



3Q 2008 Results

ČSOB Group

Czech Republic

IFRS Unaudited Consolidated
6 November 2008, Prague



ČSOB Group's Market Shares

Maintaining leading positions in the Czech financial market

Total AUM¹	26.4% ↗
Building Loans¹	44.1% ↘
Building Savings¹	35.6% ↗
Housing Loans¹	31.5% ↗
Mutual Funds³	31.2% ↗
Bank Deposits¹	26.5% ↗
Leasing²	15.3% ↘
Total Loans+Leases¹	20.1% ↗
Mortgages¹	24.9% ↗
Factoring²	20.5% ↘

Insurance	MS	Rank
Life ²	8.8% ↘	5
Non-Life ²	5.0% ↗	5

Pension funds⁴	15.6% ↗
Corp/SME Loans¹	15.9% ↗
Consumer Loans¹	13.7% ↗

2.

1.

3.

Notes: Arrows show Y/Y change. Market shares **as of 30/06/08** (i.e. last available)

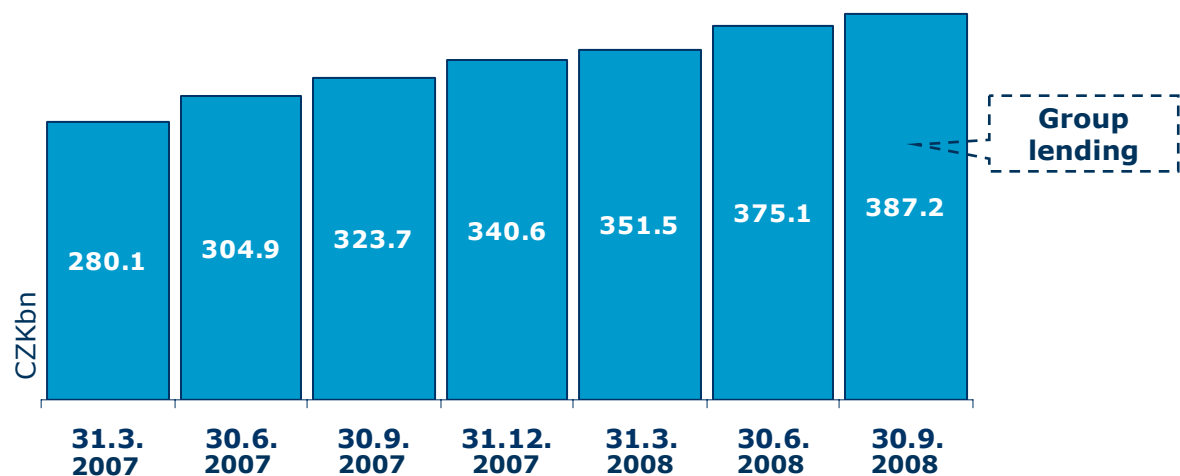
¹ Market share according to outstanding volume at the given date

² Market share according to volume of new business in the six months preceding the given date

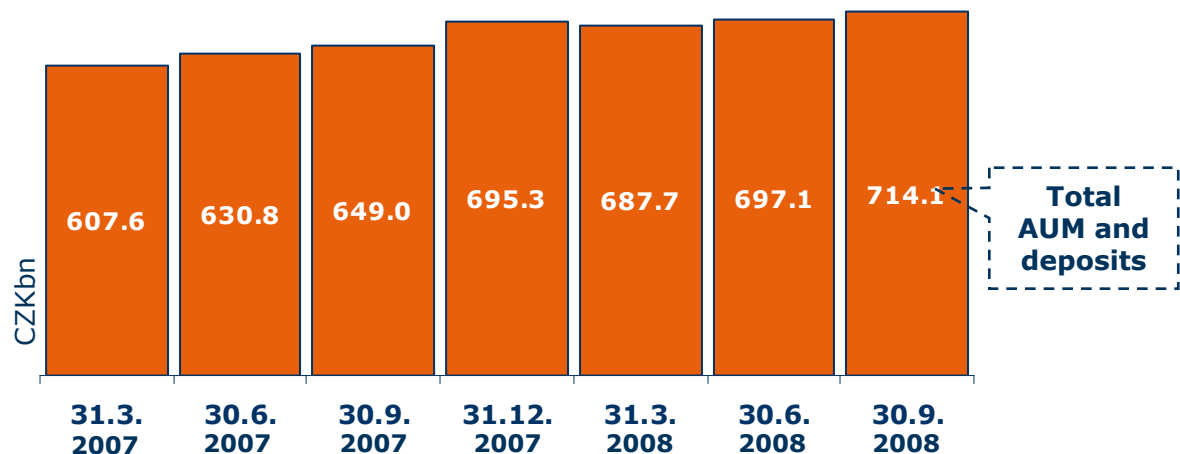
³ Incl. institutional funds and third parties funds; MS according to outstanding volume at the given date

⁴ Market share according to the number of clients at the given date

Source: ČNB, financial associations

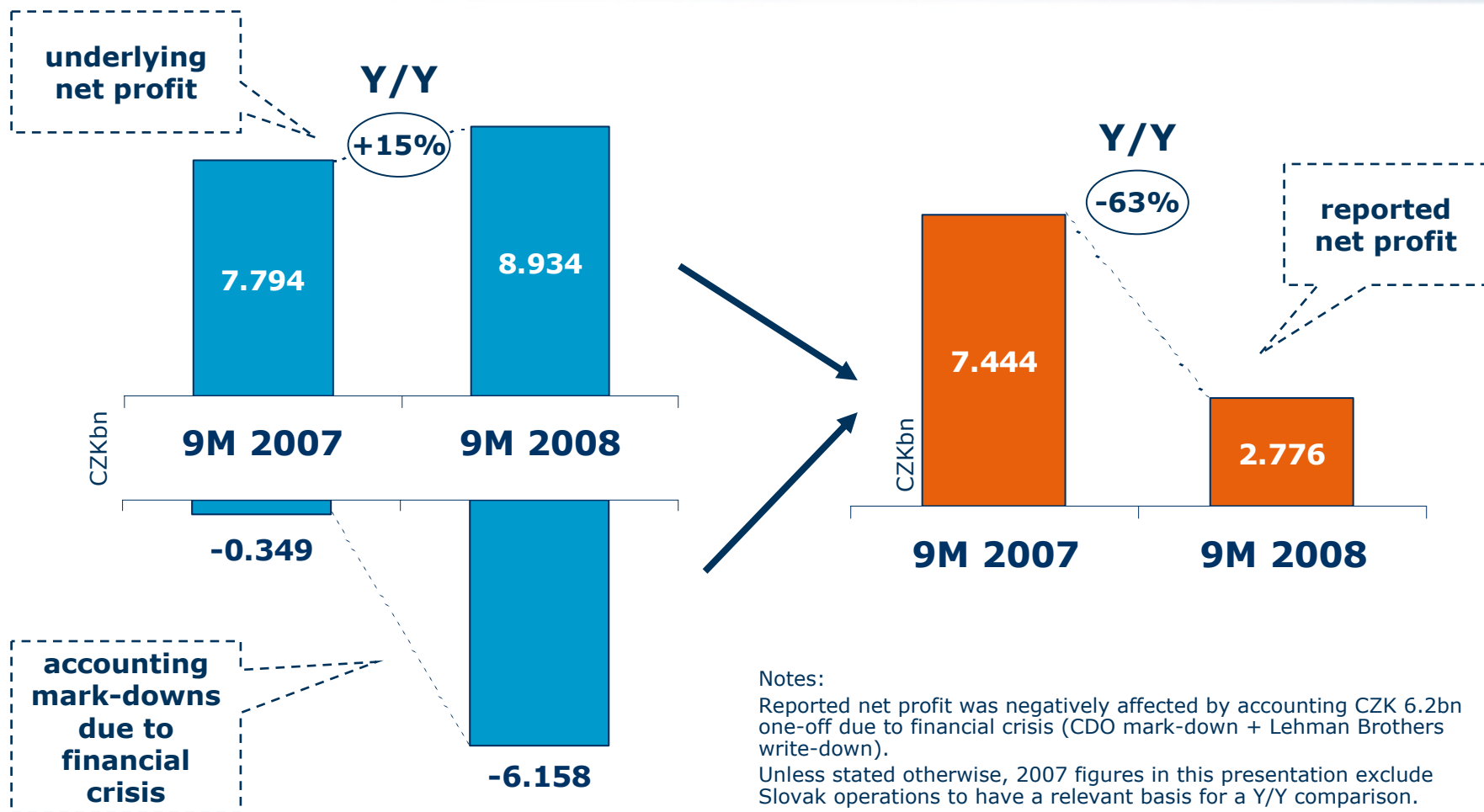


Total Group lending rose by 20% Y/Y (+3% Q/Q) and reached CZK 387.2bn. This strong Y/Y rise was supported by growth in all segments, especially mortgages (+32%), building loans (+30%), retail loans (+28%) and SME loans (+23%). The loan portfolio is of a very high quality.



