

---

# Public Information Regulated Consolidated Group as of 31.12.2008

## Part II.



J&T BANKA  
CZECH REPUBLIC  
PRAGUE

---

The results presented as 2008 J&T CCE (Controlled Consolidation Entity), published on the web [jtfg.com](http://jtfg.com) as a part of information published by the bank, are not identical with the consolidation entity of J&T Finance Group, a.s., compiled in conformity with IFRS (International Financial Reporting Standards). Accordingly, the result cannot be presented as the result of the J&T Finance Group in its entirety.

It is in fact a consolidation entity of only some selected companies, compiled in conformity with the methodology of the Czech National Bank. Simply speaking, only companies directly controlled by the owners of the J&T Bank that are at the same time financial institutions have been included in the CCE.

---

## CONTENT

---

### CONTENT

<b>1. REGULATED CONSOLIDATED GROUP</b>	<b>3</b>
1.1 INFORMATION ABOUT THE STRUCTURE OF THE CONSOLIDATED GROUP	3
1.2 REGULATED CONSOLIDATED GROUP ACCORDING TO THE CNB (RKC)	6
1.2.1 BALANCE SHEET	6
1.2.2 PROFIT & LOSS STATEMENT	11
1.2.3 FINANCIAL ASSETS SORTED BY DEPRECIATION, SECTORS AND EVALUATION	14
1.2.4 DERIVATIVES	15
1.2.5 RATIOS AND OTHER INDICATORS (RKC)	16
<b>2. SUMMARY INFORMATION</b>	<b>18</b>
<b>CONTACTS</b>	<b>22</b>

---

## 1.1 INFORMATION ABOUT THE STRUCTURE OF THE CONSOLIDATED GROUP

**(A) Information about parties which are controlling entities or majority shareholders in relation to the bank**

### MAJORITY PARTNER

Company name: **J&T FINANCE, a. s.**  
 Legal form: Joint-stock company  
 Registered address: Pobřežní 297/14, Prague 8, 186 00, Czech Republic  
 Direct interest in registered share capital: 100 %  
 Direct share in the bank's voting rights: 100 %

Company name: **J&T FINANCE GROUP, a. s.**  
 Legal form: Joint-stock company  
 Registered address: Lamačská cesta 3, Bratislava, 841 04, Slovak Republic  
 Indirect interest in registered share capital: 100  
 Indirect share in the bank's voting rights: 100 %

### CONTROLLING PERSONS

Company name: **J&T Finance Group II, a. s.**  
 Legal form: Joint-stock company  
 Registered address: Pobřežní 297/14, Prague 8, 186 00, Czech Republic  
 Indirect interest in registered share capital: 44,53 %  
 Indirect share in the bank's voting rights: 44,53 %

Company name: **TECHNO PLUS, v.o.s.**  
 Legal form: Public trading company  
 Registered address: Donnerova 15, Bratislava, 841 05, Slovak Republic  
 Indirect interest in registered share capital: 99,47 %  
 Indirect share in the bank's voting rights: 99,47 %

Name: **ING. JOZEF TKÁČ**  
 Indirect interest in registered share capital: 49,74 %  
 Indirect share in the bank's voting rights: 49,74 %

Name: **ING. IVAN JAKABOVIČ**  
 Indirect interest in registered share capital: 49,74 %  
 Indirect share in the bank's voting rights: 49,74 %

### ADDITIONAL INFORMATION

In '000 CZK	31.12.2008	30.9.2008	30.6. 2008	31.3. 2008	31.12.2007
Bank's total receivables from the above parties	6 795	1 306	600	4 091	3 798
Bank's total liabilities towards the above parties	146 323	35 013	34 926	62 740	43 359
Total guarantees provided by the bank to the above parties	1 481	1 357	1 314	1393	5764
Total guarantees accepted by the bank to the above parties	-	-	-	-	-
Total sum of undrawn charge card limits	8 667	8 916	8 584	9087	7959
Total securities issued by these parties in the bank's assets	-	-	-	-	-
Total liabilities relating to these securities	-	-	-	-	-

**B) Information about parties which are controlled entities in relation to the bank, or in which the bank is a majority shareholder**

Company name: Bea Development, a. s.

Legal form: Join-stock company

Registered address: Pobřežní 297/14, Prague 8, 186 00, Czech Republic

Indirect stake in the bank's registered capital: 100 %

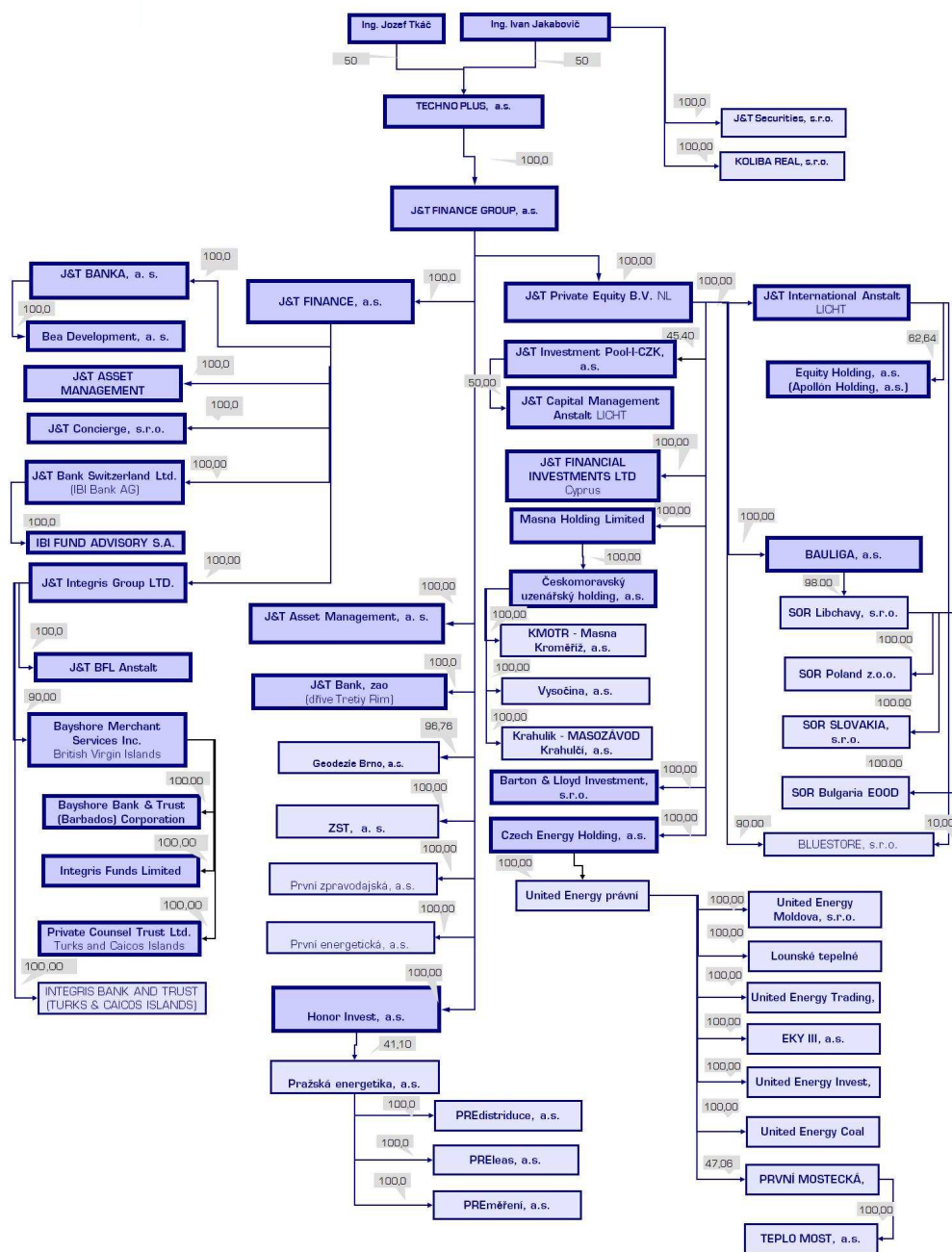
Indirect stake in the bank's voting rights: 100 %

