



FINANCIAL RESULTS FOR II Q 2006



Warsaw, 27 July, 2006

AGENDA

1. FINANCIAL RESULTS
2. RETAIL DIVISION ACTIVITY
3. APPENDIX

	1H 2006	ch. Y/Y	Q2'06	Q2'05	ch. Q/Q
Net Profit (PLN mln)	296	27%	208	139	50%
ROE*	25%	+2 pp	24%	18%	+6 pp
Cost/Income	60%	-15 pp	51%	73%	-22 pp

KEY FEATURES FOR Q2 2006

On May 29 2006 the Bank received from the Commission of Banking Supervision positive opinion on termination of the KB's Restructuring Program. This fact enabled the General Assembly of Shareholders to pass resolution on payment of dividend in the amount of PLN 0.22 per share.

Net profit came in at **208** PLN m and ROE at **24%** for Q2'06.

Execution of KB and Żagiel's loss receivables sale agreement made positive impact (over PLN **130** mln) on the bottom line as well as made +5 pp. portfolio quality improvement.

Cost/Income for I H 2006 gained **60%** and **51%** for Q2'06 respectively.

Lending volume grew in Q2'06 by **4%** (ie. PLN 489 mln, apart from the receivables sold). In the same time deposits were **1%** up Q/Q (185 PLN mln).

Performance of strategic products sale for Q2'06 :

- Housing loans - PLN **535** mln up, (+ **84%** compared to Q1'06)
- Żagiel consumer lending – PLN **392** mln up (+**12%** compared to Q1'06)
- Investment funds (AUM) – PLN **269** mln (kept pace with the previous quarter level)

RECEIVABLES SELL - IMPACT ON CONSOLIDATED NET PROFIT

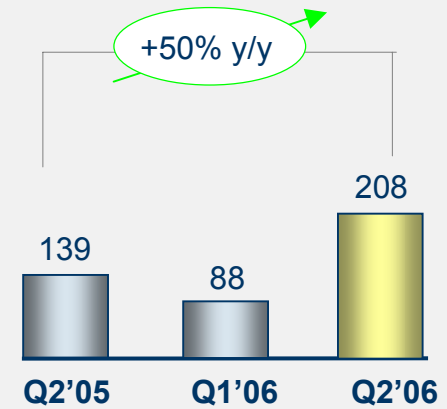
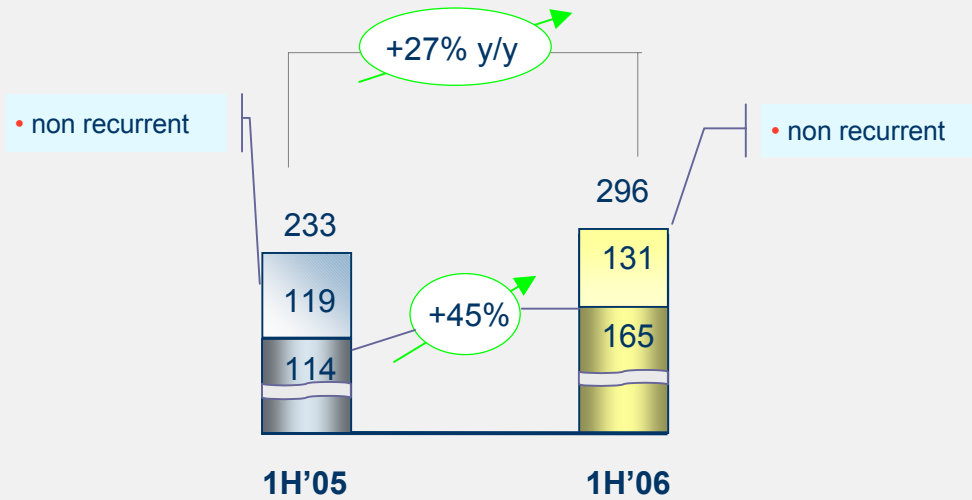
Transaction's impact on financial result	PLN 131 m
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	30.06.06 w/o sell	30.06.06	differ.	31.03.06
Receivables due from customers (gross vol*)	12 933	12 118	-815	12 444
NPL ratio	25,8%	20,8%	-5 pp.	27,2%

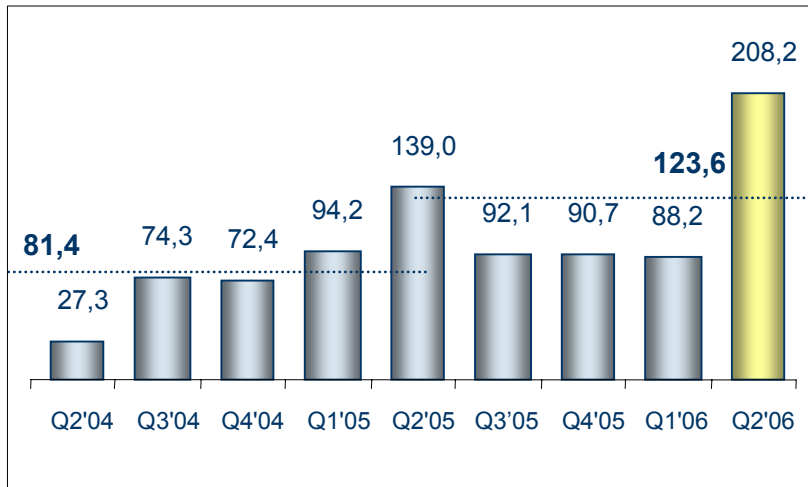
* interest excl.

Net Profit (cumulative in PLN mln)

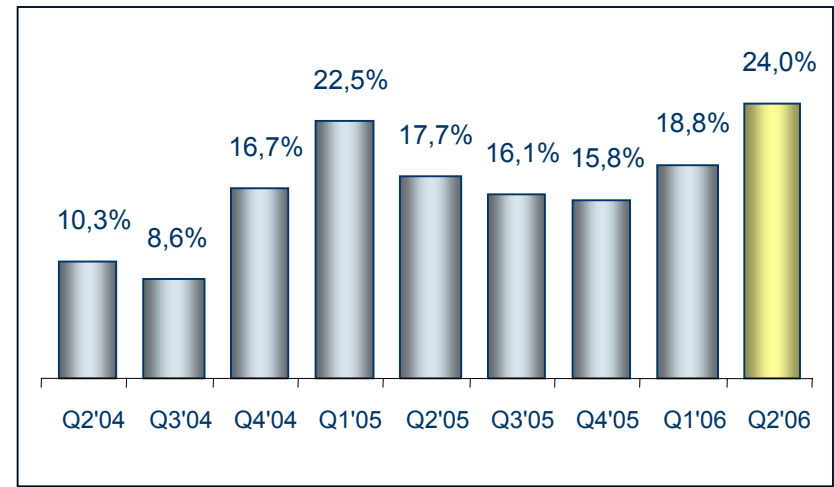
Quarterly



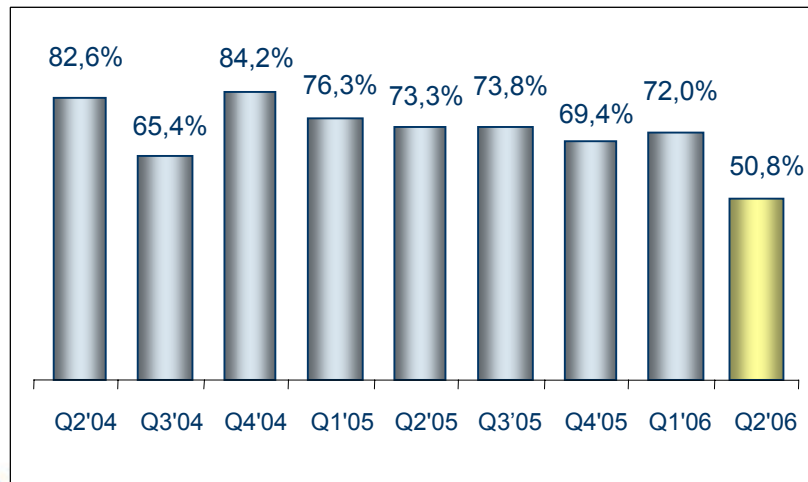
Net profit (quarterly in PLN mln)



