

Česká spořitelna – FY 2011 consolidated results (unaudited IFRS)

29 February 2012, Praha



Strong profit growth

Pavel Kysilka

– Czech economy is structurally sound

- no indebtedness problem, no external or internal imbalances, competitive export sector, strong banking sector, low share of FX loans

– Czech industry tied primarily to core EMU countries, like Germany

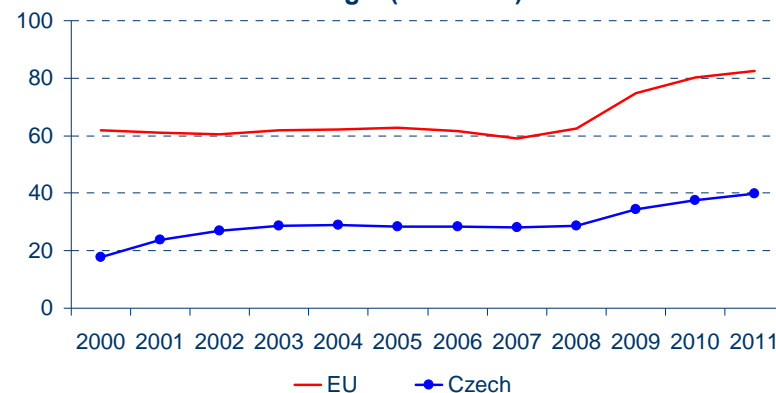
– Economy slowed down, but fundamentals will shelter it from recession

– The Czech currency holding up remarkably well amid CEE FX sell-off

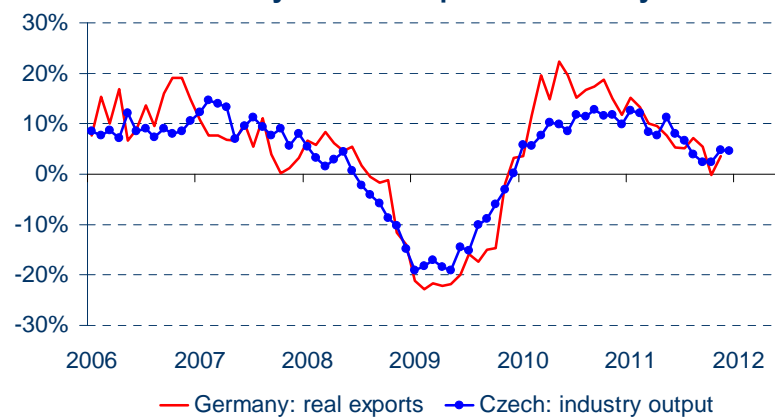
– CNB repo rate at an all-time low of 0.75%, first hike until 2013 at the earliest

– Czech financial sector remains resilient to wide range of risks according to CNB's Stress test

Czech general government debt is half of EU average (in % GDP)



Czech industry is connected on export ability of Germany due to competitive industry



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- **Ceska sporitelna boosted its net profit by 13% YTY in FY 2011, financial results were supported by significantly decreased creation of credit risk provisions**
 - **Core income increased by 3% YTY in FY 2011, operating expenses further declined, operating result was lower compared to FY 2010 due to volatile trading result**
 - **Loan portfolio quality improved, share of NPLs dropped to 5.3% from 6.0% in 12/2010. CS keeps strong provision coverage of NPLs at 70%, total coverage (incl. collateral) 120%**
 - **CS mainly focuses on local clients and support local businesses. CS does not have any exposure to Italian, Spanish, Irish, Portuguese or Greek government bonds**
 - **Capital and liquidity position of Ceska sporitelna is very strong (bank capital adequacy Tier I + Tier II at 13.1%, L/D at 71.9%)**

FY 2011 business highlights

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- **Ceska sporitelna significantly strengthened its market position in providing new private mortgages. Its market share increased to 24.3% for private mortgages provided in 2011 (from 17.1% in 2010)**
 - Volume of new private mortgages provided in 2011 increased by 100% compared to year 2010 (the whole market rose by 40%)*
 - **Corporate loans grew by 13.8% YTY across most corporate customer segments**
 - **Number of CS key personal accounts (Osobní učet CS) grew by another 163 ths. in year-on-year comparison and the total volume on these accounts reached CZK 137 bn**
 - **Ceska sporitelna launched a TOP EXPORT program to support Czech export**
 - Program helps small and medium size enterprises in financing of their operations, guarantee is provided by Ceska exportni banka
 - **Ceska sporitelna successfully arranged an issue of municipal bonds for the City of Prague in the volume of CZK 5 bn, which makes this issue one of the largest domestic bond transactions in recent years**
 - **Ceska sporitelna also participated in issue of CEZ eurobonds in the volume of EUR 500 mil. and eurobond issue for company Ceske drahy in the volume of EUR 300 mil.**
 - **Successfully continues cooperation with European Investment Bank (EIB). Ceska sporitelna is the EIB's biggest partner in financing SME and municipal sector - the program already helped finance 659 projects**

** Data according to the methodology of Ministry for Regional Development (MMR)*

2011 awards of Ceska sporitelna

- Ceska sporitelna was named „The Bank of the Decade“ and for the eighth consecutive time „The Most Trustworthy Bank of the Year“ in a prestigious Fincentrum „Bank of the Year 2011“ competition. Pavel Kysilka, CEO of Ceska sporitelna, was awarded the „Banker of the Year 2011“
- Ceska sporitelna won the Company of the Year: Equal Opportunities 2011 competition organised by the Gender Studies public benefit society
 - The jury especially appreciated the well elaborated system of equal opportunity programmes (“Diversitas”), system of benefits, and designated person to address equal opportunities at the company
 - Ceska sporitelna was also rewarded for its plan to pay special attention to employees aged over 50 and those who are taking care of a family member
- Ceska sporitelna Foundation donated nearly CZK 150 mil. to charitable causes in ten years of its existence
 - In 2011, CS Foundation supported 33 projects and contributed nearly CZK 15 mil. to its partners
 - Record 1,805 volunteers from Ceska Sporitelna participated in the Days for Charity programme, in which Ceska sporitelna employees can donate 2 business days per year to beneficial projects
- Ceska sporitelna earned the “Corporate Bank of the Year in Central Europe” award in the ACQ Global Awards 2011 competition, organised by the British magazine ACQ Finance Magazine
- Ceska sporitelna received the Euromoney Private Banking 2011 award, as the best bank providing private banking services in the Czech Republic

fincentrum



Banka
desetiletí

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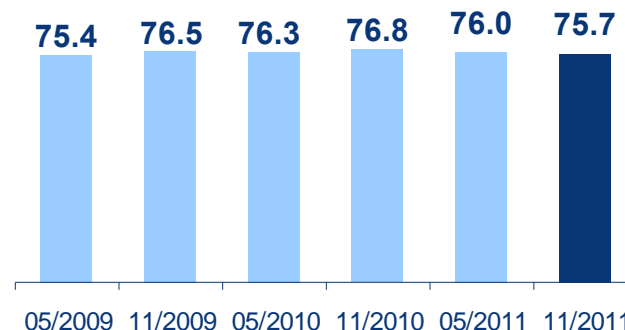


Nejdůvěryhodnější
banka roku
2011

Customer satisfaction index (CSI) – Stable level maintained

- CS is successful in maintaining its clients' satisfaction even despite a slight decline in the second half of 2011
- Stable level of Customer satisfaction index reflects the bank's ability to respond flexibly to constantly changing expectations of clients
- CS has been keeping the satisfaction level close to the western European and US benchmarks where the CSI index ranks between 75-80

Customer Satisfaction Index (CSI)



Customer satisfaction index (CSI) measures regularly twice a year general satisfaction of clients with services of selected banks

Data are gathered through telephone interviews with selected clients of ČS carried out by external independent agency. Total number of 2,600 customers was included in the survey

