









TABLE OF CONTENTS

PRESENTATION PART	
Introduction by the Chairman of the Board of Directors	4
Bank management bodies	5
Members of the Board of Directors	6
Organisational chart of the Bank	8
Report of the Board of Directors on the Bank's activities and assets for the fiscal year 2024	9
Economic performance	10
Business activities of the NRB in 2024	14
Report of the Supervisory Board of the National Development Bank for 2024	23
Report of the Audit Committee of the National Development Bank for 2024	24
Declaration	25
Independent auditor's report to shareholders	26
FINANCIAL PART	
Unconsolidated Financial Statements in accordance with Czech regulations as at 31 December 2024	31
Notes on the unconsolidated Financial Statements in accordance with Czech regulations	
as at 31 December 2024	37
FINAL PART	
Report of the Board of Directors of the	
National Development Bank on relations between affiliated entities for the fiscal period of 2024	93
Contact details	110
Contact actans	110



INTRO-DUCTION colleagues,

Dear shareholders, business partners and

The Czech Republic has had a year of stabilisation. The inflation fire of the past few years has been extinguished and inflation is close to the Czech National Bank's 2% target. The inevitable price for taming inflation is always a decline in economic activity. In this respect, the Czech economy managed a "smooth landing" and achieved moderate growth of around one-third of its economic potential last year. The slowdown in economic growth has not had a negative effect on the labour market and the Czech Republic continues to hold on to the first place in the ranking of countries with the lowest unemployment rate in the European Union.

From the country's perspective, this is a very solid economic result in an environ-

ment of high geopolitical uncertainty, which is reflected not only in energy prices but also in de-globalisation and protectionist tendencies in the world. The European Union's ambitious green policy goals, and especially the hasty way in which they are being achieved, have led to a weakening of the traditional pillars of European industry. Having extinguished the acute economic problems of the recent past, we are still left with structural economic issues, such as the level and pace of indebtedness and relentless demographic trends.

These are not insoluble tasks but, given their complexity, solutions will require a change in approach, prioritisation and, above all, consensus that will guarantee stability beyond a single election cycle. From this perspective, I consider several strategic decisions made in 2024 to strengthen the role of the National Development Bank (NRB) as an instrument for implementing the State's economic policy to be of fundamental importance.

First of all, I must mention the drafting and approval of the new Act on the National Development Bank, which has successfully made its way through the legislative process. In addition to anchoring the role of the NRB as a competence centre for financial instruments, the Act introduces the possibility of issuing project bonds with a state guarantee. The aim is to involve more private funds in the implementation of the State's economic strategy, for example in addressing the issue of affordable housing and the related development and modernisation of transport infrastructure.

The process of integration with the Czech Export Bank, including related legislative changes, has also been advanced; this will enable the NRB to be significantly strengthened in terms of capital and thus expand its capacity to support the transition of the Czech economy. In cooperation with the Ministry of Finance of the Czech Republic, a significant change at the level of transnational regulation has also been achieved this year. The NRB has

NRB in 2024

7,781 NESS AND **INFRASTRUCTURE** PROJECTS SUPPORTED

6.7 CZK billion

1.0 CZK billion

been included in the European list of special lending institutions under the CRD. Not only has the NRB become one of the major European development banks, but the preconditions for its greater flexibility have been created.

Last year, shareholders approved the Bank's long-term strategy, which has the ambition to reach an annual volume of financing provided of 1% of GDP by 2030, which is ten times the current level. This requires, among other things, a fundamental change in the Bank's business model and the way the Bank operates. The rapid development of new technologies, client requirements and standards, growing threats related to cyber security and the Bank's current technology debt are reflected in the comprehensive and ambitious technology renewal programme that the Bank launched last year and that will continue in the coming years.

Last year, we continued to implement programmes with traditional and long-standing partners such as the Ministry of Industry and Trade of the Czech Republic and the Ministry of Regional Development of the Czech Republic. We also managed to initiate and expand cooperation with the Ministry of the Environment of the Czech Republic, the Ministry of Labour and Social Affairs of the Czech Republic and the Ministry of Foreign Affairs of the Czech Republic. I believe that in the coming years the portfolio of cooperating ministries and the volume of financial instruments will expand even further. Our common interest is to support the sustainable development of the Czech economy through repayable financial instruments aimed, in particular, at supporting the development of small and medium-sized enterprises, technological development and digitalisation, green transition, energy savings, transport and municipal infrastructure, affordable housing and social projects.

Small and medium-sized enterprises will continue to be a strategic segment in the private sector for the NRB. In the public sector, these will be mainly self-governing territorial units (municipalities, cities and regions) and the government sector (ministries, including the state funds established by them).

Last year, we served the most clients in the NRB's history and surpassed the critical "COVID year". Among the most successful programmes was the traditional guarantee programme for small and medium-sized enterprises, which we will restart this year. The Electromobility Guarantee programme was in great demand and sold out in record time last year. As part of its foreign development cooperation, the Bank prepared and submitted to the European Commission a guarantee programme to finance the rebuilding of Ukraine. Last but not least, the NRB is also involved in the restart of small and medium-sized enterprises affected by the devastating floods of last September. None of this would have been possible without the extraordinary dedication and cooperation of all the employees of the National Development Bank.

The Czech Republic needs to boost economic growth and competitiveness and finance the transformation of the economy. This will require huge financial resources for investment. The way forward is to increase the use of repayable financial instruments based on mobilising not only public but also private resources. And that is the story of the new National Development Bank.

Together, we are financing a better Czech Republic.

CHAIRMAN OF THE BOARD OF DIRECTORS



BANK MANAGEMENT BODIES

BOARD OF DIRECTORS

Chairman of the Board of Directors Tomáš Nidetzký

Members of the Board of Directors

Pavel Marek (elected with effect as of 10 April 2024)

Michal Nebeský (elected with effect as of 1 May 2024)

Emil Holan (elected with effect as of 1 October 2024)

SUPERVISORY BOARD

Chairman of the Supervisory Board Marek Mora

(appointed with effect as of 20 February 2024, Chairman with effect

as of 19 March 2024)

Deputy Chairman of the Supervisory Board Pavel Racocha

(membership terminated by resignation as of 2 February 2024)

Petr Doškář

(appointed with effect as of 20 February 2024, Deputy Chairman with effect

as of 19 March 2024)

Members of the Supervisory Board Tomáš Kořán

Marie Kotrlá Martin Mrkos Miroslav Tym

AUDIT COMMITTEE

Chairman of the Audit Committee Pavel Závitkovský

Deputy Chairman of the Audit Committee Michal Petrman

Member of the Audit Committee Tomáš Hlivka



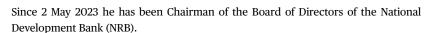
6

MEMBERS OF THE BOARD OF DIRECTORS

TOMÁŠ NIDETZKÝ

Chairman of the Board of Directors of the NRB

Tomáš Nidetzký served as a member of the CNB Bank Board from 2016 to 2022 and was the CNB's Deputy Governor as of December 2018. He had previously held a number of senior management positions, e.g. at NN Penzijní společnost for the Czech Republic, Pojišťovna České spořitelny, Stavební spořitelna under Česká spořitelna, ČSOB Pojišťovna and the ING Financial Group. In 1999-2004, he was a member of the Presidium of the Association of Pension Funds of the Czech Republic and the Czech Association of Insurance Companies. At the beginning of his career he worked at the Securities Centre, Komerční banka and Česká spořitelna. He graduated from the Faculty of Informatics and Statistics at the Prague University of Economics and Business and completed his postgraduate studies at Oklahoma City University in the U.S.





MICHAL NEBESKÝ

Member of the Board of Directors of the NRB

Michal Nebeský has many years of experience in the banking sector. Prior to joining the National Development Bank, he was CEO of Citibank Europe for the Czech Republic and Slovakia. He was also a member of the Board of Directors and CFO of České dráhy (Czech Railways). He served on the American Chamber of Commerce in the Czech Republic and was its President for several years. He studied at the Prague University of Economics and Business.

As of 1 May 2024, he has been a member of the Board of Directors of the NRB with responsibility for Commerce.



PAVEL MAREK

Member of the Board of Directors of the NRB

Pavel Marek has extensive experience in the field of finance, gained during his many years of work at Česká spořitelna and Erste Group. He has held various management positions, where he specialised in the areas of controlling, accounting, tax, capital management and investor relations. In addition to his work in the corporate environment, he has also gained valuable experience in the financial management of startups. He has also broadened his horizons by working outside the Czech Republic, having spent part of his career in Erste Group, Vienna. He studied at the Prague University of Economics and Business and at the IESE Business School.

As of 10 April 2024, he has been a member of the Board of Directors of the NRB with responsibility for Finance.





EMIL HOLAN

Member of the Board of Directors of the NRB

Emil Holan is a graduate of Faculty of Electrical Engineering of the Czech Technical University in Prague. He started his professional career in 2002 at Citibank Czech Republic, where he participated in many interesting projects and worked in various risk management positions within the Corporate Banking Division. After one year at Deloitte Czech Republic in 2007-2008, in January 2009 he joined Commerzbank, where he worked in the areas of risk management and the restructuring and recovery of bad debts. From July 2015, he served as Director of the Credit Risk Department at the Czech Export Bank (CEB), and from 2018 he was a member of the Board of Directors of the CEB responsible for risk management and subsequently also Deputy Chairman of the Board of Directors of the CEB.

As of 1 October 2024, he has been a member of the Board of Directors of the NRB with responsibility for Risk Management.



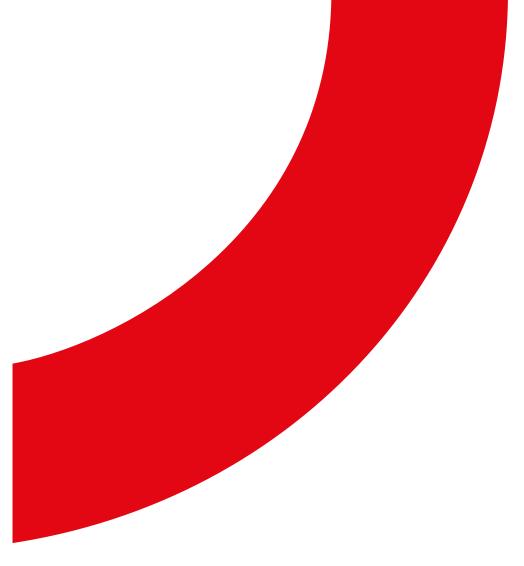


AS AT 31 DECEMBER 2024 Credit Risk Management Unit Integrated Risk Management Unit RISK MANAGEMENT DEPARTMENT NON-PERFORMING RECEIVABLES MANAGEMENT DEPARTMENT RISK MANAGEMENT SECTION ORGANISATIONAL CHART OF THE BANK NTERNAL AUDIT DEPARTMENT Settlement and Payment Operations Unit Operational Support Unit MIDDLE OFFICE DEPARTMENT Transaction Verification Unit Financial Accounting Unit DEPARTMENT OF ACCOUNTING AND METHODOLOGY Operational Accounting Unit **AUDIT COMMITTEE** FINANCE SECTION TECHNICAL ADMINISTRATION DEPARTMENT REPORTING AND INFORMATION PROCESSING DEPARTMENT TREASURY AND ALM DEPARTMENT CHAIRMAN OF THE BOARD OF DIRECTORS DEPARTMENT OF ADVISORY SERVICES AND INFRASTRUCTURE FINANCING DEPARTMENT OF PRODUCT DEVELOPMENT VAND METHODOLOGY DEPARTMENT OF SUSTAINABLE FINANCING Financing Unit **BOARD OF DIRECTORS** COMMERCE SECTION **GENERAL MEETING** Hradec Králové Branch BUSINESS NETWORK MANAGEMENT DEPARTMENT Prague Branch Ostrava Branch Pilsen Branch Brno Branch IT SECURITY DEPARTMENT **OPERATIONS SECTION** SUPERVISORY BOARD DEPARTMENT OF INFORMATION TECHNOLOGY Internal Development Unit IT Services and Support Unit DEPARTMENT OF THE FÉNIX PROGRAMME T Operations Unit DATA PROTECTION OFFICER Unit of Management of Corporate Processes Project Management Unit STRATEGY AND PROJECT MANAGEMENT DEPARTMENT **GOVERNANCE SECTION** STRATEGY AND CORPORATE Public Procurement Implementation Unit DEPARTMENT OF HUMAN RESOURCES AND CORPORATE RELATIONS LEGAL AND COMPLIANCE DEPARTMENT

Analysis and Testing Unit

Data Architecture Unit





REPORT OF THE BOARD OF DIRECTORS ON THE BANK'S ACTIVITIES AND ASSETS FOR THE FISCAL YEAR 2024



ECONOMIC PERFORMANCE

BASIC ECONOMIC CHARACTERISTICS OF THE BANK IN 2020-2024

		UNIT	2020	2021	2022	2023	2024
Balance shee	t total	CZK million	30,027	32,719	31,952	34,508	36,188
	Receivables from banks	CZK million	3,205	6,200	3,308	2,606	2,887
Of assets:	Securities accepted by the CNB for refinancing	CZK million	18,168	17,599	17,041	19,457	20,671
	Receivables from clients	CZK million	6,969	7,540	10,220	11,332	11,001
	Debt securities	CZK million	1,294	712	564	541	830
	Equity	CZK million	4,876	4,416	4,417	5,664	6,715
Of liabilities:	Debt	CZK million	25,151	28,303	27,535	28,844	29,473
	Of which: provisions	CZK million	3,311	3,323	3,788	3,732	3,863
	Credit risk funds	CZK million	6,870	7,554	8,076	8,191	4,621
Off-Balance Sheet:	Guarantees granted	CZK million	43,705	52,387	57,965	48,762	36,121
	Loan commitments provided	CZK million	1,066	3,568	2,333	1,326	1,448
Income		CZK million	798	842	1,523	2,070	2,111
	Interest on securities and interbank operations	CZK million	335	336	1,042	1,233	926
Of which:	Interest on transactions with clients	CZK million	76	51	49	54	51
	Revenue from fees and commission	CZK million	357	400	424	431	437
	Net release of allowances and provisions for financial instruments	CZK million	0	0	0	320	521
Costs		CZK million	774	818	1,228	1,144	1,099
	Interest paid to banks and clients	CZK million	109	96	452	556	354
Of which:	Operating expenses	CZK million	434	439	494	577	626
	Net generation of allowances and provisions for financial instruments	CZK million	227	271	217	0	0
Profit after ta	x	CZK million	24	24	295	926	1,012
Capital ratio		%	21.99	20.12	24.82	31.15	40.95

As in previous years, guarantee transactions within the National Programme were financed from the Bank's own resources, from the EIF-COSME counter-guarantee funds and from the resources of the programme sponsor (the MIT). The total value of the guarantee and credit transaction portfolios dropped by 20.9% to a total value of CZK 48.6 billion, of which the guarantee transaction portfolio decreased by 25.9% to CZK 36.1 billion. The decline in the guarantee portfolio was due to the maturity of the EXPANSIONS and COVID III programmes guarantee business. The loan portfolio fell by 2.9% to CZK 11.0 billion.

The net profit after tax was CZK 1,012 million. The equity as at 31 December 2024 of CZK 6.7 billion increased by CZK 1.0 billion compared to 2023. The increase was driven by the level of profit for 2024 and the impact of the change in valuation differences on equity revalued securities (OCI). The capital ratio reached 40.95% as at 31 December 2024, i.e. 9.8 percentage points more than at the end of the previous year. The improvement in the capital ratio was due to a decrease in risk-weighted assets and an increase in the Bank's regulatory capital.

The most significant risk incurred by the Bank continued to be credit risk, to which 86.16% of the risk-linked capital was allocated. At the end of 2024, all expected credit risk losses were fully covered by generated provisions and allowances in an amount corresponding to the international accounting standard IFRS 9. The total balance sheet value of provisions and allowances for credit risks amounted to CZK 3.8 billion. Credit risks for some types of guarantee products were covered by credit risk funds provided by programme sponsors in the total amount of CZK 4.6 billion. In addition, at the end of the year, the Bank had reserve funds in equity of CZK 1.35 billion.



The balance sheet total increased by CZK 1.7 billion to CZK 36.2 billion at the end of 2024. Payables to clients increased by CZK 0.3 billion, retained earnings and profit for the current year by CZK 1.0 billion and other liabilities by CZK 0.4 billion. On the asset side, the value of bonds held by the Bank increased by CZK 1.5 billion, receivables from banks by CZK 0.3 billion and deposits with the CNB by CZK 0.2 billion. At the same time, loans to clients decreased by CZK 0.3 billion.

The value of the balance sheet total does not include loan commitments provided and bank guarantees granted by the NRB for loans to small and medium-sized enterprises and guarantees for loans provided by lending institutions under the COVID III and COVID INVEST programmes. The value of issued guarantees totalled CZK 36.1 billion at the end of 2024. The Bank's financial investments of CZK 24.5 billion (67.6% of total net assets) are largely made up of investments in debt securities (59.4% of net assets) and receivables from banks (8% of net assets).

Source coverage on the liabilities side was provided mainly by payables to clients - programme sponsors (69% of liabilities), equity (18.6% of liabilities), provisions (10.7% of liabilities), and other liabilities.

DETERMINATION OF THE CAPITAL RATIO AND OTHER ADDITIONAL INDICATORS

INDICATOR	UNIT	2020	2021	2022	2023	2024
Capital	CZK million	4,551	4,121	3,860	4,475	5,444
Tier 1 (T1) capital	CZK million	4,551	4,121	3,860	4,475	5,444
Common Equity Tier 1 (CET1) capital	CZK million	4,551	4,121	3,860	4,475	5,444
Instruments applicable to CET1 capital	CZK million	2,632	2,632	2,632	2,632	2,632
Paid-up CET1 instruments	CZK million	2,632	2,632	2,632	2,632	2,632
Bank's own acquired CET1 instruments	CZK million	0	0	0	0	0
Bank's own CET1 instruments acquired directly	CZK million	0	0	0	0	0
Retained earnings/unrecovered loss	CZK million	819	830	842	1,121	2,027
Retained earnings/unrecovered loss for the previous period	CZK million	819	830	842	1,121	2,027
Accumulated other comprehensive income (OCI)	CZK million	0	-420	<i>–</i> 702	-365	-306
Other reserve funds	CZK million	1,150	1,150	1,150	1,150	1,150
CET1 capital adjustments resulting from the use of prudent filters	CZK million	0	0	0	0	-2
Value adjustments according to prudent valuation requirements	CZK million	0	0	0	0	-2
Other intangible assets	CZK million	-48	-69	-62	-63	-57
Other intangible assets before deduction of deferred tax liabilities	CZK million	-48	-69	-62	-63	-57
Other temporary adjustments to CET1 capital	CZK million	0	0	0	0	0
Over-limit major investments in entities from the financial sector	CZK million	-2	-2	0	0	0
Tier 2 (T2) capital	CZK million	0	0	0	0	0
Total risk exposures	CZK million	20,692	20,477	15,551	14,365	13,296
Total risk-weighted exposures for credit risk at STA	CZK million	19,392	19,153	14,210	12,816	11,442
Exposure to central governments and central banks	CZK million	561	266	0	0	0
Exposure to regional governments and local authorities	CZK million	124	32	40	37	33
Exposure to public sector entities	CZK million	2	2	31	31	31
Exposure to international development banks	CZK million	0	0	0	0	0
Exposure to international organisations	CZK million	0	0	0	0	0
Exposure to institutions	CZK million	142	173	136	123	114
Exposure to enterprises	CZK million	14,601	13,786	3,898	3,601	3,343



INDICATOR	UNIT	2020	2021	2022	2023	2024
Exposure to retail	CZK million	2,078	2,690	8,429	7,442	6,370
Exposures secured by real estate	CZK million	26	38	0	149	161
Exposure in default	CZK million	1,229	1,328	719	535	681
High-risk exposures	CZK million	432	344	224	196	63
Exposures in covered bonds	CZK million	0	0	0	0	0
Exposure to institutions and enterprises with short-term credit ratings	CZK million	2	0	0	0	0
Collective investment instruments	CZK million	0	0	0	0	0
Shares	CZK million	53	83	147	120	124
Other exposures	CZK million	141	411	586	582	522
Risk exposures for position risk, currency and commodity risk at STA	CZK million	9	24	6	3	9
Marketable debt instruments	CZK million	9	24	6	3	9
Currency trades	CZK million	0	0	0	0	0
Total risk exposures for operational risk	CZK million	1,276	1,241	1,285	1,520	1,831
Operational risk – BIA approach	CZK million	1,276	1,241	1,285	1,520	1,831
Total risk exposures for valuation adjustments for credit risk	CZK million	15	59	50	26	14
Standardised method	CZK million	15	59	50	26	14
Indicator	Unit	2020	2021	2022	2023	2024
Capital ratio for Common Equity Tier 1 capital	%	21.99	20.12	24.82	31.15	40.95
Capital ratio for Tier 1 capital	%	21.99	20.12	24.82	31.15	40.95
Capital ratio for total capital	%	21.99	20.12	24.82	31.15	40.95
Indicator	Unit	2020	2021	2022	2023	2024
Return on average assets (ROAA) ¹⁾	%	0.08	0.06	0.81	2.37	2.55
Return on average equity (ROAE) 1	%	0.52	0.55	7.31	22.43	20.29
Assets per employee ¹⁾	CZK million	126.3	133.3	127.3	133.2	131.1
Administrative costs per employee ¹⁾	CZK million	1.60	1.62	1.65	1.83	1.82
Net profit per employee ¹⁾	CZK million	0.10	0.10	1.18	3.58	3.67

 $^{^{1)}}$ The calculation was performed in accordance with Decree No. 163/2014 Coll., on the performance of the activities of banks, credit unions and investment firms. The physical number of employees at the end of the year is used to calculate the indicators.



RECONCILIATION OF REGULATORY AND ACCOUNTING CAPITAL

The tables below summarise the composition of regulatory and accounting capital and individual indicators as at 31 December 2024 and 31 December 2023, thus providing a complete reconciliation of the individual items of regulatory capital to the institution's capital and Balance Sheet.

AS AT 31 DECEMBER 2024	REGULATORY CAPITAL CZK MILLION	EQUITY
Paid-up share capital entered in the Commercial Register	2,632	2,632
(-) Capital investments in the Bank's own instruments	_	_
Retained earnings from previous periods	2,027	2,027
Current year profit	_	1,012
Accumulated other comprehensive income	-306	-306
Other reserve funds	1,150	1,350
(-) Additional value adjustments (AVA) according to the requirements for prudent valuation	-2	-
(-) Intangible assets other than goodwill	-57	_
(-) Over-limit major investments in entities from the financial sector	_	_
Total capital eligible for Tier 1 classification	5,444	
Total equity		6,715
Total amount of Tier 2 capital	0	
Capital relevant for the calculation of large exposure limits, qualifying holding limits and capital ratios	5,444	
AS AT 31 DECEMBER 2023	REGULATORY CAPITAL CZK '000	EQUITY CZK '000
Paid-up share capital entered in the Commercial Register	2,632	2,632
(-) Capital investments in the Bank's own instruments		
Retained earnings from previous periods	1,121	1,121
Current year profit		926
Accumulated other comprehensive income (OCI)	-365	_365
Other reserve funds	1,150	1,350
(-) Additional value adjustments (AVA) according to the requirements for prudent valuation		
(-) Intangible assets other than goodwill	-63	-
(-) Over-limit major investments in entities from the financial sector	_	_
Total capital eligible for Tier 1 classification	4,475	
Total equity		5,664
Total amount of Tier 2 capital	0	
Capital relevant for the calculation of large exposure limits, qualifying holding limits and capital ratios	4,475	



BUSINESS ACTIVITIES OF THE NRB IN 2024

PRODUCT OVERVIEW

In 2024, the Bank provided the following products:

A) **GUARANTEES**

GUARANTEE 2015-2023 PROGRAMME:

- a portfolio guarantee for a bank loan of up to 70% of the loan principal for small and medium-sized enterprises provided for loans up to CZK 4 million;
- a SMART portfolio guarantee for a bank loan for digitalisation up to 80% of the loan principal granted to SMEs for loans up to CZK 4 million;
- an individual guarantee for a bank loan of up to 80% of the loan principal provided to social enterprises (small and medium-sized enterprises), with a maximum guarantee amount of CZK 20 million, including a financial contribution in the amount of 10% of the guaranteed loan drawn on eligible expenses, in the maximum amount of CZK 500 thousand;
- an individual guarantee for a bank loan for the transfer of family enterprises up to 80% of the loan principal granted to SMEs up to a maximum of CZK 30 million.

ELECTROMOBILITY - GUARANTEES PROGRAMME

- a portfolio guarantee with a financial contribution of up to CZK 300 thousand - for bank loans from CZK 300 thousand, covering up to 70% of the loan principal, up to 5 years of loan guarantee.

INOSTART PROGRAMME

- a guarantee for a bank loan for small and medium-sized start-up enterprises implementing innovative projects in the Czech Republic for loans from CZK 500 thousand to CZK 15 million, up to 70% of the loan principal.

GUARANTEE 2024-2030 PROGRAMME - CALL I. FLOODS:

- a portfolio guarantee for investment and working capital loans to SMEs for the reconstruction and development of businesses damaged in the September 2024 floods. The amount of the guaranteed loan is up to CZK 40 million, loan guarantee period up to 10 years, covering up to 70% of the loan principal.

B) LOANS

OP TAC NEW ENERGY SAVINGS PROGRAMME

- the programme is designed for companies wishing to invest in energy-saving projects. Preferential loans with a financial contribution in the NEW ENERGY SAVINGS programme help businesses of all sizes to finance projects aimed at adjustments to building envelopes and the use of buildings (insulation, heating, etc.) and the replacement of production equipment and technological units. Projects can be implemented anywhere in the Czech Republic, except the City of Prague.

ENERG PROGRAMME

- preferential interest-free loans for enterprises and their projects in the City of Prague, focused on energy savings in their business activities in the amount of up to CZK 60 million, with a maturity of up to 10 years, a financial contribution for energy assessment of up to CZK 100 thousand and a financial contribution of 7% of the drawn amount of the preferential loan when achieving energy savings.

INFRASTRUCTURE PROGRAMMES

- Long-term loans to finance infrastructure development. Previously, we financed relatively small projects such as the construction or reconstruction of wastewater treatment plants, construction and repair of local roads, cycle paths and sidewalks, new street lighting, etc. As early as 2022, we expanded our activities in this area to include large infrastructure projects. We will continue this activity, in particular with the involvement of EIB financial resources and the possibility of obtaining a subsidy for public sector entities under the Public Sector Loan Facility from the European Commission. At the same time, in cooperation with the Ministry of Regional Development, we are preparing the Affordable Rental Housing programme, which will enable selected groups of the Czech population to obtain rental apartments. In the area of financing PPP projects, we are preparing a senior and junior financing programme together with the Ministry of Transport.



REGIONAL DEVELOPMENT FUND

- long-term loans for municipalities and associations of municipalities (with the exception of the City of Prague and statutory cities) to co-finance projects in order to improve local infrastructure for non-business purposes, up to CZK 30 million, with a preferential fixed or floating interest rate determined individually according to current market conditions and a maturity of up to 10 years.

TRANSITION PROGRAMME

- interest-free investment loans under the TRANSITION programme are intended to support the investment activities of small and medium-sized enterprises. Enterprises in the coal regions, i.e. in the Moravian-Silesian, Ústí and Karlovy Vary Regions, can benefit from the funds. The TRANSITION programme was launched in the spring of 2023 in cooperation with the Ministry of the Environment. These loans range from CZK 0.5 million to 100 million, with a maturity of up to 10 years.

S-ENTERPRISE PLUS PROGRAMME

 interest-free loans of up to CZK 25 million with a maturity of up to 12 years, to finance investment and operational projects of social enterprises. Projects could be implemented anywhere in the Czech Republic, including Prague.

PV PROGRAMME

interest-free loans from CZK 0.5 million up to CZK 3 million, with a maturity of up to 15 years. The loans are intended to support photovoltaic power plants. The subsidy component is 30% for panels and 50% for battery storage.

FLOOD RESTART LOANS 2024 PROGRAMME

 interest-free loans up to CZK 100 million, with a maturity of up to 15 years, for the reconstruction and development of businesses damaged in the September 2024 floods; the product includes forgiveness of up to 25% of the loan principal amount drawn.

C) CONSULTING

NEW ELENA PROGRAMME

- consulting for the business and public sectors - focus on energy-saving projects. For companies planning to invest in an energy-saving project (investments in building envelopes such as insulation, systems related to the use of buildings, replacement of production technologies, etc.), the consulting services will include an energy assessment and are linked to the provision of loans under the NEW ENERGY SAVINGS and ENERG programmes. The NEW ELENA consulting also supports the preparatory phase of the implementation of energy-saving projects using the EPC method for cities, regions and other public entities.

2. BUSINESS SUPPORT

OVERALL RESULTS

The Bank implemented support for small and medium-sized enterprises (hereinafter "SME support"), mainly on the basis of agreements concluded with the Ministry of Industry and Trade and the Ministry of the Environment.

The most important guarantee programme supporting small and medium-sized enterprises was the extended GUAR-ANTEE 2015-2023 programme in 2024, which was launched in February 2015. The provision of guarantees was discontinued on 30 September 2024.

The majority of the programme consisted of guarantees for working capital loans. The results of the implementation of that programme confirmed the growing interest in the use of guarantees in 2024. In addition to national resources, the GUARANTEE 2015-2023 programme was also financed by the European Investment Fund under the COSME programme.

A guarantee programme supporting small and medium-sized enterprises was the ELECTROMOBILITY - GUARAN-TEES programme, which was launched in March 2024. Because of limited resources, the application process closed in October 2024.

As part of the INOSTART programme, the provision of loan guarantees for start-up enterprises for innovation-oriented projects continued in 2024. Loans supported by a guarantee are provided by Česká spořitelna, a.s.

The main loan programme in 2024 was the TRANSITION programme. On the basis of an agreement with the Ministry of the Environment, the provision of preferential loans under that programme was launched in 2023. The programme facilitates SMEs to finance their business projects in coal regions.

In 2024, loan programmes focused on energy savings were the national ENERG programme and the ENERGY SAVINGS programme with a financial contribution from the OP TAC. The goal of both of them is to reduce energy consumption. These energy-saving programmes were eligible for consultancy under the ELENA programme.

Also in 2024, we provided interest-free loans under the S-ENTERPRISE PLUS programme to help social enterprises implement their development plans.

In line with the new strategy, the Bank also focused on financing infrastructure development and expanded its consultancy services to the public sector in 2024.

In 2024, we also launched the PV LOAN, which contributes to climate change mitigation and helps all businesses and enterprises reduce their energy costs, strengthen their energy independence and use clean energy at the same time.

In the last quarter of 2024, we prepared and launched an interest-free loan programme with forgiveness of up to 25% of the loan principal amount for small and medium-sized enterprises damaged by the floods.

In December 2024, we also launched a guarantee programme to support small and medium-sized enterprises damaged by the floods. We offer guarantees for operational and investment loans.



16

In 2025, we are preparing to launch a guarantee programme:

- INVEST EU, which will build on the national GUARANTEE 2015-2023 programme. It will target small and medium-sized enterprises and small mid-caps, providing guarantees for investment and working capital loans backed by INVEST EU.
- The TRANSITION programme will guarantee investment and working capital loans to small and medium-sized enterprises in the coal regions of the Czech Republic (Karlovy Vary, Ústí, Moravian-Silesian).

During 2025, we expect to offer a loan programme:

- EXPANSIONS LOANS FROM EUROPEAN RESOURCES. The programme will build on the highly successful OP EIC EX-PANSIONS programme from the previous programming period
- Affordable Housing, which will provide for the development of rental housing. The programme will be designed for both the public and private sectors.

