

Ceska Sporitelna

1Q 2006 IFRS Consolidated Results (Unaudited)

April 28th, 2006

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1Q 2006 Highlights

1Q 2006 Highlights

- **Financial results indicate a very solid performance in 1Q 2006**
 - » For customer loans, YTD growth is 4.0% and YTY growth 25.1%
 - » For client funds under CS Group management, YTD growth is 7.1% and YTY growth 13.6%
 - » Operating income increased by 12.1% while operating expenses grew 1.0%
 - » Fee and commission income growth slowed to 2.3% (4.9% on a pro forma basis). This is expected as consumer clients move to package and remote delivery pricing and before CS wealth management efforts have a substantial impact
- **Macroeconomic conditions in Czech Republic are strong with accelerating GDP and household income growth, decreasing unemployment, and low interest rates**
 - » Low interest rates hurt CS's income statement but are positive for the Czech economy
 - » FDI continues at a strong pace as does the favourable balance of trade
- **Overall, CS's strategy of focusing on service quality and customer satisfaction, building the best distribution in the Czech Republic, offering a full range of products and services to mass market consumers, mass affluent consumers, micro-businesses, SMEs, the public sector and large corporates, and hiring/ retaining/ educating highly professional staff - this combination gives CS a unique competitive advantage which is producing quarter after quarter good financial results**

1Q 2006 Customer News

- **CS contributed CZK 1 m to helping people in the flooded areas by through Nadace CS; launched its own internal collection - only for FGCS employees, and started to offer several types of loans at favourable terms for affected people or companies**
 - » „Help for Start 2006“ and „Profit programme – floods“ - bank overdrafts offered to SME clients
- **CS is working with consumer groups, the Ministry of Finance and the Czech Banking Association in advancing consumer rights in the Czech Republic**
- **Clients were attracted to the newly opened 13th and 14th ESPA CS guaranteed funds in total volume of CZK 600 m (entrance fee during subscription period is not charged)**
- **CS offered to institutional clients alternative investments through mortgage bonds in 3 issues in total amount of CZK 3.2 bn during 1Q 2006**
- **Direct banking had more than million clients who can use Internet, Telephone, GSM or Homebanking**

1Q 2006 IFRS Consolidated Results (Unaudited)

IFRS – International Financial Reporting Standards

Group Profit & Loss Statement Highlights

- **Operating result increased by 27.5% (YTY) to CZK 3,760 m as a result of accelerated growth of revenues and good expense management**
 - » Operating Income grew by 12.1% and Operating Expenses by 1.0%
- **Net profit reached CZK 2,504 m, growing by 8.5% (YTY)**
- **ROE is at healthy 22.5% (1Q 2005: 22.7%); ROA 1.5% (1Q 2005: 1.5%)**
- **Net interest income rose by 15.1% to CZK 5,089 m**
 - » Growth driven by improving asset mix (increase in customer loans), deposits growth and revaluation of banking book interest rate derivatives
- **Net fee and commission income grew by 2.3% to CZK 2,235 m (on comparable basis by 4.9%)**
 - » Fee income increase attributed to growing volume of business; no changes in prices
- **General administrative expenses increased only by 1.0%**
 - » Combined Personnel and Other administrative expenses flat
- **Cost/Income ratio dropped significantly to 52.4% from 58.2% in 1Q 2005, as a result of growing operating income and tight expense management**

Group Profit & Loss Statement

<i>IFRS, Consolidated, CZK m</i>	1Q 2005	1Q 2006	% change
Net interest income	4,420	5,089	15.1
Provisions on losses on loans and advances	-55	-309	461.8
Net fee and commission income	2,185	2,235	2.3
Net profit/(loss) on financial operations	389	508	30.6
General administrative expenses	-4,099	-4,142	1.0
Income from insurance business	55	70	27.3
Other operating income/(expenses)	263	-150	-157.0
Profit/(loss) before taxes	3,158	3,301	4.5
Income tax expense	-827	-762	-7.9
Profit/(loss) after taxes	2,331	2,539	8.9
Minority interests	-23	-35	52.2
Net profit/(loss) for the year	2,308	2,504	8.5
Operating income	7,049	7,902	12.1
Operating expenses	-4,099	-4,142	1.0
Operating result	2,950	3,760	27.5
Cost / Income Ratio (%)	58.2%	52.4%	
ROE (%)	22.7%	22.5%	

Group Profit & Loss Statement

Net Interest Income up by 15.1%

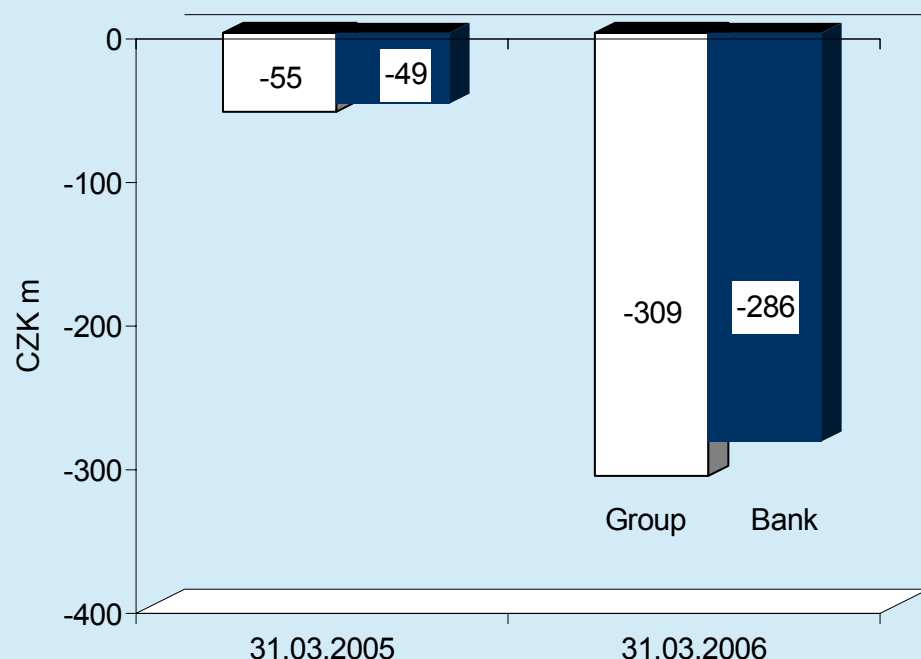
- Interest income growth (by 8.9%) driven by income from loans to customers which increased by 12.0% compared to 1Q 2005
 - » Loans to customers rose by 25.1% YTY (excluding loans to CKA; gross amount)
- Other interest income almost doubled due to dividends from mutual fund managed by external fund manager and to rent from buildings owned mainly by real estate funds
- Movement in other interest income and expense influenced by revaluation of banking book derivatives
- Interest expense on bond issues reflects increase of total portfolio of bonds in issue by 55.5% YTY (excl. subordinated debt)
 - » In 1Q 2006 bonds issued in total nominal value of CZK 3.1 bn (only mortgage bonds)
- Net interest margin on average interest bearing assets slightly increased to 3.51% compared to 3.45% in 1Q 2005

<i>IFRS, Consolidated, CZK m</i>	1Q 2005	1Q 2006	% change
Interest income	6,396	6,963	8.9
- from loans and advances to financial institutions	607	722	18.9
- from loans and advances to customers	3,665	4,104	12.0
- from debt securities and other fixed income securities	1,848	1,595	-13.7
- other interest income	276	542	96.4
Interest expense	-1,976	-1,874	-5.2
- from amounts owed to financial institutions	-239	-205	-14.2
- from amounts owed to customers	-1,356	-1,302	-4.0
- from bonds in issue	-96	-189	96.9
- other interest expense	-285	-178	-37.5



Group Profit & Loss Statement

Provisions on Losses on Loans and Advances



- **Group net provision creation of CZK 309 m (CZK 55 m 1Q 2005), of which**
 - » Bank: CZK 286 m (CZK 49 m 1Q 2005)
 - » Subsidiaries: CZK 23 m (CZK 6 m 1Q 2005)
- **Creation in 2006 is not fully comparable with 2005 results due to one off effects of 2005, which were**
 - » Release (“transfer”) of general provisions
 - » Implementation of IFRS provisioning rules (impact on releases)

Balance impact (CZK m, IFRS)

CS Group Loan loss reserves	Total provisions
Balance 01.01.2006	-6,672
Creation total	-309
Write offs	362
Balance neutral effects	10
Balance 31.03.2006	-6,609

Profit&Loss impact (CZK m, IFRS)

CS Group Loan loss reserves	Total provisions
Creation (-)/Release (+)	-309
IFRS correction	0
Creation total	-309

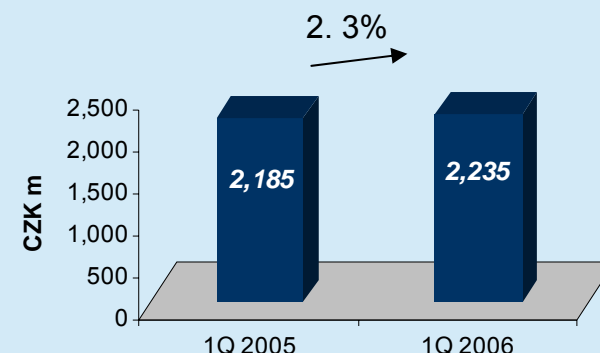
NOTE: Creation(-), release(+)

Group Profit & Loss Statement

Net Fee Income on Comparable Basis up by 4.9%

- **Fee and commission income attributed only to growing business volume, mainly in areas of payments and securities**
 - » CS has not increased prices since 2004; in fact fee eliminations in July 2005 brought a negative impact of CZK 15 m in 1Q 2006
- **Development in fees and commissions from lending business negatively influenced by change in accounting methodology at the end of 2005 (origination fees accrued until loan maturity)**
 - » Excluding this effect net fee income from lending would be up by 17.9%
- **Net fee income from security business increased by 28.0% due to growing income from mutual funds business, asset management and brokerage activity**
 - » Proportion of Net fee income from securities to total Net fee income rose to 11%
- **Net fee and commission income from payment transactions grew by 2.6%**
 - » Fee expense from payment transactions negatively influenced by methodological transfer of fees for card Bonus programme from other administrative expenses (CZK 18 m)
- **Net fee and commission income increased on comparable basis (excluding deferral of origination fees of CZK 40 m and expenses for Bonus programme) by 4.9%**

