

Česká spořitelna continues in strong performance in its 200th Anniversary Year

As of 31 March 2025, Česká spořitelna reported an unaudited consolidated net profit of CZK 5.7 bn, according to the International Financial Reporting Standards (IFRS). Operating result reached CZK 7.8 bn.

"Česká spořitelna continues to deliver excellent performance in its milestone 200th year, driven above all by the ongoing trust of our clients. This strong momentum has been maintained despite turbulence in capital markets, triggered by concerns over the potential global introduction of trade tariffs.

Loan volumes grew by 7.4% year-on-year, with a notable 9.3% increase in mortgage lending. Deposit volumes rose by 5.6% year-on-year, contributing positively to both net interest income and commission income.

Crucially, the Bank has maintained a high-quality loan portfolio and continues to operate with strong efficiency, as reflected in a cost/income ratio below 45%." said Ivan Vondra, Česká spořitelna's CFO in his reaction to the Bank's Q1 2025 financial results.

HIGHLIGHTS

P&L: Q1 2025 compared with Q1 2024

Balance sheet: 31 March 2025 compared with 31 March 2024

Operating result of Česká spořitelna increased by 3.9% to CZK 7.8 bn as operating income went up by 4.9% attributed to higher net interest income and net fee and commission income; operating expenses grew by 6.2% reflecting higher personnel expenses and other administrative expenses.

Net interest income grew by 5.6% and reached CZK 10.1 bn. The development was affected mainly by volume growth of loans supported by positive impact of higher volume of deposits and favourable balance sheet structure. In contrast, there was negative impact of increased minimum reserve requirement. **Net interest margin related to interest bearing assets rose to 2.04% (up from 2.01 %) reflecting development of balance sheet structure.**

Net fee and commission income increased by 8.3% to CZK 3.2 bn which was caused by securities transactions, especially due to higher sales of mutual funds. The increase in payment transfers reflected transaction activity; rise in insurance fees was attributed to both life and non-life insurance products.

Net trading result decreased by 21.2% to CZK 0.7 bn which was driven mainly by revaluation of derivatives.

Total operating expenses rose by 6.2% to CZK 6.3 bn, mainly influenced by growth of personnel expenses and other administrative expenses. Personnel expenses (+4.5%) mainly reflected higher salaries and benefits. Higher costs of IT and marketing accompanied by an increase in booking of contribution into Deposit insurance fund led to **rise in other administrative expenses (+10.7%)**. **Depreciation went slightly down**. As the consequence of the above-mentioned development, **Cost/Income ratio reached 44.7% (44.2% in Q1 2024)**.

Impairment result from financial instruments (i.e., creation/release of risk provisions and reserves for loans and advances, guarantees and commitments) **recorded creation of CZK 335 m**.

Gains/losses from derecognition of financial assets measured by amortised costs recorded **negative result of CZK 144 m** due to sale of bonds. **Other operating result of CZK -422 m**, consisting mainly of other income and costs not directly related to main operating activities of the Group, improved mainly due to decline in contribution to the Resolution Fund in Q1 2025.

As of 31 March 2025, total consolidated ČS Group assets amounted to CZK 2,056.7 bn, which meant a 1.7% increase. On the assets side, the development was driven mainly by growth of financial assets and loans to customers partly compensated by loans to banks. The liability side of the balance sheet increased mainly thanks to customer deposits partly offset by deposits from banks.

The gross volume of ČS Group customer loans increased by 7.2% to CZK 1,123.2 bn. The portfolio of **retail loans amounted to CZK 703.8 bn**, representing **increase of 7.7%**, driven by **private mortgages (+9.3%)**, **consumer lending (+3.9%)** and **Building Society (+8.3%)**. The volume of corporate loans grew by 6.5% to CZK 414.3 bn attributed to increase in Large Corporates (+1.9%), SME (+7.1%), Real Estate (+11.0%) and corporate subsidiaries (+15.3%).

Group deposits from customers grew by 5.6% to CZK 1,542.0 bn attributed to increase in retail deposits (+4.8% to CZK 1,034.0 bn), corporate deposits (+8.8% to CZK 336.5 bn) and non-core deposits (+4.5% to CZK 171.5 bn). Retail mutual funds increased by CZK 62.8 bn (+23.4%) to CZK 331.2 bn influenced by rise in net sales accompanied by positive performance effect.

Total accounting equity grew to CZK 161.1 bn as of 31 March 2025, which was by 4.1% more than at the end of the year 2024. **The total capital ratio for Česká spořitelna Group reached 19.8% as of 31 March 2025**, well above minimum regulatory capital requirement (16.25%).

As of 31 March 2025, the **total number of the ČS Group customers was 4.6 m**, of which almost 2.5 m used digital banking. **The overall number of active payment cards issued by ČS increased by 10.0% and reached 4.1 m**. Thereof **credit cards** represented **232.9 thousand**. The number of Česká spořitelna's ATMs and transaction terminals decreased by 76 y/y to 1,599.

Financial data

Income statement

in CZK m	1-3 24	1-3 25	Year-on-Year Change
Net interest income	9,602	10,138	5.6%
Net fee and commission income	2,960	3,207	8.3%
Net trading result	948	747	-21.2%
Gains/losses from financial instruments measured at FVPL	-1,764	-48	-97.3%
Rental income, dividends and other income	474	532	12.2%
Operating income	13,522	14,186	4.9%
Operating expenses	-5,975	-6,343	6.2%
Operating result	7,547	7,843	3.9%
Gains/losses from derecognition of financial assets measured at amortised cost	-2	-144	>100%
Other gains/losses from derecognition of financial instruments not measured at FV through profit or loss	-2	-10	>100%
Impairment result from financial instruments	-73	-335	>100%
Other operating result	-486	-422	-13.2%
Taxes on income	-1,259	-1,184	-6.0%
Post-tax profit from continuing operations	5,725	5,748	0.4%
Net result attributable to non-controlling interests	5	11	>100%
Net result attributable to owners of the parent	5,720	5,737	0.3%
Return on equity (ROE)	16.6%	15.5%	-1.1 pp
Cost/income	44.2%	44.7%	0.5 pp

Balance sheet

in CZK m	Mar-24	Mar-25	Year-on-Year Change
Loans and advances to customers (gross)	1,048,012	1,123,225	7.2%
Loans and advances to customers (net)*	1,026,605	1,102,585	7.4%
Deposits from customers**	1,459,884	1,542,000	5.6%
Total assets	2,030,076	2,056,695	1.3%
Total equity	150,652	161,124	7.0%
Loan to deposit ratio	70.3%	71.5%	1.2 pp
Total capital ratio	19.1%	19.8%	0.7 pp

* Includes loans and advances at amortised cost, loans and advances at FV through profit or loss, finance lease receivables and trade and other receivables

** Includes deposits from customers at amortised cost and deposits from customers at FV through profit or loss

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