



3Q 2010 Results ČSOB Group Czech Republic

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EU IFRS Unaudited Consolidated

**Presentation for analysts
10 November 2010
Radlická 333/150, Praha**



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1. Highlights



ČSOB group results 3Q 2010

Highlights

ČSOB group reported **3Q 2010 IFRS net profit of CZK 3.109bn**, compared to CZK 3.269bn in the same period last year. *See slide 6*

Excluding one-off items, the **underlying net profit** was CZK 2.838bn which represents a growth of 1% Y/Y. The difference between reported and underlying net profit in 3Q 2010 was mainly given by volatility in the valuation of ALM instruments. *See slide 6*

Underlying operating income remained flat Y/Y as NII grew by 6% Y/Y and NFCI declined by 10% Y/Y due to the increase of deposit insurance payment. **Underlying operating expenses** increased on the back of lower comparative basis in 3Q 2009. The underlying Ytd. cost/income ratio stood at 43.2%, which represents a 1.1 pp increase Y/Y. *See slide 10*

Group deposits grew by 3% Y/Y, while the outstanding volume of group lending decreased by 3% Y/Y, resulting in **liquidity improvement** with loan to deposit ratio at 70.0%, compared to 73.8% a year ago. *See slide 17*

In 3Q 2010, **underlying impairments on loans and receivables** were 27% lower compared to the same period of last year thanks to a positive development in CORP and SME segments. *See slide 14*

Credit cost ratio declined Y/Y by 23 bps to 0.83%. Non-performing loans ratio increased to 4.16%, compared to 3.18% a year ago. *See slide 27*

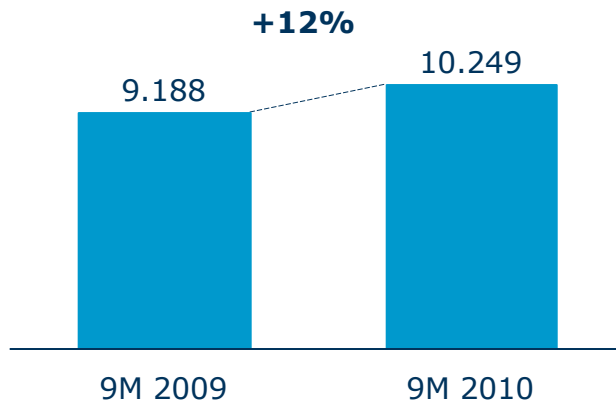
Capital position of the ČSOB group strengthened with the capital adequacy ratio growing to 17.8% and (core) Tier 1 ratio to 14.1%. *See slide 33*

Net profit - Ytd.

Reported vs. underlying

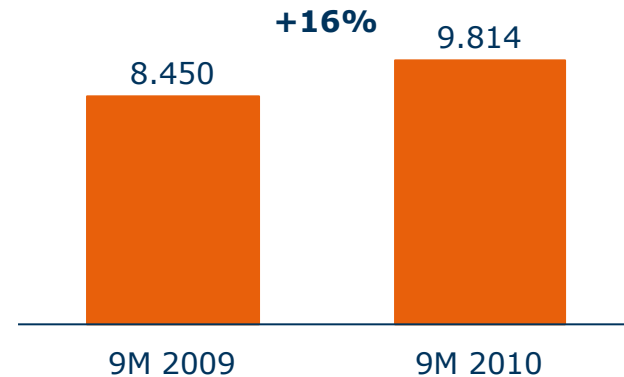
Reported net profit

CZK bn



Underlying net profit

CZK bn



One-off items

CZK bn



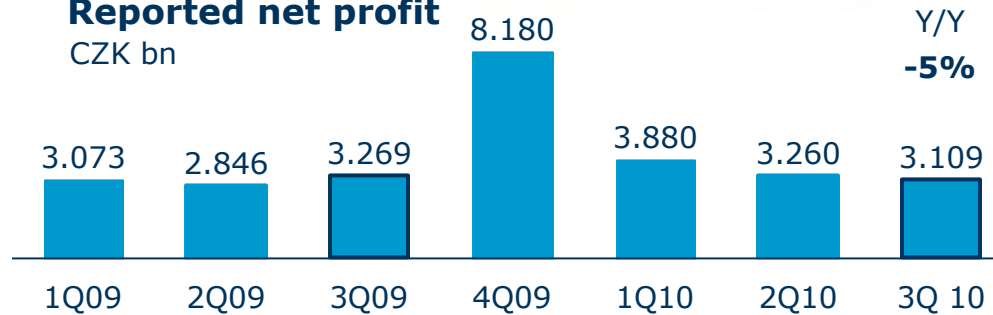
One-off items: The main one-offs in 9M 2010 were a settlement payment received from KBC Global Services Czech Branch for the transfer of ICT services and volatility in the valuation of ALM instruments. The 9M 2009 net profit was positively influenced by volatility in the valuation of ALM instruments.

Net profit - quarterly

Reported vs. underlying

Reported net profit

CZK bn

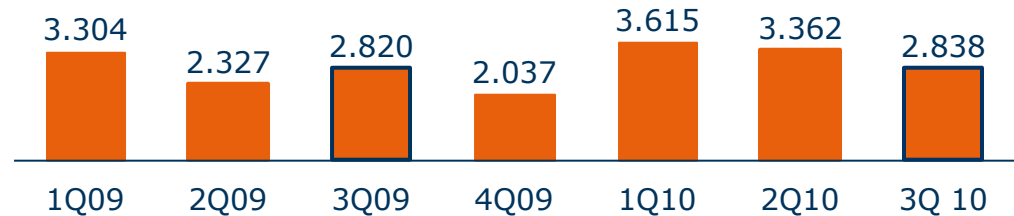


3Q 2010 underlying net profit grew by 1% Y/Y as the Y/Y decline of impairments was offset by the Y/Y increase of operating expenses on the back of a low comparative basis of the year-earlier level (see slide 13). Moreover, 3Q 2010 impairments include the effect of back-testing which, in the previous year, was made later in 4Q (see slide 14).

3Q 2010 reported profit was affected by a positive P&L valuation of ALM hedges (+0.3bn net).

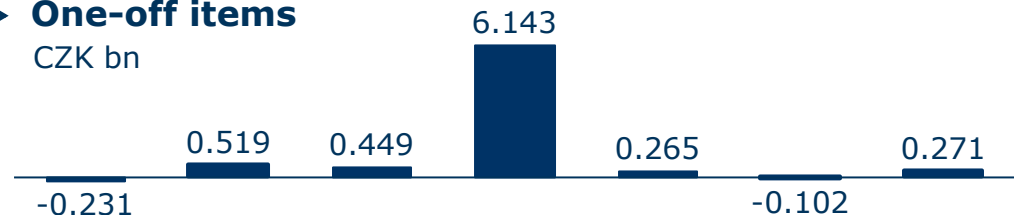
Underlying net profit

CZK bn



One-off items

CZK bn

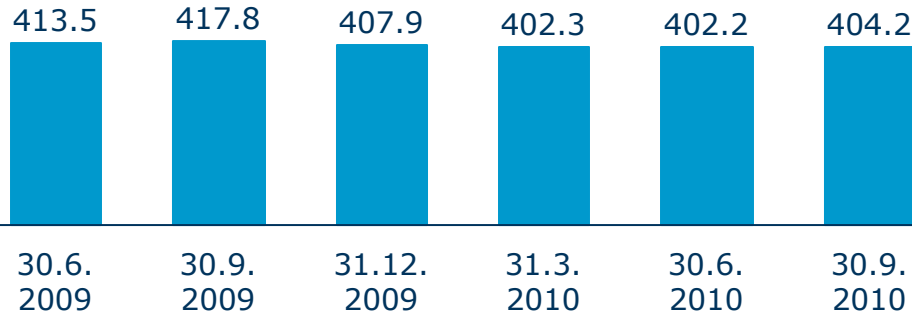


	9M 2009	9M 2010	Y/Y
Profitability (Ytd. ratios)			
Net interest margin	3.18%	3.39%	+21 bps
Cost/income (underlying)	42.1%	43.2%	+1.1 pp
Cost/income (reported)	40.1%	42.3%	+2.2 pp
ROAA (underlying)	1.29%	1.52%	+0.23 pp
ROAA (reported)	1.41%	1.59%	+0.18 pp
ROAE (underlying)	19.0%	19.7%	+0.7 pp
ROAE (reported)	20.7%	20.6%	-0.1 pp
	30.9.2009	30.9.2010	Y/Y
Asset quality			
Credit cost ratio (Ytd., annualized)	1.06%	0.83%	-23 bps
NPL ratio	3.18%	4.16%	+1.0 pp
NPL coverage ratio	77.1%	75.8%	-1.3 pp
Capital adequacy (Basel II)			
Core tier 1 ratio	10.55%	14.12%	+3.57 pp
Total capital ratio	12.26%	17.82%	+5.56 pp
Solvency ratio (insurance)	214.0%	241.2%	+27.2 pp
Liquidity			
Loan to deposit ratio	73.8%	70.0%	-3.8pp

Note: For definitions of the ratios see slide 53.

Group lending*

CZK bn

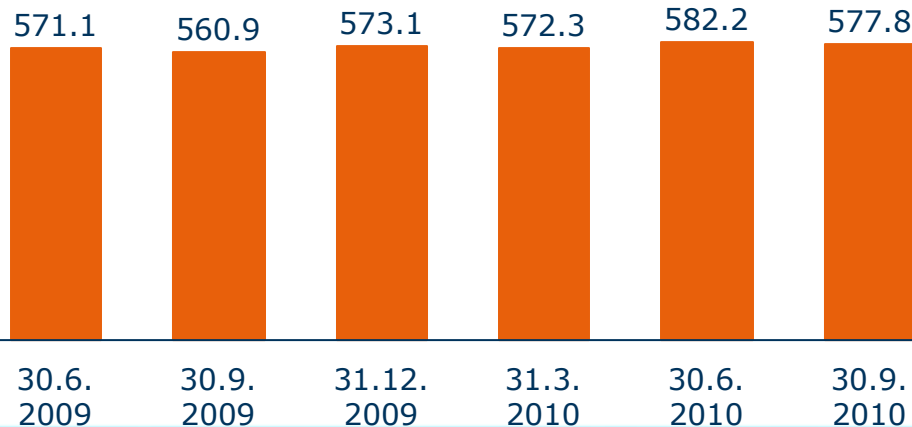


Group lending: -3% Y/Y with volumes stabilized during the past three quarters

- Housing loans and consumer finance continue growing.
- Corporate and SME loans declined Y/Y but stabilized Q/Q.

Group deposits**

CZK bn



Group deposits: +3% Y/Y and -1% Q/Q

- Y/Y growth was recorded across all major products – client deposits, building savings deposits and pension funds.

Notes:

* Item "Loans and receivables – gross" from the consolidated balance sheet plus credit-replacing bonds.

