



Financial Results

as at 31 March 2005

(International Financial Reporting Standards)

Prague - 29 April 2005

SOCIETE
GENERALE
GROUP





Business performance on rise

As of 31 March 2005, year-on-year comparison

- Net number of **KB clients increased by 86,000 (i.e. 6%) to 1,421,000*** of which 1,139,000 are individual clients
- **927,000 active products of direct banking channels (i.e. +30%)**
- Outstanding **mortgages to individuals: + 39%** to CZK 33 billion
- Outstanding **consumer loans: + 17%** to CZK 11 billion of which CZK 0.94 billion (+60%) comprise loans on credit cards (number of active credit cards increased by 69% to 71,000)
- Outstanding **loans to SMEs: + 23%** to CZK 48 billion
- Outstanding **loans to big corporations: + 8%** to CZK 71 billion
- Strong growth in sales of **pension insurance: +90% of new contracts** sold through KB
- Dynamics in sale of **mutual funds: +193% in new sales** volumes

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



Cost / Income ratio at 50%

As of 31 March 2005, year-on-year comparison

- **Net banking income grew by 5%** to CZK 5.6 billion, of which:
 - **Net interest income** grew by **15%** to CZK 3.3 billion
 - **Non-FX fees and commissions** increased by **4%**
- As a result of a strict cost management, **total costs declined by 1%**
- **Cost/income ratio decreased to 50%**
- **Cost of risk** at 17 bp reflects positive evolution of risk profile of large corporate clients. Neutralizing this factor, cost of risk would be approx. **40 bp**, compared to 37 bp in 2004
- **Net unconsolidated profit** amounted to **CZK 1,934 million** compared to CZK 1,999 million in 1Q 2004, which had included one-off gain from the sale of MUZO of CZK 804 million



New and innovated services of KB

Kreditní karta
pro podnikatele



Komerční banka launches a completely **new business credit card**. This is the first credit card on the Czech market intended exclusively for firms and entrepreneurs, who will thus have additional source of funding of their activities.

Komerční banka carried out the first successful cash withdrawal using a chip card under the EMV international standard from KB's ATM at the beginning of March. Thus, Komerční banka is the first bank in the Czech Republic to start **migrating its ATMs to accept more secure EMV chip cards**; this process should be completed in October.



Content

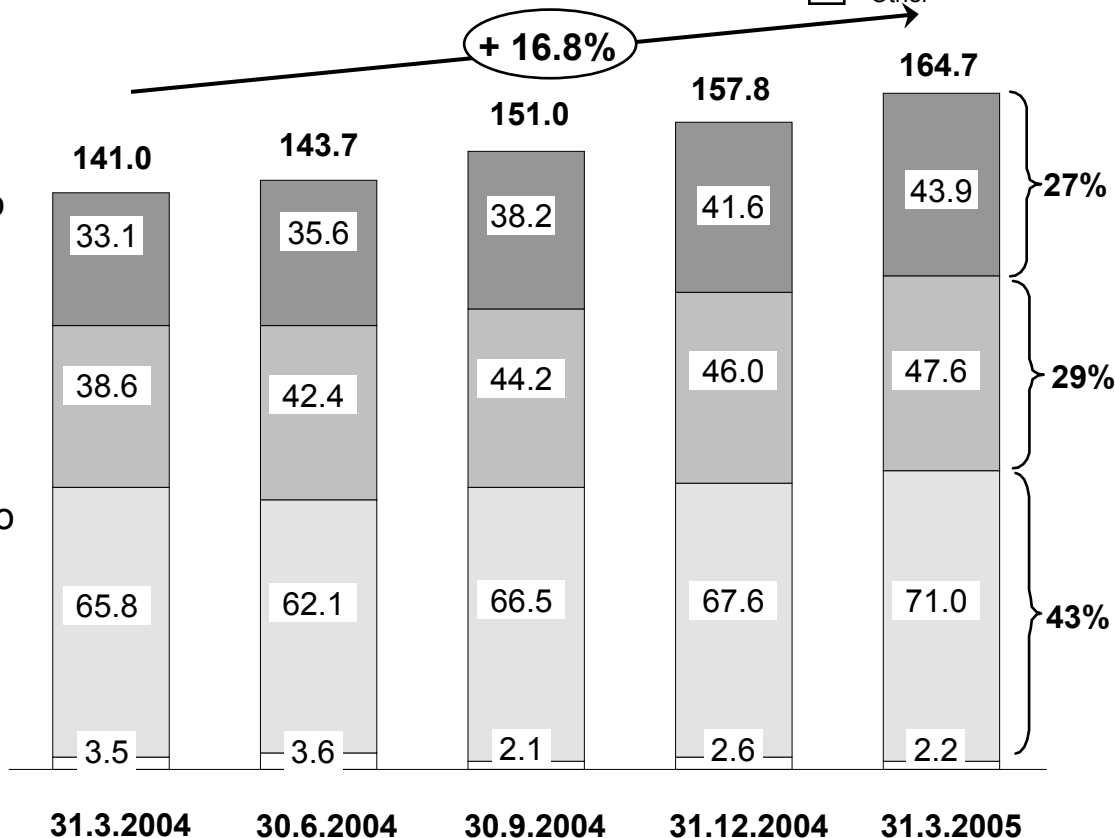
- Business Performance
- Financial Performance
- Loan Portfolio Development
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17% growth in volume of the loan portfolio

Volume of loans
 CZK billion, Gross amount, without transferred loans

- Individuals
- SME
- Corporates
- Other



■ **Year-on-year growth** of the loan portfolio by **16.8%**

■ **Total mortgage loans** amounted to CZK 36.8 billion and **consumer loans** to CZK 10.7 billion

■ **Total off-balance sheet commitments** to clients stood at **CZK 113.4 bil.** (+24%)



Solid and stable deposit base

Volume of primary client deposits
CZK billion

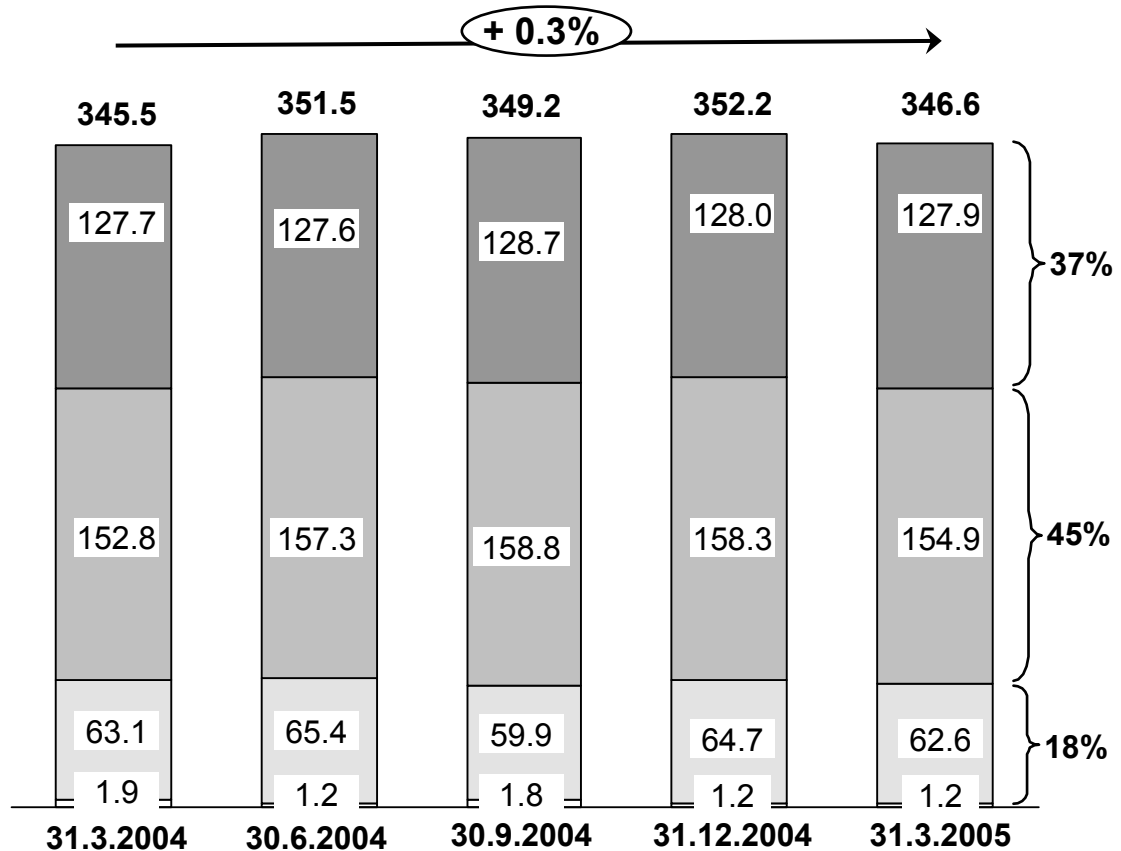
Individuals
 SME
 Corporates
 Other

■ Year-on-year stable depositary base

■ **Current accounts** represent **58%** share of total primary deposits reaching CZK 203.8 billion; **term deposits** amounting to CZK 103.8 billion

