4Q 2012 Results
ČSOB Group

Czech Republic

EU IFRS Unaudited Consolidated

Presentation for analysts
14 February 2013

Contents

1. 4Q 2012 highlights and 2013 business environment

ČSOB remains committed to the market and is ready to face the challenges in 2013

1 Czech economy

- Macro environment is **not expected to be very supportive in 2013** (e.g. GDP, unemployment).
- However, ČSOB is an integrated part of the economy and **committed to the market both in better and worse times**.
- ČSOB will remain **responsible lender** and will **continue to provide loans** to the clients.

2 Low interest rate environment

- **Interest rates are set to remain low** through 2013, which creates for a financial group like ČSOB challenging environment with **downward pressure on net interest margin** and consequently on operating income.
- ČSOB is thus **focusing** even more **on internal efficiencies and the cost base**.

3 Regulatory framework

- At present, banks are in general faced with **number of challenges on regulatory side**.
- Czech National Bank has been a **strong regulator to the benefit of the whole system**.
- ČSOB is monitoring and implementing all necessary steps to ensure **fulfillment of all Basel 3 requirements without any problems**.

4 New trends in client behavior

- Clients are hopping across channels, putting pressure on banks by **demanding availability of services through a wide range of channels** at a time and place convenient to them.
- ČSOB is constantly working on **attractive value proposition for its clients**.

Clients will be able to benefit from newly launched services in 2013

Payment orders via the COOP retail network

- **Cash deposits, postal and payment orders** up to CZK 10,000 at a COOP outlets (2Q 2013).

Czech POINT at Era financial centers

- **Extracts from various official registers** at Era financial centers.
- A pilot run at 14 Era financial centers (1Q 2013).

Comfort access to a data box via electronic banking and safe storage for electronic documents

- **Management of registered mail** directly from electronic banking application (2013).
- **Archiving the documents** for an unlimited period in electronic banking application readily available for official use with a third party.

Clients

New payment and cash solutions for clients and companies

- **MasterCard Mobile service** allowing comfortable e-commerce and m-commerce payments (1Q 2013).
- Easy **payments of invoices by reading QR code** via SmartBanking application (1Q 2013)
- **Special cash service for retailers and logistic companies** allowing cash deposits directly at their premises (2Q 2013).

Pension savings (Second pillar)

- **Pension savings with four investment strategies** and 3% opt-out from state's pay-as-you-go system (1Q 2013)

Transactional services for ČSOB clients at Czech Post outlets

- **Cash deposits and withdraws** at all Czech Post outlets (1Q 2013).
- Number of **specialized bank** counters at Czech Post **to increase** from 100 to 151 (1H 2013).

Measures of sustainable performance

Continued strong profitability and resilience

Key indicators		2009	2010	2011	2012
Profitability	underlying* net profit (CZK bn) reported net profit (CZK bn) underlying* RoE	10.5 17.4 17.1%	13.0 13.5 19.6%	11.2 11.2 18.0%	14.2 15.3 21.2%
Liquidity	loan/deposit ratio net stable funding ratio	71.1% n/a	68.5% 137.7%	72.7% 133.6%	75.2% 133.2%
Capital	Tier 1 ratio	11.9%	14.2%	11.7%	13.0%
Credit costs	credit cost ratio	1.12%	0.75%	0.36%	0.31%
Cost efficiency	underlying* cost/income ratio	43.4%	44.7%	46.9%	47.4%

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

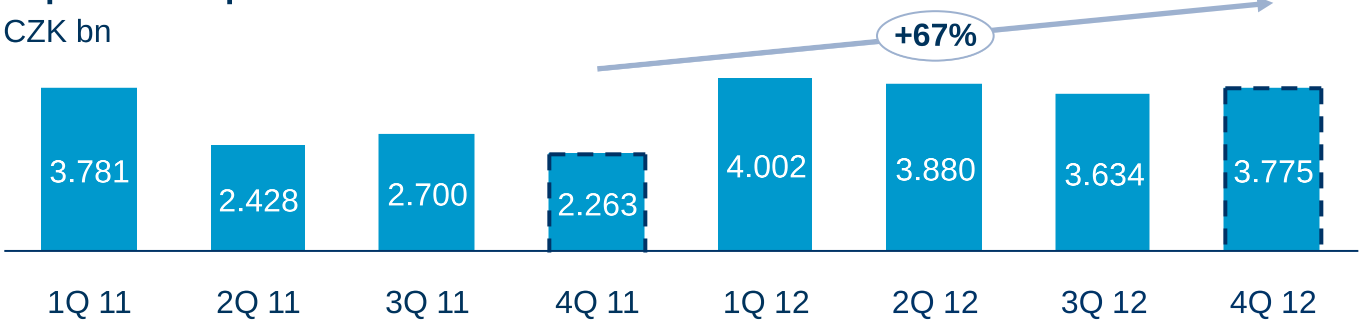
4Q 2012 at a glance

Strong reported net profit partially driven by one-off transaction

Net Profit	In 4Q 2012, the ČSOB group's **reported net profit** came in at **CZK 3.8bn** (+67% Y/Y) and **underlying net profit** at **CZK 2.8bn** (+17% Y/Y). Strong profit was affected by the sale of a stake in ČSOB Pojišťovna and a lower base of 2011 due to impairment on Greek bonds.
Business volumes	**Loan portfolio** further grew and reached **CZK 476.1bn** (+8% Y/Y), especially thanks to mortgages and corporate/SME loans. **Group deposits** increased to **CZK 629.6bn** (+3% Y/Y).
Operating profit	The underlying **operating income increased to CZK 8.6bn** (+1% Y/Y) despite a declining net interest margin. **Operating expenses increased to CZK 4.6bn** (+11% Y/Y) due to few exceptional items driving **C/I ratio** up to **47.4%**.
Credit costs	**Credit costs** further dropped both in absolute and relative terms. The credit cost ratio stood at **31bps** (Ytd., annualized).
Liquidity and capital	The **Loan to deposit** ratio increased to **75.2%** and the **Tier 1** ratio stands at **13.0%**.
EU bond exposure	ČSOB has **no exposure to peripheral Europe**.
Extraordinary item	In November 2012, ČSOB **sold a 24.76% stake** in **ČSOB Pojišťovna to KBC Insurance with CZK 1.2bn profit.** The transaction will improve capital utilization on the group level. ČSOB remains **committed to its bancassurance** business model.

Higher reported profit due to the sale of a stake in ČSOB Pojišťovna

Reported net profit
CZK bn

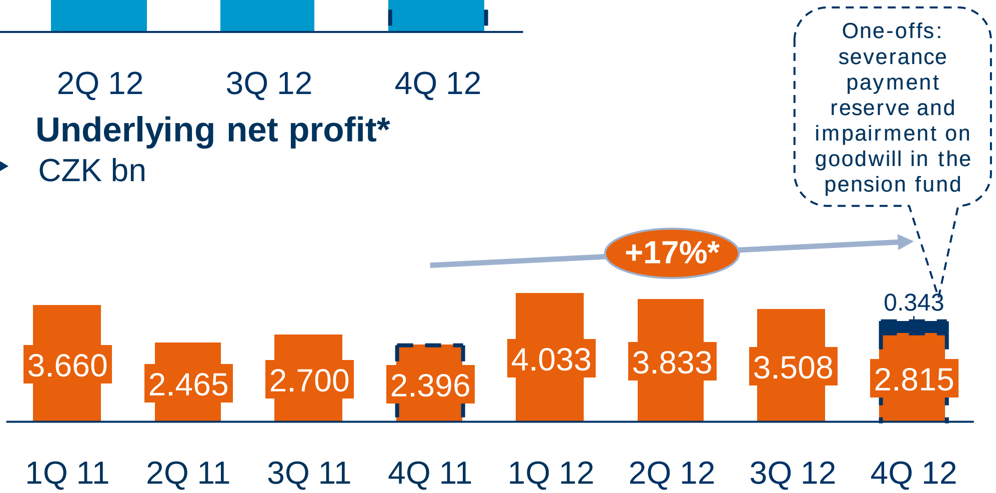


The high Y/Y growth of the 4Q 2012 reported net profit was supported by the sale of a stake in ČSOB Pojišťovna booked as extraordinary item in 4Q 2012. On the top of this, the Y/Y growth was driven by a low reference base from the 4Q 2011 which was impacted by Greek bond exposure impairment.

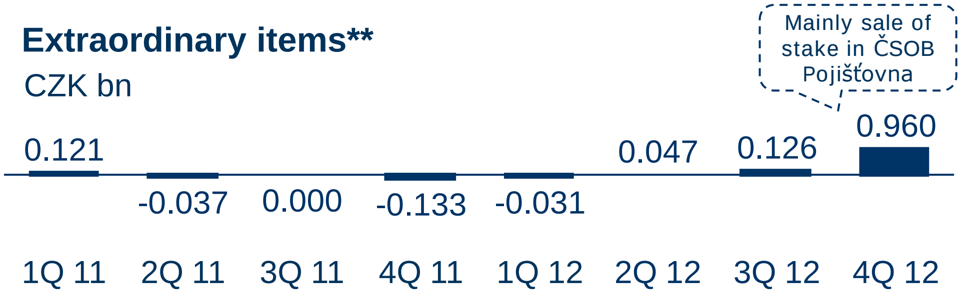
In the first half of the year, the underlying net profit was higher due to low credit costs (see page 14). The second half of 2012, when the impairments increased, was also impacted by several one-offs (see the chart on the right hand side and pages 13 and 14).