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



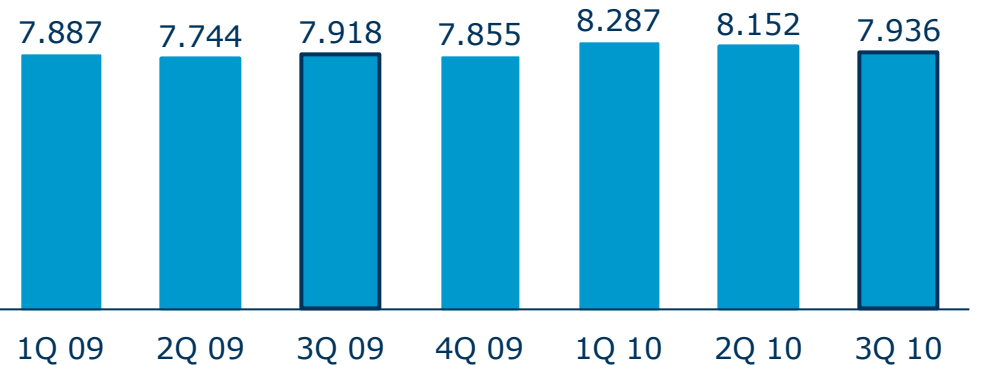
2. Analysis of underlying results

Operating profit - quarterly

Underlying

Operating income

CZK bn

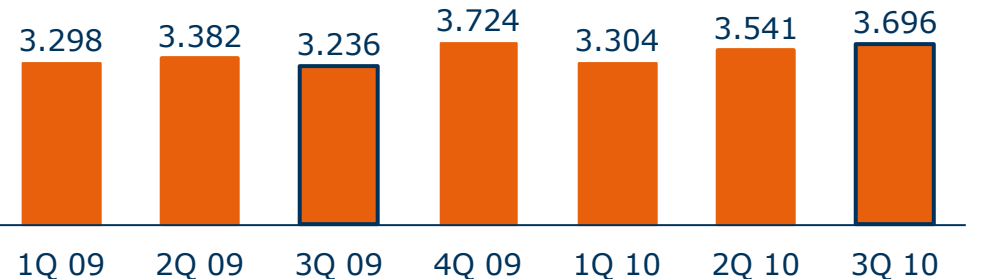


3Q operating income remained flat Y/Y. Net interest income grew by 6% Y/Y. On the other hand, net fee and commission income declined by 10% Y/Y, especially due to increased deposit insurance premium.

The level of operating income of CZK 7.936 bn represents a 3% decrease compared to the previous quarter.

Operating expenses

CZK bn



3Q operating expenses grew by 14% Y/Y and by 4% Q/Q. One of the reasons for the Y/Y growth was a lower comparative basis a year earlier. The most growing category were general administrative expenses which were impacted by business-unrelated effect. For more information, see slide 13.

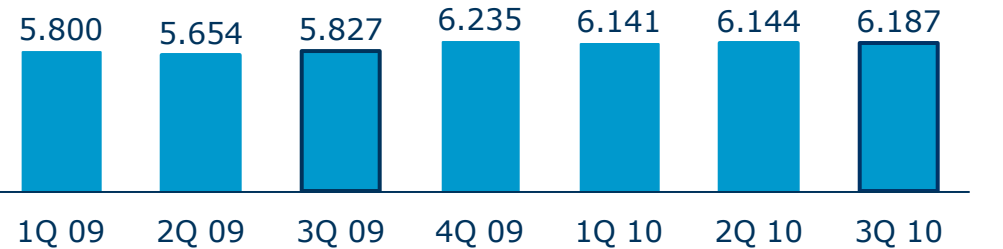


Operating income - quarterly

Underlying

Net interest income

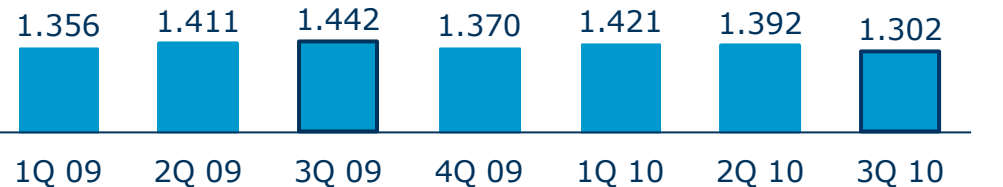
CZK bn



NII grew by 6% compared to the same period of last year, driven by mortgages, building savings loans and growing retail deposit base. Net interest margin increased Y/Y by 21 bps to 3.39%.

Net fee and commission income

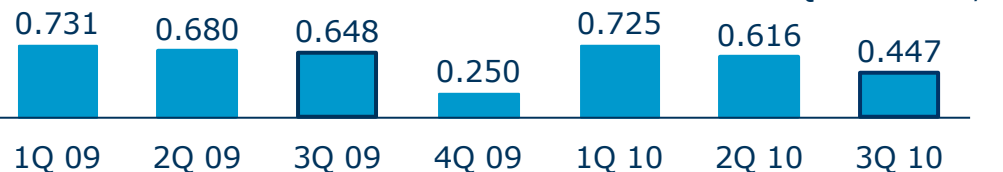
CZK bn



NFCI decreased by 2% Y/Y and by 10% Q/Q, due to higher payment to the deposit insurance fund by CZK 83m. This was caused by the increase of deposit insurance premium from 10 bps to 16 bps that has been reflected in our P&L since 3Q 2010.

Other*

CZK bn



Within the other operating income, net gains from financial instruments at FVPL stood at CZK 203m (+65% Y/Y, +25% Q/Q), dividend income declined by 96% Y/Y as a result of the sale of the remaining stake in ČSOB Slovakia to KBC at the end of 2009.

Notes:

Reclassified figures for 1Q09, 2Q09 and 3Q09 in lines "NII" and "other" differ from those previously published due to corrections made in 2Q10.

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



Operating expenses - quarterly

Underlying (=reported) vs. pro forma

The split of operating expenses (to staff expenses, GAE, and other) was distorted by the transfer of ICT services in June 2009 and January 2010. As a result, ca. 400 employees of the ČSOB group were transferred to the Czech Branch of KBC Global Services (KBC GS CZ).

A part of ICT-related expenses, formerly booked as staff expenses and depreciation (within other operating expenses), has been since the transfer booked as general administration expenses. The following table provides pro forma figures that eliminate the distortion across categories.

(CZK m)	3Q 2009 reported = underlying	3Q 2009 pro forma	3Q 2010	rep=underl Y/Y	pro forma Y/Y
Staff expenses	1 452	1 458	1 643	+ 13%	+ 13%
General administrative expenses	1 424	1 493	1 786	+ 25%	+ 20%
Other	361	286	266	- 26%	- 7%
Total	3 236	3 236	3 696	+ 14%	+ 14%

for comments
see next slide

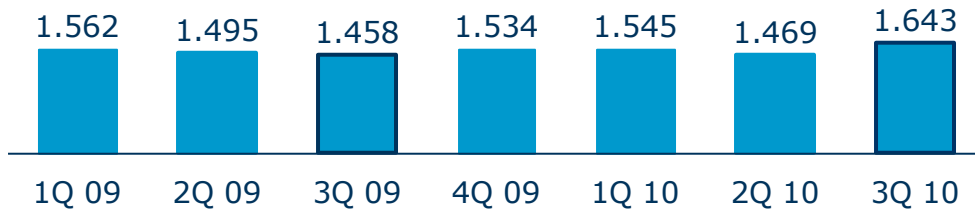
Operating expenses - quarterly

Pro forma

Staff expenses

CZK bn

9M: **+3%** Y/Y
3Q: **+13%** Y/Y

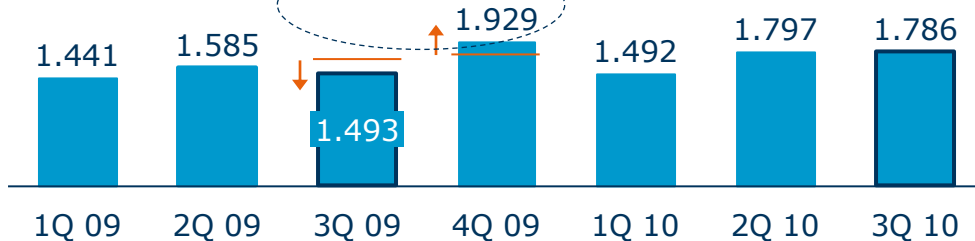


The Y/Y growth of staff expenses reflects the fact that in 3Q 2009 part of accruals for bonuses was released, while 3Q 2010 witnessed a creation of accruals for performance-based bonuses. To a lesser extent, also a regular annual salary increase (May 2010) added to the expenses increase.

General administrative expenses

CZK bn

9M: **+12%** Y/Y
3Q: **+20%** Y/Y

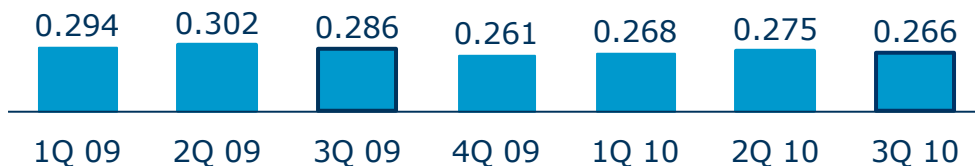


General administrative expenses (GAE) showed a double-digit Y/Y growth, largely impacted by effects related to the lower comparative basis in 3Q 2009 due to a slower start-up of the KBC GS CZ. As the 3Q 2009 represented a transition period related to the ICT transfer, some of the ICT-service related expenditures moved from 3Q 2009 into 4Q 2009. (The opposite effect will be present in 4Q but the total 2H 2010 Y/Y comparison will not be affected by this transition.)

Other*

CZK bn

9M: **-8%** Y/Y
3Q: **-7%** Y/Y

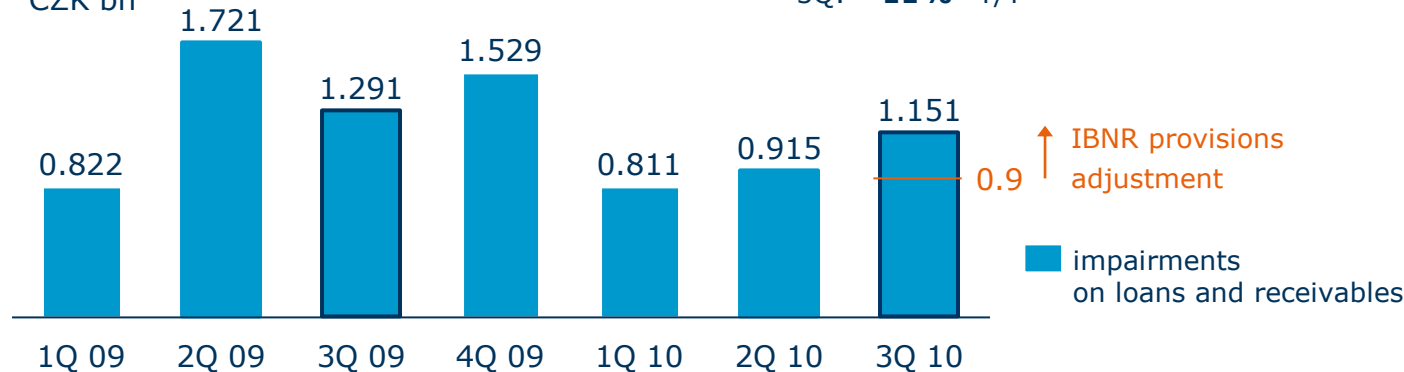


Note: * Depreciation and amortization

Impairments on LaR – quarterly

CZK bn

9M: **-25%** Y/Y
3Q: **-11%** Y/Y



Y/Y favorable development was driven by corporate and SME segments, where the inflow of new problem files was lower than in 2009. Q/Q comparison was influenced by adjustments to IBNR provisions* that resulted from the provisions back-testing (pre-tax impact of CZK 260 m). In 2010, the back-testing was performed in 3Q, whereas in the previous year it was performed in 4Q.

In line with ČSOB's expectations, the number of defaults in the retail segment (especially mortgages) increased compared to the same period of the last year, but as mortgages in general require less provisions, the impact on total impairments was relatively limited.

Credit cost ratio decreased Y/Y by 23 bps to 0.83%. NPL ratio rose by 0.98 percentage points to 4.16% Y/Y as non-performing loans increased to CZK 16.5 bn in 3Q 2010 from CZK 13.0bn in 3Q 2009 and the overall loan volume decreased.

