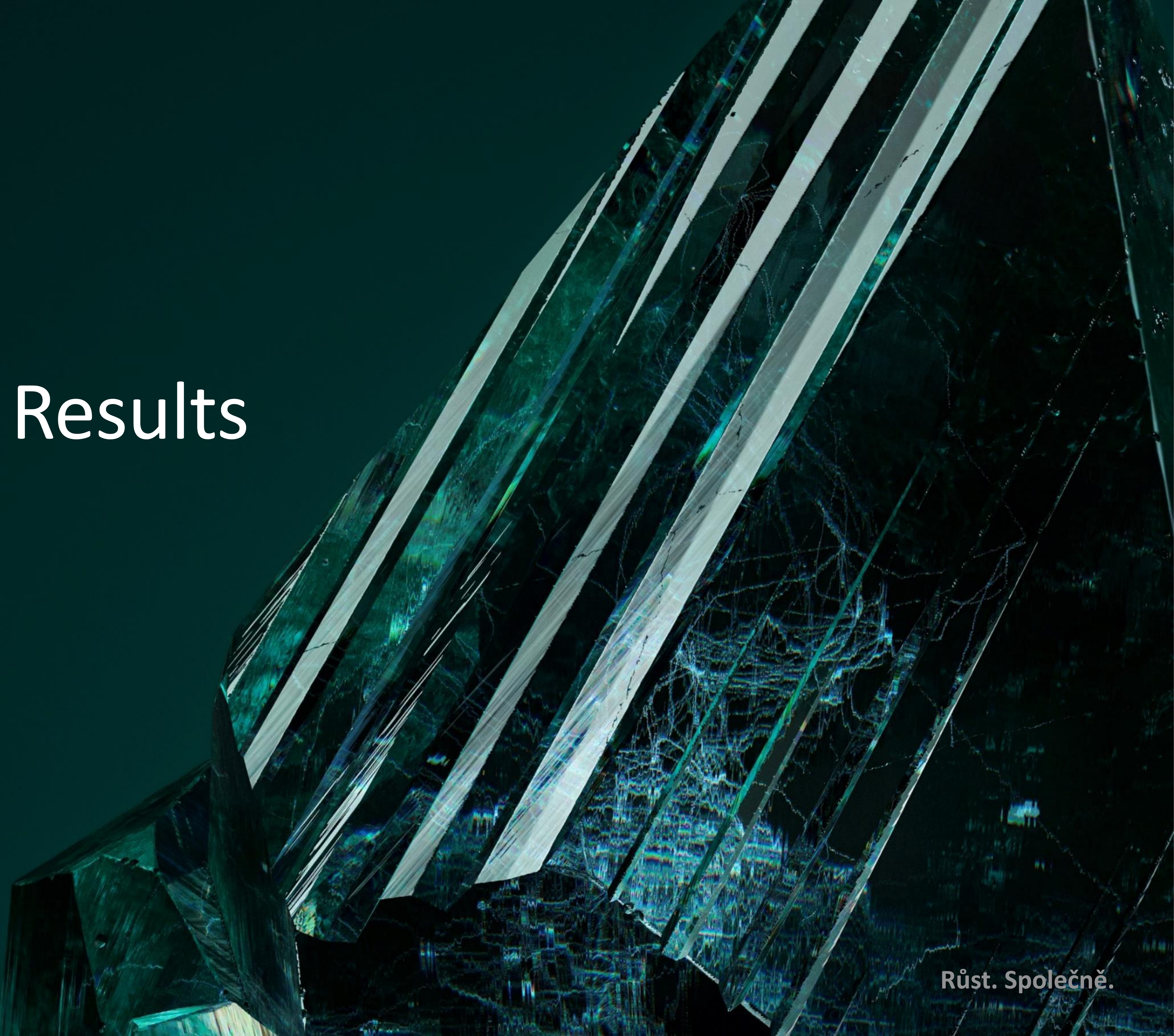
J&T BANKA

FY2024 – Full Year Results (Consolidated)

Investor Update

April 2025



Růst. Společně.

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Financial Highlights

Another year of strong performance driven by continued growth in fee income, lower opex, loan book and securities portfolio expansion and excellent asset quality, allowing to report record-high net profit

- Operating income down by 10.3% YoY due to lower net interest income (-11.9% YoY), partly off-set by marked increase in net fees and commissions (+39.0% YoY)
- Opex down by 13.9% YoY, due to lower comparative base (affected by charges related to exit from Russia) and lower mandatory cost
- Loan book (+9.0% YoY) and securities portfolio growth continued (+82.9% YoY)
- Deposit inflow (+4.5% YoY) peaked in 3Q 2024 and has since reversed as clients seek more attractive alternatives to term deposits
- Cost of risk down by 95.9% YoY amid excellent asset quality allowing J&T BANKA to report record high profit (+17.0% YoY)
- Shareholders' equity unchanged despite dividends totalling CZK4.3bn. Liquidity position and capitalization remain very strong

(CZKm)	2023	2024	change (%)	(€m)[1]
Net Interest Income	9,376	8,260	(11.9%)	330
Net Fees and Commissions	2,289	3,181	+39.0%	127
Operating Income	**14,237**	**12,774**	**(10.3%)**	**511**
Operating Expense	**(5,434)**	**(4,678)**	**(13.9%)**	**(187)**
Profit Before Risk Cost	**8,803**	**8,096**	**(8.0%)**	**324**
Cost of Risk	(1,765)	(72)	(95.9%)	(3)
Net Profit for the Period	**5,392**	**6,306**	**+17.0%**	**252**
Cash and Equivalents	140,771	118,631	(15.7%)	4,745
Loan Book	**101,456**	**110,575**	**+9.0%**	**4,223**
Securities	31,440	57,513	+82.9%	2,301
Deposits	**217,837**	**227,730**	**+4.5%**	**9,109**
Shareholders' Equity	**40,957**	**40,983**	**+0.1%**	**1,639**
ROE	14.0%	15.4%	+1.4 p.p.	<-
ROA	2.1%	2.1%	(0.0) p.p.	<-
Capital Adequacy (TCR)	24.9%	22.7%	(2.2) p.p.	<-
Leverage Ratio[2]	11.9%	10.0%	(1.9) p.p.	<-
Liquidity Coverage Ratio (LCR)[2]	413.3%	318.3%	(95.0) p.p.	<-
Net Stable Funding Ratio (NSFR)[2]	191.9%	181.4%	(10.5) p.p.	<-
Employees (average FTEs)	968	889	(8.1%)	<-

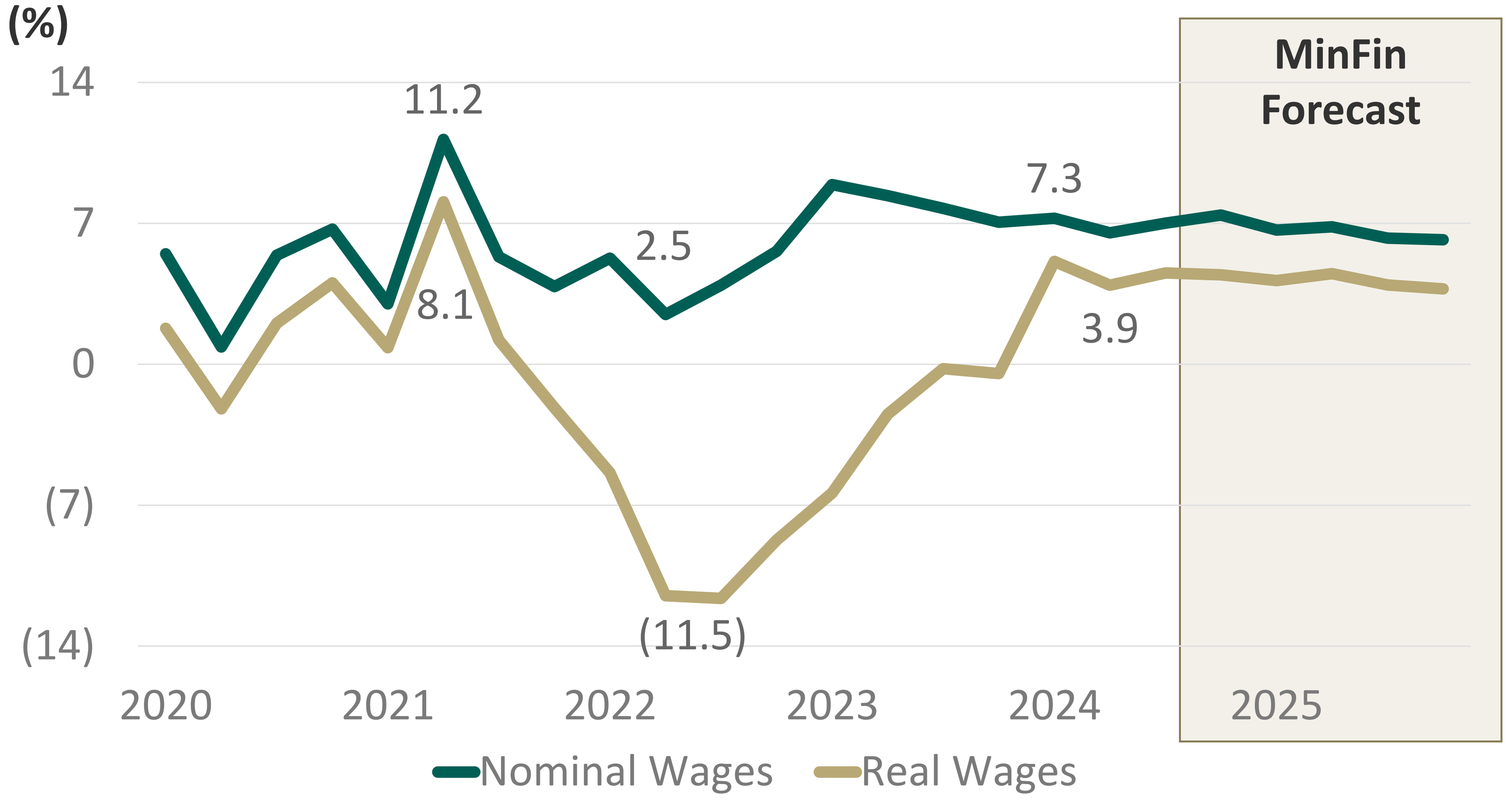
Notes: (1) Convenience translation at 1 € = 25 CZK. (2) Only reported on individual basis. Source: Company data

Operating Environment

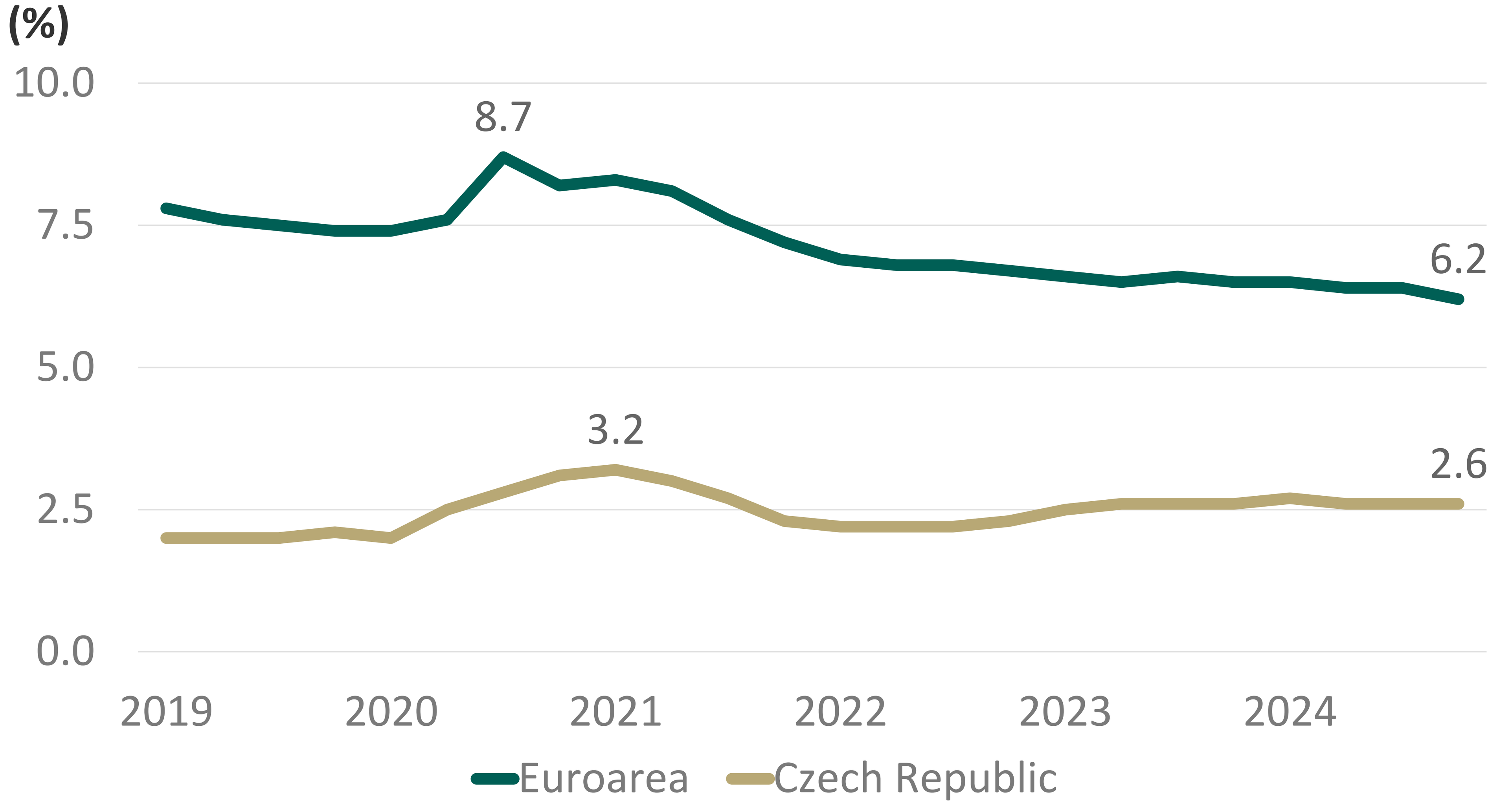
Accelerating GDP growth driven by domestic consumption, growing real wages and low unemployment rate. Low government debt to GDP provides considerable fiscal policy leeway to deal with external shocks

- Rapidly declining inflation (2.5% YoY in Feb 2025) boosting disposable household income – real wages forecast to continue to grow by ~4% YoY in 2025
- Czech Republic has the lowest unemployment in the EU (2.6% in Feb 2025) and labour market conditions remain tight
- Real GDP grew by 1.1% YoY in 2024 and is expected to accelerate to 2.3% YoY in 2025, mainly driven by increasing domestic consumption
- Budget deficit expected to decline below 3% GDP in 2024
- Low government debt (debt to GDP at ~44%) provides considerable leeway to deal with external shocks

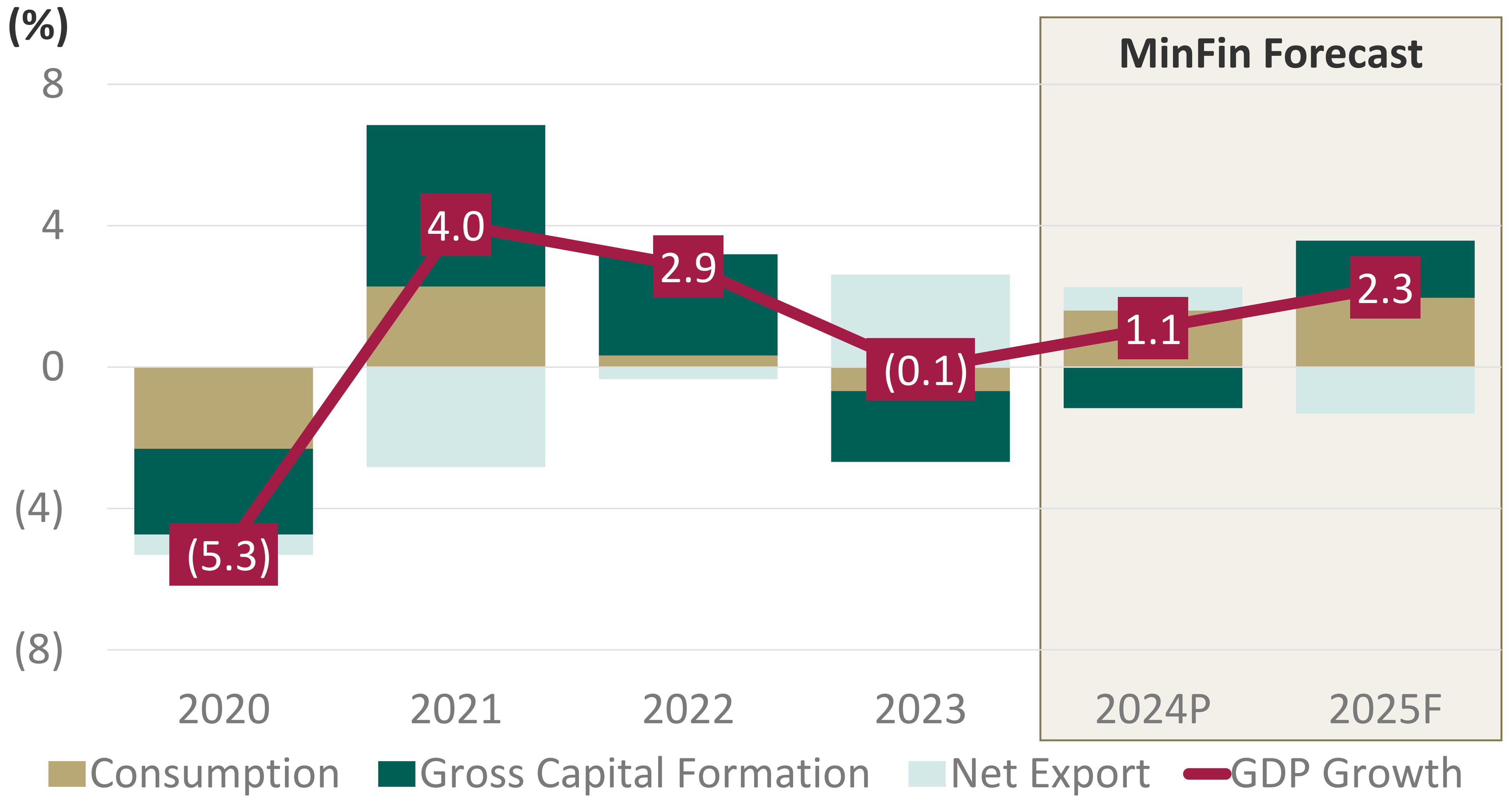
Monthly Wage Growth (Quarterly, YoY)(1)



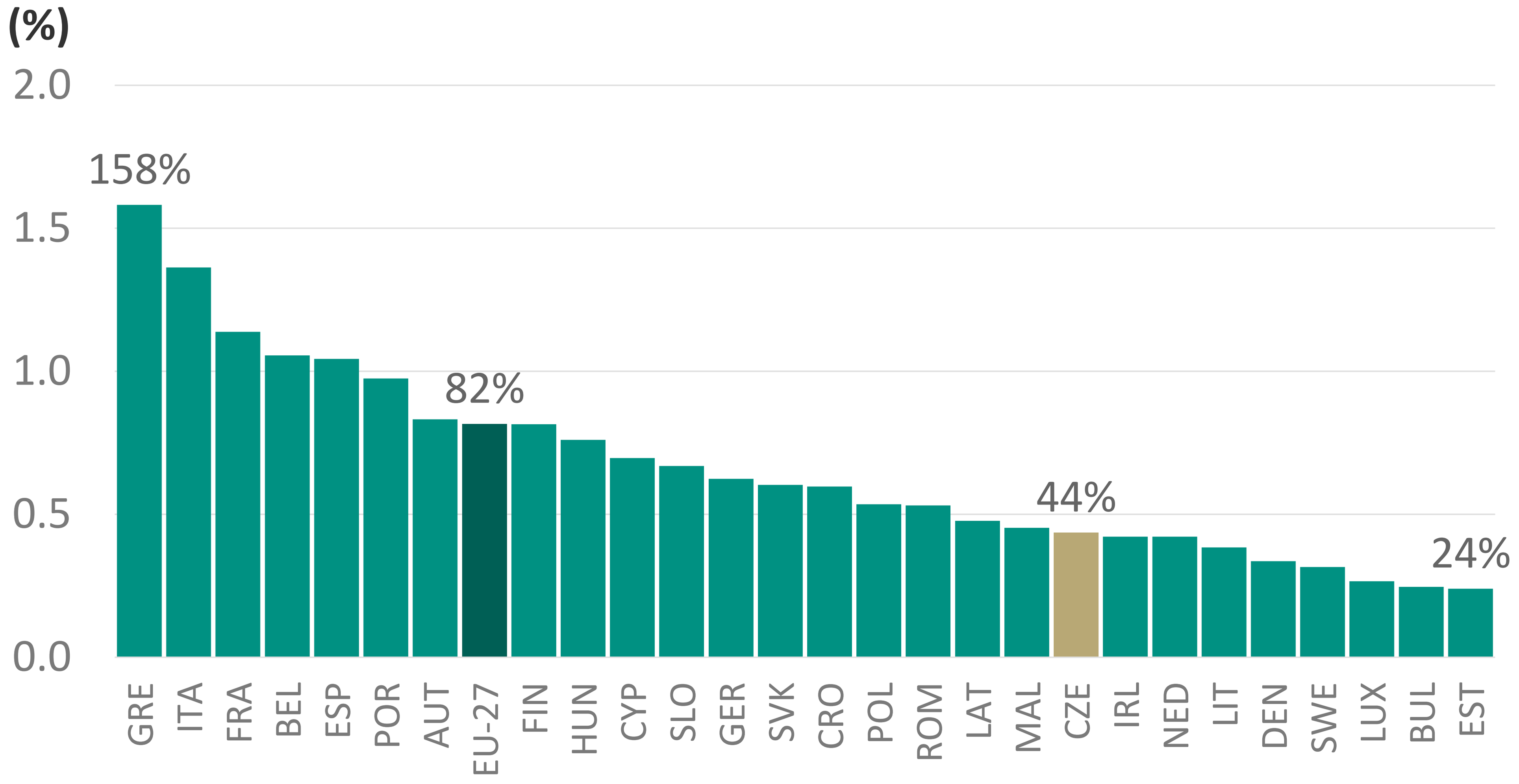
Unemployment Rate(2)