**ADDITIONAL INFORMATION**

Name, nominal value and purchase price of shares in these parties and changes in the course of the accounting period...

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Bank's total receivables from the above parties	94 392	95 715	98 001	95 454	93 333
Bank's total liabilities towards the above parties	395	539	257	296	1 223
Total guarantees provided by the bank to the above parties	1 656	1 517	1 470	869	913
Total guarantees accepted by the bank to the above parties	-	-	-	-	-
Total securities issued by these parties into the bank's assets	41 360	41 360	41 360	41 360	41 360
Total liabilities relative to these securities	-	-	-	-	-

C) Graphic depiction of the consolidated group over which the CNB performs supervision a consolidated basis and of which the obliged party is a member, with indication of the parties included in the regulated consolidated group.



## 1.2 REGULATED CONSOLIDATED GROUP ACCORDING TO THE CNB (RKC)

### 1.2.1 BALANCE SHEET AS OF 31.12.2008

**ASSETS OF REPORTING ENTITY IN BASIC BREAKUP**

Figures compensated by adjustments and accumulated amortization

(in 000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
<b>1 Total assets</b>	<b>83 447 985</b>	<b>79 146 976</b>	<b>81 026 714</b>	<b>73 062 379</b>	<b>67 700 945</b>
<b>2 Balance in cash and receivables from central banks</b>	<b>5 051 564</b>	<b>4 825 716</b>	<b>4 034 765</b>	<b>7 630 051</b>	<b>2 342 585</b>
3 Balance in cash	76 528	86 148	88 997	133 243	123 910
4 Receivables from central banks	4 975 037	4 739 568	3 945 767	7 496 808	2 218 675
<b>5 Financial assets for trading</b>	<b>1 781 968</b>	<b>4 915 186</b>	<b>11 906 954</b>	<b>8 470 290</b>	<b>8 806 454</b>
6 Derivatives for trading with positive real value	692 068	3 782 300	7 807 709	7 469 411	8 019 588
7 Capital tools for trading	87 343	59 018	3 051 479	163 535	141 066
8 Debt securities for trading	1 002 557	1 073 867	1 047 767	837 344	645 801
9 Receivables for trading	0	0	0	0	0
10 Receivables for trading from credit institutions	0	0	0	0	0
11 Receivables for trading from entities other than credit institutions	0	0	0	0	0
12 Other receivables for trading not broken up by sectors	0	0	0	0	0
<b>13 Financial assets in real value shown in Profit / Loss</b>	<b>183 744</b>	<b>0</b>	<b>3 229</b>	<b>0</b>	<b>0</b>
14 Capital tools in real value shown in P/L	183 744	0	3 229	0	0
15 Zdeny securities in real value shown in P/L	0	0	0	0	0
16 Receivables in real value shown in Profit / Loss	0	0	0	0	0
17 Receivables in real value shown in P/L from credit institutions	0	0	0	0	0
18 Receivables in real value shown in P/L from entities other than credit institutions	0	0	0	0	0
19 Other receivables in real value shown in P/L not broken up by sectors	0	0	0	0	0
<b>20 Realizable financial assets</b>	<b>1 607 822</b>	<b>1 459 903</b>	<b>1 436 423</b>	<b>730 857</b>	<b>1 026 174</b>
21 Realizable capital tools	1 132 146	759 800	744 896	37 910	84 072
22 Realizable debt securities	475 676	700 103	691 528	692 947	683 074
<b>23 Realizable receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>259 028</b>
24 Realizable receivables from credit institutions	0	0	0	0	0
25 Realizable receivables from entities other than credit institutions	0	0	0	0	0
26 Other realizable receivables not broken up by sectors	0	0	0	0	259 028
<b>27 Credit and other receivables</b>	<b>57 518 178</b>	<b>51 228 212</b>	<b>50 781 536</b>	<b>43 496 679</b>	<b>42 875 335</b>
28 Non-tradeable debt securities	0	0	0	0	0
<b>29 Receivables</b>	<b>57 518 178</b>	<b>51 228 212</b>	<b>50 781 536</b>	<b>43 496 679</b>	<b>42 875 335</b>
30 Receivables from credit institutions	3 972 198	5 687 730	7 643 416	4 333 521	4 514 469
31 Receivables from entities other than credit institutions	51 415 691	45 287 361	42 842 917	38 829 433	38 159 825
32 Other receivables not broken up by sectors	2 130 288	253 122	295 204	333 725	201 041
<b>33 Financial investment held to maturity</b>	<b>27 791</b>	<b>24 107</b>	<b>22 762</b>	<b>24 760</b>	<b>24 725</b>
34 Debt securities held to maturity	27 791	24 107	22 762	24 760	24 725
<b>35 Receivables held to maturity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
36 Receivables held to maturity from credit institutions	0	0	0	0	0
37 Receivables held to maturity from entities other than credit institutions	0	0	0	0	0
38 Other receivables held to maturity not broken up by sectors	0	0	0	0	0
<b>39 Hedging derivatives with positive real value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
40 Hedging derivatives with positive RV - real value hedging	0	0	0	0	0
41 Hedging derivatives with positive RV - cash-flow hedging	0	0	0	0	0