Total AUM and deposits increased by 10% Y/Y (+2% Q/Q) and reached CZK 714.1bn. The main driver of increase were deposits (+12%) and pension funds (+17%).

Net profit and impact of financial crisis



- ČSOB Group CZ recorded an underlying net profit of CZK 8.9bn in 9M 2008, i.e. a Y/Y increase of 15%.
- Solvency remains strong with CAD (ČSOB Group) of 11.69%.
- ČSOB Group also reconfirmed its strong liquidity position with loan/deposit ratio of 71.4%.

- Net interest income, NII, showed a strong growth of 15%.
- Net fee and commission income, NFCI, was up by 3%.
- All in all, underlying operating income increased by 8%.
- Operating expenses increased by 6% in line with inflation.
- Thus, underlying cost/income ratio decreased to 47.7%.
- Conservative mark-downs of the investment portfolio over the first nine months of 2008 lowered the net profit by CZK 6.2bn to CZK 2.8bn.

Underlying C/I further decreased to 47.7%.

ČSOB Group's business model brings high profitability. 9M 2008 return from underlying business on allocated capital (ROAC) exceeds 36%.

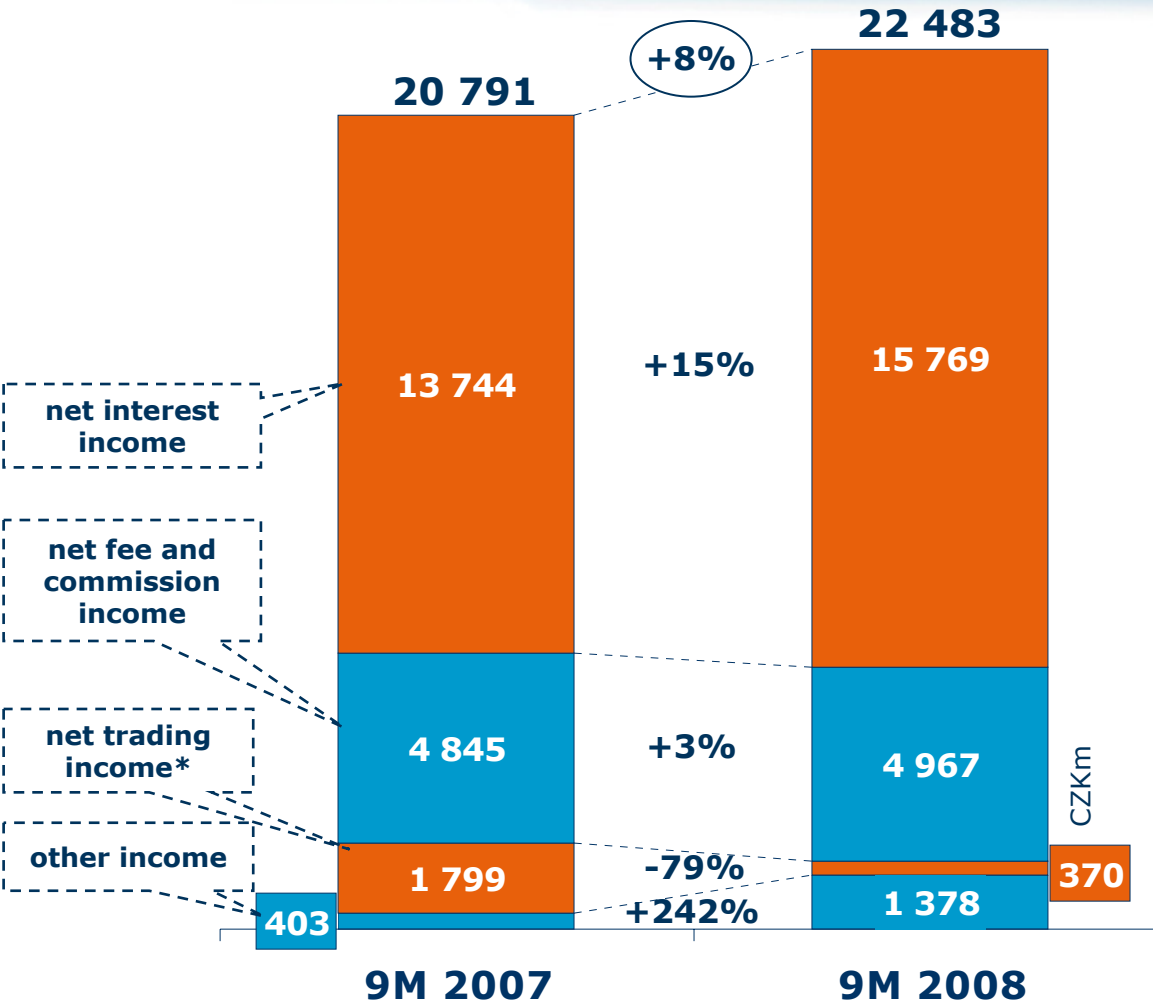
	9M 2007 reclass.	9M 2008
C/I Ratio (reported)	49.5%	71.0%
C/I Ratio (underlying)	48.4%	47.7%
NIM	2.76%	2.74%
ROAC (reported)	35.0%	7.3%
ROAC (underlying)	36.4%	36.6%

	31/12/07	30/09/08
L/D Ratio	CZ only 63.8%	CZ only 71.4%
CAD Group (Basel II)	CZ+SK 10.72%	CZ only 11.69%
CAD Bank (Basel II)	11.12%	10.06%

Liquidity and capital adequacy positions are reconfirmed at very high levels.

Operating Income

Underlying, net of portfolio mark-downs



Underlying operating income increased by 8% to CZK 22,483m.

The main driver of increase was NII (see next slide).

NFCI slightly increased. The growth from number of transactions was offset by lower sales fees from mutual funds.

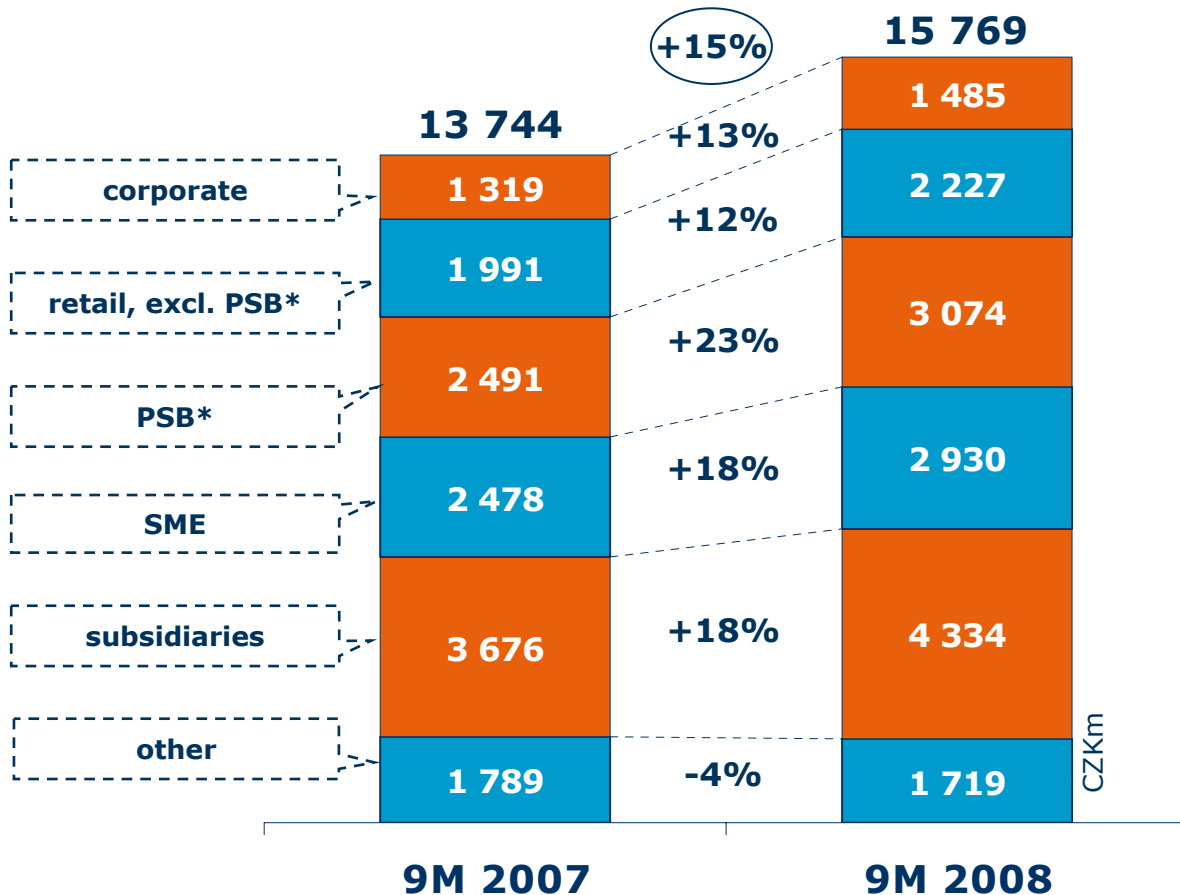
The 79% underlying NTI decrease was caused by increased risk aversion due to turbulences on the financial markets.

