



# ANNUAL REPORT

for 2024

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## I. INTRODUCTION BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



Dear Readers, Dear Partners,

For the Financial Market Guarantee System, 2024 was a year of hard work, development and, in particular, stabilization of financial reserves, with the funds managed in both the Deposit Insurance Fund and the Crisis Resolution Fund reaching the level required by European regulations. Our efforts were focused not only on the continued payout of deposit compensation, but also on ensuring the smooth operation of the deposit insurance scheme as a whole and on preparing for the future changes now being discussed at European level.

We continued to focus a significant portion of our activities on organizing the payout of deposit compensation to clients of Sberbank CZ. We successfully dealt with the payouts, related claims and administrative processes. Substantial funds were returned to the Deposit Insurance Fund during the year. According to the partial distribution schedule for the proceeds of the insolvency estate of Sberbank CZ, a. s., in liquidation, nearly CZK 26 billion was returned to the fund, amounting to 95% of the fund's claim arising from the disbursement of compensation for deposits. The fund also received CZK 1.7 billion under the final distribution schedule for the proceeds of the bankruptcy estate of Moravia Banka, a. s., in liquidation, amounting to 35.7% of the fund's claim arising from the disbursement of compensation for deposits. We also successfully concluded the payout of compensation to clients of Československé úvěrní družstvo, in liquidation – over a period of three years, 541 depositors collected more than CZK 52 million in compensation for their deposits.

In 2024, we also took major steps in the testing of data from financial institutions and in preparing for crisis situations. We completed the 3-year cycle of stress testing in line with EBA guidelines, which involved testing operational assumptions, financing, client data from banks, and securing the contribution to the Deposit Insurance Fund for the purpose of addressing financial market crises. The results of these tests and the lessons learned will be used to improve the readiness of the Financial Market Guarantee System in the years to come. In line with the amended legislation, we also carried out regular rounds of testing client data from the banks participating in the deposit insurance scheme.

We initiated important steps to modernize our IT systems, especially in the area of compensation payments. Key innovations were the introduction of a new electronic registry service and the implementation of new tools to increase the security and efficiency of our processes.

As regards asset management, we continued to emphasize the security and liquidity of investments, while delivering an appropriate return on the invested capital. Speaking of other important milestones, we also completed the public tender for the provision of deposit compensation payouts for an additional four-year period: once again, we have teamed up with Komerční banka for this key project.

Nor were we idle in the field of international cooperation. We actively participated in projects of international associations

such as the European Forum of Deposit Insurers (EFDI) and the International Association of Deposit Insurers (IADI), helping draft the contractual documentation that provides a framework for collaboration among European deposit insurance schemes and taking part in discussions about the future of deposit insurance and crisis management of banks at both European and global levels. The reinforcement of cross-border cooperation based on bilateral agreements with selected European deposit insurance schemes was another important step.

As regards our public relations, we expanded our educational activities and launched an information campaign entitled “Jak to teda je” (*Setting the Record Straight*) to help the general public better understand the principles of deposit insurance and the protection of funds.

2024 was a year of effective fulfilment of legal obligations and strategic goals for the Guarantee System. I firmly believe that the steps we took in 2024 will further increase public confidence in the deposit insurance system and help prepare us for future financial stability challenges.

I would like to say a heartfelt “Thank You” to all our employees and partners, and to the institutions we worked with over the past year, for their efforts and support. Together we are building a stable and secure financial system for all depositors.

**Tomáš Müller**

Chairman of the Board of Directors  
of the Financial Market Guarantee System

## II. ABOUT THE FINANCIAL MARKET GUARANTEE SYSTEM

**The Financial Market Guarantee System** is a statutory institution to secure, manage and use financial resources intended to ensure and maintain the stability of the financial market in the Czech Republic. The Financial Market Guarantee System manages two funds which, in accounting terms, are kept separately: the Deposit Insurance Fund and the Crisis Resolution Fund. These funds are its accounting units and unlike the Financial Market Guarantee System do not have legal personality.

The role of the **Deposit Insurance Fund** is defined in Section 41a to Section 41s of Act No. 21/1992 Coll., on Banks, as amended (the "Act on Banks"). The Deposit Insurance Fund is used to disburse compensation for deposits of clients of a financial institution the Czech National Bank has labelled as unable to meet its obligations to beneficiaries under statutory and contractual terms, or where a court has decided on bankruptcy or has made a different decision for reasons directly related to the financial situation of such institution, a consequence of which is the suspension of depositors' right to dispose of deposits covered by the insurance. Banks, branches of banks from non-EU Member States, building savings banks and cooperative credit unions must make regular annual contributions to the Deposit Insurance Fund.

The role of the Financial Market Guarantee System in crisis resolution is mainly defined in Act No. 374/2015 Coll., on Financial Crisis Prevention and Resolution, as amended (the "AFCPR"). The purpose of the **Crisis Resolution Fund** is to

have available resources that can be used in the event of a threat to the stability of a financial institution so that it is not necessary to terminate its existence and initiate the disbursement of compensation for deposits to its clients. The Czech National Bank, as the resolution authority, decides on the use of these resources. This measure can only be applied if the institution is failing or if its failure can reasonably be anticipated, there are no other supervisory or private sector measures that would prevent the institution's failure in the short term, and if the resolution of the crisis is in the public interest. The objective is to strengthen the stability of the financial sector, minimize costs and damage and, if possible, eliminate the use of public funds. Contributions to the Crisis Resolution Fund are made by institutions already participating in the deposit insurance system, and by some investment firms, also on a regular annual basis.

The Crisis Resolution Fund is, by law, composed of two funds:

- The Contribution Fund, which consists of regular or extraordinary contributions from financial institutions, resources raised from the market, loans through crisis resolution financing mechanisms, or state subsidies or assistance and other revenues based on decisions by the Czech National Bank or, as the case may be, funds transferred from the Operational Fund;
- The Operational Fund, which consists mainly of yields from the investment of the resources on the Crisis Resolution Fund and the proceeds of completed liquidation and insolvency proceedings.

### III. BODIES OF THE FINANCIAL MARKET GUARANTEE SYSTEM

#### Board of Directors

The supreme body of the Financial Market Guarantee System is the Board of Directors. Its members are appointed by the Minister of Finance of the Czech Republic. The Board of Directors has five members and is composed of two employees of the Czech National Bank, two employees of the Ministry of Finance of the Czech Republic, and one member appointed on a proposal from the Czech Banking Association. Its members are appointed for a term of five years. At the beginning of 2024, the Minister of Finance appointed Monika Zahálková as a member of the Board of Directors for another 5-year term. However, in connection with her departure from the Czech Banking Association, she resigned from office in the first half of the year. Her term of office ended on 12 July 2024. To replace her, the Minister of Finance appointed Dušan Baran, the Executive Director of the Czech Banking Association, with effect from 1 August 2024.

#### Members of the Board of Directors of the Financial Market Guarantee System in 2024

##### Chairman

**Tomáš Müller**

*Term of office: until 2026*  
Director of a Ministry of Finance  
of the Czech Republic unit

##### Vice-Chairman

**Radek Urban**

*Term of office: until 2026*  
Director of a Czech National Bank section

##### Member

**Eva Sluková**

*Term of office: until 2025*  
Departmental Director at the Ministry of Finance  
of the Czech Republic

**Petr Frydrych**

*Term of office: until 2025*  
Deputy Director of a Czech National Bank section

**Dušan Baran, MBA**

*(from 1 August 2024; the position was held by  
Monika Zahálková until 12 July 2024)*

*Term of office: until 2029*  
Representative of the Czech Banking Association

#### Management Board

The statutory body of the Financial Market Guarantee System, which ensures the activity of the Financial Market Guarantee System and executes the decisions of the Board of Directors, is the Management Board. The Management Board has three members, who are appointed by the Board of Directors and who are employed by the Financial Market Guarantee System.

#### Members of the Management Board of the Financial Market Guarantee System in 2024

##### Chairman

**Renáta Kadlecová**

Executive Director

##### Member

**Martin Hlavnička**

Risk Manager

**Roman Kahánek**

Finance Manager

## IV. MACROECONOMIC AND REGULATORY ENVIRONMENT OF THE INSURED INSTITUTIONS IN 2024

In 2024, gross domestic product grew by 1.0%, with the economy thus recording moderate growth after the previous year's stagnation. The main drivers behind the economic recovery were household consumption and government spending. Conversely, investment activity was below the 2023 level and GDP growth was also negatively affected by changes in inventories.

The 2024 state budget deficit was CZK 271.4 billion, a decline of CZK 17.1 billion compared to the previous year. The result was CZK 10.6 billion better than the planned deficit. These developments reflected an increase in tax and insurance premium collections on the revenue side, while growth in overall expenditure was relatively moderate.

State debt reached CZK 3,365.2 billion at the end of 2024, a year-on-year increase of CZK 254.3 billion. As a share of GDP, state debt climbed from 40.8% to 42.0%. The gross borrowing requirement of the state stood at CZK 511.2 billion, and was financed mainly by selling CZK-denominated medium- and long-term government bonds through Czech National Bank auctions. These bonds continue to account for 90% of the state debt.

In 2024, the Czech Republic's foreign debt swelled by CZK 461 billion (or 9.5%), the highest increase since 2017 in both absolute and percentage terms. Overall, foreign debt reached an all-time high of CZK 5.271 trillion. The largest contribution to its growth was from the private banking sector, namely institutions accepting deposits, whose foreign indebtedness rose by CZK 227 billion. This trend was driven by more attractive interest rates in the Czech Republic compared to the euro area, which resulted in higher deposits by foreign investors.

2024 did not see any failures of banks or cooperative credit unions that would require the disbursement of compensation for deposits or the use of any instruments to resolve a financial market crisis.

As implied by the Czech National Bank's stress tests, the banking sector remains resilient to negative economic fluctuations. The

mortgage market has been gradually recovering, with the risk of excessive growth in the volume of mortgage loans remaining low. The Czech National Bank made no changes to the rules for the provision of mortgages, and set the countercyclical capital buffer rate at 1.25% from July 2024. In the event of an increase in cyclical risks, it is ready to raise the rate.

In a hypothetical adverse scenario, the banking sector would still meet regulatory capital requirements, although there would be a significant decrease in capital adequacy due to an increase in loan defaults and a weakening of profitability. In such a case, the Czech National Bank might release the countercyclical capital buffer and banks would also have to use other capital buffers. Overall, however, banks remain well-capitalized and prepared for potential liquidity shocks.

The 2024 net profit of banks and savings banks in the Czech Republic climbed by CZK 17.7 billion year-on-year to CZK 121.7 billion. The total balance sheet sum of banks at the end of the year amounted to CZK 10.628 trillion, a year-on-year increase of CZK 741 billion. Key growth factors included the decrease in interest rates and the recovery of the credit market.

2024 saw a strong recovery in the mortgage market. Banks and building savings banks granted new mortgages worth CZK 228 billion, up 83% from the previous year. Together with refinanced loans totalling CZK 47 billion, the total volume of mortgages reached CZK 275 billion (compared to CZK 150 billion in 2023).

The Czech National Bank gradually lowered the two-week repo rate from 6.75% to 4% over the year. Banks continued to invest a substantial portion of their assets in reverse repo operations with the Czech National Bank.

2024 saw one significant change in the banking system. In September, Max banka, a. s. (formerly Expobank, a. s.), which was acquired by Banka Credits in 2022, was fully consolidated with its parent bank and thus its brand name ceased to exist.



## V. ACTIVITIES OF THE FINANCIAL MARKET GUARANTEE SYSTEM IN 2024

### Information Technologies and Security

In IT, trends in cybersecurity were continuously monitored during 2024, and appropriate measures were subsequently taken to eliminate current threats and conduct security training for users.

The new system for operating the Electronic Registry Service, which was put into live operation on 1 January 2024, has proved effective and been instrumental in significantly streamlining document management and internal processes. The system allows for secure and transparent management of the file agenda in accordance with legislative requirements (Act No. 499/2004 Coll., on Archiving and Filing Services and on amendments to certain other laws, as amended, and Regulation No. 259/2012 Coll., on the Details of Filing Services), including automated storage, retrieval, and archiving of documents. The supplier of this system

guarantees its certification and regular updates in accordance with legal regulations and security standards. This will ensure that the system will not only comply with the current requirements for the Electronic Registry Service, but that it will also be ready for future changes in the digitalisation of public administration.

In connection with the amendment to Regulation No. 71/2011 Coll., on the form, structure, and manner of keeping and providing data that a bank and branch of a foreign bank are obliged to maintain and provide to the Deposit Insurance Fund, the program that the Financial Market Guarantee System provides to tested institutions for the purpose of verifying the accuracy of the processed data before they are submitted to the Financial Market Guarantee System was revised.

### International Cooperation

In 2024, the Financial Market Guarantee System continued its active involvement in the activities of two international organizations – the European Forum of Deposit Insurers (EFDI) and the International Association of Deposit Insurers (IADI). Financial Market Guarantee System staff participated in a number of meetings, conferences and working groups to discuss current challenges in the area of deposit insurance and crisis management for credit institutions.

As regards the **EFDI**, the main discussions focused on the planned reform of the Crisis Management and Deposit Insurance (CMDI) framework, a European legislative framework. Expert studies and opinions on proposed amendments to the Deposit Guarantee Schemes Directive (Directive 2014/49/EU) and the Directive on the Recovery and Resolution of Credit Institutions (Directive 2014/59/EU) were presented. Issues of cross-border cooperation between deposit insurance schemes were also addressed, in particular in relation to the coordination of deposit compensation payouts.

One important event was the meeting of several working groups in Prague to discuss the practical and legal aspects of cooperation between deposit insurance schemes in the event of cross-border deposit compensation payouts in the EU in the context of the preparation of the revision of the Multilateral Cooperation Agreement. The approaches taken by deposit insurance schemes in EU countries to the insurance of deposits in client accounts at non-bank financial institutions and the cooperation between deposit insurance schemes and other financial safety net institutions were also discussed on a regular basis, as part of testing processes and when dealing with real-life crisis situations.

Expert discussions in working groups throughout the year focused on sharing experience with planning and conducting stress tests, analyzing the risks associated with the activities of deposit insurance schemes, the possible impact of financial and technological innovations on the definition of the range of insured products, and the approaches taken by deposit insurance schemes regarding investment strategy and communication preparedness for crisis situations.

As regards the **IADI**, the discussions focused on the revision of the Core Principles for Effective Deposit Insurance Systems (Core Principles), which aim to strengthen the effectiveness of these schemes at global level. The main theme of the annual conference in Tokyo was ensuring that deposit insurance schemes are ready for new challenges such as digitalization, the development of artificial intelligence, and the growing importance of digital currencies. Experience from different regions of the world in dealing with banking crises and methods to effectively test the resilience of deposit insurance systems to crisis situations was also presented.

At the same time, the Financial Market Guarantee System also bilaterally cooperates with similar organizations, both in the EU and globally.

Thanks to this international cooperation, the Financial Market Guarantee System is gaining valuable insights and participating in the creation of key documents and recommendations that will influence the future development of deposit insurance in Europe and worldwide.

## Investment Activities

The Financial Market Guarantee System separately manages the assets of the Deposit Insurance Fund and the Crisis Resolution Fund. The individual funds have different sources of financing and a different method of use determined by the Act on Banks, the AFCPR and Commission Delegated Regulation (EU) 2015/63 supplementing Directive 2014/59/EU with regard to ex ante contributions to resolution financing arrangements. The Financial Market Guarantee System can only invest resources in managed funds in a safe manner in accordance with statutory requirements, the Statute of the Financial Market Guarantee System, the statutes of the individual managed funds, and other internal rules of the Financial Market Guarantee System.

Through long-term and short-term investment strategies, the investment policy determines the method of investing financial reserves. The long-term investment strategy is a long-term framework for composing and determining the risk positioning of individual portfolios. The short-term investment strategy defines, within the limits of the long-term investment strategy, the risk parameters of the benchmark, the parameters of the investment limits of the portfolio in performing individual transactions, the market risk conditions and other investment limits. Information on the management of the portfolios of the two funds in 2024 is contained in Chapters VI. Activities in Deposit Insurance in 2024 and VII. Activities in Crisis Management in 2024.

## ESG

In 2024, the Financial Market Guarantee System adopted an ESG strategy that defines standards, methodologies and requirements for the implementation of ecological sustainability and social responsibility principles into management processes. The Financial Market Guarantee System is not subject to ESG-related legislative requirements, yet incorporates ESG principles into its internal processes on a voluntary basis.

The purpose of this decision is the achievement of the Financial Market Guarantee System's goals, primarily depositor protection and the financing of solutions to crises in financial institutions in accordance with responsible and sustainable management practices, and in the context of the Financial Market Guarantee

System's social significance in terms of promoting social stability by protecting depositors' financial resources.

Education of, and communication with, the public are other key ESG strategy aspects that the Financial Market Guarantee System actively supports. Transparent information, the promotion of financial literacy, and ensuring access to financial services for all individuals strengthen public trust and contribute to the stability of the financial system as a whole.

The ESG strategy of the Financial Market Guarantee System is a valuable tool for improving efficiency, optimizing internal processes, and developing human potential and financial literacy, which will then contribute to strengthening the stability of the financial system.

## Reporting Method

The Financial Market Guarantee System prepares an annual report. The Financial Market Guarantee System publishes the annual report, after it is audited, in the collection of documents

and on its website, and archives the original in paper form in the registry in accordance with the Filing and Shredding Rules.

## VI. ACTIVITIES IN DEPOSIT INSURANCE IN 2024

### Disbursements of Compensation for Deposits

#### Disbursement of compensation for deposits to the clients of Československé úvěrní družstvo in liquidation

On 12 August 2024, the Financial Market Guarantee System completed the payout of deposit compensation to clients of Československé úvěrní družstvo in liquidation, which it had commenced on 11 August 2021. The payout of this compensation concerned 541 clients, whose total deposits in the aforementioned cooperative credit union amounted to CZK 52.35 million. For the entire 3-year period when payouts were being made through selected branches of Komerční banka, a. s., the Financial Market Guarantee System disbursed deposit compensation to 73 beneficiaries totalling CZK 51.25 million.

#### Disbursement of compensation for deposits to the clients of Sberbank CZ, a. s., in liquidation

Throughout 2024, the Financial Market Guarantee System continued the disbursement of deposit compensation to the clients of Sberbank CZ, a. s., in liquidation. The payout was started on 9 March 2022 for basic compensation (up to an equivalent of EUR 100,000), on 22 April 2022 for institutional compensation, and on 28 June 2022 for increased compensation. By 31 December 2024, the Financial Market Guarantee System had disbursed deposit compensation to approx. 90,500 beneficiaries totalling CZK 25,656.15 million. The disbursement of deposit compensation will be completed on 10 March 2025.

Since its establishment until 31 December 2024, the Financial Market Guarantee System (formerly the Deposit Insurance Fund) disbursed compensation for deposits to beneficiaries twenty-four times, providing deposit compensation to clients of fourteen banks and six cooperative credit unions in the form of twenty regular and four additional disbursements totalling CZK 71,366.54 million.

**Table 1 Compensation Disbursed from the Deposit Insurance Fund to 31 December 2024**

(in CZK mil.)

