



Razem
możemy
więcej



KB GROUP FINANCIAL RESULTS FOR III Q 2006

Warsaw, 26 October, 2006

AGENDA

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

	IX 2006 cumul.	ch. Y/Y	Q3'06	Q3'05	ch. Q/Q
Net Profit (PLN mln)	387	19%	90	92	-2%
ROE¹	25%	+1 pp	14%	16%	-2 pp
Cost/Income	64%	-11 pp	77%	76%	+1 pp

¹ Evaluated without annualisation of one-offs' event impact



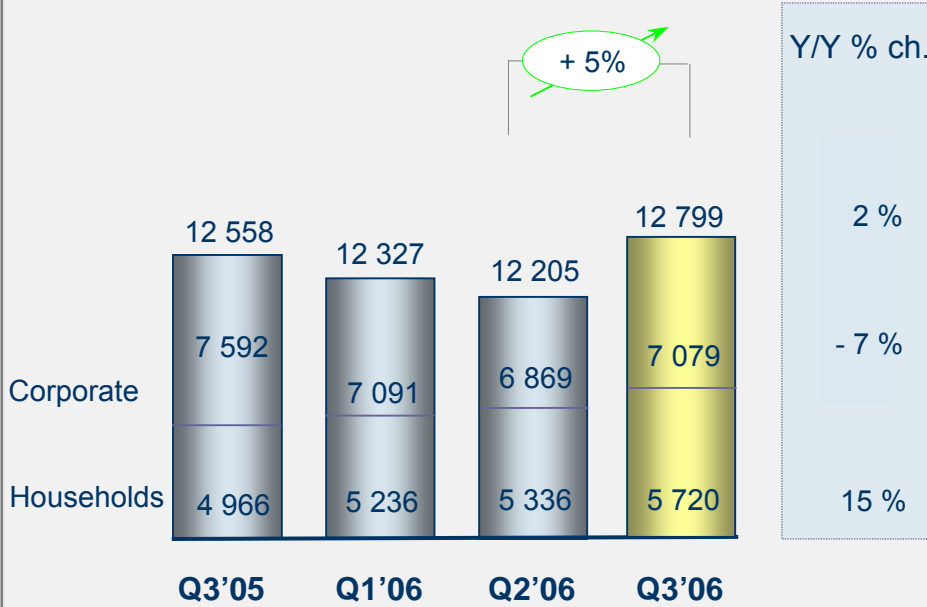
KEY FEATURES FOR Q3 2006

Net profit at **90** PLN mln and ROE at **14%** for Q3'06.

Cost/Income for 9 M 2006 at **64%** (cumulative).

The Bank's gross lending volume grew in Q3'06 by **5%** (ie. PLN 594 mln). In the same time deposits were **6%** up Q/Q (PLN 918 mln).

Total Customer Loans¹ (PLN mln)

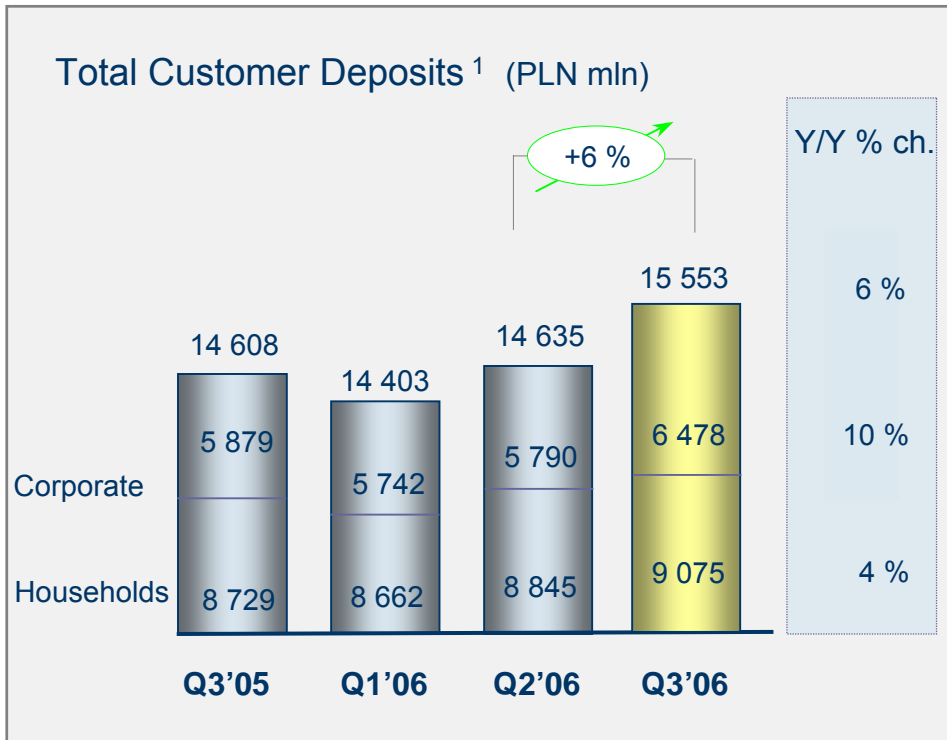


KB market share²

	Q3'05	Q2'06	Q3'06
Total Loans	4,4%	3,8%	3,8%
Households Loans	3,9%	3,4%	3,4%
Corporate Loans	4,8%	4,2%	4,2%

