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PRESS RELEASE

1H 2017 for ČSOB: strong performance supported by ongoing growth of business volumes and excellent asset quality. Czech Post strategic agreement to bolster bank-insurance model.

- The Group's 1H 2017 net profit increased by 12% Y/Y to CZK 9.4 billion
- Loan portfolio grew to CZK 653 billion* (+7% Y/Y), and the loan quality continued to improve
- Group deposits grew to CZK 849 billion* (+14% Y/Y)
- Total volume of assets under management reached CZK 196 billion (+7% Y/Y)
- Operating income increased to CZK 19.2 billion (+7% Y/Y)
- Operating expenses reached CZK 8.1 billion (+1% Y/Y)
- ČSOB and Česká pošta (Czech Post) prolong and intensify mutual cooperation and sign a 10-year exclusivity partnership agreement whereby ČSOB will become Česká pošta's sole partner in providing banking and insurance services as of 1 January 2018
- ČSOB NaNákupy app brings new extra features, such as transaction history, MasterPass internet payments and management of loyalty cards
- ČSOB SmartBanking and Smart Key now support fingerprint sign-in capability
- For philanthropic activities over the last 20 years, the public voted ČSOB as the winner of The Via Bona Good Company award

"We had an excellent first half of 2017. We saw record high sales in mortgages, further grew our business loans and achieved good results in financial markets services. We strengthened our focus on innovation and digitalization, and we brought new features to our digital applications with the ultimate goal of providing the best to our clients and enhancing their experience. Moreover, I am pleased to see that our bank-insurance model is celebrating success on the Czech market. The new strategic partnership with Czech Post is extending a quarter of a century of mutually beneficial collaboration and will allow us to significantly expand our offer of banking and insurance products, jointly develop the network of specialised post office counters but also achieve important synergies." said **John Hollows, CEO of ČSOB.**



The ČSOB group is the leading player in the Czech financial services industry. The ČSOB group is 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 suitable solutions, rather than mere products.



ČSOB's net profit growth for the first half of 2017 was driven by the strong performance of financial markets, one-off gain on a historical legal case, an improved fee income generation and a lower cost of risk. Also supporting this result was the robust growth in business volumes driven by growth of mortgages, business loans and consumer finance. At the same time, the credit quality of the loan portfolio continued to improve, with the non-performing loans ratio recording yet a new all-time low of 2.58%.

	1H 2016	1H 2017	Y/Y
Net profit (CZK bn)	8.3	9.4	+12%
Cost / income ratio	44.7%	42.0%	-2.7pp
Loan portfolio (CZK bn)*	607.7	652.8	+7%
Deposit volume (CZK bn)*	745.1	849.2	+14%
Assets under management (CZK bn)	183.5	196.0	+7%
Core Tier 1 capital ratio	16.9%	16.8%	-0.1pp
Credit cost ratio (annualized, Ytd.)	0.09%	0.06%	-0.03pp

* including ČMSS

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

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