

ČSOB group in 1Q 2025: Strong client interest in mortgages, business loans and investments

The number of ČSOB active clients increased by 67,000 year-on-year. The volume of business loans increased by 12%. The volume of new mortgage loans in the first quarter rose by 69% year-on-year to CZK 19 billion. The net profit of the ČSOB group amounted to CZK 4.4 billion.

"Although households, companies and entrepreneurs are cautious when making decisions about their funds and managing their assets in today's turbulent environment, we observe consistently strong trust in all client groups at the ČSOB Group, which makes us very happy and committed. As a result, we continue to grow in the core areas of deposits, investments, loans and insurance and maintain a strong capital position and excellent liquidity," summarises Aleš Blažek, CEO of the ČSOB group.

Financial results for 1Q 2025

- **The net profit was CZK 4.4 billion** (up 7% year-on-year).
- **The total volume of loans reached CZK 1,009 billion** (up 8% year-on-year).
- **The volume of business loans increased to CZK 411 billion** (up 12% year-on-year).
- **The volume of housing loans increased to CZK 550 billion** (up 5% year-on-year).
- **Total deposits increased to CZK 1,593 billion** (up 13% year-on-year).
- **The clients' deposits rose to CZK 1,297 billion** (up 2% year-on-year).
- **The volume of assets under management rose to CZK 416 billion** (up 9% year-on-year).
- **The assets in mutual funds grew to CZK 281 billion** (up 14% year-on-year).
- **The operating income increased to CZK 11.7 billion** (up 6% year-on-year).



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- **Operating expenses**, excluding bank taxes, **were CZK 5.5 billion** (up 4% year-on-year).
- **The number of active clients** increased **by 67,000** year-on-year.
- **The bank's capital position remains strong, and liquidity is excellent.** The Tier 1 capital ratio was 18.4%.
- The **share of non-performing loans in the total loan portfolio** decreased to 1.34% (-0.06p.p. year-on-year).
- **Credit cost ratio** amounted to 0.13% (+0.09p.p. year-on-year).

ČSOB Group News

- **The number of active users of ČSOB Smart mobile banking** grew to **1.49 million**, an increase of 11% year-on-year.
- As part of the development of Radlická Valley, **ČSOB commenced construction of a new entrance to the Radlická metro station together with LTA Praha and Prague 5.**
- **ČSOB and the Police of the Czech Republic fulfilled their mission** to train one million people in cybersecurity. **And now with Mastercard involved**, the focus in cybersecurity will be on **educating 250,000 companies, organisations and institutions.**
- **ČSOB and Mastercard have created the Peněžověda educational portal** to support financial literacy education.
- In the **2024 VISA Awards** competition, **ČSOB won the #1 Innovations award.**
- **ČSOB Private Banking** was named the **best private banking provider** in the Czech Republic for 2025 by Euromoney magazine.
- **Global Finance** magazine awarded ČSOB the titles of **Best Bank, Best SME bank, Best Bank for Sustainable Finance** and **Best Trade Finance Provider** in the Czech Republic.

Interest in mortgages continues to grow

Clients took out mortgage loans worth CZK 19.4 billion in the first quarter, up 69% year-on-year, and building society loans in the amount of CZK 3.9 billion, which was a year-on-year increase of more than 100%. More than 54% of all new mortgages are taken out by clients under 36 years of age. *"Last year, the ČSOB Group helped 26,600 households with financing for better housing, and this year we want to surpass this result. Demand is supported by the year-on-year decline in interest rates, deferred buyer demand, high employment and real wage growth. We are also continuing to innovate and digitise to make the path to new housing easier for as many people as possible,"* says **Aleš Blažek**.

Digitisation of mortgages on the rise

At the end of 2024, every fifth mortgage contract at ČSOB Hypoteční banka was signed with a qualified electronic signature of the highest level; by the end of March, this share was already approaching 40%.

ČSOB and the Land Registry Office were the first to introduce electronic signing on the market. The long-term goal is a complete online mortgage loan process.

Regular investments pay off

The total volume of assets under management increased by nine percent year-on-year in the first quarter and assets in mutual funds rose by 14%. The ČSOB Wealth Fund remained the largest fund with a volume of CZK 50.6 billion. New sales of investments in responsible funds amounted to CZK 4.7 billion. The number of users of the ČSOB Drobné service, which automatically transfers a selected amount from each card payment to investments, increased to 217 thousand.

