Prague, 10 May 2012

1Q 2012 financial results of the ČSOB group:[1]

NET PROFIT AT CZK 4.0 BN: CONSISTENT BUSINESS PROFITABILITY, CREDIT RISK UNDER CONTROL

- Reported and underlying net profit came in at CZK 4.0 bn (+6% Y/Y, and +10% Y/Y respectively)
- Underlying Return on Equity (ROE) increased to 25.6% (+3.7pp Y/Y)
- Net interest income increased to CZK 6.3 bn (+3% Y/Y)
- Operating expenses remained flat Y/Y at CZK 3.8 bn
- Loan portfolio increased CZK 447.5 bn (+11% Y/Y)
- Deposits grew to CZK 616.3 bn (+4% Y/Y)
- Greek and Spanish bonds fully sold off by the end of April, the exposure to Italy below CZK 1 bn
- Credit cost ratio fell to 25 bps (-13 bps Y/Y)
- Tier 1 ratio of 11.0%
- Global Finance magazine awards in 1Q 2012: Best FX Bank, Best Trade Finance Bank

Pavel Kavánek, the Chief Executive Officer of ČSOB, comments on the 1Q 2012 financial results:

> *"In 1Q 2012, ČSOB group net profit reached CZK 4.0 bn, record high underlying net profit in its history on quarterly basis. This was achieved thanks to the growing loan portfolio with low credit costs, topped with a good result from the dealing room and benign operating costs."*

[1] *All numbers in this press release are consolidated, unaudited, according to EU IFRS. This press release shows 1Q 2011 profit and loss statement items reclassified in accordance with the current accounting methodology in order to ensure comparability of EU IFRS financial statements in time.*

In 1Q 2012, the ČSOB group's **reported and underlying net profit** reached CZK 4.0 bn. Despite gross negative impact of CZK 404 m on Greek sovereign exposure, reported net profit grew by 6% Y/Y. Underlying net profit is 10% higher than the same period a year ago.

Loan portfolio has been continuously growing to reach CZK 447.5 bn in 1Q 2012. The 11% Y/Y growth was driven mainly by mortgages (+14% Y/Y) and corporate loans (+27% Y/Y).
Group deposits increased by 4% Y/Y to CZK 616.3 bn. Mainly thanks to savings deposits, which showed the highest dynamics in 1Q 2012.

Credit costs further decreased to CZK 0.3 bn thanks to more favorable situation in corporate/SME and due to recovery of historical files.

The ČSOB group maintains **strong capital and liquidity position**. Total capital ratio stands at 14.4% and the (core) Tier 1 ratio at 11.0% as of 31 March 2012. Loan to deposit ratio stands at 72.6% and net stable funding ratio at 131.4% as of 31 March 2012.

P&L Review

Operating income grew by 1% Y/Y. The **net interest income** (NII) increased by 3% Y/Y. The growth was driven by the volume of customer loans (especially mortgages and corporate loans).
The **net fee and commission income** (NFCI) decreased by 6% Y/Y. The main reason was that since 1 January 2012, fee income from asset management (non-distribution part) has not been booked in NFCI line. Like-for-like, NFCI remained flat Y/Y.

Overall **operating expenses** decreased by 1% Y/Y. Annual wage adjustment and increased number of employees are the main drivers behind 3% higher staff expenses. The 5% Y/Y decrease in **general administrative expenses** (GAE) was caused partly by lower marketing expenses. In addition, asset management expenses are not included in 1Q 2012. Like-for-like, GAE declined 4% Y/Y.

The **costs of credit risk** fell by one-fourth of the last year figure as the impairments on loans and receivables fell to CZK 321 m. As a result, credit cost ratio further contracted to 25 bps. The Y/Y decrease in credit costs was recorded due to lower impairments in mortgages, building savings loans and leasing. There were some releases of impairments in corporate/SME segment too.

