

Annual Report 2015



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I. General section

Introduction

Ladies and Gentlemen,

In your hands, you are just holding the 2015 Annual Report of Fio banka. Throughout the year we continued to focus on further growth of number of clients and products we offer, as well as on improvement of existing services. This is why we introduced a new version of internet banking at the beginning of the year.

This resulted not only in more advanced interface and intuitive control but also in change of used technology, which ensures a higher stability of the application. In order to make account control even easier, smart banking now supports the TouchID functionality on Apple phones. Account opening for new clients has also become much easier thanks to new electronic account opening service, which allows the clients open a bank account without any paperwork or visit of a branch.

In May we celebrated the fifth anniversary from being awarded the bank licence and we also broke the barrier of five hundred thousand clients, who benefit from our banking or investment services. Since 2013 the number of our clients has risen by more than one hundred thousand per year.

In July Fio banka increased its total balance sheet to CZK 50 billion, which means that it no longer falls into small bank category but into medium bank category.

At the end of the year, in co-operation with RM-SYSTÉM, česká burza cenných papírů a.s. company, we introduced seven prestigious foreign stock emissions on the stock market – Facebook, Twitter, a leading technology company Alphabet (Google), Deutsche Bank, German car maker Daimler and AVG company, a major player on worldwide security software market, which has its origins in the Czech Republic. We want our clients to be able to trade this stock in Czech korunas.

On the other hand some of our projects proved to be more demanding than we expected and this is why they will be introduced at the beginning of 2016. This mainly concerns NFC cards, POS terminals and e-commerce services.

Nevertheless, I can look back at the past year with a clean conscience and a sense of a job well done.

I wish you a good read of this Annual Report whether you are reading it as a client, potential client or for any other reason.

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 2015, 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 six 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 2015, 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, RM-SYSTÉM, česká burza cenných papírů a.s., Company Registration Number: 47116404, V Celnici 1028/10, Postcode: 11721, Czech Republic, RM-S FINANCE, s.r.o., Company Registration Number: 62915240, V Celnici 1028/10, Postcode: 11721, Czech Republic, Fio Slovakia, a.s., Company Registration Number: 35828137, Kollárovo nám. 15, Bratislava 811 06, Slovak Republic and Fio forexová, s.r.o., Company Registration Number: 27589587, 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.) and as of 31 December 2014, it has been 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. 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 2015 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 107 thousand to reach the total of 504 thousand. Including the investment banking clients the bank reached a total of 555 thousand clients by the end of 2015.

At the end of 2015 the balance sheet total reached 57.6 billion CZK, which is up by 40% in a year over year comparison. The liabilities to clients went up from 39.1 billion CZK to 55.3 billion CZK. Total interest income reached 497 million CZK, which is down by 17%. The decrease was caused by overall decrease of interest rates on the market, which affected both interest income as well as interest costs. Net interest income grew from 255 million CZK to 361.2 million CZK. On the other hand, adjusting entries and reserves grew from 192.7 million CZK to 361.2 million CZK. These major changes were caused by changes of the behavior of the bank with respect to loans in default. Despite the zero banking charge policy the bank managed to maintain a positive net income of 92.2 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), which proved to be a successful step. In January 2015 the new generation of internet banking was introduced to clients, which comes not only with a brand new design but also with a brand new technology.

Fio banka acts on the market as a low-cost bank for clients and wishes to keep this business model and continue acquisition of new clients.

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 new branches were opened (one in Prague – Opatovská and one in Slovakia – Nové Zámky). Branches in Přerov and Děčín were moved to new premises, which are more accessible to clients.

As far as ATM network is concerned the bank has an exclusive contractual partner for ATM administration and in 2015 the network was expanded by 7 new ATMs. By the end of 2015 the bank had 157 ATMs.

Evaluation in the area of investment banking:

In 2015, Czech stock markets in the Czech Republic (RM-SYSTÉM as well as BCPP – Prague Stock Exchange) generated a similar total trading volume as in previous year. Therefore the trend of trading volume decrease was stopped after several years. In 2015, our clients preferred Czech markets, where 55% of their transactions were executed. The most popular foreign market were USA with 43% share. In the Czech Republic the broker market was affected by end of business of one of the major brokers focused on small investors. In 2015 the bank acquired 9 thousand new clients and at the end of the year the total number of clients in the investment area reached 87 thousand.

The main method of investment service promotion in 2015 were again training workshops, which the bank traditionally organizes in cooperation with RM-SYSTÉM, česká burza cenných papírů a.s. In 2015 the bank gave 123 workshops in 38 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 3 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 futures contracts, which are based on assets such as gold, silver, fuel, corn, wheat, stock indices, etc. In 2015 Studentbroker project welcomed 625 students, who executed more than 80 thousand instructions and completed more than 14 thousand transactions.

The above mentioned activities are focused on increasing the financial awareness of members of the public and introduce stock market trading to university students.

Overview of most important events in 2015

New internet banking

The main advantages are modern design, intuitive control and a brand new technology, which will ensure safe and reliable service for growing number of customers of Fio banka.

O2 prepaid phone card payment

Since January Fio banka allows its clients to pay for their O2 prepaid phone cards, including prepaid cards of some virtual mobile phone operators. This service is available through internet banking.

New members of the Board

Division directors Ing. Jan Bláha and Ing. Marek Polka became new members of the Board of Fio banka in March.

MasterCard Priceless Specials

In May, Fio banka became a partner of a unique MasterCard Priceless Specials loyalty program, which allows existing and future MasterCard and Maestro card holders get a partial refund of spent amounts, between 1 – 10% of the amount paid.

5 year anniversary of bank licence award

Fio banka celebrated 5th year anniversary since being awarded the bank licence. At the same time the bank reached an important milestone of 500 thousand clients.

Fio banka becomes a medium sized bank

In July the total balance sheet value of the bank exceeded 50 billion CZK and based on the criteria of the Czech National Bank, Fio banka is now a medium sized bank. As of 31 July the balance sheet amount of Fio banka was 50.4 billion CZK, deposit amounts were 48 billion CZK and the total amount of loans and credits provided was 12.8 billion CZK.

Completely paperwork free bank account opening

Fio banka newly expanded its remote bank account opening options by a new method, which is completely electronic (paper free) without any necessity to print documents, arrange a meeting with a carrier or visiting a bank branch.

In co-operation with RM-SYSTÉM, Fio banka introduced seven new foreign stock emissions to Czech stock market

Since November seven new foreign entity stock emissions are traded on RM-SYSTÉM. This includes Apple company stock (the largest company traded on stock markets), social networks Facebook and Twitter, a leading technological company Alphabet (Google), Deutsche Bank, German automotive company Daimler and AVG company, which comes from the Czech Republic and is a leading worldwide entity on security software market.

Major awards



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



The bank was awarded 9 awards in the prestigious Zlatá koruna 2015 (Golden Crown 2015) contest, 6 golden and 3 silver crowns. Personal and company accounts of Fio banka won this award for the fifth time in the row.



Same as last year, the personal account of Fio banka won the Fincentrum Bank of the year 2015 contest. The bank also came second in the Most Dynamic Bank of the Year category.



The bank was awarded the Special Mention 2015 award from MasterCard company for participation in Priceless Specials program as the first bank in the Czech Republic.

Branch network information

Trade Name: Fio banka, a.s.

