9M 2012 Results
ČSOB Group

Czech Republic

EU IFRS Unaudited Consolidated

Presentation for journalists
8 November 2012

Contents

1. Highlights

Measures of sustainable performance

Continued strong profitability and resilience

Key indicators		2009	2010	2011	9M 2011	9M 2012
Profitability	underlying* net profit (CZK bn) reported net profit (CZK bn)	10.5 17.4	13.0 13.5	11.2 11.2	8.8 8.9	11.4 11.5
	underlying* RoE	17.1%	19.6%	18.0%	18.8%	23.3%
Liquidity	loan/deposit ratio net stable funding ratio	71.1% n/a	68.5% 137.7%	72.7% 135.1%	72.1% 136.5%	76.0% 127.5%
Capital	Tier 1 ratio	11.9%	14.2%	11.7%	12.1%	12.5%
Credit costs	credit cost ratio	1.12%	0.75%	0.36%	0.26%	0.27%
Cost efficiency	underlying* cost/income ratio	43.4%	44.7%	45.6%	46.1%	45.1%

** Excluding extraordinary items. Loss on AFS portfolio (which included Greek bonds) is part of the underlying P&L.*

9M 2012 at a glance
Solid underlying profit for nine months of 2012

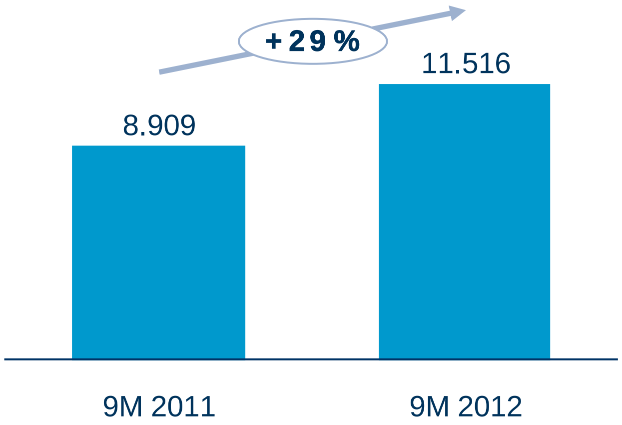
Net Profit	In 9M 2012, the ČSOB group's **reported** and **underlying net profit** came in at **CZK 11.5bn** and **CZK 11.4bn**, respectively (both +29% Y/Y; a lower base of 2011 affected by impairment on Greek bonds).
Business volumes	**Loan portfolio** further grew and reached **CZK 473.6bn** (+11% Y/Y) especially thanks to mortgages and corporate/SME loans. **Deposits** increased to **CZK 626.7bn** (+5% Y/Y).
Operating profit	The underlying **operating income** slightly **increased to CZK 25.4bn** (+2% Y/Y), as volume growth was partially offset by declining net interest margin. **Operating expenses** slightly **decreased to CZK 11.4bn** (-1% Y/Y), mainly due to lower general administrative expenses.
Credit costs	In absolute terms, **credit costs** increased to **CZK 1.1bn**, while **credit cost ratio** remained almost stable at **27bps** (Ytd., annualized).
Liquidity and capital	**Loan to deposit** ratio increased to **76.0%** and **Tier 1** ratio stands at **12.5%**.
EU bond exposure	In September, ČSOB sold the remaining Italian sovereign exposure (CZK 0.9bn). As a result, **ČSOB has no exposure to peripheral Europe**.
Strategy	With an updated strategy "KBC 2013 and beyond", new **Business Unit Czech Republic** will be created as one of the pillars of KBC Group. ČSOB's CEO Pavel Kavánek was appointed a member of KBC Group Executive Committee.

Net profit of the ČSOB group

Solid performance, both reported and underlying

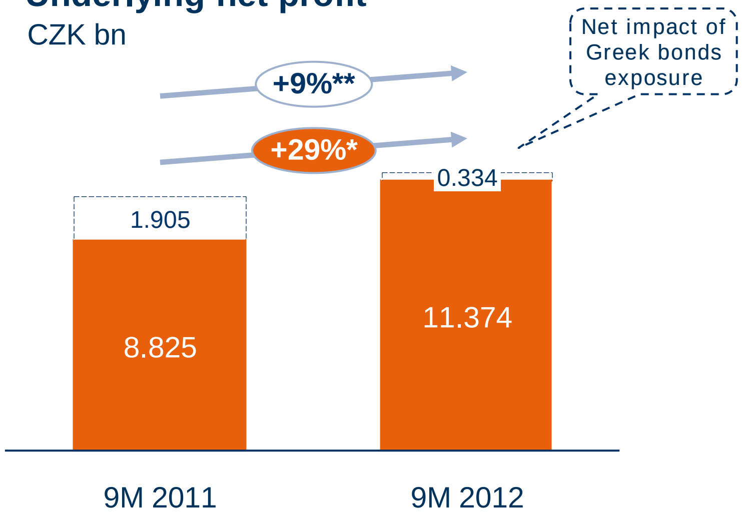
Reported net profit

CZK bn



Underlying net profit*

CZK bn



The high Y/Y growth of the 9M 2012 net profit is a result of the low reference base from the 9M 2011, which was impacted by Greek bond exposure impairment. Excluding Greece, the 3% Y/Y increase of the underlying profit is driven by slight increase of operating income and lower operating expenses.

Extraordinary items, similarly to 2011, were small and linked mainly to revaluation of bonds in the FVPL portfolio and non-hedging derivatives.

*According to the KBC group-wide methodology, losses from the AFS portfolio (which included the Greek bonds) are not treated as an extraordinary item but are included in the underlying P&L.
**Excluding Greek bond exposure impact.

Extraordinary items

CZK bn

2011 underlying net profit excluding Greece updated.

Financial ratios

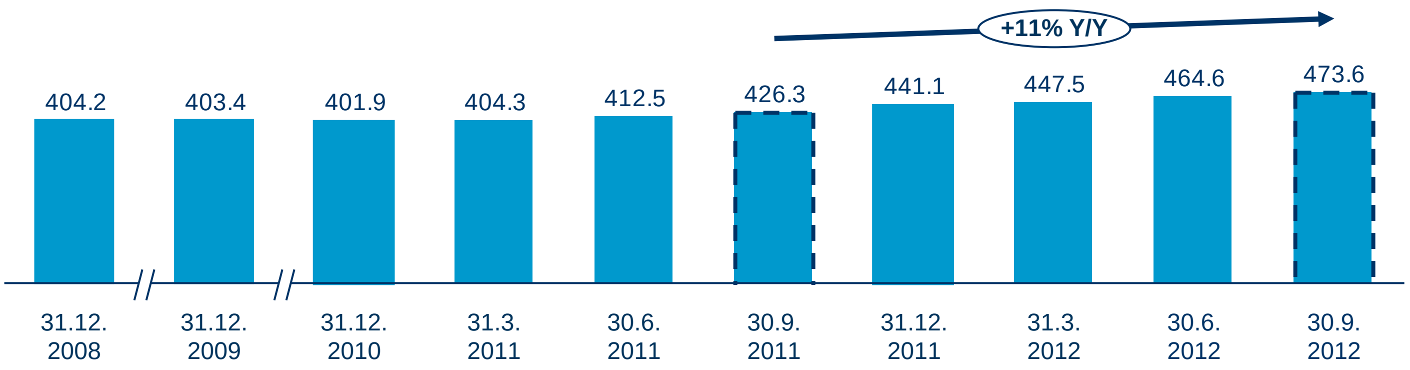
Consistent business profitability and resilience

Profitability	30.9.2011	30.9.2012	Y/Y
Net interest margin (Qtd.)	3.42%	3.19%	-0.23 pp
Cost/income (underlying, Ytd.)	46.1%	45.1%	-1.0 pp
Cost/income (reported, Ytd.)	45.9%	44.8%	-1.1 pp
RoE (underlying, Ytd.)	18.8%	23.3%	+4.5 pp
RoE (reported, Ytd.)	19.0%	23.6%	+4.6 pp
RoA (underlying, Ytd.)	1.31%	1.62%	+0.31 pp
RoA (reported, Ytd.)	1.32%	1.64%	+0.32 pp
Loan portfolio quality	**30.9.2011**	**30.9.2012**	**Y/Y**
Credit cost ratio (Ytd., annualized)	0.26%	0.27%	+0.01pp
NPL ratio	3.96%	3.82%	-0.14 pp
NPL coverage ratio	72.9%	70.3%	-2.6 pp
Capital adequacy	**30.9.2011**	**30.9.2012**	**Y/Y**
Core tier 1 ratio = Tier 1 ratio (Basel II definition)	12.13%	12.46%	+0.33pp
Total capital ratio (Basel II definition)	15.97%	14.58%	-1.39 pp
Solvency ratio – insurance (Solvency I definition)	246.0%	248.5%	+2.5 pp
Leverage ratio (Basel III definition)	3.98%	4.87%	+0.89 pp
Liquidity	**30.9.2011**	**30.9.2012**	**Y/Y**
Net stable funding ratio (Basel III definition)	137.3%	127.5%	-9.8 pp
Liquidity coverage ratio (Basel III definition)	257.8%	229.7%	-28.1 pp
Loan to deposit ratio	72.1%	76.0%	+3.9 pp

