



1H 2008 Results

ČSOB Group

Czech Republic

IFRS Unaudited Consolidated
8 August 2008, Prague



Contents

1H 2008 Financial Results

Highlights

Reported financial results

Underlying financial results

1H 2008 Business Results

Market shares

Loans

AUM and deposits

Insurance

Other Information



ČSOB Group financial results

As reported under IFRS, consolidated, unaudited

- ČSOB Group CZ recorded a net profit of CZK 5,516m in 1H 2008, i.e. a Y/Y increase of 3%. The 2Q 2008 net profit was CZK 2.99bn.
- Net interest income, NII, showed a strong growth of 17%.
- Net fee and commission income, NFCl, was slightly up by 1%.
- Net trading income, NTI, was negative due to CDO revaluation.
- All in all, the operating income grew by 5%.
- Operating expenses increased by 6%.
- Underlying results (excl. CDO revaluation): net profit up 22%, operating income up 14%, the cost/income ratio down to 45.4%.

Profit and Loss Statement

(CZK m)

	6M 2007 pro forma excl. SK	6M 2008	Y/Y
<i>Interest income</i>	14 415	18 544	29%
<i>Interest expense</i>	-5 513	-8 093	47%
Net interest income	8 902	10 450	17%
Net fee and commission income	3 286	3 319	1%
Net gains from fin. instruments at fair value through P/L	1 093	-312	-129%
Net realised gains on available-for-sale fin. assets, Dividend income, Other net income	337	797	137%
Operating income	13 618	14 255	5%
Staff expenses	-3 010	-3 336	11%
General administrative expenses	-3 262	-3 203	-2%
Depreciation and amortisation	-584	-689	18%
Provisions	204	153	-25%
Operating expenses	-6 651	-7 075	6%
Impairment losses	-194	-604	210%
Share of profit of associates	89	21	-76%
Profit before tax	6 861	6 598	-4%
Income tax expense	-1 454	-1 033	-29%
Profit for the period	5 407	5 565	3%
Attributable to:			
Equity holders of the parent	5 361	5 516	3%
Minority interest	46	49	7%

Balance Sheet (Assets)

(CZK m)	31/12/2007 pro forma excl. SK	30/06/2008	Ytd. change
Cash and balances with central banks	29 563	45 704	55%
Financial assets held for trading	147 656	247 024	67%
Financial assets designated at fair value through P/L	24 153	23 553	-2%
Available-for-sale financial assets	77 477	83 033	7%
Loans and receivables - net	355 367	380 524	7%
<i>Loans and receivables (credit institutions - gross)</i>	14 926	15 583	4%
<i>Loans and receivables (excl. credit institutions - gross)</i>	345 994	370 578	7%
<i>Loans and receivables (provisions)</i>	-5 554	-5 637	2%
Held-to-maturity investments	110 361	105 442	-4%
Derivatives used for hedging	5 587	9 677	73%
Accrued interest income	7 263	7 480	3%
Current tax assets	686	787	15%
Deferred tax assets	638	784	23%
Investments in associates	703	724	3%
Investment property	875	857	-2%
Property and equipment	10 135	10 301	2%
Goodwill and other intangible assets	4 642	4 748	2%
Non-current assets held-for-sale	27	211	682%
Other assets	7 766	8 063	4%
Total assets	782 898	928 912	19%

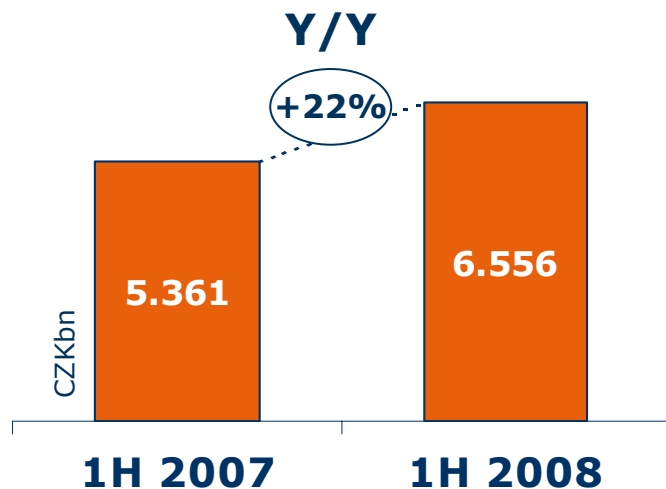


Balance Sheet (Liabilities and Equity)

(CZK m)	31/12/2007 pro forma excl. SK	30/06/2008	Ytd. change
Financial liabilities held for trading	12 602	17 333	38%
Financial liabilities at fair value through P/L	75 878	217 641	187%
Financial liabilities at amortised cost	615 964	608 080	-1%
<i>Deposits received from credit institutions</i>	49 573	37 133	-25%
<i>Deposits received from other than credit institutions</i>	513 102	514 620	0%
<i>Debt securities in issue</i>	41 128	44 363	8%
<i>Subordinated liabilities</i>	12 161	11 963	-2%
Derivatives used for hedging	1 385	982	-29%
Accrued interest expenses	1 391	2 967	113%
Current tax liabilities	98	115	17%
Deferred tax liabilities	365	525	44%
Provisions	1 061	872	-18%
Other liabilities	18 709	22 867	22%
Total liabilities	727 453	871 381	20%
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	23 693	-2%
Available-for-sale reserve	-344	1 706	-597%
Cash flow hedge reserve	-649	-449	-31%
Foreign currency translation reserve	-133	-197	48%
Parent shareholders' equity	55 109	56 804	3%
Minority interests	336	727	116%
Total equity	55 445	57 531	4%
Total liabilities and equity	782 898	928 912	19%

Underlying financial results at a glance

Cost/income down to a record low of 45.4%



Notes:

To arrive from the reported to the underlying figures, the CDO revaluation of CZK 1.316bn has to be excluded from the Net trading income. ČSOB marks its CDO portfolio to market although it intends to keep all the securities to maturity.

All 2007 figures in this presentation exclude the Slovak operations to have a relevant basis for a Y/Y comparison.

Unless stated otherwise, the following slides show the underlying figures, i.e. excluding CDO revaluation.

Continuing healthy condition of Czech economy and favorable interest rate environment are the base for strong underlying results in 1H 2008.

The underlying C/I ratio for 1H 2008 decreased by 3.4pp Y/Y to 45.4%.

The decrease of NIM is caused by increase of Financial assets held for trading.

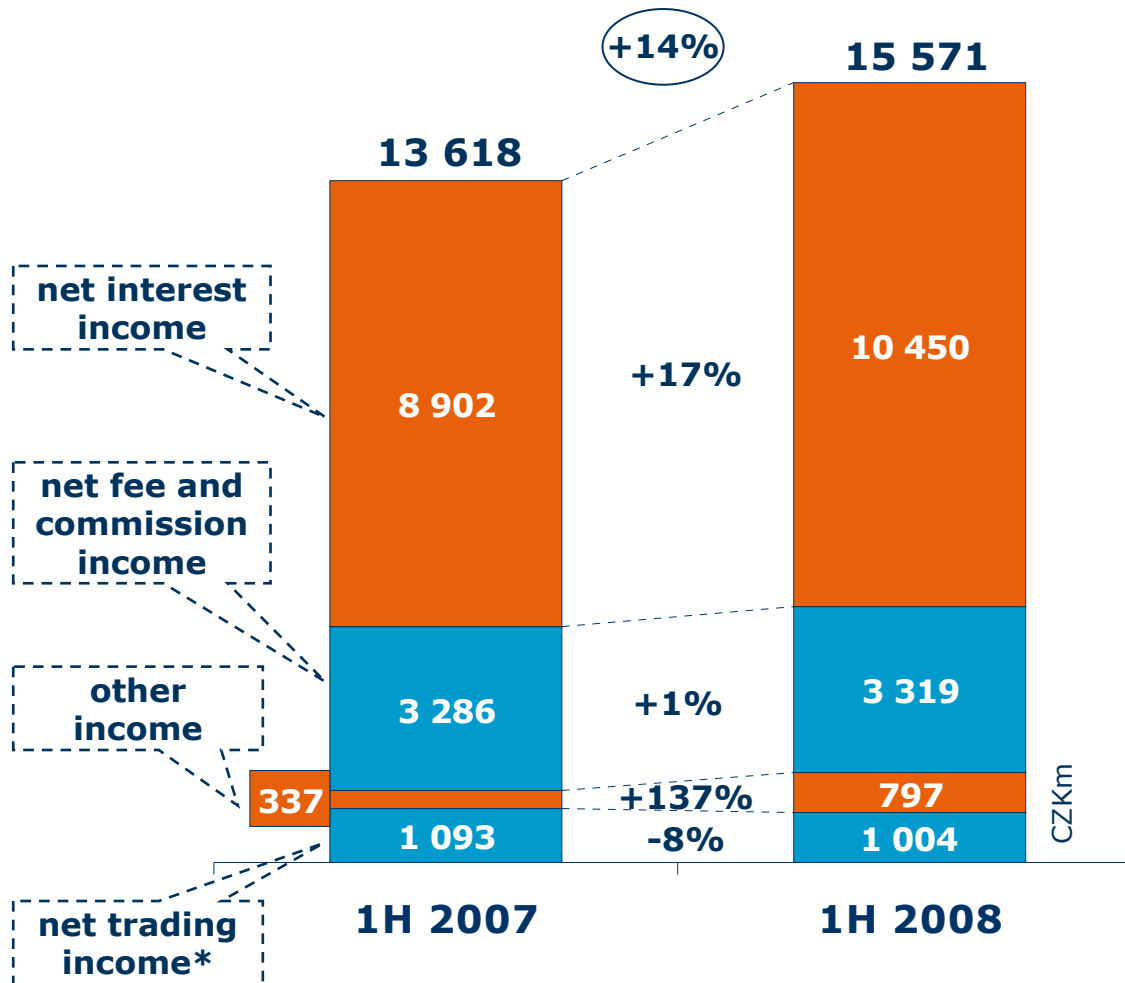
Financial ratios	1H 2007 reclass.	1H 2008
C/I Ratio	48.8%	45.4%
L/D Ratio*	64.1%	71.0%
NIM	2.76%	2.69%
ROAC	41.5%	33.5%
CAD Bank*	---	8.54%

