

Annual Report 2014



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I. General section

Introduction

Ladies and Gentlemen,

in the last Annual Report for 2013 I stated that this particular year was exceptional for Fio banka in many aspects. To my satisfaction the year 2014 was even better than the previous one. Despite of the decrease of interest margins and increased competition we managed to attract 117 thousand new clients and remain profitable. At the end of the year the bank had 445 thousand clients. In 2014 the number of clients grew 12% more than in 2013 to reach a total of 36%. We focused on development of products of Slovak branch and increased the number of branches in Slovakia from three to ten. At the same time we shall start provide all products, we currently provide in the Czech Republic, also in Slovakia and hope that Fio banka shall become as popular in Slovakia as it is in the Czech Republic.

At the end of the year the current shareholder of the bank decided to increase its registered capital by two hundred million Czech korunas. Currently the registered capital of the bank consists of 760 thousand pcs of the common stock with nominal value of CZK 1000 per share. Registered capital increase is a logical step, which shall allow Fio banka to continue development of its services and products and extend its base of clients.

Quality of our services and products has been recognized by various awards. The bank received the Bank account of the year (Účet roku) award in Fincentrum survey and four gold, three silver and three bronze awards in Golden Crown (Zlatá koruna) contest. Newspaper Hospodářské noviny nominated the bank the Bank Inovator of the year 2014.

We shall continue our policy of zero charges for standard banking services, which we declared in 2005 and we do not intend to change our zero charge policy. We would like to continue to be a technological bank inovator, providing its clients Internet account administration as well as extensive branch network.

I would like to thank my colleagues and partners for their new ideas and hard work and our clients and supporters for their support to Fio banka.

Mgr. Jan Sochor
Chairman of the Board

A. Basic information

Trade name: Fio banka, a.s. (hereinafter also referred to as "Bank")
Registered office: V Celnici 1028/10, 117 21 Prague 1
Company Registration Number: 618 58 374

B. Information about the company's own shares, registered capital, shareholders and subsidiaries

- The company's registered capital amounting to CZK 760,000,000.00 is divided into 760,000 pcs of book-entered common shares issued in the bearer's name (ISIN: CZ0008034246) with nominal value of CZK 1,000.00.
- The transferability of the shares is not restricted whatsoever; they are transferred through a Share Transfer Agreement.
- The rights provided by the legislation and statutes are connected to the shares; no other rights or preference rights arise from them.
- The shares are not listed on any regulated markets
- As of 31st December 2014, the company had a sole shareholder - Fio holding, a.s., Company Registration Number: 60192763, Prague 1, V Celnici 1028/10, Postcode: 11721.
- No dividends have been paid out in the previous four years.
- None of the companies or entities in which the company has a direct or indirect share exceeding 50% of the registered capital or voting rights owns any shares in the company.
- As of 31st December 2014, the company has the following subsidiaries: Fio o.c.p., a.s., Company Registration Number: 35960990, Nám. SNP 21, Bratislava 811 01, Slovakia, Družstevní záložna PSD, Company Registration No: 64946835, Prague 1, V Celnici 1028/10, Postcode 117 21, Czech Republic and RM-SYSTÉM, česká burza cenných papírů a.s., Company Registration Number: 47116404, V Celnici 1028/10, Postcode: 11721, Czech Republic.

C. Information about activities

Granted permissions to carry out activities:

- The Czech Ministry of Finance of 15th August 1994, Ref. No. 102/38 536/94,
- In a resolution of 18th June 1999, Ref. No. 521/1388-k/99, the Czech Securities Commission recognised the Czech Ministry of Finance's licence of 15th August 1994, Ref. No. 102/38 536/94, as fully effective,
- The certification concerning the extent of the securities trading licence issued on 25th January 2001, Ref. No. 43/Z/19/2001 by the Czech Securities Commission under Act No. 362/2000 Coll., s. II Transitional Provisions (9),
- The Czech Securities Commission's resolution of 10th February 2004, Ref. No.: 43/N/226/2003/1 – the extension of the permit to perform operations
- The Czech National Bank's resolutions of 31st August 2006, Ref. No.: 43/N/158/2005/6, 2006/7096/540 - the permit to perform operations extended to include trading in derivatives,
- The Czech National Bank's resolution of 5th May 2010, Ref. No. 2010/4201/570 – a banking licence granted.

Start of business activities: 31st August 1994

Information regarding the incorporation of the company, membership in the stock exchange and company subject of enterprise:

Fio banka, a.s. was incorporated through a single Memorandum of Association on 20th June 1994 - then under the trade name of Fio, burzovní společnost, a.s. The company was registered in the Commercial Register on 31st August 1994. Since 15th March 1995, the company has been a shareholder in Prague Stock Exchange (Burza cenných papírů Praha, a.s.), holding 100 pcs of share warrants in Prague Stock Exchange issued in the bearer's name with a nominal value of CZK

1,000.00 as of 31st December 2010. The company became a member of the Prague Stock Exchange on 20th February 1995, beginning to trade there in April 1995.

In accordance with the Czech Securities Commission's decision of 10th February 2004, Ref. No.: 43/N/226/2003/1, and with regard to the Czech Securities Commission's resolution Ref. No.: 512/1388-k/99 of 18th June 1999, the extent of the licence for Fio, burzovní společnost, a.s. (Fio banka, a.s. today) to perform trading operations in securities has been as follows since 11th March 2004:

- providing main investment services under the Capital Market Undertaking Act No. 256/2004 Coll., s. 4 (2) (a), (b), (c), (d) and (e), (hereinafter also referred to as the "Act"), this being in relation to the investment tools under s. 3 (1) (a), (b) of the Act,
- providing additional investment services under s. 4 (3) (a), (b), (c) and (e) of the Act, this being in relation to the investment tools under s. 3 (1) (a), (b) of the Act, and additional investment services under s. 4 (3) (d) and (f) of the Act, this being in relation to the investment tools under s. 3 (1) (a), (b), (c) and (d) of the Act.

In accordance with the Czech Securities Commission's resolution of 31st August 2006, Ref. No.: 43/N/158/2005/6, 2006/7096/540, since 12th September 2006 the extent of the license for Fio, burzovní společnost, a.s. (Fio banka, a.s. today) to perform trading operations in securities has been the following:

- I. Main investment services under Capital Market Undertaking Act, s. 4 (2)
 - a) receiving and transferring instructions regarding investment tools (Capital Market Undertaking Act, s. 4 (2) (a)),
 - b) carrying out instructions regarding investment tools on the client's account (Capital Market Undertaking Act, s. 4 (2) (b)),
 - c) trading in investment tools on the company's own account (Capital Market Undertaking Act, s.4 (2) (c)),
 - d) managing the client's property should it include an investment tool, on the basis of independent advising within contractual covenants (Capital Market Undertaking Act, s. 4 (2) (d)),
 - e) investment consulting concerning investment tools (Capital Market Undertaking Act, s. 4 (2) (e)),
 - f) subscribing or placing investment tools with an obligation of their subscription (Capital Market Undertaking Act, s. 4 (2) (g)),
 - g) placing investment tools without an obligation of their subscription (Capital Market Undertaking Act, s. 4 (2) (h)).
- II. Additional investment services under Capital Market Undertaking Act, s. 4 (3):
 - a) custody and administration of investment tools including related services (Capital Market Undertaking Act, s. 4 (3) (a)),
 - b) granting clients with credits or loans in order to facilitate trading in the investment tool which the provider of the credit or loan is participating in (Capital Market Undertaking Act, s.4 (3) (b)),
 - c) consulting service related to the capital structure, industrial strategies and issues related, as well as providing advice and services related to corporate restructuring or the transfer of companies (Capital Market Undertaking Act, s. 4 (3) (c)),
 - d) providing investment recommendations and analyses of investment opportunities or similar general recommendations related to trading in investment tools (Capital Market Undertaking Act, s. 4 (3) (d)),
 - e) carrying out forex operations related to the provision of investment services (Capital Market Undertaking Act, s. 4 (3) (e)).

The provision of investment services under I (a) through (c) and (e) is related to investment tools under the Capital Market Undertaking Act s. 3 (1) (a), (b) and (d) through (k), i.e. to investment securities, collective investment securities and derivatives. The provision of investment services under

I (d), (g) and (h) is related to investment tools under the Capital Market Undertaking Act s. 3 (1) (a) and (b), i.e. to investment securities and collective investment securities.

The provision of investment services under II (b) is related to investment tools under the Capital Market Undertaking Act s. 3 (1) (a) and (b), i.e. to investment securities and collective investment securities. The provision of investment services under II (a) and (d) is related to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k), i.e. to investment securities, collective investment securities and derivatives.

In compliance with the Czech National Bank's resolution of 5th May 2010, Ref. No. 2010/4201/570, the extent of the banking licence and the securities trading licence for Fio banka, a.s. has been since 5th May 2010 as follows:

- performing activities mentioned in the Bank Act, s. 1 (1) under subsections:

- a) receiving deposits from the general public,
- b) granting credits,

- performing activities mentioned in the Bank Act, s. 1 (3) under subsections:

- a) investing into securities on the company's own account,
- b) financial leasing,
- c) system of payment and accounting,
- d) issuing and administrating the means of payment, e.g. credit cards and traveller's cheques,
- e) granting bank guaranty,
- f) opening letters of credit,
- g) providing collections,
- h) providing investment services within the extent of main investment services,

Within the extent of main investment services

- under the Capital Market Undertaking Act No. 256/2004 Coll., s. 4 (2) (a), as amended (hereinafter referred to as " the Capital Market Undertaking Act"), receiving and transferring instructions regarding investment tools, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (b), carrying out instructions regarding investment tools on the client's account, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (c), trading in investment tools on the company's own account, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (d), managing the client's property should it include an investment tool, on the basis of independent advising within contractual covenants, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

- under the Capital Market Undertaking Act, s. 4 (2) (e), investment consulting concerning investment tools, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (g), subscribing or placing investment tools with an obligation of their subscription, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

- under the Capital Market Undertaking Act, s. 4 (2) (h), placing investment tools without an obligation of their subscription, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

and within the extent of additional investment services

- under the Capital Market Undertaking Act, s. 4 (3) (a), custody and administration of investment tools including related services, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),
 - under the Capital Market Undertaking Act, s. 4 (3) (b), granting clients with credits or loans in order to facilitate trading in the investment tool which the provider of the credit or loan is participating in, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),
 - under the Capital Market Undertaking Act, s. 4 (3) (c), consulting service related to the capital structure, industrial strategies and issues related, as well as providing advice and services related to corporate restructuring or the transfer of companies,
 - under the Capital Market Undertaking Act, s. 4 (3) (d), providing investment recommendations and analyses of investment opportunities or similar general recommendations related to trading in investment tools, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),
 - under the Capital Market Undertaking Act, s. 4 (3) (e), carrying out forex operations related to the provision of investment services,
- i) financial brokerage,
 - k) exchange services,
 - l) providing banking reference,
 - m) trading with forex values and gold on the company's own account or on the client's account,
 - n) safe-deposit box rental, and
 - o) activities directly related to the activities mentioned in the banking licence.

D. Report on the bank's business activities and the state of its assets

The evaluation in the area of retail banking:

The year 2014 was again one of the most successful years of the bank. The number of clients in the field of retail banking went up by more than 110 thousand to reach the total of 395 thousand. Including the investment banking clients the bank reached a total of 445 thousand clients by the end of 2014.

At the end of 2013 the balance sheet total reached 40.9 billion CZK, which is up by 50% in a year over year comparison. The liabilities to clients went up from 25.7 billion CZK to 39.1 billion CZK. Total interest income reached 593 million CZK, which is up by 8%. Net interest income grew from 220 million CZK to 255 million CZK. Despite the zero banking charge policy the bank managed to maintain a positive net income of 40 million CZK.

The bank acquired new clients successfully, mainly natural persons. The most popular product is still the charge free current account, which the bank provides to both natural persons and legal entities. Bank account currencies have been expanded to nine (AUD, CAD, DKK, HRK, CHF, JPY, NOK, RUB, SEK). Fio banka has become a member of SEPA and transactions processed by this system became cheaper (to 20 CZK for incoming payment and 20 CZK for outgoing payment). Fio banka started to offer contact free VISA payment card to its customers. The year 2014 was also marked by development of an extensive project of new generation of Internetbanking, which was introduced to clients in January 2015.

Fio banka expanded its credit service portfolio and started offering so called American mortgage (e.g. any purpose mortgage allowing to spend the money on other things that real estate property) and also adjusted conditions for provision of authorised overdraft for current accounts.

Over the past year the bank continued to optimize its branch network in the Czech Republic and increased number of ATMs both at branches and public locations. Following demand monitoring the branch network of the bank was expanded and three new branches were opened (two in Prague and one in Ostrava-Poruba). In addition to this we moved several branches to new premises, which are

more accessible to clients. This concerns Uherské hradiště and Zlín branches. Our ATM network was also expanded in 2014 and 8 new ATMs were added to it. The total number of ATMs of our bank therefore reached 150. In Slovakia seven new branches were opened (in addition to three existing ones).

Evaluation in the area of investment banking:

In 2014, Czech stock markets in the Czech Republic (RM-SYSTÉM as well as BCPP – Prague Stock Exchange) generated a further decrease of total trading volume by about 13%. In 2014, our clients preferred Czech markets, where 56% of their transactions were executed. The most popular foreign market were USA with 40% share. In 2014 the bank acquired 16% more clients than in 2013 and the total number of clients at the end of the year reached 75 thousand.

The main method of investment service promotion in 2014 were again training workshops, which the bank traditionally organizes in cooperation with RM-SYSTÉM, česká burza cenných papírů a.s. In 2014 the bank gave 161 workshops in 57 towns throughout the Czech Republic as part of its „School of Investing“ program. The workshops are designed for both general public with no previous investment experience as well as for experts. There were four thousand attendees at these workshops, which focused on 5 topics for both people with no prior experience in investing as well as for experienced investors. Also, Fio banka, in cooperation with RM-SYSTÉM, manages a project for university and college students in the Czech Republic and Slovakia. This project is called Studentbroker and is held every year. Students are taught how capital markets work in real life and they have sample investment accounts with virtual 1 million CZK, which they may try to invest into shares in Czech Republic, USA, Germany and Poland. They also get virtual money in the amount of 50 000 USD, which they can invest into derivatives (e.g. futures contracts), which are based on assets such as gold, silver, fuel, corn, wheat, stock indices, etc. In 2014 Studentbroker project welcomed nearly 700 students, who executed nearly 30 thousand instructions and completed more than 15 thousand transactions.

Overview of most important events in 2014

American mortgage

In January the bank started to provide American mortgage product to its clients, which allow natural persons and business entities get a mortgage type loan with a possibility to use the money virtually on anything and not just on real estate property.

Payment cards Visa

In February the bank started to issue Visa debit cards and now offers products of both major card associations.

Fio banka becomes members of SEPA

In March Fio banka became SEPA (Single Euro Payments Area) member and allows clients to make standardized EUR payments.

School of investing opened for 20th time

In March Fio banka opened registration to spring cycle of School of investing (for 20th time), in cooperation with RM-SYSTÉM. We gave free workshops in more than 50 towns of the Czech Republic, where attendees get relevant information about capital markets.

Studentbroker opens 10th term

10th term of Studentbroker project started at Czech colleges and universities. This project has helped several thousands of students understand the capital investment and allows them to try out investing. 17 colleges and universities participate in this project.

Twelve more currencies now available for our bank accounts

In April Fio banka added nine more currencies, in which the bank accounts can be managed to six existing ones.

New advertising campaign of Fio banka featuring Jakub Kohák

The creative concept of AG Geronimo agency in combination with improvisation of Jakub Kohák, who was both director and main character of advertising spots came up with a funny and non-traditional show. This advertising campaign was aimed to present its lowcost services.

Fio banka in Slovakia started to issue its own contactless MasterCard and Maestro cards

In August Fio banka started to provide MasterCard association cards also to Slovak clients.