*Note: *Incurred But Not Reported impairment provisions cover impairment which is already present in the portfolio, but not recognized yet.*



3. Analysis of business performance

ČSOB group's market shares

Insurance	market share	rank
Life ²	↘ 9.5%	5
Non-life ²	↘ 4.9%	6
Total ²	↗ 7.0%	4

Deposits ¹	↘ 21.7%	Building savings loans ¹	↘ 44.1%		
Total loans and leases ¹	↘ 17.9%	Building savings deposits ¹	↗ 36.1%		
Mortgages ¹	↗ 27.7%	Housing loans ^{1,4}	↗ 34.4%	Pension funds ³	↗ 16.2%
Factoring ²	↘ 23.4%	Mutual funds ¹	↘ 32.6%	Corporate/SME loans ¹	↘ 13.3%
				Consumer loans ¹	↗ 15.2%
				Leasing ²	↘ 10.1%
2nd		1st		3rd	

Notes: Arrows show Y/Y change. Market shares as of 30 June 2010 (i.e. latest available). Insurance as of 30 September 2010.

¹ Outstanding at the given date

² New business in the year to the given date

³ Number of clients at the given date

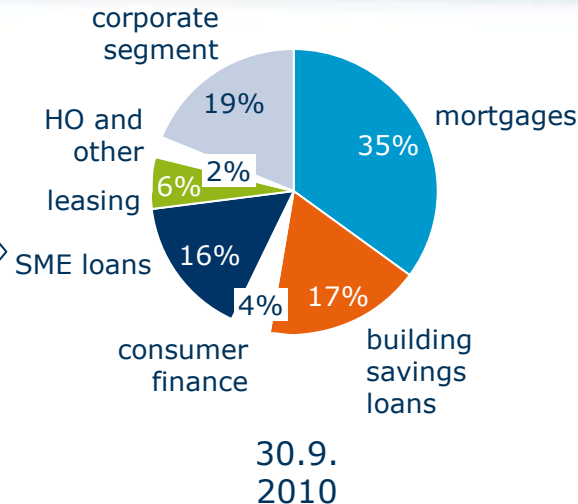
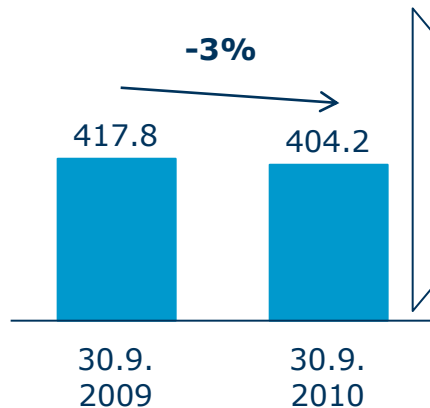
⁴ Comprise mortgages and building savings loans

Sources and detailed definitions are provided in Appendix, slide 53.

Lending and deposits development

Group lending

CZK bn

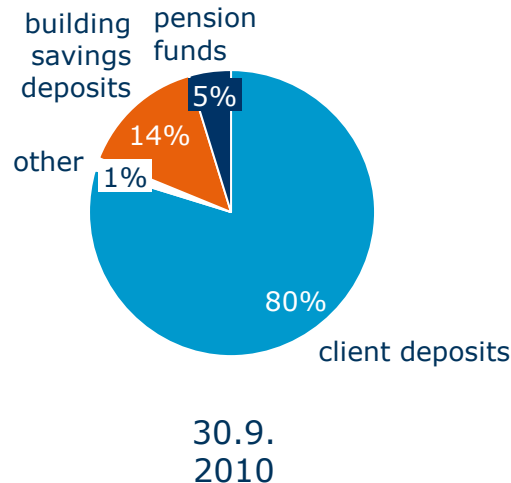
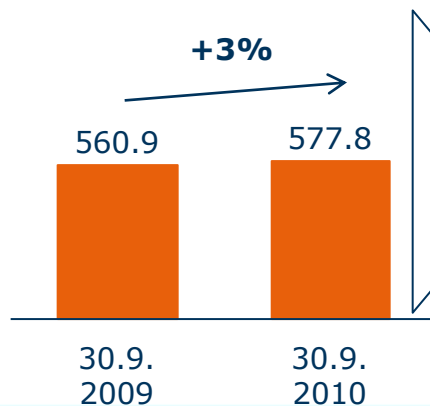


Group lending decreased by 3% Y/Y on the back of a slowed-down economy and ČSOB's prudent risk management. The lending remained flat Q/Q.

As mortgages and building savings loans grew faster than other loans, the combined share of housing loans on group lending grew to 52% in 3Q 2010 from 46% in 3Q 2009.

Group deposits

CZK bn



The Retail/SME segment as a whole has grown to 79% of total group lending.

Group deposits increased by 3% Y/Y and declined by 1% Q/Q. Y/Y growth was recorded across all major products – client deposits, building savings deposits, and pension funds.

Group lending at a glance

Gross outstanding volumes, CZK bn	30.9.2009	30.9.2010	Y/Y
Group lending	417.8	404.2	-3%
Retail/SME Segment			
Mortgages ¹	131.2	141.4	+8%
Building savings loans ²	62.9	70.5	+12%
Consumer finance	17.7	17.9	+1%
SME loans	69.8	65.2	-7%
Leasing	30.3	24.2	-20%
Corporate Segment			
Corporate loans ³	92.3	73.2	-21%
Factoring	3.7	3.4	-8%
Head Office	0.5	0.5	-1%
Other⁴	9.4	7.7	-17%

Notes:

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

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

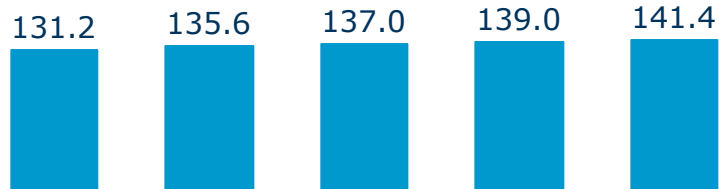
³ Including credit-replacing bonds.

⁴ Money market placements with banks, loro/nostro accounts and other settlement accounts.

Housing loans

Mortgages

Outstanding, CZK bn



Y/Y
+8%

30.9. 2009 31.12. 2009 31.3. 2010 30.6. 2010 30.9. 2010

New sales*, CZK bn



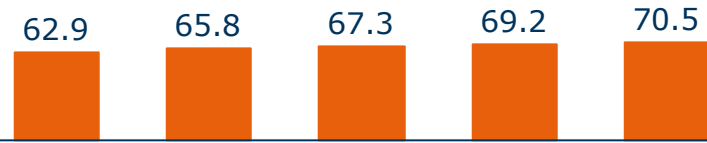
Y/Y
0%

3Q 09 4Q 09 1Q 10 2Q 10 3Q 10

The mortgage portfolio (fully booked in HB, 100%-owned subsidiary) has been steadily growing as the new production of mortgages exceeded repayments in each quarter. Higher sales in 2Q and 3Q compared with the previous quarters reflected a rebounding demand for residential real estate.

Building savings loans

Outstanding (ČMSS 55%), CZK bn



Y/Y
+12%

30.9. 2009 31.12. 2009 31.3. 2010 30.6. 2010 30.9. 2010

New sales (ČMSS 55%)*, CZK bn



Y/Y
-22%

3Q 09 4Q 09 1Q 10 2Q 10 3Q 10

The portfolio of building savings loans (fully booked in ČMSS, 55%-owned subsidiary) continues growing. The Y/Y decrease in the new sales of building savings was due to the fact that with the decline of interest rates, mortgages become in general relatively more attractive compared to building savings loans. The strongest month of 2010 in new sales so far was June with the new volume of CZK 2.6 bn.

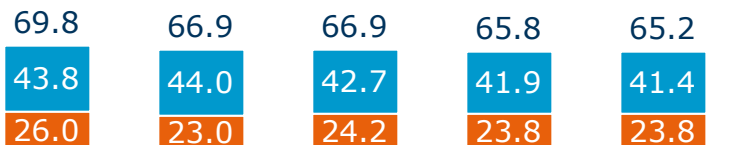
Note: * Granted loan limits.

SME loans, consumer finance, leasing

SME loans

Outstanding, CZK bn

Y/Y
-7%



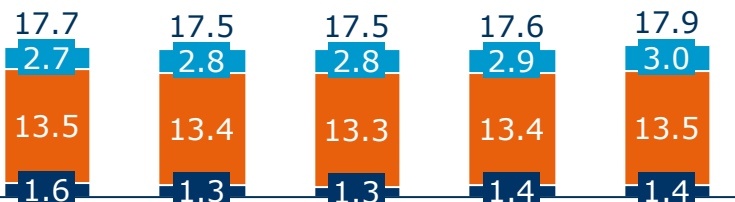
■ investment loans
■ short-term loans

30.9. 2009 31.12. 2009 31.3. 2010 30.6. 2010 30.9. 2010

Consumer finance

Outstanding, CZK bn

Y/Y
+1%



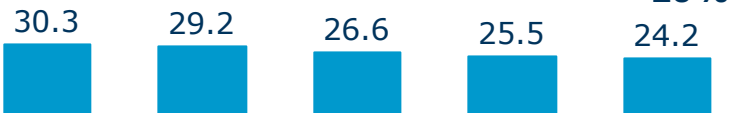
■ credit cards and overdrafts
■ consumer loans
■ other

30.9. 2009 31.12. 2009 31.3. 2010 30.6. 2010 30.9. 2010

Leasing

Outstanding, CZK bn

Y/Y
-20%



30.9. 2009 31.12. 2009 31.3. 2010 30.6. 2010 30.9. 2010

SME loans development:

SME loans decreased by 7% Y/Y. The decline was stronger in short-term loans (-9% Y/Y) than in long-term investment loans (-5% Y/Y).

In the quarter under review, short-term loans were stable thanks to the stabilization of working capital demand.

Consumer finance development:

The main driver of the Y/Y growth were credit cards and overdrafts which increased by 13%.

Leasing development:

The Y/Y decline of leasing was caused by the customer demand decrease (as a result of the economic downturn, mostly in transportation) and prudent risk control.

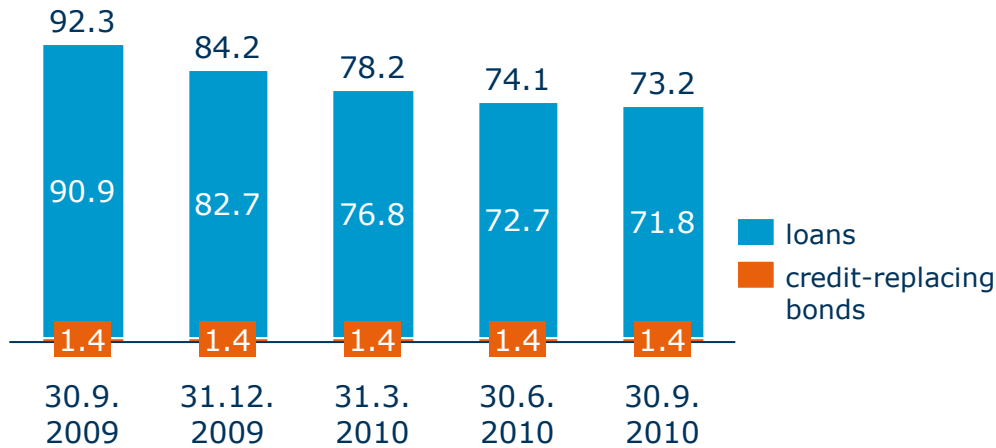
The largest decline was recorded in machinery, equipment and trucks.

