

Ceska Sporitelna

1H 2005 IFRS Consolidated Results (Unaudited)

August 1st, 2005

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1H 2005 Highlights

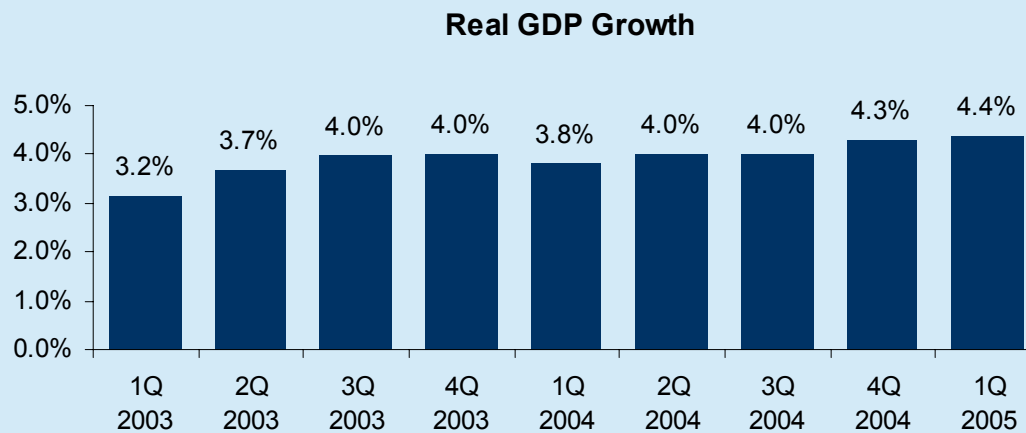
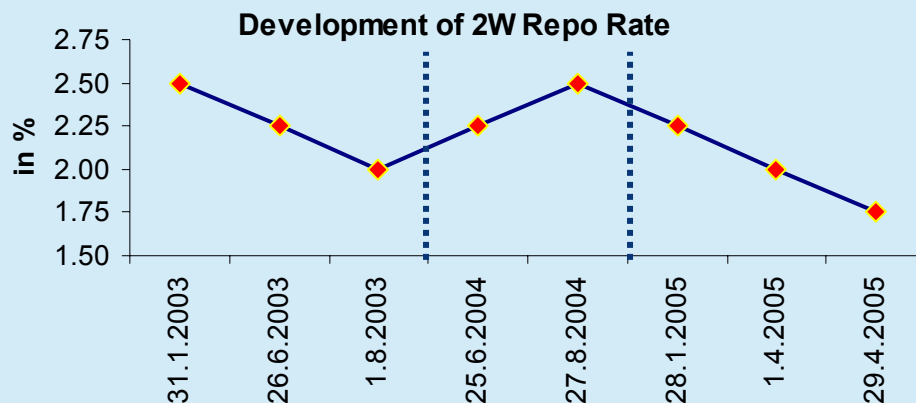
Macroeconomic Environment in CR

- **Real GDP grew 4.4% in 1Q 2005**
- **Central Bank 2W repo rate at 1.75% since 29 April 2005**
 - » 2W repo rate at 2.50 as of 31 December 2004
- **Inflation in 1H 2005 decreased to 1.6% from 2.8% (in 2004)**
- **Share of current account balance of GDP reached - 4.1% for 1Q 2005**
- **Unemployment at 9.6%* in 1Q 2005, down from 9.9 % in 1H 2004**
 - » Prague is approximately 3.5% while Ustecky region around 15%
- **Volume of mortgage loans to GDP at 6.0% (1Q 2005) and growing**

* according to new government methodology

Sources: CSU, CNB

2W Repo Rate and Real GDP Growth



Accelerated Loan Growth

- **Loans to customers grew faster than at any time in CS history**
 - » Retail and corporate lines of business both had more than 10% growth YTD
 - » Private mortgages had the fastest growth, and good growth was experienced by almost all lines of business and product offerings
- **Loan and deposit growth led to NII growth of 7.2 %**
 - » NII growth would have been above 10 % except for the decreasing interest rate environment and resulting Net Interest Margin squeeze
 - » The imbalance between loans (not enough) and deposits creates an unfavourable environment for CS in a low interest rate environment; Czech rates are below the European Central Bank level (1.75 % vs. 2.00 %)
- **Loan growth is reflective of a growing economy, a consumer population that did not have access to loans in the past, and a banking system that is more professional at understanding customer needs and managing credit risk**
- **Loans to deposits ratio improved to 56.2% from 53.8% in 2004**

Strong Loan Growth at Stable Quality

➤ **Loans to customer recorded the strongest half-year growth ever**

	<u>YTD</u>	<u>YTY</u>
» Corporates	13.2%	19.3%
» Retail	14.5%	38.1%
» Private Mortgages	20.2%	51.6%
» Consumer lending	11.9%	32.4%
» Micro Businesses	14.0%	33.1%

➤ **Quality of loan portfolio stable with no significant changes**

Business Highlights

- **Golden Crown 2005 competition awards** - four of CS's products received the highest score (product packages, Servis 24 and Loan for students)
- CS co-financed projects subsidized by **EU funds** in the amount of CZK 1.2 bn for SME and CZK 760 m for municipalities
- EIB approved 36 projects for SMEs and municipalities totalling EUR 25 m (total EIB pool is EUR 50 m approved in autumn 2004)
- CS acted as **Local Quotation Agent** of dual issue of shares and exchangeable bonds of Orco Property Group and dual issue of shares of Central European Media Enterprises Ltd. (CME)
- Client satisfaction continues to increase

1H 2005 IFRS Consolidated Results (Unaudited)

IFRS – International Financial Reporting Standards

Group Profit & Loss Statement Highlights

- **Operating Result increased by 8.8% to CZK 6,092 m**
 - » Operating Income grew by 5.4% and Operating Expenses by 3.0%
- **Net Profit at CZK 4,837 m grew by 7.7% from 1H 2004**
 - » Net profit in 1H 2004 influenced by extraordinary income from sale of non-life insurance of CZK 1.2 bn after minority interests and taxes.
- **ROE reached 23.9% compared with 24.2% in 1H 2004**
 - » ROA remained level at 1.6% in comparison with 1H 2004
- **Net Interest Income increased by 7.2% to CZK 9,025 m**
 - » NII grew despite low interest rate environment and maturing high interest bonds; growth driven by increased volumes of client loans and deposits
- **Net Fee and Commission Income grew by 6.9% to CZK 4,365 m**
 - » Higher fee income influenced by lending and security business in 1H 2005
- **General Administrative Expenses increased by 3.0%**
 - » Expense growth led by Depreciation (increased by 16.2%)
 - » Combined Personnel and Other Administrative Expenses at stable level
- **Cost/Income ratio improved to 57.0% from 58.3% in 1H 2004**
 - » Positive result of growing operating income and cost management

Group Profit & Loss Statement

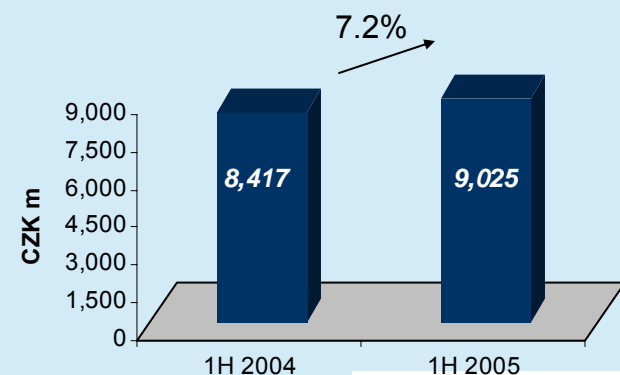
<i>IFRS, Consolidated, CZK m</i>	1H 2004		1H 2005	% change
	original	restated		
Net interest income	8,370	8,417	9,025	7.2
Provisions on losses on loans and advances	-399	-399	-93	-76.7
Net fee and commission income	4,135	4,082	4,365	6.9
Net profit/(loss) on financial operations	824	824	651	-21.0
General administrative expenses	-7,777	-7,831	-8,064	3.0
Income from insurance business	109	109	115	5.5
Other operating income/(expenses)	2,249	2,521	667	-73.5
Profit/(loss) before taxes	7,511	7,723	6,666	-13.7
Income tax expense	-2,108	-2,213	-1,783	-19.4
Profit/(loss) after taxes	5,403	5,510	4,883	-11.4
Minority interests	-1,012	-1,018	-46	-95.5
Net profit/(loss) for the year	4,391	4,492	4,837	7.7
Operating income		13,432	14,156	5.4
Operating expenses		-7,831	-8,064	3.0
Operating result		5,601	6,092	8.8
Cost / Income Ratio (%)		58.3%	57.0%	
ROE (%)		24.2%	23.9%	