Other income increased mainly thanks to recoveries.

NTI = Net gains from financial instruments at fair value through P/L.

Net Interest Income

Main driver of profitability



Net interest income increased by CZK 2,025m (+15%) Y/Y.

Strong growth in PSB reflects the positive evolution in current accounts.

The 18% growth in the SME segment resulted from growing volumes in both deposits and loans.

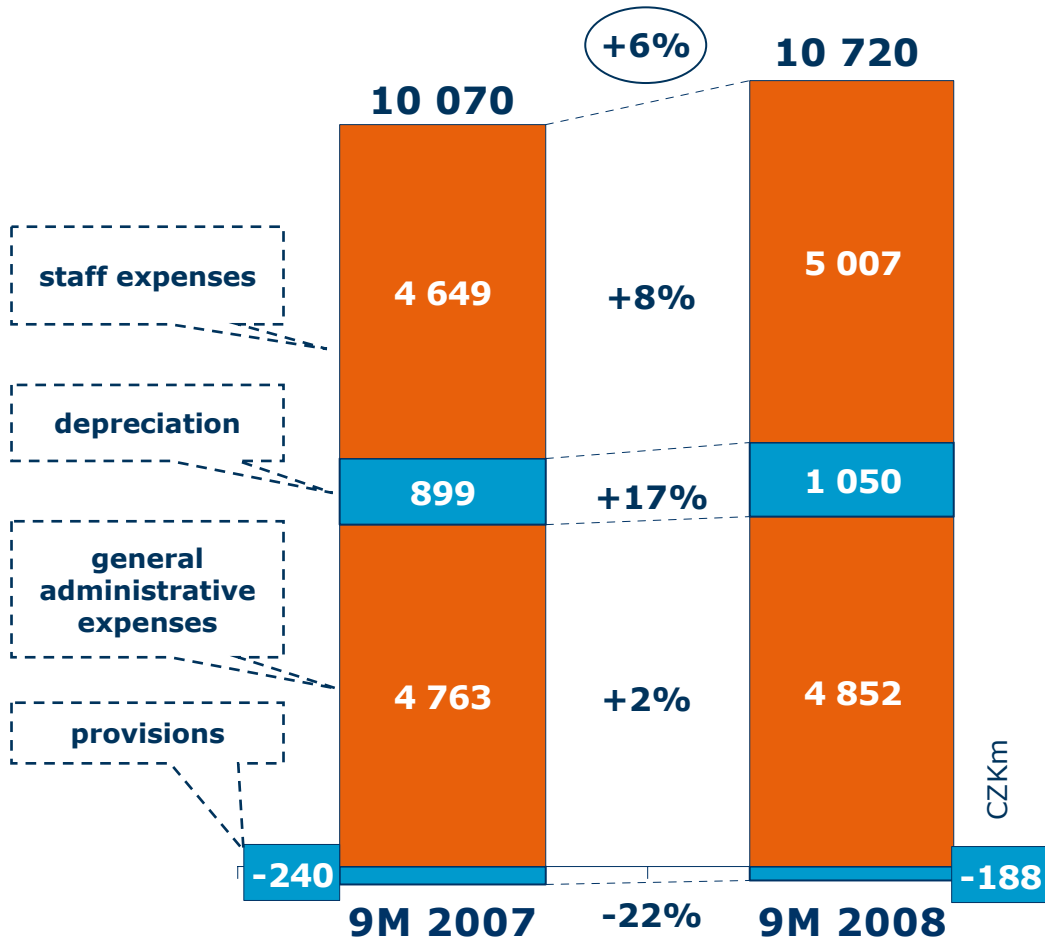
As for subsidiaries, ČMSS was the main contributor, especially thanks to growing outstandings on building and bridging loans.

Note:

* PSB = Postal Savings Bank, ČSOB's brand oriented especially at mass retail clientele.

Operating Expenses

Copying inflation rate



Operating expenses increased from CZK 10,070 to CZK 10,720m.

Staff expenses in 9M 2008 increased as a result of higher numbers of FTEs and higher base salaries.

The increase of GAE in 9M 2008 was driven by fees paid to third parties, communication expenses (incl. data network), marketing and consultation costs.

IT technology was the main contributor to the depreciation increase.

- As disclosed in its 3Q 2008 results, KBC Group took proactive accounting measures due to the financial crisis. Out of numerous items of KBC Group's measures, only two are applicable also to ČSOB Group:
 - 1) CDO portfolio – additional mark-down
 - 2) Lehman Brothers exposure written-down
- These two conservative accounting measures had a negative impact of CZK 6.2bn on ČSOB Group's 9M 2008 net profit:

(CZKbn)	Impact on 9M08 net profit
CDO portfolio	- 5.885
Lehman Brothers exposure	- 0.273
Total impact	- 6.158

- ČSOB Group's exposure to Iceland was not a part of the 3Q 2008 measures as Iceland-related events fall into 4Q 2008. ČSOB Group's direct exposure to Icelandic banks is CZK 599m; the percentage of write-down is yet to be determined.

Financial crisis impact

Key information on CDO portfolio

- **ČSOB has an investment into CDOs with a total nominal value of EUR 424.3m (i.e. approx. CZK 10bn).**
- **All CDOs were structured by and are actively managed by KBC FP.**
- **ČSOB intends to hold all its CDOs to maturity.**
- **In accordance with IFRS, ČSOB marks this investment to model through profit and loss and show it in financial statements at marked-down balances.**

After all mark-downs taken until the end of 3Q 2008, the CDO portfolio is presently reported in ČSOB's books very conservatively at less than 20% of the nominal value.

Consolidated (CZK ^m)	31/12/07 CZ+SK	31/12/07 CZ (pro forma)	30/09/08 CZ only
Total regulatory capital	48,631	39,951	43,767
- Tier 1 Capital	37,751	38,383	42,399
- Tier 2 Capital	12,007	12,007	11,966
- Deductions from Tier 1 and Tier 2	-1,127	-10,439	-10,597
Total capital requirement	36,284	30,461	29,962
- Credit risk (IRB approach)	31,540	26,289	25,543
- Market risk (internal model)	1,151	1,051	1,015
- Operational risk (standardized approach)	3,593	3,121	3,404
Total RWA	453,550	380,759	374,523
Tier I ratio	8.20%	8.71%	9.91%
CAD	10.72%	10.49%	11.69%

Notes:

RWA (risk weighted assets) = total capital requirement / 0.08

Tier 1 capital = share capital + share premium + legal reserve funds + retained earnings – goodwill – intangible assets

Tier 2 capital = subordinated debt

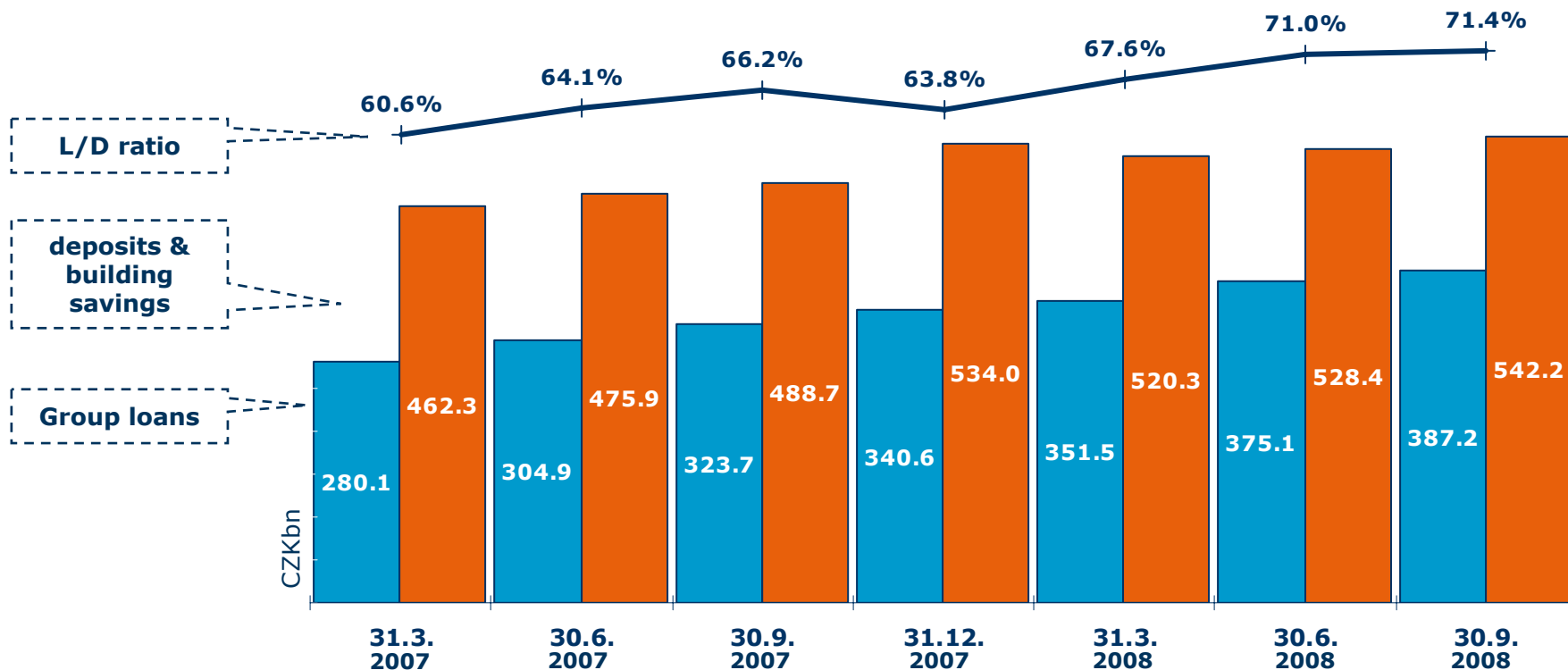
Total regulatory capital = Tier 1 + Tier 2 – deductions (mainly participation in ČSOB SK)

