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# FOREWORD

Dear customers, business partners, colleagues and friends,

2023 was an exceptionally successful year for J&T FINANCE GROUP SE (hereinafter the "Group"). Profit after tax came to EUR 278.7 million, an increase of 71% year-on-year and a record profit for the Group. This success was driven by growth in net interest income as well as fee income from assets under management.

Assets under management grew by 28.2% year-on-year, which was positively reflected in the aforementioned increase in fee income. The fastest-growing asset category was funds, driven mainly by the J&T ARCH INVESTMENTS fund. At the end of the year, the volume of assets in this qualified investor fund had reached EUR 2.23 billion, making it the largest fund in the Czech Republic and Slovakia - not only the largest qualified investor fund, but the largest fund of all.

Other funds also did well. According to the Investment of the Year 2023 competition, in which experts evaluate investment funds offered on the Czech market not only in terms of performance, but also with regard to assumed risk and the achievement of excess return and stability, J&T Opportunity was the best equity fund of the year while J&T Money was ranked third among progressive bond funds.

In October 2023, a total volume of EUR 120 million in eurobonds maturing in 2026 were issued through J&T Banka (hereinafter the "Bank"). These bonds are counted towards the so-called Minimum Requirements for Capital and Eligible Liabilities (MREL) and thus provided the Bank with an additional increase in regulatory capital. By issuing them, the Bank has successfully entered international markets and tested the interest of foreign investors.

The Group remains adequately capitalised. At the end of 2023, it operated with a total regulatory capital ratio of 19.97% and met all internal and regulatory limits during the year.

The Group also expanded further in the banking sector. In March 2023, it opened a purely digital bank in Germany called J&T Direkt-bank to help it collect euro deposits. The first year of operation can be considered very successful, as the branch attracted deposits of EUR 800 million from 20,000 customers.

The Group continued to wind down its activities on the Russian market in 2023. Following the sale of its subsidiary, the bank has now completed its exit from the Russian market.

According a forecast by the Finance Ministry, the Czech economy will return to growth in 2024 after a slight decline last year, while the effects of the consolidation package will contribute to a reduction in inflationary pressures. According to the Czech National Bank, headline inflation should reach 2.6% in 2024. The Group is entering the coming year in great shape, ready to further develop its good customer relationships and establish new partnerships.

# REPORT OF THE BOARD OF DIRECTORS

## STRATEGY AND FUTURE DIRECTION OF THE GROUP

The commencement of the process of lowering rates in the Czech Republic and, at the very least, the cessation of rate rises by the ECB and the Fed, will encourage investors to take advantage of the situation and fix, in a timely manner, a solid yield for a longer period of time. This will contribute to increased interest both in corporate bonds and also in investment instruments in general, the yields of which are becoming ever more attractive to investors. For the Group to achieve success, it will be necessary to bring interesting investment products to market and continue to artfully link capital and opportunities. There are many of these in today's ever-changing world, and hence the Group will open up to new investment talents focusing on trends and technology.

As a partner for Czech-Slovak business, the Group will continue to finance the growth and success of domestic entrepreneurs and their companies in both the Czech Republic and abroad. This is just one reason why, after the successful launch of J&T Direktbank in Germany, it is looking for further expansion opportunities in other markets.

The Group's long-term values have not changed. It still advocates a personal customer-based approach focusing on partnership, mutual trust and the sharing of ideas and wealth.

## GROUP FINANCIAL RESULTS

In 2023, the Group posted an excellent financial performance, reflecting our drive and commitment to achieve sustained growth and stability in a volatile financial environment. Together, we achieved our highest ever profit after tax of EUR 278.7 million (2022: EUR 162.6 million), an increase of more than 71% compared to the preceding year.

A major contribution to net profit in 2023 was made by the banking segment, which benefited mainly from the level of interest rates on the Czech and Slovak markets. The repo rate announced by the CNB held at 7% for almost the whole of 2023. EUR rates also developed favourably for the Group, with the 3M EURIBOR rate, for example, increasing from 2.16% at the beginning of the year to 3.91% as at 31 December 2023. The above developments had a major positive impact on the interest margin which, despite the stagnation of the loan portfolio, subsequently translated into record net interest income. This grew by more than 22% year-on-year to almost EUR 537 million. Operations with central banks, to which the Group directed its free liquidity in view of the favourable conditions, also contributed significantly to the total net interest income.

The Group also performed well in net fees and commissions, which grew by 10% year-on-year to EUR 155.5 million (2022: EUR 141.3 million) mainly due to the increase in assets under management, as it succeeded in growing customer assets under management by 28.2% to EUR 7.2 billion in 2023 (31 December 2022: EUR 5.6 billion).

Profit from financial markets trading fell by 17% year-on-year from EUR 90.3 million to EUR 74.95 million, with the main factor behind this result being the revaluation of currency derivatives. The year-on-year growth in total revenue, which reached EUR 855.8 million (2022: EUR 750.8 million), was supported by the positive revaluation of the Group's fixed assets and the continued recovery in the hotel segment.

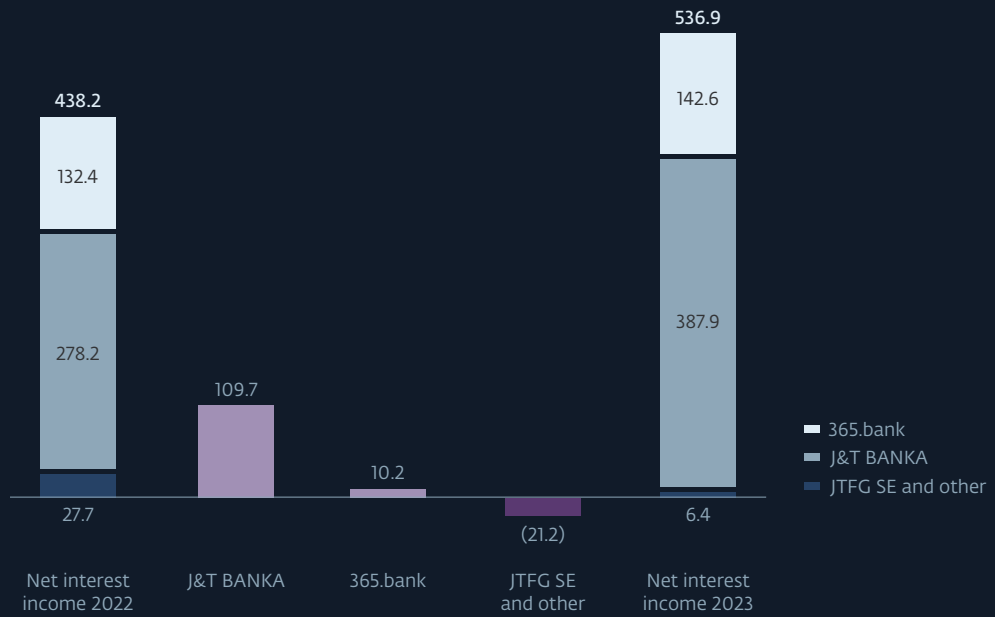
The Group's organic growth was reflected in a year-on-year increase in personnel costs of almost 16%. Other operating costs recorded only a slight year-on-year increase of less than 2% to EUR 142.4 million (2022: EUR 139.7 million).

However, two major events defined the cost side of the balance sheet in 2023. The first of these was the sale of the Russian J&T Bank, a.o. and related Russian assets, through which we definitively exited the Russian banking market. This sale had a negative impact of EUR 36.7 million on the Group's financial results, mainly due to the realisation of accumulated foreign exchange losses on this foreign currency holding. These foreign exchange losses were charged to other comprehensive income and reclassified to profit or loss at the time of the sale.

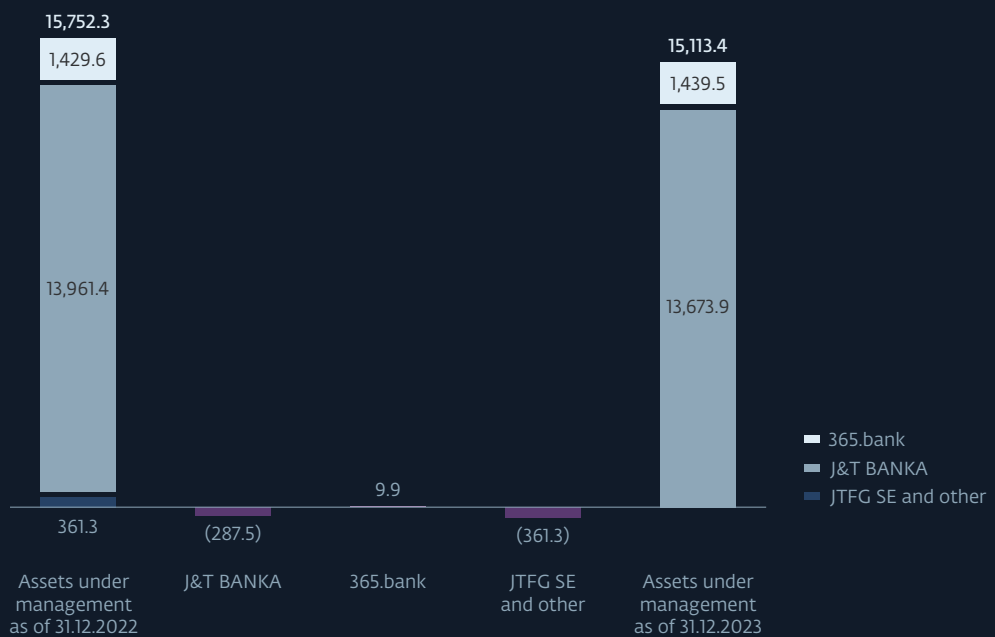
The second significant event on the cost side was a credit impairment at a major customer of J&T Leasingová společnost, a.s. The Group made a provision of EUR 59.5 million for this case. Nevertheless, total costs fell slightly to EUR 472.1 million in 2023 (2022: EUR 492.1 million).

The Group's balance sheet total grew by more than 16% to EUR 17 billion in 2023 (31 December 2022: EUR 14.6 billion). On the asset side, this growth is represented by an increase in the item Cash and cash equivalents, namely repo operations with central banks.

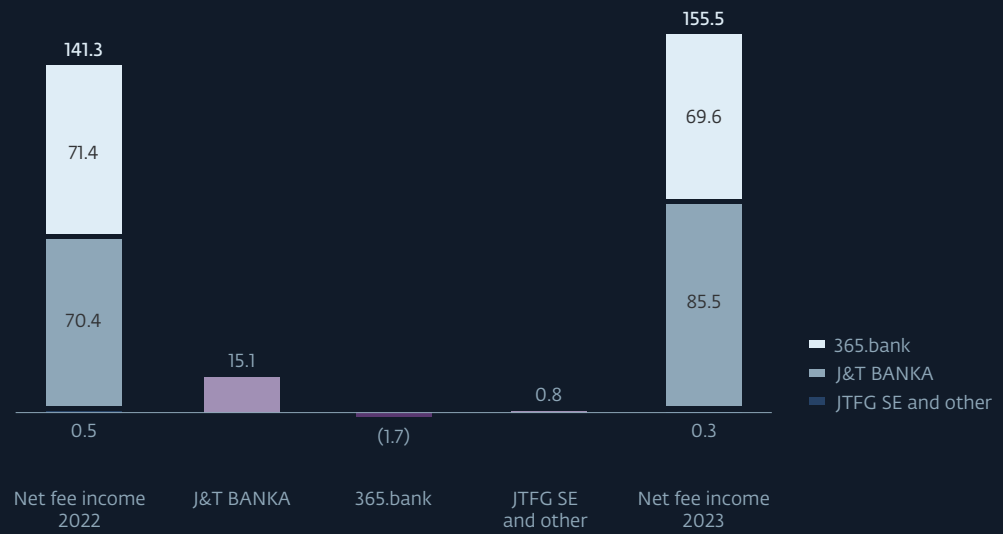
## NET INTEREST INCOME / 2023 vs. 2022 (EUR million)



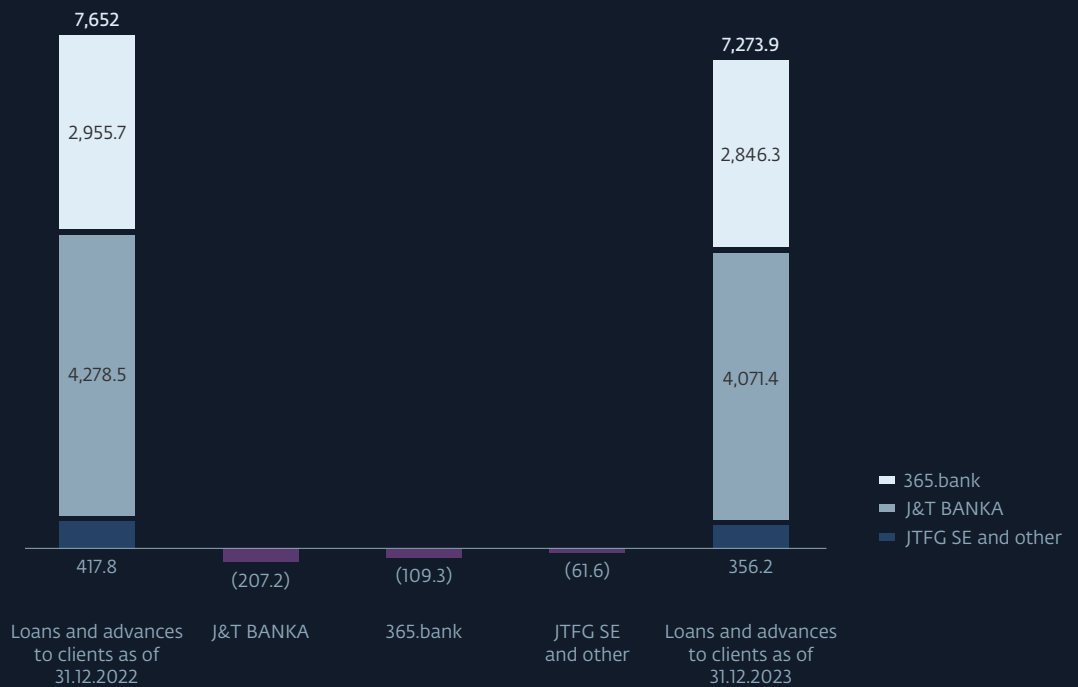
## ASSETS UNDER MANAGEMENT / 2023 vs. 2022 (EUR million)



## NET FEE INCOME / 2023 vs. 2022 (EUR million)

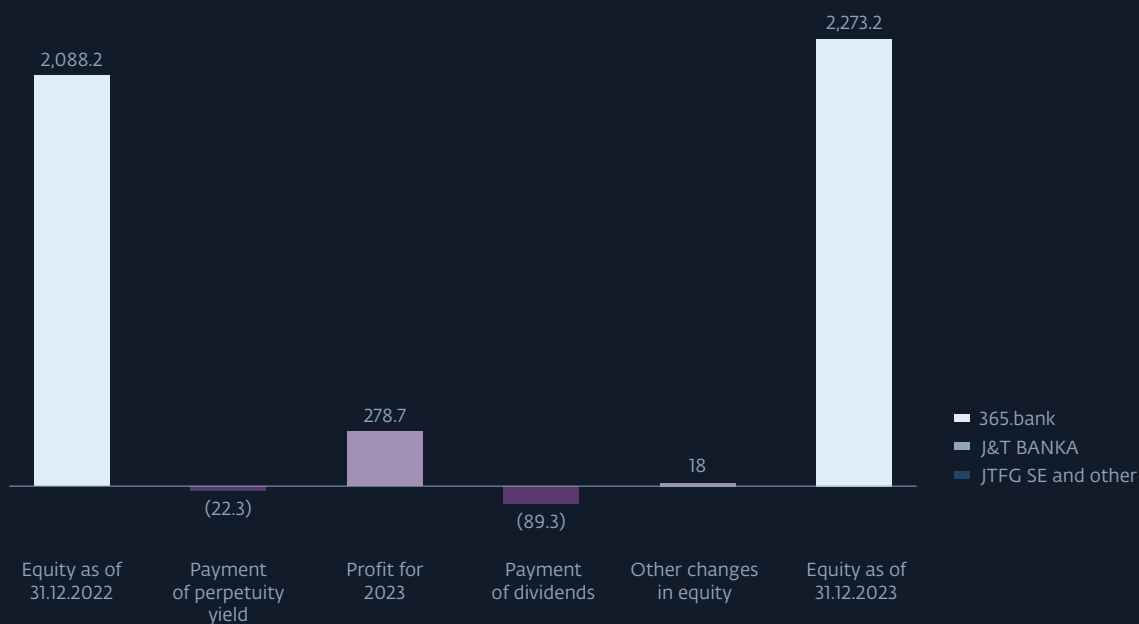


## LOANS AND ADVANCES TO CUSTOMERS / 2023 vs. 2022 (EUR million)

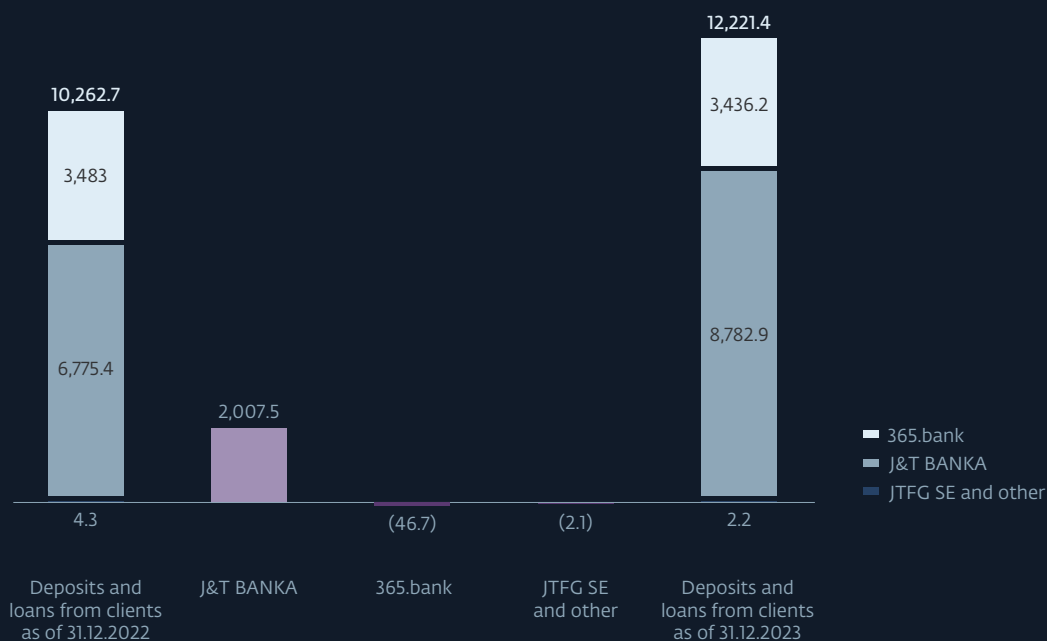




## EQUITY / 2023 vs. 2022 (EUR million)



## DEPOSITS AND LOANS FROM CUSTOMERS / 2023 vs. 2022 (EUR million)



The Group's lending was cautious in 2023 and the volume of loans to customers thus stagnated at EUR 7.274 billion (31 December 2022: EUR 7.652 billion). The share of non-performing exposures fell year-on-year from 6.17% to 5.25% thanks to the successful resolution of several problem claims.

The growth in the balance sheet total was financed mainly by customer deposits, and they were also a source of liquidity, growing by almost EUR 2 billion year-on-year to EUR 12.221 billion (31 December 2022: EUR 10.263 billion). The Group reported an increase in equity in 2023 of 8.9% to EUR 2.273 billion (31 December 2022: EUR 2.088 billion). The year-on-year movement was mainly driven by the 2023 profit and the dividend paid to shareholders in 2023.

### FINANCIAL RESULTS OF THE CONSOLIDATED J&T BANKA, A.S. GROUP

The year 2023 was a year of dynamic growth for the Bank, both in terms of the balance sheet total and the development of key profitability indicators. Total assets reached EUR 11.9 billion after a 26.0% year-on-year increase (in 2022: EUR 9.4 billion). Profit after tax amounted to EUR 224.6 million, the Bank's highest ever result (in 2022: EUR 137.6 million).

During 2023, two business transactions were carried out that had a material impact on the reported net income, but also on certain items on its balance sheet. In line with the strategy of winding down its activities on the Russian market, in November 2023 the Bank successfully sold its subsidiary J&T Bank, a.o. and TERCES MANAGEMENT LTD. The second significant transaction was the sale and subsequent deconsolidation of FVE Holding, s.r.o.

The increase in the balance sheet total was generated primarily on the liabilities side, thanks to a dynamic increase in the deposit base. The growth in customer deposits by almost one third compared to the end of the preceding year was driven by the historically record level of koruna rates on the Czech market and the acceleration of the increase in key European Central Bank rates. This resulted in the conditions for the creation of an attractive range of deposit products and enabled the Company to pass on some of the interest earnings to its customers.

In January 2023, Moody's assigned the Bank a long-term deposit rating of Baa2 with a stable outlook and a short-term deposit rating of Prime-2. This is a rating at the prestigious, so-called investment, grade and J&T Banka has thus joined the ranks of the few companies in the Czech Republic and Slovakia with such a high rating.

In the first quarter of 2023, the Bank entered the Western European banking market by opening a digital branch of J&T Direktbank based in Frankfurt am Main. Germany thus became the fourth market in which J&T Banka operates after the Czech, Slovak and Croatian markets. In less than a year, it has attracted more than 20,000 customers and received more than EUR 800 million through term and savings accounts.

The combination of these factors set the stage for a 30% year-on-year increase in total customer deposits, which reached EUR 8.8 billion (in 2022: EUR 6.8 billion). Almost 80% of their total volume comprises term deposits and deposits on accounts with a notice period. The total number of deposit customers exceeded 123,000 at the end of 2023 (in 2022: 103,000).

From the point of view of the development of the loan portfolio, 2023 can be assessed as a period of consolidation and preparation for project financing in the following period. Gross corporate lending stabilised at EUR 3.6 billion (in 2022: EUR 3.6 billion). The Bank is continuously focusing on active portfolio quality management, which is reflected in the development of the ratio of defaulted loans to the total loan balance, which decreased to 4.2% (in 2022: 6.1%).

There was a slight decline in margin trading due to the high comparison base from the preceding year. J&T Banka, a.s. recorded a fall in the volume of debits resulting from customer trading on capital markets. Including reverse repo loans, the volume of these loans reached EUR 0.6 billion (in 2022: EUR 0.77 billion).

In total, net loans and other customer receivables at amortised cost decreased by 6.8% year-on-year to EUR 4.1 billion (in 2022: EUR 4.4 billion). The expansion of the deposit base and the simultaneous decline in the total volume of receivables from customers also influenced the development of the Loan-to-Deposit ratio, which reached 46.6% as at 31 December 2023 (in 2022: 64.7%).

Equity, including non-controlling interests, amounted to EUR 1.66 billion (in 2022: EUR 1.49 billion). The year-on-year increase of 14.2% was mainly due to the prior year's retained earnings less the dividend payment of EUR 40 million and the current year's profit. Share capital remained unchanged year-on-year at EUR 430 million.

In terms of regulatory requirements, the Bank secured additional capital growth also through its first eurobond issue, counting towards the so-called Minimum Requirements for own funds and Eligible Liabilities (MREL) requirements. In October 2023, the Bank issued and successfully placed eurobonds with a total volume of EUR 120 million maturing in 2026.

The additional strengthening of both core and supplementary capital was reflected in an increase in the capital adequacy ratio at the consolidated level, which reached 24.9% (2022: 19.4%). The Bank consistently exceeds all limits set by the Czech National Bank and has an adequate capital buffer for its planned development.

Net interest income has long been the item with the highest share in the structure of net income from banking activities. Its impact on profit will increase in 2023 compared to the preceding period, partly due to the rising level of interest rates in the economy.

Interest income increased by 55.9% year-on-year to EUR 717 million (in 2022: EUR 460 million). Two decisive factors contributed to this increase. The first factor was growth in the nominal interest rates on the portfolio of loans granted to customers, especially in euros, while the second factor in the growth of interest income was the volume of free liquidity that the Bank deposited with the Czech National Bank.

The shift in interest rate curves to higher levels was naturally reflected in a rise in interest costs. In line with the structure, interest paid on customer deposits accounted for up to 95% of total interest costs. The growth in the volume of deposits together with the increase in their interest rates generated an 80.2% year-on-year increase in total interest costs. As a result, the Bank reported net interest income for 2023 of EUR 391 million, a year-on-year growth of 36.3% (in 2022: EUR 287 million).

As with net interest income, fee and commission income is also primarily derived from the Bank's trading activities. Within the Group, the Bank is a dominant and stable year-on-year contributor to total net fee income. Fees for arranging and administering corporate bond issues, fees for managing customer portfolios, and fees for trading on financial markets and custody and administration of securities remain the most significant sources of income generated by the Bank in this area. The Bank's subsidiaries engaged in managing investment funds for the public and qualified investor funds had the greatest impact on the year-on-year increase in fee income in 2023. Asset management companies generate a significant contribution to the Bank's fee income from asset management. Total annual net fee income for 2023 reached EUR 95 million, a 23.9% year-on-year increase (in 2022: EUR 77 million).

Net profit from trading and investments reached EUR 81.5 million in 2023 (in 2022: EUR 87.7 million). Its development at consolidated level was significantly influenced by income from the revaluation of derivative transactions, through which the Bank manages the currency structure of assets and liabilities, taking into account the expected development of Czech koruna exchange rates primarily against the euro and the dollar, but also the interest rate differential between these currencies.

Personnel costs grew in line with the increasing head count as well as salary increases derived from inflationary pressures in the economy, reaching EUR 82.9 million, an 18.1% increase compared to the preceding year (in 2022: EUR 70.1 million). Other operating costs grew at a rate of 30.9% year-on-year, amounting to EUR 94.0 million (in 2022: EUR 71.8 million). Their year-on-year development was mainly due to the costs of outsourcing information systems and technology services, an increase in marketing costs, indexation of the costs of building operation services to the inflation rate and, partly, also to the operating costs for the branch in Germany, which opened at the beginning of 2023. The growth in the deposit base and the resulting growth in the balance sheet total was reflected in the rising costs of deposit insurance and the contribution to the Resolution Fund.

The Loss on sale of subsidiaries, joint ventures and associates had a one-off - yet also the largest - impact on the year-on-year increase in operating costs, amounting to EUR 36.8 million (in 2022: EUR 0). This amount mainly reflected the accounting impacts of the sale of FVE Holding and the deconsolidation of Russian assets. The translation reserve from the movement of the Russian currency exchange rate, which was accumulated in the Company's equity, was reclassified from equity to the income statement at the time of the sale, as a result of which J&T Banka, a.s. booked the expense as part of the current year's profit, but without any impact on total equity.

Operating costs totalled EUR 226.4 million, a 48.1% year-on-year increase (in 2022: EUR 152.9 million).

The impact of the divestment of the subsidiaries on operating costs affected the Cost-to-Income ratio, which reached 38.2% in 2023. Adjusted for this one-off effect, the indicator would have been just under 32%, a slight decrease compared to the preceding year (in 2022: 32.6%).

The net change in provisions for financial instruments for 2023 amounted to EUR 71.7 million, a decrease of 41.9% (in 2022: EUR 123.4 million). The significantly lower volume compared to the preceding year was influenced by the fact that in 2022, J&T Banka, a.s made provisions for loans granted by the Russian J&T Bank, a.o., but also for the value of the equity participation in that company. The approach to risk costing remains conservative, and reflects the economic and political uncertainties with the potential to adversely affect the Bank's individual credit exposures.

### FINANCIAL RESULTS OF THE CONSOLIDATED GROUP 365.BANK

365.bank closed 2023 with a net profit of almost EUR 85 million. Adjusted for the one-off effect of the yield from the sale of the 365.life subsidiary the preceding year, this represents a year-on-year increase in profit of 14%.

This outcome was mainly driven by the positive trading results of the bank's retail business, and also by the positive development of provisions. The retail loan portfolio grew by 4% to EUR 2.2 billion, and retail deposits remained stable at EUR 3.2 billion compared to the preceding year. 365.bank recorded a 7% increase in the number of active customers. Sales of 365.invest mutual funds through the branch network also performed well, increasing by 34% to EUR 162 million.

As a result of the increased trading activity, the Bank's net fee and commission income grew by 14.3% to EUR 49.8 million. In response to the rising trend in interest rates, influenced mainly by the increase in the ECB central rate and the government bond rate, net interest income also increased by 9% year-on-year to approximately EUR 130 million.

365.bank also succeeded in keeping operating costs under control. In this respect, it recorded only a slight increase of 7% in personnel costs in response to rising inflation and the related salary adjustments, and an unchanged year-on-year level of other operating costs.

In order to strengthen its position as a full-format retail bank, it continued to reduce its corporate loan portfolio in favour of the retail segment.

In terms of other economic indicators, the balance sheet total reached a year-on-year comparable level of EUR 4.6 billion.

In the past year, the Bank successfully placed another senior unsecured bond issue (MREL), for retail customers for the first time ever, in the amount of EUR 12.5 million. This was its fourth MREL issue.

In 2023, 365.bank received a Ba1/NP deposit and issue rating from Moody's, a significant improvement on the preceding year. This result was mainly due to its transformation into a full-service retail bank, but also to a reduction in the corporate loan portfolio and a greater focus on the provision and growth of consumer and mortgage loans to retail customers.

The capital adequacy ratio in terms of Tier I capital as a percentage of risk-weighted assets also increased year-on-year. The capital adequacy ratio declined year-on-year from 23.97% to 22.56%, yet remains well above the minimum required capital level.

Shareholders were paid dividends of EUR 150 million in 2023.

Subsidiary 365.invest achieved profit after tax of EUR 7.7 million. Assets under management at the end of 2023 amounted to EUR 1.470 billion, an increase of 2% compared to the preceding year. This increase was mainly thanks to retail sales, but at the same time there was a decrease in NAV due to the merger of real estate funds. The Company achieved a market share of 11.5% as at 31 December 2023, thus remaining the fourth-largest asset management company on the market.

The subsidiary Ahoj, a. s. achieved record production in 2023, granting new loans totalling almost EUR 83 million. This represents a 15% increase, mainly thanks to consumer loans. New corporate products and other business process improvements also contributed to the increase in production. The positive sales trend combined with consistent cost and credit risk management also contributed to the Company's positive result in 2023.

### COMPANY DIVIDEND POLICY

The Group's goal is to pay the maximum consolidated annual net profit to the Group's shareholders in the form of dividends, subject to any restrictions imposed by the business activities or regulations and taking into account the interests of the certificate holders. The dividend paid to the Group's shareholders reflects the Group's capital requirements with respect to the Group's future growth and investment opportunities, and may be increased or decreased as appropriate.

Limitations, in particular in the area of capital adequacy and liquidity, take into account, for example:

- regulatory and internal capital adequacy limits
- regulatory and internal liquidity limits
- other limits set out in the Group's risk appetite statement and the ICAAP
- the results of internal and regulatory stress tests, etc.

## NEW PRODUCTS AND SERVICES

365.bank started offering a discounted ECO loan, enabling customers to get a lower interest rate than with a standard consumer loan if they can prove that they have used the funds to finance an eco-innovation or energy-saving solution. 365.bank continued to expand its digital solutions offering and made available the possibility of payment with other wearable devices - rings, bracelets, keys and analogue watches.

J&T Banka issued and successfully placed MREL eurobonds with a total volume of EUR 120 million. 365.bank also issued MREL bonds. The issue amounted to EUR 12.5 million and was addressed to retail customers for the first time.

J&T Banka entered the German banking market by opening a J&T Direktbank digital branch based in Frankfurt am Main. It has attracted more than 20,000 customers and received more than EUR 800 million through term and savings accounts.

J&T Investiční společnost, a.s. established the Our Czechia fund. This fund is designed to create comprehensive and diversified exposure to the growth of Czech business. It offers participation in private equity or development capital investments, as well as publicly traded issues and real estate investments.

## MAIN MARKETS

The Company is a holding company that primarily manages its ownership interests. The Company also provides management, surety and administrative services to Group companies. The Company is also a creditor for internal and external entities. The Group is currently a bank holding consisting mainly of J&T BANKA and 365.bank.

### Main categories of services provided

The main activities and services provided by the Group include:

- Private banking services: Asset management, protection and appreciation (including term and structured deposits, J&T mutual funds, customer shares in private equity investments, asset management).
- Retail banking services: Full banking services provided to the general public, which include mainly the provision of consumer loans and mortgages, account management, savings, issuing payment cards, as well as the sale of other products (insurance, pension funds, mutual funds).
- Investment banking services: Comprehensive services and advice in securing debt financing (bonds, credit clubs, private placements, promissory note programmes), equity financing - IPO (Initial Public Offering), SPO (Secondary Public Offering), post-IPO advisory services, M&A advisory services.
- Corporate banking services: Project finance, risk assessment, transaction structuring, funding, restructuring, refinancing and specialised financing. Provision of long-term and short-term financing, structured financing. Corporate finance services (project financing, valuations, restructuring).
- Financial market services: Complete advisory services for trading and investing on financial markets, economic research and analysis, brokerage services, transaction hedging and settlement.
- Banking services: Full banking services with a focus on private customers and specialised financing areas. The Group provides all these services within a single unit, meaning it is able to prepare superior products for its customers according to their individual requirements and needs, with an emphasis on solution flexibility and speed. The Group is able to walk through the entire transaction process with its customers, while offering a wide range of services. One significant competitive advantage is its ability to combine the services provided into a fully integrated whole from structuring the transaction, through financing and corporate advisory services, to asset management and valuation.

The Group is active mainly in the European Union, especially in the Czech Republic and Slovakia. It is strengthening its position in Germany, where it has opened a branch of J&T Banka. It also has a banking office in Croatia.

The breakdown of revenue by operating segment and geographic market is shown in Note 7. Operating segments of the consolidated financial statements.

### SIGNIFICANT INVESTMENTS BY THE GROUP

Financial investments made by the Group (year-end position)

in thousands EUR	31.12.2023	31.12.2022
Bonds and notes	1,711,618	1,363,305
Shares and other equity instruments	178,633	187,744
Investment fund units	384,599	359,329
Equity interests in joint ventures and associates	15,946	50,357
<b>Total</b>	<b>2,290,796</b>	<b>1,960,735</b>

Non-financial investments made by the Group (year-end position)

in thousands EUR	31.12.2023	31.12.2022
Tangible assets	289,787	347,174
Investment property	149,928	135,777
Intangible assets	98,592	85,976
<b>Total</b>	<b>538,307</b>	<b>568,927</b>

The Group uses tangible and intangible fixed assets for its operating activities (office buildings, banking and accounting software, etc.), but also as part of its business activities, which are highly diversified.

These activities include investments made in real estate projects - the construction and purchase of real estate assets for the purpose of leasing them to third parties.

The Group's tangible assets are also used in the wine industry and in the accommodation services sector, as the Group owns several hotels in Slovakia.

Investment financing is not viewed in isolation. The Company manages the funding structure at the level of the Group and its members. The Company's financing structure is not clearly attributable to individual investments.

The geographical distribution of these investments is set out in Note 7 to the consolidated financial statements.

### REGULATORY ENVIRONMENT

Banking represents the critical part of the Group's business activities. Business in the banking sector is subject to supervision by the CNB (foreign banks in the Group are also supervised by the relevant national authorities) and is subject to the granting of a banking licence. The Bank is not authorised to carry out activities other than those expressly provided for in the licence. The law imposes a number of requirements on banks, including requirements of credibility and professional competence of persons with qualified participation in the bank, and requirements of credibility, professional competence and experience of members of the statutory body, members of the board of directors and members of the supervisory board of the bank.

The Company and the key Group companies are part of a prudential consolidation unit (hereinafter the "Prudential Consolidation Unit"). The Prudential Consolidation Unit complies with the capital adequacy rules on a consolidated basis. The Prudential Consolidation Unit complies with the rules on general prudential requirements in relation to capital requirements for credit risk, market risk, operational risk, settlement risk and leverage, also large exposure limitation requirements in accordance with the CRR rules limiting exposure to a customer or an economically related group of customers to a certain amount (exposure rules), liquidity requirements, reporting requirements (in particular reporting requirements to the CNB, the details of which are further defined by the European Banking Authority), and disclosure requirements. The activities of the companies in the Prudential Consolidation Unit are restricted by national and European regulatory rules that impose requirements on capital levels, limits on large exposures of the consolidated unit, liquidity, customer protection (including protection of banking secrecy), and reporting obligations (in particular) to the CNB, and limit

the business activities that the Prudential Consolidation Unit may engage in and in which it may participate, in particular the acquisition of qualifying holdings outside the financial sector.

Special regulation under the CRR also applies to the concentration of credit risk (large exposure limit) by the Prudential Consolidation Unit, which arises due to the existence of credit claims with similar economic characteristics that affect the borrower's ability to meet its obligations. The legislation then contains a number of provisions aimed at providing protection to the Bank's customers, such as the regulation of confidentiality or the Bank's obligation to exercise prudence and professional care in the best interests of its customers when providing investment services.

Banks are subject to extensive reporting and disclosure requirements to their supervisory entities, including the implementation of the single prudential reporting frameworks developed by the European Banking Authority (EBA). The Company's activities are also governed by other legislation, in particular the Corporations Act and tax regulations, including rules for determining transfer pricing between related parties.

#### STATE, COURT AND ARBITRATION PROCEEDINGS

As at the date of the Consolidated Annual Report, there are no legal or arbitration proceedings pending which have had or may have a material effect on the Bank's financial position or profitability in future years.

#### RESEARCH AND DEVELOPMENT EXPENDITURE

The Company did not incur any research and development costs in the accounting period under review.

#### INFORMATION ON ENVIRONMENTAL PROTECTION ACTIVITIES

The Company did not undertake any environmental protection activities during the period from 1 January 2023 to 31 December 2023. The Group's environmental protection activities are described in the Company's consolidated annual report.

#### INFORMATION ABOUT THE COMPANY

Company name: J&T FINANCE GROUP SE

LEI: 315700E9POA724IWFP59

Legal form of the Company: European company (Societas Europaea)

Company headquarters: Sokolovská 700/113a, 186 00 Prague 8, Czech Republic

Telephone number: +420 221 340 111

Web: [www.jtfg.com](http://www.jtfg.com)

# CORPORATE GOVERNANCE STATEMENT

## COMPANY CHARACTERISTICS

Business name: J&T FINANCE GROUP SE

Registered office: Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

Business ID number: 275 92502

Legal form: European joint-stock company

Registered in: the Commercial Register kept by the Municipal Court in Prague, section H, inset 1317

Subject of business: production, trade and services not classified in annexes 1 to 3 of the Trade Licensing Act

Objectives: acquisition and holding of interests in legal persons

Board of Directors of the Company as at 31 December 2023:

Chairman of the Board of Directors: Ing. Jozef Tkáč

Vice-Chairman of the Board of Directors: Ing. Patrik Tkáč

Vice-Chairman of the Board of Directors: Ing. Ivan Jakobovič

Vice-Chairman of the Board of Directors: Ing. Dušan Palcr

Member of the Board of Directors: Ing. Igor Kováč

Member of the Board of Directors: Štěpán Ašer, MBA

Supervisory Board of the Company as at 31 December 2023:

Chairwoman of the Supervisory Board: RNDr. Marta Tkáčová

Member of the Supervisory Board: Ing. Ivan Jakobovič

Member of the Supervisory Board: Ing. Jozef Kollár, Ph.D.

## INFORMATION ON THE COMPANY'S ORGANISATIONAL UNITS

The Company has an organisational unit in the Slovak Republic, registered in the Commercial Register under the name J&T FINANCE GROUP SE, organizačná zložka, ID No: 47 251 735, registered office Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic.

## DESCRIPTION OF THE ISSUER'S DECISION-MAKING PROCEDURES AND COMPOSITION OF THE ISSUER'S STATUTORY BODY, SUPERVISORY BOARD, OR OTHER EXECUTIVE OR CONTROLLING BODY

The bodies of the Company are, in accordance with the Articles of Association, the Board of Directors and the Supervisory Board. The Company has also established the Audit Committee and the Remuneration Committee to assist the Supervisory Board in carrying out its oversight activities more effectively. Persons who are members of these bodies must meet the requirements of professional competence, trustworthiness and experience. A diversity policy is applied in the selection of the members of these bodies, taking into account qualifications and experience, supervised by the Appointments Committee set up at parent-company level.

The Board of Directors decides on all Company matters not reserved by law, the Articles of Association or a resolution of the General Meeting, to the General Meeting or the Supervisory Board, or the relevant committees established by the Company, in particular the Audit Committee and the Remuneration Committee.

The Company has not adopted and does not apply a Corporate Governance Code.

## INFORMATION ON INTERNAL CONTROL POLICIES AND PROCEDURES IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Company uses its service subsidiary J&T SERVICES ČR a.s. ("J&T Services") to ensure a true and fair representation of facts in the accounting, and the correct preparation of statements on an separate and consolidated basis. J&T Services uses a number of tools to correctly capture individual transactions and their subsequent presentation in the issuer's and the Group's financial statements. The main tools include maximum automation of repetitive transactions, procedures and processes in appropriate systems and applications, regular control and testing of these systems and setting access rights to individual systems and applications. In addition to the regular control of the general ledger, J&T Services applies a system of accountability and accounting control to the balances of individual analytical accounts. Each general ledger account has an assigned custodian who is obliged to provide information on the balance of the analytical account (balance, reconciliation to primary data, breakdown into individual amounts, etc.) at regular intervals and on request. J&T Services also sets the rules and methodology for the preparation of the consolidated financial statements and verifies the accuracy of the supporting documents for the preparation of the consolidated financial statements.



The Bank's Department of the Board of Directors is responsible for the compliance of the accounting methods used, in particular with International Financial Reporting Standards, and for the setting of controls in the Company's accounting.

Information on the accounting policies, valuation techniques and valuation allowance policies applied are disclosed in the notes to the financial statements in this annual report.

The accuracy of the data in the Company's financial statements is confirmed by the auditor's opinion. The annual report includes the audited financial results of the Company and the Group.

For the years 2023 and 2022, the Company and the Group were charged the following amounts by the auditors for audit services, other verification services and other non-audit services:

In thousands CZK	Charged to the Company 2023	Charged to the Company 2022	Charged to other companies in the Group 2023	Charged to other companies i n the Group 2022
Mandatory audit	15,428	15,095	29,210	23,337
Other verification services	4,780	0	228	422
Other services	0	0	0	805
<b>Total</b>	<b>20,208</b>	<b>15,095</b>	<b>29,438</b>	<b>24,564</b>

The auditor for the Company and the Group, KPMG Česká republika Audit, s.r.o., provided the following non-audit services to the companies in the Group in 2023:

- verification of reporting for the Prudential Consolidation Unit
- regulatory training
- general and tailor-made training.

## POWERS OF THE GENERAL MEETING

The competence of the General Meeting includes, in particular, the decision to amend the Articles of Association, the decision to change the amount of the share capital and to authorise the Board of Directors to increase the share capital, the election and dismissal of members of the Supervisory Board, the approval of the ordinary, extraordinary or consolidated financial statements and, in cases where their preparation is provided for by other legislation, the interim financial statements, the decision to distribute profits or other own resources or to cover losses, and the giving of instructions to the Board of Directors and the approval of the principles of the Board of Directors' activities, unless they are contrary to the law. The General Meeting may also prohibit a member of the Board of Directors from certain legal actions if it is in the interest of the Company. The powers of the General Meeting are regulated by the Company's Articles of Association and the relevant legislation, in particular Act No 90/2012 Coll., the Business Corporations Act.

## MEMBERS OF THE COMPANY'S GOVERNING AND SUPERVISORY BODIES

### Board of Directors

The Board of Directors is the statutory and governing body of JTFG SE, and manages the Company's business activities and represents the Company in the manner specified in the Company's Articles of Association and in the Commercial Register. The Board of Directors decides on all matters of the Company that are not reserved to the competence of the General Meeting or the Supervisory Board by legal regulations, the Articles of Association or resolutions of the General Meeting.

The Board of Directors is responsible for establishing a coherent and adequate management and control system and for continuously maintaining its functionality and effectiveness. It is responsible for determining the overall strategy of the Company, for setting rules that clearly formulate ethical and professional principles and expected models of behaviour and actions of employees, and for establishing the principles of human resources management. The Board of Directors is responsible for ensuring that the Company consistently applies sound governing, administrative, accounting and other procedures. The Board of Directors approves and regularly evaluates in particular the overall strategy, organisational structure and risk management strategy, including risks arising from the macroeconomic environment in which the Company operates.

**Ing. Jozef Tkáč**

Chairman of the Board of Directors

After graduating from the University of Economics, he joined the Main Institute of the State Bank of Czechoslovakia in Bratislava. In 1989, the Slovak government and the management of the SBCS entrusted him with the preparation of the activities of the investment bank in Slovakia. In 1990, he became the chief director of the Main Institute for the Slovak Republic at Investiční banka, s.p.ú., Praha, and after the nationalisation and division of Investiční banka Praha, he became the president of Investiční a rozvojová banka, a.s., in Bratislava. After the change of ownership of the Bank and the completion of the privatisation of Investiční a rozvojová banka, a.s., he established himself at the J&T group as president of the J&T group and chairman of the Board of Directors of J&T FINANCE GROUP SE.

He is also active, or has been active in the last five years, in the following companies:

Company	Company ID number	Registered office	Position	Status
J&T BANKA, a.s.	47115378	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
ATLANTIK finanční trhy, a.s.	26218062	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T SERVICES ČR, a.s.	28168305	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
Equity Holding, a.s.	10005005	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	current
Nadace J&T	27162524	Prague 1, Malá Strana, Malostranské nábřeží 563/3, postcode 118 00	Board of Directors – Member	current
J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s.	53859111	Bratislava, Dvořákovo nábřežie 4, postcode 811 02, SR	Supervisory Board – Chairman	current
365.bank, a.s.	31340890	Bratislava, Dvořákovo nábřežie 4, postcode 811 02, SR	Supervisory Board – Member	current
Geodezie Brno, a.s., In liquidation	46345906	Brno, Dornych 47, postcode 602 00	Supervisory Board – Chairman	ended

Family relationships: He is the husband of the chairwoman of the Supervisory Board RNDr. Marta Tkáčová and father of member of the Board of Directors Ing. Patrik Tkáč.

**Ing. Ivan Jakabovič**

Vice-Chairman of the Board of Directors

He graduated from the Faculty of Economic Informatics of the University of Economics in Bratislava. He obtained a brokerage license from the Ministry of Finance of the Slovak Republic. In 1994, he co-founded J&T Securities, s.r.o., a securities trader. He is vice-chairman of the Board of Directors of J&T FINANCE GROUP SE.

He is also active or has been active in the following companies in the last 5 years:

Company	Company ID number	Registered office	Position	Status
J&T BANKA, a.s.	47115378	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Vice-Chairman	current
J&T CAPITAL PARTNERS, a.s.	10942092	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
J&T EQUITY PARTNERS, a.s.	17201373	Prague 8, Karlín Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
EP Power Europe, a.s.,	27858685	Prague 1, Josefov, Pařížská 130/26, postcode 110 00	Supervisory Board – Member	current
KOLIBA REAL, s. r. o.	35725745	Bratislava, Dvořákovo nábřežie 8, postcode 811 02, SR	Board of Directors – Member	current
J&T Securities, s.r.o., In liquidation	31366431	Bratislava, Dvořákovo nábřežie 8, postcode 811 02 SR	Executive Officer	ended
EP Industries, a.s.	29294746	Prague 1, Josefov, Pařížská 130/26, postcode 110 00	Supervisory Board – Member	ended

**Ing. Patrik Tkáč**

Vice-Chairman of the Board of Directors

He graduated from the Faculty of Economics at the University of Economics in Bratislava. In 1994, he obtained a brokerage license from the Ministry of Finance of the Slovak Republic and in the same year he became a co-founder of J&T Securities, s.r.o., a securities trader. He is a leading representative of the J&T group and Chairman of the Board of Directors of J&T Banka, a.s. He is responsible for the Financial Markets Department at J&T Banka.

He is also active, or has been active in the last five years, in the following companies:

Company	Company ID number	Registered office	Position	Status
J&T BANKA, a.s.	47115378	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	current
ATLANTIK finanční trhy, a.s.	26218062	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
Nadace J&T	27162524	Prague 1, Malá Strana, Malostranské nábřeží 563/3, postcode 118 00	Board of Directors – Member + founder	current
J&T IB and Capital Markets, a.s.	24766259	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
CZECH NEWS CENTER a.s.	02346826	Prague 7, Holešovice, Komunardů 1584/42, postcode 170 00	Supervisory Board – Chairman	current
J&T Family Office, a.s.	03667529	Prague 1, Malá Strana, Malostranské nábřeží 563/3, postcode 118 00	Supervisory Board – Member	current
Sirius Foundation	28418808	Prague 1, Malá Strana, Všešrdova 560/2, postcode 118 00	Founder	current
CZECH MEDIA INVEST, a.s.	24817236	Prague 1, Josefov, Pařížská 130/26, postcode 110 00	Supervisory Board – Chairman	current
J&T Wine Holding SE	06377149	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	current
J&T ENERGY FINANCING CZK I, a.s., in liquidation	06433855	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T ENERGY FINANCING CZK II, a.s.	06433901	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T ENERGY FINANCING CZK IV, a.s., in liquidation	07381158	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
Bermon94, a.s.	07234660	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
EP Global Commerce, a.s.	05006350	Prague 1, Josefov, Pařížská 130/26, postcode 110 00	Supervisory Board – Chairman	current
J&T ARCH INVESTMENTS SICAV, a.s.	08800693	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T ALLIANCE SICAV, a.s.	11634677	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T CAPITAL INVESTMENTS, a.s.	10913203	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
J&T CAPITAL PARTNERS, a.s.	10942092	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	current
PT Equity Investments SICAV, a.s.	14095688	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T EQUITY PARTNERS, a.s.	17201373	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	current
J&T ENERGY FINANCING EUR I, a. s.	51142074	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR II, a. s.	51143062	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR III, a. s., in liquidation	51579642	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR IV, a. s.	51479982	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR V, a. s.	51888777	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR VI, a. s.	52312305	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR VII, a. s.	52396274	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR VIII, a. s., in liquidation	52491218	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR IX, a. s.	52491196	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
J&T ENERGY FINANCING EUR X, a. s.	52661261	Bratislava - Karlova Ves, Dúbravská cesta 14, postcode 841 14, SR	Supervisory Board – Member	current
365.bank, a. s.	31340890	Bratislava, Dvořákovo nábřeží 4, postcode 811 02, SR	Supervisory Board – Member	current
CZECH NEWS CENTER a.s.	02346826	Prague 7, Holešovice, Komunardů 1584/42, postcode 170 00	Supervisory Board – Chairman	ended
J&T ENERGY FINANCING CZK III, a.s., in liquidation	07084030	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	ended
J&T banka d.d.	675539	Međimurska ulica 28 42000 Varaždin, Croatia	Supervisory Board – Member	ended
PBI, a.s.	03633527	Prague 8, Karlín, Sokolovská 394/17, postcode 186 00	Board of Directors – Member	ended
Stamina Private Equity Investments a.s., in liquidation	03841669	Prague 8, Karlín, Pobřeží 297/14, postcode 186 00	Supervisory Board – Member	ended

Family relationships: He is the son of member of the Board of Directors Ing. Jozef Tkáč and the chairwoman of the Supervisory Board RNDr. Marta Tkáčová.

### Ing. Dušan Palcr

Vice-Chairman of the Board of Directors

He graduated from the Faculty of Operations and Economics of the University of Agriculture in Brno. He worked in banking supervision at the Czech National Bank between 1995 and 1998. He has been active in the J&T group since 1998. He was a member of the Board of Directors of J&T Banka, a.s., responsible for the management of the Economics and Banking Operations Department. He has been a member of the Board of Directors of J&T FINANCE GROUP SE since 2003.

He is also active or has been active in the following companies in the last 5 years:

Company	Company ID number	Registered office	Position	Status
J&T BANKA, a.s.	47115378	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	ended
J&T Sport Team ČR, s.r.o.	24215163	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
AC Sparta Praha fotbal, a.s.	46356801	Prague 7, tř. Milady Horákové 1066/98, 170 00	Supervisory Board – Chairman	current
I. Český Lawn - Tennis Klub Praha	45243077	Prague 7, Holešovice, Ostrov Štvanice 38, postcode 170 00	Member of the Executive Committee	current
Nadace J&T	27162524	Prague 1, Malá Strana, Malostranské nábřeží 563/3, p ostcode 118 00	Board of Directors – Member	current
Karlín development II. s.r.o.	28161980	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T REAL ESTATE CZ, a.s.	28255534	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	current
GLOBDATA a.s.	05642361	Prague 1, Staré Město, Na Příkopě 393/11, postcode 110 00	Supervisory Board – Member	current
Doblecon a.s.	07015381	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
Česká rugbyová unie, z.s.	00540706	Prague 6, Břevnov, U Vojtěšky 11, postcode 162 00	Executive Committee – President	current
RAILSCANNER, s.r.o.	07842511	Prague 2, Vinohrady, Bělehradská 381/126, postcode 120 00	Supervisory Board – Chairman	current
JTZE a.s.	08839662	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
Menmar s.r.o.	13976257	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
Baunario s.r.o.	11773430	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
Alvadose s.r.o.	11773189	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
MeasureTake s.r.o.	07209533	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
J&T REAL ESTATE ENGINEERING s.r.o.	14319535	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
J&T REAL ESTATE SMART SOLUTIONS a.s.	01942603	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
SALIX MORAVA s.r.o.	25380893	Horní Moštěnice, Revoluční 130/30, postcode 751 17	Executive Officer	current
AGROSUMAK s.r.o.	47672404	Suchdol nad Odrou, Komenského 211, postcode 742 01	Executive Officer	current
Agro – společnost MORAVA s.r.o.	47676159	Kojetín – Kojetín I - Město, Komenského náměstí 1052, postcode 75201	Executive Officer	current
Farma Neznašovy s.r.o.	25242041	Klatovy, Sobětice 75, postcode 339 01	Executive Officer	current
ROLANA s.r.o.	26961962	Černilov, Újezd 60, postcode 503 03	Executive Officer	current
POTATO s.r.o.	26969670	Jihlava – Heroltice 65, postcode 58601	Executive Officer	current
STATEK SOBĚTICE s.r.o.	46886087	Klatovy, Sobětice 75, postcode 339 01	Executive Officer	current
Farma Blovice s.r.o.	47719672	Blovice, Luční 812, postcode 336 01	Executive Officer	current
AGROSALES s.r.o.	27777944	Suchdol nad Odrou, Komenského 211, postcode 742 01	Executive Officer	current
POLINE s.r.o.	62958500	Nebovidy č. p. 73, postcode 280 02	Executive Officer	current
EUROFARMS AGRO-B s.r.o.	60066377	Kardašova Řečice, Palackého 740, postcode 378 21	Executive Officer	current
Žďár Chudenice s.r.o.	49789775	Klatovy, Sobětice 75, postcode 339 01	Executive Officer	current
EUROFARMS JIHLAVA s.r.o.	25252895	Jihlava, Heroltice 65, postcode 586 01	Executive Officer	current
JTZE Sobětice s.r.o.	09001271	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
JTZE Horní Moštěnice s.r.o.	09001255	Horní Moštěnice, Revoluční 130/30, postcode 751 17	Executive Officer	current
FIXLUENA a.s.	09030310	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Member	current
Blumenaugen s.r.o.	11774169	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current

Company	Company ID number	Registered office	Position	Status
Ekofarma Čachrov s.r.o.	11935332	Klatovy, Sobětkice 75, postcode 339 01	Executive Officer	current
Rohan D one, s.r.o.	17490421	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
ZE Nitra s.r.o.	17711304	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Executive Officer	current
Ekofarma Neurazy s.r.o.	17893194	Blovce, Luční 812, postcode 336 01	Executive Officer	current
Radar s.r.o.	31436846	Zbehy, Poľnofarma 479, Postcode 951 42	Executive Officer	current
GREEN POINT, spol. s r.o.	36551678	Farná 1545, postcode 935 66	Executive Officer	current
JTZE Slovensko s.r.o.	47852291	Farná 1545, postcode 935 66	Executive Officer	current
Poľnohospodárske družstvo Podhorany	00614041	220 Podhorany, postcode 951 46, SR	Board of Directors – Member	current
MS Trnitá 3 a.s.	05783216	Brno, Černá Pole, třída Kpt. Jaroše 1922/3, postcode 602 00	Supervisory Board – Member	ended
Invictus development s.r.o.	07295049	Prague 4, Chodov, Stýblova 2352/30a, postcode 149 00	Supervisory Board – Chairman	ended
PBI, a.s	03633527	Prague 8, Karlín, Pobřežní 297/14, postcode 186 00	Supervisory Board – Chairman	ended

### Štěpán Ašer, MBA

Member of the Board of Directors

He is a graduate of the School of Business and Public Management at George Washington University in Washington, D.C., specializing in finance and financial markets. He subsequently graduated with an MBA from the Rochester Institute of Technology. He has worked in finance in the Czech Republic since 1997, first as an analyst and later as a portfolio manager at Credit Suisse Asset Management. He was a member of the Board of Directors of Commerz Asset Management, responsible for portfolio management and sales between 1999 and 2002. At Česká spořitelna, a.s. he was a specialist in asset management for institutional clients for a brief period. He has been working at J&T Banka, a.s. since 2003. At J&T Banka, he is responsible for the Sales Department, the Operations Department Czech Republic and the Credit Business Department.

He is also active, or has been active in the last five years, in the following companies:

Company	Company ID number	Registered office	Position	Status
J&T BANKA, a.s.	47115378	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Member	current
J&T INVESTIČNÍ SPOLEČNOST, a.s.	47672684	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T IB and Capital Markets, a.s.	24766259	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
J&T Leasingová společnost, a.s.	28427980	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Chairman	current
J&T Mezzanine, a.s.	06605991	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T SERVICES ČR, a.s.	28168305	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
AMISTA investiční společnost, a.s.	27437558	Prague 8, Karlín Pobřežní 620/3, postcode 186 00	Supervisory Board – Member	current
J&T RFI IV., a.s.	17843791	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T NOBLESSE OBLIGE, z.ú.	19420218	Prague 1, Malá Strana, Malostranské nábřeží 563/3, postcode 118 00	Board of Directors – Chairman	current
J&T Bank, a.o.	1027739 121651	115035 Moscow, Kadashevskaya naberezhnaya, 26, Russian Federation	Board of Directors – Member	ended
ATLANTIK finanční trhy, a.s.	26218062	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Chairman	ended
PBI, a.s.	03633527	Prague 8, Karlín, Sokolovská 394/17, Karlín, postcode 186 00	Supervisory Board – Member	ended
J&T banka d.d.	675539	Međimurska ulica 28 42000 Varaždin, Croatia	Supervisory Board – Member	ended

### Ing. Igor Kováč

Member of the Board of Directors

He is a graduate of the University of Economics in Bratislava, where he graduated from the Faculty of National Economy in 1998. Since the beginning of his professional career he has been working in the financial sphere, in banking since 2000, when he joined Hypovereinsbank Slovakia as senior controller. From 2002 to 2008 he worked at Volksbank Slovakia as director of the Economic Department. Since 2008 he has been working at J&T Banka, a.s. At J&T Banka, he is responsible for the Finance Section and the Project Section.

He is also active, or has been active in the last five years, in the following companies:

Company	Company ID number	Registered office	Position	Status
J&T BANKA, a.s.	47115378	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Board of Directors – Member	current
J&T IB and Capital Markets, a.s.	24766259	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T INVESTIČNÍ SPOLEČNOST, a.s.	47672684	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T SERVICES ČR, a.s.	28168305	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T Leasingová společnost, a.s.	28427980	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T Mezzanine, a.s.	06605991	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T RFI IV., a.s.	17843791	Prague 8, Karlín, Sokolovská 700/113a, postcode 186 00	Supervisory Board – Member	current
J&T banka d.d.	675539	Aleja kralja Zvonimira 1, 42000 Varaždin, Croatia	Supervisory Board – Chairman	current
J&T Bank, a.o.	1027739 121651	115035 Moscow, Kadashevskaya naberezhnaya, 26, Russian Federation	Board of Directors – Member	ended
PBI, a.s.	03633527	Prague 8, Karlín, Sokolovská 394/17, postcode 186 00	Supervisory Board – Member	ended

### Supervisory Board

The Supervisory Board is JTFG's main controlling body. In particular, the Supervisory Board of JTFG supervises the business management of the Board of Directors, checks the proper performance of bookkeeping and the correctness of the preparation of financial statements, supervises whether the business activities are in accordance with the intention of the Articles of Association and the relevant applicable legal regulations, and submits its statements, recommendations and proposals to the General Meeting and the Board of Directors. Further details of the Supervisory Board's powers are set out in the Articles of Association, internal regulations and legal regulations.

### RNDr. Marta Tkáčová

Chairwoman of the Supervisory Board

Marta Tkáčová graduated from the Faculty of Science at Comenius University Bratislava, majoring in geology/chemistry, and completed her postgraduate and doctoral studies in Bratislava. She worked as an assistant professor at the Faculty of Science at Comenius University Bratislava and taught at secondary schools.

She is also active, or has been active in the last five years, in the following companies:

Company	Company ID number	Registered office	Position	Status
J&T Investment Pool – I – CZK, a.s.	26714493	Sokolovská 700/113a, Karlín, 186 00 Prague 8	Chairwoman of the Supervisory Board	current
J&T Investment Pool – I – SKK, a.s.	35888016	Dvořákovo nábřeží 8, 811 02 Bratislava	Chairwoman of the Supervisory Board	current
Nadace J&T	27162524	Malostranské nábřeží 563/3, 118 00 Prague 1	Chairwoman of the Supervisory Board	current

Family relationships: She is the wife of member of the Board of Directors Ing. Josef Tkáč and the mother of member of the Board of Directors Ing. Patrik Tkáč.

### Ing. Ivan Jakobovič starší

Vice-Chairman of the Supervisory Board

He is also active, or has been active in the last five years, in the following companies:

Company	Company ID number	Registered office	Position	Status
KOLIBA REAL a.s.	35725745	Bratislava, Dvořákovo nábřeží 8, postcode 811 02	Member of the Supervisory Board	current
J&T Investment Pool – I – SKK, a.s.	35888016	Bratislava, Dvořákovo nábřeží 8, postcode 811 02	Member of the Supervisory Board	current

**Ing. Jozef Kollár, Ph.D.**

Member of the Supervisory Board

He graduated from the University of Economics in Bratislava, then from the Slovak Academy of Sciences, and continued his studies in the United States of America at the University of Wisconsin, Oklahoma City University and then at Yokohama University in Japan. He has worked in the banking sector since 1990, serving as a department director at the State Bank of Czechoslovakia, later becoming a member of the Board of Directors and CEO of Volksbank AG. He was a Member of the Parliament of the Slovak Republic from 2010 to 2016, and subsequently first vice president of the International Investment Bank in Budapest.

He is not currently active, nor has he been active in the last five years, in the controlling bodies of other companies.

**SPECIALIST COMMITTEES OF THE COMPANY****Group Credit Committee (GCC)**

The aim of the GCC is to assess whether the execution of a proposed active transaction would lead to a breach of the internal or regulatory limits set for the consolidated level of the RCG. An issued recommendation does not replace a decision of the relevant committee or the governing body at the level of an individual member of the RCG - it only allows the approval of an active transaction to be decided at the level of a member of the RCG.

The GCC always has at least three members. There are two types of membership in the GCC - voting and non-voting. Members of the GCC are appointed by the Board of Directors of the Company, including the appointment of the chairman of the GCC, on a proposal from the Group CRO. The chairman of the GCC appoints a secretary, who need not be a member of the GCC. Changes in the composition of the GCC are set out in the minutes of the Board of Directors of the Company.

The current composition of members of the GCC:

- representative of J&T FINANCE GROUP SE – Chairman
- representative of J&T FINANCE GROUP SE – Member
- Group CRO – Member
- representative of 365.bank – Member (non-voting)
- representative of J&T Banka, a.s. – Member (non-voting)
- representative of J&T Mezzanine, a.s. – Member (non-voting)
- Petra Böhmerová – Secretary (non-voting)

**Group Remuneration Committee**

The main objective and purpose of the establishment of the Group Remuneration committee as an advisory body to the Supervisory Board of JTFG is to support the Supervisory Board in the determining and evaluating the system and principles of remuneration for employees of the Prudential Consolidation Unit.

The members of the Group Remuneration Committee are appointed and removed by the Supervisory Board of JTFG, including the chairman of the Group Remuneration Committee. The chairman of the Group Remuneration Committee appoints the secretary, who need not be a member of the Group Remuneration Committee. Changes in the composition of the Group Remuneration Committee are set out in the minutes of the Supervisory Board of the Company.

The Group Remuneration Committee has three members.

Current composition of the Group Remuneration Committee:

- Kollár Jozef – Chairman
- Mastný Miloslav – Member
- Závitkovský Pavel – Member
- Vinšová Eva – Secretary (non-voting)

**Strategic Asset and Liability Committee (SALCO) at consolidated level**

The main objective and purpose of establishing the SALCO is to ensure the Group's asset and liability management process in terms of Group liquidity, profitability and capital adequacy.

The SALCO always has at least three members. There are two types of SALCO membership - voting and non-voting.



SALCO members are appointed by the Board of Directors of the Company, including the appointment of the SALCO chairman, on the proposal of the GCRO, who is responsible for managing SALCO meetings. The SALCO chairman appoints a secretary, who need not be a SALCO member. Changes in SALCO composition are set out in the minutes from the JTFG Board of Directors.

The current composition of SALCO members:

- Igor Kováč – Chairman
- Michal Kubeš – Member
- Michal Sedlák – Member
- Zuzana Žemlová – Member
- Štěpán Ašer – Member
- Dušan Palcr – Member
- Mária Kešnerová – Secretary (non-voting)

#### **Group Audit Committee (GAC)**

The main objective and purpose of the establishment of the Group Audit Committee as an advisory body to the Supervisory Board of the Company is to supervise the process of preparing the financial statements and the system of effectiveness of internal control and internal audit, including the risk management process.

The Group Audit Committee has at least three members, the majority of whom are independent of the Group and have at least three years of practical experience in accounting or statutory auditing. The members of the Group Audit Committee are appointed by the General Meeting of the Company.

The current composition of the Group Audit Committee:

- Kovář Jakub – Chairman
- Černý Rudolf – Member
- Kubeš Michal – Member
- Laga Václav – Secretary (non-voting)

#### **Executive Committee (EC)**

The main objective and purpose of the establishment of the EC is to ensure operational and procedural management of the Company's activities.

The EC has three members, appointed and removed by the Board of Directors of the Company (changes in the composition of the EC are always set out in the minutes of the JTFG SE Board of Directors).

The current composition of EC members:

- Ašer Štěpán – Member
- Kováč Igor – Member
- Palcr Dušan – Member
- Miloslav Mastný – Secretary (non-voting)

#### **Suitability Assessment Committee**

The main objective and purpose of the establishment of the Committee is, in particular, to assess the suitability of proposed and appointed members of governing bodies and people in key functions, to regularly assess the structure, size, composition and activities of the governing body, and to submit opinions and recommendations to the audit body.

The Committee is responsible for assessing the suitability of proposed and appointed members of a governing body, in particular in the following situations:

- when applying for a permit for the Company's activities, and also, where suitable in view of the circumstances and the opinion of the Committee, when applying for a change in a permit for Company's activities,
- when it is necessary to notify the competent authorities of new members of a governing body,
- when nominating candidates for a vacancy on a governing body of the Company,
- whenever appropriate, in particular in the event of significant changes in the activities of the Company or the competent body, or if the Company so requests.



The current composition of the members of the Suitability Assessment Committee:

- Mastný Miloslav – Chairman, Secretary
- Bobková Markéta – Member
- Vladimír Macálka – Member
- Eva Vínsova – Member

## CONFLICT OF INTERESTS

The Company is not aware of any potential conflict of interest between the duties of the members of the Board of Directors, members of the Supervisory Board, the Audit Committee or the Company Remuneration Committee in relation to the Company and their private interests or other duties. The applicable internal regulations of the Company contain effective measures to avoid any, even only potential, conflict of interest of the above-mentioned persons.

## CORPORATE GOVERNANCE CODE

The Company has not adopted and does not apply a Corporate Governance Code. In its activities, the Company is governed in particular by the relevant legislation, as well as by internal regulations and organisational documents and the rules, procedures and principles of good management and administration contained therein. The Company operates primarily through its subsidiaries - mainly J&T BANKA, a.s. and 365.bank, a.s. - which have adopted their own corporate governance codes.

## SECURITIES, RIGHTS AND OBLIGATIONS

In 2020, J&T FINANCE GROUP SE, ID No: 275 92 502, Legal Entity Identifier (LEI): 315700E9POA724IWF59, registered office at Sokolovská 700/113a, Karlín, 186 00 Prague 8, registered in the Commercial Register maintained by the Municipal Court in Prague, section H, inset 1317 (hereinafter the "Company" or the "Issuer"), issued subordinated unsecured yield certificates without maturity date with a yield of 7.5% per annum based on approval from the Czech National Bank, with a nominal value of CZK 100,000, ISIN CZ0003527657 (hereinafter the "Certificates").

The Certificates are unnamed securities issued in the Czech Republic in accordance with Czech law. The Certificates are hybrid financial instruments combining the characteristics of equity and debt securities and are issued as book-entry securities in bearer form.

When the conditions pursuant to Article 52(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 are met, the Certificates are included in the Company's Tier 1 capital.

The Certificates are traded on the Prague Stock Exchange and the volume of issued certificates reached CZK 500 million as at 31 December 2023.

Neither a Certificate nor the Company has any rating in effect as at 31 December 2023.

Details of the number of shares, the nominal value of the shares and the shareholding structure of the Issuer are set out in the financial statements. The Issuer's directors do not own any shares or options or comparable investment instruments whose value relates to shares or similar securities representing an interest in the Issuer.

## RIGHTS AND OBLIGATIONS OF SHAREHOLDERS AND CERTIFICATE HOLDERS

The Certificates are not bonds within the meaning of Act No 190/2004 Coll., on bonds, as amended. The owners of the Certificates are not shareholders of the Company and are not entitled to dividend payments.

The owners of the Certificates do not have an interest in the Company's equity and by virtue of their ownership of the Certificates do not have a direct or indirect share of voting rights. With the consent of the Czech National Bank, the Company is not subject to the obligations in Section 118(5)(a) to (l) of Act No 256/2004 Coll., on capital market undertakings, as amended. Other rights and obligations are regulated in the terms of issue.

## INFORMATION ON THE ACQUISITION OF OWN SHARES OR OWN INTERESTS

The Company did not acquire any own shares in the financial year under review.

## SHARES OF THE COMPANY OWNED BY PERSONS WITH MANAGEMENT POWERS

Person with management powers	Position	Interest in share capital	Share in voting rights
Ing. Jozef Tkáč	Chairman of the Board of Directors	45.05%	45.05%
Ing. Ivan Jakobovič	Vice-Chairman of the Board of Directors	35.15%	35.15%
Štěpán Ašer, MBA	Member of the Board of Directors	4.95%	4.95%
Ing. Igor Kováč	Member of the Board of Directors	4.95%	4.95%

## PRINCIPLES OF REMUNERATION FOR PERSONS WITH MANAGEMENT POWERS

JTFG applies a remuneration policy in accordance with Regulation No 163/2014 Coll., on the performance of the activities of banks, credit unions and investment firms (hereinafter the "Regulation"), Directive 2013/36/EU (hereinafter the "Directive") and Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council.

The key principles of the remuneration policy, as set out in the Employee Remuneration Policy, are transparency and predictability, compliance with regulatory requirements, fairness and alignment with shareholders' interests. Specific remuneration policies and procedures are applied in a manner commensurate with the degree of influence of individual selected persons on the overall risk profile of JTFG and on selected employees in control positions. The remuneration policy is reviewed once a year and submitted to the Supervisory Board for approval. The internal audit evaluates the remuneration policy on an annual basis and presents the results of the evaluation to the Group Remuneration Committee. The evaluation period is a calendar year and the frequency of evaluation of individual employees is maximum twice a year, in November and April.

### Persons with influence on the institution's risk profile (Risk Takers)

This group of employees includes persons who have an influence on the risk profile of JTFG in accordance with the requirements of European legislation and Czech legislation. As part of the JTFG risk management strategy, risk appetite statement and ICAAP, JTFG has identified the key risk categories and assessed the various authorities and business units in the risk analysis in terms of their ability (or power) to influence exposure to each of the risk categories above. The result is a group of persons who have a significant influence on the risk profiles of the individual Group companies.

People falling into the Risk Takers group are identified based on qualitative and quantitative indicators. The analysis for the selection of persons is prepared by the HR Department and submitted to the Group Remuneration Committee, approved by the Board of Directors and the Supervisory Board. The analysis for selection is carried out once a year and may be expanded or narrowed in the event of personnel changes. The analysis is subject to internal audit review once a year.

In 2023, the following were identified as Risk Takers:

- members of the Board of Directors and Supervisory Board
- statutory bodies of J&T Group companies
- key personnel
- senior employees in control positions,
- members of select committees.

### Board of Directors and Supervisory Board

The remuneration of members of the Board of Directors consists of a fixed component paid on a monthly basis. The fixed component is determined on the basis of the professional experience, expertise, and responsibilities of each member, reflecting the market situation in terms of remuneration for the position. The remuneration policy for members of the Board of Directors is approved by the Supervisory Board on the proposal of the Remuneration Committee. Members of the Supervisory Board also only have fixed remuneration based on a contract for the performance of the office of a member of the Supervisory Board. Based on the analysis, the members of the Management Board and Supervisory Board were classified as employees with a significant influence on the overall risk profile of the Company. They are also persons with the management powers of the Issuer.

### Fixed remuneration component for JTFG employees

The fixed part of an employee's remuneration is determined on the basis of key skills, professional experience, the employee's job description and market comparisons with the salaries of other entities in the financial and banking market in the Czech Republic. The remuneration policy for all employees is gender neutral, i.e. employees, regardless of their gender, are remunerated equally for the same work.

### Variable remuneration component for JTFG employees

The variable component of the remuneration is tied to the achieving of company-wide objectives (company bonus), as well as to the achievement of individual objectives (personal bonus) and, to a limited extent, on the contribution to the achievement of the objectives of the unit to which the employee is assigned (union bonus). For each position, the distribution of the share of company, department and personal bonuses in the total budget for this type of remuneration is determined. The total budget for this type of remuneration is set as a multiple of the monthly salaries for each position. Rewards are set to be gender neutral, i.e. per position, regardless of their gender. The salary multiplier for each position is set by the JTFG statutory body for each calendar year and is 15-100% of the fixed part of the remuneration. The criteria evaluated include, in particular, qualitative and quantitative performance evaluation, implementation of the Group's performance strategy, risk management and work development indicators. The combination of the different levels of criteria leads to a limited or full non-vesting of the variable remuneration component in the event of failure to meet the targets set (including targets related to the level of risk to which JTFG is exposed). JTFG does not use the clawback option unless it is allowed in a specific case by the Czech legislation in force in the field of labour law. Cases of employees who are incentivised to receive variable remuneration in excess of 100% of the fixed salary paid for the period under review will be approved by the General Meeting and notified in advance to the Czech National Bank, which will also be notified of the number of employees who have actually achieved the higher remuneration, in accordance with the requirements of the Decree. The variable part of the remuneration shall not exceed 200% of the fixed salary paid during the evaluation period.

The amount and method of payment of the variable remuneration shall be determined in accordance with the application of the following rules:

#### 1. Bonus pool

The calculation of the Bonus Pool is based on the sum of each employee's target float, taking into account the ability of the Group as a whole to maintain a sound and strong capital base, and is adjusted based on the estimated level of achievement of targets at the Group on an ongoing basis.

#### 2. Corporate goals

Performance targets are set annually. The Remuneration Committee annually approves their fulfilment on the basis of audited data and proposes the remuneration for the evaluation period. The corporate objectives are the projected earnings (weighted at 35%), risk factors (weighted at 35%) and regulatory and strategic objectives (weighted at 30%). Corporate objectives are weighted for individual employees to determine the amount of total variable remuneration between 25% and 70% depending on their functional and organisational position within JTFG.

#### 3. Department goals and personal goals

Targets are set as proposed by line managers for each calendar year. Goals can be individual tasks, projects, activities or any other goals or behaviours. These goals are both quantitative and qualitative and are set according to the priorities of the parts of JTFG for which the manager is responsible. Department and personal objectives also include fulfilling the obligation to comply with prudent risk management rules within the JTFG accepted risk level and to act in accordance with the JTFG strategy, objectives, values and long-term interests.

#### 4. K. O. criteria

The Group's K.O. criteria for the award of the corporate bonus and the payment of the deferred variable portion of the remuneration are governed by the Bank's stated terms and conditions. In the event that one or more of the following criteria are not met, the company portion of the bonus will not vest and payment of the variable deferred portion of the bonus will be delayed:

- the amount of net assets (excluding the effect of the increase in equity by the company's shareholders, dividends and extraordinary items) must not decrease year-on-year,
- operating profit, after taking account of exceptional items, must not fall by more than 15% compared to the plan,
- individual J&T Banka, a.s. The ROE must be at least 200 bps above the annual reference rate applicable at the beginning of the financial year (12M PRIBOR),
- J&T Banka, a.s. is not in the mode of launching a recovery plan.

The variable remuneration component awarded in previous years is not paid if its payment would impair the Bank's ability to maintain a sound and strong capital base.

### Rules for determining variable remuneration for selected groups of employees

#### 1. Employees with a significant influence on the JTFG overall risk profile (qualitative)

For these employees, the payment of variable remuneration is deferred provided that they meet the condition of remuneration in excess of EUR 50,000, over 1/3 of annual income. The variable remuneration component is split into halves, which are paid in cash and by issuing a non-cash instrument. The cash portion is paid such that 60% of the remuneration is paid immediately upon completion of the employee's evaluation process and the award of remuneration, with half paid in a non-monetary instrument. Payment of the other 40% is deferred over the following five years in the ratio 8% – 8% – 8% – 8% – 8%, and the Bank has the right not to pay this part for objective reasons. The release of the non-monetary part is deferred by one year and is vested in subsequent years on a 60% – 10% – 10% – 10% – 10% basis.

#### 2. Employees with high and very high remuneration

These employees have an influence on the JTFG overall risk profile from a quantitative perspective. For these employees, the payment of variable remuneration is deferred provided they meet any of the following conditions:

- in the previous financial year - total remuneration of EUR 750,000,
- more than 1,000 employees are among the 0.3% of employees who received the highest total remuneration in the previous financial year,
- granted total remuneration of EUR 1,000,000 for the previous financial year,
- the total amounts to EUR 500,000 and concurrently at least the average remuneration of the members of the management body and senior management.

The remuneration is paid as follows: 60% of the remuneration is paid immediately upon completion of the employee's evaluation process and the award, half is paid in a non-monetary instrument. The payment of the other 40% is deferred over the following five years in the ratio 8% – 8% – 8% – 8% – 8%, and always half in a non-monetary instrument, and JTFG has the right not to pay this part for objective reasons.

The amount of very high remuneration is set each year by the company's Board of Directors. Employees who exceed the amount shall have their compensation delayed as follows: 40% of the remuneration is paid immediately upon completion of the employee's evaluation process and the award, half is paid in a non-monetary instrument. The payment of the other 60% is deferred over the following five years in the ratio 12% – 12% – 12% – 12% – 12%, and always half in a non-monetary instrument, and JTFG has the right not to pay this part for objective reasons.

#### 3. Employees in internal control positions

Employees in internal control positions are not evaluated on the basis of the performance of the units they control, but primarily on the basis of the objectives set for the control function. The remuneration policy for employees in the Risk Management position, the Internal Audit position and the Compliance position is under the direct supervision of the Remuneration Committee and the Supervisory Board.

### Non-monetary instrument

JTFG does not hold any shares or other securities representing an interest in JTFG. It has therefore created a synthetic instrument, the perpetual investment certificate, the value of which is based on the adjusted equity value, thus bringing the characteristics of this instrument closer to those required for a non-monetary instrument. The certificate is issued/assigned in stages in accordance with the above rules for deferring the variable remuneration and is redeemable on the anniversary of the issue

### REMUNERATION OF EMPLOYEES WITH MANAGEMENT POWERS

The remuneration of employees with management powers for 2023 totalled CZK 14.7 million, divided between nine persons, members of the Board of Directors and senior employees, and four persons on the Supervisory Board. The members of the Board of Directors received remuneration of CZK 0.6 million in salary and CZK 2.9 million for the performance of duties for 2023. The members of the Supervisory Board received remuneration of CZK 2.1 million for the performance of their duties. The other persons with management powers received income from salary bonuses amounting to CZK 9.1 million. JTFG did not pay any remuneration to other person with management powers by virtue of their position in 2023. (All remuneration is inclusive of health and social security contributions).

## NON-MONETARY INCOME OF PERSONS WITH MANAGEMENT POWERS

The persons with management powers did not receive non-cash income from the Company or from persons controlled by the Company.

## BONUSES

in thousands of CZK	2023
Member of the statutory body	3,452
Members of the Supervisory Board	2,161
Other persons with management powers	9,107

Persons in the Company with management powers did not receive any remuneration other than that indicated in the form of short-term benefits, post-employment benefits, other long-term employee benefits, early termination benefits or share-based payments.

The Remuneration Committee submits proposals concerning the remuneration of members of the Board of Directors to the General Meeting of the Company for approval, supervises the individual remuneration of key employees in internal control functions, and makes recommendations to the Supervisory Board of the Company for their remuneration.

## COMPANY DIVERSITY POLICY

It recognises and supports the policy of diversity in setting the mix of people in the senior management, and across the company. When electing new members to the Supervisory Board, the Board of Directors, or filling management positions and professional committees, the Supervisory Board and the Suitability Assessment Committee ensure that the composition of the Company's bodies meets the requirements in terms of professional competence, i.e. professional experience, professional knowledge, managerial skills, as well as other requirements, including the balance of their composition. The process of assessing the suitability of candidates for election as members of the Group's governing bodies is set out in internal regulations in such a way that it is transparent and takes into account the above criteria and requirements. The Group also applies equal opportunities in recruitment. We always look at professional experience and personality profile in our offers so that the new employee complements the existing team. Gender is not decisive in this respect. At the same time, all open positions are offered on the internal job network.

The Group considers it an essential part of its corporate culture to ensure and uphold equal treatment and equal opportunities for all our employees throughout their employment, including prospective employees in the selection process.

## SIGNIFICANT CONTRACTS

The Company's significant transactions in 2023 are set out in the notes to the financial statements. Contracts concluded between members of the Group are disclosed in a separate section of the Consolidated Annual Report, the "Report on Relationships between Related Parties".

During the financial year, neither the Company nor any other member of the Group entered into any contracts outside the ordinary course of business that could be characterised as significant. No member of the Group entered into any contract which contains any provision under which any member of the Group has any obligation or claim significant to the Group.

The Company declares that it is not aware of any conflict of interest between the duties of persons on the Board of Directors or the Supervisory Board in relation to the Company and their private interests and other duties. The Company further declares that it is not aware of the existence of any agreements with major shareholders, customers, suppliers or other entities under which a member of the Board of Directors or the Supervisory Board would be selected as a member of the administrative, management and supervisory bodies or a member of the Company's senior management.

The Company also declares that it is not aware of any restrictions agreed with any person on the Board of Directors or the Supervisory Board regarding the disposal of their interests in the Company's securities for a certain period of time.

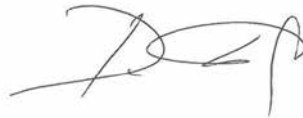
## SWORN STATEMENT

The Board of Directors of the Company declares that, to the best of their knowledge, the annual report gives a true and fair view of the financial situation, business activities and economic results of the Company and its consolidated group for the past financial year and of the prospects for the future development of the financial situation, business activities and economic results, and that no material circumstances have been omitted.

Prague, 25 April, 2024



Štěpán Ašer, MBA  
Member of the Board of Directors  
J&T FINANCE GROUP SE



Ing. Dušan Palcr  
Vice-Chairman of the Board of Directors  
J&T FINANCE GROUP SE

# NON-FINANCIAL INFORMATION

The Company, as a consolidating entity of a large group of entities and an entity of public interest, presents non-financial information in this Consolidated Annual Financial Report that supplements the financial and non-financial information presented in other chapters of this Consolidated Annual Financial Report, in accordance with the provisions of Section 32g(1) of the Accounting Act No 563/1993 Coll. (as amended prior to the entry into force of Act No 349/2023 Coll.). The Company continues to see the sharing of non-financial information as an essential step towards a sustainable economy that combines long-term profitability with social justice and environmental protection. The Company and other entities of the Group are aware of the importance of environmental issues and are therefore addressing related matters. The Group has implemented a number of measures that have an impact on the environment and, where appropriate, on human health and safety. Attention is also focused on social and employment issues. Trends in this area are monitored and, if they are assessed as meaningful, are gradually implemented in the Group's environment. Similarly, respect for human rights and the fight against corruption and bribery are at the heart of the Group's non-financial focus. The Company, as the consolidating entity, applies the values presented in this section of the annual report at Group level.

ESG (i.e. environmental, social or corporate governance) factors and the risks arising from them are important to the Group for the following reasons in particular:

- Group entities are exposed to ESG risks related to their own operations. Environmental factors are assessed especially in the areas of energy management, water resources, waste recycling and supplier selection. Social and administrative factors are assessed in the employment policy and internal management settings,
- Banks are also exposed to ESG risks for the counterparties they finance, both through loans and through the purchase of securities for their own portfolios.
- Clients to whom investment services are provided by Group entities consider ESG factors in potential investments and may be exposed to ESG risks arising from such investments.

## PROFILE OF THE GROUP AND ITS BUSINESS MODEL

The Group provides comprehensive services related to private and retail banking, asset management for private clients and institutions, investment banking and project financing, mainly in Central and Eastern Europe.

Within the Group, two banks, namely J&T Banka and 365.bank, occupy key positions.

J&T Banka is a bank headquartered in the Czech Republic, but also has branches in Slovakia and Germany. The Bank's traditional clientele includes especially successful and demanding customers who require a high level of service and an individual approach with a recommendation of a tailor-made solution. This is reflected in the portfolio of products and services offered and the Bank's overall mission to connect capital with market opportunities and to be a partner and advisor to clients. J&T Banka is also gradually expanding its range of services and products for non-private clients. J&T banka d.d., a subsidiary of J&T Banka, operates in Croatia, specialising in investment banking and corporate finance.

365.bank is a bank operating in Slovakia. It offers a wide range of banking services, including current accounts, savings accounts, loans, mortgages and investment products. Its business model is built on technological innovation and digitalisation, enabling easy and fast communication with clients. At the same time, it also provides its services in dozens of branches in Slovakia, including post offices (under the Poštová banka brand).

Other important Group entities include investment companies, which are major managers of investment mutual funds for the public and qualified investors. In 2023, the Group included, inter alia, a securities trader, a highly specialised leasing company, a consumer credit provider and companies providing advisory and consulting services.

## ENVIRONMENTAL PROTECTION AND POLLUTION PREVENTION

The provision of banking, investment and other services is a business that, by its very nature, has no significant direct impact on the environment. Despite this, the Company considers it important to minimise the negative impact of the Group's activities on the environment (water, electricity and paper consumption, waste generation, direct and indirect CO<sub>2</sub> emissions). While there is no activity within the Group's operations that would result in environmental damage, the Company remains aware that the Group is a significant consumer of energy and goods. Beyond meeting legislative requirements in the area of environmental protection, the Company and other Group entities seek various ways to achieve sustainability and conscious economic growth and development. Therefore, preference is given to local and regional suppliers of goods and services, both to support local suppliers and to avoid unnecessary emissions, e.g. from the transport required to deliver the goods.

The Company distinguishes the following two basic areas, within which it focuses on sustainability factors and the possibility of contributing to more sustainable development in both environmental issues and other social issues, namely (i) its own operations and management and (ii) the provision of financial services.

Below we present several specific activities of the Company, and in particular of the two banks, in the field of environmental protection.

