

ČSOB Group 1H 2022: The Group confirmed its high stability thanks to higher net profit and loan quality. Loans, deposits and investments continued to grow. Citizens and businesses are recognising the need for energy self-sufficiency and are investing in new energy solutions.

In the first half of 2022, the ČSOB Group recorded a great interest among citizens and companies in investing in sustainable energy solutions. The volume of loans, deposits and assets under management grew year on year. Net profit amounted to CZK 10.1 billion.

*"These results are good news on the state of the Czech economy, companies and households in the first half of the year and they confirm that our clients remain active. We have seen increased investment by businesses and individuals in low-energy and sustainable solutions, including housing. Clients are always our top priority, and especially in situations such as rising inflation, we assist our clients and offer them help in any life situation," says **Aleš Blažek, CEO of the ČSOB Group**. The growth in our profitability was mainly driven by net interest income, which benefited from the evolution of market interest rates and lower economic activity in the first half of last year, which was affected by the Covid-19 pandemic. Total lending grew by 8% and loan quality continued to be excellent. Our capital position and liquidity remain on an outstanding level.*



Patrik Madle

Spokesman

patrik.madle@csob.cz

+420 602 530 639

Prague, 11 August 2022



1H 2022 results

- **Net profit amounted to CZK 10.1 billion** (up 52% year-on-year).
- **The total volume of loans amounted to CZK 871 billion** (up 8% year-on-year).
- **The volume of housing loans reached CZK 500 billion** (up 6% year-on-year).
- **The volume of total client deposits increased to CZK 1,177 billion** (up 5% year-on-year). Total deposits amounted to **CZK 1,400 billion** (up 21% year-on-year).
- **The volume of assets under management amounted to CZK 286 billion** (up 6% year-on-year).
- **Operating income reached CZK 23.3 billion** (up 42% year-on-year).
- **Operating expenses excluding bank taxes amounted to CZK 9.8 billion** (up 9% year-on-year).
- **The bank's capital position is strong and the liquidity is excellent.** The Tier 1 capital ratio was 18% at the end of 1H.
- The **share of non-performing loans** in the total loan portfolio was **1.78%** at the end of June.

ČSOB Group News

- **The number of ČSOB Smart mobile banking users grew by 61% year-on-year, while the number of transactions increased by 46%.**
- **We have created a network of specialised branches with a comprehensive range of business services for our corporate clients.**
- **In June, we marked five years of our exclusive partnership with Česká pošta and ČSOB Poštovní spořitelna has a new blue logo.**
- **We have expanded the ČSOB DoKapsy application to include payment for public transport in Prague and its surroundings and the Výlety service.**
- We received **four prizes in 2022 Sustainable Finance Awards** by the **Global Finance** magazine.
- The **Global Finance** magazine named ČSOB **the Best Bank in the Czech Republic in 2022.**
- We won several prizes in the traditional **Zlatá koruna 2022** awards.

Companies invest in energy self-sufficiency

Corporate clients are increasingly investing in energy-saving solutions, renewable energy sources and increased energy independence. The volume of corporate loans increased by 17% year-on-year. *“Investing in sustainability and self-sufficiency is definitely worthwhile because it ultimately reduces companies’ and entrepreneurs’ costs and increases their competitiveness and resilience in crisis situations. It is also important for companies that they have a large volume of subsidies available, and we are the Czech market leader in mediating these opportunities,”* points out **Ján Lučan, member of the ČSOB Board of Directors responsible for relationship banking.**

Nearly two-thirds growth in mobile banking

The number of ČSOB Smart mobile banking users grew by 61% year-on-year, while the number of transactions increased by 46%. An increasingly important part of the application is the virtual assistant Kate, who can help people in more than 100 situations and give advice in almost 500 areas. For example, Kate can now fill out a payment order or split and share a payment using a QR code, change the limit on a card and arrange travel insurance. She also alerts you when the expiration date on your ID card is approaching, sets up automatic credit card repayment and arranges loans. *“The development of digital products and services and the shift of customers to the online environment is high even in the post-Covid era as it increases convenience for all categories of clients and saves time and money,”* adds **Jan Sadil, member of the ČSOB Board of Directors responsible for retail.**

Mortgages for low-energy housing are a hit

The growth in the volume of housing loans, i.e. mortgages and building saving loans, slowed significantly year on year. Demand was clearly dampened by higher housing loan rates and the Czech National Bank's tightening of mortgage rules. On the other hand, interest in discounted mortgages for low-energy housing rose sharply, with sales more than tenfold year-on-year. *“Rising market interest rates are the current market reality and will be*

reflected in loans approaching the end of the period in which their rates are fixed. Although we also consider the financial reserves of each client when assessing their creditworthiness, in a situation when energy prices are soaring and mortgage repayments are rising with higher interest rates, it is all the more important to address this with the bank well in advance in the event of expected problems with loan repayments in general. It is also in our interest to find a solution in such situations that will be the most appropriate for both parties," says **Jan Sadil**.

The volume of total client deposits increased by 5%, the volume of assets under management by 6%. The volume of assets in mutual funds increased by 10%.

Sustainability, accountability and assistance to Ukraine

We reduced our carbon footprint year-on-year by more than 76.2% compared to 2015. We are dedicated to educating school children in financial literacy and digital security. In the last ten years alone, we have invested CZK 423.9 million in support of non-profit projects across the Czech Republic as part of the ČSOB Helps in Regions programme. The ČSOB Group is one of the largest taxpayers, paying CZK 2.2 billion in corporate income tax in 2021.

"Our entire ČSOB Group continued to actively help people from Ukraine. We continue to help and direct our assistance towards the reconstruction of Ukraine and the support of its people. Thanks to a joint fundraiser with People in Need, we managed to contribute CZK 58 million to help the Ukrainian people. We have supported refugees with more than CZK 250 million through contribution accounts. An information line in Ukrainian is also still available. However, due to the decision of the National Bank of Ukraine, we had to stop accepting Ukrainian hryvnia," says **Aleš Blažek** about the aid to refugees.

Selected ČSOB Group indicators	1H 2021	1H 2022	Year-on-year change
Net profit (CZK bn)	6.6	10.1	+52%
Cost/income ratio (excluding bank taxes)	54.7%	42.0%	-12.7 p.p.
Loan volume (CZK bn)	804.3	870.8	+8%
Deposit volume (CZK bn)	1,161	1,400	+21%
Assets under management (CZK bn)	268.4	285.7	+6%
Tier 1 capital ratio (CET 1)	23.7%	18.0%	-5.7 p.p.
Credit cost ratio (CCR)	-0.41%	-0.04%	+0.37 p.p.

ČSOB Group

is a leading player on the Czech banking market. Our motto "Digital with a Human Touch" best expresses our ongoing investments into innovation and digitisation, which continuously make it easier and more efficient to serve our clients online as well as at branches. 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 and Poštovní spořitelna brands, insurance from ČSOB Pojišťovna, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Asset Management, ČSOB Factoring and Patria Finance. We provide services to all types of clients, including private 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. ČSOB is the largest provider of housing loans in the Czech Republic. Thanks to Hypoteční banka and ČSOB Stavební spořitelna, which are part of the ČSOB Group, the total volume of housing loans amounts to roughly CZK 500 billion. Our goal is to offer clients all services related to housing simply and under one roof – from housing loans, to mortgages, building savings and related services such as mortgage insurance, real estate insurance, etc.