J&T Global Finance IV., B.V.

Financial Statements

For the period ended 30 June 2016

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Directors' Report

The directors present their financial statements for J&T Global Finance IV., B.V. (the "Company") for the period ended 30 June 2016 which have been prepared in accordance with Dutch law.

General information

The Company is a limited liability company incorporated under the laws of The Netherlands and acting as a finance company for J&T FINANCE GROUP (the "Group"), which is domiciled in the Czech Republic. The Company was registered on 4 April 2014 at the Chamber of Commerce in Amsterdam, the Netherlands.

The principal activity of the Company is to raise funds for the Group through the issue of bonds or other securities. The Company does not perform any research or development activities.

The Company's parent company is J&T INTEGRIS GROUP LIMITED, which is incorporated in Nicosia, Cyprus. The Company's ultimate parent company is J&T FINANCE GROUP SE, registered in Prague, Czech Republic.

The Group is a diversified financial group with operations in banking and asset management. Banking activities include private banking as well as services in corporate and investment banking. In asset management the Group manages assets for its clients in its own funds and provides an investment advice.

Business review

On 15 September 2014, the Company launched an offering of CZK 3,501,000 thousand 5.2 % fixed rate bonds, maturing on 15 September 2017.

The bonds in the total amount of CZK 3,501,000 thousand were successfully placed with investors. Considering strong market demand for the bonds, the Company used, in accordance with the bond prospectus, the option to issue additional bonds in the total amount of up to CZK 1,749,000 thousand. In total, the Company has issued bonds in the amount of CZK 5,250,000 thousand.

The bonds were placed with institutional investors and private clients. The success of the bond issue with investors confirms the confidence of the market in the Group's business model despite current volatility in the financial markets.

The bonds and interest outstanding are guaranteed by the ultimate parent company, J&T FINANCE GROUP SE and are listed on the Prague Stock Exchange (ISIN: CZ0000000492).

Proceeds from the bond issue were lent to J&T FINANCE GROUP SE (see more detail below).

Financial risk management

Credit risk
Credit risk is the risk of a financial loss in the Company if counterparty to the financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans to Group companies. Since all significant loans are receivables from J&T FINANCE GROUP SE, one of the Group's companies, credit risk is concentrated at this counterparty.

All funding is obtained on behalf of the Group and passed on directly to J&T FINANCE GROUP SE. The management of the Company assesses and reviews risks for Group companies, and does not expect that any Group company will fail to meet its obligations. J&T FINANCE GROUP SE have also provided a guarantee for these amounts. J&T FINANCE GROUP SE is the parent company of the whole Group and owns significant assets in the form of investments in Group companies including mainly banks.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

The liquidity risk is considered low since the bonds are effectively covered by loans receivable of the same amount maturing 15 September 2017, and are guaranteed by the ultimate parent company J&T FINANCE GROUP SE. For more information related to the loans receivable and bonds refer to the notes 3 and 5.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The market risk is considered low as no significant transactions have taken place in foreign currencies, and the nominal interest rates of the loan receivables and bond payables are fixed. The Company is not affected by changes in equity prices.

Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards or corporate behaviour. Operational risks could arise from all of the Company's operations.

Due to the nature of the Company's operations, management is of the opinion that the operational risk is low. Management analyses the environment and regulations and in the case of changes will act accordingly.

Capital management
The Board's policy is to maintain its capital as minimum capital. The Company is not subjected to externally imposed capital requirements.

Risk appetite
The company's risk appetite is low, therefore, the loan exposure is limited to Group's parent company who also provided guarantee for the issued bonds.

Future outlook

The bonds will mature on 15 September 2017. The Directors are of the opinion that the Company will continue to be used as a finance company for Group and that these activities will be maintained during this and the next financial year.

As of preparation of this Directors' Report, the Company does not consider issue of other bonds.

Directors and directors' interests

The directors who held office during the period were as follows:
Ing. Roman Florián, CFA
Theodorus Johannes Bleijendaal

No director resigned or was replaced since the Company was incorporated. The directors who held office at the end of the financial period and at signing of these accounts had no disclosable interest in the shares or bonds of the Company.

