



1Q 2011 Results ČSOB Group Czech Republic

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EU IFRS Unaudited Consolidated

**Presentation for press
12 May 2011**



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1. Highlights



Five measures of sustainable performance

Consistent business profitability and resilience

Key indicators		2008	2009	2010	1Q 2010	1Q 2011
Profitability	underlying net profit (CZK bn)	12.6	10.5	13.0	3.6	3.7
	underlying RoE	21.6%	17.1%	19.6%	20.5%	21.9%
Liquidity	loan/deposit ratio	75.2%	71.1%	68.5%	70.4%	69.8%
Capital adequacy	capital adequacy ratio	10.3%	15.0%	18.0%	15.2%	18.1%
Cost of risk	credit cost ratio	0.59%	1.12%	0.75%	0.70%	0.38%
Cost efficiency	underlying cost/income ratio	46.9%	43.4%	44.7%	39.8%	43.5%



1Q 2011 at glance

Ever highest quarterly underlying result

- In 1Q 2011, ČSOB group's **underlying net profit reached an ever highest level of CZK 3.660 bn**, outstripping the quarterly result of 1Q 2010 by 1% Y/Y.
 - The underlying operating income was CZK 8.324 bn, slightly up from 1Q 2010. This is a result of a strong growth of NII from loans and deposits (combined +11% Y/Y) which was largely offset by investment portfolio de-risking.
 - The Y/Y decline of credit costs (CZK -0.4 bn) was partly offset by planned ICT investments (operating expenses in total up by CZK 0.3 bn).
- The **reported net profit** was CZK 3.781 bn, i.e. 3% lower than the same period a year ago due to higher positive revaluations in 1Q 2010.
- The **loan portfolio grew** by 2% Y/Y to CZK 404.3 bn and **group deposits grew** by 3% Y/Y to CZK 590.2 bn.
- The **credit cost** ratio declined Y/Y by 32 bps to 0.38%, on the back of releasing allowances as already provisioned clients performed better than expected.
- The capital position of the ČSOB group strengthened with the total capital ratio growing to 18.11% and the (core) Tier 1 ratio to 14.23% as of 31 March 2011.

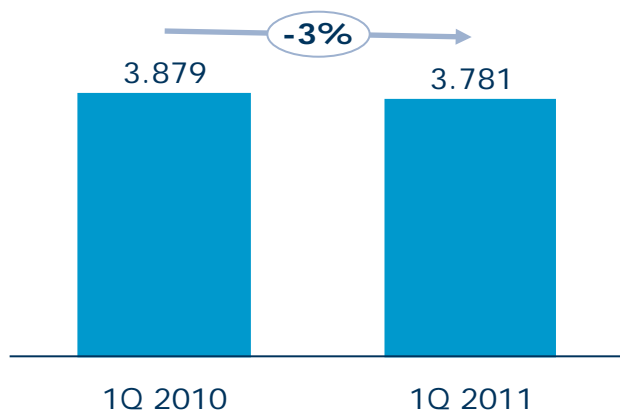
Note: ČSOB adjusted the methodology of reporting economic hedges, cash-flow hedging derivatives and depreciation of investment property in profit and loss statements. Thus 2010 statements (1Q through 4Q, both underlying and reported) are reclassified in this presentation to allow for a like-to-like comparison in time. See slide 40.

Net profit

Reported vs. underlying

Reported net profit

CZK bn



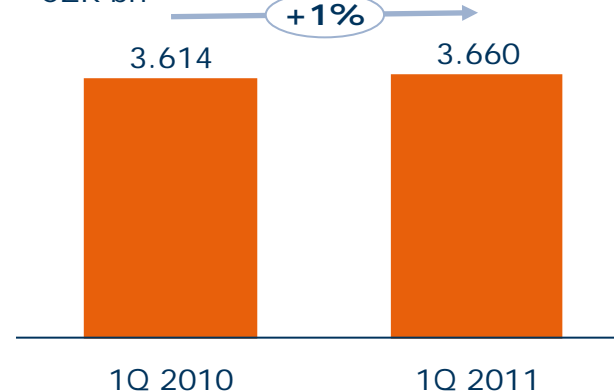
One-off items:

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

In 1Q 2010, the main one-off item was a positive revaluation of the CDO portfolio (CZK +0.2 bn net). The entire portfolio of CDOs held by ČSOB and ČSOB Pojišťovna was sold in June 2010.

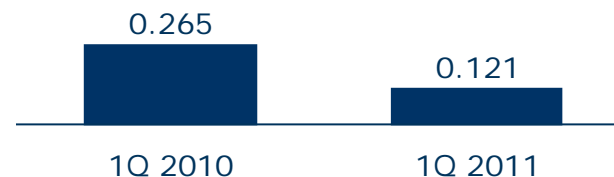
Underlying net profit

CZK bn



One-off items

CZK bn



Positive revaluations during 1Q 2010 and 1Q 2011.

	1Q 2010	1Q 2011	Y/Y
Profitability (Ytd. ratios)			
Net interest margin	3.38%	3.40%	+2 bps
Cost/income (underlying)	39.8%	43.5%	+3.7 pp
Cost/income (reported)	38.3%	42.7%	+4.4 pp
RoE (underlying)	20.5%	21.9%	+1.4 pp
RoE (reported)	22.0%	22.7%	+0.7pp
RoA (underlying)	1.73%	1.65%	-0.08 pp
RoA (reported)	1.86%	1.71%	-0.15 pp
	31.3.2010	31.3.2011	Y/Y
Asset quality			
Credit cost ratio (Ytd., annualized)	0.70%	0.38%	-32 bps
NPL ratio	3.67%	4.06%	+0.39 pp
NPL coverage ratio	77.7%	76.6%	-1.1 pp
Capital adequacy (Basel II)			
Core tier 1 ratio	12.05%	14.23%	+2.18 pp
Total capital ratio	15.22%	18.11%	+2.89 pp
Solvency ratio (insurance)	272.0%	264.4%	-7.6 pp
Liquidity			
Loan to deposit ratio	70.4%	69.8%	-0.6pp

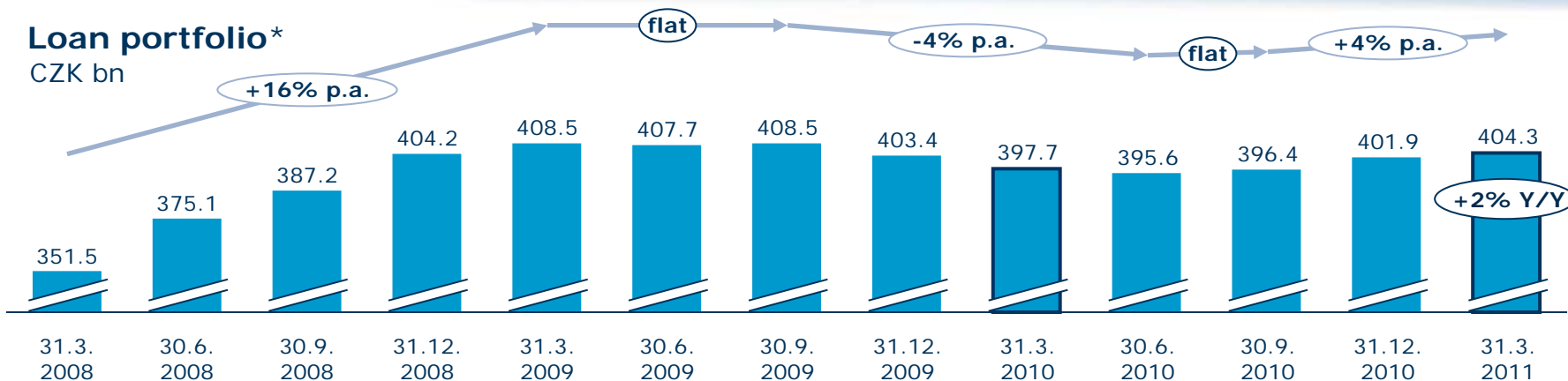
Note: For definitions of the ratios see slide 42.

Lending and deposits

Positive trajectories

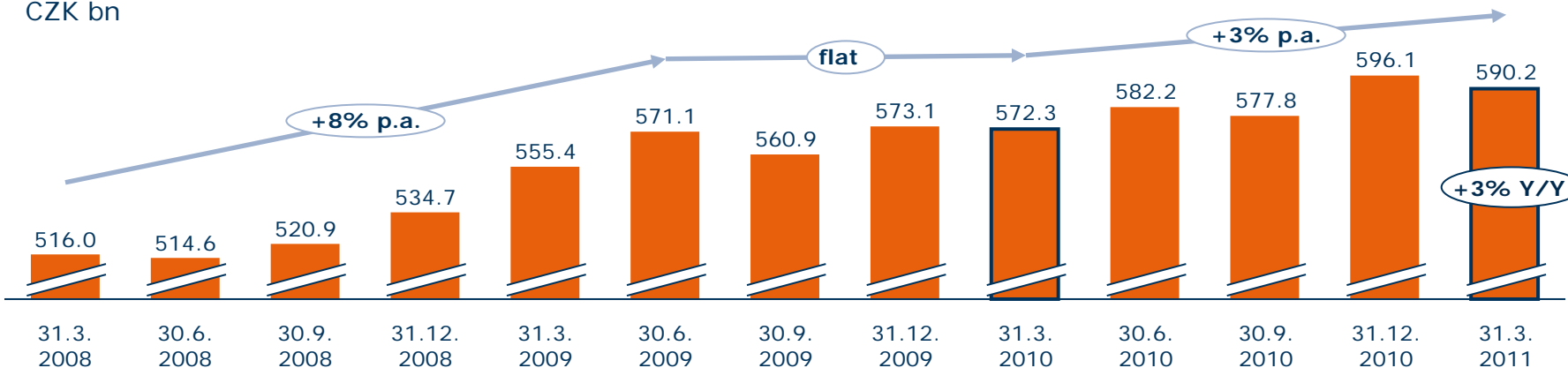
Loan portfolio*

CZK bn



Group deposits**

CZK bn



Notes: * Item Loans and receivables minus exposure to banks from inter-bank transactions plus credit replacing bonds

** Item "Deposits received from other than credit institutions" from the consolidated balance sheet.



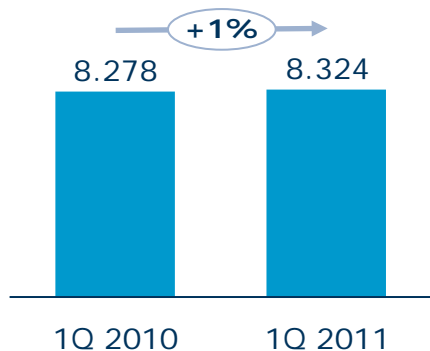
2. Analysis of underlying results

Operating income - underlying

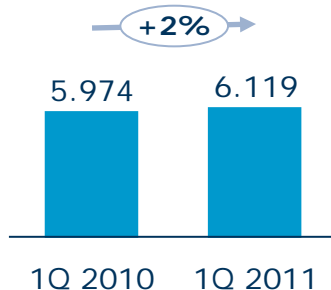
Slight increase driven by the net interest income

Operating income

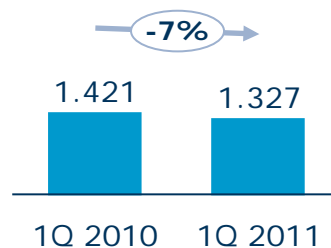
CZK bn



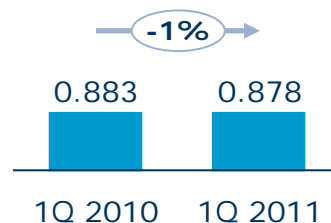
net interest income



net fee and commission income



other*



Note:

* Other = Net gains from financial instruments at FVPL + net realized gains on available-for-sale financial assets + dividend income + other net income.

