9M/3Q 2013 Results
ČSOB Group
Business Unit Czech Republic

EU IFRS Unaudited Consolidated
14 November 2013

Contents

ČSOB Group: Key Figures

Measures of sustainable performance

Good performance despite low interest rate environment

ČSOB group key indicators		2010	2011	2012	9M 2012	9M 2013
Profitability	Net profit (CZK bn)	13.5	11.2	15.3	11.5	10.8
	Return on equity	20.3%	17.9%	22.8%	23.6%	19.5%
Liquidity	Loan / deposit ratio	68.5%	72.7%	75.2%	76.0%	80.5%
	Net stable funding ratio	137.7%	133.6%	133.2%	127.2%	135.3%
Capital	Tier 1 ratio	14.2%	11.7%	13.0%	12.5%	16.1%
Credit costs	Credit cost ratio	0.75%	0.36%	0.31%	0.27%	0.24%
Cost efficiency	Cost / income ratio	44.0%	46.7%	45.9%	44.8%	45.6%

Note: Consistent with a reporting of KBC, ČSOB is no longer showing the underlying net profit due to decreasing differences between underlying and reported net profit in the last quarters. Exceptional items are addressed on an ad hoc basis.

9M/3Q 2013 at a glance

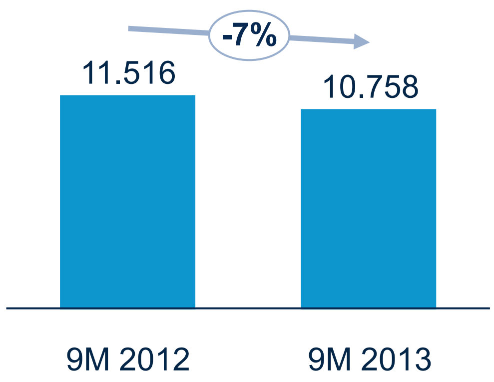
Loans for the first time above CZK 500bn level, capital structure further strengthened

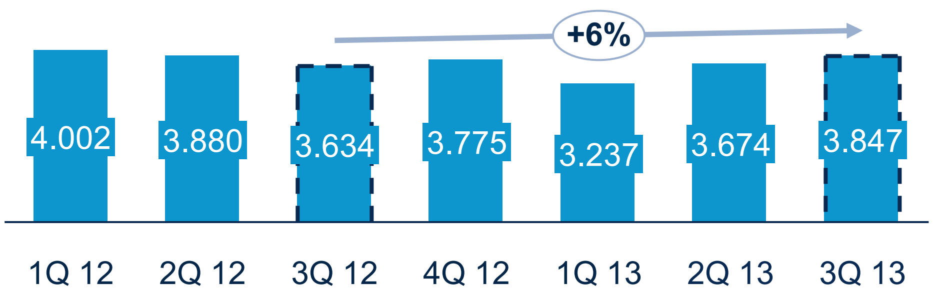
Business volumes	The **loan portfolio** further grew to **CZK 501.1bn** (+6% Y/Y), especially thanks to mortgages and corporate/SME loans. **Group deposits** remained nearly flat at **CZK 628.2bn** as increase of retail and corporate/SME deposits was offset by a non-banking financial institution outflow.
Operating income	Slightly weaker **operating income of CZK 25.2bn** (-2% Y/Y) in 9M 2013 and **CZK 8.4bn** (-1% Y/Y) in 3Q 2013 was driven by lower interest rate environment partly compensated by sound loan growth, increased demand for mutual funds and higher sales in the financial markets area.
Credit costs	**Credit cost ratio** decreased Y/Y to **24 bps** (Ytd., annualized) and the decrease is fully attributable to the recovery of a historical file. Adjusting for the recovery, credit cost ratio would actually increase to 29 bps.
Operating expenses	**Operating expenses** remained flat at **CZK 11.5bn** in 9M 2013 and decreased to **CZK 3.7bn** (-2% Y/Y) in 3Q 2013 thanks to savings in general administrative expenses, especially marketing and postage.
Net profit	As a result of above mentioned factors, **9M 2013 net profit** stood at **CZK 10.8bn** (-7% Y/Y). **3Q 2013 net profit** increased to **CZK 3.8bn** (+6% Y/Y) due to one-off recovery of historical file.
Liquidity & Capital	**Loan / deposit ratio** increased to **80.5%** driven by strong loan growth. **Tier 1 ratio** improved to **16.1%** thanks to profit retention and capital structure strengthening via replacing Tier 2 subordinated debt in the amount of CZK 8bn by Tier 1 share capital.
Innovations	ČSOB launched **Era portal**, **new internet banking**, which enables e.g. administration of personal finance and direct sales of products. Penetration of **contactless cards** (launched in January 2013) reached already ca.1/3 of all issued cards. ČSOB Pojišťovna was the first one to introduce **new accident insurance for drivers** (RENTO).

One-off recovery together with lower operating expenses behind better 3Q 2013 result

Net profit

CZK bn





Continued low level of interest rates was mitigated by higher business volumes, increased demand for mutual funds and financial markets products. Even so, **9M 2013 net profit decreased by 7% to CZK 10.8bn.**

Thanks to one-off release of impairment to historical file (see note) and savings in general administrative expenses, **3Q 2013 net profit increased to CZK 3.8bn** (+6% Y/Y). Lower operating income due to decrease of net interest income contributed negatively to the net profit.

The return on equity (ROE) declined to **19.5%** from 23.6% driven by higher capital base.

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

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

4Q 2012 one-off items (total of CZK 0.6bn) included in the results: Sale of a stake in ČSOB Pojišťovna (CZK 1.2bn), deferred acquisition costs in PF (CZK -0.2bn), severance payment reserve (CZK -0.2bn), impairment on goodwill in PF (CZK -0.2bn).

2Q 2013 one-off items (total of CZK 0.1bn) included in the results: Sale of a non-strategic stake in payment provider (CZK 0.1bn).

3Q 2013: one-off items (total of CZK 0.4bn) included in the results: recovery of already impaired bad debt from the past (CZK 0.2bn) and other income (CZK 0.2bn).

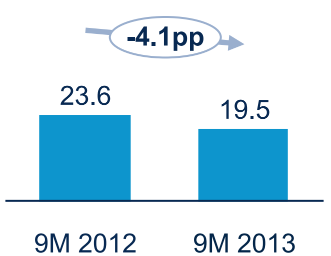
Drop of ROE driven by higher capital base

Profitability

Net interest margin (%)

Cost / income ratio (%)

ROE (%)



Loan portfolio quality

CCR, Ytd. annualized (%)

NPL ratio (%)

NPL coverage ratio (%)

Capital

(Core) Tier 1 ratio (%)

Total capital ratio (%)

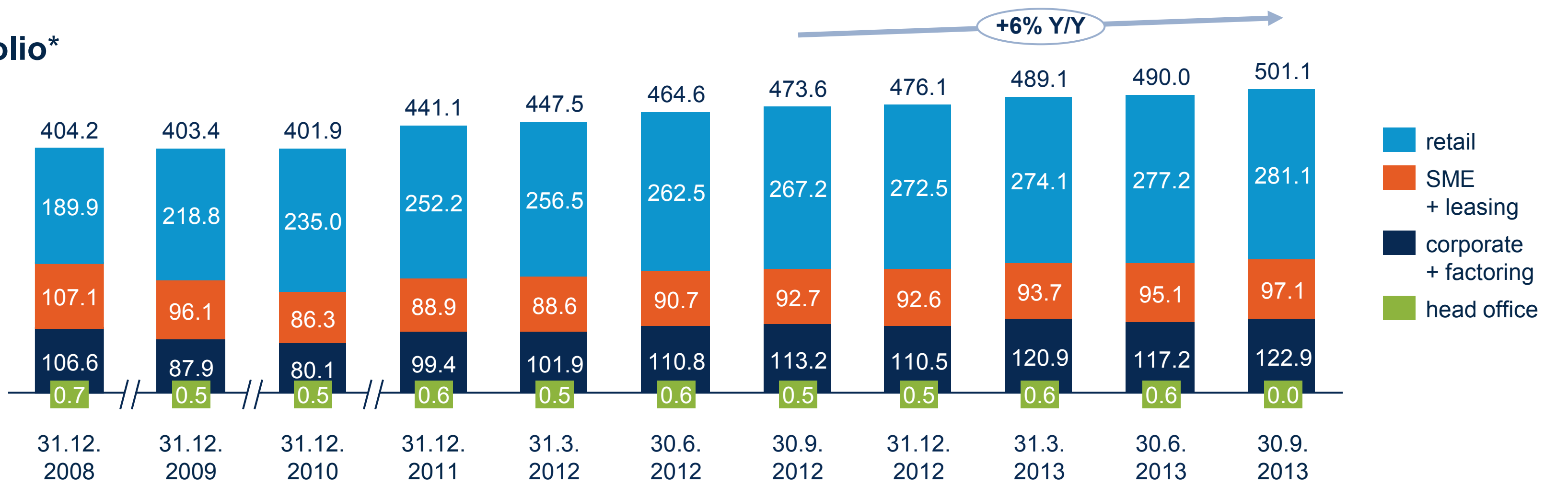
Liquidity

Net stable funding ratio (%)

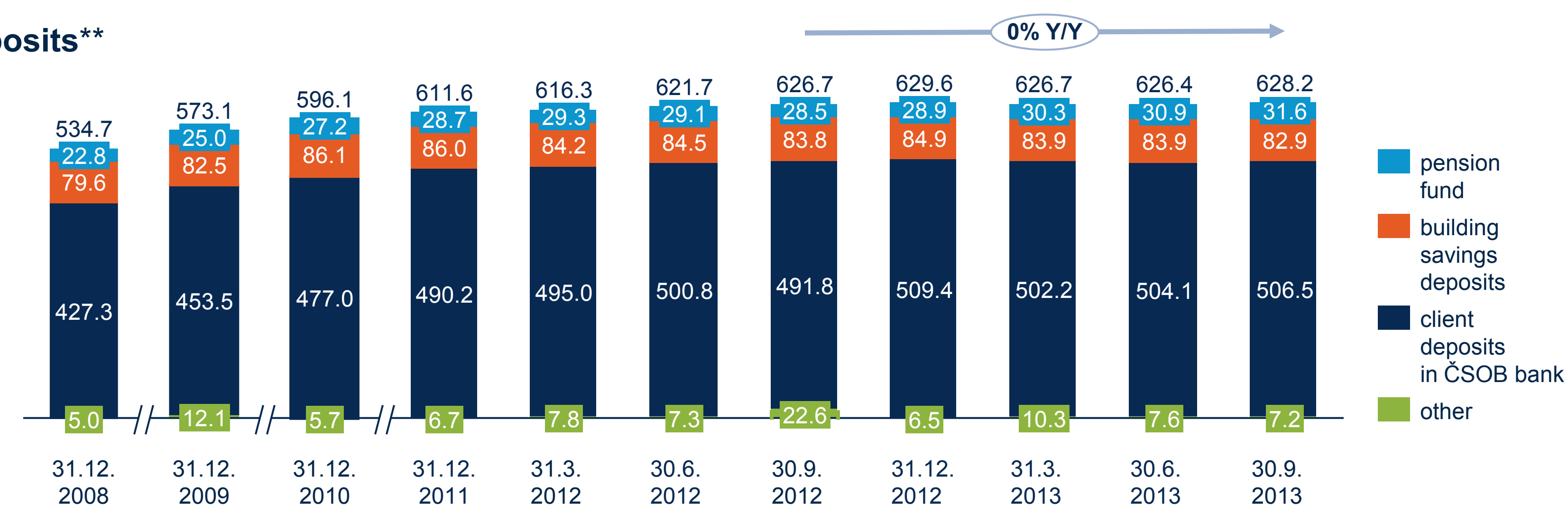
Loan / deposit ratio (%)

