

1Q 2023 Results

ČSOB group

Business Unit Czech Republic

EU IFRS unaudited consolidated
16 May 2023



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ČSOB group: Key Figures

1Q 2023 at a glance

Growth of unsecured building saving loans

ČSOB Stavební spořitelna has concluded **more than 2 thousand** contracts for unsecured loans in the first quarter of 2023, which is **26% more** in volume than in the same period last year. The biggest demand from customers was for loans intended for energy-saving solutions that made up 25% of unsecured loans volume.

ČSOB Stavební spořitelna changes its brand mascot after 30 years. **The fox is being replaced by a chameleon**, which has been the face of the ČSOB Group's **successful communication concept since 2021**. By this step, the ČSOB Group is fulfilling its strategy of **one strong ČSOB brand**, under which it offers all products and services.



Virtual assistant Kate

Our personalized virtual assistant is currently able to solve more than **180 situations** and answer the questions related to more than **650 topics**. Kate is available to retail as well as corporate and SME clients. The number of conversations increased 2.4 times over the last 12 months, therefore Kate manages 136ths conversations per month.

DoKapsy app

DoKapsy lifestyle application from ČSOB launched another new service. Users can easily find the **nearest charging station** for electric cars based on their current location or at a specified place. The detail of the charger also includes information about occupancy, the address and **the possibility of payment using a QR code**. DoKapsy application is free and is also available for those who do not have an account in ČSOB.

Changes at Czech post branches

Czech Post announced their intention to reduce branch network from July 2023. We assure our clients that **ČSOB services at the remaining Czech Post branches will be fully available**. The range of services provided by ČSOB will not change in any way and clients will be able to use all outlets with the ČSOB label including specialized banking counters.

Responsible pension savings

ČSOB has launched a new responsible pension fund. This fund is designed to provide investors with a **responsible investment option** that invests with respect for the environment and social responsibility. The fund focuses on companies that can effectively combine their economic growth with nature protection, social responsibility and corporate culture and is suitable for clients with long-term investment goals. ČSOB clients can arrange the pension savings completely online.

Improved Mortgage zone

The client's online Mortgage zone has now more responsive design - similar to ČSOB Smart and enables **easy mortgage arrangement** and management. **The entire mortgage process** (with the exception of cadaster services) is online in one place, without the need for a visit to a branch. The customer gets an initial mortgage calculation and can also submit an application online.

Resilient performance, excellent loan quality, continuous robust capital and liquidity

| ČSOB group key indicators | | 2020 | 2021 | 2022 | 1Q 2022 | 1Q 2023 |
|---------------------------|---|--------|--------|--------|---------|---------|
| Profitability | Net profit (CZK bn) | 8.5 | 16.2 | 14.6 | 4.6 | 3.6 |
| | Return on equity | 8.2% | 14.3% | 13.6% | 15.7% | 14.2% |
| Liquidity | Loan to deposit ratio | 71.6% | 71.1% | 70.6% | 69.8% | 68.6% |
| | Net stable funding ratio | 169.9% | 171.3% | 171.8% | 184.7% | 177.1% |
| Capital | CET1 ratio | 23.7% | 22.4% | 19.8% | 21.6% | 20.2% |
| Impairments | Credit cost ratio | 0.67% | -0.42% | 0.12% | -0.11% | -0.07% |
| Cost efficiency | Cost / income ratio | 54.6% | 55.5% | 54.3% | 54.0% | 63.6% |
| | Cost / income ratio (excl. banking taxes) | 51.5% | 51.8% | 50.6% | 41.5% | 49.5% |

Resilient performance supported by growth of client business, excellent loan quality and cost control

Net profit

1Q 2023 ČSOB's **net profit** decreased to **CZK 3.6bn** (-22% Y/Y).

Business indicators

Loan portfolio reached **CZK 879bn** (+3% Y/Y). **Total client deposits** rose to **1,248bn** (+6% Y/Y) and **total deposits** amounted to **CZK 1,340bn** (-1% Y/Y). **Assets under management** grew to **CZK 326bn** (+12% Y/Y). Number of **active clients** increased **+114ths** Y/Y. Number of **mobile banking active users** increased **+39%** Y/Y.

Operating income

Operating income decreased to **CZK 10.1bn** in 1Q 2023 (-15% Y/Y). The decrease resulted from lower loan and deposit NII due to declining margins, lower trading and fair value income, offset in part by higher NFCI.

Liquidity & Capital

ČSOB maintains strong capital position and excellent liquidity ratios. **CET1 ratio** reached **20.2%**. **Loan to deposit ratio** decreased Y/Y to **68.6%**. The **short-term liquidity ratio LCR** increased to **152.4%** and the **long-term liquidity ratio NSFR** was **177.1%**.

Operating expenses

Operating expenses amounted to **CZK 6.4bn** in 1Q 2023 (flat Y/Y). Staff expenses decreased -2% Y/Y impacted by exceptional bonus in 1Q 2022. General administrative expenses excluding banking taxes stayed flat Y/Y as higher ICT costs were compensated by lower marketing costs. Average number of **FTEs** increased **+21** Y/Y.

Sustainability

The volume of **Responsible investment funds** increased **+46%** Q/Q. Financing of **low energy housing** increased by **16%** Q/Q, as did financing of **clean energy cars**.

Impairments

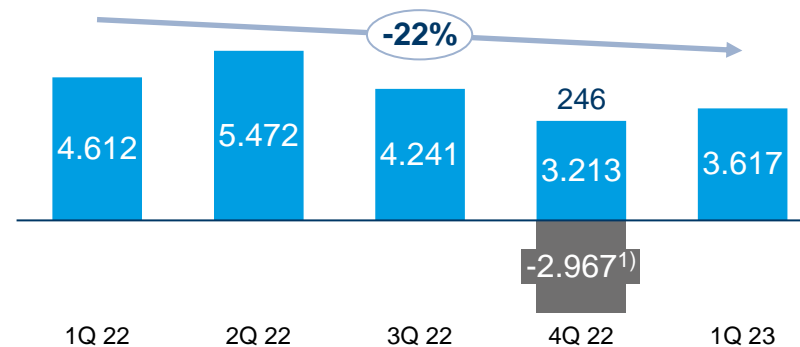
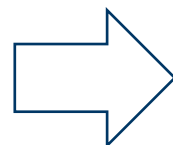
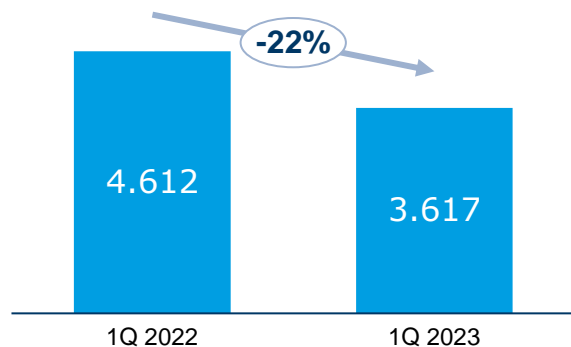
Credit cost ratio in 1Q 2023 reached **-7bps** (+4 bps Y/Y). **Total impairments** amounted to **CZK -152m** (net release). **NPL ratio** declined to **1.61%**.

Awards

The US-based magazine Global Finance selected ČSOB as the **Best Bank** and the **Best SME Bank** of 2023 in the Czech Republic. ČSOB Private Banking won an award for the **Best Private Bank** in the Czech Republic by Euromoney magazine for the 7th time in the last 10 years.

Lower net profit due to lower operating income

Net profit
CZK bn

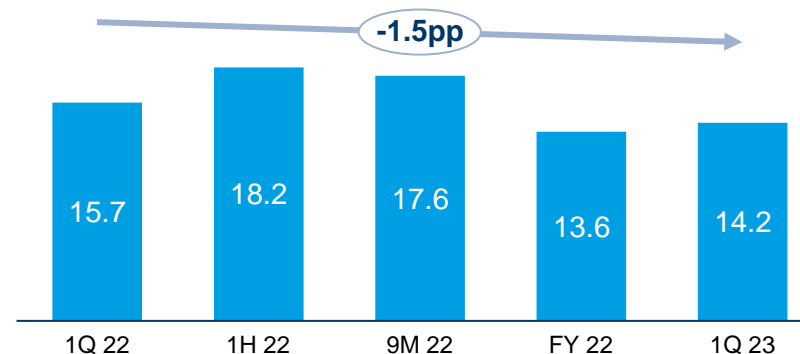


1Q 2023 reported **net profit of CZK 3.6bn, down -22%** vs. 1Q 2022, due to a combination of lower operating income (lower net interest, trading and fair value income, offset in part by higher net fee and commission income), flat costs and higher net impairment release.

The **return on equity (ROE)** declined to **14.2%** (-1.5pp Y/Y) due to lower net profit.

Return on equity (ROE)

Ytd., %

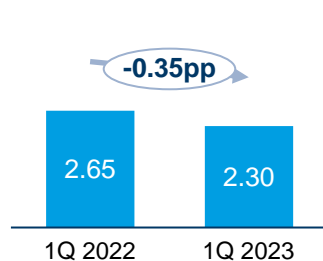


¹⁾ one-off increase of the provisions for legal issues as a result of arbitration proceedings against ICEC-Holding

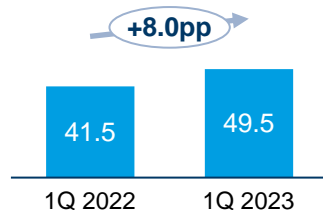
Lower net interest margin, excellent loan quality and robust capital and liquidity

Profitability

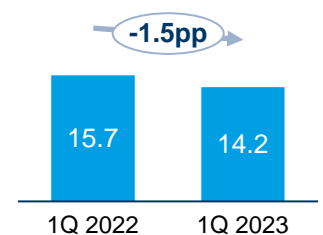
Net interest margin (%)



Cost / income ratio excl. banking taxes (%)

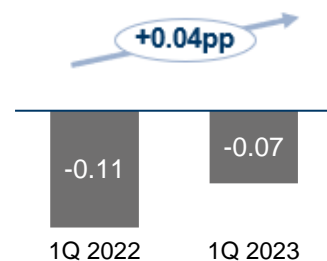


ROE (%)

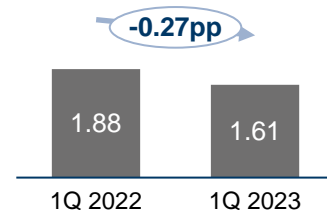


Loan portfolio quality

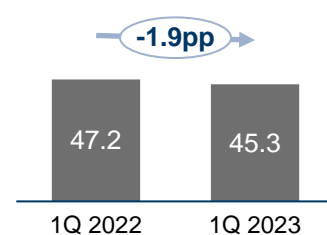
CCR, Ytd. annualized (%)



NPL ratio (%)

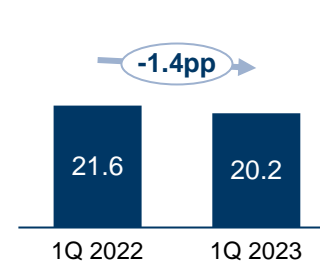


NPL coverage ratio (%)

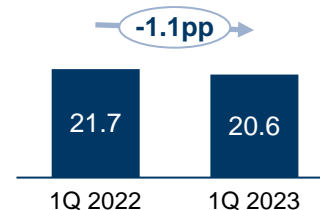


Capital

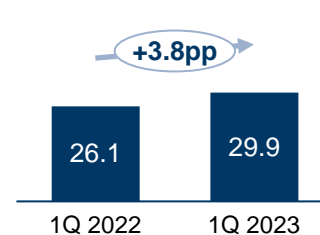
CET 1 ratio (%)



Total capital ratio (%)

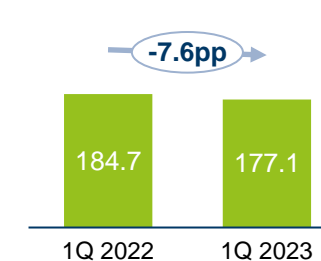


MREL ratio (% of RWA)

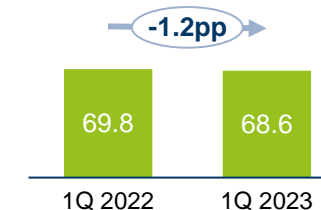


Liquidity

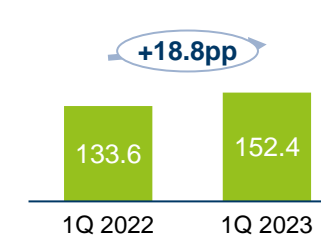
Net stable funding ratio (%)



Loan to deposit ratio (%)



Liquidity coverage ratio (%)