Net interest income (NII) from loans and deposits increased by 11% Y/Y, helped especially by the growing mortgage volumes and retail deposit base. On the other hand, NII was influenced negatively by the flattening yield curve and the decreasing NII from bonds brought along by the investment portfolio de-risking. As a result, NII grew by 2%, while NIM slightly increased by 2bps Y/Y to 3.40%.

The net fee and commission income (NFCI) decreased by 7% Y/Y primarily due to higher payments to the deposit insurance fund by CZK 74 m as the annual deposit insurance premium went up from 10 to 16 bps (effective since mid-2010). Adjusting for this effect, NFCI was lower by 1% Y/Y, especially due to the slightly decreasing NFCI from the loans.

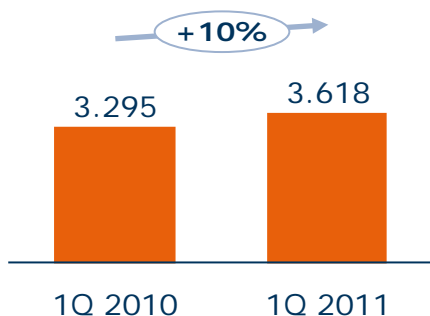
Underlying net gains from financial instruments at FVPL, representing about three quarters of the item "other", increased by 13% Y/Y to CZK 652 m.

Operating expenses - underlying

Increase driven by reinvestments and one-off items

Operating expenses

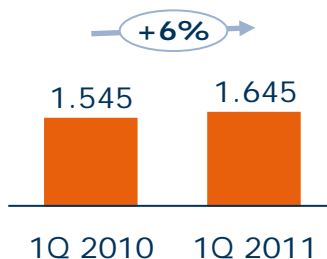
CZK bn



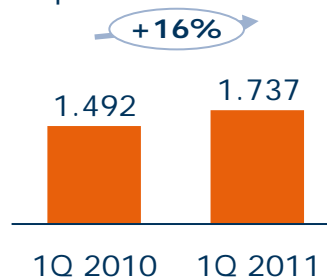
Note:

* Depreciation and amortization.

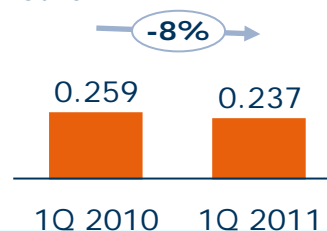
staff expenses



general administrative expenses



other*



General administrative expenses (GAE) grew by 16% Y/Y (on a comparable basis by 7%). The Y/Y difference is mainly attributable to planned ICT-related investments which started in 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, a marketing expenses increase contributed to the Y/Y growth of GAE. The rest is due to a lower comparable basis in 1Q 2010.

The 6% Y/Y (4% on a comparable basis) increase of staff expenses resulted from the regular annual salary adjustment and the growth of the overall number of employees. The adjustment on accruals explains the rest of the 6% increase.

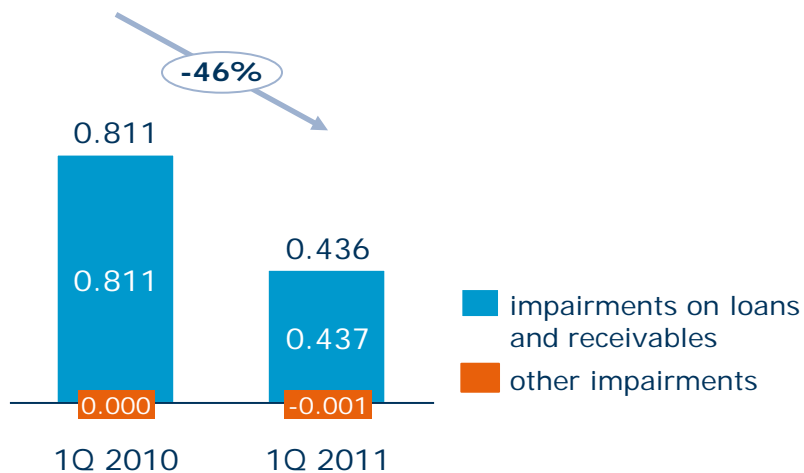
Depreciation and amortization decreased Y/Y due to lower depreciation of application software remaining in the property of ČSOB after the mid-2009 transfer of ICT services to KBC Global Services Czech Branch.

Impairments - underlying

Further decrease of credit costs

Total impairments

CZK bn

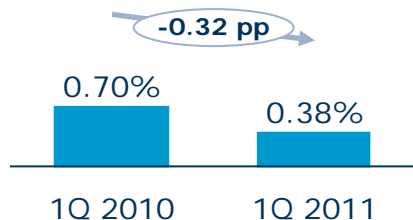


The costs of credit risk almost halved Y/Y as the impairments on loans and receivables fell to CZK 437 m and credit cost ratio contracted to 38 bps.

The decrease was partly due to the fact that already provisioned clients performed better than expected, which was reflected in the release of allowances.

The strongest drop of credit costs was recorded in the corporate+SME segment and leasing. Also mortgages experienced a decline.

Credit cost ratio



Strong capital position

Consolidated, CZK m	31.12.2010	31.3.2011
Total regulatory capital	57 522	58 714
- Tier 1 Capital	45 583	46 445
- Tier 2 Capital	12 564	12 894
- Deductions from Tier 1 and Tier 2	-625	-625
Total capital requirement	25 530	25 941
- Credit risk (IRB approach)	21 564	21 664
- Market risk (internal model)	613	617
- Operational risk (standardized approach)	3 354	3 660
Total RWA	319 124	324 258
Core Tier 1 ratio = Tier 1 ratio	14.19%	14.23%
Total capital ratio	18.03%	18.11%

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

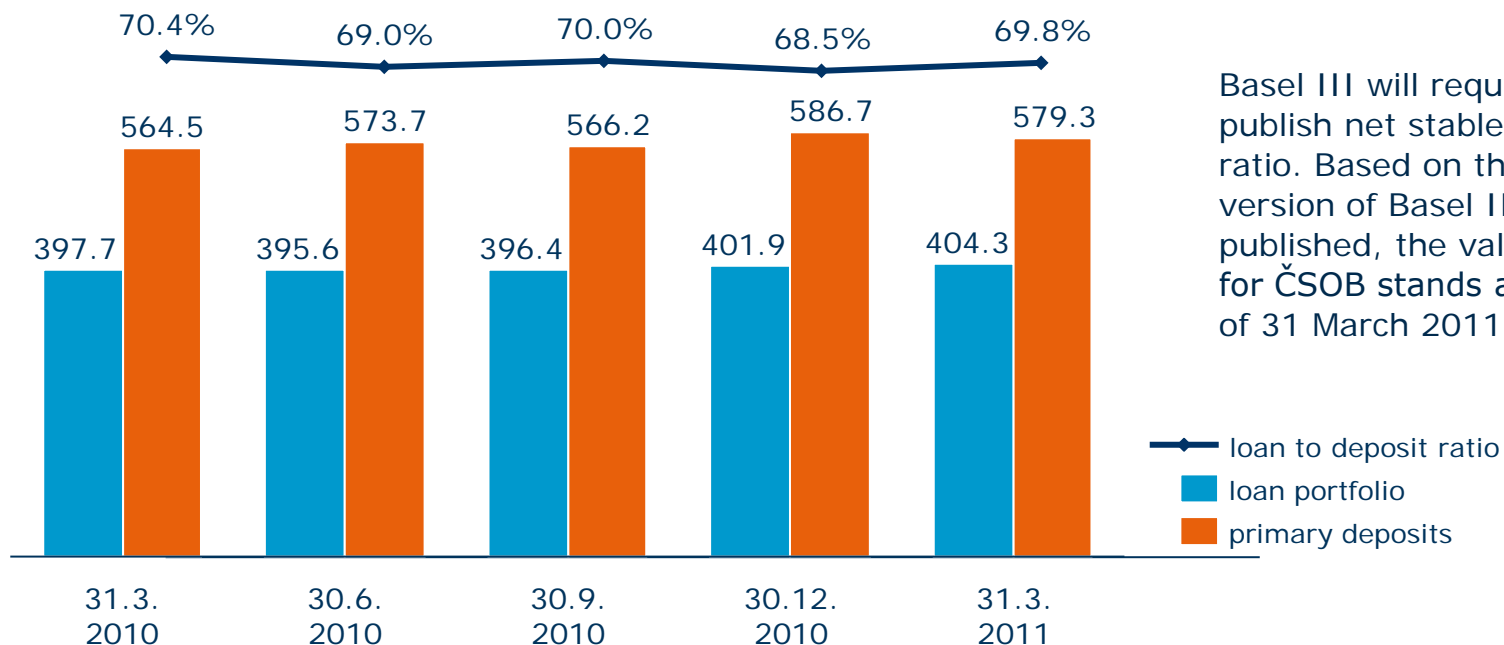
Total regulatory capital = Tier 1 + Tier 2 – deductions

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

Ample liquidity

CZK bn 31.3.2010 30.6.2010 30.9.2010 31.12.2010 31.3.2010

Excess of primary deposits over loan portfolio	166.8	178.1	169.8	184.8	175.0
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Basel III will require banks to publish net stable funding ratio. Based on the latest version of Basel III rules published, the value of NSFR for ČSOB stands at 138% as of 31 March 2011.

Notes:

Primary deposits = group deposits minus pension funds minus repo operations with non-banking financial institutions (part of "other group deposits") plus deposits to credit institutions (excl. repo operations with credit institutions)

Loan portfolio = group lending minus item "other group lending" (which comprises money market placements with banks, loro/nostro accounts and other settlement accounts).

