1H 2011 ČSOB Activity Report

Semi-Annual Report

as required by the Act No. 256/2004 Coll., Act on Business Activities on the Capital Market

Business name:	**Československá obchodní banka, a. s.**
Registered office:	Radlická 333/150, Praha 5, Postal Code 150 57, Czech Republic
Legal status:	Joint-stock company
Registration:	Registered in the Commercial Registry of the City Court in Prague, Section B XXXVI, Entry 46
Date of registration:	21 December 1964
ID No.:	00001350
Tax registr. No:	CZ699000761
Bank code (BANIS):	0300
SWIFT:	CEKOCZPP
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The 1H 2011 ČSOB Activity Report (hereinafter referred to as Semi-Annual Report) **was published** on ČSOB's Internet website www.csob.cz **on 30 August 2011**. By publishing the Semi-Annual Report, ČSOB meets the information obligation under the Act No. 256/2004 Coll., Act on Business Activities on the Capital Market, as amended. The 1H 2011 results of the ČSOB group were published on 9 August 2011 in the form of a press release and a presentation which also contain definitions of terms and indicators used. In addition to the summary of information already published, the Semi-Annual Report contains the following: the interim consolidated financial statements of ČSOB as at 30 June 2011, the company profile, current information on ČSOB's managing and supervisory bodies, ČSOB's securities and other regulatory information.

All data and information contained in the Semi-Annual Report are as at 30 June 2011, unless stated otherwise.

This report has not been audited.

Summary

In 1H 2011, ČSOB group reported net profit of CZK 6.209 bn. While the profitability of the loan and deposit business was further growing, an impairment on Greek bonds in the AFS[1] portfolio bit CZK 1.1 bn off the net profit, making it 13% lower than the same period a year ago. Loan portfolio rose four quarters in row to CZK 412.5 bn while the volume of deposits has climbed to CZK 593.5 bn.

Measures of Sustainable Performance

Consistent business profitability and resilience

Key indicators		2008	2009	2010	1H 2010	1H 2011
Profitability	underlying* net profit (CZK bn)	12.6	10.5	13.0	7.0	6.1
	underlying* RoE	21.6%	17.1%	19.6%	20.8%	19.4%
Liquidity	loan/deposit ratio	75.2%	71.1%	68.5%	69.0%	71.0%
Capital	capital adequacy ratio	10.3%	15.0%	18.0%	16.5%	16.3%
Credit costs	credit cost ratio	0.59%	1.12%	0.75%	0.75%	0.31%
Cost efficiency	underlying* cost/income ratio	46.9%	43.4%	44.7%	41.6%	44.3%

** Excluding extraordinary items. However, impairment on AFS portfolio (which includes Greek bonds) is included in the underlying P&L.*

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[1] *Available for sale financial assets*

1. ČSOB GROUP'S ACTIVITIES IN 1H 2011[2]

In 1H 2011, ČSOB group reported net profit of CZK 6.209 bn. Excluding extraordinary items, such as the revaluation of bonds in the FVPL[3] portfolio and non-hedging derivatives, the 1H 2011 underlying net profit reached CZK 6.125 bn. Note that in line with KBC group-wide methodology, impairments on the AFS portfolio (which includes the Greek bonds) are not treated as extraordinary items but are included in the underlying P&L.

1H 2011 experienced favorable development of business activities:

- **Loan portfolio** has been rising for four consecutive quarters to reach CZK 412.5 bn.
- **Volume of deposits** has grown to 593.5 bn.
- **Net interest income** from loans and deposits grew by 9% Y/Y to exceed CZK 10.1 bn.
- **Credit costs** further decreased to half of the 1H 2010 figure.

The profit growth from loan and deposit business was partly mitigated by lower trading result and outweighed by the impairments on Greek sovereign bonds. ČSOB decided to book impairment on those bonds of CZK 1.306 bn impairments (CZK 1.058 bn after tax) in the underlying P&L, which represents impairment to their fair value (market prices) as at 30 June 2011.

In 1H 2011, ČSOB group continued in its investments into ICT and staff, operating expenses grew by 6% Y/Y.

Financial Ratios

	1H 2010	1H 2011	Y/Y
Profitability (Ytd. ratios)			
Net interest margin	3.38%	3.40%	+2 bps
Cost/income (underlying)	41.6%	44.3%	+2.7 pp
Cost/income (reported)	41.1%	44.1%	+3.0 pp
RoE (underlying)	20.8%	19.4%	-1.4 pp
RoE (reported)	21.3%	19.7%	-1.6 pp
RoA (underlying)	1.66%	1.38%	−0.28 pp
RoA (reported)	1.70%	1.40%	-0.30 pp
	30.6.2010	**30.6.2011**	**Y/Y**
Asset quality			
Credit cost ratio (Ytd., annualized)	0.75%	0.31%	−44 bps
NPL ratio	3.98%	4.04%	+0.06 pp
NPL coverage ratio	75.4%	74.4%	-1.0 pp
Capital adequacy (Basel II)			
Core tier 1 ratio	13.10%	12.55%	-0.87 pp
Total capital ratio	16.45%	16.26%	-0.19 pp
Solvency ratio (insurance)	219.2%	348.1%	+128.9 pp
Liquidity			
Loan to deposit ratio	69.0%	71.0%	+2.0 pp

2 *All numbers in this part of the 1H 2011ČSOB Activity Report are consolidated, unaudited, according to EU IFRS. This part release shows FY 2010 profit and loss statement items reclassified in accordance with the current accounting methodology in order to ensure comparability of EU IFRS financial statements in time.*

3 *Financial assets designated at fair value through P/L.*

Consolidated Unaudited Financial Statements as at 30June 2011

Consolidated P&L – Reported

(CZK m)	1H 2010	1H 2011	Y/Y
Interest income	*16 159*	*16 228*	*0%*
Interest expense	*-4 142*	*-3 961*	*-4%*
Net interest income	12 017	12 267	+2%
Net fee and commission income	2 814	2 648	-6%
Net gains from financial instruments at FVPL*	714	1 043	+46%
Other operating income*	1 081	445	-59%
Operating income	**16 626**	**16 403**	**-1%**
Staff expenses	-3 014	-3 287	+9%
General administrative expenses	-3 288	-3 476	+6%
Depreciation and amortisation	-525	-467	-11%
Operating expenses	**-6 827**	**-7 230**	**+6%**
Impairment losses	-1 787	-2 040	14%
Impairment on loans and receivables	*-1 726*	*-755*	*-56%*
Impairment on available-for-sale securities	*0*	*-1 277*	*N/A*
Impairment on other assets	*-61*	*-8*	*N/A*
Share of profit of associates*	134	90	-33%
Profit before tax	**8 146**	**7 223**	**-11%**
Income tax expense*	-961	-955	-1%
Profit for the period	**7 185**	**6 268**	**-13%**
Attributable to:			
Equity holders of the parent	**7 140**	**6 209**	**-13%**
Minority interest	45	59	+31%

Notes: FVPL = fair value through profit and loss.
Other operating income = Net realised gains on available-for-sale fin. assets, dividend income, other net income.
** Lines designated by asterisk as reported differ from underlying figures.*

Consolidated P&L – Underlying

(CZK m)	1H 2010	1H 2011	Y/Y
Interest income	*16 159*	*16 228*	*0%*
Interest expense	*-4 142*	*-3 961*	*-4%*
Net interest income	12 017	12 267	+2%
Net fee and commission income	2 814	2 648	-6%
Net gains from financial instruments at FVPL*	838	941	+12%
Other operating income*	752	445	-41%
Operating income	**16 421**	**16 301**	**-1%**
Staff expenses	-3 014	-3 287	+9%
General administrative expenses	-3 288	-3 476	+6%
Depreciation and amortisation	-525	-467	-11%
Operating expenses	**-6 827**	**-7 230**	**+6%**
Impairment losses	-1 787	-2 040	14%
Impairment on loans and receivables	*-1 726*	*-755*	*-56%*
Impairment on available-for-sale securities	*0*	*-1 277*	*N/A*
Impairment on other assets	*-61*	*-8*	*N/A*
Share of profit of associates*	134	88	-34%
Profit before tax	**7 941**	**7 120**	**-10%**
Income tax expense*	-919	-936	+2%
Profit for the period	**7 022**	**6 184**	**-12%**
Attributable to:			
Equity holders of the parent	**6 977**	**6 125**	**-12%**
Minority interest	45	59	+31%

Notes: FVPL = fair value through profit and loss.
Other operating income = Net realised gains on available-for-sale fin. assets, dividend income, other net income.
** Lines designated by asterisk as reported differ from underlying figures.*

Consolidated Balance Sheet – Assets

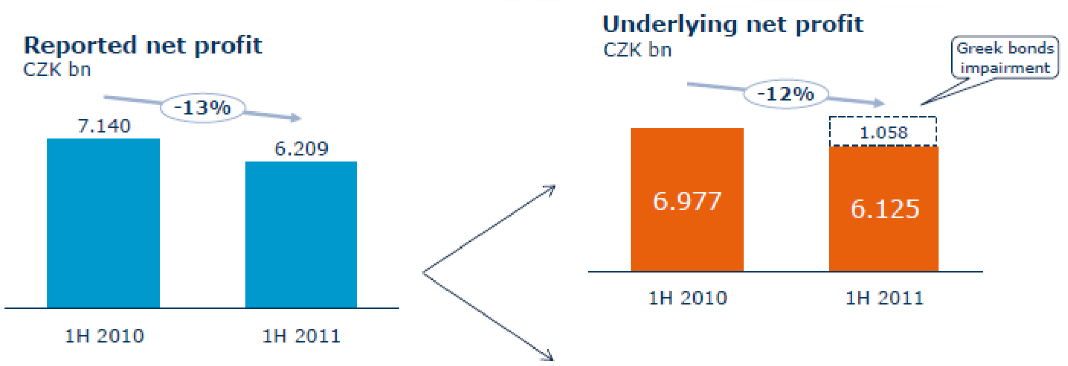
(CZK m)	31/12 2010	30/06 2011	Ytd
Cash and balances with central banks	21 164	35 164	+66%
Financial assets held for trading	173 810	158 219	-9%
Financial assets designated at fair value through P/L	11 132	11 025	-1%
Available-for-sale financial assets	102 521	88 673	-14%
Loans and receivables - net	399 741	419 143	+5%
Loans and receivables to credit institutions - gross	*14 137*	*19 792*	*+40%*
Loans and receivables to which other than credit institutions - gross	*397 445*	*410 762*	*+3%*
Allowance for impairment losses	*-12 466*	*-12 387*	*-1%*
Accrued interest income	*625*	*976*	*+56%*
Held-to-maturity investments	150 240	146 604	-2%
Derivatives used for hedging	9 437	10 424	+10%
Current tax assets	39	62	+59%
Deferred tax assets	488	304	-38%
Investments in associate	1 163	1 249	+7%
Investment property	713	693	-3%
Property and equipment	8 057	7 992	-1%
Goodwill and other intangible assets	3 625	3 535	-2%
Non-current assets held-for-sale	140	150	+7%
Other assets	2 785	2 580	-7%
Total assets	**885 055**	**885 817**	**0%**

Consolidated Balance Sheet – Liabilities and Equity

(CZK m)	31/12 2010	30/06 2011	Ytd
Financial liabilities held for trading	21 096	19 472	-8%
Financial liabilities at fair value through P/L	117 774	130 571	+11%
Financial liabilities at amortised cost	663 418	659 803	-1%
of which Deposits received from credit institutions	*30 442*	*27 517*	*-10%*
of which Deposits received from other than credit institut.	*596 078*	*593 496*	*0%*
of which Debt securities in issue	*24 105*	*25 097*	*+4%*
of which Subordinated liabilities	*11 974*	*11 976*	*0%*
of which Accrued interest expenses	*819*	*1 717*	*+110%*
Derivatives used for hedging	5 567	5 141	-8%
Current tax liabilities	1 203	545	-55%
Deferred tax liabilities	830	950	+14%
Provisions	651	620	-5%
Other liabilities	8 676	13 035	+50%
Total liabilities	**819 215**	**830 137**	**+1%**
Share capital	5 855	5 855	0%
Share premium account	7 509	7 509	0%
Statutory reserve	18 687	18 687	0%
Retained earnings	30 560	20 155	-34%
Available-for-sale reserve	2 422	1 773	-+27%
Cash flow hedge reserve	-2	791	+/-
Foreign currency translation reserve	0	-1	N/A
Parent shareholders' equity	**65 031**	**54 769**	**-16%**
Minority interest	809	911	+13%
Total equity	**65 840**	**55 680**	**-15%**
Total liabilities and equity	**885 055**	**885 817**	**0%**

Details on the 1H 2011 Results

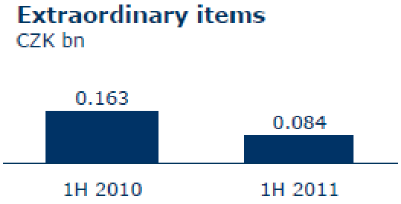
1H 2011 Net Profit Analysis



The 1H 2011 net profit was influenced by a positive revaluation of bonds in the FVPL portfolio and non-hedging derivatives (CZK +0.1 bn net).