** According to the KBC group-wide methodology, losses from the AFS portfolio (which included the Greek bonds) are not treated as an extraordinary item but are included in the underlying P&L.*
*** All quarters include extraordinary items linked to the revaluation of bonds in the FVPL portfolio and non-hedging derivatives.*

Underlying net profit*
CZK bn

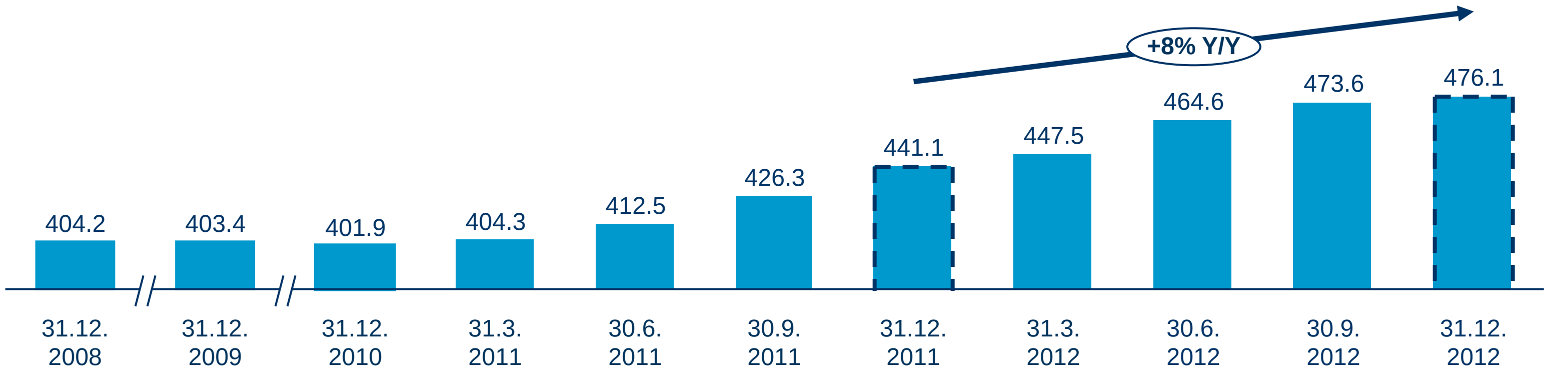


Extraordinary items**
CZK bn

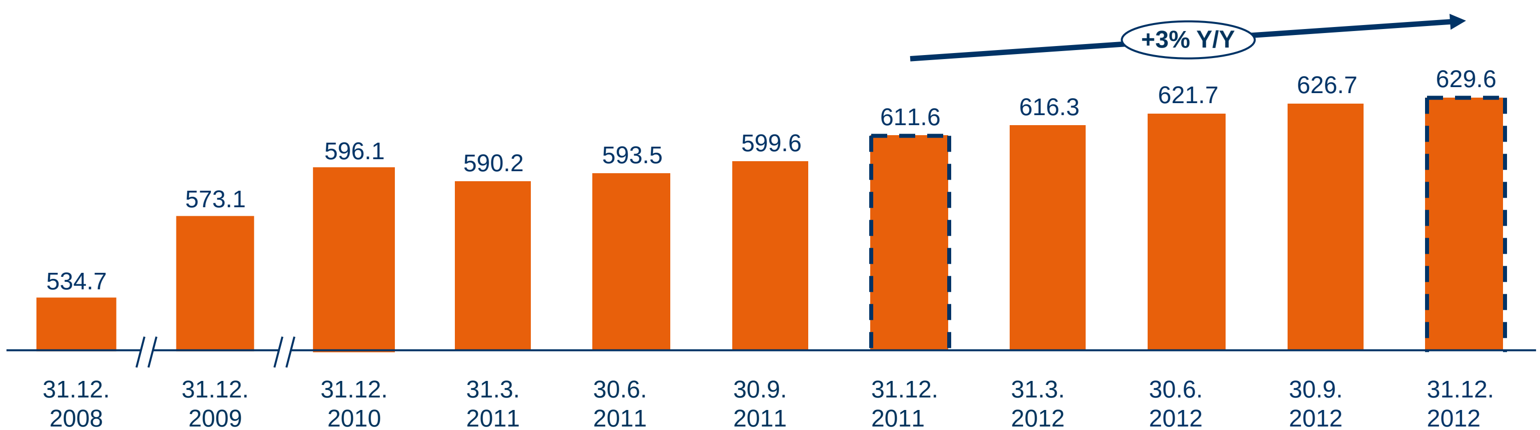


Lending and deposits
Solid volumes growth in both loans and deposits

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 without deposits from central banks.*

2. Analysis of underlying results

Methodological note

Reclassification of the profit and loss statement:

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

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

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

Reconciliation of business figures:

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

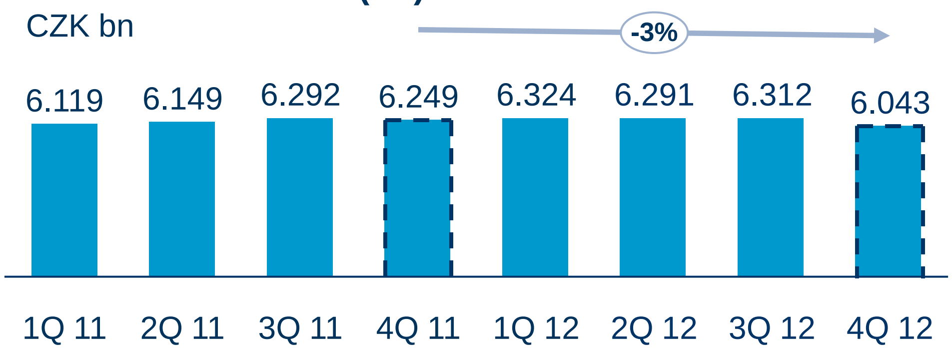
Asset management: Due to changes in the consolidation method, ČSOB AM/IS is not included in the ČSOB group FTEs any more.

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

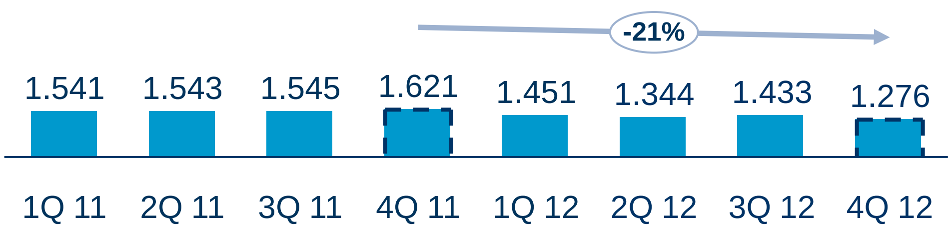
Operating income – underlying

Operating income affected by declining net interest margin

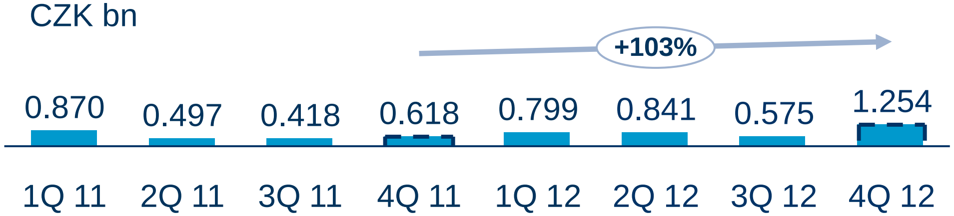
Net interest income (NII)
CZK bn



Net fee and commission income (NFCI)
CZK bn



Other*
CZK bn



Operating income increased by 1% Y/Y. The slight growth from previous quarter is a combination of higher volume of customer loans (mainly mortgages and corporate/SME loans), positive revaluation of Czech government bonds and off-balance items, decreasing net interest margins (-32 bps Y/Y, Qtd., annualized) and a lower net fee and commission income.

The decline of interest income was driven by the low interest rate environment and competitive market.

NFCI was affected by write-off of deferred acquisition costs in pension funds and asset management deconsolidation. Without this effect, NFCI decreased by 6% Y/Y due to higher fees paid to distribution.

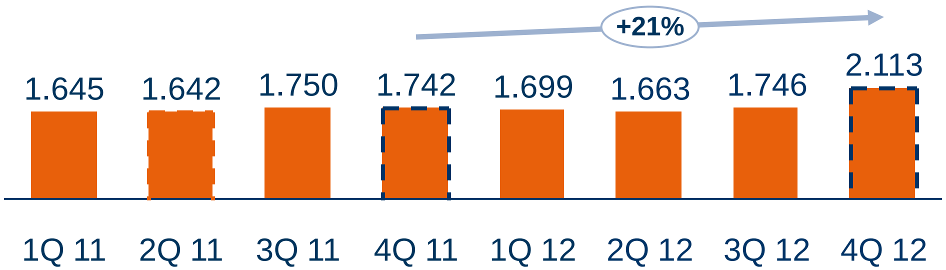
Other* income was positively affected mainly by revaluation of Czech government bonds and off-balance items.

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

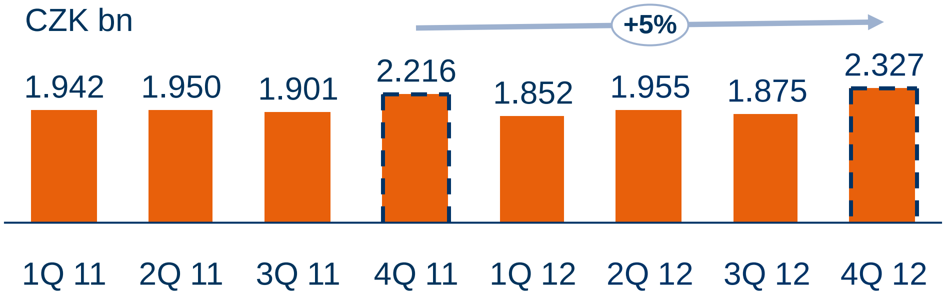
Operating expenses

Staff reduction reserve behind cost increase

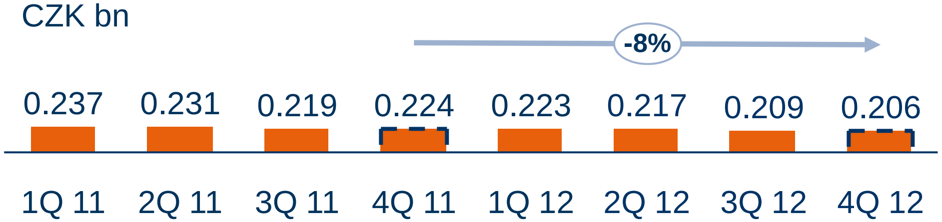
Staff expenses
CZK bn



General administrative expenses
CZK bn



Depreciation and amortization
CZK bn



Changing market conditions and behavior of the clients resulted also in an identification of duplicities and staff redundancies. Operating expenses grew by 11% Y/Y especially due to severance payment reserve.

