4Q 2011 Results
ČSOB Group
Czech Republic

EU IFRS Unaudited Consolidated

Presentation for analysts
9 February 2012

Contents

1. Highlights

Measures of sustainable performance:
Consistent business profitability and resilience

Key indicators		2008	2009	2010	2011
Profitability	underlying* net profit (CZK bn) *reported net profit (CZK bn)*	12.6 *1.0*	10.5 *17.4*	13.0 *13.5*	11.2 *11.2*
	underlying* RoE	21.6%	17.1%	19.6%	18.0%
Liquidity	loan/deposit ratio *net stable funding ratio*	75.2%	71.1%	68.5% *137.7%*	72.7% *135.1%*
Capital	Tier 1 ratio	8.9%	11.9%	14.2%	11.7%
Credit costs	credit cost ratio	0.59%	1.12%	0.75%	0.36%
Cost efficiency	underlying* cost/income ratio	46.9%	43.4%	44.7%	45.6%

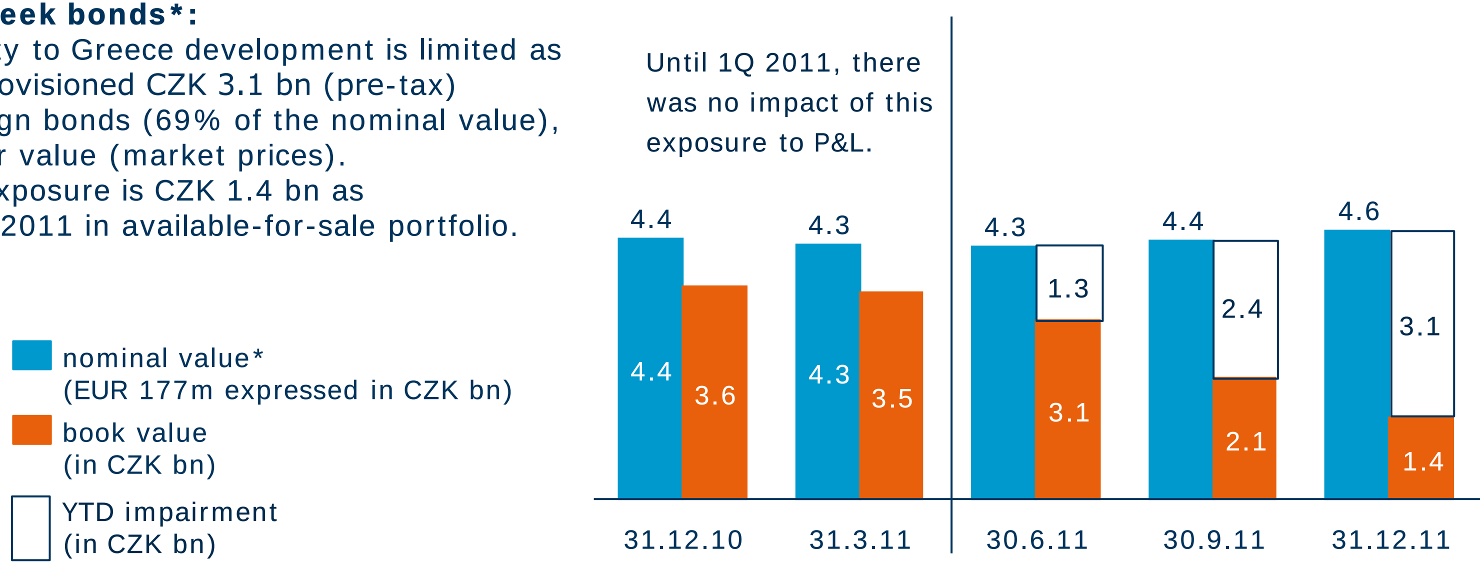
** Excluding extraordinary items. However, impairment on AFS portfolio (which includes Greek bonds) is part of the underlying P&L.*

4Q 2011 at a glance:
Extended trajectory of business growth

- In 4Q 2011, the **ČSOB group's reported net profit came in at CZK 2.3 bn and underlying net profit at CZK 2.4 bn**, (both including impairment of Greece).
  - While the profitability of the core customer business was further growing, an impairment on Greek bonds in the AFS portfolio bit CZK 0.6 bn off the net profit, making reported profit 30% lower than the same period a year ago.
- 4Q 2011 demonstrated **strong development of business activities**.
  - **Loan portfolio** has been rising for six consecutive quarters to reach CZK 441.1 bn (+ 10% Y/Y), with acceleration in 2H 2011 thanks to corporate loans (+ 25% Y/Y) and mortgages (+ 13% Y/Y).
  - **Deposits** have climbed to CZK 611.6 bn (+ 3% Y/Y).
  - Despite the **de-risking of balance sheet**, NII increased by 1% Y/Y driven by business volumes growth and maintained margins.
- In 4Q 2011, operating expenses decreased by 1% Y/Y despite continuing selective investment activities in ICT area and human resources.
- **Credit costs increased** by one-third to CZK 0.8 bn of the 4Q 2010 figure due to revaluation of mortgage portfolio, and in contrast to previous quarters, there were no releases of allowances in SME.
- The ČSOB group maintains **strong capital and liquidity position**.
  - Total capital ratio stands at 15.6% and the (core) Tier 1 ratio at 11.7% as of 31 December 2011.
  - Loan to deposit ratio stands at 72.7% and net stable funding ratio at 135.1% as of 31 December 2011.
- In 2011, ČSOB further improved its **services for clients**.
  - For example, ČSOB was the first large Czech bank to launch a confirmation of Internet payments by a SMS or a smart banking application for smart phones/tablets.

69% of exposure to Greece impaired

- **Exposure to Greek bonds*:**
  Further sensitivity to Greece development is limited as ČSOB already provisioned CZK 3.1 bn (pre-tax) of Greek sovereign bonds (69% of the nominal value), reflecting the fair value (market prices).
  The remaining exposure is CZK 1.4 bn as of 31 December 2011 in available-for-sale portfolio.

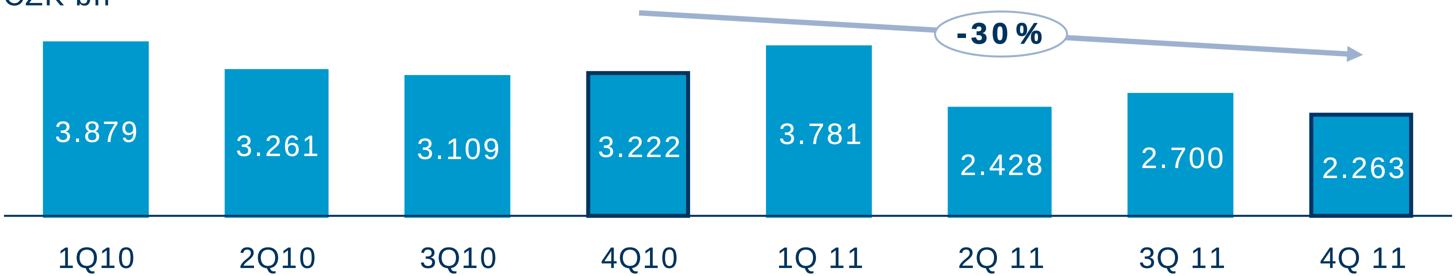


- **Exposure to other selected Southern European countries and Ireland:**
  ČSOB has no exposure to Ireland and Portugal. Book value of ČSOB's Italian bonds is CZK 0.94 bn and Spanish bonds CZK 0.61 bn. The book value of these bonds (which reflects their amortized cost) is close to the fair value.

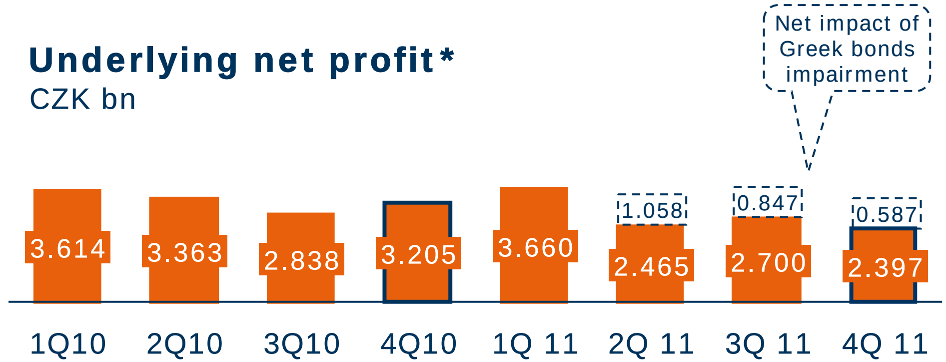
**Note: The value in EUR remains the same, the difference in CZK is due to exchange rate.*

Net profit:
Impacted by Greek impairment

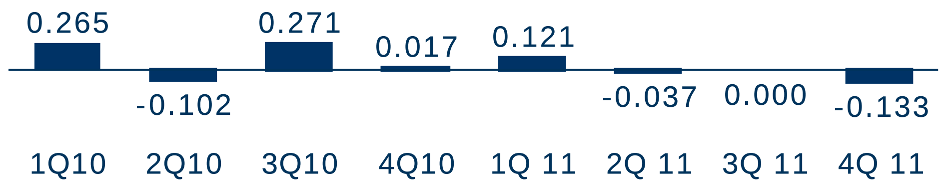
Reported net profit
CZK bn



Underlying net profit*
CZK bn



Extraordinary items
CZK bn



As a result of impairment on Greek bonds, 4Q 2011 reported net profit decreased by 30% and underlying net profit by 25% Y/Y.

Extraordinary items in 2011 was mainly due to revaluation of bonds in the FVPL portfolio and non-hedging derivatives.

** According to KBC group-wide methodology, impairments on the AFS portfolio (which includes the Greek bonds) are not treated as extraordinary items but are included in the underlying P&L.*

Financial ratios:
Consistent business profitability and resilience

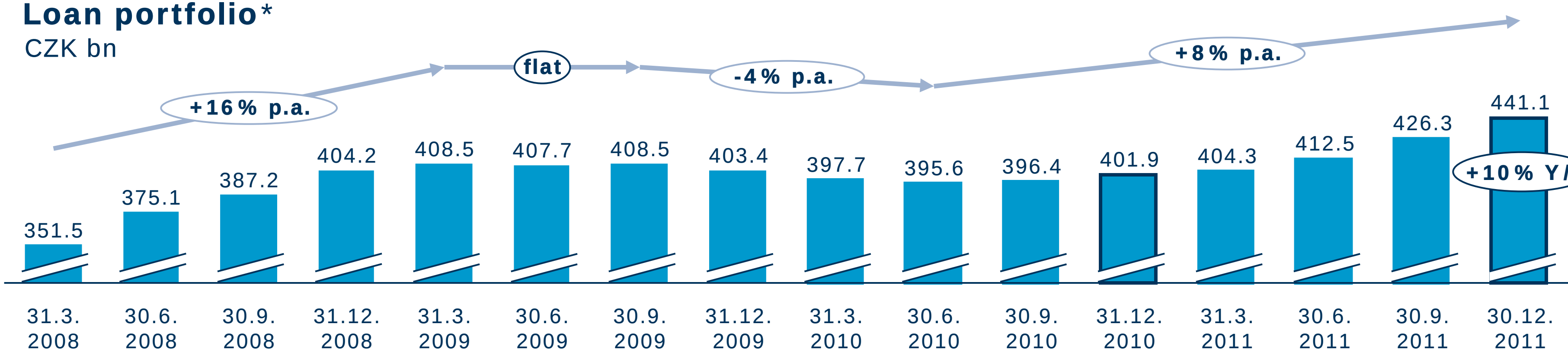
Profitability	FY 2010	FY 2011	Y/Y
Net interest margin	3.36%	3.35%	-1 bps
Cost/income (underlying)	44.7%	45.6%	+0.9 pp
Cost/income (reported)	44.0%	45.4%	+1.4 pp
RoE (underlying)	19.6%	18.0%	–1.6 pp
RoE (reported)	20.3%	17.9%	–2.4 pp
RoA (underlying)	1.50%	1.24%	–0.26 pp
RoA (reported)	1.55%	1.23%	–0.32 pp