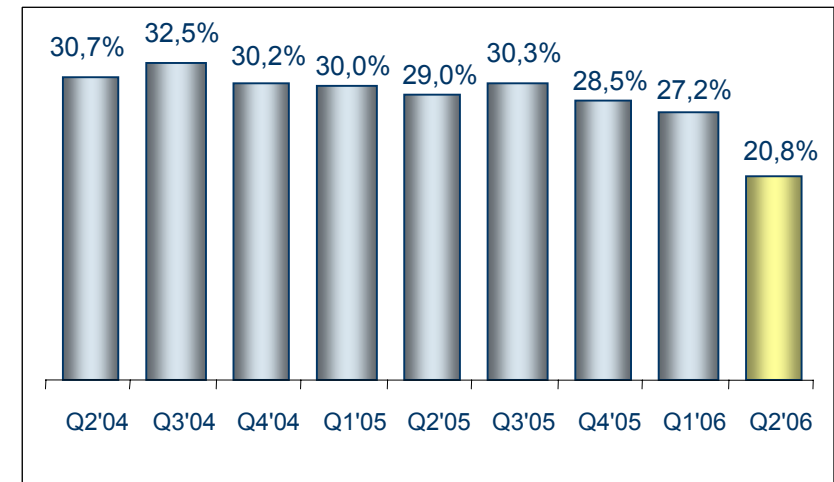
ROE (quarterly)



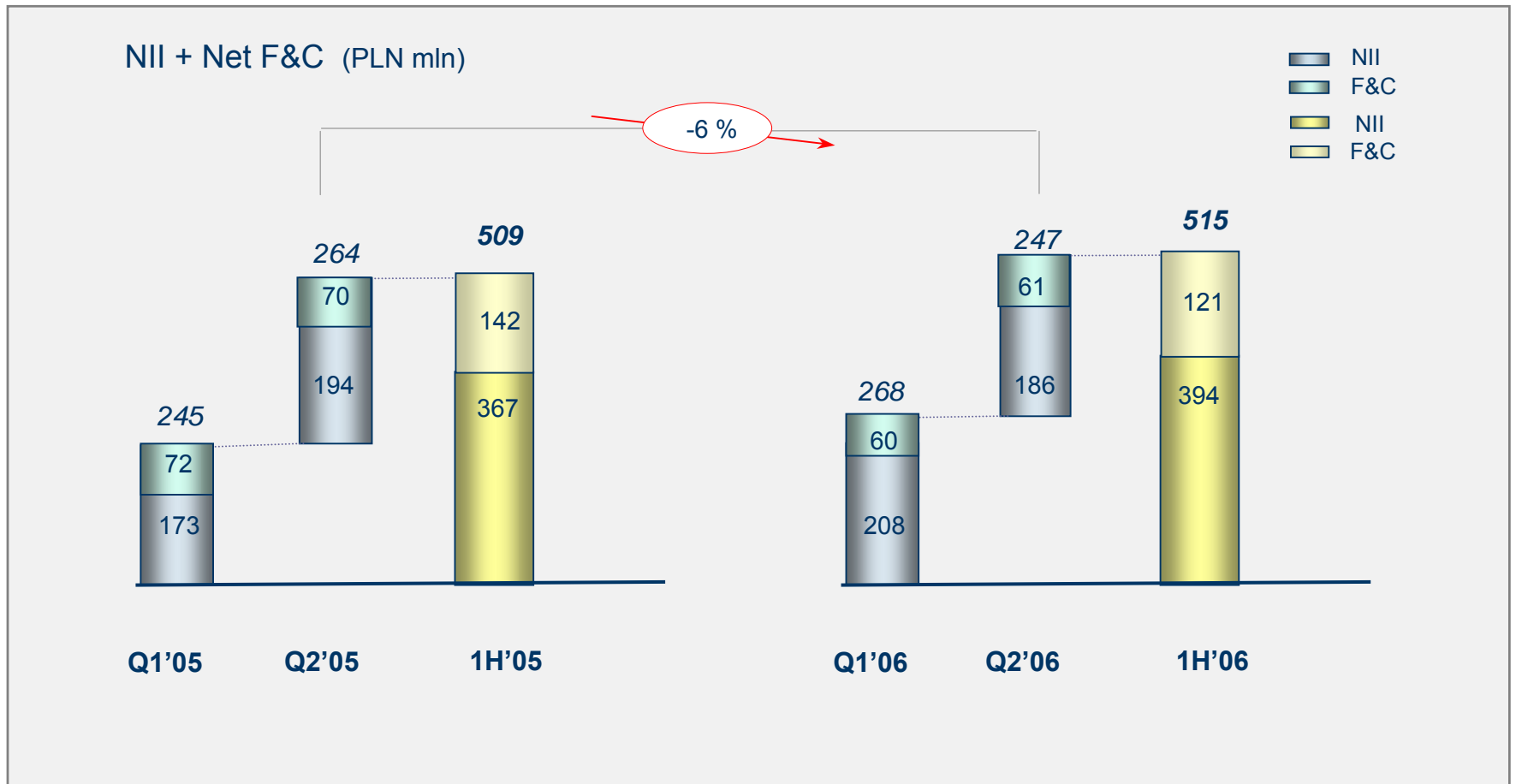
CIR (quarterly)



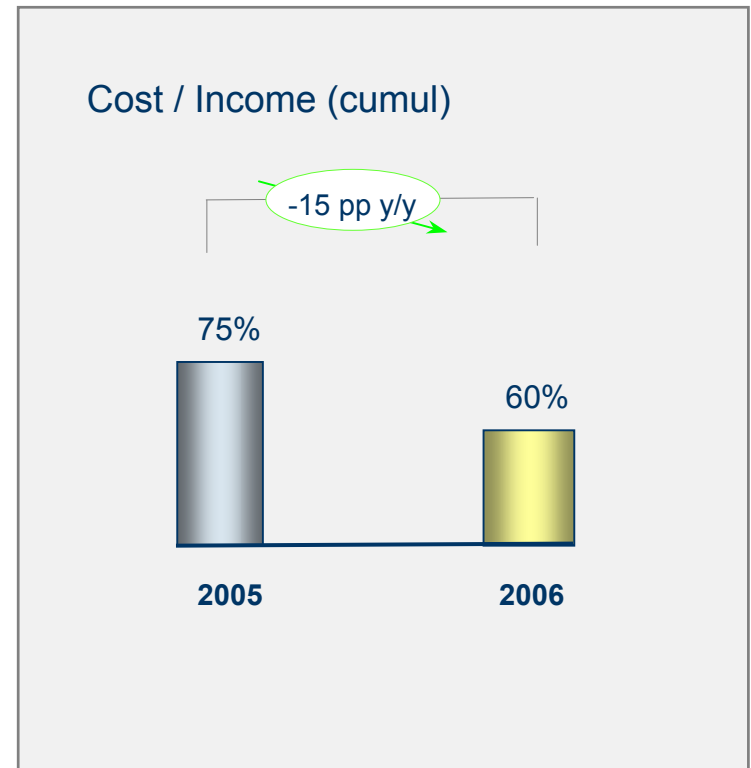
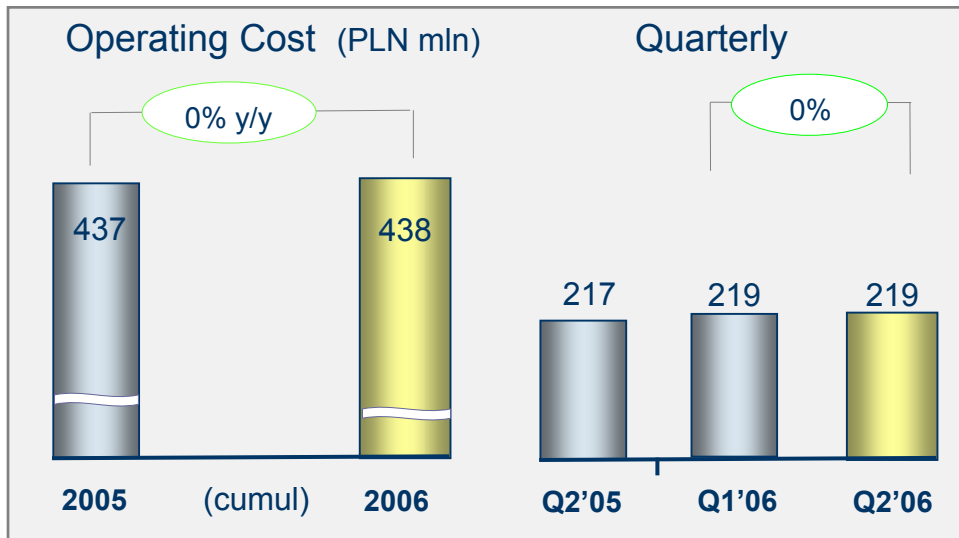
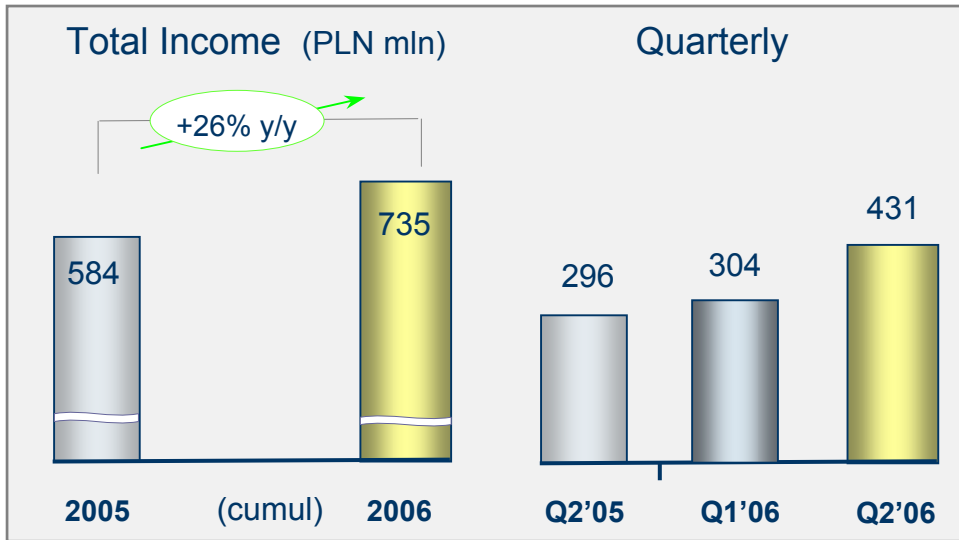
NPL ratio



