1H/2Q 2018 Results
ČSOB Group

Business Unit Czech Republic

EU IFRS Unaudited Consolidated
9 August 2018

Contents

- ČSOB Group
  - Key Figures
  - Financial Overview
  - Business Overview
- ČSOB Pojišťovna
- Business Unit Czech Republic
- Appendix

ČSOB Group: Key Figures

Excellent loan quality and solid growth in business volumes
Lower net profit mainly due to higher base in the previous year

ČSOB group key indicators		2015	2016	2017	1H 2017	1H 2018
Profitability	Net profit (CZK bn)	14.0	15.1	17.5	9.4	7.5
	Return on equity	16.4%	17.3%	19.3%	21.1%	16.4%
Liquidity	Loan to deposit ratio	79.3%	79.4%	77.7%	76.7%	73.3%
	Net stable funding ratio	134.9%	150.9%	146.0%	145.9%	150.7%
Capital	(Core) Tier 1 ratio	19.1%	18.2%	17.2%	16.8%	17.5%
Impairments	Credit cost ratio	0.18%	0.11%	0.02%	0.06%	-0.03%
Cost efficiency	Cost / income ratio	48.2%	46.0%	43.7%	42.0%	48.9%

Note:
As of 1Q 2017, calculation of Loan to deposit ratio has been changed, see new definition in Appendix.
In order to provide fully comparable figures, Loan to deposit ratio has been restated retrospectively for years 2015 and 2016.

Excellent loan quality and solid growth in business volumes
Lower net profit mainly due to higher base in the previous year

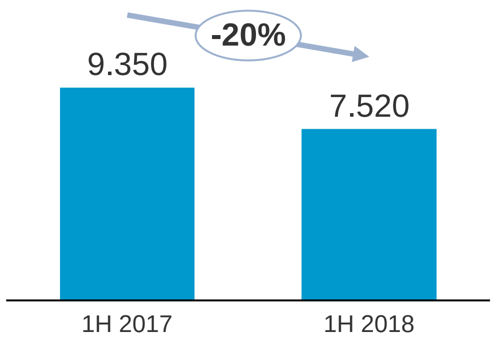
Business indicators	The **loan portfolio** (incl. ČMSS) increased to **CZK 679bn** (+4% Y/Y) driven mainly by mortgages and consumer finance. **Group deposits** (incl. ČMSS) grew to **CZK 969bn** (+14% Y/Y). Total **assets under management** reached **CZK 207bn** (+6% Y/Y). The number of **clients** rose +5 thousand Y/Y.
Operating income	**Operating income** reached **CZK 17.9bn** in 1H 2018 (-7% Y/Y) and **CZK 8.5bn** in 2Q 2018 (-10% Y/Y) reflecting lower other operating income due to higher base in the previous year (one-off gain from legal case, positive valuation adjustments, sale of bonds and revenues related to the end of ČNB's currency commitment in 1H/2Q 2017). The net interest income increased +7% Y/Y in 1H 2018 and +6% Y/Y in 2Q 2018.
Operating expenses	**Operating expenses** increased to **CZK 8.8bn** in 1H 2018 (+9% Y/Y) and **CZK 4.2bn** in 2Q 2018 (+10% Y/Y) due to higher staff expenses driven by wage adjustments, consolidation of "Ušetřeno.cz" and higher distribution expenses (methodological change linked to new partnership agreement with Czech Post*). Adjusted for the last two items, 1H/2Q 2018 operating expenses would increase +5% Y/Y and +6% Y/Y respectively.
Impairments	**Credit cost ratio** for 1H 2018 stood at **-3 bps** (Ytd. annualized, -9 bps Y/Y) thanks to the ongoing excellent loan quality. Other impairments increased Y/Y to CZK 487m in 1H 2018 due to revaluation of leased cars (operating leasing).
Net profit	As a result of the above mentioned factors, ČSOB's **net profit** came in at **CZK 7.5bn** (-20% Y/Y) in 1H 2018 and **CZK 3.5bn** (-25% Y/Y) in 2Q 2018.
Liquidity & Capital	**Loan to deposit ratio** decreased Y/Y to **73.3%**. **Tier 1 ratio** stood at **17.5%** and **net stable funding ratio** (NSFR) reached **150.7%**.
Achievements	For the year 2018, ČSOB was awarded as **the Best Bank in the Czech Republic** by international magazines Euromoney, Global Finance and EMEA Finance and won the second place in Sodexo award **Employer of the Year** (above 5,000 employees category regardless of industry). Active users of ČSOB's mobile banking increased by 28% Y/Y in 1H 2018. In April, ČSOB acquired the largest services comparator website "**Ušetřeno.cz**" (consolidated as of 1H 2018).

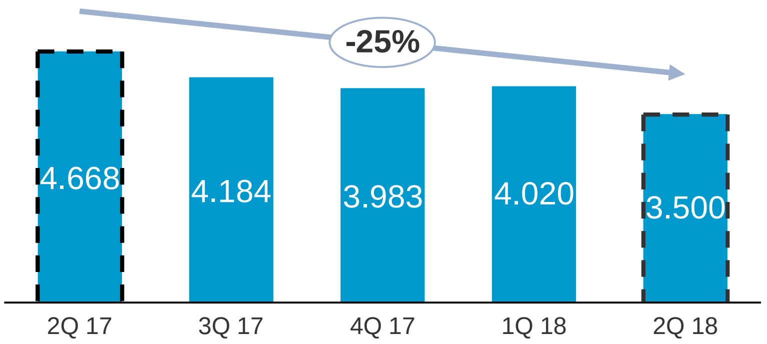
** See methodological note on page 43.*

The Y/Y net profit decline mainly due to higher base in the previous year

Net profit

CZK bn





1H/2Q 2018 **net profit** reached **CZK 7.5bn** (-20% Y/Y) and **CZK 3.5bn** (-25% Y/Y) respectively. The results reflect lower other operating income due to higher base in the previous year (one-off gain from legal case, positive valuation adjustments, sale of bonds and revenues related to the end of ČNB's currency commitment in 1H/2Q 2017), higher operating expenses and total impairments, while net interest income and net fee and commission income increased Y/Y.

The net release of loan loss provisions in 1H 2018 reflects ongoing excellent loan quality.

The return on equity (ROE) reached **16.4%**, down from 21.1% driven by lower net profit.

Notes (gross impact):

1Q 2017 one-off item: gain from historical legal case (CZK +0.4bn)

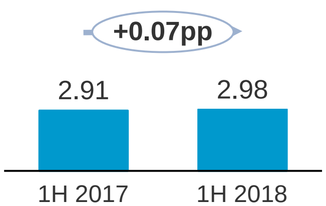
4Q 2017 one-off item: impairment on software (CZK -0.2bn)

Key ratios

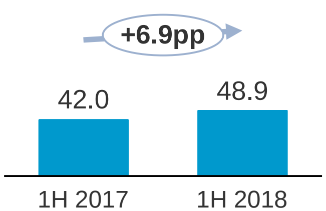
Increasing net interest margin and excellent loan quality

Profitability

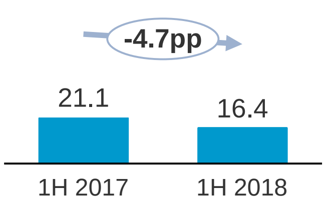
Net interest margin[1] (%)



Cost / income ratio (%)

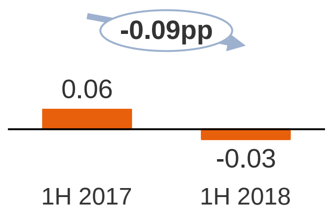


ROE (%)

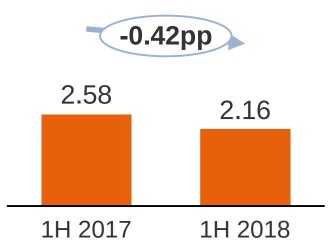


Loan portfolio quality

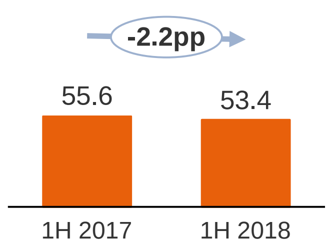
CCR, Ytd. annualized[2] (%)



NPL ratio[2] (%)

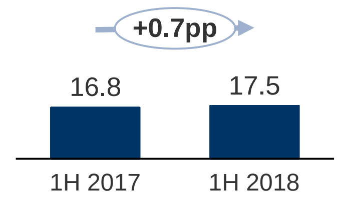


NPL coverage ratio[2] (%)

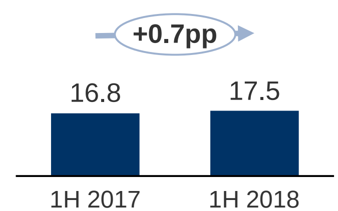


Capital

(Core) Tier 1 ratio (%)

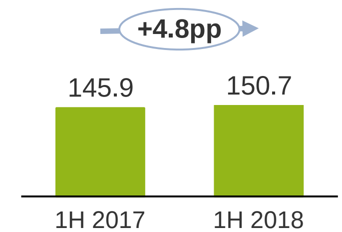


Total capital ratio (%)

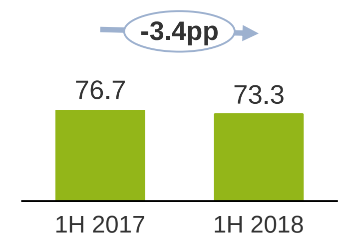


Liquidity

Net stable funding ratio (%)



Loan to deposit ratio (%)



[1] As of 1Q 2018, calculation of Net interest margin has been changed, see updated definition in Appendix. In order to provide comparable figures, 2017 has been restated retrospectively.
[2] As of 1H 2018, the definition of Credit risk: loan portfolio used for calculation has been changed. See methodological note on page 43. The 1H 2017 ratios taking into account the new definition: CCR 0.05%, NPL ratio 2.63%, NPL coverage ratio 52.9%.

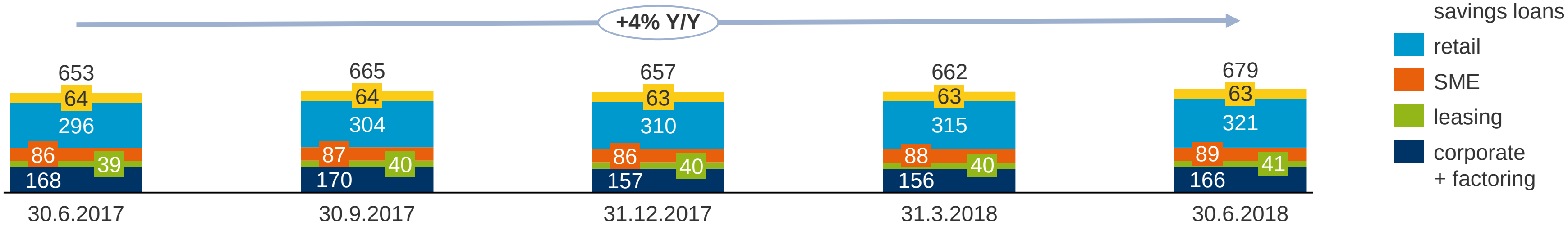
ČSOB

Loans, deposits and assets under management

Solid growth in business volumes

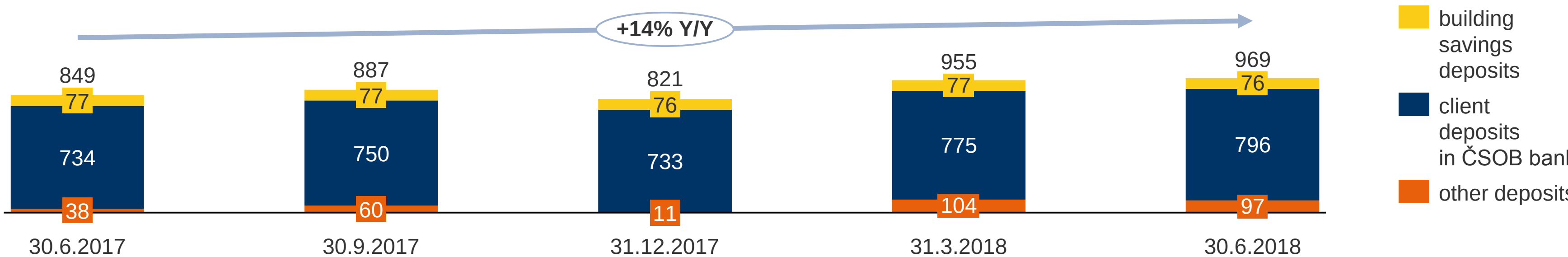
Loan portfolio[1]