By order of the board

Amsterdam, 25 August 2016

Theodorus Johannes Bleijendaal	Ing. Roman Florián, CFA

Statement of comprehensive income

in thousands of CZK	*Note*	1 January 2016 - 30 June 2016	1 January 2015 - 30 June 2015
Interest income	*8*	161,882	140,042
Interest expense	*5*	(145,656)	(124,345)
Net interest income		**16,226**	**15,697**
Other financial expenses	*9*	(15,350)	(12,425)
General and administration expenses		(590)	(523)
Profit before tax		**286**	**(2,749)**
Income tax expense	*10*	(108)	(54)
Profit for the period		**178**	**(2,695)**
Other comprehensive income		-	-
Total comprehensive income for the period		**178**	**(2,695)**

The accompanying notes on pages 7 to 20 form an integral part of these interim financial statements.

Statement of financial position

in thousands of CZK	*Note*	30 June 2016	31 December 2015
Assets			
Loans receivable from Group companies	*3*	5,197,970	5,197,772
Total non-current assets		**5,197,970**	**5,197,772**
Loans receivable from Group companies	*3*	57,767	57,767
Accrued interest receivable from Group companies	*3*	110,184	98,732
Prepaid expenses and other receivable		2,472	7,127
Cash at bank	*4*	322	70
Total current assets		**170,745**	**163,696**
Total assets		**5,368,715**	**5,361,468**
Equity and liabilities			
Share capital	*7*	1	1
Share premium		58,267	58,267
Other reserves		(85)	(3,619)
Comprehensive income for the period		178	3,534
Total Equity		**58,361**	**58,183**
Issued bonds	*5*	5,224,472	5,215,316
Total non-current liabilities		**5,224,472**	**5,215,316**
Interest payable on issued bonds	*5*	79,625	79,625
Income tax payable		320	211
Other liabilities	*6*	5,880	2,141
Accrued expenses		57	5,992
Total current liabilities		**85,882**	**87,969**
Total liabilities		**5,310,354**	**5,303,285**
Total equity and liabilities		**5,368,715**	**5,361,468**

The accompanying notes on pages 7 to 20 form an integral part of these interim financial statements.

Statement of changes in equity

in thousands of CZK	Share capital	Share premium	Other reserves	Comprehensive income for the period	Total
Balance as at 1 January 2015	1	58,267	-	(3,619)	**54,649**
Other reserves	-	-	(3,619)	-	**(3,619)**
Comprehensive income for the year 2014	-	-	-	3,619	**3,619**
Comprehensive income for the period	-	-	-	2,695	**2,695**
Balance as at 30 June 2015	**1**	**58,267**	**(3,619)**	**2,695**	**57,344**
Comprehensive income for the period	-	-	-	839	**839**
Balance as at 31 December 2015	**1**	**58,267**	**(3,619)**	**3,534**	**58,183**
Other reserves	-	-	3,534	-	**3,534**
Comprehensive income for the year 2015	-	-	-	(3,534)	**(3,534)**
Comprehensive income for the period	-	-	-	178	**178**
Balance as at 30 June 2016	**1**	**58,267**	**(85)**	**178**	**58,361**

The accompanying notes on pages 7 to 20 form an integral part of these interim financial statements.

