

Press release

location: Prague, Czech Republic

date: 9. 9. 2015

PPF banka closes 2015 first half with a record profit

“In the first half of 2015, PPF banka generated its best performance ever as its net profit rose by nearly 60% year on year to CZK 826 million. This result is mainly due to growing profits from securities trading and the improving risk profile of its portfolio”, Petr Jirásko, CEO of PPF banka a.s., commented.

Key ratios for the first six months of 2015:

- Net profit after tax was CZK 826 million, a CZK 302 million (58%) increase compared to the same period last year.
- Total assets as at 30 June 2015 slightly declined to CZK 105 billion (-3%) compared to the end of 2014.
- Loans to customers stood at CZK 30 billion for the period and deposits exceeded CZK 74 billion.

Notes:

PPF banka was able to generate a record-breaking net profit despite the environment of extremely low interest rates and tough competition in the Czech banking market, which drove down both interest margins and net interest income. Profit from financial operations (CZK 314 million compared to a loss of CZK 69 million at half-year 2014) was the main factor for this increase in profit. Release of provisions also contributed on a positive basis.

During the first half period of 2015, PPF banka also reinforced its capital position. Capital adequacy rose by 2.3% reaching 17.05%. Not only does this level give PPF banka a strong capital cushion; it is significantly above minimum regulatory requirements.

Return on average equity (ROAE) rose by 27.4% in the first half of 2015, a performance significantly above the market average. Return on total assets also rose markedly.

In the first half of the year, the Bank's efficiency as measured by the cost/income ratio, also improved, reducing to 27.9% from 35% in the first half of 2014.

Notes for editors

PPF Group invests in multiple market segments such as banking and financial services, telecommunications, insurance, real estate, mineral extraction, agriculture, retail and biotechnology. PPF's reach spans from Europe to Russia, the US and across Asia. PPF Group owns assets of EUR 21.9 billion (as at 31 December 2014).

PPF banka a.s. is an integral part of the PPF international investment group. It provides services to municipal and corporate clients, as well as investment services, including trading in financial instruments on the Czech and international markets. PPF Banka is authorised to act as PPF Group's central treasury bank and is responsible for managing the balance sheet structure of all Group companies by raising funds on the bond and capital markets and for financing companies within the Group. The Bank is also a key place of business for the Group's financial market transactions.

Contact:

Radek Stavěl
Spokesperson of PPF Group
T: +420224174748, M: +420724875932
Email: stavel@ppf.cz

Important:

This report is not an offer to sell or a solicitation of an offer to buy any security in any jurisdiction in which such an offer would be unlawful under the securities legislation in force, and is not an offer to sell or a solicitation of an offer to buy any security intended for or made by any persons in respect of whom such an offer would be unlawful under the securities legislation in force.

This report does not constitute a public offer of securities or any public offer announcement in any jurisdiction, nor does it constitute an offer or invitation to offer or buy any securities in any jurisdiction.

The information contained in this material is not for release, publication or distribution to persons in the United States of America. This information should not be forwarded or transmitted within or to the United States of America. The securities to which this material refers are not and will not be registered in accordance with the US Securities Act of 1933, as amended (hereinafter the "Securities Act") and may not be offered or sold without registration under the Securities Act or pursuant to an available exemption therefrom.

These materials are not intended for direct or indirect distribution in the United States of America (including its territories and possessions, all US States and the District of Columbia). These materials do not constitute an offer or invitation to buy or subscribe to securities in the United States of America. The stock referred to herein is not and will not be registered under the Securities Act.

This announcement is not an invitation and is not meant as an intention to pursue investment activities within the meaning of Section 21 of the Financial Services and Markets Act of 2000 (hereinafter the "FSMA"). To the extent as this announcement does not represent an intention to engage in investment activities, it is intended solely for: (i) persons outside the United Kingdom, (ii) persons in the United Kingdom to whom the definition of professional investors applies within the meaning of Section 19 (5) of the FSMA (Financial Promotion) Order 2005; and (iv) any other persons to whom such an announcement may legally be made under Section 21 of the FSMA (hereinafter all such persons referred to as "relevant persons"). Any person who is not a relevant person should not act in accordance with this announcement or rely on it.

This document is not a prospectus, and to the extent that it may constitute an advertisement, it does not represent an offer to sell or buy any securities. Investors should not subscribe to any securities with reference to this document, except the information contained in the prospectus of the security offering.