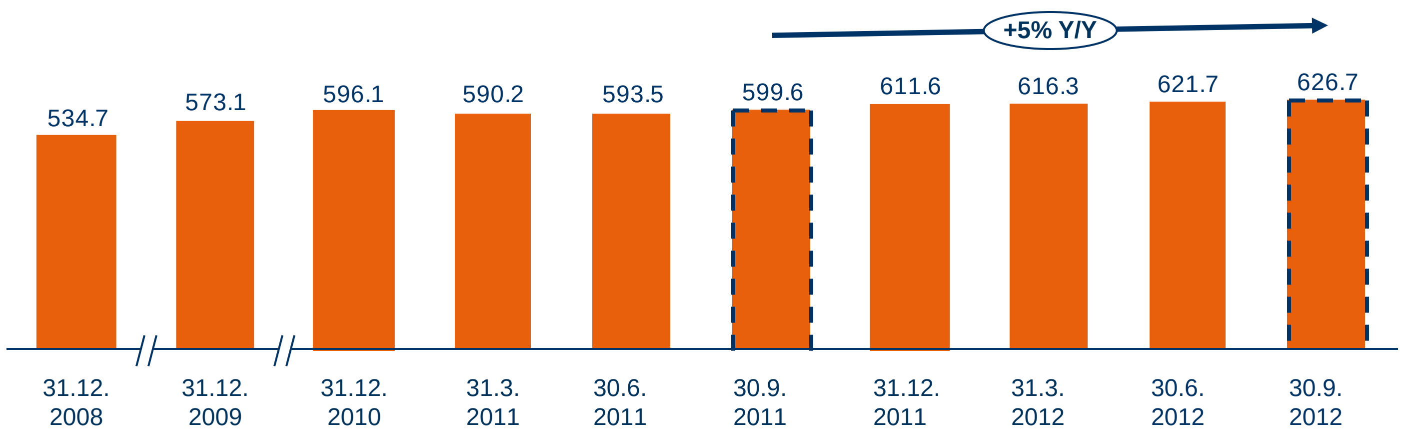
Note: For definitions of the ratios see Appendix.

Lending and deposits
Double-digit lending growth

Loan portfolio*
CZK bn



Group deposits**
CZK bn



** Item Loans and receivables minus exposure to banks from inter-bank transactions plus credit replacing bonds.*
*** Item Deposits received from other than credit institutions from the consolidated balance sheet.*

2. Analysis of underlying results

Methodological note

Reclassification of the profit and loss statement:

Beginning 1Q 2012, result presentations of the ČSOB group show selected items of the 2011 quarters' profit and loss statement reclassified in accordance with the current accounting methodology in order to ensure comparability of IFRS financial statements in time. The reclassifications were as follows:

- The deposit insurance premium and the contribution to Securities Traders Guarantee Fund were transferred from the net fee and commission income (in operating income) to general administrative expenses (in operating expenses).
- Commissions from KBC for trading FX options were transferred from other income to the net fee and commission income within the item operating income.

After the merger of ČSOB Investiční společnost with ČSOB Asset Management, the method of consolidation changed as the share of the ČSOB group in the new entity decreased below 50%. In 2011, asset management was fully consolidated, while it changed to equity consolidation in 2012. The 2011 profit and loss statement is not restated.

Reconciliation of business figures:

RET/SME: In 4Q 2011 part of mass market clients migrated from PSB to ČSOB SME. In 1Q 2012 self-employed persons were migrated from SME to retail. The 2011 figures are not restated retrospectively.

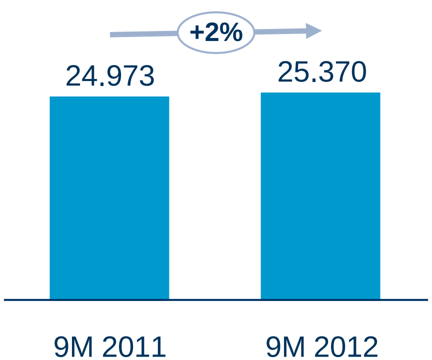
Asset management: Due to changes in the consolidation method, ČSOB AM/IS is not included in the ČSOB group FTEs any more.

To align with the KBC group methodology, beginning 2Q 2012, balance sheet doesn't show the item accrued interest income and expense; the volumes are included directly in loans and receivables and financial liabilities at amortized cost. Previous quarters are reclassified to ensure comparability. In the business part of the presentation, volumes of loans and deposits are not adjusted retrospectively.

Operating income – underlying

Revenue growth driven by net interest income

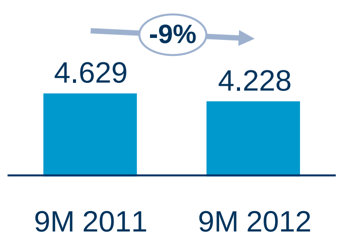
Operating income
CZK bn



net interest income

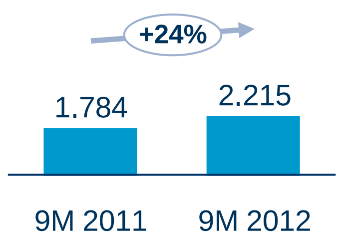
The growth of interest income was driven by a higher volume of customer loans (mainly mortgages and corporate/SME loans). This was partially offset by declining net interest margin due to lower interest rate environment and balance sheet de-risking.

net fee and commission income



Excluding the impact of Asset management deconsolidation, NFCI decreased by 3% Y/Y partially due to growing fees paid for distribution as a result of improved sales.

other*

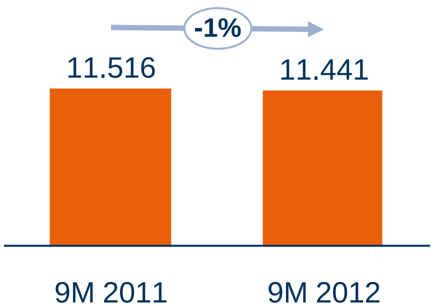


Despite the negative impact of Greek sovereign exposure (CZK -0.4bn in 1Q 2012), the item „other“ grew by 24% Y/Y, thanks to improved market conditions resulting in positive revaluation of Czech government bonds (CZK +0.8bn), sale of share in AM (CZK +0.15bn), sale of a stake in ČMZRB (CZK +0.1bn).

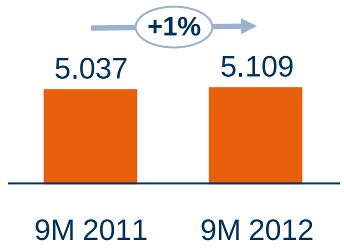
** Other = Net gains from financial instruments at FVPL + net realized gains on available-for-sale financial assets + dividend income + other net income.*

Operating expenses
Costs below inflation

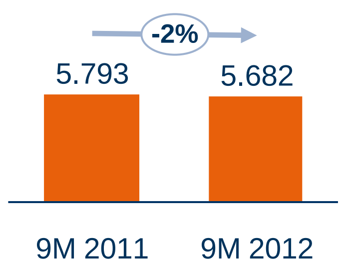
Operating expenses
CZK bn



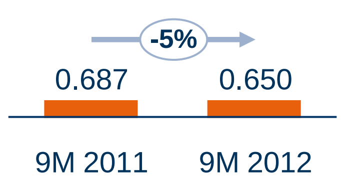
staff expenses



general administrative expenses



other*



Notwithstanding inflation (last 12 months: +3.2% Y/Y), operating expenses remained almost flat Y/Y.

Excluding the impact of Asset management deconsolidation, staff expenses grew by 3% Y/Y driven by an annual wage adjustment and an increase of number of employees.

Excluding the impact of Asset management deconsolidation, general administrative expenses decreased by 1% Y/Y as a combination of lower expenditures on marketing and consultancy, partly offset by higher IT investments and deposit insurance premium linked to higher volumes of deposits.

Depreciation and amortization decreased Y/Y mainly due to lower amortization of software.

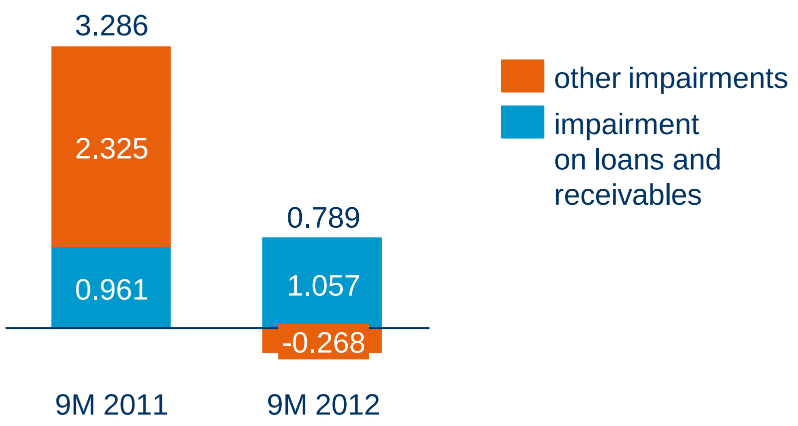
** Depreciation and amortization.*

Impairments

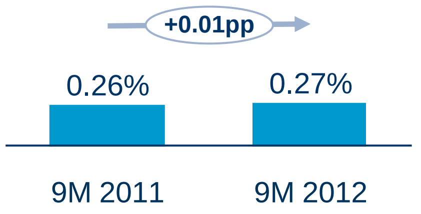
Slight growth of credit costs, stable credit cost ratio

Total impairments

CZK bn



Credit cost ratio



The impairments on loans and receivables reached CZK 1.057m. Thanks to higher volume of loans, credit cost ratio remained almost stable at 27 bps. (Ytd., annualized), which is still below over-the-cycle level.