continued >

< continued

42	Hedging derivatives with positive RV - net investment in foreign units hedging	0	0	0	0	0
43	Hedging derivatives with positive RV - credit risk hedging - RV	0	0	0	0	0
44	Hedging derivatives with positive RV - credit risk hedging - cash-flow	0	0	0	0	0
45	Positive limile in portfolio of assured instruments real value	0	0	0	0	0
<b>46</b>	<b>Tangible assets</b>	<b>338 800</b>	<b>337 383</b>	<b>333 800</b>	<b>332 008</b>	<b>339 480</b>
47	Land, buildings and equipment	338 800	337 383	333 800	332 008	339 480
48	Investment in real estate	0	0	0	0	0
<b>49</b>	<b>Intangible assets</b>	<b>1 221 223</b>	<b>1 043 710</b>	<b>945 079</b>	<b>293 400</b>	<b>305 070</b>
50	Goodwill	361 908	890 270	792 468	158 298	169 380
51	Other intangible assets	859 314	153 440	152 611	135 102	135 690
52	Shares in limilelarit and controlled entities and joint ventures	338 777	13 768 569	10 050 086	9 896 664	9 645 640
<b>53</b>	<b>Tax receivables</b>	<b>53 460</b>	<b>49 284</b>	<b>41 059</b>	<b>45 395</b>	<b>55 157</b>
54	Receivables from tax due	45 921	45 385	37 340	41 388	51 154
55	Receivables from deferred tax	7 539	3 899	3 719	4 007	4 003
56	Other assets	1 673 219	1 494 906	1 471 020	2 142 274	2 280 326
57	Non-current assets and deleted group for sale	13 651 439	0	0	0	0

**LIABILITIES AND OWNED CAPITAL OF REPORTING ENTITY IN BASIC BREAKUP**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
<b>1 Total liabilities and limi capital</b>	<b>83 447 985</b>	<b>79 146 976</b>	<b>81 026 714</b>	<b>73 062 379</b>	<b>67 700 945</b>
<b>2 Total liabilities</b>	<b>66 816 126</b>	<b>62 667 525</b>	<b>64 354 851</b>	<b>57 530 495</b>	<b>54 420 694</b>
3 Deposits, credits and other financial liabilities to central banks	41 193	0	0	0	0
<b>4 Financial liabilities for trading</b>	<b>521 138</b>	<b>173 042</b>	<b>308 427</b>	<b>184 325</b>	<b>211 442</b>
5 Derivatives for trading with negative real value	521 138	173 042	284 257	184 325	211 442
6 Liabilities from short sales	0	0	24 170	0	0
<b>7 Deposits, credits and other financial liabilities to for trading</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
8 Deposits, credits and other financial liabilities for trading to credit institutions	0	0	0	0	0
9 Deposits, credits and other financial liabilities for trading to entities other than cr. inst.	0	0	0	0	0
10 Ether financial liabilities for trading not broken up by sectors	0	0	0	0	0
11 Issued debt securities for repurchase in short term	0	0	0	0	0
<b>12 Financial liabilities in real value shown in P/L</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13 Deposits, credits and other financial liabilities in real value shown in P/L</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
14 Deposits, credits and other financial liabilities in RV shown in P/L to credit institutions	0	0	0	0	0
15 Deposits, credits and other financial liabilities in RV shown in P/L to intities other than credit institutions	0	0	0	0	0
16 Ether financial liabilities in RV shown in P/L not broken up by sectors	0	0	0	0	0
17 Issued debt securities in RV shown in Profit / Loss Report	0	0	0	0	0
18 Subordinated liabilities in RV shown in Profit / Loss Report	0	0	0	0	0
<b>19 Financial liabilities in accrued value</b>	<b>58 264 071</b>	<b>59 291 985</b>	<b>61 073 842</b>	<b>54 116 046</b>	<b>49 205 152</b>
<b>20 Deposits, credits and other financial liabilities in accrued value</b>	<b>50 481 512</b>	<b>52 791 619</b>	<b>55 021 497</b>	<b>49 101 785</b>	<b>44 350 124</b>
21 Deposits and other financial liabilities in accrued value to credit institutions	3 047 769	9 762 496	7 734 377	7 045 150	6 136 324
22 Deposits and other fin. liab in accrued value to entities other than credit institutions	43 889 262	40 637 058	45 392 386	40 476 027	36 949 112
23 Ether financial liabilities in accrued value not broken up by sectors	3 544 480	2 392 065	1 894 734	1 580 609	1 264 687
24 Issued debt securities in accrued value	5 777 165	4 662 095	4 268 002	3 125 538	2 873 588
25 Subordinated liabilities in accrued value	2 005 394	1 838 271	1 784 343	1 888 724	1 981 440
26 Financial liabilities related to transfered assets	0	0	0	0	0
<b>27 Hedging derivatives with negative real value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
28 Hedging derivatives with negative RV - real value hedging	0	0	0	0	0
29 Hedging derivatives with negative RV - cash-flow hedging	0	0	0	0	0
30 Hedging derivatives with negative RV - net investmment in foreign unit hedging	0	0	0	0	0
31 Hedging derivatives with negative RV - credit risk hedging - RV	0	0	0	0	0
32 Hedging derivatives with negative RV - credit risk - cash-flow	0	0	0	0	0
33 Negative hedged tool portfolio real value changes	0	0	0	0	0
<b>34 Reserves</b>	<b>170 072</b>	<b>2 382 850</b>	<b>2 057 005</b>	<b>2 170 591</b>	<b>4 087 354</b>
35 Reserves for restructuring	0	0	0	0	0
36 Reserves for taxes and legal processes	1 451	11 952	11 891	11 988	11 986
37 Reservs for pensions and limile liabilities	5 021	0	0	1 216	1 478
38 Reserves for off-balance items	0	0	0	0	0
39 Reserves for bad contracts	0	0	0	0	0
40 Ether reserves	163 600	2 370 899	2 045 114	2 157 387	4 073 890
<b>41 Tax liabilities</b>	<b>60 050</b>	<b>87 185</b>	<b>91 704</b>	<b>94 263</b>	<b>138 508</b>
42 Tax due liabiltes	38 284	23 863	22 998	20 637	64 603
43 Deferred tax liabilities	21 765	63 321	68 706	73 626	73 905
44 Ether liabilities	924 713	732 463	823 874	965 271	778 237

