scope of business:

— execution of banking transactions and provision of banking services in the Czech Republic and abroad, to the extent permitted by relevant legislation and the licence granted by the Czech National Bank (CNB). The Bank may acquire an interest in other companies both in the Czech Republic and abroad, including non-financial service companies.

On 23 June 2004, the shareholders of the Bank decided to change the name of První městská banka,a.s. to PPF banka a.s. The change of name to PPF banka a.s. was recorded in the Commercial Register on 1 September 2004.

As at 31 December 2024, the parent company of the Bank is PPF Financial Holdings a.s., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 10907718, the ultimate parent company is AMALAR HOLDING s.r.o., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 19696477 (as at 31 December 2023, the ultimate parent company of the Bank was PPF Group N.V., with its registered office in the Netherlands, Amsterdam, Strawinskylaan 933, 1077XX, registration number: 33264887).

Registered office of the Bank:

PPF banka a.s.
Evropská 2690/17
160 41 Praha 6
Czech Republic

## 2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

# 3 Material accounting policies

## 3.1 Basis of preparation

The financial statements are presented in Czech Crowns, which is the Bank's functional currency and the Group's presentation currency, rounded to the nearest million. The financial statements are prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss, and assets at fair value through other comprehensive income.

### Use of judgements and estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements concerning the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that may have a significant effect on the financial statements in the year ended 31 December 2024 is included in the following notes:

— impairment of financial instruments, determining inputs in the expected credit loss measurement model, including the incorporation of forward-looking information, in note 5;
— sensitivity analysis of loss allowance by relevant categories in note 43.1;
— determination of the fair value of financial instruments with significant unobservable inputs in note 3.3.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Estimates which may have a significant effect on the financial statements in the next year regarding standards that are not yet effective and are relevant to the financial statements are discussed in note 4.

Information about judgements made in the application of accounting policies that may have a significant effect on the financial statements is included in the following notes.

— classification of financial instruments, especially an assessment of the business model and an assessment of whether contractual cash flows are solely payments of principal and interest on unpaid principal ("SPPI"), in note 3.3;
— assessment of whether there has been a significant increase in the credit risk of financial instruments since initial recognition, considering all available and relevant information, including quantitative and qualitative information, an analysis based on historical experience of the Group and forward-looking information, in note 5.

### Russian-Ukrainian conflict and its impact on the financial statements and the going-concern assessment

The Group realises that the geopolitical situation emerging from the Russian-Ukrainian conflict in February 2022 will have significant repercussions for the economy in the Czech Republic and other countries. The Group's direct exposure to Russia and Ukraine is insignificant. The Group's analysis did not identify any significant indirect effects because the Group has limited business activities in Russia and Ukraine and its clients have limited dependence on these regions. The Group is ready to make the appropriate response if the situation arises.

The Group is continuously monitoring the situation and, based on its current knowledge and after considering all available information, it does not expect these events to have an impact on its ability to continue as a going concern in the future.

The consolidated financial statements have been prepared on the basis of the going-concern principle.

## 3.2 Basis of consolidation

### 3.2.1 Subsidiaries

Subsidiaries are investees controlled by the Bank. The Bank controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Bank reassesses whether it has control if there are changes to one or more of the elements of the control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

### 3.2.2 Loss of control

When the Bank loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss.

### 3.2.3 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent to which there is no evidence of impairment.

### 3.2.4 Business combinations

All business combinations of the Group were business combinations of entities under the control of the Bank, both before and after the business combination itself. It was not a control of a temporary nature. IFRS 3 does not apply to these business combinations. Assets and liabilities are reported at the carrying amounts in which they were reported before the business combination, and no goodwill or negative goodwill was reported.

## 3.3 Foreign currency

### 3.3.1 Functional currency

The consolidated financial statements are presented in Czech Crowns (CZK), which is the Group's functional currency.

### 3.3.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the foreign exchange rate ruling at the date of the initial recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the presentation currency at the foreign exchange rate ruling at the dates that the values were determined and recognised accordingly as the change in fair value of the non-monetary instrument.

### 3.3.3 Financial statements of consolidated entities with functional currency other than CZK

The assets and liabilities of consolidated entities with functional currency other than CZK are translated to CZK at spot exchange rates at the reporting date. The income and expenses of these consolidated entities are translated to CZK at exchange rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences at translation are recognised directly in "Translation reserve" within equity.

The Translation reserve comprises all foreign currency differences arising from the translation of the financial consolidated statements of consolidated entities with functional currency other than CZK.

## 3.4 Financial instruments

### 3.4.1 Classification and measurement of financial assets

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

A financial asset (debt instrument) is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
— its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

A financial asset (debt instrument) is measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

— it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is classified under one of these categories on initial recognition.

#### POCI assets

IFRS 9 also includes so-called POCI assets. POCI assets are purchased or originated financial assets that are credit-impaired on initial recognition.

#### Business model assessment

The Group made an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the management. The information considered includes:

— the stated policies and objectives for the portfolio and the operation of those policies in practice;
— how the performance of the portfolio is evaluated and reported to the Group's management;
— the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
— how managers of the business are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
— the frequency, volume and timing of sales in prior periods, and the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group's business models are as follows:

- "held and collect";
- "held, collect and sell";
- "other".

Financial assets that are held for trading and those that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

#### Assessment of whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets, e.g. non-recourse asset arrangements; and
- features that modify consideration for the time value of money, e.g. the periodic reset of interest rates.

### 3.4.2 Initial recognition of financial assets

Financial assets/liabilities at AC are recognised on the settlement date.

Financial assets/liabilities at FVTPL are recognised on the trade date. From this date, any gains or losses arising from changes in the fair value of the assets are recognised in the statement of comprehensive income. In the case of spot transactions, the Group recognises financial assets/liabilities on the settlement day.

Financial assets classified at FVOCI are recognised on the settlement date. From this date, any gains or losses arising from changes in the fair value of the assets are recognised in equity as differences from the revaluation of assets.

Financial assets/liabilities are recognised at fair value on initial recognition. Financial assets/liabilities not measured at FVTPL, are additionally adjusted for transaction costs directly attributable to the acquisition/issue or disposal of a financial asset/liability.

### 3.4.3 Fair value measurement principles

Fair value is the price the Group would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date.

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using discounted cash flow techniques or other pricing models.

### Valuation models

The Group measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on probability-weighted scenarios of discounted cash-flows or other standard valuation techniques that are not based on observable inputs.

### Valuation framework

The Group has an established control framework with respect to the measurement of fair value. This framework includes Risk Management, which is independent of front office management and which has overall responsibility for independently verifying the results of all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models;
- calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- a review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous period.

When third-party information, such as broker quotes or pricing services, is used to measure fair value, Risk Management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

## 3.4.4 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial assets and liabilities at fair value through profit or loss are recognised directly in profit or loss as "Net income/expense from financial operations".

Gains and losses arising from a change in the fair value of financial assets measured at fair value through other comprehensive income are recognised directly in other comprehensive income and become the equity item "Fair value reserve".

## 3.4.5 Specific financial instruments

### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash deposited with banks and central banks (incl. mandatory minimum reserves), short-term reverse repo operations and short-term highly liquid investments, including treasury bills and other bills eligible for refinancing with the central bank (except for those held for trading). The financial assets are measured at amortised cost in line with IFRS 9.

### Loans and advances to banks and customers

Loans and advances to banks and customers are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (except for those held for trading). If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, the financial assets are measured at amortised cost in line with IFRS 9. The financial assets are measured at fair value through profit or loss if the contractual terms do not meet the criteria specified above.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise debt instruments and equity instruments. Debt instruments are held within a business model whose objective is both to hold financial assets in order to collect contractual cash flows and to sell financial assets. If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, the financial assets are measured at fair value through other comprehensive income. The financial assets are measured at fair value through profit or loss if the contractual terms do not meet the criteria specified above. The Group also elects some equity investments that are not held for trading and are expected to be held in the long term to be measured at fair value through other comprehensive income.

### Deposits from banks and customers

Deposits from banks and customers (except for those held for trading) are measured at amortised costs.

### Debt securities issued

Own issued debt securities are recognised at amortised cost under "Debt securities issued". Upon initial recognition, own debt securities are measured at cost, which includes direct transaction costs.

### Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss include financial derivatives and non-derivative financial assets and financial liabilities held for trading.

### Financial derivatives

Financial derivatives with positive fair value are presented as "Financial assets measured at fair value through profit or loss". Financial derivatives with negative fair value are presented as "Financial liabilities measured at fair value through profit or loss".

For presentation purposes, derivatives are split into

— derivatives held for trading; and
— hedging derivatives.

Derivatives held for trading are those which are not designated as hedging instruments. All kinds of non-hedging derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, or purpose, i.e. both trading derivatives and derivatives held for risk management, are presented in this line item.

Hedging derivatives are those which are designated as hedging instruments in hedges fulfilling the conditions of IFRS 9. The Group did not apply hedging fulfilling the conditions of IFRS 9 in 2024 or 2023.

Changes in fair value (the clean price) of derivatives are recognised in the income statement in the line item "Net income from financial operations".

## 3.5 Derecognition and contractual modification

### Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the Group transfers the financial asset, provided that the Group also transfers substantially all the risks and rewards of ownership of the financial asset. This occurs upon the sale, termination or giving-up of the rights.

A financial liability is derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. Substantial modification of the terms of an existing financial liability is accounted for as extinguishment of the original financial liability and recognition of a new financial liability.

Financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income that are sold are derecognised and the corresponding receivables from the buyer are recognised on the day they are delivered (settlement date accounting).

In the event of the derecognition of investments in equity instruments designated at fair value through other comprehensive income, the Group does not reclassify the cumulative gain or loss from equity to profit or loss. The cumulative gain or loss is transferred within equity.

Debt instruments measured at amortised cost, loans and advances to banks, and loans and advances to customers are derecognised on the day of maturity or on the day they are transferred by the Group.

### Modification

Substantial modification of the contractual cash flows of a financial asset is considered by the Group to be the expiry of contractual rights to the financial asset. The Group uses internally defined quantitative and qualitative criteria to assess the significance of a change. As for the quantitative criteria, the Group considers contractual terms to be significantly changed if the discounted present value of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset as of the date of modification. As for the qualitative criteria, the Group considers contractual terms to be significantly changed if the new contractual cash flow would not meet SPPI criteria or there would be a change of the currency of the financial assets, or the addition of a convertible option to the financial asset terms. If the Group considers contractual terms to be significantly changed based on at least one of the qualitative or qualitative criteria, the Group derecognises the modified financial asset. Where the modification of a financial asset results in the derecognition of an existing financial asset and the subsequent recognition of a modified financial asset, the modified asset is treated as a new financial asset for the Group's purposes.

In the event of the modification of a financial instrument not measured at fair value through profit or loss that does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset (the amortised cost of the financial liability) as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's (financial liability's) original effective interest rate and recognises the modification gain or loss in profit or loss.

In the case of modified financial assets, the Group determines whether there was a significant increase in credit risk and estimates impairment losses on these financial assets in accordance with the accounting methods described in note 5.

## 3.6 Repurchase transaction

The Group enters into purchases (sales) of financial assets under agreements to resell (repurchase) identical financial assets at a certain date in the future at a fixed price.

Financial assets purchased subject to commitments to resell them at future dates are not recognised in the statement of financial position. The amounts paid are recognised as “Cash and cash equivalents”, “Financial assets at fair value through profit or loss”, “Loans and advances to banks” or ”Loans and advances to customers”. The receivables are shown as collateralised by the underlying security.

Financial assets sold under repurchase agreements continue to be recognised in the statement of financial position shown as “pledged as collateral” and are measured in accordance with the accounting policies as appropriate. The amounts received are recognised as “Deposits from banks“, “Deposits from customers“ or “Financial liabilities at fair value through profit or loss“.

The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in “Interest and similar income” or “Interest expense and similar charges”.

## 3.7 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

## 3.8 Impairment gains/(losses)

The Group assesses impairment loss on financial assets based on a forward-looking “expected credit loss” model in line with IFRS 9. The model assumptions and estimates are described in detail in note 5.

When the expected credit loss increases in the period, the amount of the corresponding impairment loss on the financial asset is recognised in the statement of comprehensive income line item “Impairment gains/losses”.

If the expected credit loss decreases in the subsequent period, the amount of corresponding impairment loss reversal is recognised in the statement of comprehensive income line item “Impairment gains/losses”.

If the Group has no reasonable expectations of recovering the financial asset (in either its entirety or a portion of it), the financial assets are written off. This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the asset. A write-off constitutes a derecognition event, the expense is recognised in the statement of comprehensive income in the line item “Impairment gains/losses“. The Group may still apply enforcement activities to financial assets being written off. Recoveries resulting from the Group’s enforcement activities are recognised in the statement of comprehensive income in the line item “Impairment gains/losses“.

Loss allowances based on the “expected credit loss” model are recognised as follows:

- for financial assets measured at amortised cost: as a decrease of the assets’ gross carrying amount;
- for loan commitments and financial guarantee contracts: generally as a provision;
- for financial instruments that include both the drawn and undrawn portion, the Group recognises a combined loss allowance for both parts – one is recognised as a decrease in the gross carrying amount of the drawn portion, and the other one exceeding the gross carrying amount of the drawn portion is recognised as a provision; and
- for debt instruments measured at FVOCI: an adjustment relating to the expected credit losses is recognised in profit or loss against the equity line “Fair value reserve”.

## 3.9 Net interest and similar income

Interest income or expense from all interest-bearing financial instruments except financial instruments measured at fair value through profit or loss is recognised using the effective interest rate ("EIR") and reported in profit or loss in the line items "Interest and similar income" or "Interest expense and similar charges" as part of revenue/expenses from continuing operations.

The effective interest method calculates the gross carrying amount of a financial asset or amortised cost of a financial liability that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument to its net carrying amount. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument (but not future credit losses). In respect of POCI financial assets, the Group uses the effective interest rate that is calculated as an estimate of future cash flows including expected credit losses. The calculation of an effective interest rate also includes transaction costs and paid and received fees that are an integral part of the effective interest rate.

### Amortised cost and gross carrying amount of a financial asset

The amortised cost of a financial asset or a financial liability is the amount at which the financial asset or liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The gross carrying amount of financial assets is the amortised cost of a financial asset, before adjustment for any expected credit loss.

### Calculation of interest income and expense

In the calculation of interest income or interest expense, the effective interest rate is applied to the gross carrying amount of assets that are not credit-impaired or to the amortised cost of a liability.

Interest income in respect of financial assets that become credit-impaired after initial recognition is calculated using the effective interest rate method from the amortised cost of an asset. Interest income in respect of POCI financial assets is calculated using the credit-adjusted effective interest rate method from the amortised cost of an asset.

## 3.10 Dividend income

Dividend income is recognised in the statement of comprehensive income on the date when the right to the payment has been established.

## 3.11 Net fee and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate, and therefore included in "Interest and similar income" or "Interest expense and similar charges".

Fee and commission income from contracts with customers, under IFRS 15, is measured based on the consideration specified in the contract with a customer. The fee and commission income arises from financial services provided by the Group, including cash management services, the central clearing of toll payments, brokerage services, investment advice and financial planning, investment banking services, and project and structured finance transactions. Fee and commission income is recognised when the corresponding service is provided. Penalty fees that have not been claimed or that have been waived are excluded from profit or loss.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Other fee and commission expenses relate mainly to transaction and service fees, account maintenance and brokerage fees which are expensed as the services are received.

## 3.12 Net income/expense from financial operations

Net income/expense from financial operations comprises gains less losses related to financial assets and liabilities at fair value through profit and loss and includes all fair value changes. Net income/expense from financial operations also includes realised gains or losses on financial assets at fair value through other comprehensive income (equity instruments excluded) and all foreign exchange differences.

## 3.13 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | 50 years |
| Other | 1-10 years |

Low value tangible assets with a purchase price of less than TCZK 40 and an estimated useful life shorter than 1 year are recognised as expenses in the period in which they are purchased.

## 3.14 Intangible assets

Software and other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets.

## 3.15 Leases

### From a lessee perspective:

The Group treats a contract as a lease if it conveys the right to control the use of a given asset for a period of time in exchange for consideration.

A right-of-use asset and a lease liability are recognised at the lease commencement date.

A right-of-use asset is initially measured at cost. The cost of a right-of-use asset comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs; and an estimate of costs to be incurred in restoring the underlying asset. The asset is subsequently depreciated on a straight-line basis over the estimated useful life of the right-of-use asset, or until the end of the lease term, if earlier.

A right-of-use tangible asset is recognised as a tangible asset in the statement of financial position.

A lease liability recognised in other liabilities is measured at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, variable lease payments that depend on an index, amounts expected to be payable by the lessee under residual value guarantees, and the exercise price of a purchase option or an option to extend or terminate a lease if the Group is reasonably certain to exercise that option. Lease payments are discounted using the Group's incremental borrowing rate.

After the commencement date, the Group revises the remeasurement of lease liabilities to reflect changes to the lease payments. The Group also makes the corresponding adjustment to the value of the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises it in profit or loss.

Interest on the lease liability is recognised in interest expense.

### From a lessor perspective:

The Group does not provide leasing services in the capacity of a lessor.

### 3.16 Provisions

Provision means a probable outflow of an uncertain amount and in an uncertain period of time. Provisions are recognised when:

- there is a legal or constructive obligation as a result of past events;
- it is probable, and the probability exceeds 50%, that an outflow of resources will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

In the statement of financial position, provisions are reported under the line item "Provisions". They include credit risk loss provisions for contingent liabilities (particularly financial guarantees and loan commitments), as well as legal provisions and other provisions. Expenses or income related to provisions for loan commitments and financial guarantees are reported in the statement of income under the line item "Impairment gains/losses". Expenses or income related to other provisions are reported in the statement of income under "Operating expenses".

### 3.17 Income taxes

The income tax base is calculated from the current year profit. Expenses considered non-taxable expenses are added and income considered non-taxable income is deducted. The income tax base is modified by tax allowances and tax benefits.

Deferred income tax arises from temporary differences between the accounting values of assets and liabilities and their carrying amounts in the financial statements. The deferred tax is calculated using the tax rates applicable in the periods in which the timing difference is expected to reverse. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

#### Effect of International Tax Reform (Amendments to IAS 12 Income Taxes) – Pillar Two Model

The Group has applied the temporary mandatory relief from deferred tax accounting for the future impacts of the top-up tax. Neither current nor deferred tax impact was recognised for the year ended 31 December 2024.

### 3.18 Financial guarantees

Financial guarantees are contracts that require the Group to make a specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the debt instrument.