Financial highlights – ROE stable at 18.2%

- Return on equity at 18.2% despite difficult operating environment

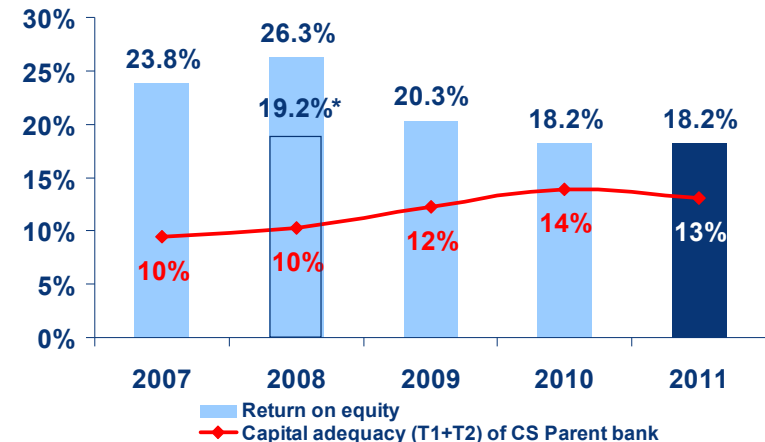
- 13% YTY growth of net profit outweighed by similar increase of shareholders' equity

- Cost/income ratio below 42%

- Loan to deposit ratio rose to 71.9%

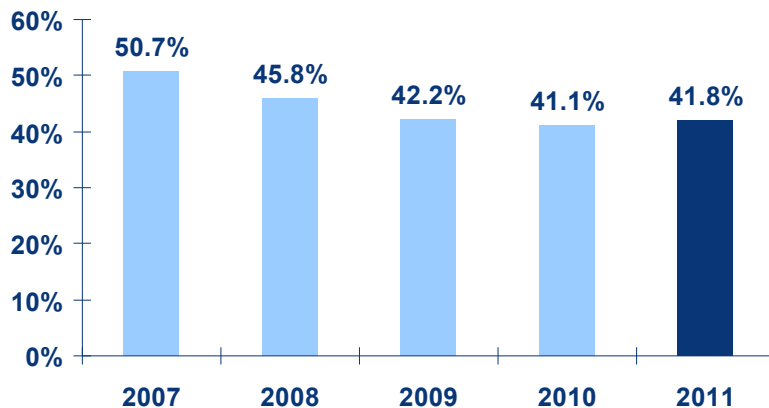
- Due to rising customer loans and stable deposit base

Return on equity + Capital adequacy

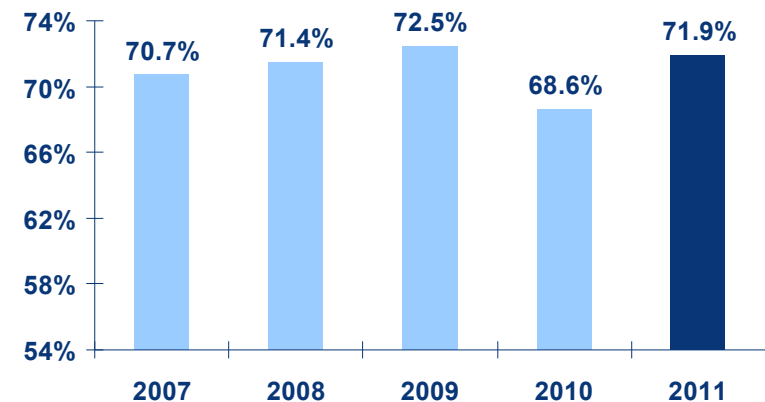


* ROE excluding one-off income from sale of insurance business

Cost/income ratio



Loan/deposit ratio



Presentation topics

- **Performance of Ceska sporitelna**

- Financial statements
- Performance analysis

- **Economy**

- Macroeconomic environment

- **Banking market**

- Banking market development
- Market shares

- **Appendix**

Financial statements – Income statement

Net profit rose by 13% YTY

in CZK million	2011	2010	Change
Net interest income	31,235	30,360	2.9%
Risk provisions for loans and advances	(5,501)	(9,777)	(43.7%)
Net fee and commission income	12,381	12,167	1.8%
Net trading result	448	2,888	(84.5%)
General administrative expenses	(18,424)	(18,677)	(1.4%)
Other operating result	(2,685)	(2,462)	9.1%
Result from financial assets - FV	(419)	(83)	>100%
Result from financial assets - AfS	7	129	(94.8%)
Result from financial assets - HtM	28	114	(75.3%)
Pre-tax profit	17,070	14,659	16.4%
Taxes on income	(3,565)	(2,611)	36.5%
Profit for the year after taxes and before controlling interests	13,505	12,048	12.1%
Net profit for the year			
attributable to owners of the parent	13,638	12,052	13.2%
attributable to non-controlling interests	(133)	(4)	>100%
Operating income	44,064	45,415	(3.0%)
Operating expenses	(18,424)	(18,677)	(1.4%)
Operating result	25,640	26,738	(4.1%)

Note: Figures as of 31 December 2010 were restated according to new methodology, accrued interest is now integrated in respective asset and/or liability, interests from securities in trading book and derivatives in banking book included in NII.

Financial statements – Balance sheet (assets)

Loans to customers increased by 5%

in CZK million	Dec 11	Dec 10	Change
Cash and balances with central banks	31,936	25,767	23.9%
Loans and advances to credit institutions	77,433	175,101	(55.8%)
Loans and advances to customers	483,541	460,070	5.1%
Risk provisions for loans and advances	(17,976)	(19,225)	(6.5%)
Derivative financial instruments	20,500	16,021	28.0%
Trading assets	32,117	18,732	71.5%
Financial assets - at fair value through profit or loss	11,728	9,715	20.7%
Financial assets - available for sale	36,076	20,459	76.3%
Financial assets - held to maturity	175,037	131,675	32.9%
Equity holdings in associates accounted for at equity	75	84	(11.7%)
Intangible assets	2,944	3,117	(5.5%)
Property and equipment	15,410	16,015	(3.8%)
Current tax assets	169	578	(70.7%)
Deferred tax assets	830	688	20.6%
Other assets	22,779	22,834	(0.2%)
Total assets	892,598	881,629	1.2%

Note: Figures as of 31 December 2010 were restated according to new methodology, accrued interest is now integrated in respective asset and/or liability, interest from securities in trading book and derivatives in banking book included in NII.

Financial statements – Balance sheet (liabilities)

Customer deposits stable

in CZK million	Dec 11	Dec 10	Change
Amounts owed to credit institutions	52,862	52,459	0.8%
Amounts owed to customers	672,280	670,725	0.2%
Debt securities in issue	45,602	47,723	(4.4%)
Derivative financial instruments	21,984	14,674	49.8%
Trading liabilities	5	630	(99.2%)
Other provisions	2,520	2,145	17.4%
Current tax liabilities	18	23	(21.3%)
Deferred tax liabilities	202	197	2.7%
Other liabilities	14,770	10,939	35.0%
Subordinated capital	2,520	11,168	(77.4%)
Total equity	79,836	70,948	12.5%
attributable to non-controlling interests	26	168	(84.5%)
attributable to owners of the parent	79,810	70,780	12.8%
Total liabilities and equity	892,598	881,629	1.2%

Note: Figures as of 31 December 2010 were restated according to new methodology, accrued interest is now integrated in respective asset and/or liability, interest from securities in trading book and derivatives in banking book included in NII.

