



3Q 2009 Results

ČSOB Group

Czech Republic

EU IFRS Unaudited Consolidated
13 November 2009, Prague



Contents

Highlights

Financial Situation

Business Development

Appendix



Highlights



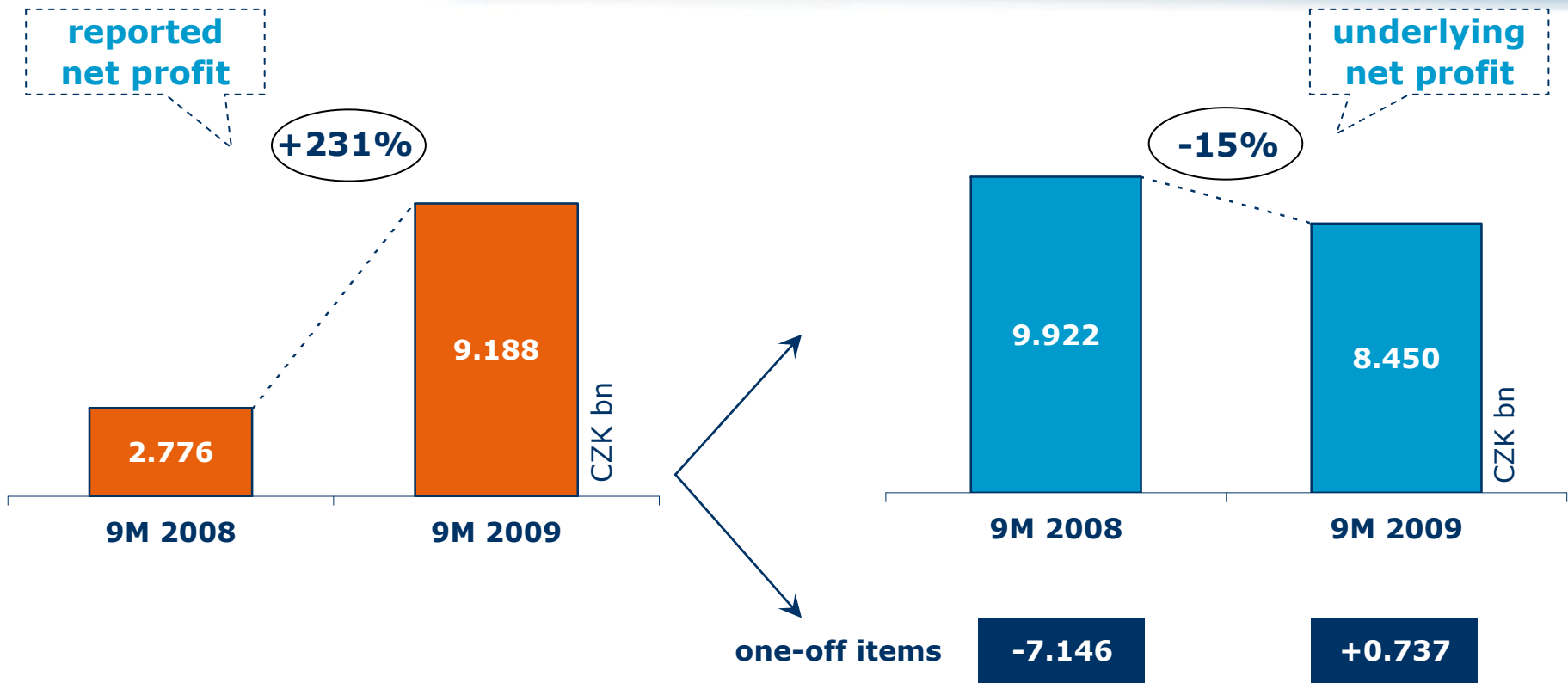
ČSOB Group Results 3Q 2009

Highlights

- ČSOB group reported a net profit for 9M 2009 of **CZK 9.188 bn.**
- **Underlying net profit**, i.e. excluding one-off effects, decreased by **15% Y/Y**. Operating income grew by **3%** and operating expenses were flat, while credit costs increased substantially (in line with ČSOB's expectations).
- Efficiency further improved Y/Y with underlying **cost/income ratio** decreasing to **43.6%**.
- Business volumes continued growing, though at lower rate than in previous years. **Loan portfolio** increased by **5% Y/Y** to **CZK 408.5 bn**. **Client deposits** increased by **2%** and total **AUM and deposits** declined by **2%** to **CZK 701.1 bn**.
- ČSOB has further strengthened its **liquidity** with loan-to-deposit ratio at **67.6%** and **capital position** with capital adequacy ratio at **12.3%** at the group level.

Net profit

Reported vs. underlying



Note: One-off items in 9M 2008 were negative especially due to the revaluation of CDO portfolio and the negative impact of the IFRS treatment of ALM hedges. The main one-off in 9M 2009 was the impact of the IFRS treatment of ALM hedges, which was positive this year.

	9M 2008	9M 2009
C/I ratio (reported)	71.0%	41.6%
C/I ratio (underlying)	45.2%	43.6%
ROAC (reported)	7.0%	43.3%
ROAC (underlying)	41.9%	39.1%
NIM	3.05%	3.18%

ČSOB group managed to further strengthen its efficiency and profitability.

	31/12/2008	30/09/2009
L/D ratio	72.3%	67.6%
CAD group (Basel II)	10.31%	12.26%
Solvency ratio (ČSOB Pojišťovna)	193%	214%

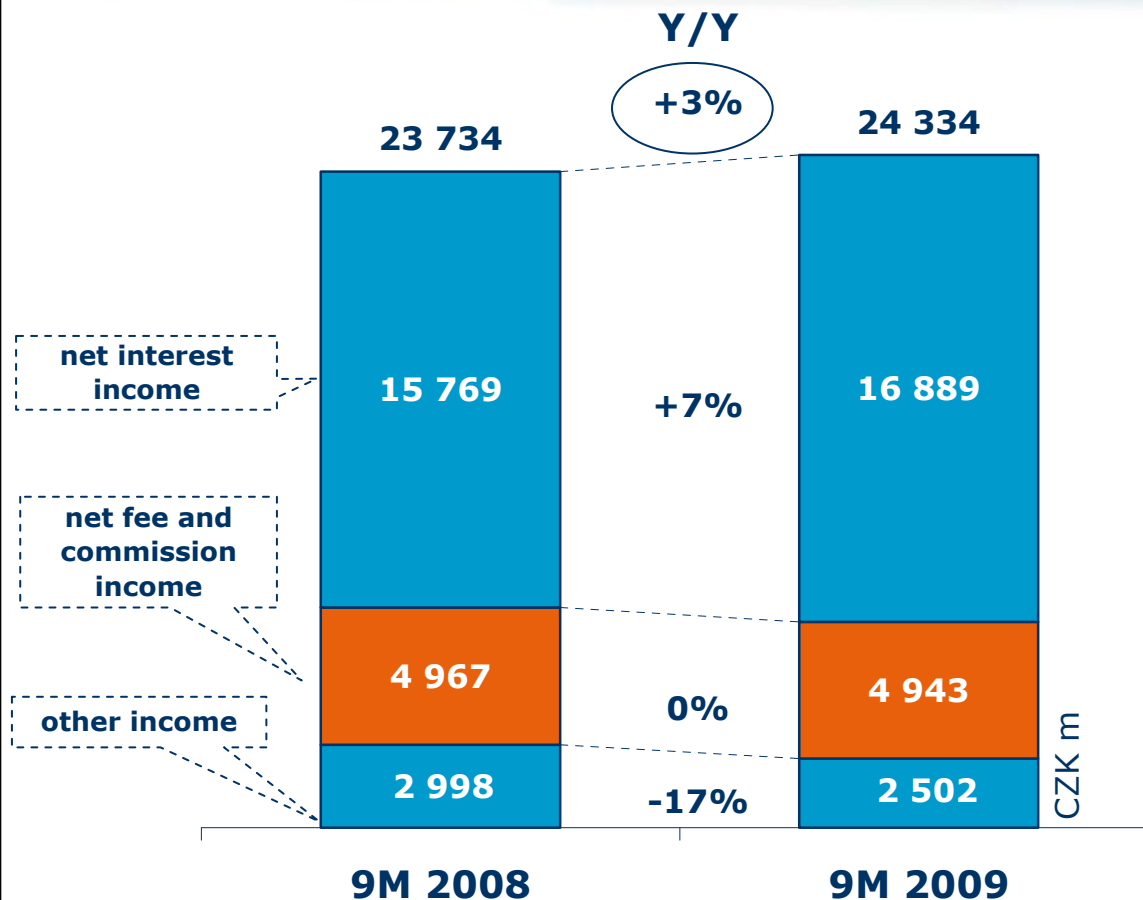
Liquidity and capital adequacy improve from already strong levels.