Insured institution	Compensation for deposits disbursed	Date of commencement of compensation disbursement
Česká banka, a. s. *	948.61	11/12/1995
AB banka, a. s.	0.03	31/1/1996
První slezská banka, a. s.	217.48	15/5/1996
Podnikatelská banka, a. s.	1,073.54	17/6/1996
Realitbanka, a. s.	23.97	24/7/1996
Velkomoravská banka, a. s.	1,006.09	29/7/1996
Kreditní banka Plzeň, a. s.	580.30	23/9/1996
Pragobanka, a. s. **	414.13	1/12/1998
Universal banka, a. s. **	2,299.75	17/5/1999
Moravia banka, a. s. **	6,394.40	11/10/1999
Union banka, a. s.	12,366.79	17/5/2003
Plzeňská banka, a. s.	135.70	7/6/2003
Vojenská družstevní záložna	68.34	30/5/2011
UNIBON, spořitelní a úvěrní družstvo	1,805.96	23/7/2012
Úvěrní družstvo PDW, Praha	20.14	11/3/2013
Metropolitní spořitelní družstvo	12,014.98	27/1/2014
WPB Capital, spořitelní družstvo	2,780.45	14/10/2014
ERB bank, a. s.	3,508.49	20/10/2016
Československé úvěrní družstvo	51.24	11/8/2021
Sberbank CZ, a. s.	25,656.15	9/3/2022
<b>Total</b>	<b>71,366.54</b>	

\* disbursement of additional compensation commenced on 8/6/1998

\*\* disbursement of additional compensation commenced on 4/1/2002

With the exception of Sberbank CZ, a.s., all payments of compensation of claims on deposits of the above-mentioned banks and cooperative credit unions have already been completed.

## Stress Tests

In 2024, the Guarantee System successfully completed a round of stress tests in line with the revised general guidelines of the European Banking Authority on the stress testing of deposit insurance schemes under Directive 2014/49/EU (EBA/GL/2016/04). The testing focused on the key aspects of the deposit insurance system: testing of financial institutions' client data, operational and financial readiness for the implementation of deposit compensation payouts, cross-border cooperation and the use of the Deposit Insurance Fund contribution to finance the resolution of financial market crises.

A test of cross-border cooperation was conducted in January 2024, and another regular test of financial institutions' client data was carried out in the spring of 2024. Other tests

within this testing cycle were conducted in the preceding two years. The financial readiness test assessed the system's ability to ensure the liquidity of its own financial reserves and to obtain missing funds through a combination of extraordinary contributions and bond issues, with the processes successfully completed within seven business days. The disbursement of deposit compensation was verified in the real-life case of Sberbank CZ, where key operational and legal challenges were identified and documented. Cross-border tests confirmed the viability of data exchange and cooperation with partners in Germany, Poland and Slovakia.

The tests conducted identified areas for improvement and recommendations for broadening and deepening the areas tested for the next round of stress testing. The results of the tests were sent

to the EBA in due course and will serve to further develop the deposit insurance scheme and boost its resilience to crisis situations.

## Testing Banking Data

In 2024, in accordance with Decree No. 71/2011 Coll., on the form, structure and method of keeping and providing data that a bank and a branch of a bank from a non-EU Member State must keep, and which must be provided to the Financial Market Guarantee System, as amended, the Financial Market Guarantee System performed two rounds of testing on client data of banks, building savings banks and cooperative credit unions. The purpose of these tests is to verify the functionality of the system for disbursing compensation for deposits, as required by Section 41n (1) of the Act on Banks.

In the first round of testing, between April and May 2024, the complete client data of 18 selected financial institutions participating in the deposit insurance scheme were successfully tested. The data of building savings banks and the largest banks by volume of insured deposits were not tested. Subsequently, in the second round of testing, between October and December 2024, the complete client data of all 28 financial institutions participating in the deposit insurance scheme were successfully tested.

## Receivables Against Insured Institutions

Pursuant to Section 41h (2) of the Act on Banks, starting from the disbursement commencement date the Financial Market Guarantee System becomes a creditor of the insured institution that has failed to meet its commitments under statutory and contractual terms and conditions to the extent of the rights of beneficiaries of the bank to receive payment from the Deposit Insurance Fund.

Of the total of 14 banks and six cooperative credit unions paid out, bankruptcy or insolvency proceedings have been completed in 10 cases, and liquidation in two cases. Of total disbursed compensation for deposits, which reached CZK 71,366.54 million as of 31 December 2024, CZK 70,980.31 million of the Financial Market Guarantee System claims have been recognized in bankruptcy proceedings and liquidation processes.

In 2024, according to the partial distribution schedule for the proceeds of the insolvency estate of Sberbank CZ, a. s., in liquidation, the Financial Market Guarantee System received CZK 25,928,550,000, which accounted for 95% of

its receivable from compensation for deposits disbursed. According to the final distribution schedule for the proceeds of the bankruptcy estate of Moravia banka, a. s., it received CZK 1,695,384,000, which accounted for 35.7% of its receivable from compensation for deposits disbursed.

The table below shows a summary of the Financial Market Guarantee System claims against the individual banks and cooperative credit unions registered as of 31 December 2024 for the purposes of bankruptcy and insolvency proceedings and the liquidation process of the disbursed banks and cooperative credit unions. Of the total of CZK 62,871.50 million in registered claims, a final distribution schedule has been already drawn up for two banks and a preliminary distribution schedule prepared for three banks and three cooperative credit unions.

As of 31 December 2024, the Financial Market Guarantee System registers CZK 23,527.00 million in receivables due from banks.

**Table 2 Overview of Registered Receivables in Insolvency, Bankruptcy and Liquidation Proceedings as of 31 December 2024**

(in CZK mil.)

Insured institution	Type of disbursement	Total amount of claim in insolvency/ bankruptcy/ liquidation	Returned to the Deposit Insurance Fund	Claim in insolvency/ bankruptcy/ liquidation
AB banka, a. s.	regular	0.23	0.03	0.20
Moravia banka, a. s.	regular	4,753.70	2,976.79	1,776.91
Union banka, a. s.	regular	12,416.54	5,386.79	7,029.75
Metropolitní spořitelní družstvo	regular	12,021.48	4,062.34	7,959.14
WPB Capital, spořitelní družstvo	regular	2,799.88	0.00	2,799.88
ERB banka, a. s.	regular	3,534.16	950.00	2,584.16
Československé úvěrní družstvo	regular	52.35	40.00	12.35
Sberbank CZ, a. s.	regular	27,293.21	25,928.55	1,364.66
<b>Total</b>		<b>62,871.55</b>	<b>39,344.50</b>	<b>23,527.05</b>

As concerns bankruptcy and insolvency proceedings completed by the end of 2024, judicial composition had been already carried out in the case of Podnikatelská banka, a. s., and composition as part of the final schedule in the case of Pragobanka, a. s., Plzeňská banka, a. s., První slezská banka, a. s., Kreditní banka Plzeň, a. s., Česká banka, a. s., Velkomoravská banka, a. s., Universal banka, a. s., Úvěrní družstvo PDW, Praha, and UNIBON, spořitelní a úvěrní družstvo, and composition as part of the completed liquidation

in the case of Vojenská družstevní záložna. The bankruptcy proceedings of Realitbanka, a. s. were terminated because of lack of assets. Thus, the Financial Market Guarantee System had no more registered claims against these nine banks and three cooperative credit unions as of 31 December 2024. A summary of these claims in completed bankruptcy and liquidation proceedings, including revenues received and recovery rates achieved, is shown in the table below.

**Table 3 Summary of the Proceeds of Receivables against Insured Institutions in Completed Insolvency, Bankruptcy and Liquidation Proceedings as of 31 December 2024**

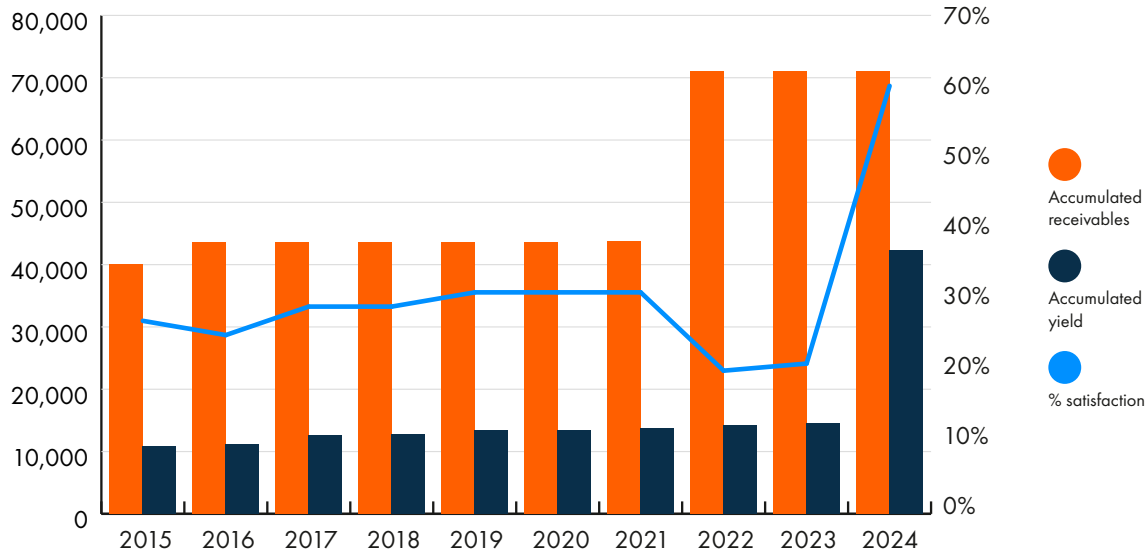
(in CZK mil.)

Insured institution	Type of disbursement	Total amount of claim	Returned to the Deposit Insurance Fund	Recovery rate (%)
Podnikatelská banka, a. s.	regular	1,075.53	548.52	51.00
Pragobanka, a. s.	regular + additional	348.20	184.33	52.94
Plzeňská banka, a. s.	regular	134.85	70.67*	52.41
Realitbanka, a. s.	regular	24.20	0.00	0.00
Vojenská družstevní záložna	regular	69.05	45.55	65.97
První slezská banka, a. s.	regular	217.50	11.54	5.30
Kreditní banka Plzeň, a. s.	regular	580.95	58.48	10.07
Česká banka, a. s.	regular	961.67	20.73	2.16
Velkomoravská banka, a. s.	regular	1,006.63	224.31	22.28
Universal banka, a. s.	regular	1,862.64	788.72	42.34
Úvěrní družstvo PDW, Praha	regular	20.97	2.83	13.48
UNIBON, spořitelní a úvěrní družstvo	regular	1,806.58	926.84	51.30
<b>Total</b>		<b>8,108.77</b>	<b>2,882.52</b>	<b>35.55</b>

\* In addition to this payment, the Deposit Insurance Fund received CZK 1.025 million from the bankruptcy assets of Plzeňská banka, a. s. in 2004 as an additional payment to the contribution for insured deposits for 2003

**Graph 1 Development of the Recovery Ratio of Receivables From Bankrupt Banks and Cooperative Credit Unions over the last 10 years**

In CZK mil.



### Contributions by Insured Institutions to the Deposit Insurance Fund

The amount of annual contributions to the Deposit Insurance Fund is set for each institution by the Czech National Bank depending on the amount of covered claims for deposits (i.e. deposits up to the coverage limit equivalent of EUR 100,000) registered against the given insured institution and on the overall risk profile of the institution. The insured institutions must pay contributions to the Deposit Insurance Fund by 30 June of the relevant calendar year.

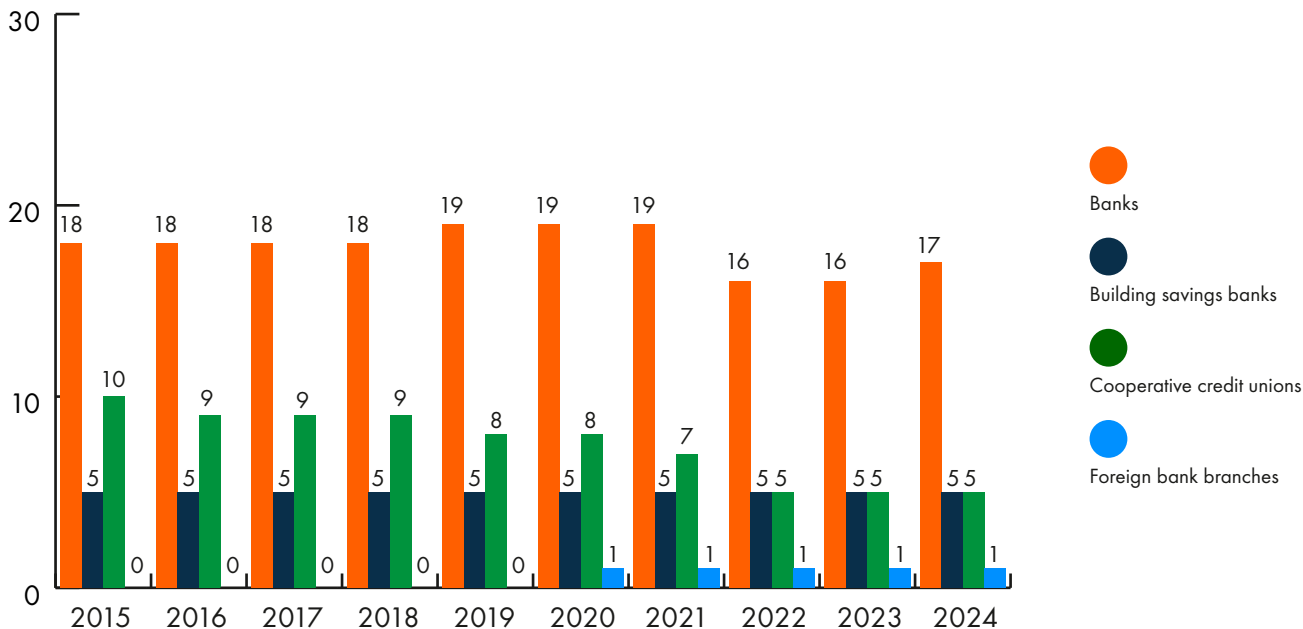
For 2024, the insured institutions paid contributions to the Deposit Insurance Fund totalling CZK 1,561.89 million, while since its formation in 1994, the Deposit Insurance Fund has received total contributions of CZK 66,580.28 million. The table below shows a summary of the contributions received by the Deposit Insurance Fund over the past 10 years.

**Table 4 Contributions by Insured Institutions to the Deposit Insurance Fund by year of contribution payment, over the last 10 years**

Contribution payment year	Amount in CZK mil.
2015	4,417.47
2016*	2,055.54
2017	940.65
2018	1,003.03
2019	1,075.67
2020	1,145.66
2021	1,284.09
2022	1,385.05
2023	1,911.44
2024	1,561.89
<b>Total</b>	<b>16,780.49</b>

\* Since 2016, contributions to the Deposit Insurance Fund have been annual; 2016 also contains the payment for the 4th quarter of 2015

Graph 2 **Number of Institutions Contributing to the Deposit Insurance Fund over the last 10 years**



### Management of the Deposit Insurance Fund Portfolio

At the end of 2024, the total financial reserves of the Deposit Insurance Fund stood at CZK 48,533.06 million and recorded a significant increase during 2024 compared to the preceding two years: in 2022, the reserves declined considerably as a result of the disbursement of deposit compensation to clients of Sberbank CZ, a. s. In 2024, the financial reserves of the Deposit Insurance Fund increased by CZK 30,935.67 million, consisting of revenues from insolvency and bankruptcy proceedings of CZK 27,623.93 million, revenues from financial reserves totalling CZK 1,914.56 million, and revenues from contributions received from financial institutions of CZK 1,561.89 million.

The financial reserves of the Deposit Insurance Fund have been divided into three portfolios: the short-term portfolio (represented by cash deposits and repo operations), the portfolio of securities held to maturity (the HTM portfolio), and the portfolio of available-for-sale securities (the AFS portfolio). All the portfolios are managed by the Financial Market Guarantee System.

2024 saw a significant increase in the short-term portfolio, by a total of CZK 30,055.05 million. Transfers to the short-term portfolio were made from the proceeds of insolvency and bankruptcy proceedings and from new funding in the form of revenues and received contributions. At the end of 2024, the

short-term portfolio stood at CZK 43,918.17 million and thus accounted for 90.5% of the total reserves of the Deposit Insurance Fund. During the year, the financial reserves managed under the short-term portfolio were invested mainly in short-term repo operations with treasury bills issued by the Czech National Bank.

2024 saw a slight reduction in the HTM portfolio, as new bonds with a nominal value of CZK 500 million were purchased, while in the same year, bonds with a nominal value of CZK 610 million matured. At the end of 2024, the total value of the HTM portfolio stood at CZK 3,561.95 million.

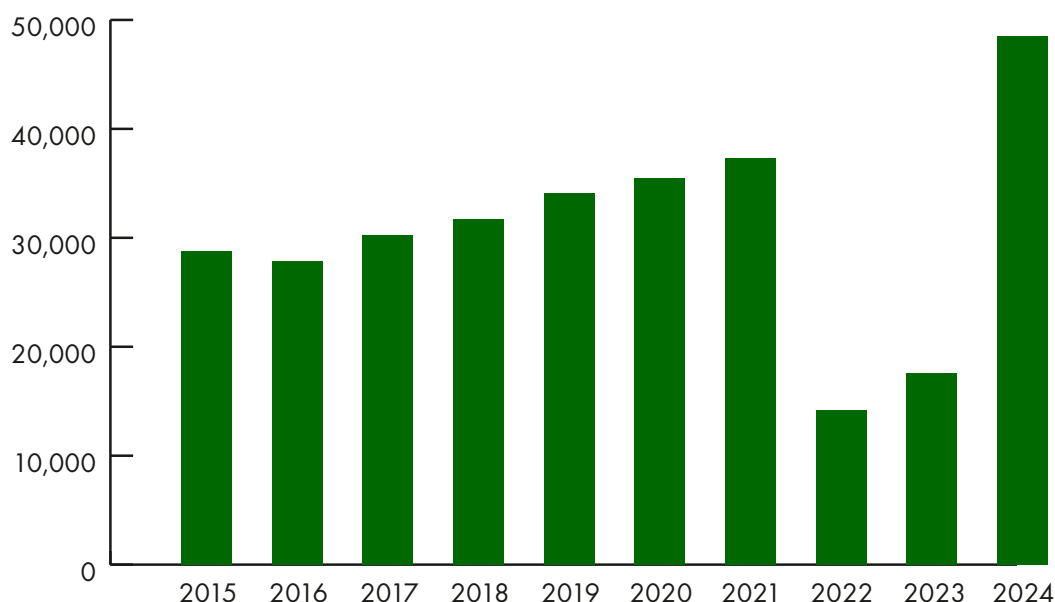
In 2024, the AFS portfolio of the Deposit Insurance Fund was established as planned, and bonds with a nominal value of CZK 1,000 million were purchased for this portfolio. At the end of 2024, the total value of the AFS portfolio reached CZK 1,052.94 million and the entire portfolio comprised only Czech government bonds issued by the Ministry of Finance of the Czech Republic.

The share of bonds held in the HTM and AFS portfolios represented 9.5% of the total financial reserves of the Deposit Insurance Fund at the end of 2024.



### Graph 3 Development of the Volume of Financial Reserves in the Deposit Insurance Fund, over the last 10 years

In CZK mil.



At the end of 2024, 90.5% of the financial reserves of the Deposit Insurance Fund was made up of short-term funds (deposits and repo operations) and 9.5% was comprised of

domestic government bonds issued by the Ministry of Finance of the Czech Republic.

