



Prague, 15 October 2008

PRESS RELEASE

Preliminary 9M 2008 financial results: ČSOB Group expects a net profit of CZK 2.7bn¹

ČSOB Group reports a net profit of approx. CZK 2.7bn in 9M 2008. Excellent business results were offset by indirect effects of financial crisis. ČSOB has decided to reevaluate its investment portfolio very conservatively in connection with the current situation on financial markets. CAD exceeded 10%.

As ČSOB has already stated, the current financial crisis will not have any impact on ČSOB's stability or its clients, only 2008 net profit will be reduced.

On 14 October 2008, the rating agency Moody's downgraded its ratings on 5 CDOs in KBC's portfolio. The downgrade is due to very stringent rating assumptions in Moody's models.

The KBC Group, the parent of ČSOB, reacted to this measure by applying the more stringent criteria to all of its CDO portfolios and by a decision to publish today morning the expected impact of this prudent accounting operation on its 3Q 2008 financial results, which will be published in entirety on 6 November 2008. This preliminary disclosure is a proactive step by KBC which has always been a supporter of open and transparent communication. KBC believes that this stringent accounting policy will decrease the volatility of profits in the months to come.

In connection with the KBC Group, the ČSOB Group decided to also publish the preliminary financial results. Both ČSOB and KBC has always been very transparent in informing the markets on the quality of their investment portfolios.

ČSOB Group's underlying net profit for the first three quarters 2008 reached approx. CZK 8.9bn, which is a Y/Y increase of 14%.

As ČSOB decided to be very prudent, the markdowns of its investment portfolio over the first nine months of 2008 will decrease the net profit by CZK 6.2bn. This is a purely accounting/"paper" mark-downs on investment portfolios consequent on IFRS accounting rules.

Reported unaudited net profit according to IFRS will thus reach approx. CZK 2.7bn.

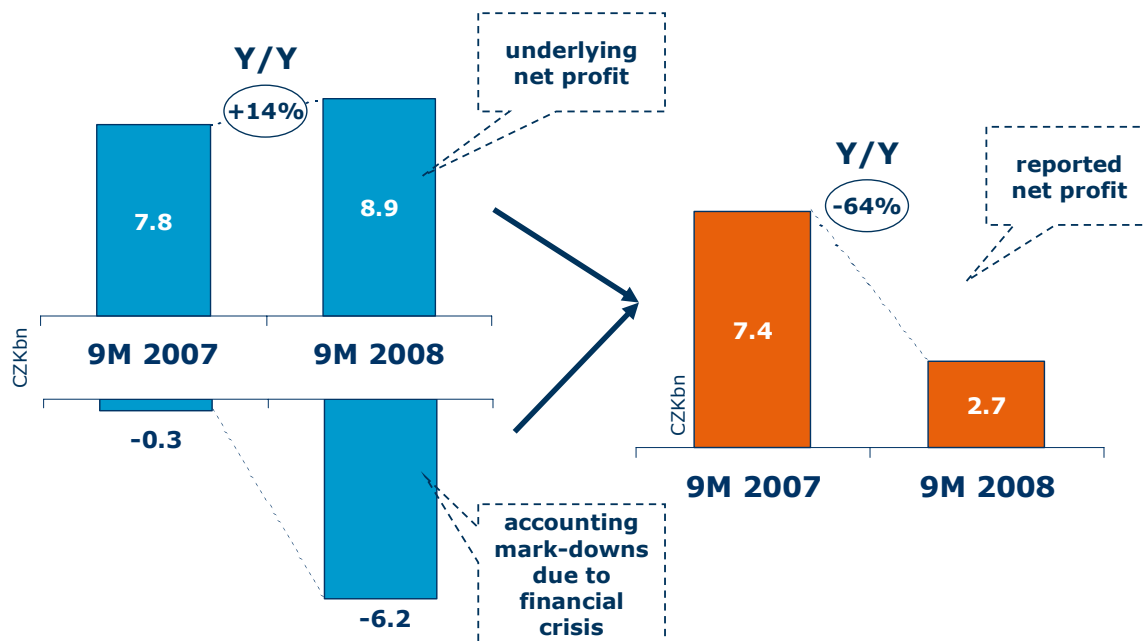
¹ All 3Q 2008 numbers in this press release preliminary, unaudited, according to IFRS.



ČSOB Group is the leading player in Czech financial services industry. ČSOB Group is a part of the international bancassurance KBC Group which is active in Belgium and the CEE region. Combining the power of its retail brands – ČSOB (banking, insurance, asset management, pension funds, leasing and factoring), the Postal Savings Bank (banking through postal distribution network), the Mortgage Bank and the ČMSS (bank specialized for financing the housing needs) – ČSOB Group holds strong market positions in all segments of Czech financial market. ČSOB Group is a long-term number 1 in financing the housing needs, leasing and total assets under management. ČSOB Group builds a strong, long-term partnership with each client, whether in personal and family finance, financing SMEs or corporate finance. ČSOB Group is a good listener who offers suitable solutions, rather than mere products.



Net profit and impact of financial crisis



Information on the CDO portfolio:

As has been communicated in the past, the ČSOB Group has CDOs in its portfolio in the total nominal value of EUR 430m (approx. CZK 10bn). We reiterate that the total nominal value of our CDO portfolio is lower than annual profit generated by ČSOB (based on 2007 figures).

Due to markdowns ČSOB undertook in the quarters ending 30 September 2008, the net accounting value of the investment portfolio of CDOs is less than 20% of the initial nominal value. This fact is a clear proof of our conservative approach. ČSOB intends to hold the CDO portfolio until maturity and therefore all the losses are only unrealized losses.

ČSOB and KBC reconfirm that their capital and liquidity positions remain strong.

KBC said today that its Tier-1 capital ratio remains above 8,5%. (Tier-1 is a ratio of core capital and risk weighted assets. The regulatory minimum is 4%.) The capital adequacy of ČSOB exceeded 10% at the end of 3Q 2008, which is a higher figure than at the beginning



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of 2008. The liquidity also remains very high – the loan-to-deposit ration remains well under 100%.

Detailed consolidated unaudited financial reports according to IFRS and the 3Q 2008 presentation will be published on 6 November 2008 in accordance with ČSOB's financial calendar.

Net profit, IFRS	2005	2006	2007
KBC (EURm)	2,249	3,430	3,281
ČSOB (CZKm)	8,092	8,891	10,837
Excl. One-offs	(10,328)	(9,543)	(10,837)

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