<i>IFRS, Consolidated, CZK m</i>	1Q 2005	1Q 2006	% change
Fee and commission income	2,324	2,376	2.2
- from lending business	434	439	1.2
- from payment transactions	1,327	1,397	5.3
- from security business	197	252	27.9
- other	366	288	-21.3
Fee and commission expense	-139	-141	1.4
- from lending business	-5	27	-640.0
- from payment transactions	-45	-82	82.2
- from security business	-8	-10	25.0
- other	-81	-76	-6.2

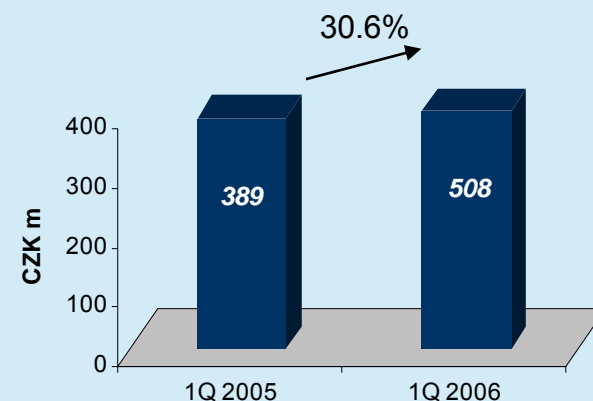


Group Profit & Loss Statement

Net Profit on Financial Operations Increased by 30.6%

- **Main contributor to Net Profit on Financial Operations was net income from FX operations (increased by 11.5%)**
 - » Such result was reached due to the strong sales effort and FX volatility
- **Structure of Trading Result changed due to growing market interest rates in 1Q 2006. Lower result of securities trading is compensated by strong result of interest derivatives. Thanks to trading book position with respect to duration and the credit spreads development the decrease of trading securities valuation was slower than the growth of derivative instruments profit**

<i>IFRS, Consolidated, CZK m</i>	1Q 2005	1Q 2006	% change
Realised and unrealised profit on securities trading	141	-176	-224.8
Interest Rate & Equity Derivatives	-138	219	258.7
FX gains	364	406	11.5
Other	22	59	168.2

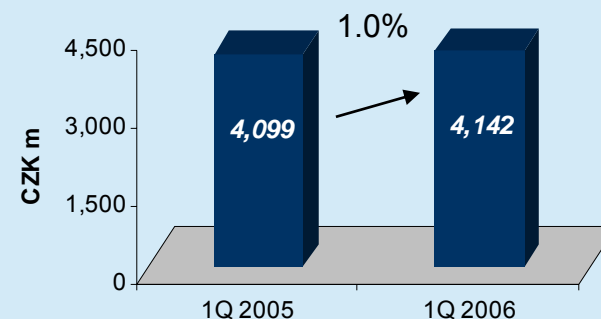


Group Profit & Loss Statement

General Administrative Expenses up only by 1.0%

- **Personnel expenses remained flat - moderate increase of base salaries and bonuses was offset by lower number of employees (in YTY comparison)**
 - » 1Q 2006 personnel expenses include costs related to profit sharing programme (accruals in the amount of CZK 35 m)
 - » Number of employees in CS Group at 10,801 as of 1st April 2006 (reduced by 789 in YTY comparison)
- **Sound development in Other administrative expenses continued (down by CZK 3.7 m YTY) mainly due to lower expenditures for office space and lower marketing costs**
- **Depreciation increased by 5.1% driven by intangible fixed assets (mainly software)**

<i>IFRS, Consolidated, CZK m</i>	1Q 2005	1Q 2006	% change
Personnel expenses	1,749	1,754	0.3
Other administrative expenses	1,524	1,520	-0.3
Depreciation	826	868	5.1



Group Profit & Loss Statement

Other Operating Income / (Expenses)

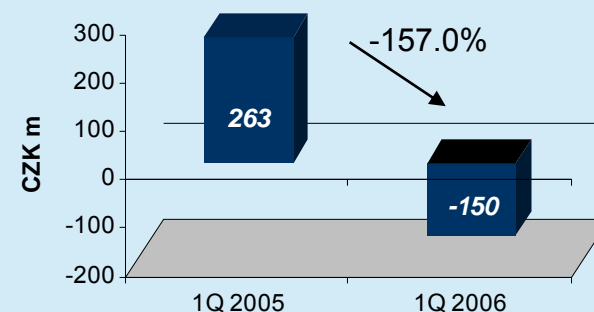
➤ Other operating income dropped by 69.3%

- » Decrease in other operating income driven by lower income from MTM-measured financial assets compared to 1Q 2005 – decrease in result of assets in „at fair value portfolio“ (by CZK 276 m) connected with dividend pay-off from mutual fund managed by external fund manager and revaluation of bond part of asset swaps (transformation between OOI and NII), also income realized from bonds sales out of AFS portfolio dropped by CZK 117 m compared to 1Q 2005
- » Income from real estate in 1Q2005 positively influenced by sale of real properties

➤ Other operating expenses decreased by 10.5%

- » Higher contribution into Deposit Insurance Fund caused by increase in primary deposits
- » Decrease of other expenses mainly due to reduction of other expenses in subsidiaries

<i>IFRS, Consolidated, CZK m</i>	1Q 2005	1Q 2006	% change
Other operating income	655	201	-69.3
- income from real estate	38	-1	-102.6
- MTM-measured financial assets	471	79	-83.2
- other income	146	123	-15.8
Other operating expenses	-392	-351	-10.5
- Deposit Insurance Fund contribution	-97	-101	4.1
- expenses from real estate	0	0	0.0
- other expenses	-295	-250	-15.3



Group Balance Sheet

Highlights*

- **Assets of CS totalled CZK 688.0 bn which represent 5.2% increase since the end of 2005**
 - » Main growth categories in assets: loans and advances to customers and to financial institutions; in liabilities: amounts owed to customers
- **Loans to customers (incl. loans to CKA) in gross value rose by 3.8% (YTD) to CZK 294.2 bn (42.8% share on total assets)**
- **Securities in total increased by 2.4%; represent 33.7% of assets**
- **Total client funds under CS Group management increased by 7.1% YTD to CZK 590.6 bn**
 - » Amounts owed to customers in parent bank grew by 9.1% to CZK 422.5 bn (without repo operations only by 6.3%)
- **Loans to Deposits ratio reached 56.6% in 1Q 2006, down from 58.9% in 2005; decrease due to unexpectedly strong growth in deposits**
- **Volume of issued bonds dropped by 9.8% to CZK 35.4 bn due to higher redemption of issued securities (in 1Q 2006 only mortgage bonds issued)**
- **Group capital adequacy (BIS) at 11.2%**
 - » Group capital adequacy according to CNB (parent bank only) at 9.8%

* Comparison between 31/12/2005 and 31/3/2006

Group Balance Sheet

Assets

<i>IFRS, Consolidated, CZK m</i>	31/12/05	31/03/06	% Change
Total Assets	654,064	687,993	5.2
Cash and balances with the CNB	18,104	19,804	9.4
Loans and advances to financial institutions	97,846	111,869	14.3
Loans to Czech Consolidation Agency	15,653	15,653	0.0
Loans and advances to customers	267,767	278,512	4.0
Provision for losses on loans and advances	-6,672	-6,609	-0.9
Trading securities	36,955	34,333	-7.1
MTM-Measured Assets	47,611	53,524	12.4
Financial investments	141,666	143,788	1.5
- treasury bills and listed debts securities	124,610	125,424	0.7
- other	17,056	18,364	7.7
Other assets	35,134	37,119	5.6

Group Balance Sheet

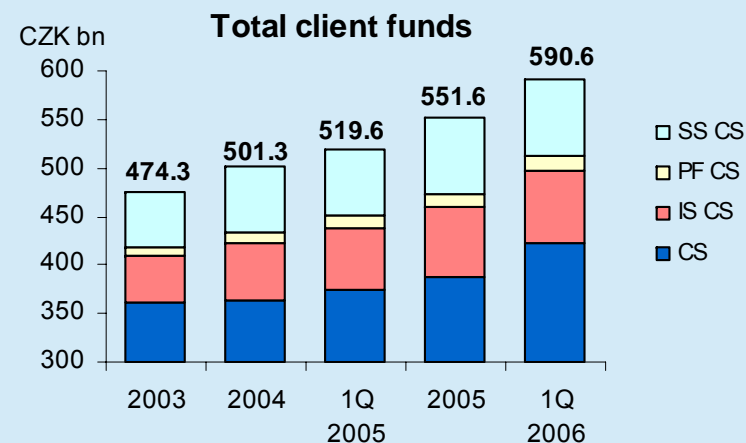
Liabilities and Shareholders' Equity

<i>IFRS, Consolidated, CZK m</i>	31/12/05	31/03/06	% Change
Total Liabilities and Shareholders' Equity	654,064	687,993	5.2
Amounts owed to financial institutions	34,898	31,880	-8.6
Amounts owed to customers	481,556	519,542	7.9
Bonds in issue	39,282	35,445	-9.8
Subordinated debt	2,998	2,995	-0.1
Other liabilities	51,159	51,602	0.9
Minority interests	849	883	4.0
Shareholders' equity	43,322	45,646	5.4

Total Client Funds under CS Group Management

- Client funds under management grew by CZK 39.0 bn (7.1% YTD) to CZK 590.6 bn
- Funds managed by subsidiaries representing 28.5% of total client funds increased by CZK 3.8 bn in 1Q 2006
 - » Proportion of alternative investment products to total client funds increased by 6 percentage points since 2002
- Highest growth recorded in Pension Fund (PFCS) again – by 4.6% YTD (25.4% YTY)
- Assets in mutual funds managed by CS investment company (ISCS) grew by 3.6% in 1Q 2006 (17.6% YTY)
- Building society (SSCS) reported 0.6% YTD growth in client funds (14.0% YTY)
- Client deposits in parent bank grew by 9.1% (12.5% YTY); low margin deposits from public sector grew by cca CZK 19 bn and contributed more than 50% to the increase
 - » 63% of deposits are on current accounts

<i>IFRS, in CZK bn</i>	2003	2004	1Q 2005	2005	1Q 2006
CS - parent bank	360.7	362.9	375.4	387.3	422.5
IS CS - investment company	48.3	59.0	63.1	71.6	74.2
PF CS - pension fund	9.1	12.0	12.6	15.1	15.8
SS CS - building society	56.1	67.4	68.5	77.6	78.1
Total	474.2	501.3	519.6	551.6	590.6



