

FY/4Q 2023 Results

ČSOB group

Business Unit Czech Republic

EU IFRS unaudited consolidated
8 February 2024



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ČSOB group: Key Figures

FY/4Q 2023 at a glance

Over 1 million customers contacted Kate, ČSOB's virtual assistant

More than half of ČSOB mobile banking users used our virtual assistant Kate in 4Q 2023. Over 1.2 million users contacted Kate since its launch. Kate is able to solve hundreds of situations for our clients with 66% autonomy (solution provided directly by Kate) and is available to retail as well as business customers.

ČSOB first on Czech market to pilot fully digital mortgage process

ČSOB successfully launched pilot phase of signing mortgage and the pledge agreements using a qualified electronic signature. For customers with qualified electronic signature, the mortgage process is fully digital.

ČSOB and Czech police trained 277,000 people in cybersecurity

Raising public financial and cybersecurity literacy is a long-term priority for ČSOB. In June this year, ČSOB and the Czech Police announced a joint educational mission aimed at combating the activities of online fraudsters. We have already trained 277,000 Czech residents and are on our way to fulfilling our commitment to train one million people in cybersecurity

Green0meter, the joint venture with KBC Bank, launches Marketplace to help companies become more sustainable

Green0meter has launched Marketplace, which allows companies to easily estimate their carbon footprint, find out what ESG reporting obligations apply to them, and get expert advice. KBC Bank and the Czech Green0meter entered into joint venture in June 2023 to advise entrepreneurs and companies on their journey to becoming more sustainable.

ČSOB Stavební offers comprehensive support for energy-efficient housing

In January 2024, ČSOB Stavební spořitelna (building savings company) has launched a new grant consultancy service to help clients with the financing of energy-efficient housing and renovations. The service is free of charge and provides advice on grant applications, recommendations for suppliers, and help with the preparation of necessary documentation.

Over 106ths clients sign up for payment by contact service

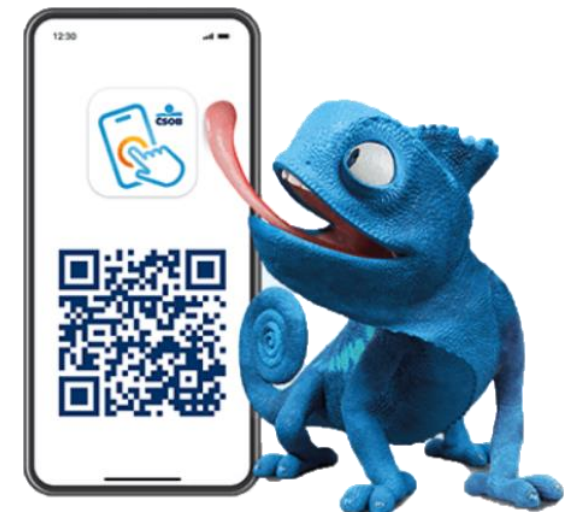
Payment by contact is an innovative service that allows to send payments by simply entering the recipient's phone number. ČSOB is one of the first six banks in the Czech Republic to offer this service.

Long-Term Investment Product offers a tailored approach to retirement savings

ČSOB and our in-house broker Patria were among the first to launch the Long-Term Investment Product (DIP), which provides a compelling alternative to traditional pension saving.

ČSOB expands QR code functionality for simplified login

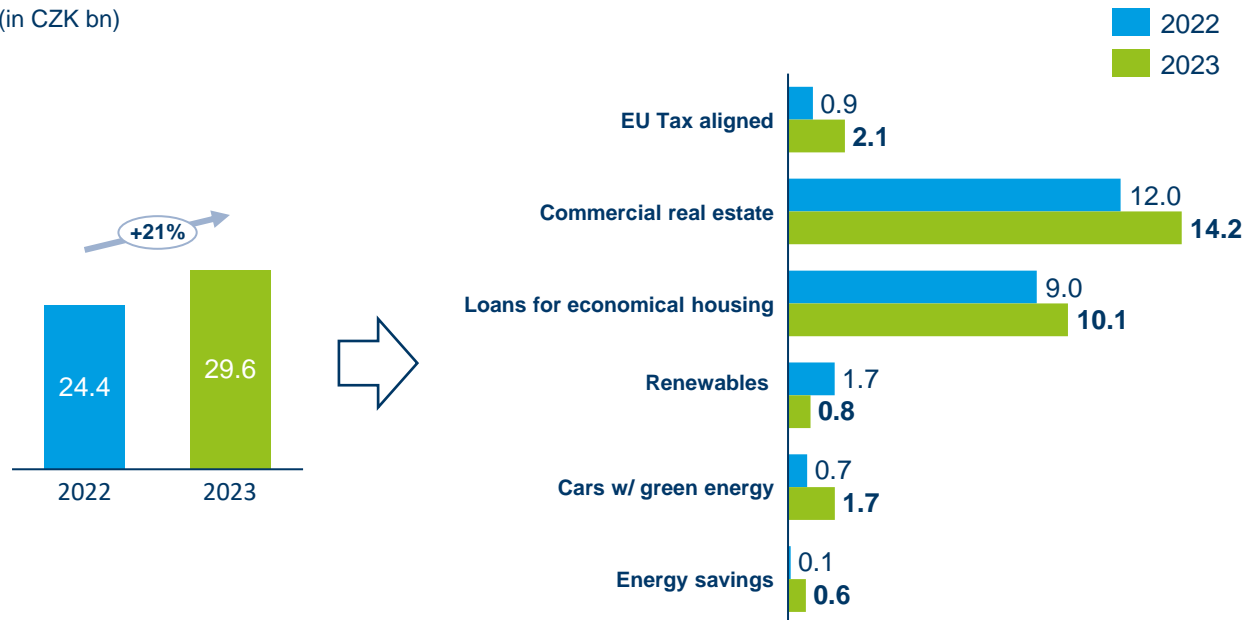
Smart key users can now log in to Internet banking and ČSOB CEB (electronic banking for business) by scanning a QR code, eliminating the need for passwords. ČSOB clients now also have the option to access Bank iD (digital verification of identity) via QR code. ČSOB pioneered this service among major banks in October, and it has already been used over 750,000 times.



Committing nearly 50 billion CZK to accelerate the transition to a low emission economy

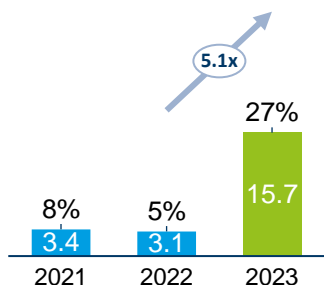
Loans supporting transition to low emission economy

(in CZK bn)



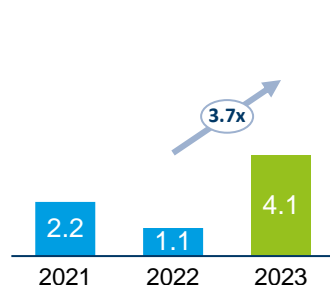
Responsible investment funds

(gross sales in CZK bn, % of total)



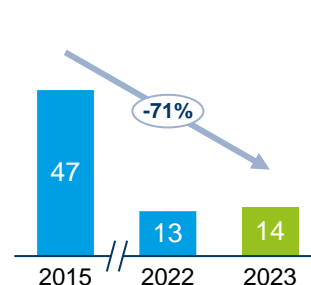
ESG linked green bonds and investment certificates

(in CZK bn)



Own GHG emissions

(in ths tons of CO2)



- ČSOB provided **CZK 29.6bn loans** supporting transition to **low emission** economy, of which **CZK 2.1bn fulfil the EU Taxonomy criteria** in the real estate and renewable energy sectors.
- In the **real estate sector**, ČSOB granted additional loans of **CZK 24.3bn** for buildings with the Energy Performing Certificate (EPC) in categories A and B.
- ČSOB Leasing supports the transition to **low emission transportation** by financing **clean energy cars and trucks of CZK 1.7bn**.
- The volume of **investments in responsible funds** reached **CZK 15.7bn**, i.e. 5 times more than the previous year. The share on total investments increased to **27%**.
- ČSOB provided **CZK 4.1bn of ESG linked green bonds and investment certificates**, i.e. 4 times more than the previous year. The green bond issue (**CZK 2bn**) bolsters ČSOB offering of sustainability products for private banking clients. The bonds meet the most demanding criteria of the EU Taxonomy.
- ČSOB **decreased its GHG emissions by 71% compared to 2015**. The Y/Y increase mainly due to change in methodology (higher emission factors). All GHG emissions are fully offset.

Measures of sustainable performance

ČSOB group key indicators		2020	2021	2022	2023
Profitability	Net profit (CZK bn)	8.5	16.2	14.6	15.4
	Return on equity	8.2%	14.3%	13.6%	14.4%
Liquidity	Loan to deposit ratio	71.6%	71.1%	70.6%	70.3%
	Net stable funding ratio	169.9%	171.3%	171.8%	170.4%
Capital	CET1 ratio	23.7%	22.4%	19.8%	19.7%
Impairments	Credit cost ratio	0.67%	-0.42%	0.12%	-0.18%
Cost efficiency	Cost / income ratio	54.6%	55.5%	54.3%	54.7%
	Cost / income ratio (excl. banking taxes)	51.5%	51.8%	50.6%	51.2%

FY 2023 net result +6% Y/Y. Robust capital and liquidity. Solid growth of business volumes. Excellent loan quality.

Net profit

FY 2023 ČSOB's **net profit** increased to **CZK 15.4bn** (+6% Y/Y) and 4Q 2023 **net profit** to **CZK 1.8bn** (+>100% Y/Y). Excluding for the impact of ICEC legal case in 4Q 2022 and the goodwill impairment related to changes in state subsidy for building savings in 4Q 2023, the **adjusted FY/4Q net profit** would increase +3% Y/Y and +38% Y/Y respectively.

Operating income

Operating income increased to **CZK 41.3bn** in FY 2023 (+2% Y/Y). The increase resulted from significantly higher other income influenced by lower base in 2022 and higher net fee & commission income, while net interest income and trading & fair value income decreased Y/Y. Excluding for the impact of ICEC legal case in 4Q 2022 the **adjusted FY operating income** would decrease -6% Y/Y.

Operating expenses

Operating expenses excl. banking taxes grew to **CZK 21.2bn** in FY 2023 (+3% Y/Y). Staff expenses increased +5% Y/Y mainly due to wage inflation and restructuring reserve. General administrative expenses excluding banking taxes grew +1% Y/Y driven by ICT expenses. Average number of **FTEs** decreased **-33 Y/Y**.

Business indicators

Loan portfolio reached **CZK 916bn** (+5% Y/Y). **Total client deposits** rose to **1,276bn** (+6% Y/Y) and **total deposits** grew to **CZK 1,337bn** (+9% Y/Y). **Assets under management** grew to **CZK 365bn** (+19% Y/Y). Number of **active clients** increased **+58ths** Y/Y. Number of **mobile banking active users** increased +16% Y/Y to **1.3m**.

Impairments

Total impairments decreased to **CZK 1.4bn** (-8% Y/Y, net creation) reflecting net release of loan loss provisions (compared to net creation in 2022) and increase in other impairments primarily due to the goodwill impairment (CZK 2.6bn) related to changes in state subsidy for building savings.

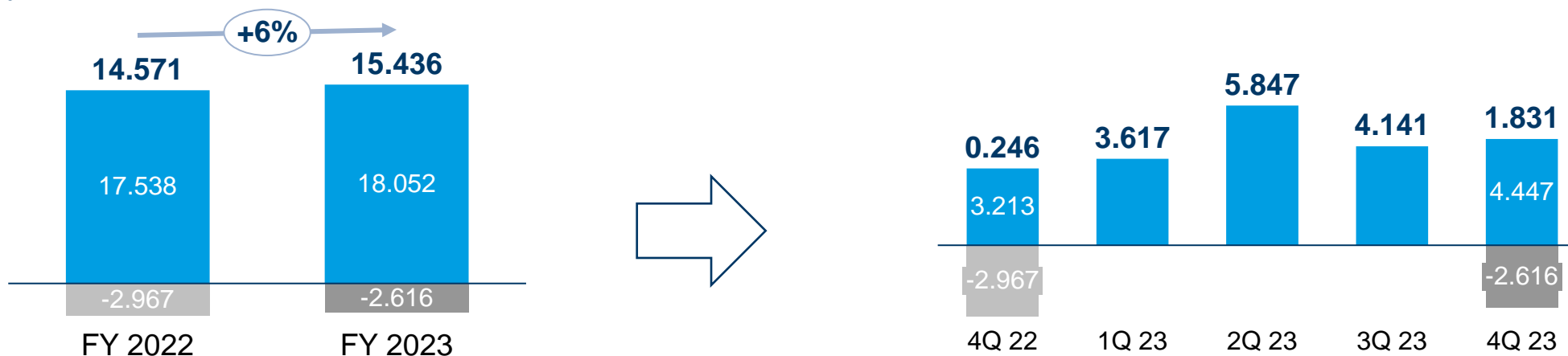
Credit cost ratio in FY 2023 reached **-18bps** (-30bps Y/Y). **NPL ratio** declined to **1.42%** (-0.27pp Y/Y).

Liquidity & Capital

ČSOB maintains strong capital position and excellent liquidity ratios. **CET1 ratio** reached **19.7%**. **Loan to deposit ratio** reached **70.3%**. The **short-term liquidity ratio LCR** increased to **201.4%** and the **long-term liquidity ratio NSFR** was **170.4%**.