Risk management	31.12.2010	31.12.2011	Y/Y
Asset quality			
Credit cost ratio	0.75%	0.36%	–39 bps
NPL ratio	4.05%	3.88%	–0.17 pp
NPL coverage ratio	76.7%	73.5%	–3.2 pp
Capital adequacy			
Core tier 1 ratio = Tier 1 ratio (Basel II definition)	14.19%	11.65%	-2.54 pp
Total capital ratio (Basel II definition)	18.03%	15.59%	-2.44 pp
Solvency ratio – insurance (Solvency I definition)	236.5%	244.4%	+7.9 pp
Leverage ratio (Basel III definition)	4.50%	3.96%	-0.54pp
Liquidity			
Net stable funding ratio (Basel III definition)	135.1%	137.3%	- 2.2 pp
Loan to deposit ratio	68.5%	72.7%	+4.2 pp

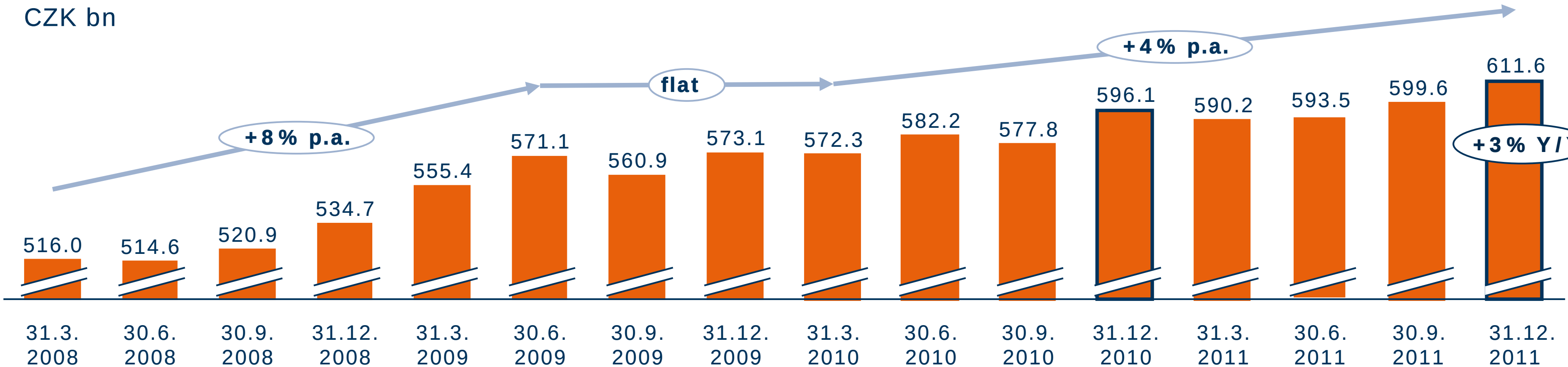
Note: For definitions of the ratios see Appendix.

Lending and deposits:
Strong growth of business, both lending and deposits

Loan portfolio*
CZK bn



Group deposits**
CZK bn

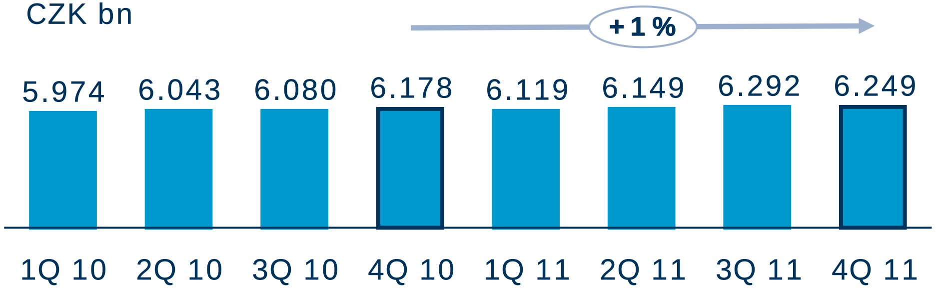


** Item Loans and receivables minus exposure to banks from inter-bank transactions plus credit replacing bonds.*
*** Item "Deposits received from other than credit institutions" from the consolidated balance sheet.*

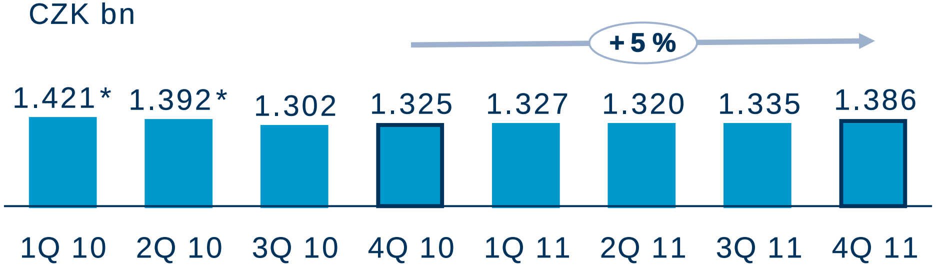
2. Analysis of underlying results

Operating income – underlying:
Impact of de-risking of balance sheet and loan growth

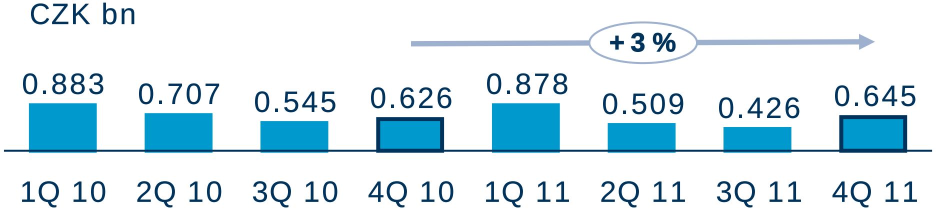
Net interest income (NII)
CZK bn



Net fee and commission income (NFCI)
CZK bn



Other**
CZK bn



The 4Q 2011 operating income increased by 2% Y/Y as the growth of net interest income was supported by an increase in the net fee and commission income.

The NII increased by 1% Y/Y. The growth was driven by the volume of customer loans (especially mortgages and corporate loans). Reduction of selected sovereign bonds had on the other hand negative impact on NII.

NFCI increased by 5% due to higher fees from payment cards and mortgage fees. However the whole year 2011 is below 2010 due to higher deposit insurance premium paid since mid-2010.

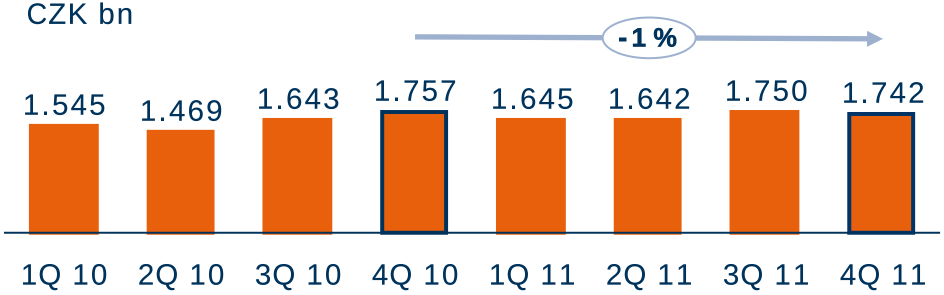
Other operating income increased by capital gains of securities sales.

** In 1H 2010, NFCI was higher due to lower payments to the deposit insurance fund (by CZK 161 m) as the annual deposit insurance premium went up from 10 to 16 bps effective since mid-2010.*

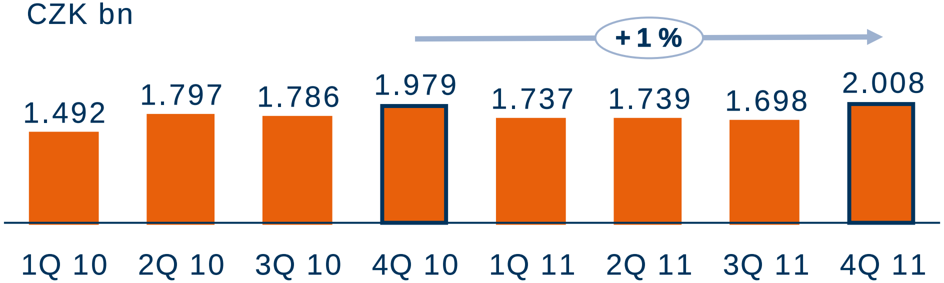
*** Other = Net gains from financial instruments at FVPL + net realized gains on available-for-sale financial assets + dividend income + other net income.*

Operating expenses:
Cost cautiousness

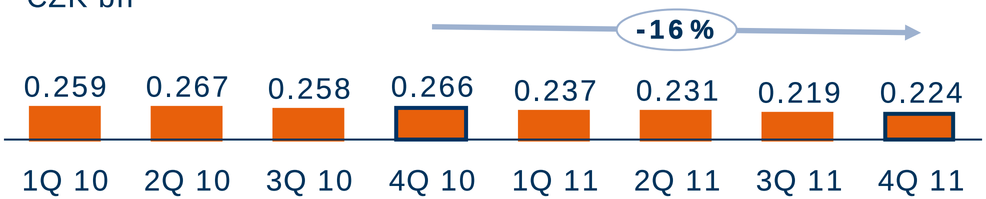
Staff expenses
CZK bn



General administrative expenses
CZK bn



Depreciation and amortization
CZK bn



Operating expenses decreased by 1% Y/Y.

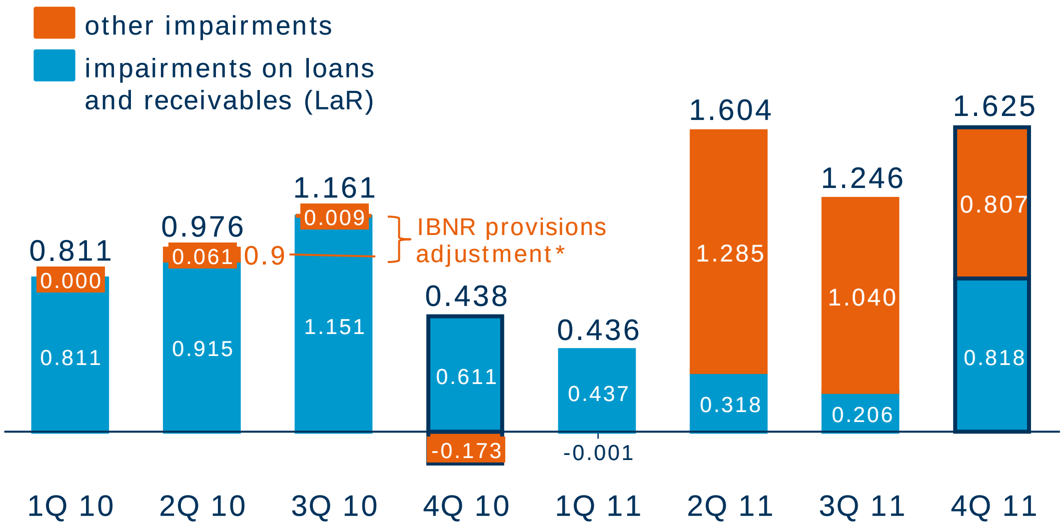
Higher staff and annual wages adjustment drove the staff expenses up. However lower performance-related bonuses (as a result of Greek bond impairment) offset the increase and overall staff expenses slightly decreased.