Group Profit & Loss Statement

Net Interest Income up by 7.2%

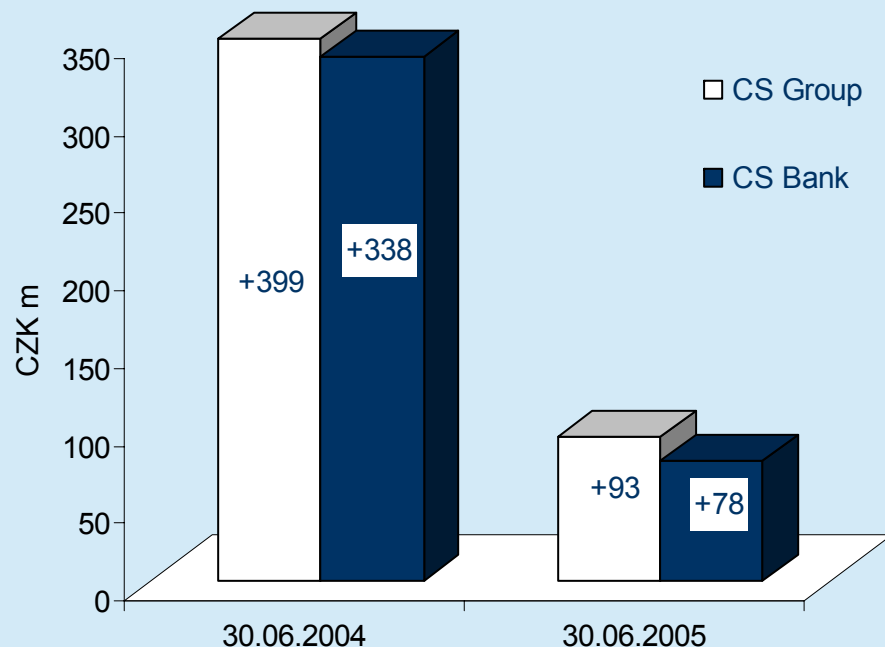
- » **Growing volumes of client loans and deposits**
 - Client loans up by 11.9% (excludes loans to CKA) and client deposits by 5.3% (YTD comparison)
- » **Impact of two interest rate cuts on NII is an estimated negative CZK 230 – 300 m**
- » **Higher other interest income influenced by income from**
 - Unconsolidated companies with CS capital participation which were not included in 1H 2004 (CZK 45 m)
 - New business activities with real estate funds (CZK 86 m)
- » **Growth of interest expense from bonds in issue results from issuance of mortgage bonds**
 - Total portfolio of bonds in issue increased by 45.9% (YTD)
- » **Negative impact of matured HTM bonds of approx. CZK 80 m (half-year impact)**
- » **Net interest Margin on average interest bearing assets slightly down at 3.5%**

<i>IFRS, Consolidated, CZK m</i>	1H 2004	1H 2005	% change
Interest income	11,417	12,768	11.8
- from loans and advances to financial institutions	1,345	1,211	-10.0
- from loans and advances to customers	6,377	7,412	16.2
- from debt securities and other fixed income securities	3,425	3,557	3.9
- other interest income	270	588	117.8
Interest expense	-3,000	-3,743	24.8
- from amounts owed to financial institutions	-483	-446	-7.7
- from amounts owed to customers	-2,252	-2,464	9.4
- from bonds in issue	-47	-151	221.3
- other interest expense	-218	-682	212.8



Group Profit & Loss Statement

Provisions on Losses on Loans and Advances



➤ **Total Group net provision creation (YTD)**
+ CZK 93 m

➤ **Bank** + CZK 78 m

➤ **Subsidiaries** + CZK 15 m

Balance impact (CZK m, IFRS)

CS Bank Loan loss reserves	Specific provisions	General provisions	Total provisions
Balance 01.01.2005	5,578	0	5,578
Creation total	+75	3	+78
Write offs	-139	-14	-153
Balance neutral effects	+25	0	+25
Transfer	0	11	11
Balance 30.06.2005	5,540	0	5,540

Profit&Loss impact (CZK m, IFRS)

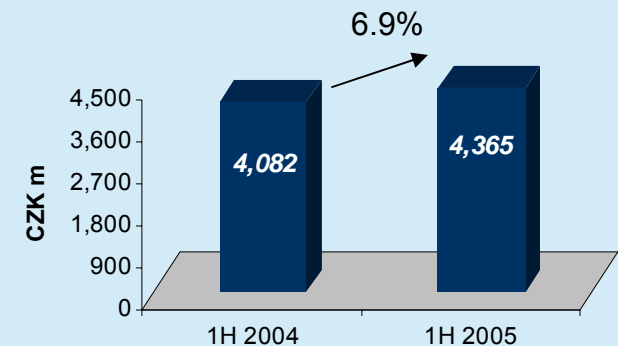
CS Bank Loan loss reserves	Specific provisions	General provisions	Total provisions
Creation (+)/Release (-)	+503	3	+506
Recovery	-426	0	-426
IFRS correction	-2	0	-2
Creation total	+75	3	+78

Group Profit & Loss Statement

Net Fee and Commission Income Grew by 6.9%

- » Growth of fee and commission income mainly driven by lending and security business
- » Accelerating loan portfolio growth caused 17.4% increase of fee income from lending business (net growth 19.8%)
 - Main driver is strong growth especially of private individual mortgage loans
- » Net fee and commission income from payment transactions grew by 5.8%
- » Increase of fees from security business due to increase of assets managed by CS Group
 - Assets in domestic mutual funds increased by 12.7 % (YTD) to CZK 66.5 bn

<i>IFRS, Consolidated, CZK m</i>	1H 2004	1H 2005	% change
Fee and commission income	4,385	4,690	7.0
- from lending business	816	958	17.4
- from payment transactions	2,487	2,725	9.6
- from security business	291	354	21.6
- other	791	653	-17.4
Fee and commission expense	-303	-325	7.3
- from lending business	-18	-2	-88.9
- from payment transactions	-19	-115	505.3
- from security business	-8	-13	62.5
- other	-258	-195	-24.4



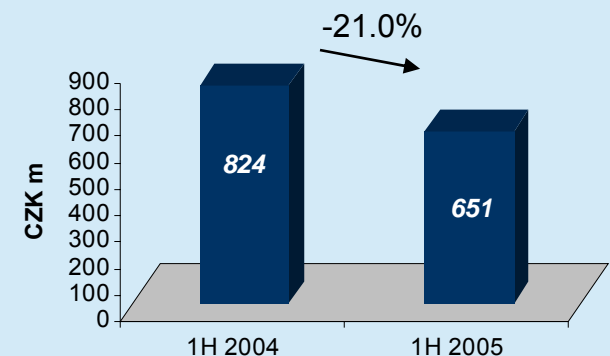
Group Profit & Loss Statement

Net Profit on Financial Operations Decreased by 21.0%

- » Market risk limits of CS remained unchanged between 2005 and 2004
- » Negative result on derivative instruments is partially compensated by gains from revaluation securities booked into OOR (see page 17) for which they served as a hedge
- » Trading result in 2Q 2004 was exceptionally positive (CZK 446 m), while 2Q 2005 was more normal (CZK 262 m)

<i>IFRS, Consolidated, CZK m</i>	1H 2004	1H 2005	% change
Realised and unrealised profit on securities trading	119	458	284.9
Derivative instruments	130	-421	-423.8
FX gains	484	570	17.8
Other	91	44	-51.6

Note: negative result from derivative instruments in 2004 is compensated in higher result from securities trading



Group Profit & Loss Statement

General Administrative Expenses up by Moderate 3.0%

» Personnel expenses grew by 4.7%

- Only moderate growth despite base salaries increase of 5% (impact of CZK 89 m) and related social and health insurance (CZK 69 m)
- Number of employees slightly down at 11,507 for the whole CS Group (reduction by cca 130 persons)

» Continued expense management largely compensated for the negative impact of VAT changes

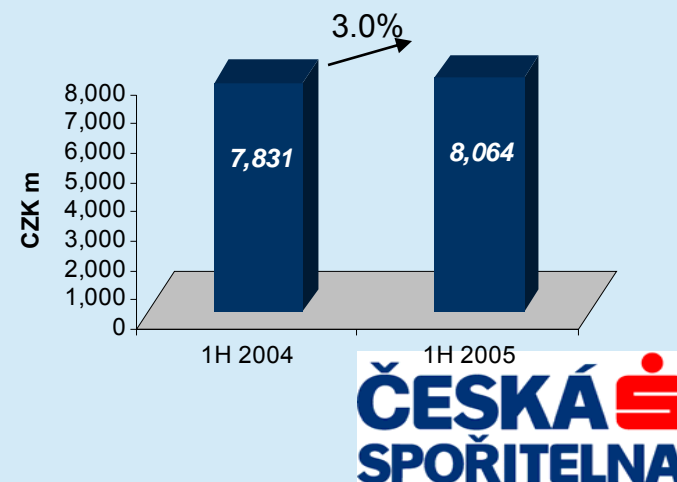
- Impact of VAT increase of CZK 154 m on Other Administrative Expenses
- Expense management activities in areas of telecommunications, data services, office equipment, marketing, etc.

» Higher depreciation as a result of the Bank's investments in prior years for property improvements, information technology and customer service purposes

» Combined personnel and other administrative expenses stable

IFRS, Consolidated, CZK m

	1H 2004	1H 2005	% change
Personnel expenses	3,355	3,512	4.7
Other administrative expenses	3,054	2,900	-5.0
Depreciation	1,422	1,652	16.2



Group Profit & Loss Statement

Other Operating Income / (Expenses)

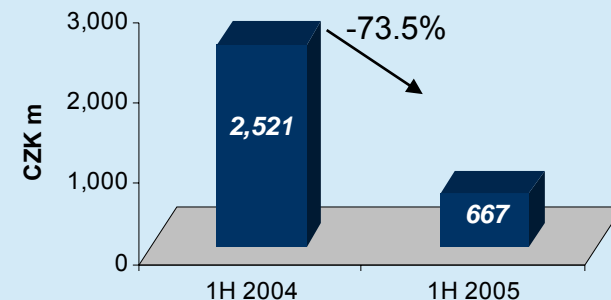
OTHER OPERATING INCOME:

- » One-off income from sale of non-life insurance business in the amount of CZK 2.9 bn (before tax and minority interests) in 1H 2004
- » Higher income from MTM-measured financial assets due to capital gains realized on bonds sold from AFS portfolio (CZK 775 m)

OTHER OPERATING EXPENSES:

- » Lower contribution into Deposit Insurance Fund (DIF) resulting from decrease of mandatory contribution rate
 - DIF contribution for bank decreased from 0.2% to 0.1% of primary deposits and for building society from 0.1% to 0.05%
 - Absolute impact from decreased rate is CZK 182 m
- » Decrease of other expenses influenced mainly by reduction of sponsoring expenses

<i>IFRS, Consolidated, CZK m</i>	1H 2004	1H 2005	% change
Other operating income	598	1,414	136.5
- income from real estate	46	5	-89.1
- MTM-measured financial assets	186	1,096	489.2
- other income	366	313	-14.5
Other operating expenses	-984	-747	-24.1
- Deposit Insurance Fund contribution	-374	-192	-48.7
- expenses from real estate	-15	-3	-80.0
- other expenses	-595	-552	-7.2
Income from sale of non-life insurance business	2,907	0	<i>n/a</i>



