

# 1H 2006 ČSOB Group Results

IFRS Unaudited Consolidated  
31 August 2006, Prague



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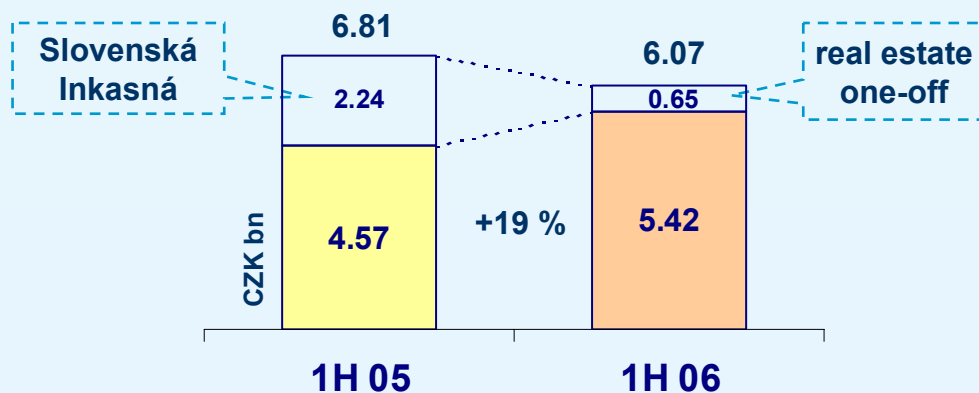
## Quality of Credit Portfolio

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# 1H 2006 at a Glance

Underlying net profit up by 19 %



- Net profit exceeded CZK 6 bn.
- Underlying net profit in 1H06 was CZK 5.4 bn, i.e. 19 % above 1H05.
- 1H05 and 1H06 results were affected by important extraordinary items:
  - Slovenská Inkasná (SI) arbitration reward,
  - sale of real estate portfolio in the center of Prague prior to moving to New Headquarters (planned for Spring 2007).

- **Excellent financial results** of ČSOB Group have been driven by the combination of
  - ČSOB's business growth (both organic and by acquisitions)
  - very good development of Czech and Slovak economies (GDP growth of 6 - 7 %)



# 1H 2006 at a Glance

## Business growth improved our financial ratios

- In 1H 2006, ČSOB's business activities grew rapidly across all segments.
  - Total **business lending** grew by **32 %** Y/Y and topped CZK 273 bn
  - Total **AUM and deposits** increased by **9 %** Y/Y and reached CZK 624 bn
  - Total **Assets** went up by **10 %** Y/Y and amounted to CZK 818 bn

	1H 2005		1H 2006	
	excl. one-offs	incl. one-offs	excl. one-offs	incl. one-offs
ROAE	19.1 %	28.5 %	21.4 %	23.9 %
C/I Ratio	56.1 %	45.6 %	51.0 %	48.5 %
Loan/Asset Ratio*	30.7 %		33.4 %	
NIM**	3.0 %		2.3 %	
CAD Bank*	12.80 %		8.99 %	

- As a result of the business growth:
  - ROAE, C/I, and Loan/Asset Ratio notably improved Y/Y,
  - CAD decreased to 9 % → KBC will increase ČSOB's capital in 3Q06 to allow for further business expansion.
- NIM drop is due to large loans with lower margins and partly due to ongoing "asset repricing". Despite NIM decrease, NII grew at high pace.



Notes: \* Level at the end of period  
 \*\* Net interest margin on interest bearing assets.

# 1H 2006 Milestones

## Growth by acquisitions: Two important acquisitions

- In April, ČSOB increased its stake in **factoring company O.B.HELLER** from 50 % to 100 %
  - O.B.HELLER, active since 1992, is one of the most successful players in the Czech factoring market, with its current market share of 17.7 % on new sales.
  - Its clients are manufacturing and commercial companies doing business in all sorts of industries, including services.
  - Besides its own operations in the Czech market, O.B.HELLER is a 100 % owner of the **Slovak O.B.HELLER Factoring** with 10.5 % market share in Slovakia. Thus ČSOB also increased its indirect stake in its Slovak factoring subsidiary to 100 %.
  - In August, both companies were renamed to **ČSOB Factoring** (CZ and SK).
- In June, ČSOB acquired **pension fund Zemský penzijní fond (ZPF)**
  - For a long time, assets of ZPF have already been managed by ČSOB, which has elevated the fund among the best performing Czech pension funds.
  - ZPF manages more than CZK 500 m for about 14,000 clients. ZPF acquisition followed after last year's acquisition of Hornický PF Ostrava with 19,000 clients. Hornický PF Ostrava will be merged with PF Progres in January 2007. Altogether, ČSOB PFs acquired 100,000 new clients in 1H 2006.



# 1H 2006 Milestones

Organic growth: ČSOB Group as a continuous innovator in financing housing needs

- ČSOB offers combination of a mortgage with a non-specific loan to be used for any purpose  
→ ČSOB Mortgage 2 in 1 was launched in February.
- PSB became the third distribution channel for selling mortgages (next to HB and ČSOB)  
→ PSB Mortgage was launched in April at 75 Post offices and 14 Financial centers.
- Historical records in both mortgage sales and construction loans sales:  
→ Mortgages sold by HB, ČSOB and PS during 1H 2006 amounted to almost CZK 13 bn.  
→ Construction loans sold by ČMSS during 1H 2006 exceeded CZK 11 bn.



ČSOB Group in Czech Rep.	market share	rank
- construction loans	45.7 %	1
- mortgages*	23.4 %	3
- housing loans total	31.8 %	1

Note: reported market shares are as of 30/06/2006.

\* Mortgages and other loans for house purchase (excl. building loans)

# 1H 2006 Milestones

Organic growth: ČSOB Group as a continuous innovator

- Both ČSOB and PSB **simplified** their **price lists**.
- **Penetration ratio**, i.e. the number of products sold per client (retail + SME) **exceeded 4**.
- ČSOB offers a **tailor-made mutual fund** for housing coops and home owners' associations.
  - ČSOB Housing Co-operatives Fund was launched in April.
- During 1H 2006, ČSOB's **SME lending** grew by 22 % in the Czech Republic and 20 % in Slovakia.
  - PSB newly offered overdrafts for entrepreneurs.
  - ČSOB CZ further simplifies processes in SME segment.
  - ČSOB SK launched tailor-made products for municipalities, farmers and pharmacists.
  - ČSOB SK launched Start Business Loan and Operational Business Loan.
- Our outstandings in **corporate lending** (CZ+SK) amounted to CZK 97 bn.
  - We continued to participate at important syndicated structured finance projects.
  - As a single lender we provide high-quality financing tailored to each corporate client.



# Bancassurance

ČSOB as a principal bancassurer in both Czech and Slovak market

2002

**CZ:** Merger of ČSOB Pojišť'ovna with IPB Pojišť'ovna.

**CZ:** ČSOB banking network started to offer bancassurance products – ČSOB Life insurance, travel insurance, and insurance linked to payment cards and consumer loans.

2003

**CZ:** PSB started to offer bancassurance product – Postal Insurance Certificate, a simple LT savings product based on life insurance combined with accident insurance.

**SK:** ČSOB banking network in Slovakia prepared selling of insurance products.

**SK:** Acquisition of a majority stake in the Slovak insurance company ERGO Poist'ovňa.

2004

**CZ:** Intensive cooperation between ČSOB, ČSOB AM, and ČSOB Pojišť'ovna.

**CZ:** ČSOB launched Maximal Invest – a combination of investment into a guaranteed fund with life insurance.

**SK:** ERGO Poist'ovňa renamed to ČSOB Poist'ovňa.

**CZ+SK:** ČSOB reached largest sales of unit-linked products among KBC CEE subs.

**2005 CZ+SK:** Increasing portion of insurance products sold through other channels.

**2006 CZ+SK:** Country Teams introduced to reinforce our bancassurance focus.





# ČSOB's Results Appreciated

## Improved rating and obtained awards

- In April, **Fitch Ratings upgraded ČSOB's Individual rating\*** from C to B/C.
  - This reflects a strengthening of the bank's franchise, a clean balance sheet and a good track record as a conservative, well-managed institution.
  - Fitch: "Good core lending growth demonstrates a strengthening of ČSOB's franchise. With substantial excess liquidity and strengthened risk management systems, the bank is well positioned to take advantage of strong economic growth."
  - Ratings by Moody's and CI are at the highest levels achievable in the Czech Republic.
- ČSOB received the **JPMorgan Chase Quality Recognition Award** (7th time in a row) from JPMorgan Chase Bank in recognition of fast, accurate and error-free international direct payments made for ČSOB's clients.
- In **Zlatá koruna 2006** contest, ČSOB performed the best of all Czech financial groups, being awarded 9 medals, incl. 3 golden medals:
  - ČSOB Loan for Better Living – No. 1 among retail loans
  - PF Progres – No. 1 in pension insurance
  - ČSOB Leasing – No. 1 in leasing



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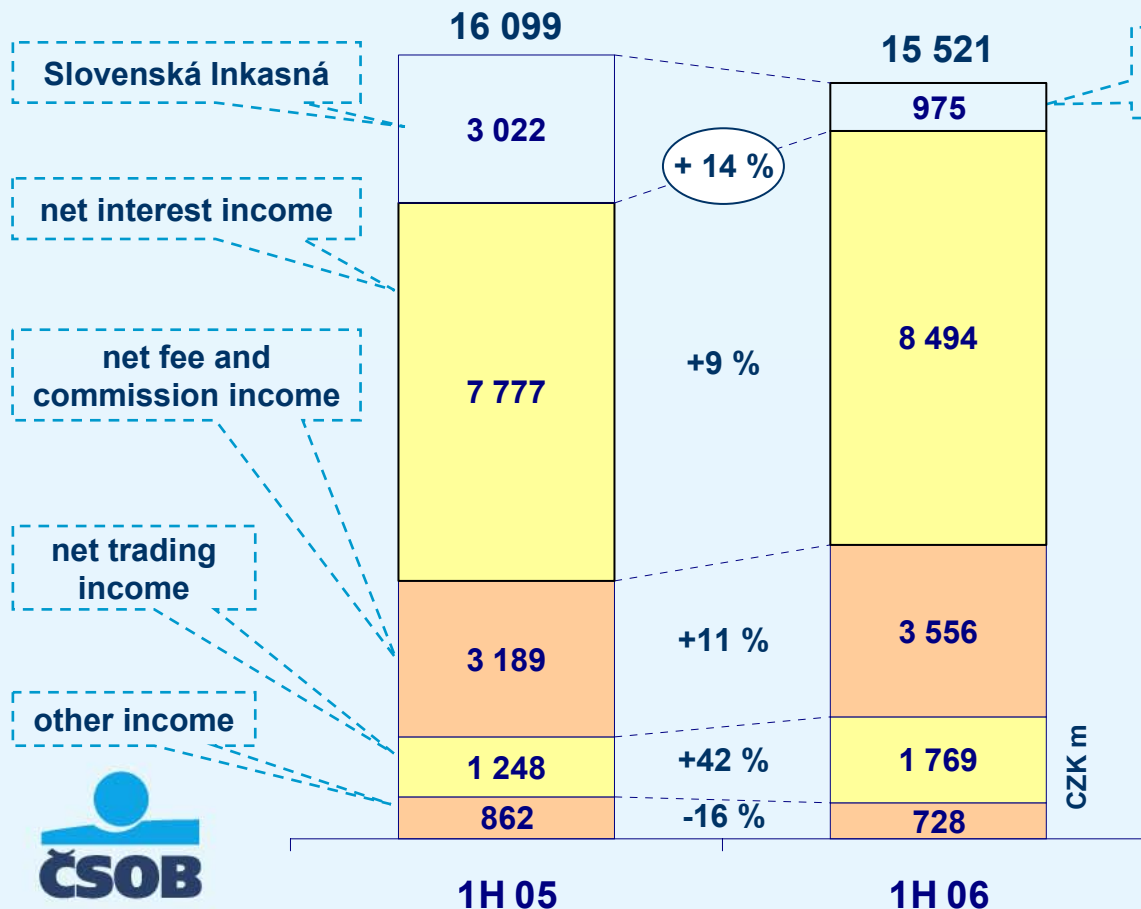
## Quality of Credit Portfolio

## Other Information



# Operating Income

Business growth drove activity-based operating income up by 14 % Y/Y



real estate one-off income

Growth of operating income at high pace across all its P&L components and business segments.

NII: driven by growth of loan portfolio in all client segments and deposits mainly in PSB and corporate.

