



KB Group

FY 2006 Audited Financial Results (International Financial Reporting Standards)

Prague – 28 February 2007

SOCIETE
GENERALE
GROUP





Disclaimer

This document contains a number of forward-looking statements relating to the targets and strategies of the Komerční banka Group.

These statements are based on a series of assumptions, both general and specific. As a result, there is a risk that these projections will not be met. Readers are therefore advised not to rely on these figures more than is justified as the Group's future results are liable to be affected by a number of factors and may therefore differ from current estimates.

Readers are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document.



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- n Strategy and Business Highlights
- n Consolidated Financial Results
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2006: Year of successful steps towards implementing KB's strategy

n Strong organic growth and improved underlying profitability

- 4 Net Banking Income up by 7.3%
- 4 Cost-income ratio improved to 47.2%
- 4 Consolidated recurring profit up by 18.4%

n Group performance supported by rapid growth of the Czech economy

n Expanding clients base and sales networks

- 4 Acquisition of remaining 60% in Modrá pyramida stavební spořitelna
- 4 KB branch network expansion
- 4 Number of clients and contracts raised up in almost all KB group members



Strategic move towards retail activities, distribution network and alternative channels

As of 31 December 2006, year-on-year comparison

n Clients

- 4 KB bank 1,515,000 clients - increase by 48,000 (+3%)
 - of which 1,232,000 are individual clients (+4%)
- 4 MPSS 805,000 clients – of which 610,000 are estimated KB non-clients
- 4 PFKB 417,000 clients – of which 297,000 are estimated KB non-clients
- 4 Essox 160,000 active clients

n Networks

- 4 378 branches for retail clients – 19 new branches opened in 4Q 2006
- 4 35 business centres for medium enterprises and municipalities
- 4 8 business centres for large corporates restructured into 4 corporate divisions from January 2007
- 4 649 ATMs
- 4 call center, internet-banking and mobile banking
- 4 MPSS: 148 points of sale; 1,598 sale agents (of which 521 full-time professionals)
- 4 new branch of KB Bratislava in Žilina



Main business achievements

As of 31 December 2006, year-on-year comparison

- n Improvement in the cross-selling ratio for individuals to 5.23 from 4.94 in 2005
- n Marked expansion of retail lending activities (+30%)
- n Emphasis on card business: the number of active credit cards increased 37% to 170,600
- n Dynamic performance in the children and young clients' segments
 - 4 147,000 Child accounts (+15%); 132,000 Gaudeamus packages (+15%)
- n Revenues from investment banking activities grew by 24%
- n KB received Best Export Deal 2006 award from the Global Trade Review



Sales of subsidiaries' and 3rd parties' products

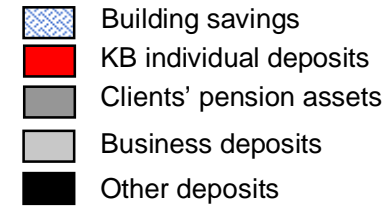
As of 31 December 2006, year-on-year comparison

- n Sales of **PF KB** continue to rise: Number of new contracts reached 91,478 and increased by 4%
- n Strong growth in consumer finance products of **ESSOX**: sales volume up 45% to CZK 3.3 billion
- n Dynamic growth in **factoring**: turnover up 24% to CZK 17.1 billion
- n Successful results of **KBB** business: increase in deposits by 9.6% and in loans by 25%
- n Increase in sales of **MPSS** loans by 18% to CZK 10.5 billion.
- n Solid growth of **Komerční pojišťovna** sales, the number of newly concluded policies grew by 10% to 385,817, premium written during the period reached CZK 2.6 billion
- n Successful partnership with **Allianz**: 33% year-on-year increase in non-life insurance policies sold through KB
- n **IKS** maintained its market share stable at 16.2% despite unfavourable developments of the financial markets during 1H 2006



Group deposits

As of 31 December 2006, CZK billion



n KB represents 83% of CZK 480 billion of total depositary base, of which:

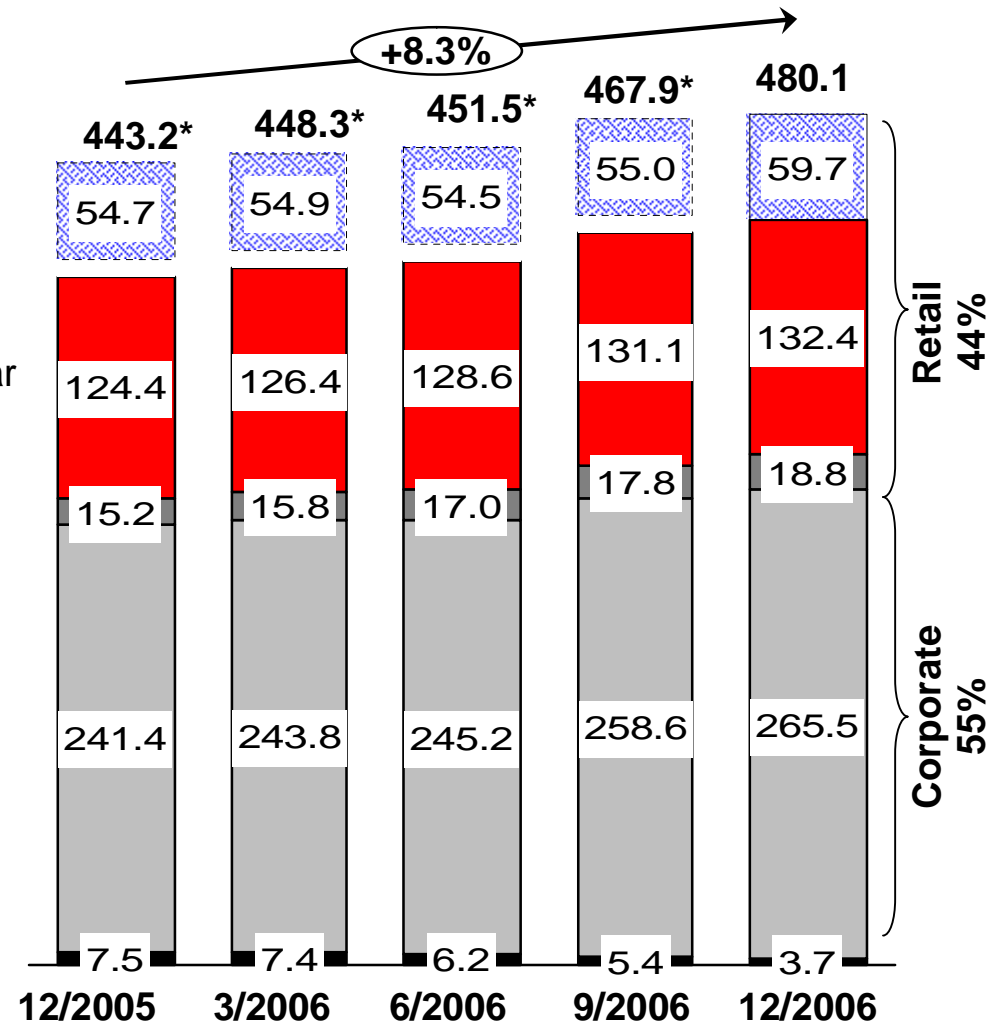
- 4 KB individuals deposits CZK 132 billion
- 4 KB corporate deposits CZK 262 billion

n Clients' pension assets in PF KB grew by 24% year on year to CZK 18.8 billion.

n MPSS deposits up 9.1% to CZK 59.7 bil.

n Sales of alternative saving products during 1-4Q 2006

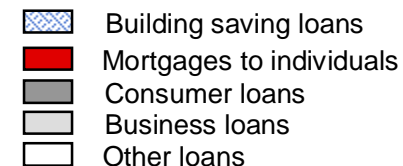
- 4 IKS sales (CZK 16.9 billion)
- 4 KP Vital insurance product premium written (CZK 1.9 billion)



*MPSS deposits included for comparative reasons

Group lending activities

As of 31 December 2006, CZK billion

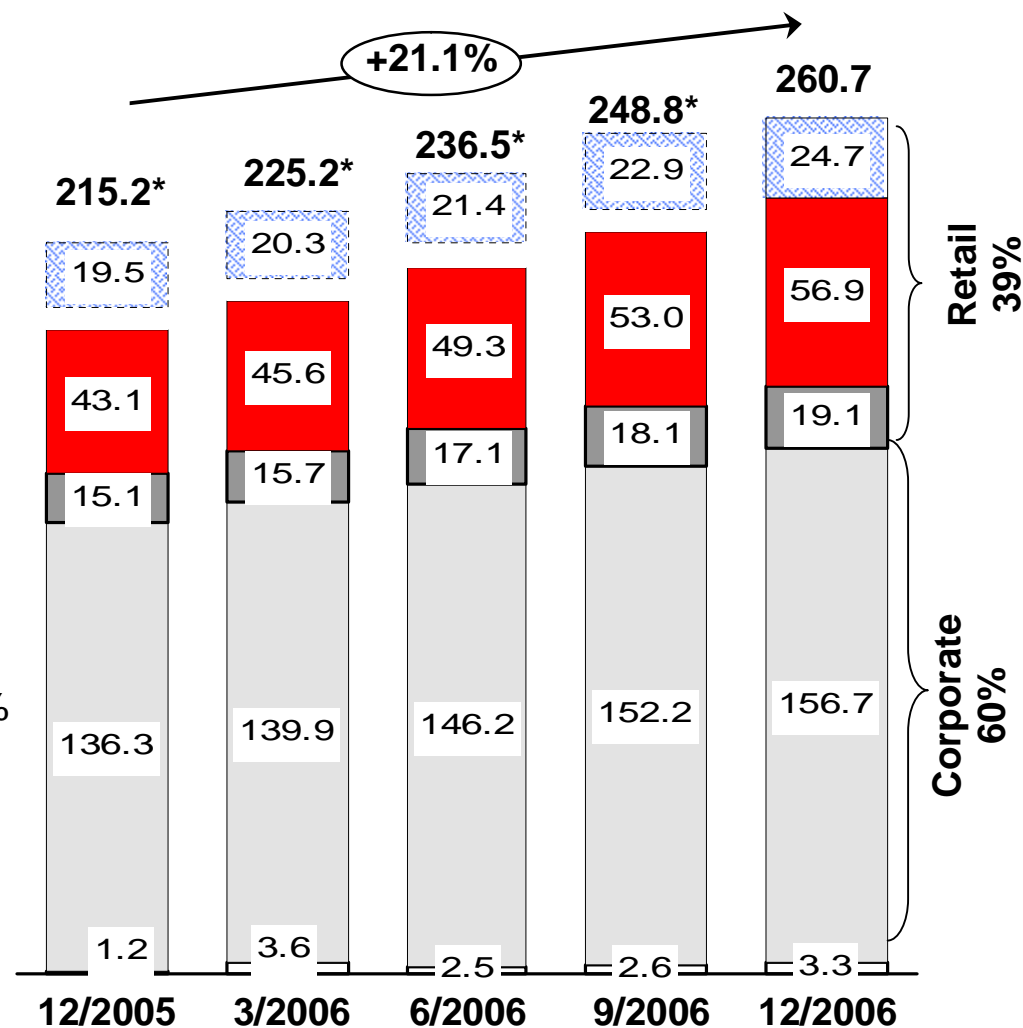


- n Business loans grew by 15% YoY:
 - 4 Small businesses (KB) +26% to CZK 12.2 bil.
 - 4 MEM (KB) +12% to CZK 50.8 bil.
 - 4 Corporations (KB+KBB) 15% to CZK 91.0 bil.
 - 4 Factoring KB +29% to CZK 2.7 billion

n Consumer loans provided by KB and ESSOX increased by 27% YoY to CZK 19.1 bil.

n Building saving and bridging loans provided by MPSS stood at CZK 24.7 billion increasing by 27%

n Other loans comprise mainly intra-group transactions.