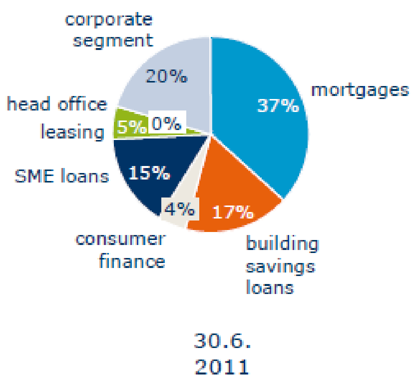
According to KBC group-wide methodology, impairments on the AFS portfolio (which includes the Greek bonds) are not treated as extraordinary item but are included in the underlying P&L.

The main extraordinary item in 1H 2010 was a settlement payment received from KBC Global Services Czech Branch for the transfer of ICT services.



Business Results – Group Lending

Gross outstanding volumes, CZK bn	30.6.2010	30.6.2011	Y/Y
Loan portfolio	**395.6**	**412.5**	**+4%**
Retail/SME Segment			
Mortgages[1]	139.0	151.6	+9%
Building savings loans[2]	69.2	72.0	+4%
Consumer finance	17.6	18.3	+4%
SME loans	65.8	63.7	-3%
Leasing	25.5	22.0	-14%
Corporate Segment			
Corporate loans[3]	74.1	80.5	+9%
Factoring	3.8	3.9	+4%
Head Office[4]	0.6	0.5	-17%



Notes:

[1] *ČSOB group mortgages are in the balance sheet of ČSOB's subsidiary Hypoteční banka.*

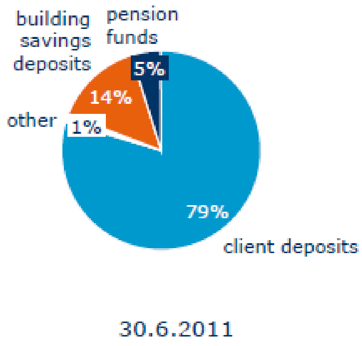
[2] *ČSOB group building savings loans are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in the 55% proportion, i.e. the way they enter ČSOB's consolidated balance sheet.*

[3] *Including credit-replacing bonds.*

[4] *Historic files.*

Business Results – Group Deposits

Outstanding volumes, CZK bn	30.6.2010	30.6.2011	Y/Y
Group deposits	**582.2**	**593.5**	**+2%**
Client deposits	465.2	471.6	+1%
Building savings deposits[1]	83.9	85.0	+1%
Pension funds[2]	26.2	28.1	+7%
Other[3]	6.8	8.8	+29%
Mutual funds[4]	**67.5**	**58.5**	**-13%**
Other asset management	**54.3**	**59.8**	**+10%**
AUM and deposits	**703.9**	**711.7**	**+1%**



Notes:

[1]ČSOB group building savings deposits are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in the 55% proportion, i.e. the way they enter ČSOB's consolidated balance sheet.
[2] Liabilities to pension fund policy holders.
[3] Repo operations with non-banking financial institutions and other.
[4] Only direct positions are included.

P&L Review

Operating income decreased by 1% Y/Y. **Net interest income** (NII) from loans and deposits increased by 9% Y/Y, helped especially by the growing mortgage volumes and retail deposit base. In the opposite direction, there was an effect of decreasing NII from bonds brought along by the investment portfolio de-risking. As a result, NII grew by 2%, while NIM (2Q) slightly increased by 2bps Y/Y to 3.40%. **The net fee and commission income** (NFCI) decreased by 6% Y/Y primarily due to higher payments to the deposit insurance fund by CZK 154 m as the annual deposit insurance premium went up from 10 to 16 bps (effective since mid-2010). Adjusting for this effect, NFCI was flat.

Overall **operating expenses** grew by 6% Y/Y. On a comparable basis, i. e. disregarding the effect of accruals for performance-related bonuses, **staff expenses** increased by 6% Y/Y. This development resulted from the regular annual salary adjustment and the growth of the overall number of employees. **General administrative expenses (GAE)** grew by 6% Y/Y, mainly attributable to planned ICT-related investments going on since 2Q 2010. Since the ČSOB group uses outsourced ICT services provided by KBC Global Services Czech Branch, these investments are accounted directly through P/L. In addition, an increase of marketing expenses contributed to the growth.

The **costs of credit risk** more than halved Y/Y as the impairments on loans and receivables fell to CZK 755 m. As result, credit cost ratio further contracted to 31 bps. The highest drop of credit costs was recorded by corporate and SME businesses. As the situation in lending to companies continued improving, the number of worsening clients decreased. The decline of credit costs in corporate and SME was also contributed by the fact that already provisioned clients performed better than expected, which was reflected in the release of allowances. Improvement in credit costs is also seen in all areas of retail lending – mortgages, building savings loans and consumer finance.

Effect of the Greek assistance program: ČSOB decided to book CZK 1.306 bn impairments (before tax) on the Greek sovereign bonds with a maturity date before end 2020 held in the AFS portfolio. As required by IAS 39, the AFS bonds are impaired to their fair value (market prices) as at 30 June 2011. The impairment is booked in item impairment on AFS secu-rities of the underlying P&L (i.e. not treated as an extraordinary item).

Balance Sheet Review

In 2Q 2011, **loan portfolio** reached CZK 412.5 bn. The 4% Y/Y growth is the highest since the end of 2008. The second quarter was the fourth showing a consequent growth in loan portfolio. The Q/Q increase of 2% was driven especially by mortgages and corporate loans.

Mortgages went up by 9% Y/Y to 151.6 bn. The mortgage portfolio has been steadily growing. After higher sales in 2H 2010, which reflected rebounding demand for residential real estate, new sales in 1Q 2011 decreased Q/Q due to seasonal effect. However in Y/Y comparison, 1Q new sales were growing. The growth continued in 2Q 2011 supported by favorable development of interest rates, stable real estate prices, and increased occurrence of housing loans' refinancing by mortgages. **Building savings loans** increased Y/Y to CZK 72.0 bn. With client preference in financing housing needs shifting to the mortgages, the whole market of building savings loans experienced a significant fall in new sales. ČMSS decreased less than the market. **Consumer loans** increased by 4% Y/Y to CZK 18.3 bn, driven mainly by credit cards.

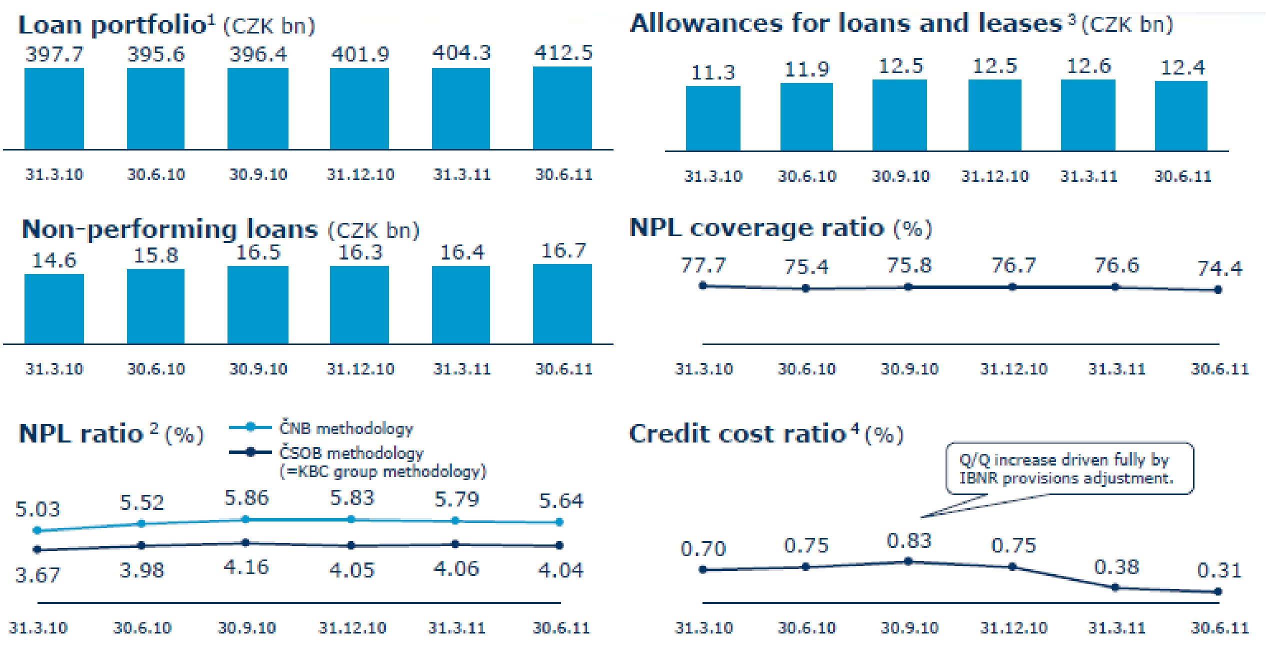
SME loans decreased by 3% Y/Y to 63.7 bn. In 2Q 2011, the outstanding volumes repeated the 1Q growth of ca. CZK 400m, driven especially by new sales of investment loans which almost trippled Q/Q. **Leasing** declined by 14% Y/Y to CZK 22.0 bn.
The second quarter of 2011 is the fourth in a row showing the increase in **corporate loans** volumes. Y/Y the outstandings grew by 9% to CZK 80.8 bn. Generally, it is explained by revival of Czech companies after the macroeconomic slowdown. At ČSOB, the increase is due to acquisitions of new corporate clients. Both operational and investment financing grew; new sales are significantly up (by 83% Y/Y including guarantees).

Group deposits increased by 2% Y/Y to CZK 593.5 bn, while growth was recorded across all major products – client deposits, building savings deposits and pension funds. The largest contributor to the growth were client deposits (CZK +6.4 bn, +1% Y/Y), in which saving deposits recorded a 17% Y/Y growth. About half of the increase can be attributed to an inflow from term deposits which decreased by 30% Y/Y. Current accounts decreased by 3% Y/Y. AUM in both ČSOB **pension funds** kept increasing Q/Q and reached CZK 28.1bn.

In **mutual funds**, ČSOB still keeps the first position on the market, however the AUM in mutual funds decreased by 2% Q/Q and 13% Y/Y. New sales of mutual funds in 2Q 2011 reached CZK 5.0 bn, which represents 25% Y/Y growth. The main drivers were bond funds and mixed funds among other mutual funds, new sales in both categories more than doubled Y/Y. Outflows from ČSOB's money market funds continued, though at lower rate than in 1Q 2011. As for capital protected funds, the re-investment ratio of maturing CPFs showed further improvement.

Risk Management Review

Total capital ratio reached 15.99% as at 30 June 2011, compared to 16.26% as at 30 June 2010. **Liquidity** further increased with the loan to deposit ratio declining to 71.0% as of 30 June 2011 from 69.0% a year ago.



Notes: [1] *Group lending excluding "other" loans.*
[2] *ČSOB methodology in line with KBC group methodology.*
[3] *Allowances for on-balance sheet items.*
[4] *Ytd. annualized, including off-balance sheet items.*

Credit costs

- Credit cost ratio (CCR) for 1H 2011 stood at 0.31%, compared to 0.75% for 1H 2010.
- Quarterly costs of risk declined to one-third of the level year ago, the impairments on loans and receivables fell to CZK 318 m and credit cost ratio (Ytd. annualized) further contracted to 31 bps.
- The most remarkable drop of credit costs was recorded by corporate and SME businesses. As the situation in lending to companies continued improving, the number of worsening clients decreased. The decline of credit costs in corporates and SMEs was also contributed by the fact that already provisioned clients performed better than expected, which was reflected in the release of allowances.
- Improvement in credit costs is also seen in all areas of retail lending – mortgages, building savings loans and consumer finance. Even the CCR of consumer finance, which is the highest among the ČSOB loan portfolio, is under the level of 2%.

Non-performing loans

- Non-performing loans (more than 90 days overdue, according to the ČSOB methodology, in line with the KBC group methodology) accounted for 4.04% of gross loans as at 30 June 2011.
- The NPL ratio was rather flat during the last three quarters at the level of 10 bps below the 3Q 2010 peak.
- While NPLs in the retail loans (mortgages, building savings loans and consumer loans) were still slightly increasing, the corporate and SME lending, being in the more advanced phase of the cycle, showed an opposite development.

Coverage of non-performing loans

- The provision coverage of NPLs stands at high 74.4%. Housing loans (mortgages and building savings loans), representing more than a half of the group's loan portfolio, require less provisioning given the fact they are largely secured by collateral. The NPLs from the remaining part of the portfolio are fully covered by allowances, i.e. showing the coverage ratio above 100%.