¹ Bank only, eop, according to NBP segmentation

² Comparable data for KB and banking sector – domestic residents only



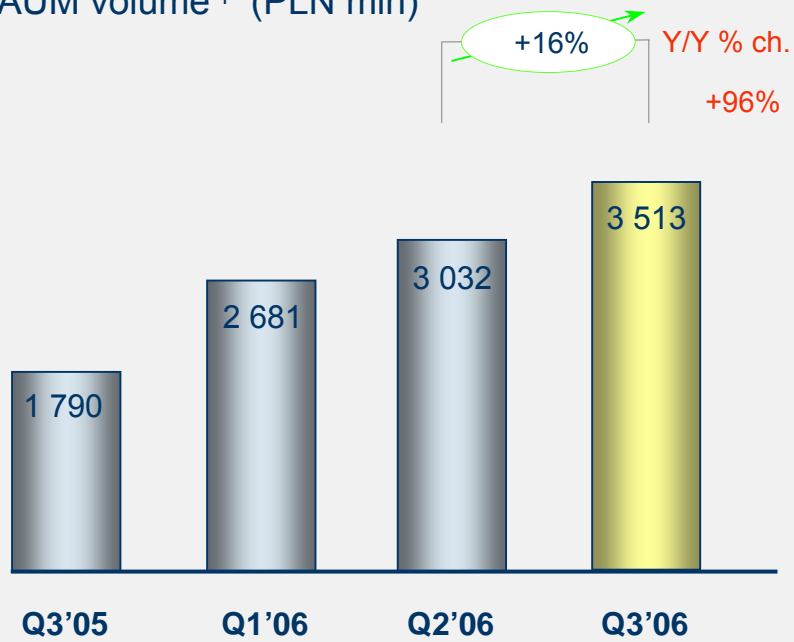
KB market share²

	Q3'05	Q2'06	Q3'06
Total Deposits	3,9%	3,7%	3,7%
Households Deposits	4,0%	3,9%	3,9%
Corporate Deposits	3,7%	3,4%	3,5%

¹ Bank only, EOP, according to NBP segmentation

² Comparable data for KB and banking sector – domestic residents only

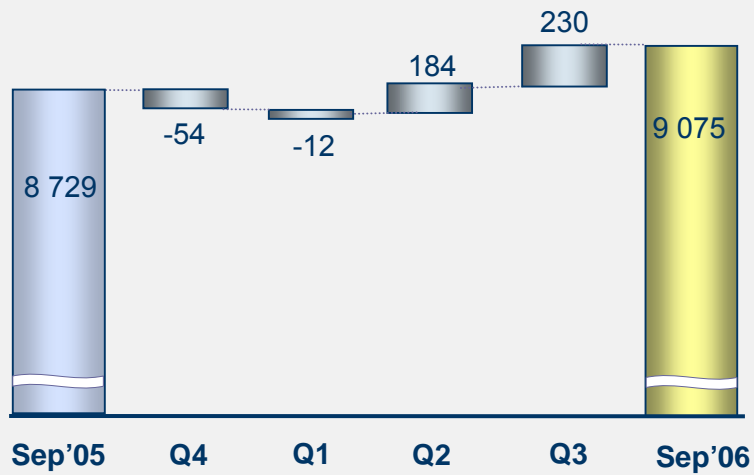
AUM volume¹ (PLN mln)



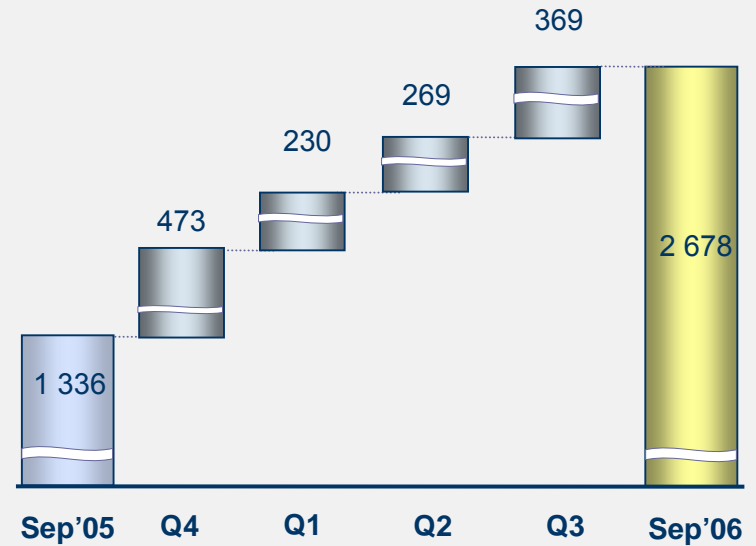
KB market share

	Q3'05	Q2'06	Q3'06
Investment funds	3,4%	3,9%	4,2%

Households Deposits quart. Volume ch. (PLN mln)