Financial Situation

Operating Income

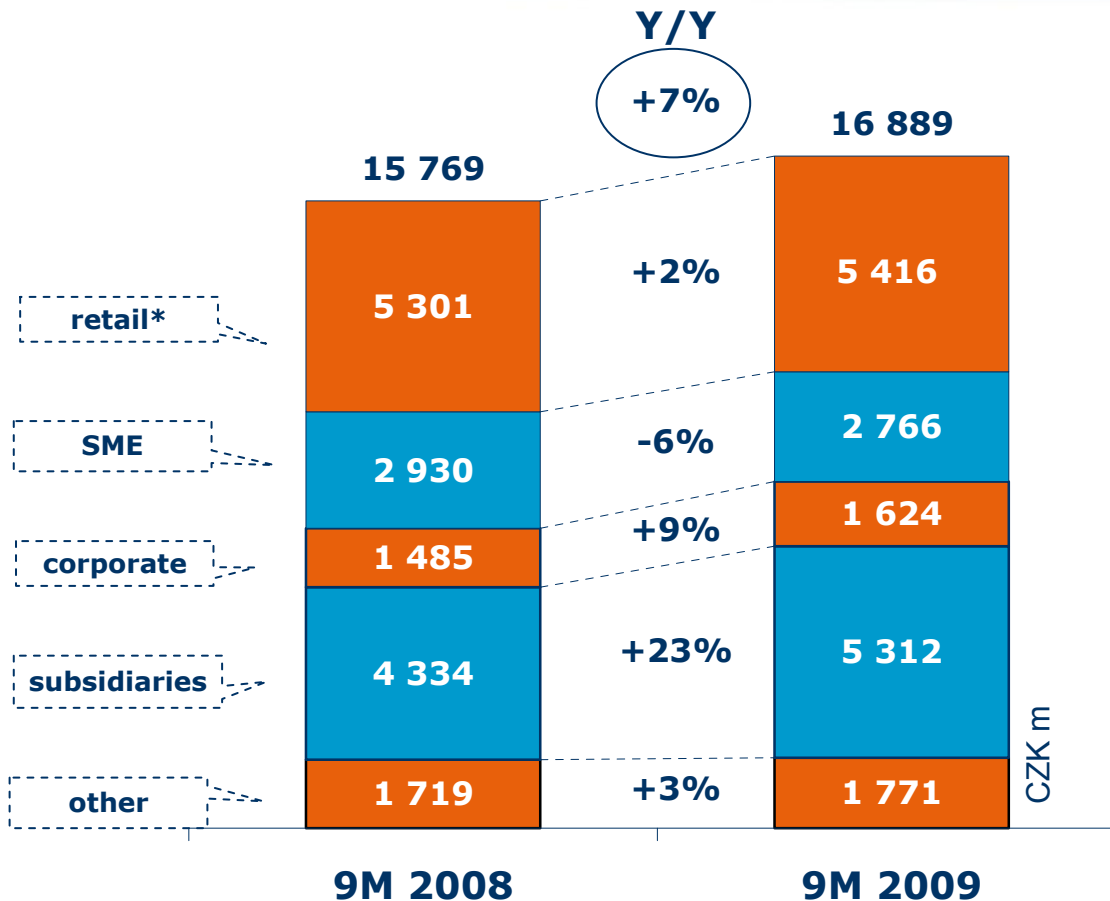
Underlying, net of extraordinary items



Net interest income increased due to Y/Y growth of volumes, while net fee and commission income remained flat.

Other income includes net gains from financial instruments at fair value through profit and loss, net realised gains on available-for-sale financial assets, dividend income and other net income.

Net Interest Income

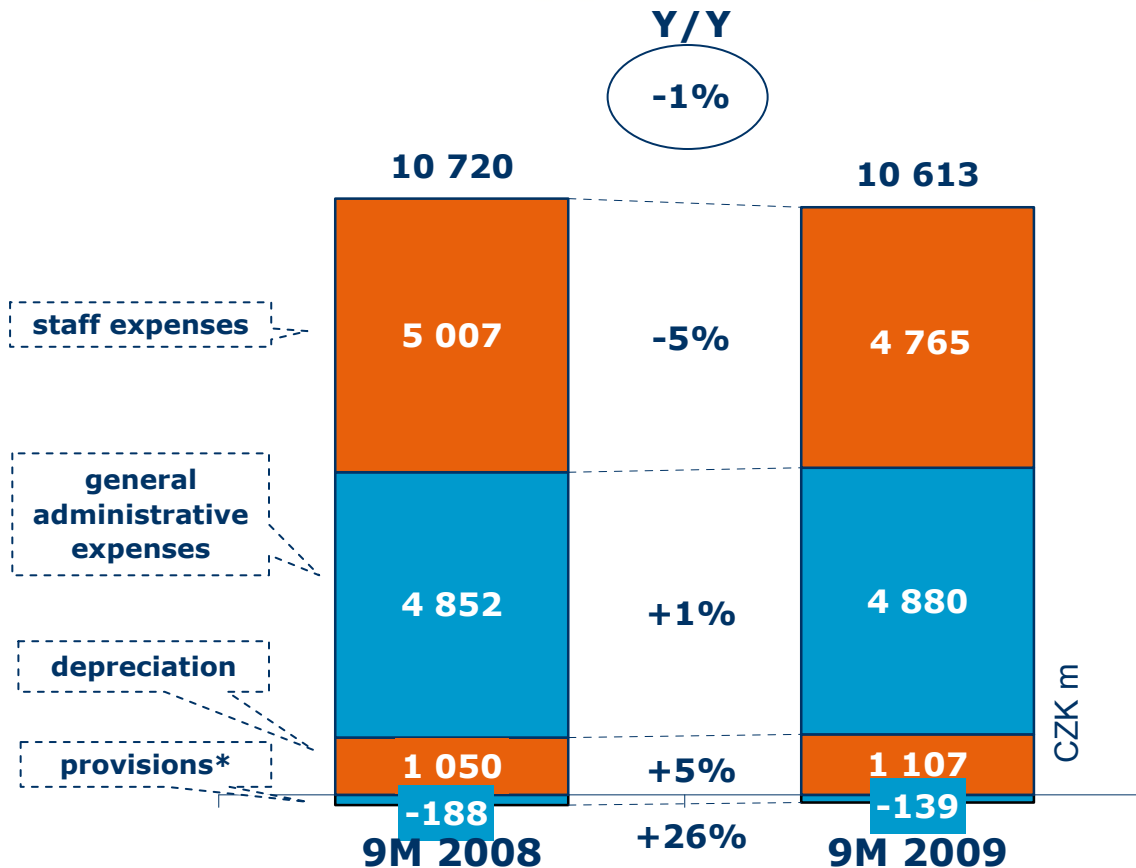


NII generated by subsidiaries increased thanks to the growth in volumes of housing loans (HB and ČMSS).