Robust loan growth in all areas continued, symbolic mark of CZK 500bn passed

Loan portfolio*
CZK bn



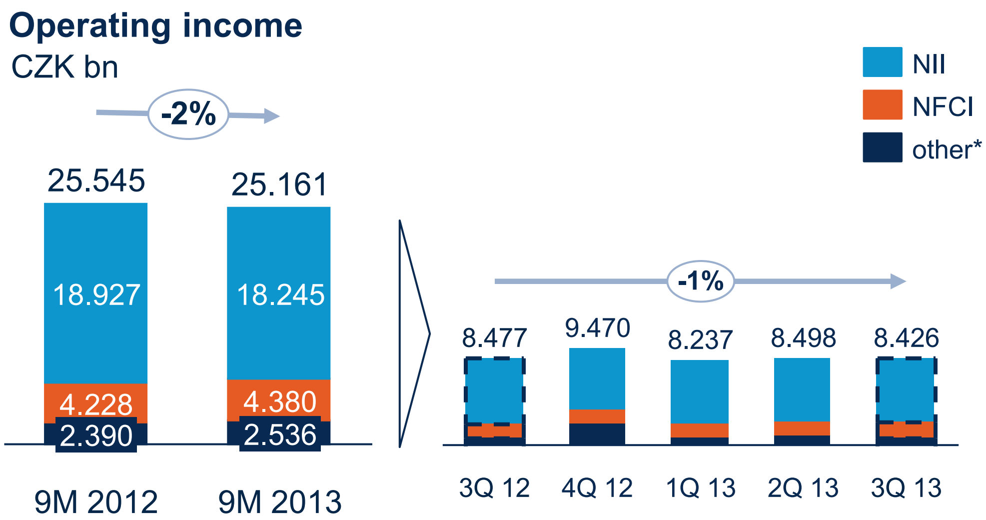
Group deposits**
CZK bn



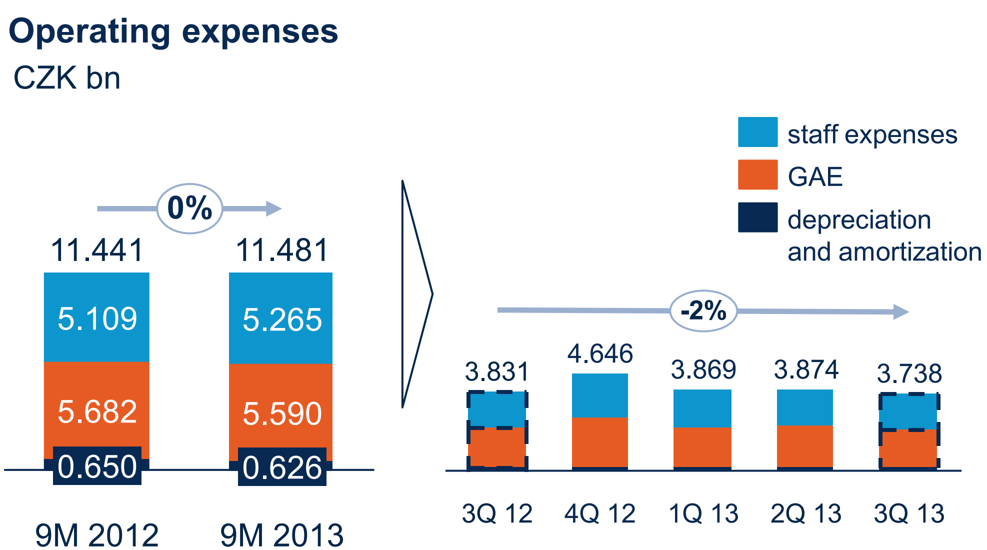
** Item Loans and receivables minus exposure to banks from inter-bank transactions plus credit replacing bonds.*
*** Item Deposits received from other than credit institutions from the consolidated balance sheet.*

ČSOB Group: Financial Overview

Flat operating expenses, operating income under pressure due to low interest rate environment



9M/3Q 2013 **operating income slightly decreased** by 2% Y/Y and 1% Y/Y, respectively, impacted by a low interest rate environment and partly compensated by higher fees and commissions from increased mutual funds sales. Item **"other"**, which contained besides income from financial markets, recovered income from historical file as well as proceeds from asset sales in previous quarters increased by 6% Y/Y in 9M 2013.



9M/3Q 2013 **operating expenses remained broadly flat Y/Y and decreased** by 2% Y/Y, respectively, as a combination of savings in various categories and higher staff expenses due to regular accrualization of variable remuneration in ČMSS. **D&A decreased** Y/Y mainly due to a lower amortization of application software.

Cost / income ratio increased by 0.8pp to **45.6%** as revenues slightly declined due to low interest rate environment and flat expenses.

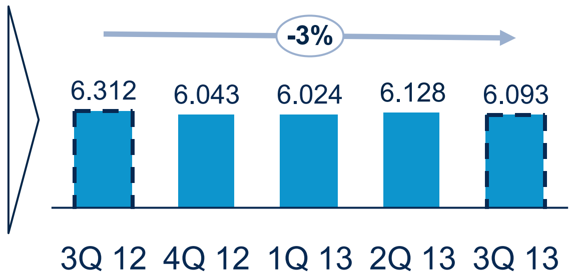
** Other = Net gains from financial instruments at FVPL + net realized gains on available-for-sale financial assets + dividend income + other net income.*

Net interest income and net fee and commission income

Higher business activity partially mitigated lower interest rate environment

Net interest income (NII)

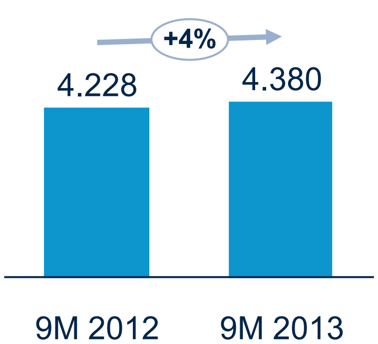
CZK bn

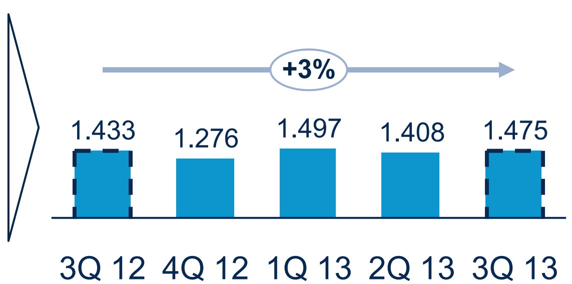


The net interest income declined in 9M/3Q 2013 by 4% Y/Y and 3% Y/Y, respectively, due to a lower interest rate environment. NII in retail decreased as lower net interest margin was not fully compensated by higher volumes. NII in corporate/SME area increased as NIM was resilient, accompanied with higher volumes of loans.

Net fee and commission income (NFCI)

CZK bn



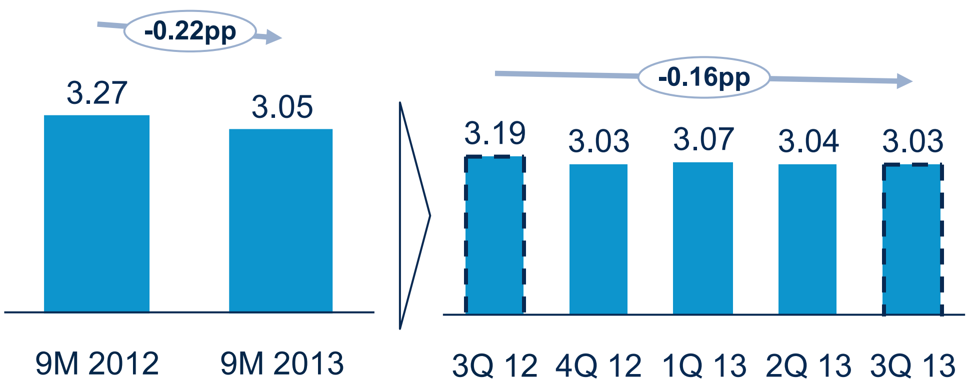


9M/3Q 2013 net fee and commission income grew by 4% Y/Y and 3% Y/Y, respectively. The Y/Y increase stemmed mainly from higher demand for mutual funds and higher sales in the financial markets area, partly offset by higher commissions paid to distribution. The result was also affected by low comparison basis in 2012, when ČSOB wrote-off deferred acquisition costs in pension fund.

Q/Q increase was driven by lower commissions paid to distribution.

Low interest rate environment eats into net interest margin

Net interest margin (%)



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

The **net interest margin oscillated around 3%** despite ČNB's interest rates at historical lows.

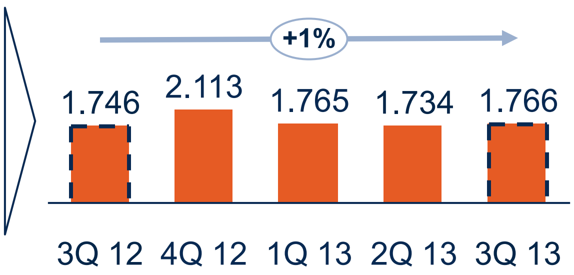
The **main reasons** for the Y/Y development of the NIM:

- (-) An exceptionally low interest rate environment (ČNB lowered its 2W repo rate to 0.05 % in November 2012).
- (-) Reinvestments of excess liquidity at lower yields (compression of CZ sovereign bonds interest rates).
- (-) Strong volume growth in corporate loans (the average NIM lower than in retail).
- (+) Decrease of external interest rates on retail savings accounts in January, April and September reflecting lower yields on deposits and in corporate/SME area.
- (+) Repayment of subordinated debt of CZK 8bn, which was replaced by Tier 1 capital bearing no interest expense (only limited impact in 3Q 2013).

Staff and general administrative expenses

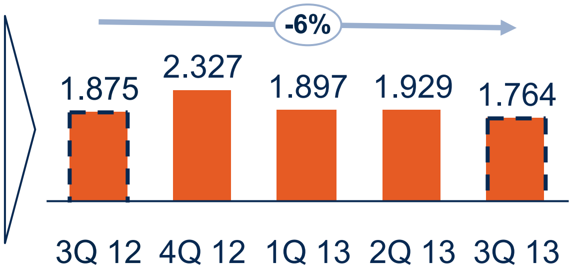
Savings in the key categories of general administrative expenses

Staff expenses
CZK bn



The 3% Y/Y **increase of staff expenses** was due to regular wage adjustments, higher social security payments as well as methodological change in ČMSS (monthly vs. annual accruals of variable remuneration). These factors outweighed the impact of lower number of employees (the number of FTE decreased Y/Y by nearly 300).