continued >

< continued

<b>45</b>	<b>Registered society capital payable on demand</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
46	Liabilities related to deleted groups for sale	6 834 889	0	0	0	0
<b>47</b>	<b>Total owned capital</b>	<b>16 631 859</b>	<b>16 479 451</b>	<b>16 671 863</b>	<b>15 531 884</b>	<b>13 280 251</b>
<b>48</b>	<b>Registered capital</b>	<b>791</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	Paid-up registered capital	791	0	0	0	0
50	Unpaid registered capital	0	0	0	0	0
51	Share premium	0	0	0	0	0
52	Other owned capital	0	0	0	0	0
53	Capital content of financial instruments	0	0	0	0	0
54	Other capital instruments	0	0	0	0	0
<b>55</b>	<b>Funds on revaluations and other differences in valuation</b>	<b>176 095</b>	<b>-35 279</b>	<b>-86 052</b>	<b>-69 508</b>	<b>-58 919</b>
56	Differences in valuation of tangible assets	0	0	0	0	0
57	Differences in valuation of intangible assets	-265	-265	0	0	0
58	Securing of net investments in foreign units	0	0	0	0	0
59	Securing of cash flows	179 653	-11 901	-62 132	-48 694	-34 869
60	Differences in valuation of realizable financial assets	-3 559	-23 075	-23 882	-20 776	-24 011
61	Differences in valuation of non-current assets and terminating activities designated for sale	266	0	0	0	0
62	Other differences in valuation	0	-38	-38	-38	-39
63	Reserve funds	1 568 601	1 179 483	875 383	322 851	217 175
64	Undistributed profit (unpaid loss) of previous periods	14 012 312	14 373 962	14 581 922	15 717 434	11 301 024
65	Own shares	0	0	0	0	0
66	Profit (loss) of current accounting period	407 923	533 344	882 859	-835 485	1 361 975
67	Interlocutory dividends	0	0	0	0	0
<b>68</b>	<b>Minority interests</b>	<b>466 137</b>	<b>427 941</b>	<b>417 750</b>	<b>396 592</b>	<b>458 996</b>
69	Minority interests in funds of revaluation and other differences in valuation	58 895	-11 666	-24 884	-15 587	-7 225
70	Other minority interests	407 242	439 607	442 635	412 179	466 222

**GRANTED PROMISES, SECURITIES, RECEIVABLES FROM DERIVATIVES AND SIMILAR ITEMS**

in '000 CZK	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
<b>1 Sum of granted promises, securities and other off-balance receivables</b>	<b>67 417 416</b>	<b>93 108 996</b>	<b>62 240 539</b>	<b>34 762 794</b>	<b>39 085 740</b>
<b>2 Granted promises and securities</b>	<b>21 242 687</b>	<b>19 428 524</b>	<b>12 855 334</b>	<b>13 219 520</b>	<b>14 706 339</b>
3 Granted promises	5 653 947	4 559 890	4 264 183	4 639 210	5 035 849
<b>4 Granted securities and guarantees</b>	<b>14 134 227</b>	<b>13 664 515</b>	<b>7 453 750</b>	<b>7 481 993</b>	<b>7 779 844</b>
5 Granted securities on credit derivatives	0	0	0	0	0
6 Other granted securities	14 134 227	13 664 515	7 453 750	7 481 993	7 779 844
7 Granted securities on bills of exchange	1 454 513	1 204 119	1 137 401	1 098 317	1 890 645
8 Granted securities on letter of credits	0	0	0	0	0
9 Granted deposits	9 807 079	9 133 781	5 560 927	5 630 896	6 016 302
10 Receivables on spot transactions	0	927 053	364 894	98 980	113 135
11 Receivables on fixed forward transactions	21 407 857	17 035 410	27 311 282	10 714 928	13 200 505
12 receivables on options	2 746 665	2 789 823	7 109 113	3 388 839	2 872 499
13 Written-off debts	430 266	33 378 871	430 266	430 266	0
14 Values put for management	0	0	0	0	0
15 Values put in custody, administration and deposit	11 782 863	10 415 535	8 608 722	1 279 363	2 176 961

**RECEIVED PROMISES, SECURITIES, LIABILITIES OF DERIVATIVES AND SIMILAR ITEMS**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
<b>1 Sum of received promises, securities and other off-balance liabilities</b>	<b>105 645 352</b>	<b>117 734 770</b>	<b>120 482 486</b>	<b>67 682 582</b>	<b>81 923 738</b>
<b>2 Received promises and securities</b>	<b>12 488 885</b>	<b>14 636 510</b>	<b>15 463 374</b>	<b>15 123 265</b>	<b>23 603 898</b>
3 Received promises	2 028 391	2 311 821	1 912 384	1 544 576	1 642 605
<b>4 Received securities and guarantees</b>	<b>18 867</b>	<b>180 548</b>	<b>152 343</b>	<b>199 712</b>	<b>427 868</b>
5 Received securities on credit derivatives	0	0	0	0	0
6 Other received securities	18 867	180 548	152 343	199 712	427 868
7 Received securities on bills of exchange	10 441 626	12 144 141	13 398 647	13 378 977	21 533 425
8 Received securities on letter of credits	0	0	0	0	0
9 Received deposits	19 786 384	23 568 725	20 431 835	22 993 627	23 273 946
10 Liabilities on spot transactions	0	1 060 650	364 734	98 980	231 540
11 Liabilities on fixed forward transactions	21 663 015	17 113 812	27 084 710	10 645 998	13 169 103
12 Liabilities on options	2 675 246	2 693 948	7 059 227	3 311 740	2 775 160
13 Values taken over for management	30 123 777	43 039 082	36 678 132	10 205 395	12 539 234
14 Values taken over to custody, administrative and deposit	18 908 044	15 622 043	13 400 474	5 303 577	6 330 857

**1.2.2 PROFIT & LOSS STATEMENT AS OF 31.12.2008**

**INCOMES, COSTS, PROFITS AND LOSSES OF THE ENTITY**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
<b>1 Profit on financial activities and on operations</b>	<b>-2 694 774</b>	<b>-3 842 186</b>	<b>839 338</b>	<b>-774 370</b>	<b>931 977</b>
<b>2 Interest income</b>	<b>3 483 592</b>	<b>2 503 502</b>	<b>1 579 001</b>	<b>762 314</b>	<b>2 230 651</b>
3 Interest on claims to central banks	156 282	135 447	87 794	39 897	115 850
4 Interest on financial assets for trading	46 648	32 618	18 994	7 892	24 651
5 Interest on financial assets in real value shown in Profit and Loss	5 064	2 758	907	492	0
6 Interest on administrative financial assets	6 620	5 729	3 991	1 987	38 462
7 Interest on credits and other claims	3 263 361	2 323 881	1 465 397	711 175	2 039 411
8 Interest on financial investments held to maturity	659	524	349	157	1 818
9 Profit on securing credit derivatives					
10 Interest on other assets	4 958	2 545	1 568	714	10 459
<b>11 Interest cista</b>	<b>-2 697 914</b>	<b>-1 997 008</b>	<b>-1 263 267</b>	<b>-616 103</b>	<b>-1 437 200</b>
12 Interest for deposits, credits and other financial liabilities to central banks	-777				
13 Interest for financial liabilities for trading		0	0	0	0
14 Interest for financial liabilities in real value shown in Profit and Loss	0	0	0	0	0
15 Interest for financial liabilities in value incurred	-2 695 168	-1 996 996	-1 263 260	-562 110	-1 360 698
16 Loss on securing credit derivatives					
17 Interest for other liabilities	-1 968	-12	-7	-53 993	-76 502
18 Cista for registered capital payable on demand					
<b>19 Income on dividends</b>	<b>47 262</b>	<b>54 395</b>	<b>1 535</b>	<b>344</b>	<b>20 572</b>
20 Income on administrative financial assets for trading	46 565	44 614	1 535	344	20 572
21 Income on administrative financial assets in real value shown in P/L					
22 Income on administrative financial assets	698	9 781			
<b>23 Income on fees and commissions</b>	<b>877 615</b>	<b>508 528</b>	<b>408 431</b>	<b>134 417</b>	<b>1 324 874</b>
<b>24 Fees and commissions on transactions with financial administration for clients</b>	<b>78 985</b>	<b>58 585</b>	<b>39 314</b>	<b>24 281</b>	<b>134 380</b>
25 Fees and commissions on providing issues	34	34			
26 Fees and commissions on providing financial instruments	72 922	52 552	35 634	24 281	123 688
27 Fees and commissions on consultation services	6 029	5 998	3 680		10 692
28 Fees and commissions on clearing and settlement	0	0	0	0	0
29 Fees and commissions on administrative of values	54 764	21 355	393	93	20 939
30 Fees and commissions on administrative, administrative and deposit of values	1 491	17 343	12 853	6 802	38 430
31 Fees and commissions on promises and securities	23 742	11 086	7 256	3 780	34 398
32 Fees and commissions on payments	15 746	11 551	7 399	3 322	11 219
33 Fees and commissions on structured financing					
34 Fees and commissions on securitization					
35 Fees and commissions on other services	702 887	388 608	341 217	96 138	1 085 508
<b>36 Cost of fees and commissions</b>	<b>-849 824</b>	<b>-1 326 140</b>	<b>-725 045</b>	<b>-441 294</b>	<b>-4 291 154</b>
37 Fees and commissions for transactions with financial instruments	-34 724	-33 659	-32 865	-435	-3 984
38 Fees and commissions for administrative of values	-3 455	-2 159	-1 397	-852	-3 172
39 Fees and commissions for administration, custody and deposit of values	-8 272	-6 318	-4 750	-2 588	-21 005