Corporate segment

Corporate loans

Outstanding, CZK bn

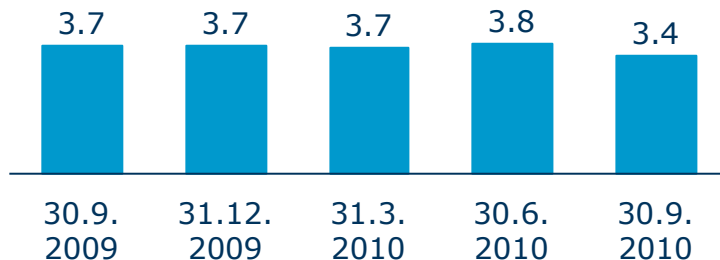
Y/Y
-21%



Factoring

Outstanding, CZK bn

Y/Y
-8%



The decline of corporate loans has significantly slowed down in 3Q 2010.

The reduction of 21% Y/Y resulted from a combined effect of continuing prudent risk management approach of the ČSOB group and contracting demand for corporate lending. The demand for loans switched from loans to bond financing on capital market as the bond market became more attractive.

In 2010, ČSOB was awarded the best corporate bank in the Czech Republic, based on the vote among Czech corporates' CFOs. In the area of acquisition finance, ČSOB was named the Bank of the Year, Eastern Europe.



**FIREMŇÍ 2010
BANKA ROKU**

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.

AUM and deposits at a glance

Outstanding volumes, CZK bn	30.9.2009	30.9.2010	Y/Y
Group deposits	560.9	577.8	+3%
Client deposits	437.2	461.0	+5%
Building savings deposits	78.0	83.3	+7%
Pension funds ¹	24.4	26.6	+9%
Other ²	21.4	7.0	-67%
Mutual funds³	68.9	65.3	-5%
Other asset management	54.9	55.5	+1%
AUM and deposits	684.7	698.7	+2%

Notes:

¹ Liabilities to pension fund policy holders.

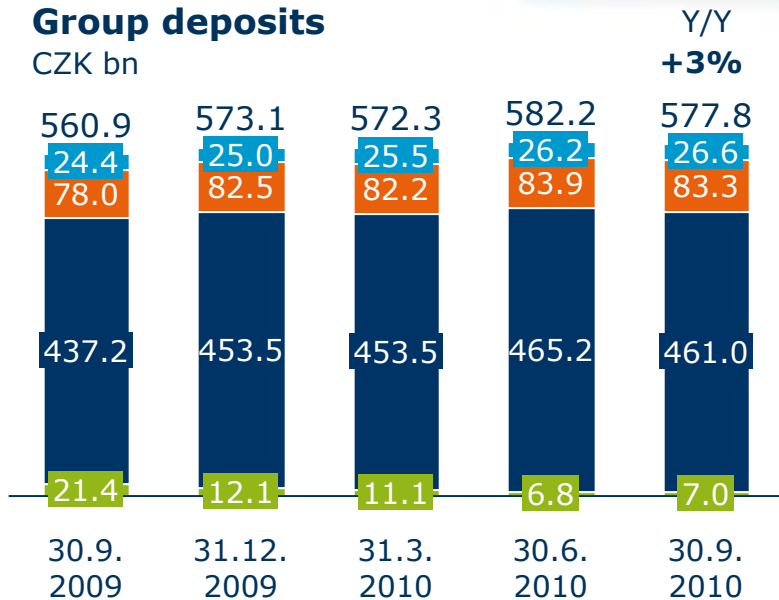
² Repo operations with non-banking financial institutions and other.

³ Only direct positions are included.

Group deposits

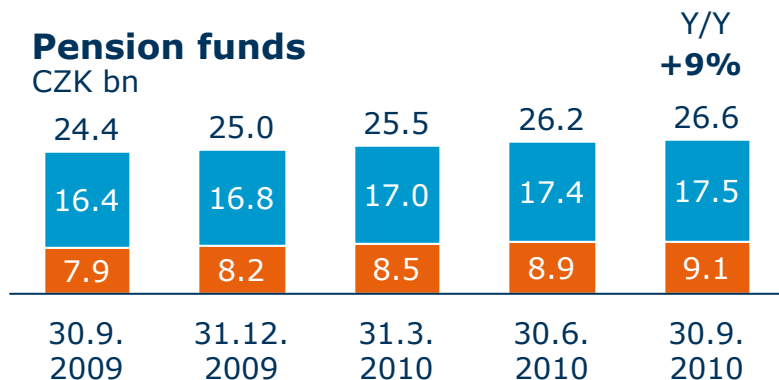
Group deposits

CZK bn

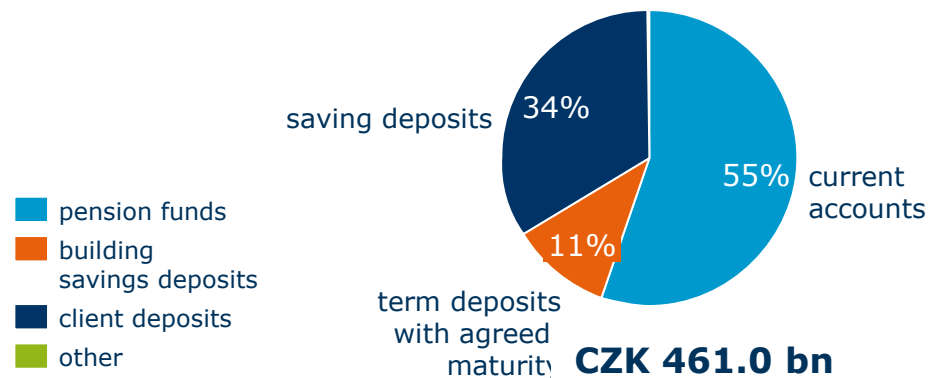


Pension funds

CZK bn



Client deposits as of 30.9.2010



All major products of group deposits – client deposits, building savings deposits and pension funds – showed an increase Y/Y. The largest contributor were client deposits (CZK +24bn). The quarterly development also reflects the standard 3Q seasonality effect.

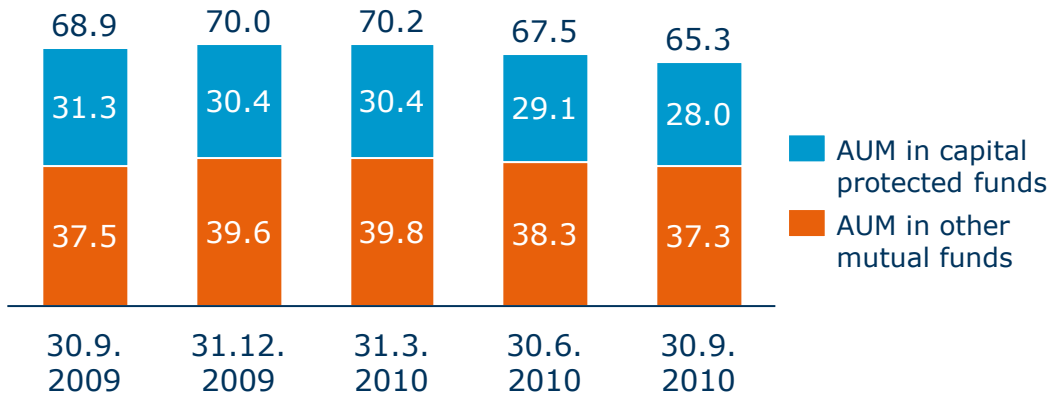
Within client deposits, current accounts slightly increased Y/Y. A decrease of term deposits with agreed maturity was offset by an increase of saving deposits.

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

Assets under management (outstanding volumes)

CZK bn

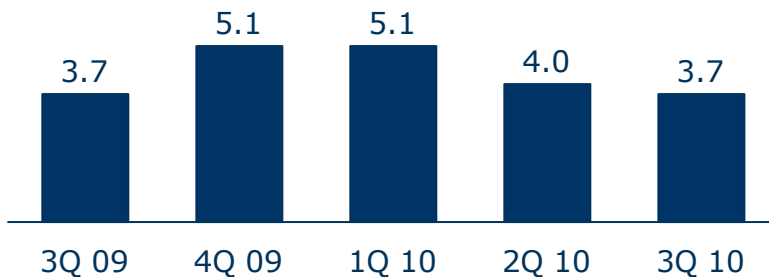
Y/Y
-5%



New sales

CZK bn

Y/Y
0%



The AUM in mutual funds decreased by 3% Q/Q and 5% Y/Y.

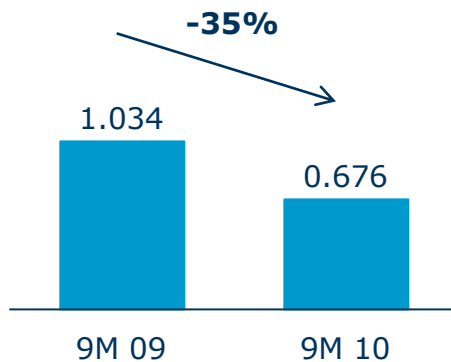
The main reason for the decline was a partial transfer of clients' funds from money market funds to saving accounts. The second reason was that the amount of savings in capital protected funds (CPFs) maturing in 3Q 2010 exceeded the new sales.

New sales of funds in the first nine months of the year reached CZK 12.8 bn, which is 42% more than in the same period of the previous year. The most dynamic component of the sales were CPFs, which more than doubled from CZK 2.1 bn in 9M 2009 to CZK 5.7 bn in 9M 2010. Also the sales of mixed funds and bond funds recorded a significant Y/Y increase, while new sales of money market funds halved Y/Y.

Note: Only direct positions are included.

Net profit of ČSOB Pojišťovna*

CZK bn



ČSOB Pojišťovna's contribution to the group P/L in 9M 2010 was CZK 169 m, compared to CZK 258 m in the same period a year ago.

The decrease was caused by higher comparable basis in 9M 2009 which was influenced by the release of the entire balance of the provisions for settlement of liabilities from applied technical interest rate in the amount of CZK 542 m.



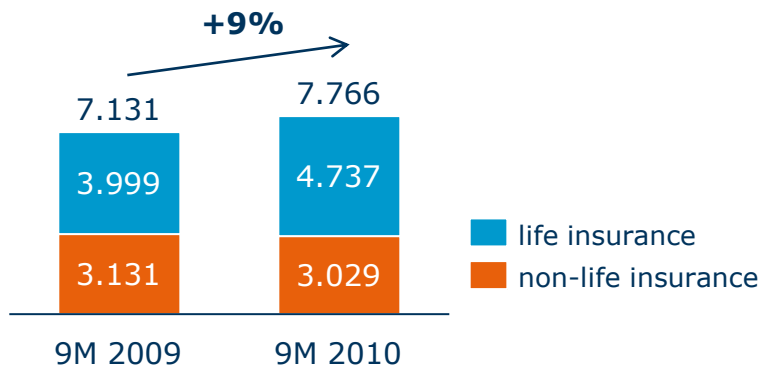
NEJLEPŠÍ POJIŠŤOVNA 2010

CENA HOSPODÁŘSKÝCH NOVIN

ČSOB Pojišťovna was named the Best Insurance Company 2010 in the Czech Republic by the Hospodarske noviny daily.

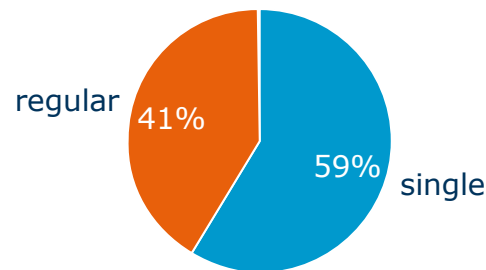
Gross written premium

CZK bn



Life insurance

as of 30.9.2010



CZK 4.737 bn

Note:

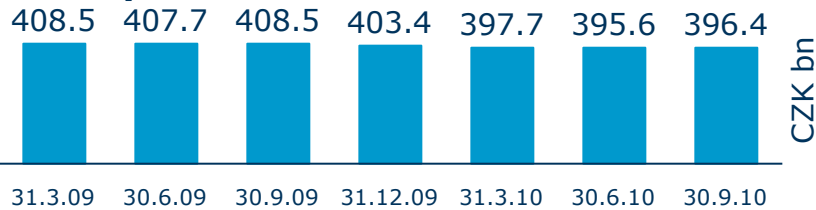
* Reported net profit of ČSOB Pojišťovna used for consolidation purposes. 25% of the figures shown enter the ČSOB group's profit and loss statement through the line share of profit of associates.



