Česká spořitelna – Q1-3 2011 consolidated results (unaudited IFRS)

28 October 2011, Praha

Solid and healthy performance

Pavel Kysilka

Current market environment

- **Slowdown of recovery dynamics evident (not directly related to debt crisis). Exports still the key to growth, household demand remains depressed as fiscal consolidation and slow labour market combine**
  - Slowdown of industry (in line with our expectation), fade-away of factors peculiar to the first phase of the recovery (pent-up fixed investment) and fiscal restriction in EMU. Effects of debt crisis on the real Czech economy so far small
  - Q1 and Q2 2011 GDP growth (+2.8% YTY and 2.2% YTY, respectively) driven by exports (+14.8% YTY and 9.4% YTY) and fixed investment
  - Household consumption fell in both Q1 and Q2 2011 on slow improvement of labour market (unemployment lower by mere 0.5% YTY in September) and fiscal consolidation (→ negative real wages in public sector)
  - Inflation persistently low and at or below the CNB target of 2% throughout the Q1-Q3 2011, demand inflation negative since summer 2009
- **The Czech currency holding up remarkably well amid regional CEE FX sell-off**
  - CZK had been holding out well amid the debt crisis-induced regional sell-off before finally succumbing in September. Weakening ensued but – in a clear vote of market confidence - was incommensurate (2.9% since August to Sep'11 low) with the massive slide of PLN (13% lower) or HUF (10% lower)
  - CZK likely to weaken to above 25 in coming months, repeating of the early-2009 indiscriminate sell-off not expected
- **CNB repo at an all-time low of 0.75% since May 2010 thanks to persistently negative demand inflation together with generally strong CZK this year and fiscal consolidation; current market turmoil likely to put off the first hike until late 2012 at the earliest**
- **According to CNB's Stress test released in August, Czech financial sector remains resilient to wide range of risks**

Q1-3 2011 highlights

- **Ceska sporitelna achieved 15% growth of net profit in Q1-3 2011 in comparison with the same period last year, profit generation was again supported by significant decline in credit risk provisions**
  - Credit risk provisions dropped by 37% YTY due to improvement in both corporate and retail customer segments
- **Core income increased, expenses declined, operating result was negatively impacted by volatile trading result**
  - Core income (NII + net fee income) up by 3%, NIM maintained at 3.86% despite persisting low interest rate environment
  - Operating expenses further declined mainly due to lower other administrative expenses reflecting continuing strong cost management
- **Capital and liquidity position of Ceska sporitelna is very strong (capital adequacy Tier I + Tier II at 14.4%, L/D at 67.3%)**
- **Group customer loans increased by CZK 6 bn compared to September 2010 and by almost CZK 12 bn since December 2010, reflecting continuing growth of private mortgages, loans to SMEs and Group large corporate loans**
  - Consumer loans decreased by 7% YTY (-4% YTD) due to lower demand (declining household consumption)
  - Share of NPLs flat at 6.4%; NPL provision coverage strong (71%)
- **CS does not have any exposure to Italian, Spanish, Irish, Portuguese or Greek government bonds. CS exposure to banks and corporate clients in these countries is limited. CS does not have any exposure to Greek institutions**
- **Rating agency Fitch confirmed all ratings of CS in October, reflecting solid profitability of CS which proved to be resilient throughout the crisis, stabilisation in asset quality and sound capital and liquidity position. Long-term foreign currency rating affirmed at A, short-term at F1**

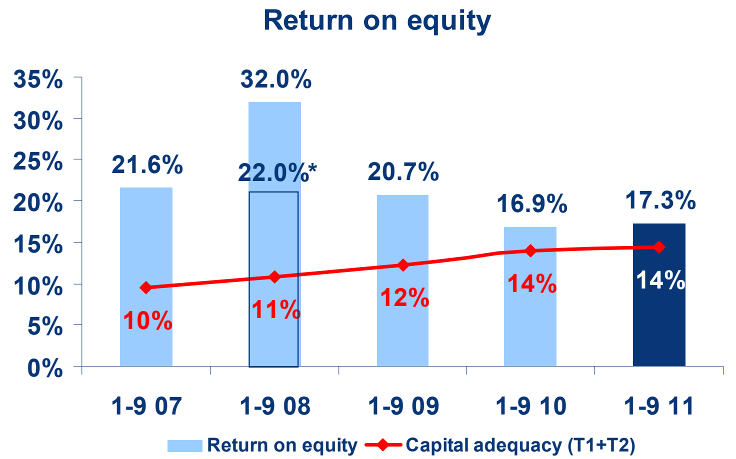
Q3 2011 business highlights

- **Volume of newly provided private mortgages in Q1-3 2011 increased by 109% compared to the same period last year***
  - Ceska sporitelna significantly strengthened its market position in generating new private mortgages, its market share increased to 23.3% (from 15.9% in Q1-3 2010)
- **Ceska sporitelna is newly offering loan consolidation, intended primarily for its existing clients who have exposures with other financial institutions, as well as to third-party clients**
  - Available for consumer and cash loans and overdraft facility
- **In co-operation with Visa card association Ceska sporitelna introduced to issue contactless debit cards which enable card payments up to CZK 500 without PIN code**
- **Ceska sporitelna offers to its clients a 100% on-line personal account opening – not requiring client signature or visit to a branch**
  - New accounts are fully activated upon the first money transfer
- **Ceska sporitelna launched a new TOP EXPORT program to support Czech export**
  - Ceska sporitelna signed a cooperation agreement with Ceska exportni banka (Czech export bank) on exporters´ sub-contractors financing. The TOP EXPORT program enables Ceska sporitelna offer to small and medium size enterprises (SMEs) financing of their operations with guarantee from Ceska exportni banka
- **Lending to SME customers further accelerated, in Q3 2011, new loans granted to SMEs reaching CZK 2.4 bn**

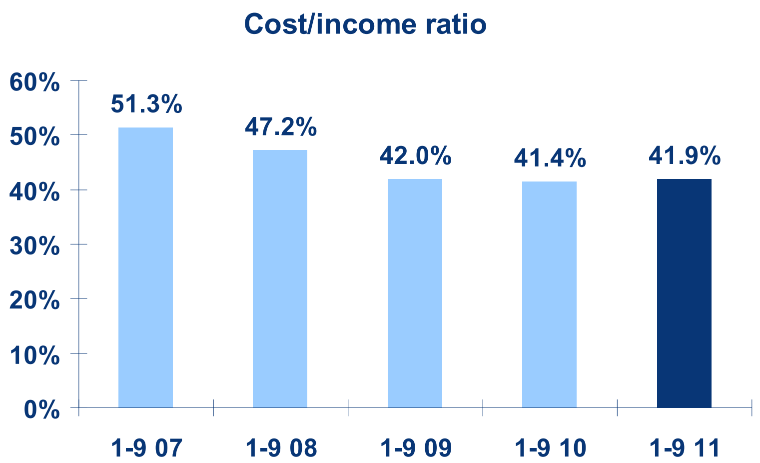
** Data according to the methodology of Ministry for Regional Development*

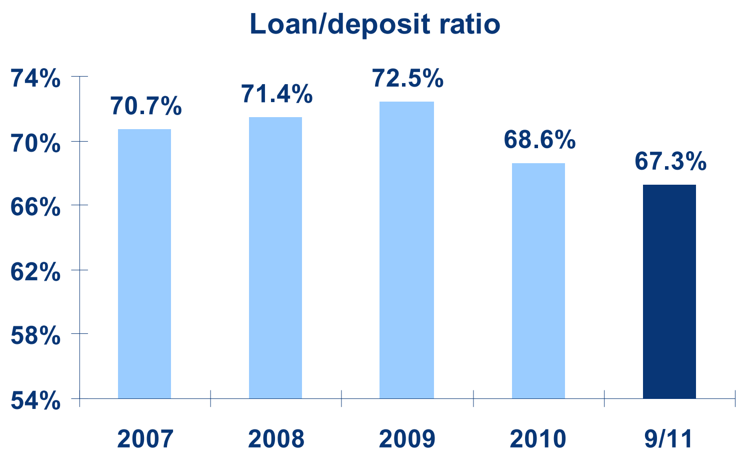
Financial highlights – ROE increased to 17.3%