Consulting:

The four-year ELENA programme providing consulting services for the preparation of energy-saving projects in the private and public sectors was successfully completed in mid-2024. Under the programme, EPC investments in public entities and other energy-saving measures implemented by companies in hundreds of buildings were supported in the preparatory phase.

In August 2024, the NEW ELENA programme was launched, which for the next three years further extends the offer of consulting services: for enterprises, consulting as regards the replacement of machinery and technological units; and, for the public sector, there is a new feature, namely the possibility of including public lighting in EPC projects.

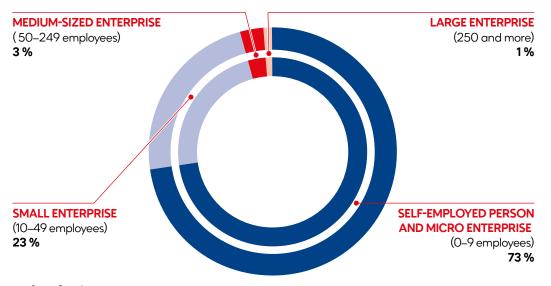
We also expect that the S-ENTERPRISE PLUS programme will be complemented by free consultancy for social enterprises in various areas of their activities, such as management, marketing, financial management and others.

SUMMARY RESULTS FOR THE NRB PROGRAMMES

TABLE 1 TOTAL PROJECTS SUPPORTED IN 2024

		GUARANTEE		LOANS	
	Number	Amount of guarantees in CZK million	Amount of guaranteed loans in CZK million	Number	Amount of loans in CZK million
PROGRAMMES IN TOTAL	7,611	6,747.5	9,656.1	170	918.7

CHART 1 SUPPORTED PROJECTS BROKEN DOWN BY BUSINESS ENTITIES (EXCLUDING INFRASTRUCTURE PROGRAMMES)



* chart by number of projects



GUARANTEES

On the basis of guarantee agreements concluded in 2024, the Bank provided 7,611 guarantees in the total amount of CZK 6,747 million. The guarantees supported loans in the amount of CZK 9,656 million (see Table 2).

TABLE 2 GUARANTEES PROVIDED AND GUARANTEED LOANS*

INDICATOR		2020	2021	2022	2023	2024
Guarantees provided	Number	3,497	2,828	3,290	3,493	7,611
Amount of guarantees provided	CZK million	9,483	9,602	14,005	8,343	6,747
Amount of guaranteed loans	CZK million	14,254	13,784	19,562	11,885	9,656
Average guarantee amount	%	66	70	72	70	70

^{*} COVID GUARANTEES are not included in the table

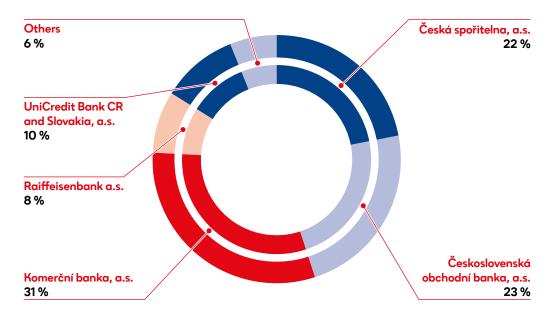
The guarantees were mostly used to support projects located in the City of Prague and the South Moravian Region (see Table 3).

TABLE 3 DEVELOPMENT OF THE REGIONAL STRUCTURE OF THE AMOUNT OF GUARANTEES PROVIDED (IN % OF THE CONTRACTUAL VALUE OF GUARANTEES ISSUED)

REGION	2020	2021	2022	2023	2024
City of Prague	11.3%	8.8%	6.1%	12.9%	17.8%
Central Bohemian Region	8.1%	8.8%	9.3%	9.5%	10.9%
South Bohemian Region	4.7%	5.7%	6.7%	5.7%	4.6%
Pilsen Region	5.3%	4.3%	2.9%	5.9%	4.2%
Karlovy Vary Region	2.2%	1.4%	0.9%	1.3%	1.7%
Ústí Region	5.7%	6.1%	5.9%	4.8%	4.6%
Liberec Region	3.2%	3.3%	2.1%	2.9%	3.1%
Hradec Králové Region	5.7%	4.3%	4.7%	4.8%	5.7%
Pardubice Region	5.7%	5.0%	6.3%	5.7%	3.9%
Vysočina Region	3.5%	3.5%	2.7%	2.8%	3.2%
South Moravian Region	12.7%	17.7%	18.0%	15.0%	16.2%
Olomouc Region	8.4%	7.8%	8.7%	6.5%	5.3%
Zlín Region	6.7%	6.3%	7.6%	6.4%	6.5%
Moravian-Silesian Region	16.8%	17.0%	18.2%	15.7%	12.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%



CHART 2 STRUCTURE OF GUARANTEE TRANSACTIONS IN THE GUARANTEE 2015–2023 PROGRAMME AND THE INOSTART PROGRAMME IN 2024 BY LENDING BANKS (IN % OF THE CONTRACTUAL VALUE OF THE GUARANTEES)



Note: The provision of guarantees under the GUARANTEE 2015-2023 programme was extended until 30 September 2024

A decisive part of the guarantee transactions in 2024 was carried out with Komerční banka, a.s., Československá obchodní banka, a.s. and Česká spořitelna, a.s.

CHART 3 STRUCTURE OF CO-FINANCING IN 2024 IN THE ELECTROMOBILITY PROGRAMME BY LEASING COMPANY (IN % OF THE CONTRACTUAL VALUE OF GUARANTEES)

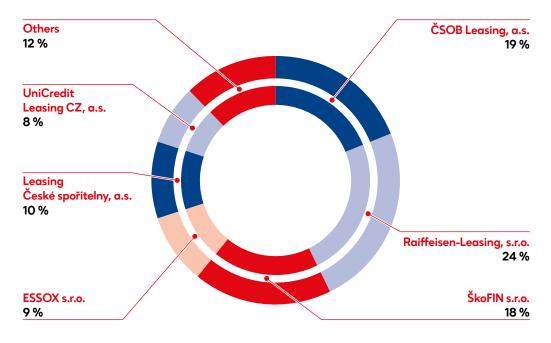




TABLE 4 SECTORAL STRUCTURE OF THE GUARANTEES PROVIDED (IN % OF THE CONTRACTUAL VALUE OF GUARANTEES ISSUED IN 2024)

Commerce	31.7%
Industrial production	19.2%
Accommodation and catering	3.7%
Other industrial production	1.2%
Healthcare	2.1%
Transport	3.7%
Construction production	19.2%
Services	1.4%
Other business	17.8%
TOTAL	100.0%

The largest volume of guarantees was provided for projects in business activities, followed by industrial and construction production (see Table 4).

LOANS

In 2024, the Bank closed a total of 170 loans in the total amount of CZK 918.7 million.

TABLE 5 CLOSED PREFERENTIAL LOANS IN TOTAL

INDICATOR		2020	2021	2022	2023	2024
Closed loans	Number	314	531	597	304	170
Amount of loans	CZK million	1,699	3,979	3,816	1,346	919
Average amount of loan	CZK million	5.4	7.5	6.3	4.4	5.4

OF WHICH IN 2024

INFRASTRUCTURE LOANS	2024
Number	3
Amount in CZK million	85.9
LOANS TO ENTERPRISES	2024
Number	167
Amount in CZK million	832.8

Most loans to enterprises were closed:

- In the TRANSITION programme, 68 loans in the total loan amount of CZK 556.3 million were closed.
- In the ENERGY SAVINGS programme (OP TAC), 72 loans in the total loan amount of CZK 202.6 million were closed.
- $\,$ In the S-ENTERPRISE PLUS programme, 9 loans in the total loan amount of CZK 47.3 million were closed.

In other loan programmes (ENERG, PV LOANS), a total of 18 loans with a total loan amount of CZK 26.6 million were closed.





TABLE 6 REGIONAL STRUCTURE OF THE AMOUNT OF CLOSED BUSINESS LOANS IN 2024 (IN % OF THE CONTRACTUAL VALUE OF THE LOANS CLOSED)

	AMOUNT OF LOAN
City of Prague	2.1%
South Bohemian Region	0.0%
South Moravian Region	8.1%
Karlovy Vary Region	15.8%
Hradec Králové Region	4.0%
Liberec Region	3.4%
Moravian-Silesian Region	38.5%
Olomouc Region	1.0%
Pardubice Region	3.5%
Pilsen Region	1.3%
Central Bohemian Region	1.6%
Ústí Region	16.5%
Vysočina Region	3.1%
Zlín Region	1.1%
SUM TOTAL	100.0%

TABLE 7 SECTORAL STRUCTURE OF THE AMOUNT OF CLOSED BUSINESS LOANS IN 2024 (IN % OF THE CONTRACTUAL VALUE OF LOANS CLOSED)

Industrial production	65.7%
Commerce	13.9%
Transport	O.1%
Construction production	4.0%
Accommodation and catering	1.3%
Other industrial production	0.2%
Services	2.3%
Healthcare	4.1%
Other business	8.4%
TOTAL	100.0%

3. SUPPORT FOR REPAIRS OF APARTMENT BUILDINGS

In 2024, under the PANEL/NEW PANEL programme, the Bank administered a total of 1,929 active contracts for the provision of subsidies to cover loan interest (from the original number of 10,122 concluded contracts), on the basis of which it paid out more than CZK 128 million. In total, CZK 12,986 million was paid out to beneficiaries of subsidies in the period from the start of the programme of support for repairs of apartment buildings until the end of 2024, which represents 95.04% of the total volume of concluded contracts for the provision of subsidies to cover loan interest (CZK 13,664 million).

In 2024, the Bank also managed a portfolio of guarantees for bank loans which enabled the owners or co-owners of apartment buildings to obtain loans for their repairs. At the end of 2024, the portfolio consisted of a total of 553 guarantees for a bank loan (of which 52 are portfolio guarantees) and the amount of the outstanding principal of guaranteed loans was CZK 811.2 million.

4. FINANCING OF MUNICIPAL INFRASTRUCTURE

Loans from the Regional Development Fund and the Council of Europe Development Bank (CEB) credit line are intended for projects focused on transport and technical infrastructure, the construction of real estate for business, the environment and energy, social and health infrastructure and sports, cultural and educational facilities, and are provided only as a service supplementary to the overall portfolio of services. In 2024, the Bank supported three public infrastructure projects. The volume of support amounted to CZK 85.9 million.

The INFRASTRUCTURE programme, which is financed by the European Investment Bank and for which it is possible to obtain a grant from the European Commission of up to 25% of the financing provided in structurally affected coal regions, was being modified in 2024. The loan is intended for financing projects of municipalities, regions, organisations established by them and other public entities.



An implementation agreement was concluded with the Ministry of Regional Development in 2024 to provide subordinated loans to finance the construction, reconstruction or acquisition of rental housing projects.

5. TRADING ON FINANCIAL MARKETS

In 2024, the Bank was active on financial markets for the purpose of liquidity management, bond portfolio management, interest rate and currency risk management and the refinancing of loan programmes to support small and medium-sized enterprises and municipalities. The Bank used standard money market instruments actively. In the area of management of the portfolio of bonds and money market instruments, the Bank continued to maintain a conservative investment strategy and focused mainly on purchases of government bonds and government treasury bills.

6. OTHER LENDING ACTIVITIES

As the financial manager of infrastructure programmes, the Bank secured their financing in 2024 in the total amount of CZK 46.6 million. These were funds from the State Fund for Transport Infrastructure and were intended for financing the construction of the Lovosice-Ústí nad Labem section of the D8 motorway.

7. CENTRAL EUROPE FUND OF FUNDS

In 2018, the fundraising of the Central Europe Fund of Funds (CEFoF) was concluded; the total amount of investors' commitments is EUR 87 million. The NRB, which is intermediating the State's investment of EUR 8.2 million, is also a participant in the Fund. Other investors include the European Investment Fund, the Hungarian state bank MFB, the Austrian AWS, the Slovenian SEF, the Slovak SIH and SZRF.

As of 30 September 2024, 64.3% of investors' commitments to the CEFoF had been repaid. The liabilities of the CEFoF to nine selected funds (three of them with Czech management teams) amounted to EUR 81.03 million (of which EUR 17.34 million were funds managed by Czech teams). A total of 72 enterprises have already been supported by the CEFoF (21 of them in the Czech Republic).

8. PROVISION OF INFORMATION PURSUANT TO ACT NO. 106/1999 COLL., ON FREE ACCESS TO INFORMATION, FOR 2023 – SECTION 18 OF ACT NO. 106/1999 COLL.

- a) Number of requests for information submitted and the number of decisions to reject a request
 - In 2024, five requests for information were submitted pursuant to Act No. 106/1999 Coll. and two decisions were issued on the rejection of a request.
- b) Number of appeals lodged against a decision In 2024, one appeal was filed.

- c) A copy of the essential parts of each judgment of the court reviewing the legality of the obliged entity's decision to reject a request for information and an overview of all expenses incurred by the obliged entity in connection with legal proceedings on rights and obligations under the Act, including costs for its own staff and legal representation costs
 - In 2024, no court judgment was issued regarding a review of the legality of a decision of the obliged entity on the rejection of a request for information, nor were any court proceedings conducted with the obliged entity on rights and obligations pursuant to Act No. 106/1999 Coll.
- d) List of exclusive licences granted, including a justification for the need to grant an exclusive licence
 In 2024, no exclusive licences were granted.
- e) Number of complaints filed pursuant to Section 16a, the reasons for their filing and a brief description of the manner of their settlement
 - In 2024, one complaint was filed pursuant to Section 16a of Act No. 106/1999 Coll. for failure to process a request within the time limit set by that Act. As the request was not processed solely for administrative reasons and it was not therefore an attempt by the obliged entity to avoid or delay the fulfilment of its obligations under Section 16a of Act No. 106/1999 Coll., the obliged entity made use of the possibility of the procedure under Section 16a(5) of the Act and issued a decision on the rejection of the request within seven days of the date on which the complaint was received.
- f) Further information related to the application of the Act No information.

9. NON-FINANCIAL INFORMATION

The Bank discloses certain non-financial information in the Annual Report on the basis of the recommendations and public statement of the European Securities and Markets Authority (ESMA) on priorities for financial statements for 2024 dated 24 October 2024.

The Bank considers the sharing of non-financial information, especially in the area of sustainable finance, to be a very important aspect that will contribute significantly to environmental protection, social justice and, above all, to sustainable finance and responsible investment.

As early as March 2021, the Bank signed the CBA Memorandum for Sustainable Finance, thereby publicly declaring its commitment to maximally respect environmental protection requirements and social responsibility principles, to apply the principles of sustainability and to analyse the ESG impacts of its activities transparently and regularly.

The Bank's long-term strategy for the period 2025-2034, dated 18 December 2024, sets out further steps and procedures for their implementation in the area of sustainability, including the environment, the social area and corporate governance. The Bank will also cooperate with external entities in this area.

The NRB places great emphasis on ethical values, rules of conduct and moral principles, which are enshrined in the Code



of Conduct of the National Development Bank Financial Group. The Code is binding on all employees of the Bank, regardless of their position, i.e. on both ordinary employees and managers or members of the Board of Directors. The Bank's core values are openness, honesty and accountability.

The Code of Conduct also sets out the NRB's obligations to clients, business partners, employees, shareholders, the communities in which it operates and society as a whole. The Bank adheres strictly to principles in the areas of competition, financial integrity, personal data protection and the prevention of money laundering and financing of terrorism. Emphasis is also placed on the prevention of collusion and the prevention of conflicts of interest.

The NRB promotes fair relations both in the workplace and with business partners. It is committed to equality of opportunity and does not accept discrimination of any kind. It is responsible for the safety and health of its employees in the workplace and ensures fair conditions without undue advantage. The selection of business partners is carried out exclusively in accordance with legal regulations and the Bank's internal policies.

In the area of human resources management, the NRB relies on the long-term Development Strategy of the National Development Bank. Transparent and fair remuneration is essential. The Bank supports the education, training and professional growth of its employees intensively. The motivation for deepening their commitment to the Bank's development is not only a stable monthly salary (fixed component), but also a variable salary component and a rich system of employee benefits. The NRB also supports the employment of people with disabilities. The Bank is committed to a balanced work and personal life of its employees, which is reflected in the promotion of work-life balance.

The company CI3, s.r.o. calculated the carbon footprint of the NRB. In the past, the Bank has taken several energy-saving measures. These included moving the headquarters and offices to smaller, more energy-efficient buildings. The NRB takes care of the environmental aspects of its operations and introduces innovative approaches such as the paperless bank concept.

This approach not only promotes environmental protection, but also contributes to creating a modern and healthy working environment for all employees. All this, together with many other initiatives, forms the basis of our responsible behaviour in most ESG (Environmental, Social, Governance) areas.



REPORT OF THE SUPERVISORY BOARD OF THE NATIONAL DEVELOPMENT BANK FOR 2024

During 2024, the Supervisory Board performed the activities assigned to it by law and the Articles of Association of the National Development Bank (hereinafter referred to as the "NRB"). As the NRB's supervisory body, it supervised the performance of the NRB's Board of Directors and the implementation of business activities, the NRB's management and the implementation of its strategy. The Supervisory Board was regularly informed by the Board of Directors about the NRB's activities, its financial situation and other significant matters. It was also briefed on the work of the Audit Committee, which also acts as the Risk Committee and its recommendations and matters under consideration.

In 2024, the Supervisory Board reviewed the Annual Financial Statements for the year that ended on 31 December 2023, the proposal of the Board of Directors for the distribution of profit for the year 2023, the Report on relations between affiliated entities for the fiscal period of 2023 and the Report of the NRB's Board of Directors on the Bank's activities and assets for the fiscal year 2023, and recommended them to the sole shareholder acting in the capacity of the NRB's General Meeting for approval. The Supervisory Board considered the Annual Report for 2023 and the amendment to the NRB's Articles of Association and also recommended them to the sole shareholder acting in the capacity of the NRB's General Meeting for approval. On the basis of the result of the tender "Audit services for the period 2025-2026" and the recommendation of the Audit Committee, the Supervisory Board recommended that the sole shareholder acting in the capacity of the NRB's General Meeting select KPMG Česká republika Audit, s.r.o. as statutory auditor for the statutory audit for the years 2025 and 2026.

The Supervisory Board addressed strategic issues related to the Bank's transition in 2024. It discussed and considered the draft Long-Term Strategy of the NRB for the period 2025-2034 and recommended it to the sole shareholder acting in the capacity of the NRB's General Meeting for approval. The Supervisory Board was interested in the development of the NRB's integration with the Czech Export Bank and paid continuous attention to the NRB's flagship programme, FÉNIX, which aims at the technological renewal of the outdated IT system, combined with the redesign of the NRB's processes.

In 2024, the Supervisory Board also focused on the activities and performance of the NRB's subsidiaries and their operations and the strategic outlook for the next period. The Supervisory Board also discussed the evaluation report on the NRB's activities in the area of the prevention of money laundering and financing of terrorism and discussed and evaluated the compliance system at the NRB, concluding that it was functional and effective. It assessed the overall remuneration system of the NRB and stated

that the system was set up in accordance with the legislation in force and taking into account the conditions and size of the NRB. It considered the information on the structure of the remuneration of the NRB's body members and the principles of the remuneration of the members of the Supervisory Board and the Audit Committee, and recommended them to the sole shareholder acting in the capacity of the NRB's General Meeting for approval. It approved an update of the comprehensive principles of the remuneration of selected groups of employees whose activities have a significant impact on the overall risk profile of the NRB and an update of the principles of the remuneration of the members of the Board of Directors, including the wording of the incumbency contracts of the members of the Board of Directors; it evaluated the fulfilment of the indicators and tasks set for the evaluation of the Board of Directors' activities for 2023 and set performance criteria for the members of the Board of Directors for 2024.

The Supervisory Board regularly discussed the NRB's quarterly financial results, semi-annual risk management reports and risk business transactions and was informed at each meeting of the matters considered by the Board of Directors and the NRB's business activities, including the current status of new product development.

The Supervisory Board also addressed the staffing of the NRB's Board of Directors in view of the approaching expiry of the terms of office of two members of the Board of Directors. By a resolution of the sole shareholder acting in the capacity of the NRB's General Meeting, the three-member Board of Directors was expanded to five members as of 1 June 2024 by an amendment to the NRB's Articles of Association. During 2024, the Supervisory Board elected three new members of the Board of Directors, namely the member responsible for financial management, the member responsible for business management and the member responsible for risk management.

The Supervisory Board fulfilled its duties and mission with due and professional care and diligence and exercised its supervisory function in a high-quality and consistent manner in accordance with generally applicable legislation.

In Prague, on 19 March 2025

On behalf of the Supervisory Board of the National Development Bank:

Marek Mora
Chairman of the Supervisory Board



REPORT OF THE AUDIT COMMITTEE OF THE NATIONAL DEVELOPMENT BANK FOR 2024

In 2024, the Audit Committee of the National Development Bank fulfilled its duties and performed the objectives assigned to it pursuant to Act No. 93/2009 Coll., on auditors, pursuant to Decree of the Czech National Bank No. 163/2014 Coll., on the performance of the activities of banks, credit unions and investment firms, and in accordance with the Articles of Association of the National Development Bank (hereinafter referred to as the "NRB").

Within the scope of its competence, the Audit Committee dealt with the monitoring of the procedure for compiling the Financial Statements of the NRB and the process of their mandatory verification by the auditor - KPMG Česká republika Audit, s.r.o. It also dealt with the plan and strategy of the external audit. It assessed the independence of the audit firm KPMG Česká republika Audit, s.r.o. and the nature of the additional non-audit services provided by the external auditor, stating that on the basis of the documents submitted, the external auditor could be considered independent. The Audit Committee also discussed and took note of the report of the external auditor MiFID 2023. The cooperation with the external auditor was at a good level in the past year.

In accordance with the Act on Auditors, the Audit Committee discussed and approved the provision of non-audit services by KPMG Česká republika, s.r.o.

The Audit Committee was involved in the preparation of the tender documentation for the tender "Audit services for the period 2025-2026". On the basis of the outcome of the tender, the Audit Committee recommended KPMG Česká republika Audit, s.r.o. to the Supervisory Board as the suitable statutory auditor of the NRB for the period 2025-2026.

The object of the regular meetings of the Audit Committee was the evaluation of the effectiveness of the NRB management and control system and the activities of the Internal Audit Department, including its activity plans and individual audits performed. The Audit Committee also discussed and noted the updated version of the NRB's Internal Audit Strategy and Statutes and the report on the NRB's activities and evaluation of the internal audit quality programme for 2023.

In 2024, the Audit Committee considered and noted the IT -Review of Security Arrangements Audit Report as per RTS-SCA (PSD 2) and the Selected ICT Areas Audit Report. It discussed and took note of the information on ensuring the integrity of the accounting and financial reporting system and information on the status and progress of the FÉNIX programme.

As part of the performance of the function of the Risk Committee, the Audit Committee assessed and took note of regular information: on the risk management system and risk business transactions; risk analysis; a report on the valuation of assets, liabilities and off-balance sheet items when they are reflected in the offer to clients, including taking into account the business model and risk strategies, and the NRB's Recovery Plan. The Audit Committee also considered an evaluation of the internal capital and liquidity framework for 2023.

The Audit Committee considered and submitted a Report on the Activities of the Audit Committee for 2023/2024 (period under review from 26 April 2023 to 23 April 2024) to the Public Audit Oversight Board.

The Chairman of the Audit Committee informed the Supervisory Board about the results of the meetings of the Audit Committee.

In Prague, on 19 March 2025

On behalf of the Audit Committee of the National Development Bank:



Chairman of the Audit Committee



DECLARATION

The National Development Bank declares that all the information and data provided in this Annual Report is true and complete. It further confirms that this document contains all the facts that may be important for investors' decisions.

The National Development Bank further declares that, up until the date of the preparation of the Annual Report, there were no negative changes in the financial situation or other changes that could affect the accurate and correct assessment of the financial situation of the National Development Bank.

In Prague, on 22 April 2025

On behalf of the Board of Directors signed by:

Chairman of the Board of Directors

Member of the Board of Directors

Pard Marl.







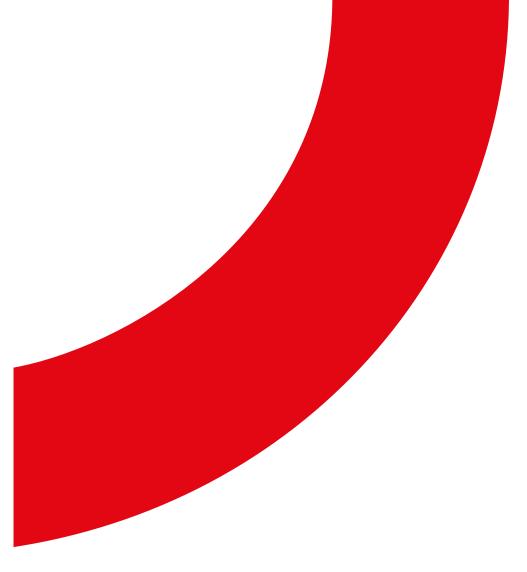












UNCONSOLIDATED
FINANCIAL STATEMENTS
IN ACCORDANCE WITH
CZECH ACCOUNTING
REGULATIONS AS AT
31 DECEMBER 2024





BALANCE SHEET AS AT 31 DECEMBER 2024

CZK	MILLION	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
1	Cash on hand and deposits with central banks	3	213	3
2	Government zero-coupon bonds and other securities accepted by the central bank for refinancing	4	20,671	19,457
	Including: a) Issued by government institutions		20,671	19,457
3	Receivables from banks	5	2,887	2,606
	Including: a) Payable on demand		1	1
	b) Other receivables		2,886	2,605
4	Receivables from clients	6	11,001	11,332
	Including: b) Other receivables		11,001	11,332
5	Debt securities	7	830	541
	Including: b) Issued by other persons		830	541
6	Shares, share certificates and other interests	8	80	76
7	Participating interests with significant influence	8	1	1
8	Participating interests with decisive influence	8	9	14
9	Intangible fixed assets	9	57	63
10	Tangible fixed assets	9	210	253
	Of which: Land and buildings for operational activities		210	253
11	Other assets	10	117	144
13	Accrued expenses and income	10	112	18
тот	AL ASSETS		36,188	34,508



BALANCE SHEET AS AT 31 DECEMBER 2024 (CONTINUED)

CZK	MILLION	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
1	Payables to banks	12	232	155
	Including: b) Other payables		232	155
2	Payables to clients	13	24,984	24,648
	Including: a) Payable on demand		123	58
	b) Other payables		24,861	24,590
4	Other liabilities	14	242	215
5	Accrued revenues and deferred expenses	14	152	94
6	Provisions	11	3,863	3,732
	Including: b) For taxes		105	C
	c) Other		3,758	3,732
	Total debt		29,473	28,844
8	Share capital	15	2,632	2,632
	Of which: a) Paid-up share capital		2,632	2,632
10	Reserve funds and other funds from profit		1,350	1,350
	Including: a) Mandatory reserve funds and hedge funds		1,150	1,150
	c) Other funds from profit		200	200
13	Valuation differences from assets and liabilities	15	-306	-365
14	Retained earnings from previous periods	2,027		1,121
15	Profit for the fiscal period	15	1,012	926
	Total equity		6,715	5,664
тот	AL LIABILITIES		36,188	34,508





OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2024

CZF	MILLION	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
	Off-balance sheet assets:			
1	Commitments and guarantees provided	16	37,569	50,088
4	Receivables from fixed-term operations	24c	47	69
6	Written-off receivables		184	132
	Total off-balance sheet assets		37,800	50,289
	Off-balance sheet liabilities:			
9	Commitments and guarantees received	16	8,367	20,936
10	Pledges and collateral received	16	7,004	6,458
12	Liabilities from fixed-term operations	24c	47	70
14	Values taken into escrow, administration and storage	16	4,672	4,715
	Total off-balance sheet liabilities		20,090	32,179



PROFIT AND LOSS ACCOUNT FOR 2024

CZK	MILLION	NOTE	2024	2023
1	Interest income and similar revenues	17	977	1,287
	Of which: Interest on debt securities		563	661
2	Interest expense and similar costs	17	-354	-556
4	Revenue from fees and commissions	18	437	431
5	Fee and commission costs		-3	-3
6	Profit or loss from financial operations	19	8	8
7	Other operating income	20	135	15
8	Other operating expenses	20	-48	-42
9	Administrative costs	21	-501	-474
	Including: a) Staff costs		-387	-350
	Of which: aa) Wages and salaries		-275	-251
	ab) Social security and health insurance		-94	-86
	b) Other administrative costs		–114	-124
11	Depreciation of tangible and intangible fixed assets		<i>-</i> 76	-60
12	Release of allowances and provisions for receivables, securities and guarantees, revenues from previously written-off receivables	11	1	1
13	Depreciation, generation and use of allowances and provisions for receivables, securities and guarantees	11	520	319
15	Losses on transfer of participating interests with decisive and significant influence, generation and use of allowances for participating interests with decisive and significant influence	11	- 5	-9
16	Release of other provisions	11	18 15	7 0
17	Generation and use of other provisions	11		
19	Profit or loss for the fiscal period before tax		1,124	924
23	Income tax	22	-112	2
24	Profit or loss for the fiscal period after tax	15	1,012	926

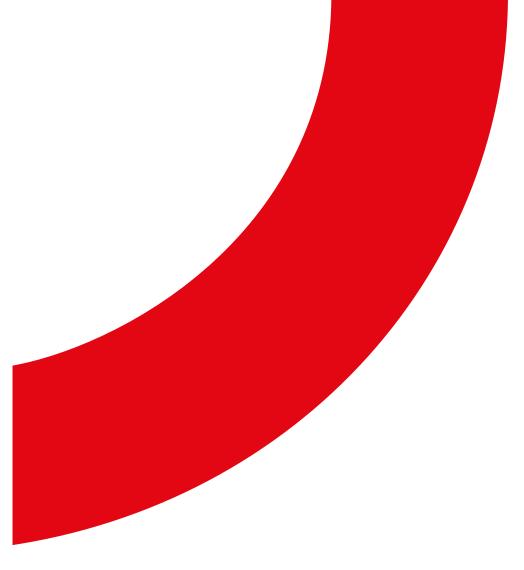




STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31 DECEMBER 2024

CZK MILLION	SHARE CAPITAL	RESERVE FUNDS AND HEDGE FUNDS	SOCIAL FUNDS AND OTHER FUNDS FROM PROFIT	VALUATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
As at 1 January 2023	2,632	1,150	200	<i>-</i> 702	1,137	4,417
Profit in 2023	0	0	0	0	926	926
Movements in valuation differences	0	0	0	337	0	337
Allocation to the social fund	0	0	16	0	-16	0
Drawing on the social fund	0	0	-16	0	0	-16
As at 31 December 2023	2,632	1,150	200	-365	2,047	5,664
Profit in 2024	0	0	0	0	1,012	1,012
Movements in valuation differences	0	0	0	59	0	59
Allocation to the social fund	0	0	20	0	-20	0
Drawing on the social fund	0	0	-20	0	0	-20
As at 31 December 2024	2,632	1,150	200	-306	3,039	6,715





NOTES ON THE
UNCONSOLIDATED
FINANCIAL STATEMENTS
IN ACCORDANCE WITH
CZECH ACCOUNTING
REGULATIONS AS AT
31 DECEMBER 2024

1. GENERAL INFORMATION

Národní rozvojová banka, a.s. or the National Development Bank (hereinafter referred to as the "Bank" or the "NRB") was established pursuant to the Commercial Code as a joint-stock company and was incorporated in the Commercial Register kept by the District Court of Prague 1 on 28 January 1992 (Section B, Insert 1329). As of 1 May 2023, the Bank's registered office address is Přemyslovská 2845/43, Žižkov, Prague 3. The Bank has five branches in the Czech Republic: Prague, Brno, Ostrava, Hradec Králové and Pilsen.

