

PPF
banka
2021



Where others see obstacles,
we see opportunity



Chairman's Statement

Dear Shareholders,
Clients and Business Partners,
Dear Colleagues

I am compelled to start this review of the past year by commenting on events that have not only affected the current year, but are also certain to be felt in the years to come. The military conflict in Ukraine, the loss of human life, and the destruction of the homes of millions of civilians as a result of an unprovoked Russian invasion have no place in 21st-century Europe.

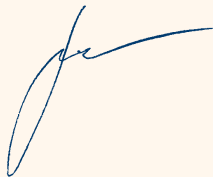
PPF banka, together with other PPF Group companies, has responded by becoming actively involved in helping Ukrainian refugee families. It is important to remember, however, that the humanitarian crisis precipitated by the war in Ukraine follows a year made particularly difficult by the ongoing COVID-19 pandemic. Although the domestic economy recovered after the sharp downturn in 2020, the negative impacts of the pandemic continued to linger and affect our lives and the Bank's operations.

Even in the face of such adversity, we made a net profit of CZK 1.747 billion in 2021, CZK 600 million more than in the previous year. We made headway with many projects of key importance to the Bank, where the focus was on the further development of services for existing customers and support for their business activities. In line with our strategy, we invested in digitalisation, cybersecurity, and the streamlining of service provision. We also invested in the development of a new mobile app. The Ministry of Finance of the Czech Republic again ranked us second among the primary dealers of government bonds. Our overall securities trading of CZK 419.5 billion in 2021 made us one of the most important traders on the financial markets in the Czech Republic.

In 2021, we again supported numerous projects geared towards improving education and training, enriching the cultural landscape, and distributing resources to those in need. It is in our DNA to help where it makes sense to do so. That is why we are keen to continue our active involvement in CSR activities.

We help our customers to make the progressive preparations needed so that they have ample time to adapt to new business sustainability requirements under the law. We also actively support and finance the transformation of their business in this way.

I would like to thank our shareholders, customers, business partners, and employees for their support and trust, which we as a company greatly appreciate in the knowledge that this is not to be taken for granted. I am confident that, in 2022, we will retain the energy and optimism we need to drive us forward and prove once again that, together, we can meet all the challenges that lie ahead, not only because of the war in Ukraine.



Petr Jirásko
Chairman of the Board of Directors
and Chief Executive Officer

Introducing PPF banka

We are a bank for unique clients

We are a modern bank for corporate, public and private sector clients who appreciate our professional and personalised approach. We build our services on professional expertise, unique solutions and sophisticated financial operations. We regularly earn plaudits for our activity in the financial markets.

We offer wide-ranging banking and financial services with an emphasis on high value added and premium quality.

We specialise in trading on the financial and capital markets. We also provide project, export, and acquisition financing services.

A member of the Prague Stock Exchange, we are one of the most influential securities traders in the provision of investment services in the Czech Republic and on foreign markets.

We support our clients' operations and development by delivering tailor-made solutions. We arrange money market operations, provide investment loans, and analyse and hedge interest-rate and currency risks. We also offer services to the public sector, which includes the engineering of smart solutions for cities and public institutions. Lastly, we also focus on private banking that takes an exceptional approach to the way clients' individual financial needs are handled.

We are integral to PPF Group as the hub of its financial activity. For other PPF Group companies, we carry out international payments and manage financial assets and trading on the capital markets.

Besides engaging with clients, we are a socially responsible company that supports the work of The Kellner Family Foundation, the PPF Foundation, and Pípan, a bilingual nursery school for the hearing impaired. We stand alongside other PPF Group companies as a long-term partner of the Summer Shakespeare Festival and the Jára Cimrman Theatre. In 2021, PPF banka became a general partner of Cirk La Putyka and the Jatka78 theatre, thus helping to advance Czech culture in the face of strict anti-pandemic measures.

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Our mission

- To create value for the Bank's shareholders, clients, and employees.
- To continue building on our core pillars of integrity, diligence and cooperation.
- To promote and maintain, through our activities, the building of intangible values, especially reliability, transparency, respect, and trust.
- To engage in corporate social responsibility that extends beyond these values.

