

Equa bank a.s. information as at 30.6.2011

(in accordance with the CNB Degree no. 123/2007 Coll., stipulating the prudential rules for banks, credit unions and investment firms)

Published August 8, 2011

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1. General information about the bank

1.1. Basic information

Company: **Equa bank a.s.**
 Address: Lazarská 1718/3, Praha 1, PSČ 111 21
 Identification number: 471 16 102
 Date of registration: January 6, 1993
 Date of the latest change: June 27, 2011
 Purpose of the latest change: new shareholder, changes in Supervisory Board and Board of Directors

Registered capital: 1 100 000 000 CZK
 Repaid capital: 100%

Issued shares: 1 100 pcs of ordinary shares, each in nominal value of 1 000 000 CZK

No own shares, interim certificates nor other securities, which could be exchanged for ordinary shares, were acquired.

Registered capital has not been increased during the last quarter.

Shareholder information:
 Equa Group Limited
 Valletta, St. Paul Street 259, VLT 1213
 Malta
 100% share on voting rights
 100% direct share on capital

1.2. Organizational structure

Organizational structure valid as at 31.3.2011 is showed in the attachment no. I.

Number of organizational units: 7
 Average number of employees: 92

1.3. Information about members of the Supervisory Board, of the Board of Directors and of the bank management

Detailed information about members of the Supervisory Board, of the Board of Directors and of the bank management including their professional experience qualifying them for performance of their duties is stated in the attachments no. II.-IV.

a) Supervisory Board

Name	Position	From date
Stephen Pulley	Chairman	20.6.2011
Peter Bramwell Cartwright	Member	20.6.2011
Ing. Martin Houda	Member voted by employees	4.8.2009

b) Board of Directors

Name	Position	From date
Ing. Leoš Pýtr, CSc.	Chairman	14.10.2008
David Putts	Member	20.6.2011
Ing. Radek Pluhař, Ph.D.	Member	27.6.2011

c) Management

Name	Position	From date
Ing. Leoš Pýtr, CSc.	Chairman of the BoD	1.9.2008
David Putts	Chief Executive Officer	20.6.2011
Ing. Monika Kristková	Acting Chief Financial Officer	21.6.2011
Ing. Radek Pluhař, Ph.D.	Chief Risk Officer	20.6.2011
Ondřej Moravec	Chief Operational Officer	20.6.2011

d) Membership in statutory bodies of other companies:

Name	Position	Membership in statutory bodies of other companies
Stephen Pulley	Chairman of the Supervisory Board	Conduit Capital Markets Holdings Limited; Anacap Financial Partners LLP
Peter Beamwell Cartwright	Member of the Supervisory Board	Anacap Financial Partners LLP; Base Commercial Mortgages Holdings Limited; Apex Credit Management Holdings Limited; AC Acquisitions Limited; Aldermore Bank Nominees Limited; Aldermore Bank plc; Aldermore Holdings Limited; Cabot Financial Group Limited; Medifin Holding Limited; Mediterranean Bank plc; Pall Mall Finance Limited
Ondřej Moravec	Chief Operational Officer	Equa Financial Services s.r.o.

e) Total outstanding balance of loans given by the bank to members of:

('000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
Supervisory Board	0	0	0	0
Board of Directors	0	0	0	0
Management	8 538	8 474	8 406	0

f) Total outstanding balance of guarantees given by the bank to members of:

The bank did not issue any guarantee to the members of the Supervisory Board, of the Board of Directors or of the bank management.

2. Consolidated group structure

2.1. Controlling entity information

Name	Equa Group Limited
Legal form	Foreign state legal form
Address	Valletta, St. Paul Street 259, VLT 1213, Malta
Share on capital	100%
Share on voting rights	100%
Other way of controlling	No

	CZK
Total amount of ban receivables:	0
Total amount of bank payables:	0
Total amount of securities issued by controlling entity in the bank assets:	0
Total amount of payables related to these securities:	0
Total amount of guarantees granted by the bank to controlling entity:	0
Total amount of guarantees accepted by the bank from controlling:	0

2.2. Controlled entity information

As at 30.6.2011 the bank did not own any interest in other entity.