Statement of cash flows

in thousands of CZK	1 January 2016 - 30 June 2016	1 January 2015 - 30 June 2015
Cash flows from operating activities		
Profit before tax	**286**	**2,749**
Adjustments for non-cash items:		
Unrealised foreign exchange loss / (profit)	(1)	(2)
Adjustment to loans receivable under effective interest method	(198)	4,255
Adjustment to bonds payable under effective interest method	9,156	4,456
Operating profit before changes in operating activities	**9,243**	**11,458**
Change in operating assets		
Proceeds from repayment of loan receivable from Group companies	-	(613,507)
Increase in interest receivable from Group companies	(11,452)	(85,141)
Decrease in prepaid expenses and other receivables	4,657	5,342
Cash used for increase in operating assets	**(6,795)**	**(693,306)**
Change in operating liabilities		
Payment for purchase of own bonds	-	(1,533,000)
Repayment for sale of own bonds	-	2,265,000
Increase in interest payable from bonds issued	-	11,103
Decrease in accrued expenses	(5,935)	(5,665)
Increase/Decrease in other liabilities	3,739	(55,722)
Cash generated from operating liabilities	**(2,196)**	**681,716**
Tax paid	-	-
Net cash flows provided from operating activities	**252**	**(132)**
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Net cash flows from financing activities	**0**	**0**
Net increase in cash and cash equivalents	**252**	**(132)**
Cash and cash equivalents at the beginning of the period	**70**	**195**
Cash and cash equivalents at the end of the period	**322**	**63**

The accompanying notes on pages 7 to 20 form an integral part of these interim financial statements.

1 Corporate information

J&T Global Finance IV., B.V. ('the Company') is a private company with limited liability incorporated in the Netherlands on 4 April 2014. The Company's registration number is 60411740 and its registered office is at Schiphol Boulevard 403/Tower C-4, 1118 BK Schiphol, the Netherlands.

The principal activity of the Company is to raise funds for the Group through the issue of bonds or other securities. The Company does not perform any research or development activities.

The Company's parent company is J&T INTEGRIS GROUP LIMITED which is incorporated in Nicosia, Cyprus. The Company's ultimate parent company is J&T FINANCE GROUP SE registered in Prague, Czech Republic.

The Company's financial statements are included in the consolidated financial statements of the ultimate parent company.

2 Significant accounting policies

Statement of compliance

The financial statements for the period ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board (IASB) and as adopted by the European Union (EFRAG – European Financial Reporting Advisory Group).

The financial statements were approved by the Board of Directors on 25 August 2016.

Basis of preparation

The financial statements have been prepared under the historical cost convention, unless otherwise indicated.

Financial statements are presented in CZK, rounded to the nearest thousand. The functional currency of the Company is Czech crown (CZK), since most of the Company's assets and liabilities are denominated in this currency.

2 Significant accounting policies (continued)

The following standards, amendments to standards and interpretations are effective for the first time for the half-year period ended 30 June 2016, and have been applied in preparing J&T Global Finance IV., B.V.'s financial statements:

Amendments to IAS 19: Defined Benefit plans – Employee Contributions [1] (effective for annual periods beginning on or after 1 July 2014) applies to the contribution from employees to defined benefit plans and simplifies accounting for contributions that are independent of the number of years of employee service. Since the Company has no defined benefit plans, there is no impact of this amendment on the financial statements.

Annual Improvements to IFRSs 2010-2012[1] (effective for annual period beginning on or after 1 July 2014) introduce minor amendments to total of eight standards. None of these amendments has a material impact on the Company's financial statements.

Amendments to IAS 16 and IAS 41: Bearer Plants (effective for annual periods beginning on or after 1 January 2016; to be applied retrospectively) require bearer plants to be accounted for in accordance with IAS 16 Property, plant and equipment rather than being measured at fair value less cost to sell in accordance with IAS 41. Since the Company has no biological assets, there is no impact of these amendments on the financial statements.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016; to be applied prospectively) require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interests in the joint operation will not be remeasured. There is no significant impact of this amendment on the financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016; to be applied prospectively) explicitely state that the use of revenue-based methods of depreciation is inappropriate for property, plant and equipment. Its application for intangible assets is allowed in very limited circumstances. There is no significant impact of these amendments on the financial statements.

Annual Improvements to IFRSs 2012-2014 (effective for annual period beginning on or after 1 January 2016) introduce five minor amendments to total of four standards. None of these amendments has a material impact on the Company's financial statements.

Amendments to IAS 1: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016). The Amendments to IAS 1 include the following narrow-focus improvements to the disclosure requirements contained in the standard.
The guidance on materiality in IAS 1 has been amended to clarify that:
- immaterial information can detract from useful information;
- materiality applies to the whole of the financial statements;
- materiality applies to each disclosure requirement in an IFRS.

