



Financial Results

as at 30 September 2005

(International Financial Reporting Standards)

Prague - 31 October 2005

SOCIETE
GENERALE
GROUP





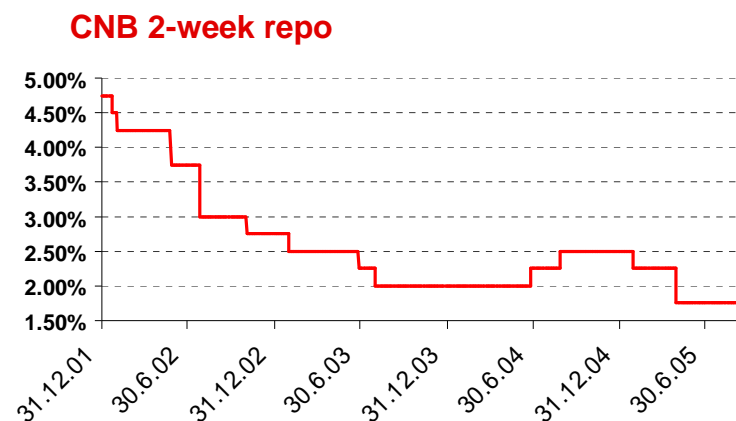
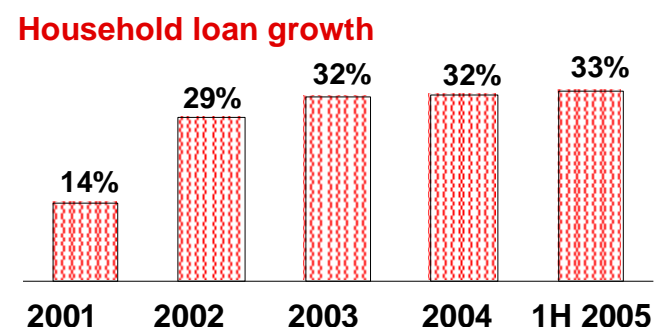
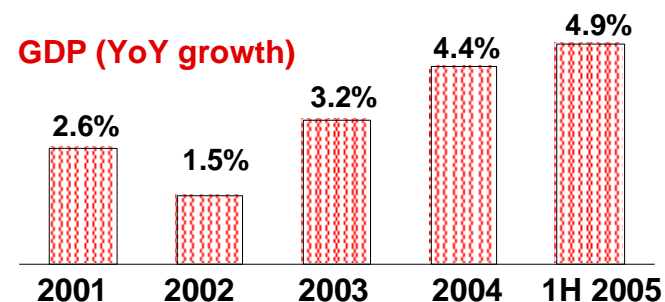
Contents

- n Strategy and Business Highlights
- n Financial Performance
- n Loan Portfolio Development
- n Appendix



Market conditions: Big potential and challenge for the future

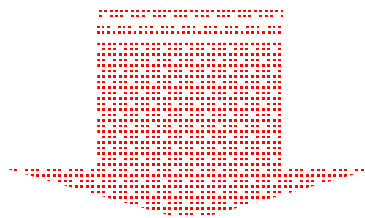
- **GDP growth** is accelerating: + 5.1% in 2Q 2005 (4.4% in 2004, 3.2% in 2003)
- **Household loan growth** still at high 33% in September 2005 while the household loan/GDP ratio still low at 12% (1H 2005)
- **Inflation rate** slightly increased to 1.9% YoY in 3Q 2005, compared to 1.6% in 1Q and 2Q 2005
- **2W repo rate** still at very low at 1.75%, limiting KB growth of net interest income in the long-run
- **Continuously increasing competition** in the market with a strong impact on revenues



KB's business strategy confirmed by its results

n KB business model is based on:

- 4 The long-term relationship with clients and **cross-selling activities**, focus on **transparency and communication with clients**
- 4 Continuously improving level of services based on **technologic innovations** and clear **quality commitments**
- 4 **The multi-channel approach** to clients
- 4 **Using all synergies** with Société Générale business lines
- 4 **Separation of production and distribution** processes; KB is a distributor focusing on the **relationship with clients** while products are manufactured either by KB or Société Générale subsidiaries or by external partners
- 4 High **Bank's efficiency**



- n Use of the potential of **fast growing retail market** and benefit from an under-penetrated Bank's position in retail
- n Exploit the Bank's leading position in the segment of **small businesses**
- n Maintaining a prime position in the **segment of large corporates** and capitalising from the worldwide position of SG Corporate and Investment Banking



KB will continue focusing on the revenues' growth

- **Increase of the client base mainly by**
 - ▶ Opening new branches and installing ATMs
 - ▶ Enlarging the sales' force
 - ▶ Focusing on youngsters and affluent clients
- **Increase of the cross-selling ratio by**
 - ▶ Expanding further the Bank's loan portfolio in all segments
 - ▶ Further improvement in the co-operation with all business partners
 - ▶ Continuing focus on the corporate and investment banking activities
 - ▶ Emphasis on the front office staff's training
- **Increase of the clients' loyalty**
 - ▶ Improving transparency in the Bank's relations to clients
 - ▶ Continuous focus on product and service quality



Operating profit increased by 8%

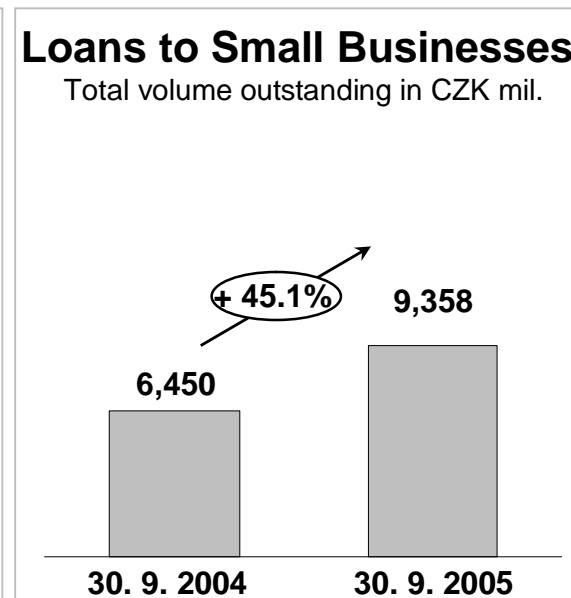
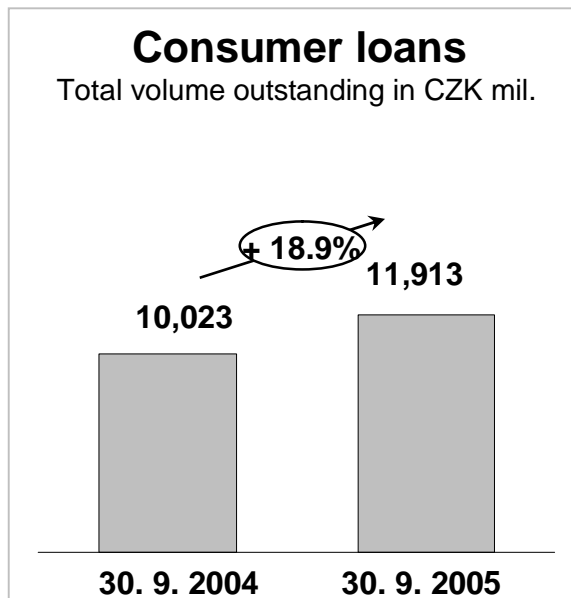
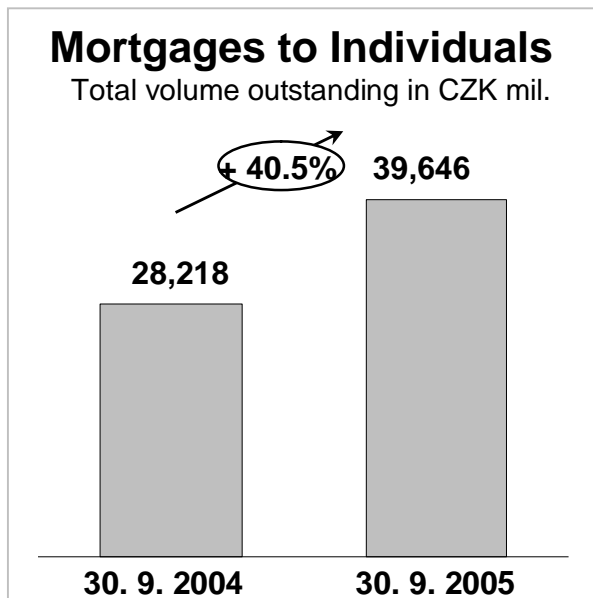
As of 30 September 2005, year-on-year comparison

- **Total revenues increased by 3%** driven by lending activities
- **Total costs** kept under tight control **declined by almost 1%**
- **Operating profit up 8%** thanks to rising revenues and effective cost management
- The **cost/income** ratio remains **below 50%**
- **Cost of risk** remains at low 23 bp resulting mainly from increasing quality of large corporate clients. Neutralizing this development, cost of risk would be approx. **45 bp**.
- **Net unconsolidated profit** stood at **CZK 6,313 million (+12%)**, confirming the success of the Bank's business strategy