Liabilities under financial guarantee contracts are recorded initially at their fair value, which is generally the fee received or the present value of the fee receivable. Financial guarantee liabilities are subsequently measured at the higher of the initial fair value, less cumulative amortisation, and an amount equalling the expected credit loss determined in accordance with IFRS 9.

The fee received is recognised in the income statement under "Fee and commission income" and is amortised on a straight--line basis over the life of the guarantee.

## 4 Standards, interpretations and amendments to published standards that are newly effective, or not effective yet but may be relevant for the Group's financial statements

As at 1 January 2024, the Group adopted new IFRS or amendments to IFRS stated in the note 4.1.

Furthermore, a number of new Standards, amendments to Standards, and Interpretations are not yet effective as at 31 December 2024, and have not been applied in preparing these financial statements. Pronouncements, that will potentially have an impact on the Groups's operations are stated in the note 4.2. and 4.3.

## 4.1 Standards/amendments that are newly effective and endorsed by the European Union

— IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments).
— IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments).
— IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments).

The newly adopted IFRS and amendments to IFRS did not have a major impact on its accounting policies.

## 4.2 Standards/amendments that are not yet effective, but have been endorsed by the European Union

### IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted.

The Group assessed the new amendments to standards and found them to have no major impact on its financial statements.

## 4.3 Standards/amendments that are not yet effective and have not yet been endorsed by the European Union

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments that amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and become effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The Group assessed the new amendments to standards and found them to have no major impact on its financial statements.

### IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments).

In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The Group assessed the new amendments to standards and found them to have no major impact on its financial statements.

### IFRS 18 Presentation and Disclosure in Financial Statements.

In April 2024, the IASB issued the IFRS 18 – Presentation and Disclosure in Financial Statements which replaces IAS 1 – Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Group will assess the potential impact of the new standard on the financial statements in the following accounting periods.

### IFRS 19 Subsidiaries without Public Accountability: Disclosures.

In May 2024, the IASB issued the IFRS 19 – Subsidiaries without Public Accountability: Disclosures, which becomes effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Group assessed the new standards and found them to have no major impact on its financial statements.

### Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. Entities are it apply those amendments to annual reporting periods beginning on or after 1 January 2026, with earlier application is permitted.

The Group assessed the new amendments to standards to have no major impact on its financial statements.

### Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The Group assessed the new amendments to standards and found them to have no major impact on its financial statements.

# 5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If significant, the Group also considers climate risks when making accounting estimates and judgments, which may lead to increased uncertainty. This includes a wide range of possible impacts of both physical and transitive risks.

The Group makes estimates and assumptions concerning future economic developments. The estimates and assumptions that carry the most significant risk of a material adjustment being required to the carrying amounts of assets and liabilities in the next financial year are discussed below.

## 5.1 Impairment of financial assets

The Group assesses impairment loss on financial assets based on a forward-looking “expected credit loss” (“ECL”) model in line with IFRS 9. The Group also incorporated an assessment of climate risks into the model, which can affect the client‘s credit rating and the value of collateral (e.g. flood risks), i.e. have a real impact on the reported amount of ECL.

IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

Financial assets for which the provision is reported at 12-month expected credit losses are referred to as stage 1 financial assets. Financial assets are classified under stage 1 if they are assigned a low credit risk or if their credit risk has not significantly increased since the initial recognition.

Financial assets for which the provision is reported at the level of lifetime expected credit losses are referred to as stage 2 financial assets. Financial assets are reclassified under stage 2 if their credit risk has significantly increased since initial recognition and they are not currently assigned a low credit risk.

Financial assets in default are classified as stage 3 financial assets.

### Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

— financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive;
— financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;
— undrawn loan commitments: the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive from this commitment; and
— financial guarantee contracts: the present value of the expected payments to reimburse the holder less any amounts that the Group expects to recover.

### Definition of default

Under IFRS 9, the Group considers a financial asset to be in default when there is information available that:

— the borrower is unlikely to pay its credit obligations to the Group in full, without realising collateral; or
— the borrower is more than 90 days past due. Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Group mainly considers the following indicators:

— approval of the forced restructuring of the receivable, with the effect of a reduction in the borrower's financial liabilities;
— active insolvency proceedings against the borrower in the insolvency register;
— the removal of the borrower's licence for activity for which licensing is required;
— the declaration of a moratorium on payments to international creditors (valid only for central and local government exposures);
— the initiation of steps by the Group to activate guarantees provided by guarantors for the borrower's commitments;
— a performing exposure with relief in the probationary period is more than 30 days past due during the probationary period;
— the borrower is unlikely (according to an assessment by the Group) to fully repay liabilities to the Group, the parent company or subsidiaries without the realisation of collateral;
— loss of the borrower's regular income intended for the repayment of liabilities to the Group;
— there are reasonable concerns about the borrower's future ability to generate stable and sufficient cash flows;
— a significant increase in the borrower's level of debt, or a reasonable expectation of such an increase;
— breach of covenants laid down in the contract with the borrower;
— a significant delay in the borrower's payments to other creditors is recorded in the Central Credit Register (or in another credit register);
— a crisis in the borrower's sector, accompanied by the borrower's weak position in that sector;
— the disappearance of an active market for a financial asset because of the borrower's financial difficulties;
— the default of another member in an economically linked group;
— a borrower facing financial difficulties receives material financial assistance (for more than 12 months) from the parent company, shareholders or another member of an economically linked group in order to meet liabilities, unless this is financial assistance pre-planned or expected during the lending approval procedure.

Inputs in the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The Group considers financial assets recovered if the above-mentioned conditions or indicators are no longer met and reclassifies them from stage 3 to stage 1, or stage 2 if the criteria of increased credit risk are met. All of the following conditions must be met for reclassification from stage 3:

— none of the above indicators for default has been met for at least 3 months;
— the receivable or part thereof has been less than 30 days past due for at least 3 months;
— the debtor's behaviour and financial situation indicate that the debtor will be able to repay its obligations;
— if the reason for default was restructuring, a change in classification is possible at least 1 year from the latest of: a) the moment as of which the restructuring measures, are extended; b) the moment when the exposure was classified as defaulted or c) the end of any grace period included in the restructuring arrangements. In addition, the following conditions must be met:
    — the client has made a significant payment/repayment with respect to the original repayment plan;
    — payments are paid regularly according to the repayment schedule.

### Determining whether credit risk has increased significantly

Under IFRS 9, when determining whether the credit risk (i.e. risk of default) of a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis consisting – based on availability and complexity – consisting of the Group's historical experience, expert credit assessment and forward-looking information.

In line with IFRS 9, the Group applies the rebuttable presumption that the credit risk increases significantly when an asset is more than 30 days past due. The Group determines days past due by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

The Group monitors the suitability of the criteria used to identify significant increases in credit risk by regular reviews to confirm that the results of assessment are compliant with IFRS 9 and internal guidelines and settings.

#### Individual level

For individually significant financial assets, the Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- the credit risk as at the reporting date; with
- the credit risk that was estimated on initial recognition of the exposure.

As for the corporate loan portfolio, the Group considers there to have been a significant increase in credit risk since initial recognition if:

- the credit internal rating has deteriorated by two or more notches since initial recognition and the current credit rating is outside the range A1 to A4 (for credit ratings, see note 44.1);
- the receivable or part thereof has been more than 30 days past due;
- the current credit rating has deteriorated by at least one notch since initial recognition and the client has been assigned a credit rating of C2–C4;
- the exposure has been designated as a exposure with forbearance;
- the exposure has been in the regime of increased monitoring (the so-called "pre-workout");
- an individual assessment has been performed by the Head of the Credit Risk Management Department, who, on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

As for the debt securities and other assets, the Group considers there to have been a significant increase in credit risk since initial recognition if:

- the credit internal rating has deteriorated by two or more notches since initial recognition and the current credit rating is outside the range A1 to A4 (for credit ratings, see note 43.1);
- the receivable or part thereof has been more than 30 days past due;
- the current credit rating has deteriorated by at least one notch since initial recognition and the client has been assigned a credit rating of C2–C4;
- an individual assessment has been performed by the Head of the Credit Risk Management Department, who, on the basis of available information, has determined that the receivable exhibits signs of an increased credit risk.

#### Portfolio level

As for the consumer loan portfolio, the expected credit losses are calculated on a portfolio basis. The receivables are grouped into monthly buckets based on days past due. It is considered that a significant increase in credit risk occurs when a receivable or its part is more than 30 days past due.

If the Group considers that the above-mentioned indicators of significant increased credit risk are no longer met, the Group reclassifies these financial assets from stage 2 to stage 1, and recognises 12-month expected credit losses.

### Inputs in the measurement of ECLs

The key inputs in the measurement of ECLs are – in general – the following variables:

— probability of default (PD);
— loss given default (LGD); and
— exposure at default (EAD).

EAD represents the exposure in the event of default. The Group derives the EAD from the current exposure to the counterparty. As for stage 1 and 2 exposures, the EAD of a financial asset is the gross carrying amount at default reduced by the net realisable value of collateral received.

### Individual level

For individually significant financial assets, these parameters are – separately or collectively – derived from statistical models created on the basis of available market data. Failure probability estimates are estimates at a certain date that are calculated on the basis of statistical rating models and assessed using the rating tools established for different categories of counterparties and exposures. Models created on the basis of available market data are periodically back-tested on internal historical data.

The migration of a counterparty or exposure between credit ratings results in a change in the estimate of the associated PD.

Loss given default (LGD) is the amount of probable loss in the event of a default. For stage 1 and 2 exposures, the Group uses external comparative information to assess LGDs as it has insufficient observations and data to derive its own statistically significant LGDs based on an analysis of the Group's portfolio. For this reason, the Group bases its determination of LGD on the regulatory loss given default, which is back-tested on the number of observations available. The Group uses a 0% LGD for the secured part of the exposure. For LGDs assigned to the whole exposure (secured and unsecured), the Group applies a minimum LGD of 20%, i.e. for every receivable the Group tests whether the overall LGD ratio for every receivable is at least 20%, and, where this is not the case, the Group adjusts the calculation and recalculates the expected credit losses with 20% LGD assigned to the whole exposure. This way, the Group estimates non-zero expected losses even for fully secured loans. These expected losses translate risks related to collateral realisation, which cannot be recognised by other methods.

For stage 3 exposures, the Group uses the difference between the gross carrying amount of an asset and the present value of estimated future cash flows applying scenario probability weights to measure expected credit losses.

### Portfolio level

As for the consumer loan portfolio, the Group uses statistical methods based on the Markov chain model and statistical analysis of historical data on unpaid loans to estimate the amount of loss when measuring expected credit losses.

### Forward-looking information

Under IFRS 9, the Group defines three economic scenarios: (i) the baseline economic scenario, which is the Group's main scenario and is assigned the highest weight. This scenario is defined internally according to publicly available estimates of trends in key macroeconomic variables by relevant institutions, such as Oxford Economics, the Czech National Bank, the International Monetary Fund, the Organisation for Economic Cooperation and Development, and consensus analyst estimates published by Bloomberg and Reuters; and (ii) two less likely scenarios – optimistic and pessimistic. The Group monitors the up-to-dateness of macroeconomic scenarios at least on a quarterly basis. The scenarios and their weights applicable as at 31 December 2024 (and as at 31 December 2023) are shown in the table below:

| Czech Republic – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 |
| Baseline scenario | 50% | 2.5% | 2.4% | 2.5% |
| Optimistic scenario | 1% | 3.7% | 4.3% | 3.8% |
| Pessimistic scenario | 49% | (4.4%) | 1.8% | 1.9% |

| World – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 |
| Baseline scenario | 50% | 3.2% | 3.0% | 3.0% |
| Optimistic scenario | 1% | 4.3% | 4.7% | 4.5% |
| Pessimistic scenario | 49% | (1.3%) | 2.8% | 2.0% |

| Czech Republic – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Baseline scenario | 50% | 1.2% | 2.8% | 2.5% |
| Optimistic scenario | 1% | 3.6% | 4.5% | 4.4% |
| Pessimistic scenario | 49% | (3.8%) | 2.3% | 1.4% |

| World – GDP growth | Weight as at 31 December | | | |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Baseline scenario | 50% | 3.0% | 3.0% | 3.0% |
| Optimistic scenario | 1% | 4.2% | 4.5% | 4.5% |
| Pessimistic scenario | 49% | (1.3%) | 2.8% | 2.0% |

The resulting estimated credit losses then reflect the expected development of gross domestic product in the three scenarios above.

On the strength of data availability and resource credibility, the Group uses historical data analysis to estimate the relationships between macroeconomic variables and probabilities of default that are used to measure expected credit losses.

The Group considers the change in the GDP of the Czech Republic and the change in world GDP to be key variables explaining the changes in the historical probability of default. For exposures of clients whose business risk lies in the Czech Republic, the Group uses the change in the GDP of the Czech Republic for PD estimates. For other clients' exposures, the Group uses the change in the world GDP as an explanatory variable.

An analysis of relevant assets' loss allowances for the development of GDP is presented in note 44.1., Sensitivity Analysis of loss allowance by relevant categories – individual level.

For risks that were not factored into the macroeconomic model, the Group recognised additional allowances ("management overlay") equal to MCZK 450 as at 31.12.2024 (31.12.2023: MCZK 350). In making management overlays, the Group relies on the regular quarterly stress testing of its loan portfolio, the management overlay amount being based on the expected additional loss on the loan portfolio under a slight stress scenario, defined mainly by the expected change in the GDP (see the table below). Management overlay is then technically allocated to selected clients according to their risk level. Management overlays are remeasured on a quarterly basis.

| Czech Republic – GDP growth | 2025 | 2026 | 2027 |
|---|---|---|---|
| Stress scenario | (2.76%) | 1.60% | 2.27% |

| World – GDP growth | 2025 | 2026 | 2027 |
|---|---|---|---|
| Stress scenario | 0.30% | 3.01% | 2.47% |

As at 31.12.2023:

| Czech Republic – GDP growth | 2024 | 2025 | 2026 |
|---|---|---|---|
| Stress scenario | (2.33%) | 2.61% | 1.99% |

| World – GDP growth | 2024 | 2025 | 2026 |
|---|---|---|---|
| Stress scenario | 0.25% | 2.89% | 2.48% |

# 6 Changes in accounting policies

There were no changes in accounting policies during the period from 1 January 2024 to 31 December 2024, except for below:

### Change in presentation of cash flows from investment securities at amortised cost

As at 31 December 2023, the Group presented cash flows from investment securities at amortised cost amounting to MCZK 4,239 in the category Changes in in the statement of cash flows. In 2024, the Group decided to correct the presentation of cash flows from investment securities at amortised cost to the category Cash flow from investing activities, as this presentation better reflects the characteristics of the cash flows from investment securities at amortised cost. The comparative figures as at 31 December 2023 in the statement of cash flows were restated accordingly. This restatement had no impact on the Group's financial performance, liquidity, statement of financial position or the statement of changes in equity.

The impact of the change in presentation on the statement of cash - flows:

| MCZK | 31 December 2023 (as reported) | Reclassification | 31 December 2023 (restated)* |
|---|---|---|---|
| Changes in: | | | |
| Investment securities at amortised cost | (4,239) | 4,239 | - |
| Net cash from/(used in) operating activities | 10,341 | 4,239 | 14,581 |
| Cash flow from investing activities | | | |
| Acquisition of investment securities at amortised cost | - | (4,239) | (4,239) |
| Proceeds from sale of investment securities at amortised cost | - | - | - |
| Net cash from/(used in) investing activities | (3,081) | (4,239) | (7,320) |

* Restated comparative numbers as at 31 December 2023, as presented in the Annual Report

# 7 Net interest income and similar income

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest and similar income | | |
| Cash and cash equivalents | 4,861 | 7,732 |
| Loans and advances to banks | 1,073 | 505 |
| Loans and advances to customers | 4,619 | 5,095 |
| Of which: | | |
| Unpaid interest income from impaired loans | 2 | 5 |
| Unpaid interest income from loans with forbearance | 1 | 2 |
| Financial assets at fair value through other comprehensive income | 2,394 | 2,042 |
| Financial assets at fair value through profit or loss | 2,469 | 2,845 |
| Investment securities at amortised cost | 899 | 818 |
| Of which: | | |
| Interest and similar income – EIR | 13,846 | 16,192 |
| Interest and similar income – other | 2,469 | 2,845 |
| | 16,315 | 19,037 |
| Interest expense and similar charges | | |
| Deposits from banks | (365) | (580) |
| Deposits from customers | (7,438) | (9,773) |
| Debt securities issued | (210) | (314) |
| Financial liabilities at fair value through profit or loss | (1,887) | (1,588) |
| Lease liabilities | (4) | (4) |
| | (9,904) | (12,259) |
| NET INTEREST INCOME AND SIMILAR INCOME | 6,411 | 6,778 |

The Group did not waive any interest past due during the years 2024 and 2023.

# 8 Net fee and commission income

| MCZK | 2024 | 2023 |
|---|---|---|
| Fee and commission income | | |
| Toll administration fee income* | 364 | 349 |
| Transaction fee with clients | 108 | 126 |
| Custody fees | 42 | 34 |
| Fees from guarantees provided | 29 | 26 |
| Fees from administration of shares/bonds issue | 28 | 22 |
| Penalty fees | 1 | 16 |
| Transaction fee with banks | 8 | 8 |
| Other | 21 | 27 |
| Of which: | | |
| Fee income – contracts with customers – under IFRS 15 | 572 | 582 |
| Fee income – other – under IFRS9 | 29 | 26 |
| | 601 | 608 |
| Fee and commission expense | | |
| Toll administration fee expense* | (268) | (257) |
| Transaction fee with other counterparties | (61) | (57) |
| Transaction fee with banks | (13) | (16) |
| Other | (3) | (4) |
| | (345) | (334) |
| NET FEE AND COMMISSION INCOME | 256 | 274 |

* Based on contracts concluded between the Bank and CzechToll a.s. and between the Bank and the issuer of fuel cards or the intermediary for card payments, respectively, the Bank has been providing services as a clearing centre for toll payments in the Czech Republic since 1 December 2019. The service also includes the operation of the authorisation centre, which is provided to the Bank by an external company. The Bank collects and pays fees for the services provided and received.

# 9 Net income/expense from financial operations

| MCZK | 2024 | 2023 |
|---|---|---|
| Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss | 146 | (62) |
| Of which: | | |
| Net gains/(losses) from trading derivatives | (51) | (229) |
| Trading securities | 177 | 167 |
| Securities measured mandatorily at FVTPL | 20 | - |
| Net realised gains/(losses) on financial assets at fair value through other comprehensive income | (127) | (74) |
| Of which: | | |
| Debt instruments | (127) | (74) |
| Net realized profit/(losses) on loans and advances to customers | (2) | 94 |
| Dividends | 33 | 25 |
| Foreign exchange gains/(losses) | 530 | 123 |
| TOTAL | 580 | 106 |

All derivatives without regard to their internal classification, i.e. both derivatives held in the trading book and banking book, or purpose, i.e. both trading derivatives and derivatives held for risk management, are presented as Trading derivatives, because hedge accounting is not applied.