The decline of NII in the SME segment was driven by a decreased net interest income on deposits as SMEs deployed their excess cash for working capital financing.

* Including ČSOB and PSB

Operating Expenses



Since June 2009, part of expenses shifted from staff expenses to general administrative expenses as the ICT services of ČSOB and ČSOB Pojišťovna were put under one management structure and migrated to the newly created Czech Branch of KBC Global Services.

Decline in staff expenses also reflects lower number of FTEs in the group.

Depreciation grew due to increased activation of ICT property.

Note: * Only provisions for legal issues and other losses, restructuring and contractual engagements are included in item "provisions".

Strong Capital Position

Consolidated (CZK m)	31/12/08	30/09/09
Total regulatory capital	41 733	44 022
- Tier 1 Capital	42 131	43 671
- Tier 2 Capital	11 967	11 969
- Deductions from Tier 1 and Tier 2	-12 364	-11 619
Total capital requirement	32 379	28 723
- Credit risk (IRB approach)	26 474	24 171
- Market risk (internal model)	2 501	1 565
- Operational risk (standardized approach)	3 404	2 987
Total RWA	404 733	359 042
Tier 1 ratio	8.88%	10.55%
CAD	10.31%	12.26%

Notes:

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

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

Tier 2 capital = subordinated debt

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

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

Ample Liquidity

30/09/08

31/12/08

31/03/09

30/06/09

30/09/09

Deposits & building savings minus group loans (CZK bn)

153

132

144

155

145

liquidity ratio

71.7%

75.3%

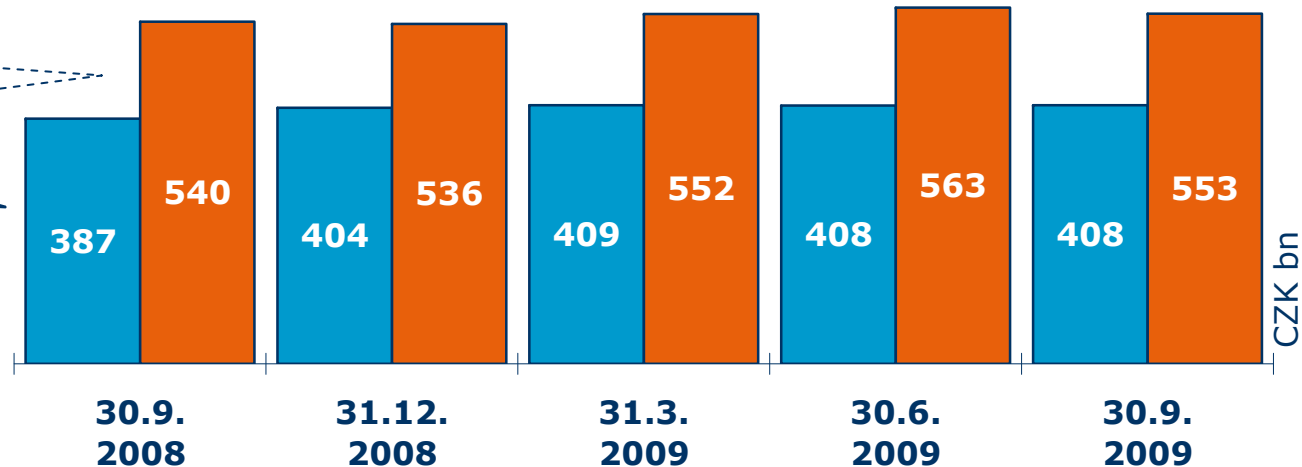
74.0%

72.5%

73.9%

deposits and building savings

group loans



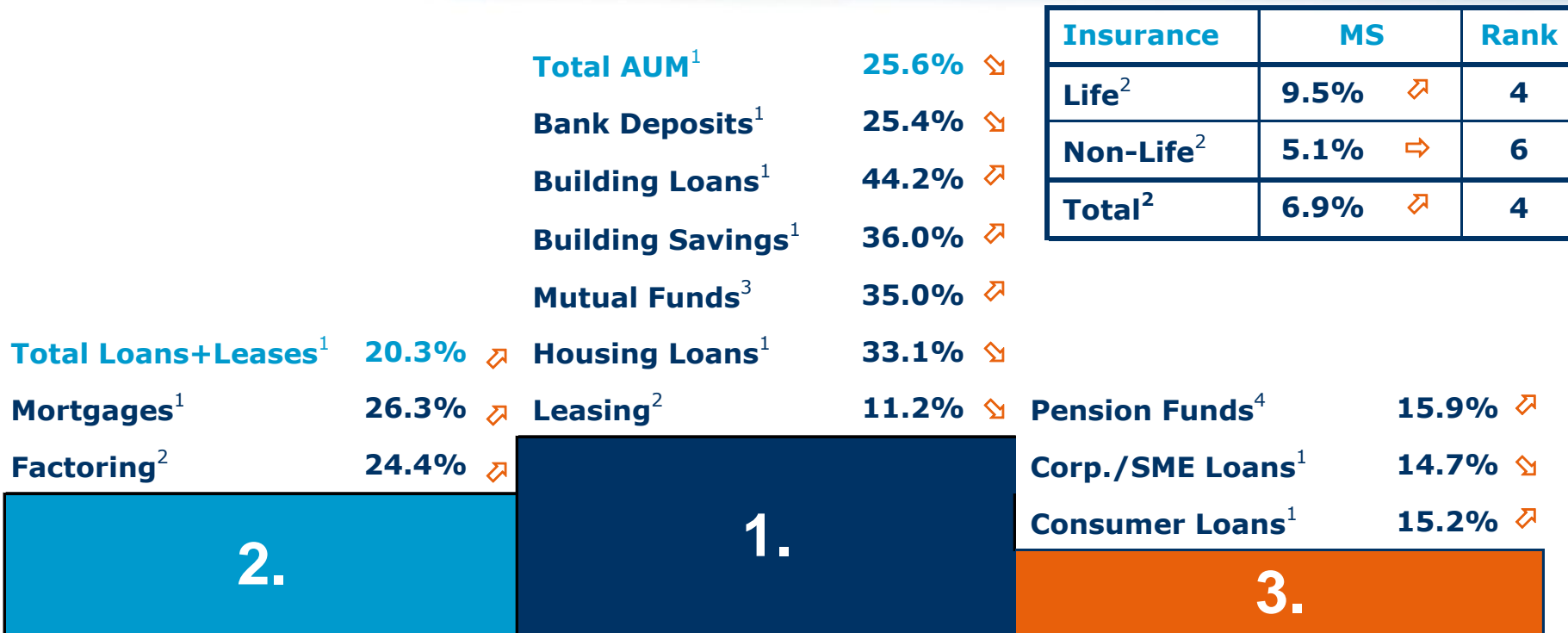


Business Development



ČSOB Group's Market Shares

Maintaining leading positions in the Czech financial market



Notes: Arrows show Y/Y change. Market shares as of **30/06/09** (i.e. latest available), insurance as of 30/09/09.