*MPSS loans included for comparative reasons



KB's main objectives for coming years for the corporate segments

- n Further improvement of relationship with our corporate clients thanks to 35 business centers and 4 divisions dedicated to top corporate clients
- n Growth of business loans
- n Further development of investment banking activities
- n Focus on synergies within KB/SG group

- n **Supported by:**
 - 4 Enhancing individualized approach to clients
 - 4 Development of tailor-made products
 - 4 New segmentation for small businesses



KB's main objectives for coming years for the individuals segments

- n Growth of client base
- n Growth of mortgages
- n Increasing cross-selling

n **Supported by:**

- 4 Developing and improving other distribution channels: interconnecting all existing channels and increasing involvement of the call centers in the sales process
- 4 Intensive expansion of the distribution network (target 400 branches in 2008) and KB sales force
- 4 Emphasis on the front office staff's training and simplification of internal processes
- 4 New offer for Affluent segment
- 4 Integration of Modrá pyramida
- 4 Further improvement in the co-operation with all business partners



MPSS to become a significant player in KB Group

n MPSS business model – key features

- 4 MPSS to continue operating its core business (building savings and loans) as independent entity
- 4 MPSS to enlarge product offer by selected co-branded MPSS-KB:
 - consumer loans
 - credit cards
 - current accounts packages
 - other KB and other KB/SG Group companies products
- 4 Focus on multiple distribution channels to increase cross-selling to its clients:
 - MPSS agents: significant growth in number of professional agents in the following 5 years
 - Direct channels (direct mail, call centre etc.) as well as KB network

n Synergies

- 4 Support services to be shared within the KB Group
- 4 KB Group revenues from cross-selling to reach more than CZK 1.5 billion in the next 5 years
- 4 Limited cost synergies resulting from higher efficiency and processes optimization

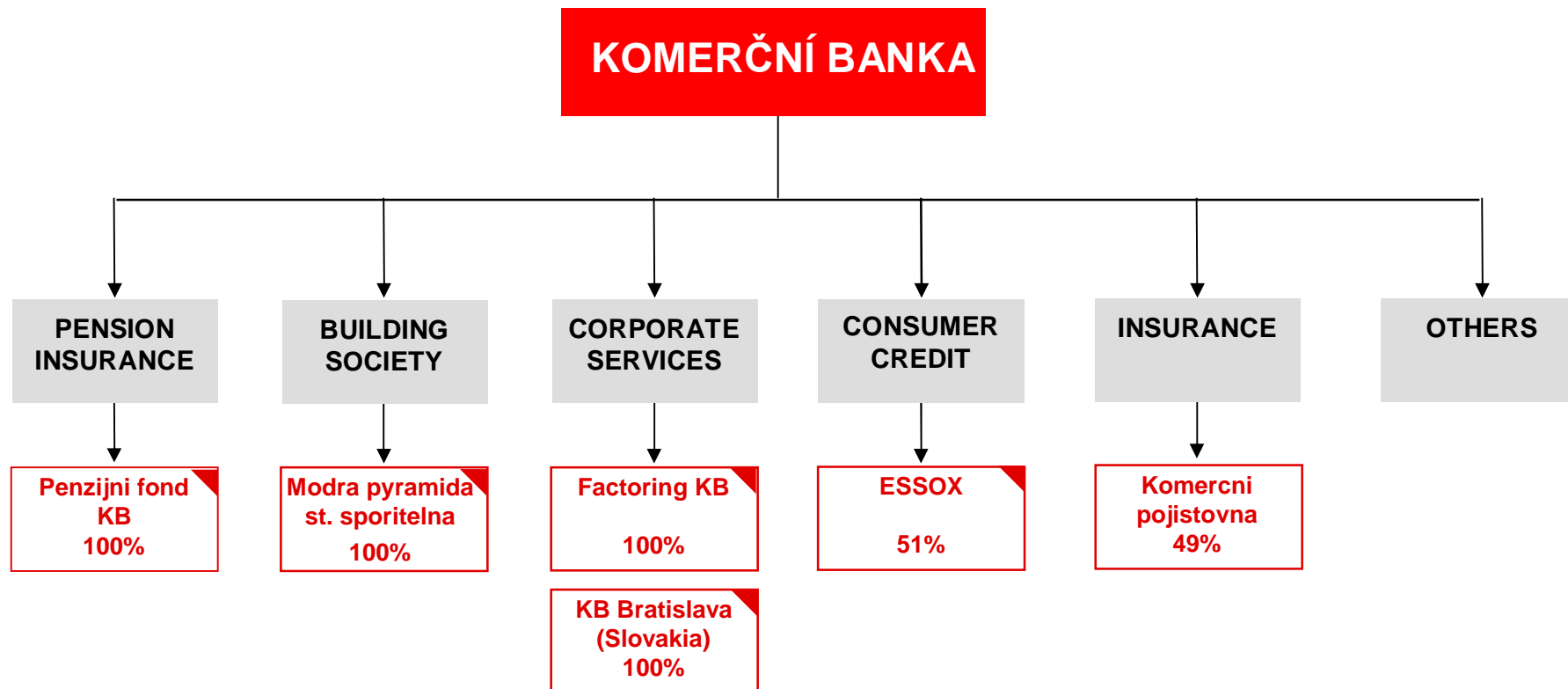


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KB consolidated group



MPSS:

- 1-3Q equity method
- 4Q full consolidation
- Goodwill on acquisition CZK 2.9 bil. (preliminary, A&L valuation pending)

PFKB:

- Full consolidation method
- 85% of net profit redistributed to pensioners (Share of profit of pension scheme beneficiaries)

Note: Red marked companies are fully consolidated

Consolidated Financial Results

Profit and Loss Statement CZK million, audited	FY 2005	FY 2006 restated*	Change YoY	FY 2006 reported	Change YoY
Net interest income	14,643	15,973	9.1%	16,155	10.3%
Net fees & commissions	8,736	8,705	- 0.4%	8,769	0.4%
Income from financial operations	1,238	1,273	2.8%	1,273	2.8%
Other income	-115	105	+/-	105	+/-
Net banking income	24,502	26,056	6.3%	26,302	7.3%
Personnel expenses	- 5,032	-5,150	2.3%	- 5,213	3.6%
General administrative expenses	- 5,302	-5,436	2.5%	- 5,544	4.6%
Depreciation, impairment and disposal of fixed assets	-1,801	-1,639	- 9.0%	-1,661	- 7.8%
Operating costs	- 12,135	- 12,225	0.7%	- 12,418	2.3%
Net operating income	12,367	13,831	11.8%	13,884	12.3%
Cost of risk	- 471	- 1,807	283.7%	- 1,790	280.0%
Profit on subsidiaries and associates	264	219	- 17.0%	186	- 29.5%
Share of profit of pension scheme beneficiaries	- 546	- 462	- 15.4%	- 462	- 15.4%
Profit before income taxes and minorities	11,614	11,781	1.4%	11,818	1.8%
Income taxes	-2,654	- 2,688	1.3%	-2,695	1.5%
Minorities	- 49	- 3	- 93.9%	- 3	- 93.9%
Net profit	8,911	9,090	2.0%	9,120	2.3%

* FY 2006 figures restated for comparative reasons based on same consolidation scope as FY 2005



Consolidated Financial Ratios

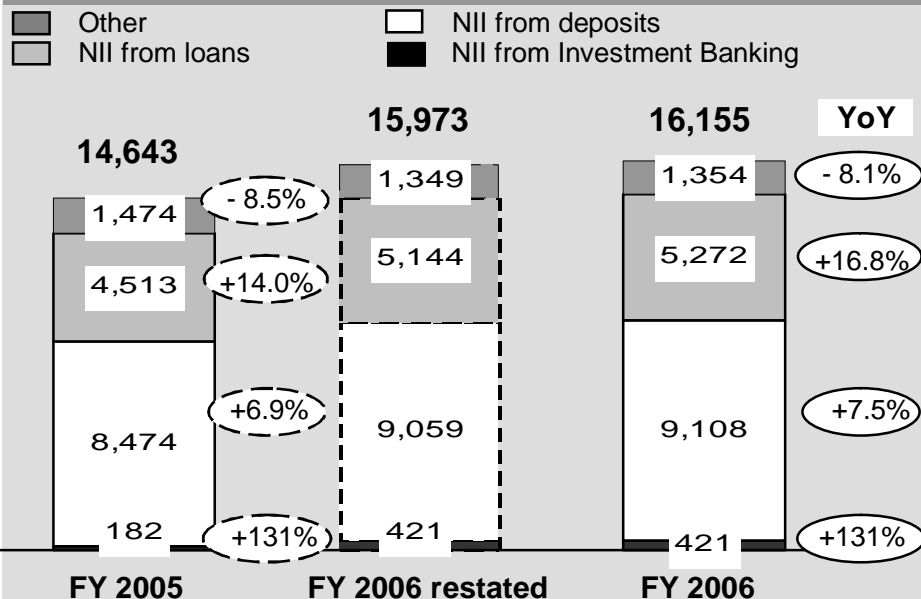
Key ratios and indicators	12/2005	12/2006 restated*	YoY	12/ 2006 reported	YoY
Capital Adequacy	13.2%	13.1%	→	12.1%	→
Tier 1 Ratio	13.7%	11.8%	→	10.6%	→
Risk weighted assets (CZK billion)	253	290	14.6%	310	22.5%
Net Interest Margin (NII/Av. Interest Bearing Assets)	3.2%	3.3%	→	3.2%	→
Cost / Income ratio	49.5%	46.7%	→	47.2%	→
Return on Average Equity (ROAE)	18.5%	17.9%	→	17.9%	→
Return on Average Assets (ROAA)	1.8%	1.7%	→	1.6%	→
Earnings per Share (CZK)	234	239	→	240	→
Average number of employees during the period	7,713	7,903	2.5%	8,267	7.2%

* FY 2006 figures restated for comparative reasons based on same consolidation scope as FY 2005

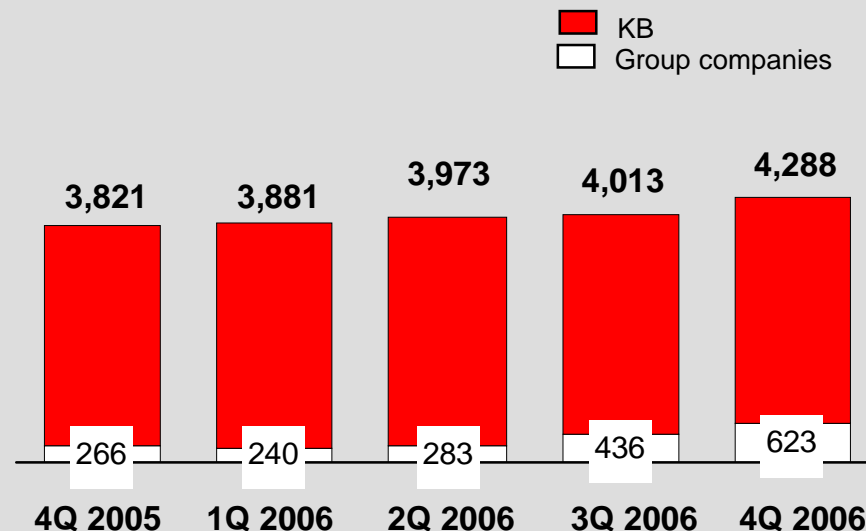
NII increase resulting from strong volume growth

