

J&T BANKA

Consolidated Information of J&T BANKA, a. s. as at 30 June 2014

Information about responsible entity

Business name	J&T BANKA, a. s.
Legal form	a.s.
Address of registered office	Pobřežní 297/14, Praha 8
Identification number of responsible entity according to entry in Commercial Register	47115378
Date of registration in Commercial Register	13 October 1992
Date of last entry in Commercial Register	10 December 2013
Purpose of last entry in Commercial Register	registered capital increase
Amount of registered capital recorded in the Commercial Register	CZK 9,558,127,000
Amount of paid up registered capital	CZK 9,558,127,000

The registered capital of J&T BANKA, a. s. (the “bank”) is divided up into 9,557,126 (nine million five hundred and fifty-seven thousand one hundred and twenty-six) common shares, each with a face value of CZK 1,000 (one thousand Czech crowns), and 700,000 (seven hundred thousand) common shares, each with a face value of CZK 1.43 (one Czech crown and forty-three halers). All shares are common registered shares in book-entry form.

Number of branches: 1

J&T BANKA, a. s., pobočka zahraniční banky

Address of registered office: Dvořákovo nábřežie 8, Bratislava 811 02

Legal form: Foreign branch

ID No.: 35 964 693

Date of registration: 23 November 2005

Board of Directors: Ing. Patrik Tkáč, Chairman of the Board of Directors
Štěpán Ašer, MBA, Member of the Board of Directors
Ing. Igor Kováč, Member of the Board of Directors
Ing. Andrej Zaťko, Member of the Board of Directors

Authorised Agent: Ing. Vlastimil Nešetřil, Ph.D.

Supervisory Board: Ing. Jozef Tkáč, Chairman of the Supervisory Board

Ing. Ivan Jakobovič, Member of the Supervisory Board

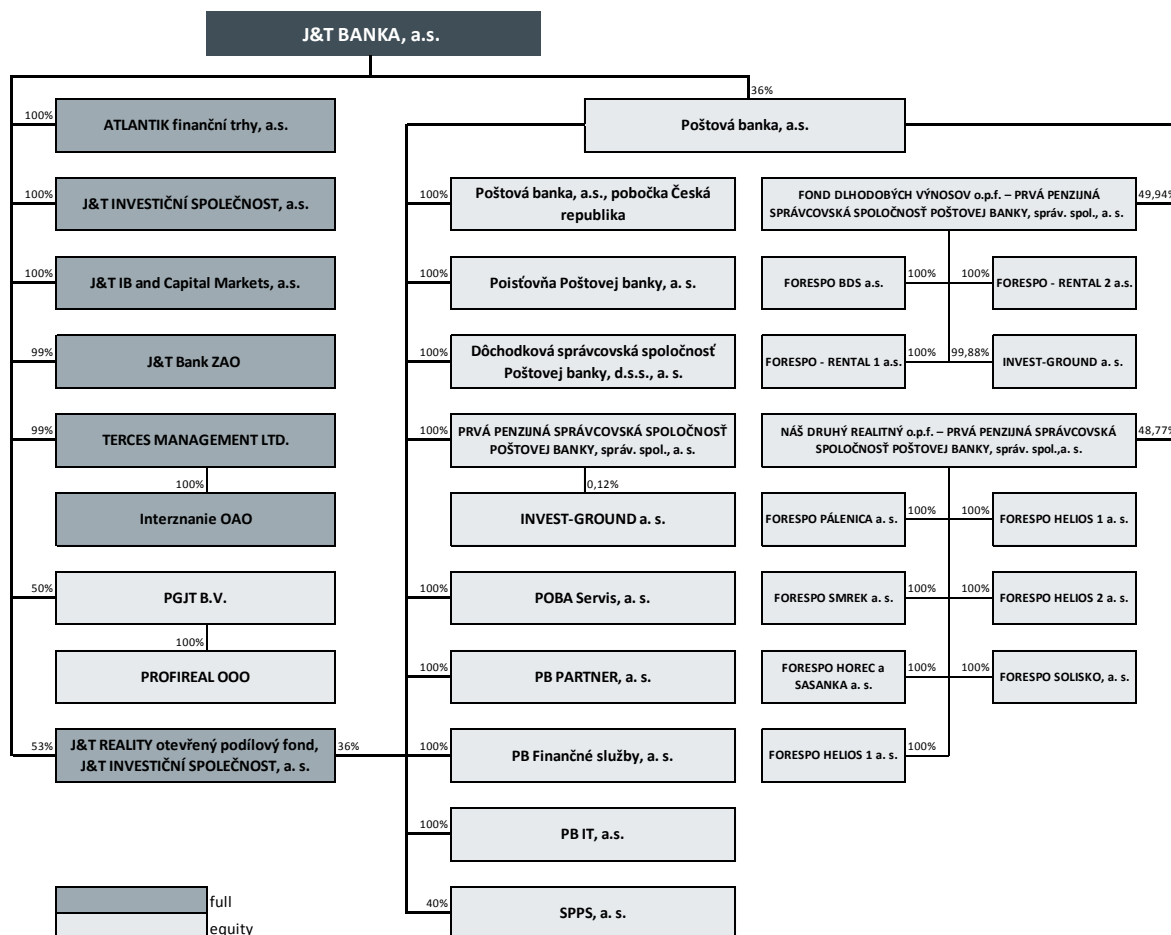
Ing. Dušan Palcr, Member of the Supervisory Board

