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ČSOB becomes sole owner of Czech building society ČMSS after acquiring the 45% stake held by BSH

ČSOB has received approval from the Czech anti-monopoly office and is thus able to close the transaction announced on 15 April 2019.

In this [announcement](#), ČSOB, the Czech banking division of KBC Group, and Bausparkasse Schwäbisch Hall (BSH) confirmed that they had agreed on ČSOB acquiring BSH's 45% stake in the Czech building society Českomoravská stavební spořitelna (ČMSS), subject to anti-trust approvals.

ČSOB has acquired BSH's 45% stake in ČMSS for a total consideration of 240 million euros, representing a 1.54 multiple of the 2018 standalone net book value and a 9.20 implied multiple of 2018 net profit including discounted 2024 synergies.

The transaction will have an impact of approximately –0.3 percentage points on KBC Group's strong Common Equity Tier 1 ratio, which stood at 16% (fully loaded, Danish compromise) at the end of 2018. This will in turn lower KBC Group's 2% M&A buffer to 1.70%. The revaluation of KBC's 55% stake in ČMSS (in conformity with IFRS 3) will also lead to a one-off gain for KBC, estimated at approximately 80 million euros. The transaction makes ČSOB the only shareholder of ČMSS and consolidates its position as the largest home financing provider in the Czech Republic.

Johan Thijs, KBC Group CEO, welcomed the successful closure of the transaction, stating: *'Closing this deal allows KBC to confirm its position as a strong market leader in the Czech Republic. This acquisition marks our ambition to grow in our core markets and is an excellent business opportunity in terms of strengthening our Czech retail franchise. It's also fully in line with our strategy to focus on our strong fundamentals: a healthy customer-driven bank-insurance business model, a strong risk profile, a robust liquidity position supported by a very solid and loyal customer deposit base in our core markets, and a comfortable solvency position that enables us to continue increasing lending to our customers and actively support the communities and economies in which we operate.'*

Petr Hutla, Senior Executive Officer for Credit Management (including ČMSS), and Member of the Board of Directors added: *'ČSOB Group has become a leading expert in home financing. This transaction further strengthens our leadership position. It also allows us to continue developing a strategy whereby comprehensive care of our customers' financial affairs is offered in one place, using solutions that match our customers' wishes and dreams. Closer collaboration within our group means our employees will be able to better share their knowledge, enhancing our ability to cater for our customers' needs.'*

Notes for editors

Českomoravská stavební spořitelna (ČMSS), also known in the Czech Republic as 'the Fox' (because of its mascot), is the largest building society in the Czech Republic. At the end of 2018, it had 4.5 billion euros (117 billion Czech koruny) in outstanding loans and 5.3 billion euros (137 billion Czech koruny) in deposits, representing a market share of 42% in building savings loans and 40% in building savings deposits.

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* This news item contains information that is subject to the transparency regulations for listed companies.

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