However, the Group uses derivatives for economic hedging, therefore, the net gain (loss) on derivatives is partially offset by foreign exchange gains (losses) or interest income (expenses).

# 10 General administrative expenses

| MCZK | 2024 | 2023 |
|---|---|---|
| Personnel expenses | | |
| Wages and salaries | (446) | (389) |
| Social expenses | (146) | (117) |
| Liability insurance, pension insurance | (7) | (6) |
| Remuneration paid to key management personnel* | | |
| Short-term benefits | (41) | (43) |
| Long-term benefits | (20) | (15) |
| | (660) | (570) |
| Other general operating expenses | | |
| Donations | (301) | (352) |
| IT | (198) | (169) |
| Consultancy services | (189) | (190) |
| Other | (81) | (10) |
| | (769) | (721) |
| TOTAL | (1,429) | (1,291) |

The average number of employees, members of the Board of Directors, Supervisory Board and executives of the Group in the years 2024 and 2023 was as follows:

| | 2024 | 2023 |
|---|---|---|
| Board of Directors | 5 | 5 |
| Supervisory Board ** | 6 | 5 |
| Executives | 1 | 1 |
| Employees ** | 276 | 260 |

* Remuneration paid to key management personnel includes wages and salaries paid to the Board of Directors, Supervisory Board and other executives for the service rendered.
** Two employees are also members of the Supervisory Board and are therefore included in the number both of employees and of members of the Supervisory Board.

Other general operating expenses includes fees paid to the external auditor, or member firms of the external auditor for services provided, such as audit services MCZK 9 (2023: MCZK 9), other assurance services MCZK 7 (2023: MCZK 3) and advisory services MCZK 5 (2023: MCZK 0).

## 11 Depreciation and amortisation

| MCZK | 2024 | 2023 |
|---|---|---|
| Depreciation on property, plant and equipment | (13) | (18) |
| Depreciation on property, plant and equipment – ROU | (32) | (26) |
| Amortisation of intangible assets | (45) | (46) |
| TOTAL | (90) | (90) |

## 12 Other operating expenses

| MCZK | 2024 | 2023 |
|---|---|---|
| Payment to Resolution Fund | (216) | (367) |
| Payment to Deposit Insurance Fund | (1) | (1) |
| Payment to Guarantee Fund | (2) | (2) |
| TOTAL | (219) | (370) |

The basis for the calculation of the payment to the Guarantee Fund for 2024 amounted to MCZK 95 (2023: MCZK 99).

# 13 Impairment gains/losses

| MCZK | 2024 | 2023 |
|---|---|---|
| Gains/(Losses) from change in loss allowances: | | |
| Cash and cash equivalents, Loans and advances to banks | (6) | (110) |
| Financial assets at fair value through other comprehensive income | (149) | 90 |
| Investment securities at amortised costs | (3) | (1) |
| Loans and advances to customers – individual | (176) | (174) |
| Loans and advances to customers – portfolio | 12 | (33) |
| Other assets | - | 2 |
| Write-offs – loans and advances to customers – individual* | (22) | - |
| Write-offs – loans and advances to customers – portfolio* | (36) | (28) |
| Write-offs – loans and advances to banks* | - | (186) |
| Revenues from previously written-off loans and advances to customers - individual | 5 | - |
| Revenues from previously written-off loans and advances to customers - portfolio | | 20 |
| Gains/(Losses) from change in provisions – off-balance sheet assets | (24) | (80) |
| TOTAL | (399) | (500) |

* The loans and advances to customers that were written-off were fully covered by loss allowances as at the date of write-off.

Ongoing geopolitical tensions in Europe, together with increased uncertainty regarding the future economic developments have meant, that risks to financial stability and economic activity remained elevated in 2024. The Group has newly identified a specific risk related to the commercial real estate segment, which was covered by increase of allowances in the amount of MCZK 100 in the form of management overlay. The overlay totalled MCZK 450 in 2024.

Higher losses from the change in loss allowances for financial assets at fair value through other comprehensive income in 2024 were mostly caused by the revaluation of a corporate bond based on probability-weighted scenarios of discounted cash-flows and its reclassification to non-performing assets.

In 2023, the increase in the loss allowances for loans and advances to customers was mainly caused by the growth of the loan portfolio itself. The write-off of loans and advances to banks was caused by the write-off of receivable frozen on a special type of account at a Russian bank, which is subject to Russian counter-sanctions.

## 14 Income tax expense

Taxes on income consist of current tax on income calculated based on the results reported for tax purposes and the change in deferred taxes.

| MCZK | 2024 | 2023 |
|---|---|---|
| Income tax – current | (902) | (732) |
| Income tax – related to prior years | 96 | 68 |
| Income tax – deferred | 44 | (166) |
| INCOME TAX (EXPENSE)/INCOME | (762) | (830) |

| MCZK | 2024 | 2023 |
|---|---|---|
| Tax rate in Czech Republic | 21.0 % | 19.0 % |
| Profit from operations (before taxation) | 5,116 | 4,911 |
| Computed taxation using applicable tax rate | (1,074) | (933) |
| Tax non-deductible expenses | (368) | (277) |
| Non-taxable income | 565 | 296 |
| Dividends | 7 | 5 |
| Tax related to prior years | 96 | 68 |
| Effect of tax rates in foreign jurisdictions and other items | 12 | 11 |
| INCOME TAX (EXPENSE)/INCOME – CURRENT | (762) | (830) |
| Effective tax rate | 14.9% | 16.9% |

The decrease in the effective tax rate the over-year comparison is mainly due to a lower share of non deductible expenses related to the non-taxable income from bonds issued by member states of the European Union and the release of a corporate income tax provision.

### Efect of International Tax Reform (Amendments to IAS 12 Income Taxes):

International Tax Reform – Pillar Two Model Rules are effective from 1 January 2024.

The Group has applied the temporary mandatory relief from deferred tax accounting for the future impacts of the top-up tax. Neither a current nor a deferred tax impact was recognised for the year ended 31 December 2024. The impact of top-up tax on the income tax expense in 2014 is zero.

## 15 Cash and cash equivalents

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Cash on hand | 53 | 63 |
| Nostro account balances | 1,143 | 947 |
| Balances with the central bank | 7,790 | 5,332 |
| Reverse repo operations with the central bank | 141,551 | 159,795 |
| Loss allowance | - | - |
| NET CASH AND CASH EQUIVALENTS | 150,537 | 166,137 |

At 31 December 2024, the balances with the central bank included the balance of MCZK 4,020 (31.12.2023: MCZK 3,353) representing the mandatory minimum reserves. Compliance with the requirement to hold a certain level of mandatory minimum reserves is measured using the monthly average of daily closing balances.

The technical parameters of a reverse repo operation with the central bank are as follows: maturity of two weeks, interest rate set by the CNB for two-week repo operations (the "2W repo rate").

## 16 Financial assets at fair value through profit or loss

All financial assets at fair value through profit or loss are classified as measured at fair value through profit or loss in accordance with IFRS 9.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Bonds and notes held for trading issued by: | | |
| Government | 9,467 | 15,050 |
| Corporate | 382 | 178 |
| Bonds and notes measured mandatorily at FVTPL issued by: | | |
| Corporate | 121 | - |
| Shares held-for-trading | 526 | 484 |
| Reverse repo operations held for trading | 45,495 | 77,382 |
| Positive fair value of derivatives: | | |
| Interest rate contracts | 7,769 | 10,155 |
| Currency contracts | 1,469 | 2,393 |
| Of which: | | |
| Listed instruments | 9,369 | 15,712 |
| Unlisted instruments | 55,860 | 89,930 |
| TOTAL | 65,229 | 105,642 |

Interest income from trading assets and financial assets at fair value through profit or loss is recognised in “Interest and similar income”. The fair value of unlisted instruments was estimated using discounted cash-flow techniques.

## 17 Financial assets at fair value through other comprehensive income

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Debt instruments at fair value through other comprehensive income | | |
| Bonds issued by: | | |
| Government | 42,364 | 20,118 |
| Corporate bonds | 11,149 | 8,648 |
| Equity instruments at fair value through other comprehensive income | | |
| Shares issued by: | | |
| Other issuers | 268 | 244 |
| Of which: | | |
| Listed instruments | 30,370 | 25,639 |
| Unlisted instruments | 23,411 | 3,371 |
| TOTAL | 53,781 | 29,010 |

### Debt instruments at fair value through other comprehensive income

Debt instruments at fair value through other comprehensive income were classified under this category on the basis of the Group's business model for managing financial assets.

Interest income from debt instruments at fair value through other comprehensive income is recognised in interest and similar income.

The fair value of unlisted bonds was estimated using discounted cash-flow techniques.

The loss allowance for the expected credit loss on debt instruments at fair value through other comprehensive income was MCZK 352 as at 31 December 2024 (2023: MCZK 195). The loss allowance for expected credit loss is recognised in the statement of comprehensive income in the line "Impairment gains/losses" against the equity line "Fair value reserve".

A credit risk analysis and a detailed overview of the impairment loss on debt instruments at fair value through other comprehensive income are disclosed in notes 44.1 and 13.

### Equity instruments at fair value through other comprehensive income

The Group designated certain investments shown in the following table as equity securities at FVOCI. The FVOCI designation was made because the investments are not considered trading instruments and are expected to be held in the long term.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Swift S.C. (ISIN: BE0016790090) | 2 | 2 |
| CREDITAS ASSETS SICAV a.s. (ISIN: CZ0008047214) | 266 | 242 |
| TOTAL | 268 | 244 |

The Group recognised a gain (loss) due to changes in the fair value of these investments in other comprehensive income. In 2024 or 2023, the Group did not dispose of any equity instruments from the portfolio. The Group did not receive any dividends from the instruments in 2024 or 2023.

## 18 Investment securities at amortised cost

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Debt instruments at amortised cost | | |
| Bonds issued by: | | |
| Government | 18,931 | 18,930 |
| Corporate bonds | 877 | 404 |
| Loss allowance | (4) | (1) |
| NET INVESTMENT SECURITIES AT AMORTISED COST | 19,804 | 19,333 |

A credit risk analysis and a detailed overview of loss allowances for Investment securities at amortised cost are disclosed in note 44.1.

## 19 Loans and advances to banks

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Loans to banks | 6,801 | 6,305 |
| Cash collateral for derivative instruments | 5,134 | 4,641 |
| Reverse repo operations with banks | - | 178 |
| Deposits to banks | 409 | 272 |
| Other | 718 | 674 |
| Loss allowance | (48) | (42) |
| NET LOANS AND ADVANCES TO BANKS | 13,014 | 12,028 |

A credit risk analysis and a detailed overview of loss allowances for loans and advances are disclosed in note 44.1.

## 20 Loans and advances to customers

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Total loans and advances to customers | 49,579 | 53,726 |
| Loss allowance | (1,447) | (1,262) |
| NET LOANS AND ADVANCES TO CUSTOMERS | 48,132 | 52,464 |

A credit risk analysis and a detailed overview of loss allowances for loans and advances are disclosed in note 44.1.

## 21 Consolidated entities

The Bank consolidates the following subsidiaries:

| | Principal place of business | Registered office | 31. 12. 2024 Share (%) | 31. 12. 2023 Share (%) |
|---|---|---|---|---|
| PPF Co3 B.V. | IN, RS, VN, EU* | NL** | 100% | 100% |

* India, Serbia, Vietnam, European Union
** Netherlands

In 2016, the Bank purchased 100% of shares in PPF Co3 B.V. with the aim of entering the consumer credit segment in Asia. It is currently used for the purchase and financing of retail loans from companies under Home Credit, the purchase of retail loans from Yettel Bulgaria and Hungary, the depositing of collateral for Yettel Serbia at Mobi Bank, and the financing of the factoring of receivables from telecommunication services.

The Bank held no interest participation with significant influence as at 31 December 2024 and 31 December 2023.

Information on consolidated entities by country of registered office

| MCZK | Entities with registered office in NL |
|---|---|
| **As at 31 December 2024** | |
| Turnover | 899 |
| Employees | 2 |
| Profit/(loss) before income tax | 133 |
| Corporate income tax | 28 |
| Governmental support granted | - |
| **As at 31 December 2023** | |
| Turnover | 853 |
| Employees | 2 |
| Profit/(loss) before income tax | 258 |
| Corporate income tax | 25 |
| Governmental support granted | - |

## 22 Property, plant and equipment

| MCZK | Low value fixed assets | Building | Furniture and fittings | Equipment | Fixed assets not in use yet | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 January 2023 | 4 | 193 | 15 | 135 | 4 | 351 |
| Additions | - | 17 | 2 | 5 | 3 | 27 |
| Disposals/Transfer | - | - | - | (1) | (7) | (8) |
| At 31 December 2023 | 4 | 210 | 17 | 139 | - | 370 |
| At 1 January 2024 | 4 | 210 | 17 | 139 | - | 370 |
| Additions | - | 20 | - | 30 | 34 | 84 |
| Disposals/Transfer | (1) | (5) | (2) | (27) | (30) | (65) |
| At 31 December 2024 | 3 | 225 | 15 | 142 | 4 | 389 |
| **Depreciation** | | | | | | |
| At 1 January 2023 | 4 | 107 | 12 | 109 | - | 232 |
| Additions | - | 26 | 1 | 17 | - | 44 |
| Disposals | - | - | - | (1) | - | (1) |
| At 31 December 2023 | 4 | 133 | 13 | 125 | - | 275 |
| At 1 January 2024 | 4 | 133 | 13 | 125 | - | 275 |
| Additions | - | 32 | 1 | 12 | - | 45 |
| Disposals | (1) | (5) | (2) | (27) | - | (35) |
| At 31 December 2024 | 3 | 160 | 12 | 110 | - | 285 |
| **Net book value** | | | | | | |
| AT 31 DECEMBER 2023 | - | 77 | 4 | 14 | - | 95 |
| AT 31 DECEMBER 2024 | - | 65 | 3 | 32 | 4 | 104 |

At 31 December 2024, the Group recorded right-of-use assets in the amount of MCZK 60 (2023: MCZK 72).

## 23 Intangible assets

| MCZK | Software | Software not in use yet | Total |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2023 | 669 | 8 | 677 |
| Additions | 10 | 25 | 35 |
| Disposals/Transfer | - | (10) | (10) |
| At 31 December 2023 | 679 | 23 | 702 |
| At 1 January 2024 | 679 | 23 | 702 |
| Additions | 28 | 44 | 72 |
| Disposals/Transfer | - | (28) | (28) |
| At 31 December 2024 | 707 | 39 | 746 |
| **Amortisation** | | | |
| At 1 January 2023 | 494 | - | 494 |
| Additions | 46 | - | 46 |
| Disposals | - | - | - |
| At 31 December 2023 | 540 | - | 540 |
| At 1 January 2024 | 540 | - | 540 |
| Additions | 45 | - | 45 |
| Disposals | - | - | - |
| At 31 December 2024 | 585 | - | 585 |
| **Net book value** | | | |
| AT 31 DECEMBER 2023 | 139 | 23 | 162 |
| AT 31 DECEMBER 2024 | 122 | 39 | 161 |

## 24 Other assets

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Cash collateral to payment cards | 178 | 164 |
| Trade receivables | 185 | 160 |
| Clearing with securities market | 62 | 8 |
| Prepaid expenses and accrued revenues | 96 | 98 |
| Other | 6 | 2 |
| Loss allowance | (10) | (10) |
| TOTAL | 517 | 422 |

## 25 Deposits from banks

| | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Payable on demand (loro accounts) | 684 | 2 |
| Cash collateral to derivatives | 2,494 | 3,723 |
| Repo operations | - | 12,223 |
| TOTAL | 3,178 | 15,948 |

## 26 Deposits from customers

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Payable on demand | 120,824 | 82,673 |
| Term deposits | 73,545 | 38,836 |
| Repo operations | 71,017 | 119,131 |
| Cash collateral to derivatives | 265 | 460 |
| TOTAL | 265,651 | 241,100 |

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Financial institutions* | 69,004 | 61,649 |
| Public sector | 114,378 | 100,561 |
| Non-financial institutions | 31,776 | 30,986 |
| Households/Individuals | 9,317 | 9,327 |
| Holding companies | 41,176 | 38,757 |
| TOTAL | 265,651 | 241,100 |

* Holding companies excluded

## 27 Debt securities issued

| | Interest | Maturity | 31. 12. 2024 MCZK | 31. 12. 2023 MCZK |
|---|---|---|---|---|
| Investment certificates | fixed | 2025–2026 | 1,350 | 4,436 |
| TOTAL | | | 1,350 | 4,436 |

The Group has not had any defaults of principal or interest or other breaches with respect to its debt securities issued during the years ended 31 December 2024 and 2023.

## 28 Reconciliation of movements of liabilities to cash flows arising from financing activities

| MCZK | Debt securities issued | Lease liabilities | Total |
|---|---|---|---|
| At 1 January 2024 | 4,436 | 74 | 4,510 |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Lease payments | - | (32) | (32) |
| Changes in lease liabilities | - | 20 | 20 |
| Proceeds from issue of debt securities | 1,704 | - | 1,704 |
| Repayment of debt securities issued | (4,740) | - | (4,740) |
| Other | 7 | - | 7 |
| Net cash from financing activities | (3,029) | (12) | (3,041) |
| Interest expense | 210 | 4 | 214 |
| Interest paid | (267) | (4) | (271) |
| AT 31 DECEMBER 2024 | 1,350 | 62 | 1,412 |

| MCZK | Debt securities issued | Lease liabilities | Total |
|---|---|---|---|
| At 1 January 2023 | 5,117 | 83 | 5,200 |
| Net increase/(decrease) in cash and cash equivalents | | | - |
| Lease payments | - | (26) | (26) |
| Changes in lease liabilities | - | 17 | 17 |
| Proceeds from issue of debt securities | 436 | - | 436 |
| Repayment of debt securities issued | (1,117) | - | (1,117) |
| Other | (7) | - | (7) |
| Net cash from financing activities | (688) | (9) | (697) |
| Interest expense | 314 | 4 | 318 |
| Interest paid | (307) | (4) | (311) |
| AT 31 DECEMBER 2023 | 4,436 | 74 | 4,510 |

## 29 Financial liabilities at fair value through profit or loss

All financial liabilities at fair value through profit or loss are classified as held for trading.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Negative fair value of derivatives: | | |
| Interest rate contracts | 7,498 | 10,267 |
| Currency contracts | 1,580 | 1,848 |
| Repo operations | 38,883 | 76,603 |
| Liabilities from short sales of securities | 7,863 | 11,553 |
| TOTAL | 55,824 | 100,271 |

## 30 Income tax assets/liabilities

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Income tax liability | 280 | 270 |

As at 31 December 2024, the tax liabilities of the Group totalled MCZK 847 (31.12.2023: MCZK 735), the Group paid income tax advances totalling MCZK 557 (31.12.2023: MCZK 405) and tax paid abroad amounts to MCZK 10 (31.12.2022: MCZK 60).

