

1H/2Q 2024 Results

ČSOB group

Business Unit Czech Republic

EU IFRS unaudited consolidated
8 August 2024



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ČSOB group: Key Figures

2Q 2024 at a glance

ČSOB rewards active clients

ČSOB rewards clients who choose it as the main bank for their financial needs. Clients who actively use the account and pay by card receive benefits in the form of bonus rate up to 4.5% p.a. on saving account, up to 2% extra on regular investments, a 10% interest discount on new loans, 0.3% discount on the new mortgage rate, up to CZK 2.5ths bonus on new building savings, six month free internet risk insurance or discount on life and car insurance. Our virtual assistant Kate helped clients navigate these new benefits in over 700 thousand interactions by the end of June 2024.

ČSOB expands services for self-employed with integrated insurance

ČSOB is enhancing its bank-insurance value proposition for self-employed clients by offering complimentary insurance packages bundled with business accounts. Clients can choose one of three insurance options: cyber risk coverage, legal protection, and income protection for accidents.

DoKapsy app expands its services to include train tickets

ČSOB DoKapsy, a lifestyle mobile application that uniquely integrates banking and non-banking products, has expanded its services to include train tickets. Users can now search for and purchase most Czech Railways (ČD) train connections directly in the app. Almost 160ths tickets were sold in the first half of 2024, doubling compared to the previous year. DoKapsy app has already 300 thousand users.

ČSOB Smart upgrades deliver currency management and spending control

The latest updates to ČSOB Smart include the integration of foreign currency exchange, allowing users to easily convert multiple currencies within one app. Additionally, the introduction of the "Shops and services with saved card" feature offers greater transparency and control over spending habits and active subscriptions. ČSOB Smart application has 1.4 million active users.

ČSOB offers mortgages for foreign properties

ČSOB now provides mortgages for properties abroad, offering the same rates and conditions as for domestic homes. The bank partners with real estate portals and offers property inspections. Spain, Croatia, Italy, and Austria are popular destinations for Czech buyers.

ČSOB launched Kate Coin

Launched in June, Kate Coin rewards ČSOB customers for actively using ČSOB services and products. Customers earn digital coins that can be exchanged for various rewards. This is just the beginning of Kate's potential to save customers time and money through future applications.



Measures of sustainable performance

ČSOB group key indicators		2021	2022	2023	1H 2023	1H 2024
Profitability	Net profit (CZK bn)	16.2	14.3	15.1	9.3	9.5
	Return on equity	14.3%	13.4%	14.2%	18.1%	16.9%
Liquidity	Loan to deposit ratio	71.1%	70.6%	70.3%	68.8%	73.6%
	Net stable funding ratio	171.3%	171.8%	170.4%	184.5%	177.1%
Capital	CET1 ratio	22.4%	19.7%	19.4%	20.0%	20.0%
Impairments	Credit cost ratio	-0.42%	0.12%	-0.18%	-0.30%	-0.19%
Cost efficiency	Cost / income ratio	55.5%	54.3%	54.7%	56.3%	52.9%
	Cost / income ratio (excl. banking taxes)	51.8%	50.6%	51.2%	49.4%	48.5%

1H 2024 net result +2% Y/Y. Robust capital and liquidity. Excellent loan quality.

Net profit

ČSOB's **net profit** increased to **CZK 9.5bn** (+2% Y/Y) in 1H 2024. 2Q 2024 **net profit** came in at **CZK 5.3bn** (-8% Y/Y).

Business indicators

Loan portfolio reached **CZK 951bn** (+7% Y/Y). **Total client deposits** were **CZK 1,265bn** (flat Y/Y) and **total deposits** decreased to **CZK 1,371bn** (-6% Y/Y). **Assets under management** grew to **CZK 390bn** (+15% Y/Y). Number of **active clients** increased **+71ths** Y/Y. Number of **mobile banking active clients** increased **+16% Y/Y** to 1.4m.

Operating income

Operating income increased to **CZK 21.9bn** in 1H 2024 (+6% Y/Y). The increase was driven by higher net interest income and higher net fee and commission income.

Liquidity & Capital

ČSOB maintains strong capital position and excellent liquidity ratios. **CET1 ratio** reached **20.0%**. **Loan to deposit ratio** reached **73.6%**. The **short-term liquidity ratio LCR** increased to **149.8%** and the **long-term liquidity ratio NSFR** was **177.1%**.

Operating expenses

Operating expenses excl. banking taxes grew to **CZK 10.6bn** in 1H 2024 (+4% Y/Y). Staff expenses increased +7% Y/Y and General administrative expenses excluding banking taxes grew +2% Y/Y. Banking taxes decreased by -32% Y/Y. Average number of **FTEs** slightly decreased.

Sustainability

In 2Q 2024, gross sales of **Responsible investment funds** reached CZK 6.0bn (+69% Y/Y) and share on total gross sales increased to 43%. New sales of **low energy housing loans** increased to CZK 5.5bn (>+100% Y/Y) and **clean energy cars loans** reached CZK 0.4bn (+86% Y/Y).

Impairments

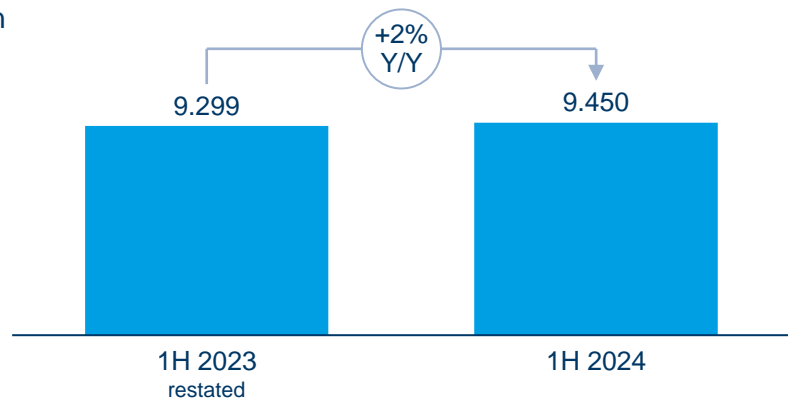
Total impairments amounted to a net release of **CZK 923m** (compared to net release of CZK 1,411bn in 1H 2023). **Credit cost ratio** in 1H 2024 reached **-19bps** (+11bps Y/Y). **NPL ratio** declined to 1.36% (-0.08pp Y/Y).

Awards

ČSOB gained the **Best Bank, Best Bank for ESG** and **Best Digital Bank** in the Czech Republic of 2024 from **Euromoney** magazine.

Higher 1H 2024 net profit thanks to growing operating income

Net profit
CZK bn



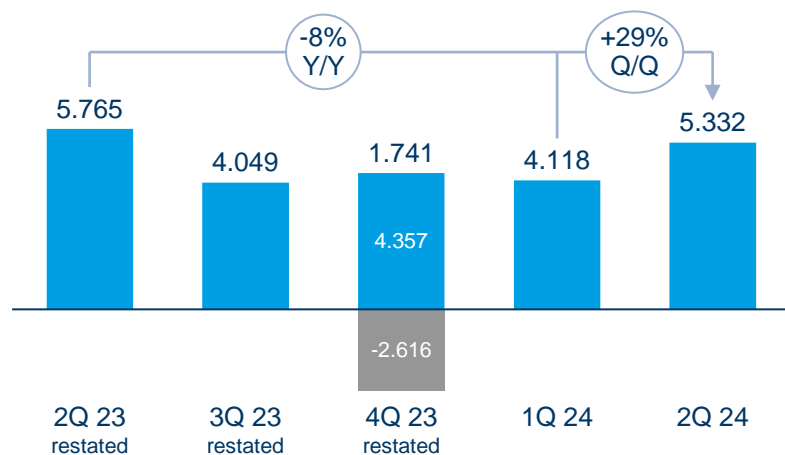
ROE Ytd.:	18.1%	16.9%

1H 2024 net profit increased to **CZK 9.5bn** (+2% Y/Y) fully driven by higher operating income (thanks to higher NII and NFCI). Operating expenses were flat Y/Y (as higher staff expenses were compensated by lower banking taxes) and net releases of loan loss provisions were lower Y/Y.

2Q 2024 net profit amounted to **CZK 5.3bn** (-8% Y/Y and +29% Q/Q). Y/Y decline mainly due to lower net gains from financial instruments at FVPL and lower other income accompanied by higher staff expenses and lower net releases of loan loss provisions. The main drivers for Q/Q increase were significantly lower impairments thanks to releases in 2Q and lower banking taxes.

The **return on equity (ROE)** reached 16.9% (-1.3pp Y/Y).

Note: Net profit and ROE for year 2023 have been restated. More in Appendix.

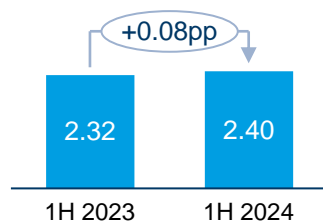


- ČSOB Group's net profit (underlying)
- One-off: Goodwill impairment related to changes in state subsidy for building savings

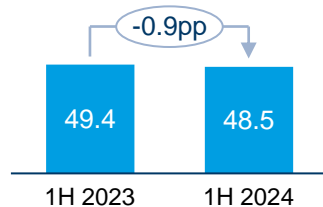
Excellent loan quality and resilient capital and liquidity. Higher net interest margin.