### COMPANY REGISTERED OFFICE

The Company and a number of Group entities (in particular J&T Banka and its subsidiaries) is located in Prague's Karlín district in a building that was specifically constructed to limit its negative impacts on its surroundings. Specific elements that reduce the environmental impact of the building and contribute to a suitable working environment for its employees include the following:

- the building is equipped with a controlled ventilation system that operates outside working hours,
- specific water-saving flow rates are set for taps; grey water is used for flushing,
- the roof of the building, which is accessible to employees, is planted with greenery, thus contributing to a better climate in the surrounding area; similarly, all offices have greenery, which is also maintained in a cost-effective manner,
- staff and clients have a bike room where they can place the bicycles they use to get to the building (bike racks are located in a secure part of the building, there are also showers and changing rooms); the building is also located right next to metro and tram stations, which can contribute to higher use of public transport instead of cars,
- a certain number of parking spaces in underground garages are reserved for low-emission vehicles,
- the building is equipped with mostly large French windows spanning the entire height of the floor, which allow for the longest possible natural outdoor lighting, including external heating of the offices in case of sunny weather; the blinds can be operated by manual control, but are also automatically retracted in case of a certain duration of sunlight to prevent the air in the offices from warming up above the standard temperature; thanks to the use of so-called osmotic water, the entire building shell is cleaned without the use of detergents,
- comfortable conditions in the offices are automatically maintained by the IRC (Individual Room Controller), which automatically maintains the set environmental parameters (temperature and ventilation) with respect to the presence of people and energy-efficient operation; a system has been created that limits the possibility of temperature adjustment by precisely defined degrees with respect to the occupancy of the premises, a specific day of the week and a precise time range; thus, significant energy consumption occurs only when the building is actually intensively used; on weekdays from 06:00 to 19:00, the temperature in the offices and common areas can only be adjusted by +/- 1.5°C within the default temperature setting,
- heating is set up in a similar way in the building, where the temperature cannot be influenced in any way during non-working hours; the aim is mainly to eliminate the possibility of human error, where an employee leaving the office forgets to adjust the temperature and ventilation mode; a mere 1°C reduction in temperature results in energy savings of around 4-5%; energy reduction trends continue to be monitored,
- the building uses electricity for lighting, cooling and running appliances; the lights are set to switch off automatically at a specific time (19:00), and lights always switch off after one hour,

### REDUCING PAPER CONSUMPTION AND WASTE GENERATION

An important environmental objective of the Group in its day-to-day operations is the long-term reduction of paper consumption and waste generation. New measures are continuously being adopted to reduce the energy and environmental burden arising from the Group's activities ('zero-waste policy'), both in the operation of individual companies in the Group and in the provision of specific financial products.

Above all, it should be emphasised that thanks to digitalisation, paper consumption is being reduced in all segments. From the point of view of 365.bank's banking products, the digitalisation trend is probably most evident in the opening and use of personal accounts, which can be opened electronically without the need to visit a point of sale and without the printing of any paper documentation. More than 50% of new accounts opened in 2023 were opened electronically. The ecological dimension of the digital account is underlined by the option to choose a digital payment card instead of a plastic one. A 365.bank account is thus "paperless" and "plastic-free" thanks to the option to use a digital card and the ability to perform common banking operations simply via a mobile app. J&T Banka has also digitalised a number of its processes for arranging banking and investment services, reducing the need for paper to a minimum.

In terms of the actual operations of Group companies, the most significant results include the following:

- the use of drinking water dispensers in the above-mentioned building is considered a significant contribution in reducing the volume of waste as they are connected to the water mains, minimising plastic waste that would be generated by the use of bottled



- water in the long term - they also allow hot water to be dispensed,
- in selected locations around buildings (e.g. in kitchens, catering rooms, reception areas, and near printers and copiers) there are bins for waste sorting (plastic, paper, paper to be shredded, or other materials),
- after it has been decommissioned, IT computer and office equipment is disposed of by an external company that specialises in the disposal of such equipment, while employees are encouraged to bring in old office equipment to avoid it being disposed of in the regular municipal waste,
- there is also a gradual elimination of battery use (e.g. increasing the replacement of wireless mice and keyboards).

In summary, although the activities of the Group represent a certain environmental burden, neither the Company nor other Group entities (especially banks) are significant waste generators or polluters. The main risks in this regard include increased energy consumption and waste generated from operations, however these risks are being significantly reduced through our own programmes and strategies (specific practices are described above). The intention to further reduce paper consumption and waste generation is automatically taken into account in relevant decisions, in terms of both the provision of financial services and the purchase of goods.

### 365.BANK FINANCIAL SERVICES

365.bank and its subsidiaries are continuously working to improve the sustainability profile of their products, of which the following are the most important activities from a sustainability perspective.

In the corporate client segment, 365.bank used its own ESG scoring in 2023 to assess the sustainability of companies' operations and the sustainability-related risks or negative impacts that these companies face. The aim of such an assessment is to enable clients to obtain more favourable terms for financing their needs or projects depending on their ESG rating. Together with the Slovak Banking Association, 365.bank has participated in the development of a model questionnaire as a uniform tool for assessing the ESG profile of corporate clients. The goal is to make it the market standard.

In consumer credit, 365.bank sees room to promote the idea of environmental responsibility by providing discounted special-purpose loans aimed at investments in cost-saving environmental solutions. 365.bank therefore introduced the ECO loan in 2023 - a loan that is earmarked for investments in one of the following areas: energy savings, eco-innovation or eco-transport. If the client proves that the funds have been used for a "green" investment within a specified period after the loan has been granted, 365.bank is ready to provide the client with a benefit in the form of a reduced interest rate.

365.bank is also bringing an environmental dimension to its mortgage portfolio. For clients interested in new housing, its reconstruction or the refinancing of an existing housing loan, it offers the possibility of a discounted loan if the property has an A, A1 or A0 energy certificate. This bonus may take the form of a reduced interest rate or no loan origination fee. Such loans currently make up around 15% of those provided.

The eco fund of the management company 365.invest, focused on equity investments by socially responsible companies, aims to promote environmental and social values by taking into account the parameters of the investee companies and their ESG score within the sector, as well as exclusion criteria. It thus emphasises broadly conceived sustainability - it is a mutual fund managed with regard to environmental and social characteristics in accordance with Article 8 of Regulation (EU) 2019/2088, although its primary objective is not sustainable investments within the meaning of Regulation (EU) 2020/852.

### J&T BANKA FINANCIAL SERVICES

J&T Banka is aware of its social responsibility related to the provision of financial services, especially banking and investment services. At the same time, it is mindful of the risk that a lack of consideration of ESG factors in its business activities may affect the return on investment, or the financing provided, and the value and return on investment of its clients. Therefore, as part of its investment and business strategy, J&T Banka evaluates, among other indicators, the impact of the financed projects and investments on the environment and sustainability in general, and their consistency with the strategy of J&T Banka and the Group in this area.

Firstly, J&T Banka excludes from its range of investment instruments such products that originate from highly controversial areas of business; an overview of these excluded activities is provided on the Bank's website. Consequently, issuers and their investment products also undergo positive selection in terms of their social and environmental standards and characteristics. J&T Banka thus prioritises investment products that meet other relevant criteria (in particular, yield and risk level) while reflecting sustainability standards. The current priority of J&T Banka (as well as other entities of the Group) in connection with the above is to expand and improve its data base with information that will enable the best and most accurate assessment of the products offered in terms of meeting sus-

tainability requirements. In building the ESG data base, the focus is currently on systematically collecting information from financial product manufacturers, collecting information from issuers and drawing information from non-financial reporting where available. In the future, greater involvement of reputable rating agencies for data collection is planned.

Just as it is essential to know the sustainability features of the products on offer, it is also important to know clients' preferences in this area. For the purpose of providing investment services, J&T Banka collects information about investor clients through client questionnaires that include questions on the investor's preferences in the area of sustainable investments. This gives investors the opportunity to express whether sustainable products should also be part of their investment portfolio, in relative detail, so that the products reflect their desired level of "greenness" or specific negative impacts on sustainability.

As part of J&T Banka's provision of investment services, the offer of investment products is gradually being adjusted with regard to ESG factors so that J&T Banka can offer products that meet preferences for quality and "greenness" to the widest possible range of clients. In 2023, J&T Banka had over 430 funds in its offer that met some of the sustainability criteria, an increase of approximately 60 funds compared to 2022. J&T Banka currently distributes funds with ESG factors exclusively from third-party funds that are not part of the Group. When offering investment instruments, the Bank bases its assessment of ESG factors on information provided by securities issuers or investment firms. There was a change in the way information is collected in 2023, with issuers newly mostly declaring this information in the European ESG Template, a standardised template document that facilitates the process of exchanging data on ESG factors among financial market participants and ensures greater transparency and comparability of the information declared. J&T Banka itself is not the issuer of the security to which the sustainability factors are linked.

In the credit financing segment, J&T Banka introduced an ESG questionnaire in 2023 to collect, process and archive data on ESG risks to which a client or potential client is exposed. The client's ESG score based on the information they provide is factored into the lending process, client credit risk assessment and exposure monitoring. The information obtained from the ESG questionnaire can be further used to work with clients on their sustainable development, to assess the suitability of the products and services offered, and to assess the concentration of J&T Banka's portfolio in terms of a particular ESG risk. At present, neither the Bank nor J&T Banka d.d. offers special financial products that would specifically take into account sustainability factors in financed projects (e.g. green loans), but it is monitoring the possibility of introducing them, also taking into account market opportunities.

As mentioned above, the J&T Banka group's investment companies do not yet actively monitor ESG factors for any of the funds under management. Therefore, the underlying investments of the funds managed by the J&T Banka group's investment companies do not yet take into account the EU criteria for environmentally sustainable economic activities. The impact of sustainability risks on fund returns is assessed on a case-by-case basis for each investment as part of the investment viability analysis that precedes the actual purchase into the fund's assets. The investment companies nevertheless continuously monitor existing investments for ESG risks and are developing an ESG data base within the J&T Banka group. Internal criteria for investment eligibility (including a list of unsupported investments) are also established and modified.

### 365.BANK'S CARBON NEUTRAL COMMITMENT

365.bank has committed to becoming the first carbon-neutral bank in Slovakia by 2025. As part of this goal, the Bank carried out a comprehensive audit of its activities, resulting in a certificate in the form of a Greenhouse Gas Verification Report. As a result of this analysis, the Bank has identified specific areas and action steps it will take to become carbon neutral by 2025. The Bank itself has also set itself "Ten Commandments", i.e. steps towards sustainability that it wants to follow in its activities and operations. As part of this commitment, for example, an energy-saving project was launched in 2022 at 365.bank's headquarters and its branches - this project also ran continuously throughout 2023. Since in order to achieve savings in this area, it is necessary to collect and evaluate measurements by gradually setting parameters for cooling, heating and light sources, an IoT (Internet of Things) network has been built in all branches of the Bank, and this network will gradually be incorporated into the headquarters in Karlova Ves. Light sources are also gradually being replaced with LED technologies, the plan being to replace more than 95% of the luminaires at 365.bank by 2025.

### SOCIAL AND EMPLOYMENT AREAS

#### Employees

A satisfied and motivated employee is one of the greatest assets a company can have. The Company is aware of this fact and offers employees within the Group the opportunity to expand their knowledge and experience, further training, as well as a number of above-standard benefits, thus significantly reducing the risk of employee turnover. All managers, employees and members of the statutory body are bound by the Group's internal regulations, which clearly define the prohibition of discrimination and the duty of equal treatment. The Group's entities operate in countries where the prohibition of child and forced labour can be assumed, given

the respect of European standards in the area of labour and social conditions. The risk that the problems mentioned could occur with external suppliers of goods or services is therefore assessed as minimal. In any case, information or reasonable suspicion that any business partner is in breach of these standards would mean termination of cooperation as soon as possible. There are no violations of work safety rules recorded within the Group on the part of any Group entity.

The employee gender mix at the Company, including its subsidiary in Slovakia, is 58% men and 42% women, with 62% men and 38% women in management. The overall gender mix at the Bank is 48% men and 52% women. The share of women in management is 36%, an increase of 2% compared to 2022. The mix at 365.banka is 35% men and 65% women, with management having 56% men and 44% women.

### Remuneration policy

In order to foster employee solidarity at the Bank and the Group, internal procedures are in place to determine fair and motivating remuneration for work.

The result is a remuneration policy that combines fixed and variable components in order to ensure the economic stability of the employee, while at the same time motivating them to develop and improve, and thus contribute to the performance of the Group as a whole. At the same time, the remuneration rules do not encourage transactions and investments with negative sustainability impacts.

Employee salaries are set on the basis of a job analysis prepared by the HR department. The salary is then based on externally available data, work experience and the expertise of the individual employee, without exception respecting the prohibition of any discrimination, especially on the basis of gender, family responsibilities or age.

### Work environment and benefits

Group companies have long focused on creating an inspiring and supportive working environment for their employees, which includes not only workspaces with above-average equipment, but also the organisation of a range of social events and regular meetings, educational events, and a range of interesting benefits.

#### J&T Banka

J&T Banka considers the support of a work-life balance to be an important part of its corporate culture. To this end, employees have the option of taking not only one week of leave beyond the statutory obligation, but also five days of sick leave per year for short-term incapacity for work (sick days) and five days of discretionary leave (whatever days). The use of flexible working hours is also a highly valued benefit. Employees can do some of their work remotely (home office).

The Group also offers several benefits to help meet employees' social, cultural and health needs. J&T Banka has created an employee product called J&T 60, which helps employees meaningfully appreciate their assets for their old age, and learn how to invest. Under this product, employees are granted an amount equal to the funds they invest in investment instruments (up to CZK 20,000 per calendar year). At the same time, employees have the opportunity to attend regular internal training sessions where they are introduced to new developments in the world of investing. Another interesting benefit is the Magnus Club, through which employees can receive various vouchers for services and products (hotels, electronics, tickets) worth CZK 10,000.

Employees are offered the opportunity to take advantage of health care at renowned clinics, offering, for example, comprehensive medical examinations, sports and classic massages, physiotherapy and other health services.

J&T Banka enables employees to improve their professional qualifications and develop personal or managerial skills over the long term. Studies related to the type of work performed (e.g. CFA, ACCA) are encouraged, as is the study of foreign languages and participation in professional conferences and seminars.

Teambuilding events with an educational programme and a number of smaller social events are also organised regularly throughout the year. Regular events include the 'Family Day', a day of social and cultural programmes to which not only employees but also their families are invited. For several years now, J&T Banka has been systematically taking care of the health of its employees, respectively the employees of Group companies, and has been organising 'Health Days' several times a year. During them, employees are provided with individual physiotherapy, massages or professional consultations, especially in relation to the negative consequences of sedentary work.

Regular training of employees in occupational health and safety and fire protection is a matter of course, as is the provision of high quality work aids and office equipment to minimise the risk of occupational injury or illness.

The long-term goal is to create a healthy environment for employees that supports both personal and career growth. Upon joining and after a certain period of time, employees meet regularly with the HR Department and with representatives of J&T Banka's management. At these meetings, they discuss personal motivation and where they see room for improvement in company processes or culture. To obtain feedback, regular employee satisfaction surveys are conducted across J&T Banka and other entities in the Group. In line with the Group's core values, employees are regarded as partners and the employer tries to offer them individual assistance in the event of difficult situations in their lives. Depending on the situation, this may include financial support, job retention or a necessary reduction in working hours.

### **365.bank**

365.bank also places great emphasis on translating its values and corporate culture into the work environment. The corporate culture is based on transparency, integrity, humanity and mutual respect, while open communication and the sharing of ideas are encouraged, creating a dynamic and innovative work environment. Several programmes and initiatives were created to promote employee well-being, including mental and financial well-being, in 2023. Individual needs and employee diversity are also taken into account when building the corporate culture. Flexible working conditions, support for development and career growth are just some of the steps that reinforce the drive to make every employee feel respected and involved.

When creating a healthy work environment, we focus not only on physical health but also on mental well-being. At 365.bank, this has long been supported through the "Be balanced" programme, which focuses on employee mental health and well-being. In 2023, the Bank organised a series of lectures in cooperation with the League for Mental Health, as members of the Coalition of Employers for Mental Health. Employees also took advantage of individual consultation sessions with a psychologist, the first option for addressing not only work-related but also personal challenging situations.

In terms of bank-wide activities in the area of culture development and employee engagement, we have introduced a new discussion concept of "internal talks" on topics that support not only a positive perception of diversity and inclusion, but also the mental and financial well-being of colleagues at 365.bank. The Health Days were held in September, enabling employees to participate in preventive examinations and consultations with experts. More than 370 employees took part in the event over two days.

365.bank sees employee development and education as a key factor for the long-term sustainable success of the Bank. To streamline the education process and make development opportunities even more accessible to colleagues, the Seduo.cz education portal was deployed in 2023, and has achieved more than 80% employee engagement in studying. The concept of group education continued in management development, within the framework of which three Leadership Academy modules were implemented with an external supplier. In 2023, 21 employees from the retail networks and call centres completed the seven-month Talent Programme. Through five modules they gained knowledge about leadership skills, which they then tested in practice with the support of internal guides and mentors. 365.bank's long-term goal is to fill as many positions as possible at all management levels with internal candidates, taking into account gender equality, diversity and inclusion.

By joining Diversity Charter Slovak Republic in 2022, 365.bank confirmed its commitment to equal access for all colleagues and respect for diversity and difference. To promote inclusion and diversity, 365.bank has introduced "internal talks" that raise the topic of diversity and its promotion in the work environment. Examples include the March talks focusing on women, a talk on the importance of a psychologically safe environment, a talk on burnout prevention, and a talk on men's mental health on International Men's Day, which were very popular and well attended. Managers also attended a Diversity and Inclusion course through the Seduo learning platform: How to Work with Cross-cultural Differences.

## **RESPECT FOR HUMAN RIGHTS**

The Bank and the Group as a whole consider respect for human rights to be a critical value. The principle of respect for human rights and other legal obligations applies in all areas of the Group companies' operations, and restrictions resulting from measures or sanctions imposed by the United Nations, the EU or the US on human rights abusers are respected across the Group.

One of the unbreakable principles is the rule that none of the Group companies will enter into a transaction with a person subject to international sanctions and, to this end, it defines group rules, compliance with which it monitors.

As part of its activities, it is also a rule that Group entities, including J&T Banka and 365.bank, proceed in a non-discriminatory manner towards all customers, employees and other persons. In this regard, there is an open door policy with employees encouraged to communicate any concerns and findings related to possible discrimination or other violations or suggestions for improvement (even anonymously through a whistleblowing hotline) to their supervisor or anyone in management.

Compliance with the established rules results in continuous unconditional prohibition of entering into contractual relations with a person subject to international sanctions, a non-discriminatory attitude by Group entities towards customers, employees and other persons, as well as an open attitude towards dissenting opinions of employees or third parties.

The risk in this respect may lie in an error or mistake on the part of an employee who may make a decision inconsistent with the policy, contrary to the measures in place. The Bank and other companies have a control system in place that sufficiently ensures that errors are caught in a timely manner. These include, for example, the four-eyes check (two employees involved in the same task), management control of the implementation of activities under the responsibility of the director of the relevant department, compliance control as a control function with the possibility/obligation to carry out controls defined by internal regulations and the control plan or on the basis of its own risk assessment and, last but not least, the control activities of the Internal Audit and Control Department.

For the year 2023, there were no transactions within the Group with a person subject to international sanctions and no allegations of any human rights violations by the Group or its employees were reported or identified.

#### THE FIGHT AGAINST CORRUPTION AND BRIBERY

The Company and other Group entities strictly adhere to ethical principles in their activities and do not tolerate any form of direct or indirect bribery or corruption. Group companies do not accept or provide any special benefits (incentives) of any kind, regardless of whether the person offering or requesting such a benefit works in the public or private sector.

Group companies define in their internal regulations, in particular in their codes of ethics, the rules of conduct of their employees, motivate them to comply with them, and monitor such compliance in an appropriate manner. In particular, these rules define the prohibition of corrupt conduct, the solicitation, acceptance or provision of bribes, as well as rules for the management of potential conflicts of interest. In this context, the companies have rules in place for the acceptance of gifts by their employees in the course of their work so that employees' decisions cannot be influenced in this way.

Employees are regularly trained in this area and preventive and follow-up control mechanisms are defined to detect such conduct, any such case being considered a serious breach of work duties in accordance with internal regulations. In the case of conduct that has the potential to constitute a criminal offence, such conduct is reported to the relevant law enforcement authorities.

The basic tool enabling Group entities to detect any unethical conduct or conduct in violation of internal or legal regulations is the possibility of anonymous whistleblowing. Its purpose is to enable not only employees but also other persons to report, confidentially or anonymously, possible illegal acts that harm or threaten the public interest, including fraud and bribery. An effective whistleblowing system has therefore been in place at all Group entities for a number of years, helping protect the companies' reputations and prevent negative financial, legal and reputational impacts. Care is taken to ensure that the whistleblowing line communication channels are independent and separate. The relevant compliance officer is entrusted with receiving and processing reports of possible unlawful or other unfair conduct, both within the J&T Banka group and at 365.bank. The compliance officer is obliged to investigate reports and pass on the results of their investigation to the competent persons for follow-up action. Internal regulations governing whistleblowing guarantee protection of the whistleblower from retaliation or any negative consequences of the whistleblowing, even if the unfair or illegal conduct is not subsequently confirmed. In 2023, this area was revised to also take into account the requirements of the Whistleblower Protection Act. J&T banka d.d. has a separate whistleblowing line, which operates on principles similar to those mentioned above.

In relation to corruption committed by third parties, the obligated Group entities define, in particular, measures to prevent the laundering of the proceeds of crime and the financing of terrorism, including procedures for the identification and control of customers in accordance with Act No 253/2008 Coll., on certain measures against the laundering of the proceeds of crime and the financing of terrorism, including implementing regulations and directly effective EU legislative acts. The Bank pays particular attention to cash transactions, as they can be a potential tool for corrupt behaviour, and to transactions by politically exposed persons. Similar measures are also in place at 365.bank in Slovakia and J&T banka d.d. in Croatia, in accordance with local legislation on anti-money laundering measures.

Certain employees of the Company and other Group entities may be exposed to the risk of corrupt practices in connection with their work activities or may be motivated by customers or third parties, financially or otherwise, to execute transactions in accordance with the instructions of such persons. For this reason, the Group has a significant interest in limiting the risk of behaviour that could have a material impact on the Group's reputation and business interests. For this reason, no form of corruption or bribery is tolerated and risks of conflicts of interest detrimental to the interests of the Group, clients or third parties are managed. Transactions of persons with a potential risk factor are approved and subsequently recorded. Potential conflicts of interest are also individually assessed and recorded. As a result of these measures, the Group and its employees comply with the rules of ethical conduct. The Group has not encountered any cases that could be assessed as unethical conduct on the part of its employees related to the prohibition of corrupt conduct or that would be in violation of legal or internal regulations. All non-standard transactions are reported to the relevant authorities, in particular the Financial Analysis Office.

### CONTEXTUAL INFORMATION ACCORDING TO EU REGULATION 2021/2178

This section of the annual report focuses on describing the Group's activities in terms of how and to what extent they relate to economic activities that qualify as environmentally sustainable in accordance with EU Regulation 2020/852 (the EU Taxonomy) and other related regulatory documents.

#### Basis for preparing the information to be published

The disclosed information relates to entities included in the prudential consolidation group of the financial holding company J&T FINANCE GROUP SE (a list by individual entity type is given below). Disclosure of key performance indicators ("KPIs") and relevant qualitative information is made in accordance with EU Regulation 2021/2178, whereby for the purposes of reporting information under this Regulation, individual entities within the Group are considered to be credit institutions, investment firms, asset managers or non-financial undertakings.<sup>1</sup>

The following entities in the Prudential Consolidation Unit are considered credit institutions (hereinafter collectively "Credit Institutions") (i.e. the reported KPIs relating to credit institutions apply to these entities):

- J&T BANKA, a.s.
- J&T banka d.d.
- 365.bank, a. s.

Within the Group, the following entities in the Prudential Consolidation Unit are investment firms (hereinafter collectively "Investment Firms") as defined in EU Regulation 2021/2178 (i.e. the published KPIs relating to investment firms apply to these entities):

- ATLANTIK finanční trhy, a.s.

The following entities in the Prudential Consolidation Unit are considered to be asset managers (hereinafter collectively "Asset Managers") for the purposes of disclosure under EU Regulation 2021/2178 - therefore the reported KPIs relating to asset managers apply to these entities:

- AMISTA investiční společnost, a.s.<sup>2</sup>
- J&T INVESTIČNÍ SPOLEČNOST, a.s.
- J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s.
- 365.invest, správ. spol., a. s.

The remaining entities in the Prudential Consolidation Unit are considered as non-financial undertakings under EU Regulation 2021/2178 (hereinafter collectively "Non-financial Undertakings"). Specifically, they are the following entities (the reported KPIs relating to Non-financial Undertakings relate to these entities):

- J&T FINANCE GROUP SE
- J&T IB and Capital Markets, a.s.
- J&T RFI I., s.r.o.
- J&T Leasingová společnost, a.s.
- Rustonka Development II s.r.o.

<sup>1</sup> Unlike the information published in the previous year, the data for 2023 include data for investment firms, asset managers and non-financial undertakings. The expansion of the scope of the reported information was made in connection with the clarifications set out in the Commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (hereinafter the "Third Commission Notice").

<sup>2</sup> J&T ORBIT SICAV, a.s. also falls under the management of AMISTA investiční společnost, a.s., while NLS SICAV, a.s. Fund of Funds and JTFG FUND I SICAV, a.s. fall under J&T INVESTIČNÍ SPOLEČNOST, a.s. Data for these subsidiaries are obtained from the controlling entity and is also included within the information disclosed below.

- J&T Mezzanine, a.s.
- J&T SERVICES ČR, a.s.
- PB Servis, a. s.
- Ahoj, a.s.
- Cards&Co, a. s.
- DanubePay, a. s.
- J&T Integris Group LIMITED
- J&T Global Finance IX., s.r.o.
- J&T Global Finance X., s.r.o.
- J&T Global Finance XI., s.r.o.
- J&T Global Finance XII., s.r.o.
- J&T Global Finance XIII., s.r.o.
- J&T Global Finance XIV., s.r.o.
- J&T Global Finance XV., s.r.o.
- J&T MINORITIES PORTFOLIO LIMITED
- Equity Holding a.s.

Of the above consolidated entities, only J&T BANKA, a.s. would have to disclose non-financial information on an individual basis pursuant to Article 19a of Directive 2013/34/EU. (which publishes the information at the level of the J&T BANKA, a.s. group) and 365.bank, a.s.

In 2023, compliance with the taxonomy<sup>3</sup> was assessed against two environmental objectives – climate change mitigation and climate change adaptation. The GAR and other similar KPIs are always calculated twice over, depending on whether the counterparty's KPI for turnover or capital expenditure (CapEx) is used to assess taxonomy compliance (or eligibility for the taxonomy<sup>4</sup>) in the case of exposures with unknown use of the funds provided.

### Compliance of activities with the taxonomy – Credit Institutions

Summary information on KPIs for Credit Institutions is provided in Annex PPP, Table PPP 1.

The main key performance indicator is the Green Asset Ratio (GAR), which represents the proportion of assets financing activities in line with the taxonomy to total covered assets (see below for the calculation methodology). The value of total assets included in 2023 was EUR 8.344 billion (i.e. 52.81% of the total balance of the Credit Institutions' assets).

Included in the GAR numerator are loans and other receivables, debt securities, equity instruments and foreclosed commercial and residential real estate collateral against specified counterparties<sup>5</sup>. The proportion of these assets (before assessing their eligibility/compliance with the taxonomy) in relation to the total assets included is 32.78%, i.e. for this proportion, eligibility for the taxonomy (or compliance with the taxonomy) is further assessed. The not particularly high value of this proportion is due to the current business focus of the Credit Institutions. In most cases, Credit Institution (in particular J&T BANKA and J&T banka d.d.) counterparties are Financial and Non-financial Undertakings not subject to the reporting obligation under Articles 19a and 29a of Directive 2013/34/EU. 365.bank's portfolio mainly includes retail exposures (consumer and mortgage loans - some of these loans may, however, be included in the numerator).

The following exposures, for example, are excluded from the numerator:

- derivatives: representing 1.24% of total assets (2.35% of total assets included);
- exposures to undertakings not subject to non-financial disclosure under Articles 19a or 29a of Directive 2013/34/EU: representing 31.09% of total assets (58.87% of total covered assets).

<sup>3</sup> An activity is in compliance with the taxonomy if it makes a significant contribution to one of the environmental objectives listed in EU Regulation 2020/852, meets the so-called technical screening criteria (hereinafter also the "TSC") listed in the relevant EU regulations, does not significantly harm any of the environmental objectives in question, while at the same time the undertaking carrying out the activity complies with the minimum safeguards. For 2023 reporting purposes, compliance with the taxonomy is assessed against the technical screening criteria set out in Annexes I and II of EU Regulation 2021/2139, with the exception of Sections 3.18 to 3.21, 6.18 to 6.20 of Annex I of the Regulation and Sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II.

<sup>4</sup> An activity is eligible for the taxonomy if it is listed in the regulations specifying the technical screening criteria, i.e. it can potentially be in line with the taxonomy (if other criteria are met). Eligibility against the taxonomy is assessed against the technical screening criteria set out in Annexes I and II of EU Regulation 2021/2139 and Annexes I - IV of EU Regulation 2023/2486 for tables PPP 2, PPP 3, PPP 6, PPP 7, PPP 35, PPP 36, PPP 38, PPP 40, PPP 41 and PPP 42. For other tables, eligibility is assessed against the same technical screening criteria as for taxonomy compliance.

<sup>5</sup> Financial Undertakings (Credit Institutions, Investment Firms, management companies, insurance and reinsurance undertakings as defined in Article 1(8) of EU Regulation 2021/2178) and Non-financial Undertakings subject to disclosure obligations under Articles 19a or 29a of Directive 2013/34/EU, possibly issuing environmentally sustainable bonds; households (including a more detailed breakdown into loans secured by residential property, loans for renovation of buildings and loans for motor vehicles) and local authorities to which financing is provided for a known purpose.



The GAR as at 31 December 2023 was 0.24% when calculated based on the counterparty KPI for turnover and 0.21% when calculated based on the counterparty KPI for CapEx (stock GAR; see Annex PPP, Tables PPP 6 and PPP 7).

In the case of the GAR based on the counterparties' KPI for turnover, 0.24% of this indicator relates to the climate change mitigation objective and 0% to the climate change adaptation objective (similarly 0.21% and 0%, respectively, when considering the GAR calculated on the basis of the counterparties' KPI for CapEx).

Tables PPP 4 and PPP 5 in Annex PPP specify the composition of assets vis-à-vis Non-financial Undertakings subject to the reporting requirements of Article 19a/29a of Directive 2013/34/EU in accordance with the activity taxonomy (NACE) to which they relate.

The magnitude of the GAR is close to zero in all cases - both when looking at the counterparty KPIs for turnover and for CapEx. Within the loan portfolio, only exposures to non-financial corporates related to electricity generation and distribution are represented in the numerator of the GAR<sup>6</sup>. Within equity instruments, the GAR numerator mainly includes exposures to Non-financial Undertakings also engaged in the generation and distribution of electricity<sup>7</sup>. No debt securities were assessed as compliant with the taxonomy. All exposures in line with the taxonomy were based on available counterparty activity data for 2022 (data for 2023 were not available). As mentioned above, a large part of the exposures to Financial and Non-financial Undertakings have been excluded from the numerator of the GAR indicator (i.e. it cannot comply with the taxonomy) as these undertakings are not subject to reporting under Article 19a/29a of Directive 2013/34/EU. A significant part of the funding of Financial and Non-financial Undertakings also relates to legal entities such as special purpose vehicles or SPVs (these are companies set up specifically for projects/activities, e.g. development projects). For exposures to SPVs, the 'look through' method (i.e. assessing the actual beneficiaries of funding through SPVs in terms of their sustainability) was not currently used and therefore these exposures were not classified as compliant with the taxonomy.

Some of the exposures were also not assessed for their consistency with (or eligibility for) the taxonomy due to the simplifications used - see methodological assumptions below. None of the exposures falling under the category 'Households' or 'Financial Undertakings' were assessed as exposures in line with the taxonomy.

The table below shows the proportion of exposures that are in line with the taxonomy in total assets in line with the taxonomy for each counterparty type (the sum of these exposures is 100%). The table also records the proportion of exposures that are in line with the taxonomy to a particular type of counterparty compared to the total gross carrying amount of exposures included in total covered assets to those counterparties (i.e. the extent to which exposures to a particular category of counterparty are in line with the taxonomy).<sup>8</sup>

Type of counterparty	Taxonomy-compliant exposures as a proportion of taxonomy-compliant assets	The proportion of exposures in line with the taxonomy to the gross carrying amount of exposures (to given counterparties) that are included in total covered assets
Non-financial Undertakings reporting under Article 19a/29a of Directive 2013/34/EU	100%* / 100%**	8.32%* / 7.41%**
Financial Undertakings reporting under Article 19a/29a of Directive 2013/34/EU	0%* / 0%**	0%* / 0%**
Households	0%	0%
Local authorities	0%	0%
Seized real estate collateral	0%	0%

\* According to the KPI for counterparty turnover; \*\* According to the KPI for counterparty CapEx

<sup>6</sup> Compliance with the taxonomy for these exposures specifically relates to the following activities defined in EU Regulation 2021/2139: electricity generation using solar photovoltaic technology (4.1), hydroelectric power generation (4.5), electricity storage (4.10) and electricity generation from nuclear energy in existing installations (4.28).

<sup>7</sup> The exposures relate to the following activities defined in EU Regulation 2021/2139: solar photovoltaic electricity generation (4.1), wind electricity generation (4.3), hydroelectric power generation (4.5), electricity transmission and distribution (4.9), district heating/cooling distribution (4.15), combined heat/cooling and bioenergy electricity generation (4.20), bioenergy heat/cooling generation (4.24), construction and safe operation of new nuclear power plants for electricity or heat generation, including hydrogen production, using best available technology (4.27), electricity generation from nuclear energy in existing installations (4.28), installation, maintenance and repair of energy efficiency equipment (7.3) and installation, maintenance and repair of renewable energy process equipment (7.5).

<sup>8</sup> This logic for calculating proportions is also used in Tables PPP 6, PPP 7, PPP 8, PPP 9, PPP 10, PPP 11, PPP 12 and PPP 13 and in Annex PPP. The given tables show in each row the proportions in relation to the value of the total included exposures to the given counterparty type or only with the given asset type. Due to the unclear interpretation of the related regulatory provisions in terms of how the ratios are to be constructed (whether in relation to the value of the total assets included or only in relation to the counterparties), the Group has currently chosen the above approach for the calculation of the ratios - it is possible that the calculation will be changed in future years as regulatory requirements are clarified.



It is clear that exposures to Non-financial Undertakings account for the largest share of assets according to the taxonomy. Exposures to these counterparties are also the most in line with the taxonomy in a relative assessment (looking at the measure of exposures in line with the taxonomy within a given counterparty category).

Credit Institutions have several exposures on their assets related to nuclear power or fossil gaseous fuels<sup>9</sup>. Specifically, it concerns the financing of non-financial undertakings whose activities are related to the production of electricity and heat from nuclear, steam or natural gas sources<sup>10</sup>.

The table below shows the proportion of exposures that are in line with the taxonomy and are related to nuclear energy or fossil gases as a proportion of total covered assets. The table also specifies the share of exposures related to the taxonomy-compliant activities in total taxonomy-compliant assets.

Type of related activity	Taxonomy compliant exposures as a proportion of total covered assets	Taxonomy-compliant exposures as a proportion of taxonomy-compliant assets
Nuclear energy	0.15%* / 0.11%**	64.69%* / 54.69%**
Fossil gases	0%* / 0%**	0%* / 0%**

\* According to the KPI for counterparty turnover; \*\* According to the KPI for counterparty CapEx

The following table shows the proportion of exposures related to nuclear energy or fossil gases that are eligible for the taxonomy, but not consistent with it, as a proportion of total covered assets. Other data in the table refer to the proportion of exposures related to nuclear energy or fossil gaseous fuels that are not eligible for the taxonomy compared to the total assets included.

Type of related activity	Share of taxonomy-eligible (but not compliant) exposures in total covered assets	Share of exposures ineligible for the taxonomy in total assets covered
Nuclear energy	0%* / 0%**	0%* / 0%**
Fossil gases	0%* / 0%**	0%* / 0%**

\* According to the KPI for counterparty turnover; \*\* According to the KPI for counterparty CapEx

More detailed information on exposures related to nuclear energy and fossil gases is provided in Annex PPP, Tables PPP 14-22.

A total of 17.57% of the total covered assets can be considered eligible<sup>11</sup> for the taxonomy when assessed in terms of the counterparty KPI for turnover, 17.55% when using the counterparty KPI for CapEx. These are the same categories of exposures in terms of counterparty types and assets as for taxonomy compliance, with the difference that part of the exposures falling under the category "Household" is also assessed as taxonomy-eligible exposure (these are exposures secured by residential real estate and building renovation loans<sup>12</sup> – where an exposure is a loan backed by residential real estate intended for renovation, it will be counted towards the proportion mentioned above only once). These exposures are taxonomy-eligible from the perspective of multiple environmental goals - the Group considers climate-change mitigation to be the most relevant goal.

From the perspective of the activities financed, the eligible activities for loans and other receivables include, in addition to the activities already mentioned in line with the taxonomy, the generation and distribution of heat/cooling<sup>13</sup> and, in the case of debt securities and equity instruments, the generation of electricity/heat/cooling from fossil gaseous fuels<sup>14</sup>.

<sup>9</sup> According to Sections 4.26, 4.27, 4.28, 4.29, 4.30 and 4.31 of Annexes I and II of EU Regulation 2021/2139.

<sup>10</sup> These are the following activities as specified in EU Regulation 2021/2139: construction and safe operation of new nuclear power plants for electricity or heat production, including hydrogen production, using best available technology (4.27), and electricity generation from nuclear power at existing installations (4.28), electricity generation from fossil gaseous fuels (4.29), high efficiency combined heat/cooling and power generation from fossil gaseous fuels (4.30).

<sup>11</sup> According to EU Regulations 2021/2139 and 2023/2486.

<sup>12</sup> The exposures given relate to the following activities defined in EU Regulation 2021/2139 and EU Regulation 2023/2486: renovation of existing buildings (7.2 EU Regulation 2021/2139 Annex I and II, 3.2 EU Regulation 2023/2486 Annex II), acquisition and ownership of buildings (7.7 EU Regulation 2021/2139 Annex I and II).

<sup>13</sup> The exposures given relate to the following activities defined in EU Regulation 2021/2139: district heating/cooling distribution (4.15) and production of heat/cooling using waste heat (4.25).

<sup>14</sup> The exposures given relate to the following activities as defined in EU Regulation 2021/2139: high-efficiency combined heat/cooling and fossil gas-fired power generation (4.30).

As new technical screening criteria were issued in 2023<sup>15</sup>, the data related to these TSC are also listed separately below to ensure compliance with the requirements of EU Regulation 2021/2178, however, the Credit Institutions have not identified any exposures that would relate to these new TSC (see also the information provided in Annex PPP, Tables PPP 6 and PPP 7<sup>16</sup>):

- the share of exposures eligible for the taxonomy under the new TSC in total covered assets: 0% according to counterparty KPI for turnover and 0% according to counterparty KPI for CapEx.
- the proportion of exposures ineligible<sup>17</sup> for the taxonomy under the new TSC in total covered assets: 32.78% according to counterparty KPI for turnover and 32.78% according to counterparty KPI for CapEx.

The same assumptions, procedures, and data sources<sup>18</sup> were used to calculate these indicators as were used to determine eligibility/ineligibility with respect to the previously existing technical screening criteria (see below).

During 2023, 0.15% (as per counterparty KPIs for turnover; 0.09% as per counterparty KPIs for CapEx) of new exposures were taxonomy-compliant (flow GAR; see Annex PPP, Tables PPP 8 and PPP 9) compared to total new additions to total covered assets.

The new taxonomy-compliant exposures were only related to the climate change mitigation objective (as per the counterparty KPIs for both turnover and CapEx) - the exposures were not related to the climate change adaptation objective (similar to the status indicator for taxonomy-compliant exposures).

The low value of taxonomy compliance for new exposures is related, similarly to GAR, to the fact that a relatively large number of new exposures were exposures to entities not subject to reporting under Article 19a/29a of Directive 2013/34/EU, or to entities engaged in activities outside the scope of the taxonomy, or for which it was conservatively decided to classify them as exposures not in compliance with the taxonomy (or ineligible for the taxonomy) due to lack of reliable data. The new 2023 exposures, which were in line with the taxonomy, represent a credit to a non-financial company engaged in the generation and distribution of electricity<sup>19</sup>.

The table below shows the proportion of new taxonomy-compliant exposures related to nuclear energy or fossil gases as a proportion of total covered assets arising in 2023. The table also shows the share of new exposures related to the taxonomy-compliant activities in the total volume of taxonomy-compliant new assets.

Type of related activity	Share of new taxonomy-compliant exposures in new total covered assets	Taxonomy-compliant new exposures as a proportion of taxonomy-compliant new assets
Nuclear energy	0.11%* / 0.08%**	73.00%* / 86.47%**
Fossil gases	0%* / 0%**	0%* / 0%**

\* According to the KPI for counterparty turnover; \*\* According to the KPI for counterparty CapEx

The table below specifies the proportion of new exposures related to nuclear energy or fossil gases that are eligible for, but not in line with, the taxonomy as a proportion of new total covered assets. The table also shows the proportions of new exposures related to nuclear energy or fossil gases that are not eligible for the taxonomy compared to the new total assets included.

Type of related activity	Percentage of new exposures eligible for the taxonomy (but not in line) to new total covered assets	Proportion of new exposures ineligible for the taxonomy to new total covered assets
Nuclear energy	0%* / 0%**	0%* / 0%**
Fossil gases	0%* / 0%**	0%* / 0%**

\* According to the KPI for counterparty turnover; \*\* According to the KPI for counterparty CapEx

<sup>15</sup> The technical screening criteria set out in EU Regulation 2023/2486 (Annexes I - IV), Sections 3.18 - 3.21 and 6.18 - 6.20 of Annex I to EU Regulation 2021/2139 and Sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II to EU Regulation 2021/2139. These are technical screening criteria for the 4 remaining environmental objectives and for new economic activities (e.g. production of components for cars and personal mobility equipment, aircraft manufacturing, aircraft leasing, passenger and air freight transport, emergency services, desalination, etc.) that can contribute to the objective of climate change mitigation and adaptation.

<sup>16</sup> In the case of the mitigation and adaptation objectives, the proportions of eligible exposures in terms of the new technical screening criteria (in Sections 3.18 - 3.21 and 6.18 - 6.20 of Annex I of EU Regulation 2021/2139 and Sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II, respectively) would not be derivable from the table, but the proportions are zero.

<sup>17</sup> Exposures that are related to activities that are not described in the regulations specifying the technical screening criteria or for which insufficient information is available to assess their eligibility are considered ineligible. Exposures ineligible for the taxonomy can only be found in the numerator of the KPIs.

<sup>18</sup> I.e. the same type of items are included in the denominator and numerator of the indicators, counterpart data are used if available (if not, the exposure is assessed as ineligible), double counting across assessments due to different environmental objectives is avoided, etc.

<sup>19</sup> The new exposures in line with the taxonomy relate to the following activities defined in EU Regulation 2021/2139: electricity generation using solar photovoltaic technology (4.1), electricity generation from hydropower (4.5), electricity storage (4.10) and electricity generation from nuclear power at existing installations (4.28).

Specifically, the new exposures related to nuclear energy or fossil gaseous fuels consisted only of the aforementioned loan, part of which was also assessed as being in line with the taxonomy – in terms of the nuclear energy or fossil gas context, it was specifically an exposure to a counterparty engaged in the generation of electricity from nuclear energy at existing facilities (as per Section 4.28 of the TSC).

More detailed information on exposures related to nuclear energy and fossil gases is provided in Annex PPP, Tables PPP 23-31.

A total of 4.81% of the total covered assets arising in 2023 can be considered eligible for the taxonomy when calculating using the counterparty KPI for turnover, and 4.75% when using the counterparty KPI for CapEx. In terms of type, this is the same exposure and nature of activity that have already been mentioned above for new exposures in line with the taxonomy, with the addition that in this case new loans to households provided for the purchase or renovation of residential real estate are also included.

Another of the Credit Institutions' KPIs is the key performance indicator 'off-balance sheet exposures', which represents the proportion of off-balance sheet assets that are related to activities in line with the taxonomy to total off-balance sheet exposures, which exclude exposures to central governments, central banks and multinational issuers<sup>20</sup>. This indicator is further subdivided into financial guarantees and assets under management.

As at 31 December 2023, the KPI for financial guarantees was 0% according to the counterparty KPI for turnover (as well as 0% according to the counterparty KPI for CapEx). In the case of assets under management, it was also 0% (for the calculation based on the counterparty KPIs for both turnover and CapEx – see Annex PPP, Tables PPP 10 and PPP 11). The financial guarantees only applied to counterparties not required to report under Article 19a/29a of Directive 2013/34/EU. In the case of the assets managed by the Credit Institutions, there was a lack of reliable data that would have clearly allowed the exposures to be included in the numerator of the KPI (in terms of counterparty type) and subsequently assessed for taxonomy eligibility – conservatively, therefore, no assets under management were assessed as eligible for the taxonomy and therefore in line with the taxonomy.

There were no new off-balance sheet exposures created during 2023 – financial guarantees in line with the taxonomy when using the counterparty KPI for turnover (as well as when using the counterparty KPI for CapEx – see Annex PPP, Tables PPP 12 and PPP 13<sup>21</sup>). For the reasons set out above, the proportion of newly created exposures was also 0% for assets under management in line with the taxonomy.

No financial guarantees or assets under management are associated with nuclear power or fossil gas activities (see also Tables PPP 32 and PPP 33 in Annex PPP).

365.bank uses the option not to disclose non-financial information at the separate (or consolidated) level pursuant to EU Regulation 2021/2178 if such data are already reported on its behalf by the consolidating accounting unit. The main KPIs (i.e. stock and flow GAR and the KPI for off-balance sheet assets) at 365.bank are zero (for the same reasons as summarised above for Credit Institutions). J&T BANKA discloses information on KPIs at the consolidated level for the J&T BANKA group in its annual report.

#### **Compliance of activities with the taxonomy – Investment Firms**

The Green Asset Ratio for Investment Firms represents the proportion of assets financing activities in line with the taxonomy to total assets invested by Investment Firms for their own account, after excluding exposures to central governments, central banks and multinational issuers. The denominator of that proportion in 2023 was a total of EUR 1.38 million (i.e. 100% of the total balance of assets invested by Investment Firms for their own account).

The numerator of this indicator includes debt securities, equity instruments, cash equivalents due to investees and all other assets in which the Investment Firms invest for their own account. The numerator excludes, however, exposures to undertakings that are not subject to the non-financial disclosure requirements of Articles 19a or 29a of Directive 2013/34/EU – these represent 100% of the Investment Firms' total assets available for investment for own account (or 100% of total assets invested for own account after excluding exposures to central governments, central banks and multinational issuers). That is, no exposures were assessed for taxonomic eligibility or taxonomic compliance.

<sup>20</sup> In the case of assets under management, the denominator is the total value of assets under management, as the exposures to central governments, central banks and supranational issuers cannot be clearly distinguished for this type of exposures based on data gaps. However, given the conclusions of the assessment of the compliance of assets under management with the taxonomy, this does not affect the value of the related KPI.

<sup>21</sup> Note: The eligibility of exposures in this table is assessed against EU Regulation 2021/2139, with the exception of Sections 3.18 to 3.21, 6.18 to 6.20 of Annex I of the Regulation and Sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II.

The Green Asset Ratio for Investment Firms was therefore 0% as at 31 December 2023, if both the counterparty KPI for turnover and the counterparty KPI for CapEx are used (see Annex PPP, Tables PPP 34-36). This is due to the nature of the business activities of Investment Firms (i.e. ATLANTIK finanční trhy, a.s.), which is focused more on the activities of an investment fund depositary and only a small part of the activities is devoted to investment activities - these are several types of securities in the context of investing on one's own behalf, which at the same time relate exclusively to companies that do not have an obligation to report under Article 19a or 29a of Directive 2013/34/EU.

It follows from the foregoing that 0% of the total assets invested by the Investment Firms for their own account, which excludes exposures to central governments, central banks and supranational issuers, are considered eligible for the taxonomy<sup>11</sup> (both when using the counterparty KPI for turnover and in the case of a calculation based on the counterparty KPI for CapEx).

In relation to the new technical screening criteria, the Investment Firms have calculated the following figures (in relation to 2023):

- the proportion of exposures eligible for the taxonomy under the new TSC to total assets invested by Investment Firms for their own account, after excluding exposures to central governments, central banks and multinational issuers: 0% according to the counterparty KPI for turnover and 0% according to the counterparty KPI for CapEx.
- the share of exposures ineligible for the taxonomy under the new TSC in total assets invested for own account after excluding exposures to central governments, central banks and supranational issuers: 0% according to the counterparty KPI for turnover and 0% according to the counterparty KPI for CapEx.

As Investment Firms trade only on their own account, they do not disclose KPIs relating to revenues (fees, commissions and other monetary benefits in relation to the services provided).

No exposures of Investment Firms relate to nuclear power or fossil gas activities (see also Table PPP 37 in Annex PPP).

#### **Activity compliance with taxonomy – Asset Managers**

The key performance indicator for Asset Managers is defined as the ratio of assets under management related to activities in line with the taxonomy to total assets under management minus exposures to central governments, central banks and supranational issuers.

As at 31 December 2023, the denominator of this ratio was EUR 6.810 billion, representing 100% of the total assets under management of the Asset Managers (due to the identified unreliability of available internal data regarding the categorisation of assets under management in terms of counterparty type, exposures to central governments, supranational issuers and central banks were not excluded from the denominator, see also methodological assumptions below).

The KPI for Asset Managers as at 31 December 2023 was 0% for the calculation based on the counterparty KPI for turnover (as well as using the KPI for CapEx, see Annex PPP, Table PPP 38).

The zero KPI value for Asset Managers relates to the fact that due to deficiencies in internal data regarding the allocation of exposures in terms of counterparty type, no assets under management could be assessed as eligible for the taxonomy (i.e. not even in line with the taxonomy).

For this reason, the value of the proportion of eligible<sup>11</sup> and ineligible assets under management is 0%.

Following the new technical screening criteria and the requirements of EU Regulation 2021/2178, the Asset Managers have also published the following data for completeness:

- the proportion of exposures eligible for the taxonomy under the new TSC to total assets under management as at 31 December 2023: 0% according to the counterparty KPI for turnover and 0% according to the counterparty KPI for CapEx
- the share of exposures ineligible for the taxonomy under the new TSC to total assets under management as at December 2023: 0% according to the counterparty KPI for turnover and 0% according to the counterparty KPI for CapEx.

The Group is not aware that any of the Asset Managers' exposures relate to nuclear power or fossil gas activities (see also Table PPP 39 in Annex PPP).

## Compliance of activities with the taxonomy – Non-financial Undertakings

Non-financial Undertakings disclose three main KPIs:

- The KPI for turnover: the share of net turnover related to activities in line with the taxonomy in total net turnover
- The KPI for capital expenditure: the share of capital expenditure related to activities in line with the taxonomy in total capital expenditure
- The KPI for operating expenditure: the share of operating expenditure related to activities in line with the taxonomy in total operating expenditure

Of the activities of Non-financial Undertakings, only those of Rustonka Development II s.r.o., J&T SERVICES ČR, a.s. and PB Servis, a.s. were evaluated as eligible for the taxonomy, based on the description of activities in the regulation on technical screening criteria. Specifically, this relates to the lease and management of owned real estate – in EU Regulation 2021/2139 falling under section 7.7 "Acquisition and ownership of buildings" (in Annexes I and II).

This economic activity can relate to two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA).

The above activity was not assessed as compliant with the taxonomy due to conclusively meeting all criteria for a significant contribution to the objective of climate change mitigation (or adaptation).

Of the total turnover, 0.24% was classified as eligible for the taxonomy in 2023<sup>11</sup> in relation to the above economic activity. This is specifically rental income.

A total of 0% of the net turnover was assessed to be in line with the taxonomy for the reasons outlined above.

Further information on the composition of the KPI for turnover is provided in Annex PPP, Table 40.

In terms of the CapEx KPI, a total of 13.12% of capital expenditure is eligible for the taxonomy<sup>11</sup>. Again, these expenditures relate only to the above activity - specifically, additions to owned land and buildings. 0% of capital expenditure is in line with the taxonomy. Further information on the key performance indicator for capital expenditure is provided in Annex PPP, Table 41.

A total of 0% of operating expenditure can be classified as eligible for the taxonomy<sup>11</sup> - again, the eligibility for the taxonomy is related to the activity "Acquisition and ownership of buildings". The operating expenditure in question relates to the repair and maintenance of owned real estate.

The proportion of OpEx in line with the taxonomy is 0%. More detailed information on the KPI for operating expenditure is provided in Annex PPP, Table 42.

The above shows that the proportion of turnover, both CapEx and OpEx, in line with the taxonomy, is zero for each environmental objective (climate change mitigation and climate change adaptation).

For Non-financial Undertakings, no activities were also identified that would be eligible for the taxonomy under the new technical screening criteria in 2023.

More detailed data on the KPIs of Non-financial Undertakings are provided in Annex PPP, Tables 40-42.

The turnover, CapEx and OpEx of Non-financial Undertakings do not relate to activities involving nuclear energy or fossil gas activities (see also Table PPP 43 in Annex PPP).

### Activity compliance with the taxonomy – summary

The Group also sets an aggregate key performance indicator in line with the taxonomy at Group level. This is a weighted average of the KPIs relevant to a given category of entities in the Group<sup>22</sup>, where the weights are the share of the turnover of that category in the total turnover of the Group<sup>23</sup>. This indicator represents 0.20% in the case of KPIs based on the counterparty turnover KPI and 0.17% if it were the counterparty CapEx KPI.

Of this value, 0.20% relates to the climate change mitigation target and 0% to the climate change adaptation target (for turnover-based KPI; 0.17% and 0% for CapEx).

The proportion of activities eligible for the taxonomy is also set similarly<sup>24</sup>, at 14.40% when considering counterparty KPIs for turnover and 15.27% when considering KPIs for CapEx.

In summary, the KPIs providing information on the proportion of exposures in the portfolio that could be considered environmentally sustainable are relatively low. This is influenced both by the Group's portfolio structure and business model, and by the fact that most of the exposures analysed for their compliance with the taxonomy are from companies that have so far collected ESG data to a limited extent or even not at all, or households where reliable data are often not available, and unfortunately the Group does not have relevant data that could be used for a more accurate assessment.

The Group had not set specific targets for published KPIs in 2023. However, it plans to continue to seek more relevant data from its existing and new counterparties. At the same time, the Group expects to expand the number of companies that will have to report on their environmental sustainability KPIs (due to changes in regulatory requirements). On the basis of these facts, it will probably be possible to assess a larger part of the portfolio (or turnover or capital and operating expenditure) in terms of its compliance with the taxonomy.

The Group does not currently consider environmentally sustainable activities in its business and investment strategy, in designing or adjusting its terms and conditions and product offerings, or in its cooperation with clients.

More detailed information, including data on the individual components of the KPIs (in the form of tables set out in EU Regulation 2021/2178 in the Annexes), is provided in Annex PPP. The Annex in question specifically contains the following tables:

- Table PPP 1: Summary of key performance indicators (KPIs) for 2023
- Tables PPP 2 and PPP 3: Assets for the calculation of the Green Asset Ratio (GAR) in 2023<sup>25</sup>
- Tables PPP 4 and PPP 5: Green Asset Ratio (GAR) - sector information for 2023<sup>25</sup>
- Tables PPP 6 and PPP 7: KPI "Stock" for the Green Asset Ratio (GAR) for 2023<sup>25</sup>
- Tables PPP 8 and PPP 9: KPI "Flow" for the Green Asset Ratio (GAR)<sup>25</sup>
- Tables PPP 10 and PPP 11: KPI "Off-balance sheet exposures" "Stock"<sup>25</sup>
- Tables PPP 12 and PPP 13: KPI "Off-balance sheet exposures" "Flow"<sup>25</sup>
- Table PPP 34: Summary of KPIs to be disclosed by Investment Firms (IFs) under Article 8 of the Taxonomy Regulation for 2023
- Tables PPP 35 and PPP 36: KPI IF - proprietary trading services<sup>25</sup>
- Table PPP 38: Key performance indicators for Asset Managers for 2023
- Table PPP 40: Percentage of turnover from products or services related to economic activities that are in line with the taxonomy – publication for 2023
- Table PPP 41: Share of capital expenditure from products or services related to economic activities that are in line with the taxonomy – 2023 publication
- Table PPP 42: Proportion of operating expenditure from products or services related to economic activities that are in line with the taxonomy – publication for 2023
- Tables PPP 14-33, 37, 39 and 43: Nuclear energy and fossil gas-related activities<sup>26</sup>.

<sup>22</sup> For Credit Institutions: GAR - stock (see Annex PPP, Tables PPP 6 and PPP 7); for Investment Firms: KPIs related to asset stocks (see Annex PPP, Tables PPP 35 and PPP 36); for Asset Managers: KPIs relating to assets under management (see Annex PPP, Table PPP 38); for Non-financial Undertakings: KPIs relating to turnover or capital expenditure (see Annex PPP, Tables PPP 40 and PPP 41).

<sup>23</sup> The weighting for Credit Institutions is 81.89%, for Investment Firms 0.14%, for Asset Managers 11.09% and for Non-financial Undertakings 6.88%. The values given are rounded to whole decimal places (the sum of the numbers given may therefore not add up to 100%).

<sup>24</sup> Only instead of KPIs for compliance with the taxonomy, eligibility indicators for the taxonomy are used - the weights are the same.

<sup>25</sup> The table is reported twice - based on a KPI for turnover and a KPI for capital expenditure for the underlying assets.

<sup>26</sup> As neither Investment Firms, Asset Managers nor Non-financial Undertakings carry out, finance or have exposures to the activities listed in the table, templates 2 to 5 of Annex XII of EU Regulation 2021/2178 to the relevant KPIs are not published for these entities. In the case of Credit Institutions, exposures related to nuclear energy or fossil fuels occur only for assets, i.e. only the stock and flow GAR KPI breakdowns are disclosed for them.

### General methodological assumptions

The procedures and assumptions set out below apply to the calculation of all published KPIs unless otherwise stated.

Entities/groups that are a business corporation, a public interest entity, a large accounting unit/large group of accounting units (within the meaning of Act No 563/1991 Coll. on accounting or other implementations of Directive 2013/34/EU in national legislative systems) and had an average of more than 500 employees in the given year are referred to as undertakings subject to the obligation to disclose non-financial information pursuant to Article 19a/29a of Directive 2013/34/EU.

Exposures to undertakings that are not subject to the obligation to disclose non-financial information under Articles 19a or 29a of Directive 2013/34/EU were determined on the basis of available information - in particular, the Group used the latest available data on the number of employees of the undertaking and whether it is an entity of public interest (i.e. in particular whether the entity has issued securities admitted to trading on a European regulated market).

Where a counterparty does not itself have a reporting obligation under Article 19a/29a of Directive 2013/34/EU<sup>27</sup>, but is part of a group that discloses information under Article 29a of Directive 2013/34/EU, the counterparty is classified as an undertaking without an obligation to disclose non-financial information under Article 19a/29a of Directive 2013/34/EU, i.e. these exposures cannot be compliant with or eligible for the taxonomy. This conservative approach is based on the fact that the use of parent company KPIs for the calculation could potentially distort the value of the indicators and lead to misleading information being provided.

The most recent data available were used to calculate the KPIs. If data relating to the current period are not available or if such data are unsuitable for the calculation of the own KPIs, the latest available data published in the previous year(s) are used. If even these data are not available or are inappropriate, the exposure cannot be considered eligible for/compliant with the taxonomy.

Compliance with the taxonomy, eligibility for the taxonomy and classification of exposure types is based on current knowledge and interpretation of applicable regulations and guidance documents by Group staff. The final interpretation takes into account in-house expertise and experience related to the ESG area.

The general procedure for assessing eligibility is as follows:

- if the use of the funds provided is known (e.g. under a loan agreement or according to a prospectus), eligibility for the taxonomy is determined by whether the activity financed matches the description of the activity in the regulations specifying the technical screening criteria (the NACE code of the activity is used indicatively in the assessment)<sup>28</sup>; the value of the exposure to the extent and in the range that it finances the activity is then taken into account as eligible for the taxonomy;
- if the use of the funds provided is not known:
  - if a counterparty turnover or CapEx eligibility indicator for the taxonomy is available (or, for financial corporates, a similar eligibility indicator for the taxonomy)<sup>29</sup>, the exposure value is multiplied by that indicator
  - if no counterparty KPI is known and these data cannot be obtained even by direct communication with the counterparty - the exposure is considered to be ineligible for the taxonomy.

The general procedure for determining the consistency of an exposure with the taxonomy is described below:

- where the use of the funds provided is known, compliance with the taxonomy is determined by whether the taxonomy-eligible activity meets the requirements set out in the technical screening criteria (including not causing material damage) and the counterparty meets the minimum safeguards; the value of the exposure to the extent and in the range that it finances the given activity, is assessed as in line with the taxonomy
- if the use of the funds provided is not known:
  - if a key performance indicator is available for the taxonomy compliance of the counterparty's turnover or CapEx (or, for financial undertakings, another indicator of taxonomy compliance)<sup>28</sup>, the exposure value is multiplied by that indicator
  - if no indicator is known - exposure is not in line with the taxonomy

<sup>27</sup> Including companies from third countries. The information on the location of the counterparty is used to determine whether the counterparty is an EU or a third-country undertaking.

<sup>28</sup> In the case of households, only those exposures related to activities described in Sections 6.5, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Annex I (or Annex II) of EU Regulation 2021/2139 or Sections 3.1 and 3.2 of Annex II of EU Regulation 2023/2486 are considered eligible. In the case of foreclosed real estate collateral, only those exposures related to the activities described in Section 7.7 of Annex I to EU Regulation 2021/2139 are considered eligible. In the case of managed assets, only exposures relating to equity and debt instruments or real estate may be considered eligible.

<sup>29</sup> The available indicator that provides the most relevant and representative view of the actual activity of the counterparty being financed is always used. If the indicator is not known for a given counterparty but is available for the group to which the counterparty belongs (i.e. non-financial information is reported by the parent company), the information published by the nearest reporting parent company is used. In the event a counterparty is engaged in more than one activity (i.e. reports KPIs in relation to more than one type of business according to EU Regulation 2021/2178), its weighted KPIs (i.e. the KPIs of individual activities multiplied by the share of the counterparty's turnover) are used in the calculation. If the counterparty is a financial undertaking, the calculation will use its taxonomy eligibility/taxonomy compliance ratio calculated in accordance with the answer to Question 4 in the Third Commission Notice.



The assessment of taxonomy eligibility and taxonomy compliance for Non-financial Undertakings is similar to that for exposures with known revenue use. Additional information is provided in the section on the calculation of the KPIs of these entities.

For exposures, a look-through approach is generally applied, i.e. eligibility or compliance with the taxonomy is determined on the basis of an analysis of the main beneficiary of the funds provided or the underlying assets. An exception occurs in the case of SPVs (special purpose vehicles), repos, share certificates and managed assets<sup>30</sup>, where all exposures have been conservatively categorised as ineligible for the taxonomy due to lack of data.<sup>31</sup>

Additional assumptions and simplifications regarding the evaluation of taxonomy eligibility/compliance that are only relevant for certain exposure types for each category of entities in the Group are provided in the following sections under the description of the procedure for calculating the KPIs of the entities.

Both compliance with the taxonomy and eligibility for the taxonomy are always assessed only with respect to one of the environmental objectives (except for Non-financial Undertakings, see below). In order to avoid double counting, where the same exposure is relevant for two or more environmental objectives, the exposure is only assigned to the environmental objective identified as more relevant based on information from the counterparty or expert judgement.

In the case of unknown use of proceeds, information on the compliance of counterparties' activities with the taxonomy comes from various systems (e.g. Bloomberg), from clients (e.g. via an ESG questionnaire) and from publicly available sources (e.g. annual reports - from the previous year in case data for 2023 is not available).

In the case of a known use of proceeds (as per the loan documentation), the decision on the taxonomy eligibility and taxonomy compliance of the activity is based on information from counterparties (obtained from publicly available reports, ESG questionnaire used within the Group, or direct contact with the counterparty) or on internal expert judgement in case of insufficient or unreliable data (in 2023, it was only an expert decision to conservatively classify the exposure as ineligible, respectively not in line with the taxonomy). The exposures that were, as at 31 December 2023, classified as taxonomy-eligible/taxonomy-compliant, were in most cases evaluated based on information from publicly available sources.

For loans to households, only loans granted for the purchase (and subsequent ownership) or renovation of residential real estate or for the purchase of cars that meet selected technical screening criteria set out in the relevant EU regulations can be considered exposures in line with the taxonomy. For prudence reasons, due to the limited availability of data, any exposures to households are not considered taxonomy-compliant. In the case of household motor-vehicle loans, all these exposures are also considered ineligible for the taxonomy for the same reason.

Some of the tables in Annex PPP further divide exposures according to whether they can be characterised as:

- exposures related to supporting activities: these are activities that directly enable other activities to contribute significantly to at least 1 of the environmental objectives, have a positive impact on the environment with respect to the life cycle, while not compromising the achievement of the long-term environmental objectives<sup>32</sup> - these activities are identified through their description in the regulations specifying the technical screening criteria (e.g. by the phrase "an activity falling under this category is a supporting activity")
- exposures related to transitional activities: these are activities for which there is no technologically and economically available low-carbon alternative and which also make a significant contribution to climate change mitigation and support the transition to a climate-neutral economy<sup>33</sup> - these activities are identified through their description in the regulations specifying the technical screening criteria (e.g. by the phrase "an activity falling under this category is a transitional activity")
- exposures with known use of proceeds: these are exposures where the use of the funds provided is known (e.g. under a contract) - these exposures are identified on the basis of internal sources

The figures in the tables in Annex PPP are presented at gross book value (i.e. before deduction of depreciation, amortisation, etc.) determined in accordance with the relevant IFRS standards.

<sup>30</sup> This refers to KPIs for Credit Institutions and Asset Managers.

<sup>31</sup> For example, in the case of Table PPP 2 in Annex PPP, exposures to SPVs are included in line 35 and repo transactions in line 39.

<sup>32</sup> The full definition is set out in Article 16 of EU Regulation 2020/852.

<sup>33</sup> The full definition is set out in Article 10(2) of EU Regulation 2020/852.



The assets used in the calculation of the ratios represent the contributions of each group of entities (i.e. Credit Institutions, Investment Firms, Asset Managers and Non-financial Undertakings) to total consolidated assets. Intra-group exposures and other intra-group transactions (in terms of the Group's accounting<sup>34</sup> consolidation) are not included in the ratios (in the numerators or denominators of the individual KPIs) - similar to the disclosed financial statements.

The exchange rate used for the conversion of stock and flow exposures in other currencies into EUR is the exchange rate as at 31 December of the reference year.

No estimates are used in the calculation of KPIs.

### Procedure for calculating individual KPIs – Credit Institutions

The GAR for Credit Institutions is calculated using the following formula:

$$\text{GAR} = \frac{\text{the gross carrying amount of loans and other receivables, debt securities, equity instruments and foreclosed collateral,}^{35} \text{ which finance economic activities in line with the taxonomy}}{\text{total assets included}}$$

The following types of assets are not included in the total included assets, which represent the denominator of the GAR:

- exposures to central governments, central banks and supranational issuers
- financial assets held for trading (i.e. the trading portfolio)

The following items are not included in the numerator of the GAR (i.e. they are not assessed for taxonomy compliance or taxonomy eligibility):

- exposures to central governments, supranational issuers and central banks<sup>36</sup>
- derivatives<sup>37, 38</sup>
- financial assets held for trading (i.e. the trading portfolio)<sup>39</sup>;
- interbank loans on demand<sup>40</sup>
- exposures to undertakings that are not subject to the obligation to disclose non-financial information pursuant to Article 19a/29a of Directive 2013/34/EU<sup>37</sup> (however, exposures to households and local governments with known use of revenues are included in the numerator of the indicator)
- cash and cash-related assets<sup>41</sup>
- other assets for which consistency with the taxonomy cannot be assessed (e.g. goodwill, commodities)

The KPIs for off-balance sheet exposures at Credit Institutions are calculated separately for financial guarantees provided in support of loans and other receivables and debt securities and for assets under management. Other off-balance sheet exposures are not included in the KPIs.

In the case of the calculation of KPIs for financial guarantees, exposures to central governments, central banks and supranational issuers are not included in the denominator.

<sup>34</sup> This approach contributes to better linkage to the published financial statements. At the same time, data on intra-group exposures are not currently available at the Group's prudential consolidation level without incurring disproportionate costs. The difference between the value of these exposures in the case of prudential vs. accounting consolidation is negligible.

<sup>35</sup> The following accounting categories of financial assets are included in the numerator, including loans and other receivables, debt securities, equity instruments, and foreclosed commercial and residential real estate collateral:

- financial assets at accrued value
- financial assets at fair value through other comprehensive income
- investments in subsidiaries
- joint ventures and associates
- financial assets at fair value through profit or loss and non-trading financial assets designated at fair value through profit or loss
- real estate collateral acquired by lending institutions through foreclosure in exchange for debt cancellation

<sup>36</sup> Exposures to central governments, central banks and supranational issuers in the investment portfolio consist mainly of government bonds of the Czech Republic, the Slovak Republic and other EU countries and claims on the CNB, NBS, HND and DBB.

<sup>37</sup> Except in the case of exposures related to debt securities considered environmentally sustainable. The Group considers such debt securities to be those instruments issued in accordance with EU Regulation 2023/2631 (the European Green Bond Regulation). In order to avoid double counting, the KPI of the counterparty is adjusted for these environmentally sustainable debt securities when calculating compliance with the taxonomy for exposures with no known use of proceeds.

<sup>38</sup> Exposures from non-trading derivatives are considered to be the positive fair values of derivatives on the investment portfolio (i.e. without netting). Derivatives relating to central governments, central banks and supranational issuers are included in the line for exposures to these counterparties.

<sup>39</sup> Exposures to central governments, central banks and supranational issuers that are part of the trading portfolio are included in the asset value line for the counterparties concerned. Derivatives that are part of the trading book are included in the derivatives value line.

<sup>40</sup> Demand interbank loans are considered to be deposits in current accounts with other banks primarily for correspondent banking and brokerage services.

<sup>41</sup> It includes banknotes and coins in domestic and foreign currency, valuables and other cash values (e.g. values in transit or in official custody, other precious metals, postage stamps, stamps and stamped forms). It does not include gold. Cash at central banks would be included in exposures to central banks.

The following items are not included in the numerator of the KPIs for financial guarantees:

- exposures to undertakings not subject to the obligation to disclose non-financial information pursuant to Article 19a/29a of Directive 2013/34/EU<sup>37</sup>
- derivatives<sup>37</sup>
- exposures to central governments, central banks and supranational issuers

In the case of assets under management, the Credit Institutions identified weaknesses in their internal data that prevented them from reliably identifying exposure types in terms of counterparty type. Therefore, to avoid overstating the disclosed KPI related to assets under management, no assets under management are considered eligible for or in line with the taxonomy. For the above reason, exposures to central governments, central banks and supranational issuers are also (probably) included in the denominator of the given KPI. In 2024, the Group plans to focus on improving the data quality of the assets under management and remedy the identified shortcomings.

Eligibility for and compliance with the taxonomy were assessed separately for Credit Institutions for exposures to individuals, local governments and corporates that report non-financial information under Articles 19a or 29a of Directive 2013/34/EU in the investment portfolio.

Clarification on the classification of certain items:

- due to the nature of the counterparties, all Loans and other receivables on Credit Institutions are included in the row "Loans and other receivables" for undertakings subject to the disclosure obligation under Article 19a/29a of Directive 2013/34/EU (e.g. row 4 in Annex PPP, Table PPP 2) even if the applicability of this obligation could not be verified for some counterparties; however, none of these exposures or any part of them were classified as eligible for the taxonomy (i.e. not even in line with the taxonomy) and this simplification therefore does not lead to a potential overstatement of the disclosed KPIs
- all loans to individuals are included in the "Households" row (e.g. row 24 in Annex PPP, Table PPP 2)
- if the purpose of an exposure is the renovation of a house (e.g. row 26 in Annex PPP, Table PPP 2) and at the same time it is a loan secured by residential real estate (row 25 in the table), the total values of exposures to households are counted only once (row 24 in the table)
- all loans and other receivables from SPVs are included in the row "Loans and other receivables" for undertakings not subject to the disclosure requirements of Article 19a/29a of Directive 2013/34/EU (e.g. row 35 in Annex PPP, Table PPP 2)
- all loans and other receivables from undertakings not exceeding EUR 400 are included in the row "Loans and other receivables" for undertakings not subject to the disclosure obligation pursuant to Article 19a/29a of Directive 2013/34/EU (e.g. row 35 in Annex PPP, Table PPP 2, or row 41 in Annex PPP, Table PPP 2 in cases where third-country counterparties are involved)
- all loans and other receivables on Financial Undertakings other than Credit Institutions (see above) that are not subject to the disclosure requirements of Article 19a/29a of Directive 2013/34/EU are included in the row "Loans and other receivables" for undertakings not subject to the disclosure requirements of Article 19a/29a of Directive 2013/34/EU (e.g. row 35 in Annex PPP, Table PPP 2)
- all repo transactions are included in the row "Capital instruments" for undertakings not subject to the disclosure requirements of Article 19a/29a of Directive 2013/34/EU (e.g. row 39 in Annex PPP, Table PPP 2)
- loans for the purchase of securities are included in the row "Loans and other receivables" for undertakings not subject to the disclosure requirements of Article 19a/29a of Directive 2013/34/EU (e.g. row 35 in Annex PPP, Table PPP 2)
- no exposures to local authorities were identified in 2023 where the use of the proceeds was unknown
- assets under management (e.g. row 55 in Annex PPP, Table PPP 2) include other types of exposures in addition to debt securities and equity instruments, e.g. cash, options, etc.

In addition, the following simplifying assumptions were used in calculating the value of the Credit Institutions' flow indicators:

- the determination of whether an exposure is a new exposure incurred during the reference period is based on the date of origination for Loans and other receivables (including margin trades, overdrafts, etc.); the value of new exposures is determined as the gross carrying amount at the end of the reference period
- for debt securities and equity instruments, the value of new exposures shall be the product of the increment in units (between the end of the current and the previous reference period) and the gross carrying amount of the instrument at the end of the reference period
- due to their nature, the following exposure types are considered as newly incurred exposures during the reference period and their status at the end of the reference period:
  - interbank demand loans and exposures to credit institutions that are not loans,
  - derivatives,
  - cash and cash-related assets,
  - other assets for which consistency with the taxonomy cannot be assessed (e.g. goodwill, commodities),

- exposure in the trading portfolio,
- exposure to central banks<sup>42</sup>.

The NACE code used in Tables PPP 4 and PPP 5 (see Annex PPP) refers to the core business of the counterparty that received the financing. The NACE code relating to the specific activity financed (where the use of the proceeds is known) is not taken into account. That is, there may be cases where, although the counterparty's main activity falls under a NACE code not mentioned in the regulations specifying the technical screening criteria, part of the exposures to it are classified as eligible or in line with the taxonomy. Where the exposure involves more than one entity, the NACE code of the main activity of the counterparty that was more significant or decisive in the decision to grant the exposure shall be indicated in the table.

The exposure values are further broken down in the tables according to whether or not they are Non-financial Undertakings subject to the obligation to disclose non-financial information under Articles 19a or 29a of Directive 2013/34/EU. As the Credit Institutions do not currently have any exposures to financial corporations that could be considered eligible for the taxonomy, financial corporations are not included in this table.

#### **Procedure for calculating individual KPIs – Investment Firms**

The Green Asset Ratio for Investment Firms is calculated as the share of assets<sup>43</sup> related to activities in line with the taxonomy within total assets invested for own account after excluding exposures to central governments, central banks and supranational issuers.

The following items are not included in the numerator of the KPI (i.e. they are not assessed for taxonomy compliance or taxonomy eligibility):

- exposures to undertakings not subject to the obligation to disclose non-financial information pursuant to Article 19a/29a of Directive 2013/34/EU<sup>37</sup>
- exposures to central governments, central banks and supranational issuers
- derivatives<sup>37</sup>

Eligibility for the taxonomy and compliance with the taxonomy should be assessed separately for proprietary trading and trading on behalf of clients - however, Investment Firms currently only invest on their own behalf.

#### **Procedure for calculating individual KPIs – Asset Managers**

The key performance indicator for the Asset Manager is the proportion of assets<sup>44</sup> under management related to activities in line with the taxonomy relative to total assets<sup>45</sup>.

Figures are presented at gross book value excluding netting.

The following items would be excluded from the numerator of the Asset Managers' KPI (i.e. these exposures may not be eligible for or in line with the taxonomy):

- exposures to undertakings not subject to the obligation to disclose non-financial information pursuant to Article 19a/29a of Directive 2013/34/EU<sup>37</sup>
- exposures to central governments, central banks and supranational issuers
- derivatives<sup>37</sup>

In the event that a type of entity within the Group other than an Asset Manager purchases Asset Managers' assets under its management for the client's portfolio, the value of those assets is included within the assets managed by the Asset Managers.

Considering the unavailability of detailed data, already mentioned in the description of the procedure for determining the KPI for assets under management at the Credit Institutions, a conservative approach is taken, meaning no assets under management are considered to be exposures eligible for or in line with the taxonomy.

Similar to the Credit Institutions, the Group plans to focus on increasing the availability of reliable data at Asset Managers in 2024 and

<sup>42</sup> As all exposures to central governments and supranational issuers consisted only of debt securities, this category of exposures is treated in the same way as debt securities of other types of counterparties.

<sup>43</sup> These are all the assets that Investment Firms invest for their own account. It includes debt securities, equity instruments, cash equivalents due to investees, real estate and all other assets. It includes exposures to both non-financial and financial investee companies.

<sup>44</sup> These are the assets under management of the entities in question, relating to both collective and individual portfolio management.

<sup>45</sup> For the reasons set out below, exposures to central governments, central banks and supranational issuers are not excluded from the denominator.

to adjust existing procedures to ensure that the necessary data is consistently recorded in internal systems.

#### **Procedure for calculating individual KPIs – Non-financial Undertakings**

The turnover-related key performance indicator for Non-financial Undertakings is calculated as the ratio of net turnover<sup>46</sup> arising from products or services (including intangible assets) related to activities in line with the taxonomy to total net turnover.

The key performance indicator related to CapEx is defined as the ratio of capital expenditure<sup>47</sup>, which relates to assets or processes associated with activities in line with the taxonomy, to total capital expenditure.<sup>48</sup>

The OpEx related KPI represents the proportion of operating expenditure<sup>49</sup> related to assets or processes related to economic activities in line with the taxonomy, relative to total operating expenditure.

In calculating the KPIs for CapEx and OpEx, a simplifying assumption was made that if none of an entity's activities are taxonomy compliant (or taxonomy eligible), then neither will its capital or operating expenditures be considered taxonomy compliant (or taxonomy eligible).

As Non-financial Undertakings do not issue green bonds or similar financial instruments, they do not disclose separate KPIs adjusted for the share of these instruments.

Only internal data of the Non-financial Undertakings or the Group are used to assess eligibility for the taxonomy and compliance with the taxonomy.

In case the activities of one Non-Financial Undertaking are related to more than one economic activity, the turnover/CapEx/OpEx is assigned to a specific activity according to the specific business area or project to which the turnover/CapEx/OpEx relates. If this information is not available, expert judgement is used based on accounting evidence about the entity collected at Group level - items that cannot be reliably classified are allocated to an activity ineligible for the taxonomy.

The eligibility of each activity for the taxonomy is determined by whether the activity matches the activity description in the regulations specifying the technical screening criteria. Only activities that have been classified as eligible are subsequently assessed for compliance with the taxonomy.

The financial services provided would only be considered eligible if they were activities related to non-life insurance (specifically underwriting climate-related risks) or reinsurance (specifically covering climate-related risks).

For each eligible activity, an expert assessment is made, based on the criteria set out in the technical screening criteria, as to whether the activity:

- contributes significantly to at least one of the environmental objectives, and also
- does not significantly harm any of the environmental objectives.

The principle is that if an activity is eligible for or in line with the taxonomy under more than one environmental objective, the environmental objective that is considered most relevant is expertly determined and only this is counted in the calculation of aggregate indicators (to avoid double counting of the activity). This objective is then indicated in bold on the relevant row in the tables (i.e. in Annex PPP, Tables PPP 40, PPP 41 and PPP 42, it may be indicated on one row that the activity is taxonomy eligible / taxonomy compliant in terms of multiple environmental objectives).

Non-financial Undertakings (or Group) conduct their business in accordance with human rights and ethical principles - in particu-

<sup>46</sup> The amount of net turnover is determined in accordance with the relevant IFRS standards. Net turnover includes interest income, income from fees and commissions, net trading income, if positive, and other operating income.

<sup>47</sup> Capital expenditure refers to the additions to tangible or intangible assets in 2023 before depreciation, amortisation and any revaluation, calculated in accordance with the relevant IFRS standards. Specifically, these items are listed as additions (from acquisitions) to property and buildings, inventory and equipment and assets with right of use in the table Land, Plant and Equipment, Long-term Intangible Assets and Goodwill and Investment in Property Included in the Consolidated Financial Statements.

<sup>48</sup> In addition to CapEx/OpEx related to taxonomy-compliant activities, the numerator could also include CapEx/OpEx that are part of a capital expenditure plan, i.e. a plan to increase the amount of taxonomy-compliant activities (either through new activities or by meeting taxonomy compliance criteria for taxonomy-eligible activities), according to EU Regulation 2021/2178. However, Non-financial Undertakings are not currently developing such a plan. Similarly, the numerator could include CapEx/OpEx related to the purchase of output of activities in accordance with taxonomies and measures that enable GHG emission reductions or conversion to sustainable activities (for a complete definition, see chap. 1.1.2.2 in Annex I of EU Regulation 2021/2178), but based on the available data, Non-financial Undertakings are not aware of such expenditure.

<sup>49</sup> Operating expenditure for the purposes of reporting under EU Regulation 2021/2178 includes direct non-capitalised costs associated with research and development, building renovation, short-term rentals, maintenance and repairs, and any other direct expenditure related to the day-to-day maintenance of assets (buildings, land or equipment).

lar, they follow the rules specified in the OECD Guidelines for Multinational Enterprises<sup>50</sup>, the UN Guiding Principles on Business and Human Rights<sup>51</sup>, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work<sup>52</sup> and the International Bill of Human Rights<sup>53</sup>. Non-financial Undertakings thus meet the so-called minimum guarantees that are a prerequisite for classifying activities as compliant with the taxonomy.

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<sup>50</sup> OECD Guidelines on Multinational Enterprises

<sup>51</sup> UN Guiding Principles on Business and Human Rights

<sup>52</sup> ILO Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work

<sup>53</sup> UN International Bill of Human Rights

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## ENVIRONMENTAL RESPONSIBILITY

The Group's ongoing ambition is to be a provider of the highest level of service and personalised approach to its clients, partners and counterparties, which includes accommodating changing lifestyles while taking into account the Sustainable Development Goals. The Company and other Group entities see their position as one in which they must actively participate in a changing environment, while at the same time not negatively impacting the achievement of value. The Company believes that responsible investment does not have to be at the expense of performance and both financial and non-financial factors should be taken into account.

Consideration of socially responsible investing or ESG criteria is increasingly evident in the way clients choose their investments. In 2023, 365.bank continued the established trend of implementing sustainability values into the very foundations of its business. In addition to internal commitments, it has also declared its approach by signing the Slovak Banking Association's Memorandum on Sustainable Business and Development, as well as by publicly promising to become the first carbon-neutral bank in Slovakia by 2025. The Euromoney Awards for Excellence international banking competition awarded 365.bank the title of Best Bank in the ESG Category in Slovakia in 2023. The jury appreciated its ecological services and products, such as the plastic-free account, the eco mortgage, and also the "mobile first" principle it has been promoting since its inception and which is minimising the carbon footprint, paper and plastic. Experts also praised the bank's activities aimed at achieving carbon neutrality by the end of 2025, as well as several projects to reduce or recycle plastics. The active approach and education on the topic of gender equality and support for inclusion and diversity, which 365.bank confirmed by signing the Pontis Foundation's Diversity Charter, were also positively evaluated.

The Group's approach to social values is described above in the section Social and employment areas. Across the Group, there is a thorough commitment to respecting and improving working conditions and zero tolerance of discrimination at any level. Social relations are strengthened between employees, and work is being done to deepen relations between employees and junior and senior management. Respect for human rights is considered one of the most important values within the Group. The individual Group companies closely monitor and comply with international sanctions relating to the provision of services or the establishment of relationships with specific persons, and compliance with sanctions is monitored. The Company's approach to the fight against corruption and bribery and other details in this area are also set out in the section above.

An aspect of corporate governance that the Group considers important and takes into account in its day-to-day activities is in particular compliance with legal regulations and its codes of ethics. Emphasis is also placed on the fight against corruption and sufficient risk management and internal and external audit activities. As part of the Group's - and in particular the banks' - business strategy, global trends and the geopolitical situation are monitored and analysed, which helps to prevent a rigid approach and potential loss of Group performance. For this reason, sustainability trends are also monitored and the most appropriate and at the same time most advantageous approach in relation to environmentally sustainable economic activities is assessed to ensure that the strategy of the Group and the banks is in line with the relevant regulation. This is then reflected in the consideration of updating product offers and in setting up and managing relationships with clients and counterparties of the Company and other Group companies.

## BANKS HELP



J&T Banka, its shareholders and employees have long supported the J&T Foundation, which has been helping families with children at risk for many years by providing financial and material assistance and counselling. Based on its experience in the field, it also seeks systemic changes in the prevention and care of families at risk. The foundation makes contributions to both natural persons and legal entities - non-profit organizations, if their projects are related to the mission and goals of the foundation. The assistance is mainly directed to children at risk in order to deepen their comprehensive care and to socially vulnerable families, sick and disabled people. Hospice care and awareness-raising activities are also supported. One of the priorities is the development of foster family care. The long-term goal of the J&T Foundation is therefore to ensure that children under the age of seven are not placed in institutional care but grow up in a family environment. The J&T Foundation is a member of the Association of Public Benefit Organizations of the Czech Republic and since 2014 has met the criteria for the designation "Reliable Public Benefit Organization", which is a guarantee for donors and the public that donated funds are managed adequately and transparently and that the foundation fulfils its mission.

For a number of years, J&T Banka has been enabling students of selected fields of study to gain work experience in banking through the Financial Trainee programme, both in the Czech Republic and Slovakia. The Financial Trainee programme is one of the successful projects in cooperation with young candidates from the financial and economic field, where J&T Banka offers the opportunity to try out working in different teams under the guidance of senior colleagues and the opportunity to gain a real and broad view of the functioning of the financial market.

J&T Banka and its officials are enthusiastic supporters of the arts. For example, J&T Banka organises the Magnus Art project, which aims to introduce the public to contemporary art, its creators and the exceptional personalities who shape the artistic environment. The Magnus Art Gallery is located in the J&T Banka building itself, with a regularly updated exhibition of artworks to which the public also has access. The Magnus Art Gallery aims to present valuable collections based on Czech and international art. In addition to this part, the corridors of the building are filled with artworks by both renowned artists and art school students. The Bank also offers guided tours of these exhibitions. As part of the Magnus Art book series, the Bank helps to bring interesting art titles to the world.

Given its orientation towards the art market, J&T Banka also seeks to educate clients about this alternative investment (i.e. investment in art), for example through the Magnus Magazine. The Magnus Magazine also supports the "noblesse oblige" concept, and therefore brings stories, portraits, visions and places that inspire.

J&T Banka also supports sports activities. For example, it is a general partner of the Czech Rugby Union and the Ostrava Beach Volleyball Tournament (VOLLEYBALL WORLD BEACH PRO TOUR).

365.bank is the founder of 365.foundation, which focuses on supporting education, ecology and helping communities. 2023 was a year in which 365.foundation continued its successful grants and supported many new projects. At the same time, it focused primarily on supporting activities and projects in education, through 365.academy, where the topics of financial literacy, critical thinking, gender equality and others in the field of financial education were emphasised. Through the 365.academy project, the educational activities of the Zivica Centre for Environmental and Ethical Education, the Junior Achievement Slovakia non-profit organisation and the Zmudri civic association were supported.

The Zmudri civic association seeks to educate young people, teachers and pupils/students in schools in the fields of critical thinking and media literacy. As part of a joint project, a series of explanatory papers on financial literacy was prepared in 2023, either in the form of carousel posts (multi-image text posts) or reels (short explanatory videos), as well as an educational video on the topic of financial inequality between men and women. During the year, we focused on topics such as savings and reserves, investing and responsible debt, but also basic concepts relating to loans, cyber security (phishing) and financial advice for travelling abroad. Throughout the project, we succeeded not only in bringing the important topic of responsible finance closer to a wide range of young people in a relatable way, but also in providing them with practical advice and tips they can apply in their lives.

