

## Last year, ČSOB gained over 100,000 new clients, people and companies are using the virtual assistant Kate more

The ČSOB Group increased the volumes of loans, deposits and assets under management in 2022. It has thus confirmed its position as the market leader. The number of clients increased by 115,000 year-on-year, and the Group's net profit reached CZK 17.5 billion, or CZK 19.7 billion if ČSOB Pojišťovna is included.

*"Last year's good result was driven by a strong trio – growth in deposits, loans and investments. We have also maintained capital and liquidity at an excellent level. Client satisfaction and the fact that they use us as their main bank is key for us. By the way, the number of clients who need us every day is growing and I am convinced that our "Digital with a Human Touch" strategy is helping us to achieve this. The aim of the strategy is to make it as easy as possible for clients to access the bank while maintaining the still demanded personal contact for more complex requests," says **Aleš Blažek, CEO of the ČSOB Group**, adding: "I also appreciate that even in this difficult economic situation, our clients have behaved very responsibly and have been repaying their debts without any major problems. On the other hand, we have helped almost 1.2 million clients to mitigate the impact of inflation. Not only did they take advantage of the great rate on our term deposits, but they even started investing in small amounts with the simple ČSOB Drobné (ČSOB Small Money) service. Our long-term support for energy efficiency and self-sufficiency of households and businesses was also well-timed."*



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### Financial results for 2022

- **Net profit amounted to CZK 17.5 billion** (up 9 % year-on-year).
- **The total volume of loans amounted to CZK 874 billion** (up 5 % year-on-year).
- **The volume of housing loans reached CZK 507 billion** (up 4 % year-on-year).
- **The volume of client deposits increased to CZK 1,208 billion** (up 7 % year-on-year). **Total deposits amounted to CZK 1,232 billion** (up 6 % year-on-year).

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- **The volume of assets under management amounted to CZK 308 billion** (up 7 % year-on-year).
- **Operating income reached CZK 44.1 billion** (up 24 % year-on-year).
- **Operating costs excluding bank taxes amounted to CZK 20.5 billion** (up 11 % year-on-year).
- **The number of clients of the ČSOB Group increased by 115 thousand year-on-year** and their current number is **4,340,000**.
- **The bank's capital position is strong and liquidity is excellent.** The Tier 1 capital ratio was 19.9 % at the end of December.
- The **share of non-performing loans** in the total credit portfolio is declining. It was **1.69 %** at the end of last year.

### ČSOB Group news

- **The number of active ČSOB Smart mobile banking users grew by a half year-on-year** and reached **1,134,000**.
- The **ČSOB Drobné (ČSOB Spare Change)** service is already used by **more than 160 thousand people** and the lifestyle **DoKapsy Application by ČSOB** has more than **one hundred thousand active users**.
- **Last year, the ČSOB Group introduced new types of corporate accounts** that can be opened **online**.
- **The ČSOB Group won four important prizes** at the Visa Best Bank of 2022 and Visa Best Insurance Company 2022 competition organised by **Hospodářské noviny**.
- **ČSOB won two prizes in the TOP Responsible Company 2022** competition.
- Global Finance awarded ČSOB the **Best SME Bank for 2023 in the Czech Republic**.

### People want their bank in their mobile phones

Last year, mobile banking surpassed Internet Banking for the first time in the number of clients and became the main gateway to accounts and other products. The number of ČSOB Smart mobile banking users grew by a half year-on-year and reached more than one million. *"The pandemic has already accelerated digitization in banking and the pace is not slowing down. Clients are increasingly using online solutions that save them time and money. We are thrilled with how much they like and use our virtual assistant Kate more and more. It is also because we are constantly developing Kate and teaching her new things, so she can often give advice by herself and find an individually beneficial solution,"* says **Michaela Bauer, Member of the Board of Directors of ČSOB responsible for digitization and innovation**.

Kate is available to retail as well as corporate clients. The number of active users rose from 38,000 at the beginning of last year to almost 340,000 by the end of the year. In addition to mobile banking, Kate is also available in the DoKapsy Application by ČSOB, which is free for clients of all banks and its new features include, for example, a map of charging stations for electric cars. Digitization is also becoming commonplace in Corporate Banking, where clients are switching to ČSOB CEB Internet Banking or the ČSOB CEB Mobile Application.