3. Bank activities information

3.1. Authorized activities according to the business register

- Activities pursuant to Act No. 21/1992 coll., on Banks (Article 1(1))
 - a) Accepting deposits from the public,
 - b) Providing loans.
- Activities pursuant to Act No. 21/1992 coll., on Banks (Article 1(3))
 - a) Investing in securities for own account,
 - b) Financial leasing,
 - c) Money transmission services,
 - d) Issuing and administering means of payment,
 - e) Providing guarantees,
 - f) Opening letter of credit,
 - g) Collecting payments,
 - h) Providing investment services,
 - i) Money broking,
 - j) Acting as depository,
 - k) Bureau-de-exchange activities,
 - l) Providing banking information,
 - m) Trading for own account or for account of clients,
 - n) Renting safe deposit boxes,
 - o) Other activity directly associated with the above activities of Equa bank a.s.

3.2. List of really performed activities

- Activities pursuant to Act No. 21/1992 coll., on Banks (Article 1(1))
 - a) Accepting deposits from the public,
 - b) Providing loans.
- Activities pursuant to Act No. 21/1992 coll., on Banks (Article 1(3))
 - c) Money transmission services,
 - d) Issuing and administering means of payment,
 - e) Providing guarantees,
 - f) Opening letter of credit,
 - g) Collecting payments,
 - k) Bureau-de-exchange activities,
 - l) Providing banking information,
 - m) Trading for own account or for account of clients,
 - n) Renting safe deposit boxes,
 - o) Other activity directly associated with the above activities of Equa bank a.s.

3.3. List of activities which were limited or excluded by the Czech National Bank

Czech National Bank has not limited, suspended or prohibited any of the bank activities listed in the business register.

4. Financial situation

4.1. Balance sheet

	('000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
TOTAL ASSETS	1	4 442 572	4 463 783	4 516 710	4 122 175
Cash and balances with central banks	2	90 441	481 112	88 867	104 864
Cash	3	39 890	46 647	32 783	34 262
Balances with central banks	4	50 551	434 465	56 084	70 602
Receivables	29	4 305 527	3 947 088	4 393 350	3 966 199
Receivables from banks	30	2 170 959	1 875 875	2 408 703	2 156 918
Receivables from clients	31	2 100 326	2 070 012	1 983 946	1 809 184
Other receivables	32	34 242	1 201	701	98
Tangible fixed assets	46	22 261	21 169	20 173	19 724
Lands, buildings and equipments	47	22 261	21 169	20 173	19 724
Real estate investments	48	0	0	0	0
Intangible fixed assets	49	2 688	2 930	2 826	2 694
Goodwill	50	0	0	0	0
Other intangible fixed assets	51	2 688	2 930	2 826	2 694
Ownership interests	52	0	0	0	0
Tax receivables	53	0	0	0	607
Other assets	56	21 655	11 484	11 494	28 085

	('000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1	4 442 572	4 463 783	4 516 710	4 122 175
TOTAL LIABILITIES	2	3 474 390	3 525 201	3 613 487	3 247 796
Financial liabilities	20	3 417 169	3 516 783	3 576 373	3 201 963
Due to banks	21	320 261	120 378	171 956	487 208
Due to clients	22	3 056 798	3 379 961	3 396 614	2 706 572
Other financial liabilities	23	40 110	16 444	7 803	8 183
Reserves	34	1 520	1 308	1 308	1 308
Other reserves	40	1 520	1 308	1 308	1 308
Tax liabilities	41	0	0	0	0
Other liabilities	44	55 701	7 110	35 806	44 525
TOTAL SHAREHOLDERS' EQUITY	47	968 182	938 582	903 223	874 380
Registered capital	48	1 100 000	1 100 000	1 100 000	1 100 000
Paid registered capital	49	1 100 000	1 100 000	1 100 000	1 100 000
Reserve funds	63	25 805	25 805	25 805	25 805
Retained earnings (accumulated losses) from previous years	64	-88 701	-88 701	-187 223	-187 223
Profit (loss) for the accounting period	66	-68 922	-98 522	-35 359	-64 202