Fio banka reached 400 thousand clients

In August Fio banka acquired 400 thousand client and broke another milestone in its growth.

Fio banka started to provide mortgages and authorized overdrafts in Slovakia

In October Fio banka started to provide mortgages to Slovak clients for property purchases. In addition to mortgages the bank also started to provide three different authorised overdraft products to current accounts.

Fio banka increased registered capital

In December, Fio banka increased its registered capital by 200 million CZK. Currently the registered capital of the bank consists of 760 thousand pieces of common stock with nominal value of 1000 CZK per share.

New Internetbanking

In December Fio banka started the test run of new version of internet banking, which features new technologies, functionality and features.

Major awards

For the fourth year in the row the bank was awarded the Vstřícná banka (The Friendliest Bank) Award. The survey is organized by bankovnipoplatky.com website.



The bank got four gold, three silver and three bronze awards in Zlatá koruna 2014 (Golden Crown 2014) contest.



The bank won the first place in the Zlatý Měsíc 2013 contest in the category Securities Trader.



Banking innovator 2014 as part of the Best Bank 2014 contest of the newspaper Hospodářské noviny (Economic News) for the free current account in fifteen currencies.



Fio banka earned the first prize in prestigious survey Fincentrum Banka roku 2014 (Fincentrum Bank of the Year 2014) in the category Account of the year. Fio personal charge free account came first in tough competition of 20 nominated banks. Fio banka was also third in categories Most dynamic bank of the year and Mortgage of the year.



Branch network information

Trade Name: Fio banka, a.s.

Company Registration Number: 61858374

Registered Office: V Celnici 1028/10, Postcode 117 21

Branch Offices (as of 31st December 2014) – town, street, postcode, (country) and telephone:

Czech Republic

Blansko, nám. Svobody 5, 678 01, 224 346 750
Brno, Joštova 4, 602 00, 224 346 815 - 816, 818
Brno, Nové Sady 988/2, 602 00, 224 346 463 - 465
Brno, Veverí 2581/102, 616 00, 224 346 865-6
Bruntál, K.Čapka 80/1, 792 01, 224 346 478
Břeclav, J. Palacha 121/8, 690 02, 224 346 941
Česká Lípa, Hrnčířská 737, 470 01, 224 346 854
České Budějovice, Nám. Přemysla Otakara II. 117/32, 370 01, 224 346 858-9
Český Těšín, Náměstí ČSA 182/7, 737 01, 224 346 764
Děčín, Masarykovo nám. 3, 405 02, 224 346 973
Frýdek-Místek, Zámecké nám. 42, 738 01, 224 346 936-937
Cheb, Svobody 31, 350 02, 224 346 971
Chomutov, náměstí 1. máje 91, 430 01, 224 346 984-985
Chrudim, Resselovo náměstí 61, 537 01, 224 346 954
Havířov, Hlavní třída 64, 736 01, 224 346 963 - 964
Havlíčkův Brod, Dolní 1, 580 01, 224 346 958
Hodonín, Národní třída 79, 695 01, 224 346 913 - 914
Hradec Králové, Masarykovo náměstí 511, 500 02, 224 346 835-7
Jablonec nad Nisou, Mírové náměstí 19, 467 51, 224 346 975
Jihlava, Masarykovo náměstí 20, 586 01, 224 346 869 - 71
Jindřichův Hradec, Růžová 41, 377 01, 224 346 770
Karlovy Vary, T.G.Masaryka 38, 360 01, 224 346 872-873
Karviná- Fryštát, Fryštátská 73/3, 733 01, 224 346 892
Kladno, Suchardova 515, 272 01, 224 346 924-925
Klatovy, Vídeňská 181, 339 01, 224 346 875
Kolín, Karlovo náměstí 7, 280 02, 224 346 932
Kroměříž, Dobrovského 170/5, 767 01, 224 346 877
Liberec, Moskevská 30, 460 01, 224 346 879-81
Louny, Česká 158, 440 01, 224 346 773
Mladá Boleslav, tř. T.G.Masaryka 1455, 293 01, 224 346 926-7
Most, Moskevská 3336, 434 01, 224 346 965 - 966
Náchod, Tyršova 64, 547 01, 224 346 882
Nový JCRNín, Dobrovského 1292/4, 741 01, 224 346 969 - 970
Nymburk, Náměstí Přemyslovců 129, 288 02, 224 346 458
Olomouc, Dolní náměstí 20, 779 00, 224 346 920-21
Olomouc, Masarykova třída 736/19, 779 00, 224 346 434-5
Ostrava, Hlavní třída 682/110, 708 00, 224 346 445-447
Ostrava, Nádražní 39, 702 00, 224 346 846-8, 224 346 885-6
Opava, Ostrožná 262/9, 746 01, 224 346 930-31
Pardubice, Masarykovo náměstí 1544, 530 02, 224 346 841-844
Pelhřimov, Dr. Tyrše 58, 393 01, 224 346 956-957
Písek, Nerudova 88, 397 01, 224 346 767
Plzeň, Prešovská 13, 301 00, 224 346 977-9
Plzeň, Náměstí Generála Píky 2703/27, 326 00, 224 346 829-32
Praha 1, Rybná 14, 110 00, 224 346 808-811
Praha 1, Senovážné nám. 24, 116 47, 224 346 801-805
Praha 1, V Celnici 1028/10, 117 21, 224 346 987-989
Praha 2, Ječná 35, 120 00, 224 346 895-897
Praha 4, Budějovická 1523/9a, 140 00, 224 346 863-4, 890
Praha 5, Radlická 608/2, 150 00, 224 346 945-7
Praha 5, Archeologická 2256/1, 155 00, 224 346 430-3
Praha 6, Čs. armády 785/22, 160 00, 224 346 759-761
Praha 6, Křenova 438/3, 162 00, 224 346 473-474
Praha 8, Klappkova 124/10, 182 00, 224 346 437-9
Praha 10, Moskevská 268/53, 101 00, 224 346 753-5
Prostějov, Kostelní 6, 796 01, 224 346 948
Přerov, Čechova 3216/33, 750 02, 224 346 950, 951
Příbram, Pražská 126, 261 02, 224 346 952

Sokolov, 5. května 163, 356 01, 224 346 460
Strakonice, Palackého nám. 102, 386 01, 224 346 928
Svitavy, Nám. Míru 42, 568 02, 224 346 934
Šumperk, Bulharská 229/1, 787 01, 224 346 915, 916
Tábor, Palackého 359/1, 390 01, 224 346 898
Teplice, U radnice 6/2, 415 01, 224 346 960 - 961
Trutnov, Školní 154, 541 01, 224 346 900
Třebíč, Jihlavská brána 5/4, 674 01, 224 346 943 - 944
Třinec, Nám. Svobody 527, 739 61, 224 346 990
Uherské Hradiště, Havlíčkova 160, 686 01, 224 346 922 - 923
Ústí nad Labem, Dlouhá 3458/2A, 400 01, 224 346 902-904
Ústí nad Orlicí, 17. listopadu 1394, 562 01, 224 346 917
Valašské Meziříčí, Křížkovského 117/1, 757 01, 224 346 456-457
Vsetín, Hlásenka 1673/9, 755 01, 224 346 967
Zlín, Dlouhá 489, 760 01, 224 346 906-908
Znojmo, Pražská 1539/7, 669 02, 224 346 909 - 910
Žďár nad Sázavou, Nádražní 6, 591 01, 224 346 911 - 912
Organizační složka:

Fio banka, a.s., pobočka zahraničnej banky (Slovakia)
Company registration number: 36 869 376, Registered office: Nám SNP 21, Bratislava 811 01

Branches:

- Banská Bystrica, Národná 6, 974 01
- Bratislava, Nám. SNP 21, 811 01
- Bratislava, Záhradnícka 74, 821 08
- Košice, Hlavná 8, 040 01
- Nitra, Štefánikova trieda 27, 949 01
- Poprad, Námestie svätého Egídia 50, 058 01
- Prešov, Hlavná 144, 080 01
- Trenčín, Štúrovo nám. 5, 911 01
- Trnava, Hlavná 25, 917 01
- Žilina, Na priekope 37, 010 01

Trading on stock markets in the Czech Republic

Unfortunately the year 2014 has not been the most successful one at Prague Stock Exchange, either. The PX index reached 947 points (-4.3%). Fortunately some local stocks were very successful. The most profitable stocks were the ones of electricity company ČEZ, value of which increased by +14% despite of the decrease of electric power. What is more, investors received a very interesting dividend of 40 CZK per share. Surprisingly, the new stocks of Pivovar Lobkowicz (Lobkowicz Brewery), came second with +9% increase of their original underwriting price of 160 CZK. Komerční banka, stocks of which increased by +7.2% (plus nearly 6% of dividends). In the current year Komerční banka might increase the dividend payment even more. Low fuel price had a positive effect on stocks of Pegas Nonwovens, which increased both operating and net incomes. The stock of Pegas Nonwovens grew by +8%. On the other hand Erste stock went down by -24% due to adjusting entries to bad loans in Romania and due to costs in connection with new legal regulations in Hungary. O2 ČR company did not do well, either as last year they made two stock repurchase offers to minority stock holders. This led to a decrease of -21%. The worst stocks with the largest value decrease were the stocks of the mining company NWR (-98%), which needed to undergo financial restructuring after the drop of coal prices.

Trading on foreign stock markets

While global stock markets still grew in 2014, the growth dynamics was much lower. The worldwide index MSCI ACWI, which comprises both developed as well as developing markets, grew by 2.1 %. However a year and two years before the growth reached a double digit number. As far as developed

markets are concerned, the most successful ones were American indices, which grew on average by more than 10%. Dow Jones index broke a barrier of 18 000 points, S&P500 index broke the 2 000 point mark. Both indices reached their new historical maximums during the year. In Europe, the growth was a bit lower and the general index STOXX Europe 600 grew by 4.35 %. The common event in both USA and Europe was a significant increase of volatility. Japanese stocks represented by Nikkei index grew by more than 7 %. Currency and commodity markets were also very busy. Throughout the year, dollar value was going up (+12% against EUR) and reached a 4 year maximum. On the other hand fuel price decreased dramatically (American WTI decreased by more than half from 107 USD in June to nearly 50 USD).

The beginning of the year 2014 was a bit disappointing for investors. After a solid growth during the previous period, in January investors started to collect their profits and US indices had the worst start of the year since 2010. Situation in Ukraine was another risk factor, which affected the whole year 2014. However the market fall did not last long and the first quarter end result on American markets was positive and main indices kept their growing trend. Central bank activities also kept affecting the markets as they were becoming more and more controversial. American FED, lead by the new president Janet Yellenovou, continued to decrease the volume of repurchased bonds and to end the monetary subsidies. On the other hand, European ECB followed the opposite path as it was trying to support relatively weak European economy, which was suffering from low inflation. For the first time in history, ECB decreased the deposit interest ratio to negative values and finally took a standard decision to repurchase governmental bonds. At the end of the year, German ten year bonds were traded with 0.5% premium, which was until now difficult to imagine. Some bonds of selected countries, on the shortest end of the premium level even generated negative profits. Low profits on bond market forced investors to look for alternative income, which was also one of the reasons why stock markets grew.

Within the growing trends on the stock markets last year, the biggest dive could be seen at the end of September. American indices decreased rapidly by 10%, German DAX even dropped by 15%. At this time of last year the markets were affected by various factors. The main problems were a great dive of fuel prices, Ukraine crisis and strengthening of sanctions between the West and Russia. The markets were afraid of slow down of economic development in Japan, Russia and Germany. However at the end of the year the markets went up again and indices in USA and Europe ended the year with new historical maximums (or close to them).

Trading on the company's own account

In 2014, Fio bank followed the trends from the previous years and continued to expand its activity on financial markets. The bank has traditionally been the stock market creator. All stocks, being a part of PX index and traded on regulated markets Prime or Standard of the Prague Stock Exchange (BCPP) were listed in Xetra platform. While the total year volume of stock trading in BCPP in 2014 went down by 12%, our bank managed to keep the traded volume on levels similar to 2013 and advanced to the fourth largest trader based on the volume. The bank is also a market creator at RM-SYSTÉM, česká burza cenných papírů a.s. market, where it trades even 12 more stocks than at BCPP.

The bank actively traded on bond markets and expanded its portfolio of bond type securities. The main investment target remained Czech republic government bonds. Low inflation, currency politics of CNB (Czech National Bank) and lower credit demand from the Ministry of Finance in 2014 resulted in decrease of profits from Czech Republic bonds to historically minimum values. The total volume of short term governmental bonds (treasury bills) held by the bank reached 9.15 billion CZK, which is 2.36 times more than in 2013. All the short-term governmental bonds are bonds issued by the Ministry of Finance of the Czech Republic. The amount of bonds in bank portfolio (in CZK) reached 9.36 billion CZK (+51% in comparison to 2013). 90% of bonds are part of investment portfolio (until the bond maturity date) and 10% in trading portfolio. As far as bond issuers are concerned, Czech state bonds represent 78.5% of total bonds held by our bank, while Slovak state bonds represent 14.5%. This means that 93% of all bonds held by the bank, are governmental (state) bonds, which confirms a conservative investment approach of the bank. The rest of the bond portfolio of the bank is formed by bonds issued by financial institutions of the Czech Republic (6%) and by quality corporate bonds (a bit more than 1%).

In 2014 the stable growth of deposits continued and the bank increased the cash volume on monetary market, where it placed cash necessary to ensure liquidity compliance. The situation was difficult as the key rate of CNB (Czech National Bank) remained for the whole year on „a practical zero“ 0.05% p.a. value and market rates also continued to decrease. The vast majority of transactions with CNB were executed as part of fortnight repo operations and deposit facilities. FX transactions also grew very strongly. The bank also executed currency forward operations and swaps.

The information about the bank's holdings and financial situation

As at 31st December 2014, the company's total assets were CZK 40,875,280 thousand. This was mainly composed of a balance in cash and central bank deposits amounting to CZK 9,337,337 thousand, non-coupon government bonds in the value of CZK 9,151,474 thousand, funds in bank accounts and credit union accounts amounting to CZK 1,389,387 thousand, client receivables in the value of CZK 10,522,943 thousand, debt securities amounting to CZK 9,359,387 thousand, fixed assets in the value of CZK 171,012 thousand and other assets amounting to CZK 913,385 thousand.

In 2014 the company recorded a net profit of CZK 253,016 thousand from fees and commissions, a net profit of CZK 255,304 thousand from interest and a profit of CZK 255,029 thousand from financial operations. The company's pre-tax profit from ordinary activities amounted to CZK 51,704 thousand.

In the long term, the Bank's financial situation is very good. The Bank continuously has ready access to sufficient liquid funds to pay its obligations and pays its contributions to the market guarantee funds, deposit guarantee funds and securities trader guarantee funds regularly and in full. Over the course of its existence the Bank has never been insolvent.

The successful expansion of credit services of the Bank had naturally an impact on the Bank's capital adequacy. As at 31st December 2014 the capital adequacy of the Bank was 12.93% (of which 11.31%, capital ratio Tier 1), which is much above the regulatory value and which is sufficient to cover the risks.

E. Information about the bank's statutory and supervisory bodies

Board of Directors:

Mgr. Jan Sochor, Chairman of the Board of Directors

graduated from Charles University in Prague, Faculty of Mathematics and Physics and has been active on the capital market for over 15 years. He has been the Chairman of the Board since 22nd May 2002. From 30th April 2001 until 23rd April 2002, he was the Director of the securities trading company Fio brokerská, spol. s r.o. Before that he was a member of the staff who was particularly involved in creating the trading company's electronic trading system. Regarding Fio, burzovní společnost, a.s., he was in a position of the Director and the only Corporate Agent at the same time.