Group Balance Sheet

Highlights*

- **Total assets increased by 8.4% to CZK 630.9 bn**
- **Loans to customers (excl. CKA) increased by 11.9% (YTD) to CZK 238.9 bn (by 27% in YTY comparison)**
 - » Total loans (loans to CKA and loans to customers) increased by 9.7% (YTD) to CZK 263.1 bn
- **Total client funds under CS Group management rose by 6.9% to CZK 535.7 bn**
 - » Amounts owed to customers mainly in parent bank grew by 5.3% to CZK 468.2 bn
 - » Balance of deposits on anonymous passbooks at the end of 1H 2005 was CZK 5.6 bn
- **Loans to Deposits ratio improved to 56.2% from 53.8% in 2004**
- **Increase of issued bonds by 45.9% to CZK 28.7 bn**
 - » Driven mainly by mortgage bond issue which represent 47% of whole issued bonds portfolio
- **CS issued 10Y subordinated bonds with floating coupon in the amount of CZK 3 bn**
- **Group capital adequacy (BIS) at 12.1%**
 - » Group capital adequacy according to CNB (parent bank only) at 9.4%

* *Comparison between 31/12/2004 and 30/06/2005*

Group Balance Sheet

Assets

<i>IFRS, Consolidated, CZK m</i>	31/12/04		30/06/05	% Change
	original	restated		
Total Assets	580,394	581,780	630,938	8.4
Cash and balances with the CNB	18,128	18,128	22,082	21.8
Loans and advances to financial institutions	77,112	77,112	89,016	15.4
Loans to Czech Consolidation Agency	25,843	25,843	24,172	-6.5
Loans and advances to customers	213,446	213,446	238,911	11.9
Provision for losses on loans and advances	-7,165	-7,165	-7,162	0.0
Trading securities	30,292	30,292	43,585	43.9
Securities available for sale	37,224	0	0	n/a
MTM-Measured Assets	0	51,186	44,336	-13.4
Investment securities	149,992	137,416	142,249	3.5
- treasury bills and listed debts securities	136,570	123,418	127,261	3.1
- other	13,422	13,998	14,988	7.1
Other assets	35,522	35,522	33,749	-5.0

Group Balance Sheet

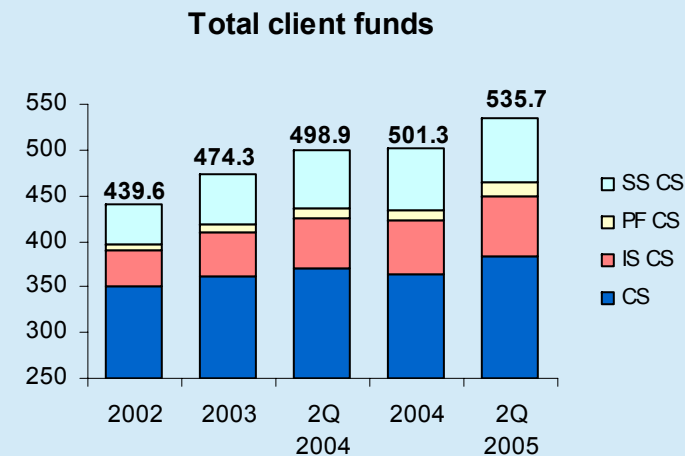
Liabilities and Shareholders' Equity

<i>IFRS, Consolidated, CZK m</i>	31/12/04		30/06/05	% Change
	original	restated		
Total Liabilities and Shareholders' Equity	580,394	581,780	630,938	8.4
Amounts owed to financial institutions	32,905	32,905	29,758	-9.6
Amounts owed to customers	444,771	444,771	468,210	5.3
Bonds in issue	19,649	19,649	28,670	45.9
Subordinated debt	0	0	2,998	n/a
Other liabilities	43,094	43,455	61,158	40.7
Minority interests	1,696	1,701	784	-53.9
Shareholders' equity	38,279	39,299	39,360	0.2

Total Client Funds under CS Group Management

- » More than 28% of client funds managed by daughter companies
- » Increase of total client funds under management by 6.9% (YTD) to CZK 535.7 bn
 - Client deposits in parent bank grew by 5.7%
- » Pension fund (PFCS) and investment company (ISCS) recorded the highest increase of client funds under management approximately 13% (YTD)
- » Very positive result can be seen also in building society (SSCS)
 - Increase of client funds by 6.9% (YTD)

<i>IFRS, in CZK bn</i>	2002	2003	1H 2004	2004	1H 2005
CS - parent bank	350.8	360.7	371.3	362.9	383.5
IS CS - asset management company	39.7	48.3	54.2	59.0	66.5
PF CS - pension fund	7.0	9.1	10.7	12.0	13.6
SS CS - building society	42.1	56.1	62.7	67.4	72.1
Total	439.6	474.2	498.9	501.3	535.7

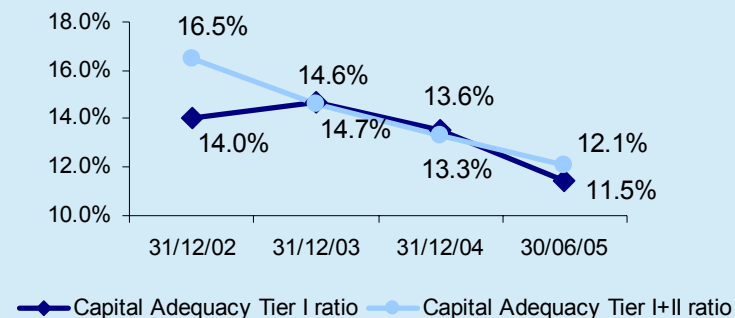


Capital Adequacy (BIS)

- » Decrease of capital adequacy ratio due to higher growth of risk weighted assets (14.6% YTD) than growth of capital (4.5% YTD)
- » Decline of Tier I ratio influenced by dividend pay-out of CZK 30 per share which was approved at Annual General Meeting; it represents total amount of CZK 4,560 m
 - Dividend pay-out ratio thus reached 52.7% of FY 2004 net profit
- » Drop of Tier I ratio was slowed by higher profit for the accounting period (1H05)
- » Tier II ratio was helped by subordinated debt issue in the amount of CZK 3 bn which was carried out in May 2005

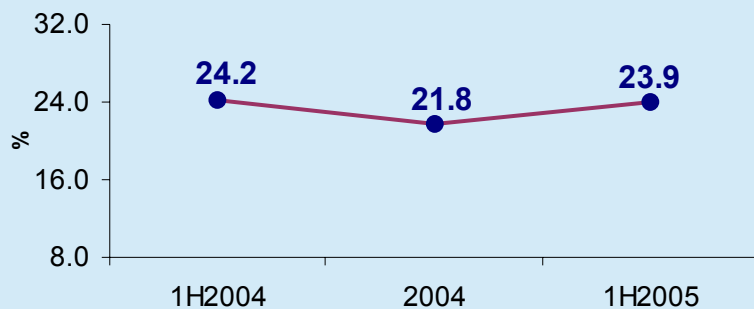
CS Group, CZK m	31/12/02	31/12/03	31/12/04	30/06/05
Tier I Capital	30,947	35,787	39,964	38,941
Tier I+II Capital	36,375	35,588	39,164	40,912
Risk Weighted Assets	201,813	224,332	273,386	313,341
Capital requirement to market risks	1,481	1,539	1,713	2,078
Capital Adequacy Tier I ratio	14.0%	14.7%	13.6%	11.5%
Capital Adequacy Tier I+II ratio	16.5%	14.6%	13.3%	12.1%

Capital Adequacy Development
(according to BIS)

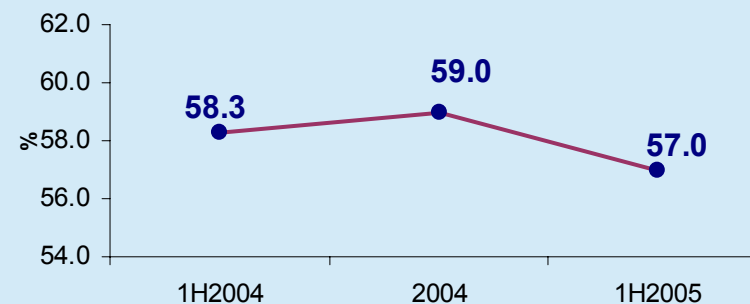


Financial Ratios Development

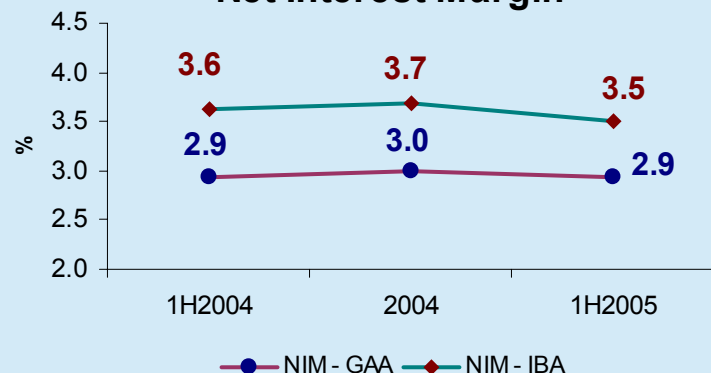
ROE



Cost / Income Ratio

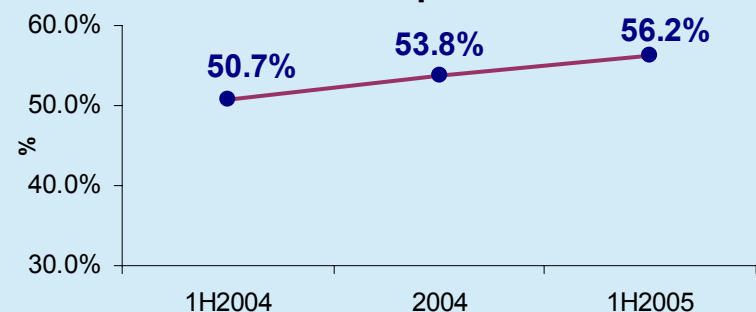


Net Interest Margin



GAA = Gross average assets
 IBA = Average interest bearing assets

Loans* to Deposits Ratio



* Loans include Loans to CKA and
 Loans and advances to customers

Bank Loan Portfolio

1H 2005

Unconsolidated (IFRS)