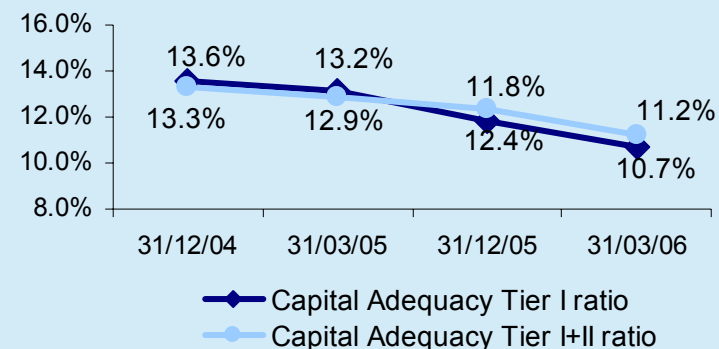
Capital Adequacy (BIS)

- Capital adequacy ratio is influenced mainly by fast growth of risk weighted assets (up by 27.2% YTY), especially loans. Total capital increased by 8.4%
- Growth of Tier I capital by CZK 355 m was influenced mainly by rise of reserve funds created from retained earnings in actual year
- Tier II capital includes in 1Q 2006 subordinated debt in the amount of CZK 3 bn (issued in May 2005)

BIS Capital Adequacy

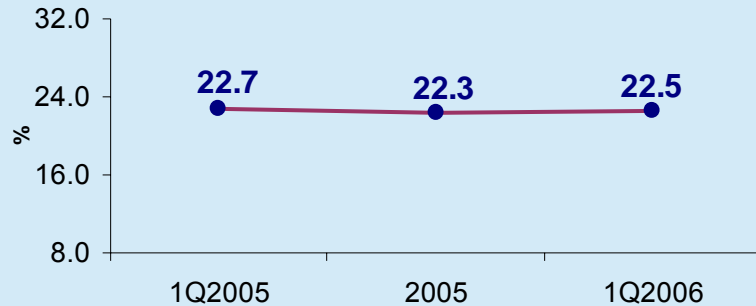
CS Group, CZK m	31/12/04	31/03/05	31/12/05	31/03/06
Tier I Capital	39,964	41,028	43,312	41,383
Tier I+II Capital	39,164	40,069	45,429	43,435
Risk Weighted Assets	273,386	290,041	349,494	368,806
Capital requirement to market risks	1,713	1,725	1,426	1,412
Capital Adequacy Tier I ratio	13.6%	13.2%	11.8%	10.7%
Capital Adequacy Tier I+II ratio	13.3%	12.9%	12.4%	11.2%

Capital Adequacy Development
(according to BIS)

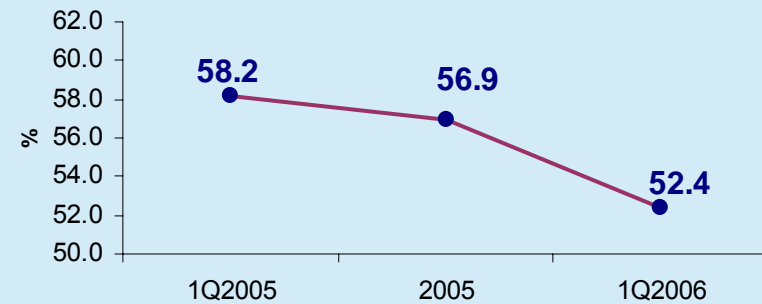


Financial Ratios Development

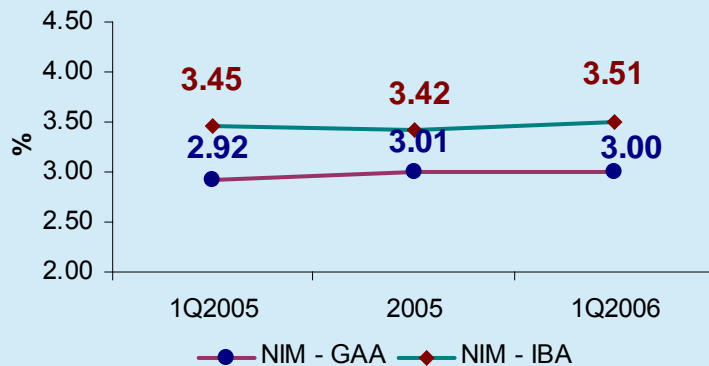
ROE



Cost / Income Ratio

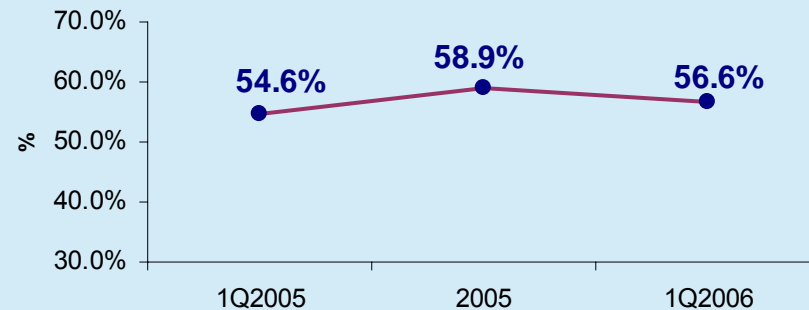


Net Interest Margin



GAA = Gross average assets
IBA = Average interest bearing assets

Loans* to Deposits Ratio



* Loans include Loans and advances to customers and Loans to CKA

***Bank Loan Portfolio
as of 31st March 2006***

Unconsolidated (IFRS)

Group Portfolio Highlights in 1Q 2006

➤ Record loan growth from prior years continued in 1Q 2006 (Group)

- » Loan portfolio increased by CZK 10.7 bn or 4.0% YTD (excl. CKA); by CZK 1.4 bn higher than in 1Q 2005
- » In year-to-year comparison loans increased by CZK 55.8 bn with growth rate 25.1%

➤ 67% (CZK 7.2 bn) of YTD growth comes from real estate and housing loans

- » Bank CZK 6.4 bn and Stavebni sporitelna CZK 0.8 bn
- » Real estate and housing lending exceeded the volume of CZK 108 bn at the end of 1Q 2006 and increased its share in Group Loan portfolio to 38.8% (+110 bps YTD)

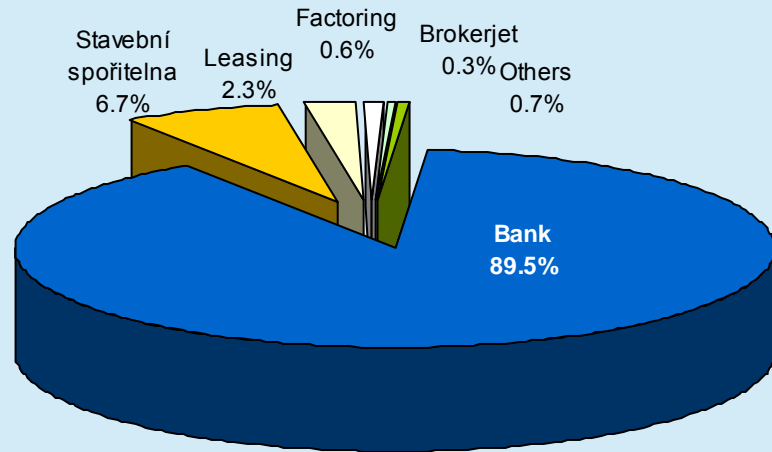
➤ Loan quality remains satisfactory (Bank)

- » Share of high risk loans stable at 2.3%
- » Share of non performing loans slightly increased to 1.7% (+10 bps YTD)
- » Fraud remains greatest risk

Group Portfolio Structure and Development

Business Overview

As per 31.03.2006



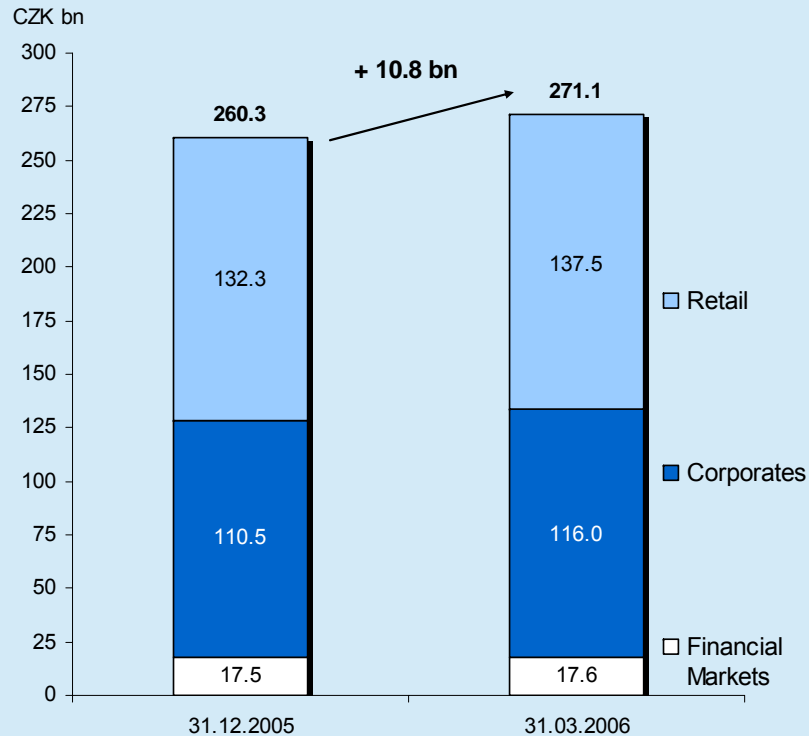
- Share of loans provided by the Bank slightly increased to 89.5% (89.3% at YE 2005)
- Stavební sporitelna's loan growth of CZK 0.8 bn or 4% YTD was above 1Q 2005 (CZK 0.6 bn or 3.8%)
- Factoring seasonally decreased by 7.8% YTD (by 19% in 1Q 2005)
 - » Remains number 1 on the Market (26%*)

in CZK m, IFRS	31/12/2005	31/03/2006	YTD growth	
I. CS Bank	260,260	271,077	10,817	4.2%
↳ of which CKA	15,653	15,653	0	0.0%
II.1. Stavební sporitelna CS	19,450	20,233	783	4.0%
II.2. Leasing CS and S-Autoleasing	7,027	6,943	-84	-1.2%
II.3. Factoring CS	1,922	1,772	-150	-7.8%
II.3. Brokerjet CS	807	860	53	6.6%
II.5. Other subsidiaries	1,872	2,037	166	8.9%
III. Consolidation items	-7,916	-8,758	n.a.	n.a.
Loans excl. CKA (consolidated)	267,767	278,512	10,744	4.0%
Total Loans (consolidated)	283,420	294,165	10,744	3.8%