GAE marginally increased as a result of higher marketing and consultancy expenses. Lower expenses were realized in ICT and payments area.

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

Impairments:
Credit costs under control

Total impairments
CZK bn



4Q costs of credit risk increased by about one-third of the level year ago. Credit cost ratio (Ytd. annualized) further contracted to 36 bps.

The increase of the credit costs was expected. The higher impairments in 4Q were combination of the facts that there was revaluation of the mortgage portfolio, and in contrast to previous quarters, there were no releases of allowances in SME.

Effect of the Greek sovereign exposure: In line with IFRS rules, ČSOB decided to book impairments of CZK 1.306 bn in 2Q 2011, CZK 1.046bn in 3Q 2011, and CZK 0.725 bn in 4Q 2011 (before tax) on the Greek sovereign bonds held in the AFS portfolio (all have maturity dates before end 2020).

The NPL ratio decreased by 17 bps Y/Y. While NPLs in the retail loans were still slightly increasing, the remaining part of the portfolio (corporate, SME and leasing), being in the more advanced phase of the recovery cycle, showed an improvement.

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

Strong capital position

Consolidated, CZK m	31.12.2010	31.12.2011
Total regulatory capital	**57 522**	**54 593**
- Tier 1 Capital	45 583	41 264
- Tier 2 Capital	12 564	14 269
- Deductions from Tier 1 and Tier 2	-625	-940
Total capital requirement	**25 530**	**28 008**
- Credit risk	21 564	22 966
- Market risk	613	1 382
- Operational risk	3 354	3 660
Total RWA	**319 124**	**350 101**
Core Tier 1 ratio = Tier 1 ratio	**14.19%**	**11.65%**
Total capital ratio	**18.03%**	**15.59%**

Effect of dividend payout from retained earnings (13 May 2011): CZK -4,350m

Higher Tier 2 capital due to impairment on Greece.

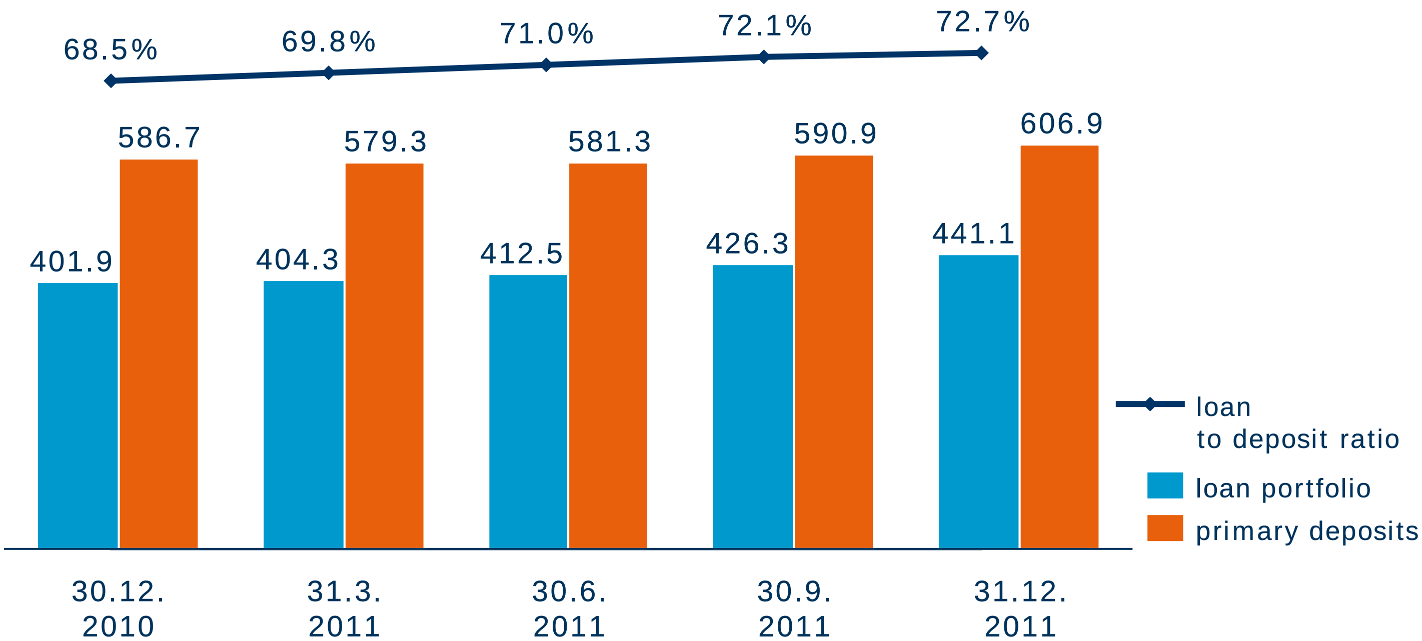
RWA development during 2011 was driven by higher loan exposure.

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)*

Ample liquidity

CZK bn	31.12.2010	31.3.2011	30.6.2011	30.9.2011	31.12.2011
Excess of primary deposits over loan portfolio	184.8	175.0	168.8	164.6	165.8

Basel III will require banks to publish net stable funding ratio. Based on the latest version of Basel III rules published, the value of NSFR for ČSOB stands at 135.1% as of 31 December 2011.



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

Declining exposure to PIIGS thanks to active management

Exposure to bonds of selected Southern European countries and Ireland
book value, CZK bn

	Sovereign	Banks	Corporates	Total 31/12/2011	Total 31/12/2010
Portugal	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	0.94	-	-	0.94	2.88
Greece	1.40	-	-	1.40	3.62
Spain	0.61	-	-	0.61	0.59
Total	2.95	0.00	0.00	2.95	7.09

ČSOB group continues to actively manage the exposure to selected Southern European countries. After reducing the exposure to Greek and Italian sovereign bonds during 2010, in the second half of 2011, part of Italian exposure was sold. (Exposure to bank bonds is zero as the bonds reached their maturity in 2Q 2011.)

The **Greek bonds** are classified as available-for-sale assets. The book value of these bonds (which reflects their fair value) is lower than their nominal value of EUR 177 m. As of 30 June 2011, 30 September 2011 and 31 December 2011, the Greek sovereign bonds with a maturity date before end 2020 were impaired to their fair value (market prices), as required by IAS 39.

The **Italian and Spanish** bonds are classified as held-to-maturity investments. The book value of these bonds (which reflects their amortized cost) is close to the fair value.

3. Analysis of business performance

ČSOB

ČSOB group's market shares:

Number 1 position in housing loans and mutual funds

Insurance	market share	rank
Life[2,6]	↘ 7.4%	5
Non-life[2]	↗ 5.7%	6
Total[2,6]	↘ 6.3%	5

2nd

Deposits[1]	↘ 21.0%
Total loans and leases[1]	↗ 18.2%
Factoring[2]	↘ 21.7%
Leasing[2]	↗ 11.9%

1st

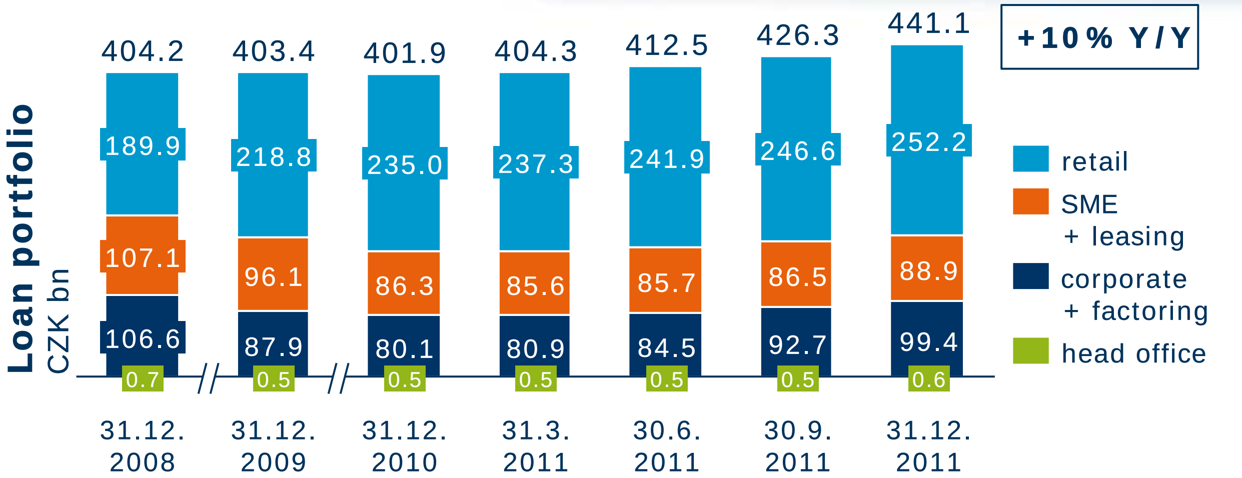
Building savings loans[1]	↘ 43.8%
Building savings deposits[1]	↗ 36.6%
Mortgages[1]	↗ 28.9%
Housing loans[1,4]	↗ 34.7%
Mutual funds[1]	↘ 31.5%

3rd

Pension funds[3]	↘ 16.0%
Corporate/SME loans[1]	↗ 13.4%
Other retail loans[1,5]	↗ 14.7%

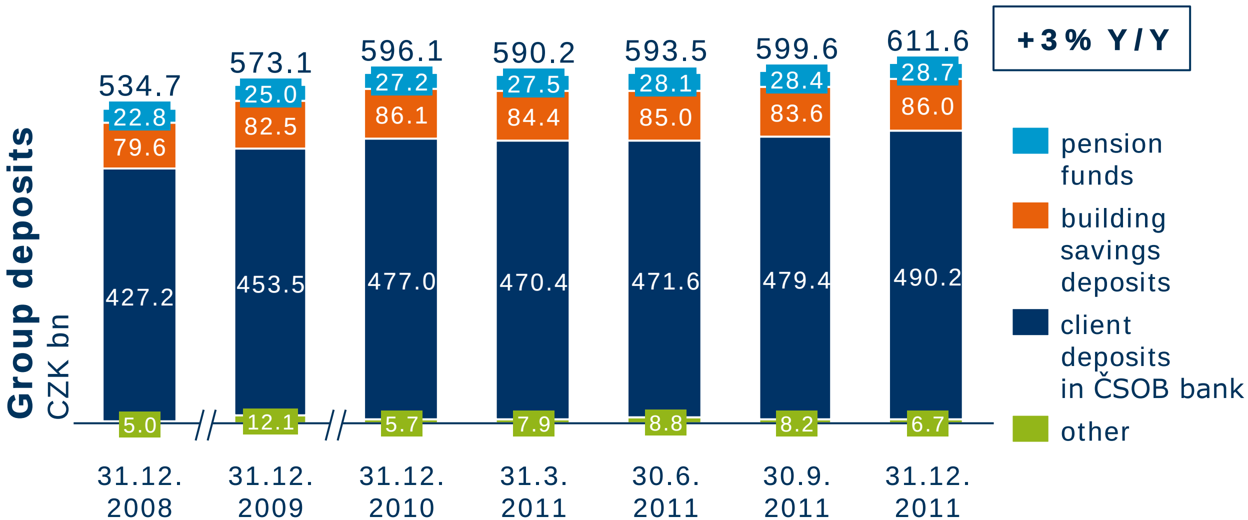
Arrows show Y/Y change. Market shares as of 30 September 2011 (i.e. latest available). Insurance as of 31 December 2011.
[1] Outstanding at the given date; [2] New business in the year to the given date, insurance: gross written premium to the given date; [3] Number of clients at the given date; [4] Comprise mortgages and building savings loans; [5] Retail loans excluding mortgages and building savings loans; [6] The decrease of market shares due to methodology change of ČAP: Only 10% of single life written premium is now included. Without this effect, the insurance market share would have increased.
Sources and detailed definitions are provided in Appendix.

