

Press Release

Air Bank Group's unaudited combined financial results for the first half of 2021, contain the results from Air Bank a.s., Benxy s.r.o. (Zonky), Home Credit a.s., and Home Credit Slovakia, a.s.

Air Bank Group increased profits 25% year-on-year to CZK 877 million amid a record issuance of new volume in several categories

Executive Summary

- Air Bank Group delivered CZK 877 million net profit during 1H21 and achieved 19.5% return on tangible equity (ROTE).
- Despite the economic impact of Covid-19, Air Bank Group delivered outstanding business performance with Air Bank Group's overall active customer base increasing to 1.24 million.
- Air Bank mobile platform has maintained a solid 21% year-on-year growth with 676,591 users and 24 % DAU (daily app usage), which is more than twice the estimated market average.
- Air Bank Group's new volumes increased by 37% year-on-year to CZK 24.0 billion with a record issuance in several categories, including cash loans at both Air Bank (57% y-o-y) and Zonky (43 % y-o-y) and Air Bank mortgages (188% y-o-y).
- Air Bank continued its leading position in digital banking. Mobile transactions grew to 10 million in 2Q, up 43% from the same period in 2020.
- Air Bank Group's overall credit portfolio grew by 4% over the first half of 2021 to reach CZK 59.1 billion. At the end of June 2021, Air Bank Group's combined market share of unsecured retail loans was 18%.
- In 1H2021, the average asset yield and average cost of funds reduced slightly to 4.2% and 0.2% (respectively), following a reduction in the base rate.
- Air Bank Group's cutting-edge risk management capabilities allowed impairment losses to significantly drop year-on-year to 2bps as a result of conservative accumulation of provisions over the last year and a positive development in the quality of the credit portfolio in the current year.
- Because Air Bank Group tightly controls its expenses as it expands its portfolio, operating expenses to average net loans decreased from 6.0% in 1H20 to 5.6% in 1H21.
- Each of the group companies proportionally contributed to Air Bank Group's financial results.

The combined figures have been compiled in accordance with the International Financial Reporting Standards. They aggregate the financial results of four corporations – Air Bank a.s., Benxy s.r.o. (Zonky), Home Credit a.s., and Home Credit Slovakia, a.s. – and companies they control. The combined results have been prepared for information purposes only. Due to their nature, the combined results describe the hypothetical situation where Air Bank a.s., Benxy s.r.o., Home Credit a.s., and Home Credit Slovakia, a.s. form a single consolidated accounting entity. The combined results have not been audited or verified by an auditor in any way whatsoever. In this document, Air Bank a.s., Benxy s.r.o., Home Credit a.s., and Home Credit Slovakia, a.s. are referred to as the Air Bank Group. Each of the above companies is indirectly controlled by Home Credit Group B.V., a member of the PPF Group.

Prague, 16 August 2021 – In the first six months of 2021, the retail bank Air Bank, the P2P digital platform Zonky, and the consumer financing providers Home Credit Czech Republic and Home Credit Slovakia ("Air Bank Group") earned CZK 877 million, which translates into a 25% year-on-year increase. Air Bank Group mainly owes its results to the excellent business performance of its member companies.

"We focus on what we do well, and it is great news that our customers are able to differentiate us from other players in the market. Our strategy is favorably reflected in solid business results and that our services are used in an increasing manner by our existing customers. In addition, our overall active customer base continues to grow by providing exceptional online services, convenience and user experience. We see clear potential to further cross sell other services to our existing customer base and our vision are to continue growing by providing our clients with better quality services more efficiently," says **Michal Strcula**, Air Bank's CEO and a member of the Supervisory Board of Benxy, Home Credit, and Home Credit Slovakia.

Combined Financial Results (CZK Million)	30 June 2021	30 June 2020	Year-on-year change
Operating income	2,765	2,820	- 2%
Operating expenses	1,633	1,677	- 3%
Impairment losses	5	238	- 98%
Net profit	877	702	+ 25%
Return on tangible equity (ROTE) in %	19.5	15.8	+ 3.8 pp
Total Assets	148,311	131,797	+ 13%

Air Bank

Air Bank is the fastest and largest growing neo-bank and one of the few in the world to have already achieved both significant size and profitability. It offers a full range of retail banking products through its digital channels.

In the first six months of this year alone, Air Bank supplied a greater volume of mortgage loans than for the whole of last year. It also recorded record-high sales in terms of loans. Likewise, the bank successfully acquired new customers, growing its client base to 894,659 in the first half of the year.

The first six months of 2021 were marked by the launch of brand-new innovative services, including a banking identity and the very first Czech-language, voice-controlled banking application. Air Bank significantly boosted its portfolio of services offered to investors. Clients who want to appreciate their savings can now use the My Air mobile application to sign up for the Zonky Rentier or Portu service – a modern robo-advisor platform for investing into ETFs.

Since the beginning of the year, Air Bank has earned various accolades, including a prize awarded in the Zlatá koruna (*Golden Crown*) financial contest. The jury awarded Air Bank for two novel services – a voice-controlled mobile application (first place) and the use of a QR code to log into Internet banking (third place). The My Air banking application placed first in the Best Online Application category, and Air Bank's loan earned the award for the best bank loan product.

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Selected indicators for Air Bank as at 30 June 2021:

• Number of clients	894,659
• Share of new online loan applications	77%
• Mobile app (My Air) users	676,591
• Smart watch/mobile payment users	419,954
• Share of online transactions	99%

Zonky (Benxy)

Zonky is an exclusively online peer-to-peer lending platform that connects retail borrowers and investors. It offers digital onboarding and no paperwork, enabling ongoing growth of its customer base.

During the last six months, Zonky surpassed a milestone of 100,000 loans granted, March 2021 seeing the highest volume of funds loaned in the company's history. In addition, the first half of 2021 was the second six-month period in a row in which Benxy reported a profit-making performance.

The Zonky Loan was awarded the best non-bank loan by the jury in this year's edition of the Zlatá koruna (*Golden Crown*) contest.

Selected indicators for Zonky as at 30 June 2021:

• Number of borrowers	42,336
• Number of investors	47,529
• Share of contracts processed online	100%

Home Credit Czech Republic/Slovakia

Home Credit is the biggest and most trustworthy non-bank consumer finance company and offers point-of-sales financing, credit cards, consumer loans, car loans and micro credit. Last year, Home Credit CZ won third place in the Responsible Lending Index, which is compiled regularly by the People in Need NGO.

Home Credit's business in the Czech Republic has grown in the segment of cash loans. Home Credit Slovakia recorded year-on-year growth mainly in the financing of used car purchases.

As in previous years, Home Credit's and Air Bank's loans up to 5,000 Czech crowns ranked in the top three places of the Responsible Microloan Lending Index regularly compiled by the nongovernmental organization People in Need.

Selected indicators for Home Credit as at 30 June 2021:

• Number of clients	267,899
• Number of monthly active HC app users	66,974

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