Group Portfolio Highlights in 1H 2005

➤ Record loan growth¹⁾ continues

- » The strongest half-year growth ever + CZK 25.5 bn (+11.9%), compared to + CZK 10 bn (+5.6%) YTD in 1H04
- » On YTY basis reached + CZK 50.8 bn (+27.0%), compared to + CZK 30.4 bn (+19.3%) YTY in 1H04

➤ Almost 45% of loan growth comes from housing loans and real estate loans (Retail mortgages²⁾ and Building savings loans)

➤ Significant increase of consumer credit

- » + CZK 3.8 bn (11.9%) YTD, which is already 90% of annual growth in Y04
- » + CZK 8.7 bn (+32.4) YTY, compared to + CZK 4.2 bn (+18.5%) YTY as per 6/04

➤ Stable loan quality

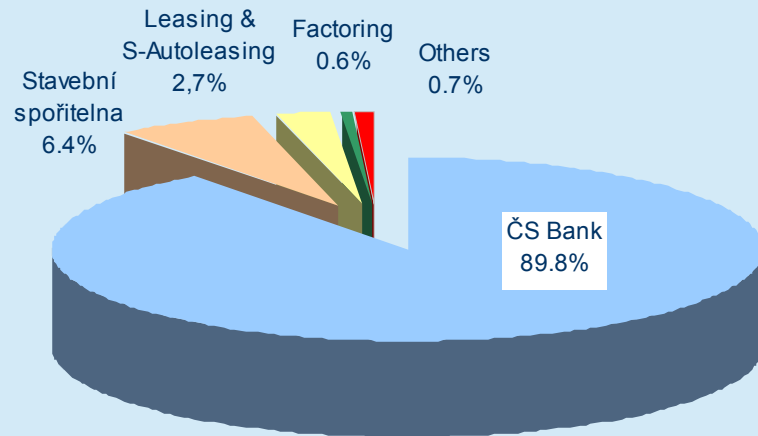
- » High risk loans amount to CZK 5.9 bn (+ CZK 0.2 bn YTD) or 2.4% (-20 bps YTD) of loan portfolio

¹⁾ Excluding CKA

²⁾ Mortgage loans to Private clients, Micros and Small municipalities

Group Portfolio Structure and Development Overview

Group: Structure of Loans to Customers (1H05)



- Share of CS Bank in Group portfolio (89.8%) decreased YTY by 11 bps in favor of Stavebni sporitelna (increase from 5.3% to 6.4%)
- Stavebni sporitelna experiences continuing growth
 - » + CZK 1.6 bn (10.4%) YTD, compared to CZK 1.5 bn (9%) YTD in 1H04
 - » + CZK 5.1 bn (42.2%) YTY

➤ Leasing

- » S-Autoleasing new loans + CZK 1.1 bn YTD
- » Other product groups (technology leases, small financial leasing) continue to decrease (in line with LCS strategy)

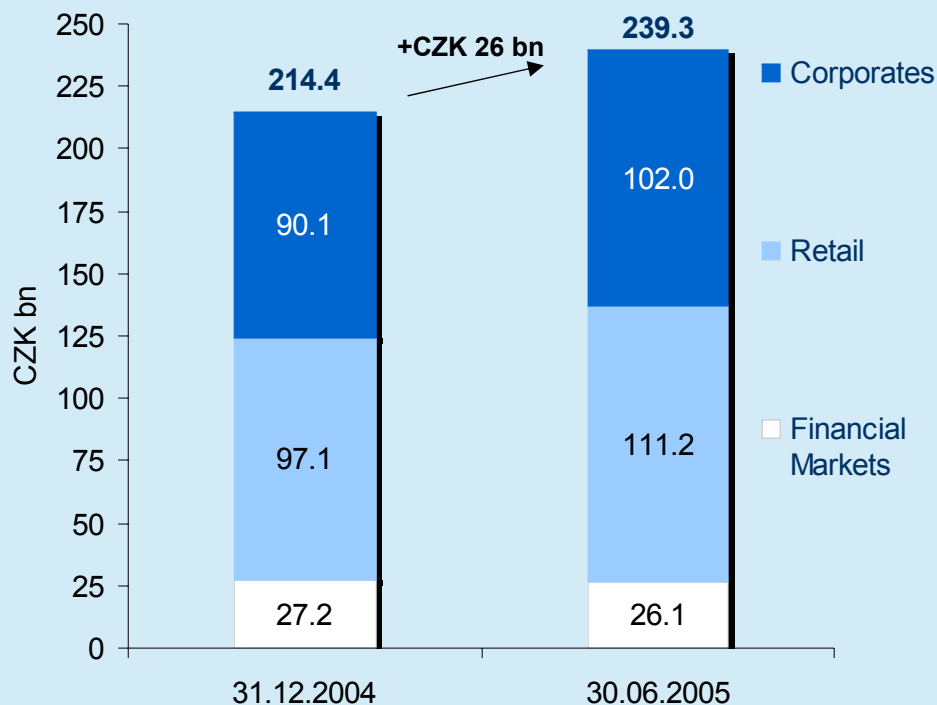
➤ Factoring

- » Decline affected by termination of two large deals

in CZK m, IFRS	31/12/2004	30/06/2005	YTD growth	
I. ČS Bank	214,432	239,348	24,916	11.6%
↳ of which ČKA	25,843	24,172	-1,671	-6.5%
II.1. Stavební spořitelna ČS	15,458	17,063	1,605	10.4%
II.2. Leasing ČS and S-Autoleasing	6,961	6,628	-333	-4.8%
II.3. Factoring ČS	2,505	1,633	-872	-34.8%
II.4. Other subsidiaries	790	1,929	1,140	144.3%
III. Consolidation items	-855	-3,518	n.a.	n.a.
Loans excl. ČKA (consolidated)	213,446	238,911	25,465	11.9%
Total Loans (consolidated)	239,289	263,083	23,794	9.9%

Loan Structure and Development

CS Bank Loans to Customers / Overview (1)

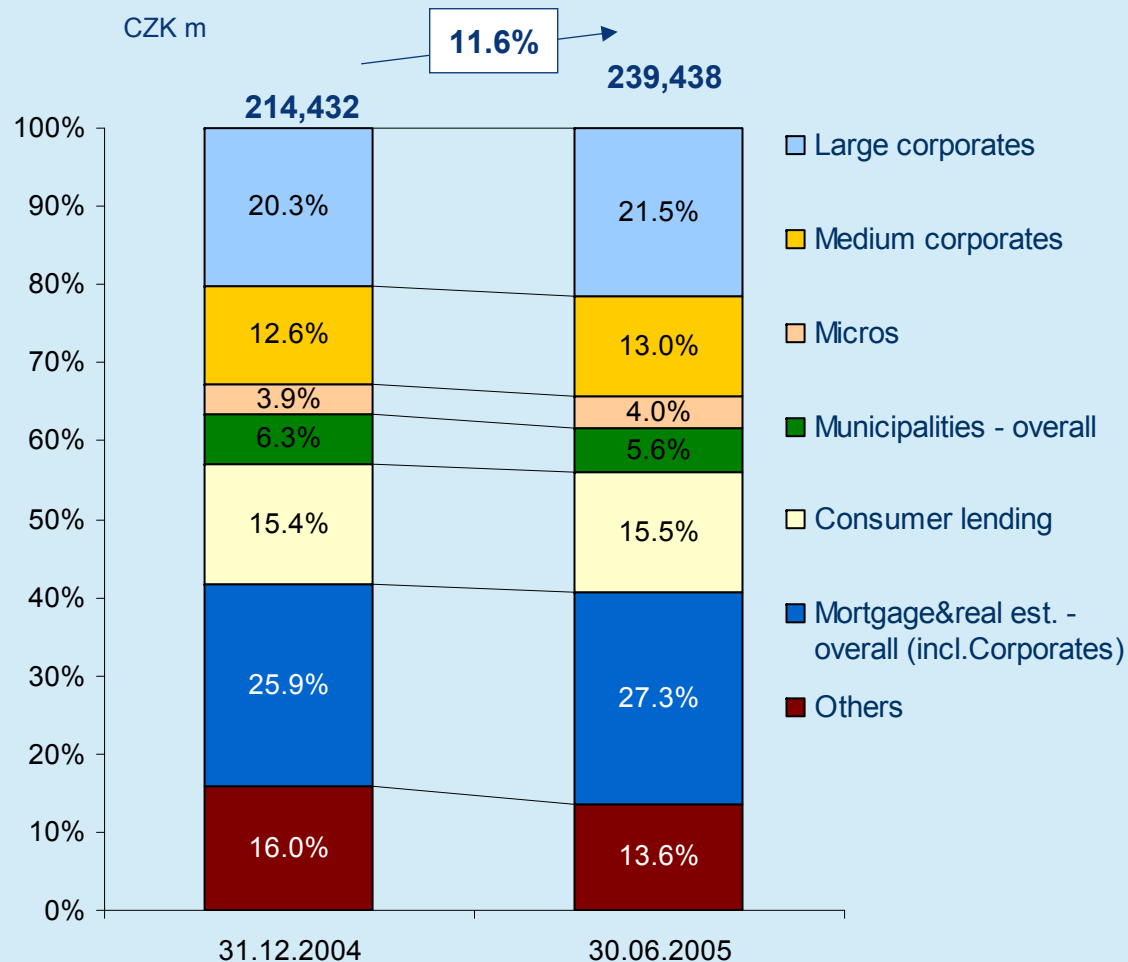


- **Highest first half year growth ever + CZK 26 bn (+13.9%) YTD (Retail + Corporate)**
- **Main drivers (YTD)**
 - » Retail mortgages + CZK 9.6 bn (+21.5%)
 - » Large corporates + CZK 8.0 bn (+18.5%)
 - » SMEs + CZK 4.0 bn (+14.7%)
 - » Consumer credit + CZK 3.8 bn (+11.9%)
- **Financial markets fall by – CZK 1.1 bn (-3.9% p.a.) driven by continuing repayments of CKA loans**

in CZK m, IFRS	31.12.2004		30.06.2005		YTD Growth	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	187,241	87.3%	213,210	89.1%	25,969	13.9%
1. CORPORATES	90,112	42.0%	102,002	42.6%	11,889	13.2%
2. RETAIL	97,128	37.1%	111,209	46.5%	14,080	14.5%
II. FINANCIAL MARKETS	27,191	12.7%	26,137	10.9%	-1,054	-3.9%
LOANS TO CUSTOMERS	214,432	100.0%	239,348	100.0%	24,916	11.6%