In 2023, 365.foundation also continued supporting grant projects. 365.foundation's most successful long-term grant programme is Idea for 3 Generations, which ran for the eighth consecutive year in 2023. The aim of this grant is to support activities in which children, adults and seniors participate together. The grant is designed to bring them together for a good cause - for a meaningful idea that they will implement for the benefit of their community, village or town. We are aware that intergenerational relationships and their support are vital today. Therefore, 22 original community projects were supported through this grant programme with a total amount of EUR 40,000 in 2023.



This document is an unsigned English translation of the Czech independent auditor's report that we issued on 25 April 2024 on the statutory separate and consolidated financial statements included in the annual financial report of J&T Finance Group SE, prepared in accordance with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation"), related to the financial statements. The accompanying annual financial report has not been prepared in accordance with the ESEF Regulation and therefore does not represent a statutory annual financial report. Consequently, neither it nor this copy of the auditor's report is a legally binding document. We did not audit the consistency of the accompanying annual financial report with the statutory and legally binding annual financial report under the ESEF Regulation in Czech, and therefore we do not provide an opinion on the accompanying annual financial report.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF J&T FINANCE GROUP SE

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of J&T Finance Group SE ("the Company") and its subsidiaries (together "the 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 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information. Information about the Group is set out in 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 2023, 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 of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations 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.

#### Expected credit losses for loans to customers

Loans to customers amounted to TEUR 7 624 994 as at 31 December 2023 (31 December 2022: TEUR 8 072 757).

Expected credit losses for loans and advances amounted to TEUR 352 381 as at 31 December 2023 (31 December 2022: TEUR 421 748). Refer to Note 3 (Significant accounting policies), Note 26 (Loans and advances to customers) and Note 29 (Expected credit losses).

#### The key audit matter

Impairment allowances represent the Management Board's best estimate of the expected credit losses ("the Expected Credit Losses", "ECLs") within loans and advances (together, "loans" or "exposures") to Group's customers at the reporting date. We focused on this





area as the measurement of impairment allowances requires the Management Board to make complex and subjective judgements and assumptions.

In the process, the loans are allocated into one of the three stages prescribed by IFRS 9 Financial instruments in order to estimate the loss allowances. Stage 1 and Stage 2 loans are performing loans, with Stage 2 loans being those for which significant increase in credit risk since origination has been observed. Stage 3 loans are non-performing, credit-impaired loans.

In determining the expected credit losses, the Group considered future repayment scenarios and also considered the value of the collateral (if applicable).

Key assumptions and judgements in the calculation of the Expected Credit Losses include the following:

- application of the definition of default and significant increase in credit risk (SICR);
- the probability of default (PD), loss given default (LGD) and exposure at default (EAD) model parameters;
- credit conversion factor (CCF) for off-balance sheet exposures;
- application of selected forward-looking information (FLI) based on several macroeconomic scenarios; and
- adjustments to ECLs by means of management overlays.

PD parameter is determined based on annualized migration matrix resulting from the external market data adjusted for FLI, with probability-weighted scenarios considered. PD parameter is assigned to the loan based on its internal rating.

LGD is determined by estimating the probability-weighted discounted future cash flows for each exposure. The key judgments and assumptions are those for future cash repayment scenarios and related probabilities, also considering the realizable value of underlying collateral.

Due to the above factors and complexities, coupled with the need to consider the effects of the current economic and geopolitical volatility, measurement of ECLs in respect of retail loans required our increased attention in the audit and as such was determined to be a key audit matter.

#### How the matter was addressed in our audit

Assisted, where relevant, by our own credit risk and information technology (IT) specialists, we performed, among other things, the procedures outlined below.

We assessed the Group's credit and accounting policies and processes related to estimating ECLs. This included assessing whether the relevant methods, models, assumptions, and data used therein comply with the requirements of the relevant financial reporting standards and industry practice. As part of the above, we also tested IT control environment for data security and access.

We tested the design, implementation, and operating effectiveness of selected IT-based and manual controls over the approval, recording and monitoring of loans and advances, matching of incoming payments, and calculating days past due. We tested the controls by making inquiries of heads of risk, finance and IT department and other relevant IT and risk department personnel, in combination with the observation, inspection of underlying documentation and, where applicable, reperformance of controls.

We assessed the key assumptions applied in the ECL measurement as follows:

- definition of default and of SICR – by assessing whether the financial instruments standard's definition of default and staging criteria were consistently applied;
- PD parameter – by reference to external market data and considering any required adjustments to reflect expected changes in circumstances;
- LGD and EAD parameters – by reference to the Group's historical and contractual data and considering any required adjustments to reflect expected changes in circumstances; and
- forward-looking indicators as well as management overlays – by means of corroborating inquiries of the Management Board, applying our knowledge of the Group and inspecting publicly available data and reports.

For a sample of loans, by reference to the underlying documentation (loan files) and through inquiries of the Group's credit officers, we evaluated whether the loans were allocated to appropriate stages of IFRS 9, and whether appropriate internal rating and LGD



parameters (incl. checking the realizable value of underlying collateral) were applied to on-balance and off-balance sheet exposures in determining the related ECLs. As part of the procedure, we specifically focused on the robustness of the Group's financial analysis of the borrower, the repayment pattern for the loan and the collateral provided.

For the selected groups of loans, we checked whether PD and EAD parameters were reasonably and consistently applied to on-balance and off-balance exposures in determining the related ECLs. We also independently recalculated ECL balance and assessed their overall reasonableness.

We examined whether the loan impairment and credit risk-related disclosures in the consolidated financial statements appropriately address the relevant quantitative and qualitative information required by the applicable financial reporting framework.

### Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual financial report ("the annual report") other than the separate and the consolidated financial statements and our auditor's report. The statutory body 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 consolidated 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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those 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 matters that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

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 Statutory Body, Supervisory Board and Audit Committee for the Consolidated Financial Statements

The statutory body 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 statutory body 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 statutory body 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 statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process. The Audit Committee is responsible for monitoring 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 the 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 regulations, 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 statutory body.
- Conclude on the appropriateness of the statutory body's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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 THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying separate financial statements of J&T Finance Group SE ("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 2023, and the separate statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the separate financial statements, comprising material accounting policies and other explanatory information. Information about the Company is set out in Note 1 to the separate financial statements.

In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2023, and of its unconsolidated financial performance and its unconsolidated 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 of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are



further described in the Auditor's Responsibilities for the Audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

### Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual financial report ("the annual report") other than the separate and the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the separate financial statements does not cover the other information. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those 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 matters that are also presented in the separate financial statements is, in all material respects, consistent with the separate financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company 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 Statutory Body, Supervisory Board and Audit Committee for the Financial Statements

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

In preparing the financial statements, the statutory body 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 statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 the 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 financial statements.



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kept by the Municipal Court in Prague,  
Section C, Insert No. 24185

Identification No. 49619187  
VAT CZ699001996  
ID data box: 8h3gtra

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

- Identify and assess the risks of material misstatement of the 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 statutory body.
- Conclude on the appropriateness of the statutory body's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 of 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 and the Group by the General Meeting of Shareholders on 3 October 2014 and our uninterrupted engagement has lasted for 10 years.

### Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 19 April 2024 in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

### Provision of Non-audit Services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided.

Except for the statutory audit we did not provide the Company and its controlled undertakings with any other services that have not been disclosed in notes to the separate and consolidated financial statements or annual report.



## REPORT ON COMPLIANCE WITH THE ESEF REGULATION

We have undertaken a reasonable assurance engagement on the compliance of all financial statements included in the annual report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation"), related to the financial statements.

### Responsibilities of the Statutory Body

The Company's statutory body is responsible for the preparation of financial statements that comply with the ESEF Regulation. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation;
- the preparation of all financial statements included in the annual report in the applicable XHTML format; and
- the selection and application of XBRL mark-ups as required by the ESEF Regulation.

### Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements included in the annual report comply, in all material respects, with the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000").

The nature, timing and extent of procedures selected depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but is not a guarantee that an assurance engagement conducted in accordance with the above standard will always detect any existing material non-compliance with the ESEF Regulation.

Our selected procedures included:

- obtaining an understanding of the requirements of the ESEF Regulation;
- obtaining an understanding of the Company's internal control relevant to the application of the ESEF Regulation;
- identifying and assessing the risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- based on the above, designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The objective of our procedures was to evaluate whether:

- the financial statements included in the annual report were prepared in the applicable XHTML format;
- the disclosures in the consolidated financial statements as specified in the ESEF Regulation were marked up, with all mark-ups meeting the following requirements:
  - the XBRL mark-up language was used;
  - the elements of the core taxonomy specified in the ESEF Regulation with the closest accounting meaning were used, unless an extension taxonomy element was created in compliance with the ESEF Regulation; and
  - the mark-ups complied with the common rules on mark-ups specified in the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2023 included in the annual report are, in all material respects, in compliance with the ESEF Regulation.

### Other Matter

Given the possible technical limitations of the tools used in preparing the consolidated financial statements in compliance with the requirements of the ESEF Regulation, the content of some block tags in the machine-readable format of the notes to these consolidated financial statements may not be reproducible in the same form as in the human-readable layer of the audited consolidated financial statements.



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#### STATUTORY AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

Ing. Ondřej Fikrle is the statutory auditor responsible for the audit of the separate and consolidated financial statements of J&T Finance Group SE as at 31 December 2023, based on which this independent auditor's report has been prepared.

Prague, 25 April 2024

KPMG Česká republika Audit, s.r.o.  
Registration number 71

Signed by

Ing. Ondřej Fikrle  
Partner  
Registration number 2525









278.7  
million EUR

THE GROUP'S  
PROFIT AFTER TAX

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2023

in thousands EUR	Note	2023	2022
Interest income calculated using effective interest rate method	9	927,258	646,258
Other interest income	9	20,370	14,764
Interest expense	9	(410,714)	(222,776)
<b>Net interest income</b>		<b>536,914</b>	<b>438,246</b>
Fee and commission income	10	197,107	181,448
Fee and commission expense	10	(41,657)	(40,135)
<b>Net fee and commission income</b>		<b>155,450</b>	<b>141,313</b>
Financial markets, net result	11	74,945	90,266
Other operating income	12	88,515	80,992
<b>Total income</b>		<b>855,824</b>	<b>750,817</b>
Personnel expenses	13	(171,592)	(148,275)
Depreciation and amortisation	30, 31	(38,983)	(44,497)
Loss on sale of subsidiaries	8.2	(28,459)	—
Other operating expenses	14	(142,368)	(139,669)
<b>Total expenses</b>		<b>(381,402)</b>	<b>(332,441)</b>
Impairment of goodwill	30, 31	(366)	—
Change in impairment of property, plant and equipment and intangible assets	30, 31	(2,518)	2,739
Net impairment losses on loans, loan commitments and financial guarantees	27	(87,705)	(126,487)
Net impairment losses on financial assets except loans, loan commitments and financial guarantees	27	(80)	(35,959)
<b>Profit from operations</b>		<b>383,753</b>	<b>258,669</b>
Share of profit from equity accounted investees		(16,296)	(12,254)
<b>Profit before tax</b>		<b>367,457</b>	<b>246,415</b>
Income tax expense	15	(88,784)	(83,802)
<b>Profit for the period</b>		<b>278,673</b>	<b>162,613</b>
Attributable to:			
<b>Equity holders of the parent</b>		<b>264,786</b>	<b>149,497</b>
Non-controlling interests – other equity instruments		10,875	9,871
Non-controlling interests – ordinary shares		3,012	3,245
<b>Non-controlling interests – total</b>		<b>13,887</b>	<b>13,116</b>
<b>Profit for the period</b>		<b>278,673</b>	<b>162,613</b>

The notes set out on pages 76 to 187 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2023

in thousands EUR	2023	2022
<b>Profit for the period</b>	<b>278,673</b>	<b>162,613</b>
<b>Other comprehensive income – items that are or may be subsequently reclassified to profit or loss</b>		
Foreign exchange translation differences	(47,879)	36,251
Amounts reclassified to profit or loss on sale of subsidiaries	55,558	3,320
Debt instruments at fair value through other comprehensive income – net change in fair value	(8,040)	(24,044)
Debt instruments at fair value through other comprehensive income – net amount transferred to profit or loss	2	1,051
Share of other comprehensive income of equity accounted investees	(1,071)	2,651
<b>Other comprehensive income – items that will not be subsequently reclassified to profit or loss</b>		
Equity instruments at fair value through other comprehensive income – net change in fair value	2,355	(3,437)
<b>Other comprehensive income for the period, net of tax</b>	<b>925</b>	<b>15,792</b>
<b>Total comprehensive income for the period</b>	<b>279,598</b>	<b>178,405</b>
Attributable to:		
<b>Equity holders of the parent</b>	<b>267,468</b>	<b>160,067</b>
Non-controlling interests – other equity instruments	10,495	14,383
Non-controlling interests – ordinary shares	1,635	3,955
<b>Non-controlling interests – total</b>	<b>12,130</b>	<b>18,338</b>
<b>Total comprehensive income for the period</b>	<b>279,598</b>	<b>178,405</b>

The notes set out on pages 76 to 187 form an integral part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 25 April 2024.

Signed on behalf of the Board of Directors:



Štěpán Ašer, MBA  
Member of the Board of Directors  
J&T FINANCE GROUP SE



Ing. Dušan Palcr  
Vice-Chairman of the Board of Directors  
J&T FINANCE GROUP SE

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

in thousands EUR	Note	31 December 2023	31 December 2022 (restated) <sup>1</sup>	1 January 2022 (restated)
<b>Assets</b>				
Cash and cash equivalents	16	6,197,282	3,857,021	3,419,544
Financial assets for trading	17.1	409,972	545,706	197,898
Hedging derivatives	18	6,068	15,329	19,764
Investment securities at fair value through profit or loss	19	484,245	423,712	400,019
Investment securities at fair value through other comprehensive income	20	649,239	508,001	662,194
Investment securities at amortised cost	21	923,734	713,989	574,991
Disposal group held for sale	22	18,922	1,522	4,703
Loans and advances to banks	23	123	9,374	34,550
Loans and advances to customers	24, 27	7,273,936	7,651,986	7,453,723
FV changes of portfolio of hedged instruments – Loans and advances to customers		890	(6,140)	1,091
Trade receivables and other assets	26	434,160	251,412	290,276
Current tax assets		3,778	2,905	9,516
Investments in equity accounted investees	28	15,946	50,356	77,174
Investment property	29	149,928	135,777	134,121
Intangible assets	30	98,592	85,976	75,699
Property, plant and equipment	31	289,787	347,174	310,198
Deferred tax assets	38	62,746	53,513	42,038
<b>Total assets</b>		<b>17,019,348</b>	<b>14,647,613</b>	<b>13,707,499</b>
<b>Liabilities</b>				
Liabilities held for trading	17.2	97,665	162,426	86,435
Hedging derivatives	18	4,654	37	5,050
Liabilities associated with disposal groups held for sale	22	—	—	—
Deposits and loans from banks	32	771,979	814,483	650,022
Deposits and loans from customers	33	12,221,357	10,262,653	9,619,752
Debt securities issued	34	728,092	617,300	578,388
Subordinated debt	35	50,805	10,599	2,955
Other liabilities	36	800,492	615,650	722,707
Current tax liability		49,492	50,118	6,696
Provisions	37	11,957	13,771	7,944
Deferred tax liabilities	38	9,559	12,418	11,792
<b>Total liabilities</b>		<b>14,746,052</b>	<b>12,559,455</b>	<b>11,691,741</b>

<sup>1</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see Note 5).

in thousands EUR	Note	31 December 2023	31 December 2022 (restated) <sup>1</sup>	1 January 2022 (restated)
<b>Equity</b>				
Share capital		574,138	574,138	574,138
Share premium		93,577	93,577	93,577
Other reserves		61,417	58,407	42,615
Retained earnings		1,114,345	939,690	882,776
Other equity instruments		218,900	218,900	218,900
<b>Equity attributable to equity holders of the parent</b>	<b>39</b>	<b>2,062,377</b>	<b>1,884,712</b>	<b>1,812,006</b>
Non-controlling interests – other equity instruments	40	151,573	145,040	115,722
Non-controlling interests – ordinary shares	40	59,346	58,406	88,030
<b>Non-controlling interests – total</b>	<b>40</b>	<b>210,919</b>	<b>203,446</b>	<b>203,752</b>
<b>Total equity</b>		<b>2,273,296</b>	<b>2,088,158</b>	<b>2,015,758</b>
<b>Total equity and liabilities</b>		<b>17,019,348</b>	<b>14,647,613</b>	<b>13,707,499</b>

The notes set out on pages 76 to 187 form an integral part of these consolidated financial statements.

<sup>1</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see Note 5).

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2023

in thousands EUR	Note	Share capital	Share premium	Nondistributable reserves	Translation reserve	Other reserves and funds
<b>Balance as at 1 January 2023</b>		<b>574,138</b>	<b>93,577</b>	<b>54,467</b>	<b>3,159</b>	<b>781</b>
Profit for the period		—	—	—	—	—
Other comprehensive income for the period, net of tax – items that are or may be subsequently reclassified to profit or loss		—	—	—	9,596	(9,270)
Foreign exchange translation differences		—	—	—	(46,127)	—
Amounts reclassified to profit or loss on sale of subsidiaries		—	—	—	56,794	(1,236)
Debt instruments measured at fair value through other comprehensive income – net change in fair value		—	—	—	—	(8,036)
Debt instruments measured at fair value through other comprehensive income – net amount transferred to profit or loss		—	—	—	—	2
Share of other comprehensive income of equity accounted investees		—	—	—	(1,071)	—
Other comprehensive income – items that will not be subsequently reclassified to profit or loss		—	—	—	—	2,356
Equity instruments measured at fair value through other comprehensive income – net change in fair value		—	—	—	—	2,356
<b>Other comprehensive income for the period, net of tax</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>9,596</b>	<b>(6,914)</b>
<b>Total comprehensive income for the period</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>9,596</b>	<b>(6,914)</b>
Dividends		—	—	—	—	—
Changes in non-controlling interests without changes in control	40	—	—	—	—	—
<b>Total transactions with owners of the Company recognised directly in equity</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Effect from the sale of subsidiaries	8.2	—	—	(1,736)	—	(1,413)
Issue of other equity instruments	39	—	—	—	—	—
Yield from other issued equity instruments, paid	39	—	—	—	—	—
Transfer to legal and other reserve funds	39	—	—	3,477	—	—
<b>Balance as at 31 December 2023</b>		<b>574,138</b>	<b>93,577</b>	<b>56,208</b>	<b>12,755</b>	<b>(7,546)</b>

See note 39. Equity and note 40. Non-controlling interests.

Retained earnings	Other equity instruments	Equity attributable to equity holders of the parent	Non-controlling interests – other equity instruments	Non-controlling interests – ordinary shares	Non-controlling interests – total	Total equity
<b>939,690</b>	<b>218,900</b>	<b>1,884,712</b>	<b>145,040</b>	<b>58,406</b>	<b>203,446</b>	<b>2,088,158</b>
264,786	—	264,786	10,875	3,012	13,887	278,673
—	—	326	(380)	(1,376)	(1,756)	(1,430)
—	—	(46,127)	(380)	(1,372)	(1,752)	(47,879)
—	—	55,558	—	—	—	55,558
—	—	(8,036)	—	(4)	(4)	(8,040)
—	—	2	—	—	—	2
—	—	(1,071)	—	—	—	(1,071)
—	—	2,356	—	(1)	(1)	2,355
—	—	2,356	—	(1)	(1)	2,355
—	—	<b>2,682</b>	<b>(380)</b>	<b>(1,377)</b>	<b>(1,757)</b>	<b>925</b>
<b>264,786</b>	—	<b>267,468</b>	<b>10,495</b>	<b>1,635</b>	<b>12,130</b>	<b>279,598</b>
(76,551)	—	(76,551)	—	(12,703)	(12,703)	(89,254)
(1,821)	—	(1,821)	—	12,008	12,008	10,187
<b>(78,372)</b>	—	<b>(78,372)</b>	—	<b>(695)</b>	<b>(695)</b>	<b>(79,067)</b>
3,149	—	—	—	—	—	—
—	—	—	6,913	—	6,913	6,913
(11,431)	—	(11,431)	(10,875)	—	(10,875)	(22,306)
(3,477)	—	—	—	—	—	—
<b>1,114,345</b>	<b>218,900</b>	<b>2,062,377</b>	<b>151,573</b>	<b>59,346</b>	<b>210,919</b>	<b>2,273,296</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2022

in thousands EUR	Note	Share capital	Share premium	Nondistributable reserves	Translation reserve	Other reserves and funds
<b>Balance as at 1 January 2022</b>		<b>574,138</b>	<b>93,577</b>	<b>49,245</b>	<b>(33,499)</b>	<b>26,869</b>
Profit for the period		—	—	—	—	—
Other comprehensive income for the period, net of tax – items that are or may be subsequently reclassified to profit or loss		—	—	—	36,658	(22,651)
Foreign exchange translation differences		—	—	—	30,695	—
Amounts reclassified to profit or loss on sale of subsidiaries		—	—	—	3,312	8
Debt instruments measured at fair value through other comprehensive income – net change in fair value		—	—	—	—	(23,709)
Debt instruments measured at fair value through other comprehensive income – net amount transferred to profit or loss		—	—	—	—	1,050
Share of other comprehensive income of equity accounted investees		—	—	—	2,651	—
Other comprehensive income – items that will not be subsequently reclassified to profit or loss		—	—	—	—	(3,437)
Equity instruments measured at fair value through other comprehensive income – net change in fair value		—	—	—	—	(3,437)
<b>Other comprehensive income for the period, net of tax</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>36,658</b>	<b>(26,088)</b>
<b>Total comprehensive income for the period</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>36,658</b>	<b>(26,088)</b>
Dividends		—	—	—	—	—
Changes in non-controlling interests without changes in control	40	—	—	—	—	—
Acquisition and establishment of subsidiaries with non-controlling interests	8.1	—	—	—	—	—
<b>Total transactions with owners of the Company, recognised directly in equity</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Effect from the sale of subsidiaries	8.1	—	—	—	—	—
Issue of other equity instruments	39	—	—	—	—	—
Yield from other issued equity instruments, paid	39	—	—	—	—	—
Transfer to legal and other reserve funds	39	—	—	5,222	—	—
<b>Balance as at 31 December 2022</b>		<b>574,138</b>	<b>93,577</b>	<b>54,467</b>	<b>3,159</b>	<b>781</b>

The notes set out on pages 76 to 187 form an integral part of these consolidated financial statements.



Retained earnings	Other equity instruments	Equity attributable to equity holders of the parent	Non-controlling interests – other equity instruments	Non-controlling interests – ordinary shares	Non-controlling interests – total	Total equity
<b>882,776</b>	<b>218,900</b>	<b>1,812,006</b>	<b>115,722</b>	<b>88,030</b>	<b>203,752</b>	<b>2,015,758</b>
149,497	—	149,497	9,871	3,245	13,116	162,613
—	—	14,007	4,512	710	5,222	19,229
—	—	30,695	4,512	1,044	5,556	36,251
—	—	3,320	—	—	—	3,320
—	—	(23,709)	—	(335)	(335)	(24,044)
—	—	1,050	—	1	1	1,051
—	—	2,651	—	—	—	2,651
—	—	(3,437)	—	—	—	(3,437)
—	—	(3,437)	—	—	—	(3,437)
—	—	<b>10,570</b>	<b>4,512</b>	<b>710</b>	<b>5,222</b>	<b>15,792</b>
<b>149,497</b>	—	<b>160,067</b>	<b>14,383</b>	<b>3,955</b>	<b>18,338</b>	<b>178,405</b>
(77,290)	—	(77,290)	—	(19,477)	(19,477)	(96,767)
355	—	355	—	(9,033)	(9,033)	(8,678)
—	—	—	—	444	444	444
<b>(76,935)</b>	—	<b>(76,935)</b>	—	<b>(28,066)</b>	<b>(28,066)</b>	<b>(105,001)</b>
564	—	564	—	(5,513)	(5,513)	(4,949)
—	—	—	24,806	—	24,806	24,806
(10,990)	—	(10,990)	(9,871)	—	(9,871)	(20,861)
(5,222)	—	—	—	—	—	—
<b>939,690</b>	<b>218,900</b>	<b>1,884,712</b>	<b>145,040</b>	<b>58,406</b>	<b>203,446</b>	<b>2,088,158</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2023

in thousands EUR	Note	2023	2022 (restated) <sup>2</sup>
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>367,457</b>	<b>246,415</b>
Adjustments for:			
Depreciation and amortisation	30, 31	38,983	44,497
Change in impairment of property, plant and equipment and intangible assets	30, 31	2,518	(2,739)
Net change in fair value of investment property		(17,646)	2,277
(Gain)/Loss on sale of property, plant and equipment, intangible assets and investment property		225	(22)
(Profit)/Loss on sale of subsidiaries and non-controlling interests	8.2	28,459	(16,328)
(Profit)/Loss on sale of investment securities at fair value through other comprehensive income		(278)	4,038
(Profit)/Loss on sale of investment securities at amortised cost due to modification		1,837	4,668
Net interest income	9	(536,914)	(438,246)
Dividend income from equity instruments measured at fair value through other comprehensive income	11	(2,558)	(1,246)
Increase/(Decrease) in allowance for impairment of loans, loan commitments and financial guarantees	27	87,705	126,487
Increase/(Decrease) in allowance for impairment of financial assets, excluding loans, loan commitments and financial guarantees	27	80	35,959
Change in impairment of other assets	12, 14	64	2
(Profit)/Loss from equity accounted investees		16,296	12,254
Creation and reversal of provisions	14	—	1,983
Written-off receivables	14	—	29
(Gain) on bargain purchases and impairment of goodwill	30	366	—
Net unrealised foreign exchange (gains)/losses		(91,290)	9,650
<b>Operating profit/(loss) before changes in working capital</b>		<b>(104,696)</b>	<b>29,678</b>
(Increase)/Decrease in operating assets:			
Change in financial assets for trading		131,603	(329,961)
Change in hedging derivative assets		9,265	4,690
Change in Investment securities at fair value through profit or loss		(69,552)	4,555
Change in loans and advances to banks and customers		428,018	(247,758)
Change in trade receivables and other assets		(235,138)	35,331
Increase / (Decrease) in operating liabilities:			
Change in trading liabilities		(61,707)	72,066
Change in hedging derivative liabilities		4,617	(5,014)
Change in deposits and loans from banks and customers		2,136,364	614,926
Change in other liabilities		194,671	(149,763)
<b>Cash flows from (used in) operating activities</b>		<b>2,433,445</b>	<b>28,750</b>
Interest received		874,804	598,563
Interest paid		(320,586)	(173,354)
Income taxes paid		(100,299)	(38,041)
<b>Cash flows from (used in) operating activities</b>		<b>2,887,364</b>	<b>415,918</b>

<sup>2</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

in thousands EUR	Note	2023	2022 (restated) <sup>3</sup>
<b>Cash flows from investing activities</b>			
Purchase of financial instruments at fair value through other comprehensive income		(280,618)	(142,397)
Proceeds from sale of financial instruments at fair value through other comprehensive income		75,948	232,645
Purchase of financial instruments at amortised cost		(246,384)	(109,244)
Proceeds from sale of financial instruments at amortised cost		1,707	20,990
Acquisition of property, plant and equipment, investment property and intangible assets		(43,634)	(46,913)
Proceeds from sale property, plant and equipment, investment property and intangible assets		1,680	2,097
Acquisition of subsidiaries, net of cash acquired	8.1	—	(51,498)
Acquisition of equity accounted investees		(236)	(356)
Capital contributions in equity accounted investees		(245)	—
Proceeds from sale investments in equity accounted investees		380	—
Inflows / (outflows) from assets held for sale		(10)	4,651
Net cash inflow (outflow) from sale of subsidiaries	8.2	24,701	63,614
Dividends received		2,558	1,245
<b>Cash flows from (used in) investing activities</b>		<b>(464,153)</b>	<b>(25,166)</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt securities issued	34	341,884	161,113
Payments for buy-back of debt securities issued	34	(215,200)	(132,140)
Acquisition of non-controlling interests		—	444
Distribution of non-controlling interests		(2,607)	(8,467)
Subordinated debt issued	35	41,620	7,518
Payments of lease liabilities (principal)		(9,075)	(5,415)
Issue of other equity instruments		6,913	24,806
Yield from issued other equity instruments paid		(22,306)	(20,861)
Dividends paid		(78,337)	(79,403)
<b>Cash flows from (used in) financing activities</b>		<b>62,892</b>	<b>(52,405)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,486,103</b>	<b>338,347</b>
Cash and cash equivalents at the beginning of the period	16	3,857,021	3,419,544
Effect of exchange rate fluctuations on cash held		(145,842)	99,130
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>6,197,282</b>	<b>3,857,021</b>

The notes set out on pages 76 to 187 form an integral part of these consolidated financial statements.

<sup>3</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

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## 1. GENERAL INFORMATION

J&T FINANCE GROUP SE ("the Parent Company" or "the Company") is a European joint-stock company (Societas Europaea) with registered office and place of business at Sokolovská 700/113a, 186 00 Prague 8.

The Company's consolidated financial statements for the year ending 31 December 2023 include the parent company, its subsidiaries and interests in associates and joint ventures (together referred to as the "Group"). A list of the Group entities is set out in note 50. Group entities.

In June 2023, the shareholder structure of J&T FINANCE GROUP SE changed through the transfer of part of the shares of Mr Ivan Jakobovič to new shareholders.

As at 31 December 2023, the Company's shareholders were as follows:

	Interest in share capital		Voting rights (registered)	
	in thousands EUR	%	In millions of CZK	%
Ing. Jozef Tkáč	258,649	45.05	7,109	45.05
Ing. Ivan Jakobovič	201,809	35.15	5,547	35.15
Rainbow Wisdom Investment Limited	56,840	9.90	1,562	9.90
Štěpán Ašer, MBA	28,420	4.95	781	4.95
Ing. Igor Kováč	28,420	4.95	781	4.95
<b>Total</b>	<b>574,138</b>	<b>100.00</b>	<b>15,780</b>	<b>100.00</b>

As at 31 December 2022, the Company's shareholders were as follows:

	Interest in share capital		Voting rights (registered)	
	in thousands EUR	%	In millions of CZK	%
Ing. Jozef Tkáč	258,649	45.05	7,109	45.05
Ing. Ivan Jakobovič	258,649	45.05	7,109	45.05
Rainbow Wisdom Investment Limited	56,840	9.90	1,562	9.90
<b>Total</b>	<b>574,138</b>	<b>100.00</b>	<b>15,780</b>	<b>100.00</b>

As a financial investor, the Group actively participates in a wide range of investment opportunities, including investments in securities, project financing, acquisitions and restructuring of companies, and investments in private equity investment funds. The Group also provides an extensive range of services to private individuals, financial institutions, privately-held and state companies, such as retail banking, corporate banking, investment banking, wealth management and investment management services. Investment banking services include areas such as economic research, financial market trading, capital market services and debt securities market services. Asset management primarily consists of asset management in own funds, discretionary portfolio management services, as well as administration and custody. In collective investment, client resources are managed through various types of investment funds representing a variety of investment approaches and strategies.

The members of the Board of Directors as at 31 December 2023 were as follows:

Ing. Jozef Tkáč – Chairman  
 Ing. Ivan Jakobovič – Vice-Chairman  
 Ing. Patrik Tkáč – Vice-Chairman  
 Ing. Dušan Palcr – Vice-Chairman  
 Štěpán Ašer, MBA – member  
 Ing. Igor Kováč – member

The members of the Board of Directors as at 31 December 2022 were as follows:

Ing. Jozef Tkáč – Chairman  
 Ing. Ivan Jakobovič – Vice-Chairman  
 Ing. Patrik Tkáč – Vice-Chairman  
 Ing. Dušan Palcr – Vice-Chairman

Štěpán Ašer, MBA – member  
Ing. Igor Kováč – member

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU").

The consolidated financial statements were approved by the Board of Directors on 25 April 2024.

### (b) Basis of preparation

The consolidated financial statements were prepared in accordance with the principle of accounting at historical cost. The exceptions are investment property, derivative financial instruments, financial assets and liabilities measured at fair value through profit or loss, and investment securities measured at fair value through other comprehensive income.

The consolidated financial statements are presented in Euro, rounded to the nearest thousand. The accounting methods are consistently used by the Group and are consistent with those used in the previous year taking into account newly adopted IFRS (see below).

Financial statements prepared in accordance with International Financial Reporting Standards require the application of various estimates, assumptions, and judgements that affect the reported values of assets, liabilities, revenues and costs. Actual results are likely to deviate from these estimates. The critical accounting estimates and management judgements with a significant risk of material adjustments in the next year are described in Note 4. Critical accounting estimates and assumptions.

Estimates and underlying assumptions are continuously reassessed. Revisions to 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 revision and future periods, if the revision affects both current and future periods.

The following standards, amendments to the standards and interpretations are effective for the first time for the accounting period ending 31 December 2023 and have been applied to the preparation of the Group's consolidated financial statements.

- IFRS 17: Insurance Contracts and the Amendments to IFRS 17 (effective for annual accounting periods beginning on or after 1 January 2023, with earlier application allowed provided that IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments are applied at the same time; endorsed in the EU) require that insurance liabilities to be measured at the current fulfilment value instead of at historical costs and provide a more uniform approach to the measurement and presentation of all insurance contracts. IFRS 17 replaced IFRS 4 Insurance Contracts on 1 January 2023.
- Amendments to IAS 12 Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023; endorsed in the EU), which specifies exemptions from the initial recognition of an asset or liability by requiring that taxable and deductible differences of the same amount do not arise in the same transaction.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023, endorsed in the EU) with changes to assist entities that prepare financial statements in deciding which accounting policies to disclose in their financial statements. Newly under IAS 1, entities are required to disclose their material accounting policies rather than their significant accounting policies.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023, endorsed in the EU), which replaces the definition of change in accounting estimates, refers to the definition of accounting estimates, which should help entities distinguish between accounting policies and accounting estimates.
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023, already endorsed in the EU) issued on 9 December 2021 provides insurers with an option aimed at improving the usefulness of investor information on initial application of IFRS 17 and IFRS 9.
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023; endorsed in the EU). The amendments introduce a temporary exemption from the accounting requirements for deferred taxes under IAS 12, so an entity will not report or disclose information on deferred tax receivables and liabilities related to income taxes under the second pillar. The Group has decided to apply this exemption.

These adjustments, effective for the first time for the year ended 31 December 2023, did not have any material impact on the Group's consolidated financial statements, unless otherwise stated above.

#### Issued International Financial Reporting Standards (IFRS) and interpretations not yet effective

Some of the new standards, amendments to standards and interpretations are not yet effective or were not approved by the EU for the year ending 31 December 2023 and have not been used in the preparation of these financial statements:

- Amendments to IAS 1 Presentation of Financial Statements: Non-current liabilities with Covenants (effective for annual periods beginning on 1 January 2024, endorsed by the EU) aims to clarify how the conditions that an entity must meet within twelve months after the end of the reporting period affect the classification of liabilities.
- Amendments to IAS 1 Presentation of Financial Statements: The classification of liabilities as current and non-current (effective for annual periods beginning on or after 1 January 2024, endorsed by the EU) helps to determine whether liabilities with an uncertain settlement date should be classified as current or non-current.
- Amendments to IFRS 16 Leasing: Lease liabilities on Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024, endorsed by the EU). The amendments to the standard clarify how the seller (lessee) subsequently measures sale and lease-back transactions that meet the requirements of IFRS 15 for recognition as sale.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on 1 January 2024, not yet endorsed by the EU) are complemented by disclosure requirements for qualitative and quantitative information related to supplier financing arrangements.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025; not yet endorsed by the EU). The amendments specify the conditions under which a given currency is exchangeable and how to determine the exchange rate if it is not.

The Group does not expect any significant impact of these standards, amendments and interpretations that are not yet effective on the consolidated financial statements, unless otherwise stated above.

#### Other new International Financial Reporting Standards (IFRS) and interpretations not yet effective

The Group has not early adopted any IFRS standards where adoption is not mandatory at the balance sheet date. Where transitional provisions in adopted IFRS standards give an entity the choice to decide whether to apply the new standards in prospectively or retrospectively, the Group elects to apply the standards prospectively from the date of transition. The Group's management does not expect these additional new standards to have a material impact on the Group's consolidated financial statements.

### 3. MATERIAL ACCOUNTING POLICIES

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### **(a) Basis of consolidation**

#### **(i) Subsidiaries**

Subsidiaries are those entities that are controlled by the Group. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### **(ii) Associates**

Associates are entities in which the Group has a significant influence, but not control, over financial and operating policies. The consolidated financial statements include the Group's share of the total gains and losses and other comprehensive income of associated enterprises accounted for using the equity method from the date of the significant influence until the date that significant influence ceases. When the Group's share of a loss exceeds the carrying amount of the associate, the carrying amount is reduced to zero and the recognition of further losses is discontinued, except when the Group has incurred obligations in respect of or has made payments on behalf of the associate.

#### **(iii) Joint ventures**

Joint ventures are arrangements in which the Group has joint control based on a contractual agreement under which the Group has a right to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures on the basis of the equity method from the date that joint control commences until the date that joint control ceases.

#### **(iv) Consolidation scope**

As at 31 December 2023, 75 companies were included in the consolidation (2022: 82). All fully consolidated companies prepared their annual financial statements as at 31 December 2023. The companies are listed in note 50. Group entities. This list is based on the ownership hierarchy.

#### **(v) Elimination of transactions in consolidation**

Intra-group balances and transactions, and any unrealised gains (losses) arising from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated up to the amount of the Group's interest in these undertakings. Unrealised gains arising from transactions with associates are eliminated against the investments in associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent of the recoverable amount.

#### **(vi) Acquisition method**

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired entity. Acquisition-related costs are recognised in profit or loss as incurred.

The identifiable assets, liabilities and contingent liabilities of the acquired entity that meet the recognition criteria of IFRS 3 are recognised at their fair value at the date of acquisition. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's pre-acquisition interest in the acquired entity's equity, over the difference between the value of the identifiable acquired assets and the assumed liabilities as at the date of acquisition.

Any non-controlling interest in an acquiree is measured as the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Goodwill arising in a business combination is recognised as an asset and is not amortised but it is assessed for impairment at least once a year.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value as at the date of acquisition (i.e. the date on which the Group acquired control of the entity) and any resulting gain or loss, if any, is recognised in profit or loss.

#### (vii) Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group subsequently retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a fair value through other comprehensive income (FVOCI) asset depending on the level of influence retained.

#### (viii) Tax effect of the inclusion of the consolidated subsidiaries' reserves

The consolidated financial statements do not include tax effects that could arise from the transfer of the consolidated subsidiaries reserves to the accounts of the Parent Company, since no distribution of profits untaxed at the source, is expected in the foreseeable future, and the Group considers that these reserves will be used as self-financing resources at each consolidated subsidiary.

#### (ix) Unification of accounting principles

The accounting principles and procedures applied in the financial statements of the consolidated companies were unified during the consolidation and agree with the accounting principles applied by the Parent Company.

### (b) Foreign currencies

#### (i) Transactions in foreign currencies

The items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Transactions in foreign currencies are translated into the functional currency using the exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are converted into functional currency at the exchange rate prevailing as at the balance sheet date.

Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currency and stated at historical cost, are translated into the functional currency at the exchange rate prevailing as at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency measured at fair value are translated into functional currency at the exchange rate prevailing as at the date on which fair values are determined.

On 1 January 2023, there was a change to the functional currency of the subsidiary J&T Banka d.d. (VABA d.d. banka Varaždin) as a result of Croatia's accession to the euro area. The carrying amounts as at this date were converted using the exchange rate of 1 euro to 7.53450 Croatian kuna announced by the Council of the EU.

#### (ii) Financial statements of foreign operations

The consolidated financial statements are presented in Euro, the Group's presentation currency.

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising in the course of consolidation, are translated into Euro at foreign exchange rates prevailing as at the balance sheet date. The revenues and expenses of foreign operations are translated into Euro at the foreign exchange rates prevailing as at the date of such transactions. Foreign exchange differences arising on translation are recognised directly in other comprehensive income.

### (c) Financial instruments

The relevant accounting policies relating to financial instruments are described below.

#### (i) Classification

##### Financial assets

At initial recognition, a financial asset is classified as measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which the financial asset is managed and on the characteristics of the contractual cash flows of the instrument.

The classification of a debt instrument is determined on the basis of:

- a) the business model in which the asset is held, and
- b) the characteristics of the contractual cash flows of the instrument

The Group assesses the objectives of the business model in which the financial asset is held at portfolio level, as this best reflects the way the business is managed and what information is provided to management. The Group considers information such as the policies and objectives set for the portfolio and how they operate in practice, the risks affecting the performance of the business model (and the financial assets held within that business model) and how those risks are managed, the way in which the company's management is remunerated, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The assessment of contractual cash flow characteristics is whether the cash flows of a financial instrument represent solely payments of principal and interest (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are in line with a basic lending arrangement, i.e. the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is in line with the basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not consistent with the lending arrangement, the SPPI test is not passed. When performing the SPPI test, the Group takes into consideration the following factors: non-standard interest rate, financial leverage, early repayment options, longer repayment options, non-recourse arrangements, contract-linked instruments, hybrid instruments, and instruments purchased at a significant discount/premium.

The Group has more than one business model for managing financial instruments that capture how the Group manages its financial assets to generate cash flow. The business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

The Group defines business models as follows:

- "Hold and Collect"
- "Hold, Collect and Sell"
- "Mandatorily at Fair Value"
- "Trading"
- "Fair Value option"

The objective of the "Hold and Collect" strategy is to hold a financial asset in order to collect contractual cash flows from both principal and interest payments.

The objective of the "Hold, Collect and Sell" strategy is to both collect contractual cash flows and sell financial assets.

The "Mandatorily at Fair Value" strategy is used for financial assets held for the purpose of holding and collecting or holding, collecting and selling, but that have not pass the SPPI test and cannot be measured at AC or FVOCI.

The objective of the "Trading" strategy is active trading. Such assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

The "Fair Value option" strategy is used for assets that are irrevocably designated as measured at FVTPL at initial recognition to eliminate or significantly reduce measurement or recognition inconsistencies (sometimes referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on a different basis.

Based on the evaluation described above, financial assets are classified into one of the following measurement categories:

- a) Financial assets at amortised cost (AC)
 

For these assets, the appropriate business model is to hold them and collect the contractual cash flows and the SPPI test is passed. Examples of such financial assets include loans, investment securities originally classified as held-to-maturity under IAS 39, or trade receivables. Expected credit losses ("ECL"; see below) are calculated and recognised in profit or loss for this category of financial. Foreign exchange differences and interest revenues accrued using the effective interest rate (EIR) method are also recognised in profit or loss.
- b) Financial assets at fair value through other comprehensive income (FVOCI)
 

In order for an asset to be classified in FVOCI, it must either (i) pass the SPPI test and be held in a "Hold, Collect and Sell" business model that aims at both collecting contractual cash flows and selling the financial asset, or (ii) be an equity instrument that does

not pass the SPPI test yet is not held for trading and the Group elects to measure the instrument at fair value through other comprehensive income.

There are two types of instruments that can be classified in FVOCI and the accounting treatment for these financial assets varies:

i) Debt instruments that pass the SPPI test and are held in the "Hold, Collect and Sell" business model:

When accounting for such assets, expected credit losses are recognised in profit or loss, and changes in the fair value of the instrument are recognised in other comprehensive income. Foreign exchange differences related to amortised cost, including impairment, are recognised in profit or loss. Interest revenues calculated using the effective interest rate is recognised in profit or loss.

When the financial assets are derecognised, the profit or loss is recognised in profit or loss due to the reclassification of gains or loss from other comprehensive income to profit or loss.

ii) Equity instruments not held for trading and where the fair value valuation through other comprehensive income option was elected

Under this treatment expected credit losses are not quantified, as these assets are already measured at fair value and changes in fair value are recognised in other comprehensive income and will not subsequently be reclassified as profit or loss upon disposal. Foreign exchange differences are recognised in other comprehensive income as part of the revaluation reserve.

If the equity instrument is sold, the corresponding gain or loss remains in equity.

Dividends on these financial assets are recognised in profit or loss.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not qualify for classification and measurement in any of the previously mentioned categories are classified and measured at fair value through profit or loss.

Financial assets that have been purchased for active trading (the "Trading" business model) are also classified and measured at fair value through profit or loss.

In addition, the Group may irrevocably elect to designate a financial asset at fair value through profit or loss at initial recognition to eliminate or significantly reduce measurement or recognition inconsistencies (sometimes referred to as "accounting mismatch") that would otherwise arise from the measurement of assets or liabilities or from the recognition of gains and losses using different basis.

For this category of assets, expected credit losses are not quantified and recognised. Changes in fair value are recognised in profit or loss. Foreign exchange differences are recognised in profit or loss as well.

#### Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or at fair value through profit or loss.

Liabilities are classified and measured at amortised cost, except:

- financial liabilities held for trading, including derivatives – these are measured at fair value through profit or loss;
- financial liabilities where the option to measure at fair value through profit or loss at their initial recognition is used – designated at fair value through profit or loss.

In the case of liabilities determined at fair value through profit or loss, the change in fair value due to changes in the Group's credit risk is recognised in other comprehensive income, while the remaining change in fair value is recognised in profit or loss.

In the category of liabilities determined at fair value through profit or loss, the Group reports liabilities from the fund capital of consolidated investment funds that do not meet the IFRS classification of equity instruments. As the own credit risk of these liabilities is directly determined by the fund's underlying assets, which are also remeasured at fair value through profit or loss, the Group does not recognise changes in its own credit risk for the relevant liabilities.

The following table provides reconciliation between the line items in the statement of financial position and categories of financial instruments.

31 December 2023

In thousands of EUR	Note	Mandatorily at FVTPL	Designated at FVTPL	FVOCI – debt instruments	FVOCI – equity instruments	Amortised cost	Total carrying amount
Cash and cash equivalents	16	—	—	—	—	6,197,282	6,197,282
Financial assets for trading	17.1	409,972	—	—	—	—	409,972
Hedging derivatives	18	6 068	—	—	—	—	6,068
Investment securities at fair value through profit or loss	19	484,245	—	—	—	—	484,245
Investment securities at fair value through other comprehensive income	20	—	—	603,092	46,147	—	649,239
Investment securities at amortised cost		—	—	—	—	923,734	923,734
Loans and advances to banks	23	—	—	—	—	123	123
Loans granted to customers	24	1,323	—	—	—	7,272,613	7,273,936
Trade receivables and other financial assets under risk management	26	—	—	—	—	384,001	384,001
<b>Total financial assets</b>		<b>901,608</b>	<b>—</b>	<b>603,092</b>	<b>46,147</b>	<b>14,777,753</b>	<b>16,328,600</b>
Liabilities held for trading	17.2	97,665	—	—	—	—	97,665
Hedging derivatives	18	4,654	—	—	—	—	4,654
Deposits and loans from banks	32	—	—	—	—	771,979	771,979
Deposits and loans from customers	33	—	—	—	—	12,221,357	12,221,357
Debt securities issued	34	—	—	—	—	728,092	728,092
Subordinated debt	35	—	—	—	—	50,805	50,805
Other financial liabilities under risk management	36	—	52,831	—	—	711,066	763,897
<b>Total financial liabilities</b>		<b>102,319</b>	<b>52,831</b>	<b>—</b>	<b>—</b>	<b>14,483,299</b>	<b>14,638,449</b>

31 December 2022

In thousands of EUR	Note	Mandatorily at FVTPL	Designated at FVTPL	FVOCI – debt instruments	FVOCI – equity instruments	Amortised cost	Total carrying amount
Cash and cash equivalents	16	—	—	—	—	3,857,021	3,857,021
Financial assets held for trading	17.1	545,706	—	—	—	—	545,706
Hedging derivatives	18	15,329	—	—	—	—	15,329
Investment securities at fair value through profit or loss	19	423,712	—	—	—	—	423,712
Investment securities at fair value through other comprehensive income	20	—	—	457,737	50,264	—	508,001
Investment securities at amortised cost	21	—	—	—	—	713,989	713,989
Loans and advances to banks	23	—	—	—	—	9,374	9,374
Loans granted to customers	24	977	—	—	—	7,651,009	7,651,986
Trade receivables and other financial assets under risk management	26	—	—	—	—	158,184	158,184
<b>Total financial assets</b>		<b>985,724</b>	<b>—</b>	<b>457,737</b>	<b>50,264</b>	<b>12,389,577</b>	<b>13,883,302</b>
Liabilities held for trading	17.2	162,426	—	—	—	—	162,426
Hedging derivatives	18	37	—	—	—	—	37
Deposits and loans from banks	32	—	—	—	—	814,483	814,483
Deposits and loans from customers	33	—	—	—	—	10,262,653	10,262,653
Debt securities issued	34	—	—	—	—	617,300	617,300
Subordinated debt	35	—	—	—	—	10,599	10,599
Other financial liabilities under risk management	36	—	47,189	—	—	548,553	595,742
<b>Total financial liabilities</b>		<b>162,463</b>	<b>47,189</b>	<b>—</b>	<b>—</b>	<b>12,253,588</b>	<b>12,463,240</b>

#### (ii) Recognition

Financial instruments held for trading, investment securities measured at fair value through profit or loss and investment securities measured at fair value through other comprehensive income are recognised on the date on the Group commits to purchase these assets. Regular purchases and sales of other financial assets, including investment securities at amortised cost are accounted for on the settlement date.

Loans and advances to banks and customers are accounted for on the day they are provided by the Group.

#### (iii) Measurement

Financial instruments are measured upon initial recognition at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial instrument.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition, financial assets are measured at their fair value, except for loans and advances to banks, loans and advances to customers, and investment securities at amortised cost, and cash and cash equivalents. After initial recognition, financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss. In measuring amortised cost, any difference between cost and redemption value is recognised in the income statement over the period of the asset or liability on an effective interest rate basis.

#### (iv) Principles of fair value measurement

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the statement of financial position date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the statement of financial position date.

The following summarises the main methods and assumptions used to estimate the fair values of financial assets measured at amortised cost, refer to note 41. Fair value information.

**Loans and advances:** Fair value is calculated based on discounted expected future principal and interest cash flows using the appropriate yield curve and risk spread. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

**Deposit and loans from banks and customers:** For demand deposits and deposits with no defined maturities, fair value is taken to be the amount payable on demand at the statement of financial position date. The estimated fair value of fixed-maturity deposits is based on discounted cash flows using the appropriate yield curve.

**Trade receivables and other assets/ liabilities:** For receivables/ payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. Other receivables/ payables are discounted to determine the fair value.

**Investment securities at amortised cost:** Fair value is based on the market price quoted on an active market at the balance sheet date. If not available, fair value is calculated on the basis of discounted expected future cash flows from principal and interest, using the appropriate yield curves and the risk spread.

#### (v) Gains and losses on subsequent measurement

Gains and losses arising from changes in fair value are recognised in the profit and loss statement for instruments held for trading or measured at fair value through profit or loss and directly into other comprehensive income, excluding impairment gains and losses and foreign exchange gains and losses in the case of debt instruments. The cumulative gains or losses on the revaluation of debt instruments measured at fair value through other comprehensive income that were originally recognised in other comprehensive income are recognised in the profit and loss statement when assets are derecognised. In the case of equity instruments, the cumulative gains or losses from investment securities at fair value through other comprehensive income remain in the equity under IFRS 9,

and are not reclassified to profit or loss anymore. Interest income and expenses from debt instruments at FVOCI are recognised in the Income statement by applying the effective interest rate method. Dividends from equity instruments at fair value through other comprehensive income are recognised in profit and loss. Refer to accounting policy (c)(vii) for accounting for gains and losses on subsequent measurement of hedging instruments.

#### (vi) Derecognition

A financial asset is derecognised in the event the Group's contractual rights to cash flows from financial assets expire, or the Group transfers the rights to receive contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group does not transfer nor retains substantially all the risks and rewards of ownership and it does not retain control over the financial asset. A financial liability is derecognised when the Group's obligations set out in the contract expire, are fulfilled or cancelled.

Investment securities measured at fair value through other comprehensive income, financial assets held for trading and investment securities measured at fair value through profit or loss are, in the event of their sale, derecognised as at the date on which the Group undertakes to sell these assets.

Investment securities at amortised cost and loans and advances to banks and customers are derecognised as at the date on which they are disposed of by the Group. Where control of investment securities at amortised cost and of loans and advances has been transferred to a third party, the carrying amount of the disposed assets at amortised cost is first adjusted to the sale price or gross carrying amount, whichever is lower, through creation or reversal of impairment in profit or loss.

#### (vii) Hedge accounting

On initial application of IFRS 9, the Group elected to continue to apply the requirements of IAS 39 to hedge accounting.

Hedging instruments that consist of derivatives linked to currency risk are classified either as cash flow hedges, fair value hedges or net investment hedges.

The Group formally documents the hedging relationship as well as all risk management objectives and strategies associated with the hedging relationship, from the inception of the hedging relationship. The Group also regularly evaluates the effectiveness of the hedging instrument in compensating for changes in the hedged asset attributable to the hedged risk. The Group assesses hedging instruments as highly effective if changes attributable to the hedged risk are compensated by changes in the hedging instrument in the range of 80% to 125%.

In case of a cash flow hedge and net investment hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur in case of a cash flow hedge, then the balance in equity is reclassified to profit or loss. In case of a net investment hedge the balance in equity is reclassified to profit and loss when the foreign net investment hedged is disposed of.

In case of a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value is recognised in profit or loss together with the changes in the fair value of the hedged item that are attributable to the hedged risk (in the same line as the hedged item).

The Group uses fair value hedges to hedge the impact of changes in foreign exchange rates on the fair value of investment securities measured at fair value through other comprehensive income during the hedging period. The Group uses currency forwards as hedging instruments.

In addition, the Group uses hedging derivatives to hedge the fair value of fixed income bonds denominated in euros. The Group has entered into interest rate swaps to hedge changes in fair value caused by changes in interest rates. The Group also hedges the risk to which the fixed rate loan portfolio is exposed using interest rate swaps.

The parent company has in the past hedged the risk of revaluation of the net value of its foreign investments denominated in EUR into the functional currency (CZK). The parent company used currency forwards as hedging instruments for this purpose.



**(viii) Embedded derivatives**

Hybrid instruments are a combination of non-derivative host contracts and derivative financial instruments (embedded derivatives). Under IFRS 9, the components of an embedded derivative are separated from the host contract if:

- the host contract is not an asset within the meaning of IFRS 9;
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in the profit and loss (i.e. a derivative embedded in the financial liability at fair value through profit and loss is not separated).

Separate embedded derivatives are measured at fair value with changes recognised in the profit and loss.

**(d) Cash and cash equivalents**

Cash and cash equivalents are cash on hand and short-term, highly liquid financial assets that can be easily converted into known amounts of cash and that are subject to only insignificant risk of changes in value.

In cash and cash equivalents, the Group includes cash on hand, cash deposited with central banks (excluding obligatory minimum reserves) and other short-term highly liquid financial assets with original maturities of three months or less, such as reverse repo loans with original maturities of three months or less, current accounts with banks and loans and advances to banks with original maturities of three months or less.

**(e) Loans and advances to banks and customers**

Loans and advances originating from the Group are classified and measured in accordance with the criteria set out in section (c). Loans and advances are recorded net of impairment allowance (see accounting policy (h)).

Modification of the contractual terms may result in derecognition of the original asset if the change in the terms of the loan is considered material. The group considers modifications substantial, if the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 % different from the discounted present value of the remaining cash flows of the original loan. In such case, the original financial asset is derecognized and a new financial asset is recognized at its fair value. The difference between the carrying amount of the derecognized asset and the fair value of the new asset is recognized in the consolidated income statement.

For all loans, where the modification of terms did not result in the derecognition of the loan, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the consolidated income statement.

Details on the structure and quality of the credit portfolio are given in note 44. Risk management policies and disclosures.

**(f) Sale and repurchase agreements**

Where securities are sold under a commitment to repurchase at a predetermined price (repos), they remain on the statement of financial position and a liability is recorded equal to the consideration received. Conversely, securities purchased under a commitment to resell (reverse repos) are not recorded on the statement of financial position and the consideration paid is recorded as a loan. The difference between the sale price and the purchase price is treated as interest and accrued evenly over the life of the transaction. Repos and reverse repos are recognised on a settlement date basis.

**(g) Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and recognised in the statement of financial position on a net basis when the Group has a legally enforceable right to set off the relevant amounts and when there is an intention to settle transactions arising from a contract on a net basis or to realise the asset and settle the liability simultaneously.

**(h) Impairment**

The carrying amount of the Group's non-financial assets other than deferred tax assets (see accounting policy (v)) and investment property are always reviewed as at the balance sheet date to assess the existence of reasons for impairment. If there is such a reason, the recoverable amount of the asset is estimated. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment within the cash-generating unit to which they belong.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment is accounted for through the profit and loss statement.

An impairment loss on goodwill is not reversed. For other assets, the impairment loss is reversed if there are indications that the impairment loss no longer exists and there have been changes in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if the impairment loss had not been recognised.

The expected credit loss ("ECL") model applies to financial assets at amortised cost or fair value through other comprehensive income, excluding equity instruments, and to contractual assets. It also applies to loan commitments at amortised cost and financial guarantees at amortised cost (see accounting policy (p)).

For the purpose of calculating the ECL, financial assets are categorized into three Stages (Stages 1, 2, 3). Financial assets that are impaired at initial recognition are in a separate category of "purchased or originated credit-impaired financial assets" ("POCI"). At the date of initial recognition, the financial asset is included in Stage 1 or POCI. Subsequent transfers between Stages are made in accordance with the definition of a significant increase in credit risk (Stage 2) or impairment (default) of the financial asset (Stage 3).

#### Stage 1 (12-month ECL)

Financial assets for which there has not been a significant increase in credit risk ('SICR') since initial recognition remain classified in Stage 1. For financial assets classified as Stage 1, 12-months expected credit losses are recognised. 12-month expected credit losses are the cash flows from a financial asset that are expected to be uncollectible due to default of the debtor within the 12 months following the financial statements date. Interest revenue from these assets is calculated from the gross carrying amount. An entity may determine that the credit risk of a financial asset has not increased significantly if the credit risk of the asset is low as at the balance sheet date (further described below).

#### Stage 2 (lifetime ECL not-credit-impaired)

This stage is applied to financial assets for which the credit risk has increased significantly since initial recognition but where the asset itself is not yet considered credit-impaired. This stage quantifies lifetime ECL, i.e. ECL arising from all possible defaults over the expected lifetime of the financial instrument. Interest revenue from these assets is calculated from the gross carrying amount.

#### Stage 3 (lifetime ECL credit-impaired)

Financial assets classified in Stage 3 are those whose credit quality has deteriorated significantly (the financial instrument is considered to be in default). For Stage 3, lifetime expected credit losses are reported, but interest revenue is calculated from the net amortised cost.

For trade receivables and contractual assets without a significant financing component, a lifetime ECL measurement is used instead of the approach described above.

#### **Financial assets with low credit risk**

The credit risk of a financial instrument is considered low if the financial instrument has a low risk of default, the debtor has a high ability to meet its short-term contractual cash flow obligations, and adverse changes in economic and business conditions in the longer term may but may not necessarily reduce the debtor's ability to meet its contractual cash flow obligations. However, collateral does not affect the credit risk of a financial instrument.

It is not possible not to report expected credit losses over the entire life of a financial instrument just because it was a financial instrument with low credit risk last year, as the assessment takes place at the end of the accounting period. In such a case, the Group will determine whether there has been a significant increase in credit risk since the instrument's initial recognition, and whether it is therefore necessary to recognise lifetime expected credit losses.

At the end of the accounting period, the Group evaluates the individual items with low credit risk classified in Stage 1, and if they do not meet the given characteristics they are reclassified to the appropriate Stage.

#### **Determination of a significant increase in credit risk (SICR) since initial recognition**

At the end of each accounting period, the Group determines whether the credit risk of a financial instrument has increased significantly since the initial recognition of the asset. In this assessment, the Group considers the change in the debtor's default risk over the

expected lifetime of the financial instrument, rather than the change in the expected amount of the credit loss. To this end, the Group compares the risk of default of a given financial instrument as at the balance sheet date with the risk of default at the date of initial recognition, and also assesses reasonable and supporting information (available without excessive cost and effort) that indicates a significant increase in credit risk since initial recognition.

If there has been a significant increase in credit risk since initial recognition, then the exposure is included in Stage 2 and the lifetime expected credit loss is estimated. If there has been no significant increase in credit risk since initial recognition, the exposure remains in Stage 1 (12-month ECL). If the exposure is in default, it is classified to Stage 3.

The assessment of a significant increase in credit risk is based on an analysis of qualitative and quantitative factors (see below).

Qualitative factors considered in the assessment:

- the nature of the financed project has changed, adversely affecting the debtor's ability to generate cash flow,
- the debtor fails to meet their non-financial contractual obligations for more than six months,
- negative information about the debtor from external sources,
- major negative changes in the business, financial or economic conditions under which the debtor operates,
- a material change in the value of the collateral, which may lead to a presumption of increased risk of default.

Quantitative factors considered in the assessment:

Retail portfolios:

- deterioration of the internal rating to the worst degree (level 7 and 8)
- forbearance indicator.

Corporate portfolios:

- deterioration of the internal rating (level 7 and above)
- forbearance indicator,
- non-compliance with financial covenants.

Deterioration in credit risk is assessed on the basis of a change in rating since initial recognition. The current rating is compared with the rating assigned at initial recognition.

For its major subsidiaries, the Group uses its own internal rating models and a transition matrix (based on transfers between grades, i.e. rating deterioration) to determine significant increases in credit risk. The Group uses its own internal rating models adjusted for each counterparty category. These models are fed with debtor and loan information obtained at the time of loan application (e.g. disposable income, collateral level for retail exposure determination, or turnover and industry type for corporate exposures). This information is supplemented by external data, e.g. credit bureau scoring information for retail customers.

**Retail portfolio**

The Group uses an internal system of 12 rating grades, with grade 13 defined as default.

**Corporate portfolio**

The Group uses an internal system of 12 rating grades, with grade 13 defined as default

**Signs of default**

In order to determine whether a financial asset is in default, the Group assesses the general characteristics of default as set out below:

- A situation where the Group has filed for bankruptcy proceedings against the debtor;
- A situation where the debtor has filed for bankruptcy;
- A situation where bankruptcy has been declared;
- The debtor has entered or is about to enter liquidation;
- A court has decided that the debtor (legal person) has not been established (does not exist) or the debtor (natural person) has died;
- A final judgement has been issued by a court or administrative authority to enforce a decision to sell the debtor's assets or fore-close on the debtor's assets;
- Situations where the debtor's obligation is more than 90 days past due;
  - An past-due loan commitment should be considered significant if both the limit expressed as an absolute amount and the limit expressed as a percentage are exceeded. For a debtor to be classified as in default on the basis of past-due status, the past-due

liability must be significant for a continuous period of at least 90 days.

- The absolute component is expressed as the maximum amount for the sum of all past-due amounts owed by a debtor to the institution, to the parent undertaking of that institution, or to any of its subsidiaries. This amount is set at EUR 100 (or its equivalent in another currency) for retail exposures and EUR 500 (or its equivalent in another currency) for other exposures.
- The relative component is expressed as a percentage reflecting the amount of the past-due loan obligation against the total amount of all on-balance sheet exposures owed by the borrower to the institution, the parent undertaking of that institution, or any of its subsidiaries, including equity exposures. This percentage is set at 1%.
- Situations where a claim must be restructured;
- There is evidence that more than 20% of the funds provided by the Group to the debtor have been used by the debtor for purposes other than those specified in the contract.

#### **Purchased and originated credit-impaired (POCI) financial assets**

All purchased loans are measured at fair value at the date of acquisition on initial recognition. As a result, no allowance for credit losses is recognised at the acquisition date. Purchased loans can fall into one of the categories - "performing" loans or purchased and originated credit-impaired (POCI) loans. To assess whether assets are credit-impaired, the same criteria mentioned above (default indications) will be used. Purchased "performing" loans follow the same accounting treatment as originated performing loans and are therefore classified as Level 1 at the date of acquisition. Any changes in expected cash flows since the acquisition date are recognised as a change in the Net impairment losses on loans at the end of the accounting period.

POCI may arise either through the purchase of non-performing loans or as a result of the restructuring of a debtor in financial difficulty, resulting in significant changes in credit terms and the derecognition of the original asset and the recognition of the modified asset. The Group applies the effective interest rate adjusted for credit risk to these financial assets from the date of initial recognition. The credit-adjusted effective interest rate is the interest rate at which the discounted expected future cash payments or receipts over the expected life of the financial asset equal the amortised cost of the purchased or originated credit-impaired financial asset.

Modifications of financial assets are described in more detail in the chapter Forbearance.

#### **ECL for commitments and guarantees**

For financial commitments and financial guarantees, initial ECL is recognised as a provision. Changes in ECL in subsequent periods are recognised as a gain or loss in the profit and loss statement.

#### **Determination of expected credit losses**

ECL is the result of multiplying the following parameters: probability of default (PD), expected loss given default (LGD) and exposure at default (EAD).

##### Determining probability of default (PD)

The probability of default is assigned as follows:

- if the exposure is classified as Stage 1, then an annual (or lifetime if the expected maturity is less than 12 months) PD is determined;
- if the exposure is included in Stage 2, then the exposure is assigned the associated lifetime PD;
- if the exposure is classified in Stage 3, the PD is automatically 100%.

The Group divided PD calculation into two steps:

- the calculation of annual PDs as the long-term average of observed default rates;
- the calculation of multi-annual (cumulative) PDs.

The probability of default over a selected number of years is calculated based on an annual transition matrix. The result is a multi-year (depending on the chosen time horizon) probability of default for the specified rating.

Each internal rating level has been linked to an external rating so that the associated external PD fell within the PD range for the relevant internal rating level. The following table shows the external ratings into which they fall:

Internal rating	External rating	Category
1	A	Very low risk
2	BBB	Low risk
3	BBB-	Low risk
4	BB+	Low risk
5	BB	Medium risk
6	BB-	Medium risk
7	B+	Medium risk
8	B	Medium risk
9	B-	Medium risk
10	CCC+	High risk
11	CCC	High risk
12	CCC-	High risk
13	D	Default

The local risk management department is responsible for calculating and updating relevant PDs in accordance with the Group's methodology, considering the specific characteristics of the local market that give rise to a country-specific approach. The companies in the Group primarily determine the scoring of non-derivative financial assets with fixed or determinable payments that are not traded on an active market. In addition, individual companies determine the scoring of commitments, financial guarantees and undrawn limits. Scoring cards are used to assign internal PDs to individual exposures. The Group uses scoring cards that vary according to the portfolio defined by the type of product. The main portfolios with similar characteristics are as follows: Financing of projects in the initial phase, financing of projects in the implementation phase, real estate projects in the initial phase, real estate projects in the execution phase, operational financing, individual loans to natural persons, individual loans to legal persons, uncovered limits/payment cards of natural persons, uncovered limits/payment cards of legal persons, employee loans, loans with guarantors.

The scoring models were developed based on the Group's data. However, external benchmark models with minor calibrations have been used for portfolios in which the same or very similar variables are used for a large number of banks operating on the market (i.e. operational financing or employee loans).

#### Determining the expected loss given default (LGD)

LGD is the estimated loss given default at a specific point in time (expressed as a percentage). It is based on the difference between contractual cash flows due and those that the lender expects to receive, including cash flows from the realisation of any collateral. To calculate LGD, the Group discounts future expected cash flows.

For exposures above a certain threshold, the LGD is calculated on an individual basis through scenario analysis, and for other exposures the LGD is calculated on a portfolio basis unless the Group already has an individualised LGD calculation, e.g. from credit analysis or a previous credit rating.

The individual LGD is determined as the weighted average of the relevant cash flows based on scenario analysis. The Group typically uses scenarios such as: a covenant breach leading to a full repayment request (first and main scenarios), a significant reduction in financial performance (i.e. significantly below the immediate repayment thresholds, typically cash flows at 50% of the first scenario), the realisation of collateral or a serious decline in performance parameters (typically a cash flow of 10% of the first scenario).

When determining the LGD, the accounting unit takes into account the collateral on the receivable, if the accounting unit has a legal claim to it, so that in the event of the debtor's default, the collateral can be realised within a reasonable period of time. For collateralized receivables, the calculation of the present value of future expected cash flows also includes the cost of realising the related collateral. To calculate the LGD, the Group takes into account the collateral only up to an amount that is not used as security for other assets or assets of third parties if they have a preferential right to satisfaction of claims before the Group (i.e. the value of such collateral is reduced by the amount owed to prioritised creditors). For homogeneous segments below the materiality threshold, such as credit cards, overdrafts, loans and trade receivables, the LGDs may be determined on the basis of historical data or on the basis of the

average of past LGDs published by the local national bank (e.g. the Czech National Bank) in the Financial Stability Report. Nevertheless, regular calibration of these parameters is carried out based on up-to-date data at least once a year.

#### Determination of exposure at default (EAD)

The EAD represents the exposure at client default, which is then multiplied by the PD and LGD to calculate the expected credit loss (ECL). The EAD therefore represents a discounted estimate of the exposure at a future default date, taking into account expected changes in exposure after the end of the accounting period, including principal and interest payments.

For off-balance-sheet exposures, the EAD is an approved undrawn credit conversion factor-adjusted (CCF) commitment. The CCF is determined on the basis of historical experience or regulatory parameters used as a starting point and applied to the instruments held by the Group, and modified to reflect the specific characteristics of the Group.

#### Forward looking information

The Group made standard updates to the LGD, FLI and SICR in 2023. This is mainly about incorporating more up-to-date data into the models.

#### FLI model

To estimate the forward-looking probability of default based on macroeconomic factors, the Group uses a model based on transition matrices estimated by external rating agency Moody's on historical data covering the 1983-2023 period, i.e. through-the-cycle (TTC) estimates of default rates (covering the entire economic cycle) and point-in-time estimates for the given year.

In accordance with IFRS 9, the TTC default probability estimate was transformed into a point-in-time (PiT) forward-looking estimate, i.e. an estimate that takes into account the impact of current and expected macroeconomic developments on the default rate.

The model for estimating PiT PD consists of two parts: estimation of the Z-component, which represents the business cycle, and estimation of the relationship between macroeconomic variables and the Z-component. The basis for estimation of the Z-component is Merton's one-factor model, which decomposes counterparty risk into idiosyncratic risk and systemic risk.

Using the estimated Z-component and the relationship between the Z-component and macroeconomic variables, the point-in-time forward-looking (PiT FL) transition matrices are then estimated based on the adjustment of the TTC matrix by the Z-component. The Z-component model and the GDP scenario model are used for these estimates, taking into account the historical development of real GDP in the given country as well as the projection of real GDP in this country or the forecast of global macroeconomic development (IMF). The PiT FL transition matrices are estimated for a period of five years. Beyond this horizon, the Z-component is assumed to be zero, and thus the TTC matrix is used.

#### PD variants:

Standard PD: Four PD scenarios are generated based on the 5%, 12.5%, 25% and 50% quantiles of GDP forecasts for each state. The four PD sets are evenly weighted at 25%.

Crisis PD: Separate PDs are generated for exposures in crisis-affected sectors (selected NACE sectors).

Russia/Ukraine: Separate PDs have been generated for exposures in Russia and Ukraine to reflect the increased risk.

As at 31 December 2023, the Group's largest loan-portfolio exposures are in the Czech Republic (19%) and Slovakia (41%). The GDP development for these countries only is shown below, as the shares in other countries are insignificant.

Real GDP growth used (in %):

Country	Year	National bank	National bank forecast	Model prediction 5% quantile	Model prediction 12,5% quantile	Model prediction 25% quantile	Model prediction 50% quantile
CZE	2023	CNB	-0.39	-1.42	-1.01	-0.63	-0.04
CZE	2024	CNB	1.2	-2.54	-1.44	-0.42	1.03
CZE	2025	CNB	2.82	-2.36	-1.21	-0.06	1.54
CZE	2026	CNB		-3.43	-1.87	-0.34	1.85
CZE	2027	CNB		-3.46	-1.85	-0.4	1.75
CZE	2028	CNB		-3.43	-1.78	-0.32	1.85
SVK	2023	NBS	1.2	-0.6	0	0.58	1.39
SVK	2024	NBS	2.8	-2.2	-0.87	0.34	2.06
SVK	2025	NBS	3	-1.38	-0.3	0.7	2.12
SVK	2026	NBS	1.8	-3.14	-1.81	-0.51	1.24
SVK	2027	NBS		-3.35	-1.48	0.25	2.83
SVK	2028	NBS		-3.35	-1.48	0.25	2.86

Data source:

Country	National bank	Data source
SVK	National Bank of Slovakia (NBS)	Economic and Monetary Developments
CZE	Czech National Bank (CNB)	Monetary Policy Report

The PD curves are updated continuously when there is a change in the (national banks') GDP forecast of more than 1 pp.

#### Management overlays

Management overlays are made by the Group through interventions in the PD model to correct the impact of the ongoing effects of the current geopolitical crisis on the PD model. The first adjustment is the selection of four equally weighted pessimistic macroeconomic scenarios that enter the model. The use of scenarios arising from the 5%, 12.5%, 25% and 50% quantiles of GDP forecasts, as well as the identical  $\frac{1}{4}$  weighting of all these scenarios, indicate the Group's conservative outlook on future economic developments.

Another significant management overlay is the division of sectors into crisis and non-crisis, for which different PDs are used. The division of sectors is made by an expert decision approved by the relevant committee. PDs for Ukraine and Russia are determined separately due to the increased geopolitical risk.

The following table shows the impact of the management overlays:

31 December 2023

In thousands of EUR	Loans and receivables	Debt securities at FVOCI
Loss allowances before incorporation of management overlays	360,379	2,904
Impact of using management overlays	9,606	1
<b>Loss allowances after incorporation of management overlays</b>	<b>369,985</b>	<b>2,905</b>

31 December 2022

In thousands of EUR	Loans and receivables	Debt securities at FVOCI
Loss allowances before incorporation of management overlays	356,820	13,771
Impact of using management overlays	82,443	24,924
<b>Loss allowances after incorporation of management overlays</b>	<b>439,263</b>	<b>38,695</b>



The Group considered the risks arising from environmental sustainability, social responsibility and corporate governance (ESG) in the ECL measurement process and concluded that they had no impact on ECL in 2023 and 2022, and therefore did not include specific adjustments to take into account ESG risks in the ECL calculation. Given the prudent approach to the current situation, the Group considers that the ECL represents the best estimate of expected credit losses as at 31 December 2023 (as at 31 December 2022).

### Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

- for financial assets at amortised cost, as a reduction in the gross carrying amount of the assets;
- for loan commitments and financial guarantees in general, as a provision;
- for financial instruments containing both drawn and undrawn components, where the Group is unable to differentiate the ECL for the loan commitment separately from the drawn component, the Group has a combined loss allowance for both components. The combined amount is recognised as a reduction in the gross carrying amount of the drawn line. If the loss allowance exceeds the gross carrying amount of the drawn portion, it is recognised as a provision, and
- for debt instruments in FVOCI, the ECL is not deducted from the carrying amount of the financial asset, as the carrying amount is already measured at fair value. However, the loss allowance is recognised as a reduction in the revaluation reserve in the OCI.

### Write-off

Loans and debt securities are written-off (in part or in full) unless there is a reasonable expectation that the financial asset will be recovered in whole or in part. Generally, this is a situation where the Group finds that the debtor does not have assets or sources of income from which to repay the amount. The assessment is carried out at the individual asset level.

In the event of write off, the Group directly reduces the gross carrying amount of the financial asset. Write-offs do not have any impact on profit or loss, as the write-off amounts are already included in the provision. Depreciation constitutes a case for derecognition. However, written-off financial assets may still be recovered by the Group in accordance with the Group's policy for the recovery of amounts due.

### (i) Assets held for sale and discontinued operations

Non-current assets and/or disposal groups comprising assets and liabilities are classified as held-for-sale if they are highly likely to be realised by sale rather than continuing use.

Immediately before being classified as assets held for sale, the assets or components of the disposal group are measured in accordance with the Group's accounting policies. Subsequently, the assets or disposal groups are measured at a lower value from their carrying amount and fair value less the cost of sale. Any impairment loss on the disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that the loss is not allocated to inventories, financial assets, deferred tax, employee benefits and investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses when assets are initially classified as held for sale, and subsequent revaluation gains and losses, are recognised in the profit and loss statement. Revaluation gains are recognised only up to the amount of the accumulated impairment loss. Intangible assets and property, plant and equipment are no longer amortised or depreciated after they are classified as assets held for sale, and all investments that were accounted for using the equity method are no longer accounted for using this method.

A discontinued operation is part of the Group's business where the operations and cash flows can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of activity;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of activity; or
- is a subsidiary acquired exclusively for the purpose of resale.

Classification as a discontinued operation occurs on sale or when the activity meets the criteria for classification as held for sale, whichever occurs earlier.

When an operation is classified as discontinued, the statement of the comprehensive income for the comparable period is restated as if the activity had been discontinued from the beginning of the comparable period.

In the event that an asset (or disposal group) classified as held for sale in the previous period no longer meets the criteria for such classification, the Group no longer reports it as held for sale. Thus, the Company remeasures non-current asset (or disposal group) to the lower of its carrying amount before the asset was classified as held for sale (adjusted for any depreciation, amortisation or reval-

uation, which would have been recognised if the asset had not been classified as held for sale) and its recoverable amount at the date of the decision not to sell the asset.

## (j) Property, plant and equipment

### (i) Owned assets

Items of property, plant and equipment are recognised at acquisition cost less amortisation (see below) and any impairment losses (see accounting principle (h)).

The acquisition cost corresponds to the costs directly associated with the acquisition of the asset. The cost of a self-constructed asset includes the costs of materials, direct labour and any other costs that are directly attributable to putting the asset into operation and achieving the purpose for which it was made, the costs of removing and dismantling the equipment and restoring the place on which it is located to its original condition, and capitalised borrowing costs.

Property built or developed for future use as investment property is classified as investment property and measured accordingly (see below).

When components or items of a property, plant and equipment have different useful lives, these items are recognised as separate items (main components) of property, plant and equipment.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that it will increase, for the Group, the future economic benefits associated with the asset and also the cost of the asset can be measured reliably. All other expenditures, including the cost of the day-to-day maintenance of property, plant and equipment are recognised in profit and loss statement as an expense when incurred.

### (iii) Depreciation

Depreciation is charged on a straight-line basis over the asset's expected useful life and posted to the profit and loss statement. Land is not depreciated. Estimated useful lifetimes are as follows:

Buildings	30–50 years
Equipment	3–10 years
Fixtures, fittings and other	3–15 years
Right-of-Use	Based on the lease term

Depreciation methods, useful lives as well as residual values, are reassessed annually as of the balance sheet date.

## (k) Intangible assets

### (i) Goodwill and intangible assets acquired in business combinations

Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of the acquisition. In the case of the acquisition of a subsidiary, goodwill is recognised in intangible assets. In the case of the acquisition of an associate or joint venture, goodwill is included in the carrying amount of the investment in associate or joint venture. It is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the sale of an entity include the carrying amount of goodwill relating to the entity sold. The bargain purchase gain arising on an acquisition is reassessed and any remaining surplus is recognised in the profit and loss statement.

Intangible assets acquired through a business combination are recognised at fair value at the acquisition date if they are separable or arise from contractual or other legal rights. Intangible assets with an indefinite useful life are not amortised and are recognised at cost less any impairment. Intangible fixed assets with definite useful lives are amortised over their useful lives and are recognised at cost less amortisation and any impairment.

### (ii) Software and other intangible assets

Software and other intangible assets acquired by the Group are recognised at acquisition cost less accumulated amortisation (see below) and impairment losses (see accounting principle (h)).

Their useful lifetimes are usually finite. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment. The useful life is reviewed at the end of the period to assess whether circumstances continue to support its indefinite useful life.

### (iii) Amortisation

Amortisation is charged to the profit and loss statement on a straight-line basis over the estimated useful life of the intangible asset, excluding goodwill, from the date the asset is available for use. Estimated useful lifetimes are as follows:

Software	2–21 years
Other intangible assets	2–14 years
Relations with customers	3–7 years

### (l) Investment property

Investment property is initially measured at acquisition cost and subsequently at fair value, with any change being recognised in profit or loss.

The fair values of investment property are determined either by an independent expert registered in the list of experts or by the company's management, in both cases on the basis of current market prices on an active market of similar properties in the same location and in the same condition.

Such valuations reflect, where appropriate, the type of tenants in the property, or the people responsible for fulfilling the terms of the lease, or the likely type of tenants in the event that the lease becomes vacant, the general market perception of the tenants' credit-worthiness and remaining economic viability.

Any gain or loss from the disposal of investment property (calculated as the difference between the net proceeds from the sale and the carrying amount) is recognised in profit or loss for the period in which they were incurred. If an investment property that was previously classified as property, plant and equipment is sold, all related amounts in the revaluation reserve are transferred to retained earnings.

### (m) Provisions

A provision is recognised in the statement of financial position if the Group has a legal or constructive liability that arose as a result of a past event and if it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

The Group recognises provisions related to a customer loyalty programme operated by J&T BANKA, a.s. The provision reduces interest revenue when the first points are credited to the customer after a new bank account is opened. The provision is then further increased when additional points are credited to the client based on their use of the Group's services.

### (n) Employee benefits

A provision is recognised for employee benefits related to the termination of employment in the amount to be paid through long-term or short-term cash bonuses or profit-sharing plans if the Group has a present legal or constructive obligation to pay that amount as a result of the employee's provision of services in the past and this obligation can be reliably estimated. A benefit is classified as short-term only if the entire benefit category is settled within one year, otherwise it is disclosed as long-term.

Short-term employee benefit liabilities are recognised on an undiscounted basis and accounted for through expenses when the employee performs the related work.

Liabilities due to employees, such as sums relating to accrued paid leave or performance-based bonuses, are recognised as other liabilities.

### (o) Loan commitments and financial guarantees

Loan commitments are firm commitments to provide credit on pre-specified terms. In the case of loan commitments and financial guarantees, the initial expected credit losses (ECL) are recognised as a provision (see 27 Values arising from expected credit losses (ECL)). Changes to ECL in subsequent periods (when loan commitments and financial guarantees are still provided and there is a

change in the expected cash flows from the relevant financial asset) are accounted for as expense/income through off-balance-sheet provisions.

Financial guarantees are contracts under which the Group is obliged to make certain payments to compensate the holder for a loss incurred by the holder because a particular debtor fails to pay an amount properly and on time according to the terms and conditions set out in the debt instrument.

Provisions for financial guarantees and loan commitments constitute the ECL on related off-balance-sheet liabilities. If it is probable that the Group will have to provide performances under its contractual obligations, ECL is transferred from Stage 1 or 2 to Stage 3 and the amount is adjusted accordingly. When the Group makes the relevant payments to the parties to whom it is committed, a credit asset and the ECL to that asset are recognised and the provisions for financial guarantees and loan commitments (ECL to off-balance-sheet assets) are released. Both the dissolution and creation of ECL are recognised in the profit and loss statement as Net creation of provisions for loans, loan commitments and financial guarantees.

#### **(p) Trade and other liabilities**

Trade and other liabilities are recognised at amortised cost.

#### **(q) Interest income and expense**

Interest income and expense is recognised in the profit and loss statement as it accrues. Interest income and expense includes the amortisation of any discount, premium or other differences between the original carrying amount of the interest-bearing instrument and its amount at maturity calculated using the effective interest rate. All borrowing costs (except those that qualify for capitalisation) are recognised in the profit and loss statement.

#### **(r) Fee and commission income and expense**

Fee and commission income arises on financial services provided by the Group, including cash management, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services. Assets under management include all client assets managed or held by the Group in its own name for investment purposes but on behalf of a third party. These assets are not included in the consolidated financial statements (see 46 Assets under management). Commissions received on these transactions are presented in fee and commission income.

The Group recognises fee and commission income in the amount of the consideration to which the Group is entitled. This core principle is based on a five-step model: (1) Identifying the contract(s) with the customer, (2) Identifying the performance obligations in the contract, (3) Determining the transaction price, (4) Allocating the transaction price to the performance obligations in the contract, and (5) Recognising revenue when the performance obligation is satisfied.

#### **(s) Financial markets, net result**

Financial markets, net result include gains and losses arising from sales and changes in the fair value of financial assets and liabilities measured at fair value through profit or loss and fair value through other comprehensive income, gains and losses from foreign exchange transactions, as well as realised or unrealised foreign exchange gains and losses.

#### **(t) Rental income**

Rental income is accounted for in the profit and loss statement on a straight-line basis over the term of the lease.

#### **(u) Income tax**

Income tax on the profit for the year comprises current tax payable and deferred tax.

Current tax payable is the expected tax payable on taxable income for the period at the tax rate applicable as at the balance sheet date. The current tax payable also includes any adjustments to the tax payable with respect to previous periods.

Deferred tax is accounted for using the balance sheet method and is calculated from any temporary differences between the carrying amounts of assets and liabilities determined for financial reporting purposes and the values used for tax purposes. Following temporary differences not provided for: the initial recognition of assets and liabilities in a transaction that is not a business combination, that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries unlikely to be reversed in the foreseeable future because the parent company is able to control the reversal of the temporary difference. No taxable temporary differences are recognised at the initial recognition of goodwill. The amount of deferred tax is based on the expected method of realisation or settlement of the carrying amount of assets and liabilities using the tax rates in effect (or approved) at the balance sheet date.

Income tax is recognised in the profit and loss statement except to the extent that it relates directly to items recognised in other comprehensive income. In this case, it is recognised in other comprehensive income at the appropriate amount.

A deferred tax asset is accounted for only if it is probable that taxable profits against which the deferred tax asset can be claimed will be realised in the future. The deferred tax asset is reduced by the value for which it is probable that the relevant tax use will not be feasible in the future. Deferred income tax is calculated using the tax rate currently in effect at the time of realisation of the asset or fulfilment of the obligation.

Deferred tax assets and liabilities are offset against each other if there is a legally enforceable right to offset the due tax liability due and receivable, and at the same time they relate to taxes levied by the same tax authority from the same taxable entity. If they do not relate to the same taxable entity, offsetting is possible if the entities intend to settle the due tax asset or liability as a net amount, or their tax assets and liabilities will be realised at the same time.

The Group has decided to apply an exemption from the accounting requirements for deferred taxes under IAS 12 related to Pillar II income taxes.

#### **(v) Leases**

A lease is a contract or part of a contract that provides the right to use an asset (the underlying asset) for a set period of time in exchange for consideration.

##### **(i) Group as lessee**

The Group recognises a right of use and a lease obligation on the lease commencement date (i.e. the date on which the underlying asset is available for use).

#### Measurement

##### a) Right of use

On the lease commencement date, the right-of-use asset is measured at cost. The cost of a right-of-use asset includes the following:

- the initial valuation of the lease liability (see below);
- prepaid lease payments;
- initial direct costs;
- the estimated cost of dismantling, removing or restoring the asset;
- less lease incentives received.

After initial recognition, a right-of-use asset is measured in the same way as a comparable asset owned by the Group. Therefore, the Group continues to apply IAS 16 Property, Plant and Equipment or IAS 40 Investment Property, and right-of-use assets are further presented in the corresponding financial statement line under these standards.

Where relevant, IAS 36 Impairment of Assets is applied to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

##### b) Lease liability

At the lease commencement date, the lease liability is measured at the present value of future lease payments that are outstanding as at the lease commencement date. Lease payments are discounted at the implicit interest rate on the lease. If this is not available, the incremental borrowing rate is used.

Lease payments include the following:

- fixed payments (including payments that are fixed in nature) less any receivables from lease incentives;
- variable payments based on an index or rate;
- guaranteed residual values;
- the exercise price of a call option that the Group is virtually certain to exercise; and
- penalties for early termination of the lease.

Variable payments not based on an index and that have not been included in the measurement of the lease liability are recognised as an expense. This mainly concerns energy and utilities consumed in the case of the lease of space and exceeding the fixed capacities on disks in the case of the lease of servers.

Lease liabilities are included in the balance sheet under "Other liabilities".

#### Short-term and low-value leases

The Group has used the short-term lease exemption (leases with a term of 12 months or less from the start of the lease that do not include an option to buy; the broader economics of the lease agreements are also taken into account, such as the cost of abandoning or dismantling the subject of the lease). An exemption from the accounting requirement was also applied for leases of low-value assets (i.e. below EUR 5,000). Lease payments for short-term leases and leases of low-value assets are recognised as an expense when incurred.