Performance analysis – Operating result distorted by trading result

– Operating result down by 4% YTY due to decline in trading result, core earnings increased by 3%

- Core earnings (NII + net fee income) rose by 3%, total operating income declined by 3%
- Operating expenses decreased by 1%

– Net trading result decreased by 84% YTY to CZK 0.4 bn

- Caused by negative development on financial markets in H2 2011
- Negative impact from the sale and revaluation of financial investments (mainly shares) in pension fund
- Profit from FX transactions declined to CZK 0.2 bn due to weakening of CZK and revaluation of FX positions

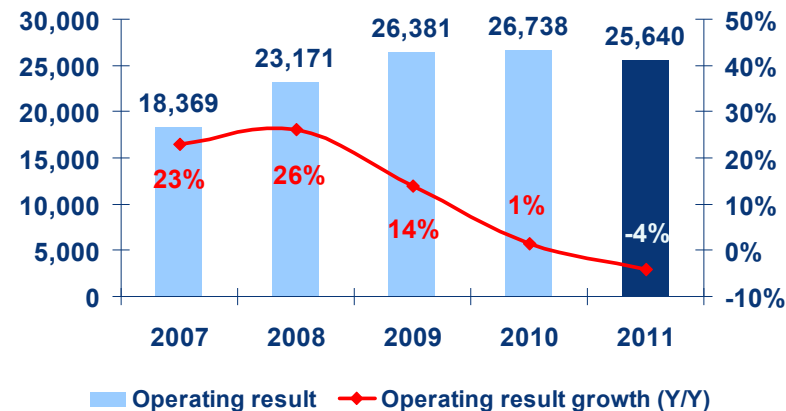
– Other operating result

- Reflects revaluation of real estate investments and higher contribution to deposit insurance fund

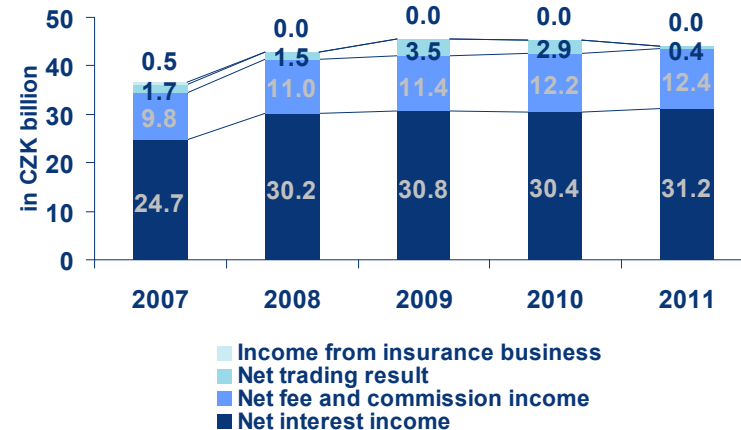
– Results from financial assets worsened due to turbulences on financial markets

- Impacted by sale of remaining structured assets and revaluation of asset swaps

Development of Operating Result (CZKmil)



5-year development of operating income structure



Performance analysis – NII increased by 3%

– NII increased by 3% YTY due to growing revenues from fixed income securities

- 2W repo rate at 0.75% since May 2010
- Persisting low costs of funds

– NII from securities grew by 28% YTY

- Attributed to growing volume of bonds in HTM portfolio (+33% YTY) and FV portfolio (+21% YTY)

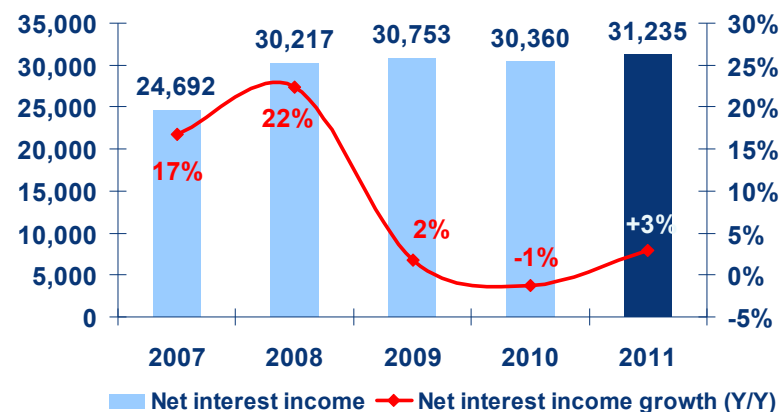
– NII from customers stable

– NII from credit institutions down by 13%

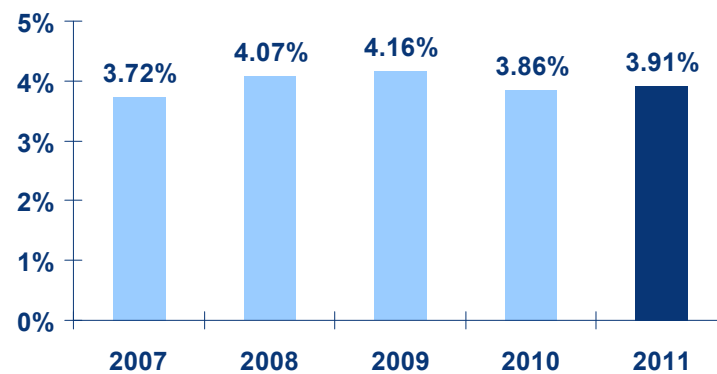
- Loans to credit institutions decreased by 56% YTY

– NIM slightly increased despite historically low market interest rates due to change in asset structure

Development of Net Interest Income (CZKmil)



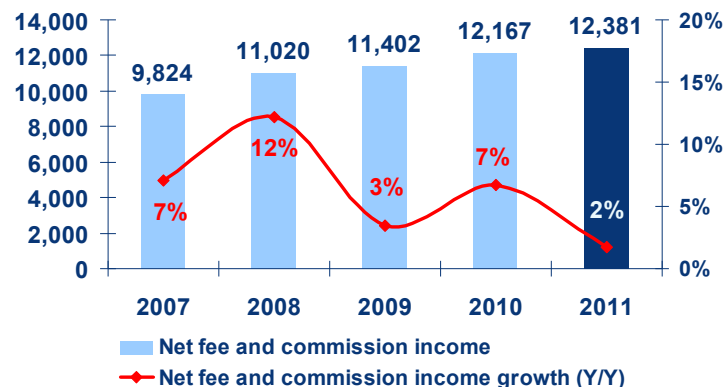
Net interest margin



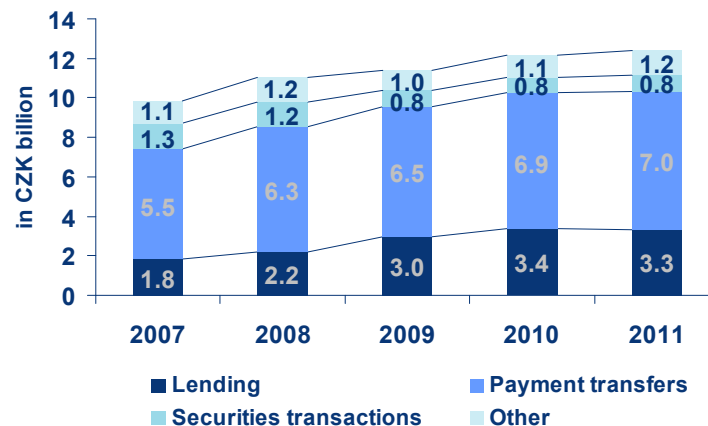
Performance analysis – Net fee income grew by 2%

- Growth in net fee income relates mainly to higher income from securities business, insurance business and from payment transactions
 - Price list of CS has not changed
- Net fee income from securities increased by 9% YTY
 - Attributed to higher income from investment securities of retail customers and from brokerage
- Net fee income from payment transactions and account maintenance grew by 2% YTY
 - Due to growing number and volumes of payment transactions (e.g. total number of one-off payment orders increased by 16% YTY)
 - Net fee income from card business increased by 7%

Development of Net Fee and Commission Income (CZKmil)



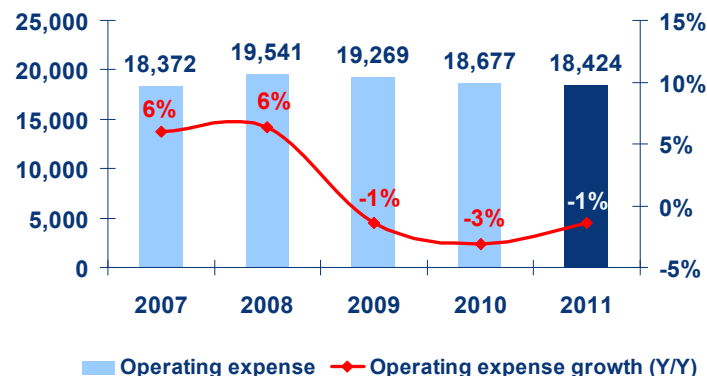
5-year development of net fee and commission income structure