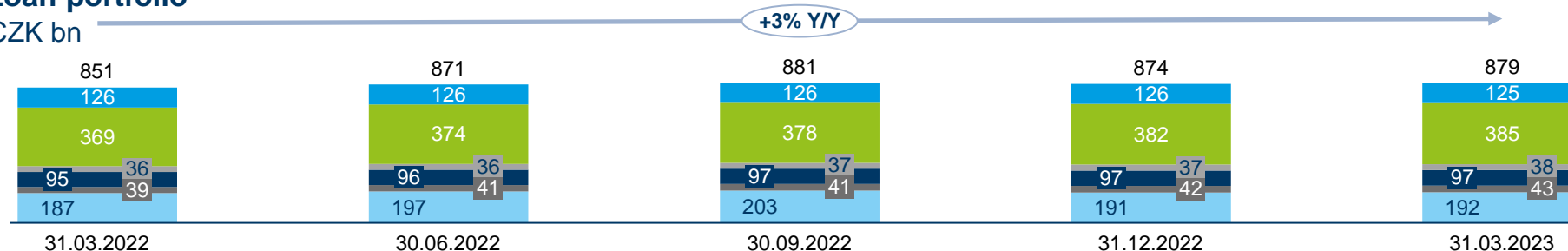


Loans, deposits and assets under management

Sharp growth of assets under management

Loan portfolio¹

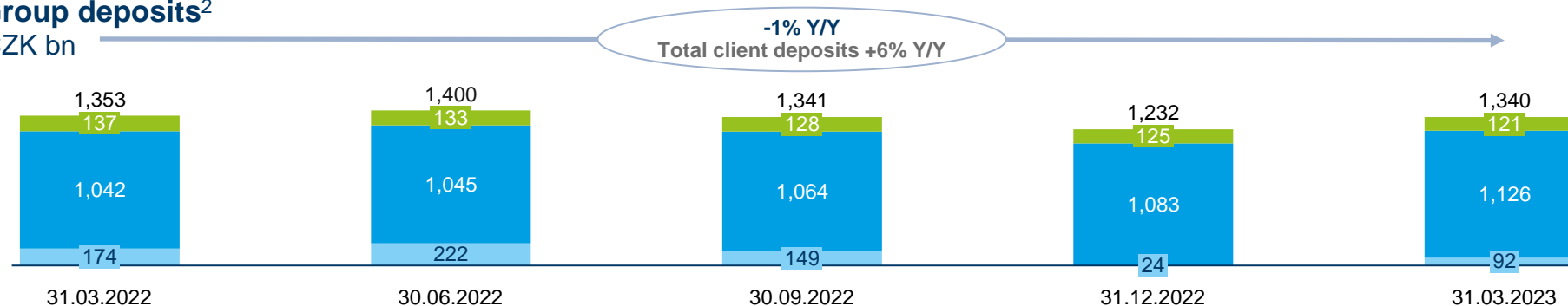
CZK bn



- building savings loans
- mortgages
- consumer finance
- SME
- leasing
- corporate + factoring

Group deposits²

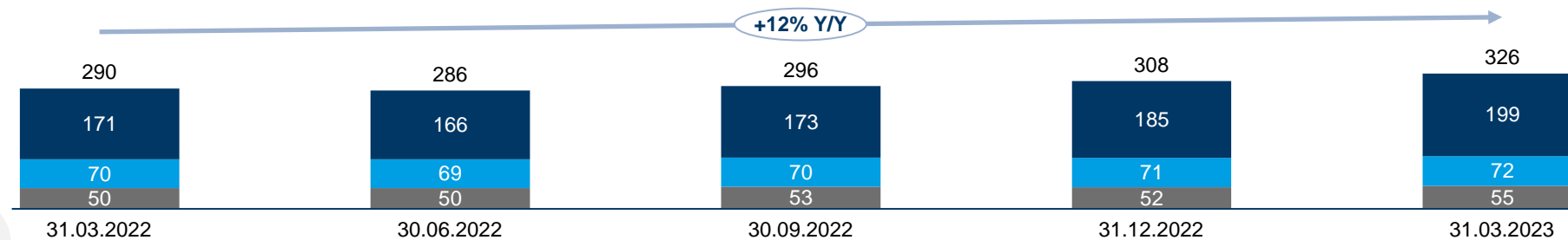
CZK bn



- building savings deposits
- ČSOB bank client deposits
- other deposits

Total assets under management

CZK bn



- mutual funds
- pension funds
- other asset management

¹ Item Loans and receivables minus exposure to banks from inter-bank transactions and reverse repo operations with ČNB plus credit replacing bonds.

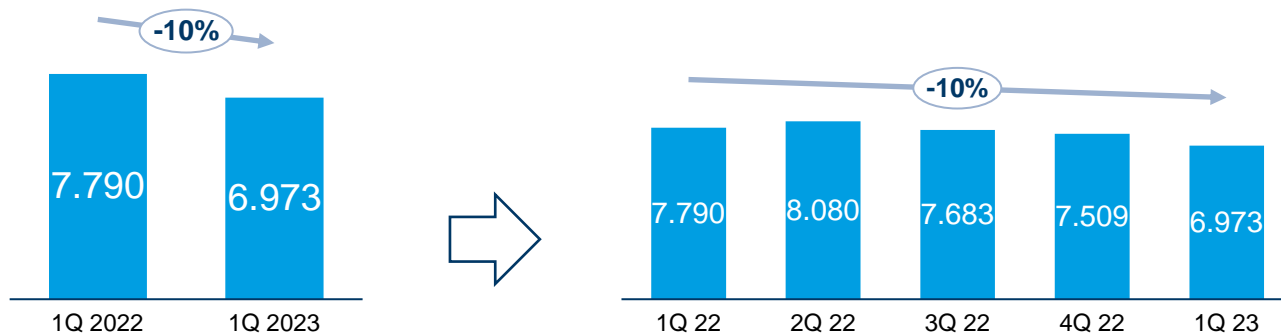
² Item Deposits received from other than credit institutions from the consolidated balance sheet.

ČSOB group: Financial Overview

Decreasing net interest income and lower net interest margin

Net interest income (NII)

CZK bn



1Q 2023 **net interest income** decreased **-10% Y/Y** as a result of:

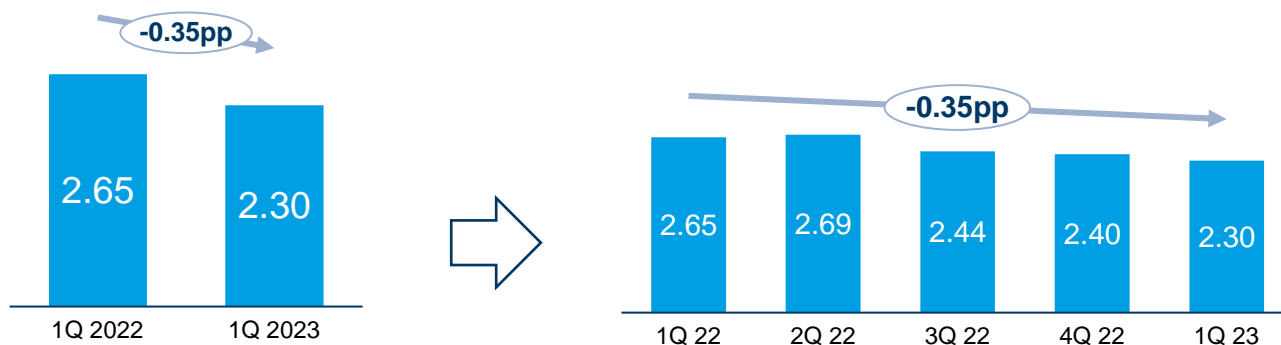
- (-) lower NII from loans driven by building saving loans, mortgages and consumer finance due to lower margins
- (-) lower NII from deposits driven by Retail and SME segments due to lower margins

1Q 2023 **net interest income** decreased **-7% Q/Q** as a result of:

- (-) lower NII from deposits driven by Retail segment
- (-) lower NII from loans driven by mortgages and Corporate segment

Net interest margin (NIM)

%



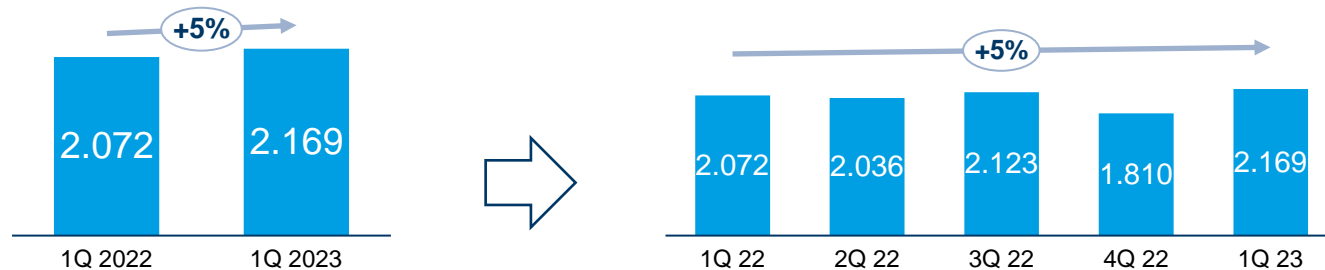
In 1Q 2023, **net interest margin** reached **2.30%** (-35bps Y/Y, -10bps Q/Q) due to lower margins from deposits and loans.

Net fee and commission income, Trading and fair value income and Other

Improving NFCI, lower trading and fair value income

Net fee and commission income (NFCI)

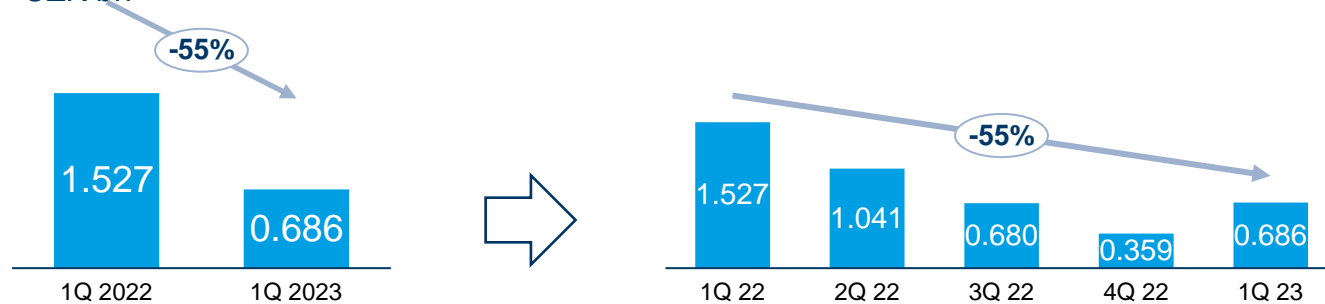
CZK bn



1Q 2023 **net fee and commission income** increased **+5% Y/Y** thanks to network income supported by higher client activity, growing securities-related fees and lower fee expenses, offset in part by distribution fees and payment card fees.

Trading and fair value income

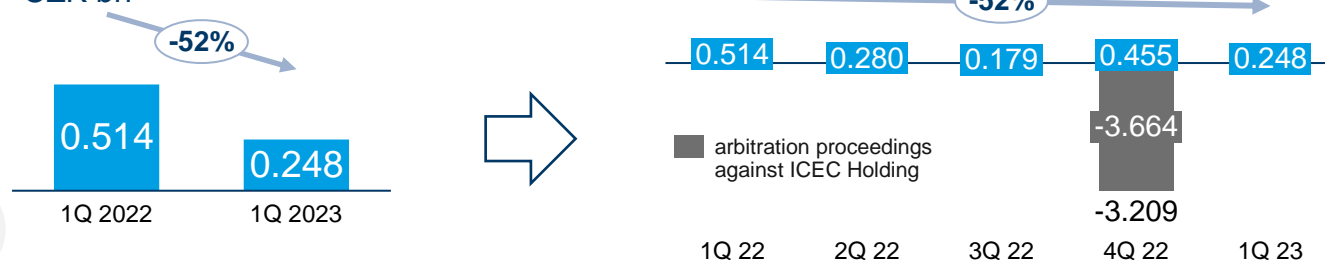
CZK bn



1Q 2023 **trading and fair value income** decreased **-55% Y/Y** mainly driven by valuation adjustments and performance of financial markets, both impacted by higher base in 1Q 2022.

Other operating income

CZK bn



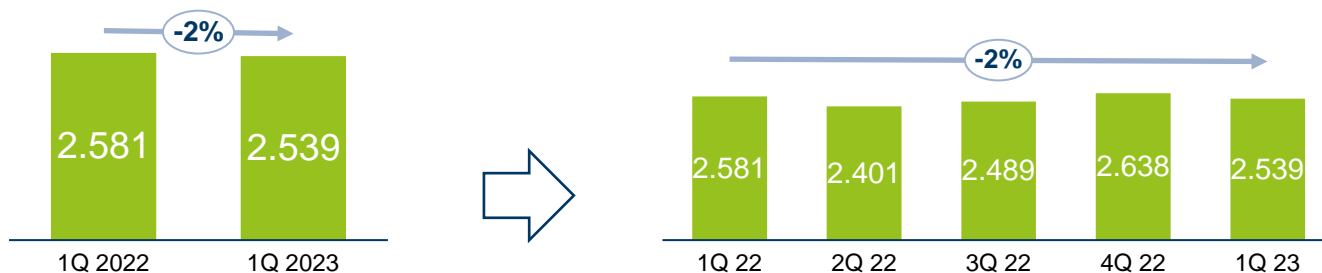
1Q 2023 **other net income** decreased **-52% Y/Y** impacted by higher base in 1Q 2022 due to historical legal case.

Staff and General administrative expenses

Slightly lower staff expenses and flat general administrative expenses

Staff expenses

CZK bn

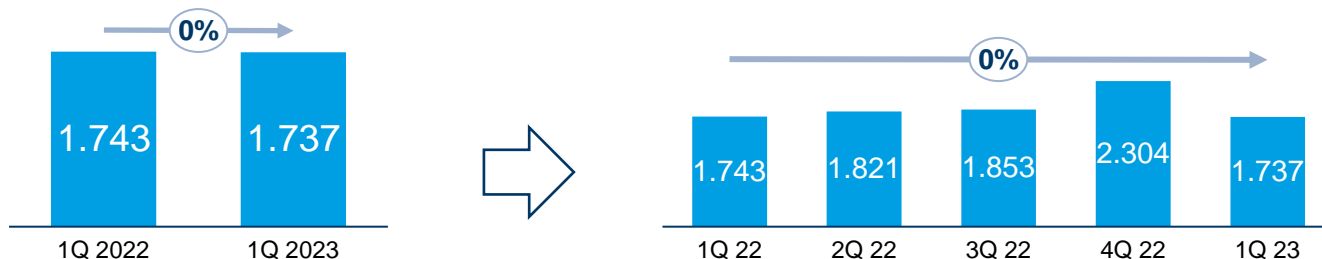


1Q 2023 **total operating expenses excluding banking taxes** grew **+1% Y/Y**. **Total operating expenses including banking taxes** stayed **flat Y/Y**.

1Q 2023 **staff expenses** decreased **-2% Y/Y** impacted by exceptional bonus in 1Q 2022, partly compensated by wage adjustments and higher number of FTEs.

