Česká spořitelna –
H1 2011 consolidated results (unaudited IFRS)

29 July 2011, Praha

Strong profit growth continues

Pavel Kysilka

ERSTE GROUP

Current market environment

- **Recent macroeconomic development**
  - **Czech economy still being driven by exports (= industry), household demand remains depressed as fiscal consolidation and slow labour market combine**
    - Fiscal consolidation on the periphery hasn't affected the Czech Republic
    - Q1 2011 GDP growth (+2.8%) driven by exports (+15% YTY) and fixed investment
    - Household consumption fell again in Q1 2011 (-0.5% YTY) and is 1% below its Q2 2008 peak – slow improvement of labour market (H1 11 unemployment 8.9%, only 0.4 p.p. below the H1 10 average) and fiscal consolidation (→ negative real wages in public sector) are to blame
    - Inflation persistently low and at or below the CNB target of 2% throughout the H1 2011
  - **The Czech currency is the strongest one in CEE region**
    - CZK averaged at 24.30 in H1 2011. Widening ECB-CNB differential, EMU debt crisis or slower Q2 2011 data did not discourage the investors
  - **CNB repo at an all-time low of 0.75% since May 2010 thanks to low demand inflation together with strong CZK and fiscal consolidation; slow tightening is expected (1.50-1.75% at year-end 2012)**
- **Banking market**
  - **According to CNB's Financial Stability Report released in June, Czech financial sector remains resilient to wide range of risks**

H1 2011 highlights

- **Profit generation in Ceska sporitelna further accelerated, CS boosted its net profit by 24% compared to H1 2010, supported by significant decline in credit risk provisions; operating profit raised by 5%**
  - Operating result positively impacted by both growing income and declining expenses
    - NII increased by 3% despite still historically low market interest rates, growth of core earnings accelerated
    - Operating expenses further declined, fuelled by lower other administrative expenses reflecting continuing efficient cost management
  - Credit risk provisions dropped by 32% YTY driven by improvement in both corporate and retail customer segments
- **Group customer loans increased by CZK 0.6 bn compared to June 2010 and by CZK 4.1 bn since December 2010, reflecting recovery in private mortgages and loans to SMEs**
  - Private mortgages rose by CZK 5.1 bn compared to June 2010 (+ CZK 4.2 bn since 12/2010), loans to SMEs added CZK 2.7 bn since June 2010
  - Consumer lending still limited by low household consumption
  - Group risk costs significantly dropped to 157 bps
  - Share of NPLs at 6.4%; NPL provision coverage further strengthened to 73%
- **CS does not have any exposure to Italian, Spanish, Irish, Portuguese or Greek government bonds. Total CS exposure to banks and corporate clients in these countries is CZK 3.8 bn. CS does not have any exposure to Greek subjects**
- **CS is strongly capitalised, its capital adequacy further increased to 15.2%. CS bought back from Erste Group Bank its subordinated debt of CZK 6.5 bn in May**

H1 2011 business results

- **New private mortgages generation further accelerated, volume of new mortgages increased by 135% compared to H1 2010 (Q2 11 by 43% stronger than Q1 11)***
  - Ceska sporitelna thus strengthened its market position in generating new private mortgages, achieved an excellent 25% market share in H1 2011 (up from 15% in H1 2010)
- **Ceska Sporitelna launched its new CS Graduate Personal Account**
  - When graduating from the school, young clients are offered above-standard services for two years: account maintenance and another six services completely free of charge
- **Ceska Sporitelna introduced new Pension solution which offers a complex retirement solution**
  - Despite declining market of pension insurance (decreased by 21 ths clients in Q1 2011) Ceska sporitelna acquired almost 10 thousand of new clients, CS market share is above 20%
- **Ceska sporitelna launched new TOP INOVACE program**
  - Being the first bank in the CR, Ceska sporitelna offers to its corporate clients program designed for investments into further development through innovation of existing products, services, processes or technologies
- **Ceska Sporitelna won the "Corporate Bank of the Year in Central Europe" award in the ACQ Global Awards 2011 competition, organised by the UK magazine ACQ Finance Magazine**
  - Financial institutions are nominated to the competition by the magazine's readers, and the results are determined by journalists and financial experts, according to whom Ceska Sporitelna is not only the best corporate bank in the Czech Republic, but in all of Central Europe

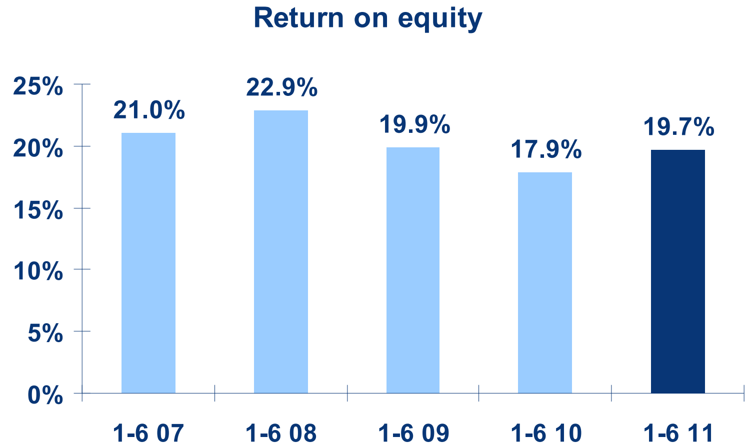
** Data according to the methodology of Ministry for Regional Development*

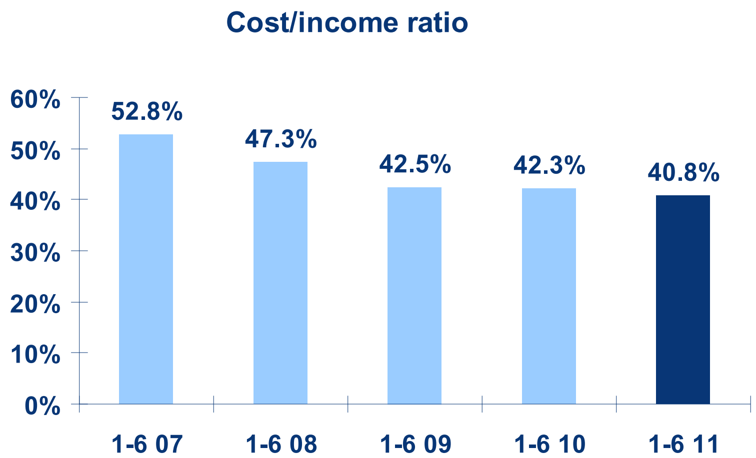
H1 2011 business results

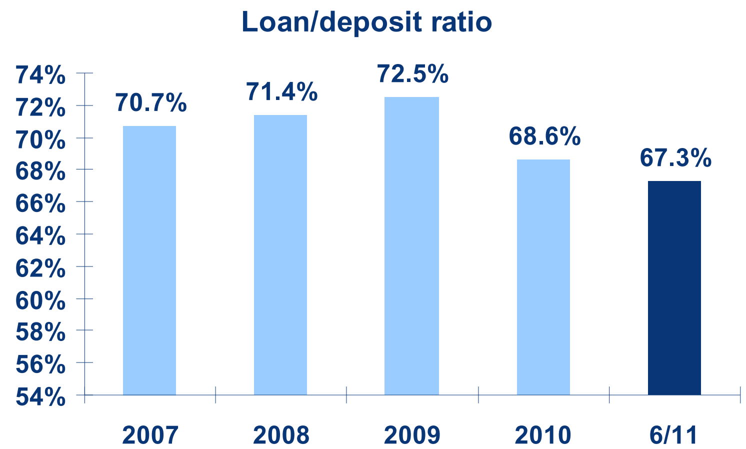
- **Ceska sporitelna acted as a mandated lead arranger for EUR 180 mio multicurrency revolving and current account loan for PEGAS NONWOVENS and PEGAS NONWOVENS International for the capital financing and general corporate purposes**
  - Ceska sporitelna is a leading arranger and debt provider on the Czech syndicated & club market with adequate expertise and lending capacity
- **City of Prague bond issue of CZK 5 bn was managed by Ceska sporitelna (Erste Group). This is the 2nd municipal issue in the Czech Republic for the past seven years**
  - In cooperation with Erste Group, Ceska sporitelna maintains its #1 ranking amongst EUR bond underwriters in CEE area
- **Ceska sporitelna acted as Czech receiving agent in the successful exchange offer of NWR NV shares**
  - The offer submitted by NWR Plc achieved more than 99% acceptance and enabled inclusion of NWR Plc's shares into the prestigious FTSE 250 index
- **Ceska sporitelna was one of the first banks in the CR that successfully started to offer the power financial derivatives to SME segment**
- **Ceska sporitelna in H1 2011 confirmed its extremely strong position in Institutional asset management market with almost CZK 80 bn assets under management**
  - Due to its increasing wholesales drive, CS now manages more than 50% of investment assets of domestic pension funds (including CS Pension fund), life and health insurance companies and other institutions' money (corporate, municipalities, foundations)

