



1Q 2015 Results

ČSOB Group

Business Unit Czech Republic

EU IFRS Unaudited Consolidated
12 May 2015

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ČSOB Group: Key Figures

ČSOB group key indicators		2012	2013	2014	1Q 2014	1Q 2015
Profitability	Net profit (CZK bn)	15.3	13.7	13.6	3.6	3.8
	Return on equity	22.8%	18.2%	16.4%	17.7%	17.5%
Liquidity	Loan / deposit ratio	75.2%	75.9%	76.4%	75.8%	78.0%
	Net stable funding ratio	133.2%	135.7%	135.9%	138.3%	136.5%
Capital	Tier 1 ratio	13.0% ¹	15.6% ¹	17.2% ²	16.6% ²	17.4% ²
Impairments	Credit cost ratio	0.31%	0.25%	0.18%	0.03%	0.04%
Cost efficiency	Cost / income ratio	45.9%	47.5%	47.6%	47.1%	49.1%

¹ According to Basel II

² According to Basel III

Strong business volumes growth across key segments combined with ongoing good quality of the loan portfolio

Business volumes

Loan portfolio (incl. ČMSS) increased to **CZK 555bn** (+8% Y/Y), mainly thanks to SME/corporate loans, mortgages and leasing. **Group deposits** (incl. ČMSS) grew to **CZK 676bn** (+5% Y/Y) mainly thanks to increase in current accounts. In addition, total **assets under management** grew to **CZK 181bn** (+17% Y/Y).

Operating income

Despite low interest rate environment **operating income** increased to **CZK 8.4bn** in 1Q 2015 (+9% Y/Y) thanks to exceptional performance of financial markets coupled with continuous growth in business volumes and interest in asset management products.

Operating expenses

Operating expenses increased to **CZK 4.2bn** in 1Q 2015 (+14% Y/Y), driven mainly by newly introduced accrued contribution to the Resolution Fund, higher ICT expenses and additional staff hired in the course of last year to support client business, partially compensated by cost cutting measures.

Impairments

Credit cost ratio reached very low **4 bps** (Ytd. annualized, +1bp Y/Y) thanks to ongoing good quality of the loan portfolio.

Net profit

As a result of above mentioned factors, 1Q 2015 **net profit** came in at **CZK 3.8bn** (+5% Y/Y).

Liquidity & Capital

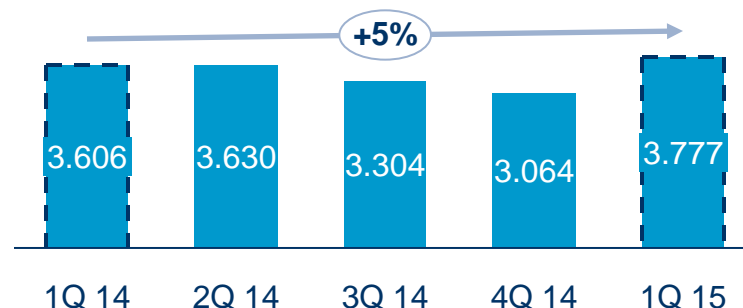
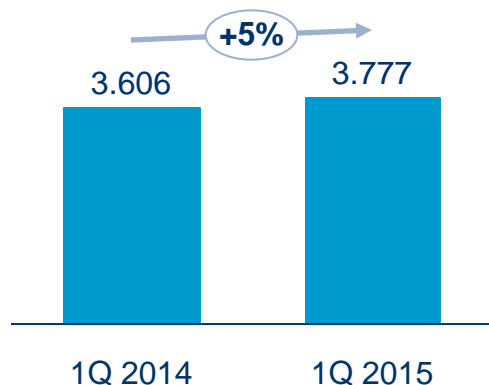
Loan / deposit ratio increased to **78.0%**. **Tier 1 ratio** (Basel III) increased to **17.4%**. Dividend in the total amount of CZK 13.2bn will be distributed to the shareholder, as capital position leaves sufficient leeway for further business growth in the Czech Republic.

Awards & Innovations

International magazine **Global Finance** named ČSOB the **Bank of the Year 2015 in the Czech Republic**. SME segment launched new project “**Hledá se obchod**” (**Gap in the market**) allowing citizens identify new business opportunities. **Patria** became a part of ČSOB group as of 1 January 2015 with aim to strengthen investment product proposition.

Net profit

CZK bn



1Q 2015 net profit increased to **CZK 3.8bn** (+5% Y/Y) driven by continuous growth in business volumes, sale of asset management products and improved income from financial markets. Operating expenses increased Y/Y as a combination of newly introduced accrued contribution to the Resolution Fund, higher ICT expenses and additional staff hired in the course of last year to support client business, partially compensated by cost cutting measures. Stable impairments reflect ongoing good quality of the loan portfolio.

The return on equity (ROE) remained stable and reached **17.5%**, when higher net profit was fully offset by higher equity as a result of increased regulatory requirements.

Notes:

2Q 2014 one-off items (total of CZK 0.3bn) included in the result: recovery of already impaired historical file (CZK 0.1bn), sale of ICT system to KBC ICT branch (CZK 0.2bn).

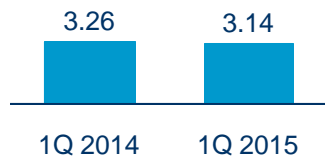
3Q 2014 one-off items (total of CZK -0.1bn) included in the result: Forbearance impact linked to implementation of EBA's updated definition (CZK -0.1bn).

4Q 2014 one-off items (total of CZK 0.1bn) included in the result: recovery of already impaired historical file (CZK 0.1bn).

Profitability

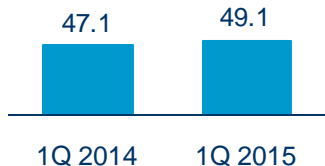
Net interest margin (%)

-0.12pp



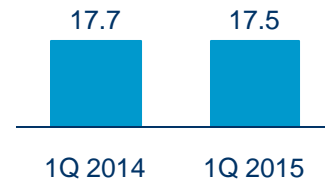
Cost / income ratio (%)

+2.0pp



ROE (%)

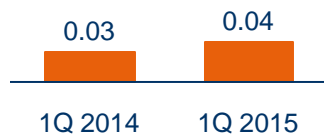
-0.2pp



Loan portfolio quality

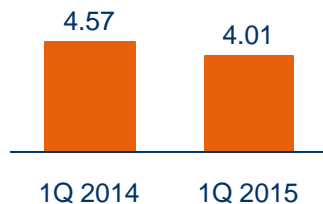
CCR, Ytd. annualized (%)

+0.01pp



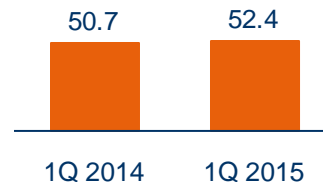
NPL ratio (%)

-0.56pp



NPL coverage ratio (%)

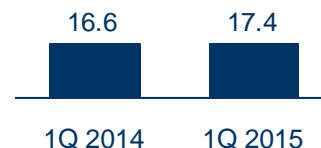
+1.7pp



Capital

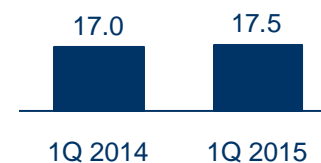
(Core) Tier 1 ratio (%)

+0.8pp



Total capital ratio (%)

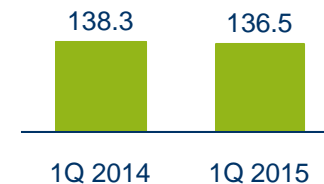
+0.5pp



Liquidity

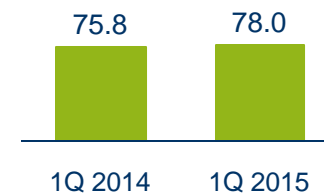
Net stable funding ratio (%)

-1.8pp

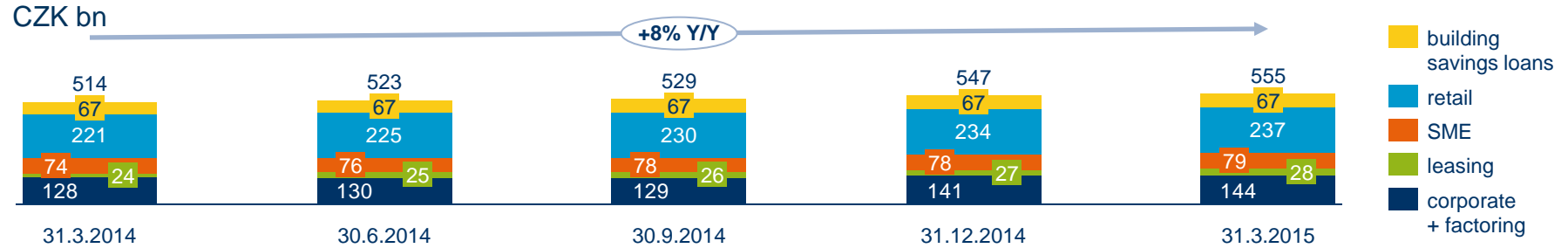


Loan / deposit ratio (%)

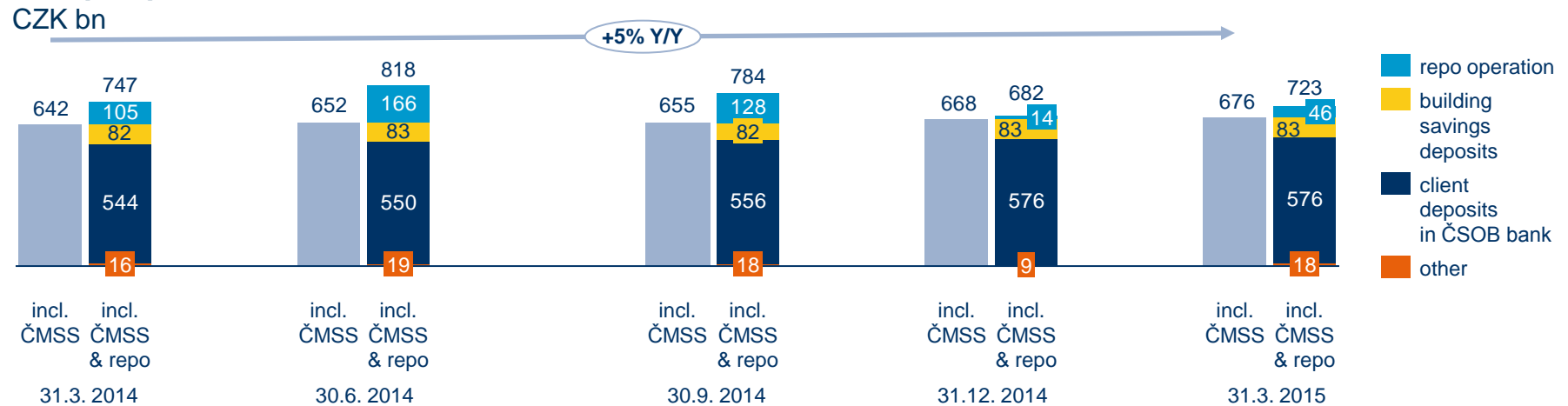
+2.2pp



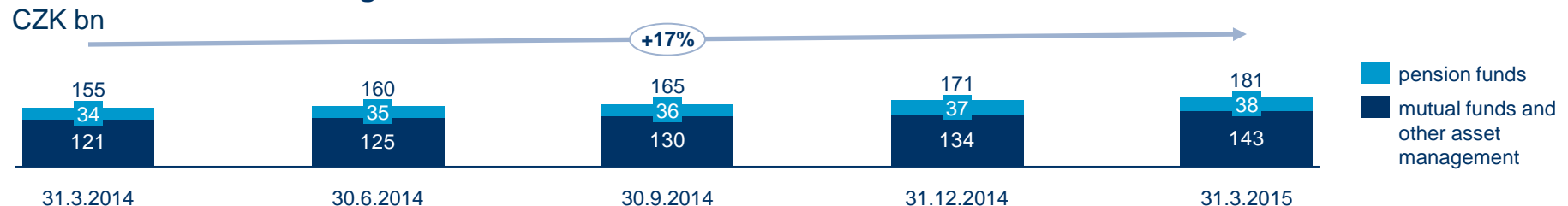
Loan portfolio¹



Group deposits²



Total assets under management



¹ Item Loans and receivables (ČMSS included) minus exposure to banks from inter-bank transactions and reverse repo operations with CNB plus credit replacing bonds.

