6th Capital Markets Day

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Approaching the slowdown from a solid base

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Doing business in the Czech Republic – Attractive mix of stability and growth

- **Stable and still growing economy**
  - Advantageous geographical location, well-connected to East and West alike
  - Czech economy slowing but still growing
  - Stable economy with no external/internal macroeconomic imbalances, low national debt (as a percentage of GDP) and low FX debt
  - Banking sector with minuscule exposure to toxic assets and healthy liquidity situation
  - Overall well positioned to withstand the current turmoil

- **Favourable tax regime**
  - Gradually declining corporate tax rate (24% in 2007 → 21% in 2008 → planned 19% in 2010, ongoing debate about lowering it further to as low as 15% in response to the current crisis)
  - 15% flat personal income tax (on supergross salary, i.e. salary including social security contributions)

- **Growing wealth of Czech population**
  - Continuously increasing real disposable income – converging towards EU levels
  - Reduced personal income tax and caps on social and health insurance support customers' increasing wealth

- **Well educated labour force**

Presentation topics

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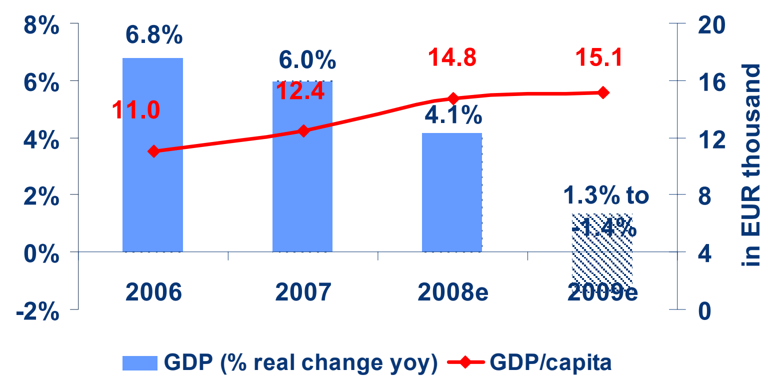
- **Czech macroeconomic environment**
  - Solid macroeconomic conditions with slowdown ahead
  - Inflation to fall; CNB to take decisive action to help recovery
- **Czech banking market development**
  - Growth slowdown in 2009
  - CS market leadership maintained
- **CS position and strategy**
  - Financial highlights
  - Responsible lending strategy
  - NPLs and risk costs
  - Very strong liquidity position

All financial and market data are shown in EUR. Local currency data have been translated at the respective historic rates.
Growth rates and ratios are based on local currency data.

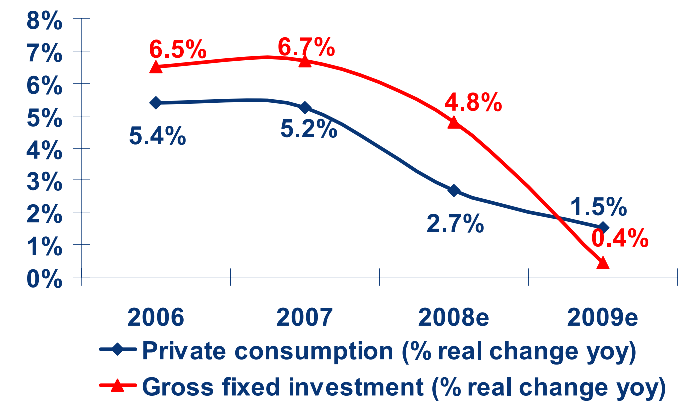
Macroeconomic environment – Solid conditions with slowdown ahead

- **GDP growth to moderate in coming years**
  - Czech economy grew by 4.2% yoy in Q3 2008
  - Economic recovery is expected after 2009; turnaround dependent on eurozone recovery
- **Growth is still driven by exports**
  - Due to global slowdown and strong currency, net exports will play significantly smaller role
  - Significant exposure to Germany and some segments of industry (cars – 5% of GDP)
- **Consumption growth will decline next year to 1.5% on two counteracting effects**
  - {+} supported by still rising real wages
  - {−} driven down by pickup in unemployment: from 5.3% in 2008 to 6.4% in 2009
- **Investment growth to slow down to close to 0% YOY**
  - {+} EU funds
  - {−} slowdown in eurozone, decrease in FDI, tighter credit making some projects unprofitable, construction boom ending

Key economic indicators



Analysis of growth drivers



Macroeconomic environment –
Inflation to fall, CNB to take decisive action to help recovery

