

Dear clients,

We would like to inform you of change of interest rates applicable to credit balances on the Payment Accounts that we have decided to introduce in relation to implementation of legal rules of EU establishing a framework for the recovery and resolution of credit institutions and investment firms with effect from December 1, 2015.

The new Interest Rate List can be found on the website of PPF banka a.s. www.ppfbanka.cz or it will be provided to you by employees of PPF banka a.s.

Who will be affected by this change?

The change concerns only those clients whose balances on their Payment Accounts as of December 31, 2015 exceed their usual balance on accounts with PPF banka a.s. over a defined period of the year 2015.

This measure applies only to special purpose transfers of funds to PPF banka a.s. through the end of year 2015. Ordinary business activities will not be affected by this measure.

What is the nature of the change?

A rate per annum of minus eighteen percent (-18%p.a.) shall be applied on daily balance on any Payment Account for the period from and including January 1, 2016 to and excluding January 4, 2016, to the extent the balance exceeds the highest of the following amounts:

- (a) the balance on such Payment Account as of October 31, 2015; or
- (b) an average balance on such Payment Account for the period from January 1, 2015 to October 31, 2015 rounded to the nearest million; or
- (c) the amount of CZK 100,000,000 or its equivalent in any other currency.

Why have we decided to introduce the change?

A new Resolution Fund shall be established in accordance with a new law this year¹. Any obliged person, including PPF banka a.s., will have to pay an annual contribution to such Fund.

¹ Government Bill on recovery and resolution of crisis on financial market, number 536/0.

The amount of the contribution to the Resolution Fund will be determined, among others, with regard to the amount of liabilities (which with respect to banks consist mainly of deposits) of the obliged person as of December 31, 2015.

Exceptional increase of deposits with PPF banka a.s. as of December 31, 2015, will have a direct impact on the amount of the contribution paid by PPF banka a.s. in 2016.

We have introduced the negative interest rate on balances fulfilling the above conditions in order to stabilize total assets of PPF banka a.s. and also as a response to competitive banks that had introduced similar measures aiming to prevent artificial increase of deposits.

How have we determined the negative interest rate?

The negative interest rate has been set so as to reflect increase of the contribution of PPF banka a.s. to the Resolution Fund, should there be an exceptional increase of deposits in the period until the end of year 2015. The increase of the contribution represents professional estimate of PPF banka a.s. determined on the basis of legislation or bills and communication with the Czech National Bank.

When will the interest on the higher than average balance on the Payment Account be charged?

Interest amount will be charged to clients who will purposefully increase their balances on their Payment Accounts as described above in January 2016.

We believe that you will understand the reasons for such measure and remain satisfied clients of PPF banka a.s.

Yours faithfully,

PPF banka a.s.