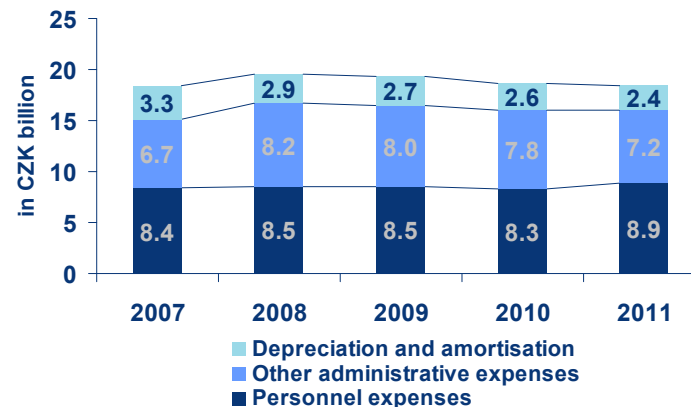
Performance analysis – Operating expenses further decreased

- **Operating expenses decreased by 1% in 2011 due to lower other administrative expenses and depreciation**
 - Other administrative expenses and personnel expenses affected by insourcing of sIT Solutions
- **Other administrative expenses declined by 8% (-1%)* YTY**
 - Benefited from lower costs of IT and premises
- **Depreciation on fixed assets decreased by 8%**
 - Attributed mainly to lower depreciation on software
- **Personnel expenses went up by 7% (+1%)* YTY**
 - Number of employees decreased by 50 in 2011 to 10 661 FTEs, excluding sIT Solutions declined by 514

Development of Operating Expenses (CZKmil)



5-year development of operating expenses structure



*Excluding sIT Solutions

Performance analysis – Client funds under CS Group management

– Bank deposits stable

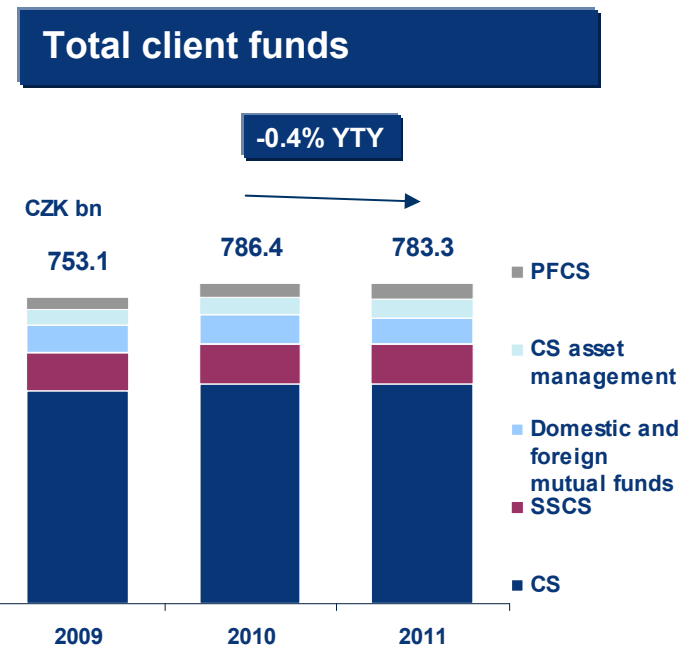
- Deposits from private individuals rose by 3% in 2011, public sector deposits decreased by 4% (impact of government austerity measures)
- Share of demand deposits on total deposits remained on the same level of 77% as in previous year

– Assets in domestic and foreign mutual funds declined by 12% YTY

- Influenced by both drop in prices on financial markets and by outflow of assets

– Growth rate in pension fund assets at 9% (YTY)

– Assets under discretionary management (without mutual funds) rose by 10% YTY



IFRS, in CZK bn	2009	2010	2011	Change (YTY)
CS - banking deposits	521.9	539.8	537.7	-0.4%
CS - asset management	35.7	41.3	45.3	9.6%
Domestic and foreign mutual funds	68.0	72.6	64.2	-11.6%
PF CS - pension fund	32.5	35.2	38.2	8.5%
SS CS - building society	95.0	97.5	98.0	0.5%
Total	753.1	786.4	783.3	-0.4%

Note: Methodology in mutual funds includes assets distributed in the CR

Performance analysis – Capital adequacy – CS Bank (CNB)

- CS is strongly capitalized for future growth and new regulatory requirements
- **CS (bank only) capital adequacy Tier I increased by 120 bps YTY due to higher Tier I capital**
 - Tier I capital increased by 15% since December 2010
- **CS capital adequacy (Tier I + Tier II) decreased by 80 bps YTY mainly due to lower Tier II capital**
 - Tier II capital declined by 78% as CS bought back part of its subordinated debt (positive impact on interest expenses)
 - Total Tier I + Tier II capital down by 1% YTY
- **Total capital requirements went up by 5% YTY**
 - Due to higher capital requirements to market risks in connection with tightened EU regulations (inclusion of stress VaR)
- **Risk weighted assets rose by 4% YTY**

Parent Bank, CZK mil	31/12/2010	31/12/2011
Tier I capital	50,424	57,985
Tier I + Tier II capital	56,461	55,883
Capital requirement to credit risk	27,873	28,927
Capital requirement to market risks	388	1,225
Capital requirement to operational risk	4,228	3,999
Risk weighted assets	348,413	361,588
Capital adequacy Tier I ratio	12.4%	13.6%
Capital adequacy Tier I+II ratio	13.9%	13.1%

Performance analysis – Growth in private mortgages and corporate

- **Group loan portfolio recorded growth of 5.1% YTY**
 - Continuing growth in private mortgages
 - New business in Group Large Corporate and SME
 - Loan volume development impacted by write-offs, total write-offs at CZK 6.4 bn in 2011 (CZK 4.1 bn in 2010)
- **Risk costs decreased by 46% or 99 bps YTY to 114 bps**
 - Significant improvement in corporate portfolio as well as in retail business
- **Quality of loan portfolio improved, share of NPLs dropped from 6.0% to 5.3%**
 - NPL coverage kept at strong 70%, total coverage (including collateral) at 120%
- **No sovereign exposure to Italy, Spain, Ireland, Portugal or Greece**
 - Limited exposure only towards corporate bonds and banks in these countries:
CZK 0.6 bn in Italy, CZK 1.7 bn in Spain and CZK 0.2 bn in Ireland

Performance analysis – CS Group balance sheet

Higher share of CS Bank on the Group

– Higher loan growth in CS Bank

reflected also in higher share of CS

Bank on total Group loans

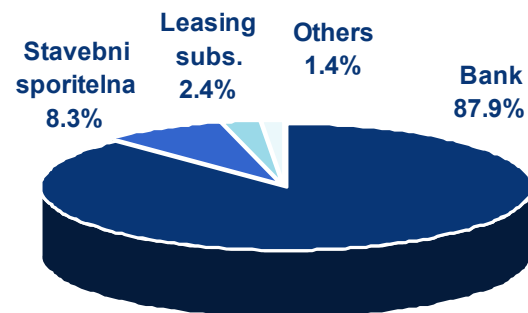
– Dominance of CS Bank strengthened

by 67 bps to 87.9%

– Jump in Leasing driven by acquisition of

sMorava Leasing in Q1 2011

Loan Book by Group members
as of 31 December 2011



in CZK m, IFRS	31/12/2011	31/12/2010	YTY Change
I. CS Bank	441,576	416,706	6.0%
II.1. Stavebni sporitelna CS	41,671	45,099	-7.6%
II.2. Leasing (sAL, sML)	12,256	7,902	55.1%
II.3. Factoring CS	1,620	1,740	-6.9%
II.4. Brokerjet CS	352	504	-30.2%
II.5. Other subsidiaries	4,928	5,734	-14.1%
III. Consolidation items	-18,862	-17,615	7.1%
Total Loans (consolidated)	483,541	460,070	5.1%

