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PRESS RELEASE

The positive client experience and innovation reflected in ČSOB Group's 2017 financial results

- **Number of ČSOB group clients rose by 14 thousand**
- **ČSOB group net profit increased by 16% Y/Y to CZK 17.5 billion**
- **Loan portfolio grew to CZK 657 billion*** (+6% Y/Y), with loan quality improving – proportion of non-performing loans at record low of 2.3%
- **Group deposits moved up to CZK 821 billion** (+9% Y/Y)
- **Total volume of assets under management expanded to CZK 202 billion** (+6% Y/Y)
- **Operating income increased to CZK 37.2 billion** (+9% Y/Y)
- **Operating expenses rose to CZK 16.3 billion** (+4% Y/Y)

“The year just past saw ČSOB confirm that it is able to make the most of favourable market conditions to the benefit of its clients while investing in market development and new technologies. A growing number of people turn to ČSOB with their financial needs. They value the comprehensive attention we give to their financial and insurance needs under one roof as well as the fact that our solutions integrate comfortable and useful innovations. Consequently, our client base grew by 14 thousand satisfied clients last year,” said John Hollows, Chairman of the Board and CEO of ČSOB. He also emphasised another major achievement of 2017, delivered in the shape of an exclusive partnership struck with Česká pošta: *“We are following up on a successful collaboration that has endured for a quarter of a century. The new 10-year contract will enable us to grow the partnership even further. In practice, this will translate into an extensive network of more than 3,000 post offices across the country that will have easily accessible high quality financial and insurance services.”*

ČSOB perceives the positive client experience and innovation as the key competitive advantages. *“Our experience shows that modern, integrated services, both financial and insurance-related, are greatly appreciated by our clients. Our future lies in innovation and we are well prepared to make the most of it,”* added CEO Hollows. In 2017, ČSOB brought



The ČSOB group is the leading player in the Czech financial services industry. The ČSOB group is 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 suitable solutions, rather than mere products.



a number of new services to its clients that simplify the management of one's financial matters. "We launched new internet banking that brings to users an overview of all the services they use, including insurance, in one place. We are also continuing to develop our mobile wallet app ČSOB NaNákupy," said John Hollows.

"Our efforts have even been recognised by industry experts who awarded a number of accolades to ČSOB last year, including the Nejlepší banka 2017 [Best Bank of 2017] and Bankovní inovátor 2017 [Banking Innovator of 2017] awards," Hollows noted.

The generally positive situation on financial markets, higher revenues from assets and liabilities management, increased revenue from investment products and foreign payment fees and commissions, and one-off income on the back of the successful conclusion of a historical legal dispute were all parameters that contributed to the growth of ČSOB group's net profit last year. Positive effects also included lower costs of risk and strong growth in mortgages, SME and consumer loans as well as increased volumes of assets under management.

	FY 2016	FY 2017	Y/Y
Net profit (CZK bn)	15.1	17.5	+16 %
Cost/income ratio	46.0%	43.7%	-2.3 pp
Loan portfolio (CZK bn)*	618.3	657.5	+6%
Deposit volume (CZK bn)*	752.3	820.8	+9%
Assets under management (CZK bn)	190.9	201.9	+6%
Core Tier 1 capital ratio	18.2%	17.2%	-1.0 pp
Credit cost ratio	0.11%	0.02%	-0.09 pp

* including ČMSS

A detailed presentation of the financial results for FY/4Q 2017 is available at: <https://www.csob.cz/portal/en/about-csob/investor-relations#hospodarske-vysledky>

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