Selected exposure to bonds

Southern European countries and Ireland

Exposure to bonds of selected Southern European countries and Ireland

as at 31 March 2011

book value, CZK bn

	Sovereign	Banks	Corporates	Total
Portugal	-	-	-	-
Ireland	-	-	-	-
Italy	2.02	0.37	-	2.39
Greece	3.52	-	-	3.52
Spain	0.58	-	-	0.58
Total	6.12	0.37	0.00	6.49

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 quarter of 2011, there has been no reduction of the above-mentioned bonds in nominal terms.

The Greek bonds are classified as available-for-sale assets measured at fair value. The book value of these bonds (which reflects their fair value) is lower than their amortized cost of EUR 180 m.

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

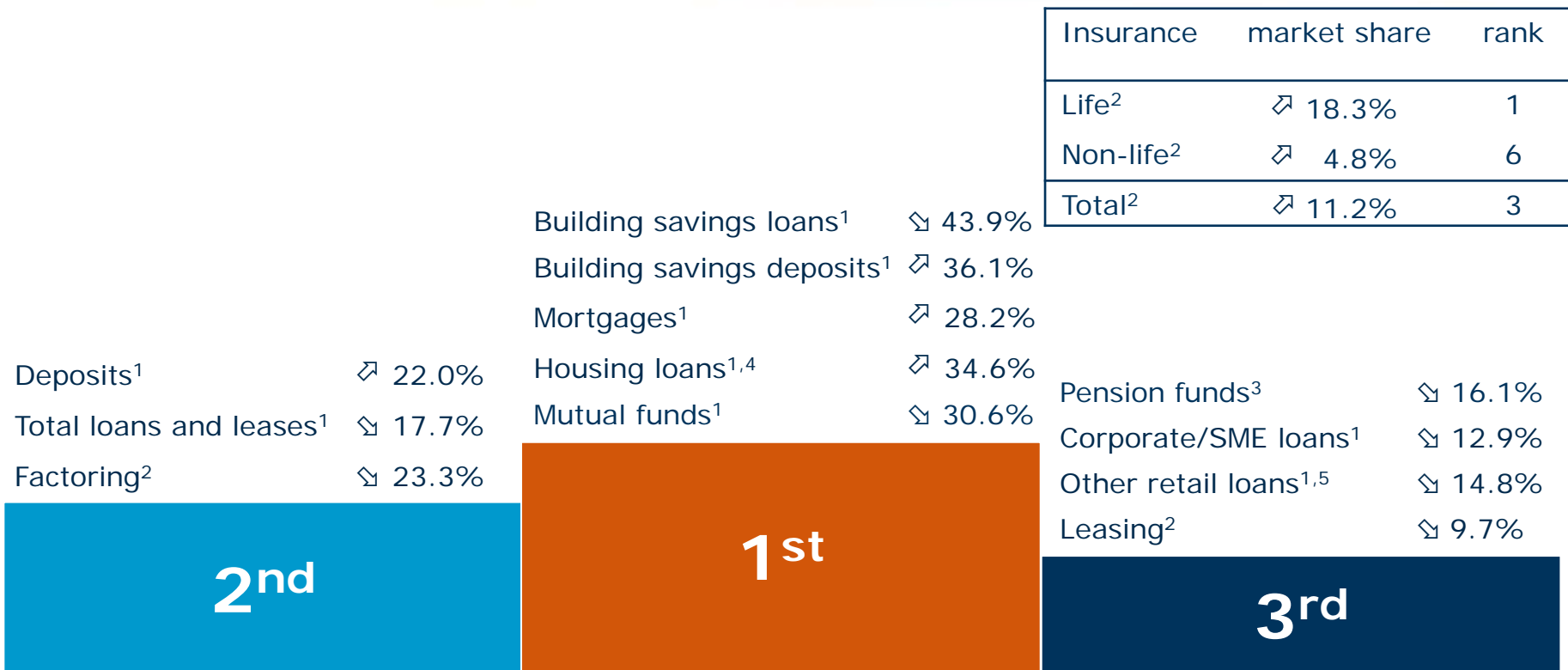


3. Analysis of business performance



ČSOB group's market shares

Number 1 position in housing loans and mutual funds



Notes: Arrows show Y/Y change. Market shares as of 31 December 2010 (i.e. latest available). Insurance as of 31 March 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

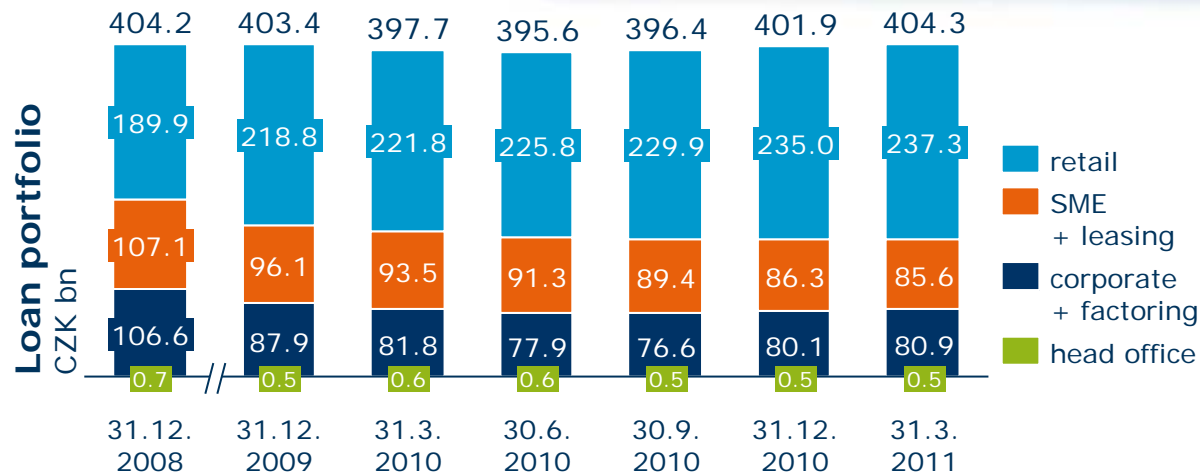
⁴ Comprise mortgages and building savings loans

⁵ Retail loans excluding mortgages and building savings loans

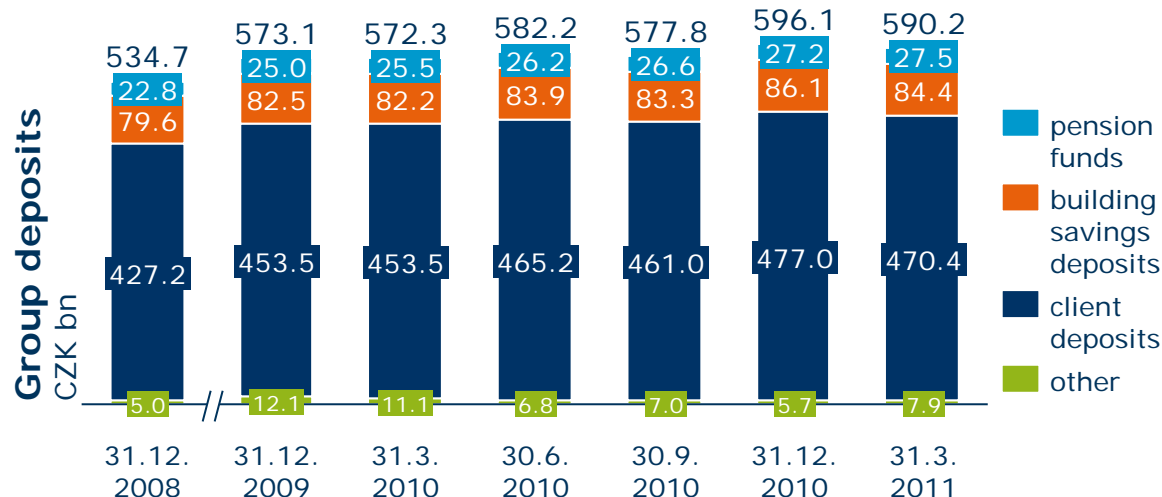
Sources and detailed definitions are provided in Appendix, slide 41.

Lending and deposits development

Y/Y pace higher in deposits vs. loans



The first quarter of 2011 was the third showing a consequent growth in loan portfolio. The increase was driven especially by retail loans. The resulting Y/Y loan growth was 2%.



The share of mortgages and building savings loans (together referred to as housing loans) grew to 54% as at 31 March 2011 from 51% one year earlier.

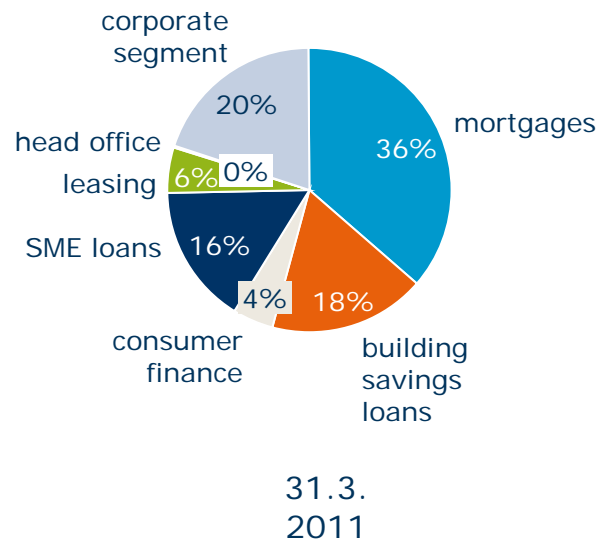
Each quarter shows a Y/Y increase, which was recorded across all major products – client deposits, building savings deposits and pension funds. The Q/Q decrease in 1Q 2011 is due to seasonal effects and a withdrawal of a low-margin deposit by a single institutional client.



Loan portfolio at a glance

Retail and SME segment has further strengthened within ČSOB lending

Gross outstanding volumes, CZK bn	31.3.2010	31.3.2011	Y/Y
Loan portfolio	397.7	404.3	+2%
Retail/SME Segment			
Mortgages ¹	137.0	147.6	+8%
Building savings loans ²	67.3	71.6	+6%
Consumer finance	17.5	18.2	+4%
SME loans	66.9	63.3	-5%
Leasing	26.6	22.3	-16%
Corporate Segment			
Corporate loans ³	78.2	77.2	-1%
Factoring	3.7	3.7	+2%
Head Office⁴			
	0.6	0.5	-9%



Notes:

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

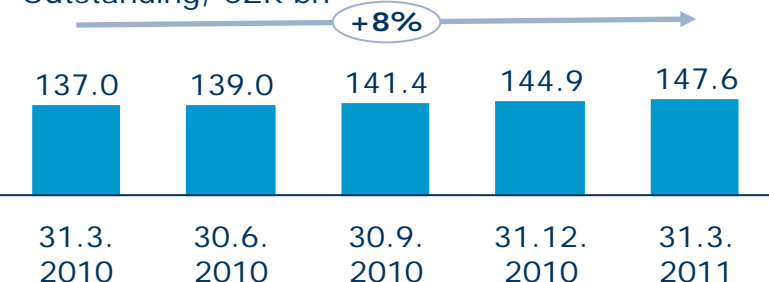
² ČSOB group building savings loans are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in the 55% proportion, i.e. the way they enter ČSOB's consolidated balance sheet.

