



Press Release

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LBBW Bank CZ reports net profit of CZK 28m for the first half of 2010

Maintaining strong liquidity and high capital adequacy ratio, increase in individual clients' deposits, launching successful mortgage campaign.

LBBW Bank CZ presents its financial results for the first half of 2010. In comparison to the first quarter of 2010, its net interest income increased to CZK 286m, operating profit increased by 9.5% to CZK 15m and net profit for the first six months increased to CZK 28m. The total balance sheet as well as operating costs remained more or less on the same level as in 2009. In y-o-y comparison, LBBW Bank CZ managed to increase clients deposits by 7.9%, whereas just deposits from individual clients increased by 16.5%. This increase is a result of the bank's long term strategy to offer attractive conditions for deposit products. The capital adequacy ratio of LBBW Bank CZ shows a strong level of 13.67% in the second quarter of 2010.

„Our focus is to maintain strong liquidity and capital base for the planned further growth. Despite the fact that loan portfolio declined, its changed structure provides still sufficient income supporting our strategy to switch from more investment banking approach to classical corporate financing in order to gain universal house-bank-function with corporate clients as we already have in Individual Banking“ said Mr. Gernot Daumann, Chairman of the Board of Directors.

The Bank managed to attract new deposits from individual clients that increased in y-o-y comparison by remarkable 16.5%. “We were very successful in selling interesting depository products this year. On the top of this, we introduced a new guaranteed structured deposit which selling period finished only on June 30. As we were rather surprised by the high demand for this type of product, we plan to offer more similar products with focus on capital protection also in the near future”, said Mr. Henrik Pregel, Board Member responsible for Individual Banking. “We were also very successful with the mortgage business recently and this will be shown in our results later this year. The increased demand from individual clients is a positive sign of market stabilisation”, adds Mr. Pregel.

Results in mn CZK

LBBW Bank CZ a.s.	30.6.2010	31.3.2010	30.6.2009
Liabilities/due to customers	18 844	19 343	17 465
Loans and receivables/due from customers	19 327	19 603	22 186
Individual banking clients' deposits	12 753	13 306	10 941
Total assets	28 302	28 739	28 381
Net Interest Income	286	142	337
Total Net Income	379	196	423
Operating Cost (incl.depr.)	363	182	362
Operating profit	15	14	61
Net profit after tax	28	23	-374
Equity	2 794	2 794	3 166
Capital adequacy	13,67%	13,41%	13,60%

Note for editors

LBBW Bank CZ a.s. has been present on the Czech banking market since 1991, and over the years it has established a firm position as a modern and universal commercial bank. From September 1, 2008 Landesbank Baden-Württemberg (LBBW) has been its 100% shareholder. LBBW Bank CZ a.s. provides top-class services in the area of corporate, retail, investment and international banking as well as on the financial markets. LBBW Bank was selected and awarded by experts as the **Third Most Dynamic Bank of the Year 2008**.

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In the past, the bank has changed both its shareholder and its name. Under the name of LBBW Bank CZ a.s. it has been known as of September 17, 2008. Until this time the bank was active on the Czech market under the name of BAWAG Bank CZ a.s.

Landesbank Baden-Württemberg (LBBW) is both a commercial bank and the central bank of the savings banks in Baden-Württemberg, Saxony and Rhineland-Palatinate. Its core activities are the private customer business with more than 200 branch offices and the business with corporate customers as well as savings banks. A further focus is placed on real-estate financing and the customer-oriented capital market business with banks, savings banks and institutional investors. LBBW is one of the largest banks in Germany. LBBW's head offices are located in Stuttgart, Karlsruhe, Mannheim and Mainz.