Ceska Sporitelna

FY 2006 IFRS Consolidated Results (Unaudited)

February 28th, 2007

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FY 2006 Highlights

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2006 Summary

- The Czech macroeconomic environment in 2006 was growth oriented with increasing GDP and consumer confidence and reducing unemployment

- CS led the restructured banking sector in responsibly contributing to the economic expansion as well as producing increased shareholder value

- Almost measured by any factor, CS produced record results in 2006 – profits, loan volumes, deposit growth, several market share indicators, IPOs, awards, etc.

- 2006 is harbinger for the future – CS is well positioned to be a growth company in the Czech Republic, both helping the CR´s economic expansion and at the same time creating increased profits and shareholder value

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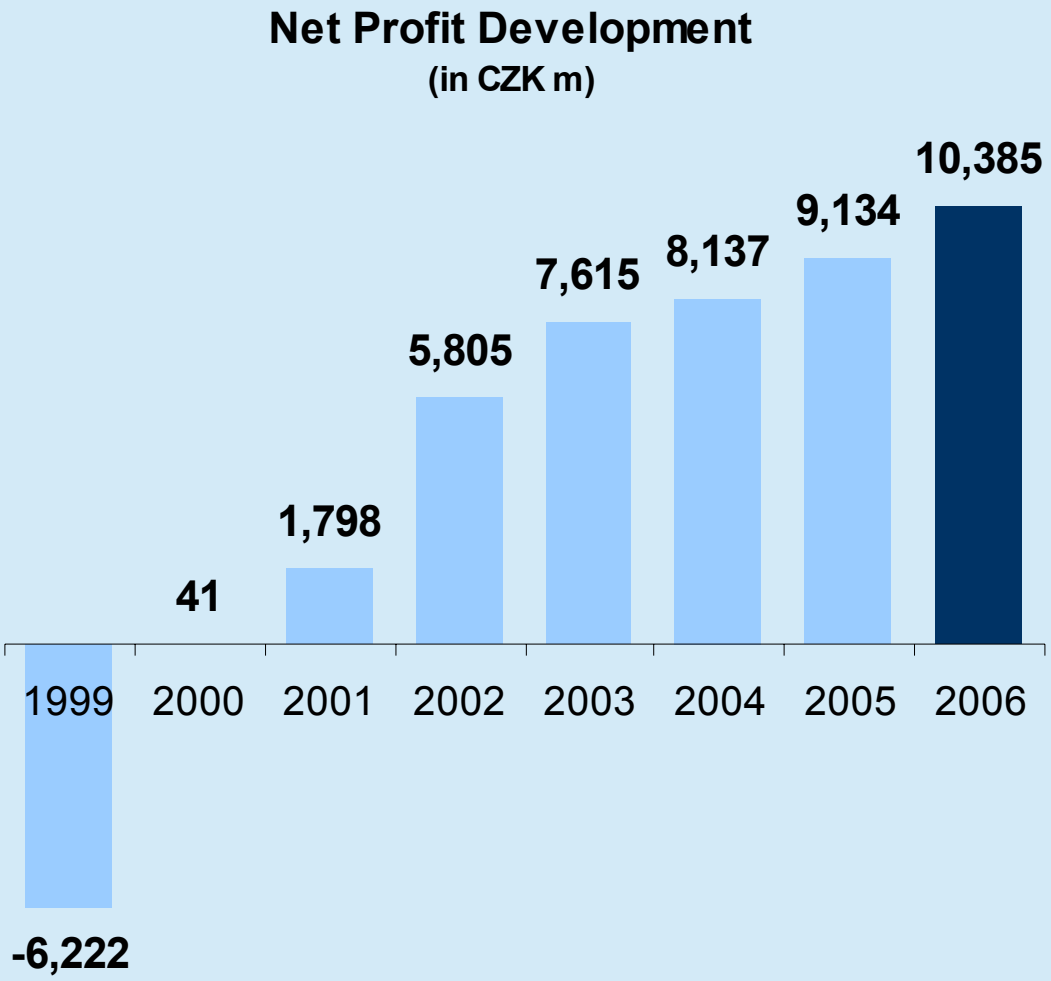
Development of Net Profit



Financial Targets for 2006 Fulfilled*

	Target	Actual
» Net Profit Growth	> 10%	13.7%
» ROE	> 20%	23.0%
» Cost/Income Ratio	< 54%	53.7%
» Loans/Deposits Ratio*	63% – 65%	61.2%

** Target for Loans/Deposits ratio wasn't achieved due to stronger than expected growth in deposits*

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2006 News

- **Ceska sporitelna continued in its effort to make banking easier**
  - » Price list of CS was simplified – new version of price list showing final prices of key products was introduced in January 2007
- **Successful participation in financing projects subsidized by EU funds further strengthened CS leading position in intermediation of EU funds to customers**
  - » Since EU admission (5/2004) CS co-financed projects subsidized by EU funds in the amount of CZK 9.4 bn
- **Corporate social responsibility gained larger attention**
  - » CS decided to contribute CZK 10 mil to compensate the damages caused by windstorm Kyrill and launched special low rate loans for victims of the storm
  - » CS took first place in the in the TOP Corporate Philanthropist 2006 ranking, compiled by the Donor's Forum and CZECH TOP 100 for its exceptional project – long term cooperation with the civil association SANANIM. The project is for the prevention and treatment of non-alcohol addictions

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FY 2006 IFRS Consolidated Results
(Unaudited)

IFRS – International Financial Reporting Standards

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Group Profit & Loss Statement
Highlights

- **Operating result increased by 20.3% (YTY) to CZK 14,954 m due to double digit growth in revenues and good expense management**
  - » Operating income grew by 11.9% and Operating expenses by 5.6%
- **Net profit reached CZK 10,385 m, growing by 13.7% (YTY)**
- **ROE continued above 20% standing at 23.0% (2005: 22.3%); ROA 1.5% (2005: 1.4%)**
- **Net interest income rose by 13.9% to CZK 21,153 m**
  - » Increase driven by continued strong growth in customer loans and deposits
- **Net fee and commission income grew by 7.1% to CZK 9,170 m**
  - » Fastest rate of growth recorded in fees from security business
- **General administrative expenses increased by 5.6%**
  - » Growth driven mainly by continuing volume growth in business
- **Cost/Income ratio dropped significantly from 56.9% in 2005 to 53.7%, as a result of much faster growth of operating income compared to operating expenses**

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Group Profit & Loss Statement

IFRS, Consolidated, CZK m	**2005**	**2006**	*% change*
Net interest income	18,575	21,153	*13.9*
Provisions on losses on loans and advances	-386	-1,487	*285.2*
Net fee and commission income	8,565	9,170	*7.1*
Net profit/(loss) on financial operations	1,474	1,561	*5.9*
General administrative expenses	-16,418	-17,339	*5.6*
Income from insurance business	235	409	*74.0*
Other operating income/(expenses)	266	590	*121.8*
Profit/(loss) before taxes	**12,311**	**14,057**	***14.2***
Income tax expense	-3,065	-3,498	*14.1*
Profit/(loss) after taxes	**9,246**	**10,559**	***14.2***
Minority interests	-112	-174	*55.4*
Net profit/(loss) for the year	**9,134**	**10,385**	***13.7***
Operating income	28,849	32,293	*11.9*
Operating expenses	-16,418	-17,339	*5.6*
Operating result	**12,431**	**14,954**	***20.3***
Cost / Income Ratio (%)	**56.9%**	**53.7%**	
ROE (%)	**22.3%**	**23.0%**	

1€ = CZK 28.32

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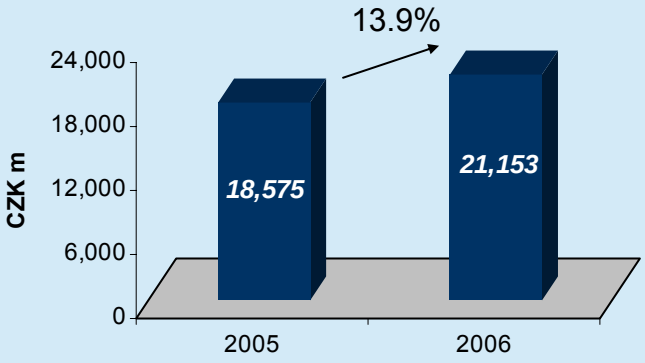
Group Profit & Loss Statement

Net Interest Income up by 13.9%

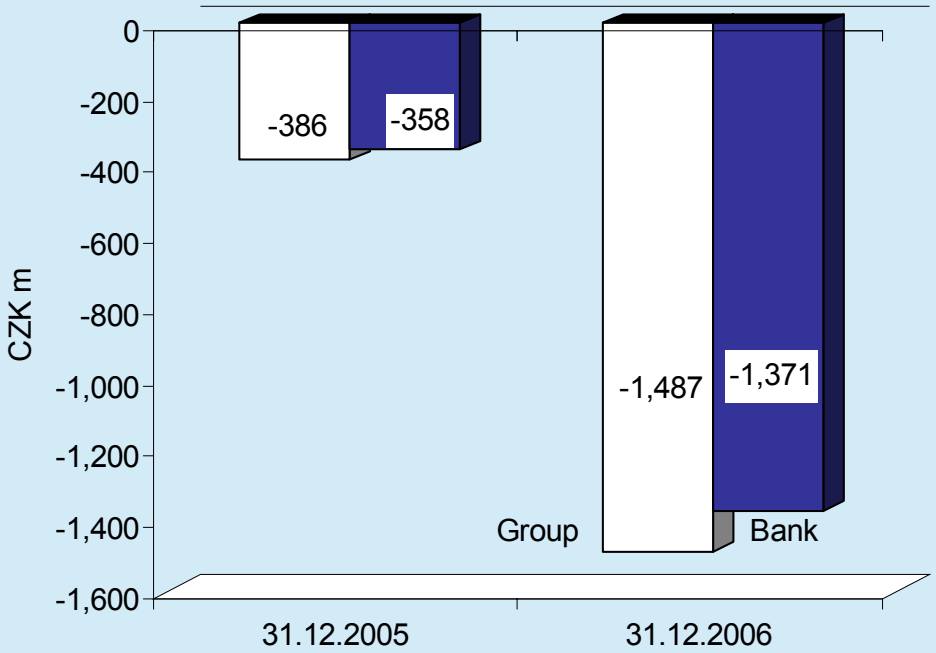
- **Net interest income growth was driven by growing volumes of customer loans and deposits**
  - » Loans to customers rose by 21.0% in 2006 (excluding loans to CKA; gross amount); customer deposits increased by 11.6% YTY
- **Increase of interest income from loans and advances to financial institutions was caused mainly by growing market interest rates**
- **Other interest income was positively affected by revaluation of banking book derivatives, by rental income from real estate business and income from dividends**
- **Interest expense on issued bonds reflects higher proportion of mortgage bonds and municipal bonds (paying higher interest rate); compared to 2005, their volume up by CZK 5.9 bn**
- **Net interest margin on average interest bearing assets stable at 3.46 %**

IFRS, Consolidated, CZK m	2005	2006	*% change*
Interest income	**25,435**	**29,569**	***16.3***
- from loans and advances to financial institutions	2,508	2,933	*16.9*
- from loans and advances to customers	15,093	17,561	*16.4*
- from debt securities and other fixed income securities	6,731	7,047	*4.7*
- other interest income	1,103	2,028	*83.9*
Interest expense	**-6,860**	**-8,416**	***22.7***
- from amounts owed to financial institutions	-869	-969	*11.5*
- from amounts owed to customers	-4,908	-5,504	*12.1*
- from bonds in issue	-357	-933	*161.3*
- other interest expense	-726	-1,010	*39.1*



Group Profit & Loss Statement

Provisions on Losses on Loans and Advances



- **Group Net creation in Year 2006 amounts to CZK 1,487 m**
  - » Bank represents 92% of Group total
  - » Comparable with underlying creation in Year 2005 (CZK 1,514 m)
- **This year's creation is not comparable with last year due to one-off effects of Year 2005; these were**
  - » Release of general provisions (CZK 1.1 bn)
  - » Implementation of IFRS provisioning rules

Balance impact (CZK m, IFRS)

ČS Group Loan loss reserves	Total provisions
Balance 01.01.2006	**-6,672**
Creation total	-1,487
Write offs	1,836
Balance neutral effects	-15
Balance 31.12.2006	**-6,339**

NOTE: Creation(-), release(+)

Profit&Loss impact (CZK m, IFRS)

ČS Group Loan loss reserves	Total provisions
Creation	**-1,560**
IFRS correction	**73**
Creation total	**-1,487**

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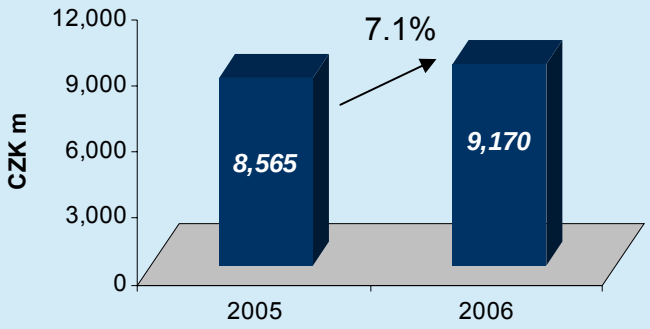
Group Profit & Loss Statement

Net Fee Income increased by 7.1%

- **Fastest growing contributor – net income from security business – grew by 45.1% YTY**
  - » Main drivers were fee income from mutual funds and asset management and income from brokerage (influenced by IPO transactions and higher trading activity)
  - » Share of net fee income from securities on total fee income increased from 9% in 2005 to 13% in 2006
- **Net fee income from lending business grew by 14.1% (figures for 2006 and 2005 comparable; effective interest rate applied in both periods)**
- **Net fee income from payment transactions went up by 0.6%**
  - » Its share in total net fee income decreased from 63% in 2005 to 59%
  - » Fee expense from payment transactions in 2006 includes fees connected with Card Bonus Programme; on comparable basis net fee income from payment transactions rose by 2.1%*)

IFRS, Consolidated, CZK m	2005	2006	*% change*
Fee and commission income	**9,292**	**10,218**	***10.0***
- from lending business	1,495	1,787	*19.5*
- from payment transactions	5,677	5,900	*3.9*
- from securities	831	1,213	*46.0*
- other	1,289	1,318	*2.2*
Fee and commission expense	**-727**	**-1,048**	***44.2***
- from lending business	-9	-90	*900.0*
- from payment transactions	-299	-489	*63.5*
- from securities	-30	-51	*70.0*
- other	-389	-418	*7.5*



*) calculated on restated basis

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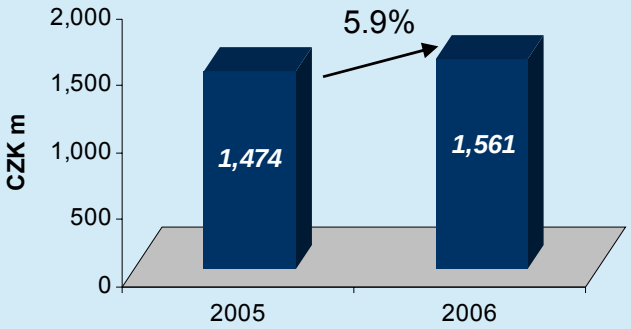
Group Profit & Loss Statement

Net Profit on Financial Operations Increased by 5.9%

- **Main contributor to Net Profit on Financial Operations remained gain from FX operations, which went up by 3.7% compared to 2005**
  - » For total increase of trading result, there was important growth on Treasury Sales with more sophisticated products (such as FX Derivatives)
- **The growth of market interest rates caused change in structure of trading result. This development had positive impact on component created by Interest Rate Derivatives. On the other hand the increasing market rates caused the negative revaluation of trading securities**
- **Results from securities trading were influenced by negative development of bonds in trading portfolio caused by increasing market interest rates during Year 2006**

IFRS, Consolidated, CZK m	**2005**	**2006**	*% change*
Realised and unrealised profit on securities trading	192	-372	*-293.8*
Interest Rate & Equity Derivatives	-173	353	*304.0*
FX gains	1,317	1,366	*3.7*
Other	138	214	*55.1*



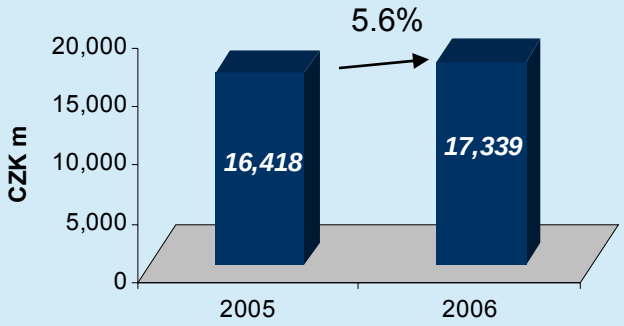
Group Profit & Loss Statement

General Administrative Expenses up by 5.6%

- **Personnel expenses increased by 5.3% in 2006, mainly due to higher salaries and bonuses**
  - » Costs related to profit sharing programme (accruals) amounted to CZK 174 m (2005:CZK 171 m)
  - » Number of employees rose by 101 persons to 10,856 as of 1st January 2007 due to business expansion opportunities (FTE, CS Group)
- **Growth in other administrative expenses was caused by business expansion and building of Erste Bank Group synergies; main cost categories in 2006 were IT, premises and marketing**
- **Depreciation was flat compared to 2005; growing depreciation on acquired software was offset by decreasing depreciation on hardware**

IFRS, Consolidated, CZK m	2005	2006	*% change*
Personnel expenses	7,362	7,749	*5.3*
Other administrative expenses	5,688	6,236	*9.6*
Depreciation	3,368	3,354	*-0.4*