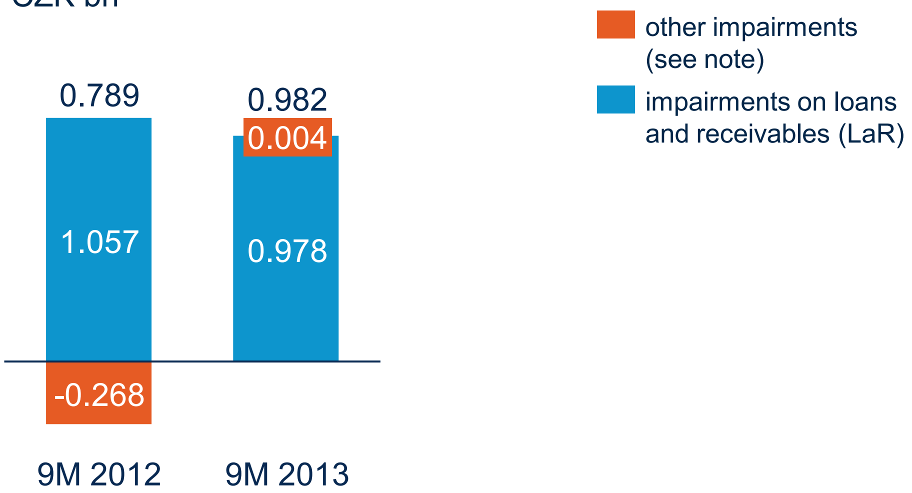
General administrative expenses
CZK bn

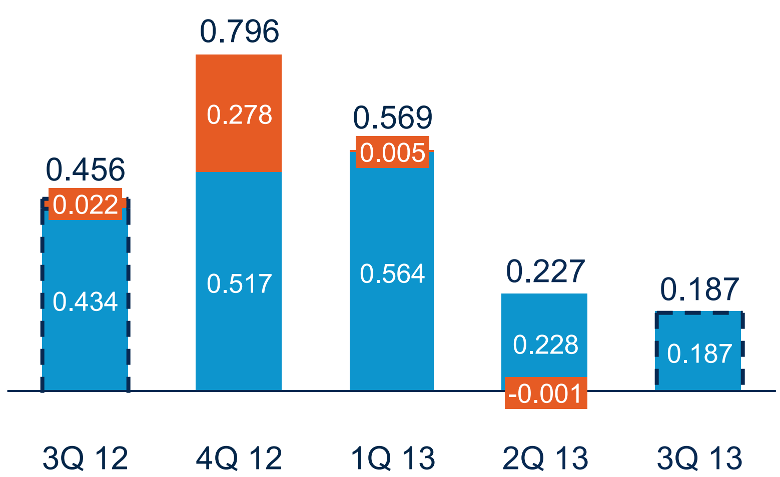


9M/3Q 2013 **decrease of general administrative expenses** by 2% Y/Y and 6% Y/Y, respectively was achieved by savings in marketing, professional fees, postage and other expense categories.

Credit costs decreased thanks to recovery of historical file

Total impairments
CZK bn





In 9M 2013, **impairments on loans and receivables declined** to CZK 978m (-7% Y/Y) and the credit cost ratio to 24 bps (Ytd., annualized), i.e. 3 bps lower Y/Y, which thus remained below over-the-cycle level.

CZK 187m of impairments were created in 3Q 2013 (-57% Y/Y). The Y/Y improvement was caused by release of impairments linked to a historical file (ca CZK 200m). Lower impairments Y/Y were recorded in mortgages and leasing. Corporate/SME segment and consumer finance remained unchanged from last year.

Q/Q, credit costs excluding release mentioned above increased as corporate/SME segment had higher impairments in comparison with the 2Q 2013 due to low comparison basis. Consumer finance showed improvement, while mortgages, building savings loans and leasing remained stable.

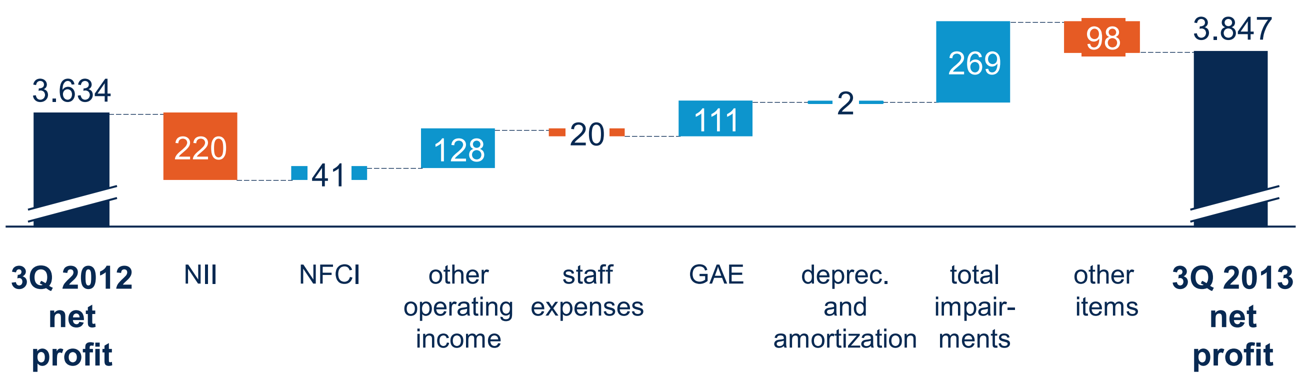
Notes:
In 1Q 2012, a release of CZK 217m was booked in other impairments due to the recovery of already impaired receivables from the past. This contributed significantly to the decrease of the total impairments.

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

Wrap up of net profit drivers

Quarterly net profit (Y/Y)

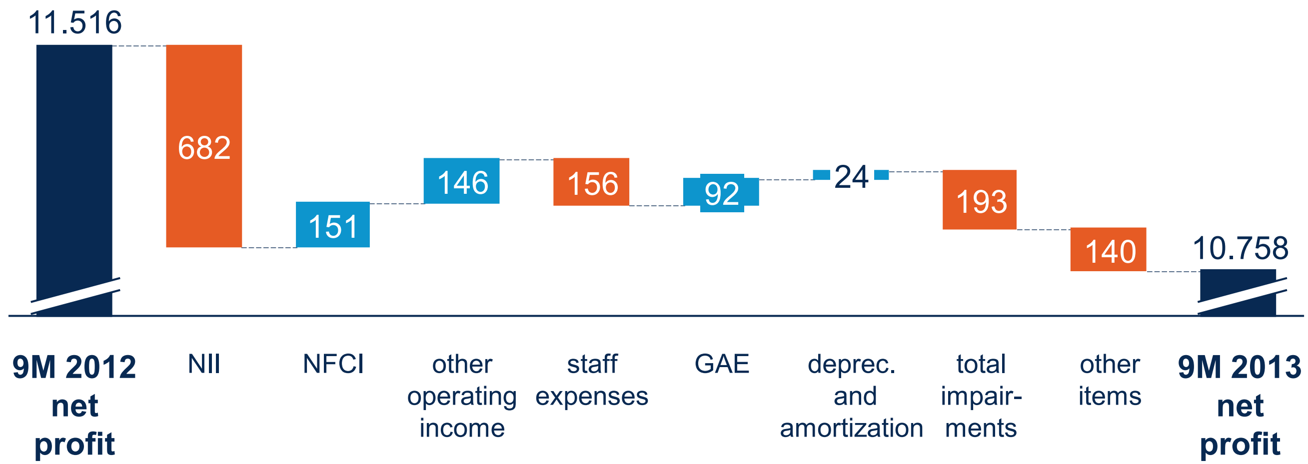
CZK bn



The **main difference between 3Q 2013 and 3Q 2012 net profit was caused by** a lower net interest income due to a low interest rate environment. Positive contribution was stemming from higher business volumes (NII) together with increased demand for mutual funds and financial markets products (NFCI). Lower general administrative expenses thanks to savings in the key expense categories added to the Y/Y growth but were partially offset by higher staff costs. Total impairments contributed positively thanks to release of impairments linked to historical file. Besides, higher tax expense affected net profit negatively.

Ytd. net profit (Y/Y)

CZK bn



Lower net profit in 9M 2013 compared to 9M 2012 was caused by a lower net interest income due to a low interest rate environment and higher total impairments returning to normalized levels. Notwithstanding higher fees paid to distribution, NFCI increased thanks to a higher demand for mutual funds and higher sales in financial markets area. Staff expenses were higher due to regular wage adjustments, higher social security payments as well as methodological change in ČMSS (monthly vs. annual accruals of variable remuneration). This was partially offset by savings in other expense categories. Higher tax expense affected net profit negatively.

Capital position further strengthened

Consolidated, CZK m	30.9.2012	31.12.2012	30.9.2013
Total regulatory capital	**52,025**	**52,161**	**55,709**
- Tier 1 Capital	44,918	44,975	55,275
- Tier 2 Capital	8,051	7,983	443
- Deductions from Tier 1 and Tier 2	-945	-797	-10
Total capital requirement	**28,544**	**27,389**	**27,406**
- Credit risk	22,578	21,669	21,222
- Market risk	1,450	1,204	1,660
- Operational risk	4,516	4,516	4,524
Total RWA	**356,802**	**342,360**	**342,577**
Core Tier 1 ratio = Tier 1 ratio	**12.5%**	**13.0%**	**16.1%**
Total capital ratio	**14.6%**	**15.2%**	**16.3%**

Tier 1 capital increased due to retention of CZK 2.4bn from the 2012 net profit. Capital structure was further strengthened as the remaining subordinated debt (Tier 2) in the amount of CZK 8bn was repaid in August and at the same time, the share capital (Tier 1) was increased by CZK 8bn.

Better quality of the portfolio (PD profile) in the corporate segment as well as improved capital models on better data quality, applied in 1Q 2013, helped to keep RWA flat despite the loan growth.

Notes:
RWA (risk weighted assets) = total capital requirement / 0.08
Tier 1 capital = share capital + share premium + legal reserve funds + retained earnings – goodwill – intangible assets
Tier 2 capital = subordinated debt weighted by regulatory coefficient + surplus in expected credit losses
Total regulatory capital = Tier 1 + Tier 2 – deductions
*Tier 1 ratio = (Tier 1 capital – 0.5*deductions) / (total capital requirement / 0.08)*

ČSOB Group: Business Part

Market share in total loans increased thanks to the growth in corporate/SME, consumer finance and building savings loans

1st

Building savings loans[1]	↗ 44.7%
Building savings deposits[1]	↘ 35.8%
Mortgages[1]	↘ 30.2%
Mutual funds[1]	↘ 28.8%
Leasing[2]	↗ 13.8%

2nd

Total Loans[1]	**↗ 19.6%**
Total Deposits[1]	**↘ 19.5%**
Factoring[2]	↘ 20.4%

3rd

Pension fund[3]	↘ 14.0%
Corporate/SME loans[1]	↗ 15.0%
Consumer lending[1,4]	↗ 11.0%

Arrows show Y/Y change. Market shares as of 30 September 2013, except for pension fund and mutual funds, which are as of 30 June 2013. The ranking is ČSOB's estimate.