GDP Growth and Contribution (Real, YoY)



Government Debt / GDP (% GDP, 3Q 2024)



Notes: (1) Average gross monthly salary. (2) Seasonally adjusted comparable unemployment rate. Source: Eurostat, Czech Ministry of Finance, Czech Statistical Office

Profitability Drivers

Record-high net profit as continuously growing net fees and commissions, lower operating expense, loan book and securities portfolio expansion and historically lowest risk cost outweighed decline in net interest income

Net Profit Bridge (FY2024 vs FY2023)

- **NII**: Positive impact from bigger loan book & securities portfolio more than offset by interest expense paid on large deposit base repricing down with a time lag
- **NFC**: Record-high fee income driven by growing fees across all segments especially in asset management and debt securities underwriting
- **Personnel Expense**: Positive impact of decline in FTEs more than offset by negative impact of persistent wage inflation
- **Admin Expense**: Large IT outsourcing costs, greater marketing spend and premises related opex largely offset by lower mandatory cost
- **Loss from Sale of Subsidiary**: Decrease attributable to higher prior year comparative base which was affected by charges related to exit from Russia
- **Cost of Risk**: Historically lowest NPL ratio translating into lowest risk cost ever

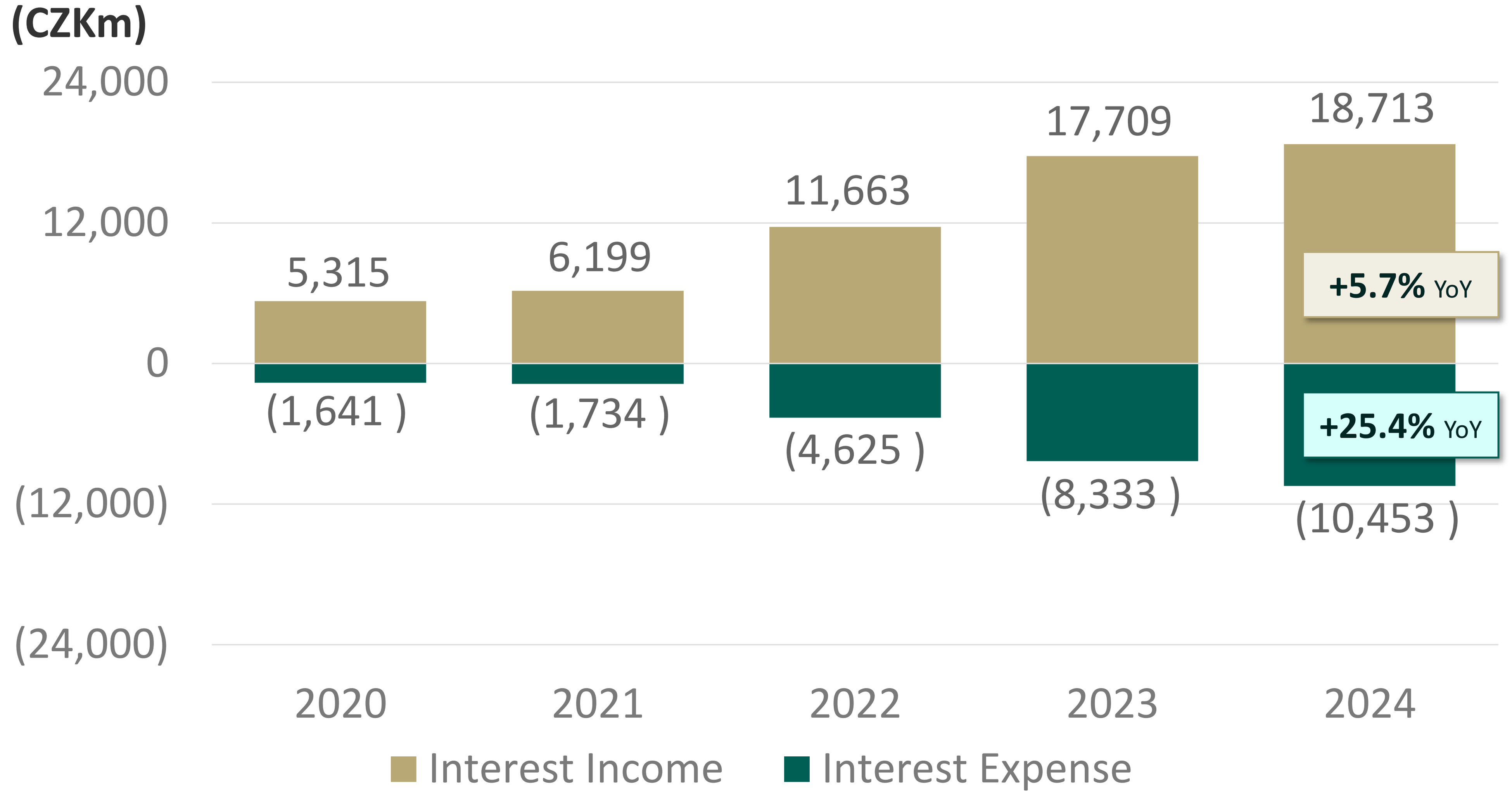
Source: Company data

Net Interest Income

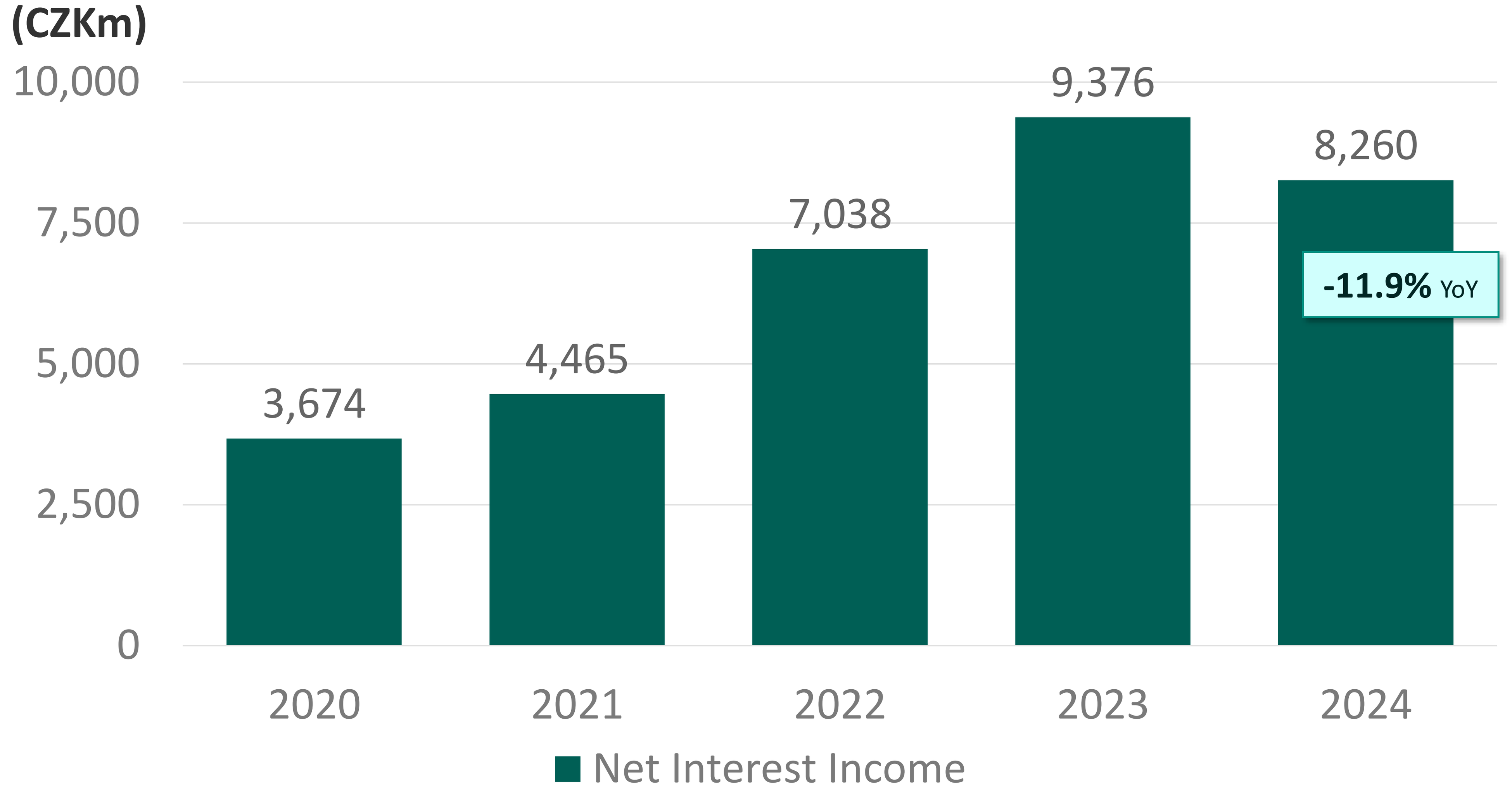
Net interest income has begun to normalize since interest rate cycle reached its peak and reversed in 2024. Loan book reprices downwards faster than term deposits, which adversely affects net interest margin

- Net interest income down 11.9% YoY following reversal in CNB's and ECB's monetary policies
- Interest income up 5.7% YoY driven by (i) bigger loan book (+9.0% YoY) which was largely offset by margin pressure amid declining interest rate environment, (ii) still growing interest income from repos albeit at declining pace (+3.2% YoY) and (iii) higher interest income from securities portfolio (+70.1% YoY)
- Interest expense up 25.4% YoY given still high volume of client deposits and time-lag with which these deposits reprice compared to interest earning assets
- As assets reprice downwards more quickly than deposits (term deposits have 1Y+ average duration), net interest margin narrowed in 2024

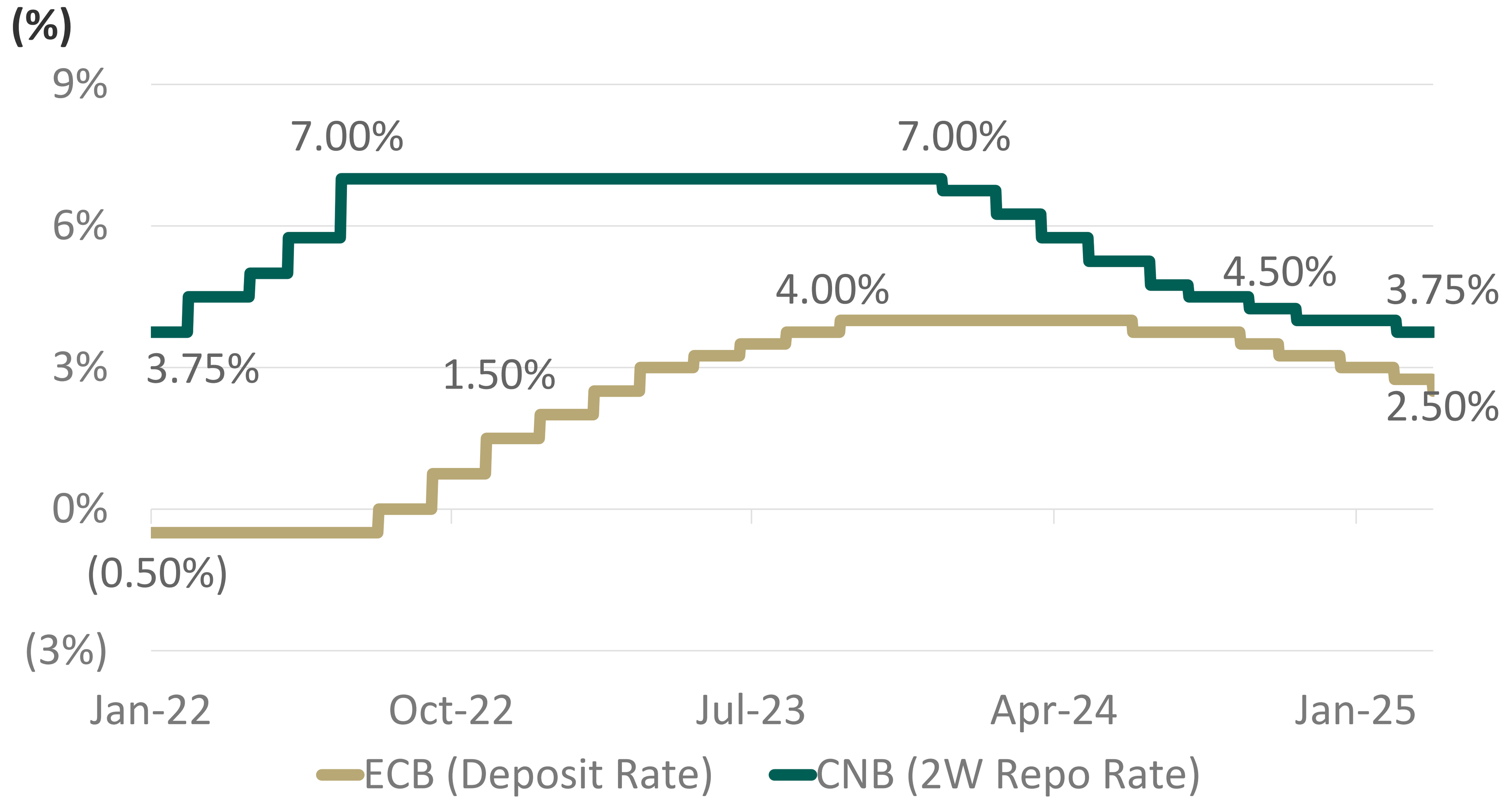
Interest Income and Interest Expense



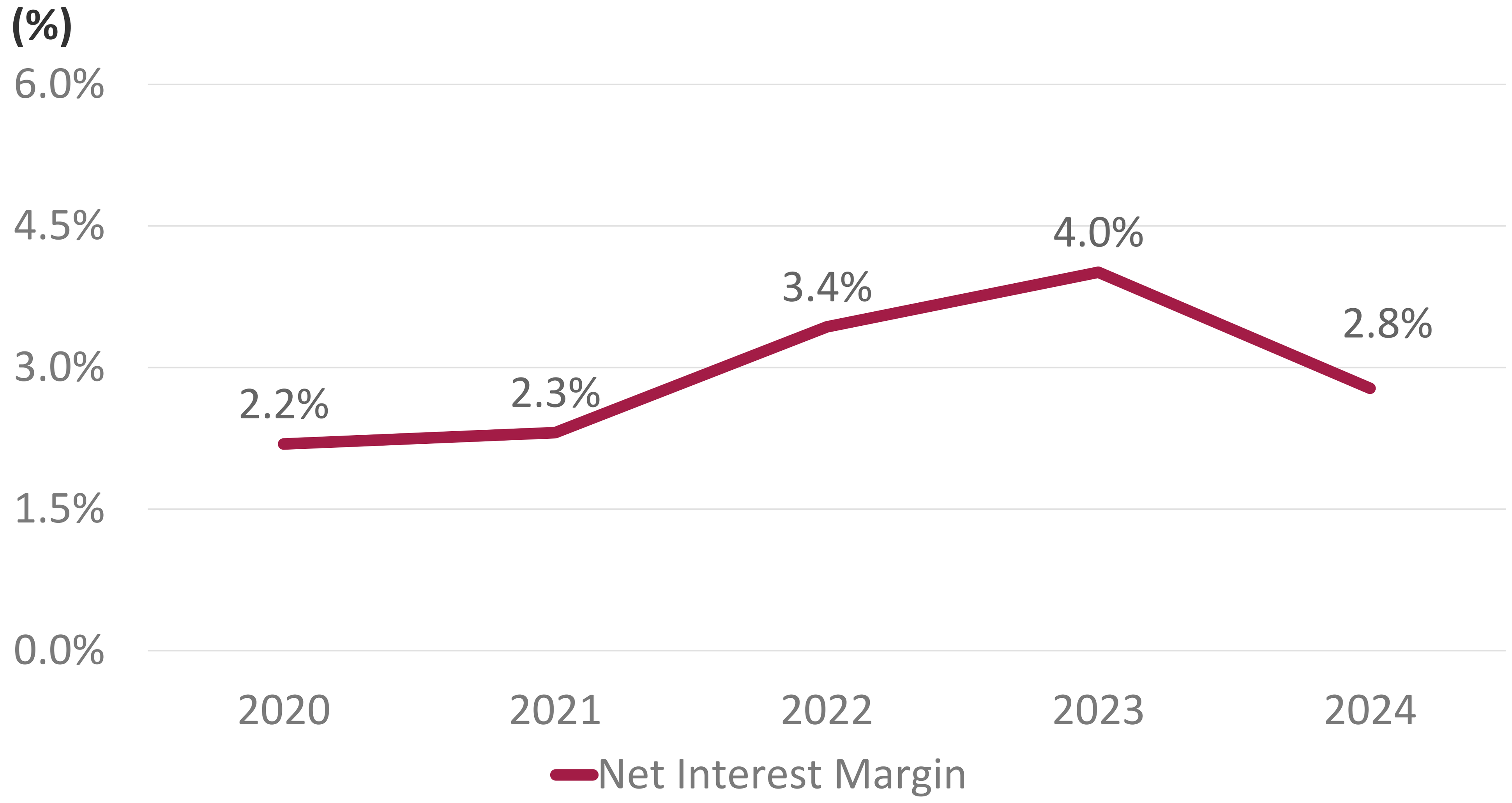
Net Interest Income



Key Monetary Policy Rates



Net Interest Margin (Individual)[1]



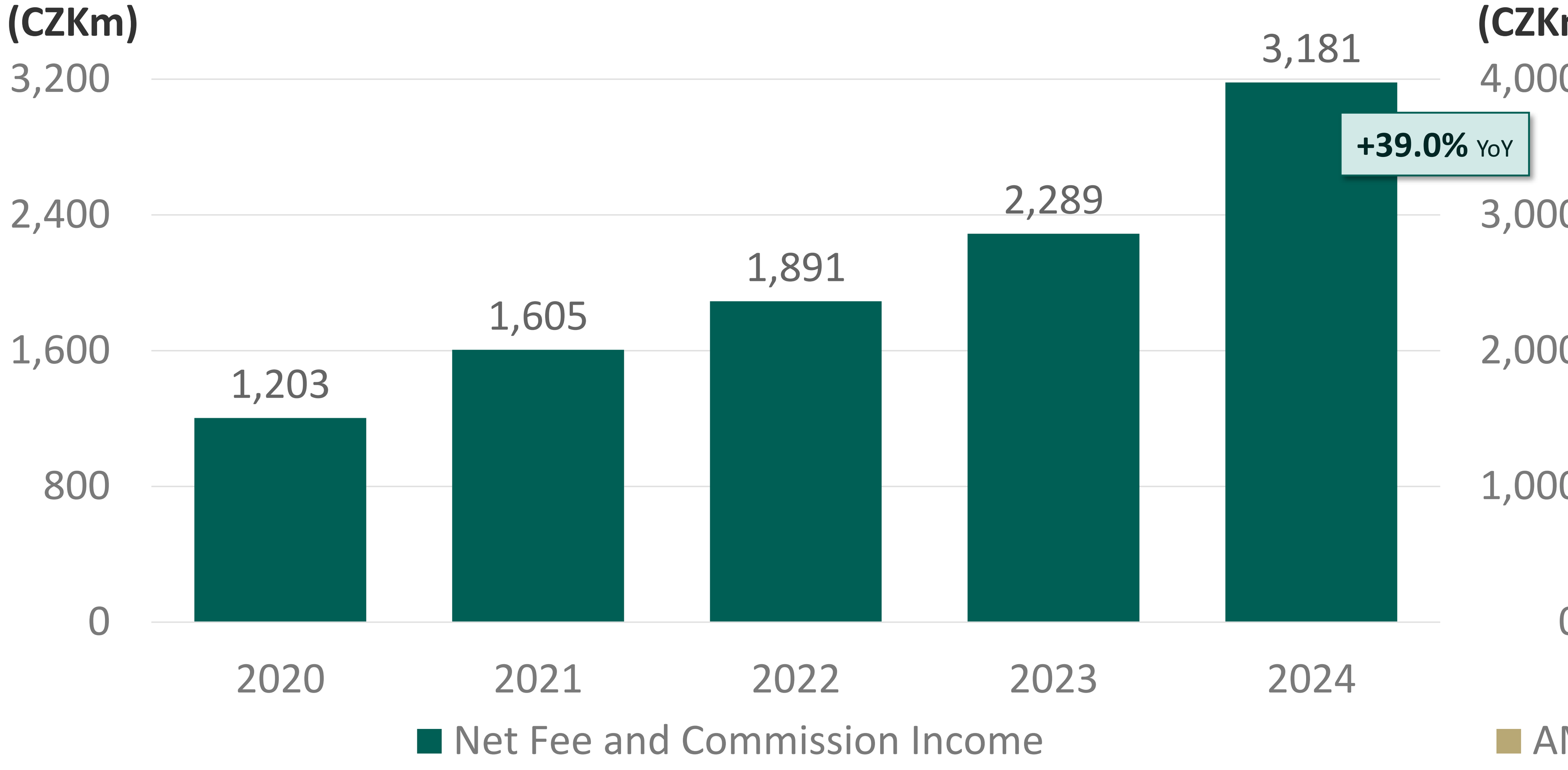
Note: (1) Net interest income / average interest earning assets (daily averages of each accounting period). Source: CNB, ECB, Company data