■ Migration of deposits from KB to its subsidiaries during 1Q 2005

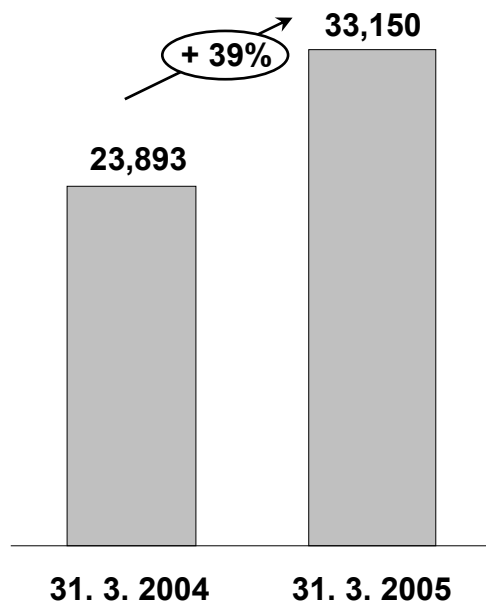
- KP Vital insurance product premium written (CZK + 0.4 bil.)
- Increase of PF client contributions (CZK + 0.2 bil.)
- IKS sales (CZK + 4.5 bil.)



Strong retail lending

Mortgages to Individuals

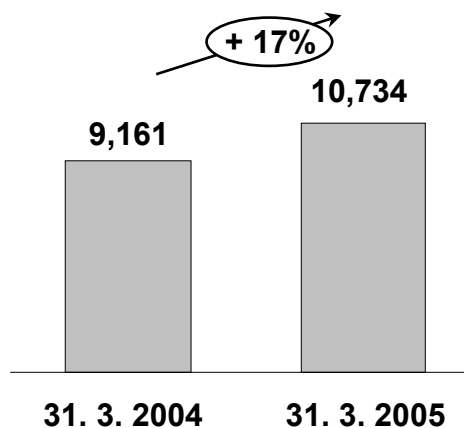
Total volume outstanding in CZK mil.



- Year-on-year increase in volumes of mortgages granted during the year of **34%**
- Year-on-year increase in numbers of mortgages granted during the year of **41%**

Consumer loans

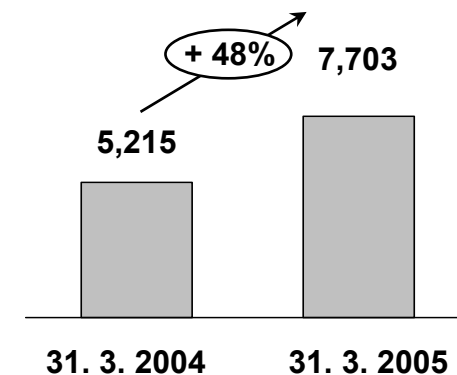
Total volume outstanding in CZK mil.



- Year-on-year increase in volume of consumer loans granted during the year of **7%**
- Year-on-year increase in numbers of consumer loans granted during the year of **11%**

Loans to Small Businesses

Total volume outstanding in CZK mil.



- Year-on-year increase in volume of *Profi* loans granted during the year of **86%**
- Year-on-year increase in numbers of *Profi* loans granted during the year of **73%**



Continuous Improvement of penetration ratios

| | 31. 3. 2004 | 31. 3. 2005 | YoY Change |
|---|-------------|-------------|------------|
| Cross-selling ratio* | | | |
| Individuals | 4.11 | 4.59 | +12% |
| Penetration ratio – Individuals** | | | |
| Packages | 54.6 | 64.8 | + 19% |
| Mortgages | 2.2 | 2.7 | + 23% |
| Consumer loans | 8.7 | 10.0 | + 15% |
| Payment cards | 64.3 | 66.9 | + 4% |
| Penetration ratio - Small businesses** | | | |
| Packages | 25.3 | 47.6 | + 88% |
| Business loans | 2.3 | 4.4 | + 91% |
| Payment cards | 51.0 | 59.7 | + 17% |

* Number of products sold / Number of current accounts

** Number of clients with a product / 100 clients



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Growth of Net banking income by 5.2%

| Profit and Loss Statement CZK million | 1Q 2004 | 1Q 2005 | Change 05/04 |
|---|---------|---------|-----------------|
| Net banking income | 5,293 | 5,568 | + 5.2% |
| Operating costs | -2,807 | -2,784 | - 0.8% |
| Net operating income | 2,486 | 2,784 | + 12.0% |
| Provisions for loan and investment losses | -254 | -179 | - 29.5% |
| Profit on subsidiaries and associates | 770 | 0 | N.A. |
| Profit before income taxes | 3,002 | 2,605 | - 13.2% |
| Income taxes | -1,003 | -671 | - 33.1% |
| Net profit | 1,999 | 1,934 | - 3.3% |

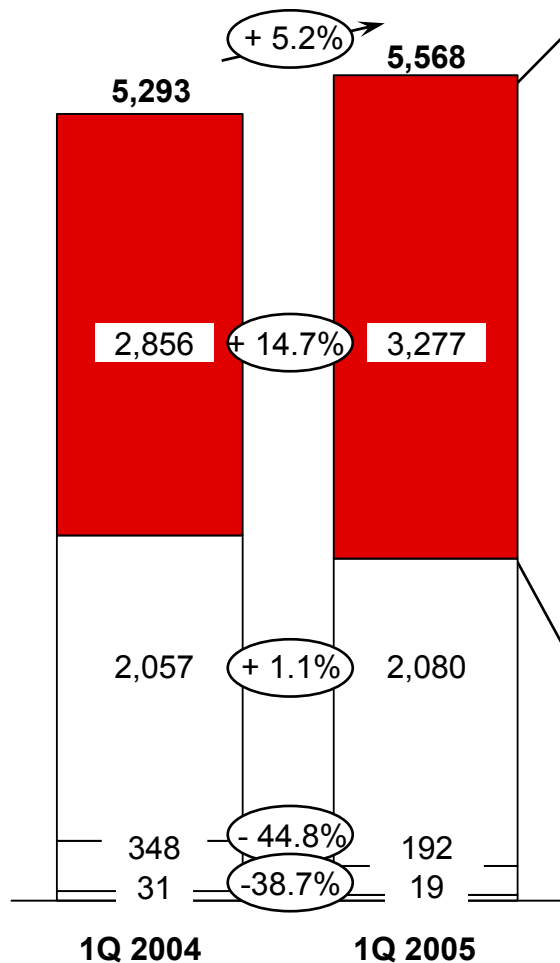
| Key ratios and indicators | 31. 3. 2004 | 31. 3. 2005 | Change 05/04 |
|---|-------------|-------------|-----------------|
| Capital Adequacy – CNB | 17.7% | 13.5% | → |
| Tier 1 Ratio (IFRS) | 18.1% | 14.1% | → |
| Net Interest Margin - NII/Av. Interest Bearing Assets | 2.8% | 3.2% | → |
| Cost / Income ratio | 53.0% | 50.0% | → |
| Return on Average Equity annualised (ROAE) | 19.2% | 17.1% | → |
| Return on Average Assets annualised (ROAA) | 1.8% | 1.7% | → |
| Earnings per Share annualised (CZK) | 210 | 203 | → |
| Number of Employees (FTE)* | 8,141 | 7,309 | - 10.2% |

