> Ceska sporitelna:
- Continuing Strong Growth of Business

> H1 2007 IFRS Consolidated Results (Unaudited)

> Prague, 31st July 2007

ČESKÁ SPOŘITELNA

> Presentation Topics

1. CS Strategy
2. H1 2007 Highlights
3. CS Group Financial Results
4. Loan Portfolio Development
5. Outlook 2007
6. First Choice Bank Quarterly Update
7. Appendix

> CS Strategy

Our current strategy brought us to the top position in the Czech banking sector. In order to bring CS to the top level also in the European context we need:

1. **Improve value for money and help our customers in investing their increasing wealth**

   Sustain our current Mission and Vision and extend focus on:
   - » Wealth Creation Management
   - » Young Client Interests
   - » Staff Training & Client Education

2. **Consolidate support activities of CS Financial Group**

   Focus on:
   - » Avoiding bureaucracy
   - » Enhancing efficiency

Our First Choice Bank Program will help us in conducting our goals

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> H1 2007 Highlights

Another record breaking quarter with regard to loan growth

- **Ceska sporitelna experienced another successful quarter**
  - Strong financial and business results

- **Customer lending continues to grow fast**

	YTD	YTY
» Total loans (excl. CKA)	11.6%	20.9%
» Corporates *	8.3%	11.8%
– Large corporates	9.7%	3.1%
– SMEs	13.4%	22.1%
» Retail *	14.1%	32.7%
– Private mortgages	18.5%	42.6%
– Consumer lending**	10.4%	23.4%
– Micro corporates	13.0%	25.7%
– Commercial mortgages	19.4%	47.7%

- **Financial targets for 2007 confirmed**

** Parent bank only*
***incl. credit cards*

> H1 2007 Business Highlights

Recognition of CS strong market position

- **Ceska sporitelna acquired a majority interest in the consulting firm RAVEN Consulting in June 2007**
  - This newly created subsidiary RAVEN EU Advisory will provide comprehensive advisory services in relation to the subsidy policy of the Czech Republic and the EU
- **Newly established pension fund AEGON chose Ceska sporitelna as its depository (since the beginning of June). CS is the largest depositary bank in the Czech Republic in terms of the volume of assets controlled**
  - Total assets under depository control of CS exceed CZK 97 bn
- **Customer satisfaction with CS services further improved**
  - Customer satisfaction index grew from 83.37% in October 2006 to 84.22% in March 2007
- **CS won the title Employer of the Year 2007 in the Prague region and acquired a silver medal in the national round of the competition**

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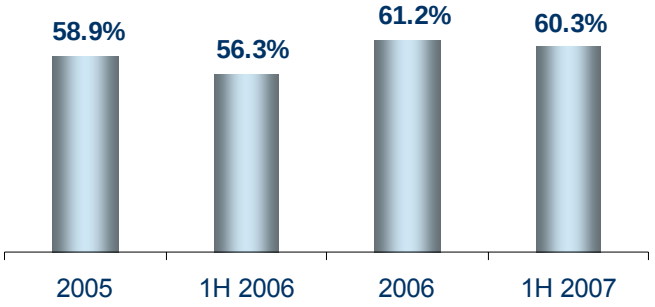
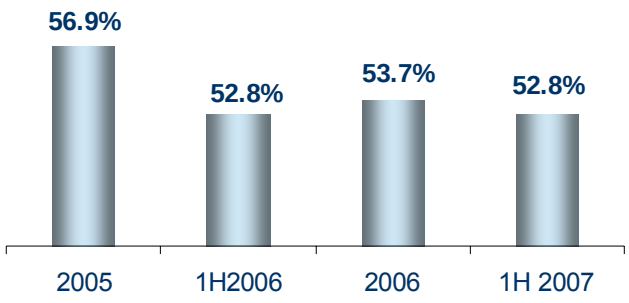
> H1 Financial Highlights

- Net profit: + 7.3% (YTY) to CZK 5.2 bn
- Total assets: +12.0% (YTD) to CZK 815.6 bn
- NIM: up from 3.58% to 3.61% (YTY)
- Cost/Income ratio: 52.8%
- Return on equity: 21.0%

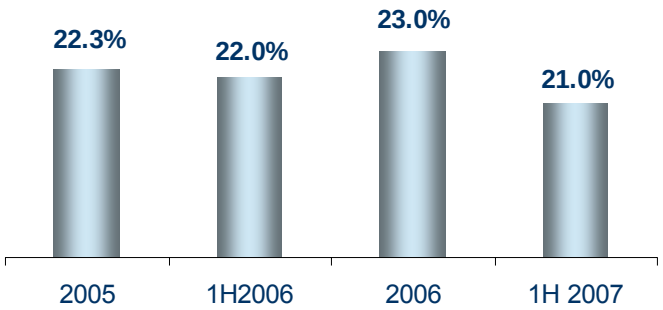
Loans/Deposits ratio



Cost / Income ratio



ROE



> Group Profit & Loss Statement

Growing business reflected in both revenues and expenses

- **Net profit up by 7.3% (YTY) driven by improved operating performance**
- **Operating profit increased by 8.3%, mainly due to higher net interest income**
- **Net interest income rose by 11.3% as a result of growing volume of customer loans and deposits**
  - Negative impact of change of accounting methodology in interest derivatives (banking book) causing incomparability of H1 2006 and H1 2007 NII
  - NIM at 3.61% (H1 2006: 3.58%)
- **Net fee and commission income up by 3.3%**
  - Purely volume driven result
- **General administrative expenses increased by 8.2%**
  - Impact of increase of salaries, new business activities (Reico, sAutouver) and building synergies within Erste Bank Group

> Group Profit & Loss Statement (IFRS)

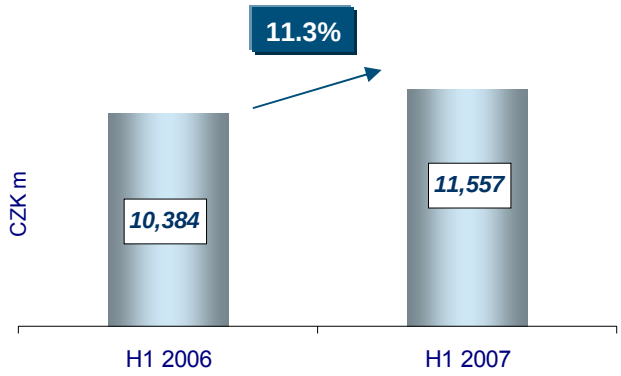
Improved operating performance drives net profit growth

consolidated, CZK m	H1 2007	H1 2006	% change
Net interest income	11,557	10,384	*11.3*
Provisions on losses on loans and advances	-919	-631	*45.6*
Net fee and commission income	4,764	4,610	*3.3*
Net trading result	700	755	*-7.3*
General administrative expenses	-9,073	-8,387	*8.2*
Income from insurance business	162	129	*25.6*
Other operating result	-460	-361	*27.4*
Result from financial assets FV	-103	-381	*-73.0*
Result from financial assets AFS	296	393	*-24.7*
Result from financial assets HTM	12	0	*n/a*
Profit/(loss) before taxes	**6,936**	**6,511**	***6.5***
Income tax expense	-1,632	-1,563	*4.4*
Profit/(loss) after taxes	**5,304**	**4,948**	***7.2***
Minority interests	-76	-74	*2.7*
Net profit/(loss) for the year	**5,228**	**4,874**	***7.3***
Operating income	17,183	15,878	*8.2*
Operating expenses	-9,073	-8,387	*8.2*
Operating result	**8,110**	**7,491**	***8.3***

> CS Group P&L – Net Interest Income

NII driven by loans and deposits

- **NII from customers up by 26.0% YTY**
  - Driven by growing volume of loans (+20.9%) and deposits (+12.9%)
  - Market rate increase at the end of May 2007 not yet reflected in H1 2007 results
- **NII from securities rose by 9.4% YTY**
  - Higher interest expense caused by growing volume of mortgage bonds (+CZK 4.7 bn) paying higher interest
- **NII from credit institutions decreased by 35.4%**
  - Higher amounts owed to credit institutions (+73.8% YTY) because of growing financing needs of CS subsidiaries and growing interest rates led to higher interest expense
- **Other interest income/expenses affected by derivatives**
  - Negative impact of change of accounting methodology - in H1 2006 asset swaps were booked in two items (NII + other operating result), since January 2007 asset swaps are booked only in other operating result

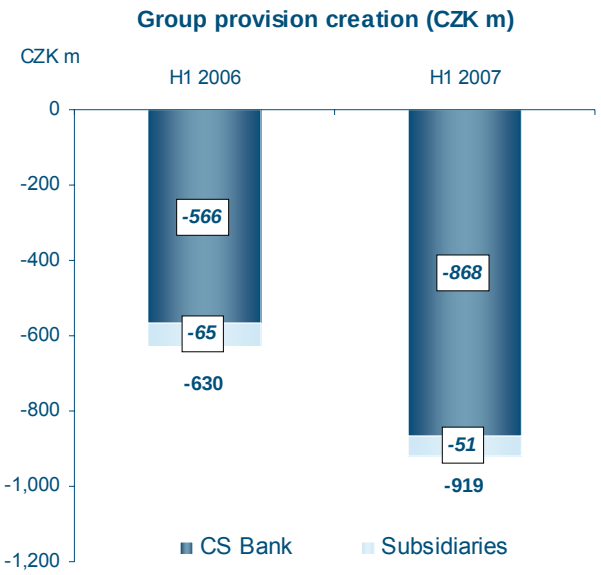


IFRS, Consolidated, CZK m	H1 2007	H1 2006	*% change*
Interest income	**16,934**	**14,304**	***18.4***
- from loans to credit institutions	1,513	1,490	*1.5*
- from loans to customers	10,109	8,351	*21.1*
- from fixed income and other securities	4,020	3,546	*13.4*
- other interest income	1,292	917	*40.9*
Interest expense	**-5,377**	**-3,920**	***37.2***
- from amounts owed to credit institutions	-820	-417	*96.6*
- from amounts owed to customers	-2,943	-2,663	*10.5*
- from bonds in issue	-618	-436	*41.7*
- other interest expense	-996	-404	*146.5*