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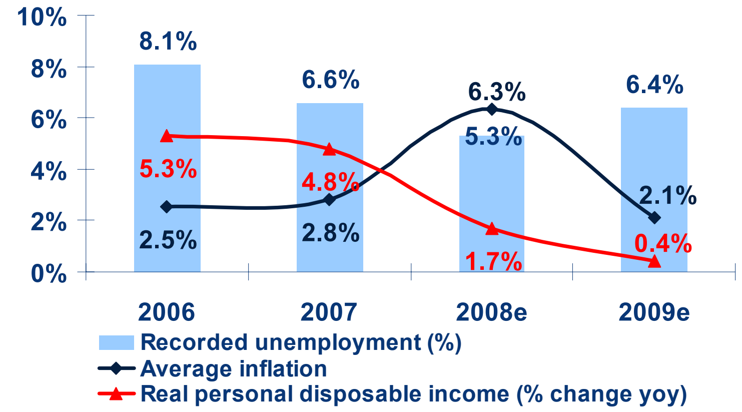
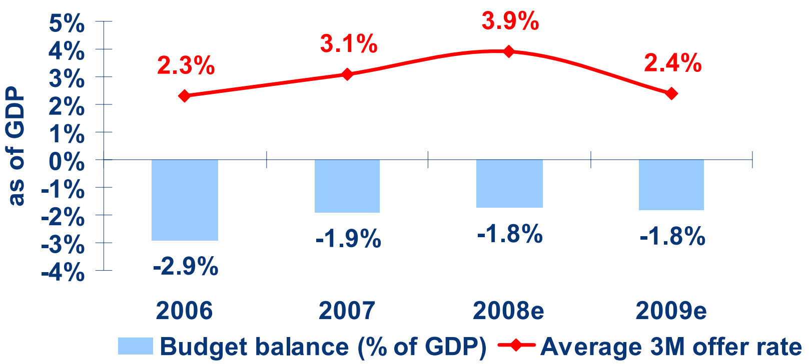
- **Deceleration of inflation to 2.1% in 2009**
  - One-off factors with base effects (tax reform, food prices)
  - Drop in oil prices (even accounting for CZK/USD development)
  - Slowdown of real economy
  - Lag-effect of strong currency (mainly 1Q/09)
- **Unemployment rate expected to gradually increase**
  - Still below 7% in 2009
- **Central bank to ease monetary conditions**
  - CZK is expected to slightly appreciate against the EUR in 2009 (slowdown in the trade balance improvement), 1H/09 to see weaker CZK (26+)
  - Further rate cuts expected with base rate reaching 1.75% in 1Q/09
  - Deeper slowdown/stronger koruna would bring more cuts as CNB is determined to fight slowing economy
- **No unsustainable external or internal imbalances**

Unemployment vs inflation vs wage growth



Interest rates vs government balance



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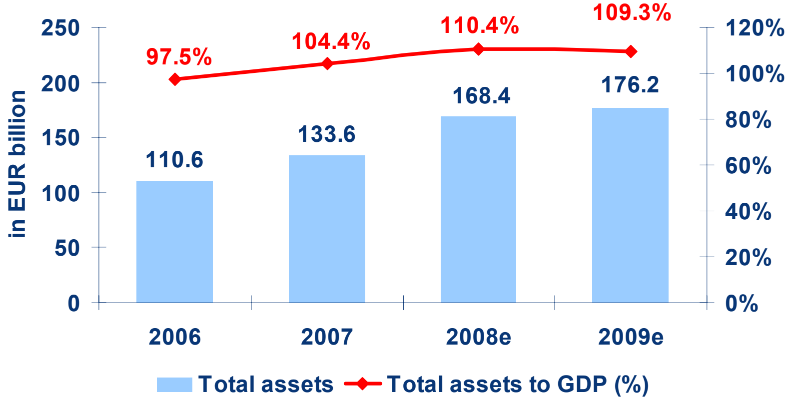
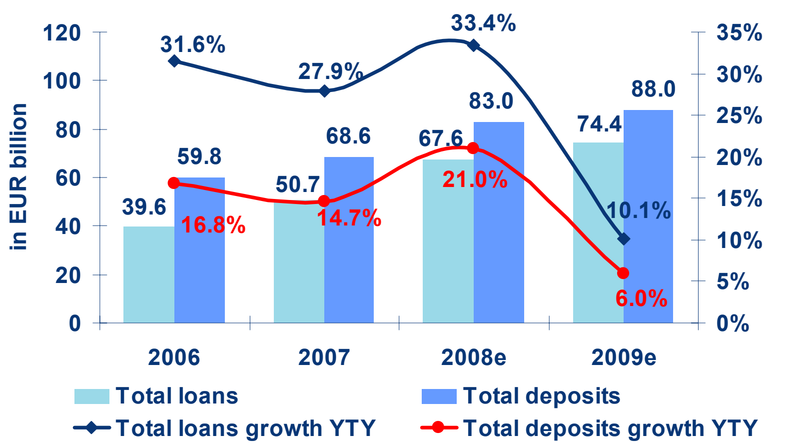
Banking market –
Growth slowdown in 2009