Exposure to bonds of selected Southern European countries and Ireland as at 30 June 2011

book value, CZK bn

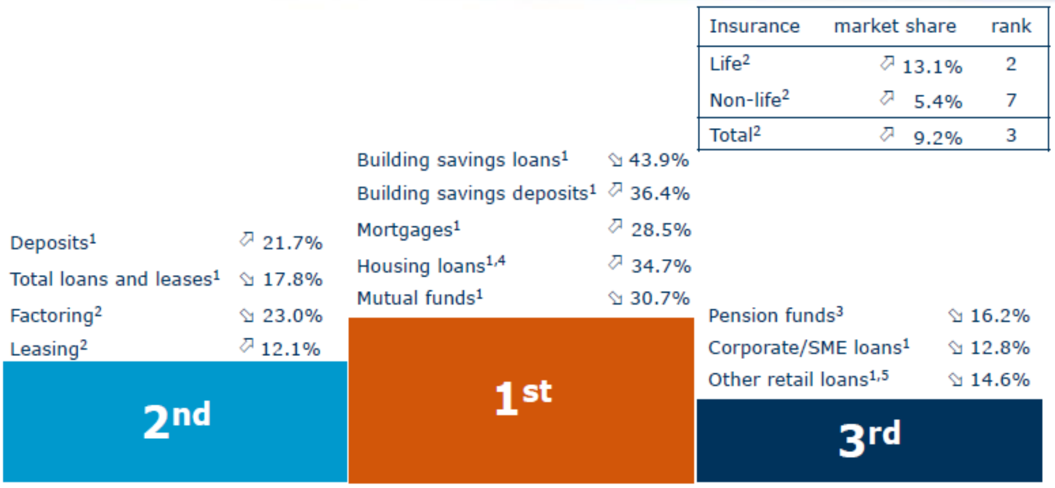
	Sovereign	Banks	Corporates	Total
Portugal	-	-	-	-
Ireland	-	-	-	-
Italy	1.99	-	-	1.99
Greece	3.06	-	-	3.06
Spain	0.57	-	-	0.57
Total	5.62	0.00	0.00	5.62

Since 2Q 2010, ČSOB has been reducing selected foreign sovereign exposure. ČSOB group actively reduced the exposure to Greek and Italian sovereign bonds during 2010. During the first half 2011, there has been no reduction of the above-mentioned bonds in nominal terms. Exposure to bank bonds disappeared as the bonds reached their maturity in 2Q 2011.

The Greek bonds are classified as available-for-sale assets (i.e. disregarding market prices). The book value of these bonds (which reflects their fair value) is lower than their amortized cost of EUR 180 m. As of 30 June 2011, the Greek sovereign bonds with a maturity date before end 2020 were impaired to their fair value (market prices), as required by IAS 39.

The Italian and Spanish bonds are classified as held-to-maturity investments. The book value of these bonds (which reflects their amortized cost) is close to the fair value.

Selected ČSOB Group's Market Shares in the Czech Republic (latest available)



Notes: Arrows show Y/Y change. Market shares as of 31 March 2011 (i.e. latest available). Insurance as of 30 June 2011.

[1] Outstanding at the given date.
[2] New business in the year to the given date, insurance: gross written premium to the given date.
[3] Number of clients at the given date.
[4] Comprise mortgages and building savings loans.
[5] Retail loans excluding mortgages and building savings loans.
Sources and detailed definitions are provided in Appendix.

ČSOB's Credit Rating ČSOB (as at 30 August 2011)

Rating agency	Moody's		Fitch	
	Long-term rating:	**A1** (stable)	**Long-term rating:**	**A-** (stable)
	Short-term rating:	Prime-1	Short-term rating:	F2
	Financial strenght:	C	Individual:	C
			Support:	1
Rating valid since:		23 February 2007		14 May 2009
Last confirmation:		8 December 2010		15 October 2010

Awards for the ČSOB Group (Accolades Received in 2011)

ČSOB as a whole

- Named the best bank in the Czech Republic by Global Finance magazine (Best Emerging Market Banks • 2011, Global Finance)
- Named Best Bank Czech Republic in 2010 by EMEA Finance magazine (emeafinance, Europe • Middle East • Africa)
- Named the best bank in the Czech Republic by Euromoney magazine (Euromoney 2011 Awards for excellence)

Selected business areas

Postal Savings Bank	ČSOB Leasing	Trade Finance	Custody	Foreign Exchange	Acquisition Finance
Named the most client friendly bank in the Czech Republic *(contest organized by the Hospodarske noviny daily)* Best Bank of 2011 Hospodářské noviny Award	Named best in retail and SME leasing categories *(Zlata koruna contest)* Zlatá koruna	Named best in the Czech Republic (Best Trade Finance Bank Award • 2011, Global Finance)	Named best Sub-custodian in the Czech Republic (Best Sub-Custodian Bank Award • 2011, Global Finance)	Named best in the Czech Republic (Best Foreign Exchange Provider Award • 2011, Global Finance)	Named best bank in Eastern Europe (ACQ Global Awards 2011)

2. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim Consolidated Financial Statements of ČSOB as at 30 June 2011 prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union (Unaudited) please refer to **Annex No. 1** of this Report.

3. COMPANY PROFILE

ČSOB and ČSOB's Group Profile

From ČSOB's History

1964 ČSOB established by the state as a bank to provide foreign trade financing and convertible currency operations in the then Czechoslovak market.
1993 Continuation of ČSOB's activities in both Czech and Slovak market after the split of Czechoslovakia.
1999 ČSOB privatized – Belgium-based KBC Bank becoming the majority shareholder of ČSOB.
2000 Acquisition of Investiční a Poštovní banka (IPB).
2007 KBC Bank becoming ČSOB's sole shareholder after buying out all minority shareholders.
2007 New environmentally friendly building of ČSOB's headquarters in Prague – Radlice for 2,600 employees (Building of the Year 2007).
2008 As at 1 January, ČSOB's Slovak branch separated into a separate entity, fully controlled by KBC Bank via 100% of voting rights.

ČSOB and ČSOB Group Profile

Československá obchodní banka, a. s. (ČSOB) is a universal bank operating in the Czech Republic. It constitutes the main operating entity of the financial group ČSOB group, itself 100% controlled by KBC Group. ČSOB is operating under two recognized brands in the Czech Republic – ČSOB and Poštovní spořitelna (Postal Savings Bank – PSB). It provides its services to all groups of customers, i.e. retail as well as SME, corporate and institutional clients. Clients are served via ČSOB branches, PSB's financial centers and post offices of the Czech Post. In addition to its own products, ČSOB is distributing products and services of the whole ČSOB group. Services under the ČSOB and PSB brands are also distributed through the entire ČSOB group and through various direct banking channels.

The ČSOB group is a leading financial services provider in the Czech Republic. The ČSOB group's product portfolio includes financing housing needs (mortgages and building savings loans), insurance and pension fund products, collective investment products and asset management and specialized services (leasing and factoring). The ČSOB group conducts its operations in the Czech Republic through a number of subsidiaries, and operates through four leading brands, namely ČSOB, PSB, Hypoteční banka and ČMSS. ČSOB group provides its services to all groups of customers, i.e. retail as well as SME, corporate and institutional clients.

ČSOB Group in Figures	31.12.2010	30.6.2011
Employees (FTE)	7,641	7,709
Customers	>4 million	>4 million
of which ČSOB and PSB	3,078 ths	3,086 ths
Users of internet banking (ČSOB and PSB)	1,076 ths	1,160 ths
Branches and advisory centers		
– ČSOB retail / SME branches	237	238
– ČSOB corporate branches	11	11
– PSB branches ("Financial centers")	53	60
– Other[1]	279	280
PSB outlets of Czech Post network	ca. 3,260	ca. 3,200
ATMs[2]	782	805

Notes:

[1] *Including branches of Hypoteční banka, advisory centers of ČMSS, branches of ČSOB Pojišťovna and ČSOB Leasing.*
[2] *Plus cash desks (CashBack) of Albert and COOP stores and ČEPRO EuroOil petrol stations.*

Annual reports and other information about ČSOB and ČSOB's group are available at www.csob.cz.

ČSOB as a Controlled and Controlling Entity

Within the KBC group and the ČSOB group, ČSOB acts as both controlled entity and controlling entity as defined in the Commission Regulation (EC) No 809/2004.

ČSOB is a **controlled entity**. KBC Bank NV (identification number 90029371) is the sole shareholder of ČSOB. KBC Group NV (identification number 90031317) is the sole shareholder of KBC Bank. Both KBC Group and KBC Bank have their registered addresses at: Havenlaan 2, B-1080 Brussels (Sint-Jans Molenbeek), Belgium.

KBC Group and KBC Bank control ČSOB as they dispose with 100% of votes, based on the KBC Bank's ownership interest in ČSOB. ČSOB meticulously follows the legislation applicable on the territory of the Czech Republic to prevent any abuse of this control. 2010.

ČSOB is also a **controlling entity**. For information on companies controlled by ČSOB as at 30 June 2011 as defined by Section 66a of the Commercial Code please refer to **Annex No. 2** of this Report.

ČSOB is not dependent on other entities in the concern, into which ČSOB belongs.

KBC Group Profile

KBC Group Profile

ČSOB is a wholly-owned subsidiary of KBC Bank NV. The sole shareholder of KBC Bank is KBC Group NV.

KBC Group is an integrated bancassurance group, catering mainly for retail, SME and mid-cap customers. It concentrates on its home markets of Belgium and certain countries in Central and Eastern Europe. Elsewhere around the globe, the group has established a presence in selected countries and regions. As of the end of 2010, KBC Group served an estimated 12 million customers and employed over 50 thousand employees (in FTEs) worldwide.

KBC Group in Figures		31.12.2010	30.6.2011
Total assets	EURbn	320.8	312.9
Loans and advances to customers	EURbn	150.7	143.2
Deposits from customers and debt securities	EURbn	197.9	188.1
Net profit	EURbn	1.9	1.2
Underlying net profit	EURbn	1.7	1.2
Tier 1 ratio, group level (Basel II)	%	12.6	13.9
Cost/income ratio, banking (based on underlying profit)	%	56	56

For more information please refer to the KBC's corporate website www.kbc.com.

4. MANAGING AND SUPERVISORY BODIES

ČSOB's Board of Directors and ČSOB's Top Management

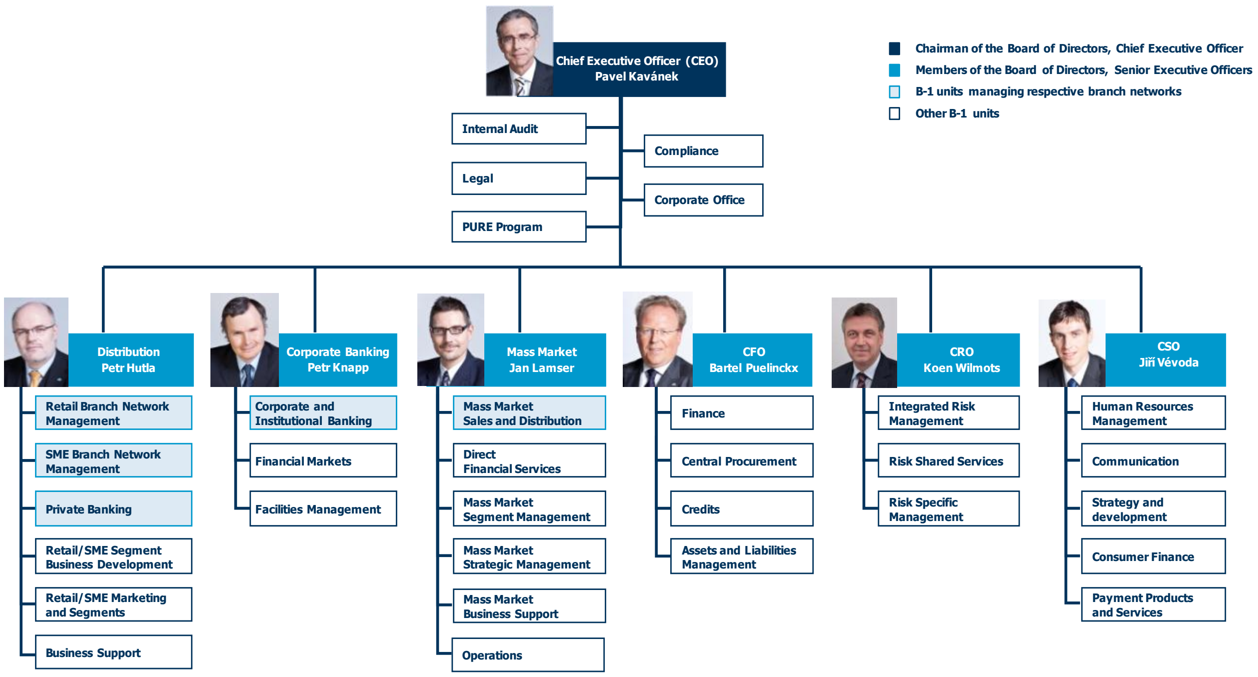
ČSOB's Board of Directors functions as the Bank's statutory and supreme executive body and has **seven members**. The ČSOB's Top Management reports directly to the Board of Directors. The ČSOB's Top Management consists of the Chairman of the Board of Directors, who is also the Chief Executive Officer, other members of the Board of Directors, who also act as Senior Executive Officers, and other Senior Executive Officer – see below.