A Y/Y increase of impairments was recorded in consumer finance and mortgages. On the other hand, there was a decrease of credit costs in leasing and building savings loans. Corporate/SME segment remained flat Y/Y.

During 9M 2012, a release (in other impairments) of CZK 217m was realized due to the recovery of already impaired receivable from the past. This contributed significantly to the decrease of the total impairments. Other impairments recorded in 2011 were linked primarily to the Greek sovereign exposure.

Strong capital position

Consolidated, CZK m	31.12.2011	30.9.2012
Total regulatory capital	**54 404**	**52 025**
- Tier 1 Capital	41 264	44 918
- Tier 2 Capital	14 080	8 051
- Deductions from Tier 1 and Tier 2	-940	-945
Total capital requirement	**28 008**	**28 544**
- Credit risk	22 966	22 578
- Market risk	1 382	1 450
- Operational risk	3 660	4 516
Total RWA	**350 101**	**356 802**
Core Tier 1 ratio = Tier 1 ratio	**11.65%**	**12.46%**
Total capital ratio	**15.54%**	**14.58%**

Increase due to retained earnings.

Decrease mainly due to repayment of subordinated debt to KBC.

The operational risk increased in line with the operating income.

During September 2012 ČSOB received the joint approval of the Czech and Belgium regulator to apply the **IRB Advanced** approach for its non-retail (Corporate/SME) portfolio. This methodological change results in a **6-7% reduction of credit risk capital requirement.**

Notes:

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

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

Tier 2 capital = subordinated debt + surplus in expected credit losses

Total regulatory capital = Tier 1 + Tier 2 – deductions

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

3. Analysis of business performance

ČSOB improved market share in housing loans and mutual funds

1st

Building savings loans[1]	↘	43.7%
Building savings deposits[1]	↘	35.9%
Mortgages[1]	↗	30.6%
Housing loans[1,4]	↗	35.5%
Mutual funds[1]	↗	31.0%
Leasing[2]	↗	12.2%

2nd

Total loans and leases[1]	↗	19.4%
Deposits[1]	⇨	21.0%
Factoring[2]	↗	23.6%

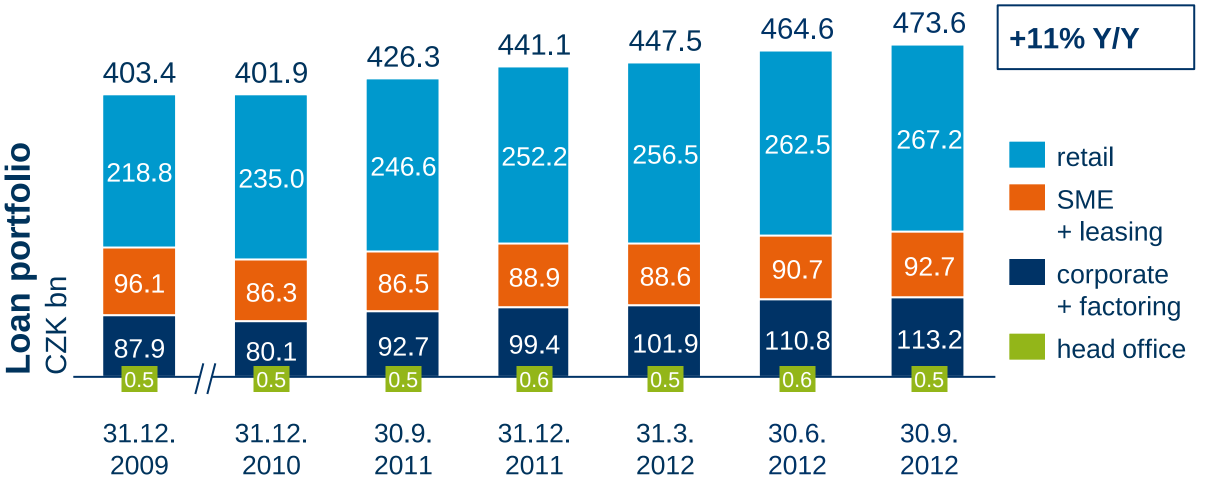
3rd

Pension funds[3]	↘	15.0%
Corporate/SME loans[1]	↗	15.0%
Other retail loans[1,5]	↗	15.3%

Arrows show Y/Y change. Market shares as of 30 September 2012, except for factoring, leasing, pension funds and mutual funds, which are as of 30 June 2012. The ranking is ČSOB's estimate.
[1] Outstanding at the given date; [2] New business in the year to the given date, insurance: gross written premium to the given date;
[3] Number of clients at the given date; [4] Comprise mortgages and building savings loans; [5] Retail loans excluding mortgages and building savings loans;
Sources and detailed definitions are provided in Appendix.

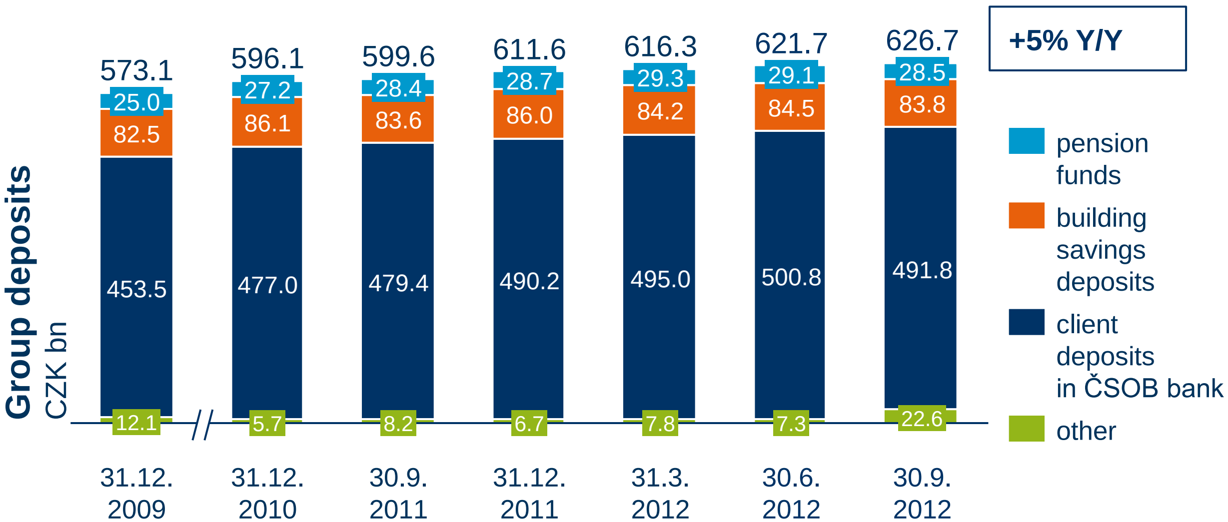
Lending and deposits development

Loans continue to outpace deposits



At the end of 3Q 2012, the **loan portfolio reached CZK 473.6bn**, after seven quarters of a steady growth.

The 2% Q/Q increase was driven especially by **corporate/SME loans and mortgages**.



Group deposits kept increasing Y/Y, the growth was driven by current and saving accounts.

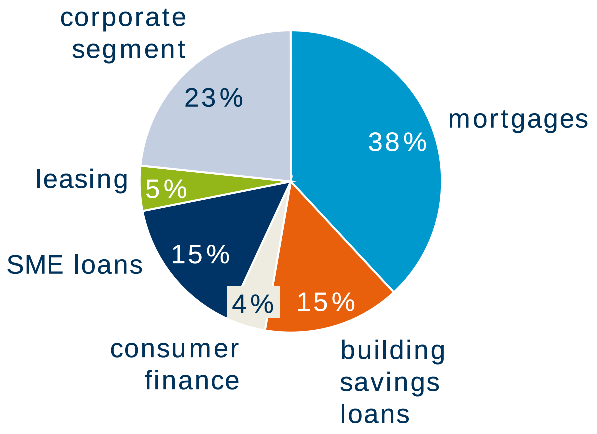
In **3Q 2012, client deposits** slightly **declined** driven by **institutional and corporate clients**. Item other consists mainly of deposits received from institutional client as a part of market operations.