General administrative expenses – excl. banking taxes

CZK bn

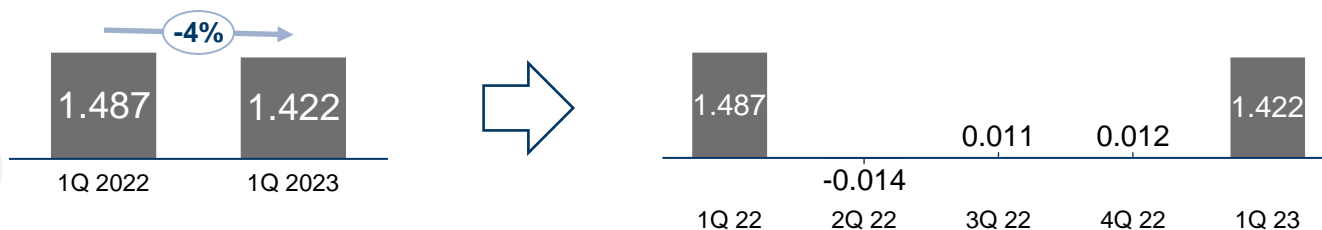


1Q 2023 **general administrative expenses** stayed **flat Y/Y** as higher ICT investments were compensated by lower marketing costs.

Depreciation and amortization increased **+15% Y/Y**.

Banking taxes

CZK bn



1Q 2023 **banking taxes** decreased **-4% Y/Y**.

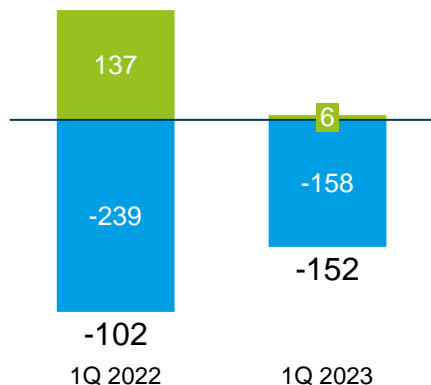
Cost/income ratio increased Y/Y to **63.6%** and **cost/income ratio excluding banking taxes** rose Y/Y to **49.5%**.

Impairments and NPL

Consistent high quality of loan portfolio

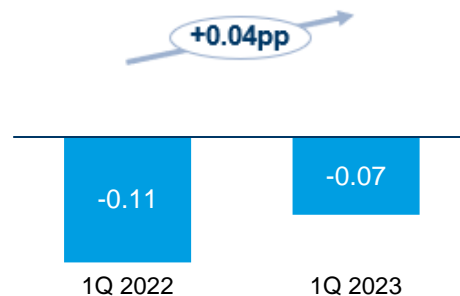
Total impairments

CZK m



CCR, Ytd. annualized

%



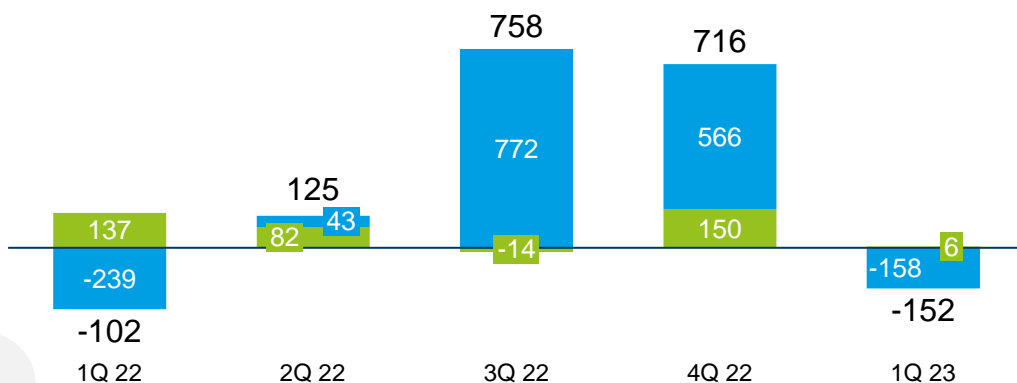
In 1Q 2023, **loan loss provisions** amounted to net release of **CZK -158m** driven by releases mainly in Corporate segment, offset in part by impairment creation in consumer finance.

Other impairments decreased Y/Y to **CZK 6m**.

Credit cost ratio for 1Q 2023 reached **-0.07%** (Ytd., annualized; +4bps Y/Y).



■ loan loss provisions (impairments on financial assets at amortised cost)
 ■ other impairments (see note)



| 31.3.2023 | | |
|--------------------------------|-----------------|----------------------|
| IFRS 9 Distribution | Amount (CZK bn) | Share on total loans |
| Loan portfolio | 879.4 | 100% |
| Stage 1 - performing | 727.4 | 83% |
| Stage 2 - underperforming | 137.4 | 15% |
| Stage 3 - non-performing loans | 14.6 | 2% |

Notes:

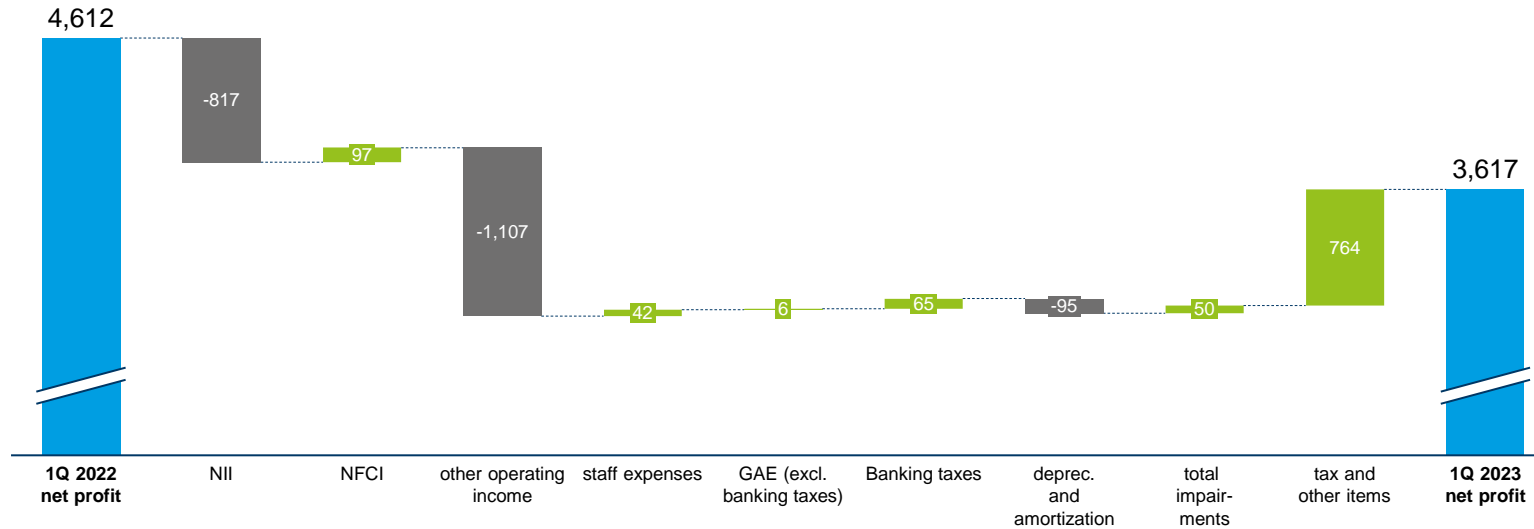
Figures in graphs: (+) net creation/cost and (-) net release/revenue.

Other impairments include impairments on tangible and intangible assets and impairments on goodwill.

Wrap up of net profit drivers

Net profit (Y/Y)

CZK m



The main difference between 1Q 2023 and 1Q 2022 net profit was caused by the following drivers:

On the **positive side**:

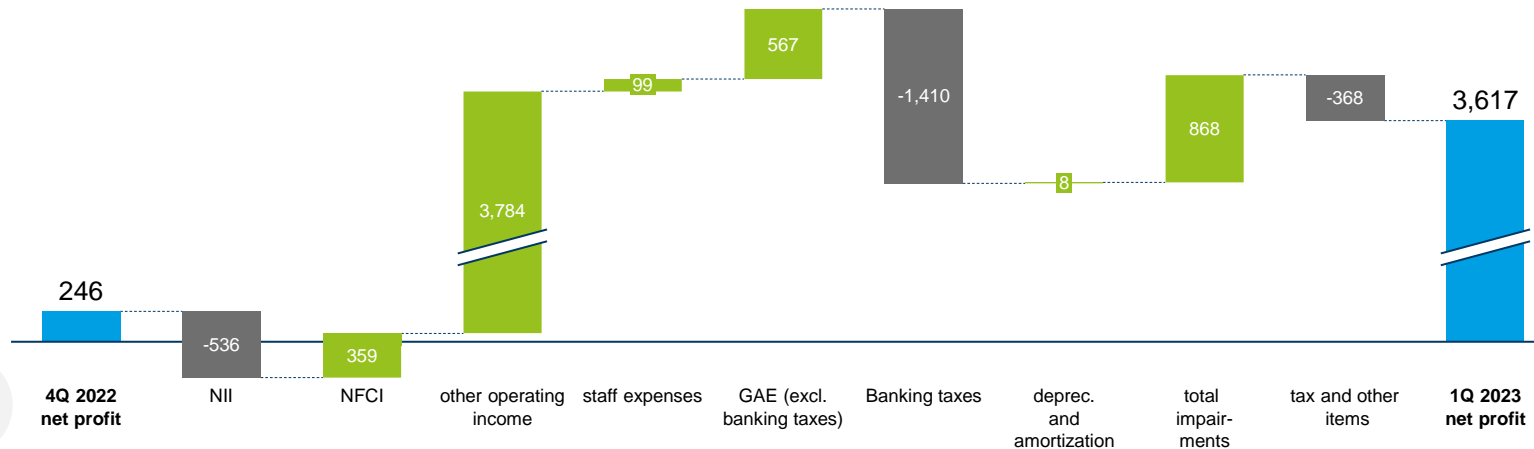
- higher NFCI thanks to network income supported by higher client activity
- lower banking taxes
- higher release of impairments
- lower staff expenses due to exceptional bonus in 1Q 2022
- slightly lower GAE thanks to lower marketing costs
- tax and other items

On the **negative side**:

- lower NII in all categories
- lower fair value and other income due to valuation adjustments and performance of financial markets
- depreciation and amortization

Net profit (Q/Q)

CZK m



The main difference between 1Q 2023 and 4Q 2022 net profit was caused by the following drivers:

On the **positive side**:

- higher other income impacted by increase of the provisions for legal issues (ICEC Holding) in 4Q 2022
- net impairment release in contrast with net impairment creation in 4Q 2022
- lower GAE driven by lower ICT and marketing costs
- higher NFCI thanks to other fees and distribution fees
- lower staff expenses due to lower bonus accruals

On the **negative side**:

- lower NII driven by NII from deposits
- higher banking taxes
- tax and other items

Capital Strong capital position

| Consolidated, CZK m | 31.3.2022 | 31.12.2022 | 31.3.2023 |
|--|----------------|----------------|----------------|
| Total regulatory capital | 92,867 | 87,439 | 87,640 |
| - Common Equity Tier 1 (CET1) Capital | 92,421 | 85,793 | 85,969 |
| - Tier 2 Capital | 446 | 1,646 | 1,670 |
| MREL eligible debt | 18,923 | 40,592 | 39,551 |
| Total RWA | 428,055 | 432,893 | 425,032 |
| - Credit risk | 362,885 | 366,892 | 358,974 |
| - Market risk | 340 | 481 | 539 |
| - Operational risk | 64,830 | 65,519 | 65,519 |
| Common Equity Tier 1 (CET1) ratio | 21.6% | 19.8% | 20.2% |
| Total capital ratio | 21.7% | 20.2% | 20.6% |
| Leverage ratio | 3.94% | 4.48% | 4.25% |
| Available MREL as a % of RWA | 26.1% | 29.6% | 29.9% |
| Available MREL as a % of LRE | 4.77% | 6.69% | 6.29% |

The Y/Y decrease of Common Equity Tier 1 (CET1) capital is due to the payout of dividend.

MREL ratio increased Y/Y to **29.9%** of RWA and **6.29%** of LRE as of year-end due to issuance of MREL eligible debt.

Intermediate MREL targets as of 1 January 2023 reached 22.2% of RWA and 5.18% of LRE.

As of 1 January 2024, ČSOB will be required to comply with a MREL equal to 27.7% of RWA and 5.91% of LRE.

Notes:

Total RWA (risk weighted assets) = credit risk RWA + market risk RWA + operational risk RWA

Tier 1 capital = share capital + share premium + legal reserve funds + retained earnings + other comprehensive income – goodwill – intangible assets

Tier 2 capital = subordinated debt weighted by regulatory coefficient + surplus in expected credit losses

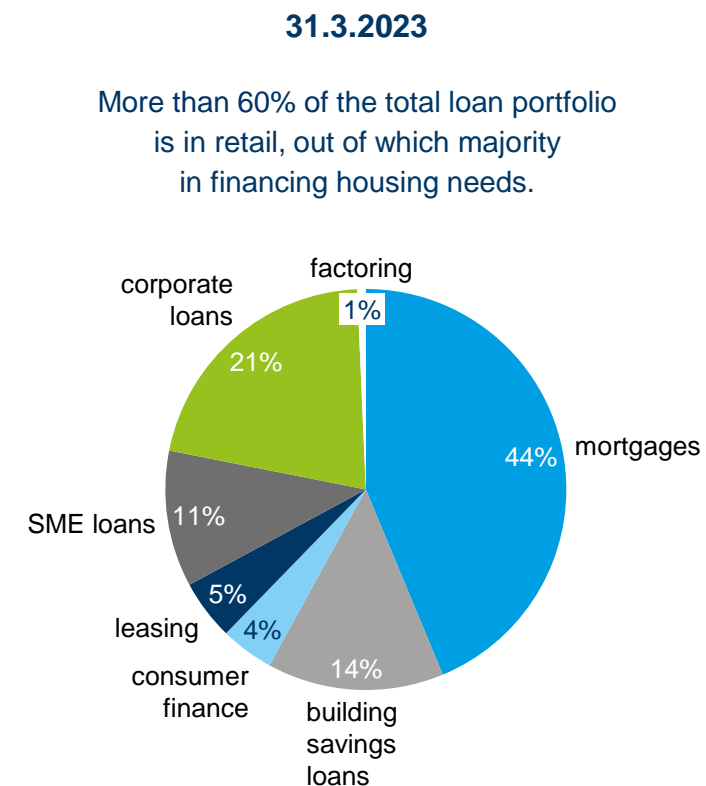
Total regulatory capital = Common Equity Tier 1 (CET1) + Tier 2

LRE = leverage ratio exposure = On-balance + Off-balance sheet items + Counterparty exposure for Derivatives and SFT + Add-ons

ČSOB group: Business Overview

Solid growth in most categories of loan portfolio

| Gross outstanding volumes, CZK bn | 31.3.2022 | 31.3.2023 | Y/Y |
|------------------------------------|--------------|--------------|------------|
| Loan portfolio | 851.0 | 879.4 | +3% |
| Retail Segment | | | |
| Mortgages | 369.1 | 384.5 | +4% |
| Consumer finance | 35.6 | 37.8 | +6% |
| Building savings loans | 125.6 | 125.3 | 0% |
| SME/Corporate Segment | | | |
| Corporate loans ¹ | 180.8 | 186.4 | +3% |
| SME loans | 94.9 | 96.7 | +2% |
| Leasing | 39.3 | 42.6 | +8% |
| Factoring | 5.7 | 6.0 | +5% |
| Other ² | 47.1 | 50.4 | +7% |
| Credit risk: loan portfolio | 898.1 | 929.8 | +4% |



¹ Including credit-replacing bonds.