CZK million, consolidated. Restatement based on same consolidation scope as 2005

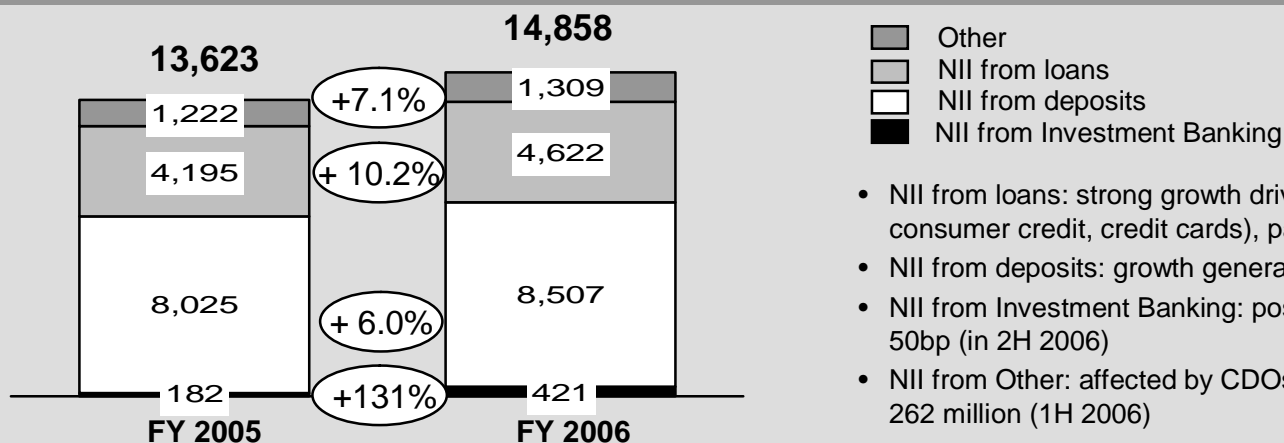
Group Net Interest Income Composition



Contributions to Consolidated NII



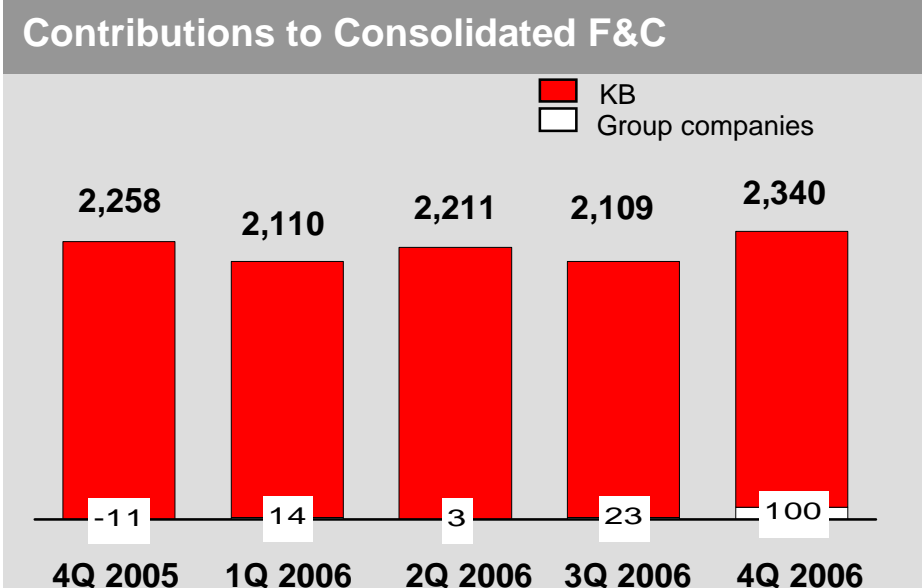
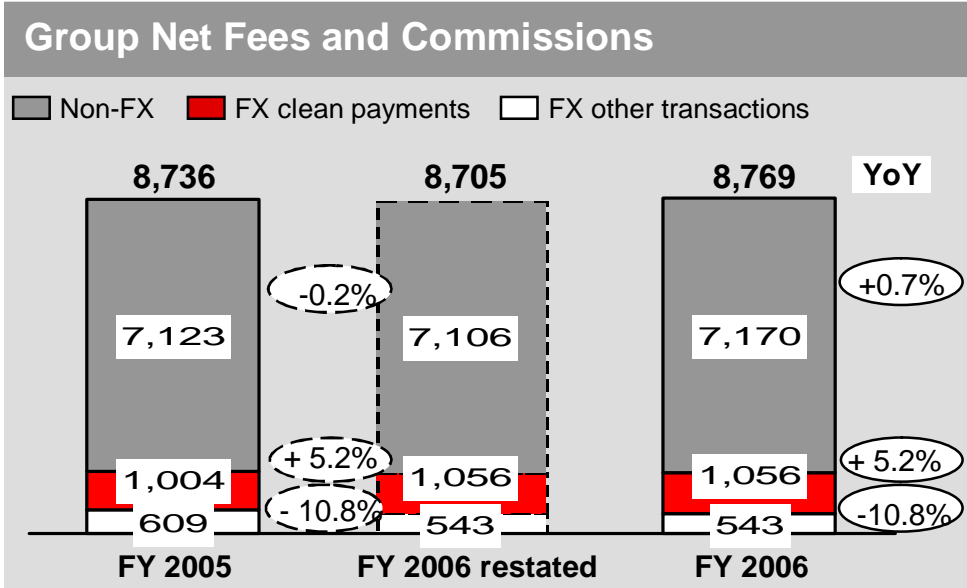
KB standalone NII Composition



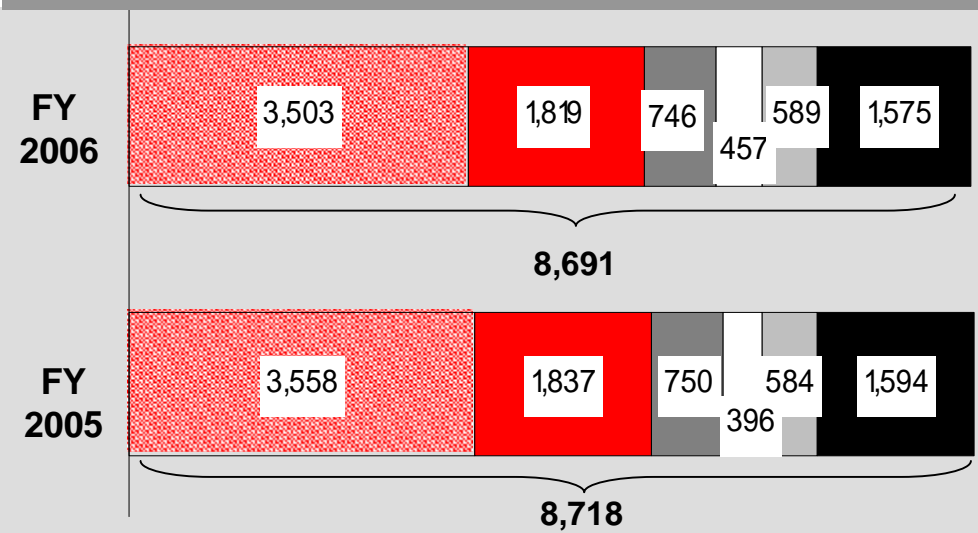
- NII from loans: strong growth driven by rising credit volumes (mortgages, consumer credit, credit cards), partially moderated by decreasing spreads
- NII from deposits: growth generated by higher current account volumes
- NII from Investment Banking: positive impact from higher repo rate by 50bp (in 2H 2006)
- NII from Other: affected by CDOs early redemptions' in the amount of CZK 262 million (1H 2006)

Total fees remained stable

CZK million, consolidated. Restatement based on same consolidation scope as 2005



KB standalone Fees and Commissions



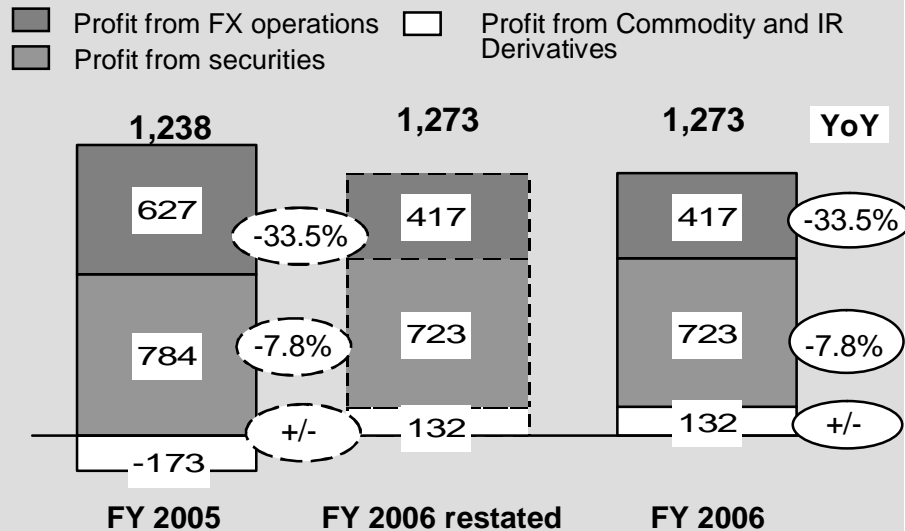
- **Fees from cross-selling** show the most dynamic growth of 15% mainly driven by mutual funds and insurance
- **Loan fees:** benefiting from growing volumes and number of loans, but limited by decline in processing fees (discount campaigns) and **rising in fees paid to intermediaries (+77%)**
- **Deposits' maintenance fees: impacted by clients'** switching to financial packages, which are more favorably priced
- **Transaction fees:** higher fees from payment cards offset by lower fees from cash and clean payments and by pressure on prices
- **FX fees:** gradual decline caused by lower FX conversions, offsetting rising number of FX transactions



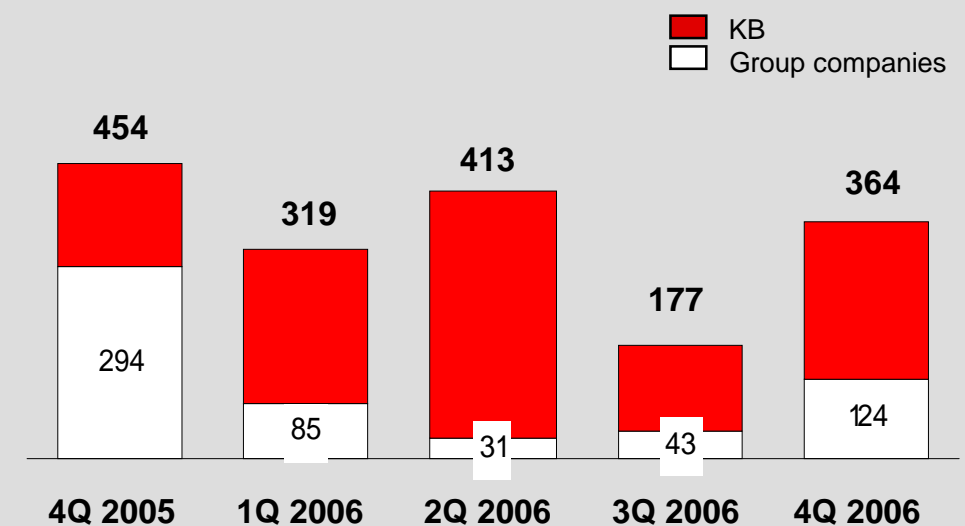
Profit from financial operations improved by 3%