The guidance on the order of the notes (including the accounting policies) have been amended to:
- remove language from IAS 1 that has been interpreted as prescribing the order of notes to the financial statement;.
- clarify that entities have flexibility about where they disclose accounting policies in the financial statements.

These amendments did not have a material impact on the presentation of the Company's financial statements.

Amendments to IAS 27: Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016; to be applied retrospectively) allows application of equity method of accounting for investment in subsidiaries, joint ventures and associates in separate financial statements. Since the Company prepares financial statements, there is no impact of this amendment on the financial statements..

[1]The European Commission has approved *Amendments to IAS 19: Defined Benefit Plans – Employee Contributions* and *Annual Improvements to IFRSs – Cycle 2010-2012* for reporting periods beginning on or after 1 February 2015.

Uses of estimates

Financial statements prepared in compliance with International Financial Reporting Standards require various judgments, assumptions, and estimates to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

General

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability. If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability. The revenue and expenses are allocated to the period to which they relate. Revenues are recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer.

Foreign currencies

Transactions denominated in currencies other than CZK are recorded at rates of exchange approximating to those ruling at the dates of the transactions. Assets and liabilities denominated in such currencies are translated into CZK using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Financial instruments

Financial instruments include loans receivable from Group companies, as well as bonds payable to third parties. Financial instruments are initially recognized at fair value, including directly attributable transactions costs. After initial recognition, financial instruments are carried at amortised cost using the effective interest method, less impairment losses.
Level disclosure in the fair value hierarchy is not presented in the financial statements as there are no gains/losses on financial instruments as these are recognised at amortised cost.

Impairment

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

2 Significant accounting policies (continued)

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Recognition of income and expenses

Interest income and expense are determined on the basis of interest earned and charged over the relating periods, according to the accrual method of accounting. Other revenues and expenses are recorded in the period to which they relate.

Income tax

Income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous periods.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2 Significant accounting policies (continued)

Financial risk management

Credit risk

Credit risk is the risk of a financial loss in the Company if counterparty to the financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans to Group companies. Since all significant loans are receivables from J&T FINANCE GROUP SE, one of the Group's companies, credit risk is concentrated at this counterparty.

All funding is obtained on behalf of the Group and passed on directly to J&T FINANCE GROUP SE. The management of the Company assesses and reviews risks for Group companies, and does not expect that any Group company will fail to meet its obligations. J&T FINANCE GROUP SE have also provided a guarantee for these amounts. J&T FINANCE GROUP SE is the parent company of the whole Group and owns significant assets in the form of investments in Group companies including mainly banks.
Within the credit risk management procedures, the issuer observes and monitors the counterparty risk on regular basis by performing risk review including review of debtor financial performance, its current financial statements as well as its overall solvency position with the emphasis on its ability to meet debt obligation.

The Company is exposed to credit risk on the loans and interest receivable from Group companies as well as cash and cash equivalents.
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	30 June 2016	31 December 2015
Loans receivable from Group companies	5,255,737	5,255,539
Accrued interest receivable from group companies	110,184	98,732
Cash and cash equivalents	322	70

In these financial statements no overdue amounts are reflected and no impairment has to be made.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

The liquidity risk is considered low since the bonds are effectively covered by loans receivable of the same amount maturing 15 September 2017, and are guaranteed by the ultimate parent company J&T FINANCE GROUP SE. For more information related to the loans receivable and bonds refer to the notes 3 and 5.

Issuer assesses the movements in the working capital during its normal course of business and is aware of the risk from short term mismatch between its account payables and account receivables. Issuer mitigates this risk by engaging on transaction only with credible and solvent counterparties.

Management is of the opinion that there is no liquidity risk (or is very limited). Other liabilities consist mainly of paybles to Group companies (J&T Bank), therefore, the payment terms can be renegotiated. If the need arises the financial liabilities will be met by partial repayment of Loans receivable from Group companies.

The terms and conditions of the loans outstanding were the same as the terms and conditions of the borrowings; therefore the Company faces limited liquidity risk.