Table 5 Structure of Financial Reserves by Instrument, as of 31 December 2024

Type of instrument	Value in CZK mil.
Current accounts, term deposits, buy-sell and repo operations, receivables *	43,918.17
Bonds:	4,614.89
of which: Government bonds	4,614.89
<b>Total</b>	<b>48,533.06</b>

\*Receivables arising from financial transactions and unpaid coupons

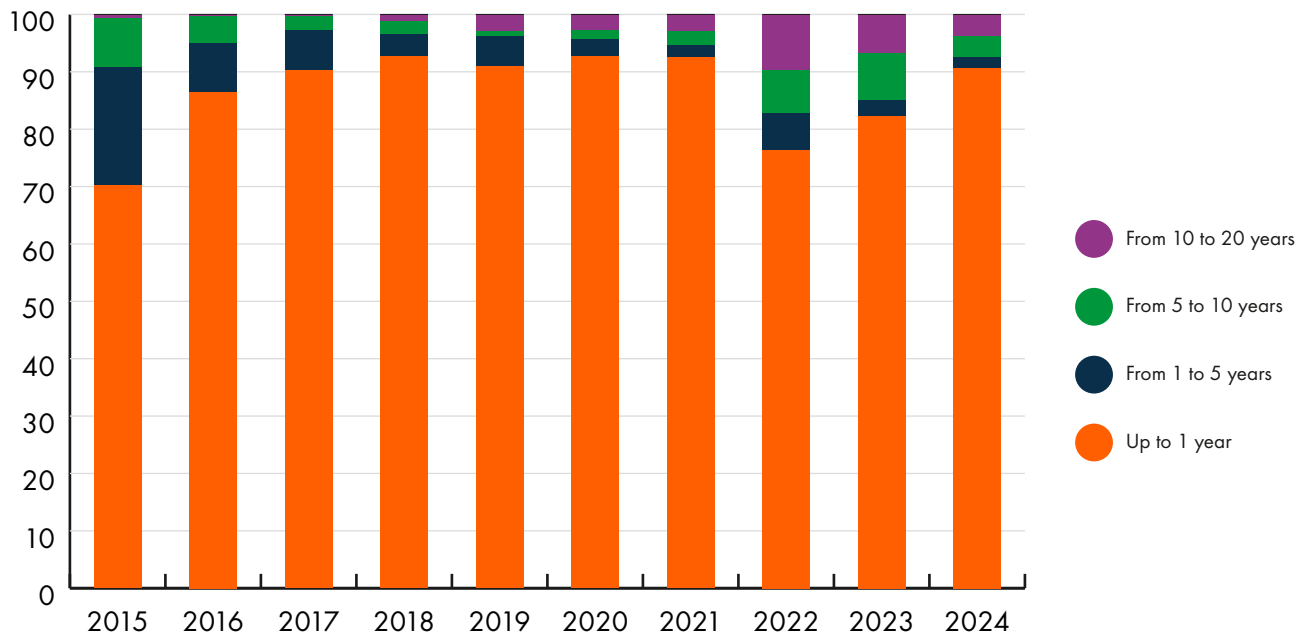
Instruments maturing within 1 year made up the largest share (90.7%) in the total volume of financial reserves, and the remaining portion of the portfolio is divided by maturity among

instruments maturing in 1 to 5 years (1.9%), 5 to 10 years (3.7%) and 10 to 20 years (3.7%).

Table 6 Structure of Financial Reserves by Maturity, as of 31 December 2024

Instrument maturity	Value in CZK mil.
Up to 1 year	44,010.06
From 1 to 5 years	922.96
From 5 to 10 years	1,818.11
From 10 to 20 years	1,781.93
<b>Total</b>	<b>48,533.06</b>

Graph 4 **Development of the Financial Reserve Structure by Maturity in the Past 10 Years**  
in %



The total gross appreciation of Deposit Insurance Fund financial provisions for 2024 was 4.72% p.a., i.e. CZK 1,914.56 million.

## Main Cash Flows of the Deposit Insurance Fund – History

**Table 7 Summary of Income and Expenditure for 1994–2024**

(in CZK mil.)

<b>I.</b>	<b>Income</b>	<b>123,964.45</b>
	Contributions from banks and cooperative credit unions	66,580.29
	Income from judicial composition and bankruptcy proceedings	42,185.44
	Refunds of disbursed compensation	130.60
	Returned advance payments of non-disbursed compensation	190.76
	Interest received and other revenues	11,871.36
	– <i>investment revenue</i>	11,720.18
	– <i>other financial revenue</i>	151.18
	Loans received	3,006.00
<b>II.</b>	<b>Expenditure</b>	<b>75,397.79</b>
	Compensation for deposits disbursements	71,642.57
	Operating costs	627.34
	Operating costs of the Crisis Resolution Fund <sup>1</sup>	0.62
	Interest paid	121.26
	Loan repayments	3,006.00
<b>III.</b>	<b>Difference between income and expenditure</b>	<b>48,566.66</b>

<sup>1</sup> In 2024, the Crisis Resolution Fund provided funding from the Operational Fund to cover operating costs, which were CZK 618,083.48 less than the actual costs. The resulting Crisis Resolution Fund liability will be settled after the approval of the financial statements.

## VII. ACTIVITIES IN CRISIS MANAGEMENT IN 2024

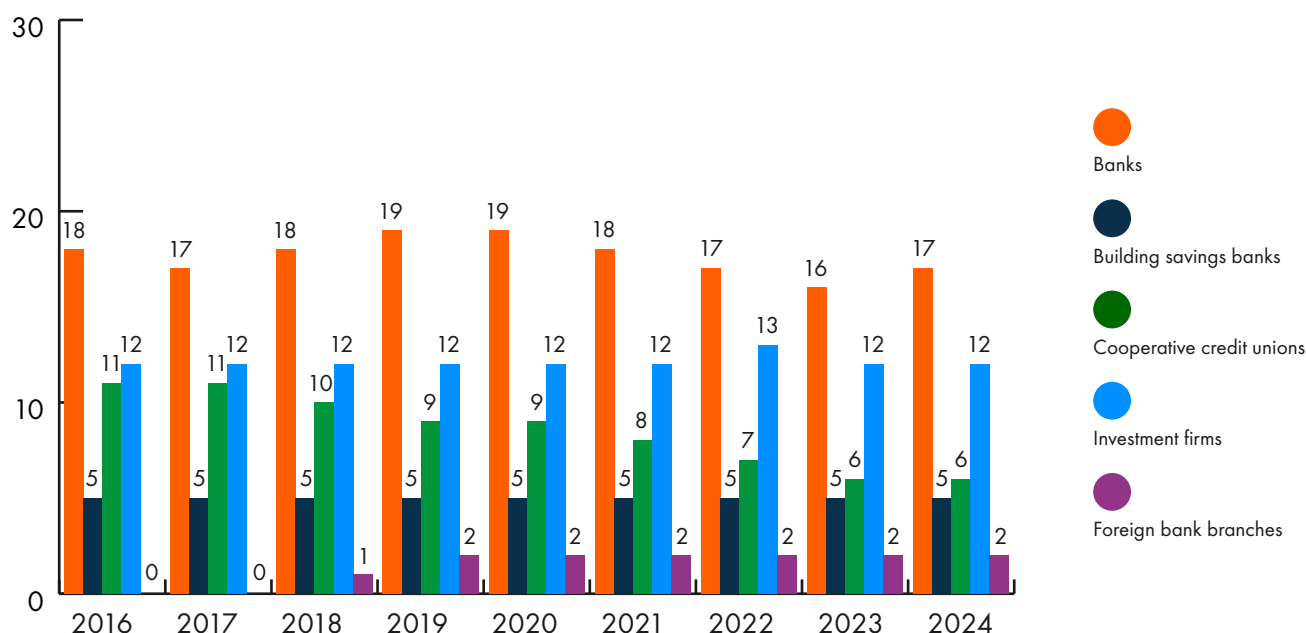
### Contributions to the Crisis Resolution Fund

The amount of contributions to the Crisis Resolution Fund is determined by the Czech National Bank following discussion with the Financial Market Guarantee System, in accordance with Commission Delegated Regulation (EU) 2015/63 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements. The Czech National Bank is obliged to take into account that the target volume of assets in the Contribution Fund of the Crisis Resolution Fund must reach 1% of the total volume of covered deposit

receivables by 31 December 2024. Contributions made in 2024 by financial institutions to the Crisis Resolution Fund amounted to CZK 2,683.80 mil.

Institutions are obliged to pay contributions to the Crisis Resolution Fund based on the decision of the Czech National Bank regarding the amount of the specific contribution, issued by the Czech National Bank to the relevant financial institution by 1 May each year.

Graph 5 **Number of Institutions Contributing to the Crisis Resolution Fund Since Its Establishment in 2016**



### Management of the Crisis Resolution Fund Portfolio

The value of financial reserves managed in the Crisis Resolution Fund reached CZK 38,780.07 million at the end of 2024. The total volume of contributions from financial institutions received this year by the Crisis Resolution Fund amounted to CZK 2,683.80 million, while the 2024 income from financial reserves reached CZK 1,880.23 million.

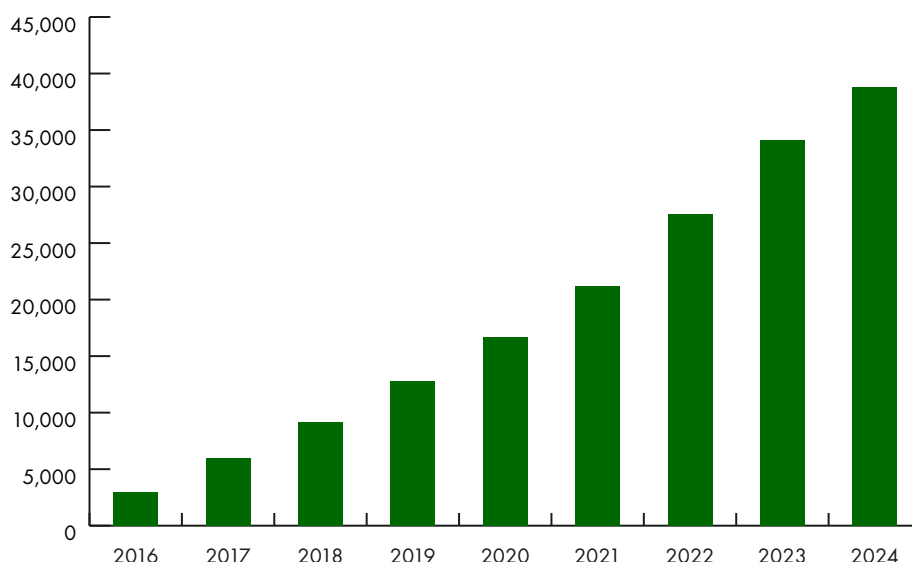
The financial reserves of the Crisis Resolution Fund have been divided into two portfolios: the short-term portfolio (represented by cash deposits and repo operations) and the portfolio of securities held to maturity (the HTM portfolio). Both portfolios are managed by the Financial Market Guarantee System.

During the year, the decisive part of all financial reserves managed under the short-term portfolio was invested in short-term repo operations with treasury bills issued by the Czech National Bank. Thus, the performance of this portfolio was influenced by the level of the main two-week repo rate, which is reflected in money market yields. Transfers to the short-term portfolio were made from new funding in the form of received contributions and revenues. At the end of 2024, the short-term portfolio stood at CZK 36,980.92 million and thus accounted for 95.4% of the total reserves of the Crisis Resolution Fund.

In 2024, investments in the HTM portfolio of the Crisis Resolution Fund continued as planned, and bonds with a nominal value of CZK 800 million were purchased for this portfolio. At the end of 2024, the total value of the HTM portfolio reached CZK 1,799.15 million and the entire portfolio comprised only Czech government bonds issued by the Ministry of Finance of the Czech Republic. This bond portfolio made up 4.6% of the total financial reserves of the Crisis Resolution Fund at the year's end.

### Graph 6 Development in the Volume of Financial Reserves in the Crisis Resolution Fund Since Its Establishment in 2016

In CZK mil.



At the end of 2024, 95.4% of the financial reserves of the Crisis Resolution Fund was made up of short-term funds (deposits and repo operations) and 4.6% was comprised of domestic

government bonds issued by the Ministry of Finance of the Czech Republic.

Table 8 Structure of Financial Reserves by Instrument, as of 31 December 2024

Type of instrument	Value in CZK mil.
Current accounts, term deposits, buy-sell and repo operations, receivables *	36,980.92
Bonds:	1,799.15
of which: Government bonds	1,799.15
<b>Total</b>	<b>38,780.07</b>

\* Receivables arising from financial transactions and unpaid coupons

Table 9 **Structure of Financial Reserves by Maturity, as of 31 December 2024**

Instrument maturity	Value in CZK mil.
Up to 1 year	36,980.92
From 1 to 5 years	219.77
From 5 to 10 years	648.77
From 10 to 20 years	930.61
<b>Total</b>	<b>38,780.07</b>

The total gross appreciation of Crisis Resolution Fund financial provisions for 2024 was 5.10% p.a., i.e. CZK 1,880.23 million.

### Main Cash Flows of the Crisis Resolution Fund

Table 10 **Summary of Income and Expenditure for 2016–2024**

(in CZK mil.)

<b>A.</b>	<b>Contribution Fund</b>	
<b>I.</b>	<b>Income</b>	<b>36,750.75</b>
	Contributions from financial institutions	32,765.00
	Transfer of funds from the Operational Fund	3,900.00
	<b>Income from insolvency proceedings</b>	<b>85.75</b>
<b>II.</b>	<b>Expenditure</b>	<b>0.00</b>
<b>III.</b>	<b>Difference between income and expenditure</b>	<b>36,750.75</b>
<b>B.</b>	<b>Operational Fund</b>	
<b>I.</b>	<b>Income</b>	<b>5,959.92</b>
	Interest received and other revenues	5,959.30
	– investment revenue	5,959.23
	– other financial revenue	0.07
	Liabilities to the Deposit Insurance Fund for the reimbursement of operating expenses <sup>2</sup>	0.62
<b>II.</b>	<b>Expenditure</b>	<b>3,930.59</b>
	Operating costs	30.59
	Transfer of funds to the Contribution Fund	3,900.00
<b>III.</b>	<b>Difference between income and expenditure</b>	<b>2,029.33</b>

<sup>2</sup> In 2024, the Crisis Resolution Fund provided funding from the Operational Fund to cover operating costs, which were CZK 618,083.48 less than the actual costs. The resulting Crisis Resolution Fund liability will be settled after the approval of the financial statements.

## VIII. PROVISION OF INFORMATION PURSUANT TO ACT NO. 106/1999 COLL., ON FREE ACCESS TO INFORMATION

In accordance with Section 18 (1) (a) of Act No. 106/1999 Coll., on Free Access to Information, as amended, the Financial Market Guarantee System informs that in 2024 it did not receive any requests for the provision of information.

In accordance with Section 18 (1) (b) to (f) of Act No. 106/1999 Coll., on Free Access to Information, as amended, the Financial Market Guarantee System also states that there are no other circumstances relating to the application of this Act which it is obliged to disclose in accordance with Section 18 of this Act.

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## IX. THE FINANCIAL MARKET GUARANTEE SYSTEM – INDEPENDENT AUDITOR'S REPORT





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Tax ID. No.: CZ49620592

## INDEPENDENT AUDITOR'S REPORT

### To the Supervisory Board of Garanční systém finančního trhu

Having its registered office at: Týn 639/1, Staré Město, 110 00 Praha 1

#### Opinion

We have audited the accompanying financial statements of Garanční systém finančního trhu (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2024, and the profit and loss account, for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Garanční systém finančního trhu as at 31 December 2024, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

#### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

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In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

#### Responsibilities of the Company's Statutory Body and Supervisory Board for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Body.
- Conclude on the appropriateness of the Statutory Body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Body and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 19 June 2025

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

Miroslav Mayer  
registration no. 2529

## FINANCIAL STATEMENTS

### THE FINANCIAL MARKET

GUARANTEE SYSTEM	Registered office:	Týn 639/1, 110 00 Prague 1, Staré Město
	Identification number:	49710362
	Date of financial statements:	31 December 2024
	Date of preparation of financial statements	19 June 2025

### Balance Sheet as of 31 December 2024

(CZK '000)

ASSETS	As of 1 January 2024	As of 31 December 2024
<b>A. Total fixed assets</b>	<b>4,168,098</b>	<b>6,322,466</b>
<b>I. Intangible fixed assets – software</b>	<b>2,728</b>	<b>2,341</b>
<b>II. Tangible fixed assets</b>	<b>1,730</b>	<b>1,676</b>
Works of art, objects and collections	320	320
Tangible assets and their sets	1,410	1,356
<b>III. Total long-term investments</b>	<b>4,167,778</b>	<b>6,322,146</b>
Debt securities held to maturity	4,167,778	5,269,203
Miscellaneous long-term financial assets	0	1,052,943
<b>IV. Total accumulated depreciation and amortization of fixed assets</b>	<b>-4,138</b>	<b>-3,697</b>
Accumulated amortization of software	-2,728	-2,341
Accumulated depreciation of machinery and equipment	-1,410	-1,356
<b>B. Total current assets</b>	<b>99,712,102</b>	<b>104,537,285</b>
<b>II. Total receivables</b>	<b>98,931,446</b>	<b>104,381,877</b>
Other receivables	98,931,446	104,381,877
<b>III. Total current financial assets</b>	<b>780,377</b>	<b>155,207</b>
Cash in hand	73	37
Stamps and vouchers	443	4
Financial resources on accounts	146,809	63,271
Other securities	633,052	91,895
<b>IV. Total other assets</b>	<b>279</b>	<b>201</b>
Prepaid expenses	279	201
<b>Total assets</b>	<b>103,880,200</b>	<b>110,859,751</b>

## THE FINANCIAL MARKET GUARANTEE SYSTEM

## Financial Statements

Year ended 31 December 2024

## Balance Sheet as of 31 December 2024

(CZK '000)

LIABILITIES	As of 1 January 2024	As of 31 December 2024
<b>A. Total equity</b>	<b>103,538,171</b>	<b>110,626,603</b>
<b>I. Equity</b>	<b>93,311,652</b>	<b>98,753,294</b>
Funds	93,311,652	98,776,456
Revaluation of assets and liabilities	0	-23,162
<b>II. Total profit/loss</b>	<b>10,226,519</b>	<b>11,873,309</b>
Profit/loss account	0	3,743,468
Profit/loss to be approved	3,010,975	0
Retained earnings	7,215,544	8,129,841
<b>B. Total liabilities</b>	<b>342,029</b>	<b>233,148</b>
<b>III. Total current payables</b>	<b>342,029</b>	<b>233,148</b>
Payables to suppliers	1,483	1,779
Employees	2,446	2,392
Other payables to employees	7	0
Payables to social security and public health insurance institutions	1,117	1,202
Other direct tax liabilities	598	634
Other payables	333,577	225,226
Estimated payables	2,801	1,915
<b>Total equity and liabilities</b>	<b>103,880,200</b>	<b>110,859,751</b>

## THE FINANCIAL MARKET GUARANTEE SYSTEM

## Financial Statements

Year ended 31 December 2024

## Profit and Loss Account for the year ended 31 December 2024

(CZK '000)

	Activity	
	Main	Economic
Total		
<b>A. Expenses</b>		
<b>I. Consumed purchases and purchased services</b>	<b>20,939</b>	<b>20,939</b>
1. Consumption of material	565	565
3. Repairs and maintenance	47	47
4. Travel expenses	779	779
5. Representation expenses	314	314
6. Other services	19,234	19,234
<b>III. Personnel costs</b>	<b>24,140</b>	<b>24,140</b>
10. Wages and salaries	17,266	17,266
11. Statutory social security insurance	5,615	5,615
13. Statutory social expenses	907	907
14. Other social expenses	352	352
<b>IV. Taxes and fees</b>	<b>32</b>	<b>32</b>
<b>V. Other expenses</b>	<b>7,369</b>	<b>7,369</b>
19. Foreign exchange losses	18	18
22. Sundry other expenses	7,351	7,351
<b>Total expenses</b>	<b>52,480</b>	<b>52,480</b>

## THE FINANCIAL MARKET GUARANTEE SYSTEM

## Financial Statements

Year ended 31 December 2024

## Profit and Loss Account for the year ended 31 December 2024

(CZK '000)

	Activity		
	Main	Economic	Total
<b>B. Revenues</b>			
<b>IV. Other revenues</b>	<b>3,795,948</b>	<b>0</b>	<b>3,795,948</b>
7. Interest revenue	3,794,792	0	3,794,792
8. Foreign exchange gains	12	0	12
10. Other revenues	1,144	0	1,144
<b>Total revenues</b>	<b>3,795,948</b>	<b>0</b>	<b>3,795,948</b>
<b>C. Profit/loss before tax</b>	<b>3,743,468</b>	<b>0</b>	<b>3,743,468</b>
<b>D. Profit/loss after tax</b>	<b>3,743,468</b>	<b>0</b>	<b>3,743,468</b>

Within the meaning of Section 5a (1) of Decree No. 504/2002 Coll., as amended, the Financial Market Guarantee System performed only the main activities for which it was established, i.e. activities in deposit insurance (including the management of the Deposit Insurance Fund) and in the management of the Crisis Resolution Fund. The Financial Market Guarantee System did not perform any economic activity within the meaning of Section 5a (2) of the Decree (additional, secondary, business or other activity outside the main activity).