Profitability

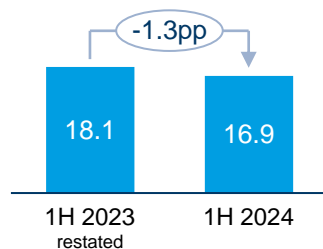
Net interest margin, Ytd. (%)



Cost / income ratio excl. banking taxes, Ytd. (%)

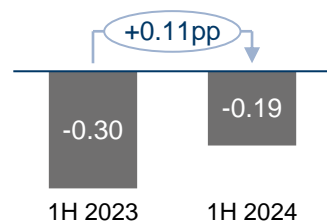


ROE (%)

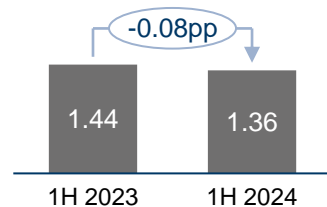


Loan portfolio quality

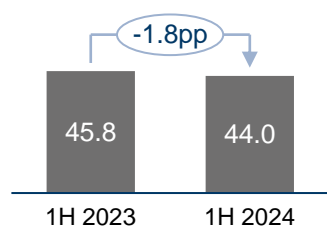
CCR, Ytd. annualized (%)



NPL ratio (%)

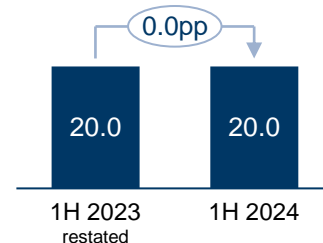


NPL coverage ratio (%)

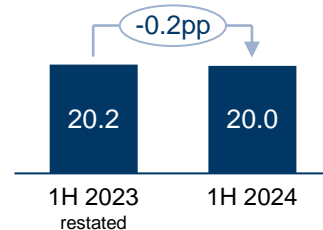


Capital

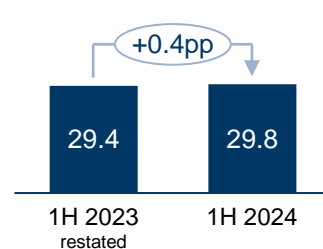
CET 1 ratio (%)



Total capital ratio (%)

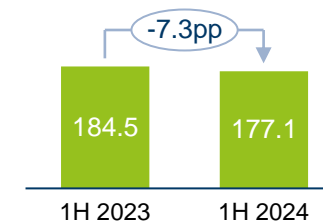


MREL ratio (% of RWA)

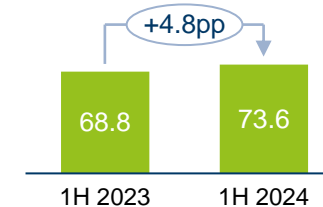


Liquidity

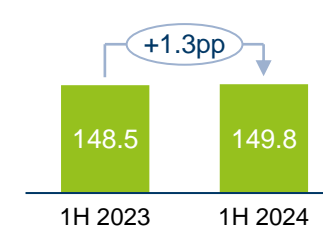
Net stable funding ratio (%)



Loan to deposit ratio (%)



Liquidity coverage ratio (%)



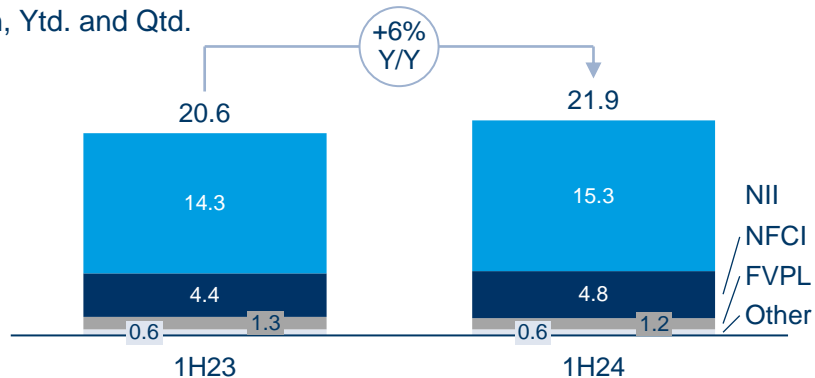
ČSOB group: Financial Overview

Operating income

Higher income driven by NII and NFCI. NIM improving Y/Y and Q/Q.

Operating income

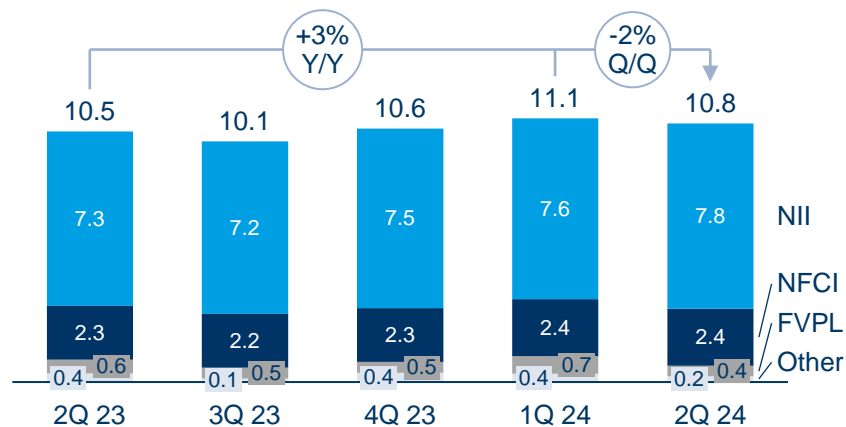
CZK bn, Ytd. and Qtd.



Y/Y:

- +7%
- +8%
- 8%
- 2%

NIM Ytd.:	2.32%	2.40%
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+6%

+6%

-24%

-33%

NIM Qtd.:	2.35%	2.26%	2.29%	2.38%	2.42%
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1H 2024 **net interest income** increased +7% Y/Y as a result of higher NII from deposits in retail and SME segments and supported by higher NII from loans in corporate and retail segments.

Net fee and commission income in 1H 2024 increased +8% Y/Y primarily driven by higher asset management fees, loan fees, fees from foreign payments and pension funds offset in part by lower fees from payment cards and higher distribution fees expense.

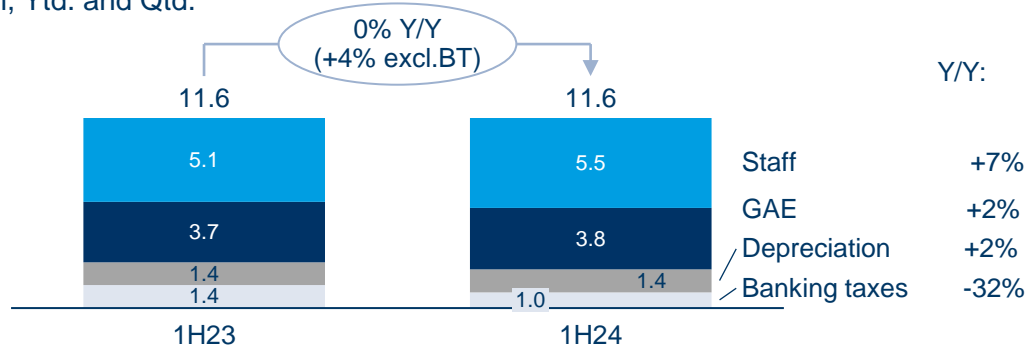
1H 2024 **trading and fair value income** decreased -8% Y/Y mainly driven by lower performance of financial markets, in part mitigated by positive valuation adjustments.

Net interest margin in 1H 2024 reached 2.40% (+8bps Y/Y) thanks to better deposit as well as loan margins.

Flat operating expenses as lower banking taxes compensated higher staff expenses

Operating expenses

CZK bn, Ytd. and Qtd.



C/I excl. BT Ytd.:	49.4%	48.5%
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1H 2024 **total operating expenses** remained flat Y/Y. **Excluding bank taxes operating expenses** increased +4% Y/Y.

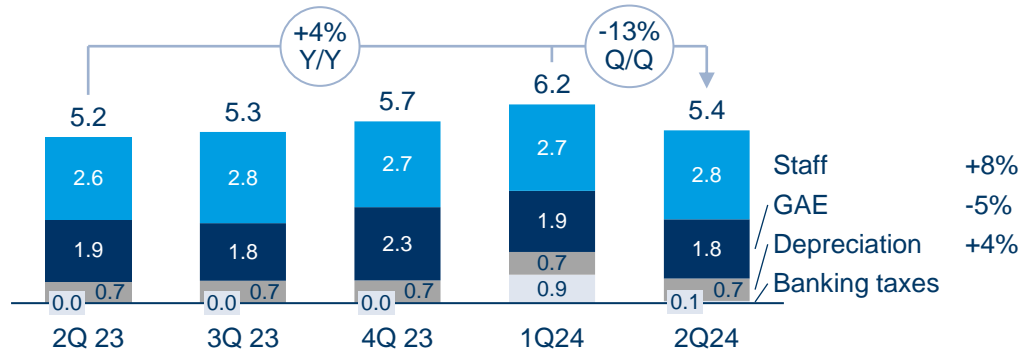
1H 2024 **staff expenses** increased +7% Y/Y impacted by wage inflation and bonuses.

1H 2024 **general administrative expenses** grew slightly +2% Y/Y due to higher facilities and distribution expenses.

Depreciation and amortization increased +2% Y/Y.

1H 2024 **banking taxes** decreased -32% Y/Y due to a lower contribution to the resolution fund.

1H 2024 **cost/income ratio** decreased to 52.9% and **cost/income ratio excluding banking taxes** reached 48.5%. The Y/Y decrease is supported by growing operating income.