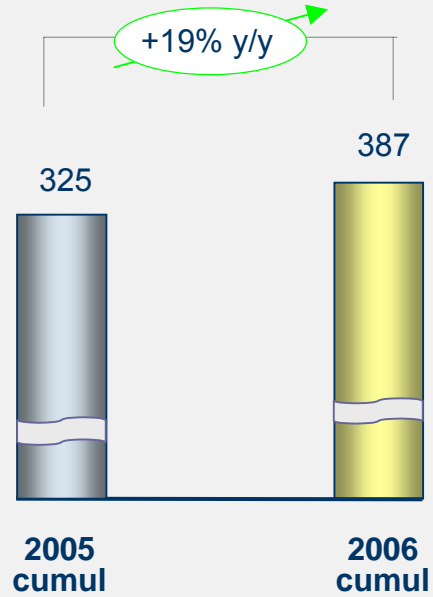


Mutuals quart. Volume ch.¹ (PLN mln)

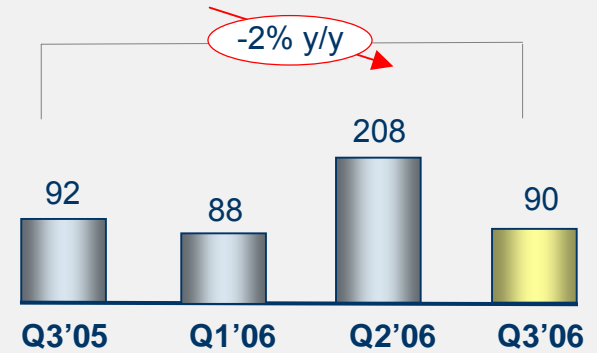


¹Concerning portion of funds collected through KB network

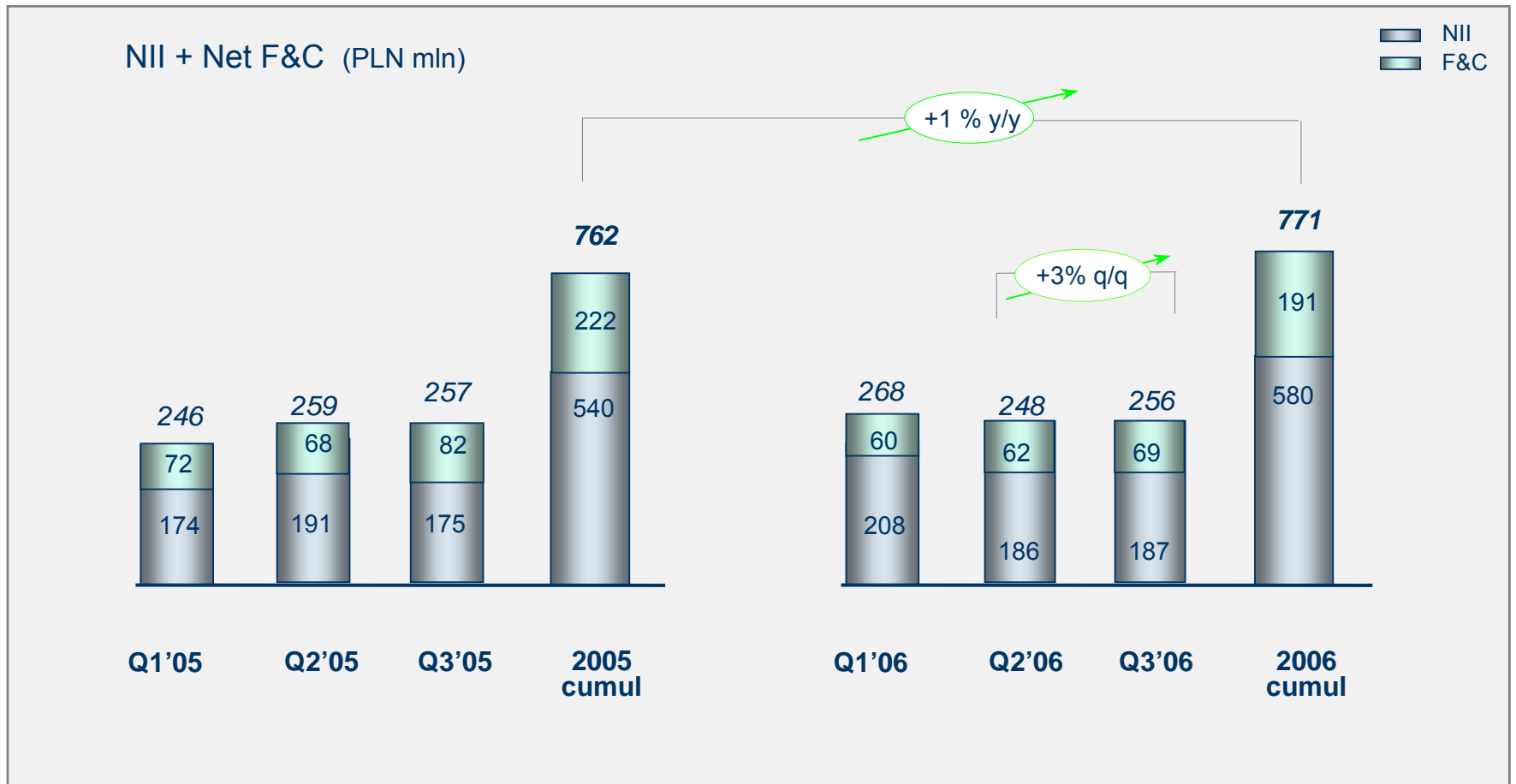
Net Profit (cumulative in PLN mln)