Financial highlights – ROE increased to 19.7%

- Return on equity increased to 19.7%
  - Due to net profit which boosted by 24% YTY
- Cost/income ratio improved to 40.8%
- Loan to deposit ratio at 67.3%
  - Attributed to growing customer deposits



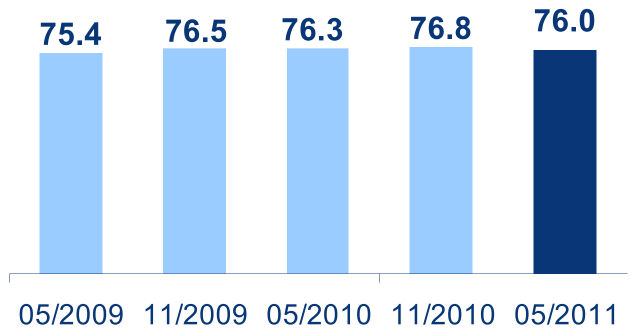




Customer satisfaction index (CSI) – Stable level maintained

- CS has been keeping the satisfaction level close to the western European and US benchmarks where the CSI index ranks between 75 – 80
- CS is successful in maintaining its clients' satisfaction even despite the activities undertaken by other market participants
- Stable level of Customer satisfaction index reflects the bank's ability to respond flexibly to constantly changing expectations of clients
- The interest each manager takes in the client and his/her needs is reflected in their individual performance indicators (customer satisfaction, working with feedback – administration, or procedure "Value for Money„)

Customer Satisfaction Index (CSI)



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

Data are gathered through telephone interviews made by external independent agency with selected CS clients. In total, 2,600 customers were interviewed during the survey

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 24% YTY

in CZK million	1-6 11	1-6 10	Change
Net interest income	15,412	14,948	3.1%
Risk provisions for loans and advances	(3,642)	(5,327)	(31.6%)
Net fee and commission income	6,065	5,988	1.3%
Net trading result	1,375	1,431	(3.9%)
General administrative expenses	(9,327)	(9,457)	(1.4%)
Other operating result	(1,156)	(582)	98.6%
Result from financial assets - FV	3	(42)	na
Result from financial assets - AfS	204	120	70.0%
Result from financial assets - HtM	(4)	114	na
Pre-tax profit	**8,930**	**7,193**	**24.1%**
Taxes on income	(1,719)	(1,370)	25.5%
Profit for the year after taxes and before controlling interests	**7,211**	**5,823**	**23.8%**
Net profit for the year			
attributable to owners of the parent	**7,212**	**5,831**	**23.7%**
attributable to non-controlling interests	(1)	(8)	na
Operating income	22,852	22,367	2.2%
Operating expenses	(9,327)	(9,457)	(1.4%)
Operating result	**13,525**	**12,910**	**4.8%**

Note: H1 2010 figures were restated in order to show comparable figures based on new at cost valuation of investment property

Financial statements – Balance sheet (assets)
Balance sheet increased by 3% YTD

in CZK million	Jun 11	Dec 10	Change
Cash and balances with central banks	29,023	25,766	12.6%
Loans and advances to credit institutions	143,713	174,947	(17.9%)
Loans and advances to customers	464,094	459,968	0.9%
Risk provisions for loans and advances	(21,540)	(19,225)	12.0%
Derivative financial instruments	14,805	16,021	(7.6%)
Trading assets	27,312	18,488	47.7%
Financial assets - at fair value through profit or loss	13,445	9,587	40.2%
Financial assets - available for sale	22,620	20,258	11.7%
Financial assets - held to maturity	166,868	128,977	29.4%
Equity holdings in associates accounted for at equity	87	84	3.6%
Intangible assets	2,897	3,117	(7.1%)
Property and equipment	15,509	16,015	(3.2%)
Current tax assets	851	578	47.2%
Deferred tax assets	755	688	9.7%
Other assets	26,903	26,361	2.1%
Total assets	**907,340**	**881,629**	**2.9%**

Financial statements – Balance sheet (liabilities)
Customer deposits grew by 3% since YE 2010

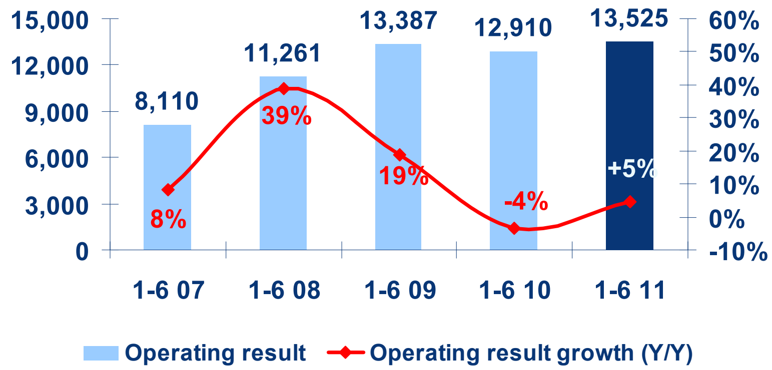
ČESKÁ SPOŘITELNA

in CZK million	Jun 11	Dec 10	Change
Amounts owed to credit institutions	56,546	52,214	8.3%
Amounts owed to customers	689,818	670,285	2.9%
Debt securities in issue	47,199	47,260	(0.1%)
Derivative financial instruments	13,384	14,674	(8.8%)
Trading liabilities	625	617	1.3%
Other provisions	2,129	2,145	(0.7%)
Current tax liabilities	123	23	>100.0%
Deferred tax liabilities	311	197	57.9%
Other liabilities	18,990	12,230	55.3%
Subordinated capital	4,616	11,036	(58.2%)
Total equity	73,598	70,948	3.7%
attributable to non-controlling interests	119	168	(29.2%)
attributable to owners of the parent	73,479	70,780	3.8%
Total liabilities and equity	**907,340**	**881,629**	**2.9%**

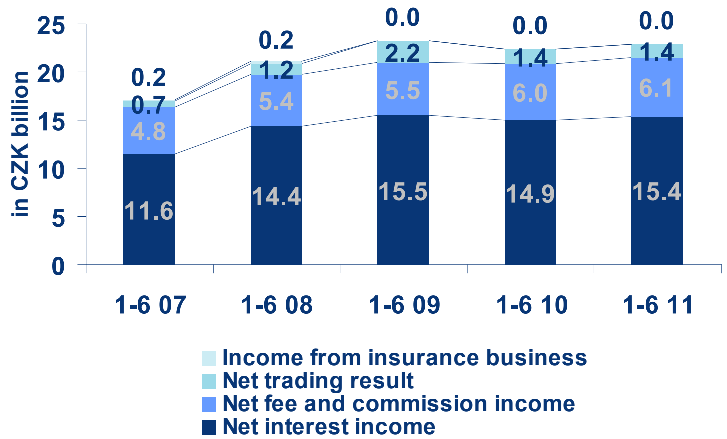
Performance analysis –
Operating result by 5% higher than in H1 2010

- **Operating result increased by 5% YTY due to accelerating core earnings and decreasing expenses**
  - Core earnings (NII + net fee income) rose by 3%, total operating income grew by 2%
  - Operating expenses declined by 1%
- **Net trading result decreased by 4% YTY to CZK 1.4 bn due to lower profit from FX trading**
  - Profit from FX transactions declined by 41% to CZK 0.6 bn due to extraordinary high income in H1 2010
  - Realised and unrealised profit from securities trading increased by 9% to CZK 0.4 bn due to growing traded volume (especially T-Bills)
  - Customer business represents 47% of trading profit
- **Other operating result**
  - Impacted by higher contribution to deposit insurance fund and revaluation of real estate investments
- **Results from financial assets improved due to positive revaluation of assets and exit of one investment in venture fund business in Q1 11**

Development of Operating Result (CZKmn)

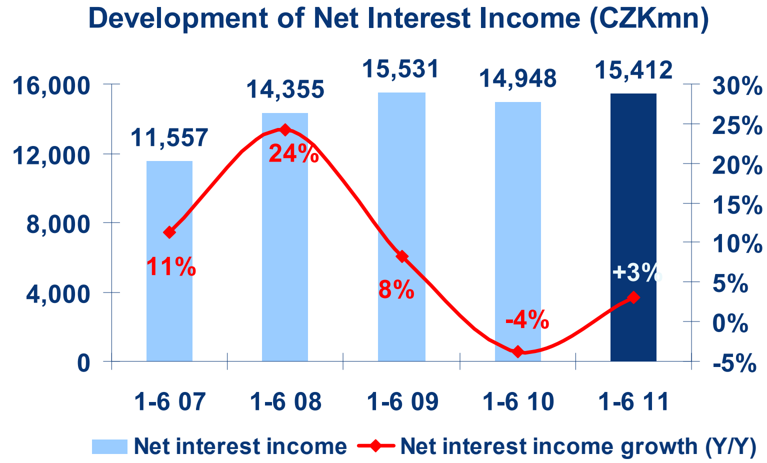


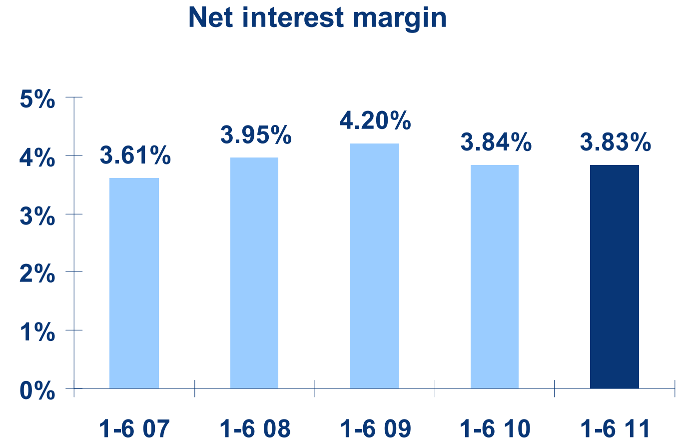
5-year development of operating income structure