Balance Sheet Review

Loan portfolio has been continuously rising to reach CZK 447.5 bn in 1Q 2012, which is growth by 11% Y/Y.

Mortgages went up by 14% Y/Y to CZK 168.1 bn. New sales in 1Q 2012 were the highest in the history for this period of the year thanks also to increased share of refinanced building savings loans. The attractiveness of the mortgages was driven by favorable development of interest rates and stable real estate prices. **Building savings loans** decreased by 2% Y/Y to CZK 70.1 bn. The whole Czech market of building savings loans is affected by the uncertainty among clients due to ongoing

changes of the state subsidy scheme. Despite difficult market, **ČMSS's new sales** in 1Q 2012 are 20% higher than in 1Q 2011, outperforming whole market, which increased by 2% Y/Y in the new sales. **Consumer loans** increased by 1% Y/Y to CZK 18.4 bn.

At the beginning of 2011, **SME loans** (which include municipalities and housing cooperatives) returned to growth and kept steadily increasing each quarter to end up 6% above the March 2011 level. **Leasing** declined by 2% Y/Y to CZK 21.8 bn.

The **corporate loans** have been permanently increasing since February 2011 to reach CZK 97.9 bn. In 1Q 2012, the rebound in the area of structured finance contributed also to the growth.
This leads to winning back volumes lost in crisis impacted quarters and to restore ČSOB's market position in corporate lending.

Group deposits increased by 4% Y/Y to CZK 616.3 bn. Within client deposits, saving deposits recorded a 12% Y/Y growth. Part of the increase was at the expense of term deposits (-27% Y/Y) and mutual funds (-11% Y/Y). Current accounts increased by 5% 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 funds** kept growing to CZK 29.3 bn.

In **mutual funds**, ČSOB is keeping its No 1. position on the market. AUM in mutual funds decreased by 11% to CZK 53.5 bn. 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. On the other hand, this was partially offset by better performance effect.

Risk Management Review

The **tier 1 ratio** reached 11.0% as of 31 March 2012, compared to 14.2% as of 31 March 2011. **Liquidity** remained high, the loan to deposit ratio grew from 69.8% as of 31 March 2011 to 72.6% as of 31 March 2012.

Non-performing loans (more than 90 days overdue, according to the ČSOB methodology, in line with the KBC group methodology) accounted for 3.9% of gross loans as at 31 March 2012. The **credit cost ratio** (CCR) for 1Q 2012 stood at 0.25%, compared to 0.38% for 1Q 2011.
ČSOB group continued to actively manage the **exposure to selected Southern European countries**. In 2012, ČSOB group took part in the Greek exchange program and subsequently sold the newly acquired Greek government bonds. On top of achievements in 1Q 2012, ČSOB sold off the whole Spanish sovereign exposure at limited cost in April. The exposure to Italy is below CZK 1 bn, after the part of Italian exposure was sold in the second half of 2011.

Please find more details on the ČSOB group's financial results in the current presentation which can be downloaded from:
http://www.csob.cz/en/CSOB/Investor-relations/Stranky/Financial-and-business-results.aspx

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Consolidated P&L – Reported (EU IFRS)

(CZK m)	1Q 2011	1Q 2012	Y/Y
Operating income	8 677	8 535	-2%
Net interest income	6 119	6 324	+3%
Net fee and commission income	1 541	1 451	-6%
Operating expenses	-3 824	-3 774	-1%
Impairment losses	-437	-105	-76%
Profit for the period (owners of the parent)	3 781	4 002	+6%

Consolidated P&L – Underlying

(CZK m)	1Q 2011	1Q 2012	Y/Y
Operating income	8 530	8 574	+1%
Net interest income	6 119	6 324	+3%
Net fee and commission income	1 541	1 451	-6%
Operating expenses	-3 824	-3 774	-1%
Impairment losses	-437	-105	-76%
Profit for the period (owners of the parent)	3 660	4 033	+10%