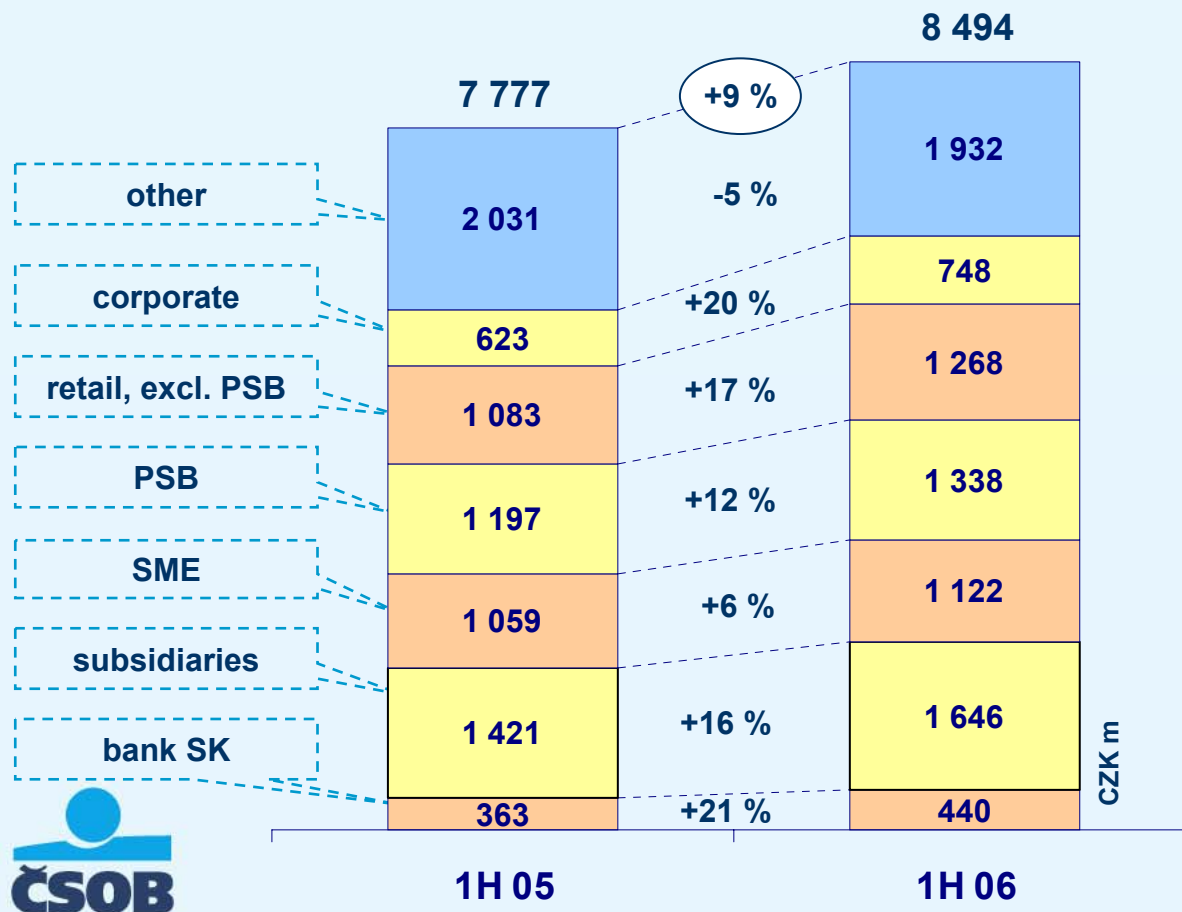
NFCI: growth of money invested in mutual funds, together with growing number of loans and payment card transactions further strengthened NFCI.

NTI: supported mainly by active sales of more sophisticated products.



# Net Interest Income

Solid growth in all segments



Net interest income increased 9% thanks to good business results in all business segments. The result is driven by volumes of loans and deposits.

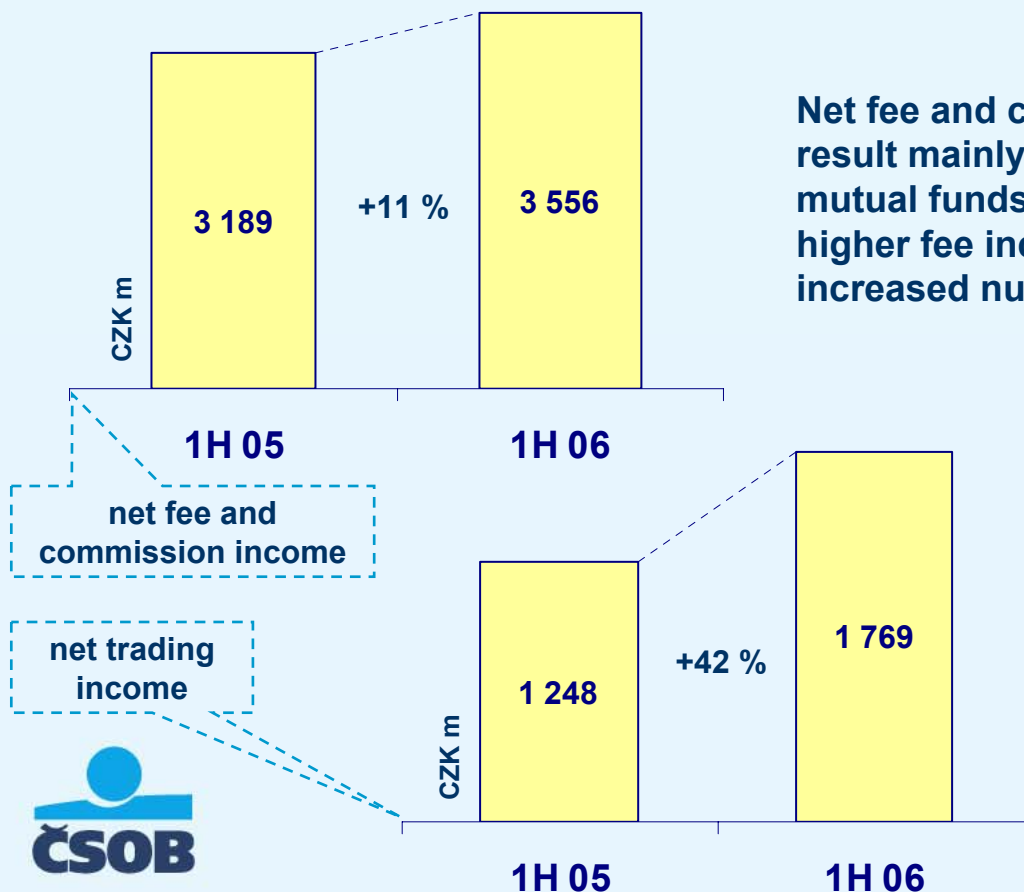
Hypotecni banka (Mortgage Bank) and ČMSS (Building society) grew the NII significantly through growth of their mortgages and building loans portfolio.

The fall in category “Other” is due to asset repricing, a process in which matured interest bearing assets are being replaced by assets with lower interest return (common in low interest environments).



# NFCI and NTI

Continuing growth driven by business volumes



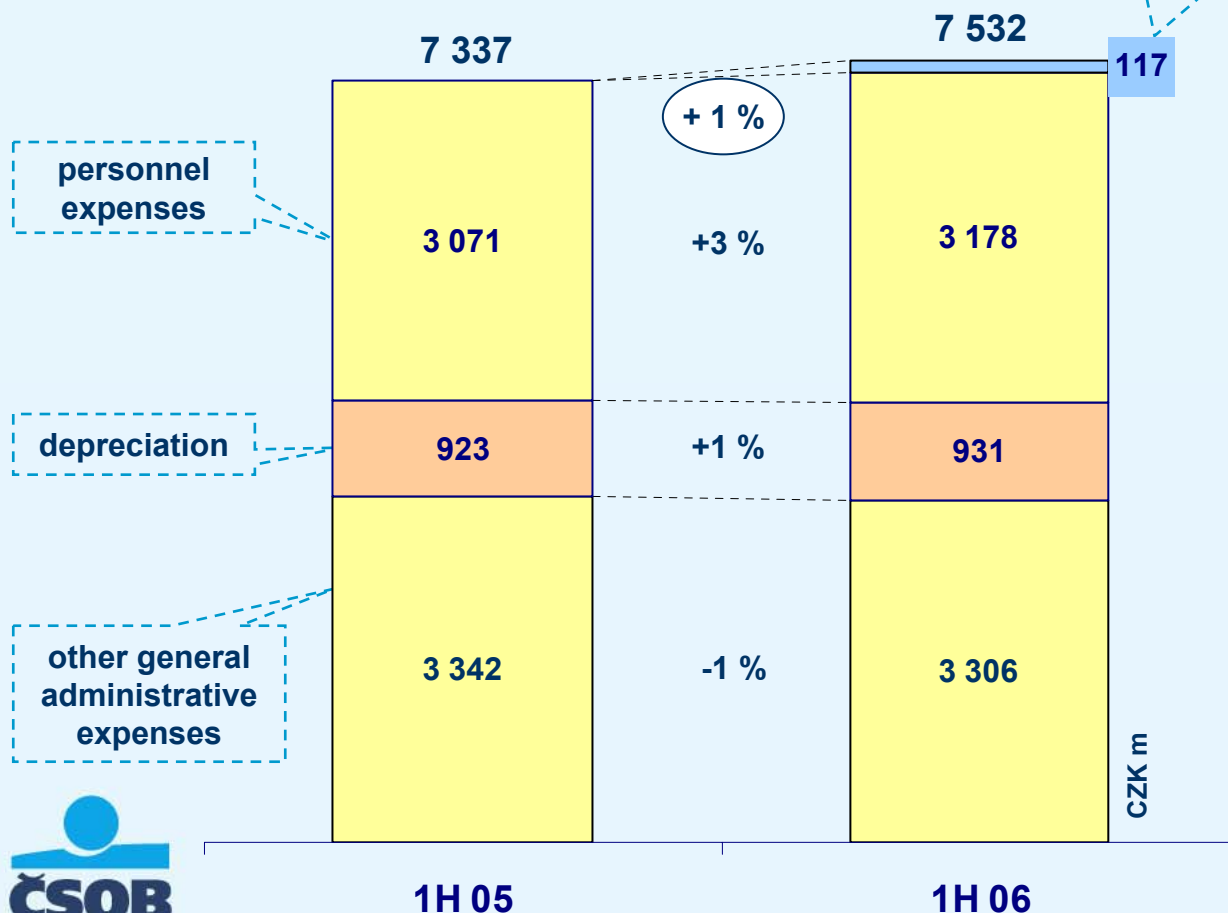
Net fee and commission income is 11% above last year result mainly due to fee and commission income from mutual funds and loans sold in Retail segment and higher fee income from payment cards driven by increased number of transactions.

Growth in Net trading income by 42% is largely result of active sales of more sophisticated, higher-margin products, such as derivatives.



# Operating Expenses

Operating expenses under strict control



Expenses are flat Y/Y, well below inflation development.

Y/Y increase in personnel cost is driven by both, increase of new subsidiaries in ČSOB Group and increase driven by business growth in both, CZ and SK markets.

In Bank CZ the FTEs decreased on Y/Y basis by 2% as a result of cost reducing activities. Also General administrative expenses, excluding the one-off item, decreased 1% compared with the same period a year earlier.

Note: \* The 35m difference between real estate one-off expenses reported here compared to that reported in 1Q presentation lies in excluding contingent items regarding rents from 2Q.



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# Business Highlights, 1H 2006

## Assets side - strong growth in lending activities

(CZK bn)	30/06/2005	30/06/2006	Change Y/Y
Total Group lending *	228	273	+20 %
<b>Group business lending (CZ+SK)</b>	<b>206</b>	<b>273</b>	<b>+32 %</b>
Retail CZ - Housing loans **	74.2	101.3	+37 %
Retail CZ - Consumer lending (incl. Amer. mortgages)	5.0	8.2	+64 %
SME loans CZ	24.3	35.6	+47 %
Corporate loans Bank CZ	64.2	79.8	+24 %
Leasing CZ	21.9	25.6	+17 %
Total lending SK	16.7	29.3	+35 %

## Quality of loan portfolio remained on a very high level

NPL / Total Group lending	1.76 %	1.59 %	- 0.17 pp
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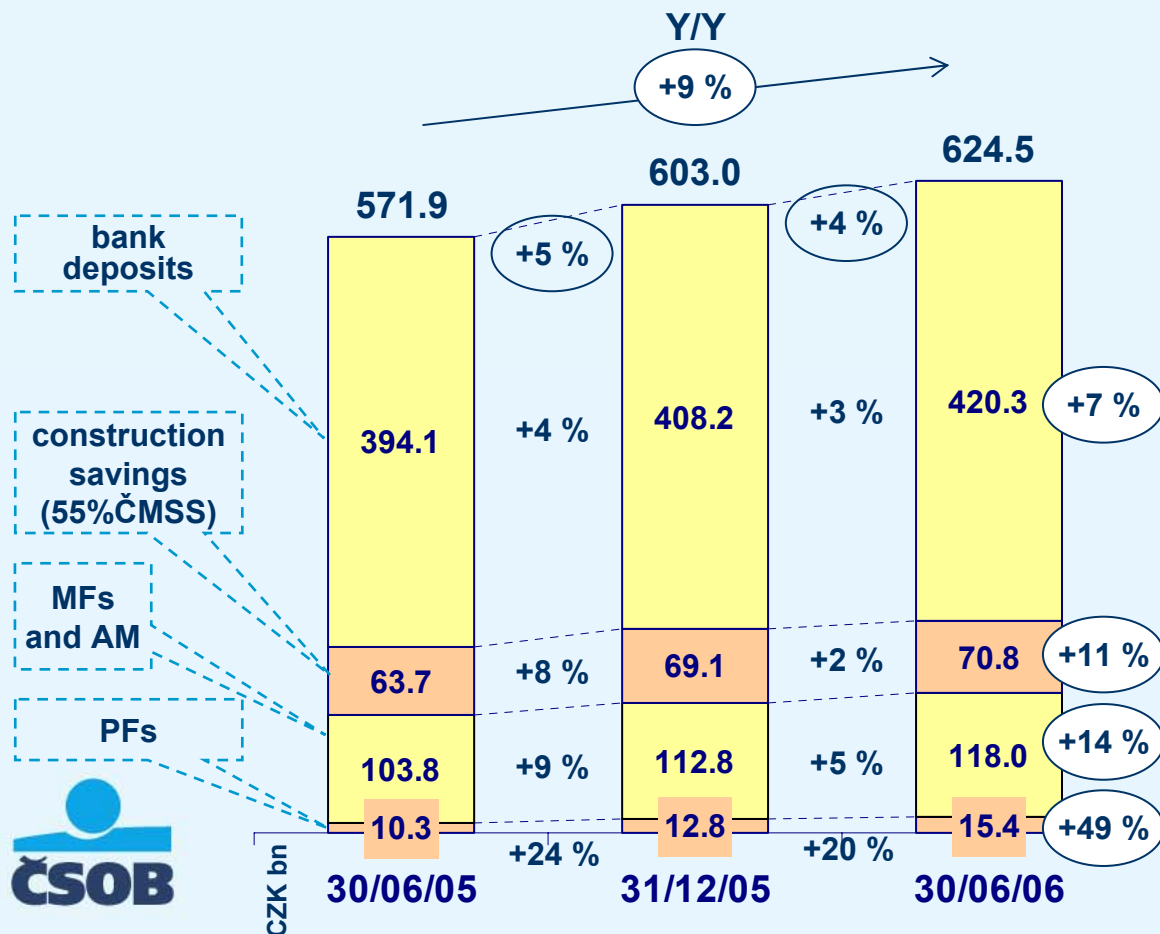
Note: \* "Total Group lending" is the sum of Group business lending, ALM (securities), and historical bad debts, minus eliminations.