- **Return on equity increased to 17.3%**
  - Due to 15% YTY growth of net profit
- **Cost/income ratio almost flat at 41.9%**
- **Loan to deposit ratio at 67.3%**
  - Attributed to growing customer deposits



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





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 15% YTY

in CZK million	1-9 11	1-9 10	Change
Net interest income	23,344	22,650	3.1%
Risk provisions for loans and advances	(4,913)	(7,803)	(37.0%)
Net fee and commission income	9,161	8,980	2.0%
Net trading result	670	2,388	(71.9%)
General administrative expenses	(13,888)	(14,091)	(1.4%)
Other operating result	(2,114)	(1,689)	25.2%
Result from financial assets - FV	(172)	(125)	37.6%
Result from financial assets - AfS	(251)	85	n.a.
Result from financial assets - HtM	28	114	(75.4%)
Pre-tax profit	**11,865**	**10,509**	**12.9%**
Taxes on income	(2,347)	(2,135)	9.9%
Profit for the year after taxes and before controlling interests	**9,518**	**8,374**	**13.7%**
Net profit for the year			
attributable to owners of the parent	**9,555**	**8,281**	**15.4%**
attributable to non-controlling interests	(37)	93	n.a.
Operating income	33,175	34,018	(2.5%)
Operating expenses	(13,888)	(14,091)	(1.4%)
Operating result	**19,287**	**19,927**	**(3.2%)**

Note: Q1-3 2010 figures were restated in order to show comparable figures based on new at cost valuation of investment property. Also presentation of accrued interest was changed, it is now integrated in respective asset and/or liability.

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

in CZK million	Sep 11	Dec 10	Change
Cash and balances with central banks	32,817	25,766	27.4%
Loans and advances to credit institutions	141,839	175,101	(19.0%)
Loans and advances to customers	471,565	460,070	2.5%
Risk provisions for loans and advances	(21,365)	(19,225)	11.1%
Derivative financial instruments	20,060	16,021	25.2%
Trading assets	29,015	18,732	54.9%
Financial assets - at fair value through profit or loss	13,245	9,715	36.3%
Financial assets - available for sale	28,659	20,459	40.1%
Financial assets - held to maturity	173,870	131,675	32.0%
Equity holdings in associates accounted for at equity	89	84	6.1%
Intangible assets	2,862	3,117	(8.2%)
Property and equipment	15,328	16,015	(4.3%)
Current tax assets	932	578	61.3%
Deferred tax assets	717	688	4.2%
Other assets	22,395	22,834	(1.9%)
Total assets	**932,029**	**881,629**	**5.7%**

Note: Figures as of 31 December 2010 were restated according to new methodology, accrued interest is now integrated in respective asset and/or liability.

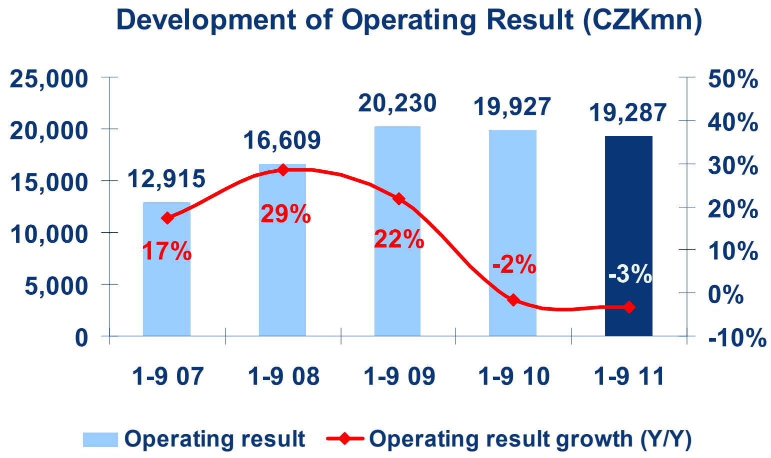
Financial statements – Balance sheet (liabilities)
Customer deposits grew by 5% since YE 2010

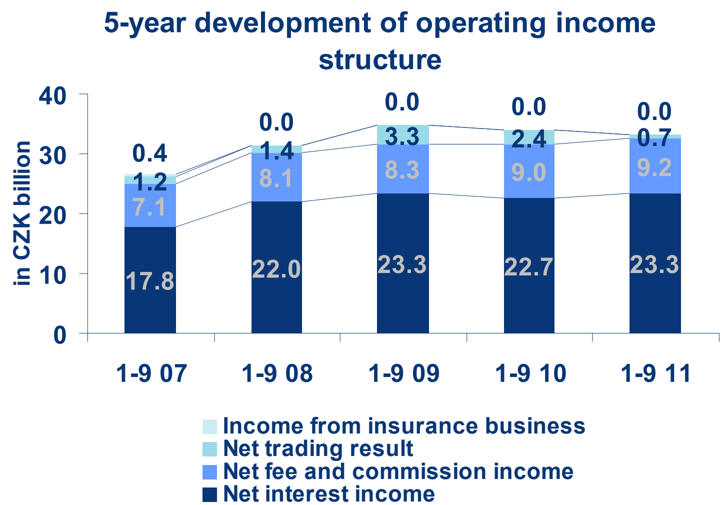
in CZK million	Sep 11	Dec 10	Change
Amounts owed to credit institutions	62,213	52,459	18.6%
Amounts owed to customers	700,987	670,725	4.5%
Debt securities in issue	50,057	47,723	4.9%
Derivative financial instruments	19,249	14,674	31.2%
Trading liabilities	201	630	(68.1%)
Other provisions	2,203	2,145	2.7%
Current tax liabilities	166	23	>100.0%
Deferred tax liabilities	321	197	63.2%
Other liabilities	15,594	10,939	42.6%
Subordinated capital	4,712	11,168	(57.8%)
Total equity	76,327	70,948	7.6%
attributable to non-controlling interests	108	168	(35.7%)
attributable to owners of the parent	76,219	70,780	7.7%
Total liabilities and equity	**932,029**	**881,629**	**5.7%**

Note: Figures as of 31 December 2010 were restated according to new methodology, accrued interest is now integrated in respective asset and/or liability.

Performance analysis –
Core earnings up by 3%, operating result down by 3%

- **Operating result down by 3% YTY due to decline in operating income, core earnings increased**
  - Core earnings (NII + net fee income) rose by 3%, total operating income declined by 2%
  - Operating expenses decreased by 1%
- **Net trading result decreased by 72% YTY to CZK 0.7 bn**
  - Affected by turbulences on financial markets
  - Profit from FX transactions declined to CZK 0.8 bn due to extraordinary high income in Q1-3 2010 (CZK 1.9 bn)
- **Other operating result**
  - Impacted by revaluation of real estate investments and higher contribution to deposit insurance fund
- **Results from financial assets worsened**
  - Due to negative result from securities

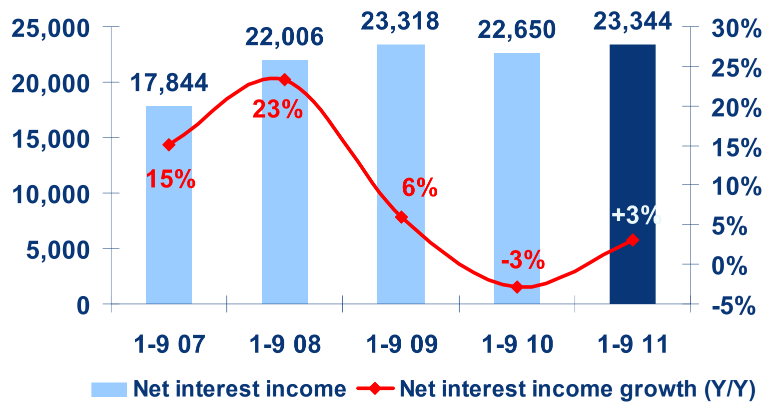




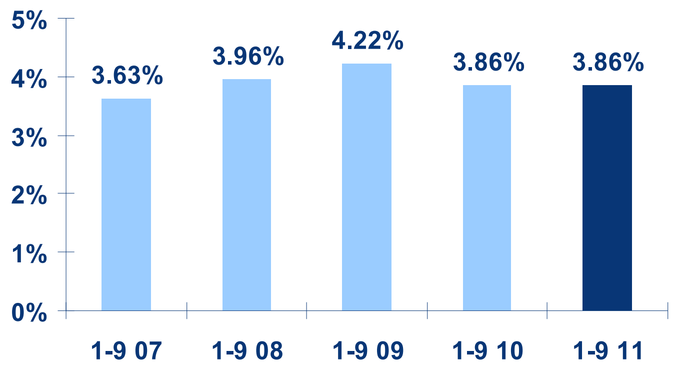
Performance analysis – NII increased despite low interest rates