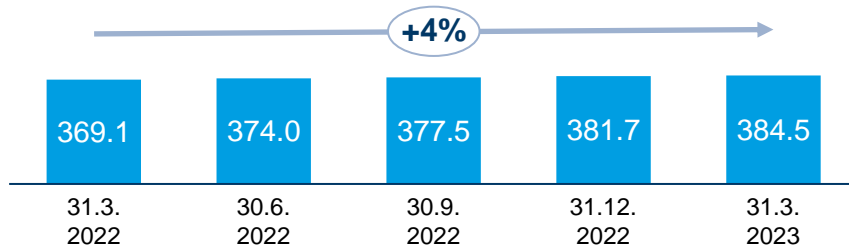
² Including off-balance sheet items and ALM/financial markets exposures.

Housing loans

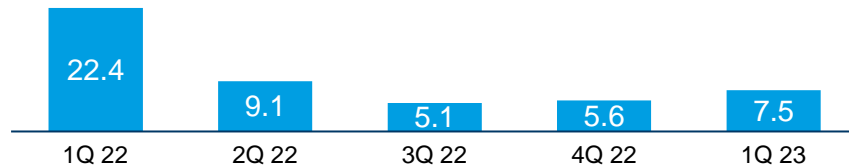
Mortgage portfolio continues to rise, new sales of mortgages and building saving loans declined Y/Y but are on the growing trajectory Q/Q

Mortgages

Outstanding, CZK bn



New sales*, CZK bn

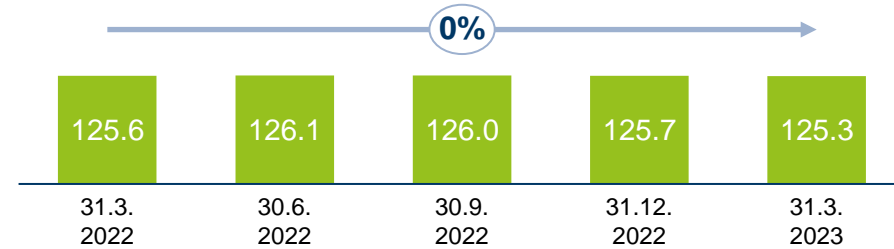


The **outstanding volume of mortgages** increased **+4% Y/Y** thanks to the drawing of loans approved in previous periods, while the market grew **+3% Y/Y**.

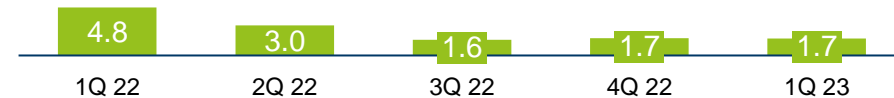
In 1Q 2023, ČSOB provided more than **2.4 thousand new mortgages** (-61% Y/Y) in the total amount of **CZK 7.5bn** (-67% Y/Y). The market of new mortgages decreased -60% Y/Y in the number and -66% Y/Y in the total amount of new mortgages.

Building saving loans

Outstanding, CZK bn



New sales*, CZK bn



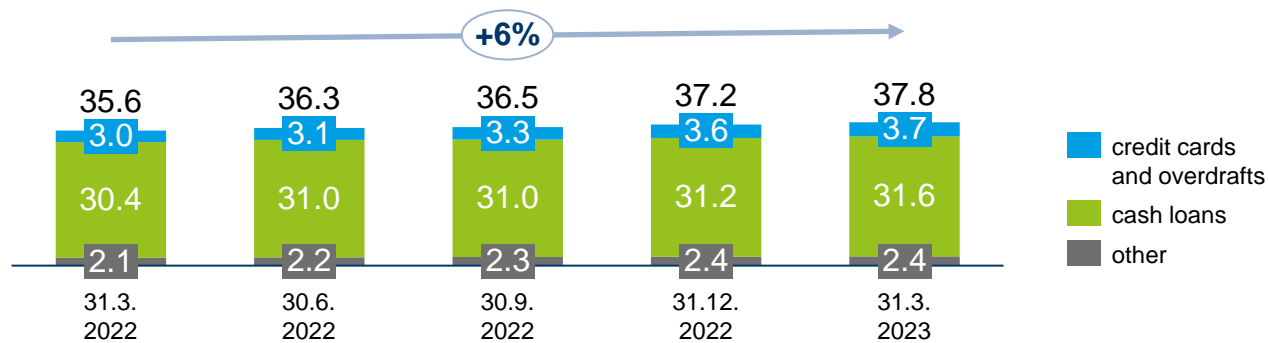
The outstanding **building savings loan portfolio** stayed **flat Y/Y**, while the market increased **+5% Y/Y**.

In 1Q 2023, ČSOB provided more than **2.4 thousand new building saving loans** (-27% Y/Y) in the total amount of **CZK 1.7bn** (-65% Y/Y). The market of new building saving loans decreased -31% Y/Y in the number and -66% Y/Y in the total amount of new building saving loans.

Consumer finance, SME loans, Leasing

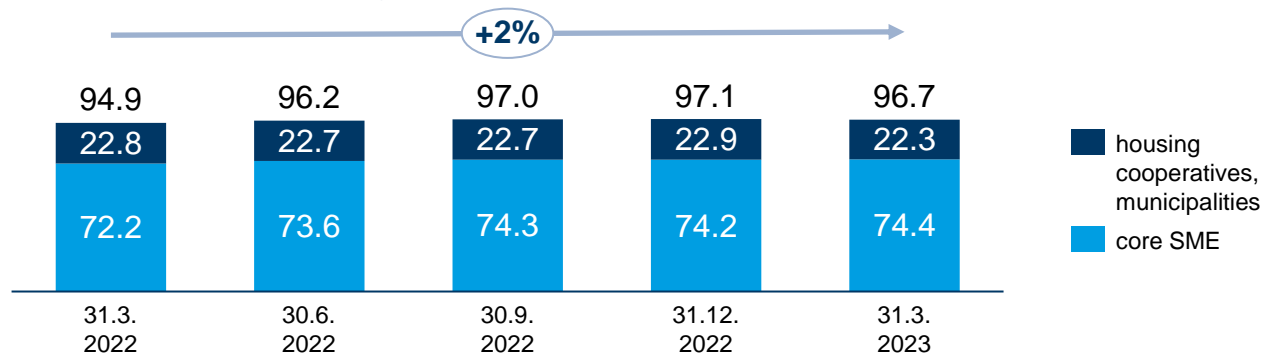
Increase of outstanding volumes

Consumer finance, outstanding, CZK bn



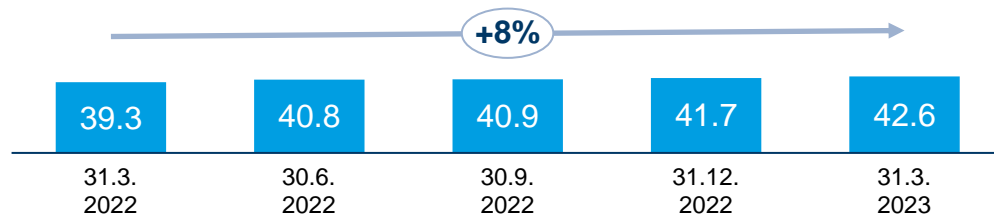
Consumer finance grew **+6% Y/Y** due to significant decrease of early repayments.

SME loans, outstanding, CZK bn



SME loans increased **+2% Y/Y** thanks to growing core SME lending (micro, small and mid-sized companies). Q/Q decline was caused by lower demand for investment loans.

Leasing, outstanding*, CZK bn



Outstanding volumes in **ČSOB Leasing** rose **+8% Y/Y** as a result of increase mainly in SME segment.

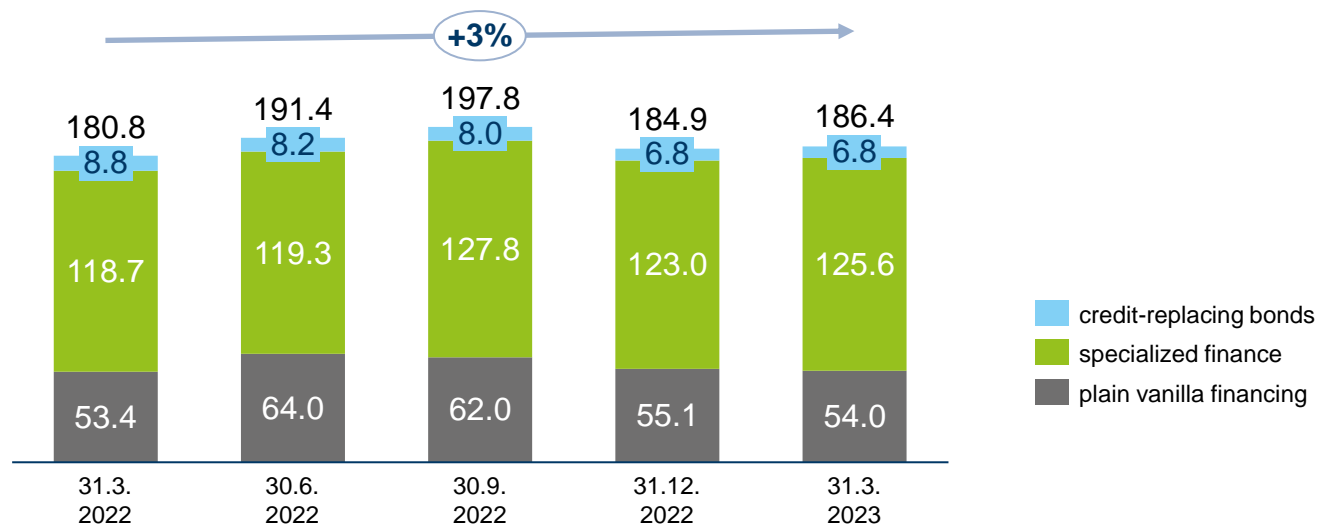
* Total exposure of ČSOB Leasing, excluding operational leasing.

Corporate segment

Growth of corporate loans and factoring

Corporate loans

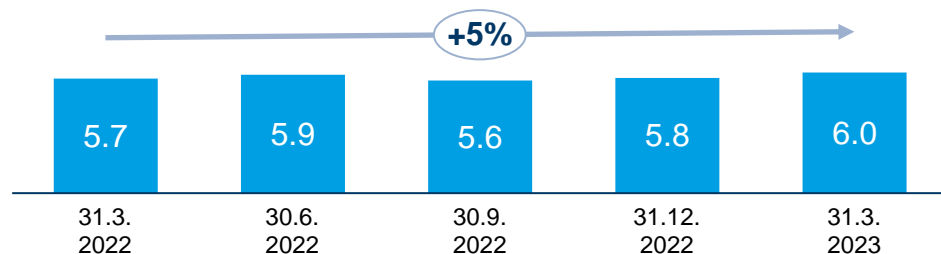
Outstanding, CZK bn



Outstanding volumes of **corporate loans** grew **+3% Y/Y** thanks to new investment loans mainly in sector of real estate.

Factoring

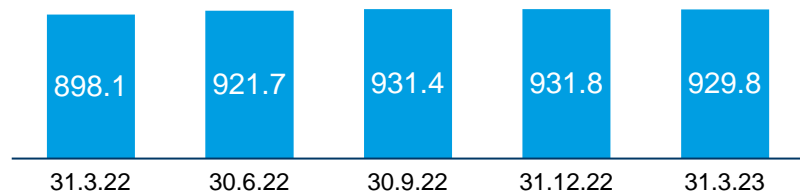
Outstanding, CZK bn



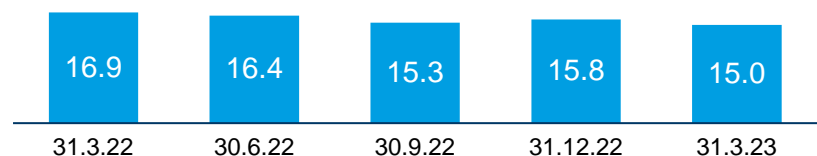
Factoring outstanding volumes increased **+5% Y/Y** driven by acquisition of new clients and higher interest in non-recourse factoring.