Basel II

Note: * Level at the end of period

Operating Income

NII grew together with loans and deposits



Underlying operating income increased from CZK 13,618m to CZK 15,571m (14%) Y/Y.

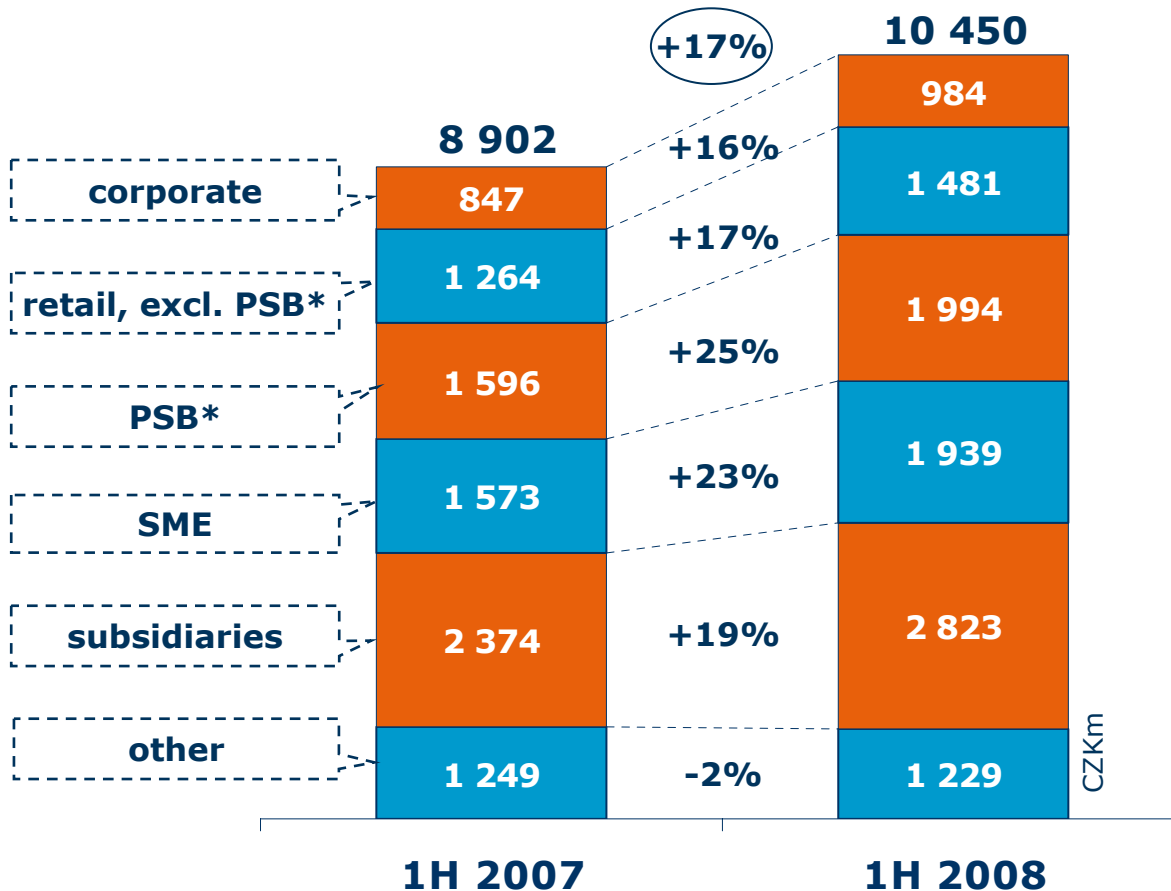
NII was the main contributor, driven by strong volumes at both asset and liability sides.

NFCI remained stable. Lower sales fees from mutual funds were offset by increasing volumes and number of transactions.

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

Net Interest Income

Balanced growth across the whole Group continues



Net interest income increased by CZK 1,548m (+17%) Y/Y.

ČSOB Group grew strongly across all segments.

In SME segment, the Y/Y positive variance was driven by commercial loans; in PSB, the increase resulted from deposits.

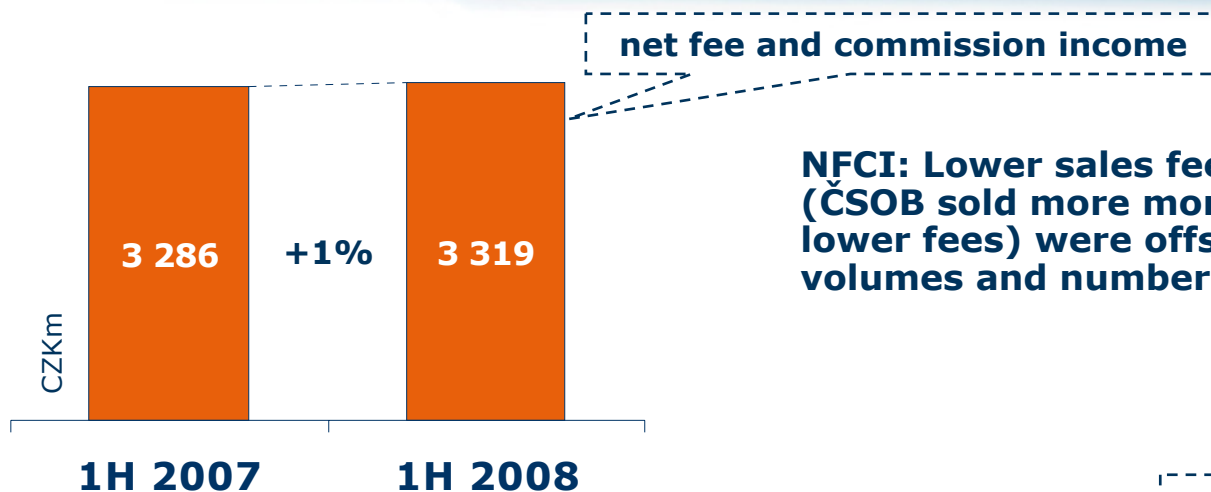
ČMSS contributed to NII especially as the outstanding volumes of building and bridging loans were significantly higher Y/Y.