The following are the contractual (undiscounted) maturities of financial assets and liabilities, including estimated interest payments:

30 June 2016

	Carrying amount	Contractual cash flows	< 1 year	1 – 5 years
Issued bonds	5,304,097	5,632,707	271,282	5,361,425
Loans receivable	5,365,921	5,756,808	396,115	5,360,693

31 December 2015

	Carrying amount	Contractual cash flows	< 1 year	1 – 5 years
Issued bonds	5,294,941	5,757,832	271,537	5,486,295
Loans receivable	5,354,271	5,911,099	385,753	5,525,346

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The market risk is considered low as no significant transactions have taken place in foreign currencies, and the nominal interest rates of the loan receivables and bond payables are fixed. The Company is not affected by changes in equity prices.

Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards or corporate behaviour. Operational risks could arise from all of the Company's operations.

Due to the nature of the Company's operations, management is of the opinion that the operational risk is low. Management analyses the environment and regulations and in the case of changes will act accordingly.

Business environment
Economic and financial markets in the Netherlands belong to the most advanced among the developed countries. The legal, tax and regulatory frameworks are generally stable and reputable for its business environment.
The financial statements reflect management's assessment of the impact of the Netherlands business environment on the operations and the financial position of the Company. The future business environment may, of course, differ from management's assessment. If the business environment substantially differs in any important aspect including e.g. legal, economic, tax, regulatory framework, the Company's would face additional risks and uncertainties that could cause deterioration of Company's economic situation.

Capital management
The Board's policy is to maintain its capital as minimum capital. The Company is not subjected to externally imposed capital requirements.

Statement of cash flows

Due to the nature of the Company's operations being financing activities, movements in borrowings and Group receivables are generally considered to be operating activities and classified as such in the Statement of cash flows. The cash flows from operating activities are prepared using the indirect method.

3 Loans receivable from Group companies

Entity name	Maturing date	Contractual interest rate	Effective interest rate	Amount in thousands of CZK
As at 31 December 2015				
J&T FINANCE GROUP SE	15 September 2017	6.21 %	6.2957 %	5,296,007
J&T FINANCE GROUP SE	21 October 2016	3M Euribor + 0.7 %	0.657 %	58,264
Total				**5,354,271**
As at 30 June 2016				
J&T FINANCE GROUP SE	15 September 2017	6.21 %	6.3040 %	5,307,509
J&T FINANCE GROUP SE	21 October 2016	3M Euribor + 0.7 %	0.455 %	58,412
Total				**5,365,921**

Movements in the loan were as follows:

	1 January 2016 - 30 June 2016	1 January 2015 - 30 June 2015
Carrying amount at the beginning of the period	5,255,539	4,568,348
Loan provided	-	2,253,492
Loan repayments	-	(1,639,985)
Adjustment under effective interest method	198	(4,255)
Total loan receivable	**5,255,737**	**5,177,600**
Carrying amount at the beginning of the period	98,732	6,998
Effective interest income	161,686	144,299
Interest received	(150,234)	(59,158)
Total accrued interest receivable	**110,184**	**92,139**
Total carrying amount at the end of the period	**5,365,921**	**5,269,739**

Loans receivable from Group companies comprise as at 30 June 2016 two loans provided to J&T FINANCE GROUP SE in the total amount of CZK 5,365,921 thousand (31 December 2015: CZK 5,354,271 thousand). The first one in the total amount of CZK 5,307,509 thousand with fixed interest rate of 6.21 % and maturity on 15 September 2017 (31 December 2015: CZK 5,296,007 thousand). The interests receivable are payable on 15 September 2016, 15 March 2017 and 15 September 2017.

The second one in the total amount of CZK 58,412 thousand with variable interest rate of 3M EURIBOR + 0.7 %, with interest period of 3 months and maturing on 21 October 2016 (31 December 2015: CZK 58,264 thousand). The average interest rate for the period ended 30 June 2016 was 0.455 % (31 December 2015: 0.657 %). The interests receivable are payable on 21 October 2016.