* Members of Association of Czech factoring companies only, as per 1Q 2006

Loan Structure and Development

CS Bank Loans to Customers / Segment Overview



➤ **Corporate & Retail loans grew by CZK 10.6 bn or 4.4% YTD**

- » CZK 1.2 bn or 13% higher than in 1Q 2005 (CZK 9.4 bn or 5.0%)

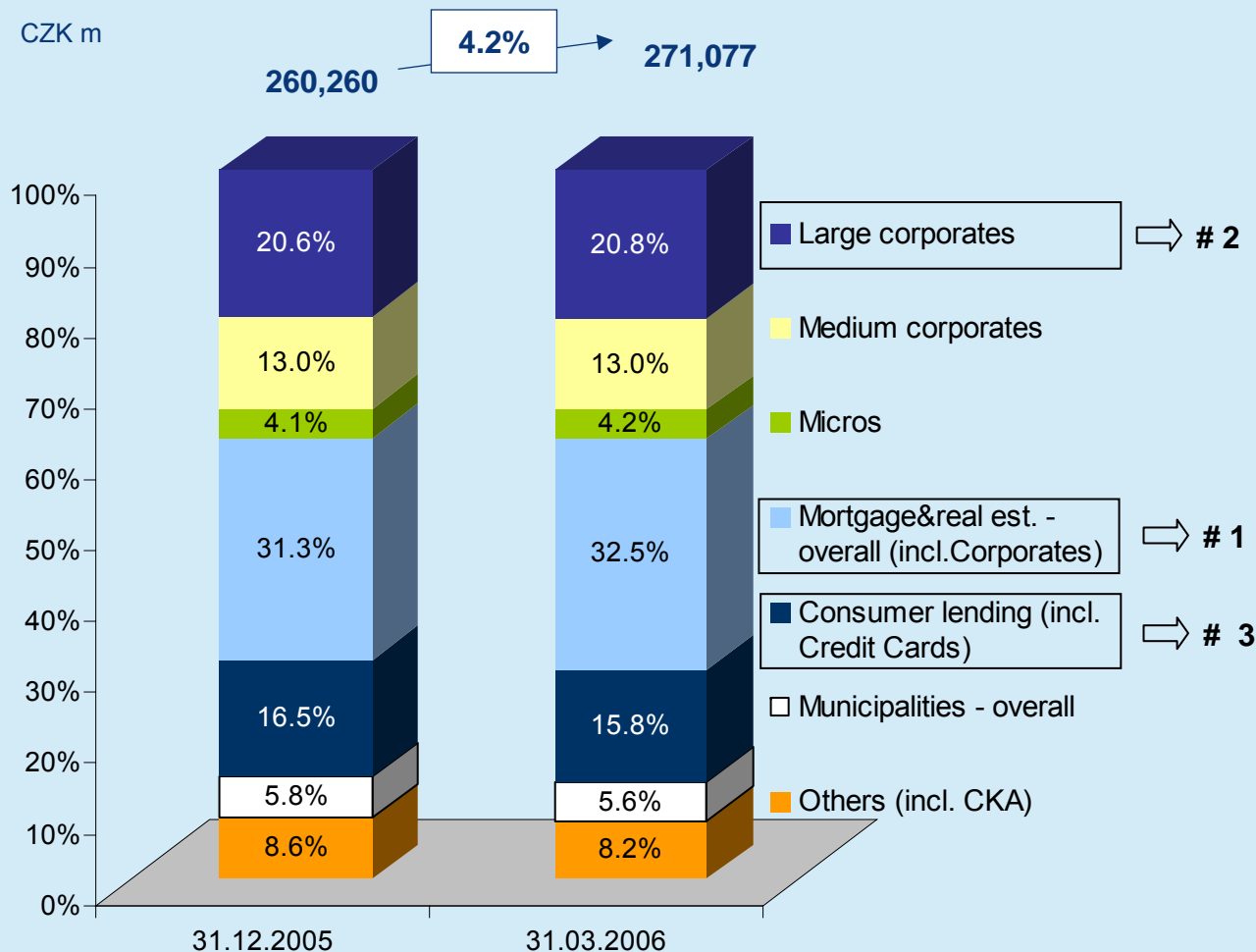
➤ **Main drivers of YTD growth**

- » Retail mortgages CZK 5.2 bn (7.7%)
- » Large corporates CZK 2.8 bn (5.3%)
- » Corporate Real estate CZK 1.2 bn (8.9%)
- » Medium corporates CZK 1.2 bn (3.6%)

in CZK m, IFRS	31.12.2005		31.03.2006		YTD Growth	
	Outstand.	Share	Outstand.	Share	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	242,788	93.3%	253,432	93.5%	10,644	4.4%
1. CORPORATES	110,518	42.5%	115,953	42.8%	5,435	4.9%
2. RETAIL	132,270	50.8%	137,479	50.7%	5,209	3.9%
II. FINANCIAL MARKETS	17,472	6.7%	17,646	6.5%	173	1.0%
LOANS TO CUSTOMERS	260,260	100.0%	271,077	100.0%	10,817	4.2%

Loan Structure and Development

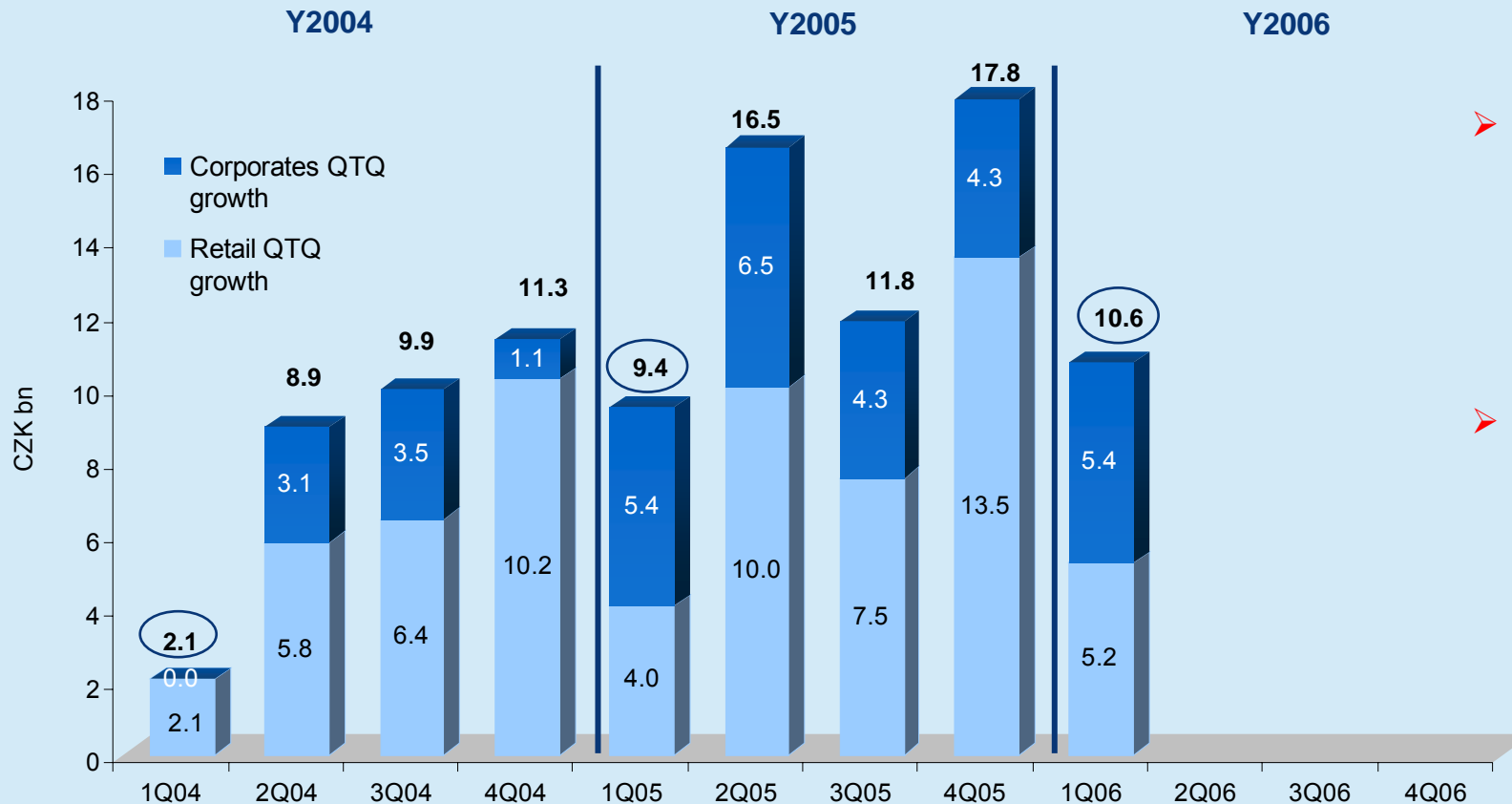
CS Bank Loans to Customers / Segment Overview



- Mortgage loans currently represent 32.5% of overall loans, which is 120 bps higher than at YE 2005
- Decrease in share of consumer lending by 70 bps YTD to 15.8% driven by seasonal effects
 - » The development is comparable with 1Q 2005 (consumer lending decreased portfolio share by 60 bps)

Loan Structure and Development

Seasonality in Growth of Corporates and Retail (QTQ)

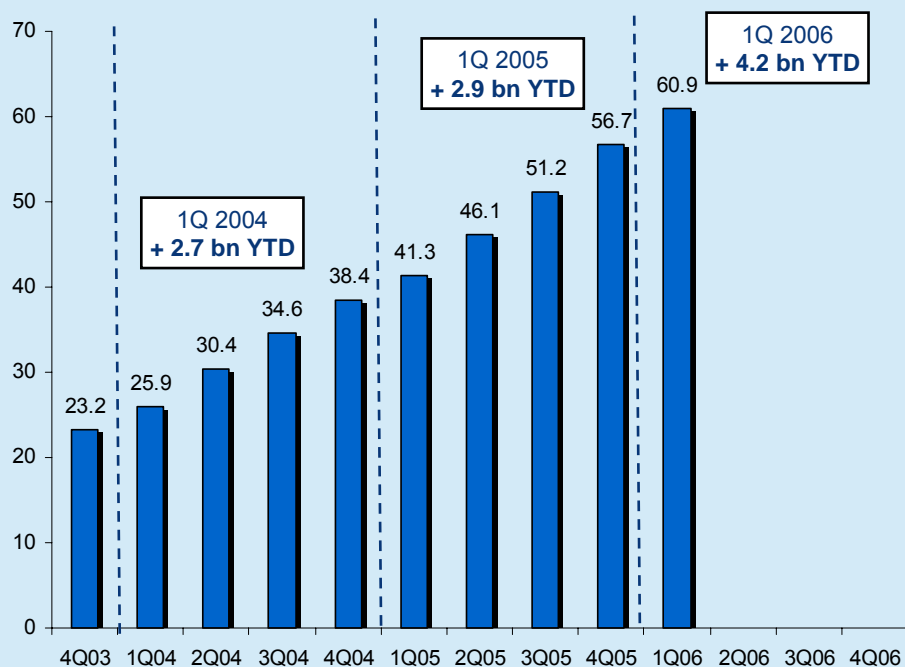


- Quarterly growth CZK 10.6 bn is the best 1Q growth ever
- Retail growth CZK 5.2 bn by almost 30% higher than in 1Q 2005
 - » Due to continuing strong loan growth of mortgages
- Corporate increase CZK 5.4 bn at the same level as in 1Q 2005
 - » Driven by large and medium corporates as well as by real estate lending