1 Market share according to outstanding volume at the given date

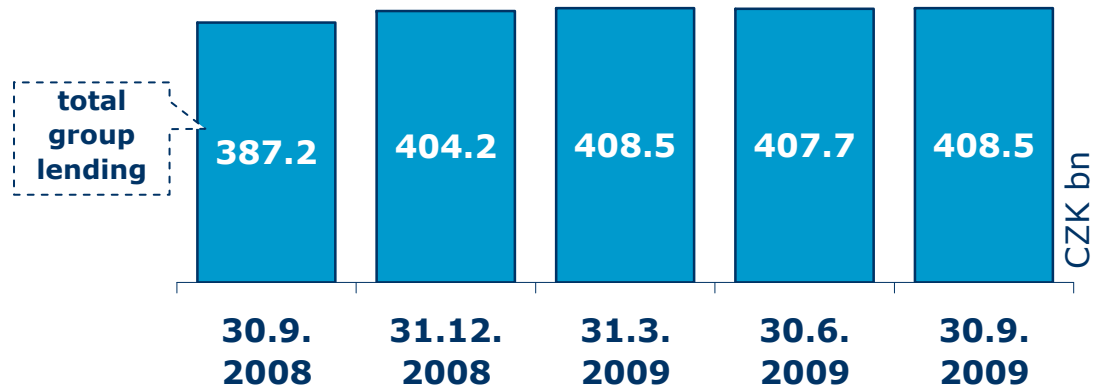
2 Market share according to volume of new business in the year to the given date

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

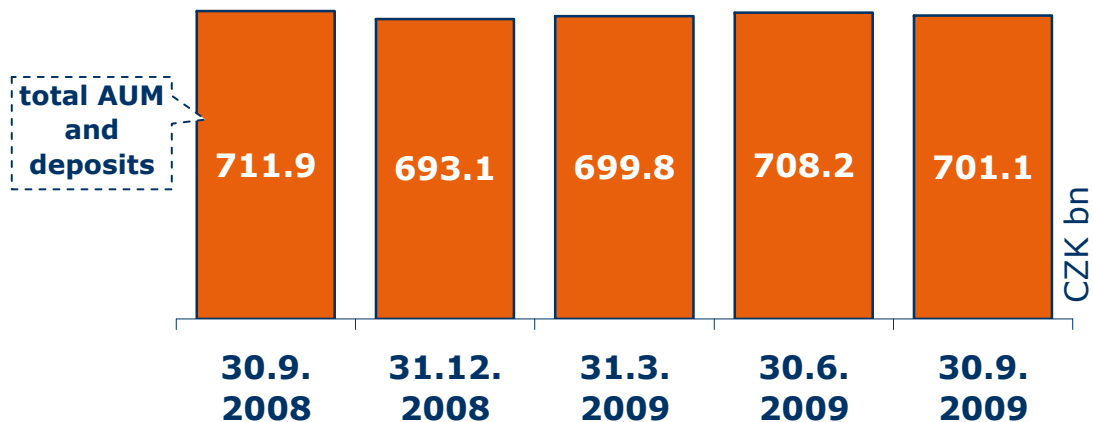
4 Market share according to the number of clients at the given date

Source: ČNB, financial associations

Business Highlights



Total group lending up 5% Y/Y, driven especially by housing loans (+18%).



The increase of client deposits, building savings and pension funds was offset by the decrease of AUM in mutual funds.

Total Group Lending at a Glance

(CZK bn)	30/09/2008	30/09/2009	Y/Y
Total group lending*	387.2	408.5	+5%
Selected segments:			
Retail - Housing loans**	189.2	223.0	+18%
- mortgages (HB+ČSOB+PSB)	93.9	109.2	+16%
- building loans (ČMSS 55%)	52.4	62.6	+20%
Retail - Consumer lending	14.4	17.3	+20%
SME loans	69.6	69.3	0%
Corporate loans	99.5	90.4	-9%
Leasing	35.3	30.3	-14%

Note:

All figures are outstanding volumes at the given date

* Total group lending (outstanding amount) = loans and receivables according to IFRS including corporate bonds with a coupon in the HTM and FVPL portfolios and excluding money market placements with banks, nostro and loro accounts, other receivables from clients, promissory notes with banking counterparties.

** Housing loans = mortgages + building loans (ČMSS 100%)



Quality of Loan Portfolio

IFRS, consolidated, gross

(CZK bn)

	30/09/08	31/12/08	31/03/09	30/06/09	30/09/09
Total group lending	387.20	404.20	408.53	407.65	408.47
- of which, NPLs	7.81	8.90	10.51	11.74	12.97
NPL ratio	2.02%	2.20%	2.57%	2.88%	3.18%
NPL ratio, excl. EGAP guaranteed*	2.02%	2.06%	2.43%	2.71%	3.07%
Credit-cost ratio	0.45%	0.56%	0.69%	1.08%	1.09%

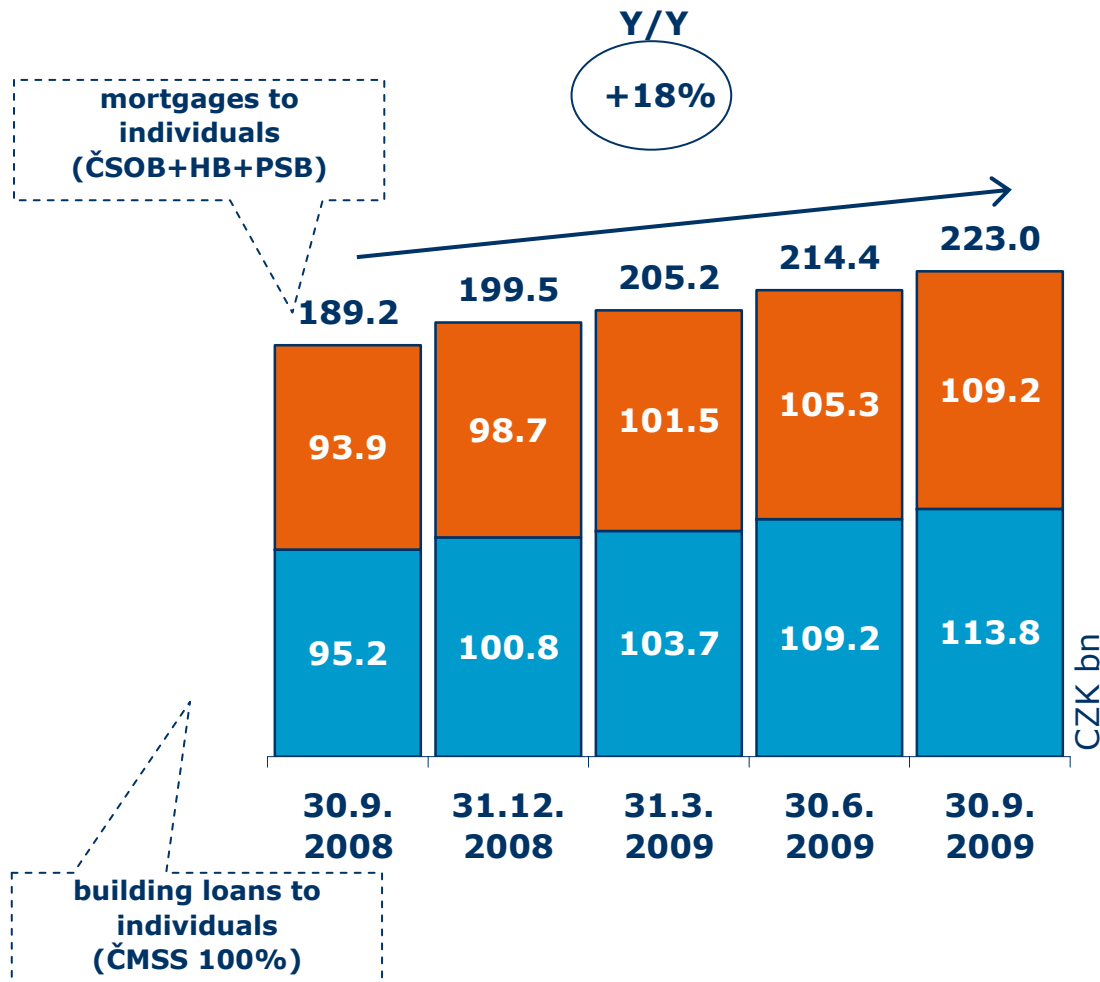
Impairment on loans and receivables increased from CZK 1.3 bn in 9M 2008 to CZK 3.9 bn in 9M 2009. As a result, the 9M credit-cost ratio (annualized) increased to 109 bps. The highest increases were in SME, leasing and corporate.