Excellent loan portfolio quality

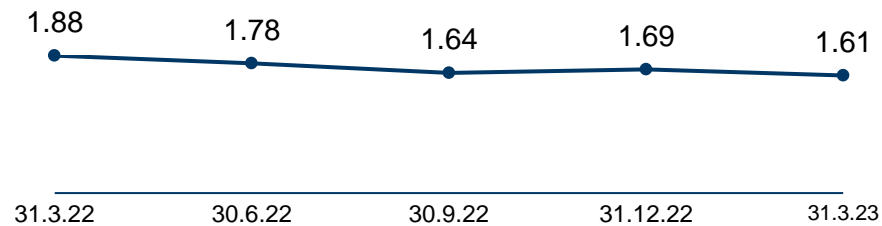
Credit risk: loan portfolio (CZK bn)



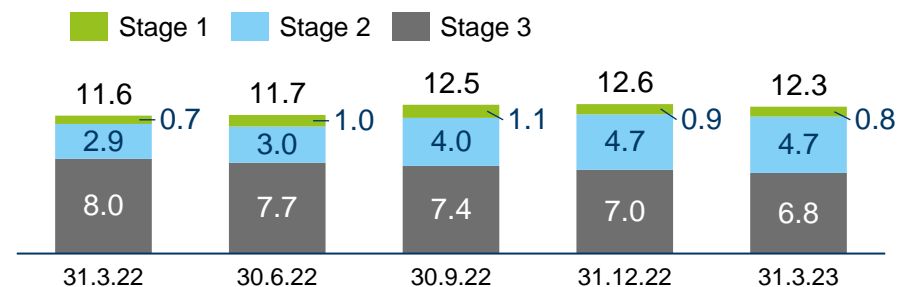
Non-performing loans (CZK bn)



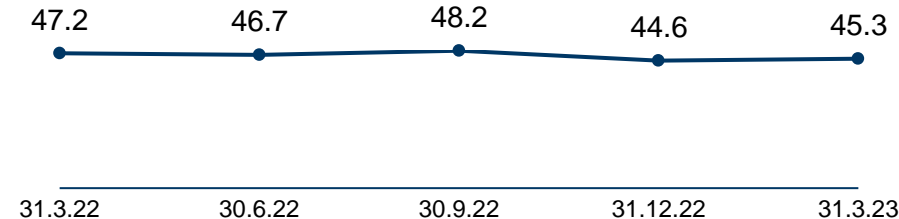
NPL ratio (%)



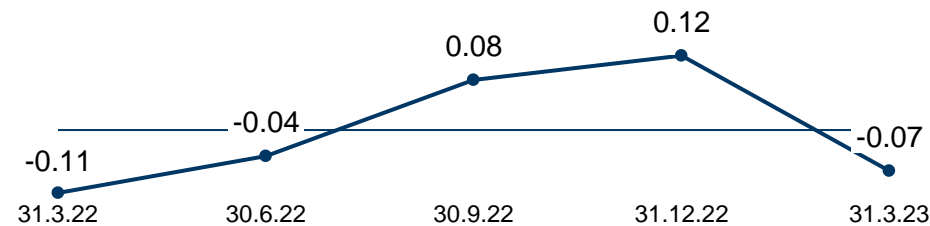
Allowances for loans and leases (CZK bn)



NPL coverage ratio (%)



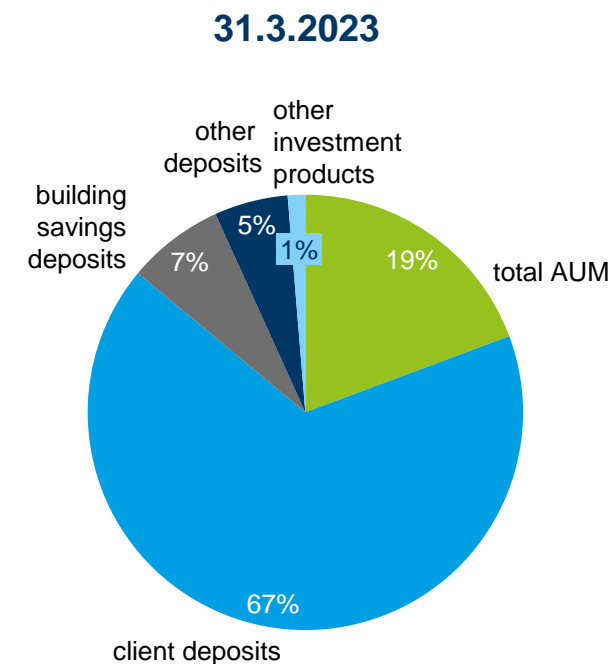
Credit cost ratio (% , Ytd. annualized)



Group deposits and Total assets under management

Growth of client deposits, strong increase of mutual funds

| Outstanding volumes, CZK bn | 31.3.2022 | 31.3.2023 | Y/Y |
|---|----------------|----------------|-------------|
| Group deposits | 1,353.5 | 1,340.2 | -1% |
| Total client deposits | 1,179.0 | 1,247.8 | +6% |
| ČSOB bank client deposits | 1,041.6 | 1,126.4 | +8% |
| <i>Current accounts</i> | 710.7 | 598.4 | -16% |
| <i>Savings deposits</i> | 228.0 | 250.1 | +10% |
| <i>Term deposits</i> | 102.9 | 277.8 | >+100% |
| Building savings deposits | 137.4 | 121.4 | -12% |
| Other deposits ¹ | 174.4 | 92.4 | -47% |
| Total AUM | 290.4 | 326.0 | +12% |
| Pension funds | 69.7 | 71.8 | +3% |
| Mutual funds | 170.5 | 198.9 | +17% |
| Other AM ² | 50.1 | 55.4 | +10% |
| Other investment products ³ | 20.6 | 22.0 | +3% |



¹ Other deposits predominantly consist of repo operations with institutional clients

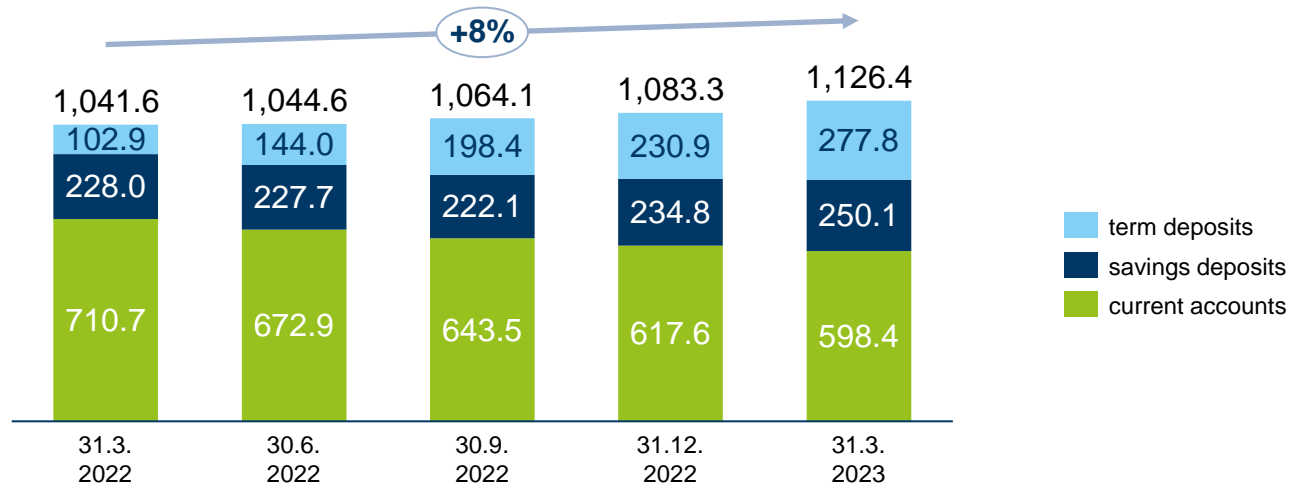
² Other AM includes discretionary asset management, qualified investors funds and other group assets

³ Including bonds, investment certificates and mortgage covered bonds. Not counted in total AUM. See definition in appendix.

Client deposits and building saving deposits

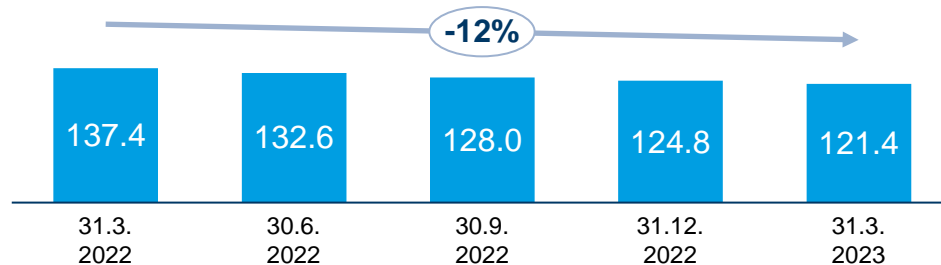
Sharp growth of term deposits

ČSOB bank client deposits (CZK bn)



ČSOB bank client deposits increased **+8% Y/Y** driven by the growth of **term deposits (>100%)** while **current accounts** decreased **-16% Y/Y**. **Saving deposits** up **+10% Y/Y**.

Building savings deposits (CZK bn)



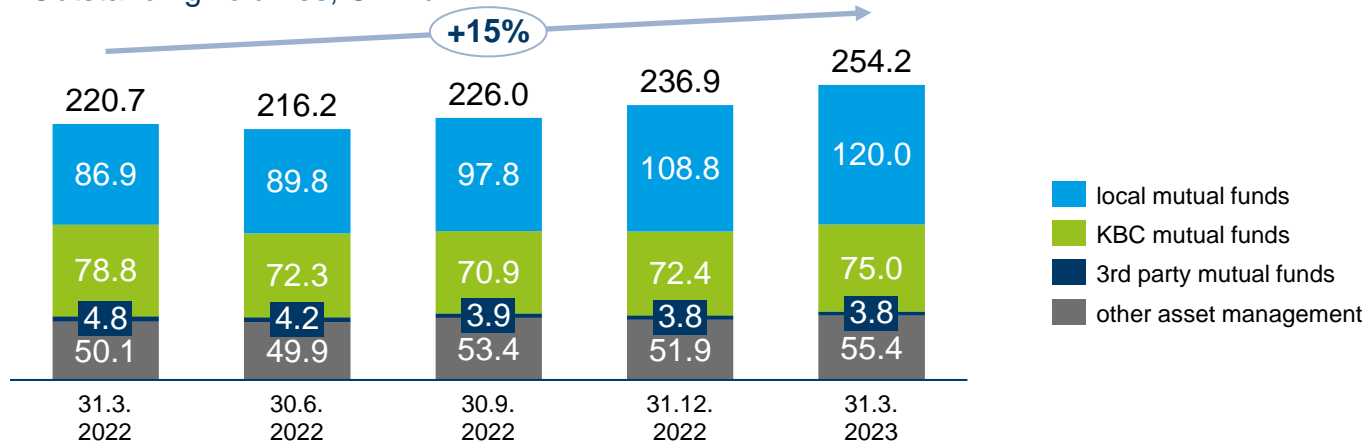
Building savings deposits decreased **-12% Y/Y** due to termination of existing contracts, however, number of new contracts increased **+7% Y/Y**.

Mutual funds, other asset management and pension funds

Double-digit growth of mutual funds

Mutual funds and other AM

Outstanding volumes, CZK bn



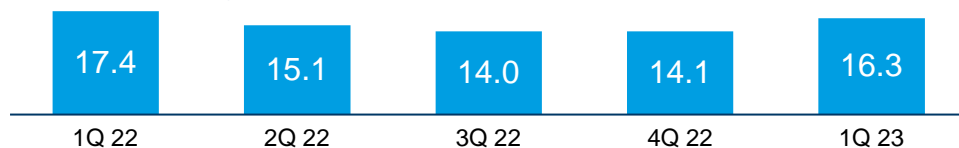
Mutual funds and other AM in total rose +15% Y/Y to CZK 254.2 bn.

Mutual funds grew +17% Y/Y thanks to significant investment into the short-term bond funds and money market funds and a positive performance effect.

ČSOB Premiéra, our largest mutual fund, surpassed CZK 50bn in assets.

Mutual funds

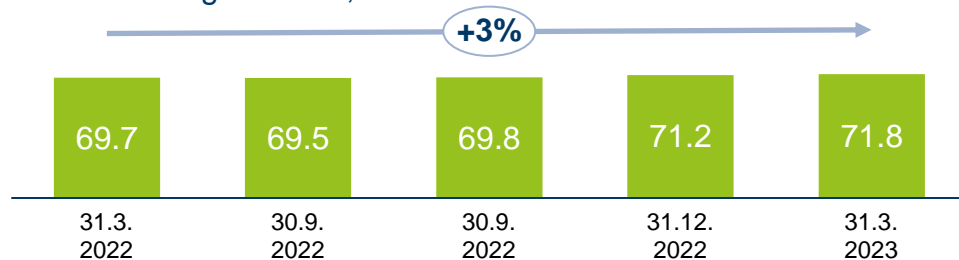
New sales (gross), CZK bn



New sales of mutual funds in 1Q 2023 surpassed CZK 16 bn (-7% Y/Y, +16% Q/Q).

Pension funds

Outstanding volumes, CZK bn



The volume of savings in pension funds increased +3% Y/Y.

Notes:

Mutual funds include funds managed by ČSOB AM as well as those distributed by the ČSOB group but managed by the KBC AM. Only direct positions are included (the funds bought directly by clients). Other asset management includes discretionary asset management, qualified investors funds and other group assets. AUM of Pension Funds managed by ČSOB AM are excluded and are shown separately in Pension funds section.

ČSOB group's distribution platform

Increasing number of clients and growing active client base

| | 31.3.2022 | 31.12.2022 | 31.3.2023 |
|---|------------------|------------------|------------------|
| Clients of ČSOB's group (mil.) | 4.284 | 4.340 | 4.339 |
| ČSOB branches (bank only) | 204 | 201 | 200 |
| ČSOB Retail/SME branches | 184 | 181 | 180 |
| ČSOB Private Banking branches | 11 | 11 | 11 |
| ČSOB Corporate branches | 9 | 9 | 9 |
| ČSOB Pojišťovna branches | 96 | 95 | 95 |
| Housing finance branches | 14 | 18 | 16 |
| ČSOBS advisory centers | 239 | 215 | 214 |
| Leasing branches | 6 | 5 | 5 |
| ČSOB PSB outlets of the Czech Post network | ca. 2,500 | ca. 2,400 | ca. 2,400 |
| - of which specialized banking counters | 234 | 235 | 235 |
| Czech Post franchise outlets | ca. 800 | ca. 800 | ca. 800 |
| ATMs¹ | 1,012 | 1,022 | 1,022 |
| - of which contactless | 763 | 861 | 875 |
| - of which deposit | 291 | 307 | 307 |

The **number of clients** increased +55ths Y/Y and stayed flat Q/Q. The **number of active clients increased +114ths Y/Y**.

