1Q 2013 Results
ČSOB Group
Business Unit Czech Republic

EU IFRS Unaudited Consolidated
16 May 2013

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Ample liquidity and adequate capital position

Effective as of 1 January 2013, KBC has organized its core markets activities into three business units. As a result, all KBC's business in the Czech Republic has been included into the newly established Business Unit Czech Republic. Next to the ČSOB group, it also includes ČSOB Pojišťovna, ČSOB Asset management and Patria.

Consistent with a new reporting of KBC, ČSOB will no longer show the underlying net profit. Exceptional items will be addressed on an ad hoc basis.

Key indicators		2010	2011	2012	1Q 2012	1Q 2013
Profitability	Net profit (CZK bn)	13.5	11.2	15.3	4.0	3.2
	Return on equity	20.3%	17.9%	22.8%	25.4%	17.4%
Liquidity	Loan/deposit ratio	68.5%	72.7%	75.2%	72.6%	77.6%
	Net stable funding ratio	137.7%	133.6%	133.2%	131.4%	134.0%
Capital	Tier 1 ratio	14.2%	11.7%	13.0%	11.0%	13.8%
Credit costs	Credit cost ratio	0.75%	0.36%	0.31%	0.25%	0.42%
Cost efficiency	Cost/income ratio	44.0%	46.7%	45.9%	44.2%	47.0%

1Q 2013 at a glance

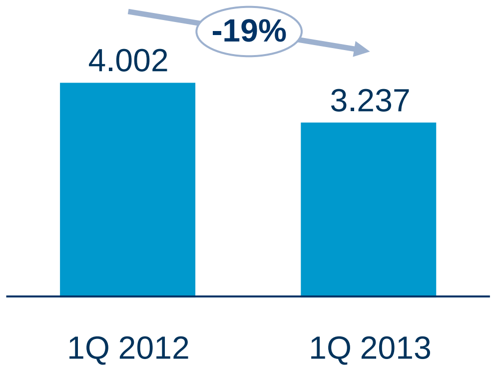
A resilient top line result supported by loan growth

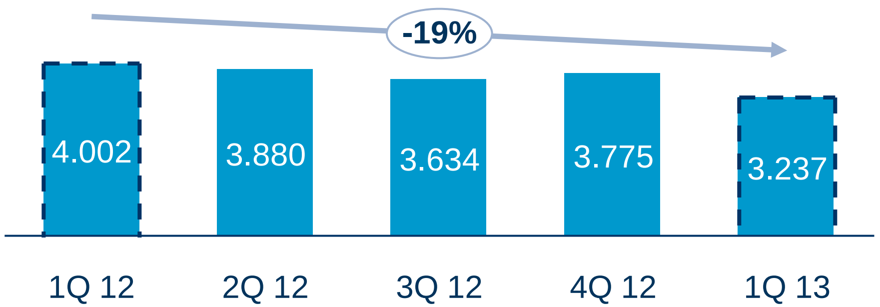
Business volumes	**Loan portfolio** further grew and reached **CZK 489.1bn** (+9% Y/Y) especially thanks to mortgages and corporate/SME loans. **Group deposits** increased to **CZK 626.7bn** (+2% Y/Y).
Operating income	**Resilient top line of CZK 8.2bn** (-3% Y/Y) thanks to sound loan volume growth, increased demand for mutual funds and higher sales in financial market area, offset by a lower interest rate environment.
Credit costs	**Credit costs** increased Y/Y to **42 bps** from 25 bps (Ytd., annualized). The low level of 1Q 2012 was caused by releases in the corporate/SME segment.
Operating expenses	**Operating expenses** increased to **CZK 3.9bn** (+3% Y/Y) due to higher staff costs as the FTE reduction materialized only at the end of 1Q 2013.
Net profit	As a result of the factors mentioned above, the ČSOB group's **net profit declined to CZK 3.2bn** (-19% Y/Y).
Liquidity & Capital	The **loan-to-deposit ratio** increased to **77.6%** and the **Tier 1 ratio** stands at **13.8%**.
Innovations	All ČSOB clients may now use their contactless payment cards at **Czech Post outlets**. Easy payments of invoices by reading a **QR code** via the SmartBanking application. **SmartBanking** is newly available also for **Windows 8** (ČSOB is the first Czech bank to offer such service).

Solid business loan volume growth partly compensates low interest rate environment

Net profit

CZK bn





Business volume growth both in loans and deposits together with increased demand for mutual funds and dealing room products were not able to compensate a **low interest rate environment**. Besides, **higher level of impairments** caused by a low comparison base and **higher operating expenses** linked to higher deposit insurance premium and higher staff expenses resulted in the decline of the **1Q 2013 net profit by 19% Y/Y to CZK 3.2bn**.

The return on equity (RoE) remains at **very sound levels**, despite the Y/Y decline to **17.4%**, driven equally by higher retained earnings and a lower net profit.

The **Q/Q decrease** is due to **several one-offs booked in 4Q 2012** with a combined positive impact of CZK 0.5bn (details in notes).

Notes:
1Q 2012 one-off items (total of CZK -0.05bn) included in the results: Greek sovereign bonds sale (CZK -0.4bn), sale of the stake in ČSOB Asset Management (CZK 0.15bn), recovery of already impaired bad debt from the past (CZK 0.2bn).

2Q 2012 one-off items (total of CZK 0.1bn) included in the results: Sale of the stake in ČMRZB (CZK 0.1bn).

4Q 2012 one-off items (total of CZK 0.5bn) included in the results: Sale of a stake in ČSOB Pojišťovna (CZK 1.2bn), deferred acquisition costs in PF (CZK -0.2bn), severance payment reserve (CZK -0.2bn), impairment on goodwill in PF (CZK -0.3bn).

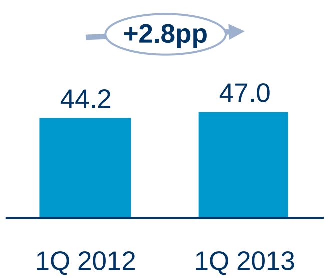
Key ratios

Increased liquidity and capital together with a subdued profitability

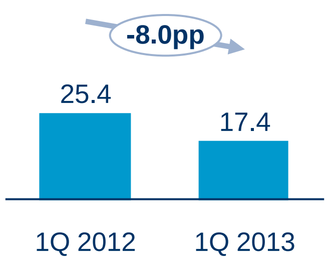
Profitability

Net interest margin (%)

Cost / income ratio (%)



RoE (%)



Loan portfolio quality

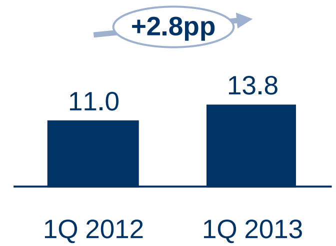
CCR, Ytd. annualized (%)

NPL ratio (%)

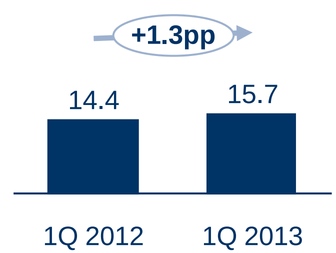
NPL coverage ratio (%)

Capital

(Core) Tier 1 ratio (%)



Total capital ratio (%)



Liquidity

Net stable funding ratio (%)

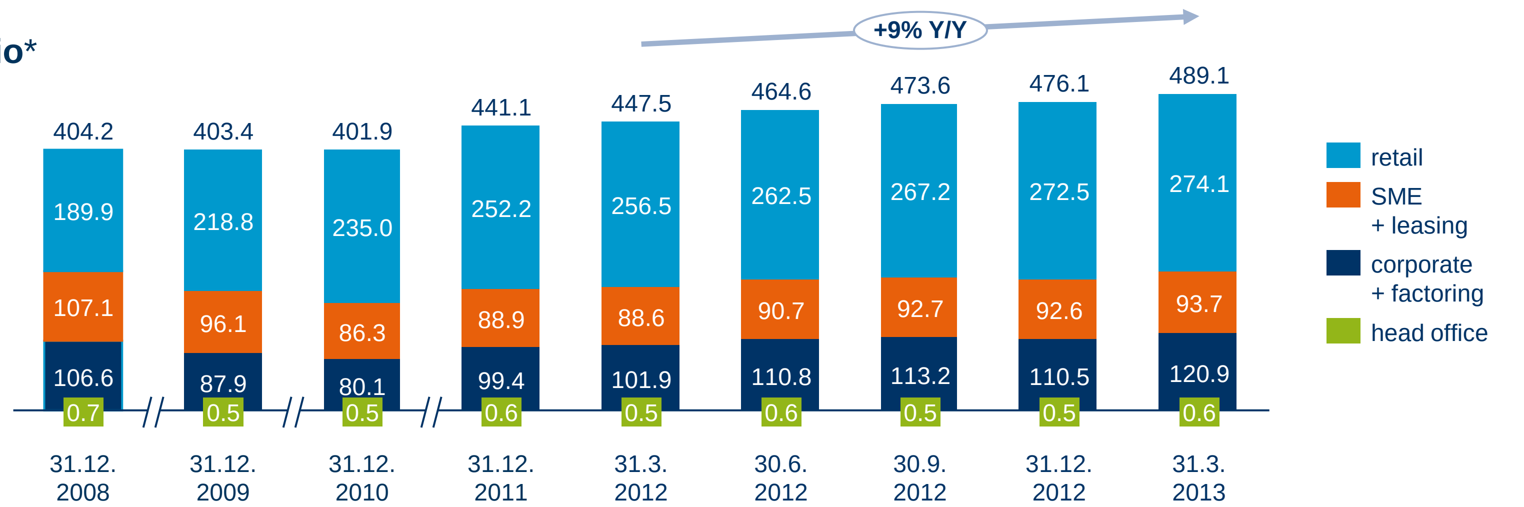
Loan / deposit ratio (%)