Net Fees and Commissions

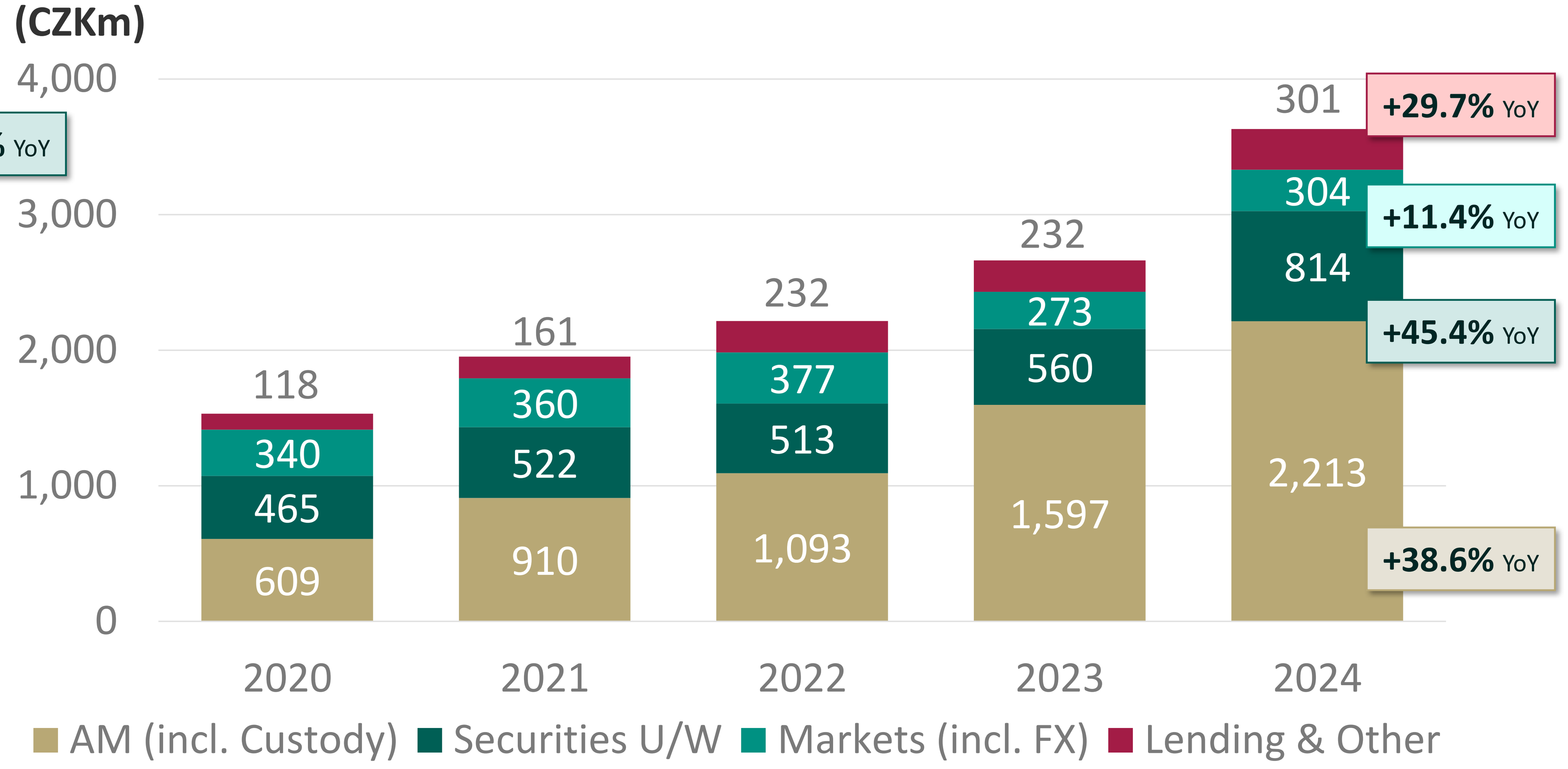
Steady growth in net fee and commission income, underpinned by rapidly growing asset management fees mirroring increase in AuMs and driving revenue diversification

- Net fees and commissions up by 39.0% YoY amid higher fees across all segments
- Asset management fees (+38.6% YoY) driven by increasing AuMs (+73.3% YoY), mainly related to subscriptions for J&T ARCH, largest fund for qualified investors in Czech Republic with CZK120bn+ NAV, now account for >60% of fee income
- Bond underwriting fees up by 45.4% YoY due to higher issuance volumes
- More client activity in financial markets and bigger loan book resulted in higher brokerage (+11.4% YoY) and lending related fees (+29.7% YoY), respectively
- Net fees and commissions nearly trebled between 2020 – 2024 and now accounts for ~25% of operating income. Positive impact on revenue diversification will become even clearer as net interest income normalizes further

Net Fees and Commissions

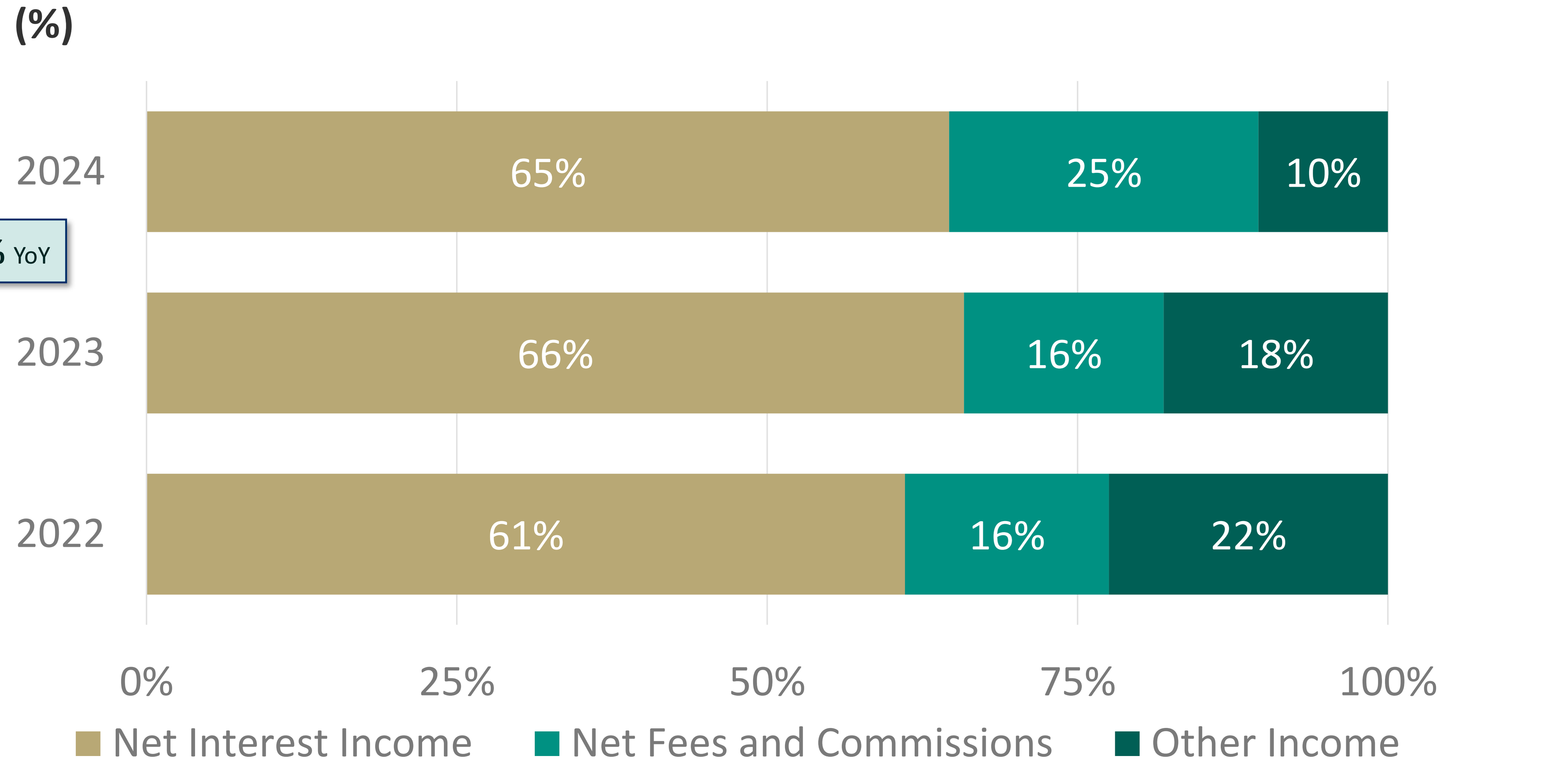


Fees and Commissions Drivers (Gross)



Assets under Management[1]

Operating Income Composition



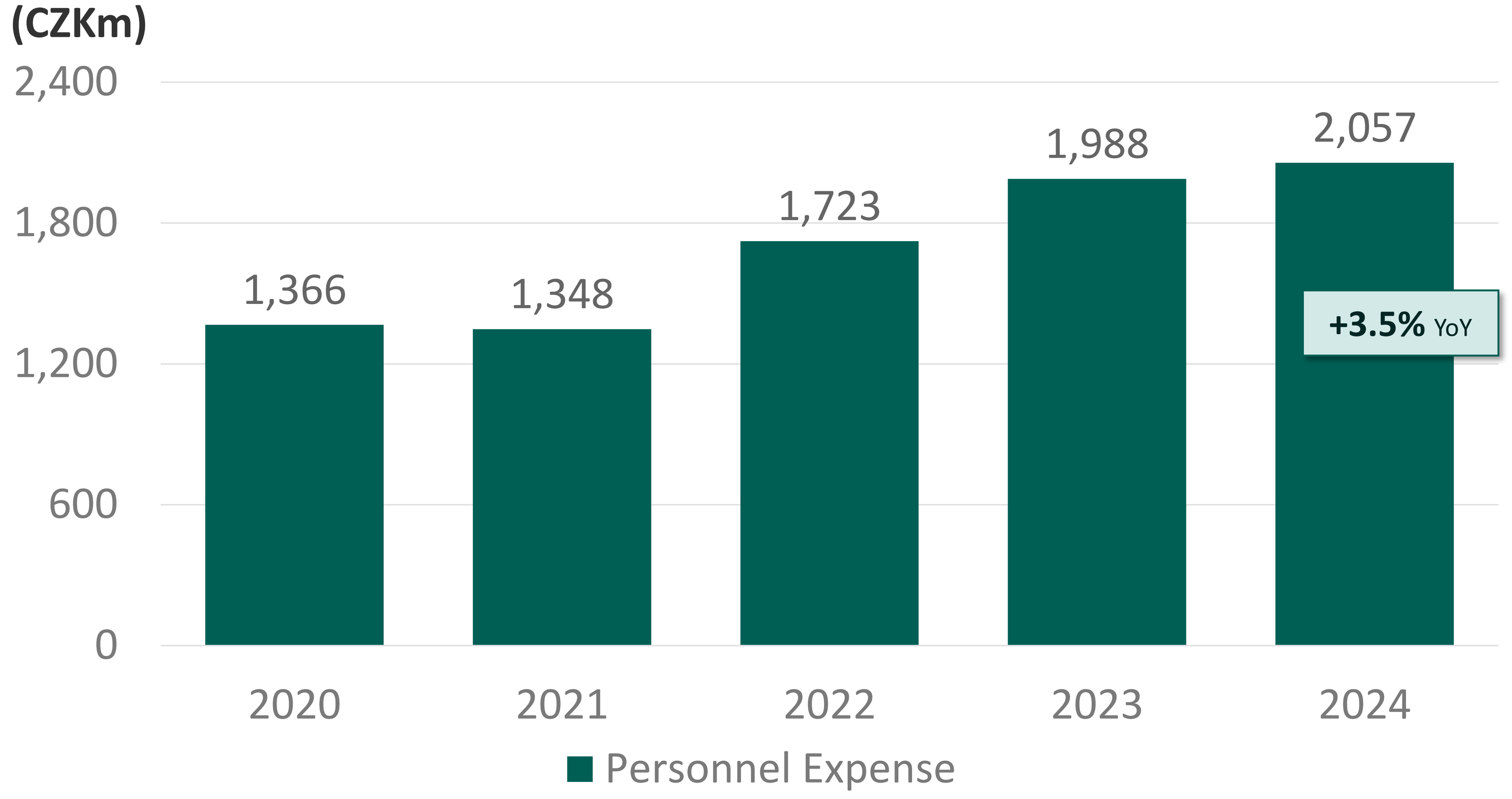
Note: (1) Marked increase in FY2022 reflects acquisition of a controlling stake in Amista IS completed in November 2022. Growth in other years is organic. Source: Company data

Operating Expense

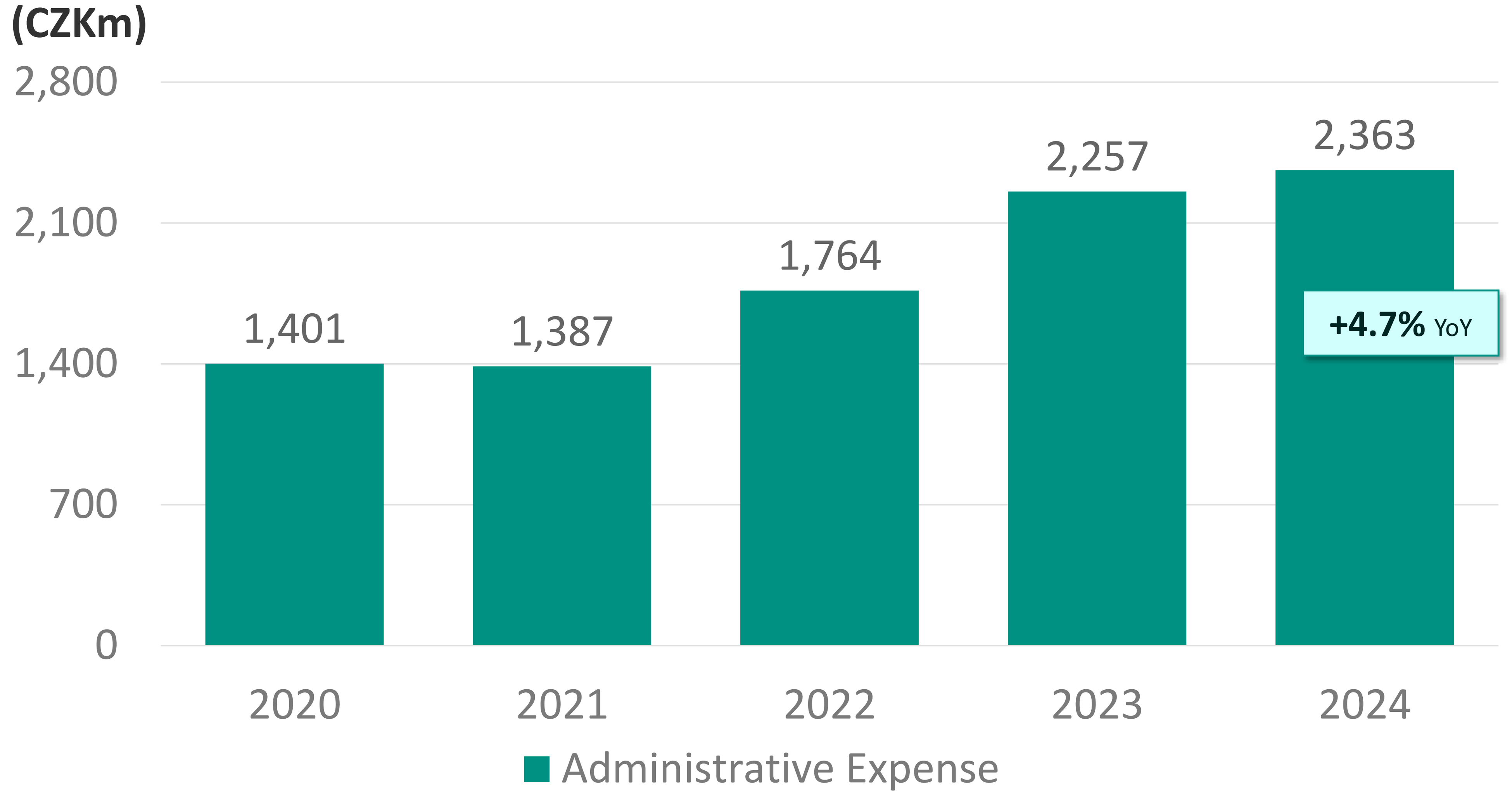
Overall opex under control despite continuous investments into attaining top talent and on-going large IT projects aimed at digitalisation

- Operating expense decreased by 13.9% YoY due to higher prior year comparative base which was affected by one-off costs related to exit from Russia
- Personnel expense increased by 3.5% YoY mainly due to tight labour market and persistent wage inflation
- Administrative expense grew by 4.7% YoY due to continuous investments into IT infrastructure, higher marketing spend and indexation of rents and service costs, which were partly off-set by lower mandatory costs (Resolution Fund contributions)
- Operating efficiency positively affected by strong interest income and lower overall opex – long-term average for Czech banking sector oscillates around 50%