- **Banking assets growth continues**
  - Low penetration compared to western Europe
  - Total assets to GDP at 111% in H1 2008
  - Asset volume grew by 59% since 2003
  - Retail loans the main driver
- **Growth rate will slow down in 2009**
  - Lower growth expected mainly in housing and consumer loans
  - Still high compared to Western standards
- **Banking sectors' LTD ratio below 80%**
  - Slight increase can be expected for coming years but still well below 100%
- **Frozen interbank market remains issue**
  - CNB proactively addressing the issue: new 2W and 3M facilities but liquidity spread still elevated
- **Insignificant FX lending**
  - FX loans represent 13% of total loans and 90% of it is covered by FX deposits and FX revenues
- **Limited exposure to structured credit products**

Banking market - total assets development



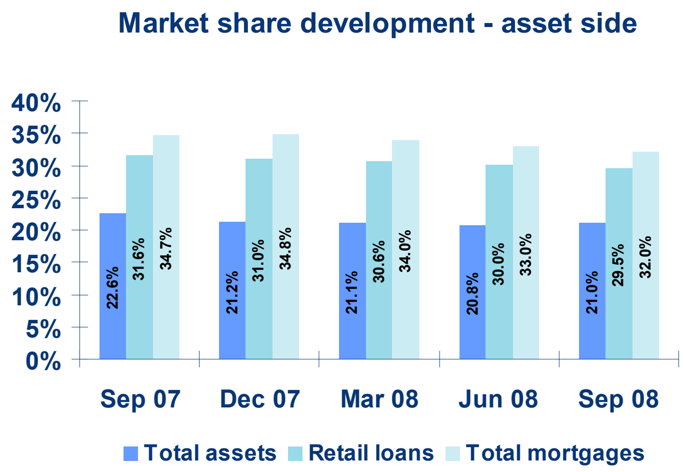
Banking market - loans and deposits development

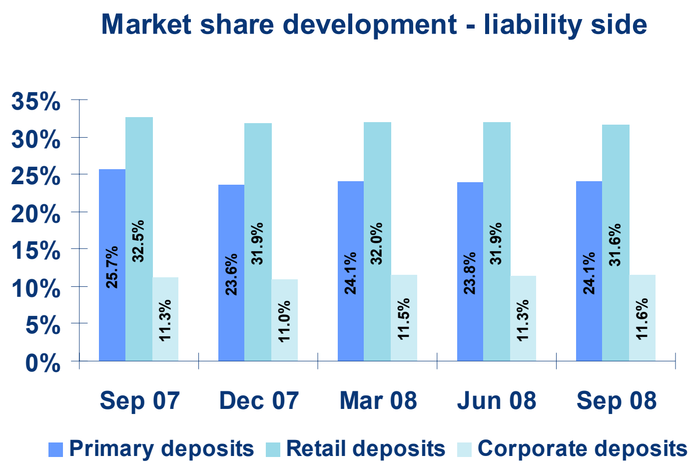


Source: CS estimates

Banking market –
CS market leadership maintained

- **Main competitors**
  - Komerční banka, ČSOB, GE Money Bank, Raiffeisen
- **Market structure remains stable**
  - Concentrated banking market
  - 37 banks in total, 30 owned by foreigners
  - 3 dominant players, including CS (45% of loans, 56% of deposits)
- **Market position overview**
  - No. 2 by total assets
  - No. 1 by total loans
  - No. 1 in mortgages
  - No. 1 in consumer loans
  - No. 1 by total deposits
  - No. 2 in mutual funds
  - No. 1 in number of payment cards (market share 40%)*
    - 48% in credit cards





