



Komerční Banka's Results as at 30 September 2006

(International Financial Reporting Standards)

Prague - 9 November 2006

SOCIETE
GENERALE
GROUP





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Operating profit up 12%

As of 30 September 2006, year-on-year comparison

- **Total revenues increased by almost 6%** driven mainly by net interest income.
- **Total costs declined by almost 1%** helped by savings in general administrative expenses and by one-off items.
- **Operating profit up 12%** thanks to rising banking revenues, lower costs and non-recurring items.
- **The cost of risk increased to 40bp** largely as a result of the fast growing retail portfolio (compared to 23bp in 1-3Q 2005).
- **Net unconsolidated profit increased 5% to CZK 6,618 million.**

Significant Acquisition on the Czech Market



- n On 13 October 2006, KB completed the previously announced purchase of **60% stake in Modrá pyramida stavební spořitelna** for total of EUR 144 million (approx. CZK 4.2 billion). As a result, KB has gained 100% control over MPSS.
- n The **transaction was approved** by the Czech Antimonopoly Office and the Czech National Bank.
- n MPSS is the **third largest and most dynamic building society company on the Czech market** as measured by volume of new saving contracts concluded in 2005. Both in **2005 and 2006**, MPSS became the “**Building Society of the Year**“ in the prestigious MasterCard competition.



Expanding product offer and services of Komerční banka

For students of higher education colleges and universities Komerční banka introduced a **new VISA credit card** with up to CZK 20,000 limit depending on the year of enrolment. The card can be used for both direct payments at retailers and cash withdrawals from ATMs. KB also **raised the upper limit on authorized overdraft** to CZK 20,000 for all students over 18 years of age who have a G2 account.

KB launched another guaranteed fund, **MAX 7 – global guaranteed fund** with at least a 100% return on investment at the maturity day. These funds are very popular with KB clients as they offer the opportunity to participate in the development of capital markets and commodities prices without the risks associated to a direct investment.

In September, KB introduced a new short-term non-payment guarantee **Profi Guarantee** dedicated mainly to MEM clients with a simple and fast approval process.

KB's **new website placed first among financial institutions'** and overall gained second place among corporate website in the fifth annual **WebTop 100** competition. KB's new website has changed in terms of overall appearance and users' comfort, as it simplified its structure.





Business growth across segments

As of 30 September 2006, year-on-year comparison

- n **Number of total clients increased by 53,000 to 1.5 million** year on year, mainly as a result of individual clients' acquisition. 56% of the KB clients are using direct banking products.
- n **KB network comprises 360 points of sale and 630 ATMs.** Up to 16 new points of sale will be opened by the end of the year.
- n Improvement in the **cross-selling ratio for individuals to 5.15** from 4.84.
- n Thanks to its long-term relationship with ČEZ, KB participated in the placement of a **EUR 500 million euro bond issue**, where SGCIB acted as a co-lead manager.
- n KB was involved in **significant deals in 3Q 2006** (i.e. zero balanced accounts cash pooling for the electricity group ČEZ, financing of CZK 700 million for Orco Property Group, issue of one of the biggest joint-performance bonds on behalf of Skanska and Alpine Meyreder). As a result of expanding business activities **Corporate and Investment Banking revenues increased 8% year-on-year.**

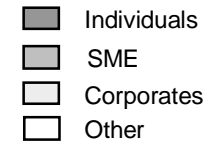


Unconsolidated Loan portfolio

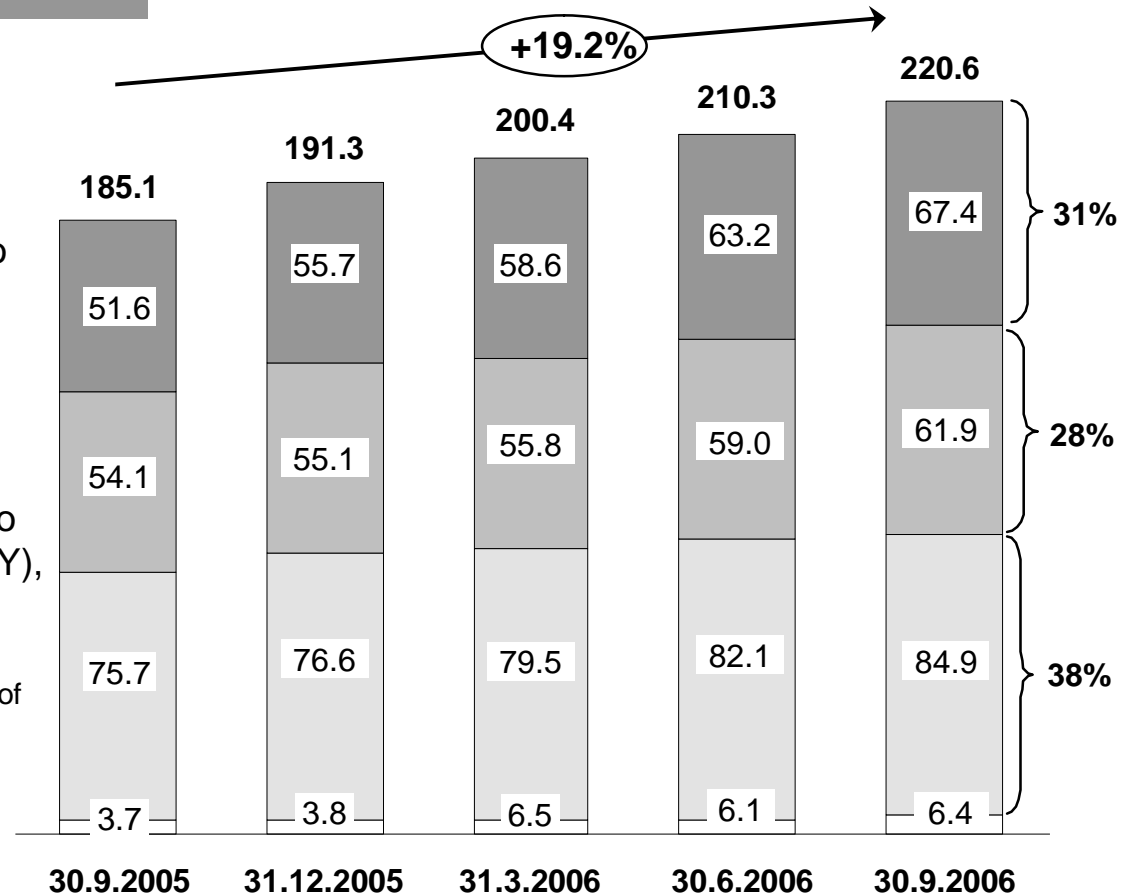
Loan portfolio growing in all client segments

Volume of loans *

Unconsolidated, CZK billion, Gross amount



- **Year-on-year growth** of the loan portfolio by **19.2%**
- **Total mortgage loans** amounted to CZK 56.6 billion, up 30% YoY
- **Total off-balance sheet commitments** to clients stood at **CZK 146.7 bil.** (+26% YoY), of which:
 - Undrawn limits CZK 101.2 bil. (+23.6%)
 - Guarantees and irrevocable promises of loans of CZK 22.1 bil. (+34.7%)



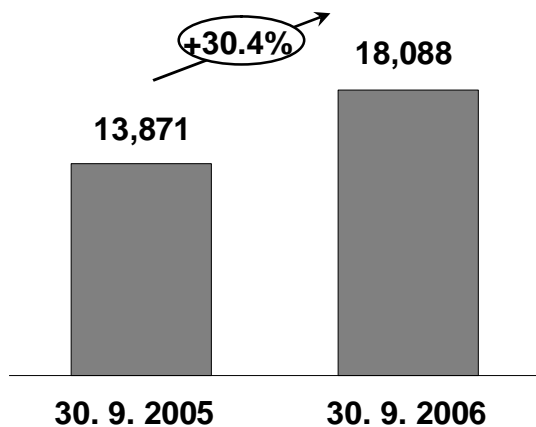
* Including a loan to KB subsidiary Bastion EI worth CZK 3.9 billion accounted in Other



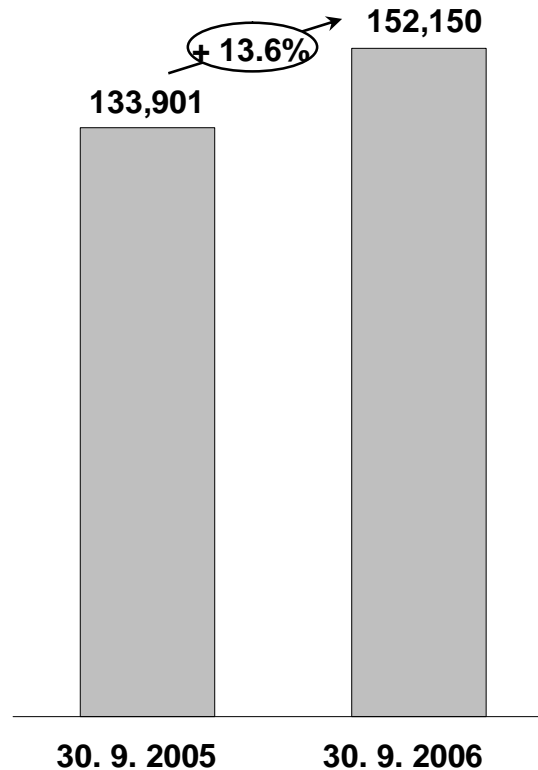
Strong loan growth on the Group level

As of 30 September 2006, year-on-year comparison, outstanding volumes, CZK mil.