**Strong FY 2023 result thanks to excellent loan portfolio quality and cost control.
4Q 2023 net profit impacted by goodwill impairment.**

Net profit
CZK bn



FY 2023 **net profit increased to CZK 15.4bn** (+6% Y/Y). This was primarily due to the combined effect of higher operating income (comprising higher other income influenced by lower base in 2022, higher net fee and commission income, but lower trading & fair value income and net interest income), higher costs, net release of loan loss provisions and creation of goodwill impairment related to changes in state subsidy for building savings.

4Q 2023 **net profit amounted to CZK 1.8bn** (>100% Y/Y, -56% Q/Q). The Q/Q decrease is a result of a combination of higher net interest income, higher costs, net release of loan loss provisions and creation of goodwill impairment and other assets in 4Q 2023.

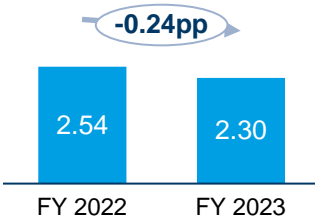
- ČSOB Group's net profit (underlying)
- One-off: Arbitration proceedings against ICEC-Holding (net CZK 3.0bn, gross CZK 3.7bn)
- One-off: Goodwill impairment related to changes in state subsidy for building savings (CZK 2.6bn, no impact on income tax expense)

Excluding for the impact of ICEC legal case in 4Q 2022 and the goodwill impairment related to changes in state subsidy for building savings in 4Q 2023 the adjusted FY/4Q net profit would increase +3% Y/Y and +38% Y/Y respectively.

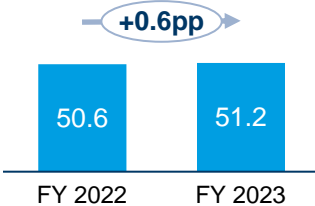
Excellent loan quality and resilient capital and liquidity. Lower net interest margin.

Profitability

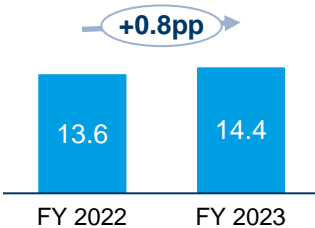
Net interest margin (%)



Cost / income ratio excl. banking taxes (%)

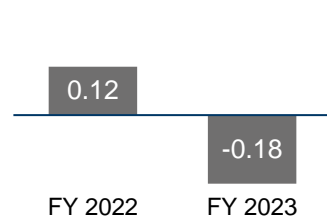


ROE (%)

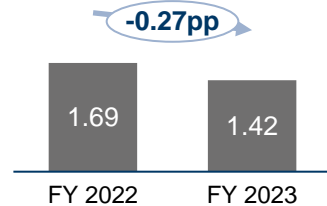


Loan portfolio quality

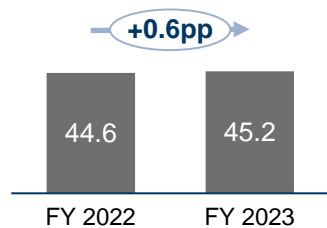
CCR, Ytd. annualized (%)



NPL ratio (%)

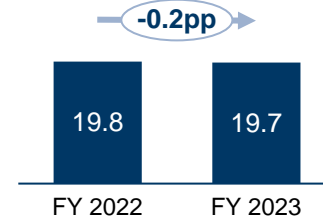


NPL coverage ratio (%)

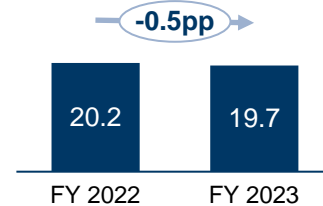


Capital

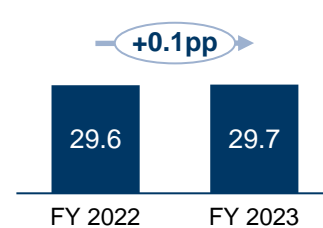
CET 1 ratio (%)



Total capital ratio (%)

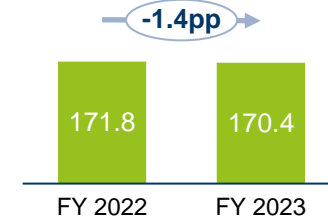


MREL ratio (% of RWA)

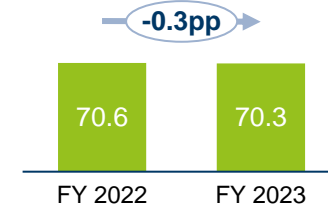


Liquidity

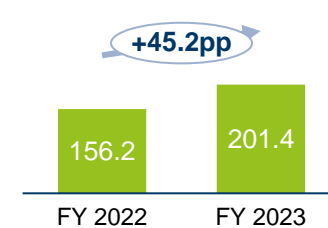
Net stable funding ratio (%)



Loan to deposit ratio (%)



Liquidity coverage ratio (%)



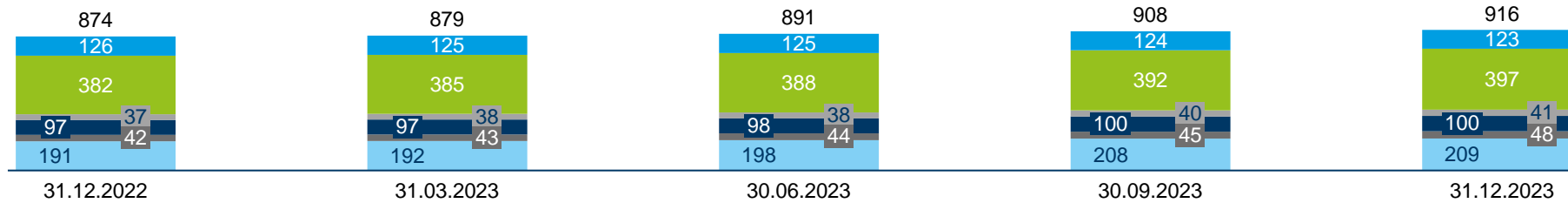
Loans, deposits and assets under management

Strong growth of customer business

Loan portfolio¹

CZK bn

+5% Y/Y

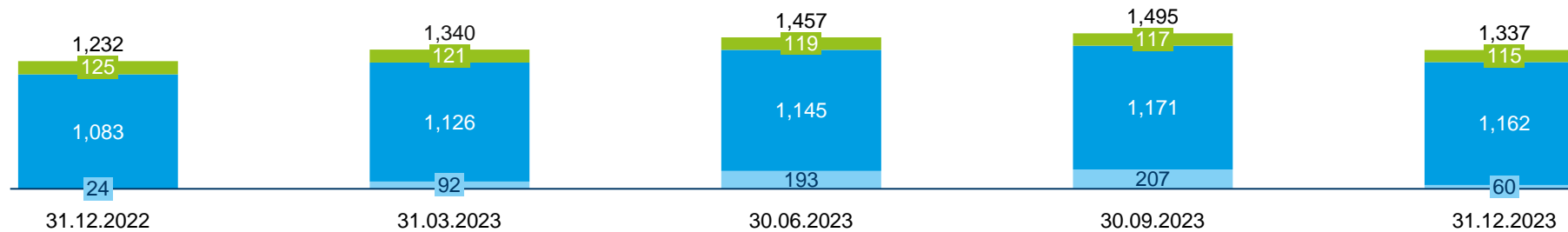


- building savings loans
- mortgages
- consumer finance
- SME
- leasing
- corporate + factoring

Group deposits²

CZK bn

+9% Y/Y
Total client deposits +6% Y/Y

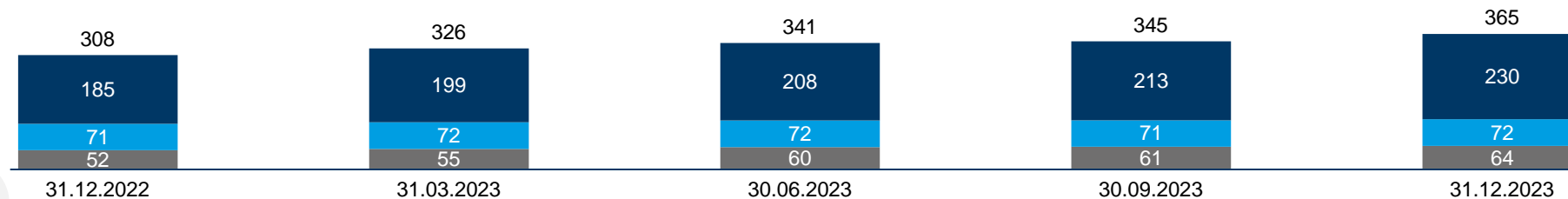


- building savings deposits
- ČSOB bank client deposits
- other deposits

Total assets under management

CZK bn

+19% Y/Y



- mutual funds
- pension funds
- other asset management

¹ Item Loans and receivables minus exposure to banks from inter-bank transactions and reverse repo operations with ČNB plus credit replacing bonds.

² Item Deposits received from other than credit institutions from the consolidated balance sheet.

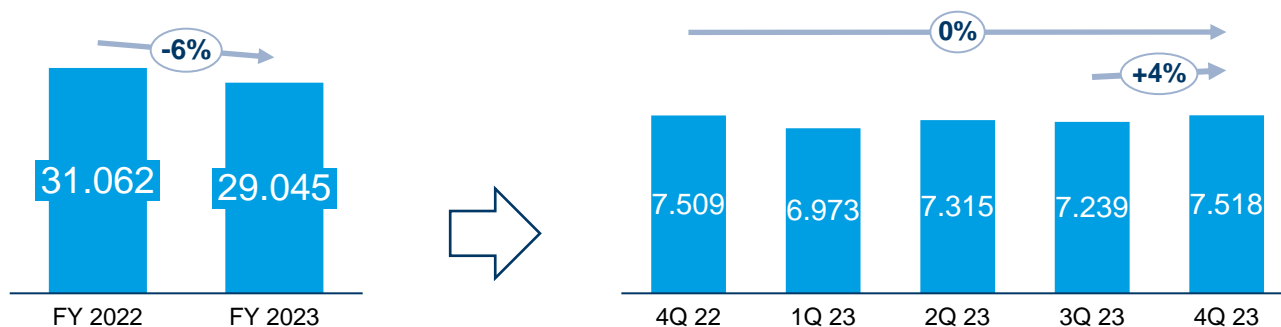
ČSOB group: Financial Overview

Net interest income and Net interest margin

Net interest income and NIM decreasing Y/Y but improved Q/Q

Net interest income (NII)

CZK bn



FY 2023 **net interest income** decreased **-6% Y/Y** as a result of:

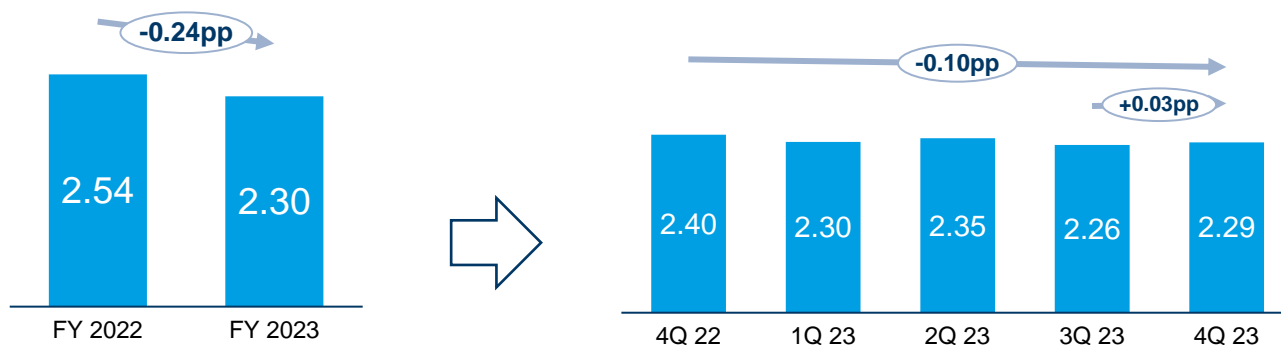
- (-) lower NII from deposits due to lower margins driven by Retail and Corporate segments
- (-) lower NII from loans mainly due to lower margins from building saving loans and mortgages

4Q 2023 **net interest income** increased **+4% Q/Q** as a result of:

- (+) higher NII from loans driven by increasing volumes from mortgages and Corporate segment
- (-) lower NII from deposits driven by lower margins related to zero remuneration on minimum required reserves

Net interest margin (NIM)

%



In FY 2023, **net interest margin** reached **2.30%** (-24bps Y/Y) due to lower margins from deposits and loans and also reflecting zero remuneration on minimum required reserves.

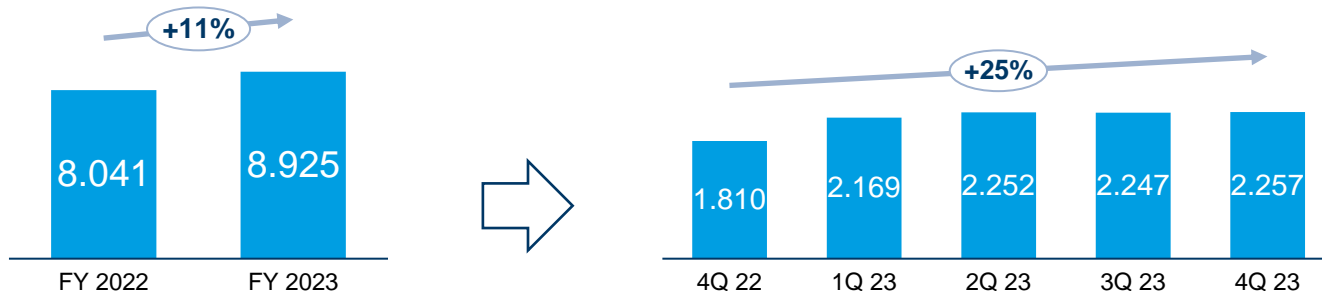
In 4Q23, net interest margin reached 2.29% (+3bps Q/Q) thanks to higher non-business NII and better margins from loans.