Dynamic Business Performance - Expansion in loan portfolio

As of 30 September 2005, year-on-year comparison

- Outstanding **mortgages to individuals**: + 40% to CZK 39.6 billion
- Outstanding **consumer loans**: + 19% to CZK 12 billion of which CZK 1.56 billion comprise loans on credit cards (+114%), while number of active credit cards increased by 96% to 103,000
- Outstanding **loans to SMEs**: + 23% to CZK 54 billion, out of which small businesses +45%





Dynamic business performance – Success in mutual funds and insurance products

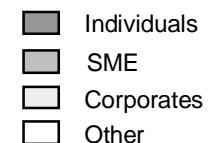
As of 30 September 2005, year-on-year comparison

- n Growth in number of **KB clients** by **70,000** (i.e. **5%**) to **1,450,000**, of which 1,169,000 are individual clients
- n Komerční banka has reached the mark of **1,000,000 direct banking products used**
- n Dynamics in sale of **mutual funds: new sales** volumes of **CZK 14.9 billion (+303%)**
- n Strong growth in sales of **pension insurance: 37,000 of new contracts** sold through KB **(+98%)**
- n Intensified **cooperation with Allianz**: 12,000 non-life insurance policies sold through KB; sale of KB mortgages through Allianz agents launched
- n Enlarged range of **insurance products for businesses**: Profi Merlin and Profi Patron

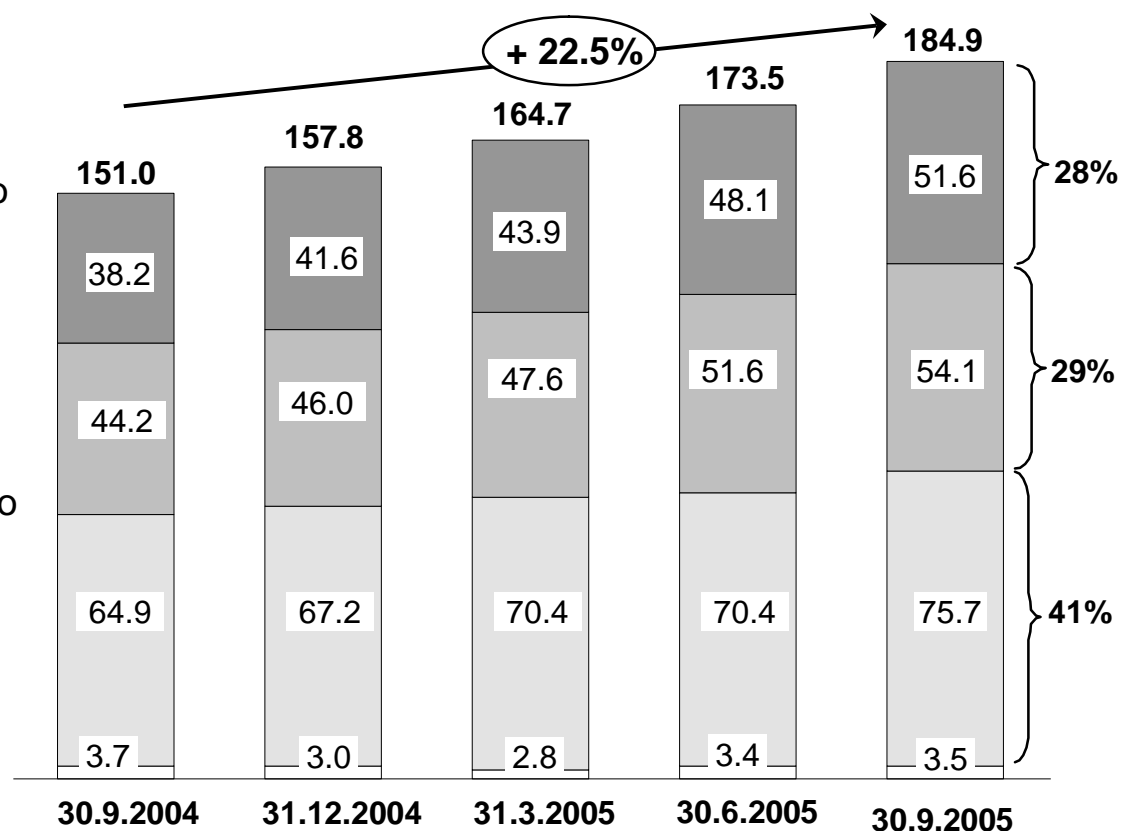
Expansion of the loan portfolio in all client segments

Volume of loans

CZK billion, Gross amount



- **Year-on-year growth** of the loan portfolio by **22.5%**
- Total **mortgage loans** amounted to CZK 43.4 billion and **consumer loans** to CZK 11.9 billion
- Total **off-balance sheet commitments** to clients stood at **CZK 116.4 bil.** (+14%)



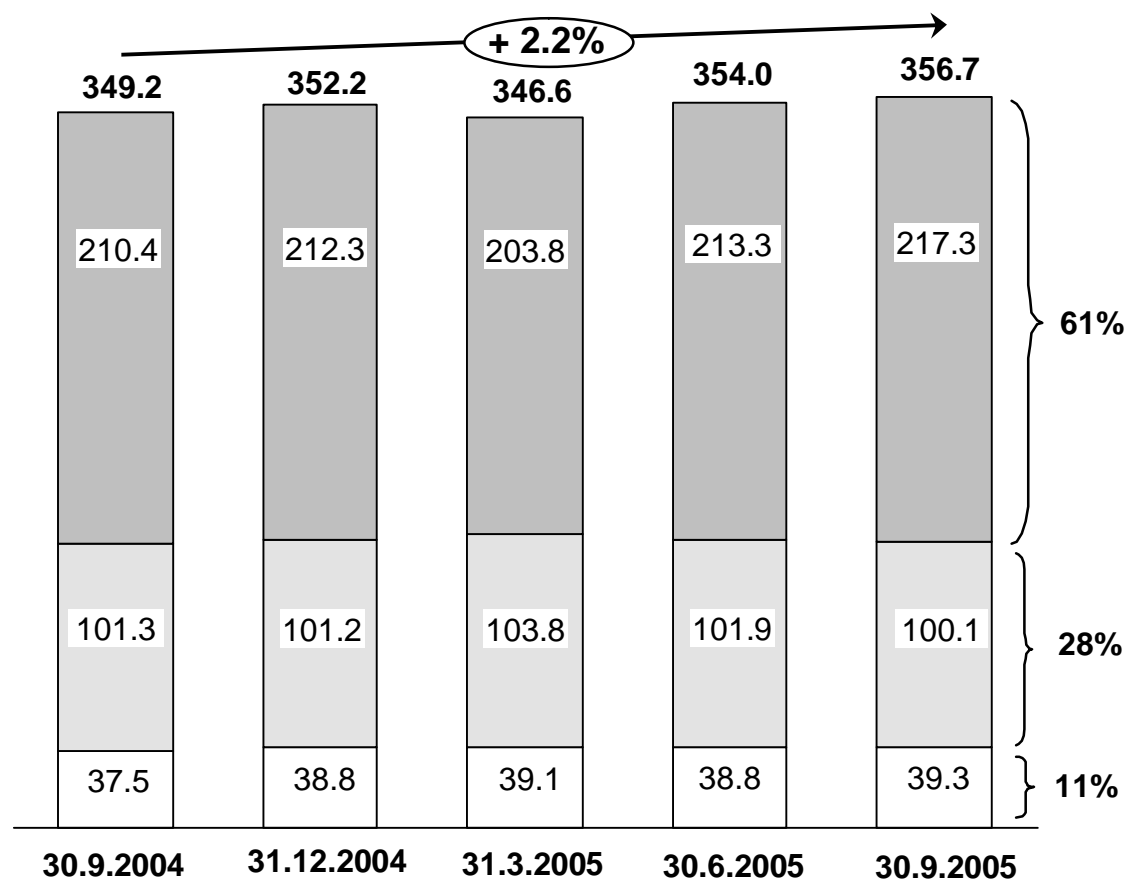
Persisting stability of client deposits

Volume of primary client deposits

CZK billion

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

- **Year-on-year slight increase of depositary base** mainly driven by deposits from businesses
- Trend of **rising current accounts** (+3.3% YoY) and slight **decrease of term accounts** (-1.3% YoY) continues
- **Deposits from individuals** represent 35% share of total primary deposits reaching CZK 124.2 billion
- **Migration of deposits** from KB to its subsidiaries during 1-3Q 2005
 - IKS sales (CZK + 14.9 bil.)
 - KP Vital insurance product premium written (CZK + 0.9 bil.)
 - Increase of PF client contributions (CZK + 0.7 bil.)