Performance analysis – CS Bank balance sheet

Portfolio growth in Retail as well as Corporate

– Loans to retail customers rose by 0.9% YTY

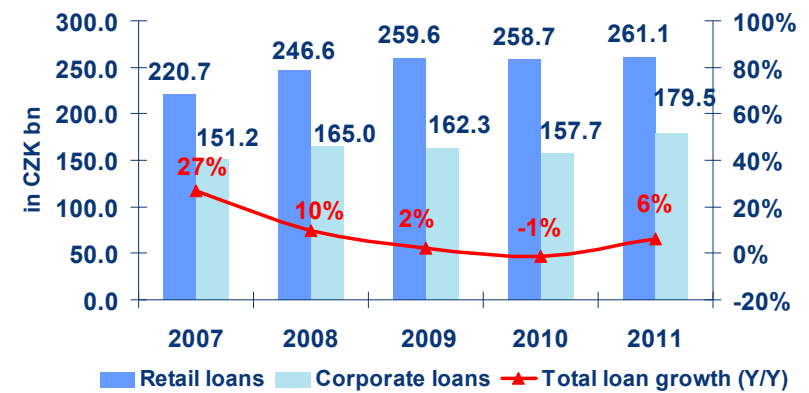
– Increase in private mortgages +8.6% YTY and commercial mortgages +3.3% YTY

– Partly offset by consumer lending (-6.6% YTY) and micro corporate (-10.9% YTY)

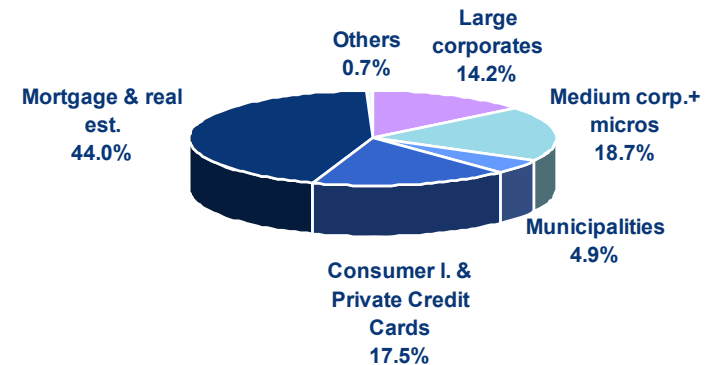
– Corporate loans grew by 13.8% YTY

– Growth across most customer segments

Loan portfolio development



Bank loan book by customer segments as of 31 December 2011



Performance analysis – CS Bank balance sheet

High demand on mortgage market continued

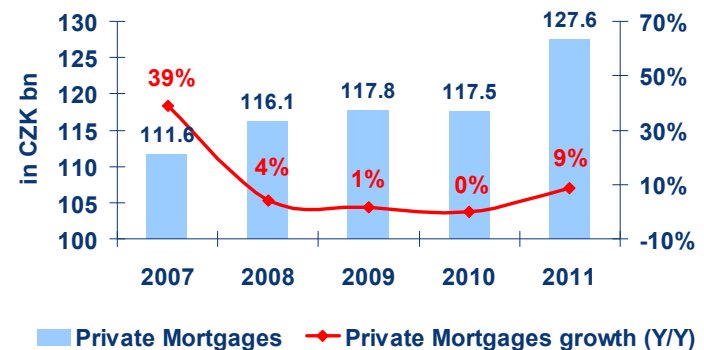
– Volume of private mortgages further accelerated and reached CZK 127.6 bn (+8.6% YTY)

- Mortgages granted in 2011: average maturity at 23.1 years (22.6 in YE 2010); average size of mortgage stable at CZK 1.6 mil; LTV ratio at 68.6% (66.2% in YE 2010)
- Whole portfolio: inflow of new mortgages slightly increased average maturity to 21.6 years and residual maturity to 17.3 years; LTV ratio stable at comfortable 63.6%

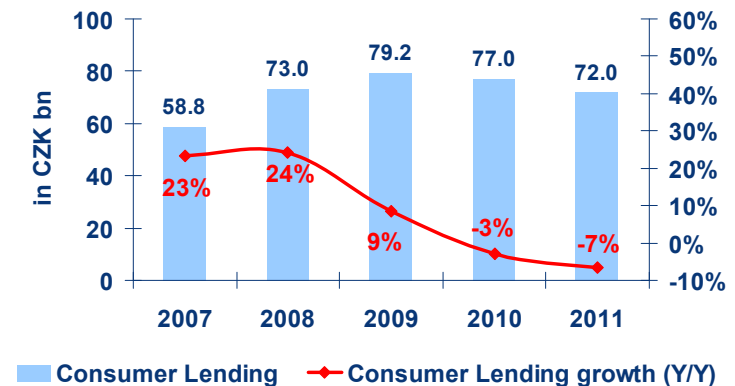
– Consumer lending declined by 6.6% (CZK -5.1 bn) YTY

- Demand for consumer lending remained weak as unemployment continued to be elevated

Private Mortgages Development



Consumer Lending Development



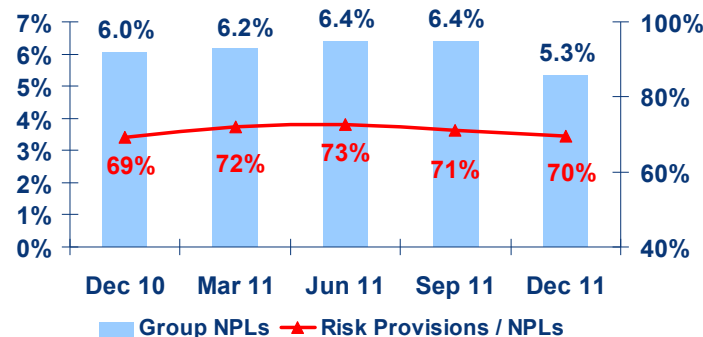
Note: Consumer loans include home equity loans and exclude credit cards

Performance analysis – Risk costs improvement carried on

– Group share of NPL decreased by almost 100 bps to 5.3%

- Share of NPL lower due to improved quality, portfolio growth and higher write off at CZK 6.4 bn (compared to CZK 4.1 bn in 2010)
- NPL provision coverage at strong level of 70%
- Total coverage (provisions and collateral to NPL) at 120%

Group Customer Loan Portfolio:
Share of NPLs;
Coverage of NPLs by provisions

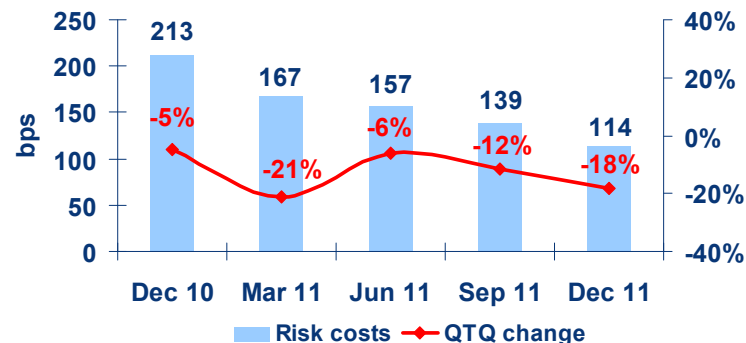


– Annualized group risk costs declined to 114 bps

- Driven by continuing improvement namely in corporate business

– According to CNB methodology share of defaulted loans declined to 6.0% from 6.9% in 12/2010

Group risk costs on Loans to customers
(in bps, annualized)