Mgr. Josef Valter, Member of the Board of Directors

graduated from Charles University, Faculty of Law and has been active in the Fio Financial Group since 2002. Since that year he has also been managing its Legal Division (later Legal and Compliance Division). From 2002 until 2006, he was a Member of the Board of Directors for Fio, cooperative savings bank and from 2006 until 2010, he was the Chairman of the Board of Directors for Fio, cooperative savings bank. He has been a Member of the Board of Directors of Fio bank, a.s. since 5th May 2010.

Ing. David Hybeš, Member of the Board of Directors

graduated from the University of Economics, Faculty of Business Administration and has been active in the Fio Financial Group since 2006. Since that year he has also been in a position of the Chief Operating Officer. He has been a Member of the Board of Directors for the company since 5th May 2010.

Under §8, paragraph 1 of the Act No. 21/1992 Coll. on banks, as amended, the company's Board of Directors has three members.

Supervisory Board:

Mgr. Romuald Kopún, Chairman of the Supervisory Board graduated from Charles University in Prague, Faculty of Mathematics and Physics. He has been a member of the Board of Supervisors since 1994. Particularly in this post he has gained necessary experience in the capital market sector.

RNDr. Petr Marsa, Member of the Supervisory Board graduated from Charles University in Prague, Faculty of Mathematics and Physics. He has been active on the financial market for over 15 years. Over the years, he has held various posts in the managing bodies of various companies of the Fio Financial Group.

Ing. Ján Franek, Member of the Supervisory Board graduated from the Czech Technical University in Prague, Faculty of Nuclear Sciences and Physical Engineering. He has been working for the Fio Financial Group since 1995. Since 2001, he has been in charge of the Development Division and has been responsible for the development projects focused at expanding and improving the quality of client services.

No members of the Board of Directors, Supervisory board or bank management own any of Fio bank's shares.

No employees can have a share in the bank's registered capital.

F. Other information

Over the past three years, the Bank activities have never been interrupted.

An overview of changes in equity in the past three accounting periods is provided in the financial statement included in this annual report.

Information regarding the average number of employees and changes in this number is provided in the notes to the 2014 financial statement included in this annual report. The increase in the Bank's personnel corresponds with its strategy to continuously improve the quality of the services provided.

The Bank spent no funds on research, development and environmental activities during 2014. As far as the labour relations are concerned, they are provided in the 2014 financial statement included in this annual report.

Upon a resolution of the Board of Directors of 5th May 2010, the bank's foreign branch was established in the Slovak Republic, i.e. Fio banka, a. s., pobočka zahraničnej banky, Company Registration Number: 36 869 376, Nám. SNP 21 Bratislava 811 01, Slovak Republic.

The accounting unit shall continue performing its current activities.

There were no events after the final accounts date having a major impact on the information provided in this Annual Report.

Foreign Branch Manager:

Ing. Marek Polka

Graduated from the University of Economics in Prague, Faculty of Finance and Accounting and has been active in the Fio Financial Group since May 2001, when he took up a position of a client worker in the Prague branch. Over the course of time, he went through the posts of the Provisional Manager in Plzeň branch, the Manager of the Group's largest branch in Prague and subsequently the manager of the Client Service Department. Since April 2006, he has been managing the Fio Financial Group's Client Division. From 1st April 2006, he was the Member of the Board of Directors for Fio, cooperative and since 3rd May 2010, he has served as the Chairman of the Board of Directors for Fio, cooperative.

His key responsibilities of the Client Division Manager are making sure that all branches run properly, managing customer relations and administering the product range. Since 24 September 2014 Mr. Polka has been the director of Credit Division of the bank.

G. Information about persons responsible for the Annual Report

The person responsible for the Annual Report is Mgr. Jan Sochor, Birth ID No.: 690222/0050, Prague 1, Opletalova 30, Postcode 110 00 – Chairman of the Board of Directors of Fio banka, a.s.

The financial statements for were verified by the auditor:

Deloitte Audit s.r.o., Company Registration Number: 49620592, Karolinská 654/2, Prague 8.

In Prague, on 29th April 2015

Mgr. Jan Sochor, m.p.
Chairman of the Board of Directors

Mgr. Josef Valter, m.p.
Member of the Board of Directors

II. Auditor's statement

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Fio Banka, a.s.

Registered office: Prague 1, V Celnici 1028/10, 11721

Company Registration No.: 618 58 374

Report on the Financial Statement

Based on our audit, we issued the following report on the financial statement included in Chapter II of this Annual Report on 29th April 2015:

"We have audited the attached financial statement of Fio Banka, a.s., i.e. the balance sheet as of 31st December 2014, the profit and loss statement, the overview of changes in equity for the year ending as of that date and the notes to this financial statement, including a summary of significant accounting policies applied and additional supporting information.

Statutory Body's Responsibility for the Financial Statement

The statutory body of the company is responsible for the preparation and fair presentation of this financial statement in accordance with the Czech accounting standards and regulations and for an internal control system essential for preparing the financial statement that is free of substantial (material) misstatement, whether due to fraud or error.

Auditor's Responsibility

It is our responsibility to express an opinion on this financial statement based on our audit. The audit was conducted in accordance with the Auditors Act and the Auditing International Standards as well as the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance whether the financial statement is free of substantial (material) misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The selection of procedures depends on the auditor's judgment, including the assessment of the risks of substantial (material) misstatement mentioned in the financial statement, whether due to fraud or error. In making those risk assessments the auditor reviews the internal control system relevant for preparing a true and fair financial statement in order to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of the accounting entity. The audit also includes evaluating the appropriateness of accounting policies used and the adequacy of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the consolidated financial statement gives a true and fair view of the financial position of Fio banka, a.s. as at 31st December 2014 and of its financial performance for the year then ended in accordance with Czech accounting standards and regulations."

Report on the report on relations

We have reviewed the factual accuracy of the information mentioned in the report on relations between persons related to Fio banka, a.s. as at 31st December 2014 included in this annual report in chapter IV. Creating this report on relations is the responsibility of the company's statutory body. Our responsibility is to express our view on the report on relations based upon our review.

We conducted our review in accordance with Auditor Standard No. 56 issued by the Chamber of Auditors of the Czech Republic. This standard requires planning and carrying out the review in order to obtain moderate assurance as to whether the report on relations is free of substantial (material) factual misstatements. The review is limited primarily to inquiries of the company personnel and to analytical procedures and examination on a test basis of the factual accuracy of the information, thus providing a lower level of assurance than the audit. We have not performed the audit of the report on relations and, accordingly, we do not express an audit opinion.

Nothing has come to our attention based on our review that would indicate that the information included in the report on relations between connected persons of Fio banka, a.s. as at 31st December 2014 contains any substantial (material) factual misstatements.

The company has decided not to mention the values of performance within the relevant contracts with reference to the trade secret.

Report on the Annual Report

We have also audited the annual report for consistency with the financial statement of the company of 31st December 2014. The company's statutory body is responsible for the accuracy of this annual report. Our responsibility is to express an opinion on the consistency of the annual report and the financial statement based upon our audit.

We conducted our audit in accordance with the International Standards on Auditing and related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plans and performs the audit in order to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statement is, in all substantial (material) respects, consistent with the relevant financial statement. We believe that our audit provides a reasonable basis for the auditor's opinion.

As far as we are concerned, the information included in the annual report is consistent, in all substantial (material) respects, with the aforementioned financial statement.

In Prague, 29th April 2015

Auditing company:
Deloitte Audit s.r.o.
certificate no. 79
signature

Statutory auditor:
David Batal
certificate no. 2147
signature

III. Company financial statement as at 31st December 2014

FINANCIAL STATEMENT AS AT 31st DECEMBER 2014

Name of the Company: Fio banka, a.s.

Registered Office: Prague 1, V Celnici 1028/10, Postcode 117 21

Legal Form: a joint-stock company

Company Registration No.: 618 58 374

Parts of the Financial Statement:

Balance Sheet

Income Statement

Off balance Sheet

Statement of Changes in Equity

Notes

The Financial Statement was elaborated on 24th April 2015.

Statutory body of the accounting entity	Signature
Mgr. Jan Sochor Chairman of the Board	<i>Signature</i>
Mgr. Josef Valter Member of the Board	<i>Signature</i>

Notes to Financial statement – year ending 31 December 2014

Business name	Fio banka, a.s.					
Business address	Praha 1, V Celnici 1028/10, POSTAL CODE 11721					
CRNO	61858374					
Balance Sheet	as at 31 December 2014					
in CZK thousand						
			Current period			Previous
Design.	Text	Line	Gross	Corr.	Net	Net
1.	Cash-in-hand, deposits in central banks	1	9 337 337	0	9 337 337	5 212 109
2.	Governmental non-coupon bonds and other securities	2	9 151 474	0	9 151 474	3 865 403
2.a)	Issued by governmental agencies	3	9 151 474	0	9 151 474	3 865 403
2.b)	Other	4	0	0	0	0
3.	Receivables on behalf of banks and credit unions	5	1 389 387	0	1 389 387	1 869 202
3.a)	Payable on call	6	1 341 952	0	1 341 952	1 743 301
3.b)	Other receivables	7	47 435	0	47 435	125 901
4.	Receivables on behalf of clients	8	10 836 085	313 142	10 836 085	9 328 634
4.a)	Payable on call	9	1 521 315	250 554	1 521 315	605 844
4.b)	Other receivables	10	9 314 770	62 588	9 314 770	8 722 790
5.	Debt securities	11	9 359 387	0	9 359 387	6 208 016
5.a)	Issued by governmental agencies	12	8 669 849	0	8 669 849	5 430 074
5.b)	Issued by other persons	13	689 538	0	689 538	777 942
6.	Shares, share fund certificates and other shares	14	100	0	100	100
7.	Shares with substantial influence	15	0	0	0	0
	in banks thereof	16	0	0	0	0
8.	Shares with decisive influence	17	171 012	0	171 012	172 092
	in banks thereof	18	0	0	0	0
9.	Intangible Fixed Assets	19	21 482	19 697	21 482	22 372
9.a)	Installation costs thereof	20	0	0	0	0
9.b)	Goodwill thereof	21	-1 142	-248	-1 142	-252
10.	Tangible Fixed Assets	22	29 987	15 720	29 987	26 263
	land and facilities for operating activities	23	0	0	0	0
11.	Other assets	24	913 598	213	913 598	675 320
12.	Registered capital receivables	25	0	0	0	0
13.	Accrued expenses and revenues	26	14 203	0	14 203	29 132
	TOTAL ASSETS	27	41 224 052	348 772	41 224 052	27 260 397
1.	Obligations to banks and credit unions	28			181 698	384 888
1.a)	Payable on call	29			181 650	219 480
1.b)	Other obligations	30			48	165 408
2.	Obligations to clients	31			39 054 283	25 694 674
2a)	Payable on call	32			37 204 765	24 289 010
2b)	Other obligations	33			1 849 518	1 405 664
3.	Payables from debt related securities	34			0	0
3a)	issued debt related securities	35			0	0
3b)	other payables from debt related securities	36			0	0
4.	Other liabilities	37			531 358	317 128
5.	Accruals	38			0	0
6.	Reserves	39			14 824	11 085
6.a)	Pensions and similar obligations	40			0	0
6.b)	Taxes	41			11 175	8 116
6.c)	Other	42			3 649	2 969
7.	Subordinate obligations	43			90 000	90 000
8.	Registered capital	44			760 000	560 000
8.a)	paid registered capital	45			760 000	560 000
8.b)	own shares	46			0	0
8.c)	changes in registered capital	47			0	0
9.	Capital surplus	48			0	0
10.	Statutory reserves and other funds created from profit	49			0	10 626
11.a)	Mandatory reserves and risk funds	50			0	10 626
11.c)	other reserve funds	51			0	0
11.d)	other funds from profit	52			0	0
11.	Reserve fund for new valuation	53			0	0
12.	Capital funds	54			0	0
13.	Revaluation differences	55			0	0
13.a)	Revaluation differences – assets and liabilities	56			0	0
13.b)	Revaluation differences – security derivatives	57			0	0
13.c)	Revaluation differences – share revaluation	58			0	0
14.	Retained earnings from previous periods	59			202 622	155 827
15.	Profit (loss) for the accounting period	60			40 495	36 169
	TOTAL LIABILITIES	61			40 875 280	27 260 397

Off balance sheet as of 31st December 2014			
in CZK thousands			
Number	Designation	Current period	Previous period
1.	Provided warranties and promises	6 216 025	5 470 626
2.	Provided liens	0	30 000
3.	Spot operation receivables		
4.	Fixed term operation receivables	2 385 957	51 277
5.	Option receivables		
6.	Written off receivables		
7.	Values transferred to custody		
8.	Values transferred to administration		
9.	Accepted warranties and promises		
10.	Accepted liens	11 347 135	11 279 694
11.	Spot operation payables		
12.	Fixed term operation payables	2 367 363	51 527
13.	Option payables		
14.	Values accepted for custody	31 849 633	27 318 922
15.	Values accepted for administration	68 146	64 724

Notes to Financial statement – year ending 31 December 2014

Profit and Loss Statement as at 31 December 2013				
in CZK				
Design.	Text	Line	Current	Previous
1.	Earnings from interest and similar earnings	PL1	602 862	548 342
	Interest from debt securities thereof	PL2	101 527	111 100
2.	Interest costs and similar costs	PL3	347 558	327 864
	Interest costs from securities with fixed earnings thereof	PL4	22 799	21 862
3.	Earnings from shares and share funds	PL5	46	44
3.a.	Earnings from shares with major influence	PL6	0	0
3.b.	Earnings from shares with decisive influence	PL7	0	0
3.c.	Earnings from other shares and share funds	PL8	46	44
4.	Earnings from fees and commissions	PL9	323 592	255 983
5.	Fees and commissions costs	PL10	70 576	67 568
6.	Net profit from financial operations	PL11	255 029	143 200
7.	Other operating revenues	PL12	4 722	5 353
8.	Other operating costs	PL13	52 172	35 168
9.	Administration costs	PL14	461 840	394 731
9.a.	Personnel costs	PL15	32 338	28 745
9.a.1.	Social security and health insurance thereof	PL16	7 903	7 108
9.b.	Other administrative costs	PL17	429 502	365 986
10.	Reversal of accrued liabilities and adjustments to tangible and intangible	PL18	0	0
11.	Depreciation, creation and use of reserves and adjustments to tangible and	PL19	7 674	7 043
12.	<i>Dissolution of reserves and adjusting entries to receivables and guarantees</i>	PL20	15	0
13.	<i>Write offs, creation and use of adjusting entries and reserves to receivables and guarantees</i>	PL21	192 671	84 643
14.	<i>Dissolution of adjusting entries – decisive or major influence shares</i>	PL22	0	0
15.	<i>Exchange losses – decisive or major influence shares</i>	PL23	0	0
16.	<i>Dissolution of other reserves</i>	PL24	0	0
17.	Creation and use of other reserves	PL25	0	0
18.	<i>Share in profit or loss – decisive or major influence shares</i>	PL26	-2 071	8 352
19.	Pre-tax profit from regular activities for the accounting period	PL27	51 704	44 257
20.	Extraordinary revenues	PL28	0	0
21.	Extraordinary costs	PL29	0	0
22.	Pre-tax profit from extraordinary activities for the accounting period	PL30	0	0
23.	Income tax	PL31	11 209	8 088
24.	After-tax profit or loss for the accounting period	PL32	40 495	36 169

OVERVIEW OF CHANGES IN EQUITY FOR 2014

(in thousands CZK)

	Registered capital	Reserve funds	Revaluation reserves	Retained earnings/ (loss) from previous years	Profit / loss in the ratification process	Profit / loss for the accounting period	Total
Balance as of 1 st January 2013	560 000	7 454	0	96 558	63 441	0	726 463
Change of accounting methods							
Correction of major errors							
Exchange rate differences and revaluation reserves not included in the profit/loss							
Net profit / loss for the accounting period	0	0	0	0	0	36 169	
Dividends							
Transfer to funds	0	3 172	0	60 269	-63 441	0	
Use of funds							
Emission of stocks							
Decrease of own capital							
Purchase of own stocks							
Other changes							
Balance as of 31 st December 2013	560 000	10 626	0	155 827	0	36 169	762 622
Balance as of 1 st January 2014	560 000	10 626	0	155 827	36 169	0	762 622
Change of accounting methods							
Correction of major errors							
Exchange rate differences and revaluation reserves not included in the profit/loss							
Net profit / loss for the accounting period	0	0	0	0	0	40 495	
Dividends							
Transfer to funds				36 169	-36 169	0	
Use of funds	0	-10 626	0	10 626	0	0	
Emission of stocks							
Increase/Decrease of own capital	200 000	0	0	0	0	0	
Purchase of own stocks							
Other changes							
Balance as of 31 st December 2014	760 000	0	0	202 622	0	40 495	1 003 117

NOTES TO THE FINANCIAL STATEMENT 2014

Company Name: Fio banka, a.s.
Registered Office: Prague 1, V Celnici 1028/10, 117 21
Legal Form: Joint stock company
Company Registration No.: 618 58 374

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1. GENERAL INFORMATION

1.1. Formation and characteristics of the company

Fio banka, a.s. (hereinafter referred to as the "company") was formed by a single Memorandum of Association on 20th June 1994 (then under a trade name of Fio, burzovní společnost, a.s.) and was incorporated upon its registration in the Commercial Register in Prague on 31st August 1994.