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

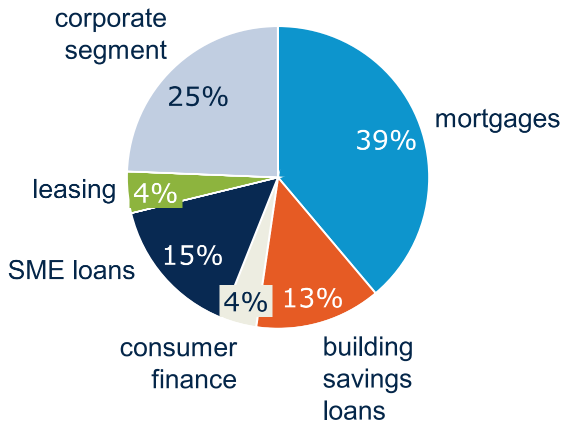
Sources and detailed definitions are provided in Appendix.

Loan portfolio

Growth driven by mortgages and corporate/SME

Gross outstanding volumes, CZK bn	30.9.2012	30.9.2013	Y/Y
Loan portfolio	**473.6**	**501.1**	**+6%**
Retail/SME Segment			
Mortgages[1]	178.4	194.7	+9%
Building savings loans[2]	69.9	67.3	-4%
Consumer finance	18.9	19.1	+1%
SME loans	70.9	74.6	+5%
Leasing	21.7	22.4	+3%
Corporate Segment			
Corporate loans[3]	109.0	118.9	+9%
Factoring	4.2	4.0	-5%
Head Office[4]	0.5	0.0	-94%

30.9.2013

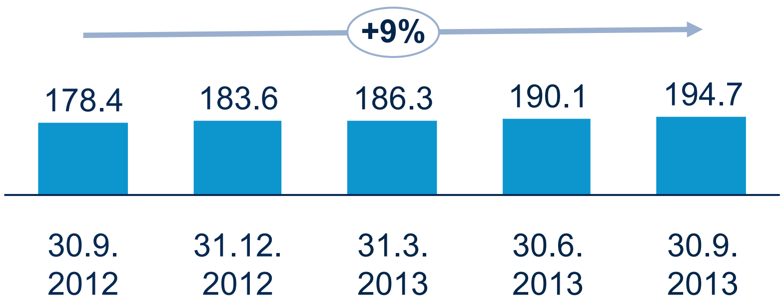


Almost 60% of the total loan portfolio is in retail, out of which majority is used to finance housing needs.

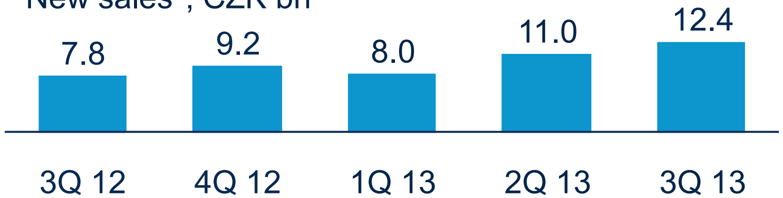
[1] The ČSOB group mortgages are booked in the balance sheet of ČSOB's subsidiary Hypoteční banka.
[2] The ČSOB group building savings loans are booked in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated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

New sales in mortgages at the highest level in the history of ČSOB

Mortgages
Outstanding, CZK bn



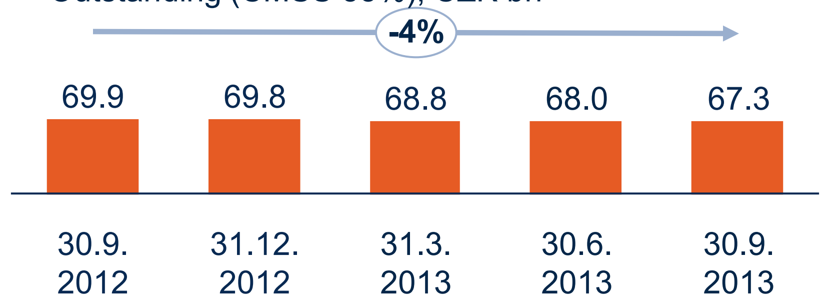
New sales*, CZK bn



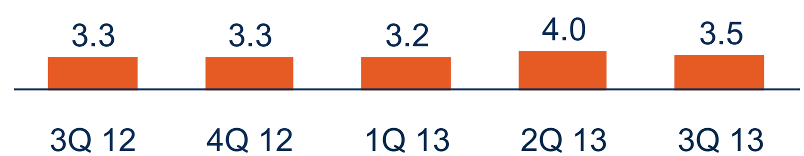
Stable real estate prices, interest rates at record lows and partly **refinancing building savings loans** contributed to a 5% Y/Y growth of outstanding mortgage market. **ČSOB increased volumes by 9%** Y/Y during the same period and strengthened its market leading position.

ČSOB provided CZK 12.4bn (+59% Y/Y) of new mortgages in 3Q 2013, which is the highest quarterly volume in the ČSOB history.

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



New sales (ČMSS 55%)*, CZK bn



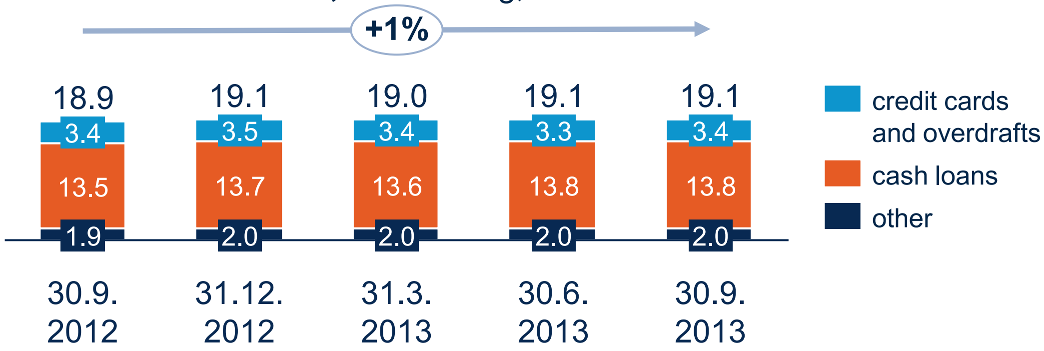
Portfolio of building savings loans decreased Y/Y as clients in general preferred mortgages to building savings loans in a low interest rate environment. As a result, the whole **market of building savings loans declined by 5% Y/Y in 3Q 2013**.

Although outstanding volumes decreased Y/Y, ČMSS strengthened its market share.

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

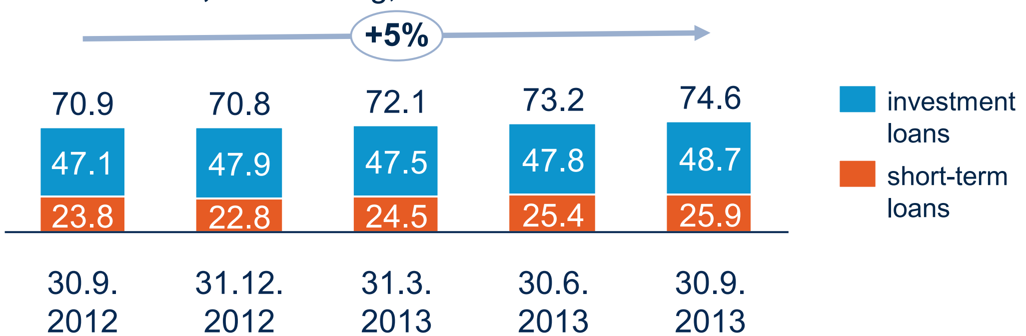
The highest volumes ever reached in SME

Consumer finance, outstanding, CZK bn



In 3Q 2013, ČSOB managed to keep its market share in **consumer finance** on the stagnating market. Successful loan consolidation represents ca. 20% of new sales.

SME loans, outstanding, CZK bn



The **highest volumes** ever reached in SME loans were driven by mid-size and micro companies. Maintaining stable housing loans for building cooperatives, ČSOB confirmed its leading market position in this area.

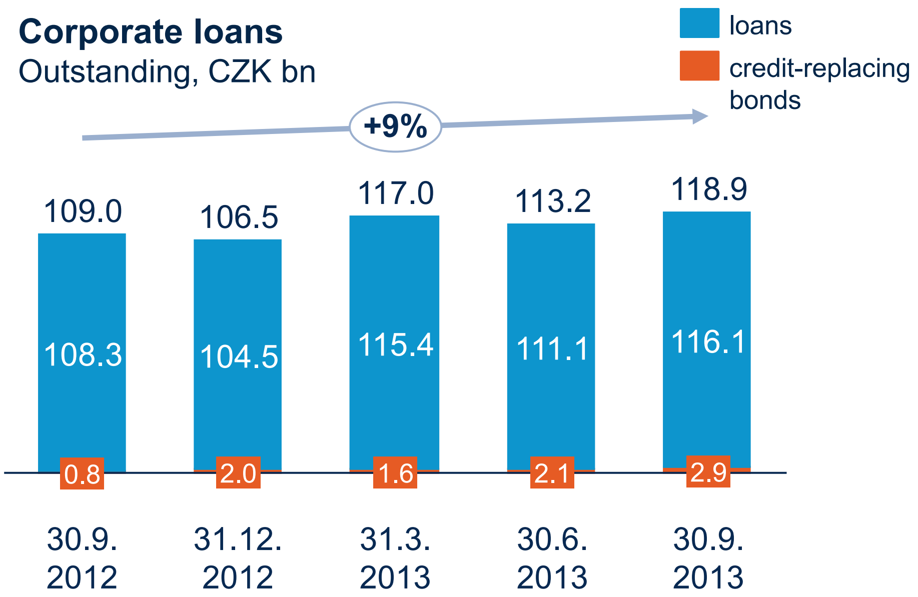
Leasing, outstanding*, CZK bn

ČSOB Leasing improved its market share and strengthened its leading market position. New sales increased by 10% Y/Y, growth was driven by machinery and equipment financing. Besides, cross selling activities supported leasing sales.

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

Acquisition, export and trade finance were the key growth drivers

Corporate loans
Outstanding, CZK bn

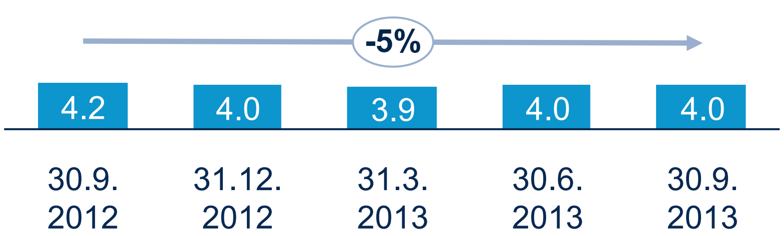


Corporate loans grew by 9% Y/Y strongly driven by specialized finance, especially in areas of acquisition, export and trade finance.

Q/Q increase of credit replacing bonds was linked to issuance of bonds for municipality.

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

Factoring
Outstanding, CZK bn

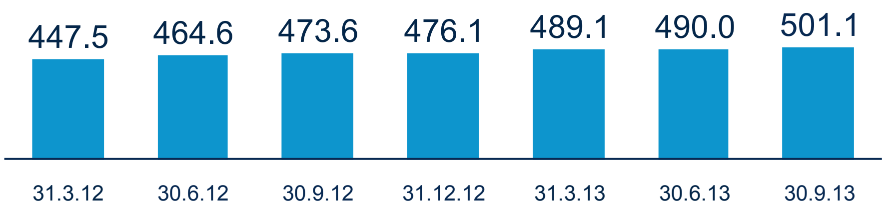


Factoring volumes decreased by 5% Y/Y due to recession/market slowdown, mostly in the metallurgical, engineering, automotive industries and construction.