Net fee and commission income, Trading and fair value income and Other

Net fee and commission income growth continues

Net fee and commission income (NFCI)

CZK bn

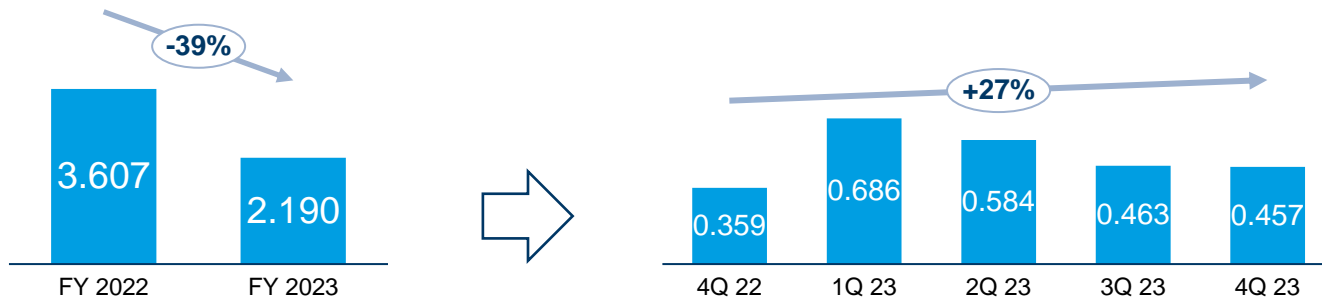


FY 2023 net fee and commission income increased **+11% Y/Y** driven by higher asset management fees, improved network income, supported by higher commission expense base in 2Q 2022 related mainly to acquisition of Ukrainian clients, offset in part by higher distribution fee expenses.

4Q 2023 net fee and commission income increased **+25% Y/Y** driven by lower client incentives and supported by higher asset management fees.

Trading and fair value income

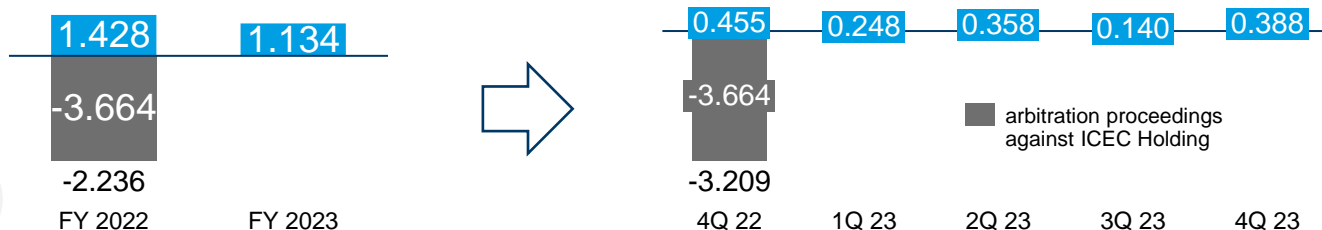
CZK bn



FY/4Q 2023 trading and fair value income decreased **-39% Y/Y** and increased **+27% Y/Y** respectively. The FY Y/Y decrease was mainly driven by negative valuation adjustments and lower performance of financial markets.

Other operating income

CZK bn



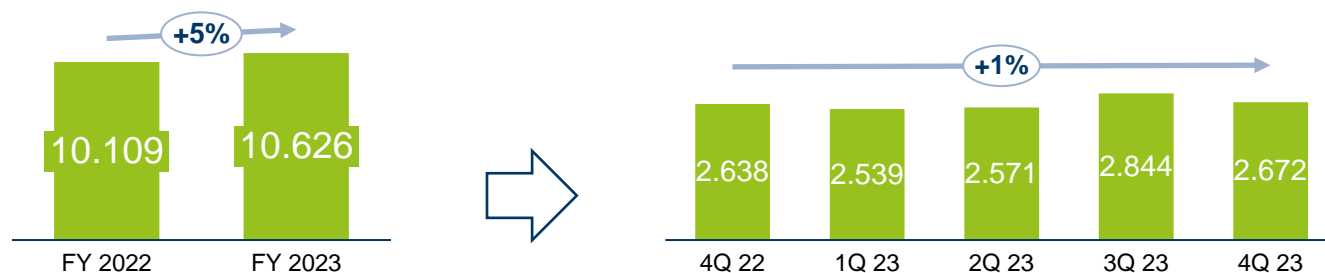
FY/4Q 2023 other operating income increased significantly mainly driven by one-off increase of the provisions for legal issues as a result of arbitration proceedings against ICEC-Holding in 4Q 2022.

Staff and General administrative expenses

Y/Y expense growth well below inflation

Staff expenses

CZK bn

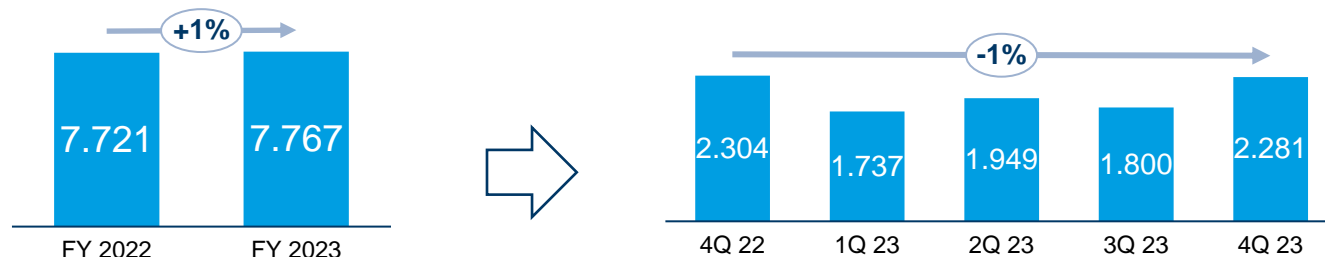


FY 2023 **total operating expenses** grew **+3% Y/Y** (including as well as excluding banking taxes).

FY/4Q 2023 **staff expenses** increased **+5% Y/Y** (and **+1% Y/Y** respectively) impacted by wage inflation and restructuring reserve, partly compensated by exceptional bonus in 1Q 2022.

General administrative expenses – excl. banking taxes

CZK bn

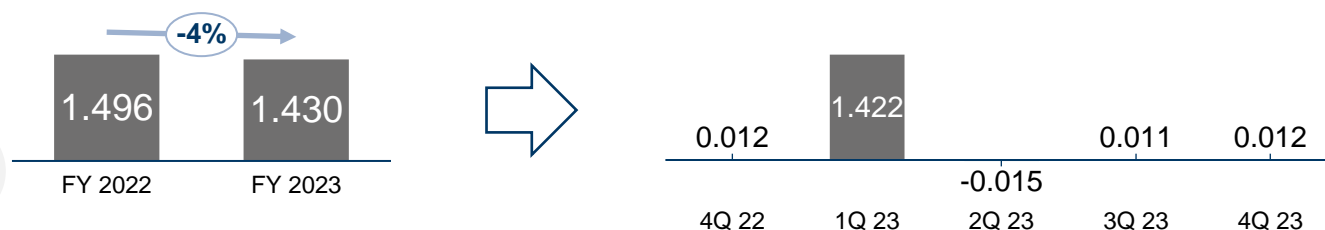


FY 2023 **general administrative expenses** grew **+1% Y/Y** (and decreased in 4Q 2023 **-1% Y/Y**) as higher ICT expenses were in most compensated by lower marketing costs.

Depreciation and amortization increased **+4% Y/Y**.

Banking taxes

CZK bn



FY 2023 **banking taxes** decreased **-4% Y/Y**.

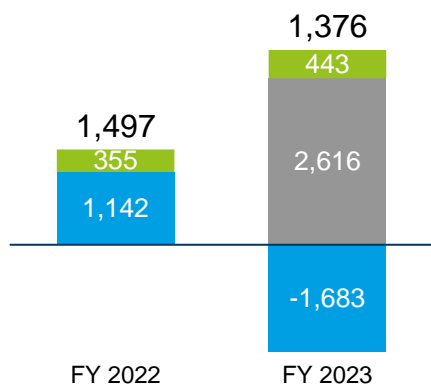
Cost/income ratio slightly increased Y/Y to **54.7%** and **cost/income ratio excluding banking taxes** reached **51.2%**.

Impairments and NPL

Consistent high quality of loan portfolio, goodwill impairment in 4Q

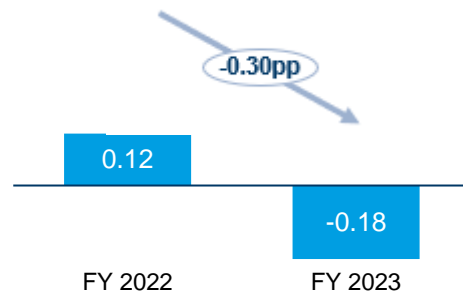
Total impairments

CZK m

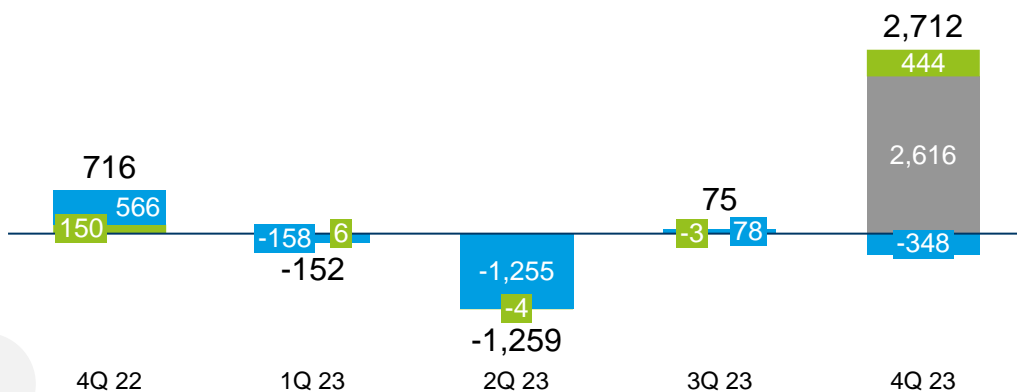


CCR, Ytd. annualized

%



- 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 FY 2023, **loan loss provisions** amounted to a net release of **CZK -1,683m** driven by releases mainly in Corporate, SME segments and Leasing, offset in part by impairment creation in Retail.

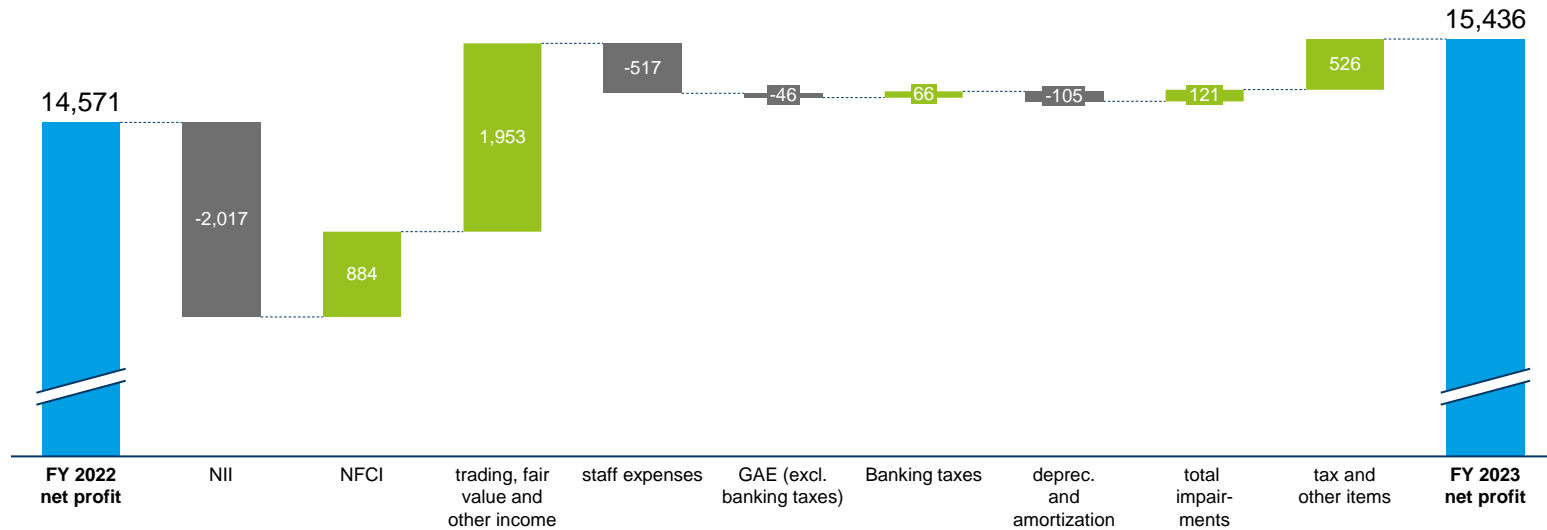
Other impairments amounted to a net creation of **CZK 3,059m** influenced mostly by goodwill impairment in 4Q 2023 (CZK 2,616m related to changes in state subsidy for building savings), and software impairment.

Credit cost ratio for FY 2023 reached **-0.18%** (Ytd., annualized; 0.12% in FY 2022).

