

PPF banka reports stable growth and profits Net profit in the first quarter of 2022 reached CZK 640 million

Press release for PPF banka's financial and business performance in the first quarter of 2022
Prague, 10 May 2022

Net profit:	CZK 640 million	Securities trading volume:	CZK 172 billion
Capital ratio:	21.0%	Operating income:	CZK 1.6 billion
Total assets:	CZK 273 billion	Net interest income:	CZK 1.3 billion

PPF banka's **net profit in the first quarter of 2022 was CZK 640 million, up 36%** in the same period last year. Despite a time of geopolitical tension following Russia's invasion of Ukraine, the Bank continued its track record of success enjoyed in previous years. Its net profit in the last calendar year rose by 50% year-on-year to **CZK 1.747 billion**.

Vigorous pursuit of business opportunities translated into greater balance sheet performance compared to the same period last year. **Interest income more than doubled to CZK 1.3 billion** on the back of the Bank's volume of assets and progressive hikes in interest rates in the first quarter of 2022. As in the previous year, PPF banka's trading in interest-rate and monetary instruments also prospered, generating a net trading profit of over **CZK 200 million** and partly as a result of the successful approach it took to business on capital markets. In the first quarter of 2022, the Bank made provisions for almost CZK 450 million while it proceeded very cautiously amid the implications of Russia's aggression towards Ukraine in the broader economic situation in Europe.

PPF banka is one of the largest and most successful traders on financial markets in the Czech Republic. **In the reporting period, it traded in securities to the tune of more than CZK 172 billion, with domestic government bonds accounting for CZK 149 billion.** As at **31 March 2022**, PPF banka was ranked the **second** largest primary sovereign debt dealer in a list regularly published by the Czech Ministry of Finance. This result cements the Bank's long-running position as a top-three primary dealer in government bonds.

PPF banka continued its involvement in growth activities on the bond market in the Czech Republic, including corporate bonds issuance, while the domestic economy picked up after its two-year downturn.

In customer services, PPF banka is actively **developing a new mobile application** and has frequently applied enhancements to its internet banking experience. Several innovations have resulted in a much better user experience and flexible response to growing user demands, including improvements in cybersecurity.

PPF banka's balance-sheet total in the first quarter was CZK 273 billion, comfortably above the level reported for the pre-COVID year of 2019. Its capital ratio of more than 20% is well above the regulatory threshold. PPF banka's liquidity is also at a very healthy and stable level, with an LCR reported at 138% in the first quarter of this year.

Commenting on the Bank's results and performance in the first quarter of 2022, Chairman and CEO of PPF banka **Petr Jirásko** remarked: *"Since the beginning of the year, we have maintained positive momentum in our key economic indicators while maintaining robust loan loss provisions. This leaves us well positioned to **manage the global economic legacy of the war in Ukraine**. Concerning PPF banka's direct exposure to Russia, this accounts for just 0.18% of the overall balance-sheet total and takes the form of a standard portfolio of corporate bonds."*

"As a core part of PPF Group, the Bank also facilitates opportunities for clients to participate in the Group's business. Drawing on various debt securities, last year alone we brokered investment opportunities worth more than CZK 4 billion," said the PPF banka chairman and CEO.

"In addition to our long-term work with The Kellner Family Foundation and PPF Foundation, the Bank and its colleagues from PPF Group are helping Ukrainian refugees in the Czech Republic," said Petr Jirásko, **"Corporate social responsibility is an integral part of PPF banka's operations and a pillar of its ESG sustainability strategy."**

Financial metrics – Q1 2022:

Assets (in CZK millions)	Q1 2022	Q1 2021
Cash and cash equivalents	147,171	109,752
Financial assets measured at fair value through profit or loss	34,348	18,433
Financial assets measured at fair value through other comprehensive income	34,575	20,625
Financial assets measured at amortised cost	1,312	0
Receivables from banks	12,909	10,885
Receivables from customers	41,258	48,230
Investments in subsidiaries	237	237
Other assets	1,158	1,001
Total assets	272,968	209,163
Equity and liabilities (in CZK millions)	Q1 2022	Q1 2021
Deposits from banks	38,521	18,117
Deposits from customers	182,366	158,886
Debt securities issued	4,253	3,610
Financial liabilities measured at fair value through profit or loss	29,854	11,828
Other liabilities	1,409	1,151
Registered capital	769	769
Other components of equity	15,796	14,802
Total liabilities and shareholders' equity	272,968	209,163
Income statement (in CZK millions)	Q1 2022	Q1 2021
Net interest income	1,304	586
Net fee and commission income	40	38
Net gain on trading and dividend income	207	237
General administrative expenses	(224)	(217)
Impairment losses	(444)	41
Other operating profit or loss	(94)	(104)
Income tax expense	(149)	(109)
Profit or loss for the year	640	472

Financial metrics – 2021:

Assets (in CZK millions)	FY 2021	FY 2020
Cash and cash equivalents	127,050	90,096
Financial assets measured at fair value through profit or loss	36,813	19,291
Financial assets measured at fair value through other comprehensive income	22,894	19,314
Receivables from banks	5,227	4,130
Receivables from customers	43,351	35,745
Investments in subsidiaries	237	237
Other assets	1,050	910
Total assets	236,622	169,723
Equity and liabilities (in CZK millions)	FY 2021	FY 2020
Deposits from banks	41,333	1,933
Deposits from customers	145,548	131,462
Debt securities issued	4,411	3,122
Financial liabilities measured at fair value through profit or loss	27,632	16,710
Other liabilities	1,156	1,082
Registered capital	769	769
Other components of equity	15,773	14,645
Total liabilities and shareholders' equity	236,622	169,723
Income statement (in CZK millions)	FY 2021	FY 2020
Net interest income	2,827	3,292
Net fee and commission income	224	209
Net gain on trading and dividend income	252	759
General administrative expenses	(954)	(817)
Impairment losses	187	(1,750)
Other operating profit or loss	(409)	(382)
Income tax expense	(380)	(178)
Profit or loss for the year	1,747	1,133

About PPF banka

PPF banka is a modern bank for corporate, public, and private sectors clients who value a professional and personal approach. The Bank specialises in trading on financial and capital markets, arranges money-market operations, provides investment loans and analyses, and hedges interest-rate and currency risks. The Bank is integral to PPF Group as the hub of its financial activity. For other PPF Group companies, it executes international payments and manages financial assets and trading on capital markets.

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