CZK million, consolidated. Restatement based on same consolidation scope as 2005

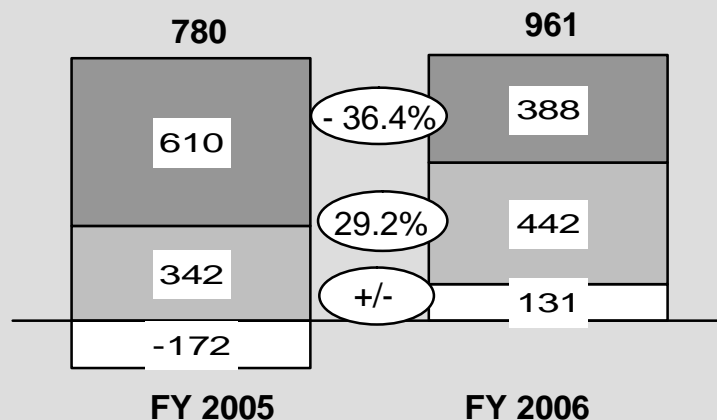
Net Profit from Financial Operations



Contributions to Consolidated NPFO



KB standalone Net Profit from Financial Operations



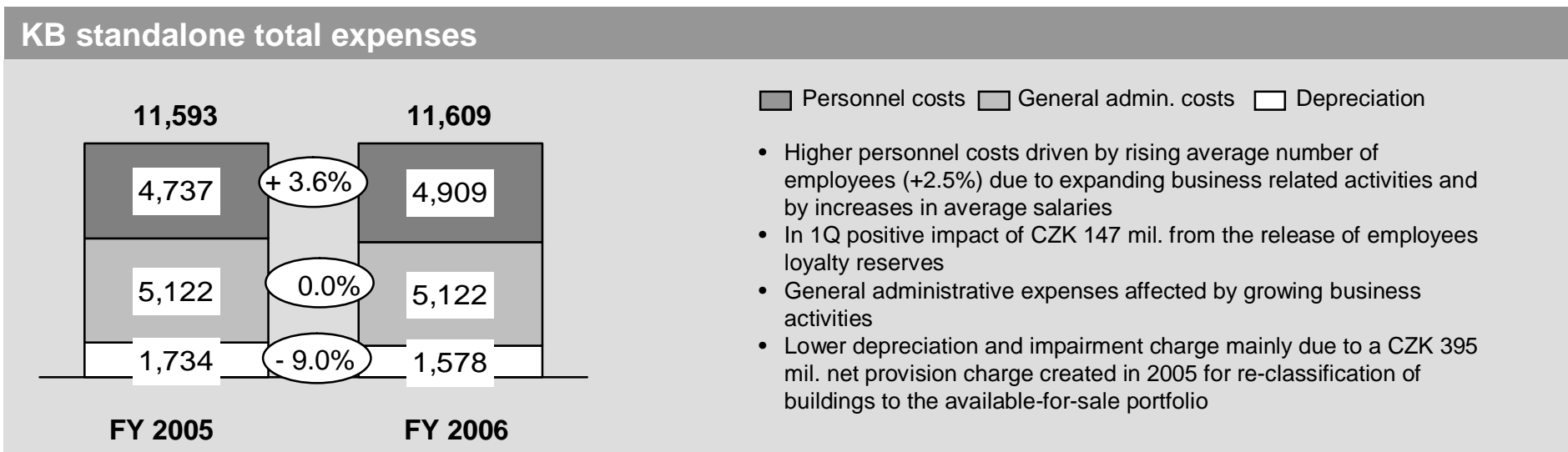
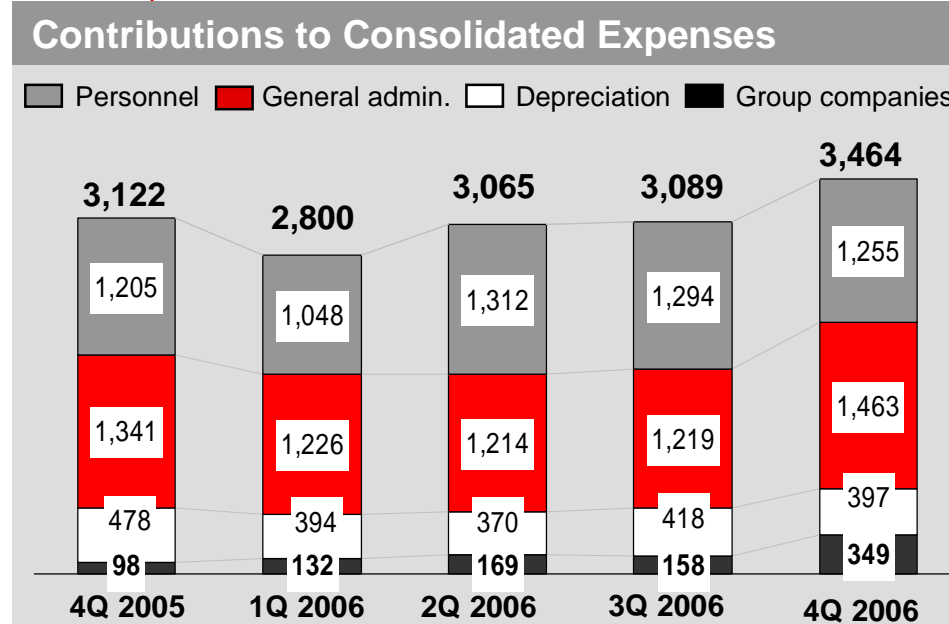
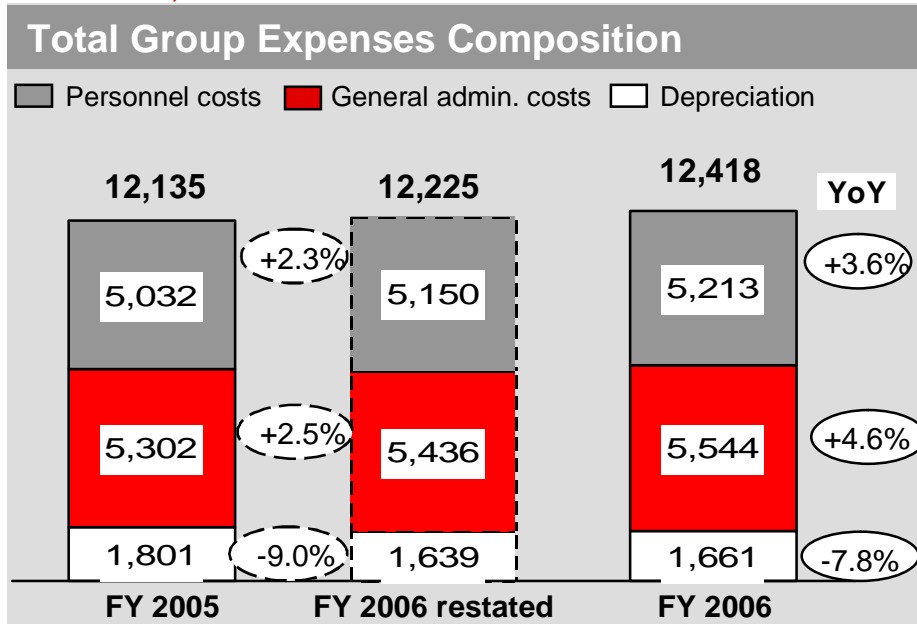
- Profit from FX operations
- Profit from securities
- Profit from Commodity and IR Derivatives

- Profit from financial operations increased mainly thanks to profit on interest rate derivatives (a loss in 2005)
- Profit from securities helped by dividend income (from non-core participations) and by profit from sold securities.
- Investment banking revenues impacted from improved performance of both client and proprietary trading



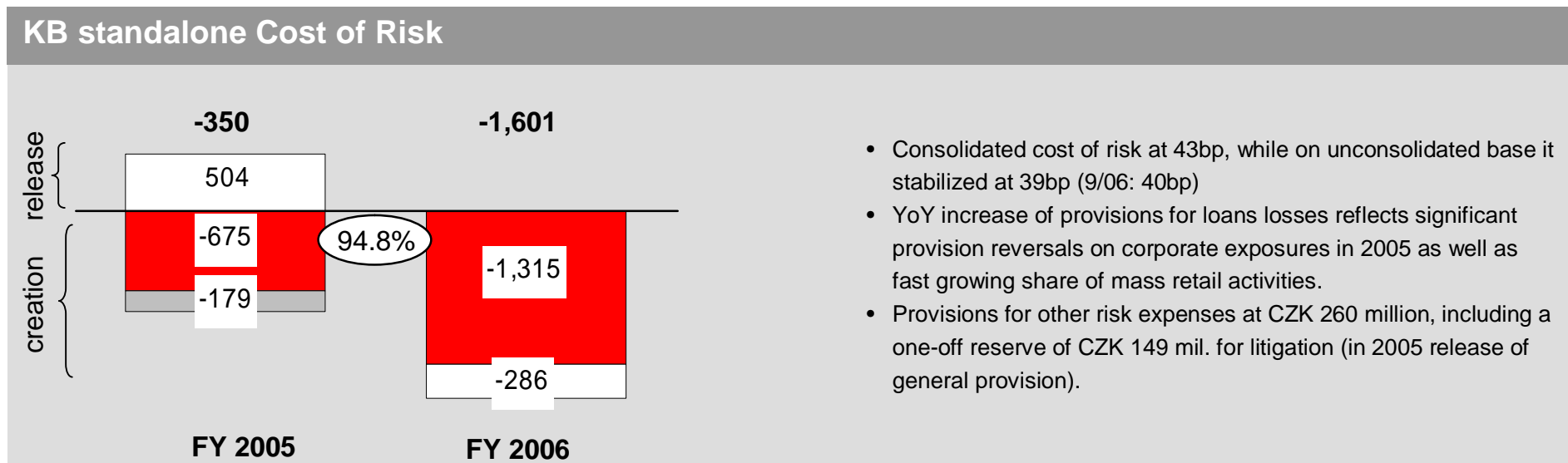
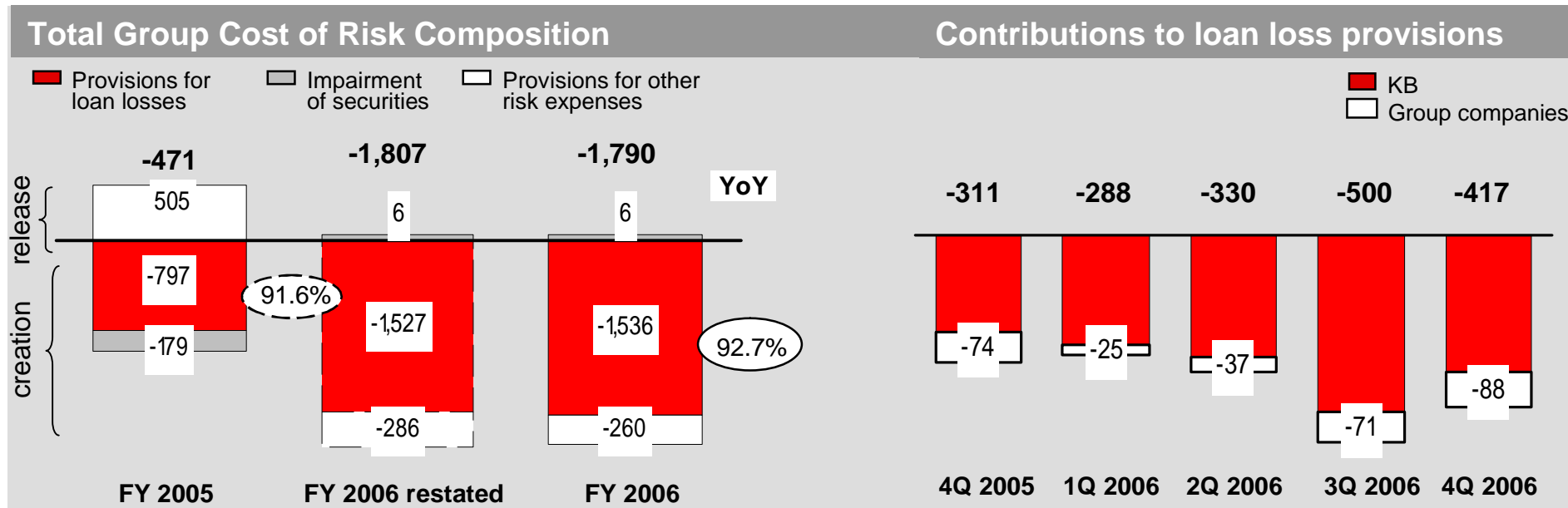
Total expenses slight increase driven by business expansion