Lending and deposits

Continuing strong growth in loans portfolio

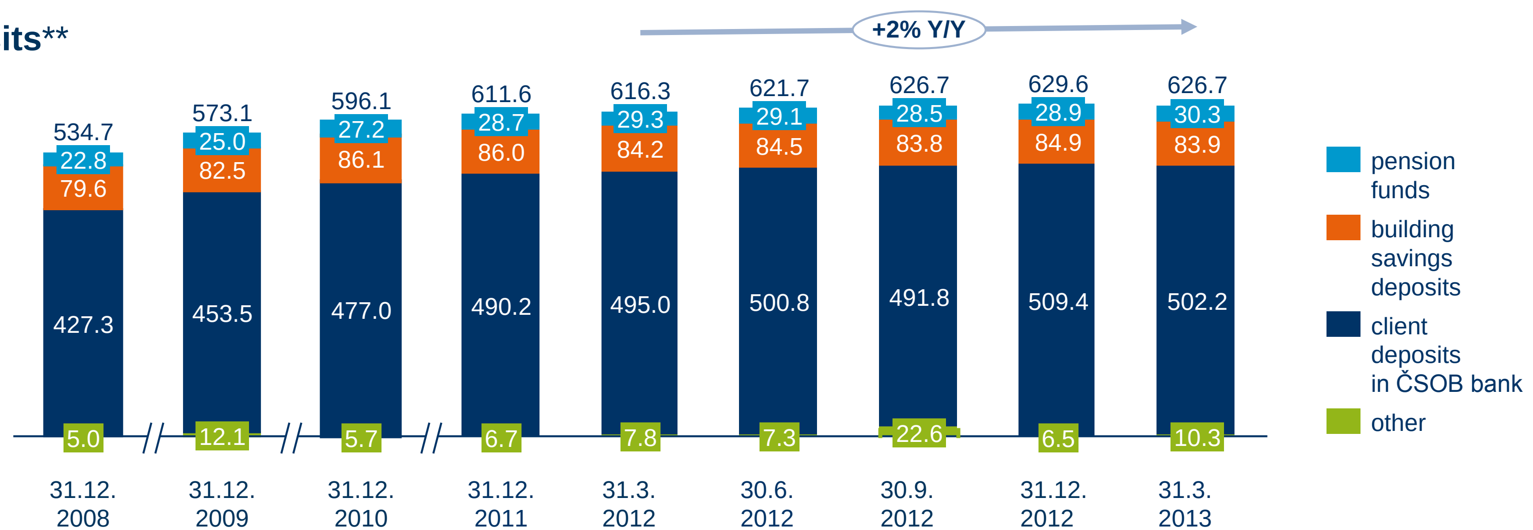
Loan portfolio*

CZK bn



Group deposits**

CZK bn



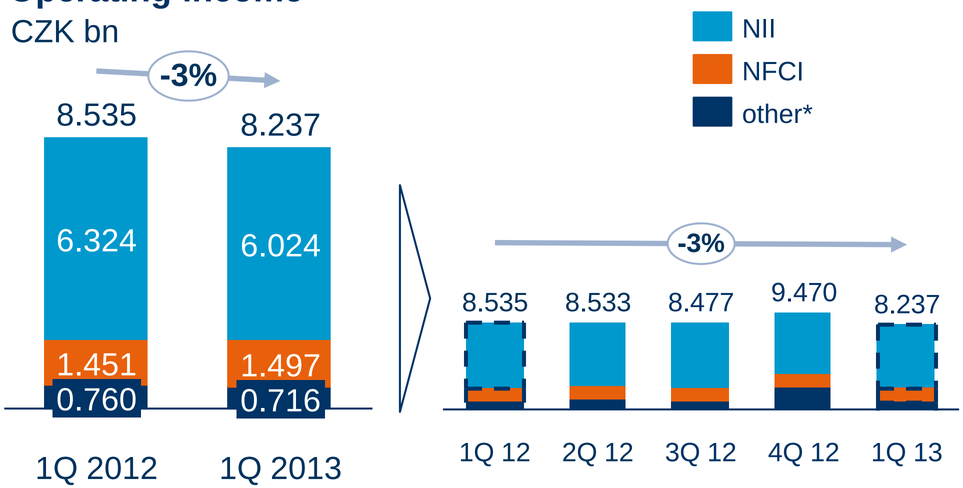
** Item Loans and receivables minus exposure to banks from inter-bank transactions plus credit replacing bonds.*

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

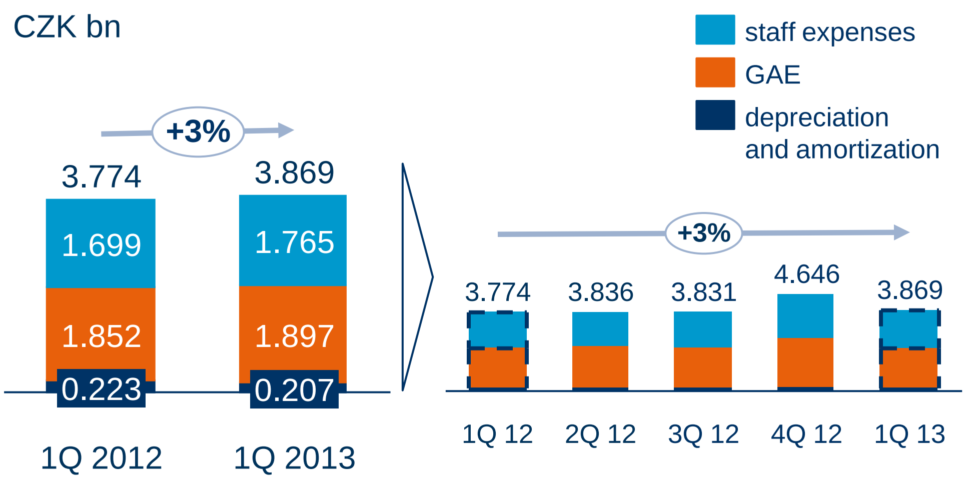
ČSOB Group: Financial Overview

Operating profit
A low interest rate environment and higher costs are the key drivers of the Y/Y decline

Operating income
CZK bn



Operating expenses
CZK bn



The operating profit declined by 8% Y/Y**. The cost/income ratio** increased by 2.8pp to **47.0%** as the FTE reduction materialized only at the end of 1Q 2013.

The operating income decreased by 3% Y/Y. The **higher net fee and commission income** (due to better mutual funds sales) was more than offset by a **lower net interest income** (due to balance sheet de-risking and lower margins on deposits in retail and SME). The **decrease** of the item **"Other"** was driven by weaker performance of dealing room in comparison with exceptionally good 1Q 2012.

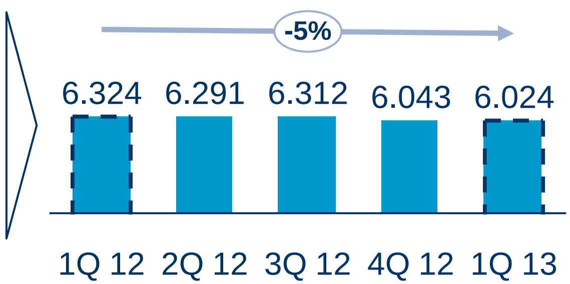
Operating expenses increased by 3% Y/Y driven by a **regular wage adjustment** and a higher contribution to the **deposit insurance** fund, while the FTE reduction materialized only at the end of 1Q 2013. **D&A decreased** Y/Y mainly due to a lower amortization of application software.

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

A higher demand in fee generating business more than offset by a lower NII

Net interest income (NII)

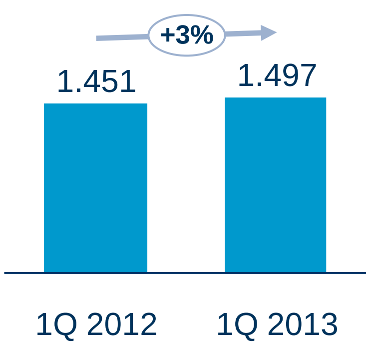
CZK bn

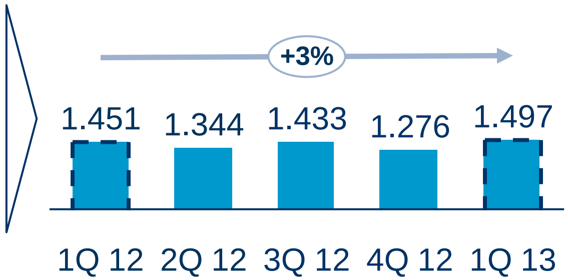


Loan and deposits volume growth did not fully compensate the decline in **net interest income** due to low interest environment. Besides, balance sheet de-risking (sale of bonds from selected South European countries – Greece, Spain, Italy) had also a negative impact. As a result, the net interest income declined by 5 % Y/Y.

Net fee and commission income (NFCI)

CZK bn





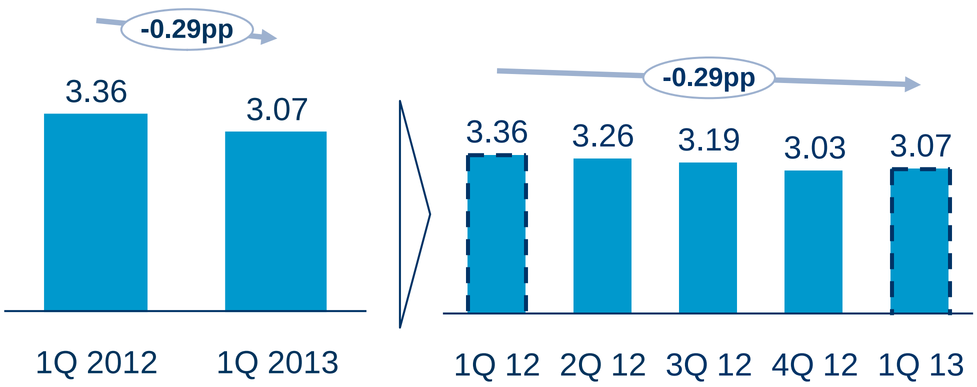
An increased demand for mutual funds, higher sales in the financial markets area which both were partly offset by higher fees paid to distribution were the main drivers for the 3% growth Y/Y in the **NFCI**.

The Q/Q increase in the NFCI was driven by a write-off of deferred acquisition costs in pension funds booked in 4Q 2012.

Net interest margin

NIM under pressure due to a low interest rate environment

Net interest margin (%)



	2010	2011	2012
Net interest margin (Ytd. annualized, %)	3.36	3.39	3.21

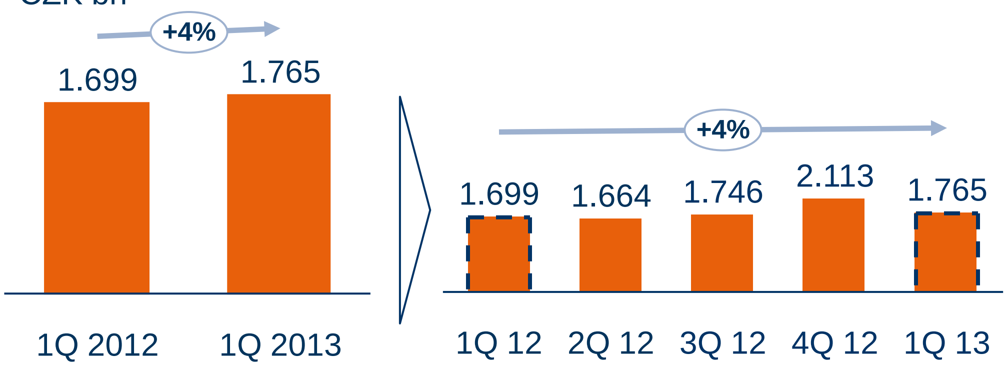
The net interest margin increased by 0.04pp Q/Q however decreased by 0.29pp Y/Y.