Tier 1 ratio = (Tier 1 capital – 0.5*deductions) / (total capital requirement / 0.08)

Liquidity

Traditionally very high liquidity

CZKbn	31/03/07	30/06/07	30/09/07	31/12/07	31/03/08	30/06/08	30/09/08
Deposits & building savings minus Group loans)	182.1	171.0	165.0	193.4	168.8	153.3	155.0



(CZK m)

	9M 2007 pro forma excl. SK	9M 2008	Y/Y
<i>Interest income</i>	22 516	28 300	26%
<i>Interest expense</i>	-8 772	-12 531	43%
Net interest income	13 744	15 769	15%
Net fee and commission income	4 845	4 967	3%
Net gains from fin. instruments at fair value through P/L	1 340	-7 163	-635%
Net realised gains on available-for-sale fin. assets, Dividend income, Other net income	403	1 524	278%
Operating income	20 331	15 097	-26%
Staff expenses	-4 649	-5 007	8%
General administrative expenses	-4 763	-4 852	2%
Depreciation and amortisation	-899	-1 050	17%
Provisions	240	188	-22%
Operating expenses	-10 070	-10 720	6%
Impairment losses	-795	-1 730	118%
Share of profit of associates	116	-2	-102%
Profit before tax	9 582	2 644	-72%
Income tax expense	-2 097	186	-109%
Profit for the period	7 485	2 830	-62%
Attributable to:			
Equity holders of the parent	7 444	2 776	-63%
Minority interest	41	54	32%



Balance Sheet

Assets

(CZK m)

	31/12/2007 pro forma excl. SK	30/09/2008	Ytd. change
Cash and balances with central banks	29 563	51 167	73%
Financial assets held for trading	147 656	205 309	39%
Financial assets designated at fair value through P/L	24 153	18 830	-22%
Available-for-sale financial assets	77 477	84 060	8%
Loans and receivables - net	355 367	395 551	11%
<i>Loans and receivables (credit institutions - gross)</i>	14 926	13 220	-11%
<i>Loans and receivables (excl. credit institutions - gross)</i>	345 994	388 557	12%
<i>Loans and receivables (provisions)</i>	-5 554	-6 226	12%
Held-to-maturity investments	110 361	108 044	-2%
Derivatives used for hedging	5 587	9 671	73%
Accrued interest income	7 263	7 744	7%
Current tax assets	686	1 166	70%
Deferred tax assets	638	508	-20%
Investments in associates	703	701	0%
Investment property	875	997	14%
Property and equipment	10 135	10 746	6%
Goodwill and other intangible assets	4 642	4 731	2%
Non-current assets held-for-sale	27	210	678%
Other assets	7 766	9 509	22%
Total assets	782 898	908 944	16%



Balance Sheet

Liabilities and Equity

(CZK m)

	31/12/2007 pro forma excl. SK	30/09/2008	Ytd. change
Financial liabilities held for trading	12 602	18 765	49%
Financial liabilities at fair value through P/L	75 878	171 628	126%
Financial liabilities at amortised cost	615 964	629 891	2%
<i>Deposits received from credit institutions</i>	49 573	48 546	-2%
<i>Deposits received from other than credit institutions</i>	513 102	520 859	2%
<i>Debt securities in issue</i>	41 128	48 522	18%
<i>Subordinated liabilities</i>	12 161	11 964	-2%
Derivatives used for hedging	1 385	594	-57%
Accrued interest expenses	1 391	3 692	165%
Current tax liabilities	98	140	43%
Deferred tax liabilities	365	548	50%
Provisions	1 061	881	-17%
Other liabilities	18 709	24 703	32%
Total liabilities	727 453	850 841	17%
Share capital	5 855	5 855	0%
Share premium account	7 509	7 509	0%
Statutory reserve	18 687	18 687	0%
Retained earnings	24 184	20 957	-13%
Available-for-sale reserve	-344	3 346	-1074%
Cash flow hedge reserve	-649	1 137	-275%
Foreign currency translation reserve	-133	-197	48%
Parent shareholders' equity	55 109	57 294	4%
Minority interests	336	809	141%
Total equity	55 445	58 103	5%
Total liabilities and equity	782 898	908 944	16%

Total Group Lending at a Glance

Growing by one-fifth in twelve months

(CZK bn)	30/09/2007	30/09/2008	Change Y/Y
Total Group lending*	323.7	387.2	+20%
Retail - Housing loans	144.3	189.2	+31%
- of which: mortgages (HB+ČSOB+PSB)	71.0	93.9	+32%
- of which: building loans (ČMSS 100%)	73.3	95.2	+30%
Retail - Consumer lending	11.3	14.4	+28%
SME loans	57.3	70.2	+23%
Corporate loans Bank	92.2	99.5	+8%
Leasing	32.1	35.3	+10%

Quality of loan portfolio remains good

NPL / Total Group lending

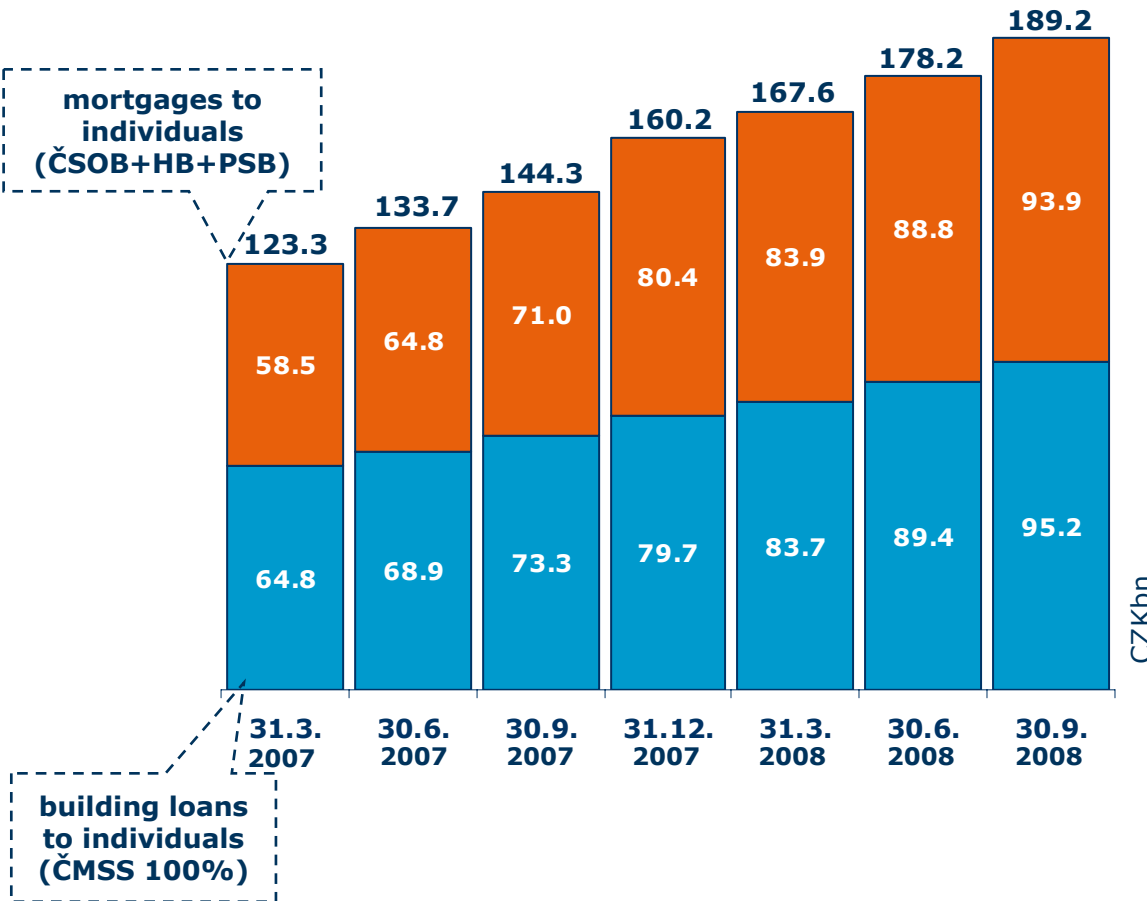
2.02%

Loan-Loss Ratio

0.36%

Note:

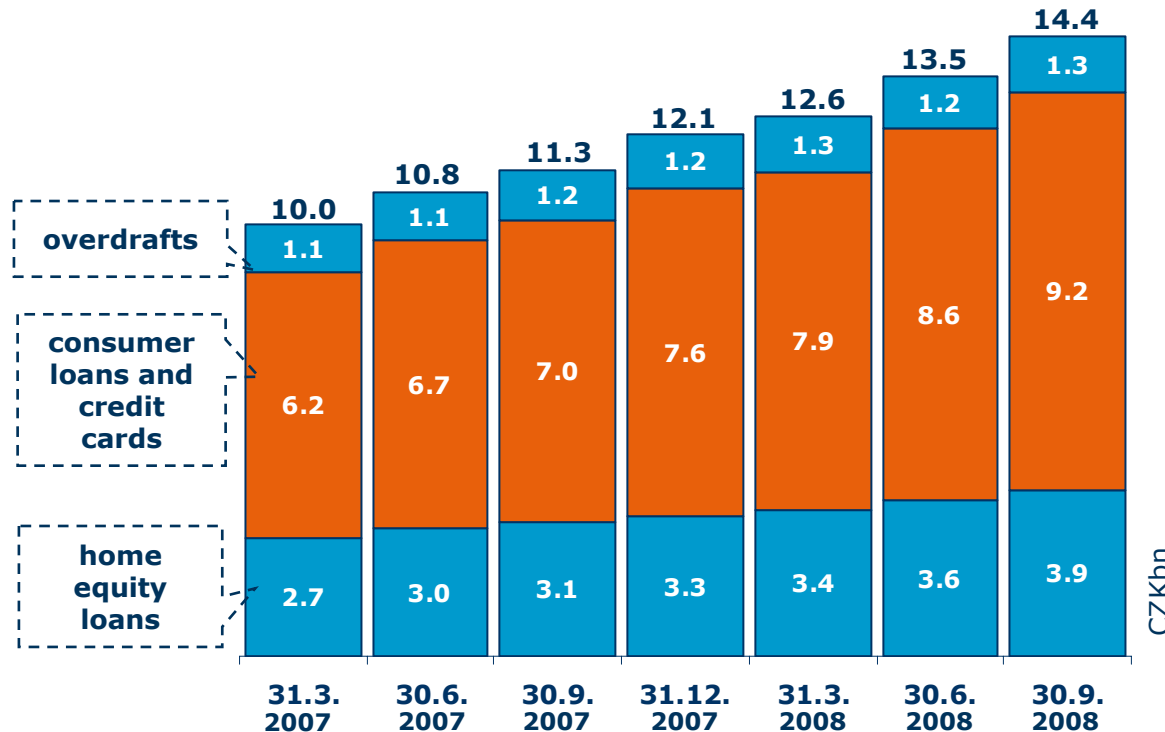
* Total Group lending (outstanding amount) = loan portfolio according to IFRS excluding reverse repo transactions, nostro and loro accounts, money market placements with banks, trade receivables and bonds classified in LAR portfolio after intercompany eliminations (ČMSS 55%).



The volume of housing loans exceeded CZK 189bn (+31% Y/Y, resp. +6% Q/Q).

Mortgages increased Y/Y by 32% and building loans by 30%.

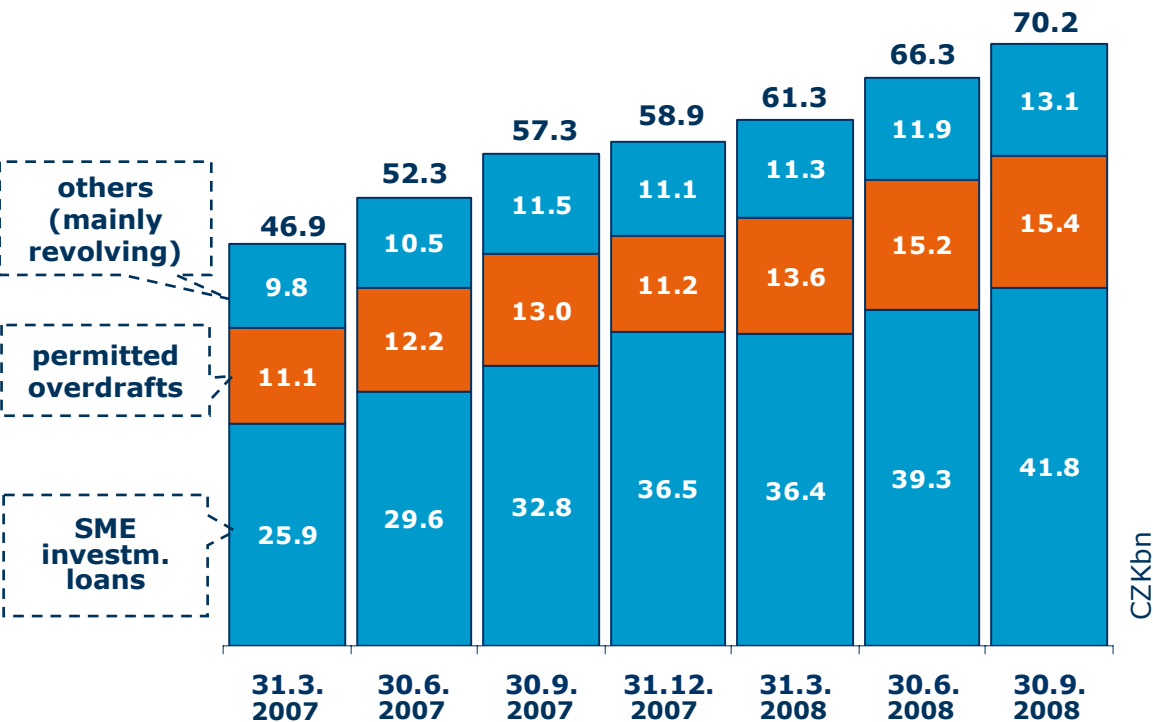
ČMSS saw historically high interest of its clients in building loans with more than 52,000 contracts totaling CZK 26.5bn (+23%).



Consumer lending, excl. Housing loans, rose by 28% Y/Y (resp. 7% Q/Q) and exceeded the amount of CZK 14bn.

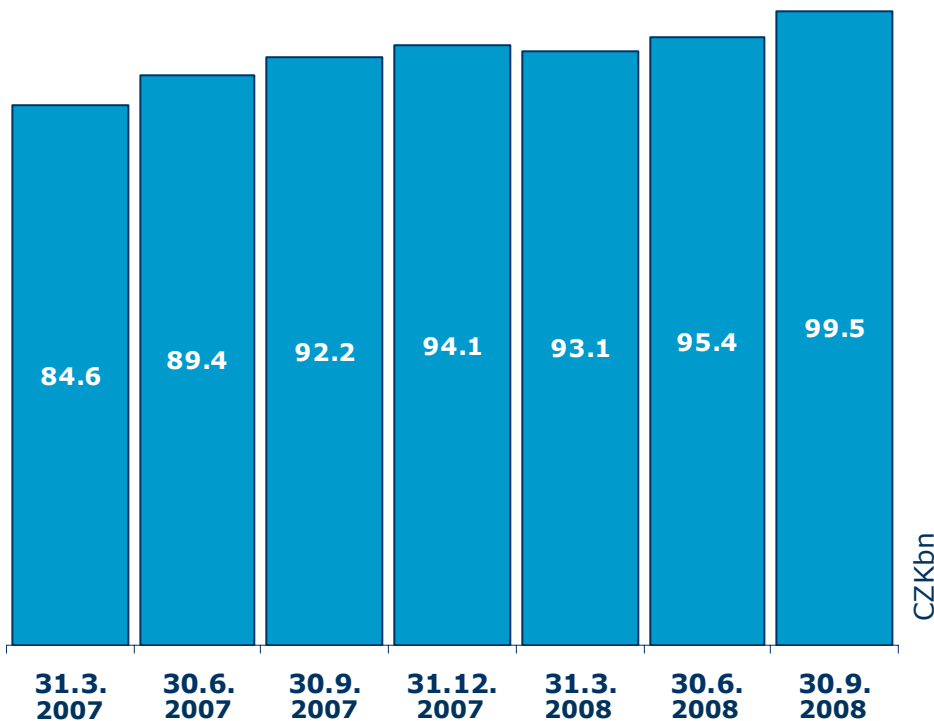
The main driver of Y/Y growth were consumer loans and credit cards with Y/Y growth of 31%.