The Bank was issued a banking licence by the Czech National Bank (hereinafter referred to as the "CNB") to perform the activities specified in Section 1(1)(a) and (b) of the Act on Banks and to perform the activities specified in Section 1(3) of the Act on Banks.

The vision of the National Development Bank is to become an accelerator of the Czech Republic's economic growth and to support the transition and competitiveness of the Czech Republic. The NRB wants to become a leader and national competence centre in the use of financial instruments and to be a key player in the cooperation between the private and public sectors.

The NRB's banking activities are primarily specialised in supporting small and medium-sized enterprises (SMEs) in the Czech Republic, mainly through guarantee and loan products. The Bank also participates in financing infrastructure projects of the State, cities and municipalities.

2. ACCOUNTING POLICIES

A) BASIC PRINCIPLES OF ACCOUNTING

The Financial Statements on an individual basis for the 2024 fiscal period are prepared in accordance with Act No. 563/1991 Coll., on accounting, and relevant regulations, measures and decrees, in particular Decree No. 501/2002 Coll., issued by the Ministry of Finance of the Czech Republic (hereinafter referred to as the "MoF CR"), as amended (hereinafter referred to as the "Decree"), which implements certain provisions of Act No. 563/1991 Coll., on accounting, as amended, for accounting entities that are banks and other financial institutions, as amended, and in accordance with the Czech Accounting Standards for financial institutions.

The Bank does not prepare consolidated financial statements in accordance with Czech accounting regulations because it only controls consolidated accounting entities that are individually and collectively insignificant.

In accordance with that Decree, the arrangement and designation of items in the Financial Statements and the content definition of the items in these Financial Statements are determined. At the same time, the Decree stipulates in Section 4a(1) that the Bank should follow the International Accounting Standards as amended by the directly applicable European Union regulations on the application of the International Accounting Standards (hereinafter referred to as the "International Accounting Standards" or "IFRS") for the purpose of reporting and valuing financial instruments and disclosing information on them in the Notes to the Financial Statements.

The Bank discloses non-financial information in these Financial Statements on the basis of the recommendations and public statement of the European Securities and Markets Authority (ESMA) on priorities for annual reports for 2023 dated 25 October 2023.

The Financial Statements are based on the principle of the accrual of costs and revenues, with transactions and other events being recognised at the time of their occurrence and accounted for in the period to which they relate. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial instruments at fair value through profit or loss and at fair value through equity.

In order to prepare Financial Statements in accordance with Czech accounting regulations, it is necessary for the Bank's management to make estimates that affect the amounts of assets and liabilities reported at the balance sheet date, disclosures about contingent assets and liabilities, and costs and revenues reported for the period. These estimates, which relate in particular to the determination of the fair value of financial instruments, the valuation of intangible assets, the impairment of assets and the generation of provisions, are based on information available at the date of the Financial Statements. The main areas where there may be significant differences between the actual result and the estimate include, in particular, loan allowances, provisions for guarantees and loan commitments and the fair value of securities. Information about key forward-looking assumptions and other key sources of estimation uncertainty at the date of the Financial Statements that are likely to cause significant adjustments to the book amounts of assets and liabilities within the next fiscal period is disclosed in the individual sections and items of the Financial Statements.

The fair values of listed investments in active markets are based on current ask prices (financial assets) or bid prices (financial liabilities). In the absence of an active market for a financial instrument, the Bank determines fair value using valuation methods. Valuation methods reflect current market conditions at the valuation date, which may not correspond to market conditions before or after the valuation date. At the date of the Financial Statements, the Bank's management assessed the methods used to ensure that they adequately reflected current market conditions, including relative market liquidity and credit spread.

Financial assets and liabilities denominated in foreign currencies are converted into CZK at the exchange rate published by the CNB as at the balance sheet date. All foreign exchange gains and losses on monetary items are recognised in profit or loss from financial operations.

B) MOMENT OF EXECUTION OF A BUSINESS TRANSACTION

The moment of execution of a business (accounting) transaction is the day of settlement of spot trades in the case of the spot purchase and sale of securities. Spot operations are monitored on off-balance sheet accounts from the moment the trade is agreed to the moment the trade is settled.

In other cases, the moment of the business transaction is the date of occurrence.



C) FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) RECOGNITION AND INITIAL VALUATION

The Bank initially recognises selected financial assets and financial liabilities (e.g. receivables from clients, payables to clients, etc.) at the time they arise. All other financial instruments (including spot purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the relevant financial instrument.

A financial asset or financial liability is initially measured at fair value, which is normally the transaction price plus or minus transaction costs directly attributable to the acquisition or issue. This adjustment for transaction costs does not apply to financial instruments measured at fair value through profit or loss (FVTPL).

(ii) CLASSIFICATION

FINANCIAL ASSETS

On initial recognition, a financial asset is classified as measured at:

- amortised cost (AC);
- fair value through equity (FVOCI);
- fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost (AC) if it meets both of the following conditions and is not designated as measured at fair value through profit or loss (FVTPL):

- the asset is held within a business model that aims to hold financial assets to obtain contractual cash flows;
- the contractual terms of the financial asset specify the dates of cash flows consisting exclusively of repayments of principal and payments of interest on the principal amount outstanding (the "SPPI test").

A debt instrument is measured at fair value through equity (FVOCI) only if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- the asset is held within a business model of which the objective is achieved both by the collection of contractual cash flows and by the sale of financial assets;
- the contractual terms of the financial asset specify the dates of cash flows consisting exclusively of repayments of principal and payments of interest on the principal amount outstanding (the "SPPI test").

On the initial recognition of equity securities not held for trading, the Bank irrevocably determined that it would recognise subsequent changes in fair value through equity (FVOCI); for more details, see item 2g (Shares, share certificates and other interests). This choice was made and applied at the level of the investment in question.

All other financial assets are measured at fair value through profit or loss (FVTPL).

On initial recognition, the Bank classifies a financial asset that otherwise meets the requirements for being measured at AC or FVOCI as being measured at FVTPL if this eliminates or significantly reduces a valuation or accounting mismatch that would otherwise arise; see item 2c(vii) below.

EVALUATION OF THE BUSINESS MODEL

The business model in the Bank reflects the way in which groups of financial assets are jointly managed in order to achieve a certain business goal. Therefore, this condition does not represent an approach to the classification by instruments individually but is set at a higher level of aggregation. The Bank takes into account all relevant information and evidence available at the assessment date. This relevant information and evidence includes, but is not limited to, the following:

- established methods and objectives for the portfolio and the approach to these methods in practice, i.e. in particular, whether the accounting entity's strategy focuses on contractual interest revenues, maintaining the interest rate profile, matching the duration of financial assets to the duration of liabilities that serve as a source of funding for those financial assets or realising cash flows by selling assets;
- evaluating the performance of the business model and financial assets held within each business model, including how to present it to key management personnel of the accounting entity;
- risks that affect the performance of business models and financial assets held within selected business models and, in particular, the way in which those risks are managed;
- the method of remuneration of the Bank's managers and executives;
- the frequency, volume and timing of sales in previous periods, the reasons for the sales and their expectations in the future. Sales information is not evaluated in isolation but as part of an overall assessment of how the accounting entity's objectives for managing financial assets are achieved and how cash flows are realised.

Financial assets that are held for trading and the performance of which is measured on the basis of fair value are measured at FVTPL because the financial assets are not held to obtain contractual cash flows or to achieve the objective of collecting contractual cash flows or sales of financial assets.

EVALUATION OF WHETHER CASH FLOWS ARE FORMED EXCLUSIVELY BY (RE)PAYMENTS OF PRINCIPAL AND INTEREST (THE "SPPI TEST")

For the purposes of this evaluation, "principal" is defined as the fair value of a financial asset on initial recognition. "Interest" is defined as the remuneration for the time value of money and for the credit risk associated with the principal amount outstanding for a specific period of time and for other basic risks and costs associated with lending (e.g. liquidity risk and administrative costs), as well as any profit margin.

In assessing whether cash flows consist exclusively of principal and interest (re)payments, the Bank evaluates the contractual terms of the instrument. This includes evaluating whether a financial asset includes contractual arrangements that may change the timing and amount of the contractual cash flows. As part of the evaluation, the Bank takes into account:



- 40)
- contingent events that may change the timing and amount of contractual cash flows;
- leverage;
- early repayment and extension of maturity;
- conditions that limit an accounting entity from collecting cash flows from specific assets;
- conditions that modify the payment for the time value of money (e.g. the methods used for the regular determination of the interest rate).

RECLASSIFICATION

Subsequent to initial recognition, financial assets are not reclassified unless the Bank changes its business model for managing financial assets in the current fiscal period.

FINANCIAL LIABILITIES

The Bank classifies its financial liabilities, other than financial guarantees and commitments, as valued at:

- amortised cost (AC), or
- fair value through profit or loss (FVTPL).

(iii) DERECOGNITION

FINANCIAL ASSETS

The Bank derecognises a financial asset if

- the contractual rights to the cash flows from the financial asset expire - see item 2c(iv) below - or
- it transfers the rights to receive cash flows in a transaction in which substantially all the risks and rewards of ownership of a financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset and does not retain control of the financial asset.

When derecognising a financial asset, the difference between

- a) the book value of the asset (or part of the book value allocated to the portion of the derecognised asset) and
- b) the sum of the consideration received (including any acquired asset less the value of any new liability) and the cumulative gain or loss that was recognised in equity

shall be reported in the Profit and Loss Account.

The cumulative gain or loss recognised in equity in connection with equity securities that are designated as measured at fair value through equity (FVOCI) is not recognised in the Profit and Loss Account when derecognised. See item 2f below.

The Bank enters into transactions in which it transfers the assets recognised in the Balance Sheet but retains either all or substantially all the risks and rewards of the transferred financial assets or parts thereof. In such cases, the transferred assets are not derecognised. See item 2j (Sale and repurchase operations).

In transactions in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset but retains control of the financial asset, the Bank continues to recognise the asset to the extent that it is exposed to changes in the value of the transferred asset.

FINANCIAL LIABILITIES

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(iv) MODIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

FINANCIAL ASSETS

If the terms of a financial asset are modified, the Bank assesses whether the cash flows of the modified financial asset are different.

In the event that the client owes more than two repayments of the loan principal, the Bank proceeds to extend the loan maturity or postpone repayments, steps that do not result in a change in the amount of cash flows from the financial asset in question.

If the cash flows of a financial asset change as a result of a change in the contractual terms between the Bank and the counterparty (a change not just resulting from financial difficulties) and the change in the contractual terms is classified as significant, the original asset is derecognised and a new one is recognised at fair value, including the transaction costs associated with the restatement of the asset. The present value of the cash flows for that asset is discounted using the new effective interest rate also used to calculate interest income. In such a case, the original financial asset is derecognised – see item 2c(iii) above – and the new financial asset is recognised and reported at fair value.

If the change in the contractual terms is not classified as significant (i.e. the difference between the net present value of the asset using the original interest rate and the net present value of the asset using the updated interest rate is close to 10%, or based on an individual assessment) and the financial asset has not been derecognised, the Bank recalculates the present value of the adjusted cash flows from the financial asset, and the difference between the gross book value before the change in the terms (excluding existing allowances) and the gross book value after the change is recognised as the impact of the modification of the asset on profit or loss. The present value of the adjusted cash flows is discounted using the original effective interest rate also used to calculate interest income. The related costs and charges adjusting the book value of the modified financial asset are amortised over the residual maturity of the modified financial asset. If such a modification is made because of the debtor's financial difficulties - see item 2c(vi) below - the gain or loss is recognised together with the generation, release or use of allowances in the Profit and Loss Account. In other cases, the gain or loss is recognised together with interest income in the Profit and Loss Account.

FINANCIAL LIABILITIES

The Bank derecognises a financial liability when the terms of the financial liability are modified and the cash flows of the modified liability are significantly different. In that case, the new financial liability is recognised at fair value on the basis of the modified terms. The difference between the book value of a defunct financial liability and a new financial liability with modified terms is recognised in the Profit and Loss Account.

The Bank does not modify financial liabilities. Financial liabilities to programme sponsors are repaid upon completion of the business transaction recovery process.



(v) VALUATION AT FAIR VALUE

"Fair value" is the price that would be received from the sale of an asset or paid for the assumption of a liability in a standard transaction between market participants at the measurement date in the principal (or most advantageous) market to which the Bank has access at that date. The fair value of a liability reflects the risk of default.

The Bank measures the fair value of an instrument using the price listed in an active market for that instrument, if available. An active market is a market in which transactions for assets or liabilities are carried out with sufficient frequency and volume to ensure a regular supply of price information.

If the price listed in an active market is not available, the Bank will use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The selected valuation technique includes all of the factors that market participants would include in the valuation of the transaction in question.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price (i.e. the fair value of the consideration given or received).

If an asset or liability that is measured at fair value has a bid price and ask price, then the Bank measures

- assets and long positions at the bid price
- liabilities and short positions at the ask price.

The fair value of a financial liability that includes a demand repayment element (e.g. a deposit repayable on demand) is not less than the amount repayable on demand, discounted from the first day that repayment can be required.

HIERARCHY OF FAIR VALUE

The Bank determines fair values using the following fair value hierarchy, which reflects the significance of the inputs used for valuation.

Level 1: Level 1 inputs are (unadjusted) prices listed in active markets for identical assets or liabilities to which the Bank has access at the measurement date.

Level 2: Level 2 inputs are inputs other than listed prices included within Level 1 that are observable directly (i.e. as prices) or indirectly (i.e. as derived from prices) for an asset or liability. This level includes instruments valued using:

- listed prices for similar instruments in active markets;
- listed prices for identical or similar instruments in markets considered less than active;
- or other valuation methods in which all significant inputs are directly or indirectly observable from market data.

Level 3: Level 3 inputs are unobservable inputs. This level includes all instruments for which valuation methods include inputs that are not observable, and the unobservable inputs have a significant impact on the valuation of the instrument. This level includes instruments that are valued on the basis of listed prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between instruments.

(vi) IMPAIRMENT

The Bank recognises allowances and provisions for expected credit losses (ECL) for the following financial instruments that are not measured at fair value through profit or loss (FVTPL):

- financial assets that are debt instruments;
- loan commitments issued:
- financial guarantees provided.

Equity financial instruments are not recognised for impairment. The Bank establishes allowances equal to lifetime ECL, with the exception of the following financial instruments, the allowances of which are determined as 12-month ECL:

- debt securities for which a low credit risk is determined at the balance sheet date:
- other financial instruments (other than leasing receivables) for which the credit risk has not increased significantly since their initial recognition.

The Bank assumes a low credit risk for debt securities if their respective credit risk rating is in accordance with the generally understood definition of "investment grade".

The 12-month ECL are part of the expected credit losses that may arise as a result of the expected default of a financial instrument that may occur within 12 months of the balance sheet date.

DETERMINATION OF EXPECTED CREDIT LOSSES (ECL)

ECL represent a probability-weighted estimate of expected credit losses and are determined as follows:

- financial assets that are not credit-impaired: as the present value of all cash deficits (i.e. the difference between the contractual cash flows in favour of the Bank and the cash flows expected by the Bank);
- financial assets that are credit-impaired: as the difference between the gross book value of the financial asset and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows to the accounting entity if the loan commitment is drawn and the cash flows the Bank expects to receive;
- financial guarantees: as the difference between the expected payments required to satisfy the holder of the financial guarantee and the payments that the Bank expects to receive.

Further information is provided in item 24a).

RESTRUCTURED FINANCIAL ASSETS

If the contractual terms of a financial asset are modified or an existing financial asset is replaced with a new one as a result of the financial difficulties of the debtor, the Bank assesses whether the financial asset should be derecognised and the expected credit losses (ECL) are determined as follows:

if the expected restructuring does not result in the derecognition of the existing asset, the expected cash flows from the modified financial asset are included in the calculation of cash deficits from the existing asset.



42)

If the expected restructuring results in the derecognition of an existing asset, the expected fair value of the new asset is treated as the final cash flow from the existing asset at the time of derecognition. This value is included in the calculation of cash deficits on an existing asset that are discounted from the expected date of derecognition at the balance sheet date using the original effective interest rate of the existing financial asset.

CREDIT-IMPAIRED FINANCIAL ASSETS

At each balance sheet date, the Bank assesses whether financial assets measured at amortised cost and debt financial assets measured at fair value through equity (FVOCI) are not credit-impaired. A financial asset is credit-impaired if one or more events have occurred that have an adverse effect on the estimated future cash flows of that financial asset.

Evidence that a financial asset has been credit-impaired includes the following observations:

- significant financial problems of the debtor or issuer;
- significant delay in fulfilling the contractual non-payment terms:
- breach of contract, such as default by the debtor or failure to pay;
- loan restructuring carried out by the Bank which the Bank would not otherwise have considered;
- if it becomes probable that the debtor will enter bankruptcy, insolvency or some other reorganisation; or
- the disappearance of an active market for the securities in question as a result of financial difficulties.

A loan of which the contractual terms have been adjusted as a result of a deterioration in the debtor's solvency is usually considered to be credit-impaired if there is no evidence that the risk of non-receipt of contractual cash flows has been significantly reduced and there are no other indicators of impairment. In addition, loans that are 90 days or more overdue are considered credit-impaired.

When assessing the credit impairment of bonds, the Bank considers the following:

- how the market assessment of the issuer's creditworthiness is reflected in the yield of the bond;
- assessment of creditworthiness by rating agencies;
- the issuer's access to the capital markets for the purpose of issuing new bonds;
- the likelihood of the restructuring of the issuer resulting in a loss for the Bank as a result of voluntary or compulsory debt forgiveness.

PRESENTATION OF ALLOWANCES FOR ECL IN THE BALANCE SHEET

Allowances for ECL are presented as follows:

- financial assets measured at amortised cost: the allowance is deducted from the gross book value of the assets;
- loan commitments and financial guarantees: as a provision with the exception mentioned in the clause below;

- if a financial instrument includes both an exhausted (financial asset) and an undrawn portion (loan commitment) and the Bank cannot separately distinguish between the expected credit losses from a loan commitment and losses from a financial asset, the Bank recognises the expected credit losses from the loan commitment together with the allowance for the financial asset. These expected credit losses are recognised as a provision only to the extent that the combined expected credit losses exceed the gross book value of the financial asset.
- Debt instruments measured at fair value through equity (FVOCI): the allowance is not recognised in assets in the Balance Sheet, as these instruments are recognised in assets at their fair value. However, the allowance is reported under "Valuation differences in equity" and its amount is stated in the Notes to the Financial Statements.

Allowances and provisions for ECL generated against costs are reported in the Profit and Loss Account in the item "Depreciation, generation and use of allowances and provisions for receivables and guarantees". This item also recognises any subsequent use of allowances.

The release of allowances and provisions for ECL as a result of their redundancy is reported in the Profit and Loss Account in the item "Release of allowances and provisions for receivables and guarantees, revenues from previously written-off receivables".

TAX ALLOWANCES

The tax-deductible part of the total allowances for credit losses for the fiscal period is calculated in accordance with Section 5 ("Bank provisions and allowances") and Section 8 ("Allowances for receivables from debtors") of Act No. 593/1992 Coll., on provisions for determining the income tax base, as amended. Allowances are kept in the analytical records for the purpose of calculating the tax liability.

DEPRECIATION

Loans and debt securities are written off (either in part or in full) unless there is a realistic and achievable possibility of recovery. This generally occurs when the Bank finds that a debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due that is being written off. However, depreciated financial assets may still be subject to recovery in order to comply with the Bank's recovery procedures.

Write-offs of receivables are included in the item "Depreciation, generation and use of allowances and provisions for receivables and guarantees" in the Profit and Loss Account. In the case of a write-off of a receivable for which an allowance has been generated in full, the allowances in the same item of the Profit and Loss Account are reduced by the same amount. Revenues from previously written-off loans are reported in the Profit and Loss Account in the item "Release of allowances and provisions for receivables and guarantees, revenues from previously written-off receivables".



(vii) CLASSIFICATION OF A FINANCIAL INSTRUMENT IN THE CATEGORY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

FINANCIAL ASSETS

Upon initial recognition, the Bank may classify certain financial assets in the FVTPL valuation category because this designation/classification eliminates or significantly reduces an accounting mismatch that would otherwise occur.

FINANCIAL LIABILITIES

The Bank may classify certain financial liabilities in the FVTPL valuation category for the following reasons:

- the liabilities are managed, assessed and internally reported on a fair value basis;
- this classification eliminates or significantly reduces an accounting mismatch that would otherwise occur.

D) RECEIVABLES FROM BANKS

The Balance Sheet item "Receivables from banks" includes the following:

loans and borrowings measured at amortised cost - see item
 2c(ii) above - which are initially recognised at fair value plus
 additional direct transaction costs and subsequently measured at amortised cost using the effective interest rate;

accrued interest is part of the account groups in which the assets are recognised and is reported together with the relevant asset.

E) RECEIVABLES FROM CLIENTS

The Balance Sheet item "Receivables from clients" includes the following:

- loans and borrowings measured at amortised cost see item
 2c(ii) above which are initially recognised at fair value plus
 additional direct transaction costs and subsequently measured at amortised cost using the effective interest rate;
- loans and borrowings that are mandatorily measured at fair value through profit or loss (FVTPL) or included in FVTPL see items 2c(ii) and 2c(vii) above - that are measured at fair value, any change in which is immediately recognised in profit or loss;

accrued interest is part of the account groups in which the assets are recognised and is reported together with the relevant asset.

If the Bank purchases a financial asset and at the same time enters into a contract to sell the financial asset that was purchased (or a significantly similar asset) at a fixed price in the future (reverse repo operations or lending securities), the transaction is reported as a loan or borrowing and the underlying asset is not reported in the Bank's Balance Sheet. See item 2j below (Sale and repurchase operations).

F) SECURITIES

DEBT SECURITIES

Debt securities reported in the Balance Sheet items "Government zero-coupon bonds and other securities accepted by the central bank for refinancing" and "Debt securities" include the following valuation categories:

- debt securities measured at amortised cost see item 2c(ii) above - which are initially recognised at fair value plus additional direct transaction costs and subsequently measured at amortised cost using the effective interest rate;
- debt securities measured at fair value through equity (FVOCI);
- debt securities that are mandatorily measured at fair value through profit or loss (FVTPL) or included in FVTPL - see items 2c(ii) and 2c(vii) above - that are measured at fair value, any change in which is immediately recognised in profit or loss

For debt securities valued at FVOCI, gains or losses are recognised in the item "Valuation differences in equity", except for the following, which are recognised in the Profit and Loss Account in the same way as financial assets measured at amortised cost:

- interest income using the effective interest rate;
- generation of an allowance for expected credit losses (ECL) and its release or use;
- foreign exchange gains and losses.

If a debt security valued at FVOCI is derecognised, the cumulative gain or loss recognised up to that point in the item "Valuation differences in equity" is reclassified from equity and recognised in the Profit and Loss Account.

Gains/losses that are recognised in the Profit and Loss Account are reported under the item "Profit or loss from financial operations".

DERECOGNITION OF SECURITIES

When selling securities in the FVTPL valuation category, the Bank uses the average price method to value the decrease in securities.

When selling equity securities in the FVOCI valuation category, the Bank uses the average price method to value the decrease in securities.

When selling debt securities in the FVOCI valuation category or valued at amortised cost, the Bank uses the pro rata method to value the decrease in securities.

G) SHARES, SHARE CERTIFICATES AND OTHER INTERESTS

EQUITY SECURITIES

Equity securities reported in the Balance Sheet item "Shares, share certificates and other interests" include the following:





- equity securities for which it is irrevocably determined that subsequent changes in their fair value will be reported through equity (FVOCI). This determination is based on individual instruments at initial recognition and the equity securities in question must not be "held for trading".
- equity securities that are mandatorily measured at fair value through profit or loss (FVTPL) or included in FVTPL - see items 2c(ii) and 2c(vii) above - that are measured at fair value, any change in which is immediately recognised in profit or loss.

Gains and losses on equity securities irrevocably identified in FVOCI are never reclassified from "Valuation differences in equity" to profit or loss (i.e. recognised in the Profit and Loss Account). Dividends received are recognised in the Profit and Loss Account unless they clearly represent a reimbursement of part of the cost of the investment (acquisition cost). If the dividends received clearly represent a refund of part of the investment costs (acquisition costs), they are recognised in equity. The cumulative gains and losses recognised in "Valuation differences" are transferred to the item "Retained earnings or unrecovered loss from previous periods" at the time of the sale of the securities.

Dividends received are recognised in the Profit and Loss Account when the right to receive payment is established. Dividends received are reported under "Revenues from shares and interests".

H) FAIR VALUE OF SECURITIES

The fair value of securities is determined as the price listed by the relevant stock exchange or other active public market. In other cases, fair value is estimated as the net present value of cash flows, taking into account the risks in the case of bonds.

The Bank uses only data available from the market in its models designed to determine the fair value of securities. Valuation models take into account current market conditions existing at the valuation date, which may not reflect the market situation before or after that date. At the balance sheet date, the Bank's management reviewed these models and ensured that they adequately reflected current market conditions, including relative market liquidity and credit spread.

I) PARTICIPATING INTERESTS IN COMPANIES WITH DECISIVE AND SIGNIFICANT INFLUENCE

PARTICIPATING INTERESTS WITH DECISIVE INFLUENCE

A subsidiary (participating interest with decisive influence) is an accounting entity controlled by another accounting entity.

Controlling an entity in which an investment has been made means that the investor controls the entity if it is exposed to or entitled to variable revenues by virtue of its exposure to the entity and can influence those revenues through its power over the entity. The investor therefore controls the entity in which it has invested only if all of the following points apply:

- it has power over the entity in which it has invested;
- on the basis of its exposure to the entity in which it has invested, it is exposed to variable revenues or is entitled to such revenues;
- it is able to use its power over the entity in which it has invested to influence the amount of its revenues.

PARTICIPATING INTERESTS WITH SIGNIFICANT INFLUENCE

A company with significant influence (hereinafter referred to as an "affiliate") is a company in which the Bank exercises significant influence through its share in financial and operational decisions but does not have the ability to control that company. A company with significant influence is also considered to be a participating interest that the Bank controls together with another person and in which it does not itself have decisive influence.

Participating interests in companies with significant and decisive influence are valued at acquisition cost, taking into account any permanent impairment.

The generation, release and use of related allowances are recognised in the Profit and Loss Account in the items "Release of allowances for participating interests with decisive and significant influence" and "Losses from the transfer of participating interests with decisive and significant influence, generation and use of allowances for participating interests with decisive and significant influence".

J) SALE AND REPURCHASE OPERATIONS

Securities purchased or lent under agreements to resell (reverse repo operations) are not recognised in the Balance Sheet. In the case of the sale of securities thus acquired, the resulting short position is reported at fair value in liabilities arising from debt securities. Securities sold or lent under repurchase agreements (repo operations) are retained in their original portfolio. The underlying cash flows are reported at the settlement date as receivables from banks, receivables from clients, payables to banks and payables to clients.

Securities temporarily exchanged under a collateral exchange agreement are retained in their original portfolio in the case of lent securities. Borrowed (lent) securities are not reported in the Balance Sheet. In the case of the sale of securities thus acquired, the resulting short position is reported at fair value in liabilities arising from debt securities.

K) FINANCIAL DERIVATIVES

The Bank accounts only for financial derivatives held for trading and does not apply hedge accounting.

Financial derivatives are initially recognised in the Balance Sheet at acquisition cost and subsequently measured at fair value.

Fair values are derived from discounted cash flow models that are based only on available market data. Valuation models



take into account current market conditions existing at the valuation date, which may not reflect the market situation before or after that date. On the balance sheet date, the Bank reviewed these models and ensured that they adequately reflected current market conditions, including relative market liquidity and credit spread.

All derivatives are reported under other assets if they have a positive fair value or under other liabilities if their fair value is negative for the Bank.

Valuation differences on financial derivatives held for trading are included in the profit or loss from financial operations.

In the Off-Balance Sheet, derivatives are reported at the undiscounted contractual value of the underlying instrument in the items "Receivables from fixed-term operations" and "Liabilities from fixed-term operations".

L) BANK GUARANTEES AND LOAN COMMITMENTS

Issued bank guarantees are recorded in the Off-Balance Sheet from the date of execution of the bank guarantee agreement. The Bank's off-balance sheet liability resulting from a bank guarantee is reduced on the basis of the lending bank's information on the amount of the accumulated repaid principal of the guaranteed loan.

Guarantee revenues are recognised on an accrual basis (see item 20 below). As of the date of delivery of the request for performance from the creditor, the request is accounted for in the off-balance sheet records. If the conditions specified in the deed of guarantee are met, the bank guarantee is paid in favour of the creditor. At the moment of performance under the guarantee, the off-balance sheet liability from the request for performance is derecognised and the balance sheet receivable from the client resulting from the performance under the guarantee is still recognised.

Issued loan commitments are commitments to provide a loan according to the agreed conditions. In 2023 and 2022, the Bank did not issue any loan commitments that were valued at FVTPL.

M) INTEREST INCOME AND EXPENSE

Interest income and expense from all interest-bearing instruments are reported on an accrual basis.

The effective interest rate method is a method for calculating the amortised cost of a financial asset or a financial liability and for allocating the interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows until maturity or until the nearest date of a change in the interest rate to the present value of the financial asset or liability.

When calculating the effective interest rate, the Bank takes into account all contractual cash flows arising from the financial instrument (e.g. early repayment options) but does not include future credit losses in the calculation. The calculation includes all fees paid or received between the parties that are part of the effective interest rate, transaction costs and any premiums or discounts, with the exception of loan fees, which are recog-

nised immediately in revenues from fees and commissions. The straight-line method is used as an approximation of the effective interest rate for securities with a remaining maturity of less than one year at the time of the settlement of the purchase, for loans, other receivables and payables if the periods between repayments are less than one year. Interest income includes accrued coupons and accrued discounts and premiums on all fixed revenue instruments.

Interest income from loans within the support for small and medium-sized enterprises includes accrued interest income paid by clients or interest income paid within that support for small and medium-sized enterprises by the State in accordance with concluded contracts.

Revenues from non-performing loans are also accrued and included in the balances of the respective loan. These amounts are taken into account when determining the allowance for outstanding loans.

N) PENALTY INTEREST

Penalty interest is accrued to revenues only for receivables in Stage 1. For other receivables, the accrual of penalty interest income is suspended. This interest is excluded from revenue until it is collected.

O) REVENUE FROM FEES AND COMMISSIONS

Fees and commissions are reported on an accrual basis as of the date on which the service is provided. Fees and commissions for arranging a transaction for a third party or for contributing to such negotiations are recognised when the transaction to which they relate is completed.

P) PROVISIONS

Provisions are established if the Bank has an existing liability as a result of past events and it is probable that an outflow of resources will be required to settle the liability, and the amount of the liability can be reasonably estimated. All provisions are included in liabilities.

The generation of a provision is reported in the relevant item of the Profit and Loss Account; its use is reported together with the costs or losses for which the provisions were generated in the relevant item of the Profit and Loss Account. The release of an unnecessary provision is recognised in revenues.

The provision is generated in the currency in which the Bank expects the relevant performance.

Q) TANGIBLE AND INTANGIBLE ASSETS AND LEASED ASSETS

TANGIBLE AND INTANGIBLE ASSETS

Tangible and intangible fixed assets are measured at acquisition cost and amortised over their estimated useful lives on a straight-line or accelerated basis. The costs of repairs and main-





tenance of tangible assets are charged directly to costs. The technical appreciation of an individual asset item is capitalised and depreciated.