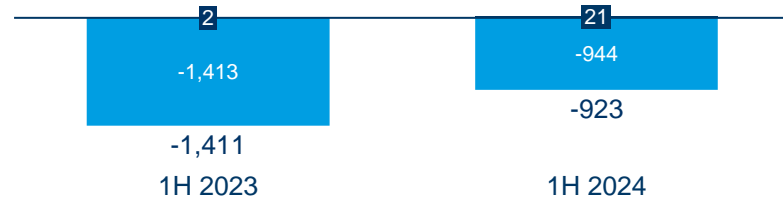


C/I excl. BT Qtd.:	49.4%	52.8%	53.3%	48.0%	49.1%
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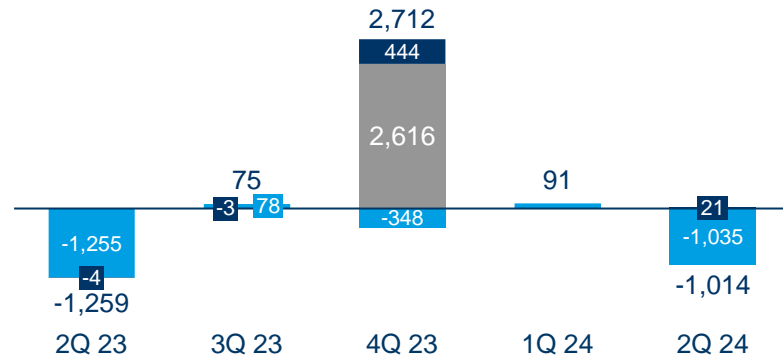
Continuous high quality of loan portfolio

Total impairments

CZK m



CCR Ytd.: -0.30% (1H 2023) vs -0.19% (1H 2024)



- loan loss provisions (impairments on financial assets at amortised cost)
- other impairments (see note)
- one-off goodwill impairment related to changes in state subsidy for building savings

In 1H 2024, **loan loss provisions** amounted to a net release of **CZK 944m** driven by releases mainly in Corporate and Retail.

Credit cost ratio for 1H 2024 reached **-0.19%** (Ytd., annualized; +11bps Y/Y).

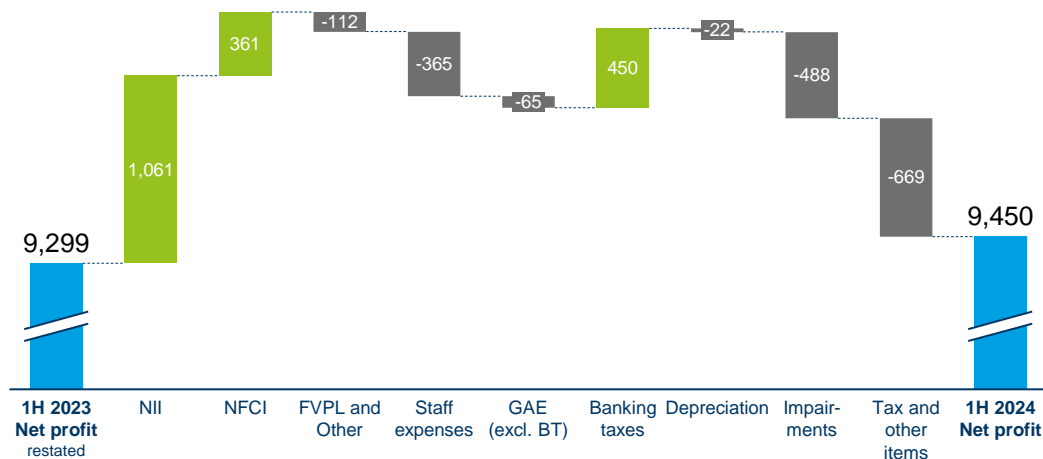
IFRS 9 Distribution (30.6.2024)	Amount (CZK bn)	Share on total loans
Loan portfolio	951.1	100%
Stage 1 - performing	807.3	85%
Stage 2 - underperforming	130.6	14%
Stage 3 - non-performing loans	13.2	1%

Notes:
 Figures in graphs: (+) net creation/cost and (-) net release/revenue.
 Other impairments include impairments on tangible and intangible assets and goodwill impairments.

Wrap up of net profit drivers

Net profit (Y/Y)

CZK m



The main difference between 1H 2024 and 1H 2023 net profit was caused by the following drivers:

On the **positive side**:

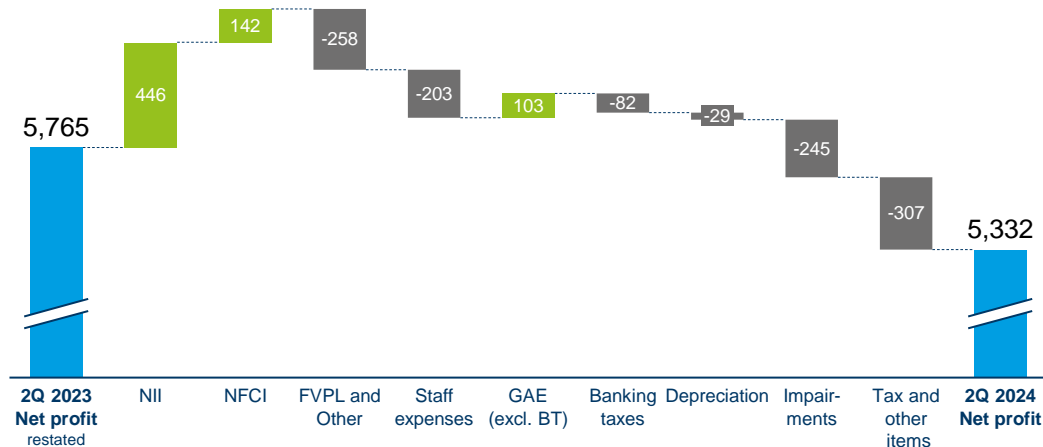
- higher NII driven by NII from deposits and loans
- lower banking taxes due to a lower overall industry contribution to the resolution fund
- higher NFCI driven by higher asset management fees, loan fees, fees from foreign payments and pension funds offset in part by lower fees from payment cards and higher distribution fees expense

On the **negative side**:

- lower net releases of impairments as releases in Retail were mitigated by creation in SME and Leasing
- higher tax and other items
- higher staff expenses impacted by wage inflation and bonuses

Net profit (Y/Y)

CZK m



The main difference between 2Q 2024 and 2Q 2023 net profit was caused by the following drivers:

On the **positive side**:

- higher NII driven by NII from deposits and loans
- higher NFCI driven by higher asset management fees and fees from foreign payments
- lower GAE driven by lower ICT and lower marketing

On the **negative side**:

- lower FVPL and Other income driven by lower performance of financial markets
- lower net releases of impairments driven by SME and Leasing
- higher staff expenses impacted by wage inflation and bonuses

Capital

Strong capital position

Consolidated, CZK m	30.6.2023	31.12.2023	30.6.2024
Total regulatory capital	86,955	89,340	94,848
- Common Equity Tier 1 (CET1) Capital	86,116	89,103	94,848
- Tier 2 Capital	839	237	0
MREL eligible debt	39,954	45,843	46,384
Total RWA	430,977	458,282	473,282
- Credit risk	365,050	388,979	403,952
- Market risk	408	357	384
- Operational risk	65,519	68,946	68,946
Common Equity Tier 1 (CET1) ratio	20.0%	19.4%	20.0%
Total capital ratio	20.2%	19.5%	20.0%
Leverage ratio	4.02%	4.52%	4.41%
Available MREL as a % of RWA	29.4%	29.5%	29.8%
Available MREL as a % of LRE	5.92%	6.86%	6.57%

MREL ratio reached **29.8%** of RWA and **6.57%** of LRE at the end of June.

As of 30 June 2024, ČSOB was required to comply with MREL equal to 27.0% 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

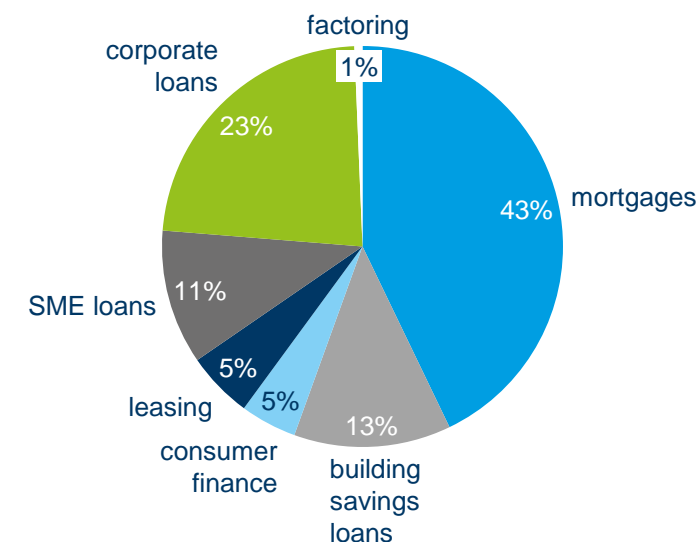
ČSOB group: Business Overview



Strong growth of mortgages and corporate loans

Gross outstanding volumes, CZK bn	30.6.2023	30.6.2024	Y/Y
Loan portfolio	890.7	951.1	+7%
Retail loans			
Mortgages	387.8	407.6	+5%
Consumer finance	38.5	43.2	+12%
Building savings loans	124.8	120.5	-3%
Business loans			
Corporate loans ¹	191.3	219.5	+15%
SME loans	97.7	103.3	+6%
Leasing	44.2	50.8	+15%
Factoring	6.6	6.2	-7%
Other ²	48.4	53.7	+11%
Credit risk: loan portfolio	939.2	1,004.9	+7%

30.6.2024
60% of the total loan portfolio is in retail, out of which majority in financing housing needs.



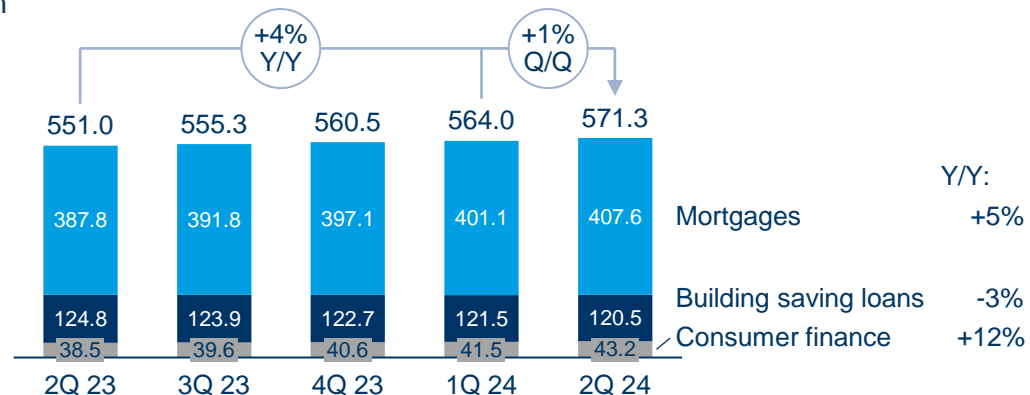
¹ Including credit-replacing bonds.