Notes:

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

* EGAP (Export Guarantee and Insurance Corporation) is a Czech state-owned export credit agency.

Housing Loans

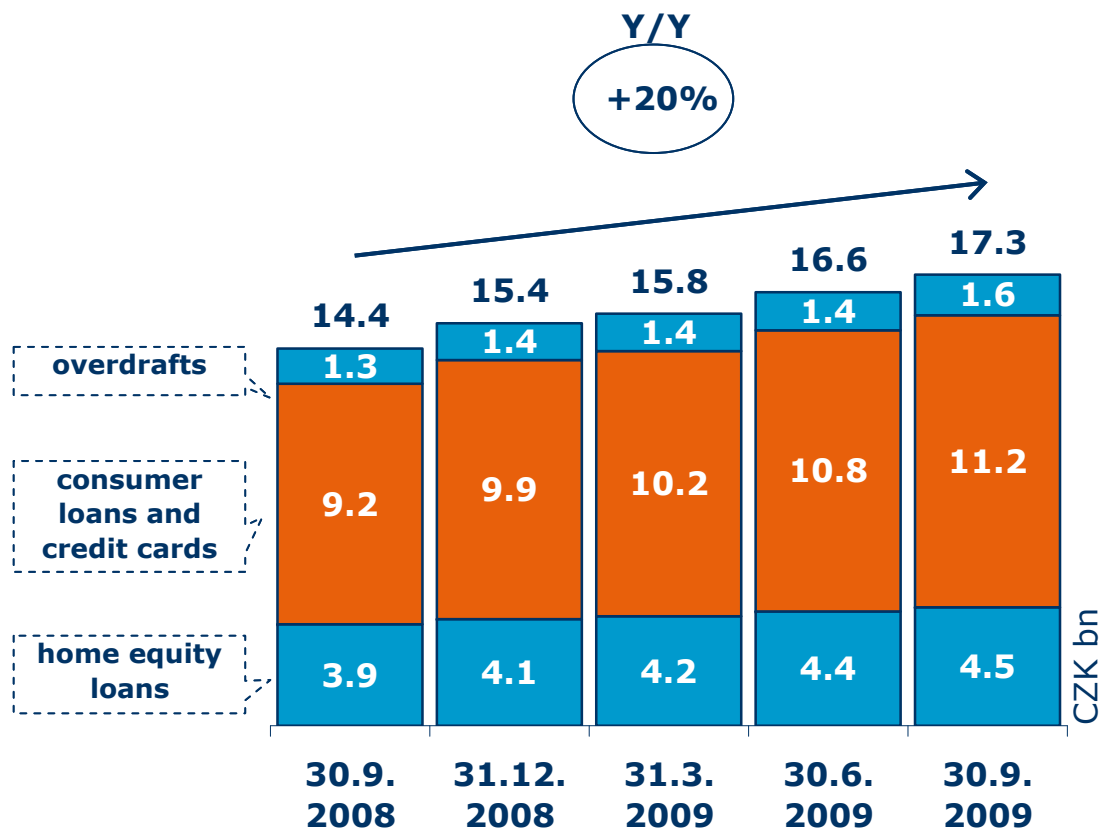


The outstandings of ČSOB group's mortgages increased by 16% Y/Y and those of the ČMSS building society's loans by 20% Y/Y.

Having provided (together with its partners) CZK 22 bn of new mortgages in the first three quarters of 2009, ČSOB group ranks the first in the new production in the Czech market.

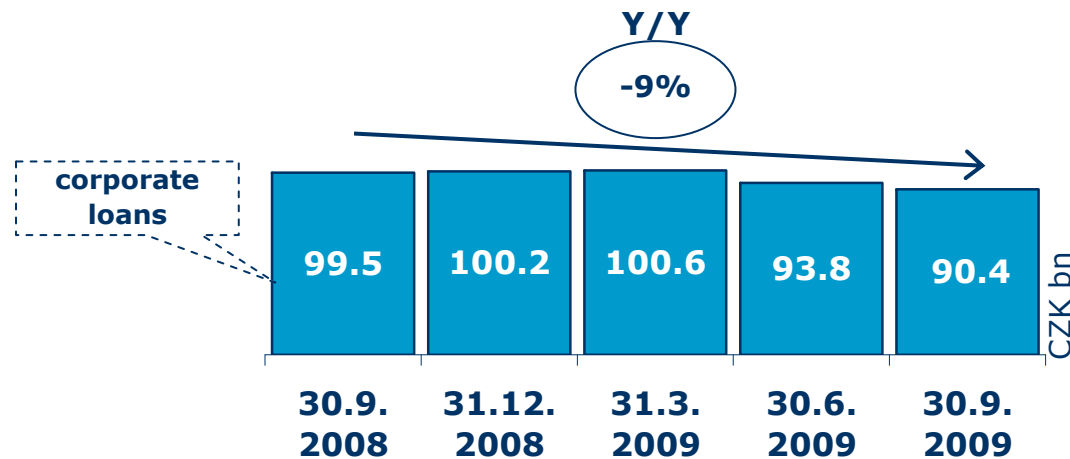
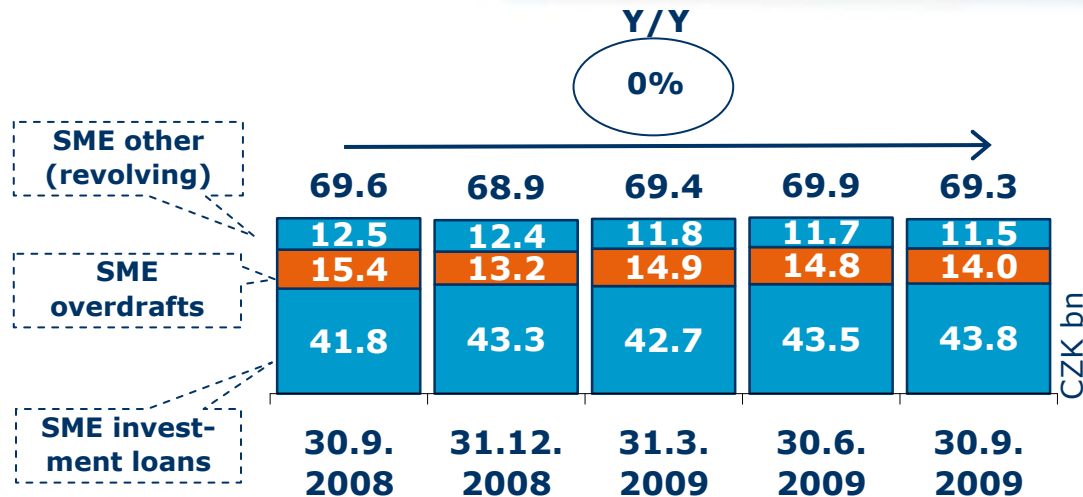
ČMSS remains the clear market leader in the field of building loans.