Performance analysis – NII raised by 3%

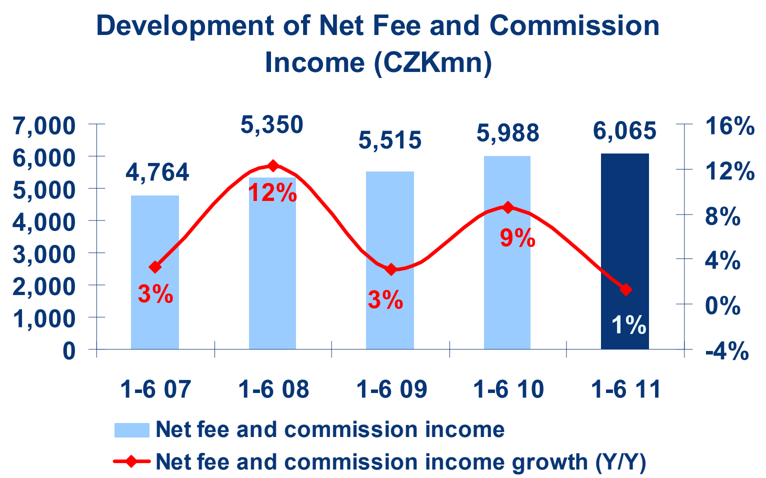
- **NII increased by 3% YTY despite still low market interest rates, H1 2010 showed 4% decline**
  - Growth driven by NII from securities
  - 2W repo rate still at historically low 0.75% since May 2010
  - Still low costs of funds
- **NII from securities grew by 20% YTY**
  - Attributable mainly to higher interest income from bonds held to maturity (+19% YTY), HTM assets increased by 35% YTY
- **NII from customer business slightly higher compared to H1 2010 (+0.5% YTY)**
  - Positive impact of growing mortgage loans
  - Amounts owed to customers decreased by 2% YTY
- **NII from credit institutions down by 9% YTY**
  - Loans to credit institutions decreased by 32% YTY
- **NIM maintained despite historically low market interest rates**

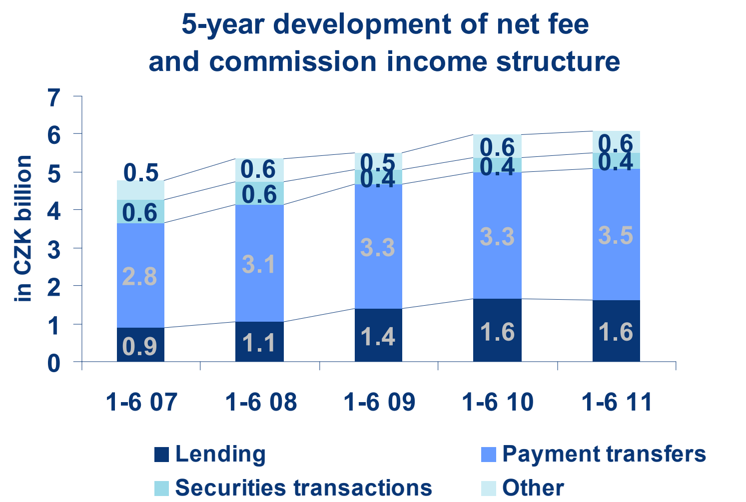




Performance analysis –
Net fee income grew by 1%

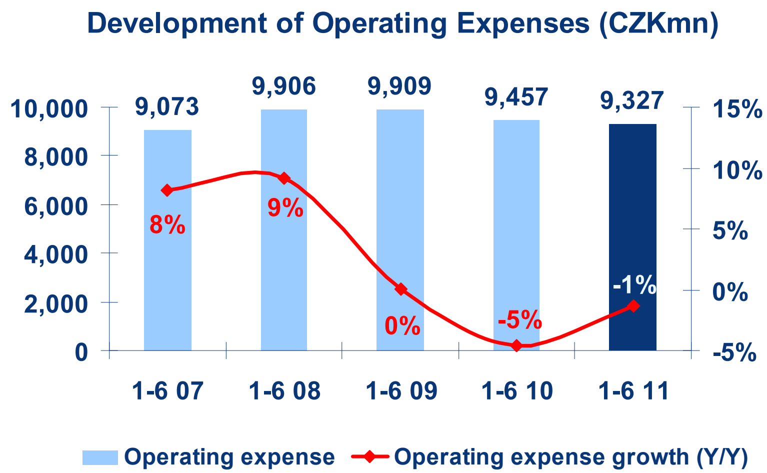
- **Growth in net fee income mainly driven by net fee income from securities business and from payment transactions**
  - There were no changes of price list
- **Net fee income from securities business increased by 6% YTY**
  - Benefited from growing fund business
  - Higher income from brokerage
- **Net fee income from payment transactions and account maintenance (57% share) grew by 3% YTY**
  - Affected by growing number and volumes of payment transactions
  - Net fee income from payment cards grew by 9%
- **Net fee income from lending almost at the same level as in the comparable period**

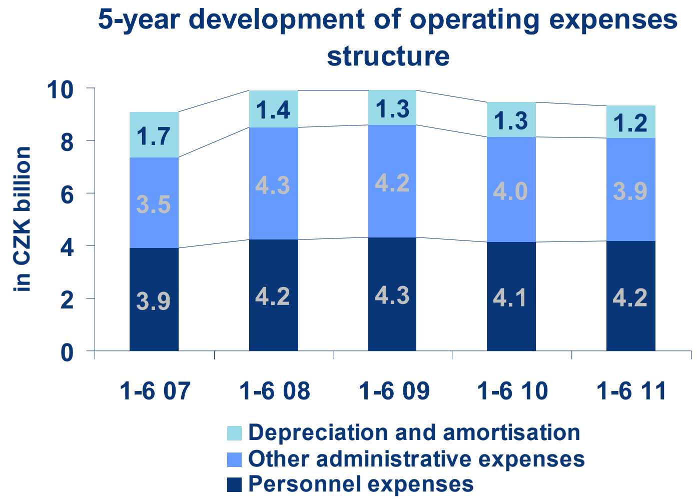




Performance analysis – Operating expenses further declined

- **Operating expenses declined by 1% YTY, in Q2 dropped by 3% compared to Q1 2011**
- **Other administrative expenses went down by 2% YTY**
  - Caused mainly by lower expenses for communication and IT
- **Depreciation on fixed assets decreased by 6% YTY**
  - Attributed mainly to lower depreciation on acquired software and licences
- **Personnel expenses increased by 1% YTY**
  - Due to severance payments in connection with recent staff reduction
    - Number of employees decreased by 433 FTEs (- 4%) compared to the same period in 2010

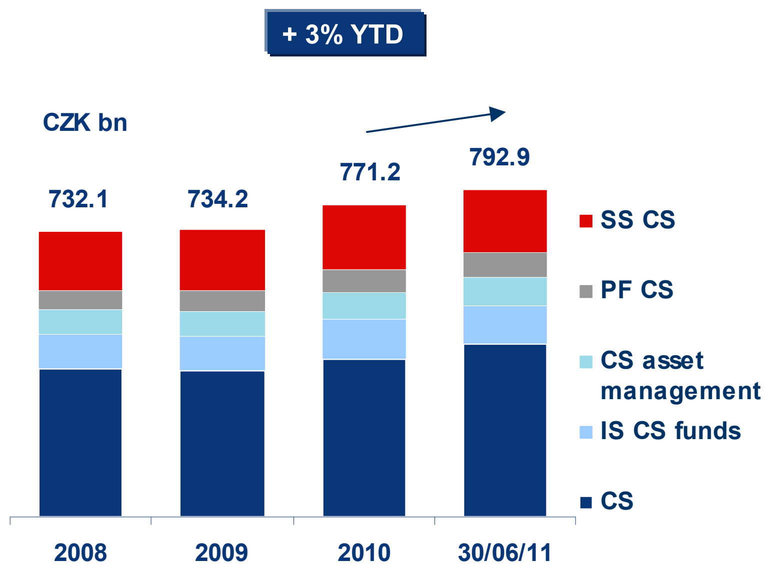




Performance analysis – Client funds under CS Group management

- **Total volume of clients‘ assets increased by 3% YTD**
- **Bank deposits went up by 4% YTD**
  - Attributed to growing deposits from municipalities and private individuals
  - Demand deposits rose by 1% YTD, their share on total deposits at 75%
  - Bank deposits contribution to total client funds under CS Group management stood at the level of 71%
- **Assets in domestic mutual funds (managed by Investment company - ISCS) declined by 1% YTD**
  - Total volume of assets in mutual funds (incl. Reico and foreign funds) decreased by 1% YTD to CZK 71.7 bn
- **Growth rate in pension fund assets at 4% (YTD)**
- **Assets under discretionary management (without mutual funds) rose by 3% YTD**