³ Including credit-replacing bonds.

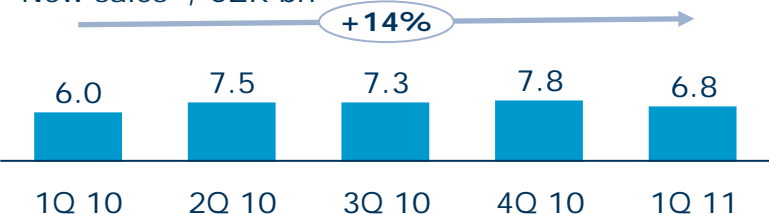
⁴ Historic files.

Mortgages

Outstanding, CZK bn



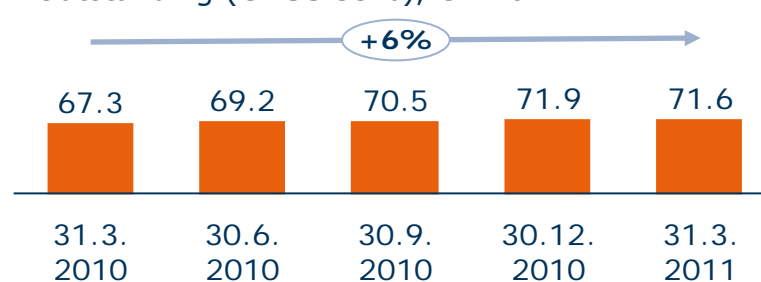
New sales*, CZK bn



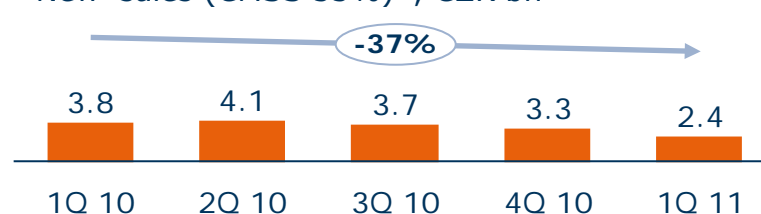
The mortgage portfolio (fully booked in HB, a 100%-owned subsidiary) has been steadily growing. In the company's view, the higher sales in 2Q, 3Q and 4Q reflected rebounding demand for residential real estate; part the increased demand may be attributed to catch-up purchases by people who were postponing their investment in previous quarters.

Building savings loans

Outstanding (ČMSS 55%), CZK bn



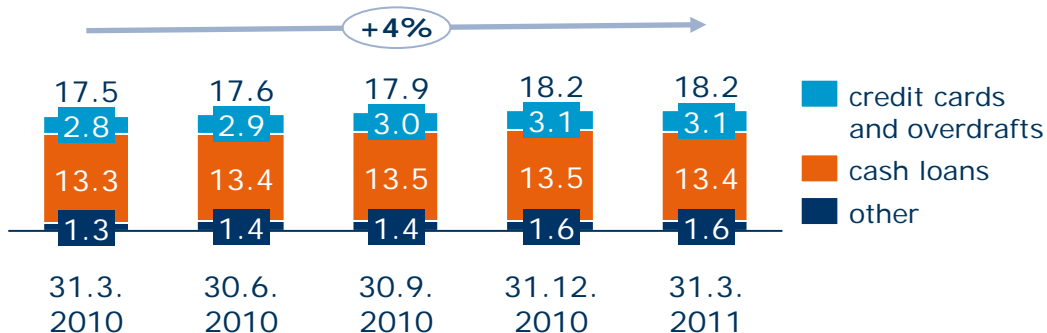
New sales (ČMSS 55%)*, CZK bn



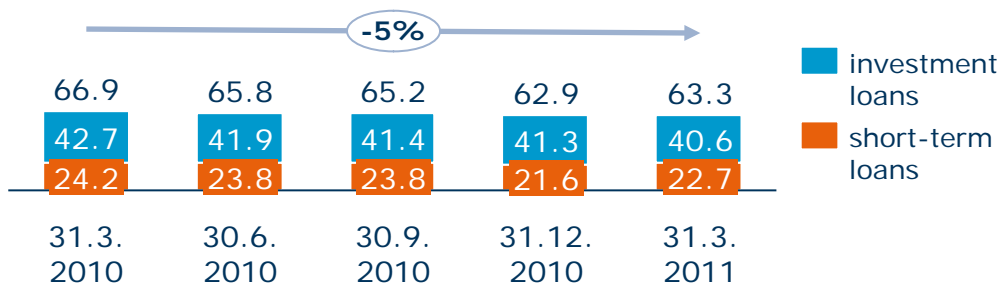
The portfolio of building savings loans (fully booked in ČMSS, a 55%-owned subsidiary) decreased Q/Q due to higher premature repayments and lower new sales. The decline in new sales is in line with the decrease of the whole market.

Note: * Granted loan limits.

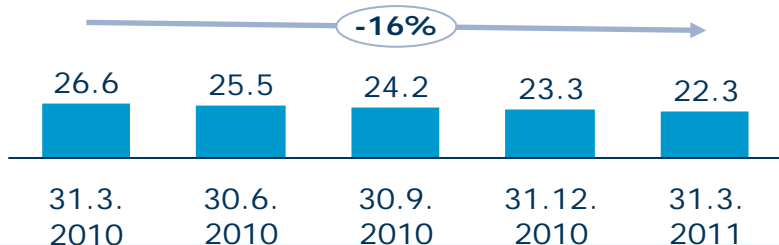
Consumer finance, outstanding, CZK bn



SME loans, outstanding, CZK bn



Leasing, outstanding, CZK bn



Consumer finance development:

The main driver of the Y/Y growth were credit cards and overdrafts which increased by 11%.

SME loans development:

SME loans decreased by 5% Y/Y as the growth of short-term loans (overdrafts, credit cards) was more than offset by a decline in investment loans. New sales are 14% above 1Q 2010.

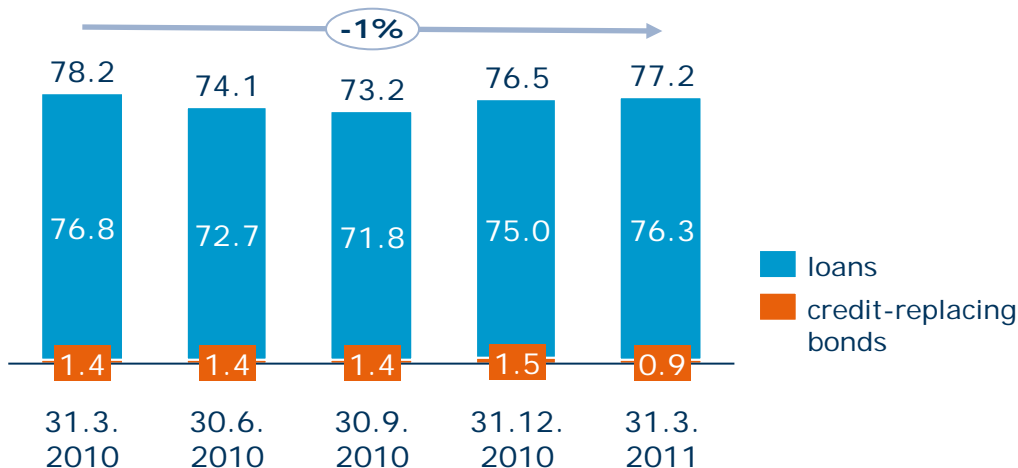
Leasing development:

The Y/Y decline of leasing was caused by prudent risk control and the present market trend under which customers increasingly prefer consumer loans to finance car purchases as an alternative to lease contracts.

New sales of leasing went up by 143% Y/Y.

Corporate loans

Outstanding, CZK bn

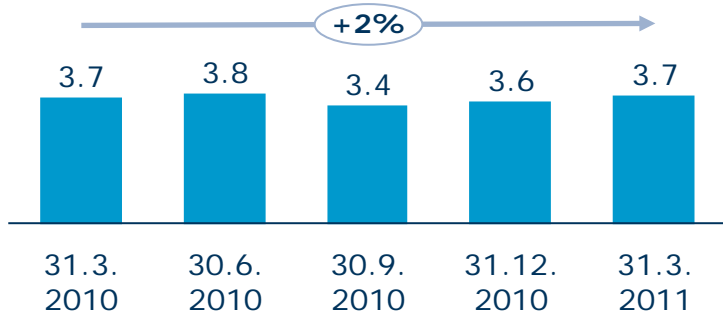


During the first quarter of 2011, corporate loans increased by 1% Q/Q and decreased by 1% Y/Y. After bottoming out in 3Q 2010, the volume of corporate loans has been picking up together with the revival of Czech companies.

Both operational and investment financing grew; new sales are significantly up (by 48% Y/Y including guarantees).

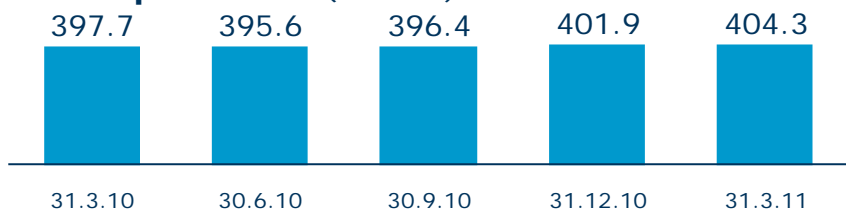
Factoring

Outstanding, CZK bn

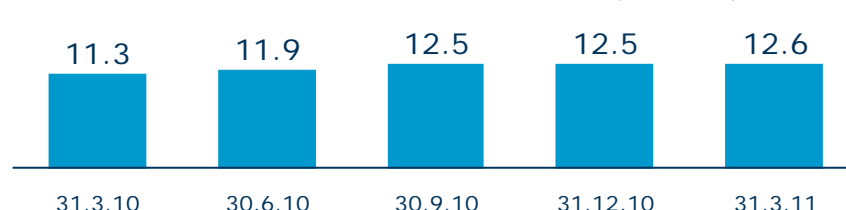


Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300 m, local subsidiaries of international groups and selected institutional clients.