CZK million, consolidated. Restatement based on same consolidation scope as 2005



Group cost of risk at 43bp and for KB standalone at 39bp

CZK million. Restatement based on same consolidation scope as 2005





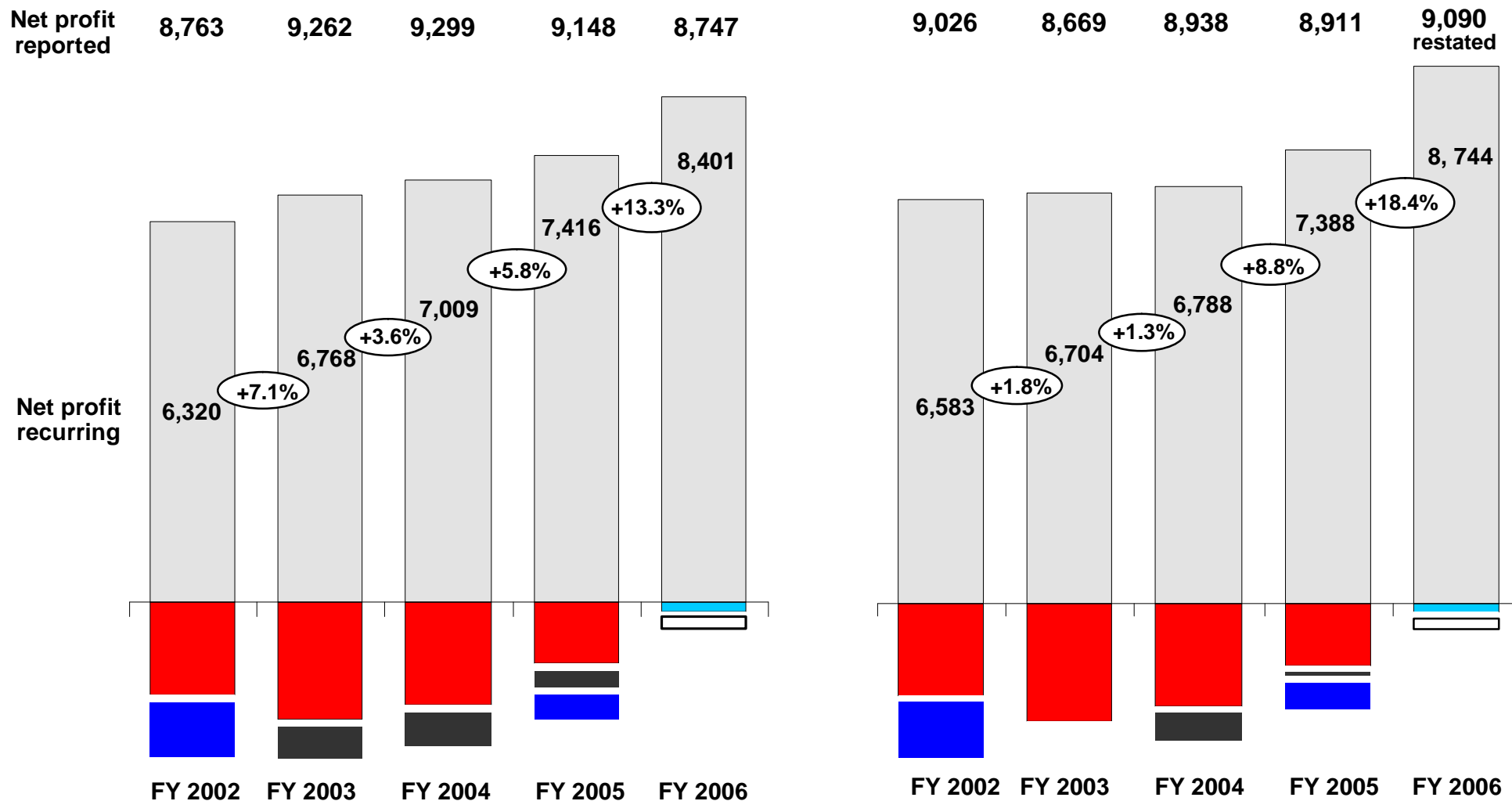
Significant growth in profit without one-offs

CZK million. Excluding for MPSS acquisition

- Recurring profit
- General reserve release
- Deferred tax assets
- Sale of assets
- Loyalty reserve release
- CDO early redemptions

Unconsolidated

Consolidated








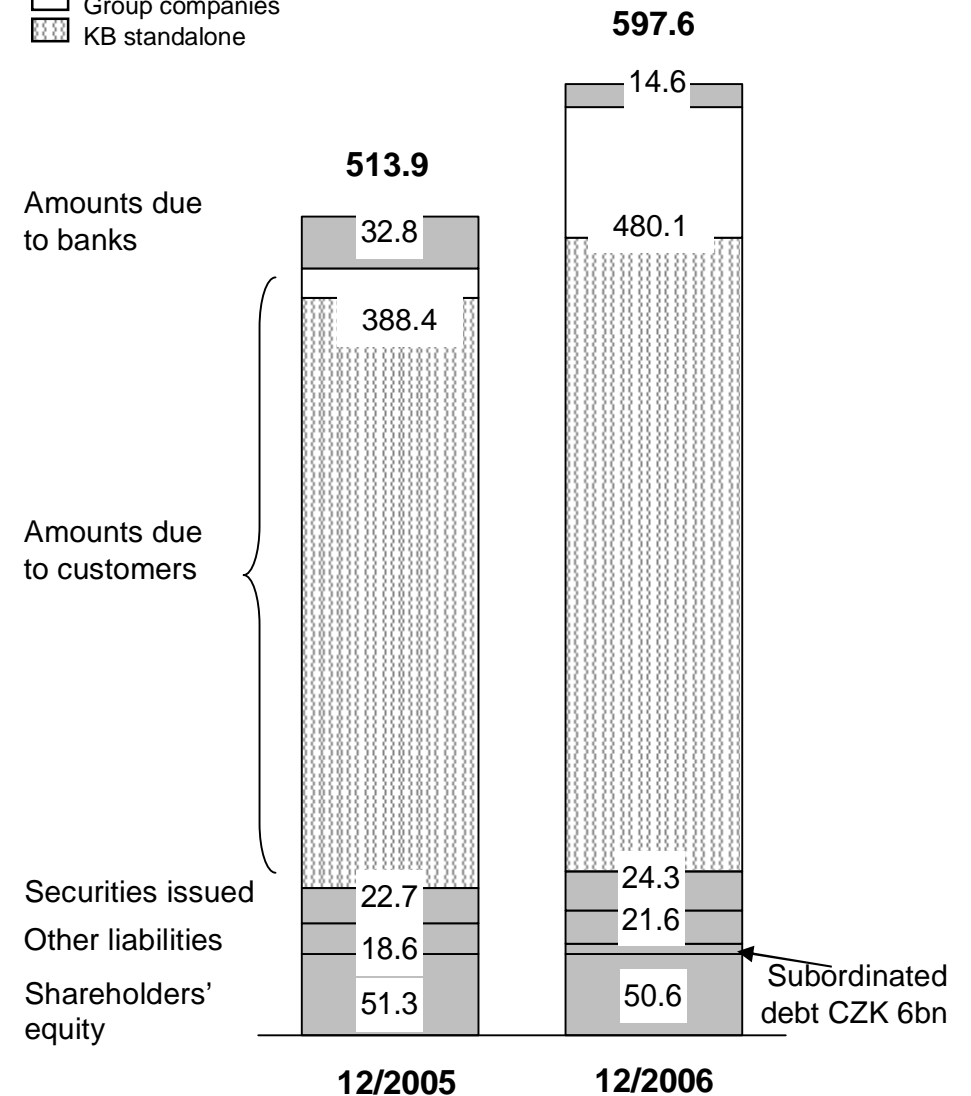
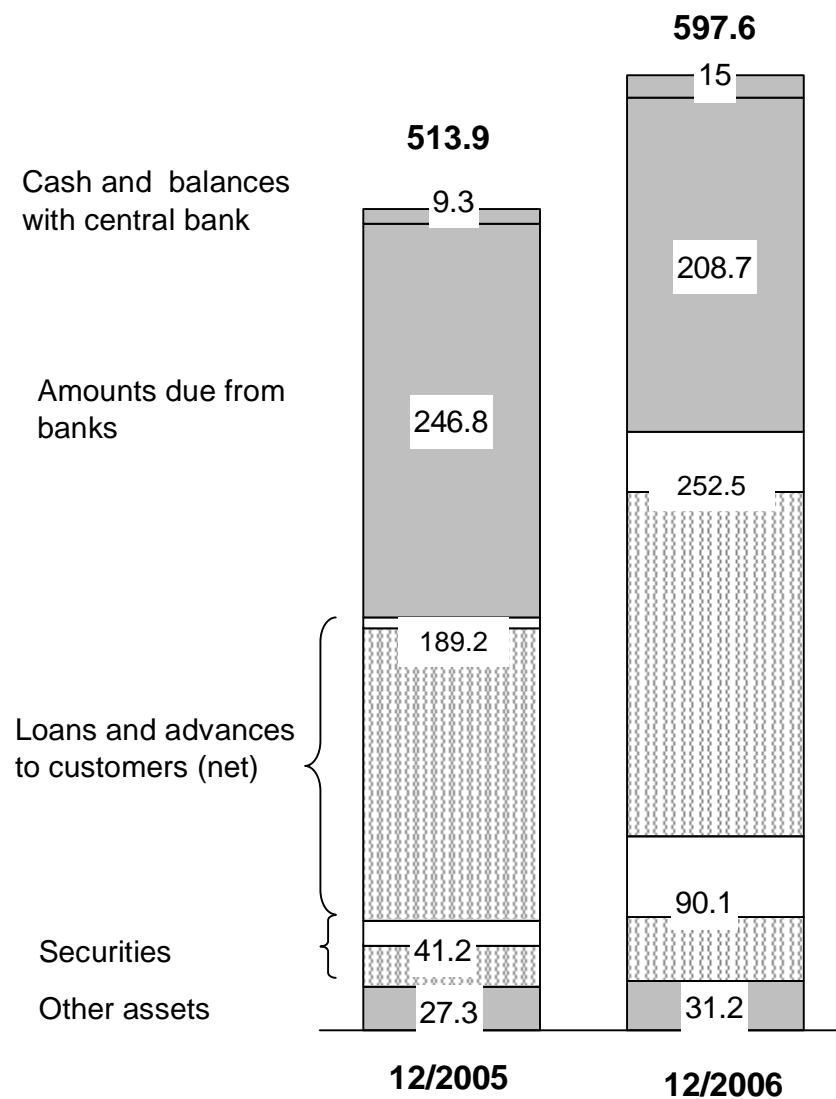
KB Group Balance Sheet

Assets

Liabilities

CZK billion, consolidated

-  KB Group
-  Group companies
-  KB standalone





Development since the end of 2005

CZK million, consolidated

Total shareholder's equity
as at 31 December 2005:

51,327

- 729

Total shareholder's equity
as at 31 December 2006:

50,598

Shareholders' equity	12/ 2005	1/1/2006	Increase	Decrease	12/2006
Share capital	19,005	19,005	-	-	19,005
Capital and reserve funds	18,445	27,404	-	-	17,880
- Retained earnings, reserve funds and dividends	18,452	27,411	-	-9,381	18,030
- Treasury shares	-7	-7	-	-143	-150
Attributable net profit	8,959	0	+9,123	-	9,123
Hedging revaluation reserve	4,156	4,156	-	-1,309	2,847
AFS securities' fair value changes	619	619	+571	-	1,190
Others	119	119	-	-146	-27
Minorities	24	24	+556	-	580
Total Shareholders' equity	51,327	51,327	+10,250	-10,979	50,598