The composition of the Board of Directors and the Top Management is identical:

	ČSOB's Board of Directors			**ČSOB's Top Management**	
First Name and Surname	Position	Membership since	The Beginning of the Member's Current Term of Office	Position	The Beginning of Term of Office
Pavel Kavánek	Chairman*	17.10.1990	20.5.2009	Chief Executive Officer	29.1.1993
Petr Knapp	Member	20.5.1996	20.5.2009	Senior Executive Officer Corporate Banking	1.5.2006
Jan Lamser	Member	26.5.1997	20.5.2009	Senior Executive Officer Mass Market	1.5.2006
Petr Hutla	Member	27.2.2008	27.2.2008	Senior Executive Officer Distribution	16.11.2009
Bartel Puelinckx	Member	8.12.2010	8.12.2010	Senior Executive Officer Finance Management (CFO)	1.5.2010
Koen Wilmots	Member	8.12.2010	8.12.2010	Senior Executive Officer Risk Management (CRO)	1.5.2010
Jiří Vévoda	Member	8.12.2010	8.12.2010	Senior Executive Officer Products and Staff Functions (CSO)	1.5.2010

* *Current chairman term since 20 May 2009.*

<u>Areas of Responsibility Managed by ČSOB's Top Management</u>



ČSOB's Supervisory Board

ČSOB's Supervisory Board has **nine members** and oversees the performance of the Board of Directors.

First Name and Surname	Position	Membership since	The Beginning of the Member's Current Term of Office
Jan Švejnar	Chairman[1]	9.10.2003[1]	20.5.2009
Dirk Mampaey[4]	Member	14.9.2009	14.9.2009
Patrick Vanden Avenne	Member	22.4.2006	15.6.2011
Hendrik Soete	Member	24.2.2007[2]	21.4.2007
Marko Voljč	Member	29.6.2010	29.6.2010
Guy Libot	Member	1.12.2010	1.12.2010
František Hupka	Member[3]	23.6.2005	23.6.2010
Martina Kantová	Member[3]	23.6.2010	23.6.2010
Ladislava Spielbergerová	Member[3]	23.6.2010	23.6.2010

Notes:

[1] Current chairman term since 3 June 2009. *[2] Co-opted.* *[3] Elected by employees.*

[4] Member of the ČSOB's Supervisory Board until 30 June 2011. Philip Marck has become a new member of the ČSOB's Supervisory Board since 1 July 2011.

The Audit Committee

ČSOB's Audit Committee has **four members** since 1 February 2011.

First Name and Surname	Position	
Dirk Mampaey[1]	Chairman	(Member of the ČSOB's Supervisory Board)
Jan Švejnar	Member	(Chairman of the ČSOB's Supervisory Board)
Guy Libot[2]	Member	(Member of the ČSOB's Supervisory Board)
Petr Šobotník[3]	Independent member	(Not a member of any ČSOB body)

Notes:

[1] Member of the ČSOB's Audit Committee until 30June 2011. Philip Marck has become a new member of the ČSOB's Audit Committee since 1 July 2011.
[2] Chairman of the ČSOB's Audit Committee since 1 July 2011.
[3] Member of the ČSOB's Audit Committee since 1 February 2011.

<u>Changes in ČSOB's Supervisory Board and ČSOB's ČSOB's Audit Committee 1H 2011</u>

On 12 January 2011, ČSOB's sole shareholder KBC Bank NV, exercising the powers of the General Meeting, decided on election **Petr Šobotník** as a member of ČSOB's Audit Committee with effect from 1 February 2011.

Petr Šobotník (born in 1954)

He graduated from the University of Economics, Prague. Between 1983 and 1991, Mr. Šobotník acted as a chief accountant in corporations as well as government bodies. In 1991, joined the audit firm Coopers & Lybrand; he became the partner for audit in 1995. After the merger of the audit firms, he served as the position the Lead Audit Partner in PricewaterhouseCoopers from 1998 to 2002. He then worked in various top management positions in PwC until June 2010. At present, he is an independent consultant.

Membership in bodies of other companies:

President of the Czech Chamber of Auditors since 2007 (reelected in November 2010 for additional two years), representative of the Czech Republic in FEE – Ethics Working Party since 2004; member of the Audit Committee in Skanska a.s. (since 2010).

On 15 June 2011, ČSOB's sole shareholder KBC Bank NV, when exercising the powers of the General Meeting, decided about **changes in the ČSOB's Supervisory Board and in the ČSOB's Audit Committee**.

- **Patrick Vanden Avenne** was elected a member of the ČSOB´s Supervisory Board (to a new term in office) with effect from 15 June 2011. He has been a member of ČSOB's Supervisory Board since April 2006.
- **Dirk Mampaey** was recalled from the ČSOB's Supervisory Board and from the ČSOB's Audit Committee with effect from 30 June 2011;
- **Philip Marck** was elected a member of the ČSOB's Supervisory Board and a member of the ČSOB's Audit Committee with effect from 1 July 2011. He replaced Dirk Mampaey in both bodies.

The term of office for the newly elected members of the ČSOB's Supervisory Board is four years.

Philip Marck (born in 1959)

Philip Marck studied at the Catholic University of Leuven and graduated at faculty of law of in 1982 and audiovisual communication media in 1983. Mr. Marck completed a degree in Business Management at the EHSAL Managament School in Brussels in 1992. Mr Marck started his career at Kredietbank in 1984 and consequently held the position of a branch manager, first in retail branches and later in different corporate branches. In 2007, he became the Regional Manager Corporate Banking for the Brussels-Brabant-Limburg region. A year later, he was appointed the General Manager Corporate Banking Belgium in KBC Bank.

Membership in bodies of other companies:

Member of the Supervisory Board: ČSOB (SK), K&H Bank (Hungary); member of the Board of Directors (a non-executive body): KBC Banka (Serbia).

5. INFORMATION ABOUT ČSOB SECURITIES

Shares

ČSOB's shares	**ISIN**	**CZ0008000288**
	Class	Ordinary shares
	Type	Bearer shares
	Edition	Book-entered
	Number of shares	292,750,000
	Nominal value	CZK 20
	Total issue volume	CZK 5,855,000,000
	Amount of share capital	CZK 5,855,000,000; paid up 100%

KBC Bank NV, with its registered address at: Havenlaan 2, B-1080 Brussels (Sint-Jans Molenbeek), Belgium, **is the sole shareholder of ČSOB**.

ČSOB has not issued any convertible bonds or priority bonds as defined by Section 160 of the Commercial Code. In 2010, ČSOB neither held any own shares, nor issued stock certificates.

ČSOB shares are not listed securities, i.e. they have not been admitted to trading on any official regulated market in either an EU member state, or an EEC member state.

Change of Type of ČSOB's Shares

In adopting the resolution of the sole shareholder dated **11 March 2011**, 292,750,000 ČSOB ordinary registered shares with a nominal value of CZK 20 per share were converted into bearer shares (evidenced by an entry in the Register of Companies dated 14 March 2011).

Bonds *(outstanding)*

In the Czech Republic, ČSOB is an issuer of bonds and mortgage bonds issued under the **ČSOB's bond issuance program.** The program was approved by the Securities Commission in November 2003 (including joint issue terms for a previously non-determined number of bond issues) with a maximum amount of CZK 30 bn of outstanding bonds and 10-year tenure.

By 30 June 2011, **ČSOB had issued the following bond issues** under the bond issuance program in the Czech Republic:

Issue Name	**ISIN**	**Issue Date**	**Volume of Bonds Issued** (Nominal Value)	
Mortgage bond ČSOB 4.60%/2015	CZ0002000706	15. 11. 2005	CZKm	1,300
Bond ČSOB VAR/2018	CZ0003701799	22. 12. 2008	CZKm	10
Bond ČSOB ZERO CZK XII/2012	CZ0003702029	9. 7. 2009	CZKm	1,000
Bond ČSOB Komodity I/2012 (Tranche no. 1)	CZ0003702060	24.11. 2009	CZKm	130
Bond ČSOB ZERO EUR III/2012	CZ0003702235	26.11. 2009	EURm	10
Bond ČSOB ZERO CZK XIII/2012	CZ0003702243	26.11. 2009	CZKm	1,000
Bond ČSOB Inflace I/2015 (Tranche no. 1)	CZ0003702292	10. 3. 2010	CZKm	170
Bond ČSOB ZERO CZK XIV/2013	CZ0003702417	14. 7. 2010	CZKm	500
Bond ČSOB Komodity II/2013 (Tranche no. 1)	CZ0003702425	15. 9. 2010	CZKm	22.5
Bond ČSOB koš akcií/2015 (Tranche no. 1)	CZ0003702441	27. 10. 2010	CZKm	121.7
Bond ČSOB likvidní/2015 (2 Tranches)	CZ0003702490	3. 12. 2010	CZKm	2,000
Bond ČSOB ZERO USD III/2014	CZ0003702524	13. 1. 2011	USDm	10
Bond ČSOB likvidní/2015 (Tranche no. 3)*	CZ0003702490	3. 12. 2010	CZKm	1,000
Bond ČSOB likvidní/2016 (5 Tranches)	CZ0003702532	2. 2. 2011	CZKm	5, 000
Bond ČSOB 3M PRIBOR/2016 (Tranche no. 1)	CZ0003702540	2. 3. 2011	CZKm	149
Bond ČSOB Inflace II/2016 (2 Tranches)	CZ0003702789	17. 3. 2011	CZKm	630
Bond ČSOB Měny II/2016 (Tranche no. 1)	CZ0003702821	5.5.2011	CZKm	280
Bond ČSOB koš akcií II/2016 (Tranche no.1)	CZ0003702839	9.6.2011	CZKm	111.3
Bond ČSOB likvidní III/2016 (2 Tranches)	CZ0003702912	15.6.2011	CZKm	2,000

** Tranche no.3 issued on 27 January 2011.*

The Bond ČSOB VAR/2018 bond is listed on the Free market of the Prague Stock Exchange (trading started on 22 December 2008). The remaining bonds and mortgage bonds are unlisted on an European regulated market.

The purpose of the issuance of bonds by ČSOB is mainly to enlarge the offer of investment products for the ČSOB's clients.

The bond issuance program's prospectus, amendments thereto and pricing supplements as well as the prospectus of the Bond ČSOB VAR/2018 bond are available at ČSOB's website www.csob.cz.

6. ADDITIONAL INFORMATION

Decision of Sole Shareholder in Exercising the Powers of the General Meeting

KBC Bank NV as ČSOB's sole shareholder:

1. **On 19 April 2011**, KBC Bank NV approved Consolidated Financial Statements of ČSOB and its subsidiaries as at 31 December 2010 and Separate Financial Statements of ČSOB as at 31 December 2010 prepared in accordance EU IFRS.
2. **On 13 May 2011**, KBC Bank NV approved distribution of the non-consolidated net profit for the year 2010 in total amount of CZK 12.8 bn and the non-distributed profit from previous years in total amount of CZK 5.0 bn. The dividend per share is CZK 60.87. Dividends were paid on 18 May 2011. Reported capital adequacy ratio was 18.11% and (Core) Tier 1 ratio was 14.23% as of 31 March 2011. The pro forma ratios after dividend payment were 16.77% and 12.89%, respectively.
3. **On 3 June 2011**, KBC Bank NV approved new Articles of Association of ČSOB. The term of office for the newly elected members of the ČSOB's bodies (i.e. after 3 June 2011) was reduced to four years. The Articles of Association of ČSOB regulates the position of the Nomination and Remuneration Committee.

Information on Court Disputes

The most significant ČSOB's court disputes as at 30 June 2011, are shown in the following tables including the dispute amount (without accessories).

I. Litigation initiated by ČSOB (the Plaintiff)

	Counterparty of the Dispute	Receivable (CZKm))
1	Nomura International PLC a Nomura Principal Investment PLC	24,008
2	Czech Republic – Ministry of Finance	1,420
3	Czech National Bank *(finished on 4 August 2011)*	1,374

II. Litigation against ČSOB (the Defendant)

	Counterparty of the Dispute	Liability (CZKm)
1	imAGe Alpha, a.s., Weinberger Holding Inc.	17,647
2	ICEC-HOLDING, a.s.	11,893
3	JUDr. Věslav Németh	1,682
4	Bankruptcy Trustee of Chemapol Group, a.s.	1,450

Legal disputes indicated in list I represent no risk even in case of a potential defeat.

According to the ČSOB, legal disputes in list II do not constitute any risk, given their absolute unreasonableness. In addition, legal disputes with numbers 2 and 3 in list II have the risk of any potential defeat covered by the CNB's indemnity issued in connection with the sale of the IPB enterprise, according to the Bank.

The arbitration against ZPS, a.s. in the amount of CZK 1,000 m, mentioned in the ČSOB Annual Report 2010, was finished through a withdrawal of the action by plaintiff in April 2011.

ČSOB keeps a record of an action proceeded in Slovak court by company TF Recovery, s.r.o. in CZK 34,152 m. TF Recovery is an assignee of company General Factoring, a.s., action of which was by an arbitration award fully dismissed in July 2010.

Events after 30 June 2011

Court Disputes

The Arbitration against the Czech National Bank, as shown in list I. number 3, was finished by the arbitration award rendered on 4 August 2011 as a result of ČSOB's withdrawal of the claim.

7. EXPECTED DEVELOPMENT

Expected Economic and Financial Situation of the ČSOB Group in 2H 2011

During the first half of the year, the Czech economy saw a slight deceleration as the 1Q 2011 GDP increased by 2.8% Y/Y and the 2Q 2011 GDP by 2.4% Y/Y. According to the Czech National Bank's macroeconomic outlook (see the Report on Inflation III 2011, ČNB, 11 August 2011), the GDP for the entire year of 2011 is expected to grow by 2.1% Y/Y, driven especially by net exports.