Loan portfolio

Growth driven by mortgages and corporate/SME

Gross outstanding volumes, CZK bn	30.9.2011	30.9.2012	Y/Y
Loan portfolio	**426.3**	**473.6**	**+11%**
Retail/SME Segment			
Mortgages[1]	156.6	178.4	+14%
Building savings loans[2]	71.7	69.9	-2%
Consumer finance[3]	18.4	18.9	+3%
SME loans[3]	64.6	70.9	+10%
Leasing	21.9	21.7	-1%
Corporate Segment			
Corporate loans[4]	88.9	109.0	+23%
Factoring	3.8	4.2	+9%
Head Office[5]	0.5	0.5	+12%

30.9. 2012



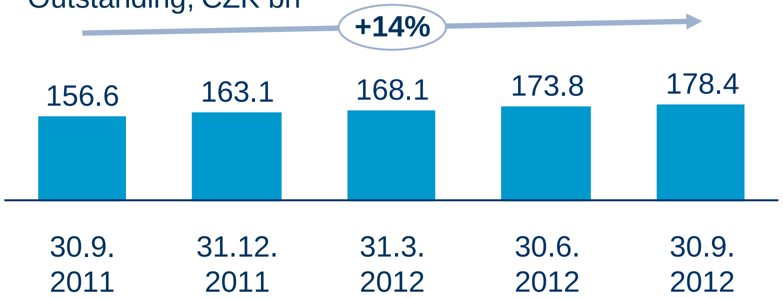
[1] ČSOB group mortgages are booked in the balance sheet of ČSOB's subsidiary Hypoteční banka.
[2] ČSOB group building savings loans are booked in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated balance sheet.
[3] Loan transfers in both directions were made between the consumer finance and SME sub-segments in 4Q 2011 and 1Q 2012. Adjusted for their effects, the Y/Y changes would be 0% for consumer finance and +11% for SME in 3Q 2012.
[4] Including credit-replacing bonds.
[5] Historic files.

Housing loans

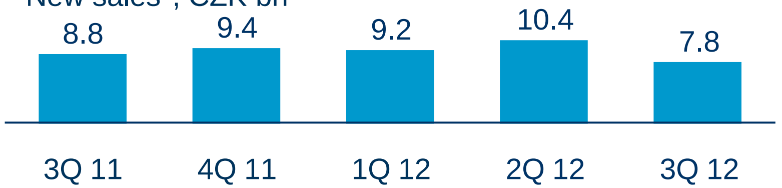
Good performance in the mortgage area

Mortgages

Outstanding, CZK bn



New sales*, CZK bn

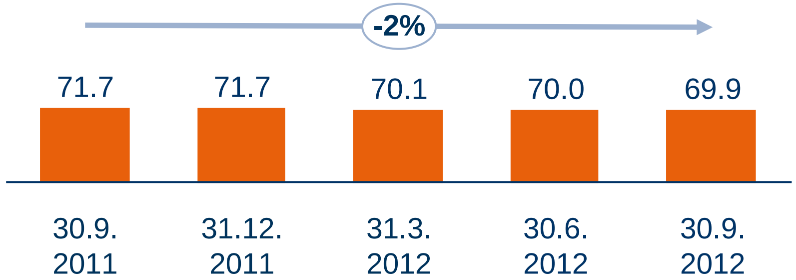


Market demand for mortgages **increased by 3% Y/Y for 9M 2012**, while **ČSOB's** new sales **increased by 15% Y/Y**. ČSOB's growth was driven not only by **favorable development of interest rates and stable real estate prices** but partially also by an increased share of **refinanced building savings loans**. However, the importance of the latter decreased lately.

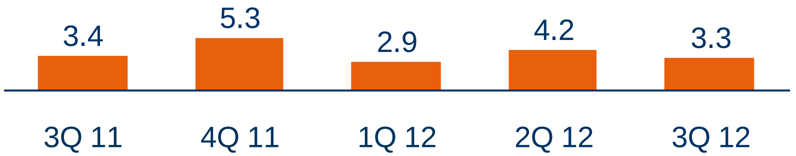
In the last quarter, market demand decreased by 3% Y/Y, while **ČSOB's** new sales **decreased by 12% Y/Y** in the same period as ČSOB carefully balances sales and return considerations.

Building savings loans Outstanding

(ČMSS 55%), CZK bn



New sales (ČMSS 55%)*, CZK bn

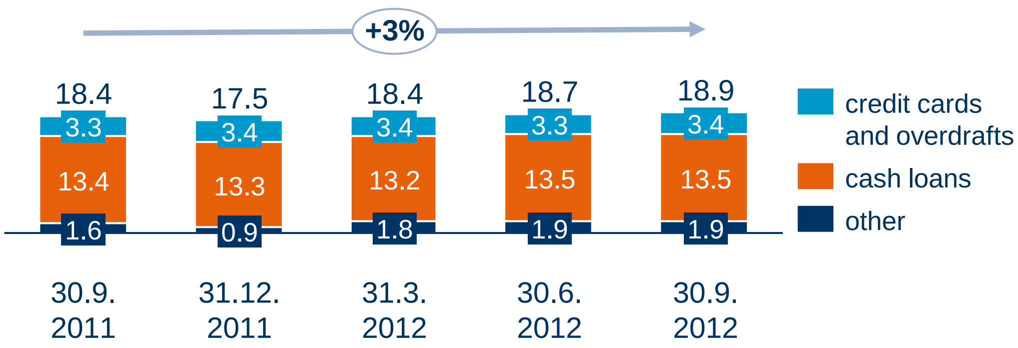


The portfolio of building savings loans decreased Y/Y as people in general preferred mortgages to building savings loans in the low interest rates environment. However, ČMSS was successful in the sale of its product to existing clients. As a result, **ČMSS's 9M 2012 new sales are 9% higher** than in the same period last year.

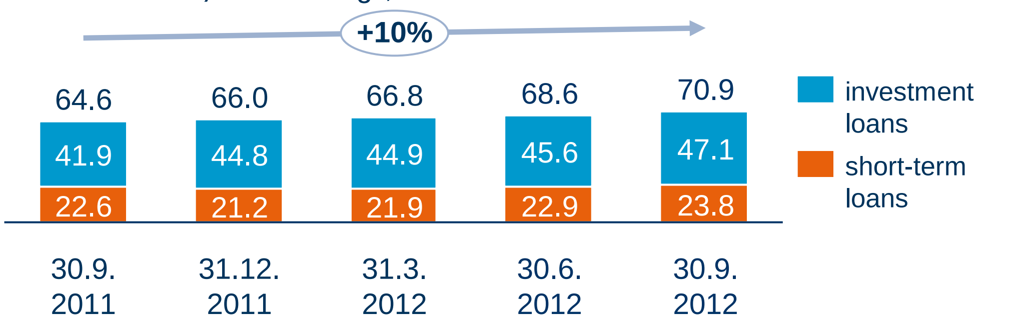
** Building savings loans: granted loan limits; mortgages: signed contracts, in line with MMR statistics.*

Consumer finance, SME loans, leasing
All sub-segments outperformed the market

Consumer finance, outstanding*, CZK bn



SME loans, outstanding*, CZK bn



Leasing, outstanding**, CZK bn

Overall consumer finance market decreased. Thanks to strong new sales, ČSOB managed to **strengthen its market** share in both new sales and outstanding volumes.

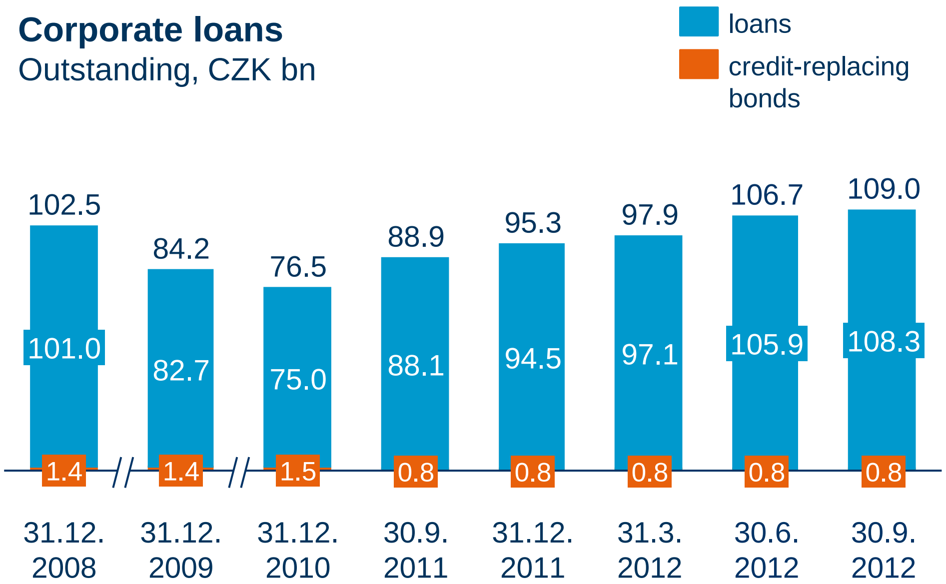
SME volumes **ended up 10%** above the September 2011 level. This led to an **improvement** of the ČSOB group's **market share**.

Despite the Y/Y decline, ČSOB Leasing managed to strengthen its position and became leader in a very competitive market. ČSOB Leasing **outperformed the market** in the past four consecutive quarters.

** Loan transfers in both directions were made between the consumer finance and SME sub-segments in 4Q 2011 and 1Q 2012. Adjusted for their effects, the Y/Y changes would be flat Y/Y for consumer finance and +11% Y/Y for SME in 3Q 2012.*
*** Total exposure of ČSOB Leasing, excluding operational leasing.*

Corporate segment
Corporate lending exceeding 2008 level

Corporate loans
Outstanding, CZK bn



Factoring
Outstanding, CZK bn

The corporate **loans have been continuously increasing** since February 2011. In 2012, the growth was fueled by a rebound in both specialized finance as well as plain-vanilla transactions.