² Item Deposits received from other than credit institutions from the consolidated balance sheet (ČMSS included) minus repo operations with institutional clients and pension fund.

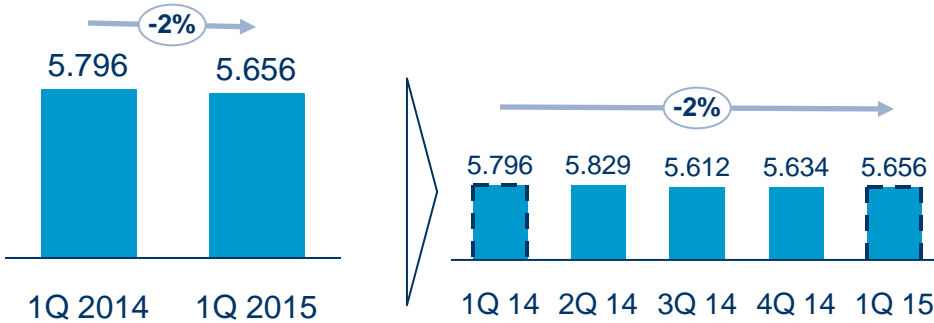


ČSOB Group: Financial Overview

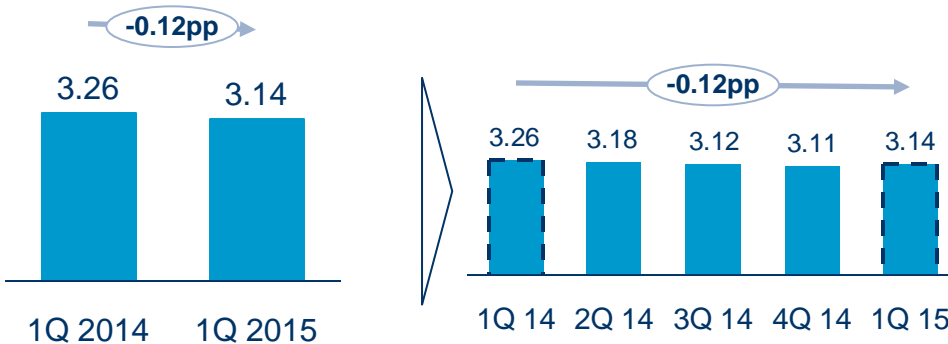
On comparable basis, NII slightly increased thanks to growth of business volumes across all segments

Net interest income (NII)

CZK bn



Net interest margin (%)



	2011	2012	2013	2014	1Q 15
Net interest margin (Ytd., %)*	(3.39)	(3.21)	3.20 (3.00)	3.17	3.14

* 2011,2012 have not been restated for methodological changes (ČMSS consolidation method & NIM calculation), 2013 has been restated.

1Q 2015 **net interest income decreased by 2% Y/Y**. Adjusted for the deconsolidation of Transformed Pension Fund (TPF) and inclusion of Patria, NII would **increase on comparable basis by 1% Y/Y**.

The **NII evolution** was supported by both **NII from loans** (growing volumes in all segments with stable margins except for mortgages) and by **NII from deposits** (mainly current accounts).

1Q 2015 **NIM reached 3.14%** (-0.12 pp Y/Y), adjusted for the deconsolidation of TPF, NIM would **decrease on comparable basis by 0.10 pp Y/Y**.

Declining trend in **net interest margin** development over last five quaters is a result of:

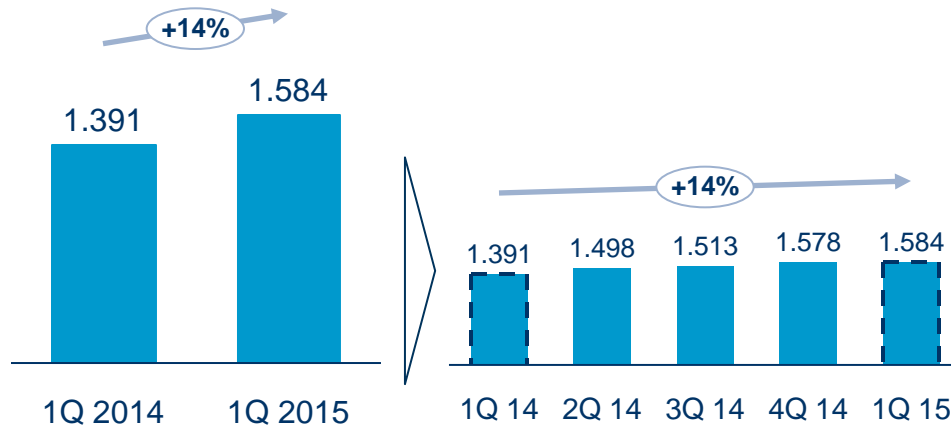
- (-) reinvestments of excess liquidity at lower yields
- (-) higher 1Q 2014 base due to early loan repayments
- (-) lower margins on mortgages
- (+) active management of funding costs

Note:

As of 1Q 2014, calculation of NIM has been changed in line with KBC methodology adjustment. As a result depo facility with Czech National Bank, cash collateral and statutory minimal reserves with Czech National Bank have been excluded from calculation. As ČMSS consolidation method changed as of 1Q 2014, it is no more included in NIM calculation either. In order to provide fully comparable figures, 2013 NIM has been restated.

Net fee and commission income (NFCI)

CZK bn



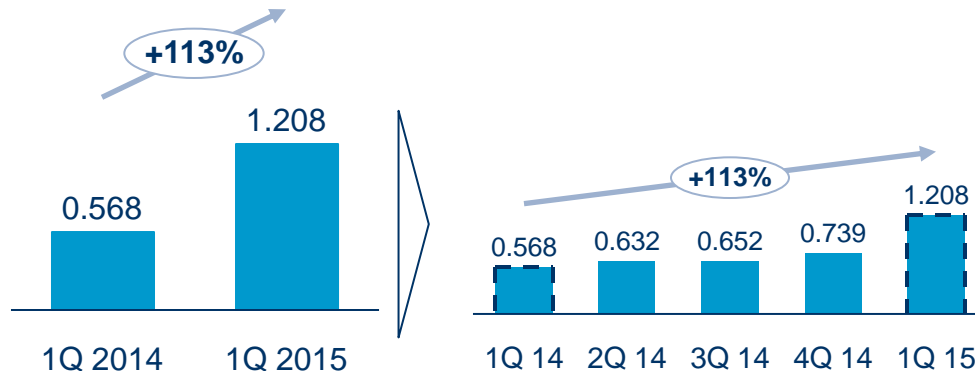
In 1Q 2015 **net fee and commission income increased** by **14% Y/Y**. Adjusted for deconsolidation of TPF and inclusion of Patria, NFCI would **increase on comparable basis** by **4% Y/Y**.

NFCI increased mainly thanks to higher demand for asset management products in retail segment.

Q/Q development **remained flat**. Adjusted for inclusion of Patria, NFCI would **decrease on comparable basis** by **4%** mainly due to lower retail payment income only partially compensated by asset management income.

Other*

CZK bn

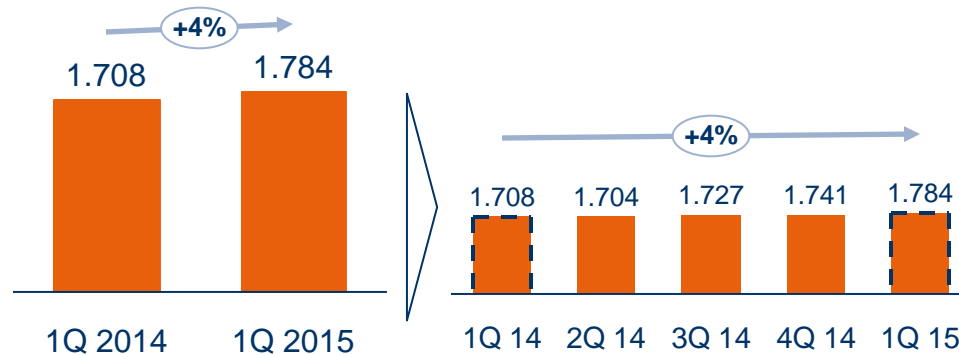


More than **doubling of item “other”** in 1Q 2015 was mainly thanks to improved income from financial markets, higher FX revenues from customer hedging, higher capital gains and positive impact of TPF deconsolidation.

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

Staff expenses

CZK bn

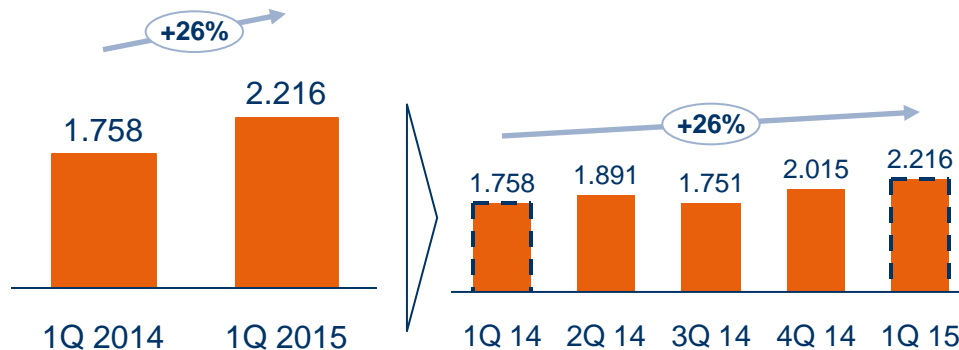


In 1Q 2015 **staff expenses increased by 4% Y/Y**. Adjusted for the inclusion of Patria, staff expenses would increase **on comparable basis by 2% Y/Y** driven mainly by higher average number of employees (by approx. 100 FTE).

When compared to 4Q 2014, **staff expenses increased by 2% Q/Q**. Adjusted for the inclusion of Patria, staff expenses would **remain flat on comparable basis** as cost cutting measures has not materialized yet.

General administrative expenses

CZK bn



1Q 2015 **general administrative expenses increased by 26% Y/Y**. Adjusted for inclusion of Patria and newly introduced accrued contribution to the Resolution Fund (CZK 315m), GAE would **increase on comparable basis by 7% Y/Y**.

Main drivers were higher ICT expenses, higher deposit insurance premium and marketing expenses.