Company Registration Number: 61858374

Registered Office: V Celnici 1028/10, Postal Code 117 21

Branch Offices (as of 31st December 2015) – 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, Lázeňská 58/1, 405 02, 224 346 973-4
Frydek-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 Jičín, 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, Klapkova 124/10, 182 00, 224 346 437-9
Praha 10, Moskevská 268/53, 101 00, 224 346 753-5

Praha 11, Opatovská 964/18, 149 00, 224 346 421-3
Prostějov, Kostelní 6, 796 01, 224 346 948
Přerov, Palackého 2820/27, 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

Organization component:

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
- Nové Zámky, Komárňanská 1/B, 940 02
- 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

After two years of losses the Prague Stock Exchange finally ended the year 2015 in slight profit. The PX index went up by +1.02% and a similar index PX-TR, which takes into account dividend payment increased by +5.13%. The leader of local market was O2 telecommunication company, which grew up by 84.5% (after inclusion of stocks of Cetin affiliate company). Stock of Erste Group were also very successful as they went up by +46.4%. Despite the summer accident (explosion of ethylene unit in petrochemical factory) the Unipetrol company had a successful year with an increase of stock value of +22.6%. Over the last few years companies Pegas (+14.2%) and Philip Morris (+10.90) have kept growing because they are very popular among investors due to their defensive character. Komerční banka bank also grew by +4.4%. On the other hand, NWR the mining company was the biggest loser again (-76.2%). Stock of STOCK (-36.2%), Vienna Insurance Group (-33.3%) and Fortuna (-33.2%) went down due to not so good company results. Continuing commodity market decrease resulted in electricity price decrease, which affected ČEZ stock value (-24.8%) despite a meaty dividend of 40 CZK per share. Stock of media company CETV went down slightly as well (-2.4%). At the end of the year stocks of a beverage group Kofola started to be traded on Prague Stock Exchange. Total amount of transactions went up by +9.4% to 167.9 billion CZK. The average daily volume of transactions therefore increased to 674.3 million CZK.

Trading on foreign stock markets

The growth of global stock markets stopped in 2015. The worldwide index MSCI ACWI, which comprises both developed as well as developing markets, dropped by 4.26 %. Developing markets went down most by nearly 17%. The situation on developing markets was negatively affected by strong dollar, which increased its value in comparison to Euro by more than 10% and also increased its value compared to other local currencies. Major decrease of commodities also negatively affected the market development. Brent fuel price went down by 35% in a year over year comparison and it went down under the barrier of 40 USD/barrel, which was the lowest price since 2004. In addition to fuel, the whole range of commodities went down as well, which resulted in overall decrease of commodity index CRB by more than 20% and fall under the minimum values of 2009. As far as developed markets are concerned, European indices grew more due to the positive impact of dollar exchange rate. German DAX grew by nearly 10% and pan European index STOXX Europe 600 grew by 6.8%. U.S. indices grew less. After six growth years Dow Jones index went down by 2.23%. The S&P index decreased by nearly 1% and the only growing index was Nasdaq, which went up by 5.7%. Despite the fact that the summary results of these three main U.S. indices were far from great, each of these indices improved their historical bests during the year. Even Nasdaq index reached the largest value in history and 15 years following the technological bubble bust it grew over 5000 points again.

One of the basic characteristics of stock market development in 2015 was increased volatility. While the U.S. broader index S&P500 fluctuated within a relatively narrow range in the first half of the year (about 100 points) there were still lots of fast and major changes. In the second half of the year the volatility even increased and in the third quarter the main indices dropped by more than 10%, which was the biggest decrease in USA since 2011. The situation on stock markets was again influenced by central banks. European ECB started its proprietary program of quantitative release, which involves investments of about 1 billion EUR in two years. American FED was in a divergent position as the program of state bond repurchase were completed in 2014 and the year 2015 was the year of waiting for adoption of monetary policy restrictions. This happened only at the end of the year when FED after 10 years increased basic interest rates. Different strategies of central banks were proved by more intensive investment efforts of ECB.

Important falls of world indices in August and September were caused by a combination of several factors. One of the triggers was the situation in China, where local central bank devaluated Yuan. In addition to direct negative impact on foreign exporters this resulted in overall doubts about health of Chinese economy and it also negatively affected global growth. Chinese stock very rapidly lost nearly one third of their value. In Europe there were the largest single day stock value decrease since 2008 and in USA this resulted in the largest decrease in the last four years. The year of extreme volatility was ended by strong growth in October, which nearly completely off-set the previous losses.

The bond markets were also quite volatile. Profits on German 10-year bonds decreased to nearly zero value at the beginning of the year. Gradually these extremes were partially off-set but in many countries the bond profit value was negative.

Trading on the company's own account

In 2015, 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. The bank was the fifth largest trader on BCPP based on the volume in 2015.

Debt instrument trading was negatively affected by nearly zero or sometimes even negative profits on bond markets. Payable treasury bills and bonds were replaced by less profitable instruments or were not purchased at all. In comparison to 2014 treasury bill portfolio went down from 9.15 billion CZK to 1.45 billion CZK by the end of 2015. Also the bond portfolio owned by the bank went down from 9.36 billion CZK to 8.31 billion CZK.

The bank remained conservative in its investment strategy. Czech state bonds represented 82.1% of total bonds held by our bank, while Slovak state bonds represented 10.6%. This means that 92.7% of all bonds held by the bank, are governmental (state) bonds and the rest part of the portfolio were quality corporate bonds.

On the other hand, thanks to a steady growth of deposits of the clients the bank generated a much higher trade volume on monetary market, where we invested money to ensure liquidity. Due to falling interest rates the situation was difficult as well but the key repo CNB rate remained steady for the whole year (0.05 % p.a.). The vast majority of transactions was therefore executed with CNB as two-week repo operations and deposit facilities.

The information about the bank's holdings and financial situation

As at 31st December 2015, the company's total assets were CZK 57,611,316 thousand. This was mainly composed of a balance in cash and central bank deposits amounting to CZK 31,963,874 thousand, non-coupon government bonds in the value of CZK 1,447,757 thousand, funds in bank accounts and credit union accounts amounting to CZK 1,663,863 thousand, client receivables in the value of CZK 13,286,782 thousand, debt securities amounting to CZK 8,309,371 thousand, fixed assets in the value of CZK 177,892 thousand and other assets amounting to CZK 737,641 thousand.

In 2015 the company recorded a net profit of CZK 281,900 thousand from fees and commissions, a net profit of CZK 394,861 thousand from interest and a profit of CZK 327,127 thousand from financial operations. The company's pre-tax profit from ordinary activities amounted to CZK 92,193 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 2015 the capital adequacy of the Bank was 12.25% (of which 11.23%, 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 20 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 banka since 5th May 2010.

Ing. Jan Bláha, Member of the Board of Directors

Graduated from the University of Economics, Faculty of Mining – Ostrava Technical University and has been active in the Fio Financial Group since 2000. Currently he is the Director of Sales Division of the bank. He has been a Member of the Board of Directors for the bank since 25th March 2015.

Ing. Marek Polka, Member of the Board of Directors

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 were making sure that all branches run properly, managing customer relations and administering the product range. Since 24th September 2014 Mr. Polka has been the director of Credit Division of the bank. He has been a Member of the Board of Directors of Fio banka since 25th March 2015.

Under §8, paragraph 1 of the Act No. 21/1992 Coll. on banks, as amended, the company's Board of Directors has four members as of 31st December 2015.

Supervisory Board:

RNDr. Petr Marsa, Chairman 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 20 years. Over the years, he has held various posts in the managing bodies of various companies of the Fio Financial Group.

Mgr. Romuald Kopún, Member 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.

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

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 2015 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 2015. As far as the labour relations are concerned, they are provided in the 2015 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 24th September 2014 Mr. Polka has been the director of Credit Division of the bank. He has been a Member of the Board of Directors of Fio banka since 25th March 2015.

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 28th April 2016

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

We have audited the attached financial statement of Fio Banka, a.s., i.e. the balance sheet as of 31st December 2015, 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) misstatements, 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) misstatements.

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 evaluation of appropriateness of accounting policies used and the adequacy of accounting estimates made by the management, as well as evaluation of 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 2015 and of its financial performance for the year then ended in accordance with Czech accounting standards and regulations.

Other information

Other information means any information specified in the Annual Report, except the financial statements (annual accounts) and our auditor's report. Company management is responsible for other information.