The ČSOB group reached, during the first half of 2011, a strong economic result, kept solid asset quality and high levels of capitalization and liquidity. **For the second half of 2011** the ČSOB group will continue to focus on providing high quality financial services to its clients aiming at further expanding the group's client base and increasing market shares in specific areas while maintaining healthy financial position and strong business model. The ČSOB group expects to grow in loans faster than in deposits, continue in ICT investments and maintain high levels of capitalization, liquidity and asset quality. Despite the continuing market uncertainty about the value of some European countries' sovereign bonds, the ČSOB group does not expect a significant impact of the debt crisis of these countries to its 2H 2011 results. The ČSOB group's exposure to sovereign bonds issued by these countries is limited and, moreover, already in the first half of the year, ČSOB booked impairment on Greek bonds in the amount exceeding 30% of the nominal value.

8. SWORN STATEMENT

Persons Responsible for the 1H 2011 ČSOB Activity Report

hereby declare that, to their best knowledge, the **1H 2011 ČSOB Activity Report** gives a true and fair account of ČSOB and its consolidation unit's financial situation, business activities and business results achieved in the first half of 2011 as well as ČSOB and its consolidation unit's outlook for the future trends in the financial situation, business activities and business results.

In Prague, 30 August 2011

Československá obchodní banka, a. s.

Pavel Kavánek
Chairman of the Board of Directors
and Chief Executive Officer

Jan Lamser
Member of the Board of Directors
and Senior Executive Officer

9. **ANNEXES** to the 2011 ČSOB Activity Report

No. 1 Interim Consolidated Financial Statements of ČSOB as at 30 June 2011

No. 2 Companies of the ČSOB Group

Contact:
Investor Relations
Československá obchodní banka, a. s.
Radlická 333/150
150 57 Praha 5
E-mail: investor.relations@csob.cz

Československá obchodní banka, a. s.

Interim Consolidated Financial Statements

Half-year ended 30 June 2011

Prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union (Unaudited)

CONSOLIDATED STATEMENT OF INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2011

Prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

(CZKm)	Note	1H 2011	Reclassified 1H 2010
Interest income	5	16,228	16,159
Interest expense	6	(3,961)	(4,142)
Net interest income		**12,267**	**12,017**
Fee and commission income		4,435	4,364
Fee and commission expense		(1,787)	(1,550)
Net fee and commission income	7	**2,648**	**2,814**
Dividend income		25	33
Net gains from financial instruments at fair value through profit or loss and foreign exchange	8	1,043	714
Net realised gains on available-for-sale financial assets	2.5	167	237
Other net income	9	253	811
Operating income		**16,403**	**16,626**
Staff expenses	10	(3,287)	(3,014)
General administrative expenses	11	(3,476)	(3,288)
Depreciation and amortisation	22, 23, 24	(467)	(525)
Operating expenses		**(7,230)**	**(6,827)**
Impairment losses	12	(2,040)	(1,787)
Share of profit of associates	20	90	134
Profit before tax		**7,223**	**8,146**
Income tax expense	13	(955)	(961)
Profit for the period		**6,268**	**7,185**
Attributable to:			
Owners of the parent		6,209	7,139
Non-controlling interests		59	46
Earnings per share			
Equity holders of the Bank for the period:		CZK	CZK
Basic earnings per share	14	21.21	24.39
Diluted earnings per share	14	21.21	24.39

The accompanying notes are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE 2011

Prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

(CZKm)	Note	1H 2011	1H 2010
Profit for the period		**6,268**	**7,185**
Net gain on cash flow hedges		977	534
Net gain / (loss) on available-for-sale financial assets		515	(890)
Share of other comprehensive income of associates		(5)	83
Income tax expense relating to components of other comprehensive income		(287)	51
Other comprehensive income for the period, net of tax	32	**1,200**	**(222)**
Total comprehensive income for the period, net of tax		**7,468**	**6,963**
Attributable to:			
Owners of the parent		7,409	6,917
Non-controlling interests		59	46

The accompanying notes are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

Prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

(CZKm)	Note	30-06-2011	31-12-2010
ASSETS			
Cash and balances with central banks	16	35,164	21,164
Financial assets held for trading	17	158,219	173,810
Financial assets designated at fair value through profit or loss	17	11,025	11,132
Available-for-sale financial assets	18	88,673	102,521
Held-to-maturity investments	18	146,604	150,240
Loans and receivables	19	419,143	399,741
Derivatives used for hedging	21	10,424	9,437
Current tax assets		62	39
Deferred tax assets	13	304	488
Investment in associate	20	1,249	1,163
Investment property	22	693	713
Property and equipment	23	7,992	8,057
Goodwill and other intangible assets	24	3,535	3,625
Non-current assets held-for-sale	25	150	140
Other assets	26	2,580	2,785
Total assets		**885,817**	**885,055**
LIABILITIES AND EQUITY			
Financial liabilities held for trading	27	19,472	21,096
Financial liabilities designated at fair value through profit or loss	27	130,571	117,774
Financial liabilities at amortised cost	28	659,803	663,418
Derivatives used for hedging	21	5,141	5,567
Current tax liabilities		545	1,203
Deferred tax liabilities	13	950	830
Other liabilities	29	13,035	8,676
Provisions	30	620	651
Total liabilities		**830,137**	**819,215**
Share capital	31	5,855	5,855
Share premium		7,509	7,509
Statutory reserve		18,687	18,687
Retained earnings		19,098	30,560
Available-for-sale reserve	31	2,830	2,422
Cash flow hedge reserve	31	791	(2)
Foreign currency translation reserve	31	(1)	-
Shareholders' equity		54,769	65,031
Non-controlling interests, presented within equity		911	809
Total equity		**55,680**	**65,840**
Total liabilities and equity		**885,817**	**885,055**

The accompanying notes are an integral part of these interim consolidated financial statements.

These interim consolidated financial statements were approved for issue by the Board of Directors on 17 August 2011 and signed on its behalf by:

Pavel Kavánek
Chairman of the Board of Directors
and Chief Executive Officer

Bartel Puelinckx
Member of the Board of Directors
and Chief Finance Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2011

Prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

	Attributable to equity holders of the Bank					Non-	Total
(CZKm)	Share capital (Note: 31)	Share premium	Statutory reserve[1)]	Retained earnings	Other reserves (Note: 31, 32)	controlling interest	Equity
At 1 January 2010	**5,855**	**7,509**	**18,687**	**34,478**	**2,422**	**900**	**69,851**
Total comprehensive income for the period	-	-	-	7,139	(222)	46	6,963
Capital decrease by non-controlling shareholders of subsidiaries	-	-	-	-	-	(173)	(173)
Dividends paid (Note: 15)	-	-	-	(17,389)	-	-	(17,389)
At 30 June 2010	**5,855**	**7,509**	**18,687**	**24,228**	**2,200**	**773**	**59,252**
At 1 January 2011	**5,855**	**7,509**	**18,687**	**30,560**	**2,420**	**809**	**65,840**
Total comprehensive income for the period	-	-	-	6,209	1,200	59	7,468
Change of the consolidation scope	-	-	-	149	-	43	192
Dividends paid (Note: 15)	-	-	-	(17,820)	-	-	(17,820)
At 30 June 2011	**5,855**	**7,509**	**18,687**	**19,098**	**3,620**	**911**	**55,680**

(1) The statutory reserve represents accumulated transfers from retained earnings in compliance with the Czech Commercial Code. This reserve is not distributable.

The accompanying notes are an integral part of these interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE 2011

Prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

(CZKm)	Note	1H 2011	1H 2010
OPERATING ACTIVITIES			
Profit before tax		7,223	8,146
Adjustments		12,310	49,132
Net cash flows from operating activities		**19,533**	**57,278**
INVESTING ACTIVITIES			
Net cash flows from / (used in) investing activities		**1,346**	**(7,339)**
FINANCING ACTIVITIES			
Net cash flows (used in) financing activities		**(17,995)**	**(23,813)**
Net increase in cash and cash equivalents		**2,884**	**26,126**
Cash and cash equivalents at the beginning of the year	34	25,860	29,572
Net increase in cash and cash equivalents		2,884	26,126
Cash and cash equivalents at the end of the period	34	**28,744**	**55,698**
Additional information			
Interest paid		(3,051)	(2,861)
Interest received		17,096	16,711
Dividends received		25	33

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2011

Prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

Provided below is a selection of notes to the accounts. The numbers and titles of the notes that only appear in the annual report, but not in the half-yearly reports, are shown below solely to ensure that there is a link with the annual report.

1. CORPORATE INFORMATION

Československá obchodní banka, a. s. (the Bank or ČSOB) is a Czech joint-stock company with its registered office at Radlická 333/150, Prague 5, Czech Republic; the corporate ID is 00001350. ČSOB is a universal bank having its operations in the Czech Republic and offering its domestic and foreign customers a wide range of financial services and products in Czech Crowns and foreign currencies. The parent company of the Bank is KBC Bank NV (KBC Bank), which is controlled by KBC Group NV (KBC Group).

Furthermore, the ČSOB group (Group) (Note: 3) provides its clients with financial services in the following areas: building savings and mortgages, asset management, collective investment, pension insurance, leasing, factoring and distribution of life and non-life insurance products.

2. ACCOUNTING POLICIES

The interim consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2010.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements as at 31 December 2010, except for the adoption of new standards and interpretations for the year 2011 (Note: 2.3).

2.1 Basis of preparation

The interim consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale investments, financial assets and financial liabilities at fair value through profit or loss and all derivative contracts that have been measured at fair value. The interim consolidated financial statements are presented in millions of Czech Crowns (CZKm), which is the presentation currency of the Group.

Statement of compliance

The Group interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (EU IFRS).

Basis of consolidation

The interim consolidated financial statements include the Bank, all subsidiary companies that are controlled by the Bank (subsidiaries), all companies jointly controlled by the Bank (joint ventures) and all companies over which the Bank has significant influence (associates). The accounting policies of subsidiaries and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

All intra-group balances, transactions, income and expenses, and gains and losses resulting from intra-group transactions are eliminated.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from the parent shareholder's equity.

Joint ventures included in the Group consolidation are accounted for using proportionate consolidation. A venturer's share of assets, liabilities, income and expenses in the joint venture is combined with those of the venturer on a line-by-line basis. Joint control exists when two or more venturers are bound by a contractual arrangement whereby joint control is established.

2.2 Significant accounting judgements and estimates

While applying the Group accounting policies, the management has used its judgement and made estimates in determining the amounts recognised in the financial statements. The most significant judgements and estimates are as follows:

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques which include the application of mathematical models. If possible, the input to these models is taken from observable markets; if not, a degree of judgement is required to establish fair values. The judgements include considerations of credit and liquidity and model inputs such as correlation and volatility for longer-dated financial instruments.

Impairment losses on financial instruments

The Group reviews its financial instruments at each reporting date to assess whether an allowance for impairment should be recorded in the statement of income. In particular, management judgement is required to estimate the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions regarding a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted.

Management judgement is required to assess the fair value of collateral, which has a significant effect on the impairment allowance.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.3 Changes in accounting policies

Effective from 1 January 2011

The accounting policies adopted are consistent with those used in the previous financial period except that the Group has adopted the following standards, amendments and interpretations. The adoption of them did not have any effect on the financial performance or position of the Group.

IFRS 1 First-time Adoption of IFRS (Amendments) is effective for periods beginning on or after 1 July 2010. The amendment describes limited exemption from comparative IFRS 7 disclosures for first-time adopters.

IAS 24 Related Party Disclosures (Revised) is effective for periods beginning on or after 1 January 2011. The standard amends a definition of related parties and introduces a definition of government agencies. In addition, the standard requires disclosure of transactions and relationships with government agencies.

IAS 32 Financial Instruments: Presentation (Amendments) is effective for periods beginning on or after 1 February 2010. This amendment proposes a limited change specific to classification of rights issues.

IFRIC 14 Prepayment of a Minimum Funding Requirement (Amendments) is effective for periods beginning on or after 1 January 2011. The amendment applies in limited circumstances when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements. The early payment can be treated as an asset.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments is effective for periods beginning on or after 1 July 2010. The interpretation addresses the accounting whereby the entity extinguishes financial liability by issuing equity shares.

Improvements to IFRSs, issued in May 2010 with a view to remove inconsistencies and clarify wording. There are separate transitional provisions for each standard.

Effective after 1 January 2011

The following standards, amendments and interpretations have been issued and are effective after 1 January 2011. The Group has decided not to early adopt them. Unless otherwise described below, the new standards, amendments and interpretations are not expected to significantly affect the Group financial statements.

IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments) is effective for periods beginning on or after 1 July 2011. The amendment provides relief for first-time adopters from having to reconstruct transactions that occurred before their transition to IFRS. It provides guidance for entities emerging from severe hyperinflation.