LEASED TANGIBLE AND INTANGIBLE ASSETS

The accounting entity has been applying the International Accounting Standard IFRS 16 Leases since 1 January 2019. A contract is considered to be a lease if it transfers the right to control the use of the identified asset for a specified period of time for a consideration.

IFRS 16 introduces, in particular, changes in the accounting and reporting on the part of the lessee. An accounting entity in the role of the lessee shall recognise an asset from the right to use the leased asset and the related lease payable in the Balance Sheet, except where:

- the lease period is not more than 12 months;
- or the underlying asset has a low acquisition cost.

A contract contains a lease if, under it, the right to control the use of an identifiable asset for a specified period in exchange for a consideration is transferred.

For individual contracts, the Bank assesses whether the contract meets the definition of a lease, i.e. whether:

- there is an identifiable asset and whether the lessor has a material right to replace the asset with another asset;
- the Bank, as the lessee, has the right to obtain all economic benefits for the period of their use;
- the Bank has the right to control the use of assets, i.e., the lessor cannot change the conditions of use.

At the inception of the lease, the Bank recognises in the Statement of Financial Position:

- the right to use the assets in the item "Tangible fixed assets";
- the lease liability in "Other liabilities".

The right of use is measured at acquisition cost, which includes the initial amount of the lease liability adjusted for all lease payments made on or before the commencement date, plus direct costs and an estimate of the costs of dismantling and removing the underlying asset or renewing the underlying asset, less lease incentives.

Subsequently, the right of use is depreciated on a straightline basis over its expected useful life or over the duration of the lease if shorter. The estimated useful life of the right of use is determined on the same basis as for the asset; in addition, this asset is regularly reduced by any impairment losses and adjusted by a certain revaluation of the lease liability.

At the commencement of the lease, the lease liability is measured at the present value of the lease payments not yet paid at the discounted incremental interest rate. Lease payments include:

- fixed payments, including essentially fixed payments;
- index- or rate-dependent variable lease payments (the index or rate that exists at the inception of the lease is used at the inception of the lease);
- the amount that the lessee must pay within the "guaranteed residual value";

- a call option if the Bank envisages its exercise and lease payments, including an extension option, if the Bank has reasonable assurance that it will exercise the extension option; and
- penalties for termination of the lease.

Subsequently, the lease liability is measured at the amortised acquisition cost using the effective interest rate method. The liability is divided into interest recognised in interest expense and amortisation recognised as a reduction of the lease liability.

The liability is reassessed in the event of a change in future lease payments resulting from a change in the index or rate if the Bank's estimates of the amount due change or if the Bank changes its estimates as regards the exercise of the call option or extension or termination of the lease of the asset in question.

In the event that the liability is reassessed, the book value of the right of use is adjusted with an impact on the assets, or directly to the Profit and Loss Account if the right of use is fully depreciated, i.e. the book value of the asset is zero.

The Bank applies an exception in the reporting of leases and does not account for rights of use and lease payables if the duration of the lease is 12 months or less and/or the subject of the lease is of low value. Lease payments from such contracts are charged directly to costs by the Bank on a straight-line basis over the duration of the lease and are recognised in the item "Administrative costs".

In the event that the Bank acts as the lessor, it evaluates at the beginning of the lease whether it is a financial or operating lease. The transition to IFRS 16 did not result in differences in the reporting of leases in the Bank from the perspective of the lessor.

R) TAXATION

TAX PAYABLE

The tax base for income tax is calculated from the profit or loss for the current period before tax by adding non-deductible costs, deducting revenue that is not subject to income tax, and adjusting for tax rebates and setoffs, if any. Current tax stated in the Balance Sheet is already offset against tax prepayments.

VALUE ADDED TAX

The Bank is a registered payer of value added tax (hereinafter "VAT"). Tangible and intangible fixed assets and inventories are valued at acquisition cost, including VAT. The Bank does not apply input VAT as the ratio of income subject to VAT to the total income of the Bank does not reach such an amount that it is cost-effective for the Bank to apply input VAT. Input VAT (excluding tangible and intangible fixed assets) is recognised immediately in costs.

DEFERRED TAX

Deferred tax is recognised for all temporary differences between the residual value of assets and liabilities in the Balance Sheet and their tax value using the full liability method. A deferred tax receivable is recognised to the extent that it is probable that it will be realised against expected taxable profits in the future.



The deferred tax is calculated using the approved tax rate for the period in which the Bank expects its realisation.

Deferred tax arising from the revaluation of available-for-sale securities to fair value recognised directly in equity is also recognised in equity.

S) STAFF COSTS, ADDITIONAL PENSION INSURANCE AND SOCIAL FUND

Staff costs (employees of the Bank and members of the Board of Directors of the Bank in executive management offices) are part of administrative costs and also include remuneration paid to members of the Board of Directors, the Supervisory Board and the Audit Committee.

The Bank contributes to its employees' pension savings and life insurance. These contributions paid by the Bank for pension savings and life insurance are charged directly to costs.

To finance the state pension plan, the Bank makes regular payments to the state budget.

The Bank has established a social fund to cover the social needs of its employees and employee benefits. In accordance with the accounting regulations in force in the Czech Republic, the allocation to the social fund is not reported in the Profit and Loss Account but as a profit distribution. The drawdown of the social fund is not reported in the Profit and Loss Account either; it is reported as a reduction of the fund.

T) PERSONS WITH A SPECIAL RELATIONSHIP WITH THE BANK

Persons with a special relationship with the Bank (hereinafter referred to as "related parties") are defined in accordance with Section 19(1) of the Act on Banks, as amended, as follows:

- a) members of the governing body of the Bank;
- b) members of the Board of Directors and the Supervisory Board of the Bank and members of the Audit Committee, Risk Committee, Remuneration Committee and Appointment Committee;
- c) persons controlling the Bank (see Note 15), persons with a qualifying holding in these persons and members of the management of these persons;

- d) persons close to members of the Bank's governing body, members of the Board of Directors and members of the Supervisory Board of the Bank, members of the Audit Committee, Risk Committee, Remuneration Committee and Appointment Committee and persons controlling the Bank;
- e) legal entities in which any of the persons referred to in clauses (a), (b) and (c) has a "qualifying holding";
- f) persons with a qualifying holding in the Bank and any person controlled by them;
- g) members of the Bank Board of the Czech National Bank;
- h) persons controlled by the Bank.

U) SUBSEQUENT EVENTS

The effect of events that occurred between the balance sheet date and the date of the Financial Statements is recognised in the financial (accounting) reports if those events provide additional evidence about conditions that existed at the balance sheet date.

If significant events occurred between the balance sheet date and the date of the Financial Statements that take into account conditions that occurred after the balance sheet date, the consequences of those events are described in the Notes but are not recognised in the financial (accounting) reports.

V) REGULATORY REQUIREMENTS

The Bank must comply with the regulatory requirements of the CNB and the EU. These requirements include limits and other restrictions on banks' capital ratios, classification of loans and off-balance sheet liabilities, the generation of allowances and provisions to cover credit risk associated with banks' clients, liquidity and the Bank's currency positions.

X) IMPACT OF CHANGES IN ACCOUNTING METHODS

There was no change in accounting methods in 2024.





3. CASH ON HAND AND DEPOSITS WITH CENTRAL BANKS

CASH ON HAND AND DEPOSITS WITH CENTRAL BANKS BY TYPE OF INSTRUMENT

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Interbank payment account at the CNB	213	3
Allowances	0	0
NET BOOK VALUE	213	3

Balances in the interbank payment account at the Czech National Bank are counted towards the regulatory requirement for mandatory minimum provisions. As of 5 October 2023, mandatory minimum provisions are not subject to interest by the Czech National Bank. As at 31 December 2024 and 2023, deposits with central banks were not credit-impaired, and no significant increase in credit risk

4. GOVERNMENT ZERO-COUPON BONDS AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

was identified for them. Allowances are calculated on the basis of the expected 12-month credit loss.

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Government bonds of the Czech Republic Including:		
At amortised cost (AC)	10,822	10,254
Allowance (AC)	-3	-3
Measured at fair value through equity (FVOCI)	9,160	9,206
For trading	692	0
NET BOOK VALUE	20,671	19,457

Of the net book value of government zero-coupon bonds and other securities accepted by the central bank for refinancing, the Bank held 16.06% of bonds due within one year as at 31 December 2024 (31 December 2023: 10.6%).

As at 31 December 2024 and 2023, government zero-coupon bonds and other securities accepted by the CNB for refinancing were not credit-impaired and were not associated with a significant increase in credit risk. Allowances were calculated on the basis of the expected 12-month credit loss.

5. RECEIVABLES FROM BANKS

RECEIVABLES FROM BANKS BY TYPE

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Current accounts with banks	1	1
Receivables from reverse repo operations with the CNB	2,886	2,605
NET BOOK VALUE	2,887	2,606

As at 31 December 2024 and 2023, no receivables from related parties were recorded.

CLASSIFICATION OF RECEIVABLES FROM BANKS BY VALUATION CATEGORY

All receivables from banks as at 31 December 2024 and 31 December 2023 are measured at amortised cost in accordance with IFRS 9.



RECEIVABLES FROM BANKS BY TYPE - ALLOWANCE

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Gross amount	2,888	2,607
Allowances*	-1	-1
TOTAL	2,887	2,606

^{*} Allowances as at 31 December 2024 in the amount of CZK 1 million (as at 31 December 2023: CZK 1 million) are generated for receivables from reverse repo operations with the CNB.

As at 31 December 2024 and 2023, receivables from banks were not credit-impaired, and no significant increase in credit risk was identified for them. Allowances were calculated on the basis of the expected 12-month credit loss.

6. RECEIVABLES FROM CLIENTS

RECEIVABLES FROM CLIENTS BY TYPE

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Loan receivables	9,096	10,388
Receivables arising from guarantees (POCI)*	1,944	1,546
Gross value of receivables from clients	11,040	11,934
Allowance for expected losses (item 11)	-39	-602
NET VALUE OF RECEIVABLES FROM CLIENTS	11,001	11,332

^{*} These are so-called purchased or originated credit-impaired financial assets (POCI) representing receivables from clients arising from the performance of a guarantee issued on a defaulted client loan. The gross value of receivables from clients under guarantees as at 31 December 2024 was CZK 2,251 million. The Bank's allowance for guarantees was CZK 307 million (as at 31 December 2023: CZK 2,001 million, allowance of CZK 454 million). The difference between the gross value of receivables from clients under guarantees and the allowance is covered by funds in the accounts of the programme sponsors, in the form of risk coverage funds.

As at 31 December 2024 and 2023, no receivables from related parties were recorded.

RECEIVABLES FROM CLIENTS BY VALUATION CATEGORY

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Receivables from clients at amortised cost	11,001	11,332
NET VALUE OF RECEIVABLES FROM CLIENTS	11,001	11,332





RECEIVABLES FROM CLIENTS AT AMORTISED COST ACCORDING TO THE CREDIT RISK RATING GRADE

	_	STAGE 1	STAGE 2	STAGE 3		
31 DECEMBER 2024 IN CZK MILLION	PD*	EXPECTED 12-MONTH CREDIT LOSSES	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE NOT CREDIT- IMPAIRED	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE CREDIT-IMPAIRED	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	TOTAL
Rating grade						
No credit rating		4	0	0	0	4
Credit rating 5	0.68	246	45	0	0	291
Credit rating 6	1.42	3,299	0	0	0	3,299
Credit rating X7	5.26	4,555	0	0	0	4,555
Credit rating 1-6 (up to X7)		8,104	45	0	0	8,149
Credit rating 7	31.49	0	4	0	0	4
Credit rating X8	48.42	0	501	0	0	501
Credit rating 7 (up to X8)		0	505	0	0	505
Credit rating 8-10 (including X9)	100.00	0	0	442	1,944	2,386
Gross value of receivables from clients		8,104	550	442	1,944	11,040
Allowances		-36	0	-3	0	-39
Net value of receivables from clients		8,068	550	439	1,944	11,001

^{*} PD represents the probability of default in %.

		STAGE 1	STAGE 2	STAGE 3		
31 DECEMBER 2023 IN CZK MILLION	PD*	EXPECTED 12-MONTH CREDIT LOSSES	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE NOT CREDIT- IMPAIRED	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE CREDIT-IMPAIRED	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	TOTAL
Rating grade						
No credit rating		7	0	0	0	7
Credit rating 4	0.07	0	0	0	0	0
Credit rating 5	0.75	360	0	0	0	360
Credit rating 6	1.53	3,853	0	0	0	3,853
Credit rating X7	5.60	5,162	0	0	0	5,162
Credit rating 1-6 (up to X7)		9,382	0	0	0	9,382
Credit rating 7	33.23	0	0	0	0	0
Credit rating X8	50.90	0	511	0	0	511
Credit rating 7 (up to X8)		0	511	0	0	511
Credit rating 8-10 (including X9)	100.00	0	0	495	1,546	2,041
Gross value of receivables from clients		9,382	511	495	1,546	11,934
Allowances		-302	-48	-252	0	-602
Net value of receivables from clients		9,080	463	243	1,546	11,332

^{*} PD represents the probability of default in %.

The amount of allowances for receivables from clients is described in more detail in item 11.



CONSORTIUM LOANS

Of receivables from clients as at 31 December 2024, consortium loans amount to CZK 24 million (as at 31 December 2023: CZK 56 million).

ANALYSIS OF RECEIVABLES FROM CLIENTS BY TYPE OF COLLATERAL

The table shows the value of collateral received, up to the value of the loan. The unsecured part of the loans is then reported under the item "Not secured".

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Collateral by reliable guarantors	2,580	2,453
Money collateral	4	1
Collateral as real estate mortgage	1,066	1,081
Other loan collateral	886	901
Not secured	6,504	7,498
GROSS VALUE OF RECEIVABLES	11,040	11,934

SECTORAL BREAKDOWN OF RECEIVABLES FROM CLIENTS

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Government institutions	198	197
Non-financial enterprises	10,404	11,245
Other financial institutions	4	4
Households (include homeowner associations)	434	488
GROSS VALUE OF RECEIVABLES FROM CLIENTS	11,040	11,934

BREAKDOWN OF RECEIVABLES FROM CLIENTS ACCORDING TO THE CLASSIFICATION OF ECONOMIC ACTIVITIES (CZ-NACE)

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Administrative and support service activities	129	140
Real estate activities	647	648
Transport and storage	1,373	1,526
Information and communication activities	80	104
Cultural, entertainment and recreational activities	51	70
Other activities	68	78
Finance and insurance	5	6
Professional, scientific and technical activities	550	592
Construction	1,259	1,306
Mining and quarrying	15	21
Accommodation, catering and hospitality	234	292
Wholesale and retail trade	2,118	2,321
Public administration and defence	199	197
Production and distribution of electricity, gas and heat	45	66
Education	48	42
Water supply	161	171
Health and social care	253	270
Agriculture, forestry and fishing	291	303
Manufacturing industry	3,514	3,781
GROSS VALUE OF RECEIVABLES FROM CLIENTS	11,040	11,934





BREAKDOWN OF RECEIVABLES FROM CLIENTS BY INDIVIDUAL PROGRAMMES

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Infrastructure loans	982	1,048
Loans for financing water management and municipal infrastructure	264	249
Other loans for small and medium-sized enterprises	7,840	9,072
Loans for small and start-up enterprises	10	19
Receivables from guarantees	1,944	1,546
GROSS VALUE OF RECEIVABLES FROM CLIENTS	11,040	11,934

7. SECURITIES

DEBT SECURITIES BY TYPE

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Bonds issued by lending institutions	404	405
Bonds issued by non-financial enterprises	426	136
NET BOOK VALUE	830	541

The item "debt securities" recorded CZK 426 million worth of securities issued by related parties as at 31 December 2024 (31 December 2023: CZK 0 million).

There were no debt securities maturing within one year as at 31 December 2024 and 2023.

DEBT SECURITIES BY VALUATION CATEGORY

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Debt securities measured at fair value through equity (FVOCI)	830	541
NET BOOK VALUE	830	541

Debt securities held by the Bank are traded on stock exchanges.

DEBT SECURITIES AT FVOCI

Book value of debt securities	541	0	0	541
31 DECEMBER 2023 CZK MILLION	EXPECTED 12-MONTH CREDIT LOSSES	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE NOT CREDIT-IMPAIRED	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE CREDIT-IMPAIRED	TOTAL
Book value of debt securities	696	134	0	830
31 DECEMBER 2024 IN CZK MILLION	EXPECTED 12-MONTH CREDIT LOSSES	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE NOT CREDIT- IMPAIRED	EXPECTED CREDIT LOSSES OVER THE LIFE OF FINANCIAL ASSETS THAT ARE CREDIT- IMPAIRED	TOTAL
	STAGE 1	STAGE 2	STAGE 3	

Debt securities at FVOCI are reported in the Balance Sheet at fair value. The allowance of CZK 5 million as at 31 December 2024 (as at 31 December 2023: CZK 3 million) is part of the item "Valuation differences in the Bank's equity".



8. SHARES, SHARE CERTIFICATES AND OTHER INTERESTS AND PARTICIPATING INTERESTS IN COMPANIES WITH DECISIVE AND SIGNIFICANT INFLUENCE

SHARES, SHARE CERTIFICATES AND OTHER INTERESTS

SHARES, SHARE CERTIFICATES AND OTHER INTERESTS BY TYPE

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Shares issued by financial institutions	80	76
NET BOOK VALUE	80	76

SHARES, SHARE CERTIFICATES AND OTHER INTERESTS BY VALUATION CATEGORY

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Shares measured at fair value through equity (FVOCI)	80	76
NET BOOK VALUE	80	76

The Bank owns five shares in the European Investment Fund. In 2017, the Bank purchased from the European Investment Bank three shares with a par value of EUR 3,000,000 and thus became, like many other development banks and institutions, a minority shareholder in the EIF. The acquisition cost of those three shares was EUR 1,280,858.04. In September 2021, the Bank purchased an additional two shares with a par value of EUR 2,000,000 at a purchase price of EUR 871,941.76.

PARTICIPATING INTERESTS WITH DECISIVE INFLUENCE

In 2021, an investment fund of qualified investors was established, the National Development Fund SICAV, with its registered office at Přemyslovská 2845/43, Žižkov, Prague 3 (until 30 April 2023: Na Florenci 1496/5, 110 00 Prague 1), in which the Bank held 100% of the founder's shares. The aim of the company was to secure private funds for financing public benefit projects using capital from responsible investors on the principle of return on the invested funds. In 2024, the company's objectives were reassessed, with the Czech National Bank being requested to revoke the company's licence to operate as a self-managed investment fund. This occurred on 3 May 2024. The company was transformed into an ordinary joint-stock company with a non-regulated subject of enterprise (free trade).

The value of this participating interest as at 31 December 2024 and 2023 was as follows:

YEAR	NET BOOK VALUE IN CZK MILLION*	ACQUISITION COST IN CZK MILLION	PAR VALUE	SHARE CAPITAL IN CZK MILLION	SHARE PREMIUM AND CAPITAL FUNDS IN CZK MILLION	DIRECT SHARE IN THE SHARE CAPITAL AND VOTING RIGHTS IN %
2024	5	2	2	2	37	100
2023	10	2	2	2	37	100

^{*} An allowance of CZK 34 million was made for the participating interest as at 31 December 2024 (as at 31 December 2023: CZK 29 million).

SUMMARY FINANCIAL INFORMATION ABOUT THE NATIONAL DEVELOPMENT FUND

	FINANCIAL INFORMATION OF THE AFFILIATE				
IN CZK MILLION	EQUITY	TOTAL ASSETS	INCOME	PROFIT/LOSS	
IN CZR MILLION			INCOME	PROFII/LOSS	
AS AT 31 DECEMBER 2024 AND FOR 2024	5	5	0	-5	
As at 31 December 2023 and for 2023	10	12	1	-9	

In 2019, the Bank established a subsidiary, National Development Investments, a venture capital entity, with its registered office at Přemyslovská 2845/43, Žižkov, Prague 3 (until 30 April 2023: Na Florenci 1496/5, 110 00 Prague 1), in which it holds a 100% share. The company's objective is to fulfil the strategic goals of the NRB as a national development bank in the area of capital and quasi-capital investments within programmes financed from the state budget and/or by the European Union.





The value of this participating interest as at 31 December 2024 and 2023 was as follows:

	NET BOOK VALUE	ACQUISITION COST	PAR VALUE	SHARE CAPITAL	OTHER EQUITY ITEMS	DIRECT SHARE IN THE SHARE CAPITAL AND VOTING RIGHTS
YEAR	IN CZK MILLION	IN CZK MILLION	IN CZK MILLION	IN CZK MILLION	IN CZK MILLION	IN %
2024	4	2	2	2	2	100
2023	4	2	2	2	2	100

SUMMARY FINANCIAL INFORMATION ABOUT NATIONAL DEVELOPMENT INVESTMENTS, A VENTURE CAPITAL ENTITY

	FINANCIAL INFORMATION OF THE AFFILIAT			
IN CZK MILLION	EQUITY TOTAL ASSETS INCOME			
AS AT 31 DECEMBER 2024 AND FOR 2024	3	22	1	0
As at 31 December 2023 and for 2023	3	4	0	1

PARTICIPATING INTERESTS WITH SIGNIFICANT INFLUENCE

The Bank has one affiliate, which is MUFIS a.s. (hereinafter referred to as "MUFIS"), with its registered office at Přemyslovská 2845/43, Žižkov, Prague 3 (until 30 April 2023: Jeruzalémská 964/4, 110 00 Prague 1). The MIT holds a participating interest of 49% and 2% is held by the Union of Towns and Municipalities of the Czech Republic.

The value of this participating interest as at 31 December 2024 and 2023 was as follows:

YEAR	NET BOOK VALUE IN CZK MILLION	ACQUISITION COST IN CZK MILLION	PAR VALUE	SHARE CAPITAL IN CZK MILLION	DIRECT SHARE IN THE SHARE CAPITAL AND VOTING RIGHTS IN %
2024	1	1	1	2	49
2023	1	1	1	2	49

SUMMARY FINANCIAL INFORMATION ABOUT MUFIS A.S.

	FINANCIAL INFORMATION OF THE AFFILIATE				
_	EQUITY TOTAL ASSETS				
IN CZK MILLION	•		INCOME	PROFIT/LOSS	
AS AT 31 DECEMBER 2024 AND FOR 2024	17	17	0	13	
As at 31 December 2023 and for 2023	4	4	0	0	

In terms of share, the Bank is the controlling entity, together with the MoF CR. For the Bank, MUFIS represents an affiliate that does not meet the characteristics of a jointly managed enterprise, as the Bank does not participate in the management of the affiliate MUFIS.

At present, the company's activities are minimised.



9. TANGIBLE AND INTANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS

IN CZK MILLION	LAND AND WORKS OF ART	BUILDINGS	EQUIPMENT AND FACILITIES	LEASEHOLD ASSETS (IFRS 16)	INVESTMENTS IN PROGRESS AND PREPAYMENTS MADE	TOTAL
As at 1 January 2023						
Acquisition cost	11	336	70	0	3	420
Accumulated depreciation	0	-257	-65	0	0	-322
Residual value	11	79	5	0	3	98
Year ended on 31 December 2023						
Initial residual value	11	79	5	0	3	98
Acquisition	0	1	17	169	14	201
Disposals at residual value	_1	-5	0	0	-17	-23
Additions of accumulated depreciation (depreciation)	0	-8	- 5	-10	0	-23
Final residual value	10	67	17	159	0	253
As at 31 December 2023						
Acquisition cost	10	305	57	169	0	541
Accumulated depreciation	0	-238	-40	-10	0	-288
Residual value	10	67	17	159	0	253

IN CZK MILLION	LAND AND WORKS OF ART	BUILDINGS	EQUIPMENT AND FACILITIES	LEASEHOLD ASSETS (IFRS 16)	INVESTMENTS IN PROGRESS AND PREPAYMENTS MADE	TOTAL
Year ended on 31 December 2024						
Initial residual value	10	67	17	159	0	253
Acquisition	0	1	2	10	4	17
Disposals at residual value	-6	-19	0	0	-4	-29
Additions of accumulated depreciation (depreciation)	0	-6	-6	-19	0	-31
Final residual value	4	43	13	150	0	210
As at 31 December 2024						
Acquisition cost	4	190	46	178	0	418
Accumulated depreciation	0	-147	-33	-28	0	-208
Residual value	4	43	13	150	0	210



IN CZK MILLION	SOFTWARE	OTHER INTANGIBLE ASSETS	INVESTMENTS IN PROGRESS AND PREPAYMENTS MADE	TOTAL
As at 1 January 2023				
Acquisition cost	360	14	14	388
Accumulated depreciation	-313	-13	0	-326
Residual value	47	1	14	62
Year ended on 31 December 2023				
Initial residual value	47	1	14	62
Acquisition	6	0	36	42
Disposals at residual value	0	0	-8	-8
Additions of accumulated depreciation (depreciation)	-32	-1	0	-33
Final residual value	21	0	42	63
As at 31 December 2023			_	
Acquisition cost	366	14	42	422
Accumulated depreciation	-345	_14	0	-359
Residual value	21	0	42	63

IN CZK MILLION	SOFTWARE	OTHER INTANGIBLE ASSETS	INVESTMENTS IN PROGRESS AND PREPAYMENTS MADE	TOTAL
Year ended on 31 December 2024				
Initial residual value	21	0	42	63
Acquisition Depreciation of assets	23 0	0	45 -25	68 -25
Disposals at residual value	0	0	-29	-29
Additions of accumulated depreciation (depreciation)	-20	0	0	-20
Final residual value	24	0	33	57
As at 31 December 2024				
Acquisition cost	353	13	33	399
Accumulated depreciation	-329	-13	0	-342
Residual value	24	0	33	57

10. OTHER ASSETS, ACCRUED EXPENSES AND INCOME

OTHER ASSETS

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Deferred tax receivables	99	121
Other receivables	29	36
Gross value of other assets	128	157
Allowances (item 11)	-11	-13
TOTAL	117	144

Other receivables include receivables from related parties amounting to CZK 0 million as at 31 December 2024 (as at 31 December 2023: CZK 2 million).



ACCRUED EXPENSES AND INCOME

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Accrued expenses	38	7
Accrued income	74	11
Gross value	112	18
Allowances (item 11)	0	0
TOTAL	112	18

Of the total value of accrued income, accrued income from related parties amounts to CZK 62 million as at 31 December 2024 (as at 31 December 2023: CZK 8 million).

ALLOWANCES, PROVISIONS AND DEPRECIATION OF ASSETS

The Bank recognised the following provisions and allowances, which were determined on an expected credit loss (ECL) basis for financial assets and off-balance sheet exposures:

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Total provisions Including:	3,863	3,732
Provisions for guarantees provided (item 16)	3,712	3,641
- Stage 1	1,763	1,185
- Stage 2	1,884	2,357
- Stage 3	65	99
Provisions for loan commitments and lines of credit (item 16)	46	58
- Stage 1	46	58
Provisions for taxes	105	0
Other provisions	0	33

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Total allowances Including:	93	651
Securities at FVOCI*	5	3
- Stage 1	4	3
- Stage 2	1	0
Receivables from banks (item 5)	1	1
- Stage 1	1	1
Receivables from clients (item 6)	39	602
- Stage 1	36	302
- Stage 2	0	48
- Stage 3	3	252
Securities at amortised cost (item 4)	3	3
- Stage 1	3	3
Allowances for participating interests with decisive influence (item 8)	34	29
Other assets and accrued expenses and income (item 10)	11	13
- Stage 3	11	13

^{*} The allowance for securities valued at FVOCI is part of the item "Valuation differences in the Bank's equity".





The change in other provisions can be analysed as follows:

IN CZK MILLION	PROVISION FOR CORPORATE INCOME TAX	CRISIS RESOLUTION FUND PROVISION	DEPOSIT INSURANCE FUND PROVISION	OTHER PROVISIONS IN TOTAL
As at 1 January 2023	0	40	0	40
Net generation/release	0	26	1	27
Application	0	-33	-1	-34
As at 31 December 2023	0	33	0	33
Net generation/release	105	-18	0	87
Application	0	– 15	0	– 15
AS AT 31 DECEMBER 2024	105	0	0	105

The table for other provisions includes the following items:

- As at 31 December 2024, the provision for corporate income tax amounted to CZK 105 million, to be used together with the settlement of the tax due for 2024. As at 31 December 2023, the Bank did not incur any tax liability;
- in 2024, the generation of a provision for the annual contribution to the Crisis Resolution Fund was zero (as at 31 December 2023: CZK 33 million). At the same time as the payment to the Crisis Resolution Fund, a provision of CZK 15 million was used (in 2023: CZK 33 million); the rest of the provision was released because of lack of need, in the amount of CZK 18 million (as at 31 December 2023: CZK 7 million).

RECONCILIATION OF OPENING AND CLOSING PROVISION BALANCES

GUARANTEES PROVIDED

		LIFETIME ECL FOR OFF-BALANCE SHEET EXPOSURES THAT ARE NOT	LIFETIME ECL FOR OFF-BALANCE SHEET EXPOSURES THAT ARE CREDIT-	
_	12-MONTH ECL	CREDIT-IMPAIRED	IMPAIRED	TOTAL
IN CZK MILLION	(STAGE 1)	(STAGE 2)	(STAGE 3)	
Balance as at 1 January 2023	1,063	2,395	105	3,563
Conversion from 12-month ECL (Stage 1)	–147	125	22	0
Conversion from lifetime ECL for non-credit- impaired financial assets (Stage 2)	77	-147	70	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 3)	10	16	-26	0
Newly-provided	526	0	0	526
or purchased financial assets				
Derecognition of financial assets	-266	-436	–177	-879
Depreciation	0	0	0	0
Revaluations and changes in models/risk parameters	<i>–</i> 78	404	105	431
Balance as at 31 December 2023	1,185	2,357	99	3,641
Conversion from 12-month ECL (Stage 1)	-46	22	24	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 2)	94	-164	70	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 3)	0	10	-10	0
Newly-provided	832	0	0	832
or purchased financial assets				
Derecognition of financial assets*	-430	<i>–</i> 701	-237	-1,368
Depreciation	0	0	0	0
Revaluations and changes in models/risk parameters	128	360	119	607
BALANCE AS AT 31 DECEMBER 2024	1,763	1,884	65	3,712



LOAN COMMITMENTS AND LINES OF CREDIT

	12-MONTH ECL	LIFETIME ECL FOR OFF-BALANCE SHEET EXPOSURES THAT ARE NOT CREDIT-IMPAIRED	LIFETIME ECL FOR OFF-BALANCE SHEET EXPOSURES THAT ARE CREDIT- IMPAIRED	TOTAL
IN CZK MILLION	(STAGE 1)	(STAGE 2)	(STAGE 3)	
Balance as at 1 January 2023	176	9	0	185
Newly-provided or purchased financial assets	58	0	0	58
Derecognition of financial assets	-176	-13	- 5	-194
Revaluations and changes in models/risk parameters	0	4	5	9
Balance as at 31 December 2023	58	0	0	58
Newly-provided or purchased financial assets	78	0	0	78
Derecognition of financial assets	-90	0	0	-90
Revaluations and changes in models/risk parameters	0	0	0	0
BALANCE AS AT 31 DECEMBER 2024	46	0	0	46





RECONCILIATION OF OPENING AND CLOSING ALLOWANCE BALANCES

RECEIVABLES FROM CLIENTS

	12-MONTH ECL	LIFETIME ECL FOR NON- CREDIT-IMPAIRED FINANCIAL ASSETS	LIFETIME ECL FOR CREDIT-IMPAIRED FINANCIAL ASSETS	TOTAL
IN CZK MILLION	(STAGE 1)	(STAGE 2)	(STAGE 3) + POCI	
Balance as at 1 January 2023	405	94	304	803
Conversion from 12-month ECL (Stage 1)	– 12	9	3	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 2)	75	-98	23	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 3)	5	87	-92	0
Newly-provided or purchased financial assets	76	0	0	76
Derecognition of financial assets	-2	-4	-5	_11
Decrease in ECL as a result of depreciation	0	0	-6	-6
Revaluations and changes in models/risk parameters	-245	-40	25	-260
Balance as at 31 December 2023	302	48	252	602
Conversion from 12-month ECL (Stage 1)	-17	10	7	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 2)	7	-13	6	0
Conversion from lifetime ECL for financial assets that are not credit-impaired (Stage 3)	1	32	-33	0
Newly-provided or purchased financial assets	19	0	0	19
Derecognition of financial assets	-1	0	-4	-5
Decrease in ECL as a result of depreciation	0	0	-15	-15
Revaluations and changes in models/risk parameters	-275	<i>–</i> 77	-210	-562
BALANCE AS AT 31 DECEMBER 2024	36	0	3	39

UNDISCOUNTED EXPECTED CREDIT LOSSES FROM FIRST REPORTED POCI

The overview of undiscounted expected credit losses (ECL) on initial recognition of purchased or provided credit-impaired financial assets (POCI) first reported during the fiscal period is as follows:

IN CZK MILLION	2024	2023
Receivables from clients	3	2
TOTAL	3	2



RECONCILIATION OF THE GENERATION, RELEASE AND USE OF ALLOWANCES AND PROVISIONS

IN CZK MILLION	2024	2023
Revenues from previously written-off receivables	1	1
Total	1	1
Net release of allowances for financial assets	579	270
Use of allowances	15	6
Net depreciation of receivables	–15	-6
Net generation (-)/release of provisions for financial assets	-59	49
TOTAL	520	319

12. PAYABLES TO BANKS

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Loans received from development banks *	107	138
Deposits received from banks	89	15
Other payables to banks	36	2
TOTAL	232	155

^{*} Development banks are: the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB).