#### Modification of lease contract

The Group accounts for a lease modification as a separate lease if both the following conditions are met:

- (a) the modification increases the scope of the lease by adding one or more underlying assets to the right of use; and
- (b) the consideration for the lease is increased by an amount comparable to the stand-alone scale-up price and by any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modifications not separately accounted for, the Group assigns the consideration provided to the date of the modification, determines the duration of the modified lease and reassesses the amount of the lease liability using the updated value of the lease payments and the revised interest rate.

In the case of lease modifications where the scope of the lease is reduced, the revaluation of the lease liability is recognised as a reduction in the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease. Any gain or loss related to the partial or full termination of a lease is recognised in profit or loss.

#### Deferred tax resulting from IFRS 16

For contracts concluded before 31 December 2021, deferred tax assets and deferred tax liabilities arising from the right of use and lease liabilities are recognised at net value. As a result of an amendment to the Standard, the gross approach is used for new contracts from 1 January 2022.

#### (ii) Group as lessor

A lease in which the Group transfers substantially all of the risks and rewards arising from ownership is classified as a finance lease. The financial lease receivable is recognised over the lease term in an amount equal to the net investment in the lease, and is presented within Loans and advances to customers in the consolidated statement of financial position. The net investment in the lease is calculated as the present value of the minimum lease payments and the unguaranteed residual value, discounted at the implicit interest rate of the lease.

The recognition of financial income is based on a model reflecting the constant periodic rate of return on the Group's net investment in finance lease.

Gains and losses arising from the sale of assets owned by the Group, which were previously the subject of finance lease, are now recognised net in Other operating income or expenses.

#### **(w) Revenues from the sale of goods and services rendered**

The Group recognises revenue to reflect the transfer of promised goods or services to the customer in an amount equal to the consideration to which the Group is expected to be entitled in exchange for the goods or services. This core principle is based on a five-step model: (1) Identifying the contract(s) with the customer, (2) Identifying the performance obligations in the contract, (3) Determining the transaction price, (4) Allocating the transaction price to the performance obligations in the contract, and (5) Recognising revenue when the performance obligation is satisfied. In the case of a contract that allows for the return of goods, revenue is not recognised if it is highly probable that a significant quantity of those goods will be returned.

#### **(x) Dividends**

Dividends are recognised in the statement of changes in equity and also as liabilities in the period in which they are declared.

#### **(y) Operating segments**

IFRS 8 requires operating segments to be identified based on internal reporting of the Group's business units, which are regularly audited by a senior employee of the Group with authority to take decisions, with the goal of taking decisions on the resources to be allocated to the segment and of assessing the performance of the segment based on separate financial data.

At the Group level, management monitors the consolidated unit through the individual companies of the Group, and for this reason the division into segments is based on the subject of focus of the individual companies.

In 2023, the segment structure was aligned with the segment reporting in the consolidated financial statements of the subsidiary J&T BANKA, a.s.

The Group has defined the following segments by which it reports in accordance with IFRS 8:

- Banking (categorisation by country):
  - Czech Republic
  - Slovakia
  - Germany (a new segment since 2023 as a result of the establishment of a branch of J&T BANKA, a.s.)
  - Other (Croatia and Russia up to the time of its sale)
- Asset management
- Real estate
- Leasing
- Other

In the recognition of data by geographic area, revenue is reported by the country in which the counterparty is domiciled, and assets by geographic location. For assets, further information on the distribution of credit risk by actual location of the loan counterparty is contained in note 44(iii) - Concentration of counterparty credit risk by geographic location.

Information on the operating segments is disclosed in note 7.

Operating segments are accounted for in accordance with the accounting policies described in note 3.

#### **(z) Changes in accounting policies**

The Group's accounting policies remained unchanged in 2023 and 2022, except for the changes resulting from modification of International Financial Reporting Standards (IFRS) as described in note 2.

## **4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions. It is also necessary for management to use its judgement when applying the Group's accounting policies. The resulting accounting estimate will therefore rarely equal the actual results. The estimates and assumptions that entail a significant risk of causing material adjustment to the carrying amount of assets or liabilities in the next financial year are described below. Estimates and assumptions are evaluated on an ongoing basis. Corrections to accounting estimates are recognised in the period in which they are corrected if the correction relates only to that period.

### **Macroeconomic environment**

The dynamics of the markets in which the Group operates are currently affected by uncertainties in the economic environment. Management is aware of this uncertainty in the markets caused by price variability of inputs which, together with increased interest rates, make it difficult to make accurate accounting estimates and assumptions. It is also aware of the potential impact of government measures that may complicate the early identification of potential deterioration in investment and loan portfolios. The Group is monitoring current developments and government measures, and external forecasts, and has internal forecasting processes in place to assess the potential impact on the Group's financial position.

#### **4.1 Financial instruments**

In measuring an asset or liability at fair value, the Group uses observable market data when possible. The fair values are categorised into different hierarchical levels based on the inputs used in the valuation methods, as follows:

- Level 1: prices of identical assets or liabilities quoted in active markets (unadjusted);
- Level 2: inputs other than quoted prices included in Level 1 that are objectively observable for assets and liabilities, either directly (i.e. prices of similar instruments) or indirectly (i.e. derived from such prices). This category includes instruments using: quoted market prices in active markets for similar instruments; quoted prices of identical or similar instruments in markets that are considered less active; or other valuation techniques in which all significant inputs are directly or indirectly observed from market data.
- Level 3: inputs that are not based on objectively observable market data (objectively unobservable inputs).



If there is no active market for the financial instrument, fair value is estimated using valuation techniques. In applying valuation techniques, management applies estimates and assumptions based on available information about the estimates and assumptions that market participants would use when pricing the financial instrument.

The Group recognises transfers between fair-value hierarchy levels at the end of the accounting period in which the change occurs.

The following table provides information about significant unobservable inputs used in the measurement of financial assets classified as Level 3 in the fair value hierarchy:

31 December 2023

Type of financial asset	Valuation method	Significant unobservable input	Fair value at 31 December 2023	Interval of values	Sensitivity of fair value to unobservable inputs
Bonds	Discounted cash flows	Credit spread	185,846	0.7%–1.7%	An increase would lead to a lower fair value.
Shares and equity instruments	Discounted cash flows	Discount rate	72,974	29%–32%	An increase would lead to a lower fair value.
		EV/revenue ratio		1.34	An increase would lead to a higher fair value.
Investment property (buildings)	Comparable sales	Price per m <sup>2</sup>	89,752	492 – 8,557 EUR/m <sup>2</sup>	An increase would lead to a higher fair value.
Investment property (land)	Comparable sales	Price per m <sup>2</sup>	60,176	16 – 1,584 EUR/m <sup>2</sup>	An increase would lead to a higher fair value.

31 December 2022

Type of financial asset	Valuation method	Significant unobservable input	Fair value at 31 December 2023	Interval of values	Sensitivity of fair value to unobservable inputs
Bonds	Discounted cash flows	Credit spread	257,679	-1.5%–2.5%	An increase would lead to a lower fair value.
Shares and equity instruments	Discounted cash flows	Discount rate	80,342	26%–35%	An increase would lead to a lower fair value.
		Continued EBITDA growth		1.4	An increase would lead to a higher fair value.
Investment property (buildings)	Comparable sales	Price per m <sup>2</sup>	67,331	210 – 10,329 EUR/m <sup>2</sup>	An increase would lead to a higher fair value.
Investment property (land)	Comparable sales	Price per m <sup>2</sup>	68,446	10 – 1,454 EUR/m <sup>2</sup>	An increase would lead to a higher fair value.

Although the Group believes that its fair value estimates are reasonable, the use of different methodologies or assumptions could result in different fair value measurements. For a Level 3 fair value measurement, changing one or more of the assumptions used (i.e. using possible alternative assumptions) would have the following effects:

31 December 2023

Type of financial asset	Change in unobservable input	Change in fair value
Bonds and other loans	Increase in credit spread by 1%	(3,438)
	Decrease in credit spread by 1%	3,545
Shares and equity instruments	Increase in discount rate by 1%	(2,673)
	Decrease in discount rate by 1%	2,409
	Increase in EV/Sales ratio by 5%	2,610
Investment property (buildings)	Decrease in EV/Sales ratio by 5%	(3,000)
	Increase in price per m <sup>2</sup> by 15%	13,463
Investment property (land)	Decrease in price per m <sup>2</sup> by 15%	(13,463)
	Increase in price per m <sup>2</sup> by 15%	9,026
	Decrease in price per m <sup>2</sup> by 15%	(9,026)

31 December 2022

Type of financial asset	Change in unobservable input	Change in fair value
Bonds and other loans	Increase in credit spread by 1%	(16,053)
	Decrease in credit spread by 1%	17,290
Shares and equity instruments	Increase in discount rate by 1%	(2,418)
	Decrease in discount rate by 1%	2,678
	Increase in EBITDA by 5%	3,059
	Decrease in EBITDA by 5%	(2,940)
Investment property (buildings)	Increase in price per m <sup>2</sup> by 15%	10,100
	Decrease in price per m <sup>2</sup> by 15%	(10,100)
Investment property (land)	Increase in price per m <sup>2</sup> by 15%	10,267
	Decrease in price per m <sup>2</sup> by 15%	(10,267)

See the following notes for further information:

- Note 17. Financial assets held for trading and liabilities held for trading
- Note 19. Investment securities at fair value through profit or loss
- Note 20. Investment instruments at fair value through other comprehensive income
- Note 29. Investment property

#### 4.2 Business combinations and purchase price allocation

In a business combination (see also note 8.1. Acquisition and establishment of subsidiaries and note 28. Investments in equity accounted investees), the acquirer's identifiable assets, liabilities and contingent liabilities are recognised and measured at their fair values at the acquisition date. The allocation of the total purchase price to net assets acquired for financial statement reporting purposes is performed with the support of professional advisors.

The valuation analysis is based on historical and forward-looking information available at the date of the business combination. All forward-looking information that may affect the fair value of the acquired assets is based on management's expectations of the future competitive and economic environment.

The results of the valuation analyses are also used to determine the depreciation and amortisation periods of the values assigned to specific items of intangible and tangible fixed assets.

The following acquisitions took place in 2023:

- The company Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. acquired 100% interest in Hotel SASANKA s.r.o. on 7 December 2023.
- The company FORESPO-RENTAL 2 a.s. acquired 100% interest in OSCAR GROUP s.r.o. on 11 December 2023.

The following acquisitions took place in 2022

- On 13 April 2022, FVE Holding s.r.o., a company established on 7 April 2022 by J&T IB and Capital Markets, a.s., acquired a 100% interest in FVE Čejkovice s.r.o., FVE Napajedla s.r.o., FVE Němčice s.r.o., FVE Slušovice s.r.o. and J&T Recycle, s.r.o.
- On 23 November 2022, the Group increased its interest in AMISTA investiční společnost, a.s. and AMISTA consulting, s.r.o. to 80% and acquired control over these companies.
- On 8 December 2022, the Group purchased a 100% interest in J&T RFI V., s.r.o. (formerly Atenom ČR s.r.o.)

#### 4.3 Goodwill and impairment testing

The Group performs annual impairment testing of goodwill arising in a business combination during the current accounting period and impairment testing of goodwill already recognised in previous accounting periods (see also note 30. Intangible fixed assets). The Group also performs impairment testing on other intangible assets with indefinite useful lives and on cash-generating units where a trigger for such testing has been identified. At the acquisition date, the acquired goodwill is allocated to each cash-generating unit that is expected to benefit from the synergies of the business combination. Impairment is determined by estimating the recoverable amount of the cash-generating unit to which the goodwill relates, based on value in use reflecting estimated future discounted cash flows or fair value less costs to sell.

In most cases, the Group estimated the recoverable amounts of goodwill and cash-generating units based on value in use. Value in use is derived from forecasts of future cash flows - these forecasts are prepared by management and updated after the acquisition date. The discount rates applied to the projected cash flows are calculated as the weighted average cost of capital ("WACC") of each cash-generating unit.

#### Winemaking activities

The acquisition of an 80% interest in the French winery Chateau Teyssier (Société civile) and its distribution network led to the recognition of goodwill of EUR 3,606 thousand. Goodwill relates to the cash-generating unit represented by Chateau Teyssier (Société civile), JCP MALTUS DOMAINES & CHATEAUX (CT Domaines), SAXONWORLD LIMITED and World's End<sup>4</sup>. The recoverable amount from this cash-generating unit was calculated using the benchmarking method, which compares the property (in particular the price of the vineyard land) with other properties with similar characteristics recently sold. As at 31 December 2023, the recoverable amount for the interest controlled by the Group exceeds its carrying amount by EUR 34,629 thousand (2022: EUR 36,675 thousand). The impairment test did not reveal any impairment loss.

#### Ahoj, a.s. (Amico Finance, a.s.)

On 26 October 2018, 365.bank, a. s. purchased a 100% interest in Ahoj, a.s. The business activity of Ahoj, a.s. focuses primarily on the provision of consumer loans. In connection with this acquisition, the Group recognised goodwill of EUR 2,788 thousand. The carrying amount of goodwill was tested for impairment at the balance sheet date for the cash-generating unit represented by the entity Ahoj, a.s. The impairment test did not reveal any impairment loss. The recoverable amount was calculated using the discounted cash flow method. The cash flows for this method were taken from the most recent approved five-year business plan. The Group used expected growth rate of 2% (2.97% in 2022). The discount rate was calculated using the Capital Asset Pricing Model and was 11.70% (10.49% in 2022). The impairment test did not reveal any impairment loss.

#### Cards&Co, a. s. and DanubePay, a. s.

On 10 November 2020, 365.bank, a. s. acquired a 100% interest in Cards&Co, a.s. and DanubePay, a.s. The business activity is primarily focused on payment processing. In connection with this acquisition, the Group recognised goodwill of EUR 3,884 thousand. The carrying amount of goodwill was tested for impairment at the balance sheet date for the cash-generating unit represented by the entities Cards&Co, a. s., and DanubePay a.s. The impairment test did not reveal any impairment loss. The recoverable amount was calculated using the discounted cash flow method. The cash flows for this method were taken from the most recent approved five-year business plan. The Group used expected growth rate of 2% (2.97% in 2022). The discount rate was calculated using the Capital Asset Pricing Model and was 10.14% (also 10.14% in 2022). The impairment test did not reveal any impairment loss.

#### 4.4 Determination of control over investment funds

Management uses its judgement to determine whether the characteristics identified in note 3(a) indicate that the Group controls an investment fund. The Group acts as fund manager of a number of investment funds. Determining whether the Group controls an investment fund typically focuses on evaluating the Group's overall economic participation in the fund (comprising any carried interests and expected management fees) and investors' right to remove the fund manager. In this way, the Group has determined that it acts only as agent for investors in all cases, except for the funds listed below.

The Group exercised control over the following funds in 2023:

- Fond fondů NLS SICAV, a.s. (fund established in 2023)
- Naše ČESKO otevřený podílový fond (fund established in 2023)
- J&T Realitních akcií a dluhopisů otevřený podílový fond (fund established in 2023)
- J&T ORBIT SICAV, a.s.
- J&T NOVA Hotels SICAV, a.s.,
- Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s.,
- JTFG FUND I SICAV, a.s.
- J&T VENTURES I otevřený podílový fond

The Group exercised control over the following funds in 2022::

- J&T ORBIT SICAV, a.s. (fund established in 2022)
- J&T NOVA Hotels SICAV, a.s.,
- Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s.,

<sup>4</sup> The Czech wineries KOLBY a.s., Reisten, s.r.o. and Wine Resort Pouzdřany, s.r.o. are not part of this cash-generating unit.

- JTFG FUND I SICAV, a.s.
- J&T VENTURES I otevřený podílový fond
- J&T REALITY otevřený podílový fond, J&T INVESTIČNÍ SPOLEČNOST, a. s. (until December 2022, when the Group sold its interest)
- J&T LOAN FUND (until November 2022, when the Group sold its interest)

#### 4.5 Critical accounting estimates relating to leases

The Group defines the lease term as the period for which the lease is non-cancellable, including periods arising from options to extend the lease where it is virtually certain that the options will be exercised, or periods that include options to terminate the lease where it is virtually certain that the options will not be exercised.

The Group uses judgement in assessing whether it is virtually certain that options will be exercised. This means that it considers all relevant factors that make sense from an economic point of view and provide an incentive to exercise the option. The starting points for the assessment are mainly historical experience, planning and ultimately the costs associated with the replacement of the leased asset. In the case of office rentals, the Group is usually reasonably certain that it will exercise the renewal option only one time as further developments are too uncertain. In the case of digital storage capacity, the use of options to extend the lease is assumed until the end of the useful life of the servers. Similarly, judgements are used in situations to determine the duration of a lease in open-ended contracts. After the commencement of a lease, the Group reassesses the lease term if there is a significant event or change in circumstances within its control that affect its ability to exercise (or not exercise) the renewal option (e.g. a change in business strategy). As at 31 December 2023, the amount of undiscounted potential cash outflows related to contract renewal options not included in lease liabilities was EUR 44,110 thousand (31 December 2022: EUR 41,990 thousand).

For further information see Note 43. Leases.

## 5. RECLASSIFICATION OF "OBLIGATORY MINIMUM RESERVES IN CENTRAL BANKS"

During the year 2023 the Group considered the IFRS Interpretations Committee agenda decision on the classification of a demand deposit arising from a contract with a third party which do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7. Based on that agenda decision, the Group reassessed Obligatory minimum reserves in central banks and concluded them to be a component of "Cash and cash equivalents" in its statement of financial position and statement of cash flows (as in the separate statement above). As a result, the Group reclassified its Obligatory minimum reserves in central banks from the line "Due from banks and other financial institution" to the line "Cash and cash equivalents".

The restatement had no impact on the Group's total assets, total liabilities, net profit for the year ended 31 December 2022. Comparative figures were restated on a basis consistent with the current period.

Following tables summarize the impact on consolidated statement of financial position:

#### Consolidated statement of financial position as at 1 January 2022:

In thousands of EUR	Before restatement	Restatement	After restatement
<b>Assets</b>	<b>13,707,499</b>	–	<b>13,707,499</b>
Cash and cash equivalents	2,818,637	600,907	3,419,544
Loans and advances to banks	635,457	(600,907)	34,550
<b>Liabilities</b>	<b>11,691,741</b>	–	<b>11,691,741</b>
<b>Equity</b>	<b>2,015,758</b>	–	<b>2,015,758</b>

#### Consolidated statement of financial position as at 31 December 2022:

In thousands of EUR	Before restatement	Restatement	After restatement
<b>Assets</b>	<b>14,647,613</b>	–	<b>14,647,613</b>
Cash and cash equivalents	3,793,317	63,704	3,857,021
Loans and advances to banks	73,078	(63,704)	9,374
<b>Liabilities</b>	<b>12,559,455</b>	–	<b>12,559,455</b>
<b>Equity</b>	<b>2,088,158</b>	–	<b>2,088,158</b>

The following tables quantify the impact of this adjustment on the statement of cash flows:

#### Consolidated statement of cash flows as at 31 December 2022:

In thousands of EUR	Before restatement	Restatement	After restatement
<b>Cash flows from operating activities</b>			
Change in loans and advances to banks and customers	289,445	(537,203)	(247,758)
<b>Cash flows from (used in) operating activities</b>	<b>953,121</b>	<b>(537,203)</b>	<b>415,918</b>
<b>Cash flows from investing activities</b>			
<b>Cash flow from (used in) investing activities</b>	<b>(25,166)</b>	<b>—</b>	<b>(25,166)</b>
<b>Cash flows from financing activities</b>			
<b>Cash flow from (used in) financing activities</b>	<b>(52,405)</b>	<b>—</b>	<b>(52,405)</b>
<b>Net increase in cash and cash equivalents</b>	<b>875,550</b>	<b>(537,203)</b>	<b>338,347</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,818,637</b>	<b>600,907</b>	<b>3,419,544</b>
Effect of exchange rate fluctuations on cash held	99,130	—	99,130
<b>Cash and cash equivalents at the end of the period</b>	<b>3,793,317</b>	<b>63,704</b>	<b>3,857,021</b>

## 6. THE WAR IN UKRAINE AND ENVIRONMENTAL ISSUES

### Environmental Sustainability, Social Responsibility and Corporate Governance (ESG)

Significant sources of uncertainties include uncertainties related to climate risk, social responsibility and corporate governance. These are taken into account in determining accounting estimates such as business combinations, impairment of assets, accounting for provisions and determining the useful lives of assets.

The Group enters into loan agreements for ESG projects either directly or through mutual funds or venture capital enabling investments in innovative projects. The Group is fully aware of its responsibilities in this area and, also due to increasing regulatory requirements, is progressively incorporating solutions into its core and operational activities and risk management to enable it to collect, process and use ESG data.

We categorise the risks associated with ESG into two categories – transition risk and physical risk.

#### Transition risk

Transition risk relates to changes that companies need to make to adapt to a more sustainable and low-carbon economic model. Thus, there is a risk associated with significant and rapid changes in stakeholder expectations reflected in politics, changes in laws and regulations, and changes in consumer behaviour. The risks associated with transitioning into a low-carbon economy are specific to each industry and may even differ between sub-sectors within an industry. The rate of adaptation to transition to a low-carbon economy is also directly related to the level of risk faced.

Key aspects of transition risk include:

Changing the energy mix: Switching to renewable energy sources and reducing dependence on fossil fuels can be financially demanding. Companies need to invest in new technologies and infrastructure.

Regulatory risks: Legislators and regulators may adopt new regulations that affect business.

Reputational risk: An improper transition could damage a company's reputation. Transparency and communication are key.

Financial risks: Lack of funding for the transition to a more sustainable model can put a business at risk.

The Group assesses its exposure to transition risk as low. The Group continuously monitors new legislation and innovations, and consistently adapts to new market trends. This assessment is further supported by an appropriate financial strategy, risk management and solid capitalisation.

### Physical risk

Physical risks arising from climate change are linked to specific events and long-term climate trends. The nature and timing of extreme meteorological events (floods, heat waves, storms, hurricanes etc.) are uncertain, but their frequency and severity are increasing, so their impact on the economy is expected to be more significant in the future. Possible impacts may include lower GDP growth, shortages of raw materials and products, significant price changes, increased operating costs, reduced asset values, increased write-offs and amortisation.

Physical risk can be divided into two categories – acute physical risks and chronic physical risks:

Acute physical risks are unexpected events such as natural disasters (e.g. tornadoes, earthquakes, floods) or extreme weather (prolonged drought, heat waves). These events can have an immediate impact on society, infrastructure and the environment.

Chronic physical risks are the gradual effects of climate, such as rising temperatures, rising ocean levels and other long-term changes.

Given the Group's geographical focus on Europe, which is less affected by physical risks, we consider this risk to be immaterial to the Group.

### Credit risk and expected credit losses

The Group considered the risks arising from environmental sustainability, social responsibility and corporate governance (ESG) in the ECL measurement and concluded that they had no impact on ECL in 2023 and 2022, and therefore did not include specific adjustments to take into account ESG risks in the ECL calculation. Given the prudent approach to the current situation, the Group considers that the ECL represents the best estimate of expected credit losses as at 31 December 2023 (as at 31 December 2022).

The Group's growing commitment to environmental sustainability, social responsibility and corporate governance (ESG) is also taken into account when evaluating the credit rating of new clients or assessing the credit risk of transactions. Recognising the importance of ESG, the Group collects ESG data from clients through questionnaires. The Group is currently in the process of implementing ESG risks into the client rating assessment and approval process for significant exposures in the loan portfolio.

The Group has assessed how climate risks could affect its financial position in the financial statements for the year ending 31 December 2023. As part of the assessment, the Group considered number of areas of the statement of financial position such as ECL, provisions, financial instruments and non-current assets, as well as the long-term viability and sustainability of the business. After a thorough assessment, the Group concluded that these risks do not have a material impact on the consolidated financial statements for the period ending 31 December 2023.

### Direct financial impact of the Russian invasion of Ukraine

In February 2024, two years have passed since the Russian Federation invaded Ukraine. Since then, number of countries, including the United States, the United Kingdom and European Union member states, have imposed and, over time, expanded economic sanctions against selected Russian individuals and legal persons. The freeze on Russian assets, and restrictions on trade, capital movements and tourism continue.

Since the beginning of the war, the Group has supported organisations that provide material, food and medical aid, and that focus on strengthening the personnel capacity of organizations helping people affected by the war in Ukraine. These include, for example, field social workers, psychologists, Czech language teachers, coordinators, community workers and many other needed professions.

One consequence of the ongoing war is a significant deterioration of the political and economic environment in both countries directly involved in the conflict. Direct material damage has been quantified since the beginning of the conflict, with the most affected sectors being construction of buildings, transport, industry, trade, energy and agriculture.

The Group analyses in detail the exposures of the sectors potentially affected by the impact of the current situation and holds appropriately higher provisions for them.

In 2023, the Group exited the Russian banking market with the sale of its subsidiary J&T Bank a.o. The Group also sold its ownership interest in Leasing-Medicine Ltd. and TERCES MANAGEMENT LIMITED, which operated in Russia through its subsidiary Interznanie OAO.

The sale of these companies in particular resulted in a significant decrease in the Group's overall exposure on the Russian and Ukrainian markets. The Group did not provide any new financing with risk in Ukraine and Russia in 2023.

7. OPERATING SEGMENTS<sup>5</sup>

As at 31 December 2023

In thousands of EUR	Banking				Asset management	Real estate	Leasing	Other	Total
	Czech Republic	Slovakia	Germany	Other					
Interest income calculated using effective interest rate method	685,256	169,348	26	12,982	343	240	6,000	53,063	927,258
Other interest income	14,170	1,040	—	1,928	228	62	2,661	281	20,370
Interest expenses	(292,560)	(60,406)	(12,947)	(5,305)	(11)	(1,595)	—	(37,890)	(410,714)
<b>Net interest income</b>	<b>406,866</b>	<b>109,982</b>	<b>(12,921)</b>	<b>9,605</b>	<b>560</b>	<b>(1,293)</b>	<b>8,661</b>	<b>15,454</b>	<b>536,914</b>
Fee and commission income	46,598	73,242	—	358	76,157	—	3	749	197,107
Fee and commission expense	(10,853)	(27,917)	(3)	(303)	(1,773)	(202)	(3)	(603)	(41,657)
<b>Net fee and commission income (expense)</b>	<b>35,745</b>	<b>45,325</b>	<b>(3)</b>	<b>55</b>	<b>74,384</b>	<b>(202)</b>	<b>—</b>	<b>146</b>	<b>155,450</b>
Financial markets, net result	44,554	(4,477)	9	7,063	16,230	(176)	107	11,635	74,945
Other operating income	501	157	—	729	130	42,288	2,482	42,228	88,515
<b>Total income</b>	<b>487,666</b>	<b>150,987</b>	<b>(12,915)</b>	<b>17,452</b>	<b>91,304</b>	<b>40,617</b>	<b>11,250</b>	<b>69,463</b>	<b>855,824</b>
Personnel expenses	(57,018)	(56,896)	(2,465)	(5,338)	(11,766)	(7,380)	(1,893)	(28,836)	(171,592)
Depreciation and amortisation	(2,765)	(15,508)	(49)	(665)	(794)	(4,477)	(269)	(14,456)	(38,983)
Gain/(loss) on sale of subsidiaries	(36,233)	—	—	—	—	—	—	7,774	(28,459)
Other operating expenses	(29,514)	(44,013)	(2,194)	(3,755)	(3,707)	(14,928)	(1,527)	(42,707)	(142,345)
Other operating non-cash expenses	(13)	(72)	—	92	(1)	(20)	—	(9)	(23)
<b>Total expenses</b>	<b>(125,543)</b>	<b>(116,489)</b>	<b>(4,708)</b>	<b>(9,666)</b>	<b>(16,268)</b>	<b>(26,805)</b>	<b>(3,689)</b>	<b>(78,234)</b>	<b>(381,402)</b>
Impairment of goodwill	—	—	—	—	—	—	(134)	(232)	(366)
Change in impairment of property, plant and equipment and intangible assets	—	51	—	(14)	—	(2,555)	—	—	(2,518)
Net impairment losses on loans, loan commitments and financial guarantees	(38,476)	(10,198)	—	2,131	3	3,011	(18,589)	(25,587)	(87,705)
Net impairment losses on financial assets except loans, loan commitments and financial guarantees	2,930	7,657	—	(9,075)	(53)	(804)	(18)	(717)	(80)
<b>Profit (loss) from operations</b>	<b>326,577</b>	<b>32,008</b>	<b>(17,623)</b>	<b>828</b>	<b>74,986</b>	<b>13,464</b>	<b>(11,180)</b>	<b>(35,307)</b>	<b>383,753</b>
Share of profit (loss) from equity accounted investees	—	—	—	—	—	(16,275)	—	(21)	(16,296)
<b>Profit (loss) before tax</b>	<b>326,577</b>	<b>32,008</b>	<b>(17,623)</b>	<b>828</b>	<b>74,986</b>	<b>(2,811)</b>	<b>(11,180)</b>	<b>(35,328)</b>	<b>367,457</b>
Income tax expense	(57,816)	(21,094)	(75)	(567)	(6,764)	(100)	—	(2,368)	(88,784)
<b>Segment result</b>	<b>268,761</b>	<b>10,914</b>	<b>(17,698)</b>	<b>261</b>	<b>68,222</b>	<b>(2,911)</b>	<b>(11,180)</b>	<b>(37,696)</b>	<b>278,673</b>
<b>Assets of operating segments</b>	<b>10,879,557</b>	<b>4,696,365</b>	<b>8,855</b>	<b>73,667</b>	<b>287,945</b>	<b>334,567</b>	<b>43,685</b>	<b>694,707</b>	<b>17,019,348</b>
<b>Liabilities of operating segments</b>	<b>7,593,798</b>	<b>5,472,137</b>	<b>847,045</b>	<b>59,458</b>	<b>61,960</b>	<b>67,509</b>	<b>18,922</b>	<b>625,223</b>	<b>14,746,052</b>

<sup>5</sup> The segment structure was aligned with the segment reporting in the consolidated financial statements of subsidiary J&T BANKA, a.s.

As at 31 December 2022

In thousands of EUR	Banking				Asset management	Real estate	Leasing	Other	Total
	Czech Republic	Slovakia	Germany	Other					
Interest income calculated using effective interest rate method	426,189	131,368	—	21,605	7,820	704	4,238	54,334	646,258
Other interest income	8,203	656	—	3,468	114	—	2,316	7	14,764
Interest expense	(165,741)	(16,011)	—	(10,992)	(15)	(1,595)	(145)	(28,277)	(222,776)
<b>Net interest income</b>	<b>268,651</b>	<b>116,013</b>	<b>—</b>	<b>14,081</b>	<b>7,919</b>	<b>(891)</b>	<b>6,409</b>	<b>26,064</b>	<b>438,246</b>
Fee and commission income	49,590	73,178	—	723	57,923	—	4	30	181,448
Fee and commission expense	(11,786)	(24,962)	—	(473)	(2,192)	(167)	(3)	(552)	(40,135)
<b>Net fee and commission income (expense)</b>	<b>37,804</b>	<b>48,216</b>	<b>—</b>	<b>250</b>	<b>55,731</b>	<b>(167)</b>	<b>1</b>	<b>(522)</b>	<b>141,313</b>
Financial markets, net result	79,600	1,843	—	8,579	52	4,807	4	(4,619)	90,266
Other operating income	2,269	15,232	—	1,498	32	21,259	2,163	38,539	80,992
<b>Total income</b>	<b>388,324</b>	<b>181,304</b>	<b>—</b>	<b>24,408</b>	<b>63,734</b>	<b>25,008</b>	<b>8,577</b>	<b>59,462</b>	<b>750,817</b>
Personnel expenses	(48,773)	(54,186)	—	(7,642)	(6,429)	(6,118)	(2,240)	(22,887)	(148,275)
Depreciation and amortisation	(2,951)	(22,783)	—	(758)	(690)	(4,605)	(343)	(12,367)	(44,497)
Other operating expenses	(30,315)	(47,035)	—	(4,449)	(3,954)	(12,265)	(1,233)	(35,701)	(134,952)
Other operating non-cash expenses	(26)	(2,288)	—	(95)	(1)	(2,421)	129	(15)	(4,717)
<b>Total expenses</b>	<b>(82,065)</b>	<b>(126,292)</b>	<b>—</b>	<b>(12,944)</b>	<b>(11,074)</b>	<b>(25,409)</b>	<b>(3,687)</b>	<b>(70,970)</b>	<b>(332,441)</b>
Change in impairment of property, plant and equipment and intangible assets	—	712	—	(24)	—	1,980	—	71	2,739
Net impairment losses on loans, loan commitments and financial guarantees	(33,827)	12,708	—	(45,912)	(1,312)	(1,125)	195	(57,214)	(126,487)
Net impairment losses on financial assets except loans, loan commitments and financial guarantees	(1,087)	(7)	—	(34,862)	(1)	(197)	47	148	(35,959)
<b>Profit (loss) from operations</b>	<b>271,345</b>	<b>68,425</b>	<b>—</b>	<b>(69,334)</b>	<b>51,347</b>	<b>257</b>	<b>5,132</b>	<b>(68,503)</b>	<b>258,669</b>
Share of profit (loss) from equity accounted investees	—	—	—	—	—	(12,327)	—	73	(12,254)
<b>Profit (loss) before tax</b>	<b>271,345</b>	<b>68,425</b>	<b>—</b>	<b>(69,334)</b>	<b>51,347</b>	<b>(12,070)</b>	<b>5,132</b>	<b>(68,430)</b>	<b>246,415</b>
Income tax expense	(45,955)	(22,818)	—	(1,417)	(6,514)	(2,433)	(99)	(4,566)	(83,802)
<b>Segment result</b>	<b>225,390</b>	<b>45,607</b>	<b>—</b>	<b>(70,751)</b>	<b>44,833</b>	<b>(14,503)</b>	<b>5,033</b>	<b>(72,996)</b>	<b>162,613</b>
<b>Assets of operating segments</b>	<b>8,482,939</b>	<b>4,690,652</b>	<b>—</b>	<b>227,339</b>	<b>153,464</b>	<b>374,765</b>	<b>95,142</b>	<b>623,312</b>	<b>14,647,613</b>
<b>Liabilities of operating segments</b>	<b>6,527,875</b>	<b>4,997,974</b>	<b>—</b>	<b>202,394</b>	<b>54,820</b>	<b>88,232</b>	<b>9,013</b>	<b>679,147</b>	<b>12,559,455</b>

## Revenues by geographical location of customers

For the year ending 31 December 2023

In thousands of EUR	Czech Republic	Slovakia	Other EU countries	Rest of the world	Total
Interest income calculated using effective interest rate method	447,106	227,455	194,392	58,305	927,258
Other interest income	13,330	3,119	1,742	2,179	20,370
Interest expense	(286,405)	(77,784)	(40,498)	(6,027)	(410,714)
<b>Net interest income</b>	<b>174,031</b>	<b>152,790</b>	<b>155,636</b>	<b>54,457</b>	<b>536,914</b>
Fee and commission income	71,769	110,466	11,244	3,628	197,107
Fee and commission expense	(10,919)	(29,016)	(984)	(738)	(41,657)
<b>Net fee and commission income</b>	<b>60,850</b>	<b>81,450</b>	<b>10,260</b>	<b>2,890</b>	<b>155,450</b>
Financial markets, net result	22,470	(6,320)	28,691	30,104	74,945
Other operating income	29,761	37,439	16,148	5,167	88,515
<b>Total income</b>	<b>287,112</b>	<b>265,359</b>	<b>210,735</b>	<b>92,618</b>	<b>855,824</b>



For the year ending 31 December 2022

In thousands of EUR	Czech Republic	Slovakia	Other EU countries	Rest of the world	Total
Interest income calculated using effective interest rate method	297,134	160,898	141,014	47,212	646,258
Other interest income	7,005	2,511	1,601	3,647	14,764
Interest expense	(157,414)	(31,512)	(23,087)	(10,763)	(222,776)
<b>Net interest income</b>	<b>146,725</b>	<b>131,897</b>	<b>119,528</b>	<b>40,096</b>	<b>438,246</b>
Fee and commission income	52,735	110,390	17,362	961	181,448
Fee and commission expense	(10,442)	(27,656)	(1,191)	(846)	(40,135)
<b>Net fee and commission income</b>	<b>42,293</b>	<b>82,734</b>	<b>16,171</b>	<b>115</b>	<b>141,313</b>
Financial markets, net result	(53,136)	2,135	222,722	(81,455)	90,266
Other operating income	14,965	47,722	12,166	6,139	80,992
<b>Total income</b>	<b>150,847</b>	<b>264,488</b>	<b>370,587</b>	<b>(35,105)</b>	<b>750,817</b>

In 2023, the Other EU countries column shows revenues mainly from Cyprus and Luxembourg (2022: Cyprus and Ireland), while the Rest of the world column shows revenues from Switzerland and the UK (2022: Russia and the UK).

## Assets by geographical location

31 December 2023

In thousands of EUR	Czech Republic	Slovakia	Other EU countries	Rest of the world	Total
Investments in equity accounted investees	6,297	729	8,920	—	15,946
Investment property	17,782	132,092	54	—	149,928
Intangible assets	33,947	60,308	4,292	45	98,592
Property, plant and equipment	115,763	109,150	64,842	32	289,787

31 December 2022

In thousands of EUR	Czech Republic	Slovakia	Other EU countries	Rest of the world	Total
Investments in equity accounted investees	24,564	493	25,299	—	50,356
Investment property	12,005	118,405	69	5,298	135,777
Intangible asset	26,571	54,813	4,246	346	85,976
Property, plant and equipment	155,427	114,039	66,104	11,604	347,174

The most significant entry in the Other EU countries column is France (2023 and 2022).

## 8. ACQUISITIONS AND DISPOSALS

### 8.1 Acquisitions and establishment of subsidiaries

#### (a) Acquisition of subsidiaries

In 2023, the Group acquired the following companies:

	Date of acquisition	Group interest after acquisition (%)
Hotel SASANKA s.r.o.	7 December 2023	100.00
OSCAR GROUP s.r.o.	11 December 2023	100.00

The total consideration transferred was EUR 1,285 thousand, with total expenditure of EUR 107 thousand. In 2022, the Group acquired the following subsidiaries:

	Date of acquisition	Group interest after acquisition (%)
FVE Čejkovice s.r.o.	13 April 2022	100.00
FVE Napajedla s.r.o.	13 April 2022	100.00
FVE Němčice s.r.o.	13 April 2022	100.00
FVE Slušovice s.r.o.	13 April 2022	100.00
J&T Recycle, s.r.o.	13 April 2022	100.00
AMISTA investiční společnost, a.s.	30 November 2022	80.00
AMISTA consulting, s.r.o.	30 November 2022	80.00
J&T RFI V., s.r.o. (dříve Atenom ČR s.r.o.)	8 December 2022	100.00

The total consideration transferred was EUR 52,141 thousand, while the total expenditure was EUR 56,108 thousand.

#### (b) Establishment of subsidiaries

In 2023, the Group established the following companies:

in thousands EUR	Date of establishment	Contributed capital	Group's interest after establishment (%)
Naše ČESKO otevřený podílový fond	31 March 2023	10,010	100.00
Fond Fondů NLS SICAV, a.s.	6 April 2023	4	100.00
J&T Realitních akcií a dluhopisů otevřený podílový fond	25 July 2023	3,997	100.00

In 2022, the Group established the following companies:

in thousands EUR	Date of establishment	Contributed capital	Group's interest after establishment (%)
J&T ORBIT SICAV, a.s.	14 January 2022	4	100.00
FVE Holding, s.r.o.	7 April 2022	—	100.00
J&T Global Finance XIV., s.r.o.	19 May 2022	5	100.00
J&T RFI I., s.r.o.	21 May 2022	8	100.00
J&T BANKA, a.s., Zweigniederlassung Deutschland	21 September 2022	—	100.00
J&T RFI III., s.r.o.	30 September 2022	8	100.00
J&T RFI IV., a.s.	16 December 2022	82	100.00
J&T AGRICULTURE SICAV a.s.	22 December 2022	4	89.00

**(c) Effect of acquisitions**

31 December 2023

In 2023, acquisitions of new subsidiaries were insignificant and therefore did not have a material impact on the Group's assets and liabilities (see Note 4.2 Business combinations and purchase price allocation).

31 December 2022

in thousands EUR	Total
Cash and cash equivalents	4,610
Financial assets for trading	4,561
Loans to customers	666
Trade receivables and other assets	6,180
Current tax assets	62
Intangible assets	32
Property, plant and equipment	38,044
Deferred tax assets	215
Deposits and loans from banks	(1,026)
Deposits and loans from customers	(592)
Other liabilities	(2,728)
Current tax liability	(166)
Deferred tax liabilities	(6)
Non-controlling interests	(444)
<b>Net identifiable assets and liabilities</b>	<b>49,408</b>
Goodwill on acquisition of new subsidiaries	2,733
Gain on bargain purchase	—
<b>Consideration transferred</b>	<b>52,141</b>
Consideration paid, satisfied in cash	(56,108)
Cash acquired	4,610
<b>Net cash inflow (outflow)</b>	<b>(51,498)</b>
Profit since acquisition date	3,622
Profit of the acquired entity for the year 2022	5,130
Turnover since acquisition date	9,717
Turnover of the acquired entity for the year 2022	17,409

## 8.2 Disposals

### (a) Sales of subsidiaries

The following sales occurred in 2023 and 2022:

31 December 2023

In thousands of EUR	Date of sale / liquidation	Net assets disposed of
ALTERNATIVE UPRAVLJANJE d.o.o.	17 January 2023	909
J&T Global Finance VIII., s.r.o., in liquidation	30 June 2023	—
J&T Bank, a. o.	14 November 2023	
Leasing-Medicine Ltd (Lizing-Medicina ooo)	14 November 2023	15,701
Interznanie OAO	14 November 2023	
TERCES MANAGEMENT LIMITED	14 November 2023	
FVE Holding, s.r.o.	20 December 2023	
FVE Čejkovice s.r.o.	20 December 2023	
FVE Napajedla s.r.o.	20 December 2023	
FVE Němčice s.r.o.	20 December 2023	3,046
FVE Slušovice s.r.o.	20 December 2023	
J&T Recycle, s.r.o.	20 December 2023	
<b>Total</b>		<b>19,656</b>

31 December 2022

In thousands of EUR	Date of sale	Net assets disposed of
J&T LOAN FUND	3 November 2022	98,147
365.life, d. s. s., a. s.	28 December 2022	13,650
J&T REALITY otevřený podílový fond, J&T INVESTIČNÍ SPOLEČNOST, a. s.	27 December 2022	39,695
<b>Total</b>		<b>151,492</b>

**(b) Effect of sales**

The sales of subsidiaries had the following effect on the Group's assets and liabilities:

**Effect of sales in 2023**

in thousands EUR	Total
Cash and cash equivalents	5,412
Investment securities at fair value through other comprehensive income	179
Disposal group held for sale	123,785
Trade receivables and other assets	3,092
Current tax assets	421
Intangible assets	5
Property, plant and equipment	31,097
Deferred tax assets	589
Trading liabilities	(855)
Liabilities associated with disposal groups held for sale	(108,084)
Deposits and loans from banks	(35,207)
Other liabilities	(760)
Current tax liability	(9)
Deferred tax liabilities	(9)
<b>Net assets and liabilities</b>	<b>19,656</b>
Selling price	46,755
Cumulative income and expense included in other comprehensive income reclassified to profit or loss	(55,558)
<b>Gain (loss) on sale</b>	<b>(28,459)</b>
Consideration received, satisfied in cash	32,016
Cash disposed of	(7,315)
<b>Net cash inflow (outflow)</b>	<b>24,701</b>

**Effect of sales in 2022**

in thousands EUR	Total
Cash and cash equivalents	107,526
Investment securities at fair value through profit or loss	1,627
Loans and advances to customers	46,057
Trade receivables and other assets	208
Current tax assets	451
Intangible assets	3,518
Property, plant and equipment	170
Deferred tax assets	39
Other liabilities	(2,591)
Non-controlling interests	(5,513)
<b>Net assets and liabilities</b>	<b>151,492</b>
Selling price	171,140
Cumulative income and expense included in other comprehensive income reclassified to profit or loss	3,320
<b>Gain (loss) on sale</b>	<b>16,328</b>
Consideration received, satisfied in cash	171,140
Cash disposed of	(107,526)
<b>Net cash inflow (outflow)</b>	<b>63,614</b>

## 9. NET INTEREST INCOME

in thousands EUR	2023	2022
<b>Interest income calculated according to the effective interest rate</b>		
Loans and advances to banks and customers	531,003	405,716
Hedging derivatives – interest rate risk	4,907	(1,830)
Bonds and other securities	41,568	28,791
Repo transactions	9,027	5,944
Bills of exchange	135	215
Receivables from central banks	334,369	204,296
Other	6,249	3,126
<b>Total interest income using effective interest rate</b>	<b>927,258</b>	<b>646,258</b>
<b>Interest income according to classes of instruments:</b>		
Financial instruments at amortised cost	904,819	626,358
Financial instruments at fair value through other comprehensive income	22,439	19,900
<b>Total interest income using effective interest rate</b>	<b>927,258</b>	<b>646,258</b>
Finance lease receivables	5,629	6,440
Financial assets held for trading	14,654	8,324
Investment securities measured at fair value through profit or loss	87	–
<b>Total other interest income</b>	<b>20,370</b>	<b>14,764</b>
<b>Total interest income</b>	<b>947,628</b>	<b>661,022</b>
<b>Interest expense</b>		
Deposits and loans from banks and customers	(351,041)	(185,090)
Bonds and other securities	(38,540)	(24,723)
Bills of exchange	–	–
Repo transactions	(6,360)	(8,185)
Lease liabilities	(1,167)	(1,087)
Other	(13,606)	(3,691)
<b>Total interest expense</b>	<b>(410,714)</b>	<b>(222,776)</b>
<b>Interest expense according to classes of instruments:</b>		
Financial instruments at amortised cost	(410,712)	(222,768)
Financial instruments at fair value through profit or loss	(2)	(8)
<b>Total interest expense</b>	<b>(410,714)</b>	<b>(222,776)</b>
<b>Total net interest income</b>	<b>536,914</b>	<b>438,246</b>

Interest expense on hedging derivatives includes accrued interest from interest rate derivatives used to hedge interest rate risk.

Other financial income totalling EUR 6,249 thousand includes negative interest on Deposits and loans from banks of EUR 693 thousand (2022: EUR 1,811 thousand).

## 10. NET FEE AND COMMISSION INCOME

Income from fees and commissions arises from financial services provided by the Group, including cash management, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services. Assets under management include all client assets managed or held by the Group in its own name for investment purposes but for the account of third parties. These assets are not included in the consolidated financial statements (see Note 46. Assets under management). Commissions received on these transactions are presented in Fee and commission income.

The following table sets out information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and related revenue recognition policies.

Nature and timing of satisfaction of performance obligation	Revenue recognition under IFRS 15
Account administration fees, asset management fees, custody fees, guarantee fees and servicing fees related to factoring are charged to clients on a regular and ongoing basis.	Revenue is recognised on an ongoing basis as services are provided.
Payment fees, fees for bond issues, on financial instruments (brokerage), from clearing and settlement and intermediation fees are transaction based and are charged at the moment of the transaction.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

### Breakdown of fee and commission income from contracts with customers

In thousands of EUR	2023	Reportable segments		
		Banking	Asset management	Other <sup>6</sup>
<b>Fee and commission income</b>				
– Fees on asset under management	77,975	4,144	73,831	–
– Fees for payment transactions	37,598	37,598	–	–
– Fees on issues of bonds and bills of exchange	20,682	20,682	–	–
– Fees on clearing and settlement	12,948	12,948	–	–
– Intermediation fees	11,535	10,155	1,380	–
– Fee on financial instrument operations	9,171	9,171	–	–
– Fees on custody, administration and depositing of valuables	7,845	6,899	946	–
– Fees on lending activities	6,737	5,995	–	742
– Fees on administration and payment transactions	3,583	3,583	–	–
– Fees on foreign exchange services	2,147	2,147	–	–
– Other	6,886	6,876	–	10
<b>Total fee and commission income</b>	<b>197,107</b>	<b>120,198</b>	<b>76,157</b>	<b>752</b>
<b>Fee and commission expense</b>				
– Fees on clearing and settlement	(20,469)	(20,469)	–	–
– Fees on custody, administration and depositing of valuables	(6,908)	(6,711)	(197)	–
– Fees on financial instrument operations	(3,201)	(3,115)	(2)	(84)
– Intermediation fees	(1,986)	(396)	(1,337)	(253)
– Fees on payment transactions	(1,429)	(1,250)	(6)	(173)
– Other	(7,664)	(7,135)	(231)	(298)
<b>Total fee and commission expense</b>	<b>(41,657)</b>	<b>(39,076)</b>	<b>(1,773)</b>	<b>(808)</b>
<b>Total net fee and commission income</b>	<b>155,450</b>	<b>81,122</b>	<b>74,384</b>	<b>(56)</b>

<sup>6</sup> "Banking" includes Banking Czech Republic, Slovakia, Germany (2023 only) and Banking - Other, "Other" includes aggregate information relating to the Asset management, Real estate, Leasing and Other segments as set out in note 7 Operating segments.

In thousands of EUR	2022	Reportable segments		
		Banking	Asset management	Other <sup>7</sup>
<b>Fee and commission income</b>				
– Fees on asset under management	59,161	2,934	56,227	–
– Fees for payment transactions	33,151	33,151	–	–
– Fees on issues of bonds and bills of exchange	18,931	18,931	–	–
– Fees on clearing and settlement	12,826	12,826	–	–
– Intermediation fees	6,462	5,891	571	–
– Fee on financial instrument operations	10,751	10,735	16	–
– Fees on custody, administration and depositing of valuables	9,413	8,866	547	–
– Fees on lending activities	9,926	9,904	–	22
– Fees on administration and payment transactions	4,779	4,779	–	–
– Fees on foreign exchange services	4,597	4,597	–	–
– Other	11,451	10,877	562	12
<b>Total fee and commission income</b>	<b>181,448</b>	<b>123,491</b>	<b>57,923</b>	<b>34</b>
<b>Fee and commission expense</b>				
– Fees on clearing and settlement	(19,740)	(19,740)	–	–
– Fees on custody, administration and depositing of valuables	(2,638)	(2,579)	(59)	–
– Fees on financial instrument operations	(8,602)	(8,417)	(2)	(183)
– Intermediation fees	(2,235)	(242)	(1,801)	(192)
– Fees on payment transactions	(1,872)	(1,634)	(15)	(223)
– Other	(5,048)	(4,609)	(315)	(124)
<b>Total fee and commission expense</b>	<b>(40,135)</b>	<b>(37,221)</b>	<b>(2,192)</b>	<b>(722)</b>
<b>Total net fee and commission income</b>	<b>141,313</b>	<b>86,270</b>	<b>55,731</b>	<b>(688)</b>

The item Other includes a large number of small items that are individually insignificant.

## 11. FINANCIAL MARKETS, NET RESULT

In thousands of EUR	2023	2022
Net gains (losses) on financial instruments held for trading	55,605	128,970
– derivatives	34,450	138,521
– equity instruments	16,860	(4,733)
– debt instruments	4,295	(4,818)
– other	–	–
Net profit (loss) from non-trading financial assets mandatorily measured at FVTPL	20,782	9,555
Net profit (loss) from financial instruments measured at FVTPL	(5,992)	1,001
Net profit (loss) from financial instruments measured at FVOCI	2,836	(2,792)
– dividend income from equity instruments measured at FVOCI	2,558	1,246
– sale of debt instruments	278	(4,038)
Net gains (losses) from financial assets measured at amortised cost	(1,837)	(4,668)
Net gains (losses) resulting from hedge accounting	372	(451)
– hedged items	14,165	(19,206)
– hedging items	(13,793)	18,755
Exchange rate gains/(losses)	3,179	(41,349)
<b>Total financial markets, net result</b>	<b>74,945</b>	<b>90,266</b>

The Group reported a loss of EUR 1,837 thousand (2022: loss of EUR 4,668 thousand) which arose as a result of a modification of financial assets measured at amortised cost.

<sup>7</sup> "Banking" includes Banking Czech Republic, Slovakia, Germany (2023 only) and Banking - Other, "Other" includes aggregate information relating to the Asset management, Real estate, Leasing and Other segments as set out in note 7 Operating segments.



## 12. OTHER OPERATING INCOME

In thousands of EUR	2023	2022
Revenue from services and consulting (IFRS 15)	34,688	26,754
Revenue (premium) of insurance companies	—	—
Rental income (IFRS 16)	4,973	4,768
Goods sold (IFRS 15)	8,381	7,689
Income from operating leases	698	639
Gain on sale of subsidiaries, joint ventures and associates (note 8.2)	24	16,328
Gain on disposal of property, plant and equipment and intangible assets	—	22
Net change in fair value of investment property (note 29)	17,646	—
Release of provisions	224	—
Other income (IFRS 15)	21,881	24,792
<b>Total other operating income</b>	<b>88,515</b>	<b>80,992</b>

Other income includes a large number of small items that are individually insignificant.

## 13. PERSONNEL EXPENSES

In thousands of EUR	2023	2022
Wages and salaries	(126,381)	(108,004)
Compulsory social security contributions	(38,020)	(32,589)
Other long-term employee benefits	(4)	(12)
Other social costs	(7,187)	(7,670)
<b>Total personnel expenses</b>	<b>(171,592)</b>	<b>(148,275)</b>

The weighted average number of employees in 2023 was 3,009 (2022: 2,930), of which executives were 179 (2022: 180).

#### 14. OTHER OPERATING EXPENSES

In thousands of EUR	2023	2022
Repair and maintenance costs	(17,803)	(17,932)
Advertising expenses	(15,224)	(15,759)
Mandatory fees paid by financial institutions	(11,246)	(12,030)
Administrative expenses	(12,494)	(11,504)
Consultancy expenses	(12,471)	(9,664)
Communication expenses	(8,858)	(9,072)
Sponsorship and donations	(4,503)	(5,728)
Material consumption	(5,228)	(4,946)
Outsourcing	(5,168)	(4,627)
Short-term leases	(4,427)	(4,163)
Variable lease payments	(3,089)	(2,996)
Costs associated with running a hotel	(3,234)	(2,690)
Property and other taxes	(4,433)	(2,673)
Energy	(4,507)	(2,532)
Net change in fair value of investment property	—	(2,277)
Lease of low-value assets	(2,324)	(2,030)
Creation and reversal of provisions	—	(1,983)
Rental expenses	(2,644)	(1,175)
Educational courses and conferences	(959)	(919)
Transport and accommodation, travel expenses	(1,159)	(884)
Contractual penalties	(23)	(62)
Net value of written-off receivables	—	(29)
Change in impairment of other assets	(64)	(2)
Insurance claims paid	—	—
Insurance technical provisions	—	—
Other operating expenses	(22,510)	(23,992)
<b>Total other operating expenses</b>	<b>(142,368)</b>	<b>(139,669)</b>

The Other operating expenses item includes a large number of sundry items that are individually insignificant.

#### 15. INCOME TAX

In thousands of EUR	2023	2022
<b>Income tax payable</b>		
Current year	(98,675)	(86,796)
Prior period adjustments	(689)	(63)
Withholding tax on interest	(35)	(10)
	<b>(99,399)</b>	<b>(86,869)</b>
<b>Deferred tax income (expense)</b>		
Origination and reversal of temporary differences	10,534	3,067
Change in tax rate	81	—
<b>Total</b>	<b>10,615</b>	<b>3,067</b>
<b>Total income tax expense</b>	<b>(88,784)</b>	<b>(83,802)</b>

In November 2023, a new corporate income tax rate of 21% for 2024 from 19% in 2023 was enacted in the Czech Republic. The impact of the tax rate change can be seen in the table below: Reconciliation of the effective tax rate. The corporate income tax rate in Slovakia for 2023 and 2022 was 21%. The corporate income tax rate in Russia for 2023 and 2022 was 20%. The corporate income tax rate in Croatia for 2023 and 2022 was 18%.

J&T FINANCE GROUP SE is expected to be subject to Pillar 2 top-up tax rules in the future due to the total revenues on a consolidated basis, and will be considered the ultimate parent entity in this context. The Group has elected to apply the exemption from the accounting requirements arising from the amendment to IAS 12 Income Taxes: International Tax Reform - Pillar 2 model rules, and does not account for deferred tax receivables and liabilities related to income taxes under Pillar 2. The Group monitors and analyses the development of legislation in this area, familiarises itself with the relevant measures, the procedure for calculating the effective tax rate, including input data requirements and reporting obligations, and prepares for related obligations. The Group does not currently expect Pillar 2 to have a material impact on the financial statements.

(i) Reconciliation of the effective tax rate

	2023 v %	2023 In thousands of EUR	2022 v %	2022 In thousands of EUR
<b>Profit before tax</b>		<b>367,457</b>		<b>246,415</b>
Income tax at 19% (2022: 19%).	(19.0)	(69,817)	(19.0)	(46,819)
Effect of tax rates in foreign jurisdictions	(1.2)	(4,349)	(2.3)	(5,583)
Non-deductible expenses	(27.1)	(99,468)	(28.5)	(70,325)
Non-taxable income	23.7	87,180	17.2	42,506
Withholding tax on interest	0.0	(35)	0.0	(10)
Recognition of previously unrecognised tax losses	0.1	254	0.1	280
Current period tax losses for which no deferred tax asset has been recognised	0.0	(119)	(0.6)	(1,404)
Change in temporary differences for which the deferred tax receivable has not been recognised	(0.4)	(1,332)	(1.2)	(3,000)
Overstatement of tax in previous years	(0.2)	(689)	0.0	(63)
Tax licence	0.0	—	0.0	—
Deferred tax – current period adjustment for DT recognised in prior periods	(0.1)	(490)	0.2	616
Effect of a change in the tax rate	0.0	81	0.0	—
<b>Total income tax expense</b>	<b>(24.2)</b>	<b>(88,784)</b>	<b>(34.0)</b>	<b>(83,802)</b>

## (ii) Movements in deferred tax balances during the year

In thousands of EUR	Balance as at 1 January 2023	Recognised in profit and loss	Recognised in other comprehensive income	Foreign exchange translation differences	Transfer to IFRS 5	Decrease due to sale of companies	Decreases	Balance as at 31 December 2023
Property, plant and equipment	1,985	730	(6)	(22)	—	(602)	128	2,213
Intangible assets	(300)	(114)	—	10	—	—	—	(404)
Investment property	(1,887)	700	—	—	1,801	—	—	614
Leases (IFRS 16)	162	266	—	1	(38)	—	(125)	266
Impairment of trade receivables and other assets	536	(78)	(1)	(8)	(16)	—	—	433
Investment securities at fair value through other comprehensive income	5,829	1	2,256	(55)	—	—	—	8,031
Investment securities at amortised cost	(218)	(108)	—	—	—	—	—	(326)
Employee benefits (IAS 19)	908	60	—	—	—	—	—	968
Unpaid interest, net	—	—	—	—	—	—	—	—
Financial assets at fair value through profit or loss	(938)	166	—	19	—	—	—	(753)
Loans and advances	27,392	4,691	—	(368)	2	—	—	31,717
Loans and advances at fair value through other comprehensive income	6	(6)	—	—	—	—	—	—
Provisions	1,863	132	—	(84)	(238)	13	—	1,686
Derivatives	(7,671)	866	(769)	—	—	—	—	(7,574)
Tax losses	1,025	198	—	(100)	—	—	—	1,123
Other temporary differences:	12,403	3,111	—	(283)	11	—	(49)	15,193
<b>Total</b>	<b>41,095</b>	<b>10,615</b>	<b>1,480</b>	<b>(890)</b>	<b>1,522</b>	<b>(589)</b>	<b>(46)</b>	<b>53,187</b>

In thousands of EUR	Balance as at 1 January 2022	Recognised in profit and loss	Recognised in other comprehensive income	Acquired in business combinations	Foreign exchange translation differences	Decrease due to sale of companies	Decreases	Balance as at 31 December 2022
Property, plant and equipment	2,093	(369)	77	11	176	—	(3)	1,985
Intangible assets	(134)	(161)	—	(5)	—	—	—	(300)
Investment property	(1,775)	77	—	(189)	—	—	—	(1,887)
Leases (IFRS 16)	398	(321)	—	50	—	—	35	162
Impairment of trade receivables and other assets	382	100	—	12	42	—	—	536
Investment instruments at fair value through other comprehensive income	(1,341)	(406)	7,529	47	—	—	—	5,829
Investment securities at amortised cost	(582)	357	—	7	—	—	—	(218)
Employee benefits (IAS 19)	1,129	(229)	—	15	—	(7)	—	908
Unpaid interest, net	—	—	—	—	—	—	—	—
Financial assets at fair value through profit or loss	(143)	(138)	—	(41)	—	—	(616)	(938)
Loans and advances	23,515	3,920	—	(43)	—	—	—	27,392
Loans and advances at fair value through other comprehensive income	—	6	—	—	—	—	—	6
Provisions	985	881	—	37	(9)	(31)	—	1,863
Derivatives	(7,340)	(807)	667	(191)	—	—	—	(7,671)
Tax losses	1,083	(96)	—	38	—	—	—	1,025
Other temporary differences:	11,976	253	—	210	—	—	(36)	12,403
<b>Total</b>	<b>30,246</b>	<b>3,067</b>	<b>8,273</b>	<b>(42)</b>	<b>209</b>	<b>(38)</b>	<b>(620)</b>	<b>41,095</b>

## 16. CASH AND CASH EQUIVALENTS

In thousands of EUR	31 December 2023	31 December 2022 (restated) <sup>8</sup>
<b>Cash and cash equivalents</b>		
Cash on hand	44,945	51,342
Obligatory minimum reserves deposited in central banks	145,647	63,715
Current accounts at central banks	478	29,107
Term deposits (with original maturity of 3 months or less) to central banks	225,075	594,079
Current accounts with banks	419,856	51,591
Loans and advances from banks with original maturities of up to 3 months	51,430	36,452
Loans in reverse repurchase agreements (see Note 25)	5,309,921	3,030,818
Less impairment loss allowance (Note 27 (a))	(70)	(83)
<b>Total cash and cash equivalents</b>	<b>6,197,282</b>	<b>3,857,021</b>

Obligatory minimum reserves represent the required minimum reserves maintained by J&T BANKA, a.s., J&T BANKA, a.s. pobočka zahraničnej banky, J&T BANKA, a.s. Zweigniederlassung Deutschland, 365.bank, a.s. and J&T Banka d.d. according to the rules of the relevant regulatory authorities.

The reserve requirement of J&T BANKA, a.s. is calculated as 2% of primary deposits with a maturity of less than 2 years. Interest-bearing reserve requirements in the Czech Republic were abolished with effect from 5 October 2023 by decision of the Czech National Bank's Bank Board.

Reserve requirements for companies in Slovakia and Germany are calculated as 1% of primary deposits with a maturity of less than 2 years. These reserve requirements are not bearing any interest.

The reserve requirements of J&T banka d.d. are calculated based on the average daily amount of deposits and loans, debt securities issued, subordinated instruments and financial liabilities excluding balances with designated banks. The reserve requirement is 1% of the above. These reserve is not bearing any interest.

## 17. FINANCIAL ASSETS HELD FOR TRADING AND LIABILITIES HELD FOR TRADING

### 17.1 Financial assets held for trading

In thousands of EUR	31 December 2023	31 December 2022
<b>Non-derivative financial assets held for trading</b>		
Bonds	184,349	191,579
Shares	27,476	39,090
Investment fund units	5,807	34,008
<b>Total non-derivative financial assets held for trading</b>	<b>217,632</b>	<b>264,677</b>
<b>Trading derivatives</b>		
Currency contracts	181,394	251,706
Put share options	100	448
Interest rate swaps	9,111	14,249
Interest rate options	1,735	14,626
<b>Total derivatives held for trading</b>	<b>192,340</b>	<b>281,029</b>
<b>Total financial assets held for trading</b>	<b>409,972</b>	<b>545,706</b>

The bonds held for trading as at 31 December 2023 mainly comprised government bonds representing 66% (31 December 2022: 55%) and corporate bonds representing 17% (31 December 2022: 20%) of the balance.

<sup>8</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

Income from debt and other fixed-rate instruments is recognised using EIR as interest income.

As at 31 December 2023, financial assets held for trading in the amount of EUR 0 were subject to pledge (31 December 2022: EUR 0).

(i) Fair value measurement of financial assets held for trading

As at 31 December 2023

In thousands of EUR	Shares	Bonds	Investment fund units	Total
<b>Fair value of non-derivative financial assets held for trading</b>				
Level 1 – quoted market prices	25,441	143,619	4,061	173,121
Level 2 – derived from quoted prices	1,979	16,431	1,746	20,156
Level 3 – calculated using valuation techniques	56	24,299	—	24,355
	<b>27,476</b>	<b>184,349</b>	<b>5,807</b>	<b>217,632</b>
<b>Fair value of derivatives held for trading</b>				
Level 2 – derived from quoted prices				192,340
				<b>192,340</b>
<b>Total financial assets held for trading</b>				<b>409,972</b>

As at 31 December 2022

In thousands of EUR	Shares	Bonds	Investment fund units	Total
<b>Fair value of non-derivative financial assets held for trading</b>				
Level 1 – quoted market prices	37,539	128,442	33,835	199,816
Level 2 – derived from quoted prices	1,452	19,148	173	20,773
Level 3 – calculated using valuation techniques	99	43,989	—	44,088
	<b>39,090</b>	<b>191,579</b>	<b>34,008</b>	<b>264,677</b>
<b>Fair value of derivatives held for trading</b>				
Level 2 – derived from quoted prices				280,706
Level 3 – calculated using valuation techniques				323
				<b>281,029</b>
<b>Total financial assets held for trading</b>				<b>545,706</b>

(ii) Detail of fair value measurement at Level 3

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy:

In thousands of EUR	Shares	Bonds	Total
<b>Balance as at 1 January 2023</b>	<b>99</b>	<b>43,989</b>	<b>44,088</b>
Total gains (losses) recognised in the profit and loss	(58)	(110)	(168)
Additions	17	3,937	3,954
Disposals	—	(22,553)	(22,553)
Settlement	—	(424)	(424)
Transfer to Level 2	—	(5,659)	(5,659)
Transfer from Level 1	—	5,221	5,221
Interest income less interest received	—	423	423
Effect of movement in foreign exchange	(2)	(525)	(527)
<b>Balance as at 31 December 2023</b>	<b>56</b>	<b>24,299</b>	<b>24,355</b>

In thousands of EUR	Shares	Bonds	Total
<b>Balance as at 1 January 2022</b>	<b>159</b>	<b>33,706</b>	<b>33,865</b>
Total gains (losses) recognised in the profit and loss	(64)	(3,254)	(3,318)
Additions	—	16,168	16,168
Disposals	—	(13,333)	(13,333)
Settlement	—	(61)	(61)
Transfer to Level 1	—	(3,383)	(3,383)
Transfer to Level 2	—	(2,049)	(2,049)
Transfer from Level 1	—	6,138	6,138
Transfer from Level 2	—	7,779	7,779
Interest income less interest received	—	708	708
Effect of movement in foreign exchange	4	1,570	1,574
<b>Balance as at 31 December 2022</b>	<b>99</b>	<b>43,989</b>	<b>44,088</b>

Due to changes in market conditions for certain financial instruments, derived market prices for these instruments were available at 31 December 2023. Bonds in the amount of EUR 5,659 thousand (31 December 2022: EUR 2,049 thousand) were therefore transferred from Level 3 to Level 2 as at that date. Bonds in the amount of EUR 0 (31 December 2022: EUR 3,383 thousand) were transferred from Level 3 to Level 1 as at that date. Investment fund units in the amount of EUR 0 (31 December 2022: EUR 7,017 thousand) and bonds in the amount of EUR 6,073 thousand (31 December 2022: EUR 2,988 thousand) were transferred from Level 2 to Level 1.

On the other hand, due to the lack of information to determine the fair values of certain financial instruments as at 31 December 2023, bonds in the amount of EUR 5,221 thousand were transferred from Level 1 to Level 3. (31 December 2022: EUR 6,138 thousand). Bonds in the value of EUR 2,839 thousand (31 December 2022: EUR 0) and shares in the amount of EUR 411 thousand (31 December 2022: EUR 162 thousand) were transferred from Level 1 to Level 2. Due to the lack of observable market inputs for certain financial instruments as at 31 December 2023, bonds with a value of EUR 0 were transferred from Level 2 to Level 3. (31 December 2022: EUR 7,779 thousand).

## 17.2 Liabilities held for trading

In thousands of EUR	31 December 2023	31 December 2022
<b>Non-derivative liabilities held for trading</b>		
Other liabilities held for trading	34	113
<b>Total non-derivative liabilities held for trading</b>	<b>34</b>	<b>113</b>
<b>Derivatives held for trading</b>		
Forward currency contracts	89,788	143,295
Currency swaps	2,363	10,190
Interest rate swaps	5,460	8,828
Equity futures	20	—
<b>Total derivatives held for trading</b>	<b>97,631</b>	<b>162,313</b>
<b>Total liabilities held for trading</b>	<b>97,665</b>	<b>162,426</b>

## Fair value measurement of financial liabilities held for trading

In thousands of EUR	31 December 2023	31 December 2022
<b>Fair value of non-derivative liabilities held for trading</b>		
Level 1 – quoted market prices	10	—
Level 2 – derived from quoted prices	24	113
	<b>34</b>	<b>113</b>
<b>Fair value of derivatives held for trading</b>		
Level 1 – quoted market prices	—	261
Level 2 – derived from quoted prices	97,611	162,052
Level 3 – calculated using valuation techniques	20	—
	<b>97,631</b>	<b>162,313</b>
<b>Total Liabilities held for trading</b>	<b>97,665</b>	<b>162,426</b>

There were no transfers of trading liabilities between Levels 1, 2 and 3 of the fair value hierarchy in the years ended 31 December 2023 and 2022.

## 18. HEDGING DERIVATIVES

In thousands of EUR	31 December 2023	31 December 2022
<b>Hedging derivatives (assets)</b>		
Interest rate swaps	5,131	9,081
Forward currency contracts	937	6,248
<b>Total hedging derivatives (assets)</b>	<b>6,068</b>	<b>15,329</b>
<b>Hedging derivatives (liabilities)</b>		
Interest rate swaps	4,654	37
<b>Total hedging derivatives (liabilities)</b>	<b>4,654</b>	<b>37</b>

The Group uses hedging derivatives to hedge the fair value of recognised assets (fixed income bonds denominated in euro). Interest rate swaps are used to hedge the interest rate risk faced by fixed interest-bearing assets owned by the Group (both assets held at FVOCI and Loans and advances to customers at amortised cost).

In 2022, the parent company ceased to hedge the revaluation risk on the net value of its foreign investments denominated in EUR.

### (a) Fair value hedge

As at 31 December 2023, the balances of fair value hedges were as follows:

In thousands of EUR	Nominal value Purchase	Nominal value Sales	Fair value Positive	Fair value Negative
<b>Fair value hedge</b>				
<b>Hedged item fixed-rate debt instruments at FVOCI</b>	<b>X</b>	<b>X</b>	<b>5,131</b>	<b>(2,497)</b>
<b>Interest rate swaps</b>				
Maturity within 3 months	—	—	X	X
Maturity 3 months to 1 year	18,000	(18,000)	X	X
Maturity 1 year to 5 years	52,366	(52,366)	X	X
Maturity more than 5 years	91,000	(91,000)	X	X



In thousands of EUR	Financial position statement line on which the hedging instrument is recognised	Changes in fair value used to calculate hedge ineffectiveness	Hedge ineffectiveness recognised in the profit and loss statement	Profit and loss statement item recognising hedge ineffectiveness
<b>Fair value hedge</b>				
<b>Hedged item fixed-rate debt instruments at FVOCI</b>	<b>Hedging derivatives</b>	<b>(6,996)</b>	<b>-</b>	<b>n/a</b>

In thousands of EUR	Carrying amount		Accumulated amount of fair value hedge adjustments relating to the hedged item included in the carrying amount of the hedged item	
	Assets	Liabilities	Assets	Liabilities
<b>Hedged items</b>				
Fixed-rate debt instruments at FVOCI	161,366	-	(2,557)	-

In thousands of EUR	Financial position statement line on which the hedged item is recognised	Changes in fair value used to calculate hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses
<b>Hedged items</b>			
Fixed-rate debt instruments at FVOCI	Investment instruments at fair value through other comprehensive income	6,996	-

In thousands of EUR	Nominal value Purchase	Nominal value Sales	Fair value Positive	Fair value Negative
<b>Fair value hedging</b>				
<b>Hedged item fixed-rate Loans and advances to customers</b>	<b>X</b>	<b>X</b>	<b>937</b>	<b>(2,157)</b>
<b>Interest rate swaps</b>				
Maturity within 3 months	15,000	(15,000)	X	X
Maturity 3 months to 1 year	14,000	(14,000)	X	X
Maturity 1 year to 5 years	261,000	(261,000)	X	X
Maturity more than 5 years	-	-	X	X

In thousands of EUR	Financial position statement line on which the hedging instrument is recognised	Changes in fair value used to calculate hedge ineffectiveness	Hedge ineffectiveness recognised in the profit and loss statement	Profit and loss statement item recognising hedge ineffectiveness
<b>Fair value hedging</b>				
<b>Hedged item fixed-rate Loans and advances to customers</b>	<b>Hedging derivatives</b>	<b>(6,666)</b>	<b>364</b>	<b>Net trading result</b>

In thousands of EUR	Carrying amount		Accumulated amount of fair value hedge adjustments relating to the hedged item included in the carrying amount of the hedged item	
	Assets	Liabilities	Assets	Liabilities
<b>Hedged items</b>				
Fixed rate Loans and advances to customers	290,000	-	890	-

In thousands of EUR	Financial position statement line on which the hedged item is recognised	Changes in fair value used to calculate hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses
<b>Hedged items</b>			
Fixed rate Loans and advances to customers	Loans and advances to customers	7,030	—

As at 31 December 2022, the balances of fair value hedges were as follows:

In thousands of EUR	Nominal value Purchase	Nominal value Sales	Fair value Positive	Fair value Negative
<b>Fair value hedging</b>				
<b>Hedged item fixed-rate debt instruments at FVOCI</b>				
	X	X	10,181	(37)
<b>Interest rate swaps</b>				
Maturity within 3 months	3,000	(3,000)	X	X
Maturity 3 months to 1 year	—	—	X	X
Maturity 1 year to 5 years	18,000	(18,000)	X	X
Maturity more than 5 years	69,366	(69,366)	X	X

In thousands of EUR	Financial position statement line on which the hedging instrument is recognised	Changes in fair value used to calculate hedge ineffectiveness	Hedge ineffectiveness recognised in the profit and loss statement	Profit and loss statement item recognising hedge ineffectiveness
<b>Fair value hedging</b>				
<b>Hedged item fixed-rate debt instruments at FVOCI</b>	<b>Hedging derivatives (liabilities)</b>	<b>11,814</b>	<b>—</b>	<b>n/a</b>

In thousands of EUR	Carrying amount		Accumulated amount of fair value hedge adjustments relating to the hedged item included in the carrying amount of the hedged item	
	Assets	Liabilities	Assets	Liabilities
<b>Hedged items</b>				
Fixed-rate debt instruments at FVOCI	90,366	—	(9,554)	—

In thousands of EUR	Financial position statement line on which the hedged item is recognised	Changes in fair value used to calculate hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses
<b>Hedged items</b>			
Fixed-rate debt instruments at FVOCI	Investment instruments at fair value through other comprehensive income	(11,814)	—

In thousands of EUR	Nominal value Purchase	Nominal value Sales	Fair value Positive	Fair value Negative
<b>Fair value hedging</b>				
<b>Hedged item fixed-rate Loans and advances to customers</b>	<b>X</b>	<b>X</b>	<b>5,148</b>	<b>—</b>
<b>Interest rate swaps</b>				
Maturity within 3 months	—	—	X	X
Maturity 3 months to 1 year	16,500	(16,500)	X	X
Maturity 1 year to 5 years	47,900	(47,900)	X	X
Maturity more than 5 years	332,000	(332,000)	X	X

In thousands of EUR	Financial position statement line on which the hedging instrument is recognised	Changes in fair value used to calculate hedge ineffectiveness	Hedge ineffectiveness recognised in the profit and loss statement	Profit and loss statement item recognising hedge ineffectiveness
<b>Fair value hedging</b>				
<b>Hedged item fixed-rate Loans and advances to customers</b>	<b>Hedging derivatives (liabilities)</b>	<b>6,787</b>	<b>(445)</b>	<b>Net trading result</b>

In thousands of EUR	Carrying amount		Accumulated amount of fair value hedge adjustments relating to the hedged item included in the carrying amount of the hedged item	
	Assets	Liabilities	Assets	Liabilities
<b>Hedged items</b>				
Fixed rate Loans and advances to customers	396,400	—	(6,140)	—

In thousands of EUR	Financial position statement line on which the hedged item is recognised	Changes in fair value used to calculate hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses
<b>Hedged items</b>			
Fixed rate Loans and advances to customers	Loans and advances to customers	(7,232)	—

### (b) Net investment hedges

As at 31 December 2023, the balances of net investment hedges were as follows:

In thousands of EUR	Nominal value Purchase	Nominal value Sales	Fair value Positive	Fair value Negative
<b>Net investment hedges</b>				
<b>Hedged item All net foreign investment in EUR</b>	<b>X</b>	<b>X</b>	<b>—</b>	<b>—</b>
<b>Currency forward</b>				
Maturity within 3 months	—	—	X	X
Maturity 3 months to 1 year	—	—	X	X
Maturity 1 year to 5 years	—	—	X	X
Maturity more than 5 years	—	—	X	X

In thousands of EUR	Financial position statement line on which the hedging instrument is recognised	Changes in fair value used to calculate hedge ineffectiveness	Changes in the value of a hedging instrument recognised in other comprehensive income (OCI)
<b>Net investment hedges</b>			
<b>Hedged item All net foreign investment in EUR</b>	<b>n/a</b>	<b>—</b>	<b>—</b>

In thousands of EUR	Hedge ineffectiveness recognised in the profit and loss statement	Profit and loss statement item recognising hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Statement of comprehensive income line affected by reclassification
<b>Net investment hedges</b>				
<b>Hedged item All net foreign investment in EUR</b>	<b>—</b>	<b>n/a</b>	<b>—</b>	<b>n/a</b>

In thousands of EUR	Changes in fair value used to calculate hedge ineffectiveness	Foreign currency translation fund	Balance in the foreign currency translation fund from hedging relationships for which hedging accounting is no longer used
<b>Net investment hedges</b>			
All net foreign investment in EUR	—	—	1,048

As at 31 December 2022, the balances of net investment hedges were as follows:

In thousands of EUR	Nominal value Purchase	Nominal value Sales	Fair value Positive	Fair value Negative
<b>Net investment hedges</b>				
<b>Hedged item All net foreign investment in EUR</b>	<b>X</b>	<b>X</b>	<b>—</b>	<b>—</b>
<b>Currency forward</b>				
Maturity within 3 months	—	—	X	X
Maturity 3 months to 1 year	—	—	X	X
Maturity 1 year to 5 years	—	—	X	X
Maturity in more than 5 years	—	—	X	X

In thousands of EUR	The line in the statement of financial position on which the hedging instrument is reported	Changes in fair value used to calculate hedge ineffectiveness	Changes in the value of a hedging instrument recognised in other comprehensive income (OCI)
<b>Net investment hedges</b>			
<b>Hedged item All net foreign investment in EUR</b>	<b>n/a</b>	<b>8,321</b>	<b>8,321</b>

In thousands of EUR	Hedge ineffectiveness recognised in the profit and loss statement	Profit and loss statement item recognising hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Statement of comprehensive income line affected by reclassification
<b>Net investment hedges</b>				
<b>Hedged item All net foreign investment in EUR</b>	<b>—</b>	<b>n/a</b>	<b>—</b>	<b>n/a</b>

In thousands of EUR	Changes in fair value used to calculate hedge ineffectiveness	Foreign currency translation fund	Balance in the foreign currency translation fund from hedging relationships for which hedging accounting is no longer used
<b>Net investment hedges</b>			
All net foreign investment in EUR	(8,321)	5,627	1,817

### Fair value measurement of hedging derivative assets and liabilities

In thousands of EUR	31 December 2023	31 December 2022
<b>Fair value of active hedging derivatives</b>		
Level 2 – derived from quoted prices	6,068	15,329
<b>Total</b>	<b>6,068</b>	<b>15,329</b>
<b>Fair value of passive hedging derivatives</b>		
Level 2 – derived from quoted prices	4,654	37
<b>Total</b>	<b>4,654</b>	<b>37</b>

During the years ended 31 December 2023 and 2022, there were no transfers of hedging derivatives between Levels 1, 2 and 3 of the fair value hierarchy.

### 19. INVESTMENT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

In thousands of EUR	31 December 2023	31 December 2022
Shares and other equity instruments	105,013	98,393
Bonds	443	—
Investment fund units	378,789	325,319
<b>Investment securities mandatorily measured at fair value through profit or loss</b>	<b>484,245</b>	<b>423,712</b>
<b>Investment securities designated at fair value through profit or loss</b>	<b>—</b>	<b>—</b>
<b>Total Investment securities at fair value through profit or loss</b>	<b>484,245</b>	<b>423,712</b>

Investment instruments mandatorily measured at fair value through profit or loss mainly include shares and investment fund units as at 31 December 2023 and 31 December 2022. These investment fund units represent, as at 31 December 2023 and 31 December 2022, interests primarily in funds targeting investments in small and medium-sized enterprises in the CEE region with a focus on Slovakia and the Czech Republic, and in funds focused on technology and software.

No Investment securities at fair value through profit or loss were pledged as at 31 December 2023 or 31 December 2022.

(i) Fair value measurement of Investment securities at fair value through profit or loss

#### Investment securities mandatorily measured at fair value through profit or loss

As at 31 December 2023

In thousands of EUR	Shares and other equity instruments	Bonds	Investment fund units	Total
Level 1 – quoted market prices	35,909	443	23,346	59,698
Level 2 – derived from quoted prices	9,191	—	214,560	223,751
Level 3 – calculated using valuation techniques	59,913	—	140,883	200,796
<b>Total</b>	<b>105,013</b>	<b>443</b>	<b>378,789</b>	<b>484,245</b>

As at 31 December 2022

In thousands of EUR	Shares and other equity instruments	Bonds	Investment fund units	Total
Level 1 – quoted market prices	27,459	—	45,332	72,791
Level 2 – derived from quoted prices	5,477	—	214,832	220,309
Level 3 – calculated using valuation techniques	65,457	—	65,155	130,612
<b>Total</b>	<b>98,393</b>	<b>—</b>	<b>325,319</b>	<b>423,712</b>

(ii) Detail of fair value measurement at Level 3

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

**Investment securities mandatorily measured at fair value through profit or loss**

In thousands of EUR	Shares	Investment fund units	Total
<b>Balance as at 1 January 2023</b>	<b>65,457</b>	<b>65,155</b>	<b>130,612</b>
Total profits and losses recognised in the profit and loss	(2,462)	16,759	14,297
Transfer from Level 1	—	25,884	25,884
Transfer from Level 2	—	40,867	40,867
Transfer to Level 2	—	—	—
Additions	736	59,124	59,860
Disposals	—	(64,327)	(64,327)
Moving to the Disposal group held for sale (see Note 22)	(1,855)	—	(1,855)
Effect of movement in foreign exchange	(1,963)	(2,579)	(4,542)
<b>Level as at 31 December 2023</b>	<b>59,913</b>	<b>140,883</b>	<b>200,796</b>

In thousands of EUR	Shares	Investment fund units	Total
<b>Balance as at 1 January 2022</b>	<b>2,372</b>	<b>56,805</b>	<b>59,177</b>
Total profits and losses recognised in the profit and loss	6,377	(15,790)	(9,413)
Transfer from Level 2	43,242	—	43,242
Transfer to Level 2	—	(8,391)	(8,391)
Additions	12,098	50,502	62,600
Disposals	—	(19,645)	(19,645)
Effect of movement in foreign exchange	1,368	1,674	3,042
<b>Balance as at 31 December 2022</b>	<b>65,457</b>	<b>65,155</b>	<b>130,612</b>

Due to changes in market conditions for certain financial instruments, market prices for these instruments were not available as at 31 December 2023.

Investment fund units in the value of EUR 25,884 thousand were therefore transferred from Level 1 to Level 3 (as at 31 December 2022: EUR 0) and investment fund units in the amount of EUR 40,867 thousand were transferred from Level 2 to Level 3 (as at 31 December 2022: EUR 0) and subsequently sold.

No shares were transferred from Level 2 to Level 3 as at 31 December 2023 (as at 31 December 2022: EUR 43,242 thousand).

As at 31 December 2023, no investment fund units were transferred from Level 3 to Level 2 (as at 31 December 2022: EUR 8,391 thousand).

### Investment securities designated at fair value through profit or loss

No investment instruments designated at FVTPL were classified as Level 3 in 2023 or 2022.

There were no transfers between levels for investment securities designated at fair value through profit or loss in 2023 and 2022.

## 20. INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In thousands of EUR	31 December 2023	31 December 2022
Shares and other equity instruments	46,144	50,261
Bonds (see Note 27 (f) for impairment details)	603,092	457,737
Investment fund units	3	3
<b>Total investment securities at fair value through other comprehensive income</b>	<b>649,239</b>	<b>508,001</b>

Investment securities at fair value through other comprehensive income at 31 December 2023 consisted primarily of bonds, the majority of which were government bonds (61%) and corporate bonds (26%) (2022: government bonds 42% and corporate bonds 36%).

The maturity of the bonds is between the years 2024 and 2043. Bonds maturing in 2043 represent a total amount of EUR 123,376 thousand (2022: maturity in 2040 of EUR 981 thousand).

As at 31 December 2023, shares consisted mainly of corporate shares (99.94%), with the remainder being financial institution shares (2022: corporate shares 62%, financial institution shares the remainder).

The FVOCI designation was made because of the assumption that the investments are expected to be held for strategic purposes over a longer time horizon.

No investment securities at fair value through other comprehensive income were pledged as at 31 December 2023 (2022: EUR 97,657 thousand).

### (i) Equity investment securities at fair value through other comprehensive income

Equity investment securities at fair value through other comprehensive income include the following individually significant instruments:

In thousands of EUR	31 December 2023 Fair value	31 December 2023 Dividend income	31 December 2022 Fair value	31 December 2022 Dividend income
Arms industry	13,590	637	—	—
Energy	12,640	1,695	10,509	548
Leisure activities	4,415	—	4,163	—
Other	15,502	226	35,592	698
<b>Total</b>	<b>46,147</b>	<b>2,558</b>	<b>50,264</b>	<b>1,246</b>

In 2023, equity investment instruments with a fair value of EUR 139 thousand were derecognised (2022: EUR 1,174 thousand). The cumulative profit on disposal amounted to EUR 57 thousand (2022: a loss of EUR 1,494 thousand).

In 2023 and 2022, no cumulative loss was transferred from other comprehensive income to retained earnings within equity.

## (ii) Fair value measurement of investment securities at fair value through other comprehensive income

31 December 2023

In thousands of EUR	Shares and other equity instruments	Bonds	Investment fund units	Total
Level 1 – quoted market prices	26,231	433,566	—	459,797
Level 2 – derived from quoted prices	6,908	7,979	—	14,887
Level 3 – calculated using valuation techniques	13,005	161,547	3	174,555
<b>Total</b>	<b>46,144</b>	<b>603,092</b>	<b>3</b>	<b>649,239</b>

31 December 2022

In thousands of EUR	Shares and other equity instruments	Bonds	Investment fund units	Total
Level 1 – quoted market prices	24,259	238,213	—	262,472
Level 2 – derived from quoted prices	11,216	5,834	—	17,050
Level 3 – calculated using valuation techniques	14,786	213,690	3	228,479
<b>Total</b>	<b>50,261</b>	<b>457,737</b>	<b>3</b>	<b>508,001</b>

## (iii) Detail of fair value measurement at Level 3

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

In thousands of EUR	Shares and other equity instruments	Bonds	Investment fund units	Total
<b>Balance as at 1 January 2023</b>	<b>14,786</b>	<b>213,690</b>	<b>3</b>	<b>228,479</b>
Total gains (losses) recognised in other comprehensive income	(1,138)	(8,046)	—	(9,184)
Total gains recognised in the profit and loss statement	—	2,353	—	2,353
Additions	976	12,079	—	13,055
Disposals	(1,308)	(510)	—	(1,818)
Decrease due to companies sold	(163)	—	—	(163)
Interest income less interest received	—	3,097	—	3,097
Transfer to Disposal group held for sale	—	(50,187)	—	(50,187)
Effect of movement in foreign exchange	(148)	(10,929)	—	(11,077)
<b>Balance as at 31 December 2023</b>	<b>13,005</b>	<b>161,547</b>	<b>3</b>	<b>174,555</b>

In thousands of EUR	Shares and other equity instruments	Bonds	Investment fund units	Total
<b>Balance as at 1 January 2022</b>	<b>17,337</b>	<b>136,766</b>	<b>3</b>	<b>154,106</b>
Reclassification	876	—	—	876
Total gains (losses) recognised in other comprehensive income	1	(8,018)	—	(8,017)
Total gains recognised in the profit and loss statement	—	(3,465)	—	(3,465)
Additions	5,267	49,366	—	54,633
Disposals	(9,148)	(41,486)	—	(50,634)
Interest income less interest received	—	2,330	—	2,330
Transfer from Level 1	—	55,729	—	55,729
Transfer from Level 2	—	19,077	—	19,077
Effect of movement in foreign exchange	453	3,391	—	3,844
<b>Balance as at 31 December 2022</b>	<b>14,786</b>	<b>213,690</b>	<b>3</b>	<b>228,479</b>



As a result of changes in market conditions, market prices for certain financial instruments were not available at 31 December 2023 and therefore bonds were transferred from Level 2 to Level 1 in the amount of EUR 2,567 thousand (31 December 2022: EUR 0).