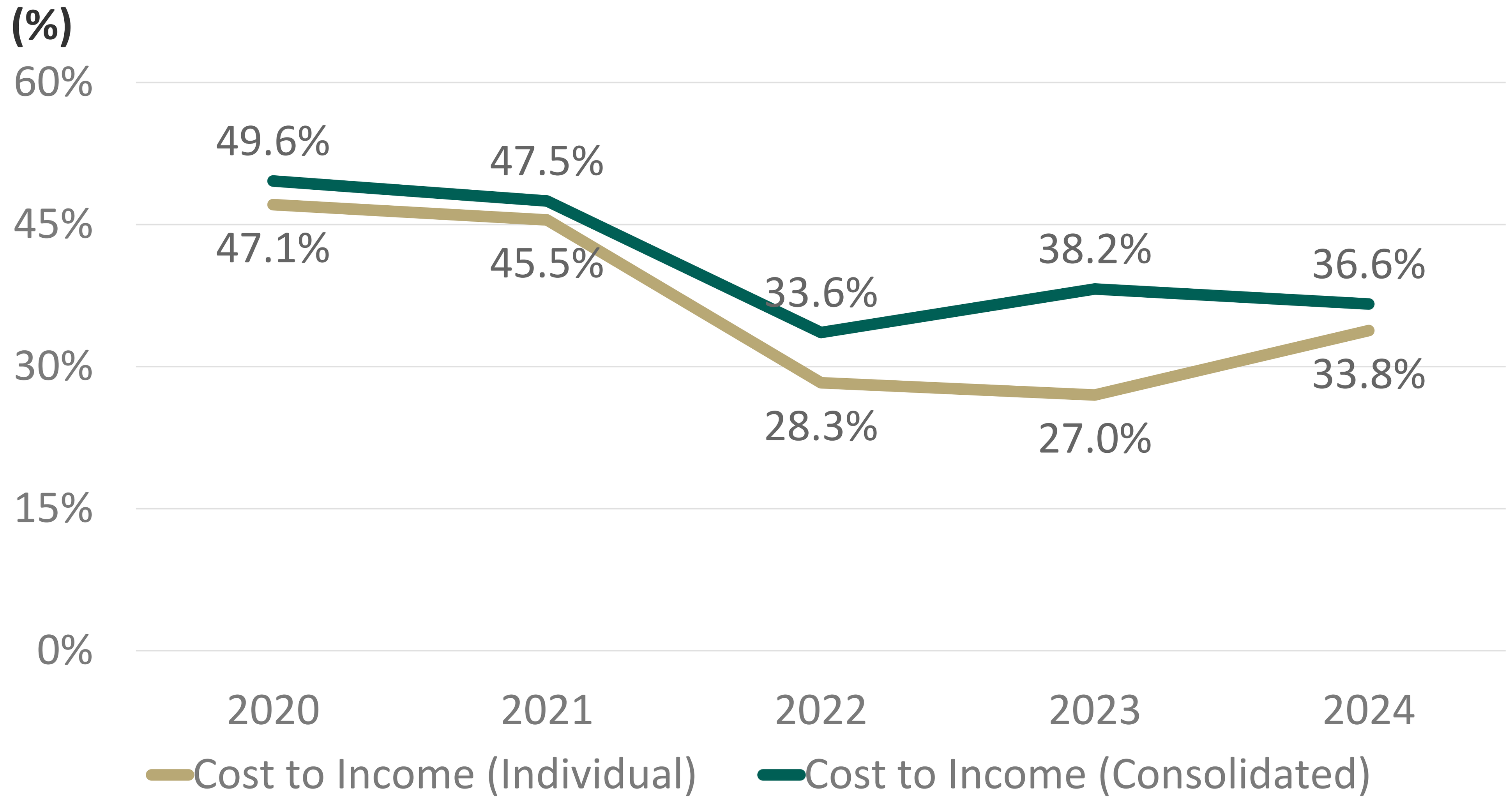
Personnel Expense



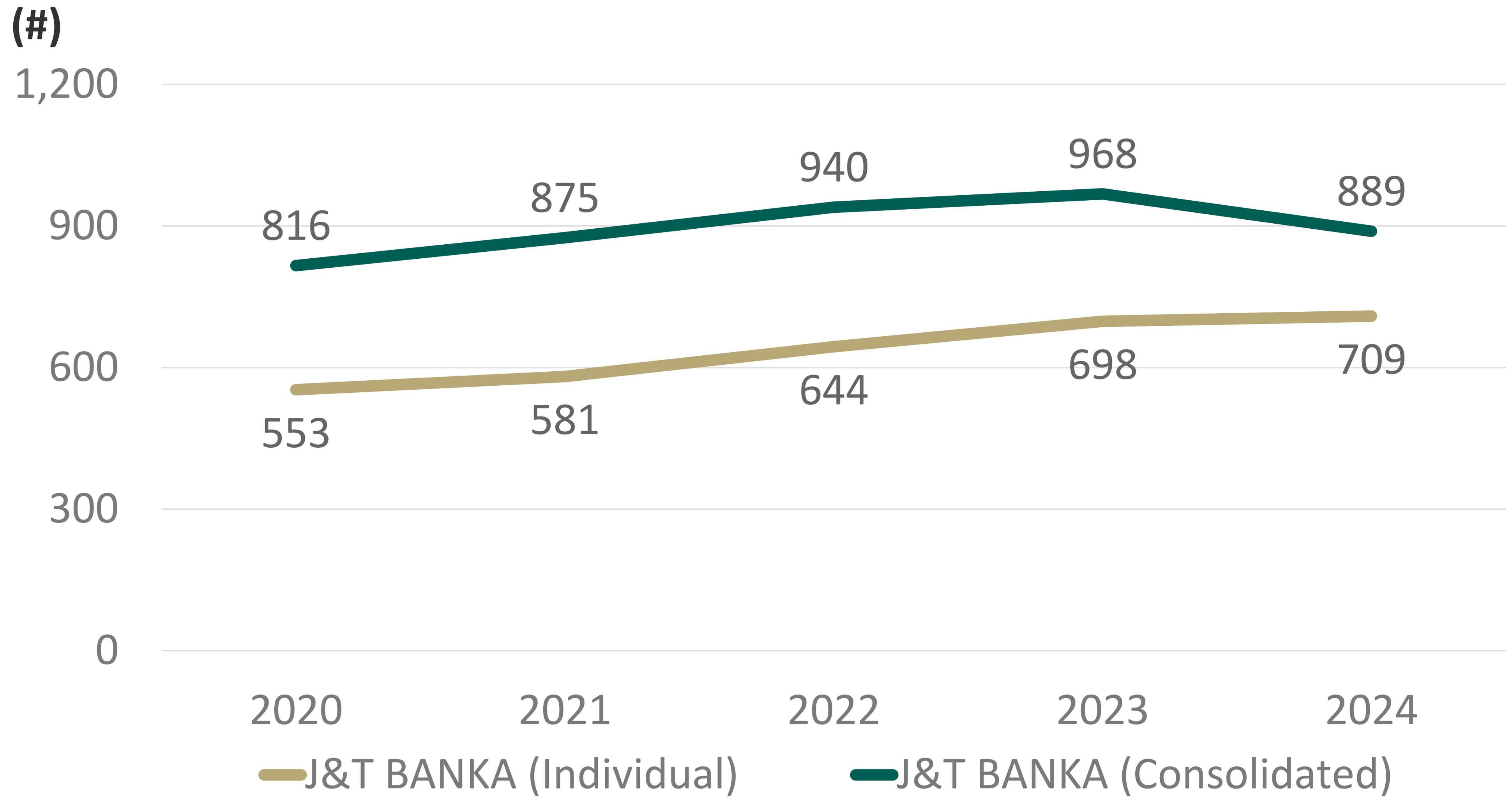
Administrative Expense



Operating Efficiency



Employees (Average FTEs)



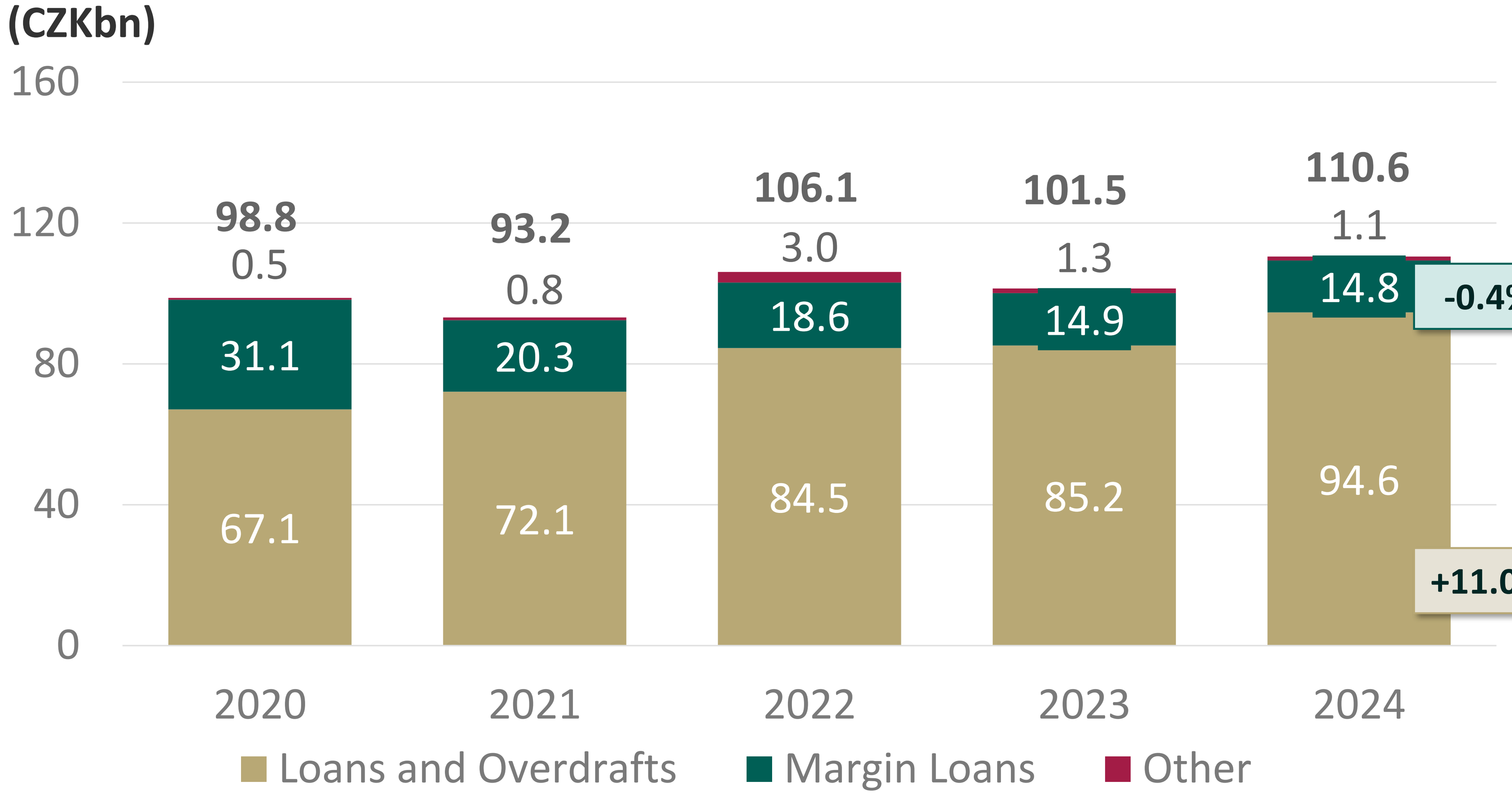
Source: Company data

Asset Growth and Structure

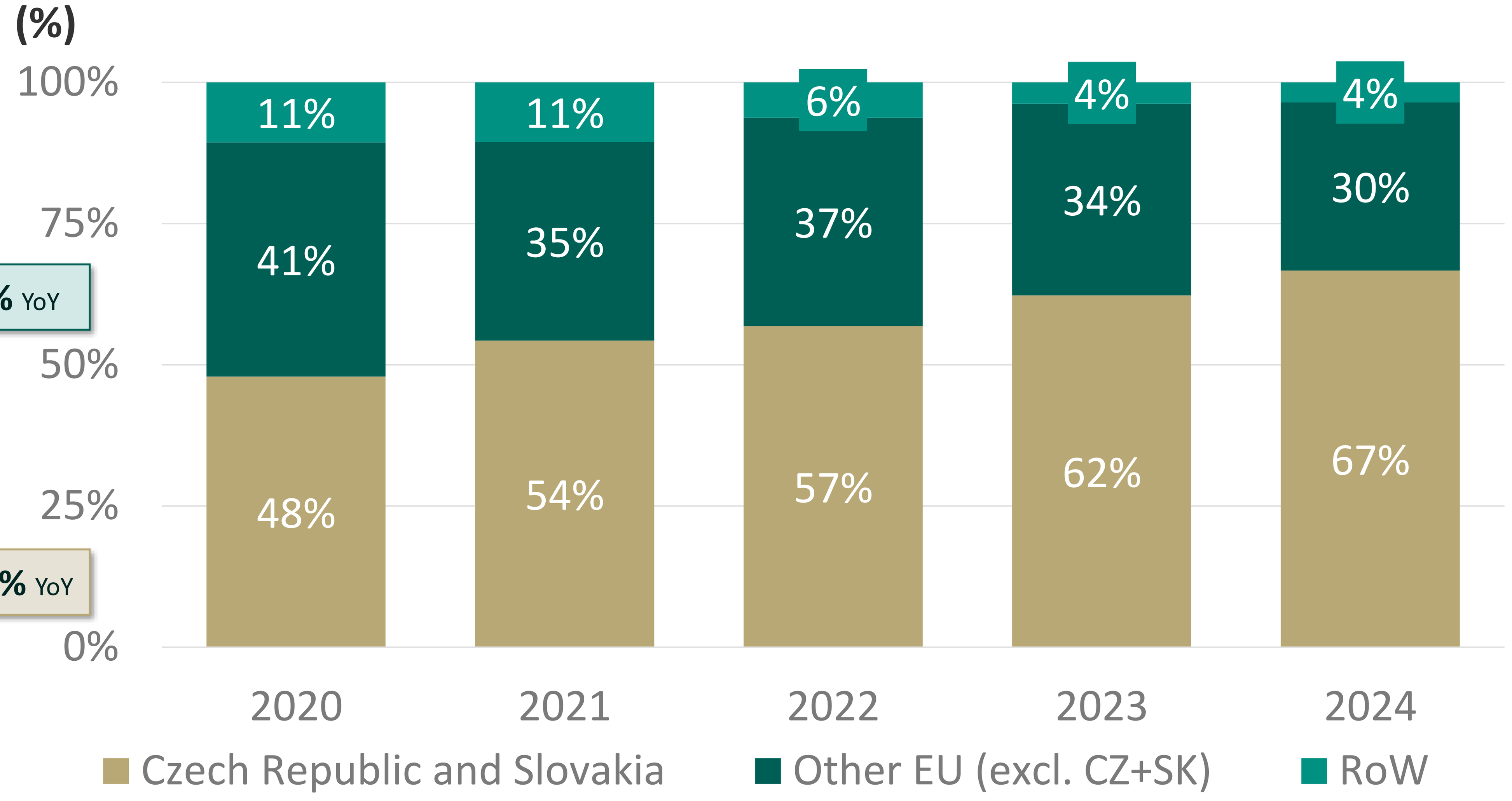
Measured but steady corporate loan book and securities portfolio growth. Excess liquidity placed with central banks and partly used to fund loan book and securities portfolio expansion

- Measured but steady corporate loan book expansion (+11% YoY) mostly driven by Czech and Slovak clients, approaching risk cautiously and focusing on asset quality (EU country risk exposures = 97%)
- Margin lending against liquid blue-chip stocks seen as efficient way to increase credit risk exposure with attractive risk-reward profile (internal target to keep margin lending volume flat at CZK15bn)
- Cash and central banks principally comprises CNB's and NBS's T-bills
- Strategic decision taken in 2023 to gradually build a low-risk fixed income portfolio of held-to-maturity (HtM) CEE government bonds with target 5-year duration (i) offering higher yielding alternative as interest rate cycle reached its peak, (ii) facilitating stabilization of future returns and (iii) reducing interest rate risk

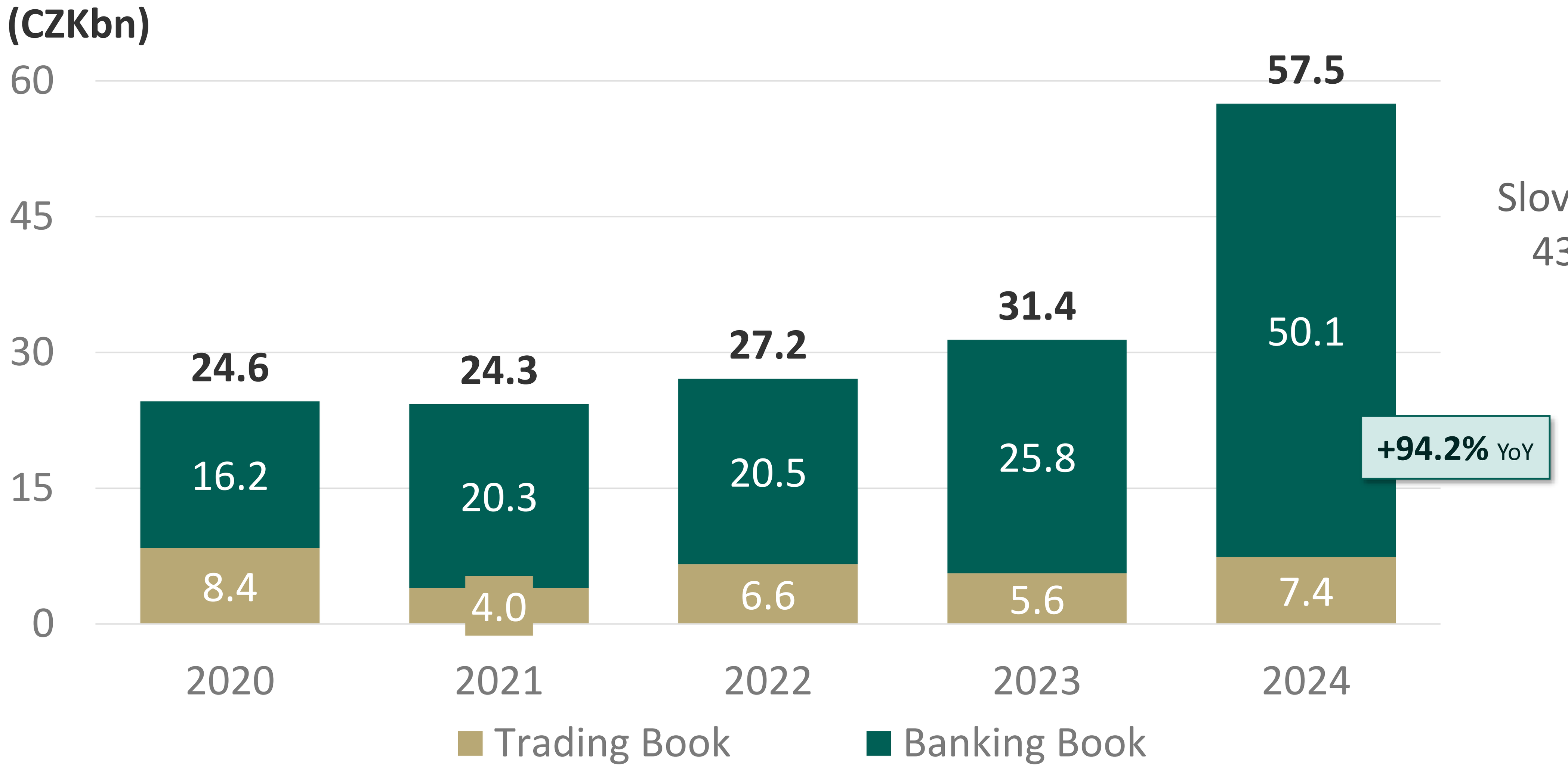
Loan Book Dynamics



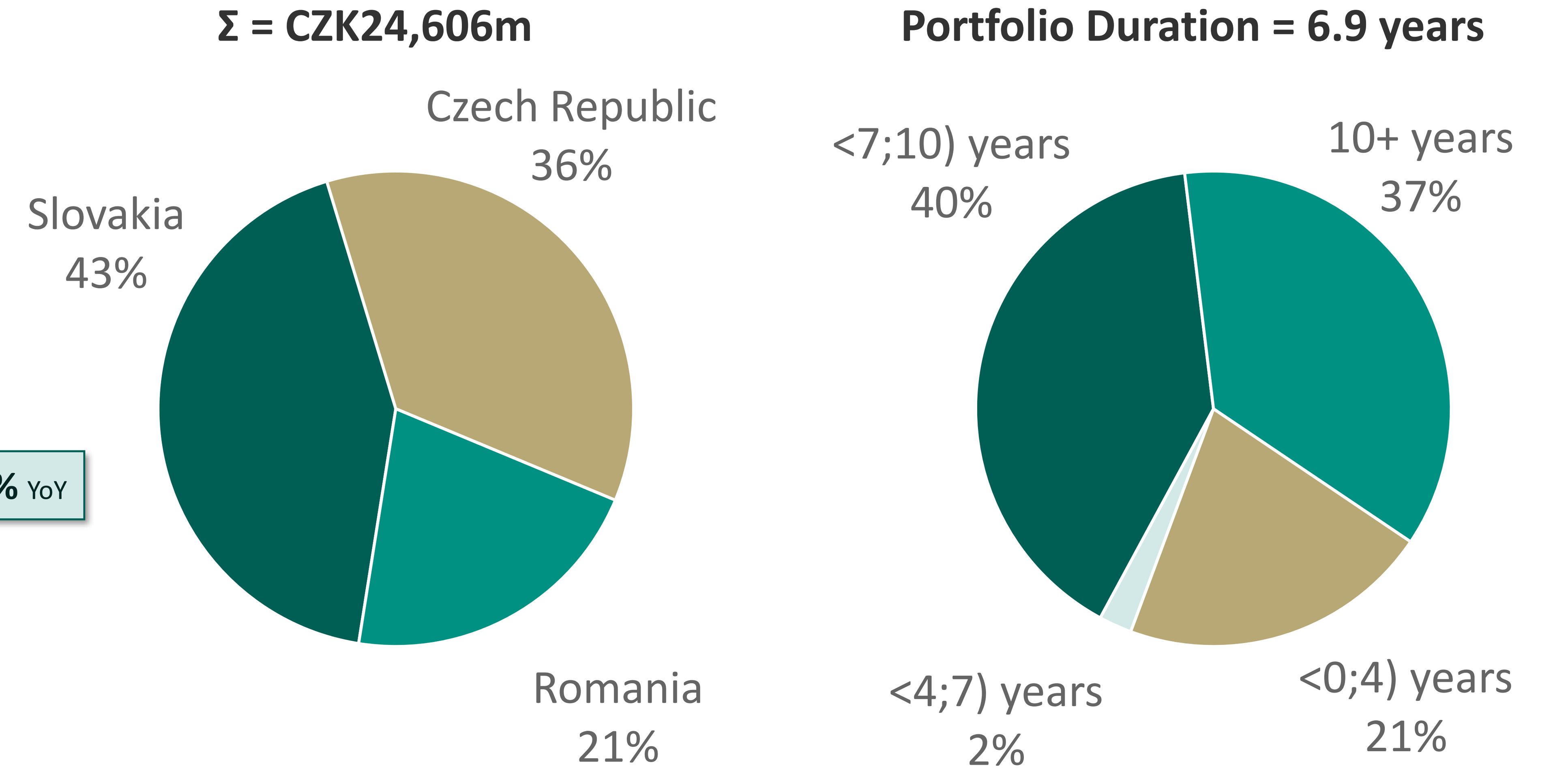
Loan Book by Geography[1]



Securities Portfolio



HtM Securities Portfolio (31 Dec 2024)[2]



