



Annual Report 2024

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Chairman's Statement

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.

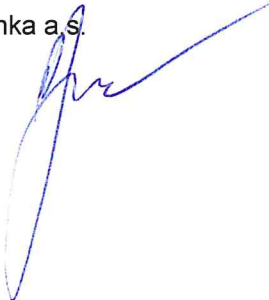
In 2024, we actively participated in major bond issuances, further reinforcing our position in the capital markets. We are proud to announce that last year we secured the top ranking among the Ministry of Finance's primary dealers, leading both the overall assessment and the primary and secondary markets. 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

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

Corporate profile

General information

Company name:	PPF banka a.s.
Legal form:	public limited company (<i>akciová společnost</i>)
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

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.

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.

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

PPF Financial Holdings a.s.	92.96%
City of Prague	6.73%
Others	0.31%

Official web address for mandatory disclosures about the Bank:

<https://www.ppfbanka.cz/en/important-documents>

Significant Events in 2024

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 year 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

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

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

PPF banka's financial performance

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.

Business Activities

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 also 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.

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 act 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, Guttman & 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).

Štěpánek 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.

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 been also a member of the Supervisory Board of PPF banka a.s.

Senior Management

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

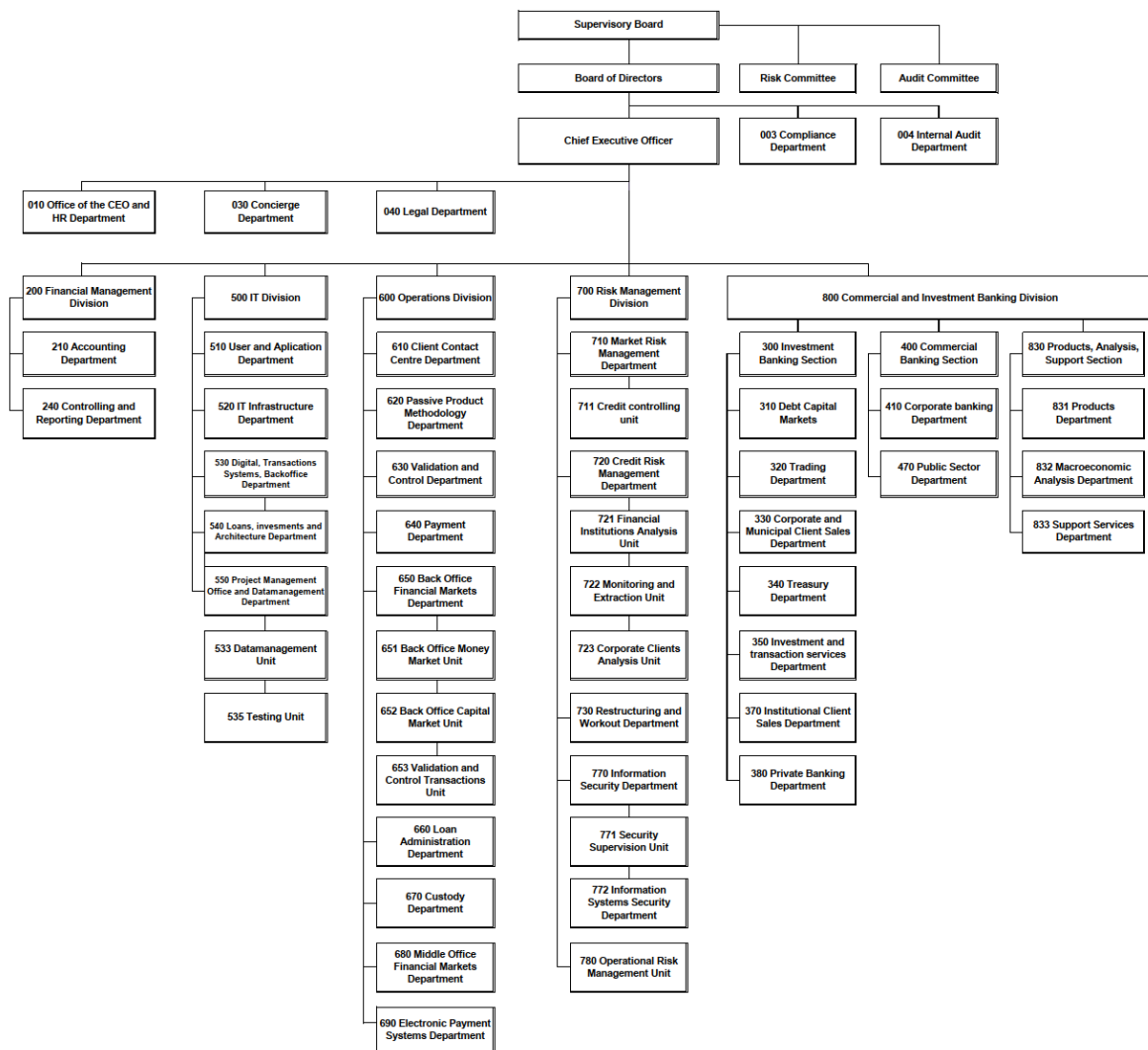
Director, Commercial and Investment Banking Division, since 3 November 2021