As at 31 December 2023, there was no transfer of bonds from Level 1 to Level 3 (31 December 2022: EUR 55,729 thousand).

As at 31 December 2023, there was no transfer of bonds from Level 2 to Level 3 (31 December 2022: EUR 19,077 thousand).

As at 31 December 2023, there was no transfer of bonds from Level 1 to Level 2 (31 December 2022: EUR 5,834 thousand).

There were no further transfers between levels in 2023 or 2022.

The majority (59%) of the bonds presented under Level 3 (2022: 54%) consisted of bonds of an issuer owning real estate properties (mainly land).

As a result of the classification of J&T Bank, a.o. (J&T Bank ZAO), Leasing-Medicine Ltd, TERCES MANAGEMENT LIMITED and In-terznanie OAO as Disposal group held for sale as at 30 June 2023, bonds were transferred from Investment securities at fair value through other comprehensive income (Level 3) to Disposal group held for sale (see Note 22). These companies were subsequently sold in November 2023 (see Note 8.2).

## 21. INVESTMENT SECURITIES AT AMORTISED COST

In thousands of EUR	31 December 2023	31 December 2022
Slovak government bonds	612,601	398,765
Czech government bonds	183,621	187,896
Government bonds of other countries	43,821	54,116
Financial institution and corporate bonds	88,589	76,707
Bills of Exchange	2,807	4,646
Less impairment loss allowance (Note 27 (b))	(7 705)	(8 141)
<b>Total investment securities at amortised cost</b>	<b>923,734</b>	<b>713,989</b>

Government bonds represented 91% of the total amortised cost of bonds as at 31 December 2023 (2022: 90%). Another 4% of the bond portfolio was corporate bonds (2022: 5%).

The bonds mature between 2024 and 2036 (2022: maturity between 2023 and 2036). Bonds maturing in 2036 represent a total amount of EUR 55,736 thousand (2022: maturity in 2036 of EUR 49,468 thousand).

Investment securities at amortised cost, which were pledged as at 31 December 2023, amounted to EUR 314,300 thousand (2022: EUR 531,190 thousand).

For expected credit losses arising from Investment securities at amortised cost, see Note 27 (b).

## 22. DISPOSAL GROUP HELD FOR SALE

In thousands of EUR	31 December 2023	31 December 2022
<b>Assets</b>		
Disposal group held for sale	1,044	1,070
Loans and advances to customers	17,833	—
Property, plant and equipment	45	452
<b>Total assets</b>	<b>18,922</b>	<b>1,522</b>
<b>Liabilities</b>		
<b>Total liabilities</b>	<b>—</b>	<b>—</b>

The Disposal group held for sale as at 31 December 2023 and 31 December 2022 consisted of the interest in J&T Ostravice Active Life UPF, which was acquired solely with a view to its subsequent sale.

In 2023, the Group continued to pursue its strategy of exiting its business operations in Russia with the aim of selling its subsidiaries in that country. Therefore, the Group classified the following companies as Disposal group held for sale as at 30 June 2023. As the sale took place on 14 November 2023 (see further in note 8.2), the Group no longer held any interest in these companies as at 31 December.

Company name	Company registered office	Operating segment	Interest (%)
J&T Bank, a.o. (J&T Bank ZAO)	Russia	Russia	100.00
– Interznanie OAO	Russia	Russia	50.00
– Leasing-Medicine Ltd	Russia	Russia	100.00
TERCES MANAGEMENT LIMITED	Cyprus	Other	100.00
Interznanie OAO	Russia	Russia	50.00

As at 31 December 2023, the subsidiary J&T Leasingová společnost, a.s. classified loans and receivables from finance leases granted to clients from the healthcare sector in the amount of EUR 17,833 thousand as assets held for sale. These assets were transferred to the buyer in January 2024.

Property, plant and equipment comprise assets provided as collateral for credit claims and taken over by the Group in the amount of EUR 0 (2022: EUR 452 thousand).

### 23. LOANS AND ADVANCES TO BANKS

In thousands of EUR	31 December 2023	31 December 2022 (restated) <sup>9</sup>
Term deposits	—	—
Other	123	9,374
<b>Net loans and advances to banks at amortized cost</b>	<b>123</b>	<b>9,374</b>

### 24. LOANS AND ADVANCES TO CUSTOMERS

In thousands of EUR	31 December 2023	31 December 2022
Loans and advances to customers	6,879,605	7,412,698
Overdrafts	500,846	371,439
Debt securities	—	—
Loans in reverse repurchase agreements (Note 25)	139,318	120,999
Other loans and advances	105,225	167,621
Less allowance for impairment of loans (Note 27 (d))	(352,381)	(421,748)
<b>Net loans and advances to customers at amortised cost</b>	<b>7,272,613</b>	<b>7,651,009</b>
Loans and advances to customers at FVTPL mandatorily	1,323	977
<b>Loans and advances to customers at FVTPL</b>	<b>1,323</b>	<b>977</b>
<b>Total net loans and advances to customers</b>	<b>7,273,936</b>	<b>7,651,986</b>

In 2023, the Group had loans granted to four counterparties in a total amount of EUR 681,909 thousand (2022: four counterparties in a total amount of EUR 886,358 thousand).

<sup>9</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

Other loans and advances include loans from finance leases in the amount of EUR 40,597 thousand (2022: EUR 61,850 thousand) and are described under note 43. Leasing from the position of the lessor.

During the first quarter, the subsidiary J&T Leasingová společnost, a.s. recorded a significant increase in credit risk and subsequently a credit impairment at a major customer. In March 2023, the Group provided the company with risk participation to partially cover credit losses and created provisions in full in connection with this loan event, i.e. CZK 1,471 million.

J&T Leasingová společnost, a.s. filed those claims in court proceedings in their full amount plus other claimable accessories arising from the contractual arrangements with the debtor on 16 June 2023.

## 25. REPURCHASE AND RESALE AGREEMENTS

### Repurchase agreements (repo operations)

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. As at 31 December 2023 and 2022, the total assets sold under repurchase agreements were as follows:

31 December 2023

In thousands of EUR	Fair value of the underlying asset	Carrying amount of the liability	Repurchase price
<b>Loans and advances from customers ( note 33)</b>	—	—	—
– maturity within 1 month	—	—	—
– maturity 1–6 months	—	—	—
– maturity 6–12 months	—	—	—
<b>Loans and advances from banks (note 32)</b>	<b>175,460</b>	<b>151,008</b>	<b>152,875</b>
– maturity within 1 month	—	—	—
– maturity 1–6 months	—	—	—
– maturity 6–12 months	175,460	151,008	152,875
<b>Total</b>	<b>175,460</b>	<b>151,008</b>	<b>152,875</b>

31 December 2022

In thousands of EUR	Fair value of the underlying asset	Carrying amount of the liability	Repurchase price
<b>Loans and advances from customers (note 33)</b>	—	—	—
– maturity within 1 month	—	—	—
– maturity 1–6 months	—	—	—
– maturity 6–12 months	—	—	—
<b>Loans and advances from banks (note 32)</b>	<b>179,546</b>	<b>149,379</b>	<b>148,229</b>
– maturity within 1 month	—	—	—
– maturity 1–6 months	—	—	—
– maturity 6–12 months	179,546	149,379	148,229
<b>Total</b>	<b>179,546</b>	<b>149,379</b>	<b>148,229</b>

**Resale agreements (reverse repo operations)**

The Group also purchases financial instruments under agreements to resell them at future dates (“reverse repurchase agreements”). Reverse repurchases are entered into as a facility to provide funds to customers. As at 31 December 2023 and 2022, the total assets purchased through resale contracts were as follows:

31 December 2023

In thousands of EUR	Fair value of assets held as collateral	Carrying amount of the receivable	Repurchase price
<b>Loans and advances to customers (note 24)</b>	<b>209,693</b>	<b>139,318</b>	<b>139,826</b>
– maturity within 1 month	209,693	139,318	139,826
– maturity 1–6 months	—	—	—
– maturity 6–12 months	—	—	—
<b>Cash and cash equivalents (note 16)</b>	<b>5,084,282</b>	<b>5,309,921</b>	<b>5,315,424</b>
– maturity within 1 month	5,084,282	5,309,921	5,315,424
– maturity 1–6 months	—	—	—
<b>Total</b>	<b>5,293,975</b>	<b>5,449,239</b>	<b>5,455,250</b>

31 December 2022

In thousands of EUR	Fair value of assets held as collateral	Carrying amount of the receivable	Repurchase price
<b>Loans and advances to customers (note 24)</b>	<b>178,171</b>	<b>120,999</b>	<b>121,967</b>
– maturity within 1 month	106,656	77,867	78,142
– maturity 1–6 months	71,515	43,132	43,825
– maturity 6–12 months	—	—	—
<b>Cash and cash equivalents (note 16)</b>	<b>2,980,214</b>	<b>3,030,818</b>	<b>3,035,208</b>
– maturity within 1 month	2,980,214	3,030,818	3,035,208
– maturity 1–6 months	—	—	—
<b>Total</b>	<b>3,158,385</b>	<b>3,151,817</b>	<b>3,157,175</b>

Loans and advances to banks with original maturities of three months or less are presented as cash and cash equivalents.

## 26. TRADE RECEIVABLES AND OTHER ASSETS

In thousands of EUR	31 December 2023	31 December 2022
Trade receivables	35,243	31,559
– gross value	40,662	37,154
– allowance	(5,419)	(5,595)
Securities settlement balances	317,546	81,775
Expected proceeds from liquidation	2,264	2,235
– gross value	13,468	12,771
– allowance	(11,204)	(10,536)
Other receivables	28,948	42,615
– gross value	29,929	43,999
– allowance	(981)	(1,384)
<b>Total receivables presented under risk management at amortised cost (see Note 44)</b>	<b>384,001</b>	<b>158,184</b>
<b>Restricted cash</b>	<b>1,126</b>	<b>28,104</b>
– gross value	1,126	33,124
– allowance	–	(5,020)
Prepayments	19,524	24,892
Advance payments	13,162	15,514
– gross value	13,162	15,514
– allowance	–	–
Other tax receivables	177	433
Inventories	14,037	14,244
– gross value	14,306	14,349
– allowance	(269)	(105)
Other	2,133	10,041
– gross value	2,171	14,666
– allowance	(38)	(4,625)
<b>Total non-financial receivables and other assets</b>	<b>49,033</b>	<b>65,124</b>
<b>Total trade receivables and other assets</b>	<b>434,160</b>	<b>251,412</b>

Other receivables include other individually insignificant items such as collateral received for derivatives trading purposes.

For more information on expected credit losses (ECL), see Note 27 (e).

## 27. AMOUNTS ARISING FROM EXPECTED CREDIT LOSSES (ECL)

The tables below show the reconciliation of opening balances to closing balances of the loss allowance and provisions by class of financial instrument. Explanation of terms: For 12-month ECL, lifetime ECL and credit-impaired ECL, see Note 3 (h).

### (a) Cash and cash equivalents at amortised cost

In thousands of EUR	2023 12-month ECL	2022 12-month ECL (restated) <sup>10</sup>
<b>Balance as at 1 January</b>	<b>83</b>	<b>187</b>
Net remeasurement of loss allowance	(22)	(68)
New financial assets originated or purchased	39	27
Net decrease in cash and cash equivalents	(30)	(63)
<b>Balance as at 31 December (see Note 16)</b>	<b>70</b>	<b>83</b>

### (b) Investment securities at amortised cost

In thousands of EUR	2023				2022			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
<b>Balance as at 1 January</b>	<b>241</b>	<b>7,442</b>	<b>458</b>	<b>8,141</b>	<b>187</b>	<b>7,514</b>	<b>—</b>	<b>7,701</b>
Transfer to lifetime ECL credit-impaired	—	—	—	—	(72)	—	72	—
Net remeasurement of loss allowance	(21)	43	(357)	(335)	120	(72)	413	461
Derecognition	—	—	(12)	(12)	—	—	—	—
Transfer to Disposal group held for sale	—	—	(20)	(20)	—	—	—	—
Impact of changes in exchange rates	—	—	(69)	(69)	6	—	(27)	(21)
<b>Balance as at 31 December (see Note 21)</b>	<b>220</b>	<b>7,485</b>	<b>—</b>	<b>7,705</b>	<b>241</b>	<b>7,442</b>	<b>458</b>	<b>8,141</b>

### (c) Loans and advances to banks at amortised cost

In thousands of EUR	2023 12-month ECL	2022 12-month ECL (restated) <sup>11</sup>
<b>Balance as at 1 January</b>	<b>—</b>	<b>8</b>
Derecognition	—	(10)
Impact of changes in exchange rates	—	2
<b>Balance as at 31 December (see Note 23)</b>	<b>—</b>	<b>—</b>

<sup>10, 11</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

**(d) Loans and advances to customers at amortised cost**

In thousands of EUR	2023				Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	
<b>Balance as at 1 January</b>	<b>64,850</b>	<b>56,472</b>	<b>292,618</b>	<b>7,808</b>	<b>421,748</b>
Transfer to 12-month ECL	30,692	(23,923)	(6,769)	—	—
Transfer to Lifetime ECL not credit-impaired	(15,415)	23,981	(8,566)	—	—
Transfer to Lifetime ECL credit-impaired	(7,843)	(13,025)	20,868	—	—
Net remeasurement of loss allowance	(12,066)	(10,816)	154,456	825	132,399
Unwinding of interest	—	—	5,425	223	5,648
New financial assets originated or purchased	21,205	—	—	61	21,266
Derecognition	(23,686)	(530)	(127,599)	(6,055)	(157,870)
Write-offs and use	(29)	—	(39,535)	—	(39,564)
Changes due to modification without derecognition (net)	2,794	190	9,894	(274)	12,604
Acquisitions through business combinations	—	—	—	—	—
Disposals of subsidiaries	—	—	—	—	—
Transfer to Disposal group held for sale	(155)	(22)	(31,500)	—	(31,677)
Impact of changes in exchange rates	(1,026)	492	(11,632)	(7)	(12,173)
<b>Balance as at 31 December (see Note 24)</b>	<b>59,321</b>	<b>32,819</b>	<b>257,660</b>	<b>2,581</b>	<b>352,381</b>

In thousands of EUR	2022				Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	
<b>Balance as at 1 January</b>	<b>37,116</b>	<b>76,055</b>	<b>309,614</b>	<b>11,034</b>	<b>433,819</b>
Transfer to 12-month ECL	18,342	(16,361)	(1,981)	—	—
Transfer to Lifetime ECL not credit-impaired	(8,346)	14,312	(5,966)	—	—
Transfer to Lifetime ECL credit-impaired	(9,719)	(13,308)	23,027	—	—
Net remeasurement of loss allowance	(1,039)	11,073	113,715	(3,380)	120,369
Unwinding of interest	—	—	4,275	146	4,421
New financial assets originated or purchased	29,780	—	37,911	—	67,691
Derecognition	(4,926)	(14,335)	(164,018)	(8)	(183,287)
Write-offs and use	—	—	(1,637)	—	(1,637)
Changes due to modification without derecognition (net)	3,247	117	3,370	—	6,734
Acquisitions through business combinations	—	—	41	—	41
Disposals of subsidiaries	—	—	(26,644)	—	(26,644)
Transfer to Disposal group held for sale	—	—	—	—	—
Impact of changes in exchange rates	395	(1,081)	911	16	241
<b>Balance as at 31 December (see Note 24)</b>	<b>64,850</b>	<b>56,472</b>	<b>292,618</b>	<b>7,808</b>	<b>421,748</b>

Changes in the loss allowance mainly represent a decrease due to derecognition of EUR 197,434 thousand (2022: EUR 184,924 thousand) primarily due to the settlement of financial instruments with a gross carrying amount of EUR 2,682,803 thousand (2022: EUR 2,974,458 thousand). On the other hand, new loans and advances were provided to customers at amortised cost with a gross carrying amount of EUR 2,441,835 thousand (2022: EUR 3,237,487 thousand), which also led to an increase in loss allowance by EUR 21,266 thousand (2022: EUR 67,691 thousand).

The increase in credit risk is reflected in both the Net remeasurement, Unwinding of interest and Transfers to stages with a higher probability of default. These transfers reduced the gross carrying amount in Stage 1 by EUR 238,418 thousand (2022: EUR 317,849 thousand) and increased the gross carrying amount in Lifetime ECL not credit-impaired by EUR 15,566 thousand (2022: EUR 115,104 thousand) and Lifetime ECL credit-impaired by EUR 222,852 thousand (2022: EUR 202,745 thousand).

**(e) Trade receivables presented under risk management at amortised cost**

In thousands of EUR	2023			2022		
	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
<b>Balance as at 1 January</b>	<b>1,261</b>	<b>16,254</b>	<b>17,515</b>	<b>1,734</b>	<b>16,193</b>	<b>17,927</b>
Transfer to Lifetime ECL credit-impaired	(3,371)	3,371	—	(331)	331	—
Net remeasurement of loss allowance	617	(44)	573	(9)	(9)	(18)
New financial assets originated or purchased	3,328	—	3,328	213	—	213
Derecognition	(68)	(2)	(70)	(201)	(399)	(600)
Write-offs and use	(249)	(490)	(739)	(220)	(578)	(798)
Changes due to modification without derecognition (net)	—	53	53	—	—	—
Acquisitions through business combinations	—	—	—	—	221	221
Transfer to Disposal group held for sale	(213)	(3,169)	(3,382)	—	—	—
Impact of changes in exchange rates	(95)	421	326	75	495	570
<b>Balance as at 31 December (see Note 26)</b>	<b>1,210</b>	<b>16,394</b>	<b>17,604</b>	<b>1,261</b>	<b>16,254</b>	<b>17,515</b>

**(f) Debt securities at fair value through other comprehensive income**

In thousands of EUR	2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
<b>Balance as at 1 January</b>	<b>1,199</b>	<b>12,978</b>	<b>24,518</b>	<b>38,695</b>
Transfer to 12-month ECL	4,311	(4 311)	—	—
Transfer to Lifetime ECL not credit-impaired	—	—	—	—
Transfer to Lifetime ECL credit-impaired	—	—	—	—
Net remeasurement of loss allowance	(2,409)	(7 373)	13,245	3,463
New financial assets originated or purchased	157	—	—	157
Derecognition	(20)	—	—	(20)
Disposals of subsidiaries	—	—	(37,977)	(37,977)
Impact of changes in exchange rates	(1,088)	(539)	214	(1 413)
<b>Balance as at 31 December</b>	<b>2,150</b>	<b>755</b>	<b>—</b>	<b>2,905</b>

In thousands of EUR	2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
<b>Balance as at 1 January</b>	<b>1,843</b>	<b>11,506</b>	<b>—</b>	<b>13,349</b>
Transfer to 12-month ECL	—	—	—	—
Transfer to Lifetime ECL not credit-impaired	(3,249)	3,249	—	—
Transfer to Lifetime ECL credit-impaired	—	(187)	187	—
Net remeasurement of loss allowance	(573)	6,706	24,525	30,658
New financial assets originated or purchased	3,135	—	—	3,135
Derecognition	(35)	(8,308)	—	(8,343)
Disposals of subsidiaries	—	—	—	—
Impact of changes in exchange rates	78	12	(194)	(104)
<b>Balance as at 31 December</b>	<b>1,199</b>	<b>12,978</b>	<b>24,518</b>	<b>38,695</b>



**(g) Loan commitments and financial guarantees**

In thousands of EUR	2023				Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	
<b>Balance as at 1 January</b>	<b>4,185</b>	<b>701</b>	<b>3,836</b>	<b>—</b>	<b>8,722</b>
Transfer to 12-month ECL	143	(143)	—	—	—
Transfer to Lifetime ECL not credit-impaired	(649)	653	(4)	—	—
Transfer to Lifetime ECL credit-impaired	(109)	(128)	237	—	—
Net remeasurement of loss allowance	(2,684)	(557)	2,384	130	(727)
New commitments and financial guarantees issued	3,079	—	—	7	3,086
Commitments and financial guarantees derecognised	(899)	(226)	(516)	—	(1,641)
Changes in exchange rates and other movements	(8)	(10)	(69)	—	(87)
<b>Balance as at 31 December (see Note 37)</b>	<b>3,058</b>	<b>290</b>	<b>5,868</b>	<b>137</b>	<b>9,353</b>

In thousands of EUR	2022				Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		
<b>Balance as at 1 January</b>	<b>1,238</b>	<b>478</b>	<b>3,177</b>		<b>4,893</b>
Transfer to 12-month ECL	56	(56)	—		—
Transfer to Lifetime ECL not credit-impaired	(1,510)	1,796	(286)		—
Transfer to Lifetime ECL credit-impaired	(1,819)	(7)	1,826		—
Net remeasurement of loss allowance	(2,481)	(880)	(841)		(4,202)
New commitments and financial guarantees issued	9,397	—	—		9,397
Commitments and financial guarantees derecognised	(683)	(642)	(37)		(1,362)
Changes in exchange rates and other movements	(13)	12	(3)		(4)
<b>Balance as at 31 December (see Note 37)</b>	<b>4,185</b>	<b>701</b>	<b>3,836</b>		<b>8,722</b>

**28. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES**

In thousands of EUR	31 December 2023	31 December 2022
Interests in joint ventures	6,297	24,165
Interest in associate	9,649	26,191
<b>Total interests in equity accounted investees</b>	<b>15,946</b>	<b>50,356</b>

**Joint ventures**

The following table summarises the interest in the profit and other comprehensive income from joint ventures:

In thousands of EUR	31 December 2023	31 December 2022
Carrying amount of interests in joint ventures	6,297	24,165
Group's share of:		
– Profit from continuing operations	(496)	2,338
– Other comprehensive income	(473)	155
<b>Total share of comprehensive income from joint ventures</b>	<b>(969)</b>	<b>2,493</b>

No new participations in joint ventures were acquired in either 2023 or 2022.

The participations in joint ventures include an interest in the OSTRAVA AIRPORT MULTIMODAL PARK (OAMP) project. This project includes participation in OAMP Distribution s.r.o., OAMP Infrastructure s.r.o. and OAMP Holding s.r.o.

The following table shows the summary financial information for this project adjusted for acquisition fair value adjustments and differences in accounting policies. The table also reconciles the summarised financial information to the carrying value of the Group's participations in these companies.

In thousands of EUR	2023	2022
<b>Percentage of ownership interest</b>	<b>50%</b>	<b>50%</b>
Non-current assets	13,451	17,210
Short-term assets	1,327	36,470
Non-current liabilities	(461)	(7,620)
Current liabilities	(4,946)	(542)
<b>Net assets (100%)</b>	<b>9,371</b>	<b>45,518</b>
Group's share of net assets (50%)	4,685	22,759
<b>Carrying amount of interest in joint venture</b>	<b>4,685</b>	<b>22,759</b>
Income	121	4,631
Profit from continuing operations (100%)	(986)	3,217
Other comprehensive income (100%)	(872)	227
Total comprehensive income (100%)	(1,858)	3,444
<b>Total comprehensive income (50%)</b>	<b>(929)</b>	<b>1,722</b>
<b>Group's share of total comprehensive income (50%)</b>	<b>(929)</b>	<b>1,722</b>

In 2023, OAMP Holding s.r.o. granted a dividend to shareholders in the total amount of CZK 822,347 thousand, of which the Group was entitled to CZK 421,173 thousand (2022: CZK 199,208 thousand, of which the Group was entitled to CZK 99,604 thousand). The dividend was settled with the dividend advance received in 2022.

### Associates

The following table analyses the share of profit and other comprehensive income from associates:

In thousands of EUR	31. prosince 2023	31. prosince 2022
Carrying amount of interests in associates	9,649	26,191
The Group's share of:		
– Profit from continuing operations	(15,800)	(14,592)
– Other comprehensive income	(598)	2,496
<b>Total share of comprehensive income from associates</b>	<b>(16,398)</b>	<b>(12,096)</b>

On 29 August 2023, the Group sold its 32% interest in XT-card a.s.

On 11 November 2022, the Group sold its 49% interest in Narcissus s.r.o.

Among Associates is included a 45% interest in URE HOLDING LIMITED. URE HOLDING LIMITED is incorporated in the Republic of Cyprus under the laws of the Republic of Cyprus and is not publicly traded. Interest in an associated enterprise is accounted for using the equity method.

The following table summarises the financial information of URE HOLDING LIMITED as per its individual financial statements, adjusted for revaluation to fair values as at the acquisition date and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's participation in URE HOLDING LIMITED.

In thousands of EUR	2023	2022
<b>Ownership percentage</b>	<b>45%</b>	<b>45%</b>
Non-current assets	44,948	112,757
Current assets	2,182	552
Non-current liabilities	(26,948)	(56,888)
Current liabilities	(227)	(202)
<b>Net assets (100%)</b>	<b>19,955</b>	<b>56,219</b>
Group's share of net assets (45%)	8,980	25,299
<b>Carrying amount of participation in associated enterprise</b>	<b>8,980</b>	<b>25,299</b>
Income	(36,824)	(31,302)
Profit from continuing operations (100%)	(35,064)	(32,590)
Other comprehensive income (100%)	(1,334)	5,521
Total comprehensive income (100%)	(36,398)	(27,069)
<b>Total comprehensive income (45%)</b>	<b>(16,379)</b>	<b>(12,181)</b>
<b>Group's share of total comprehensive income (45%)</b>	<b>(16,379)</b>	<b>(12,181)</b>

URE HOLDING LIMITED did not pay any dividends in 2023 (2022: USD 1,189 thousand, of which the Group was entitled to USD 535 thousand).

## 29. INVESTICE DO NEMOVITOSTÍ

In thousands of EUR	2023	2022
<b>Balance as at 1 January</b>	<b>135,777</b>	<b>134,121</b>
Additions	1,382	7,658
Change in fair value (see Note 12 and 14)	17,646	(2,277)
Transfer from/to property, plant and equipment (see Note 31)	334	(4,259)
Disposals	(937)	(48)
Transfer to Disposal group held for sale	(3,048)	—
Impact of changes in exchange rates	(1,226)	582
<b>Balance as at 31 December</b>	<b>149,928</b>	<b>135,777</b>

As at 31 December 2023, investment property includes buildings in the amount of EUR 89,752 thousand (2022: buildings in the amount of EUR 71,314 thousand) and land in the amount of EUR 60,176 thousand (2022: land in the amount of EUR 69,062 thousand).

Investment property in the amount of EUR 7,466 thousand was subject to pledge arrangements as at 31 December 2023 (2022: EUR 7,971 thousand).

As at 31 December 2023, investment property was insured up to the amount of EUR 127,657 thousand (2022: EUR 97,432 thousand).

### 30. INTANGIBLE ASSETS

In thousands of EUR	Goodwill	Contracts and brand	Customer relationships	Software and other intangible assets	Total
Gross carrying amount as at 1 January 2022	48,294	89,534	79,390	161,109	378,327
Accumulated depreciation and impairment as at 1 January 2022	(36,190)	(89,426)	(79,337)	(97,675)	(302,628)
<b>Net carrying amount as at 1 January 2022</b>	<b>12,104</b>	<b>108</b>	<b>53</b>	<b>63,434</b>	<b>75,699</b>
Additions	1,106	—	—	29,969	31,075
Acquisitions through business combinations	2,733	—	—	32	2,765
Amortisation charge for the accounting period	—	(39)	(12)	(18,226)	(18,277)
Impairment	—	—	—	296	296
Disposals	—	—	—	(2,728)	(2,728)
Disposals of subsidiaries	—	—	—	(3,518)	(3,518)
Impact of changes in exchange rates	100	1	1	562	664
<b>Net carrying amount as at 31 December 2022</b>	<b>16,043</b>	<b>70</b>	<b>42</b>	<b>69,821</b>	<b>85,976</b>
Gross carrying amount as at 31 December 2022	53,542	89,537	36,518	183,967	363,564
Accumulated depreciation and impairment as at 31 December 2022	(37,499)	(89,467)	(36,476)	(114,146)	(277,588)
Gross carrying amount as at 1 January 2023	53,542	89,537	36,518	183,967	363,564
Accumulated depreciation and impairment as at 1 January 2022	(37,499)	(89,467)	(36,476)	(114,146)	(277,588)
<b>Net carrying amount as at 1 January 2023</b>	<b>16,043</b>	<b>70</b>	<b>42</b>	<b>69,821</b>	<b>85,976</b>
Additions	—	—	—	29,033	29,033
Amortisation charge for the accounting period	—	(11)	(12)	(12,594)	(12,617)
Impairment	(366)	—	—	—	(366)
Disposals	—	—	—	(2,169)	(2,169)
Disposals of subsidiaries	—	—	—	(5)	(5)
Transfer to Disposal group held for sale	(150)	(5)	—	(40)	(195)
Impact of changes in exchange rates	(276)	(2)	(1)	(786)	(1,065)
<b>Net carrying amount as at 31 December 2023</b>	<b>15,251</b>	<b>52</b>	<b>29</b>	<b>83,260</b>	<b>98,592</b>
Gross carrying amount as at 31 December 2023	42,927	89,502	36,386	206,736	375,551
Accumulated depreciation and impairments as at 31 December 2023	(27,676)	(89,450)	(36,357)	(123,476)	(276,959)

#### Assets under development and borrowing costs

As at 31 December 2023, the value of intangible assets under development (included in Other intangible assets) amounted to EUR 16,123 thousand (2022: EUR 12,521 thousand).

There were no capitalisation of borrowing costs associated with the acquisition of intangible assets during the year (2022: EUR 0).

### 31. PROPERTY, PLANT AND EQUIPMENT

In thousands of EUR	Land and buildings	Right-of-Use Land and buildings	Fixtures, fittings and equipment	Right-of-Use of fixtures, fittings and equipment	Total
Gross carrying amount as at 1 January 2022	241,187	65,531	73,932	12,548	393,198
Accumulated depreciation and impairment as at 1 January 2022	(29,076)	(18,392)	(30,890)	(4,642)	(83,000)
<b>Net carrying amount as at 1 January 2022</b>	<b>212,111</b>	<b>47,139</b>	<b>43,042</b>	<b>7,906</b>	<b>310,198</b>
Additions	10,138	4,807	3,738	2,089	20,772
Acquisitions through business combinations	9,106	—	28,938	—	38,044
Depreciation charge for the accounting period	(6,998)	(7,678)	(9,180)	(2,364)	(26,220)
Impairment	2,420	—	23	—	2,443
Changes due to modifications under IFRS 16	—	(1,630)	—	(707)	(2,337)
Transfers from investment property	4,599	—	(340)	—	4,259
Transfers (to)/from Disposal group held for sale.	—	—	—	—	—
Transfer within categories	941	—	(941)	—	—
Disposals	(604)	(160)	(892)	(287)	(1,943)
Sales of subsidiaries	(23)	(140)	(7)	—	(170)
Impact of changes in exchange rates	1,382	50	551	145	2,128
<b>Net carrying amount as at 31 December 2022</b>	<b>233,072</b>	<b>42,388</b>	<b>64,932</b>	<b>6,782</b>	<b>347,174</b>
Gross carrying amount as at 31 December 2022	266,260	68,115	103,010	12,598	449,983
Accumulated depreciation and impairment as at 31 December 2022	(33,188)	(25,727)	(38,078)	(5,816)	(102,809)
Gross carrying amount as at 1 January 2023	266,260	68,115	103,010	12,598	449,983
Accumulated depreciation and impairment as at 1 January 2023	(33,188)	(25,727)	(38,078)	(5,816)	(102,809)
<b>Net carrying amount as at 1 January 2023</b>	<b>233,072</b>	<b>42,388</b>	<b>64,932</b>	<b>6,782</b>	<b>347,174</b>
Additions	1,366	1,375	5,099	1,153	8,993
Acquisitions through business combinations	—	—	—	—	—
Depreciation charge for the accounting period	(7,713)	(7,321)	(9,187)	(2,145)	(26,366)
Impairment	(2,518)	—	—	—	(2,518)
Changes due to modifications under IFRS 16	—	5,315	—	—	5,315
Transfers from investment property	(121)	—	(213)	—	(334)
Transfer within categories	14,322	—	(14,322)	—	—
Disposals	(157)	(47)	(1,478)	(5)	(1,687)
Sales of subsidiaries	(7,637)	—	(23,460)	—	(31,097)
Transfer to Disposal group held for sale.	(5,326)	(809)	(301)	—	(6,436)
Impact of changes in exchange rates	(2,345)	(254)	(576)	(82)	(3,257)
<b>Net carrying amount as at 31 December 2023</b>	<b>222,943</b>	<b>40,647</b>	<b>20,494</b>	<b>5,703</b>	<b>289,787</b>
Gross carrying amount as at 31 December 2023	258,726	72,120	57,702	13,118	401,666
Accumulated depreciation and impairment as at 31 December 2023	(35,784)	(31,473)	(37,208)	(7,416)	(111,881)

As at 31 December 2023, Property, plant and equipment in the amount of EUR 121,635 thousand were subject to pledge (2022: EUR 159,601 thousand).

As at 31 December 2023, the insured value of the Group's property, plant and equipment was EUR 244,599 thousand (2022: EUR 340,404 thousand).

#### Assets under construction and borrowing costs

As at 31 December 2023, the value of Property, plant and equipment under construction (included in inventory and equipment) was EUR 300 thousand (2022: EUR 14,700 thousand).

During 2023 and 2022, no borrowing costs related to the acquisition of tangible fixed assets were capitalised.

#### Idle assets

As at 31 December 2023 and 2022, the Group did not have any significant idle assets.

### 32. DEPOSITS AND LOANS FROM BANKS

In thousands of EUR	31 December 2023	31 December 2022
Term deposits from banks	14,160	4,148
Loans received from repurchase agreements (see Note 25)	151,008	149,379
Other loans received	606,811	660,956
<b>Deposits and loans from banks at amortised cost</b>	<b>771,979</b>	<b>814,483</b>
<b>Total deposits and loans from banks</b>	<b>771,979</b>	<b>814,483</b>

For more information on repurchase agreements, see Note 25. Repurchase and resale agreements.

### 33. DEPOSITS AND LOANS FROM CUSTOMERS

In thousands of EUR	31. prosince 2023	31. prosince 2022
Term and contingent deposits	8,335,105	6,865,908
Deposits payable on demand	3,853,573	3,354,383
Loans received from repurchase agreements (see Note 25)	—	—
Other loans received	32,679	42,362
<b>Deposits and loans from customers at amortised cost</b>	<b>12,221,357</b>	<b>10,262,653</b>
<b>Total Deposits and loans from customers</b>	<b>12,221,357</b>	<b>10,262,653</b>

For more information on repurchase agreements, see Note 25. Repurchase and resale agreements.

### 34. DEBT SECURITIES ISSUED

In thousands of EUR	31. prosince 2023	31. prosince 2022
At amortized cost	728,092	617,300
<b>Total debt securities issued</b>	<b>728,092</b>	<b>617,300</b>

The following table shows information on debt securities issued with an amortised cost in thousands of EUR:

Title	ISIN	Issue date	Nominal value in currency	Interest rate	Due date	31 December 2023	31 December 2022
JTGF IX 4,00/2023	SK4120014556	28.10.2018	1,000 EUR	4.00%	26.10.2023	—	150,940
JTGF X 4,75/24	CZ0003520447	14.01.2019	3,000,000 CZK	4.75%	14.10.2024	173,416	182,326
—	QOXDBM077189	22.11.2021	1,000,000 EUR	3.50%	22.11.2024	—	15,009
JTGF XI. 4,90/26	CZ0003533077	27.07.2021	3,000,000 CZK	4.90%	27.07.2026	39,392	38,605
JTGF XII 3,75/2025	SK4000019386	30.07.2021	100,000 EUR	3,75%	30.07.2025	14,930	15,133
365.BANK, A.S./3.5EMTN 20241222	XS2425290900	22.12.2021	100,000 EUR	3.50%	22.12.2024	—	49,832
JTGF XIII. 8,25/25	CZ0003541237	18.07.2022	3,000,000 CZK	8.25%	18.07.2025	62,053	64,392
JTGF XIV 5,00/2027	SK4000021481	31.08.2022	1,000 EUR	5.00%	31.08.2027	45,659	28,435
J&T BANKA 8,00/27	CZ0003707705	13.12.2022	10,000,000 CZK	8.00%	13.12.2027	12,180	12,487
—	QSDPABKR0001	19.12.2022	1,000,000 EUR	7.04%	19.12.2026	60,120	60,141
JTGF XV. 8,125/28	CZ0003550378	30.05.2023	10,000 CZK	8.13%	30.05.2028	119,968	—
J&T BANKA 7,50/26	XS2705065188	26.10.2023	1,000 EUR	7.5%	26.10.2026	120,785	—
365bank/5 BD 20261006	SK4000023693	06.10.2023	30,000 EUR	5.00%	06.10.2026	12,568	—
365.BANK, A. S./7.75EMTN 20261002	XS2698768913	02.10.2023	100,000 EUR	7.75%	02.10.2026	65,856	—
365bank/STRWOCPR 20270409	SK4000023131	31.05.2023	1 EUR	variabilní	09.04.2027	125	—
365bank/STRWOCPR 20280510	SK4000023149	31.05.2023	1 EUR	variabilní	10.05.2028	1,025	—
365bank/STRWOCPR 20270409	SK4000023156	31.05.2023	1 EUR	variabilní	09.04.2027	15	—
<b>Total bonds issued</b>						<b>728,092</b>	<b>617,300</b>

Interest on all issues is paid regularly once, twice or four times a year.

During the years ended 31 December 2023 and 2022, the Group did not recognise any defaults in respect of principal or interest or other defaults in respect of debt securities issued.

The total carrying amount of the bonds issued does not include the value of bonds held by companies in the Group.

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

In thousands of EUR	Liabilities					Equity			Total
	Lease liabilities <sup>12</sup>	Debt securities issued	Subordinated debt	Retained earnings	Provisions	Other equity instruments	Non-controlling interests – other equity instruments	Non-controlling interests – ordinary shares	
<b>Balance as at 1 January 2023</b>	<b>50,440</b>	<b>617,300</b>	<b>10,599</b>	<b>939,690</b>	<b>58,407</b>	<b>218,900</b>	<b>145,040</b>	<b>58,406</b>	<b>2,098,782</b>
<b>Changes in cash flows from financing activities</b>									
Proceeds from issued debt securities	–	341,884	–	–	–	–	–	–	341,884
Payments for buy-back	–	(215,200)	–	–	–	–	–	–	(215,200)
Acquisition of a non-controlling interest	–	–	–	–	–	–	–	–	–
Distribution of non-controlling interest	–	–	–	–	–	–	–	(2,607)	(2,607)
Subordinated debt issued	–	–	41,620	–	–	–	–	–	41,620
Subordinated debt repaid	–	–	–	–	–	–	–	–	–
Payments of lease liabilities (principal)	(9,075)	–	–	–	–	–	–	–	(9,075)
Issue of other equity instruments	–	–	–	–	–	–	6,913	–	6,913
Payment of proceeds from other equity instruments	–	–	–	(11,431)	–	–	(10,875)	–	(22,306)
Dividends paid	–	–	–	(76,551)	–	–	–	(1,786)	(78,337)
<b>Total changes in cash flows from financial activities</b>	<b>(9,075)</b>	<b>126,684</b>	<b>41,620</b>	<b>(87,982)</b>	<b>–</b>	<b>–</b>	<b>(3,962)</b>	<b>(4,393)</b>	<b>62,892</b>
Changes arising from obtaining or losing control of subsidiaries or other businesses	(809)	–	–	–	–	–	–	–	(809)
Effect of changes in exchange rates	(661)	(31,541)	(1,413)	–	–	–	–	–	(33,615)
<b>Other changes</b>									
Liability-related									
Lease liabilities from new leases	2,018	–	–	–	–	–	–	–	2,018
Transfers and other non-cash movements	5,617	–	–	–	–	–	–	–	5,617
Interest expense	1,167	38,451	(19)	–	–	–	–	–	39,599
Interest paid	(513)	(22,802)	18	–	–	–	–	–	(23,297)
<b>Total liability-related other changes</b>	<b>8,289</b>	<b>15,649</b>	<b>(1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>23,937</b>
<b>Total equity-related other changes</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>262,637</b>	<b>3,010</b>	<b>–</b>	<b>10,495</b>	<b>5,333</b>	<b>281,475</b>
<b>Balance as at 31 December 2023</b>	<b>48,184</b>	<b>728,092</b>	<b>50,805</b>	<b>1,114,345</b>	<b>61,417</b>	<b>218,900</b>	<b>151,573</b>	<b>59,346</b>	<b>2,432,662</b>

<sup>12</sup> Lease liabilities are included in the financial statements under Other liabilities and therefore do not represent a separate item.



In thousands of EUR	Liabilities					Equity				Total
	Lease liabilities <sup>13</sup>	Debt securities issued	Subordinated debt	Retained earnings	Provisions	Other equity instruments	Non-controlling interests – other equity instruments	Non-controlling interests – ordinary shares		
<b>Balance as at 1 January 2022</b>	<b>55,870</b>	<b>578,388</b>	<b>2,955</b>	<b>882,776</b>	<b>42,615</b>	<b>218,900</b>	<b>115,722</b>	<b>88,030</b>	<b>1,985,256</b>	
<b>Changes from cash flows from financial activities</b>										
Proceeds from issued debt securities	–	161,113	–	–	–	–	–	–	161,113	
Payments for buy-back	–	(132,140)	–	–	–	–	–	–	(132,140)	
Acquisition of a non-controlling interest	–	–	–	–	–	–	–	444	444	
Distribution of non-controlling interest	–	–	–	–	–	–	–	(8,467)	(8,467)	
Subordinated debt issued	–	–	7,518	–	–	–	–	–	7,518	
Subordinated debt repaid	–	–	–	–	–	–	–	–	–	
Payments of lease liabilities (principal)	(5,415)	–	–	–	–	–	–	–	(5,415)	
Issue of other equity instruments	–	–	–	–	–	–	24,806	–	24,806	
Payment of proceeds from other equity instruments	–	–	–	(10,990)	–	–	(9,871)	–	(20,861)	
Dividends paid	–	–	–	(77,290)	–	–	–	(2,113)	(79,403)	
<b>Total changes in cash flows from financial activities</b>	<b>(5,415)</b>	<b>28,973</b>	<b>7,518</b>	<b>(88,280)</b>	<b>–</b>	<b>–</b>	<b>14,935</b>	<b>(10,136)</b>	<b>(52,405)</b>	
Changes arising from obtaining or losing control of subsidiaries or other businesses	(140)	–	–	–	–	–	–	–	(140)	
Effect of changes in exchange rates	56	(1,477)	166	–	–	–	–	–	(1,255)	
<b>Other changes</b>										
Liability-related										
Lease liabilities from new leases	3,097	–	–	–	–	–	–	–	3,097	
Transfers and other non-cash movements	(3,088)	–	–	–	–	–	–	–	(3,088)	
Interest expense	1,087	24,598	2,315	–	–	–	–	–	28,000	
Interest paid	(1,027)	(13,182)	(2,355)	–	–	–	–	–	(16,564)	
<b>Total liability-related other changes</b>	<b>69</b>	<b>11,416</b>	<b>(40)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,445</b>	
<b>Total equity-related other changes</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>145,194</b>	<b>15,792</b>	<b>–</b>	<b>14,383</b>	<b>(19,488)</b>	<b>155,881</b>	
<b>Balance as at 31 December 2022</b>	<b>50,440</b>	<b>617,300</b>	<b>10,599</b>	<b>939,690</b>	<b>58,407</b>	<b>218,900</b>	<b>145,040</b>	<b>58,406</b>	<b>2,098,782</b>	

### 35. SUBORDINATED DEBT

In thousands of EUR	31 December 2023	31 December 2022
Subordinated debt at amortised cost	50,805	10,599

Subordinated debt as at 31 December 2023 includes subordinated fixed-rate term deposits totalling EUR 50,805 thousand (2022: EUR 10,599 thousand) maturing between 2024 and 2027 (2022: 2023–2027).

<sup>13</sup> Lease liabilities are included under Other liabilities in the financial statements and thus do not constitute a separate financial statements caption.

### 36. OTHER LIABILITIES

In thousands of EUR	31 December 2023	31 December 2022
Liabilities to clients from securities trading	500,633	326,460
Employee benefits	71,441	68,596
Balances from securities settlement	11,159	13,716
Trade liabilities	15,071	23,887
Uninvoiced deliveries	16,870	11,762
Other liabilities	47,708	53,692
<b>Total (see Note 41)</b>	<b>662,882</b>	<b>498,113</b>
Financial liabilities at FVPL	52,831	47,189
Lease liabilities	48,184	50,440
<b>Total other liabilities under risk management (see Note 44)</b>	<b>763,897</b>	<b>595,742</b>
Other tax liabilities	10,869	9,591
Advances received	23,497	7,311
Deferred income	2,229	3,006
<b>Total other non-financial liabilities</b>	<b>36,595</b>	<b>19,908</b>
<b>Total</b>	<b>800,492</b>	<b>615,650</b>

The item Other liabilities includes a large number of small items that are individually insignificant. The item Financial liabilities at FVPL includes the revaluation of the current year amounting to EUR (5,992) thousand (2022: EUR 1,001 thousand) and the cumulative revaluation value of EUR (4,991) thousand (2022: EUR 1,001 thousand).

In the category Financial liabilities recognised at FVTPL, the Group recognises liabilities from the fund capital of consolidated investment funds that do not meet the classification of equity instruments under IFRS. As the own credit risk of these liabilities is directly attributable to the underlying assets of the fund also remeasured at fair value through profit or loss, the Group does not recognise changes in own credit risk for the underlying liabilities.

### 37. PROVISIONS

In thousands of EUR	31 December 2023	31 December 2022
Financial guarantees issued under IFRS 9 (see Note 27 (e))	4,211	2,574
Loan commitments issued under IFRS 9 (see Note 27 (g))	5,142	6,148
Other provisions	2,604	5,049
<b>Total provisions</b>	<b>11,957</b>	<b>13,771</b>

The Group did not issue any loan commitments or guarantees measured at fair value through profit or loss.

In thousands of EUR	Provisions for commitments under IAS 37	Insurance contracts	Other provisions under IAS 37	Total
Balance as at 1 January 2022	5	—	3,046	3,051
Provisions recognised during the period	—	—	2,783	2,783
Provisions used during the period	(2)	—	(527)	(529)
Provisions reversed during the period	—	—	(347)	(347)
Decrease from outgoing entities	—	—	—	—
Exchange rate gains	1	—	90	91
<b>Balance as at 31 December 2022</b>	<b>4</b>	<b>—</b>	<b>5,045</b>	<b>5,049</b>
Balance as at 1 January 2023	4	—	5,045	5,049
Provisions recognised during the period	3	—	1,276	1,279
Provisions used during the period	—	—	(2,266)	(2,266)
Provisions reversed during the period	—	—	(1,216)	(1,216)
Transfer to Disposal group held for sale	(5)	—	(184)	(189)
Exchange rate gains	(1)	—	(52)	(53)
<b>Balance as at 31 December 2023</b>	<b>1</b>	<b>—</b>	<b>2,603</b>	<b>2,604</b>

As at 31 December 2023, it is assumed that provisions of EUR 188 thousand (2022: EUR 958 thousand) will be used later than 12 months after the reporting date. Current provisions in the amount of EUR 2,416 thousand (2022: EUR 4,091 thousand) include a provision for the clients' benefits programme (Magnus) of EUR 1,096 thousand (2022: EUR 1,128 thousand).

### 38. DEFERRED TAX ASSETS AND LIABILITIES

#### Unrecognised deferred tax asset

Deferred tax assets were not recognised for these items:

In thousands of EUR	31 December 2023	31 December 2022
Tax losses of previous years (gross amount)	3,904	11,478
Tax effect	742	2 181

Odhad expirace neuznaných daňových ztrát je následující:

In thousands of EUR	2024	2025	2026	2027	After 2028
Tax losses	1,438	1,016	759	599	92

Deferred tax assets due to unrecognised losses from previous years are recognised only up to the extent to which they are likely to be used against future tax profits.

Tax losses expire over a period of five years for losses arisen after 1 January 2004 in the Czech Republic. In Slovakia, tax losses arisen after 1 January 2020 can be used in the next five years and always up to 50% of the tax base. Some deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because, due to the varying nature of the sources of these assets, it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

## Recognised deferred tax assets and liabilities

The following deferred tax assets and liabilities were recognised:

In thousands of EUR	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	4,360	2,147	4,073	2,088
Intangible assets	1	405	41	341
Investment property	614	—	426	2,313
Leases (IFRS 16)	750	484	491	329
Impairment of trade receivables and other assets	433	—	536	—
Investment securities measured at fair value through other comprehensive income	8,177	146	5,944	115
Investment securities at amortised cost	—	326	—	218
Employee benefits (IAS 19)	968	—	908	—
Unpaid interest, net	—	—	—	—
Investment securities at fair value through profit or loss	—	753	—	938
Loans and advances	31,717	—	27,407	15
Loans and advances at fair value through other comprehensive income	—	—	6	—
Provisions	1,686	—	1,874	11
Derivatives	263	7,837	—	7,671
Tax losses	1,123	—	1,025	—
Other temporary differences	15,194	1	12,403	—
	65,286	12,099	55,134	14,039
Netting <sup>14</sup>	(2,540)	(2,540)	(1,621)	(1,621)
<b>Total</b>	<b>62,746</b>	<b>9,559</b>	<b>53,513</b>	<b>12,418</b>

A significant part of Czech and Slovak tax legislation is not confirmed in practice and there are uncertainties regarding the interpretations that may be applied by the tax authorities in a number of areas. The impact of this uncertainty cannot be quantified and will only be addressed once relevant case law is issued or official interpretations from the authorities are available.

## 39. EQUITY

### (i) Share capital

The authorised, issued and fully paid-up share capital of J&T FINANCE GROUP SE as at 31 December 2023 and 31 December 2022 consisted of 10 ordinary shares with a nominal value of CZK 200,000, also 13,778,752 ordinary shares with a nominal value of CZK 1,000 and also 1,999,556,188 ordinary shares with a nominal value of CZK 1. Shareholders are entitled to receive dividends and to one vote per share at the general meeting of the Company. The share capital in 2023 and 2022 was CZK 15,780,308 thousand (this corresponds to the historical price of EUR 574,138 thousand).

### (ii) Non-distributable reserves

Non-distributable reserves include the parent company's statutory reserve fund and post-acquisition increases in the statutory reserves of subsidiaries. The statutory reserve fund may only be used to cover losses of the Company and may not be distributed as dividends. The calculation of the statutory reserve fund is based on local legislation.

Since 1 January 2014, the creation of a statutory reserve fund is not required in the Czech Republic.

In Slovakia creation of a statutory reserve fund is required at a minimum of 5% of net profit (annually) and up to a minimum of 10% of the registered share capital (cumulative balance).

<sup>14</sup> Netting - deferred tax assets and liabilities were netted against each other for each individual subsidiary of the Group when applicable.

In Croatia creation of a statutory reserve fund is required at a minimum of 5% of net profit (annually) and up to a minimum of 5% of the registered share capital.

#### (iii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. Furthermore, the translation reserve includes the impact of the net investment hedge of foreign operations.

#### (iv) Other reserves and funds

Other reserves comprise mainly changes in the fair value of securities measured at fair value through other comprehensive income.

#### (v) Other equity instruments

In 2016, J&T FINANCE GROUP SE issued and sold subordinated unsecured certificates with a nominal value of EUR 100 thousand and without maturity of EUR 200,000 thousand. The entire issue was purchased by CEFC Hainan International Holdings CO., Ltd.

These certificates bear a 9% (first two years) and 5% (subsequently) annual yield that is fully discretionary and subject to approval, distributed semi-annually from retained earnings. Following the approval by the Czech National Bank (CNB) on 21 April 2016, these instruments also comply with the requirements to be recognized as additional capital ATI.

On 12 October 2020, J&T FINANCE GROUP SE issued and subsequently sold further subordinated unsecured certificates with a nominal value of EUR 100 thousand and no maturity date in the amount of CZK 500,000 thousand (EUR 18,900 thousand). These certificates bear a 7.5% annual yield that is fully discretionary and subject to approval, distributed semi-annually from retained earnings. The issuance of these instruments was approved by the Czech National Bank (CNB) on 18 September 2020 and they are listed on the Prague Stock Exchange. The instruments comply with the requirements to be recognized as additional capital ATI (see Note 45. Capital management).

J&T FINANCE GROUP SE established a special purpose capital fund (Perpetuity fund) exclusively for the payment of proceeds from certificates issued by the Group as described above. The fund is part of retained earnings. Distribution of income from the fund complies with the prospectus of the equity instrument. The total amount of income paid in 2023 was EUR 11,431 thousand (2022: EUR 10,990 thousand) and is recognised as distribution of retained earnings in the consolidated statement of changes in equity.

#### (vi) Dividends

At the Annual General Meeting held on 26 June 2023, the shareholders decided to pay dividends on ordinary shares as follows: dividend per share with a nominal value of CZK 1 in the amount of CZK 0.1192, per share with a nominal value of CZK 1,000 in the amount of CZK 119.1612, and per share with a nominal value of CZK 200,000 in the amount of CZK 23,832.2342. The total dividends amounted to CZK 1,880,400 thousand, while the dividends were paid to shareholders in full after deduction of withholding tax.

At the Annual General Meeting held on 17 June 2022, the shareholders decided to pay dividends on ordinary shares as follows: dividend per share with a nominal value of CZK 1 in the amount of CZK 0.1255, per share with a nominal value of CZK 1,000 in the amount of CZK 125.4728, and per share with a nominal value of CZK 200,000 in the amount of CZK 25,094.5669. The total dividends amounted to CZK 1,980,000 thousand.

## 40. NON-CONTROLLING INTERESTS

In thousands of EUR	31 December 2023	31 December 2022
Equity Holding, a.s.	27,917	27,015
Colorizo Investments, a.s.	1,589	11,816
365.bank, a.s.	8,320	9,639
Chateau Teyssier	7,756	8,267
J&T Realitních akcií a dluhopisů otevřený podílový fond	6,005	—
Naše ČESKO otevřený podílový fond	5,902	—
Other	1,857	1,669
<b>Non-controlling interests – ordinary shares</b>	<b>59,346</b>	<b>58,406</b>
J&T BANKA, a.s.	151,573	145,040
<b>Non-controlling interests – other equity instruments</b>	<b>151,573</b>	<b>145,040</b>
<b>Non-controlling interests – total</b>	<b>210,919</b>	<b>203,446</b>

In 2023, the Group established the Naše Česko otevřený podílový fond, in which it held a 63.54% interest as at 31 December 2023.

In 2023, the Group established the J&T Realitních akcií a dluhopisů otevřený podílový fond, in which it held a 43.56% interest as at 31 December 2023.

The decrease in the non-controlling interest in Colorizo Investments, a.s. was mainly due to the settlement of the dividend advance paid in 2022 in the amount of CZK 248,000 thousand (EUR 10,095 thousand).

The following table summarises the information relating to Equity Holding, a.s., 365.bank, a.s., Colorizo Investments, a.s., Chateau Teyssier and other subsidiaries of the Group that have a significant non-controlling interest, prior to any intra-group eliminations:

31 December 2023

In thousands of EUR	Equity Holding, a.s.	365.bank, a.s.	Colorizo Investments, a.s.	Chateau Teyssier	Other individually immaterial subsidiaries	Total
Assets	75,148	4,473,246	6,856	81,442	—	—
Liabilities	425	3,932,993	5,026	42,661	—	—
Goodwill attributable to the Group	—	—	—	—	—	—
<b>Net assets excluding goodwill attributable to the Group</b>	<b>74,723</b>	<b>540,253</b>	<b>1,830</b>	<b>38,781</b>	<b>—</b>	<b>—</b>
Non-controlling interest as a percentage	37.36%	1.54%	47.37% <sup>15</sup>	20.00%	—	—
<b>Non-controlling interest</b>	<b>27,917</b>	<b>8,320</b>	<b>1,589</b>	<b>7,756</b>	<b>—</b>	<b>—</b>
<b>Carrying amount of the non-controlling interest</b>	<b>27,917</b>	<b>8,320</b>	<b>1,589</b>	<b>7,756</b>	<b>13,764</b>	<b>59,346</b>
Income	5,555	145,130	(151)	(1,467)	—	—
Profit / (Loss)	4,352	64,882	89	(2,595)	—	—
Other comprehensive income	(1,937)	(118,462)	(252)	40	—	—
Total comprehensive income for the period	2,415	(53,580)	(163)	(2,555)	—	—
Non-controlling interest as a percentage	37.36%	1.54%	47.37% <sup>16</sup>	20.00%	—	—
<b>Profit (loss) attributable to non-controlling interest</b>	<b>1,626</b>	<b>999</b>	<b>71</b>	<b>(519)</b>	<b>835</b>	<b>3,012</b>
<b>Other comprehensive income attributable to non-controlling interests</b>	<b>(724)</b>	<b>(2,318)</b>	<b>(202)</b>	<b>8</b>	<b>1,859</b>	<b>(1,377)</b>
Cash flow from / (used in) operating activities	—	152,084	230	(920)	—	—
Cash flow used in investing activities	—	(163,128)	—	—	—	—
Cash flow used in financing activities	—	(142,718)	—	—	—	—
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>—</b>	<b>(153,762)</b>	<b>230</b>	<b>(920)</b>	<b>—</b>	<b>—</b>

<sup>15</sup> The interest of 47.37% corresponds to the share of the company's voting rights, the non-controlling interest in the company's assets is not linear and is described in more detail in the statute of Colorizo Investments, a.s.

<sup>16</sup> The 47.37% interest represents the share in voting rights. The non-controlling interest in profit/loss and other comprehensive income is 80%.

31 December 2022

In thousands of EUR	Equity Holding, a.s.	365.bank, a.s. Investments, a.s.	Colorizo	Chateau Teyssier	Other individually immaterial subsidiaries	Total
Assets	72,407	4,597,874	34,015	83,394	—	—
Liabilities	98	3,971,979	17,264	42,058	—	—
Goodwill attributable to the Group	—	—	—	—	—	—
<b>Net assets excluding goodwill attributable to the Group</b>	<b>72,309</b>	<b>625,895</b>	<b>16,751</b>	<b>41,336</b>	—	—
Non-controlling interest as a percentage	37.36%	1.54%	47.37% <sup>17</sup>	20.00%	—	—
<b>Non-controlling interest</b>	<b>27,015</b>	<b>9,639</b>	<b>11,816</b>	<b>8,267</b>	—	—
<b>Carrying amount of the non-controlling interest</b>	<b>27,015</b>	<b>9,639</b>	<b>11,816</b>	<b>8,267</b>	<b>1,669</b>	<b>58,406</b>
Income	3,487	166,924	563	(933)	—	—
Profit / (Loss)	2,668	65,336	1,582	(1,549)	—	—
Other comprehensive income	2,167	(40,378)	(189)	(50)	—	—
Total comprehensive income for the period	4,835	24,958	1,393	(1,599)	—	—
Non-controlling interest as a percentage	37.36%	1.54%	47.37% <sup>18</sup>	20.00%	—	—
<b>Profit (loss) attributable to non-controlling interest</b>	<b>997</b>	<b>1,006</b>	<b>1,266</b>	<b>(310)</b>	<b>286</b>	<b>3,245</b>
<b>Other comprehensive income attributable to non-controlling interests</b>	<b>810</b>	<b>(1,105)</b>	<b>(151)</b>	<b>(10)</b>	<b>1,166</b>	<b>710</b>
Cash flow from / (used in) operating activities	—	498,204	362	7,586	—	—
Cash flow used in investing activities	—	11,805	—	(1,857)	—	—
Cash flow used in financing activities	—	4,831	(33,841)	(6,300)	—	—
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>—</b>	<b>514,840</b>	<b>(33,841)</b>	<b>(571)</b>	<b>—</b>	<b>—</b>

### Changes in non-controlling interests without changes in control

The table below summarizes changes in non-controlling interests in those companies where no change in control occurred and does not include effect from disposed, newly purchased or established entities with non-controlling interests.

31 December 2022

In thousands of EUR	Total
Non-controlling interest at 1 January 2022	x
Change in the Group's ownership interest	99
Dividends	—
Share of the comprehensive income	(310)
<b>Non-controlling interest at 31 December 2022</b>	<b>x</b>

In 2023 there was no change in non-controlling interests without changes in control.

In 2022, the Group increased the share capital of J&T Banka d.d. by HRK 20,000 thousand and also acquired the remaining interest in J&T Banka d.d. As at 31 December 2022, the Group owned 100% of the company. J&T banka d.d.

In 2021, the Group acquired an additional 3.25% interest in the open-end mutual fund J&T VENTURES I. As at 31 December 2021, the Group held a 97.39% interest in the open-end mutual fund J&T VENTURES I. In 2022, the total number of units in the fund was reduced and the Group acquired the remaining interest in the J&T VENTURES otevřený podílový fond. As at 31 December 2022, the Group owned a 100% interest in the J&T VENTURES I. otevřený podílový fond.

<sup>17</sup> The interest of 47.37% corresponds to the share of the company's voting rights, the non-controlling interest in the company's assets is not linear and is described in more detail in the statutes of Colorizo Investments, a.s.

<sup>18</sup> The 47.37% interest represents the share in voting rights. The non-controlling interest in profit/loss and other comprehensive income is 80%.

### Non-controlling interests – other equity instruments

Through its subsidiary J&T BANKA, a.s., the Group issued the following subordinated unsecured income certificates without maturity date (hereinafter the "Certificates"):

Name of certificate	ISIN	Issue date	Currency	Interest rate	Nominal value
J&T BANKA 10% PERP	CZ0003704249	30 June 2014	CZK	10.00% p.a.	100,000 CZK
J&T BK II 9% PERP	CZ0003704413	21 September 2015	CZK	9.00% p.a.	100,000 CZK
J&T BK III 9% PERP	CZ0003704421	14 December 2015	EUR	9.00% p.a.	5,000 EUR
J&T BK 6.5% PERP	CZ0003706517	23 August 2021	CZK	6.50% p.a.	100,000 CZK
J&T BK 7.00% PERP	CZ0003707275	29 June 2022	EUR	7.00% p.a.	1,000 EUR

The Certificates are hybrid financial instruments combining the economic characteristics of equity and debt securities and are issued as book-entry securities in bearer form. The owners of the certificates are not shareholders of J&T BANKA, a.s. by virtue of their ownership of the certificates and are not entitled to a dividend. The owners of the certificates do not have an interest in the share capital of J&T BANKA, a.s. and by virtue of their ownership of the certificates do not have a direct or indirect share in voting rights.

The issue of these instruments, which combine the characteristics of debt and equity instruments, was approved by the Czech National Bank (CNB).

The total volume of these instruments held by third parties amounted to EUR 151,573 thousand as at 31 December 2023 (as at 31 December 2022: EUR 145,040 thousand).

The total income paid to third parties in 2023 was EUR 10,875 thousand (2022: EUR 9,871 thousand).

## 41. FAIR VALUE INFORMATION

The following table reconciles the carrying amount and the fair value of the Group's financial assets and liabilities not carried at fair value:

31 December 2023

In thousands of EUR	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and cash equivalents	6,197,282	—	6,197,282	—	6,197,282
Investment securities at amortised cost	923,734	825,279	—	46,303	871,582
Loans and advances to banks	123	—	121	—	121
Loans and advances to customers	7,272,613	—	—	7,728,674	7,728,674
Trade receivables and other financial assets under risk management	384,001	—	—	384,001	384,001
<b>Financial liabilities</b>					
Deposits and loans from banks	771,979	—	770,899	—	770,899
Deposits and loans from customers	12,221,357	—	12,039,993	—	12,039,993
Debt securities issued	728,092	120,845	310,872	297,430	729,147
Subordinated debt	50,805	—	48,125	—	48,125
Other financial liabilities (excluding finance lease liabilities)	662,882	—	662,882	—	662,882



31 December 2022

In thousands of EUR	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and cash equivalents	3,857,021	—	3,855,243	—	3,855,243
Investment securities at amortised cost	713,989	562,255	26,619	47,120	635,994
Loans and advances to banks	9,374	—	9,399	—	9,399
Loans and advances to customers	7,651,009	—	—	7,802,422	7,802,422
Trade receivables and other financial assets under risk management	158,184	—	—	158,184	158,184
<b>Financial liabilities</b>					
Deposits and loans from banks	814,483	—	807,282	—	807,282
Deposits and loans from customers	10,262,653	—	10,128,633	—	10,128,633
Debt securities issued	617,300	—	303,284	296,345	599,629
Subordinated debt	10,599	—	13,416	—	13,416
Other financial liabilities (excluding finance lease liabilities)	498,113	—	498,113	—	498,113

## 42. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

In thousands of EUR	31 December 2023	31 December 2022
Loan commitments under IFRS 9	371,672	372,454
Financial guarantees under IFRS 9	197,330	170,440
Pledged property	450,611	408,043
<b>Total financial commitments and contingent liabilities</b>	<b>1,019,613</b>	<b>950,937</b>

Loan commitments relate to loans granted by the Group's banks. The financial guarantees provided generally represent various guarantees issued in connection with loans, bills of exchange issued by other parties, lease agreements and other third-party liabilities. These guarantees are shown in the table above in the amount of the potential future liability. Pledged property is described in the relevant Notes of the Notes (in particular Note 20, 21 and 31). The maximum amount payable for guarantees issued by the Group as at 31 December 2023 was EUR 197,582 thousand (2022: EUR 170,692 thousand). Pledged property is used as collateral for loan financing.

## 43. LEASES

### Leasing from the position of the lessee

The Group primarily leases office space for its business activities, cars and related office equipment. Leases of office space typically last for an initial period of five to fifteen years, with an option to extend beyond that date. Unless recognition exemption for leases is used (see Note 3 (v)), a right of use is recognised for these underlying assets.

For reconciliation of right-of-use assets from opening to closing balance refer to Note 31.

For lease related expenses/income, refer to Note 9 Net interest income, Note 12 Other operating income, and Note 14 Other operating expenses.

Further information regarding leasing is provided below.

The following table provides an analysis of the maturity of lease liabilities (these are undiscounted payments):

In thousands of EUR	31 December 2023	31 December 2022
Less than 1 year	10,098	7,502
1–5 years	23,328	27,052
More than 5 years	15,793	17,382
<b>Total</b>	<b>49,219</b>	<b>51,936</b>

In thousands of EUR	2023	2022
Total cash outflow for leases	(9,075)	(6,644)

### Leasing from the position of lessor

#### (a) Operating leases

The Group leases its assets through operating leases. Non-cancellable operating lease agreements mainly relate to the new building purchased in 2020, in which the Group has its headquarters:

In thousands of EUR	31 December 2023	31 December 2022
Within 1 year	5,892	7,655
1–2 years	372	509
2–3 years	316	330
3–4 years	316	274
4–5 years	316	274
More than 5 years	2,083	2,073
<b>Total</b>	<b>9,295</b>	<b>11,115</b>

During the year ending 31 December 2023, EUR 3,709 thousand was recognised as rental income (2022: EUR 3,410 thousand).

#### (b) Finance leases

The Group offers its clients financial leasing for various assets (e.g. cars, machinery and equipment). The following table provides an analysis of the maturity of the lease receivables and shows the undiscounted lease payments that should be received after the reporting date:

In thousands of EUR	31 December 2023	31 December 2022
<b>Undiscounted finance lease payments</b>		
Within 1 year	31,713	40,184
1–2 years	5,178	17,804
2–3 years	2,841	6,136
3–4 years	1,266	3,232
4–5 years	200	1,628
More than 5 years	1	222
<b>Total undiscounted finance lease payments</b>	<b>41,199</b>	<b>69,206</b>
Reduction for unearned interest (not yet accounted for)	(602)	(7,356)
Discounted non-guaranteed residual value	—	—
<b>Present value of future lease payments</b>	<b>40,597</b>	<b>61,850</b>
Impairment losses	(23,118)	(7,982)

#### 44. RISK MANAGEMENT PROCEDURES AND REPORTING

The Group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk
- operational risk

This section contains information on all of the above risks. In addition, the Group's risk management objectives, procedures and processes for measuring and managing risk and the Group's capital management.

##### **Credit risk**

The Group's exposure to credit risk arises from loans and advances provided. The maximum amount of credit exposure is represented by the respective carrying amounts in the statement of financial position. In addition, the Group is exposed to credit risk arising from off-balance-sheet Loan commitments (see Note 42. Financial commitments and contingent liabilities). Most of the loans and advances are granted to enterprises (non-financial-sector companies, trading and various manufacturing companies). Other loans and advances are provided to retail companies, banks and other financial institutions.

The carrying amount of loans and advances and off-balance-sheet items reflects the maximum accounting loss that could be recognised on these items at the balance sheet date if the counterparties were not 100% in compliance with their contractual obligations and all collateral or security had a zero value. It is the Group's policy to require appropriate collateral from the client before granting a loan.

The assessment of the credit risk of the counterparty or the debt issued is based on the Group's internal rating system, which includes credit ratings from credit-rating agencies and the Group's internal rating system.

The credit risk of the Group's banking companies is managed on the basis of credit analysis and internal rating methodologies.

The Group monitors the concentration of credit risk by industry and geographic location.

## (i) Concentration of credit risk by sector

31 December 2023

In thousands of EUR	Corporate	State, government	Financial institutions	Individuals	Other	Carrying amount
<b>Financial assets</b>						
Cash and cash equivalents	—	—	6,152,338	—	44,944	6,197,282
Financial assets held for trading	51,808	121,312	236,318	405	129	409,972
Hedging derivatives	—	—	6,068	—	—	6,068
Investment securities at fair value through profit or loss	105,444	—	378,801	—	—	484,245
Investment securities at fair value through other comprehensive income	199,424	365,641	84,174	—	—	649,239
Investment securities at amortised cost	36,224	840,235	47,275	—	—	923,734
Loans and advances to banks	—	—	123	—	—	123
Loans and advances to customers	2,911,648	60,366	1,918,051	2,383,625	246	7,273,936
FV changes of portfolio of hedged instruments - Loans and advances to customers	—	—	—	890	—	890
Trade receivables and other financial assets under risk management	44,432	1,637	334,595	3,285	52	384,001
	<b>3,348,980</b>	<b>1,389,191</b>	<b>9,157,743</b>	<b>2,388,205</b>	<b>45,371</b>	<b>16,329,490</b>
<b>Amounts committed/guaranteed <sup>19</sup></b>						
Loan commitments under IFRS 9	162,418	—	92,401	117,427	81	(5,142)
Financial guarantees under IFRS 9	153,068	—	43,842	672	—	(4,211)
	<b>315,486</b>	<b>—</b>	<b>136,243</b>	<b>118,099</b>	<b>81</b>	<b>(9,353)</b>
<b>Total</b>	<b>3,664,466</b>	<b>1,389,191</b>	<b>9,293,986</b>	<b>2,506,304</b>	<b>45,452</b>	<b>16,320,137</b>

<sup>19</sup> Committed/guaranteed amounts - credit risk monitoring for credit commitments and financial guarantees is based on the maximum exposure to credit risk.

31. prosince 2022

In thousands of EUR	Corporate	State, government	Financial institutions	Individuals	Other	Carrying amount
<b>Financial assets</b>						
Cash and cash equivalents	—	—	3,805,678	—	51,343	3,857,021
Financial assets held for trading	62,797	105,894	376,764	179	72	545,706
Hedging derivatives	—	—	15,329	—	—	15,329
Investment securities at fair value through profit or loss	97,935	—	325,777	—	—	423,712
Investment securities at fair value through other comprehensive income	196,388	192,417	119,196	—	—	508,001
Investment securities at amortised cost	38,532	640,136	35,321	—	—	713,989
Loans and advances to banks	—	—	9,374	—	—	9,374
Loans and advances to customers	3,219,435	60,191	2,098,344	2,273,671	345	7,651,986
FV changes of portfolio of hedged instruments - Loans and advances to customers	—	—	—	(6,140)	—	(6,140)
Trade receivables and other financial assets under risk management	60,615	1,610	95,027	902	30	158,184
	<b>3,675,702</b>	<b>1,000,248</b>	<b>6,880,810</b>	<b>2,268,612</b>	<b>51,790</b>	<b>13,877,162</b>
<b>Amounts committed/guaranteed<sup>20</sup></b>						
Loan commitments under IFRS 9	161,358	—	93,247	117,837	12	(6,148)
Financial guarantees under IFRS 9	135,693	—	34,999	—	—	(2,574)
	<b>297,051</b>	<b>—</b>	<b>128,246</b>	<b>117,837</b>	<b>12</b>	<b>(8,722)</b>
<b>Total</b>	<b>3,972,753</b>	<b>1,000,248</b>	<b>7,009,056</b>	<b>2,386,449</b>	<b>51,802</b>	<b>13,868,440</b>

(ii) Concentration of credit risk of loans and advances to customers by industry

In thousands of EUR	31 December 2023	31 December 2022
Private households and employees	2,342,520	2,185,928
Real estate activities	1,198,394	1,154,028
Money management	813,124	786,599
Production and distribution of electricity, gas, heat	499,007	343,465
Cultural, entertainment and recreational activities	473,822	477,901
Manufacturing industry	404,955	426,560
Wholesale and retail	323,745	461,158
Construction	294,749	476,131
Accommodation and hospitality	201,987	278,840
Administrative and support activities	154,208	97,757
Information and communication activities	149,470	146,079
Transport and storage	135,784	352,596
Public administration and defence, compulsory social security	60,026	64,002
Professional, scientific and technical activities	52,621	41,017
Water supply, wastewater, waste and remediation activities	51,132	83,768
Agriculture, forestry, fishing	39,788	19,158
Mining and quarrying	35,386	31,260
Other activities	25,304	187,647
Education	9,720	4,769
Health and social care	8,194	33,323
<b>Total</b>	<b>7,273,936</b>	<b>7,651,986</b>

<sup>20</sup> Committed/guaranteed amounts - credit risk monitoring for loan commitments and financial guarantees is based on the maximum exposure to credit risk.

## (iii) Concentration of counterparty credit risk by geographical location

31 December 2023

In thousands of EUR	Czech Republic	Slovakia	Cyprus	Luxembourg	Germany	Other	Carrying amount
<b>Financial assets</b>							
Cash and cash equivalents	5,447,034	682,620	—	965	7,397	59,266	6,197,282
Financial assets held for trading	208,855	18,646	290	302	84,660	97,219	409,972
Hedging derivatives	—	—	—	—	5,959	109	6,068
Investment securities at fair value through profit or loss	198,468	30,474	—	33,828	—	221,475	484,245
Investment securities at fair value through other comprehensive income	259,269	317,861	1,518	9,795	—	60,796	649,239
Investment securities at amortised cost	183,618	692,210	—	1,300	—	46,606	923,734
Loans and advances to banks	2	—	—	—	121	—	123
Loans and advances to customers	1,409,769	2,955,044	1,365,443	653,747	106,097	783,836	7,273,936
FV changes of portfolio of hedged instruments - Loans and advances to customers	—	890	—	—	—	—	890
Trade receivables and other financial assets under risk management	341,501	24,834	3,875	116	825	12,850	384,001
	<b>8,048,516</b>	<b>4,722,579</b>	<b>1,371,126</b>	<b>700,053</b>	<b>205,059</b>	<b>1,282,157</b>	<b>16,329,490</b>
<b>Committed/guaranteed amounts<sup>21</sup></b>							
Loan commitments under IFRS 9	147,137	150,874	33,363	3,131	20,883	16,939	(5,142)
Financial guarantees under IFRS 9	54,677	42,017	19,801	50	46,395	34,642	(4,211)
	<b>201,814</b>	<b>192,891</b>	<b>53,164</b>	<b>3,181</b>	<b>67,278</b>	<b>51,581</b>	<b>(9,353)</b>
<b>Total</b>	<b>8,250,330</b>	<b>4,915,470</b>	<b>1,424,290</b>	<b>703,234</b>	<b>272,337</b>	<b>1,333,738</b>	<b>16,320,137</b>

<sup>21</sup> Committed/guaranteed amounts - credit risk monitoring for loan commitments and financial guarantees is based on the maximum exposure to credit risk.

31 December 2022 (restated)<sup>22</sup>

In thousands of EUR	Czech Republic	Slovakia	Cyprus	Luxembourg	Germany	Other	Carrying amount
<b>Financial assets</b>							
Cash and cash equivalents	3,081,137	707,096	—	669	2,246	65,873	3,857,021
Financial assets held for trading	234,200	31,873	3,699	515	122,386	153,033	545,706
Hedging derivatives	—	—	—	—	11,586	3,743	15,329
Investment securities at fair value through profit or loss	145,720	26,443	—	32,026	—	219,523	423,712
Investment securities at fair value through other comprehensive income	22,248	332,061	—	9,781	—	143,911	508,001
Investment securities at amortised cost	187,808	466,539	—	1,362	—	58,280	713,989
Loans and advances to banks	3,693	—	—	—	2,048	3,633	9,374
Loans and advances to customers	1,383,990	3,051,947	1,228,048	870,136	210,971	906,894	7,651,986
FV changes of portfolio of hedged instruments - Loans and advances to customers	—	(6 140)	—	—	—	—	(6,140)
Trade receivables and other financial assets under risk management	104,798	30,507	2,031	—	388	20,460	158,184
	<b>5,163,594</b>	<b>4,640,326</b>	<b>1,233,778</b>	<b>914,489</b>	<b>349,625</b>	<b>1,575,350</b>	<b>13,877,162</b>
<b>Committed/guaranteed amounts<sup>23</sup></b>							
Loan commitments under IFRS 9	106,050	150,958	5,422	3,419	9,999	96,606	(6,148)
Financial guarantees under IFRS 9	29,801	39,599	11,000	16,691	32,799	40,802	(2,574)
	<b>135,851</b>	<b>190,557</b>	<b>16,422</b>	<b>20,110</b>	<b>42,798</b>	<b>137,408</b>	<b>(8,722)</b>
<b>Total</b>	<b>5,299,445</b>	<b>4,830,883</b>	<b>1,250,200</b>	<b>934,599</b>	<b>392,423</b>	<b>1,712,758</b>	<b>13,868,440</b>

The table above shows the credit risk by domicile of the debtor or issuer of the securities.

The investment securities at fair value through other comprehensive income in the geographical location "Other" included as at 31 December 2023 investments in the amount of EUR 12,787 thousand into Polish government bonds (2022: EUR 12,902 thousand), EUR 11,006 thousand into Croatian government bonds (2022: EUR 14,329 thousand), EUR 8,954 thousand into Lithuanian government bonds (2022: EUR 5,834 thousand), EUR 1,402 thousand into Belgian government bonds (2022: EUR 1,330 thousand) and EUR 0 into Latvian government bonds (2022: EUR 17,243 thousand).

Investment securities at amortised cost in the geographical location "Other" included as at 31 December 2023 an investment of EUR 10,728 thousand into Belgian government bonds (2022: EUR 10,854 thousand), EUR 10,701 thousand into Irish government bonds (2022: EUR 10,819 thousand), EUR 10,281 thousand into Romanian government bonds (2022: EUR 10,371 thousand), and EUR 9,981 thousand into Lithuanian government bonds (2022: EUR 10,046 thousand).

Loans and advances to customers in the geographical location "Other" in 2023 primarily related to companies and clients domiciled in Germany, Croatia and Switzerland (2022: companies and clients domiciled in Switzerland, Croatia and the UK).

<sup>22</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

<sup>23</sup> Committed/guaranteed amounts - credit risk monitoring for loan commitments and financial guarantees is based on the maximum exposure to credit risk.

## (iv) Credit risk – credit quality analysis

The following tables provide information on the Group's exposure to credit risk based on internal ratings. The analysis is performed for the most significant exposures at amortised cost and at fair value through other comprehensive income.

Internal rating	Exposure to credit risk
1	Very low risk
2	Low risk
3	Low risk
4	Low risk
5	Medium risk
6	Medium risk
7	Medium risk
8	Medium risk
9	Medium risk
10	High risk
11	High risk
12	High risk
Default	Default

## Loans and advances to customers

31 December 2023

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	102,186	—	—	—	102,186
Low risk	1,298,238	12,269	—	—	1,310,511
Medium risk	4,445,430	250,223	—	—	4,695,653
High risk	276,760	206,612	10,053	22,114	515,535
Default	—	—	383,225	6,174	389,399
Without classification	601,699	9,318	693	—	611,710
<b>Gross carrying amount</b>	<b>6,724,313</b>	<b>478,422</b>	<b>393,971</b>	<b>28,288</b>	<b>7,624,994</b>
Loss allowance	(59,321)	(32,819)	(257,660)	(2,581)	(352,381)
<b>Carrying amount</b>	<b>6,664,992</b>	<b>445,603</b>	<b>136,311</b>	<b>25,707</b>	<b>7,272,613</b>

31 December 2022

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	148,797	—	—	—	148,797
Low risk	1,272,291	12,584	—	66	1,284,941
Medium risk	4,330,088	378,939	33,382	—	4,742,409
High risk	400,578	310,830	6,168	15,261	732,837
Default	—	—	366,726	13,860	380,586
Without classification	770,134	5,390	7,663	—	783,187
<b>Gross carrying amount</b>	<b>6,921,888</b>	<b>707,743</b>	<b>413,939</b>	<b>29,187</b>	<b>8,072,757</b>
Loss allowance	(64,850)	(56,472)	(292,618)	(7,808)	(421,748)
<b>Carrying amount</b>	<b>6,857,038</b>	<b>651,271</b>	<b>121,321</b>	<b>21,379</b>	<b>7,651,009</b>



## Loans and advances to banks

31 December 2023

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	123	—	—	—	123
Low risk	—	—	—	—	—
Without classification	—	—	—	—	—
<b>Gross carrying amount</b>	<b>123</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>123</b>
Loss allowance	—	—	—	—	—
<b>Carrying amount</b>	<b>123</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>123</b>

31 December 2022 (restated)<sup>24</sup>

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	—	—	—	—	—
Low risk	9,374	—	—	—	9,374
Without classification	—	—	—	—	—
<b>Gross carrying amount</b>	<b>9,374</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,374</b>
Loss allowance	—	—	—	—	—
<b>Carrying amount</b>	<b>9,374</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,374</b>

## Bonds at fair value through other comprehensive income

31 December 2023

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	14,362	—	—	—	14,362
Low risk	379,775	—	—	—	379,775
Medium risk	167,529	44,331	—	—	211,860
High risk	—	—	—	—	—
Default	—	—	—	—	—
<b>Gross carrying amount</b>	<b>561,666</b>	<b>44,331</b>	<b>—</b>	<b>—</b>	<b>605,997</b>
Loss allowance	(2,150)	(755)	—	—	(2,905)
<b>Carrying amount – fair value</b>	<b>559,516</b>	<b>43,576</b>	<b>—</b>	<b>—</b>	<b>603,092</b>

<sup>24</sup> The comparable period figures were restated as a result of the reclassification of 'Obligatory minimum reserves deposited in central banks' (see note 5).

## 31 December 2022

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	15,612	—	—	—	15,612
Low risk	200,894	—	—	—	200,894
Medium risk	53,462	103,091	—	—	156,553
High risk	—	42,912	—	—	42,912
Default	—	—	80,461	—	80,461
<b>Gross carrying amount</b>	<b>269,968</b>	<b>146,003</b>	<b>80,461</b>	<b>—</b>	<b>496,432</b>
Loss allowance	(1,199)	(12,978)	(24,518)	—	(38,695)
<b>Carrying amount – fair value</b>	<b>268,769</b>	<b>133,025</b>	<b>55,943</b>	<b>—</b>	<b>457,737</b>

## Investment securities at amortised cost

## 31 December 2023

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	—	—	—	—	—
Low risk	884,922	—	1,204	—	886,126
Medium risk	—	—	—	—	—
High risk	—	45,313	—	—	45,313
<b>Gross carrying amount</b>	<b>884,922</b>	<b>45,313</b>	<b>1,204</b>	<b>—</b>	<b>931,439</b>
Loss allowance	(220)	(7,485)	—	—	(7,705)
<b>Carrying amount</b>	<b>884,702</b>	<b>37,828</b>	<b>1,204</b>	<b>—</b>	<b>923,734</b>

## 31 December 2022

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	199,609	—	—	—	199,609
Low risk	475,527	—	—	—	475,527
Medium risk	—	1,603	1,201	—	2,804
High risk	—	44,190	—	—	44,190
<b>Gross carrying amount</b>	<b>675,136</b>	<b>45,793</b>	<b>1,201</b>	<b>—</b>	<b>722,130</b>
Loss allowance	(241)	(7,442)	(458)	—	(8,141)
<b>Carrying amount</b>	<b>674,895</b>	<b>38,351</b>	<b>743</b>	<b>—</b>	<b>713,989</b>

## Loan commitments under IFRS 9

31 December 2023

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	100	—	—	—	100
Low risk	95,707	—	—	—	95,707
Medium risk	260,520	1,376	—	—	261,896
High risk	3,168	159	—	—	3,327
Default	—	—	7,239	617	7,856
Without classification	3,000	441	—	—	3,441
<b>Gross carrying amount</b>	<b>362,495</b>	<b>1,976</b>	<b>7,239</b>	<b>617</b>	<b>372,327</b>
Provision	(1,930)	(49)	(3,026)	(137)	(5,142)

31 December 2022

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Purchased credit - impaired	Total
Very low risk	3,931	—	—	—	3,931
Low risk	144,643	—	—	—	144,643
Medium risk	201,836	6,100	—	—	207,936
High risk	396	4,464	496	—	5,356
Default	—	—	8,090	—	8,090
Without classification	—	2,498	—	—	2,498
<b>Gross carrying amount</b>	<b>350,806</b>	<b>13,062</b>	<b>8,586</b>	<b>—</b>	<b>372,454</b>
Provision	(2,719)	(596)	(2,833)	—	(6,148)

## Financial guarantees under IFRS 9

31 December 2023

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Total
Very low risk	46	—	—	46
Low risk	38,516	50	—	38,566
Medium risk	139,418	5,743	—	145,161
High risk	117	—	243	360
Default	—	—	4,656	4,656
Without classification	7,942	—	851	8,793
<b>Gross carrying amount</b>	<b>186,039</b>	<b>5,793</b>	<b>5,750</b>	<b>197,582</b>
Provision	(1,128)	(241)	(2,842)	(4,211)

31 December 2022

In thousands of EUR	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Total
Very low risk	—	—	—	—
Low risk	32,965	—	50	33,015
Medium risk	120,443	5,847	—	126,290
High risk	675	—	93	768
Default	—	—	2,491	2,491
Without classification	8,128	—	—	8,128
<b>Gross carrying amount</b>	<b>162,211</b>	<b>5,847</b>	<b>2,634</b>	<b>170,692</b>
Provision	(1,466)	(105)	(1,003)	(2,574)

(v) Credit risk – sensitivity to change in loss given default (LGD) and sensitivity to forward-looking information (FLI)

Expected credit losses (ECL) are fundamentally influenced by probability of default (PD) and expected loss given default (LGD). Accordingly, the Group creates an optimistic and a pessimistic scenario that reflect the expected losses when the expected loss given default (LGD) changes by 10%. The probability of default is influenced by a change in GDP as a key indicator of future developments. Therefore, the Group further analyses the impact of a +/- 1% change in the GDP forecast on expected credit losses.

In thousands of EUR	31 December 2023	31 December 2022
Increase in LGD by 10%	35,024	33,323
Decrease in LGD by 10%	(34,622)	(37,799)
Increase in GDP by 1%	(2,089)	(1,433)
Decrease in GDP by 1%	1,669	1,051

(vi) Credit risk – collateral

The Group holds collateral against Loans and advances to customers mainly in the form of pledges, securities, real estate and acceptances of bills of exchange. This collateral can be realised in the event of failure of the primary source of repayment.