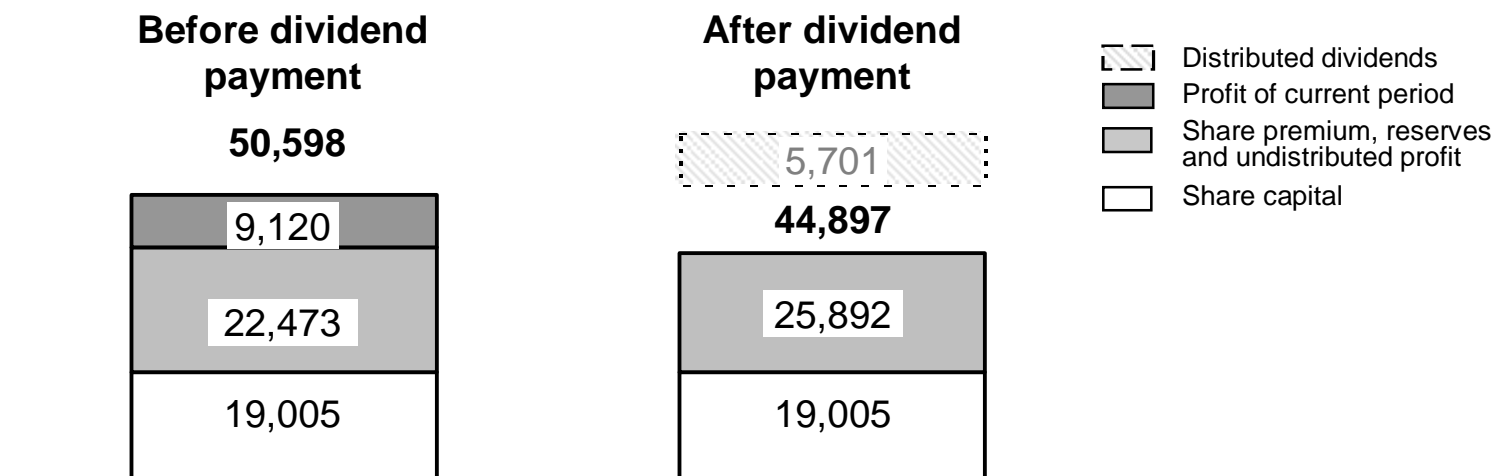


Proposed distribution of 2006 Profit

	2001	2002	2003	2004	2005	2006
Dividend per share (CZK)	11.5	40	200	100	250	150
EPS (CZK, consolidated)	76	237	228	235	234	240
Payout ratio (%)	15.1	16.8	87.7	42.5	106.6	62.5
Dividend yield* (%)	1.1	1.9	8.3	3.1	7.3	4.8
Adjusted EPS** (CZK, cons.)	76	173	176	179	194	230
Adjusted Payout ratio*** (%)	15.1	23.1	113.4	56.0	128.6	65.2

* Calculated on the close price at the end of the respective year ** Consolidated EPS excluding non sustainable items. *** Payout on adjusted EPS

Total KB Group shareholder's equity and key indicators as of 31 December 2006:



CAD incl. 2006 profit
ROAE

15.0%+
17.9%

13.2%+
19.0%+

+Pro-forma



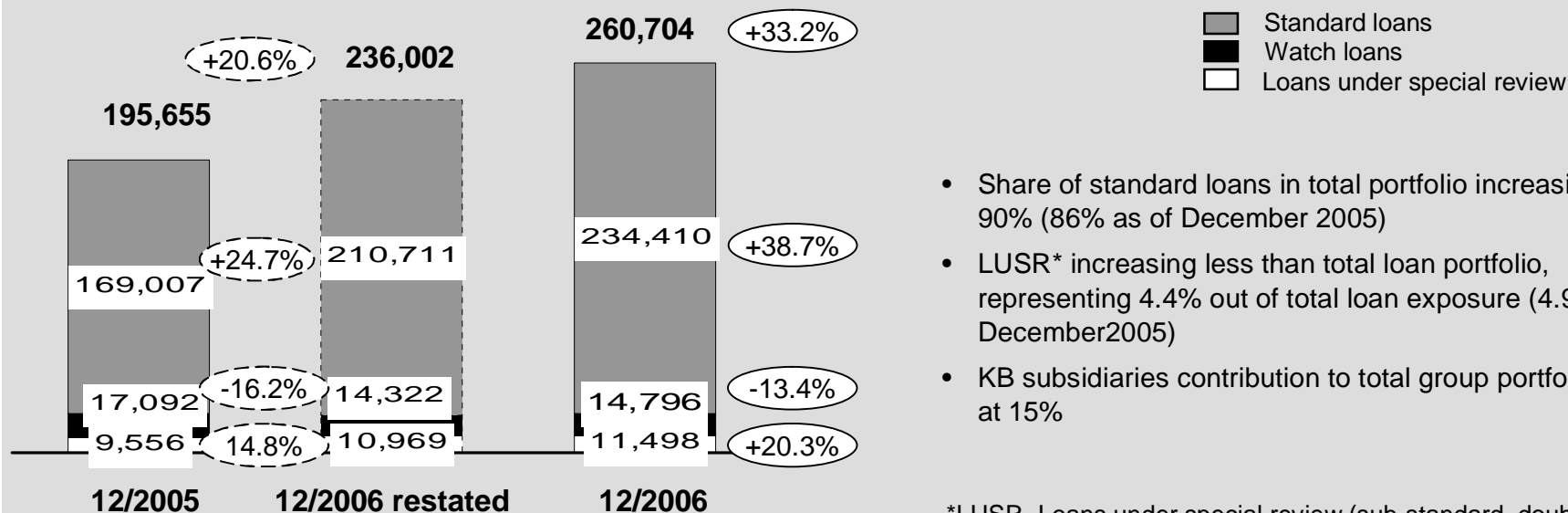
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Overall quality of loan portfolio under control

CZK million, consolidated. Restatement based on same consolidation scope as 2005

Gross client loans



*LUSR=Loans under special review (sub-standard, doubtful and loss)

Quality across the Group as of 12/2006

■ KB
 Group companies

- Portfolio quality across KB group remains satisfactory
- Contribution of subsidiaries to Standard loans is 15%, to Watch loans 6% and to LUSR 13%.

Standard loans



Watch loans



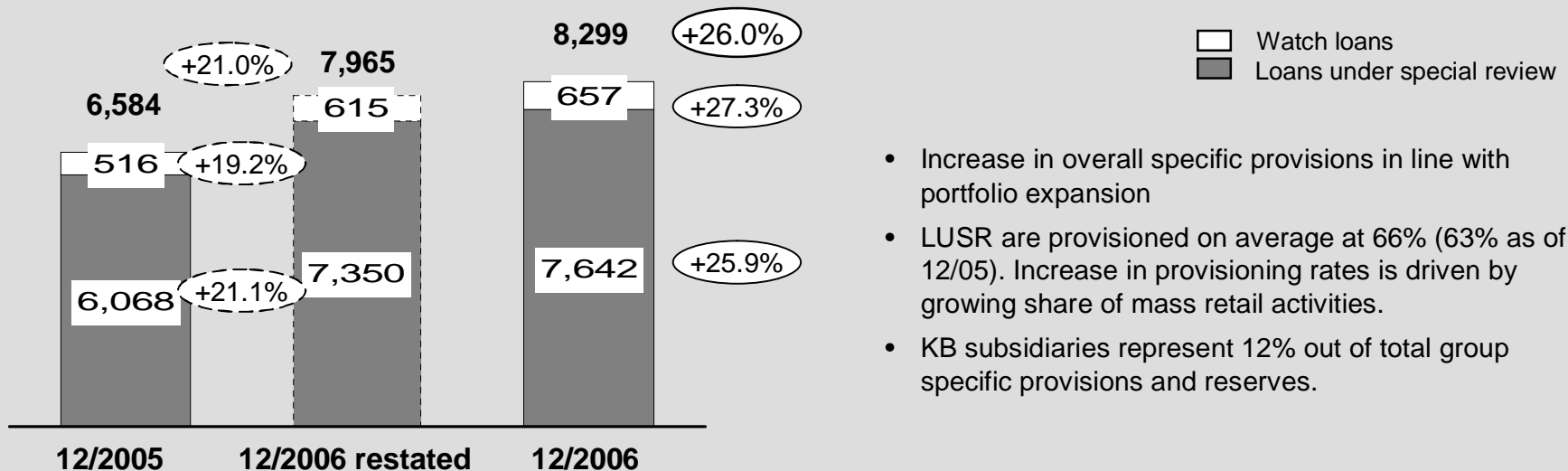
Loans under special review



Improved provision coverage

CZK million, consolidated. Restatement based on same consolidation scope as 2005

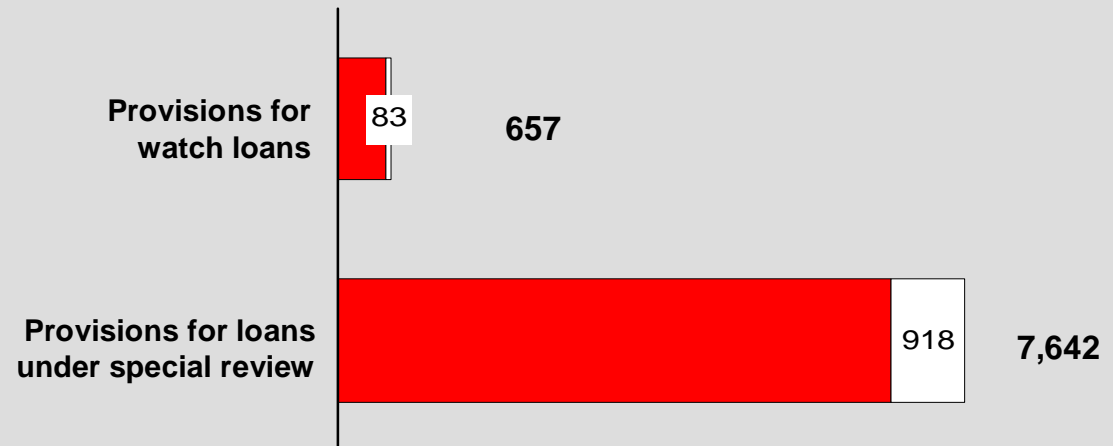
Specific provisions and reserves



Contributions to specific provisions and reserves as of 12/2006

KB
 Group companies

- Provisioning coverage of LUSR at group level stands at 66%, to be compared to 67% for standalone.





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Business performance of subsidiaries

		1-4Q 2005	1-4Q 2006	YoY change
MPSS	§ Volume of new loans (CZK mil)	8,938	10,506	+17.5%
	§ Volume of total loans (gross, CZK mil)	19,493	24,657	+26.5%
	§ Volume of new saving contracts (target sum, CZK mil)	26,448	26,586	+0.5%
	§ Saving contracts – total amount (CZK mil)	54,728	59,678	+9.0%
	§ Number of FTEs	364	361	-
	§ Number of points of sale	148	148	-
PF KB	§ Number of new contracts	87,738	91,478	+ 4%
	§ Number of contracts (stock)	360,873	416,757	+ 15%
	§ Assets under management (CZK mil)	15,199	18,769	+23%
	§ Number of FTEs	58	56	-
ESSOX	§ Volume of new contracts (CZK mil)	2,243	3,251	+45%
	§ Volume of total loans (gross, CZK mil)	2,462	4,066	+65%
	§ Number of FTEs	153	192	-



Business performance of subsidiaries

		1-4Q 2005	1-4Q 2006	YoY change
Factoring KB	§ Factoring turnover (CZK mil)	13,738	17,075	+24%
	§ New contracts (number)	321	315	-2%
	§ Number of FTEs	38	39	-
KBB	§ Total client loans (gross, CZK mil)	2,422	3,031	+25%
	§ Total client deposits (CZK mil)	2,211	2,424	+10%
	§ Number of clients	1,662	1,419	-15%
	§ Number of FTEs	88	73	-
KP	§ Newly concluded policies (number)	474,000	518,000	+9%
	§of which in life insurance	142,000	150,000	+11%
	§of which in non-life insurance	332,000	368,000	+6%
	§ Premium written (CZK mil)	2,575	2,588	0%
	§of which in life insurance	2,373	2,305	-3%
	§of which in non-life insurance	203	283	40%
	§ Number of FTEs	143	146	-



Subsidiary and associated undertakings results

As at 31 December 2006, CZK mil.