Loan Structure and Development

CS Bank Loans to Customers / Overview (2)



➤ **Share of Mortgage & Real Estate loans increased YTD +140 bps**

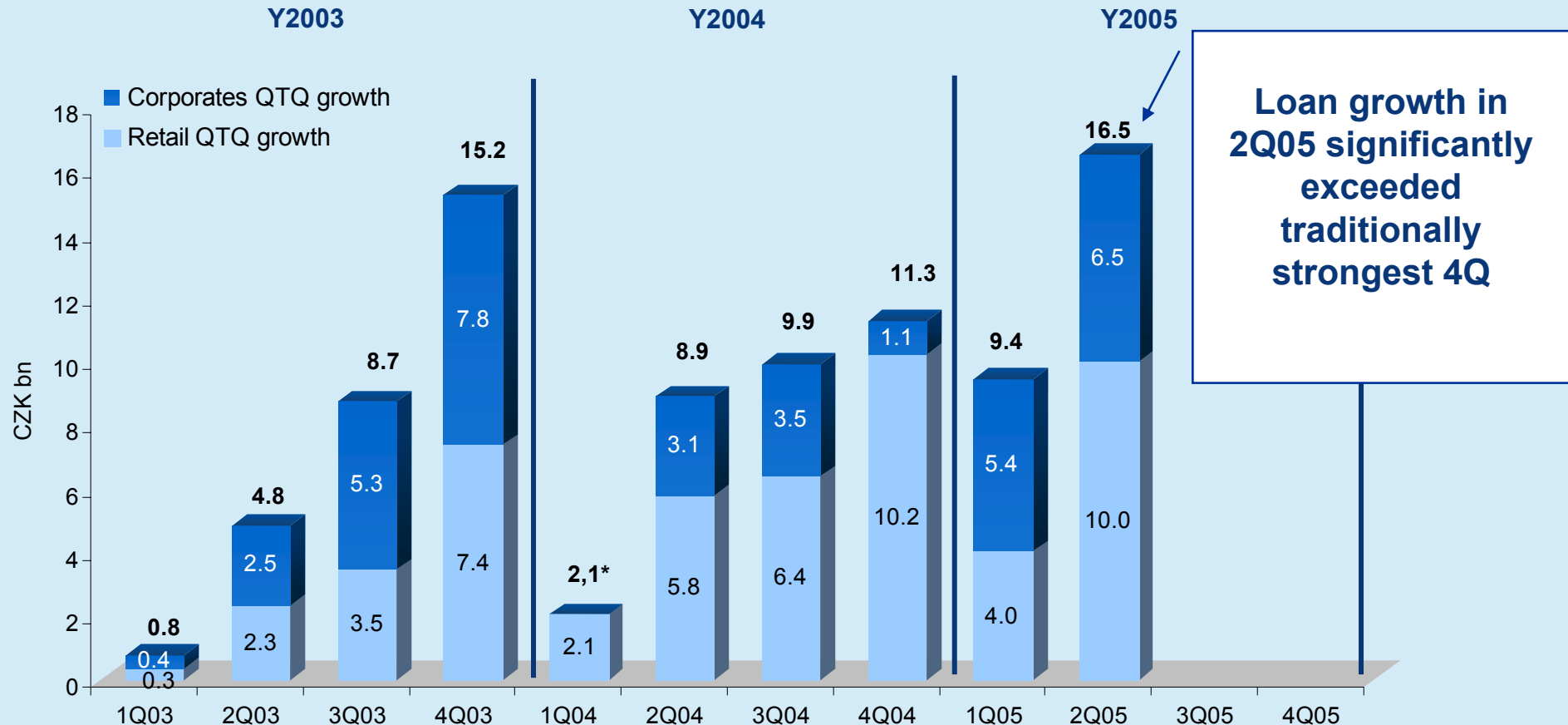
➤ **Share of Large Corporates increased by +120 bps YTD**

» Growing limit utilization (from 57% to 60.8%) due to temporary drawing of revolving loans and overdrafts

Loan Structure and Development

Seasonality in Growth of Corporates and Retail (QTQ)

No flattening of seasonality yet

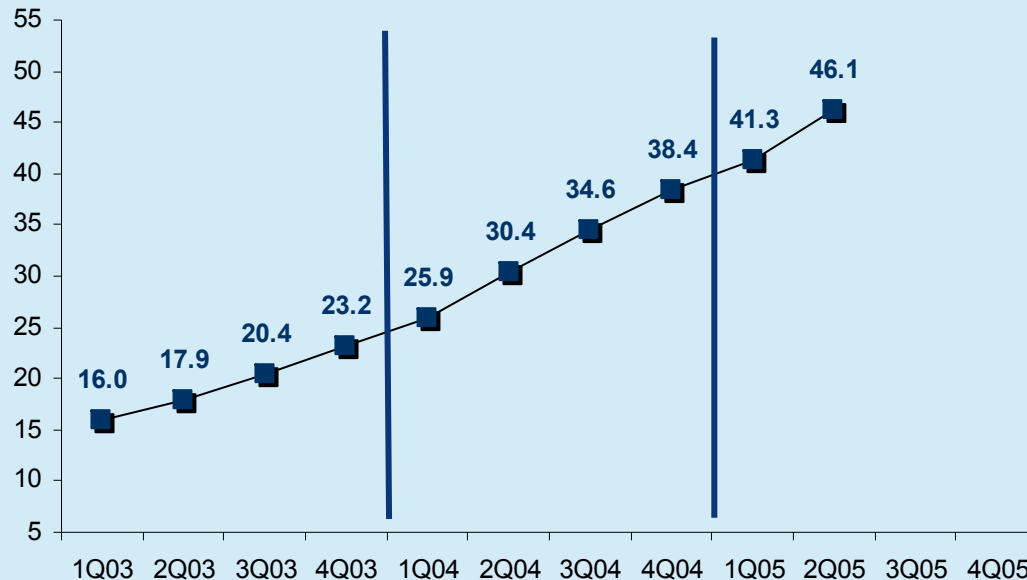


* Corporate portfolio in 1Q04 influenced by prepayment of a large project finance loan

Loan Structure and Development

Private Individuals (PI) Mortgages

Private mortgages by Quarters since Y03
outstanding IFRS, CZK bn

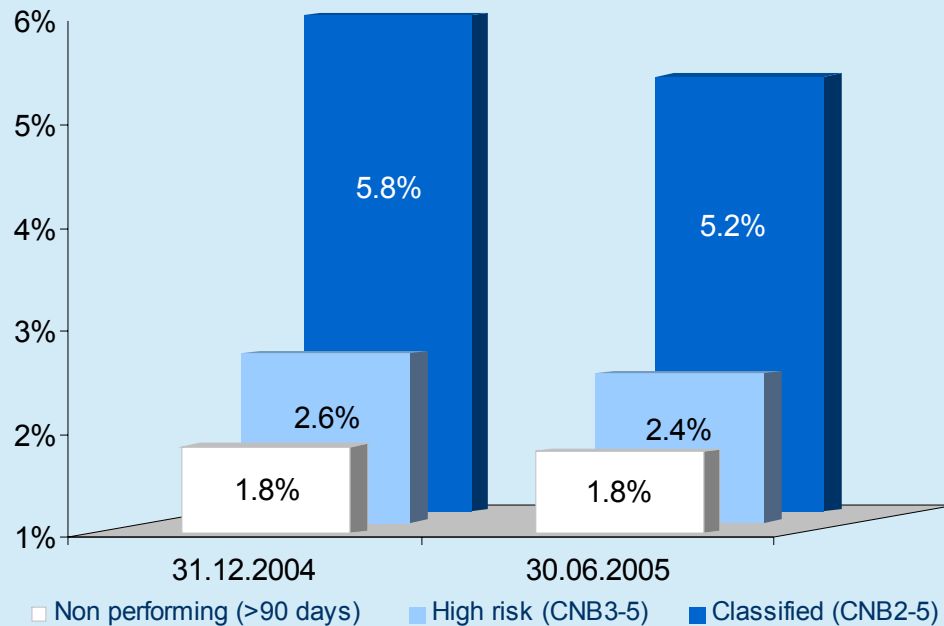


in CZK m, IFRS	31/12/2004		30/06/2005	
	Outstand.	Share	Outstand.	Share
Private mortgages	38,400	100.0%	46,138	100.0%
Classified mortgages (CNB2-5)	533	1.4%	578	1.3%
High risk mortgages (CNB3-5)	251	0.7%	380	0.8%
Non performing (>90d.overdue)	184	0.5%	253	0.5%

- **Strong mortgage growth continues**
 - » + CZK 7.7 bn (+20.2%) YTD, of which almost CZK 5 bn comes from 2Q
 - » + CZK 15.7 bn (+51.6%) YTY
- **Loan purpose**
 - » 57.2% for property purchase (54% YE04); for loans granted in 1H05 the share is even higher (80%)
- **Average maturity of loan contract grew up to 17.4 years (17.1 YE04)**
 - » Residual maturity of mortgage portfolio 15.2 years (15.0 at YE04)
- **NPLs increased by 7bps**
 - » In line with expectations

