

We are thriving, and we will continue investing in the Czech Republic, reports Česká spořitelna. The Bank posted a profit of CZK 26 billion last year

As of 31 December 2024, Česká spořitelna reported an unaudited consolidated net profit of CZK 26.2 bn, according to the International Financial Reporting Standards (IFRS). Operating result reached CZK 32.2 bn.

"Česká spořitelna proudly celebrates 200 years since its founding. The historically best result achieved in 2024 reaffirms our commitment to the mission we embraced in 1825 - fostering the prosperity of society while continuously investing in its future development.

Our outstanding financial performance in 2024 is built on the trust of individuals and businesses in Česká spořitelna and its services. Loan volumes grew by nearly 8%, while deposits increased by 9%. We reached record levels in both our housing loans portfolio (exceeding CZK 500 billion) and corporate loan portfolio (over CZK 400 billion). Additionally, we motivated more than 100,000 clients to start investing regularly, further strengthening their financial well-being. As a result, the investment assets we manage for clients surpassed CZK 400 billion - another milestone.

These strong results empower us to continue fulfilling our broader societal role. Through our subsidiary Dostupné bydlení (Affordable housing), we introduced the first 100 affordable rental apartments for employees in essential professions at the end of 2024, with plans to deliver another 1,000 in 2025. We also expand the Skoala educational platform, making it accessible to all schools as a foundation for financial education.

I am proud that Česká spořitelna's success continues to benefit society as a whole. Through the ČS Foundation, we will continue to expand our investments in impactful social initiatives." said Ivan Vondra, Česká spořitelna's CFO in his reaction to the Bank's FY 2024 financial results.

HIGHLIGHTS

P&L: 2024 compared with 2023

Balance sheet: 31 December 2024 compared with 31 December 2023

Operating result of Česká spořitelna increased by 27.6% to CZK 32.2 bn driven by higher operating income. Operating income went up by 16.8% attributed to higher net interest income and net fee and commission income.

Net interest income grew by 15.1% and reached CZK 39.8 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. **Net interest margin related to interest bearing assets increased to 2.03% (up from 1.95 %) reflecting development of balance sheet structure.**

Net fee and commission income rose by 17.3% to CZK 12.8 bn which was caused by securities transactions due to higher sales of mutual funds and rise in pension savings fees. The increase in payment transfers reflected higher interchange fees from card business. Furthermore, net fee and commission income was positively affected by insurance fees attributed mainly to life insurance products.

Net trading result decreased by 18.3% to CZK 3.4 bn which was driven mainly by revaluation of derivatives.

Total operating expenses rose by 5.0% to CZK 24.3 bn, mainly influenced by growth of personnel expenses and other administrative expenses. Personnel expenses (+4.3%) were driven mainly by higher salaries partially compensated by lower number of employees. Higher costs of IT and marketing led to **rise in other administrative expenses (+8.1%). Depreciation almost unchanged.** As the consequence of the above-mentioned development, **Cost/Income ratio improved to 43.0% from 47.9%.**

Impairment result from financial instruments (i.e., creation/release of risk provisions and reserves for loans and advances, guarantees and commitments) **recorded release of CZK 261 m**, reflecting excellent quality of the loan portfolio.

Gains/losses from derecognition of financial assets measured by amortised costs recorded **negative result of CZK 843 m** due to sale of bonds. **Other operating result of CZK 247 m**, consisting mainly of other income and costs not directly related to main operating activities of the Group, improved mainly due to sale of Reico entity, decline in contribution to the Resolution Fund in 2024 and lower impairment.

As of 31 December 2024, total consolidated ČS Group assets amounted to CZK 2,030.1 bn, which meant a 12.9% increase. On the assets side, the development was driven mainly by growth of loans to banks. The liability side of the balance sheet increased mainly thanks to higher deposits from banks and customer deposits.

The gross volume of ČS Group customer loans increased by 7.7% to CZK 1,111.3 bn. The portfolio of **retail loans amounted to CZK 694.1 bn**, representing **increase of 7.1%**, driven by **private mortgages (+8.3%), consumer lending (+4.3%) and Building Society (+8.3%).** The volume of corporate loans grew by 9.0% to CZK 413.1 bn attributed to increase in Large Corporates (+10.7%), SME (+4.9%), Real Estate (+12.5%) and corporate subsidiaries (+13.4%).

Group deposits from customers grew by 8.6% to CZK 1,483.2 bn attributed to increase in retail deposits (+5.0% to CZK 1,026.3 bn), corporate deposits (+27.0% to CZK 314.4 bn) and non-core deposits (+1.1% to CZK 142.5 bn). Retail mutual funds increased by CZK 72.4 bn (+29.7%) to CZK 316.4 bn influenced by rise in net sales accompanied by positive performance effect.

Total accounting equity grew to CZK 154.8 bn as of 31 December 2024, which was by 7.1% more than at the end of the year 2023. **The total capital ratio for Česká spořitelna Group reached 18.6% as of 31 December 2024**, well above minimum regulatory capital requirement (15.85%).

As of 31 December 2024, the **total number of the ČS Group customers was 4.6 m**, of which more than 2.4 m used digital banking.

The overall number of active payment cards issued by ČS increased by 10.0% and reached 4.0 m. Thereof **credit cards** represented **235.0 thousand**. The number of Česká spořitelna's ATMs and transaction terminals decreased by 69 y/y to **1,611**.

Financial data

Income statement			
in CZK m	2023	2024	Year-on-Year Change
Net interest income	34,583	39,811	15.1%
Net fee and commission income	10,894	12,778	17.3%
Net trading result	4,178	3,413	-18.3%
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	48,365	56,486	16.8%
Operating expenses	-23,144	-24,304	5.0%
Operating result	25,221	32,182	27.6%
Gains/losses from derecognition of financial assets measured at amortised cost	-272	-843	>100%
Other gains/losses from derecognition of financial instruments not measured at FV through profit or loss	-2	-7	>100%
Impairment result from financial instruments	-825	261	-
Other operating result	-1,706	247	-
Taxes on income	-3,736	-5,602	49.9%
Post-tax profit from continuing operations	18,680	26,238	40.5%
Net result attributable to non-controlling interests	66	76	15.2%
Net result attributable to owners of the parent	18,614	26,162	40.6%
Return on equity (ROE)	13.9%	18.4%	4.5 pp
Cost/income	47.9%	43.0%	-4.9 pp

Balance sheet			
in CZK m	Dec-23	Dec-24	Year-on-Year Change
Loans and advances to customers (gross)	1,031,776	1,111,292	7.7%
Loans and advances to customers (net)*	1,010,592	1,090,958	8.0%
Deposits from customers**	1,366,038	1,483,174	8.6%
Total assets	1,797,820	2,030,076	12.9%
Total equity	144,501	154,766	7.1%
Loan to deposit ratio	74.0%	73.6%	-0.4 pp
Total capital ratio	19.6%	18.6%	-1.0 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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