Lending and deposits development:
Loans are growing faster than deposits



In 4Q 2011, loan portfolio reached CZK 441.1 bn, which is nearly CZK 15 bn above previous quarter's level. This Y/Y growth is the highest since end-2008.

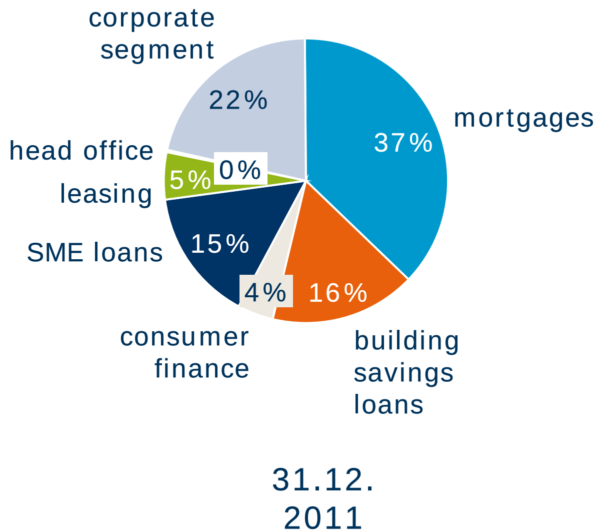
The fourth quarter was the sixth showing a consequent growth in loan portfolio. The Q/Q increase of 3% was driven especially by corporate loans and mortgages.



Group deposits showed in each quarter Y/Y increase. The major increase experienced client deposits.

Loan portfolio:
Mortgages and corporate lending drive the growth

Gross outstanding volumes, CZK bn	31.12.2010	31.12.2011	Y/Y
Loan portfolio	**401.9**	**441.1**	**+10%**
Retail/SME Segment			
Mortgages[1]	144.9	163.1	+13%
Building savings loans[2]	71.9	71.7	0%
Consumer finance	18.2	17.5	-4%[3]
SME loans	62.9	66.0	+5%
Leasing	23.3	22.8	-2%
Corporate Segment			
Corporate loans[4]	76.5	95.3	+25%
Factoring	3.6	4.1	+16%
Head Office[5]	0.5	0.6	+5%



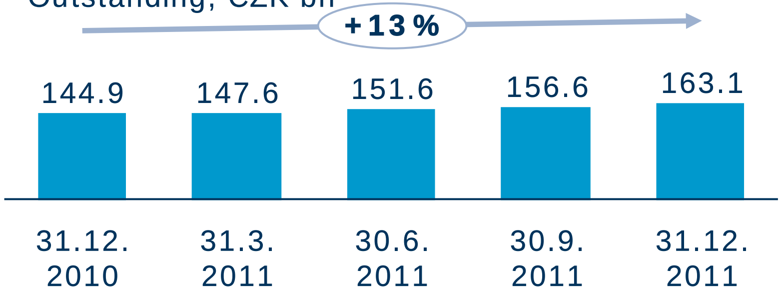
[1] ČSOB group mortgages are in the balance sheet of ČSOB's subsidiary Hypoteční banka.
[2] ČSOB group building savings loans are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in the 55% proportion, i.e. the way they enter ČSOB's consolidated balance sheet.
[3] The decrease in consumer finance is due to a transfer of loans from consumer finance to SME loans.
[4] Including credit-replacing bonds.
[5] Historic files.

Housing loans:

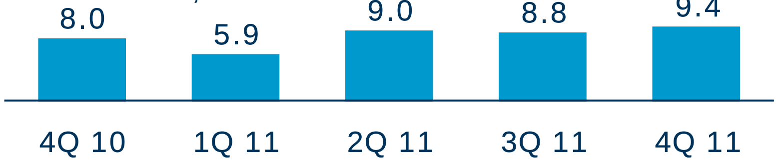
Mortgages are the source of the growth

Mortgages

Outstanding, CZK bn

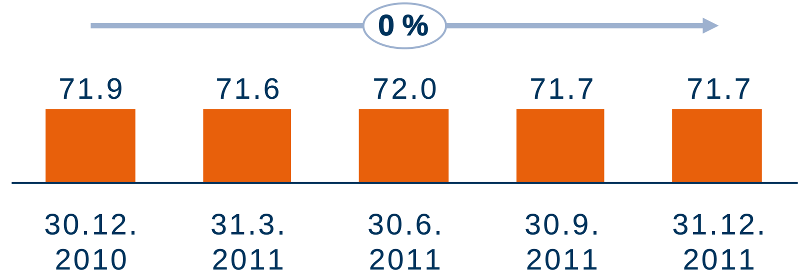


New sales*, CZK bn

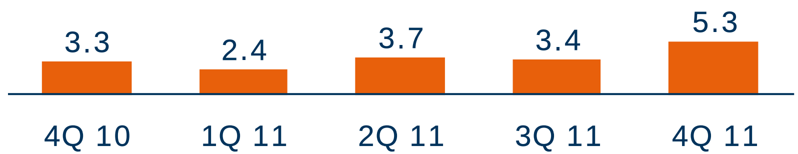


Building savings loans

Outstanding (ČMSS 55%), CZK bn



New sales (ČMSS 55%)*, CZK bn



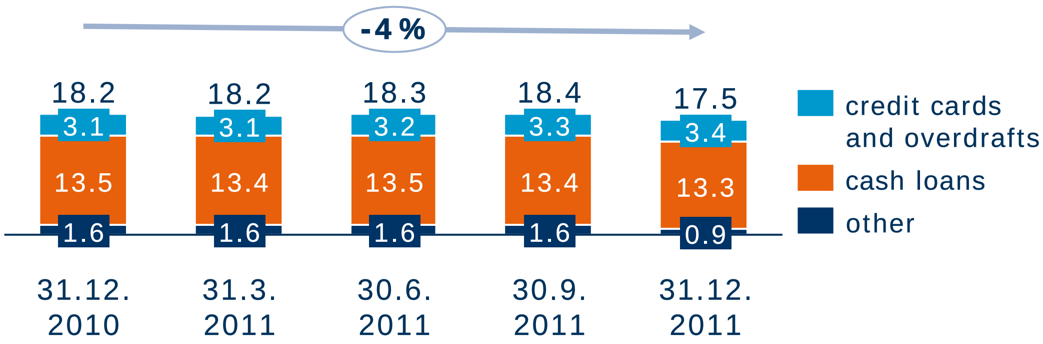
The mortgage portfolio (fully booked in HB, a 100%-owned subsidiary) represents 37% of total loan portfolio. On a healthy and stable mortgage market, the ČSOB group's volumes have been steadily growing at about half a pace compared to the ČSOB growth in mortgage boom before 2008. New sales were driven by the expectation of VAT increase since January 2012. The attractiveness of the mortgages were supported by favorable development of interest rates and stable real estate prices.

The portfolio of building savings loans (fully booked in ČMSS, a 55%-owned subsidiary) is flat Y/Y. The whole Czech market of building savings loans is affected by clients' uncertainty due to ongoing changes of the state subsidy scheme. Despite decreasing market, ČMSS's new sales in the whole 2011 are on the level of the year before.

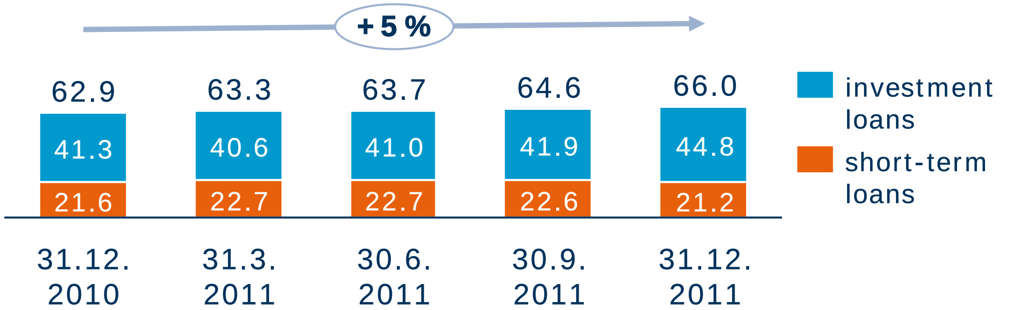
** Building savings loans: granted loan limits, Mortgages: signed contracts, in line with MMR statistics*

Consumer finance, SME loans, leasing:
ČSOB outperformed market in consumer finance and leasing

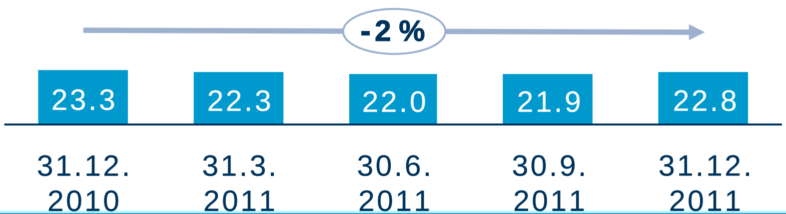
Consumer finance, outstanding*, CZK bn



SME loans, outstanding, CZK bn



Leasing, outstanding**, CZK bn



ČSOB strengthened its market share in consumer finance despite 4% decrease Y/Y and falling overall market. Credit cards and overdrafts kept growing to show a 8% Y/Y increase, while cash loans reported a slight decrease of 2% Y/Y.

In the beginning of 2011, SME loans (which include municipalities and housing cooperatives) returned to growth and kept steadily increasing each quarter to end up 5% above the December 2010 level.