Total client funds



IFRS, in CZK bn	2008	2009	2010	30/06/11	Change (YTD)
CS - banking deposits	525.0	521.9	539.3	560.6	3.9%
CS - asset management	35.6	35.7	41.3	42.5	2.9%
IS CS - mutual funds	51.4	51.7	59.1	58.6	-0.8%
PF CS - pension fund	29.7	32.5	35.2	36.6	4.1%
SS CS - building society	90.4	92.4	96.3	94.6	-1.8%
Total	**732.1**	**734.2**	**771.2**	**792.9**	**2.8%**

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

Performance analysis – Capital adequacy (CNB)

- **CS is strongly capitalized for future growth and new regulatory requirements**
- **CS Group capital adequacy (Tier I + Tier II) increased by 170 bps YTY due to higher Tier I capital including retained earnings from 2010**
  - Tier I capital increased by 15% compared to June 2010 (+14% since December 2010)
  - Total Tier I + Tier II capital rose by 8% YTY (+5% YTD)
- **Total capital requirements went down (-4% YTY) mainly due to lower capital requirement to operational risks (-10% YTY)**
  - Capital requirement to credit risk lower by 4%
- **Risk weighted assets decline by CZK 15.2 bn (-4%) YTY**

Parent Bank, CZK m	30/6/2010	31/12/2010	30/6/2011
Tier I capital	50,670	50,424	57,910
Tier I + Tier II capital	55,940	56,461	59,525
Capital requirement to credit risk	28,775	27,873	28,247
Capital requirement to market risks	273	388	604
Capital requirement to operational risk	4,265	4,228	3,999
Risk weighted assets	359,688	348,413	353,088
Capital adequacy Tier I ratio	**12.2%**	**12.4%**	**14.1%**
Capital adequacy Tier I+II ratio	**13.4%**	**13.9%**	**14.5%**

CS Group, CZK m	30/6/2010	31/12/2010	30/6/2011
Tier I Capital	56,575	57,071	65,332
Tier I+II Capital	62,087	63,687	67,032
Capital requirement to credit risk	30,980	30,136	29,767
Capital requirement to market risks	375	543	736
Capital requirement to operational risk	5,393	5,356	4,836
Risk weighted assets	387,250	376,700	372,088
Capital Adequacy Tier I ratio	**12.3%**	**12.7%**	**14.8%**
Capital Adequacy Tier I+II ratio	**13.5%**	**14.1%**	**15.2%**

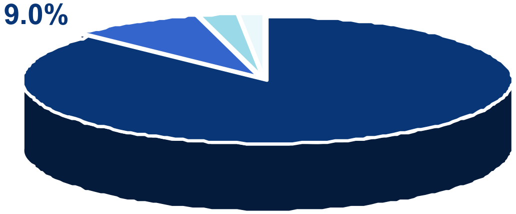
Performance analysis – Strong growth in private mortgages

- **Group loan portfolio showed flat development YTY and 0.9% increase YTD**
  - Continuing recovery in private mortgages and SME lending
  - Consumer lending still limited by low household consumption
- **Risk costs decreased by 32% or 73 bps YTY to 157 bps**
  - Improvement in corporate as well as in retail business
- **Quality of loan portfolio measured by NPL share reached 6.4%**
  - Stabilization in Retail, slight deterioration in Corporate
  - NPL coverage kept at strong 73%
- **CS does not have any exposure to Italian, Spanish, Irish, Portuguese or Greek government bonds. Exposure to Italian debtors (only clients/banks) is CZK 0.3 bn, to Spanish CZK 2.5 bn, to Irish CZK 0.7 bn and to Portuguese debtors CZK 0.2 bn**

Performance analysis – CS Group balance sheet
Group loan portfolio stable YTY

- Group loan portfolio remained flat (+0.1% YTY)
  - Growth in CS Bank and subsidiaries was partly offset by higher consolidation items
- CS Bank loan portfolio grew by 0.5% (CZK 1.9 bn) YTY
  - Driven by rebounded private mortgages +4.4% (CZK 5.1 bn) YTY and SME +4.6% (CZK 2.7 bn) YTY
  - Negative growth remained in consumer lending -5.5% (CZK -4.3 bn) YTY
- Share of subsidiaries in Group loan portfolio long term stable at 13.1%
  - Recovery in international trade visible in growth of Factoring +25.3% (CZK 0.4 bn) YTY
  - Building society portfolio decreased by 4.7% (CZK -2.1 bn) YTY due to repayments

Loan Book by Group members as of 30 June 2011

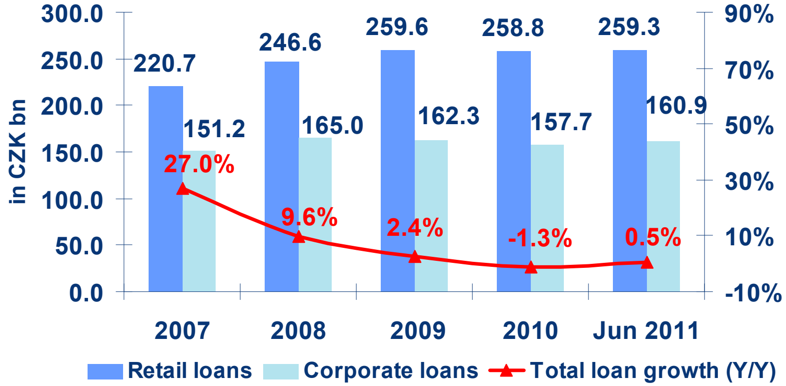


in CZK m, IFRS	30/06/2011	31/12/2010	30/06/2010	YTY Change
I. CS Bank	420,491	416,846	418,566	0.5%
II.1. Stavebni sporitelna CS	43,343	45,099	45,466	-4.7%
II.2. Leasing (sAL, sML)	12,296	7,902	8,906	38.1%
II.3. Factoring CS	1,934	1,740	1,543	25.3%
II.4. Brokerjet CS	559	504	599	-6.7%
II.5. Other subsidiaries	5,152	5,734	6,169	-16.5%
III. Consolidation items	-19,681	-17,858	-17,788	10.6%
Total Loans (consolidated)	**464,094**	**459,968**	**463,462**	**0.1%**

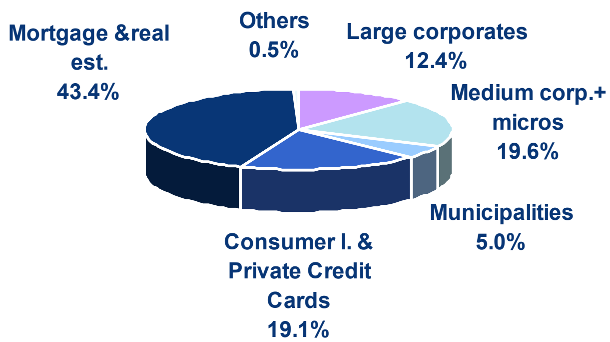
Performance analysis – CS Bank balance sheet
Retail as well as corporate already on growing track

- **Loans to retail customers rose by 0.5% YTY**
  - **Thanks to private mortgages +4.4% YTY, Commercial mortgages +4.0% YTY and private credit cards +5.7% YTY**
  - **Offset by decline in consumer lending -5.5% YTY and micro corporates -1.7% YTY**
- **Corporate loans added 0.4% YTY**
  - **Local Large Corporate saw increase of 3.2% YTY**
  - **SMEs up by strong +4.6%**
  - **Group Large Corporate decreased by -9.0% YTY but already grew on YTD basis by 5.6%**
  - **Corporate Mortgage and Real Estate remained flat**

