



# press release

Prague, 15 November 2018

## 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 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. 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.



Patrik Madle  
Press Officer  
patrik.madle@csob.cz  
+420 602 530 639



## 9M 2018 for ČSOB: the number of mobile banking active users rapidly increased and the growth of investments in employees and innovation projects continued

- **ČSOB group net profit reached CZK 11.5 billion** (lower year-on-year mainly due to higher base in the previous year and increased investments)
- **Loan portfolio grew to CZK 689 billion\*** (+3% Y/Y), while keeping excellent loan quality
- **Group deposits increased to CZK 973 billion\*** (+10% Y/Y)
- **Total volume of assets under management expanded to CZK 210 billion** (+7% Y/Y)
- **Operating income decreased to CZK 27.3 billion** (-2% Y/Y)
- **Operating expenses rose to CZK 13.2 billion** (+11% Y/Y)
- **Investments in employee remuneration increased by 9% Y/Y**
- **Active users of ČSOB's mobile banking increased by 28% Y/Y and mobile banking transactions increased +38% Y/Y**
- **We received the Best Internet Bank Czech Republic award**
- **Four awards in Best bank and Best insurance company 2018 competition**
- We continue to deepen alliances with our partners, especially in the field of e-commerce, support for startups and development of prototypes for our clients.

*"ČSOB's results in the third quarter prove that even during a transformation of the entire banking sector, you can not only survive, but also succeed. ČSOB is investing heavily in innovation projects to better meet client expectations. Success in this direction can be seen not only in the increase of mobile banking users, but also the growing number of mobile transactions,"* said ČSOB CEO John Hollows.

*"Rising operating costs reflect ČSOB's commitment to further invest in its employees. As a leading player in the field of innovation, we are striving for motivated employees who can keep up with the changing banking environment and want to further develop their skills. Clients have ever higher expectations and more demanding needs we have to respond to. As a result, ČSOB has transformed itself into a technology company that maintains the highest-quality personal approach to clients,"* says Marcela Suchánková, Member of the ČSOB Board of Directors responsible for human resources.

Net profit for 9M 2018 decreased year-on-year as a result of lower other operating income due to higher base in the previous year (one-off gain from legal case, positive valuation adjustments, sale of bonds and revenues related to the end of ČNB's currency commitment in 2017), higher operating expenses

and impairment losses, while net interest income and net fee and commission income increased Y/Y. The stable credit cost ratio reflects ongoing excellent loan quality and the non-performing loans ratio improved Y/Y to 2.4%.

	9M 2017	9M 2018	Y/Y
Net profit (CZK bn)	13.5	11.5	-15%
Cost/income ratio	42.5%	48.2%	+5.7pp
Loan portfolio (CZK bn)*	665.5	688.7	+3%
Deposit volume (CZK bn)*	887.1	973.5	+10%
Assets under management (CZK bn)	196.7	209.7	+7%
Core Tier 1 capital ratio	17.4%	17.3%	-0.1pp
Credit cost ratio	0.04%	0.04%	0.00pp

\* including ČMSS

A detailed presentation of the financial results for 9M/3Q 2018 is available at: <https://www.csob.cz/portal/en/csob/vztahy-k-investorum>

**Analysts contact:**

**Blanka Horáková**  
 Head of Investor Relations  
[blahorakova@csob.cz](mailto:blahorakova@csob.cz);  
 +420 224 114 106