> Group P&L – Provisions

Group net provision creation reached CZK 919 m in H1 2007

- **That is CZK 289 m above creation in H1 2006**
  - Mainly due to methodology changes in 2006 in CS Bank (releases in Corporate portfolio in line with Group methodology)
- **70% of H1 2007 creation relates to Retail (CS Bank)**
  - Driven mainly by Consumer lending
- **Creation in subsidiaries remained in absolute volumes almost unchanged**



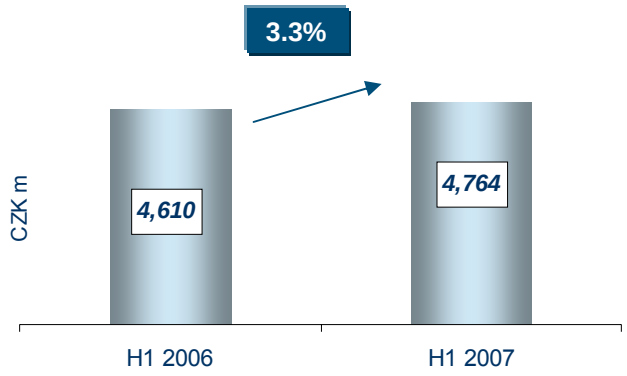
Balance impact (CZK m, IFRS)

CS Loan loss reserves	Group	CS Bank only
Balance 01.01.2007	**-6,339**	**-5,175**
Creation total	-919	-868
Write offs	133	95
Balance neutral effects	-64	-62
Balance 30.6.2007	**-7,189**	**-6,011**

> CS Group P&L – Net Fee Income

Business volume driven growth

- **Main contributor remains net fee income from payment transactions (58% of total)**
  - Increase by 3.4%
- **Net fee income from lending went up by 4.7%**
  - Negative impact of items newly included in fee expense in H1 2007 (e.g. loan insurance)
  - Fee expenses affected by inclusion of newly created subsidiary sAutoúvěr
- **Net fee income from security business grew by 5.0%**
  - YTY comparison affected by strong H1 2006 performance (higher trading activity of clients connected with turbulences in capital markets in May and June 2006)

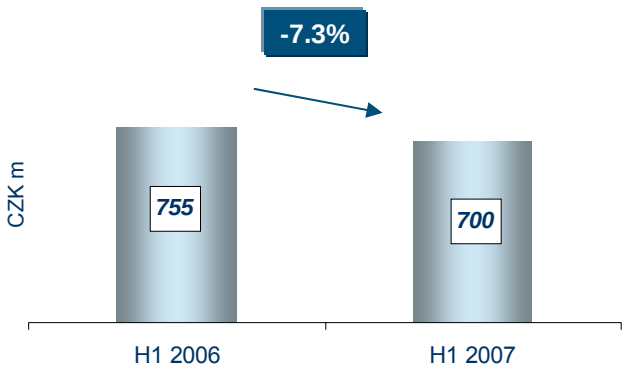


IFRS, Consolidated, CZK m	H1 2007	H1 2006	*% change*
Fee and commission income	**5,351**	**5,001**	***7.0***
- from lending business	992	882	*12.5*
- from payment transactions	2,983	2,874	*3.8*
- from security business	619	585	*5.8*
- other	757	660	*14.7*
Fee and commission expense	**-587**	**-391**	***50.1***
- from lending business	-92	-22	*318.2*
- from payment transactions	-216	-198	*9.1*
- from security business	-28	-22	*27.3*
- other	-251	-149	*68.5*

> CS Group P&L – Net Trading Result

Impacted by revaluations of CS positions – client business continues to grow

- Improved result of securities in trading portfolio was caused by higher volatility in yield curves in the capital markets in H1 2006 than in H1 2007
- The right positioning enabled increase of P/L generated by the interest rate derivatives
- Lower FX result caused by revaluation of positions held by CS and by high volatility of CZK exchange rate
  - Customer business is increasing steadily

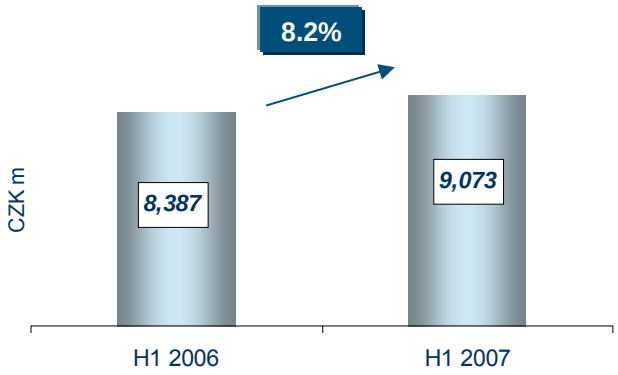


IFRS, Consolidated, CZK m	H1 2007	H1 2006	*% change*
Realised and unrealised profit on securities trading	-29	-441	*-93.4*
Interest Rate & Equity Derivatives	394	347	*13.5*
FX gains	335	849	*-60.5*

> CS Group P&L – General Administrative Expenses

Impact of business growth

- **Increase in personnel expenses mainly driven by increase in salaries effective from April 2007 (connected also with prolonged working hours)**
  - Impact of profit sharing program (CZK 17 m)
  - Slight decrease in staff to 10 733 (FTE) caused by shift of 259 people into iServe effective 1st of June (i.e. outsourcing of IT services – part of the EB group iServe project)
    - iServe project will influence CS cost structure in H2 2007 – decrease in personnel expenses offset in other administrative expenses
- **Other administrative expenses**
  - Higher expenditures for business operations due to new business activities (marketing costs, outsourcing of chip cards etc.)
  - Impact of growing costs connected with New Group Architecture programme of EB for building group synergies
- **Stable depreciation costs**
  - Higher depreciation on acquired software compensated by lower depreciation on hardware

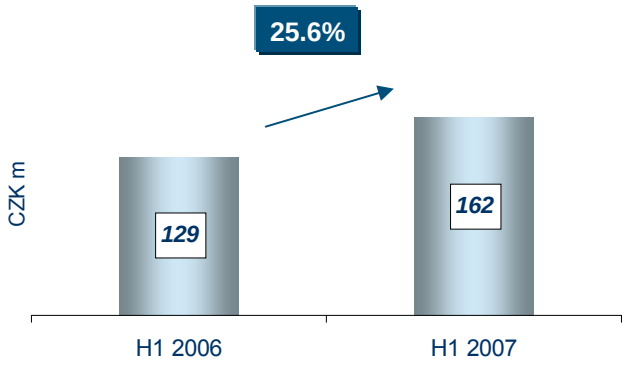


IFRS, Consolidated, CZK m	H1 2007	H1 2006	*% change*
Personnel expenses	3,923	3,610	*8.7*
Other administrative expenses	3,454	3,075	*12.3*
Depreciation	1,696	1,702	*-0.4*

> CS Group P&L – Income from Insurance Business

Higher contribution to P/L

- **Operating income of Pojistovna CS increased by 54.1%**
  - Net premium earned up by 54.1%
- **Excellent business results – total life insurance premium grew by 54.9%**
  - Single paid insurance premium up by 75.6% to CZK 2.3 bn
  - Current paid insurance premium grew by 16.6% to CZK 0.8 bn
- **CS branch network concluded 63% of all insurance contracts (74% share on total insurance premium)**
- **Significantly strengthened market position of Pojistovna CS**
  - Market share grew from 9.4% at YE 2006 to 12.1% as of 31 March 2007
  - Pojistovna CS thus became 3rd largest life insurance company at the market



Product structure (life insurance)

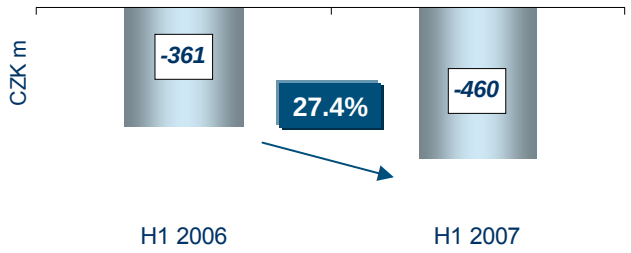
	30/06/06	31/12/06	30/06/07
capital	10%	12%	25%
credit*	4%	5%	3%
flexi	83%	80%	69%
other	3%	3%	3%

** including mortgage insurance*

> CS Group P&L – Other Operating Result

Major drivers

- **Other operating income**
  - Boosted by income from sale of real estates owned by real estate funds (booked in other income)
- **Other operating expenses**
  - Higher contribution to Deposit insurance fund connected with growing deposits
  - Growth in other expenses caused by higher costs of real estate business (compensated in other income) and by higher elimination of Pension Fund (PFCS) profit (higher distribution to clients)



IFRS, Consolidated, CZK m	H1 2007	H1 2006	% change
Other operating income	**539**	**204**	***164.2***
- income from real estate	8	18	*-55.6*
- other income	531	186	*185.5*
Other operating expenses	**-999**	**-565**	***76.8***
- Deposit Insurance Fund contribution	-236	-212	*11.3*
- expenses from real estate	0	-35	*n/a*
- other expenses	-763	-318	*139.9*

> Group Balance Sheet

Strong growth in balance sheet

- **Total assets increased by 12.0% (by CZK 87.2 bn) since the end of 2006**
- **Loans and advances to customers (incl. CKA, gross) grew by 11.6% YTD (by CZK 37.7 bn)**
  - Represent 45.0% of the balance sheet total
- **Loans and advances to credit institutions went up by 48.4% (by CZK 35.4 bn)**
- **Amounts owed to customers increased by 13.2% (by CZK 70.9 bn); total client funds under CS Group management went up by 12.4% to CZK 682.9 bn**
  - Amounts owed to customers in parent bank grew by 15.8% to CZK 498.9 bn (without repo operations by 8.4%)
- **Loans to deposits ratio decreased to 60.3% (from 61.2% at YE 2006) due to strong growth in deposits**
- **Volume of issued bonds went up by 14.0% since YE 2006**
  - CZK 3.8 bn of mortgage bonds and CZK 1.1 bn of other bonds were issued during H1 2007
- **Group capital adequacy (BIS) at 10.4%**
  - Capital adequacy according to CNB (parent bank only) at 9.2%