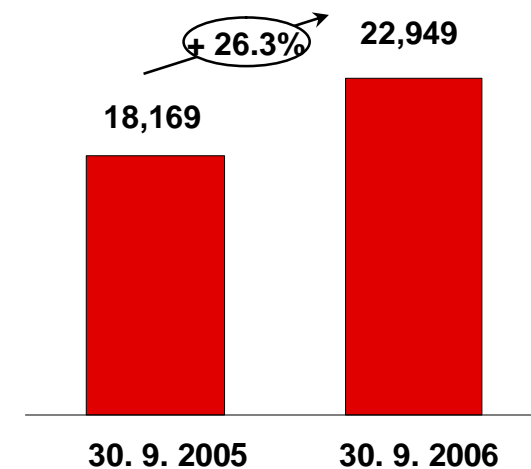
Consumer loans



Business Loans



Building saving loans



Note: Consumer loans provided by KB and Essox, business loans provided by KB, KBB, Factoring KB and building saving loans provided by MPSS (not consolidated fully as of September 2006)



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)

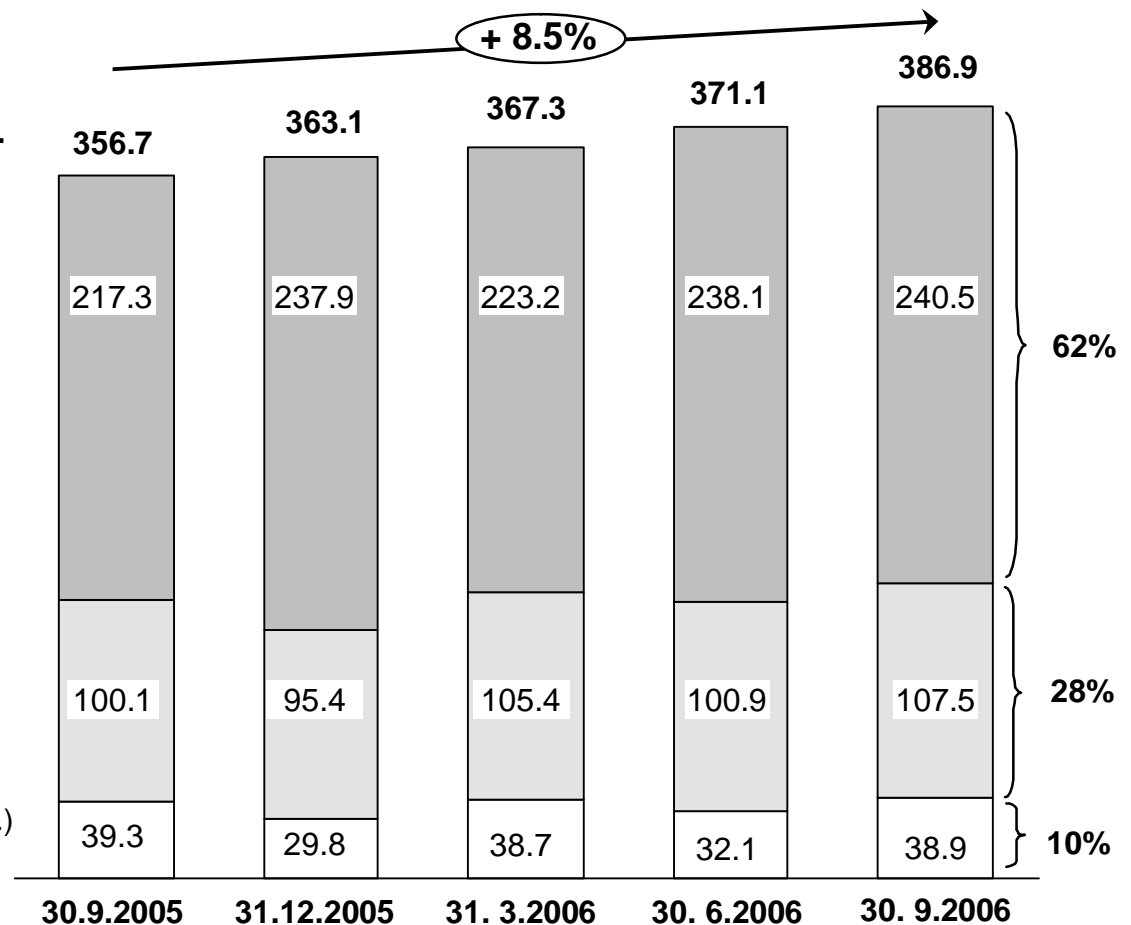
■ **Depository base increased by 8.5% year-on-year**

■ **Volumes on current accounts rose by +10.7% YoY and term accounts by 7.4%**

■ **Deposits from individuals** represent 34% share of total primary deposits reaching CZK 131.1 billion

■ **Sales of alternative saving products** during 1-3Q 2006

- IKS sales (CZK + 11.4 bil.)
- KP Vital insurance product premium written (CZK + 1.4 bil.)
- Increase of PFKB client contributions (CZK + 1.2 bil.)





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Unconsolidated Financial Results

Unconsolidated Profit and Loss Statement CZK million, unaudited	1-3Q 2005	1-3Q 2006	Change 06/05
Net banking income	17,376	18,350	+ 5.6%
Operating costs	- 8,569	- 8,495	- 0.9%
Net operating income	8,807	9,855	+ 11.9%
Cost of risk	- 732	- 1,248	+ 70.5%
Profit on subsidiaries and associates	341	0	-
Profit before income taxes	8,416	8,607	+ 2.3%
Income taxes	- 2,103	- 1,989	- 5.4%
Net profit	6,313	6,618	+ 4.8%

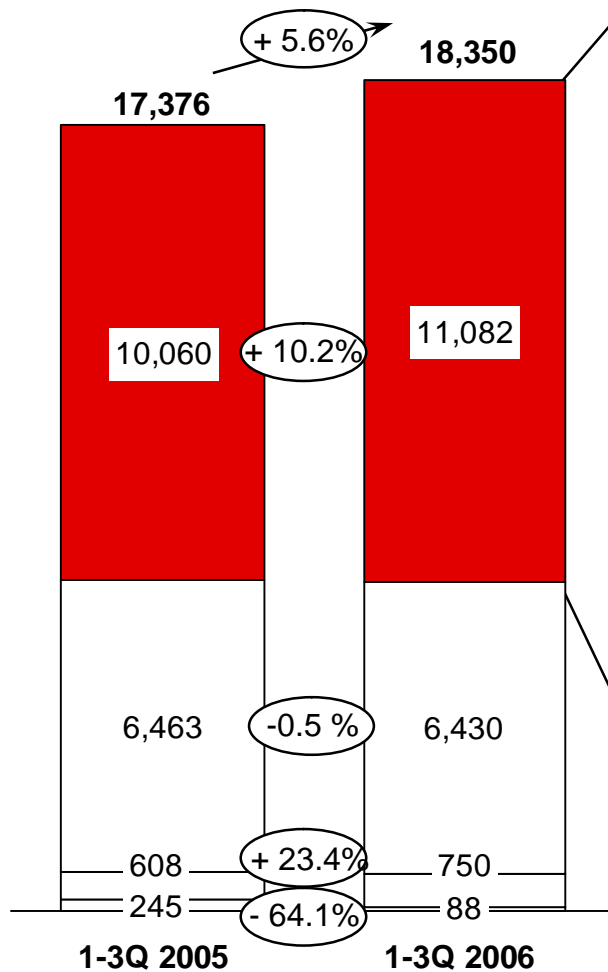
Key ratios and indicators	30. 9. 2005	30. 9. 2006	Change 06/05
Capital Adequacy (CNB)	14.1%	11.7%	→
Tier 1 Ratio	14.4%	12.0%	→
Risk weighted assets (CZK billion)	240.5	281.2	+16.9%
Net Interest Margin - NII/Av. Interest Bearing Assets	3.2%	3.2%	→
Cost / Income ratio	49.3%	46.3%	→
Return on Average Equity (ROAE) - Annualized	18.2%	18.4%	→
Return on Average Assets (ROAA) - Annualized	1.8%	1.8%	→
Earnings per Share - Annualized (CZK)	221	232	→
Average number of employees during the period	7,362	7,525	+2.2%