Continual improvement of cross-selling activities

| | 30. 9. 2004 | 30. 9. 2005 | YoY Change |
|---|-------------|-------------|------------|
| Cross-selling ratio* | | | |
| Individuals | 4.39 | 4.84 | +10% |
| Penetration ratio – Individuals** | | | |
| Packages | 60.3 | 67.3 | +12% |
| Mortgages | 2.4 | 2.9 | +21% |
| Consumer loans | 9.5 | 10.8 | +14% |
| Payment cards | 66.2 | 67.5 | +2% |
| Penetration ratio - Small businesses** | | | |
| Packages | 37.7 | 53.0 | + 41% |
| Business loans | 3.6 | 5.2 | + 44% |
| Payment cards | 55.9 | 62.4 | + 12% |

* Number of products sold / Number of current accounts

** Number of clients with a product / 100 clients



Contents

- n Strategy and Business Highlights
- n Financial Performance
- n Loan Portfolio Development
- n Appendix



Unconsolidated Financial Results of KB

Net operating income growth by 7.8%

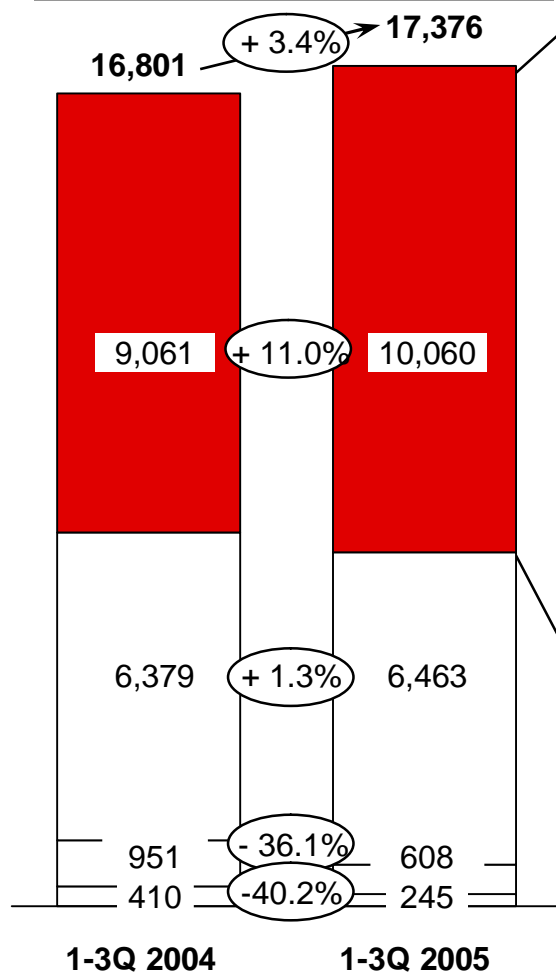
| Unconsolidated Profit and Loss Statement CZK million | 1-3Q 2004 | 1-3Q 2005 | Change 05/04 |
|---|-----------|-----------|-----------------|
| Net banking income | 16,801 | 17,376 | +3.4% |
| Operating costs | -8,643 | -8,584 | -0.7% |
| Net operating income | 8,158 | 8,792 | +7.8% |
| Provisions for loan and investment losses | -900 | -717 | -20.3% |
| Profit on subsidiaries and associates | 753 | 341 | -54.7% |
| Profit before income taxes | 8,011 | 8,416 | +5.1% |
| Income taxes | -2,388 | -2,103 | -12.0% |
| Net profit | 5,623 | 6,313 | +12.3% |

| Key ratios and indicators | 30. 9. 2004 | 30. 9. 2005 | Change 05/04 |
|---|-------------|-------------|-----------------|
| Capital Adequacy | 13.5% | 14.1% | → |
| Tier 1 Ratio | 14.0% | 14.4% | → |
| Risk weighted assets (CZK billion) | 200 | 230 | → |
| Net Interest Margin - NII/Av. Interest Bearing Assets | 3.1% | 3.2% | → |
| Cost / Income ratio | 51.4% | 49.4% | → |
| Return on Average Equity annualised (ROAE) | 19.3% | 18.2% | → |
| Return on Average Assets annualised (ROAA) | 1.7% | 1.8% | → |
| Earnings per Share annualised (CZK) | 197 | 221 | → |
| Number of Employees (FTE) | 7,693 | 7,451 | - 3.1% |

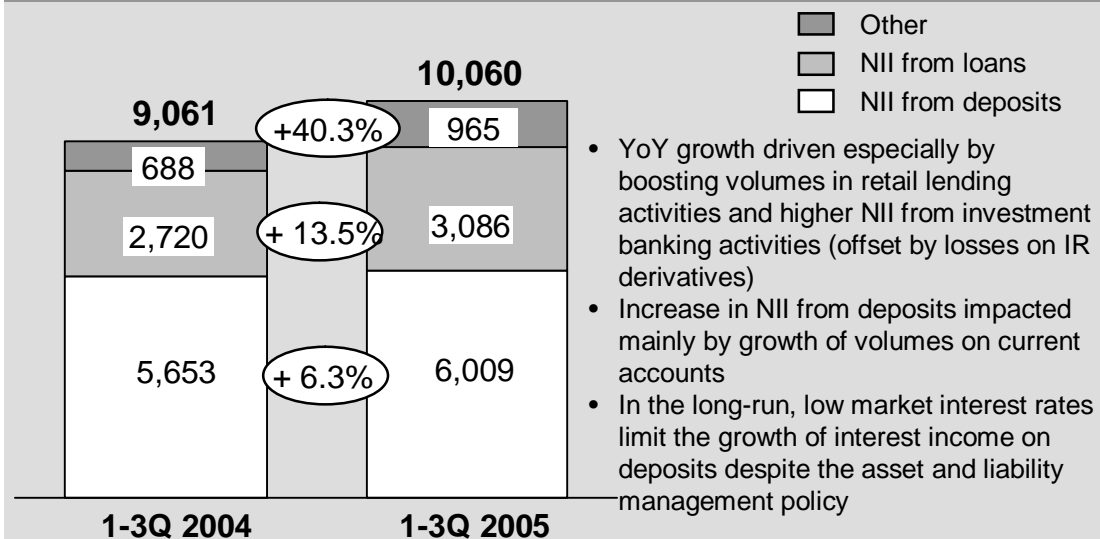
Lending activities managed to offset pressures on spreads