Jozef Šepetka, Member of the Supervisory Board

JUDr. Ing. Jozef Spišiak, Member of the Supervisory Board

Ing. Jozef Šimovčík, Member of the Supervisory Board

Graphic representation of data on the consolidation method and structure of the consolidated group where the bank is the controlling entity



The sole shareholder and final parent company of the bank is J&T FINANCE GROUP SE, Pobřežní 297/14, 186 00 Praha 8 (ID No.: 27592502), the owners of which are Jozef Tkáč (50%) and Ivan Jakabovič (50%). The bank is included in the consolidated financial statements of this company.

The bank is also a member of a consolidated group over which the Czech National Bank conducts supervision on a consolidated basis. This is called prudential consolidation of a regulated consolidated group (the “RCG”).

The RCG includes companies at the consolidated level of the parent company J&T FINANCE GROUP SE, which are controlled directly or indirectly by the owners of the bank and which are, at the same time, financial institutions.

Information about the RCG is part of mandatory disclosure.

Overview of licence-based activities

The bank's activities consist in accepting deposits from the public, providing credit and loans and providing banking, business and advisory services at home and abroad. Under its valid banking licence, the bank is authorised to:

carry on the activities set out in the following letters of Section 1(1) of the Act on Banks:

- a) accepting deposits from the public
- b) providing loans

carry on the activities set out in the following letter of Section 1(3) of the Act on Banks:

- a) investing in securities for own account
- b) financial leasing
- c) money transmission services
- d) issuing and administering means of payment
- e) providing guarantees
- f) opening letters of credit
- g) collecting payments
- h) provision of investment services pursuant to a special legal regulation:

Core investment services:

- pursuant to Section 4(2)(a) of the Capital Market Undertakings Act, the receipt and transmission of orders in relation to investment instruments, as this pertains to the investment instruments specified under Section 3(1)(a), (b), (c) and (d) of such Act
- pursuant to 4(2)(b) of the Capital Market Undertakings Act, the execution of orders in relation to investment instruments for the account of another person, as this pertains to the investment instruments specified under Section 3(1)(a), (b), (c), (d) and (g) of such Act
- pursuant to Section 4(2)(c) of the Capital Market Undertakings Act, dealing in investment instruments on own account, as this pertains to the investment instruments specified under Section 3(1)(a), (b), (c), (d) and (g) of such Act
- pursuant to Section 4(2)(d) of the Capital Market Undertakings Act, the management of assets of a client under a contract with the client, if an investment instrument is part of such assets, as this pertains to the investment instruments specified under Section 3(1)(a), (b), and (c) of such Act;
- pursuant to Section 4(2)(e) of the Capital Market Undertakings Act, investment advisory regarding investment instruments, as this pertains to the investment instruments specified under Section 3(1)(a), (b), (c), (d) and (g) of such Act;
- pursuant to Section 4(2)(h) of the Capital Market Undertakings Act, the placement of investment instruments without the obligation to subscribe them, as this pertains to the investment instruments specified under Section 3(1)(a) and (c) of such Act