Daniel Votápek

Director, IT Division, since 1 June 2022

Organisational Structure of PPF banka

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



Independent Auditor's Report

(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.

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.

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.

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.

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

19 March 2025
Prague, Czech Republic



Tomáš Nemec
Procurist

Separate Financial Statement

PPF banka a.s.
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 one calculated using the effective interest rate and others is set out in note 7.

PPF banka a.s.
Separate Statement of Comprehensive Income
for the year ended 31 December 2024

	2024	2023
Other comprehensive income		
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 8 to 98 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

PPF banka a.s.
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

PPF banka a.s.
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

*Restated, see note 6 Changes in accounting policies.

PPF banka a.s.
Separate Statement of Cash Flows
for the year ended 31 December 2024

	2024	2023* (restated)
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.

PPF banka a.s.
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		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

PPF banka a.s.
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 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

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, postal code: 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, postal code: 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, postal code: 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 into 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 respond 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 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, in case of 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 values 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 values. 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 elect some equity investments that are not held for trading and 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 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 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 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 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 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. The pronouncements, that will potentially have an impact on the Banks’s operations are stated in the note 4.2. and 4.3.

4.1 The 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 The 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 to have no major impact on its financial statements.

4.3 The 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 which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 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 January 1, 2026, with earlier application permitted.

The Bank assessed the new amendments to standards 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 January 1, 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, and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Bank assessed the new standards 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. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.

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

Amendment in 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 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 into 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 of extending the restructuring measures, 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 consisting – based on availability and complexity – 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.

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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 as 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 to 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.

The impact of the change in presentation on the statement of cash - flows:

	31 December 2023 (as reported) MCZK	Reclassification MCZK	31 December 2023 (restated)* MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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, as 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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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 development have caused, 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 change in loss allowances to the financial assets at fair value through other comprehensive income in 2024 were mostly caused by 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 to the 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. The impact of top-up tax on the income tax expense in 2014 is null.

	2024 MCZK	2023 MCZK
Income tax – current	(819)	(658)
Income tax – related to prior years	96	32
Income tax – deferred	76	(171)
Income tax (expense)/income	(647)	(797)

	2024 MCZK	2023 MCZK
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 a 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 release of corporate income tax provision.

15 Cash and cash equivalents

	31.12.2024 MCZK	31.12.2023 MCZK
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024	31.12.2023
	MCZK	MCZK
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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 on Investment securities at amortised cost are disclosed in note 43.1.

19 Loans and advances to banks

	31.12.2024 MCZK	31.12.2023 MCZK
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 on loans and advances are disclosed in note 43.1.

20 Loans and advances to customers

	31.12.2024 MCZK	31.12.2023 MCZK
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 on 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

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 mil. Kč	31.12.2023 mil. Kč
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
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	31.12.2024 mil. Kč	31.12.2023 mil. Kč
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
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* 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.