The effective interest rate of the first loan for the year ended 30 June 2016 is 6.304 % (31 December 2015: 6.2957 % and the value of the loan is in the total amount of CZK 5,307,509 thousand (31 December 2015: CZK 5,296,007 thousand).

The fair value of the loan as at 30 June 2016 was in the total amount of CZK 5,323,098 thousand (31 December 2015: CZK 5,342,176 thousand).

The effective interest rate of the second loan is the same as contractual interest rate. The fair value of the loan was in the total amount of CZK 58,734 thousand (31 December 2015: CZK 58,698 thousand).

The fair value measurement is categorised within Level 2 of fair value hierarchy

The loans are unsecured.

4 Cash at bank

Cash at bank comprise bank balances which are freely available on demand to the Company.

5 Issued bonds

On 15 September 2014, the Company launched the offering of bonds with a total amount of up to CZK 3,501,000 thousand, maturing on 15 September 2017 with a 5.2 % coupon and a nominal value of CZK 3,000 thousand per piece. On 27 November 2014 the Company launched additional bonds in the total amount of CZK 1,749,000 thousand. In the total, the Company has issued bonds in the amount of CZK 5,250,000 thousand. On 29 December 2014 the Company repurchased the own bonds in the total amount of CZK 807,000 thousand.
By the beginning of year 2015 the Company repurchased the own bonds in the total amount of CZK 1,533,000 thousand. During the period ended 30 June 2016 the company replaced the own bonds in the total amount of CZK 2,340,000 thousand on the market.
As at 31 December 2015 the bonds in the total amount of CZK 5,250,000 thousand were placed on the market. (31 December 2014: CZK 4,443,000 thousand)

Bonds are listed and traded on the free market of the Prague Stock Exchange. The interest is paid regularly twice a year on 15 March and 15 September of given year.

in thousands of CZK

			Bonds at amortised cost as	
Date of issue	**Amount issued**	**Effective interest rate**	**30 June 2016**	**31 December 2015**
15 September 2014	3,501,000	5,8692%	3,522,688	3,513,686
27 November 2014	1,749,000	5,3047%	1,774,420	1,774,266
29 December 2014	(807,000)	5,8692%	(819,123)	(819,123)
9 January 2015	(840,000)	5,8692%	(854,196)	(854,196)
22 January 2015	(693,000)	5,8692%	(705,712)	(705,712)
5 February 2015	90,000	5,8692%	91,820	91,820
10 February 2015	150,000	5,8692%	153,142	153,142
11 February 2015	1,725,000	5,8692%	1,761,379	1,761,379
26 May 2015	150,000	5,8692%	151,538	151,538
17 June 2015	150,000	5,8692%	151,993	151,993
1 July 2015	75,000	5,8692%	76,148	76,148
Total	**5,250,000**		**5,304,097**	**5,294,941**

	1 January 2016 - 30 June 2016	**1 January 2015 - 30 June 2015**
Carrying amount at the beginning of the period	5,215,316	4,393,598
Purchase of own bonds	-	(1,533,000)
Sale of own bonds	-	2,265,000
Adjustments under effective interest method	9,156	4,456
Total issued bonds	**5,224,472**	**5,130,054**
Carrying amount at the beginning of the period	79,625	67,385
Increase in interest payable under effect. interest method	136,500	119,890
Interest paid by bondholders from additional bond issue	-	44,872
Interest paid to bondholders during the period	(136,500)	(153,659)
Total interest payable on issued bonds	**79,625**	**78,488**
Total carrying amount at the end of the period	**5,304,097**	**5,208,542**

The effective interest is included in "Interest expense" in the profit and loss account.
Interest expense recognised by the Company relates to issued bonds in CZK, which bear interest at 5.2 % per annum. The average interest expense relating to the bonds for the period ended 30 June 2016, based on the effective interest rate was 5,5870 % (31 December 2015: 5,8179 %)
The fair value of the bonds is estimated from the prices at Prague Stock Exchange as of 30 June 2016. The bid price amounted to 101,50 and asking price 103,50 (par value) (31 December 2015: bid price 99,15 asking price 101,15). The bid price was in the total amount of CZK 5,328,750 thousand and asking price CZK 5,433,750 thousand (31 December 2015: bid price CZK 5,205,375 thousand, asking price CZK 5,310,375 thousand). The estimated fair value is within level 1of the fair value hierarchy.