Note: average inflation rate in 2006 at 2.5%

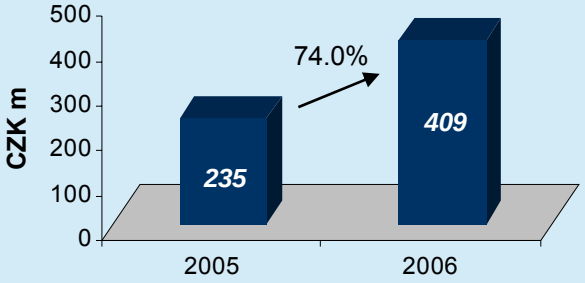


Group Profit & Loss Statement

Income from Insurance Business up by 74.0%

- **Net result from insurance business (profit before tax of Pojistovna CS) increased by 74.0% in 2006, as a result of 68.9% increase of operating income in Pojistovna CS attributed to fast growth of net premiums earned (up by 83.3%)**
- **Life insurance growth resulted from strong branch distribution with very competitive, restructured products**
  - » Written premium increased by 80.7% in 2006 to CZK 4,428 m as a result of growing sales of insurance products - mainly products with single paid premium representing 66% of total written premium (in 2005 only 48%)
  - » Single paid insurance premium rose by 152.1% primarily due to higher sales of single paid Flexi invest and Flexi life insurance; current paid insurance premium increased by 15.9%
  - » Pojistovna CS concluded overall more than 509 thousand life insurance contracts till the end of 2006 (number of contracts rose by 9.8% compared to YE 2005)
- **Market share of Pojistovna CS (CS Insurance company) in life insurance market reached 9.4% up from 5.4% in 2005 *(more details on slide 69 in Appendix)***

in CZK m	FY2005	FY2006	% Change
Written premium	**2,451**	**4,428**	**80.7%**
- single paid	1,165	2,937	152.1%
- current paid	1,286	1,491	15.9%

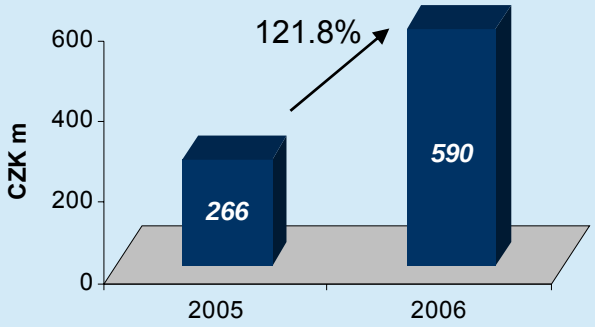


Note: profit before tax

Group Profit & Loss Statement
Other Operating Income / (Expenses)

- **Other operating income increased by 33.5%**
  - » Growth in income from real estate was caused by revaluation of buildings in real estate funds and by income from sale of real estate
  - » Lower income from MTM-measured financial assets caused by revaluation of „at fair value portfolio“ (decreased by CZK 193 m) in connection with growing market interest rates and dividend payments (partially offset in NII), and by lower gains (down by CZK 260 m) from bonds sold from AFS portfolio (smaller sales)
- **Other operating expenses increased by 20.1%**
  - » Higher contribution to Deposit insurance fund reflects growth in primary deposits
  - » Increase in other expenses connected mainly with real estate business (compensated in other income)

IFRS, Consolidated, CZK m	2005	2006	*% change*
Other operating income	**2,019**	**2,696**	*33.5*
- income from real estate	248	1,097	*342.3*
- MTM-measured financial assets	1,145	687	*-40.0*
- other income	626	912	*45.7*
Other operating expenses	**-1,753**	**-2,106**	*20.1*
- Deposit Insurance Fund contribution	-382	-432	*13.1*
- expenses from real estate	-105	-161	*53.3*
- other expenses	-1,266	-1,513	*19.5*



Group Balance Sheet
Highlights*

- **Total assets increased by 11.4% to CZK 728.4 bn from YE 2005**
- **Loans to customers (incl. loans to CKA, gross) rose by 16.1% YTY to CZK 329.1 bn, representing 45.2% of total assets**
- **Amounts owed to customers increased by 11.6% to CZK 537.5 bn; total client funds under CS Group management increased by 10.1% YTY to CZK 611.0 bn**
  - » Amounts owed to customers in parent bank grew by 11.2% to CZK 430.7 bn
- **Strong growth in deposits slowed down increase of loans to deposits ratio**
  - » Loans to deposits ratio grew from 58.9% at YE 2005 to 61.2% as of 31 December 2006
- **Volume of issued bonds dropped by 12.4% to CZK 34.4 bn due to redemption of higher amount of issued depository bills of exchange**
- **CS issued additional 10Y subordinated bonds with floating coupon in the total amount of CZK 3 bn (October 2006)**
- **Group capital adequacy (BIS) stand at 11.1%**
  - » Group capital adequacy according to CNB (parent bank only, unaudited figure) at 9.3%

**** Comparison between 31/12/2005 and 31/12/2006***

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Group Balance Sheet
Assets

IFRS, Consolidated, CZK m	31/12/05	31/12/06	*% Change*
Total Assets	**654,064**	**728,393**	***11.4***
Cash and balances with the CNB	18,104	23,152	*27.9*
Loans and advances to financial institutions	97,846	73,179	*-25.2*
Loans to Czech Consolidation Agency	15,653	5,000	*-68.1*
Loans and advances to customers	267,767	324,105	*21.0*
Provision for losses on loans and advances	-6,672	-6,339	*-5.0*
Trading securities	36,955	45,315	*22.6*
MTM-Measured Assets	47,611	61,122	*28.4*
Financial investments	141,666	164,530	*16.1*
- treasury bills and listed debts securities	124,610	141,429	*13.5*
- other	17,056	23,101	*35.4*
Other assets	35,134	38,329	*9.1*

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Group Balance Sheet
Liabilities and Shareholders‘ Equity

IFRS, Consolidated, CZK m	31/12/05	31/12/06	*% Change*
Total Liabilities and Shareholders´ Equity	**654,064**	**728,393**	***11.4***
Amounts owed to financial institutions	34,898	46,361	*32.8*
Amounts owed to customers	481,556	537,486	*11.6*
Bonds in issue	39,282	34,408	*-12.4*
Subordinated debt	2,998	5,886	*96.3*
Other liabilities	51,159	54,390	*6.3*
Minority interests	849	1,268	*49.4*
Shareholders´ equity	**43,322**	**48,594**	***12.2***

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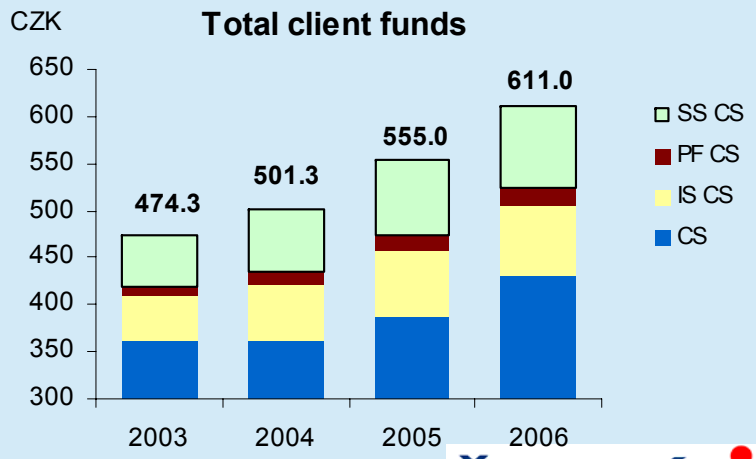
Total Client Funds under CS Group Management

- **Client funds under CS Group management increased by CZK 56.0 bn (10.1%) in 2006 to CZK 611.0 bn**
- **Almost 30% of client funds are managed by CS subsidiaries**
- **Building society (SSCS) gathered CZK 87.1 bn of client funds (14.2% of total funds) representing 7.5% YTY growth**
- **Pension Fund (PFCS) recorded the highest growth – by 27.3% YTY, but the balance still represents a modest 4.7% of total client funds**
- **Assets in mutual funds managed by CS investment company (ISCS) rose by 3.5%; volume of assets was affected by less favourable situation on financial markets in mid-2006 (drop in prices of participating interests)**
- **Client deposits in parent bank grew by CZK 43.4 bn since YE 2005, the largest increase was shown in giro accounts (by CZK 23.6 bn, i.e. 20.6%)**
  - » Proportion of demand deposits rose to 68% from 66% at end of 2005

IFRS, in CZK bn	2003	2004	2005	2006
CS - parent bank	360.7	362.9	387.3	430.7
IS CS - investment company	48.3	59.0	71.6	74.1
PF CS - pension fund	9.2	12.0	15.1	19.2
SS CS - building society	56.1	67.4	81.0	87.1
Total	**474.3**	**501.3**	**555.0**	**611.0**



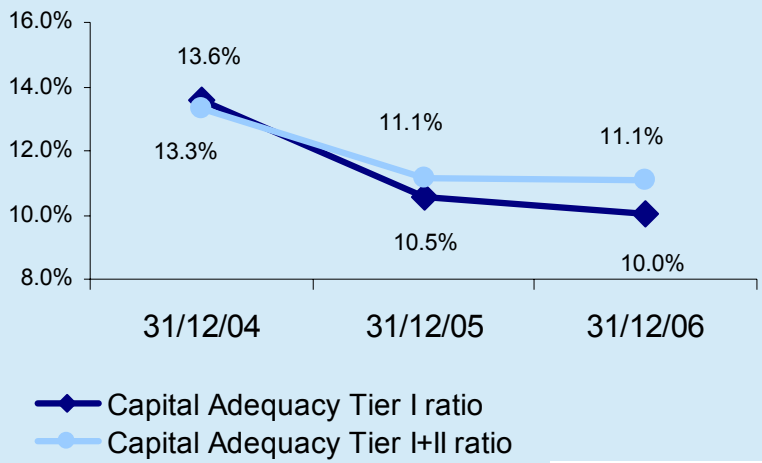
Capital Adequacy (BIS)

- **Capital adequacy ratio (Tier I+II) remained without changes compared to 2005 at the level of 11.1%**
- **Total Tier I and Tier II Capital increased by 21.4% in 2006 mainly due to higher retained earnings**
  - » Tier I capital grew by CZK 6.1 bn (thereof retained earnings by CZK 3.9 bn)
  - » Tier II capital was strengthened by second bunch of subordinated bonds of CZK 3 bn issued in October 2006
- **Risk weighted assets grew by 20.5% due to fast loan growth**

BIS Capital Adequacy - unaudited

CS Group, CZK m	31/12/04	31/12/05	31/12/06
Tier I Capital	39,964	38,752	44,888
Tier I+II Capital	39,164	40,869	49,625
Risk Weighted Assets	273,386	349,494	421,153
Capital requirement to market risks	1,713	1,426	2,184
Capital Adequacy Tier I ratio	**13.6%**	**10.5%**	**10.0%**
Capital Adequacy Tier I+II ratio	**13.3%**	**11.1%**	**11.1%**

Capital Adequacy Development
(according to BIS)



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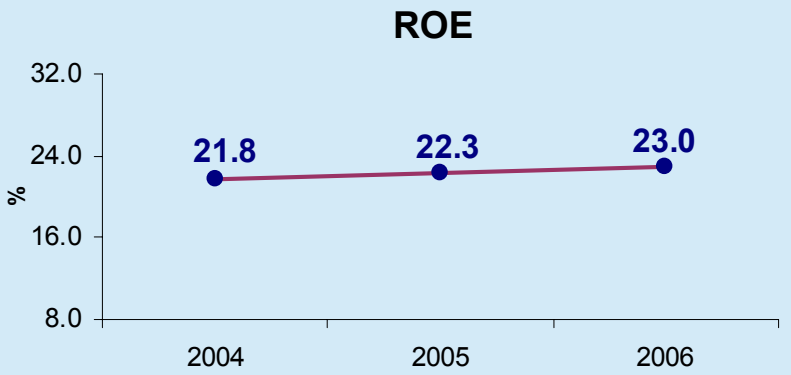
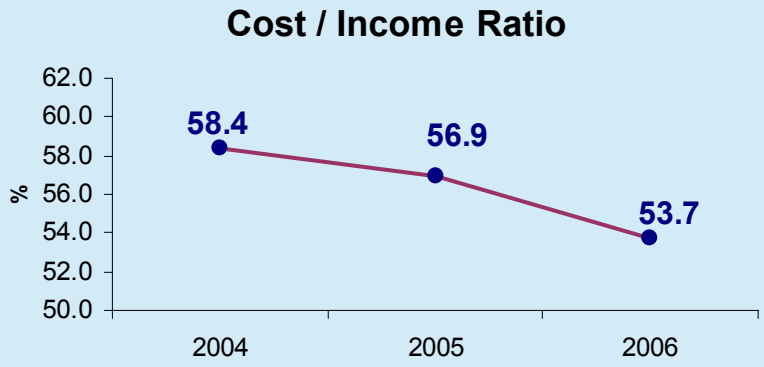
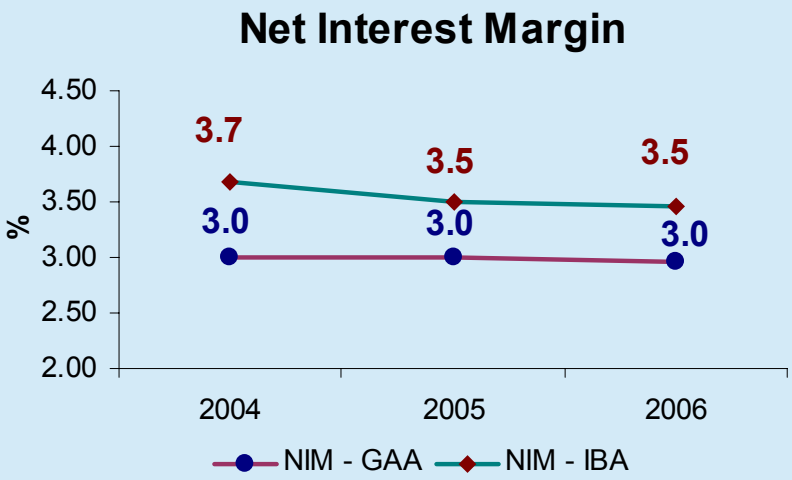
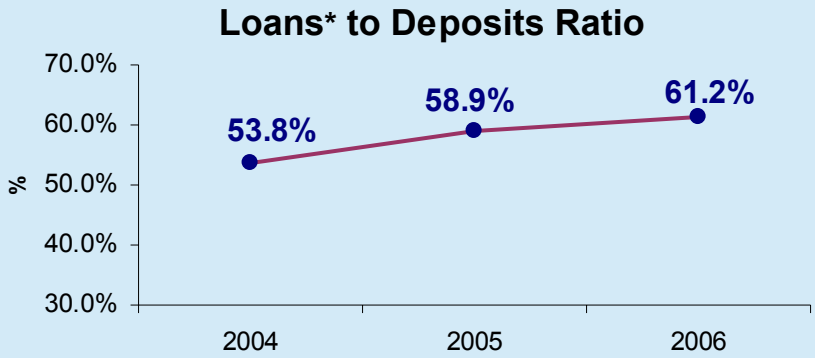
Financial Ratios Development







GAA = Gross average assets
IBA = Average interest bearing assets



** Loans include Loans and Advances to customers and Loans to CKA*

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Bank Loan Portfolio as of 31 December 2006

Unconsolidated (IFRS)

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Group Loan Portfolio Highlights in 2006

- **Loan growth continued at the strong pace of CZK 56.3 bn or 21.0% p.a. (excluding CKA repayments), breaking the previous record set in 2004-2005**
  - » Most significant contributors are loans financing real estate (+ CZK 38.9 bn p.a.)
    - ⇨ Of which Bank increased by CZK 34.2 bn (41.9%) and Stavebni sporitelna by CZK 4.7 bn (24.2%)
    - ⇨ Represents 70% of overall growth
- **Retail loans in CS Bank grew by remarkable CZK 39.7 bn or 30% p.a.**
- **Loans to SMEs and Micro business continued in strong growth rate of CZK 9.2 bn or 20.6% p.a.**
  - » Micros growth by CZK 2.9 bn is 29% higher than 2005
- **Share of non-performing loans remained stable at 1.6% (Bank only)**
  - » Absolute increase by CZK 0.6 bn to CZK 4.8 bn driven mainly by Retail loan growth
- **Group provision creation in absolute volume remained stable in spite of the strong loan growth**
  - » Creation in amount of CZK 1.5 bn corresponds with underlying creation* in 2005
  - » CS Bank risk costs declined from 0.56% to 0.47%
- **CS Bank and Stavebni sporitelna successfully completed readiness for Basle 2 compliance**
  - » Financial Market Authority** approved IRB approach for EB Group, including CS

** net of releases of General provisions*
*** financial market supervisor in Austria*

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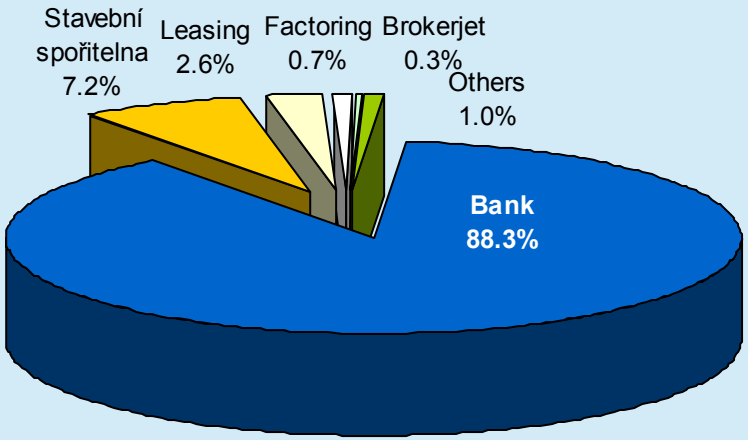
Group Loan Portfolio Structure and Development