The company's subject of enterprise corresponds with the provisions of the Bank Act No. 21/1992 Coll., as amended and with the licence granted by the Czech National Bank. The subject of enterprise is therefore:

- Performing activities mentioned in the Bank Act, s. 1 (1) under subsections:

- a) receiving deposits from the general public,
- b) granting credits,

- Performing activities mentioned in the Bank Act, s. 1 (3) under subsections:

- a) investing into securities on the company's own account,
- b) financial leasing,
- c) system of payment and accounting,
- d) issuing and administering the means of payment, e.g. credit cards and traveller's cheques,
- e) granting bank guaranty,
- f) opening letters of credit,
- g) providing collections,
- h) providing investment services within the extent of main investment services,

Within the extent of main investment services

- under the Capital Market Undertaking Act No. 256/2004 Coll., s. 4 (2) (a), as amended (hereinafter referred to as "the Capital Market Undertaking Act"), receiving and transferring instructions regarding investment tools, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (b), carrying out instructions regarding investment tools on the client's account, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (c), trading in investment tools on the company's own account, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (d), managing the client's property should it include an investment tool, on the basis of independent advising within contractual covenants, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

- under the Capital Market Undertaking Act, s. 4 (2) (e), investment consulting concerning investment tools, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (2) (g), subscribing or placing investment tools with an obligation of their subscription, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

- under the Capital Market Undertaking Act, s. 4 (2) (h), placing investment tools without an obligation of their subscription, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

and within the extent of additional investment services

- under the Capital Market Undertaking Act, s. 4 (3) (a), custody and administration of investment tools including related services, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (3) (b), granting clients with credits or loans in order to facilitate trading in the investment tool which the provider of the credit or loan is participating in, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b),

- under the Capital Market Undertaking Act, s. 4 (3) (c), consulting service related to the capital structure, industrial strategies and issues related, as well as providing advice and services related to corporate restructuring or the transfer of companies,

- under the Capital Market Undertaking Act, s. 4 (3) (d), providing investment recommendations and analyses of investment opportunities or similar general recommendations related to trading in investment tools, namely in relation to investment tools under the Capital Market Undertaking Act, s. 3 (1) (a), (b) and (d) through (k),

- under the Capital Market Undertaking Act, s. 4 (3) (e), carrying out forex operations related to the provision of investment services,

i) financial brokerage,

k) exchange services,

l) providing banking reference,

m) trading with forex values and gold on the company's own account or on the client's account,

n) safe-deposit box rental, and

o) activities directly related to the activities mentioned in the banking licence.

Company's registered capital:	CZK 760,000,000
Balance sheet day:	31st December 2014
Financial statement elaborated:	24st April 2015
Accounting period:	calendar year
Currency used in Financial statement:	Czech koruna (CZK)

Individuals and legal entities with a stake greater than 20% of the company's registered capital and the amount of their stakes are listed in the following table:

Shareholder:	% share in registered capital
Fio holding, a.s., V Celnici 1028/10, Postal Code 11721	100 %
Total	100 %

On 31 October 2014 the company, through its organizational entity Fio banka, a.s., pobočka zahraničnej banky (established in Slovakia) acquired a part of the business company Fio o.c.p., a.s., following the decision of Czech National Bank of 8 October 2014 and Slovak National Bank of 9 October 2014 and also following the decision of the sole shareholder of the company Fio o.c.p., a.s. of 31 October 2014, by which the sole shareholder (company) as the General Assembly, approved entering into the particular Agreement on acquisition of a part of the company.

1.2. Changes and amendments in the Commercial Register in the past accounting period

In 2014 the following changes and amendments were made in the Trade Register record of Fio banka, a.s. managed by the City Court of Prague:

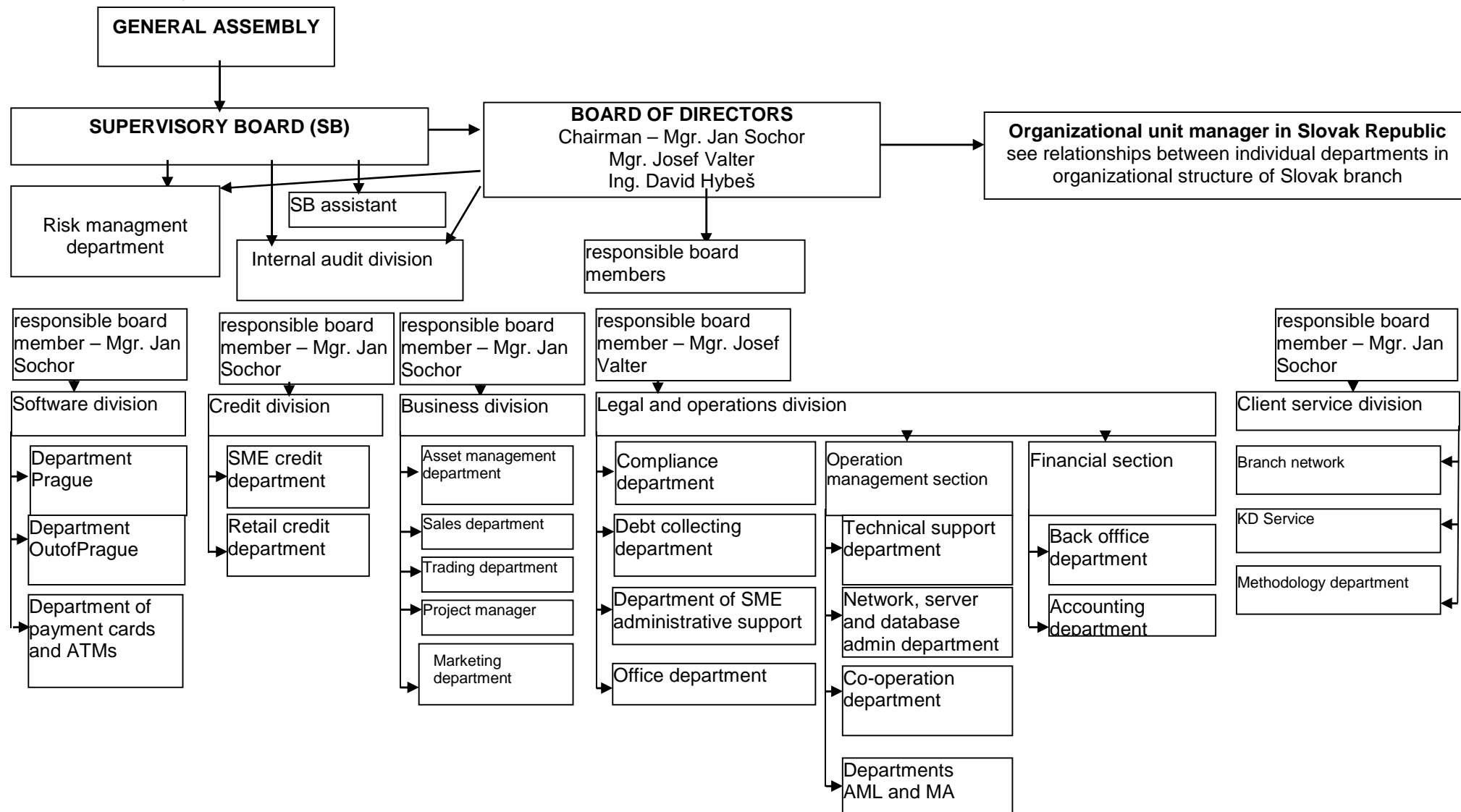
Increase of registered (own) capital of the bank to 760,000 thousand CZK was registered on 19 December 2014.

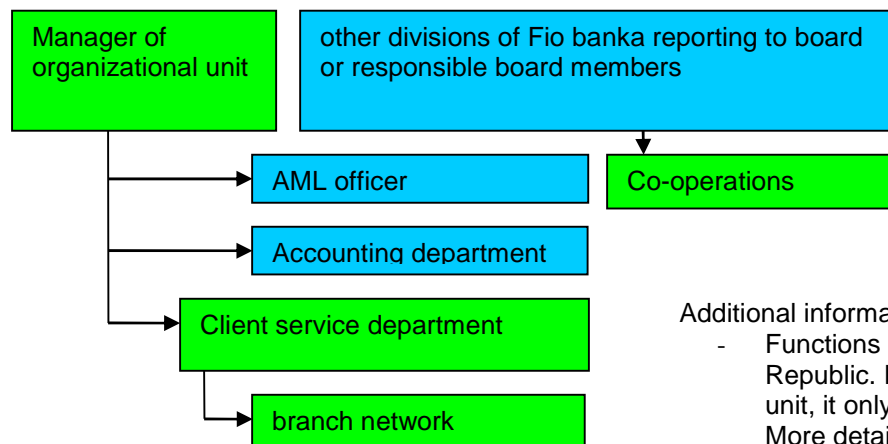
In 2014 the following changes and amendments were made in the Trade Register record of Fio banka, a.s. pobočka zahraničnej banky, managed by the District Court Bratislava I:

Change of trade activity was registered by the Trade Register on 9 August 2014.

1.3. Organizational structure of the company

1.3.1. Fio banka, a.s.



1.3.2. Fio banka, a. s., foreign bank branch

Additional information:

- Functions with blue background are managed centrally from the Czech Republic. If such department or function reports to manager of organizational unit, it only applies to activities of the foreign branch of the bank in Slovakia. More detailed specification of other departments and divisions is specified in Fio banka, a.s. organizational structure.
- Functions with green background are performed on the territory of Slovak Republic.

1.4. Identification of the Group

The company is part of Fio financial group.

1.5. Board of Directors and Supervisory Board

	Post	Name
Board of Directors	Chairman	Mgr. Jan Sochor
	Member	Mgr. Josef Valter
	Member	Ing. David Hybeš
Supervisory Board	Chairman	Mgr. Romuald Kopún
	Vice-chairman:	RNDr. Petr Marsa
	Member:	Ing. Ján Franek

The Chairman of the Board of Directors or his Vice-chairman can deal on behalf of the Board of Directors, along with another Member of the Board.

2. BASIS FOR DRAWING UP THE FINANCIAL STATEMENT

Accounting records are maintained and the financial statement was compiled in compliance with the Accounting Act No. 563/1991 Coll., as amended, Regulation No. 501/2002 Coll., which implements certain provisions of the Accounting Act No. 563/1991 Coll. for reporting units which are financial institutions maintaining double-entry accounting records, as amended and the Czech Accounting Standards for Financial Institutions, as amended.

The financial statement is based on the accruals principle, where transactions and other facts are assessed at the time they arise and entered in the accounts in the period to which they relate. The financial statement is compiled on the historical price principle, which is modified by revaluating financial instruments designated for trading. Assets which are not revaluated to the real value and whose values did not decline are reported in the net recoverable value. The accounting respects the cautionary principle and the expectation that the reporting unit is capable of continuing with its activities.

Compiling the financial statement requires that the company management carry out estimates which have an influence on the values of reported assets and liabilities as well as conditional assets and liabilities as of the date the financial statement was compiled, and costs and earnings in the corresponding accounting period. These estimates are based on information available as of the day the financial statement was compiled on and can differ from the actual results.

The figures in this financial statement are expressed in thousands of Czech koruna (CZK).

The financial statement was compiled as of 31st December 2014.

This financial statement is unconsolidated.

3. SIGNIFICANT ACCOUNTING METHODS

The financial statement was elaborated in accordance with the following significant accounting methods.

3.1. Moment of accounting transaction execution

The moment of the accounting transaction execution is usually understood the day of payment or assumption of paper currency; the day of purchase or sale of a foreign currency, forex, or securities; the day of effecting payments or collection from a client's account; the day of ordering the correspondent to carry out a payment; the day of carrying to accounts the bank's orders with the Czech National Bank's clearing centre; the day of receipt (foreign currency) funds in accordance with the report by the bank's correspondent (the 'report' means a message in the SWIFT system, the bank's notice, a received medium, an account statement, or other documents); the day of transaction and settlement of a trade with securities, forex, options or other derivatives; the day of issuing or receiving collateral, or standby credit; the day of assumption of assets into the banker's custody.

A financial asset or its part is debited from the balance sheet in the case that the bank loses control of contractual rights to this financial asset or its part. The bank loses the control upon asserting benefits rights specified by a contract and the extinguishment or surrender of these rights.

3.2. Debt certificates, shares, allotment certificates and other shares

Exchequer bills, bonds and other debt certificates and shares, including allotment certificates and other shares are classified in compliance with the bank's intent in the portfolio of securities kept until their maturity or for trading (securities valued at their real value against the accounts of costs or earnings). Only debt certificates can be included in the maturity portfolio.

Debt certificates, shares, allotment certificates and other shares kept for trading are valued by their real value and profit/loss of this revaluation are recorded in the Profit/Loss Statement under the entry of "Net profit/loss from financial operations".

The real value used for the purpose of securities revaluation is set as the market price declared on the day of setting the real value, as long as the bank proves that the security can be sold at the market price.

As far as publically negotiable debt certificates and property securities are concerned, the real values equal the prices reached on public markets of the OECD countries, given that the requirements for securities liquidity are met at the same time.

Repo operations (= the sales of securities together with an agreement for the seller to buy back the securities for a set price at a later date) or reverse repo operations (= the purchase of securities together with an agreement for the buyer to sell the securities for a set price at a later date) are accounted as secured received or granted credits. The securities ownership right is transferred onto the entity granting the credit. Securities transferred within repo operations remain included in appropriate entries of the Profit/Loss Statement and the amount gained by the securities transfer within repo operations is accounted in "Obligations to banks" or "Obligations to clients". The securities received within reverse repo operations are only registered in the Off-Balance Sheet, namely in the "Received collateral". The credit granted within reverse repo operations is included under the entry of "Obligation to banks" or "Obligations to clients". Regarding the debt securities transferred within repo operations, there interest is deferred; in the case of debt securities received within reverse repo operations, the interest is not deferred.

Costs and revenues arisen within repo or reverse repo operations as a difference between the sales price and the purchase price are deferred for the duration of the transaction and shown in the Profit/Loss Statement as "Earnings from interest and similar earnings" or "Costs of interest and similar costs".

3.3. Securities transactions on behalf of clients

Securities taken to the banker's custody, administration or safekeeping are accounted at their market value and listed in the Off-Balance Sheet under the entry of "Assets received into custody, administration and safekeeping".

Securities taken over by the bank in order to be managed are accounted at their market prices and are listed in the Off-Balance Sheet under the entry of "Assets received for management". The bank's obligations to clients, particularly regarding received cash intended for the securities purchase or cash to be returned to the client etc. is accounted in Liabilities chart of the Balance Sheet.