Presentation topics

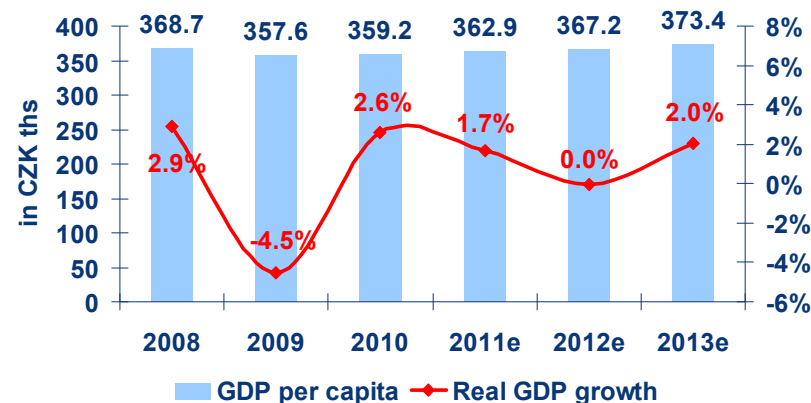
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Macroeconomic environment

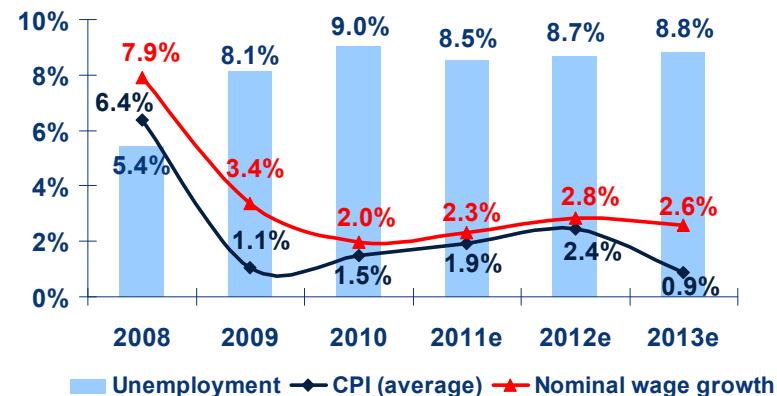
Czech economy slowdown due to fiscal consolidation and global development (EMU debt crisis) in 2011...

- Czech GDP grew by 1.7% in 2011
- Consumption grew by approx. 1.3% YTY in nominal terms, but declined somewhat in real terms due to fiscal consolidation
- Average unemployment was 0.5 p.p. lower in 2011 than in 2010
- Net exports reflect the competitiveness of the economy. They were the positive contributor to the GDP YTY growth – exports were up solidly (9% YTY), weak domestic demand translated into slower growth of imports (3% YTY)

Key economic indicators



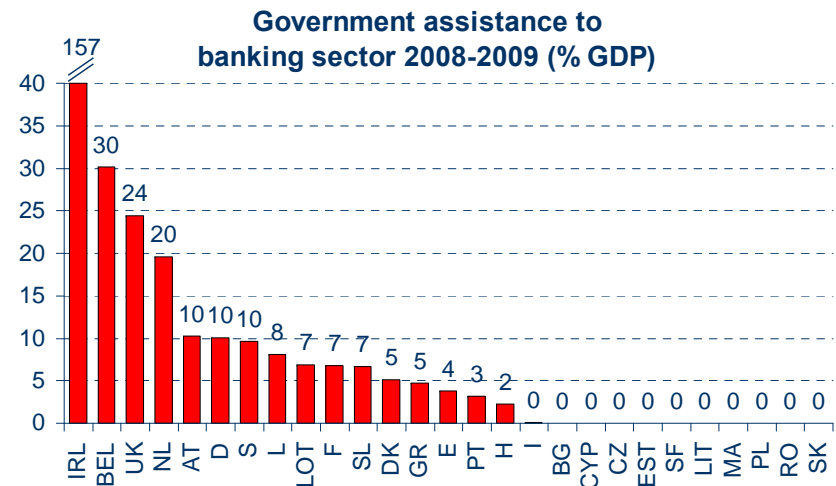
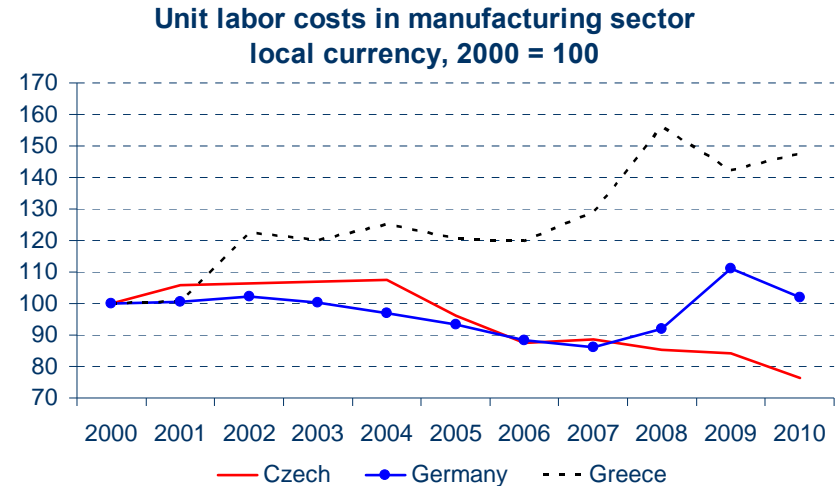
Unemployment vs inflation vs wage growth



Macroeconomic environment

...due to strong fundamentals the economy will shelter from recession in 2012

- Czech economy to stagnate in 2012, main driver net exports again
- Real households consumption to decline by 1% as the fiscal consolidation continues (mainly via VAT increase)
- As a consequence of slower growth in EMU, Czech exports will slow too. Links to the core and to the wider world combined with solid fundamentals make Czech economy much more resistant (but not immune) to the periphery-led drop in activity.
- Possibility of further fiscal tightening is here as MinFin is adamant about sticking to 2012 budget deficit of CZK 105 bn



Macroeconomic environment – Pension reform

In November 2011, Lower House outvoted Senate and pension reform law was definitively passed. However, finance minister already admitted, that start of whole reform could be postponed to 2014. How does the approved reform look like?

–Second pillar to be implemented from 2013

- Participants will be allowed to redirect 3pp of current pension contributions (which now total 28% of the gross wage) towards private pensions. This will be allowed on the condition of employees contributing an additional 2% in excess of their current contribution
- Rather optimistic expectation of Ministry of Finance is that as much as 2.5mil clients (50%) will join second pillar. Such engagement was seen in countries where capital pillar was voluntary but no additional contribution was required. On such a condition we expect substantially lower number of participants, around 1mil employees (20%) after first year

–Third pillar changes

- Maximal state benefit will be increased from CZK 150 to CZK 230 monthly. On the other hand minimum client's contribution to acquire maximum benefit grows from CZK 500 to CZK 1000 monthly
- We don't expect any significant change in number of participants (currently 4.5mil)
- Given the proneness of clients to fully exploit state benefits (which is already seen in this pillar and other supported products, e.g. life insurance and building savings), we expect growth of average monthly contribution from CZK 420 to about CZK 750

–Expected Impacts

- II. Pillar: Overall in-flow of about CZK 15-50 bn a year (in the first years, the amount will probably gradually grow as new participants will enter the market and subsequently second pillar of pension system)
- III. Pillar: Additional in-flow to III. pillar funds of around CZK 20 bn

Presentation topics

- **Performance of Ceska sporitelna**
 - Financial statements
 - Performance analysis
- **Economy**
 - Macroeconomic environment
- **Banking market**
 - Banking market development
 - Market shares
- **Appendix**