Data as of 30 June 2008

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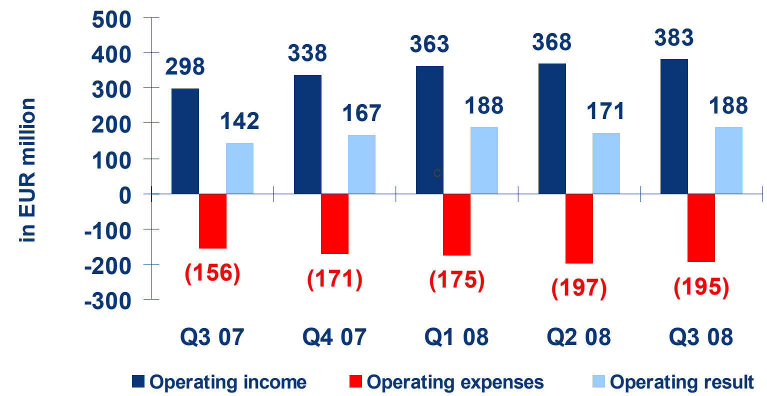
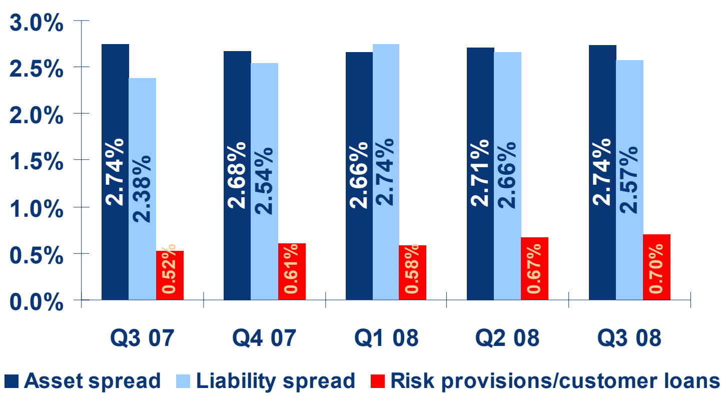
Position and strategy – Financial highlights

- **Operating income mainly driven by strong performance of net interest income**
  - Gradually improving net interest margin
- **Operating expenses reflect higher salaries and growing business volumes**
  - CIR has been declining (50.9% in 1-9 08)
- **Risk costs impacted by changing asset mix in favour of retail lending and aging effect of the loan portfolio**