3.4. Shares with decisive and substantial influence

Shares with decisive influence mean a share of an entity where the bank represents a majority shareholder. In that case, the bank has a decisive influence on the management of the entity, fully controlling its operations. This influence arises from the share of the registered capital or from an agreement or statutes irrespective of the total property share.

Shares with substantial influence mean a share of an entity where the bank has at least a 20% share of its registered capital. In this case, the bank has a substantial influence on the management of the entity, which arises from the mentioned share of the registered capital or from an agreement or statutes irrespective of the total property share.

Upon their purchase, shares with decisive and substantial influence are valued at their purchase price. Direct costs related to their purchase are a part of the purchase price. On the day of the balance sheet elaboration, the shares are valued by an equivalence method, when the value of the property share is adjusted to a value corresponding with the height of the company's share on its own capital in a subsidiary or affiliated company as of the day of the balance sheet elaboration.

3.5. Bank and clients receivables

Receivables are accounted in amounts detracted by provisions. The deferred interest revenues are a part of the accounting value of these receivables.

The receivables are evaluated from a return point of view. Upon that, adjustments are made to individual receivables. Adjustments made at the expense of costs are included under the entry of "Depreciation, creation and use of adjustments and reserves to receivables and collateral" in the analytical accounts for the purpose of tax calculation.

The depreciation of uncollectable receivables is included under the entry of "Depreciation, creation and use of adjustments and reserves to receivables and collateral". Revenues from earlier depreciated credits are included in the Profit/Loss Statement under the entry of "Amortisation of adjustments and reserves receivables and collateral, revenues from assigning receivables and revenues from earlier depreciated credits".

In 2012 the bank started to generate adjusting entries to its receivables. The bank classifies the receivables in compliance with Decree of the Czech National Bank (CNB) number 163/2014 Coll., as amended. For calculation of loss from bad receivables, the bank uses coefficients, e.g. multiplies the difference between the principal (increased by appropriate interest) and credit security item value by the coefficient stipulated in the Decree. To each such bad receivable the bank generates a corresponding adjusting entry. The amount of loss from bad receivables is calculated using the same method used in book keeping and elaboration of final accounts (e.g. the method corresponding with rules of safety business performance).

3.6. Creating reserves

A reserve represents possible performance with indistinct timetable and extent. The reserve is created in the case where the following criteria apply:

- there is an obligation (legal or material) to perform, which is a result of previous events
- it is likely that the performance will take place, requiring outflow of funds representing economic benefit, whereas “likely” means probability higher than 50%.
- it is possible to make considerably reliable estimate of the performance.

3.7. Tangible and intangible assets

Tangible and intangible assets are accounted in historical process and amortised on a straight-line basis during their estimated service life.

	Amortisation method	Number of months
Intangible results of research and development	straight-line	36
Software	straight-line	36
Technical improvements to buildings	straight-line	108
Computer systems	straight-line	36
Vehicles	straight-line	36
Inventory	straight-line	36
Other	straight-line	36-120

The intangible assets with a purchase price lower than CZK 60,000 and the tangible assets with a purchase price lower than CZK 40,000 are accounted in costs for the period they were purchased in, whereas their estimated service life is shorter than 1 year.

3.8. Conversion of foreign currencies

Transactions expressed in a foreign currency are accounted in the Czech currency converted to the relevant exchange rate on the day of the transaction. Assets and liabilities expressed in a foreign currency together with forex spot transactions before the maturity day are converted in the Czech currency at the exchange rate declared by the Czech National Bank on the date of the balance sheet.

The profit or loss resulting from the conversion of assets and liabilities expressed in a foreign currency, except for property shares in a foreign currency, is included in the Profit/Loss Statement under the entry of “Net profit/loss from financial operations”.

3.9. Financial derivatives

The bank uses all financial derivatives as trading derivatives.

Financial derivatives kept for trading purposes are accounted in their real value and the profit (loss) arising from the change in the real value is included in the Profit/Loss Statement under the entry of “Net profit/loss from financial operations”.

3.10. Taxes

The tax base for the income tax is calculated from the economic result of a regular period by adding ineligible costs and subtracting revenues that are not subject to the income tax, which is further adjusted by tax abatement and possible credits.

Deferred tax arises from all temporary differences between accounting and tax value of assets and liabilities using the anticipated tax rate effective for the upcoming period. A deferred tax receivable is accounted only if there is no doubt regarding its further use in the following accounting periods.

3.11. Interest income and expenses

Interest earnings and expenses are accounted in the Profit/Loss Statement for the period it is related in time and matter. Interest from credits and deposits are accrued on a daily basis. The interest income and expenses also include a discount or bonus or other differences between the purchase price of the interest instrument and the value at its maturity established using the effective interest rate method. For late payment interests in bad receivables the accrual principle is not used.

3.12. Use of estimates

The elaboration of an unconsolidated financial statement in compliance with the Czech accounting regulations requires the bank's management making estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, the information issued on contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period.

These estimates, particularly related to establishing the actual value of financial instruments, appreciation of intangible assets, abatement of the assets and reserves value, are based on the information available as at the date of the financial statement elaboration.

The bank management made these estimates and assumptions upon all available relevant information.

4. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT

4.1. Cash in hand and deposits with central banks

	(thousands CZK)	
	31.12.2014	31.12.2013
Cash in hand	101 756	79 688
Deposits with central banks	5 859 810	1 730 809
Credits granted – repo operations	3 000 026	3 000 031
Cash in ATMs	375 745	401 581
Total	9 337 337	5 212 109

As of 31.12.2014 credits from repo operations were secured by debt securities in the amount of CZK 2 930 377 thousand (CZK 2 918 943 thousand as of 31. 12. 2013).

4.2. Governmental non-coupon bonds and other securities received by the central bank for refinancing

As of 31st December 2014, the bank kept governmental treasury bills in the value of CZK 9 865 403 thousand (2013: CZK 3 865 403 thousand).

4.3. Receivables on behalf of banks and credit unions

	(thousands CZK)	
	31.12.2014	31. 12. 2013
Current accounts	1 341 952	1 743 301
Credits granted – repo operations	47 435	125 901
Total receivables on behalf of banks and credit unions	1 389 387	1 869 202

4.4. Receivables on behalf of clients

Based on maturity date

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Short-term credits	5 903 176	4 718 015
Medium-term credits	1 128 050	1 667 382
Long-term credits	3 491 717	2 822 767
Total receivables on behalf of clients	10 522 943	9 208 164

Based on territory

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Czech Republic	9 712 360	8 532 298
Slovak Republic	810 321	674 962
Other countries	262	904
Total receivables on behalf of clients	10 522 943	9 208 164

Based on type of client

	(thousands CZK)	
	31.12.2014	31.12.2013
Individuals	4 438 511	4 189 380
Legal entities	6 084 432	5 018 784
Total receivables on behalf of clients	10 522 943	9 208 164

Based on segments

	(thousands CZK)	
	31.12.2014	31.12.2013
Households	4 438 511	4 231 628
Property	1 876 576	1 277 828
Financial industry	701 976	268 208
Other personal services	514 432	109 612
Others	2 991 448	3 320 888
Total receivables on behalf of clients	10 522 943	9 208 164

Based on classification

2014

	(thousands CZK)		
	31. 12. 2014		31. 12. 2013
	gross	adjusting entry	net
Standard	8 669 838	0	8 669 838
Monitored	409 183	500	408 683
Non-standard	907 235	48 569	858 666
Doubtful	390 442	37 752	352 690
In loss	459 387	226 321	233 066
Total receivables on behalf of clients	10 836 085	313 142	10 522 943

2013

	(thousands CZK)		
	31. 12. 2013		31. 12. 2012
	gross	adjusting entry	net
Standard	7 358 116	0	7 358 116
Monitored	508 023	418	507 605
Non-standard	1 279 237	54 888	1 224 349
Doubtful	70 777	30 461	40 316
In loss	112 481	34 703	77 778
Total receivables on behalf of clients	9 328 634	120 470	9 208 164

The bank entered into agreements that allow transferring problematic receivables to cooperating entities.

In 2014, the receivables on behalf of clients are secured by real estates, personal estate, securities, receivables on behalf of a third person, governmental collateral etc. in a total amount of CZK 8 414 758 thousand (in 2013: CZK 8 402 751 thousand).

4.5. Debt securities

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Governmental bonds in the trade portfolio	797 228	799 678
Non-governmental bonds in the trade portfolio	148 781	236 355
Non tradable non-governmental bonds	500 061	0
Governmental bonds kept until maturity	7 872 621	4 630 396
Non-governmental bonds kept until maturity	40 696	541 587
Total debt securities	9 359 387	6 208 016

Debt securities in the portfolio of the bank were issued (in vast majority) on the territory of the Czech Republic.

4.6. Shares, share fund certificates and other shares

As of 31st December 2014, the company holds 100 shares of Burza cenných papírů Praha, a.s. with a nominal value of CZK 1,000 per share in a portfolio of realised securities with a book value of CZK 100,000 (31st December 2013: CZK 100,000).

4.7. Shares with decisive influence

2014

(thousands CZK)					
Company name	Registered address	Purchase price	Share in the registered capital in %	Right of vote in %	Appreciation as of 31 st Dec 2014
Společnost Fio o.c.p., a.s.	Nám. SNP 21, 811 01 Bratislava	59 257	100	100	49 230
RM-SYSTÉM, česká burza cenných papírů a.s.	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	31 705	100	100	30 808
RM-S FINANCE, s.r.o.	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	991	100	100	964
Družstevní záložna PSD	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	58 744	73,4	73,4	90 010
Total		150 697			171 012

2013

(thousands CZK)					
Company name	Registered address	Purchase price	Share in the registered capital in %	Right of vote in %	Appreciation as of 31 st Dec 2013
Společnost Fio o.c.p., a.s.	Nám. SNP 21, 811 01 Bratislava	59 257	100	100	53 474
RM-SYSTÉM, česká burza cenných papírů a.s.	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	31 705	100	100	32 459
Družstevní záložna PSD	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	58 744	73.4	73.4	86 159
Celkem		149 706			172 092

At the moment of purchase or acquisition of a share, the Company records it in books under the purchase price. At the date of annual final accounts the equity method is used to value the shares. The value of the shares is adjusted based on the corresponding value of the Company's share on the equity of the subsidiary or associated company. Revaluation difference is shown either as a profit or loss on the correspondent line of the Balance Sheet describing the value of shares with decisive influence.

4.8. Fixed assets

4.8.1. Intangible fixed assets

Purchase price

(thousands CZK)							
	31. 12. 2012	Increment	Decrease	31. 12. 2013	Increment	Decrease	31. 12. 2014
Software	17 474	478	0	17 952	0	0	17 952
Other IFA	4 397	275	0	4 672	0	0	4 672
Goodwill	-252	0	0	-252	-890	0	-1 142
Total	21 619	753	0	22 372	-890	0	21 482

Depreciation

	(thousands CZK)						
	31. 12. 2012	Increment	Decrease	31. 12. 2013	Increment	Decrease	31. 12. 2014
Software	14 783	1 196	0	15 979	1 250	0	17 229
Other IFA	1 350	675	0	2 025	691	0	2 716
Goodwill	-118	-50	0	-168	-80	0	-248
Total	16 015	1 821	0	17 836	1 861	0	19 697

Residual value

	(thousands CZK)	
	31. 12. 2013	31. 12. 2014
Software	1 973	723
Other IFA	2 647	1 956
Goodwill	-84	-894
Total	4 536	1 785

The negative goodwill is a result of company purchase, when the company purchased a company for a price pursuant to an expert evaluation and this price was lower than the difference between transferred assets and liabilities.

4.8.2. Tangible fixed assetsPurchase price

	(thousands CZK)						
	31.12.2012	Increment	Decrease	31.12.2013	Increment	Decrease	31.12.2014
Transport vehicles	797	2 076	474	2 399	450	0	2 849
Other IFA	20 094	3 770	0	23 864	3 274	0	27 138
Total	20 891	5 846	474	26 263	3 724	0	29 987

Depreciation

	(thousands CZK)						
	31.12.2012	Increment	Decrease	31.12.2013	Increment	Decrease	31.12.2014
Transport vehicles	558	352	474	436	540	0	976
Other IFA	4 423	4 869	0	9 292	5 452	0	14 744
Total	4 981	5 221	474	9 728	5 992	0	15 720

Residual value

	(thousands CZK)	
	31. 12. 2013	31. 12. 2014
Transport vehicles	1 963	1 873
Other IFA	14 572	12 394
Total	16 535	14 267

In 2014, the company purchased tangible assets accounted directly to costs in the amount of CZK 10 598 thousand (2013: CZK 9 011 thousand). These assets represent minor tangible assets, which are other movables and sets of movables with a useful life of greater than one year which are not reported as fixed assets; they are accounted directly to costs.

4.9. Other assets

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Granted guarantees and deposits	528 737	398 051
Securities market receivables	74 796	156 746
Estimated accounts	212	402
Guarantee funds	1 000	1 327
Margin deposit for derivatives trading		
Positive real value of open derivatives (FX swap)	24 001	9 788
Cash in transit	19 095	28
Other	142 652	29 680
Adjustments	124 105	79 298
Granted guarantees and deposits	-213	-212

Other assets, total	913 385	675 108
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Other assets mainly represent settlement accounts for card operation settlement, fund in transit accounts and unpaid balances receivables from business relations.

Adjustments are created for receivables which have been overdue for more than one year and are listed in the line “Others”.

Positive real value of open derivatives is based on receivables from fixed term operations in the amount of CZK 2 208 643 thousand (2013: CZK 40 000 thousand) and from a payable in the amount of CZK 2 189 548 thousand (2013: CZK 39 972 thousand).

Granted long-term guarantees and deposits

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
RM-System, a.s., deposited principal for the period of trading on the RM-S	200 000	200 000
Fio leasing, a.s., deposited principal for rent period	6 941	5 847
Card association bails	291 769	147 996
Others	30 027	44 208
Long-term receivables, total	528 737	398 051

4.10. Accrued expenses and revenues

Accrued expenses and revenues in the value of CZK 14 203 thousand (31st December 2013: CZK 29 132 thousand) are composed mainly of prepaid rent.

4.11. Obligations to banks, credit unions

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Obligations collectable on call	181 650	219 480
Other	48	165 408
Total receivables on behalf of clients	181 698	384 888

4.12. Obligations to clients

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Obligations collectable on call	37 204 765	24 289 010
Other	1 849 518	1 405 664
Total receivables on behalf of clients	39 054 283	25 694 674

4.13. Other liabilities

	(thousands CZK)	
	31. 12. 2014	31. 12. 2013
Negative real value of open derivatives (FX swap)	501	278
Outgoing payments	446 082	200 435
Obligations to security markets	943	35 301
Obligations to employees	2 314	1 704
Estimated liability entries	21 674	16 109
Obligations to the government budget	3 338	1 747
Domestic suppliers	33 995	31 726
International suppliers	3 851	4 013
Unidentified deposits	4 855	4 913
Other	13 805	20 902
Other liabilities, total	531 358	317 128

Negative real value of open derivatives is based on the receivable from fixed term operations in the amount of CZK 177 314 thousand (2013: CZK 11 277 thousand) and from a payable in the amount of CZK 177 815 thousand (2013: CZK 11 555 thousand).

Due obligations in respect to social and health insurance

The total obligations in respect to social security insurance and contributions to the government's employment policy amounted to CZK 987 thousand as of 31st December 2014 (CZK 728 thousand as of 31st December 2013). The company does not have any overdue obligations in respect to social security insurance and contributions to the government's employment policy.

The total due obligations in respect to public health insurance amounted to CZK 412 thousand as of 31st December 2014 (CZK 309 thousand as of 31st December 2013). The company has no overdue obligations in respect to public health insurance.

4.14. Reserves

The reserve as of 31st December 2014 in the amount of CZK 14 824 thousand (31st December 2013: CZK 11 085 thousand) is made by the income tax reserve in the amount of CZK 11 175 thousand, the reserve for possible loss from deposited amounts at financial instrument trader (CZK 2 055 thousand), the reserve for yet untaken holiday (CZK 1 055 thousand) and the costs of legal proceedings (CZK 539 thousand).