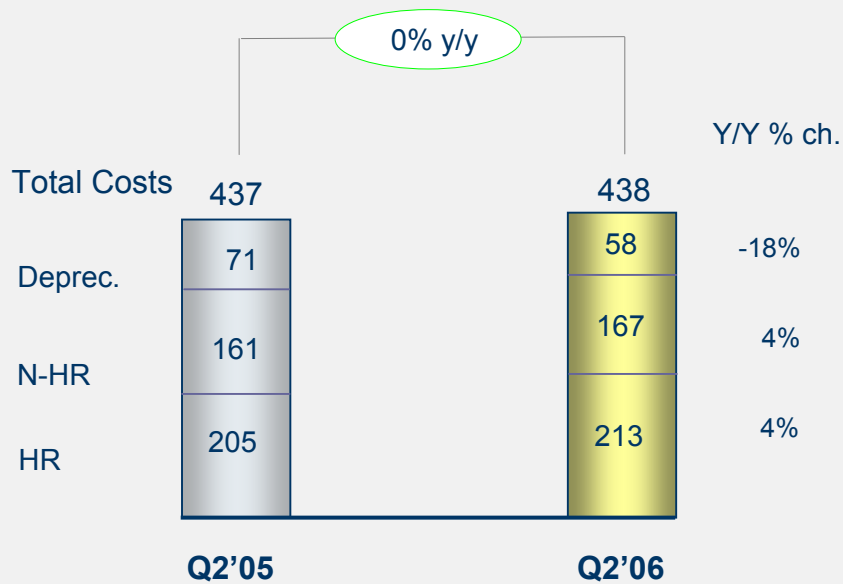
PERFORMANCE OF NET INTEREST AND COMMISSIONS



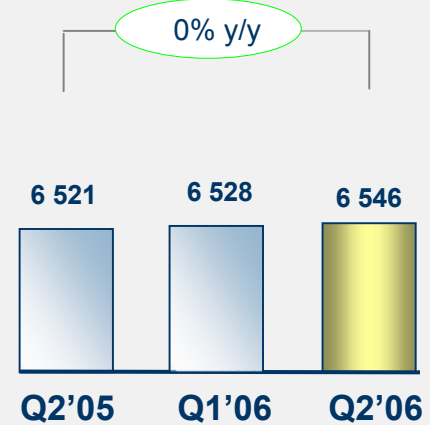
OPERATING RESULT



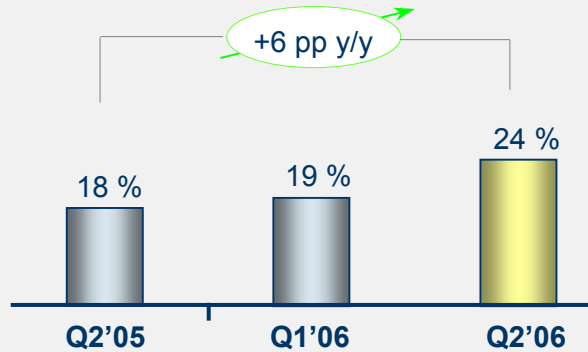
Operating Costs (PLN mln)



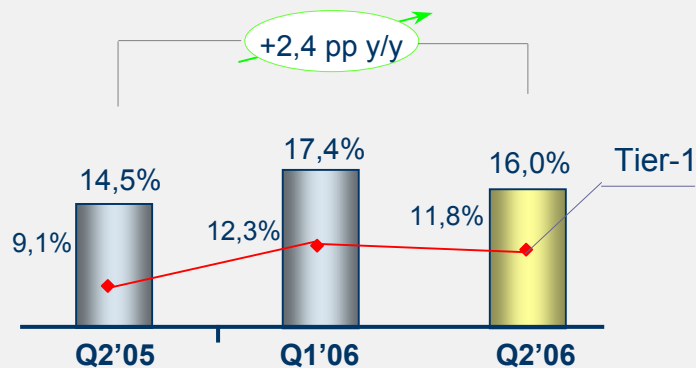
Staff (FTE - Group)



ROE - quarterly

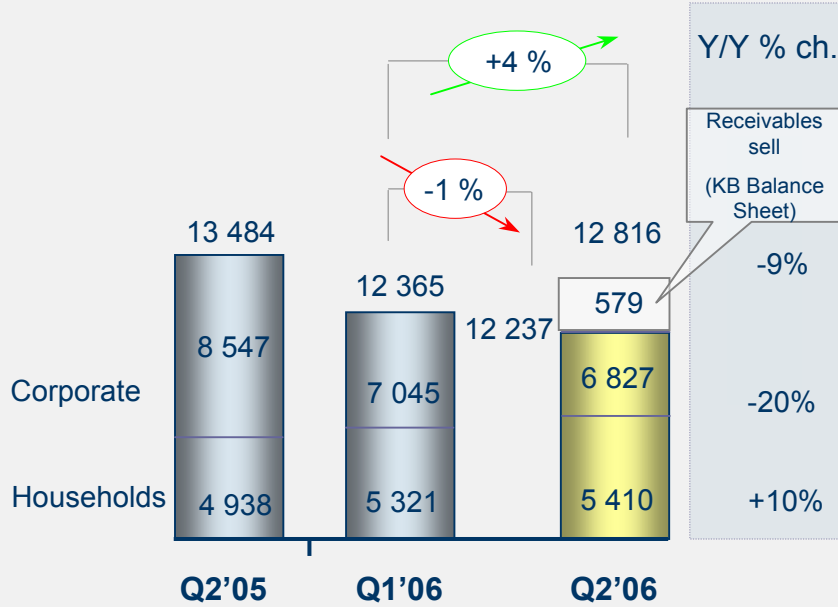


Capital Adequacy Ratio



- Successive increase of ROE in Q2'06 due to positive impact of bad receivables sell transaction.
- Slightly lower CAR against Q1'06 stems from boost in risk weighted assets volume following stronger lending activity (net value of loans).