Deposits received from banks include payables to related parties amounting to CZK 25 million as at 31 December 2024 (as at 31 December 2023: CZK 0 million).

13. PAYABLES TO CLIENTS

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Payables to government institutions	23,067	22,519
Payables to other financial institutions	1,811	2,109
Payables to non-financial enterprises	104	18
Payables to households (including homeowner associations)	2	2
TOTAL	24,984	24,648

Of the total amount of payables to clients, payables to related parties as at 31 December 2024: CZK 23,005 million (as at 31 December 2023: CZK 22,011 million). The Bank management believes that these deposits were accepted on substantially normal terms and interest rates and these deposits do not exhibit a different liquidity risk or other adverse factors.

The item "Payables to government institutions" includes repo operations with the Ministry of Finance in the amount of CZK 600 million (as at 31 December 2023: CZK 0 million).

Under the item "Payables to government institutions", funds are included, inter alia, in risk coverage accounts if they are established from funds provided by programme sponsors. The structure of these payables is as follows:

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Funds of sponsors from closed programme support	18,780	15,018
Guarantee risk coverage accounts	4,621	8,191





FUNDS OF SPONSORS FROM CLOSED PROGRAMME SUPPORT

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Funds of sponsors from closed programme support	18,780	15,018
Of which:		
OP EIC loans – Expansions	9,109	9,754
OP EIC loans – Energy Savings	681	690
OP TAC loans – Energy Savings	299	156
ENERG loans	125	126
COVID working capital loans	333	335
TRANSITION loans	1,090	530
OP EIC guarantee – EXPANSIONS	3,760	419
ELECTROMOBILITY guarantee	733	0
Foreign Development Cooperation guarantee	235	0

GUARANTEE RISK COVERAGE FUNDS

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023	
Guarantee risk coverage accounts	4,621	8,191	
Of which:			
COVID II guarantees	226	3,308	
EXPANSIONS – guarantees	2,556	2,916	
M NP 15-23 guarantees	788	685	
COVID PRAGUE guarantees	1	382	
COVID TRAVEL guarantees	14	104	
PANEL and NEW PANEL guarantees	576	682	
ELECTROMOBILITY guarantees	354	0	

14. OTHER LIABILITIES, ACCRUED REVENUES AND DEFERRED EXPENSES

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Negative fair value of currency derivatives (item 24c)	0	2
Lease payables	134	147
Payables to suppliers	46	20
Payables to employees	38	27
Bank's social security and health insurance payables	9	7
Settlement with the state budget	3	4
Estimated liabilities	12	8
TOTAL	242	215

As at 31 December 2024 and 2023, there were no payables to related parties recorded in other liabilities.



ACCRUED REVENUES AND DEFERRED EXPENSES

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Accrued revenues	70	17
Of which: accrued guarantee management fees	70	17
Deferred expenses *	82	77
TOTAL	152	94

^{*} The item "Deferred expenses" includes an estimate for employee remuneration, including social security and health insurance payments, as at 31 December 2024: CZK 69 million (as at 31 December 2023: CZK 64 million).

Of the total amount of accrued revenues and deferred expenses, revenues from and expenses to related parties as at 31 December 2024 are CZK 78 million (as at 31 December 2023: CZK 22 million).

LEASE PAYABLES

CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Up to 1 year	19	26
More than 1 year but a maximum of 5 years	74	72
Over 5 years	58	71
Total undiscounted lease payables	151	169
Lease payables after taking into account the discount	134	147
Up to 1 year	15	22
Over 1 year	119	125

The discount rate for lease payables ranged from 2.6% to 4.49% p.a.

15. EQUITY AND PROFIT DISTRIBUTION

SHARE CAPITAL

		31 DECEMBER 2024		31	DECEMBER 2023
	PAR VALUE OF 1 SHARE (CZK)	NUMBER OF SHARES (PCS)	VALUE (IN CZK MILLION)	NUMBER OF SHARES (PCS)	VALUE (IN CZK MILLION)
Paid-up share capital	239,500	10,988	2,632	10,988	2,632
Total share capital			2,632		2,632

The shares are issued in book-entry registered form. The Central Securities Depository registers shares of the Czech Republic in the asset accounts of the Ministry of Industry and Trade, the Ministry of Regional Development and the Ministry of Finance.

The shares of the Bank's shareholders in its share capital can be analysed as follows:

SHAREHOLDER/SHARE IN THE SHARE CAPITAL	2024 %	2023 %
Czech Republic	100.00	100.00
Total	100.00	100.00
Registration of shares of the Czech Republic in the Central Securities Depository in the asset accounts of ministries	2024 %	2023 %
Ministry of Industry and Trade of the Czech Republic	33.53	33.53
Ministry of Regional Development of the Czech Republic	33.53	33.53
Ministry of Finance of the Czech Republic	32.94	32.94
TOTAL	100.00	100.00





SHARES IN PROFIT

In 2024 and 2023, the Bank did not pay out any shares in profit. $\,$

PROFIT DISTRIBUTION

The net profit for 2023 was distributed and the profit for 2024 is proposed to be distributed as follows:

IN CZK MILLION	2024	2023
Allocation to the social fund	15	20
Other funds generated from profit	0	0
Transfer to retained earnings	997	906
NET PROFIT	1,012	926

VALUATION DIFFERENCES

IN CZK MILLION	2024	2023
Initial balance	-365	-702
Items that will not be reclassified to the Profit and Loss Account		
Change in valuation differences (equity instruments)		
Net change in fair value	3	2
Tax effect	0	0
Subtotal	3	2
Items that are, or may subsequently be, reclassified to the Profit and Loss Account		
Change in valuation differences (debt instruments)		
Net change in fair value	48	400
Net (profit) or loss transferred to the Profit and Loss Account	21	3
Tax effect (item 22)	-15	-68
Subtotal	54	335
Change in allowances for debt securities at FVOCI	2	0
Net change in valuation differences	59	337
VALUE OF VALUATION DIFFERENCES	-306	-365

16. OFF-BALANCE SHEET ITEMS

FINANCIAL GUARANTEES, LOAN COMMITMENTS AND LINES OF CREDIT PROVIDED

Commitments to provide loans, lines of credit and loan guarantees to third parties expose the Bank to credit risk and loss in the event of non-compliance by the client.

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Financial guarantees provided	36,121	48,762
Loan commitments provided	948	226
Lines of credit provided	500	1,100
Provision for off-balance sheet liabilities (item 11)	-3,758	-3,699
TOTAL NET VALUE	33,811	46,389

The significant decrease in the balance of financial guarantees provided was mainly due to the expiry of a significant part of the guarantees provided under the "Guarantee - COVID III" programme.

As at 31 December 2024, lines of credit provided to related parties in the amount of CZK 300 million were recorded (as at 31 December 2023: CZK 300 million) in the form of an undrawn loan limit.

The Bank's management believes that as at 31 December 2024 and 2023, there are no liabilities arising from the performance of fiduciary duties.



SECTORAL BREAKDOWN OF FINANCIAL GUARANTEES

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Lending institutions*	1,954	11,927
Other financial institutions	23	30
Non-financial enterprises	31,699	34,767
Households	2,445	2,038
GROSS VALUE OF FINANCIAL GUARANTEES	36,121	48,762

^{*} The value is the amount of the maximum possible liability to individual lending institutions under the Portfolio Guarantee Agreement between the NRB and the respective lending institutions.

COVER FOR FINANCIAL GUARANTEES PROVIDED

The financial guarantees provided are covered by risk coverage funds, which are recorded in the programme sponsors' earmarked deposit accounts (item 13). Financial guarantees provided under the National Programme 2015-2023 are covered by the Bank's own reserves, the risk coverage fund and the European Investment Fund (EIF) COSME counter-guarantee.

ANALYSIS OF FINANCIAL GUARANTEES BY TYPE OF COLLATERAL

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Cash collateral (risk coverage funds)	4,621	8,191
Guarantees received from the EIF	482	704
Guarantees received under COVID III	1,952	11,944
Not secured	4,056	4,072
Guarantees with no risk of loss on performance	25,010	23,851
GROSS VALUE OF FINANCIAL GUARANTEES	36,121	48,762

Guarantees with no risk of loss on performance are guarantees where the Bank cannot incur a loss on their performance. The respective guarantee programmes are contractually set in such a way that the maximum limits of performance under the guarantees to commercial banks correspond to the maximum limits of loss coverage by the programme sponsor.

SECTORAL BREAKDOWN OF LOAN COMMITMENTS AND LINES OF CREDIT

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Government institutions	321	350
Other financial institutions	200	200
Non-financial enterprises	922	774
Households	5	2
GROSS VALUE OF LOAN COMMITMENTS AND LINES OF CREDIT	1,448	1,326





BREAKDOWN OF GUARANTEES BY PROGRAMME

					RISI	RISK CLASSIFICATION	ATION				
31 DECEMBER 2024 IN CZK MILLION	4	ro	•	,77 ¹	7	X8 ₂	X 9 3	6	5	NO RISK CLASSIFICATION (RC)*	TOTAL
Guarantees for SMEs granted until 2006	0	0	0	0	0	ო	0	0	0	0	က
Small PANEL portfolio guarantees	0	0	1	22	0	2	2	0	ო	41	84
PANEL investment guarantees	0	0	224	335	0	86	84	0	0	0	741
EXPANSIONS programme guarantees	0	41	495	1,230	0	116	118	62	116	12,254	14,405
EXPANSIONS COVID programme guarantees	0	0	0	0	0	0	0	0	0	0	0
Guarantee – COVID III	1,207	705	35	0	0	0	0	0	0	S	1,952
Guarantee – COVID PRAGUE 2020	0	0	0	0	0	0	0	0	0	0	0
Guarantee – COVID TRAVEL	0	0	0	0	0	0	0	0	0	0	0
VADIUM	0	0	0	0	0	0	0	0	0	0	0
OPEI guarantees	0	0	0	0	0	0	4	0	0	51	55
NP 2015-2023 guarantees from the Bank's own resources	0	0	63	342	0	27	26	51	25	098′9	7,454
NP 2015-2023 guarantees from the MIT resources	0	0	101	448	0	38	35	26	19	8,279	8,946
Individual band guarantees since 2007	0	0	23	145	0	32	11	0	0	0	211
Guarantee – ELECTROMOBILITY	0	က	22	43	0	_	0	0	0	2,201	2,270
TOTAL	1,207	722	1,004	2,565	0	317	313	139	163	29,691	36,121

^{*} portfolio approach



¹⁾ Guarantees that are not more than 30 days past due and not called for performance

² Guarantees that are not more than 90 days past due and not called for performance

³⁾ Guarantees that are not more than 180 days past due and not called for performance

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					בוא	RISH CLASSIFICATION					
31 DECEMBER 2023										NO RISK CLASSIFICATION	
IN CZK MILLION	4	S	9	X7 ¹⁾	7	X8 ₂₎	X6 ₃₎	6	10	(RC)*	TOTAL
Guarantees for SMEs granted until 2006	0	0	0	0	0	လ	0	0	0	0	3
Small PANEL portfolio guarantees	0	0	15	23	0	80	4	0	4	50	104
PANEL investment guarantees	0	0	280	389	0	138	89	0	0	0	968
EXPANSIONS programme guarantees	0	14	623	1,571	0	154	30	110	52	15,483	18,037
EXPANSIONS COVID programme guarantees	0	4	13	11	0	2	0	0	0	196	226
Guarantee – COVID III	9,432	2,222	289	0	0	0	0	0	0	1	11,944
Guarantee – COVID PRAGUE 2020	0	0	0	0	0	0	0	0	0	1	1
Guarantee – COVID TRAVEL	0	0	0	0	0	0	0	0	0	16	91
VADIUM	0	0	0	17	0	0	0	0	0	0	17
OPEI guarantees	0	0	0	0	0	1	0	0	0	47	48
NP 2015-2023 guarantees from the Bank's own resources	0	0	110	353	1	37	32	20	28	8,457	890'6
NP 2015-2023 guarantees from the MIT resources	0	9	111	381	0	12	∞	15	ო	7,506	8,042
Individual band guarantees since 2007	0	0	34	188	0	35	24	0	4	0	285
TOTAL	9,432	2,246	1,475	2,933	-	390	187	175	6	31,832	48,762

^{*} portfolio approach

¹⁾ Guarantees that are not more than 30 days past due and not called for performance.

 $^{^{2}}$ Guarantees that are not more than 90 days past due and not called for performance.

 $^{^{\}mathrm{3}}$ Guarantees that are not more than 180 days past due and not called for performance.



FINANCIAL GUARANTEES RECEIVED

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Government institutions*	4,051	14,006
Other financial institutions	481	704
Non-financial enterprises	84	57
Households	1	1
GROSS VALUE OF FINANCIAL GUARANTEES	4,617	14,768

^{*} The value of guarantees received from government institutions includes the COVID III financial guarantee of CZK 1,646 million (as at 31 December 2023: CZK 11,559 million) and the COVID INVEST financial guarantee of CZK 307 million (as at 31 December 2023: CZK 385 million) towards lending institutions.

As at 31 December 2024, guarantees received from related parties amounting to CZK 4,025 million were recorded (as at 31 December 2023: CZK 13,956 million).

LOAN COMMITMENTS RECEIVED

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Lending institutions	3,750	6,168
GROSS VALUE OF LOAN COMMITMENTS	3,750	6,168

PLEDGES AND COLLATERAL RECEIVED

The total value of received pledges and collateral as at 31 December 2024 in the amount of CZK 7,004 million (as at 31 December 2023: CZK 6,458 million) also includes collateral received for securing loan exposures as at 31 December 2024 in the amount of CZK 4,178 million (as at 31 December 2023: CZK 3,913 million).

Of the total value of pledges received, pledges received from related parties as at 31 December 2024 amount to CZK 576 million (as at 31 December 2023: CZK 682 million).

COLLATERAL RECEIVED AND PROVIDED IN REPO TRADES

CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Loans granted in reverse repo operations	2,886	2,606
Collateral received at fair value	2,826	2,545
Loans received in repo operations	600	0
Collateral provided at fair value	600	0

The Bank exclusively uses bonds and other interest-bearing securities in repo operations and reverse repo operations and operations based on collateral exchange agreements (loans and borrowings of securities). Receivables from reverse repo operations are included in receivables from banks and clients (item 5). Liabilities from repo operations are included in payables to banks and clients (items 12 and 13).

As part of these transactions, the Bank accepts (and provides as collateral) securities issued by the CNB and the Ministry of Finance of the Czech Republic.

VALUES TAKEN INTO ESCROW, ADMINISTRATION AND STORAGE

As part of its services, the Bank administers securities in asset accounts with the Central Securities Depository.

IN CZK MILLION	2024	2023
Assets managed in the Central Securities Depository		
Czech Export Bank	759	763
Ministry of Industry and Trade*	2,316	2,316
Ministry of Regional Development*	882	882
National Development Investments	102	131
Other values taken into escrow	613	623
TOTAL	4,672	4,715

^{*} Securities not priced on the public market are stated at par value.

Of the total amount of other values taken into escrow, the Bank records the amount of CZK 145 million from related parties as at 31 December 2024 (as at 31 December 2023: CZK 122 million).



17. NET INTEREST INCOME

IN CZK MILLION	2024	2023
Interest on interbank transactions	363	572
Interest on loans to clients	47	51
Interest on loans to government institutions	4	3
Interest on bonds	563	661
Total interest income	977	1,287
Interest on interbank transactions	129	189
Interest on deposits and loans from clients	119	297
Interest on deposits from government institutions	106	70
Total interest expense	354	556
NET INTEREST INCOME	623	731

Interest income and interest expense calculated on the basis of the effective interest rate method for the following items are as follows:

IN CZK MILLION	2024	2023
Financial assets measured at amortised cost	658	790
Financial assets at FVOCI	297	491
Financial assets other than financial assets at FTVPL	955	1,281
Financial liabilities measured at amortised cost	354	556

In accordance with the applicable accounting procedures, only the penalty interest actually paid is transferred from the recorded penalty interest on non-performing loans to revenues. Recorded unpaid penalty interest in the amount of CZK 298 million (2023: CZK 386 million) was not accrued to revenues.

18. FEE AND COMMISSION REVENUES AND COSTS

IN CZK MILLION	2024	2023
Fees and commissions from guarantees	299	296
Fees and commissions from lending activities	133	126
Fees and commissions from payments	5	9
Fees and commissions from securities transactions *	0	0
Total revenues from fees and commissions	437	431
Fees and commissions on securities transactions	3	3
Total costs of fees and commissions	3	3
NET REVENUES FROM FEES AND COMMISSIONS	434	428

^{*} Fees and commissions from securities transactions for 2024 in the amount of CZK 32 thousand (2023: CZK 31 thousand) serve as the basis for the calculation of the contribution to the Investment Firms' Guarantee Fund (see item 20).

Commissions for the provision of guarantees (with the exception of guarantees financed from OP EIC funds: EXPANSIONS, COVID II, COVID PRAGUE guarantees) are deferred to revenues on the basis of the expected course of repayment of the principal of the guaranteed loan.

For guarantees financed from OP EIC funds (EXPANSIONS, COVID II, COVID PRAGUE guarantees), the Bank is entitled to a fee for each managed guarantee in a given calendar month. The fee is entered under the Bank's revenues on a monthly basis.

For COVID III guarantees, the Bank is entitled to a percentage share of the fee paid by banks.

For loans financed from EU funds for the 2021-2029 programming period, which the Bank disburses from 2023 onwards, the Bank is entitled to remuneration of a percentage of the drawn-down principal amount of the loan, and that amount is accrued to the Bank's income until the eligibility end date (31 December 2029).

For guarantees funded by the National Recovery Plan - ELECTROMOBILITY guarantee provided in the calendar year 2024, the Bank is entitled to a percentage of the amount of risk coverage, and that amount is accrued to the Bank's income until the eligibility end date (31 December 2025); for ELECTROMOBILITY financial contributions, the Bank is entitled to a percentage of the amount of the contribution paid to the client, and that amount is included in income.





19. NET PROFIT/(LOSS) FROM FINANCIAL OPERATIONS

IN CZK MILLION	2024	2023
Profit and loss from securities	9	14
Including:		
- Debt securities at amortised cost	6	6
– Debt securities at FVOCI	19	3
i) Amounts transferred from comprehensive income	21	3
ii) Net generation of allowances	-2	0
- Change in fair value of trading securities	–16	5
Profit/loss from trading derivatives	1	-3
Profit/loss from foreign exchange operations	-2	-3
TOTAL	8	8

20. OTHER OPERATING INCOME AND EXPENSES

OPERATING INCOME

IN CZK MILLION	2024	2023
Proceeds from the sale of tangible assets	107	1
Other operating income	28	14
TOTAL	135	15

OPERATING EXPENSES

IN CZK MILLION	2024	2023
Contribution to the Crisis Resolution Fund and the Deposit Insurance Fund	15	34
Residual value of tangible assets sold	25	0
Other operating expenses*	8	8
TOTAL	48	42

^{*} The item also includes a contribution to the Investment Firms' Guarantee Fund of CZK 0.01 million (in 2023: CZK 0.01 million).

At the same time as the payment to the Crisis Resolution Fund and the Deposit Insurance Fund, the generated provision was used (item 11).

21. ADMINISTRATIVE COSTS

IN CZK MILLION	2024	2023
Remuneration of management and supervisory bodies *	22	19
Management wages and salaries *	36	45
Wages and salaries of other employees	219	189
Social security and health insurance	94	85
Other staff costs	15	12
Audit, legal and tax advisory services	26	31
Other administrative costs	89	93
TOTAL	501	474

^{*} Part of the remuneration has a deferred payment



EMPLOYEE STATISTICS

	2024	2023
Average number of members of the Supervisory Board	6	6
Average number of members of the Audit Committee	3	3
Average number of members of the Board of Directors	3	3
Average number of management members	18	22
Average number of other employees	245	228

The Bank's management includes the directors of the individual departments.

COST OF REMUNERATION PAID TO THE STATUTORY AUDITOR ON AN ACCRUAL BASIS EXCLUSIVE OF VAT

IN CZK MILLION	2024	2023
Mandatory audit of financial statements	3.4	3.0
Tax consultation	0.6	0.6
Other audit services	0.8	1.3
TOTAL	4.8	4.9

The statutory auditor also provided a company controlled by the Bank with an optional audit of the financial statements in the amount of CZK 0.2 million (2023: CZK 0.2 million).

22. INCOME TAX

IN CZK MILLION	2024	2023
Profit before tax	1,124	924
Non-taxable revenues	-1,960	-2,188
Non-deductible costs	1,508	1,122
Other items reducing/increasing the tax base	- 5	-1
Use of tax losses	–165	0
Tax base	502	-143
Corporate income tax payable (21%)	–105	0
Income tax – deferred (21%)	<i>–</i> 7	2
Total income tax	-112	2

DEFERRED TAX

The recorded deferred tax can be analysed as follows:

IN CZK MILLION	31 DECEMBER 2024	31 DECEMBER 2023
Other provisions and allowances	17	23
Difference between the book value and the tax base of an asset	-1	0
Tax effect of revaluation of securities to fair value in equity	83	98
Total deferred tax	99	121
Deferred tax status as of 1 January	121	187
Movement through the Profit and Loss Account	<i>-</i> 7	2
Movement through equity	-15	-68
DEFERRED TAX STATUS AS OF 31 DECEMBER	99	121

 $Tax\ losses\ from\ previous\ years\ amounting\ to\ CZK\ 173\ million\ were\ used\ to\ reduce\ the\ tax\ base\ for\ 2024.$





23. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below provides a reconciliation between Balance Sheet items and the valuation categories of financial instruments:

31 DECEMBER 2024 IN CZK MILLION	NOTE	DETERMINED AT FVTPL	FVOCI – DEBT INSTRUMENTS	FVOCI – EQUITY INSTRUMENTS	AMORTISED COST	TOTAL
Cash on hand and deposits with central banks	3	0	0	0	213	213
Government zero-coupon bonds and other securities accepted by the central bank for refinancing	4	692	9,160	0	10,819	20,671
Receivables from banks	5	0	0	0	2,887	2,887
Receivables from clients	6	0	0	0	11,001	11,001
Debt securities	7	0	830	0	0	830
Shares, share certificates and other interests	8	0	0	80	0	80
Participating interests with significant influence	8	0	0	0	1	1
Participating interests with decisive influence	8	0	0	0	9	9
Other assets	10	0	0	0	74	74
TOTAL FINANCIAL ASSETS		692	9,990	80	25,004	35,766

31 DECEMBER 2023 IN CZK MILLION	NOTE	DETERMINED AT FVTPL	FVOCI – DEBT INSTRUMENTS	FVOCI – EQUITY INSTRUMENTS	AMORTISED COST	TOTAL
Cash on hand and deposits with central banks	3	0	0	0	3	3
Government zero-coupon bonds and other securities accepted by the central bank for refinancing	4	0	9,206	0	10,251	19,457
Receivables from banks	5	0	0	0	2,606	2,606
Receivables from clients	6	0	0	0	11,332	11,332
Debt securities	7	0	541	0	0	541
Shares, share certificates and other interests	8	0	0	76	0	76
Participating interests with significant influence	8	0	0	0	1	1
Participating interests with decisive influence	8	0	0	0	14	14
Other assets	10	0	0	0	11	11
TOTAL FINANCIAL ASSETS		0	9,747	76	24,218	34,041

31 DECEMBER 2024 IN CZK MILLION	NOTE	MANDATORY AT FVTPL	DETERMINED AT FVTPL	FVOCI – DEBT INSTRUMENTS	FVOCI - EQUITY INSTRUMENTS	AMORTISED COST	TOTAL
Payables to banks	12	0	0	0	0	232	232
Payables to clients	13	0	0	0	0	24,984	24,984
Other liabilities and deferred expenses	14	0	0	0	0	82	82
TOTAL FINANCIAL LIABILITIES		o	0	0	0	25,298	25,298

31 DECEMBER 2023 IN CZK MILLION	NOTE	MANDATORY AT FVTPL	DETERMINED AT FVTPL	FVOCI – DEBT INSTRUMENTS	FVOCI – EQUITY INSTRUMENTS	AMORTISED COST	
Payables to banks	12	0	0	0	0	155	155
Payables to clients	13	0	0	0	0	24,648	24,648
Other liabilities and deferred expenses	14	0	2	0	0	77	79
TOTAL FINANCIAL LIABILITIES		o	2	o	0	24,880	24,882



24. INFORMATION ON RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

A) CREDIT RISK

CREDIT RATING OF THE DEBTOR

In the case of small and medium-sized enterprises, as well as in that of municipalities, water management companies, housing cooperatives, associations of housing unit owners and non-profit organisations, the credit rating is performed in accordance with the Bank's internal regulations and is based on the client's creditworthiness assessment resulting from economic and non-economic analysis. Non-economic evaluation includes an analysis of external and internal factors that affect the client's activities. The economic evaluation is based on a financial analysis performed on the basis of economic indicators and additional information. The creditworthiness assessment is performed for each credit risk transaction at the initial assessment and the credit risk assessment is performed regularly throughout the duration of the loan transaction, at regular intervals (quarterly, semi-annually) according to the client's creditworthiness. As part of its regular credit risk assessment, the Bank focuses mainly on information on payment history obtained from the Central Credit Register and also on information resulting from the analysis and financial analysis of financial and accounting reports sent regularly by the clients that document their economic situation.

For the credit rating of a debtor, the Bank uses its own internally developed rating tool, which is based on the principle of the synthesis of economic and non-economic information about the client. The Bank regularly updates its rating tool with relevant risk-free rates and surcharges in connection with the line of business and other parameters. The rating tool and its principles are documented in the Bank. The rating tool serves as an aid to the analyst's decision.

The credit risk is expressed by assigning the client to the relevant risk category. The credit risk in a specific case is regulated by setting contractual terms, including trade collateral.

The Bank determines the riskiness of individual clients in the segment of small and medium-sized enterprises on the basis of an analysis of the client's financial situation and evaluation of non-economic aspects (e.g. management experience, management qualifications, market position). The Bank generally classifies clients into the following risk categories according to the internal rating assigned to individual clients:

For transactions concluded on financial markets and for issuers of securities, the client's creditworthiness rating is based on a rating from internationally renowned rating agencies, as well as an assessment of economic and non-economic aspects. Standard and Poor's, Moody's and Fitch Ratings are considered renowned agencies. The creditworthiness of counterparties and issuers is regularly reassessed throughout the duration of the business credit relationship. The frequency of the reassessment depends on the risk category of the counterparties and issuers.

PORTFOLIO CREDIT RISK MEASUREMENT

The Bank analyses the loss of products in individual years and determines the rate of actual losses on portfolios closed in individual years. The Bank monitors the loss-making of its guarantee and loan portfolio according to individual product classes, as well as according to the volume of loans and guarantees provided in a given calendar year. The results of the analyses are regularly presented to the Bank's management as a basis for decision making in the areas of credit risk.

The Bank mainly analyses the following segments of its products: infrastructure and municipal loans, loans to small and medium-sized enterprises and individual guarantees to small and medium-sized enterprises.

EXPECTED CREDIT LOSSES

Inputs, assumptions and techniques used in determining impairment.

Credit risk rating grades are the basic input in creating a PD curve for loan exposures over time. The Bank collects performance and default information about its loan and guarantee exposures. The Bank uses statistical models to analyse the data obtained and to create PD curves and their course depending on the period remaining to maturity of the exposures (time structure) and to determine their expected changes over time.

Significant increases in credit risk are objectively assessed through ongoing client monitoring. As part of the monitoring, the Bank assesses changes in the client's performance and changes in the client's expected future development. The Bank considers a significant increase in a client's credit risk to be a situation where the client is in arrears for more than 30 days or the client's risk profile, including the client's financial situation, deteriorates significantly, which leads to a significant deterioration in the client's ability to repay its debts. Ratings from client monitoring are reflected in internal client ratings. If the credit risk increases significantly, the client is reassigned to Stage 2.

RC (RISK CATEGORY)	METHOD OF DETERMINING THE PD (PROBABILITY OF DEFAULT)	PD (2024)
RC 5		0.68%
RC 6	Calculated annual PD	1.42%
RC x7		5.26%
RC 7	Calculated PD according to the average maturity of loans in the	31.49%
RC x8	portfolio	48.42%
RC 8		100%
RC x9		100%
RC 9	Exposure in default	100%
RC 10		100%





In addition to the internal rating, additional indicators can be used to indicate a significant increase in credit risk:

Market information:

- actual or expected significant adverse changes in the debtor's regulatory, economic or technological environment, resulting in a significant change in the debtor's ability to meet their debt liabilities;
- significant negative information from the market;
- the sector is facing structural competitive challenges;
- the sector is facing serious challenges related to environmental protection, public health, etc.;
- substantial change in the legal regulation of the sector;
- entry of a strong new competitor.

Economic environment/Sector:

- the sector is facing structural competitive challenges;
- the sector is facing serious challenges related to environmental protection, public health, etc.;
- substantial change in the legal regulation of the sector;
- entry of a strong new competitor.

Transaction behaviour:

- material fines from the tax or other authorities or investigations for tax evasion or similar;
- disruption, interruption or cessation of business;
- new major litigation.

The Bank determines a significant increase in the credit risk on the basis of the consideration and assessment of adequate and verifiable information and factors that are available without incurring disproportionate costs or effort to indicate future prospects.

DEFINITION OF DEFAULT

The Bank considers a debtor to be in default if the principal, interest or fees on any exposure to the debtor are more than 90 days past due and/or the Bank has concluded, on the basis of an analysis and/or other information about the client, that the client is unlikely to repay its loan obligations to the Bank in full without taking specific action such as the application of collateral.