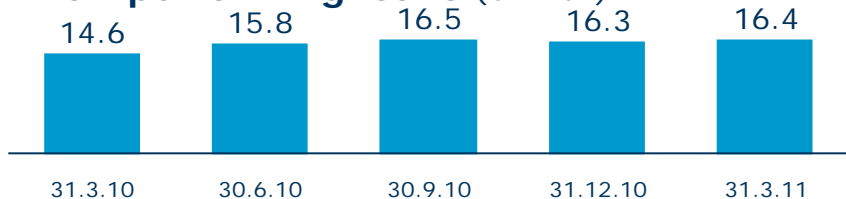
Loan portfolio¹ (CZK bn)



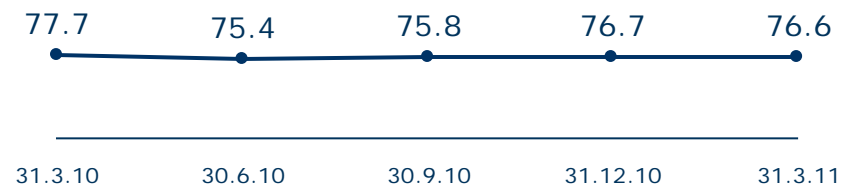
Allowances for loans and leases³ (CZK bn)



Non-performing loans (CZK bn)

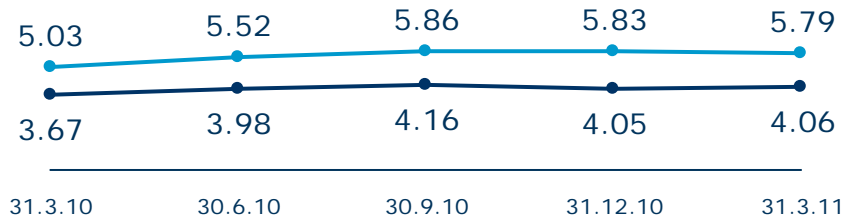


NPL coverage ratio (%)

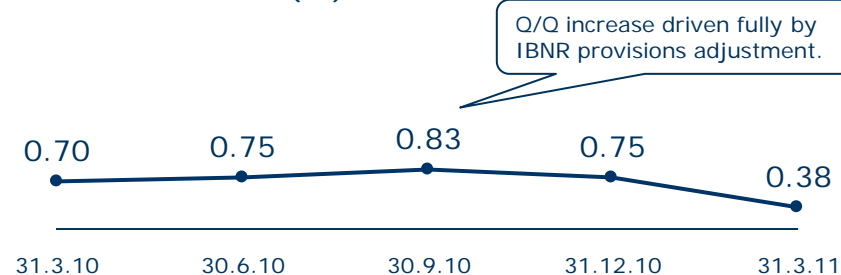


NPL ratio² (%)

● ČNB methodology
● ČSOB methodology (=KBC group methodology)



Credit cost ratio⁴ (%)



Notes: ¹ Group lending excluding "other" loans.

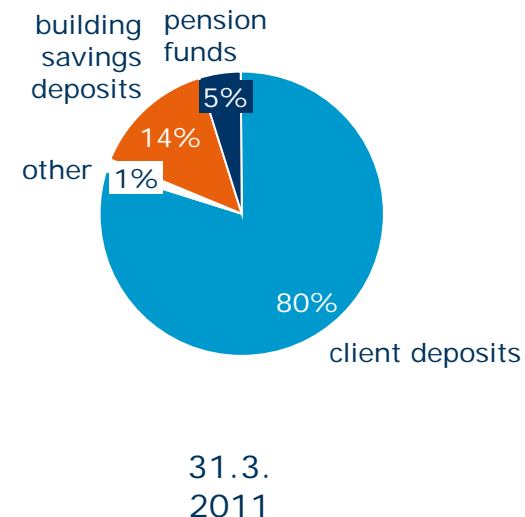
² ČSOB methodology in line with KBC group methodology.

³ Allowances for on-balance sheet items.

⁴ Ytd. annualized, including off-balance sheet items.

AUM and deposits at a glance

Outstanding volumes, CZK bn	31.3.2010	31.3.2011	Y/Y
Group deposits	572.3	590.2	+3%
Client deposits	453.5	470.4	+4%
Building savings deposits ¹	82.2	84.4	+3%
Pension funds ²	25.5	27.5	+8%
Other ³	11.1	7.9	-29%
Mutual funds⁴	70.2	60.0	-15%
Other asset management	54.1	57.9	+7%
AUM and deposits	696.7	708.1	+2%



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.

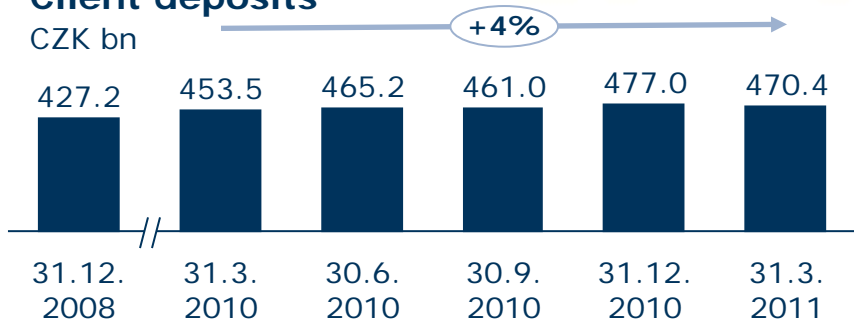
² Liabilities to pension fund policy holders.

³ Repo operations with non-banking financial institutions and other.

⁴ Only direct positions are included.

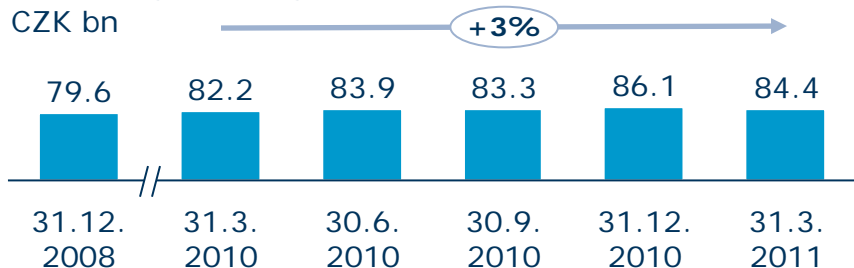
Client deposits

CZK bn



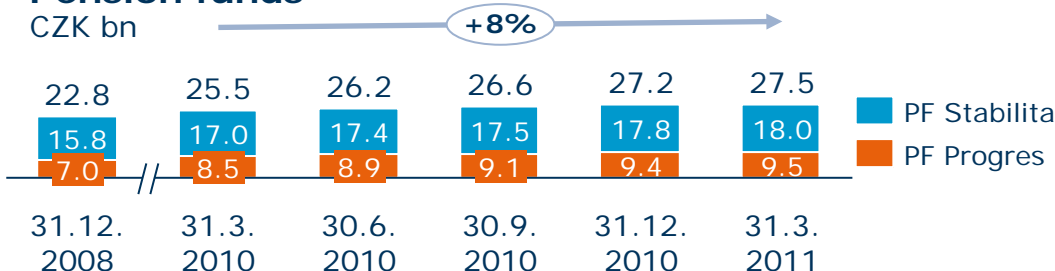
Building savings deposits

CZK bn

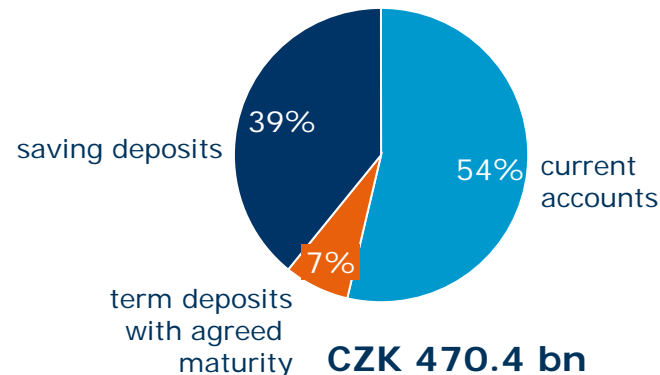


Pension funds

CZK bn



Client deposits as of 31.3.2011



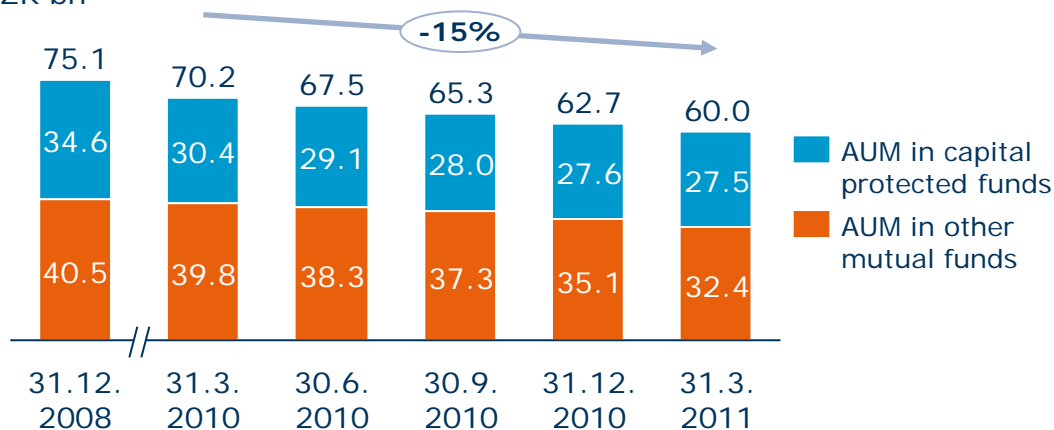
All major products of group deposits – client deposits, building savings deposits and pension funds – showed an increase Y/Y. The largest contributor were client deposits (CZK +16.9 bn, +4% Y/Y).

Within client deposits, saving deposits recorded a 20% Y/Y growth. About half of the increase can be attributed to an inflow from term deposits which decreased by 31% Y/Y. Current accounts increased by 1% Y/Y.

AUM in both ČSOB pension funds kept increasing Q/Q.

Assets under management (outstanding volumes)

CZK bn



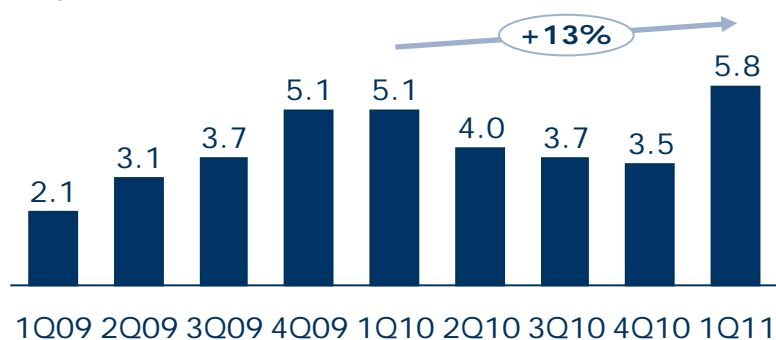
The AUM in mutual funds decreased by 4% Q/Q and 15% Y/Y.