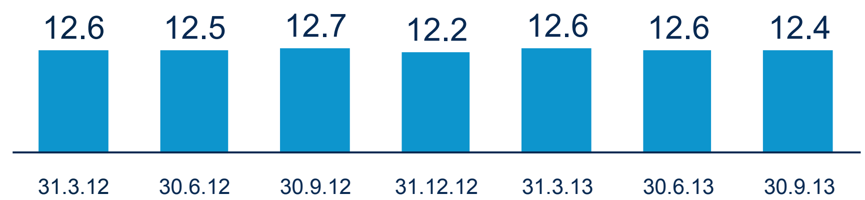
Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300m, local subsidiaries of international groups and selected institutional clients.

Credit risk under control (1/2)

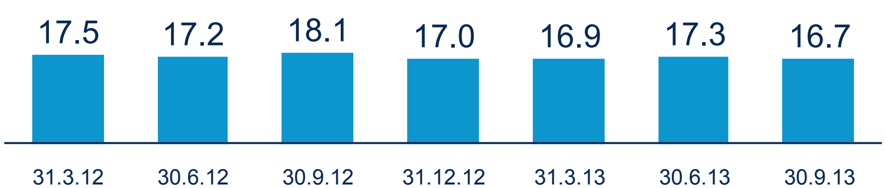
Loan portfolio[1] (CZK bn)



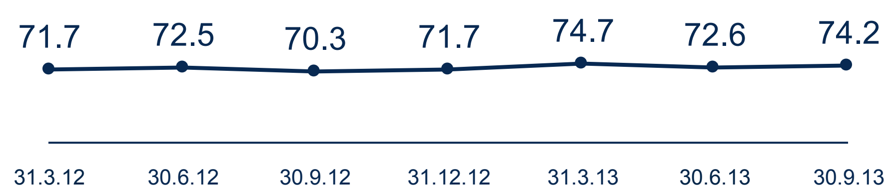
Allowances for loans and leases[3] (CZK bn)



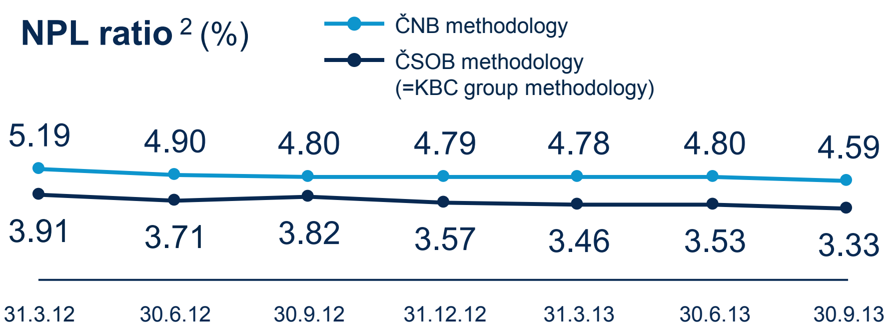
Non-performing loans (CZK bn)



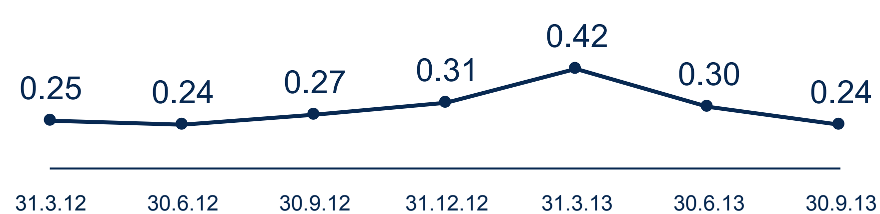
NPL coverage ratio (%)



NPL ratio[2] (%)



Credit cost ratio[4] (%)



[1] *For definition, see Appendix.*
[2] *ČSOB methodology in line with KBC group methodology.*
[3] *Allowances for on-balance sheet items.*
[4] *Ytd. annualized, including off-balance sheet items.*

Credit risk under control (2/2)

Credit costs

- In 9M 2013, impairments on loans and receivables declined to CZK 978m (-7% Y/Y) and the credit cost ratio to 24 bps (Ytd., annualized), i.e. 3 bps lower Y/Y, which thus remained below over-the-cycle level.
- CZK 187m of impairments were created in 3Q 2013 (-57% Y/Y). The Y/Y improvement was caused by releases of impairments linked to a historical file (ca CZK 200m). Lower impairments Y/Y were recorded in mortgages and leasing. Corporate/SME segment and consumer finance remained unchanged from last year.
- Q/Q, credit costs excluding release mentioned above increased as corporate/SME segment had higher impairments in comparison with the 2Q 2013 due to low comparison basis. Consumer finance showed improvement. Mortgages, building savings loans and leasing remained stable.

Non-performing loans

- The NPL ratio decreased Y/Y in all segments. Besides, recovery of the historical file and methodology change in ČMSS contributed to the decrease (see note). The methodology change accounts for one-third of the decrease.
- The Q/Q decrease was caused by a received payment for the historical file as well.
- In comparison with 2Q 2013, the NPL ratios were lower in all segments but building savings loans, which remained broadly stable.

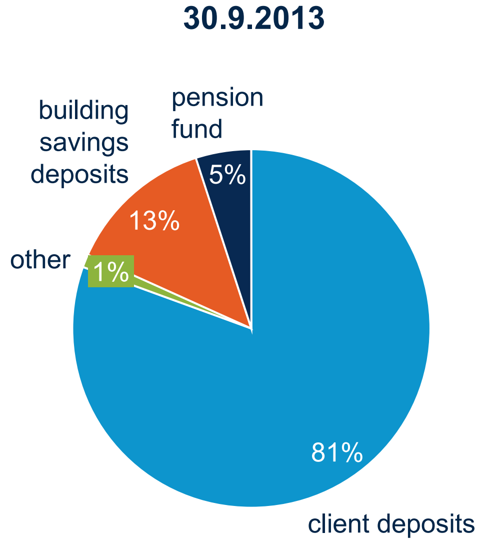
Coverage of non-performing loans

- The provision coverage of NPLs increased Y/Y to 74.2%, partly attributable to ČMSS alignment to ČSOB methodology. Lower non-performing loans mentioned above contributed to the both Q/Q and Y/Y increase of the coverage ratio.
- Housing loans (mortgages and building savings loans), representing more than a half of the ČSOB group's loan portfolio, require less provisioning given the fact they are largely secured by collateral. NPLs from the remaining part of the portfolio are almost or fully covered by allowances, i.e. showing the coverage ratio around 100%.

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

3% Y/Y growth of deposits, excluding outflow from non-banking financial institution

Outstanding volumes, CZK bn	30.9.2012	30.9.2013	Y/Y
Group deposits	**626.7**	**628.2**	**0%**
Client deposits	491.8	506.5	+3%
Current accounts	265.8	278.4	+5%
Savings deposits	204.7	213.8	+4%
Term deposits	21.4	14.3	-33%
Building savings deposits[1]	83.8	82.9	-1%
Pension fund[2]	28.5	31.6	+11%
Other[3]	22.6	7.2	-68%

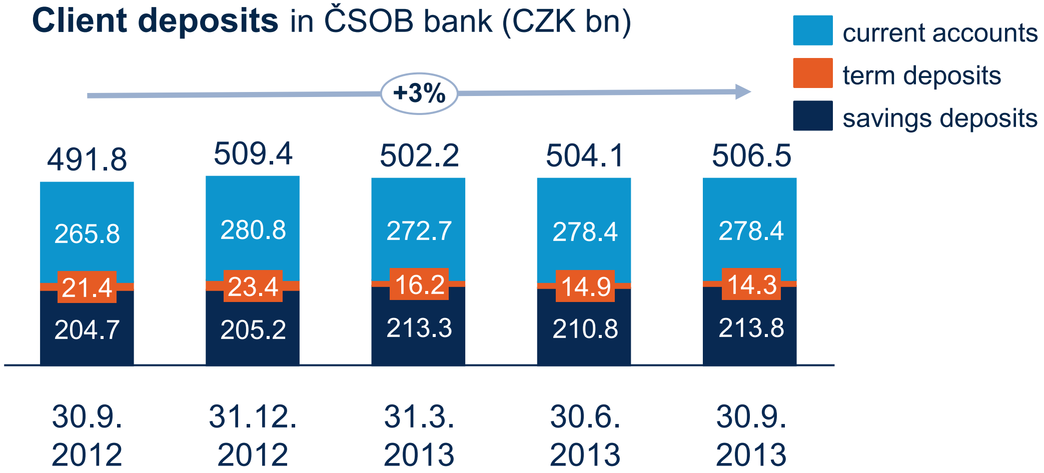


[1] The ČSOB group building savings deposits are in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated balance sheet.
[2] Liabilities to pension fund policy holders.
[3] Repo operations with non-banking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

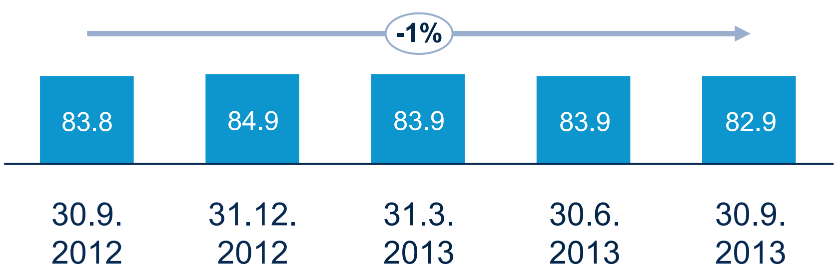
Group deposits

Both retail and corporate/SME deposits grew Y/Y as well as Q/Q

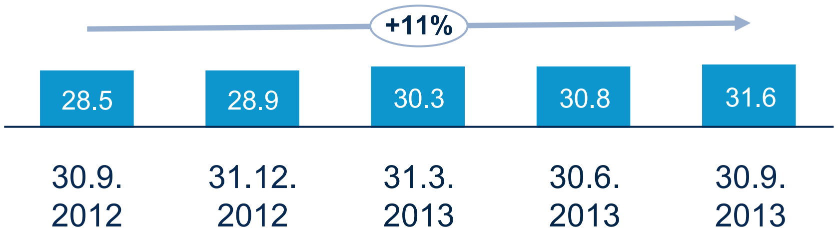
Client deposits in ČSOB bank (CZK bn)



Building savings deposits (CZK bn)



Pension fund (CZK bn)



The Y/Y growth was visible in both retail and corporate/SME area. Within the total client deposits, **saving deposits showed 4% Y/Y** and **current accounts 5% Y/Y growth**. On the other hand, term deposits decreased by 33% Y/Y, but from very low basis compared to the other two categories.

The **Q/Q increase in current accounts as well as saving accounts volumes** is thanks to both retail and corporate/SME.

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

The **Y/Y increase of the pension fund** was driven mainly by the growth of assets in transformed fund. The growth was stemming from stable portfolio of clients and the fact, that two-thirds of clients increased their monthly contribution.