Our vision

- To be active in the provision of services to corporate, private, and institutional clients and government entities.
- To stand out from other banks thanks to our high value added, flexibility, and the superior quality of the services we provide.
- To harness synergies within PPF Group.
- To be a trusted partner with a long-term sustainable position on the Czech market.

Corporate Profile

General information

Company name:	PPF banka a.s.
Legal form:	public limited company (akciová společnost)
Registered office:	Evropská 2690/17, Praha 6, 160 41, Czech Republic
Registration number:	47116129
Court of registration:	Municipal Court in Prague, Section B, File 1834
Date of incorporation:	31 December 1992

Date and method of establishment

PPF banka was established by a deed of incorporation of 3 December 1992, without a share subscription, under the company name of ROYAL BANKA CS, a.s. On 14 December 1994, the general meeting decided to change the Company's name to První městská banka, a.s., which was accompanied by a change in the Company's registered office, and approved a one-off increase in registered capital, including a merger with Společnost pro založení První městské banky, a.s. with effect as of 31 January 1995. On 23 June 2004, the annual general meeting of První městská banka, a.s. decided to change the Company's name to PPF banka a.s. with effect as of 1 September 2004.

Registered capital:	CZK 769 million
Equity:	CZK 16,542 million
Total assets:	CZK 236,622 million
Shares:	registered, dematerialised shares maintained in the Central Securities Depository Prague

Objects of business

PPF banka's business objects comprise all types of banking transactions and the provision of banking and financial services together with related services, on both domestic and international markets. The Bank's services are primarily tailored to Czech clients in the municipal and corporate segments. The Bank specialises in trading on financial and capital markets in accordance with applicable legislation and on the basis of licences granted by the Czech National Bank.

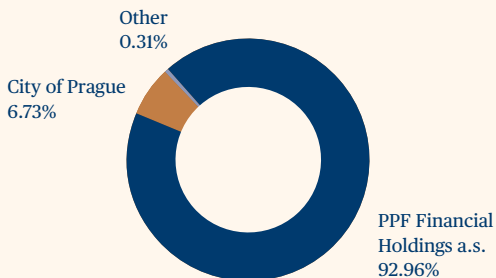
PPF banka memberships:

- Czech Banking Association;
- Czech Institute of Internal Auditors;
- Chamber of Commerce of the City of Prague;
- Prague Stock Exchange;
- Chamber for Economic Relations with the CIS;
- Bank Card Association;
- International Swaps and Derivatives Association (ISDA).

History

1992 – company established as ROYAL BANKA CS, a.s.
1995 – renamed První městská banka, a.s., with the City of Prague becoming the majority shareholder
2002 – Česká pojišťovna a.s., a company from the PPF Financial Group, becomes the majority shareholder and a strategic partner
2003 – full integration into PPF Group
2004 – renamed PPF banka a.s.

Shareholder structure



Important Developments in 2021

We are one of the best traders in Czech government bonds

In 2021, we placed CZK 108 billion of new government bonds and treasury bills, and we also arranged liquidity for subsequent secondary trading worth CZK 267 billion. For the seventh year in a row, the Ministry of Finance of the Czech Republic named us a top-three primary dealer for this activity.

We are a bridge between investors and PPF Group

We created numerous opportunities for our customers to participate in PPF Group's business. We brokered investment opportunities worth CZK 4.1 billion via various debt securities. We always take a tailored approach to customers and offer what, for them, is the ideal solution in terms of maturity, currency, yield, and collateral.

We have improved our banking services

Banking services related to electronic payment channels were continuously developed and further improved. They were expanded by integrating internet banking with the CRM system. At the end of 2021, a new mobile app - PPF banka Smart Banking - was prepared for customers and elevated the Bank to the ranks of modern mobile banking institutions.

We moved our main data centre

There was a significant shift in the quality of IT system operation at the level of the basic infrastructure when the Bank's main data centre was relocated to a technologically more modern and operationally more secure site. The relocation itself was carried out while the Bank remained in normal operation, with no disruption of service availability, thus reinforcing just how professional and all-rounded our IT staff are.

We continued to invest in IT and cybersecurity

In line with the comprehensive conceptual advancement of internal development, apps in other areas of banking - including business process support - were delivered. For example, apps were deployed to support the lending process. In payment services and the expansion of electronic channels, new client-side API functionalities were delivered and expanded to include investments. In our cybersecurity, we were certified compliant with SWIFT security requirements and deployed an anti-fraud solution (AFS) that uses heuristic analysis, biometrics monitoring, and artificial intelligence to detect attacks on applications, the devices and accounts of the Bank's customers, and the Bank's payment systems.