< continued

continued >

40	Fees and commissions for clearing and settlement	0	0	0	0	
41	Fees and commissions for securitization		0	0	0	0
42	Fees and commissions for other services	-803 373	-1 284 005	-686 033	-437 419	-4 262 993
<b>43</b>	<b>Realized P/L on fin. Assets and liabilities not shown in real value in P/L</b>	<b>100 405</b>	<b>104 112</b>	<b>104 799</b>	<b>46 259</b>	<b>-175 590</b>
44	Profit (loss) on realizable financial assets	-3 781	1 145	1 147	0	-64 496
45	Profit (loss) on credits and other claims	104 187	102 979	103 664	46 259	-110 933
46	Profit (loss) on financial investments held to maturity	-1	-12	-12		-161
47	Profit (loss) on financial liabilities in value incurred					
48	Profit (loss) on other liabilities		0	0		
<b>49</b>	<b>Profit (loss) on financial assets and liabilities for trading</b>	<b>-3 816 466</b>	<b>-3 051 676</b>	<b>1 653 043</b>	<b>165 768</b>	<b>3 432 810</b>
50	Profit (loss) on capital instruments and share derivatives	-3 982 450	-3 907 487	300 086	188 727	1 976 996
51	Profit (loss) on interest instruments (incl. interest derivatives)	-159 632	-51 173	4 802	-4 853	32 168
52	Profit (loss) on currency instruments (incl. currency derivatives)	-698 026	611 391	1 137 734	460 223	38 974
53	Profit (loss) on credit instruments (incl. credit derivatives)					0
54	Profit (loss) on commodities and commodity derivatives	-9 069	-452	7 721	5 431	2 497
55	Profit (loss) on other instruments incl. hybrids	1 032 711	296 045	202 700	-483 760	1 382 175
56	Profit (loss) on financial assets and liabilities in real value shown in P/L	170 555	31 053	23 869	15 014	47 012
57	Profit (loss) on securing accounting	16	484	392	-37	-6 755
58	Exchange rate differences	1 503 218	-360 371	-922 639	-870 280	-1 320 276
59	Profit (loss) on clearing of assets other than held for sale	-1 474 276	1 614	12 093	-57	-5 373
60	Other income on operations	259 648	111 886	70 748	118 011	1 271 491
61	Other costs of operations	-298 605	-422 564	-103 621	-88 726	-159 085
<b>62</b>	<b>Administrative costs</b>	<b>-3 092 951</b>	<b>-647 658</b>	<b>-413 377</b>	<b>-204 655</b>	<b>-781 455</b>
<b>63</b>	<b>Cost of employees</b>	<b>-476 984</b>	<b>-339 763</b>	<b>-220 618</b>	<b>-100 041</b>	<b>-376 638</b>
64	Payroll	-381 584	-269 080	-172 299	-76 961	-294 653
65	Social and health insurance	-80 051	-60 105	-41 223	-19 920	-69 316
66	Retirement and other expenses	-5 336	-3 873	-2 614	-1 309	-4 748
67	Cost of temporary employees	-1 907	-786	-421	-130	-888
68	Remunerations - own capital instruments		0	0	0	
69	Other costs of employees	-8 106	-5 918	-4 061	-1 720	-7 034
<b>70</b>	<b>Other administrative costs</b>	<b>-2 615 967</b>	<b>-307 895</b>	<b>-192 759</b>	<b>-104 614</b>	<b>-404 817</b>
71	Advertising costs	-16 647	-12 180	-4 467	-1 109	-5 054
72	Consultancy costs	-177 845	-91 755	-55 135	-41 188	-134 285
73	Information technology costs	-10 726	-7 284	-4 719	-2 683	-15 002
74	Outsourcing costs	-33 625	-22 446	-13 117	-6 301	-28 743
75	Rent	-51 921	-37 574	-25 157	-12 570	-51 441
76	Other administrative costs	-2 325 203	-136 656	-90 164	-40 764	-170 292
<b>77</b>	<b>Depreciation</b>	<b>-65 187</b>	<b>-43 976</b>	<b>-33 109</b>	<b>-12 431</b>	<b>-49 058</b>
78	Depreciation of land, buildings and equipment	-33 463	-24 110	-21 842	-7 718	-28 776
79	Depreciation of investments in real estates					
80	Depreciation of intangible assets	-31 724	-19 867	-11 267	-4 712	-20 282