CZK bn



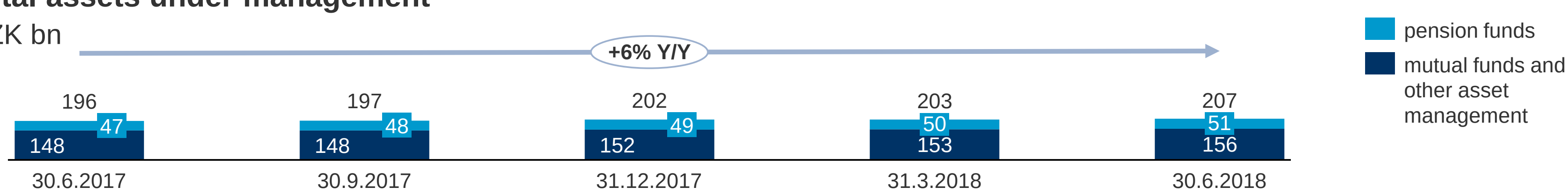
Group deposits[2]

CZK bn



Total assets under management

CZK bn

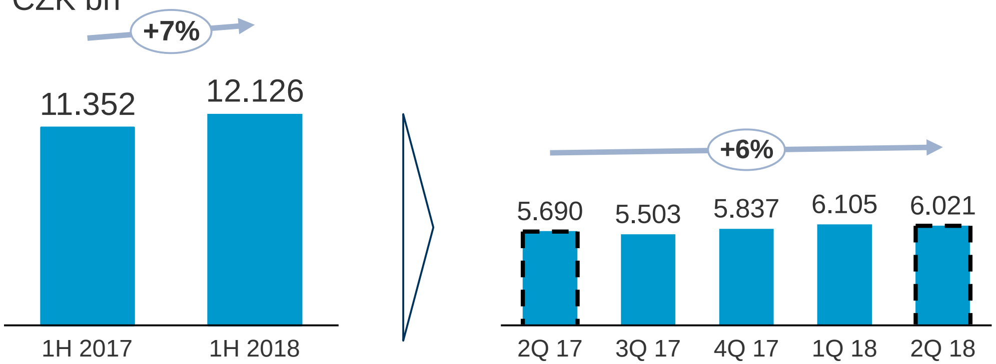


[1] *Item Loans and receivables (incl. ČMSS/building savings loans) minus exposure to banks from inter-bank transactions and reverse repo operations with ČNB plus credit replacing bonds.*
[2] *Item Deposits received from other than credit institutions from the consolidated balance sheet (incl. ČMSS/building savings deposits).*

ČSOB Group: Financial Overview

Higher net interest income as well as improved margin

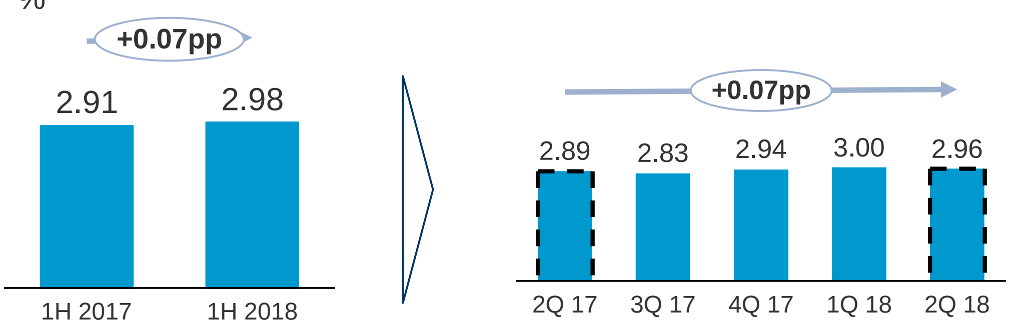
Net interest income (NII)



1H/2Q 2018 **net interest income** increased **+7% Y/Y** and **+6% Y/Y** respectively as a result of:

- (+) NII from deposits (in all segments)
- (+) other NII
- (-) NII from loans (driven by mortgages and corporate loans)

Net interest margin (NIM)*



In 1H 2018, **net interest margin** reached **2.98%** (+0.07pp Y/Y) thanks to higher reinvestment yields and active management of funding costs, partly offset by ongoing pressure on lending margins.

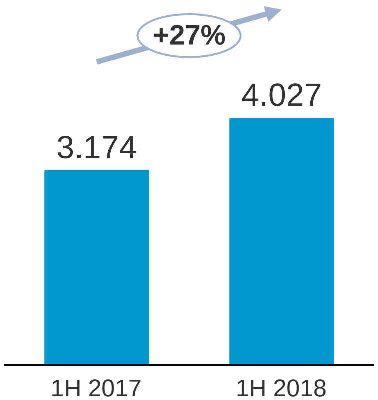
	2015	2016	2017	1H 2018
Net interest margin (Ytd., %)*	n/a (3.01)	3.00 (2.93)	2.90 (2.98)	2.98 n/a

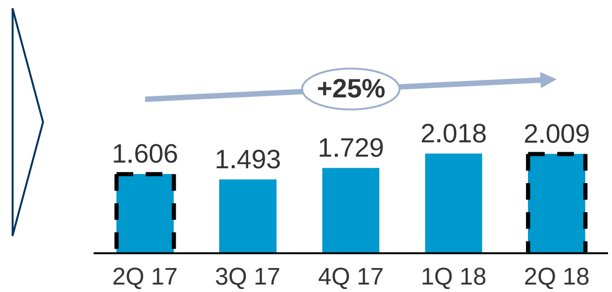
** As of 1Q 2018, calculation of Net interest margin has been changed, see new definition in Appendix. In order to provide comparable figures, years 2016 and 2017 have been restated. Previous values are in brackets.*

Net fee and commission income growth influenced by methodological changes

Net fee and commission income (NFCI)

CZK bn



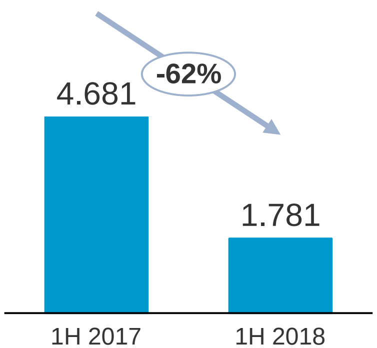


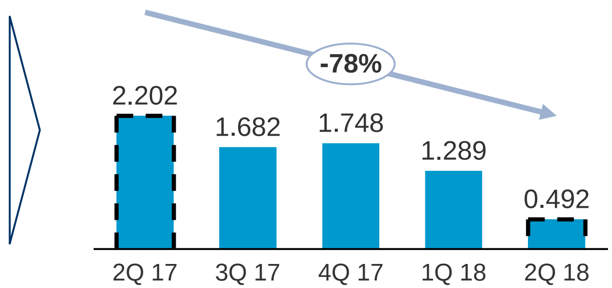
1H/2Q 2018 **net fee and commission income** increased **+27% Y/Y** and **+25% Y/Y** respectively.

Adjusted for the shift of network income*, lower distribution fees* and consolidation of “Ušetřeno.cz“, NFCI would increase **+1% Y/Y** in 1H 2018 mainly thanks to higher domestic payments and asset management fees.
In 2Q 2018, NFCI would decrease **-2% Y/Y** driven by lower loan and account fees.

Other**

CZK bn





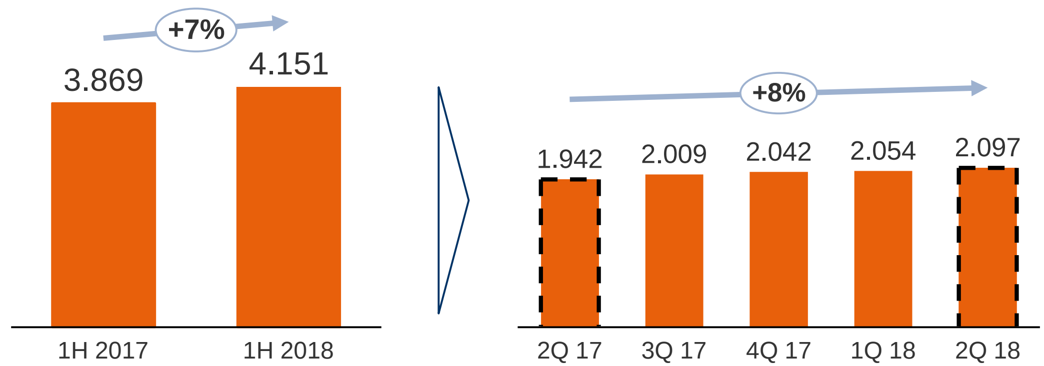
The **-62% Y/Y** decrease of item **“Other”** was influenced by higher base in 1H/2Q 2017 due to:

- shift of network income* to NFCI as of 2018,
- one-off gain from historical legal case in 1Q 2017,
- positive valuation adjustments,
- sale of bonds,
- revenues related to the end of ČNB’s currency commitment.

** See methodological note on page 43.*
*** Other = Net gains from financial instruments at fair value through profit and loss + 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*

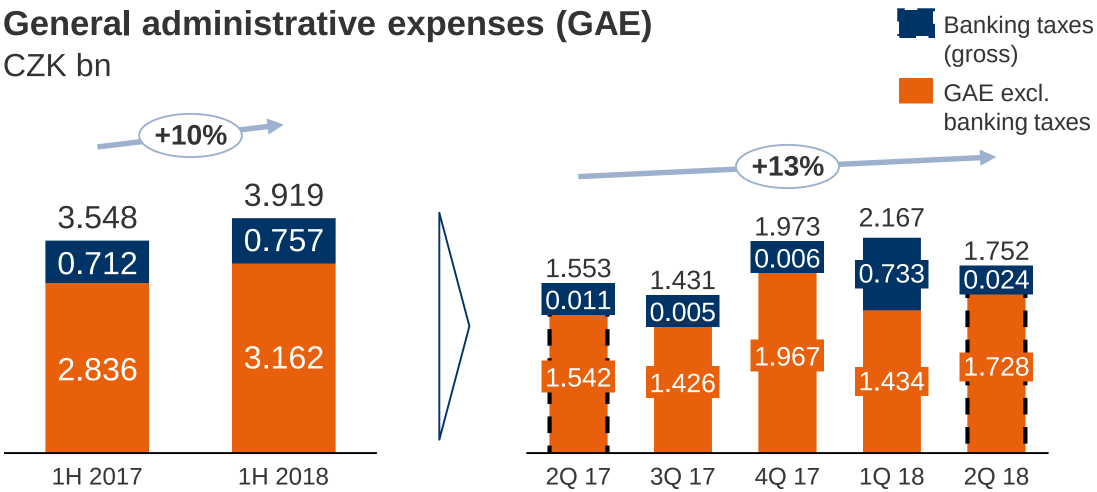
Staff and General administrative expenses
Higher staff expenses driven mainly by wage adjustments

Staff expenses
CZK bn



1H/2Q 2018 **staff expenses** increased **+7% Y/Y** and **+8% Y/Y** respectively due to wage adjustments and higher average number of FTEs. **Adjusted** for consolidation of "Ušetřeno.cz", staff expenses would increase by **+7% Y/Y** in both periods under review.

General administrative expenses (GAE)
CZK bn



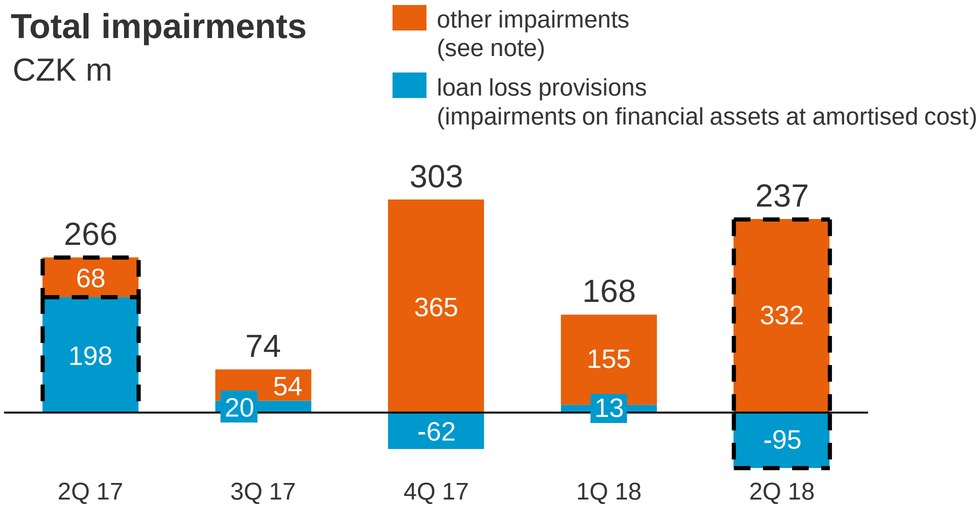
1H/2Q 2018 **general administrative expenses** increased **+10% Y/Y** and **+13% Y/Y** respectively. **Adjusted** for higher distribution expenses* (methodological change linked to new partnership agreement with Czech Post) and consolidation of "Ušetřeno.cz", general administrative expenses would increase **+3% Y/Y** and **+2% Y/Y** respectively mainly due to higher marketing expenses.

Cost/income ratio increased to **48.9%** (+6.9pp Y/Y).

