

## The ČSOB Group in 9M 2022: Sustained interest in energy- efficient and self-sufficient solutions; mutual funds grow strongly

In the first three quarters of 2022, ČSOB Group reported higher volumes of loans, deposits and client assets under management. The number of ČSOB Group clients grew by 113 thousand year-on-year. Companies and households alike are eager to invest in energy-saving, sustainable solutions. Investments in mutual funds rose above average. Net profit amounted to CZK 14.3 billion.

*"The Czech economy stands on a strong, sound foundation. For further growth, we need above all successful, innovative and resilient companies. It is necessary to invest in further development, primarily in sustainable energy-related projects. We thus fund projects promoting renewable energy sources and self-sufficiency, as well as green housing for households. After all, the rising demand for such services can be seen in our results. We are glad that even at these rough times, clients are willing to save, and we do our best to accommodate this demand,"* says **Aleš Blažek, ČSOB Group CEO**. *"The year-on-year increase in profit is mainly due to the growth in the volume of loans and deposits. Our capital and liquidity are at an excellent level. The ratio of non-performing loans in our portfolio remains low, but as a precaution, we have started creating loss provisions. We are a major taxpayer and employer,* adds **Aleš Blažek**.



**Patrik Madle**

Spokesman

[patrik.madle@csob.cz](mailto:patrik.madle@csob.cz)

+420 602 530 639

## 9M 2022 financial results

- **Net profit amounted to CZK 14.3 billion** (up 23% year-on-year).
- **The total volume of loans amounted to CZK 881 billion** (up 7% year-on-year).
- **The volume of housing loans reached CZK 504 billion** (up 6% year-on-year).
- **The volume of client deposits increased to CZK 1,192 billion** (up 6% year-on-year). Total deposits amounted to **CZK 1,341 billion** (up 6% year-on-year).
- **The volume of assets under management amounted to CZK 296 billion** (up 6% year-on-year).
- **The number of ČSOB Group clients grew by 113 thousand year-on-year.**
- **Operating income reached CZK 34 billion** (up 33% year-on-year).
- **Operating expenses excluding bank taxes amounted to CZK 14.8 billion** (up 10% year-on-year).
- **The bank's capital position is strong and liquidity is excellent.** The Tier 1 capital ratio was 19.6% at the end of September.
- The **share of non-performing loans** in the total loan portfolio was **1.64%** at the end of September.

## ČSOB Group News

- **The number of active ČSOB Smart mobile banking users grew by 54% year-on-year and surpassed one million.**
- **ČSOB and the Czech police signed a memorandum** on closer cooperation concerning **cybersecurity**.
- ČSOB partnered with the **42 Prague** coding school.
- The **DoKapsy** Application that revolves around lifestyle has **one hundred thousand active users**.
- **ČSOB Group won 4 important prizes at the Visa Best Bank 2022 and Visa Best Insurance Company 2022** awards organized by Hospodářské noviny.

## Companies prioritise energy savings

Corporate clients are heavily investing in energy-saving solutions, renewable energy sources and increased energy independence.

The total volume of corporate and SME loans grew by 16 percent year-on-year. *“Investments in sustainable, self-sustaining and efficient energy projects are a clear priority for large and small companies alike. We need such innovations and investments to make the Czech economy more sustainable and self-sufficient. This is a huge opportunity for the Czech economy and industry. Notably, companies can also benefit from extremely generous European and national subsidies and we are the market leader in their intermediation,”* says **Ján Lučan, member of ČSOB Board of Directors responsible for relationship banking.**

### **Mobile banking with one million active users**

The number of ČSOB Smart mobile banking users grew by 54% year-on-year, while the number of transactions went up by 46%. ČSOB Smart already has over one million active clients. For the first time ever, users of the mobile app outnumbered Internet Banking clients. *“Digitisation remains a major trend in banking, and high inflation magnifies it further as people came to understand that online solutions can save them money as well as time. Our mobile banking solutions also feature unique innovations such as the virtual assistant Kate or the lifestyle DoKapsy application, which allows you to buy public transport tickets, pay for parking, purchase a toll vignette or enjoy discounts and benefits when shopping. Corporate clients can constantly monitor their finances with the ČSOB CEB Mobile application,”* adds **Michaela Bauer, member of ČSOB Board of Directors responsible for digitisation and innovations.**

Starting from 2023, the ČSOB Smart Key will be the only permissible authentication method for online payments in the ČSOB Smart mobile banking. It is the safest authentication method already used by over one million clients. The manual input of codes sent via SMS will thus be discontinued.

### **Mortgage loans for cheaper housing continue to break records**

The growth in the volume of housing loans, i.e. mortgages and loans from building savings, slowed significantly year on year. Overall demand was slowed by much higher base interest rates year-on-year and mortgage lending rules tightened by the Czech

National Bank. On the other hand, the volumes of loans for economical housing, in particular mortgage loans, increased greatly. *“Over three quarters, we granted over 1,800 mortgage loans for economical housing worth over CZK 7.6 billion. The average mortgage loan increased by CZK 100,000 to CZK 4.3 million. It should be noted that investments in energy-efficient, ecological housing pay off much faster due to the steep increase in energy prices. Moreover, there are state subsidies available,”* says **Aleš Blažek**.

The volumes of total client deposits and assets under management both increased by six percent. The volume of assets managed for clients in mutual funds rose by one tenth. ČSOB administers the two largest Czech funds: ČSOB Bohatství with assets worth CZK 39 billion, and ČSOB Premiéra with assets worth CZK 30 billion.

### **Responsible approach to employees**

The ČSOB Group employs over eight million people in the Czech Republic. *“We care about fair remuneration and want our people to be comfortable. Accordingly, we are also working on improving our already very attractive range of product, financial and non-financial benefits,”* emphasises **Aleš Blažek**.

### **Responsibility and cybersecurity**

In the last ten years, ČSOB Group has donated CZK 423.9 million for charitable causes and non-profit projects. One pillar of our social responsibility initiatives is financial and digital literacy and prevention. More than 45 thousand pupils and students have enrolled in our Financial and Digital Education program over the past six years. Cybersecurity has been widely discussed lately. *“The ČSOB Group has been constantly involved in cybersecurity with respect to all client categories. Cybercriminals have been increasingly more active, so we need to pay even more attention to prevention and client protection,”* stresses **Michaela Bauer**.

The ČSOB Group is one of the largest taxpayers in the country. In 2021, it paid CZK 2.2 billion in corporate income tax. Over the last decade, its total corporate income tax has reached CZK 27.8 billion. Moreover, in 2021 it paid over CZK 1.3 billion in taxes

imposed on banks, i.e. into the resolution fund and the deposit insurance fund.

Selected ČSOB Group indicators	9M 2021	9M 2022	Year-on-year change
Net profit (CZK bn)	11.6	14.3	+23%
Cost/income ratio (excluding bank taxes)	52.6%	43.6%	-9.0 p.p.
Loan volume (CZK bn)	820.5	881.4	+7%
Deposit volume (CZK bn)	1,261	1,341	+6%
Assets under management (CZK bn)	278.0	295.8	+6%
Tier 1 capital ratio (CET 1)	23.0%	19.6%	-3.4 p.p.
Credit cost ratio (CCR)	-0.47%	0.08%	+0.55 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.