At the end of March 2023, clients could use **1,022 ATMs** (+10 Y/Y) of which 875 were contactless (+112 Y/Y), 307 enabled cash deposits (+16 Y/Y) and **1,003** were customized for visually impaired clients.

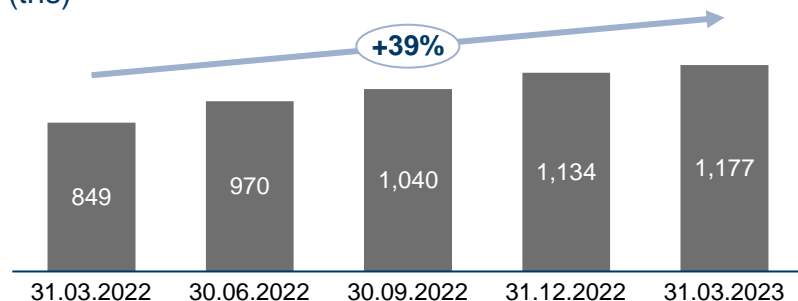
Due to ongoing optimization of the branch network and strengthening of the self-service platforms, the number of **ČSOB branches** reached 200 (-4 Y/Y) by the end of March.

Extended portfolio of bank-insurance services at Czech Post is provided at **235 specialized banking counters**. Clients can use our services at **16 housing finance branches, 214 ČSOBS advisory centers** and **5 leasing branches**.

Number of mobile banking active users and transactions rapidly increasing

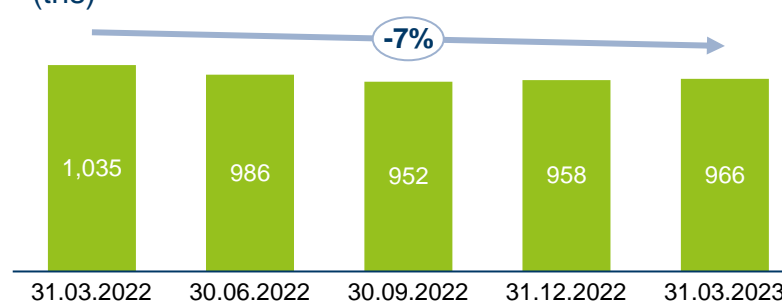
Mobile banking active users¹

(ths)



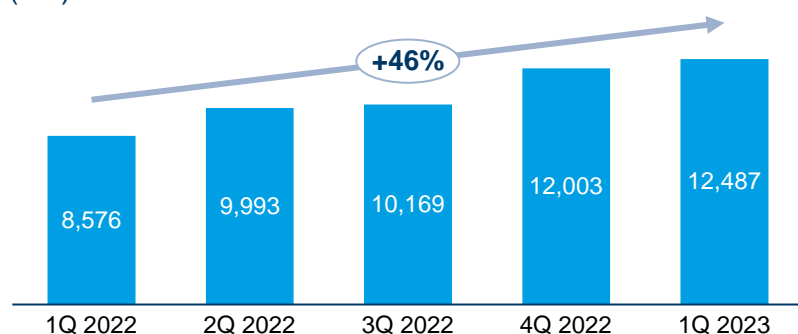
Internet banking active users²

(ths)



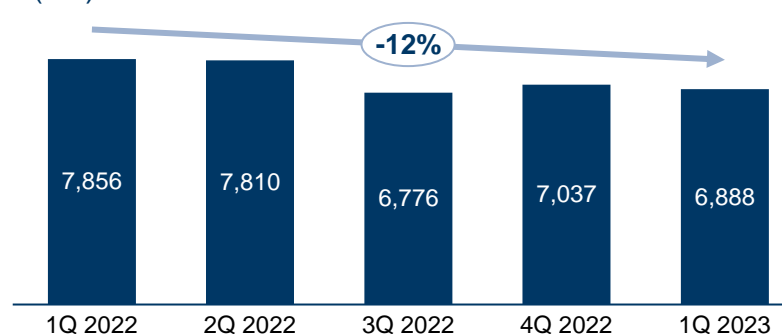
Mobile banking transactions³

(ths)



Internet banking transactions³

(ths)



As of 31 March 2023, the number of mobile banking **active users** increased +39% Y/Y. In 1Q 2023, the number of **transactions** via mobile banking rose +46% Y/Y.

As of 31 March 2023, the number of internet banking **active users** decreased -7% Y/Y. In 1Q 2023, the number of **transactions** via internet banking declined -12% Y/Y.

¹ Mobile banking active users are clients who at least once during the last 3 months used mobile banking.

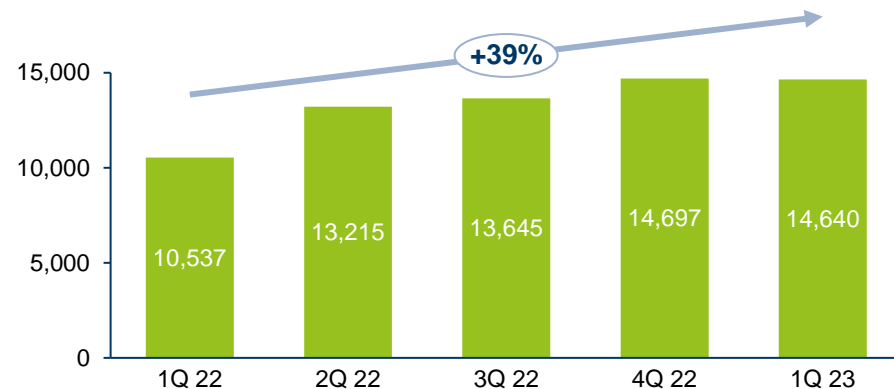
² Internet banking active users are clients who at least once during the last 3 months used internet banking

³ Only transactions of retail and private banking clients are included. Transactions from standing payment orders are excluded.

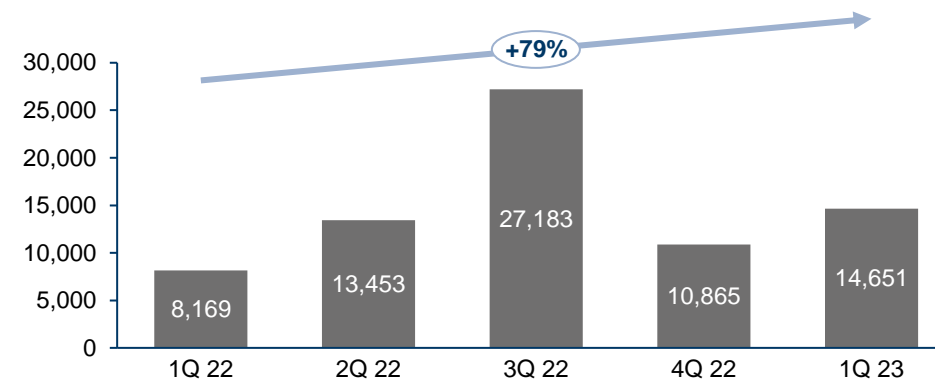
ČSOB group's distribution platform

Online initiated sales continue increasing

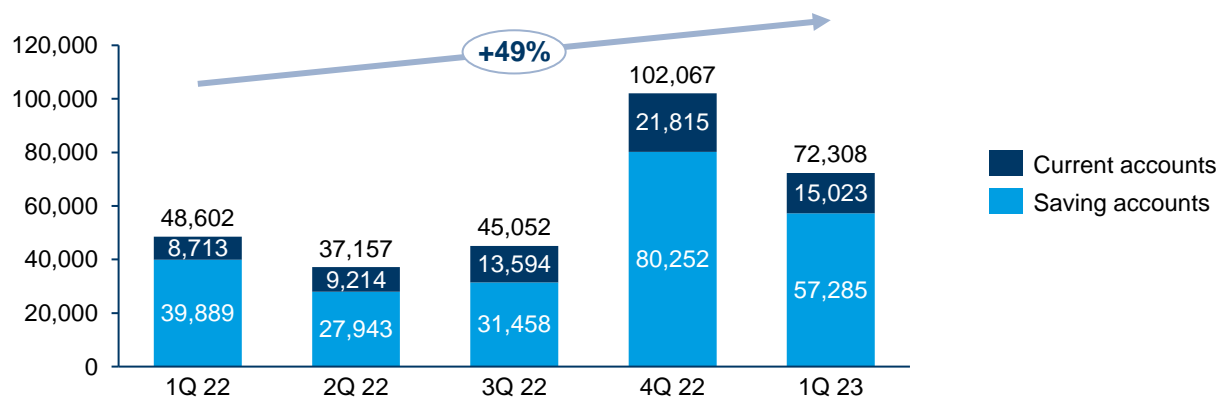
Consumer finance
(pcs)



Travel insurance
(pcs)



Current and saving accounts
(pcs)



Number of online initiated **current and saving accounts** increased **+49% Y/Y**.

In 1Q 2023, more than 14 thousand **consumer finance products** were initiated online, up **+39% Y/Y**.

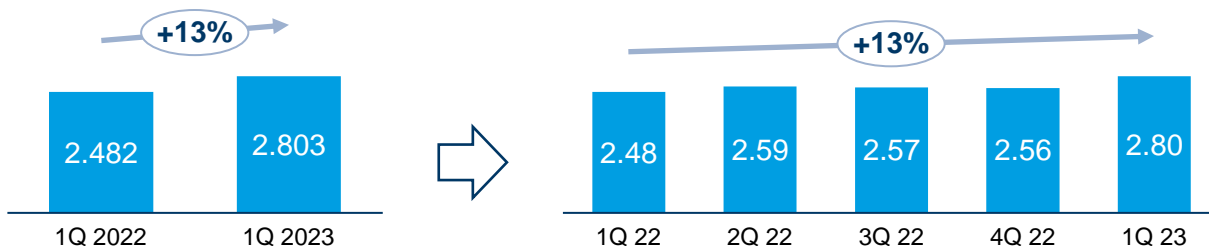
Online sales of **travel insurance** grew thanks to the rebound in international travel.

ČSOB Pojišťovna: Key Figures

Growth in non-life gross written premium in all major business lines

Non-life insurance - gross written premium (GWP)

CZK bn

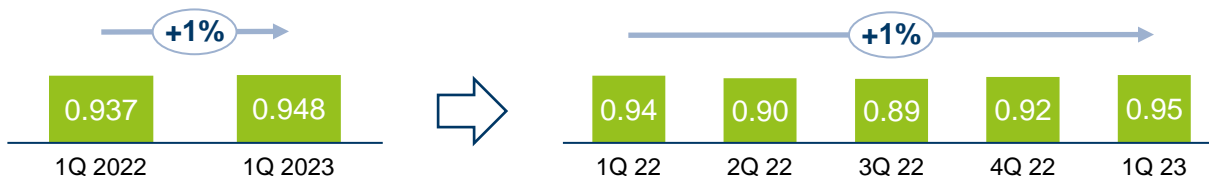


Non-life insurance

1Q 2023 non-life gross written premium increased **+13% Y/Y** thanks to industrial risk, house & households and motor segment insurance.

Life insurance – regular paid gross written premium

CZK bn



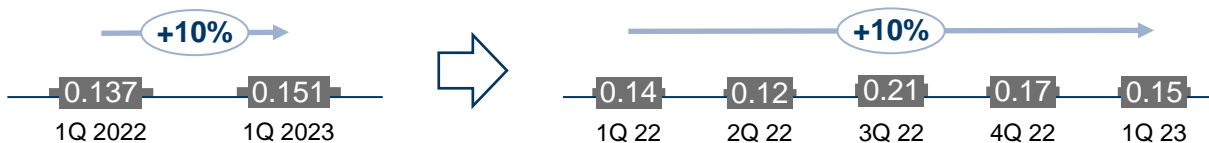
Life insurance

1Q 2023 **regular paid** gross written premium increased **+1% Y/Y** due to new business increase.

1Q 2023 **single paid** gross written premium increased **+10% Y/Y**.