*Average number of employees in March 2005

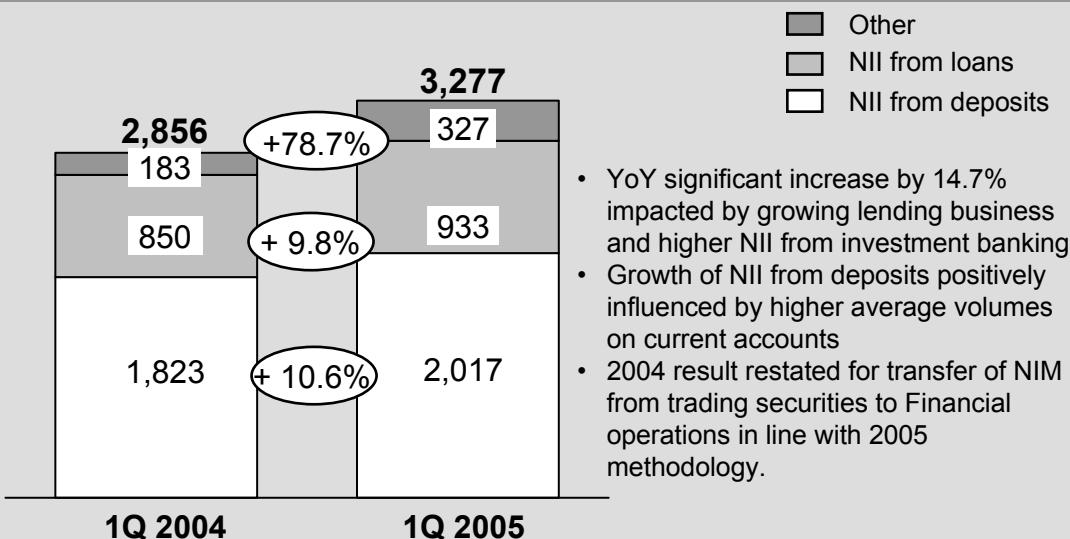
Net interest income – driver of revenues