For the purposes of calculating expected losses, the Bank divides exposures into three stages. Stage 1 and Stage 2 are loans and guarantees without default. In Stage 2, there are loans and guarantees for which a significant increase in the credit risk has been recorded since their inception. In addition to loans and guarantees with default, purchased or originated credit-impaired financial assets (POCI) are also recorded in Stage 3. The Bank classifies performance under guarantees in the POCI category.

CALCULATION OF EXPECTED CREDIT LOSSES

The key inputs for the calculation of expected credit losses (ECL) are the time structures of the following variables/parameters:

- Probability of default (PD);
- Risk coverage funds;
- Loss given by default (LGD);
- Exposure at default (EAD).

These parameters are derived from the Bank's own internally developed statistical models and historical data, which need to be adjusted to match the information about future prospects (FLI).

PD estimates are point-in-time estimates that are calculated on the basis of statistical models and rating tools tailored to different categories of counterparties and exposures. These statistical models are based on internally obtained data, including both quantitative and qualitative factors. If available, market data can also be used to determine the PD for large corporate counterparties. If a counterparty or exposure is shifted between rating grades, this leads to a change in the estimate of the relevant PD.

The risk coverage fund is determined according to the percentage of coverage of loss for the programme products provided by the Bank. When the ECL for programme loans with a risk coverage fund is being calculated, the total determined amount of the risk coverage fund is taken into account for each individual receivable according to the amount of the outstanding loan principal and according to the client's stage classification.

LGD represents the amount of the probable loss if a default occurs. The Bank estimates LGD parameters on the basis of the historical recovery yield from debtors in default. LGD models take into account collateral, subordination of receivables, the counterparty sector and debt collection costs.

The Bank does not discount the expected credit losses for individual receivables and off-balance sheet exposures when calculating allowances and provisions because of the insignificant effect of discounting on the calculated amount of expected credit losses. The reason for this procedure is the fact that the Bank provides preferential guarantees and loans to clients at a zero rate, which corresponds to the standard market conditions of development and guarantee institutions.

EAD represents the expected loan exposure at the time of default. The Bank determines the EAD on the basis of the current exposure to a given counterparty.

The EAD of a financial asset is its gross book value. For loan commitments and financial guarantees, the EAD includes the amount drawn, as well as possible future drawdowns that may occur on the basis of the concluded contract.

The Bank applies the FLI parameter to the PD and LGD values. For the purpose of estimating the future evolution of the PD value through the FLI parameter, several approaches are used by the Bank, which are then combined according to expertly determined weights representing the influence of each estimate on the resulting value. Specifically, the following approaches are combined:

- a statistical approach based on the estimation of a statistical model that predicts the future evolution of the default rate of the NRB portfolio using the macroeconomic forecast of the MoF CR, weight of 50%;
- a statistical approach with an optimistic scenario based on the statistical approach, where the macroeconomic forecast of the MoF CR is adjusted in an optimistic direction, weight of 15%;
- a statistical approach with a negative scenario based on the statistical approach, where the macroeconomic forecast of the MoF CR is adjusted in a negative direction, weight of 15%.
 - The positive and negative scenarios are based on the macroeconomic forecast of the MoF CR, which is adjusted for the purposes of the scenarios as follows:



- variables representing the relative or absolute change in a macroeconomic variable (i.e. variables that do not "accumulate" over multiple periods, e.g. quarterly GDP change) are adjusted by adding/subtracting the product of the standard deviation from the available historical figure of the variable;
- other variables (i.e. variables that represent a "state" or are "cumulative" over multiple periods, e.g. GDP or the share of the balance of goods and services in GDP) are adjusted by adding/subtracting the product of the standard deviation of the change in the variable over the corresponding future horizon (e.g. for a horizon of 1 year, the standard deviation of the annual changes in the variable is used), determined on the basis of the available historical figure of the variable.
- approach based on the CNB forecast stemming from the CNB baseline scenario according to the Financial Stability Report, weight of 20%:
 - specifically, it is based on the expected evolution of the 12-month default rate on bank loans to non-financial enterprises under the baseline scenario as described in the Financial Stability Report.
 - The Financial Stability Report is issued once a year (usually in June) with data up to date as at 31 March of that year.
 The 12-month default rates on bank loans to non-financial enterprises are captured there:
 - always for the last year and predictions for the next 3 years;
 - in some years, a quarterly forecast is added.
 - The use of the approach based on the CNB forecast as an "alternative" view of the expected future evolution of the default rate is justified by the relatively strong dependence of the CNB default rate of non-financial enterprises and the default rate observed in the NRB portfolio.
- expert approach capturing influences that are not captured in the MoF CR or CNB forecast or that may invalidate the relationships used in the statistical approach, weight of 0%.

Because of the insufficient number of historical defaults for robust statistical estimation of the dependence of LGD on macroeconomic variables, the prediction of future LGD via FLI parameters is based on a combination of two approaches:

- an estimate based on the CNB forecast stemming from the CNB baseline scenario according to the Financial Stability Report, weight of 50%:
 - the Financial Stability Report contains the expected evolution of the loss given default (LGD) for non-financial conditions for the next 3 years;
 - specifically, it is assumed that the reported LGD value corresponds to the LGD observed in the middle of the year; for the other quarters the LGD is calculated using linear interpolation.
- an expert approach capturing effects not captured in the CNB forecast, weight of 50%.

The combination of the above approaches, including the above weights, results in an increase in allowance generation of 5.5% for Stage 1 and 4.4% for Stage 2 as a result of the application

of FLI. The Bank performed back-testing of the FLI parameter, where the objective of the testing was to assess the accuracy and directional estimation of the different approaches and to improve the back-testing of the PD estimate when taking into account the FLI parameter. The Bank did not conduct further sensitivity analysis of the modelling of the change in weights for each FLI calculation scenario.

After a very turbulent time in 2023, when the energy market situation was very dynamic and the gap between the bid and actual prices paid for energy widened significantly, the year 2024 brought a slightly lesser degree of uncertainty. However, the degree of uncertainty as to whether the situation on the energy market will be stable and predictable in the coming years is still considerable. Energy price developments have a major impact on household and business spending. The increase in energy prices is a very important variable, in particular, for energy-intensive sectors in their day-to-day operations, evaluation of their efficiency and future plans, and also affects their competitiveness.

In an environment of lower economic growth and heightened risks with respect to global political conflicts and the aforementioned energy prices, it is necessary to reflect the potential impact on the inaccuracy of the standard models used by the Bank to estimate ECL parameters. This is compounded by the reduced ability of the Bank's ordinary clients to provide adequate and relevant information on their performance, which the Bank normally takes into account in its internal rating. Furthermore, the Bank is not the parent bank for any client, does not conduct payment transactions and always provides only supporting complementary products for projects that the client normally implements through loan financing or other banking products from its parent bank. The absence of payment information combined with the ex-post notification obligation of the client also leads to a certain information asymmetry.

In connection with the above reasons and taking into account the necessary prudence, the Bank has implemented a management overlay for the outputs from statistical models in the calculation of allowances. The management overlay is directed at the Bank's entire portfolio, with the EXPANSIONS -LOAN product still forming the majority of the Bank's loan portfolio in the SME support segment. The main driver for the level of the management overlay is thus mainly the EXPANSIONS programme sponsor's expected loss coverage, which was set by the programme sponsor in 2017 at 15% and has not been changed over time. This coverage did not fully reflect the uncertain and difficult-to-predict situation in previous years, especially during the COVID crisis in 2020, when the State covered credit losses up to 25-30%, depending on the type of programme (COVID II and COVID III). On the basis of historical experience, the Bank considers it appropriate that credit losses on the entire portfolio should be covered in the range of 15-25%, depending on the structure of products within the Bank's entire loan portfolio.

METHOD FOR CALCULATING PROVISIONS FOR M-GUARANTEES

In the case of portfolio M-guarantees, the credit risk is divided between the lending banks and the NRB and its amount is precisely limited by the maximum possible performance of the bank guarantee within the individual support programmes. The exact amount of the total possible payments from the portfolio of issued bank guarantees for which the Bank generates pro-



visions or funds to cover risks in full (risk coverage funds) is contractually agreed with the lending banks.

When calculating provisions for M-guarantees, the Bank divides M-guarantees into guarantees with uncompleted drawdown of the guaranteed loan and guarantees with completed drawdown of the guaranteed loan. The amount of the provisions is calculated on the original amount of the guarantee for guarantees with uncompleted drawdown of the loan and on the amount of the loan drawn for guarantees with completed drawdown of the loan. The maximum performance is capped at an agreed percentage of the relevant portfolio, e.g. 10% of the volume of loans drawn for the M-guarantee portfolio in the National Programme (NP) 2015-2023. For the portfolio of M-guarantees in the NP 2015-2023, the value of the calculated provisions is reduced by the effect of the counter-guarantee of the European Investment Fund (EIF) COSME. The maximum performance under M-guarantees is covered by the sum of the generated provisions and risk coverage funds.

As at 31 December 2024, the Bank had reclassified M-guarantees between Stage 1 and Stage 2 on the basis of a sectoral approach in relation to the identification of the sector with the highest level of expected performance by the Bank. The transfer of the relevant positions to Stage 2 reflects an increase in the credit risk level for individual business transactions for which the Bank did not have sufficiently reliable information on an individual basis and the Bank considers it to be correct in terms of risk management.

SECURING LOAN AND GUARANTEE RECEIVABLES

Movable and immovable pledges are recorded in the accounts and are valued on the basis of an expert's opinion (par value of collateral). The value of the collateral does not enter the ECL calculation directly, but rather through the historical yield in the LGD parameter. For real estate, the Bank performs central revaluations to market prices when market conditions change on the basis of price maps prepared by an external agency. The Bank keeps the liabilities of natural persons and legal entities and bills of exchange in its records and they are valued at the values set by the Bank's internal regulations.

The realisable value of collateral takes into account the costs of realisation of collateral, including the time value of money.

RECOVERY OF RECEIVABLES FROM DEBTORS

The Bank recovers due receivables from bank guarantees and loans in its own system of risk-based business transaction management using all legal instruments in accordance with generally applicable legal regulations. To speed up the recovery process, it works with an arbitration clause in loan and guarantee agreements and with enforceable entries.

The Bank ensures, at its own expense, the recovery of receivables from performance under guarantees and from sanctions for breaches of the terms of the guarantee agreements. After the payment of the receivable or after its settlement to the debit of the programme funds in the event of its uncollectibility, the receivable is removed from the Bank's accounting. Losses in excess of the funds in the risk coverage accounts are covered by the Bank.

RISK CONCENTRATION

The Bank considers it a significant concentration of risk if unreasonable concentrations of exposures to variously related persons or groups of persons or to persons from the same industry, geographical area or the same activity could cause a significant impact on the Bank's operations and stability in the event of adverse developments.

The risks in the Bank are concentrated primarily in the area of preferential guarantees for SME loans and loans for repairs of apartment buildings, preferential loans provided by the Bank to small and medium-sized enterprises and the Bank's loans for business entities and municipalities for water management projects. Most of these loans and guarantees are provided in cooperation with the state administration, and since the State participates in covering some of the risks in some transactions, the risk is spread over several entities. The Bank manages concentration risk in relation to the rules for loan exposure and through a system of limits for credit risk management. To determine the concentration of credit risk, the Bank mainly uses methods and procedures based on the analysis of data stored in the Bank's internal business and accounting system. The Bank does not use any hedging derivatives to eliminate these risks. These risks are monitored periodically.

FINANCIAL MARKET INSTRUMENTS

In accordance with internal regulations, the Bank defines financial instruments in which it can invest and with which it can manage currency and interest rate risks. These are mainly deposits, bonds (mortgage bonds, CZK bonds, foreign currency bonds and Eurobonds), bills of exchange, derivatives (forex operations - FX, cross-currency swaps - CCS and interest rate swaps - IRS). The credit rating of counterparties and issuers is based on the rating of the client's creditworthiness, which results from a rating from internationally renowned rating agencies and an assessment of economic and non-economic aspects. The creditworthiness of counterparties and issuers is regularly reassessed throughout the duration of the business credit relationship.

QUALITY OF THE SECURITIES PORTFOLIO

Portfolio of securities by individual rating grades and broken down by individual groups of financial assets:

IN CZK MILLION	AAA	AA+ TO AA-	A+ TO A-	BBB TO BB-	TOTAL
Debt instruments at FVTPL	0	692	0	0	692
Equity instruments at FVOCI	80	0	0	0	80
Debt instruments at FVOCI	404	9,160	0	426	9,990
Securities at amortised cost	0	10,819	0	0	10,819
TOTAL	484	20,671	0	426	21,581



31 December 2023

IN CZK MILLION	AAA	AA+ TO AA-	A+ TO A-	BBB TO BB-	TOTAL
Debt instruments at FVTPL	0	0	0	0	0
Equity instruments at FVOCI	76	0	0	0	76
Debt instruments at FVOCI	400	9,211	0	136	9,747
Securities at amortised cost	0	10,251	0	0	10,251
TOTAL	476	19,462	0	136	20,074

The Bank uses external ratings to assess the quality of its securities portfolio.

QUALITY OF THE DERIVATIVES PORTFOLIO

The portfolio of derivatives as at 31 December 2024 and 2023 consists of transactions with trustworthy bank counterparties (with an external rating in the range from AA+ to A).

BREAKDOWN OF ASSETS BY GEOGRAPHICAL SEGMENT

31 December 2024

IN CZK MILLION ASSETS	CZECH REPUBLIC	EUROPEAN UNION	ALLOWANCES AND ACCUMULATED DEPRECIATION	TOTAL
Cash and deposits with central banks	213	0	0	213
Receivables from banks	2,888	0		2,887
Receivables from clients	11,040	0	-39	11,001
Securities valued through profit or loss	692	0	0	692
Debt instruments at FVOCI	9,587	403	0	9,990
Securities at amortised cost	10,822	0	-3	10,819
Financial derivatives	0	0	0	0
Equity instruments at FVOCI	0	80	0	80
Participating interests with significant influence	1	0	0	1
Participating interests with decisive influence	43	0	-34	9
Other financial assets	85	0	–11	74
Total financial assets	35,371	483	-88	35,766
Other non-financial assets	973	0	-551	422
TOTAL	36,344	483	-639	36,188

IN CZK MILLION ASSETS	CZECH REPUBLIC	EUROPEAN UNION	ALLOWANCES AND ACCUMULATED DEPRECIATION	TOTAL
Cash and deposits with central banks	3	0	0	3
Receivables from banks	2,607	0	– 1	2,606
Receivables from clients	11,934	0	-602	11,332
Securities valued through profit or loss	0	0	0	0
Debt instruments at FVOCI	9,341	406	0	9,747
Securities at amortised cost	10,254	0	-3	10,251
Financial derivatives	0	0	0	0
Equity instruments at FVOCI	0	76	0	76
Participating interests with significant influence	1	0	0	1
Participating interests with decisive influence	43	0	-29	14
Other financial assets	22	2	-13	11
Total financial assets	34,205	484	-648	34,041
Other non-financial assets	1,114	0	-647	467
TOTAL	35,319	484	-1,295	34,508





MAXIMUM CREDIT RISK EXPOSURE

31 December 2024

IN CZK MILLION	BALANCE SHEET	OFF-BALANCE SHEET	EXPOSURE TO CREDIT RISK IN TOTAL	COLLATERAL RECEIVED
Cash on hand and deposits with central banks	213	0	213	0
Receivables from banks	2,887	0	2,887	2,826
Securities valued through profit or loss	692	0	692	0
Financial derivatives	0	0	0	0
Receivables from clients *	11,001	1,448	12,449	4,536
Equity instruments at FVOCI	80	0	80	0
Debt instruments at FVOCI	9,990	0	9,990	0
Securities at amortised cost	10,819	0	10,819	0
Participating interests with significant influence	1	0	1	0
Participating interests with decisive influence	9	0	9	0
Other financial assets	74	0	74	0
Financial guarantees	0	36,121	36,121	10,767
Total financial assets	35,766	37,569	73,335	18,129
Non-financial assets	422			
TOTAL ASSETS	36,188			

 $[\]ensuremath{^*}$ The value of collateral received is reported only up to the amount of the credit exposure

In addition to the information presented in the table, the Bank records guarantees without performance risk in the amount of CZK 25,010 million.

31 December 2023

IN CZK MILLION	BALANCE SHEET	OFF-BALANCE SHEET	EXPOSURE TO CREDIT RISK IN TOTAL	COLLATERAL RECEIVED
Cash on hand and deposits with central banks	3	0	3	0
Receivables from banks	2,606	0	2,606	2,545
Securities valued through profit or loss	0	0	0	0
Financial derivatives	0	0	0	0
Receivables from clients *	11,332	1,326	12,658	4,436
Equity instruments at FVOCI	76	0	76	0
Debt instruments at FVOCI	9,747	0	9,747	0
Securities at amortised cost	10,251	0	10,251	0
Participating interests with significant influence	1	0	1	0
Participating interests with decisive influence	14	0	14	0
Other financial assets	11	0	11	0
Financial guarantees	0	48,762	48,762	24,480
Total financial assets	34,041	50,088	84,129	31,461
Non-financial assets	467			
TOTAL ASSETS	34,508			

^{*} The value of collateral received is reported only up to the amount of the credit exposure

In addition to the information presented in the table, the Bank records guarantees without performance risk in the amount of CZK 23,851 million.

The amount of collateral provided is disclosed in item 6 "Receivables from clients".



QUANTITATIVE INFORMATION ON COLLATERAL FOR CREDIT-IMPAIRED FINANCIAL ASSETS (STAGE 3)

	31	31 DECEMBER 2024		31 DECEMBER 2023		
IN CZK MILLION	GROSS	NET	GROSS	NET		
Less than 50%	2,246	79	1,870	66		
51–70%	8	5	8	4		
More than 70%	132	130	163	158		
TOTAL	2,386	214	2,041	228		

OVERVIEW OF RESTRUCTURED RECEIVABLES

	AMOUNT IN CZK YEAR MILLION ¹	
2024	182	65
2023	173	59

^{*} The data is presented including interest on arrears recorded in the Off-Balance Sheet.

The table shows the amounts and numbers of receivables restructured in the given year.

B) MARKET RISK

CHARACTERISTICS OF MARKET RISKS

The basic market risk management strategy is set out in internal regulations and documents approved by the Bank's Board of Directors.

CHARACTERISTICS OF OPERATIONS RELATED TO MARKET RISK

The Bank is exposed to market risks of loss in the purchase, holding and sale of investment instruments defined in the NRB Investment Strategy. This risk arises from open positions in interest rates and currencies. The Bank applies a conservative approach to currency risk. The Bank is not interested in holding open positions in foreign currencies.

MARKET RISK MEASUREMENT

To measure the interest rate risk, the Bank uses the basic methods (EVE - economic value of equity, NII - net interest income, interest rate GAP analysis, duration, interest rate elasticity) and methods for calculating capital ratios set by the Regulation of the European Parliament and of the Council (EU), as amended.

Furthermore, the Bank has set internal limits limiting the market risk. Interest rate GAP analysis measures the interest rate risk of the trading and investment portfolio together and is restricted by limits for the net interest rate position in each time

zone. The interest rate risk of all bond portfolios is restricted by the limits on the interest rate risk of bond portfolios. The Bank performs stress testing on a quarterly basis in accordance with Decree No. 163/2014 Coll.. as amended.

MARKET RISK MANAGEMENT

The market risk management tools are the limits set out in the Bank's Risk Appetite (external and internal capital ratio limits, EVE, NII, leverage ratio, LCR and NSFR) and internal limits for interest rate change risk and for the interest rate elasticity of the bond portfolio. The currency risk is limited by the limits set out in the Regulation of the European Parliament and of the Council (EU), as amended.

The limits for the risk of changes in the interest rate limit the size of the interest rate GAP in each time zone of the interest rate GAP analysis in relation to the Bank's capital and are expressed as a percentage.

The interest rate risk limits on bond portfolios limit the market risk of portfolios of bonds measured at fair value through profit or loss and realised bonds together and portfolios of bonds held to maturity and not held for trading together. The methods for calculating these limits are based on the principles of duration analysis (e.g. the limit on interest rate elasticity).

The internal limits tighten the external limits of the relevant indicator required by the banking regulator.

All derivatives are negotiated on the over-the-counter market.





C) FINANCIAL DERIVATIVES

TRADING DERIVATIVES

31 DE	CEMBER 2024	31 DECEMBER 2023		
	PAR VALUE		PAR VALUE	
RECEIVABLE	PAYABLE	RECEIVABLE	PAYABLE	
47	47	69	70	
47	47	69	70	
	RECEIVABLE 47	RECEIVABLE PAYABLE 47 47	PAR VALUE RECEIVABLE PAYABLE RECEIVABLE 47 47 69	

	31 DECEMBER 2024		31	DECEMBER 2023
		FAIR VALUE		FAIR VALUE
IN CZK MILLION	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
Currency derivatives				
Swaps	0	0	0	2
TOTAL	0	0	0	2

Maturity of trading derivatives as at 31 December 2024

IN CZK MILLION	UP TO 3 MONTHS	3 MONTHS -1 YEAR	1–5 YEARS	OVER 5 YEARS	TOTAL
Currency swaps	0	10	37	0	47
TOTAL	0	10	37	0	47

Maturity of trading derivatives as at 31 December 2023

IN CZK MILLION	UP TO 3 MONTHS	3 MONTHS -1 YEAR	1-5 YEARS	OVER 5 YEARS	TOTAL
Currency swaps	0	0	69	0	69
TOTAL	0	0	69	0	69



D) CURRENCY RISK

The Bank's financial position and cash flows are exposed to the risk of fluctuations in the exchange rates of common currencies. Currency position values are available daily. In the event that the limits are exceeded, the Bank shall proceed in accordance with internal regulations.

IN CZK MILLION	EUR	USD	СХК	TOTAL
Cash on hand and deposits with central banks	0	0	213	213
Receivables from banks	1	0	2,886	2,887
Receivables from clients	0	0	11,001	11,001
Securities valued through profit or loss	0	0	692	692
Debt instruments at FVOCI	0	0	9,990	9,990
Securities at amortised cost	0	0	10,819	10,819
Financial derivatives	0	0	0	0
Equity instruments at FVOCI	80	0	0	80
Participating interests with significant influence	0	0	1	1
Participating interests with decisive influence	0	0	9	9
Other financial assets	0	0	74	74
Total financial assets	81	0	35,685	35,766
Other non-financial assets	4	0	418	422
TOTAL ASSETS	85	0	36,103	36,188
Payables to banks	111	0	121	232
Payables to clients	0	0	24,984	24,984
Financial derivatives	0	0	0	0
Other financial liabilities	0	0	82	82
Total financial liabilities	111	0	25,187	25,298
Other non-financial liabilities	100	28	184	312
Provisions	0	0	3,863	3,863
Equity	26	0	6,689	6,715
TOTAL LIABILITIES AND EQUITY	237	28	35,923	36,188
Net balance sheet position	-152	-28	180	-
Net off-balance sheet position	47	0	-47	-
Net position	-105	-28	133	_





31 December 2023

IN CZK MILLION	EUR	USD	СZК	TOTAL
Cash on hand and deposits with central banks	0	0	3	3
Receivables from banks	1	0	2,605	2,606
Receivables from clients	0	0	11,332	11,332
Securities valued through profit or loss	0	0	0	0
Debt instruments at FVOCI	0	0	9,747	9,747
Securities at amortised cost	0	0	10,251	10,251
Financial derivatives	0	0	0	0
Equity instruments at FVOCI	76	0	0	76
Participating interests with significant influence	0	0	1	1
Participating interests with decisive influence	0	0	14	14
Other financial assets	0	0	11	11
Total financial assets	77	0	33,964	34,041
Other non-financial assets	1	0	466	467
TOTAL ASSETS	78	0	34,430	34,508
Payables to banks	85	0	70	155
Payables to clients	46	0	24,602	24,648
Financial derivatives	0	0	2	2
Other financial liabilities	0	0	77	77
Total financial liabilities	131	0	24,751	24,882
Other non-financial liabilities	112	0	118	230
Provisions	0	0	3,732	3,732
Equity	23	0	5,641	5,664
TOTAL LIABILITIES AND EQUITY	266	0	34,242	34,508
Net balance sheet position	-188	0	188	_
Net off-balance sheet position	69	0	-70	_
Net position	-119	0	118	_

CURRENCY RISK SENSITIVITY ANALYSIS

The table below provides an analysis of currency risk sensitivity. The foreign currency items of the Balance Sheet were tested with regard to an increase in the exchange rate by 10% (10% appreciation of currencies would have the same and opposite effect). The open position in EUR is very small and hedged using trading derivatives. Hedging instruments almost offset the open position (see the tables above) and therefore the impact of exchange rate movements on the Profit and Loss Account is not significant. As the euro was the only significant currency in which the Bank had an open position at the end of the year, the table below summarises the sensitivity of the CZK compared to the CZK/EUR exchange rate applicable on 31 December 2024 and 2023.

IN CZK MILLION	2024	2023
Sensitivity to changes in the EUR exchange rate		
Expected exchange rate appreciation (depreciation) in %	10%	10%
Open position	-105	-119
Effect on the Profit and Loss Account	-6	-6
Effect on capital	-11	-12



E) INTEREST RATE RISK

The Bank's intention is to manage the interest rate risk arising from changes in interest rates through gap analysis between assets and liabilities in individual groups.

The table below provides information on the extent to which the Bank is exposed to the risk of interest rate change. It is based either on the contractual maturity of the financial instruments or, if the interest rate of these instruments changes before the maturity date, on the date of the determination of the new interest rate.

The "Interest-rate-insensitive" column includes trades that do not carry information on contractual maturity or rate change. On the assets side, a significant item is the interest-free loans granted in the SME programmes (Receivables from clients). On the liabilities side, a significant item in this column is the non-interest-bearing liabilities to programme sponsors (Payables to clients).

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	INTEREST RATE- INSENSITIVE	TOTAL
Cash and deposits with central banks	213	0	0	0	0	213
Receivables from banks	2,887	0	0	0	0	2,887
Receivables from clients	16	49	297	609	10,030	11,001
Securities valued through profit or loss	546	2	0	144	0	692
Debt instruments at FVOCI	3,982	1,533	2,674	1,801	0	9,990
Securities at amortised cost	724	1,408	5,188	3,499	0	10,819
Financial derivatives	0	0	0	0	0	0
Equity instruments at FVOCI	0	0	0	0	80	80
Participating interests with significant influence	0	0	0	0	1	1
Participating interests with decisive influence	0	0	0	0	9	9
Other financial assets	0	0	0	0	74	74
Total financial assets	8,368	2,992	8,159	6,053	10,194	35,766
Tangible fixed assets	0	0	0	0	210	210
Intangible fixed assets	0	0	0	0	57	57
Other non-financial assets	0	0	0	0	155	155
TOTAL ASSETS	8,368	2,992	8,159	6,053	10,616	36,188
Payables to banks	101	15	50	29	37	232
Payables to clients	5,616	1,205	674	8,469	9,020	24,984
Financial derivatives	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	82	82
Total financial liabilities	5,717	1,220	724	8,498	9,139	25,298
Other non-financial liabilities	0	0	0	0	312	312
Provisions	0	0	0	0	3,863	3,863
Equity	0	0	0	0	6,715	6,715
TOTAL LIABILITIES AND EQUITY	5,717	1,220	724	8,498	20,029	36,188
Net balance sheet position	2,651	1,772	7,435	-2,445	-9,413	-



IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1–5 YEARS	OVER 5 YEARS	INTEREST RATE- INSENSITIVE	TOTAL
Cash and deposits with central banks	3	0	0	0	0	3
Receivables from banks	2,606	0	0	0	0	2,606
Receivables from clients	16	49	312	659	10,296	11,332
Securities valued through profit or loss	0	0	0	0	0	0
Debt instruments at FVOCI	1,350	3,365	2,738	2,294	0	9,747
Securities at amortised cost	0	716	5,961	3,574	0	10,251
Financial derivatives	0	0	0	0	0	0
Equity instruments at FVOCI	0	0	0	0	76	76
Participating interests with significant influence	0	0	0	0	1	1
Participating interests with decisive influence	0	0	0	0	14	14
Other financial assets	0	0	0	0	11	11
Total financial assets	3,975	4,130	9,011	6,527	10,398	34,041
Tangible fixed assets	0	0	0	0	253	253
Intangible fixed assets	0	0	0	0	63	63
Other non-financial assets	0	0	0	0	151	151
TOTAL ASSETS	3,975	4,130	9,011	6,527	10,865	34,508
Payables to banks	27	18	74	34	2	155
Payables to clients	1,435	12,236	100	100	10,777	24,648
Financial derivatives	0	0	0	0	2	2
Other financial liabilities	0	0	0	0	77	77
Total financial liabilities	1,462	12,254	174	134	10,858	24,882
Other non-financial liabilities	0	0	0	0	230	230
Provisions	0	0	0	0	3,732	3,732
Equity	0	0	0	0	5,664	5,664
TOTAL LIABILITIES AND EQUITY	1,462	12,254	174	134	20,484	34,508
Net balance sheet position	2,513	-8,124	8,837	6,393	-9,619	-

INTEREST RATE SENSITIVITY ANALYSIS

Balance sheet items sensitive to interest rate movements were analysed for the expected parallel increase in interest rates by 2%. The Bank modelled eight possible scenarios and the most likely alternative of a 2% parallel shift was selected for reporting purposes.

SENSITIVITY/IMPACT IN A 2% PARALLEL INTEREST RATE INCREASE SCENARIO

BALANCE SHEET ITEMS (IN CZK MILLION)	31 DECEMBER 2024	31 DECEMBER 2023
Assets		
Receivables from clients	-83	-90
Receivables from banks	-2	-1
Securities at amortised cost	-812	<i>–</i> 776
Securities at FVOCI and FVTPL	-446	-447
Financial derivatives	0	0
Payables		
Payables to banks	5	6
Payables to clients	1,015	1,003
Financial derivatives	0	1

The total impact of the parallel shock (+200 bp) on the Bank's capital was 5.95% as at 31 December 2024 (as at 31 December 2023: 6.79%).



F) LIQUIDITY RISK

The Bank sees liquidity risk as the risk of losing the ability to meet its financial obligations when they fall due or when the Bank is unable to finance its assets. The Bank measures and monitors net cash flows in individual major currencies and at the same time compiles a daily liquidity gap analysis in all individual major currencies in which it has open positions. The Bank also uses a set of limits for liquidity risk management, compiles liquidity scenarios and has prepared a contingency plan for possible threats to the Bank's liquidity.