A half of the Y/Y increase of staff expenses is attributed to accruals mentioned above. ČSOB also created higher accruals for performance-related bonuses. The rest of the growth is due to an annual wage adjustment and an Y/Y increase of the number of employees.

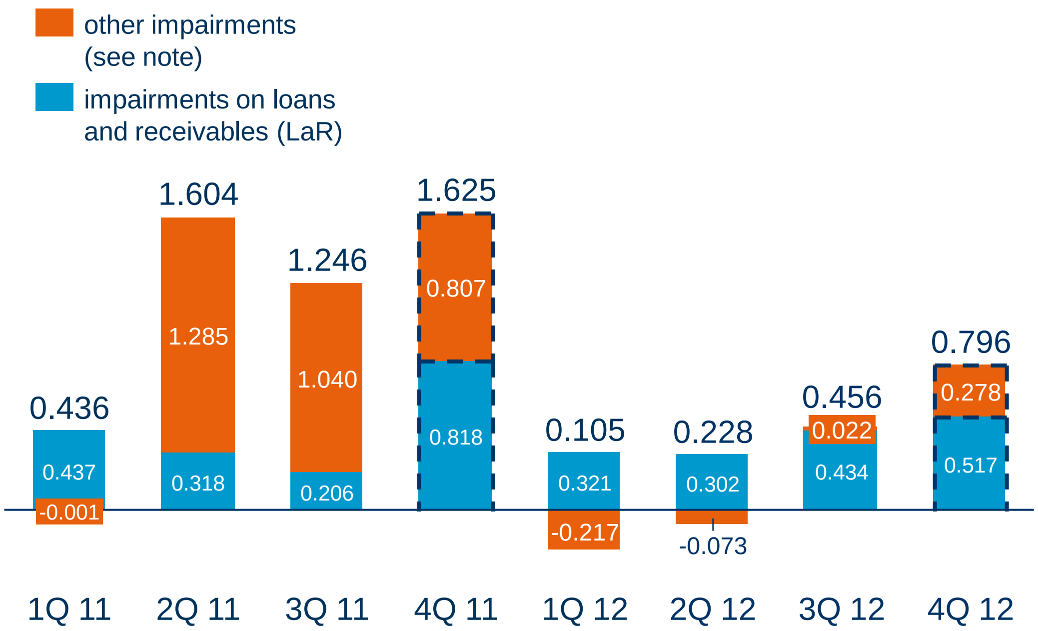
The Y/Y growth of general administrative expenses was especially due to migration to next generation (contactless) payments cards. On the other hand, asset management deconsolidation mildly compensated the Y/Y increase.

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

Impairments

Both credit costs and the credit cost ratio decline

Total impairments
CZK bn



In 4Q 2012, the impairments on loans and receivables reached CZK 517m, about one-third lower than in the same quarter year ago. However 4Q 2012 also suggested an increase of credit impairments back to more sustainable levels. Credit cost ratio is 31 bps (Ytd., annualized), below over-the-cycle level.

Impairment loss decreased Y/Y especially thanks to lower impairments in corporate/SME segment. Slight Y/Y decline was recorded in mortgages and leasing. Consumer finance and building savings loans are stable Y/Y.

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

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.

Other impairments recorded in 2Q, 3Q and 4Q 2011 were linked primarily to the Greek sovereign exposure. In 1Q 2012, the negative impact of the sale of Greek government bonds of CZK 404m is booked in operating income.

Ample liquidity and adequate capital position

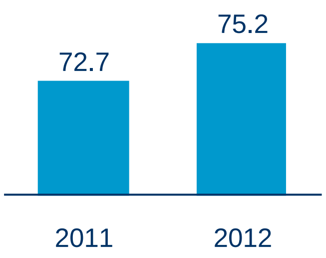
Consolidated, CZK m	31.12.2011	31.12.2012
Total regulatory capital	**54 404**	**52 161**
- Tier 1 Capital	41 264	44 975
- Tier 2 Capital	14 080	7 983
- Deductions from Tier 1 and Tier 2	-940	-797
Total capital requirement	**28 008**	**27 389**
- Credit risk	22 966	21 669
- Market risk	1 382	1 204
- Operational risk	3 660	4 516
Total RWA	**350 101**	**342 360**
Core Tier 1 ratio = Tier 1 ratio	**11.65%**	**13.02%**
Total capital ratio	**15.54%**	**15.24%**

Increase due to retained earnings.

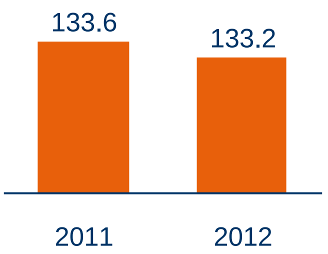
Decrease mainly due to the repayment of subordinated debt to KBC.

The operational risk increased in line with the operating income.

Loan/deposit ratio (%)



Net stable funding ratio - NSFR (%)



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

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

3. Analysis of business performance

ČSOB increased its market share in most of the categories

2nd

Total loans and leases[1]	↗ 19.2%
Deposits[1]	↘ 20.7%
Factoring[2]	↗ 24.2%

1st

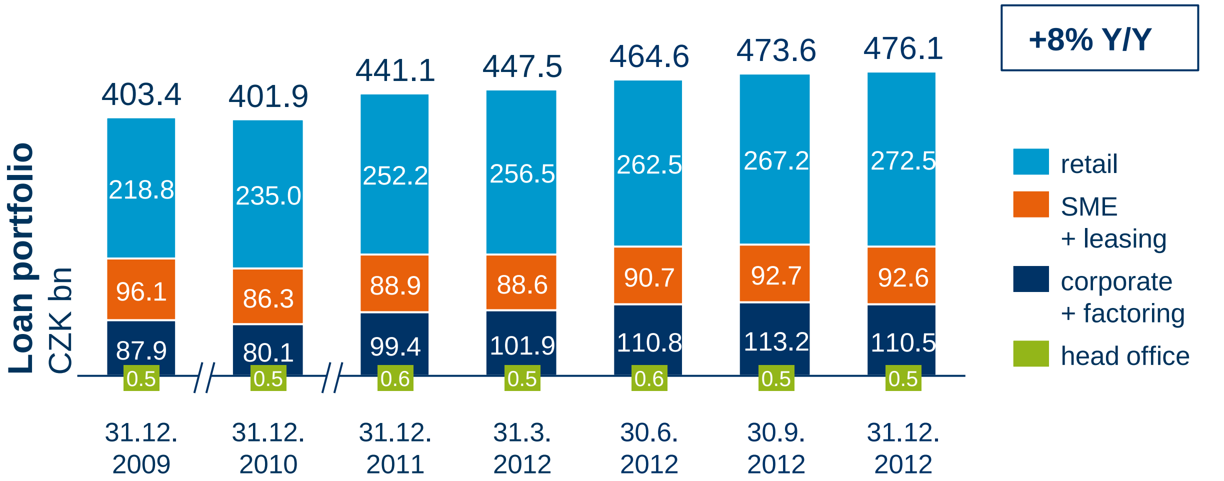
Building savings loans[1]	↗ 44.1%
Building savings deposits[1]	↘ 35.8%
Mortgages[1]	↗ 30.7%
Housing loans[1,4]	↗ 35.6%
Mutual funds[1]	↗ 30.0%
Leasing[2]	⇨ 11.9%

3rd

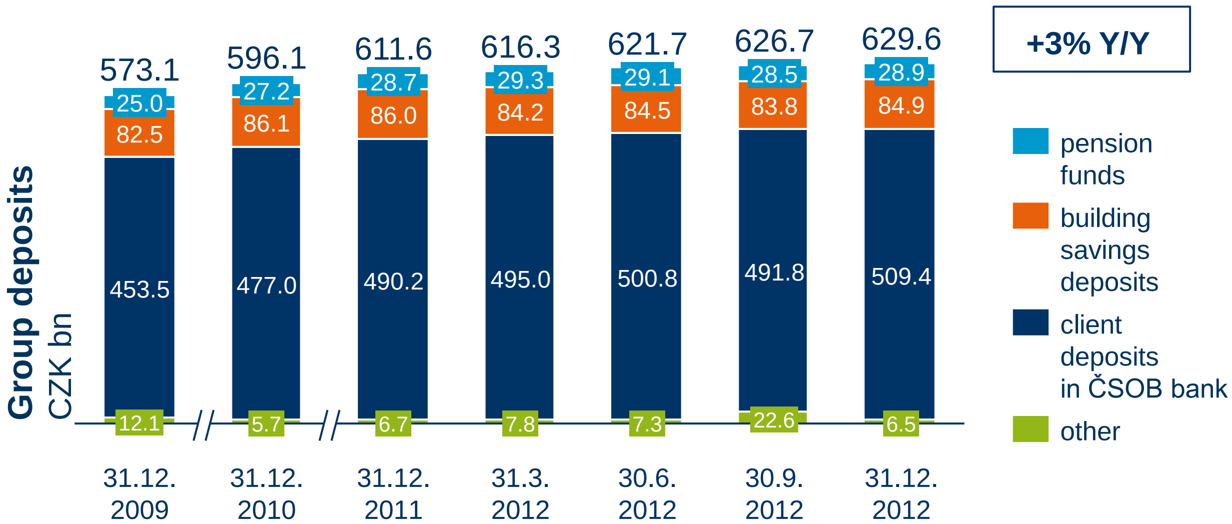
Pension funds[3]	↘ 14.8%
Corporate/SME loans[1]	↗ 14.7%
Other retail loans[1,5]	↗ 16.0%

Arrows show Y/Y change. Market shares as of 31 December 2012, except for factoring, leasing, pension funds and mutual funds, which are as of 31 September 2012. 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] Comprise mortgages and building savings loans; [5] Retail loans excluding mortgages and building savings loans;
Sources and detailed definitions are provided in Appendix.