** See methodological note on page 43.*

The net release reflects ongoing excellent loan quality

Total impairments
CZK m

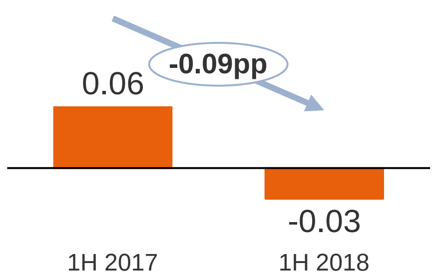


In 1H 2018, ČSOB released **loan loss provisions** in the amount of **CZK 82m**, compared to a net creation of CZK 173m in the same period last year, driven mainly by corporate and SME segment.

Other impairments increased Y/Y to **CZK 487m (net creation)**, compared to a net creation of CZK 65m in the same period last year, due to revaluation of leased cars (operating leasing).

Credit cost ratio* for 1H 2018 reached **-3 bps** (Ytd., annualized; -9 bps Y/Y).

CCR, Ytd. annualized*
%



Risk view on structure of the loan portfolio

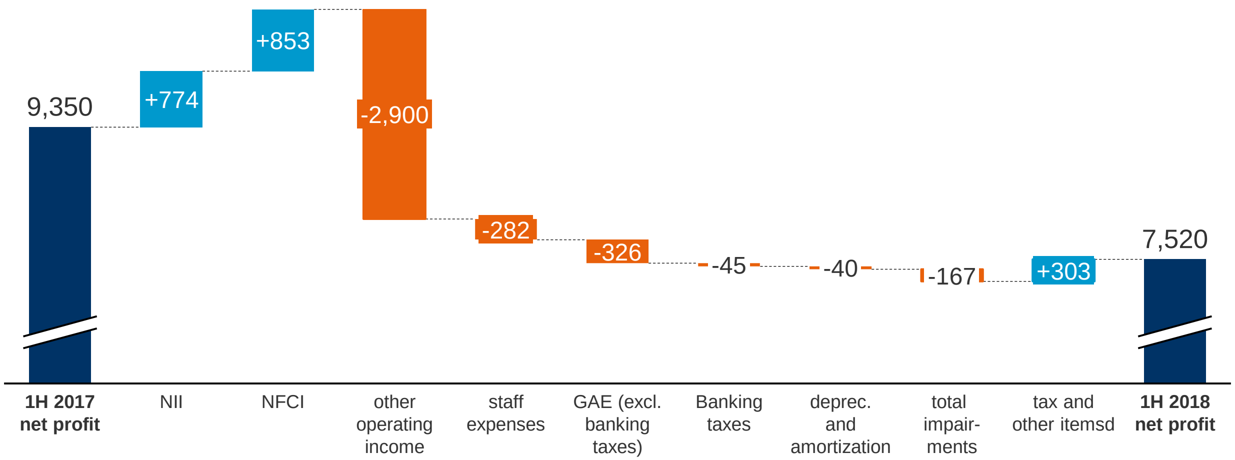
	30.6.2018	
IFRS 9 distribution	Amount (CZK bn)	Share on total loans
Loan portfolio (incl. ČMSS)	679.2	100%
Stage 1 - performing	628.6	93%
Stage 2 - underperforming	35.1	5%
Stage 3 - non-performing loans	15.5	2%

Notes:
Figures in graphs: (+) net creation/cost and (-) net release/revenue.
Other impairments include impairments on tangible and intangible assets.
** As of 1H 2018, the definition of Credit risk: loan portfolio used for calculation has been changed. See methodological note on page 43. Taking into account the updated definition, the CCR of 1H 2017 is 0.05%.*

Wrap up of net profit drivers

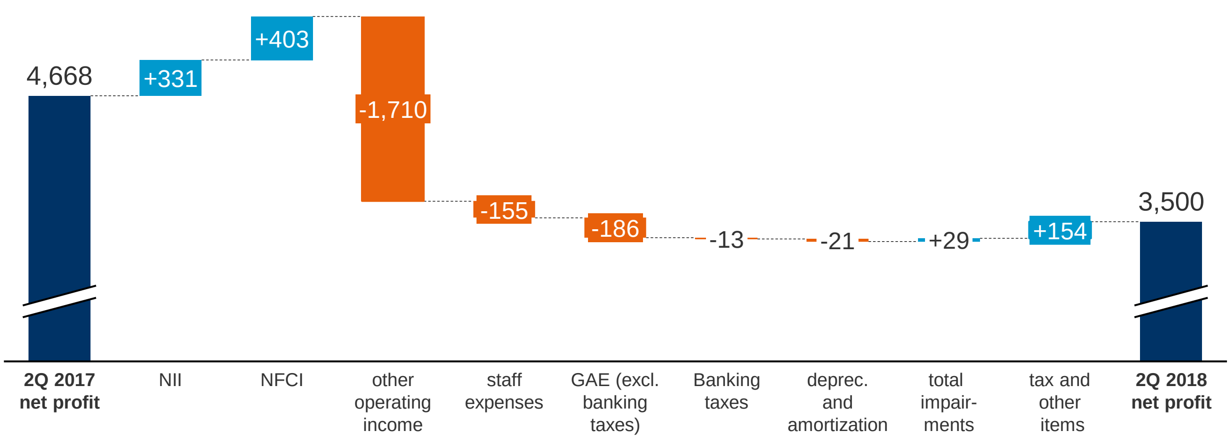
Ytd. net profit (Y/Y)

CZK m



Quarterly net profit (Y/Y)

CZK m



The main difference between 1H 2018 and 1H 2017 net profit was caused by the following drivers:

On the **positive side**:
- higher NII thanks to NII from deposits (in all segments) and other NII
- higher NFCI as a result of shift of network income, lower distribution fees, consolidation of "Ušetřeno.cz", higher domestic payments and asset management fees

On the **negative side**:
- lower other operating income due to higher base in 1H 2017 (shift of network income, one-off gain from historical legal case, positive valuation adjustments, sale of bonds and revenues related to the end of ČNB's currency commitment)
- higher total impairments driven by other impairments linked to the revaluation of leased cars (operating leasing)
- higher GAE mainly due to higher distribution and marketing expenses and consolidation of "Ušetřeno.cz"
- higher staff expenses linked to wage adjustments and higher average number of FTEs

The main difference between 2Q 2018 and 2Q 2017 net profit was caused by the following drivers:

On the **positive side**:
- higher NII driven by NII from deposits (in all segments) and other NII
- higher NFCI as a result of shift of network income, lower distribution fees and consolidation of "Ušetřeno.cz"

On the **negative side**:
- lower other operating income due to higher base in 2Q 2017 (shift of network income, positive valuation adjustments, sale of bonds and revenues related to the end of ČNB's currency commitment)
- higher GAE mainly due to higher distribution and marketing expenses consolidation of "Ušetřeno.cz"
- higher staff expenses linked to wage adjustments and higher average number of FTEs

Solid capital position

Consolidated, CZK m	30.6.2017	31.12.2017	30.6.2018
Total regulatory capital	**69,559**	**69,098**	**69,461**
- (Core) Tier 1 Capital	69,559	69,098	69,461
- Tier 2 Capital	0	0	0
Total capital requirement	**33,050**	**32,182**	**31,802**
- Credit risk	25,925	25,043	24,966
- Market risk	2,575	2,589	1,990
- Operational risk	4,550	4,550	4,846
Total RWA	**413,122**	**402,278**	**397,527**
(Core) Tier 1 ratio	**16.8%**	**17.2%**	**17.5%**
Total capital ratio	**16.8%**	**17.2%**	**17.5%**

The Y/Y decrease of **(Core) Tier 1 capital** due to lower interim profit retention and decrease in OCI which was partly compensated by decrease in prudential filters (deductible items). Implementation IFRS9 had only minimum impact.

Total RWA decreased Y/Y due to lower credit risk requirements as a result of corporate segment, measurement risk adjustments (MRA) and lower market risk requirements.

Notes:
RWA (risk weighted assets) = total capital requirement / 0.08
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 = (Core) Tier 1 + Tier 2

ČSOB Group: Business Overview

Gaining market share in consumer lending and insurance

Rank	Market	Share	Y/Y
1st	Building savings loans[1]	42.9%	↓
	Building savings deposits[1]	39.8%	↑
	Mortgages[1]	28.3%	↓
	Leasing[1]	18.2%	↓
2nd	**Total Loans[1]**	**19.5%**	↓
	Total Deposits[1]	**20.4%**	↑
	Mutual funds[1]	22.4%	↓
	Factoring[2]	23.2%	↓
3rd	Pension funds[3]	14.3%	↑
	SME/corporate loans[1]	14.8%	↓
	Consumer lending[1,4]	11.8%	↑
4th	Insurance[5] - combined	7.6%	↑
	Non-life insurance[5]	7.5%	↑
	Life insurance[5]	7.9%	↑

Arrows show Y/Y change. Market shares as of 30 June 2018, except for mutual and pension funds, factoring which are as of 31 March 2018.
The ranking is ČSOB's estimate. Market position in the insurance reflects combined position of the insurers belonging to the same business group.
[1] Outstanding at the given date (including ČMSS); [2] New business in the year to the given date; [3] Number of total clients at the given date; [4] Retail loans excluding mortgages and building savings loans. [5] New business in the year according to gross written premium.
Sources and detailed definitions are provided in Appendix.

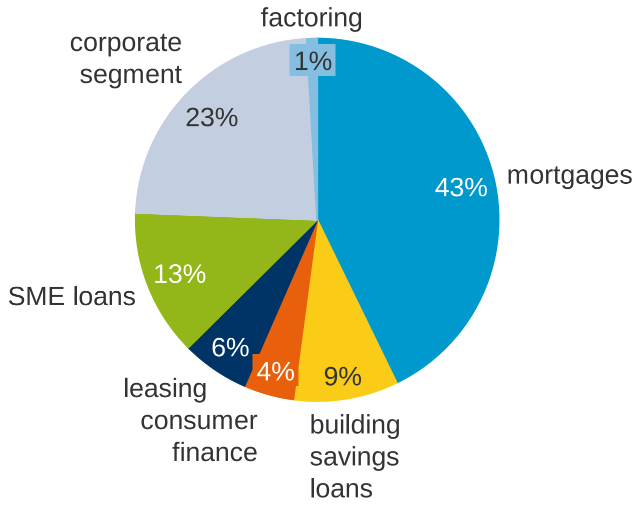
Loan portfolio

The Y/Y growth driven by mortgages and consumer finance

Gross outstanding volumes, CZK bn	30.6.2017	30.6.2018	Y/Y
Loan portfolio (incl. ČMSS/building savings loans)	**652.8**	**679.2**	**+4%**
Retail Segment			
Mortgages[1]	270.2	290.6	+8%
Consumer finance	26.1	30.3	+16%
Building savings loans[2]	64.3	63.3	-2%
SME/Corporate Segment			
Corporate loans[3]	162.3	159.4	-2%
SME loans	85.7	88.6	+3%
Leasing	38.7	40.7	+5%
Factoring	5.6	6.2	+12%
Other[4]	n/a	41.0	n/a
Credit risk: loan portfolio (excl. ČMSS/building savings loans)	**n/a**	**656.9**	**n/a**

30.6.2018
(incl. ČMSS/building savings loans)

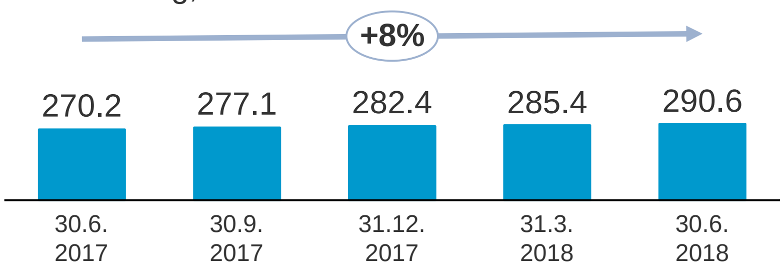
Almost 60% of the total loan portfolio is in retail, out of which majority in financing housing needs.



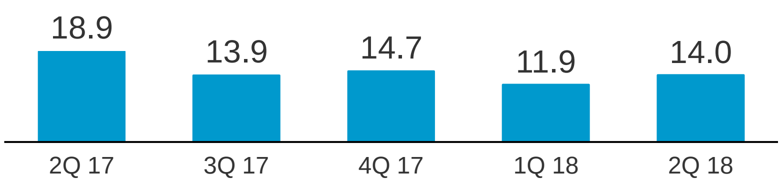
[1] The ČSOB group mortgages are booked in the balance sheet of ČSOB's subsidiary Hypoteční banka.
[2] The ČSOB group building savings loans are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in 55% but not included in the ČSOB's consolidated balance sheet.
[3] Including credit-replacing bonds.
[4] Including off-balance sheet items and ALM/financial markets exposures. See methodological note on slide 43.