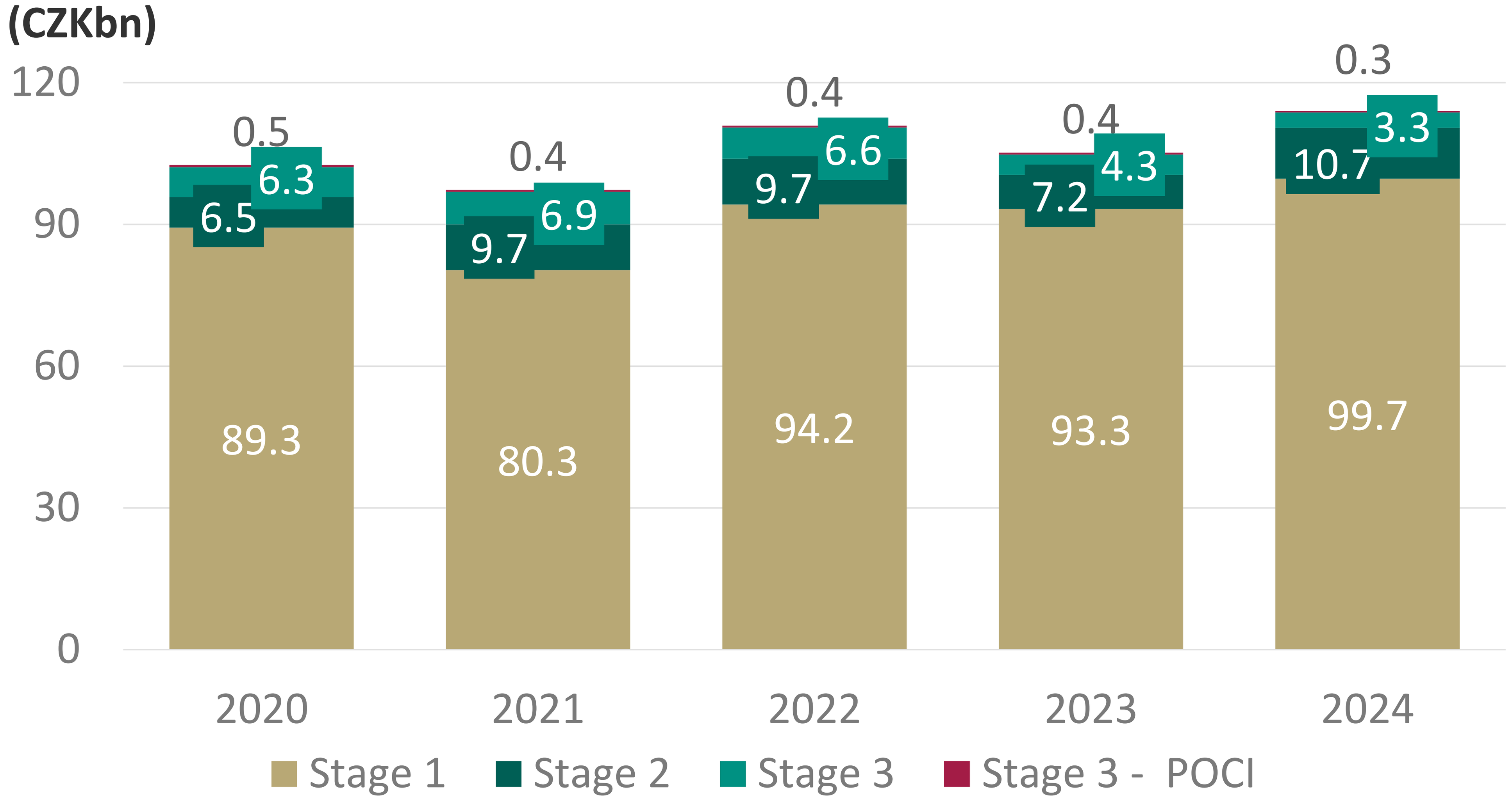
Notes: (1) Based on the underlying risk of the project. (2) CZK24.6bn added to the original CZK4.6bn HtM Czech gov't bonds (not part of strategic portfolio, hence, excluded from the breakdown). Source: Company data

Asset Quality

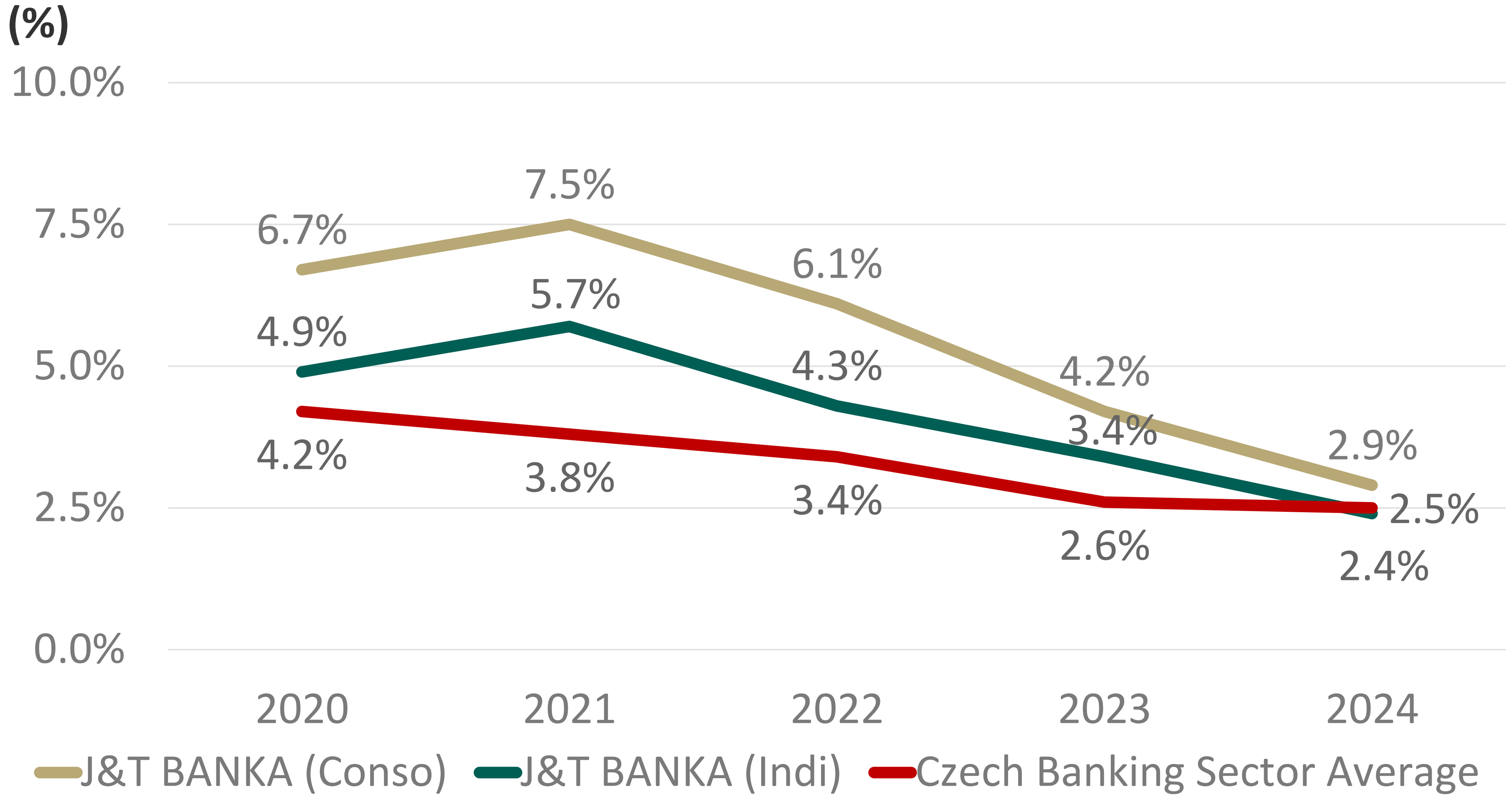
NPLs continue to decline in both absolute and relative terms, reaching lowest level in J&T BANKA's history and converging to Czech banking sector average for corporate lending

- Non-performing loans declined in both absolute and relative terms, reaching the lowest level in J&T BANKA's history, on par with Czech banking sector average for corporate lending
- Consolidated figures influenced by residual portfolio of J&T BANKA's leasing subsidiary whose operations have been discontinued and portfolio partly sold and partly run-off
- ECLs impacted by conservative PD methodology, which applies higher PDs to selected sectors (e.g. real estate, construction or automotive), and reflect strong asset quality (~45% relate to Stage 1 and Stage 2 loans)
- Non-performing loans (Stage 3) adequately covered by provisions

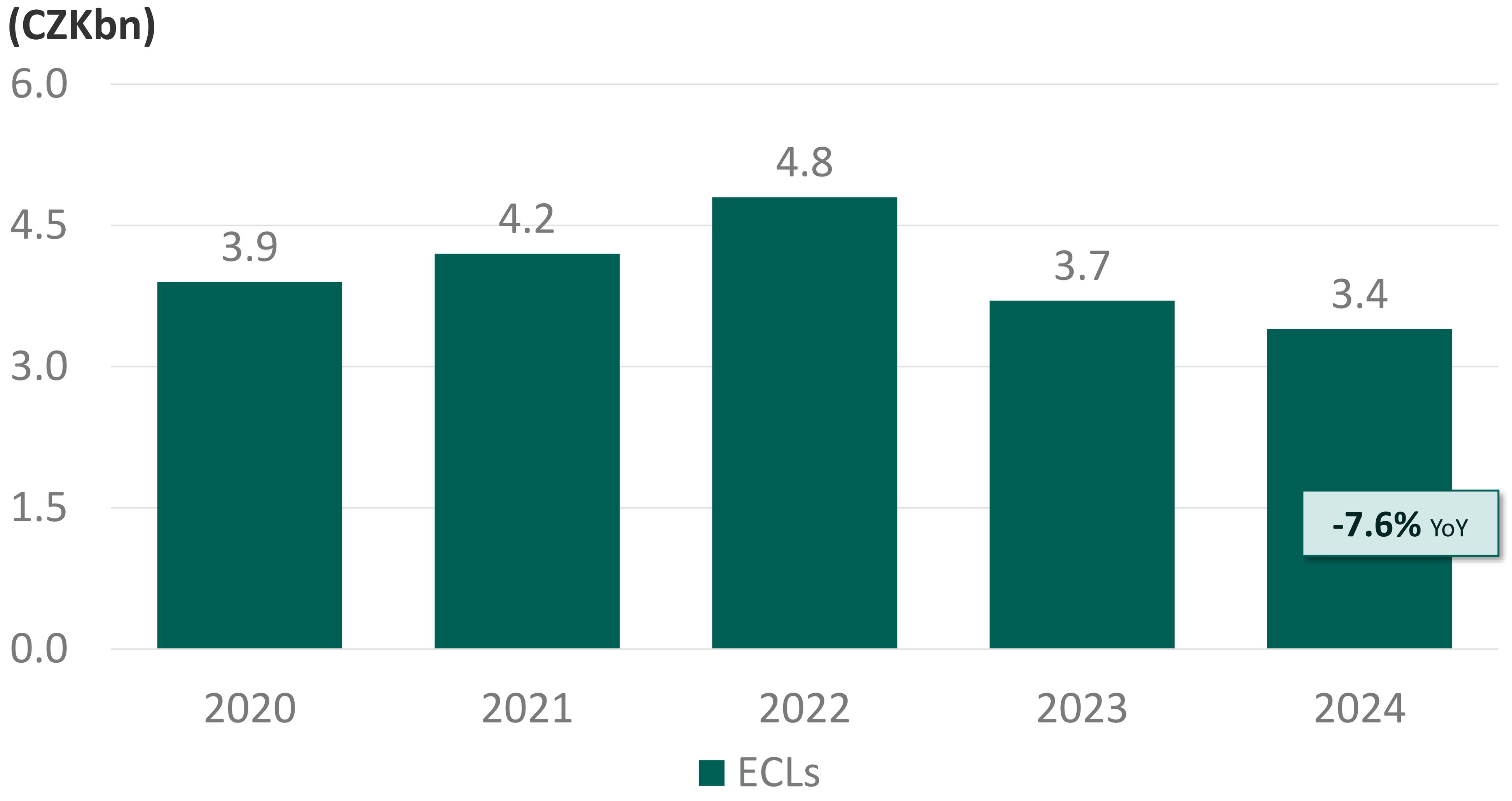
Loan Book by Stage (Gross)[1]



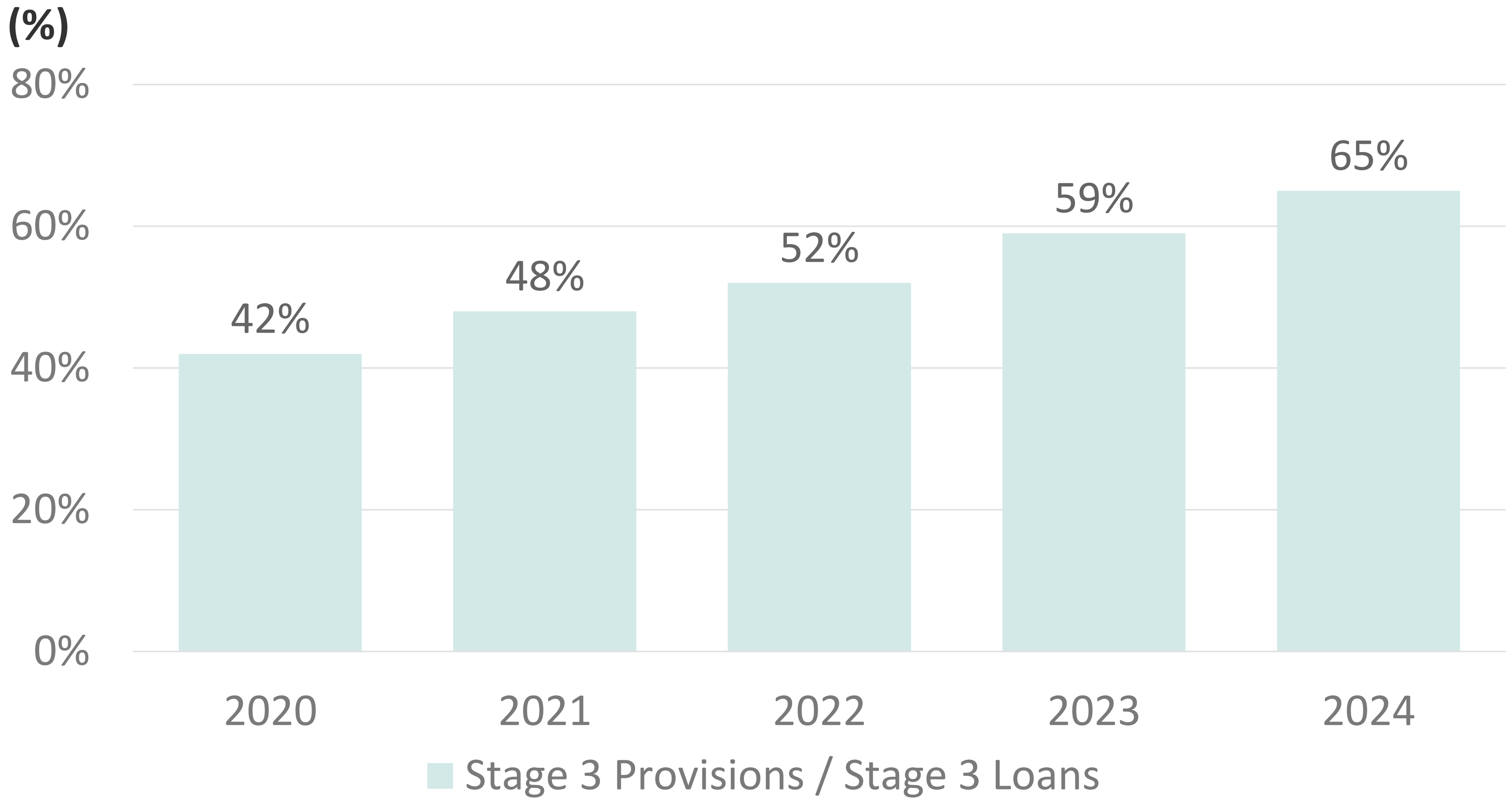
Non-Performing Exposures / Gross Loans[2]



Expected Credit Losses (ECLs)



NPL Coverage



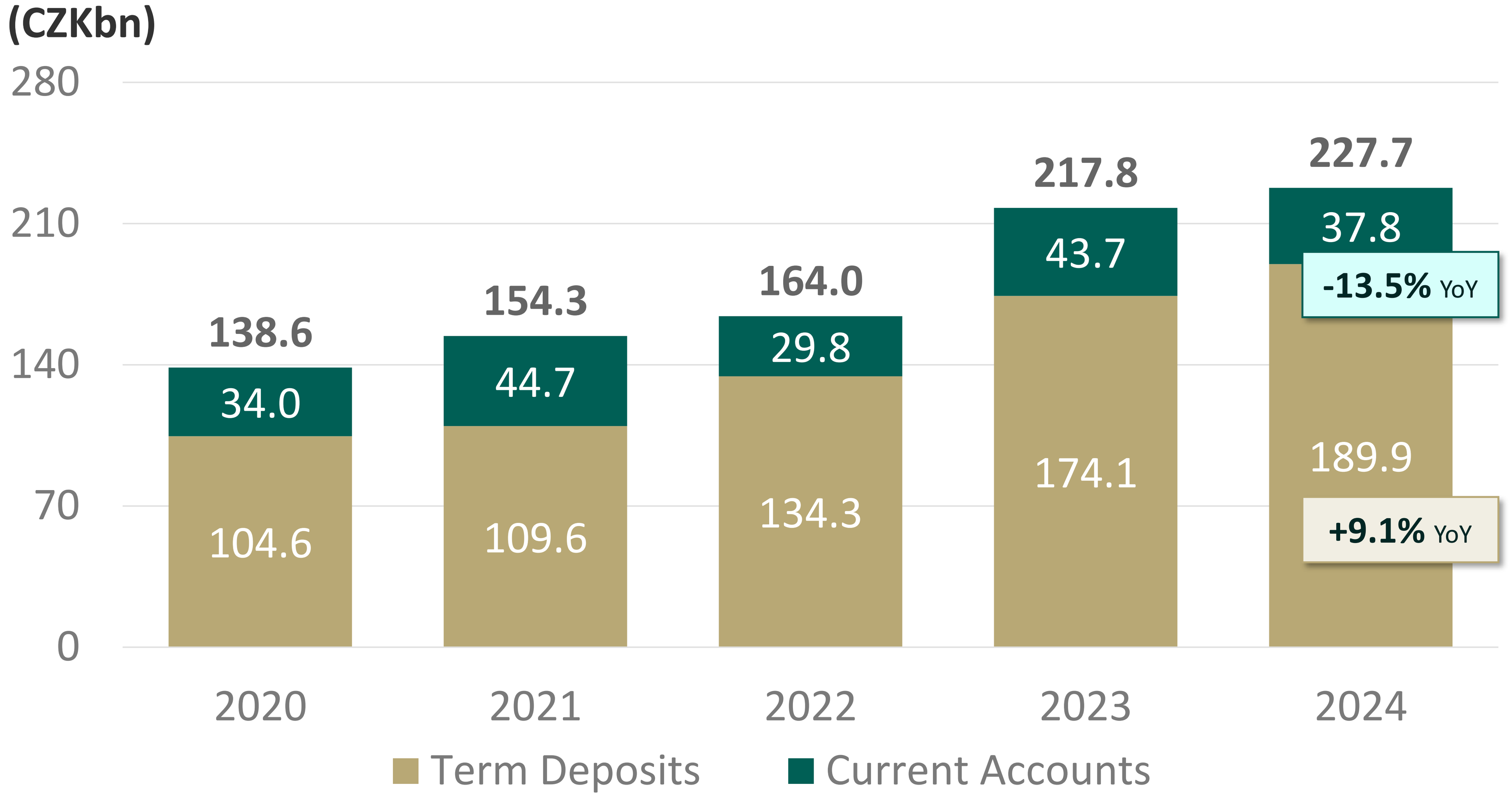
Notes: (1) POCI = Purchased or Originated Credit Impaired (receivables already impaired at the time when purchased/originated). (2) Sector average for loans to non-financial corporations. Source: CNB, Company data

Liabilities Growth and Structure

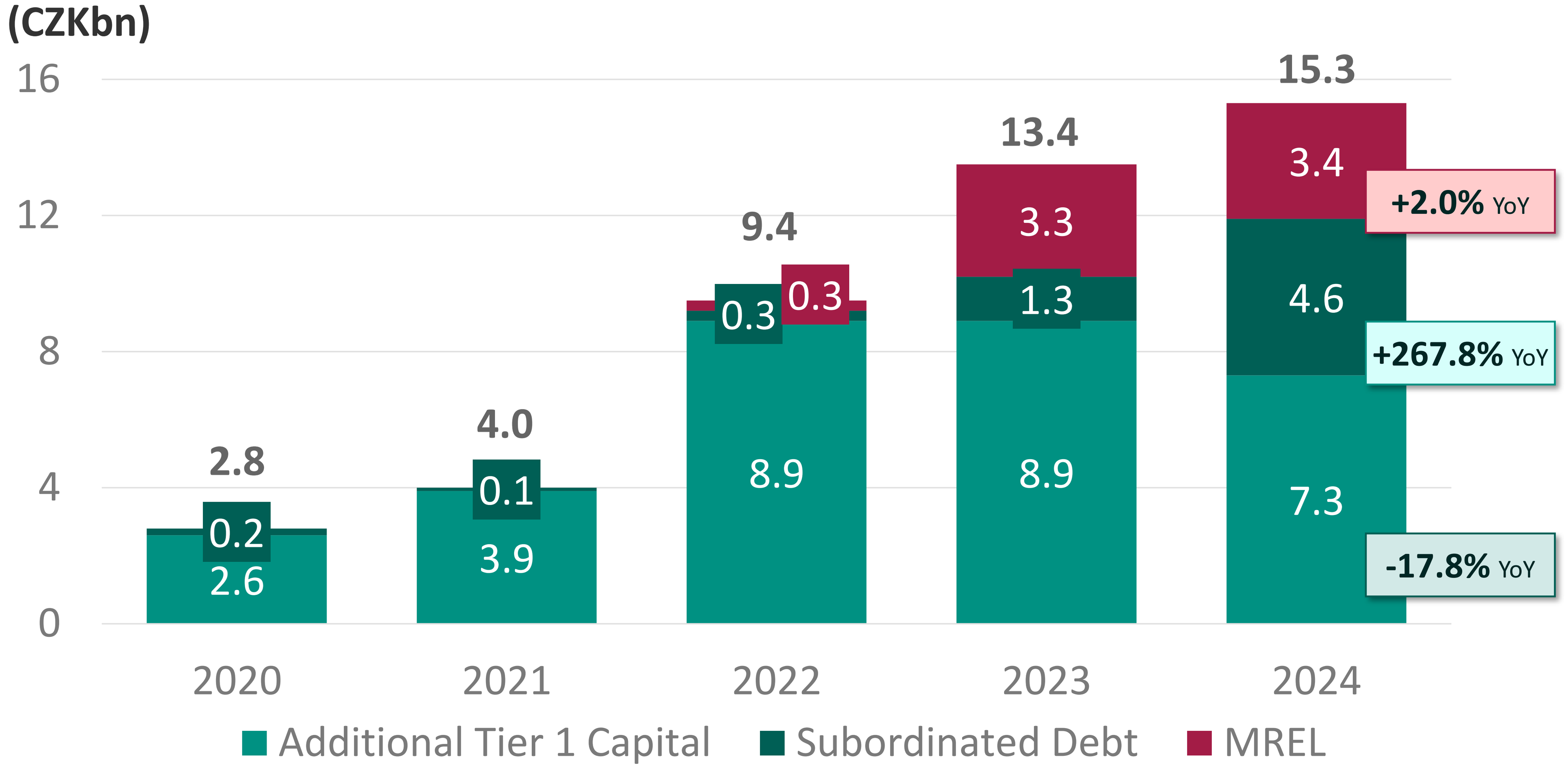
Lending business is entirely deposit funded. Modest securities issuance driven by capital considerations rather than funding needs. Liquidity position remains extremely strong