Our opinion on financial statements does not relate to other information and we do not issue any standpoint with respect to other information. However, when reviewing the financial statements of the company we must also take into account other information and assess whether this other information specified in the Annual Report is not in contradiction with the Annual Report or our knowledge about company situation we gathered during financial statement review. We must also check whether the Annual Report is generated in accordance with applicable legal regulations and assess whether other information provided in Annual Report is not materially inconsistent or inaccurate. If we find any discrepancies or inaccuracies we have to mention it in our report.

Based on our review work we have not identified any issues, inconsistencies or discrepancies in other information being submitted to us in the Annual Report.

In Prague, 28th April 2016

Auditing company:
Deloitte Audit s.r.o.
Identification number 079
signature

Statutory auditor:
David Batal
Identification number 2147
signature

Deloitte refers to one or more companies of Deloitte Touche Tohmatsu Ltd., a British private limited company and its network of member firms, each of which is a legally separate and independent entity. A detailed description of the legal structure of Deloitte Touche Tohmatsu Ltd. and its member firms can be seen at www.deloitte.com/cz/onas.

III. Company financial statement as of 31st December 2015

FINANCIAL STATEMENT AS OF 31st DECEMBER 2015

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 22nd April 2016.

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 statements - year ending 31st December 2015

Business name	Fio banka, a.s.					
Business address	Praha 1, V Celnici 1028/10, POSTAL CODE 11721					
CRNO	61858374					
Balance Sheet	as of 31 st December 2015					
in CZK thousands						
			Current period			Previous
Design.	Text	Line	Gross	Corr.	Net	Net
1.	Cash-in-hand, deposits in central banks	1	31 963 874	0	31 963 874	9 337 337
2.	Governmental non-coupon bonds and other securities	2	1 447 757	0	1 447 757	9 151 474
2.a)	Issued by governmental agencies	3	1 447 757	0	1 447 757	9 151 474
2.b)	Other	4	0	0	0	0
3.	Receivables on behalf of banks and credit unions	5	1 663 863	0	1 663 863	1 389 387
3.a)	Payable on call	6	1 584 445	0	1 584 445	1 341 952
3.b)	Other receivables	7	79 418	0	79 418	47 435
4.	Receivables on behalf of clients	8	13 593 034	306 252	13 286 782	10 522 943
4.a)	Payable on call	9	540 718	218 316	322 402	1 270 761
4.b)	Other receivables	10	13 052 316	87 936	12 964 380	9 252 182
5.	Debt securities	11	8 309 371	0	8 309 371	9 359 387
5.a)	Issued by governmental agencies	12	7 681 209	0	7 681 209	8 669 849
5.b)	Issued by other persons	13	628 162	0	628 162	689 538
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	177 892	0	177 892	171 012
	in banks thereof	18	0	0	0	0
9.	Intangible Fixed Assets	19	23 640	20 842	2 798	1 785
9.a)	Installation costs thereof	20	0	0	0	0
9.b)	Goodwill thereof	21	1 016	-460	1 476	-894
10.	Tangible Fixed Assets	22	32 172	21 421	10 751	14 267
	land and facilities for operating activities	23	0	0	0	0
11.	Other assets	24	737 852	211	737 641	913 385
12.	Registered capital receivables	25	0	0	0	0
13.	Accrued expenses and revenues	26	10 487	0	10 487	14 203
	TOTAL ASSETS	27	57 960 042	348 726	57 611 316	40 875 280
1.	Obligations to banks and credit unions	28			648 949	181 698
1.a)	Payable on call	29			648 900	181 650
1.b)	Other obligations	30			49	48
2.	Obligations to clients	31			55 319 955	39 054 283
2a)	Payable on call	32			51 955 415	37 204 765
2b)	Other obligations	33			3 364 415	1 849 518
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			453 189	531 358
5.	Accruals	38			0	0
6.	Reserves	39			43 193	14 824
6.a)	Pensions and similar obligations	40			0	0
6.b)	Taxes	41			39 323	11 175
6.c)	Other	42			3 870	3 649
7.	Subordinate obligations	43			90 000	90 000
8.	Registered capital	44			760 000	760 000
8.a)	paid registered capital	45			760 000	760 000
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	0
11.a)	Mandatory reserves and risk funds	50			0	0
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			234 117	202 622
15.	Profit (loss) for the accounting period	60			52 913	40 495
	TOTAL LIABILITIES	61			57 611 316	40 875 280

Stamp of Deloitte Audit s.r.o. company
Karolinská 654/2, 186 00 Prague 8
Identification number: 079

David Batal
Auditor
Identification number 2147

Off balance sheet as of 31st December 2015			
in CZK thousands			
Number	Designation	Current period	Previous period
1.	Provided warranties and promises	13 361 429	6 216 025
2.	Provided liens		0
3.	Spot operation receivables		
4.	Fixed term operation receivables	6 351 067	2 385 957
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	14 137 333	11 347 135
11.	Spot operation payables		
12.	Fixed term operation payables	6 346 918	2 367 363
13.	Option payables		
14.	Values accepted for custody	36 262 825	31 849 633
15.	Values accepted for administration	88 939	68 146

Notes to financial statements - year ending 31st December 2015

Profit and Loss Statement as of 31 st December 2015				
in CZK thousands				
Designation	Text	Line	Current	Previous
1.	Earnings from interest and similar earnings	PL1	497 195	602 862
	Interest from debt securities thereof	PL2	115 662	101 527
2.	Interest costs and similar costs	PL3	102 334	347 558
	Interest costs from securities with fixed earnings thereof	PL4	12 070	22 799
3.	Earnings from shares and share funds	PL5	40	46
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	40	46
4.	Earnings from fees and commissions	PL9	394 223	323 592
5.	Fees and commissions costs	PL10	112 323	70 576
6.	Net profit from financial operations	PL11	327 218	255 029
7.	Other operating revenues	PL12	8 860	4 722
8.	Other operating costs	PL13	76 552	52 172
9.	Administration costs	PL14	482 753	461 840
9.a.	Personnel costs	PL15	38 664	32 338
9.a.1.	Social security and health insurance thereof	PL16	9 568	7 903
9.b.	Other administrative costs	PL17	444 089	429 502
10.	Reversal of accrued liabilities and adjustments to tangible and intangible fixed assets	PL18	0	0
11.	Depreciation, creation and use of reserves and adjustments to tangible and intangible fixed assets	PL19	6 846	7 674
12.	Dissolution of reserves and adjusting entries to receivables and guarantees	PL20	0	15
13.	Write offs, creation and use of adjusting entries and reserves to receivables and guarantees	PL21	361 206	192 671
14.	Dissolution of adjusting entries – decisive or major influence shares	PL22	0	0
15.	Exchange losses – decisive or major influence shares	PL23	0	0
16.	Dissolution of other reserves	PL24	0	0
17.	Creation and use of other reserves	PL25	0	0
18.	Share in profit or loss – decisive or major influence shares	PL26	6 671	-2 071
19.	Pre-tax profit from regular activities for the accounting period	PL27	92 193	51 704
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	39 280	11 209
24.	After-tax profit or loss for the accounting period	PL32	52 913	40 495

OVERVIEW OF CHANGES IN EQUITY

(in CZK thousands)

	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 2014	560 000	10 626	0	155 827	36 169		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						40 495	
Dividends							
Transfer to funds				36 169	-36 169		
Use of funds		-10 626		10 626			
Emission of stocks							
Decrease of own capital	200 000						
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
Balance as of 1 st January 2015	760 000	0	0	202 622	0	40 495	1 003 117
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						52 913	
Dividends							
Transfer to funds				40 495	-40 495		
Use of funds							
Emission of stocks							
Increase/Decrease of own capital							
Purchase of own stocks							
Other changes							
Balance as of 31 st December 2015	760 000	0	0	243 117	0	52 913	1 056 030

NOTES TO THE FINANCIAL STATEMENT 2015

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:	31 st December 2015
Financial Statement elaborated:	22 nd April 2016
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 2015 the following changes and amendments were made in the Trade Register record of Fio banka, a.s. managed by the City Court of Prague:

- Amendments of 10th March 2015:

- PETR MARSA, born on 2nd October 1965, Krynická 504/27, Troja, 181 00 Prague 8 was **deleted** as the Vice-Chairman of the Supervisory Board.
- Mgr. ROMUALD KOPÚN, born 11th July 1969, Na Křivce 1399/21, Michle, 101 00 Prague 10 was **deleted** as the Chairman of the Supervisory Board.
- Mgr. ROMUALD KOPÚN, born 11th July 1969, Na Křivce 1399/21, Michle, 101 00 Prague 10 was **added** as the Vice-Chairman of the Supervisory Board.
- PETR MARSA, born on 2nd October 1965, Krynická 504/27, Troja, 181 00 Prague 8 was **added** as the Chairman of the Supervisory Board.
- Ing. DAVID HYBEŠ, born 21st May 1972, Český Brod, Komenského 340, Postal Code 282 01 was **deleted** as the Member of the Board of Directors.
- the following paragraphs were **deleted** from the Other Information section:
 - 1) *Fio holding, a.s. company, registered office Prague 1, V Celnici 1280/10, Postal Code 117 21, Company Id Number: 601 92 763, increases the registered capital in the company of Fio banka, a.s., registered office Prague 1, V Celnici 1280/10, Postal Code 117 21, Company Id Number: 618 58 374, which as of today is CZK 560,000,000 (five hundred and sixty million Czech korunas) and is fully settled, by CZK 200,000,000 (two hundred million Czech korunas) to the final amount of CZK 760,000,000 (seven hundred and sixty million Czech korunas) and does not allow stock underwriting exceeding this amount.*
 - 2) *Registered capital increase shall be performed by underwriting of 200,000 (two hundred thousand) new common stock of the company on bearer's name. This common stock shall not be quoted and will be issued as listed stock with nominal value of CZK 1,000 (one thousand Czech korunas) per stock.*
 - 3) *Registered capital increase shall be executed by a previously specified interested party, which is the company Fio holding, a.s., registered office Prague 1, V Celnici 1280/10, Postal Code 117 21, Company Id Number: 601 92 763, registered in the Register of Companies of the Municipal Court in Prague, under section B, inset 2270.*
 - 4) *The previously specified interested party shall pay the value of underwritten stock to the bank account number 999000080/2010 at Fio banka, a.s. within ten working days following 5th December 2014.*
 - 5) *The previously specified interested party, Fio holding, a.s., shall underwrite new common stock by a written agreement, which is to be entered into with Fio banka, a.s., within two working days following 5th December 2014.*

- Amendments of 12th April 2015:

- Mgr. JOSEF VALTER, born 6th March 1978, Prague 5, K Jasánkám 1190/12c, Postal Code 155 00, was **deleted** as the Member of the Board of Directors.
- Mgr. JOSEF VALTER, born 6th March 1978, Prague 5, K Jasánkám 1190/12c, Postal Code 155 00, was **added** as the Member of the Board of Directors.

- Amendments of 16th April 2015:

- Item Number of members (of the Board of Directors) number 3 was **deleted**
- Item Number of members (of the Board of Directors) number 4 was **added**
- JAN BLÁHA, born 31st May 1976, Karlovotýnská 108/8, 252 19 Rudná, was **added** as the Member of the Board of Directors
- MAREK POLKA, born 7th April 1977, Voskovcova 1130/26, Hlubočepy, 152 00 Prague 5, was **added** as the Member of the Board of Directors.

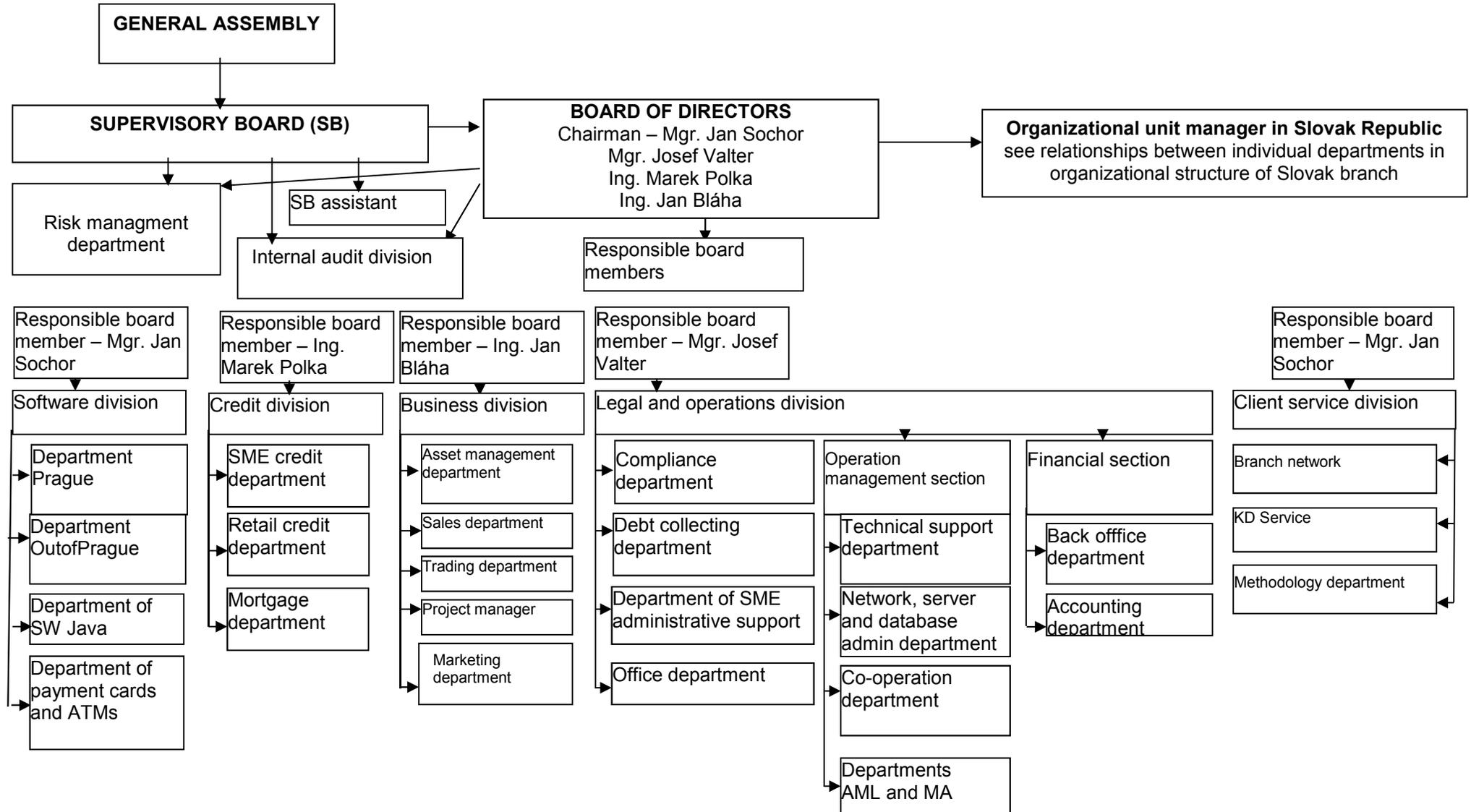
- Amendments of 25th of May 2015:

- Mgr. JAN SOCHOR, born 22nd February 1969, Prague 1, Opletalova 1566/30, Postal Code 110 00 was **deleted** as the Chairman of the Board of Directors.
 - Mgr. JAN SOCHOR, born 22nd February 1969, Prague 1, Opletalova 1566/30, Postal Code 110 00 was **added** as the Chairman of the Board of Directors.
 - Mgr. JOSEF VALTER, born 6th March 1978, Prague 5, K Jasánkám 1190/12c, Postal Code 155 00, was **deleted** as the Member of the Board of Directors.
 - Mgr. JOSEF VALTER, born 6th March 1978, Prague 5, K Jasánkám 1190/12c, Postal Code 155 00, was **added** as the Member of the Board of Directors.
- Amendments of **8th June 2015**:
- Mgr. JOSEF VALTER, born 6th March 1978, Prague 5, K Jasánkám 1190/12c, Postal Code 155 00, was **deleted** as the Member of the Board of Directors.
 - Mgr. JOSEF VALTER, born 6th March 1978, Prague 5, K Jasánkám 1190/12c, Postal Code 155 00, was **added** as the Member of the Board of Directors.