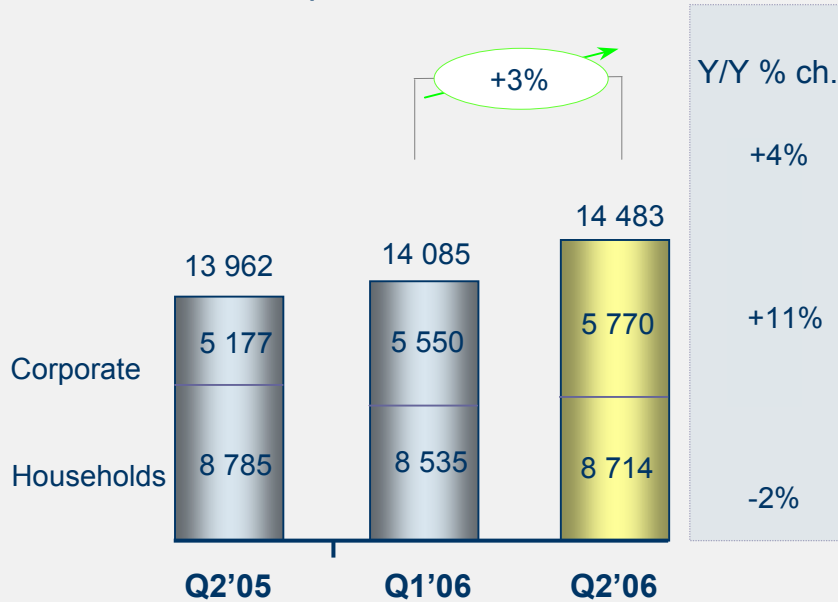
Total Customer Loans¹ (PLN mln)



KB market share

	Q2'05	Q1'06	Q2'06
Total Loans	4,9%	4,1%	3,8%
Households Loans	4,0%	3,7%	3,4%
Corporate Loans	5,5%	4,4%	4,2%

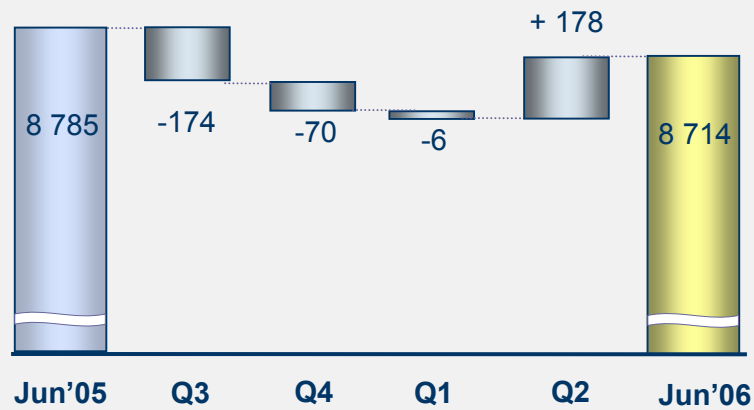
Total Customer Deposits¹ (PLN mln)



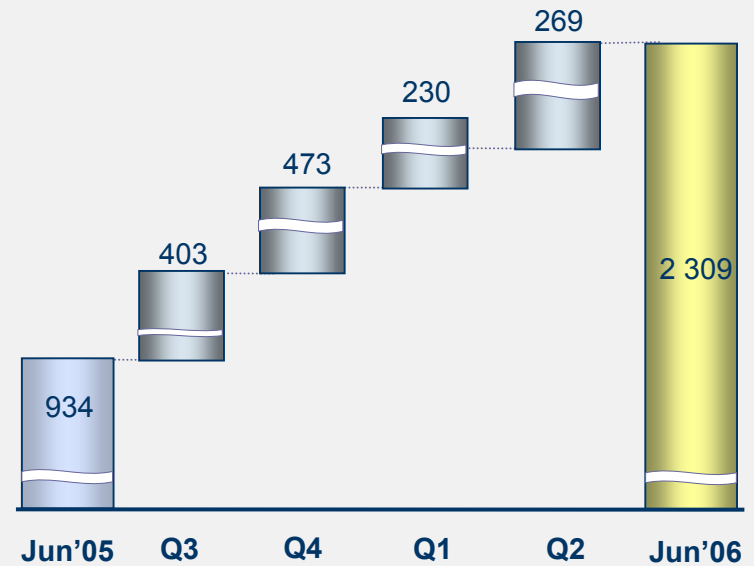
KB market share

	Q2'05	Q1'06	Q2'06
Total Deposits	3,9%	3,7%	3,7%
Households Deposits	4,1%	3,8%	3,9%
Corporate Deposits	3,6%	3,5%	3,4%

Households Deposits quart. Volume ch. (PLN mln)

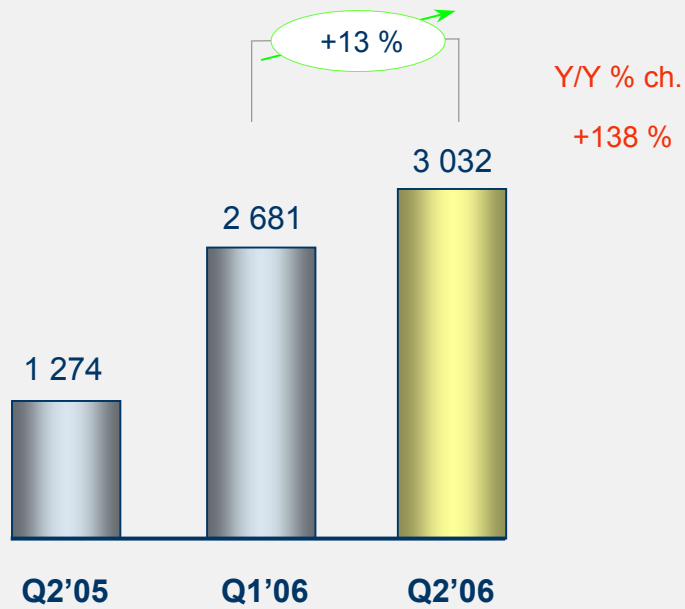


Mutuals quart. Volume ch.¹ (PLN mln)



¹ conc. portion of funds collected through KB network

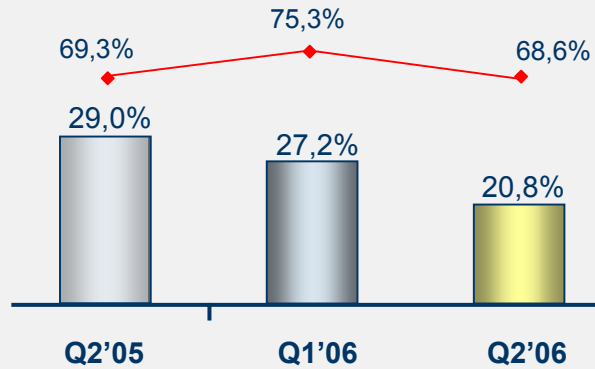
AUM volume¹ (PLN mln)