## THE FINANCIAL MARKET GUARANTEE SYSTEM

### Financial Statements

Year ended 31 December 2024

## 1 General Information

The Financial Market Guarantee System is a legal person governed by public law, which was originally called the Deposit Insurance Fund, established by Act No. 156/1994 Coll., amending Act No. 21/1992 Coll., on Banks, in its then valid version. With effect from 1 January 2016, based on Act No. 374/2015 Coll., on Financial Crisis Prevention and Resolution (the "AFCPR"), the Deposit Insurance Fund was transformed into the Financial Market Guarantee System.

The identification number of the Financial Market Guarantee System is 497 10 362. Based on Act No. 586/1992 Coll., on Income Taxes, as amended, the income of the Financial Market Guarantee System is exempt from income tax. The registered office of the Financial Market Guarantee System is Prague 1, Týn 639/1.

### Membership of the Board of Directors in 2024 was as follows:

Name	Position
Tomáš Müller	Chairman
Radek Urban	Vice-Chairman
Eva Sluková	Member
Petr Frydrych	Member
Dušan Baran, MBA (from 1 August 2024)	Member
Monika Zahálková (until 12 July 2024)	Member

At the beginning of 2024, the Minister of Finance appointed Monika Zahálková as a member of the Board of Directors for another 5-year term. However, in the first half of the year, she resigned from office in connection with her departure from the Czech Banking Association. Her term of office ended on 12 July 2024. To replace her, the Minister of Finance appointed Dušan Baran, the Executive Director of the Czech Banking Association, with effect from 1 August 2024.

Under legislation effective from 1 January 2016, the Management Board of the Financial Market Guarantee System is its statutory body. The Board of Directors remains the supreme body of the Financial Market Guarantee System with the powers listed in Section 201 of the AFCPR.

### Membership of the Management Board in 2024 was as follows:

Name	Position
Renáta Kadlecová	Chairperson
Martin Hlavnička	Member
Roman Kahánek	Member

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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The role of the Financial Market Guarantee System is the operation of a deposit insurance scheme in the Czech Republic, including the management of the Deposit Insurance Fund (Section 41 a et seq. of Act No. 21/1992 Coll., on Banks, as amended) and the management of the Crisis Resolution Fund (Section 209 et seq. of the AFCPR). By performing these activities, the Financial Market Guarantee System contributes to the stability of the financial market.

### **1.1 Transformation of the Deposit Insurance Fund into the Financial Market Guarantee System**

With effect from 1 January 2016, based on the AFCPR, the Deposit Insurance Fund was transformed into the Financial Market Guarantee System. This was not a “transformation” of a legal person within the meaning of Section 174 et seq. of Act No. 89/2012 Coll., the Civil Code (i.e. in the sense of a merger, division or change of legal form), but only a “change” consisting in particular of: a) a name change (Section 252 of the AFCPR), b) a change to the organizational structure (Section 199 et seq. of the AFCPR - a change to the statutory body, a listing of the powers of the Board of Directors, etc.) and c) an extension of the scope of activity (Section 198 of the AFCPR, on the management of assets in the Crisis Resolution Fund). We thus cannot speak of legal succession because there has been no transition of rights and obligations, and the legal person (holder of rights and obligations) has been retained (the same identification number).

### **1.2 Managed Funds (Nonentities)**

In view of the retention of continuity of legal personality (the original Deposit Insurance Fund has changed into the Financial Market Guarantee System), while the funds managed by the Financial Market Guarantee System (the Deposit Insurance Fund and the Crisis Resolution Fund) have no legal personality (Section 198 (4) of the AFCPR), it is necessary to differentiate the Deposit Insurance Fund until 31 December 2015 (legal personality, change into the Financial Market Guarantee System) and the Deposit Insurance Fund from 1 January 2016 (nonentity made up of part of the assets of the Financial Market Guarantee System).

While the new nonentity called the Deposit Insurance Fund was de facto established by law on 1 January 2016 (see Section 254 of the AFCPR on allocation of assets and debts to the Deposit Insurance Fund), the Crisis Resolution Fund was established on the basis of Section 209 (1) of the AFCPR through the Statute of the Financial Market Guarantee System on 12 January 2016 (Article 5 of the Financial Market Guarantee System Statute).

### **1.3 Assets Placed in Funds**

Section 198 (2) of the AFCPR states that the Financial Market Guarantee System manages assets created by the Deposit Insurance Fund, the Crisis Resolution Fund and other assets of the Financial Market Guarantee System. From the legal point of view, therefore, they are always assets of the Financial Market Guarantee System, located a) in the Deposit Insurance Fund, b) in the Crisis Resolution Fund (i.e. not a model of an investment company - mutual fund, when the assets in the mutual fund are not the assets of the investment company).

From the accounting point of view, the Financial Market Guarantee System, the Deposit Insurance Fund and the Crisis Resolution Fund are three separate accounting units, while the assets constituted by the Deposit Insurance Fund, the assets constituted by the Crisis Resolution Fund and other assets of the Financial Market Guarantee System are kept separately in asset and accounting terms (Section 205 and Article 198 (2) of the AFCPR). Each of the accounting units has its own financial statements and their preparation is ensured by the Financial Market Guarantee System.



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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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Year ended 31 December 2024

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## **2 Accounting Policies**

### **2.1 Bookkeeping**

The Financial Market Guarantee System provides accounting for its own management and the management of the Deposit Insurance Fund and the Crisis Resolution Fund (the Fund for Deposit Insurance and the Crisis Resolution Fund collectively the "Funds") pursuant to Act No. 563/1991 Coll., on Accounting, as amended (the "Act on Accounting"), Implementing Decree No. 504/2002 Coll., implementing some provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting units whose main business activity is not commercial business, if they use double-entry bookkeeping, as amended (the "Decree") and other legislation governing bookkeeping, and in accordance with the accounting methods specified therein.

The Financial Market Guarantee System and the Funds managed by it are separate accounting units ("accounting units"). The Financial Market Guarantee System records the status and movement of assets and liabilities, costs and revenues, and profit or loss separately from the subject matter of its and other Funds' accounts. The bookkeeping for the subject of accounting is performed in ledgers kept separately for each accounting unit in a way that allows for the preparation of financial statements for each accounting unit.

The Financial Market Guarantee System provides for the verification of the Financial Market Guarantee System annual report (which describes the facts that are also reflected in the financial statements of the Financial Market Guarantee System and the individual managed Funds, and which is in all material respects consistent with the relevant financial statements of the Financial Market Guarantee System and the individual managed Funds) and the preparation of an auditor's report on the verification of the Financial Market Guarantee System annual report.

The Statute of the Financial Market Guarantee System states that the Financial Market Guarantee System performs the management of the Funds and that the Financial Market Guarantee System is entitled and bound by the legal relationships. Thus, from the accounting viewpoint, all the accounting documents (including the Electronic Registry Service) will be recorded by the Financial Market Guarantee System.

All activities of the Financial Market Guarantee System are tied to the management of the Funds. In terms of the bookkeeping, all expenses, revenues, costs, income, receivables and payables are items for the individual Funds. The Financial Market Guarantee System, as a legal person, maintains all these accounting cases in its accounts and materially assigns them to the individual Funds.

### **2.2 System of Accounting and Retention of Accounting Documents**

The accounting units that maintain full accounts use double-entry accounting for the status and movement of property and other assets, liabilities, including debts and other liabilities, costs and revenues, and profit or loss.

The accounting units use double-entry accounts for facts that are subject to accounting and these are recognized in the period to which they relate in time and in fact.

The Financial Market Guarantee System accounting period is the calendar year.

The accounting units keep one set of accounts per accounting unit as a whole.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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Year ended 31 December 2024

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The accounting units maintain accounts as a set of accounting records using technical means, data carriers and software. An accounting record is data that are a record of all the facts relating to the maintenance of the accounts. The accounting units must record every fact relating to the maintenance of accounts exclusively through accounting records. Individual accounting records may be grouped into aggregate accounting records; such accounting records are in particular accounting documents, accounting entries, ledgers, the depreciation plan, inventory listings, accounting plans, financial statements and the annual report.

The accounting units maintain their accounts in the Czech currency.

The accounting units maintain their accounts in the Czech language. Accounting documents may be drawn up in a foreign language only if the condition of comprehensibility is fulfilled.

The accounting units capture the facts that are the subject of the accounts ("accounting cases") through accounting documents.

The accounting units record accounting cases in ledgers ("accounting entries") only on the basis of probative accounting records.

The accounting units keep accounts in such a way that the financial statements prepared on their basis are comprehensible and provide a true and fair view of the accounting unit's accounts and financial situation.

The accounting units keep accounts in a correct, complete, probative, comprehensible and clear manner.

The accounting units keep their accounts in a way that ensures the continuity of the accounting records so that the accounting unit complies with its obligations relating to their retention under the Act on Accounting.

The Financial Market Guarantee System assigns another person to process the accounts of the accounting units on the basis of a contractual relationship in accordance with Section 5 of the Act on Accounting.

### **2.3 Scope of Bookkeeping, Accounting Documents, Accounting Records and Ledgers**

The accounting units maintain their accounts in full scope.

The accounting documents are probative accounting records that must include:

- identification of the accounting document,
- the content of the accounting case and its participants,
- the monetary amount or information on the price per unit of measurement and an indication of the quantity,
- the moment of preparation of the accounting document,
- the moment of performance of the accounting case, if not identical to the moment of the preparation of the accounting document,
- the signature record of the person responsible for the accounting case and the signature record of the person responsible for its posting.

The accounting units prepare accounting documents without undue delay.

The accounting entries are accounting records in ledgers.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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The accounting units account in the following ledgers:

- in the journal(s) in which the accounting entries are organized in terms of time (chronologically) and which show the accounting of all the accounting cases in the accounting period,
- in the main ledger in which the accounting entries are organized on a factual (systematic) basis,
- in the books of analytical accounts detailing the accounting records of the main ledger.

### **2.4 Plan of Accounts**

The accounting units prepare a plan of accounts for each accounting period within the meaning of the guideline chart of accounts, accounting methods, organization and marking of the items of financial statements, and the content definition of those items determined in the Decree. An accounting unit may supplement the plan of accounts during the accounting period.

The amounts in the analytical accounts books must correspond to the relevant aggregate cash amounts of the turnover or balance of the synthetic accounts to which these accounts are connected.

### **2.5 Financial Statements, Accounting Audit, Annual Report, Reporting Method**

The accounting unit performs an inventory before the preparation of the financial statements.

The financial statements are an inseparable whole and comprise:

- balance sheet,
- profit and loss account,
- annex.

The Financial Market Guarantee System prepares an annual report.

The Financial Market Guarantee System publishes the annual report on its website after it is audited, and archives the original in paper form in accordance with the Filing and Shredding Rules.

### **2.6 Storage of Accounting Documents**

The Executive Director of the Financial Market Guarantee System is responsible for organizing the storage of accounting documents, and may designate the person responsible for the storage of the accounting documents. The archiving of accounting documents is performed according to the Filing and Shredding Rules.

### **2.7 Accounting Methodological Guidelines**

The accounting units prepare accounting methodological guidelines to comply with Directive No. 22 - Bookkeeping, in accordance with the Accounting Act and other statutory regulations.

The accounting methodological guidelines are approved by the Board of Directors of the Financial Market Guarantee System or by the Management Board on the basis of an authorization granted by the Board of Directors.

The accounting methodological guidelines will be updated by the accounting units if there is a change in legislation.

## THE FINANCIAL MARKET GUARANTEE SYSTEM

### Financial Statements

Year ended 31 December 2024

## 2.8 Assignment Procedures for Accounting Cases

### 2.8.1 Accounting Cases Directly Assignable to the Funds

- 2.8.1.1 These cases are charged by the Financial Market Guarantee System and directly assigned - posted - to the relevant Fund accounts.
- 2.8.1.2 These cases include, in particular, received contributions to the Funds and the investment of the financial reserves. Individual bank accounts are set up for the allocation of the contributions to the individual Funds. These accounts may also be used for investing assets in the individual Funds, unless separate bank accounts are established for this purpose. Accounting cases directly assignable to the Funds also include other accounting cases on these bank accounts, such as interest accrued or fees related to the management of these accounts.

### 2.8.2 Other Accounting Cases (for example, received invoices for rent, legal services, accounting, wages, depreciation, etc.)

- 2.8.2.1 Directly assignable accounting documents for individual funds that arise from invoicing (e.g. portfolio management fees), or where there is another possibility of direct assignment (for example, for legal services an annex with a breakdown of the purpose of legal representation by Fund). The Financial Market Guarantee System attributes and charges to the relevant Fund accounts according to the supporting criteria established from the accounting case.
- 2.8.2.2 In the event common accounting cases cannot be assigned to individual Funds under paragraph 2.8.2.1, this assignment will be made at a ratio determined as follows:
- To calculate the ratio of costs for managing the individual Funds, the cost-to-work ratio method is used for each Fund in the staff statements of work. Staff at the Financial Market Guarantee System prepare statements of work on a monthly basis.
  - The ratio of the activities performed for each Fund will be calculated as of 31 December.
  - The annual ratio calculated under point 2.8.2.2 (b) will be used to account for the advance ratio and will be balanced according to the actual status as of 31 December of the current year.
  - The annual ratio calculated under point 2.8.2.2 (b) will be used to determine the advance ratio for the following accounting period.

- 2.8.3 The Financial Market Guarantee System proceeds with the assignment of expenses similarly as in paragraphs 2.8.1 and 2.8.2, for example, when paying for the purchase of technical equipment, when paying an advance for a future performance, when calculating anticipated costs or income, when paying a deposit or similar performances.

## 2.9 Providing Advances from the Deposit Insurance Fund and the Crisis Resolution Fund for the Operating Costs of the Financial Market Guarantee System

The Financial Market Guarantee System incurs expenditure connected with the management of the Deposit Insurance Fund and the Crisis Resolution Fund. Expenditure related to the management of the Crisis Resolution Fund is covered from the Operational Fund of the Crisis Resolution Fund.

Expenditure related to the management of the Deposit Insurance Fund is covered from operating income, primarily from the investment income of the Deposit Insurance Fund.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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The Financial Market Guarantee System establishes the budget of all accounting units prior to the start of the current year, and at the same time determines the amount of advances to be provided from the Deposit Insurance Fund and the Crisis Resolution Fund to cover operating costs. Advances can be provided in instalments.

Advances are settled with actual costs after the end of the accounting period.

Receivables and payables between the Deposit Insurance Fund and the Crisis Resolution Fund relating to the payment of operating costs are subject to an inventory during the preparation of the financial statements.

### **2.10 Basic Principles for Preparing the Financial Statements**

The financial statements are compiled in accordance with accounting regulations applicable in the Czech Republic and with Czech Accounting Standards for accounting units that are not primarily engaged in business activity. The financial statements are compiled at historical cost except for securities held for trading and available-for-sale securities, which are recognized at fair value, and securities held to maturity, which are valued at amortized costs. The financial statements are compiled on the assumption that the accounting unit is able to continue as a going concern. The amounts in the financial statements and in the notes thereto are rounded to thousands of Czech korunas unless stated otherwise.

### **2.11 Tangible Fixed Assets**

Purchased tangible fixed assets are recognized at acquisition cost, which includes the price for which the assets were acquired and the expenses relating to the acquisition.

The depreciation of tangible fixed assets was calculated using the straight-line depreciation method, based on the estimated useful life of the assets. The depreciation period for personal computers, servers, printers etc. is 3 years. The depreciation period for passenger cars is 5 years. The depreciation period for strongboxes is 10 years. Works of art are not subject to depreciation.

Repair and maintenance expenses on tangible fixed assets are charged directly to expenses.

Tangible assets with a useful life of more than 1 year and acquisition cost not exceeding CZK 80,000 per item are charged directly to expenses once they are put into use.

The amortization of intangible fixed assets was calculated using the straight-line amortization method over 3 years.

Intangible assets with a useful life of more than 1 year and acquisition cost not exceeding CZK 60,000 per item are charged directly to expenses once they are put into use.

### **2.12 Securities and Shares**

The Financial Market Guarantee System classifies securities and shares as securities held for trading, available-for-sale securities and securities held to maturity.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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Year ended 31 December 2024

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#### Securities Held for Trading

Securities held for trading are securities held by the Financial Market Guarantee System for the purpose of transactions aimed at generating profit from price differences in the short term.

When purchased, securities and shares are recognized at acquisition cost, including transaction expenses. Securities held for trading are measured at fair value. The Financial Market Guarantee System uses the market value of securities as of the balance sheet date to calculate the fair value. The valuation of securities not traded on public markets is based on an expert opinion or a qualified estimate made by the Financial Market Guarantee System.

Interest income from securities held for trading is recognized as 'Interest revenue'.

Profit and loss arising from changes in the fair value of securities held for trading are recognized in the profit and loss account in the period in which they arise.

#### Available-for-Sale Securities

Available-for-sale securities are securities that are not intended for trading in the short term. These securities are classified as long-term investments.

When purchased, available-for-sale securities are recognized at acquisition cost, including transaction expenses, and subsequently measured at fair value at the balance sheet date.

Interest income from available-for-sale securities is recognized as 'Interest revenue'.

Changes in the fair value of available-for-sale securities are recognized in the balance sheet as 'Valuation differences from revaluation of assets and liabilities'.

#### Securities Held to Maturity

Securities held to maturity are financial assets with a fixed or predefined yield and fixed maturity, which the Financial Market Guarantee System intends and is able to hold until their maturity.

When purchased, securities held to maturity are recognized at acquisition cost, including transaction expenses, and subsequently valued at amortized costs.

Interest income from securities held to maturity includes accrued coupons, discounts and premiums on debt securities and is recognized as 'Interest revenue'.

#### Repo and Buy/Sell Operations

Collateralized receivables as part of repo and buy-sell transactions are reported under 'Other receivables', including accrued interest. Interest from these transactions is recorded on an accruals basis for the duration of such a transaction and recognized as interest revenue.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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Year ended 31 December 2024

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### **2.13 Foreign Currency Conversions**

Transactions carried out in foreign currencies are converted and posted at the exchange rate valid on the transaction date. All monetary assets and liabilities maintained in foreign currencies were converted at the exchange rate published by the Czech National Bank as of the balance sheet date. All foreign exchange gains and losses arising from the conversion of receivables and payables are recognized in the profit and loss account and are reported under 'Foreign exchange gains' and 'Foreign exchange losses'.

Exchange differences on securities that are measured at fair value and maintained in foreign currencies are considered to be part of their fair value measurement.

### **2.14 Contributions Received from Banks**

Contributions to the Deposit Insurance Fund are posted directly to the account of the Funds included in the Deposit Insurance Fund's equity. The amount of contributions is set by the Czech National Bank by 31 May of the year in respect of which contributions are paid, while they are due by 30 June of the given year.