> Group Balance Sheet (IFRS)

Assets – Fast loan growth continues

consolidated, CZK m	H1 07	YE 06	% Change
Cash and balances with the CNB	20,544	23,152	*-11.3*
Loans and advances to credit institutions	108,568	73,179	*48.4*
Loans to Czech Consolidation Agency	5,000	5,000	*0.0*
Loans and advances to customers	361,798	324,105	*11.6*
Provision for losses on loans and advances	-7,189	-6,339	*13.4*
Trading assets	42,909	45,315	*-5.3*
Financial assets - Fair value	28,785	21,737	*32.4*
Financial assets - Available for sale	36,792	39,836	*-7.6*
Financial assets - Held to maturity	148,797	141,429	*5.2*
Financial assets - insurance companies	15,229	13,878	*9.7*
Other assets	54,349	47,101	*15.4*
Total assets	**815,582**	**728,393**	***12.0***

> Group Balance Sheet (IFRS)

Liabilities – Deposits grow faster than expected

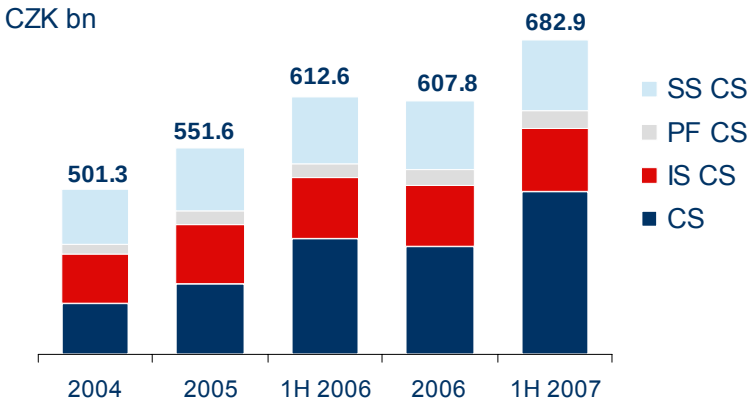
consolidated, CZK m	H1 07	YE 06	% Change
Amounts owed to credit institutions	53,127	46,361	*14.6*
Amounts owed to customers	608,369	537,486	*13.2*
Debts evidenced by certificates	39,242	34,408	*14.0*
Trading liabilities	13,738	12,154	*13.0*
Subordinated capital	5,693	5,886	*-3.3*
Other liabilities	44,932	42,236	*6.4*
Minority interests	1,411	1,268	*11.3*
Shareholders´ equity	49,070	48,594	*1.0*
Total Liabilities and Shareholders´ Equity	**815,582**	**728,393**	***12.0***

> Client Funds under CS Group Management

Total client funds grew by 12.4% YTD

- **CS Group acquired CZK 75.1 bn of client funds in H1 2007**
- **Bank deposits rose by CZK 68.2 bn in H1 2007 (+15.8%)**
  - Fastest increase in private individuals' deposits (by CZK 23.7 bn)
  - Public sector deposits up by CZK 42.7 bn (without repo operations by CZK 10.8 bn)
  - 66% of deposits payable on demand
- **Investments in subsidiaries up by 3.9% YTD**
  - Major investments went to pension fund (PF CS) – up by 14.1% YTD
  - Assets in domestic mutual funds managed by IS CS grew by CZK 2.5 bn YTD
    - In addition CS acquired CZK 5.7 bn in foreign mutual funds
  - A new subsidiary Reico, managing the first real estate fund in the Czech Republic, acquired almost CZK 0.5 bn of client funds (not included in the chart so far)

Total client funds



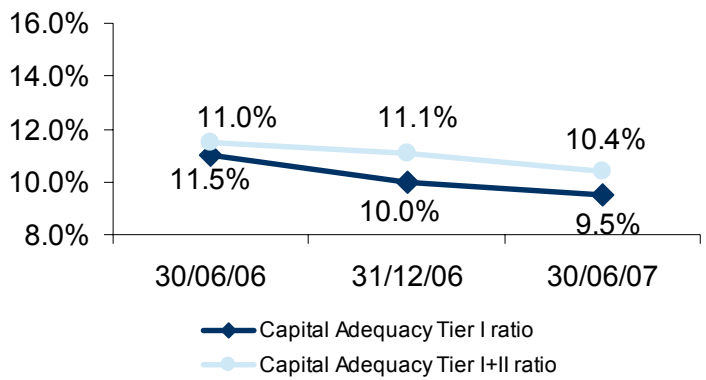
IFRS, in CZK bn	2004	2005	1H 2006	2006	1H 2007
CS - parent bank	362.9	387.3	442.0	430.7	498.9
IS CS - investment company	59.0	71.6	73.0	74.1	76.6
PF CS - pension fund	12.0	15.1	17.1	19.2	21.9
SS CS - building society	67.4	77.6	80.5	83.8	85.5
Total	**501.3**	**551.6**	**612.6**	**607.8**	**682.9**

> Capital Adequacy (BIS)

Impact of growing RWA

- Decrease in Tier I+II ratio caused by double rate of growth of RWA compared to growth of capital
- Total Tier I+II capital grew by 6.6% due to growing Tier I (+7.8% YTD)
  - Tier I capital positively affected by higher retained earnings
- Strong loan growth led to 13.8% increase in RWA

Capital adequacy development (BIS)



CS Group, CZK m	30/06/06	31/12/06	30/06/07
Tier I Capital	43,650	44,888	48,368
Tier I+II Capital	45,616	49,625	52,895
Risk Weighted Assets	377,173	421,153	479,374
Capital requirement to market risks	1,601	2,184	2,288
Capital Adequacy Tier I ratio	**11.0%**	**10.0%**	**9.5%**
Capital Adequacy Tier I+II ratio	**11.5%**	**11.1%**	**10.4%**

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> Group Loan Portfolio Highlights in H1 2007

Accelerating loan growth but at stable asset quality

- **Record loan growth continues: almost by 70% above the growth of H1 2006**
  - Loans increased by CZK 37.7 bn (11.5% YTD), compared to CZK 22.4 bn (8.4%) in H1 2006
  - Driven by record breaking growth of Retail mortgages, loans to SMEs and consumer lending

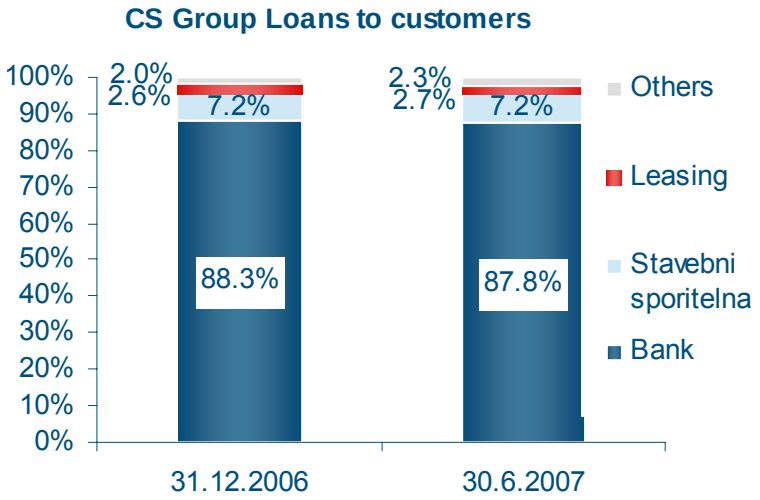
- **Share of non-performing loans in CS Group remained unchanged against YE 2006 at 1.8%**
  - CS Bank NPLs up by 30 bps YTD to 1.9%
    - Generated by strongly growing Retail portfolio
  - Stavebni sporitelna YTD stable at 0.9%

- **Overall risk costs at 0.25% YTD**
  - Slightly higher than in H1 2006 (0.22% YTD)
  - In line with expectations

> Group Loan Portfolio Overview

Share of subsidiaries in Group loan portfolio increased to 12.2% (11.7% at YE 2006)

- **Stavebni sporitelna grew by CZK 3.0 bn or 12.6% YTD**
  - That is by 57% higher growth than in H1 2006 (CZK 1.9 bn)
  - Driven by Bridging loans, which represent ~70 % of portfolio (stable in long term horizon)
- **Leasing subsidiaries grew by CZK 1.4 bn or 16.1% YTD**
  - Almost tripled compared to underlying growth of H1 2006 (+ CZK 0.5 bn)
  - Driven both by corporate and retail clients
- **Growth in Other subsidiaries by CZK 2.9 bn YTD was generated by CS Property funds**

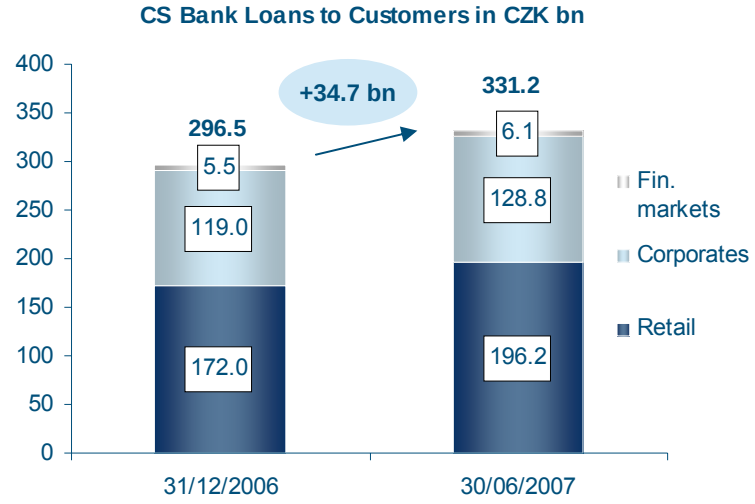


in CZK m, IFRS	30/06/2007	31/12/2006	YTD Change	
I. CS Bank	331,164	296,498	34,666	11.7%
↳ *of which CKA*	5,000	5,000	0	0.0%
II.1. Stavebni sporitelna CS	27,192	24,151	3,040	12.6%
II.2. Leasing (LCS, sAL, sAU)	10,136	8,729	1,406	16.1%
II.3. Factoring CS	1,873	2,442	-569	-23.3%
II.4. Brokerjet CS	687	884	-197	-22.3%
II.5. Other subsidiaries	6,147	3,226	2,921	90.5%
III. Consolidation items	-10,400	-6,826	n.a.	n.a.
Loans excl. CKA (consolidated)	**361,798**	**324,105**	**37,693**	**11.6%**
Total Loans (consolidated)	**366,798**	**329,105**	**37,693**	**11.5%**