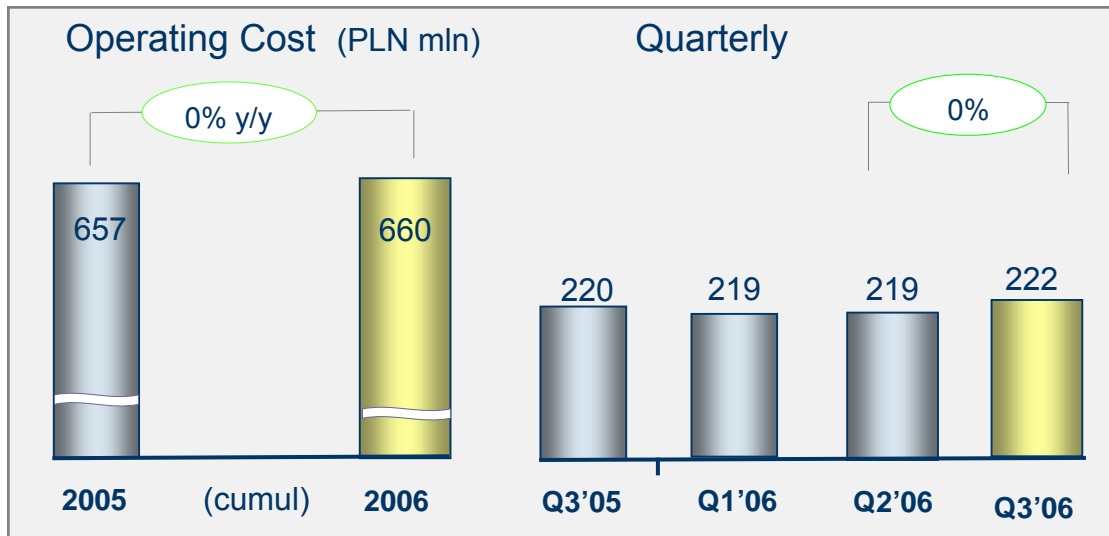
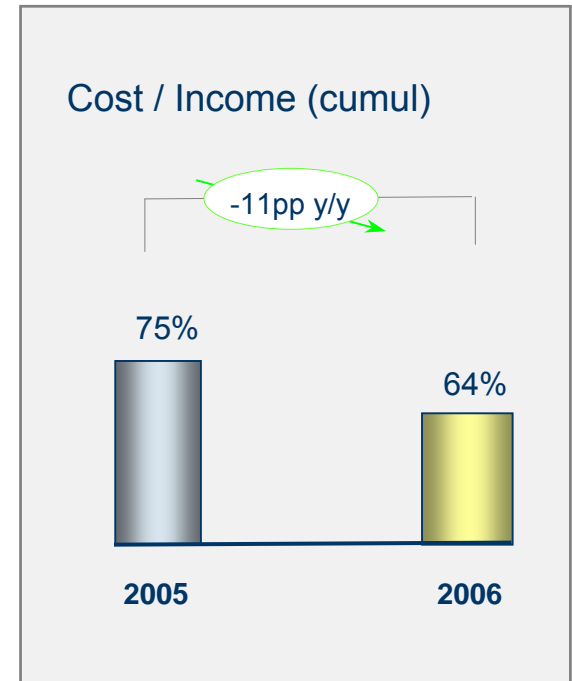
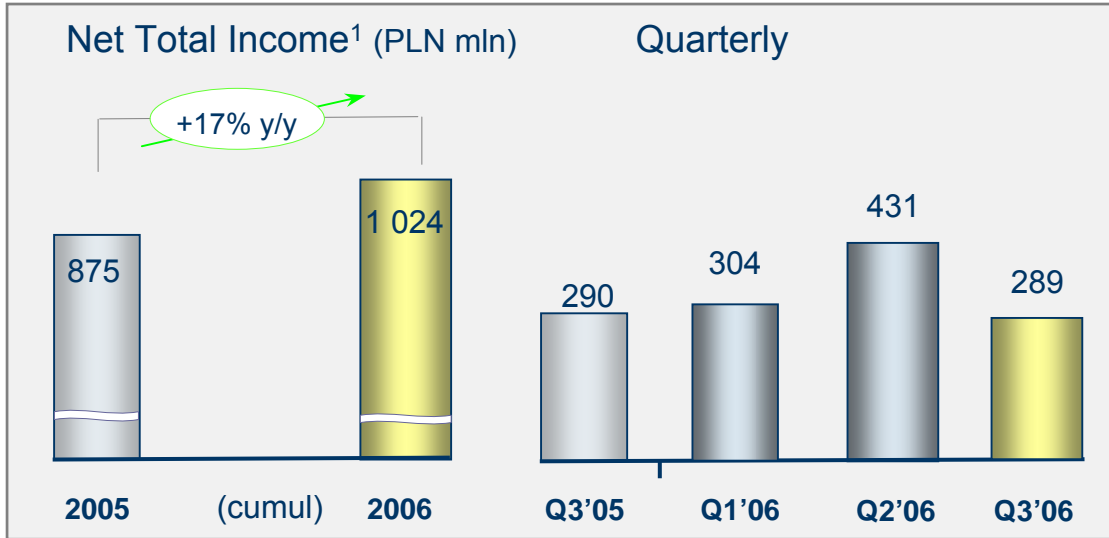