CZK million, unconsolidated

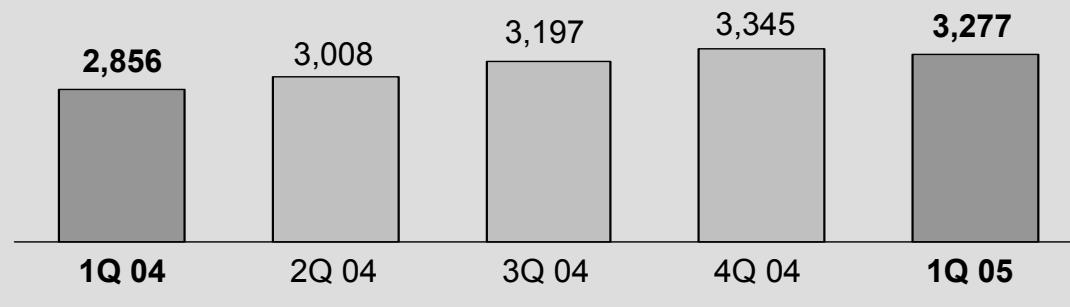
Net Banking Income



Net Interest Income



QxQ development of Net Interest Income

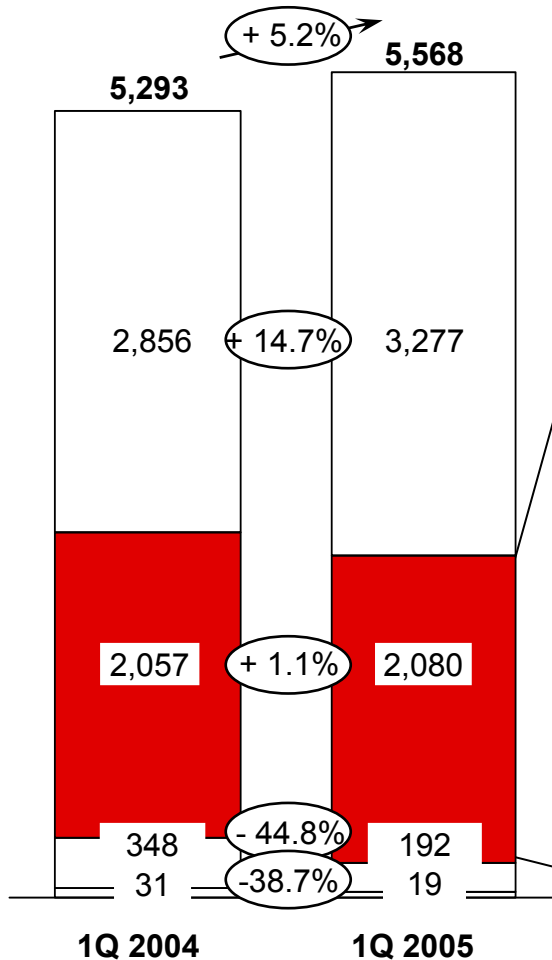




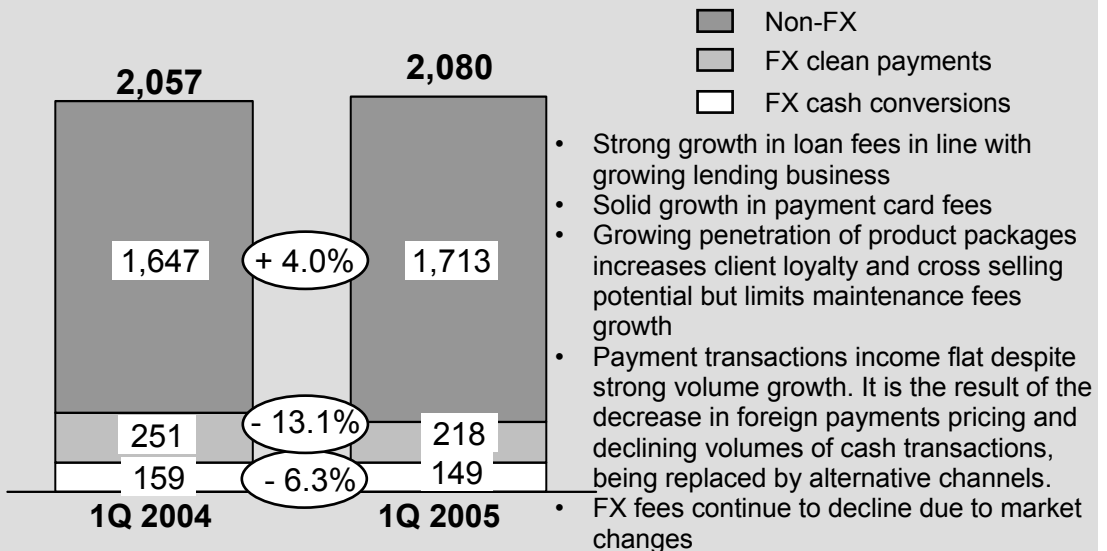
Non-FX fee income up by 4%

CZK million, unconsolidated

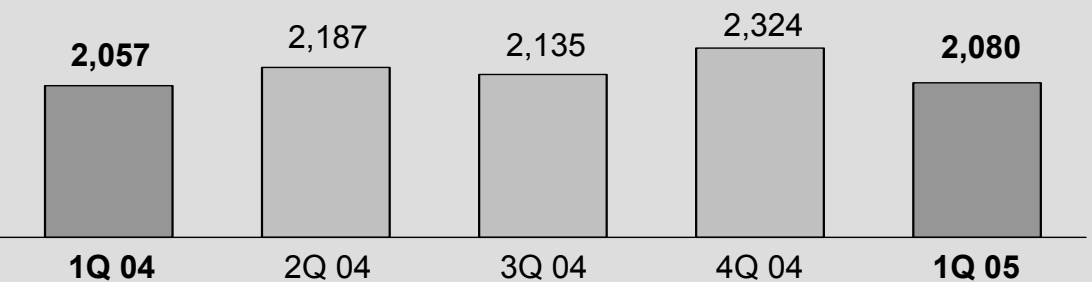
Net Banking Income



Net Fees and Commissions



QxQ development of Net Fees and Commissions

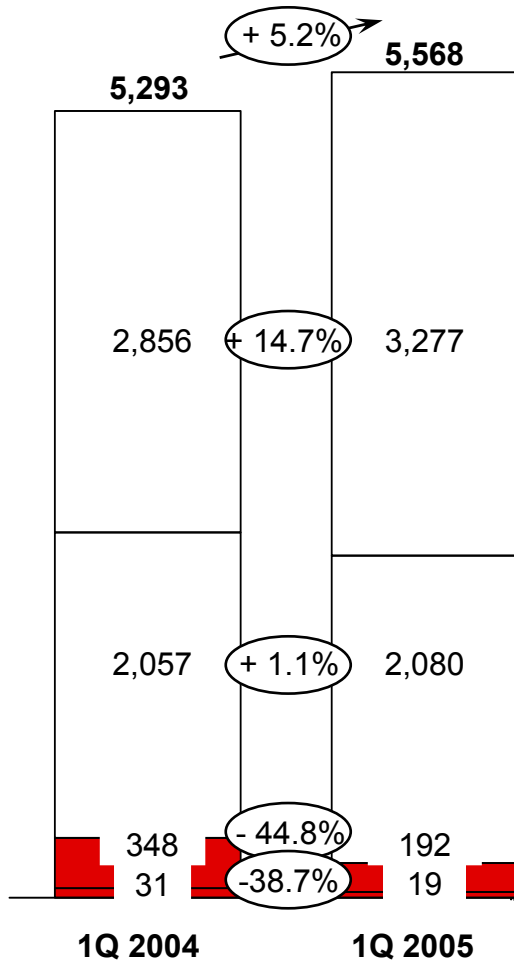




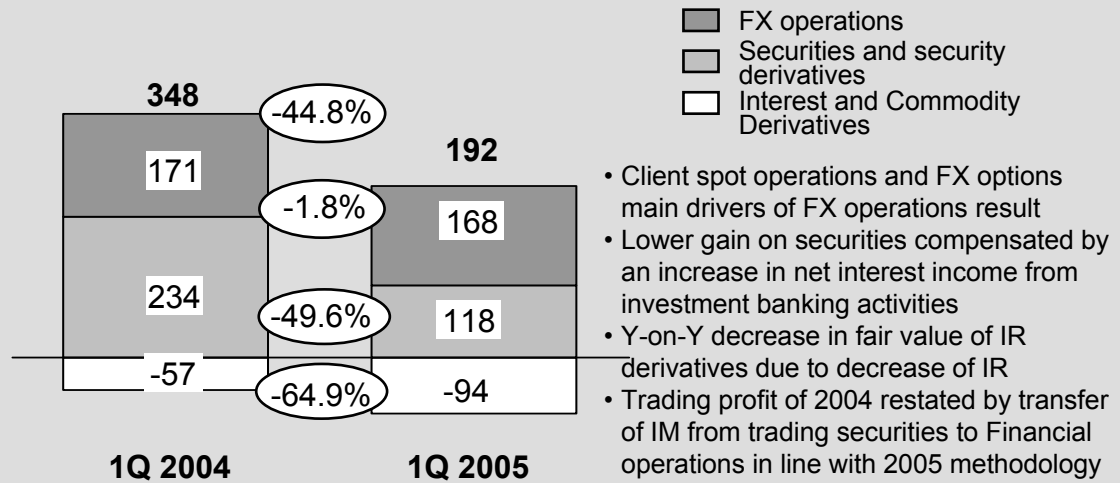
Trading profits mainly from client operations

CZK million, unconsolidated

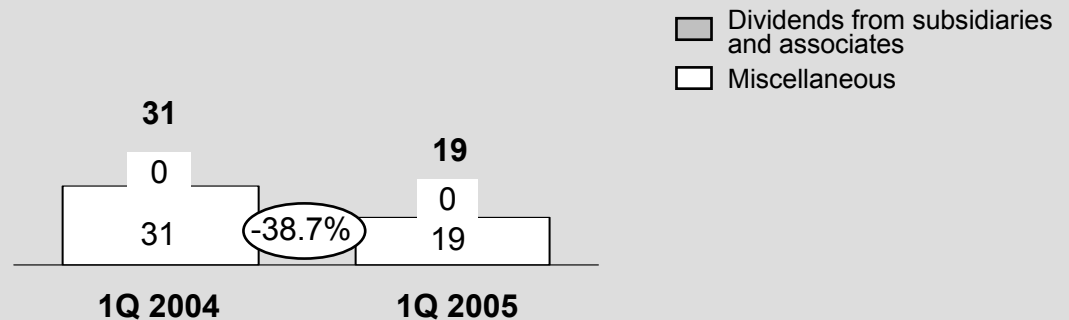
Net Banking Income



Net Profit from Financial Operations



Other Income

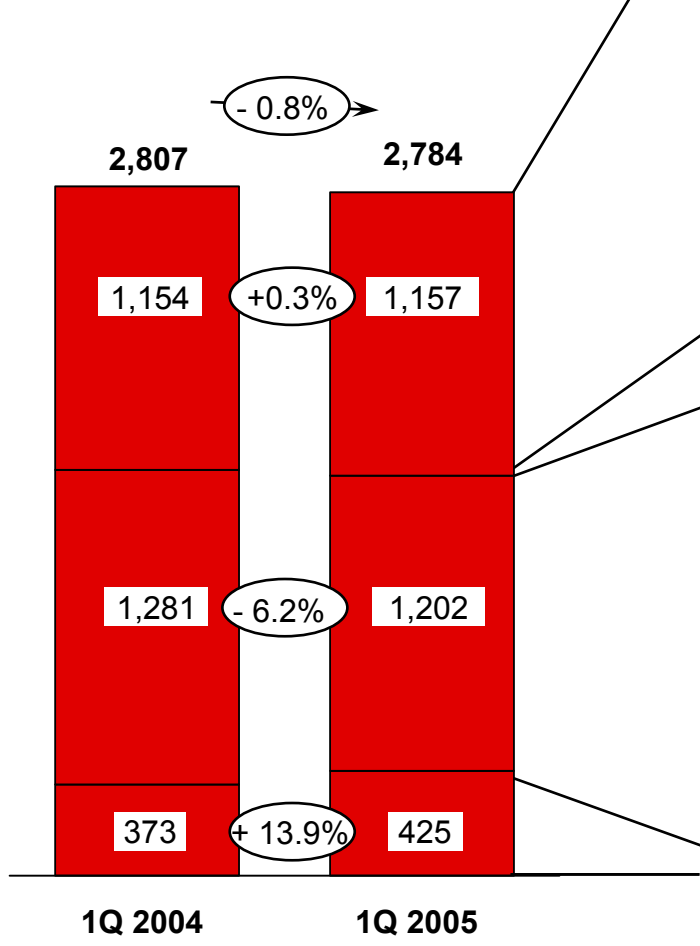




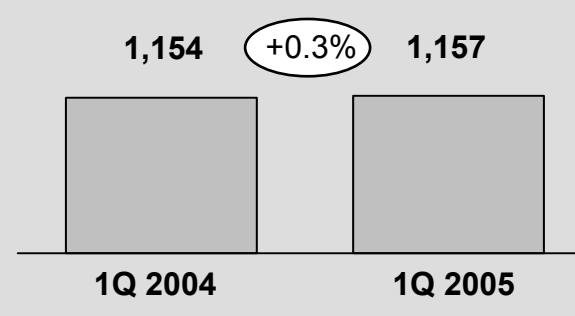
Total costs under control

CZK million, unconsolidated

Operating Costs

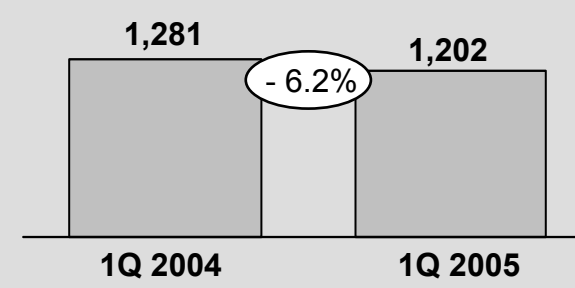


Personnel Costs



- Release of over accruals of bonuses significantly higher in 2004; without this the personnel costs would have decreased by 7.4%
- Number of employees stabilized, no plans of further decrease of headcount
- Capitalisation of internal project costs launched since January 2005 with slightly positive impact on the personnel costs