	31.12.2024 MCZK	31.12.2023 MCZK
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:

	31.12.2024 MCZK	31.12.2023 MCZK
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 following 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 recognized 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 2024, the Bank released provisions of MCZK 118 due to the termination of the court case by the decision of the Court of Appeal in favor of the Bank.

33 Other liabilities

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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.

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

Maturity analysis – contractual undiscounted cash flows:

	31.12.2024 MCZK	31.12.2023 MCZK
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:

	Carrying amounts of receivables	Fair value of assets held as collateral
	MCZK	MCZK
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	0	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:

	Carrying amounts of liabilities	Fair value of assets given as collateral
	MCZK	MCZK
Liabilities at 31 December 2024:		
Deposits from customers	71,017	69,565
Deposits from banks	0	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)	-

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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

	31.12.2024 MCZK	31.12.2023 MCZK
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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.

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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
MCZK					
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	0	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.

As at 31 December 2024

MCZK	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

As at 31 December 2023

MCZK	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 into 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.

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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:

	Level 1	Level 2	Level 3	Total
MCZK				
As at 31 December 2024				
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

	Level 1	Level 2	Level 3	Total
MCZK				
As at 31 December 2023				
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

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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 have been 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 have been 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

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 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 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 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 Bank'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 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);

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- 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)

	31.12.2024			31.12.2023		
MCZK	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

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31.12.2024					
MCZK	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)

31.12.2023					
MCZK	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 a year-over-year comparison, the gross value of assets increased by 25,060 MCZK 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 277 MCZK was transferred from stage 2 to stage 3, which led to the additional creation of loss allowances in the amount of 139 MCZK 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 231 MCZK and 763 MCZK, respectively, which led to decrease in the loss allowances by CZK 229 MCZK and 632 MCZK, respectively, see analyses below.

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

31.12.2024					
MCZK	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

31.12.2023					
MCZK	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

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Investment securities at amortised cost

	31.12.2024			31.12.2023		
MCZK	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

31.12.2024						
MCZK	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	

31.12.2023						
MCZK	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

	31.12.2024			31.12.2023		
MCZK	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

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

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

In 2023, the most significant change was the gradual increase of loss allowances (by 232 MCZK) up to 100% of the gross carrying amount and subsequent decrease (by 186 MCZK, the remaining decrease by 46 MCZK was due to the devaluation of 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.

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

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

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

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Loans and advances to customers

	31.12.2024			31.12.2023		
MCZK	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

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

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 the development is that 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. Secondly, there were several transfers between stages with significant effects on the loss allowances. Specifically, the loans and advances in the gross amount of 3,730 MCZK 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 193 MCZK from stage 2 to stage 3, which led to the additional creation of loss allowances in the amount of 195 MCZK and 36 MCZK, respectively.

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

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

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

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

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Accrued interest 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

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

Loan commitments

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)
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

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)

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)

A slight year-over-year increase in provisions by 25 mil. CZK was mainly caused by the growth of the loan commitments and financial guarantees portfolio itself by 5,910 MCZK. In 2024, a client with total off-balance sheet exposure in the amount of 218 MCZK 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 12 MCZK due to prudently created provisions already in 2023.

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

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

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.

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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%:

MCZK 2024	Loss allowance/provision	Loss allowance/provision	Increase in PD by 10% 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%

MCZK 2023	Loss allowance/provision	Loss allowance/provision	Increase in PD by 10% 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%

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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%:

MCZK 2024	Loss allowance/provision	Loss allowance/provision	Decrease in PD by 10% 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%)

MCZK 2023	Loss allowance/provision	Loss allowance/provision	Decrease in PD by 10% 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%)

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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.