Consumer Lending



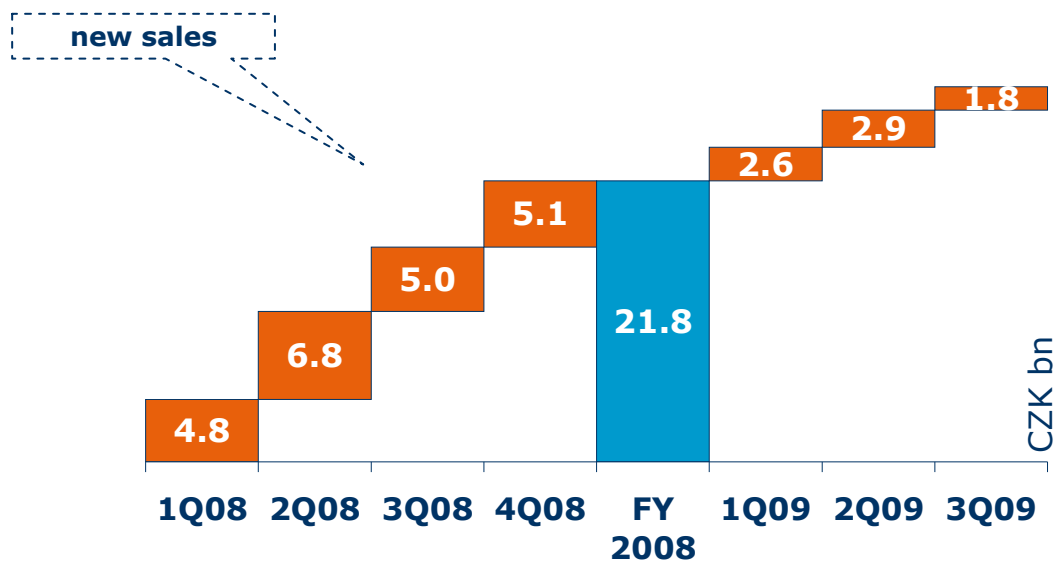
The Y/Y growth of consumer lending was driven mainly by cash loans, housing related loans and higher usage of credit cards.

SME and Corporate Lending



Since the outbreak of the economic crisis in 4Q 2008, credit volumes for SME have remained stable. Lower demand for investment loans was offset by higher demand for working capital financing since year-end 2008.

The decrease in industrial production and the sharp decline of export are leading to a noticeable contraction of demand for credit by corporate customers.



The Czech leasing market was negatively impacted by the decrease of demand for investment and consumer finance products.

At the end of 2008, ČSOB Leasing exited the market in financing used cars sold through auto bazaars.

New sales in 9M 2009 include mainly passenger and light commercial vehicles (almost 50%) and machinery and equipment (about a third).



Total AUM and Deposits at a Glance

(CZK bn)

30/09/2008

30/09/2009

Y/Y

Total AUM and deposits

711.9

701.1

-2%

of which:

Deposits

464.4

475.1

+2%

Building savings (ČMSS 55%)

75.6

78.0

+3%

Mutual funds and asset management*

149.7

123.8

-17%

Pension funds

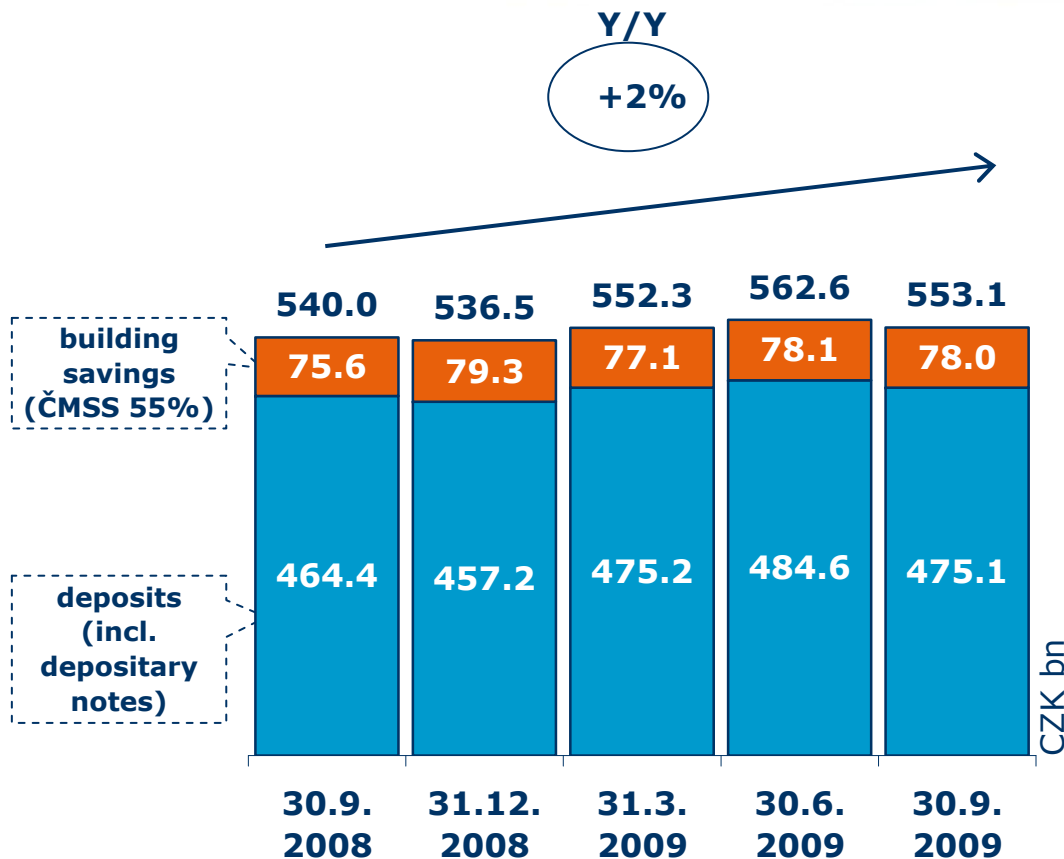
22.2

24.2

+9%

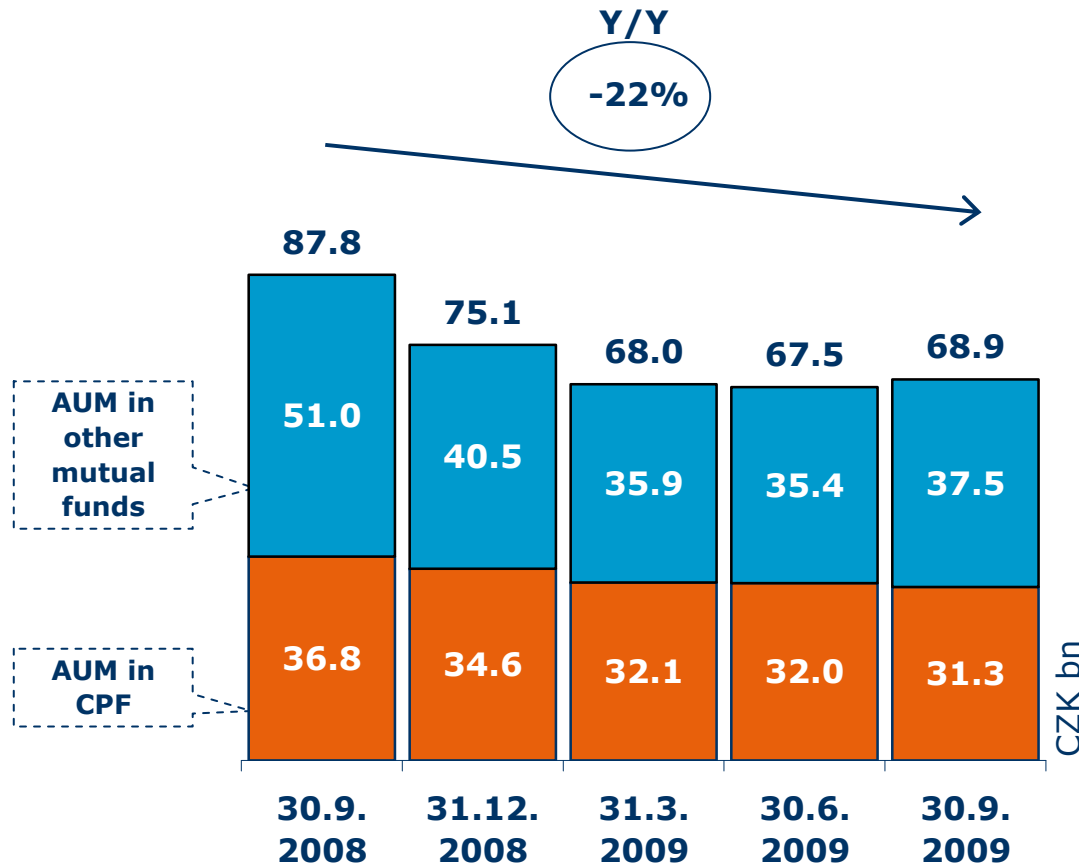
Note: * Mutual funds and asset management = mutual funds (incl. institutional) + individual discretionary asset management + institutional asset management (excl. pension funds).