Note:

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

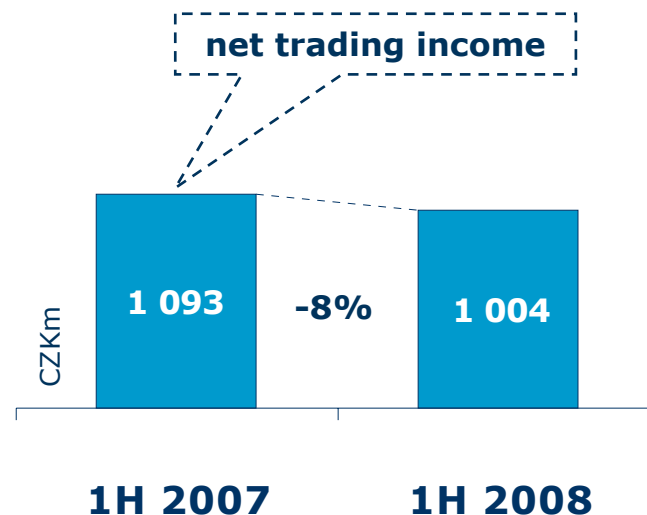
Non-Interest Income

The underlying total slightly down 1%



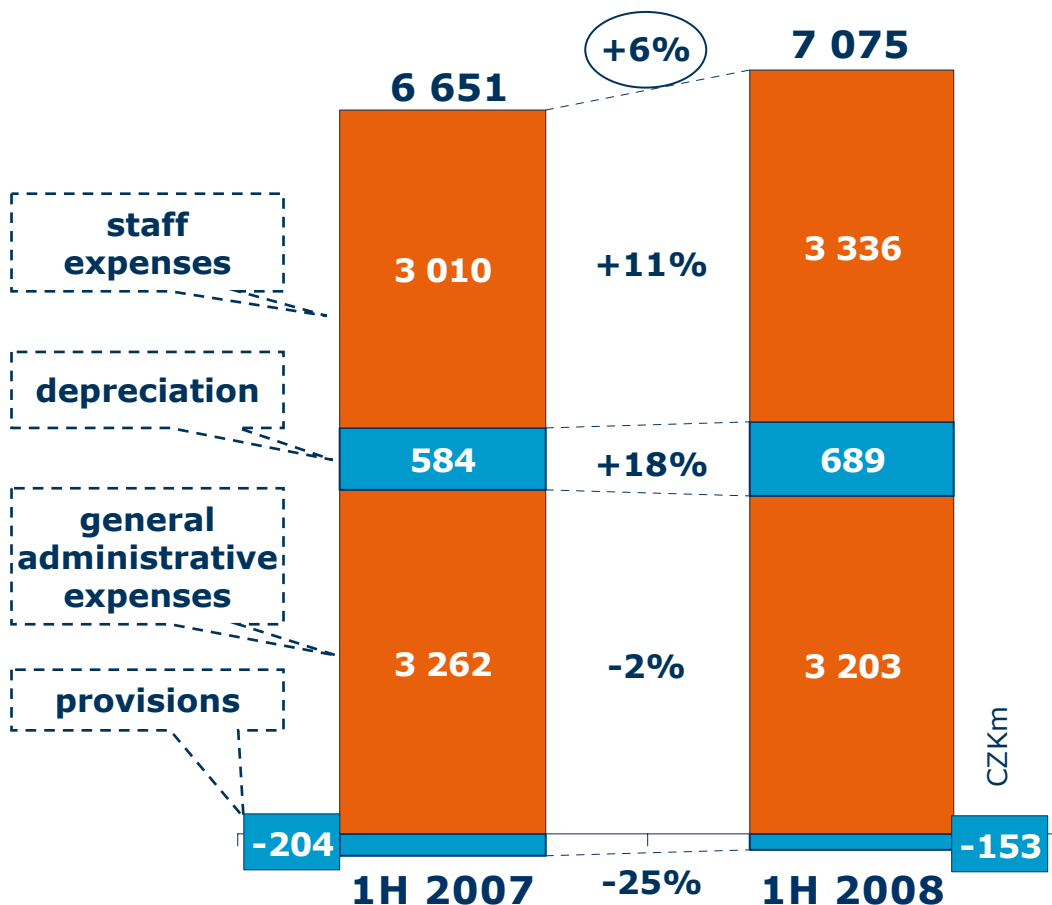
NFCI: Lower sales fee from mutual funds (ČSOB sold more money market funds with lower fees) were offset by increasing volumes and number of transactions.

NTI: The situation on financial markets remains difficult. However, the main driver of the 8% decrease has been the continuing shift in trading strategy with an increased emphasis on interest income (within the mix of trading and interest income).



Operating Expenses

Rise of 6% driven by staff expenses



Operating expenses increased from CZK 6,651m to CZK 7,075m.

Staff expenses in 1H 2008 increased due to higher number of employees and higher basic salaries and bonuses.

The decrease of GAE in 1H 2008 is due to a high comparison base: ČSOB moved to the new headquarters (one-time costs occurred) and had to run parallel offices in 1H 2007.

IT technology was the main contributor to the depreciation increase.



ČSOB Group's Market Shares

Maintaining leading positions in the Czech financial market

	Total AUM¹	24.9% ↗	
	Building Loans¹	43.9% ↘	
	Building Savings¹	35.4% ↗	
	Housing Loans¹	31.5% ↗	
	Bank Deposits¹	24.5% ↗	
Total Loans+Leases¹	19.8% ↗	Factoring²	20.4% ↘
Mutual Funds³	30.4% ↗	Leasing²	15.7% ↗
Mortgages¹	24.6% ↗		

Insurance	MS	Rank
Life ²	8.5% ↘	5
Non-Life ²	4.9% ↗	5

Pension funds⁴	15.5% ↗
Corp/SME Loans¹	15.5% ↗
Consumer Loans¹	13.5% ↗

2.

1.

3.

Notes: Arrows show Y/Y change. Market shares **as of 31/03/08**

¹ Market share according to outstanding volume at the given date

² Market share according to volume of new business in the three 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 at a Glance

Strong dynamics on the asset side continues

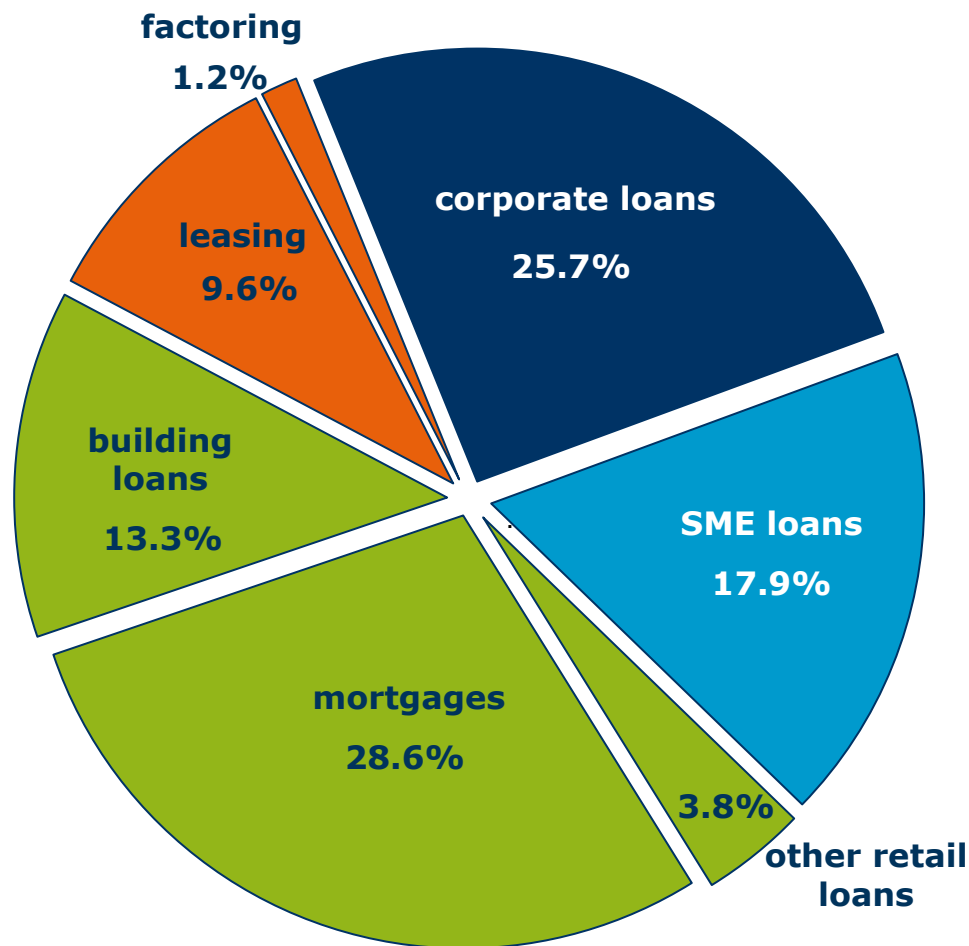
(CZK bn)	30/06/2007	30/06/2008	Change Y/Y
Total Group lending*	304.9	375.1	+23%
Retail - Housing loans	133.7	178.2	+33%
- of which: mortgages (HB+ČSOB+PSB)	64.8	88.8	+30%
- of which: building loans (ČMSS 100%)	68.9	89.4	+37%
Retail - Consumer lending	10.8	13.5	+25%
SME loans	52.3	66.3	+27%
Corporate loans Bank	89.4	95.4	+7%
Leasing	31.2	35.6	+14%
Quality of loan portfolio remained on a very high level			
NPL / Total Group lending		1.86%	

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%).