MCZK 2024	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%)
<hr/>				
MCZK 2023	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%)
<hr/>				
MCZK 2024	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%
<hr/>				
MCZK 2023	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%

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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 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	1,541	1,313	(227)	(15%)
Loan commitments, financial guarantees and letters of credit	142	125	(16)	(11%)
<hr/>				
2023 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	1,244	1,056	(188)	(15%)
Loan commitments, financial guarantees and letters of credit	117	105	(12)	(10%)
<hr/>				
2024 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	1,541	1,891	351	23%
Loan commitments, financial guarantees and letters of credit	142	167	25	18%
<hr/>				
2023 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	1,244	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:

	31.12.2024 MCZK	31.12.2023 MCZK
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 to type of collateral:

	31.12.2024 MCZK	31.12.2023 MCZK
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:

	31.12.2024 MCZK	31.12.2023 MCZK
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

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

	31.12.2024 MCZK	31.12.2023 MCZK
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 Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR).

Concentration of credit risks according to economic sector/industry

MCZK	Financial institutions*	Public sector	Non- financial institutions	Of which: Real estate	Household s/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	Unspeci fied	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	0	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

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MCZK	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspeci fied	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	0	6,277	0	-	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	0	-	-	-	15,948
Deposits from customers	239,969	1,270	0	-	-	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 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

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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	Unspeci fied	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	

MCZK	CZK	EUR	USD	INR	Other	Total
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	Unspecifie d	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	-	-

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MCZK	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspecifie d	Total
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	1074	1849	1,513	-	-	4,436
Financial liabilities at fair value through profit or loss	77557	3,068	8,425	11,221	-	100,271
Other liabilities	1536	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 as 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 of 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 Currency	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 Currency	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 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

Bank increasingly faces climate-related risks and opportunities related to the transition to a low-carbon economy. During 2024 Bank has set up processes to collect the data to assess the risks associated with climate change which can impact 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, 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 into two tiers:

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- 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.

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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	0	-
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%).

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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, postal code: 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, postal code: 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, postal code: 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:

	31.12.2024	31.12.2023
	MCZK	MCZK
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:

	2024 MCZK	2023 MCZK
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:

	31.12.2024 MCZK	31.12.2023 MCZK
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:

	2024 MCZK	2023 MCZK
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:

	31.12.2024	31.12.2023
	MCZK	MCZK
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:

	2024	2023
	MCZK	MCZK
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**

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 Sàrl, 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 Křiženeckého 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 Strawinskyalaan 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, ATHIENTIS 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 EMPTYCO 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 Strawinskyalaan 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 re-invoicing 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 agreement on 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, ATHIENTIS CENTENNIAL BUILDING, 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, ATHIENTIS CENTENNIAL BUILDING, 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, ATHIENTIS CENTENNIAL BUILDING, 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, ATHIENTIS CENTENNIAL BUILDING, 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 Malmö, Norra Vallgatan 66, 21122, Sweden, 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. spol., 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 at United Kingdom, Avebury Boulevard, 100, MK9 1FH, Milton Keynes, 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 Strawinskyalaan 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, Delaware, 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 SALEMONTA 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. č. SA/ŠKODA 7,00/26 – scope of performance: financial services
 - Agreement on administration reg. č. 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 – Doudlevice, 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 Schuberting 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, Residential 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 Magyarország 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 British Virgin Islands, Tortola, Belmont Chambers, P.O. Box 3443, 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 Tortola, Belmont Chambers, P.O. Box 3443 British Virgin Islands, VG1110, 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 Tortola, Belmont Chambers, P.O. Box 3443, British Virgin Islands, VG1110, 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 Cayman Islands, 103 South Church Street, 4th Floor, Harbour Place, KY1-1002, George Town, Grand Cayman, 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 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-a-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-a-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.

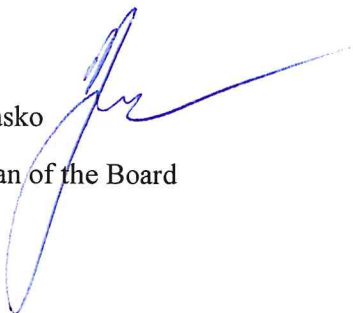
The Report on Relations has been prepared to the best of the author's knowledge, gained from available supporting materials and documents, and with due managerial care. The information contained in this Report on Relations is accurate and complete.