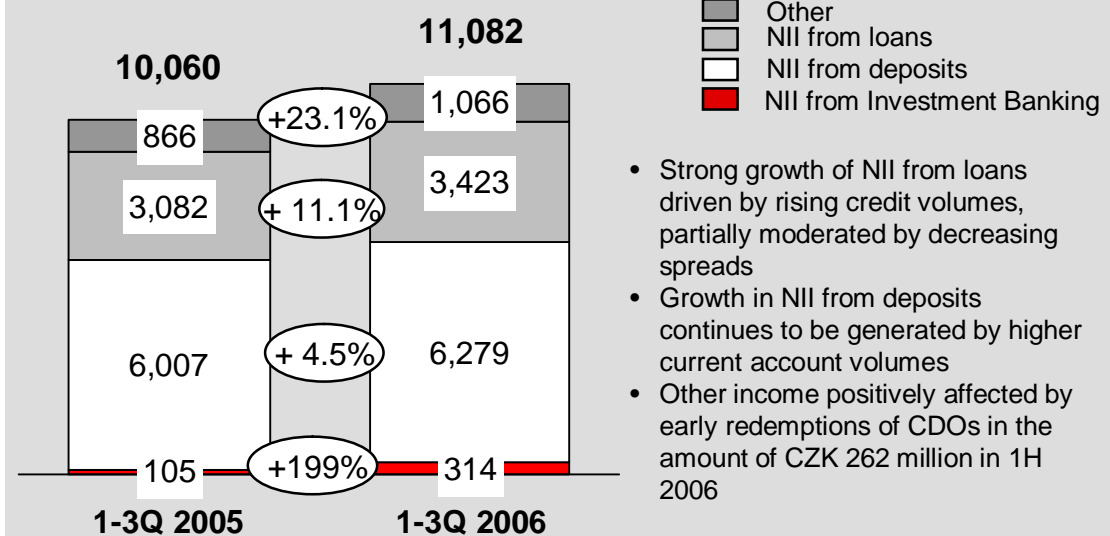
NII increase resulting from strong volume growth

CZK million, unconsolidated

Net Banking Income

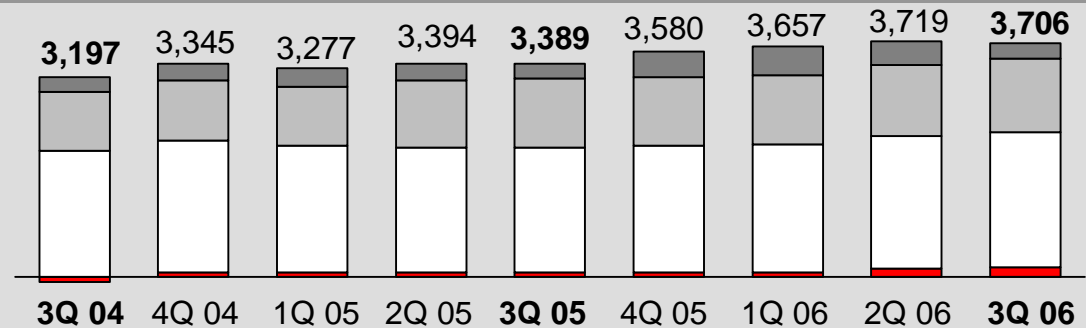


Net Interest Income



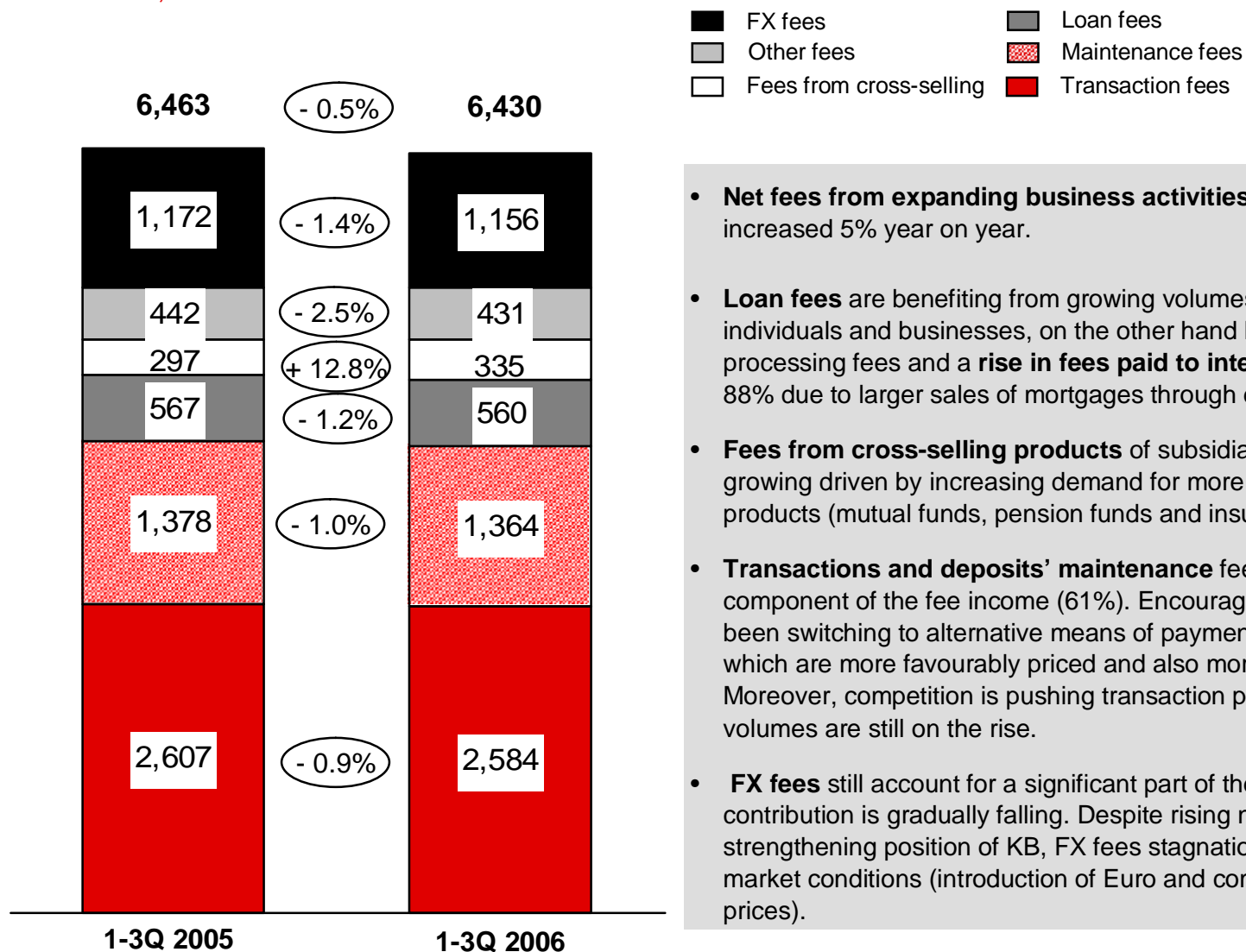
- Strong growth of NII from loans driven by rising credit volumes, partially moderated by decreasing spreads
- Growth in NII from deposits continues to be generated by higher current account volumes
- Other income positively affected by early redemptions of CDOs in the amount of CZK 262 million in 1H 2006

QxQ development of Net Interest Income



Structure of fee income: Most fees still from daily banking

CZK million, unconsolidated



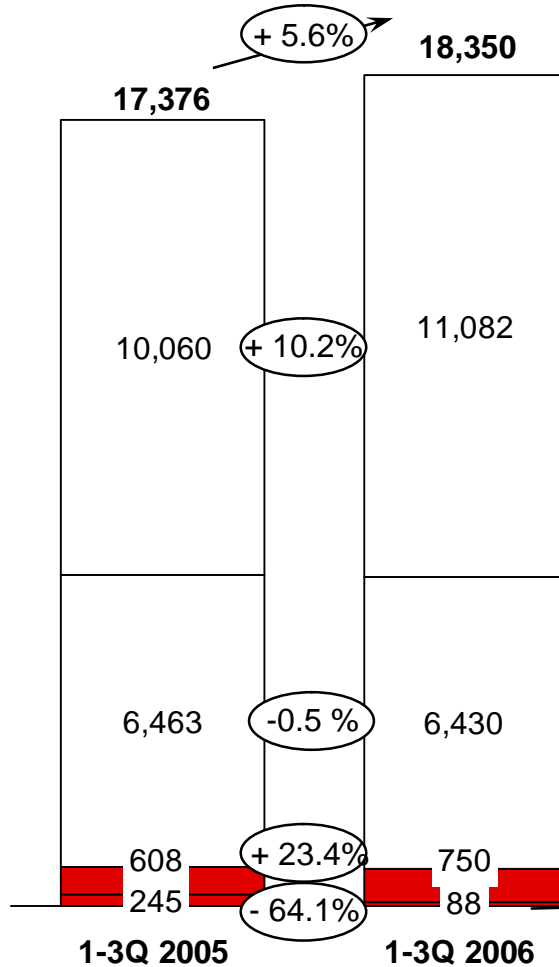
- **Net fees from expanding business activities with individual clients** increased 5% year on year.
- **Loan fees** are benefiting from growing volumes and numbers of loans to individuals and businesses, on the other hand being limited by decline in processing fees and a **rise in fees paid to intermediaries**, which increased 88% due to larger sales of mortgages through external partners.
- **Fees from cross-selling products** of subsidiaries and other partners are growing driven by increasing demand for more sophisticated saving products (mutual funds, pension funds and insurance products).
- **Transactions and deposits' maintenance** fees are still the largest component of the fee income (61%). Encouraged by the Bank, clients have been switching to alternative means of payments and financial packages, which are more favourably priced and also more efficient for the Bank. Moreover, competition is pushing transaction prices lower, however the volumes are still on the rise.
- **FX fees** still account for a significant part of the fee income, but their contribution is gradually falling. Despite rising number of transactions and strengthening position of KB, FX fees stagnation is primarily driven by market conditions (introduction of Euro and competitive pressures on prices).