Ancillary services:

- pursuant to Section 4(3)(a) of the Capital Market Undertakings Act, the safekeeping and administration of investment instruments including related services, as this pertains to the investment instruments specified under Section 3(1)(a), (b), and (c) of such Act
- pursuant to Section 4(3)(b) of the Capital Market Undertakings Act, the provision of credit or a loan to a client to allow him to carry out a transaction in an investment instrument,

where the provider of the credit or loan is involved in the transaction, as this pertains to the investment instruments specified under Section 3(1)(a), (b), and (c) of such Act

- pursuant to Section 4(3)(c) of the Capital Market Undertakings Act, advice on capital structure, industrial strategy and related matters and advice and services relating to corporate transformation or business

- pursuant to Section 4(3)(d) of the Capital Market Undertakings Act, providing investment recommendations and analyses of investment opportunities or similar general recommendations regarding trading with investment instruments, as this pertains to the investment instruments specified under Section 3(1)(a), (b), (c), (d) and (g) of such Act;

- pursuant to Section 4(3)(e) of the Capital Market Undertakings Act, carrying out foreign exchange operations connected to the provision of investment services

- pursuant to Section 4(3)(f) of the Capital Market Undertakings Act, providing services related to underwriting of issues of investment instruments, as this pertains to the investment instruments specified under Section 3(1)(a) and (c) of such Act.

j) financial brokerage

k) acting as a depository

l) bureau-de-change activities (purchase of foreign currencies)

m) providing banking information PUBLICATION OF INFORMATION AS AT 30 September 2013 17

n) trading for own account or for account of clients in foreign exchange values with investment instruments and gold in the following extent:

- trading for own account or for account of clients with funds in a foreign currency

- trading for own account with foreign securities

- trading for own account with rights and obligations that can be valued in monies and derived from the above foreign exchange values

- trading for own account or for account of clients in gold

o) renting safe deposit boxes

p) activities directly associated with the activities listed in the banking licence held by J&T BANKA

Overview of activities that the bank is in fact carrying on

According to valid licence.

Overview of activities that have been restricted or precluded by the CNB

The bank carries on activities in the scope of its valid licence. The Czech National Bank has not restricted or precluded the activities that can be carried on by the bank.

Consolidated statement of financial position

CZK millions	Actual		Change		Actual 31.12.2013
	30.6.2014	30.6.2013	abs.	%	
Cash in hand and receivables from central banks	12 211	3 203	9 008	>100%	8 408
Receivables from banks and other financial institutions	4 442	3 380	1 062	31%	3 556
Loans to and other receivables from clients	69 202	47 462	21 740	46%	60 004
Fin. instruments valued at fair value against N and V accounts	11 166	10 605	561	5%	7 408
Financial instruments available for sale	18 053	18 513	-460	-2%	20 393
Financial instruments held until maturity	1 270	2 172	-902	-42%	1 846
Disposable groups held for sale	308	1 794	-1 486	-83%	261
Capital participations	6 167	103	6 064	>100%	5 939
Investment assets	632	646	-14	-2%	646
Tangible and intangible assets	342	349	-7	-2%	376
Goodwill	374	454	-80	-18%	405
Accruals and deferrals and other assets	1 089	758	331	44%	995
TOTAL ASSETS	125 256	89 440	35 816	40%	110 237
Payables to banks and other financial institutions	4 446	3 327	1 119	34%	5 083
Payables to clients	99 650	73 584	26 066	35%	85 823
Subordinated debt	1 753	1 019	734	72%	1 508
Disposable groups held for sale	0	685	-685	-100%	0
Accruals and deferrals, reserves and other liabilities	4 710	3 614	1 096	30%	3 777
Total liabilities	110 559	82 228	28 331	34%	96 191
Registered capital	9 558	3 858	5 700	>100%	9 558
Retained earnings/losses, cap. funds and revaluation reserves	4 508	3 310	1 198	36%	3 868
Minority share	631	43	588	>100%	620
Total equity	14 697	7 211	7 486	>100%	14 046
TOTAL LIABILITIES	125 256	89 440	35 816	40%	110 237