Prague, 17 March 2025

On behalf of the Company:

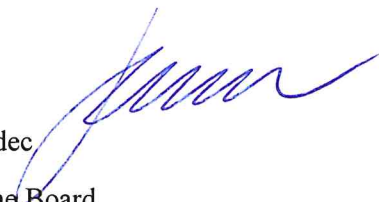
Petr Jirásko

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 no. 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 Mauritius
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 Mauritius
Aqua Lodge	489859827	Guadeloupe	Entity controlled by the same controlling entity by means of an ownership interest		Dream Yacht Charter Mauritius
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
Argos Yachtcharter & Touristik GmbH	9313	Germany	Entity controlled by the same controlling entity by means of an ownership interest		Lacani
Archipels croisières	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 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.
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

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
CETIN Bulgaria EAD	206149191	Bulgaria	Entity controlled by the same controlling entity by means of an ownership interest	do 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	do 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 30.09.2024 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.
CETIN Servis s.r.o.	19548605	Czech Republic	Entity controlled by the same controlling entity by means of an ownership interest	until 01.06.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 16.02.2024	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 18.06.2024	Seven Assets Holding B.V.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 01.11.2024	CETIN a.s.
DEVEDIACO ENTERPRISES LIMITED	HE 372136	Cyprus	Entity controlled by the same controlling entity by means of an ownership interest	until 11.06.2024	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 Mauritius
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 Caribbean	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
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

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
Dream Yacht Group SA	BE0681876643	Belgium	Entity controlled by the same controlling entity by means of an ownership interest		BLUE SEA HOLDING Sàrl
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 a 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 30.09.2024	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 Méditerranée	494440712	France	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
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	U.S. Virgin Islands	Entity controlled by the same controlling entity by means of an ownership interest		Dream Yacht Charter
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

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
Eastern Properties B.V.	58756566	Netherlands	Entity controlled by the same controlling entity by means of an ownership interest	until 28.06.2024	PPF Real Estate Holding B.V.
Easy Sailing j.d.o.o za usluge, turistička 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 14.05.2024	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	U72200DL2022FTC392740	Republic of India	Entity controlled by the same controlling entity by means of an ownership interest	until 05.06.2024	Home Credit International a.s. Home Credit India B.V.
EmbedIT Philippines Inc.	2022010038020-00	Republic of the 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 23.07.2024	PPF a.s.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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	Republic of the 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
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 11.06.2024	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 25.06.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
HC Asia B.V.	34253829	Netherlands	Entity controlled by the same controlling entity by means of an ownership interest	until 01.01.2024	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	91120116636067462H	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	U65910HR1997PTC047448	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 INDIA STRATEGIC ADVISORY SERVICES PRIVATE LIMITED	U74999HR2017FTC070364	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 Republic of 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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 12.09.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 11.06.2024	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

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 Sàrl
Navigare Yachting GmbH	DE354034905	Germany	Entity controlled by the same controlling entity by means of an ownership interest	from 01.01.2024	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
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 Sàrl
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

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 Yacilik LTD	VD6300425632	Turkey	Entity controlled by the same controlling entity by means of an ownership interest	from 01.01.2024	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