continued >

< continued

81	Reserve creation	1 983 601				
<b>82</b>	<b>Loss on depreciation</b>	<b>-1 325 403</b>	<b>-19 205</b>	<b>81 251</b>	<b>-20 169</b>	<b>17 209</b>
<b>83</b>	<b>Loss on depreciation of financial assets not shown in real value in P/L</b>	<b>-1 332 313</b>	<b>-22 643</b>	<b>80 418</b>	<b>350</b>	<b>19 010</b>
84	Loss on depreciation of financial assets in acquisition price					3
85	Loss on depreciation of realizable financial assets					0
86	Loss on depreciation of credits and other claims	-1 332 313	-22 643	80 418	350	19 006
87	Loss on depreciation of financial investments held to maturity					
<b>88</b>	<b>Loss on depreciation of non-financial assets</b>	<b>6 910</b>	<b>3 438</b>	<b>833</b>	<b>-20 518</b>	<b>-1 801</b>
89	Loss on depreciation of land, buildings and equipment	0	0	0	0	0
90	Loss on depreciation of investments in real estates	0	0	0		0
91	Loss on depreciation of goodwill	0	0	0		0
92	Loss on depreciation of intangible assets	-18	0	0	0	0
93	Loss on depreciation of interest in subsidiary and controlled entities and joint ventures	0	0		-5 042	-1 261
94	Loss on depreciation of other non-financial assets	6 928	3 438	833	-15 476	-540
95	Negative goodwill immediately included in P&L statement	4 740 466	4 804 987	13 304	330	73 775
96	Share in P/L of subsidiary and controlled entities and joint ventures	1 217 430	461 091	477 124	199 758	1 343 642
97	Profit or loss on non-current assets and closed groups		0	0		0
<b>98</b>	<b>Profit or loss on continuing operations before taxes</b>	<b>763 184</b>	<b>713 053</b>	<b>964 531</b>	<b>-811 537</b>	<b>1 536 091</b>
99	Costs of income tax	-64 211	-80 782	-63 526	-19 386	-112 915
100	Profit or loss on continuing operations after taxes	698 972	632 271	901 005	-830 923	1 423 176
101	Profit or loss on terminated operation after taxes					
<b>102</b>	<b>Profit or loss after taxes</b>	<b>698 972</b>	<b>632 271</b>	<b>901 005</b>	<b>-830 923</b>	<b>1 423 176</b>
103	Minority interests in profit or loss	291 050	98 927	18 145	4 562	61 201
104	Profit or loss without minority interests	407 923	533 344	882 859	-835 485	1 361 975

**1.2.3 FINANCIAL ASSETS SORTED BY DEPRECIATION, SECTORS AND EVALUATION**

(In '000 CZK)							31.12.2008
		Value prior to depreciation	Adjustments	Accumulated los sof evaluation using real value			Book value (net)
		Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated usány real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value
3	Receivables without depreciation	59 581 481	0	0	0	59 581 481	0
9	Receivables with depreciatiion	5 360 437	0	2 448 704	0	2 911 733	0

(In '000 CZK)							30.9.2008
		Value prior to depreciation	Adjustments	Accumulated los sof evaluation using real value			Book value (net)
		Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated usány real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value
3	Receivables without depreciation	41 595 633	0	0	0	41 595 633	0
9	Receivables with depreciation	2 378 393	0	1 011 089	0	1 367 304	0

(In '000 CZK)							30.6.2008
		Value prior to depreciation	Adjustments	Accumulated los sof evaluation using real value			Book value (net)
		Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated usány real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value
3	Receivables without depreciation	54 222 921	0	0	0	54 222 921	0
9	Receivables with depreciation	1 400 790	0	896 408	0	504 382	0

(In '000 CZK)							31.3.2008
		Value prior to depreciation	Adjustments	Accumulated los sof evaluation using real value			Book value (net)
		Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated usány real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value
3	Receivables without depreciation	50 668 890	0	0	0	50 668 890	0
9	Receivables with depreciation	1 009 139	0	684 541	0	324 597	0

(In '000 CZK)							31.12.2007
		Value prior to depreciation	Adjustments	Accumulated los sof evaluation using real value			Book value (net)
		Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated usány real value	Financial assets evaluated by accrued value or acquisition price	Financial assets evaluated using real value
3	Receivables without depreciation	44 626 370	414 592	0	0	44 626 370	414 592
9	Receivables with depreciatiion	933 038	0	620 963	0	312 076	0

**1.2.4 DERIVATIVES**

**DERIVATIVES TO TRADING - ASSETS**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Real value	692 068	3 782 300	7 807 709	7 469 411	8 019 588
Nominal value	24 154 522	19 825 233	33 771 983	14 103 768	15 937 164

**DERIVATIVES TO TRADING - LIABILITIES**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Real value	521 138	173 042	284 257	184 325	211 442
Nominal value	24 338 262	19 807 760	33 677 204	13 957 738	15 901 939

**SECURITY DERIVATIVES - ASSETS**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Real value	0	0	0	0	0
Nominal value	0	0	0	0	0

**SECURITY DERIVATIVES - LIABILITIES**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Real value	0	0	0	0	0
Nominal value	0	0	0	0	0

## 1.2.5 RATIOS AND OTHER INDICATORS (RKC)

### CLASSIFIED LOANS

#### 1. Information about capital

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Tier 1	14 472 323	14 815 136	14 850 664	10 917 533	11 618 150
Tier 2	652 110	597 263	578 617	613 487	644 603
Tier 3 used	-	-	-	-	-
Items subtractable from the sum of Tier1 and Tier2	-	-	-	-	-
Total capital	15 124 433	15 412 399	15 429 281	11 531 020	12 262 763

#### 2. Information about capital requirements

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008
1 Total Capital Requirements	9 021 900	8 453 335	9 113 679	7 664 538
2 Cap. req. for credit risk total	7 008 980	6 508 953	6 374 665	5 776 309
3 Cap. req. for credit risk under SA total	7 008 980	6 508 953	6 374 665	5 776 309
4 Cap. req. for credit risk under SA for total exposure	7 008 980	6 508 953	6 374 665	5 776 309
5 Cap. req. under SA for exposure to central governments and banks	2 669	8 630	9 992	2 838
6 Cap. req. under SA for exposure to reg. governments and local auth.				
7 Cap. req. under SA for exposure to public sector and other organizations				
8 Cap. req. under SA for exposure to international development banks				
9 Cap. req. under SA for exposure to international organizations				
10 Cap. req. under SA for institutional exposures	99 785	160 641	199 110	190 313
11 Cap. req. under SA for corporate exposures	4 813 066	4 345 740	4 405 014	4 442 268
12 Cap. req. under SA for retail exposures	0	0	0	0
13 Cap. req. under SA for mortgage secured exposures	634 255	597 231	430 707	11 558
14 Cap. req. under SA for non-performing exposures	70	1 653	7 197	26 048
15 Cap. req. under SA for regulatory high-risk exposures				
16 Cap. req. under SA for exposure to covered bonds				
17 Cap. req. under SA for short-term inst. and corp. exposures	0	0	0	0
18 Cap. req. under SA for exposure to collective invest. funds				
19 Cap. req. under SA for other exposures	1 459 136	1 395 058	1 322 644	1 103 284
20 Cap. req. for credit risk under SA within IRBA for total exposure	0	0	0	0
21 Cap. req. under SA within IRBA for exposure to central governments and banks	0	0	0	0
22 Cap. req. under SA within IRBA for institutional exposure	0	0	0	0
23 Cap. req. under SA within IRBA for corporate exposure	0	0	0	0
24 Cap. req. under SA within IRBA for retail exposure	0	0	0	0
25 Cap. req. under SA within IRBA for equity exposures	0	0	0	0
26 Cap. req. under SA within IRBA for other exposures				
27 Cap. req. for credit risk under SA for securitization exposure				
28 Cap. req. for credit risk under IRBA total	0	0	0	0
29 Cap. req. for credit risk under IRBA for selected exposures total	0	0	0	0
30 Cap. req. under IRBA for exposure to central governments and banks	0	0	0	0
31 Cap. req. under IRBA for institutional exposure	0	0	0	0
32 Cap. req. under IRBA for corporate exposure	0	0	0	0
33 Cap. req. under IRBA for retail exposure	0	0	0	0
34 Cap. req. for credit risk under IRBA for equity exposures	0	0	0	0