\*\* "Housing loans" is the sum of mortgages to individuals (HB+ČSOB+PSB) and construction loans to individuals (ČMSS 100%).



# Business Highlights, 1H 2006

Liabilities side - continuing growth in assets under management and deposits



Total AUM and deposits (CZ+SK) rose by 9 % Y/Y.

Pension funds boosted by 49 % Y/Y, partly due to the acquisition of Hornický PF Ostrava and Zemský PF.

Mutual funds and AM recorded a Y/Y significant improvement by 14 %, constructions savings rose by 11%.

Consolidated deposits of ČSOB CZ, ČSOB SK, and PSB rose by 7 %.

# Penetration Ratios

More and more products sold per customer

Our multi-channel strategy and cross-selling activities provided us with further strong increase in penetration ratios.

	30/06/2005	31/12/2005	30/06/2006
Retail	3.62	3.84	4.19
SME	2.96	3.13	3.31
Retail+SME	3.50	3.70	4.02

Total number of products sold per customers increased in Retail as well as in SME segment.

The average ratio rose by 15 % Y/Y to exceed four products per customer.



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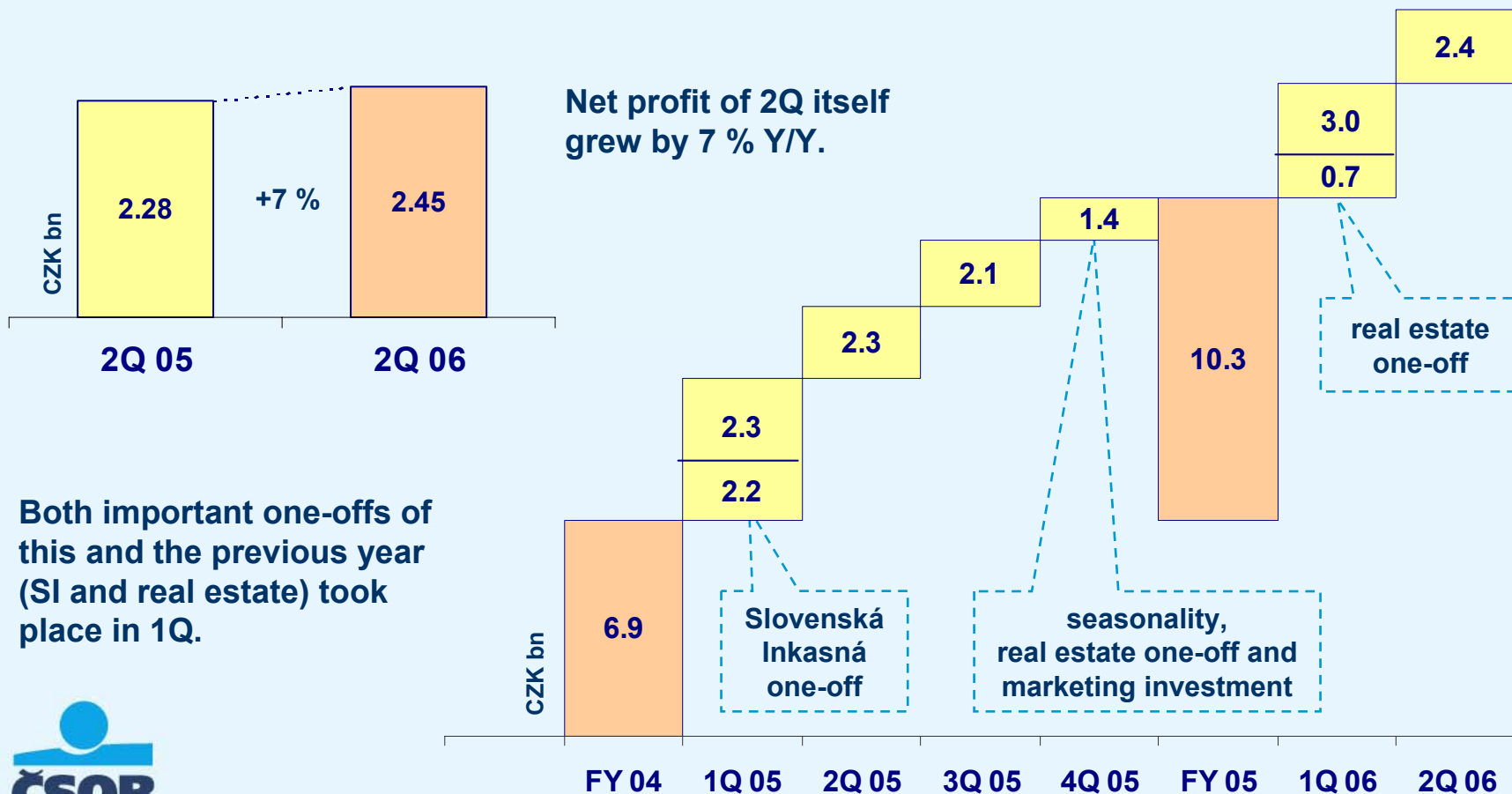
Quality of Credit Portfolio

Other Information



# Net Profit Development

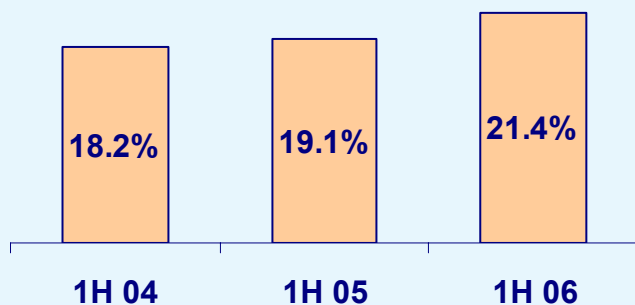
Constantly successful, quarter by quarter



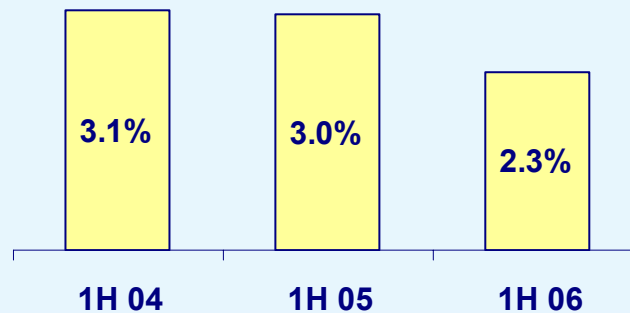
# Financial Ratios

Excluding one-offs

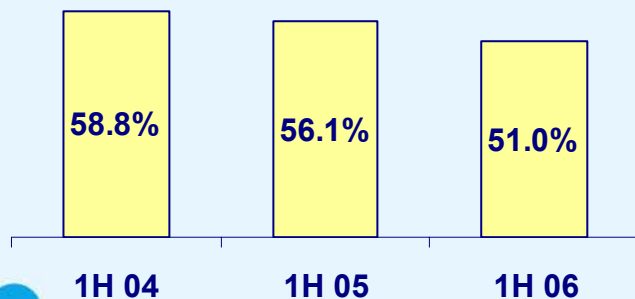
### ROAE



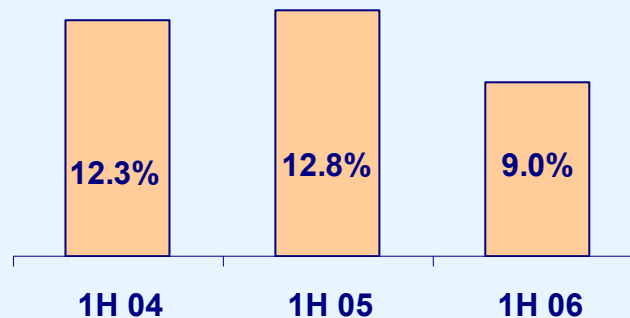
### NIM



### C/I



### CAD (Bank)



# Profit & Loss Statement

## Including one-offs (SI and real estate)

(CZK m)

	1H 2005 reclassified*	1H 2006	Y/Y
Interest income	13 032	14 033	8%
Interest expense	-5 255	-5 539	5%
<b>Net interest income</b>	<b>7 777</b>	<b>8 494</b>	<b>9%</b>
Net fee and commission income	3 189	3 556	11%
Net trading income	1 248	1 769	42%
Other operating income	3 884	1 703	-56%
General administrative expenses	-7 250	-7 418	2%
Other operating expenses	-87	-115	32%
<b>Profit before impairment losses, provisions, contribution to pension fund clients and income tax</b>	<b>8 761</b>	<b>7 989</b>	<b>-9%</b>
Impairment losses on financial assets	327	-237	-
Provisions	-267	237	-
Contribution to pension fund clients	-141	-135	-4%
<b>Profit before income tax</b>	<b>8 681</b>	<b>7 854</b>	<b>-10%</b>
Income tax expense	-1 838	-1 744	-5%
<b>Profit for the year</b>	<b>6 843</b>	<b>6 110</b>	<b>-11%</b>
Profit attributable to minority interests	37	37	-2%
<b>Profit attributable to equity holders of the Bank</b>	<b>6 806</b>	<b>6 074</b>	<b>-11%</b>



Note: \* In 1Q 2005 deposit insurance premium was reclassified from other expenses into net fee and commission income and contribution to pension fund clients from other expenses to the new item contribution to pension fund clients.

# Profit & Loss Statement

## Excluding one-offs (SI and real estate)

(CZK m)

	1H 2005 reclassified*	1H 2006	Y/Y
Interest income	13 032	14 033	8%
Interest expense	-5 255	-5 539	5%
<b>Net interest income</b>	<b>7 777</b>	<b>8 494</b>	<b>9%</b>
Net fee and commission income	3 189	3 556	11%
Net trading income	1 248	1 769	42%
Other operating income	862	728	-16%
General administrative expenses	-7 250	-7 301	1%
Other operating expenses	-87	-115	32%
<b>Profit before impairment losses, provisions, contribution to pension fund clients and income tax</b>	<b>5 740</b>	<b>7 131</b>	<b>24%</b>
Impairment losses on financial assets	327	-237	-172%
Provisions	-267	237	-
Contribution to pension fund clients	-141	-135	-4%
<b>Profit before income tax</b>	<b>5 660</b>	<b>6 996</b>	<b>24%</b>
Income tax expense	-1 052	-1 538	46%
<b>Profit for the year</b>	<b>4 607</b>	<b>5 458</b>	<b>18%</b>
Profit attributable to minority interests	37	37	-2%
<b>Profit attributable to equity holders of the Bank</b>	<b>4 570</b>	<b>5 422</b>	<b>19%</b>



Note: \* In 1Q 2005 deposit insurance premium was reclassified from other expenses into net fee and commission income and contribution to pension fund clients from other expenses to the new item contribution to pension fund clients.

# Balance Sheet

## Assets

(CZK m)	31/12/2005 restated*	30/06/2006	Ytd. change
Cash and balances with Central banks	15 017	13 378	-11%
Due from banks	81 713	77 061	-6%
Fin. assets at fair value through profit or loss	190 555	248 410	30%
Investment securities	174 613	175 791	1%
Loans and leases (nett)	239 357	266 143	11%
Pledged assets	3 968	4 660	17%
Property and equipment	9 296	10 210	10%
Goodwill	3 555	3 673	3%
Other assets, including tax assets	14 799	13 762	-7%
Prepayments and accrued income	5 133	4 915	-4%
<b>Total assets</b>	<b>738 007</b>	<b>818 004</b>	<b>11%</b>



Note: \* Former accounts of NHQ-related company „Centrum Radlická“ newly included in Due from banks, Property and equipment, Other assets, Due to banks, and Other liabilities.