Consolidated profit and loss account

	Actual		Change		Actual 31.12.2013	
	CZK millions	30.6.2014	30.6.2013	abs.		%
Net interest received		1 373	856	517	60%	1 832
Interest received		2 768	2 057	711	35%	4 305
Interest paid		-1 395	-1 201	-194	16%	-2 473
Net revenues from fees and commissions		272	239	33	14%	448
Revenues from fees and commissions		340	308	32	10%	603
Costs of fees and commissions		-68	-69	1	-2%	-155
Dividends received		63	40	23	59%	42
Net trading profit		216	317	-101	-32%	493
Other operating revenues		119	84	35	42%	172
Operating revenues		2 043	1 535	508	33%	2 987
Personnel expenses		-354	-324	-30	9%	-698
Other operating expenses		-596	-466	-130	28%	-937
Depreciation		-38	-47	9	-19%	-85
Depreciation of goodwill		-25	0	-25	-	-50
Operating expenses		-1 013	-836	-177	21%	-1 770
Earnings before creation of provisions to loans and tax		1 030	699	331	47%	1 217
Reserves for financial activities		-40	-44	4	-9%	-17
Change in provisions to loans		-75	-171	96	-56%	-515
Profit from associates and joint ventures		207	0	207	<-100%	321
Earnings before tax		1 122	483	639	>100%	1 006
Income tax		-188	-108	-80	74%	-151
Profit from continuing operations		934	375	559	>100%	855
Profit from discontinued operations		0	64	-64	-100%	214
Profit for the accounting period after tax		934	439	495	>100%	1 069

Financial ratios

a) Capital adequacy

	CZK millions	Actual	Actual	Actual
		30.6.2014	30.6.2013	31.12.2013
Tier 1		11 958	5 983	12 431
CET1		11 958	5 983	12 431
Paid up registered capital recorded in the Commercial Register		9 558	3 858	9 558
Funds from distributed profits and retained earnings		3 074	2 778	3 111
Other comprehensive income (OCI)		-154	-73	369
Goodwill (-)		-374	-454	-405
Intangible assets other than goodwill (-)		-135	-126	-165
AVA (-)		-11	0	0
Above-threshold investments in financial sector entities		0	0	-37
Tier 2		1 694	998	1 420
Total regulatory capital		13 652	6 981	13 851
Capital requirement		8 720	5 168	6 994
Capital adequacy indicators				
CET 1 (regulatory limit 4.5 %)		10.97%	9.26%	14.22%
TIER 1 (regulatory limit 6%)		10.97%	9.26%	14.22%
Capital adequacy (regulatory limit 8 %)		12.52%	10.81%	15.84%

The primary objective of management of the bank's capital is to ensure that existing risks do not jeopardise the bank's solvency and that the regulatory limit of capital adequacy is observed. Within the bank's strategic framework, the board of directors determined a target value of 12% for mid-term capital adequacy taking into the bank's risk tolerance.

b) Quality of the loan portfolio

	CZK millions	Actual	Actual	Change		Actual
		30.6.2014	30.6.2013	abs.	%	31.12.2013
Gross receivables from clients		70 023	48 316	21 707	44,93%	61 228
Provisions		-821	-854	33	-3.90%	-1 224
Net receivables from clients		69 202	47 462	21 741	45.81%	60 004
Percentage of NPL - J&T Banka		5.68%	10.11%	-4.43%		8.99%

Risk management on a consolidated basis is in line with risk management on an individual basis, which is described in published information available on the J&T BANKA, a.s. website

Other statements:

Annual reports:

<https://www.jtbank.cz/o-bance/informacni-povinnost/povinne-verejnovane-informace/>

Information that J&T BANKA, a. s. is under the obligation to disclose

<https://www.jtbank.cz/o-bance/informacni-povinnost/povinne-verejnovane-informace/>

Mid-year information:

<https://www.jtbank.cz/o-bance/informacni-povinnost/pololetni-informace/>