As of 30 September 2008, ČSOB had 91.6 thousand credit cards outstanding.



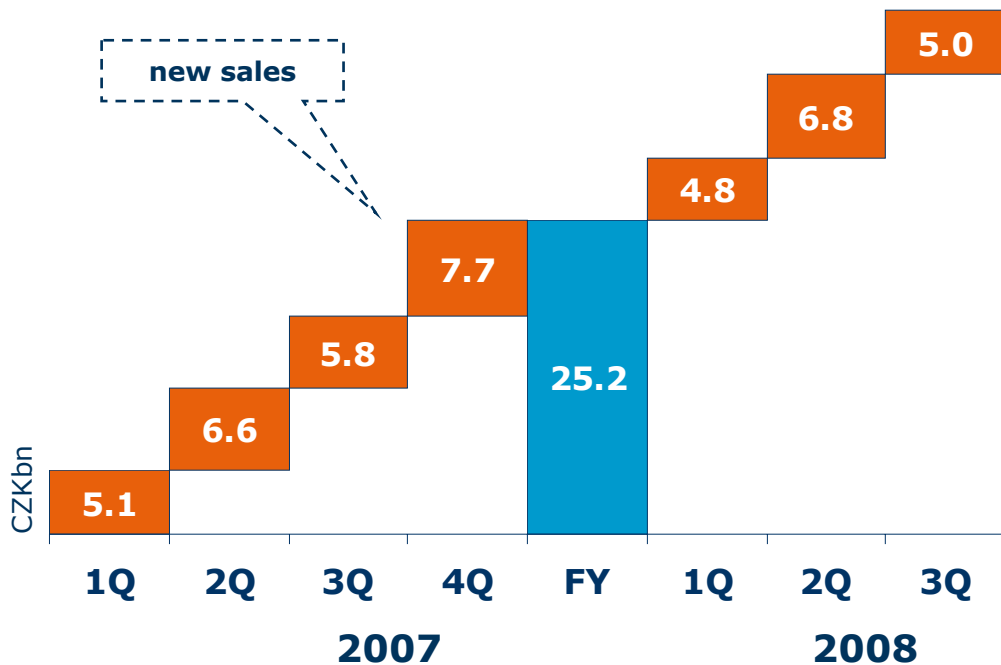
SME lending reached CZK 70.2bn and increased Y/Y by 23%.

The Y/Y increase of SME loans in 3Q 2008 was driven especially by investment loans and revolving.



The volumes of outstanding corporate loans increased Y/Y by 8% and equaled CZK 99.5bn at the end of September 2008.

ČSOB offers its corporate clients integrated financial solutions involving Corporate Bank, Structured Finance, Financial Markets etc.



In 9M 2008, new turnover equaled CZK 16.7bn. Outstanding loans and leases expanded by 10% Y/Y.

Number of leasing contracts increased by 19% Y/Y and exceeded 120,000 pieces.

Commercial vehicles have the lion's share in leasing portfolio (66%), especially due to increasing number of leasing contracts for used cars (+88% Y/Y).

Leasing contracts for machinery makes up 17% of all contracts but in the term of price of purchase it is 32%.



Total AUM and Deposits at a Glance

Clients' trust leads to increases across in all products

(CZK bn)	30/09/2007	30/09/2008	Change Y/Y
Total AUM and Deposits	649.0	714.1	+10%
Bank deposits	417.5	466.6	+12%
Building savings (ČMSS 55%)	71.2	75.6	+6%
Mutual funds and asset management*	141.4	149.7	+6%
Pension Funds	18.9	22.2	+17%

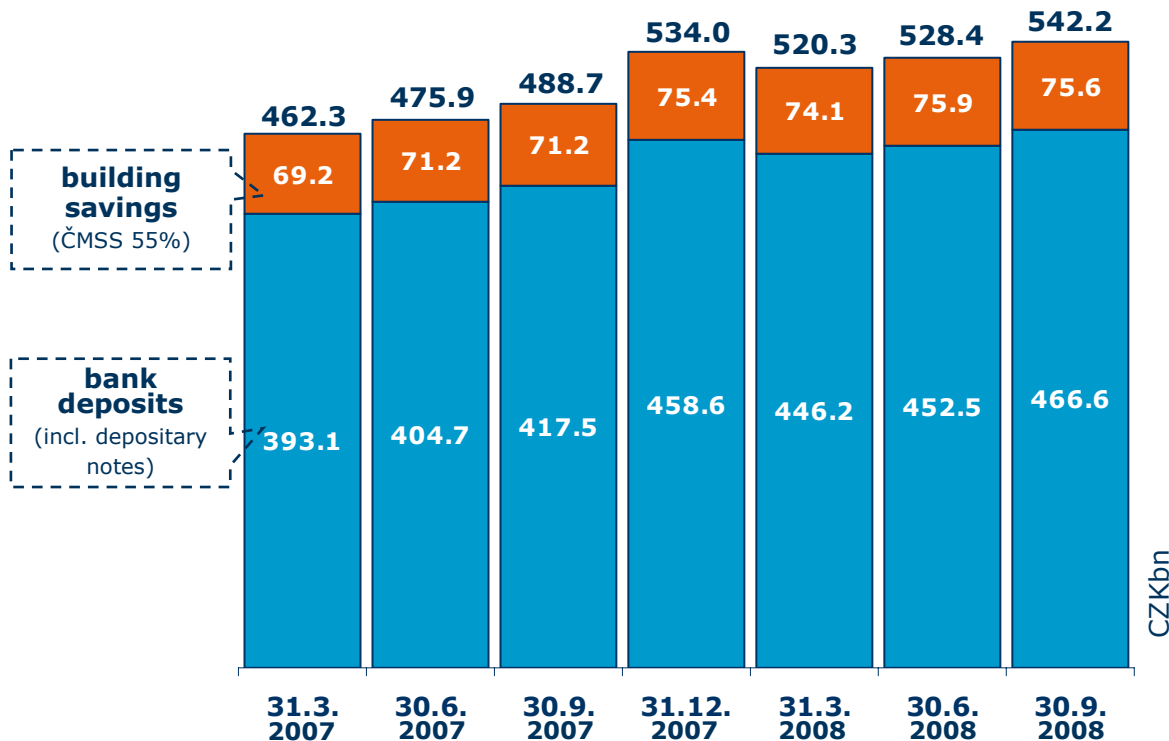
Total AUM and deposits increased by 10% Y/Y (+2% Q/Q) and reached CZK 714.1bn.

Bank deposits increased by 12% Y/Y, especially thanks to current accounts and term deposits.

As a result of the capital markets fluctuations, the Y/Y growth of AUM in mutual funds and AM remained at a single-digit level.

AUM in ČSOB PFs has reached CZK 22.2bn, i.e. 17% Y/Y increase.

Note: * Mutual funds and asset management = mutual funds (incl. institutional) + individual discretionary asset management + institutional asset management (excl. pension funds).