Group deposits retained despite new competition



At the end of 4Q 2012, the **loan portfolio reached CZK 476.1bn**, the double digit growth from previous quarters slowed down.

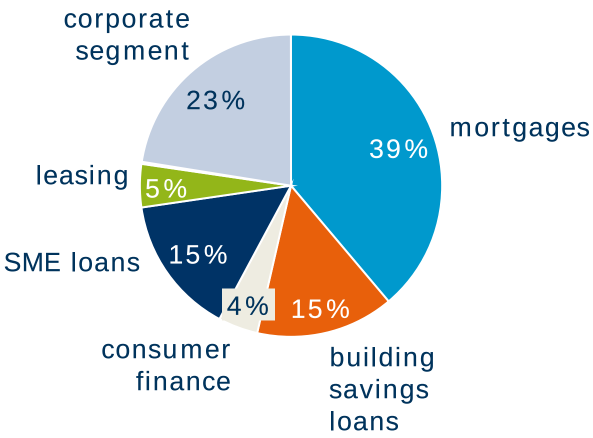


Group deposits kept increasing Y/Y, the growth was driven by current and saving accounts. In **4Q 2012, client deposits** increased Q/Q driven by **institutional and corporate clients**. In addition, ČSOB retained the leading role in distribution of Ministry of Finance savings bonds.

Loan portfolio
Growth driven by mortgages and corporate/SME

Gross outstanding volumes, CZK bn	31.12.2011	31.12.2012	Y/Y
Loan portfolio	**441.1**	**476.1**	**+8%**
Retail/SME Segment			
Mortgages[1]	163.1	183.6	+13%
Building savings loans[2]	71.7	69.8	-3%
Consumer finance[3]	17.5	19.1	+9%
SME loans[3]	66.0	70.8	+7%
Leasing	22.8	21.8	-4%
Corporate Segment			
Corporate loans[4]	95.3	106.5	+12%
Factoring	4.1	4.0	-4%
Head Office[5]	0.6	0.5	-6%

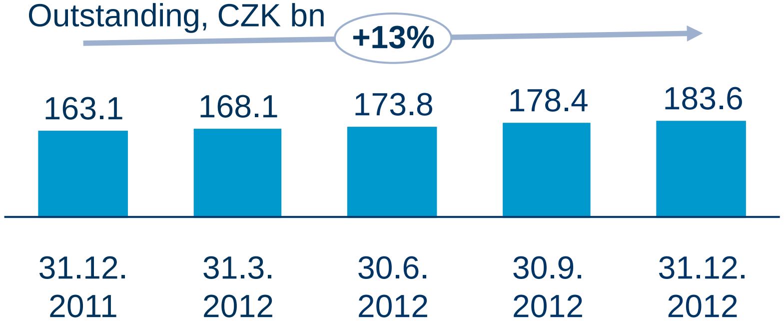
31.12. 2012



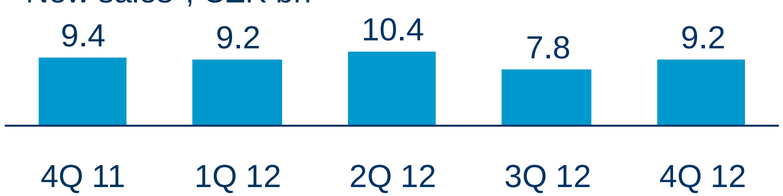
[1] ČSOB group mortgages are booked in the balance sheet of ČSOB's subsidiary Hypoteční banka.
[2] ČSOB group building savings loans are booked in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated balance sheet.
[3] Loan transfers were made between the consumer finance and SME sub-segments in 1Q 2012. Adjusted for their effects, the Y/Y changes would be +2% for consumer finance and +9% for SME in 4Q 2012.
[4] Including credit-replacing bonds.
[5] Historic files.

Housing loans
Good performance in the mortgage area

Mortgages
Outstanding, CZK bn



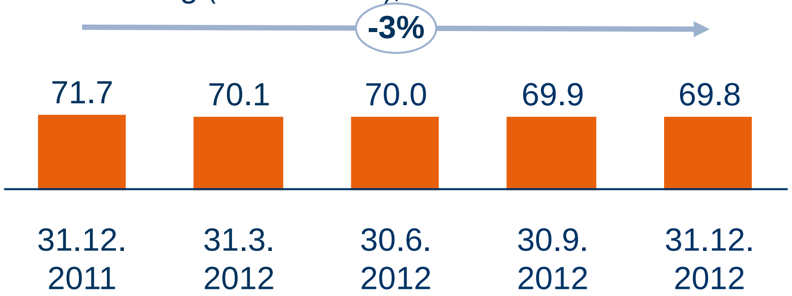
New sales*, CZK bn



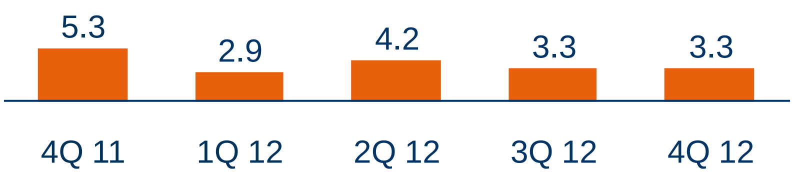
Stable real estate prices, interest rates at a record lows and **refinancing building savings loans** contributed to a very successful year for mortgage market which grew by 3% Y/Y. **ČSOB volumes increased by 13%** in the same period.

The leading position of ČSOB was supported by providing CZK 36.6bn of new mortgages in 2012, the highest amount on the market.

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



New sales (ČMSS 55%)*, CZK bn



The portfolio of building savings loans decreased Y/Y as clients in general preferred mortgages to building savings loans in the low interest rate environment. As a result, the whole **market of building savings loans slightly declined in 2012**.

Although both volumes and new sales decreased Y/Y, ČMSS manage to defend its leading market position.

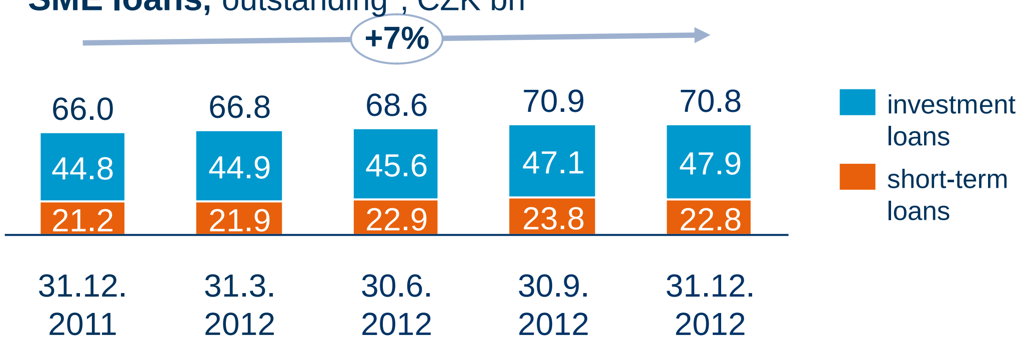
** Building savings loans: granted loan limits; mortgages: signed contracts, in line with MMR statistics.*

Consumer finance, SME loans, leasing

Growth in consumer finance and SME despite difficult market

Consumer finance, outstanding*, CZK bn

SME loans, outstanding*, CZK bn



Leasing, outstanding**, CZK bn

ČSOB managed to increase volume of consumer finance despite a stagnating market. The best result was achieved in the area of **loan consolidation** where new product was launched.

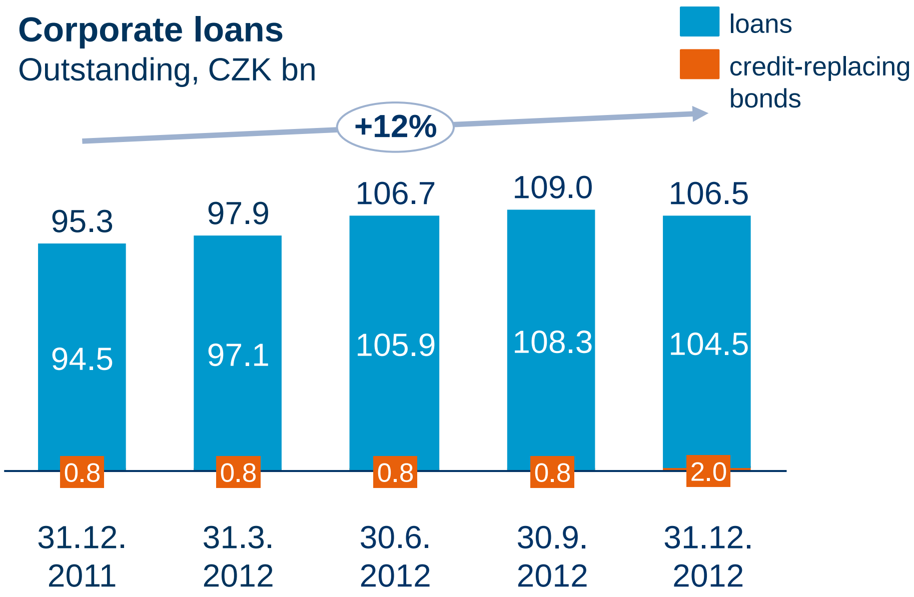
SME volumes **ended up 7%** above the December 2011 level. This led to an **increase** of the ČSOB group's **market share**.