Solid growth of mortgage outstanding volumes, higher new sales Q/Q

Mortgages
Outstanding, CZK bn



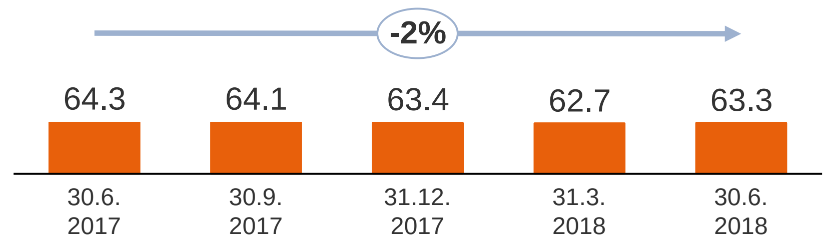
New sales*, CZK bn



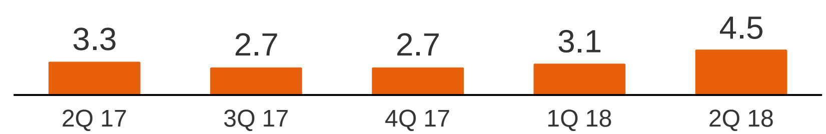
The **outstanding volume of mortgages** increased **+8% Y/Y**. The demand was influenced by rising interest rates and real estate prices.

In 2Q 2018, ČSOB provided over **6 thousand new mortgages** (-27% Y/Y) in the total amount of **CZK 14bn** (-26% Y/Y). The market decreased -16% Y/Y in the number and -13% Y/Y in the total amount of new mortgages.

Building savings loans
Outstanding (ČMSS 55%), CZK bn



New sales (ČMSS 55%)*, CZK bn



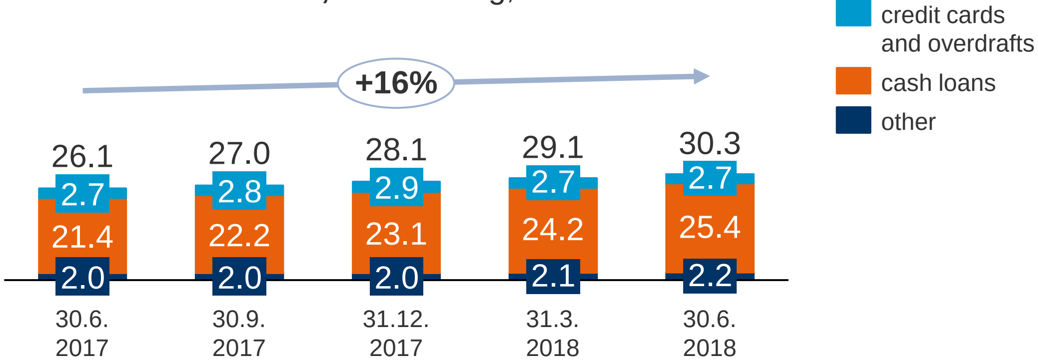
The outstanding **building savings loan portfolio** declined **-2% Y/Y**, while the market increased +5% Y/Y.

In 2Q 2018, **new sales** increased **+37% Y/Y** and **+45% Q/Q** thanks to improved attractiveness of ČMSS's product offer in financing housing needs.

** Mortgages: signed contracts, in line with MMR statistics.*
Building savings loans: granted loan limits.

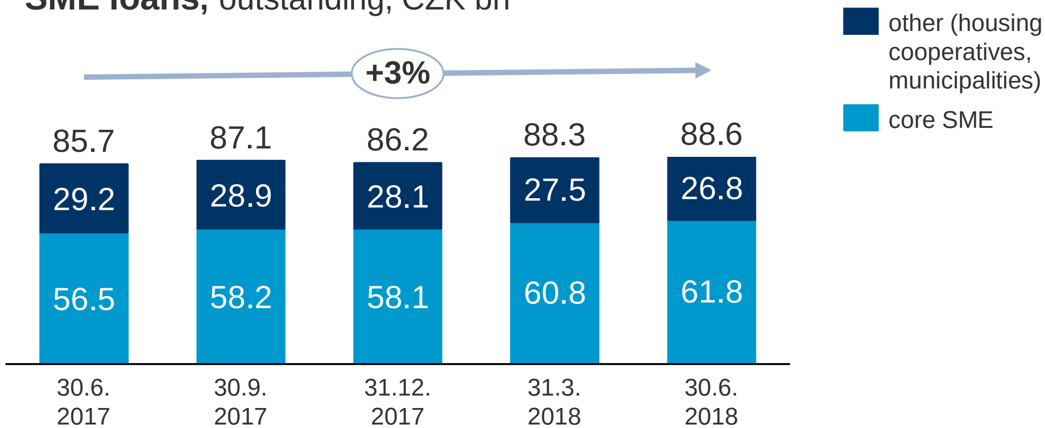
Double-digit growth in consumer finance

Consumer finance, outstanding, CZK bn



Consumer finance grew **+16% Y/Y** breaking through CZK 30bn driven by cash loans (+19% Y/Y) thanks to improved attractiveness of ČSOB's product offer (pricing, conditions, processing) for both existing and new clients. The growth was also supported by online initiated loans, which are gradually increasing and exceeded 10% share in the number of pieces.

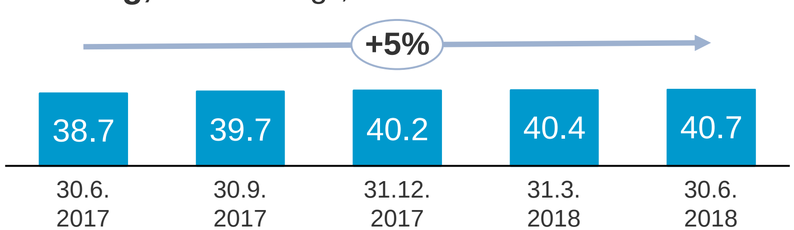
SME loans, outstanding, CZK bn



SME loans increased **+3% Y/Y** driven by expansion in core SME lending (micro, small and mid-sized companies, +9% Y/Y).

The loan volume provided to housing cooperatives and municipalities decreased Y/Y, however ČSOB remains market leader in housing cooperatives segment.

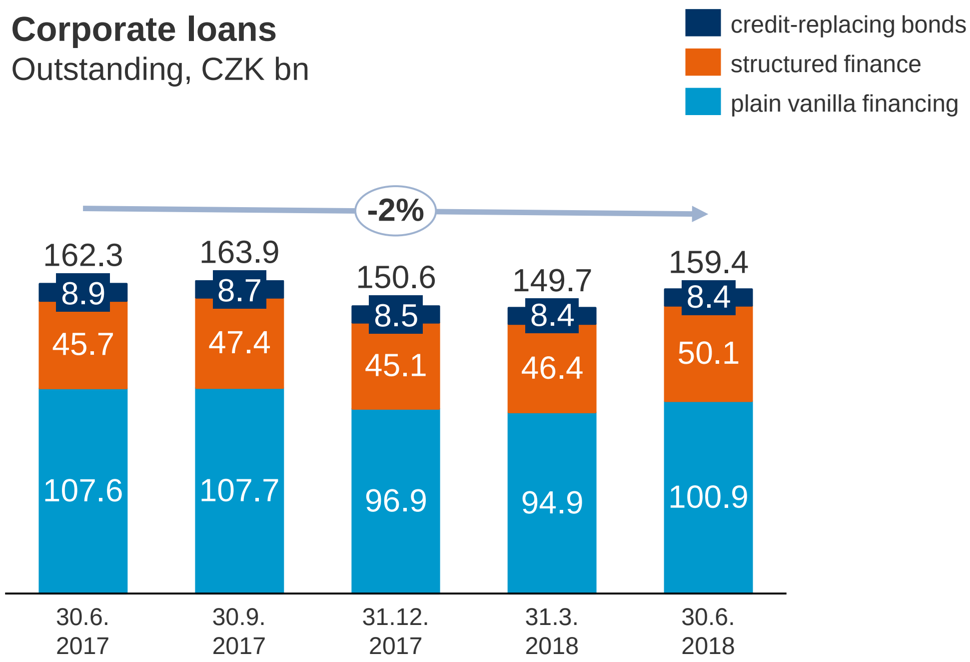
Leasing, outstanding*, CZK bn



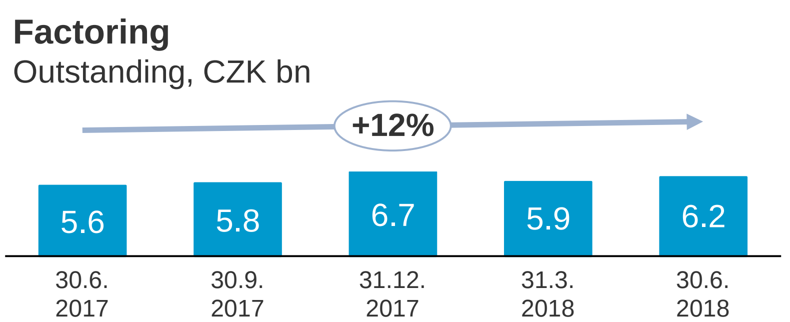
Outstanding volumes in **ČSOB Leasing** increased **+5% Y/Y.** The primary drivers were machinery & equipment financing mainly in the corporate and SME segments and car loans.

** Total exposure of ČSOB Leasing, excluding operational leasing.*

Extraordinary repayments of corporate loans mainly in financial sector



Outstanding volumes of **corporate loans** decreased **-2% Y/Y** due to extraordinary repayments mainly in financial and oil, gas & other fuels sectors.

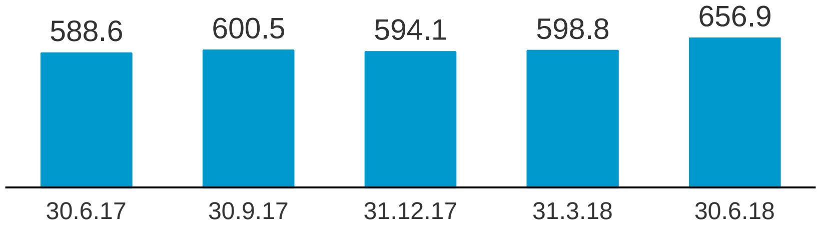


Factoring outstanding volumes increased **+12% Y/Y** thanks to a gradually growing client base.

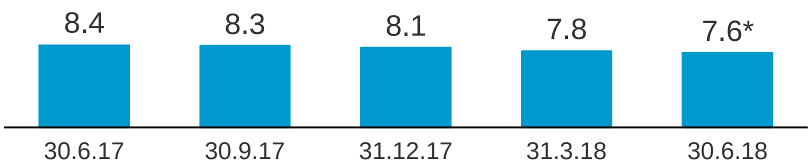
Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300m, local subsidiaries of international groups and selected institutional clients.

Record-low NPL ratio of 2.2% reflecting excellent loan quality

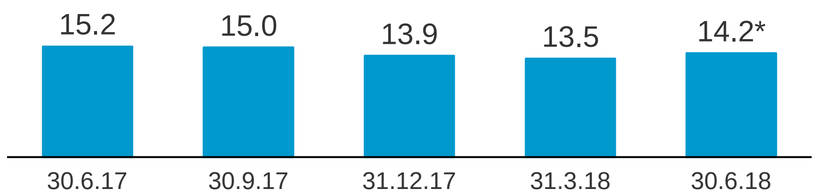
Credit risk: loan portfolio (excl. ČMSS) (CZK bn)



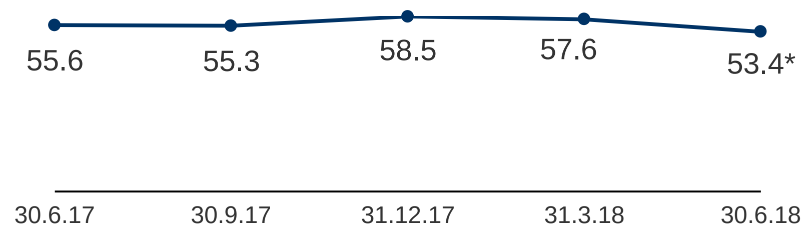
Allowances for loans and leases** (CZK bn)



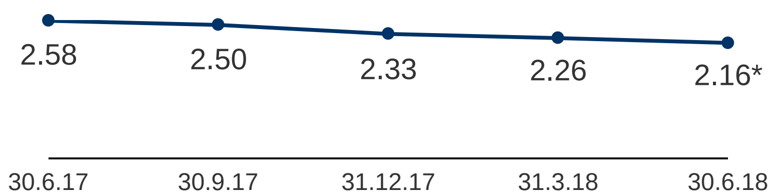
Non-performing loans (CZK bn)



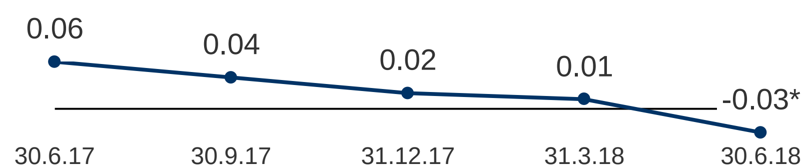
NPL coverage ratio (%)



NPL ratio (%)



Credit cost ratio (%)



** As of 30 June 2018, definition of Credit risk: loan portfolio has been changed, it includes on-balance sheet and off-balance sheet items. The scope additionally includes the following elements: bank exposure (money market placements, documentary credit, accounts), unauthorized overdrafts and reverse repo (excl. central bank exposure). The ratios taking into account the new definition as of 31.12.2017: Credit cost ratio 0.02%, NPL ratio 2.44%, NPL coverage ratio 55.2% and as of 30.6.2017: Credit cost ratio 0.05%, NPL ratio 2.63%, NPL coverage ratio 52.9%.*