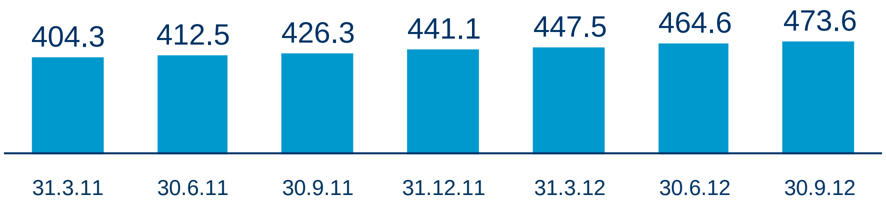
As a result, ČSOB **more then recovered volumes** reduced during the quarters impacted by the crisis. From trough, ČSOB's market share in corporate segment increased by more than 4pp and is **above 2008 level**.

In 2012, ČSOB was **awarded by the Global Finance magazine** as the Best FX Bank and Best Trade Finance Bank.

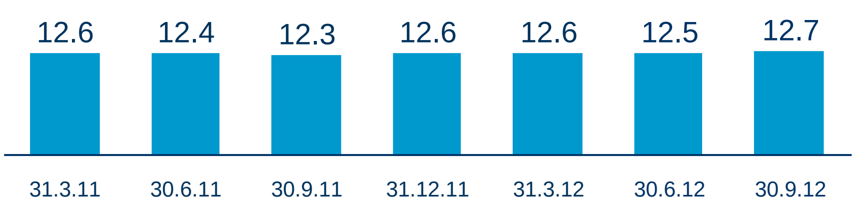
Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300m, local subsidiaries of international groups and selected institutional clients.

Credit risk under control (1/2)

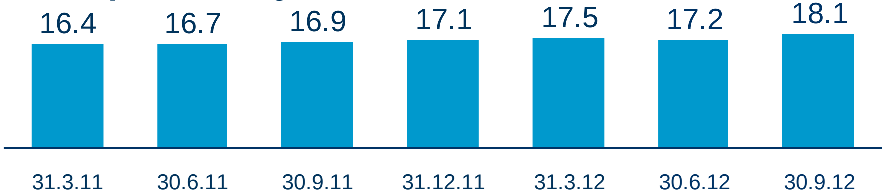
Loan portfolio[1] (CZK bn)



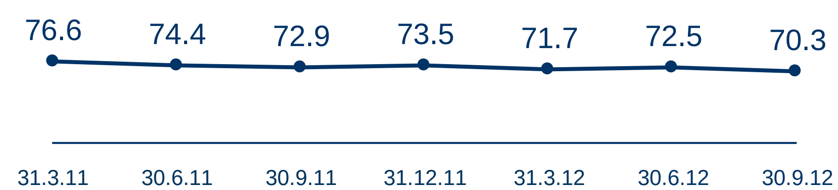
Allowances for loans and leases[3] (CZK bn)



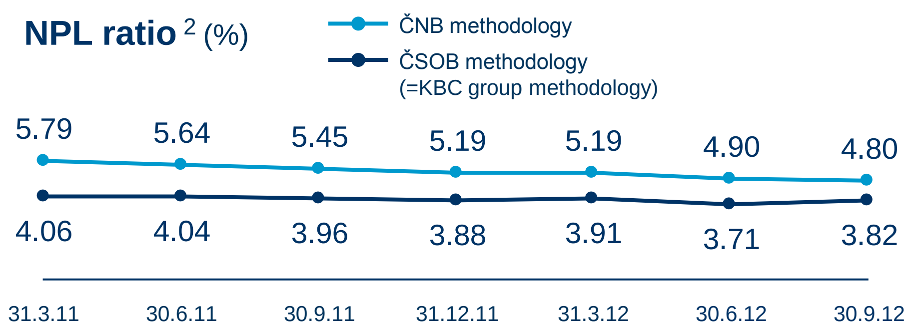
Non-performing loans (CZK bn)



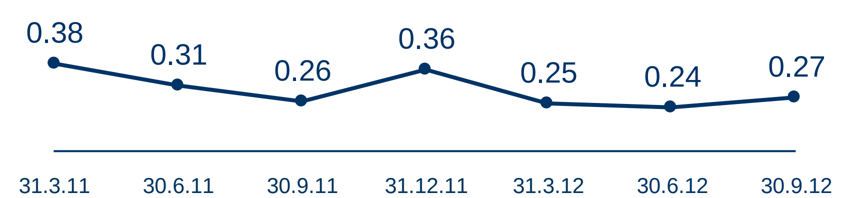
NPL coverage ratio (%)



NPL ratio[2] (%)



Credit cost ratio[4] (%)



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

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

Credit risk under control (2/2)

Credit costs

- Increase of impairments (+10% Y/Y for 9M 2012) went hand in hand with higher volume of loans (+11% Y/Y), so the credit costs remained almost stable at 27 bps (Ytd. annualized).
- A Y/Y increase of impairments was recorded in consumer finance and mortgages. On the other hand, there was a decrease of credit costs in leasing and building savings loans. Corporate/SME segment remained flat Y/Y.
- On the Q/Q basis, the most significant increase was in the corporate/SME segment, as there were releases of impairments in 2Q 2012. Credit costs in consumer finance and building savings loans decreased Q/Q, while leasing and mortgages increased.

Non-performing loans

- In 3Q 2012, the amount of non-performing loans increased Q/Q to a large extent because of one big (already defaulted but performing) corporate loan which migrated there. Note that the loan was already sold in October, so its adverse effect on NPLs/NPL ratio will no longer be visible in 4Q 2012. Adjusting for this loan, the volume of non-performing loans increased only slightly except for consumer finance.
- On the Y/Y basis, NPL ratio in consumer finance and building savings loans increased. On the other hand, there is drop in the corporate/SME and leasing segments. NPL ratio in mortgages slightly decreased Y/Y.

Coverage of non-performing loans

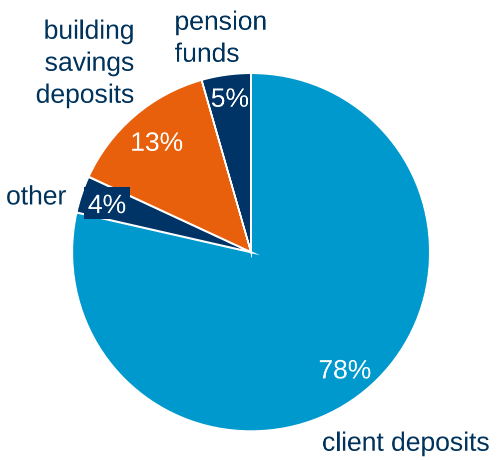
- The provision coverage of NPLs declined to 70.3% to a large extent driven by above mentioned one big corporate loan which was already disposed in October.
- Housing loans (mortgages and building savings loans), representing more than a half of the ČSOB group’s loan portfolio, require less provisioning given the fact they are largely secured by collateral. NPLs from the remaining part of the portfolio are almost or fully covered by allowances, i.e. showing the coverage ratio around 100%.

Group deposits

Growth continues mainly in retail

Outstanding volumes, CZK bn	30.9.2011	30.9.2012	Y/Y
Group deposits	**593.5**	**626.7**	**+5%**
Client deposits	479.4	491.8	+3%
Current accounts	255.6	265.8	+4%
Savings deposits	194.1	204.7	+5%
Term deposits	29.7	21.4	-28%
Building savings deposits[1]	83.6	83.8	0%
Pension funds[2]	28.4	28.5	+1%
Other[3]	8.2	22.6	+175%

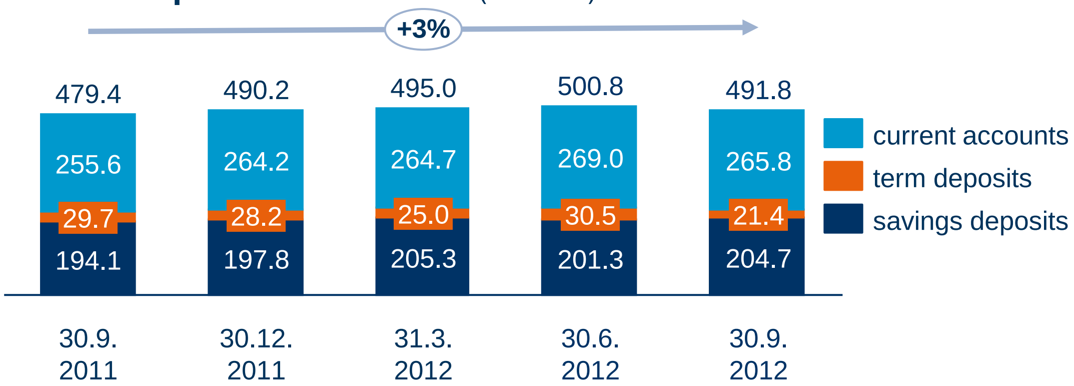
30.9.2012



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

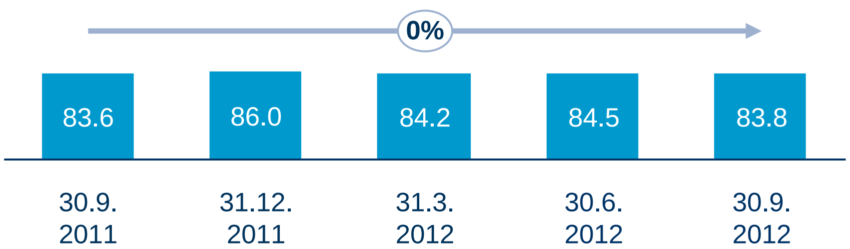
Group deposits
Stable retail, but lower corporate volumes

Client deposits in ČSOB bank (CZK bn)



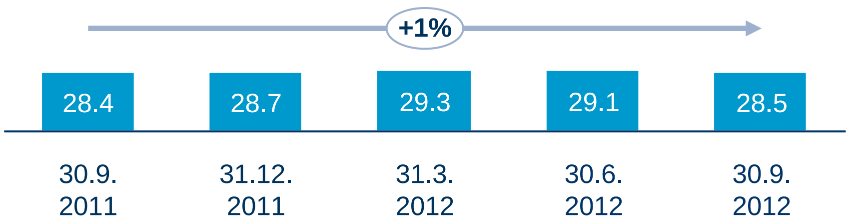
Within the total client deposits, **savings deposits recorded a 5% Y/Y growth**. Part of the increase was at the expense of mutual funds (-9% Y/Y, see the next slide). **Current accounts increased by 4% Y/Y**. The Q/Q change in current accounts is caused by lower volume of institutional and corporate deposits. Term deposits were affected by one-off transaction with institutional client at the end of the quarter.