CZK million, unconsolidated

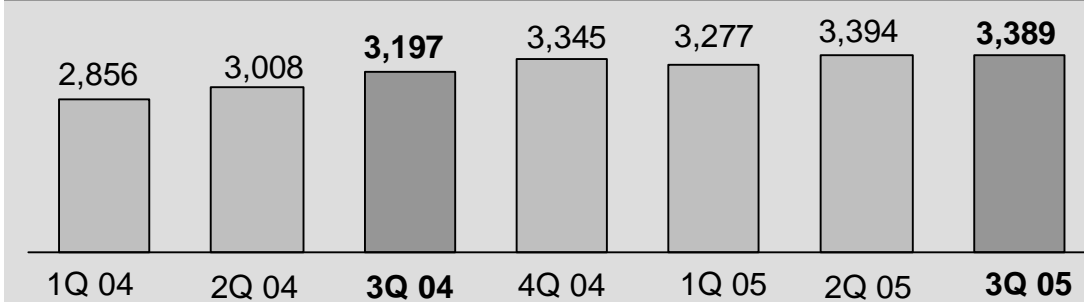
Net Banking Income



Net Interest Income



QxQ development of Net Interest Income

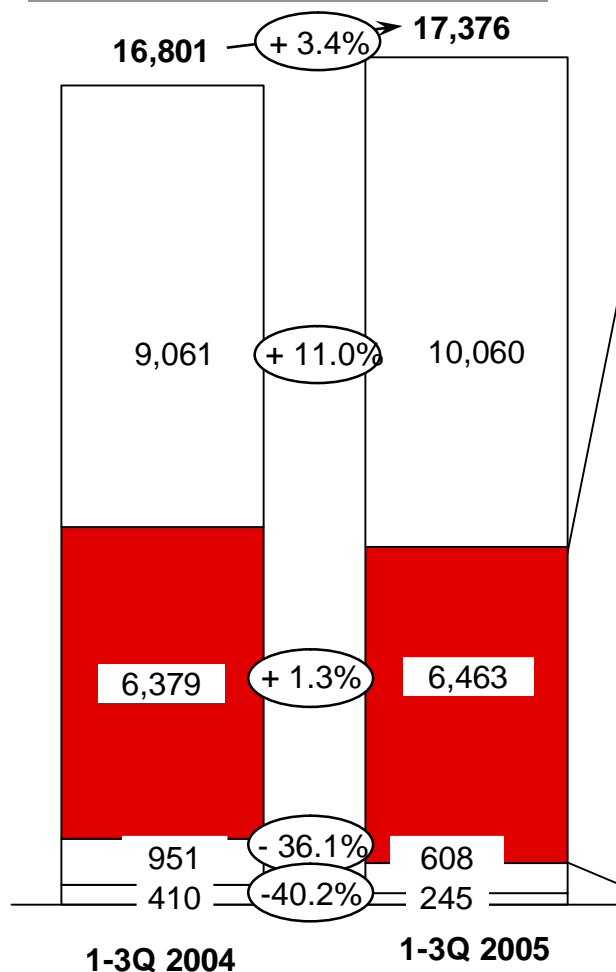




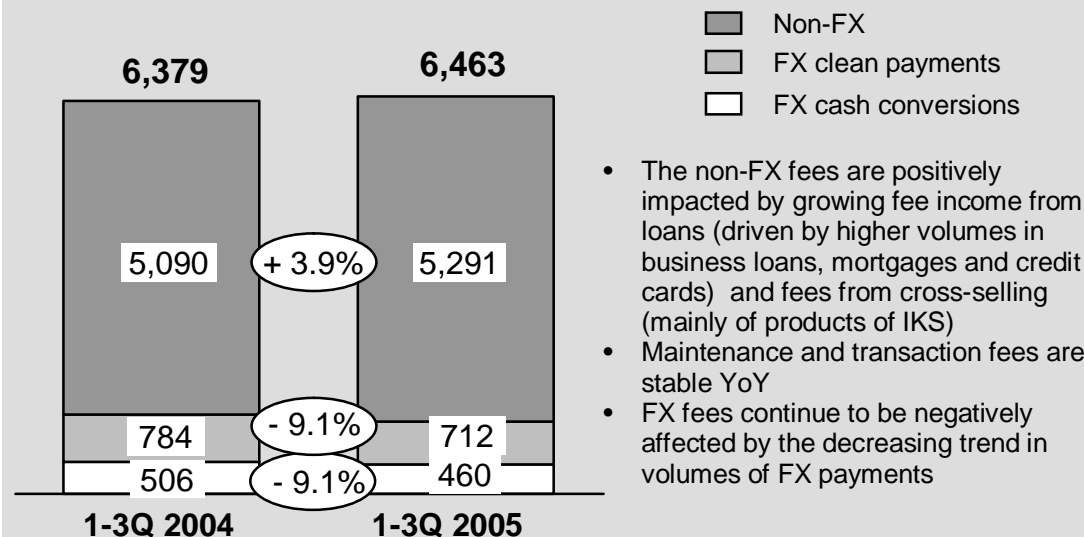
Growth in Non-FX fee income driven by lending and cross-selling

CZK million, unconsolidated

Net Banking Income

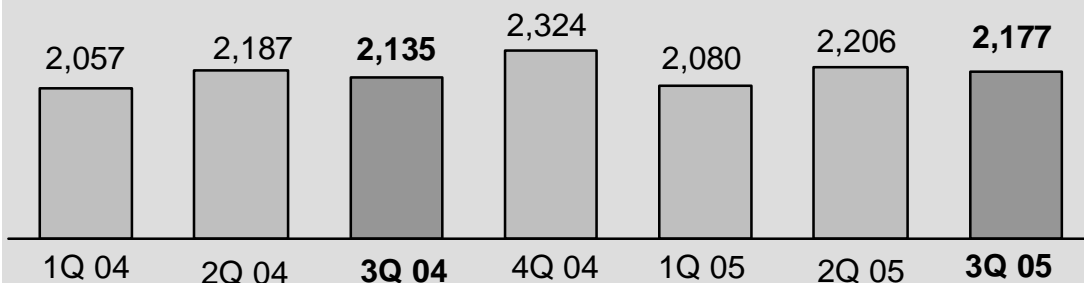


Net Fees and Commissions



- The non-FX fees are positively impacted by growing fee income from loans (driven by higher volumes in business loans, mortgages and credit cards) and fees from cross-selling (mainly of products of IKS)
- Maintenance and transaction fees are stable YoY
- FX fees continue to be negatively affected by the decreasing trend in volumes of FX payments

QxQ development of Net Fees and Commissions

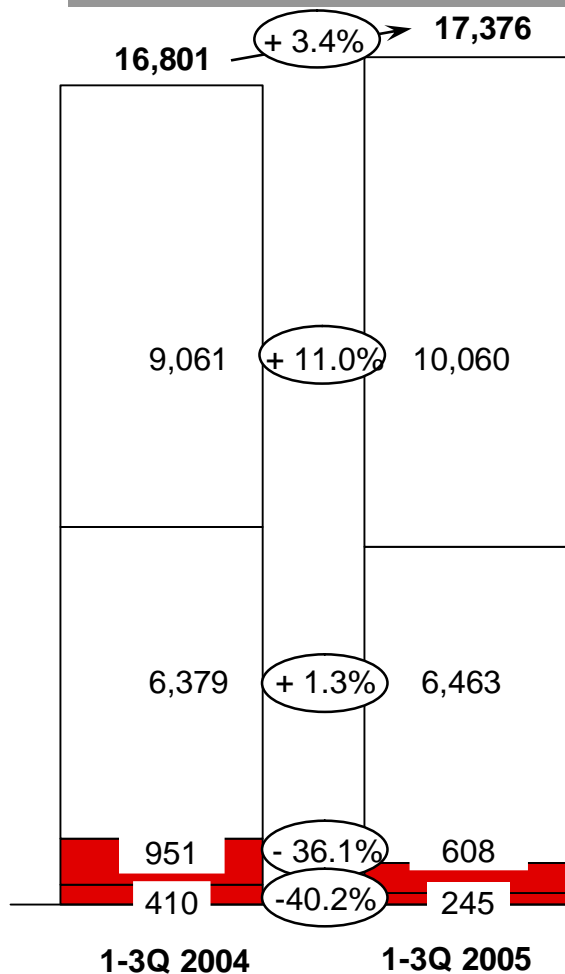




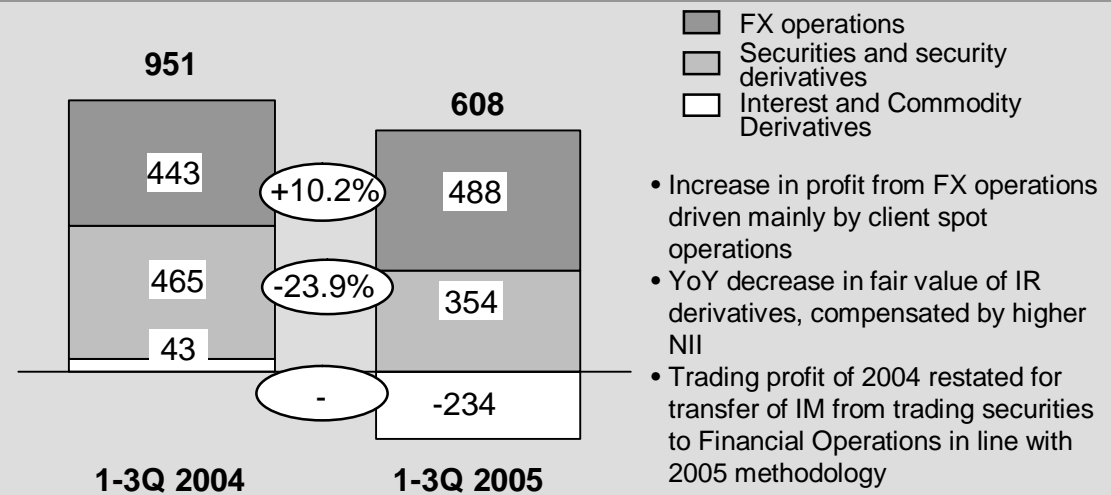
KB trading profit sustained by clients FX operations