# 31 Deferred tax liability/asset

Deferred taxes are calculated from all temporary differences between the tax and accounting value of assets and liabilities. To determine the recognised deferred taxes the Group uses the income tax rate applicable in the periods in which deferred taxes are expected to be utilised, i.e. 21% tax rate in 2024 for the following years in the Czech Republic (2023: 21%). The income tax rate in the country of the subsidiary, the Netherlands, is 25.8% (2023: 25.8%).

The recognised deferred tax assets and liabilities consist of the following items:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Deferred tax assets | | |
| Deferred tax asset from wages and unpaid social and health insurance | 51 | 36 |
| Deferred tax asset from financial assets at fair value through other comprehensive income | - | - |
| Deferred tax asset from lease liabilities | 13 | 15 |
| Deferred tax asset from loans and advances to customers | - | - |
| Deferred tax assets | 64 | 51 |
| Deferred tax liabilities | | |
| Deferred tax liability from loans and advances to customers | (49) | (44) |
| Deferred tax liability from financial assets at fair value through other comprehensive income | (7) | (26) |
| Deferred tax liability from tangible assets – ROU assets | (13) | (15) |
| Deferred tax liability from intangible assets | (1) | (3) |
| Deferred tax liabilities | (70) | (88) |
| NET DEFERRED TAX ASSETS (LIABILITIES) | (6) | (37) |

The deferred tax assets are recognised to the full extent as it is highly probable that they will be utilised in subsequent accounting periods. There was no unrecognised item related to deferred tax.

The analysis of the movements of Deferred tax is as follows:

| MCZK | Total |
|---|---|
| At 1 January 2024 | (37) |
| Deferred tax income/(expense) recognised in Profit or Loss | 44 |
| Deferred tax income/(expense) recognised in Other comprehensive income | (13) |
| AT 31 DECEMBER 2024 | (6) |
| At 1 January 2023 | 335 |
| Deferred tax income/(expense) recognised in Profit or Loss | (166) |
| Deferred tax income/(expense) recognised in Other comprehensive income | (206) |
| AT 31 DECEMBER 2023 | (37) |

The difference between the deferred tax income/expense recognised in other comprehensive income and the year-over-year change in the balance of deferred tax assets/liabilities from financial assets at fair value through other comprehensive income relates to the recognition of the expected credit losses to debt instruments measured at FVOCI in Profit or loss against Fair values reserve in equity, see note 3.8.

## 32 Provisions

The development of provisions is disclosed in the following table:

| MCZK | Provisions for guarantees provided | Legal provisions | Other provisions | Total |
|---|---|---|---|---|
| Provisions at 1 January 2024 | 117 | 43 | 55 | 215 |
| Creation | 324 | - | 35 | 359 |
| Use | - | - | - | - |
| Release | (299) | (12) | - | (311) |
| PROVISIONS AT 31 DECEMBER 2024 | 142 | 31 | 90 | 263 |
| Provisions at 1 January 2023 | 36 | 141 | 19 | 196 |
| Creation | 209 | 26 | 36 | 271 |
| Use | - | (6) | - | (6) |
| Release | (128) | (118) | - | (246) |
| PROVISIONS AT 31 DECEMBER 2023 | 117 | 43 | 55 | 215 |

In 2023, the Group released provisions of MCZK 118 due to the termination of the court case by the decision of the Court of Appeal in favour of the Group.

## 33 Other liabilities

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Liabilities from clearing | 390 | 874 |
| Payables to suppliers | 309 | 256 |
| Lease liabilities | 62 | 74 |
| Accrued expenses and deferred income | 120 | 151 |
| Blocked and escrow accounts | 207 | 72 |
| Other liabilities to employees | 34 | 27 |
| Social and health insurance | 10 | 10 |
| Other payables | 368 | 354 |
| TOTAL | 1,500 | 1,818 |

## 34 Lease liabilities

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Lease liabilities | 62 | 74 |
| Current | 31 | 23 |
| Non-current | 31 | 51 |
| Interest on lease liabilities | 4 | 4 |

The Group leases branch and office premises under operating leases.

Variable lease payments depend on the consumer price index set by the Czech Statistical Office, payments are updated annually as at 1 January.

Lease liabilities are recognised under the item “Other liabilities” in the statement of financial position (for details see note 33). Interest on lease liabilities is recognised in the income statement in the line item “Interest and similar income” (for details see note 7).

Maturity analysis – contractual undiscounted cash flows:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Less than one year | 33 | 26 |
| Between one and five years | 33 | 53 |
| More than five years | - | - |
| TOTAL | 66 | 79 |

## 35 Repurchase and reverse repurchase agreements

The Group purchases financial instruments under reverse repurchase agreements. The seller commits to repurchase the same or similar instruments at an agreed future date. Reverse repurchases are entered into as a facility to provide funds to customers.

Assets purchased under reverse repurchase agreements were as follows:

| MCZK | Carrying amounts of receivables | Fair value of assets held as collateral |
|---|---|---|
| **Assets at 31 December 2024:** | | |
| Cash and cash equivalents | 141,551 | 138,999 |
| Financial assets at fair value through profit or loss | 45,495 | 45,212 |
| Loans and advances to banks | - | 751 |
| Loans and advances to customers | 4,395 | 7,063 |
| **Assets at 31 December 2023:** | | |
| Cash and cash equivalents | 159,795 | 156,841 |
| Financial assets at fair value through profit or loss | 77,382 | 75,992 |
| Loans and advances to banks | 178 | 1,428 |
| Loans and advances to customers | 6,633 | 10,674 |

The Group raises funds by selling financial instruments under agreements to repay the funds by repurchasing the instruments at future dates at the same price plus interest at a predetermined rate. Repurchase agreements are commonly used as a tool for short-term financing.

Assets sold under repurchase agreements were as follows:

| MCZK | Carrying amounts of liabilities | Fair value of assets given as collateral |
|---|---|---|
| **Liabilities at 31 December 2024:** | | |
| Deposits from customers | 71,017 | 69,565 |
| Deposits from banks | - | 388 |
| Financial liabilities at fair value through profit or loss | 38,883 | 40,157 |
| **Liabilities at 31 December 2023:** | | |
| Deposits from customers | 119,131 | 116,595 |
| Deposits from banks | 12,223 | 14,162 |
| Financial liabilities at fair value through profit or loss | 76,603 | 77,073 |

# 36 Offsetting financial instruments

Financial assets subject to offsetting and potential offsetting agreements as at 31 December 2024

| mil. Kč | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities offset in the statement of financial position | Net amounts in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments (incl. non-cash collateral) | Cash collateral received | |
| Derivatives held for trading | 4,594 | - | 4,594 | (1,885) | (2,759) | - |
| Reverse repurchase agreements | 192,585 | (1,144) | 191,441 | (188,606) | - | 2,835 |
| TOTAL | **197,179** | **(1,144)** | **196,035** | **(190,491)** | **(2,759)** | **2,835** |

Financial liabilities subject to offsetting and potential offsetting agreements as at 31 December 2024

| mil. Kč | Gross amounts of recognised financial liabilities | Gross amounts of recognised financial assets offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments | Cash collateral provided | |
| Derivatives held for trading | (6,330) | | (6,330) | 4,004 | 5,239 | - |
| Repurchase agreements | (111,044) | 1,144 | (109,900) | 108,448 | - | (1,452) |
| TOTAL | **(117,374)** | **1,144** | **(116,230)** | **112,452** | **5,239** | **(1,452)** |

Financial assets subject to offsetting and potential offsetting agreements as at 31 December 2023

| mil. Kč | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments (incl. non-cash collateral) | Cash collateral received | |
| Derivatives held for trading | 10,588 | - | 10,588 | (8,224) | (4,183) | - |
| Reverse repurchase agreements | 245,259 | (1,271) | 243,988 | (244,935) | - | - |
| TOTAL | 255,847 | (1,271) | 254,576 | (253,159) | (4,183) | - |

Financial liabilities subject to offsetting and potential offsetting agreements as at 31 December 2023

| mil. Kč | Gross amounts of recognised financial liabilities | Gross amounts of recognised financial assets offset in the statement of financial position | Net amounts presented in the statement of financial position | Potential effects of netting agreements not qualifying for balance sheet offsetting | | Net amount after potential offsetting |
|---|---|---|---|---|---|---|
| | | | | Financial instruments | Cash collateral provided | |
| Derivatives held for trading | (8,426) | - | (8,426 | 5,440 | 4,875 | - |
| Repurchase agreements | (209,228) | 1,271 | (207,957) | 207,830 | - | (127) |
| TOTAL | (217,654) | 1,271 | (216,383) | 213,270 | 4,875 | (127) |

The Group uses repurchase agreements and master netting agreements as a means of reducing the credit risk of derivative and financing transactions. They qualify as potential offsetting agreements.

The Group accepts and provides collateral in the form of cash and marketable securities for the following transactions:

— derivatives;
— repurchase agreements, reverse repurchase agreements.

This collateral is subject to standard market conditions, including the ISDA credit support annex. This means that securities accepted/provided as collateral may be pledged or sold during the transaction period, but must be returned upon maturity of the transaction.

Derivative transactions under the ISDA and similar framework agreements do not meet the criteria for compensation in the statement of financial position as, for both counterparties, they create a right to set off recognised amounts that is enforceable only in the event of default, insolvency or bankruptcy of the Group or counterparties or further to other predetermined events. In addition, the Group and its counterparties do not intend to settle on a net basis or settle assets and liabilities simultaneously.

Repurchase agreements are primarily financing transactions. They are structured as a sale and subsequent repurchase of securities at a pre-agreed price and time. This ensures that the securities stay in the hands of the lender as collateral in case the borrower defaults in any obligations. Offsetting effects from repurchase agreements are disclosed in the column Non-cash financial collateral received/pledged. Collateral is presented at the fair value of the transferred securities. However, if the fair value of collateral exceeds the carrying amount of the receivable/liability from the repo transaction, the value is capped at the level of the carrying amount. The remaining position may be secured by cash collateral.

## 37 Issued capital

| | Number of shares | Nominal value CZK | Registered capital MCZK |
|---|---|---|---|
| As at 31 December 2024: | | | |
| | 192,131 | 2,602.5 | 500 |
| | 384,262 | 700.0 | 269 |
| | 576,393 | | 769 |
| As at 31 December 2023: | | | |
| | 192,131 | 2,602.5 | 500 |
| | 384,262 | 700.0 | 269 |
| | 576,393 | | 769 |

Holders of ordinary shares are entitled to declared dividends and have the right to vote at the General Meeting of the Bank in the amount of 26,025 votes, or 7,000 votes per share, respectively. All ordinary shares have the same rights to the Bank's residual assets.

The shareholder structure as at 31 December 2024 and as at 31 December 2023 was as follows:

| Name | Residence | Number of shares | Share MCZK | Share % |
|---|---|---|---|---|
| PPF Financial Holdings a.s. | Czech Republic | 554,711 | 715 | 92.96% |
| Hlavní město Praha | Czech Republic | 19,882 | 52 | 6.73% |
| Other (less than 1%) | | 1,800 | 2 | 0.31% |
| TOTAL | | 576,393 | 769 | 100.00% |

No members of the management, the Board of Directors or the Supervisory Board held any shares of the Bank as at 31 December 2024 or 31 December 2023.

The Bank has not introduced any scheme for the purchase of its own shares or provided any remuneration in the form of options to purchase its shares. All shares of the Bank were fully paid. The share premium amounts to MCZK 412 (31.12.2023: MCZK 412).

## 38 Fair value reserve

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Fair value reserve | 302 | 252 |
| TOTAL | 302 | 252 |

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income and a loss allowance for expected credit losses on debt instruments at fair value through other comprehensive income, until the assets are derecognised.

## 39 Translation reserve

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Translation reserve | 5 | (4) |
| TOTAL | 5 | (4) |

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of PPF Co3 B.V.

## 40 Dividends paid

The following dividends were paid by the Bank in 2024.

| MCZK | 2024 |
|---|---|
| CZK 8,067.75 per registered share with a nominal value of CZK 2,602.5 per share | 1,550 |
| CZK 2,170.00 per registered share with a nominal value of CZK 700 per share | 834 |
| TOTAL | 2,384 |

The following dividends were paid by the Bank in 2023.

| MCZK | 2023 |
|---|---|
| CZK 4,393.02 per registered share with a nominal value of CZK 2,602.5 per share | 844 |
| CZK 1,181.60 per registered share with a nominal value of CZK 700 per share | 454 |
| TOTAL | 1,298 |

## 41 Proposed allocation of net profit for the year

The Group proposes to allocate its profit as follows

| MCZK | Net profit for the year |
|---|---|
| Net profit for the year 2024 | 4,354 |
| Proposed allocation of profit for 2024: | |
| Dividend payout | (2,938) |
| TRANSFER TO RETAINED EARNINGS | (1,416) |

## 42 Off-balance sheet items

### Commitments and contingent liabilities

Guarantees and credit commitments are subject to the same procedures within the standard lending process, in terms of credit risk monitoring and regulation of the Group's credit activity.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Guarantees issued | 2,301 | 1,880 |
| Undrawn credit commitments | 17,048 | 11,210 |
| Irrevocable credit commitments | 5,280 | 4,290 |
| Revocable credit commitments | 11,768 | 6,920 |
| TOTAL | 19,349 | 13,090 |

The total outstanding contractual commitments to extend the credits indicated above do not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

A credit risk analysis and a detailed overview of provisions are disclosed in note 43.1.

### Derivatives

| MCZK | Notional value | | Positive fair value | | Negative fair value | |
|---|---|---|---|---|---|---|
| | 31. 12. 2024 | 31. 12. 2023 | 31. 12. 2024 | 31. 12. 2023 | 31. 12. 2024 | 31. 12. 2023 |
| Derivatives | | | | | | |
| Interest rate swaps | 266,435 | 287,390 | 7,755 | 10,116 | (7,489) | (10,243) |
| Interest rate forwards | 28,750 | 70,310 | 6 | 39 | (2) | (25) |
| Interest rate futures | 710 | 443 | 8 | 1 | (7) | - |
| FX/Cross-currency swap | 228,768 | 177,727 | 1,309 | 2,084 | (1,105) | (1,648) |
| FX forwards | 23,819 | 16,829 | 160 | 304 | (475) | (195) |
| FX options purchase | - | 123 | - | 4 | - | - |
| FX options sale | - | 123 | - | - | - | (4) |
| | | | 9,238 | 12,548 | (9,078) | (12,115) |

### Residual maturity of derivatives

The following table represents expected cash outflows and inflows related to derivatives:

| | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| At 31 December 2024 | | | | | |
| Outflow | | | | | |
| Interest derivatives | (6,273) | (48,210) | (110,574) | (130,964) | (296,021) |
| Currency derivatives | (113,988) | (108,775) | (29,910) | - | (252,673) |
| Inflow | | | | | |
| Interest derivatives | 6,286 | 48,219 | 110,447 | 130,942 | 295,894 |
| Currency derivatives | 113,997 | 108,642 | 29,947 | - | 252,586 |
| NET POSITION | 22 | (124) | (90) | (22) | (214) |
| At 31 December 2023 | | | | | |
| Outflow | | | | | |
| Interest derivatives | (5,863) | (81,125) | (150,157) | (121,205) | (358,350) |
| Currency derivatives | (107,807) | (63,865) | (22,553) | - | (194,225) |
| Inflow | | | | | |
| Interest derivatives | 5,839 | 81,122 | 149,957 | 121,225 | 358,143 |
| Currency derivatives | 108,002 | 64,182 | 22,617 | - | 194,801 |
| NET POSITION | 171 | 314 | (136) | 20 | 369 |

# 43 Fair value disclosures

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy in which each fair value measurement is categorised.

| MCZK | As at 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total fair values | Total carrying amount |
| **Financial assets** | | | | | |
| Cash and cash equivalents | - | 150,537 | - | 150,537 | 150,537 |
| Investment securities at amortised cost | 19,451 | 886 | - | 20,337 | 19,804 |
| Loans and advances to banks | - | 6,238 | 6,813 | 13,051 | 13,014 |
| Loans and advances to customers | - | 105 | 48,218 | 48,323 | 48,132 |
| **Financial liabilities** | | | | | |
| Deposits from banks | - | 3,178 | - | 3,178 | 3,178 |
| Deposits from customers | - | 265,467 | - | 265,467 | 265,651 |
| Debt securities issued | - | 1,362 | - | 1,362 | 1,350 |

| MCZK | As at 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total fair values | Total carrying amount |
| **Financial assets** | | | | | |
| Cash and cash equivalents | - | 166,137 | - | 166,137 | 166,137 |
| Investment securities at amortised cost | 19,655 | 409 | - | 20,064 | 19,333 |
| Loans and advances to banks | - | 4,448 | 7,597 | 12,045 | 12,028 |
| Loans and advances to customers | - | 277 | 52,564 | 52,674 | 52,464 |
| **Financial liabilities** | | | | | |
| Deposits from banks | - | 15,948 | - | 15,948 | 15,948 |
| Deposits from customers | - | 240,937 | - | 240,937 | 241,100 |
| Debt securities issued | - | 4,441 | - | 4,441 | 4,436 |

The major methods and assumptions used in estimating the fair values of financial instruments shown in the table are summarised below.

Where available, the fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input in the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads. For collateral-dependent impaired loans, the fair value is measured based on the value of the underlying collateral. To improve the accuracy of the valuation estimate for retail and smaller commercial loans, homogeneous loans are grouped into portfolios with similar characteristics such as vintage, LTV ratios, product and borrower type, prepayment and delinquency rates, and default probability.

### Cash and cash equivalents

For cash and cash equivalents the carrying value is deemed to be equal to the fair value.

### Loans and advances to banks

Loans to banks are net of loss allowances. The estimated fair value of loans to banks represents the discounted amount of the estimated future cash flows expected to be received. The expected cash flows are discounted at current market rates to determine the fair value. Other loans and advances with banks will mature in less than twelve months and their fair value has therefore been deemed to be equal to their carrying value.