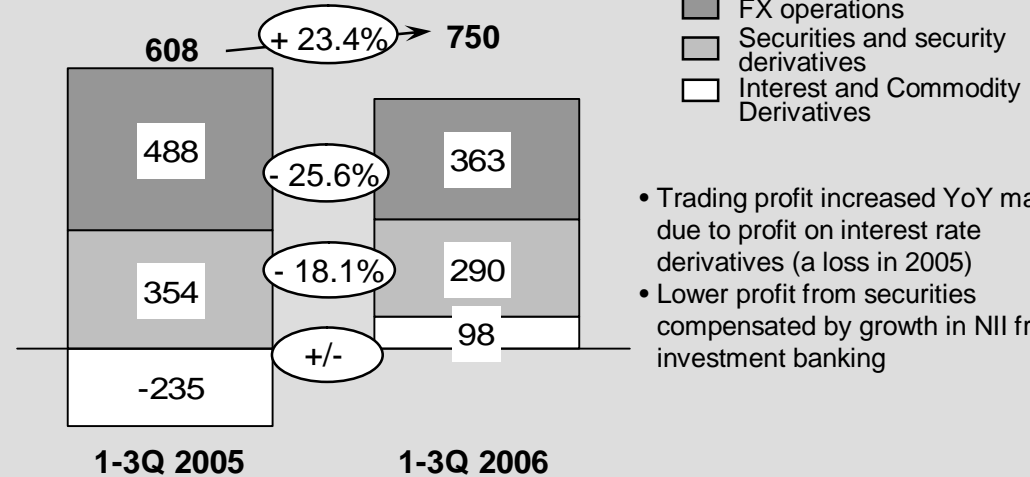
Profit from financial operations up by 23%

CZK million, unconsolidated

Net Banking Income

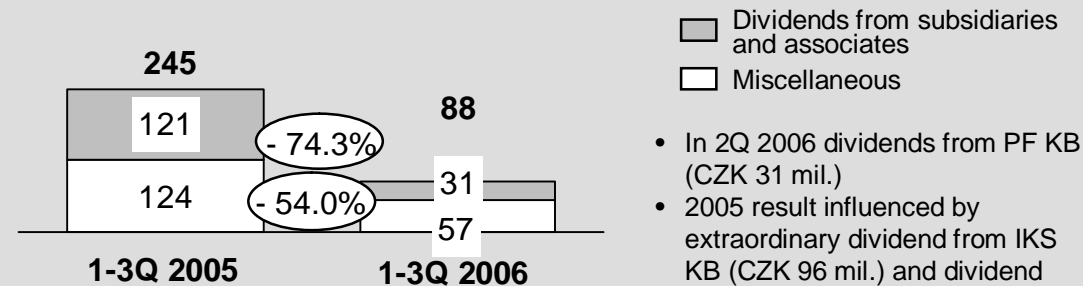


Net Profit from Financial Operations



- Trading profit increased YoY mainly due to profit on interest rate derivatives (a loss in 2005)
- Lower profit from securities compensated by growth in NII from investment banking

Other Income

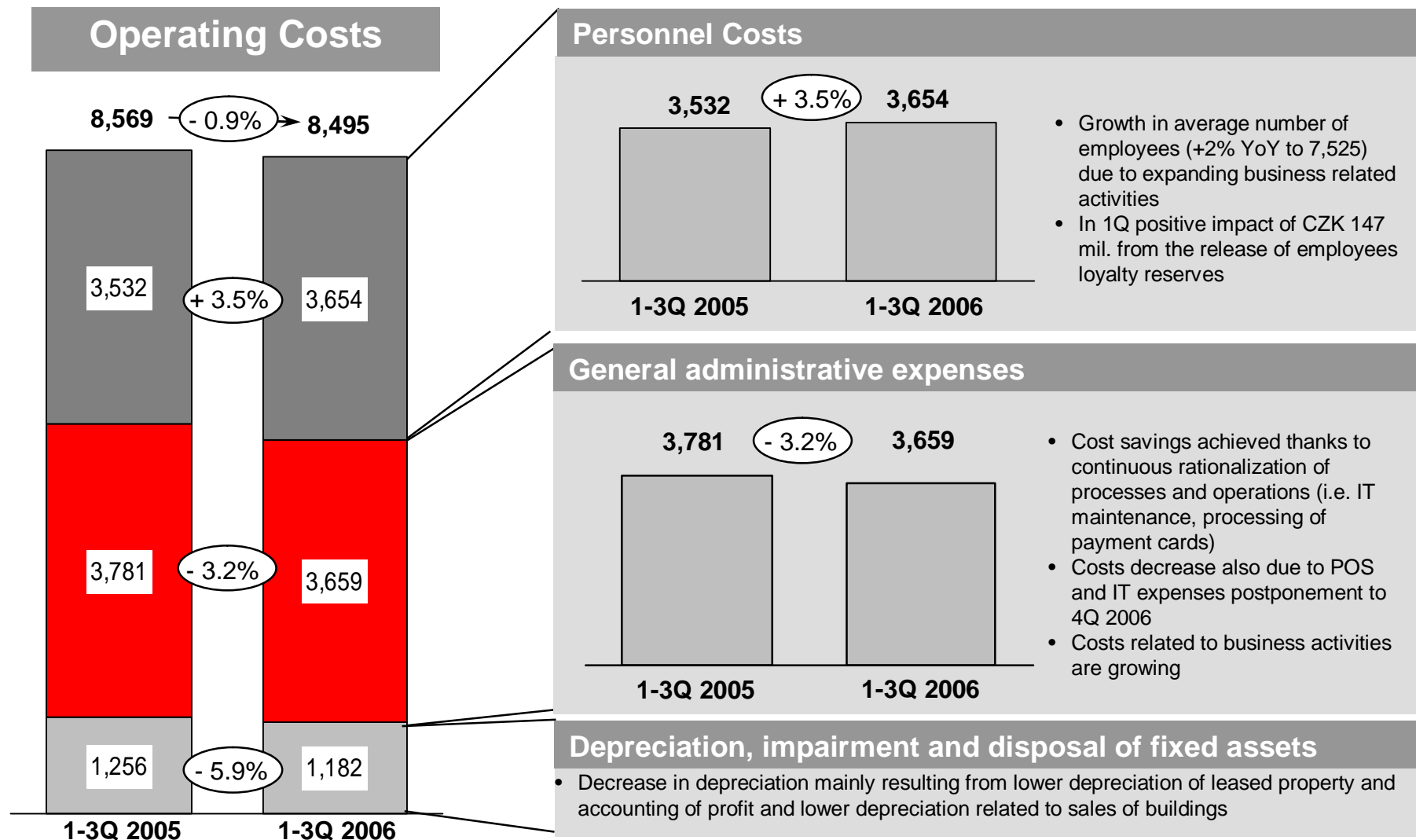


- In 2Q 2006 dividends from PF KB (CZK 31 mil.)
- 2005 result influenced by extraordinary dividend from IKS KB (CZK 96 mil.) and dividend from PF KB (CZK 25 mil.)