Derivative transactions are subject to collateral management agreements. Under these contracts, in general, under certain circumstances, e.g. when an event such as a default occurs, all outstanding transactions under the contract with the counterparty are terminated, a terminal value is determined and a single net value is determined as the resulting liability/receivable to settle all transactions with the counterparty. The Group and its counterparties are generally required to provide collateral to reduce counterparty credit risk. The Group's repurchase and reverse repurchase agreements and securities lending and borrowing are also subject to agreements with similar netting terms. The Group received most of its collateral in the form of securities in the table below under reverse repurchase operations (see also note 25).

Loans and advances to customers are secured by collateral with the following fair values (carrying value refers to secured exposures only):

31 December 2023

In thousands of EUR	Carrying value of 12-month ECL and Lifetime ECL not credit-impaired	Pledge value received for 12-month ECL and Lifetime ECL not credit-impaired	Carrying amount for Lifetime ECL credit-impaired	Pledge value received for Lifetime ECL credit-impaired
Securities	6,043,136	6,226,319	—	—
Real estate	2,063,396	3,562,751	47,266	107,707
Bills of exchange	8,954	14,358	—	—
Cash deposits	103,957	106,159	867	1,567
Other	180,153	225,111	575	575
<b>Total</b>	<b>8,399,596</b>	<b>10,134,698</b>	<b>48,708</b>	<b>109,849</b>

31 December 2022

In thousands of EUR	Carrying value of 12-month ECL and Lifetime ECL not credit-impaired	Pledge value received for 12-month ECL and Lifetime ECL not credit-impaired	Carrying amount for Lifetime ECL credit-impaired	Pledge value received for Lifetime ECL credit-impaired
Securities	4,098,325	4,224,484	7,273	32,693
Real estate	2,058,427	3,620,939	66,729	107,450
Bills of exchange	14,898	36,371	—	—
Cash deposits	112,573	112,628	1,097	1,097
Other	113,778	152,070	21,832	83,481
<b>Total</b>	<b>6,398,001</b>	<b>8,146,492</b>	<b>96,931</b>	<b>224,721</b>

As at 31 December 2023, no collateral received by the Group had been further utilised under repurchase agreements (2022: 0).

The carrying amount of financial assets for which no loss allowance was recognized because of the collateral as at 31 December 2023 was EUR 1,206,346 thousand (2022: EUR 1,126,290 thousand).

In 2023, the Group did not receive any collateral through takeover (2022: collateral in the amount of EUR 393 thousand).

#### (vii) Credit risk – forbearance

In accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 and additional legislation in the relevant countries, the Group classifies all its receivables from clients as "performing" or "non-performing". Exposures more than 90 days past due, exposures where the debtor is considered unlikely to repay its credit obligations in full without the need to realise the collateral, regardless of the existence of past due amounts or the number of days past due, or exposures that have been assessed as credit-impaired (Stage 3), including assets purchased or originated as credit-impaired, are classified as "non-performing". Exposures are classified as "performing" if they are not classified as "non-performing".

#### Forbearance

The Group applies a forbearance approach in accordance with the European Banking Authority's (EBA) technical standard on non-performing exposures and forbearance measures and in accordance with the European Securities and Markets Authority's (ESMA) public statement on the treatment of these types of exposures in financial institutions' IFRS financial statements.

An exposure with forbearance is an exposure where the Group has decided to grant relief to the debtor due to the debtor's financial difficulties, while the Group would not have considered relief in other circumstances. Forbearance can take the form of an adjustment of terms and/or a refinancing of the debt. The adjustments to the terms may include, but are not limited to, a reduction in the interest rate, a reduction in accrued interest or principal, a change in the repayment schedule (e.g. postponement of interest due dates, temporary payment holidays, extension of the final maturity of the loan, payment of fees or accessions on behalf of the debtor, adjustment or non-tracking of covenants, capitalisation of interest or repayments, or the partial write-off of debt). Any adjustment of terms or refinancing that is not the result of the debtor's financial difficulties is not interpreted as forbearance. The application of forbearance leads to better credit risk management and a reduction in potential future loan losses.

#### Exposure forbearance

In thousands of EUR	31 December 2023	31 December 2022
Performing exposures	7,130,383	7,452,650
– of which performing exposures with forbearance	172,844	311,169
Non-performing exposures	143,553	199,336
– of which non-performing exposures with forbearance	54,636	60,773
<b>Total</b>	<b>7,273,936</b>	<b>7,651,986</b>

The share of loans with forbearance in total Loans and advances to customers is 3.13% (2022: 4.86%).

## Concentration of Loans and advances to customers by economic sector

In thousands of EUR	31 December 2023	31 December 2022
<b>Without forbearance</b>		
Non-financial institutions	2,744,165	2,996,810
Financial institutions	1,905,516	1,992,219
Households	2,336,166	2,230,479
Other	60,609	60,536
<b>Total</b>	<b>7,046,456</b>	<b>7,280,044</b>
<b>With forbearance</b>		
Non-financial institutions	167,486	222,624
Financial institutions	12,535	106,125
Households	47,459	43,193
Other	—	—
<b>Total</b>	<b>227,480</b>	<b>371,942</b>

### Liquidity risk

Liquidity risk arises in the context of the Group's general financing activities and position management. It includes the risk that the Group will not be able to meet its obligations when they fall due and the risk that it will not be able to finance its assets at given maturity dates and interest rates. It also includes the risk of it not being able to convert its assets into liquid assets within a given time horizon at an adequate price.

Various liquidity risk management methods are used by the Group's individual companies, including individual monitoring of large deposits. The individual banks in the Group manage their liquidity risk through their financial market divisions, which receive information from other divisions regarding the liquidity profile of their financial assets and liabilities and details of other expected cash flows arising from anticipated future projects.

The Group's management focuses on the methods used by financial institutions, i.e. diversification of funding sources. This diversification gives the Group flexibility and reduces its dependence on a single source of funding. Liquidity risk is assessed mainly by monitoring changes in the funding structure and comparing these changes with the Group's liquidity risk management strategy. The risk managers then maintain a portfolio of short-term liquid assets consisting of loans and advances to banks and other interbank funds to ensure that sufficient liquidity is maintained within the Group as a whole.

The Group also holds a portion of its assets in highly liquid funds as part of its liquidity risk management strategy. In addition, the Group has available a sufficient amount of bonds which, if necessary, are an acceptable source for obtaining additional resources through refinancing operations organised by certain central banks in the countries where the Group operates.

In managing liquidity risk, the Group adopts a conservative and prudent approach to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The key indicators used by the Group to manage liquidity risk are: the proportion of highly liquid assets and the liquidity coverage ratio.

The table below provides an analysis of assets and liabilities categorised into their respective groups by contractual maturity based on the remaining period from the date of the financial statements to the contractual maturity date. The expected maturities differ from contractual maturities because historical experience has shown that most short-term loans and deposits are extended. The analysis is presented according to the most prudent assessment of repayment terms, where options or repayment schedules allowing early repayment are taken into account. Therefore, for liabilities, the first possible maturity date is shown, whereas for assets, the last possible maturity date is shown.

## (i) Contractual maturities of financial assets and liabilities

31 December 2023

In thousands of EUR	Within 1 year	Over 1 year	Without specification	Total
<b>Financial assets</b>				
Cash and cash equivalents	6,197,282	—	—	6,197,282
Financial assets held for trading	121,375	255,314	33,283	409,972
Hedging derivatives	3,290	2,778	—	6,068
Investment securities at fair value through profit or loss	—	443	483,802	484,245
Investment securities at fair value through other comprehensive income	70,327	532,765	46,147	649,239
Investment securities at amortised cost	50,975	872,759	—	923,734
Loans and advances to banks	123	—	—	123
Loans and advances to customers	2,370,953	4,902,983	—	7,273,936
FV changes of portfolio of hedged instruments - Loans and advances to customers	(258)	1,148	—	890
Trade receivables and other financial assets under risk management	381,742	2,259	—	384,001
<b>Total</b>	<b>9,195,809</b>	<b>6,570,449</b>	<b>563,232</b>	<b>16,329,490</b>

In thousands of EUR	Within 1 year	Over 1 year	Without specification	Total
<b>Financial liabilities and provisions for insurance contracts</b>				
Liabilities held for trading	62,695	34,970	—	97,665
Hedging derivatives	—	4,654	—	4,654
Deposits and loans from banks	445,501	326,478	—	771,979
Deposits and loans from customers	10,523,142	1,698,215	—	12,221,357
Debt securities issued	178,270	549,822	—	728,092
Subordinated debt	3,026	47,779	—	50,805
Other financial liabilities under risk management	716,694	47,203	—	763,897
<b>Total</b>	<b>11,929,328</b>	<b>2,709,121</b>	<b>—</b>	<b>14,638,449</b>

The credit lines available to the Group as at 31 December 2023 amounted to EUR 10,000 thousand .

31 December 2022

In thousands of EUR	Within 1 year	Over 1 year	Without specification	Total
<b>Financial assets</b>				
Cash and cash equivalents	3,857,021	—	—	3,857,021
Financial assets held for trading	139,385	333,223	73,098	545,706
Hedging derivatives	4,936	10,393	—	15,329
Investment securities at fair value through profit or loss	—	—	423,712	423,712
Investment securities at fair value through other comprehensive income	62,984	394,753	50,264	508,001
Investment securities at amortised cost	42,669	671,320	—	713,989
Loans and advances to banks	9,374	—	—	9,374
Loans and advances to customers	2,591,491	5,060,495	—	7,651,986
FV changes of portfolio of hedged instruments - Loans and advances to customers	(843)	(5,297)	—	(6,140)
Trade receivables and other financial assets under risk management	155,949	2,235	—	158,184
<b>Total</b>	<b>6,862,966</b>	<b>6,467,122</b>	<b>547,074</b>	<b>13,877,162</b>

In thousands of EUR	Within 1 year	Over 1 year	Without specification	Total
<b>Financial liabilities and provisions for insurance contracts</b>				
Liabilities held for trading	89,753	72,673	—	162,426
Hedging derivatives	37	—	—	37
Deposits and loans from banks	464,619	349,864	—	814,483
Deposits and loans from customers	8,902,502	1,360,151	—	10,262,653
Debt securities issued	71,642	545,658	—	617,300
Subordinated debt	1,617	8,982	—	10,599
Other financial liabilities under risk management	551,669	44,073	—	595,742
<b>Total</b>	<b>10,081,839</b>	<b>2,381,401</b>	<b>—</b>	<b>12,463,240</b>

The lines of credit available to the Group amounted to EUR 10,150 thousand as at 31 December 2022.

(ii) Contractual maturities of financial liabilities including expected interest payments (undiscounted cash flows)

31 December 2023

In thousands of EUR	Carrying amount	Contractual cash flows	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>Financial liabilities other than derivatives</b>						
Liabilities held for trading	34	(34)	(34)	—	—	—
Deposits and loans from banks	771,979	(793,005)	(189,845)	(265,656)	(333,138)	(4,366)
Deposits and loans from customers	12,221,357	(12,660,435)	(8,626,193)	(2,130,664)	(1,814,254)	(89,324)
Debt securities issued	728,092	(803,625)	(6,848)	(194,880)	(600,872)	(1,025)
Subordinated debt	50,805	(66,208)	(4,053)	(2,591)	(59,564)	—
Other financial liabilities under risk management	763,897	(776,688)	(648,460)	(65,329)	(31,628)	(31,271)
	<b>14,536,164</b>	<b>(15,099,995)</b>	<b>(9,475,433)</b>	<b>(2,659,120)</b>	<b>(2,839,456)</b>	<b>(125,986)</b>
<b>Financial liabilities – derivatives</b>						
Currency contracts						
– outflow	92,151	(173,604)	(78,042)	(30,952)	(64,610)	—
– inflow	—	80,922	45,315	1,050	34,557	—
Other derivatives						
– outflow	10,134	(10,136)	—	—	(9,444)	(692)
– inflow	—	—	—	—	—	—
	<b>102,285</b>	<b>(102,818)</b>	<b>(32,727)</b>	<b>(29,902)</b>	<b>(39,497)</b>	<b>(692)</b>
<b>Committed/guaranteed amounts<sup>25</sup></b>						
Loan commitments	5,142	(372,327)	(245,482)	(29,063)	(90,942)	(6,840)
Financial guarantees	4,212	(197,582)	(197,582)	—	—	—
	<b>9,354</b>	<b>(569,909)</b>	<b>(443,064)</b>	<b>(29,063)</b>	<b>(90,942)</b>	<b>(6,840)</b>

<sup>25</sup> Committed/guaranteed amounts - credit risk monitoring for credit commitments and financial guarantees is based on the maximum exposure to credit risk.



31 December 2022

In thousands of EUR	Carrying amount	Contractual cash flows	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>Financial liabilities other than derivatives</b>						
Liabilities held for trading	113	(113)	(113)	—	—	—
Deposits and loans from banks	814,483	(837,435)	(207,604)	(264,937)	(340,828)	(24,066)
Deposits and loans from customers	10,262,653	(10,493,317)	(7,578,119)	(1,426,949)	(1,405,946)	(82,303)
Debt securities issued	617,300	(664,748)	(6,504)	(76,832)	(581,412)	—
Subordinated debt	10,599	(13,234)	(1,884)	(380)	(10,970)	—
Other financial liabilities under risk management	595,742	(598,937)	(434,240)	(83,401)	(48,436)	(32,860)
	<b>12,300,890</b>	<b>(12,607,784)</b>	<b>(8,228,464)</b>	<b>(1,852,499)</b>	<b>(2,387,592)</b>	<b>(139,229)</b>
<b>Financial liabilities - derivatives</b>						
Currency contracts						
– outflow	153,485	(347,880)	(66,752)	(146,089)	(135,039)	—
– inflow	—	191,795	24,469	98,655	68,671	—
Other derivatives						
– outflow	8,865	(8,957)	—	—	(8,957)	—
– inflow	—	—	—	—	—	—
	<b>162,350</b>	<b>(165,042)</b>	<b>(42,283)</b>	<b>(47,434)</b>	<b>(75,325)</b>	<b>—</b>
<b>Committed/guaranteed amounts<sup>26</sup></b>						
Loan commitments	6,148	(372,454)	(271,094)	(13,068)	(84,123)	(4,169)
Financial guarantees	2,578	(170,692)	(170,692)	—	—	—
	<b>8,726</b>	<b>(543,146)</b>	<b>(441,786)</b>	<b>(13,068)</b>	<b>(84,123)</b>	<b>(4,169)</b>

**Expected liquidity**

Expected cash flows generally represent the expected future cash flows of financial instruments based on contractual terms. The actual maturity usually differs from the contractual maturity because historical experience has shown that short-term loans and deposits tend to be extended. In addition, as outstanding balances on current accounts or short-term deposits are not usually collected daily and accounts are not closed on maturity, banks within the Group regularly monitor the proportion of balances that remain available and are prolonged. These indicators are used to manage liquidity risk.

The expected liquidity of financial liabilities other than those listed below is not significantly different from the contractual maturity.

31 December 2023

In thousands of EUR	Carrying amount	Expected cash flows	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
Deposits and loans from customers	12,221,357	(12,660,435)	(8,351,841)	(2,179,103)	(2,031,916)	(97,575)
Subordinated debt	50,805	(66,208)	(4,052)	(2,591)	(59,565)	—

31 December 2022

In thousands of EUR	Carrying amount	Expected cash flows	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
Deposits and loans from customers	10,262,653	(11,131,636)	(7,233,843)	(1,445,644)	(2,120,695)	(331,454)
Subordinated debt	10,599	(13,235)	(1 884)	(380)	(10,971)	—

<sup>26</sup> Committed/guaranteed amounts - credit risk monitoring for credit commitments and financial guarantees is based on the maximum exposure to credit risk.

### Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not related to changes in the credit standing of the debtor or issuer) will affect the Group's earnings or the value of financial instruments held. The objective of market risk management is to manage and monitor exposure to market risk within acceptable limits while optimising return relative to risk.

The Group uses the Value at Risk ("VaR") methodology to assess market risk in its trading book as a whole at the 99% significance level and with a time horizon of 10 business days. The historical simulation method is used to calculate VaR. The Group performs back-testing of the market risk associated with its trading book using the hypothetical back-testing method on a quarterly basis.

Although VaR is an important tool for measuring market risk, it is based on certain limiting assumptions, including the following:

- The 10-day time limit assumes that it is possible to hedge or sell positions within this period. This is considered a realistic assumption in almost all cases, but may not be true in situations where markets are highly illiquid for a prolonged period of time.
- The 99% significance level does not take into account losses that may occur above this threshold. Even in the model used, there is a 1% probability that losses will exceed VaR.
- VaR is calculated based on end-of-day values and does not take into account risks that may arise on positions during the trading day.
- The VaR value is dependent on the Group's position and the volatility of market prices. The VaR value of a fixed position decreases if market price volatility decreases, and vice versa.

The following table shows VaR values expressed as the maximum 10-day loss at the 99% significance level:

In thousands of EUR	31 December 2023	31 December 2022
total market risk using VaR	1,818	7,167
VaR interest rate risk	922	3,477
foreign exchange risk using VaR	2,625	2,730
VaR equity risk	1,396	3,757

#### (i) Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

The Group uses various methods to manage interest rate risk. When purchasing bonds, the Group's current interest rate position is taken into account when deciding on fixed or variable rate bonds. The Group uses interest rate swaps to hedge interest rates on fixed rate loans and bonds.

The Group's priorities in managing interest rate risk on liabilities include:

- stability of deposits, especially over longer periods of time,
- quick and flexible response to significant changes in interbank interest rates by adjusting interest rates on deposit products,
- ongoing assessment of the level of interest rates offered to clients compared to competitors and the current and expected development of interest rates in the local market,
- managing the structure of liabilities in line with expected money market rates to optimise interest income and minimise interest rate risk.

The table below shows the Group's sensitivity to interest rate risk by the contractual maturity date of the financial instruments or, in the case of instruments with interest rate changes before maturity, by the next refixing date. Assets and liabilities for which no contractual maturity date is specified or which do not bear interest are reported together in the 'Without specification' column.

The VaR values for the trading portfolio are as follows:

In thousands of EUR	31 December 2023	31 December 2022
VaR interest rate risk	922	3,477

A summary of the Group's interest rate gap position by accounting value is as follows:

31 December 2023

In thousands of EUR	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Without specification	Total
<b>Financial assets</b>						
Cash and cash equivalents	6,130,523	—	—	—	66,759	6,197,282
Financial assets held for trading	93,698	91,680	187,941	3,271	33,382	409,972
Hedging derivatives	1,745	1,545	1,856	922	—	6,068
Investment securities at fair value through profit or loss	—	—	—	443	483,802	484,245
Investment securities at fair value through other comprehensive income	141,523	207,685	163,708	90,176	46,147	649,239
Investment securities at amortised cost	4,010	88,541	447,018	384,165	—	923,734
Loans and advances to banks	2	—	—	121	—	123
Loans and advances to customers	3,172,685	2,087,464	1,615,020	183,824	214,943	7,273,936
FV changes of portfolio of hedged instruments - Loans and advances to customers	(70)	(188)	1,148	—	—	890
Trade receivables and other financial assets under risk management	5,740	—	—	—	378,261	384,001
<b>Total</b>	<b>9,549,856</b>	<b>2,476,727</b>	<b>2,416,691</b>	<b>662,922</b>	<b>1,223,294</b>	<b>16,329,490</b>
<b>Financial liabilities</b>						
Liabilities held for trading	31,919	29,883	35,825	—	38	97,665
Hedging derivatives	17	(2,957)	6,902	692	—	4,654
Deposits and loans from banks	326,995	107,229	171,719	166,036	—	771,979
Deposits and loans from customers	8,466,305	1,901,326	1,750,287	85,212	18,227	12,221,357
Debt securities issued	5,552	172,719	548,657	—	1,164	728,092
Subordinated debt	2,969	—	47,836	—	—	50,805
Other financial liabilities under risk management	3,290	746	3,446	501	755,914	763,897
<b>Total</b>	<b>8,837,047</b>	<b>2,208,946</b>	<b>2,564,672</b>	<b>252,441</b>	<b>775,343</b>	<b>14,638,449</b>

## 31. prosince 2022

In thousands of EUR	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Without specification	Total
<b>Financial assets</b>						
Cash and cash equivalents	3,774,333	—	—	—	82,688	3,857,021
Financial assets held for trading	67,236	68,654	329,302	6,473	74,041	545,706
Hedging derivatives	—	1,100	5,148	—	9,081	15,329
Investment securities at fair value through profit or loss	—	—	—	—	423,712	423,712
Investment securities at fair value through other comprehensive income	5,481	91,815	230,198	130,244	50,263	508,001
Investment securities at amortised cost	1,786	82,830	364,435	264,938	—	713,989
Loans and advances to banks	—	—	—	—	9,374	9,374
Loans and advances to customers	3,453,548	1,946,623	1,724,539	163,900	363,376	7,651,986
FV changes of portfolio of hedged instruments - Loans and advances to customers	(46)	(797)	(5,297)	—	—	(6,140)
Trade receivables and other financial assets under risk management	4,317	11,692	—	—	142,175	158,184
<b>Total</b>	<b>7,306,655</b>	<b>2,201,917</b>	<b>2,648,325</b>	<b>565,555</b>	<b>1,154,710</b>	<b>13,877,162</b>
<b>Financial liabilities</b>						
Liabilities held for trading	43,482	43,588	75,356	—	—	162,426
Hedging derivatives	37	—	—	—	—	37
Deposits and loans from banks	354,839	2,571	269,443	—	187,630	814,483
Deposits and loans from customers	6,808,992	1,441,089	1,412,780	60,612	539,180	10,262,653
Debt securities issued	4,973	216,639	383,267	—	12,421	617,300
Subordinated debt	2,102	—	8,497	—	—	10,599
Other financial liabilities under risk management	2,032	24,667	1,922	1,381	565,740	595,742
<b>Total</b>	<b>7,216,457</b>	<b>1,728,554</b>	<b>2,151,265</b>	<b>61,993</b>	<b>1,304,971</b>	<b>12,463,240</b>

An analysis of the Group's sensitivity to an increase or decrease in market interest rates for the non-trading portfolio, assuming symmetric yield curves and an unchanged financial position, is as follows:

In thousands of EUR	Effect on profit or loss		Effect on other comprehensive income	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
A 100 bps fall in interest rates	(7,696)	(19,635)	(8,859)	(11,109)
A 100 bps rise in interest rates	7,696	19,635	8,859	11,109

In thousands of EUR	Total impact on equity	
	31 December 2023	31 December 2022
A 100 bps fall in interest rates	(16,555)	(30,744)
A 100 bps rise in interest rates	16,555	30,744

## (ii) Foreign exchange risk

A decomposition of carrying amounts by currency translated into thousands of EUR is as follows:

31 December 2023

In thousands of EUR	EUR	CZK	USD	RUB	Other	Total
<b>Financial assets</b>						
Cash and cash equivalents	775,600	5,415,922	4,520	34	1,206	6,197,282
Financial assets held for trading	46,441	361,830	411	—	1,290	409,972
Hedging derivatives	6,068	—	—	—	—	6,068
Investment securities at fair value through profit or loss	311,866	167,682	3,902	—	795	484,245
Investment securities at fair value through other comprehensive income	349,493	297,202	1	50	2,493	649,239
Investment securities at amortised cost	740,116	183,618	—	—	—	923,734
Loans and advances to banks	121	2	—	—	—	123
Loans and advances to customers	6,238,644	554,123	303,961	—	177,208	7,273,936
FV changes of portfolio of hedged instruments - Loans and advances to customers	890	—	—	—	—	890
Trade receivables and other financial assets under risk management	343,033	33,852	2,924	140	4,052	384,001
<b>Total</b>	<b>8,812,272</b>	<b>7,014,231</b>	<b>315,719</b>	<b>224</b>	<b>187,044</b>	<b>16,329,490</b>
Off-balance-sheet assets	4,842,955	2,909,336	293,251	—	578,504	8,624,046
<b>Financial liabilities</b>						
Liabilities held for trading	94	97,551	20	—	—	97,665
Hedging derivatives	4,654	—	—	—	—	4,654
Deposits and loans from banks	744,174	27,805	—	—	—	771,979
Deposits and loans from customers	6,810,837	5,201,881	127,174	5,624	75,841	12,221,357
Debt securities issued	321,925	406,167	—	—	—	728,092
Subordinated debt	2,111	48,694	—	—	—	50,805
Other financial liabilities under risk management	509,122	218,347	31,964	603	3,861	763,897
<b>Total</b>	<b>8,392,917</b>	<b>6,000,445</b>	<b>159,158</b>	<b>6,227</b>	<b>79,702</b>	<b>14,638,449</b>
Off-balance-sheet commitments	4,535,989	2,312,864	479,651	—	724,897	8,053,401
<b>Net position (including off-balance-sheet items)</b>	<b>726,321</b>	<b>1,610,258</b>	<b>(29 839)</b>	<b>(6 003)</b>	<b>(39 051)</b>	<b>2,261,686</b>

31 December 2022

In thousands of EUR	EUR	CZK	USD	RUB	Other	Total
<b>Financial assets</b>						
Cash and cash equivalents	765,339	3,063,247	4,771	392	23,272	3,857,021
Financial assets held for trading	72,717	467,664	352	620	4,353	545,706
Hedging derivatives	14,229	1,100	—	—	—	15,329
Investment securities at fair value through profit or loss	266,015	151,800	3,193	2,704	—	423,712
Investment securities at fair value through other comprehensive income	383,408	55,143	7,097	45,847	16,506	508,001
Investment securities at amortised cost	514,927	187,808	—	11,254	—	713,989
Loans and advances to banks	5,363	3,442	—	—	569	9,374
Loans and advances to customers	6,426,791	471,833	503,556	23,361	226,445	7,651,986
FV changes of portfolio of hedged instruments - Loans and advances to customers	(6,140)	—	—	—	—	(6,140)
Trade receivables and other financial assets under risk management	79,835	65,838	6,315	1,258	4,938	158,184
<b>Total</b>	<b>8,522,484</b>	<b>4,467,875</b>	<b>525,284</b>	<b>85,436</b>	<b>276,083</b>	<b>13,877,162</b>
Off-balance-sheet assets	4,942,246	4,803,747	404,175	17,796	194,841	10,362,805
<b>Financial liabilities</b>						
Liabilities held for trading	2,215	160,211	—	—	—	162,426
Hedging derivatives	37	—	—	—	—	37
Deposits and loans from banks	755,192	53,258	—	6,003	30	814,483
Deposits and loans from customers	5,649,084	4,371,432	92,765	110,790	38,582	10,262,653
Debt securities issued	319,490	297,810	—	—	—	617,300
Subordinated debt	2,102	8,497	—	—	—	10,599
Other financial liabilities under risk management	268,814	275,218	42,533	2,262	6,915	595,742
<b>Total</b>	<b>6,996,934</b>	<b>5,166,426</b>	<b>135,298</b>	<b>119,055</b>	<b>45,527</b>	<b>12,463,240</b>
Off-balance-sheet commitments	5,646,174	2,802,564	845,898	33,967	479,958	9,808,561
<b>Net position (including off-balance-sheet items)</b>	<b>821,622</b>	<b>1,302,632</b>	<b>(51 737)</b>	<b>(49 790)</b>	<b>(54 561)</b>	<b>1,968,166</b>

Off-balance-sheet items mostly relate to derivative transactions and guarantees given and received.

The VaR is as follows:

In thousands of EUR	31 December 2023	31 December 2022
VaR currency risk	2,625	2,730

An analysis of the Group's sensitivity to increases or decreases in foreign exchange rates is set out in the table below.

Foreign currency translation risk arising from the translation of the financial statements of a foreign entity into the Group's reporting currency does not meet the definition of currency risk. Consequently, translational risk is not included in the sensitivity analysis. However, intercompany receivables and payables denominated in a foreign currency that are not part of the net investment in a foreign operation are included in the foreign currency sensitivity analysis because, although the balances are eliminated in the consolidated statement of financial position, the effect on profit or loss from their remeasurement is not fully eliminated.

A 1% strengthening in foreign currencies would have the following effect on profit or loss or other comprehensive income:

In thousands of EUR	Effect on profit or loss		Effect on other comprehensive income	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
EUR	318	(142)	(221)	(250)
CZK	26	33	(30)	(30)
USD	331	1,129	—	—
RUB	38	70	—	—

### (iii) Equity price risk

Equity price risk relates to listed financial instruments held by the Group, and consists of the risk of changes in market participants' perception of the expected financial performance of the investments concerned. The risk of changes in equity prices is principally managed through diversification of the investment portfolio of equity securities held as investment instruments at fair value through other comprehensive income or profit or loss.

The VaR is as follows

In thousands of EUR	31 December 2023	31 December 2022
VaR equity risk (trading book)	1,396	3,757

An increase of 100 bps in the price of non-derivative financial assets at fair value through profit or loss would have a positive effect on profit or loss as shown below. An increase of 100 bps in the price of assets measured at fair value through other comprehensive income would have a positive effect on other comprehensive income as shown below. A 100 bps drop in price would have the same but opposite effect on profit or loss and other comprehensive income.

In thousands of EUR	Effect on profit or loss		Effect on other comprehensive income	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Level 1 – quoted market prices	888	1,442	262	243
Level 2 – derived from quoted prices	2,275	2,219	69	112
Level 3 – calculated using valuation techniques	2,009	1,307	130	148
<b>Total</b>	<b>5,172</b>	<b>4,968</b>	<b>461</b>	<b>503</b>

In thousands of EUR	Total impact on equity	
	31 December 2023	31 December 2022
Level 1 – quoted market prices	1,150	1,685
Level 2 – derived from quoted prices	2,344	2,331
Level 3 – calculated using valuation techniques	2,139	1,455
<b>Total</b>	<b>5,633</b>	<b>5,471</b>

### Operational risk

Operational risk is the risk of loss arising from fraud, unauthorised activities, error, omission, inefficiency or system failure. It arises from all the Group's activities and is a risk faced by all business organisations. Operational risk includes legal risk.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and avoid control procedures that would restrict initiative and creativity.

The primary responsibility for the implementation of controls to address operational risk is assigned to management within each subsidiary. This responsibility is supported by the development of overall standards within the Group for the management of operational risk which is done by the Risk Management Department and which cover the following areas:

- Transaction reconciliation and monitoring requirements.
- Identification of operational risk within each subsidiary's control system and development of conditions for mitigating and limiting operational risk (while ensuring the required level of activities), as well as its impacts and consequences; recommendations for

appropriate solutions in this area.

- The reporting of operational risk events by entering the relevant information into the Regulated Consolidated Group's Operational Risk Event Database (see Note 45. definition of the Regulated Consolidated Group in the Capital Management section).
- This review of events enables the Group to determine the direction of steps and procedures to be taken to mitigate these risks, as well as to make decisions with respect to:
  - the acceptance of the individual risks that will occur;
  - the initiation of a process leading to the reduction of potential impacts; or
  - a reduction in the scope of the activity concerned or its complete cessation.

#### 45. CAPITAL MANAGEMENT

The Group's strategy is to maintain a strong capital base to maintain creditor and market confidence while ensuring the future growth of its business.

As at 1 January 2014, consolidated capital adequacy is calculated in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 23 June 2013.

The Group's consolidated capital is analysed in two components:

- Tier 1 capital, which consists of:
  1. Common Equity Tier 1 (CET1) capital, comprising paid-up common share capital, share premium, retained earnings (interim profit as at 30 June 2023), accumulated other comprehensive income, other transitional CET1 arrangements and non-controlling interests after deduction of goodwill, the relevant amount of insufficient coverage for non-performing exposures and intangible assets other than prudentially valued software and additional value adjustments;
  2. Additional Tier 1 (AT1) capital, which can include qualifying perpetual instruments issued in accordance with CRR. In case of the Group, Additional Tier 1 (AT1) capital includes other capital instruments issued by J&T FINANCE GROUP SE and J&T BANKA, a.s. in accordance with regulatory restrictions (see Note 39 Equity).
- Tier 2 capital, which includes subordinated debt of EUR 40,342 thousand (31 December 2022: EUR 25,618 thousand). AT1 and Tier 2 capital were not reduced by any deductions.

The Regulated Consolidation Group ("RCG") is defined for the purposes of the prudential rules on a consolidated basis under the Banking Act No 21/1992 Coll., Decree 163/2014 Coll. and the CRR. According to these regulations, the prudential consolidation of the financial holding company J&T FINANCE GROUP SE is defined as an RCC. Different consolidation rules apply to RCCs - only subsidiaries that have the status of a credit institution, investment firm, financial institution or ancillary banking services undertaking (as defined in the CRR) are fully consolidated. The indicators below apply to the entire RCG as described above.



## Regulatory capital

In thousands of EUR	31 December 2023	31 December 2022
Common Equity Tier 1 capital (CET1)	1,574,966	1,370,287
Additional Tier 1 capital (AT1)	316,821	333,225
<b>Total Tier 1 capital</b>	<b>1,891,787</b>	<b>1,703,512</b>
Aggregate amount of Tier 2 capital	40,342	25,618
<b>Total regulatory capital</b>	<b>1,932,129</b>	<b>1,729,130</b>
<b>Risk-weighted assets (RWA)</b>		
Credit risk of the investment portfolio	8,343,293	8,742,434
Total position risk, currency risk and commodity risk	222,908	599,527
– Marketable debt instruments	101,490	144,524
– Shares	53,367	78,286
– Position risk of collective investment undertakings (CIUs)	31,273	135,994
– Currency trades	36,778	240,723
– Commodities	–	–
Operational risk (BIA)	1,096,083	996,761
Credit Valuation Adjustment (CVA)	14,248	40,055
<b>Total capital requirements</b>	<b>9,676,532</b>	<b>10,378,777</b>

Capital adequacy ratios are calculated for CET1 capital, Tier 1 capital and total regulatory capital as a proportion of the relevant own funds to risk-weighted assets (RWAs).

### Capital adequacy ratios

The capital adequacy requirements are as follows:

v %	Minimum requirements	Capital conservation buffer	Countercyclical capital buffer	Pillar II requirement	Total requirements
CET1 ratio	4.50	2.50	1.30	1.63	9.93
Tier 1 ratio	6.00	2.50	1.30	2.18	11.98
<b>Total regulatory capital ratio</b>	<b>8.00</b>	<b>2.50</b>	<b>1.30</b>	<b>2.90</b>	<b>14.70</b>

The capital conservation buffer was set at 2.5% for CET1. The countercyclical capital buffer is determined in accordance with Article 63 of CNB Decree No 163/2014 Coll. and is calculated as the weighted average of the countercyclical rate applicable in jurisdictions where the Group has the relevant risk exposures. The expectation under Pillar 2 (P2G) is 0.50%.

The capital adequacy ratios for RCGs as at 31 December 2023 and 2022 were as follows:

v %	31 December 2023	31 December 2022
Common Equity Tier 1 capital (CET1)	16.28	13.20
Tier 1 capital	19.55	16.41
<b>Total regulatory capital ratio</b>	<b>19.97</b>	<b>16.66</b>

#### 46. ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

In thousands of EUR	31 December 2023	31 December 2022
<b>Assets under management</b>		
Assets in own-managed funds	6,953,794	5,326,863
Assets under investment management with right of disposal	243,354	288,673
<b>Assets under administration</b>		
Other administrative assets	7,916,241	10,136,763
<b>Total assets under management and administration</b>	<b>15,113,389</b>	<b>15,752,299</b>
<b>– of which Assets entrusted to third parties</b>	<b>2,190,892</b>	<b>4,502,035</b>

Assets under management and administration include all client assets managed (or held) solely for investment purposes. Assets that are listed financial instruments are measured at fair value. If unquoted, debt and equity financial instruments are valued at amortised cost or using common valuation techniques (e.g. valuation models with market inputs, if available).

##### Assets under management

Assets under management represent the total market value of investments that the Group manages on behalf of its clients. These assets are managed by fund managers and a portfolio manager with fiduciary responsibility with the power to make investment decisions on behalf of the investor.

These include securities, value rights, precious metals and other fiduciary investments from third parties under investment management, where the Group has right of disposal. The amount consists of both assets deposited with Group companies and assets deposited with third parties over which Group companies have right of disposal.

The Group collects a fee for assets under management, which is a combination of a fixed management fee on the volume of assets under management and a performance fee.

##### Assets under administration

Assets under administration represent the entire volume of assets of clients to whom the Group provides additional investment services of administration and custody of investment instruments. The assets are held by clients who have entered into a contract with the Group as a provider of administration and custody of investment instruments. Regarding these assets, the Group does not have authority to make investment decisions on behalf of the client, and only acts on the client's instructions.

Client assets for which administration and custody of securities are provided, are kept primarily in the Group's collection client accounts (nominee accounts) at individual depositories in the Czech Republic or abroad. A part of the client's assets, if the client has expressed interest in such a service, is recorded with selected third-party depositories directly in segregated sub-accounts in the name of the client (individual accounts).

Due to the revision of the methodological approach with the aim of greater transparency in the reporting of the volume of client assets, the Group reports both client assets under administration in nominee accounts and now also client assets held in individual accounts.

From the volume of assets under administration, the Group collects a fee for keeping records of investment instruments according to the Group's applicable schedule of fees and remuneration.

##### Assets handed entrusted to third parties for administration

These assets are foreign securities handed over to other banks or foreign investment firms for administration. In order to refine the reporting of assets under administration, the Group has proceeded to recognise assets transferred to other entities for administration.

## 47. RELATED PARTY

### Definition of related parties

The Group has or has had relationships with related parties as set out in the table below as at or during the years ended 31 December 2023 and 2022:

- (1) Ultimate shareholders and companies they control
- (2) Entities with joint control or significant influence over the Company and its subsidiaries or associates
- (3) Associates
- (4) Joint ventures in which the Group is a venturer
- (5) Key management personnel (i. e. Board of Directors) of the Group

The term "ultimate shareholders and companies they control" includes the following: Jakabovič Ivan, Tkáč Jozef, Jet One Legacy Limited, LEONARDO III MARINE LIMITED, LEONARDO III YACHT LIMITED, MARLEK LIMITED, SCP Neklere, SCP Tappaj, SERTENA INVESTMENT LIMITED. None of these entities prepare published financial statements that include the Group.

An overview of related party transactions during 2023 and 2022 is as follows:

In thousands of EUR	31 December 2023 Receivables	31 December 2023 Liabilities	31 December 2022 Receivables	31 December 2022 Liabilities
Ultimate shareholders and companies they control	2,201	8,665	6,582	3,689
Associates and joint ventures	17,194	11,673	10,024	8,518
Key management personnel of the entity or its parent and companies they control or jointly control	150,968	17,853	138,000	29,371
<b>Total</b>	<b>170,363</b>	<b>38,191</b>	<b>154,606</b>	<b>41,578</b>

As at 31 December 2023, no provision was recorded for bad debts from ultimate shareholders and companies they control (31 December 2022: EUR 0).

An overview of related party transactions during 2023 and 2022 is as follows:

In thousands of EUR	2023 Income	2023 Expenses	2022 Income	2022 Expenses
Ultimate shareholders and companies they control	546	148	324	5
Associates and joint ventures	9,143	13	9,717	35
Key management personnel of the entity or its parent and companies they control or jointly control	12,625	1,629	17,871	3,267
<b>Total</b>	<b>22,314</b>	<b>1,790</b>	<b>27,912</b>	<b>3,307</b>

An overview of guarantees given to and received from related parties is as follows:

In thousands of EUR	31. prosince 2023 Guarantees received	31. prosince 2023 Guarantees provided	31. prosince 2022 Guarantees received	31. prosince 2022 Guarantees provided
Ultimate shareholders and companies they control	—	—	—	—
Key management personnel of the entity or its parent and companies they control or jointly control	9,974	218	—	260
<b>Total</b>	<b>9,974</b>	<b>218</b>	<b>—</b>	<b>260</b>

Transactions with related parties were carried out under conditions equivalent to those that would take place under normal market conditions.

### Transactions with directors and key executives

Total remuneration included in personnel costs and loans to directors and key management is as follows:

In thousands of EUR	31 December 2023	31 December 2022
Remuneration	4,502	4,837
Loans	3,140	957

Of the total loans to directors and key executives, new loans of EUR 3,048 thousand were provided in 2023. (2022: EUR 747 thousand) and EUR 820 thousand has been repaid (2022: EUR 42 thousand). Other than the above, the Group's key executives did not receive any other remuneration in the form of short-term benefits, post-employment benefits, other long-term employee benefits, early termination benefits or share-based payments.

### 48. UNCONSOLIDATED STRUCTURED ENTITIES

Structured entities are companies designed to achieve a specific business objective and are usually designed so that voting and similar rights are not a dominant factor in determining who controls the entity.

A structured entity is often characterised by some or all of the following features or characteristics:

- limited activities;
- a narrow and clearly defined objective;
- a lack of capital, making it impossible to finance its activities without subordinate financial support.

Where the Group enters into transactions with these entities, it does so in the ordinary course of business to facilitate transactions with customers and to take advantage of specific investment opportunities. Where the Group finances the purchase of assets from certain structured entities, these assets are secured for the benefit of the Group. The entities covered by this point are not consolidated because the Group does not control them through voting rights, contracts, financing arrangements or other means.

Any income earned as a result of exposure to structured entities represents interest income recognised by the Group in respect of funds provided to those structured entities.

The Group's interest in unconsolidated structured entities, if any, is a contractual relationship that exposes the Group to variability in the returns arising from the operations of the structured entities.

The Group's maximum exposure to the risk of loss is determined by assessing the nature of its interest in an unconsolidated structured entity and would represent the maximum loss that the Group would be required to recognise as a result of its exposure to unconsolidated structured entities, regardless of the likelihood of that loss occurring.

As at 31 December 2023 and 31 December 2022, the Group has no activities with structured entities.

### 49. SUBSEQUENT EVENTS

#### Changes in the Supervisory Board

On 1 January 2024, Mr Marc Derydt became a member of the Supervisory Board of J&T FINANCE GROUP SE.

#### Bank tax in Slovakia

On 19 December 2023, Act No 530/2023 Coll. was approved in Slovakia, amending and supplementing certain laws in connection with improving the state of public finances. This law amended Act No 235/2012 Coll. on the special levy on business in regulated sectors and on amendments to certain other laws, as amended, which introduced, with effect from 1 January 2024, the obligation to pay a special levy on business in regulated sectors to persons operating on the basis of a licence issued or granted by the National Bank of Slovakia (NBS).

The levy is calculated as the product of the levy base and the applicable rate. The levy is based on the company's economic result reported in the financial statements submitted with the tax return (Section 5 of Act No 235/2012 Coll.) multiplied by a coefficient. The coefficient for the purpose of calculating the levy base is calculated as the ratio of revenues from regulated activities to total revenues

for the accounting period for which the economic result for calculating the levy base was reported. The rate of the levy for a regulated entity carrying out banking activities on the basis of a banking licence granted by the NBS pursuant to a special regulation or on the basis of an authorisation or permit to carry out banking activities issued in another European Union Member State and in a State which is a contracting party to the European Economic Area Agreement, is 0.025 per month, i.e. 30% per annum.

The levy rate will decrease each year until it reaches 0.00363 for 2028.

The Group is still analysing the calculation of the levy. The Group does not expect the levy to have a material impact on the Group's financial statements.

Other than the foregoing, there are no known subsequent events that will have an impact on the consolidated financial statements as at 31 December 2023.

## 50. GROUP ENTITIES

A list of companies in the Group as at 31 December 2023 and 2022 is set out below:

Company name	Company registered office	December 2023			December 2022		
		Consolidated %	Ownership interest	Consolidation method	Consolidated %	Ownership interest	Consolidation method
J&T FINANCE GROUP SE	Czech Republic		parent company		parent company		
J&T BANKA, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
ATLANTIK finanční trhy, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T INVESTIČNÍ SPOLEČNOST, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Fond Fondů NLS SICAV, a.s.	Czech Republic	100.00	direct	full	—	—	—
Naše ČESKO otevřený podílový fond	Czech Republic	63.54	direct	full	—	—	—
J&T ORBIT SICAV, a.s. <sup>10</sup>	Czech Republic	4.70	direct	full	—	—	—
J&T Realitních akcií a dluhopisů otevřený podílový fond	Czech Republic	43.56	direct	full	—	—	—
J&T IB and Capital Markets, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Fondee a.s.	Slovakia	11.00	direct	equivalence	11.00	direct	equivalence
XT-Card a.s.	Czech Republic	—	—	—	32.00	direct	equivalence
J&T SME Finance s.r.o.	Slovakia	100.00	direct	full	100.00	direct	full
FVE Holding, s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Čejkovice s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Napajedla s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Němčice s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Slušovice s.r.o.	Czech Republic	—	—	—	100.00	direct	full
J&T Recycle, s.r.o.	Czech Republic	—	—	—	100.00	direct	full
J&T RFI I, s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T Bank, a.o. (J&T Bank ZAO) <sup>1</sup>	Russia	—	—	—	100.00	direct	full
Leasing-Medicine Ltd	Russia	—	—	—	100.00	direct	full
TERCES MANAGEMENT LIMITED <sup>2</sup>	Cyprus	—	—	—	100.00	direct	full
Interznanie OAO <sup>3</sup>	Russia	—	—	—	100.00	direct	full
J&T Banka d.d. (VABA d.d. banka Varaždin)	Croatia	100.00	direct	full	100.00	direct	full
J&T Leasingová společnost, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Rentalit s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
ALTERNATIVE UPRAVLJANJE d.o.o.	Croatia	—	—	—	100.00	direct	full
J&T VENTURES I otevřený podílový fond <sup>4</sup>	Czech Republic	94.05	direct	full	100.00	direct	full
Rustonka Development II s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
JTFG FUND I SICAV, a.s. <sup>9</sup>	Czech Republic	60.54	direct	full	60.54	direct	full

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Company name	Company registered office	December 2023			December 2022		
		Consolidated %	Ownership interest	Consolidation method	Consolidated %	Ownership interest	Consolidation method
J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s.	Slovakia	100.00	direct	full	100.00	direct	full
J&T ORBIT SICAV, a.s. <sup>10</sup>	Czech Republic	92.33	direct	full	100.00	direct	plná
AMISTA investiční společnost, a.s.	Czech Republic	80.00	direct	full	80.00	direct	plná
AMISTA consulting, s.r.o.	Czech Republic	80.00	direct	full	80.00	direct	plná
J&T INTEGRIS GROUP LIMITED	Cyprus	100.00	direct	full	100.00	direct	plná
Bayshore Merchant Services Inc.	British Virgin Islands	100.00	direct	full	100.00	direct	plná
J&T Trust Inc.	Barbados	100.00	direct	full	100.00	direct	plná
J&T MINORITIES PORTFOLIO LIMITED	Cyprus	100.00	direct	full	100.00	direct	plná
Equity Holding, a.s.	Czech Republic	62.64	direct	full	62.64	direct	plná
Red Stone Now s.r.o.	Czech Republic	17.21	direct	equivalence	—	—	—
Butcher313, s.r.o.	Czech Republic	30.00	direct	equivalence	30.00	direct	equivalence
J&T Finance, LLC	Russia	99.9	direct	full	99.90	direct	plná
Hotel Kadashevskaya, LLC	Russia	100.00	direct	full	99.90	direct	plná
Colorizo Investment, a.s.	Czech Republic	52.63	direct	full	52.63	direct	plná
OAMP Distribution s.r.o.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
OAMP Infrastructure s.r.o.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
OAMP Holding s.r.o.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
OAMP Hall 5 s.r.o.	Czech Republic	100.00	direct	equivalence	50.00	direct	equivalence
OAMP Hall 6 s.r.o.	Czech Republic	100.00	direct	equivalence	50.00	direct	equivalence
CI Joint Venture s.r.o.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
Industrual Center CR 11 s.r.o.	Czech Republic	75.00	direct	equivalence	75.00	direct	equivalence
J&T Global Finance VIII., s.r.o. , v likvidaci	Czech Republic	—	—	—	100.00	direct	plná
J&T Global Finance IX., s.r.o	Slovakia	100.00	direct	full	100.00	direct	plná
J&T Global Finance X., s.r.o	Czech Republic	100.00	direct	full	100.00	direct	plná
J&T Global Finance XI., s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	plná
J&T Global Finance XII., s.r.o.	Slovakia	100.00	direct	full	100.00	direct	plná
J&T Global Finance XIII., s.r.o (J&T Credit Participation, s.r.o.) <sup>5</sup>	Czech Republic	100.00	direct	full	100.00	direct	plná
J&T SERVICES ČR, a.s.	Czech Republic	100.00	direct	full	100.00	direct	plná
J&T SERVICES SR, s.r.o.	Slovakia	100.00	direct	full	100.00	direct	plná
365.bank, a.s. (Poštová banka, a.s.)	Slovakia	98.46	direct	full	98.46	direct	plná
365.invest, správ. spol., a. s. (PRVÁ PENZIJNÁ SPRÁVCOVSKÁ SPOLOČNOSŤ POŠTOVEJ BANKY, správ. spol., a. s.)	Slovakia	100.00	direct	full	98.46	direct	plná
PB Servis, a.s. (POBA Servis, a. s.)	Slovakia	100.00	direct	full	98.46	direct	plná
PB Finančné služby, a.s.	Slovakia	100.00	direct	full	98.46	direct	plná
SKPAY, a. s. (SPPS, a. s.)	Slovakia	40.00	direct	equivalence	39.38	direct	equivalence
365.fintech, a.s.	Slovakia	100.00	direct	full	98.46	direct	plná
ART FOND – Stredoeurópsky fond súčasného umenia, a.s.	Slovakia	100.00	direct	full	100.00	direct	plná
Ahoj, a.s. (Amico Finance, a.s.)	Slovakia	100.00	direct	full	98.46	direct	plná
Cards&Co, a. s.	Slovakia	100.00	direct	full	98.46	direct	plná
DanubePay, a. s.	Slovakia	100.00	direct	full	98.46	direct	plná
EpoPay, s.r.o.	Slovakia	50.00	direct	full	—	—	—
J&T NOVA Hotels SICAV, a.s. <sup>6</sup>	Czech Republic	48.35	direct	full	99.20	direct	plná
DIAMOND HOTELS SLOVAKIA, s.r.o.	Slovakia	100.00	direct	full	99.20	direct	plná
BHP Tatry, s.r.o.	Slovakia	100.00	direct	full	99.20	direct	plná
Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. <sup>7</sup>	Czech Republic	46.51	direct	full	99.17	direct	plná

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Company name	Company registered office	December 2023			December 2022		
		Consolidated %	Ownership interest	Consolidation method	Consolidated %	Ownership interest	Consolidation method
FORESPO SOLISKO a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO HELIOS 1 a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO HELIOS 2 a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO HOREC a SASANKA a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO PÁLENICA a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
INVEST-GROUND a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO-RENTAL 1 a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO-RENTAL 2 a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
OSCAR GROUP s.r.o.	Slovakia	100.00	direct	full	—	—	—
FORESPO BDS a.s.	Czech Republic	100.00	direct	full	99.17	direct	plná
DEVEL PASSAGE s.r.o.	Slovakia	100.00	direct	full	99.17	direct	plná
FORESPO DUNAJ 6 a.s.	Slovakia	100.00	direct	full	99.17	direct	plná
RDF International, spol. s r.o.	Slovakia	100.00	direct	full	99.17	direct	plná
OSTRAVICE HOTEL a.s.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
Hotel SASANKA s.r.o.	Slovakia	100.00	direct	full	—	—	—
J&T Wine Holding SE	Czech Republic	100.00	direct	full	100.00	direct	full
Wine Resort Pouzdřany, s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
OUTSIDER LIMITED	Cyprus	—	—	—	100.00	direct	full
CHATEAU TEYSSIER (SOCIETE CIVILE)	France	80.00	direct	full	80.00	direct	full
JCP MALTUS DOMAINES & CHATEAUX (CT Domaines)	France	100.00	direct	full	80.00	direct	full
World's End	United States	100.00	direct	full	—	—	—
SAXONWOLD LIMITED	Ireland	80.00	direct	full	80.00	direct	full
World's End	United States	—	—	—	80.00	direct	full
KOLBY a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Reisten, s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T Mezzanine, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
URE HOLDING LIMITED	Cyprus	45.00	direct	equivalence	45.00	direct	equivalence
JTH Vision, s. r. o.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
JTH Letňany s.r.o.	Czech Republic	50.00	direct	equivalence	50.00	direct	equivalence
J&T Global Finance XIV., s.r.o.	Slovakia	100.00	direct	full	100.00	direct	full
J&T Global Finance XV., s.r.o. (J&T RFI III., s.r.o.) <sup>8</sup>	Czech Republic	100.00	direct	full	100.00	direct	full
J&T RFI IV., a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T RFI V., s.r.o.	Czech Republic	100.00	direct	full	100,00	direct	full
J&T AGRICULTURE SICAV a.s.	Czech Republic	—	—	—	100,00	direct	full

The structure of the Group as set out above is arranged according to the ownership of companies at different levels within the Group.

<sup>1</sup> In 2022, the Group owned a 99.954% interest in J&T Bank, a.o. through its subsidiary J&T BANKA, a.s., and another 0.055% interest through J&T FINANCE GROUP SE.

<sup>2</sup> In 2022, the Group owned a 99% interest in TERCES MANAGEMENT LIMITED through its subsidiary J&T BANKA, a.s., and another 1% interest through its subsidiary J&T Finance, LLC.

<sup>3</sup> In 2022, the Group owned a 50% interest in Interznanie OAO through its subsidiary TERCES MANAGEMENT LIMITED, and another 50% interest through its subsidiary J&T Bank, a.o.

<sup>4</sup> The Group owns a 94.05% interest in J&T VENTURES I otevřený podílový fond through its subsidiary J&T BANKA, a.s., and another 5.95% interest through its subsidiary J&T IB and Capital Markets, a.s.

<sup>5</sup> J&T Credit Participation, s.r.o. was renamed J&T Global Finance XIII., s.r.o.

<sup>6</sup> The Group owns a 48.35% interest in J&T NOVA Hotels SICAV, a.s. through J&T BANKA, a.s., and another 50.85% interest through its subsidiary 365.bank, a.s. (Poštová banka, a.s.).

<sup>7</sup> The Group owns a 46.51% interest in Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. through J&T BANKA, a.s., and another 52.66% interest through its subsidiary 365.bank, a.s. (Poštová banka, a.s.).

<sup>8</sup> In 2023, J&T RFI III., s.r.o. was renamed J&T Global Finance XV., s.r.o.

<sup>9</sup> The Group owns 60.54% of the investment shares and 100% of the founders shares of the fund. Investment shares (39.46%) held by third parties are recognised as liabilities, as investment shares do not meet the classification of an equity instrument.

<sup>10</sup> The Group owns 92.33% of the investment shares through its subsidiary J&T BANKA, a.s., and another 4.7% of the investment shares through its subsidiary Naše ČESKO otevřený podílový fond. The Group owns 100% of the founders shares of the fund through its subsidiary J&T BANKA, a.s. Investment shares (2.97%) held by third parties are recognised as liabilities, as investment shares do not meet the classification of an equity instrument.









17

billion EUR

THE GROUP'S  
BALANCE SHEET

# SEPARATE INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2023

In thousands of CZK	Note	2023	2022
Interest income calculated using the effective interest rate method	7	575,123	628,802
Other interest income	7	37,319	2,497
Interest expense	7	(1,170,189)	(936,382)
<b>Net interest expense</b>		<b>(557,747)</b>	<b>(305,083)</b>
Fee and commission income	8	98,182	75,016
Fee and commission expense	8	(19,513)	(15,808)
<b>Net fee and commission income</b>		<b>78,669</b>	<b>59,208</b>
Financial markets, net result	9	(48,699)	96,238
Other operating income	10	13,628	13,870
<b>Total income</b>		<b>(514,149)</b>	<b>(135,767)</b>
Personnel expenses	11	(54,922)	(26,135)
Depreciation and amortisation	23, 24	(13,290)	(13,383)
Other operating expenses	12	(122,713)	(92,483)
<b>Total expenses</b>		<b>(190,925)</b>	<b>(132,001)</b>
Net profit/(loss) on impairment of loans, loan commitments and financial guarantees	21	(896,294)	(746,294)
Net profit/(loss) on impairment of financial assets except loans, loan commitments and financial guarantees	21	(5,014)	(11,257)
<b>Profit from operations</b>		<b>(1,606,382)</b>	<b>(1,025,319)</b>
Profit from equity accounted investments in subsidiaries	13	8,030,989	4,716,291
<b>Profit before tax</b>		<b>6,424,607</b>	<b>3,690,972</b>
Income tax expense	14	(28,772)	(10,381)
<b>Profit for the period</b>		<b>6,395,835</b>	<b>3,680,591</b>

The notes set out on pages 200 to 259 form an integral part of these separate financial statements.

# SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2023

In thousands of CZK	2023	2022
<b>Profit for the period</b>	<b>6,395,835</b>	<b>3,680,591</b>
<b>Other comprehensive income – items that are or may be subsequently reclassified to profit or loss</b>	<b>1,329,581</b>	<b>(1,095,300)</b>
Foreign exchange translation differences	(968)	608
Share in other comprehensive income of equity accounted investments in subsidiaries – differences from foreign exchange conversions	1,525,853	(455,015)
Share in other comprehensive income of equity accounted investments in subsidiaries – net change in other components	(198,322)	(640,893)
Revaluation of debt instruments	3,019	–
<b>Other comprehensive income – items that will not be subsequently reclassified to profit or loss</b>	<b>–</b>	<b>(1)</b>
Equity instruments at fair value through other comprehensive income – net change in fair value	–	(1)
<b>Other comprehensive income for the period, net of tax</b>	<b>1,329,582</b>	<b>(1,095,300)</b>
<b>Total comprehensive income for the period</b>	<b>7,725,417</b>	<b>2,585,291</b>

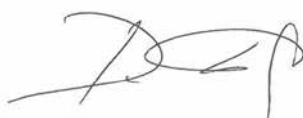
The notes set out on pages 200 to 259 form an integral part of these separate financial statements.

The separate financial statements were approved by the Board of Directors on 25 April 2024.

Signed on behalf of the Board of Directors:



Štěpán Ašer, MBA  
member of the Board of Directors  
J&T FINANCE GROUP SE



Dušan Palcr  
Vice-Chairman of the Board of Directors  
J&T FINANCE GROUP SE

# SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

In thousands of CZK	Note	31 December 2023	31 December 2022
<b>Assets</b>			
Cash and cash equivalents	15	438,573	510,931
Financial assets for trading	16	6,314	4,272
Investment securities measured at fair value through profit or loss	17	119,797	78,464
Investment securities measured at fair value through other comprehensive income	18	537,180	4,415
Loans and advances to customers	19	7,838,484	7,666,167
Trade receivables and other assets	20	78,990	95,842
Current tax assets	14	12	37,883
Investments in equity accounted subsidiaries	22	58,845,409	53,798,046
Intangible assets	23	396	527
Property, plant and equipment	24	140,053	151,252
<b>Total assets</b>		<b>68,005,208</b>	<b>62,347,799</b>
<b>Liabilities</b>			
Liabilities held for trading	16	79,386	93,799
Loans from banks	25	2,650,647	2,585,292
Loans from customers	26	13,901,541	13,819,576
Other liabilities	28	111,614	114,822
Provisions	29	11,625	83,887
Deferred tax liabilities	14	190,435	158,305
<b>Total liabilities</b>		<b>16,945,248</b>	<b>16,855,681</b>
<b>Equity</b>			
Share capital	31	15,780,308	15,780,308
Share premium	31	2,551,766	2,551,766
Other reserves	31	(1,448,635)	(2,778,217)
Retained earnings	31	28,269,521	24,031,261
Other equity instruments	31	5,907,000	5,907,000
<b>Total equity</b>		<b>51,059,960</b>	<b>45,492,118</b>
<b>Total equity and liabilities</b>		<b>68,005,208</b>	<b>62,347,799</b>

The notes set out on pages 200 to 259 form an integral part of these separate financial statements.



# SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2023

In thousands of CZK	Note	Share capital	Share premium
<b>Balance as at 1 January 2023</b>		<b>15,780,308</b>	<b>2,551,766</b>
Profit for the period		—	—
Other comprehensive income for the period, net of tax – items that are or may be subsequently reclassified to profit or loss		—	—
Foreign exchange translation differences		—	—
Share of other comprehensive income of investments in equity accounted subsidiaries – exchange differences on foreign currency translation		—	—
Share of other comprehensive income of investments in equity accounted subsidiaries – net change in other components		—	—
Revaluation of debt financial instruments		—	—
Other comprehensive income – items that will not be subsequently reclassified to profit or loss		—	—
Equity instruments measured at fair value through other comprehensive income – net change in fair value		—	—
<b>Other comprehensive income for the period, net of tax</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the period</b>		<b>—</b>	<b>—</b>
Dividends	31	—	—
Yield from issued other capital instruments paid	31	—	—
<b>Balance as at 31 December 2023</b>		<b>15,780,308</b>	<b>2,551,766</b>

See note 31 Equity.

Non-distributable reserves	Translation reserve	Other reserves and funds	Retained earnings	Other equity instruments	Total equity
<b>200,082</b>	<b>(2,907,787)</b>	<b>(70,512)</b>	<b>24,031,261</b>	<b>5,907,000</b>	<b>45,492,118</b>
—	—	—	6,395,835	—	6,395,835
—	1,524,885	(195,303)	—	—	1,329,582
—	(968)	—	—	—	(968)
—	1,525,853	—	—	—	1,525,853
—	—	(198,322)	—	—	(198,322)
—	—	3,019	—	—	3,019
—	—	—	—	—	—
—	—	—	—	—	—
—	<b>1,524,885</b>	<b>(195,303)</b>	—	—	<b>1,329,582</b>
—	<b>1,524,885</b>	<b>(195,303)</b>	<b>6,395,835</b>	—	<b>7,725,417</b>
—	—	—	(1,880,400)	—	(1,880,400)
—	—	—	(1,880,400)	—	(1,880,400)
—	—	—	(277,175)	—	(277,175)
<b>200,082</b>	<b>(1,382,902)</b>	<b>(265,815)</b>	<b>28,269,521</b>	<b>5,907,000</b>	<b>51,059,960</b>

# SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31 DECEMBER 2022

In thousands of CZK	Note	Share capital	Share premium
<b>Balance as at 1 January 2022</b>		<b>15,780,308</b>	<b>2,551,766</b>
Profit for the period		—	—
Other comprehensive income for the period, net of tax – items that are or may be subsequently reclassified to profit or loss		—	—
Foreign exchange translation differences		—	—
Share of other comprehensive income of investments in equity accounted subsidiaries – exchange differences on foreign currency translation		—	—
Share of other comprehensive income of investments in equity accounted subsidiaries – net change in other components		—	—
Other comprehensive income – items that will not be subsequently reclassified to profit or loss		—	—
Equity instruments measured at fair value through other comprehensive income – net change in fair value		—	—
<b>Other comprehensive income for the period, net of tax</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the period</b>		<b>—</b>	<b>—</b>
Vyplacené dividendy	31	—	—
Vy-placení výnosů z ostatních kapitálových nástrojů	31	—	—
<b>Zůstatek k 31. prosinci 2022</b>		<b>15,780,308</b>	<b>2,551,766</b>

See note 31 Equity.

The notes set out on pages 200 to 259 form an integral part of these separate financial statements.



Non-distributable reserves	Translation reserve	Other reserves and funds	Retained earnings	Other equity instruments	Total equity
<b>200,082</b>	<b>(2,453,381)</b>	<b>570,382</b>	<b>22,612,421</b>	<b>5,907,000</b>	<b>45,168,578</b>
—	—	—	3,680,591	—	3,680,591
—	(454,406)	(640,893)	—	—	(1,095,299)
—	609	—	—	—	609
—	(455,015)	—	—	—	(455,015)
—	—	(640,893)	—	—	(640,893)
—	—	(1)	—	—	(1)
—	—	(1)	—	—	(1)
—	<b>(454,406)</b>	<b>(640,894)</b>	—	—	<b>(1,095,300)</b>
—	<b>(454,406)</b>	<b>(640,894)</b>	<b>3,680,591</b>	—	<b>2,585,291</b>
—	—	—	(1,980,000)	—	(1,980,000)
—	—	—	(1,980,000)	—	(1,980,000)
—	—	—	(281,751)	—	(281,751)
<b>200,082</b>	<b>(2,907,787)</b>	<b>(70,512)</b>	<b>24,031,261</b>	<b>5,907,000</b>	<b>45,492,118</b>

# SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 DECEMBER 2023

In thousands of CZK	Note	2023	2022
<b>Cash flows from operating activities</b>			
Profit before tax		6,424,607	3,690,972
Adjustments by:			
Depreciation and amortisation	23, 24	13,290	13,383
Net interest expense	7	557,747	305,083
Profit on investments in equity accounted subsidiaries	13	(8,030,989)	(4,716,291)
(Decrease)/increase in provisions for impaired loans, loan commitments and financial guarantees	21, 35	897,224	757,551
Net unrealised foreign exchange (gains)/losses	9	9,428	44,468
<b>Operating loss before changes in working capital</b>		<b>(128,693)</b>	<b>95,166</b>
Change in financial assets held for trading	16	(2,042)	81,901
Change in investment securities at fair value through profit or loss	18	(41,333)	(96,238)
Change in loans and advances to customers	19	48,849	5,174,592
Change in trade receivables and other assets	20	(997,148)	27,319
Change in trading and other liabilities	28, 16	(7,709)	80,407
<b>Cash flows from (used in) operating activities</b>		<b>(1,128,076)</b>	<b>5,363,147</b>
Interest received	19	618,240	840,336
Interest paid	25, 26	(1,070,977)	(858,487)
Income taxes paid	14	22,923	(2,064)
<b>Cash flows from (used in) operating activities</b>		<b>(1,557,890)</b>	<b>5,342,932</b>

In thousands of CZK	Note	2023	2022
<b>Cash flows from investing activities</b>			
Purchase of financial instruments at fair value through other comprehensive income	18	(2,584,592)	—
Proceeds from sale of financial instruments at fair value through other comprehensive income	18	2,089,768	—
Acquisition of property, plant and equipment and intangible assets and investment property	24	—	(157)
Capital contributions to equity accounted investments in subsidiaries	22	(510,098)	(7,054,228)
Dividends received and income from perpetuity certificates	22	4,839,044	1,259,773
<b>Cash flows from investing activities</b>		<b>3,834,122</b>	<b>(5,794,612)</b>
<b>Cash flows from financing activities</b>			
Loans received from banks and customers	25, 26	5,036,711	2,189,334
Loans repaid from banks and customers	25, 26	(5,217,814)	(4,642,543)
Payments of lease liabilities (principal)	34	(9,912)	(9,491)
Yield from issued other capital instruments paid	31	(277,175)	(281,751)
Dividends paid	31	(1,880,400)	(1,980,000)
<b>Cash flows from / (used in) financing activities</b>		<b>(2,348,590)</b>	<b>(4,724,451)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(72,358)</b>	<b>(5,176,131)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15</b>	<b>510,931</b>	<b>5,687,062</b>
<b>Effect of exchange rate fluctuations on cash held</b>		<b>—</b>	<b>—</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15</b>	<b>438,573</b>	<b>510,931</b>

The notes set out on pages 200 to 259 form an integral part of these separate financial statements.

# NOTES TO INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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## 1. GENERAL INFORMATION

J&T FINANCE GROUP SE (the "Company") is a European joint-stock company (Societas Europaea) with its registered office and place of business at Sokolovská 700/113a, 186 00 Prague 8.

In June 2023, the shareholder structure of J&T FINANCE GROUP SE changed through the transfer of part of the shares of Mr Ivan Jakobovič to new shareholders.

As at 31 December 2023, the Company's shareholders were as follows:

	Interest in share capital		Voting rights (registered)	
	In millions of CZK	%	In millions of CZK	%
Ing. Jozef Tkáč	7,109	45.05	7,109	45.05
Ing. Ivan Jakobovič	5,547	35.15	5,547	35.15
Rainbow Wisdom Investment Limited	1,562	9.90	1,562	9.90
Štěpán Ašer, MBA	781	4.95	781	4.95
Ing. Igor Kováč	781	4.95	781	4.95
<b>Total</b>	<b>15,780</b>	<b>100.00</b>	<b>15,780</b>	<b>100.00</b>

As at 31 December 2022:

	Interest in share capital		Voting rights (registered)	
	In millions of CZK	%	In millions of CZK	%
Ing. Jozef Tkáč	7,109	45.05	7,109	45.05
Ing. Ivan Jakobovič	7,109	45.05	7,109	45.05
Rainbow Wisdom Investment Limited	1,562	9.90	1,562	9.90
<b>Total</b>	<b>15,780</b>	<b>100.00</b>	<b>15,780</b>	<b>100.00</b>

As a financial investor, the Company actively participates in a wide range of investment opportunities that include investments in banks, securities and structured investments such as project financing and acquisitions.

In 2013, the Company established an organisational unit in Slovakia, J&T FINANCE GROUP SE, organizačná zložka. The main activity of this unit is the mediation of the provision of credit or loans from monetary sources obtained exclusively without a public call and without a public offer of property values, the lease of real estate without the provision of other than basic services related to the lease, intermediary activities in the field of trade, services and production, the activities of business, organisational and economic consultants, and advertising and marketing services.

The members of the Board of Directors as at 31 December 2023 were as follows:

Ing. Jozef Tkáč – Chairman  
 Ing. Ivan Jakobovič – Vice-Chairman  
 Ing. Patrik Tkáč – Vice-Chairman  
 Ing. Dušan Palcr – Vice-Chairman  
 Štěpán Ašer, MBA – member  
 Ing. Igor Kováč – member

The members of the Board of Directors as at 31 December 2022 were as follows:

Ing. Jozef Tkáč – Chairman  
 Ing. Ivan Jakobovič – Vice-Chairman  
 Ing. Patrik Tkáč – Vice-Chairman  
 Ing. Dušan Palcr – Vice-Chairman  
 Štěpán Ašer, MBA – member  
 Ing. Igor Kováč – member

## 2. BASIS OF PREPARATION

### Statement of compliance

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The separate financial statements were approved by the Board of Directors on 25 April 2024.

### Basis of preparation

The separate financial statements were prepared in accordance with the principle of accounting at historical cost. The exceptions are investment property, derivative financial instruments, financial assets and liabilities measured at fair value through profit or loss, and investment securities measured at fair value through other comprehensive income, and investments in equity interests recognised using the equity method.

The separate financial statements are in the currency of the Czech koruna and rounded to the nearest thousands. The Czech koruna is also the functional currency. The accounting policies are consistently applied by the Company and are consistent with those used in the previous year taking into account newly adopted IFRS (see below).

Financial statements prepared in accordance with International Financial Reporting Standards require the use of various estimates, assumptions and judgements that affect the reported amounts of assets, liabilities, income and expenses. Actual results are probable to deviate from these estimates. The critical accounting estimates and management judgements with a significant risk of material adjustments in the next year are described in Note 4 - Critical accounting estimates and assumptions.

Estimates and underlying assumptions are continuously reassessed. Revisions to 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 revision and future periods, if the revision affects both current and future periods.

The following standards, amendments to the standards and interpretations are effective for the first time for the period ending 31 December 2023 and have been applied to the preparation of the Company's separate financial statements:

- IFRS 17: Insurance Contracts and the Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023, with earlier application allowed provided that IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments are applied at the same time; endorsed in the EU) require that insurance liabilities be measured at the current fulfilment value instead of at historical costs and provide a more uniform approach to the measurement and presentation of all insurance contracts. IFRS 17 replaced IFRS 4 Insurance Contracts on 1 January 2023.
- Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023; endorsed in the EU), which specifies exemptions from the initial recognition of an asset or liability by requiring that taxable and deductible differences of the same amount do not arise in the same transaction.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023; endorsed in the EU) with changes to assist entities that prepare financial statements in deciding which accounting policies to disclose in their financial statements. Newly under IAS 1, entities are required to disclose their material accounting policies rather than their material accounting policies.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023; endorsed in the EU), which replaces the definition of change in accounting estimates, refers to the definition of accounting estimates, which should help entities distinguish between accounting policies and accounting estimates.
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023; already endorsed in the EU) issued on 9 December 2021, provides insurers with an option aimed at improving the usefulness of investor information on initial application of IFRS 17 and IFRS 9.
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023; endorsed in the EU). The amendments introduce a temporary exemption from the accounting requirements for deferred taxes under IAS 12, so an entity will not report or disclose information on deferred tax receivables and liabilities related to income taxes under the second pillar. The Group decided to apply this exemption.

These adjustments, effective for the first time for the year ended 31 December 2023, did not have any material impact on the separate financial statements of the Company, unless otherwise stated above.

#### Issued International Financial Reporting Standards (IFRS) and interpretations not yet effective

Some of the new standards, amendments to standards and interpretations are not yet effective or were not endorsed in the EU for the year ending 31 December 2023 and have not been used in the preparation of these financial statements:

- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (effective for annual periods beginning on 1 January 2024; endorsed in the EU) aims to clarify how the conditions that an entity must meet within twelve months after the end of the period affect the classification of liabilities.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024; endorsed in the EU) helps to determine whether liabilities with an uncertain settlement date should be classified as current or non-current.
- Amendments to IFRS 16 Leasing: Lease Liability on Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024; endorsed in the EU). The amendments to the standard clarify how the seller (lessee) subsequently measures sale and leaseback transactions that meet the requirements of IFRS 15 for recognition as a sale.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2024; not yet endorsed in the EU) supplement the disclosure requirements for qualitative and quantitative information relating to vendor financing arrangements.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025; not yet endorsed in the EU). The amendments specify the conditions under which a given currency is exchangeable and how to determine the exchange rate if it is not.

The Company does not expect any significant impact from these standards, amendments and interpretations that are not yet effective on the separate financial statements, unless otherwise stated above.

#### Other new International Financial Reporting Standards (IFRS) and interpretations not yet effective

The Company has not early adopted any IFRS standards where adoption is not mandatory at the balance sheet date. Where transitional provisions in adopted IFRS standards give an entity the choice to decide whether to apply the new standards prospectively or retrospectively, the Company elects to apply the standard prospectively from the date of transition. The Company management does not expect these additional new standards to have a material impact on the Company's separate financial statements.

### 3. MATERIAL ACCOUNTING POLICIES

Content of material accounting policies:

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### **(a) Investments in equity accounted subsidiaries**

#### **(i) Subsidiaries**

Subsidiaries are those entities that are controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with that entity, and has the ability to affect those returns through its power over that entity.

The separate financial statements include the Company's share of the total reported profits and losses of its subsidiaries using the equity method. Under the equity method, the interests in subsidiaries are initially recognised at cost at the date of acquisition and subsequently adjusted to reflect the Company's share of profits or losses following the acquisition of that company in an separate profit and loss statement and the Company's share of movements in the subsidiaries' other comprehensive income through other comprehensive income. Dividends received reduce the carrying amounts of interests in subsidiaries. If the share in a company's losses exceeds the carrying amount of the interest in that subsidiary, the value is reduced to zero and no further losses are recognised, except in cases where the Company has incurred liabilities in relation to a related party.

Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in those entities. Unrealised losses are also eliminated if the transaction does not provide evidence of impairment of the transferred asset. The accounting policies for investments recognised using the equity method have been amended where necessary to ensure consistency with those adopted by the Company.

The carrying amount of investments in equity accounted subsidiaries is tested for impairment in accordance with the principles described in Note 4 - Critical accounting estimates and assumptions.

### **(b) Foreign currencies**

#### **(i) Transactions in foreign currencies**

Transactions in foreign currencies are translated into the functional currency at the exchange rate current at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the date of the separate financial statements.

Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currency and stated at historical cost are translated into the functional currency at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in a foreign currency measured at fair value are translated into the functional currency at the exchange rate at the date on which fair values are determined.

#### **(ii) Revaluation of foreign currency transactions**

The separate financial statements are presented in the Czech koruna (CZK), which is also the Company's functional currency. The Company has established a foreign branch in Slovakia with the euro as its functional currency, and has several subsidiaries that measure items included in their financial statements using the currency of the economic environment in which the entities operate (functional currency).

Assets and liabilities denominated in foreign currencies are translated into Czech koruna at the exchange rate at the date of the separate statement of financial position. Income and expenses from foreign transactions are translated into Czech koruna at the exchange rate at the date of such transactions. Exchange differences arising on translation are included directly in other comprehensive income.

### **(c) Financial instruments**

The relevant accounting policies relating to financial instruments are described below.

#### **(i) Classification**

##### **Financial assets**

At initial recognition, a financial asset is classified as measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which the financial asset is managed and on the characteristics of the contractual cash flows of the instrument.



The classification of a debt instrument is determined on the basis of:

- a) the business model in which the asset is held, and
- b) the characteristics of the contractual cash flows of the instrument

The Company assesses the objectives of the business model in which the financial asset is held at portfolio level, as this best reflects the way the business model is managed and what information is provided to management. The Company considers information such as the policies and objectives set for the portfolio and how they operate in practice, the risks affecting the performance of the business model (and the financial assets held within that business model) and how those risks are managed, the way in which the Company's management is remunerated, and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The assessment of contractual cash flow characteristics is whether the cash flows of a financial instrument represent solely payments of principal and interest (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are in line with a basic lending arrangement, i.e. the interest includes only the consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is in line with the basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not consistent with the lending arrangement, the SPPI test is not passed. When performing the SPPI test, the Company considers the following factors: non-standard interest rate, financial leverage, early repayment options, longer repayment options, non-recourse arrangements, contract-linked instruments, hybrid instruments, and instruments purchased at a significant discount/premium.

The Company has more than one business model for managing financial instruments that capture how the Company manages its financial assets to generate cash flow. The business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

The Company defines business models as follows:

- "Hold and Collect"
- "Hold, Collect and Sell"
- "Mandatorily at Fair Value"
- "Trading"
- "Fair Value Option"

The objective of the "Hold and Collect" strategy is to hold a financial asset in order to collect contractual cash flows from both principal and interest payments.

The objective of the "Hold, Collect and Sell" strategy is to both collect contractual cash flows and sell financial assets.

The "Mandatorily at Fair Value" strategy is used for financial assets held for the purpose of holding and collecting or holding, collecting and selling, but that have not passed the SPPI test and cannot be measured at AC or FVOCI.

The objective of the "Trading" strategy is active trading. Such assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

The "Fair Value Option" strategy is used for assets that are irrevocably designated as measured at FVTPL at initial recognition to eliminate or significantly reduce measurement or recognition inconsistencies (sometimes referred to as "accounting mismatches") that would otherwise arise from measuring assets or liabilities or recognising gains and losses on a different basis.

Based on the evaluation described above, financial assets are classified into one of the following measurement categories:

a) Financial assets at amortised cost (AC)

For these assets, the appropriate business model is to hold them and collect the contractual cash flows and the SPPI test is passed. Examples of such financial assets include loans, investment securities originally classified as held-to-maturity under IAS 39, or trade receivables. Expected credit losses ("ECL"; see below) are calculated and recognised in profit and loss for this category of financial assets. Foreign exchange differences and interest income accrued using the effective interest rate (EIR) method are also recognised in profit or loss.

b) Financial assets at fair value through other comprehensive income (FVOCI)

In order for an asset to be classified at FVOCI, it must either (i) pass the SPPI test and be held in a "Hold, Collect and Sell" business model that aims at both collecting contractual cash flows and selling the financial asset, or (ii) be an equity instrument that does

not pass the SPPI test yet is not for trading and the Company elects to measure the instrument at fair value through other comprehensive income.

There are two types of instruments that can be classified at FVOCI and the accounting treatment for these financial assets varies:

i) Debt instruments that pass the SPPI test and are held in the "Hold, Collect and Sell" business model:

When accounting for such assets, expected credit losses are recognised in profit or loss, and changes in the fair value of the instrument are recognised in other comprehensive income. Foreign exchange differences related to amortised cost, including impairment, are recognised in profit or loss. Interest income calculated using the effective interest rate is recognised in profit or loss.

When the financial assets are derecognised, the profit or loss is recognised in profit or loss due to the reclassification of gains or loss from other comprehensive income to profit or loss.

ii) Equity instruments not for trading and where the fair value measurement through other comprehensive income option was selected:

Under this treatment, expected credit losses are not quantified, as these assets are already measured at fair value and changes in fair value are recognised in other comprehensive income and will not subsequently be reclassified as profit or loss upon disposal. Foreign exchange differences are recognised in other comprehensive income as part of the revaluation reserve.

If the equity instrument is sold, the corresponding gain or loss remains in equity.

Dividends on these financial assets are recognised in profit or loss.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not qualify for classification and measurement in any of the previously mentioned categories are classified and measured at fair value through profit or loss.

Financial assets that have been purchased for active trading (the "Trading" business model) are also classified and measured at fair value through profit or loss.

In addition, the Company may irrevocably elect to designate a financial asset at fair value through profit or loss at initial recognition to eliminate or significantly reduce measurement or recognition inconsistencies (sometimes referred to as "accounting mismatches") that would otherwise arise from the measurement of assets or liabilities or from the recognition of gains and losses using a different basis.

For this category of assets, expected credit losses are not quantified and recognised. Changes in fair value are recognised in profit or loss. Foreign exchange differences are recognised in profit or loss as well.

#### Financial liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or at fair value through profit or loss.

Liabilities are classified and measured at amortised cost, except:

- financial liabilities for trading, including derivatives – these are measured at fair value through profit or loss;
- financial liabilities where the option to measure at fair value through profit or loss at their initial recognition is used – designated at fair value through profit or loss.

In the case of liabilities determined at fair value through profit or loss, the change in fair value due to changes in the Company's credit risk is recognised in other comprehensive income, while the remaining change in fair value is recognised in profit or loss.

The following table provides reconciliation between the line items in the statement of financial position and categories of financial instruments.

31 December 2023

In thousands of CZK	Note	Mandatorily at FVTPL	FVOCI - debt instruments	FVOCI - equity instruments	Amortised cost	Total carrying amount
Cash and cash equivalents	15	—	—	—	438,573	438,573
Financial assets for trading	16	6,314	—	—	—	6,314
Investment securities measured at fair value through profit or loss	17	119,797	—	—	—	119,797
Investment securities measured at fair value through other comprehensive income	18	—	537,136	44	—	537,180
Loans to customers	19	—	—	—	7,838,484	7,838,484
Trade receivables and other financial assets under risk management	20	—	—	—	77,439	77,439
<b>Total financial assets</b>		<b>126,111</b>	<b>537,136</b>	<b>44</b>	<b>8,354,496</b>	<b>9,017,787</b>
Financial liabilities for trading	16	79,386	—	—	—	79,386
Loans from banks	25	—	—	—	2,650,647	2,650,647
Loans from customers	26	—	—	—	13,901,541	13,901,541
Other financial liabilities under risk management	28	—	—	—	109,940	109,940
<b>Total financial liabilities</b>		<b>79,386</b>	<b>—</b>	<b>—</b>	<b>16,662,128</b>	<b>16,741,514</b>

31 December 2022

In thousands of CZK	Note	Mandatorily at FVTPL	FVOCI - debt instruments	FVOCI - equity instruments	Amortised cost	Total carrying amount
Cash and cash equivalents	15	—	—	—	510,931	510,931
Financial assets for trading	16	4,272	—	—	—	4,272
Investment securities measured at fair value through profit or loss	17	78,464	—	—	—	78,464
Investment securities measured at fair value through other comprehensive income	18	—	—	4,415	—	4,415
Loans to customers	19	—	—	—	7,666,167	7,666,167
Trade receivables and other financial assets under risk management	20	—	—	—	93,685	93,685
<b>Total financial assets</b>		<b>82,736</b>	<b>—</b>	<b>4,415</b>	<b>8,270,783</b>	<b>8,357,934</b>
Financial liabilities for trading	16	93,799	—	—	—	93,799
Loans from banks	25	—	—	—	2,585,292	2,585,292
Loans from customers	26	—	—	—	13,819,576	13,819,576
Other financial liabilities under risk management	28	—	—	—	111,170	111,170
<b>Total financial liabilities</b>		<b>93,799</b>	<b>—</b>	<b>—</b>	<b>16,516,038</b>	<b>16,609,837</b>

#### (ii) Recognition

Financial instruments for trading, investment securities measured at fair value through profit or loss and investment securities measured at fair value through other comprehensive income are recognised on the date the Company commits to purchase these assets. Regular purchases and sales of other financial assets, including investment securities, at amortised cost are recognised on the settlement date.

Loans and advances to banks and customers are recognised on the date they are provided by the Company.

#### (iii) Measurement

Financial instruments are measured upon initial recognition at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial instrument.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Subsequent to initial recognition, financial assets are measured at their fair value, except for loans and advances to banks, loans and advances to customers, and investment securities at amortised cost, and cash and cash equivalents. After initial recognition, financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss. In measuring amortised cost, any difference between cost and redemption value is recognised in the income statement over the period of the asset or liability on an effective interest rate basis.

#### (iv) Principles of fair value measurement

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the statement of financial position date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the date of the separate financial statements.

The following summarises the main methods and assumptions used to estimate the fair values of financial assets measured at amortised cost (see Note 32 - Fair value information):

**Loans and advances:** Fair value is calculated based on discounted expected future principal and interest cash flows using the appropriate yield curve and risk spread. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

**Deposits and loans from banks and customers:** The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

**Trade receivables and other assets/ liabilities:** For receivables/ liabilities with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. Other receivables/ liabilities are discounted to determine the fair value.

**Investment securities at amortised cost:** Fair value is based on the market price quoted on an active market at the date of the separate financial statements. If not available, fair value is calculated on the basis of discounted expected future cash flows from principal and interest, using the appropriate yield curves and the risk spread.

#### (v) Gains and losses on subsequent measurement

Gains and losses arising from changes in fair value are recognised in the profit and loss statement for instruments for trading or measured at fair value through profit or loss and directly into other comprehensive income, excluding impairment gains and losses and foreign exchange gains and losses in the case of debt instruments. The cumulative gains or losses on the revaluation of debt instruments measured at fair value through other comprehensive income that were originally recognised in other comprehensive income are recognised in the profit and loss statement when assets are derecognised. In the case of equity instruments, the cumulative gains or losses from investment securities at fair value through other comprehensive income remain in the equity under IFRS 9, and are not reclassified to profit or loss anymore. Interest income and expenses from debt instruments at FVOCI are recognised in the separate income statement by applying the effective interest rate method. Dividends from equity instruments at fair value through other comprehensive income are recognised in profit and loss. See accounting policy 3(c)(iv) – Principles of fair value measurement for accounting for gains and losses on subsequent measurement of hedging instruments.

#### (vi) Derecognition

A financial asset is derecognised in the event the Company's contractual rights to cash flows from financial assets expire, or the Company transfers the rights to receive contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company does not transfer nor retains substantially all the risks and rewards of ownership and it does not retain control over the financial asset. A financial liability is derecognised when the Company's obligations set out in the contract expire, are fulfilled or cancelled.

Investment securities measured at fair value through other comprehensive income, financial assets for trading and investment securities measured at fair value through profit or loss are, in the event of their sale, derecognised as at the date on which the Company undertakes to sell these assets.

Investment securities at amortised cost and loans and advances to banks and customers are derecognised as at the date on which they are disposed of by the Company. Where control of investment securities at amortised cost and of loans and advances has been transferred to a third party, the carrying amount of the disposed assets at amortised cost is first adjusted to the sale price or gross carrying amount, whichever is lower, through creation or reversal of impairment in profit or loss.

#### (vii) Embedded derivatives

Hybrid instruments are a combination of non-derivative host contracts and derivative financial instruments (embedded derivatives). Under IFRS 9, the components of an embedded derivative are separated from the host contract if:

- the host contract is not an asset within the meaning of IFRS 9;
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in profit and loss (i.e. a derivative embedded in the financial liability at fair value through profit and loss is not separated).

Individual embedded derivatives are measured at fair value with changes recognised in the separate profit and loss statement.

#### (d) Cash and cash equivalents

Cash and cash equivalents are cash on hand and short-term, highly liquid financial assets that can be easily converted into known amounts of cash and that are subject to only insignificant risk of changes in value.

In cash and cash equivalents, the Company includes cash on hand, cash deposited with central banks (excluding obligatory minimum reserves) and other short-term highly liquid financial assets with original maturities of three months or less, such as reverse repo loans with original maturities of three months or less, current accounts with banks and loans and advances to banks with original maturities of three months or less.

#### (e) Loans and advances to customers

Loans and advances originated by the Company are classified and measured in accordance with the criteria set out in section 3(c) Financial instruments. Loans and advances are recorded net of impairment allowances (see accounting policy (h) - Impairment).

Modification of the contractual terms may result in derecognition of the original asset if the change in the terms of the loan is considered material. The Company considers modifications substantial, if the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original loan. The Company also considers qualitative criteria, such as whether there has been a change in the instrument's currency, a significant extension of maturity or a change in the interest rate fixation. In such case, the original financial asset is derecognized and a new financial asset is recognized at its fair value. The difference between the carrying amount of the derecognized asset and the fair value of the new asset is recognized in the separate income statement.

For all loans, where the modification of terms did not result in the derecognition of the loan, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the separate income statement.