The main reasons for the Y/Y development of the NIM :

- (-) Exceptionally low interest rate environment (ČNB lowered its 2W repo rate to 0.05 % in November 2012).
- (-) Reinvestments of excess liquidity at lower yields (compression of CZ sovereign bonds interest rates).
- (-) Strong relative volume growth in corporate loans (average NIM lower than in retail).
- (-) Balance sheet de-risking (sale of sovereign bonds with a higher risk but also a higher yield: e.g. selected South European countries).
- (+) Decrease of external interest rates on savings accounts in January.

The wage adjustment of 2012 and the deposit insurance premium drove the Y/Y increase

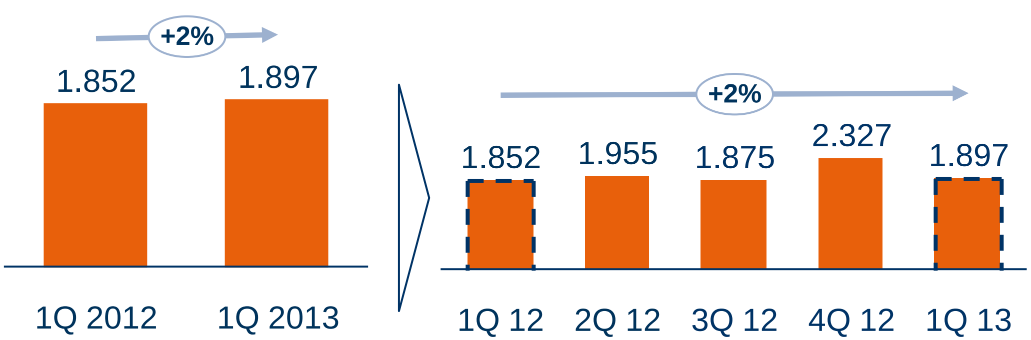
Staff expenses
CZK bn



As the FTE reduction materialized only at the end of 1Q 2013, 4% Y/Y increase in **staff expenses** was mainly driven by a regular annual wage adjustment as well as a change of accruals system on bonuses in ČMSS.

In 1Q 2013, **staff expenses** were lower than in the previous quarter as ČSOB created severance payment reserve already at the end of last year for 2013 staff redundancies.

General administrative expenses
CZK bn

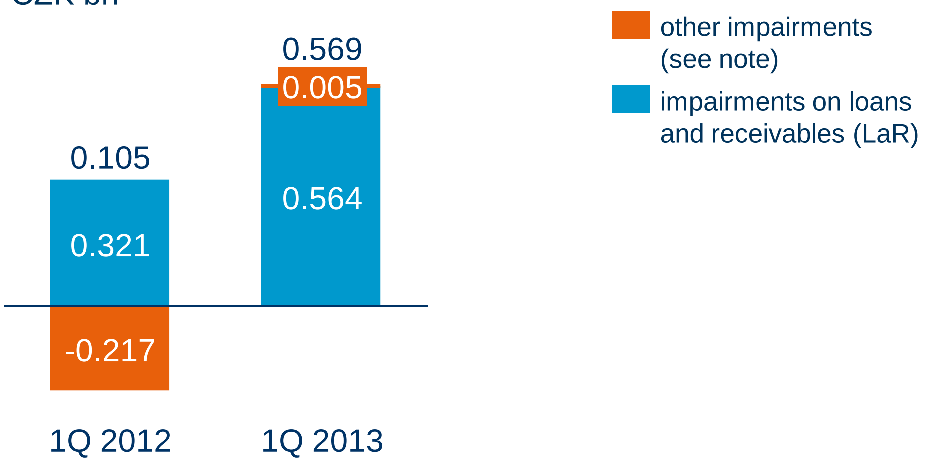


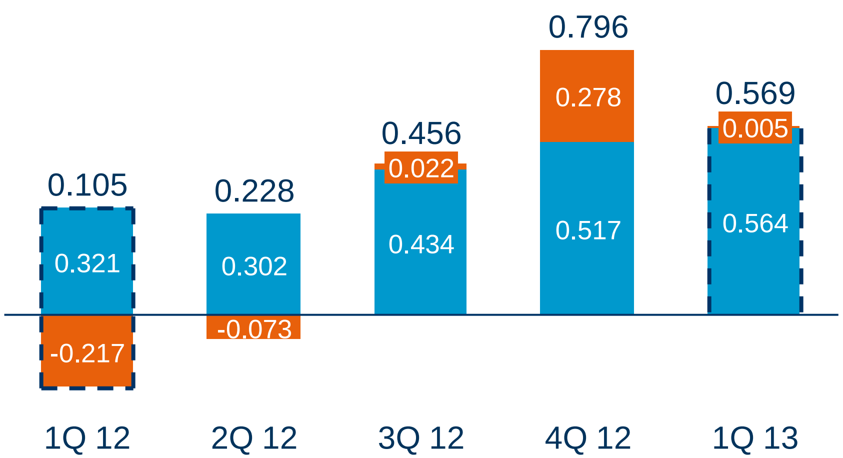
The 2% Y/Y growth of **general administrative expenses** was especially due to a higher deposit insurance premium linked to higher volumes of deposits and higher marketing expenses.

GAE were lower Q/Q as there were seasonally higher costs typical for the end of the year (e.g. marketing) and higher expenses linked to migration to next generation (contactless) payments cards in 4Q 2012.

Credit costs increase closer to normalized levels

Total impairments
CZK bn





In 1Q 2013, the **impairments on loans and receivables** reached CZK 564m. The Y/Y increase was caused by exceptionally low impairments a year ago as a result of releases in the corporate/SME area. The credit cost ratio reached 42 bps (Ytd., annualized),17 bps higher Y/Y.

Impairment losses increased Y/Y in the corporate/SME area and slightly in building savings loans. On the other hand, impairments in consumer finance decreased Y/Y.

All segments are stable Q/Q.

Notes:
In 1Q 2012, a release of CZK 217m was booked in other impairments due to the recovery of already impaired receivables from the past. This contributed significantly to the decrease of the total impairments.

In 4Q 2012, changes in legislation resulted in an impairment on goodwill in the pension fund reported in other impairments.

Adequate capital position

Consolidated, CZK m	31.12.2012	31.3.2013
Total regulatory capital	**52 161**	**50 026**
- Tier 1 Capital	44 975	44 043
- Tier 2 Capital	7 983	6 385
- Deductions from Tier 1 and Tier 2	-797	-401
Total capital requirement	**27 389**	**25 422**
- Credit risk	21 669	19 652
- Market risk	1 204	1 240
- Operational risk	4 516	4 530
Total RWA	**342 360**	**317 779**
Core Tier 1 ratio = Tier 1 ratio	**13.0%**	**13.8%**
Total capital ratio	**15.2%**	**15.7%**

Total capital requirement and RWA adjusted due to improved capital models, mainly in the corporate/SME area on better data quality. Well collateralized new deals in the corporate segment helped to keep RWA subdued despite the loan growth.

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 + surplus in expected credit losses
Total regulatory capital = Tier 1 + Tier 2 – deductions
*Tier 1 ratio = (Tier 1 capital – 0.5*deductions) / (total capital requirement / 0.08)*

ČSOB Group: Business Part

ČSOB increased its market share in most of the loan categories

1st

Building savings loans[1]	↗ 44.2%
Building savings deposits[1]	↘ 35.7%
Mortgages[1]	↗ 30.6%
Mutual funds[1]	↘ 29.3%
Leasing[2]	↘12.0%

2nd

Total Loans[1]	**↗ 19.5%**
Total Deposits[1]	**↘ 19.6%**
Factoring[2]	↗ 27.2%

3rd

Pension funds[3]	↘ 14.2%
Corporate/SME loans[1]	↗ 14.8%
Consumer lending[1,4]	↗ 10.9%

Arrows show Y/Y change. Market shares as of 31 March 2013, except for factoring, leasing, pension funds and mutual funds, which are as of 31 December 2012. The ranking is ČSOB's estimate.

[1] Outstanding at the given date; [2] New business in the year to the given date; [3] Number of clients at the given date; [4] Retail loans excluding mortgages and building savings loans.

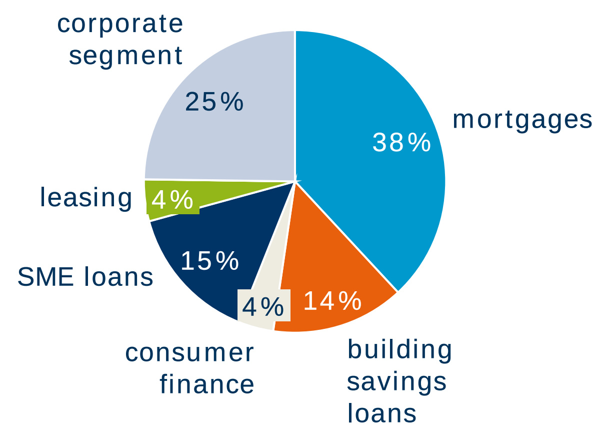
Sources and detailed definitions are provided in Appendix.

Loan portfolio

Growth driven by mortgages and corporate/SME

Gross outstanding volumes, CZK bn	31.3.2012	31.3.2013	Y/Y
Loan portfolio	**447.5**	**489.1**	**+9%**
Retail/SME Segment			
Mortgages[1]	168.1	186.3	+11%
Building savings loans[2]	70.1	68.8	-2%
Consumer finance	18.4	19.0	+3%
SME loans	66.8	72.1	+8%
Leasing	21.8	21.6	-1%
Corporate Segment			
Corporate loans[4]	97.9	117.0	+20%
Factoring	4.0	3.9	-4%
Head Office[5]	0.5	0.6	+9%

31.3. 2013

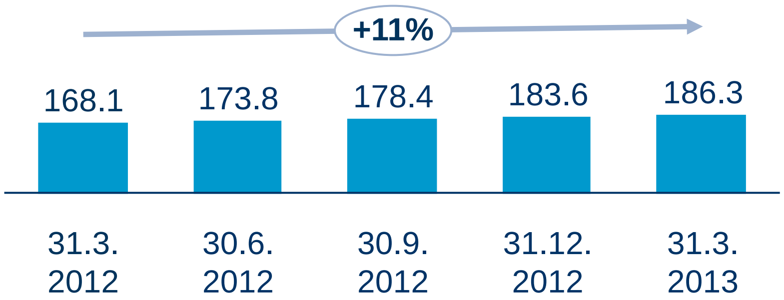


[1] The ČSOB group mortgages are booked in the balance sheet of ČSOB's subsidiary Hypoteční banka.
[2] The ČSOB group building savings loans are booked in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated balance sheet.
[4] Including credit-replacing bonds.
[5] Historic files.