Despite the Y/Y decline, **ČSOB Leasing confirmed its leading position**, outperforming a very competitive market. The outstanding volumes of the whole leasing market are still below pre-crisis level.

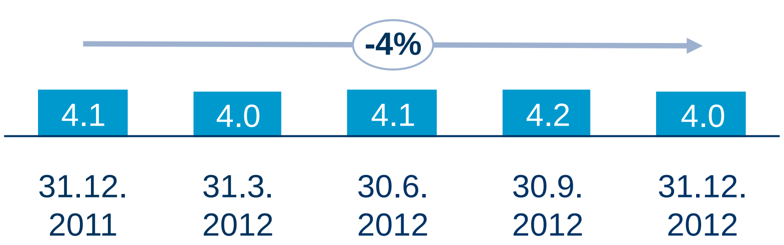
** Loan transfers were made between the consumer finance and SME sub-segments in 1Q 2012. Adjusted for their effects, the Y/Y changes would be +2% for consumer finance and +9% for SME in 4Q 2012.*
*** Total exposure of ČSOB Leasing, excluding operational leasing.*

Corporate lending fuelled by both specialized as well as plain-vanilla transactions

Corporate loans
Outstanding, CZK bn



Factoring
Outstanding, CZK bn



Corporate **loans increased by 12%** thanks to a rebound in both specialized finance as well as plain-vanilla transactions.

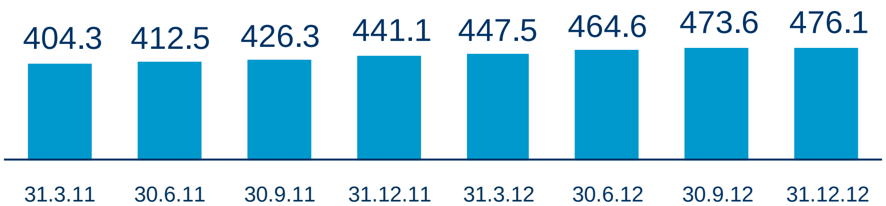
Credit replacing bonds more than doubled Q/Q thanks to transformation of corporate loan into bonds partly held by ČSOB.

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

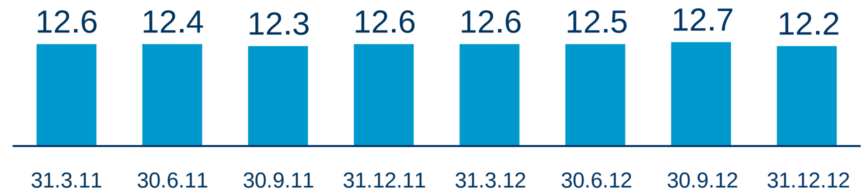
Note: The corporate segment comprises mid-cap corporate customers with an annual turnover above CZK 300m, local subsidiaries of international groups and selected institutional clients.

Credit risk under control (1/2)

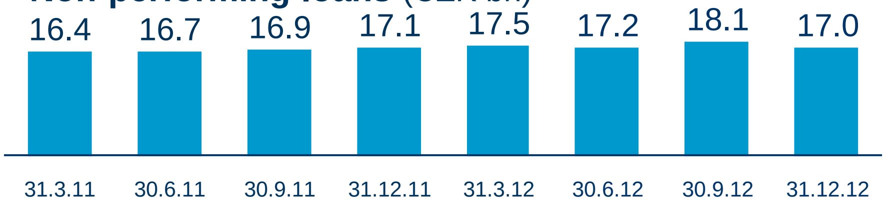
Loan portfolio[1] (CZK bn)



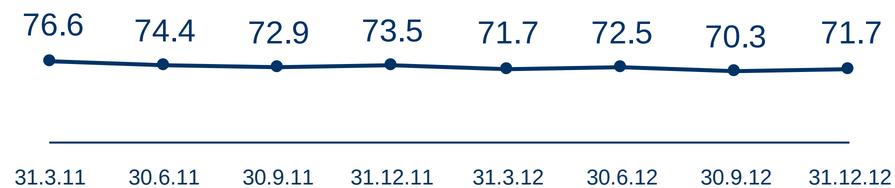
Allowances for loans and leases[3] (CZK bn)



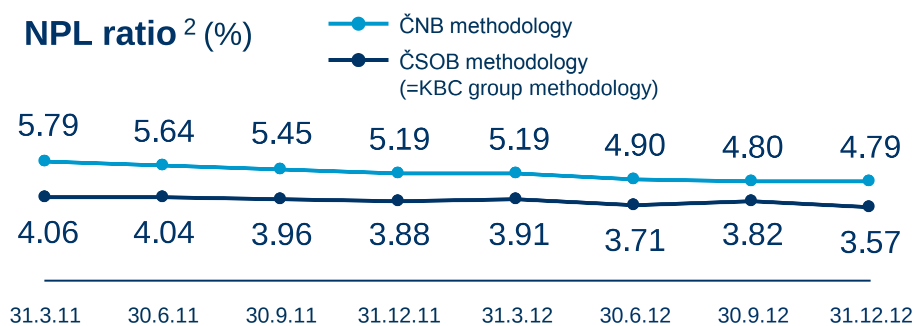
Non-performing loans (CZK bn)



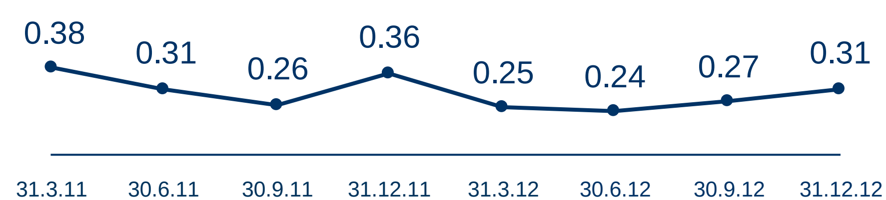
NPL coverage ratio (%)



NPL ratio[2] (%)



Credit cost ratio[4] (%)



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

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

Credit risk under control (2/2)

Credit costs

- The impairments on loans and receivables decreased by 11% Y/Y to CZK 1.575bn. The credit cost ratio is 31 bps (Ytd., annualized), still below over-the-cycle level.
- The Y/Y decline in impairment losses was recorded thanks to lower impairments in the corporate/SME segment and leasing. Retail as a whole remained flat Y/Y.
- If 4Q 2012 is compared with 4Q 2011, the impairment loss decreased especially thanks to lower impairments in the corporate/SME segment. The slight Y/Y decline was recorded in mortgages and leasing. Consumer finance and building savings loans are stable Y/Y.
- 4Q 2012 in comparison with previous quarters showed a slight worsening in the area of corporate/SME. Impairment losses in retail were stable in all quarters of 2012.

Non-performing loans

- In 4Q 2012, the amount of non-performing loans decreased due to a successful recovery of a large corporate loan. Adjusting for this loan, non-performing loans in all segments decreased nonetheless.
- On the Y/Y basis, the NPL ratio in all segments except for consumer finance decreased.

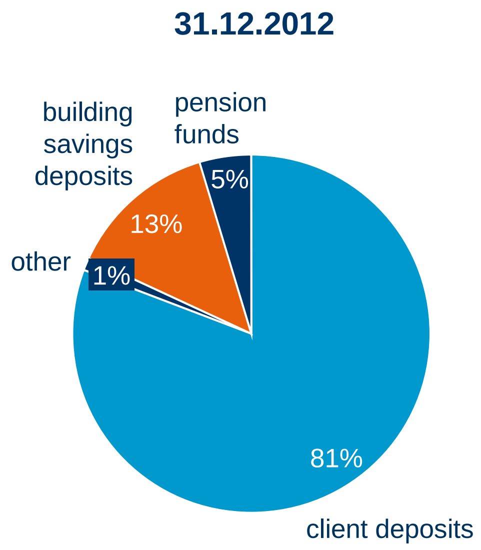
Coverage of non-performing loans

- The provision coverage of NPLs increased to 71.7%, to a large extent driven by a successful recovery of a large corporate loan in October.
- Housing loans (mortgages and building savings loans), representing more than a half of the ČSOB group’s loan portfolio, require less provisioning given the fact they are largely secured by collateral. NPLs from the remaining part of the portfolio are almost or fully covered by allowances, i.e. showing the coverage ratio around 100%.