ČSOB group's distribution platform

ATM network enlarged, branch network further optimized

	30.9.2012	30.9.2013
Retail/SME branches and advisory centers	576	562
ČSOB Retail/SME branches	242	237
PSB branches ("Era Financial Centers")	70	74
ČMSS advisory centers	151	138
Hypoteční banka centers	27	27
ČSOB Pojišťovna branches	86	86
Leasing branches	13	11
ČSOB corporate branches	11	11
PSB outlets of the Czech Post network	ca. 3,200	ca. 3,100
ATMs	890	944
ČSOB's clients (bank only, mil.)	3.0	3.0

ČSOB further **enlarged its ATM network**. During the last 12 months, clients could use 54 new ATMs, 5 of them were added in 3Q 2013. Number of deposit enabling ATM increased to 89 from 68 last year.

Due to optimalization of the branch network in order to make it even more effective, some branches were closed and few new ones were opened. Number of ČSOB retail/SME branches decreased by 5 over the last twelve months.

The **number of ČSOB's clients** (bank only) remained flat Y/Y. Note than ČSOB has started to use new methodology for client calculation, which further limits existing duplicities.

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

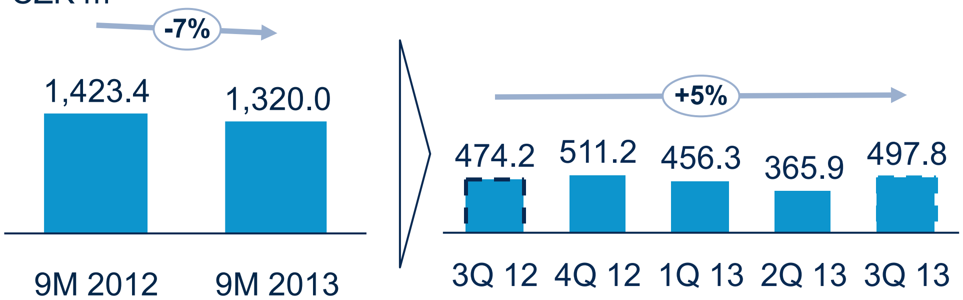
ČSOB Pojišťovna: Key Figures

Insurance

Non-life result impacted by floods

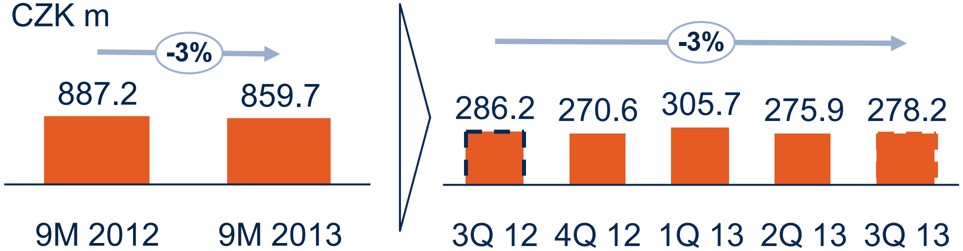
Operating income

CZK m



Operating expenses

CZK m

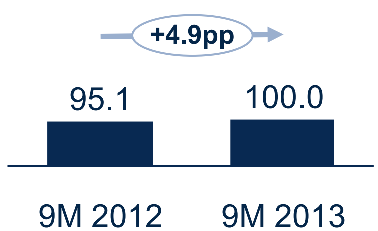


9M/3Q 2013 **net profit reached CZK 390m** (-4% Y/Y) and **CZK 178m** (+21% Y/Y), respectively. 9M 2013 was negatively influenced by higher claims in non-life area mainly floods in June. Adjusting for the latter, net profit increased by +19% Y/Y thanks to good technical result in life area and profit on financial investments.

9M/3Q 2013 **technical result in non-life segment declined to CZK 99m** (-57% Y/Y) and **increased to CZK 76m** (+32% Y/Y). 9M 2013 technical result was impacted by floods and continuing price competition in motor and industrial risks area. Besides, higher claims in the motor insurance area and higher contribution to Czech insurers' bureau reserve fund (both 1Q 2013) contributed to a lower result of the segment. As a result, the non-life combined ratio deteriorated by 5 pp (1 pp without the floods effect).

9M/3Q 2013 **technical result in the life segment increased to CZK 399m** (+19% Y/Y) and **CZK 156m** (+12% Y/Y) mainly thanks to favorable technical performance (better claims handling in daily allowance risk), and better financial income (sale of selected bonds from the portfolio and higher net FX/interest income).

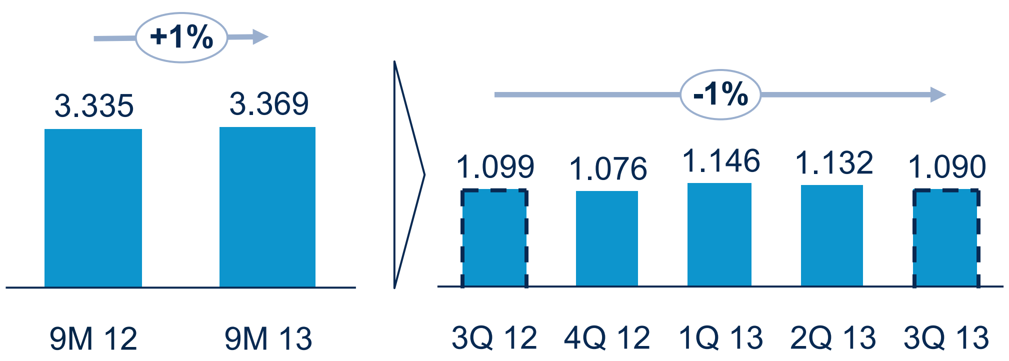
Combined ratio non-life (%)



Solvency ratio (%)

Regular paid life and non-life insurance stable, single paid life below strong 2012 sales

Gross written premium – non-life insurance
CZK bn

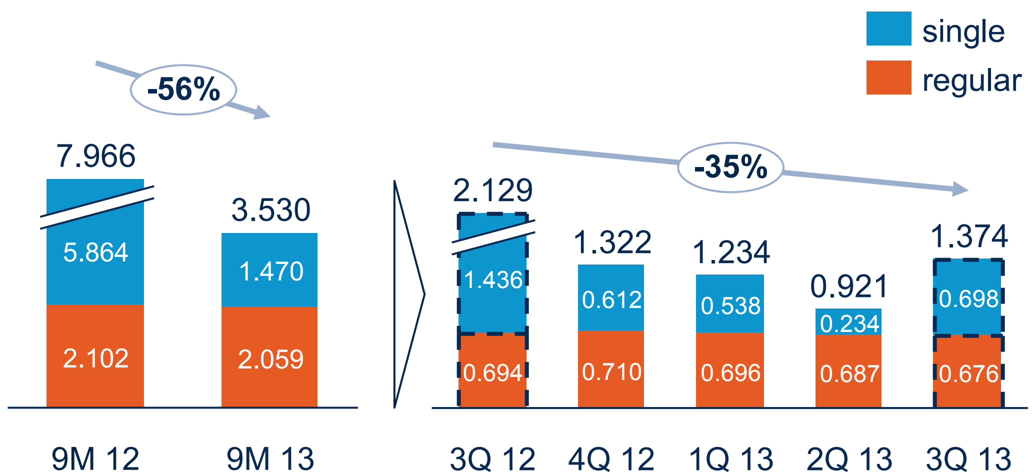


Market shares	3Q 2013	Market position
Non-life	⬀ 6.4%	6th
Life insurance	⬂ 6.4%	5th

Arrows show Y/Y change.

Non-life insurance:
9M/3Q 2013 sales of non-life insurance remained flat Y/Y thanks to sales of car fleets and households business.

Gross written premium – life insurance
CZK bn



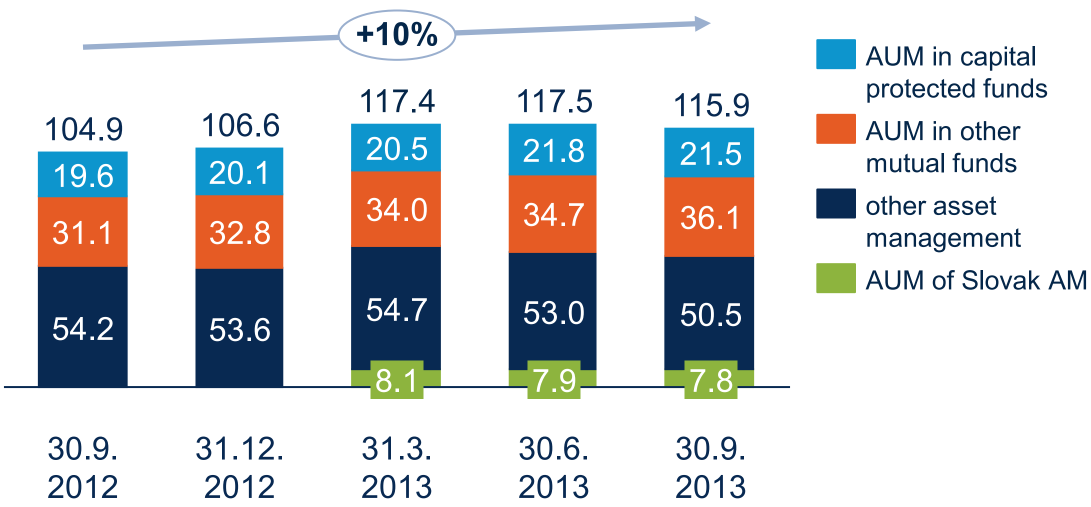
Life insurance:
9M/3Q 2013 confirmed the stable development in the **regularly paid** gross written premium. Higher sales of unit linked life insurance were fully offset by lower sales of universal life insurance.

The 9M/3Q Y/Y decline in **single paid** gross written premium 2013 was negatively influenced by good sales of Maximal Invest in 2012 and the fact that worse market conditions did not bring enough investment opportunities in 2013.

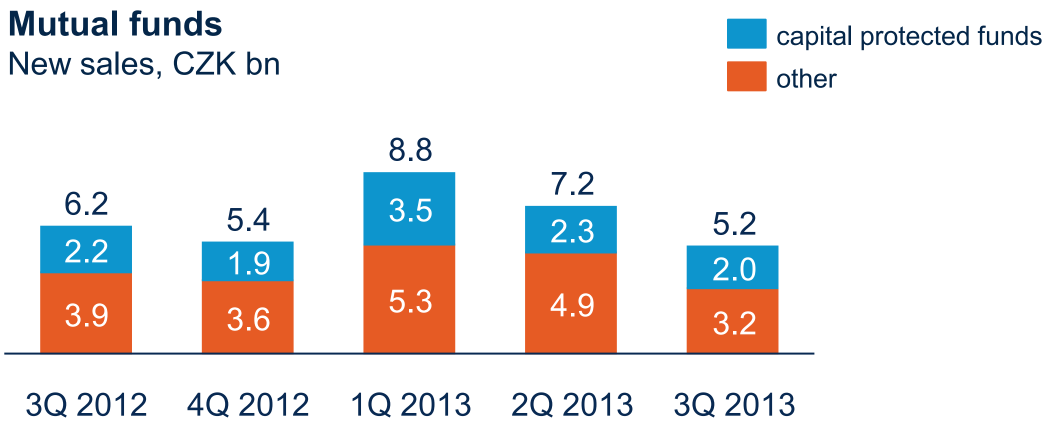
ČSOB Asset Management: Key Figures

Strong demand for mixed funds with protection

Assets under management
Outstanding volumes, CZK bn



Mutual funds
New sales, CZK bn



The ČSOB group is keeping its **number 1 position in the funds market.**
AUM increased by 10% Y/Y (3% Y/Y adjusting for takeover of Slovak AM). Assets grew thanks to higher volumes of new sales exceeding outflows from matured funds and partly thanks to good performance.