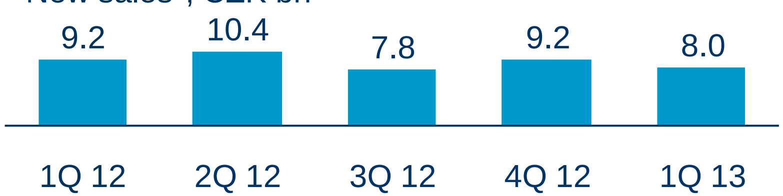
Housing loans

Good performance in the mortgage area

Mortgages
Outstanding, CZK bn



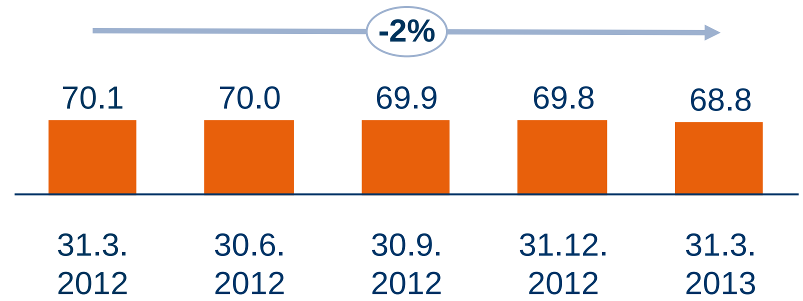
New sales*, CZK bn



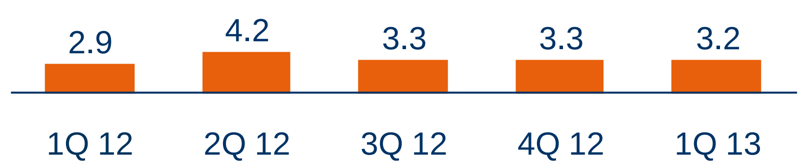
Stable real estate prices, interest rates at a record lows and **refinancing building savings loans** contributed to a 4% Y/Y growth of outstanding mortgage market in comparison with 1Q 2012. **ČSOB volumes increased by 11%** Y/Y during the same period.

Providing CZK 8.0bn in new loans in 1Q 2013, ČSOB confirmed the **leading position** in new sales.

Building savings loans
Outstanding (ČMSS 55%), CZK bn



New sales (ČMSS 55%)*, CZK bn



Portfolio of building savings loans decreased Y/Y as clients in general preferred mortgages to building savings loans in the low interest rate environment. As a result, the whole **market of building savings loans slightly declined in 1Q 2013**.

Although outstanding volumes decreased Y/Y, ČMSS continues to keep its leading market position.

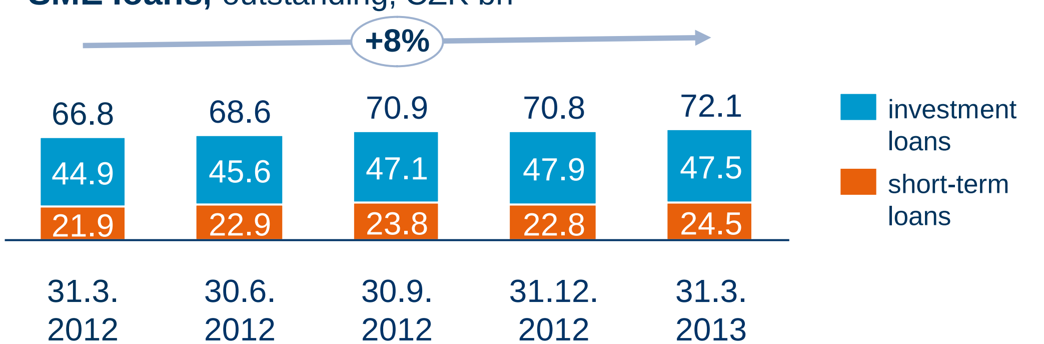
** Building savings loans: granted loan limits; mortgages: signed contracts, in line with MMR statistics.*

Consumer finance and SME loans continued to grow

Consumer finance, outstanding, CZK bn

In 1Q 2013, ČSOB managed to keep consumer finance volumes and increase market share. ČSOB was particularly **successful in client loan consolidation.**

SME loans, outstanding, CZK bn



Demand for loans in the SME segment remained healthy both Y/Y and Q/Q. The Q/Q decrease in investment loans was compensated by a higher demand for short-term loans.

Leasing, outstanding*, CZK bn

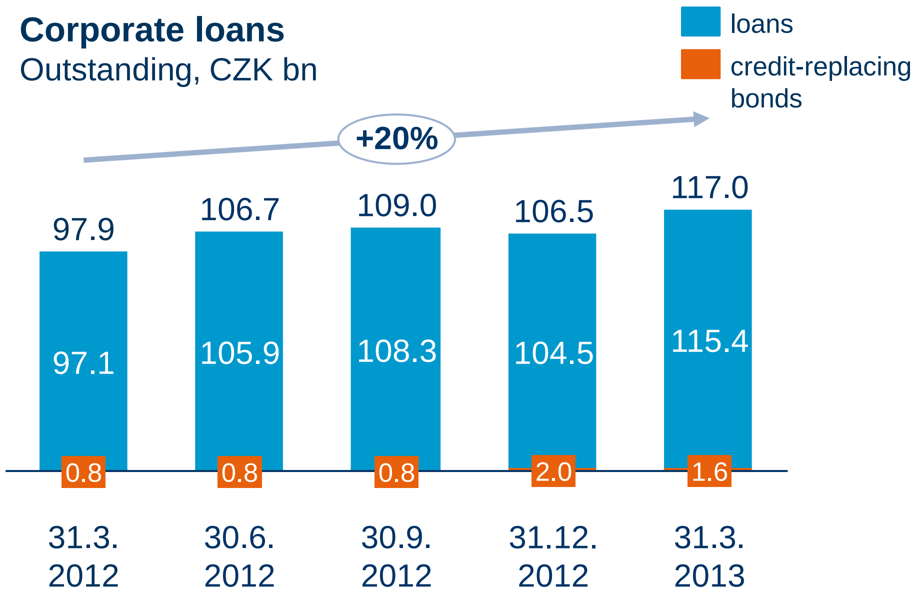
Despite the slight Y/Y decline of the outstanding volume, new sales of operating leasing increased by 28% Y/Y. **ČSOB Leasing thus confirmed its leading market position**, outperforming a very competitive market.

** Total exposure of ČSOB Leasing, excluding operational leasing.*

Corporate segment

Plain vanilla loans supplemented by few large transactions in acquisition and export finance

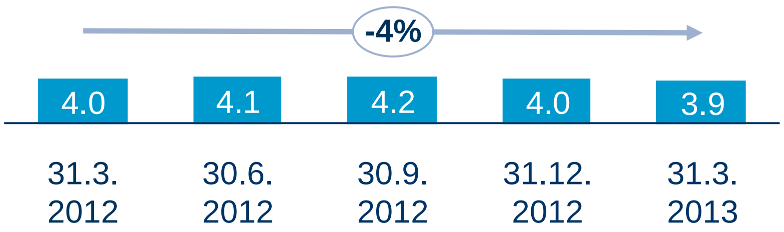
Corporate loans
Outstanding, CZK bn



Corporate loans grew by 20% Y/Y as growth in plain vanilla loans was supplemented by few large transactions in 1Q 2013 in the area of acquisition and export finance.

ČSOB was named the **Best Foreign Exchange Provider 2013** for the Czech Republic by the Global Finance magazine. Besides, ČSOB won the **Best Bank 2012** award by the EMEA Finance magazine. ČSOB claimed the prize for the third time in the four year history of the award.

Factoring
Outstanding, CZK bn

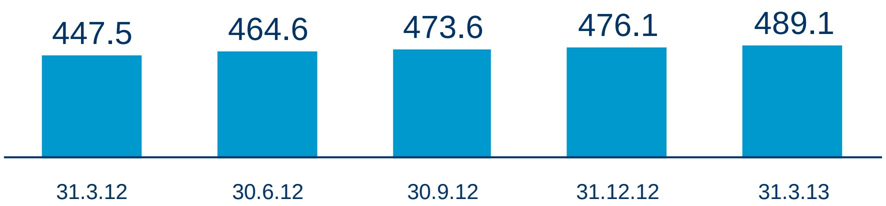


Factoring volumes decreased by 4% Y/Y due to a market slowdown, mostly in the metallurgical, engineering and automotive industries.

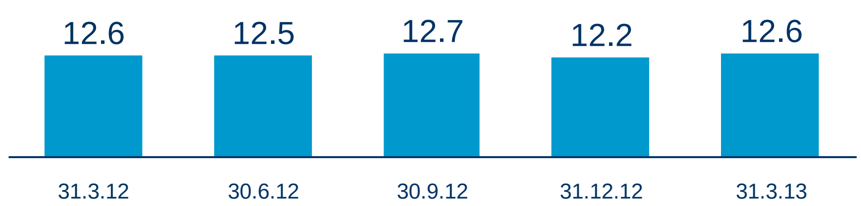
Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300m, local subsidiaries of international groups and selected institutional clients.

Credit risk under control (1/2)

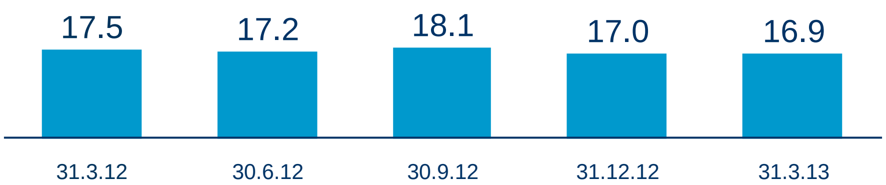
Loan portfolio[1] (CZK bn)



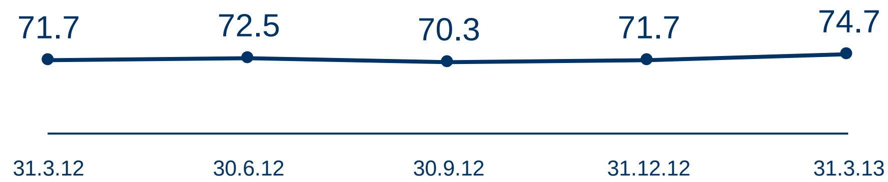
Allowances for loans and leases[3] (CZK bn)



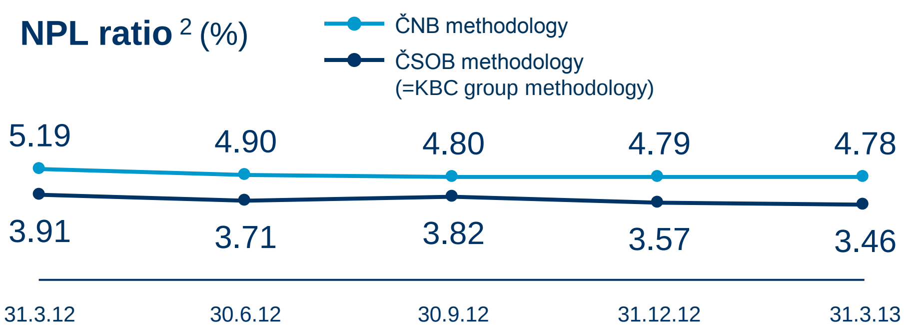
Non-performing loans (CZK bn)



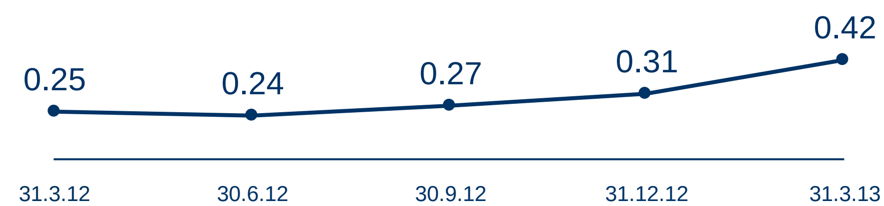
NPL coverage ratio (%)



NPL ratio[2] (%)



Credit cost ratio[4] (%)



[1] For definition, see Appendix.
[2] ČSOB methodology in line with KBC group methodology.