Outflows from money market funds were the main reason behind the Y/Y decrease in total AUM.

In 1Q 2011, AUM in capital protected funds were stable Q/Q after four quarters of a decrease; this is a result of maturing funds being replaced by new investments.

New sales

CZK bn

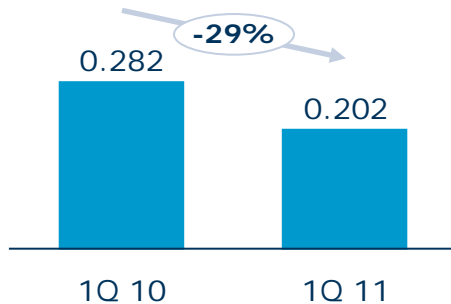


New sales of mutual funds in 1Q 2011 reached CZK 5.8 bn, which is 63% more than in 4Q 2010 and 13% above 1Q 2010. The main drivers of the increase were capital protected funds (+29% Q/Q) and mixed funds from among other mutual funds (+70% Q/Q).

Note: Only direct positions are included.

Net profit of ČSOB Pojišťovna*

CZK bn

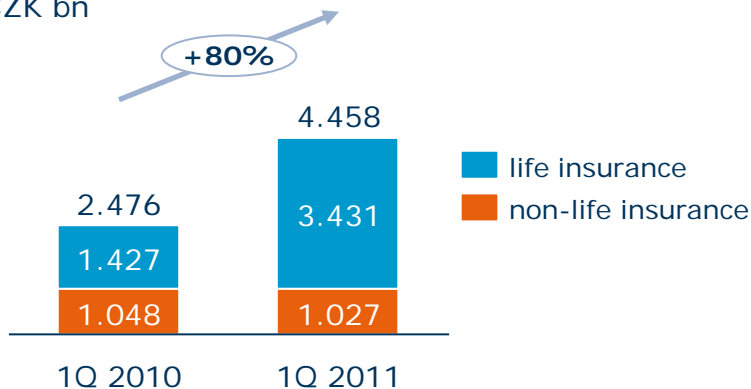


ČSOB Pojišťovna's contribution to the group underlying P/L in 1Q 2011 was CZK 50 m, compared to CZK 71 m a year ago. The decrease can be largely explained by a higher comparative base due to sale of ICT property in the 1Q 2010.

Gross written premium sharply increased due to sale of new tranches single paid life-insurance product Maximal Invest.

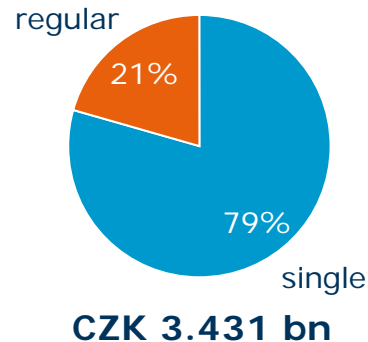
Gross written premium

CZK bn



Life insurance

as of 31.3.2011



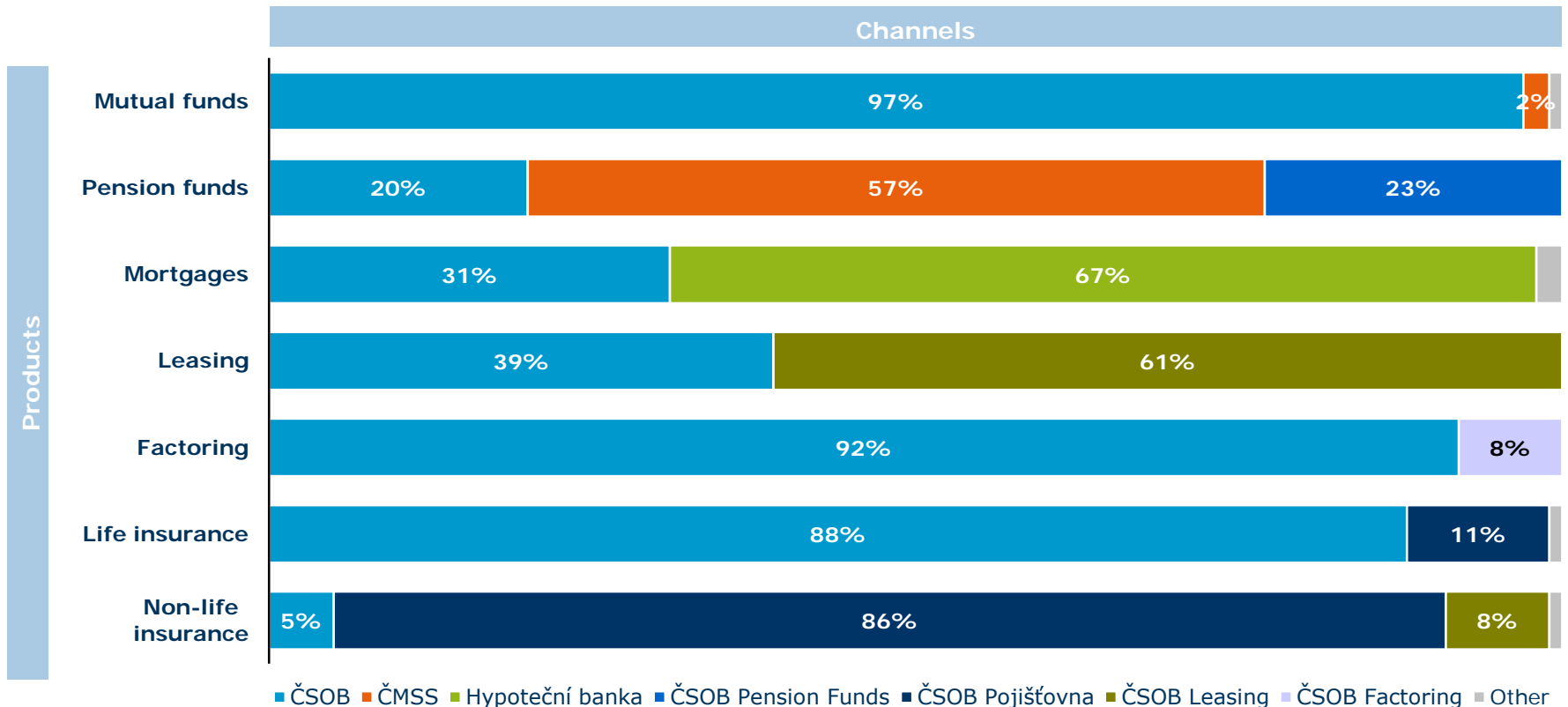
Note:

* Underlying net profit of ČSOB Pojišťovna used for consolidation purposes. 25% of the figures shown enter the ČSOB group's profit and loss statement through the line share of profit of associates.

Group brands and channels

work together to drive cross-selling

ČSOB group has strong cross-selling capabilities, both for products within and between the respective brands. These capabilities are enhanced by the large distribution network of own branches, advisory centres, post office branches, agents, brokers, and other intermediaries.



Notes: % of distribution channels per product type up to 100%.

Products represent new sales Ytd. in CZK except for pension funds which are calculated in pieces.



Appendix



ČSOB group's distribution platform

	31.3.2010	31.3.2011
Customers of the group*	> 4 m	> 4 m
of which ČSOB + PSB (ths)	3 061	3 077
Retail/SME branches and advisory centres	556	563
ČSOB Retail/SME branches	237	238
PSB branches ("Financial Centres")	52	59
ČMSS advisory centres	150	150
Hypoteční banka centres	27	27
ČSOB Pojišťovna branches	89	89
Leasing branches	12	12
Corporate branches	11	11
PSB outlets of the Czech Post network	ca. 3 300	ca. 3 200
ATMs (ČSOB+PSB)	744	799

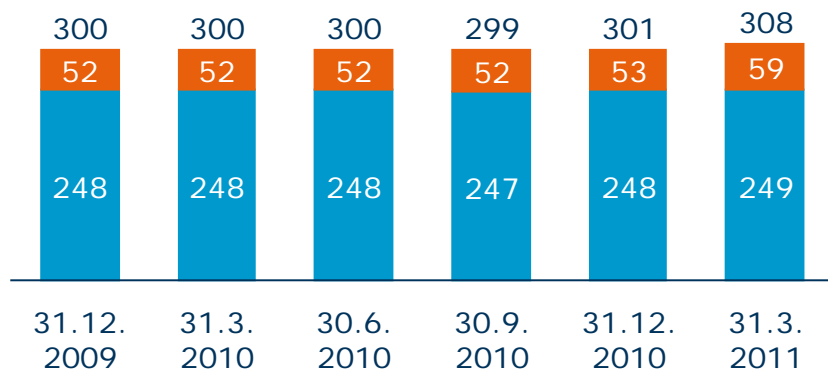
Multi-channel distribution platform includes also wide **agent network** amounting ca 8,000 ČMSS tied agents, intermediaries and individual brokers for the Mortgage Bank, ČSOB Leasing dealers, ČSOB Pojišťovna tied agents and multi-agents and individual brokers.

* The total number of unique clients is >4 million. Some overlap of client groups exists among different brands, esp. between ČMSS and the two full service brands. The overlap between ČSOB and PSB is very limited.