Loan Structure and Development

Private Individuals (PI) Mortgages

Development of Private mortgages
(outstanding in CZK bn)



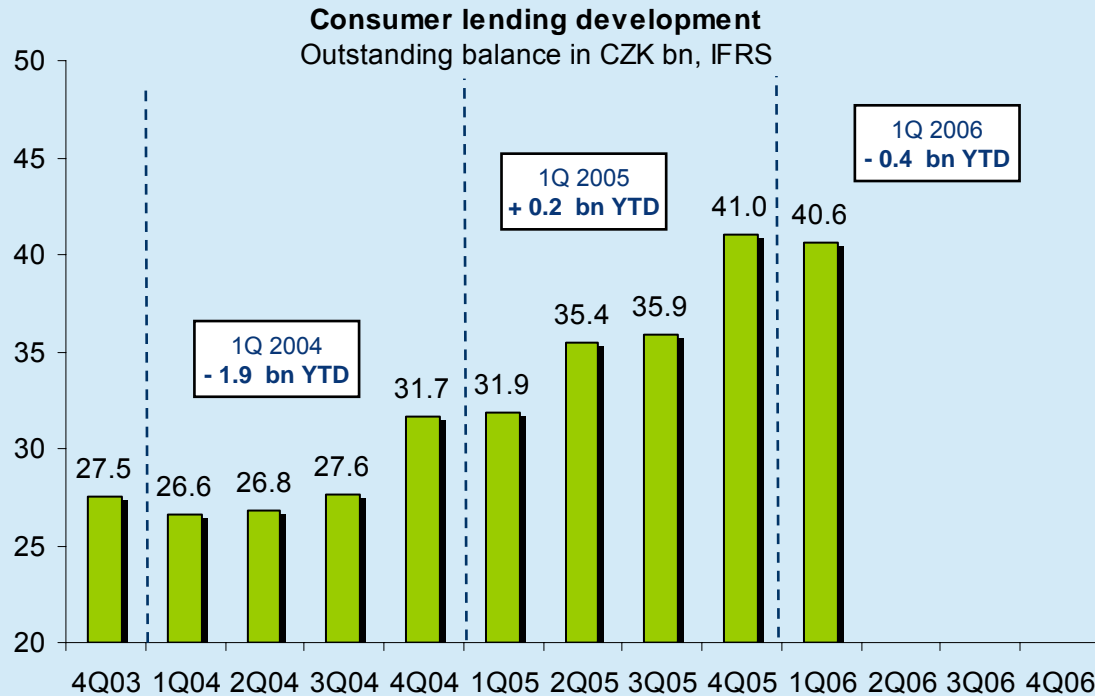
Quality of PI mortgage loans portfolio

in CZK m, IFRS	31/12/2005		31/03/2006	
	Outstand.	Share	Outstand.	Share
Private mortgages	56,672	100.0%	60,878	100.0%
Classified mortgages (CNB2-5)	897	1.6%	1,120	1.8%
High risk mortgages (CNB3-5)	455	0.8%	492	0.8%
Non performing (>90d.overdue)	316	0.56%	362	0.59%

- **Mortgage growth CZK 4.2 bn YTD and 45% stronger than in 1Q 2005**
 - » Growth rate 7.4% (7.5% in 1Q 2005)
- **Loan purpose**
 - » 62% for property purchase (55.6% 1Q 2005)
 - » Remaining 29% goes to house construction and 9% to reconstruction
- **Average maturity of loan contract 18.1 years (17.3 years in 1Q 2005)**
- **Non performing loans are in line with expectations**
 - » Growth in absolute terms by CZK 46 m YTD
 - » In relative terms by 3 bps YTD

Loan Structure and Development

Consumer Credit



- Decline of credit exposure in consumer lending is essentially influenced by seasonal effect (loan balances in consumer lending usually decline in 1Q)
- Non performing loans went up by CZK 83 m (+ 3.8%) YTD

Quality of Consumer lending

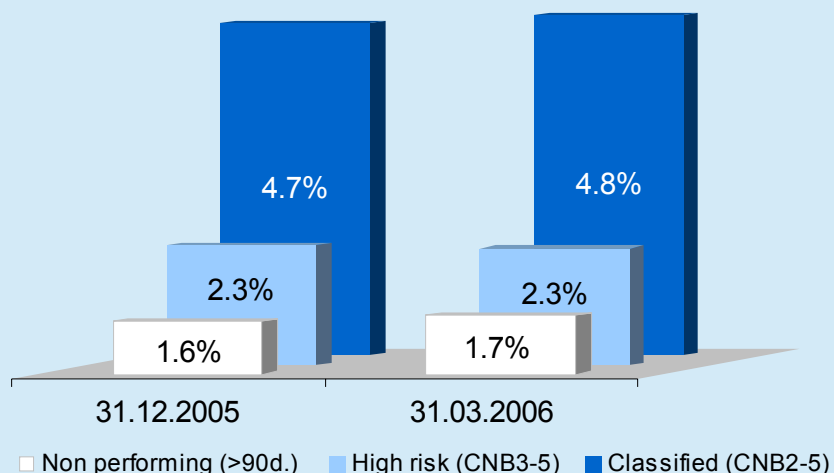
in CZK m, IFRS	31/12/2005		31/03/2006	
	Outstand.	Share	Outstand.	Share
Consumer credit	41,040	100.0%	40,640	100.0%
Classified loans (CNB2-5)	3,056	7.4%	3,220	7.9%
High risk loans (CNB3-5)	2,421	5.9%	2,520	6.2%
Non performing (>90d.overdue)	2,157	5.3%	2,239	5.5%

NOTE: consumer credit does not include credit cards

Loan Portfolio Quality

Overall Bank

Loan Quality



- Loan quality remains stable measured by share of high risk loans (2.3%)
- NPL share slightly increased 10 bps YTD
 - » In line with expectations
 - » Driven by consumer lending and seasoning effect of mortgage loans

in CZK m, IFRS	31.12.2005		31.03.2006	
	Outstanding	Share	Outstanding	Share
Loans to customers*	260,260	100.0%	271,077	100.0%
Classified (CNB2-5)	12,285	4.7%	13,042	4.8%
High risk (CNB3-5)	6,087	2.3%	6,269	2.3%
Non performing (>90d.)	4,172	1.6%	4,517	1.7%

* incl. CKA

Provision Creation

CS Bank / Risk Costs Development

Risk Costs development



➤ **Corporate Risk costs + 0.11% YTD (- 0.12% in 1Q 2005)**

» Risk cost development normalizes in Y06 (releases in year 2005 were influenced by IFRS rules implementation and by successful work out of historical case)

➤ **Retail Risk costs + 0.12% YTD (+ 0.16% in 1Q 2005)**

» Fraudulent loans covered in year 2005

Notes:

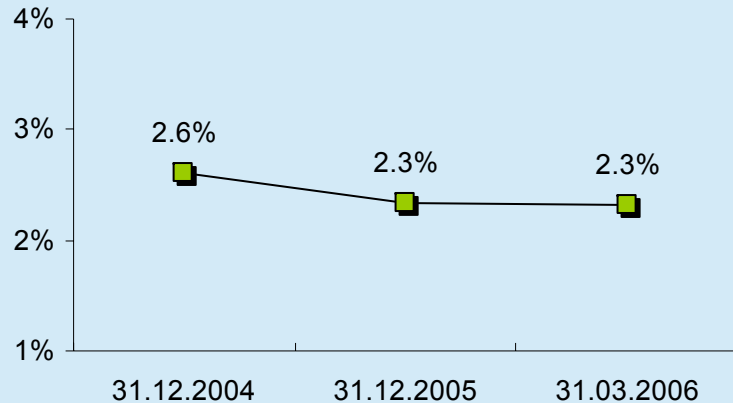
Creation(+), release(-)

Overall risk costs relate to Customer loan portfolio excluding CKA

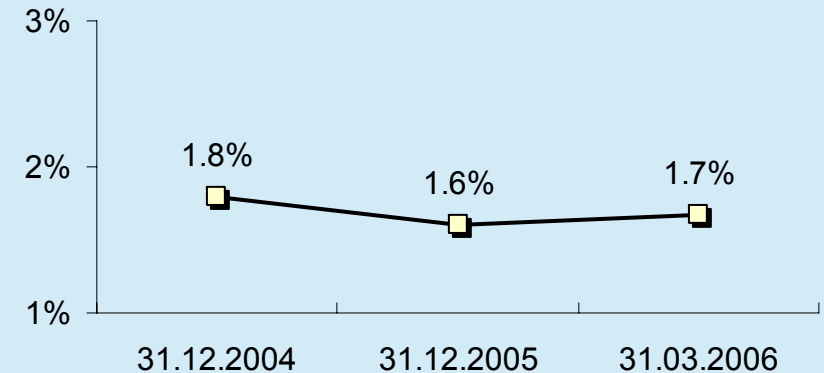
Underlying risk cost exclude the effect of GP release (1Q 2005)