Q/Q increase was driven mainly by contribution to the Resolution Fund and ICT expenses partly compensated by cost cutting measures (e.g. marketing expenses, professional fees or savings on postage).

Total impairments

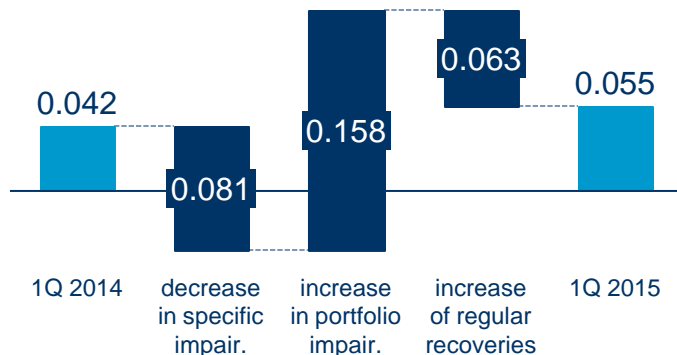
CZK bn

- other impairments (see note)
- impairments on loans and receivables (LaR)



Impairments on LaR

CZK bn



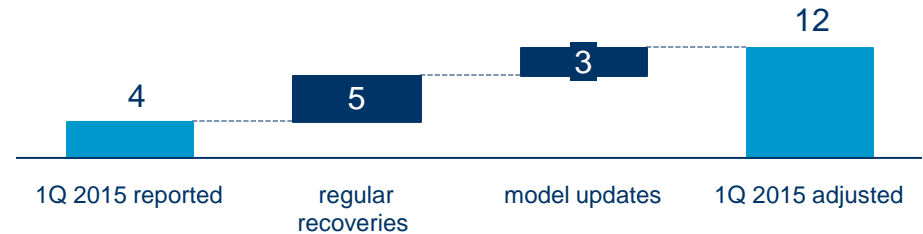
In 1Q 2015, **impairments on loans and receivables marginally increased** from already very low base to CZK 55m implying credit cost ratio of 4 bps (Ytd., annualized). Y/Y higher impairments were booked on mortgages linked to one-off collateral revaluation. These were fully offset by lower impairments in SME segment and consumer finance, both influenced by model updates, leasing and factoring.

Excluding regular recoveries and model updates in 1Q 2015, the credit cost ratio would reach 12 bps (Ytd., annualized).

In comparison to 4Q 2014, the impairments significantly declined mainly due to higher base caused by SME segment.

Credit cost ratio

bps (Ytd., annualized)

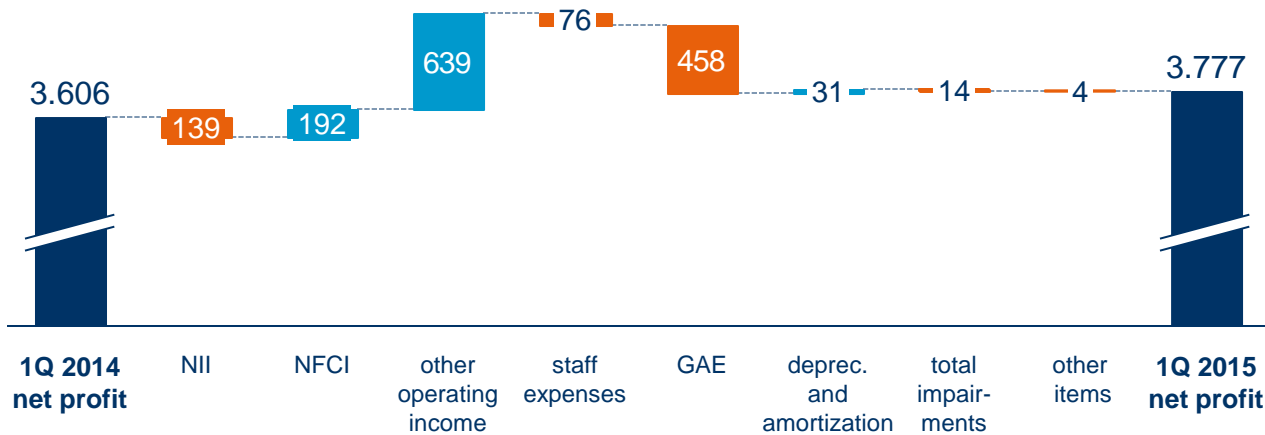


Note:

In 4Q 2014, impairment on tangible assets were booked in other impairments.

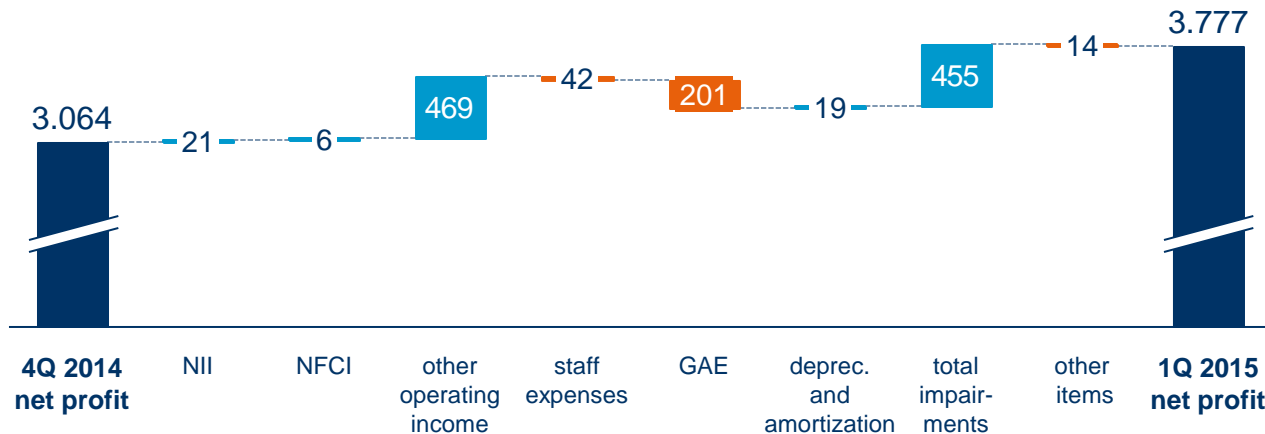
Quarterly net profit (Y/Y)

CZK bn



Ytd. net profit (Q/Q)

CZK bn



The main difference between 1Q 2015 and 1Q 2014 net profit was caused by the following drivers:

On the **positive side**:

- higher NFCI due to inclusion of Patria and higher asset management fees
- higher other net operating income mainly thanks to improved results from financial markets and higher FX revenues from customer hedging

On the **negative side**:

- lower NII driven mainly by TPF deconsolidation partially compensated by strong business volumes
- higher both staff costs as well as general administrative expenses, the latter driven mainly by contribution to the Resolution Fund and ICT expenses
- stable impairments reflect ongoing good quality of the loan portfolio

The main difference between 1Q 2015 and 4Q 2014 was caused by the following drivers:

On the **positive side**:

- higher NII driven mainly by strong business volumes growth
- NFCI was slightly higher thanks to inclusion of Patria offset by lower fees in retail (account/card fees)
- higher other operating income thanks to positive results from financial markets
- impairments decreased mainly due to higher base caused by SME segment and overall positive portfolio development in 1Q 2015

On the **negative side**:

- higher operating expenses driven mainly by general administrative expenses influenced by the contribution to the Resolution Fund and ICT expenses

Consolidated, CZK m 31.3.2014 31.12.2014 31.3.2015

Total regulatory capital	61,841	60,853	64,138
- Tier 1 Capital	60,252	60,104	63,808
- Tier 2 Capital	1,589	749	330
- Deductions from Tier 1 and Tier 2	-	-	-
Total capital requirement	29,178	27,894	29,361
- Credit risk	22,836	21,959	23,437
- Market risk	1,771	1,364	1,401
- Operational risk	4,571	4,571	4,523
Total RWA	364,724	348,670	367,009
Core Tier 1 ratio = Tier 1 ratio	16.6%	17.2%	17.4%
Total capital ratio	17.0%	17.5%	17.5%

Tier 1 capital increased Y/Y thanks to the change in regulatory methodology when AFS reserve is newly included in Tier 1 capital.

Total RWA increased due to the loan growth and temporary additions in SME/corporate segment.

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 weighted by regulatory coefficient + 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

1st

Total Loans¹	↗ 19.9%
Building savings loans ¹	↗ 46.9%
Building savings deposits ¹	↗ 37.0%
Mortgages ¹	↘ 29.7%
Mutual funds ¹	↘ 27.2%
Leasing ²	↗ 18.0%

2nd

Total Deposits¹	↘ 18.7%
Equity trading (Patria) ⁵	↘ 20.5%

3rd

Pension funds ³	↘ 13.7%
SME/corporate loans ¹	↗ 15.6%
Consumer lending ^{1,4}	↘ 10.1%
Factoring ²	↗ 21.5%

Other

Insurance ⁶ - combined (5th)	↗ 6.1%
Non-life insurance ⁶ (6th)	↗ 6.2%
Life insurance ⁶ (7th)	⇒ 5.9%

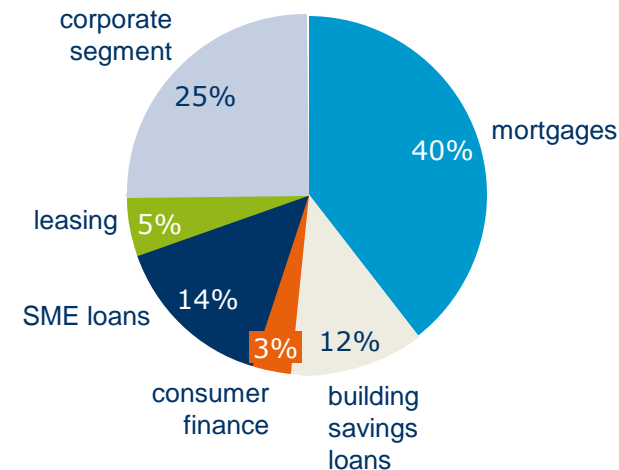
Arrows show Y/Y change. Market shares as of 31 March 2015, except for pension fund and mutual funds, which are as of 31 December 2014. The ranking is ČSOB's estimate.

¹ Outstanding at the given date (including ČMSS); 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. ⁵ Equity trading volumes. ⁶ New business in the year according to gross written premium. Sources and detailed definitions are provided in Appendix.

Gross outstanding volumes, CZK bn	31.3.2014	31.3.2015	Y/Y
Loan portfolio (incl. ČMSS)	513.6	554.9	8%
Retail Segment			
Mortgages ¹	201.6	217.5	8%
Consumer finance	18.9	19.2	1%
Leasing	23.9	28.2	18%
Building savings loans ²	66.8	66.7	0%
SME/corporate Segment			
Corporate loans ³	124.0	139.9	13%
SME loans	74.4	78.9	6%
Factoring	3.9	4.4	13%
Loan portfolio (excl. ČMSS)	446.8	488.3	9%

31.3.2015
(incl. ČMSS)

Almost 60% of the total loan portfolio is in retail, out of which majority is used to finance housing needs.



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 ČMSS building savings company, 55%-owned by ČSOB. Volumes reported in 55% are not included in the ČSOB's consolidated balance sheet.

³ Including credit-replacing bonds.