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

Strongest quarter in new sales of home loans since 2022

Retail loans, outstanding

CZK bn



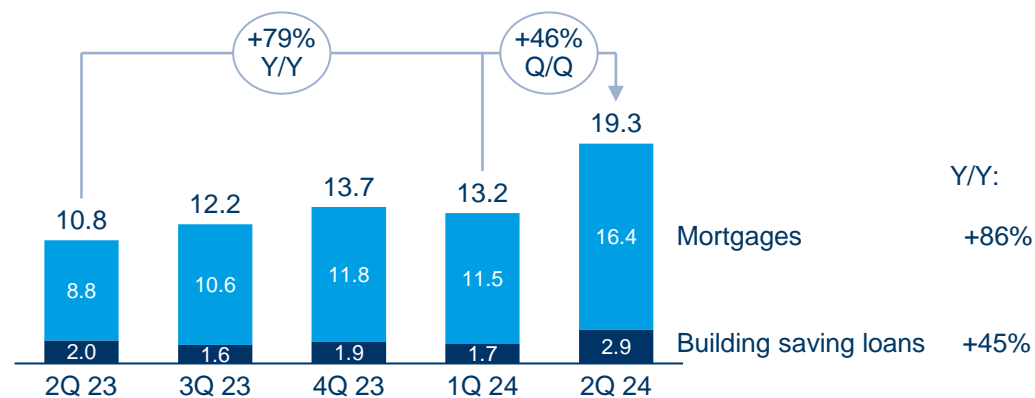
The outstanding volume of **mortgages** increased +5% Y/Y.

The outstanding **building savings loan** portfolio decreased -3% Y/Y.

Consumer finance grew +12% Y/Y thanks to increase of new sales volume.

Home loans, new sales

CZK bn



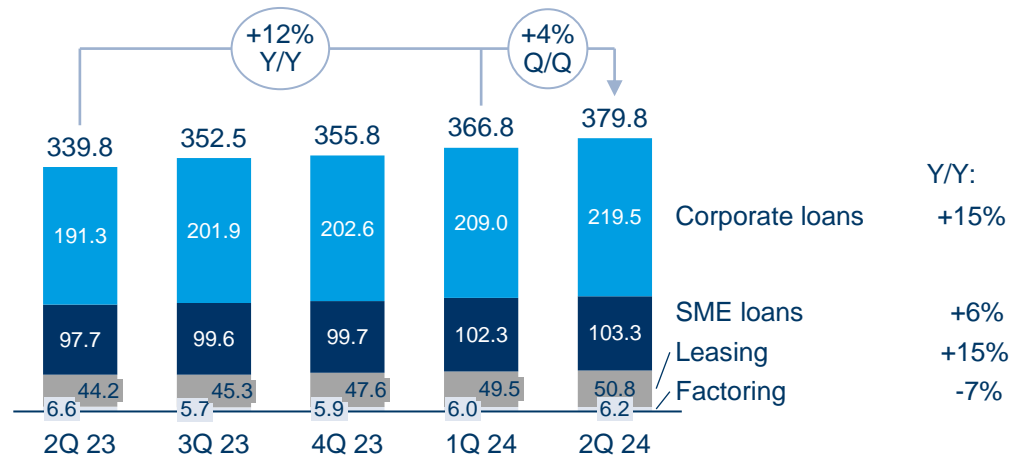
New sales of home loans in 2Q 2024 significantly increased to CZK 19.3bn (+79% Y/Y and +46% Q/Q) aided in part by more favorable interest rates.

ČSOB provided **4.5 thousand new mortgages** (+59% Y/Y) in the total amount of **CZK 16.4bn** (+86% Y/Y) and **2.7 thousand new building saving loans** (-7% Y/Y) in the total amount of **CZK 2.9bn** (+45% Y/Y).

Business loan growth driven by corporate segment and leasing

Business loan and other finance, outstanding

CZK bn



Outstanding volumes of **Corporate loans** increased +15% Y/Y mainly driven by growing specialized finance loans.

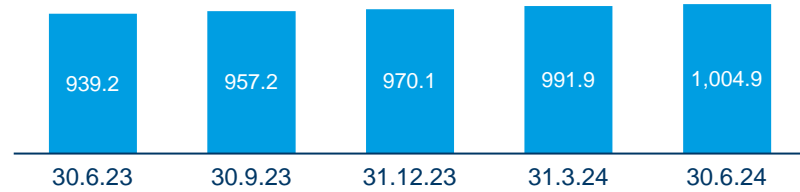
SME loans increased +6% Y/Y driven by growing core SME lending (micro, small and mid-sized companies).

Outstanding volumes in **ČSOB Leasing** rose +15% Y/Y as a result of increase mainly in corporate segment.

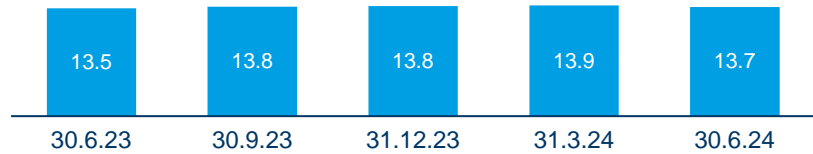
Factoring outstanding volumes decreased -7% Y/Y.

Excellent loan portfolio quality

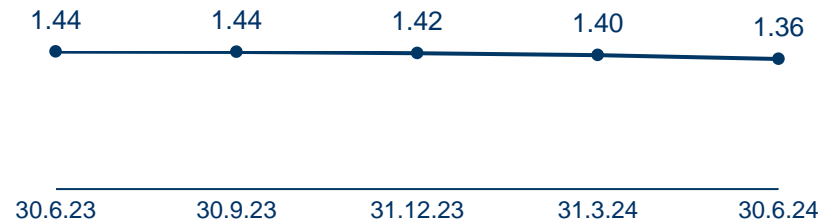
Credit risk: loan portfolio (CZK bn)



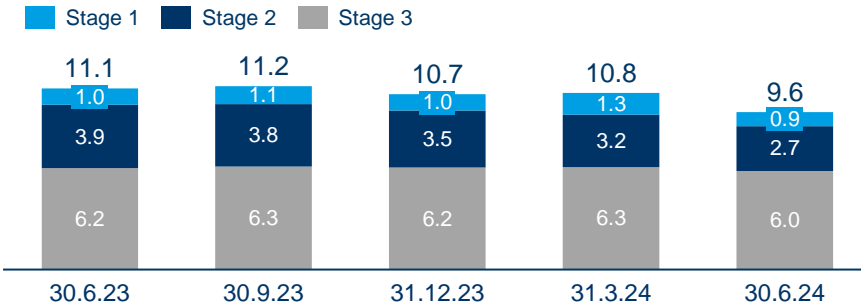
Non-performing loans (CZK bn)



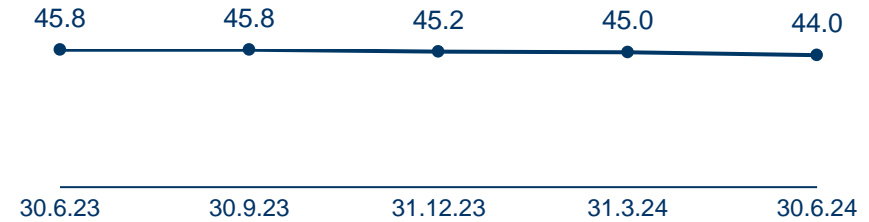
NPL ratio (%)



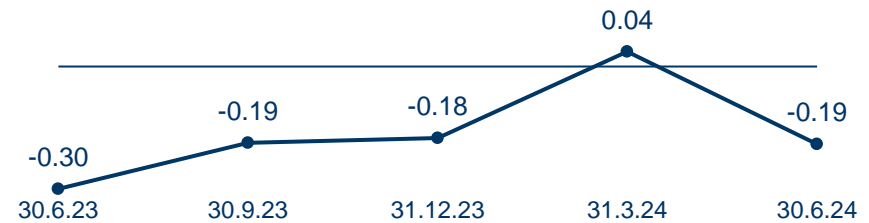
Allowances for loans and leases (CZK bn)



NPL coverage ratio (%)

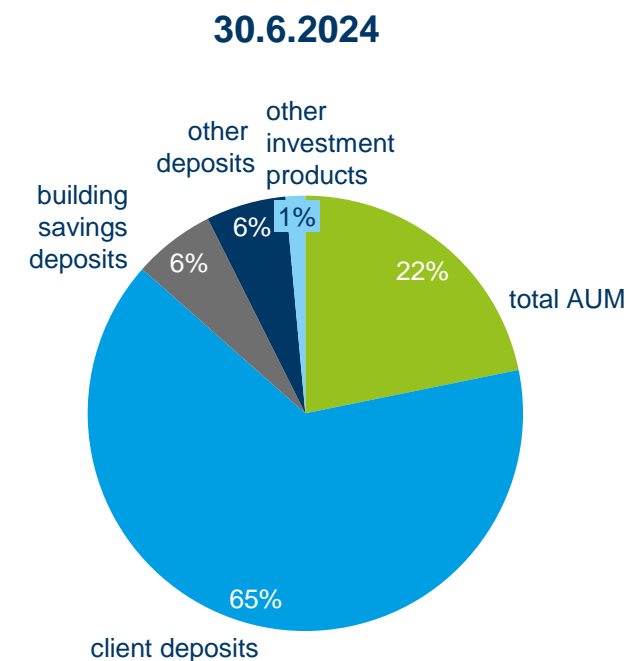


Credit cost ratio (%), Ytd. annualized



Strong growth of mutual funds, total client deposits remained flat

Outstanding volumes, CZK bn	30.6.2023	30.6.2024	Y/Y
Group deposits	1,456.7	1,371.3	-6%
Total client deposits	1,263.6	1,265.2	0%
ČSOB bank client deposits	1,144.8	1,156.5	+1%
<i>Current accounts</i>	589.6	603.7	+2%
<i>Savings deposits</i>	253.8	286.4	+13%
<i>Term deposits</i>	301.5	266.4	-12%
Building savings deposits	118.7	108.7	-8%
Other deposits ¹	193.2	106.1	-45%
Total AUM	337.8	389.7	+15%
Pension funds	72.0	72.9	+1%
Mutual funds	208.4	258.1	+24%
Other AM ²	57.4	58.7	+2%
Other investment products ³	22.5	26.0	+15%