[3] Allowances for on-balance sheet items.
[4] Ytd. annualized, including off-balance sheet items.

Credit risk under control (2/2)

Credit costs

- In 1Q 2013, the impairments on loans and receivables reached CZK 564m. The Y/Y increase is caused by exceptionally low impairments a year ago as a result of releases in the corporate/SME area. The credit cost ratio is 42 bps (Ytd., annualized), i.e. 17 bps higher Y/Y.
- Impairment losses increased Y/Y in the corporate/SME area and slightly in building savings loans. On the other hand, impairments in consumer finance decreased Y/Y.
- In comparison with the previous quarter, all segments are stable.

Non-performing loans

- In 1Q 2013, the amount of non-performing loans, and thus the NPL ratio, decreased Y/Y due to a methodology change (newly classified "uncertain performing loans") in building savings loans. This change doesn't affect the NPL ratio according to the ČNB methodology.
- The NPL ratio decreased Y/Y in the area of consumer finance and corporate/SME loans. On the other hand, there was an increase in leasing. Mortgages remained stable.
- In comparison with 4Q 2012, the NPL ratios were higher in leasing and mortgages, lower in corporate/SME loans and stable in consumer loans.

Coverage of non-performing loans

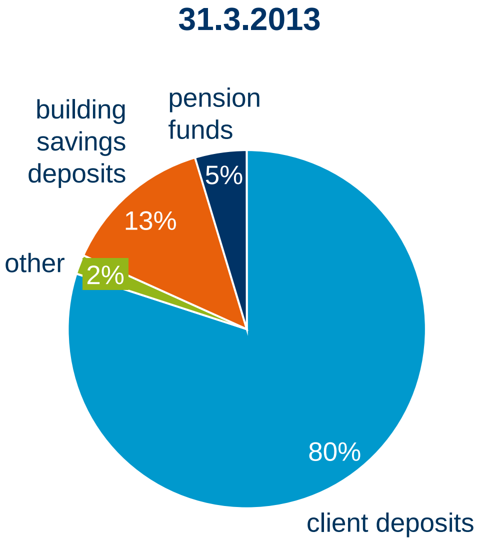
- The provision coverage of NPLs increased to 74.7%, fully attributable to ČMSS alignment to ČSOB methodology.
- Housing loans (mortgages and building savings loans), representing more than a half of the ČSOB group's loan portfolio, require less provisioning given the fact they are largely secured by collateral. NPLs from the remaining part of the portfolio are almost or fully covered by allowances, i.e. showing the coverage ratio around 100%.

Note: Since 1Q 2013, there is a change in methodology of non-performing loans in building savings loans. PD rating 10 was newly identified, meaning not all the loans are classified as non-performing according to ČSOB methodology (NPL include PD rating 11 and PD rating12 only). NPL, NPL ratio and NPL coverage ratio was not recalculated retrospectively. NPL ratio according to ČNB methodology remained unchanged.

Group deposits

Retail and corporate/SME deposits grew Y/Y in a competitive environment

Outstanding volumes, CZK bn	31.3.2012	31.3.2013	Y/Y
Group deposits	**616.3**	**626.7**	**+2%**
Client deposits	495.0	502.2	+1%
Current accounts	264.7	272.7	+3%
Savings deposits	205.3	213.3	+4%
Term deposits	25.0	16.2	-35%
Building savings deposits[1]	84.2	83.9	0%
Pension funds[2]	29.3	30.3	+3%
Other[3]	7.8	10.3	+32%

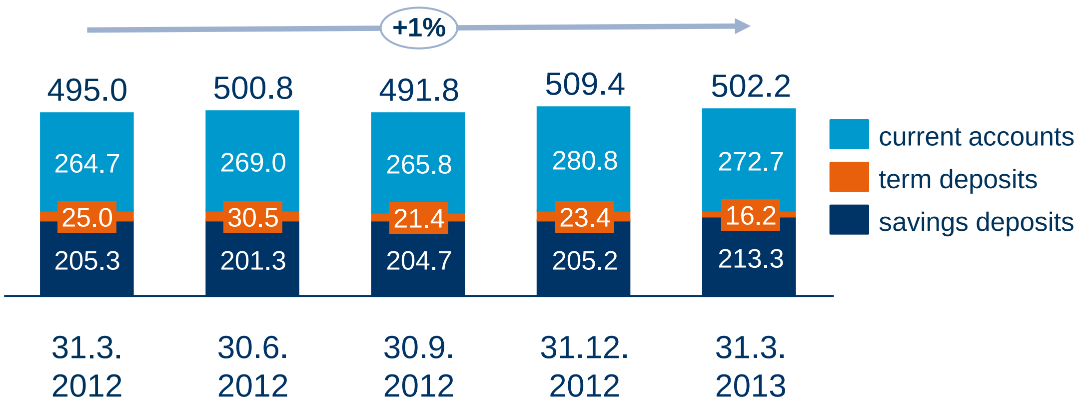


[1] The ČSOB group building savings deposits are in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated balance sheet.
[2] Liabilities to pension fund policy holders.
[3] Repo operations with non-banking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

Group deposits

Both retail and corporate/SME deposits grew Y/Y

Client deposits in ČSOB bank (CZK bn)



The Y/Y increase was achieved both in retail and corporate/SME deposits. Within the total client deposits, **savings deposits show a 4% Y/Y growth**. This increase was offset by a decline in term deposits (-35% Y/Y). **Current accounts increased by 3% Y/Y**.

The Q/Q decrease in current accounts is caused by lower corporate/SME deposits. Retail current and savings deposits slightly increased.

Building savings deposits (CZK bn)

Despite the uncertainty related to the change of the state subsidy, the volumes of **building savings deposits remained stable**.

Pension fund (CZK bn)

The Q/Q increase to CZK 30.3bn was driven mainly by the distribution of the 2012 profit to clients. Additionally, the state contributions and an increase of client's monthly contribution added to the growth of AUM.

ČSOB group's distribution platform
Distribution platform further optimized

	31.3.2012	31.3.2013
Retail/SME branches and advisory centers	568	562
ČSOB Retail/SME branches	241	238
PSB branches ("Financial Centers")	62	74
ČMSS advisory centers	151	138
Hypoteční banka centers	27	27
ČSOB Pojišťovna branches	87	85
Leasing branches	13	12
Corporate branches	11	11
PSB outlets of the Czech Post network	ca. 3,200	ca. 3,200
ATMs (ČSOB+PSB)	846	921
ČSOB's clients (bank only, mil.)	3.102	3.038

ČSOB further **enlarge its ATM network**. During the last year, clients were able to use 75 new ATMs.

The multi-channel distribution platform of the ČSOB group includes also a wide **agent network** of over 5,000 agents, incl. ČMSS tied agents, intermediaries and individual brokers for Hypoteční banka, ČSOB Leasing dealers and ČSOB Pojišťovna's tied agents, multi-agents and individual brokers.

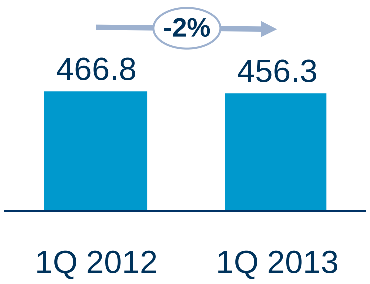
The **number of ČSOB's clients** (bank only) decreased due to closing of inactive accounts. Without this, number of clients is flat Y/Y.

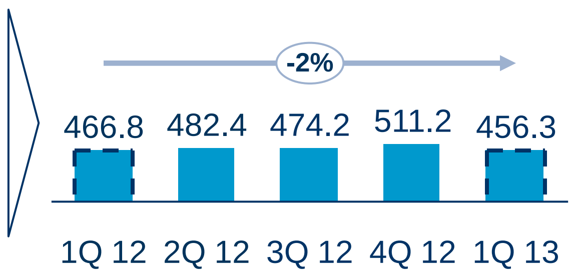
ČSOB Pojišťovna: Key Figures

Weaker non-life result compensated by life performance

Operating income

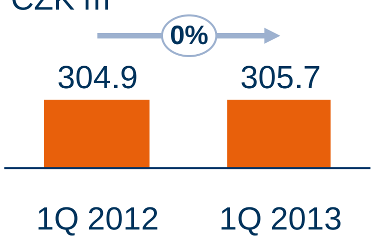
CZK m

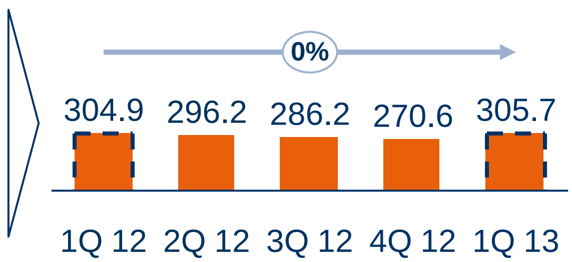




Operating expenses

CZK m



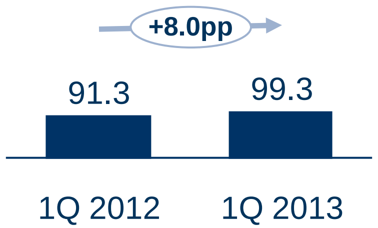


The 1Q 2013 net profit remained flat at CZK 125m as worse performance of the non-life segment linked to higher claims was compensated by a better performance of life segment thanks to a good operating profitability as well as yield financial investments.

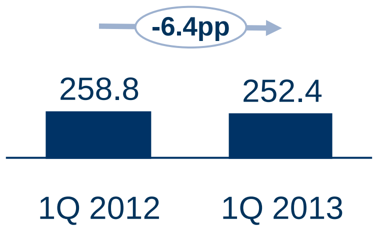
The 1Q 2013 technical result in non-life segment declined by 70% Y/Y to CZK 27m mainly due to a single large claim in industrial risk as well as higher claims in the motor insurance area and a higher contribution to Czech insurers' bureau reserve fund. The latter was due to the increasing share of ČSOB Pojišťovna on the motor-third-party-liability (MTPL) insurance market. As a result, the non-life combined ratio deteriorated by 8.0 pp.

The 1Q 2013 technical result in the life segment increased by 52% Y/Y to CZK 129m, mainly thanks to favorable technical performance, sale of selected bonds from the portfolio and a net FX/interest income higher vs. 1Q 2012.