CONTRACTUAL RESIDUAL MATURITY

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	NOT SPECIFIED	TOTAL
Cash and deposits with central banks	213	0	0	0	0	213
Receivables from banks	2,887	0	0	0	0	2,887
Receivables from clients	2,436	1,405	5,372	1,773	15	11,001
Securities valued through profit or loss	11	2	0	679	0	692
Debt instruments at FVOCI	785	657	3,125	5,423	0	9,990
Securities at amortised cost	724	1,408	5,188	3,499	0	10,819
Financial derivatives	0	0	0	0	0	0
Equity instruments at FVOCI	0	0	0	0	80	80
Participating interests with significant influence	0	0	0	0	1	1
Participating interests with decisive influence	0	0	0	0	9	9
Other financial assets	60	0	0	0	14	74
Total financial assets	7,116	3,472	13,685	11,374	119	35,766
Other non–financial assets	11	7	20	0	384	422
TOTAL	7,127	3,479	13,705	11,374	503	36,188
Payables to banks	101	18	86	27	0	232
Payables to clients	2,259	267	2,100	20,358	0	24,984
Financial derivatives	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	82	82
Total financial liabilities	2,360	285	2,186	20,385	82	25,298
Other non-financial liabilities	50	1	2	0	259	312
Provisions	96	279	2,844	539	105	3,863
Equity	0	0	2	3	6,710	6,715
TOTAL	2,506	565	5,034	20,927	7,156	36,188
Net balance sheet position	4,621	2,914	8,671	-9,553	-6,653	_
Commitments and guarantees provided	567	5,901	25,893	5,208	0	37,569
Commitments and guarantees received	0	0	3,750	0	4,617	8,367





IN CZK MILLION	UP TO 3 MONTHS	3–12 MONTHS	1-5 YEARS	OVER 5 YEARS	NOT SPECIFIED	TOTAL
Cash and deposits with central banks	3	0	0	0	0	3
Receivables from banks	2,606	0	0	0	0	2,606
Receivables from clients	1,982	1,392	5,741	2,210	7	11,332
Securities valued through profit or loss	0	0	0	0	0	0
Debt instruments at FVOCI	59	1,394	2,789	5,505	0	9,747
Securities at amortised cost	0	716	5,961	3,574	0	10,251
Financial derivatives	0	0	0	0	0	0
Equity instruments at FVOCI	0	0	0	0	76	76
Participating interests with significant influence	0	0	0	0	1	1
Participating interests with decisive influence	0	0	0	0	14	14
Other financial assets	7	0	0	0	4	11
Total financial assets	4,657	3,502	14,491	11,289	102	34,041
Other non-financial assets	3	4	1	0	459	467
TOTAL	4,660	3,506	14,492	11,289	561	34,508
Payables to banks	27	18	74	36	0	155
Payables to clients	1,491	702	1,154	21,301	0	24,648
Financial derivatives	2	0	0	0	0	2
Other financial liabilities	0	0	0	0	77	77
Total financial liabilities	1,520	720	1,228	21,337	77	24,882
Other non-financial liabilities	22	3	2	0	203	230
Provisions	97	567	2,659	376	33	3,732
Equity	0	0	1	2	5,661	5,664
TOTAL	1,639	1,290	3,890	21,715	5,974	34,508
Net balance sheet position	3,021	2,216	10,602	-10,426	-5,413	0
Commitments and guarantees provided	569	3,517	38,246	7,755	1	50,088
Commitments and guarantees received	0	6,168	0	0	14,768	20,936



CONTRACTUAL LIQUIDITY OF THE MAIN NON-DERIVATIVE FINANCIAL LIABILITIES AT AMORTISED COST AND DERIVATIVES ON THE BASIS OF UNDISCOUNTED CASH FLOWS

A) PAYABLES TO BANKS AND CLIENTS

31 December 2024

IN CZK MILLION	UP TO 3 MONTHS	3–12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
Payables to banks	142	17	59	28	246
Payables to clients	2,262	278	2,156	20,392	25,088

31 December 2023

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1–5 YEARS	OVER 5 YEARS	TOTAL
Payables to banks	29	21	85	38	173
Payables to clients	1,474	13,929	199	9,130	24,732

B) DERIVATIVES SETTLED ON A NET BASIS

The Bank does not record any derivatives that are settled on a net basis.

C) DERIVATIVES SETTLED ON A GROSS BASIS

Bank derivatives that will be settled on a gross basis include foreign exchange derivatives: foreign exchange forwards, currency swaps and currency interest rate swaps.

The table below shows the Bank's derivative financial liabilities, which will be settled on a gross basis and which are included in the relevant time baskets on the basis of the remaining maturity of the contract. The amounts shown below are contractual undiscounted cash flows.

31 December 2024

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
Currency derivatives:					
Inflows	7	12	26	0	45
Outflows	- 7	_18	-26	0	– 51

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1–5 YEARS	OVER 5 YEARS	TOTAL
Currency derivatives:					
Inflows	13	12	49	0	74
Outflows	-8	-44	-26	0	<i>–</i> 78



D) COMMITMENTS AND GUARANTEES PROVIDED

31 December 2024

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	NOT SPECIFIED	TOTAL
Commitments provided	28	853	567	0	0	1,448
Guarantees provided	538	5,048	25,827	0	4,708	36,121

31 December 2023

IN CZK MILLION	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	NOT SPECIFIED	TOTAL
Commitments provided	31	771	24	500	0	1,326
Guarantees provided	538	2,746	38,222	7,255	1	48,762

G) OPERATIONAL RISK

The Bank defines operational risk as the risk of loss as a result of deficiencies or failures of internal processes, human factors or systems, or the risk of loss as a result of external events, including the risk of loss as a result of violation of, or non-compliance with, a legal standard.

The main objectives of the Bank's operational risk management system are:

- protection of the Bank from possible negative consequences caused by operational risk;
- better information for decision making;
- meeting the requirements set by the CNB and the EU;
- compliance with best practices defined by the relevant EU regulations.

The Bank collects data on loss events, the risk factors that caused them and the impacts caused by these events.

The Bank distinguishes the following types of losses arising from operational risk (OR) events:

- direct losses, the impact of which is recorded in the Bank's accounts and has a negative impact on the Bank's Profit and Loss Account;
- indirect losses that can be quantified but do not have a clear record in the Bank's accounts; the Bank considers indirect losses to include the time required to implement loss-related measures;
- indirect losses that cannot be quantified (e.g. OR events affecting the Bank's reputation);
- no losses (the OR event has no impact or even a positive one on the Bank's Profit and Loss Account).

The Bank systematically collects data on:

- loss events that have a direct or indirect financial impact;
- events that have a negative impact on the Bank's reputation, any suspected internal or external fraud or any event that has any other serious impact on the Bank;
- events that can reasonably be expected to recur and that exceed the limit set by the Bank.

The Bank's Board of Directors is regularly informed about operational risk incidents.

 $In \ 2024, the \ Bank \ continuously \ updated \ the \ operational \ risk \ assessment \ in \ individual \ units \ in \ the \ form \ of \ self-assessment.$



IT RISK MANAGEMENT

As part of the IT risk management system, the Bank manages ICT risks, which include:

- a) risk of loss as a result of
 - I. a breach of data confidentiality, systems and data integrity or systems and data availability; or
 - II. failure to change information and communication systems within a reasonable time and at a reasonable cost; or
 - III. changes in the environment or activities.
- b) Security risks arising from
 - I. inadequacy or failure of internal processes; or
 - II. external events, including cyber attacks; or
 - III. insufficient physical security.

Currently, the impacts arising from "Regulation (EU) 2022/2554 of the European Parliament and of the Council on digital operational resilience for the financial sector", the so-called DORA Act, are being incorporated into the ICT risk management system.

25. RELATED PARTY TRANSACTIONS

Persons with a special relationship with the Bank, known as "Related parties"; see item 2t) of the Notes.

RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES

IN CZK MILLION	31 DECEMBER 2024 GROSS	31 DECEMBER 2023 GROSS
Government zero-coupon bonds and other securities accepted by the central bank for refinancing, issued by government institutions	20,674	19,460
Debt securities	426	0
Participating interests with significant and decisive influence	44	44
Other assets	62	10
Payables to banks	25	0
Payables to clients	23,005	22,011
Other liabilities	78	22
Commitments and guarantees provided	300	300
Commitments and guarantees received*	4,025	13,956
Pledges and collateral received	576	682
Values taken into escrow, administration and storage*	145	122

^{*} In addition to the values shown in the table, the Bank has received a guarantee from the State for M-guarantees, the amount of which is shown in item 16, the table "Analysis of financial guarantees by type of collateral".

On the basis of Czech Government Resolution No. 1164/2016, which approved the participation of the Czech Republic in the Central Europe Fund of Funds (CEFoF) managed by the European Investment Fund (EIF) through the Bank, agreements with the EIF and the MIT that fulfilled this were signed by the Bank in December 2017. Out of the total framework of CZK 240 million of participation of the Czech Republic. The total investment in the CEFoF as at 31 December 2024 amounted to the par value of CZK 143 million. The change in the fair value is CZK 11 million. The book value of the total investment in the CEFoF amounted to CZK 154 million as at 31 December 2024. Further drawing will take place gradually on the basis of the individual requirements of the CEFoF. The investment in the CEFoF is shown in the Off-Balance Sheet. The Bank is acting as an agent in this respect.

RELATED PARTY TRANSACTIONS

IN CZK MILLION	2024	2023
Interest income	534	624
Interest expense	-104	-66
Revenue from fees and commissions	518	402
Staff costs	-22	-19
Other operating income	2	2





RECEIVABLES FROM PERSONS WITH A SPECIAL RELATIONSHIP WITH THE BANK

As at 31 December 2024 and 31 December 2023, the Bank does not record receivables from persons with a special relationship with the Bank.

26. FAIR VALUE

The fair value of financial instruments is the amount for which an asset could be sold or a liability settled between informed parties in an independent transaction. Estimates of fair value are made on the basis of listed market prices, if available. However, there are no available market price listings for a significant part of the Bank's financial instruments. In cases where listed market prices are not readily available, fair value is estimated using discounted cash flow models or other acceptable pricing models. Estimates significantly affect changes in basic assumptions - discount rates, estimated future cash flows, etc. - and therefore these estimates may differ from the sale price of the financial instrument. The following methods and assumptions were used in estimating the fair value of the Bank's financial instruments.

CASH ON HAND AND DEPOSITS WITH CENTRAL BANKS

The book values of cash and balances with central banks correspond in principle to their fair values.

SECURITIES MEASURED AT AMORTISED COST

The fair values of securities are taken from the active market where these instruments are listed.

RECEIVABLES FROM BANKS

The fair value of receivables from banks is estimated on the basis of an analysis of discounted cash flows using interest rates currently offered for investments with similar terms (market rates adjusted to reflect credit risk).

RECEIVABLES FROM CLIENTS

The fair value of variable revenue loans without a significant change in credit risk is generally close to their book value. The fair value of loans with fixed interest rates is estimated using discounted cash flow analyses based on interest rates currently offered for loans with similar terms to borrowers of similar loan quality.

PAYABLES TO BANKS

The fair value of term deposits repayable on demand approximates the book value of the amounts at the end of the period. The fair value of term deposits with variable interest rates approximates their book values at the end of the period. The fair value of fixed rate deposits is estimated by discounting their future cash flows using market interest rates.

FINANCIAL INSTRUMENTS THAT ARE NOT MEASURED AT FAIR VALUE IN THE BALANCE SHEET

The table below sets out the book values and fair values of financial assets and financial liabilities that are not carried at fair value in the accounting entity's Balance Sheet.

IN CZK MILLION		BOOK VALUE	FAIR VALUE
FINANCIAL ASSETS	•		
1	Cash on hand and deposits with CB (Level 2)	213	213
2	Government zero-coupon bonds and other securities (Level 1)	10,822	10,406
3	Receivables from banks (Level 2)	2,887	2,884
4	Receivables from clients (Level 3)	11,001	10,463
8	Participating interests with significant influence (Level 3)	1	1
8	Participating interests with decisive influence (Level 3)	9	9
11	Other financial assets (Level 3)	74	74
FINANCIAL LIABILI	TIES		
1	Payables to banks (Level 2)	232	209
2	Payables to clients (Level 2)	24,984	22,772
4	Other financial liabilities (Level 2)	82	77



31 December 2023

IN CZK MILLION		BOOK VALUE	FAIR VALUE
FINANCIAL ASSETS	,		
1	Cash on hand and deposits with CB (Level 2)	3	3
2	Government zero-coupon bonds and other securities (Level 1)	10,254	9,738
3	Receivables from banks (Level 2)	2,606	2,605
4	Receivables from clients (Level 3)	11,332	10,798
8	Participating interests with significant influence (Level 3)	1	1
8	Participating interests with decisive influence (Level 3)	14	14
11	Other financial assets (Level 3)	11	11
FINANCIAL LIABILI	TIES		
1	Payables to banks (Level 2)	155	129
2	Payables to clients (Level 2)	24,648	21,808
4	Other financial liabilities (Level 2)	77	77

HIERARCHY OF FAIR VALUES

IFRS 7 specifies a hierarchy of valuation techniques that is based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's assumptions. These two types of inputs form the following hierarchy of fair values:

- Level 1 Listed prices (unadjusted) in active markets for identical assets and liabilities. This level includes listed debt instruments on stock exchanges (e.g. the Prague Stock Exchange).
- Level 2 Other inputs (other than listed prices included within Level 1) that are observable for the asset or liability either directly
 (i.e. as prices) or indirectly (i.e. derived from prices). This level includes over-the-counter derivative transactions. Bloomberg
 and Reuters are the source of input parameters such as PRIBOR or yield curves.
- Level 3 Inputs for the asset or liability that are not based on observable market data (invisible inputs). This level includes financial instruments with significant unobservable components.

The table below analyses financial instruments measured at fair value by level in the fair value hierarchy. The amounts are based on the values reported in the Bank's Balance Sheet.

FINANCIAL INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE IN THE BALANCE SHEET

31 DECEMBER 2024 (IN CZK MILLION)	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets at fair value			
Financial assets charged through costs or revenues			
– Debt instruments	692	0	0
Securities at FVOCI			
– Equity instruments	0	0	80
– Debt instruments	9,856	134	0
Total assets at fair value	10,548	134	80
Financial liabilities to costs and revenues			
– Other liabilities	0	0	0
Total liabilities at fair value	0	0	0



31 DECEMBER 2023 (IN CZK MILLION)	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets at fair value			
Securities at FVOCI			
– Equity instruments	0	0	76
– Debt instruments	9,611	135	0
Total assets at fair value	9,611	135	76
Financial liabilities to costs and revenues			
- Other liabilities	0	2	0
Total liabilities at fair value	0	2	0

No reclassifications between levels were made during these periods.

RECONCILIATION OF OPENING AND CLOSING BALANCES AT LEVEL 3

IN CZK MILLION	EQUITY INSTRUMENTS AT FVOCI	TOTAL
Balance as at 1 January 2024	76	76
Gains and losses for the period recognised in the Profit and Loss Account	0	0
Gains and losses for the period recognised in equity	4	4
Purchases	0	0
Repayment	0	0
Balance as at 31 December 2024	80	80

27. SUBSEQUENT EVENTS

The following events that may affect the operation of the company occurred after the date of the Financial Statements.

On 19 February 2025, Act No. 34/2025 Coll., on the National Development Bank (NRB), came into force. The new Act on the NRB marks a shift in the possibilities of supporting the business environment and financing strategic projects that will contribute to the growth of the Czech economy and the development of key areas such as infrastructure, innovation, affordable housing, science and research. At the same time, it creates new opportunities for cooperation between the public and private sectors. This will establish a competence centre for financial instruments with the aim of repayable support for entrepreneurship, competitiveness, infrastructure financing and export financing. After the legislative change, the NRB will continue to be a bank holding a banking licence and will remain under the supervision of the CNB. The Act on the NRB has, among other things, created a prerequisite for the expansion of sources of funding, which, in addition to traditional European and national sources, will allow the Bank to issue bonds to finance specific projects in line with the economic strategy of the State.

Apart from the above facts, the Bank's management is not aware of any other events that have a significant impact on these Financial Statements.

In Prague, on 22 April 2025

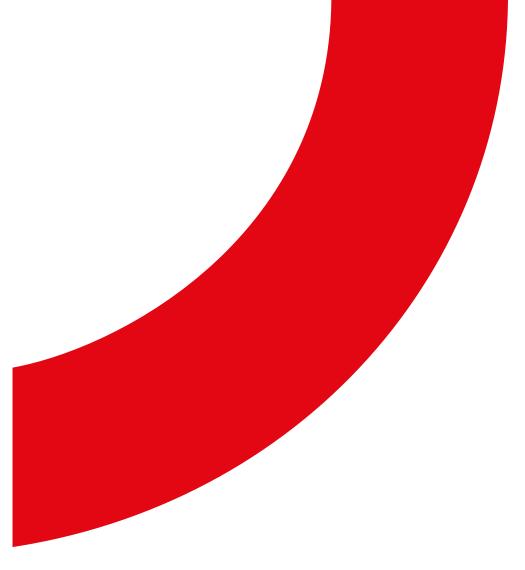
Governing body of the accounting entity:

Chairman of the Board of Directors

Pavel Marek

Member of the Board of Directors





REPORT OF THE BOARD
OF DIRECTORS OF THE
NATIONAL DEVELOPMENT
BANK ON RELATIONS
BETWEEN AFFILIATED
ENTITIES FOR THE FISCAL
PERIOD OF 2024



REPORT OF THE BOARD OF DIRECTORS OF THE NRB ON RELATIONS BETWEEN AFFILIATED ENTITIES FOR THE FISCAL PERIOD OF 2024

Ι. **AFFILIATED ENTITIES**

Controlled entity:

Národní rozvojová banka, a.s. (National Development Bank),

with its registered office at Přemyslovská 2845/43, Žižkov, 130 00 Prague 3,

Company ID No.: 44848943, incorporated in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 1329 (hereinafter referred to as the "NRB").

Controlling entity:

The Czech Republic, represented by:

- the Ministry of Industry and Trade, with its registered office at Na Františku 32, Prague 1, postal code 110 15, Company ID No.:
- the Ministry of Regional Development, with its registered office at Staroměstské nám. 6, Prague 1, postal code 110 15, Company ID No.: 66002222,
- the Ministry of Finance, with its registered office at Letenská 15, Prague 1, postal code 118 10, Company ID No.: 00006947.

The NRB is a one-member joint-stock company and, in accordance with the provisions of Section 12(1) of Act No. 90/2012 Coll., on commercial companies and cooperatives, as amended (hereinafter referred to as the "Business Corporations Act"), the Czech Republic, as the sole shareholder, exercises the powers of the General Meeting as the supreme body of the NRB.

The share capital of the NRB, in the amount of CZK 2,631,626,000, is divided into 10,988 registered shares in book-entry form, each with a par value of CZK 239,500, which are owned by the Czech Republic.

This Report has been prepared in accordance with Section 82 et seq. of the Business Corporations Act and provides, inter alia, an overview of all contractual relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity that were effective in the fiscal period for which the Report on Relations is prepared, i.e. 2024.

The controlled entity represents a special state banking institution performing its activities in the public interest, designed to implement the measures of the economic policy of the Czech Republic and carried out through various types of financial instruments, in particular preferential bank guarantees and loans. Its role is to perform activities in the public interest from the position of a specialised banking institution, especially the implementation of programmes to support small and medium-sized enterprises and other selected areas of the economy requiring state support. The controlled entity fulfils this role by managing financial instruments using mainly ESI funds, funds from the European Fund for Strategic Investments and funds of the Czech Republic.

The relationship between the controlling entity and the controlled entity is balanced, the advantages and disadvantages are balanced and there are no significant risks arising from mutual relations. The relationship between the controlled entity and the entities controlled by the same controlling entity is also in balance.

In 2019, the NRB established a subsidiary company, ČMZRB investiční, a.s. (later operating under the business name Národní rozvojová investiční, a.s. (National Development Investments), a venture capital entity), Company ID No.: 08465797, which, in view of the amendment to the provisions of Section 15 of Act No. 240/2013 Coll., on management companies and investment funds



(implemented by Act No. 163/2024 Coll.), and the subsequent decision of the NRB as its sole shareholder acting in the capacity of the company's General Meeting of 5 December 2024 (regarding the adoption of a new full version of the company's Articles of Association), currently operates under the business name Národní rozvojová investiční, a.s. (National Development Investments), a venture capital entity, with its registered office at Přemyslovská 2845/43, Žižkov, 130 00 Prague 3 (hereinafter referred to as the "NRI"), in which the NRB holds a 100% stake. The company was established on 29 August 2019 by entry in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 24613. The company's objective is to meet the strategic objectives of the NRB as a national development bank in the area of equity investments and subordinated loans, especially under the Ministry of Industry and Trade's programmes for small and medium-sized enterprises as well as programmes of other ministries.

In 2020, the NRB established a subsidiary company, Národní rozvojový fond SICAV a.s. (National Development Fund SICAV), Company ID No.: 09829482, which, following the decision of the NRB as its sole shareholder acting in the capacity of the company's General Meeting of 7 March 2024 (regarding the adoption of a new full version of the company's Articles of Association), operates under the business name Národní rozvojový fond a.s. (National Development Fund), with its registered office at Přemyslovská 2845/43, Žižkov, 130 00 Prague 3 (hereinafter referred to as the "NRF"), in which the NRB holds 100% of the shares (until 6 March 2024 in founder's shares). The company was established on 1 February 2021 by entry in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 25987. The NRF was initially a regulated over-limit investment fund of qualified investors, the objective of which was to secure private funds for financing public benefit projects using capital from responsible investors on the principle of return on the invested funds. Since the revocation of the licence to operate as a self-managed investment fund at the request of the NRF by the Czech National Bank in April 2024, the NRF operates as a non-regulated joint-stock company with a different subject of enterprise.

The NRB has one affiliate, which is MUFIS a.s., Company ID No.: 60196696, with its registered office at Přemyslovská 2845/43, Žižkov, 130 00 Prague 3. A participating interest of 49% is held by the Czech Republic, represented by the Ministry of Finance; 49% is held by the NRB and 2% by the Union of Towns and Municipalities of the Czech Republic. The company was established on 15 April 1994 by entry in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 2517.

II. RELATIONS BETWEEN THE CONTROLLING ENTITY AND THE CONTROLLED ENTITY

In the relevant period, no damage occurred in connection with the fulfilment of the following contracts and agreements and their amendments, which the NRB concluded in 2024 or previous years in the following areas of its activities.

1. PROGRAMMES TO SUPPORT SMALL AND MEDIUM-SIZED ENTERPRISES

Agreement No. 02/3220/051 on the use of funds from the Phare Revolving Fund managed by the Business Development Agency to finance the programme of preferential loans for start-up entrepreneurs - START, as amended by Amendment 1 of 20 December 2002, Amendment 2 of 12 September 2003 and Amendment 3 of 26 April 2010.

- Parties: The NRB, the Ministry of Industry and Trade and the Business and Innovation Agency (formerly the Business Development Agency)
- Date of conclusion: 27 September 2002
- Subject matter: Negotiation of conditions and procedures under which funds from the Phare Revolving Fund provided on the basis of the Memorandum of Understanding of 12 August 1997 on the use of returned Phare programme funds concluded between the European Commission and the Ministry of Industry and Trade to finance the START programme will be provided and settled, starting in 2002.

Agreement on the implementation of selected programmes under the Operational Programme Industry and Enterprise in the years 2004-2006, as amended by Amendment 1 of 5 November 2004, Amendment 2 of 10 August 2005, Amendment 3 of 4 November 2005, Amendment 4 of 17 March 2006, Amendment 5 of 4 April 2006, Amendment 6 of 18 April 2009, Amendment 7 of 5 June 2012, Amendment 8 of 15 February 2013, Amendment 9 of 23 February 2015, Amendment 10 of 25 March 2020, Amendment 11 of 14 February 2022 and Amendment 12 of 19 August 2024.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 20 May 2004
- Subject matter: The agreement stipulated the conditions and procedures for the implementation of the CREDIT, START and INNOVATION programmes approved by Czech Government Resolution No. 414/2004 of 28 April 2004 and the conditions and procedures for the use and settlement of funds intended for financing these programmes under the Operational Programme Industry and Enterprise in the years 2004-2006.





Agreement on the implementation of programmes of support to small and medium-sized enterprises in the Czech Republic approved for the period of 2005-2006, as amended by Amendment 1 of 16 March 2005, Amendment 2 of 11 July 2005, Amendment 3 of 25 August 2005, Amendment 4 of 14 September 2005, Amendment 5 of 29 November 2005, Amendment 6 of 30 December 2005, Amendment 7 of 4 April 2006, Amendment 8 of 3 May 2006, Amendment 9 of 30 August 2006, Amendment 10 of 4 January 2007, Amendment 11 of 23 August 2007, Amendment 12 of 30 November 2007, Amendment 13 of 26 January 2010, Amendment 14 of 22 June 2010, Amendment 15 of 21 May 2018, Amendment 16 of 25 March 2020 and Amendment 17 of 19 August 2024.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 12 January 2005
- Subject matter: Determination of procedures and conditions for the implementation of the GUARANTEE, MARKET and PRO-GRESS programmes and conditions and procedures for the use and financing of these programmes.

Agreement on the establishment, use and administration of the R 2006 Loan Fund from the resources of the Phare Revolving Fund, as amended by Amendment 1 of 16 February 2009 and Amendment 2 of 25 March 2020.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 21 November 2006
- Subject matter: Negotiation of conditions and procedures for the implementation of the CREDIT programme in cases where the funds of the R 2006 Loan Fund (the establishment of which used funds from the Phare Revolving Fund) are used for its financing.

Agreement on the implementation of the MARKET programme and on the establishment and administration of a loan fund and a guarantee fund, as amended by Amendment 1 of 23 August 2007, Amendment 2 of 30 November 2007, Amendment 3 of 25 April 2012 and Amendment 4 of 21 September 2015.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 14 May 2007
- Subject matter: Negotiation of conditions and procedures for the establishment of a loan and guarantee fund. In the part concerning the replenishment and administration of the P 2007 Guarantee Fund, the Agreement was replaced by the Agreement on the Implementation of the MARKET and GUARANTEE (guarantees for working capital loans) programmes and on the establishment and administration of the P 2007 Guarantee Fund, as amended.

Agreement on the completion of the implementation of the GUARANTEE and START programmes (preferential guarantees) and on the administration of the E 2007 Guarantee Fund in the Operational Programme Enterprise and Innovation for the years 2007-2013, as amended by Amendment 1 of 29 March 2022, Amendment 2 of 2 June 2022 and Amendment 3 of 18 December 2023.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 4 May 2015
- Subject matter: Agreeing on the conditions and procedures for completing the implementation of the Programmes in cases where the resources of the E 2007 Guarantee Fund are used for their financing.

Agreement on the implementation of the MARKET and GUARANTEE (guarantees for working capital loans) programmes and on the establishment and administration of the P 2007 Guarantee Fund, as amended by Amendment 1 of 22 April 2009, Amendment 2 of 6 November 2009, Amendment 3 of 3 March 2010, Amendment 4 of 17 August 2010, Amendment 5 of 25 October 2010, Amendment 6 of 7 June 2011, Amendment 7 of 25 April 2012, Amendment 8 of 5 June 2012, Amendment 9 of 15 February 2013, Amendment 10 of 21 June 2013, Amendment 11 of 25 June 2014, Amendment 12 of 23 February 2015 and Amendment 13 of 9 December 2016.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 16 February 2009
- Subject matter: Negotiation of conditions for the administration of the P 2007 Guarantee Fund.

Agreement on the implementation of the PROGRESS and START programmes and on the establishment and administration of the E 2007 Loan Fund in the Operational Programme Enterprise and Innovation for 2007–2013, as amended by Amendment 1 of 12 July 2012, Amendment 2 of 21 June 2013, Amendment 3 of 11 December 2013, Amendment 4 of 4 May 2015, Amendment 5 of 21 May 2018, Amendment 6 of 25 March 2020 and Amendment 7 of 29 March 2022.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 13 March 2009
- Subject matter: Regulation of mutual relations in the creation, supplementation and administration of the E 2007 Loan Fund and determination of procedures and conditions in the implementation of programmes.



Agreement on the establishment and administration of the SV 2012 Guarantee Fund (INOSTART), as amended by Amendment 1 of 30 April 2014, Amendment 2 of 25 June 2014, Amendment 3 of 15 February 2016 and Amendment 4 of 20 June 2019.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 6 September 2012
- Subject matter: Establishment, supplementation and administration of a guarantee fund to support innovative projects, including the establishment of procedures and conditions for the provision of guarantees.

Agreement on the establishment and administration of the N 2013 Loan Fund, as amended by Amendment 1 of 25 June 2014, Amendment 2 of 21 September 2015, Amendment 3 of 25 March 2020 and Amendment 4 of 14 February 2022.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 11 December 2013
- Subject matter: Regulation of relations in the establishment, financing and administration of the N 2013 Loan Fund and negotiation of conditions and procedures for the implementation of the REVIT programme.

Agreement on the implementation of the GUARANTEE 2015-2023 programme and on the establishment and administration of the N 2015 Guarantee Fund, as amended by Amendment 1 of 21 September 2015, Amendment 2 of 8 February 2016, Amendment 3 of 23 August 2016, Amendment 4 of 9 December 2016, Amendment 5 of 26 October 2017, Amendment 6 of 21 May 2018, Amendment 7 of 9 December 2019, Amendment 8 of 18 December 2023, Amendment 9 of 18 April 2024 and Amendment 10 of 19 August 2024.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 23 February 2015
- Subject matter: Determination of conditions and procedures for the implementation of the GUARANTEE 2015-2023 programme and negotiation of conditions for the administration of the N 2015 Guarantee Fund.

Agreement on the creation and administration of the NX 2017 Loan Fund, as amended by Amendment 1 of 1 June 2017, Amendment 2 of 22 December 2017 and Amendment 3 of 5 September 2018.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 9 May 2017
- Subject matter: Regulation of relations in the establishment, financing and administration of the NX 2017 Loan Fund and negotiation of conditions and procedures for the implementation of the ENERG programme.

Agreement on the establishment and administration of the E 2017 Loan Fund, as amended by Amendment 1 of 21 May 2018, Amendment 2 of 19 November 2018, Amendment 3 of 11 November 2019, Amendment 4 of 28 April 2020, Amendment 5 of 13 August 2020, Amendment 6 of 30 June 2021, Amendment 7 of 13 December 2021, Amendment 8 of 14 February 2022, Amendment 9 of 29 March 2022, Amendment 10 of 27 May 2022, Amendment 11 of 11 October 2022, Amendment 12 of 21 December 2023, Amendment 13 of 25 October 2024 and Amendment 14 of 26 November 2024.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 24 March 2017
- Subject matter: Regulation of relations in the establishment, financing and administration of the E 2017 Loan Fund and negotiation of conditions and procedures for the implementation of the EXPANSIONS programme.

Agreement on the establishment and administration of the EX 2017 Loan Fund, as amended by Amendment 1 of 26 June 2018, Amendment 2 of 16 April 2019, Amendment 3 of 3 February 2020, Amendment 4 of 6 August 2020, Amendment 5 of 20 January 2021, Amendment 6 of 20 December 2022, Amendment 7 of 21 April 2023 and Amendment 8 of 21 December 2023.

- $\,-\,$ Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 21 June 2017
- Subject matter: Regulation of relations in the establishment, financing and administration of the EX 2017 Loan Fund and negotiation of conditions and procedures for the implementation of the ENERGY SAVINGS programme.

Agreement on the establishment and administration of the VC 2017 Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 20 December 2017
- Subject matter: Regulation of relations in the establishment, financing and administration of the VC 2017 Fund and negotiation of conditions and procedures for the implementation of investments in the Central Europe Fund of Funds.





Agreement on the implementation of the VADIUM programme and on the establishment and administration of the V 2018 Guarantee Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 26 June 2018
- Subject matter: Regulation of relations in the establishment, financing and administration of the V 2018 Guarantee Fund and negotiation of conditions and procedures for the implementation of the VADIUM programme.

Agreement on the establishment and administration of the E 2018 Guarantee Fund, as amended by Amendment 1 of 27 March 2020, Amendment 2 of 22 May 2020, Amendment 3 of 3 August 2020, Amendment 4 of 30 June 2021, Amendment 5 of 29 March 2022, Amendment 6 of 27 May 2022, Amendment 7 of 11 October 2022 and Amendment 8 of 21 December 2023.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 19 November 2018
- Subject matter: Regulation of relations in the establishment, financing and administration of the E 2018 Guarantee Fund and negotiation of conditions and procedures for the implementation of the EXPANSIONS programme.

Agreement on the establishment and administration of the COVID 2020 Loan Fund, as amended by Amendment 1 of 25 March 2020, Amendment 2 of 14 February 2022 and Amendment 3 of 15 September 2022.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 16 March 2020
- Subject matter: Establishment, supplementation and administration of the COVID 2020 Loan Fund, agreement on the conditions and procedures for the implementation of the Programme, regulation of relations and rights and obligations.