Key Ratios of Loan Portfolio Quality

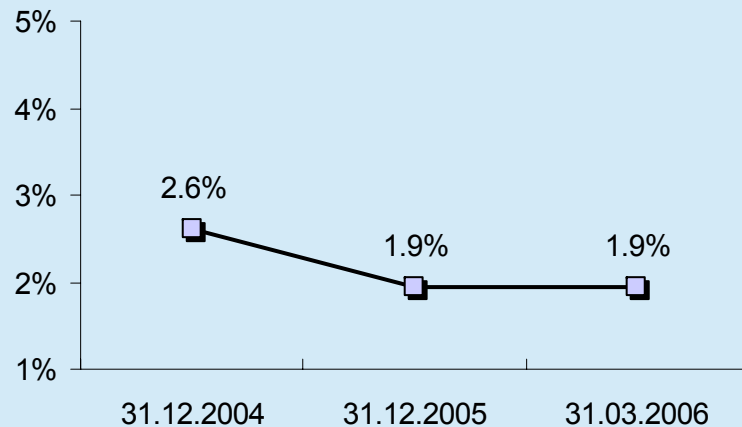
High risk loans share



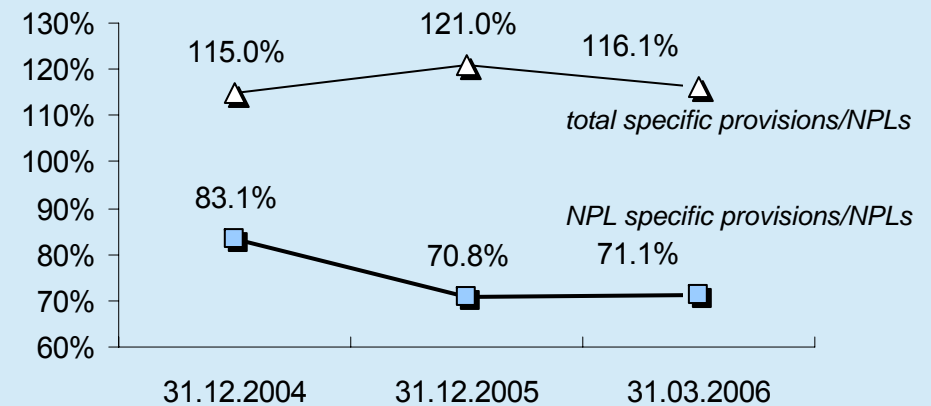
Non performing loans share



Loan loss reserves to Total loans



NPL coverage by Specific provisions



Milestones for 2006

Program 2007

- **CS senior management has recognized two shortcomings at the Group**
 - » Market research indicates that CS is still thought of as a mass market consumer bank not able to service the mass affluent and the micro and SME sectors
 - » All members of the Group do not fully understand the performance and service culture that CS stands for
- **With this recognition senior management has decided to initiate Program 2007, which will be CS's second transformation**
- **At its heart, Program 2007 embraces the following:**
 - » **Brand Essence: We always listen to our client needs and have an unquestioning commitment to fulfilling them. We make banking easy and worry-free so that our clients can achieve their own priorities – both in managing their finances and in life as a whole**
 - » **Mission: We are a financial services provider enabling all our clients to achieve their specific wishes and needs**
- **Program 2007 builds from the Brand Essence and Mission to reposition CS in the eyes of consumer and business clients and to campaign with all of our employees about the needed performance and service culture to accomplish our vision and strategies**
- **Program 2007 will consist of a series of actions impacting both customers and employees**
 - » Specific actions and milestones will be announced in 2Q 2006
 - » The timing will be over the next 18 months until 31. 12. 2007

Outlook for 2006

Financial Targets for 2006

» Net profit growth

Target

> 10%

» ROE

> 20%

» Cost/Income Ratio

< 54%

» Loans to Deposits Ratio

63% – 65%

Appendix

Macroeconomic Environment in CR

- **Czech economy achieved the highest growth in recorded history; real GDP increased by 6% in 2005 (four times EU25 average; annual growth measurement)**
- **Central Bank 2W repo rate at 2.0% since 27 October 2005 when increased by 25 bps after several decreases during 2005**
 - » 2W repo rate at 2.0% as of 1 April 2005
- **Inflation increased to 2.8% in March 2006 from 1.9% (in 2005)**
- **Share of current account balance of GDP reached – 2.6% in 2005**
- **Unemployment at 8.8% as of 31 March 2006, slightly up from 8.6 % at end- 2005**
 - » Prague is approximately 3.2% while Ustecky region approximately 15.1% (situation at YE 2005)
- **Disposable income of households increased by 3.8% in 2005**

Macroeconomic Framework

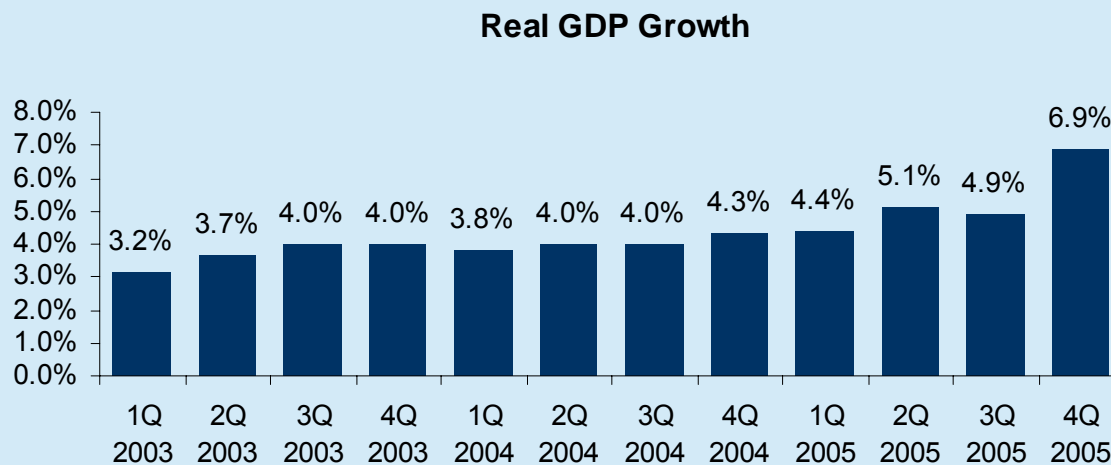
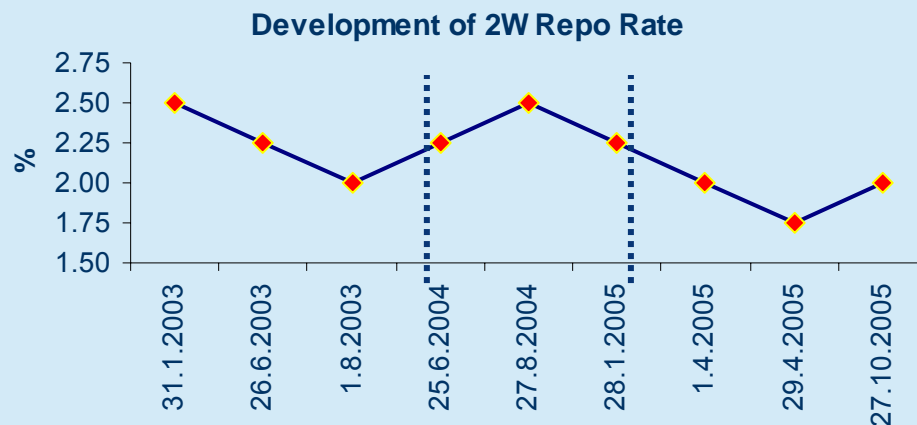
YEARLY (average)	2001	2002	2003	2004	2005E	2005/2006	2006E	2007E	
	<i>last actual data</i>								
Demand and Supply									
GDP (real %)	2.6	1.5	3.2	4.7	6.0	4Q 6.9	6.0	4.7	
Household consumption (real %)	2.8	2.7	4.6	3.3	2.6	4Q 2.6	3.8	2.8	
Investments (real %)	5.4	3.5	4.8	5.4	3.7	4Q 4.2	5.3	5.9	
Export (real %)	11.8	2.2	7.5	21.3	11.4	4Q 10.4	16.3	13.3	
Import (real %)	13.4	4.9	7.8	18.4	5.5	4Q 4.4	10.8	11.2	
Industry output (real %)	6.8	1.9	5.5	9.6	6.6	4Q 8.4	8.9	6.3	
Retail (%)	4.6	3.0	4.9	2.4	3.9	4Q 2.8	5.3	3.4	
State finance									
State balance (% GDP)	-2.9	-1.9	-4.2	-3.4	-1.9	4Q -1.9	-2.9	-3.0	
State debt (% GDP)	14.9	16.4	19.3	21.4	23.6	4Q 23.6	23.6	25.1	
Labor market									
Unemployment rate (%) ¹	(8,6)	(9,2)	(9,9)	9.4	8.9	1Q 9.0	8.3	8.0	
Nominal wages (%)	8.7	7.3	6.6	6.7	5.5	4Q 4.8	6.0	5.9	
Real wages (%)	3.8	5.4	6.5	3.8	3.6	4Q 2.7	3.4	3.0	
External relations									
Trade balance (CZK bn)	-116.7	-71.3	-69.8	-26.4	40.4	4Q 0.5	60.9	80.8	
Current account (CZK bn)	-124.5	-136.4	-176.0	-181.4	-95.4	4Q -39.7	-111.3	-93.8	
Prices									
CPI inflation (%)	4.7	1.8	0.1	2.8	1.9	1Q 2.8	2.6	2.8	
PPI inflation (%)	3.0	-0.5	-0.3	5.7	3.0	1Q 0.4	1.3	2.6	
Monetary conditions									
CZK/EUR	34.1	30.8	31.9	31.9	29.8	1Q 28.6	28.4	27.5	
CZK/USD	38.0	32.7	28.2	25.7	24.0	1Q 23.8	23.2	21.5	
2W repo rate (%)	5.1	3.6	2.3	2.2	2.0	1Q 2.0	2.1	2.6	
3M PRIBOR (%)	5.2	3.5	2.3	2.4	2.0	1Q 2.1	2.2	2.7	
12M PRIBOR (%)	5.3	3.6	2.3	2.7	2.1	1Q 2.3	2.4	2.9	

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.