Total Group Lending

ČSOB Group's loan composition



Mortgages = residential mortgages to individuals booked in Hypoteční Banka.

Building loans = real estate-related loans to individuals booked in the ČMSS building society*

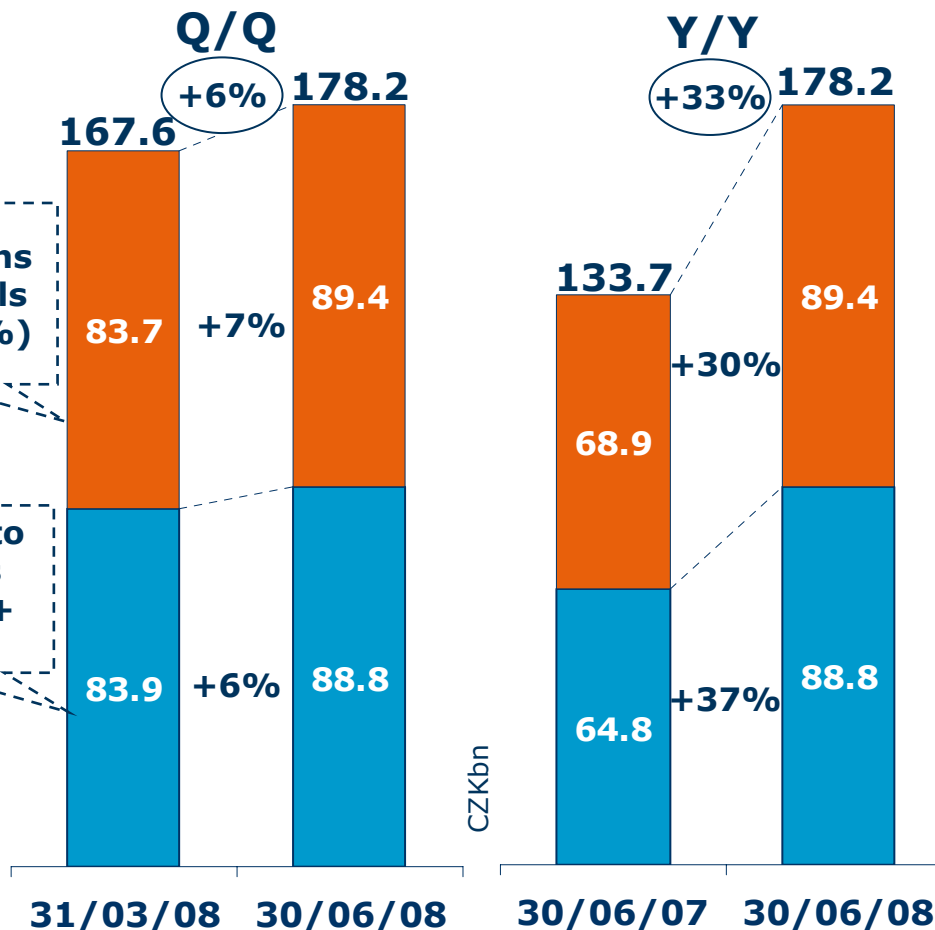
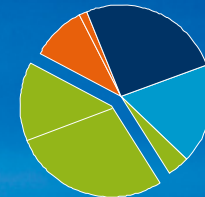
Other retail loans = loans to individuals excl. Mortgages and building loans (provided under ČSOB and PSB brands)

SME loans = loans to businesses under CZK 300m of annual turnover (ČSOB and PSB brands)

Corporate loans = loans to businesses above CZK 300m of annual turnover (ČSOB)

Leasing and factoring = booked in ČSOB Leasing and ČSOB Factoring

Note: * ČMSS consolidated proportionally by 55%

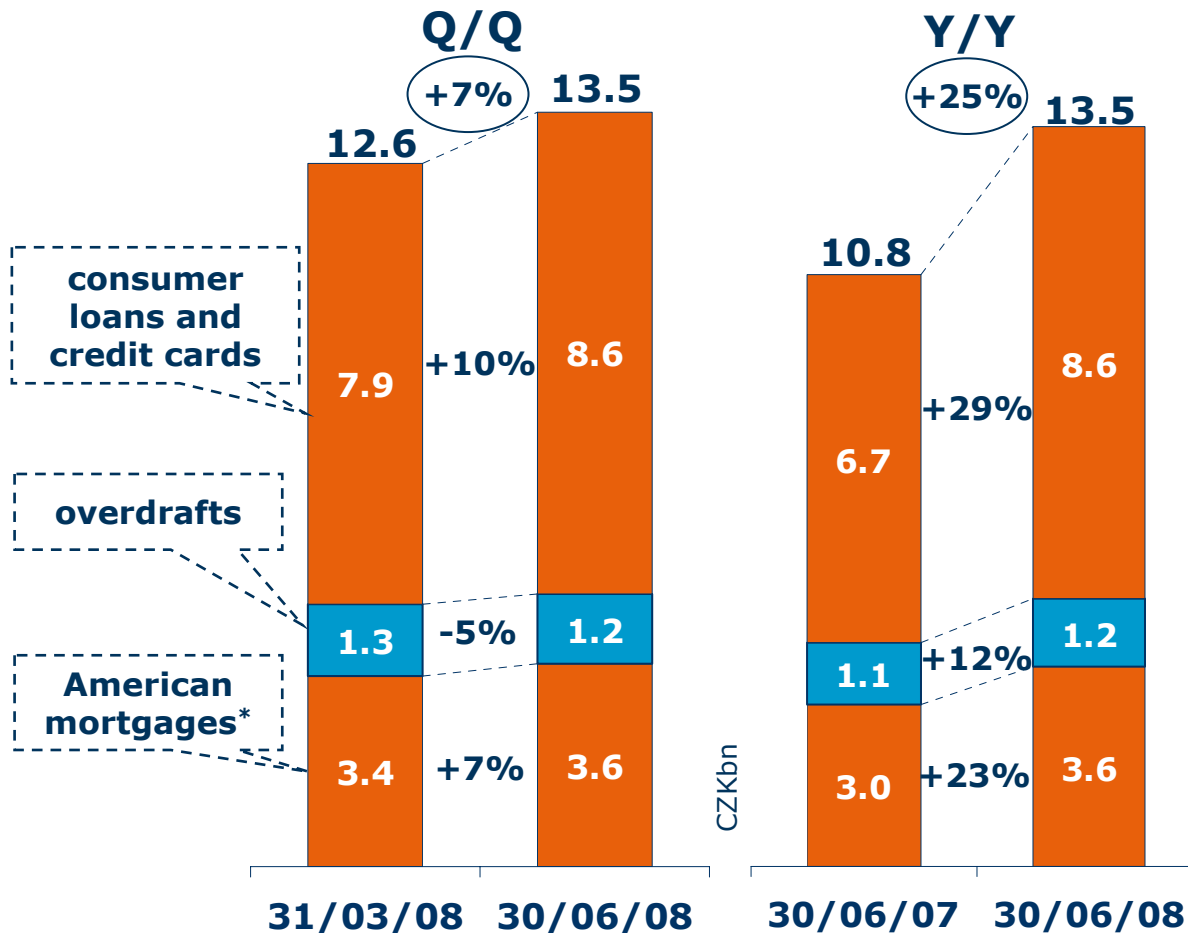


The volume of housing loans exceeded CZK 178bn.

New sales of mortgages reached in 1H 2008 CZK 19.6bn. Average mortgage loan was CZK 1.839m. Total number of clients exceeded 100,000 in June 2008.

All mortgages provided by the ČSOB are denominated in CZK and thus there are no FX risks.