- Granular retail deposit base (130k+ clients) is J&T BANKA's primary source of funding. Term deposits account for for >80% of all deposits (~40% with 12M+ duration)
- Deposits increased by 4.5% YoY, although inflow peaked in 3Q 2024 as clients begin to re-direct money into higher-yielding investments
- Current deposit base size and structure represents opportunity to optimize funding cost
- J&T Direktbank – fully digital retail branch in Germany offering current and savings accounts: 27k+ clients €1bn+ deposits at 2024 year-end
- Wholesale funding includes AT1, T2 and MREL – issuance driven by capital considerations
- Extremely strong liquidity position with ~49% Loan to Deposit Ratio
- LCR and NSFR requirements are more than comfortably met

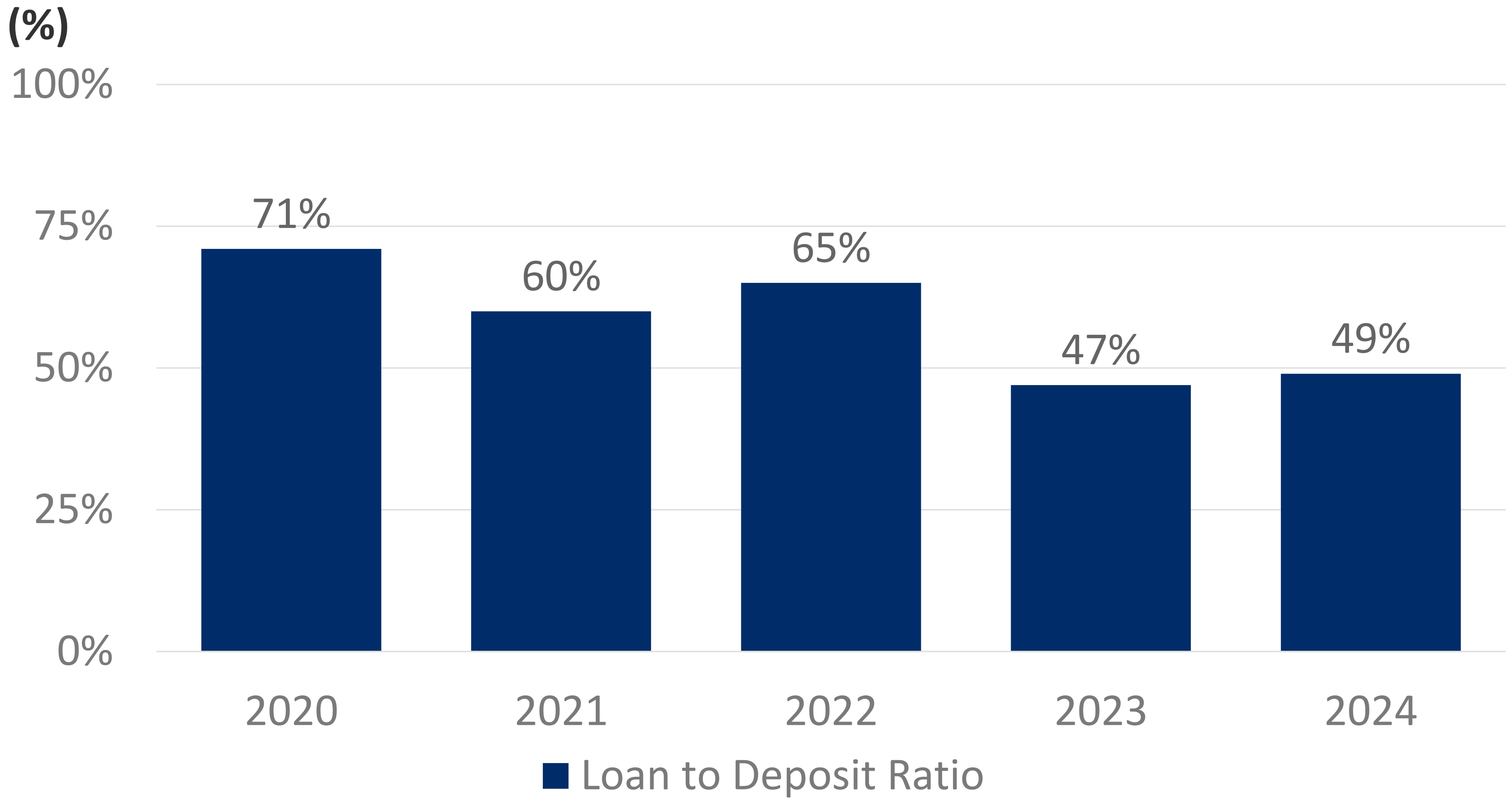
Client Deposits(1)



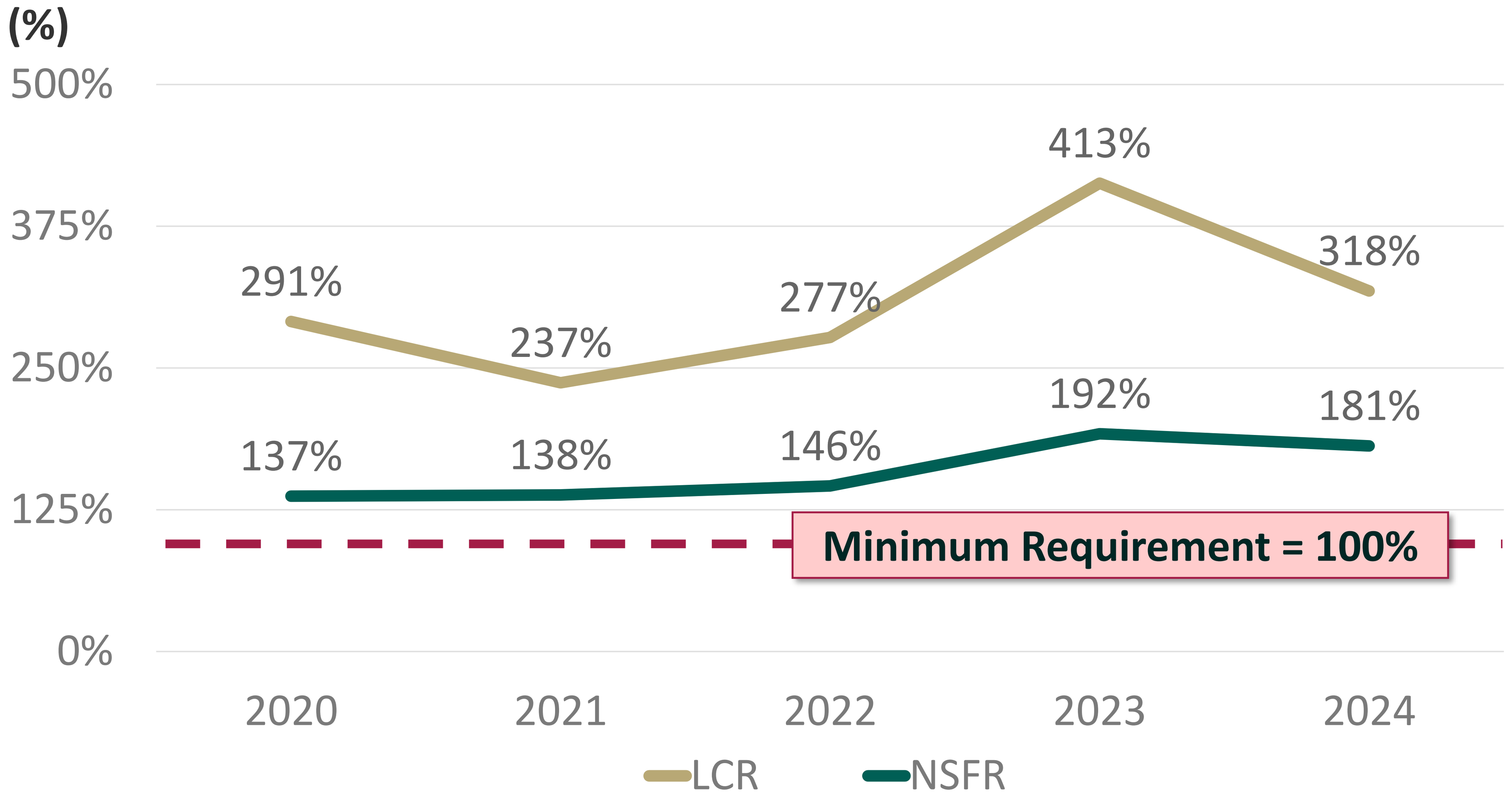
Wholesale Funding



Loan to Deposit Ratio



Liquidity (Individual)(2)



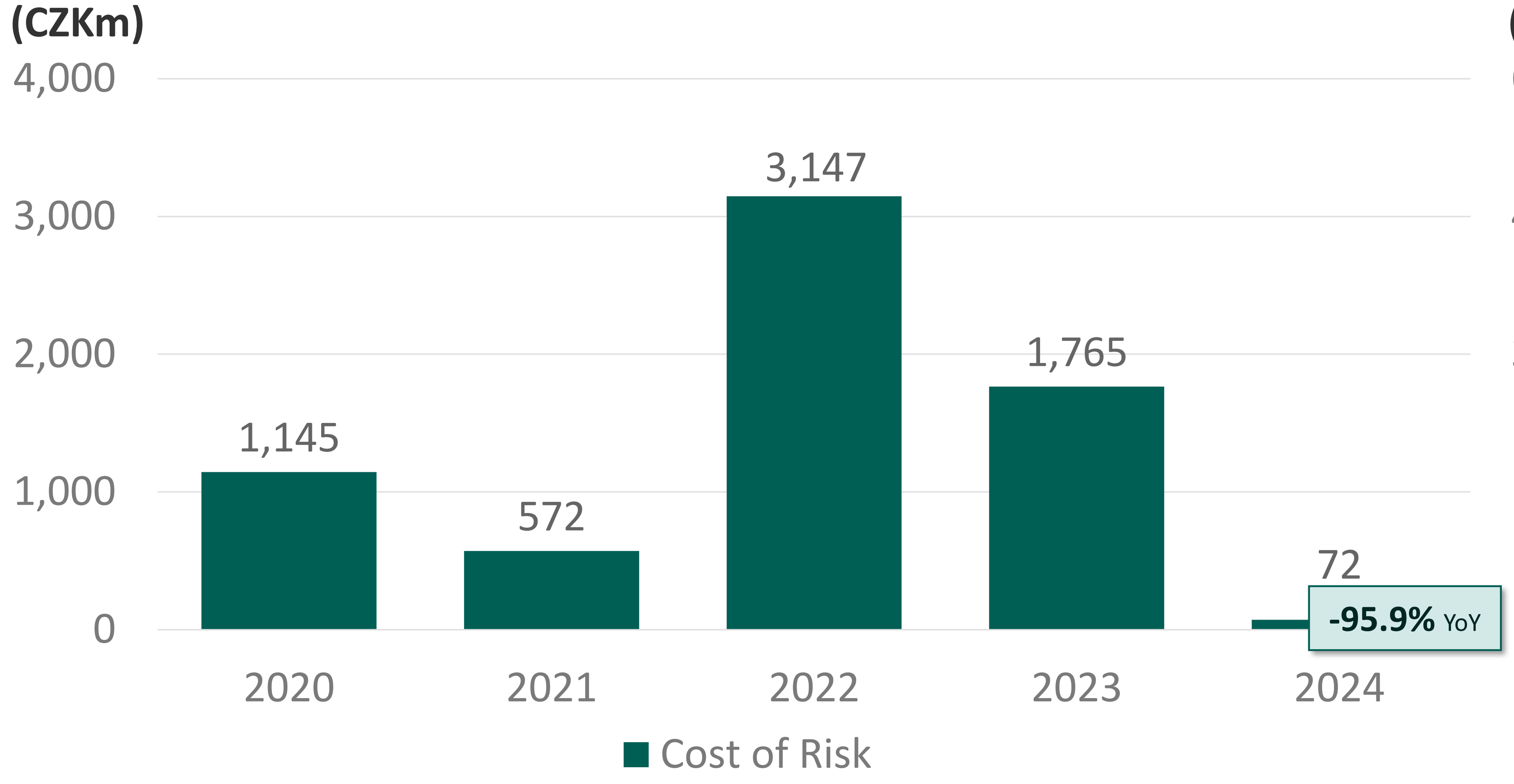
Notes: (1) Current Accounts = all non-term deposits, incl. escrow accounts and other liabilities. (2) LCR and NSFR are only prescribed and monitored on an individual basis. Source: Company data

Profitability, Earnings and Distributions

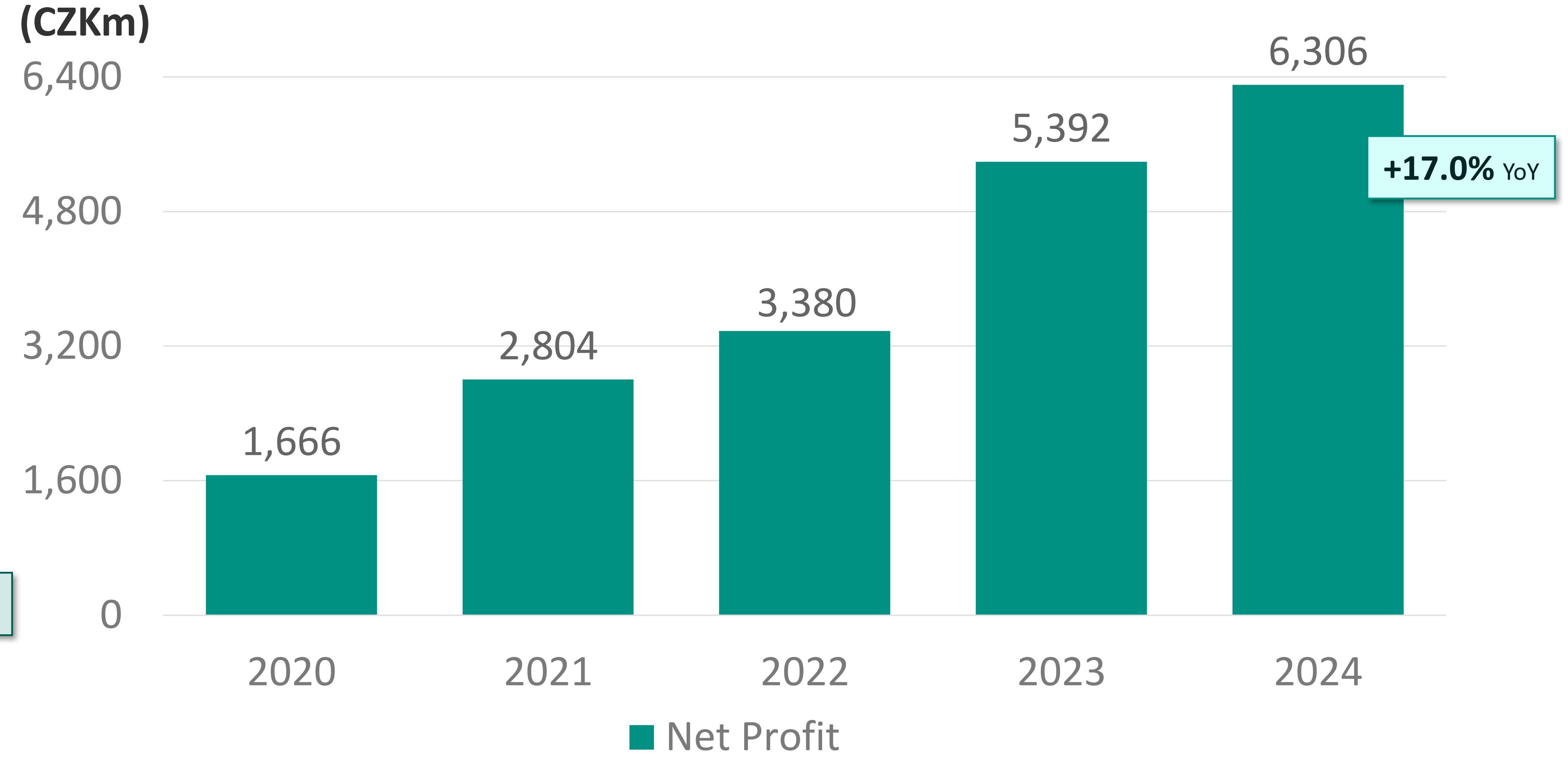
Proven earnings power allowing to self-finance sustainable growth. Maintaining strong profitability despite declining interest rates. Dividend distributions resumed in 2023 after three years of profit retention

- Profit before risk cost declined by 8.0% YoY as operating income declined by 10.3% YoY, while opex declined by 13.9% YoY
- More stable economic environment in 2024 compared to turbulent 2023 brought more conducive business conditions, positively affecting borrowers' creditworthiness, which led to 95.9% YoY decline in risk cost
- Strong profitability maintained in 2024 with reported net profit even higher (+17.0% YoY) than in 2023 when the bank reported its highest net profit ever
- General dividend policy is to pay out all profits beyond capital targets set by management: CZK4.3bn dividend paid in 2024 (68% pay-out ratio)
- As strong performance continues into 2025, further shareholder distributions are possible

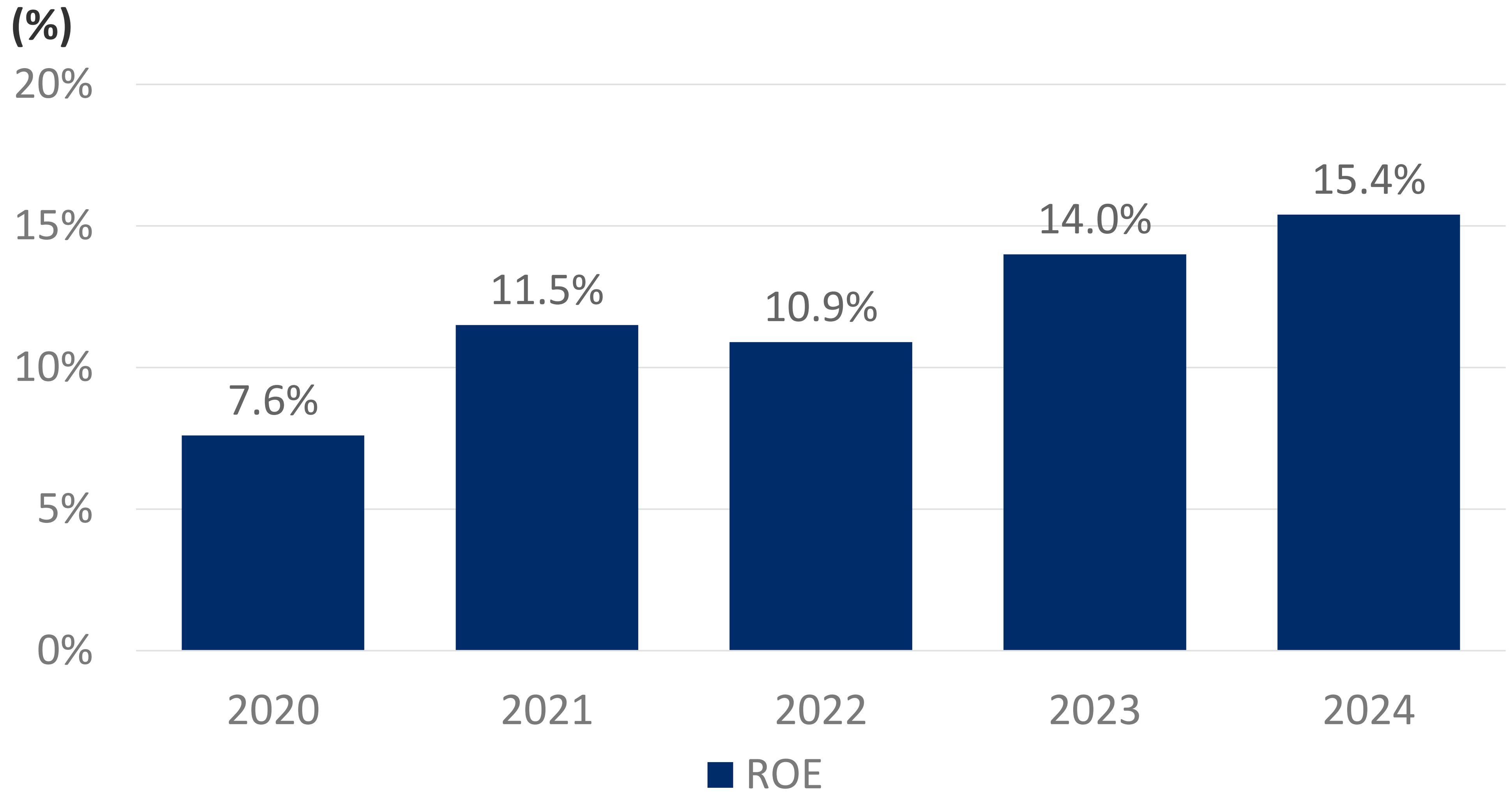
Cost of Risk (On- and Off-Balance Sheet)