Contributions to the Crisis Resolution Fund are posted to the contributions fund of the Crisis Resolution Fund. The amount of contributions is determined by the Czech National Bank by 1 May of the respective year for which the contributions are paid, while they are due within the deadline set by the Czech National Bank.

### **2.15 Adjustments and Provisions**

The Financial Market Guarantee System neither creates nor accounts for adjustments in accordance with Section 37 (1) of the Decree. The Financial Market Guarantee System neither creates nor accounts for provisions in accordance with Section 40 (1) of the Decree.

### **2.16 Payables to Bank Clients and Receivables Due from Banks that Could Not Meet their Commitments to Clients**

In accordance with a decree of the Ministry of Finance of the Czech Republic and an internal accounting regulation governing received contributions, compensation disbursements and related cases, the commencement of the disbursement is accounted for as a payable to clients of the banks to whom the compensation is being disbursed, while debiting the Funds account included in equity. A receivable due from banks that could not meet their commitments to clients is posted in the same amount against the Funds account in equity.

### **2.17 Equity**

Based on a decision of the Board of Directors of the Financial Market Guarantee System, the financial result (profit or loss from the current year) is transferred to Retained earnings / Retained losses from prior years or to Funds within the framework of the own resources of the Financial Market Guarantee System. The subsequent transfer of retained earnings from prior years from Retained earnings / Retained losses from prior years to Funds is possible if the Board of Directors of the Financial Market Guarantee System so decides.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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Year ended 31 December 2024

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#### **2.18** Use of Estimates

The preparation of the financial statements requires that the Financial Market Guarantee System uses estimates and assumptions that influence the recognized values of assets and liabilities as of the date of the financial statements, and the recognized amounts of revenues and expenses for the reporting period. The Financial Market Guarantee System has defined these estimates and assumptions on the basis of all the relevant information available to the Deposit Insurance Fund. Nevertheless, the inherent nature of estimates means that the actual future values may differ from these estimates.

#### **2.19** Subsequent Events

The impact of events that occurred between the balance sheet date and the date of preparation of the financial statements is reported in the accounting reports if such events provide additional information about facts that existed as of the balance sheet date.

In the event that between the balance sheet date and the date of preparation of the financial statements material events occurred reflecting facts that took place after the balance sheet date, the consequences of these events are described in the notes to the financial statements but are not posted to the financial statements.



## THE FINANCIAL MARKET GUARANTEE SYSTEM

## Financial Statements

Year ended 31 December 2024

**3 Additional Information on the Balance Sheet and Profit and Loss Account****3.1 Other Receivables**

(CZK '000)	As of 31 December 2024	As of 1 January 2024
Receivables from compensation disbursed	23,524,081	52,026,684
Receivables from duplicate payments	14,215	14,252
Other receivables	284	234
Receivables from unpaid contributions	7,475	93,229
Receivables from repo operations	80,835,822	46,797,047
<b>Other receivables – total</b>	<b>104,381,877</b>	<b>98,931,446</b>

Receivables from compensation disbursed include receivables due from banks and cooperative credit unions that failed to meet their commitments to clients; they amounted to CZK 23,524,081,000 as of 31 December 2024 (as of 1 January 2024: CZK 52,026,684,000). In 2024, according to the partial distribution schedule for the proceeds of the insolvency estate of Sberbank CZ, a. s., in liquidation, the Financial Market Guarantee System received CZK 26,014,303,000, which accounted for 95% of its receivable from compensation for deposits disbursed and its receivable for the contribution due to the Crisis Resolution Fund for 2022. According to the final distribution schedule for the proceeds of the bankruptcy estate of Moravia banka, a. s., it received a sum of CZK 1,695,384,000, which made up 35.7% of its receivable from compensation for deposits disbursed.

No adjustments were created for these receivables based on a measure of the Ministry of Finance of the Czech Republic (see note 2.15). If there were an option to create an adjustment, the Financial Market Guarantee System would create, as of 31 December 2024, an 89% adjustment for the Receivables from compensation for deposits disbursed.

**3.2 Debt Securities Held to Maturity****Debt Securities Held to Maturity at Amortized Costs:**

(CZK '000)	As of 31 December 2024	As of 1 January 2024
Debt securities held to maturity	5,361,098	4,800,830

Czech government bonds represented 100% of the value of held-to-maturity securities as of 31 December 2024 (the same as of 1 January 2024). The value of the bonds in market terms reached CZK 5,110,798,000 as of 31 December 2024 (as of 1 January 2024: CZK 4,684,336,000). As of 31 December 2024, the accrued value of securities held to maturity and maturing in more than 1 year stood at CZK 5,269,203,000 (as of 1 January 2024: CZK 4,167,778,000) and is shown under assets in Part A.III. Debt securities held to maturity. As of 31 December 2024, the accrued value of securities held to maturity and maturing within 1 year stood at CZK 91,895,000 (as of 1 January 2024: CZK 633,052,000) and is shown under assets in Part B.III. Other securities.

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**3.3 Miscellaneous Long-Term Financial Assets****Market Value of Securities Held Within the Available-For-Sale Securities Portfolio:**

(CZK '000)	2024	2023
Debt securities	1,052,943	0

As of 31 December 2024, the value of debt securities held by the Financial Market Guarantee System within the available-for-sale securities portfolio was CZK 1,052,943,000 (1 January 2024: CZK 0). As of 31 December 2024, the nominal value of the bonds stood at CZK 1,000,000,000 (1 January 2024: CZK 0). These securities are shown under assets in Part A.III. Miscellaneous long-term financial assets.

Czech government bonds accounted for 100% of the value of these securities as of 31 December 2024.

**3.4 Statement of Changes on the Funds Account**

The Financial Market Guarantee System has no registered capital. Its equity consists of the Funds account, valuation differences from revaluation of assets and liabilities and the financial result (i.e. profit/loss).

**Statement of Changes on the Funds Account:**

(CZK '000)	2024	2023
<b>Deposit Insurance Fund:</b>		
<b>Opening balance – 1 January</b>	<b>61,180,809</b>	<b>59,288,514</b>
Contributions received (see note 3.6)	1,561,891	1,911,445
New receivables due from banks in insolvency and liquidation	1,058	0
Written-off receivables and payables from compensation disbursements	-879,728	-18,076
Compensation disbursement	0	-1,004
Written-off receivables and payables from unpaid contributions	0	-70
Additional payments and refunds from settlement	1,102	0
<b>Closing balance – 31 December</b>	<b>61,865,132</b>	<b>61,180,809</b>

In 2024, the Financial Market Guarantee System completed the payout of deposit compensation to clients of Československé úvěrní družstvo. As part of the settlement of this compensation payment, the Financial Market Guarantee System received back from Komerční banka, a. s., which was responsible for the payout of the compensation, CZK 1,102,000 representing unpaid deposit compensations. In 2024, the Financial Market Guarantee System continued the payout of deposit compensation to clients of Sberbank CZ, a. s. As a result of the review procedure, the receivable from this payout was increased by CZK 1,058,000.

2024 also saw the termination of the bankruptcy proceedings concerning the assets of the debtor UNIBON – spořitelní a úvěrní družstvo, in liquidation. The Financial Market Guarantee System wrote off the outstanding amount of the receivable from compensation disbursed of CZK 879,728,000.

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(CZK '000)	2024	2023
<b>Crisis Resolution Fund:</b>		
<b>Opening balance – 1 January</b>	<b>32,130,843</b>	<b>26,185,395</b>
of which:		
<b>Contribution Fund</b>		
Opening balance – 1 January	32,069,106	25,672,696
Contributions received (see note 3.6)	2,683,803	4,496,410
Transfer from the Operational Fund	2,000,000	1,900,000
Closing balance – 31 December	36,752,909	32,069,106
<b>Operational Fund</b>		
Opening balance – 1 January	61,737	512,699
Operating revenue	2,103,497	1,454,217
Management costs	-6,819	-5,179
Transfer to the Contribution Fund	-2,000,000	-1,900,000
Closing balance – 31 December	158,415	61,737
<b>Closing balance – 31 December</b>	<b>36,911,324</b>	<b>32,130,843</b>

**3.5 Liabilities**

Estimated payables amounted to CZK 1,915,000 (1 January 2024: CZK 2,801,000), with the largest item being the fixed annual fee for the maintenance of the payout system, which is paid after the end of the relevant calendar year (CZK 1,419,000).

Payables from social security and health insurance as of 31 December 2024 were CZK 1,202,000 (as of 1 January 2024: CZK 1,117,000), of which CZK 738,000 (1 January 2024: CZK 664,000) was social security payables and CZK 464,000 (1 January 2024: CZK 453,000) was health insurance payables.

Tax liabilities amounted to CZK 634,000 (1 January 2024: CZK 598,000).

None of these payables were overdue.

**3.6 Contributions from Banks**

The contributions are recognized on the basis of being actually received and are not recorded on an accruals basis (see note 2.14.).

(CZK '000)	2024	2023
Contributions received from banks	4,245,694	6,407,855

By 3 May 2024, contributions to the Crisis Resolution Fund totalled CZK 2,683,803,000 and by 28 June 2024, contributions to the Deposit Insurance Fund totalled CZK 1,561,891,000. By 23 June 2023, contributions to the Crisis Resolution Fund totalled CZK 4,496,410,000 and by 29 June 2024, contributions to the Deposit Insurance Fund totalled CZK 1,911,445,000.

## THE FINANCIAL MARKET GUARANTEE SYSTEM

## Financial Statements

Year ended 31 December 2024

**3.7 Summary of Revenues and Expenses of the Current Accounting Period**

(CZK '000)	2024	2023
<b>Revenues:</b>		
Interest revenue	3,794,792	3,061,081
Foreign exchange gains	12	1
Other revenues (see note 3.8.)	1,144	0
<b>Total</b>	<b>3,795,948</b>	<b>3,061,082</b>
<b>Expenses:</b>		
Amortization of intangible and depreciation of tangible fixed assets	0	-35
Purchases consumed	-565	-419
Services	-20,374	-21,600
Personnel costs	-24,140	-23,187
Taxes and fees	-32	-34
Interest expense	0	-98
Foreign exchange losses	-18	-47
Other expenses (see note 3.8.)	-7,351	-4,687
<b>Total</b>	<b>-52,480</b>	<b>-50,107</b>

The 2024 profit of CZK 3,743,468,000 is made up of the profit of the Deposit Insurance Fund totalling CZK 1,870,792,000 and of the profit of the Crisis Resolution Fund amounting to CZK 1,872,676,000. The profit of the Deposit Insurance Fund is proposed for transfer to retained earnings from prior years, and the profit of the Crisis Resolution Fund is proposed for transfer to the Operational Fund of the Crisis Resolution Fund.

The average number of employees of the Financial Market Guarantee System is eleven, of which one is a management employee. Total wage costs in 2024 amounted to CZK 17,266,000 (2023: CZK 16,396,000). This item also includes remuneration paid to the members of the Board of Directors for the performance of their duties, totalling CZK 300,000 (2023: CZK 300,000).

**3.8 Other Revenues and Other Expenses**

(CZK '000)	2024	2023
<b>Revenues:</b>		
Other	1,144	0
<b>Total</b>	<b>1,144</b>	<b>0</b>
<b>Expenses:</b>		
Other	-7,351	-4,687
<b>Total</b>	<b>-7,351</b>	<b>-4,687</b>

The item 'Other revenues' includes fees for serving on creditors' bodies, reimbursed court fees, and the payment associated with the conclusion of a settlement agreement. The item 'Other expenses' primarily includes bank fees, fees associated with the management of financial reserves, insurance premiums including statutory employee insurance, and membership fees to international organizations.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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Year ended 31 December 2024

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In 2024, the auditor Deloitte Audit, s.r.o. was reimbursed for the statutory audit of the financial statements for 2023. The auditor's fee was CZK 580,000 (In 2023 the auditor's fee for PricewaterhouseCoopers Audit, s.r.o. was CZK 442,000).

In 2024, members of the Board of Directors and Management Board of the Financial Market Guarantee System were provided with non-cash performances totalling CZK 105,000 (2023: CZK 103,000) in connection with liability insurance for the members of the Board of Directors and the members of the Management Board for damage caused when exercising their functions.

### **3.9 Reimbursement of the Costs of the Financial Market Guarantee System**

Pursuant to Section 207 (2) of the AFCPR, the Financial Market Guarantee System has the right to the reimbursement of costs incurred in connection with the management of the Deposit Insurance Fund and the Crisis Resolution Fund, and this from the Deposit Insurance Fund and from the Operational Fund of the Crisis Resolution Fund. In 2024, the Financial Market Guarantee System only incurred costs connected with the management of the two Funds.

The total costs incurred by the Financial Market Guarantee System in connection with the management of the two Funds in 2024 totalled CZK 46,284,000 (2023: CZK 46,458,000), of which CZK 41,694,000 (2023: CZK 42,019,000) were expenses related to the management of the Deposit Insurance Fund and CZK 4,590,000 (2023: CZK 4,439,000) were expenses related to the management of the Crisis Resolution Fund.

The expenses related to the management of the Deposit Insurance Fund of CZK 41,694,000 (2023: CZK 42,019,000) were covered from the resources of the Deposit Insurance Fund. The expenses related to the management of the Crisis Resolution Fund of CZK 4,590,000 (2023: CZK 4,439,000) were covered from the Operational Fund of the Crisis Resolution Fund.

### **3.10 Litigation**

As of 31 December 2024, the Financial Market Guarantee System was not involved as a defendant in any litigation where the subject matter of the dispute was for a principal amount in excess of CZK 5 million.

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## THE FINANCIAL MARKET GUARANTEE SYSTEM

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### Financial Statements

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Year ended 31 December 2024

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### **3.11 Subsequent Events**

No events took place after the balance sheet date which could have a material impact on the Financial Market Guarantee System financial statements as of 31 December 2024.

On 12 March 2025, the Minister of Finance was delivered a notice by Radek Urban informing about Mr Urban's stepping down from the Board of Directors of the Financial Market Guarantee System as of 31 March 2025 in accordance with Section 200 (2) of Act No. 374/2015 Coll., on Financial Crisis Prevention and Resolution, as amended, as a result of the termination of his employment with the Czech National Bank. On 27 March 2025, the Minister of Finance appointed Petr Frydrych, a current member of the Board of Directors, as Vice-Chairman of the Board of Directors, and Tomáš Kahoun as a member of the Board of Directors, in both cases with effect from 1 April 2025.

The financial statements were approved by the Board of Directors of the Financial Market Guarantee System.

Prague, 19 June 2025



Renáta Kadlecová

Chairperson of the Management Board and Executive Director



Roman Kahánek

Member of the Management Board and Financial Manager

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## x. THE DEPOSIT INSURANCE FUND – INDEPENDENT AUDITOR'S REPORT



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Registered by the Municipal  
Court in Prague, Section C,  
File 24349  
ID. No.: 49620592  
Tax ID. No.: CZ49620592

## INDEPENDENT AUDITOR'S REPORT

### To the Supervisory Board of Garanční systém finančního trhu

Having its registered office at: Týn 639/1, Staré Město, 110 00 Praha 1

#### Opinion

We have audited the accompanying financial statements of the fund Fond pojištění vkladů (hereinafter also the "Fund") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2024, and the profit and loss account, for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Fond pojištění vkladů as at 31 December 2024, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

#### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Fund obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

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#### Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Body is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Body either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Fund's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Body.
- Conclude on the appropriateness of the Statutory Body use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Body and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 19 June 2025

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

Miroslav Mayer  
registration no. 2529

# FINANCIAL STATEMENTS

The Deposit Insurance Fund

Date of financial statements: 31 December 2024

Date of preparation of financial statements: 19 June 2025

## Balance Sheet as of 31 December 2024

(CZK '000)

ASSETS	As of 1 January 2024	As of 31 December 2024
<b>A. Total fixed assets</b>	<b>3,111,513</b>	<b>4,523,288</b>
<b>I. Intangible fixed assets – software</b>	<b>2,728</b>	<b>2,341</b>
<b>II. Tangible fixed assets</b>	<b>1,641</b>	<b>1,587</b>
Works of art, objects and collections	290	290
Tangible assets and their sets	1,351	1,297
<b>III. Long-term investments – bonds, debentures and similar securities held to maturity</b>	<b>3,111,223</b>	<b>4,522,998</b>
Debt securities held to maturity	3,111,223	3,470,055
Miscellaneous long-term financial assets	0	1,052,943
<b>IV. Total accumulated depreciation and amortization of fixed assets</b>	<b>–4,079</b>	<b>–3,638</b>
Accumulated amortization of software	–2,728	–2,341
Accumulated depreciation of machinery and equipment	–1,351	–1,297
<b>B. Total current assets</b>	<b>66,541,167</b>	<b>67,552,463</b>
<b>II. Total receivables</b>	<b>65,765,121</b>	<b>67,401,358</b>
Other receivables	65,765,121	67,401,358
<b>III. Total current financial assets</b>	<b>775,767</b>	<b>150,904</b>
Cash in hand	73	37
Stamps and vouchers	443	4
Financial resources on accounts	142,199	58,968
Other securities	633,052	91,895
<b>IV. Total other assets</b>	<b>279</b>	<b>201</b>
Prepaid expenses	279	201
<b>Total assets</b>	<b>69,652,680</b>	<b>72,075,751</b>

The Deposit Insurance Fund

Financial Statements

Year ended 31 December 2024

## Balance Sheet as of 31 December 2024

(CZK '000)

LIABILITIES	As of 1 January 2024	As of 31 December 2024
<b>A. Total equity</b>	<b>69,310,651</b>	<b>71,842,603</b>
<b>I. Equity</b>	<b>61,180,809</b>	<b>61,841,970</b>
Funds	61,180,809	61,865,132
Revaluation of assets and liabilities	0	-23,162
<b>II. Total profit/loss</b>	<b>8,129,842</b>	<b>10,000,633</b>
Profit/loss account	0	1,870,792
Profit/loss to be approved	914,298	
Retained earnings	7,215,544	8,129,841
<b>B. Total liabilities</b>	<b>342,029</b>	<b>233,148</b>
<b>III. Total current payables</b>	<b>342,029</b>	<b>233,148</b>
Payables to suppliers	1,483	1,779
Employees	2,446	2,392
Other payables to employees	7	0
Payables to social security and public health insurance institutions	1,117	1,202
Other direct tax liabilities	598	634
Other payables	333,577	225,226
Estimated payables	2,801	1,915
<b>Total equity and liabilities</b>	<b>69,652,680</b>	<b>72,075,751</b>

The Deposit Insurance Fund

Financial Statements

Year ended 31 December 2024

## Profit and Loss Account for the year ended 31 December 2024

(CZK '000)

		Activity	
	Main	Economic	Total
A. Expenses			
I. Consumed purchases and purchased services	19,368		19,368
1. Consumption of material	498		498
3. Repairs and maintenance	42		42
4. Travel expenses	687		687
5. Representation expenses	277		277
6. Other services	17,864		17,864
III. Personnel costs	21,274		21,274
10. Wages and salaries	15,217		15,217
11. Statutory social security insurance	4,948		4,948
13. Statutory social expenses	799		799
14. Other social expenses	310		310
IV. Taxes and fees	17		17
V. Other expenses	4,261		4,261
19. Foreign exchange losses	16		16
22. Sundry other expenses	4,245		4,245
Total expenses	44,920		44,920

The Deposit Insurance Fund

Financial Statements

Year ended 31 December 2024

### Profit and Loss Account for the year ended 31 December 2024

(CZK '000)

	Activity		
	Main	Economic	Total
<b>B. Revenues</b>			
<b>IV. Other revenues</b>	<b>1,915,712</b>		<b>1,915,712</b>
7. Interest revenue	1,914,557		1,914,557
8. Foreign exchange gains	11		11
10. Other revenues	1,144		1,144
<b>Total revenues</b>	<b>1,915,712</b>		<b>1,915,712</b>
<b>C. Profit/loss before tax</b>	<b>1,870,792</b>		<b>1,870,792</b>
<b>D. Profit/loss after tax</b>	<b>1,870,792</b>		<b>1,870,792</b>

Within the meaning of Section 5a (1) of Decree No. 504/2002 Coll., as amended, the Financial Market Guarantee System performed only the main activities for which it was established in terms of the management of the Deposit Insurance Fund. Nor did the Financial Market Guarantee System perform any economic activity within the meaning of Section 5a (2) of the Decree (additional, secondary, business or other activity outside the main activity).