The bonds are effectively covered by loans receivable of the same amount and maturity, and are guaranteed by J&T FINANCE GROUP SE.

6 Other liabilities

in thousands of CZK	30 June 2016	31 December 2015
Trade and other payables	5,836	444
VAT payable	44	1,697
Other liabilities	**5,880**	**2,141**

Trade and other payables as at 30 June 2016 include the liabilities from the invoice from J&T FINANCE GROUP SE for guarantee commission of bond issued in the total amount of CZK 5,293 thousand and include other payables 6 pcs. of unpaid coupon of bond issued in the total amount of CZK 468 thousand (31 December 2015: invoice J&T Services SR for accounting services in the total amount of CZK 54 thousand and include other payables 5 pcs. of unpaid coupon of bond issued in the total amount of CZK 390 thousand).

7 Capital and reserves

As at the balance sheet date the Company has an authorised share capital of 10 shares of EUR 1 each. The issued shares comprise 10 shares, which has been fully paid. The issued share capital in the functional currency of the company is in the total amount of CZK 274. The rate used to convert the share capital to CZK is 27,43 CZK/EUR published by Czech National Bank on 4 April 2014.
The issued share capital has not changed during the period 1 January till 30 June 2016.

According to the Shareholder's resolution dated 8 August 2014 shareholder of the Company adopted the resolution about contribution of CZK 500 thousand into share premium reserve.
On 22 October 2014 the shareholder of the Company adopted the second resolution about contribution of CZK 57,767 thousand into share premium reserve.
As at 30 June 2016 the share premium reserve was in the total amount of CZK 58,267 thousand.

8 Interest income

in thousands of CZK	1 January 2016 - 30 June 2016	1 January 2015 - 30 June 2015
Interest income from loan receivable I.	161,735	139,828
Interest income from loan receivable II.	147	214
Interest income	**161,882**	**140,042**

Interest income from loans receivable recognised by the Company relates to two loans receivable from J&T FINANCE GROUP SE, which bear interest rate at 6.21% and 0.455 % per annum.
The average interest income relating to the loan for the period ended 30 June 2016, based on the effective interest rate was 6.3040 %.

9 Other financial expenses

in thousands of CZK	1 January 2016 - 30 June 2016	1 January 2015 - 30 June 2015
Guarantee fee	10,607	9,266
Fees for administration of the bonds	4,734	2,604
Other services	9	555
Other financial expenses	**15,350**	**12,425**

10 Income tax

The applicable tax rate for 2016 is 20 % up to Euro 200 thousand of taxable income and 25 % above Euro 200 thousand of taxable income. Under Dutch taxation certain income and expenditure are not taxable or tax deductible ("restricted expenses"). The income tax expense for the Company for the period ended 30 June 2016 is in the amount of CZK 108 thousand (30 June 2015: CZK 54).
Income taxes of the Company are based on a Transfer Pricing Report dated in February 2012 prepared for J&T Global Finance I., B.V. Under this Report, J&T Global Finance I., B.V. performs from a group perspective mere loan management activities. Thus considering its risks and functions, the Company has to report an arm´s length remuneration of 7.4 % applied on the operating expenses excluding one-off expenses (bond issue costs, subscription fee and prospect and preparation of emission), as well as the guarantee fee. As the activities of the companies are the same, J&T Global Finance IV., B.V. has applied the same assumptions as described in the Transfer Pricing Report for calculation of its income taxes.

in thousands of CZK	**1 January 2016 - 30 June 2016**	**1 January 2015 - 30 June 2015**
Result before taxation	286	2,748
Adjustments to align with transfer pricing report	5,041	917
Cost base	**5,327**	**3,665**
Taxable income 7.4 % from the cost base	394	271
Interest received from second loan	147	-
Taxable income	**541**	**271**
Income tax expense (20 % from the taxable income)	**108**	**54**
Withholding tax on interest income from cash at bank	-	-
Total income tax expense	**108**	**54**

11 Directors

The Company has two directors as at 30 June 2016. The directors received no remuneration for their activities in the Company during the period.