# Balance Sheet

## Liabilities

(CZK m)	31/12/2005 restated*	30/06/2006	Ytd. change
Due to banks	23 664	23 761	0%
Fin. liabilities at fair value through profit or loss	122 684	181 997	48%
Due to customers	472 631	489 477	4%
Debt securities in issue	38 848	43 907	13%
Other liabilities, including tax liabilities	23 579	26 982	14%
Accruals and deferred income	1 695	2 893	71%
Provisions	1 429	982	-31%
<b>Total liabilities</b>	<b>684 530</b>	<b>769 999</b>	<b>12%</b>
Share capital	5 105	5 105	0%
Share premium account	2 259	2 259	0%
Statutory reserve	18 687	18 687	0%
Cumulative gains not recognized in income stmt	1 459	416	-71%
Retained earnings	25 441	21 211	-17%
<b>Equity attributable to equity holders of the Bank</b>	<b>52 950</b>	<b>47 677</b>	<b>-10%</b>
<b>Minority interests</b>	<b>527</b>	<b>328</b>	<b>-38%</b>
<b>Total liabilities and equity</b>	<b>738 007</b>	<b>818 004</b>	<b>11%</b>



Note: \* Former accounts of NHQ-related company „Centrum Radlická“ newly included in Due from banks, Property and equipment, Other assets, Due to banks, and Other liabilities.

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# Lending (CZ+SK) at a Glance

Strong growth in lending activities

(CZK bn)	30/06/2005	30/06/2006	Change Y/Y
Total Group lending *	228	273	+20 %
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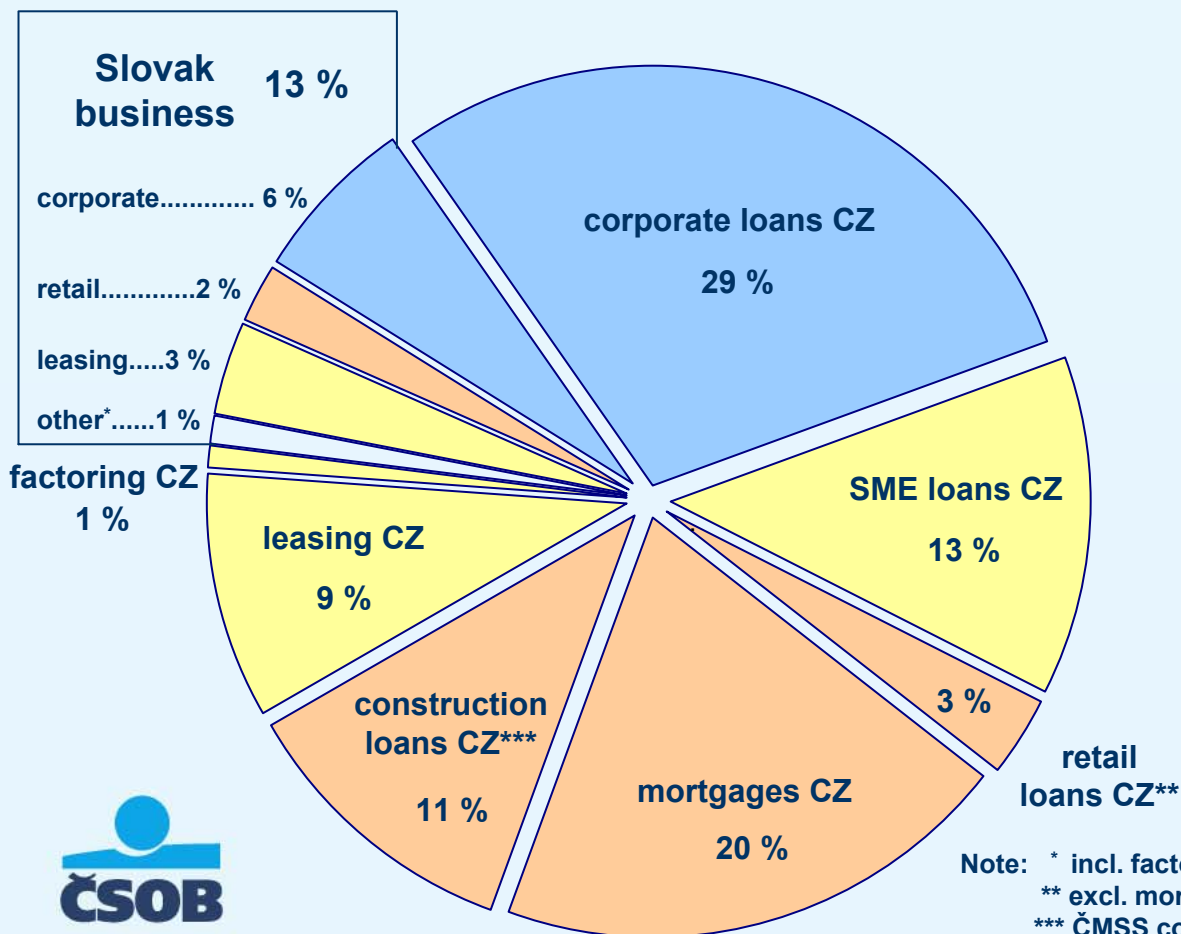


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\*\* "Housing loans" is the sum of mortgages to individuals (HBČSOB+PSB) and construction loans to individuals (ČMSS 100%).

# Group Business Lending (CZ+SK)

Up by 32 % Y/Y



Group business lending increased by 32 % Y/Y to reach CZK 273 bn.

SME loans recorded a significant 1H growth of 22 %. Retail loans and Corporate loans rose by 15 % and 13 %, respectively.

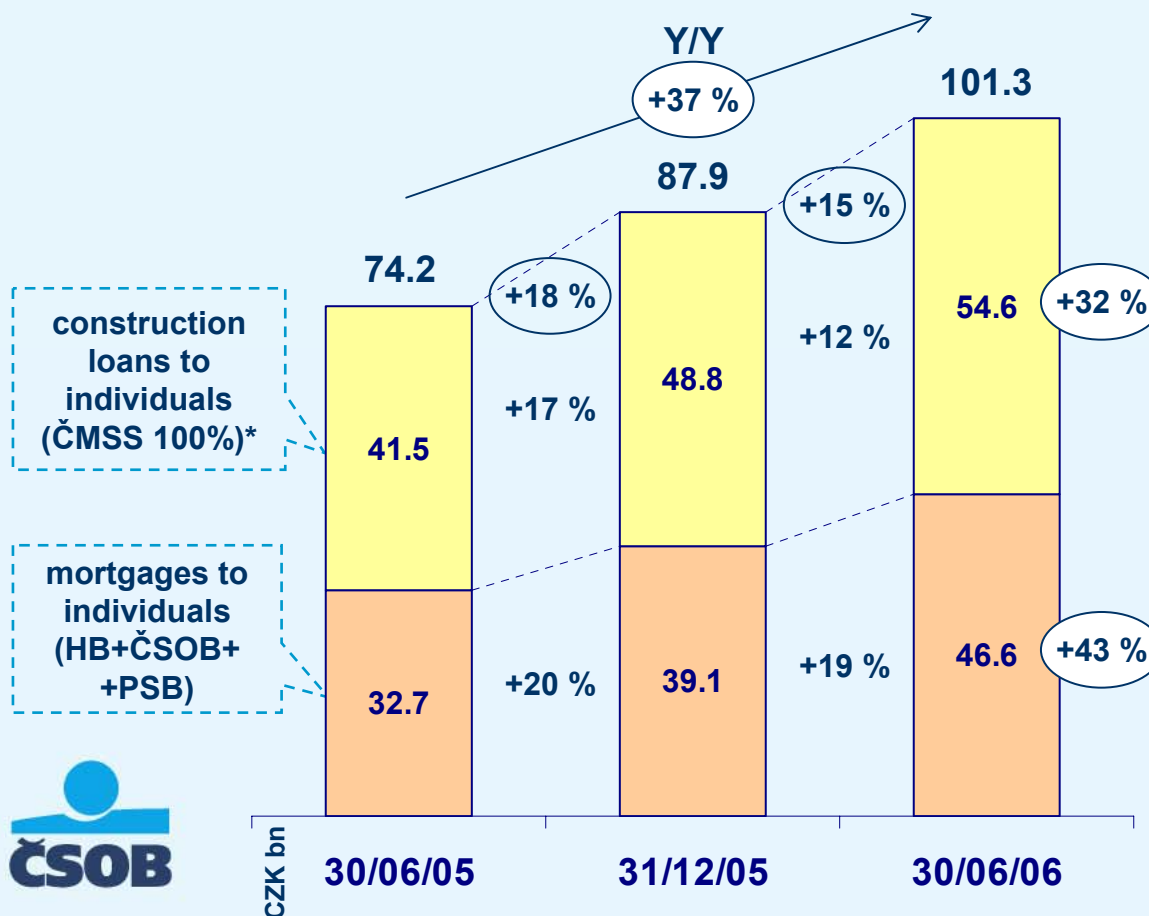
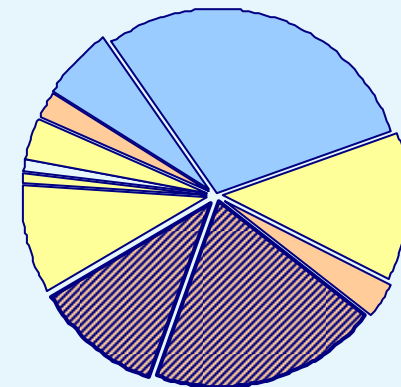
Total mortgages as the second largest contributor to the total Group lending rose by 20 % in 1H 2006.

Note: \* incl. factoring, SME loans, and construction loans  
 \*\* excl. mortgages and construction loans  
 \*\*\* ČMSS consolidated proportionally by 55 %



# Housing Loans (CZ)

Successfully combining ČMSS, HB, ČSOB and PSB brands



Housing loans, meaning mortgages to individuals and construction loans to individuals, grew by a stable pace, reaching CZK 101 bn as of 30/06/2006.

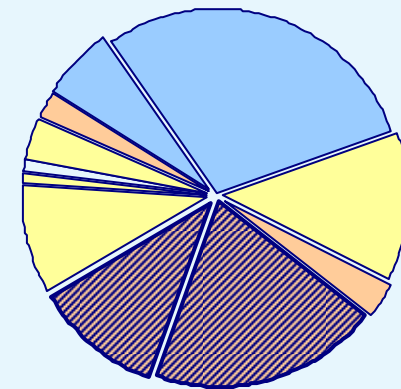
Volume of mortgages rose by 19% during 1H 2006 to CZK 47 bn. Y/Y increase of mortgages recorded a significant growth of 43%.

Note: ČSOB shows business volumes in compliance with the market share methodology. Due to the change of MS methodology by ČNB, ČSOB also changed the business volume classification.

\* ČMSS consolidated by 100%

# Housing Loans (CZ)

ČSOB Group - No. 1 in financing housing needs in Czech Rep.



ČSOB Group's market share in the market of total housing loans increased to 31.8 % and the Group thus confirms its No. 1 position.

Building society ČMSS again confirmed its No. 1 position by increasing its market share on construction loans as at 30/06/2006 to 45.7 %. ČSOB places among the major sellers of mortgages and other loans for house purchase (excl. construction loans) in CZ and together with HB reached the third position in the market with 23.4 % as at 30/06/2006.