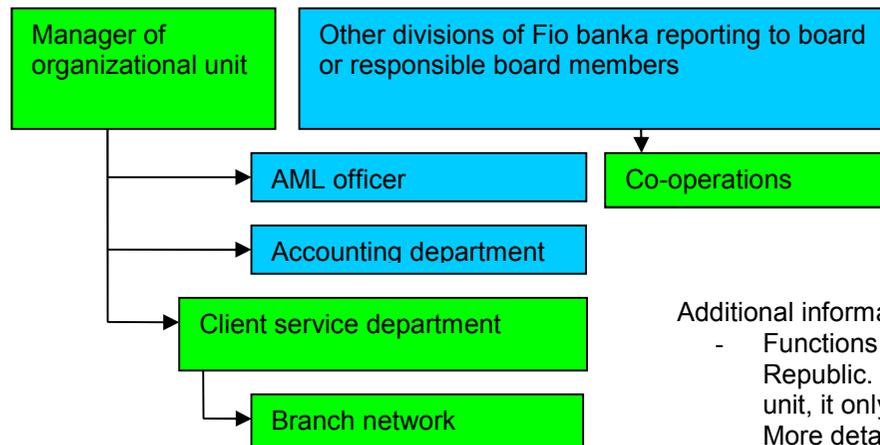
In 2015 there were **no changes** at the Register of Companies in Slovakia, administrated by District Court in Bratislava with respect to Fio banka, a.s. pobočka zahraničnej banky (branch of foreign bank).

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. Jan Bláha
	Member	Ing. Marek Polka
Supervisory Board	Chairman	RNDr Petr Marsa
	Vice-chairman:	Mgr. Romuald Kopún
	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 revaluing 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 korunas (CZK).

The financial statement was compiled as of 31st December 2015.

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

	(CZK thousands)	
	31.12.2015	31.12.2014
Cash in hand	112 330	101 756
Deposits with central banks	28 482 351	5 859 810
Credits granted – repo operations	3 000 018	3 000 026
Cash in ATMs	369 175	375 745
Total	31 963 874	9 337 337

As of 31.12.2015 credits from repo operations were secured by debt securities in the amount of CZK 2 893 592 thousand (CZK 2 930 377 thousand as of 31.12.2014).

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

As of 31st December 2015, the bank kept governmental treasury bills in the value of CZK 1 447 757 thousand (2014: CZK 9 151 474 thousand).

4.3. Receivables on behalf of banks and credit unions

	(CZK thousands)	
	31.12.2015	31. 12. 2014
Current accounts	1 584 445	1 341 952
credits granted – repo operations	79 418	47 435
Total receivables on behalf of banks and credit unions	1 663 863	1 389 387

4.4. Receivables on behalf of clients

Based on maturity date

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Short-term credits	8 279 182	5 903 176
Medium-term credits	1 137 495	1 128 050
Long-term credits	3 870 105	3 491 717
Total receivables on behalf of clients	13 286 782	10 522 943

Based on territory

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Czech Republic	12 280 463	9 712 360
Slovak Republic	996 761	810 321
Other countries	9 558	262
Total receivables on behalf of clients	13 286 782	10 522 943

Based on type of client

	(CZK thousands)	
	31.12.2015	31.12.2014
Individuals	4 617 403	4 438 511
Legal entities	8 669 379	6 084 432
Total receivables on behalf of clients	13 286 782	10 522 943

Based on segments

	(CZK thousands)	
	31.12.2015	31.12.2014
Households	4 579 355	4 438 511
Property	1 726 175	1 876 576
Financial industry	3 132 897	701 976
Other personal services	744 028	514 432
Others	3 104 327	2 991 448
Total receivables on behalf of clients	13 286 782	10 522 943

Based on classification

2014

	31. 12. 2015			31. 12. 2014	
	gross	adjusting entry	net	gross	net
Standard	11 685 512	0	11 685 512	8 669 838	8 669 838
Monitored	359 964	492	359 472	408 683	408 683
Non-standard	864 323	39 317	825 006	858 666	858 666
Doubtful	93 507	16 420	77 087	352 690	352 690
In loss	589 728	250 023	339 705	233 066	233 066
Total receivables on behalf of clients	13 593 034	306 252	13 286 782	10 522 943	10 522 943

2014

	31. 12. 2014			31. 12. 2013	
	gross	adjusting entry	net	gross	net
Standard	8 669 838	0	8 669 838	7 358 116	7 358 116
Monitored	409 183	500	408 683	507 605	507 605
Non-standard	907 235	48 569	858 666	1 224 349	1 224 349
Doubtful	390 442	37 752	352 690	40 316	40 316
In loss	459 387	226 321	233 066	77 778	77 778
Total receivables on behalf of clients	10 836 085	313 142	10 522 943	9 208 164	9 208 164

Until 2015 the bank entered into agreements that allow transferring problematic receivables to cooperating entities.

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 11 196 333 thousand (in 2014: CZK 8 416 758 thousand).

During 2015 the bank dissolved the adjusting entries to receivables from clients in the amount of CZK 483 779 thousand and created adjusting entries to receivables from clients in the amount of CZK 476 890 thousand.

4.5. Debt securities

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Governmental bonds in the trade portfolio	0	797 228
Non-governmental bonds in the trade portfolio	87 419	148 781
Non tradable non-governmental bonds	500 053	500 061
Governmental bonds kept until maturity	7 721 899	7 872 621
Non-governmental bonds kept until maturity	0	40 696
Total debt securities	8 309 371	9 359 387

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 2015, 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 2014: CZK 100,000).

4.7. Shares with decisive influence

2015

(CZK thousands)					
Company name	Registered address	Purchase price	Share in the registered capital in %	Right of vote in %	Appreciation as of 31 st Dec 2015
Spoločnosť Fio o.c.p., a.s.	Nám. SNP 21, 811 01 Bratislava	59 257	100	100	46 774
RM-SYSTÉM, česká burza cenných papírů a.s.	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	31 705	100	100	31324
RM-S FINANCE, s.r.o.	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	991	100	100	744
Družstevní záložna PSD	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	58 744	73,4	73,4	98 632
Fio forexová s.r.o.	Praha 1, V Celnici 1028/10, POSTAL CODE 117 21	210	100	100	418
4Total		150 907			177 892

2014

(CZK thousands)					
Company name	Registered address	Purchase price	Share in the registered capital in %	Right of vote in %	Appreciation as of 31 st Dec 2014
Spoločnosť 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

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

(CZK thousands)							
	31. 12. 2013	Increment	Decrease	31. 12. 2014	Increment	Decrease	31. 12. 2015
Software	17 952	0	0	17 952	0	0	17 952
Other IFA	4 672	0	0	4 672	2 158	0	6 830
Goodwill	-252	-890	0	- 1 142	0	0	-1 142
Total	22 327	-890	0	21 482	2 158	0	23 640

Depreciation

(CZK thousands)							
	31. 12. 2013	Increment	Decrease	31. 12. 2014	Increment	Decrease	31. 12. 2015
Software	15 979	1 250	0	17 229	666	0	17 895
Other IFA	2 025	691	0	2 716	691	0	3 407
Goodwill	-168	-80	0	-248	-212	0	-460
Total	17 836	1 861	0	19 697	1 145	0	20 842