4.2. Profit and loss statement

	(‘000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
Profit from financial and operating activities	1	46 898	52 875	6 584	17 631
Interest income	2	84 675	109 842	24 377	49 024
Interests from receivables to central banks	3	268	446	86	213
Interests from loans and other receivables	7	84 407	109 396	24 291	48 811
Interest expense	11	-44 373	-63 175	-18 631	-34 639
Interests from financial liabilities at amortized cost	15	-44 373	-63 175	-18 631	-34 639
Fee and commission income	24	5 305	7 210	1 541	3 934
Fee and commission income from maintenance and custody	31	20	20	27	27
Fee and commission income from commitments and guarantees	32	1 268	1 839	342	1 538
Fee and commission income from payments	33	2 886	4 017	1 050	2 119
Fee and commission income from other services	36	1 131	1 334	122	250
Fee and commission expense	37	-3 538	-4 423	-698	-1 556
Fees and commissions for clearing and settlement	41	-42	-93	-9	-16
Fees and commissions for other services	43	-3 496	-4 330	-689	-1 539
realized P/L from fin. assets and liabilities not booked at FV	44	2 540	2 589	348	1 421
Profit (loss) from loans and other receivables	46	2 540	2 589	348	1 421
FX differences	59	4 594	5 506	1 121	2 449
Profit (loss) from disposal of current assets held to maturity	60	-279	-279	-212	-212
Other operating income	61	352	375	172	373
Other operating expenses	62	-2 378	-4 770	-1 434	-3 164
Administrative expenses	63	-107 222	-140 085	-35 416	-71 901
Employee expenses	64	-61 232	-82 058	-21 653	-44 818
Wages and salaries	65	-38 185	-52 088	-12 559	-25 911
Social and health insurances	66	-13 060	-17 298	-4 403	-9 122
Pension and similar expenses	67	-72	-96	-24	-48
Temporary employee expenses	68	-9 456	-11 966	-4 515	-9 536
Other employee expenses	70	-459	-610	-152	-201
Other administrative expenses	71	-45 990	-58 027	-13 763	-27 083
Advertisement expenses	72	-1 160	-1 488	-160	-223
Consulting expenses	73	-645	-2 438	-157	-387
IT expenses	74	0	0	0	0
Outsourcing expenses	75	-15 585	-14 938	-3 589	-6 632
Rents	76	-13 106	-17 352	-4 335	-8 633
Other expenses	77	-15 494	-21 811	-5 522	-11 208
Depreciation	78	-3 797	-5 799	-1 099	-2 244
Depreciation of lands, buildings and equipments	79	-3 187	-4 845	-885	-1 807
Depreciation of intangible fixed assets	81	-610	-954	-214	-436
Creation of reserves	82	0	212	0	0
Impairment losses	83	-5 039	-5 964	-5 628	-7 888
Impairment losses from fin. assets not booked at FV to P/L	84	-5 039	-5 964	-5 628	-7 888
Loss from impairment of loans and other receivables	87	-5 039	-5 964	-5 628	-7 888
Loss from impairment of financial investments held to maturity	88	0	0	0	0
Profit or loss from non-current asset disposals	98	239	239	200	200
Profit or loss from continuous activities before tax	99	-68 921	-98 522	-35 359	-64 202
Income tax expense	100	0	0	0	0
Profit or loss from continuous activities after tax	101	-68 921	-98 522	-35 359	-64 202
Profit or loss after tax	103	-68 921	-98 522	-35 359	-64 202