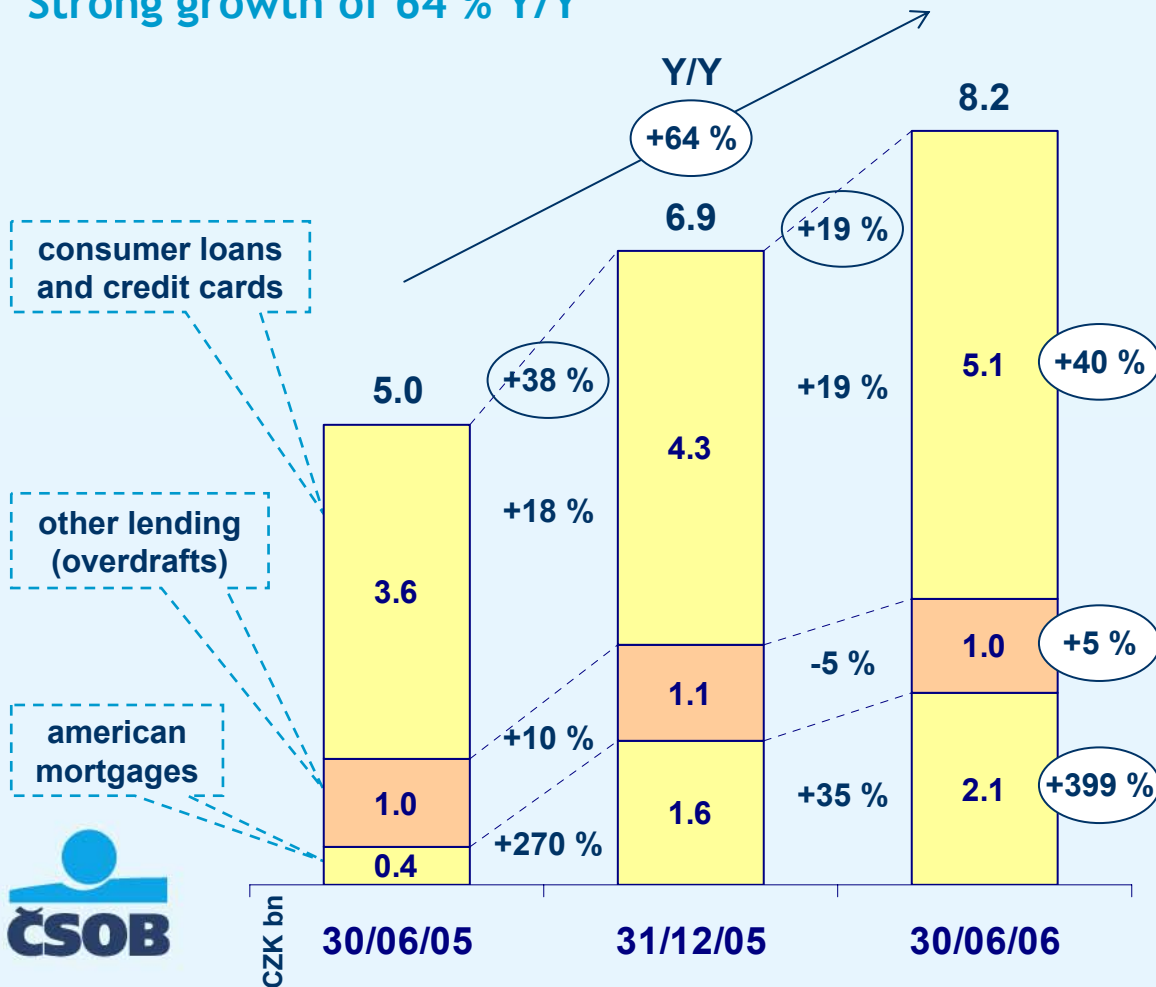
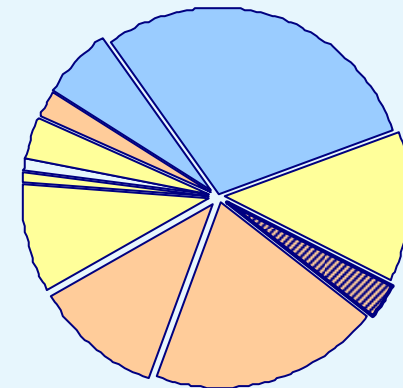
The success in mortgages results from instant product innovations. In February, ČSOB launched a new mortgage product called " ČSOB Mortgage 2 in 1", which combines a standard mortgage loan with a non-specific loan, which can be used for any purpose.

In April, the range of channels for selling mortgages was widened by PSB (next to HB and ČSOB). PSB Mortgage was launched in April at 75 Post offices and 14 Financial centers.



# Consumer Lending (CZ)

Strong growth of 64 % Y/Y



Consumer loans and credit cards increased by 19 % in 1H 2006 compared to the 1H 2005 stagnation. This increase was caused mainly by large advertising campaign promoted from Autumn 2005 to Spring 2006.

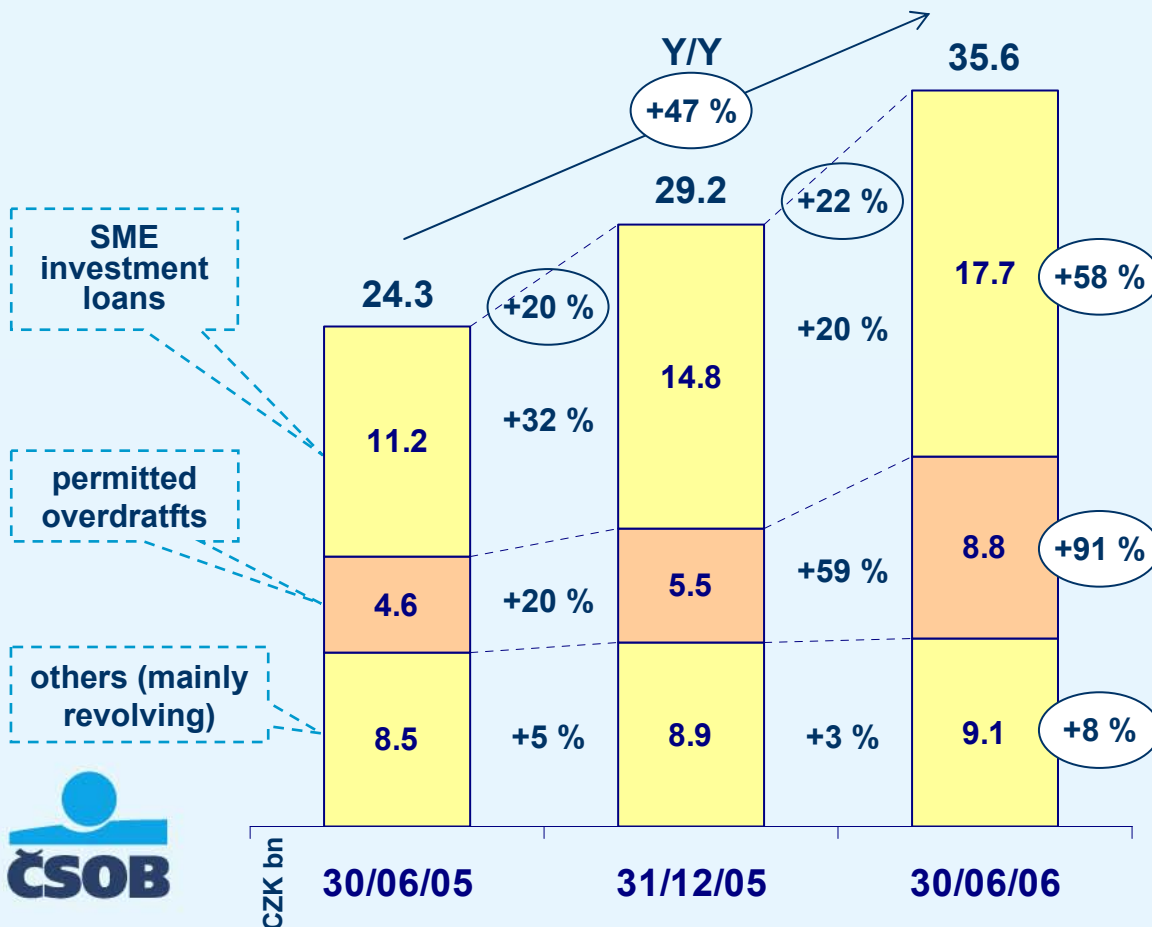
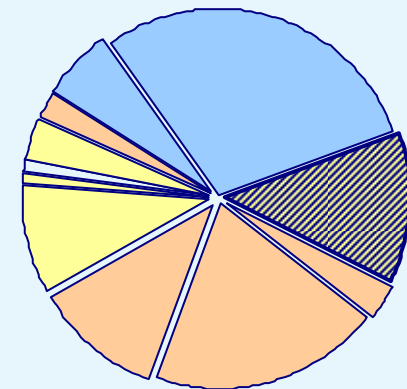
Newly approved consumer loans and credit cards in 1H 2006 rose by 157 % Y/Y.

Note: ČSOB shows business volumes in compliance with the market share methodology. Due to the change of MS methodology by ČNB, ČSOB also changed the business volume classification.



# SME Lending (CZ)

SME business grew by almost 50 % Y/Y



SME lending confirmed its progressive improvement with 22 % increase in 1H 2006 compared to 14% improvement in 1H 2005.

Permitted overdrafts as a form of a short-term credits for non-specific purposes improved by 59% in 1H 2006, SME Investment loans by 20%.

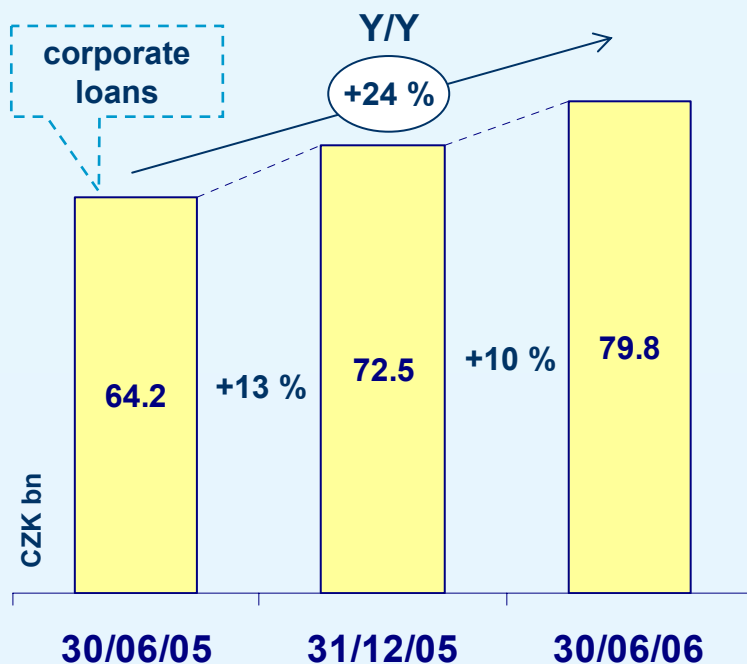
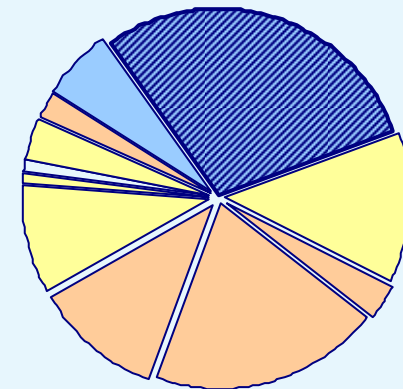
Newly approved SME loans in 1H 2006 bolstered by 92 % Y/Y. Out of that, investment loans and permitted overdrafts rose by 100 % and 143 % Y/Y.





# Corporate Lending (CZ)

ČSOB as a provider of high-quality structured finance



Corporate lending increased by 10 % in 1H 2006 and reached the total outstanding amount of CZK 79.8 bn.



Large structured finance deals in 1H 2006:

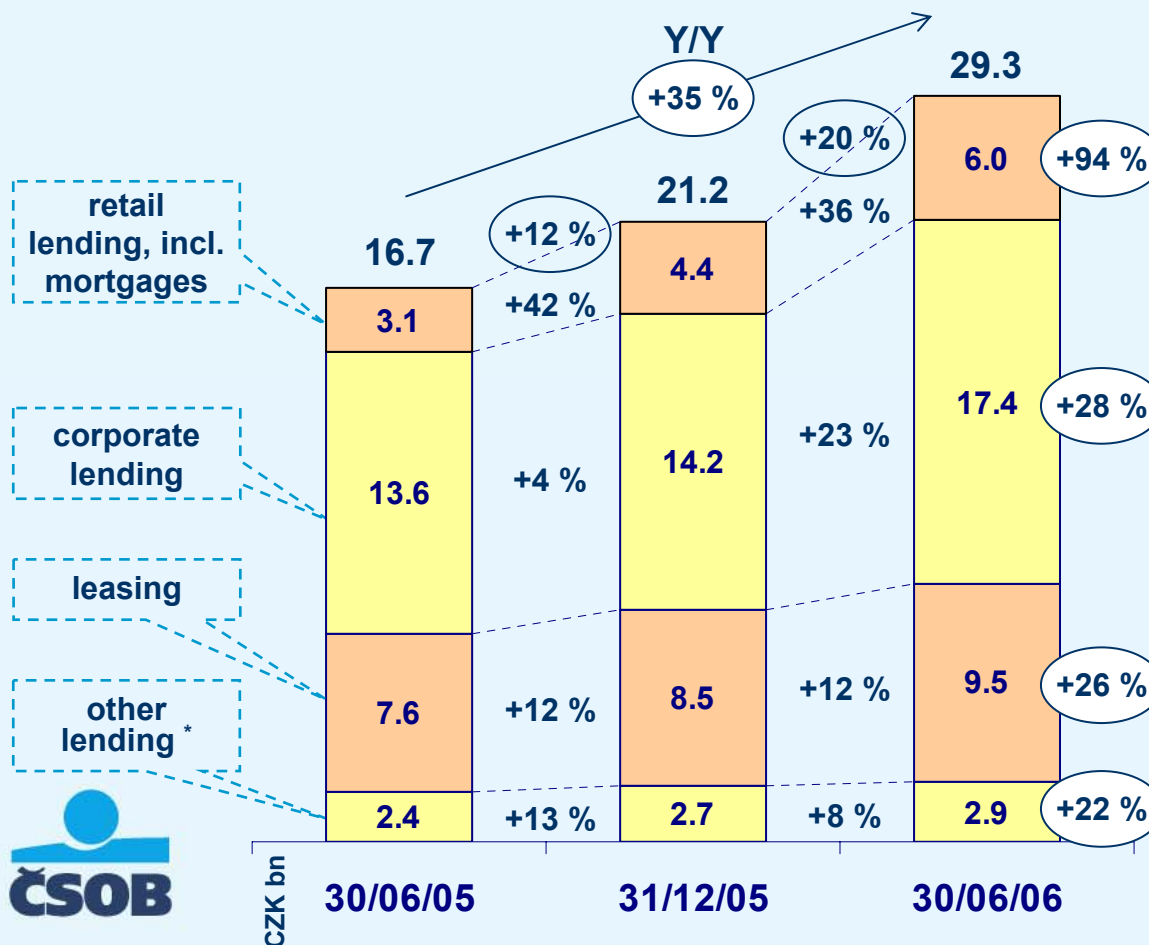
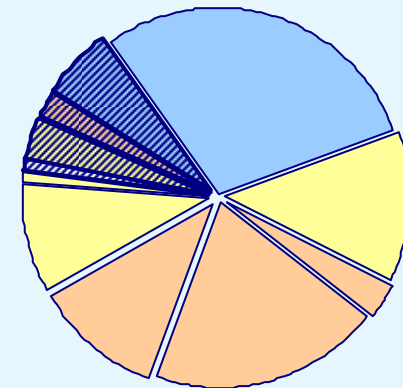
**Czech Airlines (ČSA)** – ČSOB as Mandated Lead Arranger in financing of deliveries of 12 new Airbus aircraft amounting to CZK 11 bn. Financing consists of pre-delivery and long-term financing, of which 15% is a commercial loan and 85 % an export credit guaranteed by 3 Export Credit Agencies.