General administrative expenses



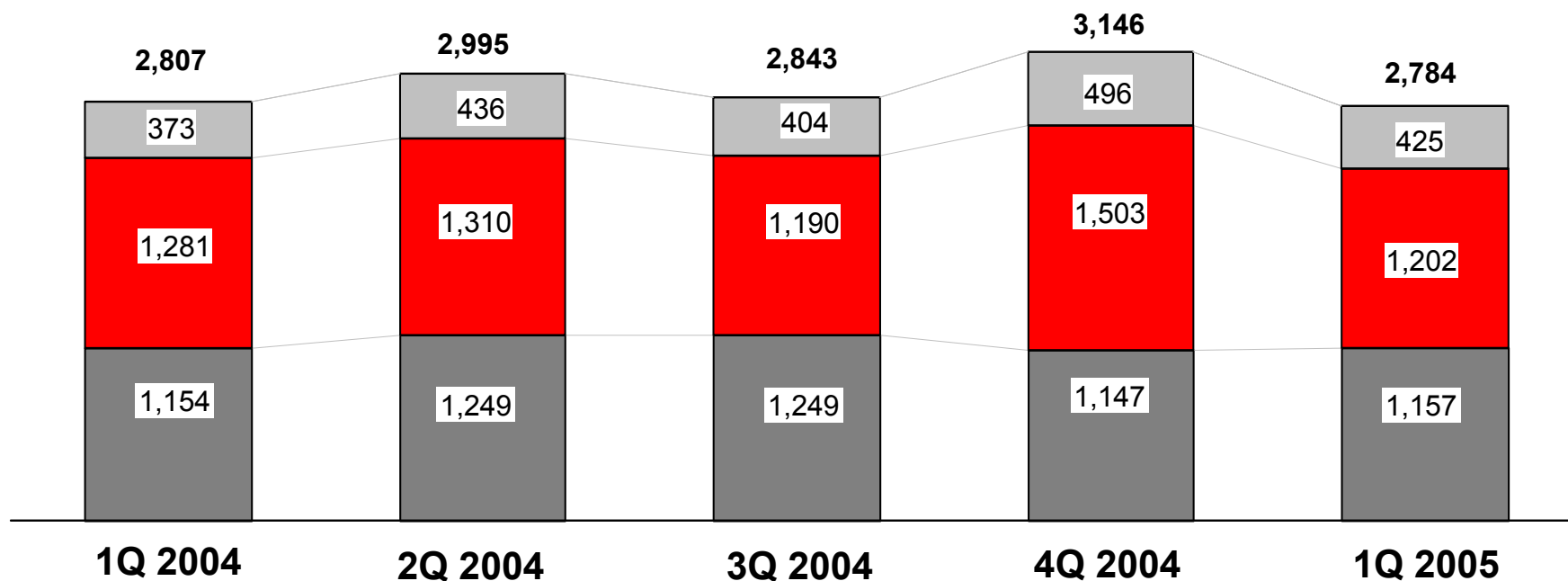
- Deposit insurance contributions decreased back to 0.1% of deposit base (saving of CZK 68 million year on year)
- Negative impact of VAT increase, opening new branches, installing ATMs and slight increase of business driven expenses partly balanced by further internal cost savings



Operating costs Q-on-Q development

CZK million, unconsolidated

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



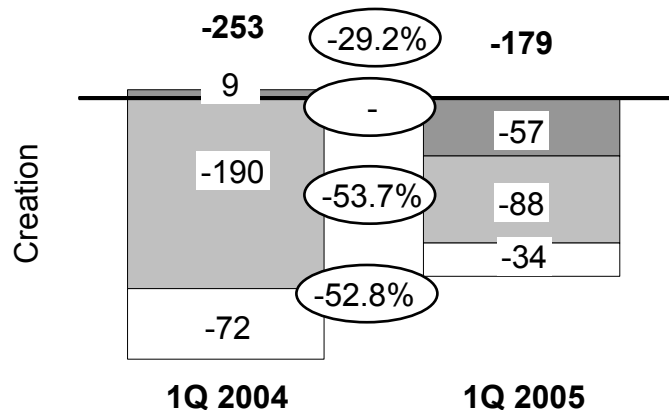
1Q 2005/4Q 2004 comparison:

- Lower general administrative expenses as a positive result of deposit insurance rate decrease and lower marketing costs



Cost of Risk

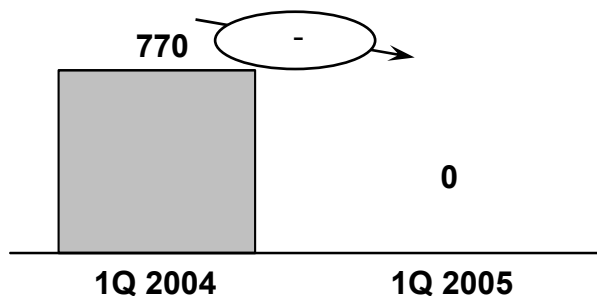
- Impairment of securities
- Provisions for loan losses
- Provisions for other risk expenses



Comments

- Cost of risk at 17 bp mainly resulting from increasing quality of large corporate clients.
- Neutralizing this positive evolution, cost of risk for Q1 2005 would be approx. 40 bp.
- Sale of part of CDO portfolio with negative impact of CZK -57 million

Net profit on subsidiaries and associates before tax



Comments

- 2004 Result consisting mainly of profit from the sale of the stake in MUZO; the transaction was completed in February 2004 (CZK 804 million pre-tax gain)



Assets

Liabilities

CZK million, unconsolidated

| | 448,294 | 448,134 | Change |
|---------------------------------------|------------|-----------|---------|
| | 31.12.2004 | 31.3.2005 | |
| Cash and balances with central bank | 10,025 | 14,870 | + 48.3% |
| Amounts due from banks | 231,361 | 220,555 | - 4.7% |
| Due from Česká konsolidační agentura | 2,945 | 179 | - 93.9% |
| Loans and advances to customers (net) | 152,433 | 159,208 | + 4.4% |
| Securities | 24,372 | 25,564 | + 4.9% |
| Other assets | 27,158 | 27,758 | + 2.2% |

| | 448,294 | 448,134 | Change |
|--------------------------|------------|-----------|---------|
| | 31.12.2004 | 31.3.2005 | |
| Amounts due to banks | 18,548 | 16,837 | - 9.2% |
| Amounts due to customers | 358,825 | 349,763 | - 2.5% |
| Certificated debt | 9,256 | 11,752 | + 27.0% |
| Other liabilities | 18,087 | 22,786 | + 26.0% |
| Shareholders' equity | 43,578 | 46,996 | + 7.8% |



Development since the end of 2004

CZK million, unconsolidated

Total shareholder's equity
as at 31 December 2004:

43,578

+ 3,419

Total shareholder's equity
as at 31 March 2005:

46,996

| Shareholders' equity | 31. 12. 2004 | 1. 1. 2005 | Increase | Decrease | 31. 3. 2005 |
|---------------------------------------|---------------|---------------|---------------|------------|---------------|
| Share capital | 19,005 | 19,005 | - | - | 19,005 |
| Capital and reserve funds | 12,095 | 21,394 | - | - | 21,366 |
| - Retained earnings and reserve funds | 12,098 | 21,397 | - | - | 21,397 |
| - Own shares | -3 | -3 | - | -28 | -31 |
| Net profit | 9,299 | 0 | +1,934 | - | 1,934 |
| Hedging revaluation reserve | 2,803 | 2,803 | +1,413 | - | 4,216 |
| AFS securities' fair value changes* | 201 | 201 | +48 | - | 249 |
| CDOs' fair value changes * | 35 | 35 | +54 | - | 89 |
| Others | 140 | 140 | | -2 | 138 |
| Total Shareholders' equity | 43,578 | 43,578 | +3,449 | -30 | 46,996 |



