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## PRESS RELEASE

### ***9M 2017 for ČSOB: outstanding performance reflecting ongoing growth of business volumes, excellent loan quality and strength in innovations***

- The number of ČSOB bank clients increased by over 4 thousand in the third quarter (Q/Q)
- The Group's 9M 2017 net profit increased by 13% Y/Y to CZK 13.5 billion
- Loan portfolio grew to CZK 665 billion\* (+9% Y/Y), and the loan quality further improved
- Group deposits grew to CZK 887 billion\* (+17% Y/Y)
- Total volume of assets under management reached CZK 196 billion (+5% Y/Y)
- Operating income increased to CZK 27.9 billion (+8% Y/Y)
- Operating expenses reached CZK 11.9 billion (+1% Y/Y)
- ČSOB upgraded **smartbanking** and introduced **new Internet Banking** for retail clients with modern look, intuitive control, new features such as personal finance management and an overview of not only the basic banking products, but also of insurance, mortgages, investments and building savings
- For corporate and SME clients ČSOB offers new **electronic banking platform** allowing simplified and intuitive interaction
- ČSOB was awarded the **Best Bank 2017**, the **Best life insurance company** (ČSOB Pojišťovna) and thanks to the application NaNákupy the **Bank Innovator** awards for 2017 by business daily Hospodářské noviny

*"As more customers are actively using ČSOB services helping them solve their financial needs and life situations, we continued to perform exceptionally well. I am also very pleased that ČSOB Group won several accolades in the local Best Bank and Best Insurance Company competition," said John Hollows, CEO of ČSOB. "We have been building up our digital capabilities and investing in technology. Be it the new Internet Banking for retail or new electronic banking platform for corporate and SME clients. This will have growing importance as we seek to positively surprise our clients going forward."*



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 9M 2017 was driven by the strong performance of financial markets, higher ALM income, higher fees from asset management, payment cards, loans and foreign payments and one-off gain from historical legal case in 1Q 2017. Also supporting this result was lower cost of risk and robust growth in business volumes driven by the growth of mortgages, business loans and consumer finance. The credit quality of the loan portfolio continued to improve, with the non-performing loans ratio recording yet a new all-time low of 2.50%.

	9M 2016	9M 2017	Y/Y
Net profit (CZK bn)	12.0	13.5	+13%
Cost / income ratio	45.2%	42.5%	-2.7pp
Loan portfolio (CZK bn)*	611.9	664.6	+9%
Deposit volume (CZK bn)*	756.4	887.1	+17%
Assets under management (CZK bn)	185.8	195.9	+5%
Core Tier 1 capital ratio	16.7%	17.4%	+0.7pp
Credit cost ratio (annualized, Ytd.)	0.07%	0.04%	-0.03pp

\* including ČMSS

A detailed presentation concerning the financial results for the 9M/3Q 2017 is available at: <https://www.csob.cz/portal/en/about-csob/investor-relations#hospodarske-vysledky>

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