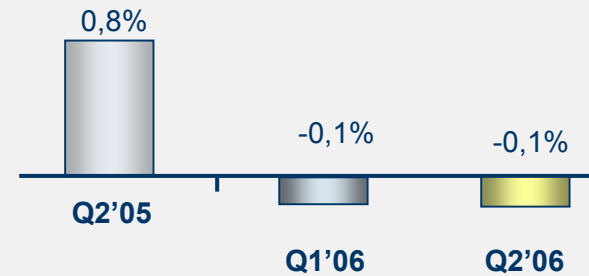
KB market share

	Q2'05	Q1'06	Q2'06
Investment funds	2,8%	3,7%	3,9%

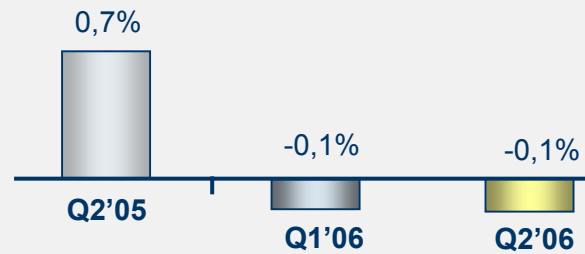
NPL ratio¹; Coverage ratio



Impairment² / ARWA



Cost of Risk²



¹ on customer's portfolio basis, w/o banks

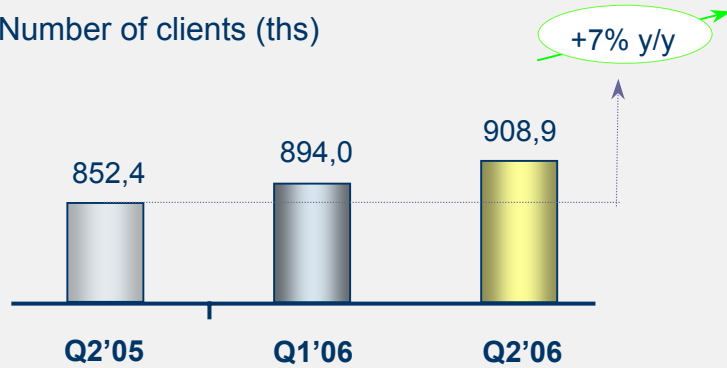
² on cumulated basis

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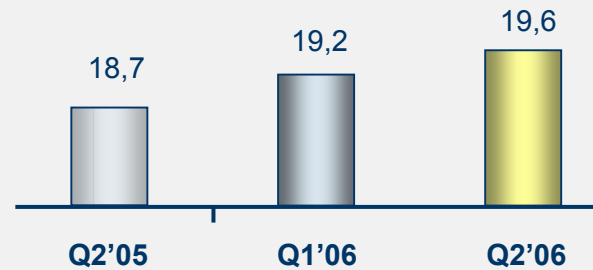
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RETAIL – QUANTITY PARAMETERS (1)

Number of clients (ths)



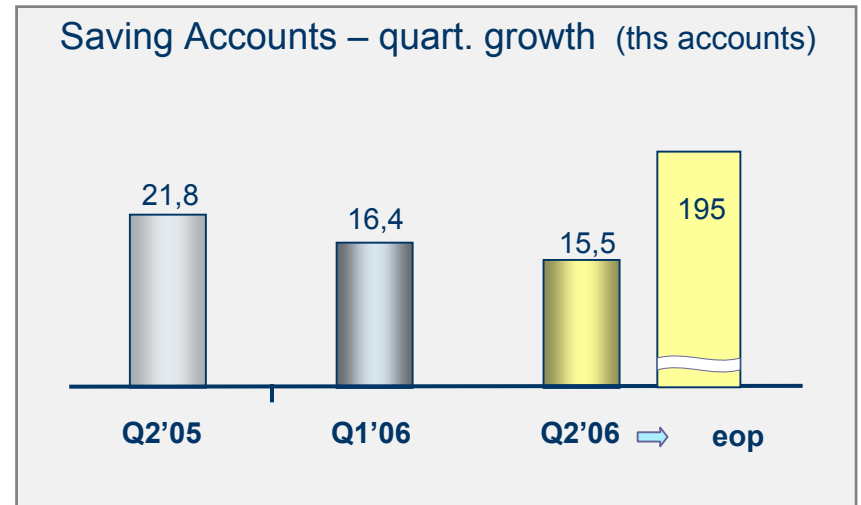
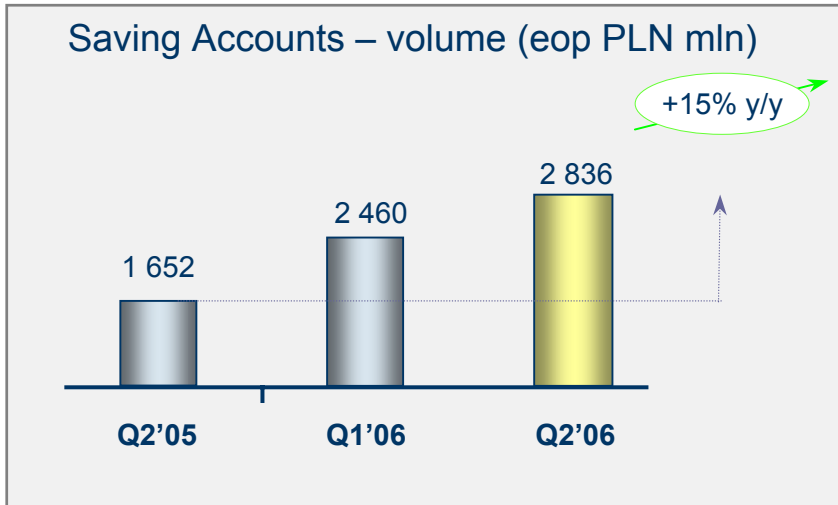
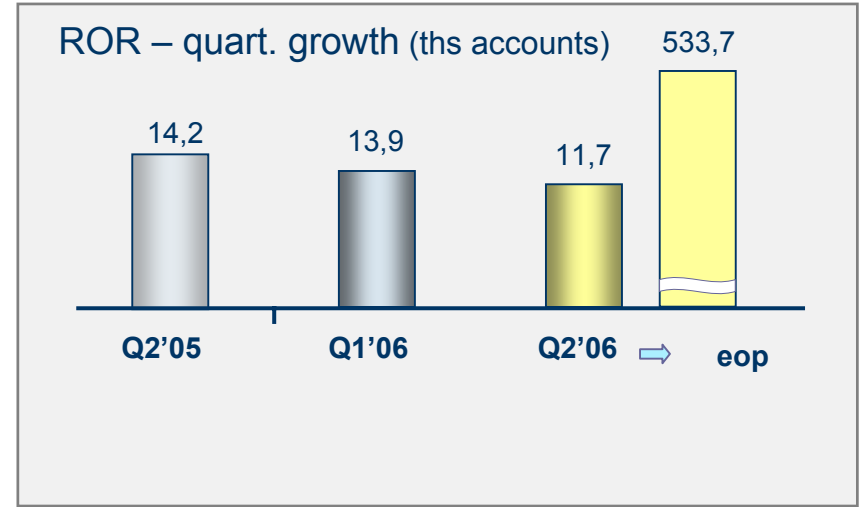
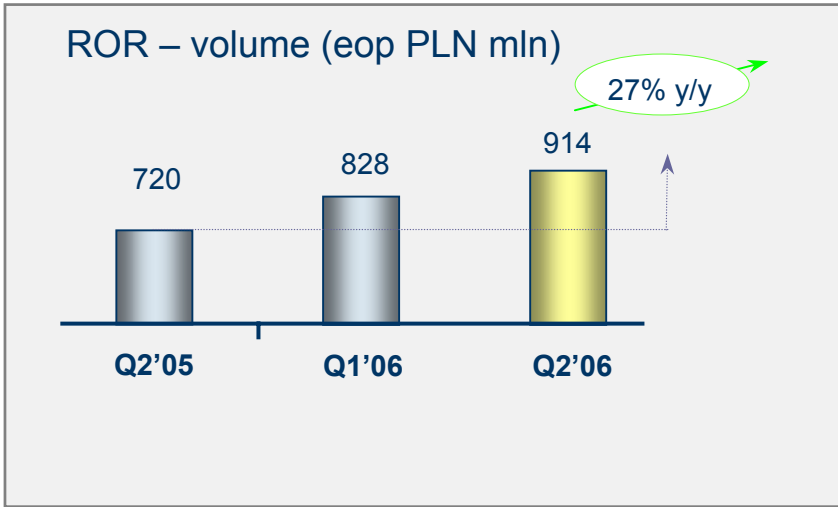
Customer Business per Client (ths PLN)