31.12.2023		
IFRS 9 Distribution	Amount (CZK bn)	Share on total loans
Loan portfolio	916.3	100%
Stage 1 - performing	768.1	84%
Stage 2 - underperforming	134.9	15%
Stage 3 - non-performing loans	13.4	1%

Wrap up of net profit drivers

Net profit (Y/Y) CZK m



The main difference between FY 2023 and FY 2022 net profit was caused by the following drivers:

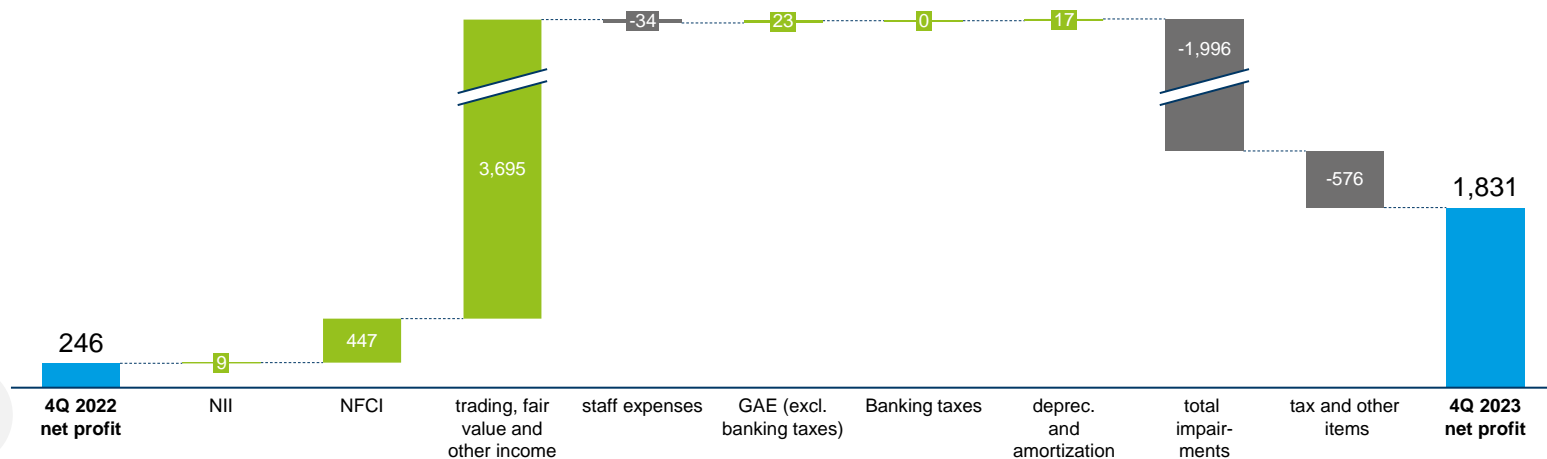
On the **positive side**:

- other income up significantly due to lower base in 2022 impacted by one-off CZK 3.7bn (gross) increase of the provisions for legal issues related to ICEC-Holding, partly offset by lower trading & fair value income
- significantly higher NFCI driven by higher asset management fees, improved network income and supported by higher expense base in 2Q 2022
- lower impairments as a result of net release of loan loss provisions (versus net creation in 2022), partly offset by creation of one-off CZK 2.6bn goodwill impairment, related to changes in state subsidy for building savings, and other assets
- lower tax and banking taxes

On the **negative side**:

- lower NII in all categories
- higher staff expenses impacted by wage inflation and restructuring reserve
- higher depreciation and amortization
- slightly higher GAE driven by ICT costs

Net profit (Y/Y) CZK m



The main difference between 4Q 2023 and 4Q 2022 net profit was caused by the following drivers:

On the **positive side**:

- other income up significantly due to lower base in 2022 impacted by one-off CZK 3.7bn (gross) increase of the provisions for legal issues related to ICEC-Holding, higher trading & fair value income
- higher NFCI driven by lower client incentives and supported by higher asset management fees
- lower GAE driven by lower marketing costs
- slightly lower depreciation and amortization
- slightly higher NII

On the **negative side**:

- net impairment creation impacted by creation one-off CZK 2.6bn goodwill impairment related to changes in state subsidy for building savings
- higher staff expenses
- higher tax

Capital Strong capital position

Consolidated, CZK m	31.12.2022	31.12.2023
Total regulatory capital	87,439	90,360
- Common Equity Tier 1 (CET1) Capital	85,793	90,123
- Tier 2 Capital	1,646	237
MREL eligible debt	40,592	45,843
Total RWA	432,893	458,282
- Credit risk	366,892	388,979
- Market risk	481	357
- Operational risk	65,519	68,946
Common Equity Tier 1 (CET1) ratio	19.8%	19.7%
Total capital ratio	20.2%	19.7%
Leverage ratio	4.48%	4.57%
Available MREL as a % of RWA	29.6%	29.7%
Available MREL as a % of LRE	6.69%	6.91%

MREL ratio reached **29.7%** of RWA and **6.91%** of LRE at the end of December.

Transitional non-binding MREL targets as of 1 January 2023 reached 24.15% of RWA and 5.18% of LRE. As of 1 January 2024, ČSOB was required to comply with MREL equal to 27.2% 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

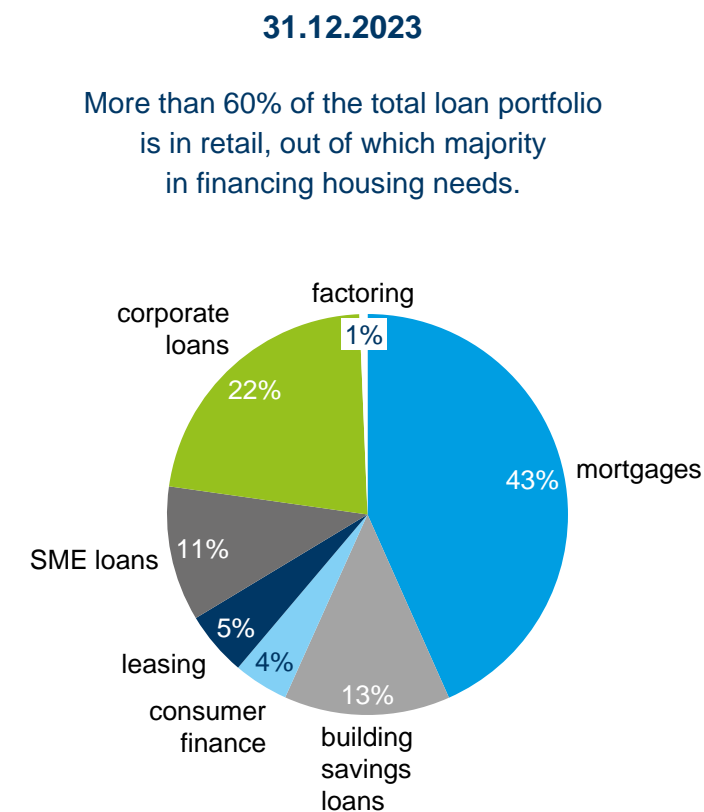
LRE = leverage ratio exposure = On-balance + Off-balance sheet items + Counterparty exposure for Derivatives and SFT + Add-ons

ČSOB group: Business Overview



Solid growth in most segments

Gross outstanding volumes, CZK bn	31.12.2022	31.12.2023	Y/Y
Loan portfolio	874.1	916.3	+5%
Retail Segment			
Mortgages	381.7	397.1	+4%
Consumer finance	37.2	40.6	+9%
Building savings loans	125.7	122.7	-2%
SME/Corporate Segment			
Corporate loans ¹	184.9	202.6	+10%
SME loans	97.1	99.7	+3%
Leasing	41.7	47.6	+14%
Factoring	5.8	5.9	+2%
Other ²	58.0	53.8	-7%
Credit risk: loan portfolio	931.8	970.1	+4%



¹ Including credit-replacing bonds.

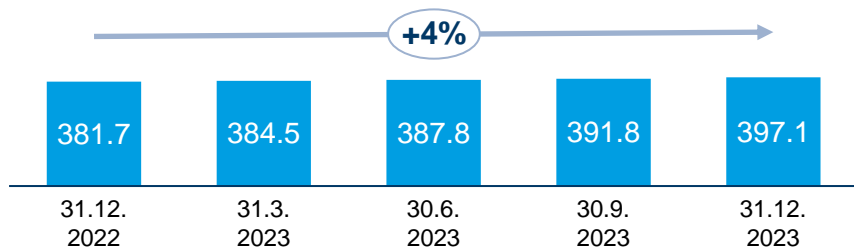
² Including off-balance sheet items and ALM/financial markets exposures.

Housing loans

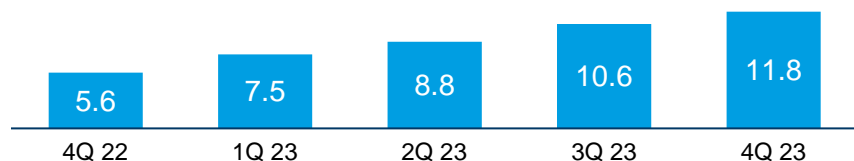
Mortgage sales show steady growth in 2023. Building saving loans remain subdued.

Mortgages

Outstanding, CZK bn



New sales*, CZK bn

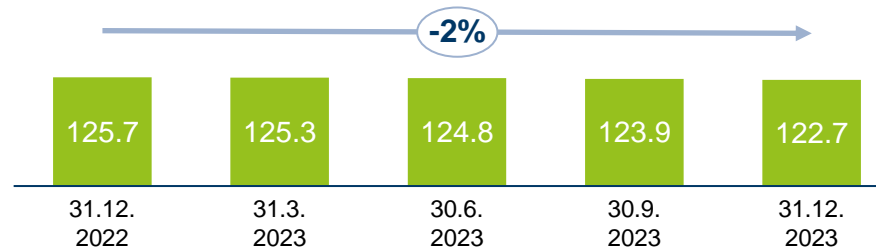


The **outstanding volume of mortgages** increased **+4% Y/Y**, while the market grew **+5% Y/Y**.

In 4Q 2023, ČSOB provided **3.5 thousand new mortgages** (+75% Y/Y) in the total amount of **CZK 11.8bn** (+110% Y/Y).

Building saving loans

Outstanding, CZK bn



New sales*, CZK bn



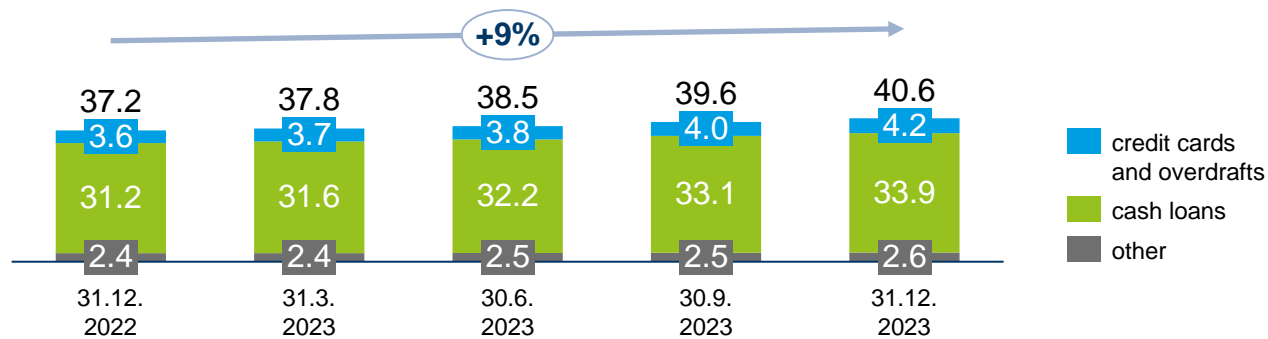
The outstanding **building savings loan portfolio** decreased **-2% Y/Y**, while the market increased **+2% Y/Y**.

In 4Q 2023, ČSOB provided **2.2 thousand new building saving loans** (-8% Y/Y) in the total amount of **CZK 1.9bn** (+15% Y/Y).

Consumer finance, SME loans, Leasing

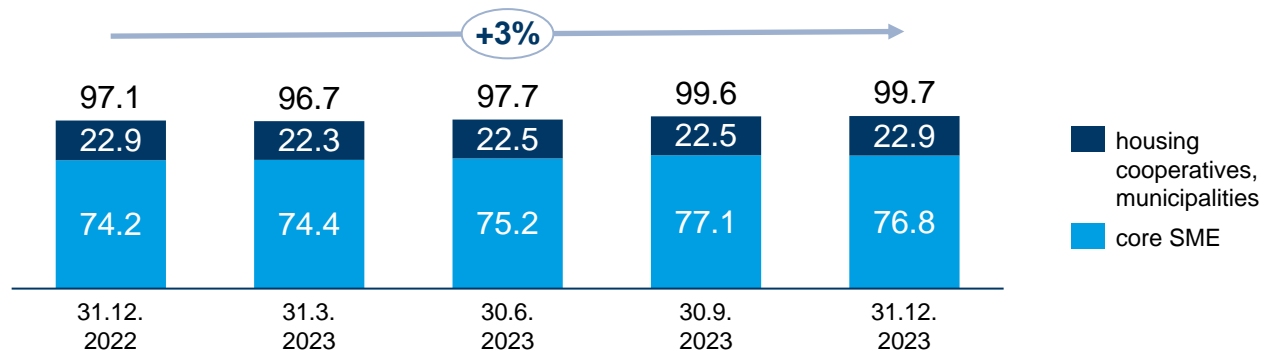
Consumer finance loans accelerated

Consumer finance, outstanding, CZK bn



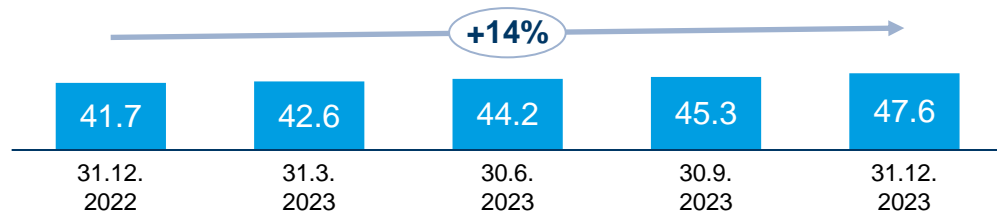
Consumer finance grew **+9% Y/Y** thanks to significant increase of new sales.