Banking market development – Healthy banking sector

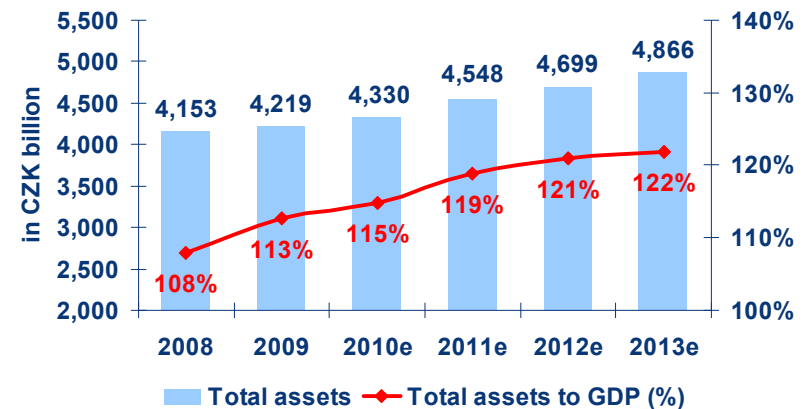
– Czech banking sector keeps its stable position

- Strong capital and liquidity position
- Independence on foreign sources
- Share of NPLs declined to 5.96%
- Low FX loans ratio
 - households less than 0.1% of all loans
 - corporate sector 17% which is reasonable given export-oriented nature of Czech economy
- Loan to deposits ratio at low 79%
- Stable ROE of about 20-25%

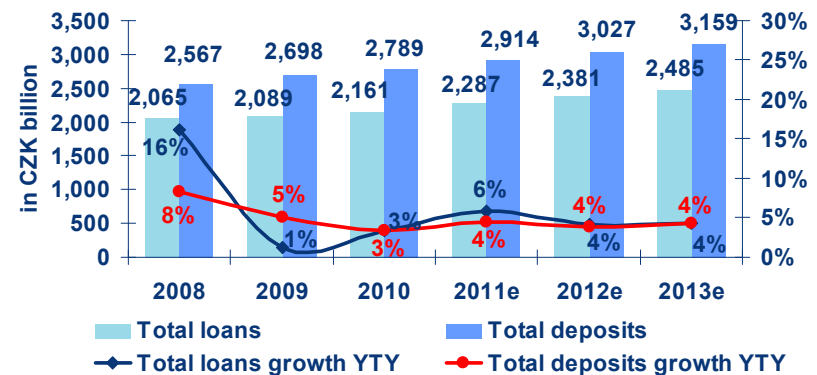
– According to CNB's Stress test released in November 2011, Czech financial sector remains resilient to wide range of risks

- In the most adverse tested scenario, expecting GDP fall of 5.2% in 2013, capital injection into banking sector would total CZK 13.6 bn, approx. 0.3 % of GDP

Banking market - total assets development



Banking market - loans and deposits development



Source: CNB, CS estimates

CS market shares – Market leadership maintained

– Market position overview

- No. 1 by number of customers (5.2 mil.)
- No. 1 by total loans (market share 21%)
 - 24% in retail loans, 19% corporate loans
- No. 1 in total mortgages (market share 28%)
- No. 1 in total consumer loans, incl. credit cards and overdrafts (market share 39%)
- No. 1 by total deposits (market share 23%)
 - 28% in retail deposits, 11% in corporate deposits
- No. 1 in number of payment cards (market share 33%)*
 - 19% in credit cards*
- No. 2 by total assets (market share 20%)
- No. 2 in mutual funds (market share 29%)

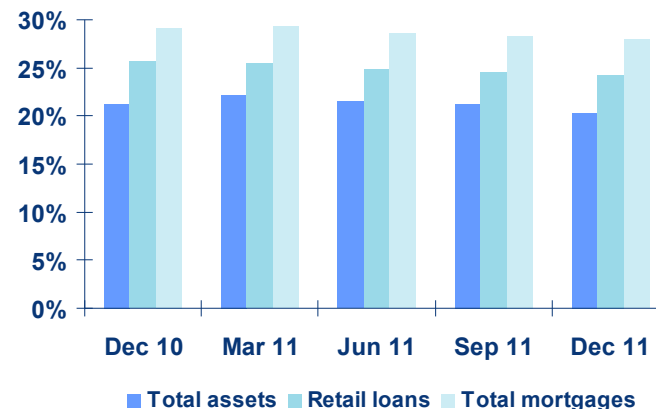
– Market structure remains stable

- Concentrated banking market
- 44 banks in total, 36 owned by foreigners*
- 3 dominant players, including CS
- New players entering the market

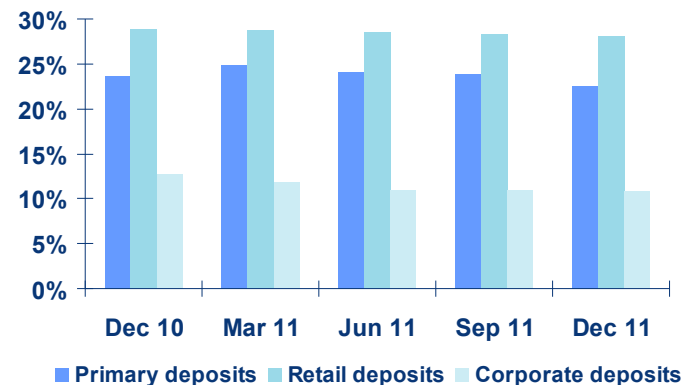
Source: CNB statistics, MMR, AKAT, Bank Card Association

