

ČSOB in 9M of 2019: significant increase in mobile banking and in the benefits of group services

- **The ČSOB Group's net profit went up to CZK 14.7 billion.**
- **The volume of loans increased to CZK 776 billion** (up 5% year-on-year), and the quality of the loan portfolio remains high.
- **The operating income totalled CZK 31.4 billion** (+15% year-on-year).
- **The operating expenses increased to CZK 14.1 billion** (+7% year-on-year).
- **Staff expenses increased by 7% year-on-year.**
- **The number of ČSOB mobile banking active users increased by 26% and the transactions went up by 33 % year-on-year.**
- **The volume of Group deposits was CZK 978 billion** (-6% year-on-year due to lower repo operations with institutional clients).
- **The total volume of assets under management increased to CZK 234 billion** (+11% year-on-year).
- **ČSOB won silver medals in the prestigious 2019 Best Bank and Best Insurance Company survey conducted by Hospodářské noviny**
- **We have won The Banker prestigious award for the best private bank in the Czech Republic**



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"We are doing well because we leverage on the benefits of a large financial group and a unique bancassurance model. Our client can arrange an account, loan, insurance and savings plan, but also a mortgage or regular investment plan – all in one place. Moreover, much of this can be arranged without having to visit a branch. We are constantly working on innovations that make our clients' lives easier and save time. I am looking forward to new features that our clients will be able to try out this year. We have launched payments via new mobile applications, and this year we will also be introducing instant payments,

to mention but a few parts of our innovation strategy that pulsates across the group," says John Hollows, ČSOB Group CEO.

The net profit of ČSOB Group increased year-on-year due to higher net interest income, net fee and commission income growth, one-off revaluation gain of CZK 2.1 billion on the already owned 55%-participation in ČMSS following the acquisition of the remaining 45% shares, a one-off gain due to the divestiture of ČSOB Asset Management, the settlement of a legacy legal dispute and the impact of ČMSS consolidation (100%).

These factors outweighed the impact of the decline in net gains from financial instruments at fair value and the increase in staff expenses. Growth of mortgages, corporate loans, building savings loans, SME loans, consumer finance and leasing 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 repo operations with institutional clients. The decrease of client deposits was compensated by the strong increase of assets under management.

In year-on-year terms, the number of active mobile banking users rose by 26%. And the number of mobile banking transactions increased by 33% year-on-year.

Selected data of the ČSOB Group	9M 2018	9M 2019	Year-on-year change
Net profit (CZK bn)	11.5	14.7	+28 %
Cost / income ratio	48.2%	44.9%	-3.3 p. p.
Loan volume (CZK bn)	740.8	775.9	+5 %
Deposit volume (CZK bn)	1,035.0	978.0	-6 %
Assets under management (CZK bn)	209.7	233.6	+11 %
Tier 1 capital ratio (CET 1)	17.3 %	18.7 %	+1.4 p. p.
Credit cost ratio (CCR, Ytd. annualized)	0.05%	0.05%	0.00 p. p.

The total volumes of loans and deposits include the ČMSS portfolio.

The ČSOB Group

is a leading player on the Czech banking market. Our motto "Digital with a Human Touch" best expresses the ongoing investments into innovation and digitisation, which make 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. The ČSOB Group is part of the international bancassurance KBC Group, which is active in Belgium and the CEE region.