New sales of building loans reached almost CZK 17bn in 1H 2008 (+23%). ČMSS maintains its No. 1 position in building loans with market share of 43.9% (as of 31 March 2008)

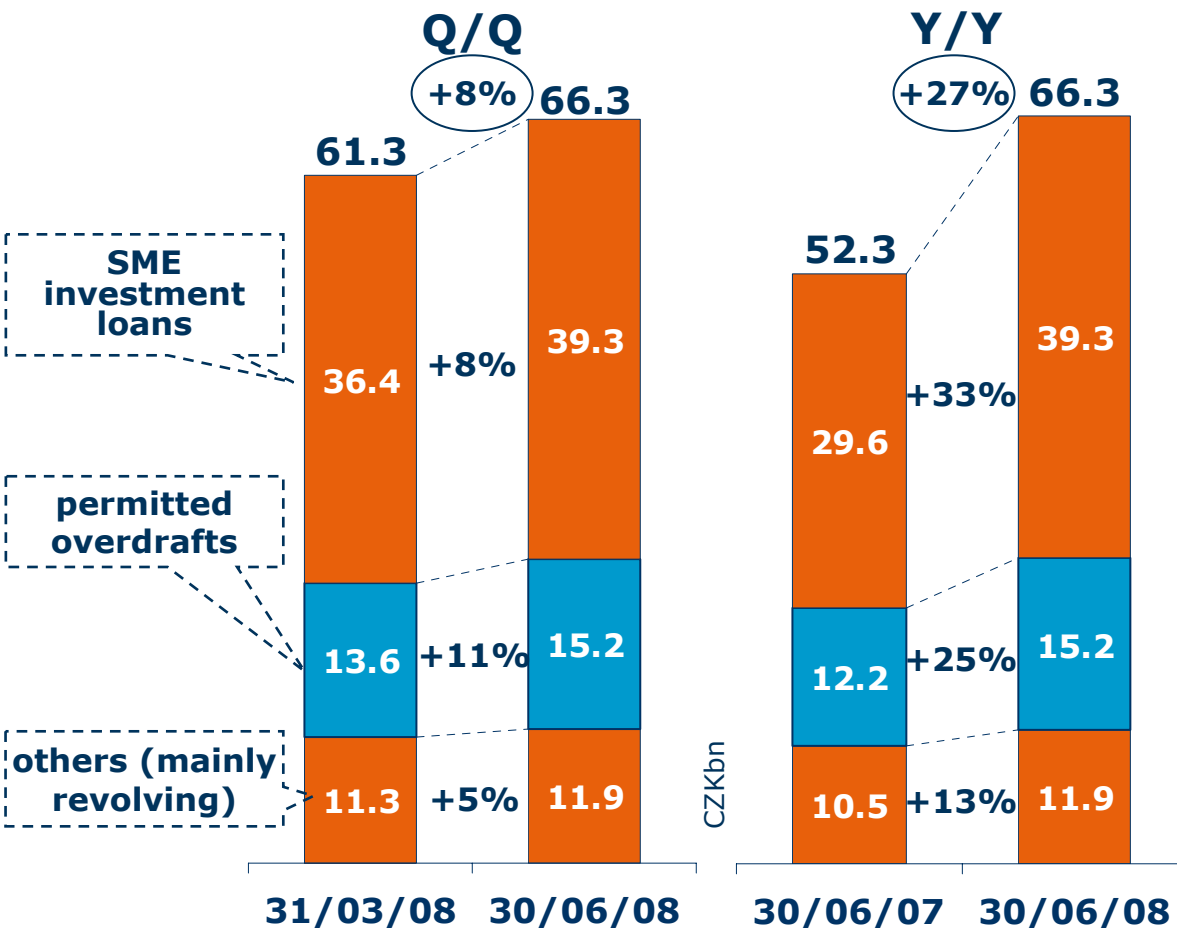


Consumer lending, excl. Housing loans, rose by 25% Y/Y and exceeded the amount of CZK 13.5bn.

As of 30 June 2008, ČSOB issued 84.4 thousand credit cards.

In 2Q 2008, PSB introduced FLEXI card – a consumer loan granted through a card.

To make the view on total retail sector exposure, one has to add housing loans (i.e. mortgages and building loans) and about 16% of the leasing exposure to these figures.



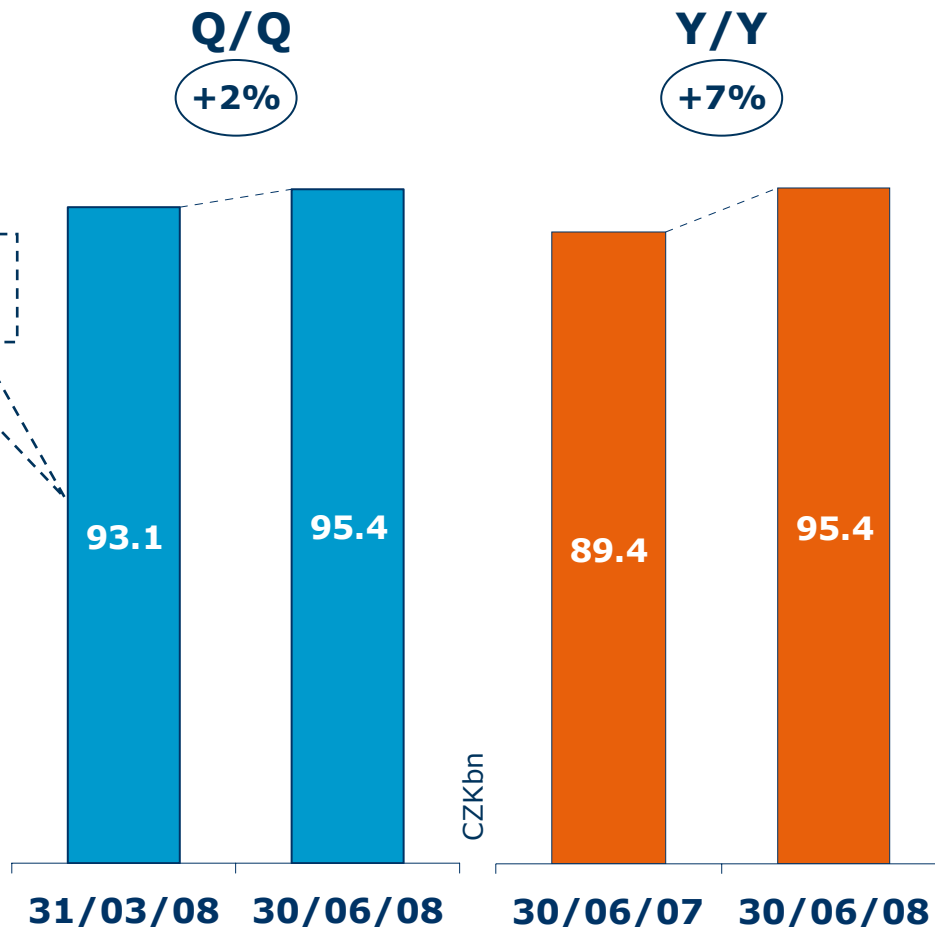
SME lending reached CZK 66.3bn and increased Y/Y by 27%.

The Y/Y increase of SME loans accelerated in 2Q 2008, driven especially by investment loans and permitted overdrafts.

In 2Q 2008, ČSOB launched Credit Flow SME, i.e. it simplified its credit process for SMEs. PSB introduced USD Account for Entrepreneurs and new service "Subsidy advisory".

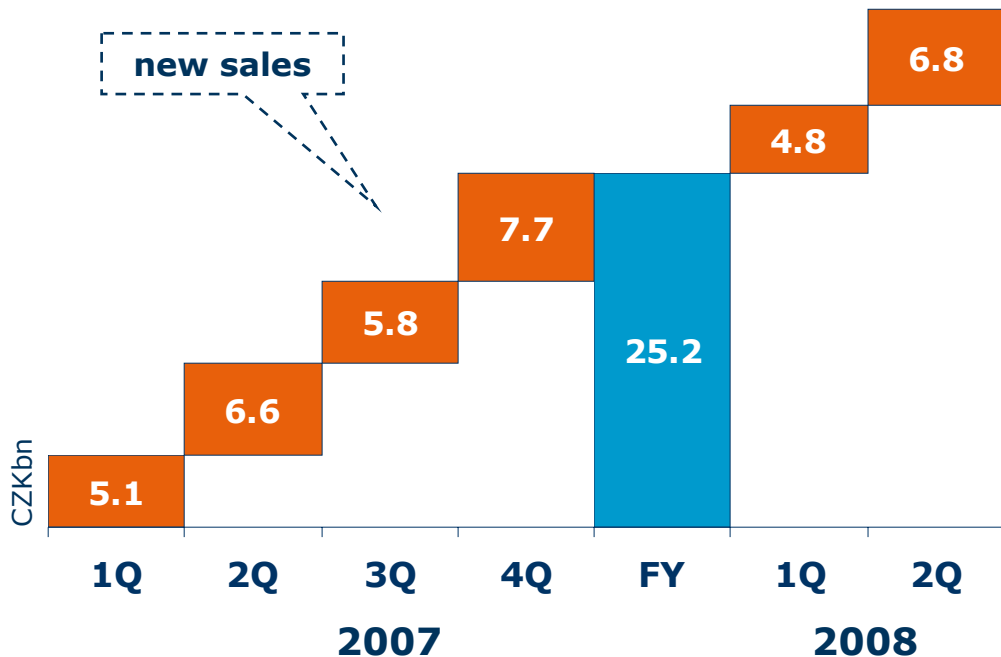
Corporate Lending

ČSOB remains a key player in the corporate segment



The volumes of outstanding corporate loans increased Y/Y by 7% and equaled CZK 95.4bn at the end of 1H 2008.

