

## ČSOB Group in 9M 2024: Strong growth in mortgage loans and mutual fund investments as well as immediate flood relief

During the first nine months of this year, the ČSOB Group continued to grow in a number of key areas. Year-on-year, the volume of assets under management grew by almost one fifth, while the volume of mortgage loans increased by six per cent. The number of active clients increased by 77 thousand. The Group reported a net profit of CZK 13.6 billion. The ČSOB Group actively helped those hit by the September floods, providing a total of CZK 45 million from its charity fundraiser and regional aid programme.

*"We consistently support the investment activity of our clients. I am pleased to see that people are growing their holdings in mutual and pension funds and taking advantage of long-term investments to build wealth and resources for their old age. It is also an excellent news that our clients invest more in real estate for housing. By financing and other services, we guide businesses towards the necessary transformation of the Czech economy into a more sustainable and technologically advanced one,"* summarises **Aleš Blažek**, the CEO of the ČSOB Group.

### 9M 2024 financial results

- **The net profit was CZK 13.6 billion** (up 2% year-on-year).
- **The total volume of loans was CZK 964 billion** (up 6% year-on-year).
- **The volume of business loans increased to CZK 386 billion** (up 9% year-on-year).
- **The volume of housing loans increased to CZK 533 billion** (up 3% year-on-year).
- **The volume of total client deposits was CZK 1,275 billion** (down 1% year-on-year). **Total deposits declined to CZK 1,424 billion** (down 5% year-on-year).
- **The volume of assets under management increased to CZK 404 billion** (up 19% year-on-year).
- **The operating income increased to CZK 32.9 billion** (up 7% year-on-year).



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- **Operating expenses**, excluding bank taxes, **were CZK 16.3 billion** (up 5% year-on-year).
- **The number of active clients** increased **by 77 thousand** year-on-year.
- **The bank's capital position is strong and liquidity is excellent.** The Tier 1 capital ratio stood at 20.0%.
- The **share of non-performing loans in the total loan portfolio** was 1.4% at the end of September.

### ČSOB Group News

- **The ČSOB Group rewards active clients** (e.g. a bonus rate on a savings account, lower mortgage interest rate, a bonus on a new building and pension savings and more favourable insurance terms).
- **The number of active ČSOB Smart mobile banking app clients** grew to 1.4 million.
- **The ČSOB Group became a new partner of the Czech Labour Office**, with the shared goal of boosting the efficiency of the Czech labour market.
- **ČSOB partnered with Ownest, a startup** assisting clients without sufficient funds to finance their housing needs.
- The **number of people** who received cybersecurity training from ČSOB and the Police of the Czech Republic **exceeded 750 thousand**.
- **ČSOB has protected its clients from cybercriminals to the amount of CZK 3.4 billion in the first nine months of 2024**, compared to CZK 3.2 billion for the entire last year 2023.

### Helping those affected by devastating floods

The Czech Republic was hit by extensive and devastating floods in September. Moravian-Silesian, Olomouc and South Bohemian regions were most affected. *"We immediately got involved in helping the victims. We launched a public fundraiser called "SOS Floods" in which we doubled donations from the public with the amount of CZK 20 million, and we also extended the "ČSOB Helps in Regions" programme with the "Floods 2024" grant call with a contribution of CZK 5 million. In total, ČSOB is sending CZK 45 million to the flood-hit areas. ČSOB Pojišťovna sent mobile teams to the flood-hit areas, paid advances on insurance claims and expedited the settlement of insurance claims. Our clients in need were offered mortgage, credit and loan deferment. I thank all our employees for their tremendous efforts and dedication that helped alleviate the suffering of those hit by the devastating floods,"* comments **Aleš Blažek, the CEO of the ČSOB Group**.

The total amount of flood damage is estimated by ČSOB Pojišťovna at CZK 1.75 billion and the number of insurance claims is approximately 8,500. ČSOB Pojišťovna settled 70 per cent of reported insurance claims within one month after the floods.

## The ČSOB Bohatství (Wealth) fund hits the CZK 50-billion mark

Year-on-year, the total amount of assets under management and assets in mutual funds grew by 19% and 27% respectively. The ČSOB Bohatství fund has surpassed CZK 50 billion in assets under management, maintaining its leadership among Czech mixed funds with an average annual return of 5.18% over the last five years. New sales of investments in responsible funds increased by over 70% year-on-year to CZK 18.6 billion. The ČSOB Drobné (Spare Change) investment service, whose users invest with every card payment, has already attracted over 200 thousand clients.

From January to the end of September, ČSOB Penzijní společnost concluded more than 57 thousand new contracts. Year-on-year, the number of clients to have switched from the Transformed Fund to the Supplementary Pension Savings Fund increased by 57%. Compared to last year, the number of clients who increased their monthly contribution was almost three times more, their motivation being the amendment to the law that changed the structure of state support effective from this July.

### App usage breaks records

Nearly 1.4 million clients actively use the ČSOB Smart mobile banking app, up 14% year-on-year. The number of mobile banking transactions in the third quarter reached 18.6 million, up 33% year-on-year. The services of our virtual assistant Kate were used by as many as one million clients in the first three quarters of the year. From January to September, Kate handled 5 million service and sales requests, up by more than 130% year-on-year.