Loan portfolio development

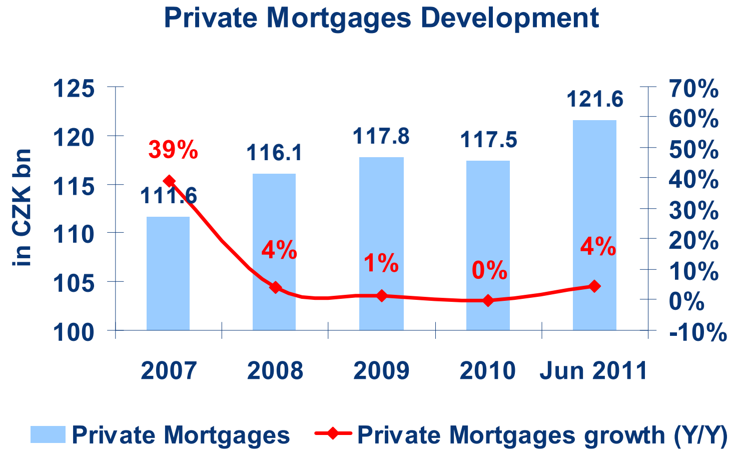


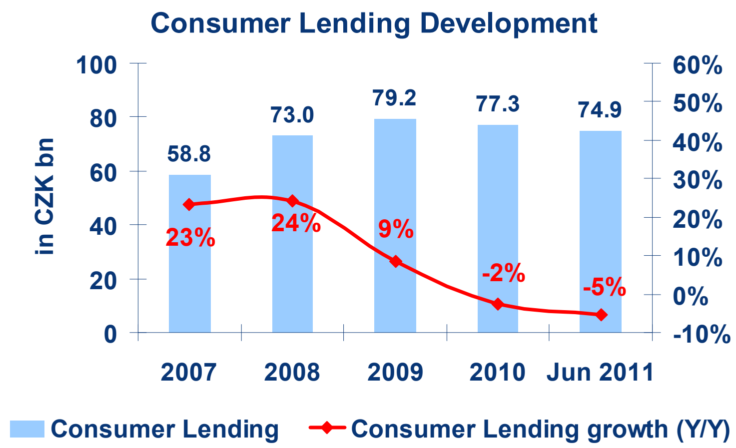
Bank loan book by customer segments as of 30 June 2011



Performance analysis – CS Bank balance sheet
Recovery on mortgage market continued

- Volume of private mortgages further accelerated and reached CZK 121.6 bn (+4.4% YTY)
  - Mortgages granted in 2011: average maturity at 23.0 years (22.6 in YE 2010); average size of mortgage stable at CZK 1.6 m, LTV ratio at 67.4% (66.2% in YE 2010)
  - Whole portfolio: average maturity stable at 21.3 years; residual maturity unchanged at 16.8 years, LTV ratio at comfortable 63.5%
- Consumer lending declined by 5.5% (CZK -4.3 bn) YTY
  - Due to still relatively high unemployment the demand continued to be weak



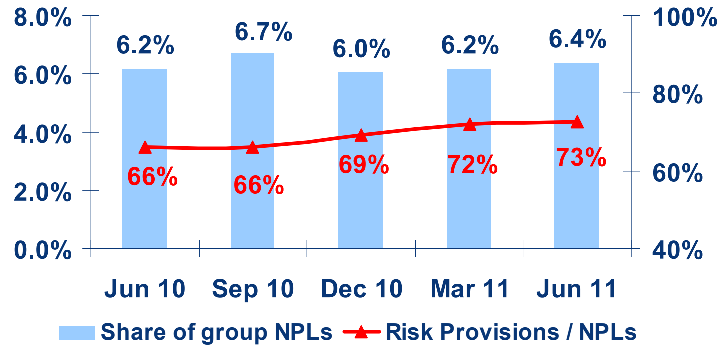


Note: Consumer loans include home equity loans and exclude credit cards

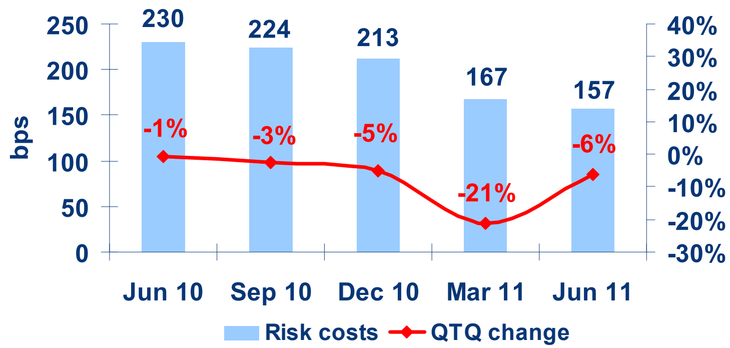
Performance analysis –
Risk costs improvement accelerated

- Group share of NPL at 6.4%
  - Retail remained flat, corporate slightly deteriorated due to few larger corporate defaults
  - NPL provision coverage further strengthened to ample level of 73%
  - Total coverage (provisions and collateral to NPL) well above 125%
- Annualized group risk costs declined to 157 bps
  - Driven by improvement of corporate as well as retail business
- According to CNB methodology share of defaulted loans at 7.2% (7.3% in 6/2010)

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



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



Presentation topics

- Performance of Ceska sporitelna
  - Financial statements
  - Performance analysis
- **Economy**
  - Macroeconomic environment
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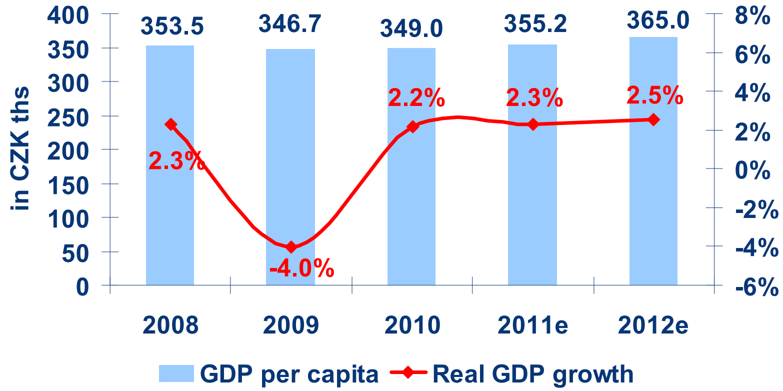
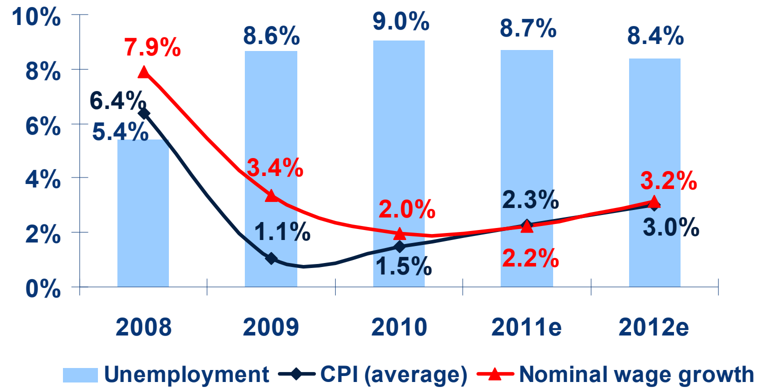
Macroeconomic environment –
2011 – fixed investment to drive the growth, labour market to improve only gradually

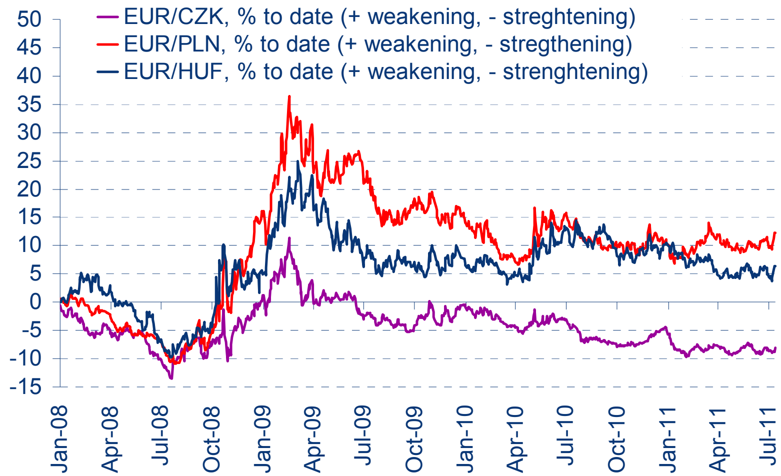
- H1 11: The Czech economy grew by an estimated 2.4% in the first half of 2011, driven by real exports and fixed investments (+15.6% YTY, resp. 3.8% YTY, both are final figures for Q1 11)
- As expected, fixed investments rose YTY for the 1st time since Q1 08, this is due to pent-up demand, better financing conditions, a rise in capacity utilization, a good cyclical outlook and improved business confidence
- Household demand remains depressed as the labour market improves only slowly and fiscal consolidation is a drag on spending
- The growth is also hampered by government spending – but, on the other hand, the Czech government is doing better than what was assumed by last year's Convergence program