¹ Other deposits predominantly consist of repo operations with institutional clients

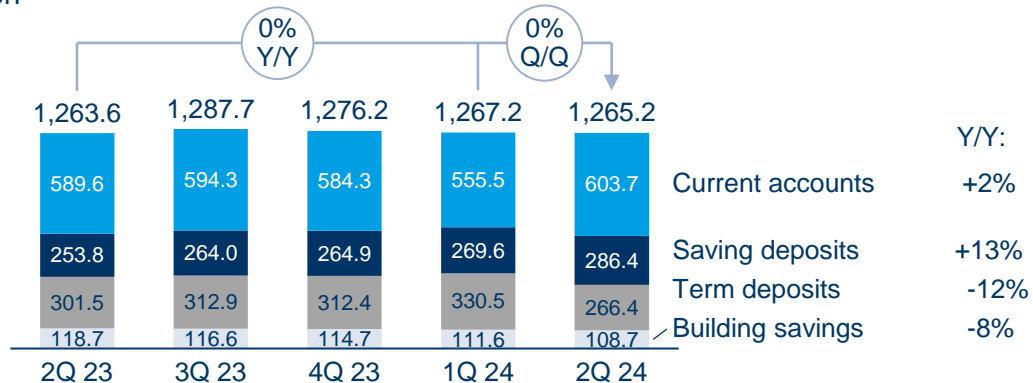
² Other AM includes discretionary asset management, qualified investors funds and other group assets

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

Strong growth of mutual funds, total client deposits remained flat

Total client deposits

CZK bn



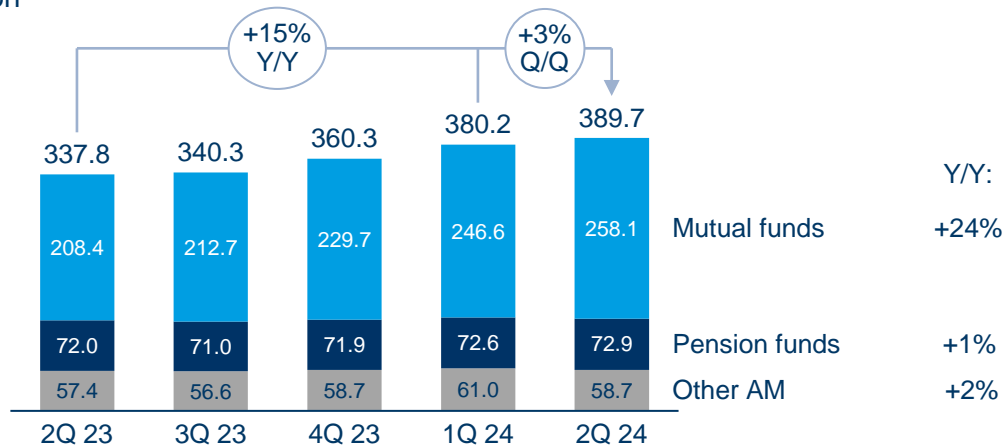
Total client deposits remained flat Y/Y as well as Q/Q.

ČSOB bank client deposits increased +1% Y/Y driven by the growth of **saving deposits** (+13% Y/Y) and **current accounts** (+2% Y/Y) while **term deposits** decreased (-12% Y/Y).

Building savings deposits decreased -8% Y/Y mainly due to the higher number of terminated contracts following the changes in state subsidy for building savings.

Assets under management

CZK bn



Mutual funds grew +24% Y/Y thanks to both strong net sales as well as positive performance effect.

New sales (gross) of mutual funds in 2Q 2024 reached CZK 14.0 bn (+6% Y/Y). The share of investments into responsible funds amounted to 43% of gross sales in 2Q.

The volume of savings in **pension funds** increased +1% Y/Y thanks to strong performance effect partly offset by higher volumes of outflows.

ČSOB group's distribution platform

Growing active client base

	30.6.2023	31.12.2023	30.6.2024
Clients of ČSOB's group (mil.)	4.324	4.309	4.291
ČSOB branches (bank only)	200	198	198
ČSOB Retail/SME branches	180	179	179
ČSOB Private Banking branches	11	11	11
ČSOB Corporate branches	9	8	8
ČSOB Pojišťovna branches	95	94	93
Housing finance branches	16	8	4
ČSOBS advisory centers	214	224	218
ČSOB Leasing branches	5	5	5
ČSOB PSB outlets of the Czech Post network	ca. 2,400	ca. 2,100	ca. 2,000
- of which specialized banking counters	235	227	228
Czech Post franchise outlets	ca. 800	ca. 900	ca. 900
ATMs¹	1,013	1,020	1,025
- of which contactless	870	906	963
- of which deposit	315	337	350

Number of clients decreased -34ths Y/Y. **Number of active clients** increased +71ths Y/Y.

At the end of June 2024, clients could use **1,025 ATMs** (+12 Y/Y) of which 963 were contactless (+93 Y/Y), 350 enabled cash deposits (+35 Y/Y) and 1,009 were customized for visually impaired clients.

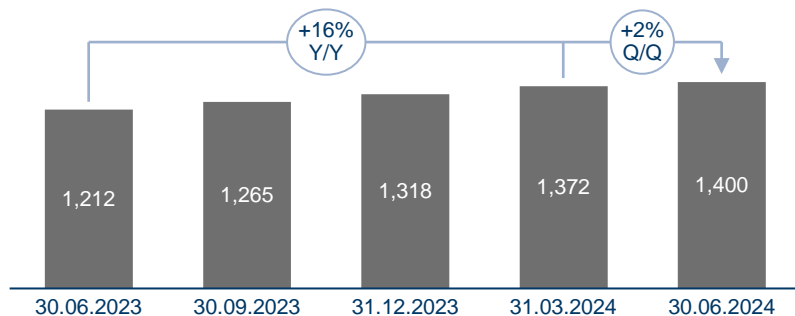
The branch network remains stable, the number of **ČSOB branches** reached 198 (-2 Y/Y, stable Q/Q) by the end of June.

Extended portfolio of bank-insurance services at Czech Post is provided at **228 specialized banking counters**. The decrease in total number of ČSOB PSB outlets was affected by cancellation of 300 branches of the Czech Post as a result of the government's decision in July 2023.

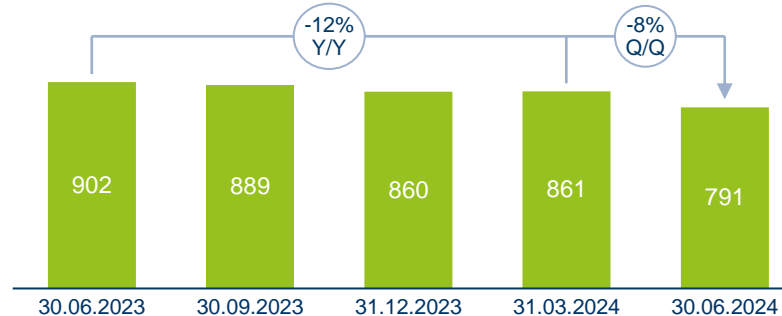
Clients can use our services at **4 housing finance branches**, **218 ČSOBS advisory centers** and **5 ČSOB Leasing branches**.

Number of mobile banking active clients and transactions increasing

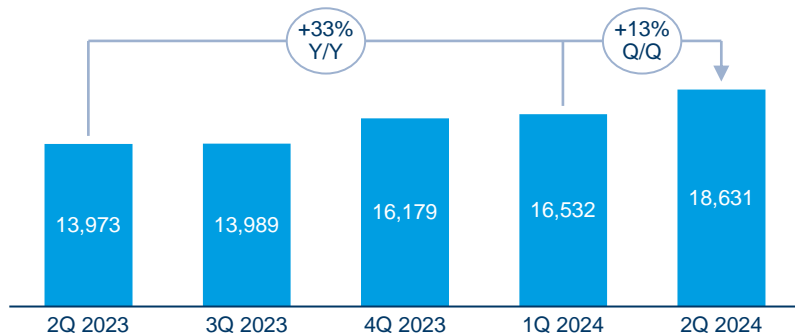
Mobile banking active clients¹ (ths)



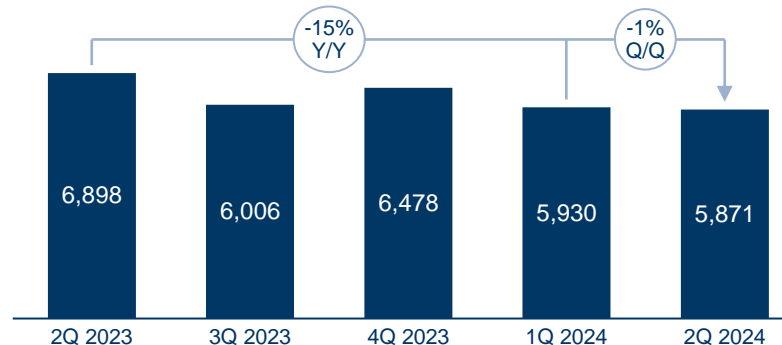
Internet banking active clients¹ (ths)



Mobile banking transactions² (ths)



Internet banking transactions² (ths)



As of 30 June 2024, the number of mobile banking **active clients** increased +16% Y/Y. In 2Q 2024, the number of **transactions** via mobile banking rose +33% Y/Y.