Residual value

(CZK thousands)	
	31. 12. 2014
Software	723
Other IFA	1 956
Goodwill	-894
Total	1 785
	31. 12. 2015
	57
	3 423
	-682
	2 798

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

(CZK thousands)							
	31.12.2013	Increment	Decrease	31.12.2014	Increment	Decrease	31.12.2015
Transport vehicles	2 399	450	0	2 849	0	0	2 849
Other IFA	23 864	3 274	0	27 138	2 185	0	29 323
Total	26 263	3 724	0	29 987	2 185	0	32 172

Depreciation

(CZK thousands)							
	31.12.2013	Increment	Decrease	31.12.2014	Increment	Decrease	31.12.2015
Transport vehicles	436	540	0	976	605	0	1 581
Other IFA	9 292	5 452	0	14 744	5 096	0	19 840
Total	9 728	5 992	0	15 720	5 701	0	21 421

Residual value

(CZK thousands)	
	31. 12. 2014
Transport vehicles	1 873
Other IFA	12 394
Total	14 267
	31. 12. 2015
	1 268
	9 483
	10 751

In 2015, the company purchased tangible assets accounted directly to costs in the amount of CZK 4 169 thousand (2014: CZK 10 598 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

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Granted guarantees and deposits	501 496	528 737
Securities market receivables	66 724	74 796
Estimated accounts	7 499	212
Guarantee funds	1 181	1 000
Margin deposit for derivatives trading		
Positive real value of open derivatives (FX swap)	22 572	24 001
Cash in transit	4 150	19 095
Other	8 415	142 652
Adjustments	125 815	124 105
Granted guarantees and deposits	-211	-213
Other assets, total	737 641	913 385

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 6 351 067 thousand (2014: CZK 2 208 643 thousand) and from a payable in the amount of CZK 6 346 918 thousand (2014: CZK 2 189 548 thousand).

Granted long-term guarantees and deposits

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
RM-System, a.s., deposited principal for the period of trading on the RM-S	0	200 000
Fio leasing, a.s., deposited principal for rent period	7 281	6 941
Card association bails	445 363	291 769
Others	48 852	30 027
Long-term receivables, total	501 496	528 737

In 2015 deposit for trading at RM-System, a.s. company was refunded.

4.10. Accrued expenses and revenues

Accrued expenses and revenues in the value of CZK 10 487 thousand (31st December 2014: CZK 14 203 thousand) mainly consist of prepaid rent.

4.11. Obligations to banks, credit unions

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Obligations collectable on call	648 900	181 650
Other	49	48
Total receivables on behalf of clients	648 949	181 698

4.12. Obligations to clients

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Obligations collectable on call	51 955 415	37 204 765
Other	3 364 540	1 849 518
Total receivables on behalf of clients	55 319 955	39 054 283

4.13. Other liabilities

	(CZK thousands)	
	31. 12. 2015	31. 12. 2014
Negative real value of open derivatives (FX swap)	839	501
Outgoing payments	363 185	446 082
Obligations to security markets	1 938	943
Obligations to employees	2 602	2 314
Estimated liability entries	50 324	21 674
Obligations to the government budget	3 161	3 338
Domestic suppliers	2 109	33 995
International suppliers	9 108	3 851
Unidentified deposits	5 234	4 855
Other	14 688	13 805
Other liabilities, total	453 188	531 358

Negative real value of open derivatives is based on the receivable from fixed term operations in the amount of CZK 77 404 thousand (2014: CZK 177 314 thousand) and from a payable in the amount of CZK 78 243 thousand (2014: CZK 177 815 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 1 013 thousand as of 31st December 2015 (CZK 987 thousand as of 31st December 2014). 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 425 thousand as of 31st December 2015 (CZK 412 thousand as of 31st December 2014). The company has no overdue obligations in respect to public health insurance.

4.14. Reserves

The reserve as of 31st December 2015 in the amount of CZK 43 193 thousand (31st December 2014: CZK 14 824 thousand) is made by the income tax reserve in the amount of CZK 39 323 thousand, the reserve for possible loss from deposited amounts at financial instrument trader (CZK 2 234 thousand), the reserve for yet untaken holiday (CZK 1 097 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 2015 (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 2015, CZK 760,000 thousand was paid.
The registered capital was paid in full as of 19.12.2014.

In 2015 own equity was not increased by emission of shares. In 2014 own equity was increased by emission of 200 000 shares in nominal value of CZK 1,000.

As of 31st December 2015 and 31st December 2014, 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 2014 and 2013 was approved:

	(CZK thousands)	
	2015	2014
Retained earnings from previous periods at the beginning of the period	202 622	155 827
Economic result (profit/loss) for the previous accounting period	40 495	36 169
Allocation to reserves	0	0
Dissolution of reserve fund	0	10 626
Retained earnings from previous periods at the end of the period	243 117	202 622

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

	(CZK thousands)	
	2015	2014
Interest from deposits provided to other banks	2 121	6 311
Interest from credits granted to clients	379 412	495 019
Interest from debt securities	115 662	101 527
Other interest	0	5
Earnings from interest and similar earnings	497 195	602 862
Interest from credits received from other banks	49 453	38 035
Interest from debt securities	12 070	22 799
Interest from subordinate debt	13 500	13 500
Other interest and interest related fees	27 311	273 224
Interest costs and similar costs	102 334	347 558
Net interest earnings	394 861	255 304

For the year 2015 the amount of unclaimed late payment interest from bad receivables was CZK 164 039 thousand (15 261 for the year 2014).

4.18. Fees and commission

	(CZK thousands)	
	2015	2014
Fees from securities operations	95 627	87 526
Fees from other investment services	13 308	12 417
Fees from clients' accounts and credits	104 439	135 999
Fees from card associations	180 849	87 650
Earnings from fees and commissions, total	394 223	323 592
For making payments and card operations	80 223	36 640
For securities operations	32 100	33 936
Costs of fees and commissions, total	112 323	70 576
Net earnings from fees and commissions	281 900	253 016

4.19. Profit or loss from financial operations

	(CZK thousands)	
	2015	2014
Profit (loss) from securities	3 708	22 355
Profit from exchange rate differences	348 799	165 518
Profit (loss) from currency derivatives	-39 728	67 156
Profit (loss) from other operations	14 439	0
Net profit or loss from financial operations	327 218	255 029

4.20. Other operating costs

Other operating costs in the value of CZK 76 552 thousand (2014: CZK 52 172 thousand) include particularly contributions towards the Securities Trader Guarantee Fund and Deposit Insurance Fund. The costs of the Securities Trader Guarantee Fund are CZK 2 135 thousand for 2015 (2014: CZK 1

975 thousand). The costs of the Fund and Deposit Insurance Fund are CZK 74 417 thousand for 2015 (2014: CZK 50 196 thousand).

4.21. Administration costs

	(CZK thousands)	
	2015	2014
Salaries and remuneration	28 336	23 705
Social security costs and health insurance	9 568	7 903
Other employee costs	760	730
Personnel costs and remuneration	38 664	32 338
Audits	2 095	1 875
Rent	49 637	46 728
Postage	996	960
Advertising	71 752	75 574
Sources of information	2 445	18 402
Outsourced services	145 854	119 573
Other purchased services	171 309	166 390
Other administrative costs	444 089	429 502
Administration costs, total	482 753	461 840

Executive management remuneration in 2015 was CZK 199 thousand.

4.22. Taxation

Due income tax

The company's economic result for the accounting period ending 31st December 2015 was a pre-tax profit amounting to CZK 92 193 thousand (2014: profit CZK 51 704 thousand)

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

	(CZK thousands)	
	2015	2014
Pre-tax profit/loss	92 193	51 704
Non tax-deductible costs	126 078	14 049
Earnings not subject to taxation	11 188	6 795
Donations	55	50
Tax base	207 029	58 908
Tax discounts	12	18
Modification of tax due from previous years	91	391
Due taxes, total	39 324	11 566
Change to status of deferred taxes	-134	-357
Total	39 280	11 209

Deferred tax

As stated in Art. 3.10. of the annex, as of the balance sheet date of 31st December 2015 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 2015, the company registers a deferred tax payable amounting to CZK 501 thousand (2014: CZK 635 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

	(data in pcs)	
	2015	2014
Employees	76	71
Members of the Board of Directors thereof	4	3
Members of the Supervisory Board	3	3

5. Relations with allied entities

Relations with allied entities within the Fio group.