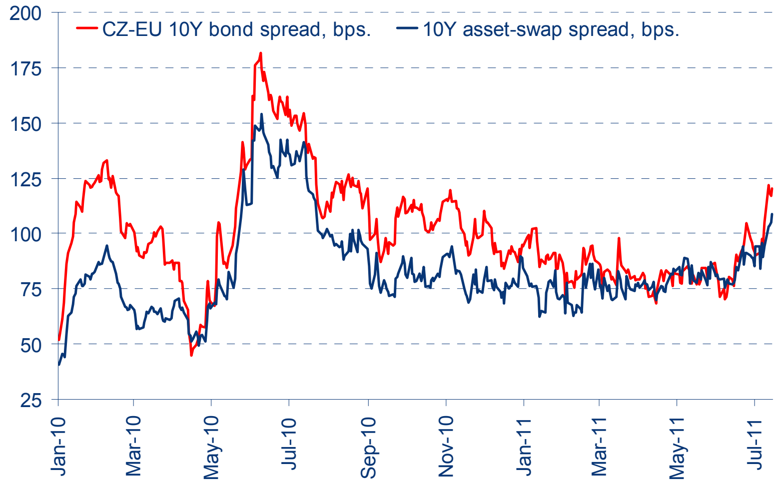




Macroeconomic environment – EMU debt crisis with no impact so far

- **EMU debt crisis so far without impact on Czech economy**
  - CZ direct exposure to PIIGS is small (7.7% of total Czech exports went there in 2010, more than half of that to Italy alone) so H1 11 was not impacted by any of the southern troubles
  - Czech Republic‘s economy tracks that of Germany (which in return benefits from the emerging world) so more risk is what happens in the emerging world than in the southern rim of the EMU (except for an extreme event of break-up of Eurozone)
  - Markets differentiate between the Czech Republic and the EMU periphery, so bonds spreads stay tighter than Italian (a country with higher rating)
  - The Czech currency is already at a pre-crisis level. The reasons are clear: low overall debt, relatively good debt dynamics (ongoing fiscal consolidation), solid recovery driven by Germany and its exports, lack of serious macro imbalances

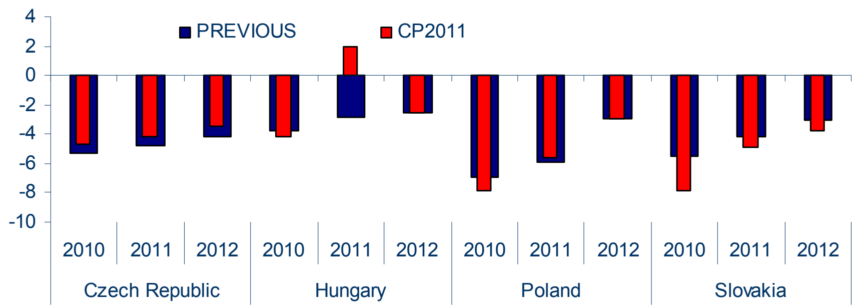


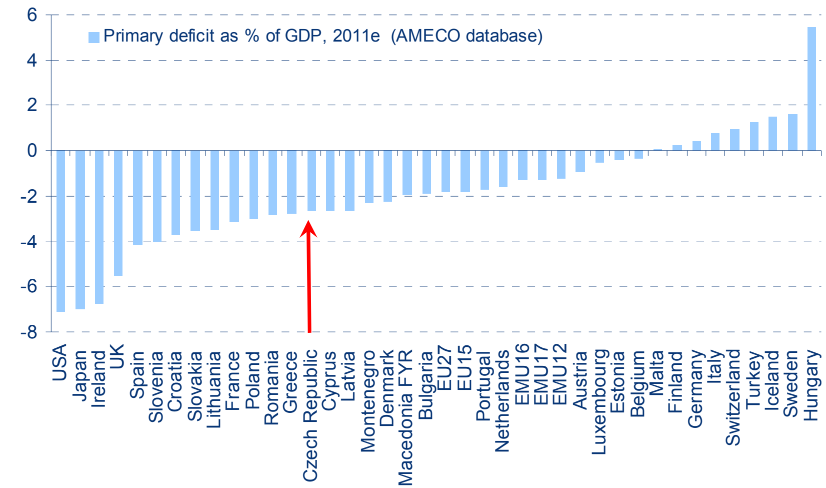


Macroeconomic environment – Czech Republic is reforming its finances

- **Fiscal consolidation continues but the underlying structure remains intact**
  - 2011 domestic fiscal consolidation is making faster progress than assumed by the 2010 EU convergence programme. The Czech Republic is well on track to push the deficit below the Maastricht limit of 3% by 2014
  - However, structurally, the state finances still have a long way to go towards a balanced structural budget. Also, the unsoundness of Czech finances is evident in that the 2011 Czech primary deficit (i.e. excluding interest payments) is estimated to be worse than the average of EU15 (although it is still the best in the V4 region)
  - More reforms are needed to put the budget on a structurally sustainable path

General government balance (% of GDP)





Presentation topics

– **Performance of Ceska sporitelna**
  – Financial statements
  – Performance analysis
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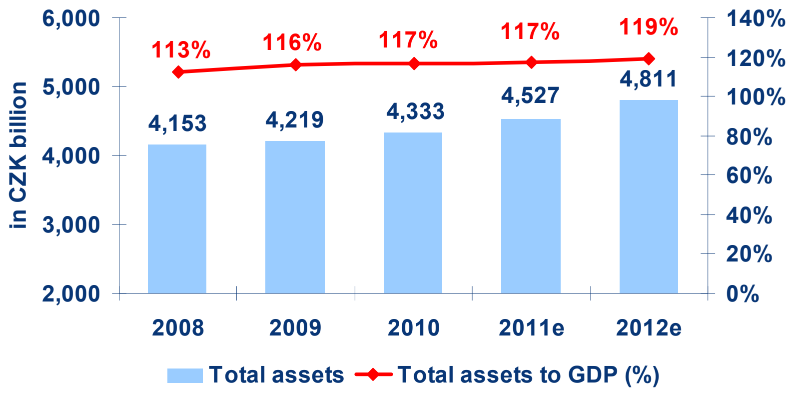
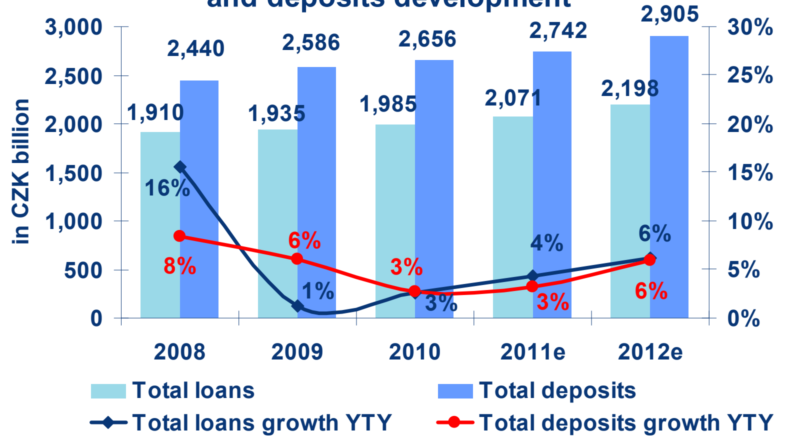
Banking market development – Healthy banking sector

- **Czech banking sector keeps its stable position**
  - Strong capital and liquidity position
  - Independence on foreign sources
  - Low FX loans ratio
- **According to CNB's Financial Stability Report released in June, Czech financial sector remains resilient to wide range of risks**
  - In the most adverse scenario tested capital injection into banking sector would total CZK 17 bn, less then 0.5 % of GDP
- **Pension reform – parliament put reform laws through first reading**
  - Final version still need to be negotiated within the coalition
  - Nevertheless, given current proposals, participation in second pillar seems to be considerably lower comparing to preliminary expectations