SME loans, outstanding, CZK bn



SME loans increased **+3% Y/Y** driven by growing core SME lending (micro, small and mid-sized companies).

Leasing, outstanding*, CZK bn

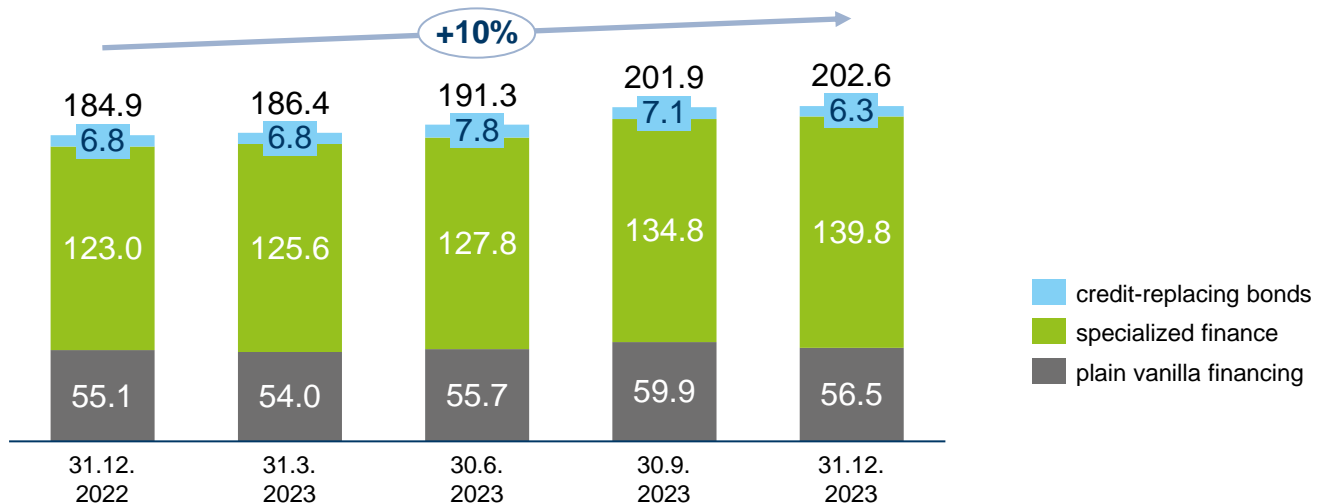


Outstanding volumes in **ČSOB Leasing** rose **+14% Y/Y** as a result of increase mainly in SME segment.

* Total exposure of ČSOB Leasing, excluding operational leasing.

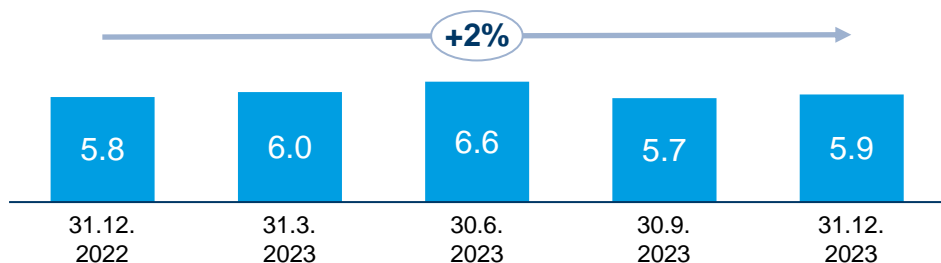
Strong growth of corporate loans driven by specialized finance

Corporate loans
Outstanding, CZK bn



Outstanding volumes of **corporate loans** increased **+10% Y/Y** mainly driven by growing specialized finance loans.

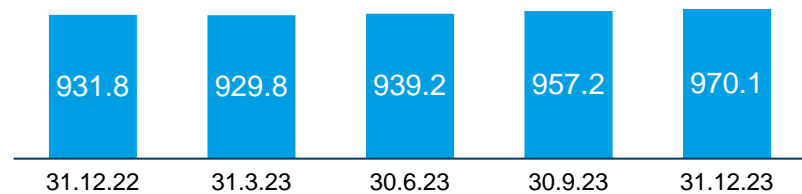
Factoring
Outstanding, CZK bn



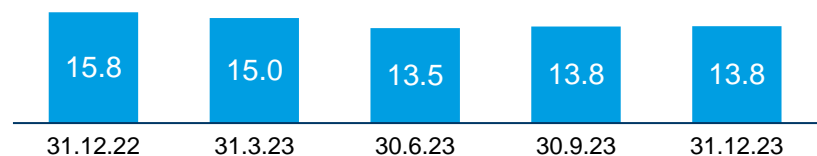
Factoring outstanding volumes increased **+2% Y/Y** thanks to organic growth of client's portfolio.

Excellent loan portfolio quality

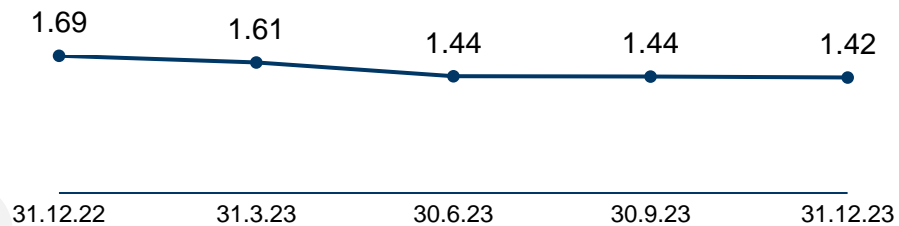
Credit risk: loan portfolio (CZK bn)



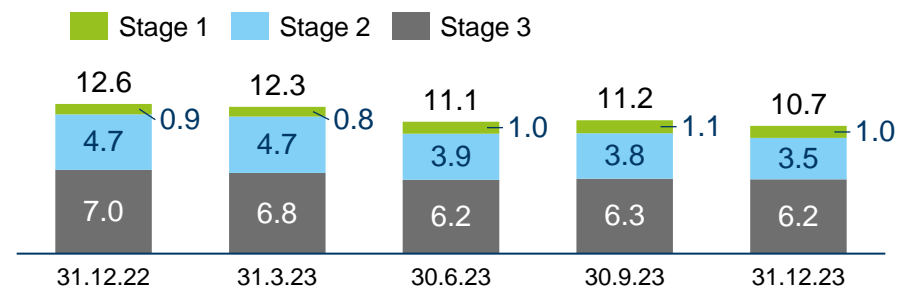
Non-performing loans (CZK bn)



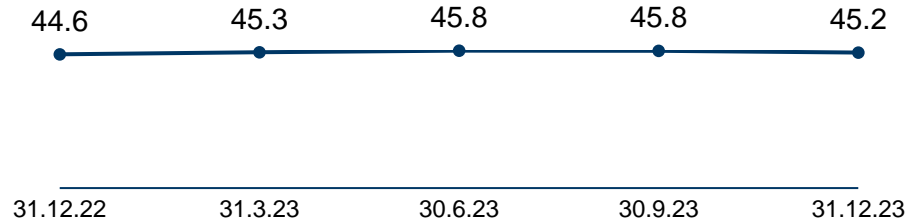
NPL ratio (%)



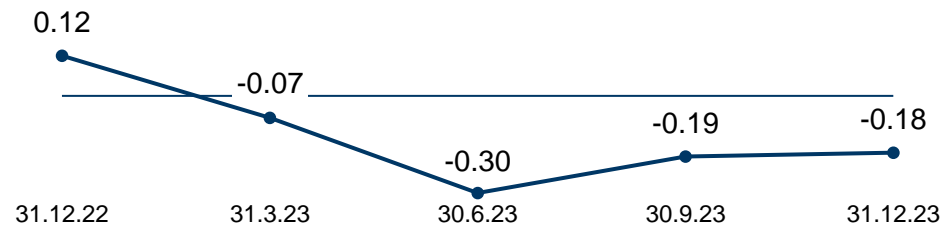
Allowances for loans and leases (CZK bn)



NPL coverage ratio (%)



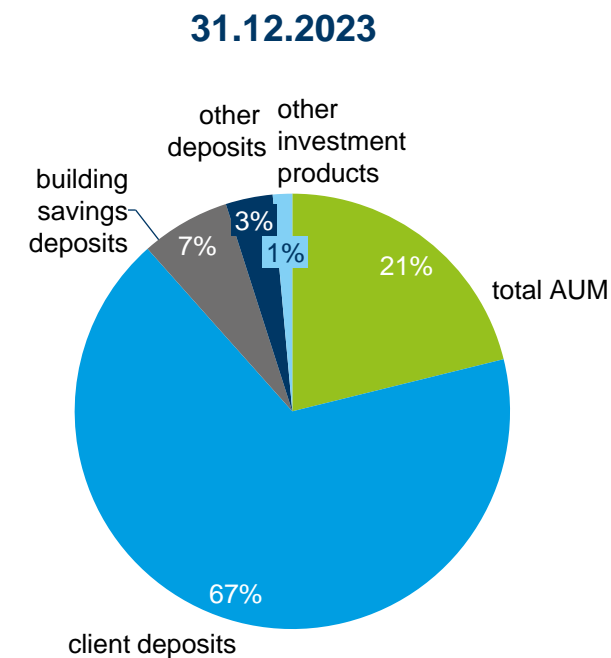
Credit cost ratio (% , Ytd. annualized)



Group deposits and Total assets under management

Continuous increase of client deposits, sharp growth of mutual funds

Outstanding volumes, CZK bn	31.12.2022	31.12.2023	Y/Y
Group deposits	1,231.8	1,336.6	+9%
Total client deposits	1,208.1	1,276.2	+6%
ČSOB bank client deposits	1,083.3	1,161.5	+7%
<i>Current accounts</i>	617.6	584.3	-5%
<i>Savings deposits</i>	234.8	264.9	+13%
<i>Term deposits</i>	230.9	312.4	+35%
Building savings deposits	124.8	114.7	-8%
Other deposits ¹	23.7	60.4	+155%
Total AUM	308.0	365.2	+19%
Pension funds	71.2	71.9	+1%
Mutual funds	185.0	229.7	+24%
Other AM ²	51.9	63.6	+23%
Other investment products ³	21.4	24.9	+17%



¹ Other deposits predominantly consist of repo operations with institutional clients

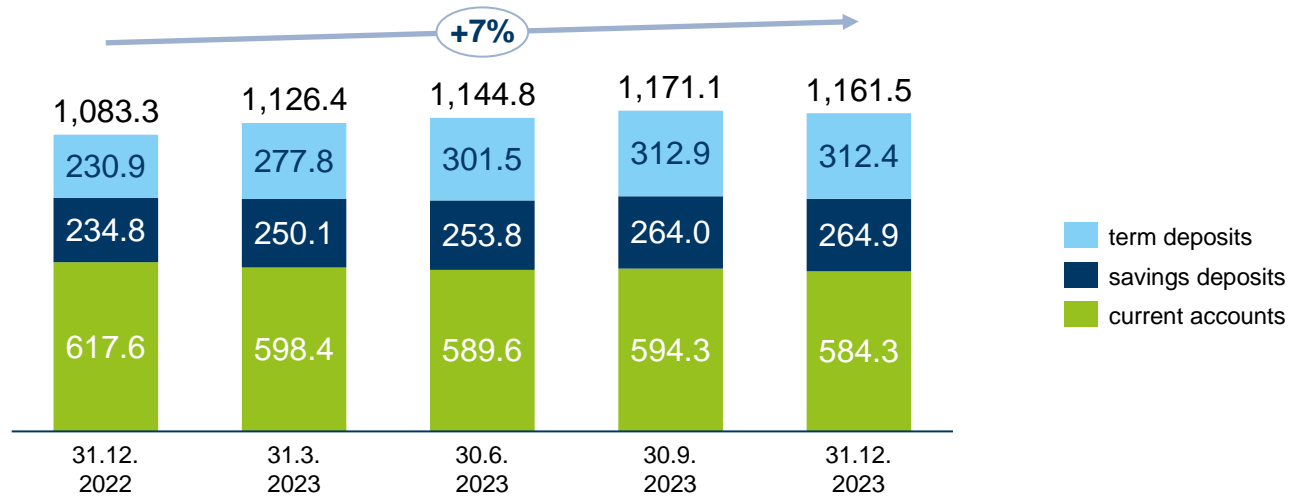
² Other AM includes discretionary asset management, qualified investors funds and other group assets

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

Client deposits and building saving deposits

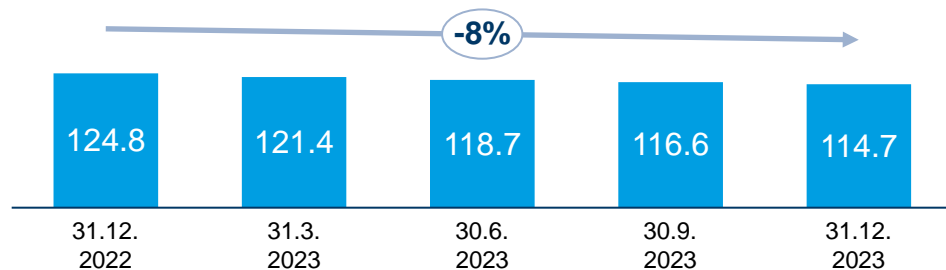
Strong growth of term and saving deposits

ČSOB bank client deposits (CZK bn)



ČSOB bank client deposits increased **+7% Y/Y** driven by the growth of **term deposits** (+35% Y/Y) and **savings deposits** (+13% Y/Y) while **current accounts** decreased -5% Y/Y.