Directors and directors' interests
The directors who held office during the period were as follows:
Ing. Roman Florián, CFA
Theodorus Johannes Bleijendaal

No director resigned or was replaced since the Company was incorporated. The directors who held office at the end of the financial period and at signing of these accounts had no disclosable interest in the shares or bonds of the Company.

12 Staff numbers and employment costs

The Company had no employees and therefore incurred no wages, salaries and related social security charges in 2016 (2015: no employees).

13 Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's operating decision maker and for which discrete financial information is available. The Company's Board of Directors has been identified as the chief operating decision maker for the purpose of segmental reporting. The Company has determined that it operates in one segment providing loans to related parties from funding from issued bonds. The determination is based on the reports reviewed by the Board of Directors in assessing performance, allocating resources and making strategic decisions. All of the Company's operations are provided in the Czech Republic, therefore no geographic information is provided. Interest income from Group company exceeded 99 percent of the Company's operating revenue in the period to 30 June 2016. The total revenue from Group company for the period ending 30 June 2016 was CZK 161,882 thousand.

14 Related parties

The Company has a related party relationship with its parent company and the companies owned by the parent companies (Group companies), either at 30 June 2016.

There were no transactions with related parties that were not on a commercial basis.

List of related parties

Company	Nature of the transactions
J&T BANKA, a. s.	Bank account, bond holder, providing of services connecting to bond placement and their administration
J&T FINANCE GROUP SE	Guarantee providing, loan receivable
J&T SERVICES SR, s. r. o.	Providing of the accounting services
J&T Minorities Portfolio Limited	Bond holder
Bayshore Merchant Services Inc.	Bond holder
J&T SERVICES ČR, a. s.	Providing of the administration services

The summary of transactions with related parties during 2016 is as follows (refer also to note 4 for more detail):

in thousands of CZK	**30 June 2016**	**31 December 2015**
Receivables	5,368,062	5,360,255
Loan receivables	*5,255,737*	*5,255,539*
Accrued interest	*110,184*	*98,732*
Bank account	*16*	*21*
Prepaid expenses and other receivable	*2,125*	*5,963*
Liabilities	32,778	32,960
Bonds issued	*27,000*	*27,000*
Interest payable on issued bonds	*410*	*410*
Other liabilities and accrued expenses	*5,368*	*5,550*

in thousands of CZK	**1 January 2016 - 30 June 2016**	**1 January 2015 - 30 June 2015**
Interest income	161,686	144,299
Interest, financial and other expenses	15,308	44,871

in thousands of CZK		30 June 2016	31 December 2015
Guarantees received (off-balance sheet item)		5,330,093	5,330,015
Unutilized credit facility	*16*	65,473	65,473

15 Auditor's fees

The Company prepared its financial statements as at 30 June 2016 as audited financial statements. Expenses related to audit incurred for the period ended 30 June 2016 are CZK nil (31 December 2015: CZK 392 thousand).

16 Contingencies and commitments

According to the Credit contract with J&T FINANCE GROUP SE, the credit limit that could be possibly used under the contract is in the amount of CZK 5,268,000 thousand. The undrawn amount as at 30 June 2016 is CZK 65,473 thousand (31 December 2015: CZK 65,473 thousand).

17 Subsequent events

There were no events subsequent to the balance sheet date which would have an impact on the Company's 2016 financial statements.

Amsterdam, 25 August 2016

Theodorus Johannes Bleijendaal

Ing. Roman Florián, CFA

Other information

Profit appropriation

In accordance with Article 11 of the Articles of Association, profit shall be at the disposal of the General Meeting of Shareholders. Distributions may be made only in so far as the Company's net equity exceeds the paid up capital and legal reserves. It is proposed to take the profit for the period to retained earnings.