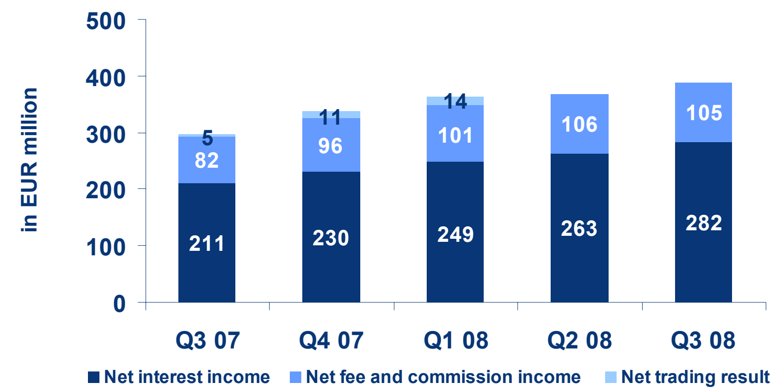
Segment operating performance



Quarterly spreads vs risk costs

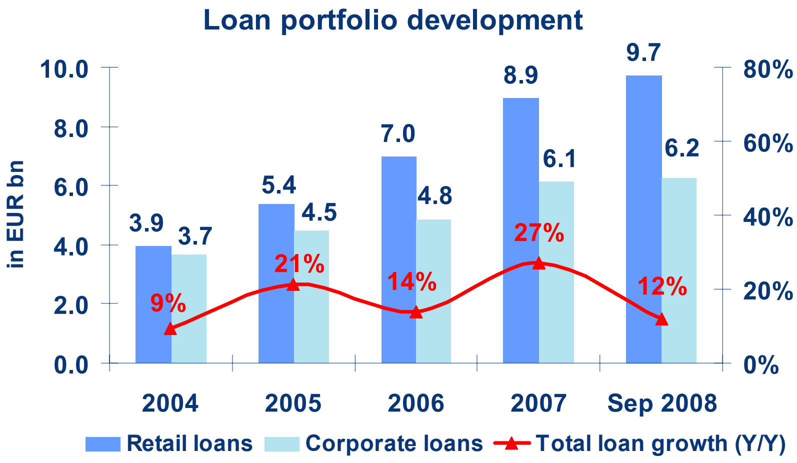


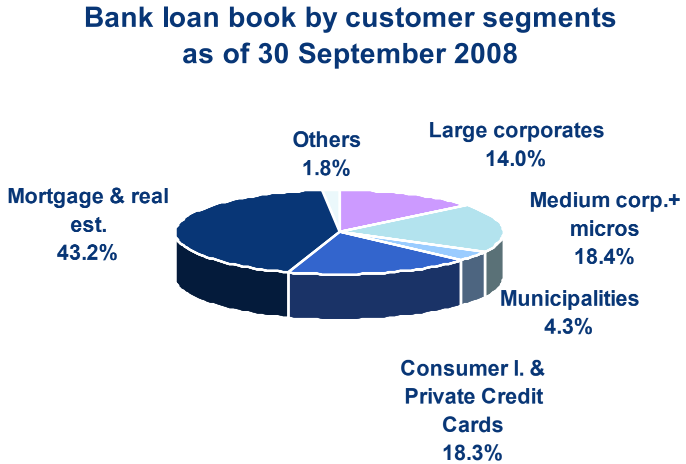
Operating income per quarter

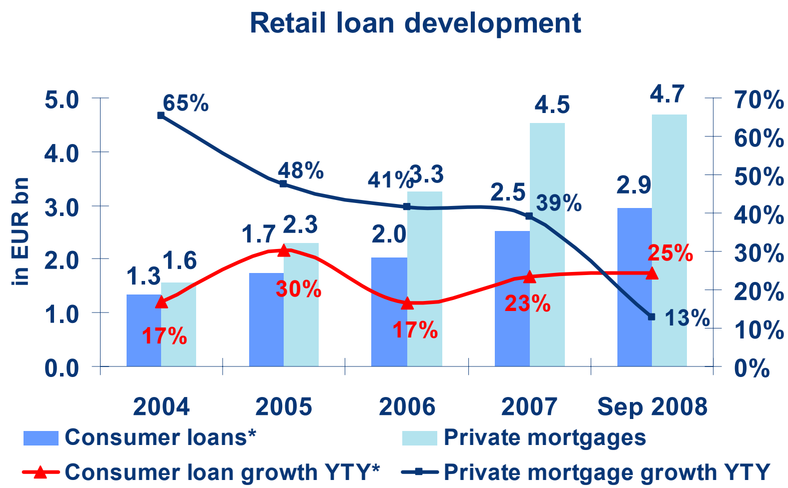


Position and strategy – Responsible lending strategy

- **Loan growth to continue at slower pace**
  - As a result of expected economic slowdown, tightening of lending procedures for mortgages (adopted at the beginning of 2008)
- **Main growth drivers will be consumer lending and housing loans**
  - Growing customer preference of building savings loans to mortgages expected
  - Private mortgages grew by 12.8% YTY and building savings loans by 37.2% YTY in Q3 2008





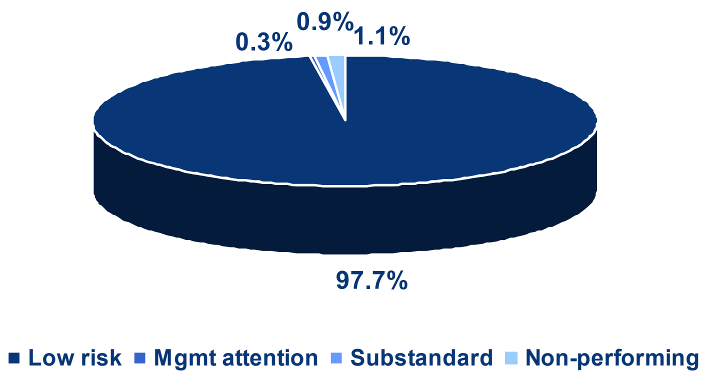


*Consumer loans including Private credit cards

Position and strategy – NPLs and risk costs

- **NPL ratio currently at very comfortable level (1%)**
  - NPL ratio is expected to rise in 2009 driven by both corporate and retail business
- **Proportion of NPLs expected to increase**
  - Driven by expected lower loan growth
  - Affected by aging of loan portfolio
  - Influenced by unemployment increase
  - Crisis should not have a direct influence on asset quality
  - FX loans are insignificant (3.5% of the Group loan portfolio as of Q3 2008)
- **Increasing risk costs in line with expectations**
  - Result of changing loan portfolio mix towards higher margin retail lending

Segment Czech Republic: Credit risk by class (Q3 08: EUR 33.9 bn)



Note: Credit risk and NPLs include loans and advances to customers and banks, fixed income securities (in trading portfolio, investments available for sale or financial investments) and derivatives as well as off-balance sheet credit risks (warranties, guarantees and letters of credit) and unused credit lines

Position and strategy – Very strong liquidity position

- **Loans to deposits ratio is lowest in Group**
  - Deposits grew faster than loans in Q3 2008
  - Slight increase of LTD ratio expected for next year (still well below 80%)
- **Deposits grew by 12% YTY in Q3 2008 (excluding repo operations)**
  - Further growth of client deposits expected due to shift from mutual funds to bank deposits
  - On demand deposits still prevail, building 53% of consolidated client deposits in Q3 2008
  - Cheap source of funding