4.3. Financial receivables with and without default

('000 CZK)	Value before impairment	Net book value	Provisions on individual basis	Provisions on portfolio basis
30.6.2011				
Financial receivables total	4 010 395	3 966 102	33 625	10 668
Receivables from banks	2 156 918	2 156 918	0	0
Receivables without default	2 156 918	2 156 918	0	0
Standard receivables	2 156 918	2 156 918	0	0
Receivables with default	0	0	0	0
Receivables from other persons than banks	1 853 477	1 809 184	33 625	10 668
Receivables without default	1 749 250	1 738 505	77	10 668
Standard receivables	1 676 910	1 666 243	0	10 668
Watched receivables	72 339	72 263	77	0
Receivables with default	104 227	70 679	33 549	0
Substandard receivables	75 702	70 445	5 257	0
Doubtfull receivables	31	15	15	0
Loss receivables	28 494	218	28 276	0
31.3.2011				
Financial receivables total	4 435 747	4 392 648	31 358	11 741
Receivables from banks	2 408 702	2 408 702	0	0
Receivables without default	2 408 702	2 408 702	0	0
Standard receivables	2 408 702	2 408 702	0	0
Receivables with default	0	0	0	0
Receivables from other persons than banks	2 027 045	1 983 946	31 358	11 741
Receivables without default	1 924 073	1 912 198	134	11 741
Standard receivables	1 845 713	1 833 972	0	11 741
Watched receivables	78 360	78 226	134	0
Receivables with default	102 972	71 748	31 224	0
Substandard receivables	74 335	71 478	2 857	0
Doubtfull receivables	3	1	1	0
Loss receivables	28 634	269	28 365	0
31.12.2010				
Financial receivables total	3 983 700	3 945 887	25 725	12 088
Receivables from banks	1 875 875	1 875 875	0	0
Receivables without default	1 875 875	1 875 875	0	0
Standard receivables	1 875 875	1 875 875	0	0
Receivables with default	0	0	0	0
Receivables from other persons than banks	2 107 826	2 070 012	25 725	12 088
Receivables without default	2 032 601	2 020 278	235	12 088
Standard receivables	1 942 332	1 930 244	0	12 088
Watched receivables	90 269	90 034	235	0
Receivables with default	75 224	49 735	25 490	0
Substandard receivables	49 599	49 427	172	0
Doubtfull receivables	2	1	1	0
Loss receivables	25 623	306	25 317	0
30.9.2010				
Financial receivables total	4 309 506	4 271 285	26 097	12 123
Receivables from banks	2 170 959	2 170 959	0	0
Receivables without default	2 170 959	2 170 959	0	0
Standard receivables	2 170 959	2 170 959	0	0
Receivables with default	0	0	0	0
Receivables from other persons than banks	2 138 546	2 100 326	26 097	12 123
Receivables without default	2 061 493	2 049 007	364	12 123
Standard receivables	1 958 973	1 946 850	0	12 123
Watched receivables	102 520	102 156	364	0
Receivables with default	77 053	51 319	25 733	0
Substandard receivables	51 116	50 939	177	0
Doubtfull receivables	76	38	38	0
Loss receivables	25 861	343	25 518	0

4.4. Financial receivables with and without impairment

('000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
Receivables without impairment (netto)	4 304 847	4 332 053	4 377 819	3 966 357
measured at amortized cost	4 304 847	4 332 053	4 377 819	3 966 357
measured at fair value	0	0	0	0
Receivables with impairment (before impairment)	89 451	87 313	114 713	114 738
measured at amortized cost	89 451	87 313	114 713	114 738
measured at fair value	0	0	0	0
Provisions to rec. measured at amortized cost	38 220	37 813	43 099	44 293
Accumulated loss of rec. measured at fair value	0	0	0	0
Receivables with impairment (netto)	51 231	49 500	71 614	70 445
measured at amortized cost	51 231	49 500	71 614	70 445
measured at fair value	0	0	0	0

4.5. Restructured financial receivables

No financial receivables were restructured during the last quarter.

4.6. Fair and nominal values of derivatives

The bank did not enter in to any derivative position during the last quarter.