Business Overview



in CZK m, IFRS	31/12/2005	31/12/2006	Annual growth	
I. ČS Bank	260,260	296,498	36,238	13.9%
↳ *of which ČKA*	15,653	5,000	-10,653	-68.1%
II.1. Stavební spořitelna ČS	19,450	24,151	4,702	24.2%
II.2. Leasing ČS, S-AutoLeasing & S-AutoÚv	7,027	8,729	1,703	24.2%
II.3. Factoring ČS	1,922	2,442	520	27.1%
II.4. Brokerjet ČS	807	884	77	9.6%
II.5. Other subsidiaries	1,872	3,226	1,355	72.4%
III. Consolidation items	-7,916	-6,826	n.a.	n.a.
Loans excl. ČKA (consolidated)	**267,767**	**324,105**	**56,338**	**21.0%**
Total Loans (consolidated)	**283,420**	**329,105**	**45,685**	**16.1%**

** Source: members of Czech leasing and financial association only (factoring shares as of YE06; leasing portion as of 3Q06)*

- **Loan share of subsidiaries increased from 10.7% to 11.7%**
- **Stavebni sporitelna growth accelerated from CZK 4 bn to CZK 4.7 bn in Year 2006**
- **Leasing achieved remarkable growth CZK 1.7 bn or 24.2% p.a. and jumped from 11th to 6th position on the market***
  - » Underlying growth by CZK 2 bn or 28.7% (excludes assets sale in 1H06)
  - » S-Autoleasing new deals CZK 4.1 bn are by 52.5% higher than in 2005
- **Strong growth of Factoring business by CZK 520 m or by 27.1% p.a.**
  - » Number 1 on the Market since 2004 with growing share (27.2%* compared to 26.2% at YE05)
- **Growth of exposure in Other subsidiaries relates to property funds (financing of real estate projects)**

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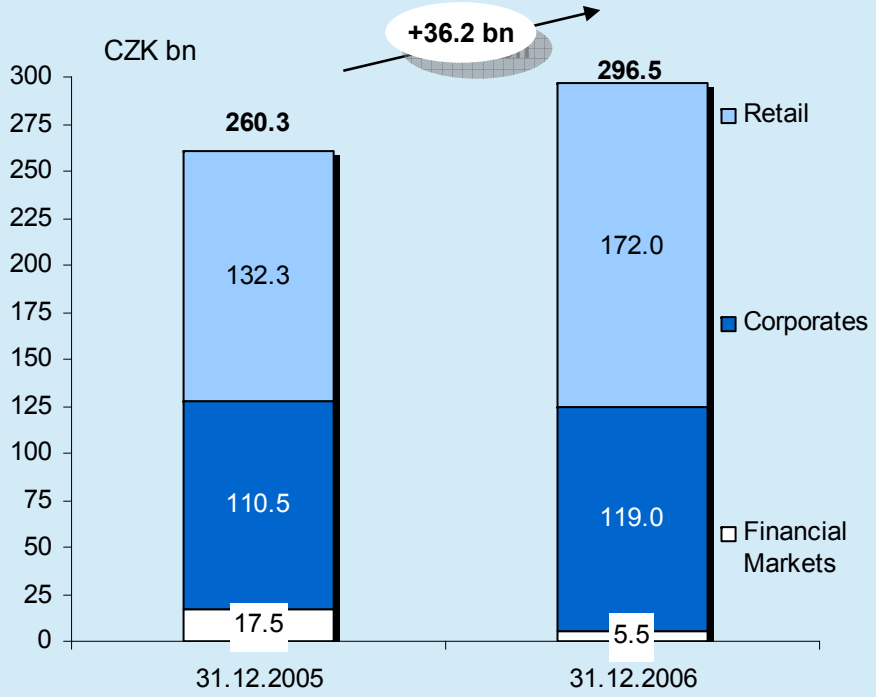
Loan Structure and Development

CS Bank Loans to Customers / Segment Overview



in CZK m, IFRS	31.12.2005		31.12.2006		Change	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	**242,788**	**93.3%**	**290,972**	**98.1%**	**48,184**	**19.8%**
1. CORPORATES	110,518	42.5%	119,010	40.1%	8,492	7.7%
2. RETAIL	132,270	50.8%	171,962	58.0%	39,692	30.0%
II. FINANCIAL MARKETS	**17,472**	**6.7%**	**5,526**	**1.9%**	**-11,946**	**-68.4%**
LOANS TO CUSTOMERS	**260,260**	**100.0%**	**296,498**	**100.0%**	**36,238**	**13.9%**

- **Loan growth in the Bank is generated mainly by Retail customers**
  - » Retail up by record CZK 39.7 bn (CZK 35.1 bn in 2005)
  - » Corporate (up by CZK 8.5 bn) are behind extraordinary strong growth of year 2005 (CZK 20.4 bn[1)]), mainly due to strong cash position in Large corporates resulting in decreasing limit utilization
- **Growth drivers**
  - » Mortgage & real estate +CZK 34.2 bn (41.9%)
  - » Consumer lending +CZK 6.7 bn (16.2%)
  - » Medium Corporates +CZK 6.2 bn (18.4%)
- **Financial markets decline affected by CKA repayments**

1) 50% of the growth came from Large Corporates

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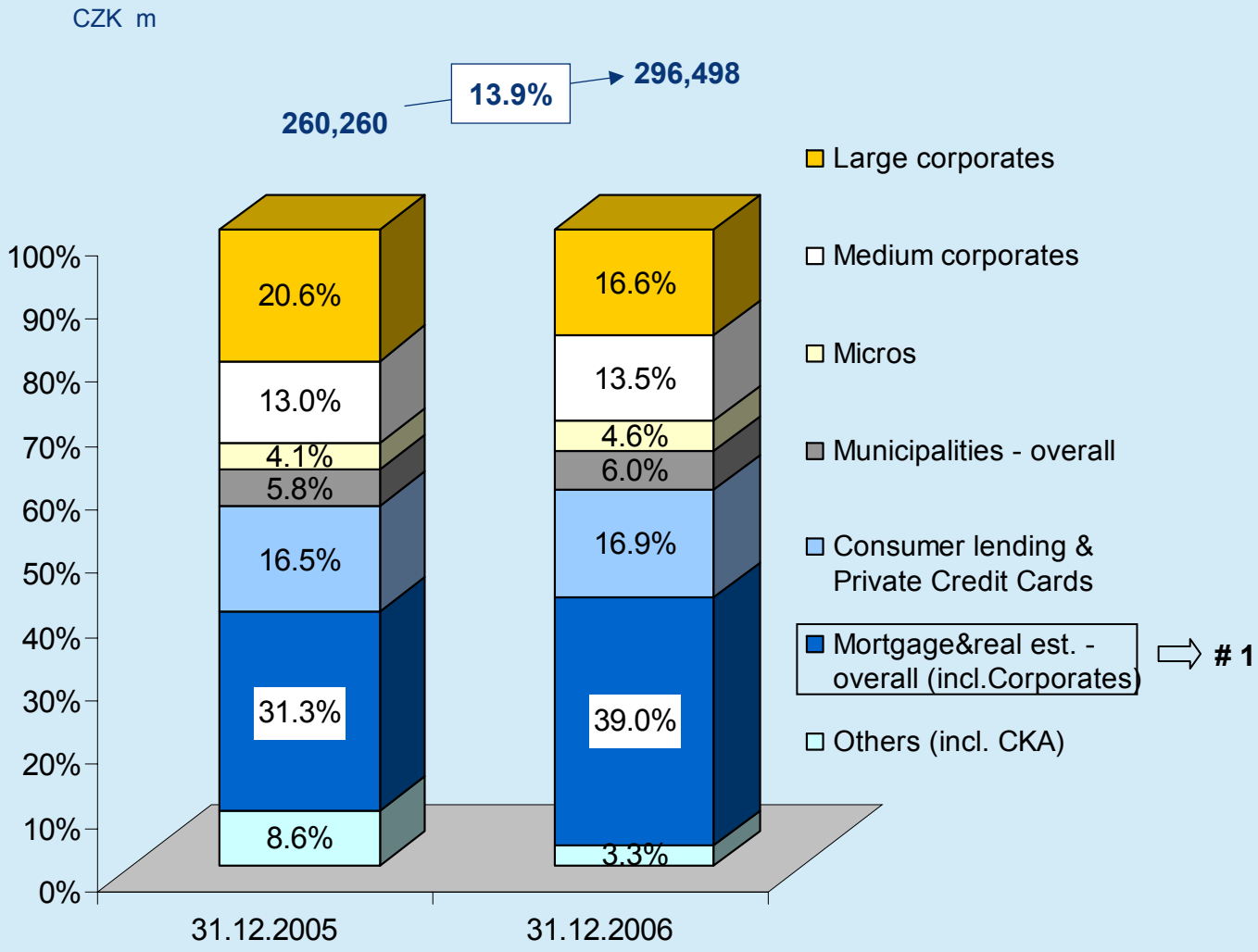
Loan Structure and Development

CS Bank Loans to Customers / Structure



- **Mortgage & Real estate loans**
  - » Continued fastest growth of all segments
- **Lending to Micro and Medium sized business**
  - » Good growth leading to current 18.1% of loan portfolio
- **Consumer lending + credit cards (16.9%)**
  - » Overtook Large Corporate portfolio (16.6%)
- **Decline of Other portfolio**
  - » Driven by CKA repayments

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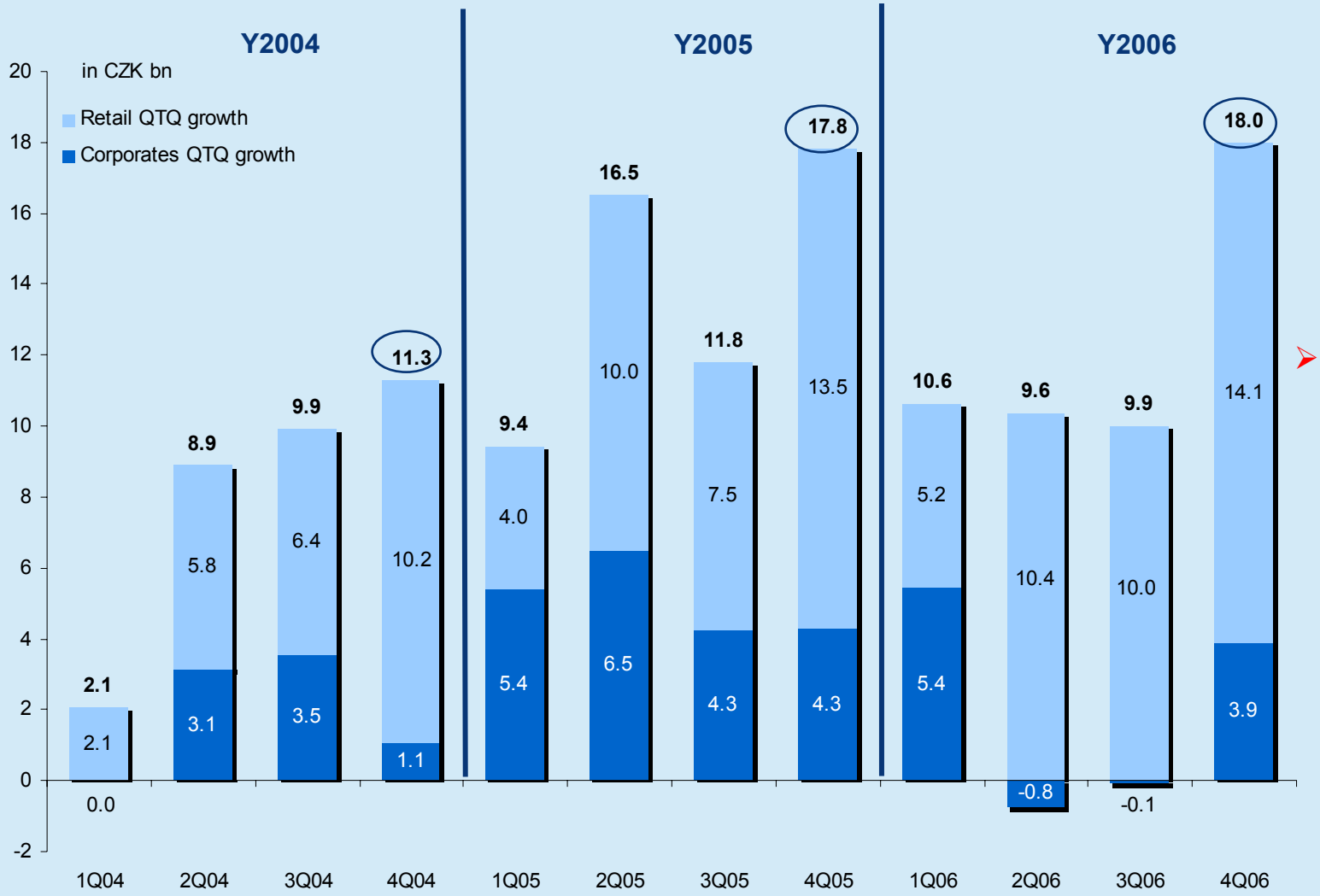
Loan Structure and Development

Seasonality in Growth of Corporates and Retail (QTQ)



- **The strongest quarterly growth of CZK 18.0 bn influenced by**
  - » Continuing record loan growth in Retail: increase by CZK 14.1bn QTQ is **the best 4Q growth ever**
- **Loan growth in Corporate portfolio in Year 2006**
  - » Driven by real estate projects +35.7% p.a., SMEs +18.4% p.a. and Municipalities +17.8% p.a.
  - » Held back by Large Corporates due to low limit utilization (mainly in 2Q and 3Q)

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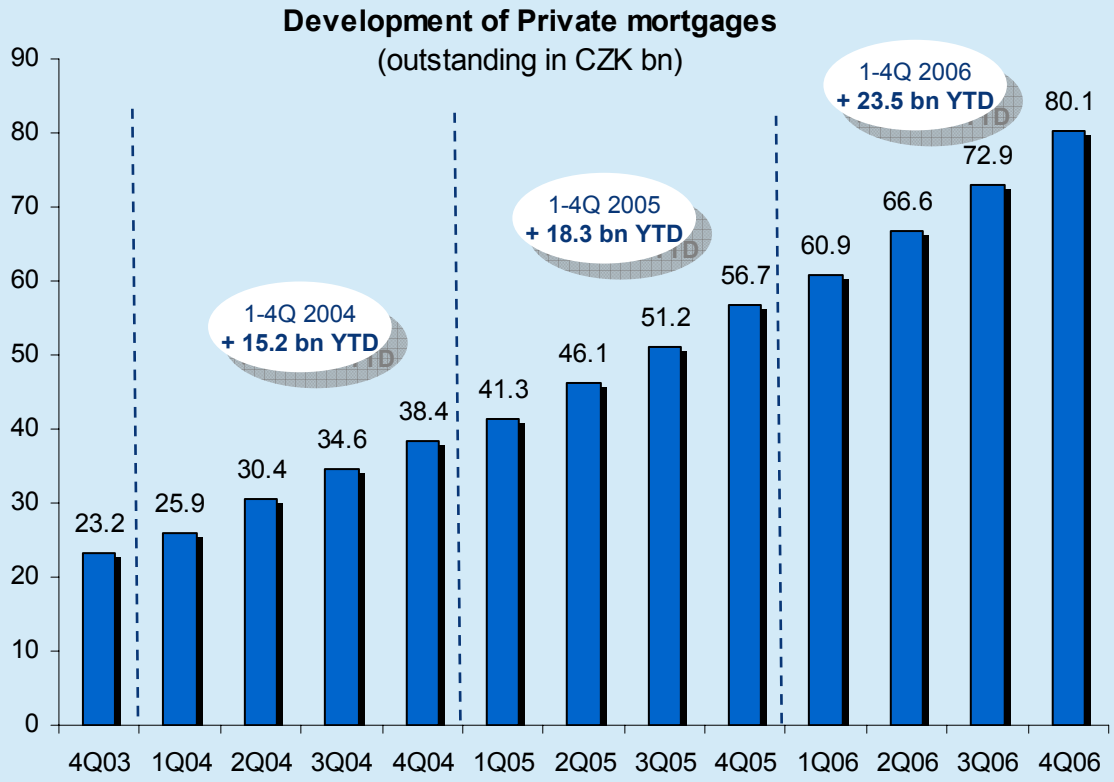
Loan Structure and Development

Private Individuals (PI) Mortgages



in CZK m, IFRS	31/12/2005		31/12/2006	
	Outstand.	Share	Outstand.	Share
Private mortgages	**56,672**	**100.0%**	**80,147**	**100.0%**
Classified mortgages (CNB2-5)	897	1.6%	1,644	2.1%
- of which defaults (CNB3-5)	455	0.8%	910	1.1%
- of which NPLs (default >90 d. overdue)	316	0.56%	642	0.80%

- **Private Mortgages reached its highest -ever growth by CZK 23.5 bn (41.4%)**
  - » Almost 28% stronger than in 2005
- **64% of mortgages goes to property purchase (61.5% at year-end 2005)**
  - » For loans granted in year 2006 this share is even higher (77%)
  - » Remaining 28% of mortgages are spent on house construction and 8% on reconstruction
- **Average maturity of mortgage loan contract increases**
  - » Climbed up to 19.3 years (17.9 years at year-end 2005)
  - » Average maturity of loans granted in 2006 is 22.6 years (compared to 20.3 years for loans granted in 2005)
- **Non performing loans increase driven by aging effect of mortgage portfolio**
  - » Absolute increase of CZK 326 m
  - » In relative terms 24 bps