> CS Bank Loan Portfolio – Structure and Development

Loan growth in CS Bank of 11.7% YTD higher compared to 7.1%* in H1 2006

- **70% (CZK 24.2 bn) of YTD growth was generated by accelerating Retail**
  - Retail growth was by 55% higher than in H1 2006 (CZK 15.6 bn or 11.8%)
  - Driven by record growth of Retail mortgages (CZK 14.8 bn YTD) and Consumer lending (CZK 5.1 bn YTD)
- **Corporate loans contributed to the growth by almost 30% (+9.8 bn)**
  - Corporate growth doubled compared to H1 2006 (CZK 4.7 bn or 4.2%)
  - Driven by very strong growth of SMEs (+ CZK 5.1 bn YTD) and also Large corporates (+ CZK 4.8 bn YTD)



Loan growth

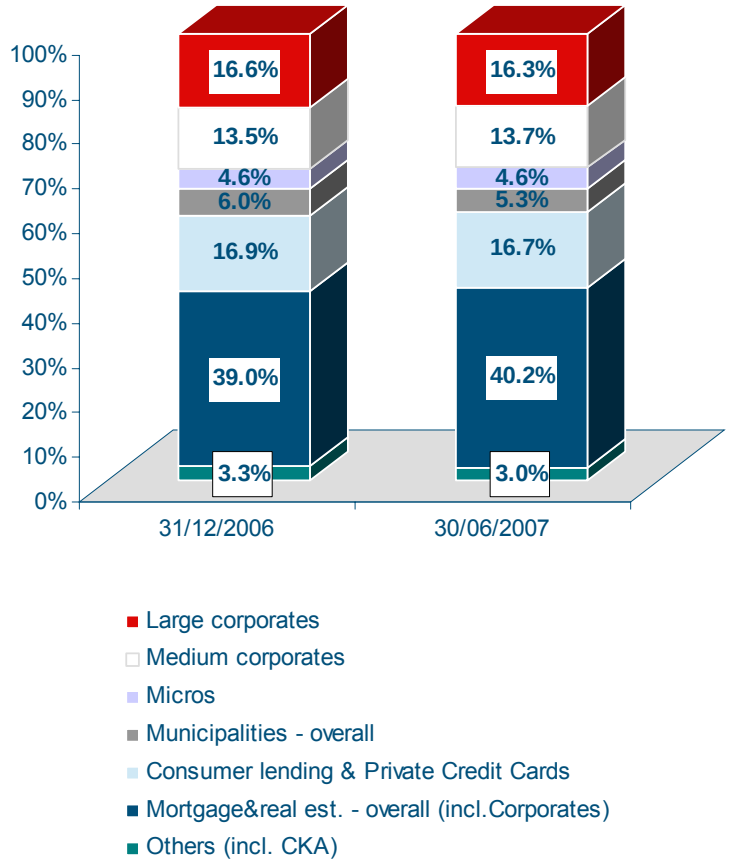
in CZK m, IFRS	H1 2007 YTD		H1 2007 YTY	
	Outstand.	Rate	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	**34,048**	**11.7%**	**61,960**	**23.6%**
1. CORPORATES	9,828	8.3%	13,638	11.8%
2. RETAIL	24,219	14.1%	48,322	32.7%
II. FINANCIAL MARKETS	**618**	**11.2%**	**-7,990**	**-56.5%**
LOANS TO CUSTOMERS	**34,666**	**11.7%**	**53,970**	**19.5%**

** Underlying growth - net of CKA repayments*

> CS Bank Loan Portfolio – Segments Development

Share of Mortgage loans continued to increase

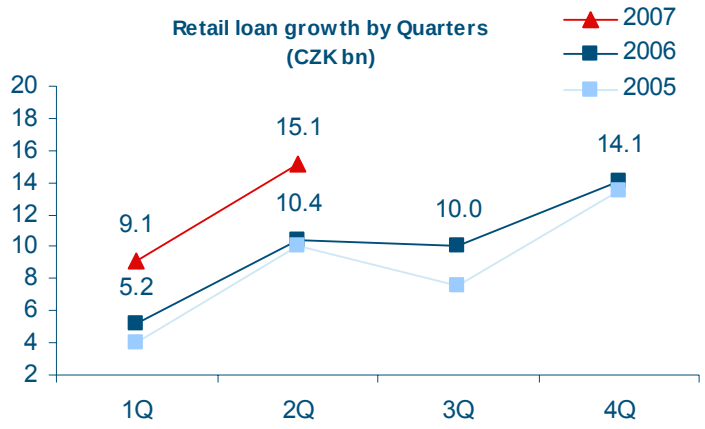
- **Share of Mortgage loans up by 120 bps YTD to 40.2%**
- **Share of Medium corporates (SMEs) increased to 13.7% (+20 bps YTD)**
  - Supported by new loans mainly to production industry (technical textile, beverages, medical care products), construction, real estate and trade industries
  - SMEs together with loans to Micros represent 18.3% of loan portfolio (18.1% YE 2006)
- **Consumer lending experienced very strong growth in H1 2007**
  - However declined in relative terms by 20 bps YTD to 16.7%



> CS Bank Loan Portfolio – Seasonality in Loan Growth

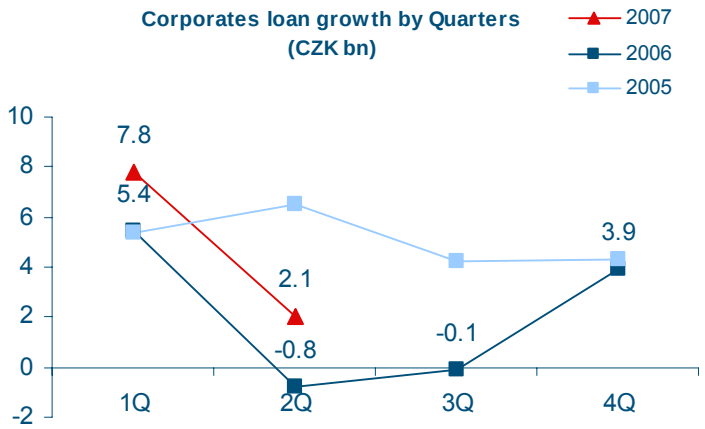
Retail experienced the strongest growth of 2nd quarter ever (+ CZK 15.1 bn)

- **Supported by**
  - Spring Marketing Campaign for Cash loans and Private Mortgages
  - Reduced fee for Mortgage loans by 50% (April-June)
- **Resulting in high growth of**
  - Retail mortgage + CZK 10.2 bn QTQ
  - Consumer lending + CZK 3.9 bn QTQ
- **The growth so far confirms seasonal nature of retail lending experienced in previous years**



Seasonal pattern in Corporate portfolio is not apparent in contrary to Retail

- **Loan growth after strong Q1 slowed down to CZK 2.1 bn, affected by**
  - Continuing acceleration of Medium corporates (+ CZK 3.1 bn QTQ)
  - Slow down by payment in Corporate mortgage, which declined by CZK 1 bn QTQ

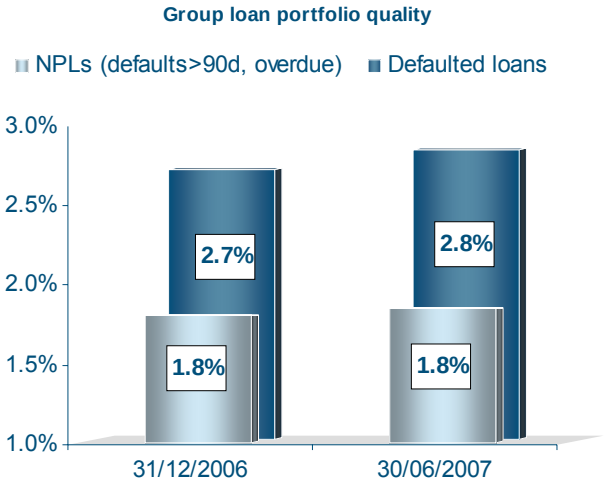


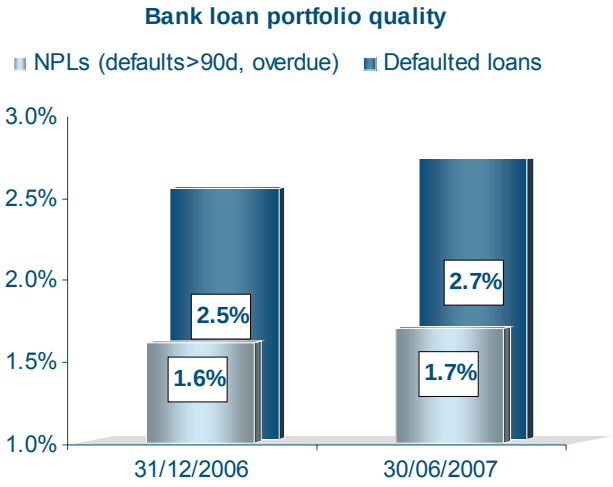
> CS Bank Loan Portfolio Quality

Stable asset quality

- **Share of non performing loans in CS Group remained stable against YE 2006 at the level of 1.8%**
  - Absolute increase by CZK 0.8 bn YTD generated by Retail portfolio (CS Bank)
    - Affected by continuous strong growth of consumer lending and aging effect in mortgages
- **Share of defaulted loans in CS Group slightly increased (+10 bps YTD) up to 2.8%**
  - Absolute increase by CZK 1.5 bn affected mainly by Retail Private Individuals

in CZK m, IFRS	30/06/2007		31/12/2006	
	Outstanding	Share	Outstanding	Share
Group loan portfolio	**366,798**	**100.0%**	**329,105**	**100.0%**
Defaulted loans	10,348	2.8%	8,852	2.7%
NPLs (defaults>90d, overdue)	6,767	1.8%	5,922	1.8%
Bank Loan portfolio	**331,164**	**100.0%**	**296,498**	**100.0%**
Defaulted loans	8,961	2.7%	7,483	2.5%
NPLs (defaults>90d, overdue)	5,644	1.7%	4,784	1.6%