	Share of KB	Net profit	YoY	Equity	YoY	Assets	YoY
ESSOX, s.r.o. (IFRS)	50.9%	-6	+88%	1,183	-	5,106	108%
Factoring KB, a.s. *	100%	28	+56%	189	17%	2,721	25%
Komerční banka Bratislava, a.s. (IFRS)	100%	53	-	653	+12%	4,535	-6%
Penzijní fond Komerční banky, a. s. *	100%	23 **	-65%	590	-22%	19,966	20%
Bastion European Investments S.A. (IFRS)	99.98%	55	-	3,741	-	7,530	-
Komerční pojišťovna, a.s.*	49%	135	+463%	878	17%	11,629	18%
Modrá pyramida SS, a.s. *	100%	377	+39%	2,529	58%	63,741	11%
Czech Banking Credit Bureau (CAS)	20%	3	0%	5	67%	14	0%

* Pro forma IFRS figures; ** KB share; PFKB net reported result CZK 528.8 million (CAS)

Note: Fully consolidated companies are: KB, PF, KBB, Factoring, Essox, Bastion European Investments



Unconsolidated Financial Results

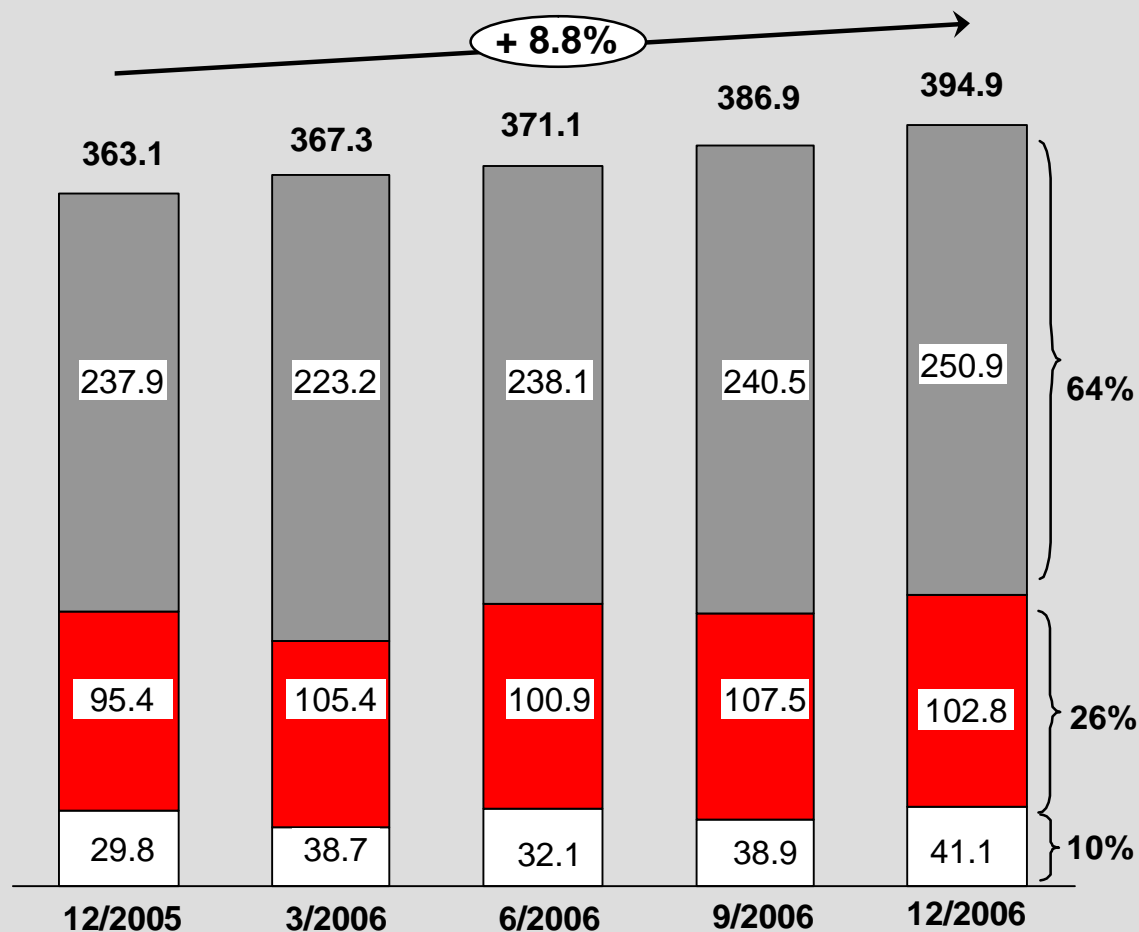
Profit and Loss Statement CZK million, audited	FY 2005	FY 2006	Change YoY
Net banking income	23,392	24,631	5.3%
Operating costs	- 11,593	- 11,609	0.1%
Net operating income	11,799	13,022	10.4%
Cost of risk	- 350	- 1,601	357.4%
Profit on subsidiaries and associates	341	6	- 98.2%
Profit before income taxes	11,790	11,427	- 3.1%
Income taxes	- 2,642	- 2,680	1.4%
Net profit	9,148	8,747	- 4.4%
Key ratios and indicators	12/ 2005	12/2006	Change YoY
Capital Adequacy (CNB)	13.6%	13.1%	
Tier 1 Ratio	13.9%	11.5%	
Risk weighted assets (CZK billion)	248	295	19.1%
Net Interest Margin - NII/Av. Interest Bearing Assets	3.1%	3.2%	
Cost / Income ratio	49.6%	47.1%	
Return on Average Equity (ROAE)	19.5%	17.7%	
Return on Average Assets (ROAA)	1.9%	1.7%	
Earnings per Share - Annualized (CZK)	241	230	
Average number of employees during the period	7,388	7,553	2.3%



Growth in deposits driven by current accounts

Volume of primary client deposits (Unconsolidated, CZK billion)

- Current Accounts incl. O/N
- Term and Savings Accounts
- Loans from Customers (excl. repo transactions)



- Depository base increased by 8.8% year-on-year
- Volumes on current accounts rose by +5.5% YoY and term accounts by 7.7%
- Deposits from individuals represent 34% share of total primary deposits reaching CZK 132.5 billion



Loan portfolio growing in all client segments

Volume of loans * (Unconsolidated, CZK billion, Gross amount)

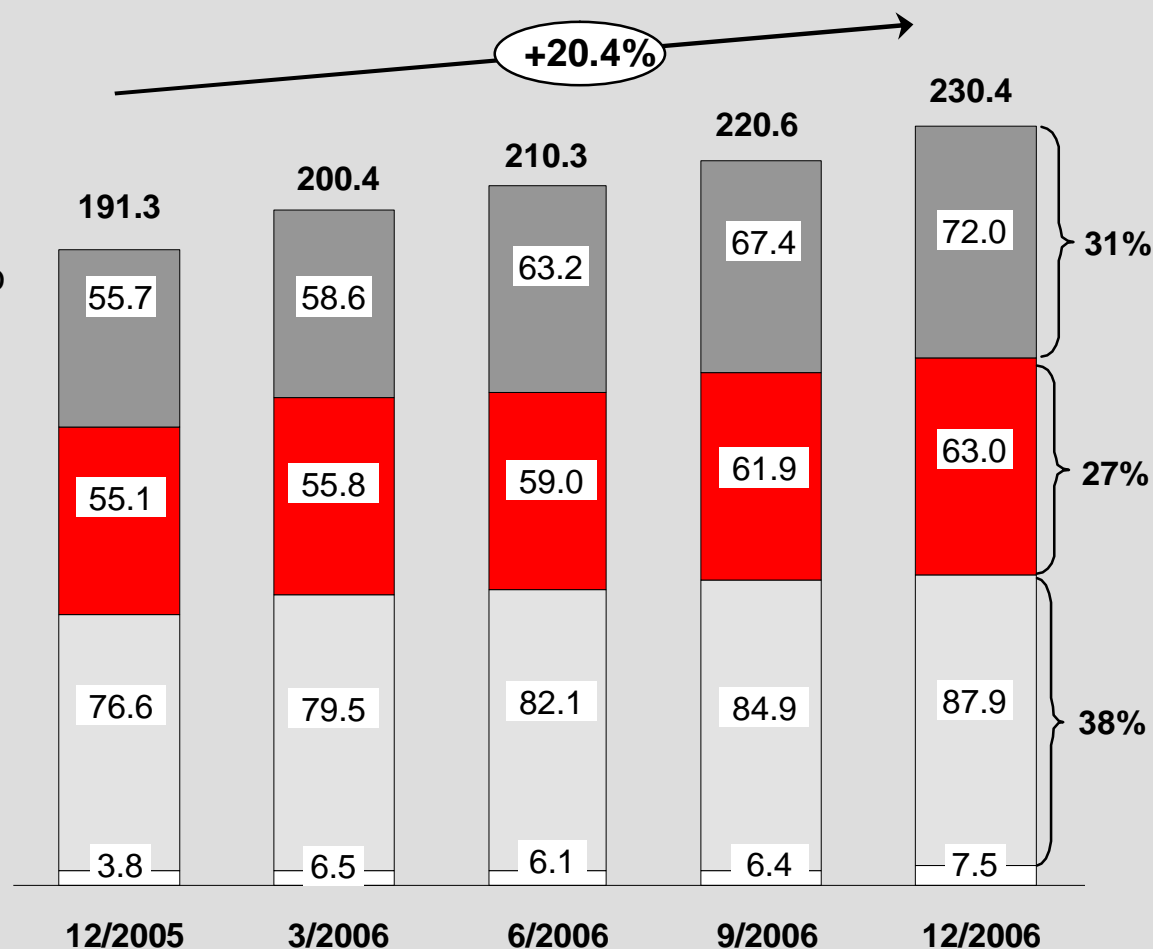
- Individuals
- SME
- Corporates
- Other

■ **Year-on-year growth** of the loan portfolio by **20.4%**

■ **Total mortgage loans** amounted to CZK 60.4 billion, up 29% YoY

■ **Total off-balance sheet commitments** to clients stood at **CZK 155.6 bil.** (+28% YoY), of which:

- Undrawn limits CZK 90 bil.
- Guarantees and irrevocable promises of loans of CZK 36 bil.