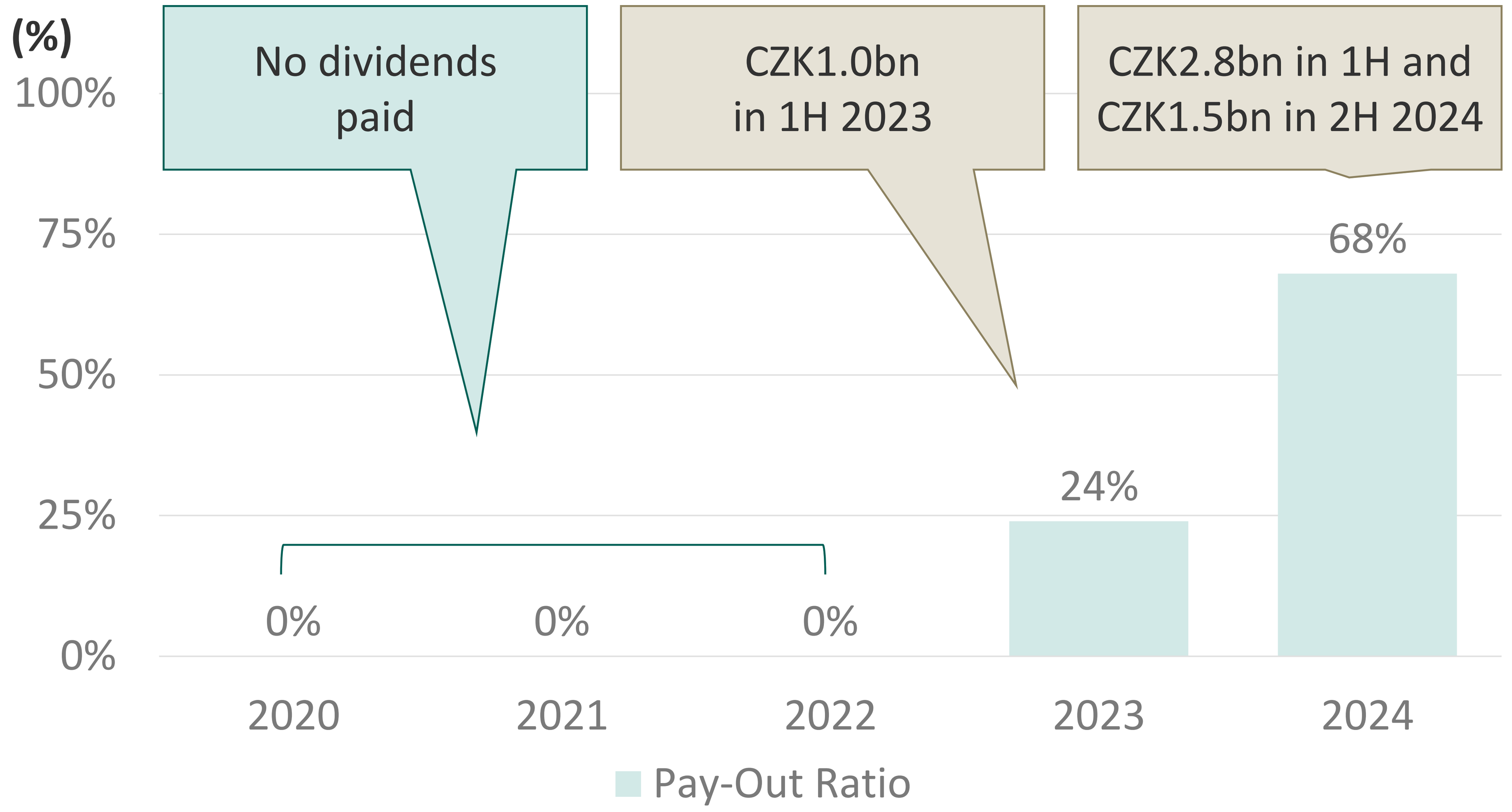
Net Profit



Return on Equity



Dividends and Pay-Out Ratio (Individual)[1]



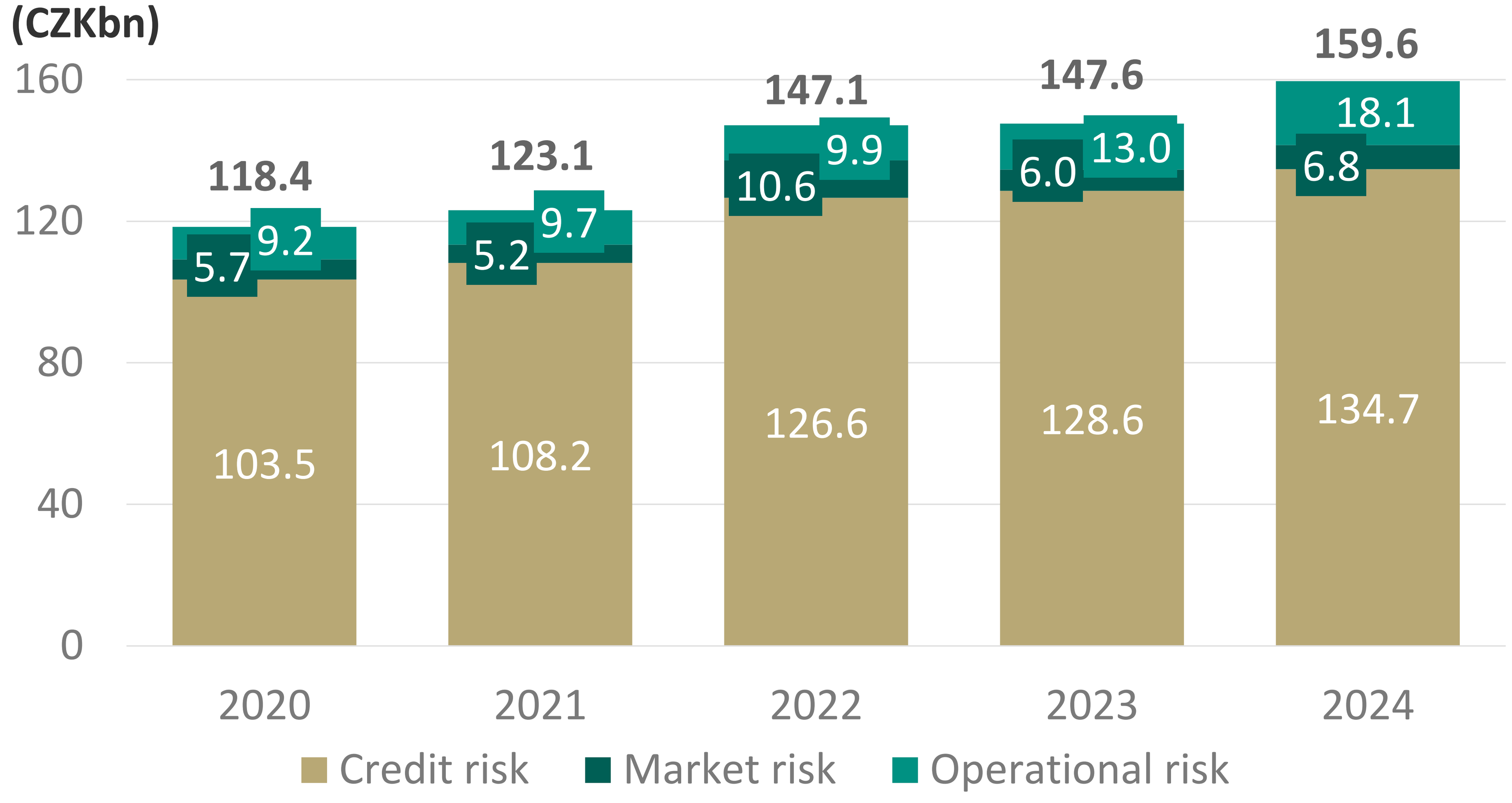
Notes: (1) Dividend in year t divided by net profit in year t-1. Source: Company data

Capital Management | Capitalization

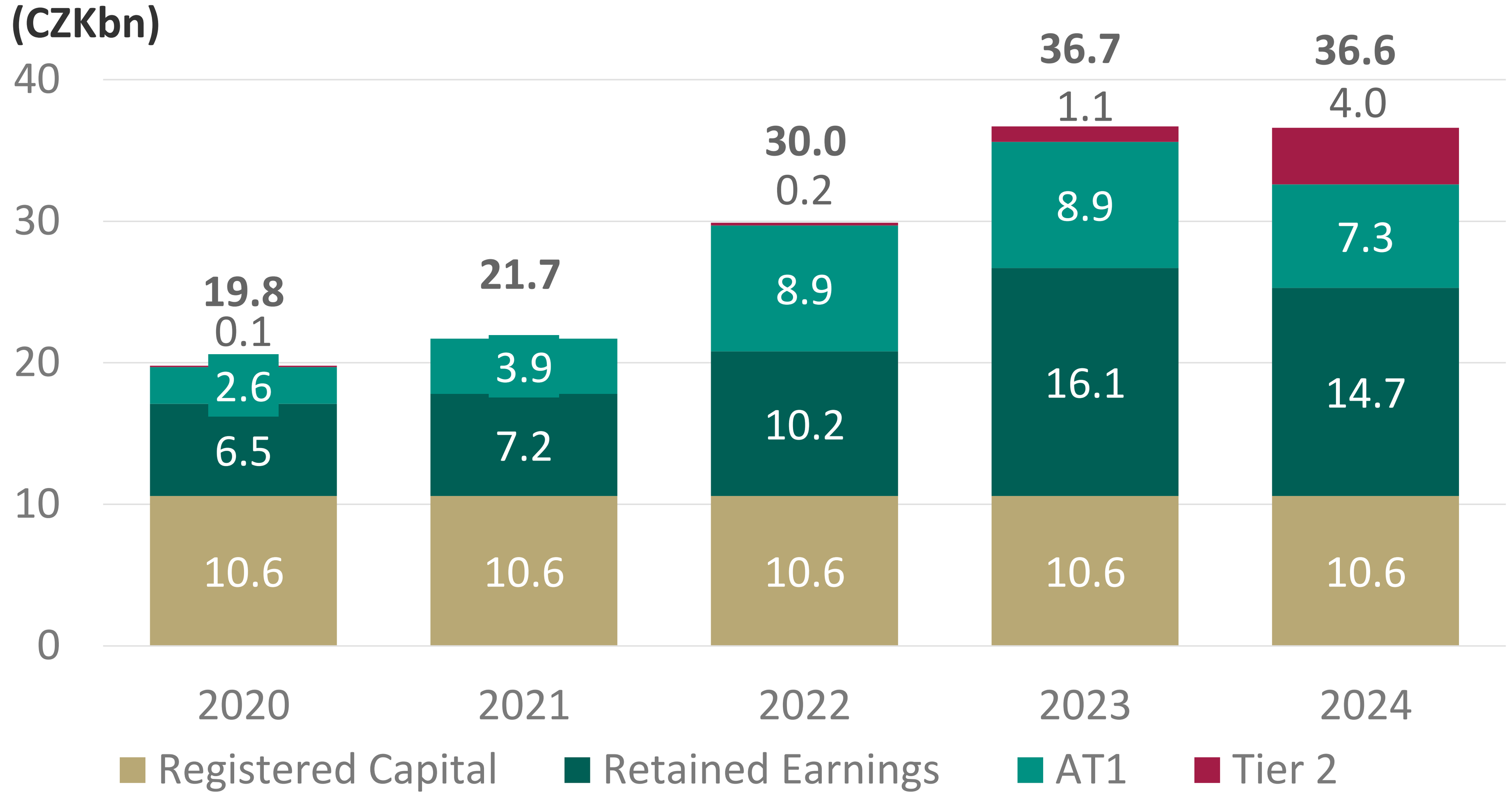
Capital and MREL requirements set and monitored **individually** and driven by long-term growth in RWAs. High-quality capital base provides sufficient resources for further development

- Regulatory limits and MREL requirements set and monitored for J&T BANKA individually
- Capital requirements driven by RWA growth, related mainly to credit risk
- Robust capitalization following three years of earnings retention and ~€120m capital increase and €200m AT1 issuance (both in 2022)
- €120m MREL eligible Eurobond issued in 2023 and CZK2.5bn (~€100m equiv.) sub-debt (T2) placed in local market in 2024
- Minor reduction in regulatory capital after vintage AT1 redemptions and dividend payments during 2024
- Regulatory capital and capital ratios reflect J&T BANKA's strong performance despite resumed shareholder distributions
- Leverage Ratio decline attributable to balance sheet growth

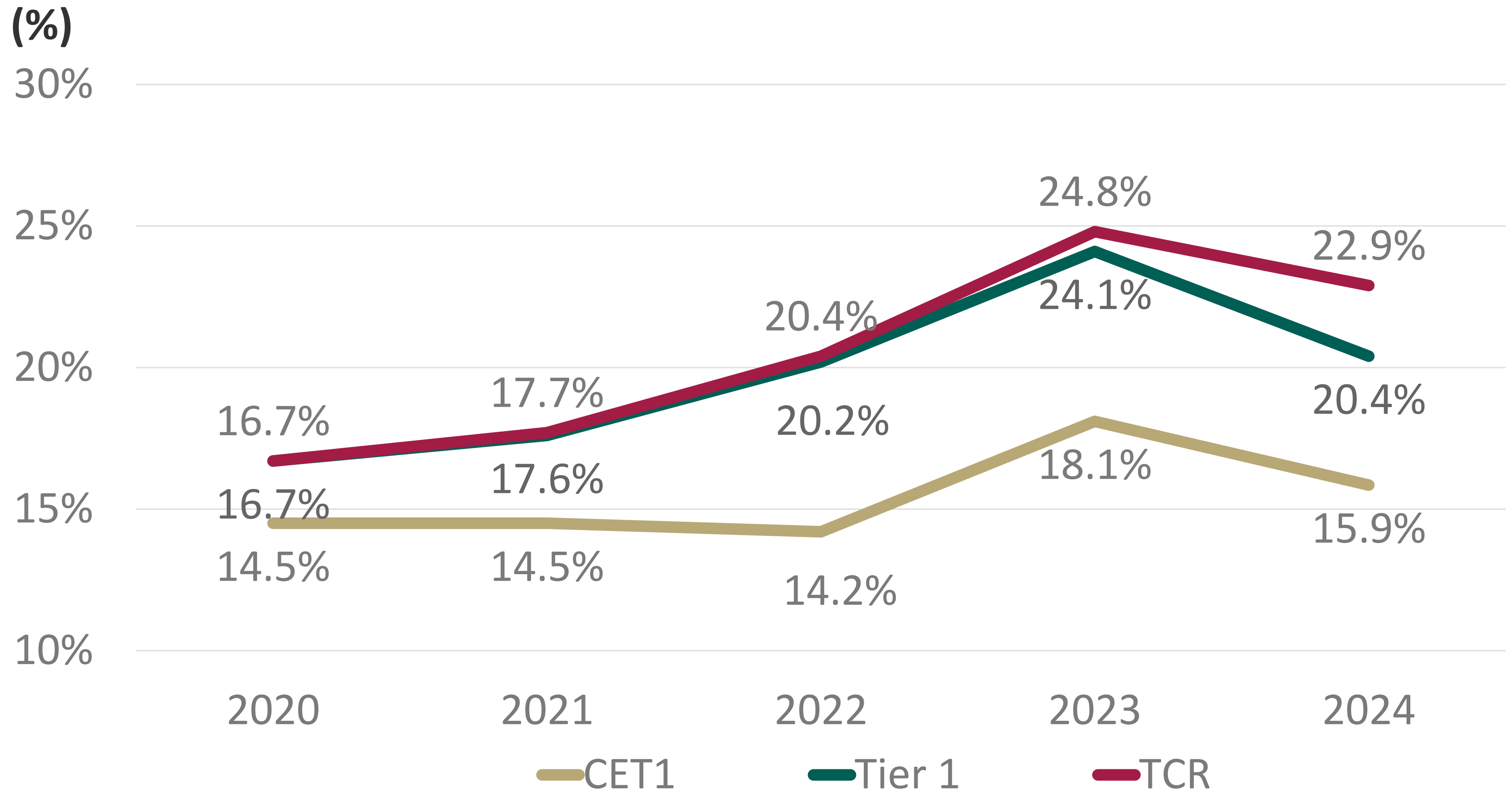
Risk Weighted Assets (Individual)



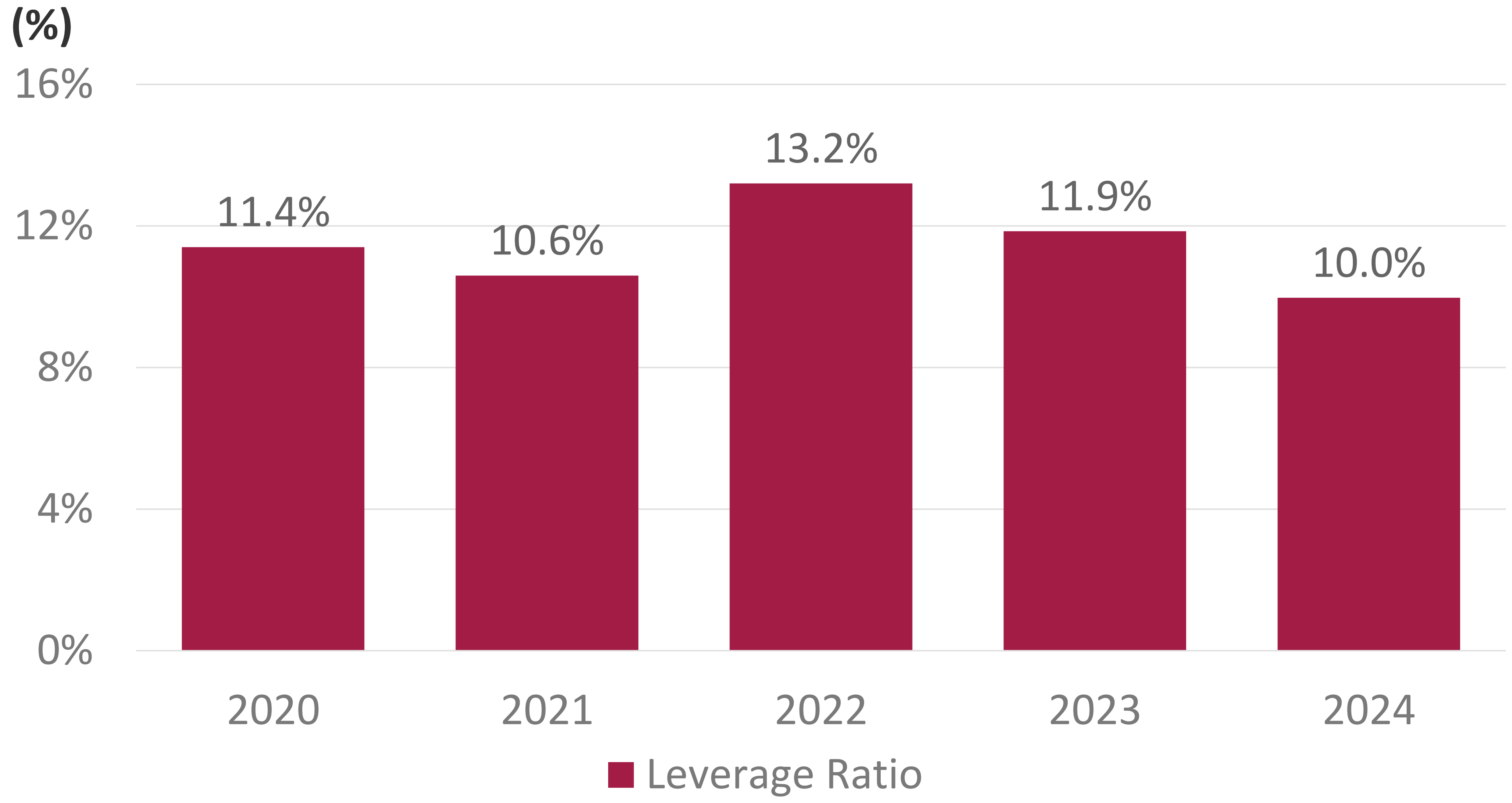
Regulatory Capital Composition (Individual)



Capital Adequacy (Individual)



Leverage Ratio (Individual)[1]