Cost decrease underpinned by one-off items

CZK million, unconsolidated



- Growth in average number of employees (+2% YoY to 7,525) due to expanding business related activities
- In 1Q positive impact of CZK 147 mil. from the release of employees loyalty reserves

- Cost savings achieved thanks to continuous rationalization of processes and operations (i.e. IT maintenance, processing of payment cards)
- Costs decrease also due to POS and IT expenses postponement to 4Q 2006
- Costs related to business activities are growing

Depreciation, impairment and disposal of fixed assets

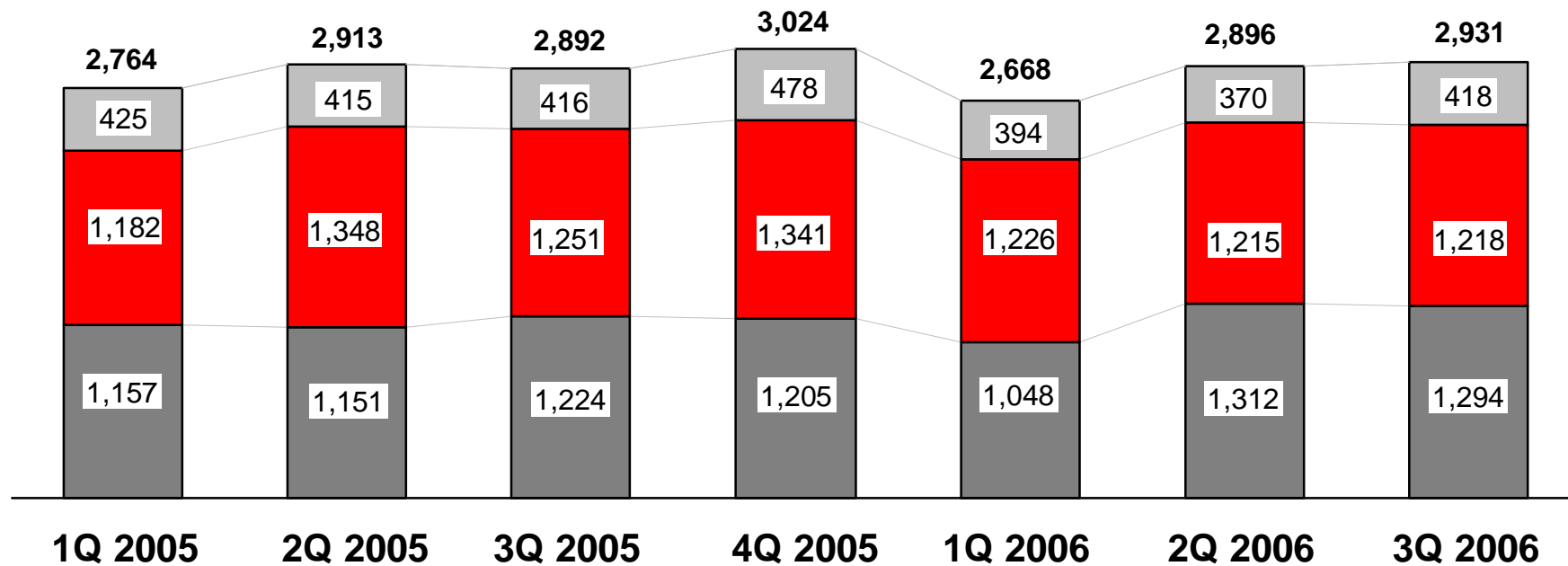
- Decrease in depreciation mainly resulting from lower depreciation of leased property and accounting of profit and lower depreciation related to sales of buildings



Operating costs Q-on-Q development

CZK million, unconsolidated

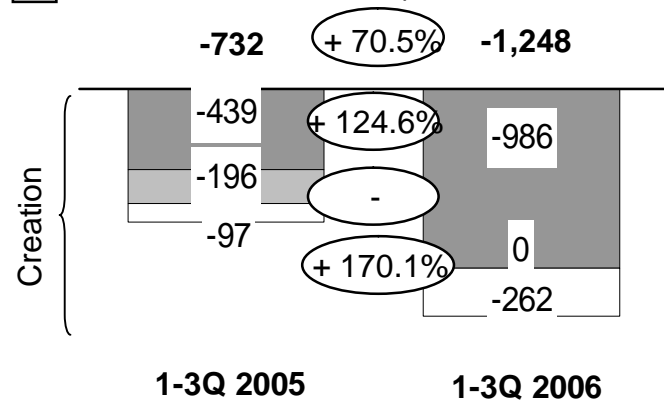
- Depreciation, impairment and disposal of fixed assets
- General administrative expenses
- Personnel expenses





Cost of Risk

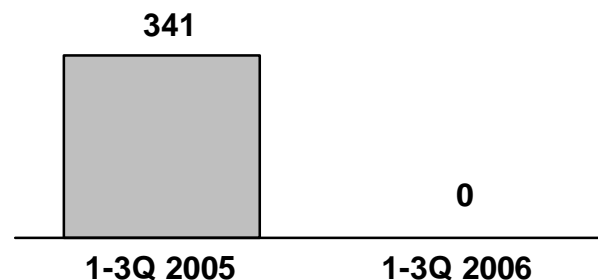
- Provisions for loan losses
- Impairment of securities
- Provisions for other risk expenses



Comments

- Higher loan provisions mainly due to significant provision reversals on corporate exposures in 1 – 3Q 2005 as well as growing share of mass retail activities.
- No impact from impairment of securities along with the finalization of CDO portfolio restructuring in 2005.
- Provisions for other risk expenses stood at CZK 262 million, including a one-off reserve of CZK 149 mil. for litigation.

Net profit on subsidiaries and associates before tax



Comments

- 2005 result mainly consisting of:
 - the first instalment from IKS sale (CZK 56 million)
 - the release of provisions linked to the sale of Komerční pojišťovna (CZK 185 million)
 - the pre tax gain from the disposal of 51% stake in KP (CZK 78 million).



Balance Sheet

Assets

Liabilities

CZK million, unconsolidated

				YoY					YoY
	30.9.2005	31.12.2005	30.9.2006			30.9.2005	31.12.2005	30.9.2006	
Cash and balances with central bank	474,137	493,738	511,729	+ 7.9%		474,137	493,738	511,729	+ 7.9%
	12,955	9,231	7,644	- 41.0%	Amounts due to banks	23,747	31,526	30,275	+ 27.5%
Amounts due from banks	229,564	245,953	228,077	- 0.6%					
Loans and advances to customers (net)	179,257	185,225	213,808	+ 19.3%	Amounts due to customers	363,573	370,058	392,066	+ 7.8%
Securities	22,611	25,741	33,479	+ 48.1 %	Securities issued	13,989	22,672	23,957	+ 71.3%
Other assets	29,750	27,588	28,721	- 3.5%	Other liabilities	23,951	19,168	19,745	- 17.6%
					Shareholders' equity	48,876	50,314	45,686	- 6.5%
	30.9.2005	31.12.2005	30.9.2006			30.9.2005	31.12.2005	30.9.2006	



Shareholders Equity

Development since the end of 2005

CZK million, unconsolidated

Total shareholder's equity
as at 31 December 2005:

50,314

- 4,628

Total shareholder's equity
as at 30 September 2006:

45,686

Shareholders' equity	31. 12. 2005	1. 1. 2006	Increase	Decrease	30. 9. 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	26,746	-	-9,503	17,243
- Own shares	-7	-7	-	-143*	-150*
Net profit	9,148	0	+6,618	-	6,618
Hedging revaluation reserve	4,152	4,152	-	-1,495	2,657
AFS securities' fair value changes	285	285	-	-128	157
Others	134	134	+22	-	156
Total Shareholders' equity	50,314	50,314	+6,640	-11,269	45,686

* In June, KB bought less than 0.5% of its share capital in line with the AGM resolution of April 26, 2006 for CZK 150 million



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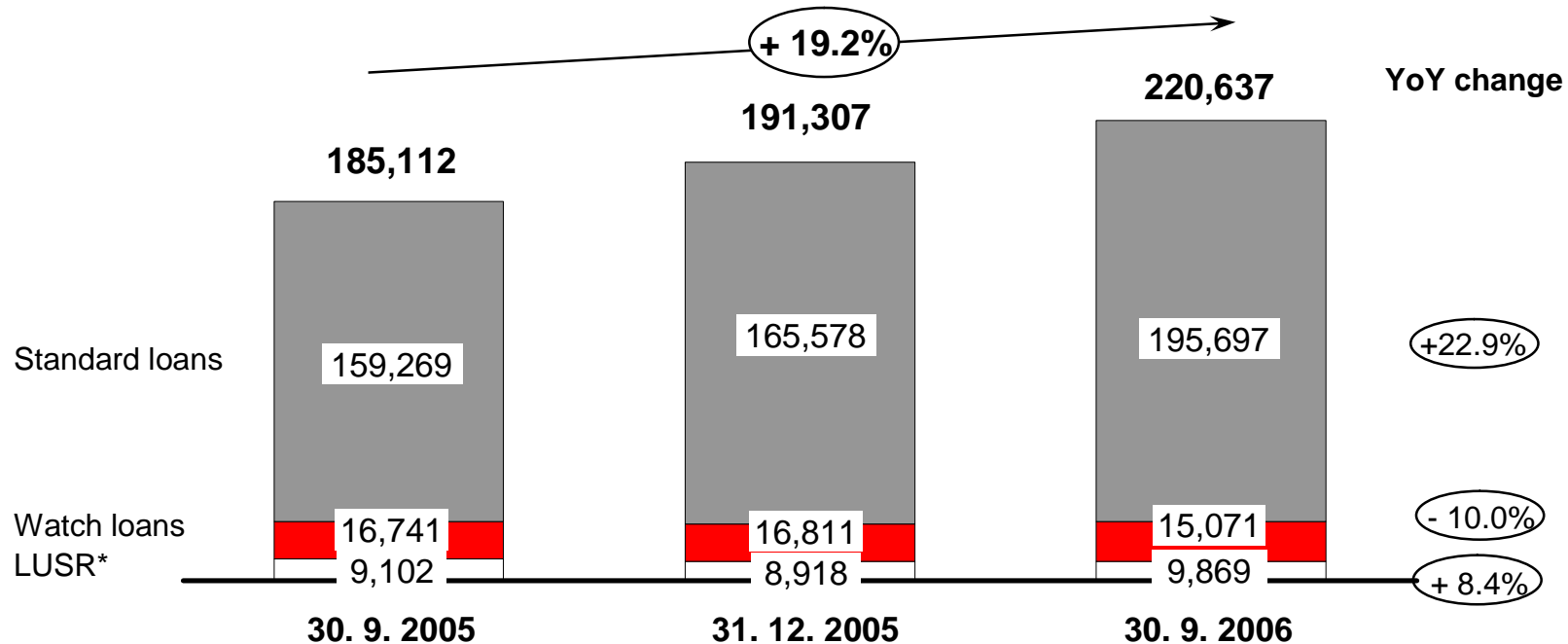