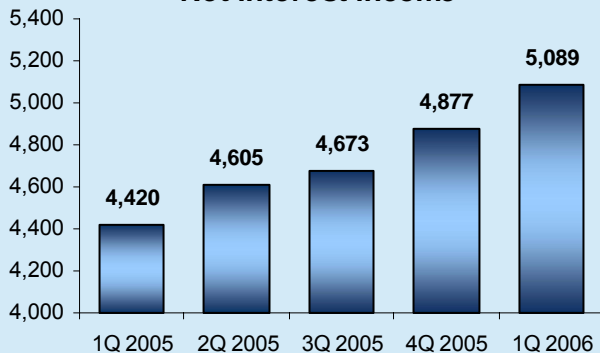
2W Repo Rate and Real GDP Growth



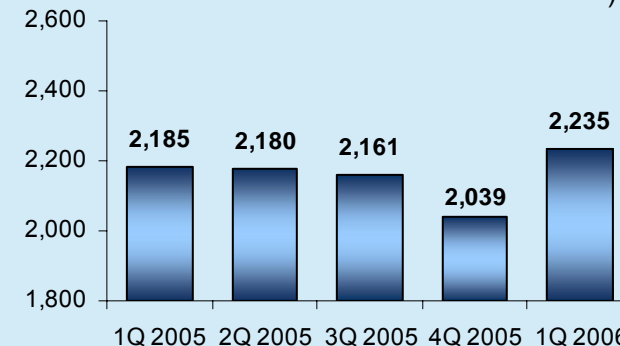
Group Profit & Loss Statement Quarter on Quarter Development

in CZK m

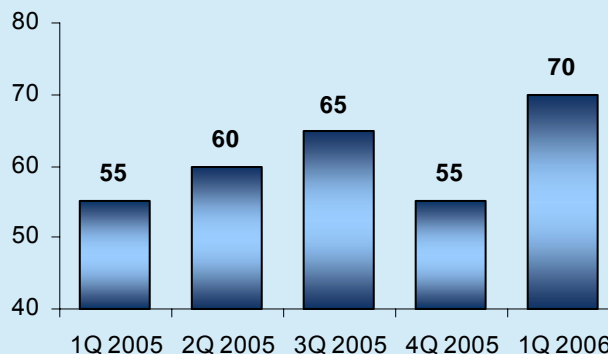
Net interest income



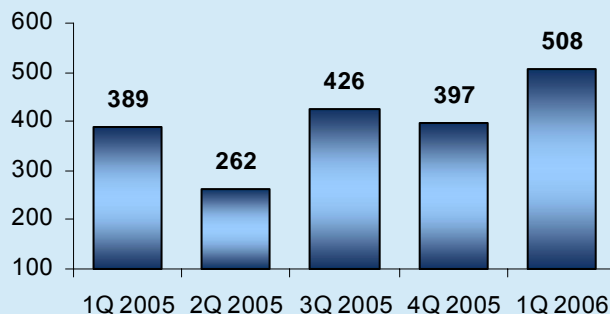
Net fee and commission income*)



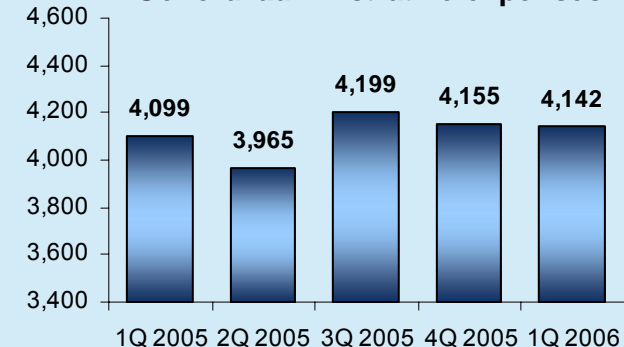
Income from insurance business



Net profit on financial operations



General administrative expenses



*) Development in 4Q 2005 influenced by change in accounting methodology

Capital Adequacy

CNB Capital Adequacy

Parent Bank, CZK m	31/12/03	31/12/04	31/03/05	31/12/05	31/03/06
Tier I capital	21,910	24,301	27,223	27,260	32,707
Tier I + Tier II capital	22,115	23,297	25,015	28,176	33,617
Capital requirement A (to RWA)	15,664	19,060	20,331	24,489	25,993
Capital requirement B (to market risks)	1,539	1,713	1,725	1,426	1,412

Capital adequacy Tier I ratio	10.2%	9.4%	9.9%	8.4%	9.5%
Capital adequacy Tier I+II ratio	10.3%	9.0%	9.1%	8.7%	9.8%

BIS Capital Adequacy

CS Group, CZK m	31/12/03	31/12/04	31/03/05	31/12/05	31/03/06
Tier I Capital	35,787	39,964	41,028	43,312	41,383
Tier I+II Capital	35,588	39,164	40,069	45,429	43,435
Risk Weighted Assets	224,332	273,386	290,041	349,494	368,806
Capital requirement to market risks	1,539	1,713	1,725	1,426	1,412

Capital Adequacy Tier I ratio	14.7%	13.6%	13.2%	11.8%	10.7%
Capital Adequacy Tier I+II ratio	14.6%	13.3%	12.9%	12.4%	11.2%

Structure of Bank Loan Portfolio

in CZK m, unconsolidated, IFRS	31.03.2005		31.12.2005		31.03.2006		YTD Growth		YTY Growth	
	Outstand.	Share	Outstand.	Share	Outstand.	Share	Outstand.	Rate	Outstand.	Rate
I. CORPORATE & RETAIL (1+2)	196,671	87.0%	242,788	93.3%	253,432	93.5%	10,644	4.4%	56,761	28.9%
1. CORPORATES	95,499	42.3%	110,518	42.5%	115,953	42.8%	5,435	4.9%	20,455	21.4%
Large Corporates	46,316	20.5%	53,667	20.6%	56,505	20.8%	2,838	5.3%	10,188	22.0%
Medium Corporates (SMEs)	28,736	12.7%	33,893	13.0%	35,116	13.0%	1,224	3.6%	6,380	22.2%
Corp. Mortgage&Real Estate	11,521	5.1%	13,923	5.3%	15,160	5.6%	1,237	8.9%	3,639	31.6%
Municipalities	8,925	3.9%	9,036	3.5%	9,172	3.4%	136	1.5%	247	2.8%
2. RETAIL	101,172	44.8%	132,270	50.8%	137,479	50.7%	5,209	3.9%	36,307	35.9%
Private Credit cards	1,465	0.6%	2,014	0.8%	2,085	0.8%	71	3.5%	620	42.3%
Consumer credit	31,891	14.1%	41,040	15.8%	40,640	15.0%	-400	-1.0%	8,749	27.4%
Private social	5,666	2.5%	4,990	1.9%	4,710	1.7%	-280	-5.6%	-957	-16.9%
Private mortgages	41,286	18.3%	56,672	21.8%	60,878	22.5%	4,206	7.4%	19,591	47.5%
Micro corporates (MSEs)	8,970	4.0%	10,680	4.1%	11,361	4.2%	681	6.4%	2,391	26.7%
Commercial mortgages	6,789	3.0%	10,923	4.2%	11,929	4.4%	1,006	9.2%	5,139	75.7%
Small municipalities	5,104	2.3%	5,951	2.3%	5,876	2.2%	-75	-1.3%	772	15.1%
II. FINANCIAL MARKETS	29,320	13.0%	17,472	6.7%	17,646	6.5%	173	1.0%	-11,674	-39.8%
LOANS TO CUSTOMERS	225,991	100.0%	260,260	100.0%	271,077	100.0%	10,817	4.2%	45,087	20.0%

CS Market Shares Development

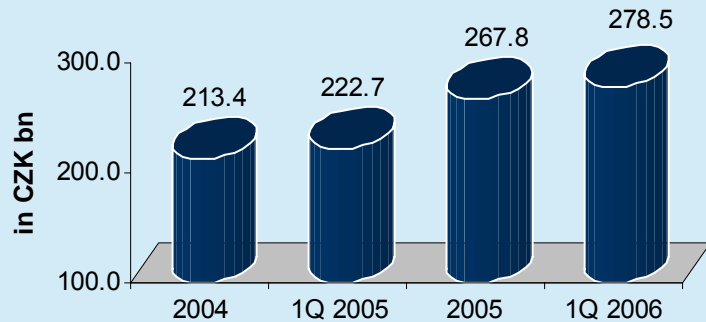
<i>According to CNB Statistics*</i>	31.12.2002	31.12.2003	31.12.2004	31.12.2005	28.02.2006	change
Total Assets	18.7%	21.4%	21.6%	22.1%	22.7%	↑
Loans to Customers	18.4%	20.6%	21.7%	23.0%	23.1%	↑
Interbank Loans	5.8%	7.5%	11.0%	12.3%	14.8%	↑
Primary Deposits	20.2%	24.4%	24.0%	22.6%	24.1%	↑
Retail Deposits **	27.9%	33.4%	32.7%	32.6%	33.1%	↑
Retail Loans **	30.9%	30.9%	31.8%	32.1%	31.8%	↘
Mortgages	27.6%	30.1%	33.7%	n/a	34.4%	
Retail Mortgages	29.0%	29.1%	32.2%	n/a	32.5%	
Assets under Management in Funds Total	31.2%	34.3%	37.3%	35.8%	n/a	
ATM (#)	41.5%	40.0%	37.9%	37.2%	n/a	
Payment Cards (#)	44.6%	40.4%	40.2%	41.8%	n/a	

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

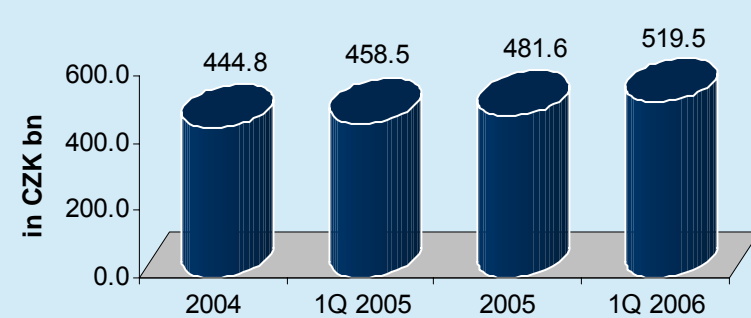
** Change in calculation - building savings deposits and loans are now included in retail deposits and loans

Business Indicators

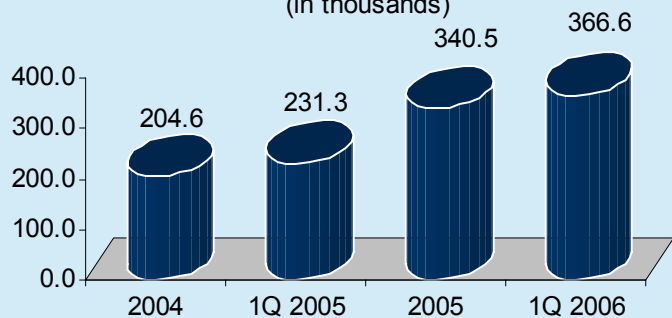
Loans to customers (excl. CKA)