We helped to improve the general public's financial literacy

In 2021, in partnership with the Czech Banking Association, we involved our colleagues in "Bankers Go To School", an educational project promoting greater financial literacy and knowledge of cybersecurity basics for Year 8 and 9 students of primary schools and Year 1 and 2 year students of secondary and grammar schools.

Following on from the Investment Outlook web conference in January, which was organised by EMUN PARTNERS family office, we continued our role as the main partner behind the staging of Quarterly Breakfasts for investors and all those interested in what was happening in the economy and capital markets and wanted to know what the prospects were going forwards. These were held as hybrid offline/online events. Events dedicated to the real estate market and investments in art in the first half of 2021 proved very popular.

We supported Czech culture

In 2021, we became the general partner of the Cirk La Putyka company and the Jatka78 theatre because we believe in the importance of supporting projects, activities, and people who are constantly looking for ways and opportunities to develop themselves, and who refuse to be stopped even by the COVID-19 pandemic. With our support, they can continue to offer culture vultures unique performances and outstanding cultural experiences. Their projects - thanks in part to the international dimension - have long been among the best rated on the Czech cultural scene.

We became involved in aid for Moravia

In the aftermath of the devastating tornado that hit south Moravia in June 2021, PPF banka became involved in a solidarity event by PPF Group staff to help people in the disaster zone. As support for education is an important PPF principle, the funds raised by PPF Group employees and shareholders were used to reconstruct a primary school in the town of Moravská Nová Ves.

Key Non-consolidated Financial Information

according to International Financial Reporting Standards - IFRS

Profit before tax

MCZK

2019	2,629
2020	1,311
2021	2,127

Total assets

MCZK

2019	226,958
2020	169,723
2021	236,622

Shareholder's equity

MCZK

2019	14,295
2020	15,414
2021	16,542

Key Consolidated Financial Information

according to International Financial Reporting Standards - IFRS

Profit before tax

MCZK	
2019	2,917
2020	1,125
2021	2,388

Total assets

MCZK	
2019	226,774
2020	169,490
2021	236,425

Shareholder's equity

MCZK	
2019	14,715
2020	15,480
2021	16,782

Corporate Governance

Board of Directors

Petr Jirásko

Chairman of the Board of Directors
since 14 October 2013
Chief Executive Officer

Jaroslava Studenová

Vice-Chairwoman of the Board of Directors
since 9 December 2016
(member of the Board of Directors since 16 April 2012)
Managing Director of Operations

Miroslav Hudec

Member of the Board of Directors
since 1 May 2016
Managing Director of Financial Management

Luboš Prchal

Member of the Board of Directors
since 3 November 2021
Managing Director of Risk Management
since 3 November 2021

Karel Tregler

Member of the Board of Directors
since 3 November 2021
Managing Director of Commercial and Investment Banking
since 3 November 2021

Gabriela Mošovská

Member of the Board of Directors
from 2 November 2016 to 2 November 2021
Managing Director of Risk Management
until 2 November 2021

Igor Kottman

Member of the Board of Directors
from 2 November 2016 to 2 November 2021
Managing Director of Sales
until 2 November 2021

Supervisory Board

Ladislav Chvátal

Chairman of the Supervisory Board
since 20 August 2015
(member of the Supervisory Board
since 29 April 2015)

Jiří Janoušek

Vice-Chairman of the Supervisory Board
since 10 December 2019
(member of the Supervisory Board
since 26 September 2019)

Nadežda Priečínská

Member of the Supervisory Board since 1 May 2021

Bohuslav Samec

Member of the Supervisory Board since 16 January 2009

Lenka Baramová

Member of the Supervisory Board since 7 January 2009

Martin Hýbl

Member of the Supervisory Board since 2 June 2011

Tomáš Kaplan

Member of the Supervisory Board
from 29 April 2015 to 30 April 2021

Contacts

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The complete PPF banka Annual Report 2021 is available at:
<https://www.ppfbanka.cz/en/documents/1811-annual-reports>

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PPF banka
Annual Report 2021