CZK million, unconsolidated

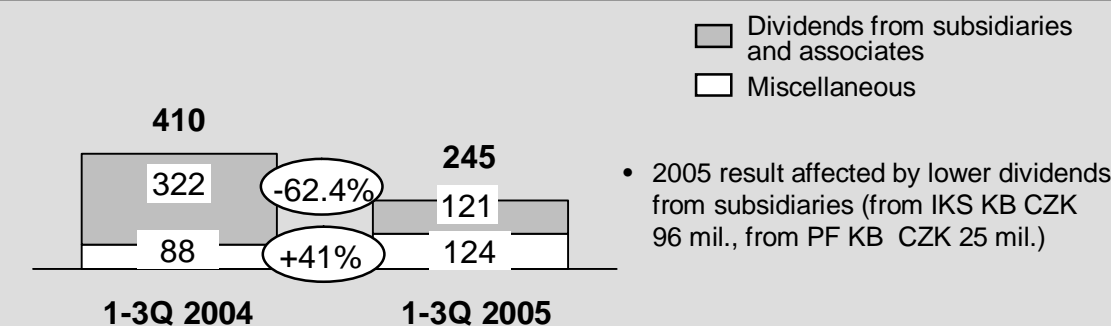
Net Banking Income



Net Profit from Financial Operations

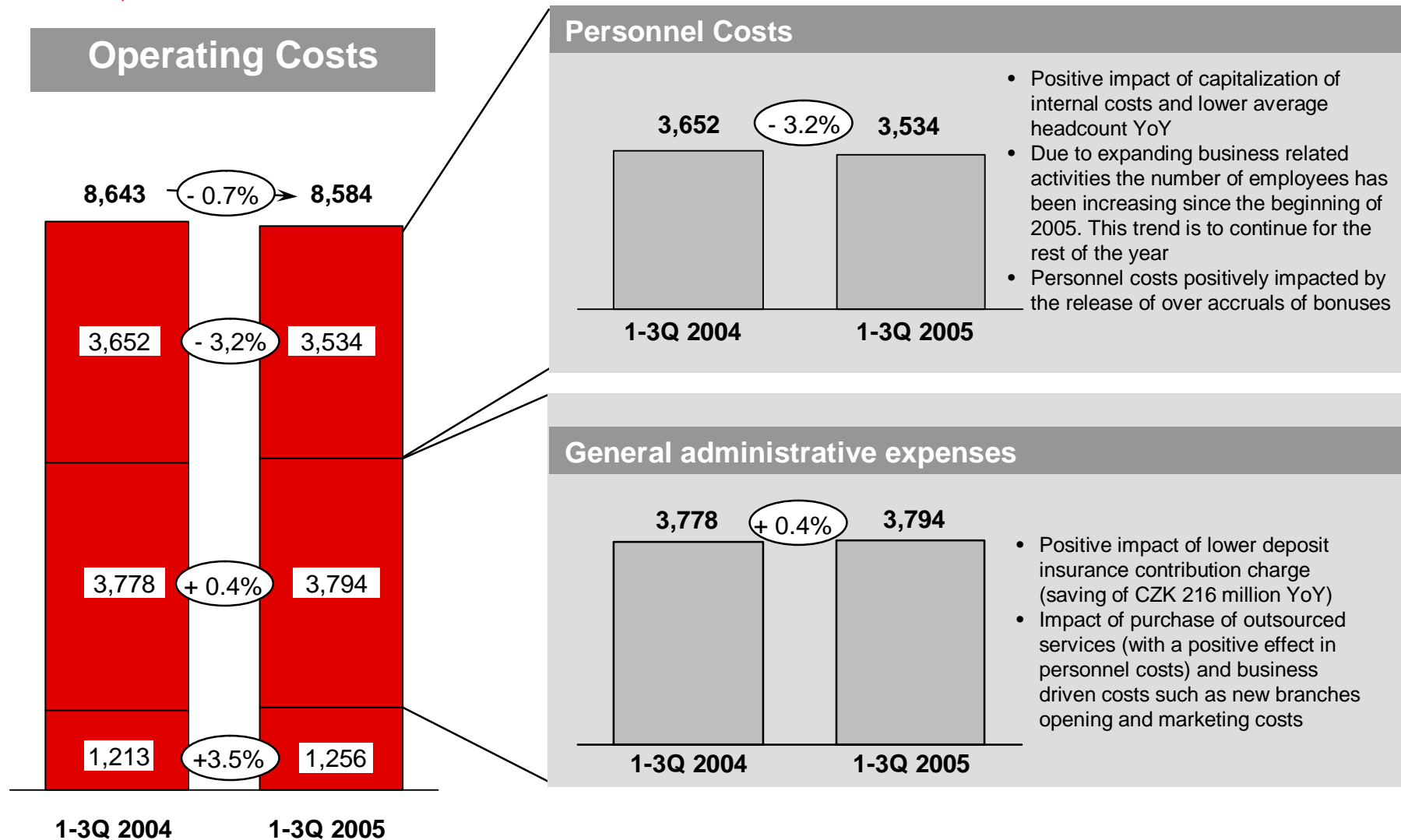


Other Income



Cost efficiency still improving

CZK million, unconsolidated

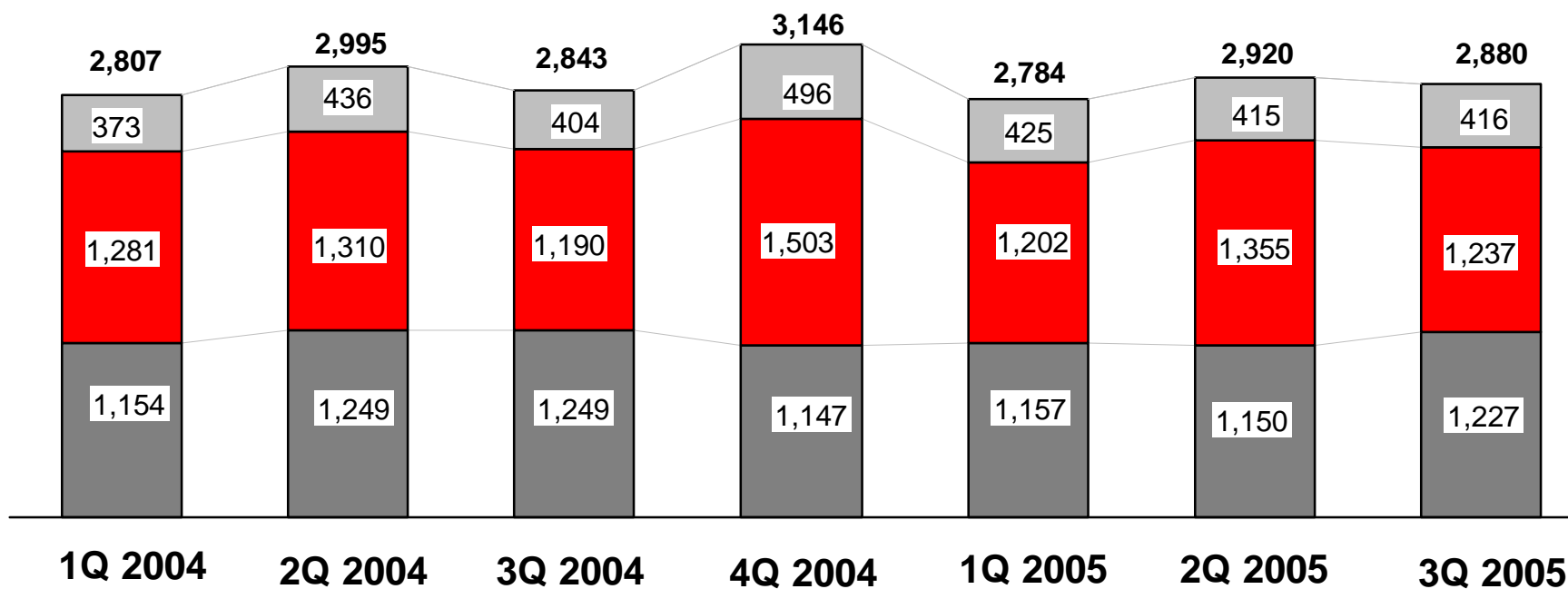




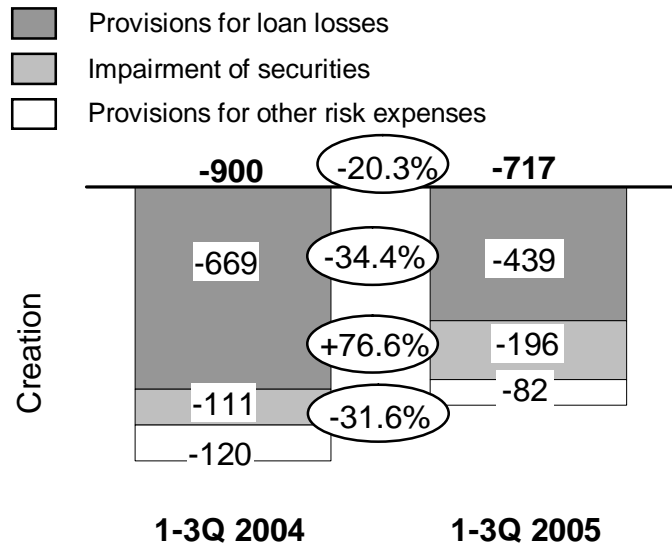
Operating costs Q-on-Q development

CZK million, unconsolidated

- Depreciation, impairment and disposal of fixed assets
- General administrative expenses
- Personnel expenses



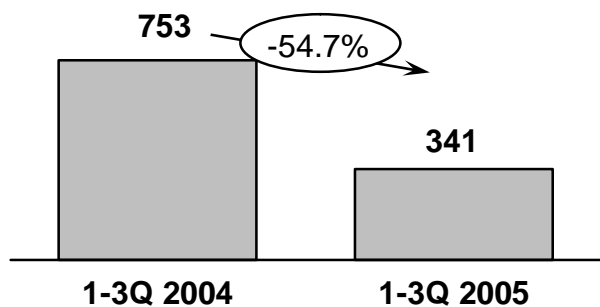
Cost of Risk



Comments

- Cost of risk at 23 bp mainly resulting from increasing quality of large corporate clients segment.
- Neutralizing provision reductions on large corporate clients, cost of risk would be around 45 bp, in line with current context of fast growing retail portfolio.
- The sale of CDOs in the amount of USD 132 million generated an impact of USD -8.6 mil.
- Recently KB and ČKA entered an arbitration process aimed at resolving residual claim for CZK 679 million relating to the settlement of the State Guarantee. For the time being no provisioning has been deemed necessary.

Net profit on subsidiaries and associates before tax



Comments

- The 2004 figure is mainly the result of the sale of the stake in MUZO, with a pre-tax gain of CZK 804 million (February 2004)
- The 2005 figure is affected by:
 - the first instalment from the IKS sale with a gain of CZK 56 million
 - the pre-tax gain from the disposal of 51% stake in KP worth CZK 78 million
 - the release of provisions of CZK 185 million created for Komerční pojišťovna.