Mortgages

Outstanding, CZK bn

+8%

201.6 205.7 210.4 214.8 217.5

31.3. 2014 30.6. 2014 30.9. 2014 31.12. 2014 31.3. 2015

New sales*, CZK bn

8.1 11.7 11.6 10.3 10.2

1Q 14 2Q 14 3Q 14 4Q 14 1Q 15

Ongoing recovery of real estate prices and interest rates at new historical record lows helped ČSOB to increase outstanding mortgage volumes by 8% Y/Y in 1Q 2015.

In 1Q 2015, ČSOB provided more than 5 thousand new mortgages (+23% Y/Y) in the total amount of CZK 10bn (+25% Y/Y), while total market increased by 22% Y/Y in number of new mortgages and increased 28% Y/Y in total amount. **ČSOB kept its leading market position in new sales, despite slightly lower market share.**

Building savings loans

Outstanding (ČMSS 55%), CZK bn

0%

66.8 66.9 67.1 67.1 66.7

31.3. 2014 30.6. 2014 30.9. 2014 31.12. 2014 31.3. 2015

New sales (ČMSS 55%)*, CZK bn

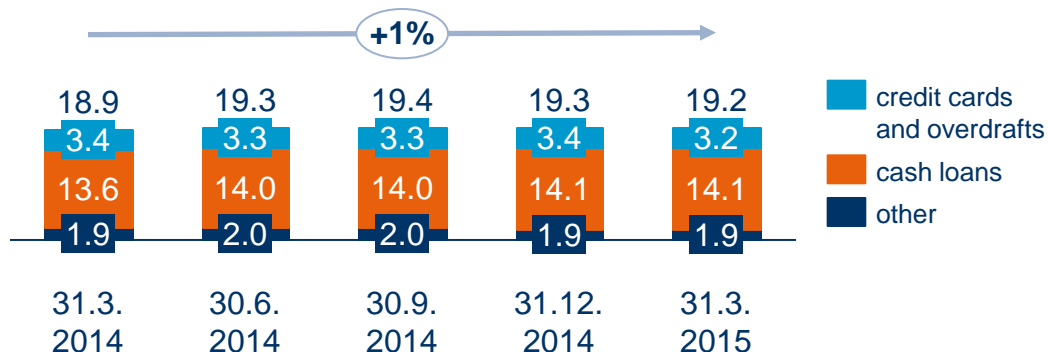
2.8 3.2 3.4 3.1 2.9

1Q 14 2Q 14 3Q 14 4Q 14 1Q 15

Outstanding loan portfolio remained flat Y/Y, while market declined 4% Y/Y. New sales of building savings loans increased by 4% Y/Y in 1Q 2015.

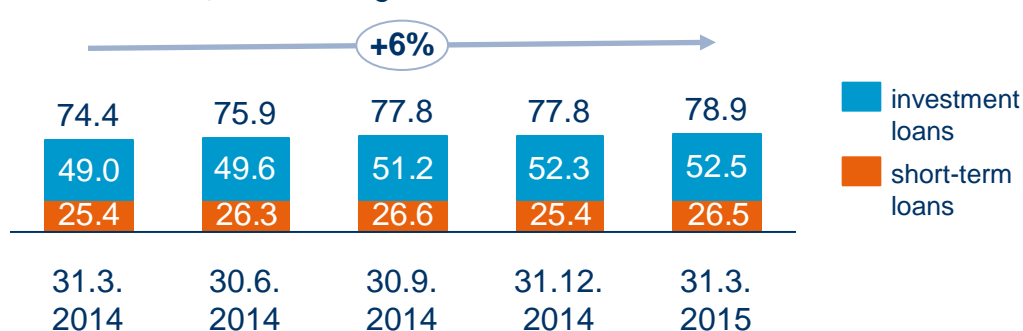
* Mortgages: signed contracts, in line with MMR statistics. Building savings loans: granted loan limits.

Consumer finance, outstanding, CZK bn



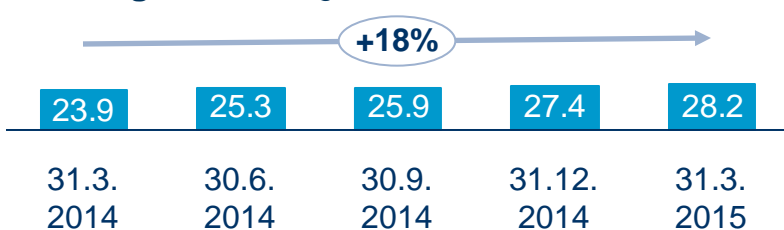
In 1Q 2015, the outstanding volume of **consumer lending** slightly increased while the regular repayments mainly in January led to slight decrease in volumes of revolving products “credit cards and overdrafts”.

SME loans, outstanding, CZK bn



In 1Q 2015, **SME loans** continued to accelerate and increased by 6% Y/Y, mainly driven by micro and mid-sized companies. As a result, SME market share increased by 0.7pp Y/Y. At the same time, ČSOB was able to keep stable loan volumes for housing cooperatives and thus confirmed its long-term leading market position in this area.

Leasing, outstanding*, CZK bn

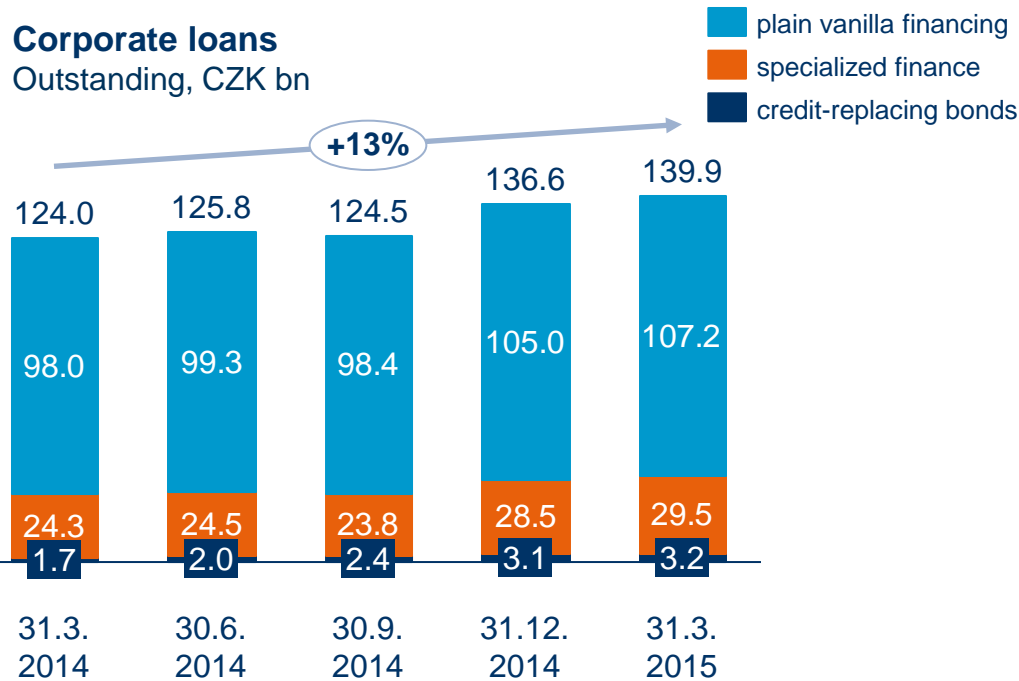


ČSOB Leasing, confirmed its **market leading position** with very strong new sales (+46% Y/Y). **Outstanding volumes** increased by **18% Y/Y** mainly driven by machinery & equipment financing in cooperation with SME/corporate segment.

* Total exposure of ČSOB Leasing, excluding operational leasing.

Corporate loans

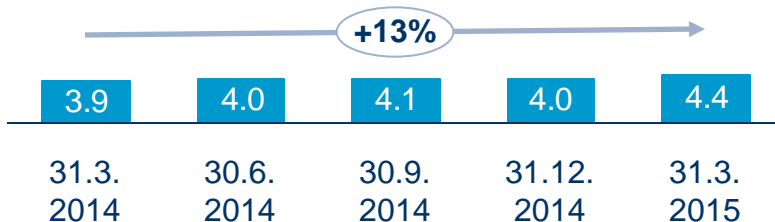
Outstanding, CZK bn



Corporate loans increased by 13% Y/Y driven by all categories including plain vanilla (+9% Y/Y) and specialized financing (+21% Y/Y). The major Y/Y loan growth was recorded in sectors: distribution & services, energy and real estate.

Factoring

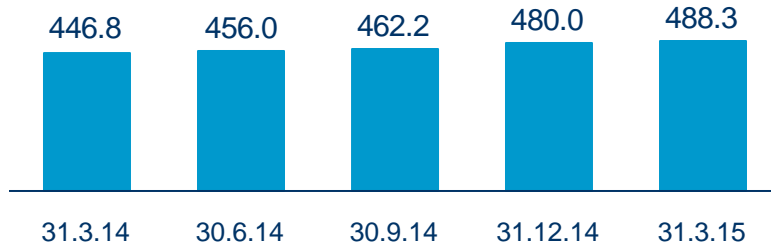
Outstanding, CZK bn



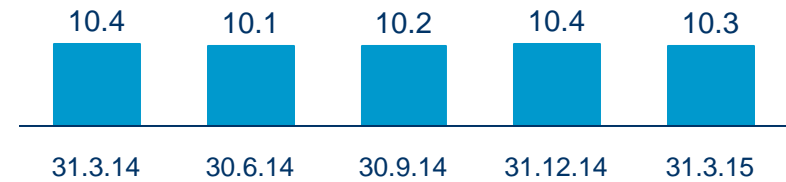
Factoring volumes increased by 13% Y/Y, thanks to recovery in distribution and automotive sector.

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.

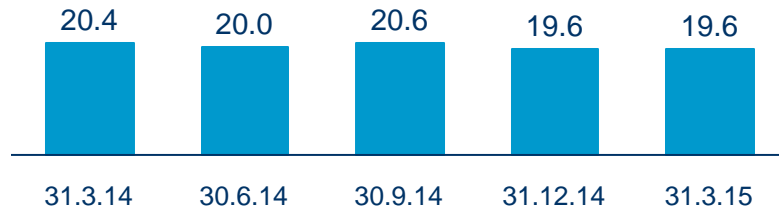
Loan portfolio (excl. ČMSS)¹ (CZK bn)



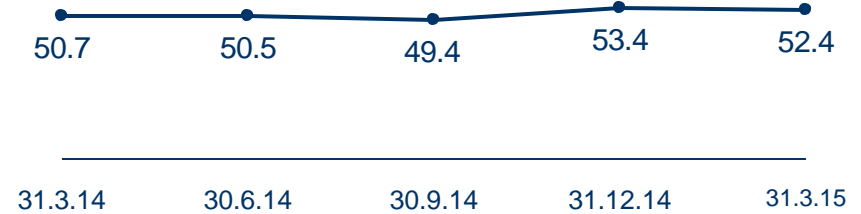
Allowances for loans and leases² (CZK bn)



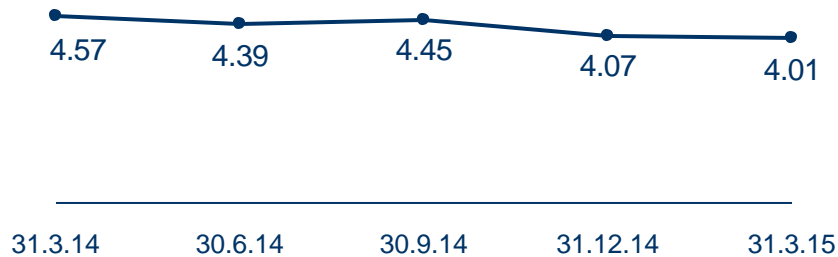
Non-performing loans (CZK bn)



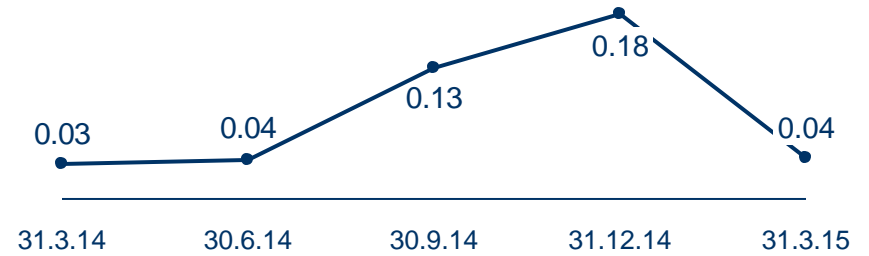
NPL coverage ratio (%)



NPL ratio (%)



Credit cost ratio³ (%)



¹ For definition, see Appendix. ² Allowances for on-balance sheet items (PD10, PD11 and PD12 only). ³ Ytd. annualized, including off-balance sheet items.