Overall quality of loan portfolio remained satisfactory

CZK million, unconsolidated

Client loans, On-balance sheet

Gross amount



- Share of standard loans in total portfolio slightly increasing at 89% (86% as of September 2005)
- LUSR* increasing less than total loan portfolio, representing 4.5% out of total loan exposure (4.9% as of September 2005)

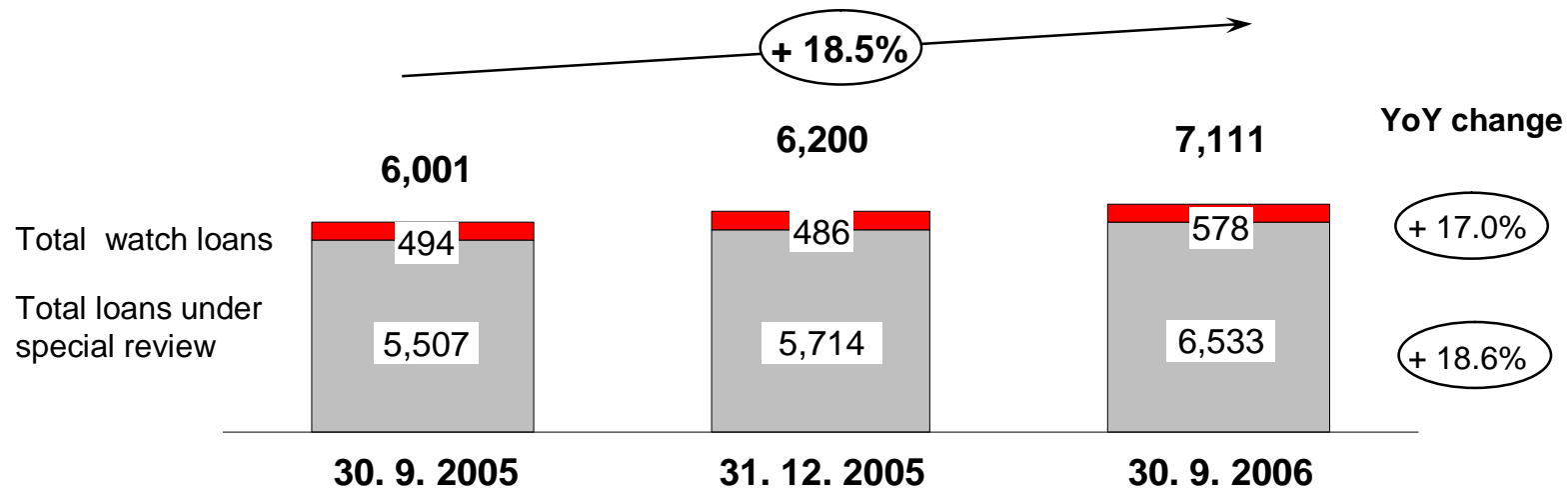
* LUSR = Loans under special review (sub-standard, doubtful and loss)



Improved provision coverage

CZK million, unconsolidated

Specific provisions



- Increase in overall specific provisions in line with portfolio expansion.
- Slightly higher provisioning rate for LUSR* at 66% (compared to 61% in September 2005) reflecting growing share of mass retail activities.
- Cost of risk posted at 40 bp (compared to 23 bp in 1-3Q 2005 and to 36 bp in 1H 2006), in line with context of fast growing mass retail credit activities and lower releases on large corporate clients.

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



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Consolidated Financial Results and Ratios

Profit and Loss Statement * CZK million, unaudited	1-3Q 2005	1-3Q 2006	Change 06/05
Net interest income	10,839	11,866	+9.5%
Net fees & commissions	6,478	6,430	-0.7%
Income from financial operations	795	909	+15.8%
Other income	7	63	+800%
Net banking income	18,109	19,268	+6.4%
Personnel expenses	-3,766	-3,818	+1.4%
General administrative expenses	-3,942	-3,909	-0.8%
Depreciation, impairment and disposal of fixed assets	-1,305	-1,227	-6.0%
Operating costs	-9,013	-8,954	-0.7%
Net operating income	9,096	10,314	+13.4%
Profit on subsidiaries and associates	216	168	-22.2%
Share of profit of pension scheme beneficiaries	-287	-275	-4.2%
Cost of risk	-779	-1,380	+77.2%
Profit before income taxes and minorities	8,246	8,827	+7.0%
Income taxes	-2,113	-1,998	-5.4%
Minorities	-12	-11	-8.3%
Net profit	6,121	6,818	+11.4%

* Fully consolidated companies are: KB, PFKB, KBB, Factoring, Essox, Bastion European Investments



Consolidated Financial Results and Ratios

Assets * CZK million, unaudited	30.9. 2005	30.9. 2006	Change 06/05
Cash and balances with national banks	13,168	7,741	-41.2%
Amounts due from banks	231,159	229,582	-0.7%
Loans and advances to customers, net	182,567	218,451	+19.7%
Securities, financial assets and investments	37,090	54,643	+47.3%
Other assets	30,258	25,750	-14.9%
Total assets	494,242	536,167	+8.5%
Liabilities and shareholder's equity * CZK million, unaudited	30.9. 2005	30.9. 2006	Change 06/05
Amounts due to banks	25,214	32,267	+28.0%
Amounts due to customers	380,405	412,950	+8.6%
Securities issued	13,989	23,957	+71.3%
Other liabilities	24,269	20,427	-15.8%
Total liabilities	443,877	489,601	+10.3%
Total shareholders' equity	50,365	46,566	-7.5%
Key ratios and indicators	30. 6. 2005	30. 6. 2006	Change 06/05
Capital Adequacy (CNB)	13.6%	11.6%	→
Cost / Income ratio	49.8%	46.5%	→
Return on Average Equity annualised (ROAE)	17.1%	18.6%	→
Return on Average Assets (ROAA)	1.7%	1.7%	→
Average Number of Employees*	7,821	7,886	+0.8%

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



Subsidiary and associated undertakings results

As at 30 September 2006, CZK mil.

	Share of KB	Net profit	YoY	Equity	YoY	Assets	YoY
ESSOX, s.r.o. (IFRS)	51%	-24	-4%	26	-79%	3,650	80%
Factoring KB, a.s. *	100%	19	+61%	181	17%	2,618	32%
Komerční banka Bratislava, a.s. (IFRS)	100%	38	+12%	606	-1%	5,025	7%
Penzijní fond Komerční banky, a. s. *	100%	25	+23%	474	-58%	18,659	18%
Bastion European Investments S.A. (IFRS)	99.84%	23	-	4	-	7,688	-
Komerční pojišťovna, a.s.*	49%	81	+194%	816	6%	11,223	8%
Modrá pyramida SS, a.s. *	40%	296	+24%	1,842	15%	60,103	8%
Czech Banking Credit Bureau (CAS)	20%	5	n.m.	7	600%	25	56%

Companies excluded from the consolidation

ALL IN REAL ESTATE LEASING, s.r.o. (CAS)	100%	-84		4		4	
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* Pro forma IFRS figures

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



Strong growth in alternative distribution channels

As of 30 September 2006, year-on-year comparison

§ **1,503,000 clients** - increase by 53,000 (+4%)

- of which 1,221,000 are individual clients (+4%)

§ **Network**

- 360 points of sale for retail clients

- including 35 business centres for medium enterprises and municipalities

- 8 business centres for large corporates

- 630 ATMs

§ **Direct banking**

- 1,123,000 active products of direct banking (+12%)

- 699,000 clients using phone banking

- 340,000 users of internet banking

- 23,000 users of PC banking

- 10,600 users of mobile banking (service launched in April 2005)