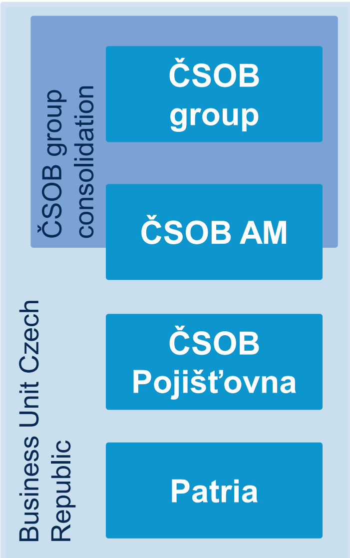
In 3Q 2013, new sales were **down by 16% Y/Y**. The strongest demand was for **mixed funds**, especially funds with a conservative profile, where clients purchased funds with a 95% capital protection with a better return potential, and **capital protected funds**. Interest in equity, money market and bond funds was lower.

Q/Q, the sales were lower due to lower sales in summer months.

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

Business Unit Czech Republic

9M 2013 net profit slightly weaker, while 3Q 2013 better



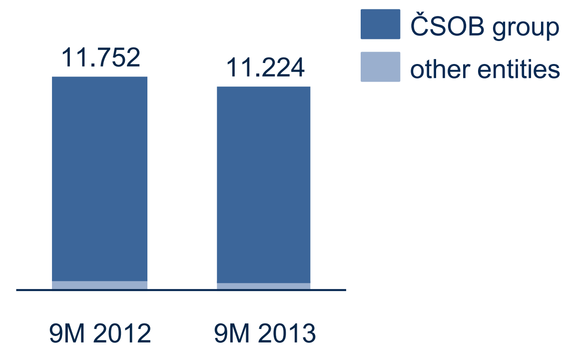
Effective as of 1 January 2013, KBC has organized its core markets activities into three business units. As a result, all KBC's business in the Czech Republic have been included into the newly established Business Unit Czech Republic. In addition to the ČSOB group, it also includes ČSOB Pojišťovna, ČSOB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

The 9M/3Q 2013 net profit of the Business Unit Czech Republic, which contains all KBC's operations in the Czech Republic, namely the ČSOB group, ČSOB Pojišťovna, ČSOB Asset Management (ČSOB AM) and Patria, decreased to **CZK 11.2bn** (-4% Y/Y) but increased to **CZK 4.1bn** (+8% Y/Y) respectively.

The ČSOB group consists of ČSOB bank (including Era and Postal Savings Bank), Hypoteční banka, ČMSS, ČSOB Penzijní společnost, ČSOB Leasing and ČSOB Factoring.

Net profit of the Business Unit Czech Republic

CZK bn



Net profit (CZK bn)	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	3Q/3Q	9M 2012	9M 2013	9M/9M
ČSOB group[1)]	3.586	2.638	3.228	3.658	3.854	+7%	11.226	10.741	-4%
ČSOB Pojišťovna	0.141	0.215	0.125	0.087	0.178	+26%	0.405	0.390	-4%
ČSOB AM	0.032	0.029	0.034	0.030	0.032	-2%	0.101	0.095	-6%
Patria[2)]	-0.002	-0.008	-0.001	-0.002	0.001	N/A	0.020	-0.002	N/A
Total	**3.757**	**2.874**	**3.386**	**3.773**	**4.065**	**+8%**	**11.752**	**11.224**	**-4%**

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

Appendix

Ratios and other indicators

Ratio / Indicator	31. 12. 2009	31. 12. 2010	31. 12. 2011	31. 12. 2012	9M 2012	9M 2013
Net interest margin (Ytd., annualized, %)	N/A	3.36	3.39	3.21	3.27	3.05
Cost / income ratio (%)	34.4	44.0	46.7	45.9	44.8	45.6
RoE (Ytd., %)	28.3	20.3	17.9	22.8	23.6	19.5
RoA (Ytd., %)	2.00	1.55	1.23	1.63	1.64	1.52
RoAC, BU Czech Republic (Ytd., %)	N/A	N/A	N/A	35.1	36.9	36.2
Credit cost ratio (%, annualized)	1.12	0.75	0.36	0.31	0.27	0.24
NPL ratio (%)	3.35	4.05	3.88	3.57	3.82	3.33
NPL ratio (ČNB definition, %)	4.75	5.83	5.19	4.79	4.80	4.59
NPL coverage ratio (%)	79.2	76.7	73.5	71.7	70.3	74.2
Core Tier 1 ratio (Basel II, %)	11.9	14.2	11.7	13.0	12.5	16.1
Total capital ratio (Basel II, %)	15.0	18.0	15.5	15.2	14.6	16.3
Solvency (Solvency I, %)	263.9	236.5	244.4	255.4	248.5	237.0
Leverage ratio (Basel III, %)	N/A	4.50	3.96	4.73	4.87	5.95
Net stable funding ratio (Basel III, %)	N/A	137.7	133.6	133.2	127.2	135.3
Liquidity coverage ratio (Basel III,%)	N/A	N/A	220.4	336.1	230.2	262.2
Loan to deposit ratio (%)	71.1	68.5	72.7	75.2	76.0	80.5

Profit and loss statement

(CZK m)	3Q 2012	2Q 2013	3Q 2013	Y/Y	Q/Q	9M 2012	9M 2013	Y/Y
Interest income	*8 215*	*7 736*	*7 493*	*-9%*	*-3%*	*24 873*	*22 895*	*-8%*
Interest expense	*-1 903*	*-1 607*	*-1 401*	*-26%*	*-13%*	*-5 946*	*-4 650*	*-22%*
Net interest income	6 312	6 129	6 092	-3%	-1%	18 927	18 245	-4%
Net fee and commission income	1 434	1 408	1 475	+3%	+5%	4 229	4 380	+4%
Net gains from financial instruments at FVPL	525	706	591	+13%	-16%	1 917	1 699	-11%
Other operating income	206	255	268	+30%	+5%	473	837	+77%
Operating income	**8 477**	**8 498**	**8 426**	**-1%**	**-1%**	**25 546**	**25 161**	**-2%**
Staff expenses	-1 746	-1 734	-1 766	+1%	+2%	-5 109	-5 265	+3%
General administrative expenses	-1 875	-1 929	-1 764	-6%	-9%	-5 682	-5 590	-2%
Depreciation and amortisation	-210	-211	-208	-1%	-1%	-650	-626	-4%
Operating expenses	**-3 831**	**-3 874**	**-3 738**	**-2%**	**-4%**	**-11 441**	**-11 481**	**0%**
Impairment losses	-456	-226	-187	-59%	-17%	-789	-982	+24%
Impairment on loans and receivables	*-434*	*-227*	*-187*	*-57%*	*-18%*	*-1 057*	*-978*	*-7%*
Impairment on available-for-sale securities	*0*	*0*	*0*	*N/A*	*N/A*	*-3*	*0*	*N/A*
Impairment on other assets	*-22*	*1*	*0*	*N/A*	*N/A*	*271*	*-4*	*N/A*
Share of profit of associates	50	11	14	-72%	+27%	146	39	-73%
Profit before tax	**4 240**	**4 409**	**4 515**	**+6%**	**+2%**	**13 462**	**12 737**	**-5%**
Income tax expense	-603	-739	-672	+11%	-9%	-1 940	-1 982	+2%
Profit for the period	**3 637**	**3 670**	**3 843**	**+6%**	**+5%**	**11 522**	**10 755**	**-7%**
Attributable to:								
Owners of the parent	**3 634**	**3 674**	**3 847**	**+6%**	**+5%**	**11 516**	**10 758**	**-7%**
Non-controlling interests	3	-4	-4	N/A	0%	6	-3	N/A

Notes: FVPL = fair value through profit and loss.
Other operating income = Net realised gains on available-for-sale fin. assets, dividend income, other net income.

Balance sheet - assets

(CZK m)	30/09 2012	31/12 2012	30/09 2013	Ytd.
Cash and balances with central banks	18 709	28 293	29 592	+5%
Financial assets held for trading	165 909	162 265	140 644	-13%
Financial assets designated at fair value through P/L	8 369	7 352	7 402	+1%
Available-for-sale financial assets	93 334	91 904	81 817	-11%
Loans and receivables - net	479 296	479 516	502 976	+5%
Loans and receivables to credit institutions - gross	*22 522*	*24 461*	*26 466*	*+8%*
Loans and receivables to which other than credit institutions - gross	*469 492*	*467 250*	*488 900*	*+5%*
Allowance for impairment losses	*-12 718*	*-12 195*	*-12 390*	*+2%*
Held-to-maturity investments	136 736	138 437	146 723	+6%
Fair value adjustments of the hedged items in portfolio hedge	864	1 030	660	-36%
Derivatives used for hedging	13 159	14 453	10 026	-31%
Current tax assets	25	17	79	>+100%
Deferred tax assets	87	88	93	+6%
Investments in associate	116	126	111	-12%
Investment property	486	430	292	-32%
Property and equipment	8 013	8 045	7 931	-1%
Goodwill and other intangible assets	3 223	3 093	3 214	+4%
Non-current assets held-for-sale	1 368	85	193	>+100%
Other assets	2 035	2 040	1 992	-2%
Total assets	**931 729**	**937 174**	**933 745**	**+0%**

Decrease due to lower money market loans, derivatives, bonds and reverse repos.

A decrease of bonds in AFS portfolio due to reclassification of some bonds from AFS into HTM portfolio.

Change of revaluation due to changes in interest rates in the market and changes in portfolios of hedging derivatives.

Balance sheet - liabilities and equity

(CZK m)	30/09 2012	31/12 2012	30/09 2013	Ytd.
Financial liabilities held for trading	139 973	133 587	131 422	-2%
Financial liabilities at amortised cost	697 567	703 792	699 867	-1%
of which Deposits received from central banks	*492*	*492*	*492*	*0%*
of which Deposits received from credit institutions	*34 630*	*35 365*	*42 747*	*+21%*
of which Deposits received from other than credit institut.	*626 749*	*629 622*	*628 239*	*0%*
of which Debt securities in issue	*27 713*	*30 330*	*28 389*	*-6%*
of which Subordinated liabilities	*7 983*	*7 983*	*0*	*-100%*
Fair value adjustments of the hedged items in portfolio hedge	1 057	1 741	-92	N/A
Derivatives used for hedging	8 303	9 166	8 563	-7%
Current tax liabilities	485	772	726	-6%
Deferred tax liabilities	2 326	2 532	2 328	-8%
Provisions	974	935	808	-14%
Other liabilities	11 510	10 508	12 346	+17%
Total liabilities	**862 195**	**863 033**	**855 968**	**-1%**
Share capital	5 855	5 855	5 855	0%
Share premium account	7 509	7 509	15 509	>+100%
Statutory reserve	18 687	18 687	18 687	0%
Retained earnings	28 836	32 611	30 049	-8%
Available-for-sale reserve	5 534	5 701	4 921	-14%
Cash flow hedge reserve	2 886	3 567	2 543	-29%
Foreign currency translation reserve	0	0	1	N/A
Parent shareholders' equity	**69 307**	**73 930**	**77 565**	**+5%**
Minority interest	227	211	212	0%
Total equity	**69 534**	**74 141**	**77 777**	**+5%**
Total liabilities and equity	**931 729**	**937 174**	**933 745**	**0%**

Repayment of subordinated debt.