Note: (1) Total Exposure Measure (TEM). Source: Company data

Capital Management | Capital Requirements and Buffers

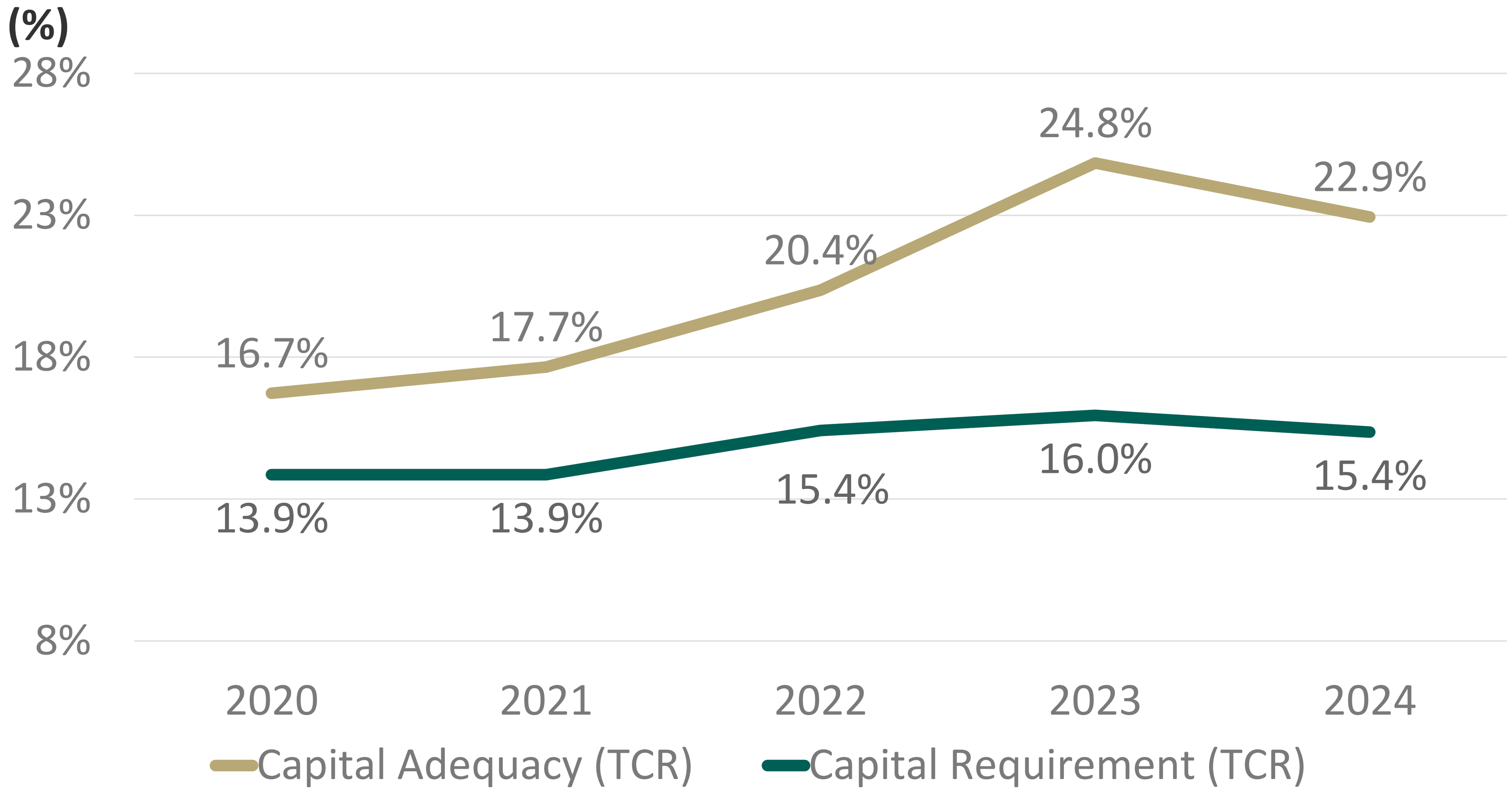
Capital adequacy consistently exceeds minimum regulatory requirements. Current MREL issuance represents another step towards further capital structure optimization

- Medium-term management target is to maintain CET1 capital ratio >15% and Tier 1 capital ratio at ~18% with the remainder covered by MREL eligible instruments
- Planned MREL issuance represents another step towards further capital structure optimization – proceeds shall be used to refinance outstanding MREL Eurobond and redeem qualifying vintage AT1s
- SyRB introduced effective from 1 Jan 2025, calculated as 0.5% incremental capital requirement on Czech exposures, results in 0.26% exposure-weighted additional requirement
- Capital adequacy exceeds minimum requirements by considerable margin despite recent dividend payments with >700bps total capital buffer at 2024 year-end (incl. SyRB)

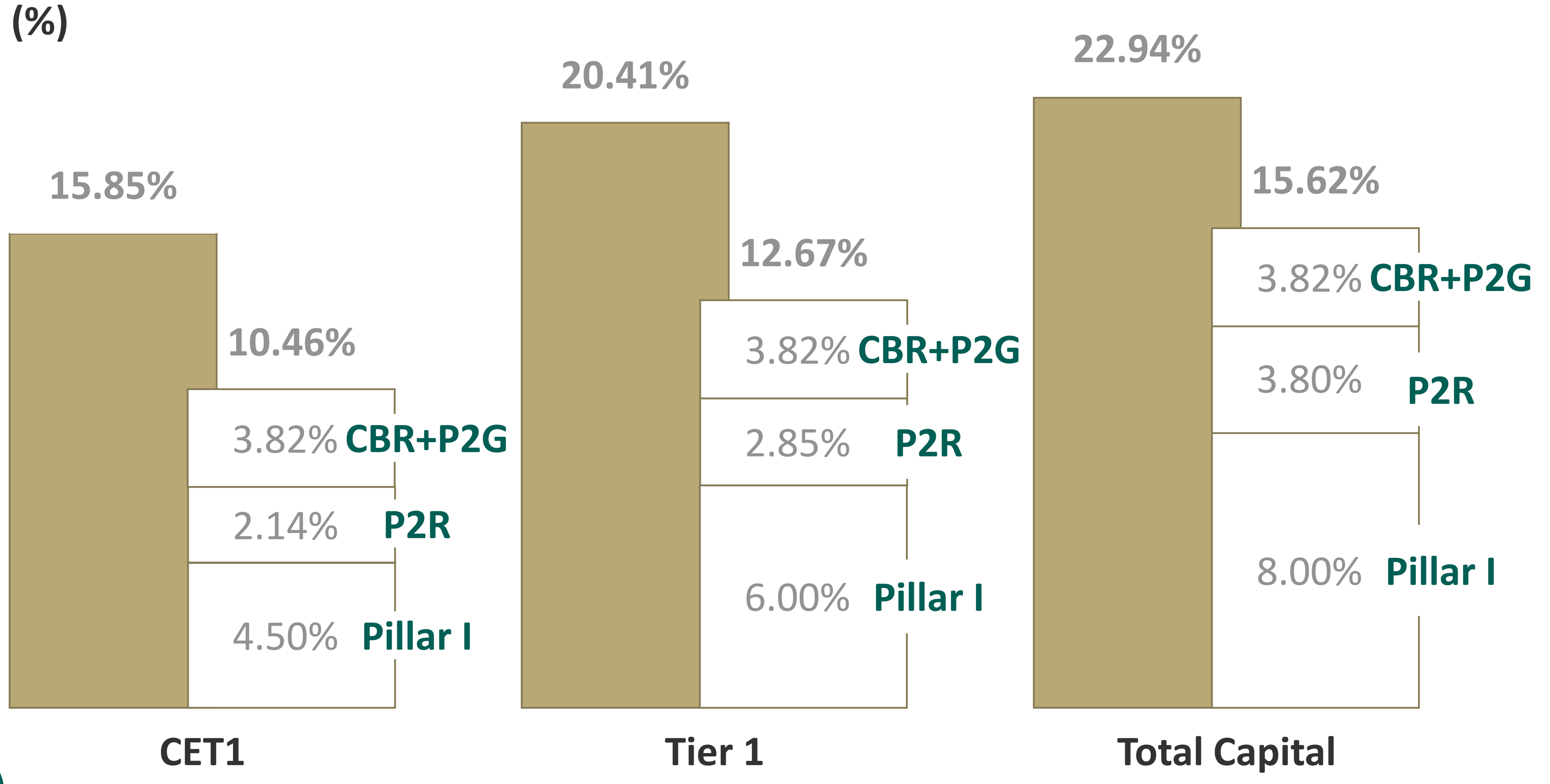
Regulatory Requirements (Individual)[1]

(%)	2021	2022	2023	2024
Pillar I (Own Funds)	8.00%	8.00%	8.00%	8.00%
Capital Conservation Buffer (CCoB)	2.50%	2.50%	2.50%	2.50%
Countercyclical Buffer (CCyB)	0.36%	0.72%	1.25%	1.06%
Pillar II (SREP)	3.00%	3.70%	3.70%	3.80%
Pillar 2 Guidance (P2G)	0.00%	0.50%	0.50%	0.00%
Systemic Risk Buffer (SyRB)	0.00%	0.00%	0.00%	0.26%
Total Capital Requirement[1]	**13.86%**	**15.42%**	**15.95%**	**15.36%**
Management Buffer	0.50%	1.00%	1.00%	1.00%
Internal Target	**14.36%**	**16.42%**	**16.95%**	**16.36%**

Capital Adequacy vs Requirement (Individual)[1]



Capital and Buffers (Individual, 31 Dec 2024)[2]



Ratio	Actual	Required	Capital Buffer	
			(%)	(CZKbn)
CET1 (% RWA)	15.85%	10.46%	539bps	8.6
Tier 1 (% RWA)	20.41%	12.67%	774bps	12.4
Total Capital (TCR) (% RWA)	22.94%	15.62%	732bps	11.7
Leverage (% LRE)	9.97%	3.00%	697bps	22.8

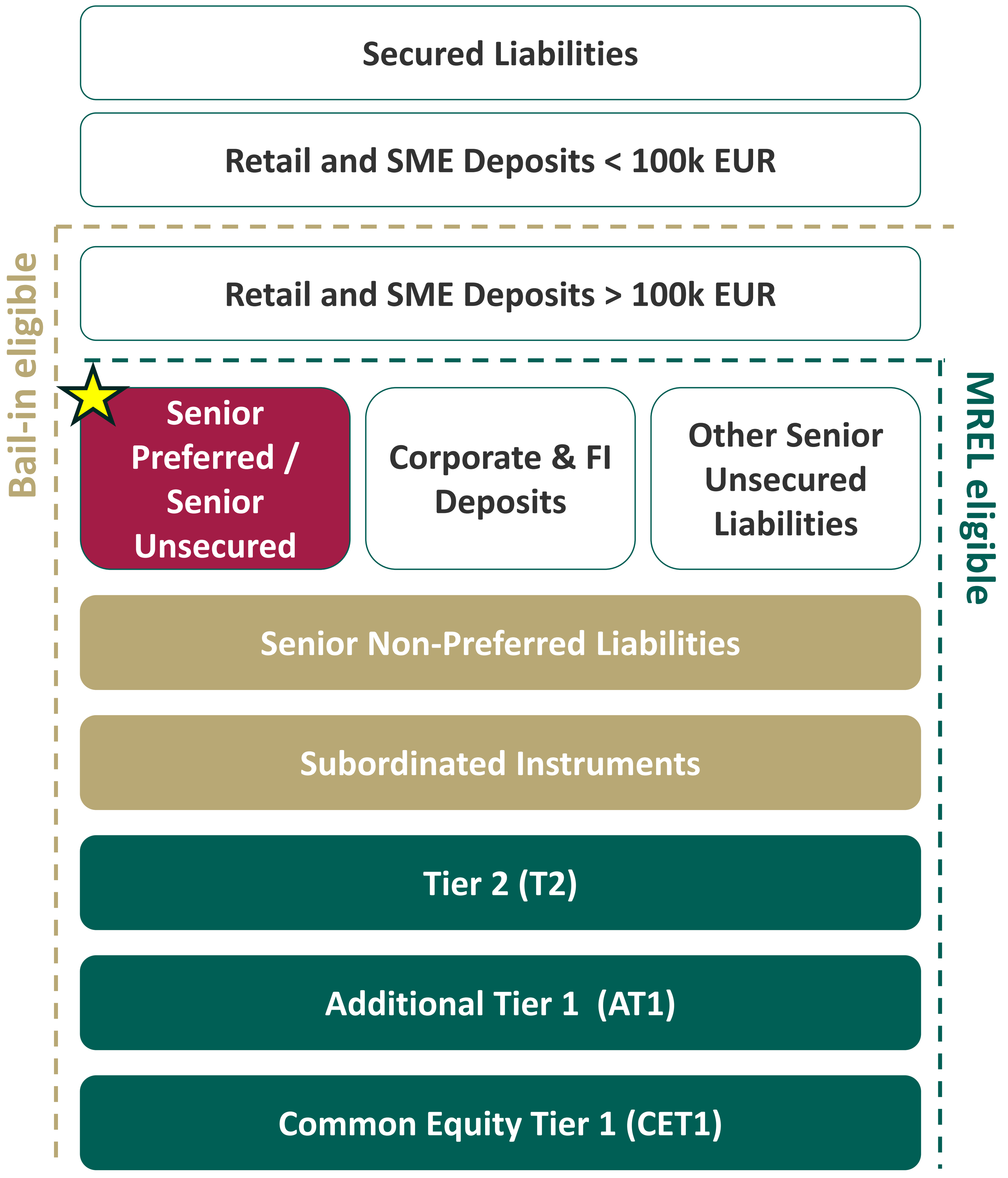
Notes: (1) Capital requirement excludes SyRB which is applicable from 1 Jan 2025 onwards. (2) Excluding management buffers but including SyRB. Source: Company data

Resolution and MREL Considerations

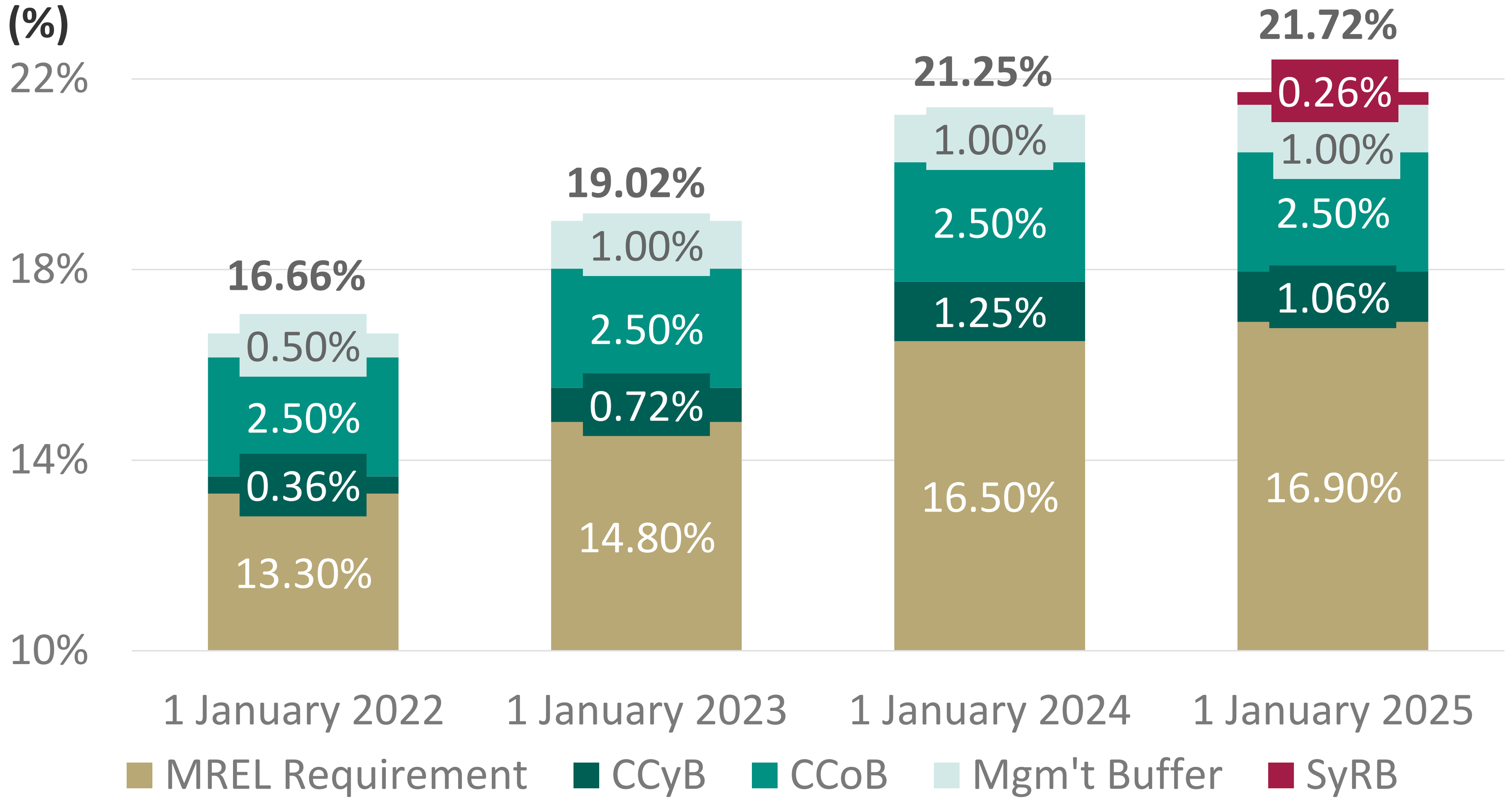
Multiple point of entry resolution strategy. MREL ranks pari passu with senior unsecured debt, subordination is not required

- Multiple point of entry resolution strategy approved for J&T FINANCE GROUP with two resolution entities: J&T BANKA (individually) and 365.bank (consolidated)
- J&T BANKA is the point of entry for resolution – any losses would be recognized locally and the bail-in would take place at J&T BANKA level with no recourse to any other member of J&T FINANCE GROUP
- Czech National Bank is resolution authority for J&T BANKA and sets out its MREL requirements
- **No subordination requirement for** J&T BANKA's **MREL** eligible instruments (only applies to five largest Czech banks)

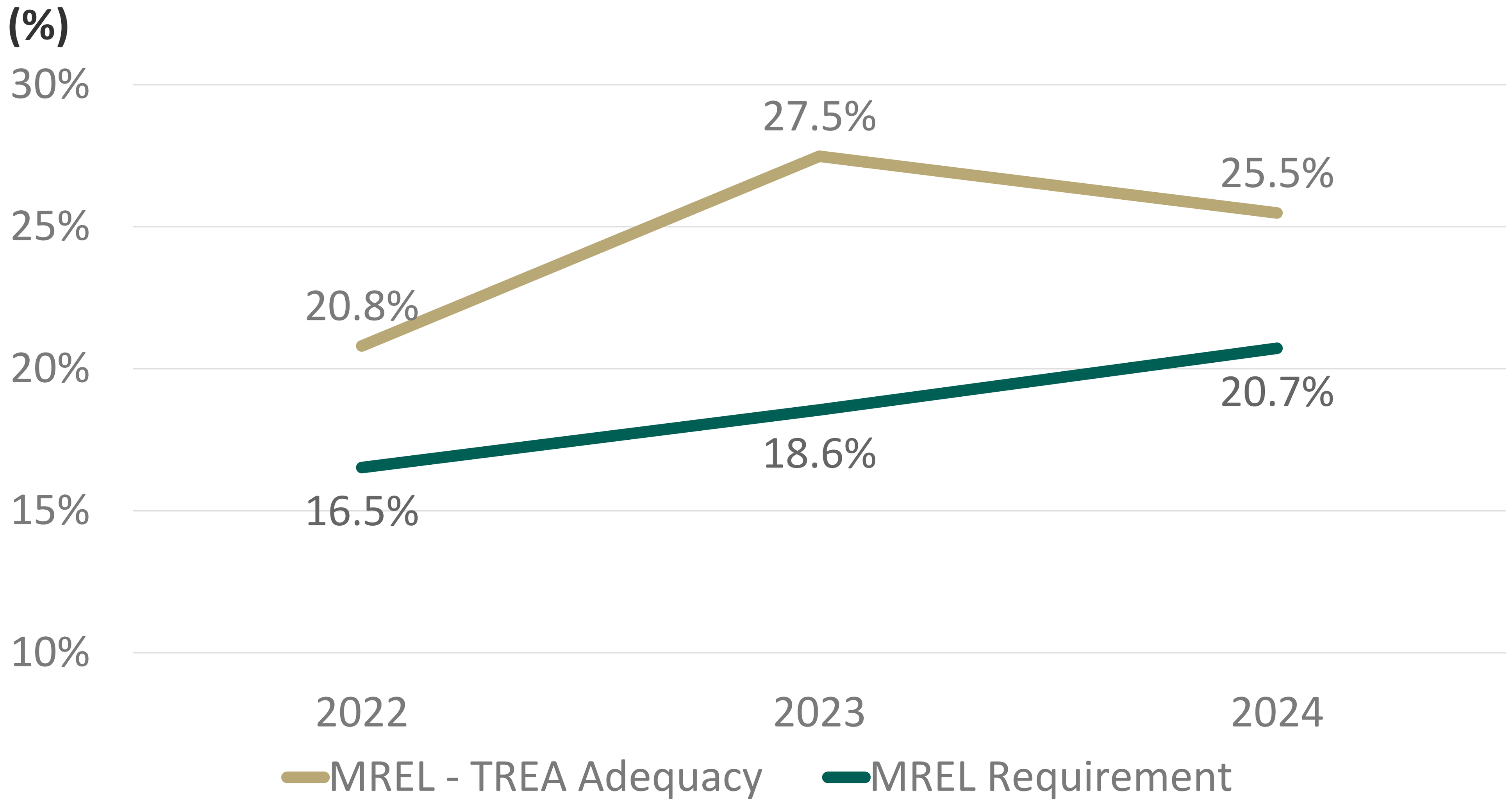
Creditor Hierarchy in Insolvency & Resolution



J&T BANKA's MREL Limits (Individual)



MREL Adequacy vs Requirement (Individual)(1)



Note: (1) Excluding management buffer. Source: Company data

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