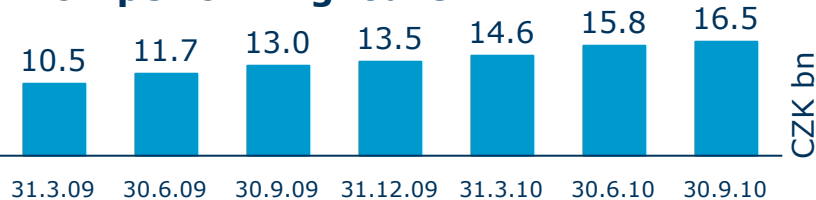
4. Risk management

Credit risk under control

Loan portfolio¹

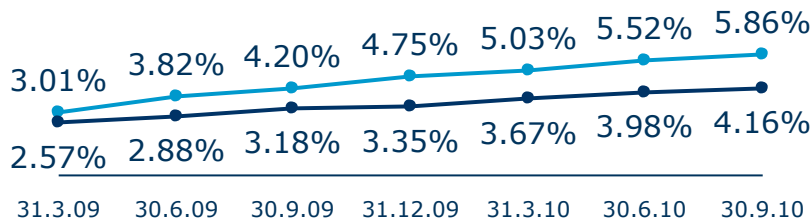


Non-performing loans



NPL ratio²

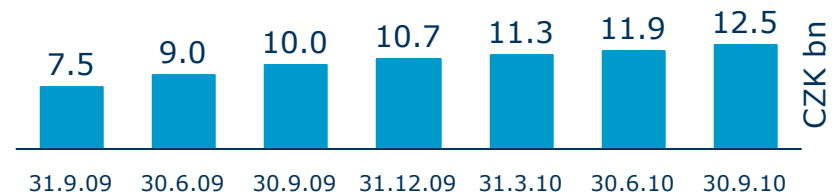
● ČNB methodology
● ČSOB methodology (=KBC group methodology)



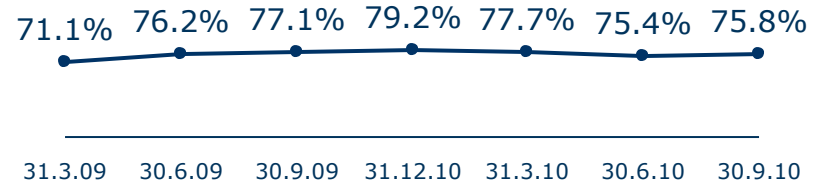
Notes: ¹ Group lending excluding "other" loans.

² ČSOB methodology in line with KBC group methodology.

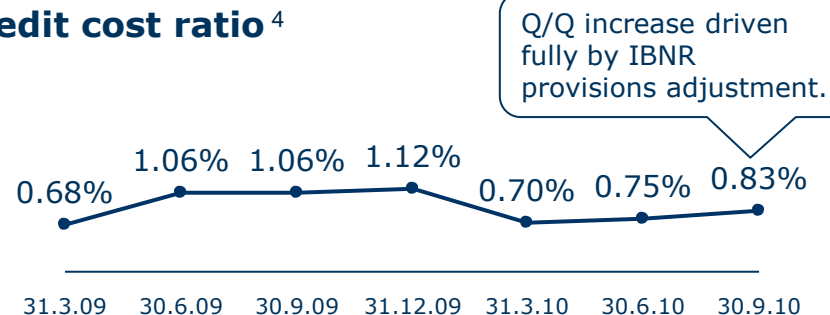
Allowances for loans and leases³



NPL coverage ratio



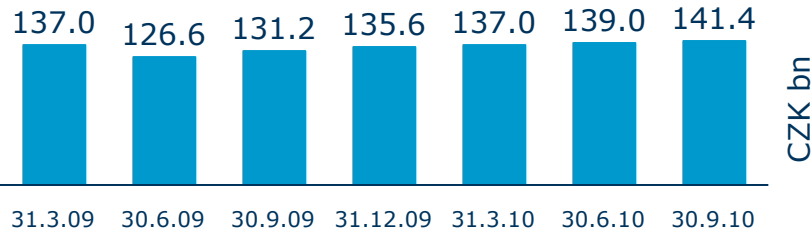
Credit cost ratio⁴



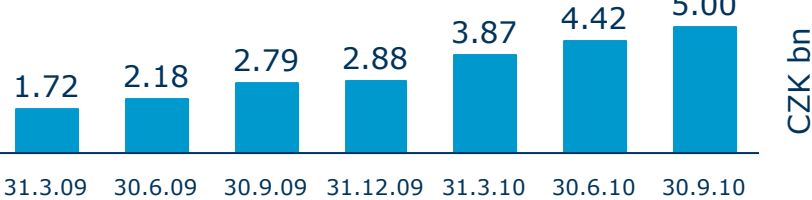
³ Allowances for on-balance sheet items.

⁴ Ytd. annualized, including off-balance sheet.

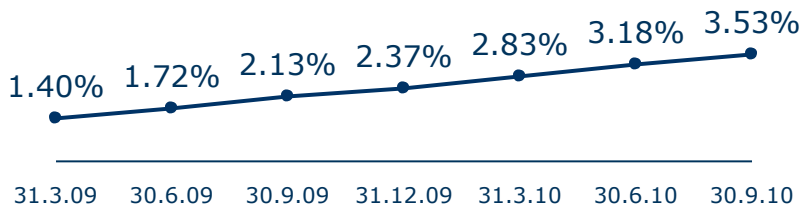
Loan portfolio



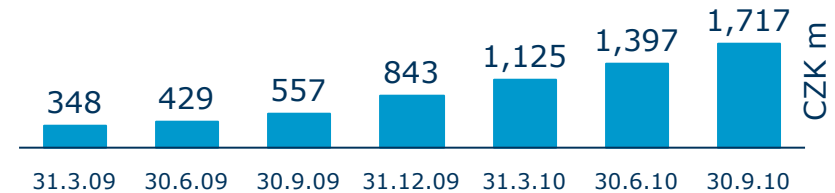
Non-performing loans



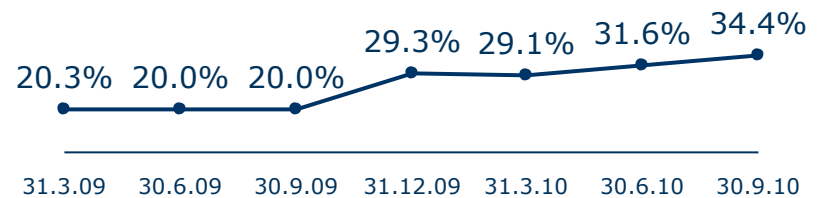
NPL ratio



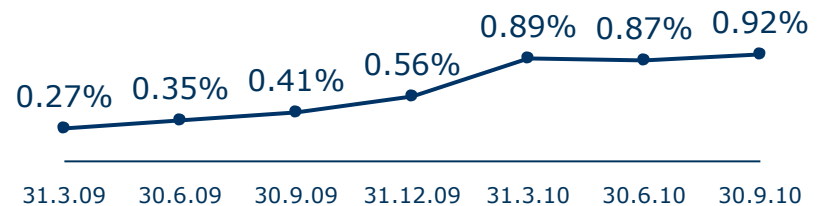
Allowances for loans and leases¹



NPL coverage ratio



Credit cost ratio²

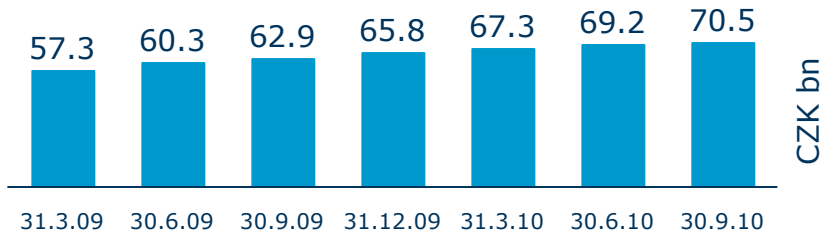


Notes: ¹ Allowances for on-balance sheet items.

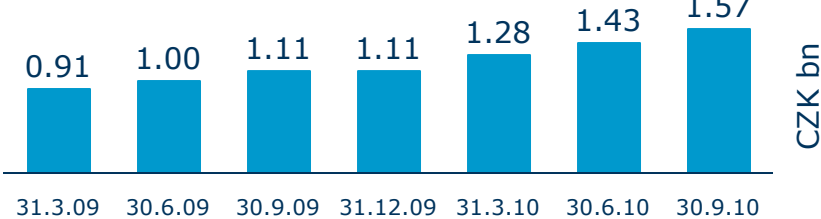
² Ytd. annualized, including off-balance sheet.

Building savings loans

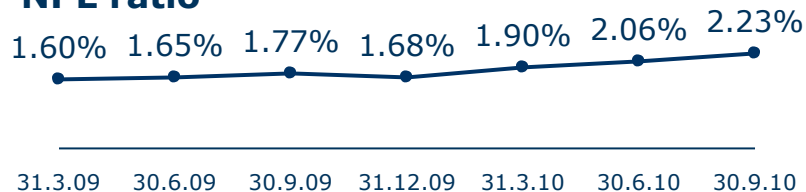
Loan portfolio



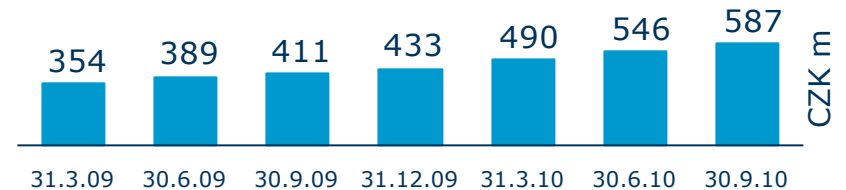
Non-performing loans



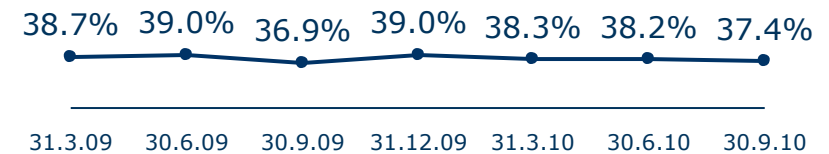
NPL ratio



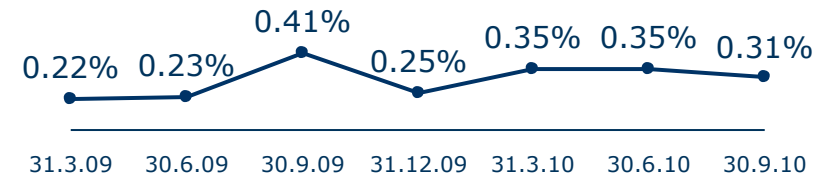
Allowances for loans and leases¹



NPL coverage ratio



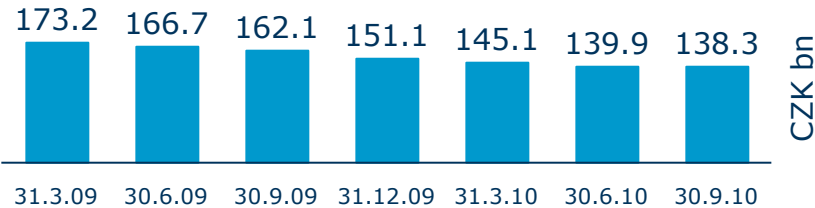
Credit cost ratio²



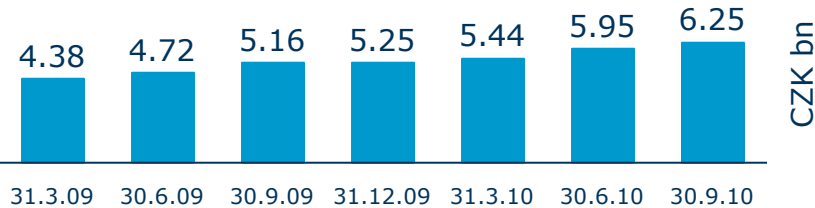
Notes: ¹ Allowances for on-balance sheet items.