31. 12. 2015

	(CZK thousands)				
	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio forexová s.r.o.	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fio o.c.p., a.s.
Receivables on behalf of banks and credit unions	0	0	38 645	0	0
Other assets	0	10 5480	0	0	0
TOTAL ASSETS	0	10 5480	38 645	0	0
Obligations to banks and credit unions	0	0	47 908	0	0
Other liabilities	66 871	4 296	0	15 070	1 759
TOTAL LIABILITIES	66 871	4 296	47 908	15 070	1 759

31. 12. 2014

	(CZK thousands)				
	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio forexová s.r.o.	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fio o.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

1. 1. - 31. 12. 2015

	(CZK thousands)				
	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio forexová s.r.o.	Družstevní záložna PSD	RM-S FINANCE, s.r.o.	Fio o.c.p., a.s.
Interest earnings	0	0	0	0	0
Interest costs	- 71	-582	-136	0	0
Fee and commission earnings	5	764	0	0	1
Fee and commission costs	-7 735	0	0	0	0
Profit/loss from financial operations	0	0	0	0	0
Other operating revenues	0	0	0	0	0
Administration costs	-1 913	0	0	-130 656	-116
TOTAL	-9 714	182	-136	-130 656	-115

1. 1. - 31. 12. 2014

	(CZK thousands)				
	RM-SYSTÉM, česká burza cenných papírů a.s.	Fio forexová s.r.o.	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

Overall credits, which the bank provided to members of the supervisory board and members of the board as of 31st December 2015 reached CZK 1 382 928 thousand (CZK 1 154 239 thousand in 2014). 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 at the Czech National Bank and governmental bonds of the Czech Republic, as well as bank deposits.

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, respectively 1 000, trade days and the larger value is taken into account.

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 trading book. 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 at Burza cenných papírů Praha, a.s. 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 EU Regulation No. 575/2013 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 does not use credit derivatives 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 currently determines the operational risks through basic metric approach in accordance with applicable legal regulations and at the same time it monitors operational risk events and manages a database of these events in order to be able to evaluate these risk events also by its own statistic models.

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.

7. RESIDUAL MATURITY OF ASSETS AND LIABILITIES

31. 12. 2015

	(CZK thousands)						
	On call within 7 days	Within 3 months	Between 3 months to 1 year	Between 1 year to 5 years	Over 5 years	Unspecif ed	Total
Cash, deposits in central banks	31 963 874	0	0	0	0	0	31 963 874
Governmental non-coupon bonds	0	469 945	977 812	0	0	0	1 447 757
Bank and savings bank receivables	1 584 445	0	79 418	0	0	0	1 663 863
Client receivables	344 695	895 305	8 068 312	2 742 849	1 235 621	0	13 286 782
Debt securities	0	201 745	3 114 566	1 721 522	3 271 538	0	8 309 371
Shares, share fund certificates and other shares	0	0	0	0	0	100	100
Shares with decisive influence	0	0	0	0	0	177 892	177 892
Tangible and intangible fixed assets	0	0	0	0	0	13 549	13 549
Other assets	707 958	11 932	9 886	7 862	0	3	737 641
Registered capital receivables	0	0	0	0	0	0	0
Accrued costs and income	0	10 487	0	0	0	0	10 487
TOTAL ASSETS	34 600 972	1 589 414	12 249 994	4 472 233	4 507 159	191 544	57 611 316
Bank and savings bank receivables	648 900	49	0	0	0	0	648 949
Client receivables	52 447 736	1 089 679	741 202	1 041 338	0	0	55 319 955
Other liabilities	436 116	16 493	579	0	0	0	453 188
Reserves	0	0	39 323	0	0	3 870	43 193
Subordinated obligations	0	0	0	0	90 000	0	90 000
Equity	0	0	0	0	0	1 056 030	1 056 030
TOTAL LIABILITIES	53 532 752	1 106 221	781 104	1 041 338	90 000	1 059 900	57 611 315
Net liquid risk	-18 931 780	483 193	11 468 890	3 430 895	4 417 159	-868 356	1
Cumulative liquid risk	-18 931 780	-18 448 587	-6 979 697	-3 548 802	868 357	1	0

31. 12. 2014

	(CZK thousands)						
	On call within 7 days	Within 3 months	Between 3 months to 1 year	Between 1 year to 5 years	Over 5 years	Unspecif ed	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	0	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

8. ASSETS AND LIABILITIES CLASSIFIED BY CURRENCIES

31. 12. 2015

	(CZK thousands)				
	CZK	EUR	USD	Other	Total
Cash, deposits in central banks	31 914 333	45 672	3 864	5	31 963 874
Governmental non-coupon bonds	1 447 757	0	0	0	1 447 757
Bank and savings bank receivables	640 128	562 511	197 682	263 542	1 663 863
Client receivables	12 016 469	1 063 347	206 213	753	13 286 782
Debt securities	7 312 291	909 661	87 419	0	8 309 371
Shares, share fund certificates and other shares	100	0	0	0	100
Shares with decisive influence	131 118	46 774	0	0	177 892
Tangible and intangible fixed assets	13 549	0	0	0	13 549
Other assets	173 718	36 678	526 232	1 013	737 641
Registered capital receivables	0	0	0	0	0
Accrued costs and income	2 153	8 329	5	0	10 487
TOTAL ASSETS	53 651 616	2 672 972	1 021 415	265 313	57 611 316
Bank and savings bank receivables	82 533	555 657	10 759	0	648 949
Client receivables	45 581 071	7 253 085	2 097 051	388 748	55 319 955
Other liabilities	375 952	73 962	2 853	422	453 189
Reserves	40 959	0	2 234	0	43 193
Subordinated obligations	90 000	0	0	0	90 000
Equity	1 056 030	0	0	0	1 056 030
TOTAL LIABILITIES	47 226 545	7 882 704	2 112 897	389 170	57 611 316
Net liquid risk	6 425 071	-5 209 732	-1 091 482	-123 857	0
Cumulative liquid risk	6 425 071	1 215 339	123 857	0	0

31. 12. 2014

	(CZK thousands)				
	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

9. INTEREST RATE ANALYSIS

31. 12. 2015

						(CZK thousands)
	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	31 963 874	0	0	0	0	31 963 874
Governmental non-coupon bonds	469 945	977 812	0	0	0	1 447 757
Bank and savings bank receivables	1 584 445	79 418	0	0	0	1 663 863
Client receivables	1 486 046	11 216 368	560 961	23 407	0	13 286 782
Debt securities	1 270 451	6 836 110	202 810	0	0	8 309 371
Shares, share fund certificates and other shares	0	0	0	0	100	100
Shares with decisive influence	0	0	0	0	177 892	177 892
Tangible and intangible fixed assets	0	0	0	0	13 549	13 549
Other assets	720 311	9 886	7 376	0	68	737 641
Registered capital receivables	0	0	0	0	0	0
Accrued costs and income	10 487	0	0	0	0	10 487
TOTAL ASSETS	37 505 559	19 119 594	771 147	23 407	191 609	57 611 316
Bank and savings bank receivables	648 949	0	0	0	0	648 949
648 949 Client receivables	53 537 415	741 202	1 041 338	0	0	55 319 955
Other liabilities	452 554	635	0	0	0	453 189
Reserves	0	39 323	0	0	3 870	43 193
Subordinated obligations	0	0	0	90 000	0	90 000
Equity	0	0	0	0	1 056 030	1 056 030
TOTAL LIABILITIES	54 638 918	781 160	1 041 338	90 000	1 059 900	57 611 316
Net liquid risk	-17 133 359	18 338 434	-270 191	-66 593	-868 291	0
Cumulative liquid risk	-17 133 359	1 205 075	934 884	868 291	0	0

31. 12. 2014

						(CZK thousands)
	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	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

10. MAJOR EVENTS AFTER THE DATE OF FINANCIAL STATEMENT

Following the date of final accounts there were not any events with substantial impact on financial statement.