Life insurance – single paid gross written premium

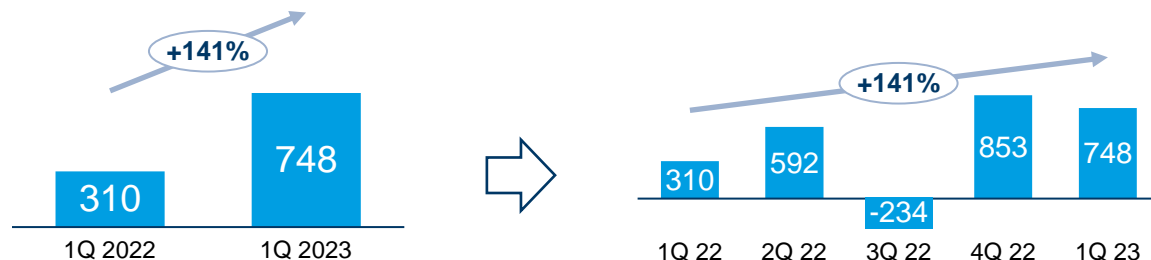
CZK bn



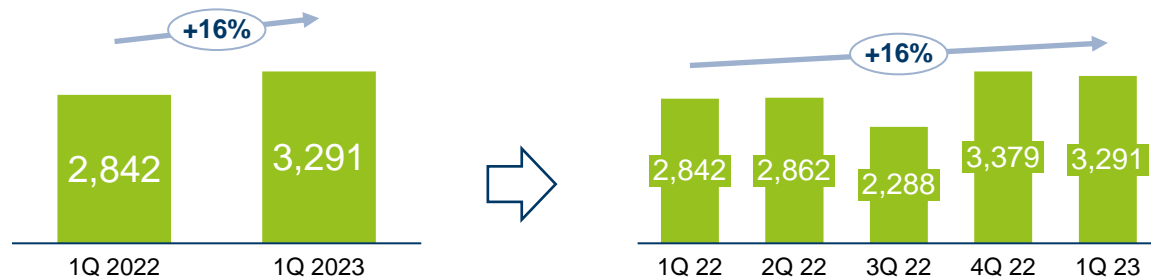
Insurance

Higher net profit thanks to life profit contribution

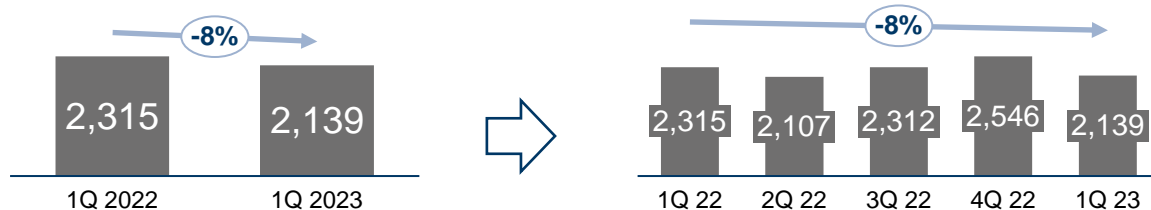
Net profit CZK m



Operating income CZK m



Insurance service expenses CZK m



IFRS17 is the international standard for measurement, accounting and reporting of insurance contracts. It cuts through the entire accounting closure and reporting processes in the company and changes the way insurers operate, calculate and report on their business. IFRS17 has no impact on reporting of sales volumes, market shares, clients reporting.

IFRS17 was published in 2017 with effective date as of 1 January 2023. For comparison purposes, 2022 figures were restated according to IFRS17.

1Q 2023 **net profit** increased to **CZK 748m** (+141% Y/Y) as a result of better contribution from both, life and non-life.

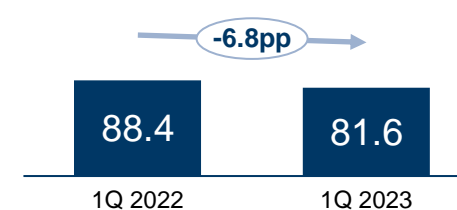
1Q 2023 **operating income** grew to **CZK 3,291m** (+16% Y/Y) thanks to higher net interest income, better insurance revenue and improved result in unit-linked investment.

1Q 2023 **insurance service expenses** decreased to **CZK 2.139m** (-8% Y/Y) driven by lower level of claims.

Non-life combined ratio reached **81.6%**.

In 3Q 2022, ČSOB Pojišťovna realized losses resulting from the sale of bonds.

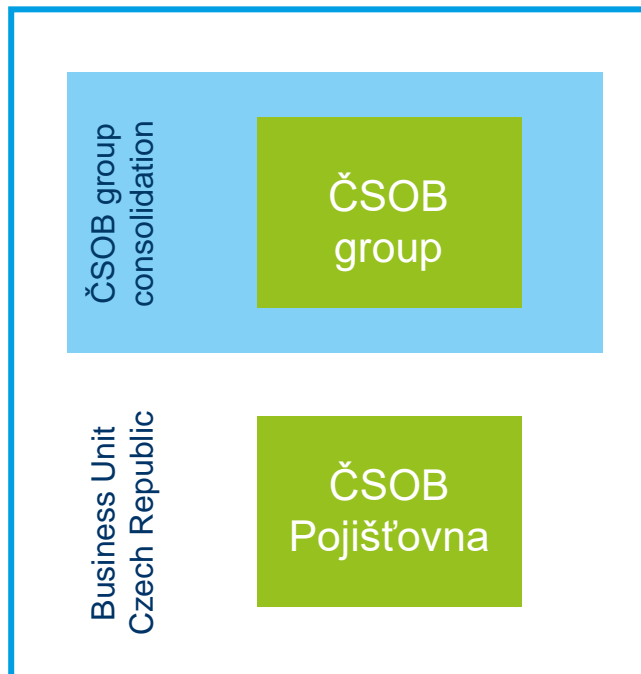
Non-life combined ratio (%)



Business Unit Czech Republic

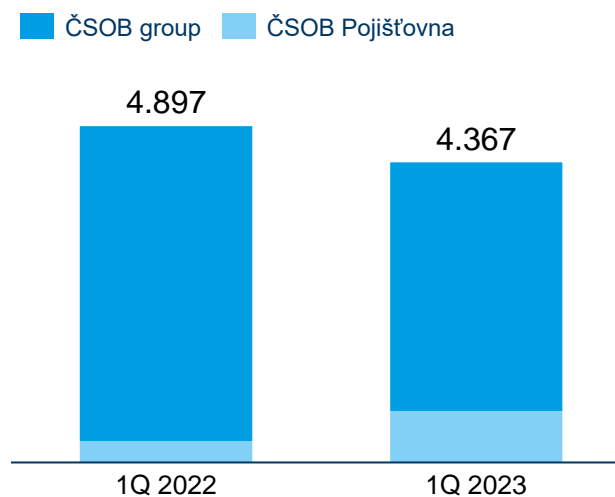


Business Unit Czech Republic 1Q 2023 net profit



Net profit of the Business Unit Czech Republic

CZK bn



The 1Q 2023 net profit of the Business Unit Czech Republic reached **CZK 4.4bn** (-11% Y/Y).

The Business Unit Czech Republic contains all KBC's operations in the Czech Republic, namely the ČSOB group, and full ownership of ČSOB Pojišťovna.

| Net profit (CZK bn) | 1Q 2022 | 2Q 2022 | 3Q 2022 | 4Q 2022 | 1Q 2023 | 1Q/1Q |
|---------------------|---------|---------|---------|---------|---------|-------|
| BU Czech Republic | 4.897 | 6.008 | 4.175 | 0.971 | 4.367 | -11% |
| o/w ČSOB Pojišťovna | 0.310 | 0.592 | -0.234 | 0.853 | 0.748 | +141% |

Appendix

Ratios and other indicators

| Ratio / Indicator | 31.12.2020 | 31.12.2021 | 31.12.2022 | 31.3.2022 | 31.3.2023 |
|---|------------|------------|------------|-----------|-----------|
| Net interest margin (Ytd., annualized, %) | 2.31 | 2.08 | 2.54 | 2.65 | 2.30 |
| Cost / income ratio (%) | 54.6 | 55.5 | 54.3 | 54.0 | 63.6 |
| Cost / income ratio excl. bank. taxes (%) | 51.5 | 51.8 | 50.6 | 41.5 | 49.5 |
| RoE (Ytd., %) | 8.2 | 14.3 | 13.6 | 15.7 | 14.2 |
| RoA (Ytd., %) | 0.49 | 0.88 | 0.73 | 0.93 | 0.78 |
| RoAC, BU Czech Republic (Ytd., %) ¹ | 21.7 | 39.2 | 38.5 | 42.4 | 34.0 |
| Credit cost ratio (Ytd., annualized, %) ² | 0.67 | -0.42 | 0.12 | -0.11 | -0.07 |
| NPL ratio (%) ² | 2.26 | 1.83 | 1.69 | 1.88 | 1.61 |
| NPL coverage ratio (%) ² | 48.7 | 49.4 | 44.6 | 47.2 | 45.3 |
| Common Equity Tier 1 (CET1) ratio (%) | 23.7 | 22.4 | 19.8 | 21.6 | 20.2 |
| Total capital ratio (%) | 24.2 | 22.7 | 20.2 | 21.7 | 20.6 |
| Leverage ratio (Basel III, %) | 5.02 | 4.65 | 4.48 | 3.94 | 4.25 |
| Available MREL of RWA (%) | n.a. | 27.4 | 29.6 | 26.1 | 29.9 |
| Available MREL of LRE (%) | n.a. | 5.67 | 6.69 | 4.77 | 6.29 |
| Net stable funding ratio (Basel III, %) ³ | 169.9 | 171.3 | 171.8 | 184.7 | 177.1 |
| Liquidity coverage ratio (Basel III, %) | 137.7 | 143.5 | 156.2 | 133.6 | 152.4 |
| Loan to deposit ratio (%) | 71.6 | 71.1 | 70.6 | 69.8 | 68.6 |

¹ Fully-loaded

² The loan quality ratios have been restated to reflect inclusion of 100% of ČSOBS loans in Credit risk: loan portfolio. The originally reported ratios are in brackets.

³ As of 1Q 2021 change in methodology, previous periods were not restated

Profit and loss statement

| (CZK m) | 1Q 2022 | 4Q 2022 | 1Q 2023 | Y/Y | Q/Q |
|--|---------------|---------------|---------------|-------------|------------------|
| Net interest income | 7,790 | 7,509 | 6,973 | -10% | -7% |
| <i>Interest income</i> | 20,839 | 30,854 | 31,311 | +50% | +1% |
| <i>Interest expense</i> | -13,049 | -23,345 | -24,338 | +87% | +4% |
| Net fee and commission income | 2,072 | 1,810 | 2,169 | +5% | +20% |
| Net gains from financial instruments at FVPL ¹ | 1,527 | 359 | 686 | -55% | +91% |
| Other operating income ² | 514 | -3,209 | 248 | -52% | +/- |
| Operating income | 11,903 | 6,469 | 10,076 | -15% | +56% |
| Staff expenses | -2,581 | -2,638 | -2,539 | -2% | -4% |
| General administrative expenses | -3,230 | -2,316 | -3,159 | -2% | +36% |
| <i>General administrative expenses (excl. banking taxes)</i> | -1,743 | -2,304 | -1,737 | +0% | -25% |
| <i>Banking taxes</i> | -1,487 | -12 | -1,422 | -4% | >+100% |
| Depreciation and amortisation | -616 | -719 | -711 | +15% | -1% |
| Operating expenses | -6,427 | -5,673 | -6,409 | 0% | +13% |
| Impairment losses | 102 | -716 | 152 | +49% | +/- |
| <i>Impairment on financial assets at amortised cost</i> | 239 | -566 | 158 | -34% | +/- |
| <i>Impairment on goodwill</i> | 0 | -116 | 0 | n/a | n/a |
| <i>Impairment on other assets</i> | -137 | -34 | -6 | -96% | -82% |
| Share of profit of associates | -24 | -6 | -7 | -71% | +17% |
| Profit before tax | 5,554 | 74 | 3,812 | -31% | >+100% |
| Income tax expense | -942 | 171 | -195 | -79% | -/+ |
| Profit for the period | 4,612 | 246 | 3,617 | -22% | >+100% |
| Attributable to: | | | | | |
| Owners of the parent | 4,612 | 246 | 3,617 | -22% | >+100% |
| Non-controlling interests | 0 | 0 | 0 | n/a | n/a |

¹ FVPL = fair value through profit and loss

² Other operating income = Net realised gains from financial instruments at fair value through other comprehensive income (OCI), dividend income, income and expense from operating lease, other net income

Balance sheet - assets

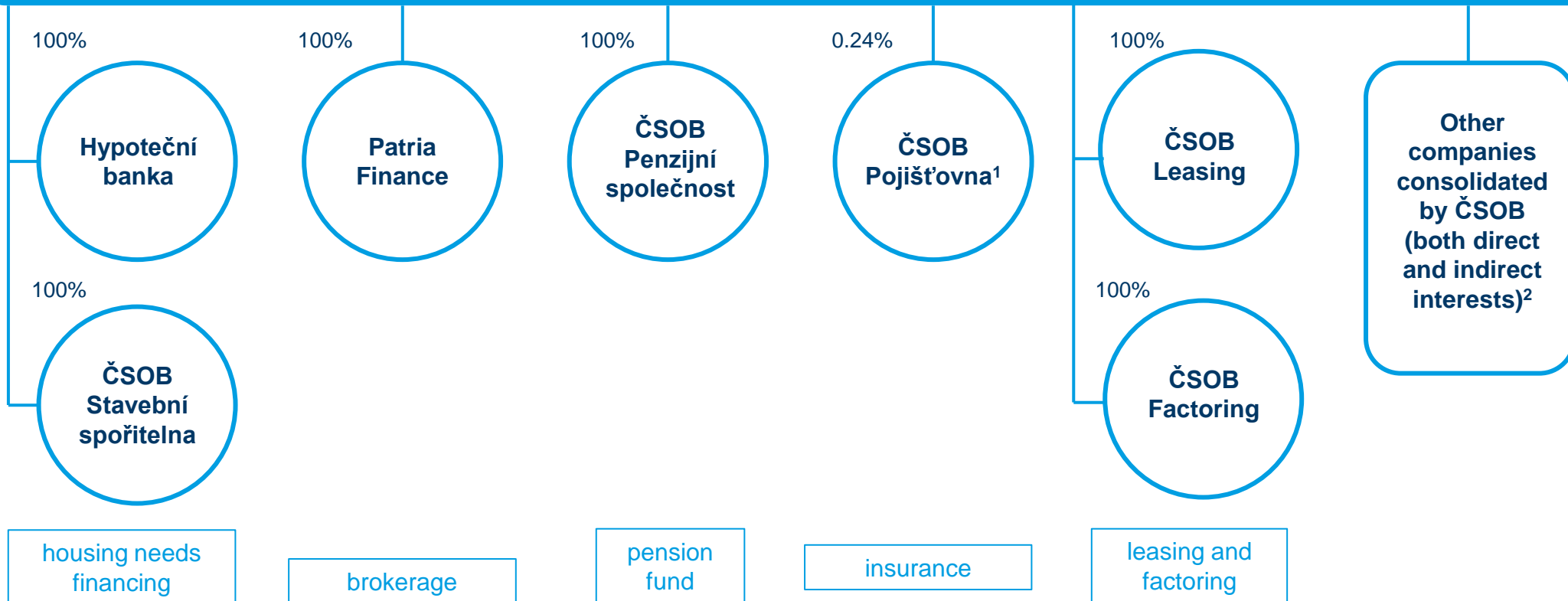
| (CZK m) | 31/3 2022 | 31/12 2022 | 31/3 2023 | Y/Y |
|---|------------------|------------------|------------------|-------------|
| Cash and balances with central banks and other demand deposits | 380,369 | 62,121 | 24,360 | -94% |
| Financial assets held for trading | 88,717 | 71,746 | 92,315 | +4% |
| Financial assets held for trading pledged as collateral | 0 | 0 | 0 | n/a |
| Financial assets designated at fair value through P/L | 0 | 0 | 0 | n/a |
| Non-trading financial assets mandatorily at fair value through profit or loss | 639 | 1,322 | 474 | -26% |
| Financial assets at fair value through other comprehensive income (OCI) | 18,242 | 15,585 | 14,697 | -19% |
| Financial assets at fair value through OCI pledged as collateral | 111 | 72 | 1,173 | >+100% |
| Financial assets at amortised cost - net | 1,637,929 | 1,574,761 | 1,758,507 | +7% |
| <i>Financial assets at amortised cost - debt securities (gross)</i> | 222,747 | 249,225 | 264,218 | +19% |
| <i>Financial assets at amortised cost - loans to credit institutions (gross)</i> | 582,091 | 465,010 | 628,199 | +8% |
| <i>Financial assets at amortised cost - loans to other than credit institutions (gross)</i> | 844,182 | 872,429 | 877,988 | +4% |
| <i>Financial assets at amortised cost - provisions</i> | -11,091 | -11,903 | -11,898 | +7% |
| Financial assets at amortised cost pledged as collateral | 27,701 | 24,721 | 20,092 | -27% |
| Fair value adjustments of the hedged items in portfolio hedge | -23,160 | -25,639 | -22,142 | -4% |
| Derivatives used for hedging | 39,015 | 48,425 | 43,503 | +12% |
| Current tax assets | 636 | 70 | 220 | -65% |
| Deferred tax assets | 1,622 | 2,514 | 2,503 | +54% |
| Investments in associates and joint ventures | 140 | 66 | 71 | -49% |
| Property and equipment | 13,226 | 12,917 | 12,677 | -4% |
| Goodwill and other intangible assets | 11,129 | 11,659 | 11,613 | +4% |
| Non-current assets held-for-sale | 23 | 41 | 55 | >+100% |
| Other assets | 5,981 | 5,236 | 6,978 | +17% |
| Total assets | 2,202,320 | 1,805,617 | 1,967,096 | -11% |