As of 30 June 2024, the number of internet banking **active clients** decreased -12% Y/Y. In 2Q 2024, the number of **transactions** via internet banking declined -15% Y/Y.

¹ Active clients are clients who at least once during the last 3 months used mobile banking or internet banking.

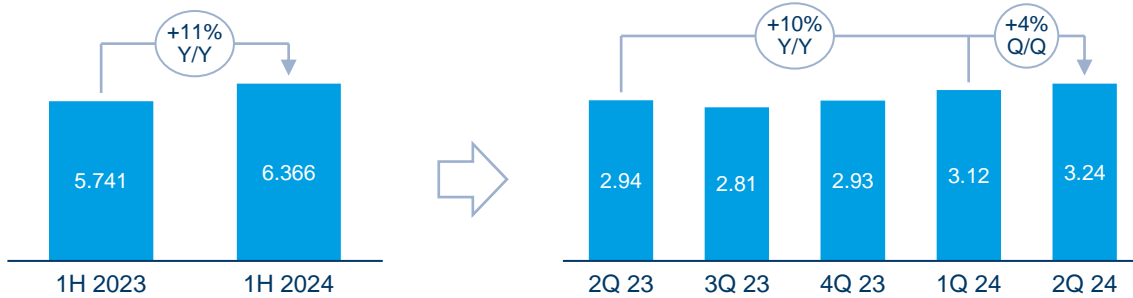
² Only transactions of retail and private banking clients are included. Transactions from standing payment orders are excluded.

ČSOB Pojišťovna: Key Figures

Strong growth in non-life and life gross written premium

Non-life insurance - gross written premium

CZK bn



Non-life insurance

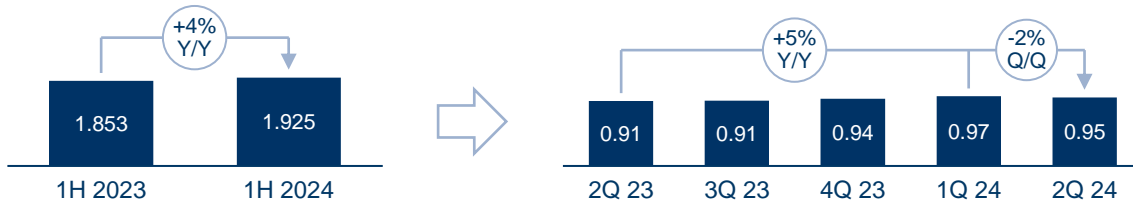
1H/2Q 2024 **non-life gross written premium** increased **+11% Y/Y** and **+10% Y/Y** respectively mainly thanks to motor, industrial risk, house & households products.

Life insurance

1H/2Q 2024 **regular paid gross written premium** increased **+4% Y/Y** and **+5% Y/Y** respectively thanks to higher new business and better lapses.

Life insurance – regular paid gross written premium

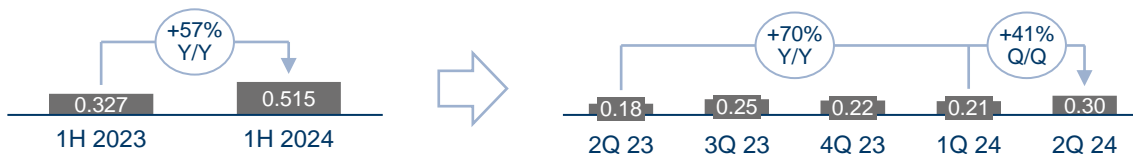
CZK bn



1H/2Q 2024 **single paid gross written premium** increased **+57% Y/Y** and **+70% Y/Y** respectively.

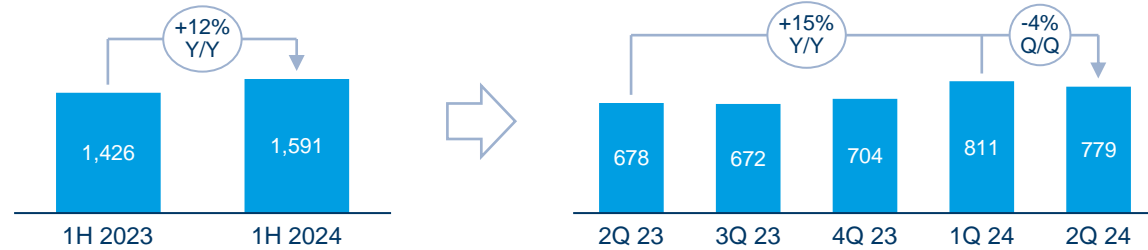
Life insurance – single paid gross written premium

CZK bn



Higher net profit driven by growing business and lower incidence of big/natural claims

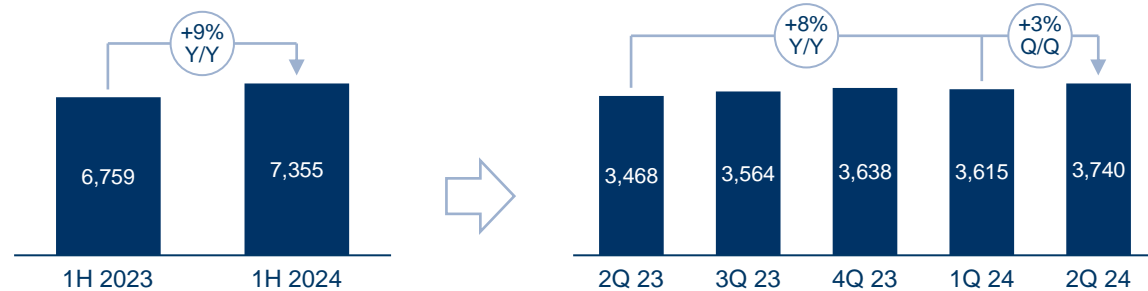
Net profit CZK m



1H/2Q 2024 net profit increased to **CZK 1,591m** (+12% Y/Y) and **CZK 779m** (+15% Y/Y) respectively as a result of growing portfolio, improving net loss ratio and limited increase in operating expenses.

1H/2Q 2024 operating income grew to **CZK 7,355m** (+9% Y/Y) and **CZK 3,740m** (+8% Y/Y) respectively thanks to growing sales from both Non-life and Life insurance business.

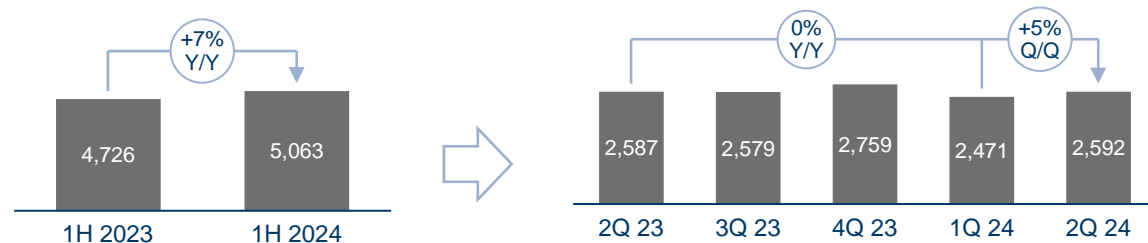
Operating income CZK m



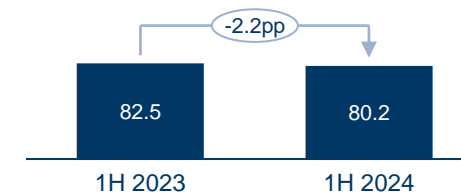
1H 2024 insurance service expenses increased to **CZK 5,063m** (+7% Y/Y) driven by higher commissions and number of claims and as impact of portfolio growth partly mitigated by lower incidence of big/natural claims. Insurance service expenses for 2Q 2024 remained flat Y/Y at **CZK 2,592m**.

Non-life combined ratio reached **80.2%**.

Insurance service expenses CZK m



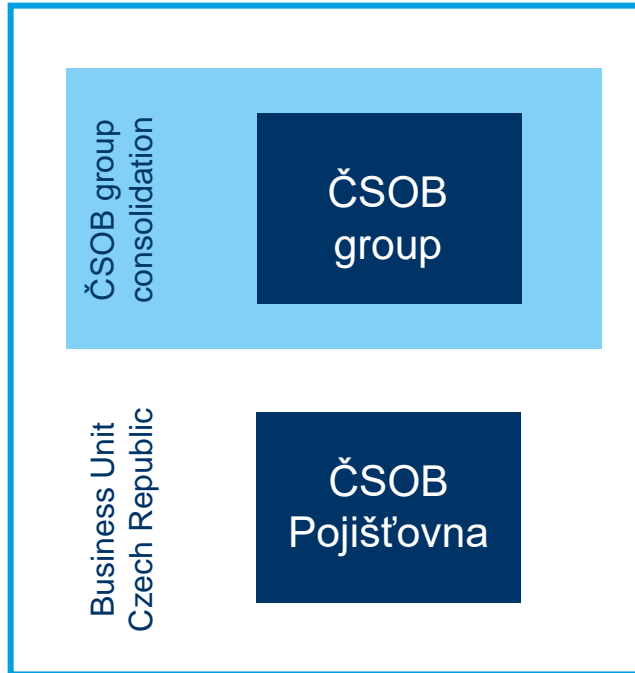
Non-life combined ratio (%)