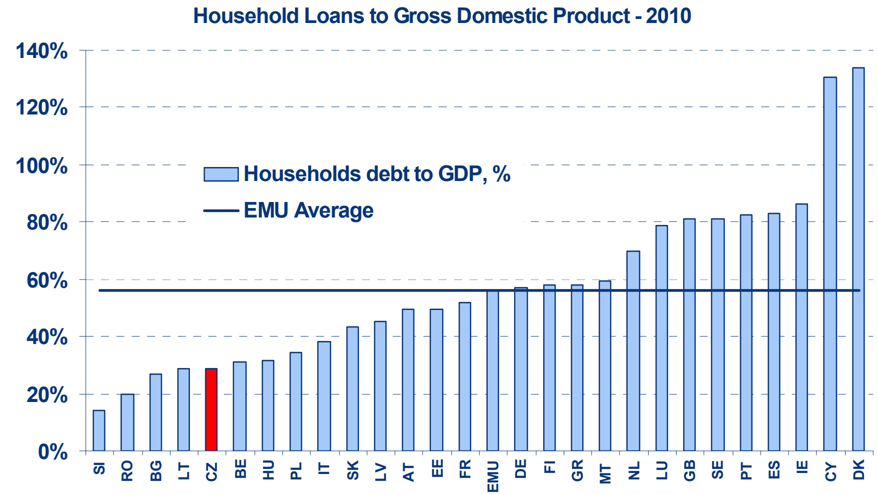


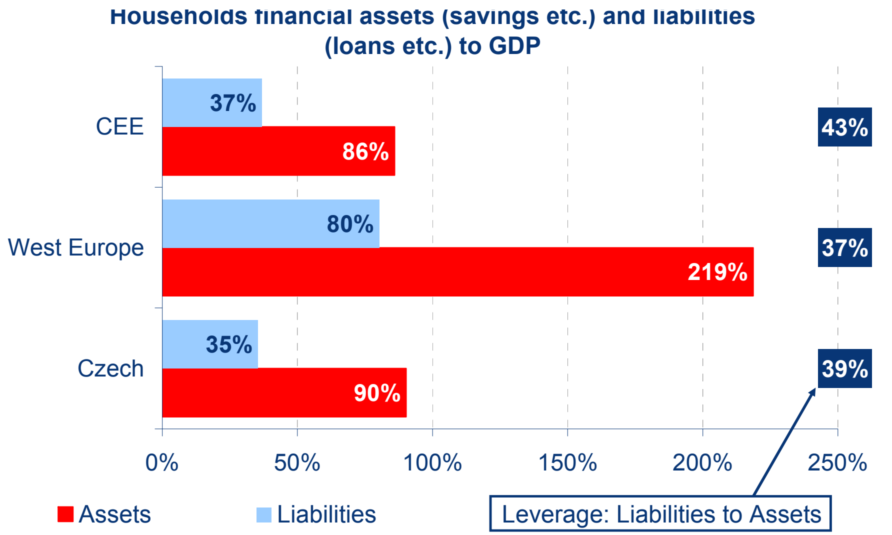
Source: CNB, CS estimates

Banking market development – Household loans to grow steadily

- **Households loans back on rising trajectory**
  - New mortgage loans volumes sustained 50% growth rate in YTY terms during recent months
  - Consumer loans volumes recorded first post-crisis YTY growth in the last two months

- **Can we expect growth rates to resemble the pre-crisis years?**
  - Compared to WE countries, Czech household-loans-to-GDP ratio is significantly lower (half of EMU average)
  - On the other hand, the liabilities-to-assets ratio gives quite a different picture: WE households are more indebted but they are also wealthier = they can afford larger debts
  - Czech households need to become wealthier, which is a substantially slower process than become more indebted
  - Thus, households loans should grow steadily in the following years, but the pre-crisis boom years are definitely gone



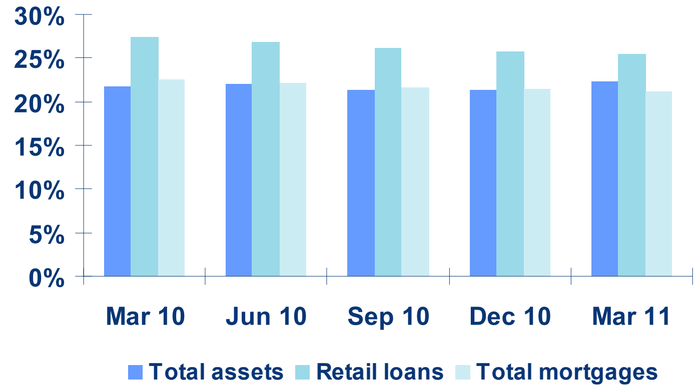


CS market shares –
Market leadership maintained (as of March 2011)

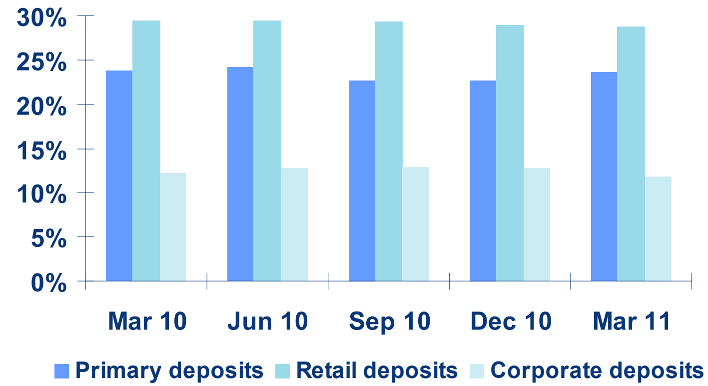
- **Market position overview ***
  - No. 1 by number of customers (5.2 mil.)
  - No. 1 by total loans (market share 21%)
    - 25% in retail loans, 19% corporate loans
  - No. 1 in mortgages (market share 21%)
  - No. 1 in consumer loans (market share 39%)
  - No. 1 by total deposits (market share 23%)
    - 29% in retail deposits, 12% in corporate deposits
  - No. 1 in number of payment cards (market share 34%)
    - 21% in credit cards
  - No. 1 by total assets (market share 22%)
  - No. 2 in mutual funds (market share 30%)
- **Market structure remains stable**
  - Concentrated banking market
  - 41 banks in total, 33 owned by foreigners
  - 3 dominant players, including CS

** Data as of March 31, 2011; H1 2011 data not available yet*
Source: CNB statistics, AKAT, Bank Card Association

Market share development - asset side



Market share development - liability side



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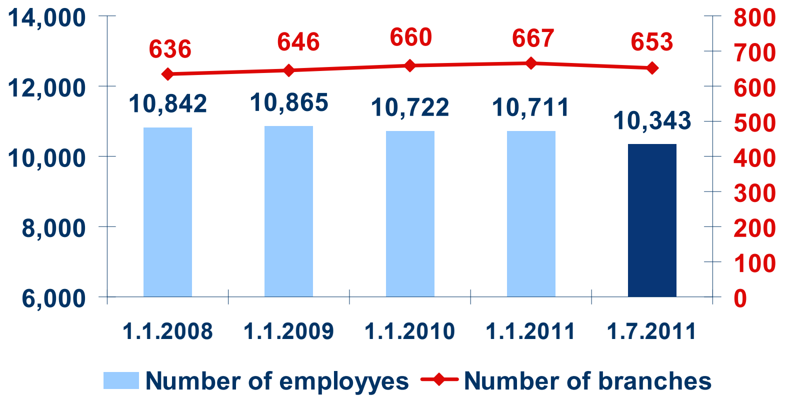
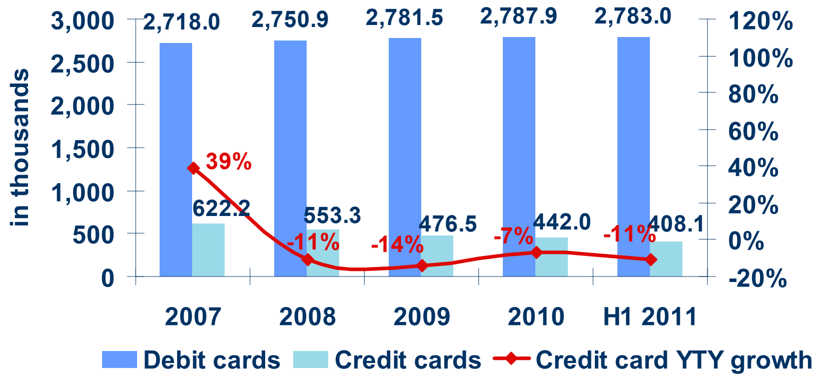
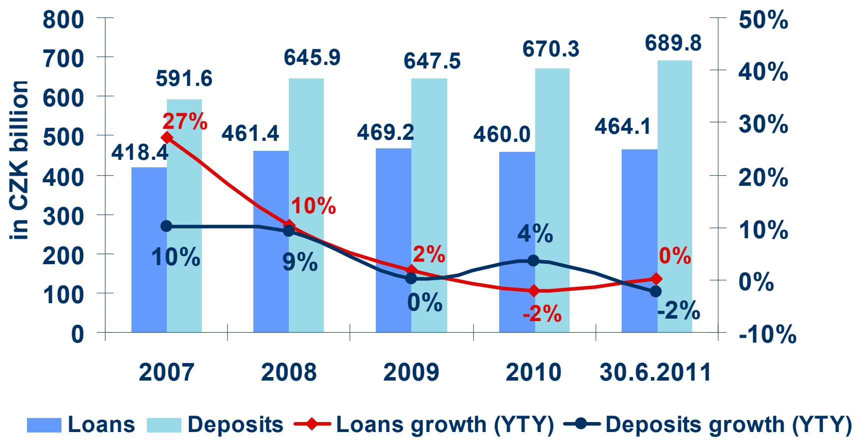
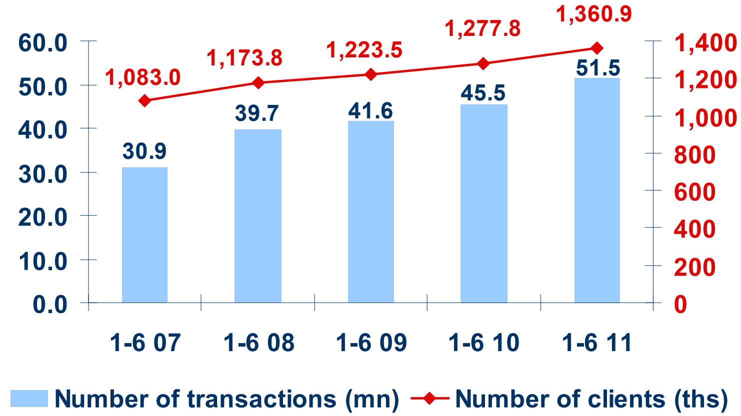
Main indicators