### Loans and advances to customers

Loans and advances are net of loss allowances. The estimated fair value of loans and advances represents the discounted amount of the estimated future cash flows expected to be received. The expected cash flows are discounted at current market rates to determine the fair value. For loans and advances that will mature or be renewed within twelve months, the fair value was deemed to be equal to the carrying value.

### Deposits from banks

Deposits from banks will mature in less than twelve months and their fair value has therefore been deemed to be equal to their carrying value.

### Deposits from customers

The estimated fair value of deposits is the discounted amount of estimated future cash flows. Expected cash flows are discounted at current market rates to determine their fair value.

### Debt securities issued

For issued debt securities, the fair value is calculated based on market inputs.

The following table analyses financial assets and liabilities recognised at fair value based on the quality of entry data used for valuation. The fair value levels are defined in note 3.3:

| MCZK | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Securities held for trading or mandatorily measured at FVTPL | 9,362 | 1,013 | 121 | 10,496 |
| Reverse repo operations | - | 45,495 | - | 45,495 |
| Derivatives held for trading | 8 | 9,230 | - | 9,238 |
| Financial assets at fair value through other comprehensive income | 30,369 | 22,170 | 1,242 | 53,781 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Securities held for trading | 7,863 | - | - | 7,863 |
| Repo operations | - | 38,883 | - | 38,883 |
| Derivatives held for trading | 7 | 9,071 | - | 9,078 |

| MCZK | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Securities held for trading | 15,711 | - | - | 15,711 |
| Reverse repo operations | - | 77,383 | - | 77,383 |
| Derivatives held for trading | - | 12,548 | - | 12,548 |
| Financial assets at fair value through other comprehensive income | 25,639 | 3,127 | 244 | 29,010 |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Securities held for trading | 11,553 | - | - | 11,553 |
| Reverse repo operations | - | 76,603 | - | 76,603 |
| Derivatives held for trading | - | 12,115 | - | 12,115 |

The following table states the transfers of financial assets recognised at fair value between Level 1 and Level 2:

| MCZK | 2024 | 2023 |
|---|---|---|
| Financial assets at fair value through profit or loss | | |
| Corporate bonds | 60 | - |
| Financial assets at fair value through other comprehensive income | | |
| Corporate bonds | 240 | - |

The above financial assets were transferred from Level 1 to Level 2 as they ceased to be actively traded during the year and fair values were consequently obtained using valuation techniques using observable market inputs. There were no financial liabilities measured at fair value that were transferred from Level 1 to Level 2 in 2024 or 2023. Furthermore, the Group did not have any financial derivatives that were transferred from Level 1 to Level 2. There were no transfers of financial assets or liabilities measured at fair value from Level 2 to Level 1 in 2024 and 2023.

The following table states the transfers of financial assets recognised at fair value to and from Level 3:

| MCZK | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Total |
|---|---|---|---|
| Balance as at 1 January 2024 | - | 244 | 244 |
| Profit and loss from revaluation | - | - | - |
| In profit or loss | - | - | - |
| In other comprehensive income | - | 24 | 24 |
| Purchases | - | 944 | 944 |
| Sales | - | - | - |
| Transfers into Level 3 | - | 30 | 30 |
| Transfers out of Level 3 | - | - | - |
| Transfers between portfolios | - | - | - |
| BALANCE AS AT 31 DECEMBER 2024 | - | 1,242 | 1,242 |
| Balance as at 1 January 2023 | 11 | 124 | 135 |
| Profit and loss from revaluation | - | - | - |
| In profit or loss | (11) | - | (11) |
| In other comprehensive income | - | 22 | 22 |
| Purchases | - | - | - |
| Sales | - | (124) | (124) |
| Transfers into Level 3 | - | 222 | 222 |
| Transfers out of Level 3 | - | - | - |
| Transfers between portfolios | - | - | - |
| BALANCE AS AT 31 DECEMBER 2023 | - | 244 | 244 |

In 2024, there was a transfer of a bond within financial assets at fair value through other comprehensive income in the amount of MCZK 30 from Level 2 into Level 3 due to the non-existence of market for the bond. Furthermore, the Group purchased one bond in the amount of MCZK 944 and due to the non-existence of a market for this bond, it was classified as Level 3.

In 2023, there was a transfer of equity instruments within financial assets at fair value through other comprehensive income in the amount of MCZK 222 into Level 3 due to the non-existence of markets for these instruments.

# 44 Risk management disclosure

This section provides details of the Group's exposure to risk and describes the methods used by the management to control risk. The most important types of financial risk to which the Group is exposed are:

— credit risk;
— liquidity risk;
— market risk;
— operational risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

## 44.1 Credit risk

### Credit risk management

The Group is exposed to credit risks in relation to its business activities. Credit risks are managed at the individual business case, client and entire portfolio level. The Credit Risk Management Department, part of the Risk Management Division, is primarily responsible for the management of credit risks. The Credit Risk Management Department is independent of the Sales Division in terms of organisation and reports directly to the member of the Board of Directors in charge of the Risk Management Division.

The Groups's risk management strategy, risk appetite and other internal standards define the general principles, objectives and methods of its credit risk management. In its internal norms, the Group also defines competences for the approval of credit exposures and for the Credit Committee.

### Managing credit risk at individual business case or client level

At the individual business case or client level, credit risk is managed by assessing and evaluating such risk through credit analysis and the determination of a client's creditworthiness. To assess a client's risk and credit status, the Group applies a comprehensive set of tools, models and methods, which make up the Group's rating scheme. When determining the rating of individual clients, the Group assesses financial and non-financial aspects, as well as its economic position. An entity's rating is defined as its ability and will to meet its short-term and long-term liabilities.

The aim of the analysis is to prevent any losses the Group may incur as a result of the client's failure. In practice, this means estimating the risk arising from the ability to meet short-term and long-term liabilities and assessing the long-term financial stability of the client.

When determining a rating, the Group also specifies the likelihood of a client's default and what the expected loss relating to the Group's potential engagement in respect to the client may be.

An internal rating is assigned to each client constituting a credit risk to the Group, i.e. representing an exposure in both the investment and the trading portfolios. The exposures evaluated include both balance sheet and off-balance sheet exposures. The internal rating system comprises 15 ratings (A1–A4, B1–B6, C1–C4, D). Clients with default receivables must always be assigned a D rating. The Group has plotted this internal scale to reflect the rating scales of prominent external rating agencies. Below is a table showing the indicative pairing of the risk level with external ratings.

| | Internal rating | External rating |
|---|---|---|
| Very low risk | A1 | AAA – AA |
| Low to fair risk | A1 – A3 | A – BBB |
| Medium risk | A4 – B5 | BB – B |
| High risk | B6 – C4 | CCC |
| Default | D | CC and lower |

### Credit risk management at the entire portfolio level

This credit risk management level primarily comprises credit portfolio reporting, including analyses and monitoring of trends in individual credit portfolios. The Group closely monitors its overall credit risk exposure and thus considers all its balance sheet and off-balance sheet exposures. The Group regularly monitors its credit exposure in individual industries, segments, countries and economically connected groups of debtors. The Group regularly measures the credit portfolio concentration risk and, where necessary, sets concentration limits for individual segments, countries and economically connected groups of debtors.

### Credit risk management of the consumer loan portfolio

As for consumer loans, credit risk is managed by setting qualitative and quantitative criteria that receivables must meet upon purchase for the portfolio. The criteria used in particular include qualitative criteria applied to the debtor (the debtor is not in insolvency, meets all qualitative criteria of the original creditor, number of instalments paid, maximum number of days past due, interest calculation method, minimum applicable interest rate, number of remaining instalments or maximum concentration per debtor). Subsequently, the migration of the receivables portfolio between the delinquency bands is regularly monitored. Findings regarding credit risk developments may be taken into account when adjusting the criteria for further purchases.

### Classification of receivables, assessment of impairment losses

The Group classifies receivables into the following categories:

— performing receivables (without the default of the debtor);
— non-performing receivables (debtor in default).

The Group assesses the impairment loss on performing receivables at an amount equal to the 12-month expected credit losses (stage 1 under IFRS9) or to the lifetime expected credit losses (stage 2 under IFRS9).

The Group assesses the impairment loss on non-performing receivables at an amount equal to the lifetime expected credit losses (stage 3 under IFRS). To determine the impairment loss, the Group applies the method of discounting estimated future cash flows. The loss is determined as the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial asset. The original effective interest rate is the effective interest rate ascertained upon the establishment of the receivable or on the last date the modification of the contractual cash flow or interest income was made. The Group writes off a receivable when it does not expect any cash inflows from the receivable or from received collateral related to such a receivable.

Loans in the PPF Co3 B.V. portfolio of consumer loans provided in Hungary are written off by the Group when any amount of the receivable is more than 360 days past due.

The Group partially writes off loans in the PPF Co3 B.V. portfolio of consumer loans provided in Bulgaria, at the amount of the expected credit loss, when any amount of a receivable is more than 360 days past due. The Group writes off loans in this portfolio completely when they are more than 1,080 days past due.

PPF Co3 B.V. is not the original provider of the consumer loans. Either the consumer loans were purchased from the original provider or PPF Co3 B.V. participates in the consumer loans via investment certificates issued by the original provider.

Set out below is an analysis of the gross and net (of loss allowances for impairment) carrying amounts of financial assets as at year end. The amounts represent the Group's maximum exposure to credit risk.

The tables analysing changes in loss allowance/provision in the respective categories present the development of loss allowance/provision during the year. These were affected by various factors during the year, such as:

— a change in the stage of a financial asset (see below – an increase or decrease in a loss allowance/provision within the scope of a transfer, as reported in the values of a loss allowance/provision corresponding to the appropriate stage);
— the emergence of new assets (i.e. the recognition of a new loss allowance/provision reported at the stage under which a financial asset was classified at the end of the accounting period);
— the derecognition or write-off of financial assets (i.e. the derecognition of the corresponding loss allowance/provision);
— a change in the PD/EAD/LGD of individual financial assets (i.e. an increase or decrease in the loss allowance/provision);
— a change in the calculation methodology,
— a modification of the cash flows of financial assets,
— or a change in the exchange rates of financial assets (and loss allowance/provision) in foreign currencies during the year.

The Group did not recognise any financial asset in 2024 or 2023 that has been modified since initial recognition and transferred from stage 2 or 3 (the loss allowance measured at an amount equal to lifetime expected credit losses) to stage 1 (the loss allowance measured at an amount equal to 12-month expected credit losses).

In 2024 and 2023, the Group accounted for modifications; the profit (loss) from the modification was immaterial, both individually and on aggregate.

### Financial assets at fair value through other comprehensive income (excluding equity instruments designated at fair value through other comprehensive income)

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Fair value amount | Gross carrying amount | Loss allowance | Fair value amount |
| Debt instruments | 53,544 | (352) | 53,513 | 28,484 | (195) | 28,766 |
| **TOTAL** | **53,544** | **(352)** | **53,513** | 28,484 | (195) | 28,766 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 40,820 | - | - | - | 40,820 |
| Low to fair risk | 3,100 | - | - | - | 3,100 |
| Medium risk | 8,573 | 723 | - | - | 9,296 |
| High risk | 51 | - | - | - | 51 |
| Default | - | - | 277 | - | 277 |
| GROSS CARRYING AMOUNT | **52,544** | **723** | **277** | - | **53,544** |
| Loss allowance | (86) | (18) | (248) | - | (352) |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 19,604 | - | - | - | 19,604 |
| Low to fair risk | 2,275 | - | - | - | 2,275 |
| Medium risk | 5,050 | 1,360 | - | - | 6,410 |
| High risk | 30 | 165 | - | - | 195 |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 26,959 | 1,525 | - | - | 28,484 |
| Loss allowance | (46) | (149) | - | - | (195) |

The loss allowance for the expected credit loss on debt instruments at fair value through other comprehensive income is presented in the equity line item “Fair value reserve”.

In the year-over-year comparison, the gross value of assets increased by MCZK 25,060, though this was mainly due to the purchase of Czech government bonds with insignificant effect on the amount of loss allowances. However, a bond in the gross amount of MCZK 277 was transferred from stage 2 to stage 3, which led to the additional creation of loss allowances in the amount of MCZK 139 in 2024.

In 2023, significant changes in the gross carrying amount that contributed to changes in the loss allowances were the repayment and sale of corporate bonds bearing the risk of the Russian Federation in the gross amounts of MCZK 231 and MCZK 763, respectively, which led to decrease in the loss allowances by MCZK 229 and MCZK 632, respectively (see the analyses below).

Set out below is an analysis of changes in loss allowances by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 46 | 149 | - | - | 195 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | 7 | (13) | - | - | (6) |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | (109) | 248 | - | 139 |
| New financial assets originated or purchased | 38 | - | - | - | 38 |
| Changes in PD/LGD/EADs, unwind of discount | (3) | (5) | (3) | - | (11) |
| Derecognition of financial asset | (5) | (6) | - | - | (11) |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 3 | 2 | 3 | - | 8 |
| **NET CHANGE IN 2024** | **40** | **(131)** | **248** | **-** | **157** |
| Loss allowance as at 31. 12. 2024 | 86 | 18 | 248 | - | 352 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 45 | 892 | - | - | 937 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | (13) | 131 | - | - | 118 |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 13 | 4 | - | - | 17 |
| Changes in PD/LGD/EADs, unwind of discount | 4 | 3 | - | - | 7 |
| Derecognition of financial asset | (3) | (229) | - | - | (232) |
| Sale of financial assets | - | (632) | - | - | (632) |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | (20) | - | - | (20) |
| **NET CHANGE IN 2023** | 1 | (743) | - | - | (742) |
| Loss allowance as at 31. 12. 2023 | 46 | 149 | - | - | 195 |

### Investment securities at amortised cost

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Net carrying amount | Gross carrying amount | Loss allowance | Net carrying amount |
| Debt instruments | 19,808 | (4) | 19,804 | 19,334 | (1) | 19,333 |
| TOTAL | 19,808 | (4) | 19,804 | 19,334 | (1) | 19,333 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 18,931 | - | - | - | 18,931 |
| Low to fair risk | 150 | - | - | - | 150 |
| Medium risk | 727 | - | - | - | 727 |
| High risk | - | - | - | - | - |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 19,808 | - | - | - | 19,808 |
| Loss allowance | (4) | - | - | - | (4) |
| NET CARRYING AMOUNT | 19,804 | - | - | - | 19,804 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 18,930 | - | - | - | 18,930 |
| Low to fair risk | 251 | - | - | - | 251 |
| Medium risk | 153 | - | - | - | 153 |
| High risk | - | - | - | - | - |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 19,334 | - | - | - | 19,334 |
| Loss allowance | (1) | - | - | - | (1) |
| NET CARRYING AMOUNT | 19,333 | - | - | - | 19,333 |

In 2024, compared to 2023, there were no significant changes in either the gross amount of assets or the amount of loss allowances.

### Cash and cash equivalents (excl. cash on hand) and loans and advances to banks

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Net carrying amount | Gross carrying amount | Loss allowance | Net carrying amount |
| Nostro account balances | 1,143 | - | 1,143 | 947 | - | 947 |
| Balances with the central bank | 7,790 | - | 7,790 | 5,332 | - | 5,332 |
| Reverse repo with the central bank | 141,551 | - | 141,551 | 159,795 | - | 159,795 |
| Loans and advances to banks | 13,062 | (48) | 13,014 | 12,070 | (42) | 12,028 |
| TOTAL | 163,546 | (48) | 163,498 | 178,144 | (42) | 178,102 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 147,198 | - | - | - | 147,198 |
| Low to fair risk | 6,757 | - | - | - | 6,757 |
| Medium risk | 9,359 | 227 | - | - | 9,586 |
| High risk | - | 5 | - | - | 5 |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 163,314 | 232 | - | - | 163,546 |
| Loss allowance | (48) | - | - | - | (48) |
| NET CARRYING AMOUNT | 163,266 | 232 | - | - | 163,498 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | 163,634 | - | - | - | 163,634 |
| Low to fair risk | 5,686 | - | - | - | 5,686 |
| Medium risk | 8,575 | 242 | - | - | 8,817 |
| High risk | - | 7 | - | - | 7 |
| Default | - | - | - | - | - |
| GROSS CARRYING AMOUNT | 177,895 | 249 | - | - | 178,144 |
| Loss allowance | (42) | - | - | - | (42) |
| NET CARRYING AMOUNT | 177,853 | 249 | - | - | 178,102 |

The Group did not report any accrued interest to individually credit-impaired loans and advances to banks as at 31 December 2024 and 2023.

In the year-over-year comparison, the gross value of assets decreased by MCZK 14,755, mainly due to the decrease in the item Reverse repo with the central banks but with zero effect on the amount of loss allowances. Slight increase in loss allowances relates to the Slight increase in the total balance of Loans and advances to banks.

In 2023, the most significant change was the gradual increase in loss allowances (by MCZK 232) up to 100% of the gross carrying amount and a subsequent decrease (by MCZK 186, the remaining decrease by MCZK 46 was due to the devaluation of the RUB) due to the write-off of a receivable frozen on a special type of account at a Russian bank, which was subject to Russian counter-sanctions (see the analyses below).