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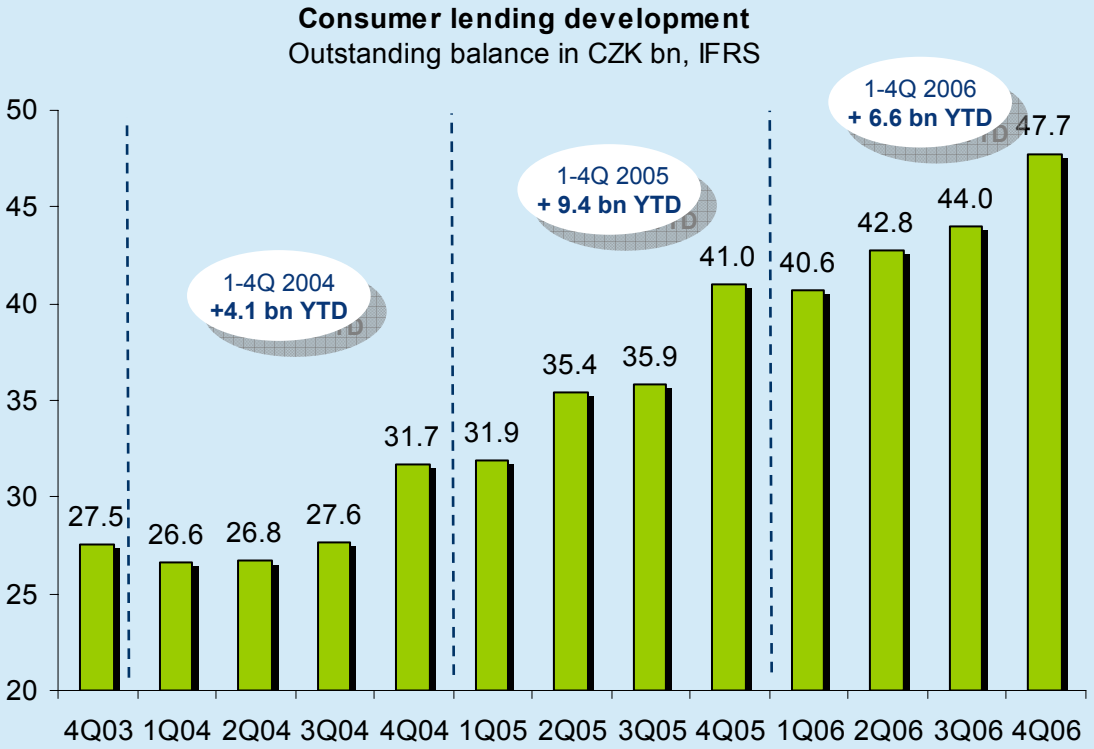
Loan Structure and Development

Consumer Lending



in CZK m, IFRS	31/12/2005		31/12/2006	
	Outstand.	Share	Outstand.	Share
Consumer lending	**41,040**	**100.0%**	**47,708**	**100.0%**
Classified loans (CNB2-5)	3,056	7.4%	3,129	6.6%
- of which defaults (CNB3-5)	2,421	5.9%	2,350	4.9%
- of which NPLs (default >90 d. overdue)	2,157	5.3%	1,998	4.2%

NOTE: consumer lending does not include credit cards

- **Consumer lending grew by 16.2% p.a.**
- **Growth driver remains cash loans**
  - » Represent 67% of consumer lending (61% at YE 2005)
  - » Newly granted loans CZK 18.4 bn increased compared to new production of CZK 16.6 bn in 2005
- **Share of non-performing loans improved by 110 bps to 4.2%**
  - » Driven by improved processes and better sharing of customer information

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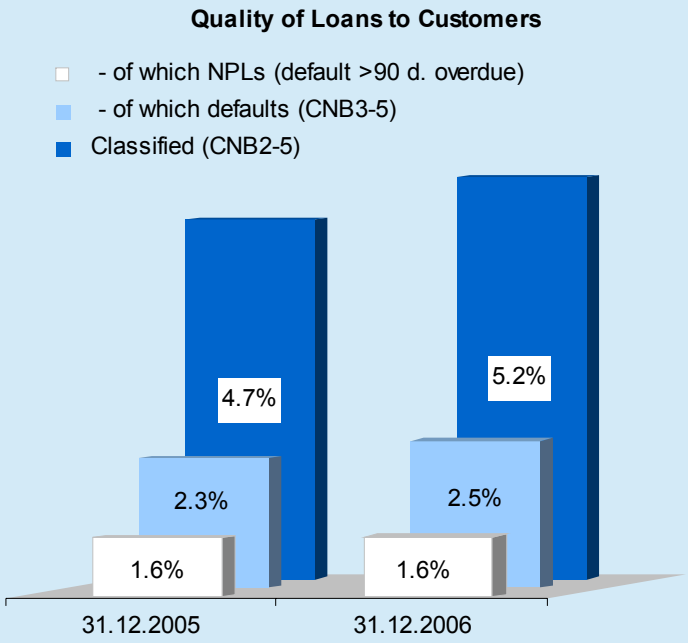
Loan Portfolio Quality
Overall Bank



in CZK m, IFRS	31.12.2005		31.12.2006	
	Outstanding	Share	Outstanding	Share
Loans to customers*	**260,260**	**100.0%**	**296,498**	**100.0%**
Classified (CNB2-5)	12,285	4.7%	15,314	5.2%
- of which defaults (CNB3-5)	6,087	2.3%	7,483	2.5%
- of which NPLs (default >90 d. overdue)	4,172	1.6%	4,784	1.6%

* incl. CKA

- **Loan quality measured by share of non performing loans remained stable (1.6%)**
- **Increase of defaulted loans (CNB3-5) by CZK 1.4 bn rather more affected by loan restructuring than payment defaults**
  - » Absolute increase of NPLs by CZK 0.6 bn was generated mainly by Retail (aging effect of mortgage portfolio)

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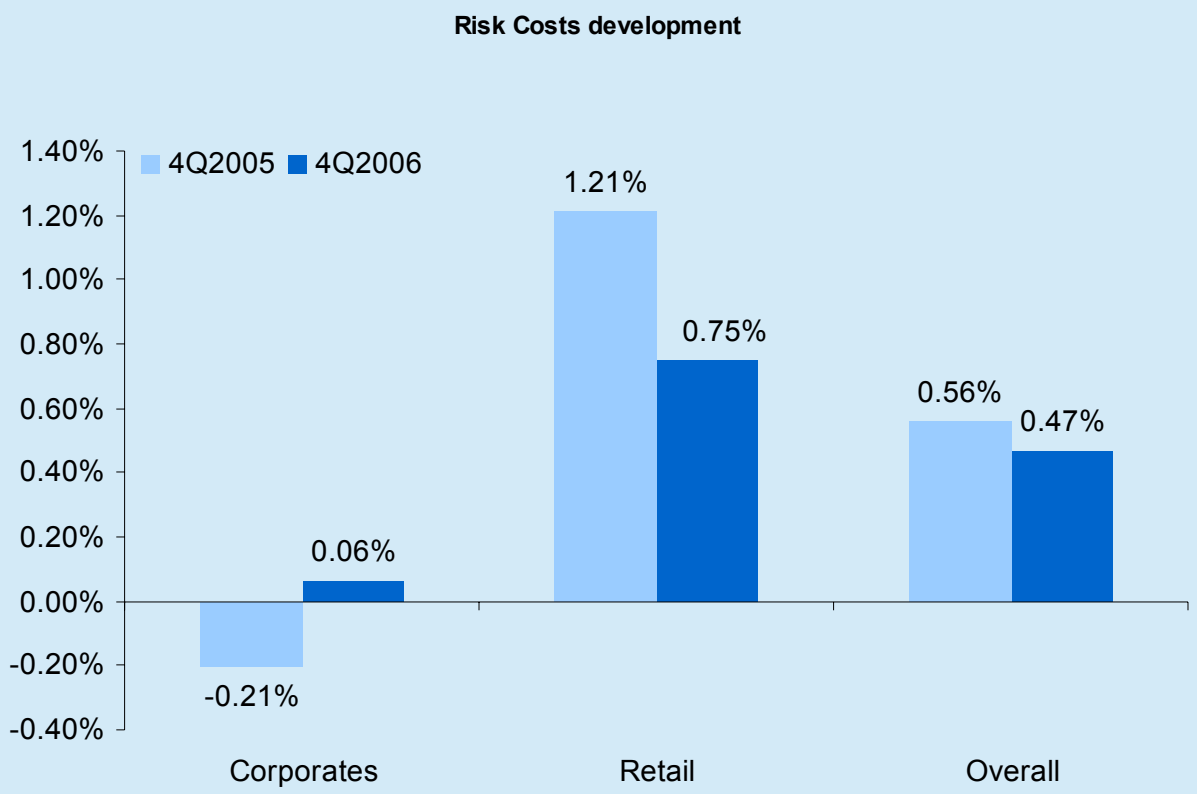
Provision Creation

CS Bank / Risk Costs Development



- **Low corporate risk costs at 6 bps p.a.**
  - » Affected by Basel2 compliance (partial releases for watch loans)
- **Retail risk costs at 75 bps p.a. are lower than in year 2005**
  - » Due to elimination of fraud cases from external distribution channels

Notes:
Creation(+), release(-)
Overall risk costs relate to Customer loan portfolio excluding CKA
Underlying risk cost exclude the effect of GP release
Release in Corporates in Year 2005 driven by change to IFRS provision methodology

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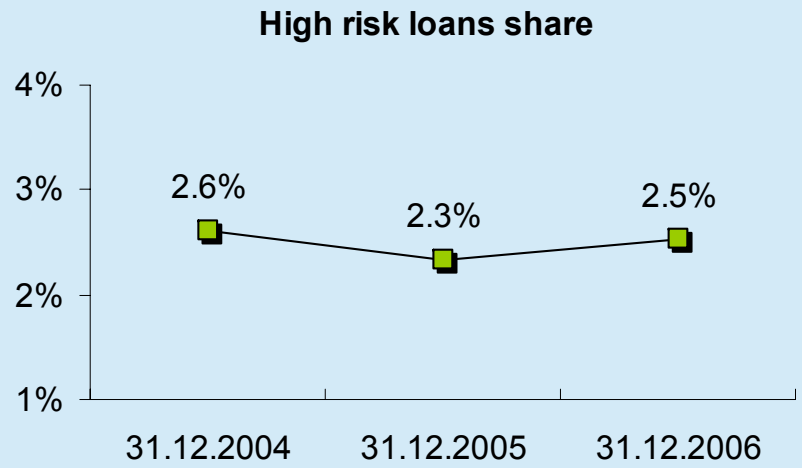
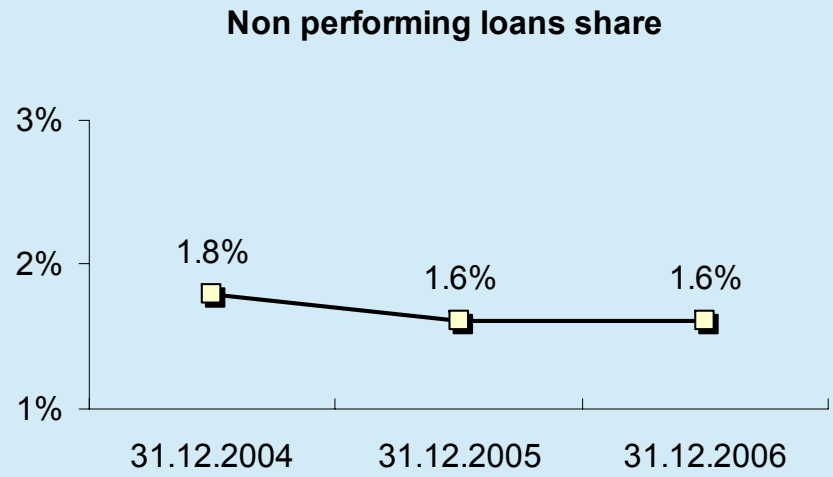
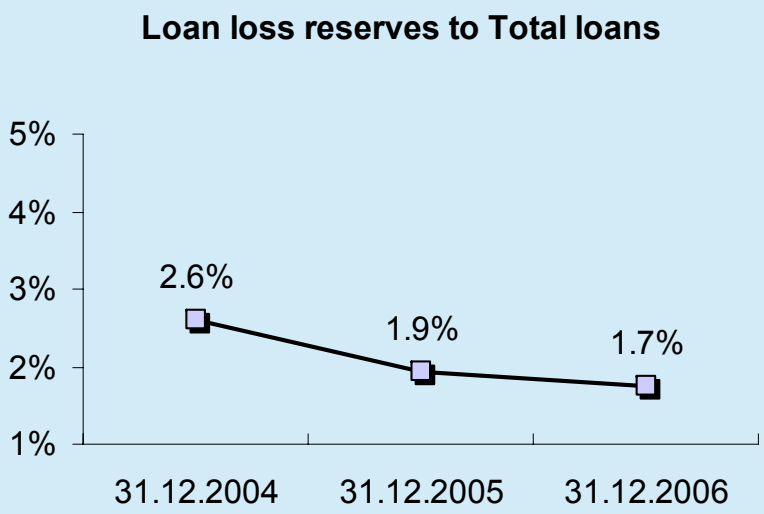
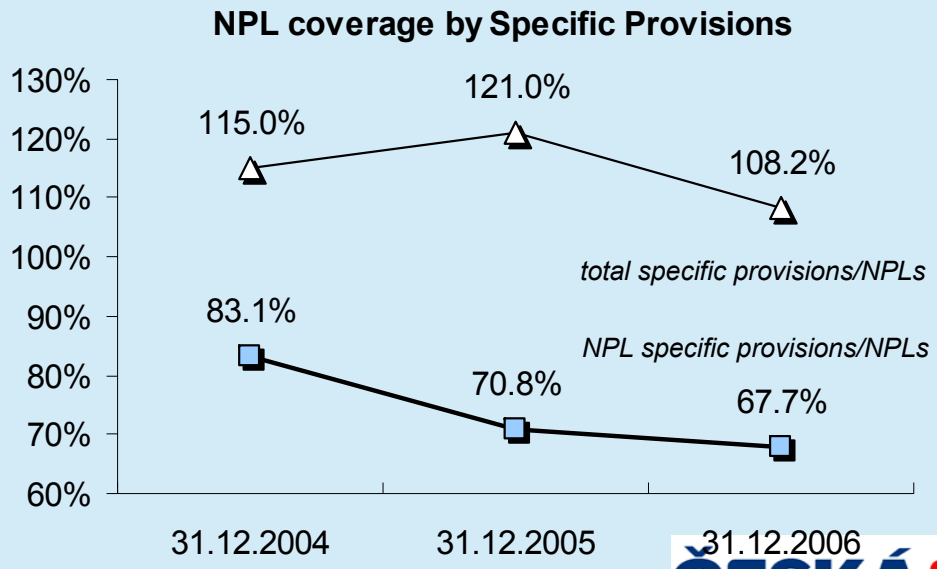
Key Ratios of Loan Portfolio Quality









Customer Research

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Customer Satisfaction

- For CS, customer focus and customer satisfaction are the highest priorities
- For the first time and as part of our First Choice Bank Programme, CS is releasing detailed information about client satisfaction. CS will continue to release this information on at least an annual basis in the future
- Overall, CS is pleased with its improving levels of client satisfaction. Only by providing very professional levels of products, services, distribution channels, and personnel with value based pricing would these high levels of satisfaction be achieved

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Methodology

- **Objective: Measurement of overall satisfaction and individual parameters of satisfaction with the level of services provided by the ČS at ČS clients (+ competitive comparison to identify the brand position on the market).**
- **Target person: Bank´s private individual clients**
- **Fieldwork: Autumn 2006**
- **Sample: 300 clients of ČS**
  1,200 clients of competitive banks
- **Weighting of competitive market: According to clients share**