Deposits and Building Savings



ČSOB group maintains the leading position in deposits with about a 25% share in the Czech market.

Retail deposits grow both Y/Y and Q/Q, reflecting the shift of consumer preferences to saving accounts.



The Czech mutual funds market experienced a 27% decline between June 2008 and June 2009 across all asset types. ČSOB recorded a lower decrease of the assets in the funds (-21.5%) and strengthened its number 1 position in the market.

During 2Q and 3Q 2009, the volume of ČSOB's mutual funds stabilized and turned to a positive development.

Note: Only direct positions are included

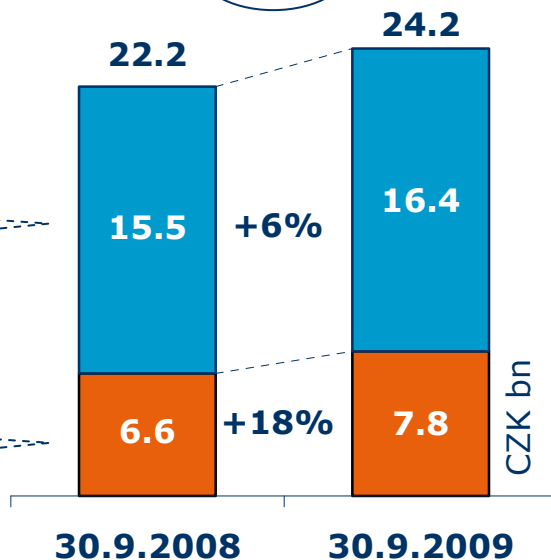
Pension Funds

AUM

Y/Y
+9%

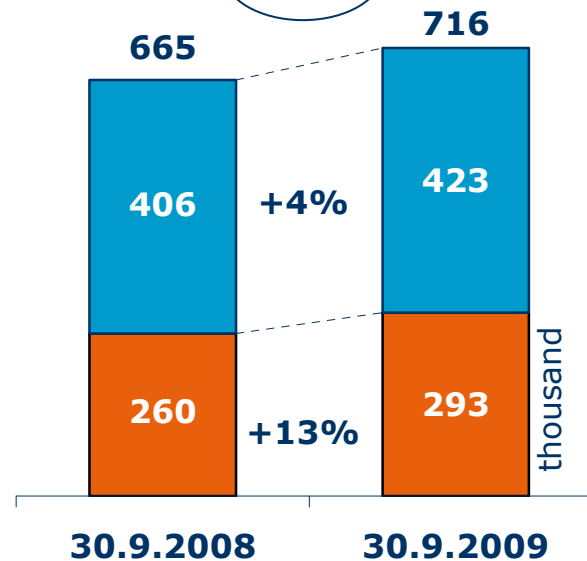
PF Stabilita

PF Progres

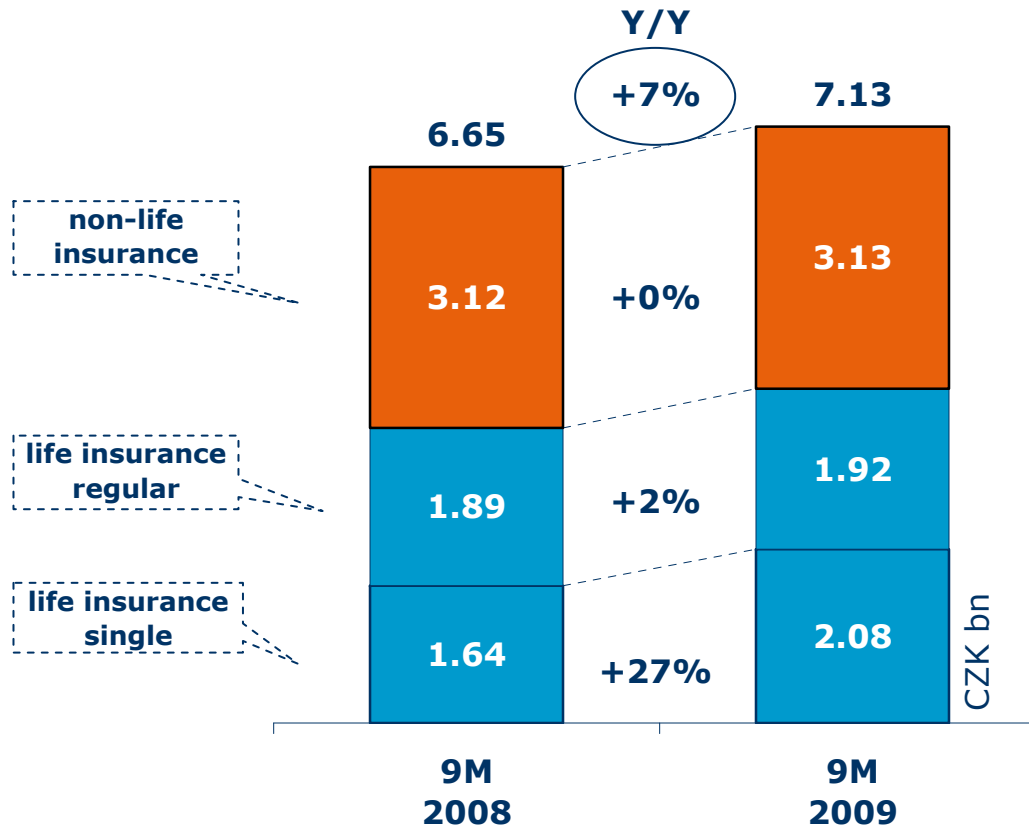


Number of clients

Y/Y
+8%



Gross written premium



Increase in single life premium is due to strong customer demand for the bancassurance product Maximal Invest, which combines safety, a good return and life coverage.

ČSOB Pojišťovna was selected as the best insurance company in the Czech Republic by the World Finance magazine.



Bancassurance and Product Penetration

High sales of insurance linked to retail banking products

	3Q 2008	3Q 2009
Life insurance / ČSOB mortgages	68%	68%
Property insurance / ČSOB mortgages	82%	90%
Consumer loans insurance / ČSOB consumer loans	78%	77%

Note: number of new contracts insured / all insurable

Combining banking products:

The proportion of ČSOB mortgages that are connected with property insurance has been steadily increasing from **70%** in 3Q 2007 to **82%** in 3Q 2008 and **90%** in 3Q 2009.

Maximal Invest is a great success in the bancassurance field. These products combine single premium life insurance and investment with a guaranteed return at the due date, which makes it an ideal product for clients who search for a minimum risk and a guaranteed yield in times of market volatility. During 3Q 2009, ČSOB successfully offered for example Maximal Invest – ČSOB Alternativní energie plus.



Appendix



ČSOB's Profile

Numbers and statistics - ČSOB bank (incl. PSB)

	31/12/08	30/09/09
Employees (group)*	8 468	8 012
Customers (ths)	3 047	3 066
Users of direct banking (ths)	1 787	2 015
Payment cards (ths)	1 938	1 987
- of which: credit cards (ths)	100	122
ČSOB branches	242	246
PSB - financial centers	42	51
PSB - outlets of Czech Post Offices	ca. 3 330	ca. 3 320
ATMs (ČSOB+PSB)	680	718

Notes:

* FTEs. The figure as at 30/09/2009 includes also employees that were transferred to KBC Global Services Czech Branch in June 2009.