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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## 1 General Information

The Deposit Insurance Fund is an accounting unit managed by the Financial Market Guarantee System, a legal person governed by public law, which was established under its original name the Deposit Insurance Fund by Act No. 156/1994 Coll., amending Act No. 21/1992 Coll., on Banks, in its then valid version. With effect from 1 January 2016, based on Act No. 374/2015 Coll., on Financial Crisis Prevention and Resolution (the "AFCPR"), the Deposit Insurance Fund was transformed into the Financial Market Guarantee System.

The identification number of the Financial Market Guarantee System is 497 10 362. Based on Act No. 586/1992 Coll., on Income Taxes, as amended, the income of the Financial Market Guarantee System is exempt from income tax. The registered office of the Financial Market Guarantee System is Prague 1, Týn 639/1.

Under legislation effective from 1 January 2016, the Management Board of the Financial Market Guarantee System is its statutory body. The Board of Directors remains the supreme body of the Financial Market Guarantee System with the powers listed in Section 201 of the AFCPR.

The role of the Financial Market Guarantee System is the operation of a deposit insurance scheme in the Czech Republic, including the management of the Deposit Insurance Fund (Section 41 a et seq. of Act No. 21/1992 Coll., on Banks, as amended) and the management of the Crisis Resolution Fund (Section 209 et seq. of the AFCPR). By performing these activities, the Financial Market Guarantee System contributes to the stability of the financial market.

### 1.1 Transformation of the Deposit Insurance Fund into the Financial Market Guarantee System

With effect from 1 January 2016, based on the AFCPR, the Deposit Insurance Fund was transformed into the Financial Market Guarantee System. This was not a "transformation" of a legal person within the meaning of Section 174 et seq. of Act No. 89/2012 Coll., the Civil Code (i.e. in the sense of a merger, division or change of legal form), but only a "change" consisting in particular of: a) a name change (Section 252 of the AFCPR), b) a change to the organizational structure (Section 199 et seq. of the AFCPR - a change to the statutory body, a listing of the powers of the Board of Directors, etc.) and c) an extension of the scope of activity (Section 198 of the AFCPR, on the management of assets in the Crisis Resolution Fund). We thus cannot speak of legal succession because there has been no transition of rights and obligations, and the legal person (holder of rights and obligations) has been retained (the same identification number).

### 1.2 Managed Funds (Nonentities)

In view of the retention of continuity of legal personality (the original Deposit Insurance Fund has changed into the Financial Market Guarantee System), while the funds managed by the Financial Market Guarantee System (the Deposit Insurance Fund and the Crisis Resolution Fund) have no legal personality (Section 198 (4) of the AFCPR), it is necessary to differentiate the Deposit Insurance Fund until 31 December 2015 (legal personality, change into the Financial Market Guarantee System) and the Deposit Insurance Fund from 1 January 2016 (nonentity made up of part of the assets of the Financial Market Guarantee System).

While the new nonentity called the Deposit Insurance Fund was de facto established by law on 1 January 2016 (see Section 254 of the AFCPR on allocation of assets and debts to the Deposit Insurance Fund), the Crisis Resolution Fund was established on the basis of Section 209 (1) of the AFCPR through the Statute of the Financial Market Guarantee System on 12 January 2016 (Article 5 of the Financial Market Guarantee System Statute).

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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### **1.3 Assets Placed in Funds**

Section 198 (2) of the AFCPR states that the Financial Market Guarantee System manages assets created by the Deposit Insurance Fund, the Crisis Resolution Fund and other assets of the Financial Market Guarantee System. From the legal point of view, therefore, they are always assets of the Financial Market Guarantee System, located a) in the Deposit Insurance Fund, b) in the Crisis Resolution Fund (i.e. not a model of an investment company - mutual fund, when the assets in the mutual fund are not the assets of the investment company).

From the accounting point of view, the Financial Market Guarantee System, the Deposit Insurance Fund and the Crisis Resolution Fund are three separate accounting units, while the assets constituted by the Deposit Insurance Fund, the assets constituted by the Crisis Resolution Fund and other assets of the Financial Market Guarantee System are kept separately in asset and accounting terms (Section 205 and Article 198 (2) of the AFCPR). Each of the accounting units has its own financial statements and their preparation is ensured by the Financial Market Guarantee System.

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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## **2 Accounting Policies**

### **2.1 Bookkeeping**

The Financial Market Guarantee System provides accounting for the management of the Deposit Insurance Fund pursuant to Act No. 563/1991 Coll., on Accounting, as amended (the "Act on Accounting"), Implementing Decree No. 504/2002 Coll., implementing some provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting units whose main business activity is not commercial business, if they use double-entry bookkeeping, as amended (the "Decree") and other legislation governing bookkeeping, and in accordance with the accounting methods specified therein.

The Deposit Insurance Fund is a separate accounting unit ("accounting unit").

The Financial Market Guarantee System records the status and movement of assets and liabilities, costs and revenues, and profit or loss of the Deposit Insurance Fund. The accounting for the subject of accounting is performed in ledgers kept separately for the Deposit Insurance Fund in a way that allows for the preparation of financial statements for the Deposit Insurance Fund.

The Statute of the Financial Market Guarantee System states that the Financial Market Guarantee System manages the Deposit Insurance Fund and the Crisis Resolution Fund (the "Funds") and that the Financial Market Guarantee System is entitled and bound by the legal relationships. Thus, from the accounting viewpoint, all the accounting documents (including the Electronic Registry Service) will be recorded by the Financial Market Guarantee System.

All activities of the Financial Market Guarantee System are tied to the management of the Funds. In terms of the bookkeeping, all expenses, revenues, costs, income, receivables and payables are items for the individual Funds. The Financial Market Guarantee System, as a legal person, maintains all these accounting cases in its accounts and materially assigns them to the individual Funds.

### **2.2 System of Accounting and Retention of Accounting Documents**

The Financial Market Guarantee System maintains full accounts for the Deposit Insurance Fund and uses double-entry accounting for the status and movement of property and other assets, payables, including debts and other liabilities, costs and revenues, and profit or loss.

Double-entry records are kept of all facts that are subject to accounting and these are recognized in the period to which they relate in time and in fact.

The accounting period for the Deposit Insurance Fund is the calendar year.

The Financial Market Guarantee System maintains a single bookkeeping for the Deposit Insurance Fund for the accounting unit as a whole.

The bookkeeping is maintained as a set of accounting records using technical means, data carriers and software. An accounting record is data that are a record of all the facts relating to the maintenance of the accounts. The accounting units must record every fact relating to the maintenance of accounts exclusively through accounting records. Individual accounting records may be grouped into aggregate accounting records; such accounting records are in particular accounting documents, accounting entries, ledgers, the depreciation plan, inventory listings, accounting plans, financial statements and the annual report.



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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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The bookkeeping is maintained in the Czech currency.

The bookkeeping is maintained in the Czech language. Accounting documents may be drawn up in a foreign language only if the condition of comprehensibility is fulfilled.

Facts that are the subject of the accounts ("accounting cases") are captured through accounting documents.

Accounting cases are recorded in ledgers ("accounting entries") only on the basis of probative accounting records.

The bookkeeping is kept in such a way that the financial statements prepared on its basis are comprehensible and provide a true and fair view of the accounting unit's accounts and financial situation.

The bookkeeping is maintained in a proper, complete, verifiable, clear, and comprehensible manner.

The bookkeeping is kept in a way that ensures the continuity of the accounting records so that the accounting unit complies with its obligations relating to their retention under the Act on Accounting.

The Financial Market Guarantee System assigns another person to process the accounts of the accounting unit on the basis of a contractual relationship in accordance with Section 5 of the Act on Accounting.

### **2.3 Scope of Bookkeeping, Accounting Documents, Accounting Records and Ledgers**

The Financial Market Guarantee System maintains separate and full bookkeeping for the Deposit Insurance Fund.

The accounting documents are probative accounting records that must include:

- identification of the accounting document,
- the content of the accounting case and its participants,
- the monetary amount or information on the price per unit of measurement and an indication of the quantity,
- the moment of preparation of the accounting document,
- the moment of performance of the accounting case, if not identical to the moment of the preparation of the accounting document,
- the signature record of the person responsible for the accounting case and the signature record of the person responsible for its posting.

The accounting documents are prepared without undue delay.

The accounting entries are accounting records in ledgers.

They are posted in the following ledgers:

- in the journal(s) in which the accounting entries are organized in terms of time (chronologically) and which show the accounting of all the accounting cases in the accounting period,
- in the main ledger in which the accounting entries are organized on a factual (systematic) basis,
- in the books of analytical accounts detailing the accounting records of the main ledger.

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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## **2.4 Plan of Accounts**

The accounting unit prepares a plan of accounts for each accounting period within the meaning of the guideline chart of accounts, accounting methods, organization and marking of the items of financial statements, and the content definition of those items determined in the Decree. The plan of accounts may be supplemented during the accounting period. The amounts in the analytical accounts books must correspond to the relevant aggregate cash amounts of the turnover or balance of the synthetic accounts to which these accounts are connected.

## **2.5 Financial Statements, Accounting Audit**

An inventory is performed before the preparation of the financial statements.

The financial statements are an inseparable whole and comprise:

- balance sheet,
- profit and loss account,
- annex.

## **2.6 Storage of Accounting Documents**

The Executive Director of the Financial Market Guarantee System is responsible for organizing the storage of accounting documents, and may designate the person responsible for the storage of the accounting documents. The archiving of accounting documents is performed according to the Filing and Shredding Rules.

## **2.7 Accounting Methodological Guidelines**

Accounting methodological guidelines are prepared to comply with Directive No. 22 - Bookkeeping, in accordance with the Accounting Act and other statutory regulations.

The accounting methodological guidelines are approved by the Board of Directors of the Financial Market Guarantee System or by the Management Board on the basis of an authorization granted by the Board of Directors.

The accounting methodological guidelines will be updated by the accounting unit if there is a change in legislation.

## **2.8 Assignment Procedures for Accounting Cases**

### **2.8.1 Accounting Cases Directly Assignable to the Funds**

2.8.1.1 These cases are charged by the Financial Market Guarantee System and directly assigned - posted - to the relevant Fund accounts.

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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2.8.1.2 These cases include, in particular, received contributions to the Funds and the investment of the financial reserves. Individual bank accounts are set up for the allocation of the contributions to the individual Funds. These accounts may also be used for investing assets in the individual Funds, unless separate bank accounts are established for this purpose. Accounting cases directly assignable to the Funds also include other accounting cases on these bank accounts, such as interest accrued or fees related to the management of these accounts.

### 2.8.2 Other Accounting Cases (for example, received invoices for rent, legal services, accounting, wages, depreciation, etc.)

2.8.2.1 Directly assignable accounting documents for individual funds that arise from invoicing (e.g. portfolio management fees), or where there is another possibility of direct assignment (for example, for legal services an annex with a breakdown of the purpose of legal representation by Fund). The Financial Market Guarantee System attributes and charges to the relevant Fund accounts according to the supporting criteria established from the accounting case.

2.8.2.2 In the event common accounting cases cannot be assigned to individual Funds under paragraph 2.8.2.1, this assignment will be made at a ratio determined as follows:

- a) To calculate the ratio of costs for managing the individual Funds, the cost-to-work ratio method is used for each Fund in the staff statements of work. Staff at the Financial Market Guarantee System prepare statements of work on a monthly basis.
- b) The ratio of the activities performed for each Fund will be calculated as of 31 December.
- c) The annual ratio calculated under point 2.8.2.2 (b) will be used to account for the advance ratio and will be balanced according to the actual status as of 31 December of the current year.
- d) The annual ratio calculated under point 2.8.2.2 (b) will be used to determine the advance ratio for the following accounting period.

2.8.3 The Financial Market Guarantee System proceeds with the assignment of expenses similarly as in paragraphs 2.8.1 and 2.8.2, for example, when paying for the purchase of technical equipment, when paying an advance for a future performance, when calculating anticipated costs or income, when paying a deposit or similar performances.

## 2.9 Providing Advances from the Deposit Insurance Fund for the Operating Costs of the Financial Market Guarantee System

The Financial Market Guarantee System incurs costs connected with the management of the Deposit Insurance Fund.

Expenditure related to the management of the Deposit Insurance Fund is covered from operating income, primarily from the investment income of the Deposit Insurance Fund.

The Financial Market Guarantee System establishes the budget of all accounting units prior to the start of the current year, and at the same time determines the amount of advances to be provided from the Deposit Insurance Fund to cover operating costs. Advances can be provided in instalments.

Advances are settled with actual costs after the end of the accounting period.

Receivables and payables between the managed accounting units from the title of the payment of operating costs are subject to an inventory during the preparation of the financial statements.

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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## **2.10 Basic Principles for Preparing the Financial Statements**

The financial statements are compiled in accordance with accounting regulations applicable in the Czech Republic and with Czech Accounting Standards for accounting units that are not primarily engaged in business activity. The financial statements are compiled at historical cost except for securities held for trading and available-for-sale securities, which are recognized at fair value, and securities held to maturity, which are valued at amortized costs. The financial statements are compiled on the assumption that the accounting unit is able to continue as a going concern. The amounts in the financial statements and in the notes thereto are rounded to thousands of Czech korunas unless stated otherwise.

## **2.11 Tangible Fixed Assets**

Purchased tangible fixed assets are recognized at acquisition cost, which includes the price for which the assets were acquired and the expenses relating to the acquisition.

The depreciation of tangible fixed assets was calculated using the straight-line depreciation method, based on the estimated useful life of the assets. The depreciation period for personal computers, servers, printers etc. is 3 years. The depreciation period for passenger cars is 5 years. The depreciation period for strongboxes is 10 years. Works of art are not subject to depreciation.

Repair and maintenance expenses on tangible fixed assets are charged directly to expenses.

Tangible assets with a useful life of more than 1 year and acquisition cost not exceeding CZK 80,000 per item are charged directly to expenses once they are put into use.

The amortization of intangible fixed assets was calculated using the straight-line amortization method over 3 years.

Intangible assets with a useful life of more than 1 year and acquisition cost not exceeding CZK 60,000 per item are charged directly to expenses once they are put into use.

## **2.12 Securities and Shares**

The Deposit Insurance Fund classifies securities and shares as securities held for trading, available-for-sale securities and securities held to maturity.

### **Securities Held for Trading**

Securities held for trading are securities held by the Financial Market Guarantee System for the Deposit Insurance Fund for the purpose of transactions aimed at generating profit from price differences in the short term.

When purchased, securities and shares are recognized at acquisition cost, including transaction expenses. Securities held for trading are measured at fair value. The market value of securities as of the balance sheet date is used to calculate the fair value. The valuation of securities not traded on public markets is based on an expert opinion or a qualified estimate made by the Financial Market Guarantee System.

Interest income from securities held for trading is recognized as 'Interest revenue'.

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**The Deposit Insurance Fund**

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**Financial Statements**

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**Year ended 31 December 2024**

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Profit and loss arising from changes in the fair value of securities held for trading are recognized in the profit and loss account in the period in which they arise.

**Available-for-Sale Securities**

Available-for-sale securities are securities that are not intended for trading in the short term. These securities are classified as long-term investments.

When purchased, available-for-sale securities are recognized at acquisition cost, including transaction expenses, and subsequently measured at fair value at the balance sheet date.

Interest income from available-for-sale securities is recognized as 'Interest revenue'.

Changes in the fair value of available-for-sale securities are recognized in the balance sheet as 'Valuation differences from revaluation of assets and liabilities'.

**Securities Held to Maturity**

Securities held to maturity are financial assets with a fixed or predefined yield and fixed maturity, where there is the intention and ability to hold until their maturity.

When purchased, securities held to maturity are recognized at acquisition cost, including transaction expenses, and subsequently valued at amortized costs.

Interest income from securities held to maturity includes accrued coupons, discounts and premiums on debt securities and is recognised as 'Interest revenue'.

**Repo and Buy/Sell Operations**

Collateralized receivables as part of repo and buy-sell transactions are reported under 'Other receivables', including accrued interest. Interest from these transactions is recorded on an accruals basis for the duration of such a transaction and recognized as interest revenue.

**2.13 Foreign Currency Conversions**

Transactions carried out in foreign currencies are converted and posted at the exchange rate valid on the transaction date. All monetary assets and liabilities maintained in foreign currencies were converted at the exchange rate published by the Czech National Bank as of the balance sheet date. All foreign exchange gains and losses arising from the conversion of receivables and payables are recognized in the profit and loss account and are reported under 'Foreign exchange gains' and 'Foreign exchange losses'.

Exchange differences on securities that are measured at fair value and maintained in foreign currencies are considered to be part of their fair value measurement.

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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## **2.14 Contributions Received from Banks**

Contributions to the Deposit Insurance Fund are posted directly to the account of the Funds included in the Deposit Insurance Fund's equity. The amount of contributions is set by the Czech National Bank by 31 May of the year in respect of which contributions are paid, while they are due by 30 June of the given year.

## **2.15 Adjustments and Provisions**

The Deposit Insurance Fund neither creates nor accounts for adjustments in accordance with Section 37 (1) of the Decree. The Deposit Insurance Fund neither creates nor accounts for provisions in accordance with Section 40 (1) of the Decree.

## **2.16 Payables to Bank Clients and Receivables Due from Banks that Could Not Meet their Commitments to Clients**

In accordance with the Decree and an internal accounting regulation governing received contributions, compensation disbursements and related cases, the commencement of the disbursement is accounted for as a payable to clients of the banks to whom the compensation is being disbursed, while debiting the Funds account included in equity. A receivable due from banks that could not meet their commitments to clients is posted in the same amount against the Funds account in equity.

## **2.17 Equity**

Based on a decision of the Board of Directors of the Financial Market Guarantee System, the financial result (profit or loss from the current year) is transferred to Retained earnings / Retained losses from prior years or to Funds within the framework of the own resources of the Deposit Insurance Fund. The subsequent transfer of retained earnings from prior years from Retained earnings / Retained losses from prior years to Funds is possible again if the Board of Directors of the Financial Market Guarantee System so decides.

## **2.18 Use of Estimates**

The preparation of the financial statements requires the use of estimates and assumptions that influence the recognized values of assets and liabilities as of the date of the financial statements, and the recognized amounts of revenues and expenses for the reporting period. The Deposit Insurance Fund has defined these estimates and assumptions on the basis of all the relevant information available to the Deposit Insurance Fund. Nevertheless, the inherent nature of estimates means that the actual future values may differ from these estimates.

## **2.19 Subsequent Events**

The impact of events that occurred between the balance sheet date and the date of preparation of the financial statements is reported in the accounting reports if such events provide additional information about facts that existed as of the balance sheet date.

In the event that between the balance sheet date and the date of preparation of the financial statements material events occurred reflecting facts that took place after the balance sheet date, the consequences of these events are described in the notes to the financial statements but are not posted to the financial statements.