Impairments

- In 1Q 2015, **impairments on loans and receivables marginally increased** from already very low base to CZK 55m implying credit cost ratio of 4 bps (Ytd., annualized). Y/Y higher impairments were booked on mortgages linked to one-off collateral revaluation. These were fully offset by lower impairments in SME segment and consumer finance, both influenced by model updates, leasing and factoring.
- Excluding regular recoveries and model updates in 1Q 2015, the credit cost ratio would reach 12 bps (Ytd., annualized).
- In comparison to 4Q 2014, the impairments significantly declined mainly due to higher base caused by SME segment.

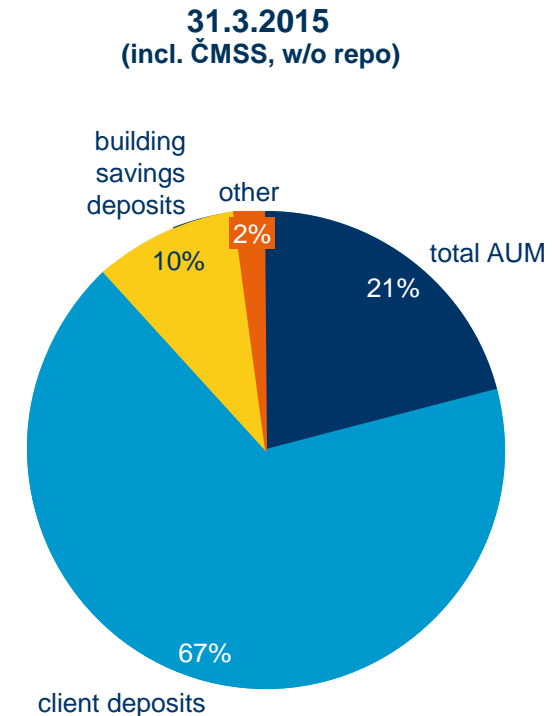
Non-performing loans

- The NPL ratio decreased by 56 bps Y/Y to 4.01% at the end of 1Q 2015 with lower Y/Y NPL ratio being reported in all segments but flat in mortgages.
- In comparison with 4Q 2014, the NPL ratio was flat in corporate loans and mortgages while it declined in leasing, consumer finance and as well in SME loans whereas increased in factoring.

Coverage of non-performing loans

- Coverage of NPLs increased by 1.7 pp Y/Y to 52.4%, due to slightly higher coverage of NPL across all segments but consumer finance.
- Mortgages representing almost half of the ČSOB group's loan portfolio (excl. ČMSS), require less provisioning given the fact they are largely secured by collateral. Structure of the ČSOB group's loan portfolio explains lower coverage ratio in comparison with the market.

Outstanding volumes, CZK bn	31.3.2014	31.3.2015	Y/Y
Group deposits (incl. ČMSS and w/o repo)	641.8	676.2	5%
Client deposits	543.6	575.7	6%
Current accounts	300.9	344.1	14%
Savings deposits	228.6	220.5	-4%
Term deposits	14.0	11.1	-20%
Other ¹	15.8	17.7	12%
Building savings deposits ²	82.4	82.8	0%
Repo operations ³	105.0	46.3	-56%
Total AUM	154.9	181.4	17%
Pension funds ⁴	33.9	38.3	13%
Mutual funds and other AM ⁵	121.0	143.1	18%



¹ Other deposits and repo operations with non-banking financial institutions.

² ČSOB group building savings deposits are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in 55% but not included in the ČSOB's consolidated balance sheet.

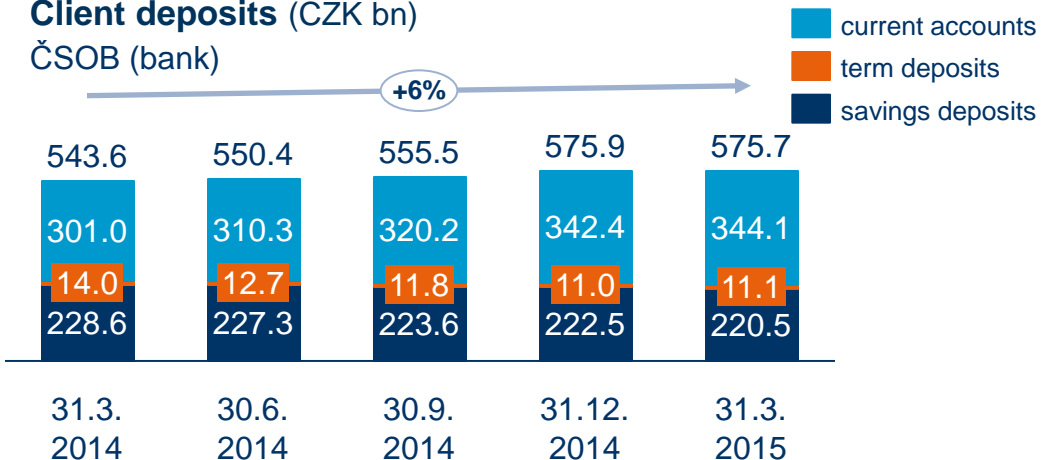
³ Repo operations with institutional clients.

⁴ Liabilities to pension fund policy holders.

⁵ AUM includes AUM in structured/capital protected funds, AUM in other mutual funds, other asset management and AUM of Slovak AM.

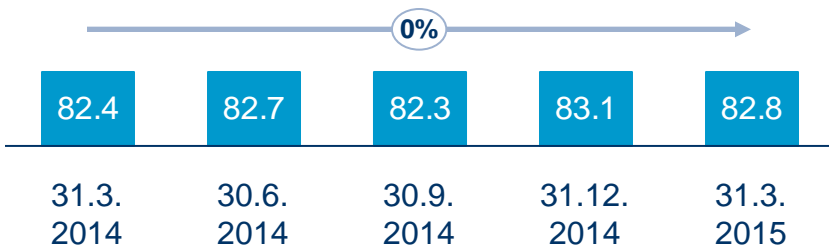
Client deposits (CZK bn)

ČSOB (bank)



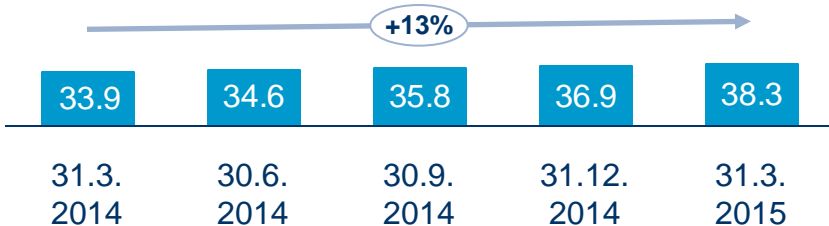
The Y/Y growth of client deposits was fully driven by **current accounts with 14% Y/Y growth** while saving deposit and term deposit decreased combined by 5% Y/Y. There was further re-pricing of saving accounts in January in line with continuously lower market interest rates.

Building savings deposits (CZK bn)



The volume of **building savings deposits remained flat** Y/Y.

Pension funds (CZK bn)



The **13% Y/Y increase of the pension funds** was driven by a good performance, improved retention and increased average monthly contribution (+5% Y/Y).

	31.3.2014	31.3.2015
Retail/SME branches and advisory centers	555	556
ČSOB Retail/SME branches	234	232
PSB branches ("Era Financial Centers")	74	76
ČMSS advisory centers	134	132
Hypoteční banka centers	26	28
ČSOB Pojišťovna branches	87	88
Leasing branches	11	10
ČSOB corporate branches	11	11
PSB outlets of the Czech Post network	ca. 3,100	ca. 3,100
ATMs¹	1,012	1,048
ČSOB's clients (bank only, mil.)	2.9	2.9

¹ Including ATMs of cooperating banks

ČSOB further **enlarged its ATM network**. During the last twelve months, clients could use 36 new ATMs. Number of deposit ATMs reached 142 at the end of March 2015.

Due to ongoing optimization of the branch network, some branches were closed and few new ones were opened reflecting customers' changing needs for branch services. Number of ČSOB retail/SME branches decreased by 2 over the last twelve months.

The **number of ČSOB's clients** (bank only) declined by 1% Y/Y driven by less active clients with lower balances.