*) as of September 2011

Market share development - asset side



Market share development - liability side



Presentation topics

- **Performance of Ceska sporitelna**

- Financial statements
- Performance analysis

- **Economy**

- Macroeconomic environment

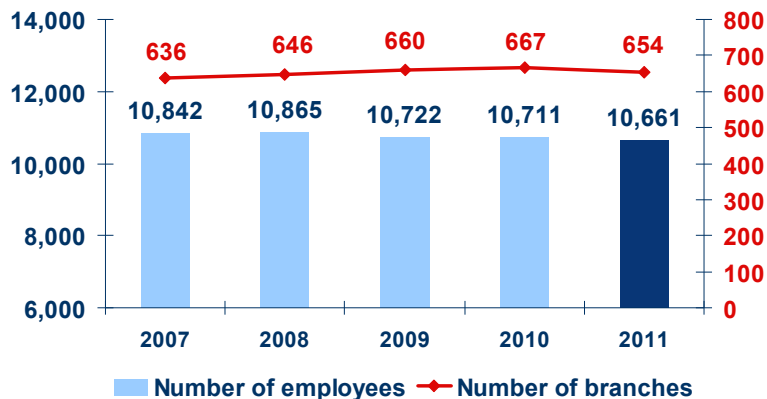
- **Banking market**

- Banking market development
- Market shares

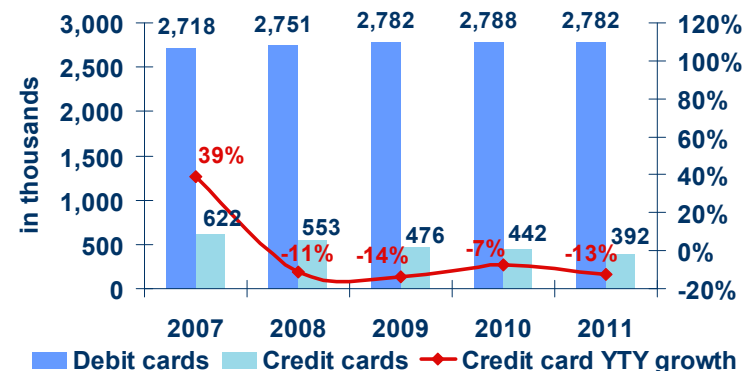
- **Appendix**

Main indicators

Number of branches vs number of employees

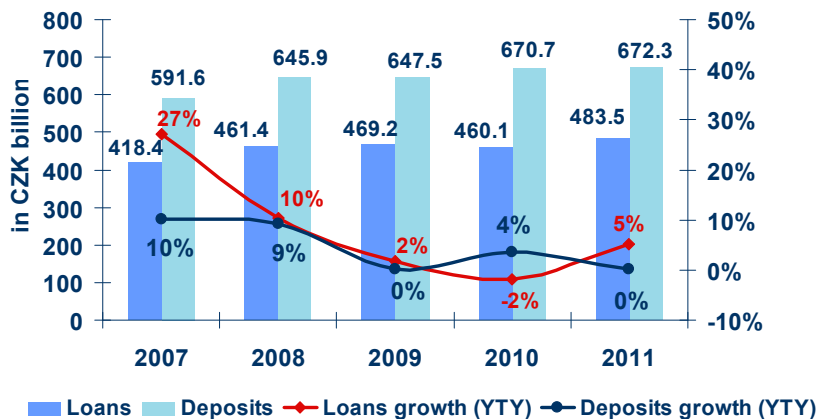


Bank cards development*

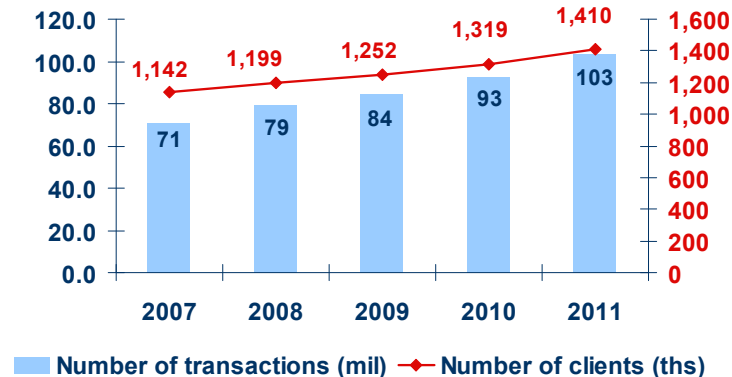


*Development in credit cards impacted by continuing abolishing inactive cards

Loans and deposits development



Development of Internet Banking (Servis 24 + Business 24)



Structure of CS Group loan portfolio – Non-financial institutions

in CZK m, IFRS	31.12.2011		31.12.2010		YTY change	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	440 637	91,1%	416 406	90,5%	24 230	5,8%
1. CORPORATES	179 493	37,1%	157 667	34,3%	21 826	13,8%
GCIB	68 270	14,1%	51 499	11,2%	16 771	32,6%
Group Large Corporate	34 063	7,0%	21 495	4,7%	12 568	58,5%
Group Corp. Mortgage&Real Estate	34 207	7,1%	30 004	6,5%	4 203	14,0%
Local Corporate	111 223	23,0%	106 168	23,1%	5 055	4,8%
Large Corporates	28 643	5,9%	29 868	6,5%	-1 225	-4,1%
Medium Corporates (SMEs)	62 667	13,0%	58 108	12,6%	4 559	7,8%
Local Corp. Mortgage&Real Estate	6 073	1,3%	5 685	1,2%	388	6,8%
Municipalities	13 840	2,9%	12 507	2,7%	1 333	10,7%
2. RETAIL	261 144	54,0%	258 740	56,2%	2 404	0,9%
Private Credit cards	5 395	1,1%	5 523	1,2%	-129	-2,3%
Consumer lending	71 985	14,9%	77 038	16,7%	-5 053	-6,6%
Private social	1 946	0,4%	2 281	0,5%	-335	-14,7%
Private mortgages	127 569	26,4%	117 519	25,5%	10 050	8,6%
Micro corporates (MSEs)	20 086	4,2%	22 539	4,9%	-2 452	-10,9%
Commercial mortgages	26 297	5,4%	25 446	5,5%	851	3,3%
Small municipalities	7 866	1,6%	8 394	1,8%	-528	-6,3%
II. FINANCIAL MARKETS	939	0,2%	299	0,1%	640	213,7%
BANK LOANS TO CUSTOMERS	441 576	91,3%	416 706	90,6%	24 870	6,0%
III. SUBSIDIARIES	60 827	12,6%	60 979	13,3%	-152	-0,2%
IV. CONSOLIDATION ITEMS	-18 862	-3,9%	-17 615	-3,8%	-1 247	7,1%
GROUP LOANS TO CUSTOMERS	483 541	100,0%	460 070	100,0%	23 471	5,1%

Net profit of selected subsidiaries

- Net profit of **Stavebni sporitelna CS (building society)** was affected by lower operating income (change of commission scheme and lower NII)
- Increase in net profit of **sAutoleasing** reflects lower creation of credit risk provisions
- **Penzijni fond CS (pension fund)** recorded improvement in net profit mainly thanks to higher income from financial assets which was partially compensated by lower net trading result
- Net profit of **Factoring CS** significantly increased thanks to positive business development



IFRS, CZK m	2011	2010	% Change
CS Building Society	1,026	1,264	-19%
sAutoleasing	50	19	>100%
Pension Fund CS*	874	807	8%
Factoring CS	34	-2	n.a.

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

Financial results by quarters

in CZK million	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Net interest income	7,666	7,415	7,997	7,932	7,891
Risk provisions for loans and advances	(1,974)	(1,950)	(1,692)	(1,270)	(588)
Net fee and commission income	3,187	3,019	3,046	3,096	3,220
Net trading result	544	935	440	(704)	(223)
General administrative expenses	(4,586)	(4,725)	(4,602)	(4,561)	(4,536)
Other operating result	(774)	(332)	(824)	(958)	(571)
Results from financial assets	86	362	(159)	(599)	11
Pre-tax profit	4,150	4,724	4,206	2,935	5,205
Taxes on income	(476)	(915)	(804)	(628)	(1,217)
Profit for the year after taxes and before controlling interests	3,674	3,809	3,402	2,307	3,988
Net profit for the year					
attributable to owners of the parent	3,772	3,803	3,409	2,343	4,083
attributable to non-controlling interests	(97)	6	(7)	(36)	(95)
Operating income	11,397	11,369	11,483	10,323	10,889
Operating expenses	(4,586)	(4,725)	(4,602)	(4,561)	(4,536)
Operating result	6,811	6,644	6,881	5,762	6,353

Note: All data reported at cost valuation of investment property

Segment financial statements – Income statement

in EUR million	2011	2010	Change
Net interest income	1,183.3	1,087.2	8.8%
Risk provisions for loans and advances	(210.5)	(365.8)	(42.5%)
Net fee and commission income	496.5	476.8	4.1%
Net trading result	(45.5)	62.5	na
General administrative expenses	(713.9)	(709.8)	0.6%
Other result	(122.0)	(83.3)	46.4%
Pre-tax profit/-loss	587.9	467.6	25.7%
Taxes on income	(122.4)	(82.7)	48.1%
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit/loss for the period	465.5	384.9	20.9%
Attributable to non-controlling interests	9.2	5.9	55.6%
Attributable to owners of the parent	456.3	379.0	20.4%
Operating income	1,634.3	1,626.5	0.5%
Operating expenses	(713.9)	(709.8)	0.6%
Operating result	920.4	916.7	0.4%

Exchange rate for 2011: 24.59 CZK/EUR (average for the period)

Segment financial statements – Income Statement

(Quarterly development)

in EUR million	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Net interest income	276.4	284.4	305.6	310.3	283.0
Risk provisions	(81.8)	(70.9)	(68.5)	(49.2)	(21.9)
Net fee and commission income	128.5	124.7	123.7	123.9	124.1
Net trading result	14.4	15.5	(0.7)	(34.0)	(26.2)
General administrative expenses	(177.5)	(185.1)	(181.0)	(177.7)	(170.2)
Other result	(20.4)	(7.7)	(39.2)	(67.4)	(7.6)
Pre-tax profit	139.7	161.1	139.9	105.8	181.1
Taxes on income	(16.1)	(31.0)	(26.8)	(22.4)	(42.2)
Net profit for the period	123.6	130.1	113.1	83.3	138.9
Attributable to non-controlling interests	(2.7)	2.5	1.5	(0.4)	5.5
Attributable to owners of the parent	126.2	127.6	111.6	83.7	133.4
Operating income	419.3	424.7	428.6	400.1	380.9
Operating expenses	(177.5)	(185.1)	(181.0)	(177.7)	(170.2)
Operating result	241.8	239.6	247.6	222.4	210.7

Exchange rate for Q4 2011: 25.28 CZK/EUR (average for the period)

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