- **NII increased by 3% YTY due to effective placement of liquidity; in Q3 NII rose by 8% compared to Q2 2011 (QTQ)**
  - 2W repo rate still at historically low 0.75% since May 2010
  - Persisting low costs of funds
- **NII from securities grew by 23% YTY**
  - Affected by growing volume of HTM assets (+35% YTY) and FV portfolio (+93% YTY)
- **NII from customer business increased by 1% compared to Q1-3 2010**
  - Positive impact of growing mortgage and SME loans
  - Amounts owed to customers increased by 3% YTY
- **NII from credit institutions down by 14% YTY**
  - Loans to credit institutions decreased by 22% YTY
- **NIM remained flat despite historically low market interest rates**

Development of Net Interest Income (CZKmn)

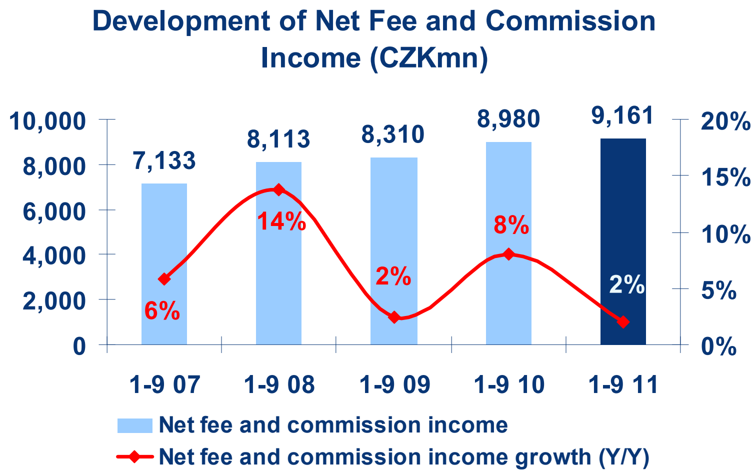


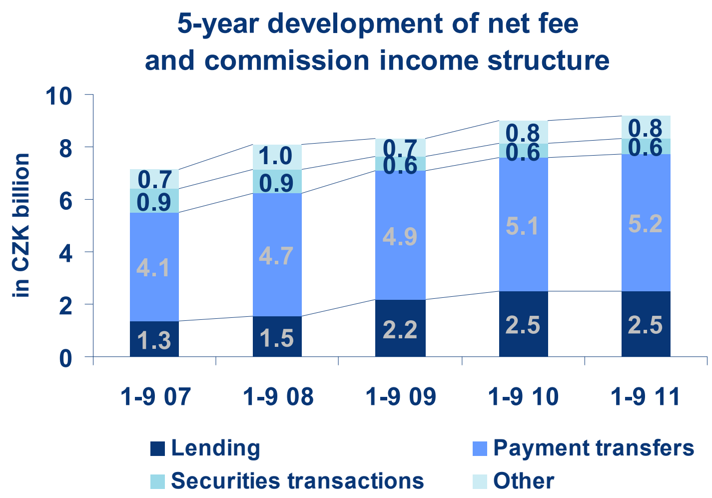
Net interest margin



Performance analysis – Net fee income grew by 2%

- **Growth in net fee income reflects higher contribution from securities business and from payment transactions**
  - Price list has not changed
- **Net fee income from securities increased by 10% YTY**
  - Benefited from growing number of mutual fund transactions
  - Higher income from brokerage
- **Net fee income from payment transactions and account maintenance grew by 3% YTY**
  - Due to growing number and volumes of payment transactions (number of direct banking transactions rose by 13% YTY)
  - Net fee income from card business increased by 6%
- **Net fee income from lending almost at the same level as in the comparable period**

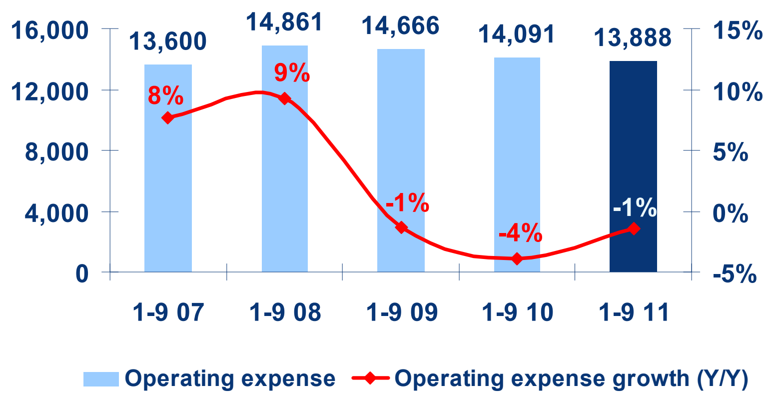




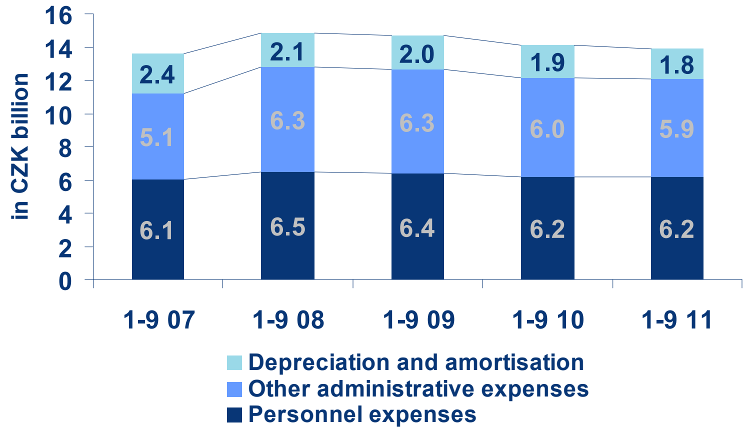
Performance analysis –
Operating expenses decreased by 1%

- **Operating expenses close to 2007 level; Q3 expenses lower by 3% than in Q2 2011**
- **Other administrative expenses went down by 2% YTY**
  - Attributable to lower expenses for communication, IT and office expenses
- **Depreciation on fixed assets decreased by 6% YTY**
  - Attributed mainly to lower depreciation on acquired software and licences
- **Personnel expenses at comparable level as in Q1-3 2010**
  - Excluding severance payments in connection with recent staff reduction personnel expenses down by 2% YTY
    - Number of employees decreased by 463 FTEs (- 4%) compared to the same period in 2010

Development of Operating Expenses (CZKmn)



5-year development of operating expenses structure

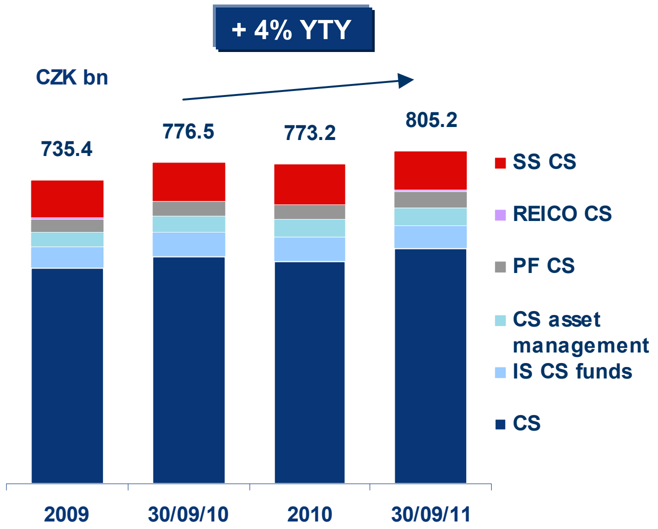


Performance analysis – Client funds under CS Group management

- **Total volume of clients' assets increased by 4% YTY**
- **Bank deposits went up by 4% YTY**
  - Attributed to growing deposits from municipalities and private individuals
  - Demand deposits rose by 1% YTY, term deposits even by 12% YTY; share of term deposits rose to 25%
  - Bank deposits contribution to total client funds under CS Group management remained at the level of 71%
- **Assets in domestic mutual funds (managed by Investment company - ISCS) declined by 5% YTY**
  - Total volume of assets in mutual funds (incl. Reico and foreign funds) decreased by 6% YTY to CZK 65.9 bn
  - Growth in case of REICO company is mainly caused by investment into new special fund for qualified investor
- **Growth rate in pension fund assets at 9% (YTY)**
- **Assets under discretionary management (without mutual funds) rose by 14% YTY**