**RPG / OKD** – ČSOB as Lead Arranger in syndicated refinancing of bridge acquisition facility plus financing of OKD's needs amounting to CZK 31 bn.

**ILLIONY / CCS** – ČSOB as Arranger in a syndicated acquisition facility provided to SPV for LBO of CCS company amounting to CZK 1.5 bn.

# Lending in Slovakia

Significant improvement across all segments



Outstanding volume of Slovak lending rose by 20 % in 1H 2006.

Product modifications in mortgages as well as in consumer loans made retail lending rise by 36 % and Y/Y by 94 %.

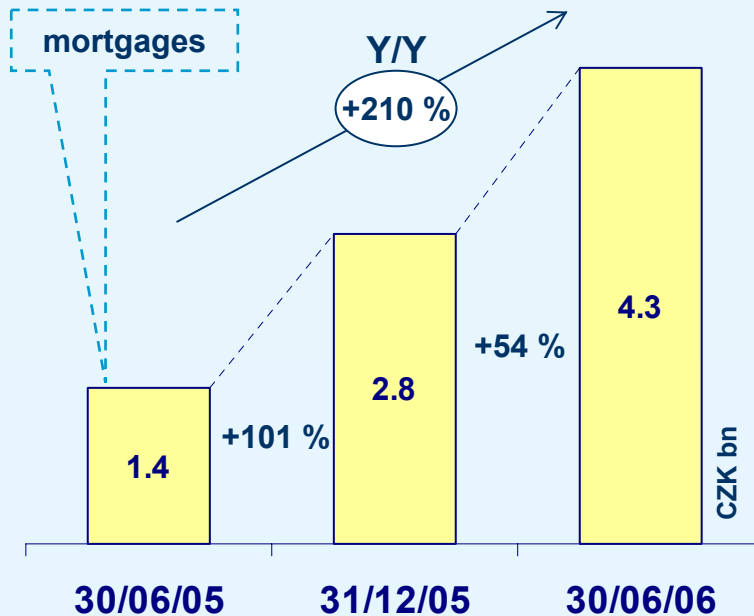
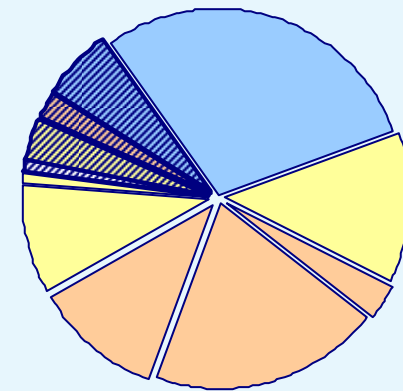
Leasing SR reached total outstanding volume of CZK 9.5 bn and thus confirmed No. 1 position in SR leasing market with a market share of 17.8 %.

Note: \* incl. factoring, SME loans, and construction loans

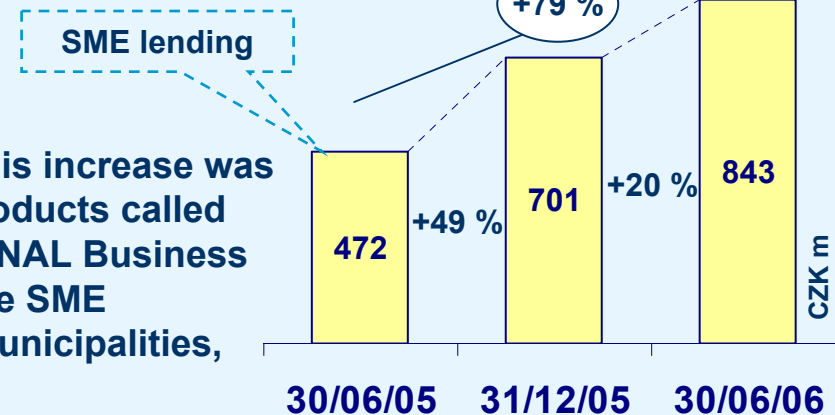


# Lending in Slovakia

Particular success in mortgages and SME lending



Oustanding volume of mortgages increased by 54% in 1H 2006. ČSOB SR provided to its clients 2 934 new mortgages in the total amount of SKK 3.1 bn. This number represents Y/Y increase by 460 % compared to the same period last year. The average mortgage loan reached SKK 1.07 m. This significant increase was caused mainly by product and service inovation in July 2005.

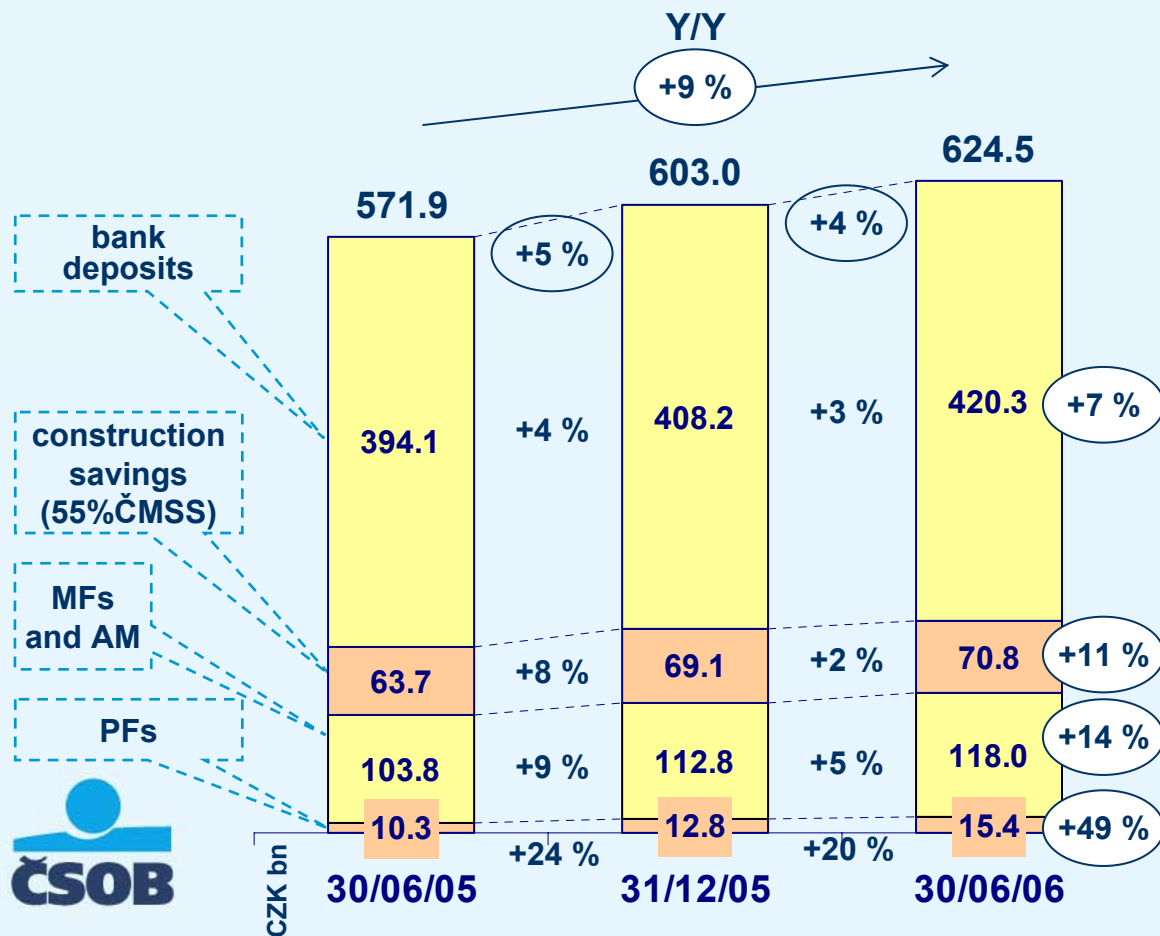


SME loans rose by 20 % in 1H 2006. This increase was supported by launching 2 new SME products called START Business Loan and OPERATIONAL Business Loan. ČSOB has also started to provide SME products for specific SME clients as municipalities, farmers and pharmacists.



# AUM and Deposits (CZ+SK) at a Glance

We manage 9 % more assets than a year ago



Total AUM and deposits (CZ+SK) rose by 9 % Y/Y.

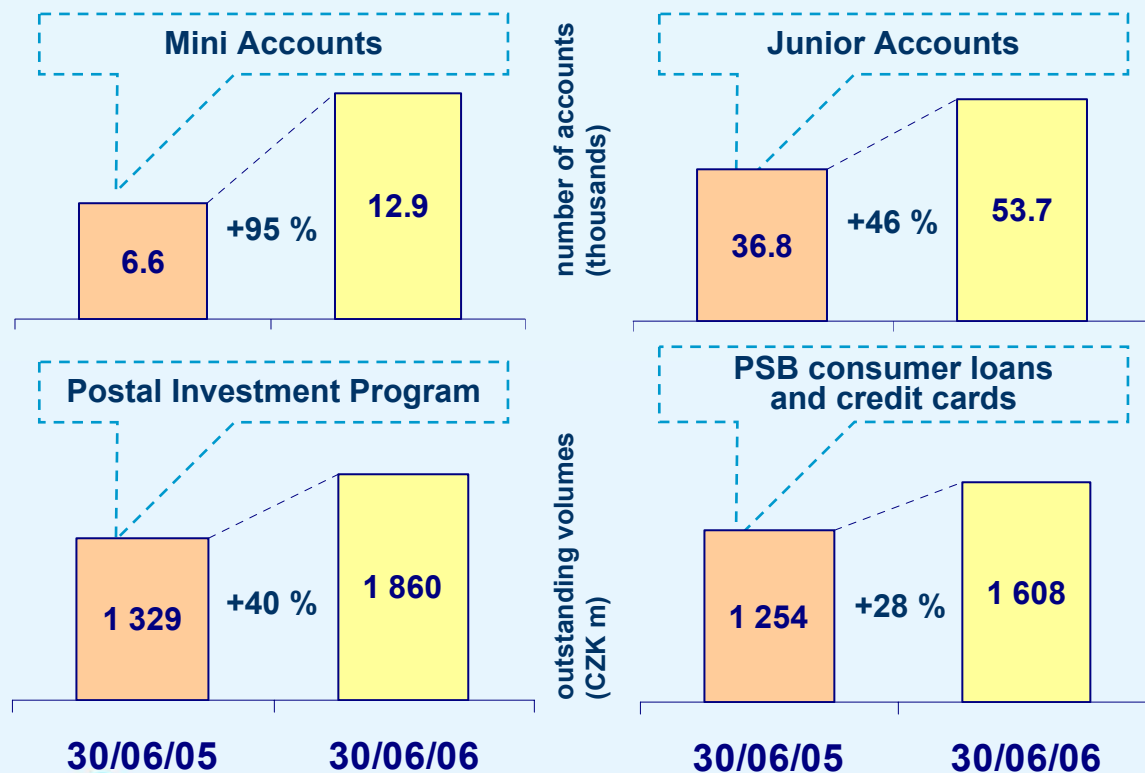
Pension funds boosted by 49 % Y/Y, partly due to the acquisition of Hornický PF Ostrava and Zemský PF.

Mutual funds and AM recorded a Y/Y significant improvement by 14 %, constructions savings rose by 11%.

Consolidated deposits of ČSOB CZ, ČSOB SK, and PSB rose by 7 %.