Source GfK study

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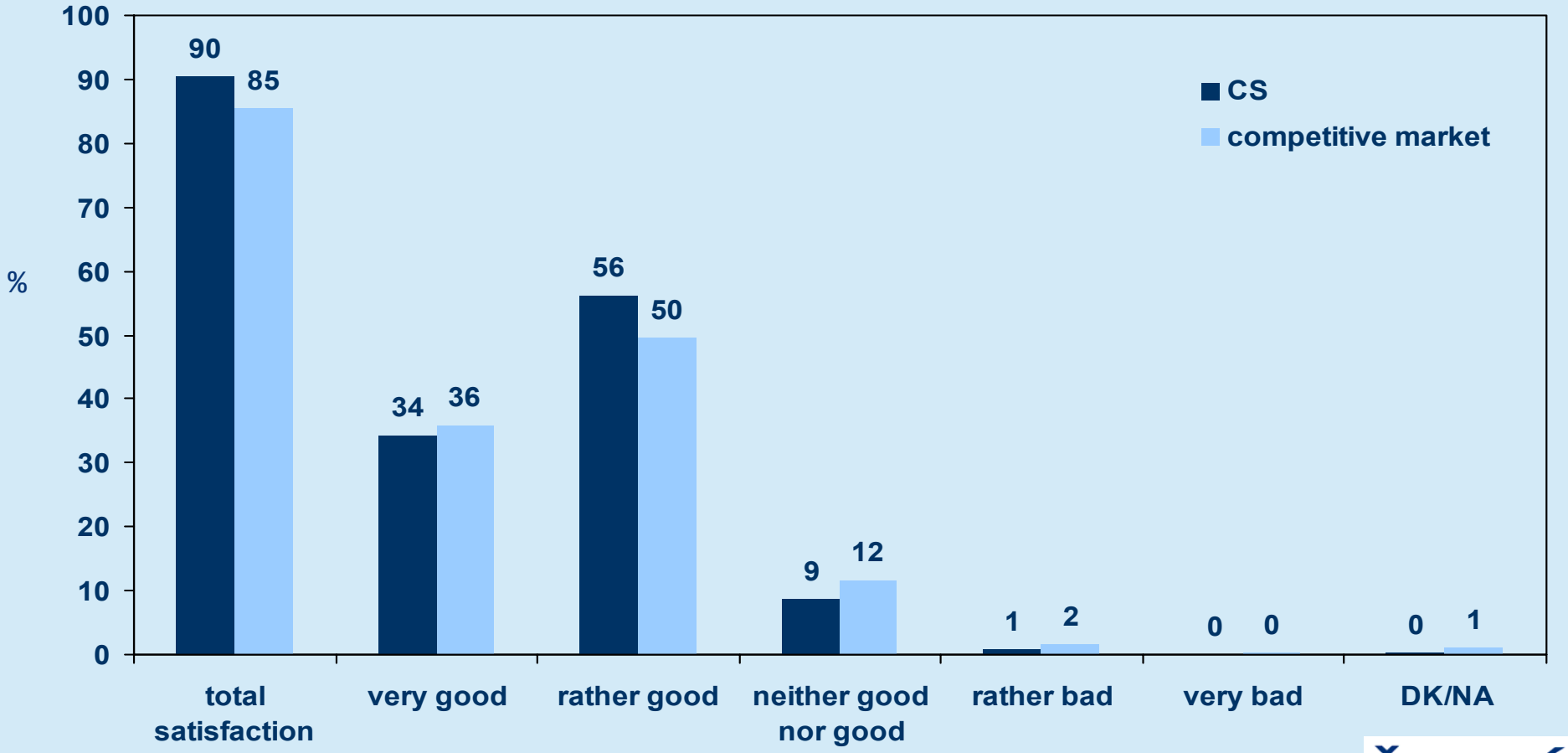
2006 Client Satisfaction

90% CS clients think that the level of services at the branch is good



Source GfK study

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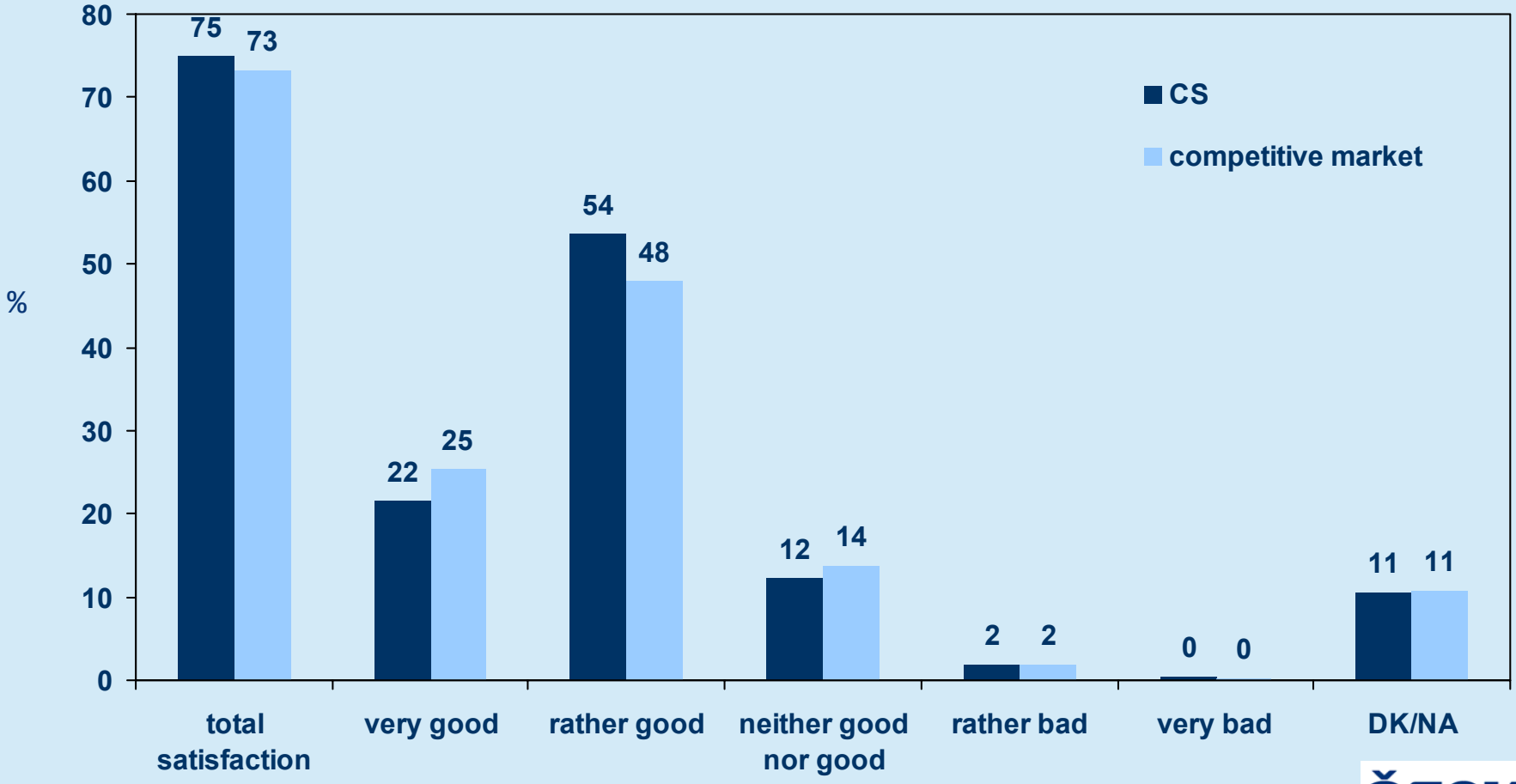
2006 Client Satisfaction

75% CS clients think that the level of services in whole bank is good



Source GfK study

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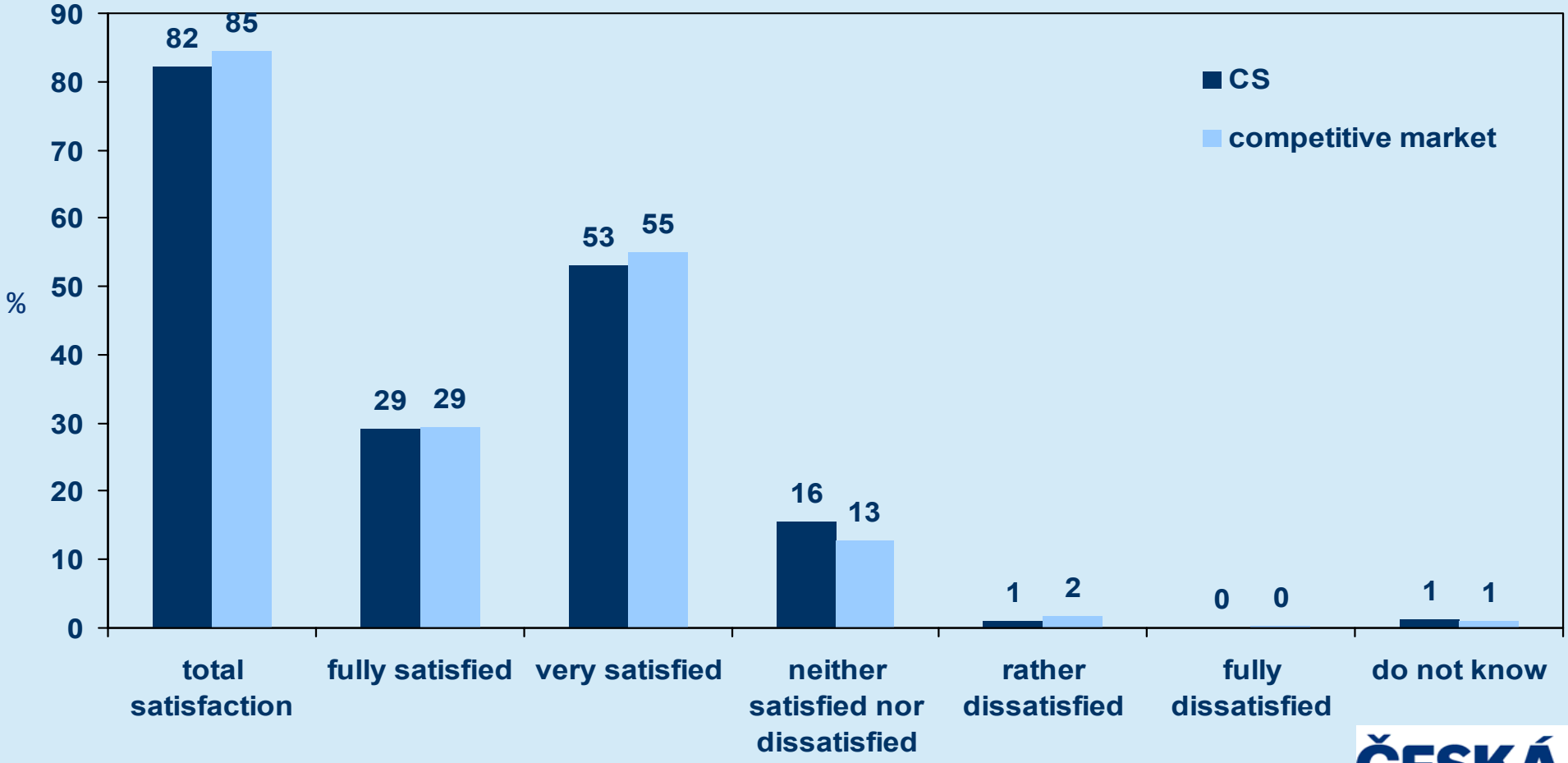
2006 Client Satisfaction

82% CS clients are satisfied with CS



Source GfK study

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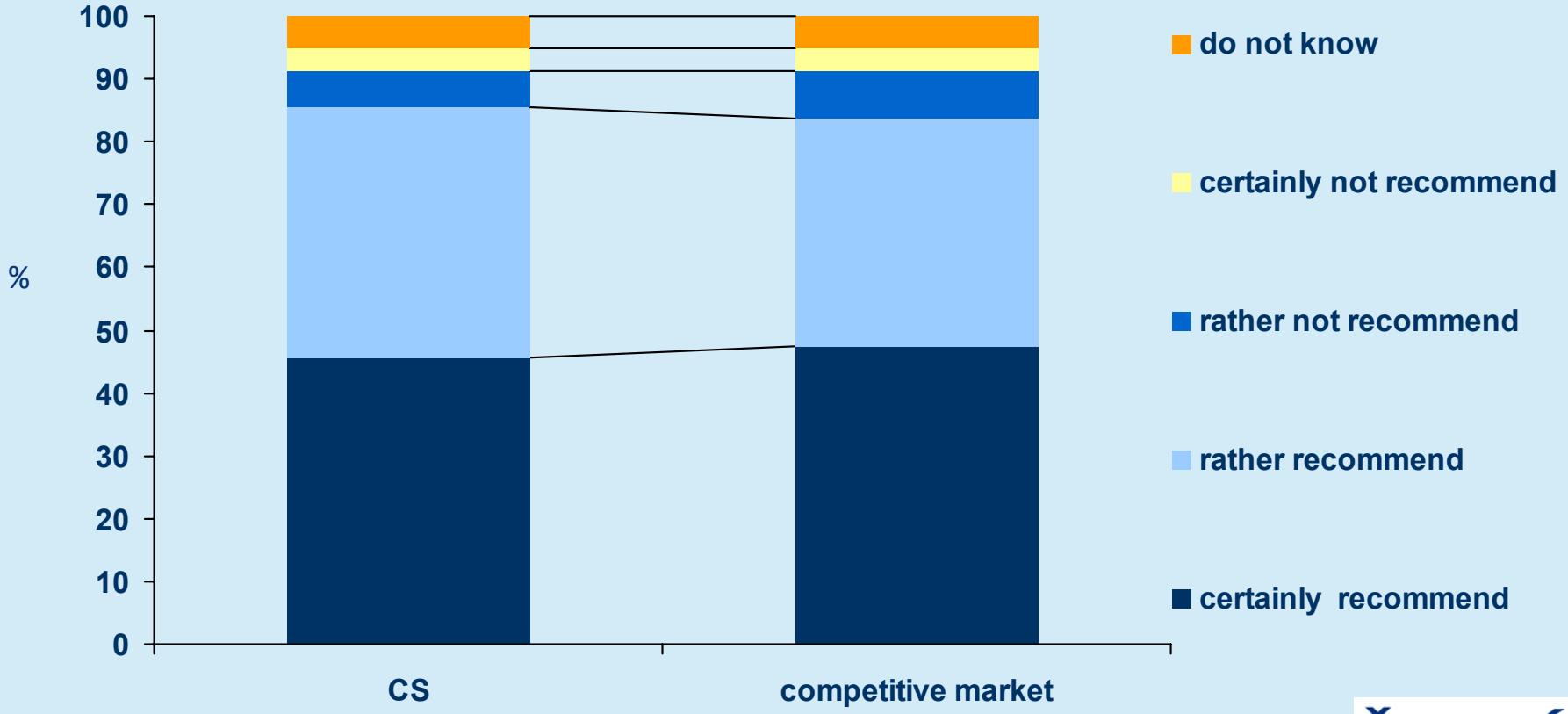
2006 Client Loyalty

87% of current CS clients would recommend CS to their friends. The number of those who would definitely recommend is 46%



Source GfK study

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Outlook for 2007

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Financial Targets for 2007

	Target
» Net Profit Growth	15% - 20%
» ROE	> 20%
» Cost/Income Ratio	< 53%
» Loans/Deposits Ratio	65% – 70%

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First Choice Bank Quarterly Update

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What is First Choice Bank?

First Choice Bank is a strategic program designed to bring customer focus as a top priority in all products, services and processes in Ceska sporitelna. First Choice Bank will enable Ceska sporitelna to become the most dynamic and the most respected bank in the Czech Republic by the end of 2008. The program comprises a series of specific actions that are driven both top-down as well as bottom-up. The list of so far 64 actions will be extended in the course of time.

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First Choice Bank
– Second CS Transformation

Initiative to make banking easier

- So far 64 actions have been identified to enable Česká spořitelna to become the Czech Republic's most respected and dynamic bank
- Corporate culture effort has been launched to develop more professional and more confident staff

Seven building blocks

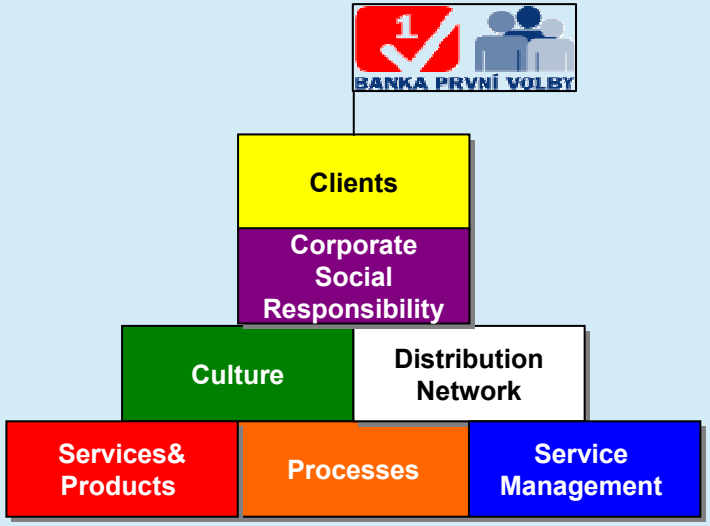
- Each of them comprising a number of steps/actions targeted to improve product offering, service quality and corporate culture within 18 months

Investments at normal levels (06-08)

Branch renovations	CZK 1.50 – 1.75 bn
Community grants	CZK 0.15 – 0.30 bn
Training	CZK 0.30 – 0.50 bn
IT & projects	CZK 5.40 – 6.60 bn

Positive financial impact in 2007

- Annual net profit growth 15% instead of 10%
- Revenues: 3% above normal growth
- Expenses: 1% above normal growth



GOAL		Current	Date
1m	Credit cards	450,000	4Q/08
140,000	Mortgages	76,500	4Q/08
1.3 m	SERVIS 24 unique Users	1.1 m	2Q/08
1,300	ATMs	1,090	4Q/08
6,500	SME Clients	5,000	4Q/08
250,000	Micro Business Clients	170,000	3Q/08
2.5	Cross-sell (= sell 2.1 m products)	2.4	4Q/08

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Milestones Achieved in 4Q 2006