continued >

< continued

35	Cap. req. for credit risk under IRBA for securitization exposure				
36	Cap. req. for credit risk under IRBA for other exposures				
37	Cap. req. for settlement risk				
38	Cap. req. for position, currency and commodity risks total	1 494 114	1 425 576	2 220 208	1 453 043
39	Cap. req. for market risk under SA total	1 494 114	1 425 576	2 220 208	1 453 043
40	Cap. req. under SA for interest rate risk	46 727	57 416	55 373	40 022
41	Cap. req. under SA for equity risk	3 985	1 867	22 500	18 034
42	Cap. req. under SA for currency risk	1 442 534	1 362 425	2 140 887	1 393 032
43	Cap. req. under SA for commodity risk	867	3 867	1 448	1 955
44	Cap. req. for market risk under the internal model approach				
45	Cap. req. for operating risk total	518 806	518 806	518 806	435 186
46	Cap. req. for operating risk under BIA	518 806	518 806	518 806	435 186
47	Cap. req. for operating risk under TSA				
48	Cap. req. for operating risk under ASA				
49	Cap. req. for operating risk under AMA	0	0	0	0
50	Cap. req. for trading book risk				
51	Cap. req. for other trading book instruments				
52	Transitional cap. req. - match up to Basel I				

**3. Ratios**

(in '000 CZK)	31.12.2008	30.9.2008	30.6.2008	31.3.2008	31.12.2007
Capital adequacy	13,41%	14,59%	13,54%	12,04%	14,24%
Return on average assets (ROAA)	0,53%	0,95%	2,39%	-4,75%	2,35%
Return on average equity (ROAE)	3,06%	5,45%	14,17%	-29,66%	11,80%

**RISK MANAGEMENT STRATEGIES, PROCEDURES AND APPROACHES**

The fundamental goal is to ensure sufficient caution is exercised in the Bank's business, i.e. to make sure that any losses incurred in the taking of risk are borne by the owners, not creditors.

To attain this goal, the Bank aptly and cautiously manages the risks it faces, covering with its internal capital any risks identified to be significant:

- This includes monitoring, measuring and, if necessary, limiting risks even in excess of the risk level limitation required by the regulatory body. Internal limits are reviewed regularly and upon major changes to conditions in the market to align them with the Bank's overall strategy and market and credit conditions. Compliance with the limits set is monitored and reported daily. Should they be exceeded, the Bank immediately takes appropriate remedial measures.

- For internal capital adequacy, the Bank sets goals that it wants to achieve within a defined time frame (i.e. to what extent risks should be covered by internal capital) and thresholds that internal capital adequacy should not drop below.

All internal limits are approved independently of business units in the bank.

**CREDIT RISK**

- *Investment portfolio credit risk*

- *Trading book credit risk*

- *Specific interest-rate risk*

- *Counterparty risk*

The Bank's quantification of the above credit risks it faces is based on its internal rating system. Their assessment is based on the IRB functional dependency, with a confidence interval of 99.9 %.

- *Specific equity risk*

The risk is assessed on the basis of the VAR methodology.

The bank applies its internal limit to limit counterparty/issuer credit exposures arising for it from defined types of trade.

- *Concentration risk*

In respect of a major concentration of exposures to a single party or a single group of economically connected parties, the Bank:

- regularly reviews and updates a list of economically connected groups of borrowers and monitors the extent of the Bank's exposure to them,

- applies a mechanism of internally set credit limits to contracting parties as well as economically connected groups of borrowers,

- uses internal limits to handle exposures arising from the Bank's activities during credit risk mitigation, arising as exposures in a single type of collateral or in the credit risk of a single counterparty providing credit protection.

In respect of a significant concentration of exposures to a group of parties where the probability of their default is affected by a shared risk factor, the Bank regularly evaluates the exposures every year, in particular in relation to geographic regions.

To mitigate credit risks, the Bank uses these tools in particular:

- interbank deposits under a standard netting agreement

- credits from repurchase operations with the Czech National Bank and other counterparties are secured with sound assets.

For client transactions, the bank monitors the size of the extent of accepted collaterals, provided credits and the mutual relation thereof, broken down to individual stocks, and evaluates the sufficiency level indicator for the aggregated security of credits from rep.

- (standard) credits are secured preferably with highly liquid assets such as claims to money on a deposit account, securities, drafts, or possibly lucrative property for residential and perhaps business purposes.

- if a client fails to deliver to the Bank a currency according to a contracted currency forward transaction/swap and the client is in default, the Bank can close the trading position, net it, and settle its remaining claim on the client arising from this transaction, if any, from the provided collateral or from any other of the client's claims on the Bank.

To assess the impacts of extremely unfavourable credit conditions on the portfolio, the Bank performs a credit shock impact analysis.

The extent of the credit risk taken is reported daily, except the monthly reported extent of the investment portfolio credit risk taken.

The extent of the credit risk taken is assessed by the Bank's risk management department. If defined internal limits are exceeded, the risk management department, in compliance with the Bank's internal regulations, informs the financial market department who ensures that the risk taken gets below the set limit again. In specific cases, the risk management department also informs the Bank's board of directors.

The credit risk arising from individual credit trades is assessed by the Bank's credit risk management department.

The extent of the risk taken according to Pillar 1 and exposures in relation to, in particular, geographic regions are assessed by the Bank's economic department.

Within the competences defined by the Bank's internal regulations, the decision-making authority is held by the Bank's board of directors and investment committee.

## **MARKET RISK**

### ***- Trading book market risk, currency and commodity positions***

The risk is assessed mainly on the basis of the VAR methodology, with a 99% confidence interval and a 10-business-day horizon. In its evaluation, the Bank proceeds from the characteristics of the relevant environment, i.e. interest rates for individual currencies, exchange rates and stock and commodity prices. The method allows not only limiting the overall extent of the risk taken (including the ability to aggregate or disaggregate the limits) but also setting appropriate volume limits for exposures.

The breakdown of the risk level of the interest-rate portfolio into maturity bands is evaluated using Present Value Basis Points (PVBPs), separately for each currency.

The Bank performs back-testing daily to compare the evaluated past estimates of the level of risk taken with the actual results.