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

Total client funds



IFRS, in CZK bn	2009	30/09/10	2010	30/09/11	Change (YTY)
CS - banking deposits	521.9	551.3	539.3	570.7	3.5%
CS - asset management	35.7	39.8	41.3	45.3	13.9%
IS CS - mutual funds	51.7	56.7	59.1	53.7	-5.3%
REICO - real estate funds	1.2	1.2	1.9	3.3	>100%
PF CS - pension fund	32.5	34.2	35.2	37.2	8.8%
SS CS - building society	92.4	93.2	96.3	95.1	2.0%
Total	**735.4**	**776.5**	**773.2**	**805.2**	**3.7%**

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 40 bps YTY due to higher Tier I capital including retained earnings from 2010**
  - Tier I capital increased by 15% compared to 9/2010 (+14% since December 2010)
  - Total Tier I + Tier II capital rose by 4% YTY
  - Tier II capital declined by 57% as CS bought back its subordinated debt from Erste Group Bank of CZK 6.5 bn in May 2011
- **Total capital requirements went up by 2% YTY**
  - Capital requirement to credit risk higher by 4%
- **Risk weighted assets rose by CZK 4% YTY**

Parent Bank, CZK m	30/9/2010	31/12/2010	30/9/2011
Tier I capital	50,754	50,424	58,028
Tier I + Tier II capital	56,290	56,461	58,300
Capital requirement to credit risk	27,786	27,873	28,744
Capital requirement to market risks	283	388	579
Capital requirement to operational risk	4,100	4,228	3,999
Risk weighted assets	347,325	348,413	359,300
Capital adequacy Tier I ratio	**12.6%**	**12.4%**	**13.9%**
Capital adequacy Tier I+II ratio	**14.0%**	**13.9%**	**14.0%**

CS Group, CZK m	30/9/2010	31/12/2010	30/9/2011
Tier I Capital	56,572	57,071	65,046
Tier I+II Capital	62,470	63,687	65,254
Capital requirement to credit risk	30,043	30,136	31,230
Capital requirement to market risks	439	543	757
Capital requirement to operational risk	5,227	5,356	4,267
Risk weighted assets	375,538	376,700	390,375
Capital Adequacy Tier I ratio	**12.7%**	**12.7%**	**14.4%**
Capital Adequacy Tier I+II ratio	**14.0%**	**14.1%**	**14.4%**

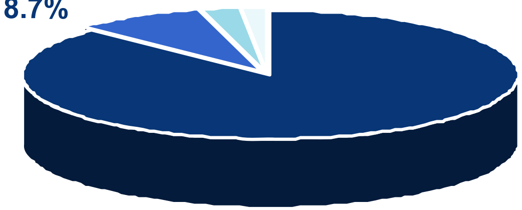
Performance analysis –
Growth in private mortgages and corporate

- **Group loan portfolio saw growth of 1.4% YTY and 2.5% increase YTD**
  - Continuing growth in private mortgages
  - New business in SME and Group Large Corporate
- **Risk costs decreased by 38% or 85 bps YTY to 139 bps**
  - Improvement in corporate as well as retail business
- **Quality of loan portfolio measured by NPL share remained flat at 6.4%**
  - NPL coverage kept at strong 71%
- **No sovereign exposure to Italy, Spain, Ireland, Portugal or Greece**
  - Limited exposure only towards corporate and banks in these countries: CZK 0.6 bn in Italy, CZK 1.6 bn in Spain and CZK 0.5 bn in Ireland

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

- **Group loan portfolio grew (+1.4% YTY)**
  - Growth in CS Bank and leasing partly offset by decline in Stavebni sporitelna
- **Bank loan portfolio added 1.7% (CZK 7.3 bn) YTY**
  - Driven by corporate lending +4.2% (CZK 6.7 bn) YTY
- **Share of subsidiaries on Group loan portfolio slightly lowered to 12.9%**
  - Stavebni sporitelna (Building society) dropped by 5.9% (CZK -2.7 bn) YTY due to currently less favourable market conditions compared to mortgages
  - Growth of export financing in Factoring +7.2% (CZK 0.1 bn) YTY

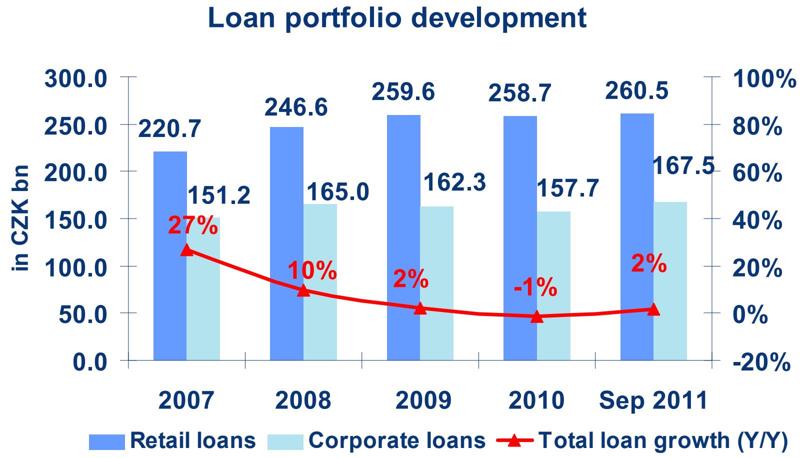
Loan Book by Group members as of 30 September 2011



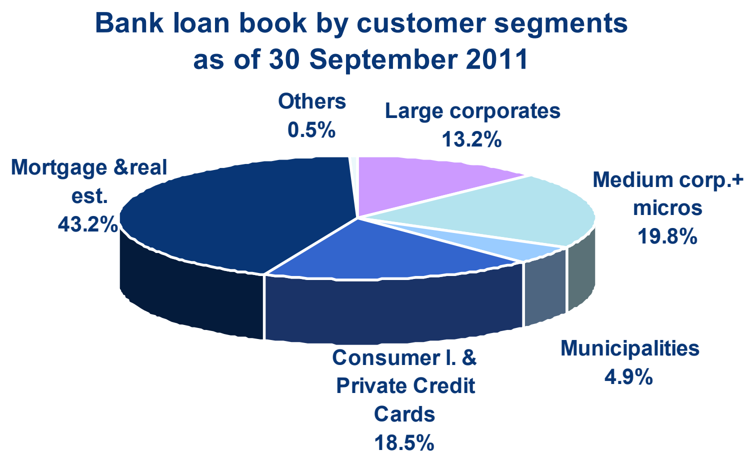
in CZK m, IFRS	30.9.2011	31.12.2010	30.9.2010	YTY Change
I. CS Bank	428,289	416,706	420,956	1.7%
II.1. Stavebni sporitelna CS	42,824	45,099	45,526	-5.9%
II.2. Leasing (sAL, sML)	12,249	7,902	8,477	44.5%
II.3. Factoring CS	1,640	1,740	1,530	7.2%
II.4. Brokerjet CS	397	504	519	-23.5%
II.5. Other subsidiaries	6,280	5,734	6,054	3.7%
III. Consolidation items	-20,114	-17,615	-17,834	12.8%
Total Loans (consolidated)	**471,565**	**460,070**	**465,229**	**1.4%**

Performance analysis – CS Bank balance sheet
Portfolio growth in Retail as well as Corporate

- **Loans to retail customers rose by 0.5% YTY**
  - Increase in private mortgages +6.7% YTY, commercial mortgages +4.7% YTY and private credit cards +0.6% YTY
  - Partly offset by decline in consumer lending -7.0% YTY and micro corporates -6.0% YTY