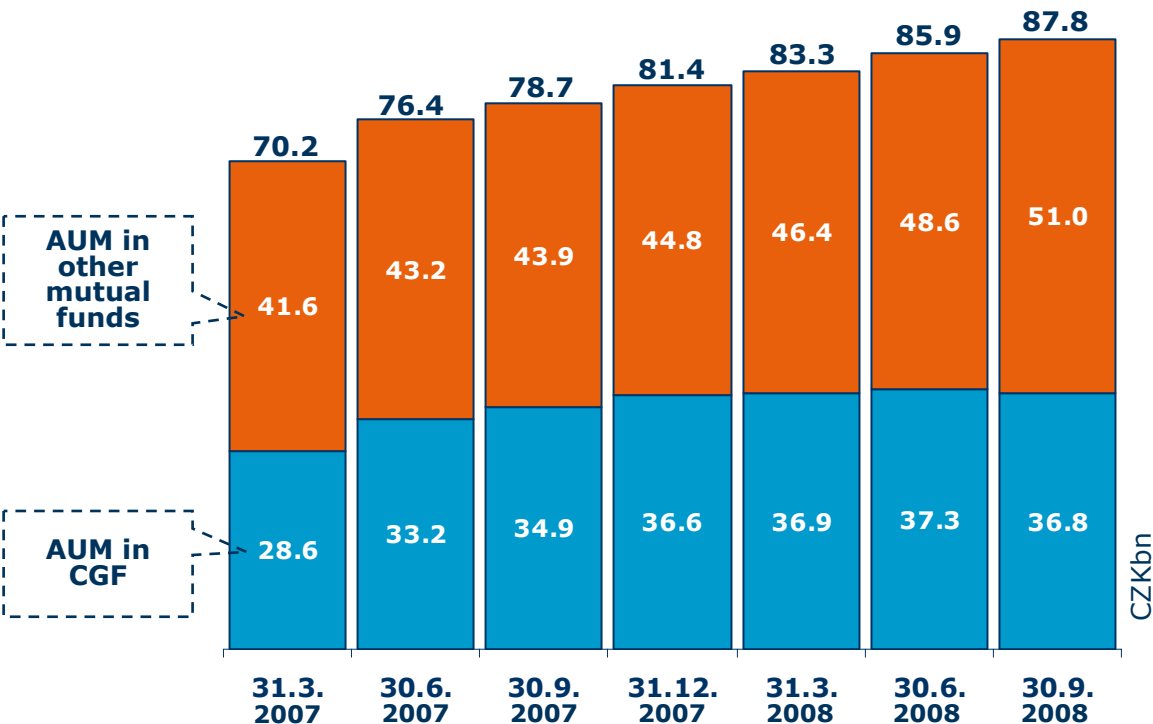


Bank deposits increased by 12% Y/Y to CZK 467bn, especially thanks to current accounts and term deposits.

During the last three months, bank deposits grew by CZK 14bn.

Total target amount of 9M 2008 saving contracts of ČMSS exceeded CZK 100bn which sets good position for further increase of both deposits and loans.

During 9M 2008, ČMSS concluded over 260,000 contracts (up 15.5% Y/Y).



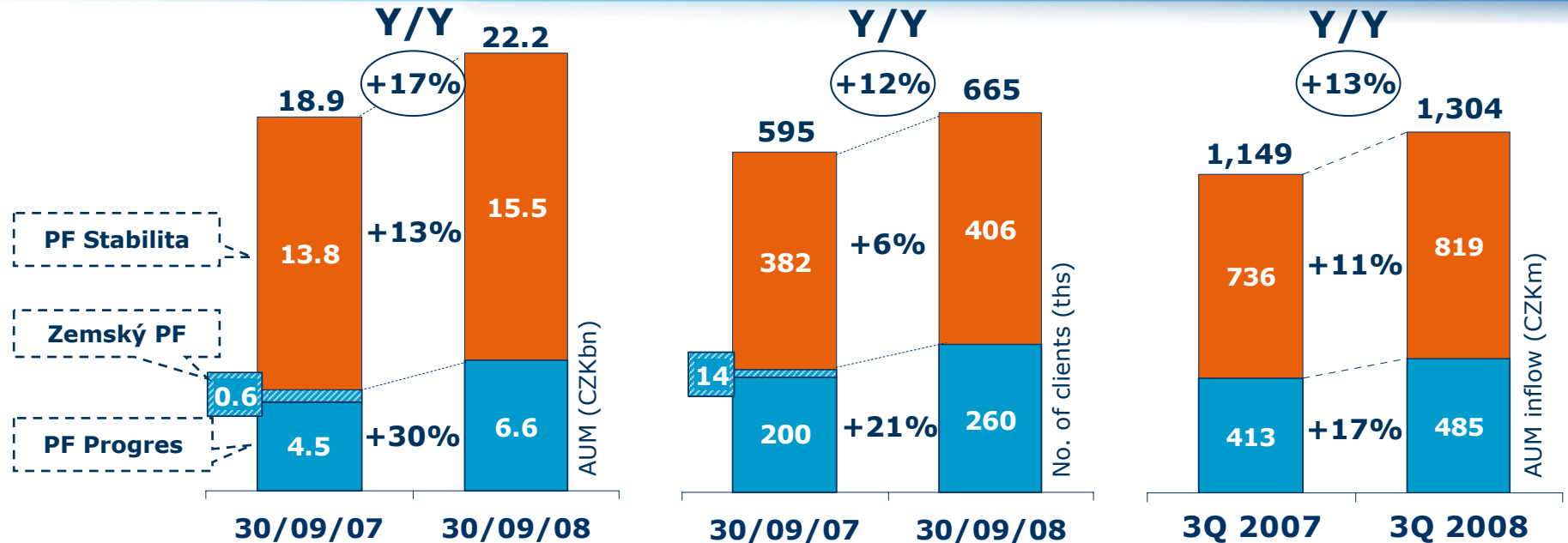
Assets in mutual funds grew by 11% Y/Y and reached CZK 87.8bn.*

CGF increased by 6% Y/Y and AUM in other mutual funds by 16% Y/Y.

In 3Q, ČSOB launched several new CGFs, e.g. ČSOB Bonus Fund 1 or ČSOB Emerging Forex 1.

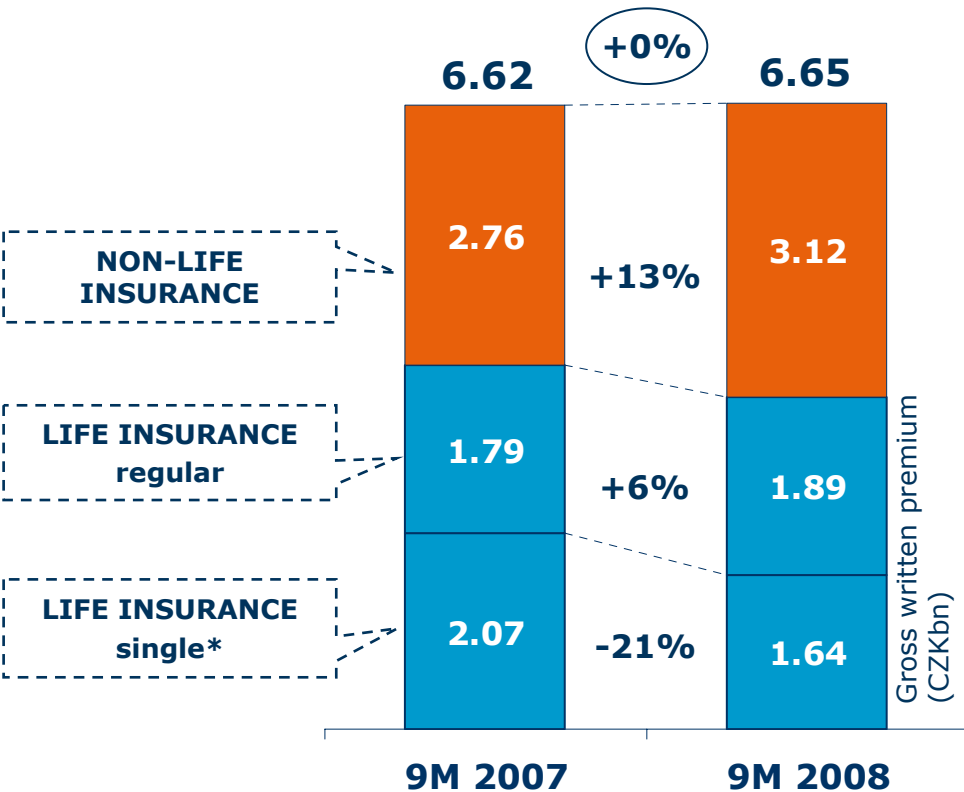
Note: * Direct position only

Pension Funds



As at 30 September 2008, ČSOB PFs had 665 thousand clients (No. 3 in the market) and the AUM has reached CZK 22.2bn, i.e. 12% and 17% Y/Y increase.

Despite the turbulences on financial markets, AUM inflow (the gross sum of all client contributions over the period) during 3Q 2008 was 13% higher compared to 3Q 2007 and ČSOB PFs strengthen their position in the market.



Non-life gross written premium increased by 13% Y/Y to CZK 3.121bn mainly thanks to Motor insurance and also seasonal effect of travel insurance.

Life gross written premium suffered indirectly from turbulences on financial markets and decreased to CZK 3.529bn (-9% Y/Y).

In September, ČSOB Pojišťovna launched new web application for administration of insurance contracts.

Note: * Incl. single paid premium connected to regularly paid policy (in line with the methodology of Czech Insurance Association).

NPLs and Provisions

IFRS, consolidated, gross figures

(CZKbn)	31/12/07	31/03/08	30/06/08	30/09/08
Total Group lending	340.64	351.53	375.07	387.20
- of which, NPLs	5.47	5.78	6.96	7.81
Total provisions	5.55	5.63	5.64	6.20
NPLs / total loans	1.61%	1.64%	1.86%	2.02%
Coverage of NPLs by provisions	101.6%	97.4%	80.9%	79.3%
Loan-Loss Ratio	0.18%	0.27%	0.24%	0.36%*

The increase of NPLs during the year 2008 is purely due to few corporate clients. Delinquency on the retail portfolio, including mortgages and other housing loans, remained unchanged during the year.