Client number change

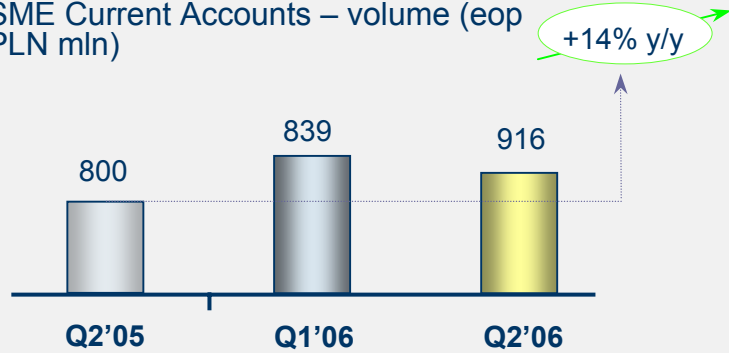
	Q2'06/ Q1'06	Q2'06/ Q2'05
Mass	+13 435	+49 607
Affluent	+76	+56
Private Banking	+26	+118
SME	+1 335	+6 726

RETAIL – QUANTITY PARAMETERS (2)

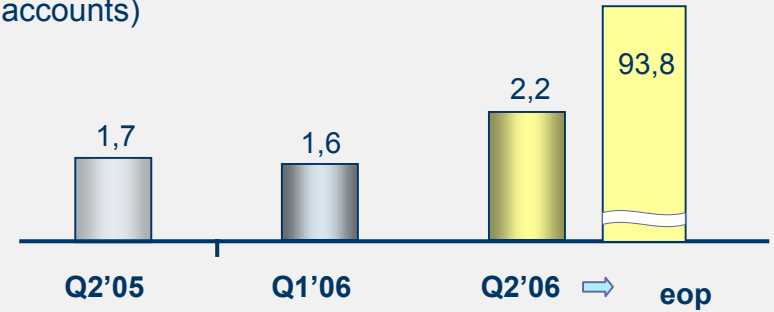


RETAIL – QUANTITY PARAMETERS (3)

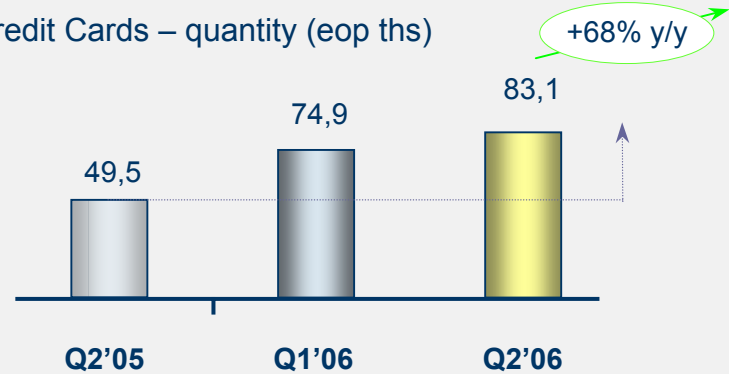
SME Current Accounts – volume (eop PLN mln)



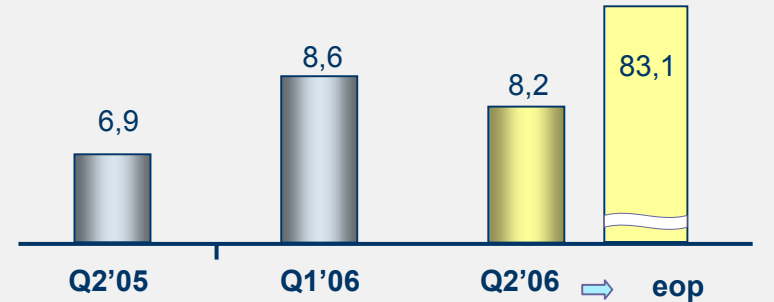
SME Current Accounts – quart. growth (ths accounts)



Credit Cards – quantity (eop ths)



Credit Cards – quart. growth (ths)



Housing Loans (eop PLN mln)

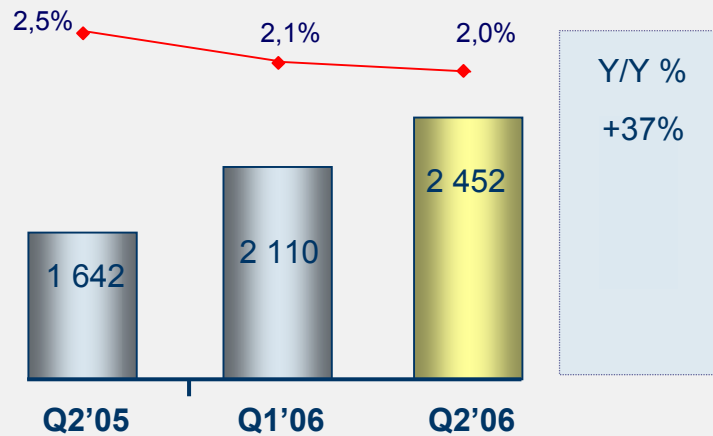


KB market share

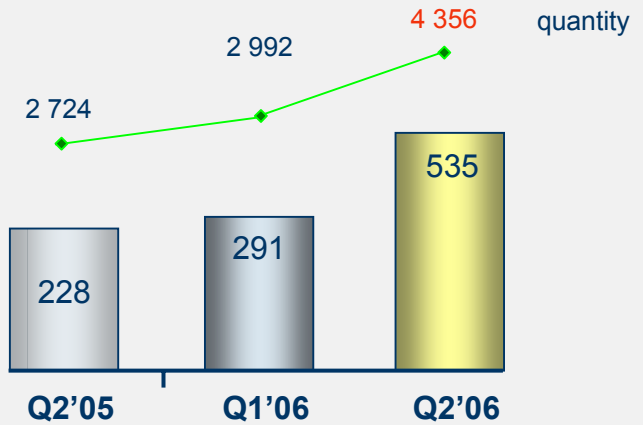
	Q2'05	Q1'06	Q2'06
Total Loans	4,2%	4,0%	4,0%
PLN	5,1%	4,7%	4,8%
FC	3,5%	3,6%	3,6%

RETAIL – PERFORMANCE (2)

Housing Loans - performing¹ – (PLN m); margins



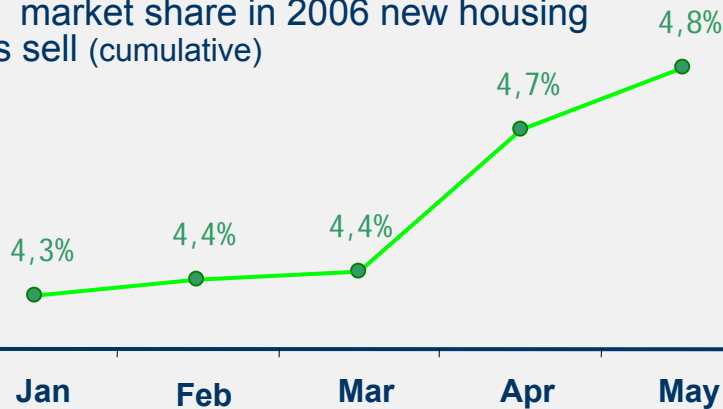
Housing Loans – quart. sell (PLN mln)



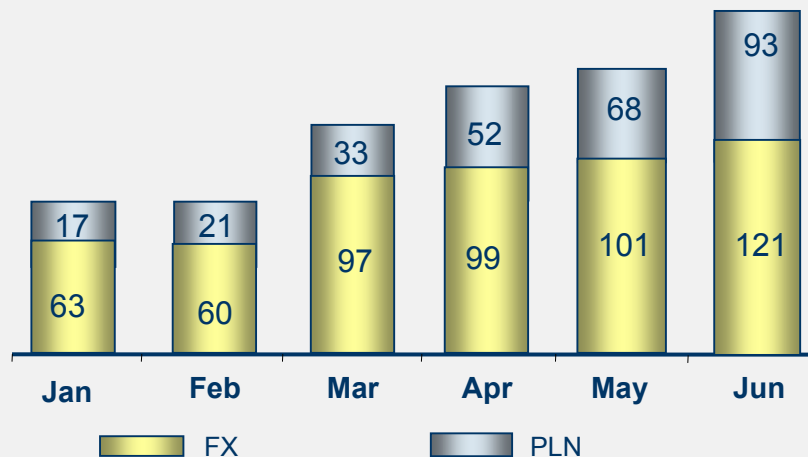
¹ according to NBP standards



KB's market share in 2006 new housing loans sell (cumulative)