*Development in credit cards impacted by continuing abolishing inactive cards, volume of transactions in H1 2011 up by 5% YTY





Structure of loan portfolio – Non-financial institutions

CS Group: Loans to customers

in CZK m, IFRS	30/06/2011		31/12/2010		30/06/2010		Q2 2011 YTD		YTY change	
	Outstand.	Share	Outstand.	Share	Outstand.	Share	Outstand.	Rate	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	**420,294**	**90.6%**	**416,549**	**90.6%**	**418,250**	**90.2%**	**3,745**	**0.9%**	**2,044**	**0.5%**
1. CORPORATES	**160,960**	**34.7%**	**157,731**	**34.3%**	**160,241**	**34.6%**	**3,230**	**2.0%**	**719**	**0.4%**
GCIB	**52,589**	**11.3%**	**51,512**	**11.2%**	**53,977**	**11.6%**	**1,077**	**2.1%**	**-1,388**	**-2.6%**
Group Large Corporate	22,689	4.9%	21,483	4.7%	24,924	5.4%	1,206	5.6%	-2,235	-9.0%
Group Corp. Mortgage&Real Estate	29,900	6.4%	30,028	6.5%	29,053	6.3%	-129	-0.4%	846	2.9%
Local Corporate	**108,372**	**23.4%**	**106,219**	**23.1%**	**106,265**	**22.9%**	**2,153**	**2.0%**	**2,107**	**2.0%**
Large Corporates	29,559	6.4%	29,849	6.5%	28,634	6.2%	-290	-1.0%	925	3.2%
Medium Corporates (SMEs)	60,734	13.1%	58,167	12.6%	58,058	12.5%	2,567	4.4%	2,676	4.6%
Local Corp. Mortgage&Real Estate	5,171	1.1%	5,696	1.2%	6,083	1.3%	-525	-9.2%	-912	-15.0%
Municipalities	12,908	2.8%	12,508	2.7%	13,490	2.9%	400	3.2%	-582	-4.3%
2. RETAIL	**259,334**	**55.9%**	**258,818**	**56.3%**	**258,008**	**55.7%**	**516**	**0.2%**	**1,326**	**0.5%**
Private Credit cards	5,319	1.1%	5,436	1.2%	5,032	1.1%	-117	-2.1%	287	5.7%
Consumer lending	74,872	16.1%	77,255	16.8%	79,211	17.1%	-2,384	-3.1%	-4,339	-5.5%
Private social	2,075	0.4%	2,281	0.5%	2,419	0.5%	-206	-9.0%	-344	-14.2%
Private mortgages	121,616	26.2%	117,454	25.5%	116,537	25.1%	4,162	3.5%	5,079	4.4%
Micro corporates (MSEs)	21,872	4.7%	22,540	4.9%	22,254	4.8%	-668	-3.0%	-382	-1.7%
Commercial mortgages	25,613	5.5%	25,458	5.5%	24,621	5.3%	156	0.6%	992	4.0%
Small municipalities	7,966	1.7%	8,394	1.8%	7,934	1.7%	-428	-5.1%	32	0.4%
II. FINANCIAL MARKETS	**197**	**0.0%**	**297**	**0.1%**	**316**	**0.1%**	**-101**	**-33.8%**	**-120**	**-37.8%**
BANK LOANS TO CUSTOMERS	**420,491**	**90.6%**	**416,846**	**90.6%**	**418,566**	**90.3%**	**3,645**	**0.9%**	**1,925**	**0.5%**
III. SUBSIDIARIES	**63,284**	**13.6%**	**60,979**	**13.3%**	**62,683**	**13.5%**	**2,305**	**3.8%**	**601**	**1.0%**
IV. CONSOLIDATION ITEMS	**-19,681**	**-4.2%**	**-17,858**	**-3.9%**	**-17,788**	**-3.8%**	**-1,823**	**10.2%**	**-1,893**	**10.6%**
GROUP LOANS TO CUSTOMERS	**464,094**	**100.0%**	**459,968**	**100.0%**	**463,462**	**100.0%**	**4,127**	**0.9%**	**633**	**0.1%**

Net profit of selected subsidiaries

- Net profit of **Stavebni sporitelna CS (building society)** was affected by lower operating income (mainly lower NII)
- Improvement in net result of **sAutoleasing** reflects lower creation of credit risk provisions
- **Penzijni fond CS (pension fund)** recorded increase in net profit attributed mainly to higher income from financial assets
- Net profit of **Factoring CS** significantly increased due to positive business development

IFRS, CZK m	H1 2011	H1 2010	% Change
CS Building Society	587	683	*-14.1*
sAutoleasing	22	-6	*n/a*
Pension Fund CS*	371	342	*8.5*
Factoring CS	34	7	*385.7*

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

Financial results by quarters

in CZK million	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Net interest income	7,396	7,551	7,640	7,679	7,415	7,997
Risk provisions for loans and advances	(2,705)	(2,622)	(2,476)	(1,974)	(1,950)	(1,692)
Net fee and commission income	2,870	3,118	2,992	3,187	3,019	3,046
Net trading result	1,225	206	1,020	531	935	440
General administrative expenses	(4,823)	(4,634)	(4,634)	(4,586)	(4,725)	(4,602)
Other operating result	(323)	(259)	(1,107)	(773)	(332)	(824)
Results from financial assets	238	(46)	(118)	86	362	(159)
Pre-tax profit	**3,878**	**3,314**	**3,317**	**4,150**	**4,724**	**4,206**
Taxes on income	(730)	(640)	(765)	(476)	(915)	(804)
Profit for the year after taxes and before controlling interests	**3,148**	**2,674**	**2,552**	**3,674**	**3,809**	**3,402**
Net profit for the year						
attributable to owners of the parent	**3,151**	**2,680**	**2,451**	**3,770**	**3,803**	**3,409**
attributable to non-controlling interests	(3)	(6)	101	(96)	6	(7)
Operating income	11,491	10,875	11,652	11,397	11,369	11,483
Operating expenses	(4,823)	(4,634)	(4,634)	(4,586)	(4,725)	(4,602)
Operating result	**6,668**	**6,241**	**7,018**	**6,811**	**6,644**	**6,881**

Note: All data reported at cost valuation of investment property

Segment financial statements – Income statement

in EUR million	1-6 11	1-6 10	Change
Net interest income	590.0	536.1	10.1%
Risk provisions	(139.3)	(188.1)	(25.9%)
Net fee and commission income	248.4	229.6	8.2%
Net trading result	14.8	17.7	(16.2%)
General administrative expenses	(366.0)	(354.1)	3.4%
Other result	(46.9)	(12.8)	>100.0%
Pre-tax profit	**301.0**	**228.5**	**31.7%**
Taxes on income	(57.8)	(43.6)	32.6%
Net profit for the period	**243.2**	**184.9**	**31.5%**
Attributable to non-controlling interests	4.0	3.8	7.8%
Attributable to owners of the parent	**239.2**	**181.1**	**32.0%**
Operating income	853.3	783.4	8.9%
Operating expenses	(366.0)	(354.1)	3.4%
Operating result	**487.2**	**429.3**	**13.5%**

Exchange rate for H1 2011: 24.34 CZK/EUR (average for the period)

Segment financial statements – Income Statement
(Quarterly development)

in EUR million	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Change (YTY)
Net interest income	271.6	274.7	276.4	284.4	305.6	12.5%
Risk provisions	(90.9)	(96.0)	(81.8)	(70.9)	(68.5)	(24.7%)
Net fee and commission income	120.6	118.6	128.5	124.7	123.7	2.5%
Net trading result	0.7	30.4	14.4	15.5	(0.7)	(200.7%)
General administrative expenses	(174.5)	(178.2)	(177.5)	(185.1)	(181.0)	3.7%
Other result	(9.1)	(50.2)	(20.4)	(7.7)	(39.2)	331.4%
Pre-tax profit	**118.4**	**99.3**	**139.7**	**161.1**	**139.9**	**18.2%**
Taxes on income	(22.9)	(23.0)	(16.1)	(31.0)	(26.8)	17.2%
Net profit for the period	**95.5**	**76.3**	**123.6**	**130.1**	**113.1**	**18.4%**
Attributable to non-controlling interests	2.4	4.8	(2.7)	2.5	1.5	(37.9%)
Attributable to owners of the parent	**93.1**	**71.5**	**126.2**	**127.6**	**111.6**	**19.9%**
Operating income	392.9	423.7	419.3	424.7	428.6	9.1%
Operating expenses	(174.5)	(178.2)	(177.5)	(185.1)	(181.0)	3.7%
Operating result	**218.4**	**245.4**	**241.8**	**239.6**	**247.6**	**13.4%**

Exchange rate for Q2 2011: 24.32 CZK/EUR (average for the period)

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