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 05.01.2024	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.
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 Podkoží s.r.o.	21055785	Czech Republic	Entity controlled by the same controlling entity by means of an ownership interest		PPF FO Management B.V.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 31.01.2024	PPF Group N.V.
PPF Finco RCF BV	92807887	Netherlands	Entity controlled by the same controlling entity by means of an ownership interest	from 31.01.2024	PPF Group N.V.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.
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 04.12.2024	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 25.06.2024 until 05.08.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.
PPF TMT Holdco 3 BV	92805930	Netherlands	Entity controlled by the same controlling entity by means of an ownership interest	from 31.01.2024	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 01.01.2024	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 23.07.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 Republic of Indonesia	2202220030052	Republic of Indonesia	Entity controlled by the same controlling entity by means of an ownership interest		Home Credit International a.s. Home Credit Republic of 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 28.06.2024	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	Republic of South Africa	Entity controlled by the same controlling entity by means of an ownership interest		Vox Ventures B.V.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
Robertson and Caine Proprietary Limited	1995/010265/07	Republic of 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	DELRA49894F	Republic of India	Entity controlled by the same controlling entity by means of an ownership interest	from 25.06.2024	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 07.05.2024	ŠKODA TRANSPORTATION a.s.
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 05.08.2024	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 15.05.2024	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 15.05.2024	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 15.05.2024	PPF Financial Holdings a.s.
RTGS Limited	86025	Jersey	Entity controlled by the same controlling entity by means of an ownership interest	from 15.05.2024	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 15.05.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
Saint Martin Catamaran 2016 SARL	821355872	Saint Martin (FR)	Entity controlled by the same controlling entity by means of an ownership interest	from 14.05.2024 until 19.07.2024	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 25.09.2024	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.	91440300664174257K	People's Republic of China	Entity controlled by the same controlling entity by means of an ownership interest	until 08.03.2024	Home Credit Asia Limited
Shenzhen Home Credit Xinch Consulting Co., Ltd.	91440300796638527A	People's Republic of China	Entity controlled by the same controlling entity by means of an ownership interest		Favour Ocean Limited

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
SIGURNO LIMITED	HE 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.
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 09.10.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 25.06.2024	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 31.01.2024	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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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.
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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 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 Croisières
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		Temsa Skoda Sabancı Ulaşım Araçları A.Ş.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
			of an ownership interest		
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.
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	Turkey	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.
TheSignallingCompany 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.	91120116MA075WF70G	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 Xinch Consulting Co., Ltd.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 28.06.2024	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 28.06.2024	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 11.06.2024	MP Holding 2 B.V.
Wagnerford LLC	5087746372819	Russian Federation	Entity controlled by the same controlling entity by means of an ownership interest	until 11.06.2024	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 (previously 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.

Company name	Identification/ registration number	Country of registration	Method and means of control	Note	Controlled via
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 Magyarország 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 no. 1B

Controlling entity (person):

Renáta Kellnerová, Petr Kellner, Lara Kodl Kellnerová a 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 no. 1C

Controlling entity (person):

Renáta Kellnerová, Anna Kellnerová, Lara Kodl Kellnerová a 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 no. 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 29.05.2024	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 no. 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 29.05.2024	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 no. 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 no. 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 10.07.2024	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 29.05.2024	Lara Kodl Kellnerová

Appendix no. 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 26.03.2024	Marie Isabella Kellnerová

Consolidated Entities

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

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
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

(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.

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.

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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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 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

Consolidated Financial Statement

PPF banka a.s.

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 one calculated using the effective interest rate and others is set out in note 7.

PPF banka a.s.
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2024

	2024	2023
Other comprehensive income		
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 8 to 100 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

PPF banka a.s.
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

PPF banka a.s.
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

*Restated, see note 6 Changes in accounting policies.

PPF banka a.s.
Consolidated Statement of Cash Flows
for the year ended 31 December 2024

	2024	2023* (restated)
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.

PPF banka a.s.
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

PPF banka a.s.
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 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

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 comprised 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, postal code: 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, postal code: 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, postal code: 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 into 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 respond 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 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, in case of 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 values 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 values. 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 elect some equity investments that are not held for trading and 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 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 quantitative 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. The pronouncements, that will potentially have an impact on the Groups’s operations are stated in the note 4.2. and 4.3.

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

4.3 The 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 which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

The Group 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 January 1, 2026, with earlier application permitted.

The Group assessed the new amendments to standards 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 January 1, 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, and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Group assessed the new standards 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. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.

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

Amendment in 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 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 into 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 of extending the restructuring measures, 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 – 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 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 as 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 to the development of GDP is presented in note 44.1., Sensitivity Analysis of loss allowance by relevant categories – individual level.