² Ytd. annualized, including off-balance sheet.

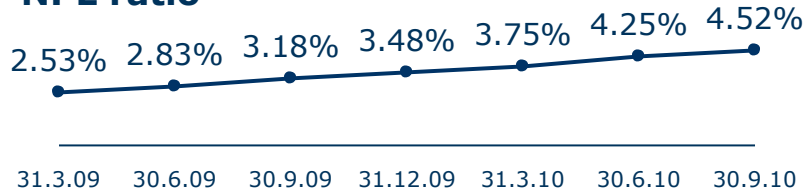
Loan portfolio



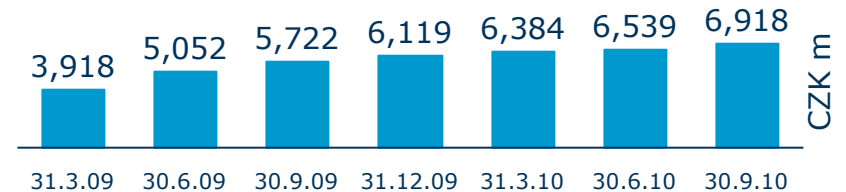
Non-performing loans



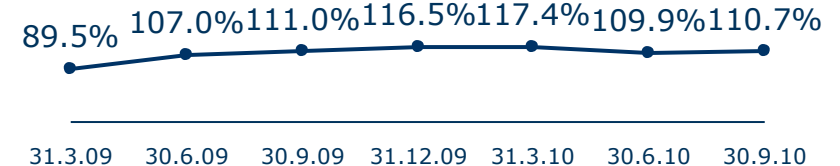
NPL ratio



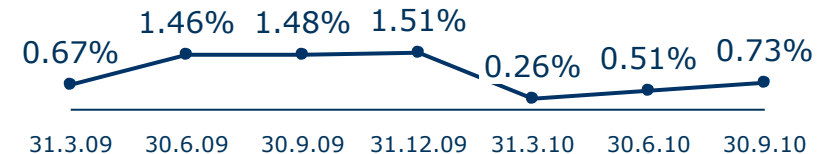
Allowances for loans and leases¹



NPL coverage ratio²



Credit cost ratio³

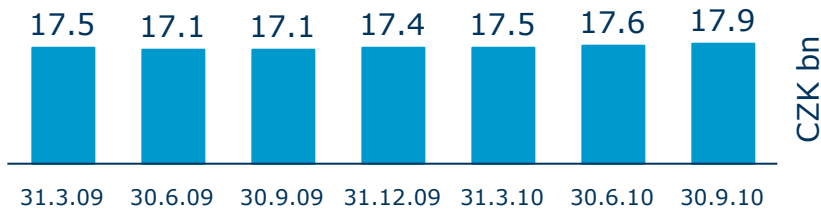


Notes: ¹ Allowances for on-balance sheet items.

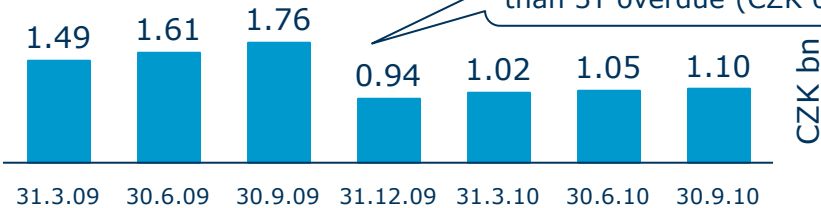
² The ratio exceeds 100% as allowances are booked also for some performing CORP+SME loans (IBNR allowances as well as allowances for defaulted but still performing loans).

³ Ytd. annualized, including off-balance sheet.

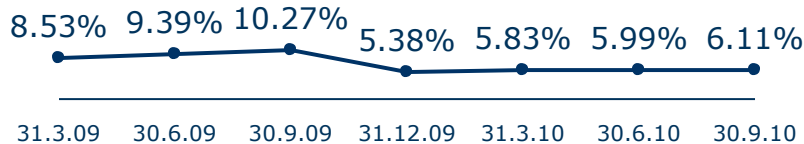
Loan portfolio



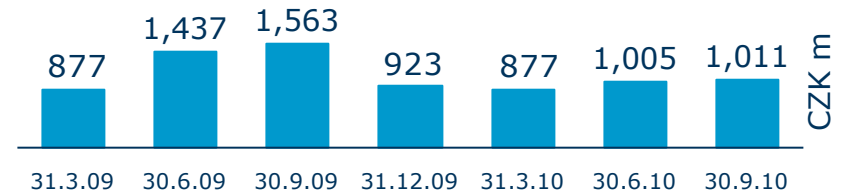
Non-performing loans



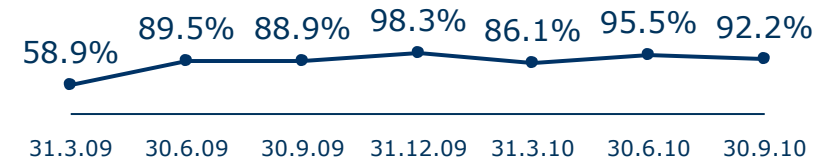
NPL ratio



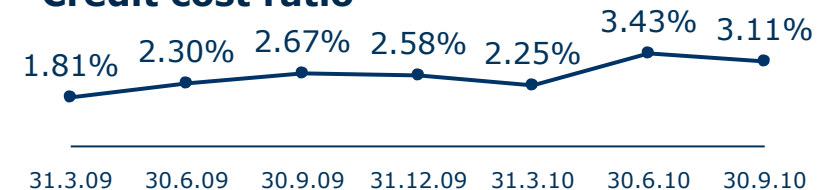
Allowances for loans and leases¹



NPL coverage ratio



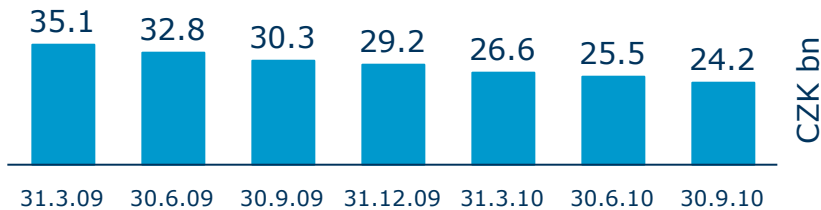
Credit cost ratio²



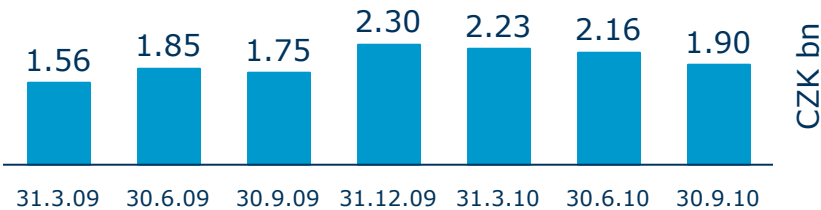
Notes: ¹ Allowances for on-balance sheet items.

² Ytd. annualized, including off-balance sheet.

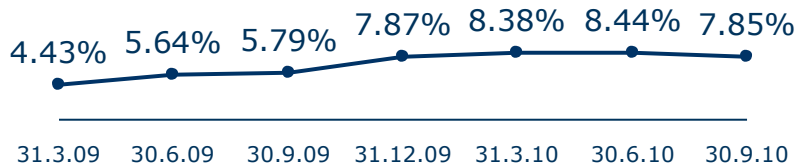
Loan portfolio



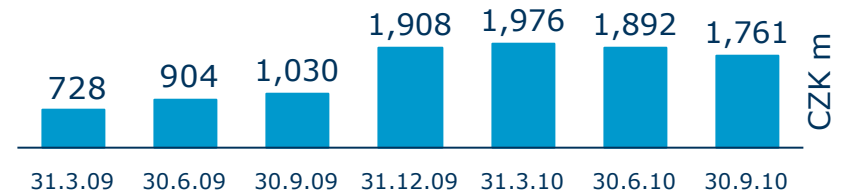
Non-performing loans



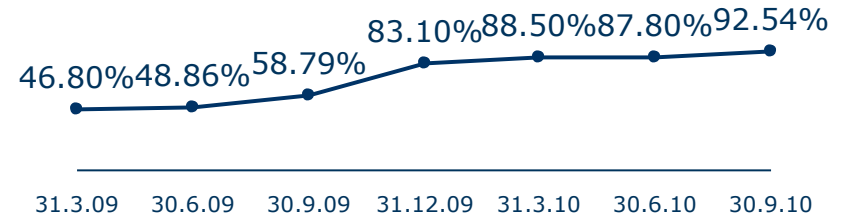
NPL ratio



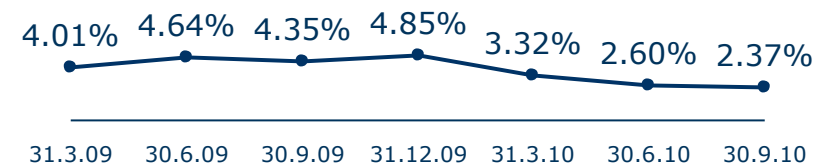
Allowances for loans and leases¹



NPL coverage ratio



Credit cost ratio²



Notes: ¹ Allowances for on-balance sheet items.

² Ytd. annualized, including off-balance sheet.

Strong capital position

Consolidated, CZK m	31.12.2009	30.9.2010
Total regulatory capital	55 162	56 979
- Tier 1 Capital	44 582	45 475
- Tier 2 Capital	11 970	12 129
- Deductions from Tier 1 and Tier 2	-1 390	-625
Total capital requirement	29 452	25 583
- Credit risk (IRB approach)	25 288	21 386
- Market risk (internal model)	1 176	843
- Operational risk (standardized approach)	2 987	3 354
Total RWA	368 150	319 781
Core Tier 1 ratio = Tier 1 ratio	11.92%	14.12%
Total capital ratio	14.98%	17.82%

Notes:

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

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

Tier 2 capital = subordinated debt

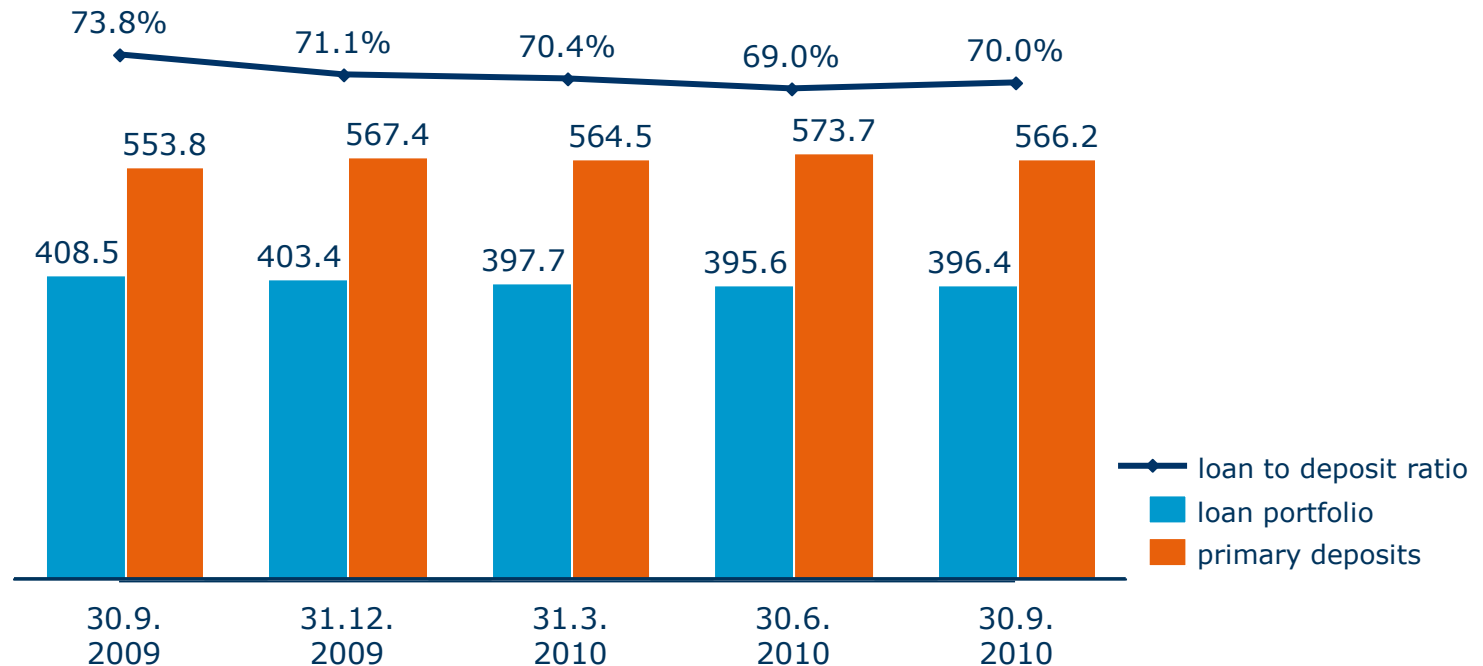
Total regulatory capital = Tier 1 + Tier 2 – deductions

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

Ample liquidity

CZK bn 30.9.2009 31.12.2009 31.3.2009 30.6.2009 30.9.2010

Excess of primary deposits over loan portfolio	145.3	164.0	166.8	178.1	169.8
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Notes:

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

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

Selected exposure to bonds

Southern European countries and Ireland

Exposure to bonds of selected Southern European countries and Ireland

as at 9 November 2010

book value, CZK bn

	Sovereign	Banks	Corporates	Total
Portugal	-	-	-	-
Ireland	-	-	-	-
Italy	2.05	0.74	-	3.79
Greece	3.65	-	-	3.65
Spain	0.58	-	-	0.58
Total	6.28	0.74	0.00	7.02

All sovereign bonds are eligible for being pledged against the ECB.



Appendix



ČSOB's profile

Bank only (incl. PSB)

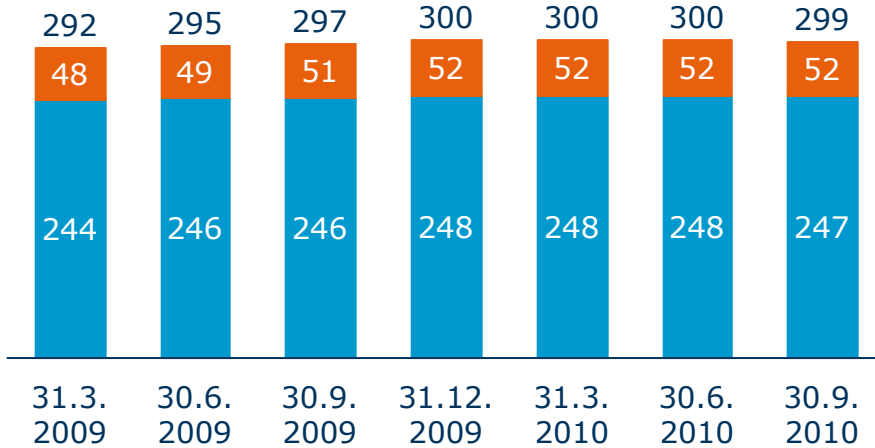
	30.9.2009	31.12.2009	30.9.2010
Employees (group)*	7 597	7 579	7 629
Bank customers (ths)	3 066	3 064	3 074
Users of direct banking (ths)	2 015	2 083	2 323
Payment cards (ths)	1 987	2 000	2 033
- of which: credit cards (ths)	122	130	143
ČSOB Retail/SME branches	235	237	236
ČSOB Corporate branches	11	11	11
PSB branches ("Financial Centres")	51	52	52
PSB outlets of the Czech Post network	ca. 3 320	ca. 3 320	ca. 3 290
ATMs (ČSOB+PSB)	718	734	772

Note: * FTEs. The figure does not include employees transferred to the KBC Global Services Czech Branch.

Branches and direct channels

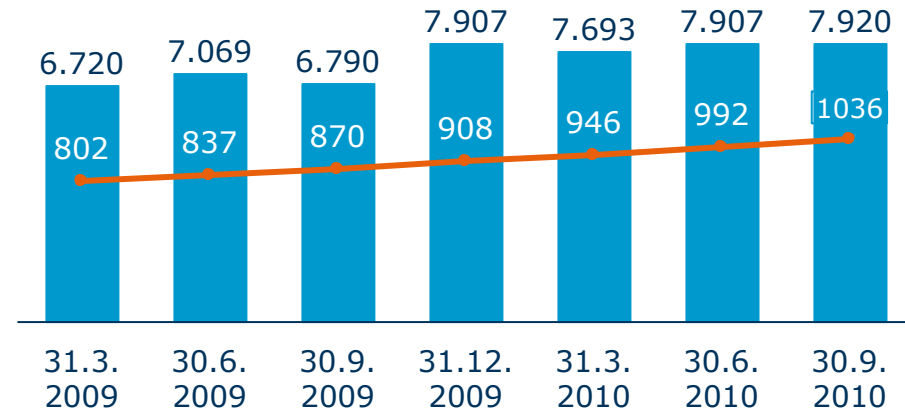
Branches

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

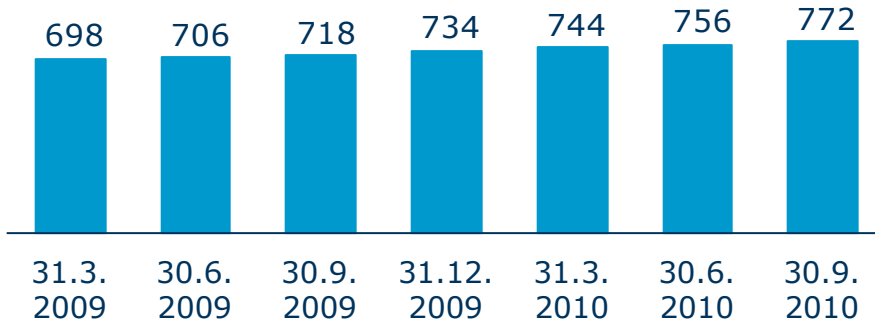


Internet banking

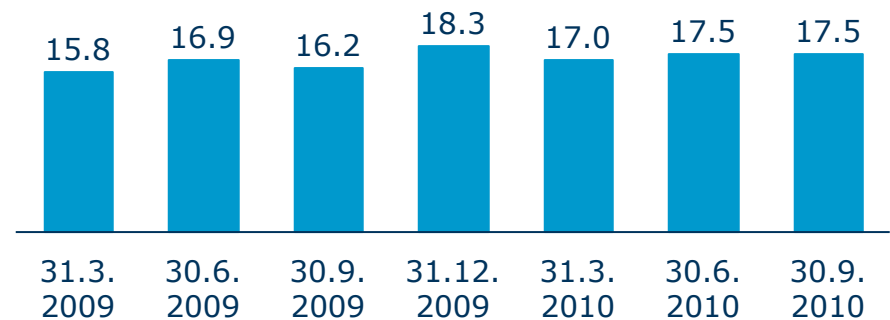
—●— Number of users (thousand)
■ Number of transactions (million)



ATMs



Electronic banking transactions (million)



ČSOB group in the Czech Republic





Credit rating and shareholder structure

ČSOB's credit rating

As at 10 November 2010

Rating agency

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

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

Valid since

23. 2. 2007

14. 5. 2009

Last confirmation

30. 9. 2010

15. 10. 2010

Shareholder structure

As at 14 September 2010, ČSOB's shares were converted back from bearer shares into registered shares in reaction to the new Czech legislation (effective since 15 September 2010) prohibiting companies with bearer shares to participate in public tenders. Amendment to this legislation is now pending in the legislative process.

As at 30 September 2010, ČSOB's share capital was CZK 5.855 bn and comprised of 292,750,000 ordinary shares with a nominal value of CZK 20 each.

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

Awards for ČSOB group

Awarded the best Czech bank/insurer by many



Euromoney magazine's Awards for Excellence:
Best Bank Czech Republic

emeafinance

Europe • Middle East • Africa

EMEA Finance magazine: Best Bank Czech Republic



Awards by the *Hospodarske noviny* daily:
Best Bank and Best Insurance Company



Awards for ČSOB businesses

Accolades for individual segments and businesses

ČSOB named:

Best Sub-custodian

Best FX Provider

Best Trade Finance Provider

Best building society product

Corporate Bank of the Year

Acquisition Finance Bank of the Year
(Eastern Europe)



"Zlatá koruna"
award
for ČMSS



FIREMŇÍ 2010
BANKA ROKU

"Corporate Bank of the Year"
based on a vote of Czech
corporates' CFOs



Best in acquisition finance
in Eastern Europe

Profit and loss statement - Ytd.

Reported

(CZK m)	9M 2009 <i>reclassified</i>	9M 2010	Y/Y
Interest income	25 665	27 002	+5%
Interest expense	-8 385	-8 530	+2%
Net interest income	17 281	18 472	+7%
Net fee and commission income	4 209	4 115	-2%
Net gains from financial instruments at FVPL*	1 714	985	-43%
Other operating income*	1 504	1 344	-11%
Operating income	24 707	24 915	+1%
Staff expenses	-4 683	-4 658	-1%
General administrative expenses	-4 126	-5 074	+23%
Depreciation and amortisation	-1 107	-809	-27%
Operating expenses	-9 916	-10 541	+6%
Impairment losses*	-4 351	-2 948	-32%
<i>Impairment on loans and receivables</i>	-3 834	-2 878	-25%
<i>Impairment on available-for-sale securities*</i>	-208	-5	N/A
<i>Impairment on other assets*</i>	-310	-65	-79%
Share of profit of associates	258	169	-35%
Profit before tax	10 699	11 595	+8%
Income tax expense*	-1 506	-1 268	-16%
Profit for the period	9 193	10 328	+12%
Attributable to:			
Equity holders of the parent	9 188	10 249	+12%
Minority interest	6	79	+1312%

Notes: FVPL = fair value through profit and loss.

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

* Lines designated by asterisk as reported differ from underlying figures.

Profit and loss statement - Ytd.

Underlying

(CZK m)	9M 2009 <i>reclassified</i>	9M 2010	Y/Y
Interest income	25 665	27 002	+5%
Interest expense	-8 385	-8 530	+2%
Net interest income	17 281	18 472	+7%
Net fee and commission income	4 209	4 115	-2%
Net gains from financial instruments at FVPL*	555	773	+39%
Other operating income*	1 504	1 015	-33%
Operating income	23 549	24 375	+4%
Staff expenses	-4 683	-4 658	-1%
General administrative expenses	-4 126	-5 074	+23%
Depreciation and amortisation	-1 107	-809	-27%
Operating expenses	-9 916	-10 541	+6%
Impairment losses*	-4 161	-2 948	-29%
<i>Impairment on loans and receivables</i>	-3 834	-2 878	-25%
<i>Impairment on available-for-sale securities*</i>	0	-5	N/A
<i>Impairment on other assets*</i>	-327	-65	+0%
Share of profit of associates	258	169	-35%
Profit before tax	9 730	11 055	+14%
Income tax expense*	-1 275	-1 162	-9%
Profit for the period	8 456	9 893	+17%
Attributable to:			
Equity holders of the parent	8 450	9 814	+16%
Minority interest	6	79	+1312%

Notes: FVPL = fair value through profit and loss.