- ✓ Make the **CS Price List more simple** and more comprehensible – create an Overview of prices
- ✓ **Active communication with new clients**
- ✓ **Limiting clients' liability for transactions** executed **with a stolen or misappropriated card** to CZK 4,500, in the 48 hours before the card is blocked
- ✓ **Extension of payment card insurance** (insurance of payment cards extended to PIN transactions, with the price of insurance remaining the same)
- ✓ **Enhancing the functionalities of Business 24**
- ✓ **Opening a specialised branch for students** at the Economics University in Prague
- ✓ **Donate a portion of CS´s net profit** (up to 1%) **to socially beneficial and charitable activities**
- ✓ **Enable employees to work for charity** two days per year
- ✓ **Regular measuring of employee satisfaction**
- ✓ **Six Sigma** has become a **part of the process management** in the initial segments of the Bank; the first 330 employees were trained; 50 projects were processed with total contribution of more than CZK 70 mil.
- ✓ **Consolidate overview of portfolio for active investors** in the SERVIS 24 application
- ✓ **Sending debit cards by post** – clients may opt for pick-up at a branch or delivery by post, whichever is more convenient for them
- ✓ **PIN change** possible at any of 1,090 CS ATMs
- ✓ **Client service specialists** already work at the 75 largest branches (quality specialists)
- ✓ **Staff training** helps CS fulfil its mission, vision and values; create an atmosphere in which the client's interest is primary and increase the professionalism of all employees

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Next Milestones

- ✓ **Create a free information education handbook on banking services**
- ✓ An **independent debt advisory centre** will be created for clients who have loans or are considering obtaining a loan – to be completed in late 2007/early 2008
- ✓ Regular **publication of client satisfaction development**
- ✓ **Annual Reports of the Ombudsman's Team**
- ✓ **Real estate funds** as modern investment instrument for conservative investors

- ✓ A programme for the **regular refurbishment and renovation of** both the interiors and exteriors of **branches**
- ✓ **130 ATMs** (of that 100 replacements and 30 new installations – plan for all of 2007)
- ✓ **Important telephone numbers** included in the information pylon door **at branches**
- ✓ **Better maintained branches**, in order to achieve greater comfort and faster service for clients
- ✓ **3 private banking centres** (Prague, Brno, Ostrava)

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Appendix

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Macroeconomic Environment in CR

- **Czech economy continues in fast growth**
  - » Real GDP increased by 5.8% in 3Q 2006 mainly thanks to higher contribution of gross fix capital and final household consumption (EU25 average at 2.9%; annual growth)
- **Central Bank 2W repo rate at 2.50% since 27 September 2006**
  - » CNB made first hike in July 2006 by 25 bps to 2.25%
  - » 2W repo rate at 2.00% as of 31 December 2005
- **Inflation increased to 2.5% in 2006 from 1.9% (in 2005)**
  - » Measured as increase in average annual consumer price indices (CPI)
- **Share of current account balance of GDP reached -3.7% in 3Q 2006**
- **Unemployment at 8.1% in 2006 (average), down from 8.9 % in 2005**
  - » Prague is approximately 3.0% while Ustecky region approximately 13.4%
- **Volume of housing loans to GDP at around 14% (3Q 2006) and consumer loans to GDP at roughly 3% (3Q 2006)**

Sources: CSU, CNB

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Macroeconomic Framework

YEARLY (average)	2001	2002	2003	2004	2005	2006E	2006		2007F
							last actual data		
Demand and Supply									
GDP (real %)	**2.5**	**1.9**	**3.6**	**4.2**	**6.1**	5.9	***3Q***	***5.8***	4.2
Household consumption (real %)	**2.3**	**2.2**	**6.0**	**2.6**	**2.8**	4.2	***3Q***	***4.0***	5.5
Investments (real %)	**6.5**	**5.2**	**0.5**	**4.8**	**1.3**	6.7	***3Q***	***7.2***	5.7
Export (real %)	**11.5**	**2.1**	**7.2**	**20.9**	**10.7**	14.1	***3Q***	***9.7***	12.0
Import (real %)	**13.2**	**5.0**	**7.9**	**18.1**	**5.0**	13.4	***3Q***	***10.6***	9.8
Industry output (real %)	**6.8**	**1.9**	**5.5**	**9.6**	**6.6**	**10.2**	***4Q***	***7.7***	6.0
Retail (%)	**4.4**	**3.0**	**4.9**	**2.4**	**4.0**	6.6	***3Q***	***6.2***	6.4
State finance									
State balance (% GDP)	**-2.8**	**-1.9**	**-4.2**	**-3.4**	**-1.9**	-3.0	***3Q***	***-1.0***	-3.8
State debt (% GDP)	**14.7**	**16.1**	**19.1**	**21.3**	**23.3**	24.9	***3Q***	***24.3***	27.4
Labor market									
Unemployment rate (%) [1]	**(8,6)**	**(9,2)**	**(9,9)**	**9.4**	**8.9**	**8.1**	***4Q***	***7.3***	7.5
Nominal wages (%)	**8.7**	**7.3**	**6.6**	**6.7**	**5.5**	6.6	***3Q***	***6.0***	5.7
Real wages (%)	**3.8**	**5.4**	**6.5**	**3.8**	**3.5**	3.9	***3Q***	***3.6***	3.1
External relations									
Trade balance (CZK bn)	**-117**	**-71**	**-70**	**-26**	**39**	**47**	***4Q***	***8***	72
Current account (CZK bn)	**-124**	**-136**	**-161**	**-167**	**-63**	**-151**	***4Q***	***-54***	-146
Prices									
CPI inflation (%)	**4.7**	**1.8**	**0.1**	**2.8**	**1.9**	**2.5**	***4Q***	***1.5***	2.5
PPI inflation (%)	**3.0**	**-0.5**	**-0.3**	**5.7**	**3.0**	**1.6**	***4Q***	***2.2***	1.4
Monetary conditions									
CZK/EUR	**34.1**	**30.8**	**31.9**	**31.9**	**29.8**	**28.4**	***4Q***	***28.1***	27.6
CZK/USD	**38.0**	**32.7**	**28.2**	**25.7**	**24.0**	**22.6**	***4Q***	***21.8***	20.4
2W repo rate (%)	**5.1**	**3.6**	**2.3**	**2.2**	**2.0**	**2.2**	***4Q***	***2.5***	2.7
3M PRIBOR (%)	**5.2**	**3.5**	**2.3**	**2.4**	**2.0**	**2.3**	***4Q***	***2.6***	2.7
12M PRIBOR (%)	**5.3**	**3.6**	**2.3**	**2.7**	**2.1**	**2.6**	***4Q***	***3.0***	3.0

Notes:

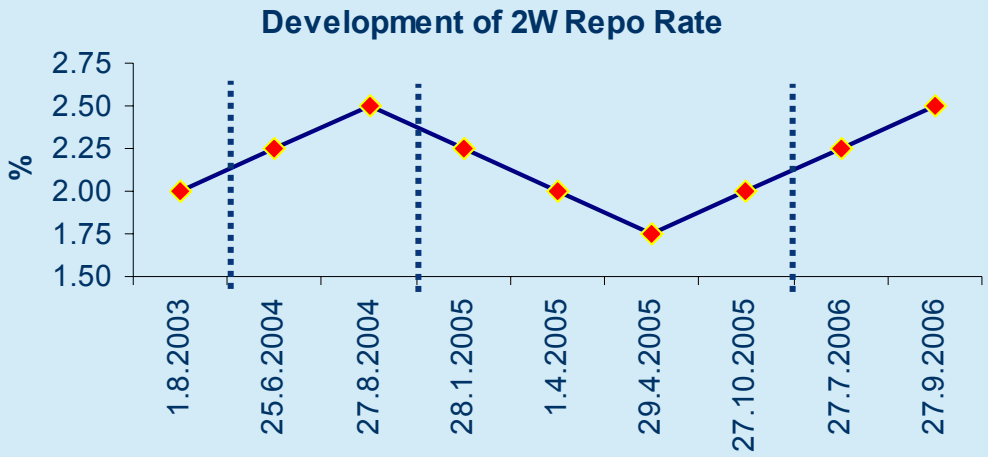
Unless otherwise stated, the annual or quarterly averages are presented.

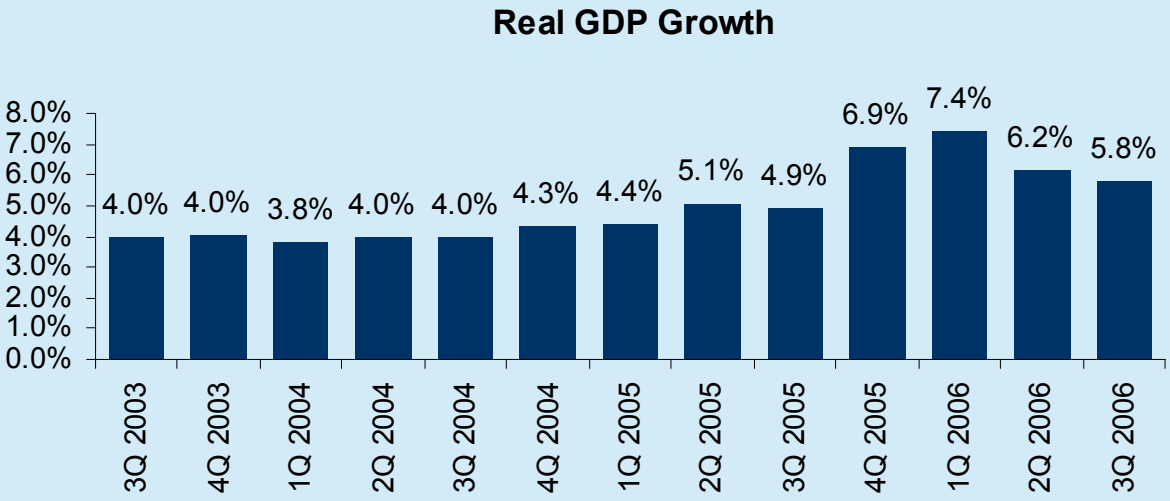
[1] The unemployment rate before 2004 is calculated using the registered unemployment rate, starting in 2004 using the ILO methodology.

Bold figures represent final data

ČESKÁ SPOŘITELNA

2W Repo Rate and Real GDP Growth



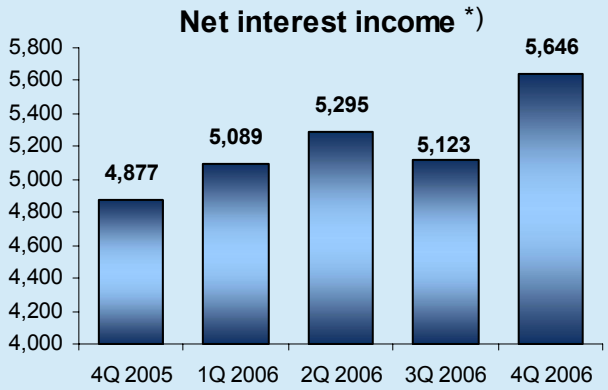


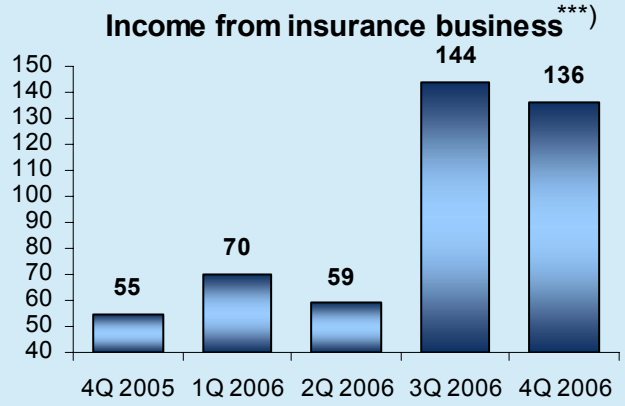
ČESKÁ SPOŘITELNA

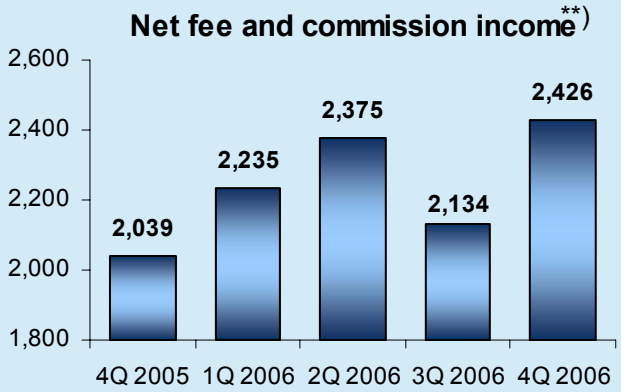
Group Profit & Loss Statement

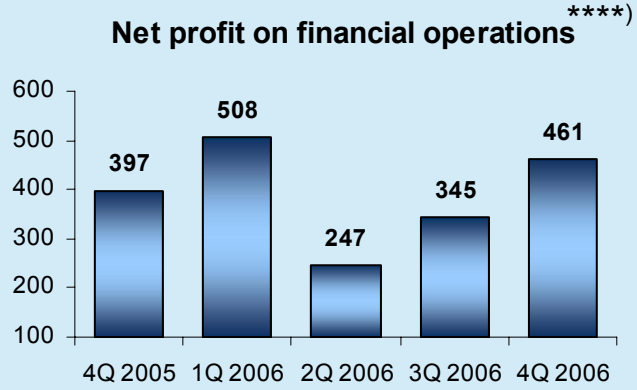
Quarter on Quarter Development

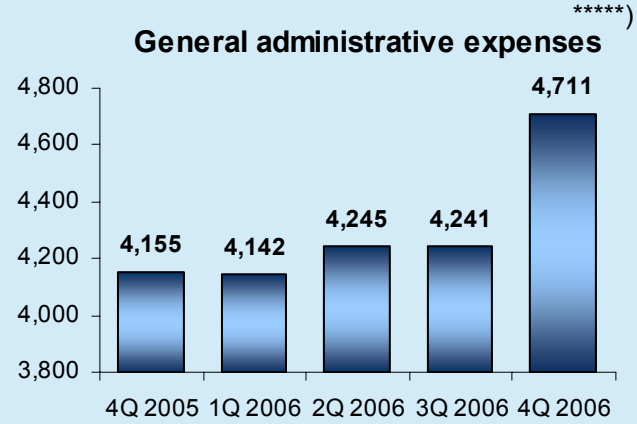
in CZK m











**) NII in 4Q 2006 increased mainly due to higher interest rates, received dividends and income from lending & derivatives*

***) Development in 2Q and 4Q 2006 influenced by growing business with securities and seasonal fees from building society (esp. in 4Q)*

****) Insurance income rose in 3-4Q 2006 due to excellent business and underwriting results and improved result from financial placement*

*****) Drop in 2Q 2006 caused mainly by negative results from securities trading due to the crisis especially on emerging markets*

******) Main growth drivers in administrative expenses in 4Q 2006 were personnel expenses (bonuses) and expenses connected with CS and Group projects*

ČESKÁ SPOŘITELNA

Capital Adequacy

CNB Capital Adequacy - unaudited

Parent Bank, CZK m	31/12/04	31/12/05	31/12/06
Tier I capital	24,301	27,260	32,331
Tier I + Tier II capital	23,297	28,176	35,956
Capital requirement A (to RWA)	19,060	24,489	28,954
Capital requirement B (to market risks)	1,713	1,426	1,989
Capital adequacy Tier I ratio	**9.4%**	**8.4%**	**8.4%**
Capital adequacy Tier I+II ratio	**9.0%**	**8.7%**	**9.3%**

BIS Capital Adequacy - unaudited

CS Group, CZK m	31/12/04	31/12/05	31/12/06
Tier I Capital	39,964	38,752	44,888
Tier I+II Capital	39,164	40,869	49,625
Risk Weighted Assets	273,386	349,494	421,153
Capital requirement to market risks	1,713	1,426	2,184
Capital Adequacy Tier I ratio	**13.6%**	**10.5%**	**10.0%**
Capital Adequacy Tier I+II ratio	**13.3%**	**11.1%**	**11.1%**

ČESKÁ SPOŘITELNA

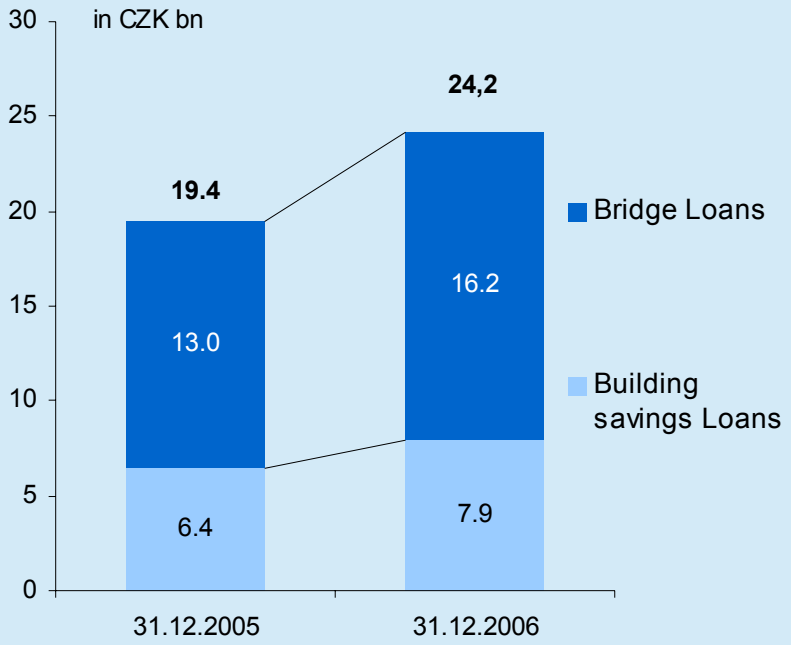
Structure of Bank Loan Portfolio

in CZK m, unconsolidated, IFRS	31.12.2005		31.12.2006		YTY Growth	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	**242,788**	**93.3%**	**290,972**	**98.1%**	**48,184**	**19.8%**
1. CORPORATES	**110,518**	**42.5%**	**119,010**	**40.1%**	**8,492**	**7.7%**
Large Corporates	53,667	20.6%	49,337	16.6%	-4,330	-8.1%
Medium Corporates (SMEs)	33,893	13.0%	40,141	13.5%	6,248	18.4%
Corp. Mortgage&Real Estate	13,923	5.3%	18,891	6.4%	4,968	35.7%
Municipalities	9,036	3.5%	10,641	3.6%	1,605	17.8%
2. RETAIL	**132,270**	**50.8%**	**171,962**	**58.0%**	**39,692**	**30.0%**
Private Credit cards	2,014	0.8%	2,509	0.8%	495	24.6%
Consumer lending	41,040	15.8%	47,708	16.1%	6,668	16.2%
Private social	4,990	1.9%	4,229	1.4%	-761	-15.2%
Private mortgages	56,672	21.8%	80,147	27.0%	23,474	41.4%
Micro corporates (MSEs)	10,680	4.1%	13,606	4.6%	2,927	27.4%
Commercial mortgages	10,923	4.2%	16,650	5.6%	5,728	52.4%
Small municipalities	5,951	2.3%	7,113	2.4%	1,162	19.5%
II. FINANCIAL MARKETS	**17,472**	**6.7%**	**5,526**	**1.9%**	**-11,946**	**-68.4%**
LOANS TO CUSTOMERS	**260,260**	**100.0%**	**296,498**	**100.0%**	**36,238**	**13.9%**