4.7. Ratios

('000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
Capital adequacy	34,07%	33,58%	32,14%	33,58%
Return on average assets (ROAA)	-2,25%	-2,34%	-3,13%	-2,92%
Return on average equity Tier 1 (ROAE)	-9,65%	-10,36%	-15,39%	-14,22%
Assets per employee	47 770	46 018	46 564	42 063
Administrative expenses per employee	1 537	1 444	1 460	1 467
Profit or loss after tax per employee	-988	-1 016	-1 458	-1 310

5. Prudential rules fulfillment information

5.1. Capital of the bank

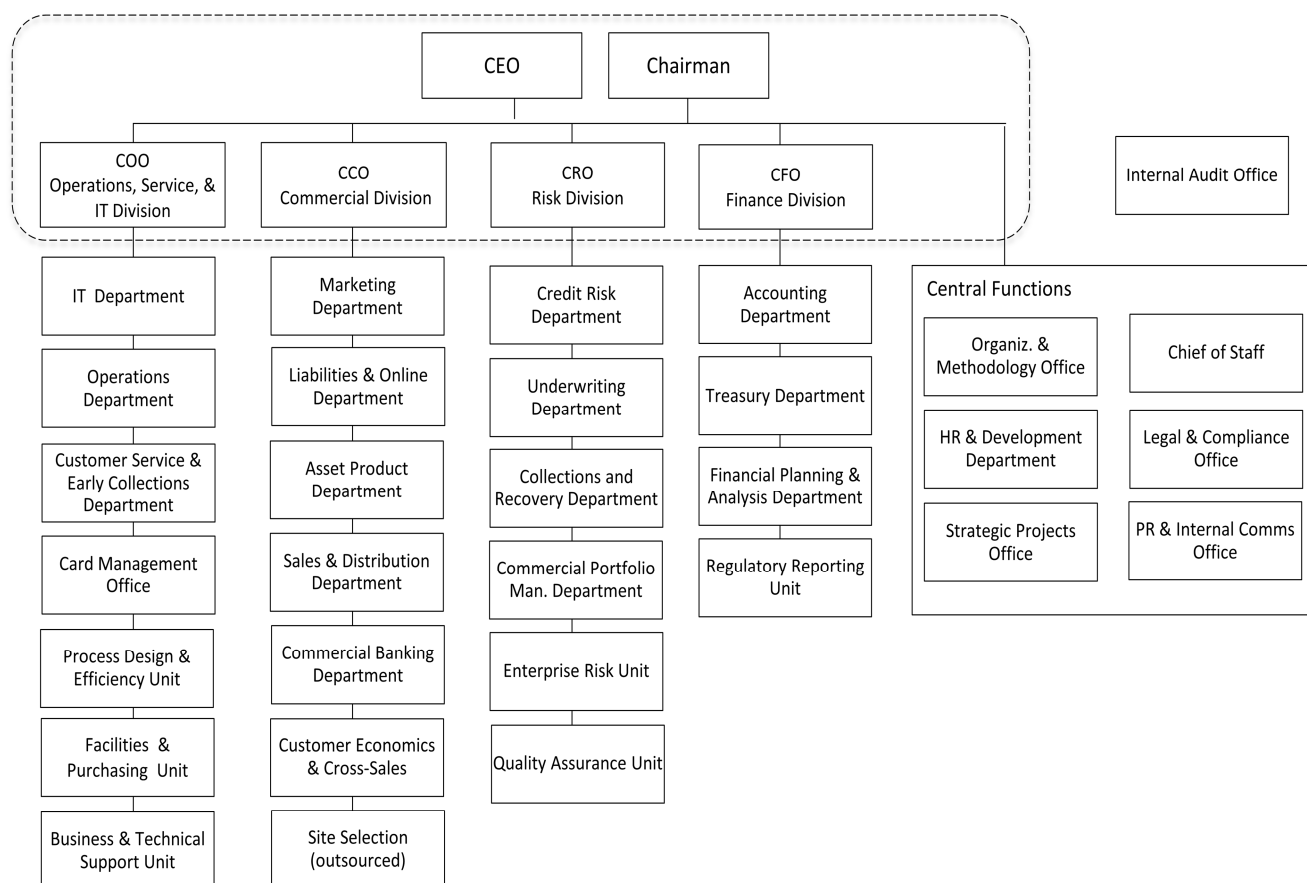
(‘000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
Capital	965 494	935 652	900 397	871 686
Original capital (Tier1)	965 494	935 652	900 397	871 686
Repaid registered capital	1 100 000	1 100 000	1 100 000	1 100 000
Reserve funds and other funds from profit	-62 896	-62 896	-161 418	-161 418
Obligatory reserve funds	25 805	25 805	25 805	25 805
Retained profit from previous years	40 566	40 566	40 566	40 566
Accumulated losses from previous years	-129 267	-129 267	-227 789	-227 789
Loss for the current year	-68 922	-98 522	-35 359	-64 202
Deductible items from original capital	-2 688	-2 930	-2 826	-2 694
Intangible fixed assets other than goodwill	-2 688	-2 930	-2 826	-2 694
Additional capital (Tier2)	0	0	0	0
Deductible items from original and add. capital (Tier1 + Tier2)	0	0	0	0
Capital designated to cover market risks (Tier3)	0	0	0	0