Quarterly



PERFORMANCE OF NET INTEREST AND COMMISSIONS

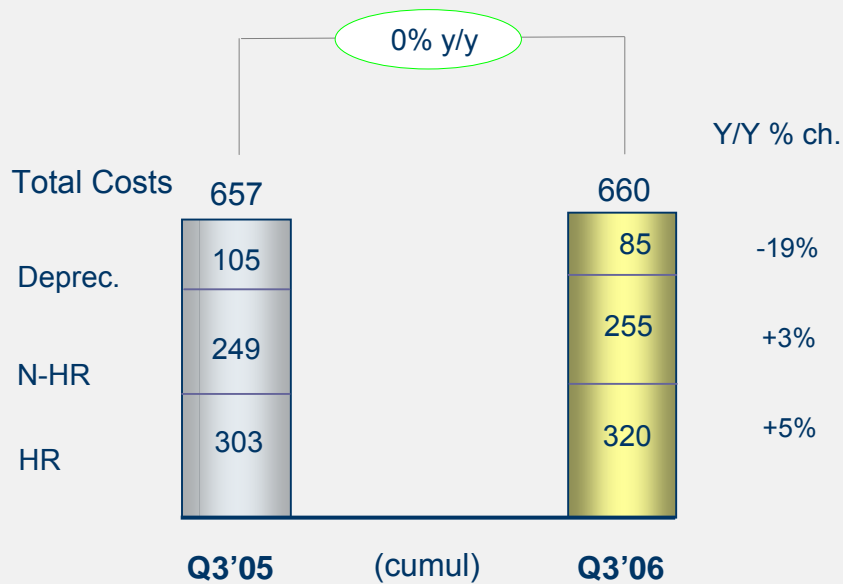




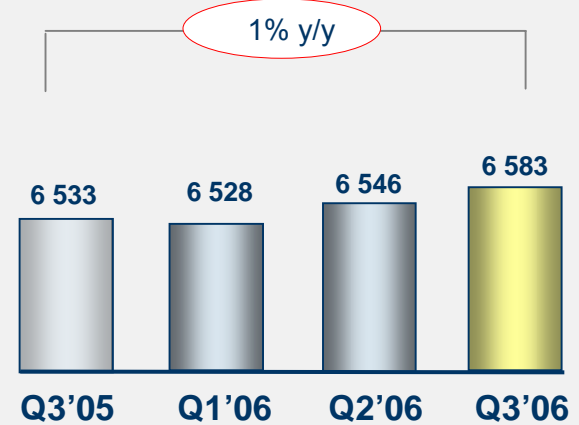
¹ Net interest income+F&C+dividend+net trading income+profit/loss from investment activities+other operating income/expenses

Source: KB Q3'06 consolidated financial statement

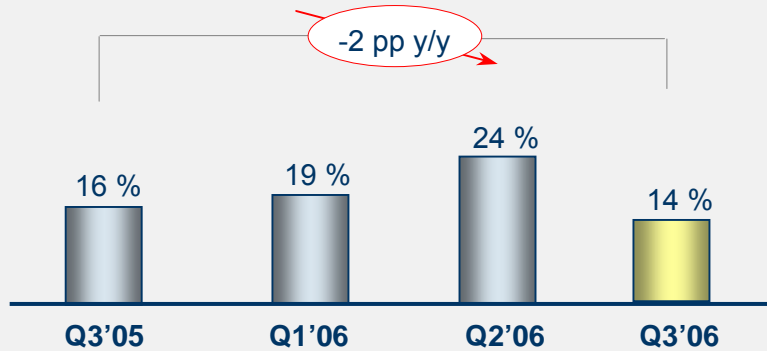
Operating Costs (PLN mln)



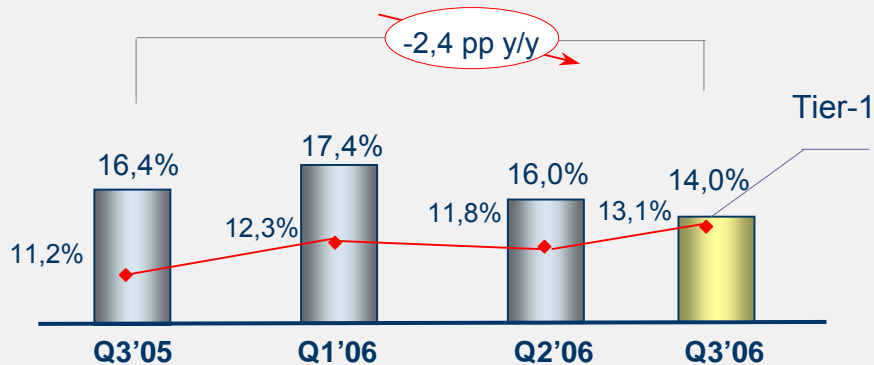
Staff (FTE - Group)