ČESKÁ SPOŘITELNA

Subsidiaries: Loans to Customers

Stavebni sporitelna CS (Building society)



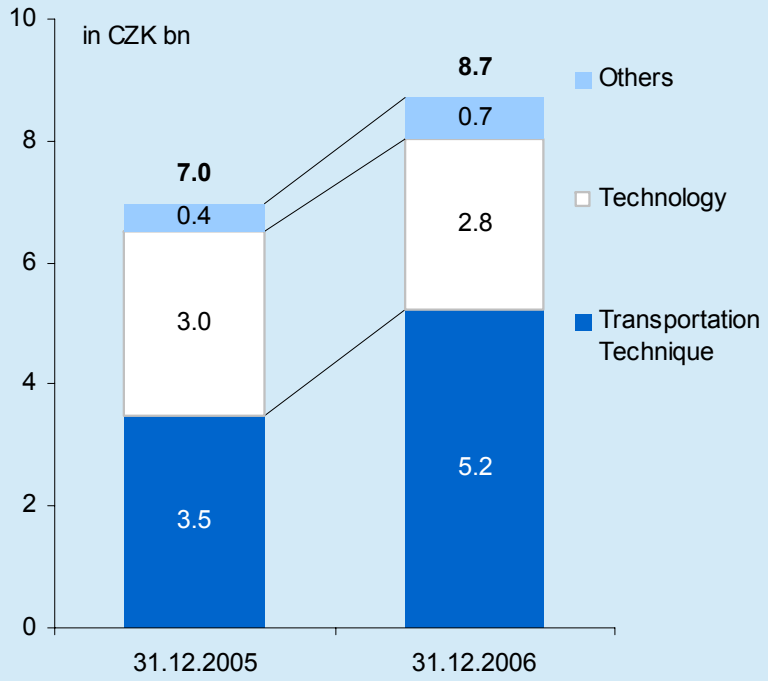
- **Accelerating loan growth by CZK 4.7 bn or 24.2% (+ CZK 4 bn in YE05)**
  - » Driven by Bridging Loans +CZK 3.2 bn
  - » New lending CZK 11.2 bn significantly exceeded 2005 results (CZK 8.3 bn in 2005)
- **Keeps 3rd position on the market with share at the level of 17.7%**

In CZK m, IFRS	31.12.2005		31.12.2006		Annual Growth	
	Outstanding	In %	Outstanding	In %	Volume	Rate
Bridge Loans	13,018	66.9%	16,247	67.3%	3,229	24.8%
Building savings Loans	6,432	33.1%	7,904	32.7%	1,472	22.9%
Total Loans to Customers	**19,450**	**100.0%**	**24,151**	**100.0%**	**4,702**	**24.2%**

ČESKÁ SPOŘITELNA

Subsidiaries: Loans to Customers

Leasing CS and S-Autoleasing



- **CS subsidiaries specialized in leasing and car financing are**
  - » s-Autoleasing (deals granted since 10/2004)
  - » s-Autouver, newly founded company (4/2006) specialized in used car loans
  - » Leasing CS (deals granted till 10/2004)
- **These companies reached in 2006 strong underlying growth + CZK 2 bn or + 28.7% (excludes sale of assets in 1H06)**
- **Car financing accelerated by sAutouver**
  - » Car loans reached CZK 0.5 bn after 9 months of company operation

In CZK m, IFRS	31/12/2005		31/12/2006		Annual Growth	
	Outstanding	In %	Outstanding	In %	Volume	Rate
Transportation Technique	3,689	52.5%	5,211	59.7%	1,522	41.3%
Technology	2,717	38.7%	2,803	32.1%	86	3.2%
Others	620	8.8%	715	8.2%	95	15.3%
Loans to Customers	**7,027**	**100.0%**	**8,729**	**100.0%**	**1,703**	**24.2%**

ČESKÁ SPOŘITELNA

Typical Retail Mortgage - New
Private individuals

➢ **Average loan amount :**	**cca CZK 1,520,000/ EUR 55,000**
➢ **Average maturity:**	**22.8 years**
➢ **Loan to Value ratio:**	**~ 80%**
➢ **Purpose:**	**purchase / construction of family house / flat for own living**
➢ **Interest rate (Prime rate):**	**4.19% fixed for 5 years; 3.99% fixed for 3 years**
➢ **Up front fee:**	**0.9% from the loan value** (min. CZK 9,500 – max. CZK 25,000)
➢ **Account maintenance fee:**	**CZK 150/EUR 5 monthly**
➢ **Average monthly repayment:**	**cca CZK 8,800/ EUR 315**

ČESKÁ SPOŘITELNA

Typical Consumer Loan - New
Private individuals

Average loan amount :	CZK 64 ths/ EUR 2.3 ths
Average maturity:	5.7 years
Purpose:	cash
PPI (insurance):	yes
Interest rate:	average 12.9%
Up front fee:	0.8% from the loan value (min. CZK 400 – max. CZK 7,000)
Account maintenance fee:	CZK 500 annually
Average monthly repayment :	CZK 888 /EUR 32 (for CZK 50 thousand cash loan)

ČESKÁ SPOŘITELNA

CS Market Shares Development

*According to CNB Statistics**	31.12.2002	31.12.2003	31.12.2004	31.12.2005	31.12.2006	change
Total Assets **	20.7%	21.4%	21.6%	22.2%	22.4%	↑
Loans to Customers **	20.2%	21.6%	22.7%	23.7%	22.7%	↘
Interbank Loans	5.8%	7.5%	11.0%	12.3%	11.1%	↘
Primary Deposits **	24.0%	25.5%	25.4%	24.8%	25.1%	↑
Retail Deposits **	32.6%	33.4%	32.8%	32.6%	32.7%	↑
Retail Loans **	34.9%	30.9%	31.8%	32.1%	31.6%	↘
Mortgages	27.6%	30.1%	33.7%	34.6%	35.0%	↑
Retail Mortgages	29.0%	29.1%	32.2%	31.5%	32.5%	↑
Assets under Management in Funds Total	31.2%	34.3%	37.4%	35.7%	33.4%	↘
ATM (#)	41.5%	40.0%	37.9%	37.2%	36.4% ***	↘
Payment Cards (#)	44.7%	40.4%	40.2%	41.8%	41.5% ***	↘

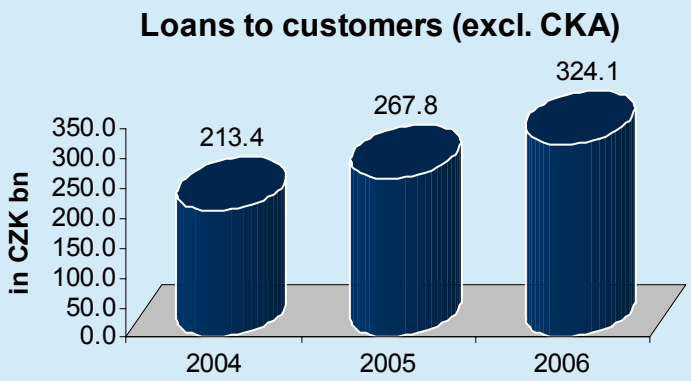
** Excluding non-bank financial service providers, e.g., Cetelem, Provident Financial, etc.*

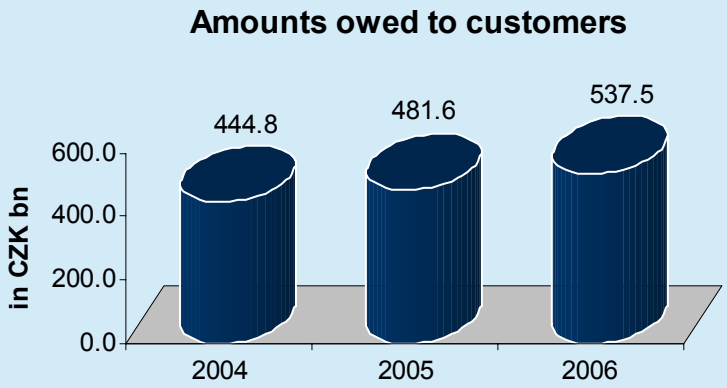
*** Change in calculation - building savings assets, deposits and loans are now included in relevant item*

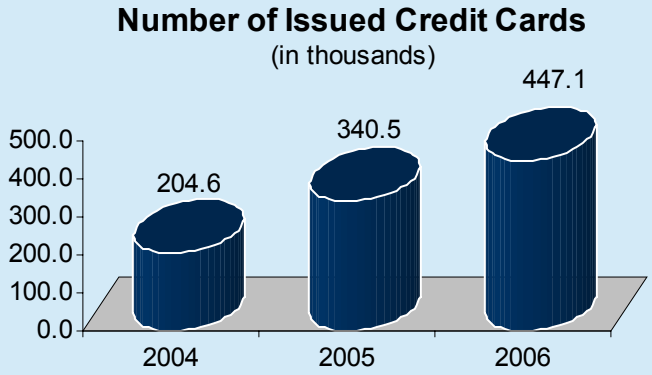
**** Data as of 30.9.2006*

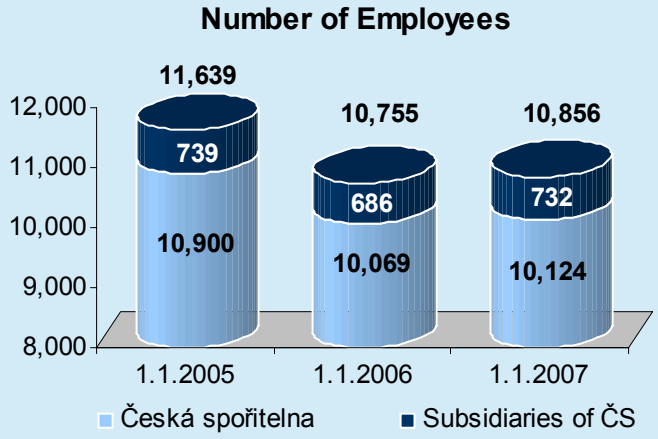
ČESKÁ SPOŘITELNA

Business Indicators







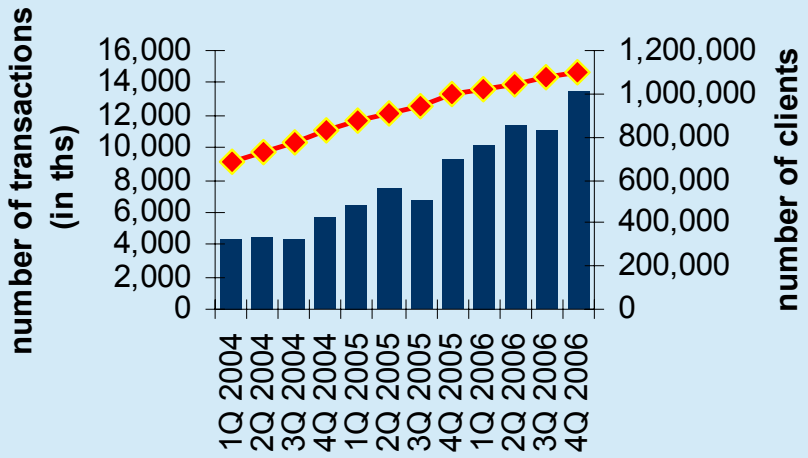


Remote Distribution Channels

No. of clients*	31.12.2004	31.12.2005	31.12.2006
Homebanking	19,446	16,716	11,708
Servis 24 - Telephone, Internet and GSM banking; Business 24	828,826	994,258	1,097,333
Total	**848,272**	**1,010,974**	**1,109,041**

** Clients who have S24 Telebanking, S24 Internet banking and S24 GSM services are counted only once*

Development in Service 24 and Business 24 (Telephone & Internet banking & GSM)



- **Number of remote distribution channels´ users up by 10.4%**
- **Servis 24 and Business 24 acquired more than 103 thousand new clients in 2006**
- **Number of transactions via Servis 24 and Business 24 grew by 54.8% in 2006**

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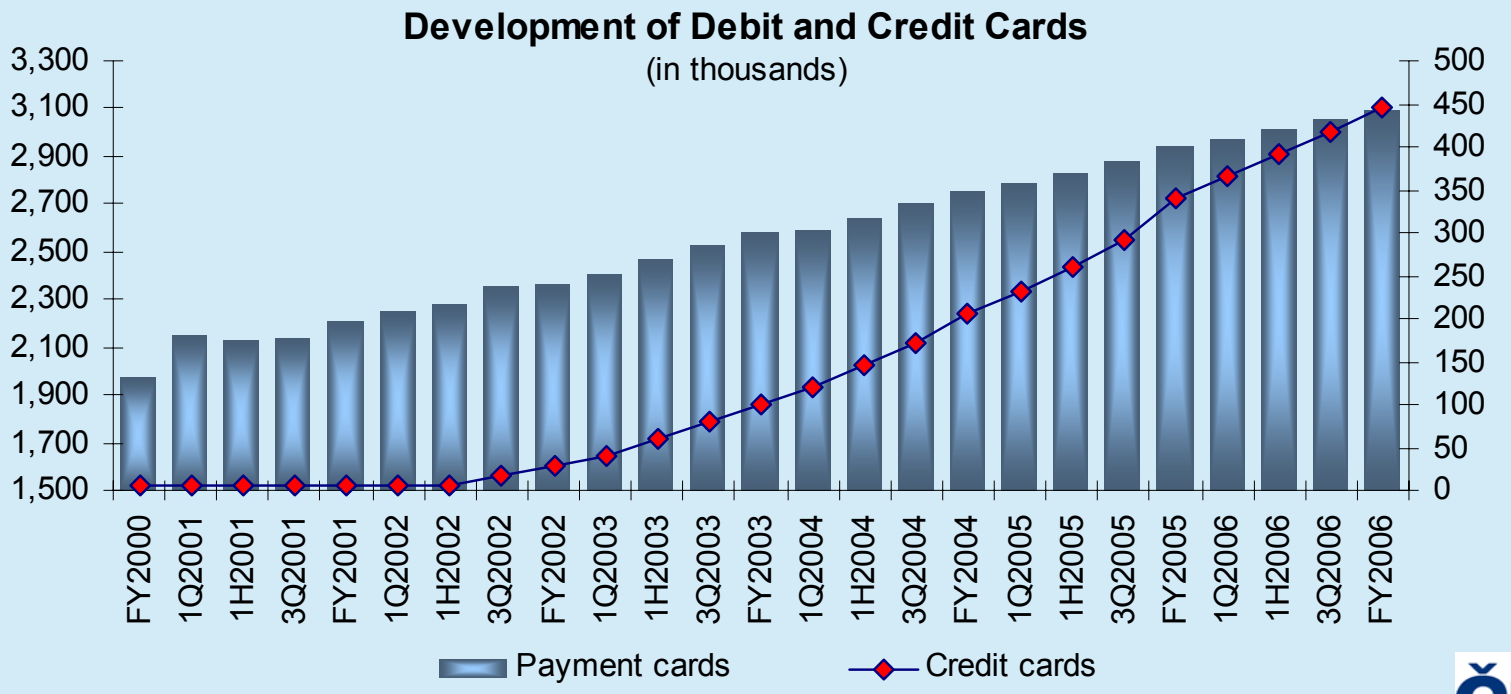
Payment Cards

	2000	2001	2002	2003	2004	2005	2006
Debit cards	1,966,218	2,205,480	2,335,600	2,475,397	2,553,922	2,601,333	2,648,525
Credit cards	4,732 *)	5,387	28,051	101,155	204,585	340,510	447,089
Total payment cards	**1,970,950**	**2,210,867**	**2,363,651**	**2,576,552**	**2,758,507**	**2,941,843**	**3,095,614**

