

1Q 2019 for ČSOB: number of mobile banking users up by 24%

Investment in innovation continues

- **The ČSOB Group's net profit was CZK 4.8 billion.**
- **The volume of loans (incl. ČMSS) increased to CZK 700 billion** (up 5% year-on-year), and the quality of the loan portfolio remains high.
- **The volume of deposits (incl. ČMSS) was CZK 929 billion** (-3% year-on-year).
- **The total volume of assets under management increased to CZK 224 billion** (+10% year-on-year).
- **Operating income totalled CZK 10.5 billion** (+12% year-on-year).
- **Operating expenses increased to CZK 5.0 billion** (+10% year-on-year).
- **Investments in employee remuneration increased by 5% year-on-year.**
- **The number of ČSOB mobile banking users increased by 24% year-on-year.**
- **ČSOB signed an agreement to acquire 45% stake in the building savings bank ČMSS** from Bausparkasse Schwäbisch Hall and thus assume 100% ownership control of ČMSS.
- **ČSOB set up MallPay joint venture with Mall Group** which will improve financial services for clients in online shopping.
- ČSOB launched arrangement of loan products online.
- The ČSOB Helps in Regions in its spring leg will distribute CZK 2.25 million to sixty local projects across the Czech Republic.



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"The growing mobile banking numbers confirm that our clients are increasingly moving towards the digital environment. This is why we are doing our best to accommodate them and make our investments in order for us to be their first choice and permanently available, whether they address any financial needs online or need personal contact at our branches in any of the regions of the Czech Republic. In addition to

providing bancassurance services, significant support is aimed at development investments and enhancing the quality of life of citizens and businesses, whether in the form of tax payments as a large employer or by means of a number of financial literacy activities,” said John Hollows, CEO of ČSOB.

Net profit for 1Q 2019 increased year-on-year as a result of higher net interest income, one-off gain from the sale of ČSOB Asset Management and from the settlement of a historical legal case. Growth of mortgages, corporate loans and consumer finance were the main drivers of the loan portfolio increase. The low non-performing loans ratio reflects the consistently excellent quality of the loan portfolio. The volume of deposits decreased year-on-year due to lower amount of repo operations with institutional clients. Total assets under management increased thanks to mutual and pension funds.

“Our priority approach to providing clients with solutions that are as accessible as possible and under one roof was strengthened by our share in ČMSS increasing to 100%. We are already the largest provider of housing loans in the Czech Republic, and this step will further strengthen our position,” adds John Hollows.

ČSOB Group

is a leading player in the Czech banking market. Our motto “Digital with human touch” best expresses the ongoing investments into innovation and digitization, making it easier and more efficient to serve our clients at our branches and online. Our services are available 24/7. We build on a unique bancassurance model that offers everything under one roof to address your financial needs – from banking services under the ČSOB or Poštovní spořitelna brand, to insurance from ČSOB Pojišťovna, to home loans from Hypoteční banka or Českomoravská stavební spořitelna, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Asset Management, ČSOB Factoring and Patria Finance. We provide services to all types of clients, including individuals, SMEs and a corporate and institutional clientele. Last year, ČSOB paid CZK 8.4 billion to the state as the second largest corporate income taxpayer, and expended CZK 6.2 billion to its 8,300 employees. ČSOB supported the Czech economy with a total of CZK 810 billion. The ČSOB Group is part of the international bancassurance KBC Group, which is active in Belgium and the CEE region.

ČSOB group key figures	1Q 2018	1Q 2019	Year-on-year change
Net profit (CZK bn)	4.0	4.8	+20%
Cost/income ratio	48.5%	47.7%	-0.8pp
Loan portfolio (CZK bn)*	663.2	699.7	+5%
Deposits volume (CZK bn)*	954.9	928.6	-3%
Assets under management (CZK bn)	203.0	223.5	+10%
Tier 1 (CET 1) ratio	17.9%	19.0%	+1.1pp
Credit cost ratio (CCR, Ytd. annualized)	0.01%	-0.02%	-0.03pp

* including ČMSS