*** Stage 3 only.*

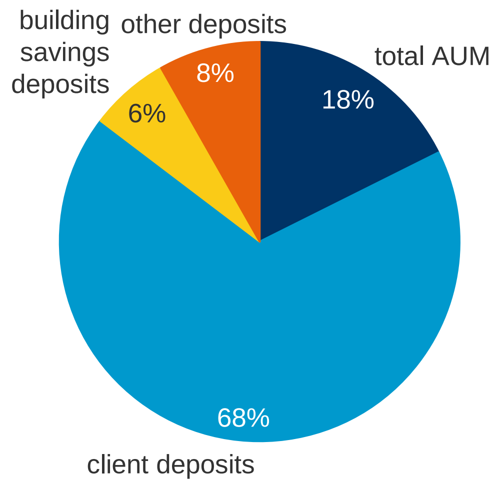
Strong growth of group deposits as well as AUM

Outstanding volumes, CZK bn	30.6.2017	30.6.2018	Y/Y
Group deposits (incl. ČMSS/building savings deposits)	**849.2**	**968.6**	**+14%**
Client deposits	733.7	796.2	+9%
Current accounts	*503.0*	*539.9*	*+7%*
Savings deposits	*216.8*	*215.6*	*-1%*
Term deposits	*13.9*	*40.7*	*>+100%*
Other deposits	38.3	96.6	>+100%
Building savings deposits[1]	77.2	75.8	-2%
Total AUM	**196.0**	**207.3**	**+6%**
Pension funds[2]	47.5	51.5	+8%
Mutual funds and other AM[3]	148.5	155.8	+5%

30.6.2018

(incl. ČMSS/building savings deposits)

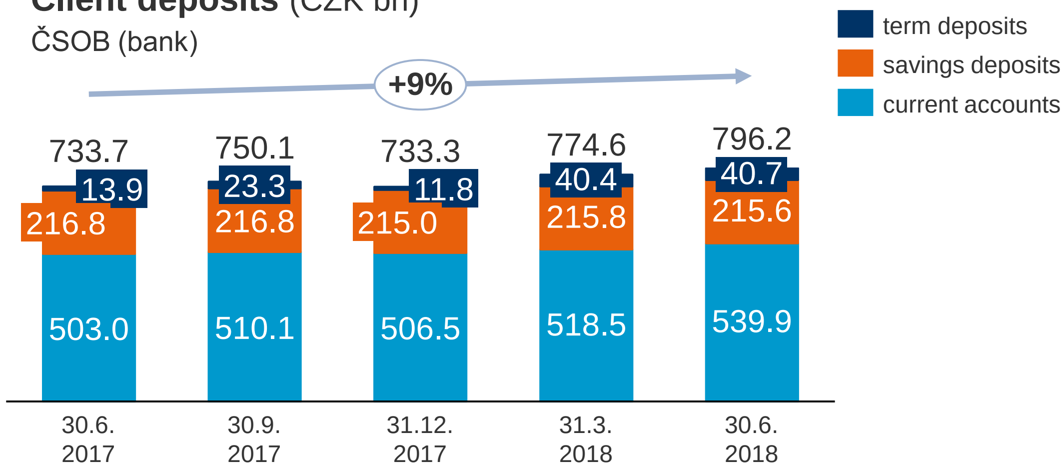
The other deposits predominantly consist of repo operations with institutional clients.



[1] ČSOB group building savings deposits are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in 55% but not included in the ČSOB's consolidated balance sheet.
[2] Liabilities to pension fund policy holders.
[3] Item "Mutual funds and other AM" includes AUM in structured/capital protected funds, AUM in other mutual funds, other asset management and AUM of Slovak AM.

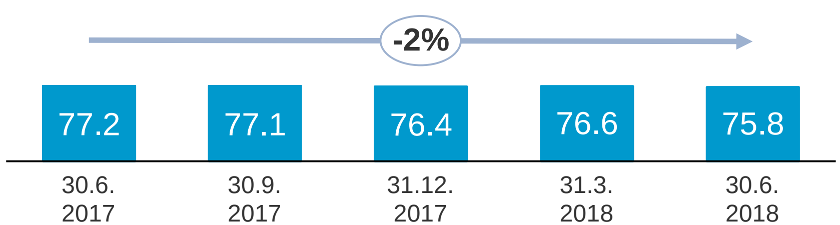
Growth in client deposits driven by current accounts and term deposits

Client deposits (CZK bn)
ČSOB (bank)



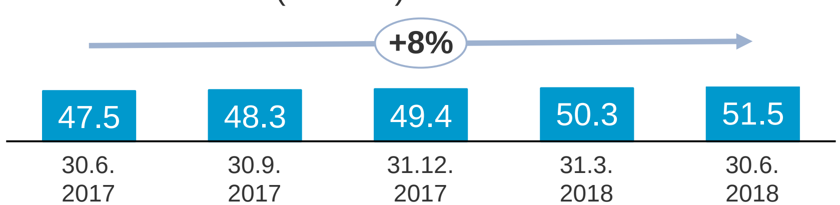
The **9% Y/Y** growth of **client deposits** was largely driven by **current accounts** (+7% Y/Y) and **term deposits** (>+100%). **Saving deposits** slightly decreased -1% Y/Y.

Building savings deposits (CZK bn)



The **building savings deposits** decreased -2% Y/Y.

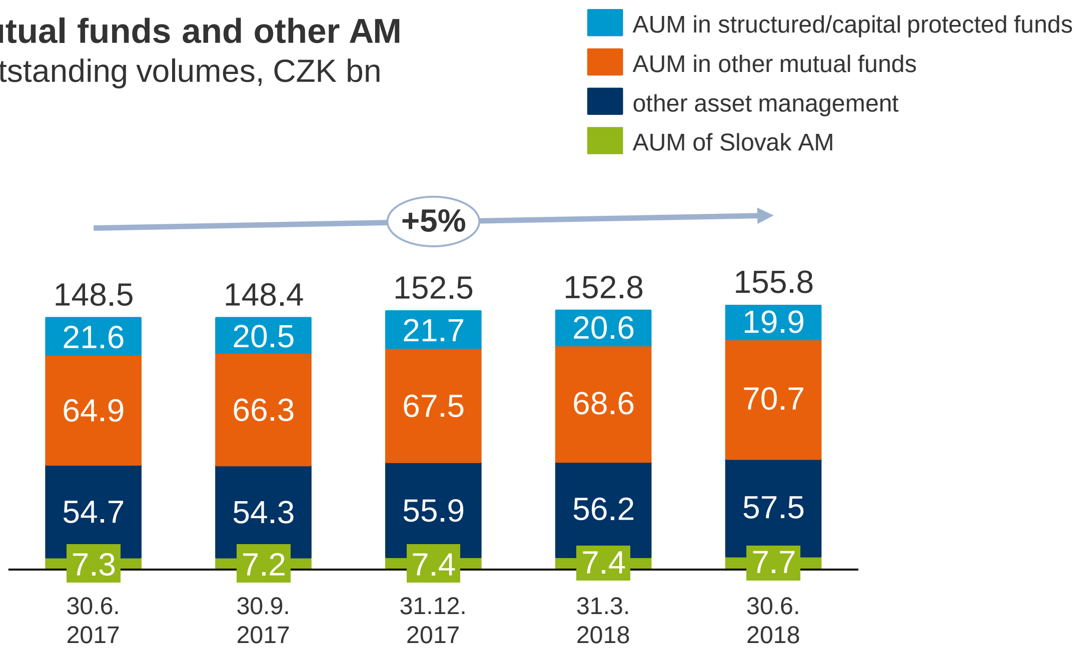
Pension funds (CZK bn)



The volume of deposits in **pension funds** increased **+8% Y/Y** driven mainly by new sales and higher clients’ monthly contribution.

Mutual funds increased +5% Y/Y driven by higher net sales

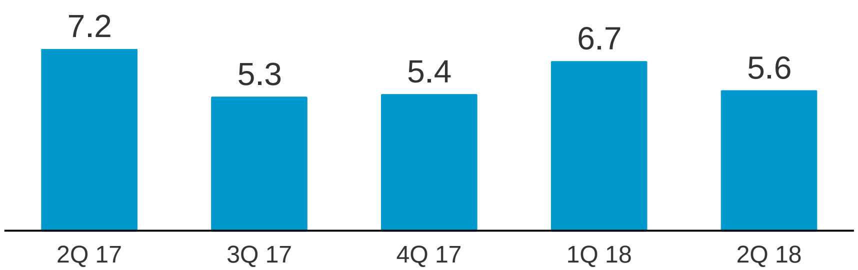
Mutual funds and other AM
Outstanding volumes, CZK bn



Mutual funds and other AM increased **+5% Y/Y** to **CZK 155.8bn** thanks to growth in all categories but structured/capital protected funds.

AUM in mutual funds increased +5% Y/Y as negative performance effect was more than offset by higher net sales.

Mutual funds
New sales (gross), CZK bn



2Q 2018 new sales of mutual funds decreased **-23% Y/Y** mainly due to lower sales of structured and mixed funds.

The -17% Q/Q decrease was caused by lower sales of mixed and equity funds while sales of other types increased (i.e. USD money market fund).

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: Discretionary mandates and Qualified Investors Funds. AUM of Pension Funds managed by ČSOB AM are excluded and are shown separately in Pension funds section.

Growing client base supported by ongoing transformation to omni-channel distribution model

	30.6.2017	30.6.2018
Clients of ČSOB's group (mil.)	**3.668**	**3.673**
ČSOB branches (bank only)	**276**	**266**
ČSOB Retail/SME branches incl. dual branded (ČSOB + PSB/Era)	216	215
PSB/Era Financial Centers	38	29
ČSOB Private Banking branches	11	11
ČSOB Corporate branches	11	11
ČSOB Pojišťovna branches	**95**	**98**
Hypoteční banka centers	**30**	**30**
ČMSS advisory centers	**302**	**302**
Leasing branches	**9**	**7**
PSB outlets of the Czech Post network	**ca. 2,900**	**ca. 2,700**
- of which specialized banking counters	152	172
Czech Post franchise outlets	**ca. 300**	**ca. 500**
ATMs[1]	**1,067**	**1,072**
- of which contactless	148	352

[1] *Including ATMs of cooperating banks.*

The **number of clients** increased +5 thousand Y/Y and the **number of active clients increased +56 thousand Y/Y**.

In 2Q 2018, ČSOB further improved its ATM network. At the end of June 2018, clients could use 1,072 **ATMs** (+5 Y/Y), of which 352 were contactless (+204 Y/Y),182 enabled cash deposits (+16 Y/Y) and over 90% are customized for visually impaired clients.

Due to the ongoing optimization of the branch network and strengthening of the self-service platforms, some branches were closed or merged as dual branded. The number of **ČSOB branches** reached 266 (-10 Y/Y), of which 51 were dual branded (ČSOB + PSB/Era) at the end of June 2018.

Extended portfolio of bank-insurance services at Czech Post is provided at **172 specialized banking counters** (+20 Y/Y).

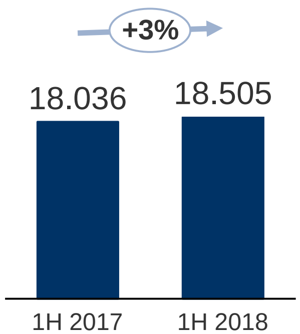
Note:

*The multi-channel distribution platform of the ČSOB group includes also a wide **agent network** of over 5,000 agents, incl. ČMSS tied agents, intermediaries and individual brokers for Hypoteční banka, ČSOB Leasing's dealers and ČSOB Pojišťovna's tied agents, multi-agents and individual brokers.*

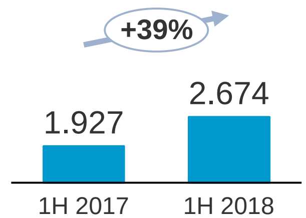
ČSOB group’s distribution platform

Clients increasingly prefer interactions via Mobile banking

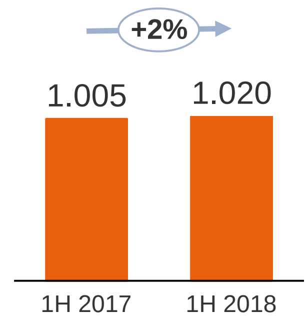
Internet banking transactions
(mil.)



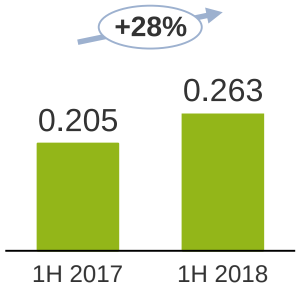
Mobile banking transactions
(mil.)

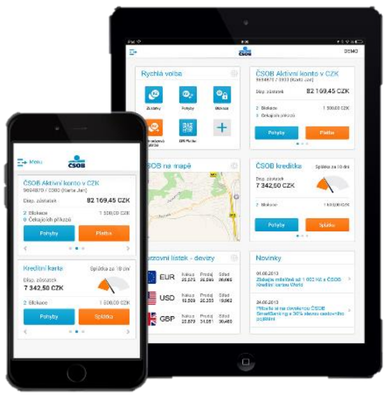


Internet banking active users
(mil.)