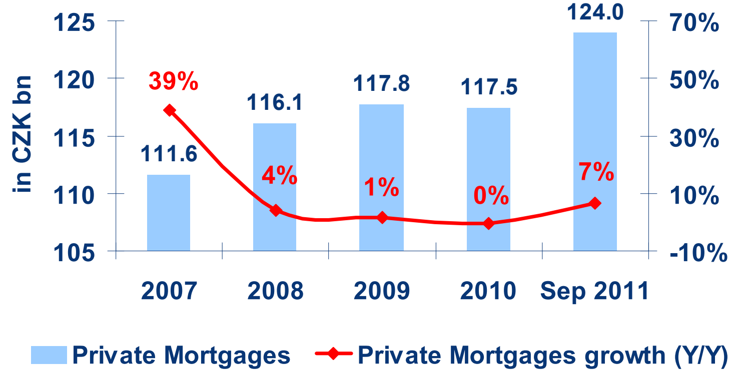


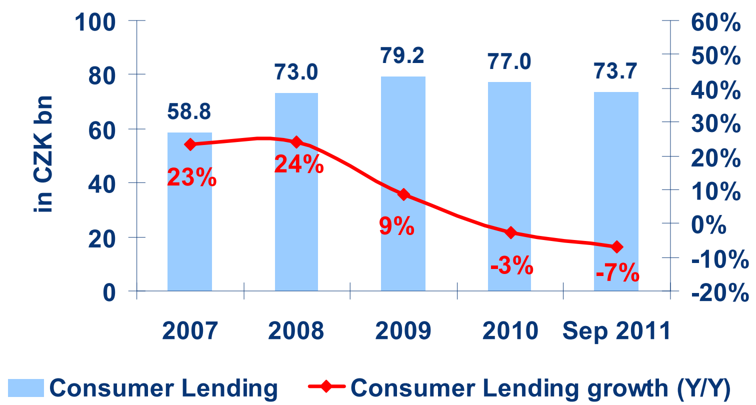
- **Corporate loans grew by 4.2% YTY**
  - Group Large Corporate increased by 8.6% YTY due to new loans to existing clients
  - SMEs up by +6.5% thanks to new business with existing and also new clients
  - Corporate Mortgage and Real Estate remained flat



Performance analysis – CS Bank balance sheet
High demand on mortgage market continued

- **Volume of private mortgages further accelerated and reached CZK 124.0 bn (+6.7% 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 m; LTV ratio at 66.9% (66.2% in YE 2010)
  - Whole portfolio: inflow of new mortgages slightly increased average maturity to 21.4 years and residual maturity to 17.1 years; LTV ratio stable at comfortable 63.2%
- **Consumer lending declined by 7.0% (CZK -5.5 bn) YTY**
  - Due to relatively still high unemployment the market potential continued to be limited

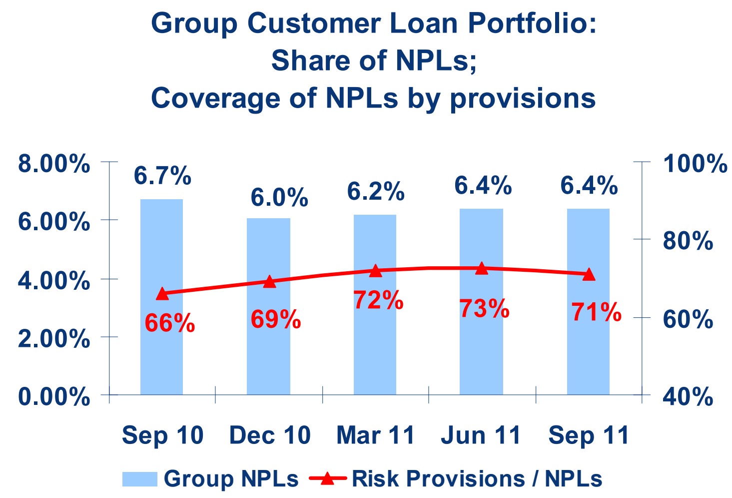


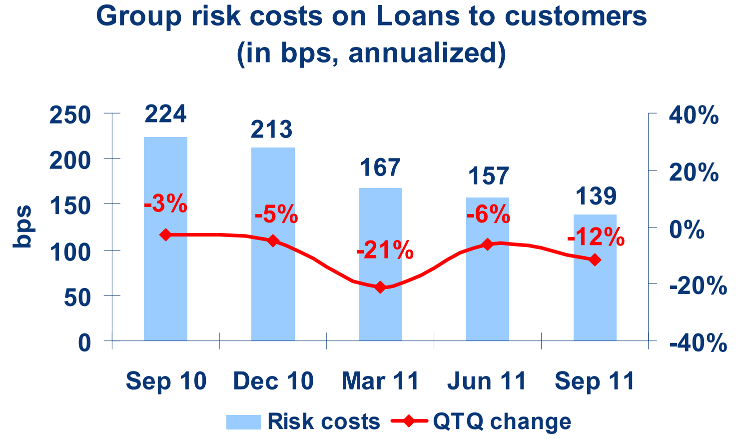


Note: Consumer loans include home equity loans and exclude credit cards

Performance analysis – Risk costs improvement carried on

- **Group share of NPL flat in QTQ comparison at 6.4% (-2 bps)**
  - Share of NPL remained flat thanks to improvement in retail and growth of loan portfolio volume
  - NPL provision coverage at ample level of 71%
  - Total coverage (provisions and collateral to NPL) at 123%
- **Annualized group risk costs declined to 139 bps**
  - Driven by continuing improvement in corporate as well as retail business
- **According to CNB methodology share of defaulted loans at 7.1% (7.6% in 9/2010)**





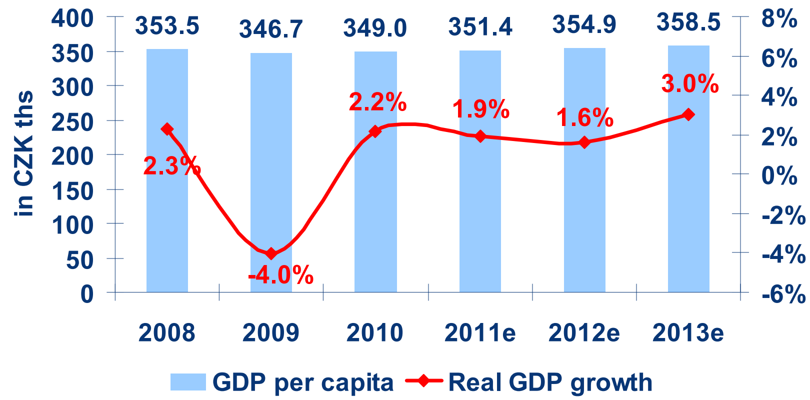
Presentation topics

Macroeconomic environment –
2011 – fixed investment to drive the growth, labour market to improve only gradually

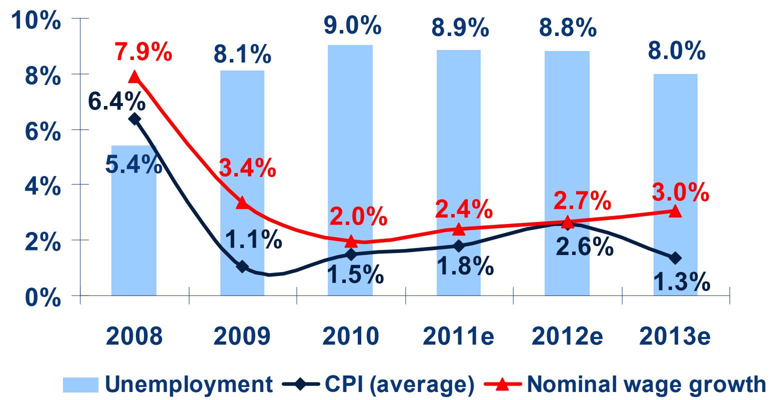
- H1 11: The Czech economy grew by 2.6% YTY[1] in the first half of 2011, driven by real exports and fixed investments (+13.4% YTY, resp. 3.9% YTY, both are final figures for Q1 11 and Q2 11 respectively)
- As expected, fixed investments rose YTY for the 1st time since Q1 08, this being due to pent-up demand, better financing conditions, a rise in capacity utilization, a better 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. No improvement expected in the H2 11 and only a growth of 0.2% YTY foreseen for 2012 as fiscal restriction continues (via higher VAT) and labour market improvement will be small
- The growth is also hampered by government spending – this is a price for good progress by Czech government making towards restoration of fiscal soundness
- Same story (exports and investments against weak households) holds for 2012. GDP growth expected at around 1.6%

[1]All data based on latest Quarterly National Accounts (Sep-08-2011). These will be revised to reflect the new estimates of the size of the grey economy (the changes will not be material enough to change the overall picture).