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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 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.

The impact of the change in presentation on the statement of cash - flows:

	31 December 2023 (as reported) MCZK	Reclassification MCZK	31 December 2023 (restated)* MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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, as 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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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

	2024 MCZK	2023 MCZK
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 development have caused, 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 change in loss allowances to the financial assets at fair value through other comprehensive income in 2024 were mostly caused by 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 to the 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. The impact of top-up tax on the income tax expense in 2014 is null.

	2024 MCZK	2023 MCZK
Income tax – current	(902)	(732)
Income tax – related to prior years	96	68
Income tax – deferred	44	(166)
Income tax (expense)/income	(762)	(830)

	2024 MCZK	2023 MCZK
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 in a 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 release of corporate income tax provision.

Effect of International Tax Reform (Amendments to IAS 12 Income Taxes):

International Tax Reform – Pillar Two Model Rules are effective from 1 January 2024.

The Bank 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. The impact of top-up tax on the income tax expense in 2014 is null.

15 Cash and cash equivalents

	31.12.2024 MCZK	31.12.2023 MCZK
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024	31.12.2023
	MCZK	MCZK
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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 on Investment securities at amortised cost are disclosed in note 44.1.

19 Loans and advances to banks

	31.12.2024 MCZK	31.12.2023 MCZK
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 on loans and advances are disclosed in note 44.1.

20 Loans and advances to customers

	31.12.2024 MCZK	31.12.2023 MCZK
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 on 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

	31.12.2024 MCZK	31.12.2023 MCZK
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 MCZK	31.12.2023 MCZK
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

	31.12.2024 mil. Kč	31.12.2023 mil. Kč
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

	31.12.2024 mil. Kč	31.12.2023 mil. Kč
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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 (31.12.2023: 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%).

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

	31.12.2024 MCZK	31.12.2023 MCZK
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 following 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 recognized 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 favor of the Group.

33 Other liabilities

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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.

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

Maturity analysis – contractual undiscounted cash flows:

	31.12.2024 MCZK	31.12.2023 MCZK
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:

	Carrying amounts of receivables	Fair value of assets held as collateral
	MCZK	MCZK
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:

	Carrying amounts of liabilities	Fair value of assets given as collateral
	MCZK	MCZK
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)	-

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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 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

	31.12.2024 MCZK	31.12.2023 MCZK
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

	31.12.2024 MCZK	31.12.2023 MCZK
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.

	31.12.2024 MCZK	31.12.2023 MCZK
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.

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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
MCZK					
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	0	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.

As at 31 December 2024

MCZK	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

As at 31 December 2023

MCZK	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 into 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.

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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:

	Level 1	Level 2	Level 3	Total
MCZK				
As at 31 December 2024				
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

	Level 1	Level 2	Level 3	Total
MCZK				
As at 31 December 2023				
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

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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 have been 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 have been 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

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 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 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 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' 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 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)

	31.12.2024			31.12.2023		
MCZK	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

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31.12.2024					
MCZK	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)

31.12.2023					
MCZK	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 a year-over-year comparison, the gross value of assets increased by 25,060 MCZK 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 277 MCZK was transferred from stage 2 to stage 3, which led to the additional creation of loss allowances in the amount of 139 MCZK 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 231 MCZK and 763 MCZK, respectively, which led to decrease in the loss allowances by CZK 229 MCZK and 632 MCZK, respectively, see analyses below.

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

31.12.2024					
MCZK	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

31.12.2023					
MCZK	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

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Investment securities at amortised cost

	31.12.2024			31.12.2023		
MCZK	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

31.12.2024						
MCZK	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	

31.12.2023						
MCZK	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

	31.12.2024			31.12.2023		
MCZK	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

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

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

In 2023, the most significant change was the gradual increase of loss allowances (by 232 MCZK) up to 100% of the gross carrying amount and subsequent decrease (by 186 MCZK, the remaining decrease by 46 MCZK was due to the devaluation of 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 analyses below.