Mobile banking active users
(mil.)



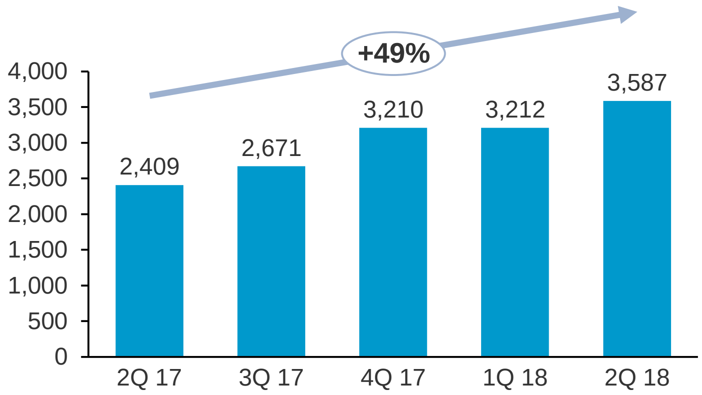


In 1H 2018, the number of **Mobile banking** active users increased +28% Y/Y, the number of **Internet banking** active users increased +2% Y/Y.

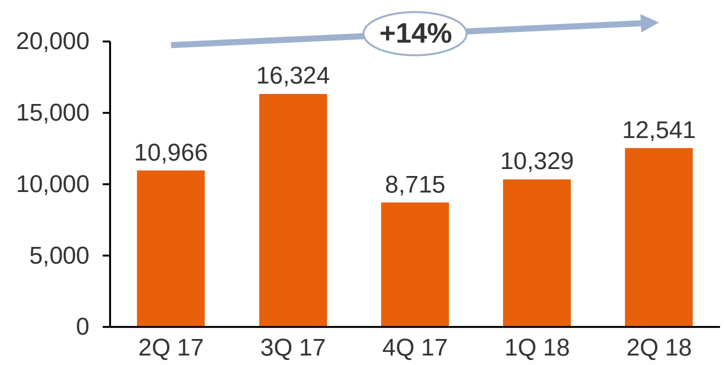
Number of transactions entered via **Mobile banking** increased +39% Y/Y and via **Internet banking** +3% Y/Y.

Online initiated sales are sharply increasing

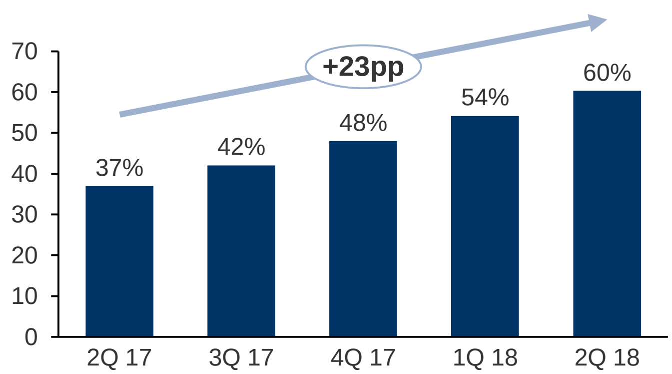
Consumer finance
(pcs)



Travel insurance
(pcs)



Share of digitally-signed documents at the branches



Online initiated sales are sharply increasing. In 2Q 2018 almost 3.6 thousand **consumer loans** were initiated online, up +49% Y/Y. Online sales of **travel insurance** increased by +14% Y/Y.

From 2016, ČSOB supports paperless operations at all branches. The share of **digitally-signed documents** at the branches reached 60% in 2Q 2018, up +23pp Y/Y.

ČSOB was named the Best Bank in the Czech Republic for 2018 by Euromoney, Global Finance and EMEA Finance

Euromoney: the Best Bank	The magazine **Euromoney** awarded ČSOB as **the Best Bank** in Czech Republic for 2018. ČSOB received this award for the 9th time.
Global Finance: the Best Bank	The US-based magazine **Global Finance** awarded ČSOB as **the Best Bank** of 2018 in the Czech Republic. ČSOB received this award for the 16th time.
EMEA Finance: the Best Bank	ČSOB was named the **Best Bank** of 2018 in the Czech Republic by **EMEA Finance** magazine.
Euromoney: Private Banking Survey	The magazine **Euromoney** awarded ČSOB Private Banking for the year 2018 as the **Best Private Bank** in the Czech Republic for the fifth time in a row.
European Structured Products & Derivatives Awards	**ČSOB Asset Management** won the European competition Structured Products & Derivatives Awards 2018 in the category of **Best Distributor** and **Best Performance** in the Czech Republic.
Randstad Award: the Most Attractive Employer	ČSOB won the **Randstad Award** for the **Most Attractive Employer** in Banking and Financial Services in the Czech Republic.
Sodexo: Employer of the Year	ČSOB was selected **the second best employer above 5,000 employees** in Czech Republic (overall ranking regardless of industry).

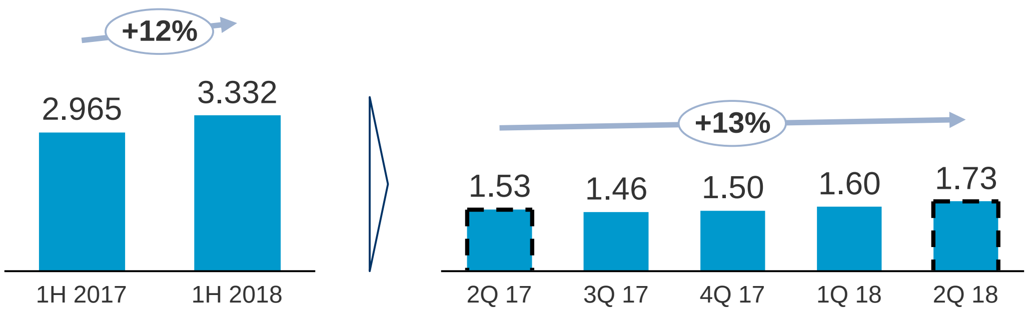
Note: Full list received awards is available on website www.csob.cz/en.

ČSOB Pojišťovna: Key figures

Strong growth in non-life as well as life business

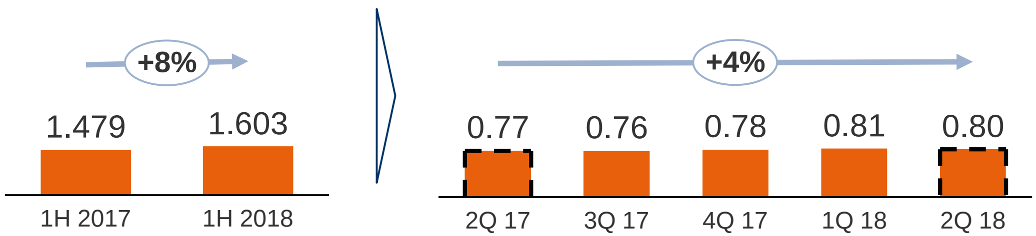
Non-life insurance - gross written premium (GWP)

CZK bn



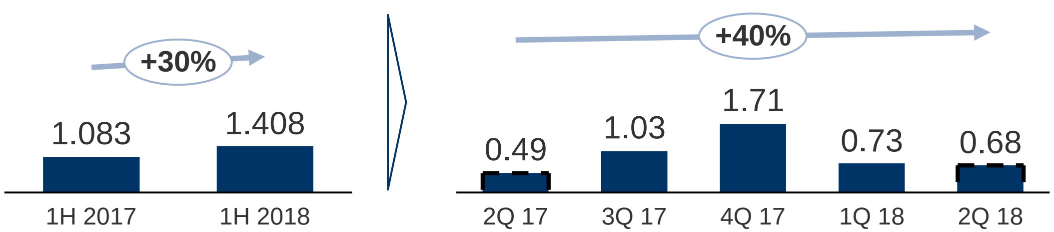
Life insurance – regular paid gross written premium

CZK bn



Life insurance - single paid gross written premium

CZK bn



Market shares	1H 2018	Market position
Non-life insurance	⬆ 7.5%	4th
Life insurance	⬆ 7.9%	4th

Arrows show Y/Y change.

Non-life insurance

1H/2Q 2018 non-life gross written premium increased **+12% Y/Y** and **+13% Y/Y** respectively thanks to growth in all product lines, mainly in Property and Motor retail insurance, while the market increased +6% Y/Y.

Life insurance

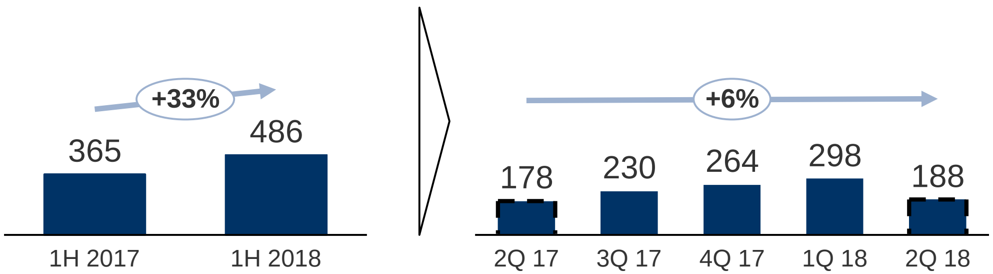
1H/2Q 2018 **regular paid** gross written premium increased **+8% Y/Y** and **+4% Y/Y** respectively as a result of portfolio stabilization and better profile in lapses of the life contracts, while the market increased +1% Y/Y.

1H/2Q 2018 **single paid** gross written premium increased **+30% Y/Y** and **+40% Y/Y** respectively thanks to the realization of several tranches via ČSOB bank. The market decreased -12% Y/Y.

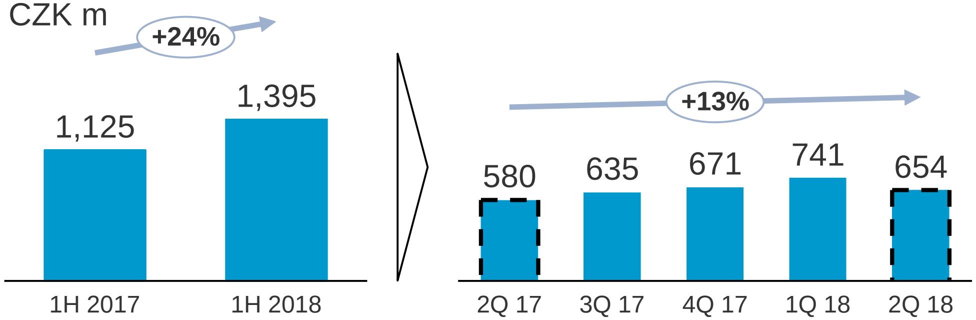
Note: Market position reflects combined position of the insurers belonging to the same business group.

Strong profitability supported by growing gross written premium

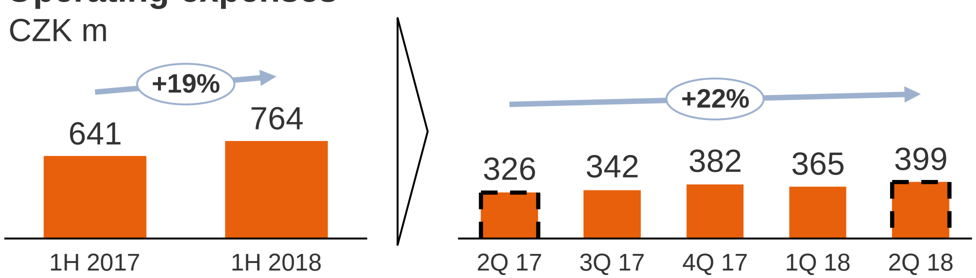
Net profit
CZK m



Operating income
CZK m



Operating expenses
CZK m



1H/2Q 2018 **net profit** increased to **CZK 486m** (+33% Y/Y) and to **CZK 188m** (+6% Y/Y) respectively driven by better profitability in non-life as well as life insurance.

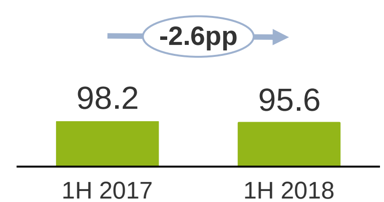
1H/2Q 2018 **operating income** increased to **CZK 1,395m** (+24% Y/Y) and to **CZK 654m** (+13% Y/Y) respectively influenced by the following drivers:

- life: growth in regular paid as well as single paid GWP and stable profit contribution
- non-life: better claims profile and higher GWP

1H/2Q 2018 **operating expenses** increased +19% Y/Y to **CZK 764m** and +22% to **CZK 399m** respectively driven by investments linked to strategic activities and launch of insurance sale at Czech Post outlets as of 2018.

Non-life combined ratio decreased Y/Y to **95.6%** as no big claims occurred in 1H 2018.

