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PPF banka 2013 results: Total assets exceeded CZK 100 billion for the first time

Summary:

- PPF banka's total assets grew CZK 28 billion in 2013 to CZK 104.8 billion on 31 December 2013
- Total net earnings from banking operations (excluding the cost of provisions) grew 3.5% year-on-year, exceeding CZK 2 billion for the first time
- PPF banka generated profit after tax of CZK 571 million in 2013 and achieved a return on average equity (ROAE) of 10.3%, despite an increase in provisions for classified credit
- Total capital adequacy on 31 December 2013 was 11.7%, up 1.2 pp on year-end 2012
- PPF banka took advantage of favourable financial market conditions in specific area and issued subordinated debt of CZK 1.4 billion
- The General Meeting in 2013 decided to pay a dividend of CZK 1.4 billion

Petr Jirásko, CEO and Chairman of the Board of PPF banka, said: *“Despite the continuing unfavourable economic backdrop, we achieved record-breaking net banking earnings last year. We responded to the changing market environment and the economic developments in the Czech Republic and worldwide with flexibility. I would like to highlight PPF banka's active involvement in the preparation of several large, unique bond operations, both for PPF Group in co-operation with Russia's Home Credit & Finance Bank, and, more recently, for Kofola Group in the Central European financial markets.”*

Financial results:

	2012	2013
Key indicators CZK million		
Total assets	76,843	104,818
Total equity	5,937	5,132
Profit before tax	1,144	783
Profit after tax	945	572

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The bank's total assets grew CZK 28 billion to CZK 104 billion in 2013, exceeding CZK 100 billion for the first time in the bank's history. Receivables from clients grew 24% in 2013 to CZK 31.4 billion on 31 December 2013. Liabilities towards clients remained the principal source of financing, increasing by CZK 21.3 billion to CZK 75.9 billion in 2013 and representing 72.4% of the total assets at the end of 2013.

Total net earnings from banking operations (excluding the cost of provisions) grew 3.5% year on year, exceeding CZK 2 billion for the first time in the bank's history. The increase was influenced primarily by the net interest revenue of CZK 1.935 billion in 2013, compared with CZK 1.358 billion in 2012. Net earnings from fees and commissions decreased 3.1% year on year to CZK 288 million.

Due to the bank's highly prudent approach to credit classification, the amount of classified credit grew CZK 1.304 billion to CZK 4.388 billion in 2013; with a ratio to total credit of 13.4% on 31 December 2013. The ratio of NPL to total credit was 9.4% on the same date. The bank achieved profit after tax of CZK 571.5 million in 2013, despite making major provisions for classified profit.

The return on average equity (ROAE) was 10.3% and return on average assets (ROAA) was 0.63% in 2013. The total capital adequacy on 31 December 2013 was 11.7%, up 1.2 pp over year-end 2012.

The bank took advantage of favourable in certain segment of financial markets in 2013 and issued subordinated debt of CZK 1.4 billion.

The General Meeting decided to pay a dividend of almost CZK 1.4 billion in respect of the 2013 year.

PPF banka a.s. is part of the international investment group, PPF. PPF Group N.V. holds 92.96 percent of the bank's shares and the City of Prague is the second largest shareholder, holding 6.7 percent.

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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.

PPF Group

PPF Group invests into multiple market segments such as banking and financial services, telecommunications, 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 of EUR 22.113 billion (as at 30 June 2013).

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