4.15. Subordinate commitments

The company registers a subordinate commitment of CZK 90 000 thousand as of 31st December 2014 (2014: CZK 90 000 thousand). This commitment yields the interest of 15% p. a.

4.16. Own equity

The company's registered capital is composed of 760,000 common shares with a nominal value of CZK 1,000.

As of 31st December 2014, CZK 760,000 thousand was paid.
The registered capital was paid in full as of 19.12.2014.

In 2014 own equity was increased by emission of 200 000 shares in nominal value of CZK 1,000.

As of 31st December 2014 and 31st December 2013, the company had none of its own shares in its possession.

Allocation of profit (loss)

In a decision taken by the sole shareholder acting in the capacity of the Company's general meeting, the following allocation of profits for 2013 and 2013 was approved:

	(thousands CZK)	
	2014	2013
Retained earnings from previous periods at the beginning of the period	155 827	95 558
Economic result (profit/loss) for the previous accounting period	36 169	63 441
Allocation to reserves	0	-3 172
Dissolution of reserve fund	10 626	0
Retained earnings from previous periods at the end of the period	202 622	155 827

Decision on distribution of profits for current accounting period has not been made as of the date of publication of final accounts of the company.

4.17. Interest earnings and costs

	(thousands CZK)	
	2014	2013
Interest from deposits provided to other banks	6 311	5 040
Interest from credits granted to clients	495 019	432 199
Interest from debt securities	101 527	111 100
Other interest	5	3
Earnings from interest and similar earnings	602 862	548 342
Interest from credits received from other banks	38 035	37 423
Interest from debt securities	22 799	21 862
Interest from subordinate debt	13 500	12 522
Other interest and interest related fees	273 224	256 057
Interest costs and similar costs	347 558	327 864
Net interest earnings	255 304	220 478

For the year 2014 the amount of unclaimed late payment interest from bad receivables was CZK 15 261 thousand (0 for the year 2013).

4.18. Fees and commission

	(thousands CZK)	
	2014	2013
Fees from securities operations	87 526	93 304
Fees from other investment services	12 417	9 650
Fees from clients' accounts and credits	135 999	110 635
Fees from card associations	87 650	42 394
Earnings from fees and commissions, total	323 592	255 983
For making payments and card operations	36 640	35 850
For securities operations	33 936	31 718
Costs of fees and commissions, total	70 576	67 568
Net earnings from fees and commissions	253 016	188 415

4.19. Profit or loss from financial operations

	(thousands CZK)	
	2014	2013
Profit (loss) from securities	22 355	1 485
Profit from exchange rate differences	165 518	147 945
Profit (loss) from currency derivatives	67 156	-3 644
Profit (loss) from other operations	0	-2 586
Net profit or loss from financial operations	255 029	143 200

4.20. Other operating costs

Other operating costs in the value of CZK 52 172 thousand (2013: CZK 35 168 thousand) include particularly contributions towards the Securities Trader Guarantee Fund and Deposit Insurance Fund. The costs of the Securities Trader Guarantee Fund are CZK 1 975 thousand for 2014 (2013: CZK 1 935 thousand). The costs of the Fund and Deposit Insurance Fund are CZK 50 196 thousand for 2014 (2013: CZK 33 108 thousand).

4.21. Administration costs

	(thousands CZK)	
	2014	2013
Salaries and remuneration	23 705	21 066
Social security costs and health insurance	7 903	7 108
Other employee costs	730	571
Personnel costs and remuneration	32 338	28 745
Audits	1 875	1 799
Rent	46 728	40 918
Postage	960	2 319
Advertising	75 574	46 615
Sources of information	18 402	26 884
Outsourced services	119 573	119 167
Other purchased services	166 390	128 284
Other administrative costs	429 502	365 986
Administration costs, total	461 840	394 731

4.22. Taxation

Due income tax

The company's economic result for the accounting period ending 31st December 2014 was a pre-tax profit amounting to CZK 51 704 thousand (2013: profit CZK 44 257 thousand)

The modification of the economic result for regular operations before taxation of the tax base is contained in the chart below:

	(thousands CZK)	
	2014	2013
Pre-tax profit/loss	51 704	44 257
Non tax-deductible costs	14 049	7 819
Earnings not subject to taxation	6 795	9 218
Donations	50	50
Tax base	58 908	42 808
Tax discounts	18	18
Modification of tax due from previous years	391	0
Due taxes, total	11 566	8 116
Change to status of deferred taxes	-357	-28
Total	11 209	8 088

Deferred tax

As stated in Art. 3.10. of the annex, as of the balance sheet date of 31st December 2014 the company registers a temporary difference in the tax and accounting residual value of fixed tangible assets and reserves for unused holiday time. As of 31st December 2014, the company registers a deferred tax payable amounting to CZK 635 thousand (2013: CZK 993 thousand).

4.23. Off-balance sheet operations

The company has the following on off balance accounts:

- Securities received for management
- Securities received into custody, administration and storage; this represents the real value of the securities stored as of the balance sheet date on the accounts of the company's clients
- Collateral of granted credits
- Collateral of credits from REPO transactions
- Nominal value of open derivatives – receivables and obligations from currency swaps
- Unused credits.

4.24. Average number of employees and members of the supervisory board

	(údaje v ks)	
	2014	2013
Employees	71	59
Members of the Board of Directors thereof	3	3
Members of the Supervisory Board	3	3

5. Relations with allied entities

Relations with allied entitled within the Fio group.

31. 12. 2014

	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio družstevní záložna	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fioo.c.p., a.s.
Receivables on behalf of banks and credit unions	0	0	78 367	0	0
Other assets	200 157	0	0	0	73
TOTAL ASSETS	200 157	0	78 367	0	73
Obligations to banks and credit unions	0	0	107 096	0	0
Other liabilities	44 691	0	0	605	1 800
TOTAL LIABILITIES	44 691	0	107 096	605	1 800

(thousands CZK)

31. 12. 2013

	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio družstevní záložna	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fioo.c.p., a.s.
Receivables on behalf of banks and credit unions	0	0	54 527	0	0
Other assets	200 000	0	0	0	115 153
TOTAL ASSETS	200 000	0	54 527	0	115 153
Obligations to banks and credit unions	0	527	148 322	0	0
Other liabilities	43 478	0	0	181	189 337
TOTAL LIABILITIES	43 478	527	148 322	181	189 337

(thousands CZK)

1. 1. - 31. 12. 2014

	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio družstevní záložna	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fio o.c.p., a.s.
Interest earnings	0	0	273	0	2 660
Interest costs	-83	0	0	0	0
Fee and commission earnings	4	0	1	0	102
Fee and commission costs	-9 119	0	0	0	0
Profit/loss from financial operations	0	0	0	0	-662
Other operating revenues	0	0	0	0	0
Administration costs	-2 986	0	0	-122 235	-482
TOTAL	-12 184	0	274	-122 235	1 619

(thousands CZK)

1. 1. - 31. 12. 2013

	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio družstevní záložna	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fio o.c.p., a.s.
Interest earnings	0	0	272	0	2 423
Interest costs	- 146	0	0	0	0
Fee and commission earnings	5	0	1	0	360
Fee and commission costs	-11 256	0	1	0	0
Profit/loss from financial operations	0	0	0	0	-3 770
Other operating revenues	0	0	0	0	0
Administration costs	-7 907	0	0	-105 339	- 745
TOTAL	-19 304	0	272	-105 339	1 732

(thousands CZK)

Overall credits, which the bank provided to members of the supervisory board and members of the board as of 31st December 2014 reached CZK 1 154 239 thousand (CZK 1 151 666 thousand in 2013). These represent credits for purchase of state bonds.

6. Risk management

6.1. Bank risk management

The bank manages risks it is faced with particularly in the following ways:

- by identifying the undertaken risks
- by analysis, quantification and regular monitoring of the undertaken risks
- by evaluating the risk of carried out trades and the way of their approval
- by determining limits on the extent of its expositions towards counterparties
- by putting effort into the minimisation trade risks, e.g. by using collateral
- by approving new products
- by strictly separating risk management and other commercial activities of the bank.

6.2. Market risks

These are risks that arise particularly from fluctuations of prices, interest rates and exchange rates of financial instruments on individual markets.

The primary tool to manage market risks is VaR (Value at risk) and stress testing. VaR is regularly tested based upon real results so that the model validity is verified. Hypothetical as well as historical situations are used to create stress situations. The individual risks with a specified procedure of their management.

6.2.1. Liquidity risk

The bank includes individual entries of assets and obligations in time zones in accordance with their residual maturity. The selected structure of time zones corresponds with the requirement of generally binding legislation and the regulator.

The bank reduces the risk of liquidity, particularly by keeping sufficient reserve of fast liquid assets.

The risk management regularly – at least once every three months, carries out the analysis of the assets and liabilities structure as well as cash flow; potential increase of liquidity risk is identified within the analysis.

The main sources of ready liquidity are deposits by cooperating banks, the Czech National Bank and governmental bonds of the Czech Republic.

6.2.2. Monetary (currency) risk

The positions in currency tools result from the Bank's assets and liabilities structure. The Bank has foreign currencies at its own positions, since it provides its clients with services in foreign currencies as well.

The risk management determines volume limits for open positions in individual currencies and the VaR limit for the currency portfolio.

Collateral currency operations are used to meet the determined standards.

When calculating risks using VaR, the level of reliability of 99% is used as well as the keeping interval of 1D and 1Y. The similarity of the statistic division of changes in market variables with a regular division is assumed. The principle of time independence is accepted when calculating amongst the individual intervals. VaR is calculated exponentially by a historical method using a historical period of previous 100 trade days.

6.2.3. Interest risk

The interest risk represents a risk of changes in the value of the financial tool as a result of changes in market interest rates. The period, which the interest rate is fixed for, indicates to what extent the particular tool is subjected to interest rates risk.

The Bank keeps a stable structure of assets and liabilities both sensible and insensible to interest. Possible discrepancies are managed using changes in the way of interest bearing of assets and liabilities.

To observe the level of using interest rates not determined by the Bank and the level of the interest risk taken the Gap analysis is used, when the assets and liabilities sensible to interest are divided into 7 time groups. Stress situations when the parallel shift of the yield curve occurs are also used. These analyses take place every quarter.

6.2.4. Trading on its own account

The bank is currently purchasing only debt securities of highly creditworthy counterparties for its business portfolio. These are governmental bonds in particular, as well as companies with investment rating. The risk of these trades is limited by the determined limits and is regularly observed the the Risk Management Department.

6.2.5. Credit risk

The credit risk means a risk arising from the counterparty's failure to meet its obligations under terms of contract.

The Bank observes the credit risk overall for all balance sheet and off-balance sheet positions.

Typical procedures for risk reduction:

A credit applicant is evaluated upon an assessment of several criteria, particularly his/her property situation, income earned during previous periods, the ability to pay the credit in the future, business plan, purpose of the credit and the value of proposed collateral. As far as the entrepreneurial credits are concerned, financial statements for several previous years are required. The history of activities in Fio bank, or in other companies of the Fio financial group represents another criterion.

The most liquid Czech shares traded in the SPAD segment of Burza cenných papírů Praha, a.s. can particularly serve as the collateral. Observing the value of the collateral by these shares is governed by the internal regulation (the value of the collateral is observed every day). In other credit cases real property, liability, collateral promise, the debtor's collateral pledge with receivables to solvent business partners and other types of collateral. The collateral is usually not required in case of small overdraft credits.

The collateral classification is based upon an internal regulation and generally effective legislation, which determine the rules for classification of receivable and the bank's creation of adjustments. The creation of reserves and adjustments to receivables are based on an internal regulation, which considerably follows the Act No. 593/1992 Coll., on reserves for establishing the income tax base.

The Bank entered into agreements which provide a chance to transfer problematic receivables onto cooperating entities, if the bank considers it suitable.

The Bank tries to use all legal instruments in order to settle the receivables in a manner that the costs of recovering are not inadequate to the anticipated outcome.

The limits of the Bank's involvement are governed by generally effective legislation regarding the rules of credit involvement of a bank. The definition of economically connected group of entities in compliance with the Regulation No. 123/2007 Coll. is applied. This regulation also specifies the limits towards the debtor or the economically connected group of debtors as 25% of the bank's capital.

The Bank uses no credit derivatives in order to reduce the credit risk.

The Bank enters into relations with counterparties such as other banks or securities traders only if the Risk grants them non-zero line of credit. When determining the line of credit, the risk management follows rules specified by an internal regulation, arising particularly from the information on the registered and own capital of these financial institutions as well as the structure of assets, the quality of credit portfolio and credit collateral. Additionally, the risk management methods, claims of the counterparty's supervisory bodies and rating (if available) are also taken in consideration. The depositing limits are subsequently determined as a part of the counterparty's own capital.

6.3. Operating risks

The company defines the operating risk as a loss risk resulting from inadequacy or the failure of internal processes, persons, systems or owing to external events.

Basic procedures to reduce risk

The risk of human factor failure is reduced particularly by appropriate training of the relevant persons along with thorough checks.

The risk of loss or theft of the cash is managed through suitable safekeeping equipment (deposit box, safe, safe-deposit etc.), insurance policy, or by limiting the amount of cash as well as through inspections of the real amount of cash versus the filed amount.

The record-keeping and the obligation to inform about operating risk events are specified in the bank's regulations.

There is a special internal regulation for specifying risks, procedures and measures for the reduction of risks resulting from the use of information systems.

In its special internal directive, the Bank regulates the procedures and processes for the minimisation of risks arising from launching new products and services.

The Bank sets an updated extent of operating risks in compliance with the procedures mentioned the Regulation 123/2007 (Basel II) and at the same time it operating risk events and creates their database in order to be able use its own static modules for estimating the extent of the operating risk within a whole firm as well as for individual divisions in the future.

The Bank has some elaborated plans for maintaining the continuity of business operations for the case of unexpected interruption or limitation of its activities as a result of e.g. the failure of internal infrastructure; these plans are tested on a regular basis.