KB's housing loans monthly sell in 2006 r (PLN mln)



Sam widzisz, że nie ma się czego bać

• bezpłatne ubezpieczenie na życie

• w ciągu każdego roku 1 miesiąc wakacji od spłaty kredytu

• kredyt w kilka osób i to mieszkaniowych

• przykładowa rata: 540 zł (kredyt 300 tys. zł w PLN na 30 lat)

*UFP BEZ
SLUBY*

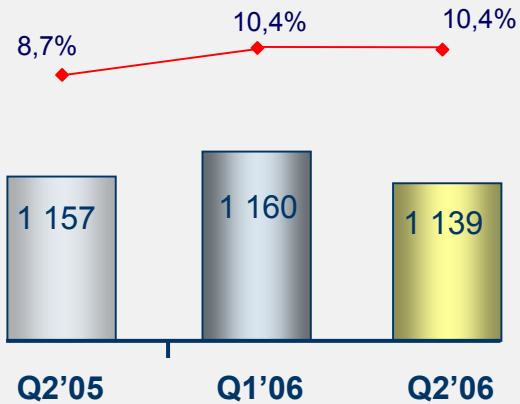
*MOJA RATA
540 zł*

www.kredybank.pl | infolinia: 0 800 300 300

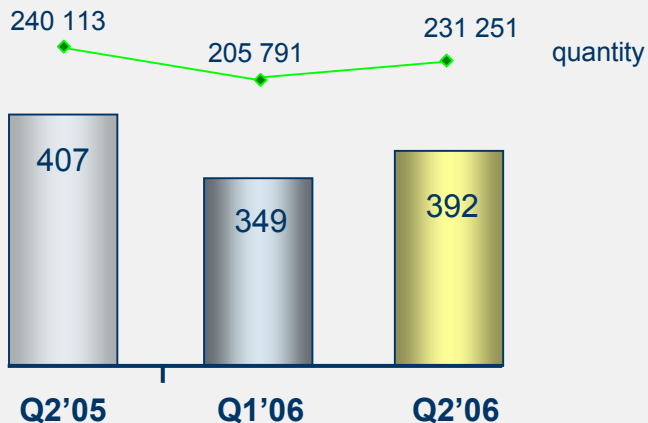
- In I H 2006 KB sold over 7.3 ths housing loans, worth at PLN 826 m (154% jump Y/Y);
- Bank's share in volume of new housing loans sold increased (from 4,3% in Jan '06 to 4,8% in May' 06);
- In the portfolio structure FX loans still predominate (CHF mainly), but currently 43% lending is in PLN (vs 22% w Dec '05);
- Average volume of each new loan is above PLN130 ths.

RETAIL - PERFORMACNE (3)

Żagiel Loans¹ – Consumer lending (PLN mln); margins



Żagiel – quart. sell (PLN mln)

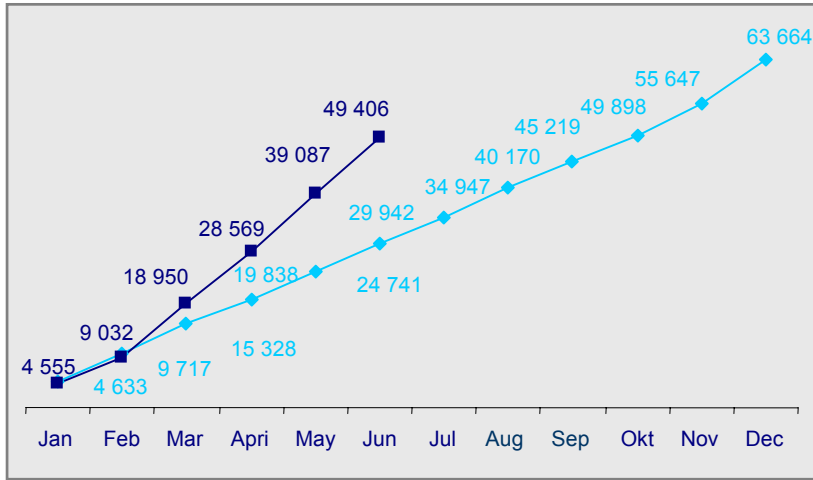


Improvement in quart. sale after temporary difficulties arising from insolvency of one of Żagiel's distributor.

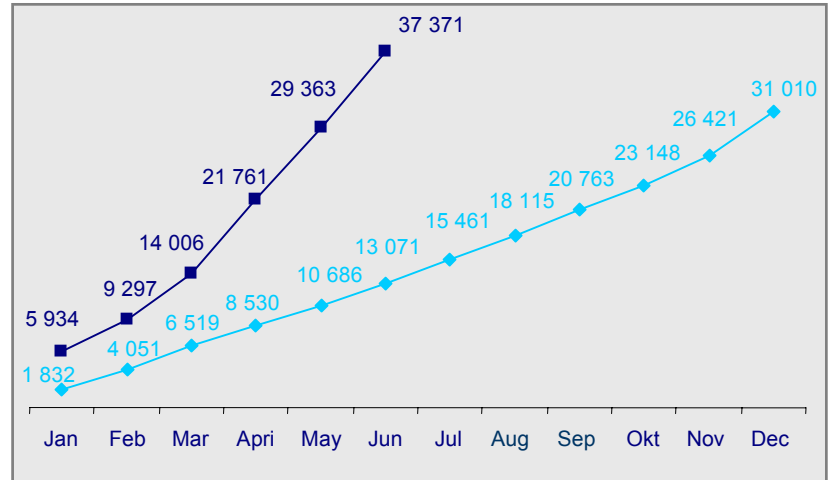
¹ normal according to NBP standards

BANCASSURANCE – PRODUCT LINES (PLN ths)

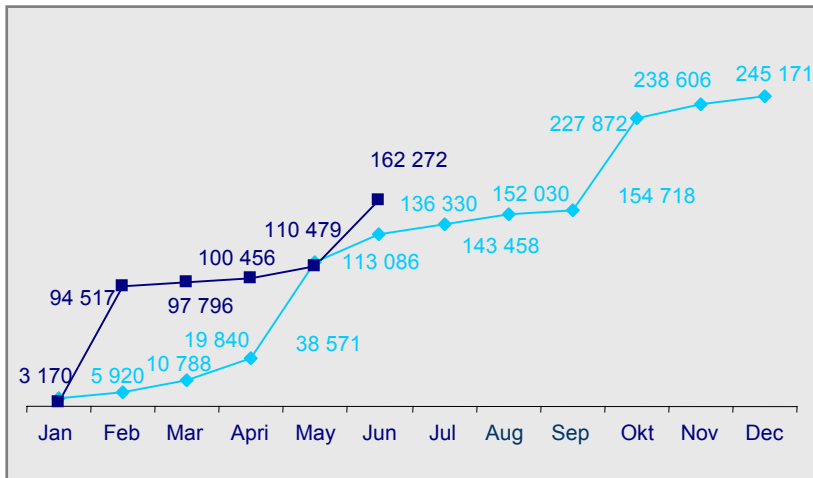
Linked insurance – premium written)



