

TISKOVÁ ZPRÁVA

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PPF banka continues strong growth in 2012

PPF banka a.s. (the “Bank”) generates record profit of nearly CZK 1 billion in 2012, up more than 56% year-on-year

Petr Milev, Chief Executive Officer said: *“The Bank has posted the largest profit in its entire history, amounting to nearly a billion Czech crowns. The bank’s profit totalled CZK 945 million, with contributions from all of its business segments.”*

HIGHLIGHTS:

- Audited profit after tax for the period ended 31 December 2012 was **CZK 945 million**, the best result ever for the bank. Compared to 2011 net profit of **CZK 606 million** performance improved by 56% last year.
- Revenue from own activities rose to **CZK 1.686 billion** in 2012, compared to **CZK 1.286 billion** in 2011.
- Profit from financial market transactions amounted to **CZK 354 million** in 2012, compared to a **CZK 237 million** loss for the same period in 2011.
- Total assets on the balance sheet increased by 17% year-on-year to **CZK 76.8 billion** as at 31 December 2012.

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- The Bank's total equity rose 27% year-on-year to **CZK 5.9 billion** as at 31 December 2012 compared to **CZK 4.7 billion** the previous year.
- In 2012 the Bank achieved a **20%** return on equity and was able to maintain its cost/income ratio at **36%**.

FINANCIAL RESULTS:

The Bank's balance sheet total as at 31 December 2012 increased significantly to CZK 76.8 billion (up 17%). A CZK 945 million audited profit after tax at 31 December 2012 was the highest ever in the bank's history, exceeding the previous record from 2009 by 17%, and the 2011 profit of CZK 606 million by 56%. The key profit drivers were growth in profit from financial market transactions (up by CZK 592 million year-on-year) and growth in net interest income (up by CZK 197 million year-on-year), fully offsetting lower net fees and commission income (down by CZK 129 million year-on-year) and provisions for loans (down by CZK 253 million year-on-year).

The volume of outstanding loans was CZK 25.3 billion as at 31 December 2012, up 20% compared to CZK 21.1 billion at the end of 2011, primarily as a result of new activities.

Despite the continued economic crisis, the Bank maintained its focus on the high quality of its loan portfolio. In line with its conservative approach, the Bank increased the volume of classified loans from 2.8% to 12.1%, including loans on the watch list, attaining the industry average in the Czech Republic. It also made provisions of CZK 241 million. The volume of NPLs (loans in default for more than 90 days) accounted for 2.72% of the total loan portfolio as at 31 December 2012.

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The Bank plans to continue expanding its lending activities, thereby supporting Czech companies and the Czech economy.

The Bank achieved solid ROE and CIR levels of 20% and 36%, respectively.

PPF banka is part of the PPF international investment group. PPF Group N.V. currently holds 92.96 percent of the Bank's stock, and the City of Prague holds the remaining 6.7 percent.

KEY FIGURES

CZK million	31 December 2011	31 December 2012	Year-on-year change
Total assets	65,718	76,843	17%
Total equity	4,690	5,939	27%
Profit before tax	758	1,144	51%
Profit after tax	606	945	56%
Profit from financial market transactions	-238	354	n/a

Notes for editors and contact:

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.

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PPF Group

PPF Group invests into multiple market segments such as banking and financial services, insurance, real estate, energy, metal mining, agriculture, retail and biotechnology. PPF's reach spans from Central and Eastern Europe to Russia and across Asia. PPF Group owns assets amounting to EUR 17.6 billion (as at 30 June 2012).

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