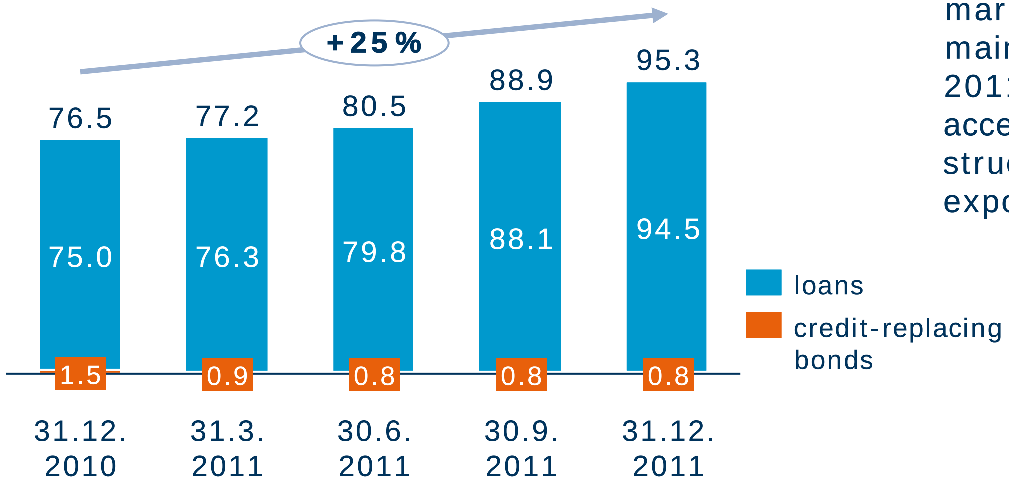
Outstanding volumes begun to grow again in 2011, supported by a 23% increase in new sales. Nonetheless, total volumes in the Czech leasing market still fall short of pre-crisis levels. ČSOB Leasing's market share improved over 2011.

In the 2011 *Zlatá koruna* contest, ČSOB Leasing won in both the retail and SME leasing categories.

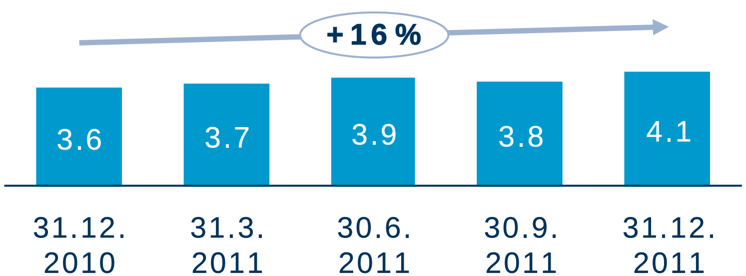
**The decrease in the item other is due to a transfer of loans from consumer finance to SME loans.*
*** Total exposure of ČSOB Leasing, excluding operational leasing.*

Corporate segment:
Acceleration of the growth in 2H

Corporate loans
Outstanding, CZK bn



Factoring
Outstanding, CZK bn



The corporate loans have been permanently increasing since February 2011. That is why our market share regained, and that was one of the main business objective in corporate for the year 2011. The increase of assets was hand in hand with acceptable credit costs and healthy portfolio structure. At the same time, the off-balance sheet exposure increased by more than 18% Y/Y.

ACQ GLOBAL AWARDS 2011

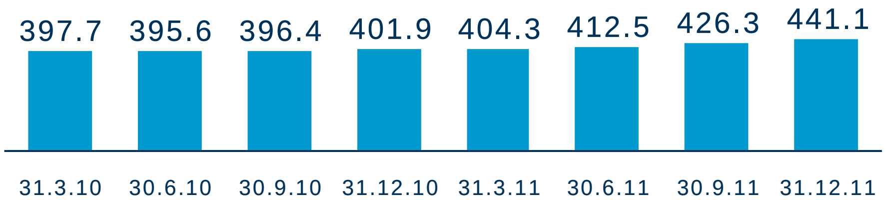
BEST TRADE FINANCE BANK AWARD • 2011
GLOBAL FINANCE

BEST FOREIGN EXCHANGE PROVIDER AWARD • 2011
GLOBAL FINANCE

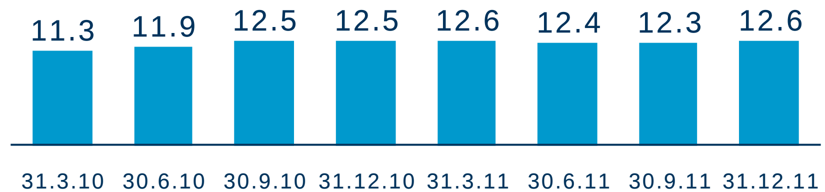
Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300 m, local subsidiaries of international groups and selected institutional clients.

Credit risk under control (1/2)

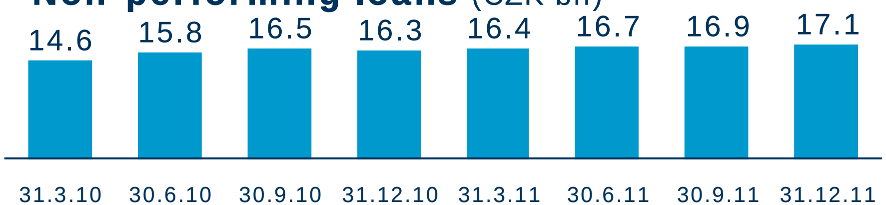
Loan portfolio[1] (CZK bn)



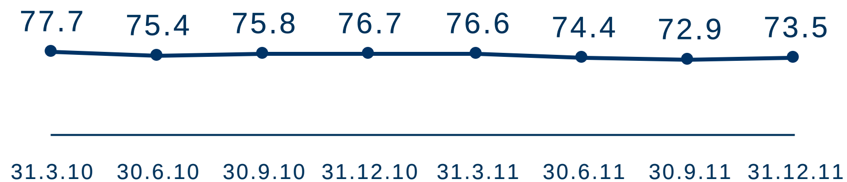
Allowances for loans and leases[3] (CZK bn)



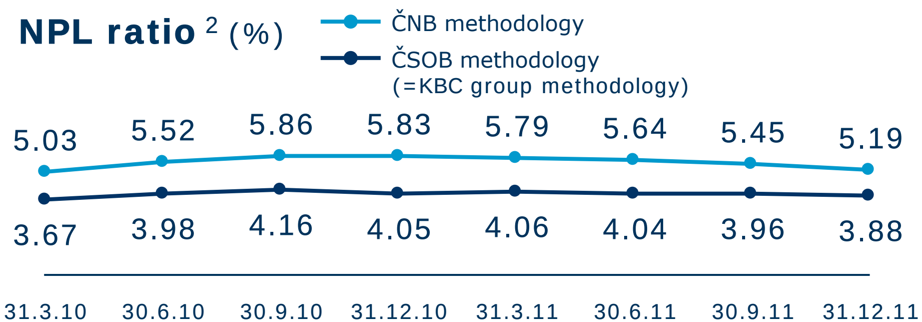
Non-performing loans (CZK bn)



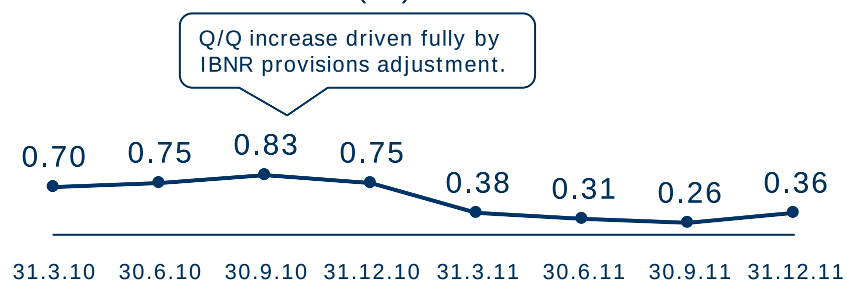
NPL coverage ratio (%)



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

- Credit cost ratio (Ytd. annualized) further contracted to 36 bps in comparison with 75 bps a year ago as the impairments on loans and receivables for the whole year are at 1.779 bn (-49% Y/Y). The most significant improvement of credit costs was recorded in SME and corporate loans. Y/Y improvement in credit costs is also seen in all areas of retail lending – mortgages, building savings loans and consumer finance.
- Quarterly credit costs increased Y/Y to CZK 0.8 bn. The higher impairments were combination of the facts that there was revaluation of the mortgage portfolio, and in contrast to previous quarters, there were no releases of allowances in SME.
- Q/Q credits costs increased in all segments. The most remarkable Y/Y drop of credit costs was recorded by corporate and SME loans, as a combined effect of the following two facts. As the situation of Czech companies continued improving, the volume of impaired loans decreased.

Non performing loans

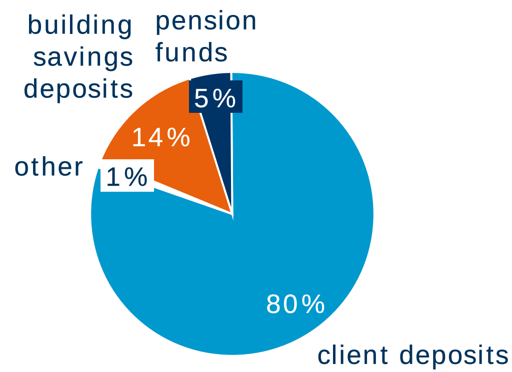
- The NPL ratio decreased by 17 bps Y/Y to 3.88%. The NPL ratio was positively influenced by the growth of loans. On the other hand, non-performing loans were dropping in some sectors, however overall NPL showed a growth.
- While NPLs in the retail loans were still slightly increasing; corporate, SME and leasing showed an improvement, being in a more advanced phase of recovery.

Coverage of non performing loans

- The provision coverage of NPLs stands at high 73.5%.
- Housing loans (mortgages and building savings loans), representing more than a half of the group's loan portfolio, require less provisioning given the fact they are largely secured by collateral. The NPLs from the remaining part of the portfolio are fully covered by allowances, i.e. showing the coverage ratio above 100%.

AUM and deposits:
AUM and deposits continue to increase

Outstanding volumes, CZK bn	31.12.2010	31.12.2011	Y/Y
Group deposits	**596.1**	**611.6**	**+3%**
Client deposits	477.0	490.2	+3%
Building savings deposits[1]	86.1	86.0	0%
Pension funds[2]	27.2	28.7	+6%
Other[3]	5.7	6.7	+17%
Mutual funds[4]	**62.7**	**53.4**	**-15%**
Other asset management[5]	**53.8**	**56.6**	**+5%**
AUM and deposits	**712.6**	**721.6**	**+1%**

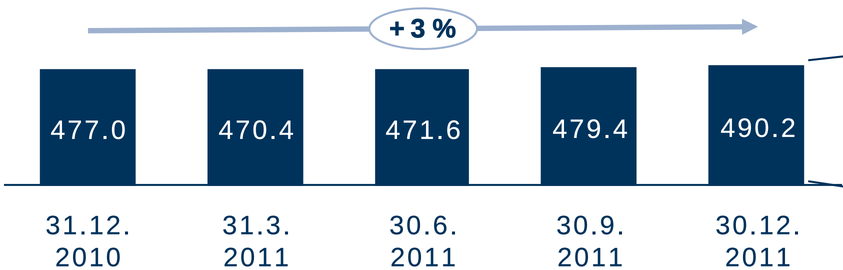


31.12.2011

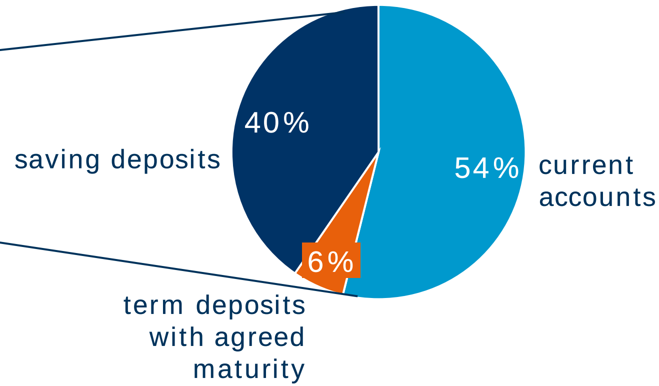
[1] ČSOB group building savings deposits are in the balance sheet of ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported in the 55% proportion, i.e. the way they enter ČSOB's consolidated balance sheet.
[2] Liabilities to pension fund policy holders.
[3] Repo operations with non-banking financial institutions and other.
[4] Only direct positions are included.
[5] Including both individual and institutional discretionary management.