Combined ratio non-life (%)

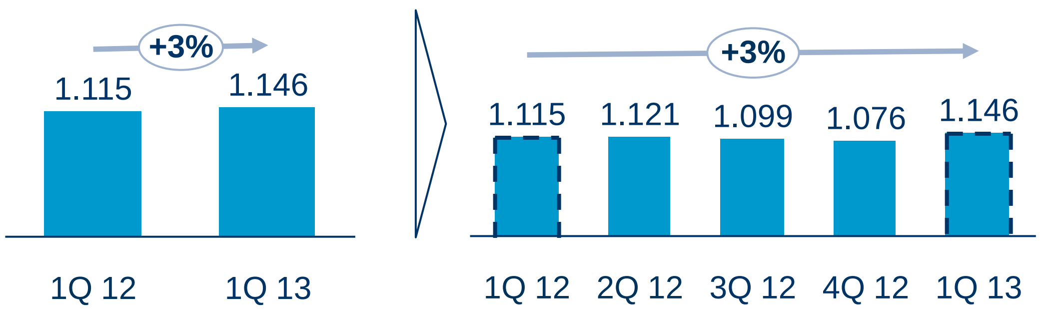


Solvency ratio (%)



Both regular paid life and non-life insurance ahead of single paid life insurance

Gross written premium – non-life insurance
CZK bn

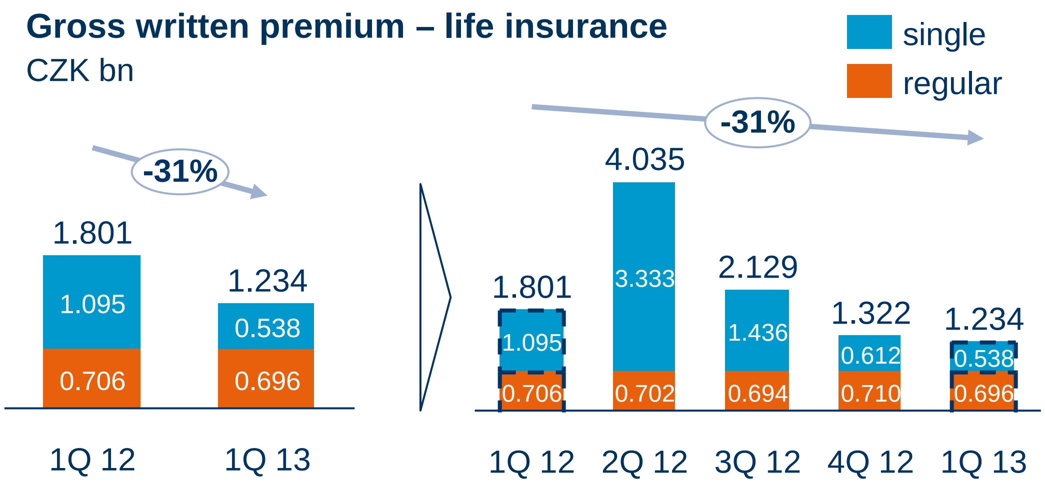


Market shares	1Q 2013	Market position
Non-life	↗ 6.1%	6th
Life insurance	↘ 6.4%	6th

Arrows show Y/Y change.

Non-life insurance:
Sales of non-life insurance increased 3% Y/Y thanks to improved sales in car fleets, industrial and households business.

Gross written premium – life insurance
CZK bn



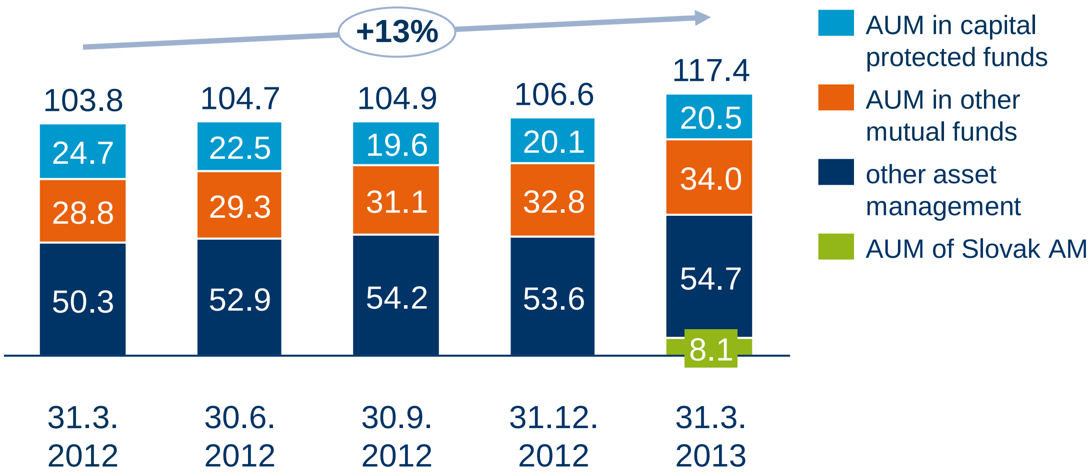
Life insurance:
1Q 2013 confirmed the stable development in the **regularly paid** gross written premium. Higher sales of unit linked life insurance were fully offset by lower sales of universal life insurance.

The Y/Y decrease of **single paid** gross written premium was due to lower sales of Maximal Invest in 1Q 2013, as worse market conditions did not bring enough investment opportunities.

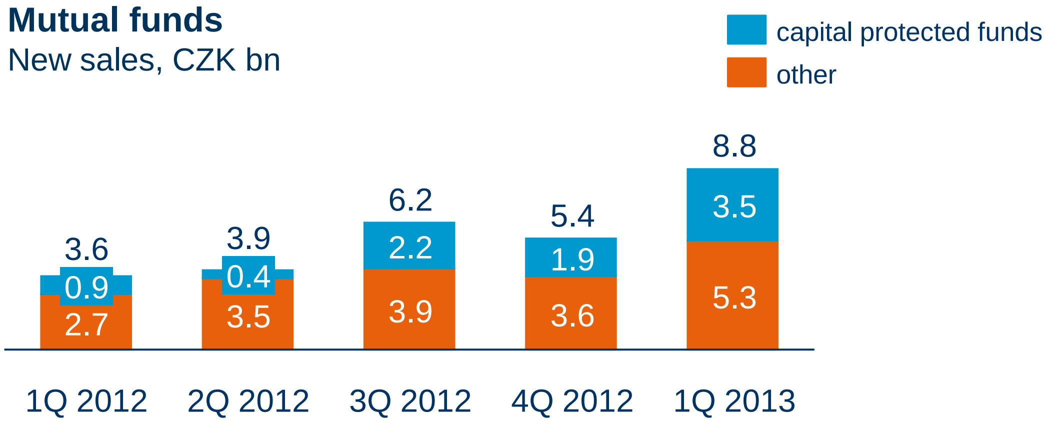
ČSOB Asset Management: Key Figures

Mutual funds and other asset management
AUM increased both Y/Y and Q/Q

Assets under management
Outstanding volumes, CZK bn



Mutual funds
New sales, CZK bn



ČSOB is keeping its **number 1 position in the funds market.**

ČSOB AM took over the portfolio management of ČSOB Poisťovňa SK and ČSOB Asset management, správcovská spoločnosť SK. Adjusting for Slovak AM, **AUM increased by 5% Y/Y.**

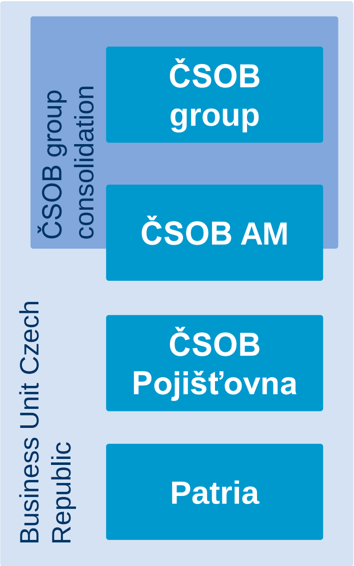
New sales were up by **144% Y/Y** and **63% Q/Q.** The strongest demand was for **mixed funds**, especially funds with a conservative profile, and **capital protected funds**, where clients purchased funds with a 95% capital protection with a better return potential. Higher sales of **equity funds** were supported by a strong performance of equity markets. On the other hand, interest in bond and money market funds was lower.

Notes:
AUM definition: funds managed by ČSOB AM as well as those distributed by the ČSOB group but managed by the KBC AM group.
AUM in funds: Only direct positions are included (the funds bought directly by clients).
Other asset management: Discretionary mandates and Qualified Investors Funds.

Business Unit Czech Republic

Business Unit Czech Republic

Net profit lower Y/Y driven by ČSOB group

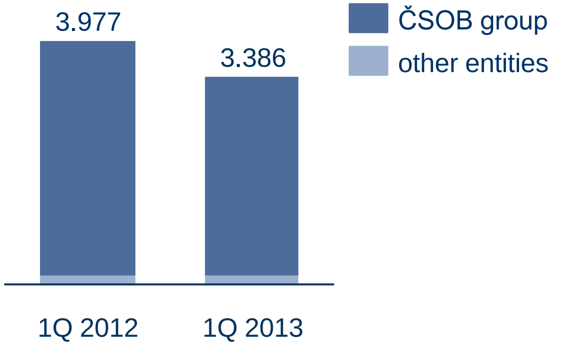


The 1Q 2013 net profit of the Business Unit Czech Republic, which contains all KBC's operations in the Czech Republic, namely the ČSOB group, ČSOB Pojišťovna, ČSOB Asset management (ČSOB AM) and Patria, decreased by 15% Y/Y to **CZK 3.4bn**.

The ČSOB group provides services to all groups of customers via ČSOB bank (including Postal Savings Bank, ČSOB Leasing and ČSOB Penzijní společnost), Hypoteční banka and ČMSS.