Group deposits

Notwithstanding competitive environment, both retail and company deposits grew Y/Y

Outstanding volumes, CZK bn	31.12.2011	31.12.2012	Y/Y
Group deposits	**611.6**	**629.6**	**+3%**
Client deposits	490.2	509.4	+4%
Current accounts	264.2	280.8	+6%
Savings deposits	197.8	205.2	+4%
Term deposits	28.3	23.4	-17%
Building savings deposits[1]	86.0	84.9	-1%
Pension funds[2]	28.7	28.9	+1%
Other[3]	6.7	6.5	-3%



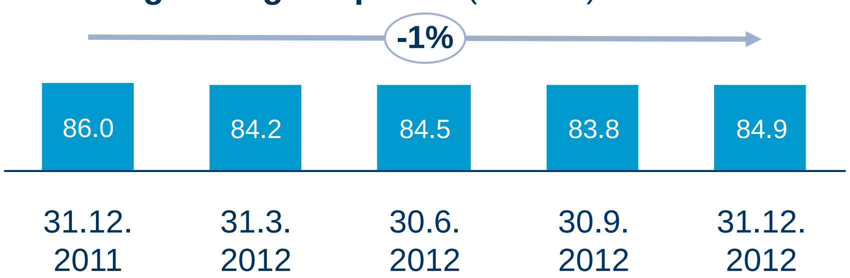
[1] ČSOB group building savings deposits are in the balance sheet of the ČMSS building savings company, 55%-owned by ČSOB. Volumes are reported pro rata, i.e. the way they enter ČSOB's consolidated balance sheet.
[2] Liabilities to pension fund policy holders.
[3] Repo operations with non-banking financial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

Group deposits

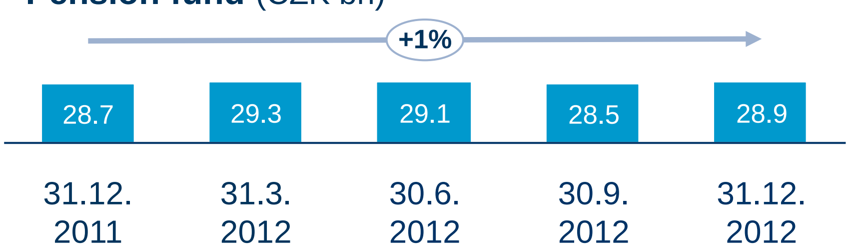
Both retail and corporate/SME deposits grew Y/Y

Client deposits in ČSOB bank (CZK bn)

Building savings deposits (CZK bn)



Pension fund (CZK bn)



Within the total client deposits, **savings deposits recorded a 4% Y/Y growth**. Part of the increase was at the expense of term deposits (-18% Y/Y). **Current accounts increased by 6% Y/Y**. The Y/Y increase was achieved in both retail and company deposits.

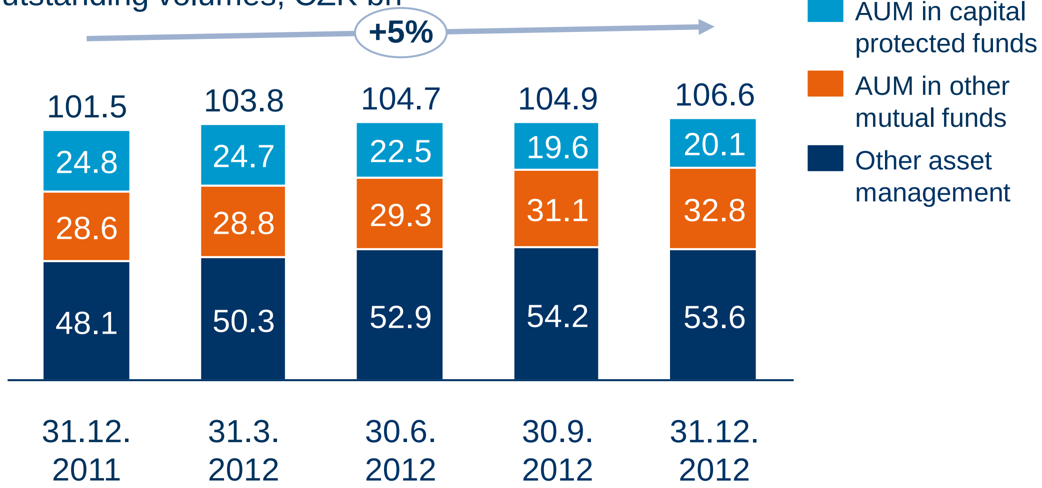
The Q/Q change in current accounts is caused by higher institutional and company deposits. Retail deposit market was again impacted by bonds issued by Ministry of Finance.

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

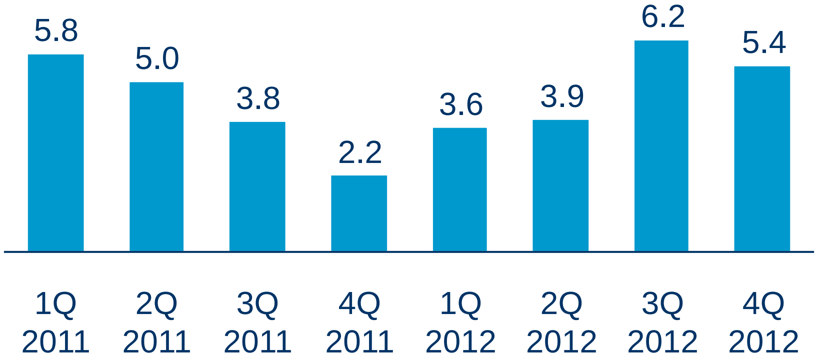
During 2012, ČSOB Pension fund Stabilita saw a higher number of client requests to **increase their monthly contributions** (on average by 28%) and the number of **new contract increased by 92% Y/Y.**

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

Assets under management
outstanding volumes, CZK bn



Mutual funds
New sales, CZK bn



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

AUM increased by 5% Y/Y driven especially by positive development in other mutual funds and other asset management. In 4Q 2012, the new sales in mutual funds were higher than outflows from matured funds and thus reversed the trend of previous 2012 quarters. This was supported by an improving performance of equity and bond funds.

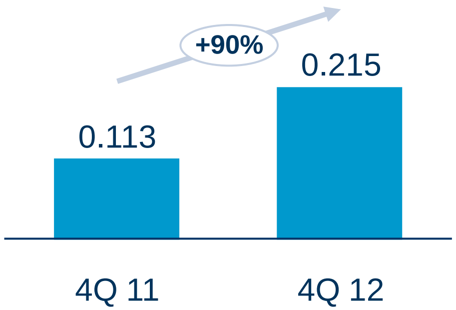
New sales improved Y/Y, successfully supported by reinvestment of money in the area of capital protected funds, where ČSOB confirms its market leader position. New sales of bond funds and mixed funds increased significantly Y/Y as well.

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

Good sales in non-life insurance

Net profit of ČSOB Pojišťovna

CZK bn

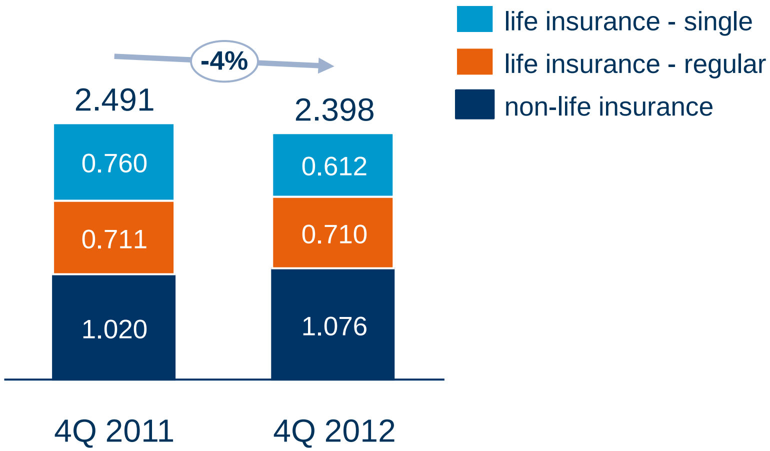


ČSOB Pojišťovna's **contribution to the group underlying* P/L in 4Q 2012** (a 25% share until November 2012) **was CZK 37m**, compared to CZK 29m a year ago. The growth was driven by good technical performance in the life insurance and cost control. The comparison base in 4Q 2011 was also negatively affected by a one-off impairment.

The Y/Y decrease in gross written premium is due to lower sales of single life insurance. This part of sales is rather volatile as it depends on the products offered during a given quarter.

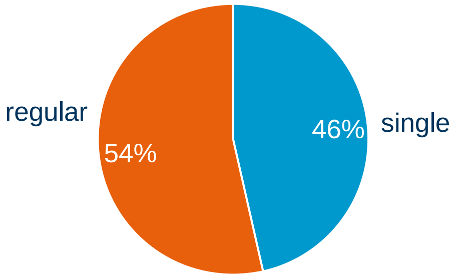
Gross written premium

CZK bn



Life insurance

4Q 2012



CZK 1.3bn

** 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.*

Pro-forma number of clients increased, while distribution platform further optimized

	31.12.2011	31.12.2012
Customers of the group*	> 4m	> 4m
of which ČSOB + PSB (ths)	3,096	3,054
Retail/SME branches and advisory centers	569	561
ČSOB Retail/SME branches	241	238
PSB branches ("Financial Centers")	62	73
ČMSS advisory centers	151	139
Hypoteční banka centers	27	27
ČSOB Pojišťovna branches	88	84
Leasing branches	13	13
Corporate branches	11	11
PSB outlets of the Czech Post network	ca. 3,200	ca. 3,200
ATMs (ČSOB+PSB)	831	914

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

The number of ČSOB's clients (bank only) decreased due to closing of inactive accounts and client consolidation in the RET/SME segment. **The pro-forma increase is 1% Y/Y.**

ČSOB group is in process of the branch **network optimization**.

The **ATMs network exceeded 900**, when ČSOB increased the number of ATMs by twenty or more in each of the last three quarters of 2012.

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

ČSOB continues to invest into relations with its community and society

Responsible Business

In all Era Financial centers, new service **Era eScribe** was launched. Thanks to this service, a transcription of the whole conversation is shown on a screen so that the deaf or people with hearing difficulties can easily communicate at the bank branch.

Almost 500 employees participated in volunteering program **ČSOB and Era Helping Together** and helped 41 non-profit organizations.

Education

The **ČSOB Education Fund** granted scholarship to 28 students in 2012. Currently we support **64 students** from children's homes, socially disadvantaged families or who are disabled.

Environment

Within the program **„ČSOB and Era support regions"** three winning projects of large community grants were supported. Projects are focused on landscape renewal and environmental care.

Diversity

In autumn 2012, we received a grant from ESF for the project **"Work and Family - equal chances for parents' work in ČSOB"**. The main topic of the project is work-life balance of our employees. Award of the grant means recognition for our ongoing activities in this area, i.e. **Program for Mums and Dads**. This program has been successful in various competitions, e.g. It won the HREA excellence award.