Building savings deposits (CZK bn)



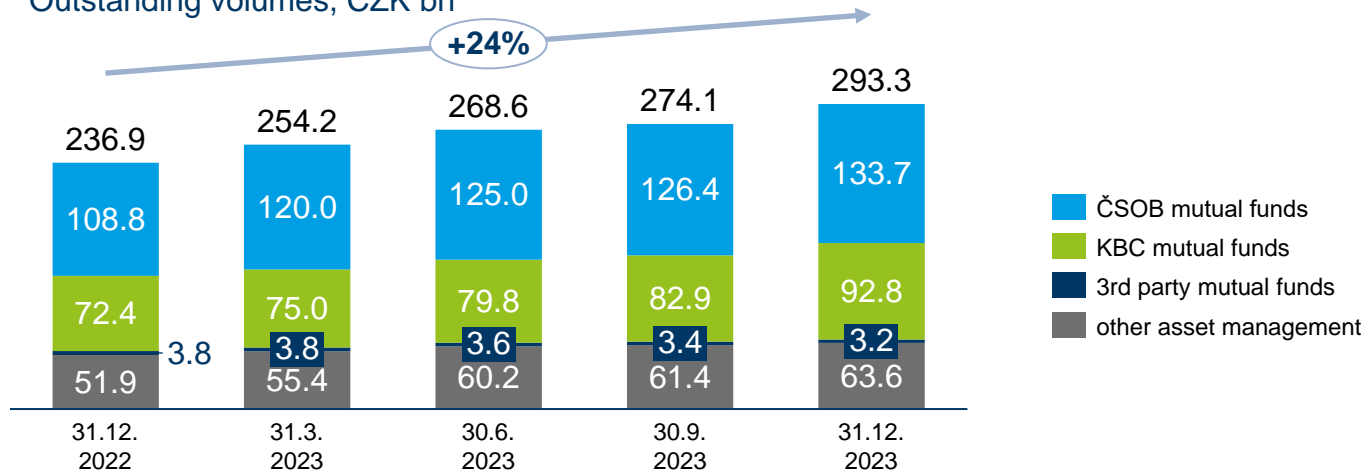
Building savings deposits decreased **-8% Y/Y** mainly due to the higher number of terminated existing contracts following the changes in state subsidy for building savings.

Mutual funds, other asset management and pension funds

Mutual funds increasing significantly

Mutual funds and other AM

Outstanding volumes, CZK bn

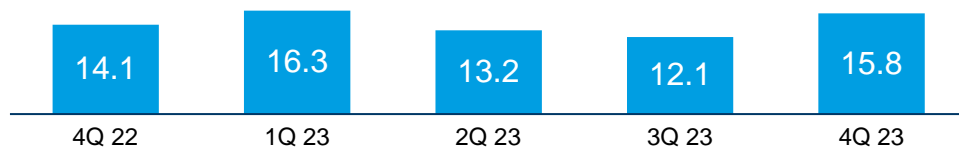


Mutual funds and other AM in total rose **+24% Y/Y** to **CZK 293.3 bn**.

Mutual funds grew **+24% Y/Y** mainly thanks to inflows into the bond, money market and mixed funds. The growth also positively affected by performance effect.

Mutual funds

New sales (gross), CZK bn

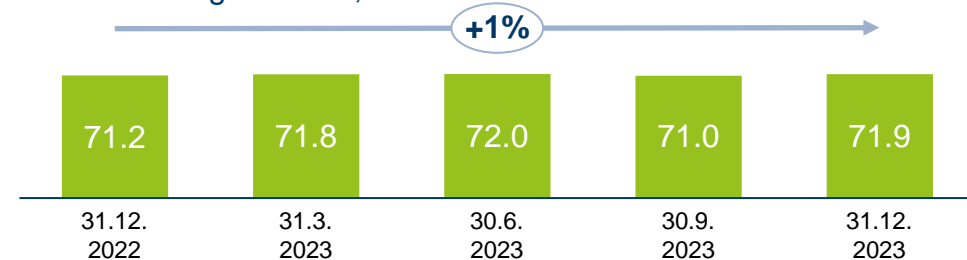


New sales of mutual funds in 4Q 2023 reached **CZK 15.8 bn** (+13% Y/Y).

The share of investments into responsible funds amounted to 31% of gross sales in 4Q and 27% in FY 2023.

Pension funds

Outstanding volumes, CZK bn



The volume of savings in **pension funds** increased **+1% Y/Y**. The slowdown in growth was driven mainly by higher volumes of outflows.

ČSOB group's distribution platform

Growing active client base

	31.12.2022	31.12.2023
Clients of ČSOB's group (mil.)	4.340	4.309
ČSOB branches (bank only)	201	198
ČSOB Retail/SME branches	181	179
ČSOB Private Banking branches	11	11
ČSOB Corporate branches	9	8
ČSOB Pojišťovna branches	95	94
Housing finance branches	18	8
ČSOBS advisory centers	215	224
ČSOB Leasing branches	5	5
ČSOB PSB outlets of the Czech Post network	ca. 2,400	ca. 2,100
- of which specialized banking counters	235	227
Czech Post franchise outlets	ca. 800	ca. 900
ATMs¹	1,022	1,020
- of which contactless	861	906
- of which deposit	307	337

Number of clients decreased -31ths Y/Y. **Number of active clients** increased **+58ths Y/Y**.

At the end of December 2023, clients could use **1,020 ATMs** (-2 Y/Y) of which 906 were contactless (+45 Y/Y), 337 enabled cash deposits (+30 Y/Y) and 1,004 were customized for visually impaired clients.

Due to ongoing optimization of the branch network and strengthening of the self-service platforms, the number of **ČSOB branches** reached 198 (-3 Y/Y) by the end of December.

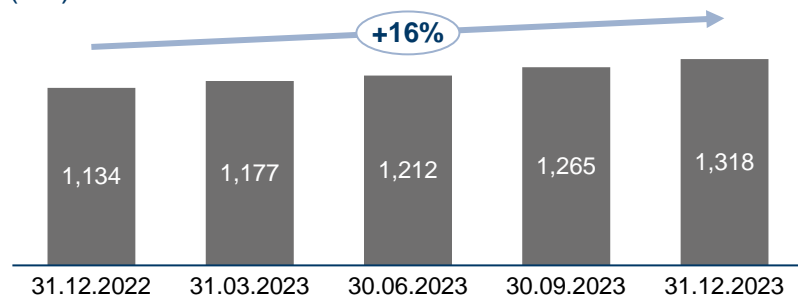
Extended portfolio of bank-insurance services at Czech Post is provided at **227 specialized banking counters**. The decrease in total number of ČSOB PSB outlets was affected by cancellation of 300 branches of the Czech Post as a result of the government's decision in July 2023.

Clients can use our services at **8 housing finance branches**, **224 ČSOBS advisory centers** and **5 ČSOB Leasing branches**.

Number of mobile banking active users and transactions increasing

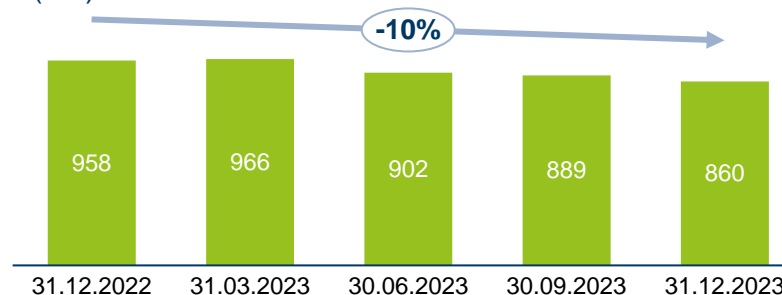
Mobile banking active users¹

(ths)



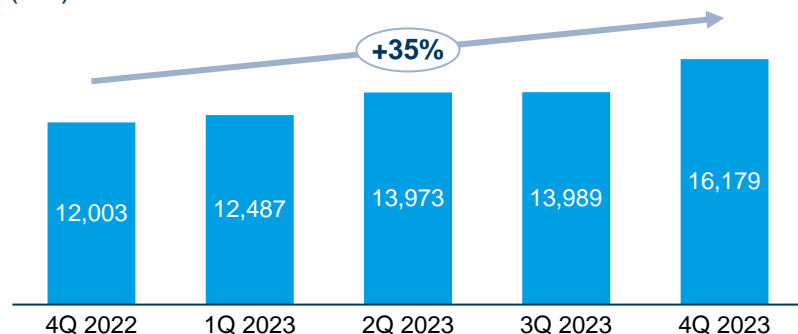
Internet banking active users¹

(ths)



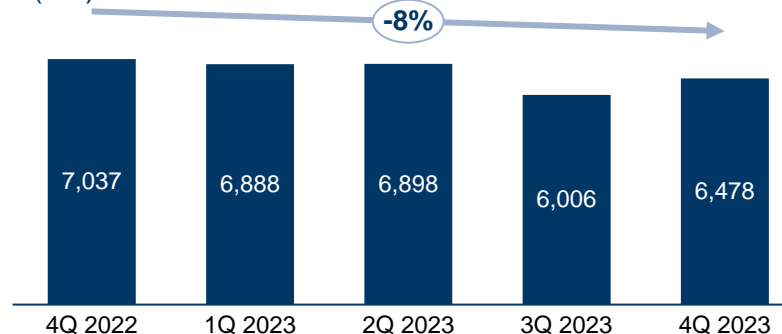
Mobile banking transactions²

(ths)



Internet banking transactions²

(ths)



As of 31 December 2023, the number of mobile banking **active users** increased +16% Y/Y. In 4Q 2023, the number of **transactions** via mobile banking rose +35% Y/Y.

As of 31 December 2023, the number of internet banking **active users** decreased -10% Y/Y. In 4Q 2023, the number of **transactions** via internet banking declined -8% Y/Y.

¹ Active users 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 awarded for sustainability and digital solutions

Global Finance: Best Bank, Best SME Bank, Best Trade Finance

The US-based magazine **Global Finance** selected ČSOB as the **Best Bank** and **Best SME Bank** of 2023 in the Czech Republic. ČSOB was also announced as the **Best Trade Finance provider** of 2023 in the Czech Republic.

Global Finance: Sustainable Finance Awards

ČSOB was **awarded** in prestigious **Sustainable Finance Awards** by **Global Finance** magazine. ČSOB received titles of **The Best Bank for Sustainable Finance** in the Czech Republic for 2023.

Hospodářské noviny Awards

ČSOB Bank won in category **ESG Act of the year** in banking. ČSOB Pojišťovna ranked 2nd in the **Best Non-life Insurance Company** and the **Most Client-Friendly Non-life Insurance Company** categories and also ranked 3rd in Best Life Insurance Company and the Most Client-Friendly Life Insurance Company categories.

Fórum dárců Awards

ČSOB won 1st place in the **Charitable Communication Project** category for the Caller and Clicker (Volač a Klikač) campaign and 1st place in the **Annual Report** category for the CSR report for the year 2022. 2nd place was awarded to the Ride to Ještěd (Vyjíždka na Ještěd) in the **Staff Collection** category.

Zlatá koruna Awards

In the annual **Zlatá koruna Awards**, ČSOB Group managed to be awarded five times. ČSOB ranked 2nd in Payment cards and Public Awards categories. Patria took 2nd place for Web Trader platform and 3rd place for Patria Finance mobile application. Moreover, ČSOB Leasing succeeded in Leasing for entrepreneurs category.

Mastercard Bank of the Year

ČSOB bank won **2nd place** in the Bank without Barriers and placed **3rd in four categories** (Bank of the Year, Private Bank of the Year, Corporate Bank of the Year and Responsible Bank of the Year). ČSOB Pojišťovna ranked 3rd in the Insurance Company without Barriers category.

Euromoney: Market Leaders ranking

The **Euromoney** magazine selected ČSOB as **Market Leader** in the Czech Republic for 2023 in areas of **Corporate and Social Responsibility (CSR), Corporate Banking and Digital Solutions**.

The Banker: Global Private Banking Awards

ČSOB Private Banking won an award for the **Best Private Bank** in the Czech Republic. ČSOB received the award for the **9th time**.

Global Banking & Finance review: Best Investor relations

Global Banking & Finance review awarded ČSOB as the **Best Investor Relations Bank** of 2023 in the Czech Republic. ČSOB won in this category for 3rd time.

Forbes: ESG Rating

ČSOB made it into the **TOP10 Large Enterprise ranking** as part of the second annual **ESG rating** by Forbes magazine.

IFRS17 is the international standard for measurement, accounting and reporting of insurance contracts. It cuts through the entire accounting closure and reporting processes in the company and changes the way insurers operate, calculate and report on their business. IFRS17 has no impact on reporting of sales volumes, market shares, clients reporting.

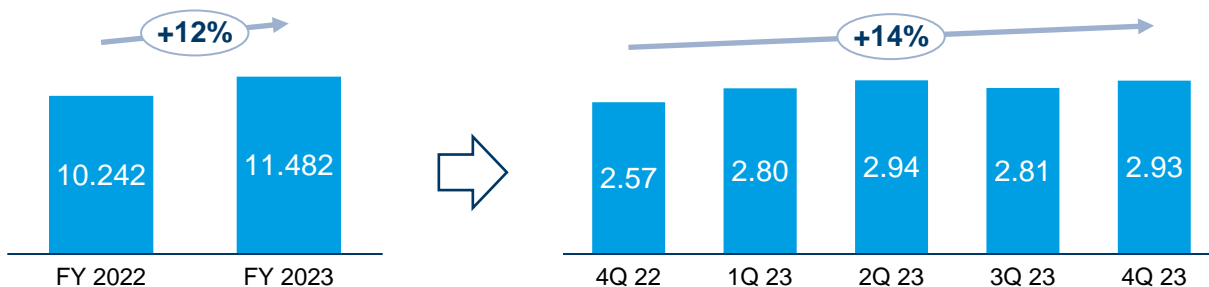
IFRS17 was published in 2017 with effective date as of 1 January 2023. For comparison purposes, 2022 figures were restated according to IFRS17.