5.2. Capital requirements

(‘000 CZK)	30.9.2010	31.12.2010	31.3.2011	30.6.2011
Capital requirements total	226 693	222 933	224 112	207 658
Capital requirements to credit risk total	217 468	213 708	214 887	195 498
Capital requirements to credit risk using STA total	217 468	213 708	214 887	195 498
Cap. req. using STA to fin. institution expositions	381	2 374	6 803	996
Cap. req. using STA to enterprise expositions	171 383	174 855	163 203	148 347
Cap. req. using STA to retail expositions	0	0	0	0
Cap. req. using STA to expositions pledged by real estate	0	0	0	0
Cap. req. using STA to overdue expositions	4 099	3 960	5 729	5 648
Cap. req. using STA to short term expositions (fin. inst. & enterp.)	35 352	29 810	36 562	36 624
Cap. req. using STA to other expositions	6 253	2 709	2 589	3 882
Capital requirements to market risk using STA total	0	0	0	2 184
Cap. req. using STA to currency risk				2 184
Capital requirements to operational risk total	9 225	9 225	9 225	9 976
Cap. req. to operational risk using BIA	9 225	9 225	9 225	9 976

Attachment no. I

Organizational chart as at 30.6.2011



Attachment no. II

Supervisory Board

Stephen Pulley (Chairman)

Steve Pulley is a Director at AnaCap Financial Partners LLP (“AnaCap”) focusing on deal origination and execution in the UK, Ireland and Czech Republic having spent 5 years helping management teams restructure and grow financial services companies owned by funds advised by AnaCap. Steve has held a number of Directorships of companies owned by funds advised by AnaCap and is currently a Board Member of Conduit Capital Markets Holdings Ltd.

Prior to joining AnaCap, Steve Pulley worked as a management consultant for Oliver Wyman, a consulting firm dedicated to the financial services sector. During his time at Oliver Wyman, Steve conducted more than fifteen engagements providing a broad range of financial institutions with strategy, operations, M&A and risk management advice from their London and New York offices, serving clients in the UK, continental Europe, the US and Asia.

Steve Pulley holds an MA with honours in Mathematical Sciences from Oxford University.

Peter Bramwell Cartwright (Member)

Peter Cartwright has spent his entire career in the financial services sector and was one of the founding partners of AnaCap Financial Partners, LLP. Prior to AnaCap Financial Partners LLP, Peter Cartwright was Commercial Director within a specialty insurance services provider backed by a UK-based private equity firm, and between 1999 and 2003 was the Sales & Marketing Director and Chief Operating Officer for GMAC UK and On:line Finance, respectively, having previously worked for GE Capital.