Key economic indicators



Unemployment vs inflation vs wage growth

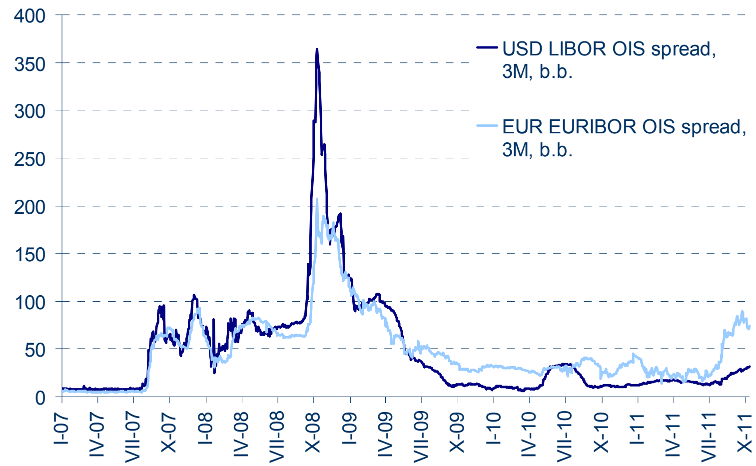


Macroeconomic environment – Debt crisis so far with limited real-economy impact…

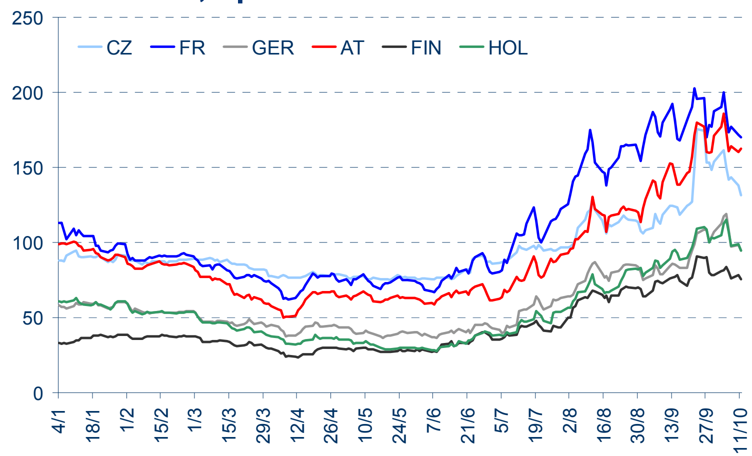
- **Political inability roiled the markets, threatening global recovery**
  - Conditions worsened on the financial markets because politicians are unprepared for the fiscal challenges. Debt ceiling brinkmanship in the USA, EMU hesitation vis-à-vis the debt crisis scared the markets
  - Problems in the EMU are feeding into the banks, conditions on the EMU interbank markets are reminiscent of 2007/2008. Markets can easily seize up as in 2008 and problems will spill over into real economy

- **Limited impact on Czech economy so far as markets view Czech Republic as regional safe-haven**
  - 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)
  - Also, indirect effects (via markets) have been small so far: CZK weakened only a bit, spreads to German yields widened but level of yields fell
  - CDS on Czech government are below some countries with higher rating such as France
  - Czech Republic is perceived as a regional safe-haven, a view solidified by progress with reforms and August 2011 S&P two-notch ratings upgrade

European interbank markets under strain



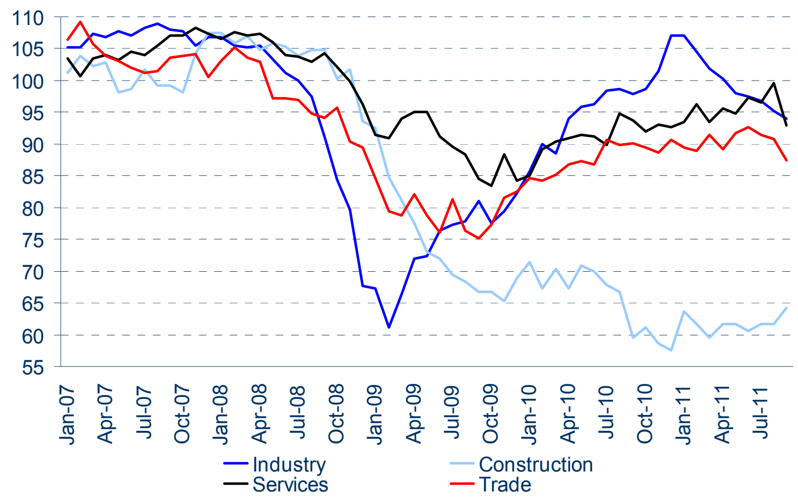
5Y CDS, bps. on AAA countries and on CZ



Macroeconomic environment – …but the likelihood of bad outcome increased with EMU temporization

- **There is no way escaping the full-blown EMU recession if debt crisis isn't addressed soon**
  - So far, the largest impact of the debt crisis has been on expectations but if crisis is left unchecked for a prolonged period of time the consuming self-fulfilling prophecy will be created (via eroded confidence)
  - The longer the crisis is allowed to rage the higher the likelihood of Lehman-like event
  - The decisive action on the part of the EMU is sorely needed – EFSF needs to be expanded, banks recapitalized, insolvent sovereigns allowed to orderly default
- **Two alternatives for the EMU (and CR) economy now, both should be better than the 2009 recession**
  - 1) Politicians get on top of the situation and bring the debt crisis under control. Some damage has been already done (PMI shows this) and will be felt over following quarters – hence the downward revisions of 2012 GDP growth
  - 2) Situation escalates and ends up Lehman way. In this case, EMU slides back into recession but the global impact should be smaller than in 2008/9. No global recession should follow as EMU debt crisis has fewer potential spillovers into the broader world. Emerging markets would continue to grow, keeping global economy afloat and providing support to Germans, Czechs

Confidence in Czech economy



Macroeconomic environment – Pension reform

Although Senate rejected pension reform laws, Lower House is expected to outvote its decision. What does the final proposal 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 2.5mn 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 1mn 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 4.5mn)
- 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

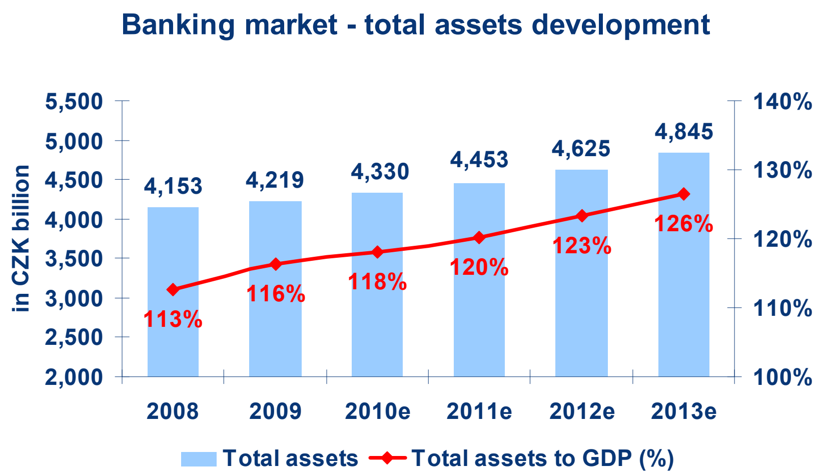
- II. Pillar: Overall in-flow of about CZK 15-50bn a year (in the first years, the amount will probably gradually grow as new participants will enter the market and subsequently second pillar of pension system)
- III. Pillar: Additional in-flow to III. pillar funds of around CZK 20bn