*) In May 2000 database w as cleaned in order to eliminate unused credit cards



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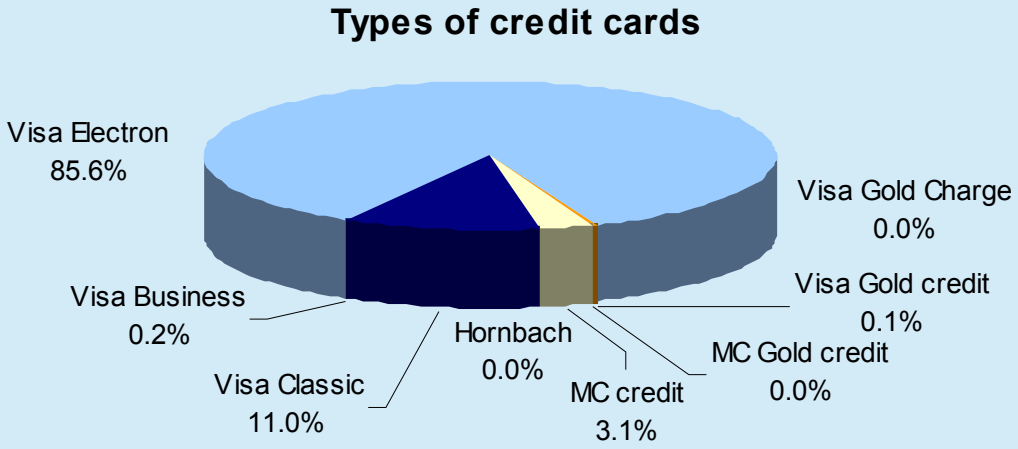
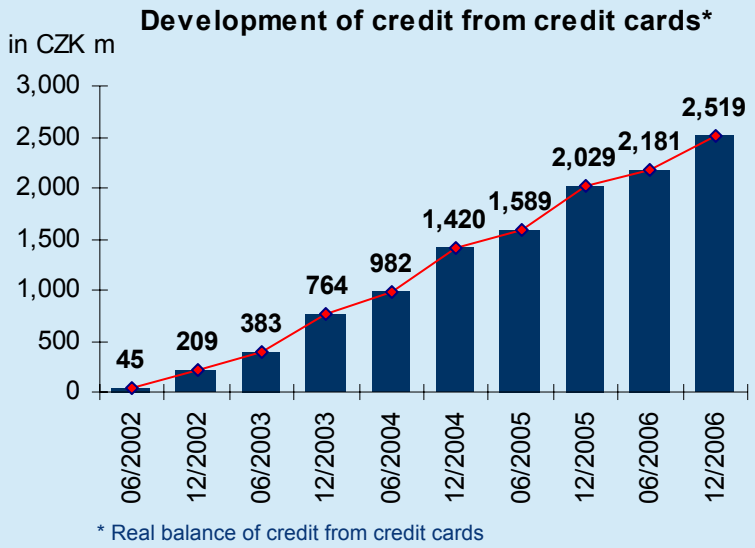
Credit Cards





* Real balance of credit from credit cards

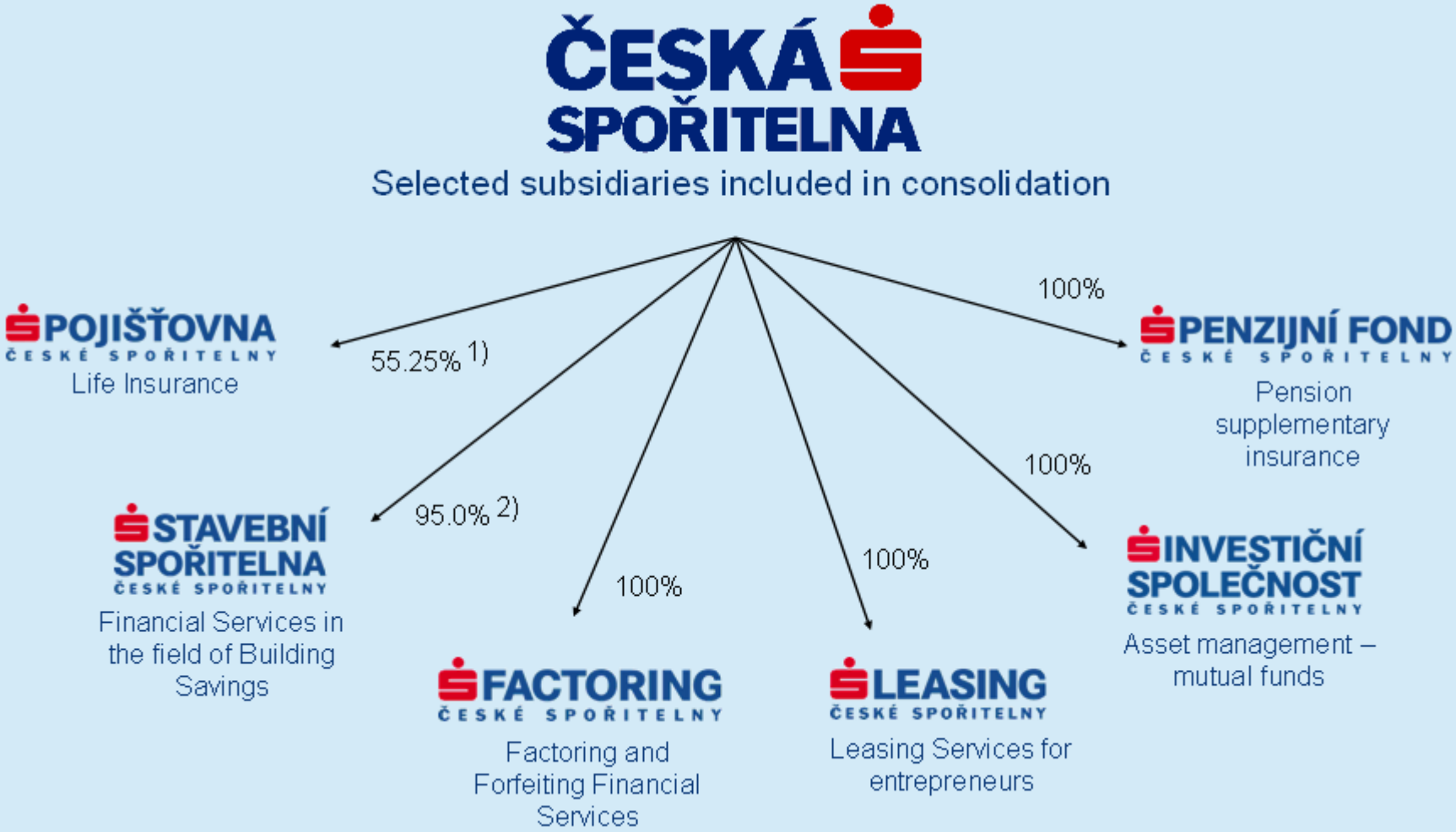
Note: Credit cards owned by Private individuals only (excl. charge cards)

- **Number of issued credit cards increased by 31.3% (YTY) to 447.1 thousands**
  - » CS continues as the market leader with 51.9%* market share measured by credit cards issued by banks
  - » Visa Electron the most common type of credit card
- **Usage of credit lines steadily growing**
  - » Share of actual credit usage on agreed credit line in average 28.3%
  - » Volume of loans attributable to credit cards (mainly Private individuals) reached more than CZK 2.5 bn

** data as of 30 September 2006*

ČESKÁ SPOŘITELNA

Selected Members of CS Financial Group



1) Sparkassen Versicherung 44.75%
2) S-Bausparkasse 5.0%

ČESKÁ SPOŘITELNA

Mutual Funds

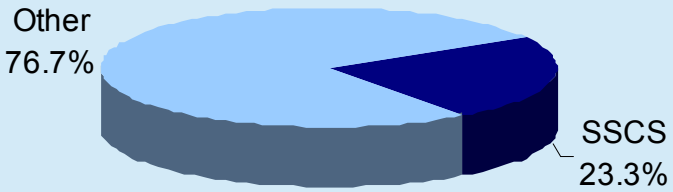
- **CS maintained its leading position on the market in mutual funds**
- **Overall assets in mutual funds (mostly ISCS and ESPA) increased by 9.0%**
- **Majority of client assets (53%) invested in money market funds**
- **Assets in guaranteed funds rose by 83.8%, representing 8% of total assets in mutual funds (2005: 0.9%)**

	FY 2005	FY 2006	% Change
Assets under Management (CZK bn)	80.2	87.4	9.0%
of which: Domestic funds	*71.6*	*74.1*	*3.5%*
Foreign funds	*8.6*	*13.3*	*54.7%*
Number of clients ISCS (ths)	406	420	3.4%

ČESKÁ SPOŘITELNA

Building Society

Market Share
(according to saved-up amount)



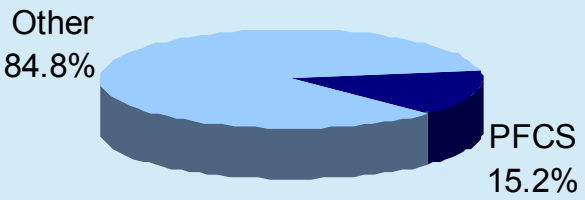
- **SSCS maintains 2nd position on the market with 23.3% market share according to saved-up amount**
- **Number of new contracts for building savings reached 196 ths, including 71 ths contracts where the target amount of existing contract was increased**
- **Volume of loans increased by 24.2% (the whole market only by 16.9%)**
- **Loans/deposits ratio increased from 25.1% to 28.9%**

	FY 2005	FY 2006	*% Change*
Number of contracts (ths)	1,226	1,156	*-5.7%*
Number of new contracts (ths)	170	196	*15.3%*
Client savings (CZK bn)	77.6	83.8	*8.0%*
Paid targeted amount (CZK bn)	28.9	34.1	*18.0%*
Number of loan contracts (ths)	148	167	*12.8%*
Volume of loan portfolio (CZK bn)	19.5	24.2	*24.2%*
Market share according to volume of loans	17.9%	17.7%	-
Market share according to saved-up amount	23.6%	23.3%	-

ČESKÁ SPOŘITELNA

Pension Fund

Market Share
(according to number of clients)



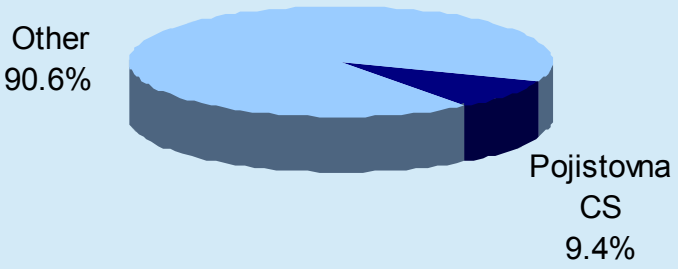
- **PFCS is the 3rd largest pension fund according to number of clients (market share 15.2%) and also according to client capital funds (share 14.1%)**
- **Pension fund created new historical record in number of sold contracts in one Year; 96% of new contracts were sold via CS sales force**
- **Volume of client capital funds increased by 28% (whole market grew by 21%)**

	FY 2005	FY 2006	*% Change*
Number of new contracts (ths.)	103	123	*19%*
Number of clients (ths.)	481	553	*15%*
Client Capital Funds (CZK bn)	15.1	19.2	*28%*
Market share (by clients´ funds)	13.4%	14.1%	-
Market share (by number of clients)	14.6%	15.2%	-

ČESKÁ SPOŘITELNA

Insurance Company

Market Share in life insurance



in %	FY2005	FY2006
Market share	**2.1**	**3.7**
- non-life business	x	x
- life business	5.4	9.4
Market position		
- non-life business	x	x
- life business	5	5

- **Market share of Pojistovna CS (CS insurance company) in life insurance grew significantly in 2006, reaching 9.4% compared to 5.4% at end-2005**
- **Written insurance premium grew by 80.7% (the whole life insurance market by 4.8%)**
- **The most popular type of product was Flexi insurance (80% share on total life insurance premium);**
  - ⇨ Written insurance premium of Flexi insurance increased by 102.4% compared to 2005
- **The majority of products (76% by written premium) sold by CS sales force (2005: 62%)**

Product structure

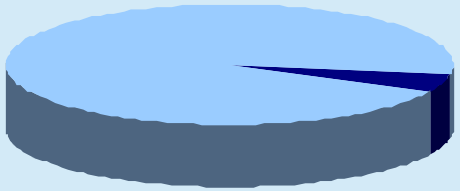
	31/12/05	31/12/06
Life insurance		
capital	15%	12%
credit*	8%	5%
flexi	72%	80%
other	5%	3%

** including mortgage insurance*

ČESKÁ SPOŘITELNA

Leasing Companies

Market Share
(according to new deals)



Note: Market share as of 30 September 20006

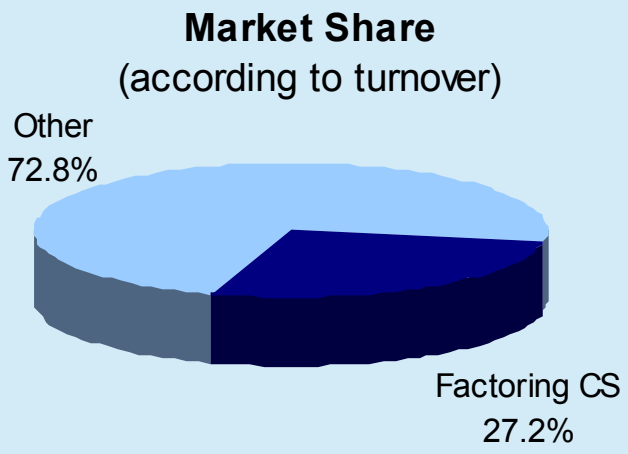
- **Leasing ČS stopped new business activities and provides services to sAutoleasing (established in 2004)**
- **Volume of new leasing contracts increased by 40.3%; 29% of new contracts concluded via CS sales force**
- **Position on the market (new business only) was strengthened (data for 3Q 2006)**
  - » Market share grew from 3.1% (YE 2005) to 4.4%

LCS & S-Autoleasing	**2005**	**2006**	***% Change***
Volume of new deals (CZK m)*	3,838	5,383	*40.3%*
of which: vehicles	2,720	3,841	*41.2%*
machinery and equipment	1,118	1,542	*37.9%*
Number of new contracts	4,846	6,059	*25.0%*

** Amounts in acquisition value of leased assets*

ČESKÁ SPOŘITELNA

Factoring



- **Factoring CS retained its leading position on the market with market share of 27.2% (2005: 26.2%)**
- **Volume of factoring turnover grew by 31.8% (almost 5 p.p. faster growth than overall market)**
- **Domestic factoring still predominates (84% of total factoring services)**
- **Factoring CS is gradually becoming the competence centre for factoring companies within Erste Bank Group (supported Factoring launch in Erste Croatia)**

	FY 2005	FY 2006	% Change
Number of new contracts	908	941	3.6%
Volume of services (turnover in CZKm)	22,769	30,007	31.8%
of which: International factoring	*20,641*	*26,515*	*28.5%*
Other services	*2,128*	*3,492*	*64.1%*

ČESKÁ SPOŘITELNA

Net Profit of Selected Subsidiaries

IFRS, CZK m	**2005**	**2006**	*% Change*
Stavební spořitelna CS - Building Society	649	938	*44.5*
Investiční společnost CS - Investment Company	91	119	*30.8*
Leasing CS and S-Autoleasing - Leasing	-32	38	*218.8*
Penzijní fond CS - Pension Fund*	630	531	*-15.7*
Pojišťovna CS - Insurance Company	175	312	*78.3*
Factoring CS - Factoring	9	24	*166.7*

Note: Does not take into consideration fees paid to Bank by subsidiaries for services rendered.

* According to the Supplementary Pension Insurance Act, a minimum 85% of net profit must be distributed among clients

- **Net profit of Pension Fund CS decreased by 15.7% mainly due to negative net trading result**

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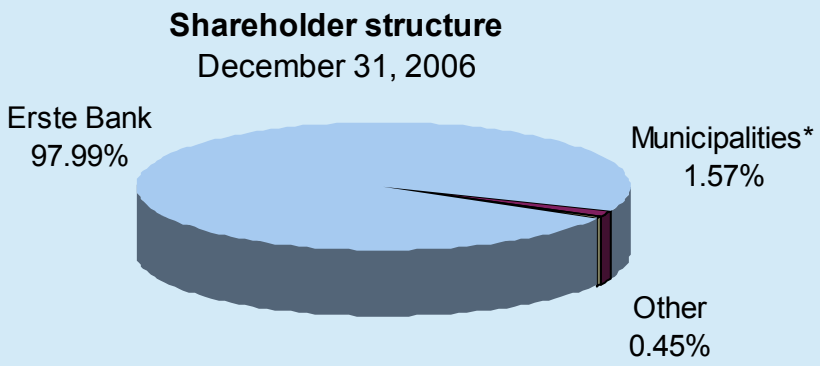
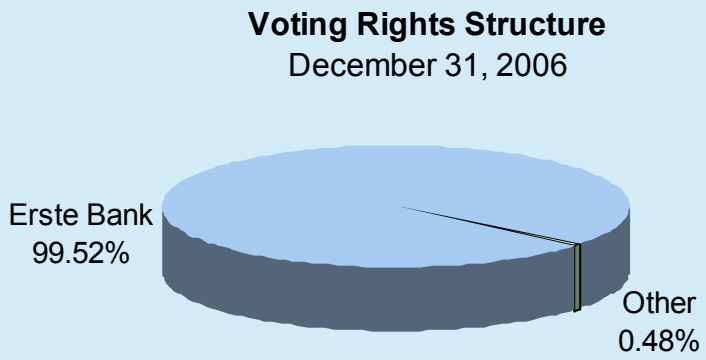
Shareholder Structure



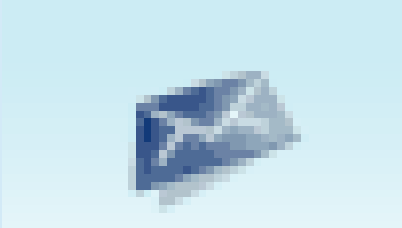


* includes also other entities

Development of % share of Erste Bank in Ceska sporitelna

date	15.8.2000	31.12.2000	31.12.2002	31.12.2003	31.12.2005	31.12.2006
Total EB share	52.1%	52.6%	93.6%	98.0%	98.0%	**98.0%**

Investor Relations Contacts



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