- Using "**Fast withdrawal**", clients can permanently preset an amount which appears at the main menu on an ATM.
- ČSOB opened a second **call centre** in Náchod.
- Products bought using ČSOB credit cards newly enjoy a **90-day purchase protection and a prolonged guarantee period**.
- New **capital protected funds**: Maximal Invest - ČSOB Alternativní energie plus, Global Partners ČSOB Fixovaný click 8, Optimum fund ČSOB Rozvoj infrastruktury, Optimum fund ČSOB Světový jumper 4 or ČSOB Premiový fond 5.
- ČSOB received **VIA Bona Award** in the main category for large companies. ČSOB was awarded for the support of education, increasing of financial literacy and other projects.



ČSOB Group in the Czech Republic



ČSOB's credit rating (as at 13 November 2009)

	Long-term rating	Short-term rating	Other ratings	
Moody's	A1	Prime-1	Financial strength:	C
Fitch	A-	F2	Individual:	C
			Support:	1

ČSOB's shareholder structure
KBC Bank NV holds 100% of ČSOB shares.

Profit and Loss Statement

Reported

(CZK m)	9M 2008	9M 2009	Y/Y
<i>Interest income</i>	28 300	25 550	-10%
<i>Interest expense</i>	-12 531	-8 662	-31%
Net interest income	15 769	16 889	+7%
Net fee and commission income	4 967	4 943	0%
Net gains from financial instruments at FVPL*	-7 163	2 212	+/-
Other operating income*	1 524	1 449	-5%
Operating income	15 097	25 493	+69%
Staff expenses	-5 007	-4 765	-5%
General administrative expenses	-4 852	-4 880	+1%
Depreciation and amortisation	-1 050	-1 107	+5%
Provisions	188	139	-26%
Operating expenses	-10 720	-10 613	-1%
Impairment losses*	-1 730	-4 439	+157%
<i>Impairment of loans and receivables</i>	-1 330	-3 940	+196%
<i>Impairment of available-for-sale securities</i>	-29	-208	+617%
<i>Impairment of other assets</i>	-371	-292	-21%
Share of profit of associates*	-2	258	+/-
Profit before tax	2 644	10 699	+305%
Income tax expense	186	-1 506	+/-
Profit for the period	2 830	9 193	+225%
Attributable to:			
Equity holders of the parent	2 776	9 188	+231%
Minority interest	54	6	-90%

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.

* The four highlighted lines make the difference between reported and underlying figures.

Profit and Loss Statement

Underlying

(CZK m)	9M 2008	9M 2009	Y/Y
<i>Interest income</i>	28 300	25 550	-10%
<i>Interest expense</i>	-12 531	-8 662	-31%
Net interest income	15 769	16 889	+7%
Net fee and commission income	4 967	4 943	0%
Net gains from financial instruments at FVPL*	1 621	1 053	-35%
Other operating income*	1 377	1 449	+5%
Operating income	23 734	24 334	+3%
Staff expenses	-5 007	-4 765	-5%
General administrative expenses	-4 852	-4 880	+1%
Depreciation and amortisation	-1 050	-1 107	+5%
Provisions	188	139	-26%
Operating expenses	-10 720	-10 613	-1%
Impairment losses*	-1 384	-4 249	+207%
<i>Impairment of loans and receivables</i>	-1 330	-3 940	+196%
<i>Impairment of available-for-sale securities</i>	-29	0	-100%
<i>Impairment of other assets</i>	-25	-310	+1140%
Share of profit of associates*	42	258	+518%
Profit before tax	11 671	9 730	-17%
Income tax expense	-1 695	-1 275	-25%
Profit for the period	9 976	8 456	-15%
Attributable to:			
Equity holders of the parent	9 922	8 450	-15%
Minority interest	54	6	-90%

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.

* The four highlighted lines make the difference between reported and underlying figures.



Balance Sheet

Assets

(CZK m)	31/12 2008	30/09 2009	Ytd
Cash and balances with central banks	16 602	29 346	+77%
Financial assets held for trading	131 342	175 508	+34%
Financial assets designated at fair value through P/L	23 514	16 935	-28%
Available-for-sale financial assets	90 454	109 721	+21%
Loans and receivables	411 644	406 432	-1%
<i>Loans and receivables - gross</i>	418 473	416 437	0%
<i>of which credit institutions - gross</i>	16 806	12 215	-27%
<i>of which other than credit institutions - gross</i>	400 400	403 082	+1%
<i>of which accrued interest income</i>	1 266	1 140	-10%
<i>Loans and receivables - provisions</i>	-6 829	-10 005	+47%
<i>of which credit institutions - provisions</i>	-21	-23	+9%
<i>of which other than credit institutions - provisions</i>	-6 807	-9 981	+47%
Held-to-maturity investments	115 236	120 147	4%
Derivatives used for hedging	7 215	7 989	11%
Current tax assets	1 128	61	-95%
Deferred tax assets	1 248	537	-57%
Investments in associate	858	921	7%
Investment property	1 002	795	-21%
Property and equipment	10 095	9 579	-5%
Goodwill and other intangible assets	4 852	4 646	-4%
Non-current assets held-for-sale	127	1	-99%
Other assets	9 168	8 589	-6%
Total assets	824 485	891 206	+8%



Balance Sheet

Liabilities and Equity

(CZK m)	31/12 2008 <i>reclassified</i>	30/09 2009	Ytd
Financial liabilities held for trading	35 064	20 287	-42%
Financial liabilities at fair value through P/L	62 796	153 984	+145%
Financial liabilities at amortised cost	649 371	629 308	-3%
<i>of which Deposits received from credit institutions</i>	40 246	21 477	-47%
<i>of which Deposits received from other than credit institutions</i>	551 686	560 904	+2%
<i>of which Debt securities in issue</i>	43 907	32 079	-27%
<i>of which Subordinated liabilities</i>	11 965	11 969	+0%
<i>of which Accrued interest expenses</i>	1 567	2 880	+84%
Derivatives used for hedging	2 493	3 431	38%
Current tax liabilities	133	149	12%
Deferred tax liabilities	553	602	+9%
Provisions	993	675	-32%
Other liabilities	16 238	18 232	+12%
Total liabilities	767 641	826 668	+8%
Share capital	5 855	5 855	0%
Share premium account	7 509	7 509	0%
Statutory reserve	18 687	18 687	0%
Retained earnings	19 212	27 720	+44%
Available-for-sale reserve	4 145	4 831	17%
Cash flow hedge reserve	743	-727	NA
Foreign currency translation reserve	-195	-196	+1%
Parent shareholders' equity	55 955	63 678	+14%
Minority interest	890	861	-3%
Total equity	56 844	64 538	+14%
Total liabilities and equity	824 485	891 206	+8%

ROAC (return on allocated capital)	net profit, including minority interests, corrected for income on allocated instead of real equity / average allocated equity; according to KBC group methodology
C/I (cost / income ratio)	operating expenses / operating income
Liquidity ratio	total group lending / (bank deposits + building savings); the value of the liquidity ratio may differ from the L/D ratio which is calculated according to KBC group methodology
L/D (loan / deposit ratio)	according to KBC group methodology
CAD (capital adequacy ratio)	according to prudential reports of ČNB - Basel II
NPL (non-performing loans)	outstanding amount of non-performing loans / total outstanding loan portfolio
CCR (credit-cost ratio)	total credit costs / granted loan portfolio (annualized)
NIM (net interest margin)	net interest income / average interest earning assets excluding repo operations
AUM	assets under management



Contacts

Ondřej Vychodil

Head of Investor Relations

+420 224 114 106, onvychodil@csob.cz

Tereza Měrtlová

Investor Relations Analyst

+420 224 114 109, tmertlova@csob.cz

Michal Nosek

Investor Relations Analyst

+420 224 114 111, minosek@csob.cz

investor.relations@csob.cz

www.csob.cz/ir

Member of KBC group