For details on the structure and quality of the credit portfolio, see Note 35 – Risk management procedures and reporting.

#### (f) Sale agreements with repurchase obligation

Where securities are sold under a commitment to repurchase at a predetermined price (repos), they remain on the separate statement of financial position and a liability is recorded equal to the consideration received. Conversely, securities purchased under a commitment to resell (reverse repos) are not recorded on the separate statement of financial position and the consideration paid is recorded as a loan. The difference between the sale price and the purchase price is treated as interest and accrued evenly over the life of the transaction. Repos and reverse repos are recognised on a settlement date basis.

**(g) Netting of financial assets and liabilities**

Financial assets and liabilities are netted and recognised in the separate statement of financial position on a net basis when the Company has a legally enforceable right to net the relevant amounts and when there is an intention to settle transactions arising from a contract on a net basis or to realise the asset and net the liability simultaneously.

**(h) Impairment**

The carrying amount of the Company's non-financial assets other than deferred tax assets (see accounting policy (r) Income tax) and investment property are always reviewed as at the date of the separate financial statements to assess the existence of reasons for impairment. If there is such a reason, the recoverable amount of the asset is estimated. Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment within the cash-generating unit to which they belong. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment is charged to the separate profit and loss account.

An impairment loss is reversed when there is an indication that the impairment loss no longer exists and there have been changes in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if the impairment loss had not been recognised.

The expected credit loss ("ECL") model applies to financial assets at amortised cost or fair value through other comprehensive income, excluding equity instruments, and to contractual assets. It also applies to loan commitments at amortised cost and financial guarantees at amortised cost (see accounting policy (l) – Loan commitments and financial guarantees).

For the purpose of calculating the ECL, financial assets are categorised into three Stages (Stages 1, 2, 3). Financial assets that are impaired at initial recognition are in a separate category of "purchased or originated credit-impaired financial asset" ("POCI"). At the date of initial recognition, the financial asset is included in Stage 1 or POCI. Subsequent transfers between Stages are made in accordance with the definition of a significant increase in credit risk (Stage 2) or impairment (default) of the financial asset (Stage 3).

**Stage 1 (12-month ECL)**

Financial assets for which there has not been a significant increase in credit risk ('SICR') since initial recognition remain classified in Stage 1. For financial assets classified in Stage 1, 12-month expected credit losses are recognised. 12-month expected credit losses are the cash flows from a financial asset that are expected to be uncollectible due to default of the debtor within the 12 months following the date of the separate financial statements. Interest income from these assets is calculated from the gross carrying amount. An entity may determine that the credit risk of a financial asset has not increased significantly if the credit risk of the asset is low as at the date of the separate financial statements (further described below).

**Stage 2 (lifetime ECL not credit-impaired)**

This stage is applied to financial assets for which the credit risk has increased significantly since initial recognition but where the asset itself is not yet considered credit-impaired. This stage quantifies lifetime ECL, i.e. ECL arising from all possible defaults over the expected lifetime of the financial instrument. Interest income from these assets is calculated from the gross carrying amount.

**Stage 3 (lifetime ECL credit-impaired)**

Financial assets classified in Stage 3 are those whose credit quality has deteriorated significantly (the financial instrument is considered to be in default). For Stage 3, lifetime expected credit losses are reported, but interest income is calculated from the net amortised cost.

For trade receivables and contractual assets without a significant financing component, a lifetime ECL measurement is used instead of the approach described above.

**Financial assets with low credit risk**

The credit risk of a financial instrument is considered low if the financial instrument has a low risk of default, the debtor has a high ability to meet its short-term contractual cash flow obligations, and adverse changes in economic and business conditions in the longer term may but may not necessarily reduce the debtor's ability to meet its contractual cash flow obligations. However, collateral does not affect the credit risk of a financial instrument.

It is not possible not to report expected credit losses over the entire life of a financial instrument just because it was a financial instrument with low credit risk last year, as the assessment is carried out at the end of the period. In such a case, the Company will determine whether there has been a significant increase in credit risk since the instrument's initial recognition, and whether it is therefore necessary to recognise lifetime expected credit losses.

At the end of the period, the Company evaluates the individual items with low credit risk classified in Stage 1, and if they do not meet the given characteristics they are reclassified to the appropriate Stage.

### **Determination of a significant increase in credit risk (SICR) since initial recognition**

At the end of each period, the Company determines whether the credit risk of a financial instrument has increased significantly since the initial recognition of the asset. In this assessment, the Company considers the change in the debtor's risk of default over the expected lifetime of the financial instrument, rather than the change in the expected amount of the credit loss. To this end, the Company compares the risk of default of a given financial instrument as at the date of the separate financial statements with the risk of default at the date of initial recognition, and also assesses reasonable and supporting information (available without excessive cost and effort) that indicates a significant increase in credit risk since initial recognition.

If there has been a significant increase in credit risk since initial recognition, then the exposure is included in Stage 2 and the lifetime expected credit loss is estimated. If there has been no significant increase in credit risk since initial recognition, the exposure remains in Stage 1 (12-month ECL). If the exposure is in default, it is classified in Stage 3.

The assessment of a significant increase in credit risk is based on an analysis of qualitative and quantitative factors (see below).

#### Qualitative factors considered in the assessment:

- the nature of the financed project has changed, adversely affecting the debtor's ability to generate cash flow,
- the debtor fails to meet their non-financial performance obligations for more than six months,
- negative information about the debtor from external sources,
- major negative changes in the business, financial or economic conditions under which the debtor operates,
- a material change in the value of the collateral, which may lead to a presumption of increased risk of default.

#### Quantitative factors considered in the assessment:

Deterioration in credit risk is assessed on the basis of a change in rating since initial recognition. The current rating is compared with the rating assigned at initial recognition. The Company uses an internal system of 12 rating grades, with grade 13 defined as default.

### **Signs of default**

In order to determine whether a financial asset is in default, the Company assesses the general characteristics of default as set out below:

- A situation where the Company has filed for bankruptcy proceedings against the debtor;
- A situation where the debtor has filed for bankruptcy;
- A situation where bankruptcy has been declared;
- The debtor has entered or is about to enter liquidation;
- A court has decided that the debtor (legal person) has not been established (does not exist) or the debtor (private individual) has died;
- A final judgement has been issued by a court or administrative authority to enforce a decision to sell the debtor's assets or fore-close on the debtor's assets;
- Situations where the debtor's obligation is more than 90 days past due;
- An past-due loan commitment should be considered significant if both the limit expressed as an absolute amount and the limit expressed as a percentage are exceeded. For a debtor to be classified as in default on the basis of past-due status, the past-due liability must be significant for a continuous period of at least 90 days
  - The absolute component is expressed as a maximum amount for the sum of all past-due amounts owed by a particular debtor to the Company. This amount is set at EUR 100 (or its equivalent in another currency) for retail exposures and EUR 500 (or its equivalent in another currency) for other exposures.
  - The relative component is expressed as a percentage reflecting the amount of the past-due loan liability relative to the total amount of all balance sheet exposures owed by the debtor to the Company, including equity exposures. This percentage is set at 1%.
- Situations where a claim must be restructured;
- There is evidence that more than 20% of the funds provided by the Company to the debtor have been used by the debtor for purposes other than those specified in the contract.

**Purchased and originated credit-impaired (POCI) financial assets**

All purchased loans are measured at fair value at the date of acquisition on initial recognition. As a result, no allowance for credit losses is recognised at the acquisition date. Purchased loans can fall into one of the categories - "performing" loans or purchased and originated credit-impaired (POCI) loans. To assess whether assets are credit-impaired, the same criteria mentioned above (default indications) will be used. Purchased "performing" loans follow the same accounting treatment as originated performing loans and are therefore classified as Tier 1 at the date of acquisition. Any changes in expected cash flows since the acquisition date are recognised as a change in the Net impairment losses on loans at the end of the period.

POCI may arise either through the purchase of non-performing loans or as a result of the restructuring of a debtor in financial difficulty, resulting in significant changes in credit terms and the derecognition of the original asset and the recognition of the modified asset. The Company applies the effective interest rate adjusted for credit risk to these financial assets from the date of initial recognition. The credit-adjusted effective interest rate is the interest rate at which the discounted expected future cash payments or receipts over the expected life of the financial asset equal the amortised cost of the purchased or originated credit-impaired financial asset.

Modifications of financial assets are described in more detail in the chapter Forbearance.

**ECL for commitments and guarantees**

For financial commitments and financial guarantees, initial ECL is recognised as a provision. Changes in ECL in subsequent periods are recognised as a profit or loss in the separate profit and loss statement.

**Determination of expected credit losses**

ECL is the result of multiplying the following parameters: probability of default (PD), expected loss given default (LGD) and exposure at default (EAD).

Determining probability of default (PD)

The probability of default is assigned as follows:

- if the exposure is classified as Tier 1, then an annual (or lifetime if the expected maturity is less than 12 months) PD is determined;
- if the exposure is included in Tier 2, then the exposure is assigned the associated lifetime PD;
- if the exposure is classified in Tier 3, the PD is automatically 100%.

The Company divided PD calculation into two steps:

- the calculation of annual PDs as the long-term average of observed default rates;
- the calculation of multi-annual (cumulative) PDs.

The probability of default over a selected number of years is calculated based on an annual transition matrix. The result is a multi-annual (depending on the chosen time horizon) probability of default for the specified rating.



Each internal rating level has been linked to an external rating so that the associated external PD fell within the PD range for the relevant internal rating level. The following table shows the external ratings into which they fall:

Internal rating	External rating	Category
1	A	Very low risk
2	BBB	Low risk
3	BBB-	Low risk
4	BB+	Low risk
5	BB	Medium risk
6	BB-	Medium risk
7	B+	Medium risk
8	B	Medium risk
9	B-	Medium risk
10	CCC+	High risk
11	CCC	High risk
12	CCC-	High risk
13	D	Default

The Risk Management Department is responsible for calculating and updating relevant PDs in accordance with the Company's methodology. The Company primarily determines the scoring of non-derivative financial assets with fixed or determinable payments that are not traded on an active market. In addition, the Company determines the scoring of commitments, financial guarantees and undrawn limits. Scoring cards are used to assign internal PDs to individual exposures.

The scoring models were developed based on data of the Company and J&T Banka.

#### Determining the expected loss given default (LGD)

LGD is the estimated loss given default at a specific Note in time (expressed as a percentage). It is based on the difference between contractual cash flows due and those that the lender expects to receive, including cash flows from the realisation of any collateral. To calculate LGD, the Company discounts future expected cash flows.

For exposures above a certain threshold, the LGD is calculated on an individual basis through scenario analysis, and for other exposures the LGD is calculated on a portfolio basis unless the Company already has an individualised LGD calculation, e.g. from credit analysis or a previous credit rating.

The individual LGD is determined as the weighted average of the relevant cash flows based on scenario analysis. The Company typically uses scenarios such as: a covenant breach leading to a full repayment request (first and main scenarios), a significant reduction in financial performance (i.e. significantly below the immediate repayment thresholds, typically cash flows at 50% of the first scenario), the realisation of collateral or a serious decline in performance parameters (typically a cash flow of 10% of the first scenario).

When determining the LGD, the accounting unit considers the collateral on the receivable, if the accounting unit has a legal claim to it, so that in the event of the debtor's default, the collateral can be realised within a reasonable period of time. For collateralised receivables, the calculation of the present value of future expected cash flows also includes the cost of realising the related collateral. To calculate the LGD, the Company considers the collateral only up to an amount that is not used as security for other assets or assets of third parties if they have a preferential right to satisfaction of claims before the Company (i.e. the value of such collateral is reduced by the amount owed to prioritised creditors).

#### Determination of exposure at default (EAD)

The EAD represents the exposure at customer default, which is then multiplied by the PD and LGD to calculate the expected credit loss (ECL). The EAD therefore represents a discounted estimate of the exposure at a future default date, taking into account expected changes in exposure after the end of the period, including principal and interest payments.

For off-balance-sheet exposures, the EAD is an approved undrawn credit conversion factor-adjusted (CCF) commitment. The CCF is determined on the basis of historical experience or regulatory parameters used as a starting Note and applied to the instruments held by the Company, and modified to reflect the specific characteristics of the Company.

### Forward looking information

The Company made standard updates to the LGD, FLI and SICR in 2023. This is mainly about incorporating more up-to-date data into the models.

### FLI model

To estimate the forward-looking probability of default based on macroeconomic factors, the Company uses a model based on transition matrices estimated by external rating agency Moody's on historical data covering the 1983-2023 period, i.e. through-the-cycle (TTC) estimates of default rates (covering the entire economic cycle) and Note-in-time estimates for the given year.

In accordance with IFRS 9, the TTC default probability estimate was transformed into a Note-in-time (PiT) forward-looking estimate, i.e. an estimate that considers the impact of current and expected macroeconomic developments on the default rate.

The model for estimating PiT PD consists of two parts: estimation of the Z-component, which represents the business cycle, and estimation of the relationship between macroeconomic variables and the Z-component. The basis for estimation of the Z-component is Merton's one-factor model, which decomposes counterparty risk into idiosyncratic risk and systemic risk.

Using the estimated Z-component and the relationship between the Z-component and macroeconomic variables, the Note-in-time forward-looking (PiT FL) transition matrices are then estimated based on the modification of the TTC matrix by the Z-component. The Z-component model and the GDP scenario model are used for these estimates, taking into account the historical development of real GDP in the given country as well as the projection of real GDP in this country or the forecast of global macroeconomic development (IMF). The PiT FL transition matrices are estimated for a period of 5 years. Beyond this horizon, the Z-component is assumed to be zero, and thus the TTC matrix is used.

### PD variants:

Standard PD: Four PD scenarios are generated based on the 5%, 12.5%, 25% and 50% quantiles of GDP forecasts for each state. The four PD sets are evenly weighted at 25%.

Crisis PD: Separate PDs are generated for exposures in crisis-affected sectors (selected NACE sectors).

Russia/Ukraine: Separate PDs have been generated for exposures in Russia and Ukraine to reflect the increased risk.

The GDP development for these countries only is shown below, as the shares in other countries are insignificant.

### Real GDP growth used (in %):

Country	Year	National bank	National bank forecast	Model prediction 5% quantile	Model prediction 12,5% quantile	Model prediction 25% quantile	Model prediction 50% quantile
CZE	2023	CNB	-0.39	-1.42	-1.01	-0.63	-0.04
CZE	2024	CNB	1.2	-2.54	-1.44	-0.42	1.03
CZE	2025	CNB	2.82	-2.36	-1.21	-0.06	1.54
CZE	2026	CNB		-3.43	-1.87	-0.34	1.85
CZE	2027	CNB		-3.46	-1.85	-0.4	1.75
CZE	2028	CNB		-3.43	-1.78	-0.32	1.85
SVK	2023	NBS	1.2	-0.6	0	0.58	1.39
SVK	2024	NBS	2.8	-2.2	-0.87	0.34	2.06
SVK	2025	NBS	3	-1.38	-0.3	0.7	2.12
SVK	2026	NBS	1.8	-3.14	-1.81	-0.51	1.24
SVK	2027	NBS		-3.35	-1.48	0.25	2.83
SVK	2028	NBS		-3.35	-1.48	0.25	2.86

Data source:

Country	National bank	Data source
SVK	National Bank of Slovakia (NBS)	Economic and Monetary Developments
CZE	Czech National Bank (CNB)	Monetary Policy Report

The PD curves are updated continuously when there is a change in the (national banks') GDP forecast of more than 1 pp.

#### Management overlays

Management overlays are made by the Company through interventions in the PD model to correct the impact of the ongoing effects of the current geopolitical crisis on the PD model. The first modification is the selection of four equally weighted pessimistic macroeconomic scenarios that enter the model. The use of scenarios arising from the 5%, 12.5%, 25% and 50% quantiles of GDP forecasts, as well as the identical  $\frac{1}{4}$  weighting of all these scenarios, indicate the Group's conservative outlook on future economic developments.

Another significant management overlay is the division of sectors into crisis and non-crisis, for which different PDs are used. The division of sectors is made by an expert decision approved by the relevant committee. PDs for Ukraine and Russia are determined separately due to the increased geopolitical risk.

The following table shows the impact of the management overlays:

31 December 2023

In thousands of CZK	Loans and offbalance -sheet items	Debt securities at FVOCI
Loss allowances before incorporation of management overlays	27,615	1,151
Impact of using management overlays	35,193	2,933
Loss allowances after incorporation of management overlays	62,808	4,084

31 December 2022

In thousands of CZK	Loans and offbalance -sheet items	Debt securities at FVOCI
Loss allowances before incorporation of management overlays	62,557	—
Impact of using management overlays	116,006	—
Loss allowances after incorporation of management overlays	178,563	—

The Company considered the risks arising from environmental sustainability, social responsibility and corporate governance (ESG) in the ECL measurement process and concluded that they had no impact on ECL in 2023 and 2022, and therefore did not include specific adjustments to take into account ESG risks in the ECL calculation. Given the prudent approach to the current situation, the Company considers that the ECL represents the best estimate of expected credit losses as at 31 December 2023 (as at 31 December 2022).

#### Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

- for financial assets at amortised cost, as a reduction in the gross carrying amount of the assets;
- for loan commitments and financial guarantees in general, as a provision;
- for financial instruments containing both drawn and undrawn components, where the Company is unable to differentiate the ECL for the loan commitment separately from the drawn component, the Company has a combined loss allowance for both components. The combined amount is recognised as a reduction in the gross carrying amount of the drawn line. If the loss allowance exceeds the gross carrying amount of the drawn component, it is recognised as a provision.
- for debt instruments at FVOCI, the ECL is not deducted from the carrying amount of the financial asset, as the carrying amount is already measured at fair value. However, the loss allowance is recognised as a reduction in the revaluation reserve in the OCI.

**Write-off**

Loans and debt securities are written-off (in part or in full) unless there is a reasonable expectation that the financial asset will be recovered in whole or in part. Generally, this is a situation where the Company finds that the debtor does not have assets or sources of income from which to repay the amount. The assessment is carried out at the individual asset level.

In the event of write-off, the Company directly reduces the gross carrying amount of the financial asset. Write-offs do not have any impact on profit or loss, as the write-off amounts are already included in the provision. Depreciation constitutes a case for derecognition. However, written-off financial assets may still be recovered by the Company in accordance with the Company's policy for the recovery of amounts due.

**(i) Property, plant and equipment****(i) Owned assets**

Items of property, plant and equipment are recognised at cost less amortisation (see below) and any impairment losses (see accounting policy (h) Impairment).

The cost corresponds to the costs directly associated with the acquisition of the asset. The cost of a self-constructed asset includes the costs of materials, direct labour and any other costs directly attributable to putting the asset into operation and achieving the purpose for which it was made, the costs of removing and dismantling the equipment and restoring the place on which it is located to its original condition, and capitalised borrowing costs.

Property built or developed for future use as investment property is classified as investment property and measured accordingly (see below).

When components or items of property, plant and equipment have different useful lives, these items are recognised as separate items (main components) of the property, plant and equipment.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that it will increase, for the Company, the future economic benefits associated with the asset and also the cost of the asset can be measured reliably. All other expenditures, including the cost of day-to-day maintenance of property, plant and equipment, are recognised in the profit and loss statement when incurred.

**(iii) Depreciation**

Depreciation is charged on a straight-line basis over the asset's expected useful life and posted to the profit and loss statement. Land is not depreciated. Estimated useful lifetimes are as follows:

Buildings	30 years
Equipment	8 years
Fixtures, fittings and other	4–15 years
Right-of-Use	Based on the lease term

Depreciation methods, useful life and residual values are assessed annually as of the date of the separate financial statements.

**(j) Intangible assets****(iv) Software and other intangible assets**

Software and other intangible assets acquired by the Company are recognised at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (h) Impairment).

Their useful lifetimes are usually finite. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment. The useful life is reviewed at the end of the period to assess whether circumstances continue to support its indefinite useful life.

**(v) Amortisation**

Amortisation is recognised through the profit and loss statement on a straight-line basis over the estimated useful life of the intangible asset, excluding goodwill, from the date the asset is available for use. Estimated useful lifetimes are as follows:

Software	3 years
Other intangible assets	5 years

**(k) Provisions**

A provision is recognised in the separate statement of financial position if the Company has a legal or constructive liability that arose as a result of a past event and if it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

**Employee benefits**

A provision is recognised for employee benefits related to the termination of employment in the amount to be paid through long-term or short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay that amount as a result of the employee's provision of services in the past and this obligation can be reliably estimated. A benefit is classified as short-term only if the entire benefit category is settled within one year, otherwise it is disclosed as long-term.

Short-term employee benefit liabilities are recognised on an undiscounted basis and recognised through expenses when the employee performs the related work.

Liabilities due to employees, such as sums relating to accrued paid leave or performance-based bonuses, are recognised as other liabilities.

**(l) Loan commitments and financial guarantees**

Loan commitments are firm commitments to provide credit on pre-specified terms. In the case of loan commitments and financial guarantees, the initial expected credit losses (ECL) are recognised as a provision (see Note 21 - Values arising from expected credit losses (ECL)). Changes to ECL in subsequent periods (when loan commitments and financial guarantees are still provided and there is a change in the expected cash flows from the relevant financial asset) are recognised as expense/income through off-balance-sheet provisions.

Financial guarantees are contracts under which the Company is obliged to make certain payments to compensate the holder for a loss incurred by the holder because a particular debtor fails to pay an amount properly and on time according to the contractual terms set out in the debt instrument.

Provisions for financial guarantees and loan commitments constitute the ECL on related off-balance-sheet liabilities. If it is probable that the Company will have to provide consideration under its performance obligations, ECL is transferred from Stage 1 or 2 to Stage 3 and the amount is adjusted accordingly. When the Company makes the relevant payments to the parties to whom it is committed, a credit asset and the ECL to that asset are recognised and the provisions for financial guarantees and loan commitments (ECL to off-balance-sheet assets) are released. Both the dissolution and creation of ECL are recognised in the profit and loss statement as Net creation of provisions for loans, loan commitments and financial guarantees.

**(m) Trade and other liabilities**

Trade and other liabilities are recognised at amortised cost.

**(n) Interest income and expense**

Interest income and expense is recognised in the separate profit and loss statement as it accrues. Interest income and expenses includes the amortisation of any discount, premium or other difference between the original carrying amount of the interest-bearing instrument and its amount at maturity calculated using the effective interest rate. All borrowing costs (except those that qualify for capitalisation) are recognised in the separate profit and loss statement.

**(o) Fee and commissions income and expense**

The Company recognises fee and commission income in the amount of the consideration to which the Company is entitled. This basic principle is based on a five-step model: (1) Identifying the contract(s) with the customer, (2) identifying the performance obligations in

the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract, and (5) recognising income when the performance obligation is satisfied.

#### **(p) Financial markets, net result**

Financial markets, net result includes gains and losses arising from sales and changes in the fair value of financial assets and liabilities measured at fair value through profit or loss and fair value through other comprehensive income, gains and losses from foreign exchange transactions, as well as realised or unrealised foreign exchange gains and losses.

#### **(q) Rental income**

Rental income is recognised in the separate profit and loss statement on a straight-line basis over the term of the lease.

#### **(r) Income tax**

Income tax on the profit for the period comprises current tax payable and deferred tax.

Current tax payable is the expected tax payable on taxable income for the period at the tax rate applicable as at the date of the separate financial statements. The current tax payable also includes any adjustments to the tax payable with respect to previous periods.

Deferred tax is recognised using the balance sheet method and is calculated from any temporary differences between the carrying amounts of assets and liabilities determined for financial reporting purposes and the values used for tax purposes. Following temporary differences not provided for: the initial recognition of assets and liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries unlikely to be reversed in the foreseeable future because the parent is able to control the reversal of the temporary difference. No taxable temporary differences are recognised at the initial recognition of goodwill. The amount of deferred tax is based on the expected method of realisation or settlement of the carrying amount of assets and liabilities using the tax rates in effect (or approved) at the date of the separate financial statements.

Income tax is recognised in the separate profit and loss statement except to the extent that it relates directly to items recognised in other comprehensive income. In this case, it is recognised in other comprehensive income at the appropriate amount.

A deferred tax asset is recognised only if it is probable that taxable profits against which the deferred tax asset can be claimed will be realised in the future. The deferred tax asset is reduced by the value for which it is probable that the relevant tax use will not be feasible in the future. Deferred income tax is calculated using the tax rate currently in effect at the time of realisation of the asset or fulfilment of the obligation.

Deferred tax assets and liabilities are offset against each other if there is a legally enforceable right to offset the due tax liability due and receivable, and at the same time they relate to taxes levied by the same tax authority from the same taxable entity. If they do not relate to the same taxable entity, offsetting is possible if the entities intend to settle the due tax asset or liability as a net amount, or their tax assets and liabilities will be realised at the same time.

J&T FINANCE GROUP SE is expected to be subject to Pillar 2 top-up tax rules in the future due to the total revenues on a consolidated basis, and will be considered the ultimate parent entity in this context. The Company has elected to apply the exemption from the accounting requirements arising from the amendment to IAS 12 Income Taxes: International Tax Reform - Pillar 2 model rules, and does not account for deferred tax receivables and liabilities related to income taxes under Pillar 2. The Company monitors and analyses the development of legislation in this area, familiarises itself with the relevant measures, the procedure for calculating the effective tax rate, including input data requirements and reporting obligations, and prepares for related obligations. The Company does not currently expect Pillar 2 to have a material impact on the financial statements.

#### **(s) Leases**

A lease is a contract or part of a contract that provides the Right-of-use an asset (the underlying asset) for a set period of time in exchange for consideration.

##### **(i) The company as a lessee**

The Company recognises a right of use and a lease liability on the lease commencement date (i.e. the date on which the underlying asset is available for use).

## Measurement

### a) Right of use

A right-of-use asset is measured at cost on the lease commencement date. The cost of a right-of-use asset includes the following:

- the initial measurement of the lease liability (see below);
- prepaid lease payments;
- initial direct costs;
- the estimated cost of dismantling, removing or restoring the asset;
- less lease incentives received.

After initial recognition, a right-of-use asset is measured in the same way as a comparable asset owned by the Company. Therefore, the Company continues to apply IAS 16 Property, Plant and Equipment or IAS 40 Investment Property, and right-of-use assets are further presented in the corresponding financial statement line under these standards.

Where relevant, IAS 36 Impairment of Assets is applied to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

### b) Lease liability

At the lease commencement date, the lease liability is measured at the present value of future lease payments that are outstanding as at the lease commencement date. Lease payments are discounted at the implicit interest rate on the lease. If this is not available, the incremental borrowing rate is used.

Lease payments include the following:

- fixed payments (including payments that are fixed in nature) less any receivables from lease incentives;
- variable payments based on an index or rate;
- guaranteed residual values;
- the exercise price of a call option that the Company is virtually certain to exercise; and
- penalties for early termination of the lease.

Variable payments not based on an index (mainly energy and services consumed) and that have not been included in the measurement of the lease liability are recognised as an expense.

Lease liabilities are included in the balance sheet under "Other liabilities".

### Short-term and low-value leases

The Company has used the short-term lease exemption (leases with a term of 12 months or less from the start of the lease that do not include an option to buy; the broader economics of the lease agreements are also considered, such as the cost of abandoning or dismantling the subject of the lease). An exemption from the accounting requirement was also applied for leases of low-value assets (i.e. below EUR 5,000). Lease payments for short-term leases and leases of low-value assets are recognised as an expense when incurred.

### Modification of lease contract

The Company recognises a lease modification as a separate lease if both the following conditions are met:

- (a) the modification increases the scope of the lease by adding one or more underlying assets to the right of use; and
- (b) the consideration for the lease is increased by an amount comparable to the stand-alone scale-up price and by any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modifications not separately recognised, the Company assigns the consideration provided to the date of the modification, determines the duration of the modified lease and reassesses the amount of the lease liability using the updated value of the lease payments and the revised interest rate.

In the case of lease modifications where the scope of the lease is reduced, the revaluation of the lease liability is recognised as a reduction in the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease. Any gain or loss related to the partial or full termination of a lease is recognised in profit or loss.

**Deferred tax resulting from IFRS 16**

For contracts concluded before 31 December 2021, deferred tax assets and deferred tax liabilities arising from the right of use and lease liabilities are recognised at net value. As a result of the amendment to the Standard, the gross approach is applied to new contracts from 1 January 2022.

**(t) Revenue from the sale of goods and services rendered**

The Company recognises revenue to reflect the transfer of promised goods or services to the customer in an amount equal to the consideration to which the Company is expected to be entitled in exchange for the goods or services. This core principle is based on a five-step model: (1) Identifying the contract(s) with the customer, (2) Identifying the performance obligations in the contract, (3) Determining the transaction price, (4) Allocating the transaction price to the performance obligations in the contract, and (5) Recognising revenue when the performance obligation is satisfied. In the case of a contract that allows for the return of goods, revenue is not recognised if it is highly probable that a significant quantity of those goods will be returned.

**(u) Dividends paid**

Dividends are recognised in the separate statement of changes in equity and also as a liability in the period in which they are declared.

**(v) Operating segments**

As both the Company's separate and consolidated financial statements are disclosed in one financial report, segment information is disclosed only on the basis of the consolidated financial statements as permitted by the standard.

**(w) Changes in accounting policies**

The Company's accounting policies remained unchanged in 2023 and 2022, except for the changes resulting from the IFRS modifications as described in Note 2 - Basis of preparation.

**4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of separate financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions. It is also necessary for management to use its judgement when applying the Company's accounting policies. The resulting accounting estimate will therefore rarely equal the actual results. The estimates and assumptions that entail a significant risk of causing material adjustment to the carrying amount of assets or liabilities in the next financial year are described below. Estimates and assumptions are evaluated on an ongoing basis. Corrections to accounting estimates are recognised in the period in which they are corrected if the correction relates only to that period.

**Macroeconomic environment**

The dynamics of the markets in which the Company operates are currently affected by uncertainties in the economic environment. Management is aware of this uncertainty in the markets caused by price variability of inputs which, together with increased interest rates, make it difficult to make accurate accounting estimates and assumptions. It is also aware of the potential impact of government measures that may complicate the early identification of potential deterioration in investment and loan portfolios. The Company is monitoring current developments and government measures, and external forecasts, and has internal forecasting processes in place to assess the potential impact on the Company's financial position.

**Financial instruments**

In measuring an asset or liability at fair value, the Company uses observable market data when possible. The fair values are categorised into different hierarchical levels based on the inputs used in the measurement methods, as follows:

- Level 1: prices of identical assets or liabilities quoted in active markets (unadjusted);
- Level 2: inputs other than quoted prices included in Level 1 that are objectively observable for assets and liabilities, either directly (i.e. prices of similar instruments) or indirectly (i.e. derived from such prices);
- Level 3: inputs that are not based on objectively observable market data (objectively unobservable inputs).

If there is no active market for the financial instrument, fair value is estimated using measurement techniques. In applying measurement techniques, management applies estimates and assumptions based on available information about the estimates and assumptions that market participants would use when pricing the financial instrument.

The Company recognises transfers between fair-value hierarchy levels at the end of the period in which the change occurs.



Although the Company believes that its fair value estimates are reasonable, the use of different methodologies or assumptions may result in different fair value measurements.

See the following notes for further information:

- Note 16 - Financial assets for trading and liabilities
- Note 17 - Investment securities measured at fair value through profit or loss
- Note 18 - Investment securities measured at fair value through other comprehensive income

### **Impairment testing**

Investments in equity accounted subsidiaries are tested for impairment when there is an indication of possible impairment. The guidance in IAS 28 is used to determine whether an impairment test is required for these investments; if there is an indication of impairment, then the impairment test used follows the principles of IAS 36.

Intangible assets with an indefinite useful life and assets that are not held for use are tested for impairment at least annually if it can be concluded that they may be impaired.

Impairment testing under IAS 36 itself involves comparing the carrying amount of an asset or interest with its recoverable amount. The recoverable amount of the asset or interest is the higher of the fair value less costs to sell and the value in use. To determine the value in use of an asset or interest, the Company calculates the present value of estimated future cash flows (based on business plans prepared by management) before tax by applying a pre-tax discount rate that considers current market assessments of the time value of money and asset-specific risks. If the recoverable amount of an asset or interest is less than its carrying amount, a loss is recognised in the separate profit and loss statement.

### **Functional currency**

The Company's management carried out an analysis in the past, and concluded that both currencies, CZK and EUR, are relevant to the Company's operations. After considering all factors, such as the increasing importance of the Czech National Bank as a regulatory authority (e.g. for dividend distribution and monitoring capital adequacy), the currency structure of assets, liabilities, revenues and expenses, and the role of other competitive factors in the Czech Republic (e.g. tax and labour market regulations), where the headquarters of J&T FINANCE GROUP SE are located, the Company management decided to designate CZK as the Company's functional currency.

### **Lease conditions**

The Company defines the lease term as the period for which the lease is non-cancellable, including periods arising from options to extend the lease where it is virtually certain that the options will be exercised, or periods that include options to terminate the lease where it is virtually certain that the options will not be exercised.

The Company uses judgement in assessing whether it is virtually certain that options will be exercised. This means that it considers all relevant factors that make sense from an economic point of view and provide an incentive to exercise the option. The starting points for the assessment are in particular historical experience, planning and, last but not least, the costs associated with the replacement of the leased asset. In the case of office space, the Company is virtually certain that it will exercise the option to extend the lease only once as further developments are too uncertain. After the commencement of a lease, the Company reassesses the lease term if there is a significant event or change in circumstances within its control that affect its ability to exercise (or not exercise) the renewal option (e.g. a change in business strategy).

As at 31 December 2023, the amount of undiscounted potential cash outlays related to contract renewal options not included in lease liabilities was CZK 32,612 thousand (31 December 2022: CZK 89,392 thousand).

For further information see Note 34 - Leases.

## 5. ENVIRONMENTAL SUSTAINABILITY, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE (ESG)

Significant sources of uncertainties include climate risk, social responsibility and corporate governance. These uncertainties are considered in determining accounting estimates such as business combinations, asset impairments, accounting for provisions and determining the useful lives of assets.

The Company enters into loan agreements for ESG projects either directly or through mutual funds or venture capital enabling investments in innovative projects. The Company is fully aware of its responsibilities in this area and, also due to increasing regulatory requirements, is progressively incorporating solutions into its core and operating policies and risk management to enable it to collect, process and use ESG data.

We categorise the risks associated with ESG into two categories - transition risk and physical risk.

### Transition risk

Transition risk relates to changes that companies need to make to adapt to a more sustainable and low-carbon economic model. Thus, there is a risk associated with significant and rapid changes in stakeholder expectations reflected in politics, changes in laws and regulations, and changes in consumer behaviour. The risks associated with transitioning to a low-carbon economy are specific to each industry and may even differ between sub-sectors within an industry. The rate of adaptation to transition to a low-carbon economy is also directly related to the level of risk faced.

Key aspects of transition risk include the following:

Changing the energy mix: Switching to renewable energy sources and reducing dependence on fossil fuels can be financially demanding. Companies need to invest in new technologies and infrastructure.

Regulatory risks: Legislators and regulators may adopt new regulations that affect business.

Changing consumer behaviour: Customers increasingly prefer sustainable products and socially responsible companies. Companies must respond to these trends and adapt their strategies.

Reputational risk: An improper transition could damage a company's reputation. Transparency and communication are key.

Financial risks: Lack of funding for the transition to a more sustainable model can put a business at risk.

The Company assesses its exposure to transition risk as low. The Company continuously monitors new legislation and innovations, and consistently adapts to new market trends. This assessment is further supported by an appropriate financial strategy, risk management and solid capitalisation.

### Physical risk

Physical risks arising from climate change are linked to specific events and long-term climate trends. The nature and timing of extreme meteorological events (floods, heat waves, storms, hurricanes, etc.) are uncertain, but their frequency and severity are increasing, so their impact on the economy is expected to be more significant in the future. Possible impacts may include lower GDP growth, shortages of raw materials and products, significant price changes, increased operating expenses, reduced asset values, increased write-offs and amortisation.

Physical risk can be divided into two categories – acute physical risks and chronic physical risks:

Acute physical risks are unexpected events such as natural disasters (e.g. tornadoes, earthquakes, floods) or extreme weather (prolonged drought, heat waves). These events can have an immediate impact on society, infrastructure and the environment.

Chronic physical risks are the gradual effects of climate, such as rising temperatures, rising ocean levels and other long-term changes.

Given the Company's geographical focus on Europe, which is less affected by physical risks, we consider this risk to be immaterial to the Company.

### Credit risk and expected credit losses

The Company considered the risks arising from environmental sustainability, social responsibility and corporate governance (ESG) in the ECL measurement and concluded that they had no impact on ECL in 2023 and 2022, and therefore did not include specific adjustments to take into account ESG risks in the ECL calculation. Given the prudent approach to the current situation, the Company considers that the ECL represents the best estimate of expected credit losses as at 31 December 2023 (as at 31 December 2022).

The Company's growing commitment to environmental sustainability, social responsibility and corporate governance (ESG) is also considered when evaluating the credit rating of new customers or assessing the credit risk of transactions. Recognising the importance of ESG, the Company collects ESG data from customers through questionnaires. The Company is currently in the process of implementing ESG risks into the customer rating assessment and approval process for significant exposures in the loan portfolio.

The Company has assessed how climate risks may affect its financial position in the financial statements for the year ending 31 December 2023. As part of the assessment, the Company considered a number of areas of the statement of financial position such as ECL, provisions, financial instruments and non-current assets, as well as the long-term viability and sustainability of the business. After a thorough assessment, the Company concluded that these risks do not have a material impact on the separate financial statements for the period ending 31 December 2023.

## 6. DIRECT FINANCIAL IMPACT OF THE RUSSIAN INVASION OF UKRAINE

In February 2024, two years will have passed since the Russian Federation invaded Ukraine. Since then, a number of countries, including the United States, the United Kingdom and European Union member states, have imposed and, over time, expanded economic sanctions against selected Russian private individuals and legal persons. The freeze on Russian assets, restrictions on trade, capital movements and tourism continue.

Since the beginning of the war, the Company has supported organisations that provide material, food and medical aid, and that focus on strengthening the personnel capacity of organisations helping people affected by the war in Ukraine. These include, for example, field social workers, psychologists, Czech language teachers, coordinators, community workers and many other needed professions. One consequence of the ongoing war is a significant deterioration of the political and economic environment in both countries directly involved in the conflict. Direct material damage has been quantified since the beginning of the conflict, with the most affected sectors being construction of buildings, transport, industry, trade, energy and agriculture.

The Company analyses in detail the exposures of the sectors potentially affected by the impact of the current situation and holds appropriately higher provisions for them.

In 2023, the Company exited the Russian banking market by selling its stake in J&T Bank a.o. This resulted in a significant decrease in the Company's overall exposure to the Russian and Ukrainian markets. The Company did not provide any new financing with risk in Ukraine and Russia in 2023.

## 7. NET INTEREST EXPENSE

In thousands of CZK	2023	2022
<b>Interest income calculated using the effective interest rate</b>		
Loans and advances to customers	575,123	628,802
<b>Total interest income calculated using the effective interest rate</b>	<b>575,123</b>	<b>628,802</b>
<b>Interest income by instrument class:</b>		
Investment securities at amortised cost	575,123	628,802
<b>Total interest income calculated using the effective interest rate</b>	<b>575,123</b>	<b>628,802</b>
Financial assets for trading	37,319	2,497
<b>Total other interest income</b>	<b>37,319</b>	<b>2,497</b>
<b>Total interest income</b>	<b>612,442</b>	<b>631,299</b>
<b>Interest expense</b>		
Loans from banks and customers	(1,168,723)	(934,813)
Lease liabilities	(1,466)	(1,569)
<b>Total interest expense</b>	<b>(1,170,189)</b>	<b>(936,382)</b>
<b>Interest expense by instrument class:</b>		
Investment securities at amortised cost	(1,170,189)	(936,382)
<b>Total interest expense</b>	<b>(1,170,189)</b>	<b>(936,382)</b>
<b>Total net interest expense</b>	<b>(557,747)</b>	<b>(305,083)</b>

## 8. NET FEE AND COMMISSION INCOME

Fee and commission income is derived from the financial services provided by the Company, which mainly include the provision of guarantees, project transactions and structured finance transactions. Commissions received on these transactions are presented in fee and commission income.

The following table sets out information about the nature and timing of the performance of commitments under customer contracts, including significant payment terms and related revenue recognition policies.

Nature and timing of the performance of commitments under a contract	Revenue recognition under IFRS 15
Guarantee fees are charged to customers on a regular and ongoing basis.	Revenue is recognised on an ongoing basis as services are provided.
Payment fees are based on the transaction and are charged at the moment of the transaction.	Revenue from a transaction is recognised as a lump sum at the moment of the transaction.

### Breakdown of fee and commission income from contracts with customers

In thousands of CZK	2023	Reported segments		
		Czech Republic	Slovakia	Other
<b>Fee and commission income</b>				
Fees on commitments and guarantees	98,182	71,382	18,665	8,135
<b>Total fee and commission income</b>	<b>98,182</b>	<b>71,382</b>	<b>18,665</b>	<b>8,135</b>
<b>Fee and commission expense</b>				
Fees from operations with financial instruments	(2,056)	(1,911)	(145)	—
Payment transaction fees	(37)	(24)	(13)	—
Other fees and commissions expense	(17,420)	(16,289)	(1,131)	—
<b>Total fees and commissions expense</b>	<b>(19,513)</b>	<b>(18,224)</b>	<b>(1,289)</b>	<b>—</b>
<b>Total net fee and commission income</b>	<b>78,669</b>	<b>53,158</b>	<b>17,376</b>	<b>8,135</b>

The segment "Other" includes Ireland. The item Other fees and commissions expense includes a large number of small items that are individually insignificant.

In thousands of CZK	2022	Reported segments		
		Czech Republic	Slovakia	Other
<b>Fee and commission income</b>				
Fees on commitments and guarantees	74,996	46,903	18,810	9,283
Other	20	—	—	20
<b>Total fee and commission income</b>	<b>75,016</b>	<b>46,903</b>	<b>18,810</b>	<b>9,303</b>
<b>Fee and commission expense</b>				
Fees from operations with financial instruments	(2,484)	(2,481)	(3)	—
Payment transaction fees	(36)	(13)	(23)	—
Other fees and commissions expense	(13,288)	(9,918)	(3,369)	(1)
<b>Total fees and commissions expense</b>	<b>(15,808)</b>	<b>(12,412)</b>	<b>(3,395)</b>	<b>(1)</b>
<b>Total net fee and commission income</b>	<b>59,208</b>	<b>34,491</b>	<b>15,415</b>	<b>9,302</b>

The segment "Other" includes Netherlands and Ireland. The item Other fees and commissions expense includes a large number of small items that are individually insignificant.

## 9. FINANCIAL MARKETS, NET RESULT

In thousands of CZK	2023	2022
Net gains (losses) on financial instruments for trading	(228,109)	56,259
– derivatives	(231,648)	57,227
– equity instruments	3,539	(2,018)
– debt instruments	32,634	1,050
Net profit (loss) on financial assets mandatorily measured at FVTPL	—	21,681
Net profit (loss) on financial instruments at FVOCI	(4,348)	—
– losses on sale of debt instruments at FVOCI	(4,348)	—
Exchange rate gains (losses)	151,124	18,298
<b>Total net result from trading</b>	<b>(48,699)</b>	<b>96,238</b>

The Company did not recognise any loss on derecognition of financial assets measured at amortised cost as a result of the modification in 2023 or 2022.

## 10. OTHER OPERATING INCOME

In thousands of CZK	2023	2022
Revenue from services and consulting (IFRS 15)	—	491
Rental income (IFRS 16)	13,523	13,080
Other income (IFRS 15)	105	299
<b>Total other operating income</b>	<b>13,628</b>	<b>13,870</b>

Other income includes a large number of small items that are individually insignificant.

## 11. PERSONNEL EXPENSES

In thousands of CZK	2023	2022
Wages and salaries	(43,473)	(18,074)
Compulsory social security contributions	(10,859)	(7,635)
Other social costs	(590)	(426)
<b>Total personnel expenses</b>	<b>(54,922)</b>	<b>(26,135)</b>

The weighted average number of employees during 2023 was 21 (2022: 17), of which 4 were executives (2022: 4).

## 12. OTHER OPERATING EXPENSES

In thousands of CZK	2023	2022
Consulting expenses	(64,010)	(32,018)
Outsourcing	(33,027)	(33,276)
Lease costs classified as services	(5,168)	(5,943)
Transport and accommodation, travel expenses	(2,514)	(2,090)
Sponsorship and donations	(2,091)	(1,773)
Communication expenses	(1,220)	(1,232)
Material consumption	(1,076)	(1,016)
Educational courses and conferences	(845)	(55)
Repair and maintenance costs	(432)	(505)
Lease of low-value assets	(43)	(36)
Property and other taxes	(69)	(78)
Advertising activity	(4)	(3)
Energy	—	(9)
Losses on sale of property, plant and equipment and intangible assets and investment property	—	(18)
Other operating expenses	(12,214)	(14,431)
<b>Total other operating expenses</b>	<b>(122,713)</b>	<b>(92,483)</b>

The Other operating expenses item includes a large number of small items that are individually insignificant.

## 13. SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTMENTS IN SUBSIDIARIES

In thousands of CZK	2023	2022
Revaluation using the equity method	8,030,989	4,716,291
<b>Total profit from equity accounted investments in subsidiaries</b>	<b>8,030,989</b>	<b>4,716,291</b>

## 14. INCOME TAX

The Company calculated income tax payable in the amount of CZK 11,522 thousand (2022: CZK 14,584 thousand). In the separate statement of financial position, it is shown as a receivable from the State, as the income tax advances paid exceed the calculated payable in the amount of CZK 12 thousand (31 December 2022: CZK 37,883 thousand). The tax payable recognised in the income statement can be analysed as follows:

In thousands of CZK	2023	2022
<b>Income tax payable</b>		
Current year	(11,522)	(14,584)
Prior period adjustments	(3,293)	(4,741)
	<b>(14,815)</b>	<b>(19,325)</b>
<b>Deferred tax income (expense)</b>		
Recognition and settlement of temporary differences	(13,957)	8,944
	<b>(13,957)</b>	<b>8,944</b>
<b>Total tax expense</b>	<b>(28,772)</b>	<b>(10,381)</b>

Corporate income tax in the Czech Republic for 2023 and 2022 is 19%. In November 2023, a new corporate income tax rate of 21% for 2024 was enacted in the Czech Republic. The impact of the tax rate change can be seen in the table below: Reconciliation of the effective tax rate. The corporate income tax rate in Slovakia for 2023 and 2022 was 21%.

### (i) Reconciliation of the effective tax rate

	2023 %	2023 In thousands of CZK	2022 %	2022 In thousands of CZK
<b>Profit before tax</b>		<b>6,424,607</b>		<b>3,690,972</b>
Income tax at 19% (2022: 19%)	(19.0%)	(1,220,675)	(19.0%)	(701,285)
Non-tax deductible expenses	(7.46%)	(479,420)	(5.80%)	(214,175)
Non-taxable income	25.73%	1,653,186	24.65%	909,820
Other	—	—	(0.13)%	(4,741)
Change in tax rate	(0.28%)	18,137		
<b>Total income tax expense</b>	<b>0.4%</b>	<b>(28,772)</b>	<b>0.3%</b>	<b>(10,381)</b>

### (ii) Movements in deferred tax balances during the year

In thousands of CZK	Balance as at 1 January 2023	Recognised in separate profit and loss	Recognised in other comprehensive income	Foreign exchange translation differences	Balance as at 31 December 2023
Property, plant and equipment	(570)	(60)	—	—	(630)
Leases (IFRS 16)	370	10	—	(1)	379
Employee benefits (IAS 19)	1,271	2,032	—	—	3,303
Debt instruments at fair value through other comprehensive income	—	—	283	—	283
Provisions	15,939	(15,939)	—	—	—
Terminated hedging relationship	(175,315)	—	(18,454)	(1)	(193,770)
<b>Total</b>	<b>(158,305)</b>	<b>(13,957)</b>	<b>(18,171)</b>	<b>(2)</b>	<b>(190,435)</b>

In thousands of CZK	Balance as at 1 January 2022	Recognised in the separate profit and loss account	Recognised in other comprehensive income	Foreign exchange translation differences	Balance as at 31 December 2022
Property, plant and equipment	(38)	(532)	—	—	(570)
Leases (IFRS 16)	(158)	528	—	—	370
Employee benefits (IAS 19)	—	1,271	—	—	1,271
Provisions	8,262	7,677	—	—	15,939
Terminated hedging relationship	(191,710)	—	16,395	—	(175,315)
<b>Total</b>	<b>(183,644)</b>	<b>8,944</b>	<b>16,395</b>	<b>—</b>	<b>(158,305)</b>

In 2023, the Company changed its approach to assessing provisions for off-balance-sheet items and no longer considers them to give rise to deferred tax.

## 15. CASH AND CASH EQUIVALENTS

In thousands of CZK	31 December 2023	31 December 2022
<b>Cash and cash equivalents</b>		
Cash on hand	59	50
Current accounts with banks	438,514	510,881
<b>Total cash and cash equivalents</b>	<b>438,573</b>	<b>510,931</b>

## 16. FINANCIAL ASSETS FOR TRADING AND LIABILITIES FOR TRADING

### 16.1 Financial assets for trading

In thousands of CZK	31 December 2023	31 December 2022
<b>Non-derivative financial assets for trading</b>		
Investment fund units	—	138
<b>Total non-derivative financial assets for trading</b>	<b>—</b>	<b>138</b>
<b>Trading derivatives</b>		
Currency contracts	6,314	4,134
<b>Total derivatives for trading</b>	<b>6,314</b>	<b>4,134</b>
<b>Total financial assets for trading</b>	<b>6,314</b>	<b>4,272</b>

No financial assets for trading were subject to pledge as at 31 December 2023 or 31 December 2022.

#### (i) Fair value measurement of financial assets for trading

As at 31 December 2022

In thousands of CZK	Unit certificates	Total
<b>Fair value of non-derivative financial assets for trading</b>		
Level 2 – derived from quoted prices	—	—
<b>Fair value of derivatives for trading</b>		
Level 2 – derived from quoted prices	—	6,314
<b>Total financial assets for trading</b>	<b>—</b>	<b>6,314</b>



As at 31 December 2022

In thousands of CZK	Unit certificates	Total
<b>Fair value of non-derivative financial assets for trading</b>		
Level 2 – derived from quoted prices	138	138
	<b>138</b>	<b>138</b>
<b>Fair value of derivatives for trading</b>		
Level 2 – derived from quoted prices	–	4,134
	–	<b>4,134</b>
<b>Total financial assets for trading</b>	–	<b>4,272</b>

There were no transfers of financial assets for trading between Levels 1, 2 and 3 of the fair value hierarchy in the years ended 31 December 2023 and 2022.

## 16.2 Financial liabilities for trading

In thousands of CZK	31 December 2023	31 December 2022
<b>Derivatives for trading</b>		
Currency contracts	–	93,799
Interest rate swaps	79,386	–
<b>Total financial liabilities for trading</b>	<b>79,386</b>	<b>93,799</b>

(ii) Fair value measurement of financial liabilities for trading

In thousands of CZK	31 December 2023	31 December 2022
<b>Fair value of derivatives for trading</b>		
Level 2 – derived from quoted prices	79,386	93,799
	<b>79,386</b>	<b>93,799</b>

There were no transfers of trading liabilities between Levels 1, 2 and 3 of the fair value hierarchy in the years ended 31 December 2023 and 2022.

## 17. INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

In thousands of CZK	31 December 2023	31 December 2022
Shares mandatorily measured at fair value through profit or loss	111,098	78,464
Investment fund units	8,699	–
<b>Total investment securities at fair value through profit or loss</b>	<b>119,797</b>	<b>78,464</b>

No investment securities at fair value through profit or loss were subject to pledge at 31 December 2023 (31 December 2022: nil).

Fair value measurement of investment securities measured at fair value through profit or loss

### Investment securities mandatorily measured at fair value through profit or loss

As at 31 December 2023

In thousands of CZK	Unit certificates	Shares	Total
Level 2 – derived from market prices	8,699	111,098	119,797
Level 3 – calculated using measurement techniques	–	–	–
<b>Total</b>	<b>8,699</b>	<b>111,098</b>	<b>119,797</b>

As at 31 December 2022

In thousands of CZK	Unit certificates	Shares	Total
Level 2 – derived from market prices	–	78,464	78,464
<b>Total</b>	<b>–</b>	<b>78,464</b>	<b>78,464</b>

#### (iii) Detail of fair value measurement at Level 3

There were no investment securities measured at fair value through profit or loss in Level 3 of the fair value hierarchy as at 31 December 2023 or 31 December 2022.

For the years ended 31 December 2023 and 2022, there were no transfers of investment securities measured at fair value through profit or loss between Levels 1, 2 and 3 of the fair value hierarchy.

## 18. INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In thousands of CZK	31 December 2023	31 December 2022
Shares	44	4,415
Bonds (for more information on provisions, see Note 21 (d))	537,136	–
<b>Total investment securities at fair value through other comprehensive income</b>	<b>537,180</b>	<b>4,415</b>

Investment securities measured at fair value through other comprehensive income at 31 December 2023 consisted primarily of bonds, the majority of which were corporate bonds.

The maturity of the bonds is between the years 2024 and 2028.

The designation of fair value through other comprehensive income has been made because the investments are expected to be held for strategic reasons over a longer time horizon.

Investment securities at fair value through other comprehensive income that were subject to pledge as at 31 December 2023 amounted to CZK 44 thousand (2022: CZK 43 thousand).

### Equity investment securities measured at fair value through other comprehensive income

Equity investment securities at fair value through other comprehensive income include the following individually significant instruments with corresponding dividend income recognised during the period:

In thousands of CZK	31 December 2023 Fair value	31 December 2023 Dividend income	31 December 2022 Fair value	31 December 2022 Dividend income
Shares of companies active in the financial advisory and financing industry	44	—	4,415	—
<b>Total</b>	<b>44</b>	<b>—</b>	<b>4,415</b>	<b>—</b>

In 2023, equity investment securities of CZK 4,371 thousand were derecognised (in 2022: CZK 0). The cumulative loss on sale amounted to CZK 4,094 thousand (in 2022: CZK 0).

In 2023 and 2022, no cumulative losses were transferred within equity from other comprehensive income to prior years' profit or loss.

#### (i) Fair value measurement of investment securities measured at fair value through other comprehensive income

##### 31 December 2023

In thousands of CZK	Shares	Bonds	Total
Level 2 – derived from quoted prices	—	537,136	537,136
Level 3 – calculated using measurement techniques	44	—	44
<b>Total</b>	<b>44</b>	<b>537,136</b>	<b>537,180</b>

##### 31 December 2022

In thousands of CZK	Shares	Bonds	Total
Level 3 – calculated using measurement techniques	4,415	—	4,415
<b>Total</b>	<b>4,415</b>	<b>—</b>	<b>4,415</b>

#### (ii) Detail of fair value measurement at Level 3

The following table shows the movement in Level 3 in the hierarchy of real values from initial states to final balances:

##### 31 December 2023

In thousands of CZK	Shares	Total
<b>Balance as at 1 January 2023</b>	<b>4,415</b>	<b>4,415</b>
Disposals	(4,371)	(4,371)
<b>Balance as at 31 December 2023</b>	<b>44</b>	<b>44</b>

##### 31 December 2022

In thousands of CZK	Shares	Total
<b>Balance as at 1 January 2022</b>	<b>4,416</b>	<b>4,416</b>
Impact of exchange rate fluctuations	(1)	(1)
<b>Balance as at 31 December 2022</b>	<b>4,415</b>	<b>4,415</b>

There were no transfers of investment securities measured at fair value through other comprehensive income between Levels 1, 2 and 3 of the fair value hierarchy in the years ended 31 December 2023 and 2022.

## 19. LOANS AND ADVANCES TO CUSTOMERS

In thousands of CZK	31 December 2023	31 December 2022
Loans and advances to customers	7,889,667	7,760,843
Allowance for loans (Note 22(a))	(51,183)	(94,676)
<b>Loans and advances to customers at net amortised cost</b>	<b>7,838,484</b>	<b>7,666,167</b>

## 20. TRADE RECEIVABLES AND OTHER ASSETS

In thousands of CZK	31 December 2023	31 December 2022
Trade receivables	43,565	32,002
– gross value	169,179	154,517
– provision	(125,614)	(122,515)
Securities settlement balances	10,858	11,152
Insurance and reinsurance receivables	564	546
– gross value	564	546
– provision	–	–
Other receivables	22,452	40,336
– gross value	716,412	716,367
– provision	(693,960)	(676,031)
Deferred income	–	9,649
<b>Total receivables presented under risk management at amortised cost (see Note 35)</b>	<b>77,439</b>	<b>93,685</b>
Accrued expenses	1,537	1,959
Advances provided	2	164
– gross value	2	164
– provision	–	–
Other tax receivables	–	–
Inventories	12	34
<b>Total non-financial receivables and other assets</b>	<b>1,551</b>	<b>2,157</b>
<b>Total trade receivables and other assets</b>	<b>78,990</b>	<b>95,842</b>

Other receivables include other individually insignificant items such as collateral received for derivatives trading purposes.

For more information on expected credit losses (ECL), see Note 21(b) – Trade receivables presented under risk management at amortised cost.

## 21. VALUES ARISING FROM EXPECTED CREDIT LOSSES (ECL)

The tables below show the reconciliation of opening balances to closing balances of the loss provisions and allowances by class of financial instrument. Explanation of terms: For 12-month ECL, lifetime ECL and ECL credit-impaired, see Note 3(n) – Impairment.

### (a) Loans and advances to customers at amortised cost

In thousands of CZK	2023				Total
	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	
<b>Balance as at 1 January</b>	<b>80,004</b>	<b>13,410</b>	<b>1,262</b>	<b>—</b>	<b>94,676</b>
Net remeasurement of loss allowance	(31,807)	(7,712)	—	—	(39,519)
Interest	—	—	(466)	—	(466)
New financial assets	—	—	—	—	—
Derecognition	(4,242)	—	(672)	—	(4,914)
Write-offs and use	—	—	—	—	—
Impact of exchange rate fluctuations	1,530	—	(124)	—	1,406
<b>Balance at 31 December (see Note 19)</b>	<b>45,485</b>	<b>5,698</b>	<b>—</b>	<b>—</b>	<b>51,183</b>

In thousands of CZK	2022				Total
	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	
<b>Balance as at 1 January</b>	<b>138,142</b>	<b>6,900</b>	<b>—</b>	<b>—</b>	<b>145,042</b>
Net remeasurement of loss allowance	(95,582)	6,510	—	—	(89,072)
Interest	—	—	4,237	—	4,237
New financial assets	52,170	—	718,516	—	770,686
Derecognition	(12,035)	—	—	—	(12,035)
Write-offs and use	—	—	(751,435)	—	(751,435)
Impact of exchange rate fluctuations	(2,691)	—	29,944	—	27,253
<b>Balance at 31 December (see Note 19)</b>	<b>80,004</b>	<b>13,410</b>	<b>1,262</b>	<b>—</b>	<b>94,676</b>

### (b) Trade receivables presented under risk management at amortised cost

In thousands of CZK	2023			2022		
	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Total	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Total
<b>Balance as at 1 January</b>	<b>—</b>	<b>798,546</b>	<b>798,546</b>	<b>—</b>	<b>824,111</b>	<b>824,111</b>
Derecognition	—	—	—	—	(11,257)	(11,257)
Revaluation of provision	—	930	930	—	—	—
Write-offs and use	—	—	—	—	(3,788)	(3,788)
Impact of exchange rate fluctuations	—	20,098	20,098	—	(10,520)	(10,520)
<b>Balance at 31 December (see Note 20)</b>	<b>—</b>	<b>819,574</b>	<b>819,574</b>	<b>—</b>	<b>798,546</b>	<b>798,546</b>

**(c) Loan commitments and financial guarantees**

In thousands of CZK	2023			Total
	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	
<b>Balance as at 1 January</b>	<b>83,887</b>	—	—	<b>83,887</b>
Net remeasurement of loss allowance	(19,453)	—	—	(19,453)
New financial commitments and financial guarantees issued	7,278	—	1,014,000	1,021,278
Use	—	—	(1,014,000)	(1,014,000)
Commitments and financial guarantees derecognised	(61,098)	—	—	(61,098)
Changes in exchange rates and other movements	1,011	—	—	1,011
<b>Balance at 31 December (see Note 19)</b>	<b>11,625</b>	—	—	<b>11,625</b>

In thousands of CZK	2022			Total
	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	
<b>Balance as at 1 January</b>	<b>8,076</b>	—	—	<b>8,076</b>
Net remeasurement of loss allowance	—	—	—	—
New financial commitments and financial guarantees issued	76,737	—	—	76,737
Use	—	—	—	—
Commitments and financial guarantees derecognised	—	—	—	—
Changes in exchange rates and other movements	(926)	—	—	(926)
<b>Balance at 31 December (see Note 19)</b>	<b>83,887</b>	—	—	<b>83,887</b>

**(c) Debt instruments at fair value through other comprehensive income**

In thousands of CZK	2023				Total
	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	
<b>Balance as at 1 January</b>	—	—	—	—	—
New financial assets	4,084	—	—	—	4,084
<b>Balance at 31 December (see Note 18)</b>	<b>4,084</b>	—	—	—	<b>4,084</b>

In thousands of CZK	2022				Total
	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	
<b>Balance as at 1 January</b>	—	—	—	—	—
New financial assets	—	—	—	—	—
<b>Balance at 31 December (see Note 18)</b>	—	—	—	—	—

## 22. INVESTMENTS IN EQUITY ACCOUNTED SUBSIDIARIES

The value of investments in equity accounted subsidiaries is derived from the value of the equity interests of their direct and indirect subsidiaries. The sub-groups represented by the following entities are described in detail in Note 38 – Group entities.

In thousands of CZK	31 December 2023	Share capital	Interest %	Subject of business	Total
J&T BANKA, a.s.	37,189,326	10,638,127	100.0%	Banking	CZ
365.bank, a.s.	16,658,918	9,613,680	98.5%	Banking	SK
J&T Mezzanine, a.s.	1,923,322	2,000	100.0%	Mezzanine financing	CZ
J&T Wine Holding SE	1,525,984	900,620	100.0%	Targeted trade finance	CZ
J&T INTEGRIS GROUP LIMITED	1,236,926	6,929	100.0%	Holding company	CY
J&T SERVICES ČR, a.s.	303,937	141,134	100.0%	Intra-group services provider	CZ
Compact Property Fund*	4,260	3,500	100.0%	Real estate investment fund	CZ
J&T RFI IV., s.r.o.	1,626	2,000	100.0%	Financing	CZ
J&T NOVA Hotels SICAV, a.s.*	932	100	100.0%	Real estate investment fund	CZ
JTFG FUND I SICAV, a.s.*	89	100	89.0%	Real estate investment fund	CZ
Fond Fondů NLS SICAV, a.s.*	89	100	89.0%	Investment fund:	CZ
J&T RFI V., s.r.o.	0	200	100.0%	Financing	CZ
J&T Global Finance XIV., s.r.o.	0	124	100.0%	Financing	SK
J&T Global Finance XV., s.r.o.	0	200	100.0%	Financing	CZ
<b>Total</b>	<b>58,845,409</b>				

\* The Company only owns founders shares of the funds (not investment shares).

In thousands of CZK	31 December 2022	Share capital	Interest %	Subject of business	Total
J&T BANKA, a.s.	32,228,956	10,638,127	100.0%	Banking	CZ
365.bank, a.s.	17,792,854	9,613,680	98.5%	Banking	SK
J&T Wine Holding SE	1,520,474	900,620	100.0%	Targeted trade finance	CZ
J&T INTEGRIS GROUP LIMITED	1,103,931	6,929	100.0%	Holding company	CY
J&T Mezzanine, a.s.	801,302	2,000	100.0%	Mezzanine financing	CZ
J&T SERVICES ČR, a.s.	342,607	141,134	100.0%	Intra-group services provider	CZ
Compact Property Fund*	4,260	3,500	100.0%	Real estate investment fund	CZ
J&T RFI IV., s.r.o.	2,000	2,000	100.0%	Financing	CZ
J&T NOVA Hotels SICAV, a.s.*	932	100	100.0%	Real estate investment fund	CZ
J&T AGRICULTURE SICAV, a.s.*	564	100	100.0%	Financing of investment fund shares	CZ
JTFG FUND I SICAV, a.s.*	89	100	89.0%	Real estate investment fund	CZ
J&T Global Finance XV., s.r.o.	65	200	100.0%	Financing	CZ
J&T RFI V., s.r.o.	12	12	100.0%	Financing	CZ
J&T Global Finance XIV., s.r.o.	0	124	100.0%	Financing	SK
<b>Total</b>	<b>53,798,046</b>				

\* The Company only owns founders shares of the funds (not investment shares).

In 2023, the Company provided cash contributions outside the share capital to its subsidiaries, the most significant of which were additional contributions to J&T Mezzanine, a.s. in the amount of CZK 601,125 thousand and to J&T Wine Holding SE in the amount of CZK 30,294 thousand.

In 2022, the Company provided contributions to J&T Wine Holding SE in the amount of CZK 136,152 thousand and to J&T BANKA, a.s. in the amount of CZK 2,913,000 thousand. In 2022, the Company was partially refunded a contribution outside the share capital in the amount of CZK 1,011,300 thousand from J&T Mezzanine, a.s.

The Company has previously invested in the subsidiary J&T Bank (Schweiz) AG in Liquidation. It entered liquidation in 2012, resulting in a loss of control. Therefore, this interest is no longer recognised as an interest in a subsidiary, although the Company remains the legal owner.

The measurement of the investment in J&T BANKA, a.s. includes the following subordinated unsecured income certificates without maturity date (the "certificates"), which are also held by the Company:

Name of certificate	ISIN	Issue date:	Currency	Interest rate	Nominal value
J&T BK III 9% PERP	CZ0003704421	14.12.2015	EUR	9.00% p.a.	5,000 EUR
J&T BK 6,5% PERP	CZ0003706517	23.8.2021	CZK	6.50% p.a.	100,000 CZK
J&T BK 7,00% PERP	CZ0003707275	29.6.2022	EUR	7.00% p.a.	1,000 EUR

Certificates are hybrid financial instruments combining the economic characteristics of equity and debt securities and are issued as book-entry securities in bearer form. The owners of the certificates are not shareholders of J&T BANKA, a.s. by virtue of their ownership of the certificates and are not entitled to a dividend. The owners of the certificates do not have an interest in the equity of J&T BANKA, a.s. and do not have a direct or indirect interest in voting rights by virtue of their ownership of the certificates.

The issue of these instruments, which combine the characteristics of debt and equity instruments, was approved by the Czech National Bank (CNB).

The total volume of these instruments held by the Company included in the value of J&T BANKA, a.s. amounted to CZK 5,189,940 thousand as at 31 December 2023 (2022: CZK 5,311,759 thousand).

### 23. INTANGIBLE ASSETS

In thousands of CZK	Software and other intangible assets	Total
Gross carrying amount at 1 January 2022	2,262	2,262
Accumulated depreciation and impairments as at 1 January 2022	(1,603)	(1,603)
<b>Net carrying amount as at 1 January 2022</b>	<b>659</b>	<b>659</b>
Additions	—	—
Amortisation for the period	(132)	(132)
Impairment	—	—
Disposals	—	—
Impact of exchange rate fluctuations	—	—
<b>Net carrying amount as at 31 December 2022</b>	<b>527</b>	<b>527</b>
Gross carrying amount as at 31 December 2022	2,229	2,229
Accumulated depreciation and impairments as at 31 December 2022	(1,702)	(1,702)
Gross carrying amount at 1 January 2023	2,229	2,229
Accumulated depreciation and impairments as at 1 January 2023	(1,702)	(1,702)
<b>Net carrying amount as at 1 January 2023</b>	<b>527</b>	<b>527</b>
Additions	—	—
Amortisation charge for the period	(132)	(132)
Impairment	—	—
Disposals	—	—
Impact of exchange rate fluctuations	1	1
<b>Net carrying amount as at 31 December 2023</b>	<b>396</b>	<b>396</b>
Gross carrying amount at 31 December 2023	2,256	2,256
Accumulated depreciation and impairments as at 31 December 2023	(1,860)	(1,860)



**Assets under development and borrowing costs**

The Company did not recognise any intangible assets under development (otherwise included in Other intangible assets) as at 31 December 2023 (2022: nil).

There was no capitalisation of borrowing costs associated with the acquisition of intangible assets during the year (2022: nil).

**24. PROPERTY, PLANT AND EQUIPMENT**

In thousands of CZK	Land and plant	Right-of-use land and plant	Fixtures, fittings and equipment	Total
Gross carrying amount at 1 January 2022	160,900	56,307	74,618	291,825
Accumulated depreciation and impairments as at 1 January 2022	(43,702)	(17,715)	(65,146)	(126,563)
<b>Net carrying amount as at 1 January 2022</b>	<b>117,198</b>	<b>38,592</b>	<b>9,472</b>	<b>165,262</b>
Additions	—	2,441	157	2,598
Amortisation charge for the period	(3,968)	(8,336)	(947)	(13,251)
Impairment	—	—	—	—
Changes due to modifications under IFRS 16	—	—	—	—
Disposals	—	—	—	—
Impact of exchange rate fluctuations	(3,444)	403	(316)	(3,357)
<b>Net carrying amount as at 31 December 2022</b>	<b>109,786</b>	<b>33,100</b>	<b>8,366</b>	<b>151,252</b>
Gross carrying amount as at 31 December 2022	156,079	57,182	72,496	285,757
Accumulated depreciation and impairments as at 31 December 2022	(46,293)	(24,082)	(64,130)	(134,505)
Gross carrying amount at 1 January 2023	156,079	57,182	72,496	285,757
Accumulated depreciation and impairments as at 1 January 2023	(46,293)	(24,082)	(64,130)	(134,505)
<b>Net carrying amount as at 1 January 2023</b>	<b>109,786</b>	<b>33,100</b>	<b>8,366</b>	<b>151,252</b>
Additions	—	—	—	—
Depreciation for the period	(3,878)	(8,114)	(1,166)	(13,158)
Impairment	—	—	—	—
Changes due to modifications under IFRS 16	—	(2,393)	—	(2,393)
Disposals	—	—	—	—
Impact of exchange rate fluctuations	2,656	316	1,380	4,352
<b>Net carrying amount as at 31 December 2023</b>	<b>108,564</b>	<b>22,909</b>	<b>8,580</b>	<b>140,053</b>
Gross carrying amount at 31 December 2023	160,027	55,870	75,529	291,426
Accumulated depreciation and impairments as at 31 December 2023	(51,463)	(32,961)	(66,949)	(151,373)

As at 31 December 2023, no property, plant and equipment was subject to pledge (2022: nil).

As at 31 December 2023, the insured value of the Company's property, plant and equipment was CZK 281,755 thousand (2022: CZK 274,804 thousand).

**Assets under construction and borrowing costs**

As at 31 December 2023, the value of property, plant and equipment under construction (otherwise included in Fixtures, fittings and equipment) was CZK 0 (2022: CZK 63 thousand).

During 2023 and 2022, no borrowing costs related to the acquisition of tangible fixed assets were capitalised.

**Idle assets**

As at 31 December 2023 and 31 December 2022, the Company had no significant idle assets.

## 25. LOANS FROM BANKS

In thousands of CZK	31 December 2023	31 December 2022
Other loans received	2,650,647	2,585,292
<b>Loans from banks at amortised cost</b>	<b>2,650,647</b>	<b>2,585,292</b>
<b>Total loans from banks</b>	<b>2,650,647</b>	<b>2,585,292</b>

## 26. LOANS FROM CUSTOMERS

In thousands of CZK	31 December 2023	31 December 2022
Other loans received	13,901,541	13,819,576
<b>Loans from customers at amortised cost</b>	<b>13,901,541</b>	<b>13,819,576</b>
<b>Total loans from customers</b>	<b>13,901,541</b>	<b>13,819,576</b>

## 27. RECONCILIATION OF LIABILITY MOVEMENTS TO CASH FLOWS FROM FINANCING ACTIVITIES

In thousands of CZK	Lease liabilities*	Liabilities from debt securities issued	Subordinated debt	Loans from banks and customers	Retained earnings and other funds	Total
<b>Balance as at 1 January 2023</b>	<b>35,364</b>	—	—	<b>16,404,868</b>	<b>27,160,044</b>	<b>43,600,276</b>
<b>Changes in cash flows from financing activities</b>						
Proceeds from issued debt securities	—	—	—	—	—	—
Change in balances of loans from customers and banks	—	—	—	(181,103)	—	(181,103)
Payments of lease liabilities (principal)	(9,912)	—	—	—	—	(9,912)
Issue of other equity instruments	—	—	—	—	—	—
Yield from issued other equity instruments	—	—	—	—	(277,175)	(277,175)
Dividends paid	—	—	—	—	(1,880,400)	(1,880,400)
<b>Total changes in cash flows from financing activities</b>	<b>(9,912)</b>	—	—	<b>(181,103)</b>	<b>(2,157,575)</b>	<b>(2,348,590)</b>
Effect of exchange rate fluctuations	197	—	—	229,211	—	229,408
<b>Total other changes related to equity</b>	<b>—</b>	—	—	<b>—</b>	<b>7,725,417</b>	<b>7,725,417</b>
<b>Changes related to liabilities</b>						
Transfers and other non-cash movements	(1,255)	—	—	—	—	(1,255)
Interest expense	1,466	—	—	1,168,723	—	1,170,189
Interest paid	(1,466)	—	—	(1,069,511)	—	(1,070,977)
<b>Other changes in total liabilities</b>	<b>(1,255)</b>	—	—	<b>99,212</b>	—	<b>97,957</b>
<b>Balance as at 31 December 2023</b>	<b>24,394</b>	—	—	<b>16,552,188</b>	<b>32,727,886</b>	<b>49,304,468</b>

\* Lease liabilities are included under Other liabilities in the financial statements and thus do not constitute a separate financial statements caption .

In thousands of CZK	Lease liabilities*	Liabilities from debt securities issued	Subordinated debt	Loans from banks and customers	Retained earnings and other funds	Total
<b>Balance as at 1 January 2022</b>	<b>39,550</b>	<b>—</b>	<b>—</b>	<b>19,075,733</b>	<b>26,836,504</b>	<b>45,951,787</b>
<b>Changes in cash flows from financing activities</b>						
Proceeds from issued debt securities	—	—	—	—	—	—
Change in balances of loans from customers and banks	—	—	—	(2,453,209)	—	(2 453,209)
Payments of lease liabilities (principal)	(9,491)	—	—	—	—	(9 491)
Issue of other equity instruments	—	—	—	—	—	—
Yield from issued other equity instruments	—	—	—	—	(281,751)	(281,751)
Dividends paid	—	—	—	—	(1,980,000)	(1,980,000)
<b>Total changes in cash flows from financing activities</b>	<b>(9,491)</b>	<b>—</b>	<b>—</b>	<b>(2,453,209)</b>	<b>(2,261,751)</b>	<b>(4,724,451)</b>
Effect of exchange rate fluctuations	990	—	—	(222,530)	—	(221,540)
<b>Other changes in equity</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,585,291</b>	<b>2,585,291</b>
<b>Changes related to liabilities</b>						
Transfers and other non-cash movements	4,315	—	—	(73,021)	—	(68,706)
Interest expense	1,569	—	—	934,813	—	936,382
Interest paid	(1,569)	—	—	(856,918)	—	(858,487)
<b>Total other changes related to liabilities</b>	<b>4,315</b>	<b>—</b>	<b>—</b>	<b>4,874</b>	<b>—</b>	<b>9,189</b>
<b>Balance as at 31 December 2022</b>	<b>35,364</b>	<b>—</b>	<b>—</b>	<b>16,404,868</b>	<b>27,160,044</b>	<b>43,600,276</b>

\* Lease liabilities are included in the financial statements under Other liabilities and therefore do not represent a separate item

## 28. OTHER LIABILITIES

In thousands of CZK	31 December 2023	31 December 2022
Employee benefits	17,190	8,201
Lease liabilities (see Note 34)	24,394	35,364
Securities settlement balances	—	—
Trading liabilities	734	2,352
Uninvoiced deliveries	8,779	8,773
Other liabilities	58,843	56,480
<b>Total other liabilities recognised under risk management (see Note 35)</b>	<b>109,940</b>	<b>111,170</b>
Other tax liabilities	781	2,688
Other	893	964
<b>Total other non-financial liabilities</b>	<b>1,674</b>	<b>3,652</b>
<b>Total other liabilities</b>	<b>111,614</b>	<b>114,822</b>

The item Other liabilities includes a large number of small items that are individually insignificant.

## 29. PROVISIONS

In thousands of CZK	31 December 2023	31 December 2022
Financial guarantees issued under IFRS 9 (see Note 21)	1,673	78,207
Loan commitments issued under IFRS 9 (see Note 21)	9,952	5,680
<b>Total provisions</b>	<b>11,625</b>	<b>83,887</b>

The Company did not issue any loan commitments or guarantees in 2023 or 2022 that were measured at fair value through profit or loss.

### 30. DEFERRED TAX ASSETS AND LIABILITIES

The Company does not record any titles giving rise to unrecognised deferred tax assets.

Recognised deferred tax assets and liabilities:

In thousands of CZK	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	—	630	—	570
Leases (IFRS 16)	379	—	370	—
Terminated hedging relationship	—	193,770	—	175,315
Employee benefits (IAS 19)	3,303	—	1,271	—
Provisions	—	—	15,939	—
Instruments at fair value through other comprehensive income	283	—	—	—
Subtotal	3,965	194,400	17,580	175,885
Netting*	(3,965)	(3,965)	(17,580)	(17,580)
<b>Total</b>	<b>—</b>	<b>190,435</b>	<b>—</b>	<b>158,305</b>

\* Netting – deferred tax assets and liabilities were netted against each other where possible.

### 31. EQUITY

#### (i) Share capital

The authorised, issued and fully paid-up share capital of J&T FINANCE GROUP SE as at 31 December 2023 and 31 December 2022 consisted of 10 ordinary shares with a nominal value of CZK 200,000, also 13,778,752 ordinary shares with a nominal value of CZK 1,000 and also 1,999,556,188 ordinary shares with a nominal value of CZK 1. Shareholders are entitled to receive dividends and to one vote per share at the general meeting of the Company. The share capital in 2023 and 2022 was CZK 15,780,308 thousand.

#### (ii) Non-distributable reserves

Non-distributable reserves include the statutory reserves of the Company. The statutory reserves fund may only be used to cover losses of the Company and may not be distributed as dividends. The calculation of the statutory reserve fund is based on legal regulations.

Since 1 January 2014, the creation of a statutory reserve fund is not required in the Czech Republic.

#### (iii) Translation reserve

The translation reserve includes all exchange differences arising from the translation of the financial statements of the branch and investments in equity accounted subsidiaries.

#### (iv) Other reserves and funds

Other reserves primarily include changes in the fair value of securities measured through other comprehensive income as well as the share of these changes from investments in equity accounted subsidiaries.

#### (v) Other equity instruments

In 2016, the Company issued and sold subordinated unsecured certificates with a nominal value of EUR 100 thousand and without maturity in the amount of CZK 5,407,000 thousand. The entire issue was purchased by CEFC Hainan International Holdings CO., Ltd. These certificates bear a 5% yield (9% yield for the first two years), which is fully discretionary and subject to approval. Income is paid semi-annually out of retained earnings. According to an opinion by the CNB of 21 April 2016, these instruments meet the requirements to be recognised as AT1 additional capital.

On 12 October 2020, the Company also issued and sold subordinated unsecured certificates with a nominal value of CZK 100 thousand and without maturity in the amount of CZK 500,000 thousand. These certificates bear a 7.5% annual yield, which is fully discretionary and subject to approval. Income is paid semi-annually from retained earnings. The issue of these instruments was approved by the Czech National Bank on 18 September 2020, and the instruments are listed on the Prague Stock Exchange. The instruments meet the requirements for recognition as AT1 additional capital.

**(vi) Income paid on other equity instruments**

In 2016, the Company established a perpetual fund to pay the proceeds of the certificates described above. The fund is made up of retained earnings. The payment of income from the Fund is subject to the contractual terms set out in the prospectus of the equity instruments. The total amount of income paid in 2023 was CZK 277,175 thousand (2022: CZK 281,751 thousand) and is recognised as distribution of retained earnings in the separate statement of changes in equity.

**(vii) Dividends**

In 2023, dividends of CZK 1,880,400 thousand were paid, in 2022 CZK 1,980,000 thousand.

**32. FAIR VALUE INFORMATION**

The following table reconciles the carrying amount and the fair value of the Company's financial assets and liabilities not carried at fair value:

31 December 2023

In thousands of CZK	Accounting value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and cash equivalents	438,573	—	438,573	—	438,573
Loans and advances to customers	7,838,484	—	—	7,743,665	7,743,665
Trade receivables and other financial assets under risk management	77,439	—	—	77,439	77,439
<b>Financial liabilities</b>					
Loans from banks	2,650,647	—	2,654,190	—	2,654,190
Loans from customers	13,901,541	—	13,595,636	—	13,595,636
Debt securities issued	—	—	—	—	—
Other financial liabilities under risk management	109,940	—	109,940	—	109,940

31 December 2022

In thousands of CZK	Accounting value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and cash equivalents	510,931	—	510,931	—	510,931
Loans and advances to customers	7,666,167	—	—	7,653,852	7,653,852
Trade receivables and other financial assets under risk management	93,685	—	—	93,685	93,685
<b>Financial liabilities</b>					
Loans from banks	2,585,292	—	2,562,324	—	2,562,324
Loans from customers	13,819,576	—	13,796,608	—	13,796,608
Debt securities issued	—	—	—	—	—
Other financial liabilities under risk management	111,170	—	111,170	—	111,170

### 33. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

In thousands of CZK	31 December 2023	31 December 2022
Loan commitments under IFRS 9	356,033	9,970,257
Financial guarantees under IFRS 9	13,651,930	13,749,000
Pledged property	49	47
<b>Total financial commitments and contingent liabilities</b>	<b>14,008,012</b>	<b>23,719,304</b>

Loan commitments relate to loans granted by the Company. The financial guarantees provided generally represent various guarantees issued in connection with loans, bills of exchange issued by other parties, lease agreements and other third-party liabilities. These guarantees are shown in the table above in the amount of the potential future liability. The maximum amount payable for guarantees provided by the Company as at 31 December 2023 was CZK 13,658,166 thousand (31 December 2022: CZK 13,753,949 thousand).

### 34. LEASES

#### a) Leasing from the position of the lessee

The Company primarily leases office space for its business activities, cars and related office equipment. Leases of office space typically last for an initial period of five to fifteen years, with an option to extend beyond that date. Unless recognition exemption for leases is used (see Note 3(bb) – Leases), a right of use is recognised for these underlying assets.

For reconciliation of right-of-use assets from opening to closing balance refer to Note 24 – Property, plant and equipment.

Costs and income relating to the lease are shown in items: 7 – Net interest expense, 10 – Other operating income, 12 – Other operating expenses.

Further information regarding leasing is provided below.

An analysis of the maturity of lease liabilities is as follows:

In thousands of CZK	31 December 2023	31 December 2022
Less than 1 year	9,221	10,155
1–5 years	11,058	17,509
More than 5 years	8,284	9,894
<b>Total</b>	<b>28,563</b>	<b>37,558</b>

In thousands of CZK	2023	2022
Total cash outflow for leases	(11,378)	(11,060)

## b) Leasing from the position of lessor

### Operating leasing

The Company leases its assets through operating leases.

In thousands of CZK	31 December 2023	31 December 2022
Within 1 year	8,192	6,719
1–2 years	–	–
2–3 years	–	–
3–4 years	–	–
4–5 years	–	–
More than 5 years	–	–
<b>Total</b>	<b>8,192</b>	<b>6,719</b>

During the year ending 31 December 2023, CZK 12,989 thousand was recognised as rental income (2022: CZK 12,755 thousand).

### Financial leasing

The Company does not have any assets acquired through financial leasing.

## 35. RISK MANAGEMENT PROCEDURES AND REPORTING

The Company is exposed to the following risks:

- credit risk
- liquidity risk
- market risk
- operational risk

This Note contains information on the Company's exposure to all the above risks. It also includes the Company's risk management objectives, procedures and processes for measuring and managing risk and the Company's equity management.

### 35.1 Credit risk

The Company's exposure to credit risk arises from loans and advances provided. The maximum amount of risk with respect to this is expressed as the carrying amount of assets in the separate statement of financial position. In addition, the Company is exposed to credit risk arising from off-balance-sheet loan commitments (see Note 33 – Financial commitments and contingent liabilities).

The carrying amount of loans and advances and off-balance-sheet items reflects the maximum accounting loss that may be recognised on these items at the balance sheet date if the counterparties were not 100% in compliance with their performance obligations and all collateral or security had a zero value. It is the Company's policy to require suitable collateral from the customer before the Company will extend credit.

The assessment of the credit risk of the counterparty or the debt issued is based on the Company's internal rating system, which includes credit ratings from credit-rating agencies and the Company's internal rating system.

The Company monitors the concentration of credit risk by geographic location.

## (i) Concentration of credit risk by geographical location

31 December 2023

In thousands of CZK	Czech Republic	Slovakia	Cyprus	Other	Carrying amount
<b>Financial assets</b>					
Cash and cash equivalents	429,182	9,265	—	126	438,573
Financial assets for trading	6,314	—	—	—	6,314
Investment securities measured at fair value through profit or loss	8,699	111,098	—	—	119,797
Investment securities measured at fair value through other comprehensive income	208,267	291,333	37,535	45	537,180
Loans and advances to customers	7,634,486	3,515	200,483	—	7,838,484
Trade receivables and other financial assets under risk management	43,123	15,039	—	19,277	77,439
	<b>8,330,071</b>	<b>430,250</b>	<b>238,018</b>	<b>19,448</b>	<b>9,017,787</b>
<b>Committed/guaranteed amounts</b>					
Loan commitments under IFRS 9	303,586	21,412	31,035	—	(1,673)*
Financial guarantees under IFRS 9	10,570,929	1,916,000	—	1,165,001	(9,952)*
	<b>10,874,515</b>	<b>1,937,412</b>	<b>31,035</b>	<b>1,165,001</b>	<b>(11,625)*</b>

\* The figure does not form a total, rather it represents the created provision for potential compensation.  
Committed/guaranteed amounts - credit risk monitoring for credit commitments and financial guarantees is based on the maximum exposure to credit risk.

31 December 2022

In thousands of CZK	Czech Republic	Slovakia	Cyprus	Other	Carrying amount
<b>Financial assets</b>					
Cash and cash equivalents	488,628	22,145	—	158	510,931
Financial assets for trading	4,272	—	—	—	4,272
Investment securities measured at fair value through profit or loss	—	78,464	—	—	78,464
Investment securities measured at fair value through other comprehensive income	—	—	—	4,415	4,415
Loans and advances to customers	7,327,102	2,884	334,919	1,262	7,666,167
Trade receivables and other financial assets under risk management	33,552	23,762	10,550	25,821	93,685
	<b>7,853,554</b>	<b>127,255</b>	<b>345,469</b>	<b>31,656</b>	<b>8,357,934</b>
<b>Committed/guaranteed amounts</b>					
Loan commitments under IFRS 9	9,914,218	20,884	35,155	—	(78,207)*
Financial guarantees under IFRS 9	7,605,979	4,972,732	—	1,170,289	(5,680)*
	<b>17,520,197</b>	<b>4,993,616</b>	<b>35,155</b>	<b>1,170,289</b>	<b>(83,887)*</b>

\* The figure does not form a total, rather it represents the created provision for potential compensation.  
Committed/guaranteed amounts - credit risk monitoring for credit commitments and financial guarantees is based on the maximum exposure to credit risk.

The table above shows the credit risk by domicile of the debtor or issuer of the securities.

The IFRS 9 financial guarantee contracts reported under "Other" relate primarily to guarantees to France and Ireland in 2023 and 2022.



## (ii) Credit risk – credit quality analysis

The following tables provide information on the Company's credit risk exposure based on internal rating grades. The analysis is performed for the most significant exposures at amortised cost and at fair value through other comprehensive income.

