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PRESS RELEASE

1Q 2017 for ČSOB: innovations quickly gaining clients' interest, growth in business volumes and excellent loan quality.

- The Group's 1Q 2017 net profit increased by 42% Y/Y to CZK 4.7 billion
- Loan portfolio grew to CZK 637 billion* (+7% Y/Y), while quality of loan portfolio further improved
- Group deposits grew to CZK 836 billion* (+15% Y/Y)
- The total volume of assets under management reached CZK 192 billion (+4% Y/Y)
- Operating income increased to CZK 9.7 billion (+20% Y/Y)
- Operating expenses reached CZK 4.2 billion (-3% Y/Y)
- The mobile wallet **ČSOB NaNákupy** newly supports finger print sign-in greatly improving user experience and security
- **More than one hundred contactless ATMs** enable clients to withdraw cash comfortably and securely without risk of magnetic card skimming
- ČSOB voted as **the Best bank** by magazine EMEA Finance and ČSOB Private Banking awarded as **the Best Private Bank** in the Czech Republic for 2016 by Euromoney

"The whole banking industry faces rapidly changing clients' expectations and the fast pace of technology development. The success we achieved in the first quarter of 2017 gives me confidence that we are on the right track. The number of active SmartBanking users increased by almost one quarter, latest innovations are quickly gaining clients' interest, digital transactions continue to grow, our business volumes are strong and loan quality is excellent. Looking forward we will continue to concentrate on our distinctive model of bank-insurance and we plan to further enhance client experience through innovation and simplification." said **John Hollows, CEO of ČSOB.**



The ČSOB group is the leading player in the Czech financial services industry. The ČSOB group is a part of the international bancassurance KBC group which is active in Belgium and the CEE region. The ČSOB group consists of the Bank (operates under the brands – ČSOB, Era and Poštovní spořitelna, Postal Savings Bank) and of entities related with the Bank. ČSOB's financial group includes strategic companies in the Czech Republic controlled directly or indirectly by ČSOB, or KBC, which offer financial services, namely Hypoteční banka, ČSOB Pojišťovna, Českomoravská stavební spořitelna, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Asset Management, ČSOB Factoring and Patria group. ČSOB provides its services to all groups of clients, i.e. retail as well as SME, corporate and institutional clients. The ČSOB group is a good listener, who offers a suitable solutions, rather than mere products.



The first quarter net profit growth was driven by solid growth in business volumes, excellent loan quality and supported by strong performance of financial markets, higher ALM income, one-off gain from historical legal case, fees mainly from asset management and positive valuation adjustments. The loan portfolio expanded, driven by growth of mortgages, supported by accelerated consumer finance lending and leasing. Despite the growth in business volumes ČSOB managed to further improve excellent loan portfolio quality and the non-performing loan ratio reached all-time low of 2.79%.

	1Q 2016	1Q 2017	Y/Y
Net profit (CZK bn)	3.3	4.7	+42%
Cost / income ratio	53.7%	43.8%	-9.9pp
Loan portfolio (CZK bn)*	596.2	637.1	+7%
Deposit volume (CZK bn)*	725.7	835.5	+15%
Assets under management (CZK bn)	184.4	192.0	+4%
Core Tier 1 capital ratio	17.7%	17.1%	-0.6pp
Credit cost ratio (annualized, Ytd.)	0.02%	-0.02%	-0.04pp

* including ČMSS

A detailed presentation concerning the financial results for the 1Q 2017 is available at: <https://www.csob.cz/portal/about-csob/investor-relations#hospodarske-vysledky>

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