ROE – quarterly¹



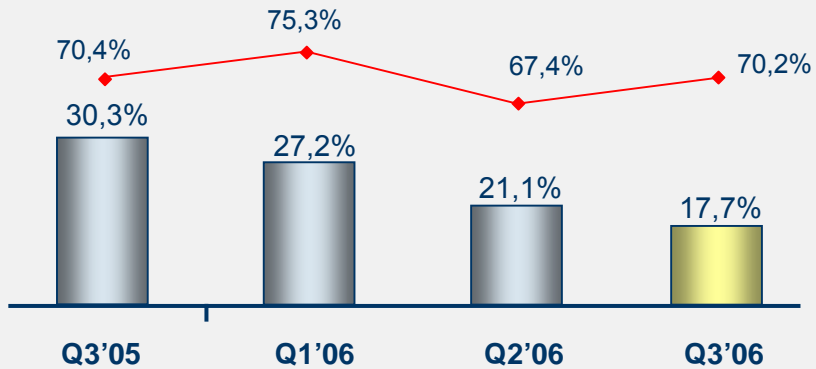
Capital Adequacy Ratio



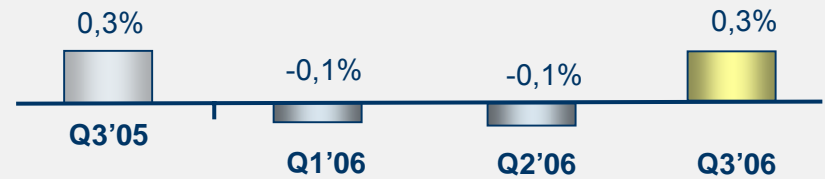
- Unlike 1Q'06 and 2Q'06 Bank's effective tax rate has steered to standard level, which has an impact on ROE (in comparison with previous periods).
- Slightly lower CAR against Q1'06 and Q2'06 stems from boost in risk weighted assets volume following stronger lending activity.

¹ Evaluated without annualisation of one-offs' event impact

Impaired Loans/ Gross Loans¹; Coverage ratio



Cost of Risk ²

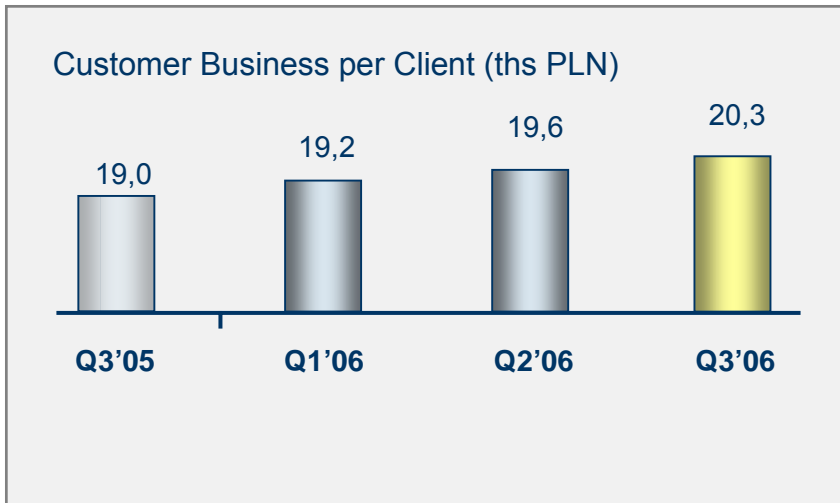


¹ On customer's portfolio basis, w/o banks

² Net Impairment/average outstanding loan amount

AGENDA

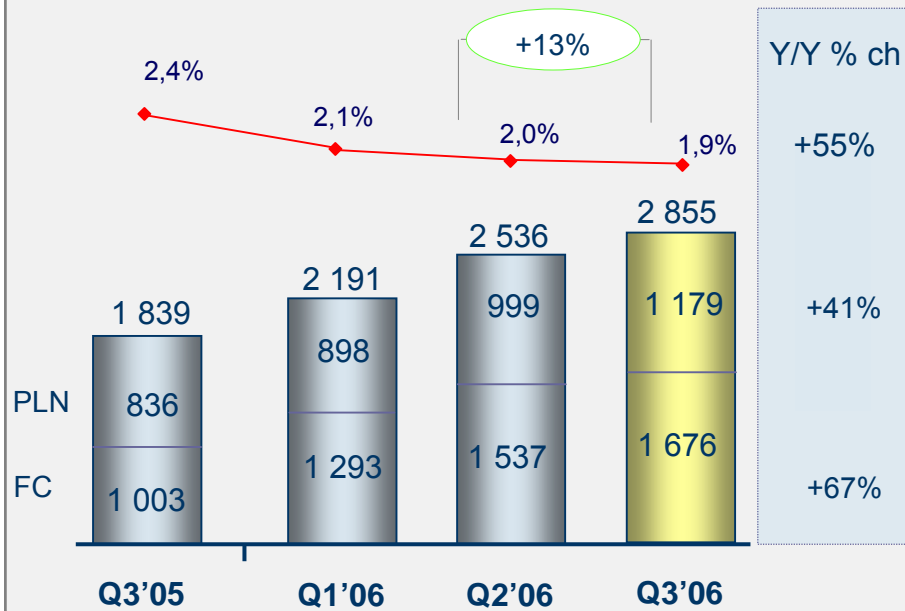
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Client number change