Set out below is an analysis of changes in loss allowances by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 42 | - | - | - | 42 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 3 | - | - | - | 3 |
| Changes in PD/LGD/EADs, unwind of discount | 3 | - | - | - | 6 |
| Derecognition of financial asset | - | - | - | - | - |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | - | - | - | - |
| **NET CHANGE IN 2024** | **6** | **-** | **-** | **-** | **6** |
| Loss allowance as at 31. 12. 2024 | 48 | - | - | - | 48 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 8 | 5 | 73 | - | 86 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 42 | - | - | - | 42 |
| Changes in PD/LGD/EADs, unwind of discount | - | 232 | 35 | - | 267 |
| Derecognition of financial asset | (8) | (5) | - | - | (13) |
| Sale of financial assets | - | - | (77) | - | (77) |
| Write-offs | - | (186) | - | - | (186) |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | (46) | (31) | - | (77) |
| **NET CHANGE IN 2023** | **34** | **(5)** | **(73)** | **-** | **(44)** |
| Loss allowance as at 31. 12. 2023 | 42 | - | - | - | 42 |

### Loans and advances to customers

| MCZK | 31. 12. 2024 | | | 31. 12. 2023 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Loss allowance | Net carrying amount | Gross carrying amount | Loss allowance | Net carrying amount |
| Loans and advances to customers | 49,579 | (1,447) | 48,132 | 53,726 | (1,262) | 52,464 |
| TOTAL | **49,579** | **(1,447)** | **48,132** | 53,726 | (1,262) | 52,464 |

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Individual | | | | | |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 1,744 | - | - | - | 1,744 |
| Medium risk | 29,756 | 4,021 | - | - | 33,777 |
| High risk | 9,761 | 1,040 | - | - | 10,801 |
| Default | - | - | 477 | - | 477 |
| Portfolio | | | | | |
| Consumer loans | 2,718 | 23 | 39 | | 2,780 |
| GROSS CARRYING AMOUNT | **43,979** | **5,084** | **516** | **-** | **49,579** |
| Loss allowance | (835) | (300) | (312) | - | (1,447) |
| NET CARRYING AMOUNT | **43,144** | **4,784** | **204** | **-** | **48,132** |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Individual | | | | | |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 2,584 | - | - | - | 2,584 |
| Medium risk | 35,729 | 4,312 | - | - | 40,041 |
| High risk | 8,626 | 274 | - | - | 8,900 |
| Default | - | - | 305 | - | 305 |
| Portfolio | | | | | |
| Consumer loans | 1,838 | 22 | 36 | - | 1,896 |
| GROSS CARRYING AMOUNT | 48,777 | 4,608 | 341 | - | 53,726 |
| Loss allowance | (906) | (101) | (255) | - | (1,262) |
| NET CARRYING AMOUNT | 47,871 | 4,507 | 86 | - | 52,464 |

In 2024, there was a year-over-year decrease in the gross carrying amount of loans and advances, while the amount of loss allowances increased. One of the reasons for this development is that the Group has newly identified a specific risk related to the commercial real estate segment, which was covered by an increase in allowances in the amount of MCZK 100 in the form of management overlay. Secondly, there were several transfers between stages with significant effects on the individual loss allowances. Specifically, the loans and advances in the gross amount of MCZK 3,730 were transferred from stage 1 to stage 2 (most of the existing loans in stage 2 as at 31.12.2023 were repaid in 2024), and MCZK 193 from stage 2 to stage 3, which led to the additional creation of individual loss allowances in the amount of MCZK 195 and MCZK 36, respectively.

In 2023, the increase in the loss allowances for loans and advances to customers was mainly caused by the growth of the gross carrying amount of the loan portfolio itself by MCZK 7,957 (of which: increase by MCZK 8,508 in stage 1, and a slight decrease by MCZK 400 in stage 2 and MCZK 151 in stage 3) and also due to the gradual lowering of GDP growth estimates by all major agencies which also led to the higher creation of loss allowances.

Set out below is an analysis of changes in loss allowances by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 906 | 101 | 255 | - | 1,262 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | 2 | - | - | - | 2 |
| Transfer to stage 2 | (67) | 263 | - | - | 196 |
| Transfer to stage 3 | (1) | (51) | 95 | - | 43 |
| New financial assets originated or purchased | 525 | 9 | 27 | - | 561 |
| Changes in PD/LGD/EADs, unwind of discount | (392) | 20 | (7) | - | (379) |
| Derecognition of financial asset | (155) | (44) | (2) | - | (201) |
| Sale of financial assets | - | - | - | - | - |
| Write-offs | - | - | (58) | - | (58) |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 17 | 2 | 2 | - | 21 |
| NET CHANGE IN 2024 | (71) | 199 | 57 | - | 185 |
| Loss allowance as at 31. 12. 2024 | 835 | 300 | 312 | - | 1,447 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 661 | 135 | 238 | - | 1,034 |
| Transfers between stages: | | | | | |
| Transfer to stage 1 | 10 | (6) | - | - | 4 |
| Transfer to stage 2 | (2) | 6 | - | - | 4 |
| Transfer to stage 3 | (3) | (3) | 35 | - | 29 |
| New financial assets originated or purchased | 756 | 7 | - | - | 763 |
| Changes in PD/LGD/EADs, unwind of discount | (421) | (12) | 19 | - | (414) |
| Derecognition of financial asset | (118) | (27) | (6) | - | (151) |
| Sale of financial assets | - | - | (5) | - | (5) |
| Write-offs | - | - | (28) | - | (28) |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 23 | 1 | 2 | - | 26 |
| NET CHANGE IN 2023 | 245 | (34) | 17 | - | 228 |
| Loss allowance as at 31. 12. 2023 | 906 | 101 | 255 | - | 1,262 |

Interest accrued to credit-impaired loans and advances to customers was reported in the amount of MCZK 60 as at 31 December 2024 (31.12.2023: MCZK 58).

Financial assets that are written off but still subject to enforcement activities amounted to MCZK 598 as at December 2024 (31.12.2023: MCZK 580).

### Analysis of Loans and advances to customers by days past due – individual

| MCZK | 2024 | 2023 |
|---|---|---|
| Gross | 46,799 | 51,830 |
| Performing | 46,322 | 51,525 |
| Due | 46,318 | 51,030 |
| 1-30 days past due | 4 | 495 |
| 31-90 days past due | - | - |
| 91-360 days past due | - | - |
| More than 360 days past due | - | - |
| Non-performing | 477 | 305 |
| Loss allowance | (1,345) | (1,147) |
| TOTAL | **45,454** | 50,683 |

### Analysis of Loans and advances to customers by days past due – portfolio

| MCZK | 2024 | 2023 |
|---|---|---|
| Gross | 2,780 | 1,896 |
| Due | 2,488 | 1,600 |
| 1-30 days past due | 230 | 238 |
| 31-90 days past due | 23 | 22 |
| 91-360 days past due | 37 | 34 |
| More than 360 days past due | 2 | 2 |
| Loss allowance | (102) | (115) |
| TOTAL | **2,678** | 1,781 |

### Loan commitments

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 1,426 | - | - | - | 1,426 |
| Medium risk | 5,289 | 5,753 | - | - | 11,042 |
| High risk | 4,498 | 13 | - | - | 4,511 |
| Default | - | - | 69 | - | 69 |
| GROSS AMOUNT | **11,213** | **5,766** | **69** | **-** | **17,048** |
| Loss allowance | (49) | (6) | (49) | - | (104) |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 1,731 | - | - | - | 1,731 |
| Medium risk | 3,613 | 4,309 | - | - | 7,922 |
| High risk | 1,470 | 87 | - | - | 1,557 |
| Default | - | - | - | - | - |
| GROSS AMOUNT | 6,814 | 4,396 | - | - | 11,210 |
| Loss allowance | (47) | (43) | - | - | (90) |

### Financial guarantees, letters of credit

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | 310 | - | - | - | 310 |
| Medium risk | 1,609 | 83 | - | - | 1,692 |
| High risk | - | 150 | - | - | 150 |
| Default | - | - | 149 | - | 149 |
| GROSS AMOUNT | **1,919** | **233** | **149** | **-** | **2,301** |
| Loss allowance | (7) | (5) | (26) | - | (38) |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Very low risk | - | - | - | - | - |
| Low to fair risk | - | - | - | - | - |
| Medium risk | 1,357 | 87 | - | - | 1,444 |
| High risk | 30 | 406 | - | - | 436 |
| Default | - | - | - | - | - |
| GROSS AMOUNT | 1,387 | 493 | - | - | 1,880 |
| Loss allowance | (4) | (23) | - | - | (27) |

The slight year-over-year increase in provisions by MCZK 25 was mainly caused by the growth of the loan commitments and financial guarantees portfolio itself by MCZK 5,910. In 2024, a client with total off-balance sheet exposure in the amount of MCZK 218 was transferred from stage 2 to stage 3 with provision in the amount of MCZK 75 as at 31.12.2024, however the impact on the amount of provisions was only MCZK 12 due to created prudently provisions already in 2023.

Set out below is an analysis of changes in provisions to loan commitments, financial guarantees and letters of credit by relevant categories:

| MCZK | 31. 12. 2024 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2024 | 51 | 66 | - | - | 117 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | (1) | 4 | - | - | 3 |
| Transfer to stage 3 | - | (47) | 38 | - | (9) |
| New financial assets originated or purchased | 91 | 2 | 2 | - | 95 |
| Changes in PD/LGD/EADs, unwind of discount | (75) | 3 | 34 | - | (38) |
| Derecognition of financial asset | (10) | (17) | - | - | (27) |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | - | - | 1 | - | 1 |
| NET CHANGE IN 2024 | 5 | (55) | 75 | - | 25 |
| Loss allowance as at 31. 12. 2024 | 56 | 11 | 75 | - | 142 |

| MCZK | 31. 12. 2023 | | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Loss allowance as at 1.1.2023 | 35 | 1 | - | - | 36 |
| Transfers between stages: | - | - | - | - | - |
| Transfer to stage 1 | - | - | - | - | - |
| Transfer to stage 2 | - | 1 | - | - | 1 |
| Transfer to stage 3 | - | - | - | - | - |
| New financial assets originated or purchased | 91 | 2 | - | - | 93 |
| Changes in PD/LGD/EADs, unwind of discount | (67) | 62 | - | - | (5) |
| Derecognition of financial asset | (9) | - | - | - | (9) |
| Write-offs | - | - | - | - | - |
| Changes to methodologies | - | - | - | - | - |
| Modification of contractual cash flows of financial assets | - | - | - | - | - |
| FX differences and other changes | 1 | - | - | - | 1 |
| NET CHANGE IN 2023 | 16 | 65 | - | - | 81 |
| Loss allowance as at 31. 12. 2023 | 51 | 66 | - | - | 117 |

### Other assets – Past due, but not impaired

As at 31 December 2024, the Group reported MCZK 0 of other assets as “Past due, but not impaired” (31.12.2023: MCZK: 0).

### Sensitivity analysis of loss allowance by relevant categories – individual

The sensitivity analyses of loss allowance/provision in the relevant categories in the following scenarios are presented below:

— change (increase/decrease) in the probability of default by 10%;
— change (improvement/deterioration) in credit rating by one notch according to the Group’s internal scale;
— change (increase/decrease) in the expected development of GDP by 3 percentage points.

Set out below is the analysis of changes in loss allowance/provision which would occur in the event of an increase in PD by 10%:

| 2024<br>MCZK | Loss allowance/ provision | Increase in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 352 | 362 | 10 | 3% |
| Investment securities at amortised cost | 4 | 5 | 0 | 10% |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 48 | 53 | 5 | 10% |
| Loans and advances to customers | 1,345 | 1,419 | 75 | 6% |
| Loan commitments, financial guarantees and letters of credit | 142 | 148 | 6 | 4% |

| 2023<br>MCZK | Loss allowance/ provision | Increase in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 195 | 203 | 8 | 4% |
| Investment securities at amortised cost | 1 | 1 | 0 | 10% |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 42 | 47 | 4 | 10% |
| Loans and advances to customers | 1,147 | 1,207 | 60 | 5% |
| Loan commitments, financial guarantees and letters of credit | 117 | 122 | 5 | 4% |

Set out below is the analysis of changes in loss allowance/provision which would occur in the event of a decrease in PD by 10%:

| 2024<br>MCZK | Loss allowance/ provision | Decrease in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 352 | 341 | (10) | (3%) |
| Investment securities at amortised cost | 4 | 4 | 0 | (10%) |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 48 | 43 | (5) | (10%) |
| Loans and advances to customers | 1,345 | 1,269 | (75) | (6%) |
| Loan commitments, financial guarantees and letters of credit | 142 | 135 | (6) | (4%) |

| 2023<br>MCZK | Loss allowance/ provision | Decrease in PD by 10% | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Financial assets at fair value through other comprehensive income (excluding equity instruments) | 195 | 187 | (8) | (4%) |
| Investment securities at amortised cost | 1 | 1 | 0 | (10%) |
| Cash and cash equivalents (excl. cash on hand) and loans and advances to banks | 42 | 38 | (4) | (10%) |
| Loans and advances to customers | 1,147 | 1,087 | (60) | (5%) |
| Loan commitments, financial guarantees and letters of credit | 117 | 113 | (5) | (4%) |

For loans and advances to customers, loan commitments, financial guarantees and letters of credit, the Group also discloses an analysis of the sensitivity of a loss allowance/provision to changes in credit rating.

| 2024<br>MCZK | Loss allowance/ provision | Improvement of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,345 | 1,128 | (216) | (16%) |
| Loan commitments, financial guarantees and letters of credit | 142 | 124 | (18) | (13%) |

| 2023<br>MCZK | Loss allowance/ provision | Improvement of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,147 | 969 | (178) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 117 | 104 | (14) | (12%) |

| 2024<br>MCZK | Loss allowance/ provision | Deterioration of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,345 | 1,699 | 355 | 26% |
| Loan commitments, financial guarantees and letters of credit | 142 | 154 | 12 | 9% |

| 2023<br>MCZK | Loss allowance/ provision | Deterioration of rating by 1 notch on internal rating scale | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,147 | 1,381 | 234 | 20% |
| Loan commitments, financial guarantees and letters of credit | 117 | 138 | 21 | 18% |

For loans and advances to customers, loan commitments, financial guarantees and letters of credit, the Group also discloses an analysis of the sensitivity of a loss allowance/provision to changes in forward-looking information, specifically to the change in the expected development of GDP.

| 2024<br>MCZK | Loss allowance/ provision | Increase in GDP by 3 p.p. compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,345 | 1,140 | (204) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 142 | 125 | (16) | (11%) |

| 2023<br>MCZK | Loss allowance/ provision | Increase in GDP by 3 p.p. compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,147 | 971 | (176) | (15%) |
| Loan commitments, financial guarantees and letters of credit | 117 | 105 | (12) | (10%) |

| 2024<br>MCZK | Loss allowance/ provision | Decrease in GDP by 3 p.p. compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,345 | 1,652 | 308 | 23% |
| Loan commitments, financial guarantees and letters of credit | 142 | 167 | 25 | 18% |

| 2023<br>MCZK | Loss allowance/ provision | Decrease in GDP by 3 p.p. compared to baseline scenario | | |
|---|---|---|---|---|
| | | Loss allowance/ provision | Absolute difference | Relative difference |
| Loans and advances to customers | 1,147 | 1,430 | 283 | 25% |
| Loan commitments, financial guarantees and letters of credit | 117 | 139 | 22 | 19% |

### Sensitivity analysis of loss allowance by relevant categories – portfolio

The consumer loans portfolio is subject to estimation uncertainty as identification on an individual contract level is not practical due to the large quantity of such exposures. The Group has estimated the impairment on loans to customers in accordance with the accounting policy described in note 5. Changes in collection estimates could significantly affect the impairment losses recognised. The Group creates collective impairment losses based on the probability of default ("PD") and loss given default ("LGD"). A change in the LGD parameter by +/- 10%, would result in a change in the allowance for impairment as at 31 December 2024 by +/- MCZK 10 (2023: +/- MCZK 12). A change in the PD parameter by +/- 10%, would result in a change in the allowance for impairment as at 31 December 2024 by +/- MCZK 10 (2023: +/- MCZK 12).

### Evaluation of collateral

The Group generally requires collateral before providing loans to certain debtors. However, the Group does not usually require collateral for consumer loans. To reduce gross credit exposure, the Group considers the following to be acceptable types of collateral:

— guarantee;
— pledge on the pledgor's bank account;
— mortgage on an immovable;
— pledge on receivables arising from supplier-customer relations;
— pledge on securities and ownership interest in a corporation;
— pledge on trademarks and other industrial property concepts;
— pledge on an establishment;
— pledge on movables.

The net realisable value of the collateral assessed by the Group is usually based on an opinion prepared by an expert acceptable to the Group. The net realisable value of the collateral is determined using this value and a coefficient reflecting the Group's ability to realise the collateral when necessary, including the time factor of the realisation.

The following table shows gross carrying amounts of loans and advances to customers, loan commitments, financial guarantees and letters of credit, split according to type of collateral:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Guarantees | 1,122 | 1,132 |
| Property | 12,746 | 10,603 |
| Cash collateral | 714 | 549 |
| Other collateral | 10,510 | 14,598 |
| Unsecured | 43,836 | 39,934 |
| TOTAL | 68,928 | 66,816 |

The following table shows gross carrying amounts of loans and advances to customers, loan commitments, financial guarantees and letters of credit classified as non-performing by type of collateral:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Guarantees | 7 | - |
| Property | 104 | 81 |
| Cash collateral | 2 | - |
| Other collateral | 100 | - |
| Unsecured | 521 | 260 |
| TOTAL | 734 | 341 |

The “Unsecured” category also includes loans and advances to customers, loan commitments, financial guarantees and letters of credit that are secured by collateral, but the Group assigns zero accounting value to the collateral.

### Loans with renegotiated terms and the Group’s forbearance policy

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to the current or potential credit deterioration of the customer. An existing loan whose terms have been significantly modified may be derecognised and the renegotiated loan recognised as a new loan at fair value.

Exposures with forbearance are exposures where the debtor is considered unable to comply with the contract due to financial difficulties and the Group has decided to grant a concession to a debtor. A forbearance measure can be either a modification of terms and conditions or the refinancing of the contract. The modification of terms includes payment schedule changes (deferrals or reductions of regular payments, extended maturities, etc.), interest rate reductions or penalty interest waivers.

The Group renegotiates loans to customers in financial difficulties (referred to as “forbearance activities”) to maximise collection opportunities and minimise the risk of default. Loan forbearance is granted on a selective basis if the debtor is currently in default on debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The following table shows loans and advances to customers with forbearance:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Performing | 47,928 | 52,378 |
| Of which: | | |
| Loans and advances to customers with forbearance: | - | - |
| Non-performing | 204 | 86 |
| Of which: | | |
| Loans and advances to customers with forbearance: | 26 | 25 |
| TOTAL | 48,132 | 52,464 |

The following table shows loans and advances to customers with forbearance and without forbearance split, by sectors.

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Loans and advances to customers without forbearance: | 48,106 | 52,439 |
| Residents: | | |
| Financial institutions* | 4,581 | 3,686 |
| Non-financial institutions | 15,186 | 21,288 |
| Households/individuals | 104 | 102 |
| Public sector | - | - |
| Holding companies | 210 | 85 |
| Non-residents | 28,025 | 27,278 |
| Loans and advances to customers with forbearance: | 26 | 25 |
| Residents: | | |
| Financial institutions* | - | - |
| Non-financial institutions | 26 | 25 |
| Households/individuals | - | - |
| Public sector | - | - |
| Holding companies | - | - |
| Non-residents | - | - |
| TOTAL | 48,132 | 52,464 |

* Holding companies excluded

## Concentration of credit risks

The concentration of credit risks arises as a result of the existence of loans with similar economic characteristics affecting the debtor's ability to meet its obligations.