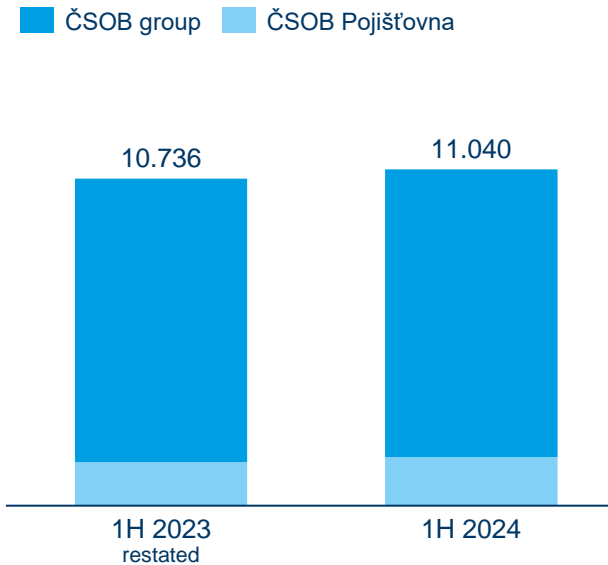
Business Unit Czech Republic



Business Unit Czech Republic 1H 2024 net profit



Net profit of the Business Unit Czech Republic
CZK bn



The 1H 2024 net profit of the Business Unit Czech Republic reached **CZK 11.0bn** (+3% 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)	2Q 2023 restated	3Q 2023 restated	4Q 2023 restated	1Q 2024	2Q 2024	2Q/2Q	1H 2023 restated	1H 2024	1H/1H
BU Czech Republic	6.452	4.721	2.461	4.933	6.107	-5%	10.736	11.040	+3%
o/w ČSOB Pojišťovna	0.678	0.672	0.704	0.811	0.779	+15%	1.426	1.591	+12%

Appendix

Restatement of financial statements

Due to incorrect static data set-up, ČSOB retrospectively corrected consolidated profit and loss statement and balance sheet for 2023. This restatement did not impact reported operating income or operating expenses.

Profit and loss statement

(Ytd., CZK m)

	30/6/2023 as reported	<i>restatement</i>	30/6/2023 restated	31/12/2023 as reported	<i>restatement</i>	31/12/2023 restated
Income tax expense	-942	-165	-1,107	-1,872	-347	-2,219
Profit for the period	9,464	-165	9,299	15,436	-347	15,089

Balance sheet

(CZK m)

	30/6/2023 as reported	<i>restatement</i>	30/6/2023 restated	31/12/2023 as reported	<i>restatement</i>	31/12/2023 restated
Current tax assets	916	-700	216	890	-740	150
Deferred tax assets	1,934	-138	1,796	1,403	0	1,403
Total assets	2,062,967	-838	2,062,129	1,869,032	-740	1,868,292
Current tax liabilities	258	0	258	283	280	563
Total liabilities	1,956,644	0	1,956,644	1,754,551	280	1,754,831
Retained earnings	61,990	-838	61,152	67,963	-1,020	66,943
Total equity	106,323	-838	105,485	114,481	-1,020	113,461
Total liabilities and equity	2,062,967	-838	2,062,129	1,869,032	-740	1,868,292

Ratios and other indicators

Ratio / Indicator	31.12.2021	31.12.2022	31.12.2023	30.6.2023	30.6.2024
Net interest margin (Ytd., annualized, %)	2.08	2.54	2.30	2.32	2.40
Cost / income ratio (%)	55.5	54.3	54.7	56.3	52.9
Cost / income ratio excl. bank. taxes (%)	51.8	50.6	51.2	49.4	48.5
RoE (Ytd., %)	14.3	13.4	14.2	18.1	16.9
RoA (Ytd., %)	0.88	0.72	0.77	0.96	0.97
RoAC, BU Czech Republic (Ytd., %) ¹	39.2	32.7	35.0	42.3	42.0
Credit cost ratio (Ytd., annualized, %)	-0.42	0.12	-0.18	-0.30	-0.19
NPL ratio (%)	1.83	1.69	1.42	1.44	1.36
NPL coverage ratio (%)	49.4	44.6	45.2	45.8	44.0
Common Equity Tier 1 (CET1) ratio (%)	22.4	19.7	19.4	20.0	20.0
Total capital ratio (%)	22.7	20.0	19.5	20.2	20.0
Leverage ratio (Basel III, %)	4.65	4.45	4.52	4.02	4.41
Available MREL of RWA (%)	27.4	29.4	29.5	29.4	29.8
Available MREL of LRE (%)	5.67	6.65	6.86	5.92	6.57
Net stable funding ratio (Basel III, %)	171.3	171.8	170.4	184.5	177.1
Liquidity coverage ratio (Basel III, %)	143.5	156.2	201.4	148.5	149.8
Loan to deposit ratio (%)	71.1	70.6	70.3	68.8	73.6

¹ Fully-loaded.

Note: Ratios RoE, RoA, Common Equity Tier 1 (CET1) ratio, Total capital ratio, Leverage ratio, Available MREL of RWA, Available MREL of LRE for the years 2022, 2023 and as of 30.6.2023 have been restated in line with the changes in financial statements on pages 32-34.

Profit and loss statement

(CZK m)	2Q 2023	1Q 2024	2Q 2024	Y/Y	Q/Q	1H 2023	1H 2024	Y/Y
	restated					restated		
Net interest income	7,315	7,588	7,761	+6%	+2%	14,288	15,349	+7%
Interest income	31,406	28,397	25,311	-19%	-11%	62,717	53,708	-14%
Interest expense	-24,091	-20,809	-17,550	-27%	-16%	-48,429	-38,359	-21%
Net fee and commission income	2,252	2,388	2,394	+6%	0%	4,421	4,782	+8%
Net gains from financial instruments at FVPL ¹	584	726	444	-24%	-39%	1,270	1,170	-8%
Other operating income ²	358	354	240	-33%	-32%	606	594	-2%
Operating income	10,509	11,056	10,839	+3%	-2%	20,585	21,895	+6%
Staff expenses	-2,571	-2,701	-2,774	+8%	+3%	-5,110	-5,475	+7%
General administrative expenses	-1,934	-2,795	-1,913	-1%	-32%	-5,093	-4,708	-8%
General administrative expenses (excl. banking taxes)	-1,949	-1,905	-1,846	-5%	-3%	-3,686	-3,751	+2%
Banking taxes	15	-890	-67	>-100%	-92%	-1,407	-957	-32%
Depreciation and amortisation	-668	-704	-697	+4%	-1%	-1,379	-1,401	+2%
Operating expenses	-5,173	-6,200	-5,384	+4%	-13%	-11,582	-11,584	0%
Impairment losses	1,259	-91	1,014	-19%	+/-	1,411	923	-35%
Impairment on financial assets at amortised cost	1,255	-91	1,035	-18%	+/-	1,413	944	-33%
Impairment on financial assets at fair value through OCI	0	0	-1	n/a	n/a	0	-1	n/a
Impairment on goodwill	0	0	0	n/a	n/a	0	0	n/a
Impairment on other assets	4	0	-20	>-100%	n/a	-2	-20	>+100%
Share of profit of associates	-1	-4	10	>-100%	>-100%	-8	6	>-100%
Profit before tax	6,594	4,761	6,479	-2%	+36%	10,406	11,240	+8%
Income tax expense	-829	-643	-1,147	+38%	+78%	-1,107	-1,790	+62%
Profit for the period	5,765	4,118	5,332	-8%	+29%	9,299	9,450	+2%
Attributable to:								
Owners of the parent	5,765	4,118	5,332	-8%	+29%	9,299	9,450	+2%
Non-controlling interests	0	0	0	n/a	n/a	0	0	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

Note: Lines Income tax expense and Profit for the period for 1H/2Q 2023 have been restated.

Balance sheet - assets

	30/6 2023	31/12 2023	30/6 2024	Y/Y
(CZK m)	restated	restated		
Cash and balances with central banks and other demand deposits	32,215	24,243	47,949	+49%
Financial assets held for trading	79,903	38,935	49,306	-38%
Financial assets held for trading pledged as collateral	33	0	0	-100%
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	778	1,330	386	-50%
Financial assets at fair value through other comprehensive income (OCI)	15,483	10,896	11,321	-27%
Financial assets at fair value through OCI pledged as collateral	232	4,326	5,856	>+100%
Financial assets at amortised cost - net	1,861,805	1,504,199	1,763,128	-5%
<i>Financial assets at amortised cost - debt securities (gross)</i>	278,343	63,202	178,766	-36%
<i>Financial assets at amortised cost - loans to credit institutions (gross)</i>	706,003	536,551	644,345	-9%
<i>Financial assets at amortised cost - loans to other than credit institutions (gross)</i>	888,005	914,700	949,326	+7%
<i>Financial assets at amortised cost - provisions</i>	-10,546	-10,254	-9,309	-12%
Financial assets at amortised cost pledged as collateral	21,206	237,654	112,430	>+100%
Fair value adjustments of the hedged items in portfolio hedge	-18,667	-10,437	-8,846	-53%
Derivatives used for hedging	38,914	29,215	25,249	-35%
Current tax assets	216	150	984	>+100%
Deferred tax assets	1,796	1,403	1,184	-34%
Investments in associates and joint ventures	70	68	67	-4%
Investment property	0	0	1,717	n/a
Property and equipment	12,500	12,510	12,307	-2%
Goodwill and other intangible assets	11,679	8,938	8,953	-23%
Non-current assets held-for-sale	61	65	84	+38%
Other assets	3,905	4,797	2,853	-27%
Total assets	2,062,129	1,868,292	2,034,928	-1%