Group deposits:
Saving deposits experienced double digit growth

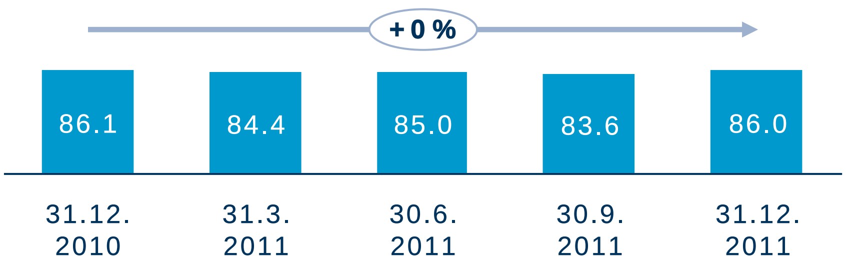
Client deposits in ČSOB bank (CZK bn)



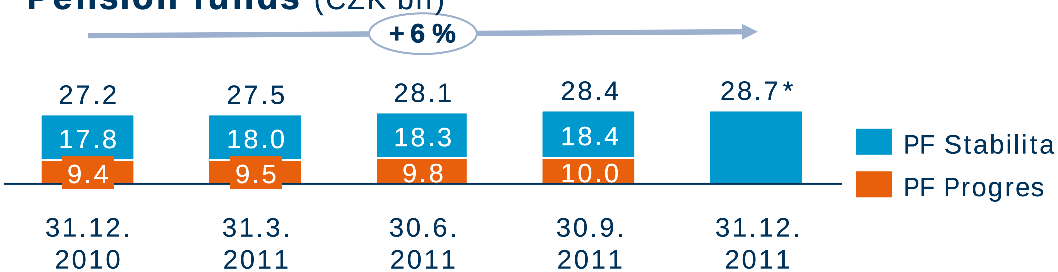
Client deposits breakdown (CZK 490.2 bn)



Building savings deposits (CZK bn)



Pension funds (CZK bn)



Within client deposits, saving deposits recorded a 10% Y/Y growth. Part of the increase was at the expense of term deposits (-25% Y/Y) and mutual funds (-15% Y/Y, see next slide). Current accounts increased by 2% Y/Y.

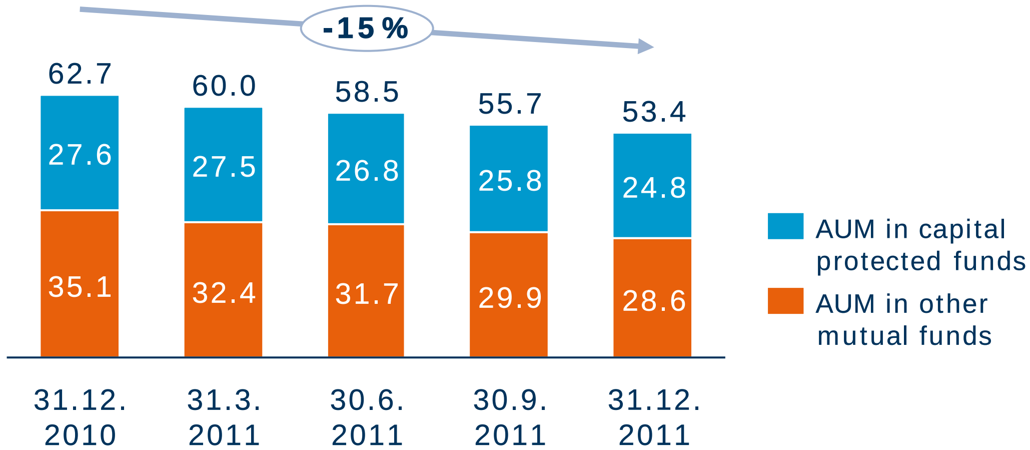
The stagnation of the volumes of building savings deposits follows market trend, which reflects the uncertainty of clients about the state support to this form of savings going forward.

AUM in pension fund kept increasing.

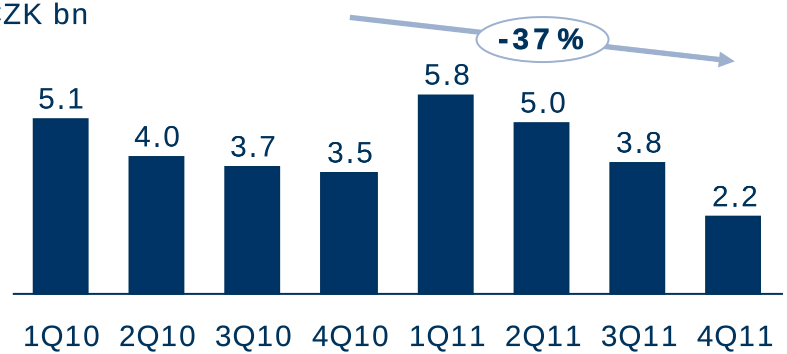
** ČSOB pension funds merged. See Appendix for detail.*

Mutual funds:
Strong market share despite decreasing market

Assets under management
outstanding volumes, CZK bn



New sales
CZK bn



ČSOB is keeping its No 1. position on the market, which experienced a decline in the last quarters.

AUM in ČSOB's mutual funds decreased by 4% Q/Q and 15% Y/Y. The new sales were lower than outflows as part of clients preferred investing their money into deposit products rather than reinvesting them into the funds. The situation on the market of course negatively contributed to the worse development of volumes as well.

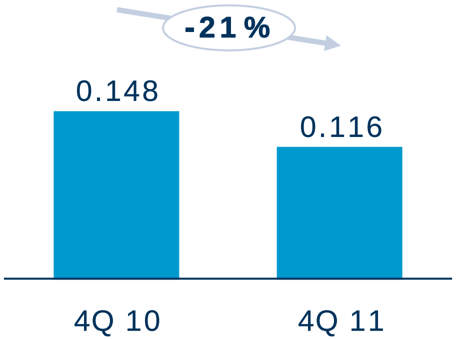
New sales slowed down during 4Q as increased volatility on financial markets made client more cautious.

New sales: bond funds increased Y/Y, while all types of other mutual funds (capital protected, money market, equity, and mixed funds) declined Y/Y.

Note: Only direct positions are included (the funds bought directly by clients; i.e. funds bought by asset manager into discretionary mandates and underlying funds linked to life insurance products are excluded).

Insurance:
Success of the product *Naše Auto*

Net profit of ČSOB Pojišťovna*
CZK bn

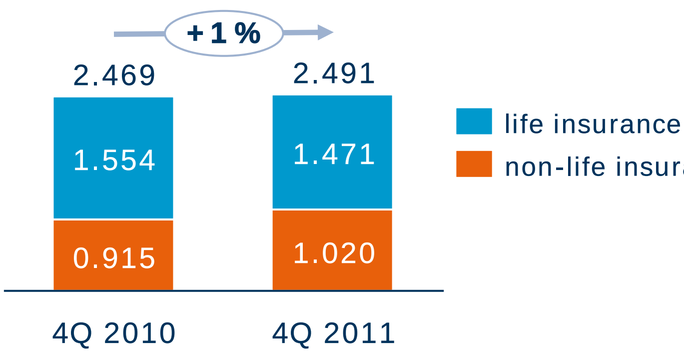


ČSOB Pojišťovna's contribution to the group underlying P/L* in 4Q 2011 was CZK 29 m, compared to CZK 37 m a year ago. The Y/Y comparison in net profit is lower mainly due to a negative effect of the change in policy for deferred acquisition cost of life insurance.

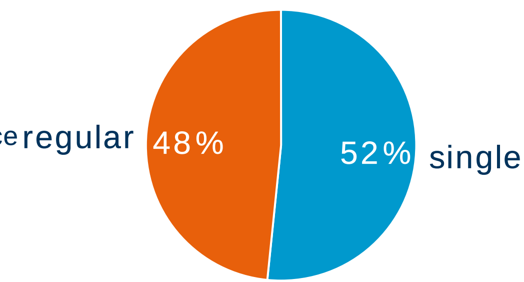
Despite market decline in the car insurance, ČSOB's new product in this area was positively accepted by retail clients. In addition, property insurance continues to attract clients which is also reflected in better gross written premium.

Life insurance (single) declined in 4Q11 as the timing of the sale tranches was different in Y/Y comparison. However on cumulative FY 2011 basis life insurance increased thanks to successful bancassurance product Maximal Invest.

Gross written premium
CZK bn



Life insurance
4Q 2011



CZK 1.471 bn

** 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:
Growing client base

	31.12.2010	31.12.2011
Customers of the group*	> 4 m	> 4 m
of which ČSOB + PSB (ths)	3 074	3 096
Retail / SME branches and advisory centers	**557**	**569**
ČSOB Retail/SME branches	237	241
PSB branches ("Financial Centers")	53	62
ČMSS advisory centers	151	151
Hypoteční banka centers	27	27
ČSOB Pojišťovna branches	89	88
Leasing branches	**12**	**13**
Corporate branches	**11**	**11**
PSB outlets of the Czech Post network	**ca. 3 300**	**ca. 3 200**
ATMs (ČSOB+PSB)	782	831

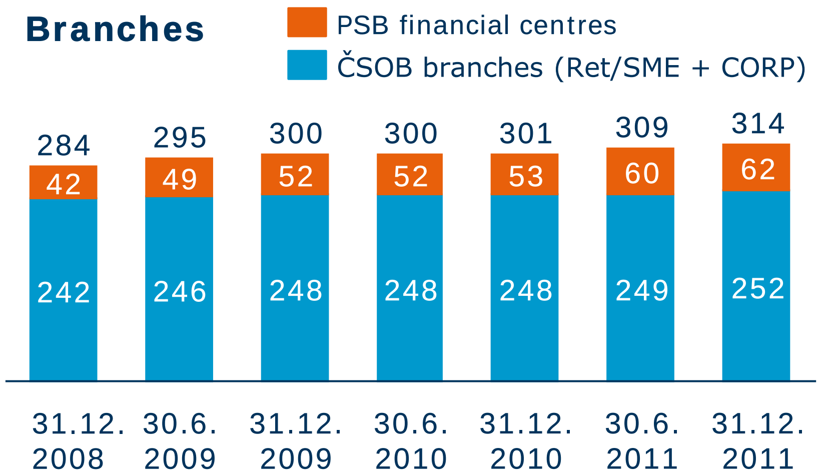
ČSOB bank managed to **increase its client base** by ca 1%, despite new banks entering the market.