Internal rating	Exposure to credit risk
1	Very low risk
2	Low risk
3	Low risk
4	Low risk
5	Medium risk
6	Medium risk
7	Medium risk
8	Medium risk
9	Medium risk
10	High risk
11	High risk
12	High risk
Default	Default

## Loans and advances to customers

31 December 2023

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	Total
Very low risk	–	–	–	–	–
Low risk	7,661,558	–	–	–	7,661,558
Medium risk	140,672	87,437	–	–	228,109
High risk	–	–	–	–	–
Default	–	–	–	–	–
Without classification	–	–	–	–	–
	<b>7,802,230</b>	<b>87,437</b>	–	–	<b>7,889,667</b>
Provision	(45,485)	(5,698)	–	–	(51,183)
<b>Carrying amount</b>	<b>7,756,745</b>	<b>81,739</b>	–	–	<b>7,838,484</b>

31 December 2022

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	Total
Very low risk	–	–	–	–	–
Low risk	70,880	–	–	–	70,880
Medium risk	7,604,441	82,997	–	–	7,687,438
High risk	–	–	2,525	–	2,525
Default	–	–	–	–	–
Without classification	–	–	–	–	–
	<b>7,675,321</b>	<b>82,997</b>	<b>2,525</b>	–	<b>7,760,843</b>
Provision	(80,004)	(13,410)	(1,262)	–	(94,676)
<b>Carrying amount</b>	<b>7,595,317</b>	<b>69,587</b>	<b>1,263</b>	–	<b>7,666,167</b>

**Bonds at fair value through other comprehensive income**

31 December 2023

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Purchased credit -impaired	Total
Very low risk	541,220	—	—	—	541,220
Low risk	—	—	—	—	—
Medium risk	—	—	—	—	—
High risk	—	—	—	—	—
Default	—	—	—	—	—
<b>Gross carrying amount</b>	<b>541,220</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>541,220</b>
Loss allowance	(4,084)	—	—	—	(4,084)
<b>Carrying amount – fair value</b>	<b>537,136</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>537,136</b>

As at 31 December 2022, the Company did not recognise any bonds measured at fair value through other comprehensive income.

**Loan commitments under IFRS 9**

31 December 2023

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Total
Very low risk	—	—	—	—
Low risk	322,481	—	—	322,481
Medium risk	33,552	—	—	33,552
High risk	—	—	—	—
Default	—	—	—	—
Without classification	—	—	—	—
<b>Total</b>	<b>356,033</b>	<b>—</b>	<b>—</b>	<b>356,033</b>
Loss allowance	(1,673)	—	—	(1,673)

31 December 2022

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Total
Very low risk	—	—	—	—
Low risk	—	—	—	—
Medium risk	9,970,257	—	—	9,970,257
High risk	—	—	—	—
Default	—	—	—	—
Without classification	—	—	—	—
<b>Total</b>	<b>9,970,257</b>	<b>—</b>	<b>—</b>	<b>9,970,257</b>
Loss allowance	(78,207)	—	—	(78,207)

## Financial guarantees under IFRS 9

31 December 2023

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Total
Very low risk	—	—	—	—
Low risk	—	—	—	—
Medium risk	13,651,930	—	—	13,651,930
High risk	—	—	—	—
Default	—	—	—	—
<b>Total</b>	<b>13,651,930</b>	<b>—</b>	<b>—</b>	<b>13,651,930</b>
Loss allowance	(9,952)	—	—	(9,952)

31 December 2022

In thousands of CZK	12-month ECL	Lifetime ECL not credit -impaired	Lifetime ECL credit -impaired	Total
Very low risk	—	—	—	—
Low risk	—	—	—	—
Medium risk	13,749,000	—	—	13,749,000
High risk	—	—	—	—
Default	—	—	—	—
<b>Total</b>	<b>13,749,000</b>	<b>—</b>	<b>—</b>	<b>13,749,000</b>
Loss allowance	(5,680)	—	—	(5,680)

### (iii) Credit risk – loss given default (LGD) and probability of default (PD)

The sensitivity of expected credit losses is affected by the determination of the probability of default and the expected loss given default. Accordingly, the Company creates an optimistic and a pessimistic scenario that reflect the expected losses when the expected loss given default (“LGD”) changes by 10%. The probability of default is influenced by a change in GDP as a key indicator of future developments. Therefore, the Company further analyses the impact of a +/- 1% change in the GDP forecast on expected credit losses.

In thousands of CZK	31 December 2023	31 December 2022
Increase in LGD by 10%	2,457	7,099
Decrease in LGD by 10%	(2,012)	(9,468)
Increase in PD by 10%	2,459	9,341
Decrease in PD by 10%	(2,012)	(9,468)

### (iv) Credit risk – collateral

Collaterals are used as assets that can be realised in the event of default of the primary source of debt repayment.

Derivative transactions are subject to collateral management agreements. Under these contracts, in general, under certain circumstances, e.g. when an event such as a default occurs, all outstanding transactions under the contract with the counterparty are terminated, a terminal value is determined and a single net value is determined as the resulting liability/receivable to settle all transactions with the counterparty. The Company and its counterparties are generally required to post collateral to reduce counterparty credit risk.

In 2023, the Company recognised movable assets serving as collateral in the amount of CZK 0 (2022: CZK 0).

#### (v) Credit risk – forbearance

In accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 and additional legislation in the relevant countries, the Company classifies all its receivables from customers as "performing" or "non-performing". Exposures more than 90 days past due, exposures where the debtor is considered unlikely to repay its credit obligations in full without the need to realise the collateral, regardless of the existence of past due amounts or the number of days past due, or exposures that have been assessed as credit-impaired (Stage 3), including assets purchased or originated as credit-impaired, are classified as "non-performing". Exposures are classified as "performing" if they are not classified as "non-performing".

#### Forbearance

The Company applies a forbearance approach in accordance with the European Banking Authority's (EBA) technical standard on non-performing exposures and forbearance measures and in accordance with the European Securities and Markets Authority's (ESMA) public statement on the treatment of these types of exposures in financial institutions' IFRS financial statements.

An exposure with forbearance is an exposure where the Company has decided to grant relief to the debtor due to the debtor's financial difficulties, while the Company would not have considered relief in other circumstances. Forbearance can take the form of a modification of terms and/or a refinancing of the debt. The adjustments to the terms may include, but are not limited to, a reduction in the interest rate, a reduction in accrued interest or principal, a change in the repayment schedule (e.g. postponement of interest due dates, temporary payment holidays, extension of the final maturity of the loan, payment of fees or accessions on behalf of the debtor, modification or non-tracking of covenants, capitalisation of interest or repayments, or the partial write-off of debt). Any modification of terms or refinancing that is not the result of the debtor's financial difficulties is not interpreted as forbearance. The application of forbearance leads to better credit risk management and a reduction in potential future loan losses.

#### Forbearance

In thousands of CZK	31 December 2023	31 December 2022
Performing exposures	7,838,484	7,666,167
– of which performing exposures with forbearance	–	–
Non-performing exposures	–	–
– of which non-performing exposures with relief	–	–
<b>Total</b>	<b>7,838,484</b>	<b>7,666,167</b>

The share of loans with forbearance in total loans to customers is 0 % (2022: 0 %).

The Company did not recognise any losses on financial assets for which contractual cash flows were adjusted during the period (2022: nil).

### 35.2 Liquidity risk

Liquidity risk arises in the context of the Company's general financing activities and position management. It includes the risk that the Company will not be able to meet its maturing obligations and the risk that it will not be able to finance its assets at given maturity dates and interest rates. It also includes the risk of it not being able to convert its assets into liquid assets within a given time horizon at an adequate price.

The Company monitors the liquidity profile of its financial assets and liabilities and details of other anticipated cash flows arising from expected future projects.

The Company's management is diversifying its sources of funding. This diversification gives the Company flexibility and reduces its dependence on a single source of funding. Liquidity risk is assessed mainly by monitoring changes in the funding structure and comparing these changes with the Company's liquidity risk management strategy. The risk managers then maintain a portfolio of short-term liquid assets consisting of loans and advances and other short-term funds to ensure that sufficient liquidity is maintained within the Company as a whole.

The Company also holds a component of its assets in highly liquid funds as part of its liquidity risk management strategy.

In managing liquidity risk, the Company adopts a conservative and prudent approach to ensure, as far as possible, that it always has sufficient liquidity to meet its due obligations, under both normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The table below provides an analysis of assets and liabilities categorised into their respective groups by contractual maturity based on the remaining period from the date of the financial statements to the contractual maturity date.

(i) Contractual maturities of financial assets and liabilities

31 December 2023

In thousands of CZK	Within 1 year	Over 1 year	Without specification	Total
<b>Financial assets</b>				
Cash and cash equivalents	438,573	—	—	438,573
Financial assets for trading	—	—	6,314	6,314
Investment securities measured at fair value through profit or loss	—	—	119,797	119,797
Investment securities measured at fair value through other comprehensive income	290,918	246,218	44	537,180
Loans and advances to customers	7,650,442	188,042	—	7,838,484
Trade receivables and other financial assets under risk management	76,611	828	—	77,439
<b>Total</b>	<b>8,456,544</b>	<b>435,088</b>	<b>126,155</b>	<b>9,017,787</b>

In thousands of CZK	Within 1 year	Over 1 year	Without specification	Total
<b>Financial liabilities</b>				
Financial liabilities for trading	—	(79,386)	—	(79,386)
Loans from banks	(5,072)	(2,645 575)	—	(2,650 647)
Loans from customers	(226,610)	(13,674 931)	—	(13,901 541)
Other financial liabilities under risk management	(35,924)	(15,173)	(58,843)	(109,940)
<b>Total</b>	<b>(267,606)</b>	<b>(16,415 065)</b>	<b>(58,843)</b>	<b>(16,741 514)</b>

The credit lines available to the Company amounted to CZK 1,549,297 thousand as at 31 December 2023.

31 December 2022

In thousands of CZK	Within 1 year	Over 1 year	Without specification	Total
<b>Financial assets</b>				
Cash and cash equivalents	510,931	—	—	510,931
Financial assets for trading	—	—	4,272	4,272
Investment securities measured at fair value through profit or loss	—	—	78,464	78,464
Investment securities measured at fair value through other comprehensive income	—	—	4,415	4,415
Loans and advances to customers	2,037,122	5,629,045	—	7,666,167
Trade receivables and other financial assets under risk management	93,685	—	—	93,685
<b>Total</b>	<b>2,641,738</b>	<b>5,629,045</b>	<b>87,151</b>	<b>8,357,934</b>

In thousands of CZK	Within 1 year	Over 1 year	Without specification	Total
<b>Financial liabilities</b>				
Financial liabilities for trading	(93,799)	—	—	(93,799)
Loans from banks	(4,987)	(2,580 305)	—	(2,585 292)
Loans from customers	(2,033 303)	(11,786 273)	—	(13,819 576)
Other financial liabilities under risk management	(33,133)	(21,557)	(56,480)	(111,170)
<b>Total</b>	<b>(2,165 222)</b>	<b>(14,388 135)</b>	<b>(56,480)</b>	<b>(16,609 837)</b>

The credit lines available to the Company had a value of CZK 3,212,275 thousand as at 31 December 2022.

(ii) Contractual maturities of financial liabilities including expected interest payments (undiscounted cash flows)

31 December 2023

In thousands of CZK	Carrying amount	Contractual cash flows	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>Financial liabilities other than derivatives</b>						
Loans from banks	2,650,647	(2,971,315)	(50,930)	(140,630)	(2,779,755)	—
Loans from customers	13,901,541	(16,368,805)	—	(1,988,978)	(14,379,827)	—
Other financial liabilities under risk management	109,940	(109,940)	(109,940)	—	—	—
	<b>16,662,128</b>	<b>(19,450,060)</b>	<b>(160,870)</b>	<b>(2,129,608)</b>	<b>(17,159,582)</b>	—
<b>Financial liabilities – derivatives</b>						
Currency contracts						
– outflow	79,386	(79,386)	—	—	(79,386)	—
– inflow	—	—	—	—	—	—
	<b>79,386</b>	<b>(79,386)</b>	—	—	<b>(79,386)</b>	—
<b>Committed/guaranteed amounts*</b>						
Loan commitments	1,673	(356,033)	(356,033)	—	—	—
Financial guarantees	9,952	(13,651,930)	(13,651,930)	—	—	—
	<b>11,625</b>	<b>(14,007,963)</b>	<b>(14,007,963)</b>	—	—	—

\* Committed/guaranteed amounts - credit risk monitoring for loan commitments and financial guarantees is based on the maximum exposure to credit risk.

31 December 2022

In thousands of CZK	Carrying amount	Contractual cash flows	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>Financial liabilities other than derivatives</b>						
Loans from banks	2,585,292	(2,764,560)	(36,431)	(108,395)	(2,619,734)	—
Loans from customers	13,819,576	(15,814,050)	(237,299)	(2,430,038)	(13,146,713)	—
Other financial liabilities under risk management	111,170	(111,170)	(111,170)	—	—	—
	<b>16,516,038</b>	<b>(18,689,780)</b>	<b>(384,900)</b>	<b>(2,538,433)</b>	<b>(15,766,447)</b>	—
<b>Financial liabilities – derivatives</b>						
Currency contracts						
– outflow	93,799	(93,799)	—	(93,799)	—	—
– inflow	—	—	—	—	—	—
	<b>93,799</b>	<b>(93,799)</b>	—	<b>(93,799)</b>	—	—
<b>Committed/guaranteed amounts*</b>						
Loan commitments	78,207	(9,970,257)	(9,970,257)	—	—	—
Financial guarantees	5,680	(13,749,000)	(13,749,000)	—	—	—
	<b>83,887</b>	<b>(23,719,257)</b>	<b>(23,719,257)</b>	—	—	—

\* Committed/guaranteed amounts - credit risk monitoring for loan commitments and financial guarantees is based on the maximum exposure to credit risk.

**Expected liquidity**

Expected cash flows generally represent the expected future cash flows of financial instruments based on contractual terms.

The contractual cash flows are not significantly different from the expected future contractual cash flows of the financial instruments.

**35.3 Market risk**

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk.

The Company uses various methods to manage interest rate risk. The Company continuously uses asset and liability management to manage interest rate risk. When purchasing bonds, the Company's current interest rate position is considered when deciding on fixed or variable rate bonds.

The Company's priorities in managing interest rate risk on liabilities include the following:

- stability of commitments, especially over longer periods of time,
- responding quickly and flexibly to significant changes in interbank interest rates by adjusting interest rates on commitment products,
- ongoing assessment of the level of interest rates offered to customers compared to competitors and the current and expected development of interest rates in the local market,
- managing the structure of liabilities in line with expected money market rates to optimise interest income and minimise interest rate risk.

The table below shows the Company's sensitivity to interest rate risk by the contractual maturity date of the financial instruments or, in the case of instruments with interest rate changes before maturity, by the next refixing date. Assets and liabilities for which no contractual maturity date is specified or which do not bear interest are reported together in the 'Without specification' column.

A summary of the Company's interest gap position by carrying amount is as follows:

31 December 2023

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Without specification	Total
<b>Financial assets</b>						
Cash and cash equivalents	438,573	—	—	—	—	438,573
Financial assets for trading	—	—	—	—	6,314	6,314
Investment securities measured at fair value through profit or loss	—	—	—	—	119,797	119,797
Investment securities measured at fair value through other comprehensive income	37,535	253,383	246,218	—	44	537,180
Loans and advances to customers	7,554	7,642,888	188,042	—	—	7,838,484
Trade receivables and other financial assets under risk management	76,611	—	828	—	—	77,439
	<b>560,273</b>	<b>7,896,271</b>	<b>435,088</b>	<b>—</b>	<b>126,155</b>	<b>9,017,787</b>
<b>Financial liabilities</b>						
Derivatives	—	—	79,386	—	—	79,386
Loans from banks	5,072	—	2,645,575	—	—	2,650,647
Loans from customers	197,085	29,525	13,674,931	—	—	13,901,541
Other financial liabilities under risk management	51,097	—	—	—	58,843	109,940
	<b>253,254</b>	<b>29,525</b>	<b>16,399,892</b>	<b>—</b>	<b>58,843</b>	<b>16,741,514</b>
<b>Net position</b>	<b>307,019</b>	<b>7,866,746</b>	<b>(15,964,804)</b>	<b>—</b>	<b>67,312</b>	<b>(7,723,727)</b>

31 December 2022

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Without specification	Total
<b>Financial assets</b>						
Cash and cash equivalents	510,931	—	—	—	—	510,931
Financial assets for trading	—	—	—	—	4,272	4,272
Investment securities measured at fair value through profit or loss	—	—	—	—	78,464	78,464
Investment securities measured at fair value through other comprehensive income	—	—	—	—	4,415	4,415
Loans and advances to customers	1,648,311	388,811	5,629,045	—	—	7,666,167
Trade receivables and other financial assets under risk management	93,685	—	—	—	—	93,685
	<b>2,252,927</b>	<b>388,811</b>	<b>5,629,045</b>	<b>—</b>	<b>87,151</b>	<b>8,357,934</b>
<b>Financial liabilities</b>						
Derivatives	—	93,799	—	—	—	93,799
Loans from banks	4,987	—	2,580,305	—	—	2,585,292
Loans from customers	219,790	1,813,513	11,786,273	—	—	13,819,576
Other financial liabilities under risk management	25,517	7,616	21,557	—	56,480	111,170
	<b>250,294</b>	<b>1,914,928</b>	<b>14,388,135</b>	<b>—</b>	<b>56,480</b>	<b>16,609,837</b>
<b>Net position</b>	<b>2,002,633</b>	<b>(1,526,117)</b>	<b>(8,759,090)</b>	<b>—</b>	<b>30,671</b>	<b>(8,251,903)</b>



An analysis of the Company's sensitivity to an increase or decrease in market interest rates for the non-trading portfolio, assuming symmetric yield curves and an unchanged financial position, is as follows:

In thousands of CZK	Effect on profit or loss		Effect on other comprehensive income	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
A 100 bps fall in interest rates	274	169	(6)	—
A 100 bps rise in interest rates	(274)	(169)	6	—

In thousands of CZK	Total impact on equity	
	31 December 2023	31 December 2022
A 100 bps fall in interest rates	268	169
A 100 bps rise in interest rates	(268)	(169)

#### (ii) Foreign exchange risk

A decomposition of carrying amounts by currency translated into thousands of CZK is as follows:

31 December 2023

In thousands of CZK	EUR	CZK	USD	Other	Total
<b>Financial assets</b>					
Cash and cash balances with central banks	228,926	209,521	13	113	438,573
Financial assets for trading	—	6,314	—	—	6,314
Investment securities measured at fair value through profit or loss	119,090	707	—	—	119,797
Investment securities measured at fair value through other comprehensive income	328,913	208,267	—	—	537,180
Loans and advances to customers	7,455,096	383,388	—	—	7,838,484
Trade receivables and other financial assets under risk management	42,595	34,015	—	829	77,439
	<b>8,174,620</b>	<b>842,212</b>	<b>13</b>	<b>942</b>	<b>9,017,787</b>
Off-balance-sheet assets	19,649,720	10,464,177	—	533,760	30,647,657
Currency forwards	667,575	—	—	—	667,575
Loan commitments and guarantees	3,543,786	10,464,177	—	—	14,007,963
Other off-balance-sheet assets	4,312,109	—	—	533,760	4,845,869
Interest rate swaps for trading	11,126,250	—	—	—	11,126,250
<b>Financial liabilities</b>					
Derivatives	—	79,386	—	—	79,386
Loans from banks	2,650,647	—	—	—	2,650,647
Loans from customers	1,894,824	12,006,717	—	—	13,901,541
Other financial liabilities under risk management	46,144	63,796	—	—	109,940
	<b>4,591,615</b>	<b>12,149,899</b>	<b>—</b>	<b>—</b>	<b>16,741,514</b>
Off-balance-sheet commitments	12,585,025	755,128	—	—	13,340,153
Currency forwards	—	664,605	—	—	664,605
Loan commitments and guarantees	1,458,775	90,523	—	—	1,549,298
Interest rate swaps for trading	11,126,250	—	—	—	11,126,250
<b>Net position (excluding off-balance-sheet)</b>	<b>3,583,005</b>	<b>(11,307,687)</b>	<b>13</b>	<b>942</b>	<b>(7,723,727)</b>
<b>Net position (including off-balance-sheet items)</b>	<b>10,647,700</b>	<b>(1,598,638)</b>	<b>13</b>	<b>534,702</b>	<b>9,583,777</b>

31 December 2022

In thousands of CZK	EUR	CZK	USD	Other	Total
<b>Financial assets</b>					
Cash and cash balances with central banks	342,402	168,370	17	142	510,931
Financial assets for trading	—	4,272	—	—	4,272
Investment securities measured at fair value through profit or loss	78,464	—	—	—	78,464
Investment securities measured at fair value through other comprehensive income	44	—	—	4,371	4,415
Loans and advances to customers	7,123,397	541,507	—	1,263	7,666,167
Trade receivables and other financial assets under risk management	44,994	28,635	—	20,056	93,685
	<b>7,589,301</b>	<b>742,784</b>	<b>17</b>	<b>25,832</b>	<b>8,357,934</b>
Off-balance-sheet assets	19,151,868	15,954,053	—	489,872	35,595,793
Currency forwards	6,511,050	1,003,680	—	—	7,514,730
Loan commitments and guarantees	8,768,884	14,950,373	—	—	23,719,257
Other off-balance-sheet assets	3,871,934	—	—	489,872	4,361,806
<b>Financial liabilities</b>					
Derivatives	—	93,799	—	—	93,799
Loans from banks	2,585,292	—	—	—	2,585,292
Loans from customers	4,938,042	8,881,534	—	—	13,819,576
Other financial liabilities under risk management	93,665	17,435	—	70	111,170
	<b>7,616,999</b>	<b>8,992,768</b>	<b>—</b>	<b>70</b>	<b>16,609,837</b>
Off-balance-sheet commitments	4,110,467	6,829,623	—	—	10,940,090
Currency forwards	988,715	6,739,100	—	—	7,727,815
Loan commitments and guarantees	3,121,752	90,523	—	—	3,212,275
<b>Net position (excluding off-balance-sheet)</b>	<b>(27,698)</b>	<b>(8,249,984)</b>	<b>17</b>	<b>25,762</b>	<b>(8,251,903)</b>
<b>Net position (including off-balance-sheet items)</b>	<b>15,013,703</b>	<b>874,446</b>	<b>17</b>	<b>515,634</b>	<b>16,403,800</b>

An analysis of the Company's sensitivity to increases or decreases in foreign exchange rates is presented in the following table.

A 1% strengthening in foreign currencies would have the following effect on profit or loss or other comprehensive income:

In thousands of CZK	Effect on profit or loss		Effect on other comprehensive income	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
EUR	32,541	(277)	3,289	—

### (iii) Equity price risk

Equity price risk relates to listed financial instruments held by the Company, and consists of the risk of changes in market participants' perception of the expected financial performance of the investments concerned. The risk of changes in share prices is principally managed through diversification of the investment portfolio of equity securities held as investment securities at fair value through other comprehensive income or profit or loss.

In thousands of CZK	Effect on profit or loss		Effect on other comprehensive income	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Level 1 – quoted market prices	—	—	—	—
Level 2 – derived from quoted prices	1,111	785	—	—
Level 3 – calculated using measurement techniques	87	—	1	44
<b>Total</b>	<b>1,198</b>	<b>785</b>	<b>1</b>	<b>44</b>

In thousands of CZK	Total impact on equity	
	31 December 2023	31 December 2022
Level 1 – quoted market prices	–	–
Level 2 – derived from quoted prices	1,111	785
Level 3 – calculated using measurement techniques	88	44
<b>Total</b>	<b>1,199</b>	<b>829</b>

### 35.4 Operational risk

Operational risk is the risk of loss arising from fraud, unauthorised activities, error, omission, inefficiency or system failure. It arises from all the Company's activities and is a risk faced by all business organisations. Operational risk includes legal risk.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and avoid control procedures that would restrict initiative and creativity.

This responsibility is supported by the development of overall standards within the Company for the management of operational risk which is done by the Risk Management Department and which cover the following areas:

- Transaction reconciliation and monitoring requirements.
- Identification of operational risk within the control system and development of conditions for mitigating and limiting operational risk (while ensuring the required level of activities), as well as its impacts and consequences; recommendations for appropriate solutions in this area.
- Reporting operational risk events by entering the relevant information into the Company's operational risk event database.
- This review of events enables the Company to determine the direction of steps and procedures to be taken to mitigate these risks, as well as to make decisions with respect to:
  - the acceptance of the individual risks that will occur;
  - the initiation of a process leading to the reduction of potential impacts; or
  - a reduction in the scope of the activity concerned or its complete cessation.

## 36. RELATED PARTIES

### Definition of related parties

The Company has or has had relationships with related parties as set out in the table below as at or during the years ended 31 December 2023 and 2022:

- (1) ultimate shareholders and companies they control;
- (2) companies with joint controlling influence or control over the Company and their subsidiaries or associates;
- (3) subsidiaries;
- (4) associates;
- (5) joint ventures in which the Company is a venturer;
- (6) key management personnel of the Company (Board of Directors).

The term "ultimate shareholders and companies they control" includes the following: Jakabovič Ivan, Tkáč Jozef, Jet One Legacy Limited, LEONARDO III MARINE LIMITED, LEONARDO III YACHT LIMITED, MARLEK LIMITED, SCP Neklere, SCP Tappaj, SERTENA INVESTMENT LIMITED. None of these companies publish consolidated financial statements that include the Company.

An overview of related party transactions during 2023 and 2022 is as follows:

In thousands of CZK	31 December 2023 Receivables	31 December 2023 Liabilities	31 December 2022 Receivables	31 December 2022 Liabilities
Ultimate shareholders and companies they control;	—	38,903	—	37,869
Subsidiaries	7,604,684	14,037,081	6,282,037	15,159,998
Key management personnel of the entity or its parent and companies they control or jointly control	81,379	44	69,592	171
<b>Total</b>	<b>7,686,063</b>	<b>14,076,028</b>	<b>6,351,629</b>	<b>15,198,038</b>

An overview of related party transactions during 2023 and 2022 is as follows:

In thousands of CZK	2023 Income	2023 Expenses	2022 Income	2022 Expenses
Ultimate shareholders and companies they control;	—	4	—	—
Subsidiaries	3,880,050	2,954,408	4,205,081	1,014,908
Key management personnel of the entity or its parent and companies they control or jointly control	4,441	53	4,561	6,535
<b>Total</b>	<b>3,884,491</b>	<b>2,954,465</b>	<b>4,209,642</b>	<b>1,021,443</b>

An overview of guarantees given to and received from related parties is as follows:

In thousands of CZK	31 December 2023 Guarantees received	31 December 2023 Guarantees provided	31 December 2022 Guarantees received	31 December 2022 Guarantees provided
Other key employees of the entity and group companies	—	12,819,950	—	12,065,822
<b>Total</b>	<b>—</b>	<b>12,819,950</b>	<b>—</b>	<b>12,065,822</b>

The amount of guarantees received is mainly a guarantee that the subsidiaries (bond issuers) will meet their obligations to creditors.

A summary of loan commitments with related parties at year-end is as follows:

In thousands of CZK	31 December 2023 Loan commitments received	31 December 2023 Loan commitments provided	31 December 2022 Loan commitments received	31 December 2022 Loan commitments provided
Other key employees of the entity and group companies	1,549,297	327,997	3,212,275	9,970,257
<b>Total</b>	<b>1,549,297</b>	<b>327,997</b>	<b>3,212,275</b>	<b>9,970,257</b>

### Transactions with directors and key management

Total remuneration included in personnel expenses and loans to directors and key management is as follows:

In thousands of CZK	31 December 2023	31 December 2022
Remuneration	2,488	2,371
Loans	—	—

Of the total loans to directors and key management, new loans of CZK 0 were provided in 2023 (2022: CZK 0). Other than the above, the Company's key management did not receive any other remuneration in the form of short-term benefits, post-employment benefits, other long-term employee benefits, early termination benefits, or share-based payments.

### 37. SUBSEQUENT EVENTS

#### Changes in the Supervisory Board

On 1 January 2024, Mr Marc Derydt became a member of the Supervisory Board of J&T FINANCE GROUP SE.

Other than the foregoing, there are no known subsequent events that would have an impact on the separate financial statements as at 31 December 2023.

### 38. GROUP ENTITIES

The list of Group entities as at 31 December 2023 and 2022 is set out below:

Company name	Company registered office	December 2023			December 2022		
		Ownership %	Ownership interest	Consolidation method	Ownership %	Ownership interest	Consolidation method
J&T FINANCE GROUP SE	Czech Republic		parent		parent		
J&T BANKA, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
ATLANTIK finanční trhy, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T INVESTIČNÍ SPOLEČNOST, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Fond Fondů NLS SICAV, a.s.	Czech Republic	100.00	direct	full	—	—	—
Naše ČESKO otevřený podílový fond	Czech Republic	63.54	direct	full	—	—	—
J&T ORBIT SICAV, a.s. <sup>10</sup>	Czech Republic	4.70	direct	full	100.00	direct	full
J&T Realitních akcií a dluhopisů otevřený podílový fond	Czech Republic	43.56	direct	full	—	—	—
J&T IB and Capital Markets, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Fondee a.s.	Slovakia	11.00	direct	equity	11.00	direct	equity
XT-Card a.s.	Czech Republic	—	—	—	32.00	direct	equity
J&T SME Finance s.r.o.	Slovakia	100.00	direct	full	100.00	direct	full
FVE Holding, s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Čejkovice s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Napajedla s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Němčice s.r.o.	Czech Republic	—	—	—	100.00	direct	full
FVE Slušovice s.r.o.	Czech Republic	—	—	—	100.00	direct	full
J&T Recycle, s.r.o.	Czech Republic	—	—	—	100.00	direct	full
J&T RFI I., s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T Bank, a.o. (J&T Bank ZAO) <sup>1</sup>	Russia	—	—	—	100.00	direct	full
Leasing-Medicine Ltd	Russia	—	—	—	100.00	direct	full
TERCES MANAGEMENT LIMITED <sup>2</sup>	Cyprus	—	—	—	100.00	direct	full
Interznanie OAO <sup>3</sup>	Russia	—	—	—	100.00	direct	full
J&T Banka d.d. (VABA d.d. banka Varaždin)	Croatia	100.00	direct	full	100.00	direct	full
J&T Leasingová společnost, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Rentalit s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
ALTERNATIVE UPRAVLJANJE d.o.o.	Croatia	—	—	—	100.00	direct	full
J&T VENTURES I otevřený podílový fond <sup>4</sup>	Czech Republic	94.05	direct	full	100.00	direct	full
Rustonka Development II s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
JTFG FUND I SICAV, a.s. <sup>5</sup>	Czech Republic	60.54	direct	full	60.54	direct	full
J&T INVESTIČNÁ SPOLEČNOSTĚ, správ. spol., a.s.	Slovakia	100.00	direct	full	100.00	direct	full
J&T ORBIT SICAV, a.s. <sup>10</sup>	Czech Republic	92.33	direct	full	100.00	direct	full
AMISTA investiční společnost, a.s.	Czech Republic	80.00	direct	full	80.00	direct	full
AMISTA consulting, s.r.o.	Czech Republic	80.00	direct	full	80.00	direct	full
J&T INTEGRIS GROUP LIMITED	Cyprus	100.00	direct	full	100.00	direct	full

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Company name	Company registered office	December 2023			December 2022		
		Ownership %	Ownership interest	Consolidation method	Ownership %	Ownership interest	Consolidation method
Bayshore Merchant Services Inc.	British Virgin Islands	100.00	direct	full	100.00	direct	full
J&T Trust Inc.	Barbados	100.00	direct	full	100.00	direct	full
J&T MINORITIES PORTFOLIO LIMITED	Cyprus	100.00	direct	full	100.00	direct	full
Equity Holding, a.s.	Czech Republic	62.64	direct	full	62.64	direct	full
Red Stone Now s.r.o.	Czech Republic	17.21	direct	equity	—	—	—
Butcher313, s.r.o.	Czech Republic	30.00	direct	equity	30.00	direct	equity
J&T Finance, LLC	Russia	99.9	direct	full	99.90	direct	full
Hotel Kadashevskaya, LLC	Russia	100.00	direct	full	99.90	direct	full
Colorizo Investment, a.s.	Czech Republic	52.63	direct	full	52.63	direct	full
OAMP Distribution s.r.o.	Czech Republic	50.00	direct	equity	50.00	direct	equity
OAMP Infrastructure s.r.o.	Czech Republic	50.00	direct	equity	50.00	direct	equity
OAMP Holding s.r.o.	Czech Republic	50.00	direct	equity	50.00	direct	equity
OAMP Hall 5 s.r.o.	Czech Republic	100.00	direct	equity	50.00	direct	equity
OAMP Hall 6 s.r.o.	Czech Republic	100.00	direct	equity	50.00	direct	equity
CI Joint Venture s.r.o.	Czech Republic	50.00	direct	equity	50.00	direct	equity
Industrual Center CR 11 s.r.o.	Czech Republic	75.00	direct	equity	75.00	direct	equity
J&T Global Finance VIII., s.r.o, in liquidation	Czech Republic	—	—	—	100.00	direct	full
J&T Global Finance IX., s.r.o	Slovakia	100.00	direct	full	100.00	direct	full
J&T Global Finance X., s.r.o	Czech Republic	100.00	direct	full	100.00	direct	full
J&T Global Finance XI., s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T Global Finance XII., s.r.o.	Slovakia	100.00	direct	full	100.00	direct	full
J&T Global Finance XIII., s.r.o (J&T Credit Participation, s.r.o.) <sup>5</sup>	Czech Republic	100.00	direct	full	100.00	direct	full
J&T SERVICES ČR, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T SERVICES SR, s.r.o.	Slovakia	100.00	direct	full	100.00	direct	full
365.bank, a.s. (Poštová banka, a.s.)	Slovakia	98.46	direct	full	98.46	direct	full
365.invest, správ. spol., a. s. (PRVÁ PENZIJNÁ SPRÁVCOVSKÁ SPOLOČNOSŤ POŠTOVEJ BANKY, správ. spol., a. s.)	Slovakia	100.00	direct	full	98.46	direct	full
PB Servis, a.s. (POBA Servis, a. s.)	Slovakia	100.00	direct	full	98.46	direct	full
PB Finančné služby, a.s.	Slovakia	100.00	direct	full	98.46	direct	full
SKPAY, a. s. (SPPS, a. s.)	Slovakia	40.00	direct	equity	39.38	direct	equity
365.fintech, a.s.	Slovakia	100.00	direct	full	98.46	direct	full
ART FOND – Stredoeurópsky fond súčasného umenia, a.s.	Slovakia	100.00	direct	full	100.00	direct	full
Ahoj, a.s. (Amico Finance, a.s.)	Slovakia	100.00	direct	full	98.46	direct	full
Cards&Co, a. s.	Slovakia	100.00	direct	full	98.46	direct	full
DanubePay, a. s.	Slovakia	100.00	direct	full	98.46	direct	full
EpoPay, s.r.o.	Slovakia	50.00	direct	full	—	—	—
J&T NOVA Hotels SICAV, a.s. <sup>6</sup>	Czech Republic	48.35	direct	full	99.20	direct	full
DIAMOND HOTELS SLOVAKIA, s.r.o.	Slovakia	100.00	direct	full	99.20	direct	full
BHP Tatry, s.r.o.	Slovakia	100.00	direct	full	99.20	direct	full
Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. <sup>7</sup>	Czech Republic	46.51	direct	full	99.17	direct	full
FORESPO SOLISKO a.s.	Slovakia	100.00	direct	full	99.17	direct	full
FORESPO HELIOS 1 a.s.	Slovakia	100.00	direct	full	99.17	direct	full
FORESPO HELIOS 2 a.s.	Slovakia	100.00	direct	full	99.17	direct	full
FORESPO HOREC a SASANKA a.s.	Slovakia	100.00	direct	full	99.17	direct	full

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Company name	Company registered office	December 2023			December 2022		
		Ownership %	Ownership interest	Consolidation method	Ownership %	Ownership interest	Consolidation method
FORESPO PÁLENICA a.s.	Slovakia	100.00	direct	full	99.17	direct	full
INVEST-GROUND a.s.	Slovakia	100.00	direct	full	99.17	direct	full
FORESPO-RENTAL 1 a.s.	Slovakia	100.00	direct	full	99.17	direct	full
FORESPO-RENTAL 2 a.s.	Slovakia	100.00	direct	full	99.17	direct	full
OSCAR GROUP s.r.o.	Slovakia	100.00	direct	full	—	—	—
FORESPO BDS a.s.	Czech Republic	100.00	direct	full	99.17	direct	full
DEVEL PASSAGE s.r.o.	Slovakia	100.00	direct	full	99.17	direct	full
FORESPO DUNAJ 6 a.s.	Slovakia	100.00	direct	full	99.17	direct	full
RDF International, spol. s r.o.	Slovakia	100.00	direct	full	99.17	direct	full
OSTRAVICE HOTEL a.s.	Czech Republic	50.00	direct	equity	50.00	direct	equity
Hotel SASANKA s.r.o.	Slovakia	100.00	direct	full	—	—	—
J&T Wine Holding SE	Czech Republic	100.00	direct	full	100.00	direct	full
Wine Resort Pouzdřany, s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
OUTSIDER LIMITED	Cyprus	—	—	—	100.00	direct	full
CHATEAU TEYSSIER (SOCIETE CIVILE)	France	80.00	direct	full	80.00	direct	full
JCP MALTUS DOMAINES & CHATEAUX (CT Domaines)	France	100.00	direct	full	80.00	direct	full
World's End	United States	100.00	direct	full	—	—	—
SAXONWOLD LIMITED	Ireland	80.00	direct	full	80.00	direct	full
World's End	United States	—	—	—	100.00	direct	full
KOLBY a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
Reisten, s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T Mezzanine, a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
URE HOLDING LIMITED	Cyprus	45.00	direct	equity	45.00	direct	equity
JTH Vision, s. r. o.	Czech Republic	50.00	direct	equity	50.00	direct	equity
JTH Letňany s.r.o.	Czech Republic	50.00	direct	equity	50.00	direct	equity
J&T Global Finance XIV., s.r.o.	Slovakia	100.00	direct	full	100.00	direct	full
J&T Global Finance XV., s.r.o. (J&T RFI III., s.r.o.) <sup>8</sup>	Czech Republic	100.00	direct	full	100.00	direct	full
J&T RFI IV., a.s.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T RFI V., s.r.o.	Czech Republic	100.00	direct	full	100.00	direct	full
J&T AGRICULTURE SICAV a.s.	Czech Republic	—	—	—	100.00	direct	full

The structure of the Group as set out above is arranged according to the ownership of companies at different levels within the Group.

<sup>1</sup> In 2022, the Group owned a 99.954% interest in J&T Bank, a.o. through its subsidiary J&T BANKA, a.s., and another 0.055% interest through J&T FINANCE GROUP SE.

<sup>2</sup> In 2022, the Group owned a 99% interest in TERCES MANAGEMENT LIMITED through its subsidiary J&T BANKA, a.s., and another 1% interest through its subsidiary J&T Finance, LLC.

<sup>3</sup> In 2022, the Group owned a 50% interest in Interznanie OAO through its subsidiary TERCES MANAGEMENT LIMITED, and another 50% interest through its subsidiary J&T Bank, a.o.

<sup>4</sup> The Group owns a 94.05% interest in J&T VENTURES I open-end mutual fund through its subsidiary J&T BANKA, a.s., and another 5.95% interest through its subsidiary J&T IB and Capital Markets, a.s.

<sup>5</sup> J&T Credit Participation, s.r.o. was renamed J&T Global Finance XIII., s.r.o.

<sup>6</sup> The Group owns a 48.35% interest in J&T NOVA Hotels SICAV, a.s. through J&T BANKA, a.s., and another 50.85% interest through its subsidiary 365.bank, a.s. (Poštová banka, a.s.).

<sup>7</sup> The Group owns a 46.51% interest in Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. through J&T BANKA, a.s., and another 52.66% interest through its subsidiary 365.bank, a.s. (Poštová banka, a.s.).

<sup>8</sup> In 2023, J&T RFI III., s.r.o. was renamed J&T Global Finance XV., s.r.o.

<sup>9</sup> The Group owns 60.54% of the investment shares and 100% of the founders shares of the fund. Investment shares (39.46%) held by third parties are recognised as liabilities, as investment shares do not meet the classification of an equity instrument.

<sup>10</sup> The Group owns 92.33% of the investment shares through its subsidiary J&T BANKA, a.s., and another 4.7% of the investment shares through its subsidiary Naše ČESKO otevřený podílový fond. The Group owns 100% of the founders shares of the fund through its subsidiary J&T BANKA, a.s. Investment shares (2.97%) held by third parties are recognised as liabilities, as investment shares do not meet the classification of an equity instrument.









2.273  
billion EUR

THE GROUP'S  
EQUITY

# REPORT ON RELATIONS

REPORT ON RELATIONS between a controlling person and controlled entity and on relations between other entities controlled by the same controlling person for the 2023 accounting period for the company J&T FINANCE GROUP SE prepared pursuant to Section 82 of Act No 90/2012 Coll., on commercial companies and cooperatives (BCA).

This report was prepared by the Board of Directors of J&T FINANCE GROUP SE, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Company ID No: 275 92 502, registered in the Commercial Register maintained by the Municipal Court in Prague, section H, inset 1317 (hereinafter the "Company"), on the basis of available information. Period covered by the report: from 1 January 2023 to 31 December 2023 (hereinafter the "2023 Accounting Period").

## I. The structure of relations between a controlling person and controlled entity and between a controlled entity and entities controlled by the same controlling person, the role of the Company in this, the method and means of control.

1.1 The Board of Directors of the Company is aware that in the period from 1 January 2023 to 31 December 2023, the Company was directly controlled by the following persons:

### Ing. Ivan Jakabovič,

residing at 32 rue COMTE FELIX GASTALDI, 98000 Monaco, Principality of Monaco, who controls together with Ing. Jozef Tkáč (see below), the company J&T FINANCE GROUP SE (hereinafter "Ing. Ivan Jakabovič" or also a "Controlling Person")

### Ing. Jozef Tkáč,

residing at Júlová 10941/32, 831 01 Bratislava - Nové Mesto, Slovak Republic, who controls together with Ing. Ivan Jakabovič (see above), the company J&T FINANCE GROUP SE (hereinafter "Ing. Jozef Tkáč" or also a "Controlling Person")

1.2 The Board of Directors of the Company is aware that the Company was part of the following structure in the 2023 Accounting Period:

### J&T FINANCE GROUP SE controls the following persons:

#### J&T BANKA, a.s.

Business ID number: 471 15 378, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

### Furthermore, this company controls:

- AMISTA investiční společnost, a.s.  
Business ID number: 274 37 558, registered office Pobřežní 620/3, 186 00 Prague 8, Czech Republic  
J&T BANKA, a.s. holds an 80% interest in this company
- AMISTA consulting, s.r.o.  
Business ID number: 175 90 345, registered office Pobřežní 620/3, 186 00 Prague 8, Czech Republic  
J&T BANKA, a.s. holds an 80% interest in this company
- ATLANTIK finanční trhy, a.s.  
Business ID number: 262 18 062, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic
- Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s.  
Business ID number: 034 51 488, registered office Na příkopě 393/11, Staré Město, 110 00 Prague 1, Czech Republic  
J&T FINANCE GROUP SE holds 100% of the founders shares of the investment fund. The Company also holds 46.51% of the investment shares indirectly through J&T BANKA, a.s. and another 53.49% of the investment shares through 365.bank, a.s.

### Furthermore, this company controls:

- Devel Passage s. r. o.  
Business ID number: 43 853 765, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO BDS a.s.  
Business ID number: 272 09 938, registered office Janáčkovo nábřeží 478/39, Smíchov, 150 00 Prague 5, Czech Republic

- FORESPO DUNAJ 6 a. s.  
Business ID number: 47 235 608, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO HELIOS 1 a. s.  
Business ID number: 47 234 032, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO HELIOS 2 a. s.  
Business ID number: 47 234 024, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO HOREC A SASANKA a. s.  
Business ID number: 47 232 994, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO PÁLENICA a. s.  
Business ID number: 47 232 978, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO – RENTAL 1 a.s.  
Business ID number: 36 782 653, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- FORESPO – RENTAL 2 a. s.  
Business ID number: 36 781 487, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic

**Furthermore, this company controls:**

- OSCAR GROUP s.r.o.  
Business ID number: 50 333 160, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic (since 11 December 2023)
- FORESPO SOLISKO a. s.  
Business ID number: 47 232 935, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- Hotel SASANKA, s.r.o.  
Business ID number: 36 834 092, registered office Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic (since 07 December 2023)
- INVEST-GROUND a. s.  
Business ID number: 36 858 137, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- OSTRAVICE HOTEL, a.s.  
Business ID number: 275 74 911, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. holds a 50% interest in this company
- RDF International, spol. s r.o.  
Business ID number: 31 375 898, registered office Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic
- J&T banka d.d.  
Business ID number: 0675539, registered office Međimurska ulica 28, 42000, Varaždin, Republic of Croatia
- J&T IB and Capital Markets, a.s.  
Business ID number: 247 66 259, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**Furthermore, this company controls:**

- J&T SME Finance s.r.o.  
Business ID number: 107 30 834, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic
- J&T INVESTIČNÍ SPOLEČNOST, a.s.  
Business ID number: 476 72 684, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

- J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s.  
Business ID number: 538 59 222, registered office Dvořákovo nábrežie 8, 811 02 Bratislava - Staré Mesto, Slovak Republic
- J&T ORBIT SICAV, a.s.  
Business ID number: 141 51 898, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
J&T BANKA, a.s. holds a 92.33% interest in this company. Naše ČESKO open-end mutual fund holds a further 4.7% interest.
- J&T Leasingová spoločnosť, a.s.  
Business ID number: 284 27 980, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**Furthermore, this company controls:**

- Rentalit s.r.o.  
Business ID number: 088 06 594, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic
- J&T NOVA Hotels SICAV, a.s.  
Business ID number: 096 41 173, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic,  
J&T FINANCE GROUP SE holds 100% of the founders shares of the investment fund. The Company also holds 48.35% of the investment shares indirectly through J&T BANKA, a.s. and another 51.65% of the investment shares through 365.bank, a.s.

**Furthermore, this company controls:**

- BHP Tatry s. r. o.  
Business ID number: 45 948 879, registered office Dvořákovo nábrežie 6, 811 02 Bratislava, Slovak Republic
- DIAMOND HOTELS SLOVAKIA, s.r.o.  
Business ID number: 35 838 833, registered office Hodžovo nám. 2, 816 25 Bratislava, Slovak Republic
- J&T RFI I., s.r.o.  
Business ID number: 171 64 028, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic
- Rustonka Development II s.r.o.  
Business ID number: 055 85 571, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic
- JTFG FUND I SICAV, a.s.  
Business ID number: 099 03 089, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
J&T BANKA, a.s. holds a 60.54% interest in this company
- J&T VENTURES I otevířený podílový fond (dříve J&T VENTURES I uzavřený podílový fond)  
Business ID number: 715 08 121, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
J&T FINANCE GROUP SE holds 100% of the fund's units. The Company holds 94.05% of its units indirectly through J&T BANKA, a.s. and another 5.95% of its units through J&T IB and Capital Markets, a.s.
- J&T BANKA, a.s., pobočka zahraničnej banky  
Business ID number: 359 64 693, registered office Dvořákovo nábrežie 8 , 811 02 Bratislava, Slovak Republic
- J&T BANKA, a.s., Zweigniederlassung Deutschland  
Business ID number: HRB 128706, Franklinstraße 56, 60486 Frankfurt am Main, Federal Republic of Germany
- Fond Fondů NLS SICAV, a.s.  
Business ID number: 192 32 721, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
J&T FINANCE GROUP SE holds 89% of the founders shares of the fund. The Company also holds 11% of the founders shares indirectly through J&T BANKA, a.s. J&T FINANCE GROUP SE holds 99.84% of the investment shares of the fund. The Company also holds 0.16% of the investment shares indirectly through J&T INVESTIČNÍ SPOLEČNOST, a.s.

**Furthermore, this company controls:**

- Naše ČESKO otevřený podílový fond

Business ID number: 751 64 086, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
Fund of Funds NLS SICAV, a.s. holds 63.54% of the units of the fund.

J&T Bank (Schweiz) AG in Liquidation (formerly J&T Bank Switzerland Ltd. in liquidation)

Business ID number: CH02030069721, registered office Talacker 50, 12th floor, P.C. 8001 Zurich, Swiss Confederation

J&T Global Finance XV., s.r.o. (formerly J&T RFI III., s.r.o.)

Business ID number: 175 91 287, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

J&T Global Finance XIV., s.r.o.

Business ID number: 54 627 753, registered office Dvořákovo nábřeží 8, 811 02 Bratislava, Slovak Republic

J&T INTEGRIS GROUP LIMITED

Business ID number: HE 207436, registered office 41-43 Klimentos Street, KLIMENTOS TOWER, 2nd Floor, Office 24B, P.C. 1061, Nicosia, P.C. 1061, Nicosia, Republic of Cyprus

**Furthermore, this company controls:**

- Bayshore Merchant Services Inc.

Business ID number: 01005740, registered office TMF Place, Road Town, Tortola, British Virgin Islands

**Furthermore, this company controls:**

- J&T Trust Inc.

Business ID number: 00011908, registered office Lauriston House, Lower Collymore Rock, St. Michael, Barbados

- J&T Global Finance IX., s.r.o.

Business ID number: 51 836 301, registered office Dvořákovo nábřeží 8, 811 02 Bratislava, Slovak Republic

- J&T Global Finance X., s.r.o.

Business ID number: 074 02 520, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

- J&T Global Finance XI., s.r.o.

Business ID number: 099 20 021, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

- J&T Global Finance XII., s.r.o.

Business ID number: 53 546 229, registered office Dvořákovo nábřeží 8, 811 02 Bratislava, Slovak Republic

- J&T Global Finance XIII., s.r.o. (formerly J&T Credit Participation s.r.o.)

Business ID number: 099 19 821, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

- J&T administrative services (Barbados) limited (formerly J&T Funds Inc.)

Business ID number: 0000100415, registered office Radley Court, Upper Collymore Rock, St. Michael, Barbados

- J&T MINORITIES PORTFOLIO LIMITED

Business ID number: HE 260754, registered office 41-43 Klimentos Street, KLIMENTOS TOWER, 2nd Floor, Office 24B, P.C. 1061, Nicosia, Republic of Cyprus

**Furthermore, this company controls:**

- Colorizo Investment, a.s.

Business ID number: 079 01 241, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
J&T MINORITIES PORTFOLIO LIMITED holds 52.63% of the share capital and 100% of the voting rights in this company.

**Furthermore, this company controls:**

- **CI Joint Venture s.r.o.**  
Business ID number: 078 99 327, registered office 28. října 3346/91, Moravská Ostrava, 702 00 Ostrava, Czech Republic  
Colorizo Investment, a.s. holds a 50% interest in this company
- **Industrial Center CR 11 s.r.o.**  
Business ID number: 096 37 681, registered office V celnici 1034/6, Nové Město, 110 00 Prague 1, Czech Republic  
Colorizo Investment, a.s. holds a 75% interest in this company
- **OAMP Distribution s.r.o.**  
Business ID number: 093 81 333, registered office 28. října 3346/91, Moravská Ostrava, 702 00 Ostrava, Czech Republic  
Colorizo Investment, a.s. holds a 50% interest in this company
- **OAMP Infrastructure s.r.o.**  
Business ID number: 093 81 325, registered office 28. října 3346/91, Moravská Ostrava, 702 00 Ostrava, Czech Republic  
Colorizo Investment, a.s. holds a 50% interest in this company
- **OAMP Holding s.r.o.**  
Business ID number: 093 81 341, registered office 28. října 3346/91, Moravská Ostrava, 702 00 Ostrava, Czech Republic  
Colorizo Investment, a.s. holds a 50% interest in this company

**Furthermore, this company controls:**

- **OAMP Hall 5 s.r.o.**  
Business ID number: 078 99 726, registered office 28. října 3346/91, Moravská Ostrava, 702 00 Ostrava, Czech Republic
- **OAMP Hall 6 s.r.o.**  
Business ID number: 078 99 751, registered office 28. října 3346/91, Moravská Ostrava, 702 00 Ostrava, Czech Republic
- **Equity Holding, a.s.**  
Business ID number: 100 05 005, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
J&T MINORITIES PORTFOLIO LIMITED has a 62.64% interest in this company
- **J&T FINANCE, LLC**  
Business ID number: 1067746577326, registered office Kadashevskaya embankment, 26, Moscow, Russian Federation  
J&T MINORITIES PORTFOLIO LIMITED has a 99.9% interest in this company

**Furthermore, this company controls:**

- **J&T Real Estate Vostok, LLC**  
Business ID number: 1077762703809, registered office Kadashevskaya Nabereznaya 26, 115035 Moscow, Russian Federation
- **Hotel Kadashevskaya, LLC**  
Business ID number: 1087746708642, registered office Kadashevskaya Nabereznaya 26, 115035 Moscow, Russian Federation

**J&T Mezzanine, a.s.**

Business ID number: 066 05 991, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**J&T RFI IV., a.s.**

Business ID number: 178 43 791, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**J&T RFI V., s.r.o.;**

Business ID number: 172 59 380, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic



**J&T SERVICES ČR, a.s.**

Business ID number: 281 68 305, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**Furthermore, this company controls:**– **J&T SERVICES SR, s.r.o.**

Business ID number: 46 293 329, registered office Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic

**J&T Wine Holding SE**

Business ID number: 063 77 149, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**Furthermore, this company controls:**– **KOLBY, a.s.**

Business ID number: 255 12 919, registered office Česká 51, 691 26 Pouzdřany, Czech Republic

– **SOCIETE CIVILE D'EXPLOITATION AGRICOLE DU CHATEAU TEYSSIER**

Business ID number: 316 809 391, registered office Château Teyssier, Vignonet, 33330, Saint Emilion, France

J&T Wine Holding SE holds an 80% interest in this company

**Furthermore, this company controls:**◦ **JCP MALTUS DOMAINES & CHATEAUX (CT Domaines SARL)**

Business ID number: 507 402 386, registered office Château Teyssier, Vignonet, 33330, Saint Emilion, France

◦ **WORLD ´S END LLC**

Business ID number: 200807010154, registered office 905 Jefferson Street, Napa CA, 94581, United States of America

– **Reisten, s.r.o.**

Business ID number: 255 33 924, registered office Zahradní 288, 692 01 Pavlov, Czech Republic

– **SAXONWOLD LIMITED**

Business ID number: 508611, registered office 2 Aurburn Villas Carrickbrennan Road Monkstown Co. Dublin, A94HX03, Ireland. J&T Wine Holding SE holds an 80% interest in this company.

– **Wine Resort Pouzdřany, s.r.o.**

Business ID number: 099 88 891, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic

**365.bank, a. s. (Poštová banka, a.s.)**

Business ID number: 31 340 890, registered office Dvořákovo nábrežie 4, 811 02 Bratislava, Slovak Republic

J&T FINANCE GROUP SE has a 98.46% interest in this company

**Furthermore, this company controls:**– **Ahoj, a.s. (Amico Finance, a.s.)**

Business ID number: 48 113 671, registered office Dvořákovo nábrežie 4, 811 02 Bratislava, Slovak Republic

– **ART FOND – Stredoeurópsky fond súčasného umenia, a.s.**

Business ID number: 47 979 160, registered office Dvořákovo nábrežie 4, 811 02 Bratislava - Staré Mesto, Slovak Republic

– **Cards&Co, a. s.**

Business ID number: 51 960 761, registered office Dvořákovo nábrežie 4, 811 02 Bratislava - Staré Mesto, Slovak Republic

**Furthermore, this company controls:**

- [DanubePay, a.s.](#)  
Business ID number: 46 775 111, registered office Miletičova 21, 821 08 Bratislava, Slovak Republic  
Furthermore, this company controls:
  - [EpoPay, s.r.o.](#)  
Business ID number: 54 522 323, registered office Miletičova 21, 821 08 Bratislava, Slovak Republic  
DanubePay, a.s. has a 50% interest in this company (since 01 April 2022)
- [Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s.](#)  
Business ID number: 034 51 488, registered office Na příkopě 393/11, Staré Město, 110 00 Prague 1, Czech Republic,  
J&T FINANCE GROUP SE holds 100% of the founders shares of the investment fund. The Company also holds 46.51% of the investment shares indirectly through J&T BANKA, a.s. and another 53.49% of the investment shares through 365.bank, a.s.

**Furthermore, this company controls:**

- [Devel Passage s. r. o.](#)  
Business ID number: 43 853 765, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO BDS a.s.](#)  
Business ID number: 272 09 938, registered office Janáčkovo nábřeží 478/39, Smíchov, 150 00 Prague 5, Czech Republic
- [FORESPO DUNAJ 6 a. s.](#)  
Business ID number: 47 235 608, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO HELIOS 1 a. s.](#)  
Business ID number: 47 234 032, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO HELIOS 2 a. s.](#)  
Business ID number: 47 234 024, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO HOREC A SASANKA a. s.](#)  
Business ID number: 47 232 994, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO PÁLENICA a. s.](#)  
Business ID number: 47 232 978, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO - RENTAL 1 a.s.](#)  
Business ID number: 36 782 653, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [FORESPO - RENTAL 2 a. s.](#)  
Business ID number: 36 781 487, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic

**Furthermore, this company controls:**

- [OSCAR GROUP s.r.o.](#)  
Business ID number: 50 333 160, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic (since 11 December 2023)
- [FORESPO SOLISKO a. s.](#)  
Business ID number: 47 232 935, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- [Hotel SASANKA, s.r.o.](#)  
Business ID number: 36 834 092, registered office Dvořákovo nábřeží 8, 811 02 Bratislava, Slovak Republic (since 07 December 2023)



- **INVEST-GROUND a. s.**  
Business ID number: 36 858 137, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- **OSTRAVICE HOTEL, a.s.**  
Business ID number: 275 74 911, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic  
Compact Property Fund, investiční fond s proměnným základním kapitálem, a.s. holds a 50% interest in this company
- **RDF International, spol. s.r.o.**  
Business ID number: 31 375 898, registered office Dvořákovo nábrežie 8, 811 02 Bratislava, Slovak Republic
- **J&T NOVA Hotels SICAV, a.s.**  
Business ID number: 096 41 173, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic,  
J&T FINANCE GROUP SE holds 100% of the founders shares of the investment fund. The Company also holds 48.35% of the investment shares indirectly through J&T BANKA, a.s. and another 51.65% of the investment shares through 365.bank, a.s.

**Furthermore, this company controls:**

- **BHP Tatry s. r. o.**  
Business ID number: 45 948 879, registered office Dvořákovo nábrežie 6, 811 02 Bratislava, Slovak Republic
- **DIAMOND HOTELS SLOVAKIA, s.r.o.**  
Business ID number: 35 838 833, registered office Hodžovo nám. 2, 816 25 Bratislava, Slovak Republic
- **PB Finančné služby, a. s.**  
Business ID number: 35 817 453, registered office Hattalova 12, 831 03 Bratislava, Slovak Republic
- **PB Servis, a. s.**  
Business ID number: 47 234 571, registered office Karloveská 34, 841 04 Bratislava, Slovak Republic
- **365.invest, správ. spol., a. s. (PRVÁ PENZIJNÁ SPRÁVCOVSKÁ SPOLOČNOSŤ POŠTOVEJ BANKY, správ. spol., a. s. )**  
Business ID number: 31 621 317, registered office Dvořákovo nábrežie 4, 811 02 Bratislava, Slovak Republic
- **365.fintech, a.s.**  
Business ID number: 51 301 547, registered office Dvořákovo nábrežie 4, 811 02 Bratislava - Staré Mesto, Slovak Republic
- **Monilogi s.r.o.**  
Business ID number: 54 508 673, registered office Mlynské nivy 1, Bratislava - Ružinov 821 09, Slovak Republic  
365.bank, a. s. co-controls this company and holds an 8% interest in it.

1.3 The Board of Directors of the Company is aware that, during the 2023 Accounting Period, the Company was controlled by the same persons, together with the following other controlled entities that are no longer part of the related parties as at 31 December 2023:

**ALTERNATIVE UPRAVJANJE d.o.o.**

Business ID number: 30770704700, registered office Prilaz Fausta Vrancica 10, Varaždin, Republic of Croatia (until 17 December 2023)

**Interznanie OAO**

Business ID number: 1037700110414, registered office Kadashevskaya Embankment 26, 115035 Moscow, Russian Federation (until 14 November 2023)

**J&T Bank, a.o.**

Business ID number: 1027739121651, registered office Kadashevskaya Embankment 26, 115035, Moscow, Russian Federation (until 14 November 2023)

**J&T Global Finance VIII., s.r.o., in liquidation**

Business ID number: 060 62 831, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 30 June 2023)

**Leasing-Medicine Ltd**

Business ID number: 1027733018610, registered office Office 6, Entrance 1, Bldg. 2, 10, Korovinskoe Shosse, Moscow, Russian Federation (until 14 November 2023)

**OUTSIDER LIMITED**

Business ID number: HE 372202, registered office Klimentos, 41-43, KLIMENTOS TOWER, 2nd floor, Flat/Office 21, P.C. 1061, Nicosia, Republic of Cyprus (until 29 December 2023)

**TERCES MANAGEMENT LIMITED**

Business ID number: HE 201003, registered office Klimentos, 41-43, KLIMENTOS TOWER, 2nd floor, Flat/Office 23, P.C. 1061, Nicosia, Republic of Cyprus (until 14 November 2023)

**FVE Holding, s.r.o.**

Business ID number: 144 27 711, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 20 December 2023)

**Furthermore, this company controlled:**

- **FVE Čejkovice s.r.o.**  
Business ID number: 289 13 698, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 20 December 2023)
- **FVE Napajedla s.r.o.**  
Business ID number 289 64 896, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 20 December 2023)
- **FVE Němčice s.r.o.**  
Business ID number: 289 66 970, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 20 December 2023)
- **FVE Slušovice s.r.o.**  
Business ID number: 289 64 837, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 20 December 2023)
- **J&T Recycle, s.r.o.**  
Business ID number: 029 44 588, registered office Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic (until 20 December 2023)

**1.4 Role of the Company**

The Company fulfils the role of a holding company that holds interests in other legal persons.

**1.5 Method and means of control**

The Controlling Persons control the Company through being shareholders of the Company owning 80.2% of the voting rights, and the exercise of voting rights is therefore the main means of control. In the accounting period from 1 January 2023 to 31 December 2023, there were no special agreements between the Controlling Persons and the Company in relation to the method and means of control.

**II. An overview of acts in the last accounting period taken at the instigation of, or in the interest of, a Controlling Person or entities controlled by them, if such acts concerned assets exceeding 10% of the controlled entity's equity as determined by the financial statements for the accounting period immediately preceding the accounting period for which this report on relations is being prepared.**

In the last accounting period, the Company did not take any act that would have been taken at the instigation of, or in the interest of, the Controlling Persons or entities controlled by them, concerning assets exceeding 10% of the Company's equity as determined by the financial statements for the accounting period immediately preceding the accounting period for which this report on relations is being prepared.

### III. An overview of mutual agreements between a controlled entity and a Controlling Person or between the controlled entities.

In the 2023 Accounting Period, the following agreements existed between the Company and a Controlling Person or with entities controlled by the same Controlling Person:

#### Agreements between the Company and Ing. Jozef Tkáč:

- Agreement on the performance of a function  
Subject of performance: function of chairman of the Board of Directors

#### Agreements between the Company and Ing. Ivan Jakabovič:

- Agreement on the performance of a function  
Subject of performance: function of vice-chairman of the Board of Directors

#### Agreements between the Company and AMISTA consulting, s.r.o.:

- Agreement on cooperation and support for the establishment and formation of an investment fund  
Subject of performance: establishment and formation of a qualified investor fund

#### Agreements between the Company and AMISTA investiční společnost, a.s.:

- Agreement on the performance of the activities of a promoter  
Subject of performance: mutual fund management

#### Agreements between the Company and Equity Holding, a.s.:

- Loan agreement  
Subject of performance: provision of financial resources to the Company

#### Agreements between the Company and J&T BANKA, a.s.:

- Agreement on the provision of a guarantee  
Subject of performance: performance of guarantees to selected clients of the bank
- Agreement on the lease of movable property and financial settlement  
Subject of performance: lease of inventory in the Dvořákovo nábrežie 8 building, Bratislava
- Agreement on cooperation in the provision of J&T Family and Friends banking services and participation in the Magnus loyalty programme  
Subject of performance: provision of J&T Family and Friends and Magnus loyalty programme services
- Agreement on financial settlement  
Subject of performance: settlement of receivables and liabilities arising from value added tax as they are members of a single VAT group
- Brokerage agreement  
Subject of performance: conclusion of contracts with potential clients
- Cost-sharing agreement  
Subject of performance: cost sharing for the audit of consolidation packages
- Agreement on the provision of services  
Subject of performance: provision of services in connection with debt securities
- Framework agreement on financial market trading  
Subject of performance: negotiation of currency derivatives transactions
- Securities custody agreement  
Subject of performance: securities custody provision
- Agreement on the provision of services  
Subject of performance: maintenance of a current account according to the bank's terms and conditions
- Agreement on the provision of services  
Subject of performance: issuing debit cards according to the bank's terms and conditions
- Safe deposit box rental agreement  
Subject of performance: keeping a safety deposit box according to the bank's terms and conditions
- Agreement on the provision of services  
Subject of performance: futures transactions with currency instruments according to the bank's terms and conditions
- Internet banking service agreement  
Subject of performance: provision of internet banking services

- Administrator agreement and Special provisions to the administrator agreement  
Subject of performance: issue of perpetuities
- Overdraft agreement  
Subject of performance: provision of financial resources to the Company
- Agreement on the provision of services (outsourcing)  
Subject of performance: provision of control function services (internal audit and compliance)
- Agreement on the provision of services (outsourcing)  
Subject of performance: risk management service provision
- Agreement on the provision of services (outsourcing)  
Subject of performance: analytical function service provision
- Agreement on cooperation in the provision of employee benefit services  
Subject of performance: provision of reimbursement for services to employees
- Assignment agreement  
Subject of performance: assignment of OLAS (logistics services) from JT SERVICES to JT BANKA

**Agreements between the Company and J&T BANKA, a.s. acting through J&T BANKA, a.s., pobočka zahraničnej banky:**

- Framework agreement: Agency agreement on procurement of the purchase or sale of securities  
Subject of performance: provision of services in connection with securities
- Agreement on the provision of banking services  
Subject of performance: provision of banking services
- Framework agreement on the provision of services to legal persons  
Subject of performance: provision of banking and investment services

**Agreement between the Company and J&T FINANCE LLC:**

- Loan agreement  
Subject of performance: provision of funds to a related company

**Agreement between the Company and J&T Global Finance VIII., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company

**Agreement between the Company and J&T Global Finance IX., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T Global Finance X., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T Global Finance XI., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T Global Finance XII., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T Global Finance XIII., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T Global Finance XIV., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T Global Finance XV., s.r.o.:**

- Loan agreement  
Subject of performance: provision of financial resources to the Company
- Guarantee agreement  
Subject of performance: provision of a guarantee to a related company

**Agreement between the Company and J&T INTEGRIS GROUP LIMITED:**

- Novation agreement and loan agreement  
Subject of performance: provision of financial resources to the Company

**Agreements between the Company and J&T Leasingová společnost, a.s.:**

- Master risk participation agreement  
Subject of performance: framework agreement on risk participation

**Agreements between the Company and J&T Mezzanine, a.s.:**

- Agreement on granting a premium outside the share capital of the company  
Subject of performance: provision of a premium outside the share capital
- Loan agreement No 02/JTFG SE/2018  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 05/JTFG SE/2018  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 07/JTFG SE/2018  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 09/JTFG SE/2019  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 10/JTFG SE/2020  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 16/JTFG SE/2021  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 17/JTFG SE/2022  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 21/JTFG SE/2022  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 22/JTFG SE/2022  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 23/JTFG SE/2022  
Subject of performance: provision of financial resources to the Company

**Agreement between the Company and J&T RFI V., s.r.o.:**

- Agreement on the assumption of a shareholder's obligation to provide a premium outside the company's share capital  
Subject of performance: provision of a premium outside the share capital

**Agreement between the Company and J&T SERVICES ČR, a.s.:**

- Mandate agreement on the provision of professional tax assistance and consultancy  
Subject of performance: tax consultancy
- Personal data processing agreement  
Subject of performance: processing of personal data in the personnel and payroll fields
- Agreement on the provision of technical support  
Subject of performance: services in the personnel and payroll fields
- Agreement on the provision of services (outsourcing)  
Subject of performance: preparation of financial statements on a consolidated basis in accordance with the IFRS methodology for selected consolidation units
- Agreement on the provision of services- OLAS  
Subject of performance: logistics services
- Sublease agreement for non-residential premises  
Subject of performance: sublease of non-residential premises
- Agreement on the provision of services  
Subject of performance: provision of KIS application services
- Agreement on the provision of professional support  
Subject of performance: bookkeeping
- Agreement on the provision of administration services  
Subject of performance: administration
- Agreement on the lease of movable property  
Subject of performance: lease of movable property
- Vehicle sublease agreement  
Object of performance: vehicle lease
- Agreement on the provision of Legal Management services  
Subject of performance: Legal Management services
- Motor vehicle sublease agreement  
Subject of performance: lease of a motor vehicle
- Personal data processing agreement  
Subject of performance: processing of personal data pursuant to the GDPR
- Assignment agreement  
Subject of performance: assignment of OLAS (logistics services) from JT SERVICES to JT BANKA
- Agreement on the terms and conditions of outsourcing services  
Subject of performance: outsourcing services related to EBA

**Agreement between the Company and J&T SERVICES SR, s.r.o.:**

- Agreement on the provision of services  
Subject of performance: provision of all services necessary for the company's operation

**Agreement between the Company and J&T Wine Holding SE:**

- Agreement on provision of a premium outside the share capital of the company  
Subject of performance: provision of a premium outside the share capital
- Loan agreement No 01/JTWH/2020  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 02/JTWH/2020  
Subject of performance: provision of financial resources to the Company
- Loan agreement No 03/JTWH/2022  
Subject of performance: provision of financial resources to the Company

**Agreements between the Company and 365.bank, a. s.:**

- Overdraft agreement  
Subject of performance: provision of financial resources to the Company

IV. An assessment of the advantages and disadvantages arising from the relations between the Controlling Person and the controlled entity and between the controlled entity and entities controlled by the same Controlling Person, including a statement of whether the advantages or disadvantages prevail and what risks arise for the controlled entity from this. An assessment of whether the Company has suffered damage and an assessment of its compensation pursuant to Sections 71 and 72 of the Business Corporations Act.

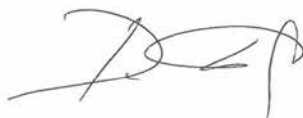
The Board of Directors of the Company, after evaluating the role of the Company in relation to the Controlling Person and entities controlled by the same Controlling Person, states that the Company has no special advantages or disadvantages arising from the relations between the Company and its Controlling Person and/or entities controlled by the same Controlling Person. The Company has not suffered any damage that should be compensated pursuant to Sections 71 and 72 of the Business Corporations Act.

V. The Board of Directors of the Company declares that it has made reasonable efforts to obtain and verify information for the purposes of this report on relations. The conclusions reached have been drawn after careful consideration of the available information obtained, and it considers all the data provided in this report on relations to be correct and complete.

Prague, 25 March 2024



Štěpán Ašer, MBA  
Member of the Board of Directors  
J&T FINANCE GROUP SE



Ing. Dušan Palcr  
Vice-Chairman of the Board of Directors  
J&T FINANCE GROUP SE























Disclosure reference date 2023														
Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered	
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
-	-	-	-	-	-	-	-	-	53.61%	0.72%	-	0.47%	0.17%	17.31%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25%
-	-	-	-	-	-	-	-	-	-	-	-	-	%	0.39%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	8.61%	8.32%	-	5.38%	1.92%	1.50%
-	-	-	-	-	-	-	-	-	10.15%	10.08%	-	7.36%	1.49%	0.97%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34%
-	-	-	-	-	-	-	-	-	15.76%	13.90%	-	4.80%	7.41%	0.19%
-	-	-	-	-	-	-	-	-	60.30%	-	-	-	-	15.18%
-	-	-	-	-	-	-	-	-	99.85%	-	-	-	-	9.17%
-	-	-	-	-	-	-	-	-	96.51%	-	-	-	-	0.05%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	17.57%	0.24%	-	0.15%	0.05%	52.81%



Disclosure reference date 2023

Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered	
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
-	-	-	-	-	-	-	-	-	53.54%	0.64%	-	0.35%	0.22%	17.31%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.39%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	7.80%	7.41%	-	4.05%	2.51%	1.50%
-	-	-	-	-	-	-	-	-	6.12%	6.08%	-	5.25%	0.16%	0.97%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34%
-	-	-	-	-	-	-	-	-	29.70%	26.93%	-	5.04%	18.67%	0.19%
-	-	-	-	-	-	-	-	-	60.30%	-	-	-	-	15.18%
-	-	-	-	-	-	-	-	-	99.85%	-	-	-	-	9.17%
-	-	-	-	-	-	-	-	-	96.51%	-	-	-	-	0.05%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	17.55%	0.21%	-	0.12%	0.07%	52.81%



disclosure reference date 2023

Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	-	-	-	-	-	-	-	-	24.77%	0.79%	-	0.58%	0.12%	6.13%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	18.03%	17.89%	-	13.06%	2.64%	0.27%
-	-	-	-	-	-	-	-	-	18.03%	17.89%	-	13.06%	2.64%	0.27%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	27.61%	-	-	-	-	5.32%
-	-	-	-	-	-	-	-	-	100%	-	-	-	-	1.47%
-	-	-	-	-	-	-	-	-	100%	-	-	-	-	0.02%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	4.81%	0.15%	-	0.11%	0.02%	31.59%



Disclosure reference date 2023

Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			Total (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered	
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
-	-	-	-	-	-	-	-	-	24.46%	0.48%	-	0.41%	0.01%	6.13%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	10.87%	10.79%	-	9.33%	0.28%	0.27%
-	-	-	-	-	-	-	-	-	10.87%	10.79%	-	9.33%	0.28%	0.27%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	27.61%	-	-	-	-	5.32%
-	-	-	-	-	-	-	-	-	99.98%	-	-	-	-	1.47%
-	-	-	-	-	-	-	-	-	100.00%	-	-	-	-	0.02%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	4.75%	0.09%	-	0.08%	-	31.59%







**Table PPP 14: Nuclear and fossil gas related activities  
– Credit institutions: GAR KPI stock**

*Nuclear energy related activities*

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES

*Fossil gas related activities*

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

**Table PPP 15: Taxonomy-aligned economic activities (denominator)  
– Credit institutions: GAR KPI stock (based on the Turnover KPI of the counterparty)**

Amount and proportion (the information is to be presented in monetary amounts and as percentages)

Economic activities	Climate Change Mitigation + Climate Change Adaptation		Climate Change Mitigation		Climate Change Adaptation	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12.78	0.15%	12.78	0.15%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>6.98</b>	<b>0.08%</b>	<b>6.98</b>	<b>0.08%</b>	–	–
<b>Total applicable KPI</b>	<b>19.76</b>	<b>0.24%</b>	<b>19.76</b>	<b>0.24%</b>	–	–

**Table PPP 16: Taxonomy-aligned economic activities (denominator)**  
**– Credit institutions: GAR KPI stock (based on the CapEx KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	Climate Change Mitigation + Climate Change adaptation		Climate Change Mitigation		Climate Change Adaptation	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.15	–	0.15	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.48	0.11%	9.48	0.11%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>7.98</b>	<b>0.10%</b>	<b>7.98</b>	<b>0.10%</b>	–	–
<b>Total applicable KPI</b>	<b>17.60</b>	<b>0.21%</b>	<b>17.60</b>	<b>0.21%</b>	–	–

**Table PPP 17: Taxonomy-aligned economic activities (numerator)**  
**– Credit institutions: GAR KPI stock (based on the Turnover KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	Climate Change Mitigation + Climate Change adaptation		Climate Change Mitigation		Climate Change Adaptation	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	12.78	64.69%	12.78	64.69%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>	<b>6.98</b>	<b>35.31%</b>	<b>6.98</b>	<b>35.31%</b>	–	–
<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>19.76</b>	<b>100%</b>	<b>19.76</b>	<b>100%</b>	–	–

**Table PPP 18: Taxonomy-aligned economic activities (numerator)**  
**– Credit institutions: GAR KPI stock (based on the CapEx KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	Climate Change Mitigation + Climate Change adaptation		Climate Change Mitigation		Climate Change Adaptation	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.15	0.86%	0.15	0.86%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9.48	53.83%	9.48	53.83%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>	<b>7.98</b>	<b>45.31%</b>	<b>7.98</b>	<b>45.31%</b>	–	–
<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>17.60</b>	<b>100%</b>	<b>17.60</b>	<b>100%</b>	–	–

**Table PPP 19: Taxonomy-eligible but not taxonomy-aligned economic activities**  
**– Credit institutions: GAR KPI stock (based on the Turnover KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	Climate Change Mitigation + Climate Change Adaptation		Climate Change Mitigation		Climate Change Adaptation	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.33	–	0.33	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.07	–	0.07	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1,446.29</b>	<b>17.33%</b>	<b>1,446.29</b>	<b>17.33%</b>	–	–
<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>1,446.69</b>	<b>17.34%</b>	<b>1,446.69</b>	<b>17.34%</b>	–	–

**Table PPP 20: Taxonomy-eligible but not taxonomy-aligned economic activities  
– Credit institutions: GAR KPI stock (based on the CapEx KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	Climate Change Mitigation + Climate Change Adaptation		Climate Change Mitigation		Climate Change Adaptation	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.16	–	0.16	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1,446.75</b>	<b>17.34%</b>	<b>1,446.75</b>	<b>17.34%</b>	–	–
<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>1,446.92</b>	<b>17.34%</b>	<b>1,446.92</b>	<b>17.34%</b>	–	–

**Table PPP 21: Taxonomy non-eligible economic activities  
– Credit institutions: GAR KPI stock (based on the Turnover KPI of the counterparty)**

Economic activities	Amount	Percentage
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1,268.91</b>	<b>15.21%</b>
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>1,268.91</b>	<b>15.21%</b>

**Table PPP 22: Taxonomy non-eligible economic activities  
– Credit institutions: GAR KPI stock (based on the CapEx KPI of the counterparty)**

Economic activities	Amount	Percentage
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1,270.85</b>	<b>15.23%</b>
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>1,270.85</b>	<b>15.23%</b>

**Table PPP 23: Nuclear and fossil gas related activities  
– Credit institutions: GAR KPI flow**

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

**Table PPP 24: Taxonomy-aligned economic activities (denominator)**  
**– Credit institutions: GAR KPI flow (based on the Turnover KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.33	0.11%	3.33	0.11%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1.23</b>	<b>0.04%</b>	<b>1.23</b>	<b>0.04%</b>	–	–
<b>Total applicable KPI</b>	<b>4.56</b>	<b>0.15%</b>	<b>4.56</b>	<b>0.15%</b>	–	–

**Table PPP 25: Taxonomy-aligned economic activities (denominator)**  
**– Credit institutions: GAR KPI flow (based on the CapEx KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.38	0.08%	2.38	0.08%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>0.37</b>	<b>0.01%</b>	<b>0.37</b>	<b>0.02%</b>	–	–
<b>Total applicable KPI</b>	<b>2.75</b>	<b>0.09%</b>	<b>2.75</b>	<b>0.11%</b>	–	–

**Table PPP 26: Taxonomy-aligned economic activities (numerator)**  
**– Credit institutions: GAR KPI flow (based on the Turnover KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3.33	73.00%	3.33	73.00%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>	<b>1.23</b>	<b>27.00%</b>	<b>1.23</b>	<b>27.00%</b>	–	–
<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>4.56</b>	<b>100%</b>	<b>4.56</b>	<b>100%</b>	–	–

**Table PPP 27: Taxonomy-aligned economic activities (numerator)**  
**– Credit institutions: GAR KPI flow (based on the CapEx KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2.38	86.47%	2.38	86.47%	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>	<b>0.37</b>	<b>13.53%</b>	<b>0.37</b>	<b>13.53%</b>	–	–
<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>2.75</b>	<b>100%</b>	<b>2.75</b>	<b>100%</b>	–	–



**Table PPP 28: Taxonomy-eligible but not taxonomy-aligned economic activities  
– Credit institutions: GAR KPI flow (based on the Turnover KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>138.43</b>	<b>4.65%</b>	<b>138.43</b>	<b>4.65%</b>	–	–
<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>138.43</b>	<b>4.65%</b>	<b>138.43</b>	<b>4.65%</b>	–	–

**Table PPP 29: Taxonomy-eligible but not taxonomy-aligned economic activities  
– Credit institutions: GAR KPI flow (based on the CapEx KPI of the counterparty)**

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
	CCM+CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>138.42</b>	<b>4.65%</b>	<b>138.42</b>	<b>4.65%</b>	–	–
<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>138.42</b>	<b>4.65%</b>	<b>138.42</b>	<b>4.65%</b>	–	–

**Table PPP 30: Taxonomy non-eligible economic activities  
– Credit institutions: GAR KPI flow (based on the Turnover KPI of the counterparty)**

Economic activities	Amount	Percentage
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>434.20</b>	<b>14.60%</b>
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>434.20</b>	<b>14.60%</b>

**Table PPP 31: Taxonomy non-eligible economic activities  
– Credit institutions: GAR KPI flow (based on the CapEx KPI of the counterparty)**

Economic activities	Amount	Percentage
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>436,02</b>	<b>14,66%</b>
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>436,02</b>	<b>14,66%</b>

### Table PPP 32: Nuclear and fossil gas related activities – FinGuar KPI stock

#### Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

#### Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

### Table PPP 33: Nuclear and fossil gas related activities – AuM KPI stock

#### Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

#### Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

### Table PPP 34: Summary of KPIs to be disclosed by investment firms (IF) under Article 8 Taxonomy Regulation as of 2023

		Total environmentally sustainable assets	KPI <sup>(*)3</sup>	KPI <sup>(*)4</sup>	% coverage (over total assets) <sup>(*)2</sup>
Main KPI (for dealing on own account)	Green asset ratio	—	—	—	100%

<sup>(\*)1</sup> Fees, commissions and other monetary benefits.

<sup>(\*)2</sup> % of assets covered by the KPI over total assets.

<sup>(\*)3</sup> Based on the Turnover KPI of the counterparty.

<sup>(\*)4</sup> Based on the CapEx KPI of the counterparty.

Table PPP 35 KPI IF – Dealing on own account services (based on the Turnover KPI of the counterparty)

	Total (mil EUR)	Of which covered by the KPI (mil. EUR)	Climate Change Mitigation (CCM)				Climate change adaptation (CCA)		Water and marine resources	
			Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)				Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)		Of which assets covered Taxonomy (%) (Taxonomy-eligible)	
			Of which assets aligned with the EU Taxonomy (%) (Taxonomy-aligned)				Of which assets aligned with the EU Taxonomy (%) (Taxonomy-aligned)		Of which assets aligned with the EU Taxonomy (%) (Taxonomy-aligned)	
			Of which transitional (%)	Of which enabling (%)	Of which enabling (%)	Of which enabling (%)	Of which enabling (%)	Of which enabling (%)		
1 Total assets invested under Investment firms' activities dealing on own account (as per Section A of Annex I to Directive 2014/65/EU)	1.38	1.38	–	–	–	–	–	–	–	
2 Of which: on own behalf	1.38	1.38	–	–	–	–	–	–	–	
3 Of which: on behalf of clients	–	–	–	–	–	–	–	–	–	

Table PPP 36: KPI IF – Dealing on own account services (based on the CapEx KPI of the counterparty)

	Total (mil EUR)	Of which covered by the KPI (mil. EUR)	Climate Change Mitigation (CCM)				Climate change adaptation (CCA)		Water and marine resources	
			Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)				Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)		Of which assets covered Taxonomy (%) (Taxonomy-eligible)	
			Of which assets aligned with the EU Taxonomy (%) (Taxonomy-aligned)				Of which assets aligned with the EU Taxonomy (%) (Taxonomy-aligned)		Of which assets aligned with the EU Taxonomy (%) (Taxonomy-aligned)	
			Of which transitional (%)	Of which enabling (%)	Of which enabling (%)	Of which enabling (%)	Of which enabling (%)	Of which enabling (%)		
1 Total assets invested under Investment firms' activities dealing on own account (as per Section A of Annex I to Directive 2014/65/EU)	1.38	1.38	–	–	–	–	–	–	–	
2 Of which: on own behalf	1.38	1.38	–	–	–	–	–	–	–	
3 Of which: on behalf of clients	–	–	–	–	–	–	–	–	–	

Table PPP 37: Nuclear and fossil gas related activities – Investment firms

## Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

## Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



**Table PPP 38: KPI of Asset Managers as of 2023**

The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below:
Turnover-based: — CapEx-based: —	Turnover-based: — CapEx-based: —
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.
Coverage ratio: 100%	Coverage: 6 810 mil EUR

**Additional, complementary disclosures: breakdown of denominator of the KPI**

The percentage of derivatives relative to total assets covered by the KPI: N/A %	The value in monetary amounts of derivatives: N/A
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: N/A % For financial undertakings: N/A %	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: N/A For financial undertakings: N/A
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: N/A % For financial undertakings: N/A %	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: N/A For financial undertakings: N/A
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: N/A % For financial undertakings: N/A %	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: N/A For financial undertakings: N/A
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: N/A %	Value of exposures to other counterparties and assets: N/A
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: N/A %	Value of all the investments that are funding economic activities that are not Taxonomy-eligible: N/A
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: N/A %	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned: N/A

**Additional, complementary disclosures: breakdown of numerator of the KPI**

The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: — CapEx-based: — For financial undertakings: Turnover-based: — CapEx-based: —	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: — CapEx-based: — For financial undertakings: Turnover-based: — CapEx-based: —
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: — CapEx-based: —	Value of Taxonomy-aligned exposures to other counterparties and assets: Turnover-based: — CapEx-based: —

**Breakdown of the numerator of the KPI per environmental objective**

<b>Taxonomy-aligned activities</b>		
(1) Climate change mitigation	Turnover: — CapEx: —	Transitional activities: — (Turnover; CapEx) Enabling activities: — (Turnover; CapEx)
(2) Climate change adaptation	Turnover: — CapEx: —	Enabling activities: — (Turnover; CapEx)
(3) The sustainable use and protection of water and marine resources	Turnover: — CapEx: —	Enabling activities: — (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: — CapEx: —	Enabling activities: — (Turnover; CapEx)
(5) Pollution prevention and control	Turnover: — CapEx: —	Enabling activities: — (Turnover; CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: — CapEx: —	Enabling activities: — (Turnover; CapEx)

**Table PPP 39: Nuclear and fossil gas related activities – Asset managers**

## Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

## Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

**Table PPP 40: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (mil. EUR)**

Financial year N	Year			Substantial contribution criteria					
	Code (2)	Turnover (3)	Percentage turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Other (10)
Economic activities (1)									
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–
Of which enabling	–	–	–	–	–	–	–	–	–
Of which transitional	–	–	–	–	–	–	–	–	–
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Acquisition and ownership of buildings	CCM 7.7	0.53	0.24%	EL	EL	N	N	N	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	–	0.53	0.24%	0.24%	–	–	–	–	–
A. Turnover of Taxonomy eligible activities (A.1+A.2.)	–	0.53	0.24%	0.24%	–	–	–	–	–
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>									
Turnover of Taxonomy-non-eligible activities	–	223.59	99.76%	–	–	–	–	–	–
TOTAL	–	224.11	100%	–	–	–	–	–	–

**Table PPP 41: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (mil. EUR)**

Financial year N	Year			Substantial contribution criteria					
	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Other (10)
Economic activities (1)									
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–
Of which enabling	–	–	–	–	–	–	–	–	–
Of which transitional	–	–	–	–	–	–	–	–	–
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Acquisition and ownership of buildings	CCM 7.7	2.12	13.12%	EL	EL	N	N	N	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	–	2.12	13.12%	13.12%	–	–	–	–	–
A. CapEx of Taxonomy eligible activities (A.1+A.2.)	–	2.12	13.12%	13.12%	–	–	–	–	–
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>									
CapEx of Taxonomy-non-eligible activities	–	14.02	86.88%	–	–	–	–	–	–
Total	–	16.13	100%	–	–	–	–	–	–





**Table PPP 42: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023 (mil. EUR)**

Financial year N	Year			Substantial contribution criteria					
	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	B
Economic activities (1)									
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>									
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	–	–	–	–	–	–	–
Of which enabling	–	–	–	–	–	–	–	–	–
Of which transitional	–	–	–	–	–	–	–	–	–
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>									
Acquisition and ownership of buildings	CCM 7.7	–	–	EL	EL	N	N	N	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	–	–	–	–	–	–	–	–	–
A. OpEx of Taxonomy eligible activities (A.1+A.2.)	–	–	–	–	–	–	–	–	–
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>									
OpEx of Taxonomy-non-eligible activities	–	0.26	100%	–	–	–	–	–	–
Total	–	0.26	100%	–	–	–	–	–	–

**Table PPP 43: Nuclear and fossil gas related activities – Non-financial undertakings**

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO









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