ČSOB Pojišťovna: Key Figures

Strong growth in non-life gross written premium

Non-life insurance - gross written premium (GWP)

CZK bn

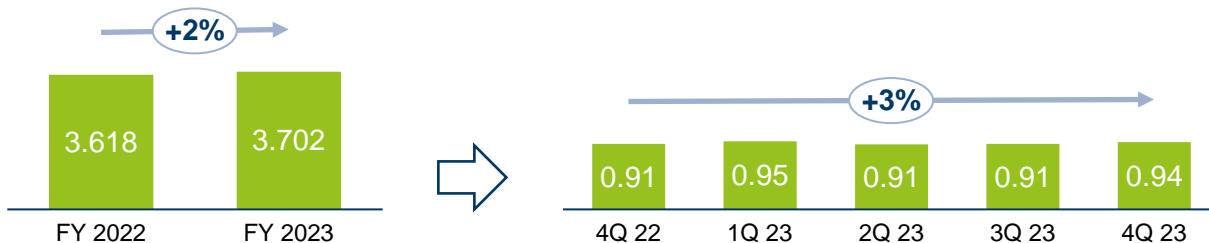


Non-life insurance

FY/4Q 2023 **non-life gross written premium** increased **+12% Y/Y** and **+14% Y/Y** respectively mainly thanks to motor, industrial risk, house & households and travel products.

Life insurance – regular paid gross written premium

CZK bn

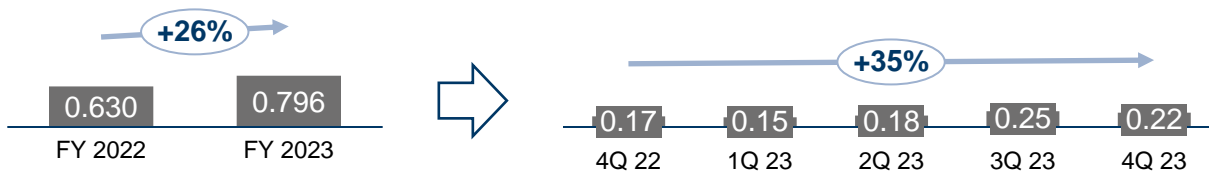


Life insurance

FY/4Q 2023 **regular paid gross written premium** increased **+2% Y/Y** and **+3% Y/Y** respectively thanks to higher new business and better lapses.

Life insurance – single paid gross written premium

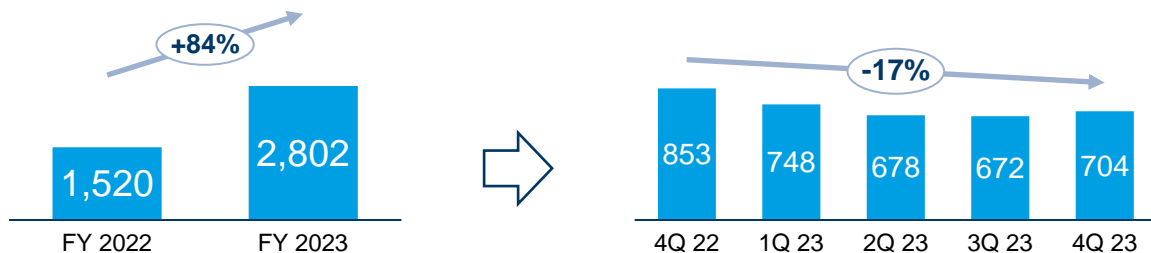
CZK bn



FY/4Q 2023 **single paid gross written premium** increased **+26% Y/Y** and **+35% Y/Y** respectively.

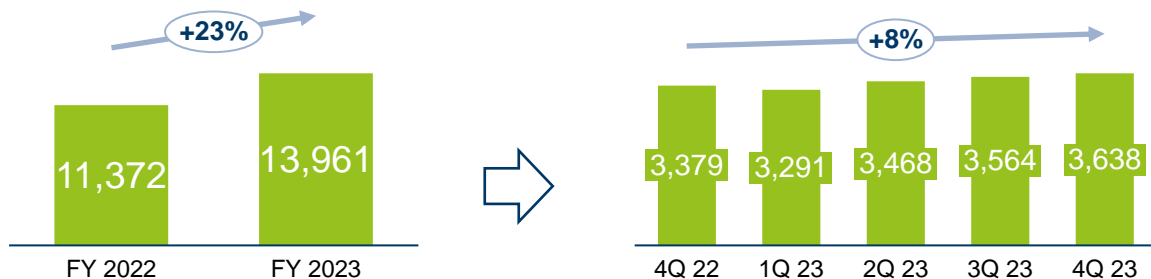
Higher net profit driven by growing business and supported by lower base in 2022

Net profit
CZK m



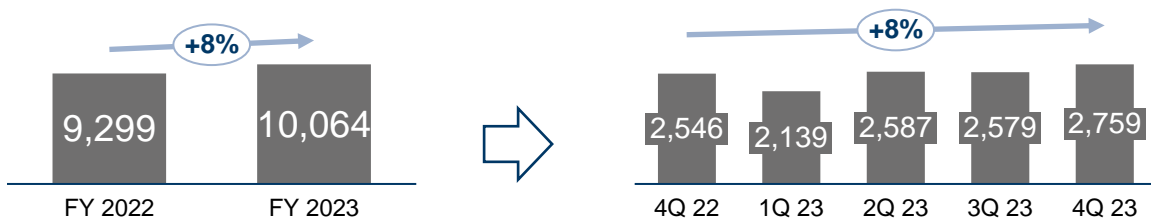
FY/4Q 2023 **net profit** increased to **CZK 2,802m** (+84% Y/Y) and **CZK 704m** respectively as a result of lower base in 2022, higher income, smaller occurrence of major claims and limited increase in operating expenses.

Operating income
CZK m



FY/4Q 2023 **operating income** grew to **CZK 13,961m** (+23% Y/Y) and **CZK 3,638m** (+8% Y/Y) respectively thanks to growing sales and higher net interest income (2022 negatively affected by sale of bonds).

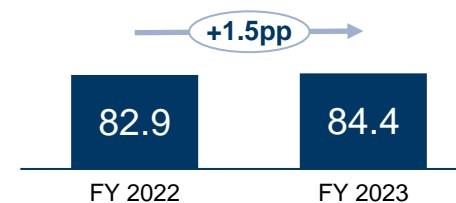
Insurance service expenses
CZK m



FY/4Q 2023 **insurance service expenses** increased to **CZK 10,064m** (+8% Y/Y) and **CZK 2,759m** (+8% Y/Y) respectively driven by occurred claims and higher commissions.

Non-life combined ratio reached **84.4%**.

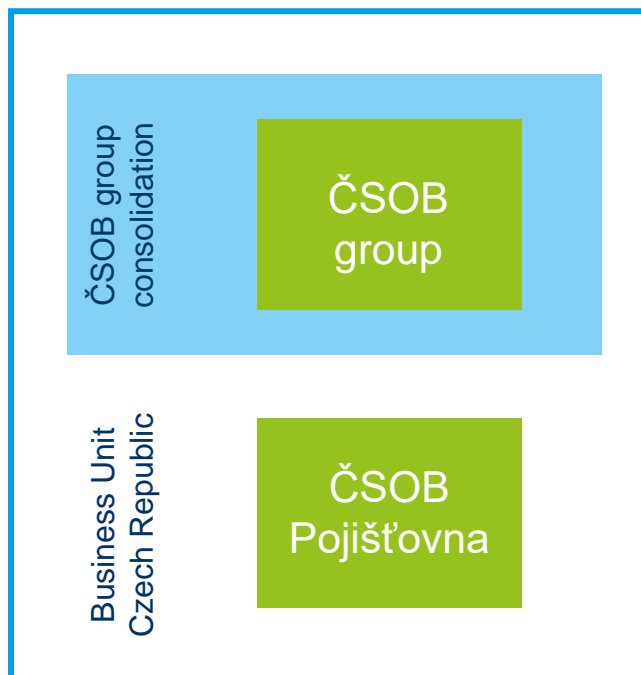
Non-life combined ratio (%)



Business Unit Czech Republic

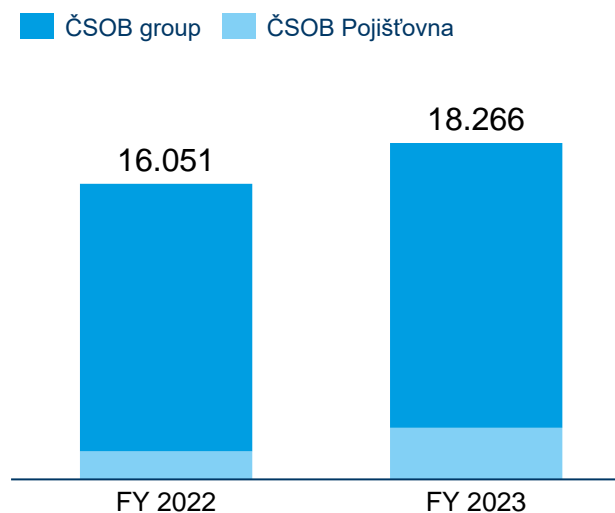


Business Unit Czech Republic FY 2023 net profit



Net profit of the Business Unit Czech Republic

CZK bn



The FY 2023 net profit of the Business Unit Czech Republic reached **CZK 18.3bn** (+14% 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)	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	4Q/4Q	FY 2022	FY 2023	FY/FY
BU Czech Republic	0.971	4.367	6.534	4.813	2.551	+>100%	16.051	18.266	+14%
o/w ČSOB Pojišťovna	0.853	0.748	0.678	0.672	0.704	-17%	1.520	2.802	+84%

Appendix

We aim to build better community through innovative solutions and services

For Business

We actively support the Czech economy and help start-up entrepreneurs and small companies. In 2023 we supported **20 start-ups** in our acceleration program **Start it @ČSOB**. The NPS (net promoter score) of this program is consistently 100%.

Together with KBC we have created a **joint venture with Green0meter**, one of Start it participants. Our aim is to provide ESG consultancy and reports to customers in the Czech republic and Belgium.

Also, we have organized **9 Validation camps** to teach students how to verify the market needs. During these camps more than **250 students brought over 100 innovative projects**.

For Education

Since 2016 **ČSOB financial and digital education** training program for schools represents a total of **440 ambassadors** from among our employees participated in **4 786 teaching hours** for more than **74ths pupils and students** from the **964 schools** visited.

Our daily activities are increasingly moving into the digital environment, therefore we prepared thematically focused courses on online safety "**Your way #online**". ČSOB also concluded a Memorandum with the Police of the Czech Republic in the field of digital security education. As part of this cooperation, an information campaign **Caller and Clicker** focused on risks in cyberspace was created. ČSOB has committed to educating 1 million people on how to avoid the tactics of online fraudsters.

For Longevity

ČSOB focuses on seniors: All elderly clients are offered preferential account management, which includes not only an unlimited number of **free payment orders** entered at the Czech Post, but also **free delivery of cash** to the selected address.

We operate a helpline for seniors that connects them to a team of specially trained operators. In 2023, our call center colleagues handled **71 000 calls on the helpline** for seniors.

In 2023, we began educating seniors against current cyber attacks. Over **300 senior clients attended our seminars**.

Ratios and other indicators

Ratio / Indicator	31.12.2020	31.12.2021	31.12.2022	31.12.2023
Net interest margin (Ytd., annualized, %)	2.31	2.08	2.54	2.30
Cost / income ratio (%)	54.6	55.5	54.3	54.7
Cost / income ratio excl. bank. taxes (%)	51.5	51.8	50.6	51.2
RoE (Ytd., %)	8.2	14.3	13.6	14.4
RoA (Ytd., %)	0.49	0.88	0.73	0.79
RoAC, BU Czech Republic (Ytd., %) ¹	21.7	39.2	32.7	35.0
Credit cost ratio (Ytd., annualized, %)	0.67	-0.42	0.12	-0.18
NPL ratio (%)	2.26	1.83	1.69	1.42
NPL coverage ratio (%)	48.7	49.4	44.6	45.2
Common Equity Tier 1 (CET1) ratio (%)	23.7	22.4	19.8	19.7
Total capital ratio (%)	24.2	22.7	20.2	19.7
Leverage ratio (Basel III, %)	5.02	4.65	4.48	4.57
Available MREL of RWA (%)	n.a.	27.4	29.6	29.7
Available MREL of LRE (%)	n.a.	5.67	6.69	6.91
Net stable funding ratio (Basel III, %) ²	169.9	171.3	171.8	170.4
Liquidity coverage ratio (Basel III, %)	137.7	143.5	156.2	201.4
Loan to deposit ratio (%)	71.6	71.1	70.6	70.3

¹ Fully-loaded.

² As of 1Q 2021 change in methodology, previous periods were not restated.