Loan Portfolio Quality

Overall Bank



➤ Classified loans stable in volumes

- » Reduction of portfolio share by -60 bp YTD to 5.2%

➤ Increase in NPL volume

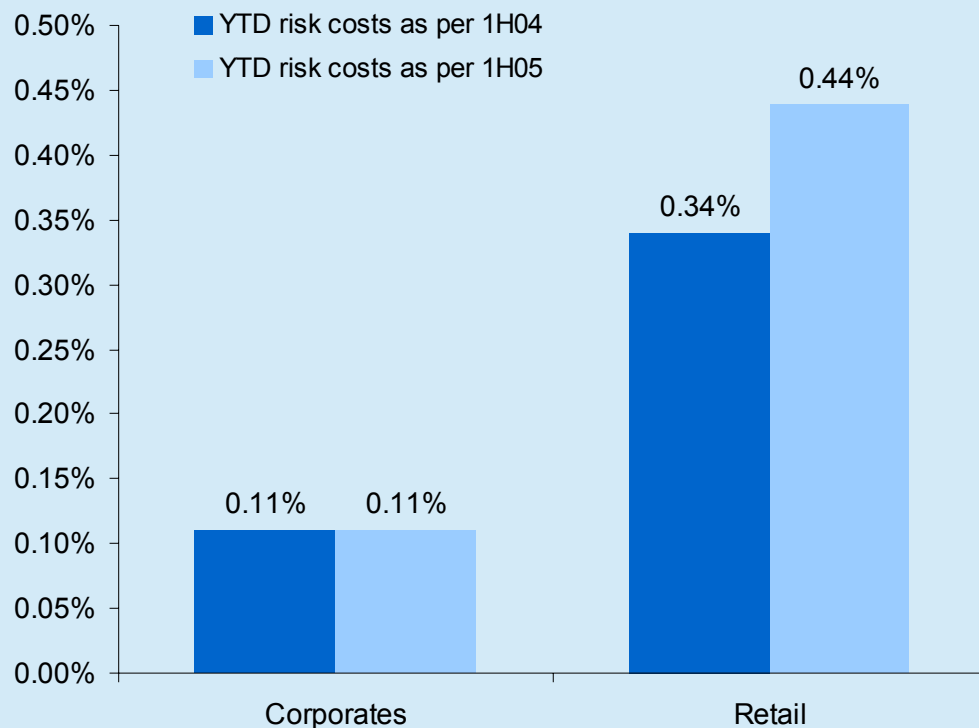
(+ CZK 0.4 bn) is Retail driven
(Consumer Lending)

- » Managed on Risk adjusted pricing bases
- » Share 1.8% stable

in CZK m, IFRS	31.12.2004		30.06.2005	
	Outstanding	Share	Outstanding	Share
Loans to customers	214,432	100.0%	239,348	100.0%
Classified (CNB2-5)	12,453	5.8%	12,483	5.2%
High risk (CNB3-5)	5,652	2.6%	5,855	2.4%
Non performing (>90 days)	3,944	1.8%	4,348	1.8%

Provision Creation

CS Bank / Risk Costs Development



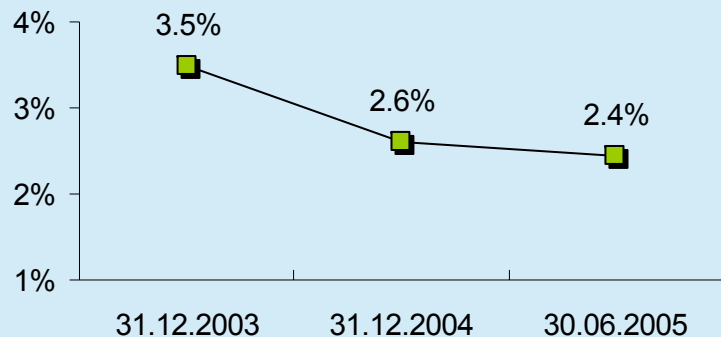
- **Overall underlying Risk costs***
+0.28% YTD (+ 0.20% in 1H04)
- **Underlying Corporate risk costs**
+0.11% YTD
 - » Driven by SMEs
- **Retail Risk costs +0.44% YTD**
 - » Driven by Consumer lending

Note: risk costs of Y04 are not fully comparable with previous years due to change in methodology of provision creation

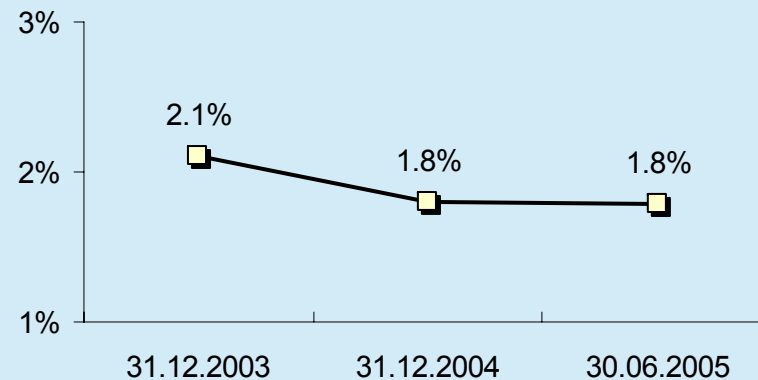
** Overall risk costs relate to Customer loan portfolio excluding CKA*

Key Ratios of Loan Portfolio Quality

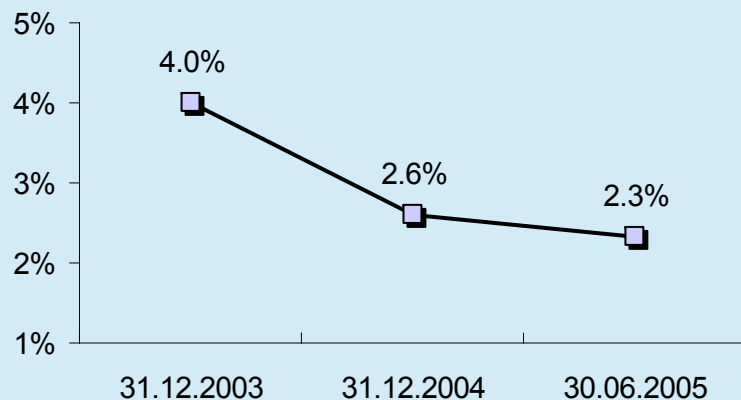
High risk loans share



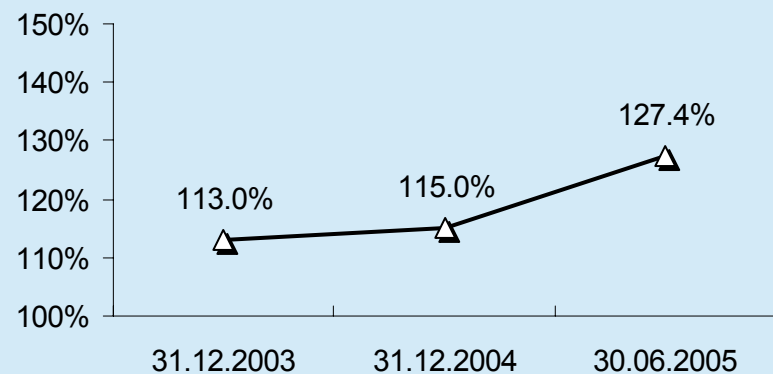
Non performing loans share



Loan loss reserves to Total loans



Specific provisions to Non performing loans



Note: within IFRS implementation in accounting CZK 1,045 m of general provisions was allocated into specific provisions: impact on increase of specific provisions/NPLs

Outlook for 2005

Outlook 2005 – Financial Targets Confirmed

- » **Net Profit after Taxes*** **10% growth**
- » **ROE** **above 20%**
- » **Cost/Income ratio** **55% – 56%**
- » **Loan growth** **15% – 20%**