Balance sheet – liabilities and equity

| (CZK m) | 31/3 2022 | 31/12 2022 | 31/3 2023 | Y/Y |
|--|------------------|------------------|------------------|-------------|
| Financial liabilities held for trading | 94,621 | 73,506 | 93,706 | -1% |
| Financial liabilities at fair value through P/L | 24,411 | 23,839 | 24,646 | +1% |
| Financial liabilities at amortised cost | 1,944,821 | 1,583,056 | 1,723,032 | -11% |
| <i>of which Deposits received from central banks</i> | 0 | 0 | 0 | n/a |
| <i>of which Deposits received from credit institutions</i> | 178,087 | 43,708 | 131,838 | -26% |
| <i>of which Deposits received from other than credit institut.</i> | 1,353,505 | 1,231,800 | 1,340,172 | -1% |
| <i>of which Debt securities in issue</i> | 392,021 | 264,915 | 209,390 | -47% |
| <i>of which Subordinated liabilities</i> | 19,063 | 40,592 | 39,551 | >+100% |
| <i>of which Lease liabilities</i> | 2,145 | 2,041 | 2,081 | -3% |
| Fair value adjustments of the hedged items in portfolio hedge | -29,863 | -32,441 | -27,723 | -7% |
| Derivatives used for hedging | 35,686 | 42,039 | 36,977 | +4% |
| Current tax liabilities | 122 | 659 | 568 | >+100% |
| Deferred tax liabilities | 905 | 1,035 | 1,017 | +12% |
| Provisions | 675 | 4,542 | 604 | -11% |
| Other liabilities | 9,500 | 8,404 | 9,109 | -4% |
| Total liabilities | 2,080,878 | 1,704,639 | 1,861,936 | -11% |
| Share capital | 5,855 | 5,855 | 5,855 | 0% |
| Share premium | 20,929 | 20,929 | 20,929 | 0% |
| Statutory reserve | 18,687 | 18,687 | 18,687 | 0% |
| Retained earnings | 77,704 | 57,773 | 61,392 | -21% |
| Financial assets at fair value through OCI - revaluation reserve | -237 | -663 | -552 | >+100% |
| Cash flow hedge reserve | -1,472 | -1,578 | -1,131 | -23% |
| Foreign currency translation reserve | -24 | -25 | -20 | -17% |
| Parent shareholders' equity | 121,442 | 100,978 | 105,160 | -13% |
| Minority interest | 0 | 0 | 0 | n/a |
| Total equity | 121,442 | 100,978 | 105 160 | -13% |
| Total liabilities and equity | 2,202,320 | 1,805,617 | 1,967,096 | -11% |

The ČSOB group in the Czech Republic

Československá obchodní banka, a. s. banking services



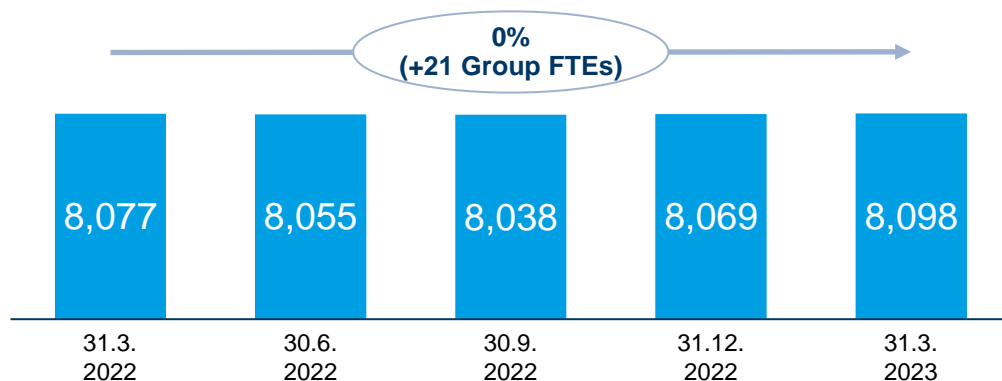
Percentages show ČSOB's ownership interests on company's equity as of 31 March 2023.

¹ 99.76% of shares owned by KBC Insurance; by the equity method consolidation.

² A complete list of companies consolidated by ČSOB is stated in ČSOB Annual Report.

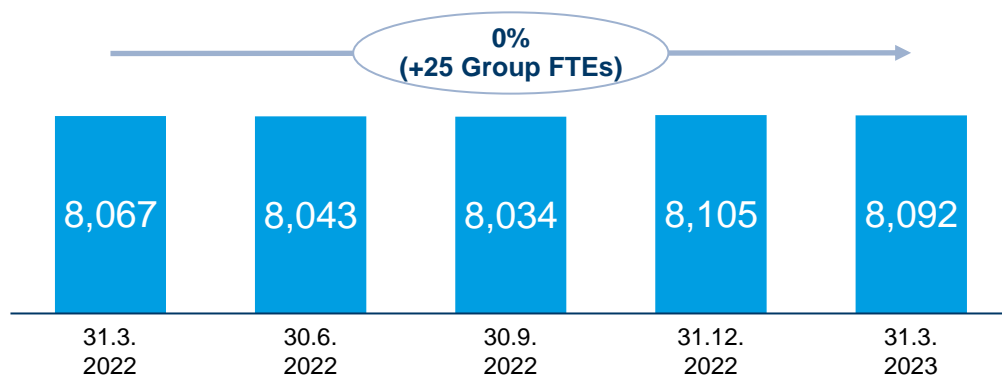
Employees

Number of FTEs – average



The average number of **Group FTEs** stayed **flat (+21 FTEs Y/Y)** as the saving from digitalization and robotization was compensated by the internalization in IT and digital.

Number of FTEs – end of the period



■ Group FTE¹

The number of **Group FTEs** at the end of the period increased **+25 Y/Y**.

Glossary - ratios

| | |
|---|--|
| Available MREL as a % of LRE (MREL leverage ratio) | $(\text{Total regulatory capital} + \text{Eligible liabilities}) / (\text{On-balance} + \text{Off-balance sheet items} + \text{Counterparty exposure for Derivatives and SFT} + \text{Add-ons})$ (according to CRR) |
| Available MREL as a % of RWA (MREL ratio) | $(\text{Total regulatory capital} + \text{Eligible liabilities}) / \text{Total RWA}$ (according to CRR) |
| Common Equity Tier 1 (CET1) ratio | Tier 1 capital (CET1) / Total RWA (according to CRR) |
| C/I (cost/income ratio) | Operating expenses / operating income, Ytd. |
| CCR (credit-cost ratio) | Total credit costs / average Credit risk: loan portfolio in the year (simple average of previous year end and reported period end balances); Ytd. |
| Leverage ratio | Tier 1 capital / $(\text{On-balance} + \text{Off-balance sheet items} + \text{Counterparty exposure for Derivatives and SFT} + \text{Add-ons})$ (according to CRR) |
| Liquidity coverage ratio | High quality liquid assets (unencumbered and convertible into cash) to liquidity needs (outflow – inflow) for a 30 calendar days time horizon under specified significant stress scenario (according to CRR) |
| Loan to deposit ratio | IFRS 9: Financial assets at amortised cost - loans to other than credit institutions (net) / Deposits received from other than credit institutions at amortised cost minus repo operations with non-banking financial institutions |
| Net stable funding ratio (NSFR) | Available amount of stable funding / required amount of stable funding (according to CRR) |
| NIM (net interest margin) | Net interest income excl. volatile short-term assets used for liquidity management / average interest earnings assets excl. volatile short-term assets used for liquidity management ; Qtd./Ytd., annualized |
| Non-life combined ratio | $(\text{Technical insurance charges, incl. the internal cost of settling claims} / \text{earned insurance premiums}) + (\text{operating expenses} / \text{written insurance premiums})$ (after reinsurance in each case, according to KBC group methodology) |
| NPL (non-performing loans) ratio | Outstanding amount of non-performing loans (incl. off-balance sheet items) / Credit risk: loan portfolio |
| NPL coverage ratio | Specific allowances for loans and leases (incl. off-balance sheet items) / non-performing loans (incl. off-balance sheet items) |
| ROA (return on assets) | Net profit for the year / average of total assets; Ytd., annualized |
| ROAC, BU Czech Republic (return on allocated capital) | Result after tax (including minority interests) of the ČSOB group, adjusted to take account of allocated capital instead of actual capital / average allocated capital of the ČSOB group (KBC group methodology) |
| ROE (return on equity) | Net profit for the year / average of total shareholders' equity; Ytd., annualized |
| Total capital ratio | Total regulatory capital / Total RWA (according to CRR) |

Glossary – other definitions

| | |
|----------------------------------|--|
| Active clients | Include clients with current account and active income. |
| Assets under management | Including pension funds, mutual funds (assets under management in structured/capital protected funds and other mutual funds), other asset management and assets under management products and assets under management of Slovak local funds managed in the Czech Republic. |
| Banking taxes | Including contribution to the Resolution Fund, Deposit insurance premium and Securities Traders Guarantee Fund. |
| Building savings deposits | All ČSOBS financial liabilities at amortized cost minus deposits received from other than credit institutions. |
| Building savings loans | All customer lending granted by ČSOBS in book values. Gross. |
| Consumer finance | Loan portfolio granted by ČSOB's retail network (ČSOB and PSB brand) in book values. Gross. |
| Corporate loans | Loan portfolio granted by ČSOB's corporate banking network in book values, including credit-replacing bonds. Gross. |
| Credit risk: loan portfolio | Including all payment credit, guarantee credit, standby credit and credit derivatives, granted by ČSOB to private persons, companies, governments and banks. Bonds held in the investment portfolio are included if they are corporate- or bank-issued, hence government bonds and trading book exposure are not included. |
| Group deposits | Item Deposits received from other than credit institutions from the consolidated balance sheet (incl. ČSOBS/building savings deposits). |
| Loan portfolio | Loans and receivables to other than credit institutions (incl. ČSOBS/building savings loans) plus loans and receivables to credit institutions minus exposure to banks from inter-bank transactions plus credit replacing bonds (in FVOCI portfolio). |
| Leverage ratio exposure (LRE) | On-balance + Off-balance sheet items + Counterparty exposure for Derivatives and SFT + Add-ons (denominator of leverage ratio; according to CRR) |
| Mortgages | All loans booked in Hypoteční banka, including home equity loans and mortgage loans to legal entities, excluding intra-group loans. Gross. |
| MREL | Minimum requirement for own funds and eligible liabilities. |
| Other investment products | Including bonds, mortgage covered bonds and investment certificates issued by ČSOB or Hypoteční banka held by clients of Retail and Private banking which are reported either as Financial liabilities at fair value through P/L or as Financial liabilities at amortised cost - Debt securities in issue. |
| Other operating income | Net realized gains from financial instruments at fair value through other comprehensive income (OCI) + dividend income + income and expense from operating lease + other net income |
| SME loans | Loan portfolio granted by ČSOB's SME network in book values. Gross. |
| COR/SME green loans | Loans to our COR/SME customers in line with EU Taxonomy. |
| Loans for economical housing | Mortgages, bridging loans with Energy Performance Certificate A or B submitted by client. |
| Own GHG emissions | The total amount of CO ₂ production (in tons) covering all legal entities in ČSOB Group. Direct emissions arising from activities that fall under our control. Indirect emissions are associated with the consumption of purchased energy which do not arise directly from our business but are the result of the company's activities. |
| Responsible investments | Responsible investment funds (RI F) are collective investment instruments that choose the assets that make up the portfolio based on environmental, social and governance (ESG) criteria. |
| Total risk weighted assets (RWA) | Credit risk RWA + Market risk RWA + Operational risk RWA (according to CRR) |
| Trading and fair value income | Net gains from financial instruments at fair value through profit and loss. |

Contacts

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