Building savings deposits (CZK bn)



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

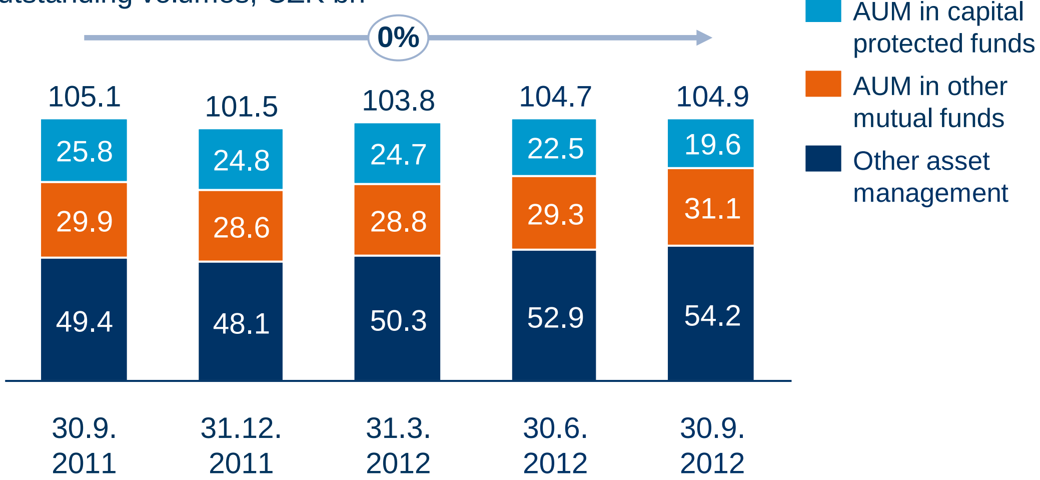
Pension fund (CZK bn)



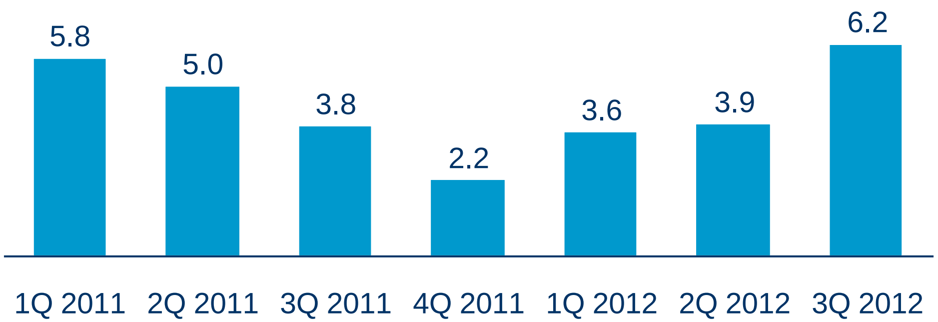
During 9M 2012, ČSOB Pension fund Stabilita saw a higher number of client requests to **increase their monthly contributions** (on average by 1/3) and the number of **new contract increased 35% Y/Y.** However this was not sufficient to offset funds outflow.

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

Assets under management
outstanding volumes, CZK bn



Mutual funds
New sales, CZK bn



ČSOB is keeping its **No 1. position** on the funds market.

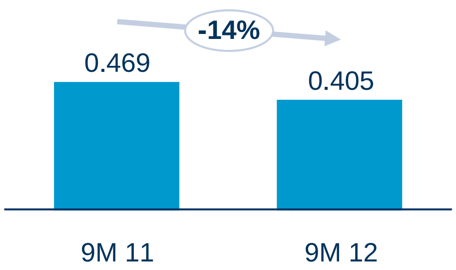
AUM remained flat Y/Y. Volumes in capital protected funds decreased both, Y/Y and Q/Q due to matured and early redeemed funds. AUM in other mutual funds increased in the last three quarters as the growth was supported by performance effect. All in all, **AUM in mutual funds decreased by 9% Y/Y.**

Increase in **new sales** was successfully supported by marketing campaign as well as reinvestment of money in the area of capital protected funds. However **new sales were lower than outflows** as part of clients reduced their positions in the money market funds.

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

Insurance
Strong business growth in non-life and single life

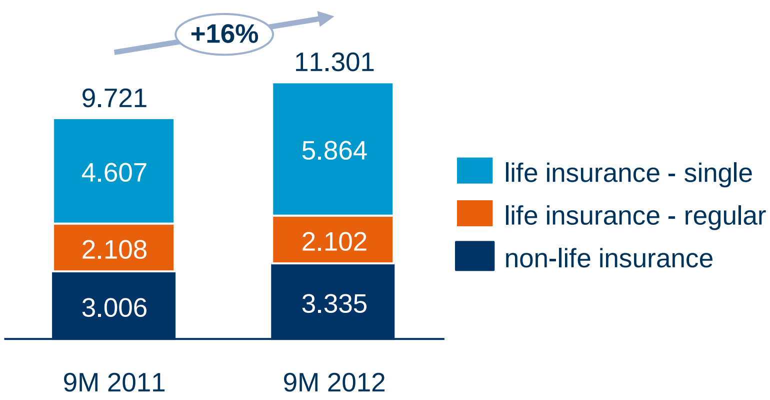
Net profit of ČSOB Pojišťovna*
CZK bn



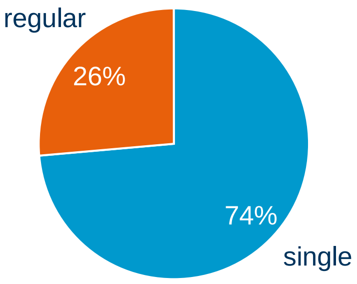
ČSOB Pojišťovna's **contribution to the group underlying P/L (25% share) in 9M 2012 was CZK 101m**, compared to CZK 117m a year ago. The decline is due to a higher comparison base in 9M 2011 due to absence of major natural disaster last year and thus lower claims, and one-off restructuring of investments portfolio.

Gross written premium in life insurance is significantly higher Y/Y thanks to **successful sales of product Maximal Invest** (single life insurance) in 2012. Regular life insurance remained flat Y/Y, while **non-life insurance improved in 9M 2012 by 11% Y/Y** mainly in retail area.

Gross written premium
CZK bn



Life insurance
9M 2012



CZK 7.966bn

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

ČSOB group's distribution platform
Strengthening distribution power

	30.9.2011	30.9.2012
Customers of the group*	> 4m	> 4m
of which ČSOB + PSB (ths)	3 092	3 072
Retail/SME branches and advisory centers	**567**	**576**
ČSOB Retail/SME branches	240	242
PSB branches ("Financial Centers")	61	70
ČMSS advisory centers	151	151
Hypoteční banka centers	27	27
ČSOB Pojišťovna branches	88	86
Leasing branches	**12**	**13**
Corporate branches	**11**	**11**
PSB outlets of the Czech Post network	**ca. 3 200**	**ca. 3 200**
ATMs (ČSOB+PSB)	815	890

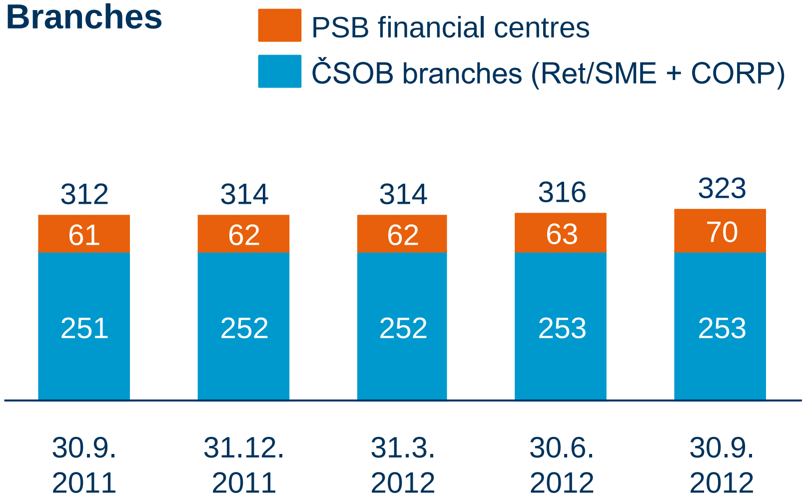
The number of ČSOB's clients (bank only) decreased due to closing of inactive accounts and due to client consolidation in the RET/SME segment. **The pro-forma increase is 2% Y/Y.**

Multi-channel distribution platform of the ČSOB group includes also a wide **agent network** of ca. 8,000 agents, incl. ČMSS tied agents, intermediaries and individual brokers for the Hypoteční banka, ČSOB Leasing dealers and ČSOB Pojišťovna's tied agents, multi-agents and individual brokers.