# Postal Savings Bank

Our Czech „red brand” as a modern bank attractive for youth



Note: in previous presentations, newly approved limits were presented

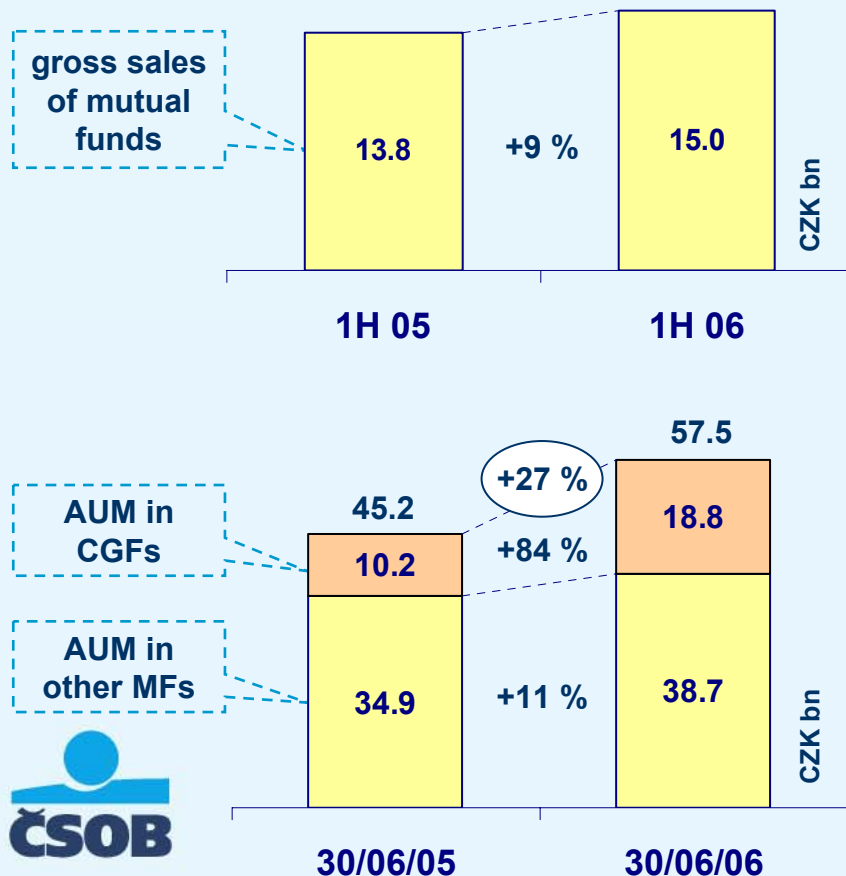
Further acquisition of young and urban clients, and increase of business activities on both deposit and lending sides.

PSB cancelled fees for incoming payments and further simplified its price list. Furthermore, according to an independent empirical research conducted by NMS agency, opening of a current account in PSB takes least paperwork of all Czech banks.

In April PSB launched a new Group product: PSB Mortgage at 75 Post offices and 14 Financial centers. PSB also newly offers overdrafts for SMEs.

# Mutual Funds (CZ)

ČSOB has proved its position as a leader in the market of guaranteed funds



The volume of financial assets invested in ČSOB Capital Guaranteed Funds (CGFs) reached the total volume of almost CZK 19 bn. ČSOB's share in the Czech CGF market remains further above 60 %.

Not even a slight fall in capital markets during 2Q 2006 has managed to lower the wave of investors' interest in investing into capital guaranteed funds of ČSOB. During 1H 2006, investors placed into CGFs more than CZK 7 bn (CZK 3.5 bn in 1H 2005).

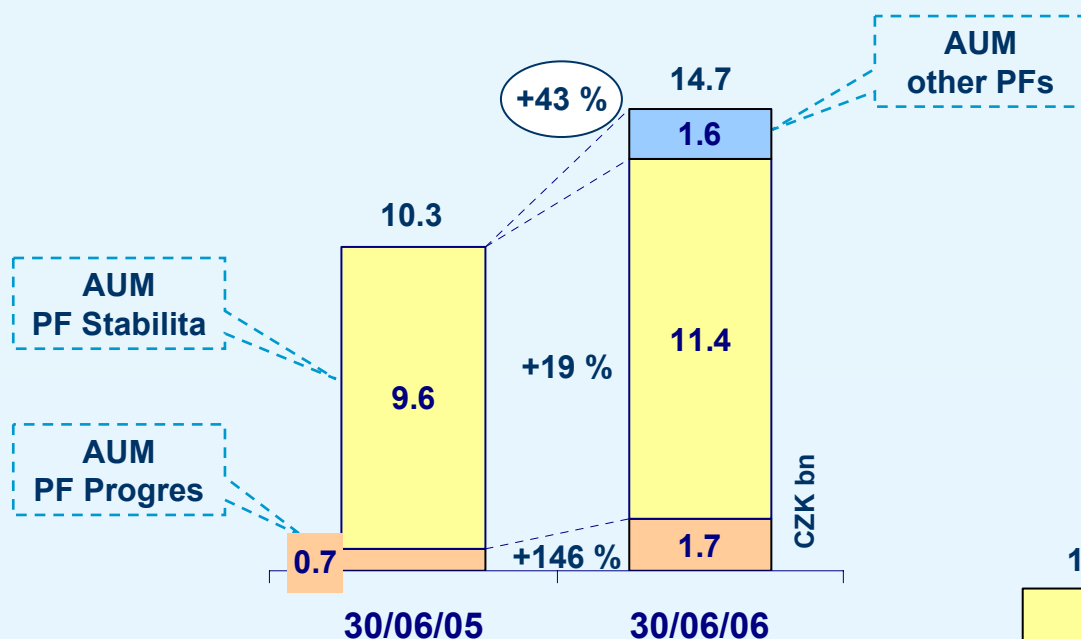
ČSOB fund "Short-Term Growth 1" reached a record volume of invested funds and thus became the largest CGF in the Czech Republic.

ČSOB is the first bank in the Czech Republic to come up with an offer of a tailor-made open-ended mutual fund for housing co-operatives and home owners' associations.



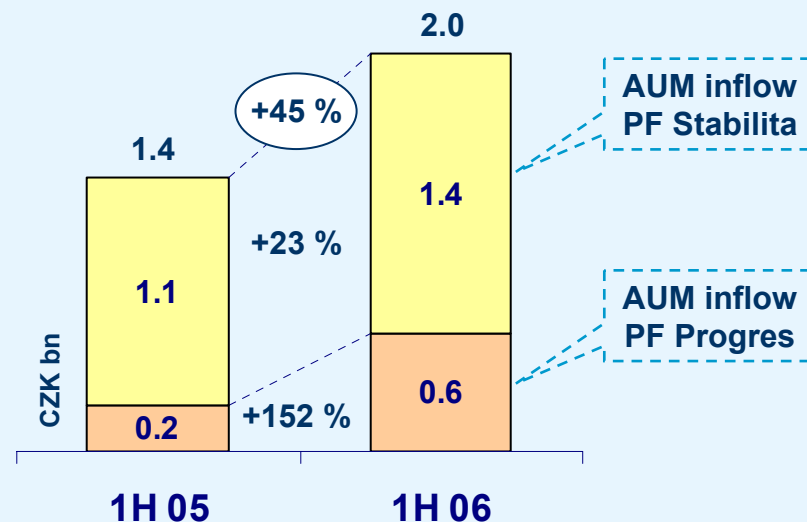
# Pension Funds (CZ)

## Organic growth and acquisitions



In June 2006, ČSOB took over pension fund Zemský PF with its more than 14,000 clients and CZK 510 m of clients' assets. This acquisition followed after last year's acquisition of Hornický PF Ostrava with 19,000 clients.

The total volume of clients' assets placed in ČSOB pension funds exceeded CZK 14 bn.

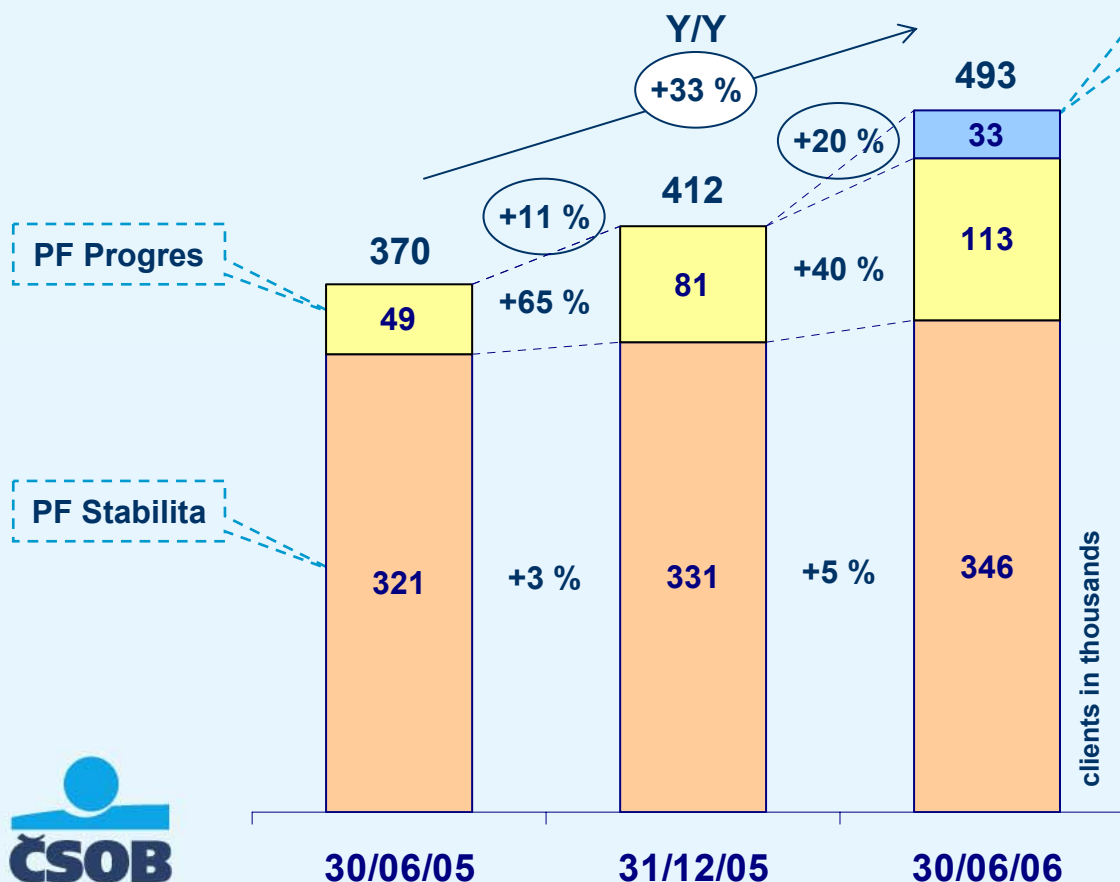


ČSOB is the fourth largest provider of pension insurance in the Czech Republic.



# Pension Funds (CZ)

100,000 new clients within six months



clients in newly acquired PFs

The total number of clients increased by one third since 1H 2005. In August, the number of clients exceeded half a million.

Exploiting our multi-channel potential, we attracted about 67,000 new clients of PFs Stabilita and Progres in 1H 2006, mainly through ČMSS agents' network. This distribution channel is primarily focused on small retail clients, whereas the blue brand (ČSOB Bank) attracts the clients with higher monthly contributions.

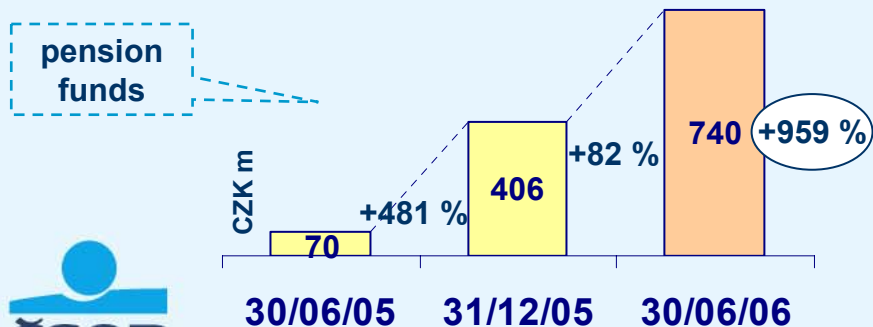
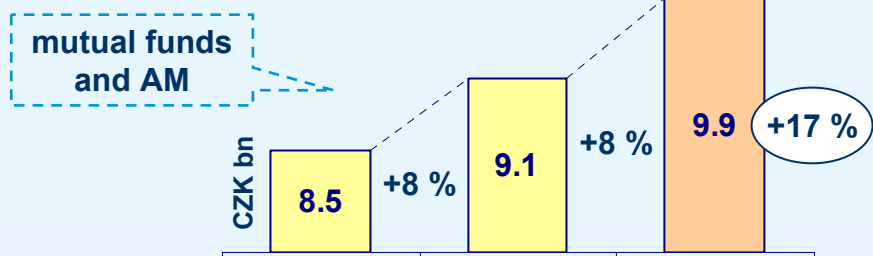
In addition to these clients, we acquired 33,000 clients of Zemsky and Hornicky PFs.





