

**OFFICIAL INFORMATION
OF THE CZECH NATIONAL BANK**
of 18 July 2007

regarding the prudential rules for banks, credit unions and investment firms

The Group of Connected Persons

The Czech National Bank hereby provides the following information with regard to Article 2, 1, d) of Decree No. 123/2007 Coll., stipulating the prudential rules for banks, credit unions and investment firms:

In assessing mutual relationships among persons with the aim of determining whether the nature of these relationships implies that financial difficulties of one of the persons may cause repayment problems for at least one of the other persons the liable entity shall focus, in particular, on the following instances, where

1. one person has a qualifying holding¹ in another person, except for the instances where their mutual relationship is the relationship between a parent undertaking and a subsidiary;
2. one person has a qualifying holding in two or more persons independent in organisational terms;
3. the persons have a common member of the board of directors, or possibly of another statutory or supervisory body, or they have a common senior management, or some members of the statutory body, supervisory body or senior management of more persons are close persons or persons close to each other pursuant to the Civil Code²;
4. the persons are interconnected through guarantees or loans;
5. the persons are interconnected through mutual business ties, e.g. product deliveries.

Vice-Governor
Miroslav Singer

Banking Regulation and Supervision Department
Responsible:
Jaroslava Bauerová, tel. 22441 3365

¹ Article 17a of Act No. 21/1992 Coll., on Banks, as amended

² Article 116 of Act No. 40/1964 Coll., Civil Code, as amended