RESIDUAL MATURITY OF ASSETS AND LIABILITIES

31. 12. 2014

	(thousands CZK)						
	On call within 7 days	Within 3 months	Between 3 months to 1 year	Between 1 year to 5 years	Over 5 years	Unspecifie d	Total
Cash, deposits in central banks	8 137 313	1 200 024	0	0	0	0	9 337 337
Governmental non-coupon bonds	0	2 199 867	6 951 607	0	0	0	9 151 474
Bank and savings bank receivables	1 341 952	0	47 435	0	0	0	1 389 387
Client receivables	1 292 545	981 665	4 036 154	2 651 496	1 561 083	0	10 522 943
Debt securities	0	643 779	144 197	4 233 301	4 338 110	0	9 359 387
Shares, share fund certificates and other shares	0	0	0	0	0	100	100
Shares with decisive influence	0	0	0	0	0	171 012	171 012
Tangible and intangible fixed assets	0	0	0	0	0	16 052	16 052
Other assets	849 284	45 758	11 331	6 941		71	913 385
Registered capital receivables	0	0	0	0	0	0	0
Accrued costs and income	0	0	14 203	0	0	0	14 203
TOTAL ASSETS	11 621 094	5 071 093	11 204 927	6 891 738	5 899 193	187 235	40 875 280
Bank and savings bank receivables	181 650	48	0	0	0	0	181 698
Client receivables	37 592 468	709 323	461 387	291 105	0	0	39 054 283
Other liabilities	488 075	42 648	635	0	0	0	531 358
Reserves	0	0	12 230	0	0	2 594	14 824
Subordinated obligations	0	0	0	0	90 000	0	90 000
Equity	0	0	0	0	0	1 003 117	1 003 117
TOTAL LIABILITIES	38 262 193	752 019	474 252	291 105	90 000	1 005 711	40 875 280
Net liquid risk	-26 641 099	4 319 074	10 730 675	6 600 633	5 809 193	-818 476	0
Cumulative liquid risk	-26 641 099	-22 322 025	-11 591 350	-4 990 717	818 476	0	0

31. 12. 2013

	(thousands CZK)						
	On call within 7 days	Within 3 months	Between 3 months to 1 year	Between 1 year to 5 years	Over 5 years	Unspecifie d	Total
Cash, deposits in central banks	5 212 109	0	0	0	0	0	5 212 109
Governmental non-coupon bonds	0	1 899 759	1 965 644	0	0	0	3 865 403
Bank and savings bank receivables	1 743 302	0	104 493	21 407	0	0	1 869 202
Client receivables	600 498	1 099 254	4 020 273	2 414 918	1 073 221	0	9 208 164
Debt securities	0	85 795	621 907	3 733 770	1 766 544	0	6 208 016
Shares, share fund certificates and other shares	0	0	0	0	0	100	100
Shares with decisive influence	0	0	0	0	0	172 092	172 092
Tangible and intangible fixed assets	0	0	0	0	0	21 071	21 071
Other assets	631 125	35 529	8 454	0	0	0	675 108
Registered capital receivables	0	0	0	0	0	0	0
Accrued costs and income	0	0	29 132	0	0	0	29 132
TOTAL ASSETS	8 187 034	3 120 337	6 749 903	6 170 095	2 839 765	193 263	27 260 397
Bank and savings bank receivables	219 480	165 408	0	0	0	0	384 888
Client receivables	24 703 664	578 372	289 032	123 606	0	0	25 694 674
Other liabilities	276 770	39 365	993	0	0	0	317 128
Reserves	0	0	8 116	0	0	2 969	11 085
Subordinated obligations	0	0	0	0	90 000	0	90 000
Equity	0	0	0	0	0	762 622	762 622
TOTAL LIABILITIES	25 199 914	783 145	298 141	123 606	90 000	765 591	27 260 397
Net liquid risk	-17 012 880	2 337 192	6 451 762	6 046 489	2 749 765	-572 328	0
Cumulative liquid risk	-17 012 880	-14 675 688	-8 223 926	-2 177 437	572 328	0	0

7. ASSETS AND LIABILITIES CLASSIFIED BY CURRENCIES

31. 12. 2014

	(thousands CZK)				
	CZK	EUR	USD	Other	Total
Cash, deposits in central banks	9 285 202	48 509	3 621	5	9 337 337
Governmental non-coupon bonds	9 151 474	0	0	0	9 151 474
Bank and savings bank receivables	785 253	352 969	149 821	101 344	1 389 387
Client receivables	9 355 791	948 886	217 859	407	10 522 943
Debt securities	7 818 285	1 392 320	148 782	0	9 359 387
Shares, share fund certificates and other shares	100	0	0	0	100
Shares with decisive influence	121 782	49 230	0	0	171 012
Tangible and intangible fixed assets	16 052	0	0	0	16 052
Other assets	494 063	30 813	387 515	994	913 385
Registered capital receivables	0	0	0	0	0
Accrued costs and income	13 565	634	4	0	14 203
TOTAL ASSETS	37 041 567	2 823 361	907 602	102 750	40 875 280
Bank and savings bank receivables	144 949	25 487	11 262	0	181 698
Client receivables	32 997 788	4 553 710	1 406 189	96 596	39 054 283
Other liabilities	458 670	69 059	3 596	33	531 358
Reserves	12 769	0	2 055	0	14 824
Subordinated obligations	90 000	0	0	0	90 000
Equity	1 003 117	0	0	0	1 003 117
TOTAL LIABILITIES	34 707 293	4 648 256	1 423 102	96 629	40 875 280
Net liquid risk	2 334 274	-1 824 895	-515 500	6 121	0
Cumulative liquid risk	2 334 274	509 379	-6 121	0	0

31. 12. 2013

	(thousands CZK)				
	CZK	EUR	USD	Other	Total
Cash, deposits in central banks	4 737 355	472 346	2 395	13	5 212 109
Governmental non-coupon bonds	3 865 403	0	0	0	3 865 403
Bank and savings bank receivables	968 037	506 029	368 797	26 339	1 869 202
Client receivables	8 123 934	911 781	171 850	599	9 208 164
Debt securities	5 283 583	715 462	208 971	0	6 208 016
Shares, share fund certificates and other shares	100	0	0	0	100
Shares with decisive influence	118 618	53 474	0	0	172 092
Tangible and intangible fixed assets	21 071	0	0	0	21 071
Other assets	350 156	13 837	310 289	826	675 108
Registered capital receivables	0	0	0	0	0
Accrued costs and income	28 966	166	0	0	29 132
TOTAL ASSETS	23 497 223	2 673 095	1 062 302	27 777	27 260 397
Bank and savings bank receivables	353 500	9 419	21 969	0	384 888
Client receivables	22 025 341	2 603 660	1 040 786	24 887	25 694 674
Other liabilities	262 718	43 074	9 731	1 605	317 128
Reserves	9 361	0	1 724	0	11 085
Subordinated obligations	90 000	0	0	0	90 000
Equity	762 622	0	0	0	762 622
TOTAL LIABILITIES	23 503 542	2 656 153	1 074 210	26 492	27 260 397
Net liquid risk	-6 319	16 942	-11 908	1 285	0
Cumulative liquid risk	-6 319	10 623	-1 285	0	0

8. INTEREST RATE ANALYSIS

31. 12. 2014

	(thousands CZK)					
	Within 3 months	Between 3 months to 1 year	Between 1 year to 5 years	Over 5 years	Unspecified	Total
Cash, deposits in central banks	9 337 337	0	0	0	0	9 337 337
Governmental non-coupon bonds	2 199 867	6 951 607	0	0	0	9 151 474
Bank and savings bank receivables	1 341 952	47 435	0	0	0	1 389 387
Client receivables	2 274 210	7 880 108	355 513	13 112	0	10 522 943
Debt securities	1 522 624	6 956 953	772 642	107 168	0	9 359 387
Shares, share fund certificates and other shares	0	0	0	0	100	100
Shares with decisive influence	0	0	0	0	171 012	171 012
Tangible and intangible fixed assets	0	0	0	0	16 052	16 052
Other assets	895 042	11 331	6 941	0	71	913 385
Registered capital receivables	0	0	0	0	0	0
Accrued costs and income	0	14 203	0	0	0	14 203
TOTAL ASSETS	17 571 032	21 861 637	1 135 096	120 280	187 235	40 875 280
Bank and savings bank receivables	181 698	0	0	0	0	181 698
Client receivables	38 847 737	173 633	32 913	0	0	39 054 283
Other liabilities	530 723	635	0	0	0	531 358
Reserves	0	12 230	0	0	2 594	14 824
Subordinated obligations	0	0	0	90 000	0	90 000
Equity	0	0	0	0	1 003 117	1 003 117
TOTAL LIABILITIES	39 560 158	186 498	32 913	90 000	1 005 711	40 875 280
Net liquid risk	-21 989 126	21 675 139	1 102 183	30 280	-818 476	0
Cumulative liquid risk	-21 989 126	-313 987	788 196	818 476	0	0

31. 12. 2013

	(thousands CZK)					
	Within 3 months	Between 3 months to 1 year	Between 1 year to 5 years	Over 5 years	Unspecified	Total
Cash, deposits in central banks	5 212 109	0	0	0	0	5 212 109
Governmental non-coupon bonds	0	1 899 759	1 965 644	0	0	3 865 403
Bank and savings bank receivables	1 743 302	104 493	21 407	0	0	1 869 202
Client receivables	1 818 046	7 158 839	214 116	17 163	0	9 208 164
Debt securities	85 795	621 907	3 733 770	1 766 544	0	6 208 016
Shares, share fund certificates and other shares	0	0	0	0	100	100
Shares with decisive influence	0	0	0	0	172 092	172 092
Tangible and intangible fixed assets	0	0	0	0	21 071	21 071
Other assets	666 654	8 454	0	0	0	675 108
Registered capital receivables	0	0	0	0	0	0
Accrued costs and income	0	0	0	0	29 132	29 132
TOTAL ASSETS	9 525 906	9 793 452	5 934 937	1 783 707	222 395	27 260 397
Bank and savings bank receivables	384 888	0	0	0	0	384 888
Client receivables	25 282 036	289 032	123 606	0	0	25 694 674
Other liabilities	316 135	993	0	0	0	317 128
Reserves	0	8 116	0	0	2 969	11 085
Subordinated obligations	0	0	0	90 000	0	90 000
Equity	0	0	0	0	762 622	762 622
TOTAL LIABILITIES	25 983 059	298 141	123 606	90 000	765 591	27 260 397
Net liquid risk	-16 457 153	9 495 311	5 811 331	1 693 707	-543 196	0
Cumulative liquid risk	-16 457 153	-6 961 842	-1 150 511	543 196	0	0

9. MAJOR EVENTS AFTER THE DATE OF FINANCIAL STATEMENT

Following the date of final accounts there were the following changes in the commercial register.

Board of directors

As of 25 March 2015 Ing. Jan Bláha and Ing. Marek Polka became members of the Board of directors.

As of 10 February 2015 Ing. David Hybeš resigned from the Board of directors.

Supervisory board

As of 21 January 2015 RNDr. Petr Marsa was appointed chairman of the Supervisory board.

As of 21 January 2015 Mgr. Romuald Kopún was appointed vice chairman of the Supervisory board.

IV. Information on capital

Information regarding capital, credit requirements and ratio indicators

(Data made public in accordance with § 102 paragraph 1 of Decree number 163/2014 Coll.)

In 2014 new legal regulations concerning capital adequacy came into force (e.g. Basel III - Capital Requirements Regulation – CRR – EU decree concerning capital adequacy of credit institutions and investment companies number 575/2013 (Capital Requirements Regulation – CRR), respectively the Decree of the Czech National Bank (CZNB) number 163/2014 Coll. However as far as Fio banka is concerned the adjustments are not important.

Information about capital on an individual basis as of 31. 12. 2014 (CZK thousands)

Core capital tier 1: tools and reserves		
1	Capital tools and related share premium = Paid own capital	760 000
2	Retained earnings	202 621
6	Core capital tier 1 before normative adjustments	962 621
Core capital tier 1: normative adjustments		
8	Intangible assets (decreased by related tax obligations) (negative value)	-2 679
28	Normative adjustments of core capital tier 1 – total	-2 679
29	Core capital – tier 1	959 942
44	Auxiliary capital – tier 1	
45	Capital tier 1 = Core capital tier 1 + Auxiliary capital tier 1	959 942
Capital tier 2: tools and items		
46	Capital tools and related share premium = Subordinate debt	90 000
57	Normative adjustments of capital tier 2 total	
58	Capital tier 2	90 000
59	Total capital = capital tier 1 + capital tier 2	1 049 942

Information about capital requirements on individual basis as of 31. 12. 2014 (v thousands CZK)

Fio banka uses a standard method for calculation of capital requirements based on credit risk.

credit risk – 8 % volume of risk exposures (per each category) specified in section 112	Exposures against central governments and central banks	0
	Exposures against regional governments or local authorities	
	Exposures against public sector authorities	
	Exposures against international development banks	
	Exposures against international organizations	
	Exposures against institutions	51 952
	Exposures against companies	507 466
	Retail exposures	3 604
	Exposures secured by property	17 681
	Exposures in default	
	Exposures related with extremely high risk	
	Exposures in secured bonds	
	Items representing secured positions	
	Exposures against institutions and businesses with short term credit assessment	
	Exposures in share units or shares (stocks) in collective investment entities	
	Share exposures	
Other items	14 830	
capital requirements calculated based on section 92 paragraph 3 letters b) and c)	to position risk	15 568
	For important exposures exceeding limits specified in sections 395 to 401 if the institution is allowed to exceed these limits	
	to currency (monetary) risk	2 702
	to settlement risk	
	to commodity risk	
pursuant to section III chapter 2 – to operating risk		65 056
TOTAL		678 859

Capital ratios as of 31. 12. 2014 (as a percentage of risk exposition)

61	Core capital tier 1	11.31%
62	Capital tier 1	11.31%
63	Total capital	12.37%

Corresponding data for previous year (2013):

Pursuant to Basel II rules – § 213 paragraph 2 of the Decree number 123/2007 Coll.

Capital (Σ) – as of 31.12.2013	1	811916
Original capital (Tier 1) (Σ)	2	721916
Paid registered capital registered in the Commercial Register	3	560000
Own shares	4	
Issue premium	5	
Reserve funds and retained earnings (Σ)	6	166452
Mandatory reserve funds	7	10626
Other funds from distributed earnings	8	
Retained earnings from previous periods	9	155826
After-tax profit for the accounting period	10	
Uncompensated loss from previous periods	11	
Final exchange rate differences from consolidation	12	
Profit for the regular accounting period	13	
Loss for the regular accounting period	14	
Net profit from capitalisation of future income from securitization	15	
Profit/loss from revaluating obligations in real value in respect to credit risk	16	
Other exemptions from the original capital (Σ)	17	-4536
Goodwill	18	84
Intangible assets other than goodwill	19	-4620
Negative revaluation reserve from changes in the real value of implemented capital instruments	20	
Participatory notes issued by an entity with qualified share in the bank	21	
Total hybrid items (Σ)	22	
Hybrid items included in initial equity	23	
Hybrid items included in initial equity (up to 35%)	24	
Hybrid items included in initial equity (up to 15%)	25	
Additional capital (Tier 2) (Σ)	26	90000
Main additional capital (Σ)	27	
Surplus in covering expected loan losses at IRB	28	
Hybrid item limit exceeding	29	
Auxiliary additional capital (Σ)	30	90000
Subordinated debt A	31	90000
Positive revaluation reserve from changes in the real value of shares and share fund certificates	32	
Exemptions from the original and additional capital (Tier1+Tier2) (Σ)	33	
Capital investments over 10% into banks and other financial institutions	34	
Capital investments over 10% into insurance companies	35	
Capital investments up to 10% into institutions and financial institutions	36	
Major prudential regulation during market revaluation or revaluation by a model	37	
Securitization exposure with a risk weight of 1250%	38	

Capital requirements, total (Σ) – as of 31.12.2013	1	594085
Capital requirements for credit risk, total (Σ)	2	531967
Capital requirements for credit risk during STA, total (Σ)	3	531967
Capital requirements for credit risk to exposures during STA, total (Σ)	4	531967
Capital requirement to exposures against central governments and banks during STA	5	0

Capital requirement to exposures against regional governments and local authorities during STA	6	
Capital requirement to exposures against public sector authorities and others during STA	7	
Capital requirement to exposures against international development banks during STA	8	
Capital requirement to exposures against international organizations during STA	9	
Capital requirement to exposures against institutions during STA	10	64437
Capital requirement to business exposures during STA	11	439880
Capital requirement to retail exposures during STA	12	1874
Capital requirement to exposures secured by real estate during STA	13	11374
Capital requirement to exposures in arrears during STA	14	
Capital requirement to regulatory high risk exposures during STA	15	
Capital requirement to exposures in covered bonds during STA	16	
Capital requirement to exposures against institutions and business exposures during STA	17	
Capital requirement to exposures against collective investment funds during STA	18	
Capital requirement to other exposures during STA	19	14402
Capital requirements for credit risk at IRB to exposures during STA, total (Σ)	20	
Capital requirement at IRB to exposures against central governments and banks during STA	21	
Capital requirement at IRB to exposures against institutions during STA	22	
Capital requirement at IRB to business exposures during STA	23	
Capital requirement at IRB to retail exposures during STA	24	
Capital requirement at IRB to share exposures during STA	25	
Capital requirement at IRB to other exposures during STA	26	
Capital requirement during STA to credit risk to securitized exposures	27	
Capital requirements for credit risk during IRB, total (Σ)	28	
Capital requirements for credit risk during IRB to selected exposures, total (Σ)	29	
Capital requirement during IRB to exposures against central governments and banks	30	
Capital requirement during IRB to exposures against institutions	31	
Capital requirement during IRB to business exposures	32	
Capital requirement during IRB to retail exposures	33	
Capital requirement to credit risk during IRB to stock exposures	34	
Capital requirement to credit risk during IRB to securitized exposures	35	
Capital requirement to credit risk during IRB to other exposures	36	
Capital requirement to settlement risk	37	
Capital requirement to rank, currency and commodity risk, total (Σ)	38	15183
Capital requirements for market risk during standardized approach (STA), total (Σ)	39	15183
Capital requirement to interest rate risk during STA	40	12303
Capital requirement to share risk during STA	41	
Capital requirements to currency risk during STA	42	2880
Capital requirement to commodity risk during STA	43	
Capital requirement to market risk using own model-based approach	44	
Capital requirement to operational risk, total (Σ)	45	46935
Capital requirement to operational risk during BIA	46	46935
Capital requirement to operational risk during TSA	47	

Capital requirement to operational risk during ASA	48	
Capital requirement to operational risk during AMA	49	
Capital requirement to risk of business portfolio involvement	50	
Capital requirement to other business portfolio instruments	51	
Temporary capital requirement - evening up to Basel 1	52	

Capital adequacy as of 31.12.2013: 10.93 %

Ratio indicators

	as of 31. 12. 2014
Return on average assets (ROAA)	0,12%
Return on average equity (ROAE)	4,78%
Assets per employee in CZK	559 935
Administrative costs per employee in CZK	6 327
After-tax profit or loss per employee in CZK	555

Mandatory information to be made publicly available about the bank can be found at:
<http://www.fio.cz/o-nas/fio-banka>

V. Report on relations



The report on the relations between the controlling person and the controlled person and on relations between the latter and other persons controlled by the same controlling person (hereinafter referred to as "report on relations"), elaborated according to § 82 and subsequent of the Act number 90/2012 Coll. on commercial businesses.