*“Our virtual assistant Kate makes life easier for clients by responding accurately to their questions and specific problems. We may all find ourselves in a situation where we require assistance from our bank outside its normal business hours, whether at night, at weekends or during holidays,”* is how **Aleš Blažek** explains the assistant’s benefits.

ČSOB rewards those clients who choose it as the main bank for their financial needs. Our clients who actively use their account and pay by card receive benefits in the form of a bonus rate on savings accounts and regular investments, a discount on the mortgage interest rate, a bonus on new building savings and new pension savings, free online risk insurance for up to six months and various other discounts on life and car insurance.

Our reward programmes also include Kate Coins, i.e. digital coins provided only in the ČSOB Smart application. For example, if you opt for the ČSOB Drobné service, you can currently receive 300 Kate Coins

available for immediate investment. The Kate Coin loyalty programme is gradually expanding.

### **Over 750 thousand people trained in cybersecurity**

In the last few years, ČSOB, in a joint effort with the Police of the Czech Republic, have been working hard to raise cyber literacy and client security. To date, over 750 thousand people have attended our awareness-raising programmes and seminars, public presentations and campaigns for the public. In addition to that, ČSOB stopped, with the help of artificial intelligence, cybercriminals known as Callers and Clickers from stealing CZK 3.4 billion from clients during the first nine months of the year, compared to CZK 3.2 billion for the whole of 2023.

*“ČSOB and the Police of the Czech Republic share the goal of training one million people in cybersecurity. We carry on with our activities and will soon launch a special awareness-raising TV programme for the public. Cyber attacks are becoming increasingly frequent and dangerous. Unfortunately, Callers and Clickers have no scruples and repeatedly approach people with fake offers of profitable investments, lotteries or discounts. Therefore, we urge everyone to exercise maximum caution and follow cybersecurity news on our website,”* comments **Aleš Blažek**.

### **Sharp growth in demand for mortgages**

In the third quarter, ČSOB lent CZK 17.2 billion in new mortgages, up 63% year-on-year. The upturn was driven by a gradual decline in average interest rates, deferred demand and renewed appreciation in the property market. Approximately 11% of mortgages were signed electronically.

One of three new mortgages from ČSOB Hypoteční banka is intended to finance low-energy houses and flats. Young people under 36 years of age are a major client group, accounting for 54% of all mortgages during the first nine months. The volume of housing loans increased to CZK 533 billion in the first three quarters, up 3% year-on-year.

From early March to the end of September, ČSOB Stavební spořitelna experts helped nearly 6,300 people navigate the options offered by the “New Green to Savings” subsidy programme and special rate building society loans. There is strong demand for the “Fix Up Your Grandma’s House” grant, as part of which ČSOB Stavební spořitelna clients can borrow extra funds at the exceptionally low interest rate of 3 per cent per annum. A building savings loan can be used to finance energy-saving measures in the modernisation of houses intended for permanent residency without having to use the property as collateral.

The fact that interest in subsidy consulting is increasing is also underlined by the 23 thousand unique visitors to the special online Guide to

Economical Reconstruction (Rekalkula), which is available on the [uspornebydleni.csob.cz](https://uspornebydleni.csob.cz) website and allows clients to get an initial idea of how much the planned reconstruction will cost and what subsidy they are entitled to claim.

### Business loans continue to grow

The volume of loans to corporations, businesses and entrepreneurs increased by nine per cent year-on-year during the first nine months, reaching CZK 386 billion. The main purposes of financing currently include energy-saving solutions, renewable resources and sustainability.

All legal entities and entrepreneurs can open an account with ČSOB quickly and easily online. Corporate, business, residential building and non-profit accounts can now be opened online. In addition, ČSOB was the first on the market to link a current account for entrepreneurs with convenient insurance. Our self-employed clients using the Business Account get one of our three insurance policies covering business-related risks free of charge.

Selected ČSOB Group Indicators	9M 2023	9M 2024	Year-on-year change
Net profit (CZK billion)	13.3 <sup>(1)</sup>	13.6	+2%
Cost/income ratio (excluding bank taxes)	50.5%	49.6%	-1.0 p.p.
Loan volume (CZK billion)	907.7	963.9	+6%
Deposit volume (CZK billion)	1,494.6	1,424.3	-5%
Assets under management (CZK billion)	340.3	404.1	+19%
Tier 1 capital ratio (CET 1)	19.5% <sup>(1)</sup>	20.0%	+0.6 p.p.
Credit cost ratio (CCR)	-0.19%	-0.07%	+0.12 p.p.

*Note (1): ČSOB restated its profit and loss account and balance sheet for 2023. This restatement did not affect the reported operating income or operating costs. Tier 1 capital ratio (CET 1) has been updated as of 24 March 2025.*

### ČSOB Group

#### Our Approach - We Are Here to Help

We believe that helping people is invaluable. We are always happy when we manage to surprise not only our clients, but also our colleagues and the general public with even a small gesture.

We try to give our clients freedom when interacting with our bank as their options are not limited to digital solutions or a branch visit. They have a choice because we are moving towards both technological innovation and improving the client experience.

We believe that even the smallest acts of kindness can brighten a person's day. Furthermore, we are committed to co-creating a better future for the environment. We