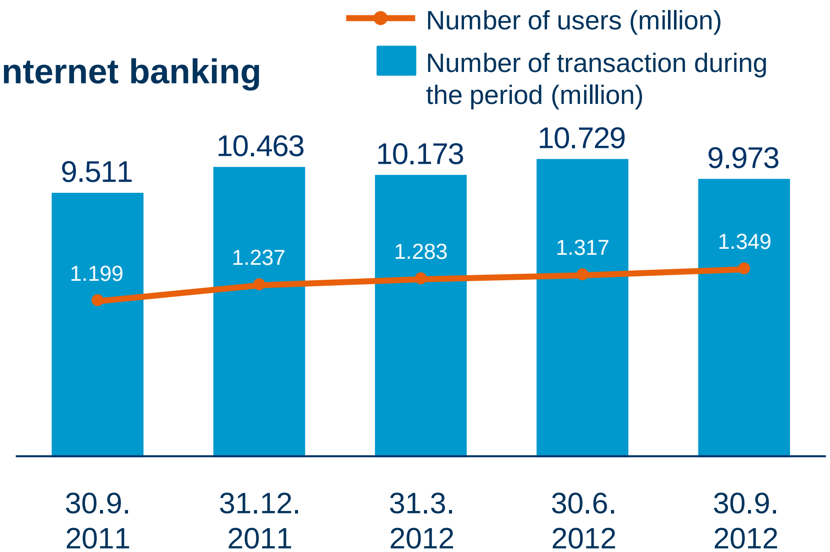
** The total number of unique clients exceeds 4 million. Client groups of different brands partly overlap, esp. between ČMSS and the two full service brands (ČSOB and PSB). The overlap between ČSOB and PSB is very limited.*

Other information

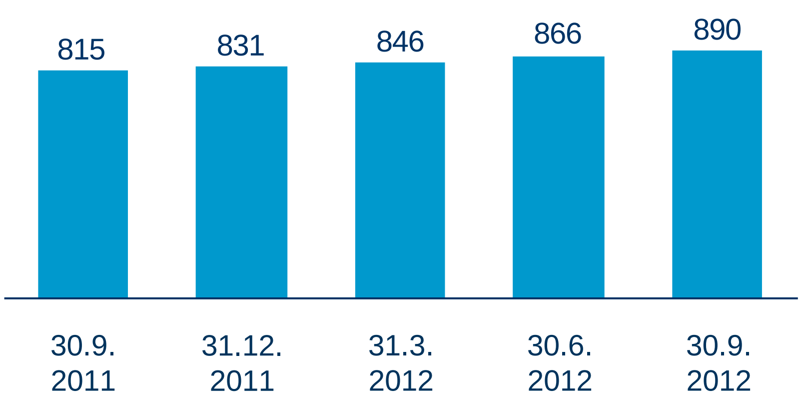
Branches



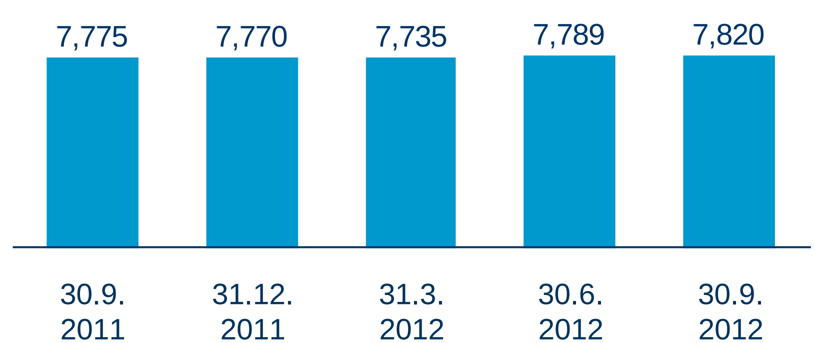
Internet banking



ATMs



Group employees*



**2012 figures without ČSOB Asset management employees*

Appendix

Credit rating and shareholder structure

ČSOB's credit ratings

As at 8 November 2012

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

Shareholder structure

As at 30 September 2012, ČSOB's share capital was CZK 5.855bn and comprised of 292,750,000 ordinary bearer shares with a nominal value of CZK 20 each.

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

"KBC 2013 and beyond"

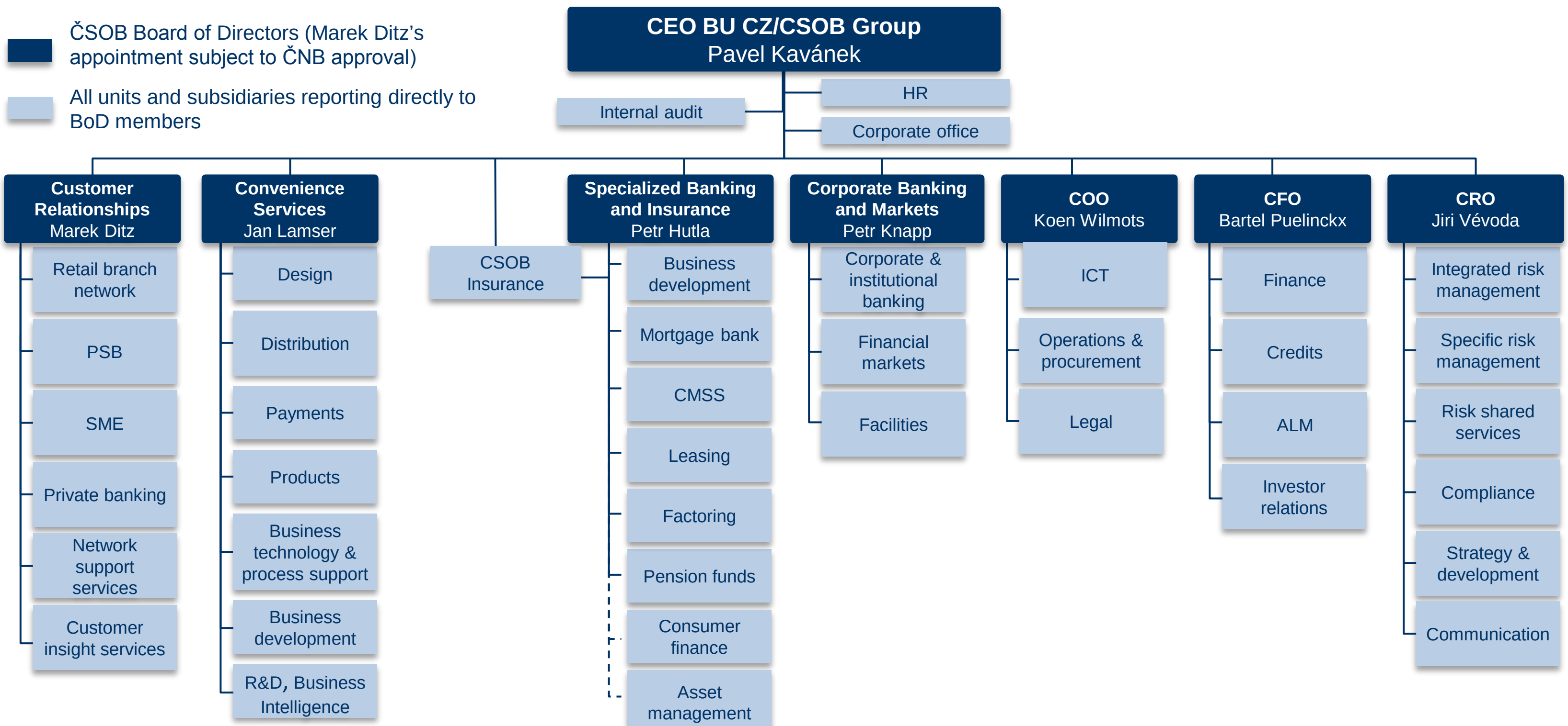
ČSOB confirmed as one of the pillars of KBC strategy

KBC announced an **updated strategy "KBC 2013 and beyond"** effective as of 1 January 2013:

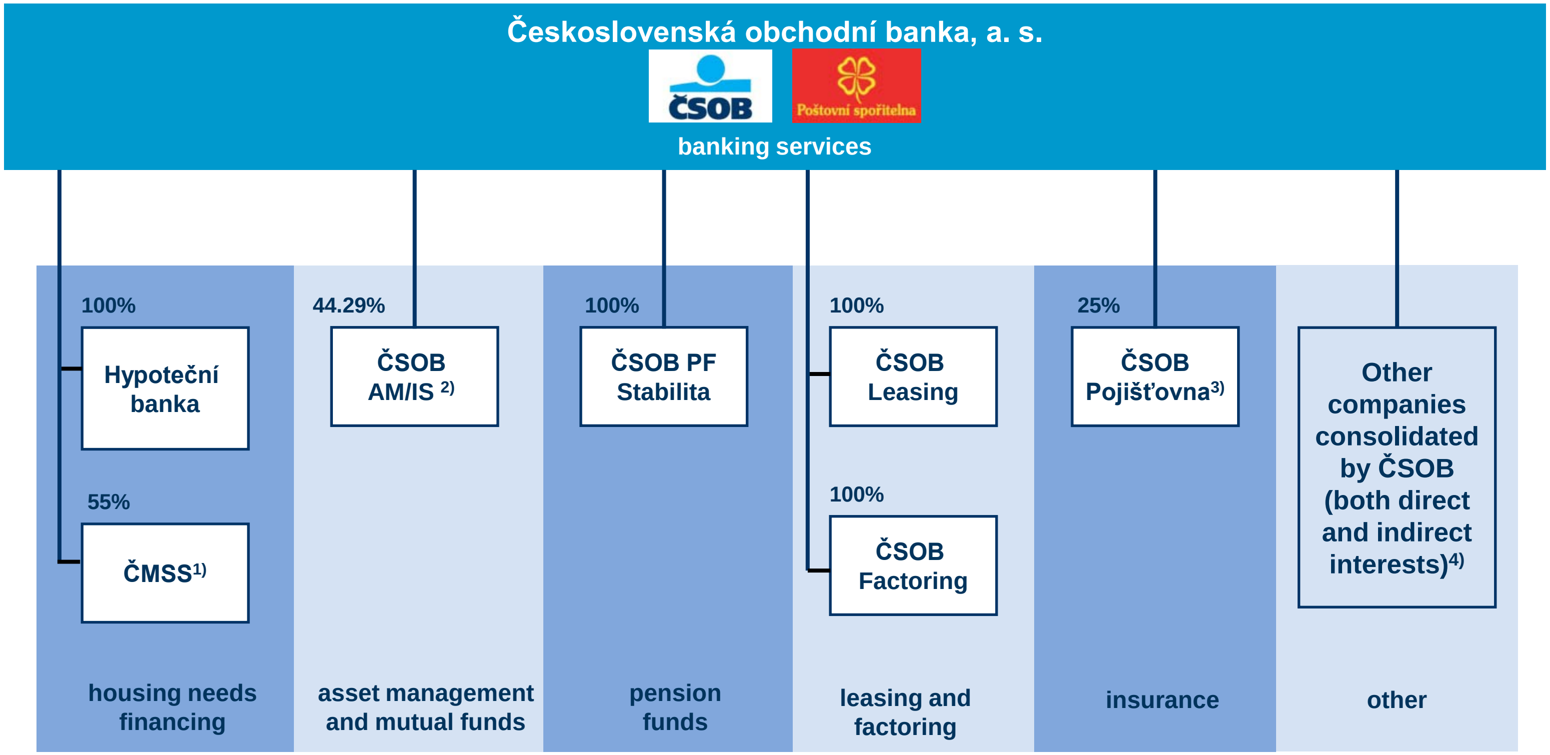
- KBC organized its core markets activities into three business units (Belgium, Czech Republic and International markets)
- Business Unit Czech Republic will include all KBC's business in the Czech Republic
- ČSOB's CEO Pavel Kavánek was appointed a head of BU Czech Republic and a member of KBC's Group Executive Committee.

ČSOB updated its business model and made following changes in the management structure (as of 1 January 2013):

- ČSOB will have eight members of the Top management, instead of seven.
- Marek Ditz, current Head of Corporate & institutional banking, will be a new member of the ČSOB's Top management with responsibility for Customer Relationships



ČSOB group in the Czech Republic



Percentages show ownership interests on company's equity as at 1 October 2012

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

[2] 55.71% of shares owned by KBC Participations Renta; subsidiary consolidated in ČSOB by an equity method.

[3] 75% of shares owned by KBC Insurance; subsidiary consolidated in ČSOB by an equity method.

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

Profit and loss statement – reported

(CZK m)	9M 2011	9M 2012	Y/Y
Interest income	*24 877*	*24 873*	*0%*
Interest expense	*-6 318*	*-5 946*	*-6%*
Net interest income	18 559	18 927	+2%
Net fee and commission income	4 629	4 229	-9%
Net gains from financial instruments at FVPL*	1 056	1 917	+82%
Other operating income	830	473	-43%
Operating income	**25 074**	**25 546**	**+2%**
Staff expenses	-5 037	-5 109	+1%
General administrative expenses	-5 793	-5 682	-2%
Depreciation and amortisation	-687	-650	-5%
Operating expenses	**-11 517**	**-11 441**	**-1%**
Impairment losses	-3 286	-789	-76%
Impairment on loans and receivables	*-961*	*-1 057*	+10%
Impairment on available-for-sale securities	*-2 328*	*-3*	*-100%*
Impairment on other assets	*3*	*271*	*>+100%*
Share of profit of associates*	117	146	+25%
Profit before tax	**10 388**	**13 462**	**+30%**
Income tax expense*	-1 380	-1 940	+41%
Profit for the period	**9 008**	**11 522**	**+28%**
Attributable to:			
Owners of the parent	**8 909**	**11 516**	**+29%**
Non-controlling interests	99	6	-94%

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 – underlying

(CZK m)	9M 2011	9M 2012	Y/Y
Interest income	*24 877*	*24 873*	*0%*
Interest expense	*-6 318*	*-5 946*	*-6%*
Net interest income	18 559	18 927	+2%
Net fee and commission income	4 629	4 229	-9%
Net gains from financial instruments at FVPL*	955	1 742	+82%
Other operating income	830	473	-43%
Operating income	**24 973**	**25 371**	**+2%**
Staff expenses	-5 037	-5 109	+1%
General administrative expenses	-5 793	-5 682	-2%
Depreciation and amortisation	-687	-650	-5%
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Impairment on other assets	*3*	*271*	*>+100%*
Share of profit of associates*	115	146	+27%
Profit before tax	**10 285**	**13 287**	**+29%**
Income tax expense*	-1 361	-1 907	+40%
Profit for the period	**8 924**	**11 380**	**+28%**
Attributable to:			
Owners of the parent	**8 825**	**11 374**	**+29%**
Non-controlling interests	99	6	-94%

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 2011	30/09 2012	Ytd.
Cash and balances with central banks	46 691	18 709	-60%
Financial assets held for trading	176 703	165 909	-6%
Financial assets designated at fair value through P/L	11 021	8 369	-24%
Available-for-sale financial assets	87 404	93 334	+7%
Loans and receivables - net	449 291	479 296	+7%
Loans and receivables to credit institutions - gross	*23 783*	*22 522*	*-5%*
Loans and receivables to which other than credit institutions - gross	*438 073*	*469 492*	*+7%*
Allowance for impairment losses	*-12 565*	*-12 718*	*+1%*
Held-to-maturity investments	139 423	136 736	-2%
Fair value adjustments of the hedged items in portfolio hedge	77	864	>+100%
Derivatives used for hedging	10 328	13 159	+27%
Current tax assets	70	25	-64%
Deferred tax assets	481	87	-82%
Investments in associate	1 150	116	-90%
Investment property	509	486	-5%
Property and equipment	8 114	8 013	-1%
Goodwill and other intangible assets	3 314	3 223	-3%
Non-current assets held-for-sale	98	1 368	>+100%
Other assets	1 919	2 035	+6%
Total assets	**936 593**	**931 729**	**-1%**

Balance sheet - liabilities and equity

(CZK m)	31/12 2011	30/09 2012	Ytd.
Financial liabilities held for trading	165 914	139 973	*-16%*
Financial liabilities at amortised cost	688 556	697 567	+1%
of which Deposits received from credit institutions	*41 122*	*35 122*	*-15%*
of which Deposits received from other than credit institut.	*612 160*	*626 749*	*+2%*
of which Debt securities in issue	*23 295*	*27 713*	*+19%*
of which Subordinated liabilities	*11 979*	*7 983*	*-33%*
Fair value adjustments of the hedged items in portfolio hedge	*103*	*1 057*	>+100%
Derivatives used for hedging	7 350	8 303	*+13%*
Current tax liabilities	532	485	-9%
Deferred tax liabilities	1 081	2 326	>+100%
Provisions	1 058	974	-8%
Other liabilities	10 816	11 510	+6%
Total liabilities	**875 410**	**862 195**	**-2%**
Share capital	5 855	5 855	0%
Share premium account	7 509	7 509	0%
Statutory reserve	18 687	18 687	0%
Retained earnings	24 061	28 836	+20%
Available-for-sale reserve	2 612	5 534	>+100%
Cash flow hedge reserve	1 578	2 886	+83%
Foreign currency translation reserve	1	0	N/A
Parent shareholders' equity	**60 303**	**69 307**	**+15%**
Minority interest	880	227	-74%
Total equity	**61 183**	**69 534**	**+14%**
Total liabilities and equity	**936 593**	**931 729**	**-1%**

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. 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
Other retail loans	Outstanding volume of cash loans, credits cards, overdrafts, home equity loans, student loans and mortgages for non-housing real estate purposes	ČNB (ARAD), ČSOB
Life insurance	Gross written Premium, life insurance	Czech Insurance Association (ČAP), ČSOB Pojišťovna
Non-life insurance	Gross written Premium, non-life insurance	ČAP, ČSOB Pojišťovna
Total insurance	Gross written Premium, life insurance + non-life insurance	ČAP, ČSOB Pojišťovna

Glossary - ratios

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

Glossary - other definitions

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

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