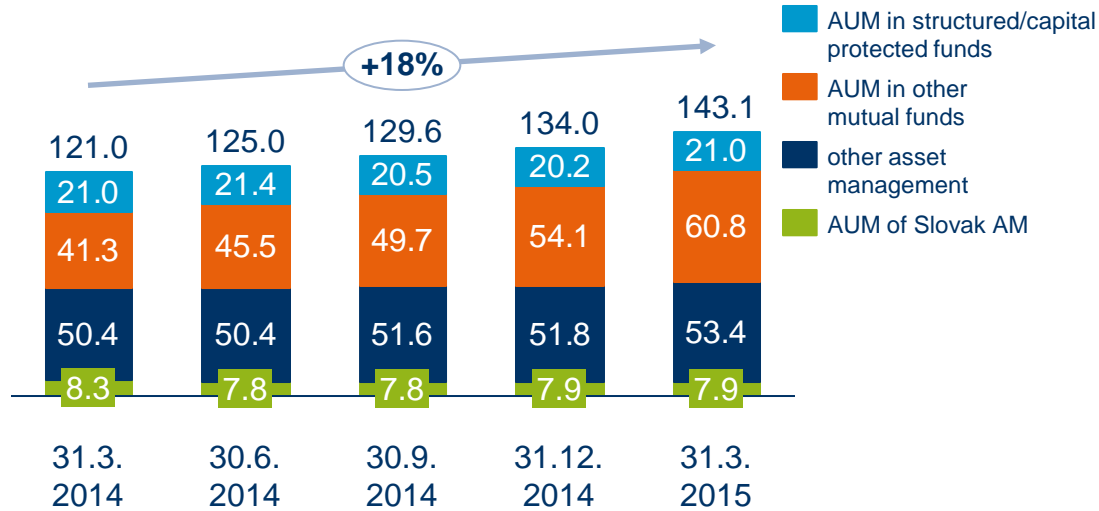
*Note: The multi-channel distribution platform of the ČSOB group includes also a wide **agent network** of over 5,000 agents, incl. ČMSS tied agents, intermediaries and individual brokers for Hypoteční banka, ČSOB Leasing's dealers and ČSOB Pojišťovna's tied agents, multi-agents and individual brokers.*



ČSOB Asset Management: Key Figures

Assets under management

Outstanding volumes, CZK bn



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

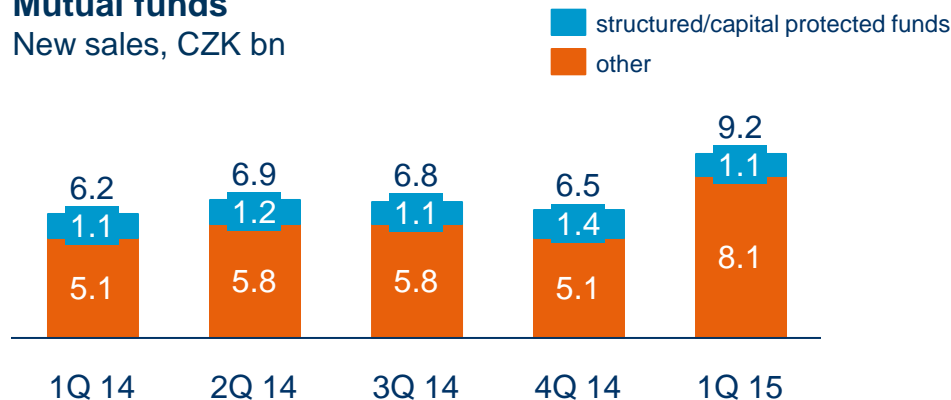
Ongoing very low interest rates on savings products and bullish equity markets stimulate clients to seek other investment opportunities. **AUM increased by 18% Y/Y**, of which structured/capital protected and other mutual funds improved in total by 31% Y/Y, fully driven by the latter thanks to new product offering.

There were **strong new sales (+48% Y/Y)** in 1Q 2015, supported by successful marketing campaign, new product offering and financial market momentum.

Due to historically low interest rates and 100% protection would be at the expense of potential profit, clients preferred mixed funds and structured funds.

Mutual funds

New sales, CZK bn



Notes:

AUM definition: funds managed by ČSOB AM as well as those distributed by the ČSOB group but managed by the KBC AM.

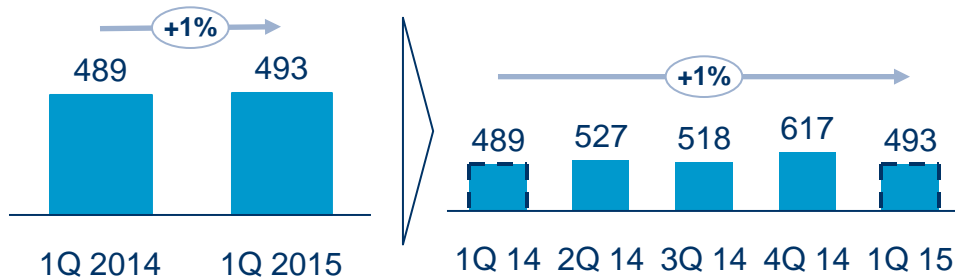
AUM in funds: Only direct positions are included (the funds bought directly by clients).

Other asset management: Discretionary mandates and Qualified Investors Funds. AUM of Pension Funds managed by ČSOB AM are excluded and are shown separately in Pension funds section.

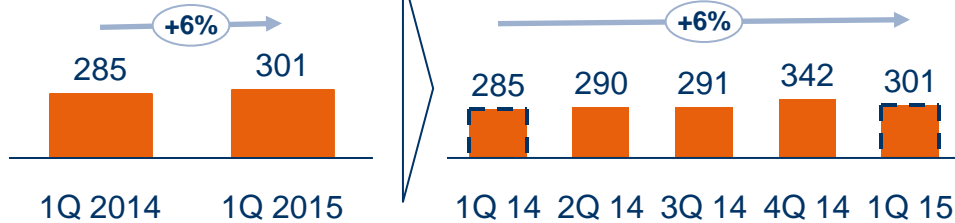


ČSOB Pojišťovna: Key Figures

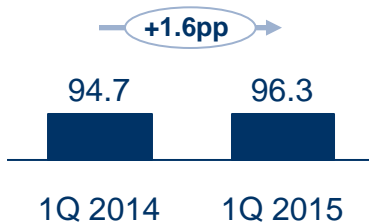
Operating income CZK m



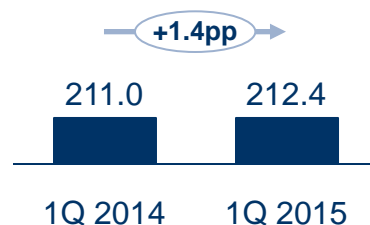
Operating expenses CZK m



Non-life combined ratio* (%)



Solvency ratio (%)



1Q 2015 **net profit** reached **CZK 154m** (flat Y/Y). Worse performance of non-life segment is linked to a few big claims at the beginning of the year compensated by a good performance of life segment and improved clients' payment discipline.

1Q 2015 **technical result in non-life segment** declined to **CZK 59m** (-21% Y/Y) mainly due to a few risk industrial claims in January. As a result, non-life combined ratio deteriorated by +1.6 pp Y/Y.

1Q 2015 **technical result in life segment** reached **CZK 144m** (+2% Y/Y). Life segment profit contribution remained solid despite lower Y/Y gross written premium.

1Q 2015 **operating expenses** reached **CZK 301m** (+6% Y/Y) driven by strategic initiatives to enlarge internal distribution, support bank-insurance and digitalization.

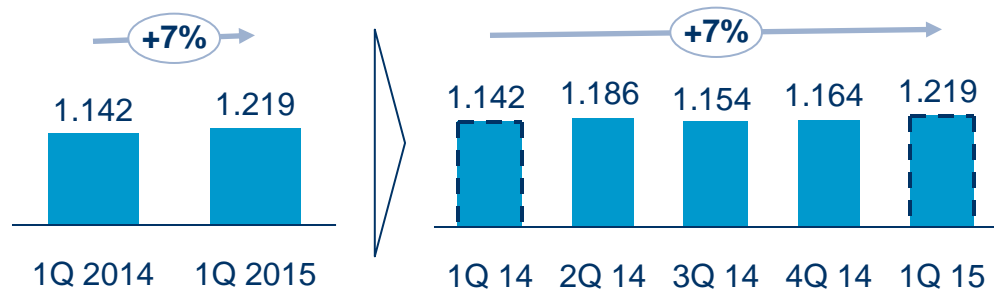
Capital position of ČSOB Pojišťovna based on net solvency ratio remained stable.

**As a result of methodological change (based on KBC guidelines, building depreciation costs are allocated from non-technical to technical accounts) in 4Q 2014, non-life combined ratio for 1Q 2014 has been restated.*

Non-life revenue growth continues, life lagging behind due to lack of investment opportunities in single life

Gross written premium – non-life insurance

CZK bn



Market shares	1Q 2015	Market position
Non-life	↗ 6.2%	6 th
Life insurance	⇒ 5.9%	7 th

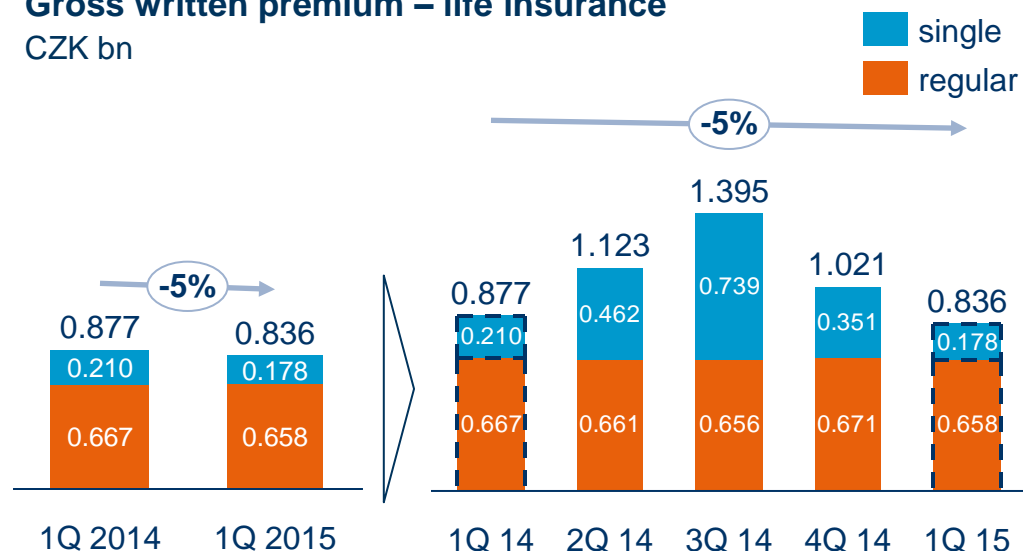
Arrows show Y/Y change.

Non-life insurance

Gross written premium in **non-life insurance** segment **increased by 7% Y/Y**, thanks to a successful sales of all core products, namely property and car insurance.

Gross written premium – life insurance

CZK bn



Life insurance

1Q 2015 results confirmed stagnating development in **regular paid** gross written premium. New sales increased by 51% Y/Y which will bring positive roll-out effect into gross written premium volumes in the next months.

Single paid gross written premium decreased by 15% Y/Y mainly due to lower sales of Maximal Invest in 1Q 2015, as worse market conditions did not bring enough investment opportunities.



Business Unit Czech Republic

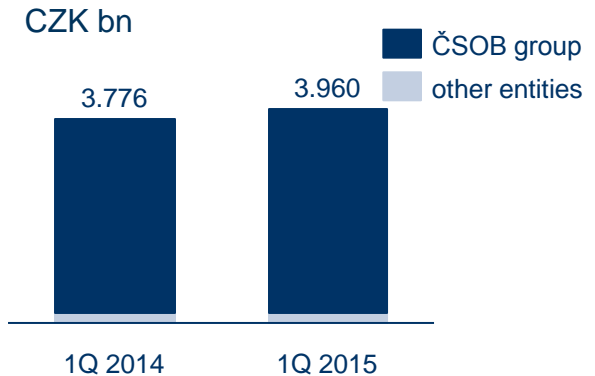


Effective as of 1 January 2013, KBC has organized its core markets activities into three business units. As a result, all KBC's business in the Czech Republic have been included into Business Unit Czech Republic.

The 1Q 2015 net profit of the Business Unit Czech Republic reached CZK 4.0bn (+5% Y/Y). The Business Unit Czech Republic contains all KBC's operations in the Czech Republic, namely the ČSOB group, and full ownership in ČSOB Pojišťovna and ČSOB Asset Management (ČSOB AM).

The ČSOB group consists of ČSOB bank (including Era and Postal Savings Bank), Hypoteční banka, ČMSS, ČSOB Penzijní společnost, ČSOB Leasing, ČSOB Factoring and effective as of 1 January 2015 also Patria.