** Base in 2004 includes after-tax gain from sale of non-life insurance in amount of CZK 1.2 bn*

Appendix

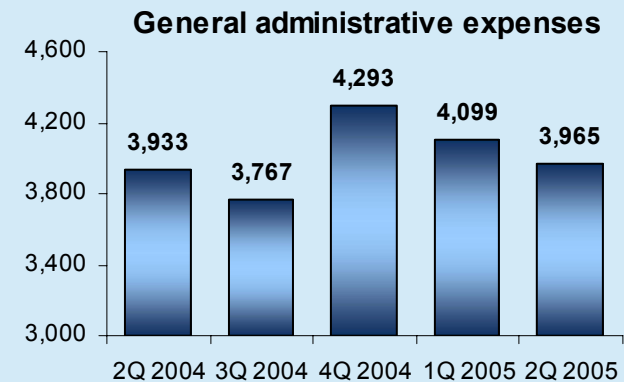
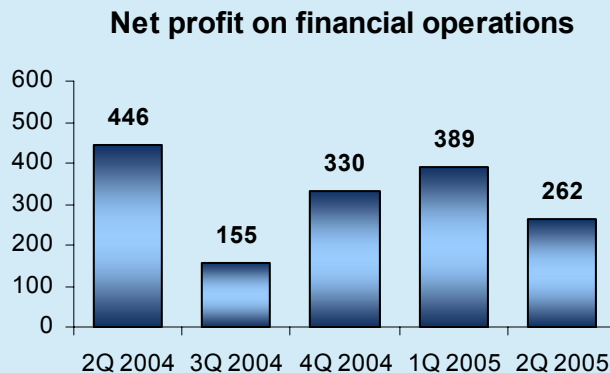
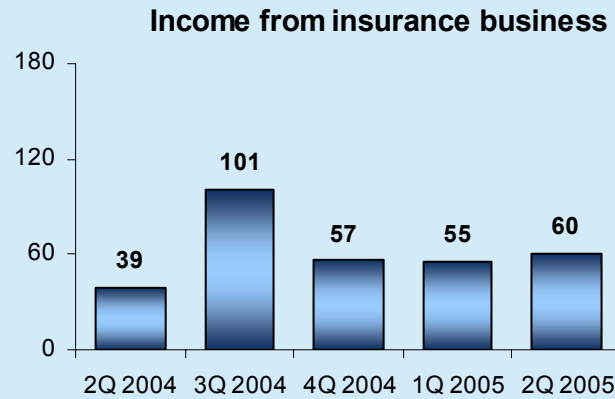
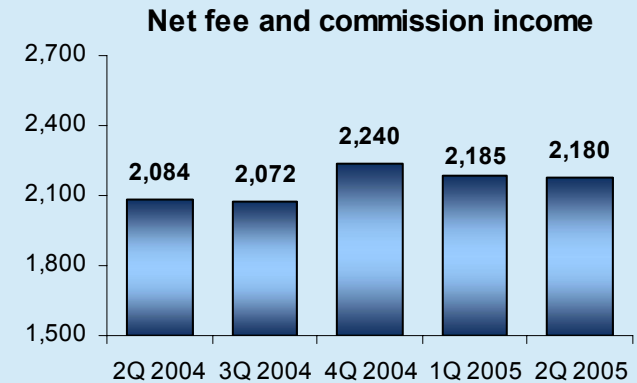
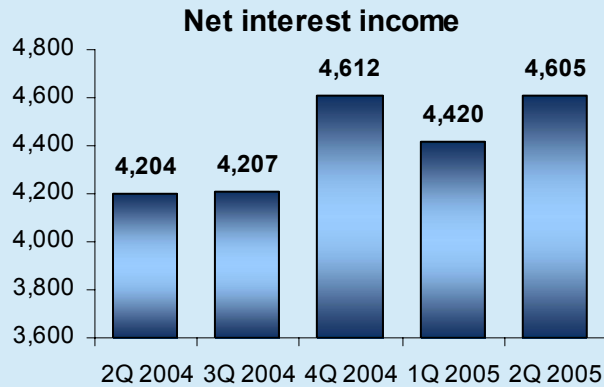
Macroeconomic Framework

Yearly (average)	2001	2002	2003	2004	2005F	2006F
Demand and Supply						
GDP (real %)	2.7	1.5	3.7	4.0	4.3	4.2
Consumption (real %)	2.8	2.7	4.9	2.4	3.0	2.9
Investments (real %)	5.4	3.5	4.8	9.1	5.8	6.5
Export (real %)	11.8	2.2	7.3	20.8	10.5	11.4
Import (real %)	11.6	5.0	8.2	18.5	10.8	10.0
Industry Output (real %)	10.8	4.9	5.9	9.8	6.1	6.7
Retail (%)	4.6	3.0	4.9	2.5	3.7	3.1
Public Finance						
State budget (% GDP)	-5.6	-6.3	-11.3	-2.9	-4.4	-3.5
General government (% GDP)	-5.9	-6.8	-11.7	-3.0	-4.7	-3.8
Labor market						
Unemployment rate (%)	8.6	9.2	9.9	9.4	9.0	8.8
Nominal wages (%)	8.7	7.3	6.6	6.6	6.9	6.4
Balance of Payments						
Trade balance (CZK bn)	-116.7	-71.3	-69.8	-22.3	10.0	12.6
Current account (CZK bn)	-124.5	-136.4	-160.6	-143.3	-70.0	-100.3
Prices						
CPI inflation (%)	4.7	1.8	0.1	2.8	1.6	2.4
PPI inflation (%)	3.0	-0.5	-0.3	5.7	4.0	3.6
Monetary conditions						
CZK/EUR	34.1	30.8	31.8	31.9	30.2	30.0
CZK/USD	38.0	32.7	28.2	25.7	24.2	23.4
2W repo rate (%)	5.1	3.6	2.3	2.2	1.9	1.9
3M PRIBOR (%)	5.2	3.6	2.3	2.3	1.9	2.0
12M PRIBOR (%)	5.3	3.6	2.3	2.7	2.1	2.3

Group Profit & Loss Statement

Quarter on Quarter Development

in CZK m



Capital Adequacy

CNB Capital Adequacy

Parent Bank, CZK m	31/12/02	31/12/03	31/12/04	30/06/05
Tier I capital	22,583	21,910	24,301	27,690
Tier I + Tier II capital	24,926	22,115	23,297	28,424
Capital requirement A (to RWA)	14,035	15,664	19,060	22,091
Capital requirement B (to market risks)	1,481	1,539	1,713	2,078

Capital adequacy Tier I ratio	11.6%	10.2%	9.4%	9.2%
Capital adequacy Tier I+II ratio	12.9%	10.3%	9.0%	9.4%

BIS Capital Adequacy

CS Group, CZK m	31/12/02	31/12/03	31/12/04	30/06/05
Tier I Capital	30,947	35,787	39,964	38,941
Tier I+II Capital	36,375	35,588	39,164	40,912
Risk Weighted Assets	201,813	224,332	273,386	313,341
Capital requirement to market risks	1,481	1,539	1,713	2,078

Capital Adequacy Tier I ratio	14.0%	14.7%	13.6%	11.5%
Capital Adequacy Tier I+II ratio	16.5%	14.6%	13.3%	12.1%

Provision Creation

CS Bank/Highlights

- **As of 1 January 2005 the Bank implemented provisioning based on present value of expected future cash flows and fair value of underlying collateral**

- **Reflecting the changes, the Bank created as of 1 January 2005 specific provisions CZK 1,045 m consisting of**
 - » Expected losses for impaired cases

 - » Unexpected losses from cases to be impaired by year end

- **Within the methodological change the Bank released all remaining general provisions for standard loans**

Structure of Bank Loan Portfolio

in CZK m, unconsolidated, IFRS	31.12.2004		30.06.2005		YTD Growth	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	187,241	87.3%	213,210	89.1%	25,969	13.9%
1. CORPORATES	90,112	42.0%	102,002	42.6%	11,889	13.2%
Large Corporates	43,477	20.3%	51,525	21.5%	8,048	18.5%
SMEs	27,099	12.6%	31,082	13.0%	3,983	14.7%
Corp. Mortgage&Real Estate	11,103	5.2%	11,237	4.7%	134	1.2%
Municipalities	8,434	3.9%	8,158	3.4%	-276	-3.3%
2. RETAIL	97,128	45.3%	111,209	46.5%	14,080	14.5%
Private credit cards	1,415	0.7%	1,579	0.7%	165	11.7%
Consumer credit	31,661	14.8%	35,424	14.8%	3,763	11.9%
Private social	5,972	2.8%	5,384	2.2%	-587	-9.8%
Private mortgages	38,400	17.9%	46,138	19.3%	7,738	20.2%
Micro corporates	8,408	3.9%	9,586	4.0%	1,178	14.0%
Commercial mortgages	6,132	2.9%	7,968	3.3%	1,836	29.9%
Public sector entities	5,141	2.4%	5,130	2.1%	-12	-0.2%
II. FINANCIAL MARKETS	27,191	12.7%	26,137	10.9%	-1,054	-3.9%
LOANS TO CUSTOMERS	214,432	100.0%	239,348	100.0%	24,916	11.6%

CS Market Shares Development

<i>According to CNB Statistics*</i>	31.12.2002	31.12.2003	31.12.2004	31.5.2005	change
Total Assets	18.7%	19.4%	19.3%	20.5%	↑
Loans to Customers	18.4%	20.6%	21.7%	22.6%	↑
Interbank Loans	5.8%	7.5%	11.0%	13.8%	↑
Primary Deposits	20.2%	24.4%	24.0%	25.0%	↑
Retail Deposits ****	27.9%	33.4%	32.7%	32.7%	↔
Retail Loans ****	30.9%	30.9%	31.8%	32.2%	↑
Mortgages	27.6%	30.1%	33.7%	35.9%	↑
Retail Mortgages	29.0%	29.1%	32.4%	35.0%	↑
Assets under Management in Domestic Funds	n/a	47.8%	53.9%	54.4%**	↑
Assets under Management in Funds Total***	31.2%	34.3%	37.3%	x	
ATM (#)	41.5%	40.0%	37.9%	x	
Payment Cards (#)	44.6%	40.4%	40.2%	x	

* Excluding non-bank financial service providers, e.g., Cetelem, Provident Financial, etc.

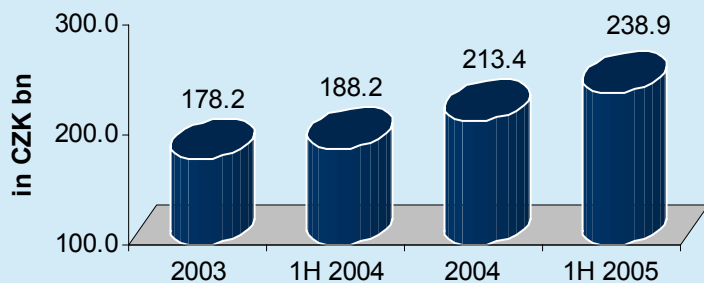
** Preliminary data

*** Includes Foreign and Domestic Funds. Data for Foreign Funds has only recently become available.

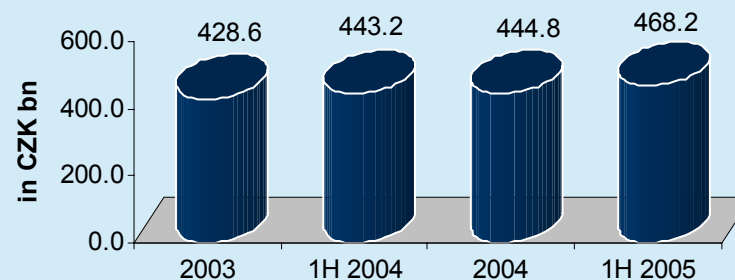
**** Change in calculation - building savings deposits and loans are now included into retail deposits and loans