IFRS 7 Disclosures – Transfers of Financial Assets (Amendments) is effective for periods beginning on or after 1 July 2011. The standard should assist users to evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

IFRS 9 Financial Instruments (the first phase) is effective for periods beginning in or after 1 January 2013. The standard has not been endorsed by the European Union to date. The project to replace the current IAS 39 Financial Instruments: Recognition and Measurement has been divided into three phases. The first phase focuses on classification and measurement of financial instruments.

The new standard has reduced the number of asset measurement categories from four to two. Debt instruments are classified at amortised cost or fair value on the basis of both:

- The entity's business model for managing financial assets; and
- The contractual cash flow characteristics of the financial asset.

Debt instruments may be measured at amortised cost if both conditions are met:

- The asset is held within the business model whose objective is to hold the assets to collect the contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

Reclassifications between the two asset categories are required when the entity changes its business model. IFRS 9 retains a fair value option. At initial recognition entities can elect to measure financial assets at fair value, although they would otherwise qualify for amortised cost measurement. IFRS 9 removes the separation of embedded derivatives and the instrument is assessed in its entirety as to whether it fulfils the above two conditions.

All equity instruments are measured at fair value either through Other Comprehensive Income or profit or loss.

Financial liabilities are classified and measured either at amortised cost or at fair value through profit or loss. A financial liability can be designated as measured at fair value through profit or loss if doing so results in more relevant information, because either:

- It eliminates or reduces a measurement or recognition inconsistency;
- A group of financial liabilities is managed and its performance is evaluated on a fair value basis.

Original requirements related to derecognition of financial assets and financial liabilities are carried forward unchanged from IAS 39 to IFRS 9.

The standard will have a significant impact on the Group financial statements, however due to the uncertainties about the provisions of the subsequent two phases the impact of the IFRS 9 is not reasonably estimable. The IASB's work on the second phase on impairment of financial instruments and the third phase on hedge accounting is still ongoing and the completion of the entire project is expected later in 2011. The effective date of the IFRS 9 can be potentially delayed until 2015 subject to an approval and incorporation into the standard of Exposure Draft Mandatory Effective Date of IFRS 9 issued in August 2011.

IAS 12 Deferred Tax: Recovery of Underlying Assets (Amendments) is effective for periods beginning on or after 1 January 2012. The amendment provides a practical approach for measuring deferred tax assets and liabilities when investment property is measured using the fair value model.

Improvements to IFRSs, issued in May 2011 with a view to remove inconsistencies and clarify wording. There are separate transitional provisions for each standard.

IASB published several other standards in June 2011, however, they were not endorsed by the European Union before 30 June 2011.

IFRS 10 Consolidated Financial Statements is effective for periods beginning on or after 1 January 2013. The standard replaces the part relating to the consolidated portion of IAS 27 Consolidated and Separate Financial Statements. New definition of control is included and a single control model that applies to all entities is introduced.

IFRS 11 Joint Arrangements is effective for periods beginning on or after 1 January 2013. The standard replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly-controlled Entities – Non-monetary Contributions by Venturers. The standard will have an impact on consolidated financial statements of the Group. Proportionate method of consolidation is disallowed by the new standard.

IFRS 12 Disclosure of Interest in Other Entities is effective for periods beginning on or after 1 January 2013. The standard includes all of the disclosure requirements that were included in IAS 27, IAS 28 and IAS 31. The entity will be required to disclose judgements made to determine whether it controls an entity.

IFRS 13 Fair Value Measurement is effective for periods beginning on or after 1 January 2013. The standard provides guidance on how to measure the fair value of financial and non-financial assets and liabilities.

IAS 27 Separate Financial Statements is effective for periods beginning on or after 1 January 2013. The standard contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

IAS 28 Investments in Associates and Joint Ventures is effective for periods beginning on or after 1 January 2013. The standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

2.4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim consolidated financial statements are provided in the annual report. In 1H 2011, no changes in content were made in the accounting policies that had a material impact on the result, except for a different presentation of interest income from economic hedges, which is now included in Net Interest Income (Note: 2.5).

Derivatives held for trading

Derivatives include foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, currency and interest rate options. Derivatives are recorded at fair value and carried as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives held for trading are included in Net gains/losses from financial instruments at fair value through profit or loss.

Changes in fair value of economic hedges are recognised in Net gains/losses from financial instruments at fair value through profit or loss. Interest income or expense from economic hedges is recorded in Net interest income.

The economic hedges are such derivatives, which do not meet the IFRS requirements for application of the hedge accounting but which are used for hedging purposes from the economic point of view.

2.5 Comparative balances

Reclassifications

Since the Group is a part of the consolidation scope of the KBC Bank, which prepares financial statements according to EU IFRS, the Group has decided to use the same structure for its financial statements and presentation of items within this structure consistent with KBC Bank. Therefore certain items are presented differently in the financial statements at 30 June 2011 from the presentation applied in the financial statements at 30 June 2010. To conform to the changes in presentation in the current year, certain balances have been reclassified.

A reconciliation of the selected items of the statement of income for the period ended 30 June 2010 is provided below:

	2010	Reclassifications			2010
(CZKm)	As reported	A	B	C	Reclassified
Interest income	16,450	(358)	67		16,159
Interest expense	(4,165)	358	(335)		(4,142)
Net gains from financial instruments at fair value through profit or loss	446		268		714
Other net income	829			(18)	811
Depreciation and amortisation	(543)			18	(525)

The explanation for the reclassifications is as follows:

A/ **Interest accrual on cash flow hedging derivatives**

Interest income and interest expense accrued on interest rate swaps, which are used to hedge interest cash flows, previously presented separately within Interest income and Interest expense, have been reclassified to be presented together with the interest accrued on hedged items on a net base;

B/ **Interest accrual on economic hedging derivatives**

Interest income and interest expense accrued on interest rate swaps, which did not meet criteria for hedge accounting but are used for hedging from the economic point of view, previously presented within Net gains from financial instruments at fair value through profit or loss, have been reclassified into Net interest income (Note: 2.4.);

C/ **Depreciation of investment property**

Depreciation of investment property, previously presented within Depreciation and amortisation, has been reclassified into Other net income, so that the amount of depreciation is matched directly with the rental income realised on the investment property.

Outsourcing of ICT services

A Czech branch of the Belgium-based KBC Global Services NV was registered on 14 January 2009 as KBC Global Services Czech Branch, organizační složka (hereafter referred to as KBC GS CZ).

The ICT services functions of ČSOB and ČSOB Pojišťovna were transferred to KBC GS CZ as at 1 June 2009. Existing employment contracts of related ČSOB employees were transferred to KBC GS CZ in compliance with legal regulations.

In 2010, the Group was proceeding in its effort to centralise the purchase of ICT services. ICT services outsourcing has been implemented in ČSOB Leasing from 1 January 2010.

An asset purchase agreement was concluded between ČSOB and KBC Global Services NV and became effective in January 2010. The agreement transferred the ICT-related assets which were classified as Non-current assets held-for-sale in the Group's financial statements as at 31 December 2009 from the Group to KBC Global Services NV (Note: 25).

In 2010, the value of the newly created enterprise was assessed and completed. The sales price was determined on the basis of an expert opinion prepared by an expert appointed by the Municipal Court in Prague and amounted to CZK 951 m. The net profit of the sale of the enterprise reached the amount of CZK 329 m and has been recognised in Other net income.

A full set of service level agreements was completed in the second half of 2010.

More information is available in the 2010 annual report.

3. SCOPE OF CONSOLIDATION AND BUSINESS COMBINATIONS

The scope of the consolidation includes 28 companies. Ownership of the Group (%) in significant companies was as follows:

Name	Abbreviation	Country of incorporation	% 30-06-2011	% 31-12-2010
Subsidiaries				
Auxilium, a.s.	Auxilium	Czech Republic	100.00	100.00
Bankovní informační technologie, s.r.o.	BANIT	Czech Republic	100.00	100.00
Centrum Radlická, a.s.	Centrum Radlická	Czech Republic	100.00	100.00
ČSOB Asset Management, a.s., a member of the ČSOB group	ČSOB AM	Czech Republic	20.59	20.59
ČSOB Factoring, a.s.	ČSOB Factoring	Czech Republic	100.00	100.00
ČSOB Investiční společnost, a.s., a member of the ČSOB group	ČSOB IS	Czech Republic	75.53	90.81
ČSOB Investment Banking Services, a.s., a member of the ČSOB group	ČSOB IBS	Czech Republic	100.00	100.00
ČSOB Leasing, a.s.	ČSOB Leasing	Czech Republic	100.00	100.00
ČSOB Leasing pojišťovací makléř, s.r.o.	ČSOB Leasing pojišťovací makléř	Czech Republic	100.00	100.00
ČSOB Penzijní fond Progres, a.s., a member of the ČSOB group	ČSOB PF Progres	Czech Republic	100.00	100.00
ČSOB Penzijní fond Stabilita, a.s., a member of the ČSOB group	ČSOB PF Stabilita	Czech Republic	100.00	100.00
ČSOB Property fund, closed-ended investment fund, a.s., a member of the ČSOB group	ČSOB Property fund	Czech Republic	69.63	69.63
Hypoteční banka, a.s.	Hypoteční banka	Czech Republic	100.00	100.00
Merrion properties, s.r.o.	Merrion properties	Czech Republic	69.63	69.63
Property LM, s.r.o.	Property LM	Slovak Republic	69.63	69.63
Property Skalica, s.r.o.	Property Skalica	Slovak Republic	69.63	69.63
Joint venture				
Českomoravská stavební spořitelna, a.s.	ČMSS	Czech Republic	55.00	55.00
Associate				
ČSOB Pojišťovna, a.s., a member of the ČSOB holding	ČSOB Pojišťovna	Czech Republic	25.00	25.00

On 27 April 2011, the Bank approved a merger of ČSOB IS and ČSOB AM. ČSOB IS was decided to become a successor company with the target shareholding structure of approximately 60 % for KBC Asset Management and 40 % for ČSOB. The decisive date of the transaction was fixed to 1 July 2011. In June 2011, pre-merger sale of 15.28 % stake in ČSOB IS from Auxilium to KBC Participations Renta, SA was executed. As a result of the sale, the participation of the Group in ČSOB IS decreased and the Group realised a gain on the sale in the amount of CZK 149 m reported within Retained earnings of equity. It is expected to realise a post-merger sale of approximately 4 % stake in ČSOB IS from ČSOB to KBC Participations Renta, SA to achieve the target shareholding structure. As a result of the merger, there will be used equity method of consolidation instead of the current full method. The transaction is expected to be finished in the first quarter of 2012.

More information regarding the scope of consolidation is available in the 2010 annual report.

4. SEGMENT INFORMATION

The Group's primary segment reporting is by customer segment.

The Group has four reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services, and are managed separately based on the Group’s management and internal reporting (controlling) structure. For each of the strategic business units, the Group management reviews internal management reports on quarterly/monthly basis.

Management monitors the operating result of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the separate financial statements. Income tax is allocated to operating segments, but is managed on the Group basis.

Definitions of customer operating segments:

Retail and SME: Private individuals and entrepreneurs and companies with a turnover of less than CZK 300 m. This segment contains customers’ deposits, consumer loans, building savings, pension funds, overdrafts, credit cards facilities, mortgages, building savings loans, leasing, funds transfer facilities and other transactions and balances with retail and SME customers, mutual funds, asset management.

Corporate: Companies with a turnover of greater than CZK 300 m and non-banking financial institutions. This segment contains customers’ deposits, loans, overdrafts, credit cards facilities, funds transfer facilities and other transactions and balances with corporate customers.

ALM and Financial markets: Asset Liability Management and Dealing. This segment contains investment products and services to institutional investors and intermediaries and fund management activities and trading included in dealing services.

Group Centre: The Group Center segment consists of the Group’s yield on real equity consisting of an interest charge on capital provided to subsidiaries which are a part of the Corporate, Retail and SME segments, the results of the reinvestment of free equity of ČSOB, the results of operations of non-banking subsidiaries, income and expenses not directly attributable to other segments, and eliminations. In 2010, net gain on disposal of ICT business is included.