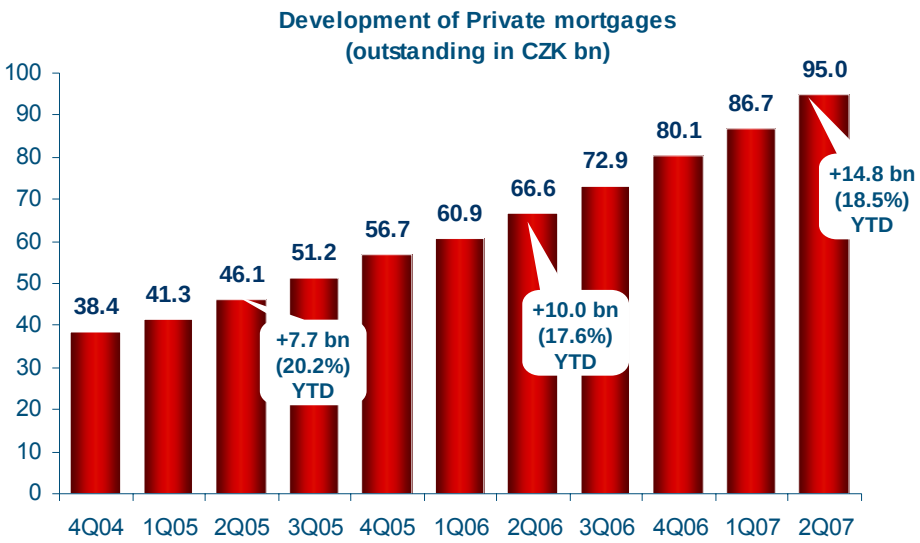




> CS Bank Loan Portfolio – Private Individual Mortgages

Private mortgages grow rapidly

- **Private mortgages grew in H1 2007 by CZK 14.8 bn or 18.5%**
  - The absolute growth is by 50% higher than in H1 2006
- **66.4% of mortgages go to property purchase (63.2% H1 2006)**
  - For loans granted in 2007 this share is even higher (73%)
  - Remaining 26.0% of mortgages are spent on house construction and 7.6% on reconstruction
- **Average maturity of loan contracts continued to extend to 20.2 years (18.4 years in H1 2006)**
- **Loan quality measured by NPL share remained almost stable (+3 bps YTD)**

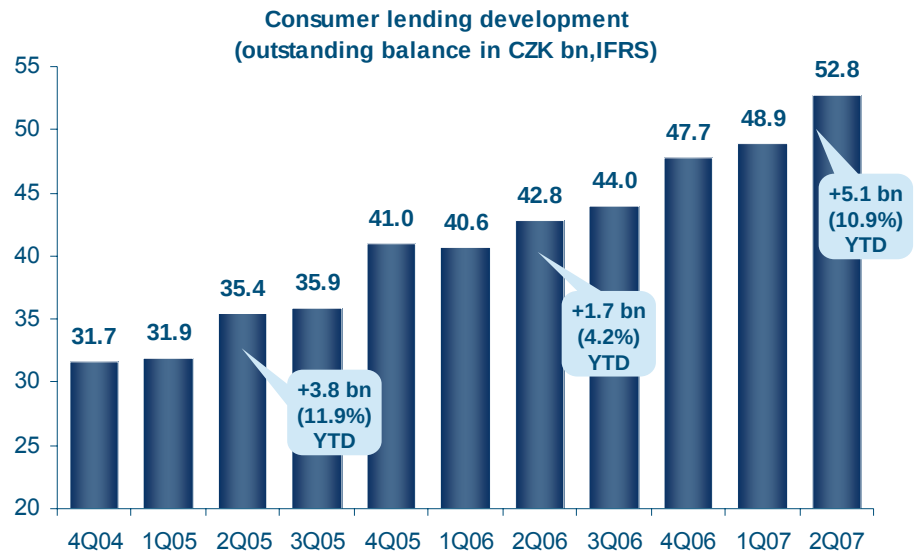


in CZK m, IFRS	30/06/2007		31/12/2006	
	Outstanding	Share	Outstanding	Share
Private mortgages total	**94,996**	**100.0%**	**80,147**	**100.0%**
Defaulted mortgages	1,240	1.3%	910	1.1%
NPLs (defaults>90 d.overdue)	791	0.83%	642	0.80%

> CS Bank Loan Portfolio – Consumer Lending

Strong acceleration of Consumer lending

- **Growth of CZK 5.1 bn in H1 2007 tripled compared to H1 2006**
  - Generated by Cash loans, which
    - Represent almost 71% of Consumer lending (it was 65% in H1 2006)
    - Were supported by Spring marketing campaign
- **Share of non performing loans up by 20 bps YTD to 4.4.%**
  - Remained unchanged in Q2 2007 (4.4% in Q1 2007)
  - Absolute increase + CZK 0.3 bn YTD driven by Cash loans

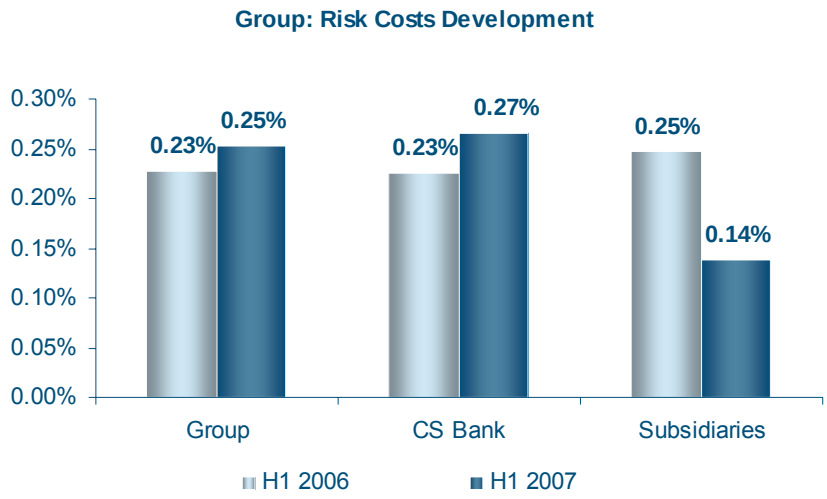


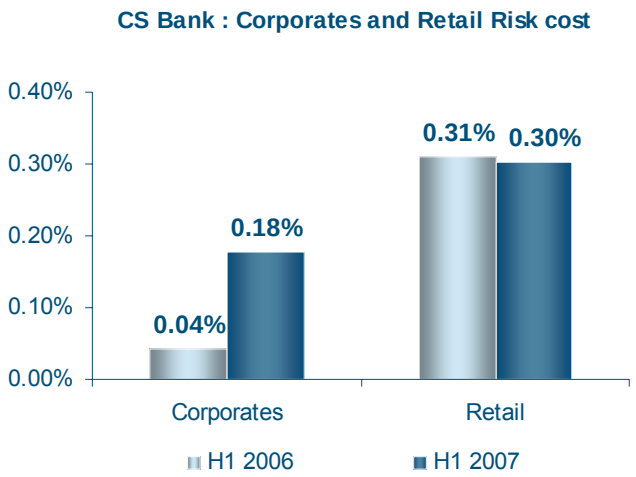
in CZK m, IFRS	30/06/2007		31/12/2006	
	Outstand.	Share	Outstand.	Share
Consumer lending total	**52,784**	**100.0%**	**47,708**	**100.0%**
Defaulted loans	2,741	5.2%	2,350	4.9%
NPLs (defaults>90 d.overdue)	2,324	4.4%	1,998	4.2%

> Group Loan Portfolio – Risk Costs Development

Slight increase of risk costs

- **Overall Risk costs in Group & CS Bank increased compared to H1 2006**
  - Due to provision methodology change in Corporate portfolio in 2006
- **Risk costs of subsidiaries* significantly declined against H1 2006, affected by**
  - Low payment defaults
  - Strong loan growth
- **Retail risk costs are slightly lower than in H1 2006**
  - Due to strong loan growth, especially in mortgages