* Including a loan to KB subsidiary Bastion EI worth CZK 3.9 billion accounted in Other



Development since the end of 2005

CZK million, unconsolidated

Total shareholder's equity
as at 31 December 2005:

50,314

- 1,660

Total shareholder's equity
as at 31 December 2006:

48,654

Shareholders' equity	12/2005	1/1/2006	Increase	Decrease	12/2006
Share capital	19,005	19,005	-	-	19,005
Capital and reserve funds	17,590	26,738	-	-	17,093
- Retained earnings, reserve funds and dividends	17,597	26,745	-	-9,502	17,243
- Own shares	-7	-7	-	-143	-150
Net profit	9,148	0	+8,747	-	8,747
Hedging revaluation reserve	4,152	4,152	-	-1,314	2,838
AFS securities' fair value changes	285	285	+461	-	746
Others	134	134	+91	-	225
Total Shareholders' equity	50,314	50,314	+9,299	-10,959	48,654



Czech Republic

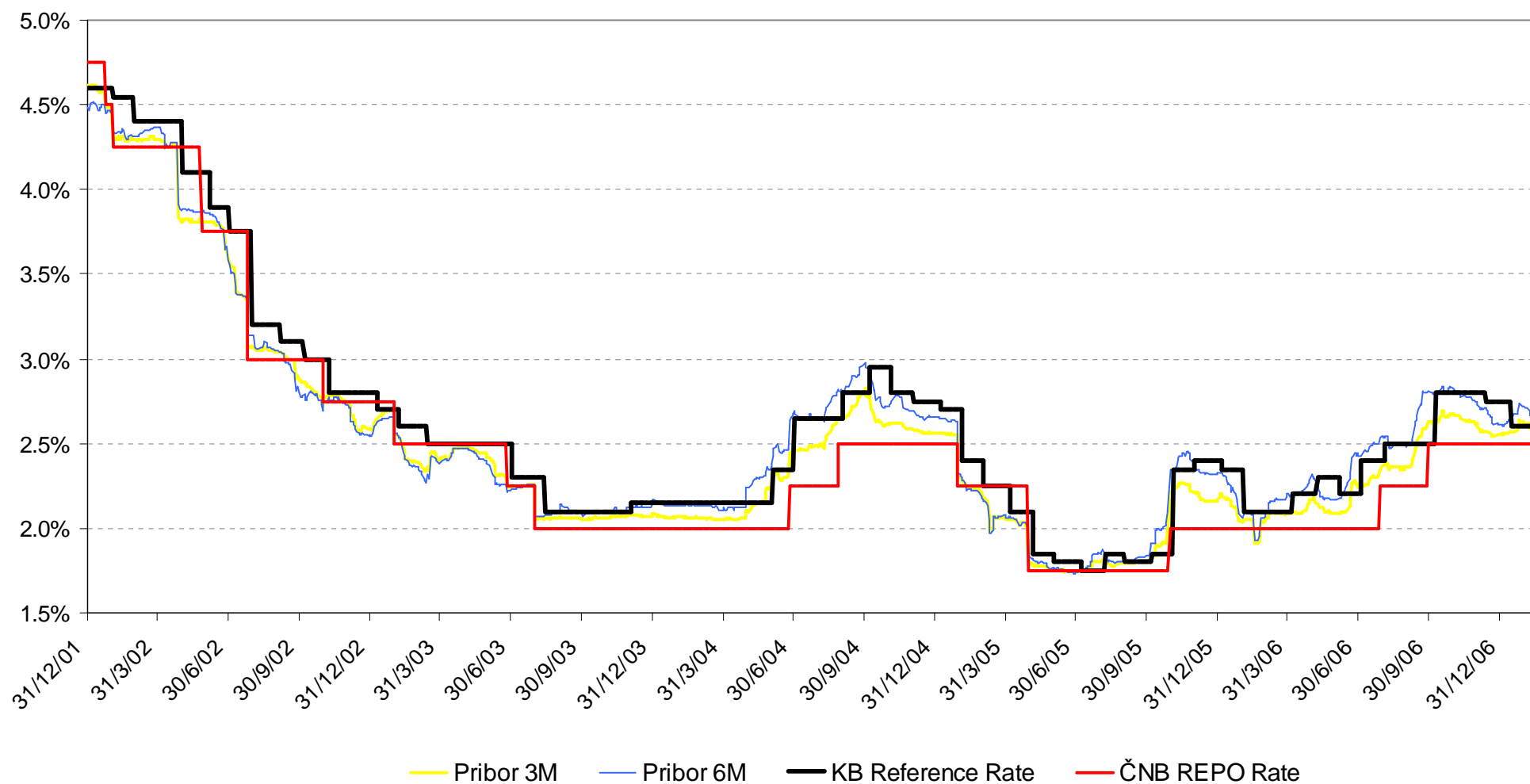
Macroeconomic indicators	2003	2004	2005	2006*	2007*
Real GDP (%)	+ 3.6	+ 4.2	+ 6.1	+ 5.8	+ 4.8
Inflation (%)	+ 0.1	+ 2.8	+ 1.9	+ 2.5	+ 1.8
Households income (%)	+ 4.8	+ 4.9	+ 4.8	+ 5.5	+ 5.5
M2 (%)	+ 6.9	+ 4.4	+ 8.0	+ 9.9	+ 9.0
3M PRIBOR (%)	2.3	2.4	2.0	2.3	2.7

Potential of the market	2003	2004	2005	2006*
Loans/GDP (year-end)	36.9	36.3	39.7	44.2
Mortgages/GDP (year-end)	4.2	5.9	7.7	10.0
Deposits/GDP (year-end)	62.0	60.0	62.3	63.3

* KB estimates

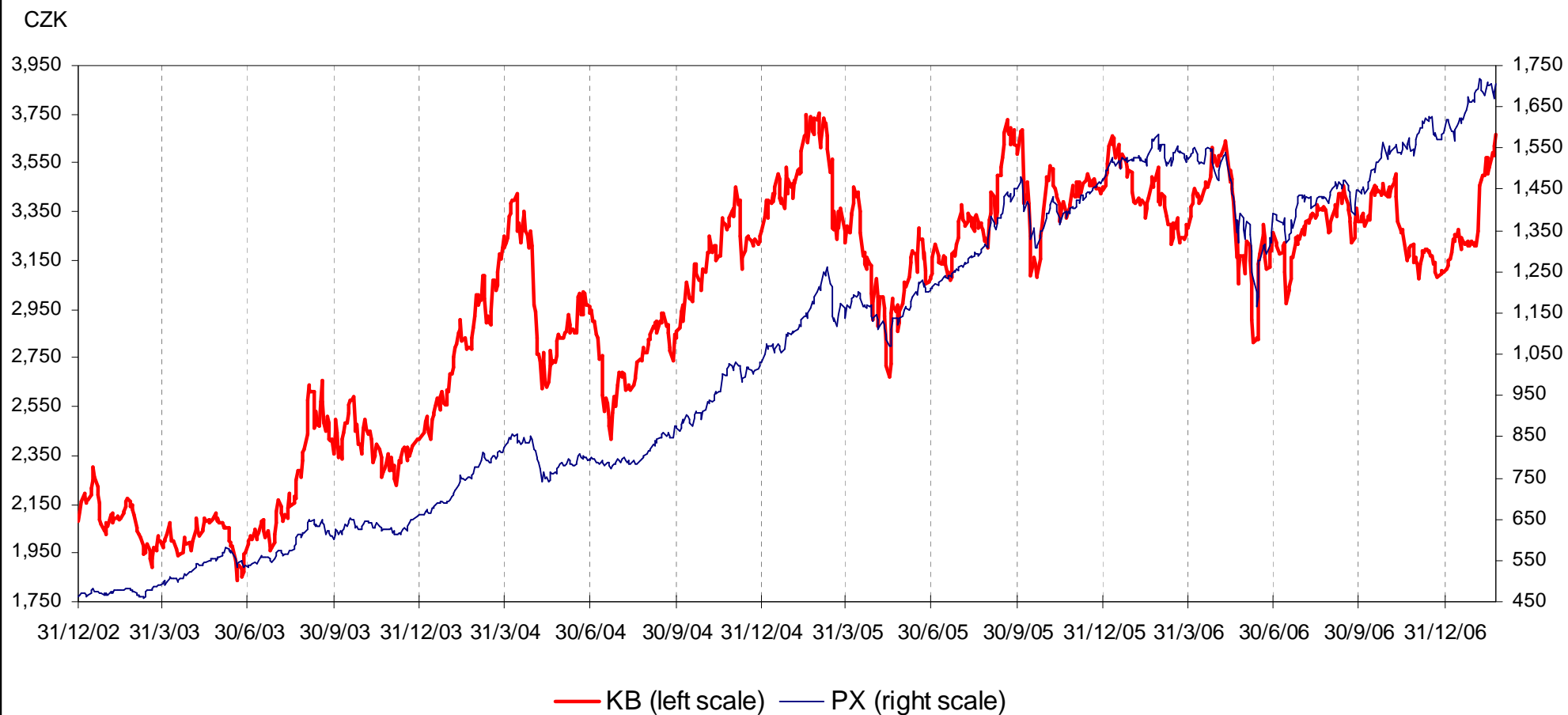


Interest Rates Evolution





Development of KB's share price and PX Index

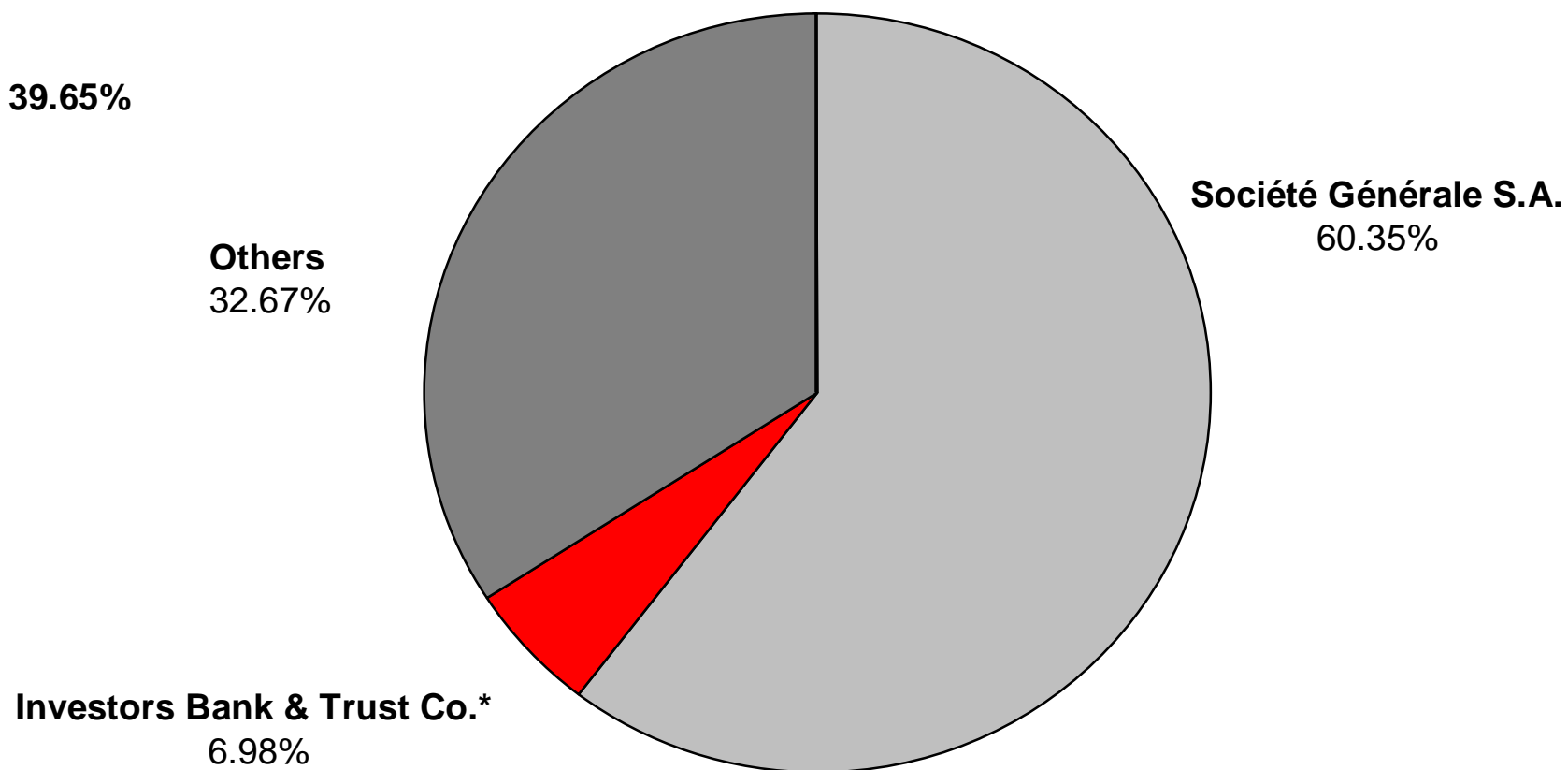


Structure of Shareholders

Major shareholders of Komerční banka, a. s.
as at 31 December 2006

Number of shares outstanding – 38,009,852

Free Float: 39.65%



* Shares held on behalf of third parties

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