	Q3'06/ Q2'06	Q3'06/ Q3'05
Mass	+15 111	+53 065
Affluent	+46	+98
Private Banking	+33	+109
SME	+1 365	+6 702

Housing Loans (eop PLN mln), margin¹



KB market share²

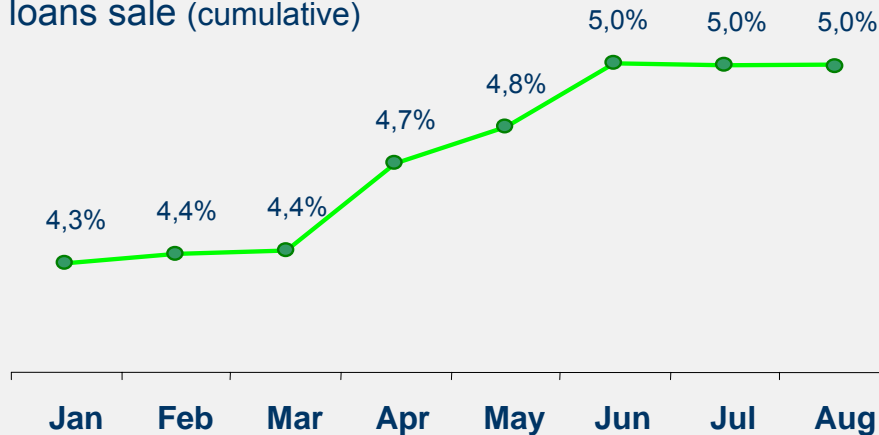
	Q3'05	Q2'06	Q3'06
Total Housing Loans	4,1%	4,0%	4,1%
PLN	4,9%	4,8%	5,0%
FC	3,6%	3,6%	3,6%

¹ Margin calculated on performing portfolio

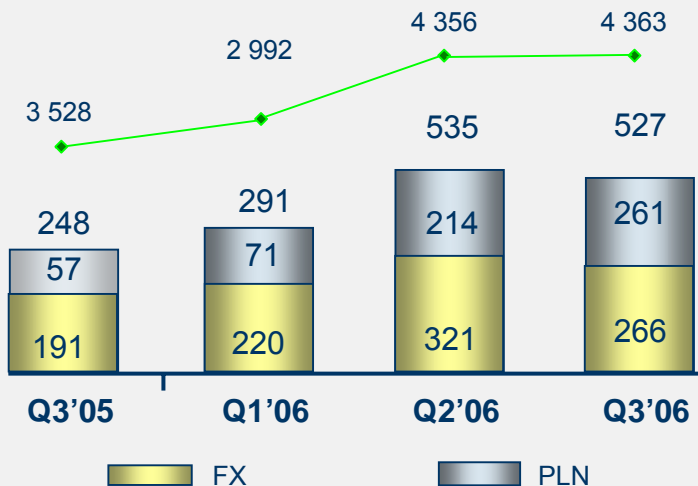
² Comparable data for KB and banking sector – domestic residents only

RETAIL DIVISION – HOUSING LENDING (2)