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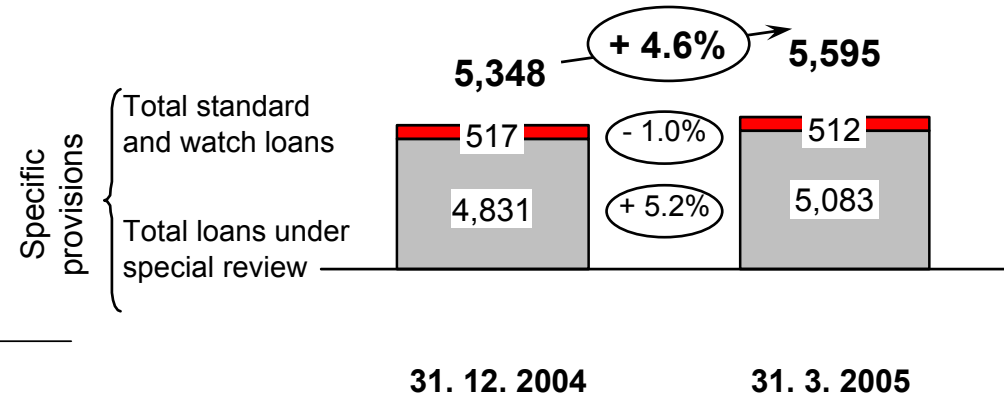
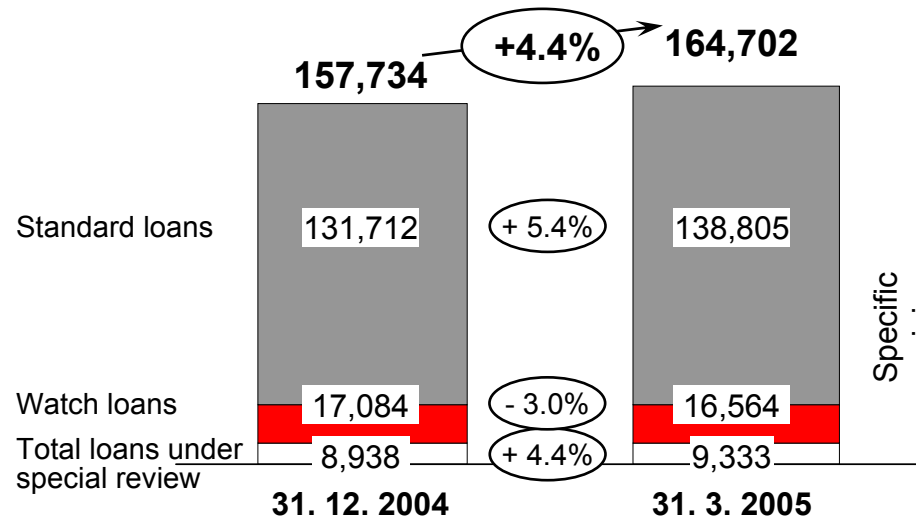
Quality of the loan portfolio under control

CZK million, unconsolidated

Client loans, On-balance sheet

Gross amount, without transferred loans

Specific provisions



- Standard loans make up 84% of the total portfolio (84% in 2004)
- LUSR* represent 6% of the total portfolio (6% in 2004)

- Specific provisions to LUSR cover 54% of LUSR (54% in 2004)
- Used value of collateral covers 44% of total client loans (2004: 41%)
- Cost of risk amounted to 17 bp (FY 2004: 37 bp)

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

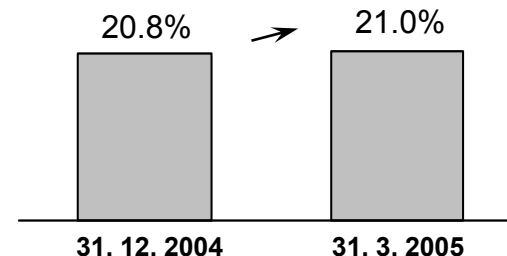
Partial sales of CDOs

As of 31 March 2005

Date of acquisition: September 2000 - April 2001
 Initial invested amount: USD 426 mil.
 Invested amount as at 31. 3. 2005: USD 310 mil.
 Total coverage (as at 31. 3. 2005): USD 65 mil.

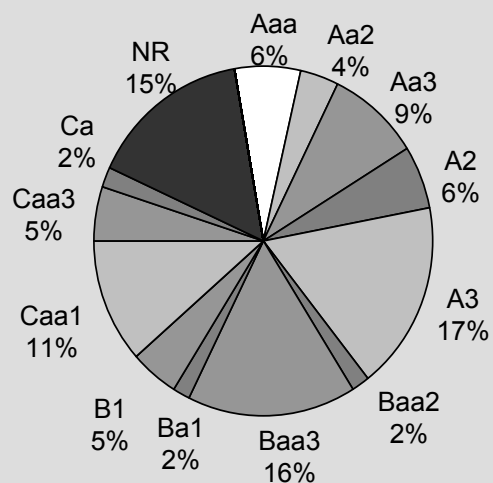
Provisions based on a mark-to-model approach.

Specific provisions / Invested amount

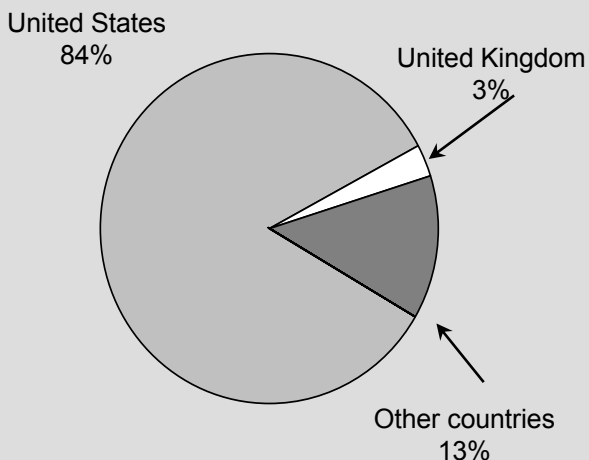


In the first quarter of 2005 Komerční banka sold part of the CDO portfolio in the volume of USD 8.8 million.

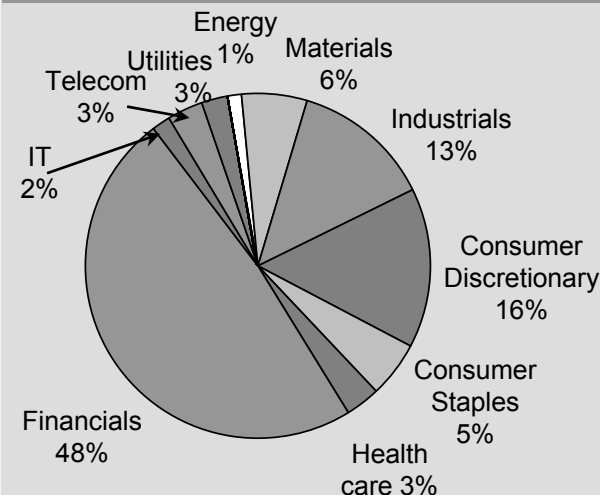
Rating of the CDO portfolio (by invested amount)



CDO collateral by country



Underlying assets by industry





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Financial Results and Ratios

| Profit and Loss Statement CZK million | 1Q 2004 | 1Q 2005 | Change 05/04 |
|--|---------|---------|-----------------|
| Net banking income | 5,680 | 5,875 | + 3.4% |
| Operating costs | -3,091 | -3,040 | - 1.6% |
| Income from not fully consolidated companies and exclusion of subsidiaries from consolidation | 605 | 41 | - 93.2% |
| Cost of risk | -218 | -186 | - 14.7% |
| Income taxes | -1,030 | -670 | - 35.0% |
| Net profit | 1,946 | 2,020 | + 3.8% |

| Balance Sheet CZK million | 31. 3. 2004 | 31. 3. 2005 | Change 05/04 |
|-------------------------------------|-------------|-------------|-----------------|
| Total assets | 478,720 | 473,783 | - 1.0% |
| Shareholders' equity | 44,612 | 48,362 | +8.4% |

| Key ratios and indicators | 31. 3. 2004 | 31. 3. 2005 | Change 05/04 |
|--|-------------|-------------|-----------------|
| Cost / Income ratio - including restructuring costs | 54.4% | 51.7% | → |
| Return on Average Equity annualised (ROAE) | 18.1% | 17.4% | → |
| Return on Average Assets (ROAA) | 1.6% | 1.7% | → |
| Number of Employees (FTE) | 8,938 | 8,171 | - 8.6% |