- 840,000 clients (i.e. 56% of the client base) using direct banking products



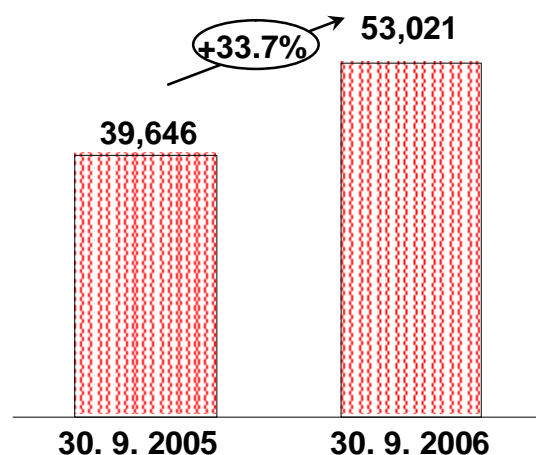
Strategic Target - Expansion of KB Loan Portfolio

As of 30 September 2006, year-on-year comparison

- Outstanding **mortgages to individuals**: + 34% to CZK 53.0 billion
- Outstanding **consumer loans**: + 21% to CZK 14.4 billion
- Outstanding **loans on credit cards**: + 63% to CZK 2.6 billion, of which CZK 1.6 billion individuals.
- Outstanding **loans to SMEs**: +14% to CZK 61.9 billion, out of which small businesses +29%
- Outstanding **corporate loans**: +12.1% to CZK 84.9 billion

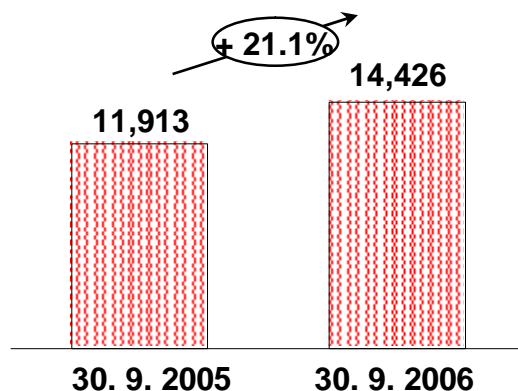
Mortgages to Individuals

Total volume outstanding in CZK mil.



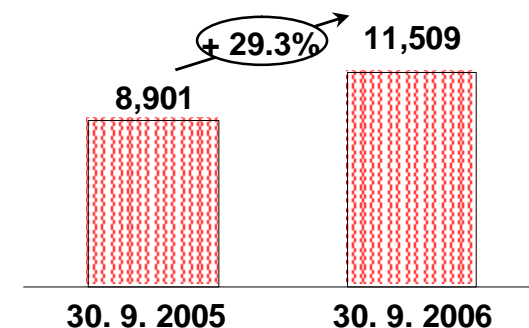
Consumer loans

Total volume outstanding in CZK mil.
including credit cards



Loans to Small Businesses

Total volume outstanding in CZK mil.
including credit cards





Ongoing growth of penetration ratios

	30. 9. 2005	30. 9. 2006	YoY Change
Cross-selling ratio* Individuals	4.84	5.15	+6%
Penetration ratio – Individuals**			
Mortgages	2.9	3.6	+24%
Consumer loans	10.8	12.2	+13%
Credit cards	7.2	9.7	+35%
Life insurance	8.4	10.2	+21%
Penetration ratio - Small businesses**			
Packages	53.0	59.9	+13%
Business loans	5.2	6.5	+25%
Credit cards	6.3	13.2	+110%

* Number of products sold / Number of current accounts

** Number of clients with a product / 100 clients



Products for Individuals and Small Businesses

Sales of key products

Financial Packages	30. 9. 2005	30. 9. 2006	YoY Change
PACKAGES FOR INDIVIDUALS	681,427 packages	732,719 packages	+ 8%
GAUDEAMUS package for young clients	115,827 packages	126,083 packages	+ 9%
CHILD ACCOUNT	118,829 accounts	142,489 accounts	+ 20%
MERLIN payment cards' insurance	160,209 policies	234,668 policies	+46%
PACKAGES FOR SMALL BUSINESSES	140,492 packages	158,055 packages	+ 13%
Business loans	15,167 total loans	20,619 total loans	+ 36%
Authorised overdrafts	64,064 active authorised overdrafts	67,317 active authorised overdrafts	+ 5%



Further expansion of card business

	30. 9. 2005	30. 9. 2006	YoY Change
Debit cards - active	1,227,105	1,299,988	+6%
Credit cards – active	103,072	155,826	+51%
o/w to entrepreneurs	16,738	36,465	+118%
Number of POS (points of sales using electronic device)	14,675	16,262	11%
Number of transactions via payment cards	70.0 mil.	78.4 mil.	+12%



Co-operation within KB/SG Group and Strategic Partnerships

	Provided in co-operation with:	1-3Q 2005	1-3Q 2006	Change 06/05
Life insurance Vital (number of sold policies through KB)	Komerční pojišťovna	37,910	30,916	-18%
Non-life insurance (number of sold policies through KB)	Allianz	12,199	16,465	+35%
Mutual funds (sales through KB in CZK bil.)	Investiční kapitálová společnost KB	15.1	11.4	-25%
Pension insurance (number of contracts through KB)	Penzijní fond KB	37,226	35,872	-4%
Building saving (number of sold contracts through KB)	Modrá pyramida stavební spořitelna	6,699	10,602	+58%
Factoring (turnover through KB in CZK bil.)	Factoring KB	6.6	8.8	+33%
KB FleetLease (cars) (# of cars provided through KB)	ALD Automotive	1,371	1,282	-6%
KB Leasing (big tickets) (turnover in CZK mil. through KB)	SG Equipment Finance	1,233	2,202	+79%



Czech Republic

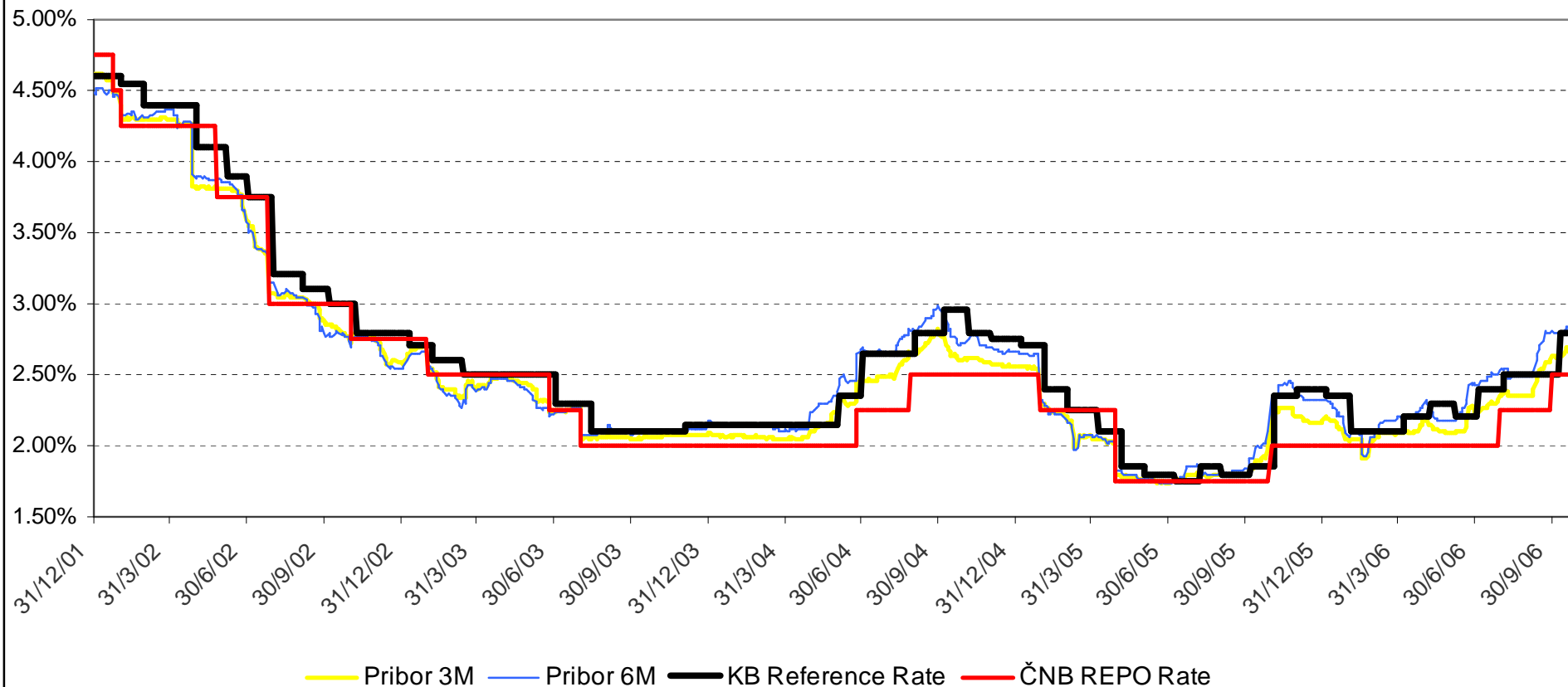
Macroeconomic indicators (%)	2003	2004	2005	2006*	2007*
GDP	+ 3.6	+ 4.2	+ 6.1	+ 5.8	+ 4.8
Inflation	+ 0.1	+ 2.8	+ 1.9	+ 2.8	+ 2.5
Households income	+ 4.8	+ 4.9	+ 4.8	+ 5.0	+ 5.0
M2	+ 6.9	+ 4.4	+ 8.2	+ 8.5	+ 8.0
3M PRIBOR	2.3	2.4	2.0	2.3	2.8