### **People invested in energy-efficient housing, and the bank helped them**

The financing of housing has returned to pre-COVID levels following the sharp rise in interest rates and the tightening of mortgage rules by the central bank. The ČSOB Group maintained its position as the market leader and helped 24,500 households finance changes in their housing. *"We have a very interesting offer for households to finance more energy-efficient housing. In addition, we can help clients navigate the subsidy system. That is why the number of mortgages focused on projects with lower energy costs increased by 10.4 % year-on-year, and the number of loans to finance insulation or photovoltaics increased by as much as 650 %,"* explains **Aleš Blažek** and adds: *"Last year, we granted a total of 2,131 mortgages for energy-efficient housing in the amount of almost CZK 9 billion."*

### **Of course, the fight against inflation was also an issue of last year**

Total client deposits and assets under management grew by 7 % year-on-year. ČSOB administers the two largest Czech mutual funds: ČSOB Bohatství (ČSOB Wealth) with assets worth CZK 39 billion, and ČSOB Premiéra (ČSOB Premiere) with assets worth CZK 42 billion. However, there are many more ways to increase the value of your money.

### **Even companies are focusing on energy projects**

Companies have also significantly focused their investments on energy-saving solutions, renewable energy sources or strengthening their energy self-sufficiency. The volume of corporate and SME loans grew by 5 percent year-on-year. The corporate and SME segments provided loans to support the transition to a low emission economy in the amount of CZK 13.5 billion, mainly in the area of financing renewable sources – photovoltaics and energy-saving real estate (EPC A/B) (almost four times more year-on-year), of which loans in the amount of CZK 0.9 billion meet the strictest criteria of the EU taxonomy. *"Investments in sustainable and efficient energy, modern technologies and innovations are the basis for transforming the Czech economy into a more self-sufficient and environmentally friendly one. They also increase its competitiveness. This is an opportunity that may not be repeated. The advantage is that record-high*

*European and national subsidies are now available, in the mediation of which ČSOB is a leader in the Czech Republic,” says **Aleš Blažek**.*

### **Education and prevention**

The ČSOB Group has long-term focus on education and awareness-raising. The main educational activities include financial and digital literacy and prevention support. Since its launch in 2016, 50 thousand pupils and students from 594 schools have completed the Financial and Digital Education Programme. Last year, ČSOB and the Police of the Czech Republic signed a memorandum on closer cooperation concerning cybersecurity. Together, they warned of attacks by “callers” and “clickers” and promoted basic rules for safe online behaviour. *“We offer most of our services in digital form, so we know the risks of the online world and how important it is to follow the security rules,”* pointed out **Aleš Blažek**.

In addition, ČSOB launched cooperation with universities aimed at supporting student entrepreneurship in the Start it @UNI Project. It has also become a partner of the 42 Prague programming school and supports disadvantaged students together with the Olga Havel Foundation – Committee of Good Will.

*“The Czech economy lacks qualified job seekers and ČSOB is facing the same problem. This is another reason why we have been promoting education over the long term. We will further expand and strengthen our existing activities in this area,”* assured **Aleš Blažek**, adding: *“We are responding to the situation in cooperation with our partners. For example, we have become a general partner of the Czechitas IT courses, we co-founded a branch of the international 42 Prague IT and programming school, we organise workshops and lectures with the non-profit organisation She Loves Data, and together with the Prague University of Economics and Business, we offer the Data Academy.”*

### **Sustainability and assistance to the Czech Republic and Ukraine**

The corporate philosophy of the ČSOB Group is based on socially responsible behaviour and sustainability. In the ČSOB Helps Regions Programme, the bank and the public have already aided 1,500 specific activities with more than CZK 72 million.

Immediately after the outbreak of the war in Ukraine, the ČSOB Group was one of the first to take an active part in helping refugees and supporting Ukraine. The joint fundraiser with People in Need brought a total of CZK 58 million to help the Ukrainian people. Through special accounts, refugees immediately gained access to finance, payments and financial support totalling more than a quarter of a billion Czech crowns.

A package for newcomers from Ukraine and a free information line in the Ukrainian language are still available to clients.

Selected ČSOB Group indicators	FY 2021	FY 2022	Year-on-year change
Net profit (CZK billion)	16.2	17.5	+9%
Cost/income ratio (excluding bank taxes)	51.8 %	46.4 %	-5.4 p.p.
Loan volume (CZK billion)	835.1	873.8	+5%
Deposit volume (CZK billion)	1,157	1,232	+6%
Assets under management (CZK billion)	288.3	308.0	+7%
Tier 1 capital ratio (CET 1)	22.4 %	19.9 %	-2.5 p.p.
Credit cost ratio (CCR)	-0.42 %	0.12 %	+0.54 p.p.

### The 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 digitization, 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 ČSOB Poštovní spořitelna brands, to 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.