Subsidiary and associated undertakings results

As at 31 March 2005, CZK mil., CAS/SAS/IFRS

| | Share of KB | Profit after tax | Equity | Assets |
|---|-------------|------------------|--------------|---------------|
| ASIS, a.s.* | 100% | NA | NA | NA |
| ESSOX, s.r.o. (IFRS) | 51% | -15 | 134 | 1,430 |
| Factoring KB, a.s. | 100% | 6 | 151 | 3,419 |
| Investiční kapitálová společnost, a.s. | 100% | 11 | 240 | 335 |
| Komerční Finance, B.V. | 100% | NA | NA | NA |
| Komerční banka Bratislava, a.s. (SAS) | 100% | 11 | 596 | 4,568 |
| Komerční pojišťovna, a.s. | 100% | 23 | 873 | 8,670 |
| Penzijní fond Komerční banky, a. s. ** | 100% | 105 | 1,381 | 14,001 |
| Total subsidiary undertakings | | 141 | 3,375 | 32,423 |
| Modrá pyramida SS, a.s. | 40% | 85 | 1,424 | 53,177 |
| Czech Banking Credit Bureau | 20% | 0 | 2 | 10 |
| Total subsidiary and associated undertakings | | 226 | 4,801 | 85,610 |
| KB direct share | | 182 | 3,879 | 52,995 |
| Companies excluded from the consolidation | | | | |
| ALL IN REAL ESTATE LEASING, s.r.o. * | 100% | -0.1 | 5 | 5 |
| ALL IN, a.s.* | 100% | NA | NA | 62 |

*Companies in process of disposal or liquidation

**Fully consolidated since 1 January 2005



Continuous dynamics in number of KB clients

as at 31 March 2005

- **1,421,000 clients*** - 1,139,000 individuals and 282,000 corporates
 - YonY increase in number of clients by 85,000 (+6%)
- **Network**
 - 337 points of sale for retail clients
 - 37 business centres for medium enterprises and municipalities
 - 8 business centres for large corporates
 - 563 ATMs
- **Direct banking**
 - 927,000 active products of direct banking (+30%)
 - 618,000 clients using phone banking
 - 243,000 users of internet banking
 - 22,000 users of PC banking
 - 726,000 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.



Sales of key products

| Financial Packages | 31. 3. 2004 | 31. 3. 2005 | YoY Change |
|---|--|--|---------------|
| PACKAGES FOR INDIVIDUALS | 495,793 packages | 642,848 packages | + 30% |
| GAUDEAMUS package for young clients | 82,330 packages | 104,488 packages | + 27% |
| CHILD ACCOUNT | 55,222 packages | 104,819 packages | + 90% |
| MERLIN payment cards' insurance | Launched in April 2004 | 112,164 packages | N.A. |
| PACKAGES FOR SMALL BUSINESSES | 68,359 packages | 126,514 packages | + 85% |
| Business loans | 6,533 total loans | 15,257 total loans | + 134% |
| Authorised overdrafts | 41,459 active authorised overdrafts | 56,872 active authorised overdrafts | + 37% |



Success of card business

| | 31. 3. 2004 | 31. 3. 2005 | YoY Change |
|---|-------------|-------------|------------|
| Debit cards - active | 1,071,261 | 1,248,660 | +17% |
| Credit cards - active | 41,909 | 70,652 | +69% |
| Number of POS (points of sales using electronic device) | 10,478 | 13,329 | +27% |
| | 1Q 2004 | 1Q 2005 | |
| Number of transactions via payment cards | 18,554 | 21,196 | +14% |



Co-operation within KB/SG Group and Strategic Partnerships

| | Provided in co-operation with: | 1Q 2004 | 1Q 2005 | Change 05/04 |
|--|--|---------------|---------------|---------------|
| Life insurance Vital (number of sold policies through KB) | Komerční pojišťovna | 12,259 | 10,802 | - 12% |
| Non-life insurance (number of sold policies through KB) | Allianz | - | 2,934 | N.A. |
| Mutual funds (sales in CZK bil.) | Investiční kapitálová společnost KB | 1.5 | 4.5 | + 193% |
| Pension insurance (number of contracts through KB) | Penzijní fond KB | 7,385 | 14,000 | + 90% |
| Building saving (number of sold contracts) | Modrá pyramida stavební spořitelna | 2,654 | 2,040 | - 23% |
| Factoring (turnover in CZK bil.) | Factoring KB | 1.3 | 1.9 | + 46% |
| KB FleetLease (cars) (# of cars provided through KB) | ALD Automotive | 172 | 417 | + 142% |
| KB Leasing (big tickets) (turnover in CZK bil. through KB) | SG Equipment Finance | 0.184 | 0.311 | + 69% |



Czech Republic

| Macroeconomic indicators | 2002 | 2003 | 2004 | 2005* |
|--------------------------|-------|-------|-------|-------|
| GDP (%) | + 1.5 | + 3.7 | + 4.0 | + 4.0 |
| Inflation (%) | + 1.8 | + 0.1 | + 2.8 | + 1.5 |
| Households income (%) | + 6.4 | + 4.8 | + 4.9 | + 5.0 |
| M2 (%) | + 3.5 | + 6.9 | + 4.4 | + 6.0 |
| 3M PRIBOR (%) | 3.6 | 2.3 | 2.4 | 2.2 |

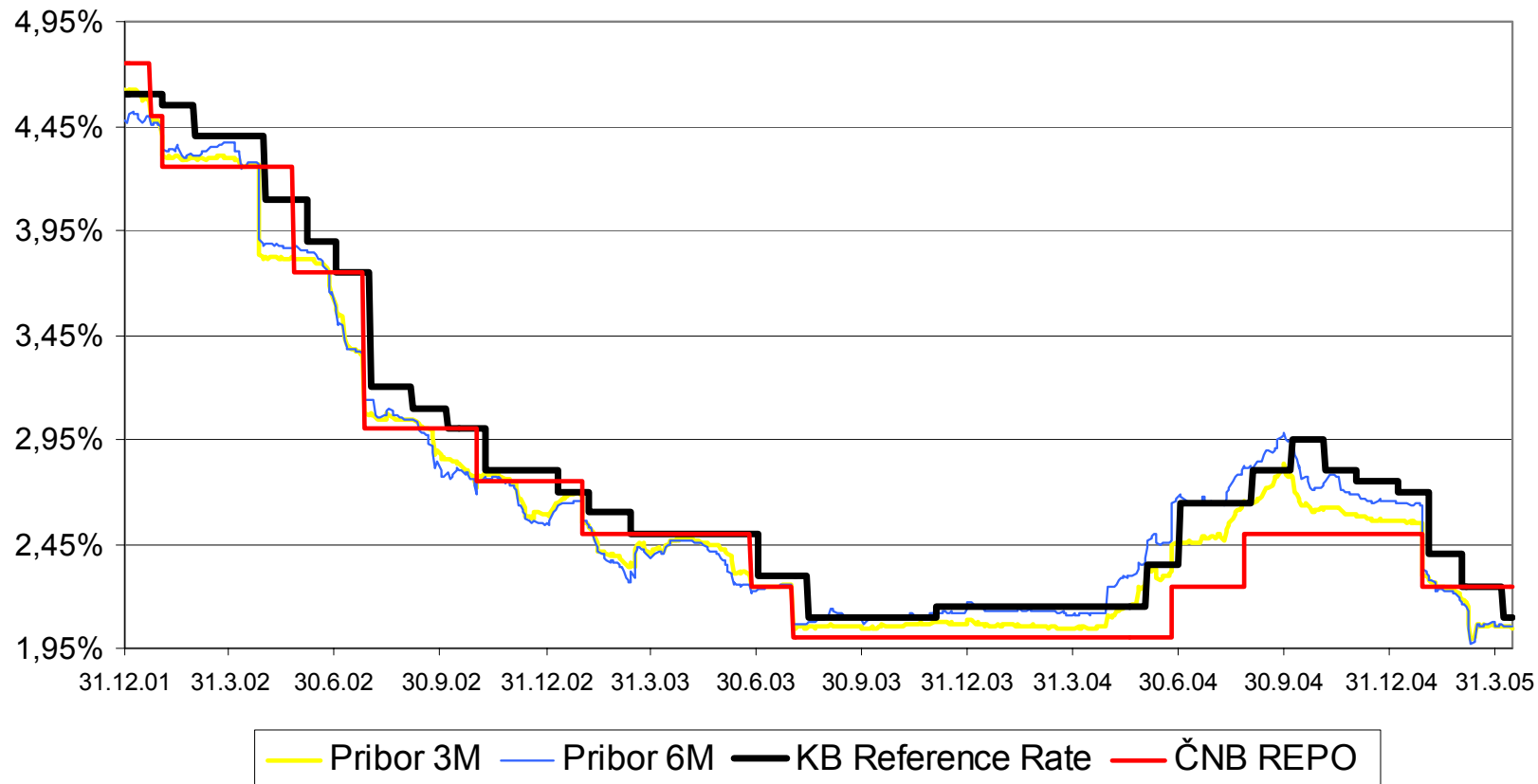
| Potential of the market | Change 03/02 | Change 04/03 |
|-------------------------|--------------|--------------|
| Total client loans** | 4.3% | 3.9% |
| Mortgages | 47.7% | 50.8% |
| Consumer loans | 17.9% | 12.1% |
| Total client deposits** | 1.7% | 2.8% |