Non-life combined ratio
(%)



Business Unit Czech Republic

Lower net profit driven by ČSOB group

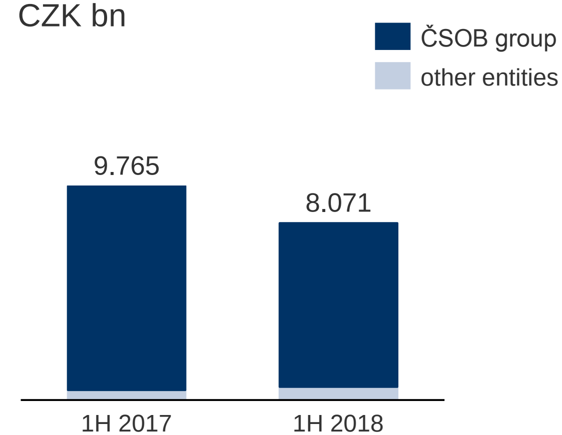
Effective as of 1 January 2013, KBC has organized its core markets activities into three business units. As a result, all KBC's business in the Czech Republic have been included into Business Unit Czech Republic.

The 1H/2Q 2018 net profit of the Business Unit Czech Republic reached **CZK 8.1bn** (-17% Y/Y) and **CZK 3.7bn** (-24% 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 and ČSOB Asset Management (ČSOB AM).

The ČSOB group consists of ČSOB bank (including Era and Postal Savings Bank), Hypoteční banka, ČMSS, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Factoring and Patria.

Net profit of the Business Unit Czech Republic

CZK bn



Net profit (CZK bn)	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	2Q/2Q	1H 2017	1H 2018	1H/1H
ČSOB group[1]	4.650	4.164	3.960	3.999	3.475	-25%	9.314	7.475	-20%
ČSOB Pojišťovna	0.178	0.230	0.264	0.298	0.188	+6%	0.365	0.486	+33%
ČSOB AM	0.042	0.048	0.059	0.052	0.058	+41%	0.086	0.111	+29%
Total	**4.869**	**4.442**	**4.282**	**4.349**	**3.721**	**-24%**	**9.765**	**8.071**	**-17%**

[1]Differences between the ČSOB group results within the Business Unit Czech Republic (BU CZ) and the stand-alone ČSOB group consolidated results are stemming from the fact that BU CZ results includes ČSOB AM result with 100% share, while the ČSOB group results include ČSOB AM only with 40.08% share (in line with ownership interest).

Appendix

Further roll-out of CSR activities continues

For Business

ČSOB in cooperation with P3 - People, Planet, Profit finished in May **the fifth year of the grant procedure Stabilization of Social Enterprises with aim to support a social entrepreneurship** in the Czech Republic.
The six winning social enterprises split a total of CZK 1.3 million. In addition to direct financial support, **each of the companies has received expert advice tailored exactly to their needs**.

For Education

ČSOB with the Good Will Committee - The Olga Havel Foundation has been providing study scholarships to students with social and health disadvantages for 23 years. Another 14 students received this support. All together, **90 young people receive a scholarship from the Education Fund this year**.

ČSOB again donated the Fund the amount of CZK 1.5 million in 2018.

For Nature

In May campaign “**Bike to work**”, 304 ČSOB employees in 84 teams travelled in total 49,809 km.

ČSOB matched each kilometer with 2 crowns and corresponding amount of CZK 100 thousand was donated to “Rozum and Cit Foundation” to **purchase bicycles for children from foster families**.

For Longevity

In cooperation with University of West Bohemia in Pilsen, we are preparing a **new service for blind or differently handicapped clients**, so called **voice-banking**. This service will allow the control over mobile banking with voice only.

Ratios and other indicators

Ratio / Indicator	31.12.2015	31.12.2016	31.12.2017	30.6.2017	30.6.2018
Net interest margin (Ytd., annualized, %)[1]	n/a (3.01)	3.00 (2.93)	2.90 (2.98)	2.91 (3.02)	2.98 n/a
Cost / income ratio (%)	48.2	46.0	43.7	42.0	48.9
RoE (Ytd., %)	16.4	17.3	19.3	21.1	16.4
RoA (Ytd., %)	1.49	1.42	1.26	1.45	1.05
RoAC, BU Czech Republic (Ytd., %)[2]	34.9	37.0	43.0	46.7	34.0
Credit cost ratio (Ytd., annualized, %)[3]	0.18	0.11	0.02	0.06	-0.03
NPL ratio (%)[3]	3.64	2.99	2.33	2.58	2.16
NPL coverage ratio (%)[3]	53.2	54.4	58.5	55.6	53.4
(Core) Tier 1 ratio (%)	19.1	18.2	17.2	16.8	17.5
Total capital ratio (%)	19.4	18.5	17.2	16.8	17.5
Leverage ratio (Basel III, %)	5.25	5.18	4.48	4.33	4.14
Net stable funding ratio (Basel III, %)	134.9	150.9	146.0	145.9	150.7
Liquidity coverage ratio (Basel III, %)	163.4	155.7	146.4	145.4	134.9
Loan to deposit ratio (%)	79.3	79.4	77.7	76.7	73.3

[1] As of 1Q 2018, calculation of Net interest margin has been changed. Years 2016 and 2017 have been restated. Previous values are in brackets.
[2] Fully-loaded
[3] As of 30 June 2018, the definition of Credit risk: loan portfolio used for calculation has been changed. See methodological note on page 43.
The ratios taking into account the new definition as of 31.12.2017: Credit cost ratio 0.02%, NPL ratio 2.44%, NPL coverage ratio 55.2%
and as of 30.6.2017: Credit cost ratio 0.05%, NPL ratio 2.63%, NPL coverage ratio 52.9%.

Profit and loss statement

(CZK m)	2Q 2017 IAS 39	1Q 2018 IFRS 9	2Q 2018 IFRS 9	Y/Y	Q/Q	1H 2017 IAS 39	1H 2018 IFRS 9	Y/Y
Net interest income	5,690	6,105	6,021	+6%	-1%	11,352	12,126	+7%
Interest income	*6,420*	*7,421*	*7,509*	*+17%*	*+1%*	*12,733*	*14,930*	*+17%*
Interest expense	*-730*	*-1,316*	*-1,488*	*>+100%*	*+13%*	*-1,381*	*-2,804*	*>+100%*
Net fee and commission income	1,606	2,018	2,009	+25%	0%	3,174	4,027	+27%
Net gains from financial instruments at FVPL[1]	1,740	1,012	210	-88%	-79%	3,081	1,222	-60%
Other operating income[2]	462	277	282	-39%	+2%	1,600	559	-65%
Operating income	**9,498**	**9,412**	**8,522**	**-10%**	**-9%**	**19,207**	**17,934**	**-7%**
Staff expenses	-1,942	-2,054	-2,097	+8%	+2%	-3,869	-4,151	+7%
General administrative expenses	-1,553	-2,167	-1,752	+13%	-19%	-3,548	-3,919	+10%
General administrative expenses (excl. banking taxes)	*-1,542*	*-1,434*	*-1,728*	*+12%*	*+21%*	*-2,836*	*-3,162*	*+11%*
Banking taxes	*-11*	*-733*	*-24*	*>+100%*	*-97%*	*-712*	*-757*	*+6%*
Depreciation and amortisation	-332	-346	-353	+6%	+2%	-659	-699	+6%
Operating expenses	**-3,827**	**-4,567**	**-4,202**	**+10%**	**-8%**	**-8,076**	**-8,769**	**+9%**
Impairment losses	-266	-168	-237	-11%	+41%	-238	-405	+70%
Impairment on financial assets at amortised cost	*-198*	*-13*	*95*	*>-100%*	*>-100%*	*-173*	*82*	*>-100%*
Impairment on financial assets at fair value through OCI	*-1*	*0*	*1*	*>-100%*	*n/a*	*-1*	*1*	*>-100%*
Impairment on other assets	*-67*	*-155*	*-333*	*>+100%*	*>+100%*	*-64*	*-488*	*>+100%*
Share of profit of associates	175	172	180	+3%	+5%	310	352	+14%
Profit before tax	**5,580**	**4,849**	**4,263**	**-24%**	**-12%**	**11,203**	**9,112**	**-19%**
Income tax expense	-913	-829	-763	-16%	-8%	-1,854	-1,592	-14%
Profit for the period	**4,667**	**4,020**	**3,500**	**-25%**	**-13%**	**9,349**	**7,520**	**-20%**
Attributable to:								
Owners of the parent	**4,668**	**4,020**	**3,500**	**-25%**	**-13%**	**9,350**	**7,520**	**-20%**
Non-controlling interests	-1	0	0	-100%	n/a	-1	0	-100%

[1] *FVPL = fair value through profit and loss.*

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

Note:
In the context of IFRS 9 implementation, several items of profit and loss statement have been renamed: net realized gains from financial instruments at fair value through other comprehensive income (formerly net realized gains on available-for-sale financial assets), impairment on financial assets at amortised cost (formerly impairment on loans and receivables), impairment on financial assets at fair value through other comprehensive income (formerly impairment on available-for-sale securities).
The implementation had very limited impact on year-on-year comparison, year 2017 has not been restated retrospectively.

ČSOB

Balance sheet - assets

(CZK m)	1/1 2018 *IFRS 9*	30/6 2018 *IFRS 9*	Ytd.
Cash and balances with central banks and other demand deposits	54,499	25,673	-53%
Financial assets held for trading	16,245	31,964	+97%
Financial assets held for trading pledged as collateral	2,097	1,598	-24%
Financial assets designated at fair value through P/L	0	0	n/a
Financial assets at fair value through other comprehensive income (OCI)	17,167	16,391	-5%
Financial assets at fair value through OCI pledged as collateral	1,681	1,731	+3%
Financial assets at amortised cost - net	1,159,996	1,279,430	+10%
Financial assets at amortised cost to credit institutions - gross	*485,269*	*604,714*	*+25%*
Financial assets at amortised cost to other than credit institutions - gross	*684,565*	*683,987*	*0%*
Financial assets at amortised cost - provisions	*-9,838*	*-9,271*	*-6%*
Financial assets at amortised cost pledged as collateral	33,182	57,840	+74%
Fair value adjustments of the hedged items in portfolio hedge	-4,298	-4,979	+16%
Derivatives used for hedging	9,113	8,993	-1%
Current tax assets	149	305	>+100%
Deferred tax assets	400	265	-34%
Investments in associates and joint ventures	4,531	4,251	-6%
Property and equipment	11,024	10,596	-4%
Goodwill and other intangible assets	5,816	6,186	+6%
Non-current assets held-for-sale	42	44	+5%
Other assets	2,755	3,091	+12%
Total assets	**1,314,399**	**1,443,379**	**+10%**

Decrease due to overnight loan with ČNB.

Increase due to reverse repo operations with banks and sovereign bonds.

Increase due to reverse repo operations with ČNB.

Note:
In the context of IFRS 9 implementation, methodology for classification and measurement of financial instruments has been changed. More information about IFRS 9 implementation on page 43. The year 2017 has not been restated retrospectively. Figures after implementation of IFRS 9 as of 1 January 2018 are presented for the purpose of YtD comparison.

Balance sheet – liabilities and equity

(CZK m)	1/1 2018 IFRS 9	30/6 2018 IFRS 9	Ytd.
Financial liabilities held for trading	34,606	27,167	-21%
Financial liabilities at fair value through P/L	9,498	12,646	+33%
Financial liabilities at amortised cost	1,163,086	1,306,741	+12%
of which Deposits received from central banks	*0*	*0*	*n/a*
of which Deposits received from credit institutions	*68,502*	*101,379*	*+48%*
of which Deposits received from other than credit institut.	*744,448*	*892,818*	*+20%*
of which Debt securities in issue	*350,136*	*312,544*	*-11%*
of which Subordinated liabilities	*0*	*0*	*n/a*
Fair value adjustments of the hedged items in portfolio hedge	-3,803	-5,369	+41%
Derivatives used for hedging	10,485	11,135	+6%
Current tax liabilities	387	33	-91%
Deferred tax liabilities	1,549	1,447	-7%
Provisions	983	900	-8%
Other liabilities	5,152	4,796	-7%
Total liabilities	**1,221,943**	**1,359,496**	**+11%**
Share capital	5,855	5,855	0%
Share premium	20,929	20,929	0%
Statutory reserve	18,687	18,687	0%
Retained earnings	45,792	37,956	-17%
Financial assets at fair value through OCI - revaluation reserve	697	427	-35%
Cash flow hedge reserve	496	29	-94%
Parent shareholders' equity	**92,456**	**83,883**	**-9%**
Minority interest	0	0	n/a
Total equity	**92,456**	**83 883**	**-9%**
Total liabilities and equity	**1,314,399**	**1,443,379**	**+10%**