The Group manages the exposure limits in line with the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) so that the Group does not incur an exposure, after taking into account the effect of the credit risk to a client or group of connected clients the value of which exceeds 25% of its eligible capital. Where that client is an institution or where a group of connected clients includes one or more institutions, that value must not exceed 25% of the institution's eligible capital or EUR 150 million, whichever is higher, provided that the sum of exposure values, after taking into account the effect of the credit risk mitigation in relation to all connected clients that are not institutions, does not exceed 25% of the institution's eligible capital.

The Group calculates the capital requirement for the credit risk of the investment portfolio using a standardised approach in accordance with the Basel III standard under the CRR.

### Concentration of credit risks according to economic sector/industry

| MCZK | Financial institutions* | Public sector | Non-financial institutions | Of which: Real estate | Households/ Individuals | Holding entities | Total |
|---|---|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | | | |
| Cash and cash equivalents | 150,537 | - | - | - | - | - | 150,537 |
| Financial assets at fair value through profit or loss | 55,035 | 9,467 | 398 | 91 | 126 | 203 | 65,229 |
| Financial assets at fair value through other comprehensive income | 3,561 | 42,364 | 6,787 | 421 | - | 1,069 | 53,781 |
| Investment securities at amortised cost | 302 | 18,931 | 99 | - | - | 472 | 19,804 |
| Loans and advances to banks | 13,014 | - | - | - | - | - | 13,014 |
| Loans and advances to customers | 14,321 | - | 26,794 | 14,578 | 2,787 | 4,230 | 48,132 |
| **At 31 December 2023** | | | | | | | |
| Cash and cash equivalents | 166,074 | - | - | - | - | - | 166,074 |
| Financial assets at fair value through profit or loss | 90,122 | 15,050 | 293 | 52 | 4 | 173 | 105,642 |
| Financial assets at fair value through other comprehensive income | 3,292 | 20,118 | 4,873 | 402 | - | 727 | 29,010 |
| Investment securities at amortised cost | 303 | 18,930 | 100 | - | - | - | 19,333 |
| Loans and advances to banks | 12,028 | - | - | - | - | - | 12,028 |
| Loans and advances to customers | 18,889 | - | 26,593 | 15,170 | 1,890 | 5,092 | 52,464 |

* Holding entities excluded.

### Concentration of credit risk according to geographical area, by country of risk

| MCZK | Czech Republic | Other EU countries | Asia | North America | Other | Total |
|---|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | | |
| Cash and cash equivalents | 146,378 | 3,433 | 227 | 356 | 90 | 150,537 |
| Financial assets at fair value through profit or loss | 57,881 | 4,885 | - | 766 | 1,697 | 65,229 |
| Financial assets at fair value through other comprehensive income | 44,793 | 2,563 | 1,466 | 2,321 | 2,638 | 53,781 |
| Investment securities at amortised cost | 19,804 | - | - | - | - | 19,804 |
| Loans and advances to banks | 8,143 | 3,308 | - | - | 1,563 | 13,014 |
| Loans and advances to customers | 27,753 | 8,836 | 7,678 | - | 3,865 | 48,132 |
| **At 31 December 2023** | | | | | | |
| Cash and cash equivalents | 163,160 | 2,161 | 242 | 394 | 117 | 166,074 |
| Financial assets at fair value through profit or loss | 95,948 | 6,464 | 22 | 641 | 2,567 | 105,642 |
| Financial assets at fair value through other comprehensive income | 22,416 | 1,186 | 1,472 | 1,817 | 2,119 | 29,010 |
| Investment securities at amortised cost | 19,333 | - | - | - | - | 19,333 |
| Loans and advances to banks | 7,657 | 3,377 | - | - | 994 | 12,028 |
| Loans and advances to customers | 33,592 | 8,313 | 5,457 | 885 | 4,217 | 52,464 |

## 44.2 Liquidity risk

The liquidity risk represents the Group's risk of incurring losses due to momentary insolvency. The Group may also suffer a loss as a result of low liquidity in the market for the financial instruments included in the Group's portfolios. The liquidity risk threatens the Group's funding and investment needs. Market liquidity risk represents the risk of not being able to liquidate financial instruments quickly enough, or in sufficient volume and for reasonable prices. If the conditions are not favourable, this risk may substantially worsen the Group's position.

The Group has access to diverse sources of funds, which comprise deposits and other savings, loans accepted and equity. This diversification makes the Group flexible and limits its dependency on any one financing source. The Group regularly evaluates the liquidity risk, in particular by monitoring changes in the structure of financing and comparing these changes with the Group's liquidity risk management strategy, which is approved by the Board of Directors. The Group also holds, as part of its liquidity risk management strategy, a portion of its assets in highly liquid funds, such as state treasury bills and similar bonds.

### Residual maturity of the Group's assets and liabilities

The following table shows the carrying amounts of the Group's assets and liabilities on the basis of their earliest possible contractual maturity.

| At 31 December 2024<br>MCZK | Up to<br>3 months | 3 months<br>to 1 year | 1 year<br>to 5 years | Over<br>5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 150,537 | - | - | - | - | 150,537 |
| Financial assets at fair value through profit or loss | 47,040 | 974 | 4,578 | 12,111 | - | 64,703 |
| Financial assets at fair value through other comprehensive income | 7,844 | 14,462 | 15,390 | 15,817 | - | 53,513 |
| Investment securities at amortised cost | 704 | 652 | 11,121 | 7,327 | - | 19,804 |
| Loans and advances to banks | 5,117 | 974 | 6,923 | - | - | 13,014 |
| Loans and advances to customers | 15,123 | 6,958 | 24,609 | 1,442 | - | 48,132 |
| Other assets | 415 | - | - | - | - | 415 |
| TOTAL | 226,780 | 24,020 | 62,621 | 36,697 | - | 350,118 |
| Deposits from banks | 3,178 | - | - | - | - | 3,178 |
| Deposits from customers | 223,630 | 5,784 | 36,237 | - | - | 265,651 |
| Debt securities issued | 9 | 188 | 1,153 | - | - | 1,350 |
| Financial liabilities at fair value through profit or loss | 39,663 | 2,105 | 4,066 | 9,990 | - | 55,824 |
| Other liabilities | 1,257 | 24 | 36 | - | - | 1,317 |
| TOTAL | 267,737 | 8,101 | 41,492 | 9,990 | - | 327,320 |

| At 31 December 2023<br>MCZK | Up to<br>3 months | 3 months<br>to 1 year | 1 year<br>to 5 years | Over<br>5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 166,137 | - | - | - | - | 166,137 |
| Financial assets at fair value through profit or loss | 78,382 | 1,717 | 5,812 | 19,248 | - | 105,159 |
| Financial assets at fair value through other comprehensive income | 218 | 4,599 | 13,211 | 10,738 | - | 28,766 |
| Investment securities at amortised cost | 209 | 159 | 10,980 | 7,985 | - | 19,333 |
| Loans and advances to banks | 4,824 | - | 7,204 | - | - | 12,028 |
| Loans and advances to customers | 12,698 | 9,705 | 26,555 | 3,506 | - | 52,464 |
| Other assets | 322 | - | - | - | - | 322 |
| TOTAL | 262,790 | 16,180 | 63,762 | 41,477 | - | 384,209 |
| Deposits from banks | 15,948 | - | - | - | - | 15,948 |
| Deposits from customers | 239,830 | 1,270 | - | - | - | 241,100 |
| Debt securities issued | 1,074 | 1,849 | 1,513 | - | - | 4,436 |
| Financial liabilities at fair value through profit or loss | 77,557 | 3,068 | 8,425 | 11,221 | - | 100,271 |
| Other liabilities | 1,536 | 19 | 78 | , | - | 1,633 |
| TOTAL | 335,945 | 6,206 | 10,016 | 11,221 | - | 363,388 |

The negative position of the liquidity gap up to 3 months is mainly caused by current accounts and customer deposits. Based on the historical data analysis, these deposits are expected to be extended.

Expected maturities differ from contracted ones as historical evidence shows that most short-term loans and deposits are prolonged.

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. With regards to amounts due from customers, the Group uses a behavioural model of maturity.

| MCZK | Up to 12 months | Over 12 months | Total |
|---|---|---|---|
| At 31 December 2024 | | | |
| Cash and cash equivalents | 150,537 | - | 150,537 |
| Financial assets at fair value through profit or loss | 48,014 | 16,689 | 64,703 |
| Financial assets at fair value through other comprehensive income | 22,306 | 31,207 | 53,513 |
| Investment securities at amortised cost | 1,356 | 18,448 | 19,804 |
| Loans and advances to banks | 6,091 | 6,923 | 13,014 |
| Loans and advances to customers | 22,081 | 26,051 | 48,132 |
| Other assets | 415 | - | 415 |
| TOTAL | 250,800 | 99,318 | 350,118 |
| Deposits from banks | 3,178 | - | 3,178 |
| Deposits from customers | 155,406 | 110,245 | 265,651 |
| Debt securities issued | 197 | 1,153 | 1,350 |
| Financial liabilities at fair value through profit or loss | 41,768 | 14,056 | 55,824 |
| Other liabilities | 1,281 | 36 | 1,317 |
| TOTAL | 201,830 | 125,490 | 327,320 |

| MCZK | Up to 12 months | Over 12 months | Total |
|---|---|---|---|
| At 31 December 2023 | | | |
| Cash and cash equivalents | 166,137 | - | 166,137 |
| Financial assets at fair value through profit or loss | 80,099 | 25,060 | 105,159 |
| Financial assets at fair value through other comprehensive income | 4,817 | 23,949 | 28,766 |
| Investment securities at amortised cost | 368 | 18,965 | 19,333 |
| Loans and advances to banks | 4,824 | 7,204 | 12,028 |
| Loans and advances to customers | 22,403 | 30,061 | 52,464 |
| Other assets | 322 | - | 322 |
| TOTAL | 278,970 | 105,239 | 384,209 |
| Deposits from banks | 15,948 | 0 | 15,948 |
| Deposits from customers | 154,876 | 110,225 | 265,101 |
| Debt securities issued | 2,923 | 1,513 | 4,436 |
| Financial liabilities at fair value through profit or loss | 80,625 | 19,646 | 100,271 |
| Other liabilities | 1,555 | 78 | 1,633 |
| TOTAL | 255,927 | 131,462 | 387,389 |

### Residual maturity of the Group's off-balance-sheet items

The following table shows the maturity of the Group's off-balance sheet assets based on the date on which the commitments provided can be drawn or the guarantees provided can be claimed.

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Commitments provided | 17,048 | - | - | - | - | 17,048 |
| Guarantees provided | 630 | - | - | - | - | 630 |
| TOTAL | **17,690** | **-** | **-** | **-** | **-** | **17,690** |
| At 31 December 2023 | | | | | | |
| Commitments provided | 11,210 | - | - | - | - | 11,210 |
| Guarantees provided | 500 | - | - | - | - | 500 |
| TOTAL | 11,710 | - | - | - | - | 11,710 |

The following table shows undiscounted cash flows on the Group's financial liabilities on the basis of their earliest possible contractual maturity.

| MCZK | Up to 3 months | 3 months to 1 year | 1 year to 5 years | Over 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Deposits from banks | 3,179 | - | - | - | - | 3,179 |
| Deposits from customers | 223,767 | 5,859 | 37,669 | - | - | 267,295 |
| Debt securities issued | 9 | 191 | 1,286 | - | - | 1,486 |
| Financial liabilities at fair value through profit or loss | 38,922 | 1371 | 1,683 | 7,077 | - | 49,053 |
| Derivatives | 772 | 755 | 2,569 | 4,982 | | 9,078 |
| TOTAL | **266,649** | **8,176** | **43,207** | **12,059** | **-** | **330,091** |
| At 31 December 2023 | | | | | | |
| Deposits from banks | 15,977 | - | - | - | - | 15,977 |
| Deposits from customers | 240,054 | 1,311 | - | - | - | 241,365 |
| Debt securities issued | 1,079 | 1,923 | 1,761 | - | - | 4,763 |
| Financial liabilities at fair value through profit or loss | 76,802 | 2,066 | 4,786 | 7,601 | - | 91,255 |
| Derivatives | 886 | 1,053 | 4,279 | 5,897 | | 12,115 |
| TOTAL | 334,798 | 6,353 | 10,826 | 13,498 | - | 365,475 |

## 44.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives, and also incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Department.

#### Trading

The Group holds trading positions in certain financial instruments. The majority of the Group's business activities are based on the requirements of its customers. These positions are also held for the purpose of speculation on the future development of financial markets. The Group's business strategy is thus affected by speculative expectation and market creation and its goal is to maximise net income from trading.

The Group manages the risks associated with its trading activities at the level of individual risks and individual types of financial instruments. The basic instruments used for risk management are volume limits for individual transactions and risk position limits.

#### Stress testing

The Group carries out daily stress testing of interest rates, currency risks and changes in prices of equity instruments by applying internally defined improbable scenarios and simulating their impact on the net present value of the Group's portfolio.

### 44.3.1 Currency risk

Currency risk is the risk of a change in the value of a financial instrument due to a change in the exchange rates.

Assets and liabilities denominated in foreign currencies including off-balance sheet instruments, represent the Group's exposure to exchange rate risk. Realised and non-realised exchange rate gains and losses are stated directly in the profit and loss statement.

The Group has set currency risk limits based on its net currency exposure in individual currencies according to their significance. The Group also sets a limit with respect to the total net currency exposure.

## Currency risk exposure

| MCZK | CZK | EUR | USD | INR | Other | Total |
|---|---|---|---|---|---|---|
| At 31 December 2024 | | | | | | |
| Financial assets | 281,555 | 48,290 | 11,286 | 7,063 | 2,590 | 350,784 |
| Financial liabilities | 237,672 | 78,044 | 8,809 | - | 2,446 | 326,971 |
| FX derivatives | (20,486) | 29,648 | (2,445) | (7,113) | 311 | (85) |
| **NET EXPOSURE** | **23,397** | **(106)** | **32** | **(50)** | **455** | |
| At 31 December 2023 | | | | | | |
| Financial assets | 328,202 | 41,845 | 8,979 | 3,516 | 2,294 | 384,836 |
| Financial liabilities | 292,511 | 59,853 | 9,048 | 87 | 1,356 | 362,855 |
| FX derivatives | (13,499) | 18,174 | 84 | (3,499) | (682) | 578 |
| NET EXPOSURE | 22,192 | 166 | 15 | (70) | 256 | |

The table below shows the sensitivity of the (pre-tax) income statement to currency risk for foreign currencies significantly represented in the Group's balance sheet as at 31 December 2024 and 2023:

| MCZK | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Net position in foreign currency | 5% exchange rate increase | 5% exchange rate decrease | Net position in foreign currency | 5% exchange rate increase | 5% exchange rate decrease |
| EUR | (106) | (5) | 5 | 166 | 8 | (8) |
| USD | 32 | 2 | (2) | 15 | 1 | (1) |
| INR | (50) | (3) | 3 | (70) | (4) | 4 |
| GBP | (4) | - | - | 1 | - | - |

The change in the exchange rate of the CZK to foreign currencies had no effect on the Group's equity components other than the annual profit.

### 44.3.2 Interest rate risk

The interest rate risk is the risk of a change in the value of a financial instrument due to a change in market interest rates.

The Group is exposed to interest rate risks resulting from the different maturity or renewal period of interest rates and the different amounts of interest bearing assets and liabilities in these periods. Interest rate management activities are intended to optimise the net interest income of the Group in accordance with the strategy approved by its Board of Directors.

Part of the Group's income is generated by the difference between interest rate sensitive assets and liabilities, which is summarised in the table below.

### Interest sensitivity of the Group's assets and liabilities

The following table shows the carrying amounts of the Group's financial assets and liabilities on the basis of their earliest possible repricing.

| At 31 December 2024<br>MCZK | Up to<br>3 months | 3 months<br>to 1 year | 1 year<br>to 5 years | Over<br>5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 150,537 | - | - | - | - | 150,537 |
| Financial assets at fair value through profit or loss | 47,040 | 974 | 4,578 | 12,111 | - | 64,703 |
| Financial assets at fair value through other comprehensive income | 14,123 | 24,016 | 9,367 | 6,007 | - | 53,513 |
| Investment securities at amortised cost | 1,181 | 894 | 10,971 | 6,758 | - | 19,804 |
| Loans and advances to banks | 5,813 | 401 | 6,800 | - | - | 13,014 |
| Loans and advances to customers | 36,397 | 5,655 | 6,080 | - | - | 48,132 |
| Other assets | 415 | - | - | - | - | 415 |
| TOTAL | 255,506 | 31,940 | 37,796 | 24,876 | - | 350,118 |
| Deposits from banks | 3,178 | - | - | - | - | 3,178 |
| Deposits from customers | 223,630 | 5,784 | 36,237 | - | - | 265,651 |
| Debt securities issued | 9 | 188 | 1,153 | - | - | 1,350 |
| Financial liabilities at fair value through profit or loss | 39,663 | 2,105 | 4,066 | 9,990 | - | 55,824 |
| Other liabilities | 1,257 | 24 | 36 | - | - | 1,317 |
| TOTAL | 267,737 | 8,101 | 41,492 | 9,990 | - | 327,320 |
| Gap | (12,231) | 23,839 | (3,696) | 14,886 | - | - |
| Cumulative gap | (12,231) | 11,608 | 7,912 | 22,798 | - | - |

| At 31 December 2023<br>MCZK | Up to<br>3 months | 3 months<br>to 1 year | 1 year<br>to 5 years | Over<br>5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 166,137 | - | - | - | - | 166,137 |
| Financial assets at fair value through profit or loss | 78,506 | 1,717 | 5,812 | 19,124 | - | 105,159 |
| Financial assets at fair value through other comprehensive income | 3,510 | 13,633 | 8,004 | 3,619 | - | 28,766 |
| Investment securities at amortised cost | 211 | 407 | 10,829 | 7,886 | - | 19,333 |
| Loans and advances to banks | 5,475 | 253 | 6,300 | - | - | 12,028 |
| Loans and advances to customers | 30,993 | 10,559 | 10,907 | 5 | - | 52,464 |
| Other assets | 322 | - | - | - | - | 322 |
| TOTAL | 285,154 | 26,569 | 41,852 | 30,634 | - | 384,209 |
| Deposits from banks | 15,948 | - | - | - | - | 15,948 |
| Deposits from customers | 239,830 | 1,270 | - | - | - | 241,100 |
| Debt securities issued | 1,074 | 1,849 | 1,513 | - | - | 4,436 |
| Financial liabilities at fair value through profit or loss | 77,557 | 3,068 | 8,425 | 11,221 | - | 100,271 |
| Other liabilities | 1,536 | 19 | 78 | - | - | 1,633 |
| TOTAL | 335,945 | 6,206 | 10,016 | 11,221 | - | 363,388 |
| Gap | (50,791) | 20,363 | 31,836 | 19,413 | - | - |
| Cumulative gap | (50,791) | (30,428) | 1,408 | 20,821 | - | - |

The carrying amounts of assets and liabilities are recorded either in the period in which they are due or in the period in which the interest rate changes, whichever occurs earlier.

