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## PRESS RELEASE

### ***Year 2015 for ČSOB: net profit at CZK 14 billion level, excellent loan quality, investments in digital services***

- The Group's 2015 net profit increased by 3% Y/Y to CZK 14.0 billion
- ČSOB strengthened its market leading position in loans as the volume increased by 6% Y/Y to CZK 582 billion\*, while keeping excellent loan quality
- Group deposits grew to CZK 700 billion\* (+5% Y/Y)
- The total volume of assets under management reached CZK 184 billion (+8% Y/Y)
- Operating income increased to CZK 32.5 billion (+3% Y/Y) despite low interest rates
- Operating expenses reached CZK 15.7 billion (+5% Y/Y)
- ČSOB introduced **new communication and visual style** focused on clients' everyday needs
- **Clients' comfort improved** thanks to launching several products and services like Plus Konto, client documentation in digital form, video bankers for SME clients or redesigned csob.cz website for simplified navigation of clients' financial needs
- ČSOB voted as **the best bank in the Czech Republic for 2015** by international magazines **The Banker, Euromoney, Global Finance** and Czech business daily **Hospodářské noviny**
- ČSOB Private Banking awarded as the **Best Private Bank in the Czech Republic for 2015 and 2016** by The Banker/PWM and Euromoney respectively

*"The achievements of the year 2015 give us confidence that our clients appreciate our products and services and welcome the innovations we introduced. We plan to further enhance client experience in 2016 with focus on a combination of technical innovation and personal interaction," said John Hollows, CEO of ČSOB.*



The ČSOB group is the leading player in the Czech financial services industry. The ČSOB group is a part of the international bancassurance KBC group which is active in Belgium and the CEE region. The ČSOB group consists of the Bank (operates under the brands – ČSOB, Era and Poštovní spořitelna, Postal Savings Bank) and of entities related with the Bank. ČSOB's financial group includes strategic companies in the Czech Republic controlled directly or indirectly by ČSOB, or KBC, which offer financial services, namely Hypoteční banka, ČSOB Pojišťovna, Českomoravská stavební spořitelna, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Asset Management, ČSOB Factoring and Patria group. ČSOB provides its services to all groups of clients, i.e. retail as well as SME, corporate and institutional clients. The ČSOB group is a good listener, who offers a suitable solutions, rather than mere products.



*“In 2015 we achieved a strong growth of client business across all business lines, in loans, deposits, investments, transactions and insurance. Thanks to excellent credit quality and despite both declining margins and increased investments we have increased our net profit by 3%,” added Jiri Vevoda, CFO of ČSOB.*

Balanced growth of loans, deposits and assets under management, combined with strong performance of financial markets were the main factors of the FY 2015 net profit growth. Ongoing growth of mortgages, SME/corporate loans and leasing were the main factors of the loan portfolio increase. With CZK 51bn of newly sold mortgages, 2015 was the record high year in the ČSOB history. On the deposit side, the growth was fully driven by current accounts. Despite the growth in business volumes, ČSOB managed to keep excellent loan portfolio quality with NPL ratio further down. NPL ratio at 3.64% remains the lowest over the last 6 years.

	FY 2014	FY 2015	Y/Y
Net profit (CZK bn)	13.6	14.0	+3%
Cost / income ratio	47.6%	48.2%	+0.6pp
Loan portfolio (CZK bn)*	547.1	581.7	+6%
Deposit volume (CZK bn)*	668.1	700.0	+5%
Assets under management (CZK bn)	170.9	184.2	+8%
Tier 1 Capital Ratio	17.2%	19.1%	+1.8pp
Credit cost ratio (annualized)	0.18%	0.18%	0.00pp

\* including ČMSS

A detailed presentation concerning the financial results for the FY/4Q 2015 is available at: <https://www.csob.cz/portal/web/csob/about-csob/investor-relations#hospodarske-vysledky>

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