Profit and loss statement

(CZK m)

	4Q 2022	3Q 2023	4Q 2023	Y/Y	Q/Q	FY 2022	FY 2023	Y/Y
Net interest income	7,509	7,239	7,518	0%	+4%	31,062	29,045	-6%
<i>Interest income</i>	30,854	33,112	32,637	+6%	-1%	107,288	128,466	+20%
<i>Interest expense</i>	-23,345	-25,873	-25,119	+8%	-3%	-76,226	-99,421	+30%
Net fee and commission income	1,810	2,247	2,257	+25%	0%	8,041	8,925	+11%
Net gains from financial instruments at FVPL ¹	359	463	457	+27%	-1%	3,607	2,190	-39%
Other operating income ²	-3,209	140	388	>-100%	>+100%	-2,236	1,134	>-100%
Operating income	6,469	10,089	10,620	+64%	+5%	40,474	41,294	+2%
Staff expenses	-2,638	-2,844	-2,672	+1%	-6%	-10,109	-10,626	+5%
General administrative expenses	-2,316	-1,811	-2,293	-1%	+27%	-9,217	-9,197	+0%
<i>General administrative expenses (excl. banking taxes)</i>	-2,304	-1,800	-2,281	-1%	+27%	-7,721	-7,767	+1%
<i>Banking taxes</i>	-12	-11	-12	-1%	+8%	-1,496	-1,430	-4%
Depreciation and amortisation	-719	-685	-702	-2%	+2%	-2,661	-2,766	+4%
Operating expenses	-5,673	-5,340	-5,667	+0%	+6%	-21,987	-22,589	+3%
Impairment losses	-716	-75	-2,712	>+100%	>+100%	-1,497	-1,376	-8%
<i>Impairment on financial assets at amortised cost</i>	-566	-78	348	>-100%	>-100%	-1,142	1,683	>-100%
<i>Impairment on goodwill</i>	-116	0	-2,616	>+100%	n/a	-116	-2,616	>+100%
<i>Impairment on other assets</i>	-34	3	-444	>+100%	>-100%	-239	-443	+85%
Share of profit of associates	-6	-1	-12	+100%	>+100%	-30	-21	-30%
Profit before tax	74	4,673	2,229	>+100%	-52%	16,960	17,308	+2%
Income tax expense	171	-532	-398	>-100%	-25%	-2,390	-1,872	-22%
Profit for the period	246	4,141	1,831	>+100%	-56%	14,571	15,436	+6%
Attributable to:								
Owners of the parent	246	4,141	1,831	>+100%	-56%	14,571	15,436	+6%
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

Balance sheet - assets

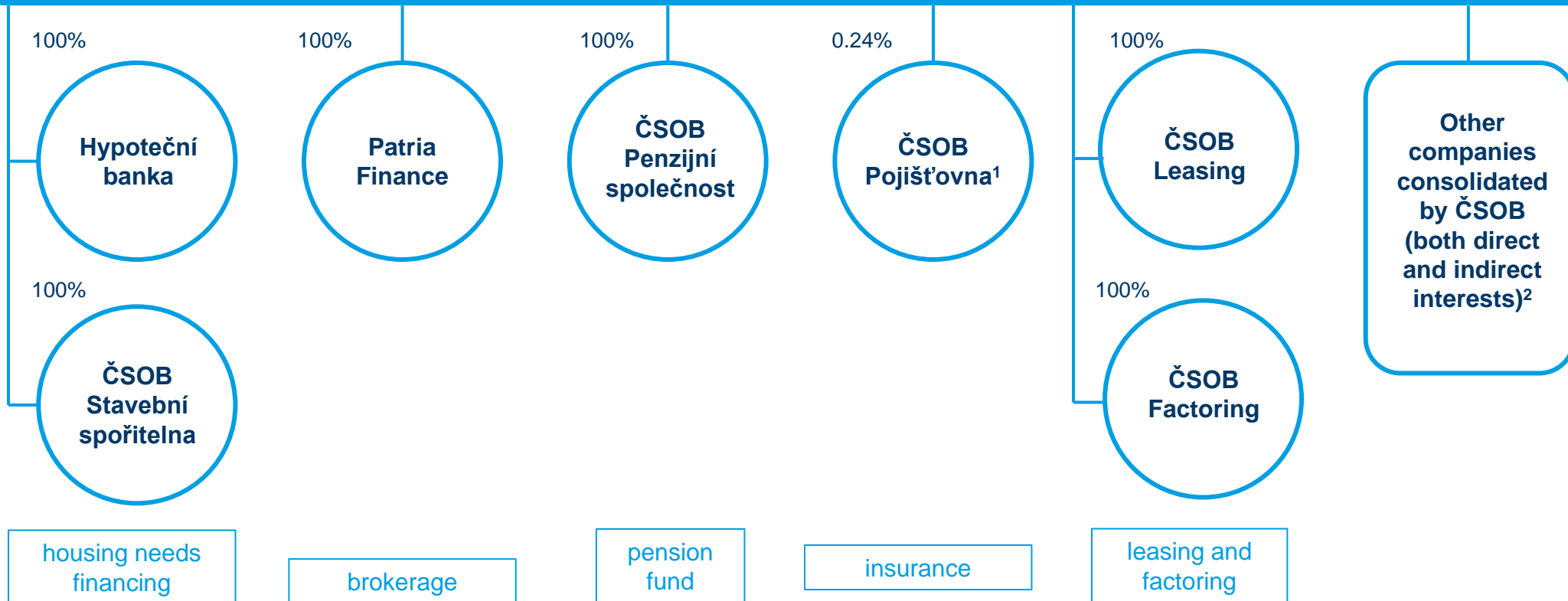
(CZK m)	31/12 2022	31/12 2023	Y/Y
Cash and balances with central banks and other demand deposits	62,121	24,243	-61%
Financial assets held for trading	71,746	38,935	-46%
Financial assets held for trading pledged as collateral	0	0	n/a
Financial assets designated at fair value through P/L	0	0	n/a
Non-trading financial assets mandatorily at fair value through profit or loss	1,322	1,330	1%
Financial assets at fair value through other comprehensive income (OCI)	15,585	10,896	-30%
Financial assets at fair value through OCI pledged as collateral	72	4,326	>+100%
Financial assets at amortised cost - net	1,574,761	1,504,199	-4%
<i>Financial assets at amortised cost - debt securities (gross)</i>	249,225	63,202	-75%
<i>Financial assets at amortised cost - loans to credit institutions (gross)</i>	465,010	536,551	+15%
<i>Financial assets at amortised cost - loans to other than credit institutions (gross)</i>	872,429	914,700	+5%
<i>Financial assets at amortised cost - provisions</i>	-11,903	-10,254	-14%
Financial assets at amortised cost pledged as collateral	24,721	237,654	>+100%
Fair value adjustments of the hedged items in portfolio hedge	-25,639	-10,437	-59%
Derivatives used for hedging	48,425	29,215	-40%
Current tax assets	70	890	>+100%
Deferred tax assets	2,514	1,403	-44%
Investments in associates and joint ventures	66	68	+3%
Property and equipment	12,917	12,510	-3%
Goodwill and other intangible assets	11,659	8,938	-23%
Non-current assets held-for-sale	41	65	+59%
Other assets	5,236	4,797	-8%
Total assets	1,805,617	1,869,032	+4%

Balance sheet – liabilities and equity

(CZK m)	31/12 2022	31/12 2023	Y/Y
Financial liabilities held for trading	73,506	40,875	-44%
Financial liabilities at fair value through P/L	23,839	25,257	+6%
Financial liabilities at amortised cost	1,583,056	1,669,478	+5%
<i>of which Deposits received from central banks</i>	0	0	n/a
<i>of which Deposits received from credit institutions</i>	43,708	260,648	>+100%
<i>of which Deposits received from other than credit institut.</i>	1,231,800	1,336,648	+9%
<i>of which Debt securities in issue</i>	264,915	24,302	-91%
<i>of which Subordinated liabilities</i>	40,592	45,843	+13%
<i>of which Lease liabilities</i>	2,041	2,037	0%
Fair value adjustments of the hedged items in portfolio hedge	-32,441	-15,396	-53%
Derivatives used for hedging	42,039	24,454	-42%
Current tax liabilities	659	283	-57%
Deferred tax liabilities	1,035	1,521	+47%
Provisions	4,542	709	-84%
Other liabilities	8,404	7,370	-12%
Total liabilities	1,704,639	1,754,551	+3%
Share capital	5,855	5,855	0%
Share premium	20,929	20,929	0%
Statutory reserve	18,687	18,687	0%
Retained earnings	57,773	67,963	+18%
Financial assets at fair value through OCI - revaluation reserve	-663	-265	-60%
Cash flow hedge reserve	-1,578	1,324	>-100%
Foreign currency translation reserve	-25	-12	-52%
Parent shareholders' equity	100,978	114,481	+13%
Minority interest	0	0	n/a
Total equity	100,978	114 481	+13%
Total liabilities and equity	1,805,617	1,869,032	+4%

The ČSOB group in the Czech Republic

Československá obchodní banka, a. s. banking services



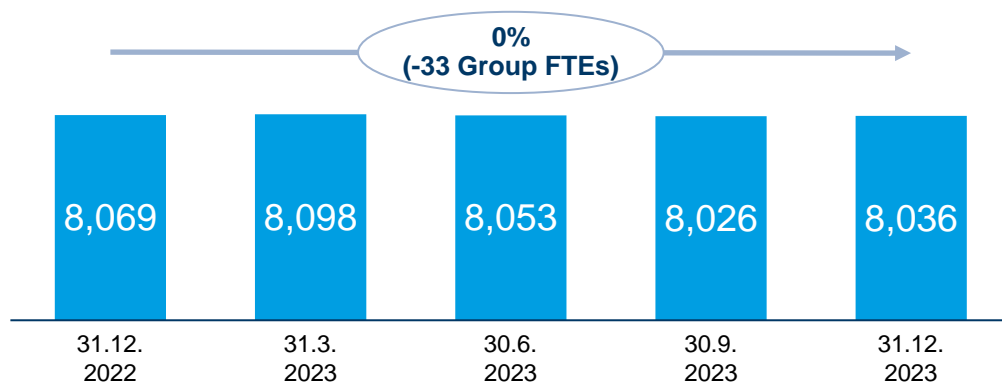
Percentages show ČSOB's ownership interests on company's equity as of 31 December 2023.

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.

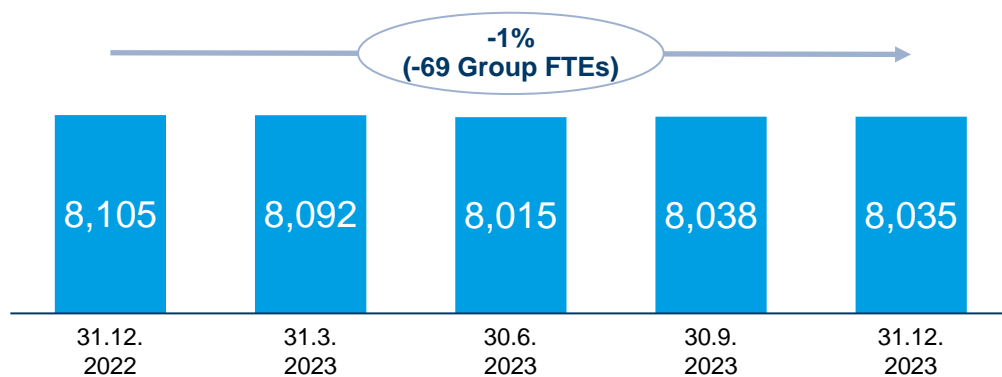
Employees

Number of FTEs – average



The average number of **Group FTEs** stayed flat (-33 FTEs Y/Y) as an efficiency increase in backoffice and retail distribution was offset by internalization in digital and IT.

Number of FTEs – end of the period



■ Group FTE¹

The number of **Group FTEs** at the end of the period slightly decreased (-69 FTEs Y/Y).

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	$(\text{Technical insurance charges, incl. the internal cost of settling claims} / \text{earned insurance premiums}) + (\text{operating expenses} / \text{written insurance premiums})$ (after reinsurance in each case, according to KBC group methodology)
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)	$\text{Result after tax (including minority interests) of the ČSOB group, adjusted to take account of allocated capital instead of actual capital} / \text{average allocated capital of the ČSOB group}$ (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 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 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.

Glossary – sustainability

EU Tax aligned loans	Loans fully in line with EU Taxonomy.
Cars w/ green energy	Cars and light commercial vehicles with tail pipe emissions below 50g CO2/km and trucks with tail pipe emissions in line with the Paris agreement.
Commercial real estate loans	At least 50% of the loan has to be with green-flavored purpose.
ESG linked green bonds and investments certificates	Green bonds (sold) and investment certificates (gross sales) for retail clients based on environmental, social and governance (ESG) criteria.
Loans for economic housing	Mortgage with EPC label A / B for construction, purchase, reconstruction or refinancing of family house or flat with EPC label A / B. This product can have a part which can be used for a different purpose (up to 30% of granted amount); Secured bridge-loan for economical housing finances property with EPC label A / B (purchase, refinancing, construction). For reconstruction and construction, a different purpose can be up to 20% of the granted amount.
Renewables	At least 50% of the loan has to be with green-flavored purpose.
Responsible investments	Responsible investment funds (RI F) are collective investment instruments that choose the assets that make up the portfolio based on environmental, social and governance (ESG) criteria.

Note: Data quality is gradually being improved (e.g. EPC labels) – in addition to the development of new green-flavored production, further data check can impact the reported value.

Contacts

ČSOB Investor Relations Team

Irena Židová
Přemysl Němeček
Petr Hanzlík
Tereza Siuda

Tel: +420 224 114 106

Tel: +420 224 114 110

investor.relations@csob.cz

www.csob.cz/ir

Československá obchodní banka, a. s.
Radlická 333/150, Praha 5
Czech Republic

ČSOB group Czech Republic
Member of the KBC Group





ČSOB

*jdeme vám
naproti*