

## 2019 at ČSOB: a sharp growth in the popularity of mobile banking, and ČMSS acquisition

- **The net profit of ČSOB Group rose to CZK 19.7 billion.**
- **The volume of loans increased to CZK 781 billion** (up 5% year-on-year), and the quality of the loan portfolio remains high.
- **The volume of deposits was CZK 960 billion** (up 3% year-on-year).
- **The total volume of assets under management increased to CZK 241 billion** (+18% year-on-year).
- **Operating income amounted to CZK 42.4 billion** (+14% year-on-year).
- **Operating expenses grew to CZK 19 billion** (+7% year-on-year). Staff expenses increased by 7% year-on-year.
- **The number of ČSOB mobile banking active users increased by 31%, and the number of transactions went up by 34 % year-on-year.**
- **We won The Banker prestigious award for the best bank in the Czech Republic in 2019.**
- **The Euromoney magazine awarded ČSOB as the best bank in the Czech Republic in 2019.** ČSOB won the award for the tenth time.
- **Along with MALL Group, we created a joint venture called MallPay** and launched a revolutionary cooperation in e-commerce.
- Thanks to a solution by ČSOB, **visitors and residents of Prague** can use contactless payments in all trams.



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*“The last year was one of the best in our history. We leveraged the indisputable advantages of a large financial group and our unique bank-insurance model. We benefitted from the continued growth of the Czech economy, the increasing purchasing power of households, and the prosperous companies willing to invest. We strove to accommodate clients by offering a full set of products and services and by moving to the digital environment. By acquiring Českomoravská stavební spořitelna, we consolidated our leadership on the housing loan market,*

*and we will continue to serve as a single point of contact for the housing needs of our clients. I also appreciate the opportunity to get involved even more in the sustainable development of the Czech Republic through the National Development Fund that can enhance the investment capacity of the economy and support many important projects including social housing, education, transport, and digitalisation of the economy,”* said John Hollows, CEO of ČSOB.

*“Last year, we added Apple Pay, Google Pay and Garmin Pay in the offer of payment services, and we also introduced instant payments. At the same time, we enhanced the security of all online transactions. We expanded contactless payments in the public transport in other regions, thus benefitting all Czech residents. We also pay much attention to e-commerce: we are the market leader in online payments,”* said Michaela Lhotková, ČSOB Director for Innovations and Payment Solutions.

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.

These factors outweighed the impact of the decline in net profit 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 reflected the consistently excellent quality of the loan portfolio. The volume of deposits grew year-on-year. The volume of assets under management rose thanks to the growth of mutual and pension funds.

In year-on-year terms, the number of active mobile banking users rose by 31%. The number of mobile banking transactions increased by 34% year-on-year.

Selected indicators of ČSOB Group	2018	2019	Year-on-year change
Net profit (CZK bn)	15.8	19.7	+25%
Cost / income ratio	47.9%	44.9%	-3.0p.p.
Loan volume (CZK bn)	741.2	780.7	+5%
Deposit volume (CZK bn)	930.5	959.9	+3%
Assets under management (CZK bn)	204.5	240.6	+18 %
Tier 1 capital ratio (CET 1)	18.0%	19.2%	+1.2p.p.
Credit-cost ratio (CCR)	0.03%	0.04%	+0.01p.p.

*The loan and deposit volumes include the full portfolio of ČMSS.*

### 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.