IV. Information on capital

Information regarding capital, capital 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. 2015 (CZK thousands)

Core capital tier 1: tools and reserves		
1	Capital tools and related share premium = Paid own capital	760 000
2	Retained earnings	243 117
6	Core capital tier 1 before normative adjustments	1 003 117
Core capital tier 1: normative adjustments		
8	Intangible assets (decreased by related tax obligations) (negative value)	-3 481
28	Normative adjustments of core capital tier 1 – total	-3 481
29	Core capital – tier 1	999 636
44	Auxiliary capital – tier 1	
45	Capital tier 1 = Core capital tier 1 + Auxiliary capital tier 1	999 636
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	1 089 636

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

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	46 568
	Exposures against companies	530 123
	Retail exposures	1 802
	Exposures secured by property	25 088
	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	14 882	
capital requirements calculated based on section 92 paragraph 3 letters b) and c)	to position risk	3 959
	For important exposures exceeding limits specified in sections 395 to 401 if the institution is allowed to exceed these limits	
	to currency (monetary) risk	1 253
	to settlement risk	
	to commodity risk	
pursuant to section III chapter 2 – to operating risk		89 410
TOTAL		711 833

Capital ratios as of 31. 12. 2015 (as a percentage of risk exposition)

61	Core capital tier 1	11.23%
62	Capital tier 1	11.23%
63	Total capital	12.25%

Ratio indicators

	as of 31. 12. 2015
Return on average assets (ROAA)	0,11%
Return on average equity (ROAE)	4,90%
Assets per employee in CZK	748 199
Administrative costs per employee in CZK	6 270
After-tax profit or loss per employee in CZK	687

Mandatory information to be made publicly available about the Bank, can be accessed 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. 2015 - 31. 12. 2015**

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,
- Midleton 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, Golezów,
- VVISS spol. s r.o., CRN: 30229529, Kostolanská 2/540, Madunice POSTAL CODE 922 42, SR,
- VVISS Terežín, s.r.o. v likvidaci, CRN: 25125931, Praha 9, Kolmá 5/597, POSTAL CODE 190 00.

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 Družstevní záložna PSD (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 during the accounting period of 2015 and contracts entered into earlier than in 2015, which were still effective in 2015

1. Contracts between controlling persons and controlled person

a) Contracts, entered into before 1.1.2015, still effective as of 31.12.2015

Mgr. Romuald Kopún

Credit provision contract number 131000091
Credit provision contract number 131000078
Credit provision contract number 131000105
Credit provision contract number 131000119
Bank account agreements
Commissioning contract and other arrangements

RNDr. Petr Marsa

Credit provision contract number 131000093
Credit provision contract number 131000107
Credit provision contract number 131000121
Bank account agreement
Commissioning contract and other arrangements

Fio holding, a.s.

Share underwriting contract
Bank account contracts
Commissioning contract and other arrangements

b) Contracts entered into in 2015

-

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

a) Contracts entered into before 1.1.2015, still effective as of 31.12.2015

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

Contract of participation in transaction processing system
Contract regulating conditions for operations of a market maker
Contract for representation of RM-SYSTÉM, česká burza cenných papírů a.s. upon registration of clients
Contract for special validation method
Reinsurance contract
Contract on mutual cooperation upon verification of technical and software solution of services
Contract for use of current account for securities trading in RM-SYSTEM, česká burza cenných papírů a.s.
Sublease agreement
Contract on defining rights and obligations resulting from the membership in VAT group registration
Bank account agreement
Contract for access to the market of Česká burza (Czech Securities Market)
Transaction reporting contract
Contract for use of CSOB account for clearance of securities trading on the market of Česká burza (Czech Securities Market)
Contract on arranging for internal audit
Contract on arranging for compliance activities

Družstevní záložna PSD

Cooperation Agreement
Contract on defining rights and obligations resulting from the membership in VAT group registration
Bank account agreement
Commissioning contract and other arrangements

RMS-Finance s.r.o.

Agency Agreement
Contract on defining rights and obligations resulting from the membership in VAT group registration
Contract for administration and development of information system and other information and communication equipment
Bank account agreement

Fio forexová, s.r.o.

Bank account agreement

Finanční skupina Fio, a.s.

Bank account agreement

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

Remuneration Agreement
Bank account agreement
Contract on arranging for internal audit
Commissioning contract and other arrangements

Fio Slovakia, a.s.

Bank account agreement

FIO POLSKA SP Z O O

Bank account agreement

Družstevní záložna Kredit

Bank account agreement

DZ KREDIT a.s.

Bank account agreement

AASRK, a.s.
Bank account agreement

AFUS, spol. s r.o.
Bank account agreement

AGROPRODUKT – odbytové družstvo
Bank account agreement

AKAM, s.r.o.
Bank account agreement

APMAS, a.s.
Bank account agreement

Atlanta Safe, a.s.
Commissioning contract and other arrangements
Business contract – partnership

AYA s.r.o.
Bank account agreement

BASRK, a.s.
Bank account agreement

BPMAS, a.s.
Bank account agreement

CASRK, a.s.
Bank account agreement

CFT a.s.
Bank account agreement

CPMAS, a.s.
Bank account agreement

DASRK, a.s.
Bank account agreement

EASRK, a.s.
Bank account agreement

ELLIAD a.s.
Bank account agreement
Commissioning contract and other arrangements

EPMAS, a.s.
Bank account agreement

FPMAS, a.s.
Bank account agreement

FPSROH spol. s r.o.
Bank account agreement

FPSROG spol. s r.o.
Bank account agreement

GENT CZ spol. s r.o.
Commissioning contract and other arrangements

KOPTRANS, spol. s r.o.
Bank account agreement

KOFIMA, s.r.o.
Bank account agreement

Midleton a.s.
Bank account agreement

NOBLIGE a.s.
Bank account agreement

Odbytové družstvo ovoce Český ráj
Bank account agreements

OVOAGRI s.r.o.
Bank account agreements

OVOFARM s.r.o.
Bank account agreement

T.O.R.S. s.r.o.
Bank account agreement

VARIEL, a.s.
Bank account agreements
Credit provision contract number 141000078

VVISS, a.s.
Bank account agreements
Contract on defining rights and obligations resulting from the membership in VAT group registration

VVISS delta, s.r.o.
Bank account agreement

VVISS Plzeň, s.r.o.
Bank account agreements
Credit provision contract number 111000039
Credit provision contract number 131000016

VVISS spol. s r.o.
Bank account agreements
Credit provision contract number 131000045

b) Contracts entered into in 2015

Finanční skupina Fio, a.s.
Business share transfer contract

Fio Slovakia, a.s.
Agency Agreement
Contract on defining rights and obligations resulting from the membership in VAT group registration

Fio forexová, s.r.o.

Credit provision contract number 151000061

VARIEL, a.s.

Bank account agreements

Credit provision contract number 151000002

Frame contract - investment

VVISS, a.s.

Bank account agreements

Credit provision contract number 151000039

In some above mentioned cases other contracts related to Bank account agreements were entered into for provision of other standard banking services (e.g. agreements for issuing the bank cards, activation of internet banking, etc.). Also amendments to some of the above mentioned contracts were entered into.

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.

Fio forexová, s.r.o.

Credit provision contract number 151000061

VI. Assessment of damage caused to the controlled person and assessment of its settlement pursuant to § 71 and 72 of the Act number 90/2012 Coll.

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.

VII. 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, 30th March 2016

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

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