Appendix

Financial ratios

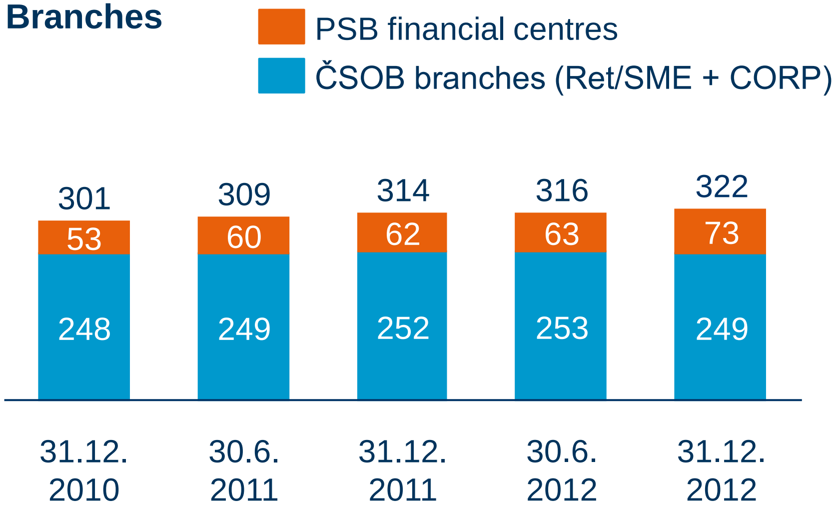
Consistent business profitability and resilience

Profitability	31.12.2011	31.12.2012	Y/Y
Net interest margin (Qtd.)	3.35%	3.03%	-0.32 pp
Cost/income (underlying, Ytd.)	46.9%	47.4%	+0.5 pp
Cost/income (reported, Ytd.)	46.7%	45.9%	-0.8 pp
RoE (underlying, Ytd.)	18.0%	21.2%	+3.2 pp
RoE (reported, Ytd.)	17.9%	22.8%	+4.9 pp
RoA (underlying, Ytd.)	1.24%	1.51%	+0.27 pp
RoA (reported, Ytd.)	1.23%	1.63%	+0.40 pp
Loan portfolio quality	**31.12.2011**	**31.12.2012**	**Y/Y**
Credit cost ratio (Ytd., annualized)	0.36%	0.31%	-0.05 pp
NPL ratio	3.88%	3.57%	-0.31 pp
NPL coverage ratio	73.5%	71.7%	-1.8 pp
Capital adequacy	**31.12.2011**	**31.12.2012**	**Y/Y**
Core tier 1 ratio = Tier 1 ratio (Basel II definition)	11.65%	13.02%	+1.37 pp
Total capital ratio (Basel II definition)	15.54%	15.24%	-0.30 pp
Solvency ratio – insurance (Solvency I definition)	244.4%	255.4%	+11.0 pp
Leverage ratio (Basel III definition)	3.96%	4.87%*	-1.8 pp
Liquidity	**31.12.2011**	**31.12.2012**	**Y/Y**
Net stable funding ratio (Basel III definition)	133.6%	133.2%	-0.4 pp
Liquidity coverage ratio (Basel III definition)	220.4%	336.1%	+115.7 pp
Loan to deposit ratio	72.7%	75.2%	+2.5 pp

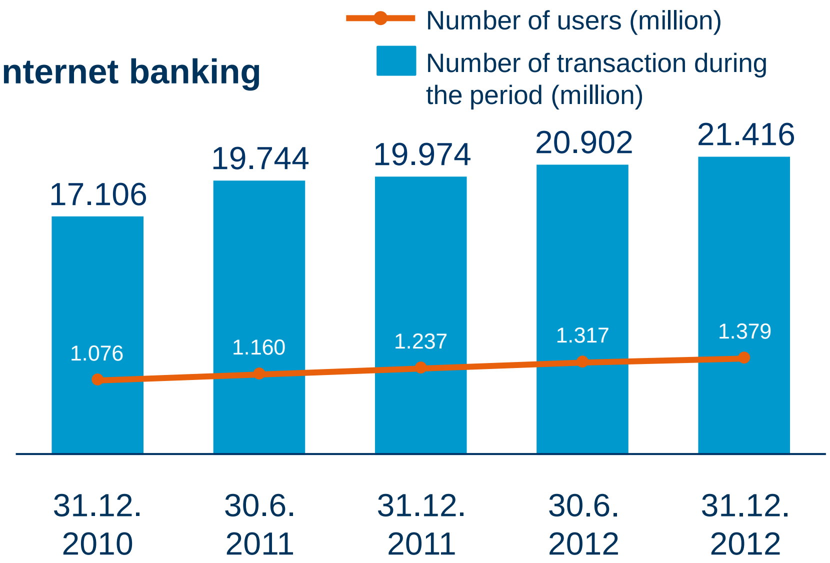
*Note: For definitions of the ratios see Appendix.*Leverage ratio as of 30.9.2012 only.*

Other information

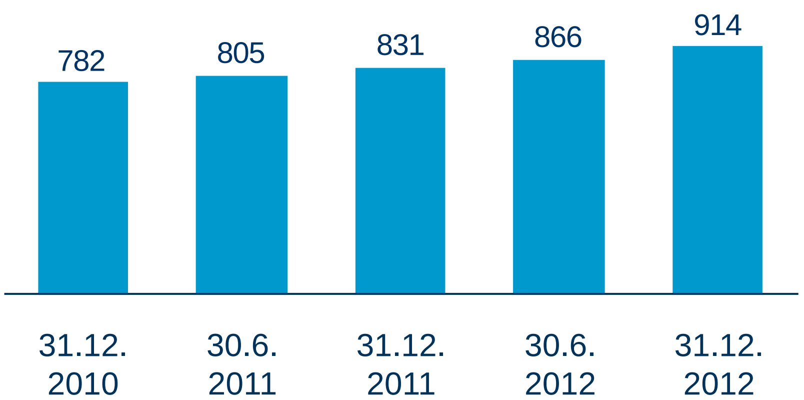
Branches



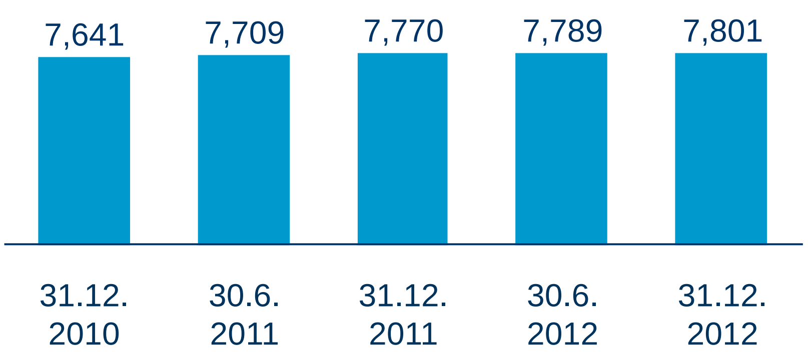
Internet banking



ATMs



Group employees*



**2012 figures without ČSOB Asset management employees*

Credit rating and shareholder structure

ČSOB's credit ratings

As at 14 February 2013

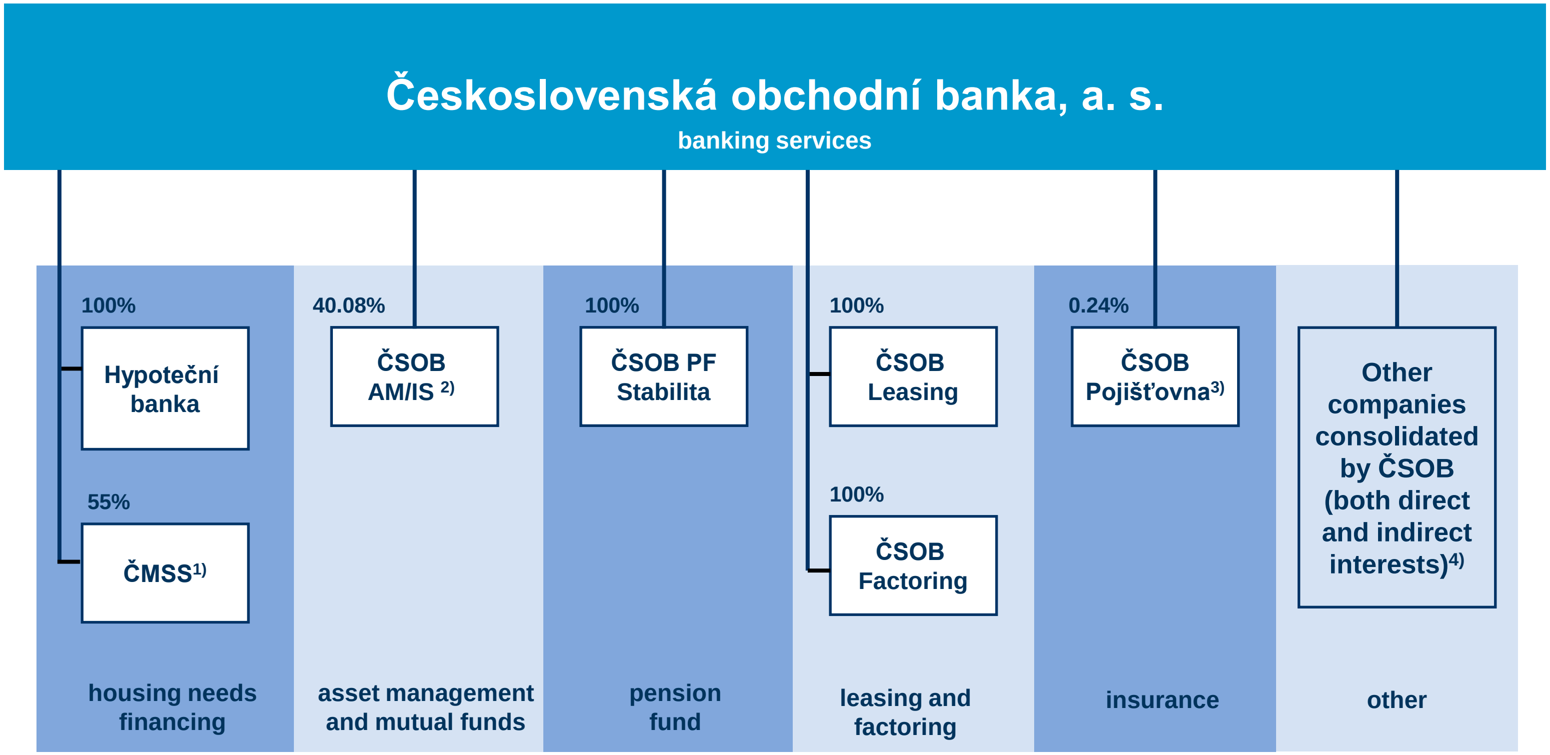
Rating agency	Moody's		Fitch	
	Long-term rating:	**A2**	**Long-term rating:**	**BBB+**
	Outlook:	negative	Outlook:	stable
	Short-term rating:	Prime-1	Short-term rating:	F2
	Financial strength:	C-	Viability rating:	bbb+
			Support:	2
LT rating valid since		20 June 2012		3 February 2012
Last confirmation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