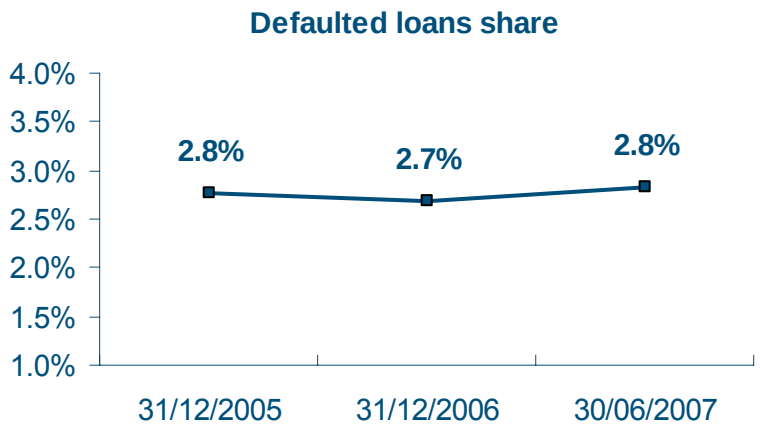


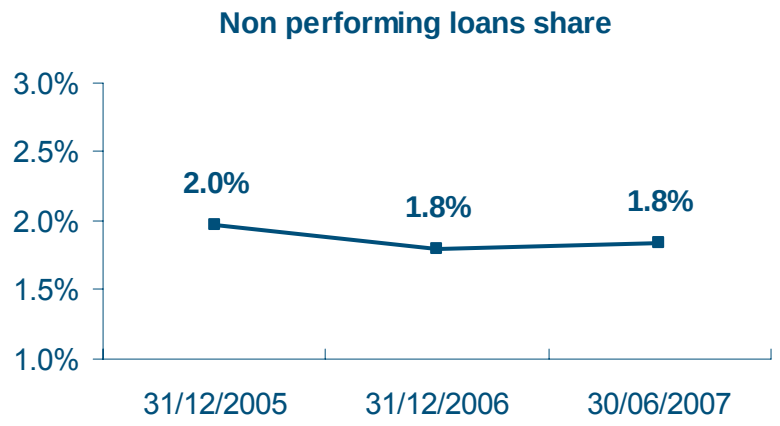


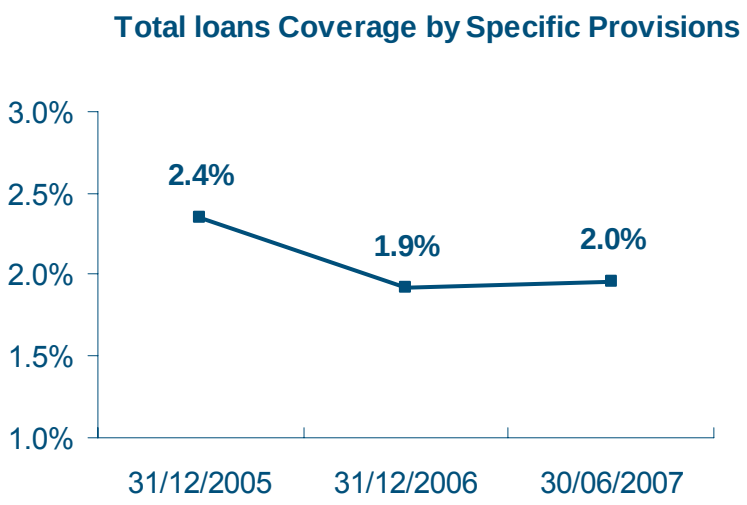
** Stavebni sporitelna, Leasing subsidiaries (Leasing CS, sAutoleasing, sAutouver)*

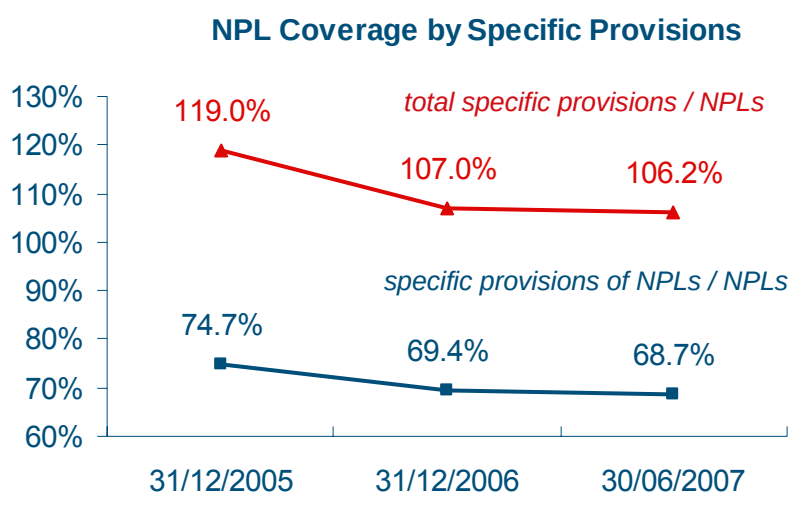
Note: Overall risk costs relate to Customer loan portfolio excluding CKA

> Group Loan Portfolio – Key Ratios









> Presentation Topics

1. CS Strategy
2. H1 2007 Highlights
3. CS Group Financial Results
4. Loan Portfolio Development
5. **Outlook 2007**
6. First Choice Bank Quarterly Update
7. Appendix

> CS Group Financial Targets

Outlook for 2007 Confirmed

Net profit[1] growth	**15 - 20%**
Cost/Income ratio	**Below 53%**
Return on equity	**Above 20%**
Loan/Deposit Ratio	**60 - 65%**

(1) Net profit after tax and minorities

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7. Appendix

> First Choice Bank - Second ČS transformation

Initiative to make banking easier

- A wide range of actions and activities has been identified to enable Česká spořitelna to become the Czech Republic's most respected and dynamic bank
- Corporate culture effort has been launched to develop more professional and more confident staff.

Seven building blocks

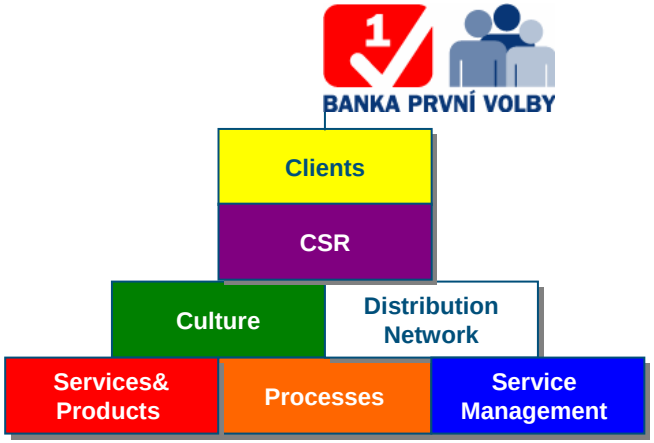
- Each of them comprising a number of steps/actions targeted to improve product offering, service quality and corporate culture.

Investments at normal levels (06-08)

Branch renovations	CZK 1.50 – 1.75 bn
Community grants	CZK 0.15 – 0.30 bn
Training	CZK 0.30 – 0.50 bn
IT & projects	CZK 5.40 – 6.60 bn

Positive financial impact in 2007

- Annual net profit growth 15% instead of 10%
- Revenues: 3% above normal growth
- Expenses: 1% above normal growth



GOAL		Current	Date
1m	Credit cards	538,000	4Q/08
140,000	Mortgages*	130,000	4Q/08
1.3 m	SERVIS 24 unique Users	1.1 m	2Q/08
100 new per year	ATMs	41	4Q/08
6,500	SME Clients	5,000	4Q/08
250,000	Micro Business Clients	170,000	3Q/08
3.0	Cross-sell	2.5	4Q/08

*including building society

> Milestones Achieved in Q2 2007

- **Clients**
  - Annual Ombudsman report issued in May 2007
  - Regular publication of client satisfaction index (increased to 84.22% from 83.37% in 10/06)
- **Services and products**
  - Real estate funds for small investors
  - Special program for companies dealing with alternative energy sources
  - Mail delivery of payment cards (customer choice)
  - Issued 1.240 m new Chip cards
  - Payment insurance - regular payment of bills (electricity, water, etc.)
  - Past accounts statements within 3 working days – from savings accounts (police, courts, etc)
- **Corporate Social Responsibility**
  - CS spent on CSR projects CZK 30 m in H1 2007 (from the whole amount of CZK 59.5 m spent since 6/2006) measured by methodology of Czech Donors Forum
  - Employees can take two working days for charity
- **Branches**
  - 3 private banking centres (Prague, Brno, Ostrava)
  - Reconstruction and renovation of 24 branches
  - Better maintenance of branch offices to ensure maximum comfort and service for clients
- **Corporate Culture**
  - Training of employee - hard and soft skills, language and project training

> Next Milestones

Activities planned for H2 2007

- Independent Debt Advisory Centre
- Important telephone numbers available in all branches
- Guide to financial services/banking for clients free of charge
- Renovation of 100 branches
- 100 new ATM machines annually (including replacements)
- Cash back
- Standard 7 minute waiting time at branches

> Presentation Topics

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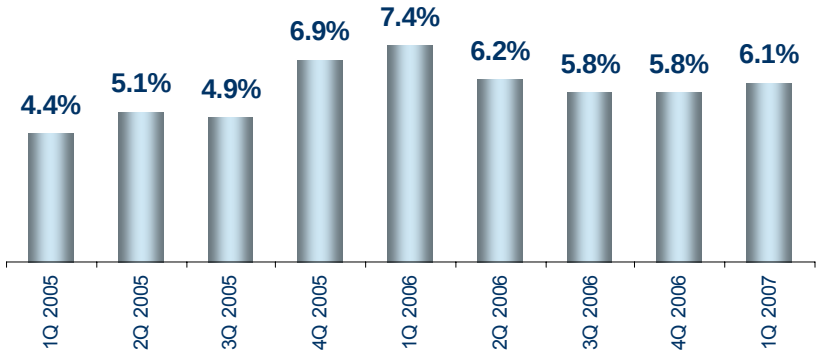
> Macroeconomic Environment in the Czech Republic

Strong Czech economy

- **Real GDP increased by 6.1% in Q1 2007**
  - EU25 average at 3,4% (Q1 2007)
- **Central Bank 2W repo rate increased by 25 bps to 3.00% on 26 July 2007**
  - First IR hike in 2007 on 31May (by 25 bps to 2.75%)
  - One more hike expected in 2007 (by 25 bps)
  - 2W repo rate at 2.0% on 30 June 2006
- **Inflation (CPI) at 2.5% in Q2 2007 (2.9% in Q2 2006)**
- **Unemployment decreased to 6.1% in Q1 2007 (9.0% in Q1 2006)**
- **Real wages grew by 6.2% in Q1 2007**