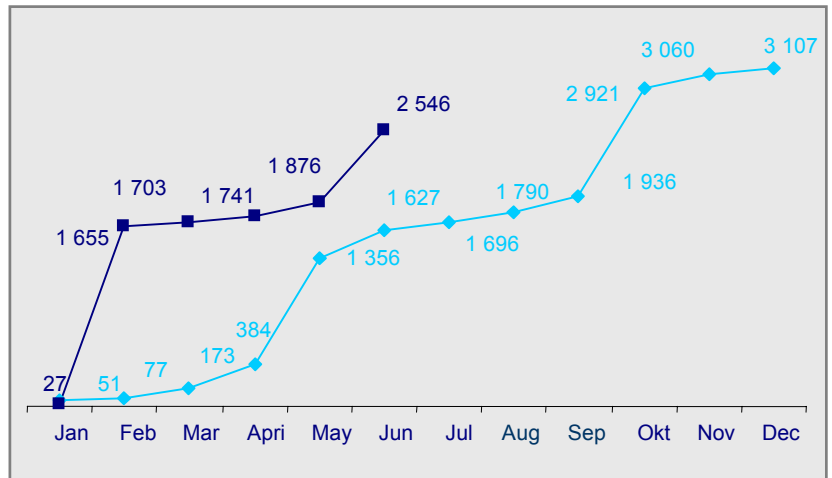
Linked insurance – income



Saving & Investment products – premium written



Saving & Investment products - income

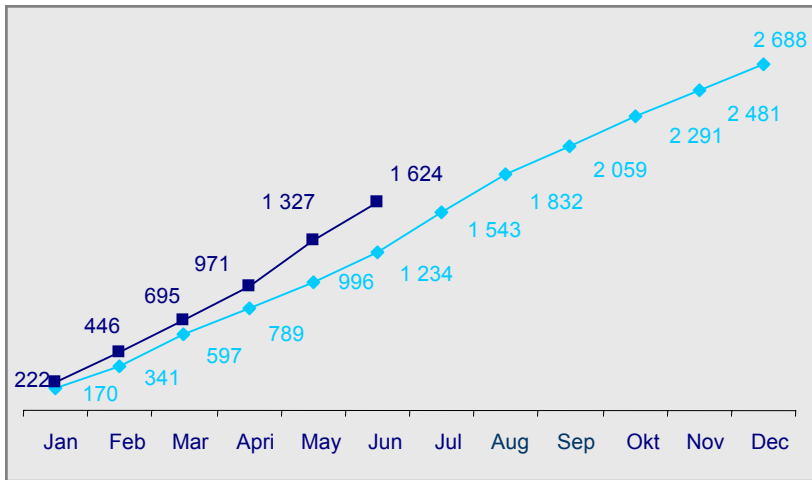


◆ 2006 ◆ 2005

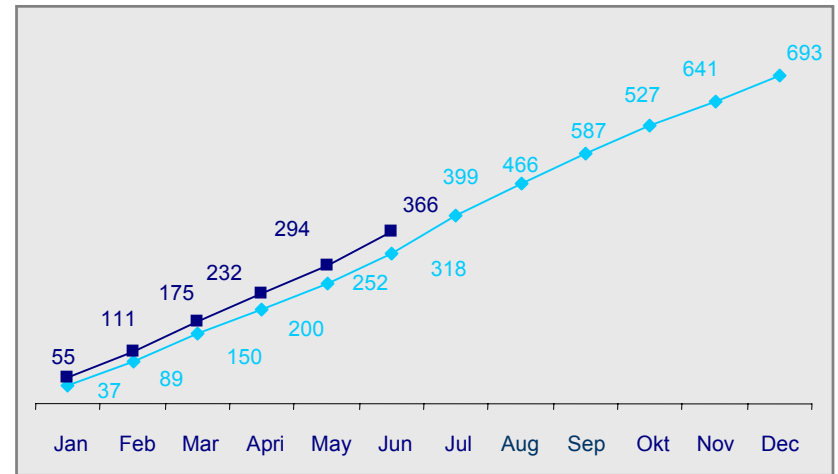
Source: KB MIS

BANCASSURANCE – PRODUCT LINES 2 (PLN ths)

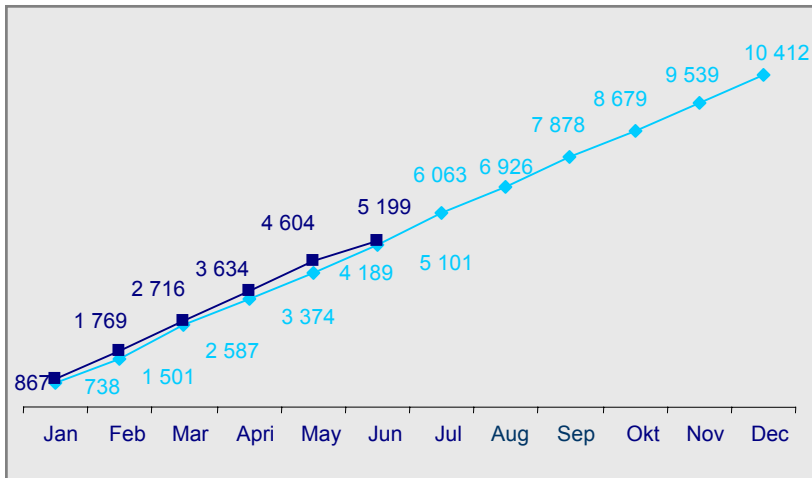
Stand alone products – premium written



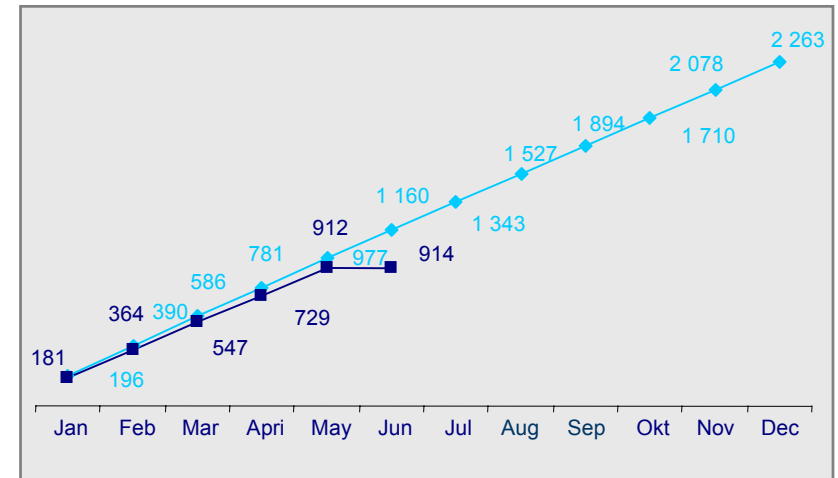
Stand alone products – income



Plugged – in insurance – premium written



Plugged – in insurance – income



◆ 2006 ◆ 2005

Source: KB MIS

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ASSETS

<i>(PLN m.)</i>	2Q'06 - eop	2Q'05 - eop	change
Cash and balances with Central Bank	1 370	875	57%
Amounts due from banks and financial assets at fair value	2 541	3 632	-30%
Loans to customers	10 423	10 834	-4%
Investments in securities	6 145	4 595	34%
Tangible fixed and intangible assets	456	548	-17%
Other assets	329	235	40%
Total Assets	21 264	20 719	3%

LIABILITIES AND FUNDS

<i>(PLN m.)</i>	2Q'06 - eop	2Q'05 - eop	change
Amounts due to banks and held-for-trading financial liabilities	3 080	2 826	9%
Amounts due to customers	14 571	14 237	2%
Debt securities issued	804	1 180	-32%
Total equity attributable to the Bank's shareholders (current net profit incl.)	1 892	1 516	25%
Subordinated liabilities	445	613	-27%
Other liabilities	472	347	36%
Total Equity and Liabilities	21 264	20 719	3%

INCOME STATEMENT

<i>(PLN mln)</i>	Q2'06	Q2'05	Q/Q ch
Net interest income	186	194	-4%
Net fee and commission income	62	70	-12%
Dividend, net trading income, profit (loss) from investment activities	37	30	24%
Result on the receivables portfolio sell	145	-	
Other operating income and expenses	1	2	-50%
Total income	431	296	46%
General and administrative expenses	219	217	
Operating profit¹	212	79	168%
Net impairment charges for financial assets, other assets and provisions	-5	21	-
Share of profit of associates	0	0	-
Profit before tax	208	100	108%
Income tax	0	39	
Net profit	208	139	50%

¹ Total income minus General and administrative expenses