# AUM in Slovakia

Assets in pension funds jumped up 10-times Y/Y

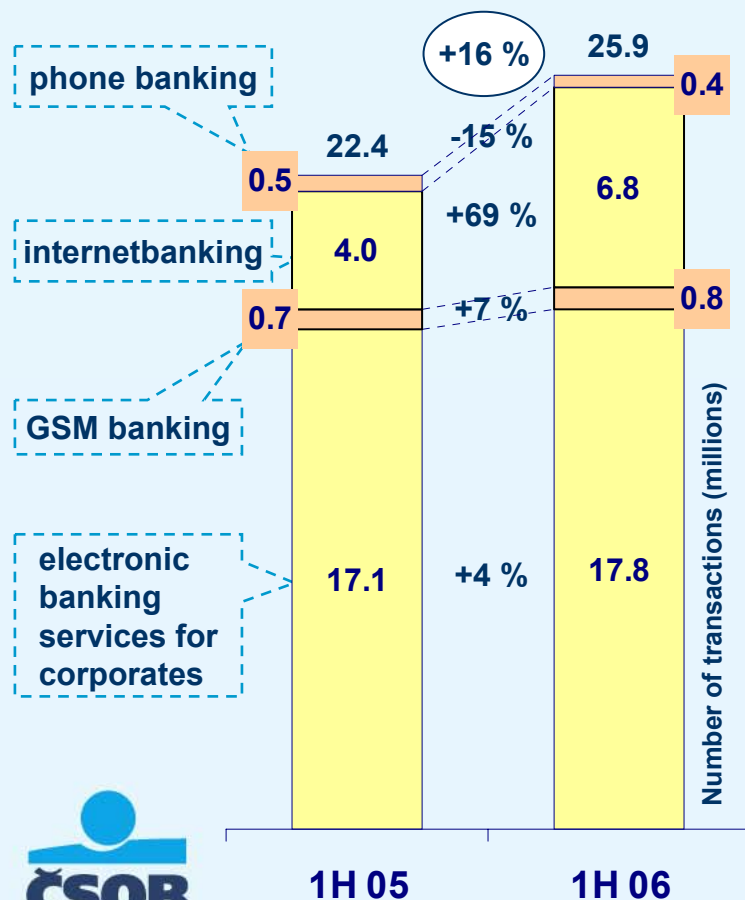


ČSOB Asset Management continues in growing trend, as of 30/06/2006 the amount of assets managed in MF and AM has reached CZK 9.9 bn. ČSOB Asset Management also increased its market share to 8,6%.

Pension funds almost exceeded the amount of one billion SKK of asset under management in pension funds (CZK 740 m). The volume of assets in pension funds boosted by 959 % Y/Y. The increase was for the most part the result of acquisition of new clients.

# Direct Channels (CZ+SK)

Our clients use direct channels more frequently, Internet grows the fastest



For 8 out of 10 domestic payment orders, customers of ČSOB CZ use e-banking services (70 % in PSB, 65 % in ČSOB SK).

Number of users of Internet banking increased by 39 % Y/Y to exceed 490,000 by the end of 1H 2006.

The 1H 2006 number of internet banking transactions in PSB increased almost 4-times compared to 1H 2005 (+52 % in ČSOB CZ and +77 % in ČSOB SK).

At the beginning of 2006 ČSOB finished the switch of its 581 ATMs to chip technology. The chip technology provides for a higher-level security of transactions.



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# Loan Portfolio Development

IFRS, consolidated, gross (in CZK bn)

	31/12/05	30/06/06	Ytd. change
<b><u>Historical exposure:</u></b>	<b>1.4</b>	<b>1.0</b>	<b>-30 %</b>
• MF CZ+SK (SI)	0	0	0 %
• other	1.4	1.0	-30 %
<b>Write-offs*</b>	<b>0.1</b>	<b>0.0</b>	<b>-100 %</b>
<b><u>Current exposure</u></b>	<b>244.2</b>	<b>271.6</b>	<b>+11 %</b>
<b>Write-offs*</b>	<b>0.9</b>	<b>0.4</b>	<b>-58 %</b>
<b><u>Total loan portfolio**</u></b>	<b>245.6</b>	<b>272.5</b>	<b>+11 %</b>
<b>Write-offs*</b>	<b>1.0</b>	<b>0.4</b>	<b>-61 %</b>



Notes: \* write-offs during the year  
\*\* including ČKA

# NPLs and Provisions

IFRS, consolidated, gross (in CZK bn)

	31/12/05	30/06/06	Ytd. change
Total loans	245.6	272.5	+11 %
- of which, NPLs	4.1	4.3	+6 %
Total provisions	6.4	6.4	+1 %
NPLs / total loans	1.7 %	1.6 %	- 0.1 pp
Coverage of NPLs by provisions	155.2 %	147.3 %	- 7.9 pp



Loan-Loss Ratio (ČSOB Bank) \*

+ 0.12 %

Loan-Loss Ratio (ČSOB Group) \*

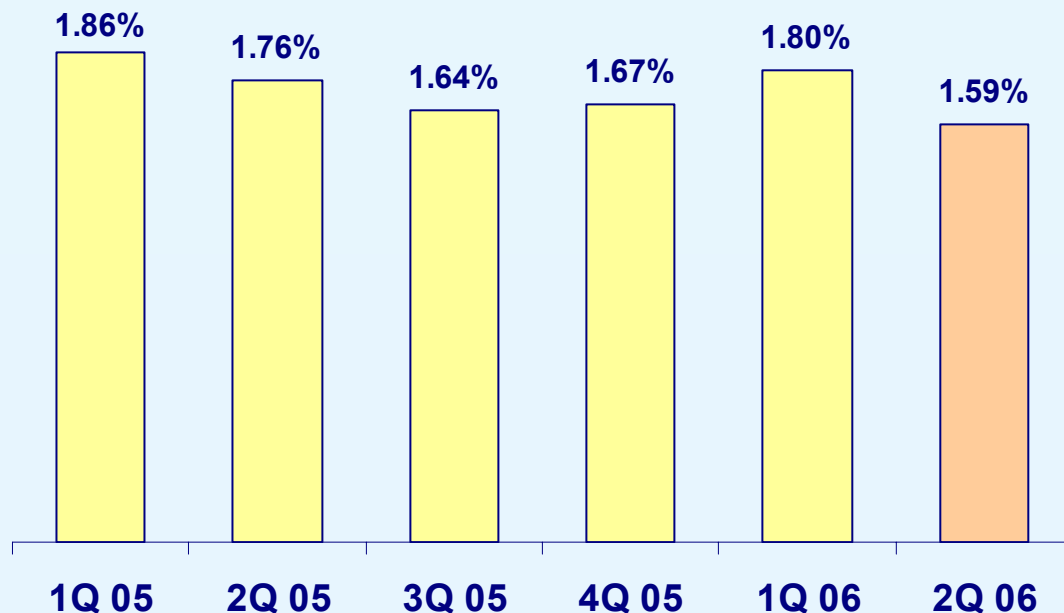
+ 0.01 %

Note: \* including recoveries

# Non Performing Loans

Fitch:

„with strengthened risk management systems, the bank is well positioned to take advantage of strong economic growth“



Portion of non performing loans (NPLs) again decreased and reached 1.59 % of gross loans.

Thus ČSOB keeps one of the best asset quality profiles in the Czech Republic.

NPLs / total loans



# Loan Portfolio Quality

IFRS, consolidated, gross (in CZK bn)

	31/12/05		30/06/06	
	volume	% of total loans	volume	% of total loans
Standard (A-C)	201.7	82.1	211.6	77.6
<b><u>Classified:</u></b>	<b>44.0</b>	<b>17.9</b>	<b>61.0</b>	<b>22.4</b>
• watch (D)	31.2	12.7	48.0	17.6
• sub-standard (E)	5.9	2.4	5.9	2.2
• doubtful (F)	2.9	1.2	2.9	1.1
• loss (G)	4.0	1.6	4.1	1.5
<b>Total loan portfolio</b>	<b>245.6</b>	<b>100.0</b>	<b>272.5</b>	<b>100.0</b>



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# ČSOB´s Profile

## Numbers and statistics - ČSOB Bank

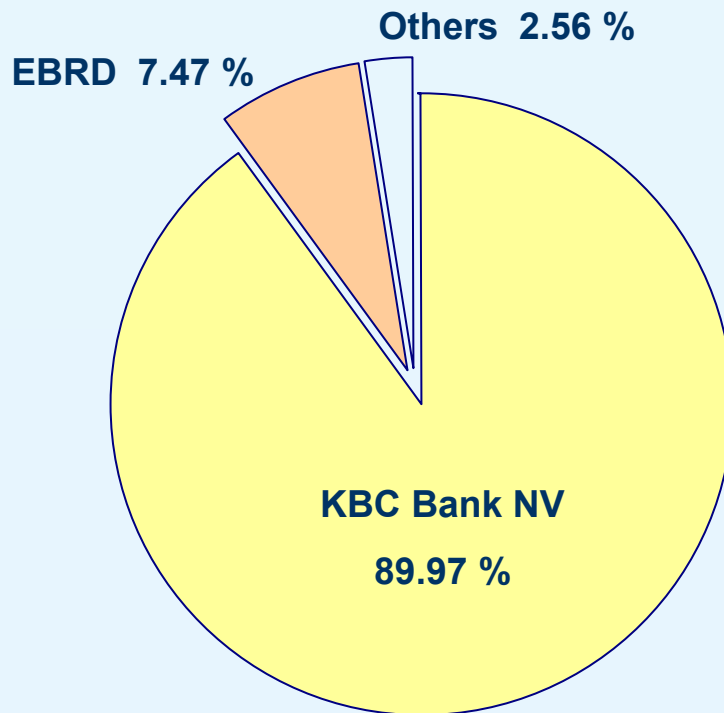
	31/12/05		30/06/06	
	CZ	SK	CZ	SK
Employees (FTE)	6,857	1,395	6,768	1,424
Customers (ths)	3,014	186	2,992	189
Branches*	218	99	225	103
ATMs	537	113	555	116
Payment cards (ths)	1,630	132	1,626	142
- of which: Credit cards (ths)	34.5	5.5	51.2	5.9
Users of direct banking (ths)	1,126	151	1,183	154



Note: \* PSB provides its services through Czech Post Offices, number of outlets: 3,350. In SK, number of branches includes business centers for SMEs.

# ČSOB's Shareholder Structure

Unchanged during 1H 2006



ČSOB's registered capital = CZK 5,105 m (EUR 179 m)

# Macroeconomic Environment (CZ)

## Dynamic growth

		2004	2005	1H 2006	
<b>GDP</b>	<b>change, %</b>	<b>4.2</b>	<b>6.1</b>	<b>7.0</b>	<sup>e</sup>
<b>Industrial production</b>	<b>change, %</b>	<b>9.6</b>	<b>6.7</b>	<b>11.9</b>	
<b>Construction output</b>	<b>change, %</b>	<b>9.7</b>	<b>4.2</b>	<b>4.3</b>	
<b>Retail sales</b>	<b>change, %</b>	<b>2.5</b>	<b>4.0</b>	<b>6.7</b>	<sup>e</sup>
<b>Inflation (CPI)</b>	<b>average, %</b>	<b>2.8</b>	<b>1.9</b>	<b>2.5</b>	
<b>Current account</b>	<b>% of GDP</b>	<b>-6.0</b>	<b>-2.1</b>	<b>-3.3</b>	<sup>e</sup>
<b>Rate of unemployment (ILO)</b>	<b>average, %</b>	<b>8.3</b>	<b>7.9</b>	<b>7.5</b>	
<b>Real wages</b>	<b>change, %</b>	<b>3.7</b>	<b>3.4</b>	<b>3.7</b>	<sup>e</sup>
<b>CZK/EUR</b>	<b>average</b>	<b>31.90</b>	<b>29.78</b>	<b>28.50</b>	
<b>PRIBOR 3M</b>	<b>average, %</b>	<b>2.36</b>	<b>2.01</b>	<b>2.10</b>	
<b>IRS 10Y</b>	<b>average, %</b>	<b>4.63</b>	<b>3.48</b>	<b>3.74</b>	
<b>General government balance</b>	<b>% of GDP</b>	<b>-2.9</b>	<b>-2.6</b>	<b>-3.3</b>	<sup>e06</sup>

Note: e) ČSOB estimate

e06) ČSOB estimate for the whole year 2006

Source: Czech Statistical Office, Czech National Bank, Eurostat



# Macroeconomic Environment (SK)

## Dynamic growth

		2004	2005	1H 2006	
<b>GDP</b>	<b>change, %</b>	<b>5.4</b>	<b>6.1</b>	<b>6.5</b>	<sup>e</sup>
<b>Industrial production</b>	<b>change, %</b>	<b>3.9</b>	<b>3.9</b>	<b>9.3</b>	
<b>Construction output</b>	<b>change, %</b>	<b>5.7</b>	<b>14.7</b>	<b>15.2</b>	
<b>Retail sales</b>	<b>change, %</b>	<b>6.2</b>	<b>9.7</b>	<b>8.7</b>	
<b>Inflation (CPI)</b>	<b>average, %</b>	<b>7.5</b>	<b>2.5</b>	<b>3.6</b>	<sup>aa</sup>
<b>Current account</b>	<b>% of GDP</b>	<b>-3.5</b>	<b>-8.8</b>	<b>-6.5</b>	<sup>e</sup>
<b>Rate of unemployment (ILO)</b>	<b>average, %</b>	<b>18.1</b>	<b>16.2</b>	<b>14.5</b>	<sup>e</sup>
<b>Real wages</b>	<b>change, %</b>	<b>2.5</b>	<b>6.3</b>	<b>3.0</b>	<sup>e</sup>
<b>SKK/EUR</b>	<b>average</b>	<b>40.05</b>	<b>38.59</b>	<b>37.57</b>	
<b>PRIBOR 3M</b>	<b>average, %</b>	<b>4.67</b>	<b>2.93</b>	<b>3.73</b>	
<b>IRS 10Y</b>	<b>average, %</b>	<b>4.64</b>	<b>3.48</b>	<b>3.74</b>	
<b>General government balance</b>	<b>% of GDP</b>	<b>-3.1</b>	<b>-2.9</b>	<b>-2.2</b>	<sup>e06</sup>

Note: e) ČSOB estimate

e06) ČSOB estimate for the whole year 2006

aa) annual average

Source: Slovak Statistical Office, National Bank of Slovakia, Eurostat



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