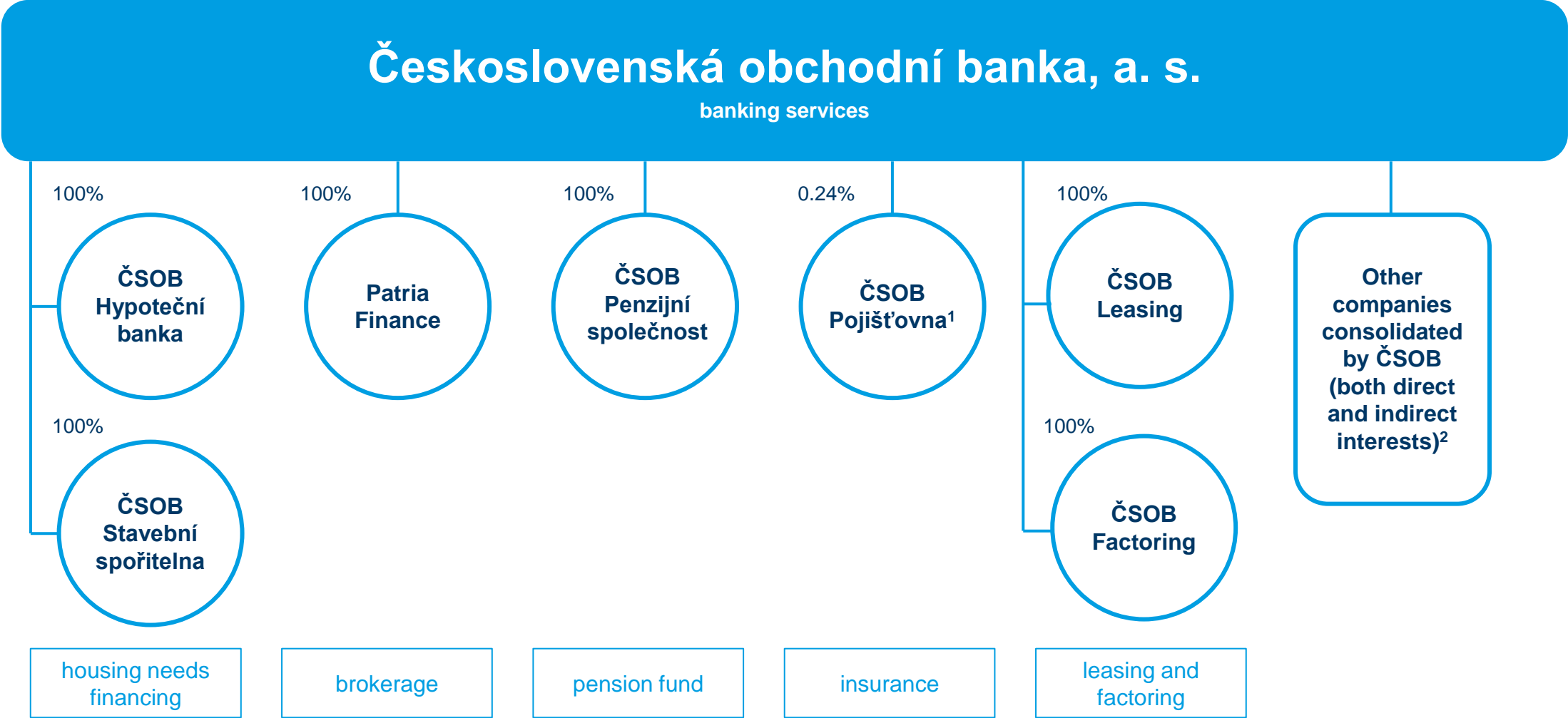
Note: Lines Current tax assets, Deferred tax assets and Total assets as of 30/6/2023 and 31/12/2023 have been restated.

Balance sheet – liabilities and equity

	30/6 2023	31/12 2023	30/6 2024	Y/Y
(CZK m)	restated	restated		
Financial liabilities held for trading	79,474	40,875	48,632	-39%
Financial liabilities at fair value through P/L	24,595	25,257	24,967	+2%
Financial liabilities at amortised cost	1,835,219	1,669,478	1,836,761	0%
<i>of which Deposits received from central banks</i>	0	0	0	n/a
<i>of which Deposits received from credit institutions</i>	129,700	260,648	331,749	>+100%
<i>of which Deposits received from other than credit institut.</i>	1,456,747	1,336,648	1,371,495	-6%
<i>of which Debt securities in issue</i>	206,713	24,302	85,032	-59%
<i>of which Subordinated liabilities</i>	39,954	45,843	46,384	+16%
<i>of which Lease liabilities</i>	2,105	2,037	2,101	0%
Fair value adjustments of the hedged items in portfolio hedge	-23,576	-15,396	-13,958	-41%
Derivatives used for hedging	32,063	24,454	20,893	-35%
Current tax liabilities	258	563	86	-67%
Deferred tax liabilities	1,171	1,521	1,559	+33%
Provisions	691	709	531	-23%
Other liabilities	6,749	7,370	8,713	+29%
Total liabilities	1,956,644	1,754,831	1,928,184	-1%
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	61,152	66,943	61,010	0%
Financial assets at fair value through OCI - revaluation reserve	-492	-265	-181	-63%
Cash flow hedge reserve	-631	1,324	459	+/-
Foreign currency translation reserve	-15	-12	-15	0%
Parent shareholders' equity	105,485	113,461	106,744	+1%
Minority interest	0	0	0	n/a
Total equity	105,485	113,461	106,744	+1%
Total liabilities and equity	2,062,129	1,868,292	2,034,928	-1%

Note: Lines Current tax liabilities, Total liabilities, Retained earnings, Parent shareholders' equity, Total equity and Total liabilities and equity as of 30/6/2023 and 31/12/2023 have been restated.

The ČSOB group in the Czech Republic



Percentages show ČSOB's ownership interests on company's equity as of 30 June 2024.

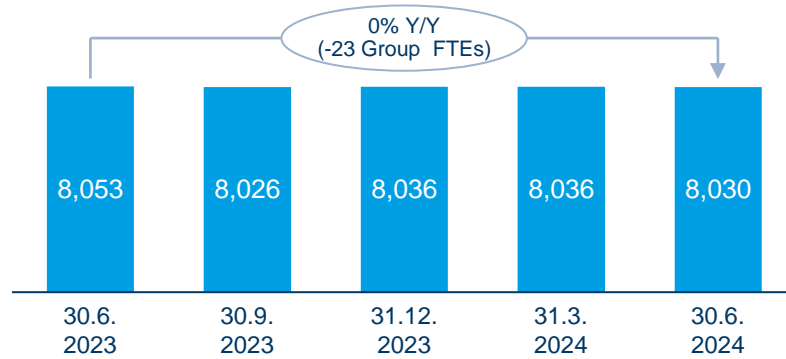
¹ 99.76% of shares owned by KBC Insurance; by the equity method consolidation.

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



Employees

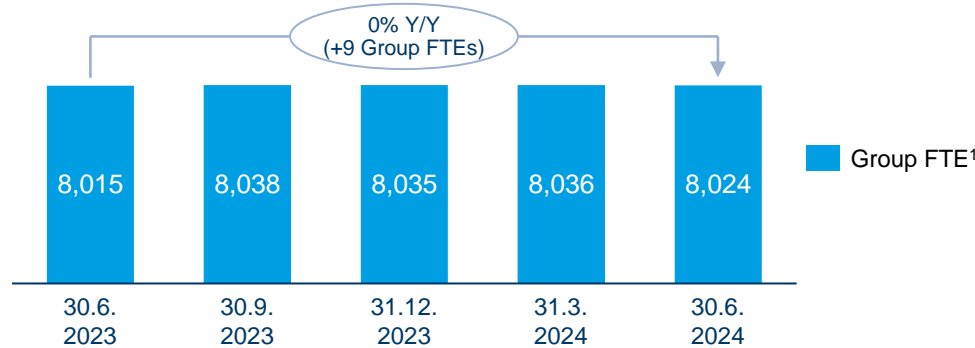
Number of FTEs – average



The average number of Group FTEs slightly decreased (-23 FTEs Y/Y) as an efficiency increase mainly in retail distribution was partly offset by more FTEs related to new Patria activities in Hungary.

The number of Group FTEs at the end of the period slightly increased (+9 FTEs Y/Y).

Number of FTEs – end of the period



¹ Above mentioned figures include ČSOB Group. ČSOB Pojišťovna is not included.

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	$\text{Tier 1 capital (CET1)} / \text{Total RWA}$ (according to CRR)
C/I (cost/income ratio)	$\text{Operating expenses} / \text{operating income, Ytd.}$
CCR (credit-cost ratio)	$\text{Total credit costs} / \text{average Credit risk: loan portfolio in the year (simple average of previous year end and reported period end balances)}$; Ytd.
Leverage ratio	$\text{Tier 1 capital} / (\text{On-balance} + \text{Off-balance sheet items} + \text{Counterparty exposure for Derivatives and SFT} + \text{Add-ons})$ (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)	$\text{Available amount of stable funding} / \text{required amount of stable funding}$ (according to CRR)
NIM (net interest margin)	$\text{Net interest income excl. volatile short-term assets used for liquidity management} / \text{average interest earnings assets excl. volatile short-term assets used for liquidity management; Qtd./Ytd., annualized}$
Non-life combined ratio	$\text{Short-term non-life insurance contracts: (claims and claim related costs net of reinsurance} + \text{costs other than claims and commissions)} / (\text{earned expected premiums received, net of reinsurance})$
NPL (non-performing loans) ratio	$\text{Outstanding amount of non-performing loans (incl. off-balance sheet items)} / \text{Credit risk: loan portfolio}$
NPL coverage ratio	$\text{Specific allowances for loans and leases (incl. off-balance sheet items)} / \text{non-performing loans (incl. off-balance sheet items)}$
ROA (return on assets)	$\text{Net profit for the year} / \text{average of total assets}$; Ytd., annualized
ROAC, BU Czech Republic (return on allocated capital)	$\text{Result after tax (including minority interests) of the } \check{C}\text{SOB group, adjusted to take account of allocated capital instead of actual capital} / \text{average allocated capital of the } \check{C}\text{SOB group (KBC group methodology)}$
ROE (return on equity)	$\text{Net profit for the year} / \text{average of total shareholders' equity}$; Ytd., annualized
Total capital ratio	$\text{Total regulatory capital} / \text{Total RWA}$ (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 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).
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)
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).
Mortgages	All loans booked in ČSOB 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 and investment certificates issued by ČSOB or ČSOB 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.
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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