The Deposit Insurance Fund

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### 3 Additional Information on the Balance Sheet and Profit and Loss Account

#### 3.1 Other Receivables

(CZK '000)	As of 31 December 2024	As of 1 January 2024
Receivables from compensation disbursed	23,524,081	52,026,684
Receivables from duplicate payments	14,215	14,252
Other receivables	902	309
Receivables from unpaid contributions	2,962	2,962
Receivables from repo operations	43,859,198	13,720,914
<b>Other receivables – total</b>	<b>67,401,358</b>	<b>65,765,121</b>

Receivables from compensation disbursed include receivables due from banks and cooperative credit unions that failed to meet their commitments to clients; they amounted to CZK 23,524,081,000 as of 31 December 2024 (as of 1 January 2024: CZK 52,026,684,000). In 2024, according to the partial distribution schedule for the proceeds of the insolvency estate of Sberbank CZ, a. s., in liquidation, the Financial Market Guarantee System received CZK 25,928,550,000, which accounted for 95% of its receivable from compensation for deposits disbursed. According to the final distribution schedule for the proceeds of the bankruptcy estate of Moravia banka, a. s., it received a sum of CZK 1,695,384,000, which made up 35.7% of its receivable from compensation for deposits disbursed.

No adjustments were created for these receivables based on a measure of the Ministry of Finance of the Czech Republic (see note 2.15). If there were an option to create an adjustment, the Financial Market Guarantee System would create, as of 31 December 2024, an 89% adjustment for the Receivables from compensation for deposits disbursed.

#### 3.2 Debt Securities Held to Maturity

##### Accrued Value of Securities Held to Maturity:

(CZK '000)	As of 31 December 2024	As of 1 January 2024
Debt securities held to maturity	3,561,950	3,744,275

Czech government bonds represented 100% of the value of held-to-maturity securities as of 31 December 2024 (the same as of 1 January 2024). The value of the bonds in market terms reached CZK 3,315,974,000 as of 31 December 2024 (as of 1 January 2024: CZK 3,567,961,000). As of 31 December 2024, the accrued value of securities held to maturity and maturing in more than 1 year stood at CZK 3,470,055,000 (as of 1 January 2024: CZK 3,111,223,000) and is shown under assets in Part A.III. Debt securities held to maturity. As of 31 December 2024, the accrued value of securities held to maturity and maturing within 1 year stood at CZK 91,895,000 (as of 1 January 2024: CZK 633,052,000) and is shown under assets in Part B.III. Other securities.

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### 3.3 Miscellaneous Long-Term Financial Assets

#### Market Value of Securities Held Within the Available-For-Sale Securities Portfolio:

(CZK '000)	2024	2023
Debt securities	1,052,943	0

As of 31 December 2024, the value of debt securities held by the Financial Market Guarantee System within the available-for-sale securities portfolio was CZK 1,052,943,000 (1 January 2024: CZK 0). As of 31 December 2024, the nominal value of the bonds stood at CZK 1,000,000,000 (1 January 2024: CZK 0). These securities are shown under assets in Part A.III. Miscellaneous long-term financial assets.

Czech government bonds accounted for 100% of the value of these securities as of 31 December 2024.

### 3.4 Statement of Changes on the Funds Account

The Deposit Insurance Fund has no registered capital. Its equity consists of the Funds account, valuation differences from revaluation of assets and liabilities and the financial result (i.e. profit/loss).

#### Statement of Changes on the Funds Account:

(CZK '000)	2024	2023
Opening balance – 1 January	61,180,809	59,288,514
Contributions received (see note 3.6)	1,561,891	1,911,445
New receivables due from banks in insolvency and liquidation	1,058	0
Written-off receivables and payables from compensation disbursements	-879,728	-18,076
Compensation disbursement	0	-1,004
Written-off receivables and payables from unpaid contributions	0	-70
Additional payments and refunds from settlement	1,102	0
Closing balance – 31 December	61,865,132	61,180,809

In 2024, the Financial Market Guarantee System completed the payout of deposit compensation to clients of Československé úvěrní družstvo. As part of the settlement of this compensation payment, the Financial Market Guarantee System received back from Komerční banka, a. s., which was responsible for the payout of the compensation, CZK 1,102,000 representing unpaid deposit compensations. In 2024, the Financial Market Guarantee System continued the payout of deposit compensation to clients of Sberbank CZ, a. s. As a result of the review procedure, the receivable from this payout was increased by CZK 1,058,000.

2024 also saw the termination of the bankruptcy proceedings concerning the assets of the debtor UNIBON – spořitelní a úvěrní družstvo, in liquidation. The Financial Market Guarantee System wrote off the outstanding amount of the receivable from compensation disbursed of CZK 879,728,000.

### 3.5 Liabilities

Estimated payables amounted to CZK 1,915,000 (1 January 2024: CZK 2,801,000), with the largest item being the fixed annual fee for the maintenance of the payout system, which is paid after the end of the relevant calendar year (CZK 1,419,000).



## The Deposit Insurance Fund

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Payables from social security and health insurance as of 31 December 2024 were CZK 1,202,000 (as of 1 January 2024: CZK 1,117,000), of which CZK 738,000 (1 January 2024: CZK 664,000) was social security payables and CZK 464,000 (1 January 2024: CZK 453,000) was health insurance payables.

Tax liabilities amounted to CZK 634,000 (1 January 2024: CZK 598,000).

None of these payables were overdue.

### 3.6 Contributions from Banks

The contributions are recognized on the basis of being actually received and are not recorded on an accruals basis (see note 2.15.).

(CZK '000)	2024	2023
Contributions received from banks	1,561,891	1,911,445

By 28 June 2024, contributions made to the Deposit Insurance Fund for 2024 totalled CZK 1,561,891,000. By 29 June 2023, contributions made to the Deposit Insurance Fund for 2023 totalled CZK 1,911,445,000.

### 3.7 Summary of Revenues and Expenses of the Current and Previous Accounting Periods

(CZK '000)	2024	2023
<b>Revenues:</b>		
Interest revenue	1,914,557	957,584
Foreign exchange gains	11	1
Other revenues (see note 3.8.)	1,144	0
<b>Total</b>	<b>1,915,712</b>	<b>957,585</b>
<b>Expenses:</b>		
Amortization of intangible and depreciation of tangible fixed assets	0	-34
Purchases consumed	-498	-367
Services	-18,870	-20,240
Personnel costs	-21,274	-20,312
Taxes and fees	-17	-19
Interest expense	0	-98
Foreign exchange losses	-16	-41
Other expenses (see note 3.8.)	-4,245	-2,176
<b>Total</b>	<b>-44,920</b>	<b>-43,287</b>

The 2024 profit of CZK 1,870,792,000 (2023: CZK 914,298,000) is proposed for transfer to retained earnings from prior years.

The average number of employees of the Financial Market Guarantee System is eleven, of which one is a management employee. Total wage costs in 2024 amounted to CZK 17,266,000 (2023: CZK 16,396,000). The share of wage costs covered by the Deposit Insurance Fund was CZK 15,217,000 (2023: CZK 14,626,000). This item also includes remuneration paid to the members of the Board of Directors for the performance of their duties, totalling CZK 300,000 (2023: CZK 300,000).

The Deposit Insurance Fund

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Year ended 31 December 2024

### 3.8 Other Revenues and Other Expenses

(CZK '000)	2024	2023
<b>Revenues:</b>		
Other	1,144	0
<b>Total</b>	<b>1,144</b>	<b>0</b>
<b>Expenses:</b>		
Other	-4,245	-2,176
<b>Total</b>	<b>-4,245</b>	<b>-2,176</b>

The item 'Other revenues' includes fees for serving on creditors' bodies, reimbursed court fees, and the payment associated with the conclusion of a settlement agreement. The item 'Other expenses' primarily includes bank fees, fees associated with the management of financial reserves, insurance premiums including statutory employee insurance, and membership fees to international organizations.

In 2024, members of the Board of Directors and Management Board of the Financial Market Guarantee System were provided with non-cash performances totalling CZK 105,000 (2023: CZK 103,000) in connection with liability insurance for the members of the Board of Directors and the members of the Management Board for damage caused when exercising their functions. The Deposit Insurance Fund's share of these costs was CZK 92,000 (2023: CZK 90,000).

### 3.9 Reimbursement of Costs Related to the Management of the Deposit Insurance Fund to the Financial Market Guarantee System

Pursuant to Section 207 (2) of the AFCPR, the Financial Market Guarantee System has the right to the reimbursement of costs incurred in connection with the management of the Deposit Insurance Fund and the Crisis Resolution Fund, and this from the Deposit Insurance Fund and from the Operational Fund of the Crisis Resolution Fund. In 2024, the Financial Market Guarantee System only incurred costs connected with the management of the two Funds.

The total costs incurred by the Financial Market Guarantee System in connection with the management of the two Funds in 2024 totalled CZK 46,284,000 (2023: CZK 46,458,000), of which CZK 41,694,000 (2023: CZK 42,019,000) were expenses related to the management of the Deposit Insurance Fund and CZK 4,590,000 (2023: CZK 4,439,000) were expenses related to the management of the Crisis Resolution Fund.

The expenses related to the management of the Deposit Insurance Fund of CZK 41,694,000 (2023: CZK 42,019,000) were covered from the resources of the Deposit Insurance Fund.

### 3.10 Litigation

As of 31 December 2024, the Financial Market Guarantee System was not involved as a defendant in any litigation where the subject matter of the dispute was for a principal amount in excess of CZK 5 million.

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The Deposit Insurance Fund

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Financial Statements

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Year ended 31 December 2024

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### **3.11 Subsequent Events**

No events took place after the balance sheet date which could have a material impact on the Deposit Insurance Fund financial statements as of 31 December 2024.

The financial statements of the Deposit Insurance Fund were approved by the Board of Directors of the Financial Market Guarantee System:

Prague, 19 June 2025



Renáta Kadlecová

Chairperson of the Management Board and Executive Director



Roman Kahánek

Member of the Management Board and Financial Manager

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## XI. THE CRISIS RESOLUTION FUND – INDEPENDENT AUDITOR'S REPORT



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## INDEPENDENT AUDITOR'S REPORT

### To the Supervisory Board of Garanční systém finančního trhu

Having its registered office at: Týn 639/1, Staré Město, 110 00 Praha 1

#### Opinion

We have audited the accompanying financial statements of the fund Fond pro řešení krize (hereinafter also the "Fund") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2024, and the profit and loss account, for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Fond pro řešení krize as at 31 December 2024, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

#### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Fund obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

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#### Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Body is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Body either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Fund's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Body.
- Conclude on the appropriateness of the Statutory Body use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Body and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 19 June 2025

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

Miroslav Mayer  
registration no. 2529

# FINANCIAL STATEMENTS

The Crisis Resolution Fund

Date of financial statements: 31 December 2024

Date of preparation of financial statements: 19 June 2025

## Balance Sheet as of 31 December 2024

(CZK '000)

ASSETS	As of 1 January 2024	As of 31 December 2024
<b>A. Total fixed assets</b>	<b>1,056,585</b>	<b>1,799,178</b>
<b>II. Tangible fixed assets</b>	<b>89</b>	<b>89</b>
Works of art, objects and collections	30	30
Tangible assets and their sets	59	59
<b>III. Total long-term investments</b>	<b>1,056,555</b>	<b>1,799,148</b>
Debt securities held to maturity	1,056,555	1,799,148
<b>IV. Total accumulated depreciation and amortization of fixed assets</b>	<b>-59</b>	<b>-59</b>
Accumulated depreciation of machinery and equipment and of vehicles, furniture and fixtures	-59	-59
<b>B. Total current assets</b>	<b>33,171,010</b>	<b>36,985,440</b>
<b>II. Total receivables</b>	<b>33,166,400</b>	<b>36,981,137</b>
Other receivables	33,166,400	36,981,137
<b>III. Total current financial assets</b>	<b>4,610</b>	<b>4,303</b>
Financial resources on accounts	4,610	4,303
<b>Total assets</b>	<b>34,227,595</b>	<b>38,784,618</b>

The Crisis Resolution Fund

Financial Statements

Year ended 31 December 2024

## Balance Sheet as of 31 December 2024

(CZK '000)

LIABILITIES	As of 1 January 2024	As of 31 December 2024
<b>A. Total equity</b>	<b>34,227,520</b>	<b>38,784,000</b>
<b>I. Equity</b>	<b>32,130,843</b>	<b>36,911,324</b>
Funds	32,130,843	36,911,324
Contribution Fund	32,069,106	36,752,909
Operational Fund	61,737	158,415
<b>II. Total profit/loss</b>	<b>2,096,677</b>	<b>1,872,676</b>
Profit/loss account	0	1,872,676
Profit/loss to be approved	2,096,677	0
<b>B. Total liabilities</b>	<b>75</b>	<b>618</b>
<b>III. Total current payables</b>	<b>75</b>	<b>618</b>
Other payables	75	618
<b>Total equity and liabilities</b>	<b>34,227,595</b>	<b>38,784,618</b>



The Crisis Resolution Fund

Financial Statements

Year ended 31 December 2024

## Profit and Loss Account for the year ended 31 December 2024

(CZK '000)

	Activity		
	Main	Economic	Total
A. Expenses			
I. Consumed purchases and purchased services	1,571		1,571
1. Consumption of material	67		67
3. Repairs and maintenance	5		5
4. Travel expenses	92		92
5. Representation expenses	37		37
6. Other services	1,370		1,370
III. Personnel costs	2,866		2,866
10. Wages and salaries	2,049		2,049
11. Statutory social security insurance	667		667
13. Statutory social expenses	108		108
14. Other social expenses	42		42
IV. Taxes and fees	15		15
V. Other expenses	3,108		3,108
19. Foreign exchange losses	2		2
22. Sundry other expenses	3,106		3,106
Total expenses	7,560		7,560

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Year ended 31 December 2024

## Profit and Loss Account for the year ended 31 December 2024

(CZK '000)

	Activity		
	Main	Economic	Total
<b>B. Revenues</b>			
<b>IV. Other revenues</b>	<b>1,880,236</b>		<b>1,880,236</b>
7. Interest revenue	1,880,235		1,880,235
8. Foreign exchange gains	1		1
<b>Total revenues</b>	<b>1,880,236</b>		<b>1,880,236</b>
<b>C. Profit/loss before tax</b>	<b>1,872,676</b>		<b>1,872,676</b>
<b>D. Profit/loss after tax</b>	<b>1,872,676</b>		<b>1,872,676</b>

Within the meaning of Section 5a (1) of Decree No. 504/2002 Coll., as amended, the Financial Market Guarantee System performed only the main activities for which it was established in terms of the management of the Crisis Resolution Fund. The Financial Market Guarantee System did not perform any economic activity within the meaning of Section 5a (2) of the Decree (additional, secondary, business or other activity outside the main activity) in this area either.

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## **1 General Information**

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The Crisis Resolution Fund is an accounting unit managed by the Financial Market Guarantee System, a legal person governed by public law, which was established under its original name the Deposit Insurance Fund by Act No. 156/1994 Coll., amending Act No. 21/1992 Coll., on Banks, in its then valid version. With effect from 1 January 2016, based on Act No. 374/2015 Coll., on Financial Crisis Prevention and Resolution (the "AFCPR"), the Deposit Insurance Fund was transformed into the Financial Market Guarantee System.

The identification number of the Financial Market Guarantee System is 497 10 362. Based on Act No. 586/1992 Coll., on Income Taxes, as amended, the income of the Financial Market Guarantee System is exempt from income tax. The registered office of the Financial Market Guarantee System is Prague 1, Týn 639/1.

Under legislation effective from 1 January 2016, the Management Board of the Financial Market Guarantee System is its statutory body. The Board of Directors remains the supreme body of the Financial Market Guarantee System with the powers listed in Section 201 of the AFCPR.

The role of the Financial Market Guarantee System is the operation of a deposit insurance scheme in the Czech Republic, including the management of the Deposit Insurance Fund (Section 41 a et seq. of Act No. 21/1992 Coll., on Banks, as amended) and the management of the Crisis Resolution Fund (Section 209 et seq. of the AFCPR). By performing these activities, the Financial Market Guarantee System contributes to the stability of the financial market.

### **1.1 Transformation of the Deposit Insurance Fund into the Financial Market Guarantee System**

With effect from 1 January 2016, based on the AFCPR, the Deposit Insurance Fund was transformed into the Financial Market Guarantee System. This was not a "transformation" of a legal person within the meaning of Section 174 et seq. of Act No. 89/2012 Coll., the Civil Code (i.e. in the sense of a merger, division or change of legal form), but only a "change" consisting in particular of: a) a name change (Section 252 of the AFCPR), b) a change to the organisational structure (Section 199 et seq. of the AFCPR - a change to the statutory body, a listing of the powers of the Board of Directors, etc.) and c) an extension of the scope of activity (Section 198 of the AFCPR, on the management of assets in the Crisis Resolution Fund). We thus cannot speak of legal succession because there has been no transition of rights and obligations, and the legal person (holder of rights and obligations) has been retained (the same identification number).

### **1.2 Managed Funds (Nonentities)**

In view of the retention of continuity of legal personality (the original Deposit Insurance Fund has changed into the Financial Market Guarantee System), while the funds managed by the Financial Market Guarantee System (the Deposit Insurance Fund and the Crisis Resolution Fund) have no legal personality (Section 198 (4) of the AFCPR), it is necessary to differentiate the Deposit Insurance Fund until 31 December 2015 (legal personality, change into the Financial Market Guarantee System) and the Deposit Insurance Fund from 1 January 2016 (nonentity made up of part of the assets of the Financial Market Guarantee System).

While the new nonentity the Deposit Insurance Fund was de facto established by law on 1 January 2016 (see Section 254 of the AFCPR on allocation of assets and debts to the Deposit Insurance Fund), the Crisis Resolution Fund was established on the basis of Section 209 (1) of the AFCPR through the Statute of the Financial Market Guarantee System on 12 January 2016 (Article 5 of the Financial Market Guarantee System Statute).

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### **1.3 Assets Placed in Funds**

Section 198 (2) of the AFCPR states that the Financial Market Guarantee System manages assets created by the Deposit Insurance Fund, the Crisis Resolution Fund and other assets of the Financial Market Guarantee System. From the legal point of view, therefore, they are always assets of the Financial Market Guarantee System, located a) in the Deposit Insurance Fund, b) in the Crisis Resolution Fund (i.e. not a model of an investment company - mutual fund, when the assets in the mutual fund are not the assets of the investment company).

From the accounting point of view, the Financial Market Guarantee System, the Deposit Insurance Fund and the Crisis Resolution Fund are three separate accounting units, while the assets constituted by the Deposit Insurance Fund, the assets constituted by the Crisis Resolution Fund and other assets of the Financial Market Guarantee System are kept separately in asset and accounting terms (Section 205 and Article 198 (2) of the AFCPR). Each of the accounting units has its own financial statements and their preparation is ensured by the Financial Market Guarantee System.

The Crisis Resolution Fund had no assets at the time of its establishment.

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## **2 Accounting Policies**

### **2.1 Bookkeeping**

The Financial Market Guarantee System provides accounting for the management of the Crisis Resolution Fund pursuant to Act No. 563/1991 Coll., on Accounting, as amended (the "Act on Accounting"), Implementing Decree No. 504/2002 Coll., implementing some provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting units whose main business activity is not commercial business, if they use double-entry bookkeeping, as amended (the "Decree") and other legislation governing bookkeeping, and in accordance with the accounting methods specified therein.

The Crisis Resolution Fund is a separate accounting unit ("accounting unit").

The Financial Market Guarantee System records the status and movement of assets and liabilities, costs and revenues, and profit or loss of the Crisis Resolution Fund. The accounting for the subject of accounting is performed in ledgers kept separately for the Crisis Resolution Fund in a way that allows for the preparation of financial statements for the Crisis Resolution Fund.

The Statute of the Financial Market Guarantee System states that the Financial Market Guarantee System manages the Crisis Resolution Fund and the Deposit Insurance Fund (the "Funds") and that the Financial Market Guarantee System is entitled and bound by the legal relationships. From the point of view of the accounting, all the accounting documents (as well as the electronic registry service) will be recorded by the Financial Market Guarantee System.