Agreement on the establishment and administration of the COVID PRAGUE 2020 Guarantee Fund, as amended by Amendment 1 of 15 July 2020 and Amendment 2 of 9 June 2021.

- Parties: The NRB, the Ministry of Industry and Trade and the City of Prague
- Date of conclusion: 16 April 2020
- Subject matter: Establishment, supplementation and administration of the COVID PRAGUE 2020 Guarantee Fund, agreement
 on the conditions and procedures for the implementation of the programme, regulation of relations and rights and obligations.

Agreement on the establishment and administration of the COVID III Guarantee Fund, as amended by Amendment 1 of 25 June 2020, Amendment 2 of 22 December 2020, Amendment 3 of 30 June 2021 and Amendment 4 of 13 December 2021.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 19 May 2020
- Subject matter: Regulation of conditions and relations in the establishment and administration of the COVID III Guarantee Fund, transfer of funds from the state budget and disbursement of funds from the COVID III Guarantee Fund, establishment of conditions for portfolio liability and regulation of other rights and obligations.

Agreement on the implementation of the COVID TRAVEL GUARANTEE programme and on the establishment and administration of the CK 2021 Guarantee Fund, as amended by Amendment 1 of 4 January 2023.

- $\,-\,$ Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 19 February 2021
- Subject matter: Establishment, supplementation and administration of the CK 2021 Guarantee Fund, agreement on the conditions and procedures for the implementation of the Programme, regulation of relations and rights and obligations.

Agreement on the establishment and administration of the COVID III - Invest Guarantee Fund, as amended by Amendment 1 of 15 September 2022.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 30 June 2021
- Subject matter: Establishment and administration of the COVID III Invest Guarantee Fund, transfer and disbursement of funds, agreement on the conditions and procedures for the implementation of the Programme, regulation of relations and rights and obligations.

Agreement on the establishment and administration of the "K.4.2/2022" Loan Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 19 May 2022
- Subject matter: Negotiation of the mutual relations between the parties in the administration of the "K.4.2/2022" Loan Fund.



Agreement on the establishment and administration of the E 2023 Loan Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 31 March 2023
- Subject matter: Negotiation of the mutual relations between the parties in the administration of the E 2023 Loan Fund.

Agreement on the establishment and administration of the EM 2.4/2023 Guarantee Fund, as amended by Amendment 1 of 13 November 2024.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 2 January 2024
- Subject matter: Adjustment of the conditions and relations between the parties regarding the establishment, supplementation and administration of the EM 2.4./2023 Guarantee Fund.

Agreement on the establishment and administration of the FV 2024 Loan Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 12 July 2024
- Subject matter: Establishment, supplementation and administration of the FV 2024 Loan Fund and agreement on the conditions and procedures for the implementation of the Financial Instrument.

Agreement on the establishment and administration of the EXU 2024 Loan Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 5 November 2024
- Subject matter: Establishment, supplementation and administration of the Loan Fund and agreement on the conditions and procedures for the implementation of the Financial Instrument.

Agreement on the implementation of the GUARANTEE 2024-2030 programme and on the establishment and administration of the N 2024 Guarantee Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 26 November 2024
- Subject matter: Establishment, supplementation and administration of the N 2024 Guarantee Fund and agreement on the conditions and procedures for the implementation of the Programme.

Agreement on the implementation of the LOANS - FLOOD RESTART 2024 programme and on the establishment and administration of the P 2024 Loan Fund.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 26 November 2024
- Subject matter: Establishment and administration of the P 2024 Loan Fund.

2. PROGRAMME COOPERATION WITH OTHER MINISTRIES

Agreement on the implementation of the INTERNATIONAL DEVELOPMENT COOPERATION GUARANTEE programme and on the establishment and administration of the ZRS 2019 Guarantee Fund, as amended by Amendment 1 of 27 October 2021 and Amendment 2 of 7 September 2022.

- Parties: The NRB and the Ministry of Foreign Affairs
- Date of conclusion: 19 December 2018
- Subject matter: Establishment, supplementation and administration of the ZRS 2019 Guarantee Fund and negotiation of conditions and procedures for the implementation of the ZRS GUARANTEE programme, where the funds of the ZRS 2019 Guarantee Fund are used for their financing.

Agreement on the establishment and administration of the SP 2019 Loan Fund, as amended by Amendment 1 of 22 November 2023.

- Parties: The NRB and the Ministry of Labour and Social Affairs
- Date of conclusion: 30 July 2019
- Subject matter: Regulation of relations in the establishment, financing and administration of the SP 2019 Loan Fund and negotiation of conditions and procedures for the implementation of the S-ENTERPRISE programme.





Agreement on the implementation of the TRAVEL GUARANTEE subtitle and on the establishment and administration of the CK 2022 Guarantee Fund, as amended by Amendment 1 of 16 June 2022.

- Parties: The NRB and the Ministry of Regional Development
- Date of conclusion: 22 December 2021
- Subject matter: Establishment, supplementation and administration of the CK 2022 Guarantee Fund, agreement on the conditions and procedures for the implementation of the subtitle, regulation of relations and rights and obligations.

Agreement on the establishment and administration of the ZP 2023 Loan Fund, as amended by Amendment 1 of 25 May 2024.

- Parties: The NRB and the Ministry of the Environment
- Date of conclusion: 4 April 2023
- Subject matter: Negotiation of the mutual relations between the parties in the administration of the ZP 2023 Loan Fund.

Implementing Agreement for the implementation of Investment No. 2: The Components 2.10 tool for the provision of subordinated loans ("Affordable Housing") under the National Recovery Plan, approved in a revised version by the Economic and Financial Affairs Council (ECOFIN) and the Council of the EU on 10 October 2023.

- Parties: The NRB and the Ministry of Regional Development
- Date of conclusion: 5 November 2024
- Subject matter: This financial instrument in the form of a loan is intended for investors who are implementing projects aimed at building or renovating "affordable housing" capacities. The loan will be offered in combination with loans provided by private banks.

3. LOANS TO MUNICIPALITIES

Financial agreement on the establishment and management of the Regional Development Fund in the Czech Republic CZ 96.03.01, as amended by Amendment 1 of 23 May 2000, Amendment 2 of 30 June 2003, Amendment 3 of 18 December 2003, Amendment 4 of 16 June 2006, Amendment 5 of 28 April 2008, Amendment 6 of 11 February 2009, Amendment 7 of 18 October 2010, Amendment 8 of 20 October 2014, Amendment 9 of 21 September 2015 and Amendment 10 of 16 December 2020.

- Parties: The NRB and the Ministry of Regional Development
- Date of conclusion: 30 June 1999
- Subject matter: Establishment of the Regional Development Fund with the original goal of supporting the construction and development of industrial zones, which was subsequently expanded to support the development of transport, water and other municipal infrastructure, as well as setting principles for organising, managing and providing loans from the Regional Development Fund.

4. PROVISION OF BANKING SERVICES

4.1 CONTRACTS WITH STATE ORGANISATIONAL CONSTITUENTS TO ENSURE THE IMPLEMENTATION AND ADMINISTRATION OF PAYMENTS UNDER INFRASTRUCTURE PROGRAMMES

Agreement on securing the activities of a finance manager in connection with loans received from the European Investment Bank, Reg. No. 2001-9003.

- Parties: The NRB, the Ministry of Finance and the State Fund for Transport Infrastructure
- Date of conclusion: 3 September 2001
- Subject matter: Arranging mutual relations between the parties in securing activities related to loans received by the NRB from
 the European Investment Bank to finance programmes for the renewal and construction of transport and water management
 infrastructure in the Czech Republic.

Agreement on the management of financial resources for the Czech Motorways B Project, as amended by Amendment 1 of 22 December 2004 and Amendment 2 of 22 March 2013.

- Parties: The NRB, the Ministry of Finance and the State Fund for Transport Infrastructure
- Date of conclusion: 4 July 2002
- Subject matter: Arranging mutual relations between the parties in securing activities related to the implementation of a loan received by the Czech Republic from the European Investment Bank for the Czech Motorways B Project.



Agreement on ensuring mutual cooperation in the implementation of the Czech Motorways B Project, as amended by Amendment 1 of 16 March 2005.

- Parties: The NRB and the Ministry of Transport
- Date of conclusion: 20 September 2002
- Subject matter: Negotiation of mutual relations between the parties in the financing of the Czech Motorways B Project.

Agreement on the administration of the owner's account with the Central Securities Depository.

- Parties: The NRB and the Ministry of Regional Development
- Date of conclusion: 29 August 2014
- Subject matter: Regulation of mutual rights and obligations of the parties in the administration of the owner's account in the Central Securities Depository.

Agreement on the administration of the owner's account with the Central Securities Depository.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 11 November 2021
- Subject matter: Regulation of mutual rights and obligations of the parties in the administration of the owner's account in the Central Securities Depository.

4.2 AGREEMENTS ON THE OPENING AND MAINTENANCE OF ACCOUNTS

Agreement on the opening and maintenance of a special current account, number 21/2006/U.

- Parties: The NRB and the Ministry of Industry and Trade
- Date of conclusion: 21 November 2006
- Subject matter: Agreement on the opening and maintenance of a special current account in CZK.

AML COOPERATION AGREEMENT

Agreement on cooperation within the Money Web Lite project.

- Parties: The NRB and the Ministry of Finance Financial Analytical Department
- Date of conclusion: 21 May 2014
- Subject matter: Transmission of information for the purpose of fulfilling the statutory notification obligation.

6. FINANCIAL MARKETS

In the course of 2024, the NRB accepted short-term deposits from the Ministry of Finance with a maturity of up to 14 days in the form of reverse repo operations. The operations took place under standard conditions for concluding transactions in the financial markets.

7. MEMORANDA

MEMORANDUM OF UNDERSTANDING.

Memorandum of Understanding on cooperation in the public-private partnership project for the preparation and construction of the D35 motorway in the Opatovec-Staré Město-Mohelnice section

- Parties: The NRB and the Ministry of Transport
- Date of conclusion: 14 December 2022
- Subject matter: Methodological and consultancy support from the NRB to the Ministry of Transport in the selection of the contractor for the construction and operation of a section of the D35 motorway.





MEMORANDUM OF UNDERSTANDING ON COOPERATION.

Memorandum of Understanding for the purposes of cooperation in supporting the economic development of the Czech Republic and South Korea

- Parties: The NRB, the Czech Export Bank, the Export Guarantee and Insurance Corporation, the Export-Import Bank of Korea,
 the Korea Trade Insurance Corporation of the Republic of Korea
- Date of conclusion: 20 September 2024
- Subject matter: Conditions of mutual cooperation, in particular in verifying financial possibilities and opportunities for supporting strategic projects.

OTHER COOPERATION

Centralised Procurement Contract.

- Parties: The NRB and the Ministry of the Interior
- Date of conclusion: 4 August 2023
- Subject matter: Adjustment of the rights and obligations of the central sponsor (Ministry of the Interior) and the sponsor in charge (NRB) in the implementation of centralised procurement for the provision of original products included in the current Microsoft product portfolio and original products included in the current Microsoft licensed programs.

Framework agreement on the purchase of Microsoft products, as amended by Amendment 1 of 31 October 2022, Amendment 2 of 13 February 2023, Amendment 3 of 20 March 2023, Amendment 4 of 28 August 2023, Amendment 5 of 13 November 2023 and Amendment 6 of 24 January 2024.

- Parties: central sponsor (Ministry of the Interior), suppliers (SoftwareONE Czech Republic s.r.o., DATRON, a.s., AUTOCONT a.s., exe, a.s., Crayon Czech Republic and Slovakia s.r.o.), sponsors in charge (currently 823 entities, including the NRB)
- Date of conclusion: 26 April 2022
- Subject matter: Provision of licences and support for Microsoft products (software tools), on the basis of implementation contracts concluded between a specific supplier and the client (central sponsor or sponsor in charge); the NRB became the sponsor in charge on the basis of Amendment 4 to the Framework Agreement of 28 August 2023.

Centralised Procurement Contract

- Parties: The NRB and the Ministry of Finance
- Date of conclusion: 14 May 2024
- Subject matter: Adjustment of the mutual rights and obligations of the central sponsor (Ministry of Finance) and the sponsor in charge (NRB) in the implementation of centralised procurement of commodities specified in Annex 1 to the Contract.

Framework agreement for the purchase of Microsoft 2024 products, as amended by Amendment 1 of 25 October 2024.

- Parties: central sponsor (Ministry of the Interior), suppliers (SoftwareONE Czech Republic s.r.o., Aricoma Systems a.s., DATRON, a.s., A.P.N. PROMISE S.A., T-Mobile Czech Republic a.s., exe, a.s.), sponsors in charge (currently 831 entities, including the NRB)
- Date of conclusion: 30 September 2024
- Subject matter: Provision of licences and support for Microsoft products (software tools), on the basis of implementation contracts concluded between a specific supplier and the client (central sponsor or sponsor in charge); the NRB has been the sponsor in charge since the conclusion of the Framework Agreement.

III. RELATIONS BETWEEN THE CONTROLLED ENTITY AND OTHER ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY

In the fiscal period, the contractual relations between the NRB, the subsidiaries of the NRB and other persons controlled by the Czech Republic were concentrated on activities to the extent specified in items 1 to 12 of this chapter.

No damage occurred during the fiscal period in connection with the fulfilment of the following agreements and contracts and amendments. Individual banking services were performed under standard business conditions and the NRB did not incur additional costs, risks or any harm from them.



1. IMPLEMENTATION OF A PROGRAMME TO SUPPORT REPAIRS OF APARTMENT BUILDINGS

Agreement on the implementation of the Programme for the support of repairs of apartment buildings built with panel technology in the part concerning subsidies, as amended by Amendment 1 of 29 February 2012, Amendment 2 of 8 April 2013, Amendment 3 of 3 September 2013, Amendment 4 of 1 September 2014 and Amendment 5 of 11 August 2016.

- Parties: The NRB and the State Fund for Investment Support (formerly the State Housing Development Fund)
- Date of conclusion: 21 December 2011
- Subject matter: Regulation of mutual relations between the State Fund for Investment Support and the NRB in the implementation of the Regulation, the PANEL programme to support repairs of apartment buildings built with panel technology and the NEW PANEL programme to support repairs and modernisation of apartment buildings.

Agreement on the implementation of the Programme for the support of repairs of apartment buildings in the part concerning bank guarantees (Consolidated Agreement 2), as amended by Amendment 1 of 3 September 2013 and Amendment 2 of 23 February 2017.

- Parties: The NRB and the State Fund for Investment Support
- Date of conclusion: 17 June 2013
- Subject matter: Regulation of mutual relations between the State Fund for Investment Support and the NRB in the administration
 of guarantees provided under the PANEL programme to support repairs of apartment buildings built with panel technology and
 the NEW PANEL programme to support repairs and modernisation of apartment buildings for the period in which new guarantees will no longer be provided.

IMPLEMENTATION OF RELATIONS WITH THE NATIONAL DEVELOPMENT INVESTMENTS, A VENTURE CAPITAL ENTITY

Agreement on the provision of a voluntary shareholder surcharge outside the company's share capital.

- Parties: The NRB and NRI
- Date of conclusion: 18 December 2019
- Subject matter: Regulation of mutual relations between the NRB and the NRI in connection with the provision of a voluntary surcharge of the sole shareholder (the NRB) to the equity of the NRI outside the share capital of the NRI.

Agreement on cooperation and provision of services, as amended by Amendment 1 of 30 June 2022, Amendment 2 of 1 June 2023 and Amendment 3 of 29 August 2024.

- Parties: The NRB and NRI
- Date of conclusion: 6 May 2020
- Subject matter: Negotiation of more detailed conditions and the nature of services provided by the NRB for the NRI in order to fully secure its activities.

Agreement on the fee for the provision of services pursuant to the Agreement on cooperation and provision of services of 29 August 2024.

(This agreement replaced the Agreement on the fee for the provision of services pursuant to the Agreement on cooperation and provision of services of 30 May 2023)

- Parties: The NRB and NRI
- Date of conclusion: 29 August 2024
- Subject matter: Determination of the amount of the fee for the provision of services for 2024, resulting from the agreement on cooperation and provision of services concluded between the NRB and the NRI.

Agreement on the procurement of the purchase or sale of investment instruments.

- Parties: The NRB and NRI
- Date of conclusion: 6 May 2021
- Subject matter: The procurement of the purchase, sale or other disposition of investment instruments by the NRB for the client for the purpose of implementing what is known as the IPO Fund.





Personal Data Processing Agreement.

- Parties: The NRB and NRI
- Date of conclusion: 11 June 2021
- Subject matter: The NRI, as controller, has entrusted the NRB, as processor, with the processing of personal data provided in the
 context of the performance of the Agreement on cooperation and the provision of services between the parties.

IMPLEMENTATION OF RELATIONS WITH THE NATIONAL DEVELOPMENT FUND

Agreement on cooperation and the provision of services.

- Parties: The NRB and NRF
- Date of conclusion: 11 February 2021
- Subject matter: Negotiation of the detailed terms and nature of the services falling under the management and administration of the investment funds provided by the NRB to the NRF in order to fully secure the activities carried out by it.

Agreement on the fee for the provision of services following the Agreement on cooperation and provision of services.

(This agreement replaced the Agreement on the fee for the provision of services following the Agreement on cooperation and provision of services of 21 April 2021)

- Parties: The NRB and NRF
- Date of conclusion: 30 May 2024
- Subject matter: Determination of the amount of the fee for the provision of services resulting from the agreement on cooperation and the provision of services concluded between the NRB and the NRF.

Agreement on the sublease of premises for commercial purposes.

- Date of conclusion: 24 March 2023
- Subject matter: Sublease of premises by the NRB to the NRF for the purpose of administrative activities in accordance with the business of the NRF.
- Date of termination: 31 May 2024 (based on the Agreement to terminate the Agreement on the sublease of premises for commercial purposes of 31 May 2024)

Personal Data Processing Agreement.

- Parties: The NRB and NRF
- Date of conclusion: 14 June 2021
- Subject matter: The NRF, as controller, has entrusted the NRB, as processor, with the processing of personal data provided in the context of the performance of the Agreement on cooperation and the provision of services between the parties.

Agreement on the provision of a voluntary shareholder surcharge outside the company's share capital.

- Parties: The NRB and NRF
- Date of conclusion: 22 August 2022
- Subject matter: Regulation of mutual relations between the NRB and NRF in connection with the provision of a voluntary surcharge of the sole shareholder (the NRB) to the equity of the NRF outside the share capital of the NRF.

Agreement on the provision of a voluntary shareholder surcharge outside the company's share capital.

- Parties: The NRB and NRF
- Date of conclusion: 7 August 2023
- Subject matter: Regulation of mutual relations between the NRB and NRF in connection with the provision of a voluntary surcharge of the sole shareholder (the NRB) to the equity of the NRF outside the share capital of the NRF.

4. IMPLEMENTATION OF RELATIONS WITH MUFIS A.S.

Mandate agreement, as amended by Amendment 1 of 20 December 2017 and Amendment 2 of 28 August 2018.

- Parties: The NRB and MUFIS a.s.
- Date of conclusion: 7 November 2012
- Subject matter: The NRB, on behalf of MUFIS a.s. and on its account, for a fee, performs and procures activities aimed at the realisation of receivables and liabilities of MUFIS a.s., as well as the company's obligations arising from generally binding regulations.



5. IMPLEMENTATION OF RELATIONS WITH THE CZECH EXPORT BANK

Agreement on the conditions for providing portfolio guarantees in the GUARANTEE 2015-2023 programme.

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 4 May 2015
- Subject matter: Establishment of principles for the coordination of procedures for the provision of bank guarantees for loans of the Czech Export Bank and principles for the inclusion of loans in the portfolio of guaranteed loans and information obligations of the Czech Export Bank to the NRB.

Agreement on cooperation in the provision of individual guarantees in the GUARANTEE 2015-2023 programme.

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 11 May 2015
- Subject matter: Establishment of principles for the coordination of procedures for the provision of bank guarantees for loans of the Czech Export Bank and information obligations of the Czech Export Bank to the NRB.

Memorandum of Partnership and Cooperation.

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 30 June 2017
- Subject matter: Support and financing of SMEs, development and joint implementation of financial instruments and preparation of their legislative environment.

Confidentiality and Non-Disclosure Agreement.

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 4 May 2023
- Subject matter: Determination of the scope of confidential information and the conditions of its use in the project of coordination of joint action in the regulatory and economic framework of the Czech Republic.
- Date of termination: 4 May 2024 (upon the expiry of the fixed term of one year for which the Agreement was concluded)

Centralised Procurement Contract

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 3 October 2023
- Subject matter: Adjustment of mutual rights and obligations of the central sponsor (Czech Export Bank) and the sponsor in charge (NRB) in the implementation of the centralised procurement procedure entitled "Framework agreement for the purchase of computer equipment for the Czech Export Bank and the NRB".
- Agreement/Contract terminated: By the achievement of the purpose of the contract (completion of the procurement procedure)

Framework agreement for the purchase of laptops and monitors

- Parties: central sponsor (Czech Export Bank), supplier (Af Office, s.r.o.), sponsor in charge (NRB)
- Date of conclusion: 7 December 2023
- Subject matter: Framework agreement for the supply of computer equipment.

Centralised Procurement Contract

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 26 July 2024
- Subject matter: Adjustment of mutual rights and obligations of the central sponsor (Czech Export Bank) and the sponsor in charge (NRB) in the implementation of the centralised procurement procedure entitled "Purchase and implementation of the DLP system".
- Agreement/Contract terminated: By the achievement of the purpose, i.e., upon the completion of the procurement procedure.

Centralised Procurement Contract

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 22 November 2024
- Subject matter: Adjustment of mutual rights and obligations of the central sponsor (NRB) and the sponsor in charge (Czech Export Bank) in the implementation of the centralised procurement procedure entitled "Document Management System DMS".





Agreement on the protection of confidential information

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 3 May 2024
- Subject matter: Regulation of the rights and obligations of the parties in connection with ensuring the protection and non-disclosure of the facts that one party transmits (discloses) to the other party in connection with negotiations within the framework of the integration process of the NRB and the Czech Export Bank and which may be the subject of trade secrets, confidential information or facts that the transmitting (disclosing) party does not wish to disclose (or is obliged not to disclose) to third parties.

Cooperation Agreement

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 24 July 2024
- Subject matter: Definition of the basic framework and conditions of mutual cooperation between the parties within the process
 of integration of the NRB and the Czech Export Bank in the field of information and communication technology.
- Date of termination: 31 December 2024 (upon the expiry of the fixed term for which the Agreement was concluded).

IMPLEMENTATION OF RELATIONS WITH THE CZECH DEVELOPMENT AGENCY AND THE EXPORT GUARANTEE AND INSURANCE CORPORATION

Memorandum of Partnership and Cooperation.

- Parties: The NRB, the Czech Development Agency and the Export Guarantee and Insurance Corporation
- Date of conclusion: 11 October 2017
- Subject matter: Exchange of information and coordination of activities, especially in the implementation of national programmes and the implementation of European Union initiatives; informing target groups about products and projects provided by the NRB, the Czech Development Agency and the Export Guarantee and Insurance Corporation.

IMPLEMENTATION OF RELATIONS WITH CZECHINVEST, BUSINESS AND INVESTMENT DEVELOPMENT AGENCY

Memorandum of Partnership and Cooperation.

- Parties: The NRB and CzechInvest, Business and Investment Development Agency
- Date of conclusion: 10 October 2017
- Subject matter: Exchange of information and coordination of activities, especially in the provision of products in the regions, informing target groups about the products of the NRB and CzechInvest, Business and Investment Development Agency, support to start-ups, support for the development of brownfields, innovation and technology transfer.

8. IMPLEMENTATION OF RELATIONS WITH THE TECHNOLOGY AGENCY OF THE CZECH REPUBLIC

Memorandum of Partnership and Cooperation.

- Parties: The NRB and the Technology Agency of the Czech Republic
- Date of conclusion: 19 March 2018
- Subject matter: Cooperation on the common interest in support for research, experimental development and innovation with a
 focus on support provided to innovative small and medium-sized enterprises and their involvement in research and development
 projects in cooperation with research organisations.



IMPLEMENTATION OF RELATIONS WITHIN THE MINISTRY OF INDUSTRY AND TRADE PROJECT "CZECH REPUBLIC – THE COUNTRY FOR THE FUTURE"

Memorandum on shared business support.

- Parties: The Ministry of Industry and Trade, the NRB, CzechInvest, Business and Investment Development Agency, CzechTrade,
 CzechTourism, the Czech Export Bank, the Export Guarantee and Insurance Corporation and the Technology Agency of the
 Czech Republic
- Date of conclusion: 2 October 2018
- Subject matter: Cooperation between partners through the exchange of information, sharing contacts, coordination of activities, strengthening horizontal links and other activities.

10. PROVISION OF BANKING SERVICES

Agreement on the opening and maintenance of a special current account, number 20/2022/UT

- Parties: The NRB and MUFIS a.s.
- Date of conclusion: 26 May 2022
- Subject matter: Agreement on the opening and maintenance of a special current account in CZK.

Internet Banking Agreement No. 09/2022/IB

- Parties: The NRB and MUFIS a.s.
- Date of conclusion: 26 May 2022
- Subject matter: Mutual agreement of the parties enabling remote access of the client to NRB Internet Banking.

Agreement on settlement of over-the-counter trades and transactions number 1/2015/MOT.

- Parties: The NRB and the Czech Export Bank
- Date of conclusion: 14 October 2015
- Subject matter: Settlement of agreed securities transactions on the basis of an instruction from the Czech Export Bank, as well as the conclusion and settlement of block transactions between the parties.

Agreement on cooperation in payments made by type A postal orders.

- Parties: The NRB and Česká pošta, s.p.
- Date of conclusion: 30 January 2006
- Subject matter: Arrangement of mutual relations between the parties in the execution of payment transactions via type A postal orders.

Cooperation Agreement.

- Parties: The NRB and the State Fund for Transport Infrastructure
- Date of conclusion: 26 May 2017
- Subject matter: Establishment of a framework for cooperation between the parties to secure payments for selected projects in the transport sector which are financed from the budget of the State Fund for Transport Infrastructure.

Agreement on the opening and maintenance of a special current account, number 09/2022/UKT.

- Parties: The NRB and Podpůrný a garanční rolnický a lesnický fond, a.s.
- Date of conclusion: 19 April 2022
- Subject matter: Agreement on the opening and maintenance of a special current account in CZK with an overdraft facility.

Internet Banking Agreement No. 06/2022/IB.

- Parties: The NRB and Podpůrný a garanční rolnický a lesnický fond, a.s.
- Date of conclusion: 19 April 2022
- Subject matter: Mutual agreement of the parties enabling remote access of the client to NRB Internet Banking.





Agreement on the opening and maintenance of a special current account, number 04/2022/UT.

- Parties: The NRB and NRI
- Date of conclusion: 26 April 2022
- Subject matter: Agreement on the opening and maintenance of a special current account in CZK, an account for a subsidiary (clearing account).

Internet Banking Agreement No. 07/2022/IB.

- Parties: The NRB and NRI
- Date of conclusion: 26 April 2022
- Subject matter: Mutual agreement of the parties enabling remote access of the client to NRB Internet Banking.

Agreement on the opening and maintenance of a special current account, number 10/2022/U.

- Parties: The NRB and NRI
- Date of conclusion: 26 April 2022
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (IPO Fund).

Agreement on the opening and maintenance of a special current account, number 11/2022/U.

- Parties: The NRB and NRI
- Date of conclusion: 26 April 2022
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (Brownfield Fund).

Agreement on the opening and maintenance of a special current account, number 22/2023/U.

- Parties: The NRB and NRI
- Date of conclusion: 9 August 2023
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (NATO 2023 Fund).

Agreement on the opening and maintenance of a special current account, number 06/2022/UT.

- Parties: The NRB and ČPP Transgas, s.p.
- Date of conclusion: 30 March 2022
- Subject matter: Agreement on the conditions for the establishment and management of term deposits in CZK.
- Date of termination: 31 January 2024 (based on the Termination Agreement dated 31 January 2024).

Agreement on the opening and maintenance of a special current account, number 2/2022/UT.

- Parties: The NRB and NRF
- Date of conclusion: 4 April 2022
- Subject matter: Agreement on the opening and maintenance of a special current account in CZK.

Internet Banking Agreement No. 02/2022/IB.

- Parties: The NRB and NRF
- Date of conclusion: 4 April 2022
- Subject matter: Mutual agreement of the parties enabling remote access of the client to NRB Internet Banking.

Agreement on the opening and maintenance of a special current account, number 23/2024/U

- Parties: The NRB and NRI
- Date of conclusion: 19 January 2024
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (Moravi-an-Silesian Region Brownfield Fund).



Agreement on the opening and maintenance of a special current account, number 24/2024/U

- Parties: The NRB and NRI
- Date of conclusion: 12 March 2024
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (OP TAC Brownfield Fund).

Agreement on the opening and maintenance of a special current account, number 25/2024/U

- Parties: The NRB and NRI
- Date of conclusion: 23 September 2024
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (IFT 2024 Fund).

Agreement on the opening and maintenance of a special current account, number 26/2024/U

- Parties: The NRB and NRI
- Date of conclusion: 11 November 2024
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (Ukraine Fund).

Agreement on the opening and maintenance of a special current account, number 27/2024/U

- Parties: The NRB and NRI
- Date of conclusion: 11 November 2024
- Subject matter: Agreement on the opening and maintenance of special accounts in CZK, an account for a subsidiary (Affordable Housing Fund).

11. OTHER

Agreement on the use of a payment machine for paying for postal services, number 2017/26469, as amended by Amendment 1 of 8 September 2021 and Amendment 2 of 17 February 2023.

- Parties: The NRB and Česká pošta, s.p.
- Date of conclusion: 12 December 2017
- Subject matter: Agreement on the conditions and use of the NEOPOST stamping machine.

Hybrid Mail Services Agreement No. 2018/18523.

- Parties: The NRB and Česká pošta, s.p.
- Date of conclusion: 20 December 2018
- Subject matter: Agreement on the conditions and use of the Hybrid Mail service.

12. FINANCIAL MARKETS

During 2024, the NRB accepted funds from the Czech Export Bank, MUFIS a.s., the NRI and the NRF in the form of short-term deposits and term deposits with a maturity of up to 90 days. The operations took place under standard conditions for concluding transactions in the financial markets.

In Prague, on 13 February 2025

Tomáš Nidetzký Pavel Marek
Chairman of the Board of Directors

Member of the Board of Directors

Pard Marl



2024 — CONTACT DETAILS (DI

CONTACT DETAILS

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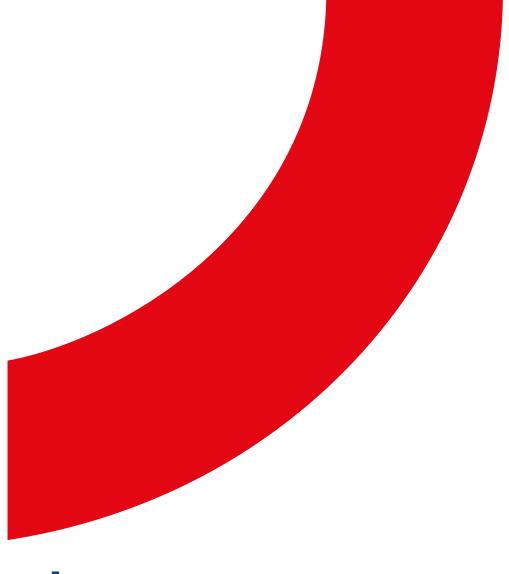
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