Segment reporting information by customer segments for 2011

(CZKm)	Retail and SME	Corporate	ALM and Financial markets	Group Centre	Total
Statement of income for the 1H 2011					
Net interest income	9,450	1,116	369	1,332	**12,267**
Net fee and commission income	2,030	484	(55)	189	**2,648**
Dividend income	21	-	-	4	**25**
Net gains from financial instruments at fair value through profit or loss	628	357	501	(443)	**1,043**
Net realised gains on available-for-sale financial assets	76	-	72	19	**167**
Other operating income	2	29	-	222	**253**
Operating income	**12,207**	**1,986**	**887**	**1,323**	**16,403**
of which:					
External operating income	*9,437*	*1,898*	*4,509*	*559*	***16,403***
Internal operating income	*2,770*	*88*	*(3,622)*	*764*	***-***
Depreciation and amortisation	(142)	(3)	(1)	(321)	**(467)**
Other operating expenses	(5,665)	(654)	(186)	(258)	**(6,763)**
Operating expenses	(5,807)	**(657)**	**(187)**	**(579)**	**(7,230)**
Impairment losses	(672)	(65)	(1,288)	(15)	**(2,040)**
Share of profit of associates	-	-	-	90	**90**
Profit before tax	**5,728**	**1,264**	**(588)**	**819**	**7,223**
Income tax expense	(1,121)	(241)	561	(154)	**(955)**
Segment profit	**4,607**	**1,023**	**(27)**	**665**	**6,268**
Attributable to:					
Equity holders of the Bank	4,607	1,023	(27)	606	**6,209**
Non-controlling interest	-	-	-	59	**59**

Segment reporting information by customer segments for 2010

(CZKm)	Retail and SME	Corporate	ALM and Financial markets	Group Centre	Total
Statement of income for the 1H 2010					
Net interest income	8,610	1,094	931	1,382	**12,017**
Net fee and commission income	2,198	514	(43)	145	**2,814**
Dividend income	33	-	-	-	**33**
Net gains from financial instruments at fair value through profit or loss	416	350	606	(658)	**714**
Net realised gains on available-for-sale financial assets	62	-	175	-	**237**
Other operating income	191	25	-	595	**811**
Operating income	**11,510**	**1,983**	**1,669**	**1,464**	**16,626**
of which:					
External operating income	*9,295*	*1,861*	*4,935*	*535*	***16,626***
Internal operating income	*2,215*	*122*	*(3,266)*	*929*	**-**
Depreciation and amortisation	(182)	(3)	(1)	(339)	**(525)**
Other operating expenses	(5,181)	(632)	(182)	(307)	**(6,302)**
Operating expenses	**(5,363)**	**(635)**	**(183)**	**(646)**	**(6,827)**
Impairment losses	(1,581)	(266)	(8)	68	**(1,787)**
Share of profit of associates	-	-	-	134	**134**
Profit before tax	**4,566**	**1,082**	**1,478**	**1,020**	**8,146**
Income tax expense	(865)	(210)	246	(132)	**(961)**
Segment profit	**3,701**	**872**	**1,724**	**888**	**7,185**
Attributable to:					
Equity holders of the Bank	3,701	872	1,724	842	**7,139**
Non-controlling interest	-	-	-	46	**46**

Intersegment transactions are transactions conducted between the different primary segments on an arm's length basis.

The Group operates only in the Czech Republic.

5. INTEREST INCOME

(CZKm)	1H 2011	1H 2010
Cash balances with central banks	135	113
Loans and receivables		
Credit institutions	144	63
Other than credit institutions	10,104	9,954
Available-for-sale financial assets	1,613	1,742
Held-to-maturity investments	3,177	3,147
Financial assets held for trading	733	686
Financial assets designated at fair value through profit or loss	160	358
Economic hedging derivatives	-	67
Cash flow hedging derivatives	162	29
	16,228	**16,159**

6. INTEREST EXPENSE

(CZKm)	1H 2011	1H 2010
Financial liabilities at amortised cost		
Credit institutions	139	144
Other than credit institutions	2,627	2,681
Debt instruments in issue	249	309
Subordinated liabilities	97	113
Discount amortisation on other provisions (Note: 30)	2	2
Financial liabilities designated at fair value through profit or loss	377	237
Economic hedging derivatives	200	335
Cash flow hedging derivatives	270	321
	3,961	**4,142**

7. NET FEE AND COMMISSION INCOME

(CZKm)	1H 2011	1H 2010
Fee and commission income		
Payment services	2,483	2,403
Administration of credits	941	959
Collective investments	327	332
Asset management	133	144
Custody	83	71
Securities	16	6
Other	452	449
	4,435	**4,364**
Fee and commission expense		
Retail service fees	464	471
Payment services	475	407
Contribution to Deposit Insurance Fund	407	240
Commissions to agents	255	210
Other	186	222
	1,787	**1,550**
Net fee and commission income	**2,648**	**2,814**

8. NET GAINS FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FOREIGN EXCHANGE

Net gains from financial instruments at fair value through profit or loss and foreign exchange, as reported in the statement of income, do not include net interest income recognised on financial assets and financial liabilities at fair value through profit or loss. Net gains from financial instruments at fair value through profit or loss and foreign exchange and the related net interest income are set out in the table below to provide a fuller presentation of the net result from financial instruments at fair value through profit or loss of the Group:

(CZKm)	1H 2011	1H 2010
Net gains from financial instruments at fair value through profit or loss and foreign exchange- as reported	**1,043**	**714**
Net interest income (Notes: 5, 6)	316	539
	1,359	**1,253**
Financial instruments held for trading		
Interest rate contracts	972	670
Foreign exchange	2,728	1,107
Equity contracts	(18)	(4)
Commodity contracts	4	5
	3,686	1,778
Financial instruments designated at fair value through profit or loss		
Financial assets designated at fair value through profit or loss	37	445
Financial liabilities designated at fair value through profit or loss	(378)	(242)
	(341)	203
Exchange differences revaluations	(1,986)	(728)
Financial instruments at fair value through profit or loss and foreign exchange	**1,359**	**1,253**

9. OTHER NET INCOME

(CZKm)	1H 2011	1H 2010
Net gain on disposal of enterprise of KBC GS CZ (Note: 2.5)	-	329
Net operating leasing and rental income	158	128
Services provided to CSOB SK	73	77
Net gain on disposal of property and equipment	7	17
Contributions to pension fund clients	(294)	(105)
Other	286	365
Net increase in provisions for legal issues	23	-
	253	**811**

10. STAFF EXPENSES

(CZKm)	1H 2011	1H 2010
Wages and salaries	2,335	2,140
Salaries and other short-term benefits of senior management	43	54
Social security charges	761	685
Pension and similar expense	77	72
Other	71	63
	3,287	**3,014**

More information is available in the 2010 annual report.

11. GENERAL ADMINISTRATIVE EXPENSES

(CZKm)	1H 2011	1H 2010
Information technology	1,462	1,268
Marketing	394	335
Rental expenses - minimum lease payments	310	297
Other building expenses	225	214
Communication	220	208
Professional fees	188	201
Administration	94	113
Retail service fees	90	97
Travel and transportation	63	53
Car expenses	20	19
Insurance	17	18
Operating taxes	0	1
Other	393	464
	3,476	**3,288**

12. IMPAIRMENT LOSSES

(CZKm)	1H 2011	1H 2010
Impairment of loans and receivables (Note: 19)	(748)	(1,790)
Provisions for loan commitments and guarantees (Note: 30)	(7)	63
Impairment of available for sale assets (Note: 18)	(1,277)	-
Impairment of held-to-maturity investments (Note: 18)	(6)	(8)
Impairment of property, plant and equipment	(1)	(26)
Impairment of other assets	(1)	(26)
	(2,040)	**(1,787)**

13. TAXATION

The components of income tax expense for the periods ended 30 June 2011 and 2010 are as follows:

(CZKm)	1H 2011	1H 2010
Current tax expense	981	1,035
Previous year over accrual	(41)	(186)
Deferred tax expense relating to the origination and reversal of temporary differences	15	112
	955	**961**

More information is available in the 2010 annual report.

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares outstanding during the period.

The following table shows the net profit and share data used in the basic and diluted earnings per share calculation:

(CZKm)	1H 2011	1H 2010
Net profit attributable to ordinary equity holders of the parent	6,209	7,139
Weighted average number of ordinary shares for basic and diluted earnings per share (Note: 31)	292,750,000	292,750,000
Earnings per share		
Equity shareholders of the parent for the period:	CZK	CZK
Basic earnings per share	21.21	24.39
Diluted earnings per share	21.21	24.39

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of earnings per share.

15. DIVIDENDS PAID

Dividends are not accounted for until they have been ratified by a Resolution of the sole shareholder on a profit distribution.

Based on a sole shareholder decision from 13 May 2011, a dividend of CZK 60.87 per share was paid for 2010, representing a total dividend of CZK 17,820 m.

Based on a sole shareholder decision from 10 May 2010, a dividend of CZK 59.40 per share was paid for 2009, representing a total dividend of CZK 17,389 m.

16. CASH AND BALANCES WITH CENTRAL BANKS

Note available in the annual report only.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(CZKm)	30-06-2011	31-12-2010
Financial assets held for trading		
Loans and advances		
Reverse repo transactions (Note:37)	105,711	107,777
Money market placements	3,626	13,802
Debt instruments		
Central government	30,112	31,142
Non credit institutions	-	102
Credit institutions	4,726	6,214
Corporate	426	373
Derivative contracts (Note: 21)	13,250	14,093
	157,851	**173,503**
Accrued interest income	368	307
	158,219	**173,810**
Financial assets designated at fair value through profit or loss		
Debt instruments		
Central government	4,806	4,630
Non credit institutions	378	381
Credit institutions	5,594	5,944
	10,778	**10,955**
Accrued interest income	247	177
	11,025	**11,132**
Financial assets at fair value through profit or loss	**169,244**	**184,942**

Included within Financial assets at fair value through profit or loss are debt securities of CZK 472 m (2010: CZK 953 m) pledged as collateral in repo transactions.

18. FINANCIAL INVESTMENTS

(CZKm)	30-06-2011	31-12-2010
Available-for-sale financial assets		
Debt securities		
Central government	57,625	69,473
Non credit institutions	341	556
Credit institutions	27,196	28,259
Corporate	1,258	1,471
Equity securities		
Credit institutions	141	434
Corporate	395	457
	86,956	**100,650**
Accrued interest income	1,717	1,871
	88,673	**102,521**
Held-to-maturity investments		
Debt securities		
Central government	140,929	141,796
Non credit institutions	486	871
Credit institutions	2,421	3,138
Corporate	99	814
Accrued interest income	2,670	3,621
	146,604	**150,240**
Financial investments	**235,277**	**252,761**

Included within Financial investments are debt securities of CZK 12,394 m (2010: CZK 12,692 m) pledged as collateral in repo transactions.

In July 2011, the European Union approved a rescue plan for Greece, which could be regarded as an objective evidence of impairment. Following that, the Group impaired its portfolio of bonds issued by the Greek government classified as Available-for-sale financial assets. The impairment loss on available-for-sale Greek bonds included in the statement of income amounted to CZK 1,306 m in June 2011. At the same time, unrealised loss from the market revaluation, which was retained in equity in the same amount as the impairment loss, was derecognised from the Available-for-sale reserve.

19. LOANS AND RECEIVABLES

(CZKm)	30-06-2011	31-12-2010
Analysed by category of borrower		
Central government	169	161
Non credit institutions	5,803	5,554
Credit institutions	19,792	14,137
Corporate	147,191	140,789
Retail	257,599	250,941
Gross loans	430,554	411,582
Allowance for impairment losses	(12,387)	(12,466)
	418,167	**399,116**
Accrued interest income	976	625
	419,143	**399,741**

During 1H 2011, the Group took possession of assets (mainly cars related to leased assets) with an estimated value of CZK 150 m (2010: CZK 140 m), which the Group is in the process of selling.

20. INVESTMENT IN ASSOCIATE AND JOINT VENTURE

Note available in the annual report only.

21. DERIVATIVE FINANCIAL INSTRUMENTS

Note available in the annual report only.

22. INVESTMENT PROPERTY

Note available in the annual report only.

23. PROPERTY AND EQUIPMENT

Note available in the annual report only.

24. GOODWILL AND OTHER INTANGIBLE ASSETS

Note available in the annual report only.

25. NON-CURRENT ASSETS HELD-FOR-SALE

(CZKm)	IT equipment	Software	Other	Total
Cost	420	22	477	919
Impairment	-	-	-	-
Net book value at 1 January 2010	**420**	**22**	**477**	**919**
Additions	-	-	45	45
Disposals	(420)	(22)	(338)	(780)
Net book value at 30 June 2010	**-**	**-**	**184**	**184**
of which				
Cost	-	-	184	184
Impairment	-	-	-	-

(CZKm)	IT equipment	Software	Other	Total
Cost	-	-	140	140
Impairment	-	-	-	-
Net book value at 1 January 2011	**-**	**-**	**140**	**140**
Additions	-	-	150	150
Disposals	-	-	(140)	(140)
Net book value at 30 June 2011	**-**	**-**	**150**	**150**
of which				
Cost	-	-	150	150
Impairment	-	-	-	-

Movement of operating tangible and intangible assets disclosed in Disposals represents mainly ICT-related assets which were transferred to KBC GS CZ in January 2010 (Note: 2.5).

26. OTHER ASSETS

Note available in the annual report only.

27. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(CZKm)	30-06-2011	31-12-2010
Financial liabilities held for trading		
Short positions	4,181	5,457
Derivative contracts (Note: 21)	15,291	15,639
	19,472	**21,096**
Financial liabilities designated at fair value through profit or loss		
Term deposits	47,410	35,667
Repo transactions	75,464	81,553
Promissory notes	-	7
Bonds issued	7,606	469
	130,480	**117,696**
Accrued interest expense	91	78
	130,571	**117,774**
Financial liabilities at fair value through profit or loss	**150,043**	**138,870**

The amount that the Group would contractually be required to pay at the maturity of the Financial liabilities designated at fair value through profit or loss is CZK 91 m less than the carrying amount at 30 June 2011 (31 December 2010: CZK 22 m).

The changes in the fair value of the Financial liabilities designated at fair value through profit or loss attributable to changes in credit risk were not significant.