All activities of the Financial Market Guarantee System are tied to the management of the Funds. In terms of the bookkeeping, all expenses, revenues, costs, income, receivables and payables are items for the individual Funds. The Financial Market Guarantee System, as a legal person, maintains all these accounting cases in its accounts and materially assigns them to the individual Funds.

### **2.2 System of Accounting and Retention of Accounting Documents**

The Financial Market Guarantee System maintains full accounts for the Crisis Resolution Fund and uses double-entry accounting for the status and movement of property and other assets, payables, including debts and other liabilities, costs and revenues, and profit or loss.

Double-entry records are kept of all facts that are subject to accounting and these are recognized in the period to which they relate in time and in fact.

The accounting period for the Crisis Resolution Fund is the calendar year.

The Financial Market Guarantee System maintains a single bookkeeping for the Crisis Resolution Fund for the accounting unit as a whole.

The bookkeeping is maintained as a set of accounting records using technical means, data carriers and software. An accounting record is data that are a record of all the facts relating to the maintenance of the accounts. The accounting units must record every fact relating to the maintenance of accounts exclusively through accounting records. Individual accounting records may be grouped into aggregate accounting records; such accounting records are in particular accounting documents, accounting entries, ledgers, the depreciation plan, inventory listings, accounting plans, financial statements and the annual report.

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The bookkeeping is maintained in the Czech currency.

The bookkeeping is maintained in the Czech language. Accounting documents may be drawn up in a foreign language only if the condition of comprehensibility is fulfilled.

Facts that are the subject of the accounts ("accounting cases") are captured through accounting documents.

Accounting cases are recorded in ledgers ("accounting entries") only on the basis of probative accounting records.

The bookkeeping is kept in such a way that the financial statements prepared on its basis are comprehensible and provide a true and fair view of the accounting unit's accounts and financial situation.

The bookkeeping is maintained in a proper, complete, verifiable, clear, and comprehensible manner.

The bookkeeping is kept in a way that ensures the continuity of the accounting records so that the accounting unit complies with its obligations relating to their retention under the Act on Accounting.

The Financial Market Guarantee System assigns another person to process the accounts of the accounting unit on the basis of a contractual relationship in accordance with Section 5 of the Act on Accounting.

### **2.3 Scope of Bookkeeping, Accounting Documents, Accounting Records and Ledgers**

The Financial Market Guarantee System maintains separate and full bookkeeping for the Crisis Resolution Fund.

The accounting documents are probative accounting records that must include:

- identification of the accounting document,
- the content of the accounting case and its participants,
- the monetary amount or information on the price per unit of measurement and an indication of the quantity,
- the moment of preparation of the accounting document,
- the moment of performance of the accounting case, if not identical to the moment of the preparation of the accounting document,
- the signature record of the person responsible for the accounting case and the signature record of the person responsible for its posting.

The accounting documents are prepared without undue delay.

The accounting entries are accounting records in ledgers.

They are posted in the following ledgers:

- in the journal(s) in which the accounting entries are organized in terms of time (chronologically) and which show the accounting of all the accounting cases in the accounting period,
- in the main ledger in which the accounting entries are organized on a factual (systematic) basis,
- in the books of analytical accounts detailing the accounting records of the main ledger.

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## **2.4 Plan of Accounts**

The plan of accounts is prepared for each accounting period within the meaning of the guideline chart of accounts, accounting methods, organization and marking of the items of financial statements, and the content definition of those items determined in the Decree. An accounting unit may supplement the plan of accounts during the accounting period.

The amounts in the analytical accounts books must correspond to the relevant aggregate cash amounts of the turnover or balance of the synthetic accounts to which these accounts are connected.

## **2.5 Financial Statements, Accounting Audit**

An inventory is performed before the preparation of the financial statements.

The financial statements are an inseparable whole and comprise:

- balance sheet,
- profit and loss account,
- annex.

## **2.6 Storage of Accounting Documents**

The Executive Director of the Financial Market Guarantee System is responsible for organizing the storage of accounting documents, and may designate the person responsible for the storage of the accounting documents. The archiving of accounting documents is performed according to the Filing and Shredding Rules.

## **2.7 Accounting Methodological Guidelines**

Accounting methodological guidelines are prepared to comply with Directive No. 22 - Bookkeeping, in accordance with the Accounting Act and other statutory regulations.

The accounting methodological guidelines are approved by the Board of Directors of the Financial Market Guarantee System or by the Management Board on the basis of an authorization granted by the Board of Directors.

The accounting methodological guidelines will be updated if there is a change in legislation.

## **2.8 Assignment Procedures for Accounting Cases**

### **2.8.1 Accounting Cases Directly Assignable to the Funds**

2.8.1.1 These cases are charged by the Financial Market Guarantee System and directly assigned - posted - to the relevant Fund accounts.

2.8.1.2 These cases include, in particular, received contributions to the Funds and the investment of the financial reserves. Individual bank accounts are set up for the allocation of the contributions to the individual Funds. These accounts may also be used for investing assets in the individual Funds, unless separate bank accounts are established for this purpose.

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Accounting cases directly assignable to the Funds also include other accounting cases on these bank accounts, such as interest accrued or fees related to the management of these accounts.

## 2.8.2 Other Accounting Cases (for example, received invoices for rent, legal services, accounting, wages, depreciation, etc.)

2.8.2.1 Directly assignable accounting documents for individual funds that arise from invoicing (e.g. portfolio management fees), or where there is another possibility of direct assignment (for example, for legal services an annex with a breakdown of the purpose of legal representation by Fund). The Financial Market Guarantee System attributes and charges to the relevant Fund accounts according to the supporting criteria established from the accounting case.

2.8.2.2 In the event common accounting cases cannot be assigned to individual Funds under paragraph 2.8.2.1, this assignment will be made at a ratio determined as follows:

- a) To calculate the ratio of costs for managing the individual Funds, the cost-to-work ratio method is used for each Fund in the staff statements of work. Staff at the Financial Market Guarantee System prepare statements of work on a monthly basis.
- b) The ratio of the activities performed for each Fund will be calculated as of 31 December.
- c) The annual ratio calculated under point 2.8.2.2 (b) will be used to account for the advance ratio and will be balanced according to the actual status as of 31 December of the current year.
- d) The annual ratio calculated under point 2.8.2.2 (b) will be used to determine the advance ratio for the following accounting period.

2.8.3 The Financial Market Guarantee System proceeds with the assignment of expenses similarly as in paragraphs 2.8.1 and 2.8.2, for example, when paying for the purchase of technical equipment, when paying an advance for a future performance, when calculating anticipated costs or income, when paying a deposit or similar performances.

## 2.9 Providing Advances from the Crisis Resolution Fund for the Operating Costs of the Financial Market Guarantee System

The Financial Market Guarantee System incurs costs connected with the management of the Crisis Resolution Fund.

Expenditure related to the management of the Crisis Resolution Fund is covered from the Operational Fund of the Crisis Resolution Fund.

The Financial Market Guarantee System establishes the budget of all accounting units prior to the start of the current year, and at the same time determines the amount of advances to be provided from the Crisis Resolution Fund to cover operating costs. Advances can be provided in instalments.

Advances are settled with actual costs after the end of the accounting period.

Receivables and payables between the managed accounting units from the title of the payment of operating costs are subject to an inventory during the preparation of the financial statements.



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## **2.10 Basic Principles for Preparing the Financial Statements**

The financial statements are compiled in accordance with accounting regulations applicable in the Czech Republic and with Czech Accounting Standards for accounting units that are not primarily engaged in business activity. The financial statements are compiled at historical cost except for securities held for trading and available-for-sale securities, which are recognized at fair value, and securities held to maturity, which are valued at amortized costs. The financial statements are compiled on the assumption that the accounting unit is able to continue as a going concern. The amounts in the financial statements and in the notes thereto are rounded to thousands of Czech korunas unless stated otherwise.

## **2.11 Tangible Fixed Assets**

Purchased tangible fixed assets are recognized at acquisition cost, which includes the price for which the assets were acquired and the expenses relating to the acquisition.

The depreciation of tangible fixed assets was calculated using the straight-line depreciation method, based on the estimated useful life of the assets. The depreciation period for personal computers, servers, printers etc. is 3 years. The depreciation period for passenger cars is 5 years. The depreciation period for strongboxes is 10 years. Works of art are not subject to depreciation.

Repair and maintenance expenses on tangible fixed assets are charged directly to expenses.

Tangible assets with a useful life of more than 1 year and acquisition cost not exceeding CZK 80,000 per item are charged directly to expenses once they are put into use.

The amortization of intangible fixed assets was calculated using the straight-line amortization method over 3 years.

Intangible assets with a useful life of more than 1 year and acquisition cost not exceeding CZK 60,000 per item are charged directly to expenses once they are put into use.

## **2.12 Securities and Shares**

The Crisis Resolution Fund classifies securities and shares as securities held for trading, available-for-sale securities and securities held to maturity.

### **Securities Held for Trading**

Securities held for trading are securities held by the Financial Market Guarantee System for the Crisis Resolution Fund for the purpose of transactions aimed at generating profit from price differences in the short term.

When purchased, securities and shares are recognised at acquisition cost, including transaction expenses. Securities held for trading are measured at fair value. The market value of securities as of the balance sheet date is used to calculate the fair value. The valuation of securities not traded on public markets is based on an expert opinion or a qualified estimate made by the Financial Market Guarantee System.

Interest income from securities held for trading is recognized as 'Interest revenue'.

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Profit and loss arising from changes in the fair value of securities held for trading are recognized in the profit and loss account in the period in which they arise.

### **Available-for-Sale Securities**

Available-for-sale securities are securities that are not intended for trading in the short term. These securities are classified as long-term investments.

When purchased, available-for-sale securities are recognized at acquisition cost, including transaction expenses, and subsequently measured at fair value at the balance sheet date.

Interest income from available-for-sale securities is recognized as 'Interest revenue'.

Changes in the fair value of available-for-sale securities are recognized in the balance sheet as 'Valuation differences from revaluation of assets and liabilities'.

### **Securities Held to Maturity**

Securities held to maturity are financial assets with a fixed or predefined yield and fixed maturity, where there is the intention and ability to hold until their maturity.

When purchased, securities held to maturity are recognized at acquisition cost, including transaction expenses, and subsequently valued at amortized costs.

Interest income from securities held to maturity includes accrued coupons, discounts and premiums on debt securities and is recognized as 'Interest revenue'.

### **Repo and Buy/Sell Operations**

Collateralized receivables as part of repo and buy-sell transactions are reported under 'Other receivables', including accrued interest. Interest from these transactions is recorded on an accruals basis for the duration of such a transaction and recognized as interest revenue.

## **2.13 Foreign Currency Conversions**

Transactions carried out in foreign currencies are converted and posted at the exchange rate valid on the transaction date. All monetary assets and liabilities maintained in foreign currencies were converted at the exchange rate published by the Czech National Bank as of the balance sheet date. All foreign exchange gains and losses arising from the conversion of receivables and payables are recognized in the profit and loss account and are reported under 'Foreign exchange gains' and 'Foreign exchange losses'.

Exchange differences on securities that are measured at fair value and maintained in foreign currencies are considered to be part of their fair value measurement.

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## **2.14 Contributions Received from Banks**

Contributions to the Crisis Resolution Fund are posted to the contributions fund of the Crisis Resolution Fund. The amount of contributions is determined by the Czech National Bank by 1 May of the respective year for which the contributions are paid, while they are due within the deadline set by the Czech National Bank.

## **2.15 Adjustments and Provisions**

The Crisis Resolution Fund neither creates nor accounts for adjustments in accordance with Section 37 (1) of the Decree. The Crisis Resolution Fund neither creates nor accounts for provisions in accordance with Section 40 (1) of the Decree.

## **2.16 Equity**

Based on a decision of the Board of Directors, the financial result (profit or loss from the current year) is transferred to the Operational Fund of the Crisis Resolution Fund within the framework of the own resources of the Crisis Resolution Fund. The subsequent transfer from the Operational Fund of the Crisis Resolution Fund to the Contribution Fund of the Crisis Resolution Fund is possible again if the Board of Directors so decides.

## **2.17 Use of Estimates**

The preparation of the financial statements requires the use of estimates and assumptions that influence the recognized values of assets and liabilities as of the date of the financial statements, and the recognized amounts of revenues and expenses for the reporting period. The Crisis Resolution Fund has defined these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, the inherent nature of estimates means that the actual future values may differ from these estimates.

## **2.18 Subsequent Events**

The impact of events that occurred between the balance sheet date and the date of preparation of the financial statements is reported in the accounting reports if such events provide additional information about facts that existed as of the balance sheet date.

In the event that between the balance sheet date and the date of preparation of the financial statements material events occurred reflecting facts that took place after the balance sheet date, the consequences of these events are described in the notes to the financial statements but are not posted to the financial statements.

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### 3 Additional Information on the Balance Sheet and Profit and Loss Account

#### 3.1 Other Receivables

(CZK '000)	As of 31 December 2024	As of 1 January 2024
Receivables from unpaid contributions	4,513	90,267
Receivables from repo operations	36,976,624	33,076,133
<b>Other receivables – total</b>	<b>36,981,137</b>	<b>33,166,400</b>

Receivables include the Crisis Resolution Fund's receivable from Sberbank CZ, a. s. for unpaid contributions to the Crisis Resolution Fund, including accessions, of CZK 4,513,000 (2023: CZK 90,267,000). In 2024, according to the partial distribution schedule for the proceeds of the insolvency estate of Sberbank CZ, a. s., in liquidation, the Financial Market Guarantee System received CZK 85,753,000, which accounted for 95% of its receivable for the contribution due to the Crisis Resolution Fund for 2022.

#### 3.2 Debt Securities Held to Maturity

##### Accrued Value of Securities Held to Maturity:

(CZK '000)	As of 31 December 2024	As of 1 January 2024
Debt securities held to maturity	1,799,148	1,056,555

Czech government bonds represented 100% of the value of held-to-maturity securities as of 31 December 2024 (the same as of 31 December 2023). The value of the bonds in market terms reached CZK 1,794,824,000 as of 31 December 2024 (as of 1 January 2024: CZK 1,116,375,000). As of 31 December 2024, the accrued value of securities held to maturity and maturing in more than 1 year stood at CZK 1,799,148,000 (as of 1 January 2024: CZK 1,056,555,000) and is shown under assets in Part A.III. Debt securities held to maturity. As of 31 December 2024, there were no bonds held to maturity and maturing within 1 year (the same as of 1 January 2024).

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### 3.3 Statement of Changes on the Funds Account

The Crisis Resolution Fund has no registered capital. Its equity consists of a Funds account and its profit/loss.

#### Statement of Changes on the Funds Account:

(CZK '000)	2024	2023
<b>Crisis Resolution Fund:</b>		
<b>Opening balance – 1 January</b>	<b>32,130,843</b>	<b>26,185,395</b>
of which:		
<b>Contribution Fund</b>		
Opening balance – 1 January	32,069,106	25,672,696
Contributions received (see note 3.5)	2,683,803	4,496,410
Transfer from the Operational Fund	2,000,000	1,900,000
Closing balance – 31 December	36,752,909	32,069,106
<b>Operational Fund</b>		
Opening balance – 1 January	61,737	512,699
Operating revenue	2,103,497	1,454,217
Management costs	-6,819	-5,179
Transfer to the Contribution Fund	-2,000,000	-1,900,000
Closing balance – 31 December	158,415	61,737
<b>Closing balance – 31 December</b>	<b>36,911,324</b>	<b>32,130,843</b>

### 3.4 Liabilities

In 2024, the liability of the Crisis Resolution Fund to cover the expenses related to the management of the Crisis Resolution Fund constituted a payable to the Deposit Insurance Fund of CZK 618,000 (2023: CZK 75,000).

### 3.5 Contributions from Banks

The contributions are recognized on the basis of being actually received and are not recorded on an accruals basis (see note 2.15.).

(CZK '000)	2024	2023
Contributions received from banks	2,683,803	4,496,410

By 3 May 2024, contributions made to the Crisis Resolution Fund had totalled CZK 2,683,803,000. By 23 June 2023, contributions made to the Crisis Resolution Fund had totalled CZK 4,496,410,000.

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### 3.6 Summary of Revenues and Expenses of the Current and Previous Accounting Periods

(CZK '000)	2024	2023
<b>Revenues:</b>		
Interest revenue	1,880,235	2,103,497
Foreign exchange gains	1	0
<b>Total</b>	<b>1,880,236</b>	<b>2,103,497</b>
<b>Expenses:</b>		
Amortization of intangible and depreciation of tangible fixed assets	0	-1
Purchases consumed	-67	-52
Services	-1,504	-1,360
Personnel costs	-2,866	-2,875
Taxes and fees	-15	-15
Foreign exchange losses	-2	-6
Other expenses (see note 3.7)	-3,106	-2,511
<b>Total</b>	<b>-7,560</b>	<b>-6,820</b>

The 2024 financial result will be distributed as follows: the revenues of CZK 1,880,236,000 will be transferred to the Operational Fund of the Crisis Resolution Fund and the expenses of CZK 7,560 will be paid from the Operational Fund of the Crisis Resolution Fund after approval of the financial statements. The funds provided from the Operational Fund of the Crisis Resolution Fund to cover operating expenses were lower than the actual expenses by CZK 618,000, and the liability thus created will be settled upon approval of the financial statements.

The average number of employees of the Financial Market Guarantee System is eleven, of which one is a management employee. Total wage costs in 2024 amounted to CZK 17,266,000 (2023: CZK 16,696,000). The share of wage costs covered by the Crisis Resolution Fund was CZK 2,049,000 (2023: CZK 2,070,000).

### 3.7 Other Revenues and Other Expenses

(CZK '000)	2024	2023
<b>Revenues:</b>		
Other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Expenses:</b>		
Other	-3,106	-2,511
<b>Total</b>	<b>-3,106</b>	<b>-2,511</b>

The item 'Other expenses' primarily includes bank fees, fees associated with the management of financial reserves, insurance premiums including statutory employee insurance, and membership fees to international organizations.

In 2024, members of the Board of Directors and Management Board of the Financial Market Guarantee System were provided with non-cash performances totalling CZK 105,000 (2023: CZK 103,000) in connection with liability insurance for the members of the

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Board of Directors and the members of the Management Board for damage caused when exercising their functions. The Crisis Resolution Fund's share of these costs was CZK 13,000 (2023: CZK 13,000).

### **3.8 Reimbursement of Costs Related to the Management of the Crisis Resolution Fund of the Financial Market Guarantee System**

Pursuant to Section 207 (2) of the AFCPR, the Financial Market Guarantee System has the right to the reimbursement of costs incurred in connection with the management of the Deposit Insurance Fund and the Crisis Resolution Fund, and this from the Deposit Insurance Fund and from the Operational Fund of the Crisis Resolution Fund. In 2024, the Financial Market Guarantee System only incurred costs connected with the management of the two Funds.

The total costs incurred by the Financial Market Guarantee System in connection with the management of the two Funds in 2024 totalled CZK 46,284,000 (2023: CZK 46,458,000), of which CZK 41,694,000 (2023: CZK 42,019,000) were expenses related to the management of the Deposit Insurance Fund and CZK 4,590,000 (2023: CZK 4,439,000) were expenses related to the management of the Crisis Resolution Fund.

The expenses related to the management of the Crisis Resolution Fund of CZK 4,590,000 (2023: CZK 4,439,000) were covered from the Operational Fund of the Crisis Resolution Fund.

### **3.9 Subsequent Events**

No events took place after the balance sheet date which could have a material impact on the Crisis Resolution Fund financial statements as of 31 December 2024.

The financial statements of the Crisis Resolution Fund were approved by the Board of Directors of the Financial Market Guarantee System.

Prague, 19 June 2025



Renáta Kadlecová

Chairperson of the Management Board and Executive Director



Roman Kahánek

Member of the Management Board and Financial Manager