Real GDP growth



2W repo rate

> Macroeconomic Framework

YEARLY (average)	2001	2002	2003	2004	2005	2006	2006/2007 last actual data		2007E	2008E
Demand and Supply										
GDP (real %)	2.5	1.9	3.6	4.6	6.5	6.4	*1Q*	*6.1*	5.6	4.0
Household consumption (real %)	2.3	2.2	6.0	2.9	2.4	4.4	*1Q*	*6.7*	6.2	2.0
Investments (real %)	6.5	5.2	0.5	4.0	2.2	7.6	*1Q*	*1.5*	4.8	7.7
Export (real %)	11.5	2.1	7.2	20.5	12.0	16.0	*1Q*	*14.6*	16.2	14.4
Import (real %)	13.2	5.0	7.9	17.8	5.2	15.3	*4Q*	*16.5*	19.2	14.4
Industry output (real %)	6.8	1.9	5.5	9.6	6.6	10.0	*1Q*	*12.4*	11.0	8.7
Retail (%)	4.4	3.0	4.9	2.4	4.0	6.4	*2Q*	*9.3*	7.4	2.5
State finance										
State balance (% GDP)	-2.8	-1.9	-4.2	-3.3	-1.9	-3.0	*1Q*	*0.0*	-3.7	-3.0
State debt (% GDP)	14.7	16.1	19.1	21.0	23.1	24.8	*1Q*	*25.0*	26.6	28.0
Labor market										
Unemployment rate (%) [1]	(8,6)	(9,2)	(9,9)	9.4	8.9	8.1	*2Q*	*6.5*	7.0	6.8
Nominal wages (%)	8.7	7.3	6.6	6.7	5.3	6.4	*1Q*	*7.8*	6.8	6.9
Real wages (%)	3.8	5.4	6.5	3.8	3.4	3.8	*1Q*	*6.2*	4.1	2.1
External relations										
Trade balance (CZK bn)	-117	-71	-70	-26	39	44	*2Q*	*9*	84	83
Current account (CZK bn)	-125	-136	-161	-167	-77	-134	*2Q*	*42*	-122	-105
Current account (% GDP)	-5.3	-5.5	-6.1	-5.9	-2.5	-4.0	*1Q*	*6.1*	-3.3	-2.6
Prices										
CPI inflation (%)	4.7	1.8	0.1	2.8	1.9	2.5	*2Q*	*2.5*	2.6	4.7
PPI inflation (%)	3.0	-0.5	-0.3	5.7	3.0	1.6	*2Q*	*4.0*	4.1	4.3
Monetary conditions										
CZK/EUR	34.1	30.8	31.9	31.9	29.8	28.4	*2Q*	*28.3*	28.0	26.9
CZK/USD	38.0	32.7	28.2	25.7	24.0	22.6	*2Q*	*21.0*	20.6	21.3
2W repo rate (%)	5.1	3.6	2.3	2.2	2.0	2.2	*2Q*	*2.6*	2.8	3.3
3M PRIBOR (%)	5.2	3.5	2.3	2.4	2.0	2.3	*2Q*	*2.8*	2.9	3.4
12M PRIBOR (%)	5.3	3.6	2.3	2.7	2.1	2.6	*2Q*	*3.2*	3.1	3.6

Notes:

Unless otherwise stated, the annual or quarterly averages are presented.

[1] *The unemployment rate before 2004 is calculated using the registered unemployment rate, starting in 2004 using the ILO methodology.*

> Financial Results by Quarters

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007
Net interest income	5,089	5,295	5,123	5,646	5,694	5,863
Provisions on losses on loans	-309	-322	-294	-562	-401	-518
Net fee and commission income	2,235	2,375	2,134	2,426	2,345	2,419
Net profit from financial operations	508	247	345	461	461	239
General administrative expenses	-4,142	-4,245	-4,241	-4,711	-4,402	-4,671
Income from insurance business	70	59	144	136	100	62
Other operating result	-150	-199	196	743	-148	-312
Results from financial assets	n/a	n/a	n/a	n/a	71	134
Profit before taxes	**3,301**	**3,210**	**3,407**	**4,139**	**3,720**	**3,216**
Income tax expense	-762	-801	-871	-1,064	-912	-720
Profit after taxes	**2,539**	**2,409**	**2,536**	**3,075**	**2,808**	**2,496**
Minority interests	-35	-39	-62	-38	-87	11
Net profit	**2,504**	**2,370**	**2,474**	**3,037**	**2,721**	**2,507**
Operating income	7,902	7,976	7,746	8,669	8,600	8,583
Operating expenses	-4,142	-4,245	-4,241	-4,711	-4,402	-4,671
Operating profit	**3,760**	**3,731**	**3,505**	**3,958**	**4,198**	**3,912**

> Capital Adequacy

CNB Capital Adequacy

Parent Bank, CZK m	30/06/06	31/12/06	30/06/07
Tier I capital	32,785	32,331	37,259
Tier I + Tier II capital	33,617	35,956	40,690
Capital requirement A (to RWA)	26,532	28,952	33,104
Capital requirement B (to market risks)	1,601	2,121	2,288
Capital adequacy Tier I ratio	**9.3%**	**8.3%**	**8.4%**
Capital adequacy Tier I+II ratio	**9.6%**	**9.3%**	**9.2%**

BIS Capital Adequacy

CS Group, CZK m	30/06/06	31/12/06	30/06/07
Tier I Capital	43,650	44,888	48,368
Tier I+II Capital	45,616	49,625	52,895
Risk Weighted Assets	377,173	421,153	479,374
Capital requirement to market risks	1,601	2,184	2,288
Capital Adequacy Tier I ratio	**11.0%**	**10.0%**	**9.5%**
Capital Adequacy Tier I+II ratio	**11.5%**	**11.1%**	**10.4%**

> Structure of CS Loan Portfolio

in CZK m, unconsolidated, IFRS	30/06/2007		31/12/2006		30/06/2006		H1 2007 YTD		H1 2007 YTY	
	Outstand.	Share	Outstand.	Share	Outstand.	Share	Outstand.	Rate	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	**325,019**	**98.1%**	**290,972**	**98.1%**	**263,059**	**94.9%**	**34,048**	**11.7%**	**61,960**	**23.6%**
1. CORPORATES	**128,838**	**38.9%**	**119,010**	**40.1%**	**115,199**	**41.6%**	**9,828**	**8.3%**	**13,638**	**11.8%**
Large Corporates	54,123	16.3%	49,337	16.6%	52,475	18.9%	4,786	9.7%	1,647	3.1%
Medium Corporates (SMEs)	45,517	13.7%	40,141	13.5%	37,287	13.5%	5,376	13.4%	8,230	22.1%
Corp. Mortgage&Real Estate	18,364	5.5%	18,891	6.4%	16,143	5.8%	-527	-2.8%	2,221	13.8%
Municipalities	10,835	3.3%	10,641	3.6%	9,294	3.4%	194	1.8%	1,540	16.6%
2. RETAIL	**196,181**	**59.2%**	**171,962**	**58.0%**	**147,860**	**53.3%**	**24,219**	**14.1%**	**48,322**	**32.7%**
Private Credit cards	2,671	0.8%	2,509	0.8%	2,161	0.8%	162	6.5%	510	23.6%
Consumer lending	52,784	15.9%	47,708	16.1%	42,771	15.4%	5,077	10.6%	10,014	23.4%
Private social	3,893	1.2%	4,229	1.4%	4,527	1.6%	-337	-8.0%	-635	-14.0%
Private mortgages	94,996	28.7%	80,147	27.0%	66,637	24.0%	14,849	18.5%	28,359	42.6%
Micro corporates (MSEs)	15,377	4.6%	13,606	4.6%	12,233	4.4%	1,771	13.0%	3,144	25.7%
Commercial mortgages	19,879	6.0%	16,650	5.6%	13,463	4.9%	3,229	19.4%	6,416	47.7%
Small municipalities	6,582	2.0%	7,113	2.4%	6,069	2.2%	-531	-7.5%	513	8.5%
II. FINANCIAL MARKETS	**6,145**	**1.9%**	**5,526**	**1.9%**	**14,135**	**5.1%**	**618**	**11.2%**	**-7,990**	**-56.5%**
LOANS TO CUSTOMERS	**331,164**	**100.0%**	**296,498**	**100.0%**	**277,194**	**100.0%**	**34,666**	**11.7%**	**53,970**	**19.5%**
subtotals										
RETAIL MORTGAGEs	114,875	34.7%	96,797	32.6%	80,099	28.9%	**18,078**	**18.7%**	**34,775**	**43.4%**
OVERALL MORTG.&REAL EST.	133,238	40.2%	115,688	39.0%	96,243	34.7%	**17,550**	**15.2%**	**36,996**	**38.4%**
CONS. LENDING + CRED.CARDS	55,455	16.7%	50,217	16.9%	44,931	16.2%	**5,238**	**10.4%**	**10,524**	**23.4%**

> CS Market Shares Development

*According to CNB Statistics**	31.12.2003	31.12.2004	31.12.2005	31.12.2006	31/05/2007	change
Total Assets **	21.4%	21.6%	22.2%	22.4%	21.9%	↘
Loans to Customers **	21.6%	22.7%	23.7%	22.7%	23.0%	↑
Interbank Loans	7.5%	11.0%	12.3%	11.2%	9.9%	↘
Primary Deposits **	25.5%	25.4%	24.8%	25.1%	24.1%	↘
Retail Deposits **	33.4%	32.8%	32.6%	32.7%	32.7%	↔
Retail Loans **	30.9%	31.8%	32.1%	31.6%	31.8%	↑
Mortgages	30.1%	33.7%	34.6%	35.0%	34.8%	↘
Retail Mortgages	29.1%	32.2%	31.5%	32.5%	32.7%	↑
Assets under Management in Funds	34.3%	37.4%	35.7%	33.4%	33.5% ***	↑
ATM (#)	40.0%	37.9%	37.2%	35.2%	35.2% ***	↔
Payment Cards (#)	40.4%	40.2%	41.8%	41.3%	41.3% ***	↔