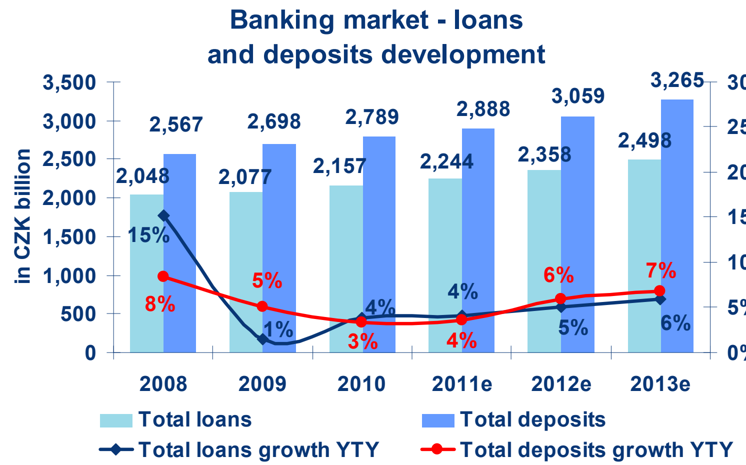
Presentation topics

- 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
  - Low FX loans ratio
    - households less then 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 August, Czech financial sector remains resilient to wide range of risks**
  - In the most adverse scenario tested capital injection into banking sector would total CZK 13.4 bn, approx. 0.3 % of GDP



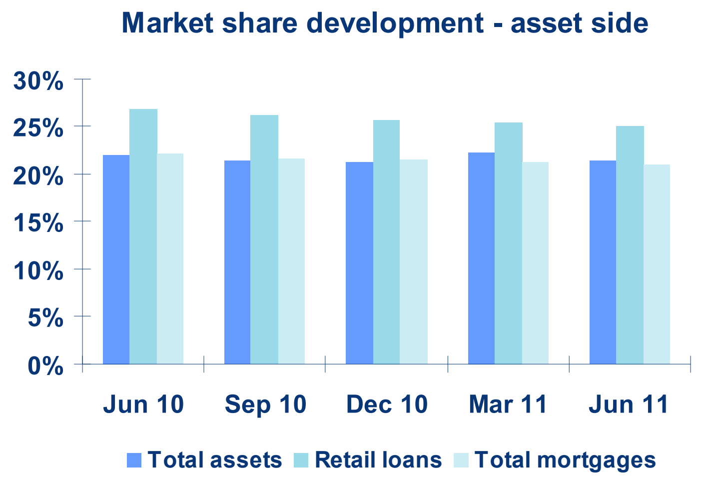


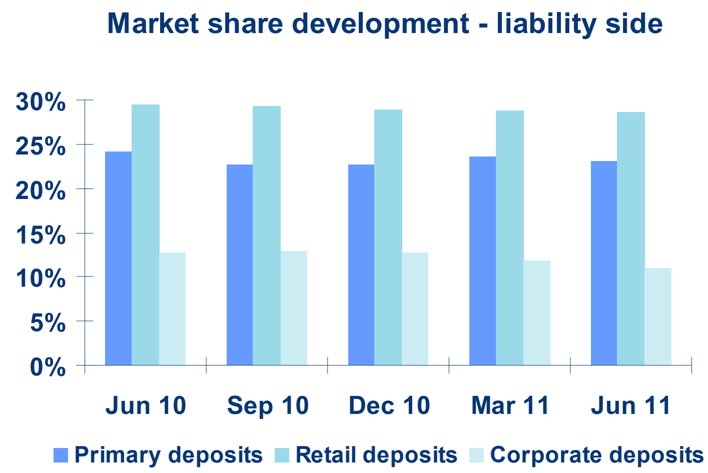
Source: CNB, CS estimates

CS market shares –
Market leadership maintained (as of June 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 38%)
  - No. 1 by total deposits (market share 23%)
    - 29% in retail deposits, 11% in corporate deposits
  - No. 1 in number of payment cards (market share 33%)
    - 19 % in credit cards
  - No. 1 by total assets (market share 22%)
  - Second
  - 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, AKAT, Bank Card Association





Presentation topics

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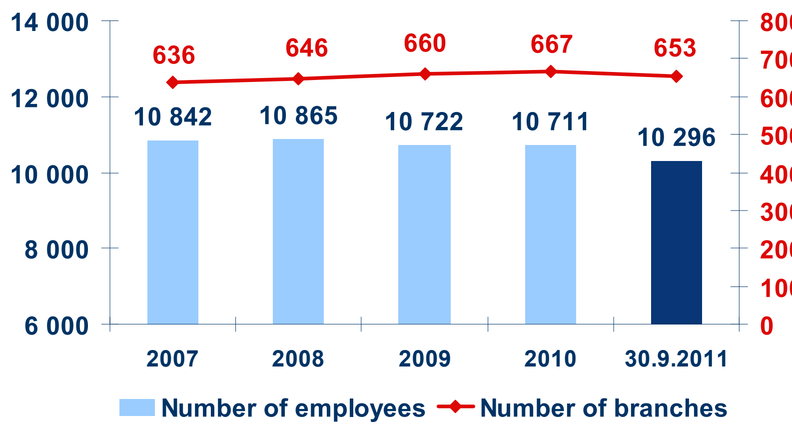
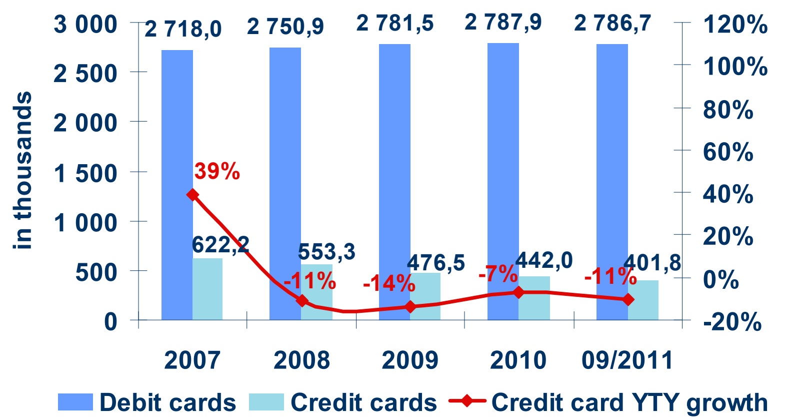
- **Appendix**

Main indicators

Number of branches vs number of employees

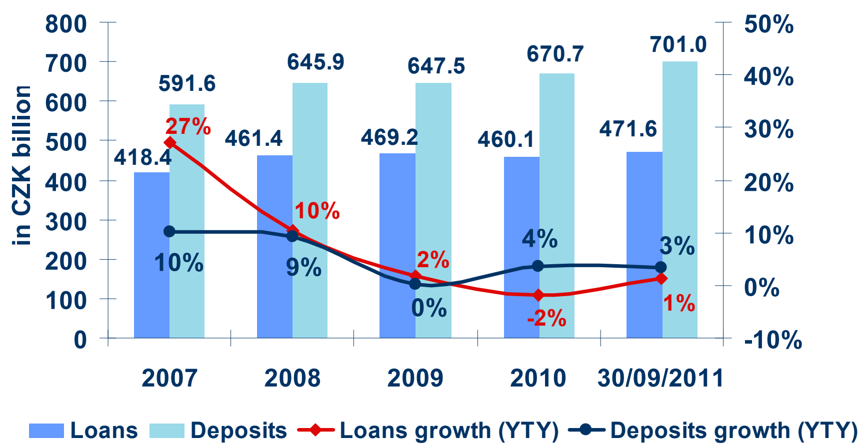


Bank cards development*



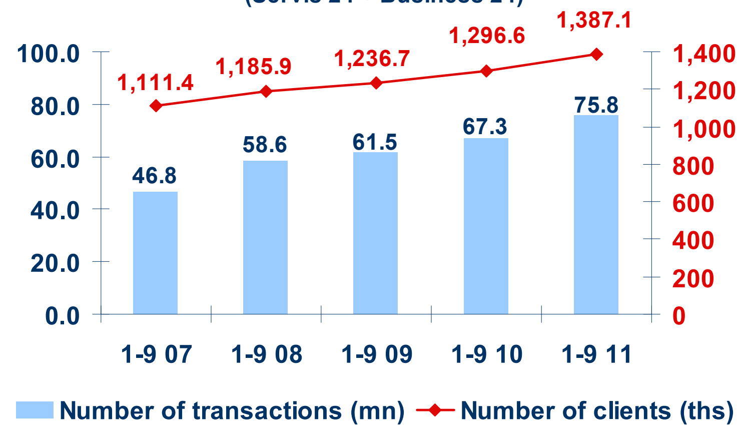
**Development in credit cards impacted by continuing abolishing inactive cards, volume of transactions in Q1-3 2011 up by 4% YTY*