ČSOB offers its corporate clients integrated financial solutions involving Corporate Bank, Structured Finance, Patria (securities brokerage and corporate finance), Private Bank, Financial Markets and KBC Private Equity.



In 1H 2008, new turnover equaled CZK 11.7bn. Outstanding loans and leases expanded by 14% Y/Y.

In 1H 2008, ČSOB Leasing launched several new products and services, e.g. Comeback Loan or new brand for operative leasing ČSOB Autolease.

ČSOB Leasing's products "EUROleasing 2007", "Full Service Leasing" and "Free satellite security" were awarded by silver medals in Zlatá Koruna 2008 contest. For the sixth time in a row, ČSOB Leasing ranked No. 1 in the Support Financial Institutions category of Czech Top 100.

Total AUM and Deposits at a Glance

Clients' trust leads to increases across in all products

(CZK bn)	30/06/2007	30/06/2008	Change Y/Y
Total AUM and Deposits	630.8	697.1	+11%
Bank deposits	404.7	452.5	+12%
Building savings	71.2	75.9	+7%
Mutual funds and asset management*	136.7	147.2	+8%
Pension Funds	18.2	21.5	+18%

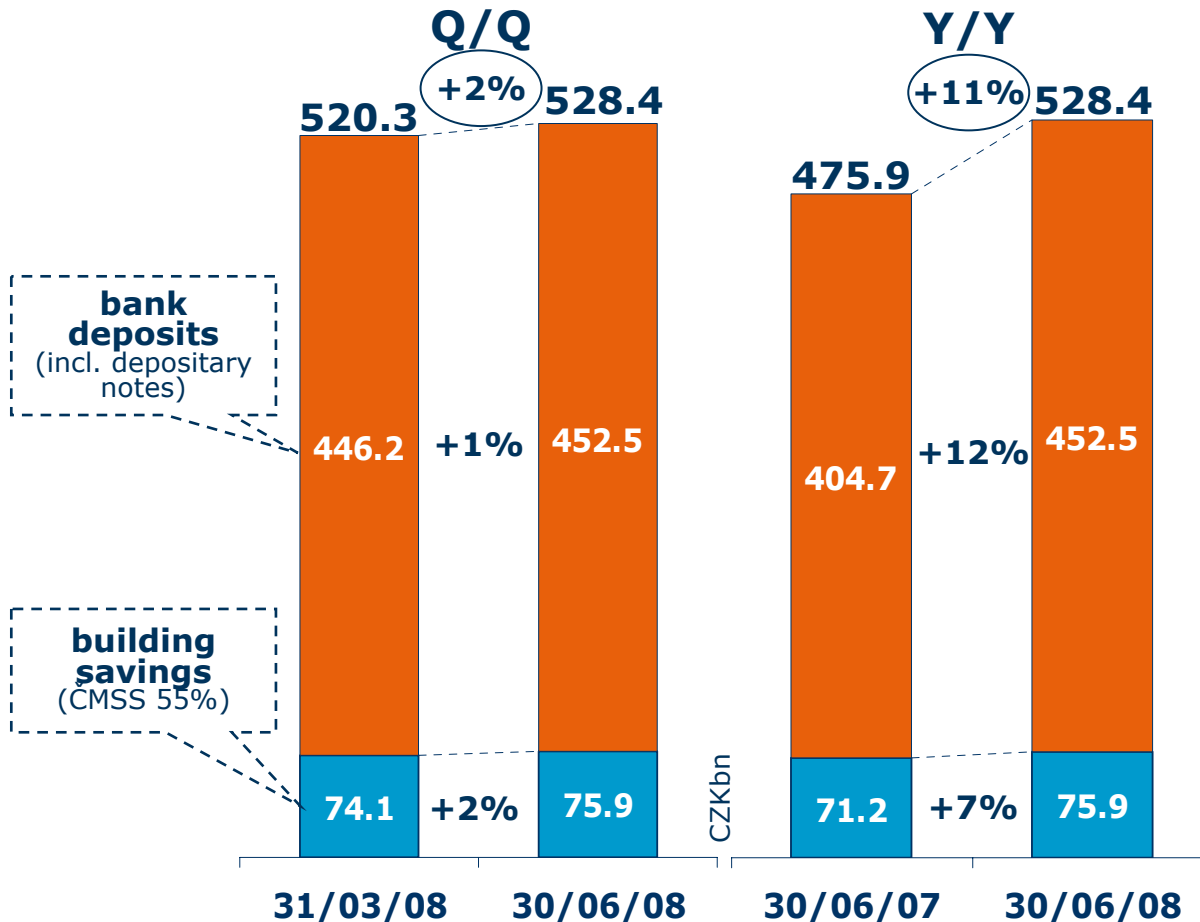
Bank deposits increased by 12% Y/Y, especially thanks to current accounts and term deposits.

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.

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

Bank Deposits and Building Savings

Deposits inflow increased Y/Y at a double-digit rate

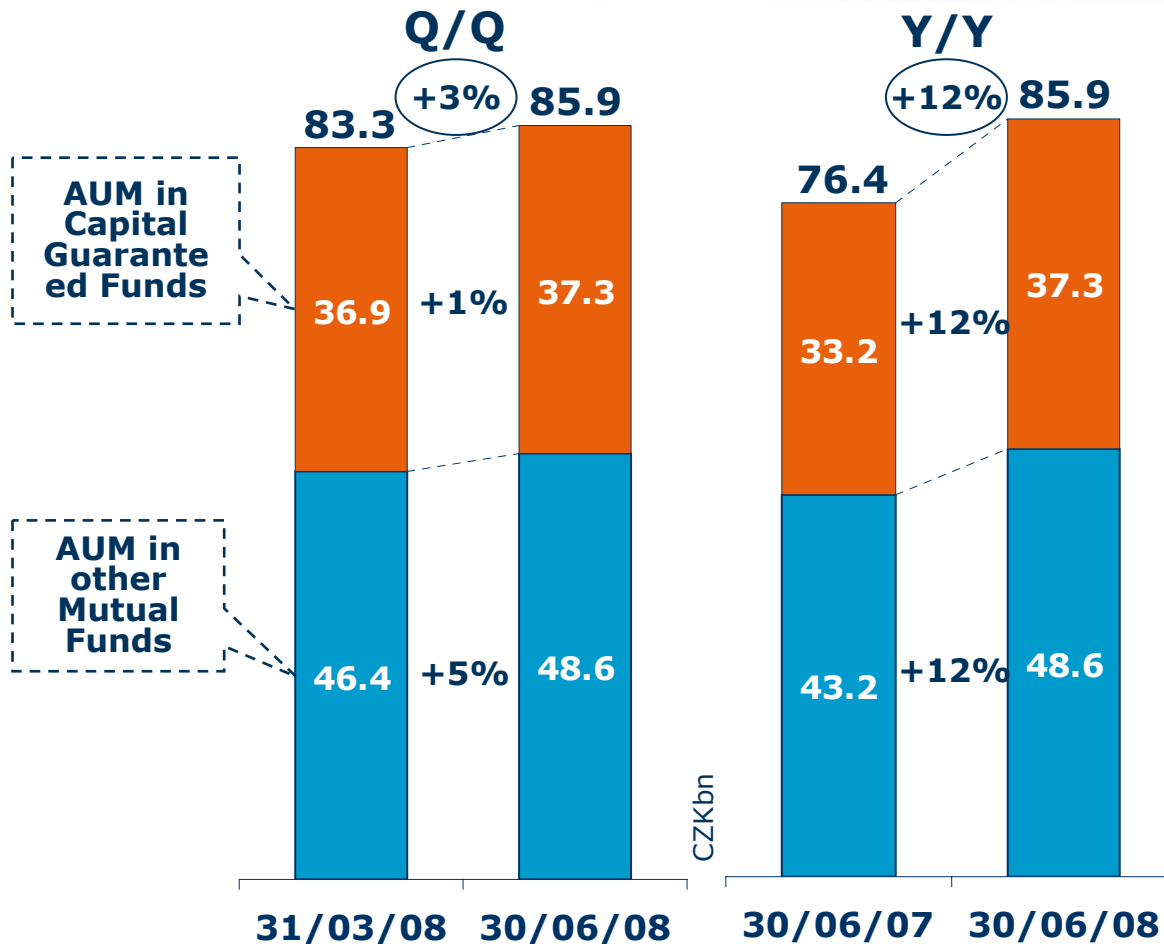


In 1H 2008, ČMSS's clients have increased the target amount (the amount stated in the contract, consisting of total savings over the duration and the intended loan) Y/Y by 26bn (+58.1%) to CZK 69.8bn. This gives ČMSS good starting position for further increase of both deposits and loans.

