

Prague, 6 August 2015

THE FIRST HALF FOR ČSOB: STRONG GROWTH CONTINUES ACROSS KEY SEGMENTS, POSITION OF THE LEADER IN LOANS STRENGTHENED

- **The Group's net profit in the first half, slightly decreased by 2% Y/Y to CZK 7.1 billion** (if adjusted for the Resolution Fund contribution: +1% Y/Y)
- **ČSOB strengthened its market leading position in loans*** as the volume increased by 8% Y/Y to CZK 564 billion, while keeping high quality of the loan portfolio
- **Group deposits grew to CZK 689 billion** (+6% Y/Y)*
- **The total volume of assets under management reached CZK 182 billion** (+14% Y/Y)
- **Operating income grew to CZK 16.4 billion (+4% Y/Y)** despite low interest rate environment
- **Operating expenses increased to CZK 8.0 billion (+8% Y/Y)**, mainly due to accrued contribution to the Resolution Fund (if adjusted for the Resolution Fund contribution: +2% Y/Y on like-for-like basis)
- **ČSOB launched new products and services** among others also algorithmic "flexible" mutual funds or "Dobra karta", prepaid card launched in cooperation with COOP
- ČSOB received an international award, **"Best Bank in the Czech republic 2015"** by the Euromoney Magazine

"Our net profit would increase by 1% Y/Y in the first half of the year, if adjusted for the expected contribution to the Resolution Fund. Such a good result in the low interest rate environment was achieved thanks to strong performance in all key segments confirming we are trusted partner for our clients. I am also glad that our effort to put clients in the center of what we do is appreciated not only by our clients but also by respectable Euromoney magazine, which named ČSOB the Best Bank for the year 2015 in the Czech Republic," said John Hollows, CEO of ČSOB.



The ČSOB group is the leading player in the Czech financial services industry. The ČSOB group is a part of the international bancassurance KBC group which is active in Belgium and the CEE region. In retail banking in the Czech Republic, ČSOB is operating under main recognized brands – ČSOB, Era and Poštovní spořitelna (Postal Savings Bank – PSB). ČSOB provides its services to all groups of clients, i.e. retail as well as SME, corporate and institutional clients. The ČSOB group's product portfolio includes financing housing needs (mortgages and building savings loans), insurance products, pension funds, collective investment products and asset management and specialized services (leasing and factoring). The ČSOB group is a good listener, who offers a suitable solutions, rather than mere products.

Strong business performance, however mitigated by creating accruals for contribution to the Resolution Fund in the first half, is a result of strong loan and deposit growth and sale of asset management products combined with the continuously good loan quality. On the loan side, the highest Y/Y growth was reached in mortgages, SME/corporate loans and leasing. With CZK 13.5bn of newly sold mortgages, 2Q 2015 was also the record high quarter in the ČSOB history. The Y/Y growth in deposits was driven fully by current accounts. Despite the growth in business volumes ČSOB managed to keep high quality of the loan portfolio with NPL ratio below 4% threshold, which is the lowest level over last 6 years.

	1H 2014	1H 2015	Y/Y
Net profit (CZK bn)	7.2	7.1	-2%
Cost/income ratio (%)	47.1	48.8	+1.7pp
Loan portfolio (CZK bn)*	522.9	564.1	+8%
Deposit volume (CZK bn)*	652.2	689.4	+6%
Assets under management (CZK bn)	159.7	182.2	+14%
Tier 1 Capital Ratio (%)	17.0	17.9	+0.9pp
Credit cost ratio (% , annualized)	0.04	0.18	+0.14pp

* including ČMSS

A detailed presentation concerning the financial results for the first half of 2015 is available at: <https://www.csob.cz/portal/o-csob/vztahy-k-investorum#hospodarske-vysledky>

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