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

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

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

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Loans and advances to customers

	31.12.2024			31.12.2023		
MCZK	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

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

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 the development is that 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. 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 3,730 MCZK 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 193 MCZK from stage 2 to stage 3, which led to the additional creation of individual loss allowances in the amount of 195 MCZK and 36 MCZK, respectively.

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

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

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

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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

Accrued interest 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

	2024 MCZK	2023 MCZK
Gross	46,799	51,830
Performing	46,322	51,525
Due	46,318	51,030
Past due 1-30 days	4	495
Past due 31-90 days	-	-
Past due 91-360 days	-	-
Past due more than 360 days	-	-
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

	2024 MCZK	2023 MCZK
Gross	2,780	1,896
Due	2,488	1,600
Past due 1-30 days	230	238
Past due 31-90 days	23	22
Past due 91-360 days	37	34
Past due more than 360 days	2	2
Loss allowance	(102)	(115)
Total	2,678	1,781

Loan commitments

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)
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

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)

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)

A slight year-over-year increase in provisions by 25 mil. CZK was mainly caused by the growth of the loan commitments and financial guarantees portfolio itself by 5,910 MCZK. In 2024, a client with total off-balance sheet exposure in the amount of 218 MCZK 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 12 MCZK due to prudently created provisions already in 2023.

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

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

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.

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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%:

MCZK 2024	Loss allowance/provision	Loss allowance/provision	Increase in PD by 10% 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%

MCZK 2023	Loss allowance/provision	Loss allowance/provision	Increase in PD by 10% 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%

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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%:

MCZK 2024	Loss allowance/provision	Loss allowance/provision	Decrease in PD by 10% 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%)

MCZK 2023	Loss allowance/provision	Loss allowance/provision	Decrease in PD by 10% 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%)

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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.

MCZK 2024	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%)
MCZK 2023	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%)
MCZK 2024	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%
MCZK 2023	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%

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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 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 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 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 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:

	31.12.2024 MCZK	31.12.2023 MCZK
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 according to type of collateral:

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	31.12.2024 MCZK	31.12.2023 MCZK
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:

	31.12.2024 MCZK	31.12.2023 MCZK
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

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

	31.12.2024 MCZK	31.12.2023 MCZK
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 Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR).

Concentration of credit risks according to economic sector/industry

MCZK	Financial institutions*	Public sector	Non- financial institutions	Of which: Real estate	Househo lds/Indi viduals	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 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	3,433	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.

MCZK	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspeci fied	Total
At 31 December 2024						
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

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MCZK	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspeci fied	Total
At 31 December 2023						
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 Due from customers, the Group uses behavioral 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

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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 Groups' 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	Unspeci fied	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	

MCZK	CZK	EUR	USD	INR	Other	Total
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.

MCZK	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspecifie d	Total
At 31 December 2024						
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	-	-

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MCZK	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspecifie d	Total
At 31 December 2023						
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 as 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 of 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 Currency	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 Currency	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

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 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

Group increasingly faces climate-related risks and opportunities related to the transition to a low-carbon economy. During 2024 Group has set up processes to collect the data to assess the risks associated with climate change which can impact 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 into 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.

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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	0	-
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%).

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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, postal code: 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, postal code: 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, postal code: 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:

	31.12.2024	31.12.2023
	MCZK	MCZK
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:

	2024	2023
	MCZK	MCZK
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:

	31.12.2024	31.12.2023
	MCZK	MCZK
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:

	2024	2023
	MCZK	MCZK
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**

Persons responsible for the annual report and the examination of the financial statements

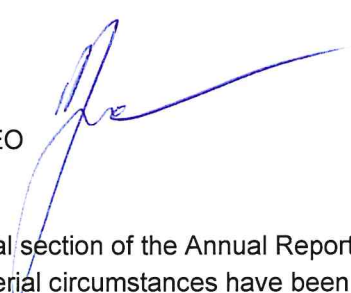
Representation

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



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