Balance Sheet

Assets

Liabilities

CZK million, unconsolidated

| | | 474,137 | Change | | | 474,137 | Change |
|---------------------------------------|-------------------|------------------|---------|--------------------------|-------------------|------------------|---------|
| | | 448,294 | | | | 448,294 | |
| | 31.12.2004 | 30.9.2005 | | | 31.12.2004 | 30.9.2005 | |
| Cash and balances with central bank | 10,025 | 12,955 | + 29.2% | Amounts due to banks | 18,548 | 23,747 | + 28.0% |
| Amounts due from banks | 231,361 | 229,564 | - 0.8% | Amounts due to customers | 358,825 | 363,573 | + 1.3% |
| Due from Česká konsolidační agentura | 2,945 | 212 | - 92.8% | Certificated debt | 9,256 | 13,989 | + 28.1% |
| Loans and advances to customers (net) | 152,434 | 179,045 | + 17.5% | Other liabilities | 18,087 | 23,952 | + 51.1% |
| Securities | 24,372 | 22,611 | - 7.2% | Shareholders' equity | 43,578 | 48,876 | + 12.2% |
| Other assets | 27,157 | 29,750 | + 9.5% | | | | |
| | 31.12.2004 | 30.9.2005 | | | 31.12.2004 | 30.9.2005 | |



Shareholders Equity

Development since the end of 2004

CZK million, unconsolidated

Total shareholder's equity
as at 31 December 2004:

43,578

+ 5,298

Total shareholder's equity
as at 30 September 2005:

48,876

| Shareholders' equity | 31. 12. 2004 | 1. 1. 2005 | Increase | Decrease | 30. 9. 2005 |
|--|---------------|---------------|---------------|---------------|---------------|
| Share capital | 19,005 | 19,005 | - | - | 19,005 |
| Capital and reserve funds | 12,095 | 21,394 | - | - | 17,590 |
| - Retained earnings, reserve funds and dividends | 12,098 | 21,397 | - | -3,800 | 17,597 |
| - Own shares | -3 | -3 | - | -4 | -7 |
| Net profit | 9,299 | 0 | +6,313 | - | 6,313 |
| Hedging revaluation reserve | 2,803 | 2,803 | +2,708 | - | 5,511 |
| AFS securities' fair value changes | 201 | 201 | +121 | - | 322 |
| CDOs' fair value changes | 35 | 35 | - | -34 | 1 |
| Others | 140 | 140 | | -7 | 134 |
| Total Shareholders' equity | 43,578 | 43,578 | +9,142 | -3,845 | 48,876 |



Contents

- n Strategy and Business Highlights
- n Financial Performance
- n **Loan Portfolio Development**
- n Appendix



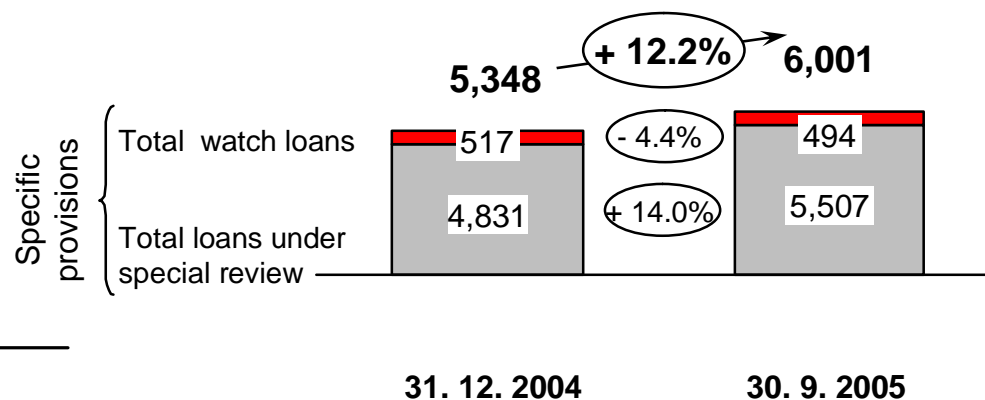
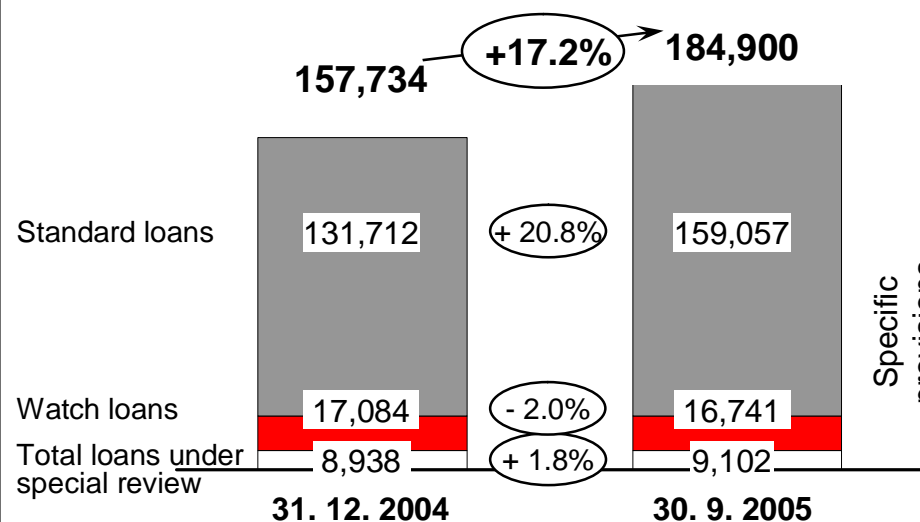
Strong loan growth does not hamper loan portfolio quality

CZK million, unconsolidated

Client loans, On-balance sheet

Gross amount

Specific provisions



- The share of standard loans in the total portfolio is gradually rising (86% at end of 3Q vs. 84% in 2004)
- LUSR* represent less than 5% of the total portfolio (6% in 2004)
- LUSR* well under control, slight increase of 1.8% in spite of strong portfolio growth of 17%.

- Specific provisions to LUSR cover 60% of LUSR (54% in 2004)
- Used value of collateral covers 39% of total client loans (2004: 41%)
- Cost of risk amounted to 23 bp (FY 2004: 37 bp)
- Neutralizing provision reductions on large corporate clients, cost of risk would be around 45 bp (1H 2005: 42 bp)

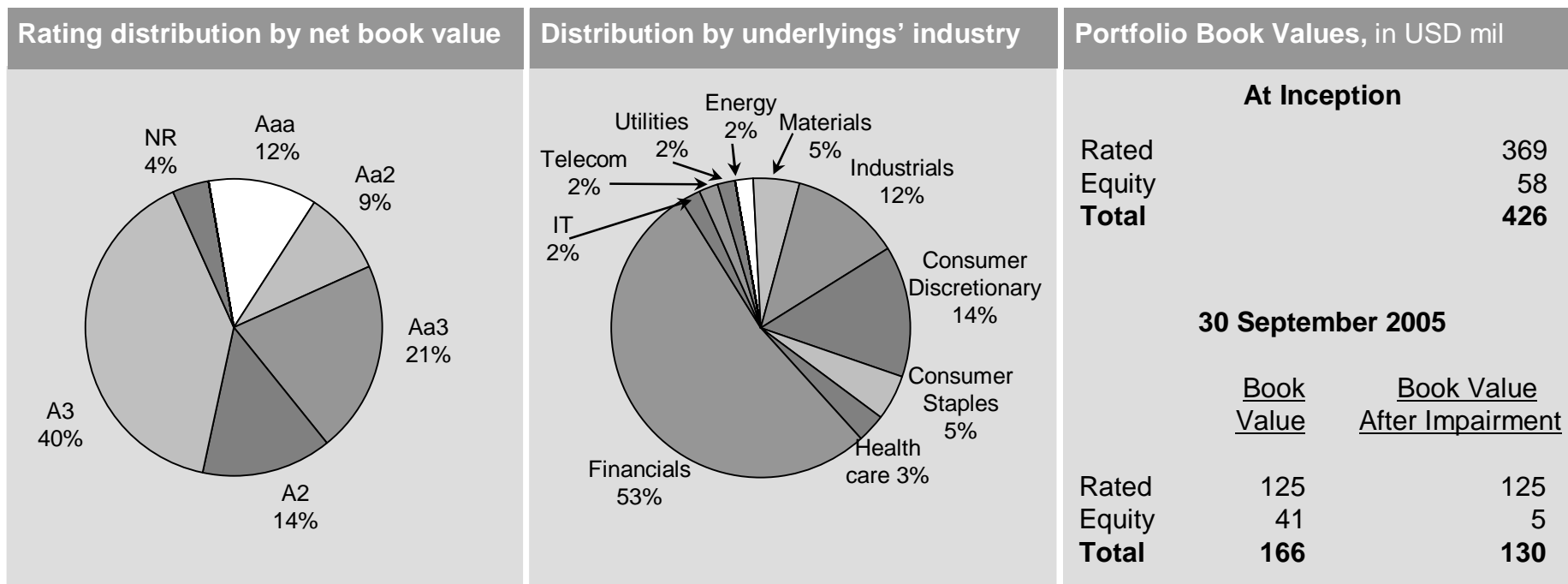
* LUSR = Loans under special review (sub-standard, doubtful and loss)



Restructuring of the portfolio finalized

As of 30 September 2005

- The divestment process aimed at selling lines with relatively significant default risk was finalized in Q3;
- Overall in 2005, almost 50% of the portfolio (book value) was sold;
- The resulting profile is assessed as satisfactory, with rated tranches (A3 at worst) representing 96% of the portfolio.