*"In the current turbulence on the financial and capital markets, we advise our clients to keep a cool head, stick to the set strategy and trust our professionals. Statistics show that in the long term the stock markets are dominated by growth periods. Corrections are common on stock markets and create ideal buying opportunities. We carefully select stocks and quality bonds for our funds and apply active management. And even if we cannot avoid temporary market downturns, we invest in regions and sectors that bring long-term growth opportunities," says **Aleš Blažek**.*

A quarter of a century ago, ČSOB introduced the possibility of investing in secured and structured funds to the Czech market. The once unavailable option for attractive financial appreciation quickly gained the attention of investors and is now a common part of the offer. In total, clients have already invested CZK 134 billion in 587 ČSOB structured funds.

Growth in mobile banking

The number of active users of ČSOB Smart mobile banking increased by 11% year-on-year to 1.49 million in the first quarter and reached 83% of the total number of active digital clients. Our virtual assistant Kate is taking on an increasingly important role in communication with clients, handling 1.8 million conversations in the first quarter alone. Kate is part of the ČSOB Smart and CEB Mobile applications.

Active clients have numerous advantages at ČSOB. Those who frequently use their account at ČSOB and pay with their card benefit from advantages such as a bonus rate on savings accounts, a contribution to regular investments, lower interest rates on mortgages, bonuses on building and supplementary pension schemes, and preferential insurance conditions. A new feature is discounts on new vehicles. Clients of ČSOB can receive additional rewards in the form of unique digital Kate Coins in the ČSOB Smart app.

Financing of companies and entrepreneurs

The volume of business loans grew at a double-digit clip of 12% in the first quarter. Energy-saving solutions, renewable energy, and sustainability rank among current financing trends.

The ČSOB Group is one of the largest providers of corporate banking in the country, both in terms of financing volume and the range of services offered. All legal entities and entrepreneurs can open an account online with ČSOB quickly and easily. Corporate, business, residential building, and non-profit accounts can now be opened online.

Cybersecurity mission accomplished, and a new one has been launched

The joint mission of ČSOB and the Police of the Czech Republic aimed at strengthening the cyber literacy of the population was completed by meeting the goal of training one million people. ČSOB utilised AI and saved its clients CZK 1.3 billion from the cyber attackers Volači and Klikáči in the first quarter, compared to CZK 4.1 billion for the whole of last year.

The new goal of ČSOB, the Police of the Czech Republic and Mastercard is to provide cybersecurity training to representatives of 250,000 companies, entrepreneurs, housing cooperatives, municipalities, schools and hospitals. Over the past five years, the Police of the Czech Republic have recorded more than 8,100 cyber-attacks on companies and institutions, with total damage exceeding CZK 3 billion. *"We want to consistently focus on how to counter hacker attacks in companies, institutions and other organisations. Our new goal is to educate 250,000 subjects,"* adds **Aleš Blažek**.

Selected ČSOB Group indicators	1Q 2024	1Q 2025	Year-on-year change
Net profit (CZK billion)	4.1	4.4	+7%
Cost/income ratio (excluding bank taxes)	48.0%	47.5%	-0.5 p.p.
Loan volume (CZK billion)	930.9	1,009.5	+8%
Deposit volume (CZK billion)	1,413.6	1,592.9	+13%
Assets under management (CZK billion)	380.2	416.1	+9%
Tier 1 capital ratio (CET 1)	19.1%	18.4%	-0.7 p.p.
Share of non-performing loans (NPL)	1.40%	1.34%	-0.06 p.p.
Credit cost ratio (CCR)	0.04%	0.13%	+0.09 p.p.

p.p. – percentage point

How can our approach improve the world around us?

We believe that even small things can make a big difference in our relationship with our clients. That is why, for example, we reward those who actively use their ČSOB account and pay with a card. They might receive a bonus rate on a savings account, lower mortgage interest rates or more favourable insurance conditions.

We also want to improve the world around us. That is why we, together with the police, have trained over one million people in the field of cybersecurity and protected clients from cybercriminals of over 4 billion crowns. We actively helped in areas affected by floods. We sent 45 million crowns to help the affected regions.

The possibility of choice is also important to us. That is why we are developing both technological innovations and personal contact. We are pleased that the number of active users of ČSOB Smart mobile banking grew to almost 1.5 million, but we are also happy to welcome clients to the branch network.

We firmly hope that this approach brings the best experience to our clients and can lead to a lifelong partnership.