During 1H 2007, ČMSS concluded over 182,000 contracts (up 12.3% Y/Y).

Mutual Funds

ČSOB's AUM growth vs. decline of the market



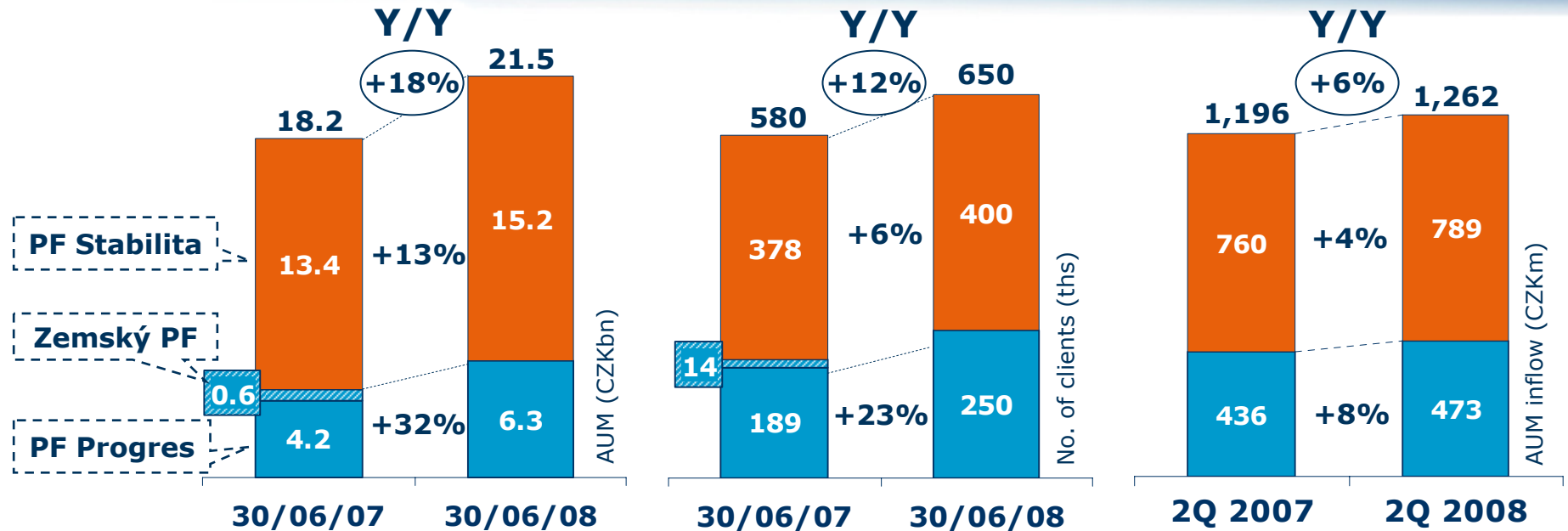
Assets in mutual funds grew by 12% Y/Y and reached CZK 85.9bn*.

In the time of market turbulences, capital guaranteed funds represent a safe haven for investors. Already the No. 1 in the CGF market, ČSOB launched several new CGFs in 2Q, e.g. ČSOB Breweries 1 and 2 and ČSOB Bulls and Bears 3 (which delivers yield in both increase and declining of the market).

Note: * Direct position only

Pension Funds

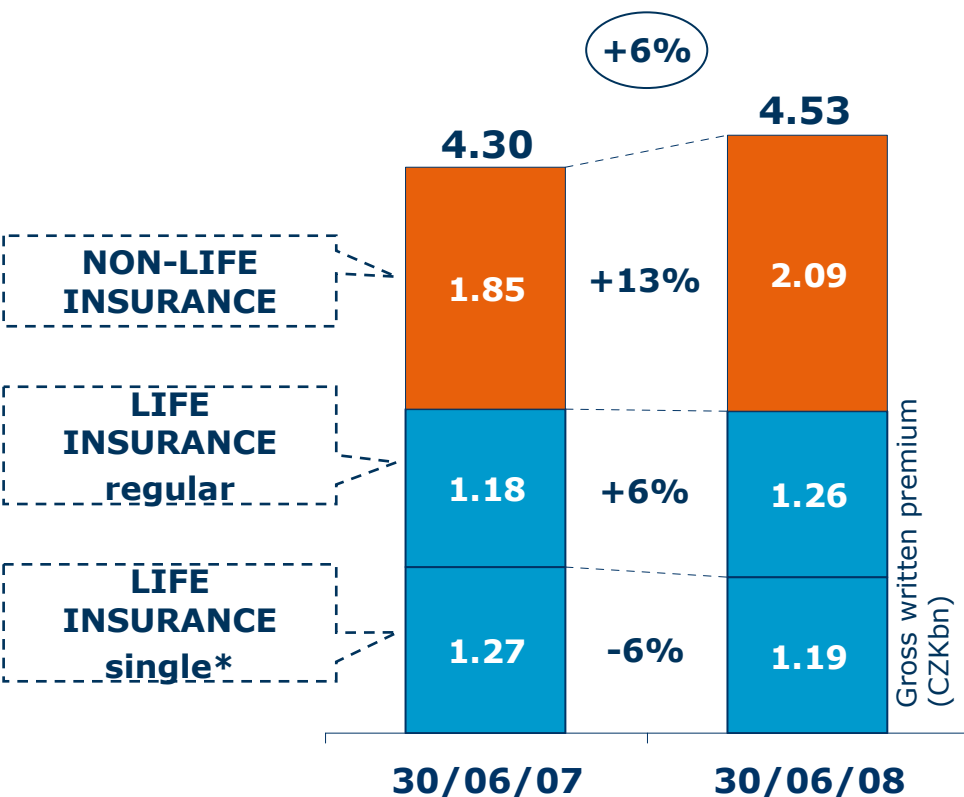
No. 3 in the market in the number of clients



As at 30 June 2008, ČSOB PFs had 650 thousand clients (No. 3 in the market) and the AUM has reached CZK 21.5bn, which is an Y/Y increase of 12% and 18% respectively.

AUM inflow (the gross sum of all client contributions over the period) during 2Q 2008 was 6% higher compared to 2Q 2007.

As in the previous quarters, ČMSS was the most successful distribution channel of ČSOB PFs in 2Q 2008.



Non-life gross written premium grew by 13% Y/Y to CZK 2,088m. The growth was recorded across all products and all distribution channels.

Life GWP amounted to CZK 2,444m in the end of 1H and remained at the same level as in the previous year. Regular premium Life GWP increased by 6%. Sales of single life insurance suffered indirectly from turbulences on financial markets.

In June, ČSOB Pojišťovna was awarded the Service Excellence Award by the International Network of Insurance (INI).