Potential of the market (%)	2003	2004	2005	2006*
Loans/GDP (year-end)	36.9	36.3	39.6	42.5
Mortgages/GDP (year-end)	4.3	6.0	7.7	10.0
Deposits/GDP (year-end)	62.0	60.0	62.1	64.5

* KB estimates

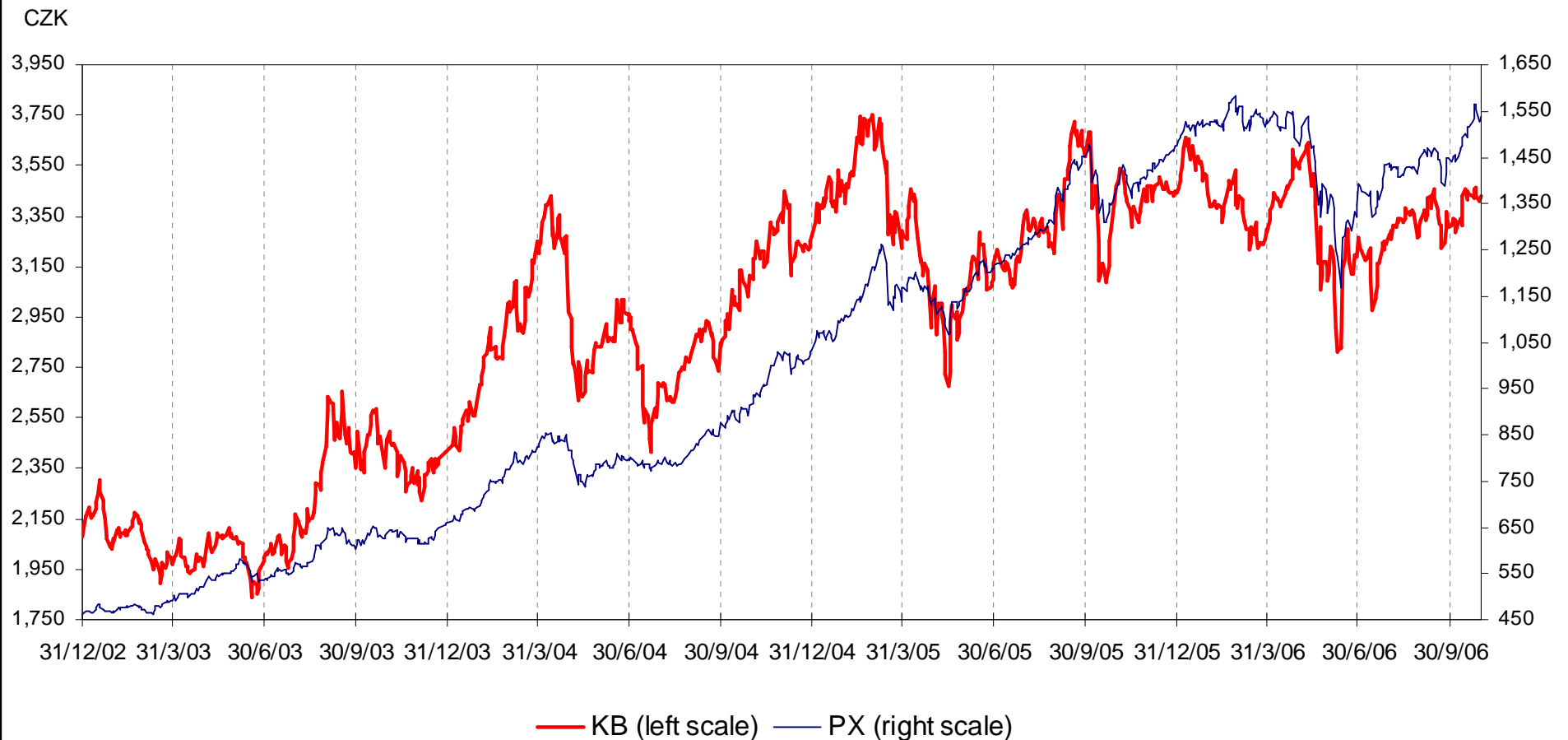


Interest Rates Evolution





Development of KB's share price and PX Index



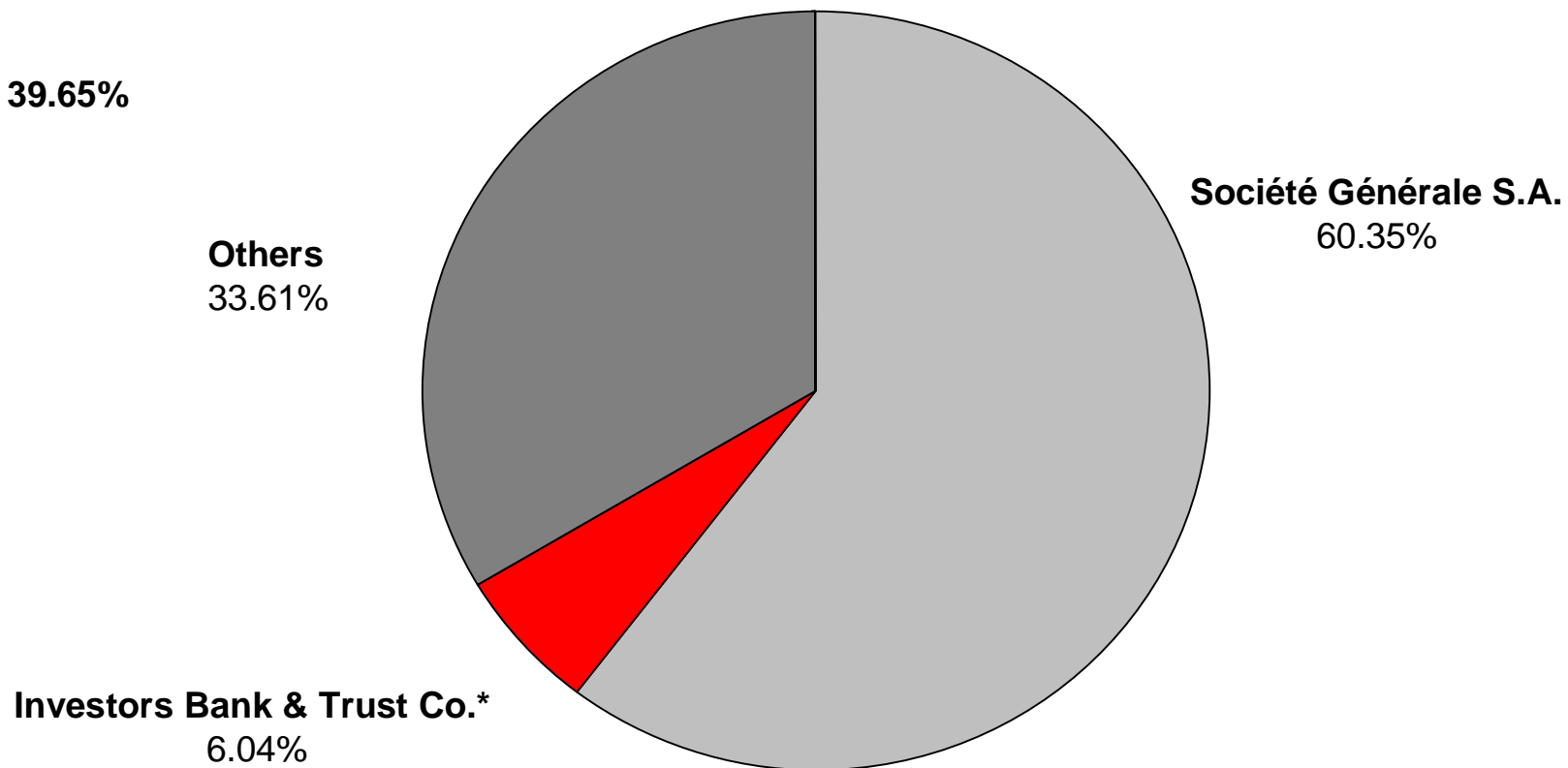


Structure of Shareholders

Major shareholders of Komerční banka, a. s.
as at 30 September 2006

Number of shares outstanding – 38,009,852

Free Float: 39.65%



* Shares held on behalf of third parties

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