28. FINANCIAL LIABILITIES AT AMORTISED COST

(CZKm)	30-06-2011	31-12-2010
Deposits received from credit institutions		
Current accounts	6,810	8,410
Term deposits	9,115	9,366
Repo transactions	11,592	12,665
	27,517	**30,441**
Deposits received from other than credit institutions		
Current accounts	252,580	258,926
Term deposits with agreed maturity	30,338	37,550
Savings deposits	188,679	180,549
Building savings deposits	84,995	86,139
Pension funds clients deposits	28,128	27,172
Other deposits	8,776	5,743
	593,496	**596,079**
Debt securities in issue		
Bonds issued	11,375	11,612
Promissory notes	13,719	12,490
Certificates of deposit	3	3
	25,097	**24,105**
Subordinated liabilities		
Subordinated debt	**11,976**	**11,974**
Accrued interest expense	1,717	819
Financial liabilities at amortised cost	**659,803**	**663,418**

In September 2006 and in February 2007, the Bank issued subordinated debt in the nominal amount of CZK 5,000 m and CZK 7,000 m to KBC Bank. Both subordinated debts are repayable after ten years. Their coupon rate is PRIBOR + 0.35% (interest period 1M, 3M or 6M at the discretion of the Bank) in the first six year period and PRIBOR + 0.85% (interest period 1M, 3M or 6M at the discretion of the Bank) thereafter. The Bank may prepay the debt at any time following the first six year period. The repayment of the debt is subordinated to all other classes of liabilities in the event of the liquidation of the Bank.

29. OTHER LIABILITIES

Note available in the annual report only.

30. PROVISIONS

Note available in the annual report only.

31. SHARE CAPITAL AND OTHER RESERVES

As at 30 June 2011, the total authorised share capital was CZK 5,855 m (31 December 2010: CZK 5,855 m) and comprised of 292,750,000 ordinary shares with a nominal value of CZK 20 each (31 December 2010: 292,750,000 ordinary shares with a nominal value of CZK 20 each) and is fully paid up.

In adopting the resolution of the sole shareholder dated 11 March 2011 reflecting changes in the Czech legislation, 292,750,000 ČSOB ordinary registered shares were converted into bearer shares (evidenced by an entry in the Register of Companies dated 14 March 2011).

No Treasury shares were held by the Group at 30 June 2011 and 31 December 2010.

On 30 June 2011, the Bank was directly controlled by KBC Bank whose ownership interest in ČSOB was 100 % (31 December 2010: 100%). On the same date, KBC Bank was controlled by the KBC Group and therefore KBC Group was the company indirectly exercising ultimate control over the Bank.

Other reserves

The movement of Other reserves in 2011 and 2010 are as follows:

(CZKm)	Available-for-sale reserve	Cash flow hedge reserve	Foreign currency translation reserve	Total
At 1 January 2010	**2,814**	**(393)**	**1**	**2,422**
Other comprehensive income (Note: 32)	(657)	435	-	(222)
At 30 June 2010	**2,157**	**42**	**1**	**2,200**
At 1 January 2011	**2,422**	**(2)**	**-**	**2,420**
Other comprehensive income (Note: 32)	408	793	(1)	1,200
At 30 June 2011	**2,830**	**791**	**(1)**	**3,620**

32. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Note available in the annual report only.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Note available in the annual report only.

34. ADDITIONAL CASH FLOW INFORMATION

Note available in the annual report only.

35. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Note available in the annual report only.

36. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

Contingent assets

Information available in the annual report only.

Contingent liabilities and commitments

The contingent liabilities and commitments at 30 June 2011 and 31 December 2010 are as follows:

(CZKm)	30-06-2011	31-12-2010
Loan commitments – irrevocable	77,881	75,184
Loan commitments – revocable	16,433	16,910
Financial guarantees	23,418	23,186
Other commitments	1,130	1,515
	118,862	**116,795**
Provisions for loan commitments and guarantees (Notes: 30)	423	430

The contractual amounts described above represent the maximum credit risk that would arise if the contracts were fully drawn, the customers defaulted and the value of any existing collateral became worthless. Many of the commitments are collateralised and most are expected to expire without being drawn upon; therefore, the total commitment contractual amounts do not necessarily represent the risk of loss or future cash requirements (Note: 40.2).

Litigation

Information available in the annual report only.

Taxation

Information available in the annual report only.

Operating lease commitments (Group is the lessee)

Information available in the annual report only.

Operating lease receivables (Group is the lessor)

Information available in the annual report only.

37. REPURCHASE AGREEMENTS AND COLLATERAL

Note available in the annual report only.

38. RELATED PARTY DISCLOSURES

In June 2011, the Group sold 15.28 % share in ČSOB IS to KBC Participations Renta, SA and realised a gain on the transaction of CZK 149 m.

There was no significant change in other related parties transactions in 1H 2011 compared to the end 2010.

More information on related party transaction is available in the 2010 annual report.

39. EVENTS AFTER THE REPORTING PERIOD

40. RISK MANAGEMENT

Note available in the annual report only.

41. CAPITAL

Note available in the annual report only.

Annex No. 2 to 1H 2011 ČSOB Activity Report

Companies of the ČSOB group (as at 30 June 2011)

ID No.	Business Name of Legal Entity / Business Activities	Registered Office	Registered Capital (CZK)	Share of ČSOB in: Registered Capital – Total (%)	Direct (%)	Indirect (%)	Voting Rights (%)	Indirect Share of ČSOB via	Cons. EU IFRS[1] (Y/N)
Controlled Companies									
25636855	**Auxilium, a.s.** Advisory services	Praha 5, Radlická 333/150	1,000,000,000	**100.00**	100.00	none	**100.00**	none	Y
63987686	**Bankovní informační technologie, s.r.o.** Automated data processing and software development; creation of a network of payment card reading terminals	Praha 5, Radlická 333/150	20,000,000	**100.00**	100.00	none	**100.00**	none	Y
26760401	**Centrum Radlická a.s.** Real estate activity; rent of flats and non-residential spaces	Praha 5, Radlická 333/150	500,000,000	**100.00**	100.00	none	**100.00**	none	Y
63999463	**ČSOB Asset Management, a.s., a member of the ČSOB group** Securities trader	Praha 5, Radlická 333/150	34,000,000	**20.59**	20.59	none	**52.94**	none	Y
45794278	**ČSOB Factoring, a.s.** Factoring	Praha 10, Benešovská 2538/40	70,800,000	**100.00**	100.00	none	**100.00**	none	Y
25677888	**ČSOB Investiční společnost, a.s., a member of the ČSOB group**[3] Management of investmenst and mutual funds	Praha 5, Radlická 333/150	216,000,000	**75.53**	73.15	2.38	**84.72**	ČSOB Asset Management	Y
27081907	**ČSOB Investment Banking Services, a.s., a member of the ČSOB group** Activity of entrepreneurial, financial, economic and organisation advisors	Praha 5, Radlická 333/150	2,000,000,000	**100.00**	100.00	none	**100.00**	none	Y
63998980	**ČSOB Leasing, a.s.**[4] Leasing	Praha 4, Na Pankráci 310/60	3,050,000,000	**100.00**	100.00	none	**50.82**	none	Y
27151221	**ČSOB Leasing pojišťovací makléř, s.r.o.** Insurance broker	Praha 4, Na Pankráci 60/310	2,000,000	**100.00**	none	100.00	**100.00**	ČSOB Leasing	Y
60917776	**ČSOB Penzijní fond Progres, a. s., a member of the ČSOB group** Pension insurance	Praha 5, Radlická 333/150	320,000,000	**100.00**	100.00	none	**100.00**	none	Y
61859265	**ČSOB Penzijní fond Stabilita, a. s., a member of the ČSOB group** Pension insurance	Praha 5, Radlická 333/150	297,167,000	**100.00**	100.00	none	**100.00**	none	Y
27924068	**ČSOB Property fund, closed-ended investment fund, a.s., a member of the ČSOB group**[5] Collective investment	Praha 5, Radlická 333/150	907,000,000	**69.63**	59.76	9.87	**100.00**	ČSOB Asset Management, ČSOB Pojišťovna	Y
61251950	**Eurincasso, s.r.o.** Activity of economic and organisation advisors; recovery of receivables	Praha 10, Benešovská 2538/40	1,000,000	**100.00**	none	100.00	**100.00**	ČSOB Factoring	Y
13584324	**Hypoteční banka a.s.** Mortgage banking	Praha 5, Radlická 333/150	5,076,333,500	**100.00**	100.00	none	**100.00**	none	Y
25617184	**Merrion Properties, s.r.o.** Real estate activity; rent of flats and non-residential spaces	Praha 5, Radlická 333/150	6,570,000	**69.63**	none	69.63	**100.00**	ČSOB Property fund	Y
00000949	**MOTOKOV a.s., in liquidation** Wholesale of machines and technical equipment	Praha 8, Thámova 181/20	62,000,000	**70.09**	0.50	69.59	**70.09**	ČSOB Investment Banking Services	Y
00548219	**MOTOKOV International a.s., in liquidation** Other financial intermediary activity	Praha 8, Thámova 181/20	2,150,000	**94.91**	none	94.91	**94.91**	ČSOB Investment Banking Services	Y

Legal Entity				Share of ČSOB in:					
ID No.	Business Name of Legal Entity Business Activities	Registered Office	Registered Capital	Registered Capital			Voting Rights	Indirect Share of ČSOB via	Cons. EU IFRS[1]
			CZK	Total %	Direct %	Indirect %	%		Y/N
36859516	**Property LM, s.r.o.** Real estate activity; rent of flats and non-residential spaces	Bratislava, Medená 22/98, Slovak Republic	125,300	**69.63**	none	69.63	**100.00**	ČSOB Property fund	Y
36859541	**Property Skalica, s.r.o.** Real estate activity; rent of flats and non-residential spaces	Bratislava, Medená 22/98, Slovak Republic	46,711,840	**69.63**	none	69.63	**100.00**	ČSOB Property fund	Y
99999999[2]	**TEE SQUARE LIMITED, Ltd.** Advisory services for investment funds in the Caribbean area	British Virgin Islands, Tortola, Road Town, Third Floor, The Geneva Place, P.O.Box 986	7,689,860	**100.00**	100.00	none	**100.00**	none	Y
Joint Venture									
49241397	**Českomoravská stavební spořitelna, a.s.** Building savings bank	Praha 10, Vinohradská 3218/169	1,500,000,000	**55.00**	55.00	none	**55.00**	none	Y
Others									
26199696	**CBCB - Czech Banking Credit Bureau, a.s.** Software development, IT advisory, data processing, network administration databank services	Praha 1, Na Příkopě 1096/21	1,200,000	**20.00**	20.00	none	**20.00**	none	Y
45534306	**ČSOB Pojišťovna, a. s, a member of the ČSOB holding[6]** Insurance company	Pardubice, Zelené předměstí, Masarykovo náměstí 1458	1,536,400,000	**25.00**	25.00	none	**40.00**	none	Y
27479714	**ČSOB Pojišťovací servis, s.r.o., a member of the ČSOB holding** Insurance brokerage	Pardubice, Zelené předměstí, Masarykovo náměstí 1458	400,000	**25.00**	none	25.00	**40.00**	ČSOB Pojišťovna	Y
60736682	**E.T.I., a.s. in liquidation** Operation of electricity stations	Ratíškovice 502	45,000,000	**10.00**	10.00	none	**10.00**	none	N
45316619	**IP Exit, a.s.[6]** No activity	Praha 1, Senovážné náměstí 32	13,382,866,400	**27.42**	10.77	16.65	**27.39**	ČSOB Investment Banking Services, ČSOB Pojišťovna	Y
63078104	**Premiéra TV, a.s.** No activity	Praha 8, Pod Hájkem 1	29,000,000	**29.00**	29.00	none	**29.00**	none	Y
26439395	**První certifikační autorita, a.s.** Certification services and administration	Praha 9, Libeň, Podvinný mlýn 2178/6	20,000,000	**23.25**	23.25	none	**23.25**	none	Y
Other companies where ČSOB has a share in registered capital / voting rights under 10%.									N

Notes:

[1] *A list of entities belonging to the ČSOB consolidated group according to EU IFRS as at 30 June 2011.*

[2] *ID No. 99999999 - a foreign entity.*

[3] *Shares in registered capital: ČSOB 73.15%, ČSOB Asset Management 11.57%, KBC Participations Renta 15.28 %;*
shares in voting rights: ČSOB AM 84.72%, KBC Participations Renta 15.28%.

[4] *Shares in in voting rights: ČSOB 50.82%, KBC Lease Holding 49.18%.*

[5] *Shares in registered capital: ČSOB 59.76%, ČSOB Asset Management 4.41%, ČSOB Pojišťovna 35.83%;*
shares in voting rights: ČSOB 95.59%, ČSOB Asset Management 4.41% .

[6] *Shares in registered capital: ČSOB 10.77%, ČSOB Investment Banking Services 16.62%, ČSOB Pojišťovna 0.11%;*
shares in voting rights: ČSOB 10.77%, ČSOB Investment Banking Services 16.62%.

[7] *As at 11 July 2011, registered capital increased to 2,796,248,000 CZK, shares in registered capital and shares in voting rights remains unchanged.*
Shares in registered capital: ČSOB 25%, KBC Insurance 75%; shares in voting rights: ČSOB 40%, KBC Insurance 60%.