This report concerns the company of Fio banka, a.s., registration number: 61858374, registered office at Praha 1, V Celnici 1028/10, POSTAL CODE 11721, registered in the Register of companies of the City Court in Prague, section B, inset 2704, **for a period of 1. 1. 2014 - 31. 12. 2014**

I. Structure of relations

1. Controlled person

Fio banka, a.s.

CRN: 61858374

Praha 1, V Celnici 1028/10, Postal code 11721

registered in the Register of companies of the City Court in Prague, section B, inset 2704

represented by the Chairman of the Board, Mgr. Jan Sochor and by a member of the Board, Mgr. Josef Valter,

(hereinafter referred to as "bank" or "controlled person")

2. Controlling person

Fio holding, a.s.

CRN : 60192763

registered office: 117 21 Praha 1, V Celnici 1028/10

registered in the Register of companies of the City Court in Prague, section B, inset 2270

company shareholders are RNDr. Petr Marsa and Mgr. Romuald Kopún, acting in agreement, who indirectly control the controlled person and are controlling persons

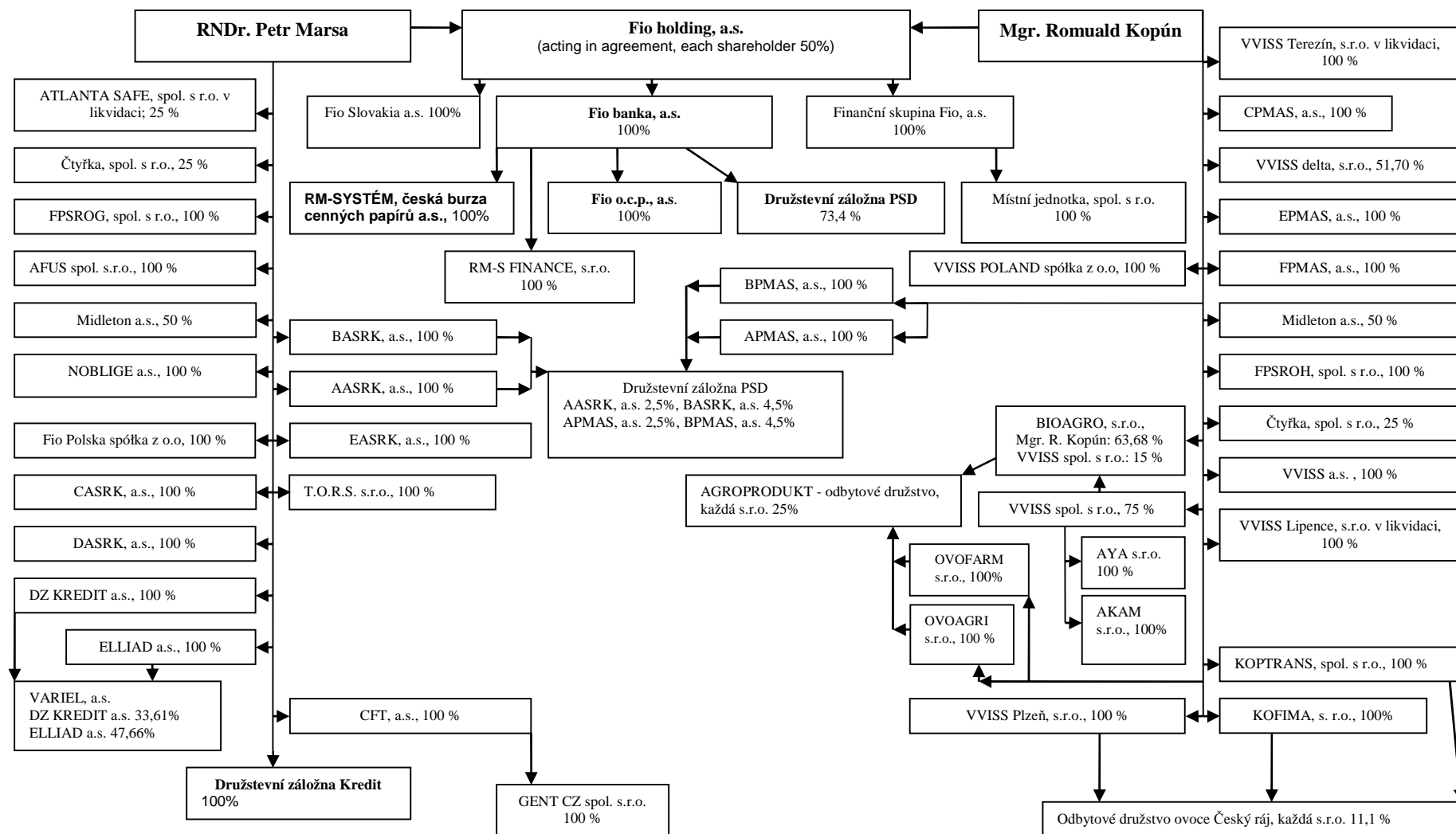
(hereinafter referred to as "controlling persons").

3. Entities controlled by the same controlling persons, RNDr. Petr Marsa and Mgr. Romuald Kopún

- AASRK, a.s., CRN: 28205367, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- AFUS, spol. s r.o., CRN: 27407748, Praha 1, Senovážné náměstí 977/24, POSTAL CODE 116 47,
- AGROPRODUKT-odbytové družstvo, CRN: 43903797, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- AKAM, s.r.o., CRN: 36037419, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- APMAS, a.s., CRN: 28206436, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- ATLANTA SAFE, spol. s r.o. „v likvidaci“, CRN: 14890658, Praha 2, Vocelova 3, POSTAL CODE 120 00,
- AYA, s.r.o., CRN: 35764716, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- BASRK, a.s., CRN: 28204107, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- BIOAGRO s.r.o., CRN: 36293318, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- BPMAS, a.s., CRN: 28212703, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- CASRK, a.s., CRN: 28207483, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- CFT, a.s., CRN: 61859079, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- CPMAS, a.s., CRN: 28211138, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Čtyřka, spol. s r.o., CRN: 44268866, Krynická 504, Praha 9, POSTAL CODE 182 00,
- DASRK, a.s., CRN: 282 12 711, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Družstevní záložna Kredit, CRN: 64946649, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Družstevní záložna PSD, CRN: 64946835, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- DZ KREDIT a.s., CRN: 25623184, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- EASRK, a.s., CRN: 28206576, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,

- ELLIAD a.s., CRN: 25623192, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- EPMAS, a.s., CRN: 28206517, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Finanční skupina Fio, a.s., CRN: 26761858, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Fio holding, a.s., CRN: 60192763, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Fio o.c.p., a.s., CRN: 35960990, Nám. SNP 21, Bratislava 811 01, SR,
- Fio Polska spółka z o.o, CRN: 140192608, Szpitalna 1/17, 00-020 Warszawa, PR,
- Fio Slovakia, a.s., CRN: 35828137, Kollárovo nám. 15, Bratislava 811 06,
- FPMAS, a.s., CRN: 282 11 502, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- FPSROG, spol. s r.o., CRN: 25718843, Praha I, V Celnici 1028/10, POSTAL CODE 117 21,
- FPSROH, spol. s r.o., CRN: 25738755, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- GENT CZ spol. s r.o., CRN: 48593753, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- KOFIMA, s. r.o., CRN: 25269241, Praha 9, Kolmá 5/597, POSTAL CODE 190 00,
- KOPTRANS, spol. s r. o., CRN: 46577335, Praha 9, Kolmá 5/597, POSTAL CODE 190 00,
- Middleton a.s., CRN: 35942177, Nám. SNP 21, Bratislava 811 01, SR,
- Místní jednotka, spol. s r.o., CRN: 27589587, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- NOBLIGE a.s., CRN: 26145090, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- Odbytové družstvo ovoce Český ráj, CRN: 27651347, Praha 9, Vysočany, Kolmá 5/597, POSTAL CODE 190 00,
- OVOAGRI s.r.o., CRN: 36463388, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- OVOFARM s.r.o., CRN:36015067, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- RM-S FINANCE, s.r.o., CRN: 62915240, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21,
- RM-SYSTÉM, česká burza cenných papírů a.s., CRN: 471 16 404, Praha 1 - Nové Město, V Celnici 1028/10, POSTAL CODE 117 21
- T.O.R.S. s.r.o., CRN: 49682024, Praha 1, V Celnici 1028/10, POSTAL CODE 117 21
- VARIEL, a.s., CRN: 45148287, Zruč nad Sázavou, Průmyslová 1034, POSTAL CODE 285 22,
- VVISS a.s., CRN: 48585131, Praha 9, Kolmá 5/597, POSTAL CODE 190 00,
- VVISS delta, s.r.o., CRN: 36015105, Madunice, Kostolanská 2/540, POSTAL CODE 922 42, SR,
- VVISS Lipence, s.r.o. v likvidaci, CRN: 64581314, Praha 9, Kolmá 5/597, POSTAL CODE 190 00,
- VVISS Plzeň, s.r.o., CRN: 64581331, Praha 9, Kolmá 5/597, POSTAL CODE 190 00,
- VVISS POLAND spółka z o.o, Cisownica 72, Goina, Goleiszów,
- VVISS spol. s r.o., CRN: 30229529, Kostolanská 2/540, Madunice POSTAL CODE 922 42, SR,
- VVISS Terezín, s.r.o. v likvidaci, CRN: 25125931, Praha 9, Kolmá 5/597, POSTAL CODE 190 00.

4. Graphic display of structure of relations between persons controlled by RNDr. Petr Marsa and Mgr. Romuald Kopún



II. Role of controlled person

Controlled person, as a provider of payment and banking services enters into business relationships with entities being part of the group of controlled persons, mainly with the company RM-S Finance, s.r.o., which is a contractual representative of a bank and with PSD credit union, companies Fio o.c.p., a.s. and RM-SYSTÉM, česká burza cenných papírů a.s. with which the bank co-operates in provision of banking services and securities trading services.

All other companies within the group, which are controlled by the bank, are provided standard banking service and other services, which the bank is authorized to provide as securities trader.

III. Way of controlling

1. The bank is directly controlled by Fio holding, a.s. entity, which owns 100% of the shares of the bank.
2. The bank is indirectly controlled by sole shareholders of Fio holding, a.s. company, RNDr. Petr Marsa and Mgr. Romuald Kopún, who act in agreement and indirectly control the controlled person and represent controlling person.

IV. Contracts entered into before the accounting period of 2014, which were still effective in 2014

1. Contracts between controlling persons and controlled person

a) Contracts, entered into before 1.1.2014, still effective as of 31.12.2014

Mgr. Romuald Kopún

Credit provision contract number 131000091
Credit provision contract number 131000078
Credit provision contract number 131000105
Credit provision contract number 131000119

RNDr. Petr Marsa

Credit provision contract number 131000093
Credit provision contract number 131000107
Credit provision contract number 131000121

b) Contracts entered into in 2014

Fio holding, a.s.

Share underwriting contract

2. Contracts between the controlled person and persons controlled by the same controlling persons

a) Contracts entered into before 1.1.2014, still effective as of 31.12.2014

RM-SYSTÉM, česká burza cenných papírů a.s. (hereinafter referred to as „Czech Securities Market“):

- a) Contract of participation in transaction processing system
- b) Contract regulating conditions for operations of a market maker
- c) Contract for representation of RM-SYSTÉM, česká burza cenných papírů a.s. upon registration of clients
- d) Contract for special validation method
- e) Reinsurance contract
- f) Contract on mutual cooperation upon verification of technical and software solution of services

- g) Contract for use of current account for securities trading in RM-SYSTEM, česká burza cenných papírů a.s.
- h) Sublease agreement
- i) Contract on defining rights and obligations resulting from the membership in VAT group registration
- j) Contract for current account number 1
- k) Contract for current account number 2
- l) Contract for current account number 3
- m) Contract for current account number 4
- n) Contract for EUR account
- o) Contract for USD account
- p) Contract for access to the market of Česká burza (Czech Securities Market)
- q) Transaction reporting contract
- r) Contract for use of CSOB account for clearance of securities trading on the market of Česká burza (Czech Securities Market)
- s) Contract on arranging for internal audit
- t) Contract on arranging for compliance activities

Družstevní záložna PSD:

- a) Account Administration Agreement
- b) Cooperation Agreement
- c) Contract on defining rights and obligations resulting from the membership in VAT group registration.

RMS-Finance s.r.o.

- a) Agency Agreement
- b) Contract on defining rights and obligations resulting from the membership in VAT group registration
- c) Contract for administration and development of information system and other information and communication equipment.

Fio o.c.p., a.s.

- a) Remuneration Agreement
- b) Currency SWAP Agreement
- c) Contract for current account
- d) Contract on arranging for internal audit.

Fio holding, a.s.

Share subscription agreement.

VVISS, a.s.

Contract on defining rights and obligations resulting from the membership in VAT group registration.

b) Contracts entered into in 2014

Fio o.c.p., a.s.

Agreement on acquisition of part of business.
Agreement on monetary SWAP.

V. Overview of acts committed in the last accounting period, which were committed by or on behalf of the controlling person or persons controlled by this controlling person and

which concerned more than 10% of the own equity of the controlled person based on the last accounting period.

During the accounting period, no other legal actions and measures were taken and performances and considerations carried out by the bank on behalf of or at the suggestion of the controlling person and the persons controlled by the controlling person.

The bank did not suffer in any way from being a controlled person. All relations between the controlled person and controlling person and between the controlled person and persons controlled by controlling persons were executed in accordance with applicable legal regulations.

VI. Evaluation of advantages and disadvantages with respect to being a controlled/controlling person

As far as the fact that the bank is a controlled person, this situation has more advantages than drawbacks for the bank, mainly due to the fact that the bank is controlled by two natural persons, which ensures stability in decision making processes.

Controlled companies cooperate mainly in credit syndication and in mediation of bank services, both payment and investment ones. The controlled persons are not in competition with respect of their services and therefore such situation has no negative impact on their market position and management of concerned companies has enough space for maximum exploitation of market potential in the respective area of business.

In Prague, 30 March 2015

Mgr, Jan Sochor
Chairman of the Board
Fio banka, a.s.

Mgr. Josef Valter
Member of the Board
Fio banka, a.s.