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	30/09/2011		31/12/2010		30/09/2010		Q3 2011 YTD		YTY change	
	Outstand.	Share	Outstand.	Share	Outstand.	Share	Outstand.	Rate	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	**428,079**	**90.8%**	**416,406**	**90.5%**	**419,982**	**90.3%**	**11,672**	**2.8%**	**8,096**	**1.9%**
1. CORPORATES	**167,555**	**35.5%**	**157,667**	**34.3%**	**160,814**	**34.6%**	**9,888**	**6.3%**	**6,740**	**4.2%**
GCIB	**55,982**	**11.9%**	**51,499**	**11.2%**	**53,918**	**11.6%**	**4,483**	**8.7%**	**2,064**	**3.8%**
Group Large Corporate	27,023	5.7%	21,495	4.7%	24,875	5.3%	5,529	25.7%	2,149	8.6%
Group Corp. Mortgage&Real Estate	28,958	6.1%	30,004	6.5%	29,043	6.2%	-1,046	-3.5%	-85	-0.3%
Local Corporate	**111,573**	**23.7%**	**106,168**	**23.1%**	**106,896**	**23.0%**	**5,405**	**5.1%**	**4,677**	**4.4%**
Large Corporates	29,327	6.2%	29,868	6.5%	29,047	6.2%	-541	-1.8%	280	1.0%
Medium Corporates (SMEs)	63,110	13.4%	58,108	12.6%	59,275	12.7%	5,002	8.6%	3,835	6.5%
Local Corp. Mortgage&Real Estate	5,973	1.3%	5,685	1.2%	5,879	1.3%	288	5.1%	93	1.6%
Municipalities	13,163	2.8%	12,507	2.7%	12,695	2.7%	656	5.2%	468	3.7%
2. RETAIL	**260,524**	**55.2%**	**258,740**	**56.2%**	**259,168**	**55.7%**	**1,784**	**0.7%**	**1,356**	**0.5%**
Private Credit cards	5,395	1.1%	5,523	1.2%	5,362	1.2%	-129	-2.3%	33	0.6%
Consumer lending	73,718	15.6%	77,038	16.7%	79,238	17.0%	-3,320	-4.3%	-5,520	-7.0%
Private social	2,030	0.4%	2,281	0.5%	2,370	0.5%	-251	-11.0%	-340	-14.4%
Private mortgages	124,009	26.3%	117,519	25.5%	116,274	25.0%	6,490	5.5%	7,734	6.7%
Micro corporates (MSEs)	21,569	4.6%	22,539	4.9%	22,937	4.9%	-969	-4.3%	-1,367	-6.0%
Commercial mortgages	26,076	5.5%	25,446	5.5%	24,900	5.4%	631	2.5%	1,177	4.7%
Small municipalities	7,727	1.6%	8,394	1.8%	8,087	1.7%	-667	-8.0%	-360	-4.5%
II. FINANCIAL MARKETS	**210**	**0.0%**	**299**	**0.1%**	**974**	**0.2%**	**-89**	**-29.7%**	**-763**	**-78.4%**
BANK LOANS TO CUSTOMERS	**428,289**	**90.8%**	**416,706**	**90.6%**	**420,956**	**90.5%**	**11,583**	**2.8%**	**7,333**	**1.7%**
III. SUBSIDIARIES	**63,390**	**13.4%**	**60,979**	**13.3%**	**62,107**	**13.3%**	**2,411**	**4.0%**	**1,283**	**2.1%**
IV. CONSOLIDATION ITEMS	**-20,114**	**-4.3%**	**-17,615**	**-3.8%**	**-17,834**	**-3.8%**	**-2,499**	**14.2%**	**-2,280**	**12.8%**
GROUP LOANS TO CUSTOMERS	**471,565**	**100.0%**	**460,070**	**100.0%**	**465,229**	**100.0%**	**11,495**	**2.50%**	**6,336**	**1.4%**

Net profit of selected subsidiaries

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

IFRS, CZK m	Q3 2011	Q3 2010	% Change
CS Building Society	911	958	-5%
sAutoleasing	35	2	>100%
Pension Fund CS*	486	562	-13%
Factoring CS	40	9	>100%

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

Financial results by quarters

in CZK million	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Net interest income	7,551	7,703	7,616	7,415	7,997	7,932
Risk provisions for loans and advances	(2,622)	(2,476)	(1,974)	(1,950)	(1,692)	(1,270)
Net fee and commission income	3,118	2,992	3,187	3,019	3,046	3,096
Net trading result	206	956	594	935	440	(704)
General administrative expenses	(4,634)	(4,635)	(4,586)	(4,725)	(4,602)	(4,561)
Other operating result	(259)	(1,106)	(774)	(332)	(824)	(958)
Results from financial assets	(46)	(118)	86	362	(159)	(599)
Pre-tax profit	**3,314**	**3,316**	**4,150**	**4,724**	**4,206**	**2,935**
Taxes on income	(640)	(765)	(476)	(915)	(804)	(628)
Profit for the year after taxes and before controlling interests	**2,674**	**2,551**	**3,674**	**3,809**	**3,402**	**2,307**
Net profit for the year						
attributable to owners of the parent	**2,680**	**2,449**	**3,772**	**3,803**	**3,409**	**2,343**
attributable to non-controlling interests	(6)	101	(97)	6	(7)	(36)
Operating income	10,875	11,651	11,397	11,369	11,483	10,323
Operating expenses	(4,634)	(4,635)	(4,586)	(4,725)	(4,602)	(4,561)
Operating result	**6,241**	**7,016**	**6,811**	**6,644**	**6,881**	**5,762**

Note: All data reported at cost valuation of investment property

Segment financial statements – Income statement

ČESKÁ SPOŘITELNA

in EUR million	1-9 11	1-9 10	Change
Net interest income	900.3	810.8	11.0%
Risk provisions for loans and advances	(188.6)	(284.1)	(33.6%)
Net fee and commission income	372.4	348.2	6.9%
Net trading result	(19.2)	48.1	na
General administrative expenses	(543.7)	(532.3)	2.1%
Other result	(114.3)	(62.9)	81.7%
Pre-tax profit	**406.8**	**327.8**	**24.1%**
Taxes on income	(80.2)	(66.6)	20.4%
Post-tax profit from discontinuing operations	0.0	0.0	na
Net profit for the period	**326.5**	**261.2**	**25.0%**
Attributable to non-controlling interests	3.7	8.5	(56.9%)
Attributable to owners of the parent	**322.9**	**252.6**	**27.8%**
Operating income	1,253.4	1,207.1	3.8%
Operating expenses	(543.7)	(532.3)	2.1%
Operating result	**709.7**	**674.8**	**5.2%**

Exchange rate for Q1-3 2011: 24.36 CZK/EUR (average for the period)

Segment financial statements – Income Statement
(Quarterly development)

in EUR million	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Change (YoY)
Net interest income	274.7	276.4	284.4	305.6	310.3	13.0%
Risk provisions for loans and advances	(96.0)	(81.8)	(70.9)	(68.5)	(49.2)	(48.7%)
Net fee and commission income	118.6	128.5	124.7	123.7	123.9	4.5%
Net trading result	30.4	14.4	15.5	(0.7)	(34.0)	na
General administrative expenses	(178.2)	(177.5)	(185.1)	(181.0)	(177.7)	(0.3%)
Other result	(50.2)	(20.4)	(7.7)	(39.2)	(67.4)	34.4%
Pre-tax profit	**99.3**	**139.7**	**161.1**	**139.9**	**105.8**	**6.5%**
Taxes on income	(23.0)	(16.1)	(31.0)	(26.8)	(22.4)	(2.7%)
Post-tax profit from discontinuing operations	0.0	0.0	0.0	0.0	0.0	na
Net profit for the period	**76.3**	**123.6**	**130.1**	**113.1**	**83.3**	**9.3%**
Attributable to non-controlling interests	4.8	(2.7)	2.5	1.5	(0.4)	na
Attributable to owners of the parent	**71.5**	**126.2**	**127.6**	**111.6**	**83.7**	**17.1%**
Operating income	423.7	419.3	424.7	428.6	400.1	(5.6%)
Operating expenses	(178.2)	(177.5)	(185.1)	(181.0)	(177.7)	(0.3%)
Operating result	**245.4**	**241.8**	**239.6**	**247.6**	**222.4**	**(9.4%)**

Exchange rate for Q3 2011: 24.39 CZK/EUR (average for the period)

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