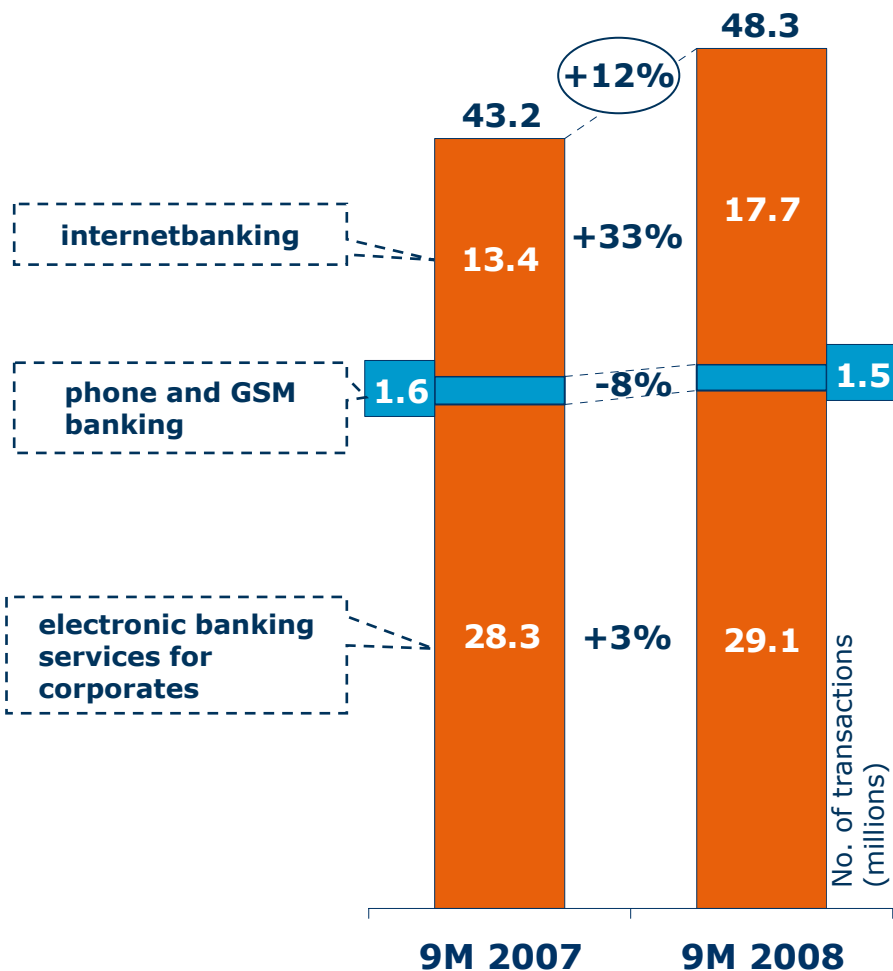
Note:

NPL (non-performing loans) = loans for which principal repayments or interest payments are more than 90 days overdue.

*) LLR figure as of 30/09/08 excludes Lehman Brothers exposure write-down. Including the write-down, LLR is 0.45%.

Electronic channels

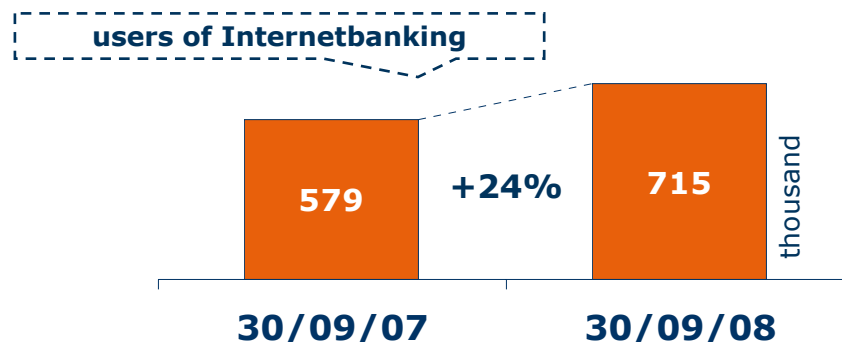
Internet banking transactions grew by one third



Since 1 January 2008, ČSOB and PSB clients entered over 48 million transactions through direct channels (+12% Y/Y). This constitutes 83% of all payment orders proceeded via ČSOB and PSB.

Total number of direct channels' clients increased by 15% Y/Y.

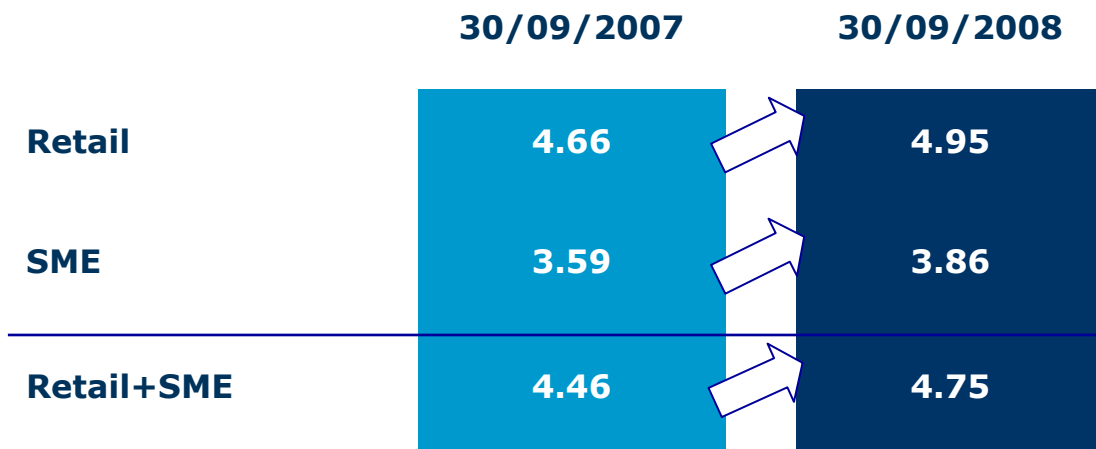
Since August, ČSOB and PSB's clients have possibility to change their PIN through ATMs.



Penetration Ratios

Increasing number of products per customer

Our multi-channel distribution and cross-selling activities are instrumental in further increasing the penetration ratios.



Total number of products sold per customers increased in Retail as well as in SME segments by 29 bps and 27 bps respectively.

Note:

There is no standard methodology in calculating penetration ratios. Thus the figures reported above can be compared only in time, not across banks.

		2006	2007	2008	
GDP	change, %	6.8	6.6	4.3	e
Industrial production	change, %	11.2	9.0	4.7	e
Construction output	change, %	6.6	6.7	2.5	e
Retail sales	change, %	6.5	7.5	2.1	e
Rate of unemployment (ILO)	average, %	7.1	5.3	4.5	e
Inflation (CPI)	average, %	2.5	2.8	6.6	e
Current account	% of GDP	-2.6	-1.8	-2.6	e
General government balance	% of GDP	-2.7	-1.0	-2.3	e
Public debt	% of GDP	29.6	28.9	29.1	e
CZK/EUR	average	28.34	27.76	24.85	e
CZK/USD	average	22.61	20.31	16.90	e
PRIBOR 3M	average, %	2.30	3.09	4.00	e
ČNB 2W repo rate	eop, %	2.50	3.50	3.25	e

Note: e = ČSOB's estimate

Source: Czech Statistical Office, Czech National Bank



- **Express protocol – web application for building progress documentation**



- **New CGFs – HORIZON ČSOB Bonus Fund 1**
 - HORIZON ČSOB Emerging Forex 1
 - etc.



- **Possibility of PIN change through ATM**



- **Payment order with Maxkarta through ATM**



- **Mortgage Express – new household insurance within a mortgage**



- **Account Online – web application for administration of insurance contracts**

Definitions

Glossary of financials ratios used

ROAC (return on allocated capital)	net profit, including minority interests, of a business unit, corrected for income on allocated instead of real equity / average allocated equity to business unit (in line with the KBC policy)
C/I (Cost/Income Ratio)	operating expenses / operating income
Loan/Deposit Ratio	Total Group lending / (bank deposits + building savings)
NIM (net interest margin)	net interest income / average interest earning assets (lines 2-4,6, 7,9 in p. 15; 2006 values are estimates only)
CAD (capital adequacy ratio)	according to prudential reports of ČNB - Basel II (since 1 July 2007)
Tier I ratio	(Tier 1 capital – 0,5*deductions) / (total capital requirement / 0.08)
NPL (non-performing loans)	outstanding amount of non-performing loans / total outstanding loan portfolio
LLR (Loan-Loss Ratio)	total credit costs / granted loan portfolio



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