Capital increase by CZK 8bn.

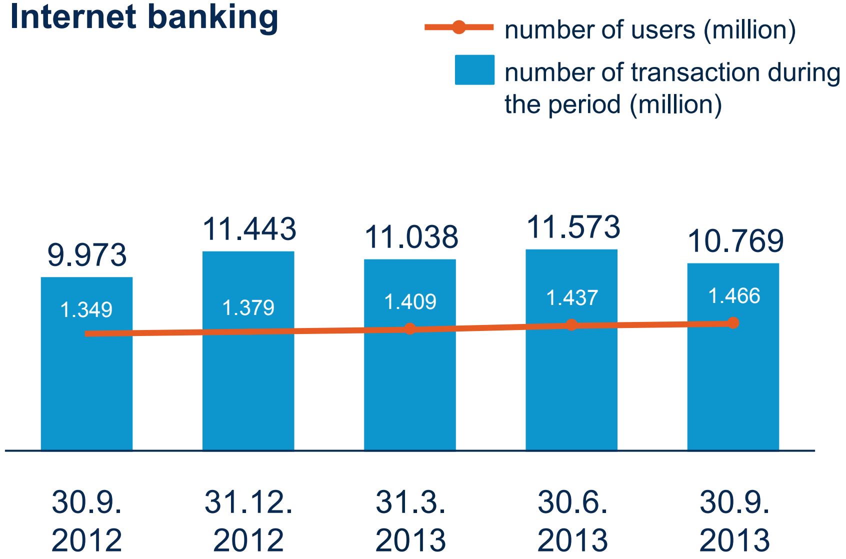
Other information

Non-performing loans

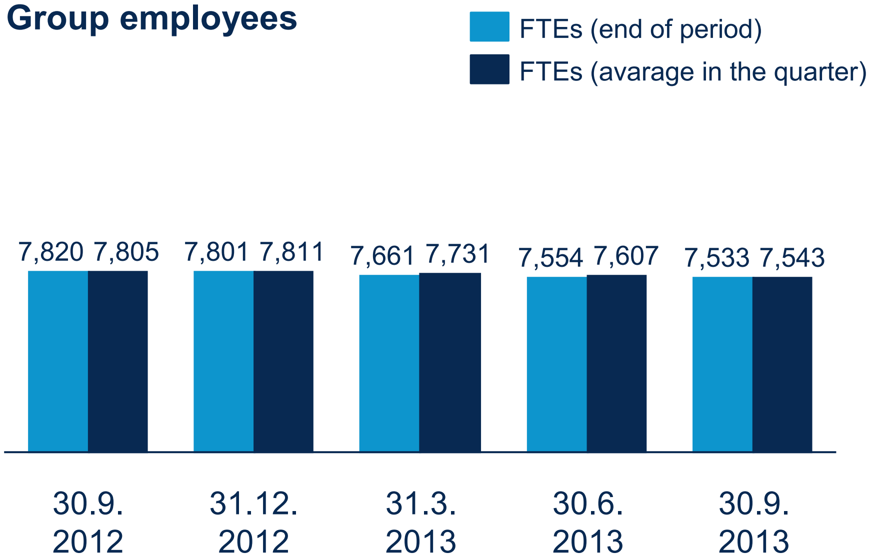
	30. 9. 2012		30. 9. 2013	
PD rating distribution	Amount (CZK bn)	Share on total loans	Amount (CZK bn)	Share on total loans
Total loans	473.6	100%	501.1	100%
Normal (PD 1-7)	439.3	93%	466.7	93%
Asset quality review (PD 8-9)	11.5	2%	11.4	2%
Uncertain performing (PD 10)	4.7	1%	6.3	1%
Uncertain non-performing (PD 11)	4.7	1%	2.8	1%
Irrecoverable (PD 12)	13.4	3%	13.9	3%

ČNB methodology of NPL: PD10, PD11 and PD12, ČSOB methodology of NPL: PD11 and PD12.

Internet banking



Group employees



Credit rating and shareholder structure

ČSOB’s credit ratings

As at 14 November 2013

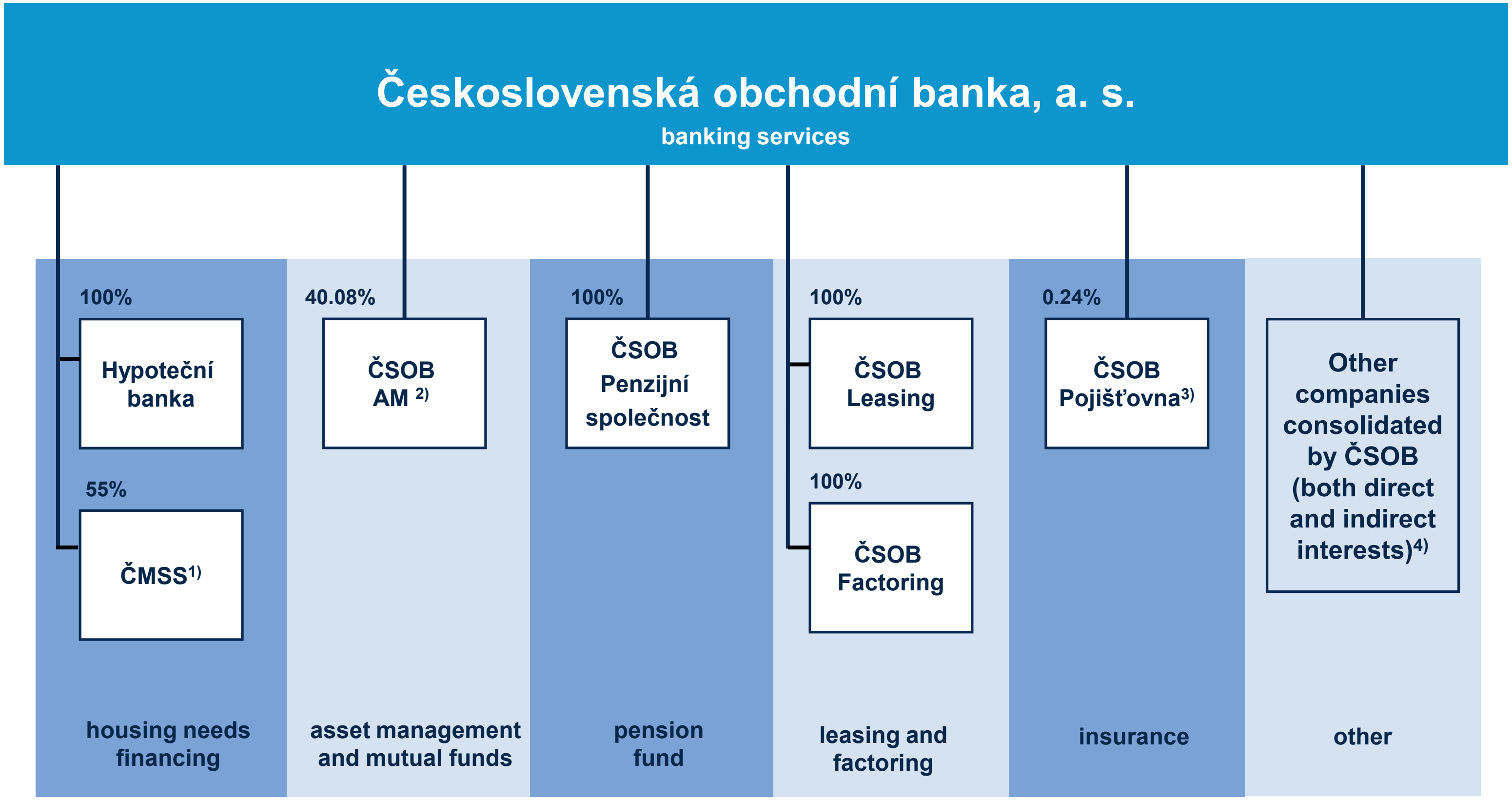
Rating agency	Moody’s		Fitch	
	Long-term rating:	**A2**	**Long-term rating:**	**BBB+**
	Outlook:	negative	Outlook:	stable
	Short-term rating:	Prime-1	Short-term rating:	F2
	Financial strength:	C-	Viability rating:	bbb+
			Support:	2
LT rating valid since		20 June 2012		3 February 2012
Last confirmation		20 September 2013		1 October 2013

Shareholder structure

As at 30 September 2013, ČSOB’s share capital was CZK 5,855,000,020 and comprised of 292,750,001 ordinary bearer shares with a nominal value of CZK 20 each. (On 11 July 2013, KBC Bank NV as ČSOB’s sole shareholder decided on increase in share capital of ČSOB by CZK 20, under the following conditions: increase of share capital was made by subscription of one piece of common uncertificated bearer share with a nominal value of CZK 20, issue price of the subscribed share is CZK 8,000,000,000, whereas CZK 7,999,999,980 is a share premium.)

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

The ČSOB group in the Czech Republic



Percentages show ownership interests on company's equity as at 30 September 2013.

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

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

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

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

Market shares definitions and sources

Item	Definition	Source
Total deposits	Total bank deposits (excl. repo with MF CR including unmarketable bills of exchange) + 55% of ČMSS deposits + AUM of Pension fund	ČNB (Time series ARAD), ČSOB
Building savings loans	Outstanding volumes of building savings loans, ČMSS 100%	ČNB (ARAD), ČMSS
Building savings deposits	Deposits of buildings savings clients, ČMSS 100%	ČNB (ARAD), ČMSS
Mutual funds	AUM in both Czech and foreign funds at the given date, including institutional funds and third parties funds; according to AKAT methodology	Association for Capital Market (AKAT)
Total Loans	Outstanding volumes of consumer loans and other retail loans + 55% of building savings loans + mortgages for private individuals + CORP/SME loans	ČNB (ARAD), Ministry for Regional Development, HB, ČSOB, ČMSS
Leasing	Volume of newly granted loans (leasing of movables, commercial loans and consumer loans); related to the relevant market comprising both banks and non-banking institutions	Association of Leasing and Factoring Companies ČR (ČLFA)
Mortgages	Outstanding volumes; mortgages for private individuals excl. home-equity consumer loans and mortgages for non-housing real estate purposes, consumer loans for house purchase, according to ČNB definition	ČNB (ARAD), HB, ČSOB
Factoring	Volume of new business	ČLFA
Pension fund	Number of clients at the given date	Association of Pension Funds, ČSOB PF
CORP/SME loans	Remaining loans that are not reported in any of the retail loans categories (loans to other than households)	ČNB (ARAD), ČSOB
Consumer loans	Outstanding volume of cash loans, credits cards, overdrafts, consumer loans on real estate and American mortgages.	ČNB (ARAD), ČSOB

Glossary - ratios

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

Glossary - other definitions

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

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