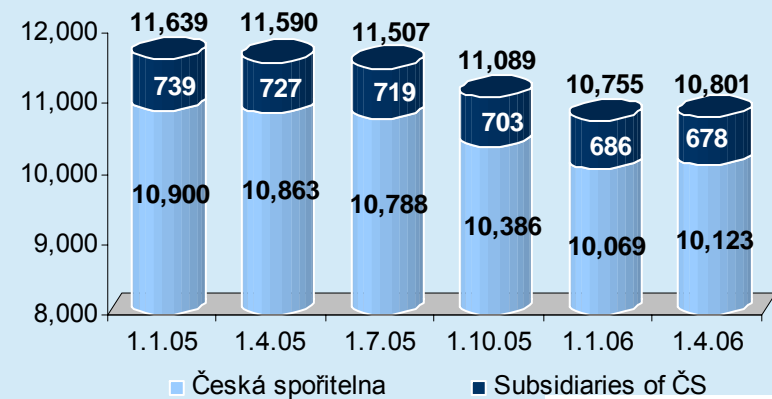
Amounts owed to customers



Number of Issued Credit Cards (in thousands)



Number of Employees



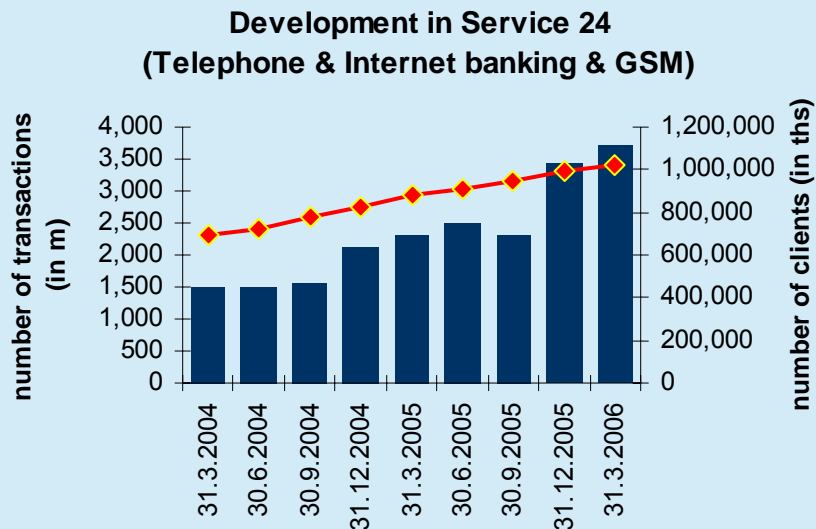
■ Česká spořitelna
 ■ Subsidiaries of ČS



Remote Distribution Channels

No. of clients*	31.12.2004 31.3.2005 31.12.2005 31.3.2006			
	Homebanking	19,446	18,736	16,716
Servis 24 - Telephone, Internet and GSM banking	828,826	878,192	993,892	1,020,677
Total	848,272	896,928	1,010,608	1,036,595

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

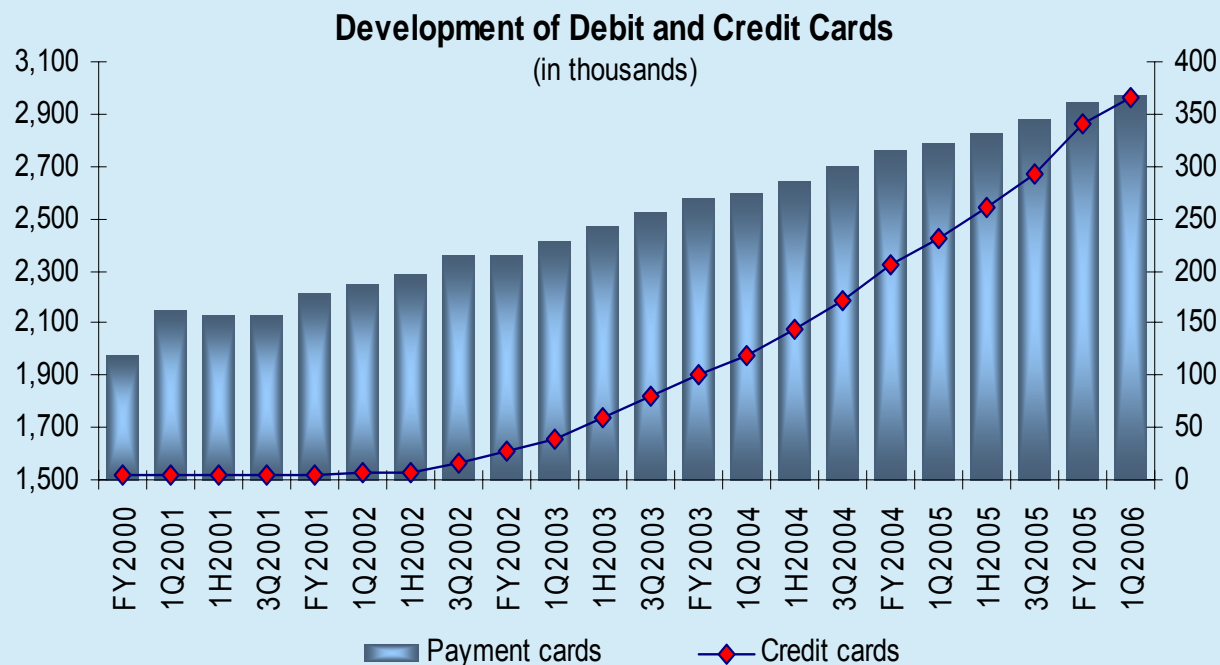


- Number of remote distribution channels' users up by 15.6 % (YTY)
- Servis 24 recorded fastest growth (more than 142 thousand new clients since 1Q 2005)
 - » Volume of transactions grew by 61% in YTY comparison
 - » Servis 24 includes entrepreneurs who use Business 24 which was launched in August 2005

Payment Cards

	2000	2001	2002	2003	2004	1Q 2005	2005	1Q 2006
Debit cards	1,966,218	2,205,480	2,335,600	2,475,397	2,553,922	2,559,442	2,601,333	2,607,782
Credit cards	4,732 *)	5,387	28,051	101,155	204,585	231,324	340,510	366,634
Total payment cards	1,970,950	2,210,867	2,363,651	2,576,552	2,758,507	2,790,766	2,941,843	2,974,416

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



Group Profit & Loss Statement

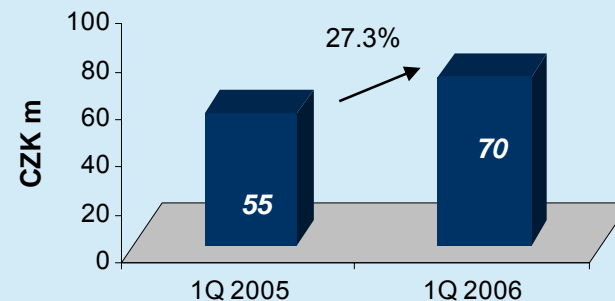
Income from Insurance Business up by 27.3%

- **Net result from insurance business (profit before tax of Pojistovna CS) increased by 27.3% compared to 1Q 2005, primarily due to 38.6% growth of operating income of Pojistovna CS mainly influenced by rising net premiums earned (increased by 47.3% YTY)**
- **Life insurance development**
 - » Written premium increased by 40.4% to CZK 938 m as a result of growing sales of insurance products, mainly products with single paid premium representing 63% of total written premium (in 1Q 2005 only 57%)
 - » Single paid insurance premium rose by 55.5% thanks to higher sales dynamics in single paid Flexi invest and Flexi life insurance; current paid insurance premium increased by 20.9%
 - » Pojistovna CS concluded nearly 475 thousand life insurance contracts in total till the end of March 2006 (up by 13.1% YTY); main distribution channel CS (Bank) concluded 63% of contracts (72% share on total insurance premium)
- **Pojistovna CS (CS Insurance company) ranks 5th on life insurance market with market share of 5.4% (as of 31.12.2005)**

Product structure

	31/03/05	31/12/05	31/03/06
Life insurance			
capital	30%	16%	11%
credit*	9%	8%	4%
flexi	56%	72%	82%
other	5%	4%	3%

* including mortgage insurance



Note: profit before tax

Net Profit of Selected Subsidiaries

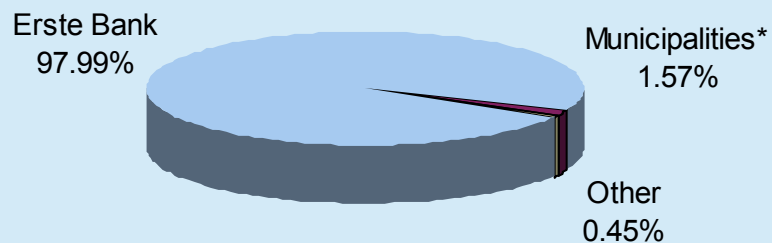
<i>IFRS, CZK m</i>	1Q 2005	1Q 2006	% Change
Stavební spořitelna CS - Building Society	151	142	-6.0
Investiční společnost CS - Investment Company	16	31	93.8
Leasing CS and S-Autoleasing - Leasing	-9	12	233.3
Penzijní fond CS - Pension Fund*	192	162	-15.6
Pojišťovna CS - Insurance Company	38	55	44.7
Factoring CS - Factoring	4	6	50.0

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

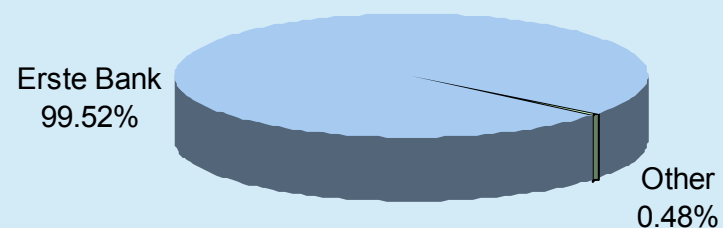
*According to the Supplementary Pension Insurance Act, a minimum 85% of Czech Accounting Standards (CAS) net profit of CZK 162 m (CZK 168 m in 1Q 2005) must be distributed among clients

Shareholder Structure

Shareholder structure
Mar 31, 2006



Voting Rights Structure
Mar 31, 2006

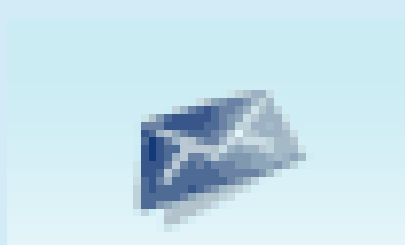


* includes also other entities

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	31.03.2006
Total EB share	52.1%	52.6%	93.6%	98.0%	98.0%	98.0%

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Reuters: SPOPsp.PR