

PRESS RELEASE

ČSOB Statement to the result of the arbitration proceedings against ICEC-HOLDING, a.s.

ČSOB was delivered an arbitral award issued in the arbitration proceedings against the company ICEC-HOLDING, a.s. In the arbitration proceedings, ČSOB is being sued as the legal successor of Investiční a poštovní banka (IPB), whose business ČSOB took over in 2000.

The plaintiff, the company ICEC-HOLDING, a.s., claims that IPB breached its contractual duties in 1999, and ICEC-HOLDING, a.s. is thus entitled to damages and contractual penalty. The claim itself is thus not in any way related with the business activities of ČSOB and represents "a heritage" after former IPB.

In the delivered arbitral award, ČSOB was imposed to pay the company ICEC-HOLDING, a.s. the amount of CZK 3,7 billion together with the costs of the proceedings in the amount of 5.0 million CZK, and that fifteen days from the delivery of the award. The plaintiff failed in the remainder of his claim and the arbitration panel ordered him to pay ČSOB the costs of the proceedings in the amount of CZK 17.4 million.

ČSOB will consider possible further legal steps leading to the revision of this award.

ČSOB assures its clients, business partners and other interested parties that the payment of the above-mentioned amount in the arbitration will not have any effect on the stability and functioning of the ČSOB group.

ČSOB maintains a strong capital and liquidity position. On February 9, 2023, ČSOB announced a net profit after tax for the year 2022 in the amount of CZK 17.5 billion CZK, and the above amount, after taking into account income tax, will be deducted from the profit of the previous year. As of December 31, 2022, the ČSOB Group's total equity was CZK 103.9 billion CZK, and ČSOB's Common Equity Tier 1 (CET1) ratio was 19.9%. After taking into account the above-mentioned amount, the group's equity would fall to CZK 101.0 billion and the Common Equity Tier 1 (CET1) ratio would decrease to 19.8%.

Prague, 17 February 2023

The ČSOB Group is a leading player on the Czech banking market.

Our motto "Digital with a Human Touch" best expresses our ongoing investments into innovation and digitization, which continuously make it easier and more efficient to serve our clients online as well as at branches. Our services are available 24/7. We build on a unique bancassurance model that offers everything under one roof to address your financial needs – from banking services under the ČSOB and ČSOB Poštovní spořitelna brands, to insurance from ČSOB Pojišťovna, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Asset Management, ČSOB Factoring and Patria Finance. We provide services to all types of clients, including private individuals, SMEs and a corporate and institutional clientele. The ČSOB Group is part of the international bancassurance KBC Group, which is active in Belgium and the CEE region. ČSOB is the largest provider of housing loans in the Czech Republic. Thanks to Hypoteční banka and ČSOB Stavební spořitelna, which are part of the ČSOB Group, the total volume of housing loans amounts to roughly CZK 500 billion. Our goal is to offer clients all services related to housing simply and under one roof – from housing loans, to mortgages, building savings and related services such as mortgage insurance, real estate insurance, etc.