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

Credit risk: IRB approach		<i>Consolidated (CZKm)</i>	30/06/08
capital requirement	CZK 31,884m		
Operational risk: standardized approach		RWA	454,124
capital requirement	CZK 1,042m	Tier I	41,637
Market risk: internal model		Total regulatory capital	42,845
capital requirement	CZK 3,404m	Tier I ratio	7.98%
		CAD	9.43%

Notes:

RWA (risk weighted assets) = total capital requirements divided by 8%

Tier I capital = mainly share capital, share premium, legal reserve funds and retained earnings less goodwill and intangible assets

Total regulatory capital = secondary bank capital that includes such items as subordinated debt, IRB provision excess or shortfall

NPLs and Provisions

IFRS, consolidated, gross (in CZKbn)

	31/12/07	30/06/08	Ytd change
Total Group lending	340.64	375.07	+10%
- of which, NPLs	5.47	6.96	+27%
Total provisions	5.55	5.64	+1%
NPLs / total loans	1.61%	1.86%	+0.25 pp
Coverage of NPLs by provisions	101.6%	80.9%	-20.7 pp
Loan-Loss Ratio	0.21%	0.23%	

Note:

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



Rating and Shareholder Structure

No change in ČSOB's rating and shareholders structure

ČSOB's rating (as of 30 June 2008)

	Long-term	Short-term	Other		
Moody's	A1	Prime-1	Financial strength	C	
Fitch	A+	F1	Individual	B/C	Support 1

ČSOB's shareholder structure

As of 30 June 2008, KBC Bank NV holds 100% of ČSOB shares.
KBC became single shareholder of ČSOB in June 2007.



ČSOB's Profile

Numbers and statistics - ČSOB Bank (incl. PSB)

	31/12/07 CZ only	30/06/08
Employees	6,754	6,749
Customers (ths)¹⁾	2,995	3,013
ČSOB branches	222	227
PSB financial centers²⁾	29	32
ATMs³⁾	637	650
Payment cards (ths)	1,833	1,888
- of which: credit cards (ths)	71.8	84.4
Users of direct banking (ths)	1,536	1,659

Note: 1) Figures according to new methodology for unique clients statistics.

2) In addition, PSB provides its services through Czech Post Offices, approx. number of outlets: ca 3,350.

3) In addition, customers can withdraw money from more than 2,400 cashiers of Hypernova and Albert via CashBack.

Penetration Ratios

Increasing number of products per customer

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

	30/06/2007	30/06/2008
Retail	4.56	4.91
SME	3.56	3.81
Retail+SME	4.37	4.70

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

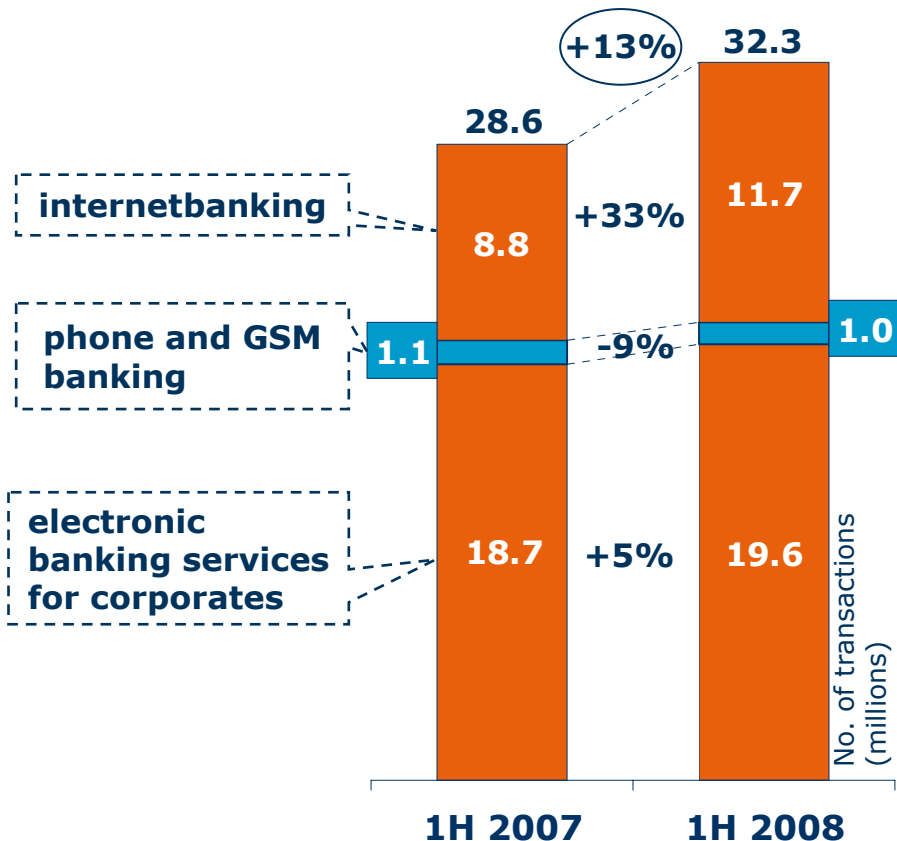
The average ratio reached 4.70 products per customer, rising by 33 bp Y/Y.

Note:

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

Electronic channels

E-transactions steadily growing their share over the past 2 years

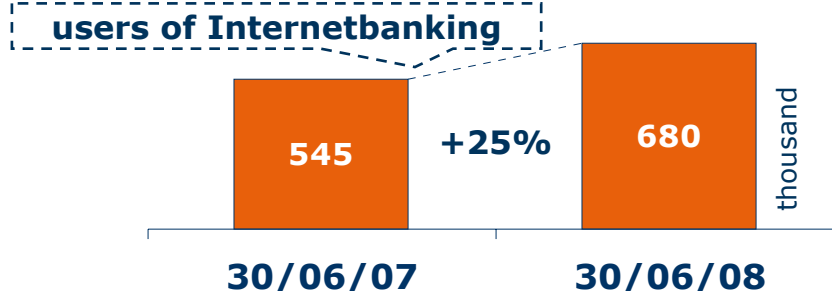


In 1H 2008, 82% payment orders were proceeded via direct channels, which is up from 77% in 1H 2007.

The fastest growth in the number of transactions was recorded by ČSOB BusinessBanking 24 Online and w1se (in the SME and corporate segment) and Max Homebanking PS Online (in PSB).

In April, ČSOB launched PaySec account – a modern system for comfortable, prompt and safe Internet shopping.

In 2Q, PSB started to offer Image Card.



		2006	2007	1H 2008	
GDP	change, %	6.8	6.6	5.5	e
Industrial production	change, %	11.2	9.0	6.7	e
Construction output	change, %	6.6	6.7	2.7	e
Retail sales	change, %	6.5	7.5	2.8	e
Inflation (CPI)	average, %	2.5	2.8	7.1	
Current account	% of GDP	-3.1	-2.5	-2.1	e
Rate of unemployment (ILO)	average, %	7.1	5.3	4.5	e
Real wages	change, %	3.9	4.4	2.4	e
CZK/EUR	average	28.34	27.76	25.19	
PRIBOR 3M	average, %	2.30	3.09	4.07	
IRS 10Y	average, %	3.79	4.23	4.50	
General government balance	% of GDP	-2.7	-1.6	N/A	e

Note: e) ČSOB's estimate

Source: Czech Statistical Office, Czech National Bank



Leed Certification
European most ecological building

Most successful of Czech financial groups,
13 medals (3 x gold)

Most Desired Company
among Czech students

MasterCard
Corporate Bank of the Year 2008





PaySec - a system for on-line payments, open to any users (no need to be ČSOB's client)



Investment mortgage - a mortgage combined with a capital guaranteed fund or life insurance



In 1H 2008, ČSOB launched the following **mutual funds**: 2 socially responsible, Bulls and Bears 3 (profits in both growth and decline) and Commodity fund



PSB launched the following innovations:

FLEXI card – a consumer loan granted through a card

Education saving account with advantageous conditions for students

Current account for businessmen in USD

Subsidy advisory tool for businessmen



Domov Express – a new house insurance package concluded on-line;
new unit-linked life insurance Variace



Autolease – new brand for operating leasing of cars; **Comeback loan** – multi-purpose loan for clients at the end of their contracts



Cooperation between PSB and Ergotep (a cooperative of the handicapped) extended: back office operations added to running the loyalty program.



Association of Citizens Advice Centers – ČSOB cooperates in a debt advisory project aiming to foster financial literacy against debt trap.



ČSOB joined the corporate donor club Donator (founded by Czech Donors Forum).



ČSOB headquarters in Prague - Radlice received the gold certificate LEED, a standard for measuring environmental friendliness of buildings.



“We help together” - ČSOB allows its employees to spend a day at volunteer activities.



Flower day – a one-day fundraising campaign to support the fight against cancer; clients able to contribute by purchasing a payment card with a campaign-related image.

ČSOB organized regional fundraising contests to donate to events and environment protection activities.

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. 17; 2006 values are estimates only)
CAD (capital adequacy ratio)	according to prudential reports of ČNB - Basel II (since 1 July 2007)
Tier I ratio	8%* (Tier I capital / total capital requirements)
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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