Other information

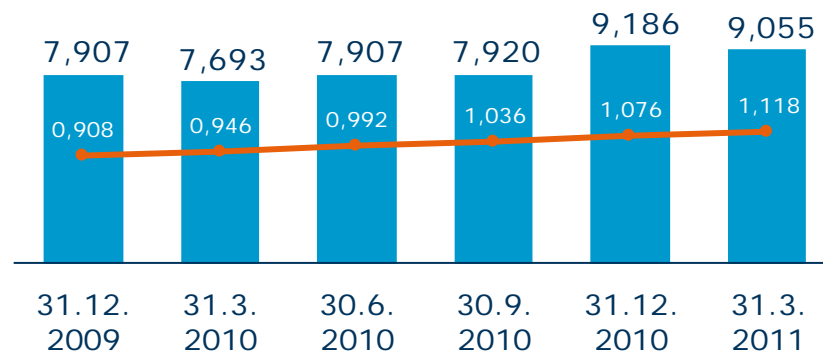
Branches (Bank only)

■ PSB financial centres
■ ČSOB branches (Ret/SME + CORP)



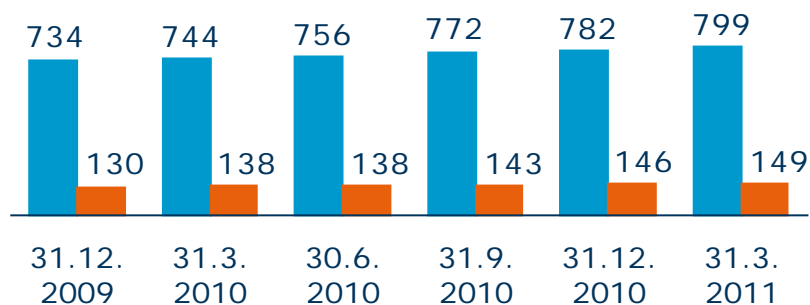
Internet banking*

—●— Number of users (thousand)
■ Number of transactions during the quarter (thousand)

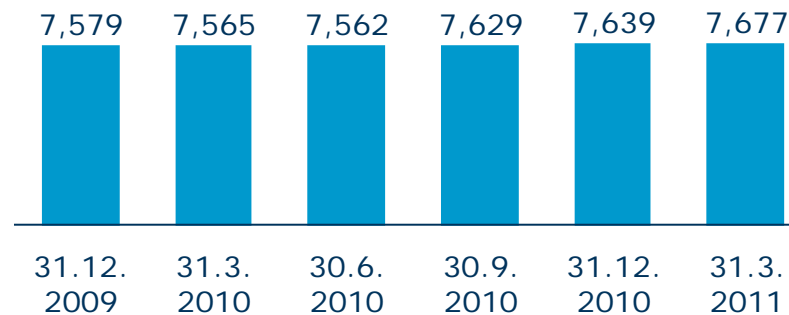


ATMs and Credit cards

■ ATMs
■ Credit cards (ths)



Group employees



* ČSOB Internetbanking 24 + Max Internetbanking PS



Credit rating and shareholder structure

ČSOB's credit ratings

As at 12 May 2011

Rating agency

Moody's	
Long-term rating:	A1 (stable)
Short-term rating:	Prime-1
Financial strength:	C

Fitch	
Long-term rating:	A- (stable)
Short-term rating:	F2
Individual:	C
Support:	1

Rating valid since

23. 2. 2007

14. 5. 2009

Last confirmation

8. 12. 2010

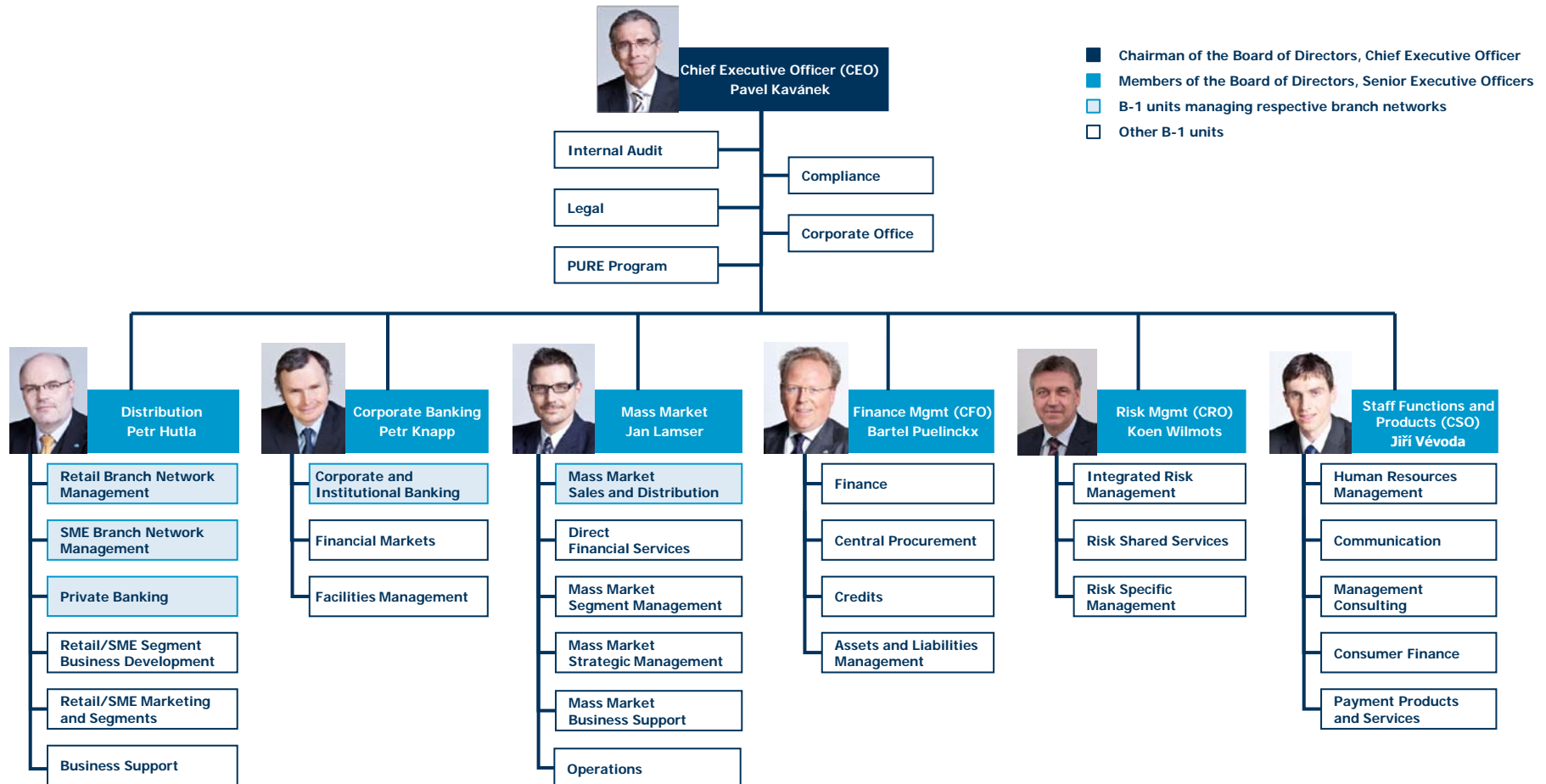
15. 10. 2010

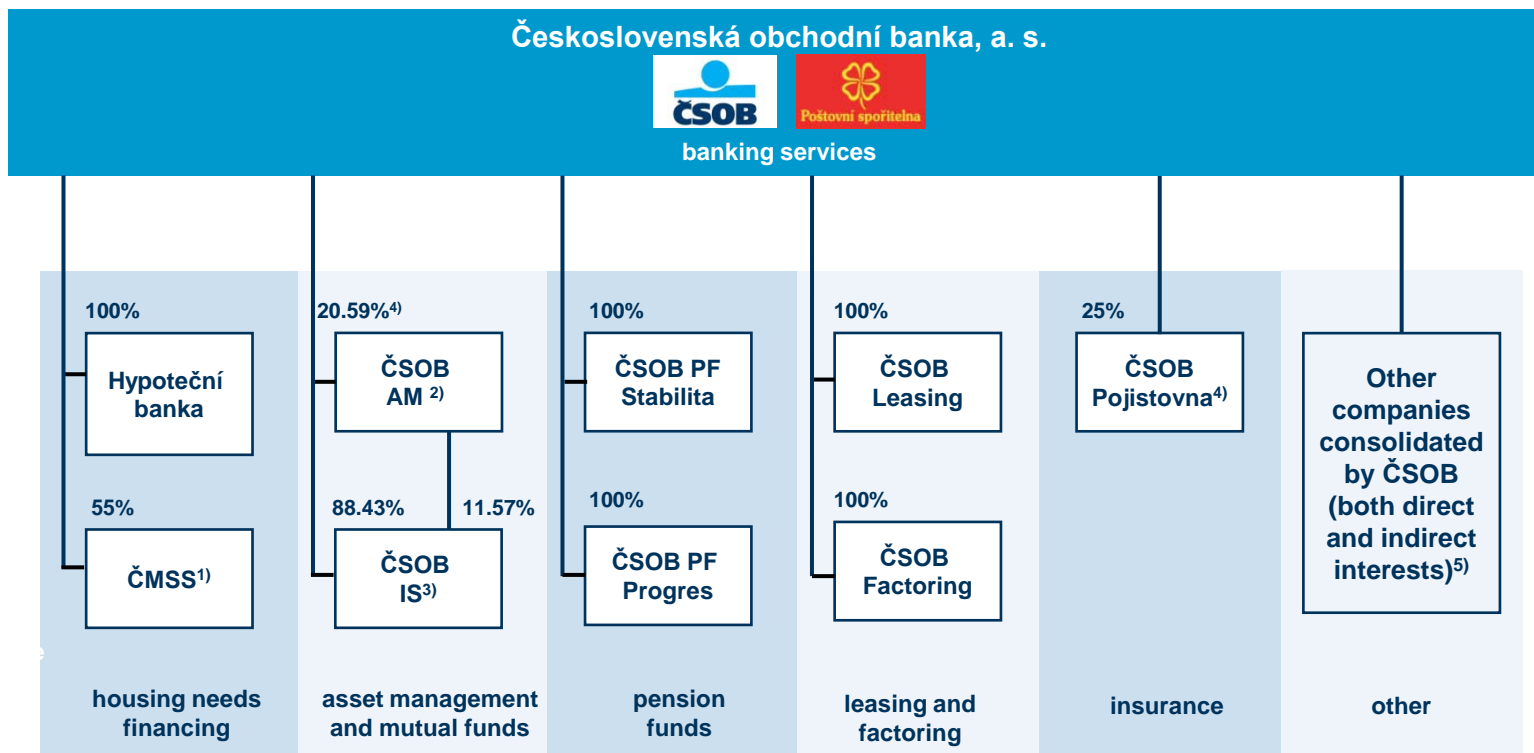
Shareholder structure

As at 31 March 2011, ČSOB's share capital was CZK 5.855 bn and comprised of 292,750,000 ordinary bearer shares with a nominal value of CZK 20 each.

ČSOB is directly controlled by KBC Bank NV, whose ownership interest in ČSOB is 100%.

Management structure





Notes:

Percentages show ownership interests on company's equity as of 31-Dec-2010

1) 45% of shares owned by Bausparkasse Schwäbisch Hall; a proportional consolidated subsidiary of ČSOB.

2) 79.41% of shares owned by Renta Conseil Holding; a fully consolidated subsidiary of ČSOB

3) 73.15% of shares owned direct by ČSOB and 15.28% of shares owned indirect via subsidiary Auxilium; a fully consolidated subsidiary of ČSOB

4) 75% of shares owned by KBC Insurance; subsidiary consolidated in ČSOB by an equity method

5) A complete list of companies consolidated by ČSOB is stated in ČSOB Annual Report



Awards for ČSOB group

Accolades received in 2011



GLOBAL
FINANCE



GLOBAL
FINANCE



GLOBAL
FINANCE

emeafinance

Europe • Middle East • Africa

EMEA Finance magazine: Best Bank Czech Republic in 2010



Best in acquisition finance in Eastern Europe 2011

Profit and loss statement - Ytd.