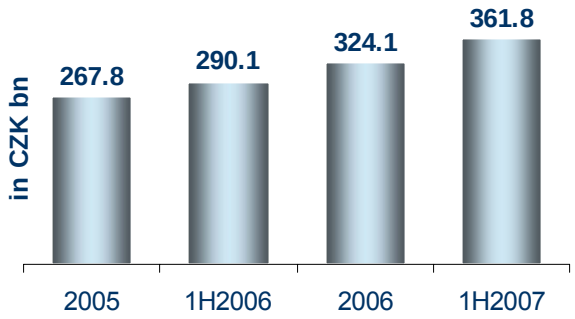
** Excluding non-bank financial service providers, e.g., Cetelem, Provident Financial, etc.*

*** Change in calculation - building savings assets, deposits and loans are now included in relevant item*

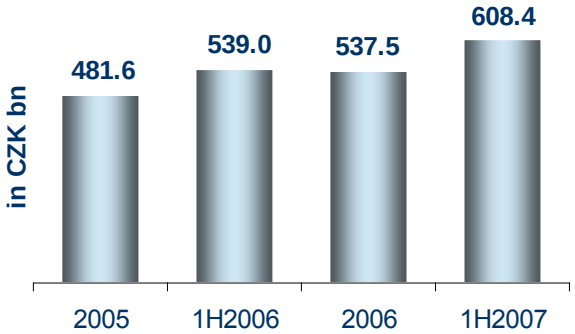
**** Data as of 31.3.2007*

> Business Indicators

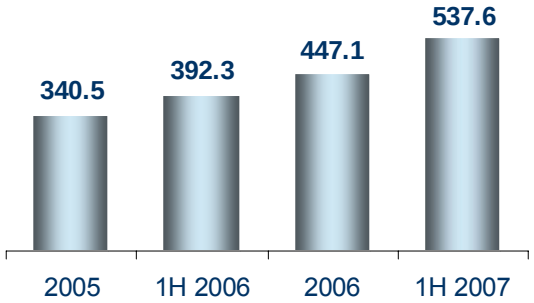
Loans to Customers (excl. CKA)



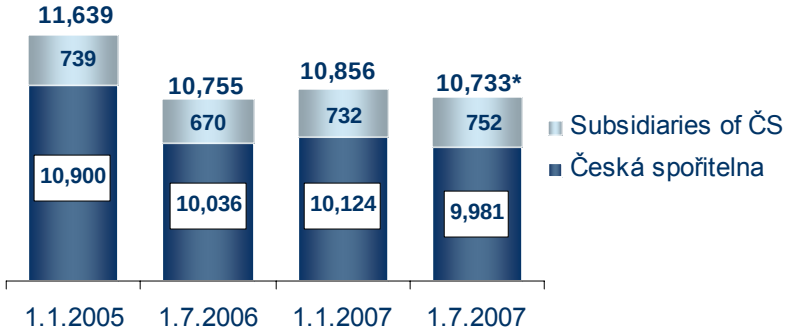
Amounts Owed to Customers



Number of Credit Cards



Number of Employees

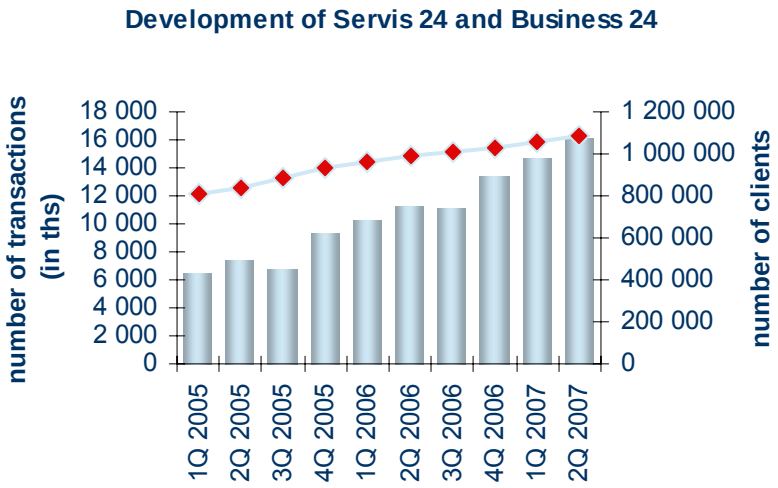


** Affected by shift of 259 people to iServe since 1.6.2007*

> Alternative Distribution Channels

Popularity of ADC is increasing

- » Number of remote distribution channels' users up by 4.1 % (YTD)
- » Servis 24 and Business 24 acquired almost 50 thousand new clients in H1 2007
- » Number of transactions via Servis 24 and Business 24 grew by 43.1 % in H1 2007 compared to H1 2006

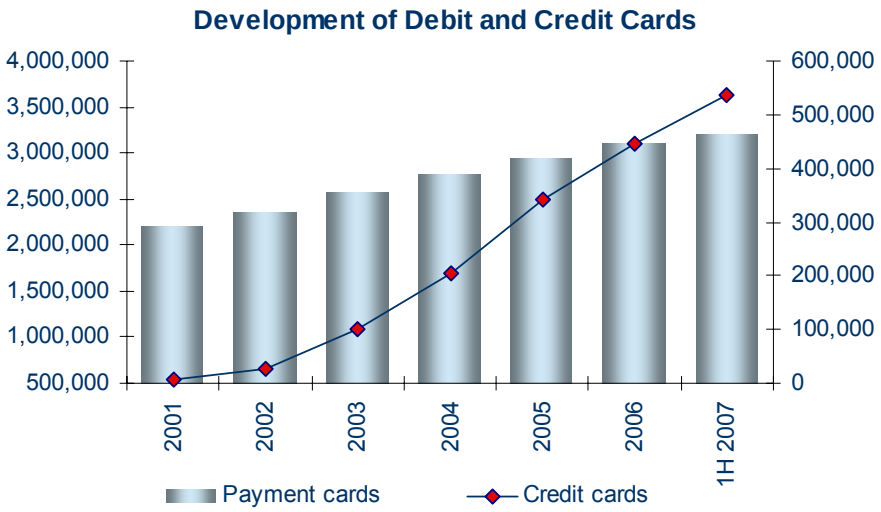


No. of clients	31.12.2005	31.12.2006	30.6.2007
Homebanking	16,716	11,708	5,607
Servis 24 and Business 24	932,168	1,033,198	1,083,035
Total	**948,884**	**1,044,906**	**1,088,642**

> Payment Cards

Successful credit cards

- Increase in number of credit cards by 37.1 % YTY
- Roughly 110 thousand new both debit and credit cards issued in H1 2007
- Leading market position
  - 50.2% of banking credit cards in CR issued by Ceska sporitelna



	2004	2005	2006	1H 2007
Debit cards	2,553,922	2,601,333	2,648,525	2,668,811
Credit cards	204,585	340,510	447,089	537,623
Total payment cards	**2,758,507**	**2,941,843**	**3,095,614**	**3,206,434**

> Net Profit of Selected Subsidiaries

Continuing business growth

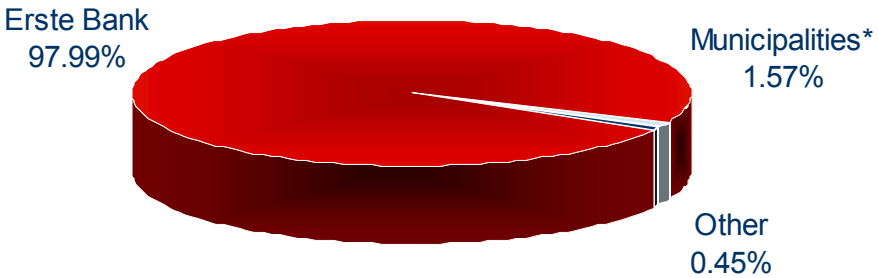
- **Major contributor to CS Group profit Stavebni sporitelna CS (building society)**
  - Net profit up by 29.1 % due to fast growth of operating income (+ 22.4%) positively influenced mainly by NII (+ 37.6% YTY)
- **Net profit in Penzijni fond CS (pension fund) more than doubled**
  - Main profit drivers: NII (+ 38.0%) and net trading result

IFRS, CZK m	H1 2007	H1 2006	*% Change*
Building Society	462	358	*29.1*
Investment Company	55	59	*-6.8*
Leasing Companies	19	0	x
Pension Fund*	361	179	*101.7*
Insurance Company	126	98	*28.6*
Factoring Company	14	11	*27.3*

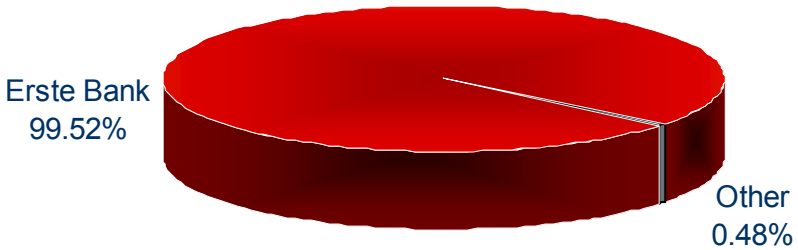
** According to the Supplementary Pension Insurance Act, minimum 85% of net profit must be distributed among clients*

> Shareholder Structure

Shareholder structure
June 30, 2007



Voting Rights Structure
June 30, 2007



Date	15.8.2000	31.12.2000	31.12.2002	31.12.2003	30.06.2007
Total EB share	52.1%	52.6%	93.6%	98.0%	**98.0%**

> Investor Relations Contacts

Ceska sporitelna, Olbrachtova 1929/62, Prague 4

Tel: +420 261 071 111
Fax: +420 261 073 080
E-mail: csas@csas.cz
Internet: www.csas.cz

SWIFT: GIBA CZ PX
Reuters: SPOPsp.PR

Investor relations

Hana Urbanova
Tel: +420 261 073 185
Fax: +420 261 073 164
E-mail: hurbanova@csas.cz

Eva Culikova
Tel: +420 261 074 470
E-mail: eculikova@csas.cz

Iveta Valkova
Tel: +420 261 074 386
E-mail: ivalkova@csas.cz