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

* Lines designated by asterisk as reported differ from underlying figures.

Profit and loss statement - quarterly

Reported

(CZK m)	3Q 2009 <i>reclass.</i>	2Q 2010	3Q 2010	Y/Y	Q/Q
<i>Interest income</i>	8 415	8 094	10 552	+25%	+30%
<i>Interest expense</i>	-2 588	-1 950	-4 365	+69%	+124%
Net interest income	5 827	6 144	6 187	+6%	+1%
Net fee and commission income	1 442	1 392	1 302	-10%	-6%
Net gains from financial instruments at FVPL*	678	-296	538	-21%	-282%
Other operating income*	525	783	244	-54%	-69%
Operating income	8 473	8 023	8 271	-2%	3%
Staff expenses	-1 452	-1 469	-1 643	+13%	+12%
General administrative expenses	-1 424	-1 797	-1 786	+25%	-1%
Depreciation and amortisation	-361	-275	-266	-26%	-3%
Operating expenses	-3 236	-3 541	-3 696	+14%	+4%
Impairment losses*	-1 581	-969	-1 161	-27%	+20%
<i>Impairment on loans and receivables</i>	-1 291	-915	-1 151	-11%	+26%
<i>Impairment on available-for-sale securities*</i>	0	7	-5	N/A	+/-
<i>Impairment on other assets*</i>	-291	-61	-5	-98%	-92%
Share of profit of associates	61	64	35	-43%	-45%
Profit before tax	3 716	3 576	3 449	-7%	-4%
Income tax expense*	-473	-290	-306	-35%	+6%
Profit for the period	3 243	3 287	3 143	-3%	-4%
Attributable to:	0	0	0		
Equity holders of the parent	3 269	3 260	3 109	-5%	-5%
Minority interest	-26	27	34	+/-	+26%

Notes: FVPL = fair value through profit and loss.

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

* Lines designated by asterisk as reported differ from underlying figures.

Profit and loss statement - quarterly

Underlying

(CZK m)	3Q 2009 <i>reclass.</i>	2Q 2010	3Q 2010	Y/Y	Q/Q
<i>Interest income</i>	8 415	8 094	10 552	+25%	+30%
<i>Interest expense</i>	-2 588	-1 950	-4 365	+69%	+124%
Net interest income	5 827	6 144	6 187	+6%	+1%
Net fee and commission income	1 442	1 392	1 302	-10%	-6%
Net gains from financial instruments at FVPL*	124	162	203	+64%	+25%
Other operating income*	525	454	244	-54%	-46%
Operating income	7 918	8 152	7 936	+0%	-3%
Staff expenses	-1 452	-1 469	-1 643	+13%	+12%
General administrative expenses	-1 424	-1 797	-1 786	+25%	-1%
Depreciation and amortisation	-361	-275	-266	-26%	-3%
Operating expenses	-3 236	-3 541	-3 696	+14%	+4%
Impairment losses*	-1 590	-976	-1 161	-27%	+19%
<i>Impairment on loans and receivables</i>	-1 291	-915	-1 151	-11%	+26%
<i>Impairment on available-for-sale securities*</i>	9	0	-5	-154%	N/A
<i>Impairment on other assets*</i>	-308	-61	-5	-99%	-92%
Share of profit of associates	61	64	35	-43%	-45%
Profit before tax	3 152	3 699	3 114	-1%	-16%
Income tax expense*	-359	-310	-243	-32%	-22%
Profit for the period	2 794	3 388	2 871	+3%	-15%
Attributable to:					
Equity holders of the parent	2 820	3 362	2 838	+1%	-16%
Minority interest	-26	27	34	+/-	+26%

Notes: FVPL = fair value through profit and loss.

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

* Lines designated by asterisk as reported differ from underlying figures.



Balance sheet

Assets

(CZK m)	31/12 2009	30/09 2010	Ytd	
Cash and balances with central banks	23 050	31 327	+36%	Due to increase of excess funds placement in reverse repo with ČNB – ALM originated transaction
Financial assets held for trading	160 117	191 355	+20%	Due to increase of reverse repo with ČNB – trading originated transaction and purchases of Czech sovereign bonds
Financial assets designated at fair value through P/L	16 987	12 631	-26%	
Available-for-sale financial assets	101 567	102 636	+1%	
Loans and receivables	395 773	390 252	-1%	
<i>Loans and receivables - gross</i>	406 494	402 797	-1%	
<i>Loans and receivables - allowances</i>	-10 720	-12 545	+17%	
Held-to-maturity investments	132 761	148 959	+12%	Purchases of Czech sovereign bonds
Derivatives used for hedging	8 040	11 285	+40%	Revaluation of swaps used for hedging – see the same item in Liabilities
Current tax assets	27	35	+29%	
Deferred tax assets	271	97	-64%	
Investments in associate	1 196	1 502	+26%	Share on net profit and reserves of associated company - ČSOB Pojišťovna
Investment property	791	755	-5%	
Property and equipment	8 468	8 062	-5%	
Goodwill and other intangible assets	3 922	3 733	-5%	
Non-current assets held-for-sale	919	159	-83%	
Other assets	5 082	5 640	+11%	
Total assets	858 972	908 427	+6%	



Balance sheet

Liabilities and equity

(CZK m)	31/12 2009	30/09 2010	Ytd	
Financial liabilities held for trading	23 036	24 041	+4%	Due to increase of repo operations (loans received)
Financial liabilities at fair value through P/L	105 057	163 104	+55%	
Financial liabilities at amortised cost	644 982	635 611	-1%	Issued bonds of CZK 6.7bn were repaid (client-related bonds repayments)
<i>of which Deposits received from credit institutions</i>	26 027	17 539	-33%	
<i>of which Deposits received from other than credit institut.</i>	573 148	577 825	+1%	
<i>of which Debt securities in issue</i>	32 572	25 850	-21%	
<i>of which Subordinated liabilities</i>	11 970	11 973	+0%	
<i>of which Accrued interest expenses</i>	1 266	2 423	+91%	Revaluation of swaps used for hedging – see the same item in Assets
Derivatives used for hedging	5 158	6 812	+32%	
Current tax liabilities	883	940	+6%	
Deferred tax liabilities	603	867	+44%	Decline fully attributable to dividend payout, offset by current year profit
Provisions	757	571	-25%	
Other liabilities	8 644	11 778	+36%	
Total liabilities	789 121	843 722	+7%	
Share capital	5 855	5 855	0%	Decline fully attributable to dividend payout, offset by current year profit
Share premium account	7 509	7 509	0%	
Statutory reserve	18 687	18 687	0%	
Retained earnings	34 476	27 336	-21%	
Available-for-sale reserve	2 815	4 084	45%	
Cash flow hedge reserve	-392	437	+/-	
Foreign currency translation reserve	1	0	-121%	
Parent shareholders' equity	68 951	63 908	-7%	
Minority interest	900	797	-11%	
Total equity	69 851	64 705	-7%	
Total liabilities and equity	858 972	908 427	+6%	

Reclassification of the profit and loss statement:

This presentation shows 2009 quarters' profit and loss statement items reclassified in accordance with the current accounting methodology in order to ensure comparability of IFRS financial statements in time. List of reclassifications is provided on slide 50.

Reconciliation of business volumes reporting to the balance sheet:

As of 1 January 2010, ČSOB adjusted its methodology of the external reporting of business volumes, i.e. loans and deposits and their respective categories, to be fully derived from the IFRS balance sheet. In this presentation, volumes of loans and deposits for the 2Q 2010 and previous four quarters are shown according to the new methodology. Formerly reported volumes were based on the internal management reporting system.

Term "group lending" used throughout the presentation is defined as the item "Loans and receivables – gross" from the consolidated balance sheet plus credit-replacing bonds. Term "loan portfolio" shown in section Risk Management is consistent with the internal credit risk management reporting system and is defined as group lending minus item "other group lending" (see slide 51).

Term "group deposits" used throughout the presentation is defined as the item "Deposits received from other than credit institutions" from the consolidated balance sheet. Term "primary deposits" shown in section Risk Management is consistent with the internal liquidity management reporting system and is defined as 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).

List of reclassifications

Compared to the reporting in the quarters of 2009, there have been a number of reclassifications among items of operating income and operating expenses:

- **Fees to third parties**
 - reclassified from operating expenses (GAE) to operating income (NFCI).
- **Provisions for legal issues and other losses, restructuring and contractual engagements**
 - transferred from a separate expense item “provisions” to three items – staff expenses, GAE, and other net income.
- **Accrued interest on non-performing loans**
 - reversed through reclassification of relating impairment additions from impairments on loans and receivables to net interest income.
- **Interest from hedging derivatives**
 - separated into interest income and interest expense.
- **Interest income related to hedge derivatives**
 - reclassified from net gains from financial instruments at FVPL to net interest income. (Reclassified figures for 1Q 2009, 2Q 2009 and 3Q 2009 in these two lines differ from those previously published due to corrections made in 2Q 2010.)

Reconciliation - Lending

CZK bn	30.9.2010	Group lending (business reporting)	LaR – gross (IFRS BS line)	Loan portfolio (credit risk reporting)
Ret/SME Segment	319.2	✓	✓	✓
Corporate Segment – loans plus factoring	75.2	✓	✓	✓
Corporate Segment – credit-replacing bonds	1.4	✓	-	✓
Head Office	0.5	✓	✓	✓
Other*	7.7	✓	✓	-
		404.2	402.8	396.4

Notes:

The ✓ sign denotes the fact that the respective line is included in the calculation of the variable in the column's header.

**Money market placements with banks, loro/nostro accounts and other settlement accounts.*

Reconciliation - Deposits

CZK bn	30.6.2010	Group deposits (business reporting)	Deposits received from other than credit instit. (IFRS BS line)	Primary deposits* (liquidity reporting)
Client deposits	461.0	✓	✓	✓
Building savings deposits	83.3	✓	✓	✓
Pension funds	26.6	✓	✓	-
Other – repo operations with non-banking financial institutions	0	✓	✓	-
Other – excl. repo operations with non-banking financial institutions	7.0	✓	✓	✓
Deposits to credit institutions (excl. repo operations with credit institutions)	14.9	-	-	✓
		577.8	577.8	566.2

Notes:

The ✓ sign denotes the fact that the respective line is included in the calculation of the variable in the column's header.

* 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)

Market shares definitions and sources

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

NIM (net interest margin)	Net interest income / average interest earnings assets excluding repo operations
C/I (cost/income ratio)	Operating expenses / operating income
ROAA (return on average assets)	net profit after tax and minority interest*time factor/average assets
ROAE (return on average equity)	net profit after tax and minority interest*time factor/average equity
NPL (non-performing loans) ratio	outstanding amount of non-performing loans (KBC group methodology) / loan portfolio
CCR (credit-cost ratio)	total credit costs / average outstanding credit portfolio (loans, loans replacements and drawn credit commitments - e.g. guarantees)
NPL coverage ratio	Allowances for loans and leases / non-performing loans
Core tier 1 ratio	According to prudential reports of ČNB – Basel II (since 1 July 2007)
Total capital ratio	According to prudential reports of ČNB – Basel II (since 1 July 2007)
Solvency ratio (insurance)	According to prudential reports of ČNB – Solvency I
Loan to deposit ratio	Primary deposits / loan portfolio



Glossary

Other definitions

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



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