Apart from the gap analysis indicated above, the Group monitors its exposure to interest rate risk by Basis Point Value (BPV) and stress testing. Both of these methods measure the potential impact on the Group's overall position or shift in interest rate yield curves.

### Basis point value

Basis point value measures how much monetary positions of the Group will gain or lose for a 100 basis point (1.00%) movement in the yield curve in terms of fair value changes. Therefore, it quantifies the Group's interest rate risk for changes in interest rates.

"Trading book" means the portfolio of all positions in financial instruments held by the Group with trading intent, in accordance with the definition of a trading book under Article 4(1)(86) of Regulation (EU) No 575/2013. A banking book contains all positions that are not included in the trading book.

As at 31 December 2024, BPVs for individual currencies were as follows:

| MCZK<br>Currency | Banking book<br>BPV | Trading book<br>BPV |
|---|---|---|
| CZK | (119) | (25) |
| EUR | (111) | (16) |
| USD | (172) | (36) |
| GBP | (2) | (0) |
| HUF | 3 | - |
| INR | (3) | - |
| TOTAL BPV (ABSOLUTE) | 410 | 77 |

As at 31 December 2023, BPVs for individual currencies were as follows:

| MCZK<br>Currency | Banking book<br>BPV | Trading book<br>BPV |
|---|---|---|
| CZK | (587) | 86 |
| EUR | 58 | 2 |
| USD | (148) | (26) |
| GBP | (4) | (1) |
| HUF | 4 | - |
| INR | (1) | - |
| TOTAL BPV (ABSOLUTE) | 802 | 115 |

The data in the table above is assessed primarily on an individual basis, taking into account the data of the subsidiary.

### Stress testing

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in significant currencies with respect to the Group in related yield curves. The analysis of the Group's trading book sensitivity to an increase or decrease in market interest rates in terms of fair value changes (assuming no asymmetrical movement in yield curves and a constant balance sheet position) is as follows:

| MCZK | 2024 | | 2023 | |
|---|---|---|---|---|
| | 100 bp parallel increase | 100 bp parallel decrease | 100 bp parallel increase | 100 bp parallel decrease |
| Impact on profit or loss as at 31 December | (78) | 78 | 62 | (62) |
| Average for the period | (12) | 12 | (2) | 2 |
| Maximum for the period | 143 | 107 | 98 | 113 |
| Minimum for the period | (107) | (143) | (113) | (98) |

The data in the table above is assessed primarily on an individual basis, taking into account the data of the subsidiary.

The Group uses yield curve shifts to monitor and measure interest rate risk in the banking book in order to track the potential impact of changes in market interest rates. The baseline analysis addresses the sensitivity of net interest income and the economic value of equity and is based on stress scenarios for investment portfolio interest rate risk management in accordance with European Banking Authority Guidelines EBA/GL/2023/14, which anticipate shifts and changes in the shape of the yield curve. The Group also performs stress testing based on a parallel 200 basis point shift in the yield curve.

The table below shows the sensitivity of the banking book to changes in interest rates:

| MCZK | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Change in annual net interest income | | |
| Impact of +200 bp interest rate movement | (163) | (269) |
| Impact of -200 bp interest rate movement | (939) | (185) |
| Change in the economic value of equity | | |
| Impact of +200 bp interest rate movement | (1,414) | (2,312) |
| Impact of -200 bp interest rate movement | 512 | 1,061 |

The data in the table above is assessed primarily on an individual basis, taking into account the data of the subsidiary.

The change in the annual net interest income shows the impact of interest rate movements on net interest income over a 12-month horizon. The change in the economic value of equity shows the impact of interest rate movements on the difference between the present value of assets and liabilities. The results presented are in line with the methodology described in the EBA/GL/2022/14 Guidelines.

#### 44.3.3 Equity risk

The equity risk is the risk of a change in the value of a financial instrument due to a change in market prices of equities or equity-related instruments.

The Group is exposed to equity risk resulting from open positions in equities or equity-related instruments in accordance with the strategy approved by its Board of Directors.

#### 44.3.4 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

The Group is only exposed to immaterial settlement risk as most of its transactions are settled in a delivery-versus-payment manner.

### 44.4 Operational risk

#### 44.4.1 Operational risks

The Operational Risk Management Department is responsible for managing operational risks, i.e. the risks of losses caused by deficiencies in or failures of internal processes, the human factor or systems, or from losses caused by external factors, including legal risk. Operational risk excludes strategic and reputational risk.

Operational risks are usually the cause of an increase in the Group's expenses, a decrease in the Group's income, fines, penalties, damage, loss of the Group's tangible and intangible assets and the failure of information systems.

The Operational Risk Management Department prepares the operational risk management methodology, identifies, monitors, measures and assesses the operational risks, and proposes measures to mitigate the operational risks. As part of operational risk management, it is further responsible for physical security. The Information Security Management Department ensures the management of the security management system of information systems. Both units thus jointly identify and monitor, measure and assess physical and information security, and prepare the methodology for the management and mitigation of the risks.

The Operational Risk Management Department manages the access of employees, clients and other authorised persons to tangible and intangible assets, and manages the risk in terms of arranging supplies of banking services, the launch of new products, and the utilisation of outsourcing by the Group. It also manages models, frauds, insurance and legal risk. The Operational Risk Management Department also regularly informs the management and relevant employees about operational risks and significant events that have arisen. Furthermore, it secures training for employees on the identification, reporting and handling of operational risks.

The management and employees in charge of managing operational risks within a division or department are also involved in the management of operational risks. After an operational risk is identified, they propose and arrange the implementation of operational, controlling or organisational measures to mitigate or eliminate the operational risk. In proposing the measures to mitigate operational risk, they also assess the impact on the Group's expenses and income.

### 44.4.2 Other risks

Legal risk management consists of minimising the uncertainties relating to the enforceability of contracts, insufficient documentation, and changes in the regulatory environment, including accepted case-law and uncertainties in counterparties' acts. The aim is to reduce the risk of loss, the risk of possible or questionable claims against the Group, or penalties, including damage to the Group's reputation.

The Compliance department performs activities aimed at harmonising the Group's internal policies and processes with external regulations. The main compliance activities are to ensure the compliance of internal guidelines with external standards, the mutual compliance of internal guidelines, the compliance of the Group's activities with internal guidelines and external standards, and the ongoing monitoring of compliance with legal obligations and responsibilities arising from the internal regulations of the Group, to establish preconditions for achieving this harmonisation, to establish preconditions for the fair provision of services to customers and to refrain from giving preferential treatment to the Group and its employees compared to customers, to prevent conflicts of interest, and to mitigate acts which would result in market abuse. It also engages in anti-money laundering activities and activities combating the financing of terrorism (AML-CFT), and runs checks on these activities and handles claims and complaints.

If compliance activities are not performed directly by the Compliance Department, they are delegated to another department of the Group, the Group's managers or the Group's employees, with the Compliance Department acting as coordinator.

The Group's managers are responsible for creating conditions for the internal and external regulations to be adhered to. They are also responsible for issuing internal policies governing the activities they are in charge of and they are also obliged to check whether the external regulations and internal policies are observed by subordinates.

## 44.5 Climate change risks

The Group increasingly faces climate-related risks and opportunities related to the transition to a low-carbon economy. During 2024 the Group has set up processes to collect the data to assess the risks associated with climate change which can impact the portfolio and created a comprehensive database necessary for sustainability reporting (ESRS).

Climate change risks impact key risk categories such as credit, liquidity, market and operational risk. The Group classifies climate change risks into two main categories:

— physical risks and
— transition-related risks.

Physical risks arise from acute climate events (windstorms, tornadoes, floods and fires) and long-term changes in climate phenomena (sustained warmer temperatures, heat waves, droughts and rising sea levels).

Transition risks arise as a result of measures taken to mitigate the impacts of climate change and the transition to a low-carbon economy (changes in laws and regulations, litigation due to failure to mitigate or adapt, or changes in supply and demand for certain commodities, products and services).

The impact of physical and transition risks on the broader macroeconomic environment, including macroeconomic variables such as GDP and unemployment rates, is currently difficult to predict. We expect the most significant impacts of climate change to occur in the medium to long term. However, it is important to monitor the speed and scale of these issues and consider their potential impacts.

By the nature of its business model, Group assesses climate-related risk factors on a case-by-case basis as part of its regular monitoring of borrower performance and regular collateral valuation and eligibility.

## 44.6 Capital management

### Regulatory capital

The reporting of the Group's regulatory capital on a consolidated basis (for the Bank and its subsidiaries) is not required because, since 2015, reporting and capital management has been carried out at the regulated consolidated group of PPF Financial Holdings B.V.

For this reason, the Group manages capital only on an individual Bank basis.

### Regulatory capital on an individual basis

The Bank's lead regulator sets and monitors the capital requirements of the Bank. The Bank and individual banking operations are directly supervised by local regulators. As the capital regulatory requirements are set only for banks, the structure of Tier 1 capital and Tier 2 capital is set only for the Bank.

In the implementation of current capital requirements, the CNB requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analysed in two tiers:

— Tier 1 capital, which includes ordinary share capital, share premium, statutory reserve funds and retained earnings after deductions for goodwill and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
— Tier 2 capital, which includes qualifying subordinated liabilities. The Bank currently has no Tier 2 capital component.

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also considered and the Bank recognises the need to maintain a balance between the higher returns and the advantages and security afforded by a sound capital position.

The Bank and its individually regulated operations complied with all externally imposed capital requirements throughout the period.

There were no material changes in the Bank's management of capital during the period.

The Bank's reconciliation between regulatory capital and equity calculated was as follows:

| MCZK | Regulatory capital | Equity |
|---|---|---|
| At 31 December 2024 | | |
| Issued capital | 769 | 769 |
| Share premium | 412 | 412 |
| Retained earnings | 16,945 | 21,143 |
| Profit/(Loss) eligible | - | - |
| Accumulated other comprehensive income | 296 | 302 |
| Less value adjustment due to requirements of prudent valuation | (175) | |
| Less intangible assets | (127) | - |
| Mitigation of impact of IFRS 9 implementation | 240 | |
| Tier 1 capital | 18,360 | |
| TOTAL | 18,360 | 22,626 |
| At 31 December 2023 | | |
| Issued capital | 769 | 769 |
| Share premium | 412 | 412 |
| Retained earnings | 15,446 | 19,330 |
| Profit/(Loss) eligible | 1,000 | - |
| Accumulated other comprehensive income | 201 | 252 |
| Less value adjustment due to requirements of prudent valuation | (236) | |
| Less intangible assets | (124) | - |
| Mitigation of impact of IFRS 9 implementation | 453 | |
| Tier 1 capital | 17,921 | |
| TOTAL | 17,921 | 20,763 |

Capital adequacy ratios are as follows:

| % | 2024 | 2023 |
|---|---|---|
| Tier 1 common capital ratio | 21.75 % | 23.15 % |
| Tier 1 capital ratio | 21.75 % | 23.15 % |
| Total capital ratio | 21.75 % | 23.15 % |

If the mitigation of the impact of IFRS 9 implementation were not applied, tier 1 common capital ratio, tier 1 capital ratio and total capital ratio would be 21.89% as at 31 December 2024 (2023: 22.51%).

Exposures and capital requirements for credit risk related to the following institutions:

| MCZK | Exposure | Capital requirement |
|---|---|---|
| **At 31 December 2024** | | |
| Central government or central banks | 393 | 31 |
| Regional governments or local authorities | 10 | 1 |
| Institutions | 2,608 | 209 |
| Corporates | 51,472 | 4,118 |
| Retail | - | - |
| Secured by mortgages on immovable property | 855 | 68 |
| Exposures in default | 272 | 22 |
| Items associated with particular high risk | 8,541 | 683 |
| Collective investment undertakings | 1,055 | 84 |
| Equity | 239 | 19 |
| Other items | 533 | 43 |
| TOTAL | 65,978 | 5,278 |
| **At 31 December 2023** | | |
| Central government or central banks | - | - |
| Regional governments or local authorities | 15 | 1 |
| Institutions | 2,372 | 190 |
| Corporates | 46,143 | 3,691 |
| Retail | - | - |
| Secured by mortgages on immovable property | 834 | 67 |
| Exposures in default | 128 | 10 |
| Items associated with particular high risk | 9,413 | 753 |
| Collective investment undertakings | 967 | 77 |
| Equity | 239 | 19 |
| Other items | 282 | 23 |
| TOTAL | 60,393 | 4,831 |

| MCZK | 2024 | 2023 |
|---|---|---|
| Capital requirements for credit risk | 5,278 | 4,831 |
| Capital requirements for market risks | 599 | 648 |
| – for interest rate risk of trading portfolio | 580 | 629 |
| – for equity risk of trading portfolio | - | - |
| – for foreign exchange risk | 19 | 19 |
| Capital requirements for settlement risk | - | - |
| Capital requirements for operational risk | 827 | 655 |
| Capital requirements for credit valuation adjustment risk | 66 | 61 |
| TOTAL CAPITAL REQUIREMENTS | 6,770 | 6,195 |

Minimum requirements for capital ratios are as follows:

| | Minimum requirement | Capital conservation buffer | Counter-cyclical buffer |
|---|---|---|---|
| 31. 12. 2024 | | | |
| Common Equity Tier 1 capital (CET1) | 4.5 % | 2.5 % | 1.14 % |
| Tier 1 capital | 6 % | 2.5 % | 1.14 % |
| Total regulatory capital | 8 % | 2.5 % | 1.14 % |
| 31. 12. 2023 | | | |
| Common Equity Tier 1 capital (CET1) | 4.5 % | 2.5 % | 1.27 % |
| Tier 1 capital | 6 % | 2.5 % | 1.27 % |
| Total regulatory capital | 8 % | 2.5 % | 1.27 % |

### Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by the optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect other risks of the transaction. The process of allocating capital is undertaken by those responsible for the operation and is subject to review by the Bank's Capital Strategy Committee.

## 45 Related-party transactions

As at 31 December 2024, the parent company of the Bank is PPF Financial Holdings a.s., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 10907718, the parent company of PPF Financial Holdings a.s. is PPF Group N.V., with its registered office in the Netherlands, Amsterdam, Strawinskylaan 933, 1077XX, registration number: 33264887 and the ultimate parent company is AMALAR HOLDING s.r.o., with its registered office in the Czech Republic, Prague, Evropská 2690/17, 16000, registration number: 19696477.

The Bank considered the transactions with its parent company, PPF Financial Holdings a.s., its parent company PPF Group N.V., the ultimate parent company AMALAR HOLDING s.r.o. and with all their subsidiaries to be related-party transactions.

The related-party transactions also include transactions with its key management personnel, and enterprises with which it has key management personnel in common.

### 45.1 Transactions with the parent company

The balances stated below are included in the statement of financial position and represented transactions with the parent company:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Deposits from customers | (2,430) | (5,003) |
| TOTAL | (2,430) | (5,003) |

The Group neither accepted nor provided guarantees related to the above-mentioned transactions.

The figures stated below are included in the statement of comprehensive income and represented transactions with the parent company:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest and similar income | - | - |
| Interest expense and similar charges | (54) | (114) |
| Fee and commission income | 2 | 2 |
| Net income from financial operations | - | - |
| Other operating income | - | - |
| TOTAL | (52) | (112) |

## 45.2 Transactions with other related parties

The balances stated below are included in the statement of financial position and represented transactions with other related parties:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Cash and cash equivalents | - | - |
| Financial assets at fair value through profit or loss | 834 | 1,103 |
| Financial assets at fair value through other comprehensive income | 34 | 30 |
| Loans and advances to banks | 9,187 | 8,531 |
| Loans and advances to customers | 8,712 | 10,072 |
| Other assets | 26 | 32 |
| Deposits from customers | (45,040) | (36,690) |
| Deposits from banks | (683) | (10) |
| Financial liabilities at fair value through profit or loss | (1,980) | (2,476) |
| Provisions | (9) | (1) |
| Other liabilities | (221) | (165) |
| TOTAL | (29,140) | (19,574) |

The figures stated below are included in the statement of comprehensive income and represented transactions with other related parties:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest and similar income | 1,859 | 1,586 |
| Interest expense and similar charges | (888) | (844) |
| Fee and commission income | 61 | 88 |
| Fee and commission expense | (2) | (5) |
| Net income from financial operations | (842) | 342 |
| Net impairment losses on financial assets | (25) | 16 |
| Other operating income | 2 | 2 |
| Other general administrative expenses | (193) | (197) |
| TOTAL | (28) | 988 |

### 45.3 Key management personnel

The balances stated below are included in the statement of financial position and represented transactions with key management personnel:

| MCZK | 31. 12. 2024 | 31. 12. 2023 |
|---|---|---|
| Financial liabilities at fair value through profit or loss | - | (1) |
| Deposits from customers | (98) | (160) |
| TOTAL | (98) | (161) |

The above payables consist mainly of term deposits and balances of current accounts with the Group.

The balances stated below are included in the statement of other comprehensive income and represented transactions with key management personnel:

| MCZK | 2024 | 2023 |
|---|---|---|
| Interest expense and similar charges | (6) | (7) |
| Net income from financial operations | - | (1) |
| General administrative expenses | (61) | (58) |
| TOTAL | (67) | (66) |

General administrative expenses consist of salaries and remuneration of the Group's key management personnel, described in detail in note 10.

### 45.4 Credit commitments and guarantees provided

As at 31 December 2024, the Group provided a credit commitment to related parties of MCZK 5,949 (31.12.2023: MCZK 6,417) and guarantees of MCZK 378 (31.12.2023: MCZK 0)

## 46 Subsequent events

There have been no events subsequent to the balance sheet date that are material or require adjustment or disclosure in the financial statements or notes.

# Persons Responsible for the Annual Report and the Examination of the Financial Statements

## Representation

I declare that the disclosures in the presentation section of the Annual Report of PPF banka a.s. for 2024 are accurate and that no material circumstances have been omitted or misrepresented.

Prague, 17 March 2025

*Petr Jirásko*
*Chairman of the Board of Directors and CEO*

I declare that the disclosures in the financial section of the Annual Report of PPF banka a.s. for 2024 are accurate and that no material circumstances have been omitted or misrepresented.

Prague, 17 March 2025

*Miroslav Hudec*
*Member of the Board of Directors and*
*Director of the Financial Management Division*

# Contact Details

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