Net profit of the Business Unit Czech Republic



Net profit (CZK bn)	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	1Q/1Q
ČSOB group ^{1,2}	3.585	3.613	3.382	3.084	3.759	5%
ČSOB Pojišťovna	0.160	0.186	0.187	0.219	0.154	-4%
ČSOB AM	0.032	0.038	0.026	0.035	0.048	49%
Total	3.776	3.838	3.594	3.338	3.960	5%

¹Differences between the ČSOB group results within the Business Unit Czech Republic (BU CZ) 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).

² Only Patria Finance and Patria Direct were included until 2Q 2014, while as of 3Q 2014 Patria Corporate Finance and Patria Online are also included. As of 1 January 2015 Patria is a part of ČSOB group, figures for 2014 have been restated.



Appendix

Ratio / Indicator	31. 12. 2012	31.12.2013	31.12.2014	31.3.2014	31.3.2015
Net interest margin (Ytd., annualized, %)	(3.21)	3.20 (3.00)	3.17	3.26	3.14
Cost / income ratio (%)	45.9	47.5 (47.1)	47.6	47.1	49.1
RoE (Ytd., %)	22.8	18.2	16.4	17.7	17.5
RoA (Ytd., %)	1.63	1.42	1.40	1.46	1.68
RoAC , BU Czech Republic (Ytd., %)	35.1	40.0 (35.2)	36.7	39.6	38.9
Credit cost ratio (% , annualized)	0.31	0.25	0.18	0.03	0.04
NPL ratio (%)	(4.79)	4.65 (4.39)	4.07	4.57	4.01
NPL coverage ratio (%)	(50.5)	50.4 (49.7)	53.4	50.7	52.4
Core Tier 1 ratio (%)	13.0 ¹	15.6 ¹	17.2 ²	16.6% ²	17.4% ²
Total capital ratio (%)	15.2 ¹	15.6 ¹	17.5 ²	17.0% ²	17.5% ²
Solvency (Solvency I, %)	224.0	217.0	213.0	211.5	212.4
Leverage ratio (Basel III, %)	4.73	5.46	5.15	5.10	4.94
Net stable funding ratio (Basel III, %)	133.2	135.7	135.9	138.3	136.5
Liquidity coverage ratio (Basel III, %)	336.1	225.6	348.4	287.5	254.8
Loan to deposit ratio (%)	(75.2)	75.9 (77.0)	76.4	75.8	78.0

2012 has not been restated for methodological changes (ČMSS & NIM calculation), 2013 has been restated. Figures in brackets are before restatement. NPL coverage ratio has been restated from 2012 to reflect change in classification of NPL.

¹ According to Basel II, ² According to Basel III

(CZK m)	1Q 2014	4Q 2014	1Q 2015	Y/Y	Q/Q
<i>Interest income</i>	6,838	6,537	6,509	-5%	0%
<i>Interest expense</i>	-1,043	-902	-853	-18%	-5%
Net interest income	5,795	5,635	5,656	-2%	0%
Net fee and commission income	1,392	1,578	1,584	+14%	0%
Net gains from financial instruments at FVPL ¹	262	527	704	>+100%	+34%
Other operating income ²	307	212	504	+64%	>+100%
Operating income	7,756	7,952	8,448	+9%	+6%
Staff expenses	-1,708	-1,742	-1,784	+4%	+2%
General administrative expenses	-1,758	-2,015	-2,216	+26%	+10%
Depreciation and amortisation	-184	-171	-152	-17%	-11%
Operating expenses	-3,650	-3,928	-4,152	+14%	+6%
Impairment losses	-39	-508	-53	+35%	-90%
<i>Impairment on loans and receivables</i>	-42	-449	-55	+31%	-88%
<i>Impairment on other assets</i>	3	-59	2	-30%	N/A
Share of profit of associates	185	155	188	+1%	+21%
Profit before tax	4,252	3,671	4,431	+4%	+21%
Income tax expense	-645	-593	-653	+1%	+10%
Profit for the period	3,607	3,078	3,778	+5%	+23%
Attributable to:					
Owners of the parent	3,606	3,064	3,777	+5%	+23%
Non-controlling interests	1	14	1	0%	-93%

¹ FVPL = fair value through profit and loss.

² Other operating income = Net realised gains on available-for-sale fin. assets, dividend income, other net income.

Profit and loss statement (pro-forma excluding TPF and as well as Patria)

(CZK m)	1Q 2014	4Q 2014	1Q 2015	Y/Y	Q/Q
Interest income	6,636	6,537	6,505	-2%	0%
Interest expense	-1,065	-902	-852	-20%	-6%
Net interest income	5,571	5,635	5,653	+1%	0%
Net fee and commission income	1,464	1,578	1,520	+4%	-4%
Net gains from financial instruments at FVPL ¹	327	527	696	>+100%	+32%
Other operating income ²	415	212	500	20%	>+100%
Operating income	7,777	7,952	8,369	+8%	+5%
Staff expenses	-1,708	-1,742	-1,750	+2%	0%
General administrative expenses	-1,758	-2,015	-2,201	+25%	+9%
Depreciation and amortisation	-184	-171	-151	-18%	-12%
Operating expenses	-3,650	-3,928	-4,102	+12%	+4%
Impairment losses	-39	-508	-53	+35%	-90%
<i>Impairment on loans and receivables</i>	-42	-449	-55	+31%	-88%
<i>Impairment on other assets</i>	3	-59	2	-30%	N/A
Share of profit of associates	185	155	188	+1%	+21%
Profit before tax	4,274	3,671	4,402	+3%	+20%
Income tax expense	-660	-593	-645	-2%	+9%
Profit for the period	3,614	3,078	3,757	+4%	+22%
Attributable to:					
Owners of the parent	3,613	3,064	3,756	+4%	+23%
Non-controlling interests	1	14	1	-11%	-93%

¹ FVPL = fair value through profit and loss.

² Other operating income = Net realised gains on available-for-sale fin. assets, dividend income, other net income.

Note: Following the change in statutes of Transformed Pension Fund and in line with IFRS, ČSOB deconsolidated Transformed Pension Fund as of 1 July 2014. This has mainly reclassification effect on Y/Y comparison of income lines in profit and loss statement and decline of corresponding amounts in balance sheet. As both approaches are IFRS compliant, neither profit and loss statement nor balance sheet has been restated. Pro-forma profit and loss statement is provided for comparison purposes only. Effective as of 1 January 2015 Patria has become a part of ČSOB Group.

(CZK m)	31.3. 2014	31.12. 2014	31.3. 2015	Ytd.
Cash and balances with central banks	18,756	72,076	70,932	-2%
Financial assets held for trading	51,574	50,626	57,856	+14%
Financial assets designated at fair value through P/L	6,612	3,327	3,337	0%
Available-for-sale financial assets	81,116	56,121	61,206	+9%
Loans and receivables - net	630,706	506,635	578,055	+14%
<i>Loans and receivables to credit institutions - gross</i>	203,830	49,779	111,353	>+100%
<i>Loans and receivables to other than credit institutions - gross</i>	437,853	468,054	477,734	+2%
<i>Allowance for impairment losses</i>	-10,977	-11,198	-11,031	-1%
Held-to-maturity investments	151,809	144,074	146,264	+2%
Fair value adjustments of the hedged items in portfolio hedge	1,126	1,654	1,837	+11%
Derivatives used for hedging	10,163	13,967	15,455	+11%
Current tax assets	16	69	92	+33%
Deferred tax assets	98	100	118	+18%
Investments in associate	5,134	4,992	5,184	+4%
Investment property	288	284	2	-99%
Property and equipment	7,400	6,796	6,831	+1%
Goodwill and other intangible assets	2,875	2,913	2,948	+1%
Non-current assets held-for-sale	182	515	742	+44%
Other assets	2,395	1,490	2,279	+53%
Total assets	970,249	865,639	953,138	+10%

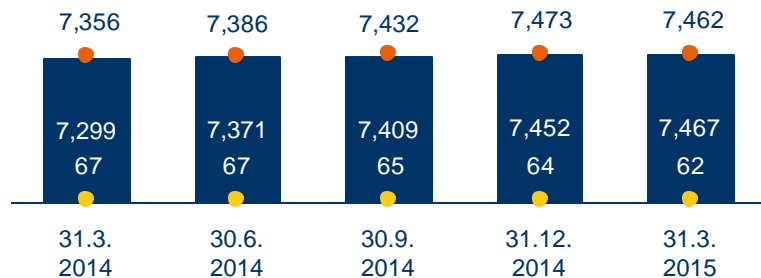
Increase thanks to reverse repo operations with CNB.

(CZK m)	31.3. 2014	31.12. 2014	31.3. 2015	Ytd.	
Financial liabilities held for trading	81,237	69,624	34,183	-51%	Decrease due to reclassification of repo and money market transactions to Deposits (see note).
Financial liabilities at amortised cost	777,707	686,136	801,964	+17%	
<i>of which Deposits received from central banks</i>	0	0	0	0%	
<i>of which Deposits received from credit institutions</i>	67,894	59,065	132,033	>+100%	
<i>of which Deposits received from other than credit institut.</i>	679,781	599,142	639,791	+7%	
<i>of which Debt securities in issue</i>	30,031	27,929	30,140	+8%	
<i>of which Subordinated liabilities</i>	0	0	0	0%	
Fair value adjustments of the hedged items in portfolio hedge	1,053	5,145	6,335	+23%	
Derivatives used for hedging	10,918	11,987	12,609	+5%	
Current tax liabilities	1,138	196	390	+99%	
Deferred tax liabilities	1,859	2,280	2,156	-5%	
Provisions	844	736	480	-35%	
Other liabilities	11,172	3,955	5,694	+44%	
Total liabilities	885,928	780,059	863,811	+11%	
Share capital	5,855	5,855	5,855	0%	
Share premium account	15,509	15,509	15,509	0%	
Statutory reserve	18,687	18,687	18,687	0%	
Retained earnings	36,555	38,397	42,104	+10%	
Available-for-sale reserve	4,716	3,732	3,594	-4%	
Cash flow hedge reserve	2,793	3,192	3,374	+6%	
Foreign currency translation reserve	2	0	0	+0%	
Parent shareholders' equity	84,116	85,372	89,122	+4%	
Minority interest	205	208	205	-1%	
Total equity	84,321	85,580	89,327	+4%	
Total liabilities and equity	970,249	865,639	953,138	+10%	

Note: ČSOB reconsidered management of some liabilities. As a result, repo and money market transactions, which were reported in "Financial liabilities held for trading" until 4Q 2014, are included as of 1Q 2015 in "Financial liabilities at amortized cost" (deposits received from credit institutions). No restatements of 2014 balance sheet have been made.

Group employees¹

- FTEs (average in the quarter)
- FTEs (end of period)
- Patria FTE (end of period)



¹ W/o all companies jointly controlled by the Bank (joint ventures) and all companies over which the Bank has significant influence (associates).

As of 1Q 2015 Patria FTE are included in Group employees, figures for 2014 has not been restated.

As of 1Q 2015, FTE methodology has been modified and employees in program for mothers are newly included, figures for 2014 has been restated.