Net profit of the Business Unit Czech Republic

CZK bn



Net profit (CZK bn)	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	Y/Y
ČSOB group[1)]	3.806	3.834	3.586	2.638	3.228	-15%
ČSOB Pojišťovna	0.125	0.139	0.141	0.215	0.125	0%
ČSOB AM	0.036	0.033	0.032	0.029	0.034	-4%
Patria[2)]	0.011	0.011	-0.002	-0.008	-0.001	N/A
Total	**3.977**	**4.017**	**3.757**	**2.874**	**3.386**	**-15%**

1) *Differences between the ČSOB group results within the Business Unit Czech Republic (BU CZ) results and the stand-alone ČSOB group consolidated results are stemming from:*
   - *BU CZ results includes ČSOB AM result with 100% share, while the ČSOB group results include ČSOB AM only with 40% share (in line with ownership interest.*
   - *Profit from the sale of stakes in ČSOB AM (CZK 0.15bn in 1Q 2012) and in ČSOB Pojišťovna (CZK 1.2bn in 4Q 2012) to KBC are visible in the ČSOB group results, while not in the BU CZ results due to consolidation.*

2) *Only Patria Finance and Patria Direct are included.*

Appendix

Ratios and other indicators

Ratios / Indicators	31. 12. 2009	31. 12. 2010	31. 12. 2011	31. 12. 2012	1Q 2012	1Q 2013
Net interest margin (Ytd., annualized, %)	N/A	3.36	3.39	3.21	3.36	3.07
Cost / income ratio (%)	34.4	44.0	46.7	45.9	44.2	47.0
RoE (Ytd., %)	28.3	20.3	17.9	22.8	25.4	17.4
RoA (Ytd., %)	2.00	1.55	1.23	1.63	1.71	1.38
Credit cost ratio (%, annualized)	1.12	0.75	0.36	0.31	0.25	0.42
NPL ratio (%)	3.35	4.05	3.88	3.57	3.91	3.46
NPL ratio (ČNB definition, %)	4.75	5.83	5.19	4.79	5.19	4.78
NPL coverage ratio (%)	79.2	76.7	73.5	71.7	71.7	74.7
Core Tier 1 ratio (Basel II, %)	11.9	14.2	11.7	13.0	11.0	13.8
Total capital ratio (Basel II, %)	15.0	18.0	15.5	15.2	14.4	15.7
Solvency (Solvency I, %)	263.9	236.5	244.4	255.4	258.8	252.4
Leverage ratio (Basel III, %)	N/A	4.50	3.96	4.73	3.89	4.59
Net stable funding ratio (Basel III, %)	N/A	N/A	137.7	133.2	131.4	134.0
Liquidity coverage ratio (Basel III,%)	N/A	N/A	220.4	336.1	220.2	299.6
Loan to deposit ratio (%)	71.1	68.5	72.7	75.2	72.6	77.6

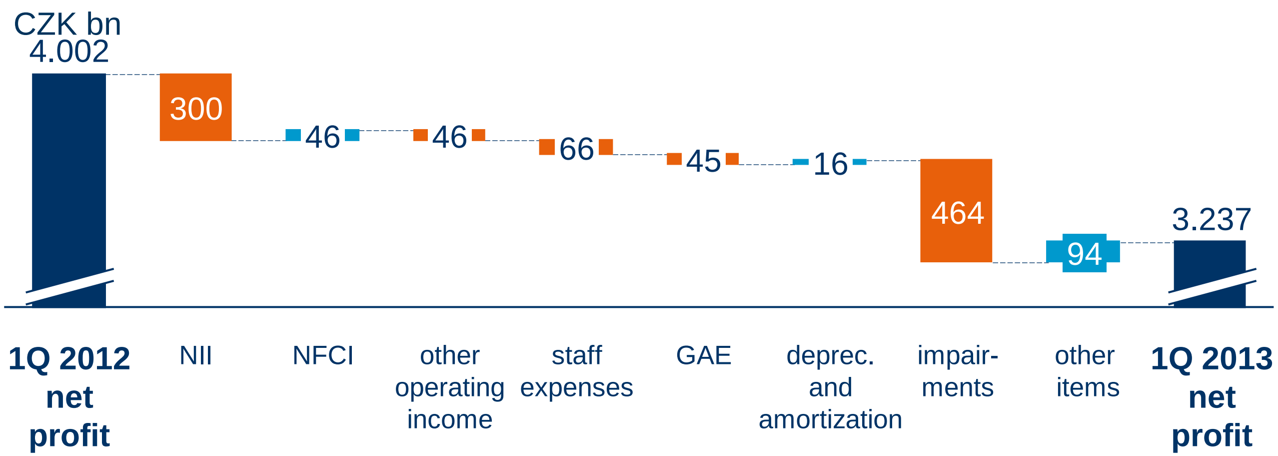
Profit and loss statement

(CZK m)	1Q 2012	4Q 2012	1Q 2013	Y/Y	Q/Q
Interest income	*8 432*	*7 824*	*7 666*	*-9%*	*-2%*
Interest expense	*-2 108*	*-1 781*	*-1 642*	*-22%*	*-8%*
Net interest income	6 324	6 043	6 024	-5%	+0%
Net fee and commission income	1 451	1 276	1 497	+3%	+17%
Net gains from financial instruments at FVPL	812	398	402	-50%	+1%
Other operating income	-52	1 752	314	*N/A*	*N/A*
Operating income	**8 535**	**9 469**	**8 237**	**-3%**	**-13%**
Staff expenses	-1 699	-2 113	-1 765	+4%	-16%
General administrative expenses	-1 852	-2 327	-1 897	+2%	-18%
Depreciation and amortisation	-223	-206	-207	-7%	0%
Operating expenses	**-3 774**	**-4 646**	**-3 869**	**+3%**	**-17%**
Impairment losses	-105	-795	-569	*>100%*	*-28%*
Impairment on loans and receivables	*-322*	*-517*	*-564*	*+75%*	*+9%*
Impairment on available-for-sale securities	*0*	*-23*	*0*	*N/A*	*N/A*
Impairment on other assets	*217*	*-255*	*-5*	*N/A*	*>100%*
Share of profit of associates	47	49	14	-70%	-71%
Profit before tax	**4 703**	**4 077**	**3 813**	**-19%**	**-6%**
Income tax expense	-702	-318	-571	-19%	+80%
Profit for the period	**4 001**	**3 759**	**3 242**	**-19%**	**-14%**
Attributable to:					
Owners of the parent	**4 002**	**3 775**	**3 237**	**-19%**	**-14%**
Non-controlling interests	-1	-16	5	N/A	N/A

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.

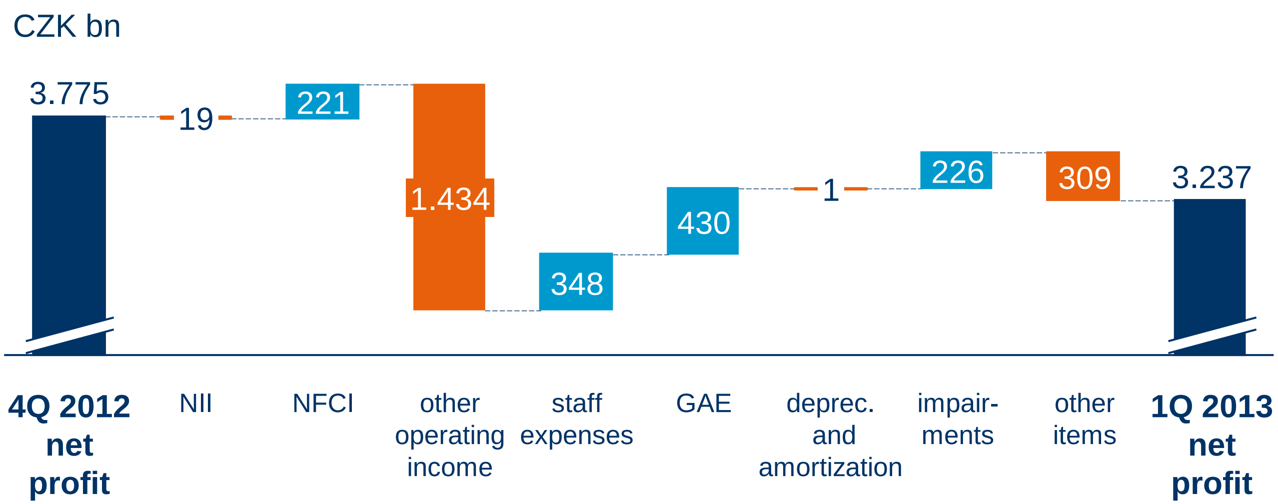
Net profit drivers

Quarterly net profit (Y/Y)



The main difference between the 1Q 2013 and the 1Q 2012 profits was in a higher level of impairments caused by a low comparison base in 2012. On top of this, business volume growth both in loans and deposits together with increased demand for mutual funds and dealing room products were not able to compensate the impact of a low interest rate environment. Besides, higher operating expenses linked to higher deposit insurance premium and higher staff expenses contributed to lower net profit.

Quarterly net profit (Q/Q)



A lower profit in 1Q 2013 compared with the previous quarter was caused by a higher comparison base in 4Q 2012 when ČSOB sold a stake in ČSOB Pojišťovna to KBC. On the other hand, 4Q 2012 staff expenses were higher due to a severance payment reserve and accruals on bonuses in 2012.
GAE were higher as there were seasonally higher costs typical for the end of the year (e.g. marketing) and higher expenses linked to migration to next generation (contactless) payments cards in 4Q 2012.

Balance sheet - assets

(CZK m)	31/12 2012	31/03 2013	Ytd.
Cash and balances with central banks	28 293	26 009	-8%
Financial assets held for trading	162 265	166 425	+3%
Financial assets designated at fair value through P/L	7 352	7 455	+1%
Available-for-sale financial assets	91 904	97 450	+6%
Loans and receivables - net	479 516	498 832	+4%
Loans and receivables to credit institutions - gross	*24 461*	*32 568*	*+33%*
Loans and receivables to which other than credit institutions - gross	*467 250*	*478 911*	*+2%*
Allowance for impairment losses	*-12 195*	*-12 647*	*+4%*
Held-to-maturity investments	138 437	138 318	+0%
Fair value adjustments of the hedged items in portfolio hedge	1 030	1 135	+10%
Derivatives used for hedging	14 453	13 457	-7%
Current tax assets	17	32	+88%
Deferred tax assets	88	90	+2%
Investments in associate	126	139	+10%
Investment property	430	301	-30%
Property and equipment	8 045	8 029	0%
Goodwill and other intangible assets	3 093	3 121	+1%
Non-current assets held-for-sale	85	189	+122%
Other assets	2 040	2 866	+40%
Total assets	**937 174**	**963 848**	**+3%**