Peter Cartwright is currently a non executive director of two regulated Banks within the EU, namely Aldermore Bank PLC in the UK and Mediterranean Bank PLC in Malta.

Martin Houda (Member voted by employees)

Martin Houda graduated in Finance at University of Economics in Prague, faculty of business, and has 24 years of professional experience in banking. He started his career in ČSOB a.s. Since 1993 he worked at various managerial positions for Equa bank a.s. (previously IC Banka, a.s., later also Banco Popolare Česká republika, a.s.).

Attachment no. III

Board of Directors

Leoš Pýtr (Chairman)

- 3 years as President and Chairman of the Board of Directors at Banco Popolare Česká republika, a.s.;
- 4 years as Executive Director, Financial Market Supervision Department at Czech National Bank;
- 6 years as Chairman of the Board of Directors and General Director at První městská banka;
- 6 years as Member of the Board of Directors at GiroCredit-Sparkassen Bank Prague Ltd.;
- Education: University of Economics – Prague, 28 years of professional experience in banking.

David Putts (Member)

David Putts has a long-term experience in corporate banking, entrepreneurial leadership and strategic leadership.

- HSBC (2007-2008): Regional Head of Personal Financial Services in Prague;
- Barclays (2004-2006): Chief Operating Officer within the UK Banking division, responsible for consolidating product management for 5 business divisions;
- Andav Capital (2002-2004): David Putts led turnaround strategies for companies owned by private equity firms in Poland;
- Inteligo Financial Services (2000-2002): CEO and co-founder of one of the most successful financial services start-ups in the Polish market;
- McKinsey & Company (1990-2000): Management consultant to clients in U.S. and Poland, specializing in banking and business growth strategies.

Radek Pluhař (Member)

- 5 years as Head of Commercial Risk Management in GE Money Bank;
- 7 years as Portfolio Manager and Strategist in Asset Management division of Česká spořitelna;
- Holds Ph.D. in Finance from University of Economics in Prague.

Attachment no. IV

Management of the Bank

Leoš Pýtr (Chairman of the Board of Directors)

Leoš Pýtr graduated at University of Economics in Prague and has 28 years of professional banking experience – see the Attachment no. III.

David Putts (Chief Executive Officer)

David Putts has a long-term experience in corporate banking, entrepreneurial leadership and strategic leadership – see the Attachment no. III.

Monika Kristková (Acting Chief Financial Officer)

- Since April 2010 engaged in a new retail banking project with a direct responsibility for finance, strategy and performance management (Equa Financial Services s.r.o.);
- 1 year as a Mergers & Acquisitions Manager for ČEZ where she led several acquisition projects within the Central and East Europe region;
- 5 years held various management positions in Czech Airlines;
- 6 years at Deloitte. As a Senior Associate of Financial Advisory division she conducted forensic audits for several leading banks on the Czech Republic market. Before working as a Senior Auditor specializing in banking sector;
- Graduated in Finance at University of Economics in Prague.

Radek Pluhař (Chief Risk Officer)

Radek Pluhař has long term experience in risk management of financial institutions – see the Attachment no. III.

Ondřej Moravec (Chief Operating Officer)

- Equa Financial Services s.r.o. – since March 2010 he was engaged in a new retail banking project for AnaCap funds and was responsible for the areas of operation and IT;
- AXA Bank Europe – more than one year on the position of Chief Operating Officer for Czech Republic and Slovakia;
- Citibank – 1.5 years Ondřej Moravec worked as a Head of Cards Products & Business;
- eBanka - almost four years he spent as a Head of Cards and he was also a part of the bank management team responsible for the bank's restructuring and successful sale to Raiffeisen Bank. At that time, Ondřej Moravec also collaborated on other international PPF projects;
- 5 years he worked as a management consultant for Deloitte and Logica participating on various projects for major banks in the Czech republic.