Contents

- n Strategy and Business Highlights
- n Financial Performance
- n Loan Portfolio Development
- n Appendix



Consolidated Financial Results and Ratios

| Profit and Loss Statement CZK million | 1-3Q 2004 | 1-3Q 2005 | Change 05/04 |
|---|----------------|----------------|-----------------|
| Net interest income | 9,592 | 10,839 | +13,0% |
| Net fees & commissions | 6,588 | 6,478 | -1,7% |
| Income from financial operations | 1,097 | 785 | -28,4% |
| Other income | 160 | 7 | -95,6% |
| Net banking income | 17,437 | 18,109 | +3,9% |
| Operating costs | -9,083 | -9,029 | -0,6% |
| Net operating income | 8,354 | 9,080 | 8.7% |
| Income from not fully consolidated companies and exclusion of subsidiaries from consolidation | 441 | -71 | -116,1% |
| Cost of risk | -889 | -763 | -14,2% |
| Income taxes | -2,451 | -2,113 | -13,8% |
| Net profit | 5,455 | 6,133 | +12,4% |
| Balance Sheet CZK million | 30. 9. 2004 | 30. 9. 2005 | Change 05/04 |
| Total assets | 456,499 | 494,242 | +8.3% |
| Shareholders' equity | 38,219 | 50,365 | +1.3% |
| Key ratios and indicators | 30. 9. 2004 | 30. 9. 2005 | Change 05/04 |
| Cost / Income ratio | 52.1% | 49.9% | → |
| Return on Average Equity annualised (ROAE) | 18.3% | 17.2% | → |
| Return on Average Assets (ROAA) | 1.6% | 1.7% | → |
| Number of Employees (FTE) | 8,552 | 8,281 | - 3.2% |



Subsidiary and associated undertakings results

As at 30 September 2005, CZK mil., CAS/SAS/IFRS

| | Share of KB | Profit after tax | Equity | Assets |
|---|-------------|------------------|--------------|---------------|
| ESSOX, s.r.o. (IFRS) | 51% | -25 | 123 | 2,033 |
| Factoring KB, a.s. (CAS) | 100% | 12 | 156 | 4,195 |
| Komerční Finance, B.V. | 100% | NA | NA | NA |
| Komerční banka Bratislava, a.s. (SAS) | 100% | 34 | 615 | 4,713 |
| Penzijní fond Komerční banky, a. s. ** (CAS) | 100% | 316 | 1,473 | 15,858 |
| Total subsidiary undertakings | | 337 | 2,367 | 26,799 |
| Komerční pojišťovna, a.s. (CAS) | 49% | -184 | 753 | 10,350 |
| Modrá pyramida SS, a.s. (CAS) | 40% | 239 | 1,599 | 55,503 |
| Czech Banking Credit Bureau (CAS) | 20% | 0 | 1 | 16 |
| Total subsidiary and associated undertakings | | 392 | 4,720 | 92,668 |
| KB direct share | | 354 | 3,317 | 53,077 |

Companies excluded from the consolidation

| | | | | |
|--|------|------|---|---|
| ALL IN REAL ESTATE LEASING, s.r.o. * (CAS) | 100% | -0.3 | 4 | 5 |
|--|------|------|---|---|

*Companies in process of disposal or liquidation

**Fully consolidated since 1 January 2005



Active products of direct banking reached 1 million

as at 30 September 2005

§ **1,450,000 clients*** - 1,169,000 individuals and 281,000 corporates

- YonY increase in number of clients by 70,000 (+5%)

§ **Network**

- 339 points of sale for retail clients
- 37 business centres for medium enterprises and municipalities
- 8 business centres for large corporates
- 583 ATMs

§ **Direct banking**

- 1,000,000 active products of direct banking (+19%)
 - 655,000 clients using phone banking
 - 274,000 users of internet banking
 - 22,500 users of PC banking
- 775,000 clients actively using one or more direct banking products

* Newly applied modification in methodology slightly decreased the number of clients. The year-on-year development is on comparable basis.



Products for Individuals and Small Businesses

Sales of key products

| Financial Packages | 30. 9. 2004 | 30. 9. 2005 | YoY Change |
|---|---|---|--------------|
| PACKAGES FOR INDIVIDUALS | 581,900 packages | 681,427 packages | + 17% |
| GAUDEAMUS package for young clients | 97,660 packages | 115,827 packages | + 19% |
| CHILD ACCOUNT | 79,208 accounts | 118,830 accounts | + 50% |
| MERLIN payment cards' insurance | 68,164 policies | 177,138 policies | +160% |
| PACKAGES FOR SMALL BUSINESSES | 101,525 packages | 140,492 packages | + 38% |
| Business loans | 9,670 total loans | 15,168 total loans | + 57% |
| Authorised overdrafts | 46,887 active authorised overdrafts | 64,064 active authorised overdrafts | + 37% |



Success of card business

| | 30. 9. 2004 | 30. 9. 2005 | YoY Change |
|---|------------------------|-------------------------|------------|
| Debit cards - active | 1,126,595 | 1,227,105 | +9% |
| Credit cards - active | 52,641 | 103,072 | +96% |
| Number of POS (points of sales using electronic device) | 12,049 | 14,675 | 22% |
| Number of transactions via payment cards | 1-3Q 2004 62.3 mil. | 1-3 Q 2005 70,0 mil. | +12% |



Co-operation within KB/SG Group and Strategic Partnerships

| | Provided in co-operation with: | 1-3Q 2004 | 1-3Q 2005 | Change 05/04 |
|--|--|---------------|---------------|--------------|
| Life insurance Vital (number of sold policies through KB) | Komerční pojišťovna | 35,133 | 37,601 | +7% |
| Non-life insurance (number of sold policies through KB) | Allianz | N.A. | 11,719 | N.A. |
| Mutual funds (sales in CZK bil.) | Investiční kapitálová společnost KB | 3.7 | 14.9 | +303% |
| Pension insurance (number of contracts through KB) | Penzijní fond KB | 18,671 | 36,906 | +98% |
| Building saving (number of sold contracts) | Modrá pyramida stavební spořitelna | 4,497 | 6,699 | +49% |
| Factoring (turnover in CZK bil.) | Factoring KB | 4.8 | 6.6 | +38% |
| KB FleetLease (cars) (# of cars provided through KB) | ALD Automotive | 949 | 1,371 | +75% |
| KB Leasing (big tickets) (turnover in CZK bil. through KB) | SG Equipment Finance | 0.826 | 1,2 | +45% |



Czech Republic

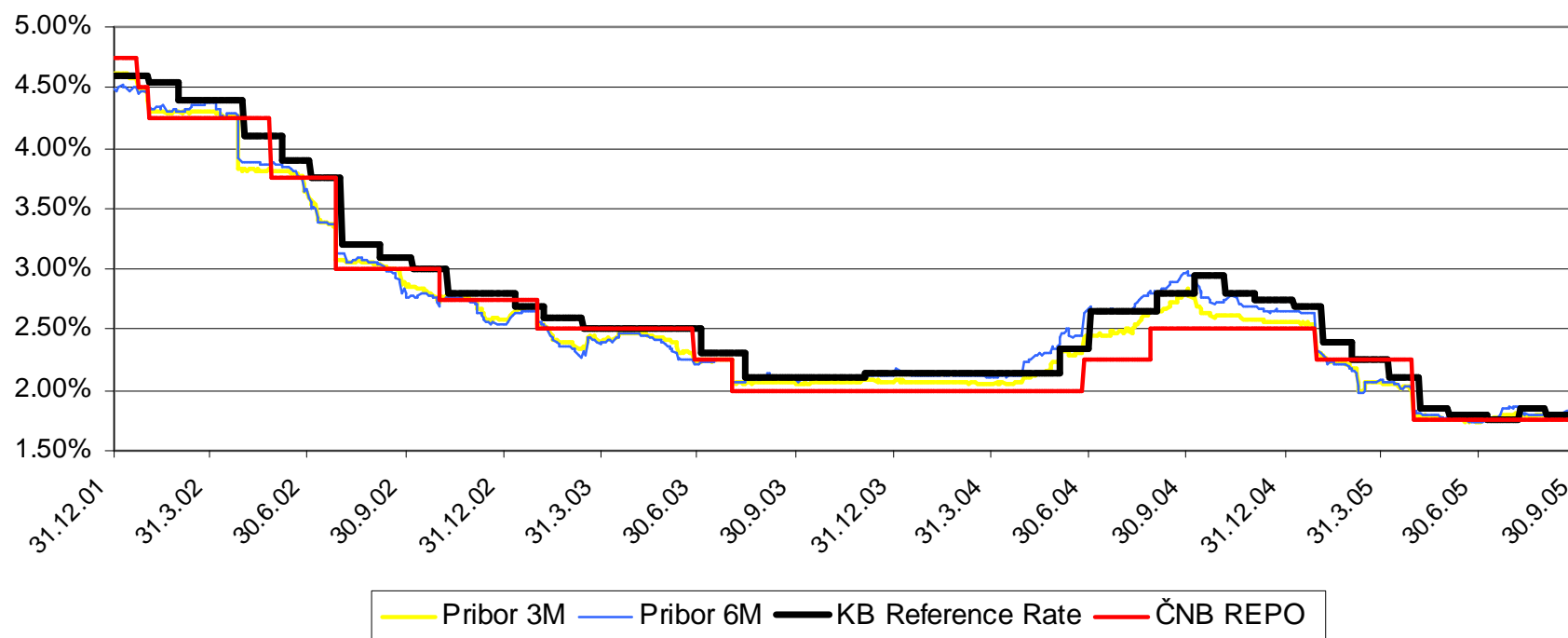
| Macroeconomic indicators | 2003 | 2004 | 2005* | 2006* | 2007* |
|--------------------------|-------|-------|-------|-------|-------|
| GDP (%) | + 3.2 | + 4.4 | + 4.5 | + 4.2 | + 4.5 |
| Inflation (%) | + 0.1 | + 2.8 | + 2.0 | + 3.0 | + 2.5 |
| Households income (%) | + 4.8 | + 4.9 | + 5.0 | + 5.0 | + 5.5 |
| M2 (%) | + 6.9 | + 4.4 | + 5.5 | + 6.0 | + 6.5 |
| 3M PRIBOR (%) | 2.3 | 2.4 | 1.9 | 2.3 | 2.8 |