To assess the impacts of extremely unfavourable market conditions on the portfolio, the Bank performs stress testing. It covers potential sudden changes in the values of open portfolio positions exposed to market risk, which could result from unlikely but possible events. The scenarios are mostly defined to cover not only the trading book currency, commodity and general risk but also its specific equity risk. Short- and long-term historical scenarios are used.

The diversification of market risk is taken into account in the calculation of VAR as well as in the stress testing.

The extent of the market risk taken is reported daily.

### ***Investment portfolio interest-rate risk***

The risk is assessed using a stress scenario with a standardized interest-rate shock, i.e. immediate drop/increase in interest rates of 200 bp.

The extent of the interest-rate risk taken is reported monthly.

### ***Investment portfolio equity risk***

Stocks are included in the portfolio on the basis of a decision made by the Bank's board of directors.

The Bank sets limits to limit exposures in defined stocks.

To mitigate market risks, the Bank uses these tools in particular:

- bank hedging in relation to interest-rate risk is undertaken within the Bank's standard liquidity management process
- bank hedging in relation to foreign-exchange or equity risk is undertaken in the form of currency or equity derivatives.

The extent of the interest-rate risk taken is assessed by the Bank's risk management department. If the set internal limits are exceeded, the risk management department, in compliance with the Bank's internal regulations, informs the financial market department who ensures that the risk taken gets below the set limit again. In specific cases, the risk management department also informs the Bank's board of directors.

The extent of the risk taken according to Pillar 1 is assessed by the Bank's economic department.

Within the competences defined by the Bank's internal regulations, the decision-making authority is held by the Bank's board of directors and investment committee.

**OPERATIONAL RISK**

The Bank achieves its goal in operational risk management, i.e. minimizing operational risk while ensuring the level of Bank activities required by the Bank, especially through control systems that are applied by every Bank manager within their managerial authorities.

The fundamental elements of the Bank's active management of operational risks are a map of operational risks in the Bank and a database of operational risk events in the Bank:

- The map of operational risks is used by Bank department managers to record identified operational risks; the map then provides a comprehensive overview of the extent of the operational risk taken, aggregated to appropriate levels. This overview allows the Bank, among other things, to specify directions that should be followed in the process of further reduction of the risk (i.e. focusing primarily on the quality of the environment for risks that have been identified to threaten to cause the heaviest losses) as well as to decide whether:

- it will accept the individual risks it faces,
- it will initiate processes aimed at reducing their possible impacts, or whether
- it will reduce the scope of completely terminate the activity in question.

- The database of operational risk events provides the Bank with feedback on the map of operational risks.

The Bank has prepared contingency plans to handle relevant operational risk crisis scenarios.

The Bank's risk management department coordinates the management of operational risk and administrates the Bank's map of operational risks and database of operational risk events.

The extent of the risk taken according to Pillar 1 is assessed by the Bank's economic department.

Within the competences defined by the Bank's internal regulations, the decision-making authority is held by the Bank's board of directors and executive committee.

**Summary information on the approach to internally determined and maintained capital adequacy:**

The key goal of economic capital management is to ensure that economic risks faced by the Bank do not threaten its solvency and that there is no threat to the regulatory limit of capital adequacy. In addition, within the Bank's strategy the board of directors specifies the value of the medium-term goal for the extent of capital adequacy as a reflection of the Bank's risk appetite, as well as the value of the minimum requirement for the extent of capital adequacy.

The Bank

- identifies risks that are significant in relation to it, specifying adequate internal capital requirements
- assesses its internal capital resources.

The Bank's board of directors regularly monitors the current level of market and credit risks as well as other risks that the Bank faces, assessing the current situation to take such measures in the Bank's business that will achieve the risk management goals in the Bank, i.e. optimize the level of risk taken in relation to the Bank's capital resources and defined business goals. In order to make sure that this goal is achieved, the board of directors can set other limits to the level of risks taken based on its own assessment, but always in excess of regulatory requirements.

To:

- a) determine and continually assess the internally determined capital requirements, and
- b) plan and continually maintain the internally determined capital resources

The Bank uses quantitative and qualitative inputs, approaches and methods including its own expert analyses, estimates and scenarios adequately to the nature, scope and complexity of bank activities and the related risks.

The Bank uses the following elementary approaches to the internal process of capital adequacy management:

- qualitative approach,
- quantitative approach without direct impact on capital,
- quantitative approach with direct impact on capital.

Within the system of internally determined capital, processes are set up and scenarios are compiled and then analyzed within the Bank in order to assess and take into consideration:

- a) the processes of planning, preparing and approving new activities, products or systems,
- b) any other significant changes and factors occurring or expected in the risk profile or the external environment,
- c) the effects of possible deviations from the expected development, including the effects of possible exceptional circumstances,
- d) the results of stress testing,

including the ways in which they can be reflected in the planning and securing of internally determined capital resources.

The length of the period for which the Bank plans and subsequently maintains the internally determined capital adequacy:

- in the short term, annually by default. Based on available relevant information and in accordance with the current stage of the Bank's expansion.
- immediately, for the specified period, should the capital adequacy drop below the determined minimum value.

The Bank allocates the internally determined capital resources to major risks taken, within the scope of their internally determined capital requirements.

**Other information on credit risk from repurchase transactions, securities or commodities lending or borrowing, derivatives, long settlement transactions and margin lending transactions; for the trading books, this concerns counterparty risk from these transactions:**

**Summary information on the approach to the assessment of internally determined capital for counterparty risk and credit limits for counterparty exposure:**

The Bank bases its quantitative approach without direct impact on capital on its internal rating system and proceeds from the IRB functional dependency when assessing the internally determined capital.

Under the quantitative approach with direct impact on the internally determined capital, the Bank proceeds from capital requirements determined by the Standardized Approach. While this is a robust method, the capital requirements internally determined in the described way are topped up to an extent defined by the Bank's board of directors to ensure that the risk is not underestimated.

Trading book counterparty exposure as well as exposure to such a counterparty arising from other defined types of trade with the counterparty is limited by the Bank using an internal limit. Exposure compliance with the defined limit is evaluated and reported daily.

**Summary information on policies for the collateral used in such transactions and the determination of possible requirements for the excess of the collateral over the exposure value:**

The collateral of relevant transactions in the Bank mostly consists of sound assets approved for trading within the Bank's trading book. Requirements for excess in relation to relevant collateral and trade parameters are defined within the Bank's risk management.

**Summary information on policies for exposures from such transactions with a risk of positive correlation:**

Such transactions are approved by the Bank's board of directors on an individual basis.

---

## CONTACTS

---

**CZECH REPUBLIC**  
**Pobřežní 14**  
**186 00 Prague 8**

**J&T BANKA, a.s.**  
Tel.: +420 221 710 111  
Fax: +420 221 710 211  
E-mail: [info@jtbank.cz](mailto:info@jtbank.cz)