



Prague, 14 May 2009

ČSOB GROUP REPORTED 1Q 2009 NET PROFIT OF CZK 3.073BN¹

Highlights of the 1Q 2009 results:

- **Net profit – reported:** CZK 3.073bn (+22% Y/Y)
- **Net profit – underlying:** CZK 3.304bn (+8% Y/Y)
- **Loans granted by the ČSOB group:** CZK 408.5bn (+16% Y/Y)
- **Quality of loan portfolio:** NPLs (excl. EGAP-covered) at 2.43%, credit costs at 0.69%
- **Assets under management and deposits:** CZK 699.8bn (+2% Y/Y)
- **Of which, total deposits:** CZK 475.2bn (+6% Y/Y)
- **Total assets:** CZK 876.7bn (+6% Y/Y)
- **Capital and liquidity:** high levels confirmed. The capital adequacy for the group at 10.69% and the loan/deposit ratio at 66.8%.

Pavel Kavánek, the CEO of ČSOB, comments on the 1Q 2009 results:

„We have entered 2009 successfully. Both financial and business results exceed those for the first quarter of 2008, despite the deteriorating situation of the economy. We continue to be highly liquid with loan to deposit ratio of 66.8% and strong capital-wise with capital adequacy ratio of 10.69%.“

„The total amount of outstanding loans increased 16% year on year. Our clients reacted to the events of the preceding two quarters by reducing their risk tolerance. We have offered them the products they seek: in addition to traditional conservative products, e.g. the Red Account and building savings, we successfully launched new savings account with a bonus, new capital protected funds and unit-linked life insurance. One of the results is the growth of our deposits by 6% year on year.“

¹ All numbers in this press release are consolidated, unaudited, according to EU IFRS. Slovak operations do not appear in any of the figures herein, as the former Slovak branch has been operating as a new legal entity since 1 January 2008.



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.



Details on the 1Q 2009 net profit:

The reported profit of the ČSOB group grew 22% Y/Y to **CZK 3.073bn**. The reported cost/income ratio improved 8pp Y/Y to 43.2%.

The underlying net profit of the ČSOB group amounted to **CZK 3.304bn**, i.e. 8% above the 1Q 2008 result. On a comparable basis, the cost/income ratio reached a record low of 42.9%.

The differences between the underlying and reported profits include especially: CDO portfolio revaluation in 1Q 2008 and impairment of listed AFS shares in pension funds in 1Q 2009. The **CDO portfolio doesn't have any negative effects** on the 1Q 2009 results as the ČSOB group prudently revaluated the entire CDO portfolio to zero in 2008.

Details on business results:

Group business lending rose 16% Y/Y to CZK 408.5bn. The retail loan portfolio continued to grow substantially: consumer loans (+26%), building loans to individuals (+24%) and mortgages to individuals (+21%). Notwithstanding the slowdown in Czech economy, the SME and corporate loans maintained healthy growth pace (+13% and +8%, respectively) while the leasing increased only slightly (+1%). As of 31 March 2009, the total of housing loan outstandings amounted to CZK 205.2bn, which is a 22% increase Y/Y. Out of the total, mortgages represent CZK 101.5bn.

The growing lending portfolio kept good quality. Non-performing loans (more than 90 days overdue) as at 31 March 2009 accounted for 2.57% of gross loans. Excluding non-performing loans covered by a guarantee from the Export Guarantee and Insurance Corporation (EGAP), a government agency to support exports of Czech goods and services, the ratio is 2.43%. Annualized credit cost ratio for 1Q 2009 stands at 0.69%.

Total AUM and deposits increased slightly by 2% Y/Y to CZK 699.8bn. ČSOB group proved to be capable of attracting clients' assets even under difficult market conditions and in an environment with rapid changes of clients' preferences.

During 1Q 2009, the increase in the client deposit and pension funds categories was again offset by the decrease in mutual funds. In absolute terms, the highest increase was recorded by bank deposits (+6% Y/Y to CZK 475.2bn). Pension funds saw the fastest growth, as their AUM grew 14% to CZK 23.3bn. Building savings maintained a single digit growth at 4% to CZK 77.1bn. AUM in mutual funds and asset management dropped 15% Y/Y, mainly due to clients transferring their assets from money market funds to deposits.

The increase in deposits can be partly explained by changing risk preferences of clients who turned to safer products after the events on financial markets in the second half of 2008. The trend also led to sharp increase (+44% Y/Y) in sales of single premium unit-linked life insurance connected to investment into products with a guaranteed return.



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.



Liquidity and capital:

Strong liquidity of ČSOB group has been reconfirmed as the loan/deposit ratio as at 31 March 2009 reached 66.8%, substantially below the 100% threshold. In other words, **the ČSOB group remains very liquid** with deposits CZK 140bn higher than the loans granted.

The continuing **strong capital position** of the ČSOB group is confirmed by the capital adequacy for the group at 10.69%, while ČSOB Pojišťovna maintains a solvency margin of 183%.

Key Financials	3M 2008	3M 2009	Y/Y change
	CZK bn	CZK bn	
Reported:			
Net Profit	2.525	3.073	+22%
Operating Income	6.916	8.058	+17%
Operating Expenses	3.544	3.478	-2%
Underlying:			
Net Profit	3.047	3.304	+8%
Operating Income	7.574	8.102	+7%
- Net Interest Income	5.184	5.834	+13%
- Net Fee and Commission Income	1.653	1.603	-3%
- Net Trading Income	0.300	0.230	-23%
- Other income	0.437	0.434	-1%
Operating Expenses	3.544	3.478	-2%
Cost/Income	46.8%	42.9%	-3.9 pp
	31.3.2008	31.3.2009	Y/Y change
Total assets	824.5	876.7	+6%
Total group lending	351.5	408.5	+16%
Total AUM and deposits	687.7	699.8	+2%

Please find more details on ČSOB's financial results in the *1Q 2009 Presentation* which can be downloaded from:

<http://www.csob.cz/en/CSOB/Investor-relations/Stranky/Financial-and-business-results.aspx>

Analysts contact:

Ondřej Vychodil, Head of Investor Relations
onvychodil@csob.cz; 224 114 106

Media contact:

Ivo Měšťánek, Head of External Communication
ivmestanek@csob.cz; 224 114 107



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.