| Potential of the market | 2003 | 2004 | 2005* |
|--------------------------|------|------|-------|
| Loans/GDP (year-end) | 39.0 | 38.3 | 41.0 |
| Mortgages/GDP (year-end) | 4.3 | 6.0 | 7.5 |
| Deposits/GDP (year-end) | 65.4 | 64.1 | 67.0 |

* KB forecast

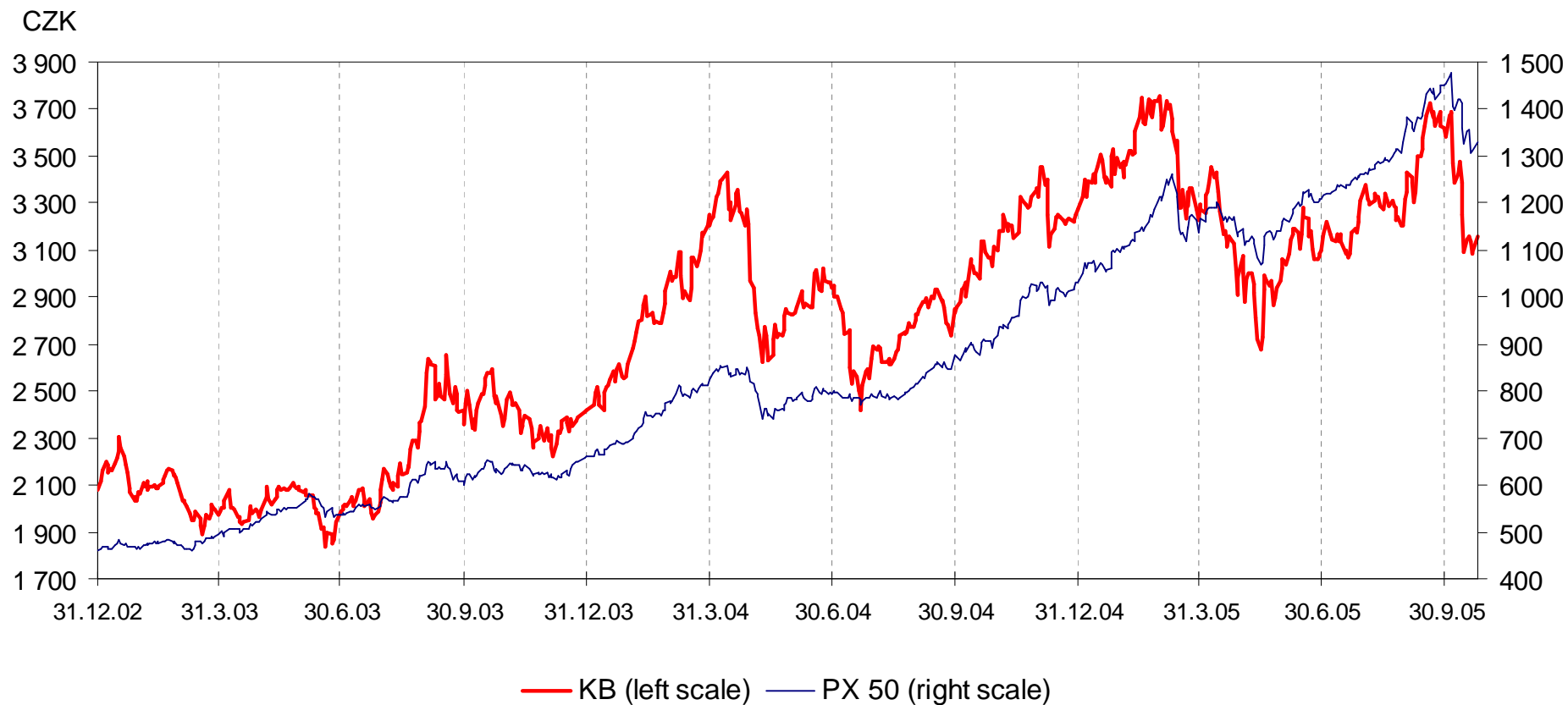


Interest Rates Evolution





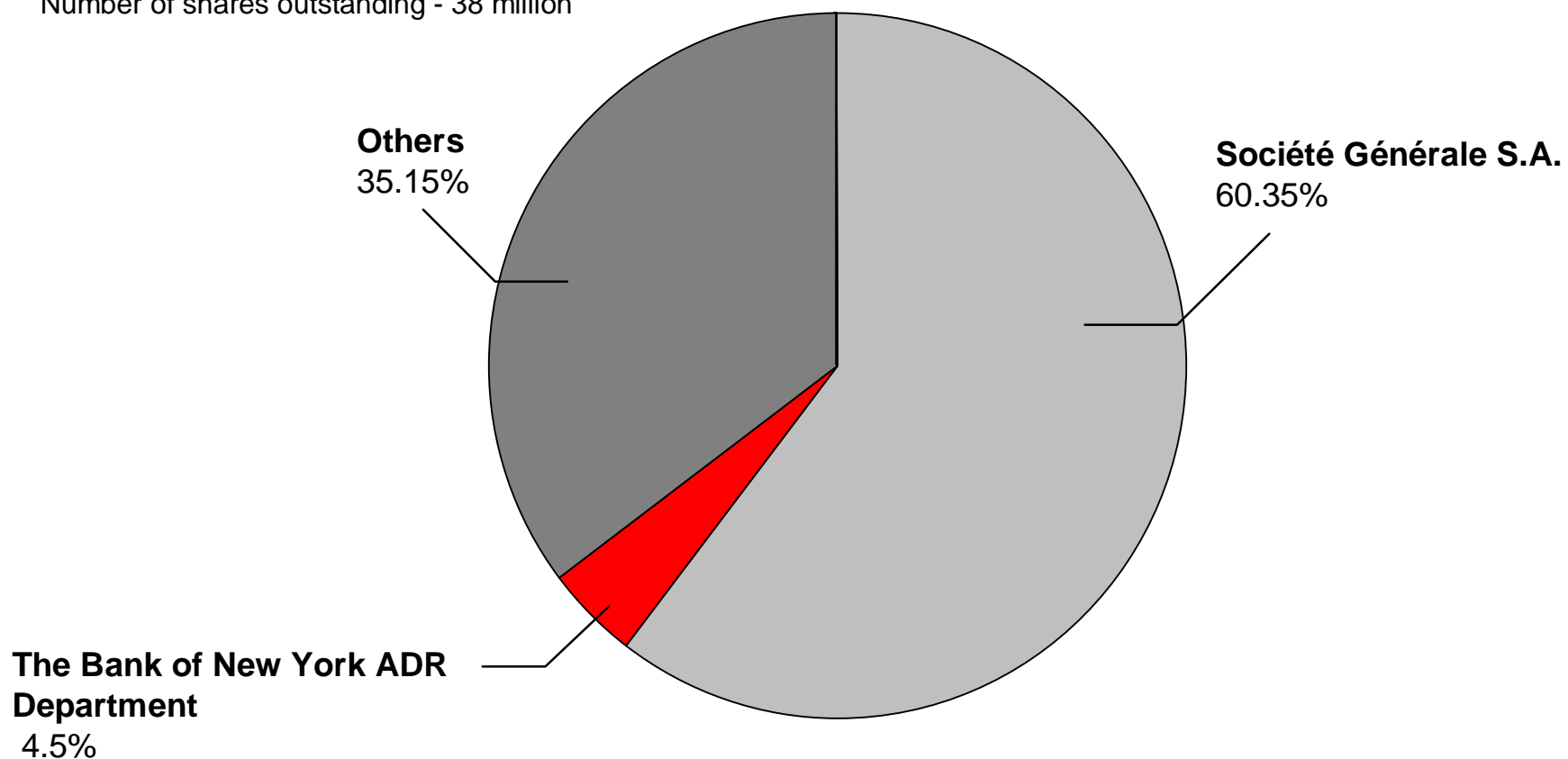
Development of KB's share price and Index PX50



Structure of Shareholders

Major shareholders of Komerční banka, a. s.
as at 30 September 2005

Number of shares outstanding - 38 million



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