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

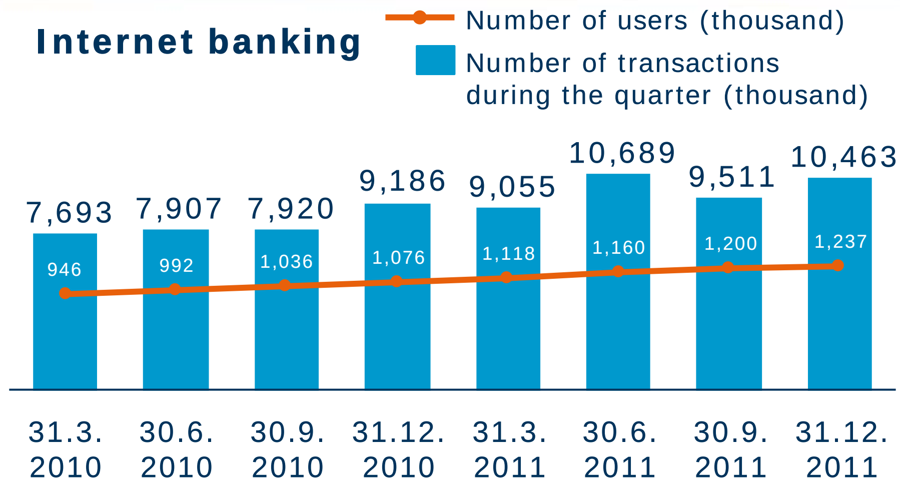
** The total number of unique clients is >4 million. Some overlap of client groups exists among different brands, esp. between ČMSS and the two full service brands (ČSOB and PSB). The overlap between ČSOB and PSB is very limited.*

Other information

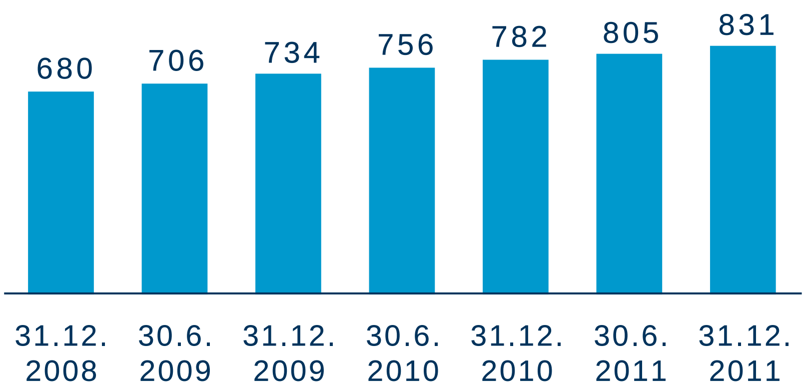
Branches



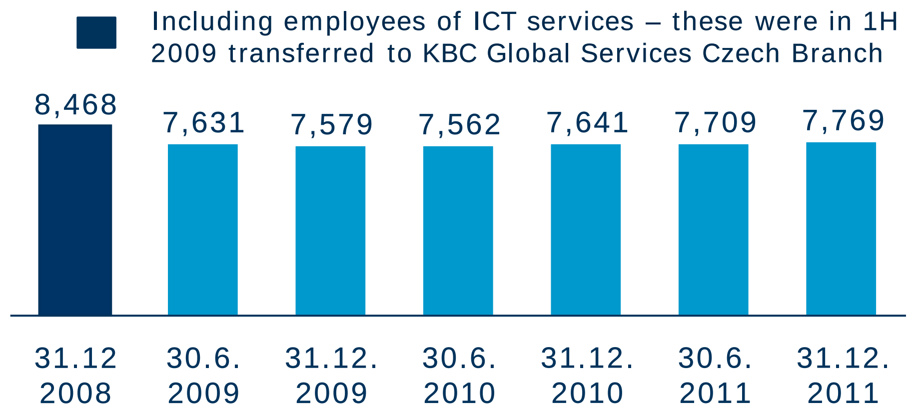
Internet banking



ATMs



Group employees



Awards for ČSOB group:

Accolades received in 2011

ČSOB Group

Awarded the Bank of the Year 2011 in Czech Republic by The Banker magazine	Awarded the best bank in the Czech Republic by the Global Finance magazine	Awarded Best Bank Czech Republic in 2010 by the EMEA Finance magazine	Awarded the best bank in the Czech Republic by the Euromoney magazine

Selected business areas

Postal Savings Bank	ČSOB Leasing	ČSOB, Postal Savings Bank	Trade Finance	Custody	Foreign Exchange	Acquisition Finance
Awarded the most client friendly bank in the Czech Republic *(contest organized by the Hospodarske noviny daily)*	Awarded best in retail and SME leasing categories *(the Zlata koruna contest)*	Bank of the Year: named the Bank without barriers; other 6 accolades won.	Awarded best in the Czech Republic	Awarded best Sub-custodian in the Czech Republic	Awarded best in the Czech Republic	Awarded best bank in Eastern Europe

Appendix

4Q 2011 Events

Merger of ČSOB's pension funds

- On 30 November 2011, ČSOB PF Progres merged with ČSOB PF Stabilita.
- Merger of the two pension funds within the ČSOB group is a logical step vis-à-vis the transformation pension funds into pension companies which will offer different investment strategies from beginning 2013.

Merger of ČSOB IS and ČSOB AM

- On 31 December 2011, ČSOB Investiční společnost merged with ČSOB Asset Management.
- In relation to the merger, the amount of the share capital of the succession company ČSOB Asset Management, a.s., investiční společnost was increased from CZK 216 m to CZK 499 m and the number of shares issued changed from 216 to 499 (each with a nominal value of CZK 1 m).

Credit rating and shareholder structure

ČSOB's credit ratings

As at 9 February 2012

Rating agency	Moody's		Fitch	
	Long-term rating:	**A1**	**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		13 December 2002		3 February 2012
Last confirmation		7 October 2011		3 February 2012

Shareholder structure

As at 31 December 2011, ČSOB's share capital was CZK 5.855 bn 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%.

Corporate social responsibility related events in 2011: ČSOB continues to invest into relations with the community and society

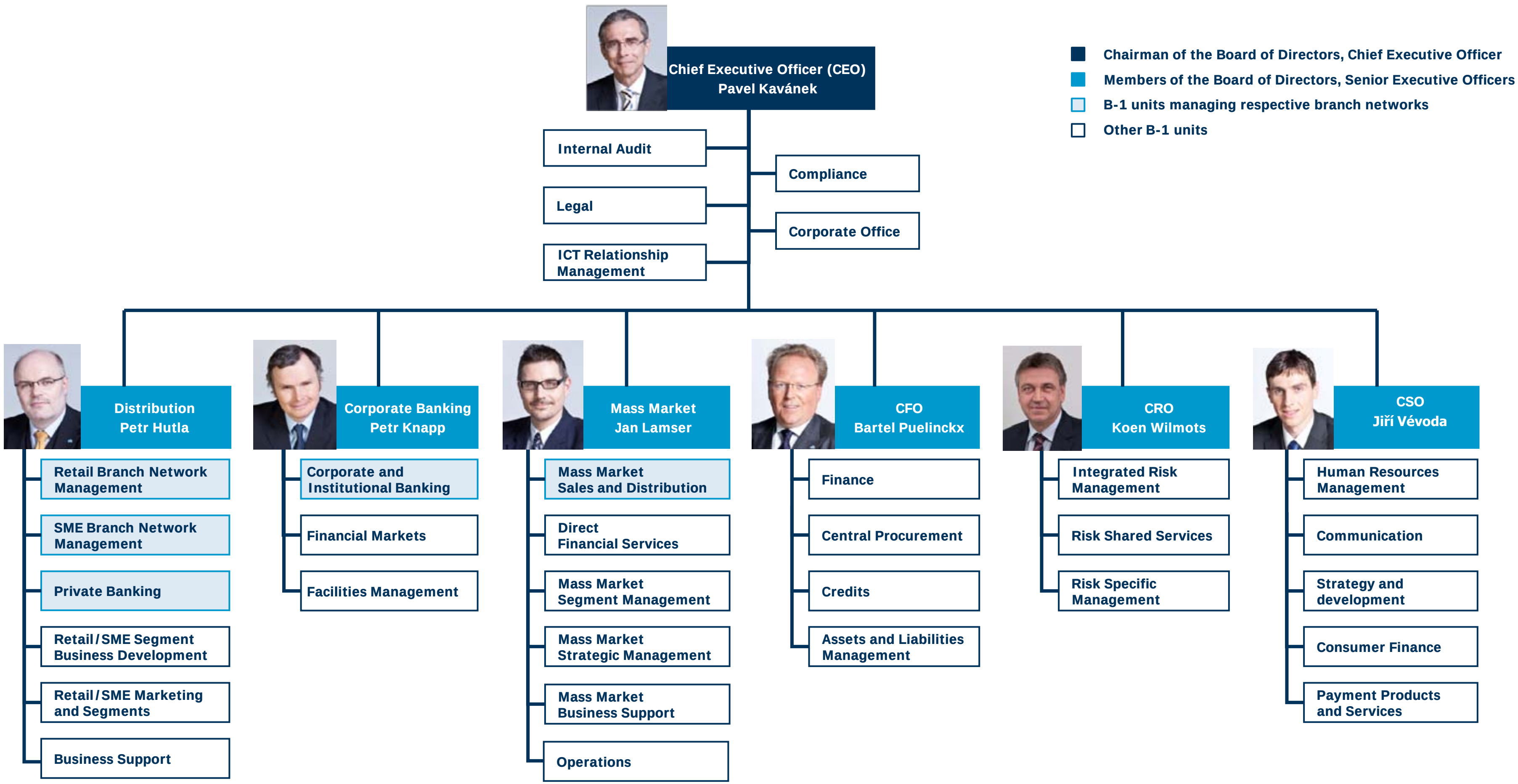
Almost 700 employees participated in volunteering program **Helping together**. They helped in NGOs, cleaned Czech mountains and took part in charitable sporting events.

We support ***Linka bezpečí***, a helpline which helps young people in need and offers a consultations of their particular problems and solution of their life situations.

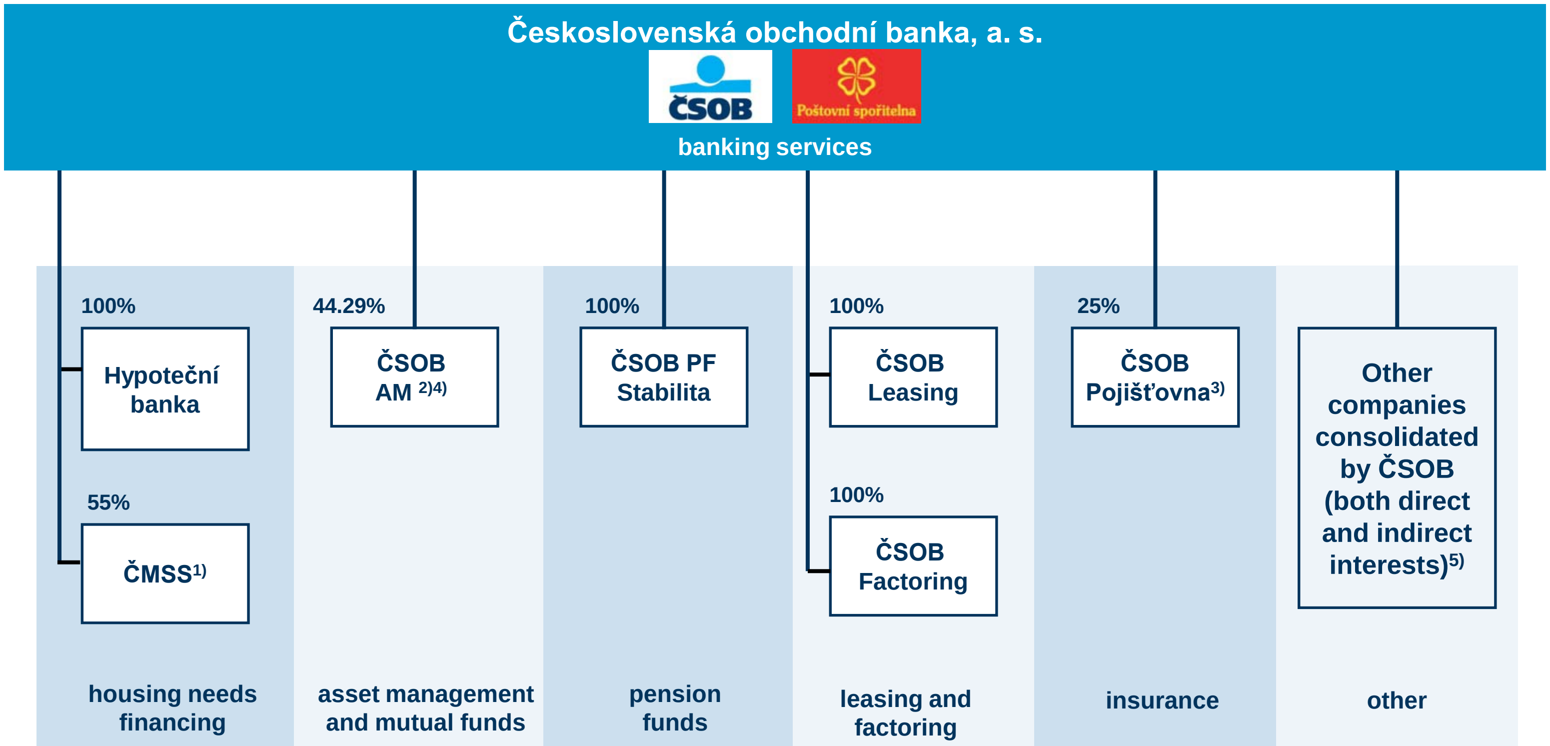
We cooperate with **Ergotep**, a sheltered workshop from Proseč, which provides manufacturing and distribution of marketing materials, performs selected back-office operations and administrates web projects.