Reported

(CZK m)	1Q 2010	1Q 2011	Y/Y
<i>Interest income</i>	8 213	8 077	-2%
<i>Interest expense</i>	-2 239	-1 958	-13%
Net interest income	5 974	6 119	+2%
Net fee and commission income	1 421	1 327	-7%
Net gains from financial instruments at FVPL*	910	799	-12%
Other operating income*	307	226	-26%
Operating income	8 612	8 471	-2%
Staff expenses	-1 545	-1 645	+6%
General administrative expenses	-1 492	-1 736	+16%
Depreciation and amortisation	-258	-237	-8%
Operating expenses	-3 295	-3 618	+10%
Impairment losses*	-818	-437	-47%
<i>Impairment on loans and receivables</i>	-811	-437	-46%
<i>Impairment on available-for-sale securities*</i>	-7	-3	-57%
<i>Impairment on other assets*</i>	0	3	N/A
Share of profit of associates	71	52	-27%
Profit before tax	4 570	4 468	-2%
Income tax expense*	-672	-665	-1%
Profit for the period	3 898	3 803	-2%
Attributable to:			
Equity holders of the parent	3 879	3 781	-3%
Minority interest	19	22	+16%

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.

Profit and loss statement - Ytd.

Underlying

(CZK m)	1Q 2010	1Q 2011	Y/Y
<i>Interest income</i>	8 213	8 077	-2%
<i>Interest expense</i>	-2 239	-1 958	-13%
Net interest income	5 974	6 119	+2%
Net fee and commission income	1 421	1 327	-7%
Net gains from financial instruments at FVPL*	576	652	+13%
Other operating income*	307	226	-26%
Operating income	8 278	8 324	+1%
Staff expenses	-1 545	-1 645	+6%
General administrative expenses	-1 492	-1 736	+16%
Depreciation and amortisation	-258	-237	-8%
Operating expenses	-3 295	-3 618	+10%
Impairment losses*	-811	-437	-46%
<i>Impairment on loans and receivables</i>	-811	-437	-46%
<i>Impairment on available-for-sale securities*</i>	0	-3	N/A
<i>Impairment on other assets*</i>	0	3	N/A
Share of profit of associates	71	50	-29%
Profit before tax	4 243	4 319	+2%
Income tax expense*	-610	-637	+4%
Profit for the period	3 633	3 682	+1%
Attributable to:			
Equity holders of the parent	3 614	3 660	+1%
Minority interest	19	22	+16%

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.

(CZK m)	31/12 2010	31/03 2011	Ytd
Cash and balances with central banks	21 164	37 472	+77%
Financial assets held for trading	173 810	181 530	+4%
Financial assets designated at fair value through P/L	11 132	10 989	-1%
Available-for-sale financial assets	102 521	100 001	-2%
Loans and receivables - net	399 741	404 438	+1%
<i>Loans and receivables to credit institutions - gross</i>	14 137	13 181	-7%
<i>Loans and receivables to which other than credit institutions - gross</i>	397 445	403 011	+1%
<i>Allowance for impairment losses</i>	-12 466	-12 569	+1%
<i>Accrued interest income</i>	625	815	+30%
Held-to-maturity investments	150 240	148 413	-1%
Derivatives used for hedging	9 437	9 455	0%
Current tax assets	39	47	+21%
Deferred tax assets	488	484	-1%
Investments in associate	1 163	1 190	+2%
Investment property	713	699	-2%
Property and equipment	8 057	8 025	0%
Goodwill and other intangible assets	3 625	3 570	-2%
Non-current assets held-for-sale	140	147	+5%
Other assets	2 785	3 560	+28%
Total assets	885 055	910 020	+3%

Balance sheet

Liabilities and equity

(CZK m)	31/12 2010	31/03 2011	Ytd
Financial liabilities held for trading	21 096	19 142	-9%
Financial liabilities at fair value through P/L	117 774	145 703	+24%
Financial liabilities at amortised cost	663 418	656 377	-1%
<i>of which Deposits received from credit institutions</i>	30 442	27 186	-11%
<i>of which Deposits received from other than credit institut.</i>	596 078	590 203	-1%
<i>of which Debt securities in issue</i>	24 105	25 709	+7%
<i>of which Subordinated liabilities</i>	11 974	11 975	+0%
<i>of which Accrued interest expenses</i>	819	1 304	+59%
Derivatives used for hedging	5 567	4 767	-14%
Current tax liabilities	1 203	1 528	+27%
Deferred tax liabilities	830	890	+7%
Provisions	651	638	-2%
Other liabilities	8 676	11 484	+32%
Total liabilities	819 215	840 529	+3%
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	34 342	+12%
Available-for-sale reserve	2 422	1 958	-19%
Cash flow hedge reserve	-2	307	+/-
Foreign currency translation reserve	0	0	N/A
Parent shareholders' equity	65 031	68 658	+6%
Minority interest	809	833	+3%
Total equity	65 840	69 491	+6%
Total liabilities and equity	885 055	910 020	+3%

Reclassification of the profit and loss statement:

This presentation shows 2010 quarters' profit and loss statement items reclassified in accordance with the current accounting methodology in order to ensure comparability of IFRS financial statements in time. There are following reclassifications:

- Between interest income and interest expenses, there are changes in accounting of net interest income realised on cash-flow hedging derivatives.
- Interest income and expenses realised on financial derivatives used as economic hedges were reclassified from Net gains from financial instruments recognised at fair value through profit or loss into Net interest income.
- Depreciation of investment property was reclassified from Operating expenses into Other net income.

Reconciliation of business volumes:

ČSOB changed the way of showing lending volumes. Instead of term „group lending“ shown in last year presentations defined as item „loans and receivables – gross“ from the consolidated balance sheet plus credit-replacing bonds, ČSOB newly uses throughout the whole presentation the term „loan portfolio“ defined as loans and receivables to other than credit institutions plus loans and receivables to credit institutions minus exposure to banks from inter-bank transactions plus credit replacing bonds (in HTM, AFS and FVPL portfolios).

Item	Definition	Source
Deposits	Total bank deposits (Retail and COR/SME) excl. repo operations, comprise current accounts and bills of exchange	ČNB (Time series ARAD), ČSOB
Building savings loans	Outstanding volumes of building savings loans, ČMSS 100%	ČNB (ARAD), ČMSS
Building savings deposits	Deposits of buildings savings clients, ČMSS 100%	ČNB (ARAD), ČMSS
Housing loans	Outstanding volumes; building loans + mortgages	ČNB (ARAD), HB, ČSOB, ČMSS
Mutual funds	AUM in both Czech and foreign funds at the given date, including institutional funds and third parties funds; according to AKAT methodology	Association for Capital Market (AKAT)
Total Loans and Leases	Outstanding volumes, consumer loans, mortgages, housing loans (55%), COR/SME loans	ČNB (ARAD), Ministry for Regional Development, HB, ČSOB, ČMSS
Leasing	Volume of newly granted loans (leasing of movables, commercial loans and hire purchase, excl. consumer loans); related to the relevant market comprising both banks and non-banking institutions	Association of Leasing and Factoring Companies ČR (ČLFA)
Mortgages	Outstanding volumes; mortgages for private individuals excl. home-equity consumer loans and mortgages for non-housing real estate purposes, consumer loans for house purchase, according to ČNB definition	ČNB (ARAD), HB, ČSOB
Factoring	Volume of new business	ČLFA
Pension funds	AUM at the given date	Association of Pension funds, ČSOB PFs
CORP/SME loans	Remaining loans that are not reported in any of the retail loans categories (loans to other than households)	ČNB (ARAD), ČSOB
Other retail loans	Outstanding volume of cash loans, credits cards, overdrafts, home equity loans, student loans and mortgages for non-housing real estate purposes	ČNB (ARAD), ČSOB
Life insurance	Gross written Premium, life insurance	Czech Insurance Association (ČAP), ČSOB Pojišťovna
Non-life insurance	Gross written Premium, non-life insurance	ČAP, ČSOB Pojišťovna
Total insurance	Gross written Premium, life insurance + non-life insurance	ČAP, ČSOB Pojišťovna



Glossary

Ratios

NIM (net interest margin)	Net interest income / average interest earnings assets excluding repo operations
C/I (cost/income ratio)	Operating expenses / operating income
RoA (return on average assets)	Net profit for the year / five point average of total assets (calculated based on the period end closing balance and the closing balances of the preceding four quarters)
RoE (return on average equity)	Net profit for the year / five point average of total shareholders' equity (calculated based on the period end closing balance and the closing balances of the preceding four quarters)
NPL (non-performing loans) ratio	Outstanding amount of non-performing loans (KBC group methodology) / loan portfolio
CCR (credit-cost ratio)	Total credit costs / average outstanding credit portfolio (loans, loans replacements and drawn credit commitments - e.g. guarantees) and non-sovereign bonds in credit book.
NPL coverage ratio	Allowances for loans and leases / non-performing loans
Core tier 1 ratio	According to prudential reports of ČNB – Basel II (since 1 July 2007)
Total capital ratio	According to prudential reports of ČNB – Basel II (since 1 July 2007)
Solvency ratio (insurance)	According to prudential reports of ČNB – Solvency I
Loan to deposit ratio	Loan portfolio / primary deposits

Underlying	Excluding extraordinary items. KBC group methodology.
Loan portfolio	Loans and receivables to other than credit institutions plus loans and receivables to credit institutions minus exposure to banks from inter-bank transactions plus credit replacing bonds (in HTM, AFS and FVPL portfolios).
Mortgages	All loans booked in Hypoteční banka, including home equity loans and mortgage loans to legal entities, excluding intra-group loans. Gross.
Building savings loans	All customer lending granted by ČMSS in book values. Gross.
Consumer finance	Loan portfolio granted by ČSOB Bank retail network (ČSOB brand and PSB brand) in book values. Gross.
SME loans	Loan portfolio granted by ČSOB Bank SME network in book values. Gross.
Corporate loans	Loan portfolio granted by ČSOB Bank Corporate banking network in book values, including credit-replacing bonds. Gross.
Group deposits	Item "Deposits received from other than credit institutions" from the consolidated balance sheet.
Building savings deposits	All ČMSS financial liabilities at amortized cost minus deposits received from other than credit institutions.
Primary deposits	Group deposits minus pension funds minus repo operations with non-banking financial institutions (part of "other group deposits") plus deposits to credit institutions (excl. repo operations with credit institutions). Consistent with the internal liquidity management reporting system.

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