Balance sheet - liabilities and equity

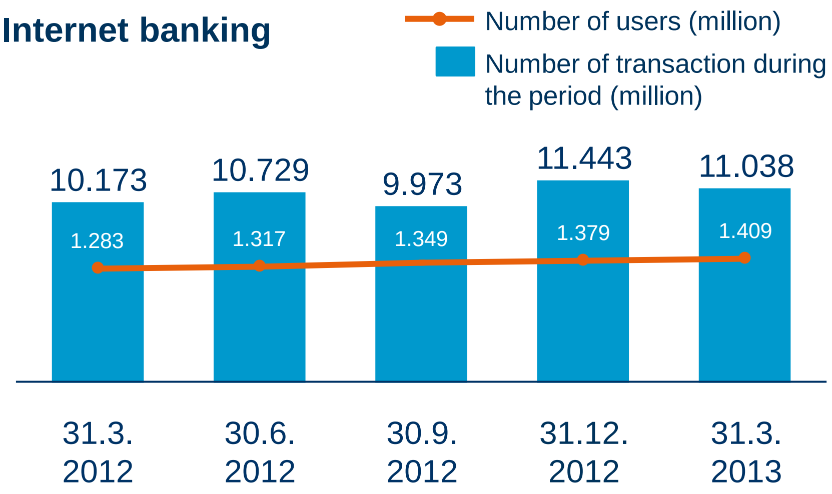
(CZK m)	31/12 2012	31/03 2013	Ytd.
Financial liabilities held for trading	133 587	145 821	+9%
Financial liabilities at amortised cost	703 792	713 760	+1%
of which Deposits received from central banks	*492*	*492*	*0%*
of which Deposits received from credit institutions	*35 365*	*49 933*	*+41%*
of which Deposits received from other than credit institut.	*629 622*	*626 704*	*0%*
of which Debt securities in issue	*30 330*	*28 646*	*-6%*
of which Subordinated liabilities	*7 983*	*7 985*	*0%*
Fair value adjustments of the hedged items in portfolio hedge	1 741	1 822	+5%
Derivatives used for hedging	9 166	9 850	+7%
Current tax liabilities	772	827	+7%
Deferred tax liabilities	2 532	2 493	-2%
Provisions	935	873	-7%
Other liabilities	10 508	11 344	+8%
Total liabilities	**863 033**	**886 790**	**+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	32 611	35 854	+10%
Available-for-sale reserve	5 701	5 337	-6%
Cash flow hedge reserve	3 567	3 598	+1%
Foreign currency translation reserve	0	1	N/A
Parent shareholders' equity	**73 930**	**76 841**	**+4%**
Minority interest	211	217	+3%
Total equity	**74 141**	**77 058**	**+4%**
Total liabilities and equity	**937 174**	**963 848**	**+3%**

Other information

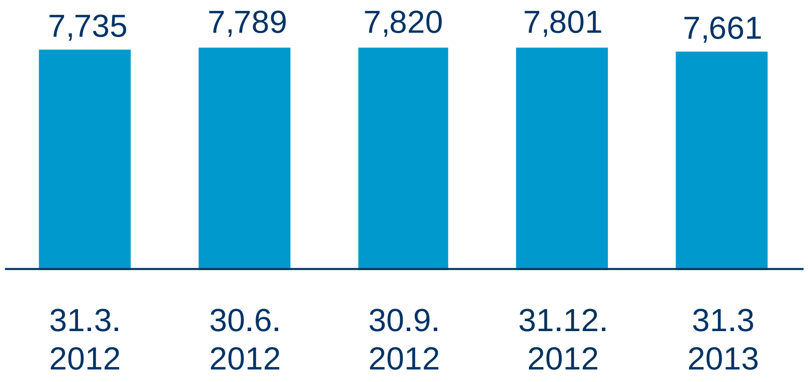
Non-performing loans

	31. 3. 2012		31. 3. 2013	
PD rating distribution	Amount (CZK bn)	Share on total loans	Amount (CZK bn)	Share on total loans
Total loans	447.5	100%	489.1	100%
Normal (PD 1-7)	412.8	92%	454.0	93%
Asset quality review (PD 8-9)	11.5	3%	11.8	2%
Uncertain performing (PD 10)	5.7	1%	6.4	1%
Uncertain non-performing (PD 11)	5.1	1%	3.2	1%
Irrecoverable (PD 12)	12.4	3%	13.7	3%

Internet banking



Group employees (FTEs, end of period)



Credit rating and shareholder structure

ČSOB's credit ratings

As at 16 May 2013

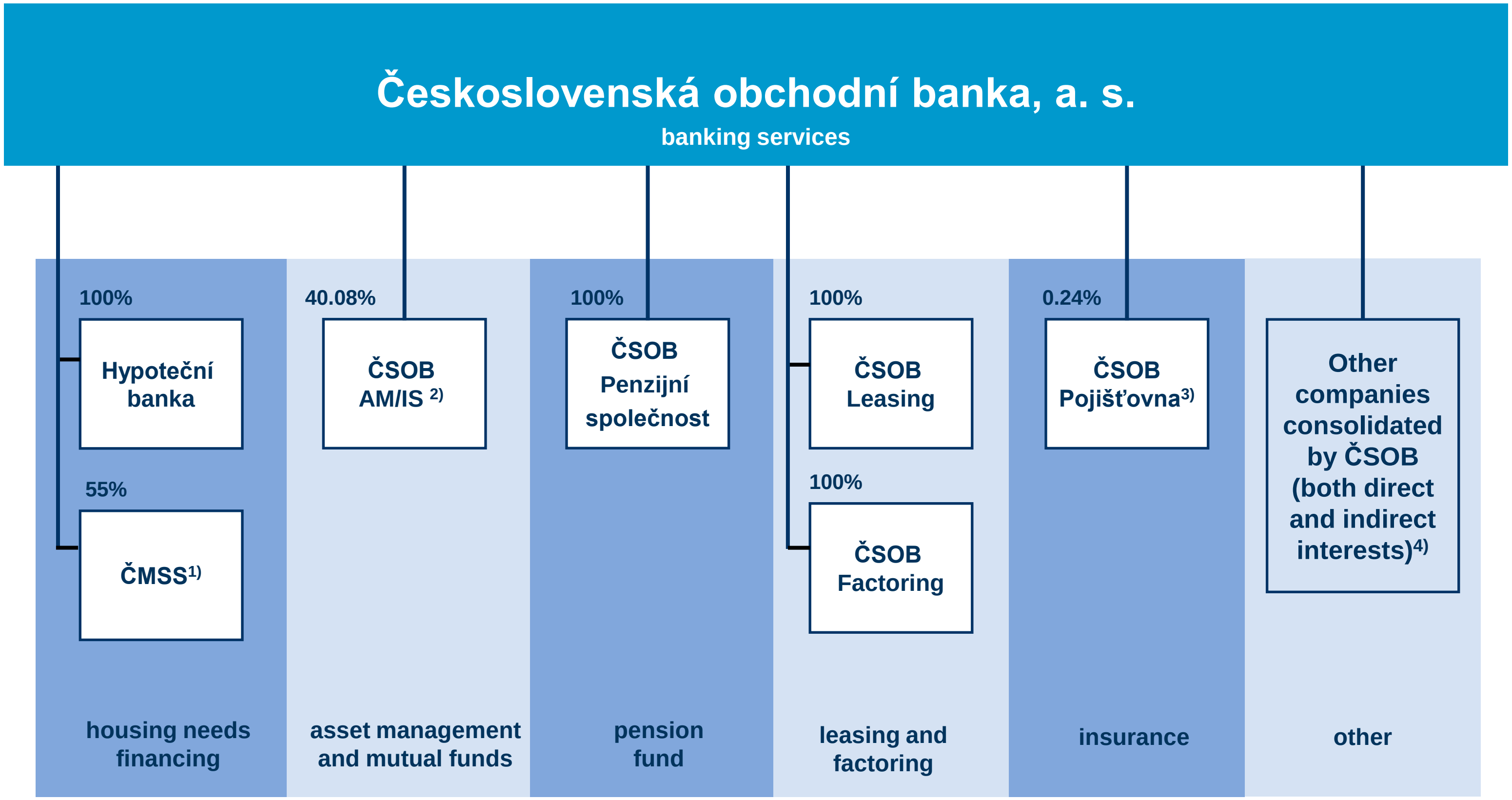
Rating agency	Moody's		Fitch	
	Long-term rating:	**A2**	**Long-term rating:**	**BBB+**
	Outlook:	negative	Outlook:	stable
	Short-term rating:	Prime-1	Short-term rating:	F2
	Financial strength:	C-	Viability rating:	bbb+
			Support:	2
LT rating valid since		20 June 2012		3 February 2012
Last confirmation		20 June 2012		5 October 2012

Shareholder structure

As at 31 March 2013, ČSOB's share capital was CZK 5.855bn 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%.

The ČSOB group in the Czech Republic



Percentages show ownership interests on company's equity as at 1 January 2013.

[1] 45% of shares owned by Bausparkasse Schwäbisch Hall; a proportionally consolidated subsidiary of ČSOB.

[2] 59.92% of shares owned by KBC Participations Renta C; subsidiary consolidated in ČSOB by an equity method.

[3] 99.76% of shares owned by KBC Insurance; subsidiary consolidated in ČSOB by an equity method.

[4] A complete list of companies consolidated by ČSOB is stated in ČSOB Annual Report.

Market shares definitions and sources

Item	Definition	Source
Total deposits	Total bank deposits (excl. repo with MF CR including unmarketable bills of exchange) + 55% of CMSS deposits + AUM of Pension funds	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
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	Outstanding volumes of consumer loans and other retail loans + 55% of building savings loans + mortgages for private individuals + CORP/SME loans	ČNB (ARAD), Ministry for Regional Development, HB, ČSOB, ČMSS
Leasing	Volume of newly granted loans (leasing of movables, commercial loans and 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	Number of clients at the given date	Association of Pension Funds, ČSOB PF
CORP/SME loans	Remaining loans that are not reported in any of the retail loans categories (loans to other than households)	ČNB (ARAD), ČSOB
Consumer loans	Outstanding volume of cash loans, credits cards, overdrafts, consumer loans on real estate and American mortgages.	ČNB (ARAD), ČSOB

Glossary - ratios

NIM (net interest margin)	Net interest income / average interest earnings assets excluding repo operations; Qtd./Ytd., annualized
C/I (cost/income ratio)	Operating expenses / operating income, Ytd.
RoA (return on assets)	Net profit for the year / average of total assets; Ytd., annualized
RoE (return on equity)	Net profit for the year / average of total shareholders' equity; Ytd., annualized
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; Ytd., annualized
NPL (non-performing loans) ratio	Outstanding amount of non-performing loans (KBC group methodology) / loan portfolio
NPL coverage ratio	Allowances for loans and leases / non-performing loans
Core tier 1 ratio Total capital ratio	According to prudential reports of ČNB – Basel II (since 1 July 2007)
Solvency (insurance)	According to prudential reports of ČNB – Solvency I
Loan to deposit ratio	Loan portfolio / primary deposits
Net stable funding ratio (NSFR)	Available amount of stable funding (equity and liability which are expected to be reliable sources of funds over a one-year time horizon under extended stress) to stable funding required by an institution based on types of its assets, off-balance sheet exposures and activities pursued (according to Basel III)
Leverage ratio	Tier 1 capital / non-risk value of assets (According to Basel III)
Liquidity coverage ratio	High quality liquid assets (unencumbered and convertible into cash) to liquidity needs (outflow – inflow) for a 30 calendar days time horizon under specified significant stress scenario (According to Basel III)

Glossary - other definitions

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's retail network (ČSOB brand and PSB brand) in book values. Gross.
SME loans	Loan portfolio granted by ČSOB's SME network in book values. Gross.
Corporate loans	Loan portfolio granted by ČSOB's 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.

Contacts

ČSOB Investor Relations Team
Robert Keller (Head of IR)
Jana Kloudová
Tereza Měrtlová
Michal Nosek
Markéta Pellantová

Tel: +420 224 114 111
Tel: +420 224 114 109
investor.relations@csob.cz
www.csob.cz/ir

Československá obchodní banka, a. s.
Radlická 333/150, Praha 5
Czech Republic

ČSOB group Czech Republic
Member of the KBC Group