* KB forecast

**Excludes loans/deposits of building saving banks

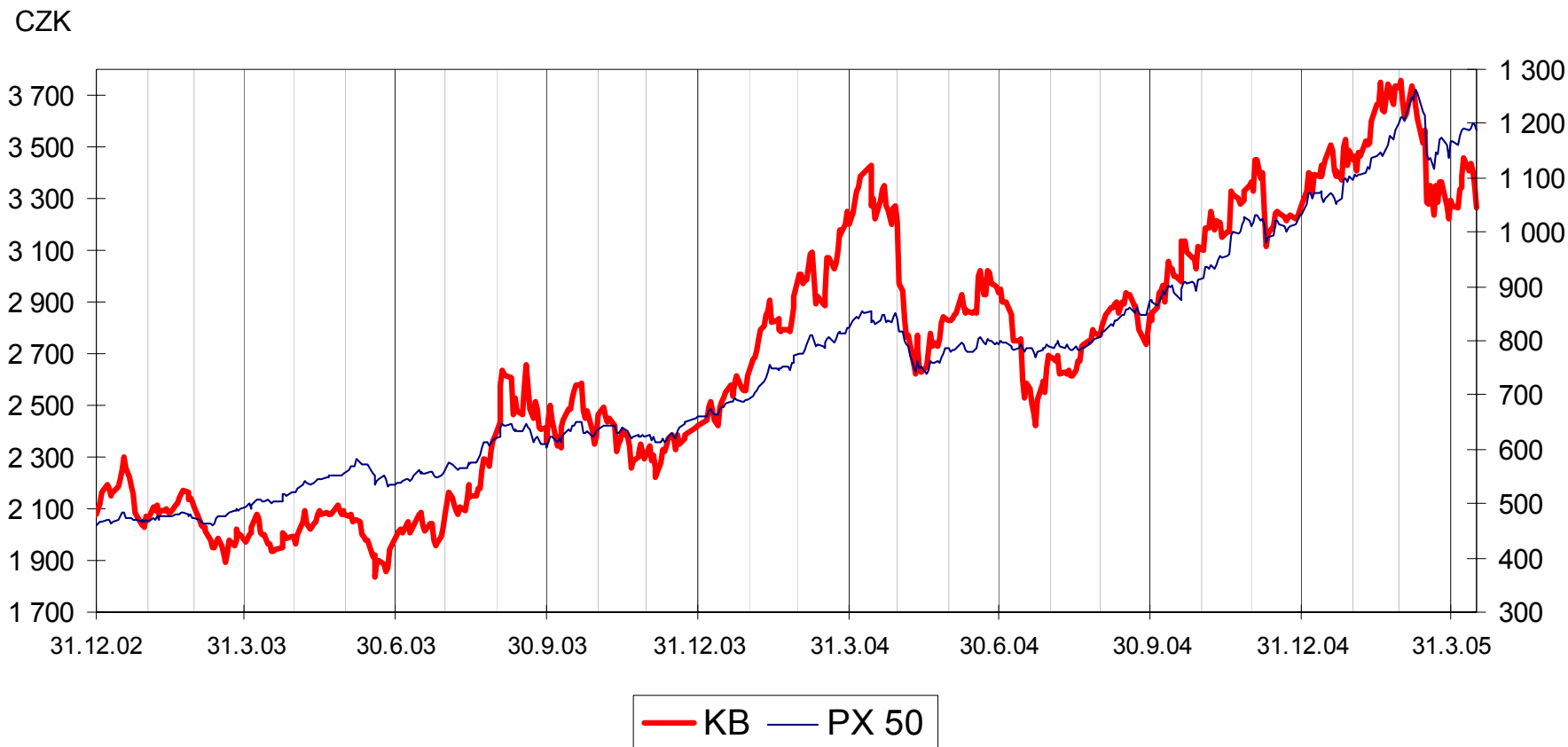


Interest Rates Evolution





Development of KB's share price and Index PX50

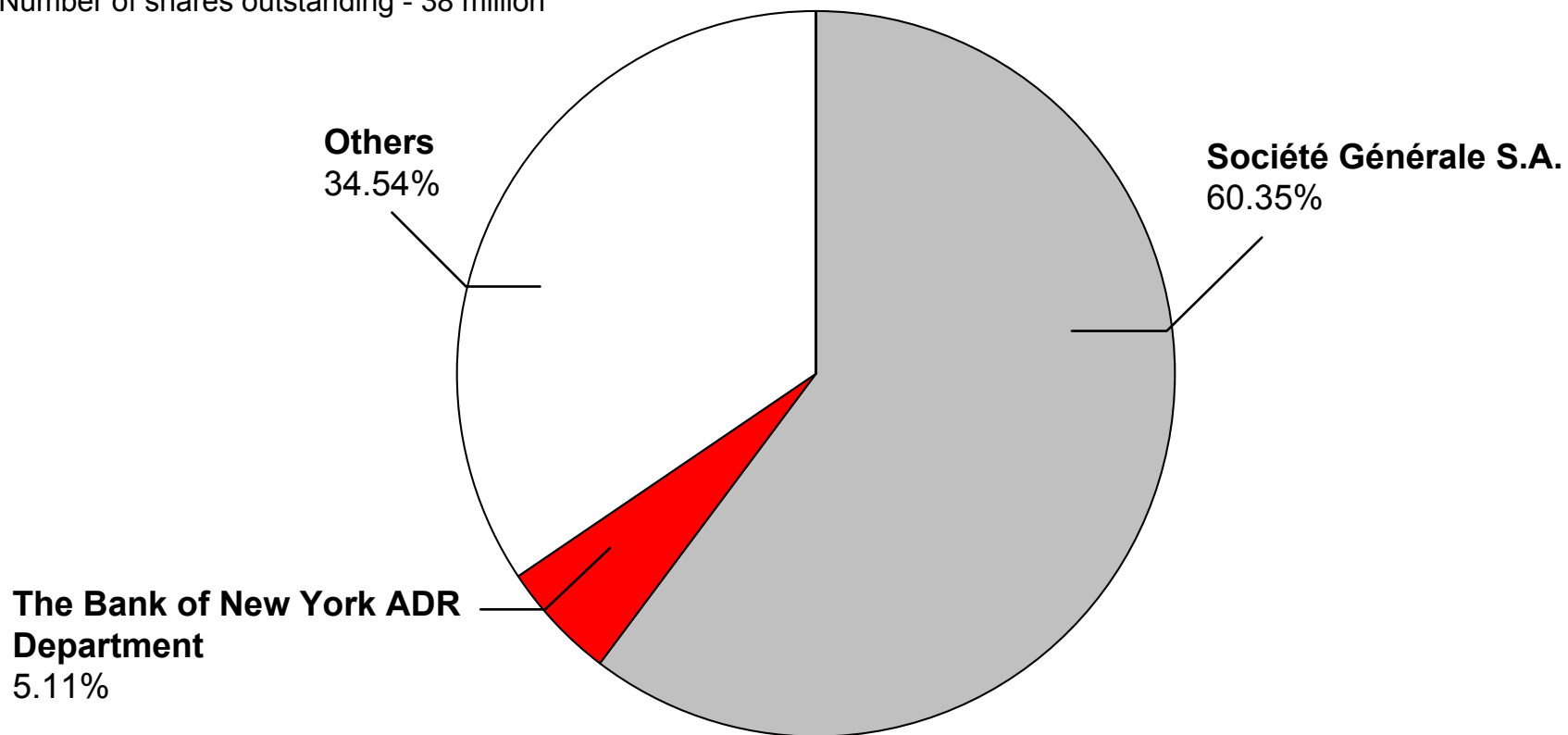




Structure of Shareholders

Major shareholders of Komerční banka, a. s. with over 5% of the share capital
as at 31 March 2005

Number of shares outstanding - 38 million





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