Shareholder structure

As at 31 December 2012, ČSOB's share capital was CZK 5.855bn and comprised of 292,750,000 ordinary bearer shares with a nominal value of CZK 20 each.

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

ČSOB group in the Czech Republic



Percentages show ownership interests on company's equity as at 1 January 2013.

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

2012 awards

Many accolades received

Global Finance Best Bank 2012	A Global Finance magazine award: ČSOB named the best bank in the Czech Republic for the year 2012.
The Most Friendly Bank, The Best Bank: silver	A *Hospodářské noviny* daily award: PSB won the Most Client Friendly award, ČSOB second in the Best Bank category.
Global Finance: Best Trade Finance Provider 2012	A Global Finance magazine award: ČSOB awarded the best provider of the services for international trade in the Czech Republic.
Global Finance: Best FX Bank 2012	A Global Finance magazine award: ČSOB awarded the best FX provider for its clients in the Czech Republic.
The *Zlatá koruna 2012* contest	Silver and bronze awarded to ČSOB Leasing for electric car financing and ČSOB Autolease – fleet financing.
The Most Desired Company: bronze	Employer of the Year 2012: ČSOB was the top bank in the category “The Most Desired Company" (an university students vote).
Mobile Application of the Year 2012	In a client vote, the smartbanking applications Era and ČSOB took the top two positions in the Payment and shopping category.

For an updated overview please visit http://www.csob.cz/en/CSOB/About-CSOB/Stranky/Awards.aspx

Profit and loss statement – reported

(CZK m)	4Q 2011	3Q 2012	4Q 2012	Y/Y	Q/Q
Interest income	*8 441*	*8 215*	*7 824*	*-7%*	*-5%*
Interest expense	*-2 192*	*-1 903*	*-1 781*	*-19%*	*-6%*
Net interest income	6 249	6 312	6 043	-3%	-4%
Net fee and commission income	1 621	1 434	1 276	-21%	-11%
Net gains from financial instruments at FVPL*	404	525	398	-1%	-24%
Other operating income	238	206	1 752	>+100%	>+100%
Operating income	**8 512**	**8 477**	**9 469**	**+11%**	**+12%**
Staff expenses	-1 742	-1 746	-2 113	+21%	+21%
General administrative expenses	-2 216	-1 875	-2 327	+5%	+24%
Depreciation and amortisation	-224	-210	-206	-8%	-2%
Operating expenses	**-4 182**	**-3 831**	**-4 646**	**+11%**	**+21%**
Impairment losses	-1 776	-456	-795	-55%	+74%
Impairment on loans and receivables	*-818*	*-434*	*-517*	*-37%*	*+19%*
Impairment on available-for-sale securities	*-734*	*0*	*-23*	*-97%*	*N/A*
Impairment on other assets	*-224*	*-22*	*-255*	*+14%*	*N/A*
Share of profit of associates	28	50	49	75%	>+100%
Profit before tax	**2 582**	**4 240**	**4 077**	**+58%**	**-4%**
Income tax expense*	-384	-603	-318	-17%	-47%
Profit for the period	**2 198**	**3 637**	**3 759**	**+71%**	**+3%**
Attributable to:					
Owners of the parent	**2 263**	**3 634**	**3 775**	**+67%**	**+4%**
Non-controlling interests	-65	3	-16	-75%	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.
** Lines designated by asterisk as reported differ from underlying figures.*

Profit and loss statement – underlying

(CZK m)	4Q 2011	3Q 2012	4Q 2012	Y/Y	Q/Q
Interest income	*8 441*	*8 215*	*7 824*	*-7%*	*-5%*
Interest expense	*-2 192*	*-1 903*	*-1 781*	*-19%*	*-6%*
Net interest income	6 249	6 312	6 043	-3%	-4%
Net fee and commission income	1 621	1 434	1 276	-21%	-11%
Net gains from financial instruments at FVPL*	381	368	731	+92%	+98%
Other operating income	238	206	522	>+100%	>+100%
Operating income	**8 489**	**8 320**	**8 572**	**+1%**	**+3%**
Staff expenses	-1 742	-1 746	-2 113	+21%	+21%
General administrative expenses	-2 216	-1 875	-2 327	+5%	+24%
Depreciation and amortisation	-224	-210	-206	-8%	-2%
Operating expenses	**-4 182**	**-3 831**	**-4 646**	**+11%**	**+21%**
Impairment losses	-1 625	-456	*-795*	*-51%*	*+74%*
Impairment on loans and receivables	*-818*	*-434*	*-517*	*-37%*	*+19%*
Impairment on available-for-sale securities	*-734*	*0*	*-23*	*>+100%*	*N/A*
Impairment on other assets	*-73*	*-22*	*-255*	*>+100%*	*>+100%*
Share of profit of associates	29	51	49	+68%	-4%
Profit before tax	**2 711**	**4 084**	**3 180**	**+17%**	**-22%**
Income tax expense*	-380	-573	-381	0%	-33%
Profit for the period	**2 331**	**3 511**	**2 799**	**+20%**	**-20%**
Attributable to:					
Owners of the parent	**2 396**	**3 508**	**2 815**	**+17%**	**-20%**
Non-controlling interests	-65	3	-16	-75%	*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.

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

Balance sheet - assets

(CZK m)	31/12 2011	31/12 2012	Ytd.
Cash and balances with central banks	46 691	28 293	-39%
Financial assets held for trading	176 703	162 265	-8%
Financial assets designated at fair value through P/L	11 021	7 352	-33%
Available-for-sale financial assets	87 404	91 904	+5%
Loans and receivables - net	449 291	479 516	+7%
Loans and receivables to credit institutions - gross	*23 783*	*24 461*	*+3%*
Loans and receivables to which other than credit institutions - gross	*438 073*	*467 250*	*+7%*
Allowance for impairment losses	*-12 565*	*-12 195*	*-3%*
Held-to-maturity investments	139 423	138 437	-1%
Fair value adjustments of the hedged items in portfolio hedge	77	1 030	>+100%
Derivatives used for hedging	10 328	14 453	+40%
Current tax assets	70	17	-76%
Deferred tax assets	481	88	-82%
Investments in associate	1 150	126	-89%
Investment property	509	430	-16%
Property and equipment	8 114	8 045	-1%
Goodwill and other intangible assets	3 314	3 093	-7%
Non-current assets held-for-sale	98	85	-13%
Other assets	1 919	2 040	+6%
Total assets	**936 593**	**937 174**	**0 %**

Balance sheet - liabilities and equity

(CZK m)	31/12 2011	31/12 2012	Ytd.
Financial liabilities held for trading	165 914	133 587	*-19%*
Financial liabilities at amortised cost	688 556	703 792	+2%
of which Deposits received from credit institutions	*41 122*	*35 365*	*-14%*
of which Deposits received from other than credit institut.	*612 160*	*630 114*	*+3%*
of which Debt securities in issue	*23 295*	*30 330*	*+30%*
of which Subordinated liabilities	*11 979*	*7 983*	*-33%*
Fair value adjustments of the hedged items in portfolio hedge	103	1 741	*>+100%*
Derivatives used for hedging	7 350	9 166	+25%
Current tax liabilities	532	772	+45%
Deferred tax liabilities	1 081	2 532	>+100%
Provisions	1 058	935	-12%
Other liabilities	10 816	10 508	-3%
Total liabilities	**875 410**	**863 033**	**-1%**
Share capital	5 855	5 855	0%
Share premium account	7 509	7 509	0%
Statutory reserve	18 687	18 687	0%
Retained earnings	24 061	32 611	+36%
Available-for-sale reserve	2 612	5 701	+118%
Cash flow hedge reserve	1 578	3 567	+126%
Foreign currency translation reserve	1	0	N/A
Parent shareholders' equity	**60 303**	**73 930**	**+23%**
Minority interest	880	211	-76%
Total equity	**61 183**	**74 141**	**+21%**
Total liabilities and equity	**936 593**	**937 174**	**0%**

A decrease due to lower money market deposits from banks and non-banking customers.

A decrease due to repayment of the first tranche of subordinated debt.

Thanks to a positive revaluation of the Czech bonds due to lower yields (narrowed credit spreads and lower interest rates).

Elimination of ČSOB Asset management from full consolidation and a decrease of the stake in Property fund.

Market shares definitions and sources

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

Glossary - ratios

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

Glossary - other definitions

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

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