Business Indicators

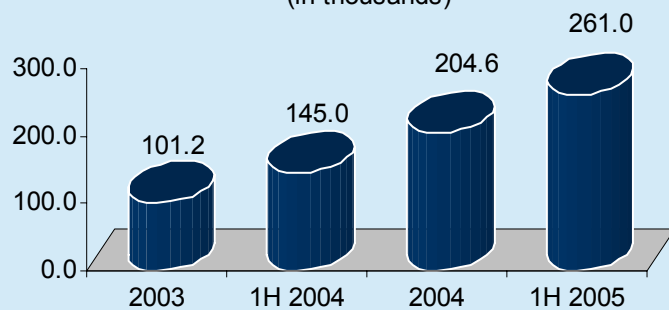
Loans to customers (excl. CKA)



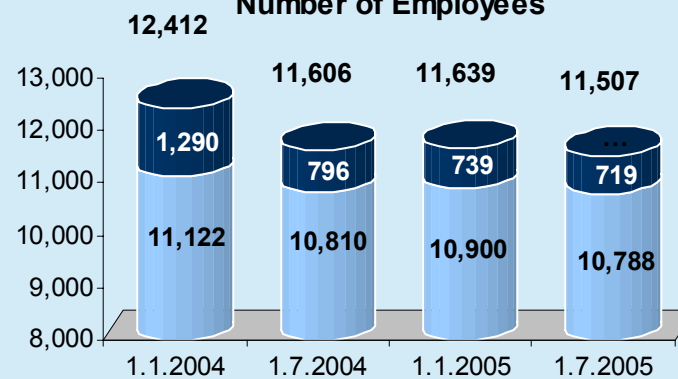
Amounts owed to customers



Number of Issued Credit Cards (in thousands)



Number of Employees



■ Česká spořitelna ■ Daughter companies of ČS

Remote Distribution Channels

No. of clients*	31.12.2002	31.12.2003	30.6.2004	31.12.2004	30.6.2005
GSM banking	64,811	81,615	94,189	98,609	100,518
Homebanking	19,639	20,369	20,251	19,446	18,056
Servis 24 Telebanking & Internetbanking	373,889	677,926	718,680	812,775	872,918
Total	458,339	779,910	833,120	930,830	991,492

* Clients who have S24 Telebanking and S24 Internet banking services are counted only once

» Servis 24 won Golden Crown 2005 award

- > Number of Telephone & Internet banking users increased by 21.5% (YTY)
- > Volume of transaction rapidly grew by 81.6% (YTY)

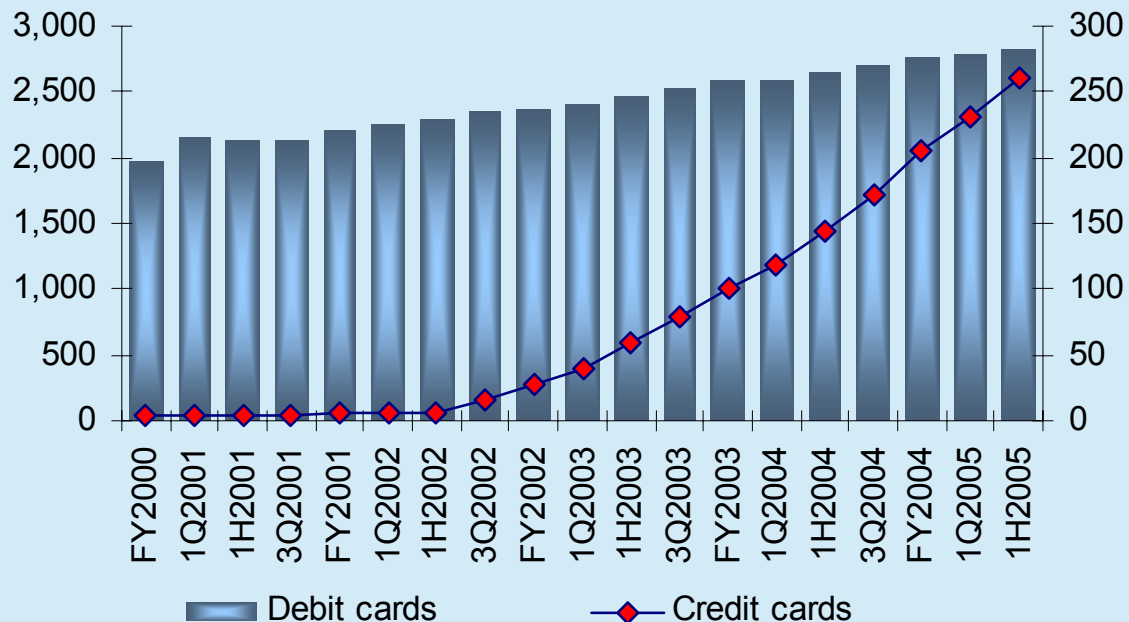
» Number of GSM banking users reached 100 thousand clients

Payment Cards

	2000	2001	2002	2003	2004	1H2005
Debit cards	1,966,218	2,205,480	2,335,600	2,475,397	2,553,922	2,566,352
Credit cards	4,732 *)	5,387	28,051	101,155	204,564	261,012
Total payment cards	1,970,950	2,210,867	2,363,651	2,576,552	2,758,486	2,827,364

*) In May 2000 database was cleaned in order to eliminate unused credit cards

Development of Debit and Credit Cards
(in thousands)



Net Profit of Selected Subsidiaries

<i>IFRS, CZK m</i>	1H 2004	1H 2005	% Change
Stavební spořitelna CS - Building Society	138	304	120.1
Investiční společnost CS - Asset Management	18	50	178.7
Leasing CS - Leasing	50	-5	-110.7
Penzijní fond CS - Pension Fund*	139	384	176.5
Pojišťovna CS - Insurance Company**	2,172	81	-96.3
Factoring CS - Factoring	8	11	37.5

Note: Does not take into consideration fees paid to Bank by subsidiaries for services rendered.

*According to the Supplementary Pension Insurance Act, a minimum 85% of Czech Accounting Standards (CAS) net profit of pension fund is distributed to clients. Penzijní fond CS made CAS profit for 1H 2005 in the amount of CZK 385.8 m (CZK 123.5 m in 1H 2004).

**Net profit of Pojistovna CS for 1H04 includes income from the sale of non-life insurance business

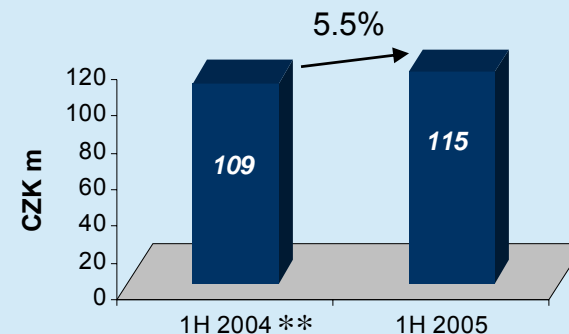
Income from Insurance Business

- » 1H 2004 result includes income from non-life insurance in the amount of CZK 32 m (sold in January 2004)
- » Operating income of Pojistovna CS declined by 25.5%
 - Net premiums earned down by 712 m
- » Life insurance development
 - Pojistovna CS concluded 436 thousand life insurance contracts as of 30 June 2005 (+ 25.8 % YTY), 62 % via CS sales force
 - Written premium reached CZK 1.2 m in 1H 2005, down by 39 % compared to 1H 2004 caused mainly by lower sales of single paid premium products due to lower attractiveness (because of decreasing interest rates)
 - Capital life insurance share increased to 25 % of total life insurance premium
- » CS Insurance Company is currently # 5 in life insurance market with market share of 5.5 %

Product structure

	30/6/04	31/12/04	30/6/05
Life insurance			
capital	12%	13%	25%
credit*	8%	8%	9%
flexi	78%	74%	60%
other	2%	5%	6%

* including mortgage insurance

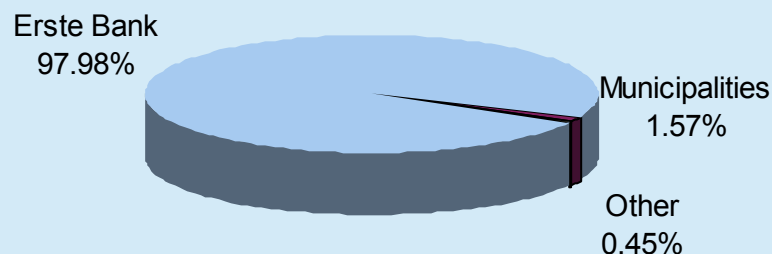


Note: profit before tax

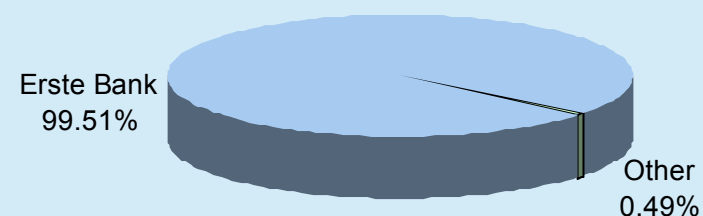
** without income from sale of non life insurance business

Shareholder Structure

Shareholder structure
June 30, 2005



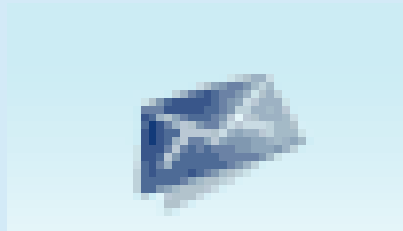
Voting Rights Structure
June 30, 2005



Development of % share of Erste Bank in Ceska sporitelna

date	15.8.2000	31.12.2000	31.12.2001	31.12.2002	31.12.2003	31.12.2004	30.6.2005
Total EB share	52.1%	52.6%	52.2%	93.6%	98.0%	98.0%	98.0%

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Reuters: SPOPsp.PR