With the Association of Citizen Advisory Offices and the Advisory in Financial Straits, we support provision of free advice to people in debt trap or those who wish to avoid it. In 2011, we funded additional 11 projects to promote **financial literacy** in the Czech Republic.

Management structure



ČSOB group in the Czech Republic



Percentages show ownership interests on company's equity as of 1 January 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; ČSOB AM is a fully consolidated subsidiary of ČSOB.

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

[4] On 31 December 2011 ČSOB IS and ČSOB AM merged (the latter company was dissolved). The business name of ČSOB IS was changed to ČSOB Asset Management, a.s., investiční společnost.

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

Profit and loss statement – reported

(CZK m)	4Q 2010	3Q 2011	4Q 2011	Y/Y	Q/Q
Interest income	*8 397*	*8 375*	*8 441*	*+1%*	*+1%*
Interest expense	*-2 219*	*-2 083*	*-2 192*	*-1%*	*+5%*
Net interest income	6 178	6 292	6 249	+1%	-1%
Net fee and commission income	1 325	1 334	1 386	+5%	+4%
Net gains from financial instruments at FVPL*	463	13	403	-13%	+3002%
Other operating income	160	413	265	+66%	-36%
Operating income	**8 126**	**8 052**	**8 304**	**+2%**	**+3%**
Staff expenses	-1 756	-1 750	-1 742	-1%	+0%
General administrative expenses	-1 979	-1 698	-2 008	+1%	+18%
Depreciation and amortisation	-267	-220	-224	-16%	+2%
Operating expenses	**-4 002**	**-3 668**	**-3 974**	**-1%**	**+8%**
Impairment losses*	-438	-1 246	-1 776	*+305%*	*+43%*
Impairment on loans and receivables	*-611*	*-206*	*-818*	*+34%*	*+297%*
Impairment on available-for-sale securities	*0*	*-1 051*	*-734*	*N/A*	*-30%*
Impairment on other assets	*173*	*11*	*-224*	*+/-*	*+/-*
Share of profit of associates	57	27	28	-51%	+4%
Profit before tax	**3 743**	**3 165**	**2 582**	**-31%**	**-18%**
Income tax expense*	-509	-425	-384	-25%	-10%
Profit for the period	**3 234**	**2 740**	**2 198**	**-32%**	**-20%**
Attributable to:					
Equity holders of the parent	**3 222**	**2 700**	**2 263**	**-30%**	**-16%**
Minority interest	12	40	-65	-642%	-263%

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)	4Q 2010	3Q 2011	4Q 2011	Y/Y	Q/Q
Interest income	*8 397*	*8 375*	*8 441*	*+1%*	*+1%*
Interest expense	*-2 219*	*-2 083*	*-2 192*	*-1%*	*+5%*
Net interest income	6 178	6 292	6 249	+1%	-1%
Net fee and commission income	1 325	1 334	1 386	+5%	+4%
Net gains from financial instruments at FVPL*	482	13	380	-21%	+2764%
Other operating income	144	413	265	+84%	-36%
Operating income	**8 129**	**8 052**	**8 280**	**+2%**	**+3%**
Staff expenses	-1 756	-1 750	-1 742	-1%	+0%
General administrative expenses	-1 979	-1 698	-2 008	+1%	+18%
Depreciation and amortisation	-267	-220	-224	-16%	+2%
Operating expenses	**-4 002**	**-3 668**	**-3 974**	**-1%**	**+8%**
Impairment losses*	-438	-1 246	-1 625	+271%	+30%
Impairment on loans and receivables	*-611*	*-206*	*-818*	*+34%*	*+297%*
Impairment on available-for-sale securities	*0*	*-1 051*	*-734*	*N/A*	*-30%*
Impairment on other assets	*173*	*11*	*-73*	*-142%*	*-764%*
Share of profit of associates	37	27	29	-21%	+8%
Profit before tax	**3 727**	**3 166**	**2 711**	**-27%**	**-14%**
Income tax expense*	-510	-425	-380	-25%	-11%
Profit for the period	**3 217**	**2 740**	**2 331**	**-28%**	**-15%**
Attributable to:					
Equity holders of the parent	**3 205**	**2 700**	**2 397**	**-25%**	**-11%**
Minority interest	12	40	-65	-642%	-263%

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 2010	31/12 2011	Y/Y
Cash and balances with central banks	21 164	46 691	+121%
Financial assets held for trading	173 810	176 703	+2%
Financial assets designated at fair value through P/L	11 132	11 021	-1%
Available-for-sale financial assets	102 521	87 404	-15%
Loans and receivables - net	399 741	449 291	+12%
Loans and receivables to credit institutions - gross	*14 137*	*23 659*	*+67%*
Loans and receivables to which other than credit institutions - gross	*397 445*	*437 407*	*+10%*
Allowance for impairment losses	*-12 466*	*-12 565*	*+1%*
Accrued interest income	*625*	*790*	*+26%*
Held-to-maturity investments	150 240	139 423	-7%
Fair value adjustments of the hedged items in portfolio hedge	0	77	*N/A*
Derivatives used for hedging	9 437	10 328	+9%
Current tax assets	39	70	+79%
Deferred tax assets	488	481	-1%
Investments in associate	1 163	1 150	-1%
Investment property	713	509	-29%
Property and equipment	8 057	8 114	+1%
Goodwill and other intangible assets	3 625	3 314	-9%
Non-current assets held-for-sale	140	98	-30%
Other assets	2 785	1 919	-31%
Total assets	**885 055**	**936 593**	**+6%**

Increase due to reverse repo operations with ČNB.

Decrease due to impairment on Greek bonds and other de-risking of the balance sheet.

Increase due to interbank lending.

Balance sheet - liabilities and equity

(CZK m)	31/12 2010	31/12 2011	Y/Y
Financial liabilities held for trading	138 870	165 914	+19%
Financial liabilities at amortised cost	663 418	688 556	+4%
of which Deposits received from credit institutions	*30 442*	*41 065*	*+35%*
of which Deposits received from other than credit institut.	*596 078*	*611 568*	*+3%*
of which Debt securities in issue	*24 105*	*23 213*	*-4%*
of which Subordinated liabilities	*11 974*	*11 978*	*0%*
of which Accrued interest expenses	*819*	*732*	*-11%*
Fair value adjustments of the hedged items in portfolio hedge	*0*	*103*	*N/A*
Derivatives used for hedging	5 567	7 350	+32%
Current tax liabilities	1 203	532	-56%
Deferred tax liabilities	830	1 081	+30%
Provisions	651	1 058	+63%
Other liabilities	8 676	10 816	+25%
Total liabilities	**819 215**	**875 410**	**+7%**
Share capital	5 855	5 855	0%
Share premium account	7 509	7 509	0%
Statutory reserve	18 687	18 687	0%
Retained earnings	30 560	24 061	-21%
Available-for-sale reserve	2 422	2 612	+8%
Cash flow hedge reserve	-2	1 578	+/-
Foreign currency translation reserve	0	1	N/A
Parent shareholders' equity	**65 031**	**60 303**	**-7%**
Minority interest	809	880	+9%
Total equity	**65 840**	**61 183**	**-7%**
Total liabilities and equity	**885 055**	**936 593**	**+6%**

Increase especially due to money-market deposits from banks and repo loans from non-banking institutions. Liabilities from issued securities increased as well.

Increase due to money-market deposits and repo operations.

Increase due to unsettled transactions with clients.

Methodological note

Reclassification of the profit and loss statement:

This presentation shows 2010 quarters' profit and loss statement items reclassified in accordance with the current accounting methodology in order to ensure comparability of IFRS financial statements in time. There are following reclassifications:

- Between interest income and interest expenses, there are changes in accounting of net interest income realized on cash-flow hedging derivatives.
- Interest income and expenses realized on financial derivatives used as economic hedges were reclassified from Net gains from financial instruments recognized at fair value through profit or loss into Net interest income.
- Depreciation of investment property was reclassified from Operating expenses into Other net income.

Reconciliation of business volumes:

ČSOB changed the way of showing lending volumes. Instead of term "group lending" shown in last year presentations defined as item "loans and receivables – gross" from the consolidated balance sheet plus credit–replacing bonds, ČSOB newly uses throughout the whole presentation the term "loan portfolio" defined as 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).

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 PFs
CORP/SME loans	Remaining loans that are not reported in any of the retail loans categories (loans to other than households)	ČNB (ARAD), ČSOB
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).

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 Bank retail network (ČSOB brand and PSB brand) in book values. Gross.
SME loans	Loan portfolio granted by ČSOB Bank SME network in book values. Gross.
Corporate loans	Loan portfolio granted by ČSOB Bank Corporate banking network in book values, including credit-replacing bonds. Gross.
Group deposits	Item "Deposits received from other than credit institutions" from the consolidated balance sheet.
Building savings deposits	All ČMSS financial liabilities at amortized cost minus deposits received from other than credit institutions.
Primary deposits	Group deposits minus pension funds minus repo operations with non-banking financial institutions (part of "other group deposits") plus deposits to credit institutions (excl. repo operations with credit institutions). Consistent with the internal liquidity management reporting system.

Contacts

ČSOB Investor Relations Team

Robert Keller (Head of IR)
Jana Kloudová
Tereza Měrtlová
Michal Nosek
Markéta Pellantová

Tel: +420 224 114 111
Tel: +420 224 114 109
investor.relations@csob.cz
www.csob.cz/ir

Československá obchodní banka, a. s.
Radlická 333/150, Praha 5
Czech Republic

ČSOB group Czech Republic
member of the KBC group