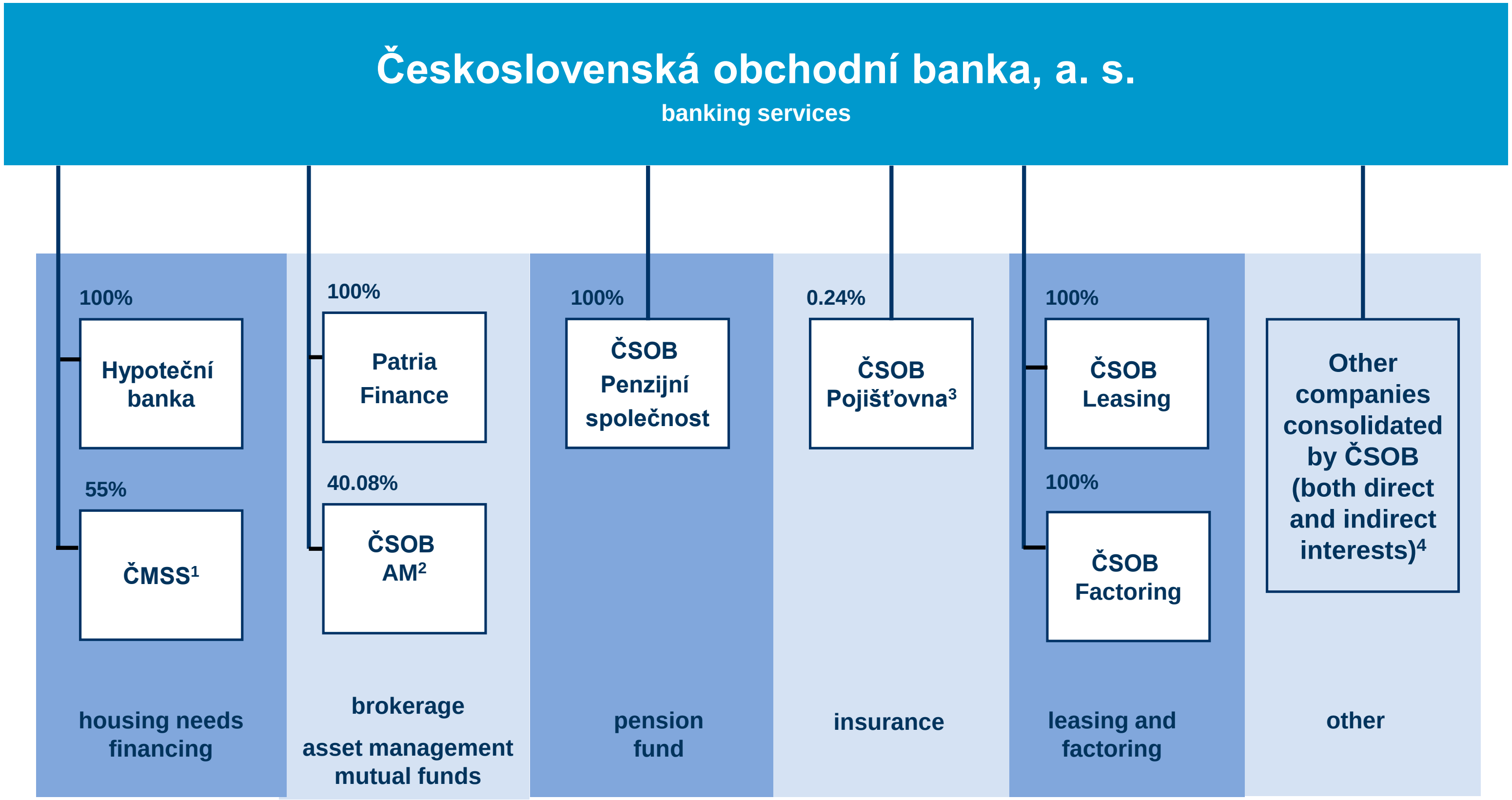
Increase due to money market transactions and repo operations with banks.

Increase mainly due to repo operations.

Decrease due to deposit bills of exchange.

Note:
In the context of IFRS 9 implementation, methodology for classification and measurement of financial instruments has been changed. More information about IFRS 9 implementation on page 43. The year 2017 has not been restated retrospectively. Figures after implementation of IFRS 9 as of 1 January 2018 are presented for the purpose of YtD comparison.

The ČSOB group in the Czech Republic

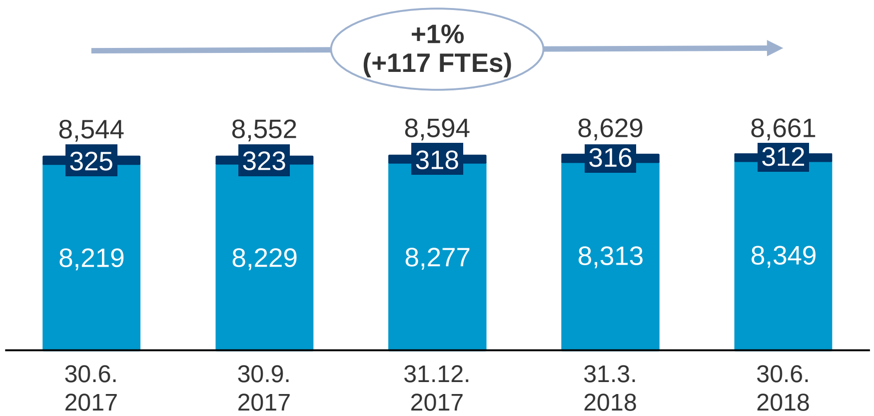


Percentages show ČSOB's ownership interests on company's equity as at 30 June 2018.

[1] 45% of shares owned by Bausparkasse Schwäbisch Hall; by the equity method consolidation.
[2] 59.92% of shares owned by KBC Participations Renta C; by the equity method consolidation.
[3] 99.76% of shares owned by KBC Insurance; by the equity method consolidation.
[4] A complete list of companies consolidated by ČSOB is stated in ČSOB Annual Report.

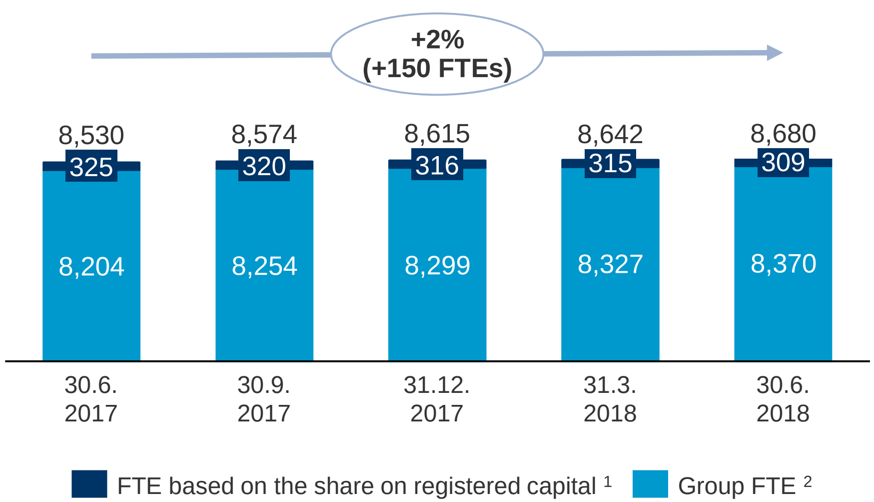
Employees

Number of FTEs – average



The average **number of FTE increased +117 Y/Y** influenced by strengthening of the distribution salesforce and IT.

Number of FTEs – end of the period



The number of FTE increased at the end of the period **+150 Y/Y**.

[1] FTE is included based on the share on registered capital: ČMSS (55%), ČSOB Asset Management (40.08%) and ČSOB Pojišťovna (0.24%).
[2] W/o all companies jointly controlled by the Bank (joint ventures) and all companies over which the Bank has significant influence (associates).

Methodological note

1. The implementation of IFRS 9 Financial Instruments standard

„IFRS 9 Financial Instruments“ is effective for periods beginning on 1 January 2018. The profit and loss statement and balance sheet beginning 31 March 2018 are reported in line with the standard.

Its implementation addressed:

- Classification and measurement of financial instruments (Phase 1)
  Financial assets are measured either at amortised cost, fair value through other comprehensive income (OCI), or at fair value through profit or loss. Classification and measurement of financial assets under IFRS 9 depends on the specific business model in place and the assets' contractual cash flow characteristics.
  Financial liabilities are classified and measured either at amortised cost or at fair value through profit or loss.
- Impairment of financial assets (Phase 2)
  IFRS 9 introduces a three-stage model based on changes in credit quality since initial recognition.

2. Reclassification of remuneration paid to Czech Post

The year-on-year comparison is influenced by accounting **reclassification of remuneration paid to Czech Post**, whereby its main part shifted from operating income (namely distribution fees under net fee and commission income) to operating expenses (namely general administrative expenses) due to the new partnership agreement with Czech Post from 1 January 2018;

3. Reclassification of network income

The year-on-year comparison is influenced by accounting **reclassification of network income** from net gains from financial instruments at fair value through profit and loss to net fee and commission income, in line with the KBC group methodology. Note that network income refers to income received from margins earned on FX transactions carried out by the network for clients.

4. New definition of Credit risk: loan portfolio

As of 30 June 2018, definition of Credit risk: loan portfolio has been changed, it includes on-balance sheet and off-balance sheet items. The scope additionally includes the following elements: bank exposure (money market placements, documentary credit, accounts), unauthorized overdrafts and reverse repo (excl. central bank exposure).

Neither the profit and loss statement or the Balance sheet were adjusted retrospectively.

Market shares definitions and sources

Item	Definition	Source
Building savings deposits	Deposits of buildings savings clients, ČMSS 100%.	ČNB, Data Series System (ARAD); ČMSS
Building savings loans	Outstanding volumes of building savings loans, ČMSS 100%.	ČNB, Data Series System (ARAD); ČMSS
Consumer loans	Outstanding volume of cash loans, credit cards, overdrafts, consumer loans on real estate and American mortgages.	ČNB, Data Series System (ARAD); ČSOB
Factoring	Volume of new business.	Association of Leasing and Factoring Companies ČR (ČLFA)
Insurance	New business in the year according to gross written premium. Market position reflects combined position of the insurers belonging to the same business group.	Czech Association of Insurance Companies (ČAP)
Leasing	Outstanding volume (leasing of movables, commercial loans and consumer loans); related to the relevant market comprising both banks and non-banking institutions.	Association of Leasing and Factoring Companies ČR (ČLFA)
Mortgages	Outstanding volumes; mortgages for private individuals excl. American mortgages and mortgages for non-housing real estate purposes, consumer loans for house purchase, according to ČNB definition.	ČNB, Data Series System (ARAD); ČSOB; HB
Mutual funds	AUM in both Czech and foreign funds at the given date, including institutional funds and third parties funds; according to AKAT methodology.	Association for Capital Market (AKAT)
Pension funds	Total number of clients at the given date.	The Association of Pension Funds of the Czech Republic (APS)
SME/corporate loans	Remaining loans that are not reported in any of the retail loans categories (loans to other than households).	ČNB, Data Series System (ARAD); ČSOB
Total deposits	Total bank deposits including 55% of building savings deposits (ČMSS), excluding repo and including unmarketable bills of exchange.	ČNB, Data Series System (ARAD); ČSOB
Total loans	Outstanding volumes of consumer loans and other retail loans + mortgages for private individuals + 55% of building savings loans (ČMSS) + SME/corporate loans (gross).	ČNB, Data Series System (ARAD); ČSOB; ČMSS

Glossary - ratios

(Core) Tier 1 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., annualized
Leverage ratio	Tier 1 capital / On-balance + Off-balance sheet items + Counterparty exposure for Derivatives and SFT + 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	IAS 39: Loans and receivables to other than credit institutions (net) / Deposits received from other then credit institutions at amortised cost minus repo operations with non-banking financial institutions IFRS 9: Financial assets at amortised cost to other than credit institutions minus bonds (net) / Deposits received from other then 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	(Technical insurance charges, incl. the internal cost of settling claims / earned insurance premiums) + (operating expenses / 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
Solvency ratio (insurance)	According to prudential reports of ČNB – Solvency I, after expected dividend payment
Total capital ratio	Total regulatory capital / Total RWA (according to CRR)

Glossary - other definitions

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 AM.
Banking taxes	Including contribution to the Resolution Fund, Deposit insurance premium and Securities Traders Guarantee Fund.
Building savings deposits	All ČMSS financial liabilities at amortized cost minus deposits received from other than credit institutions.
Building savings loans	All customer lending granted by ČMSS in book values. Gross.
Consumer finance	Loan portfolio granted by ČSOB's retail network (ČSOB and Era/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. ČMSS/building savings deposits).
Loan portfolio	Loans and receivables to other than credit institutions (incl. ČMSS/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).
Mortgages	All loans booked in Hypoteční banka, including home equity loans and mortgage loans to legal entities, excluding intra-group loans. Gross.
SME loans	Loan portfolio granted by ČSOB's SME network in book values. Gross.

Contacts

ČSOB Investor Relations Team
Blanka Horáková (Head of IR)
Přemysl Němeček
Sandra Jelínková
Petr Hanzlík

Tel: +420 224 114 106
Tel: +420 224 114 110
investor.relations@csob.cz
www.csob.cz/ir

Československá obchodní banka, a. s.
Radlická 333/150, Praha 5
Czech Republic

ČSOB group Czech Republic
Member of the KBC Group