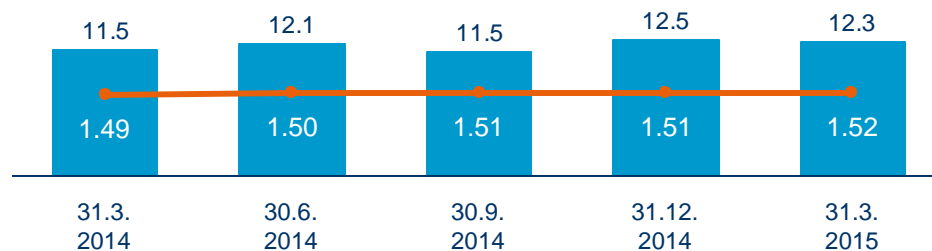
Group employees²

TOTAL FTE	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015
(end of period)	7,700	7,727	7,775	7,816	7,808

² FTE is included based on the share profit on equity: ČMSS (55%), ČSOB Asset management (40.08%) and ČSOB Pojišťovna (0.24%).

Internet banking

- Number of users (million)
- Number of transaction during the period (million)



Non-performing loans³

PD rating distribution	31. 3. 2014		31.3. 2015	
	Amount (CZK bn)	Share on total loans	Amount (CZK bn)	Share on total loans
Total loans	446.8	100%	488.3	100%
Normal (PD 1-7)	416.4	93%	459.4	94%
Asset quality review (PD 8-9)	10.0	2%	9.2	2%
Uncertain performing (PD 10)	5.3	1%	5.1	1%
Uncertain non-performing (PD 11)	2.4	1%	1.9	0%
Irrecoverable (PD 12)	12.7	3%	12.6	3%

³ Uncertain performing (PD 10) newly classified as non-performing loans according to new EBA definition.

ČSOB's credit ratings

As at 12 May 2015

Rating agency

Moody's

S&P

Long-term rating: A2

Long-term rating: A

Outlook: stable

Outlook: negative

Short-term rating: Prime-1

Short-term rating: A-1

Financial strength: C-

LT rating valid since

20 June 2012

1 October 2014

Last confirmation

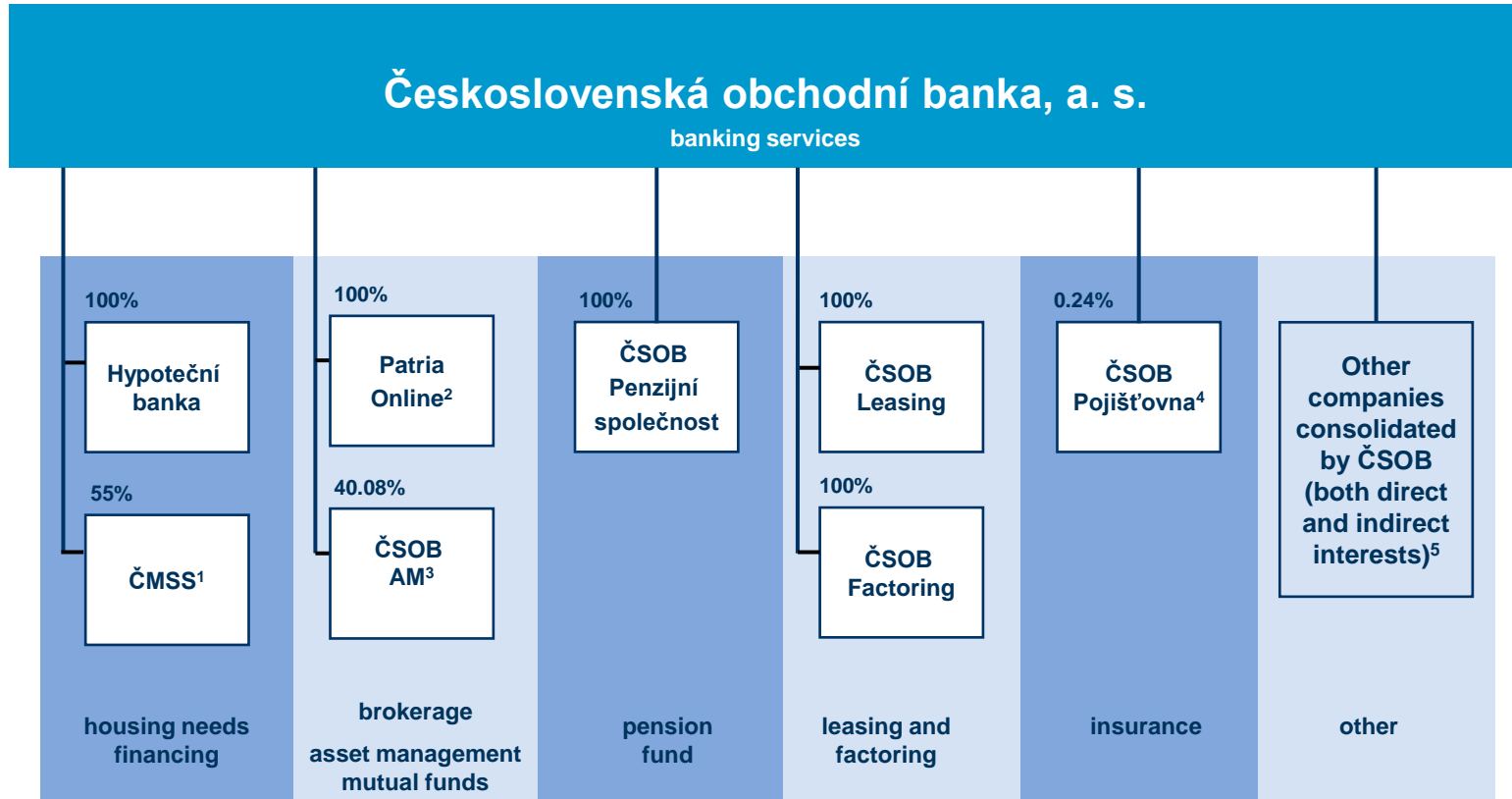
17 March 2015

1 October 2014

Shareholder structure

As at 31 March 2015, ČSOB's share capital was CZK 5,855,000,020 and comprised of 292,750,001 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%.



Percentages show ownership interests on company's equity as at 31 March 2015.

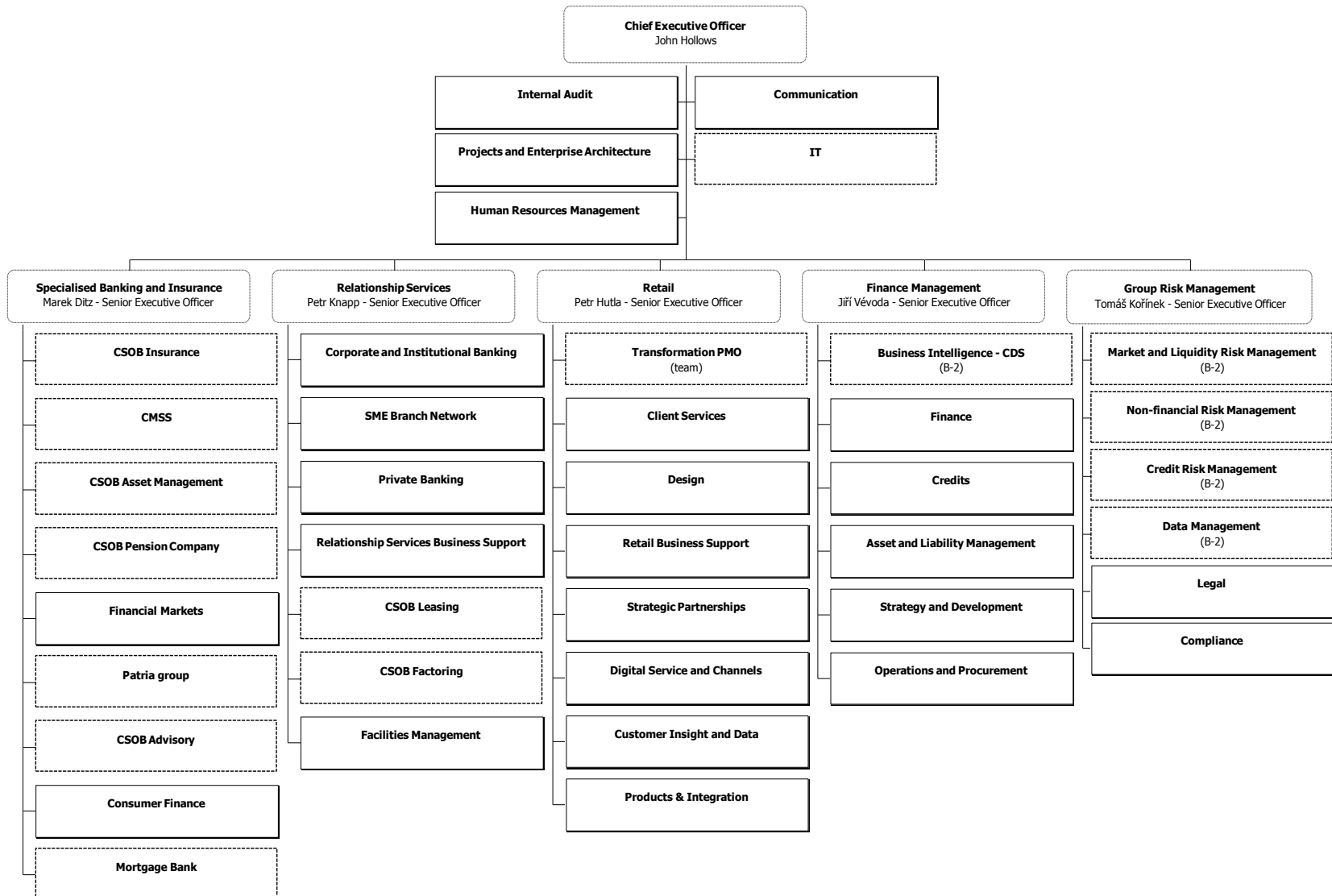
¹ 45% of shares owned by Bausparkasse Schwäbisch Hall; by the equity method consolidation.

² Effective as of 1 January 2015 Patria Online (includes Patria Finance and Patria Corporate Finance) has become a part of ČSOB Group.

³ 59.92% of shares owned by KBC Participations Renta C; subsidiary consolidated in ČSOB by an equity method.

⁴ 99.76% 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.



Item	Definition	Source
Total deposits	Total bank deposits excl. repo including unmarketable bills of exchange + ČMSS 55% without AUM Pension fund	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 + mortgages for private individuals + CORP/SME loans	ČNB (ARAD), Ministry for Regional Development, HB, ČSOB
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
Equity trading (Patria)	Volumes of equity trading processed by Prague Stock Exchange on monthly basis as of first calendar day of a month.	Stock Exchange Prague
Insurace	New business in the year according to gross written premium.	Czech Association of Insurance Companies

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
RoAC (return on allocated capital)	Result after tax (including minority interests) of the ČSOB group, adjusted to take account of allocated capital instead of actual capital / average allocated capital of the ČSOB group (KBC group methodology)
Combined ratio	According to KBC methodology.
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 (ČNB methodology) / loan portfolio
NPL coverage ratio	Allowances for loans and leases / non-performing loans (ČNB methodology)
Core tier 1 ratio Total capital ratio	According to prudential reports of ČNB – Basel II (since 1 July 2007 till 31 December 2013), Basel III (since 1 January 2014)
Solvency (insurance)	According to prudential reports of ČNB – Solvency I, after expected dividend payment
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)

Loan portfolio	Loans and receivables to other than credit institutions (incl. ČMSS) 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, ERA 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 minus repo operations with institutional client.
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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