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

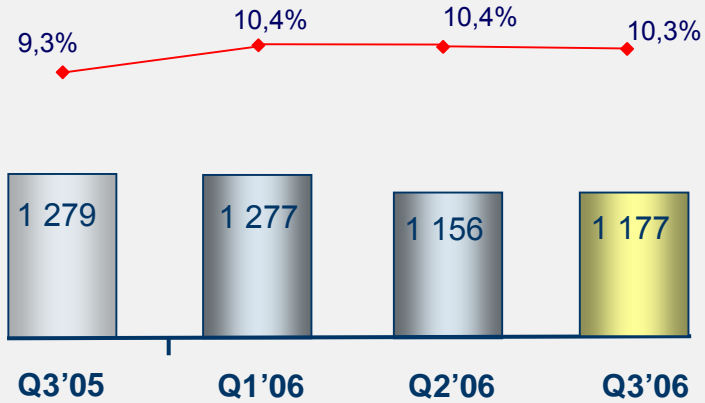


Housing Loans – quart. sale (PLN mln) quantity

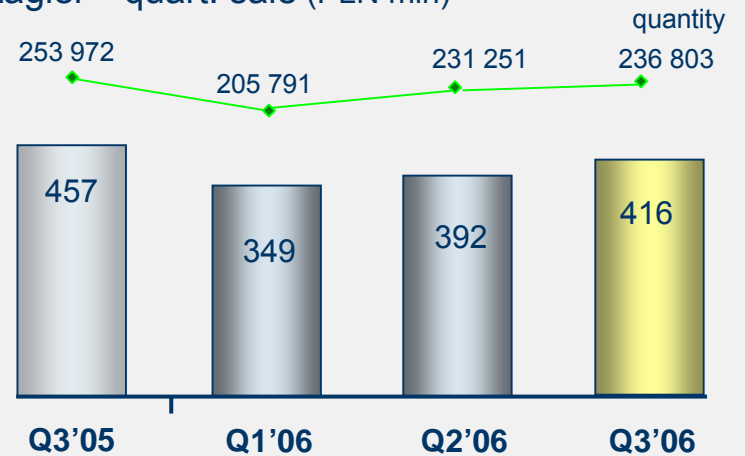


- Bank's share in volume of new housing loans sold increased (from 4,3% in Jan '06 to 5,0% in Aug' 06);
- Q3'06 new sale is characterised by more balanced currency structure in which PLN has caught up with FX

Żagiel Loans – Consumer lending (eop, PLN mln); margins¹



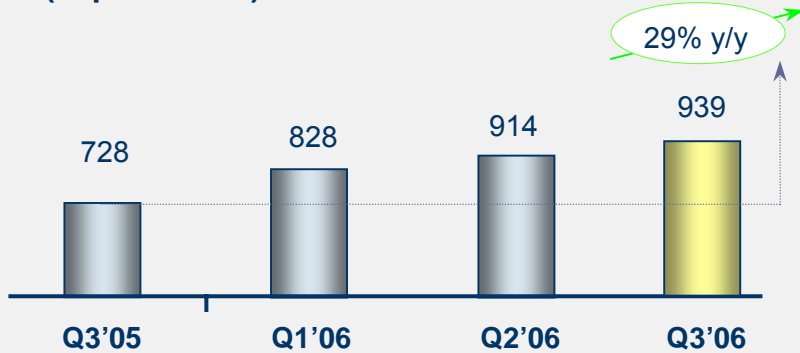
Żagiel – quart. sale (PLN mln)



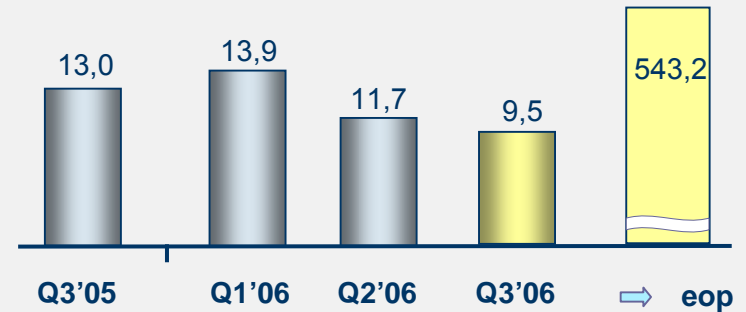
¹ Margins calculated on performing portfolio (KB only)

RETAIL – PRODUCTS (2)

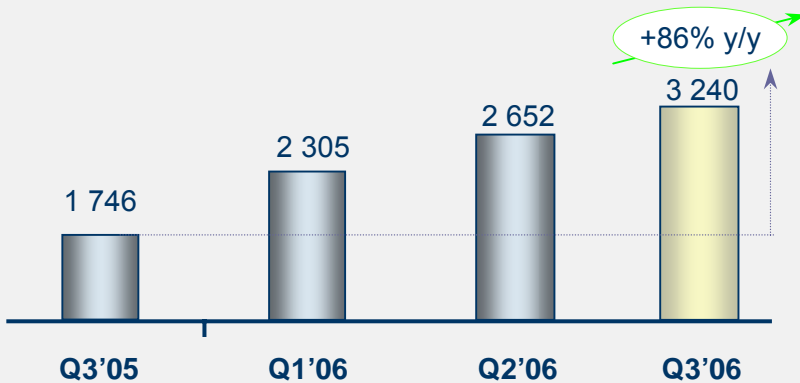
Current Accounts of individuals – volume (eop PLN mln)



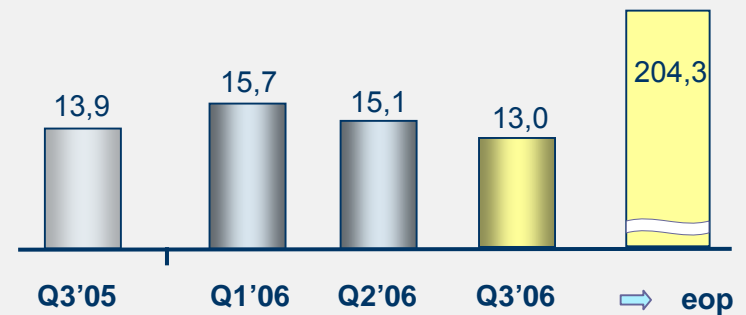
Current Accounts of individuals – quart. growth (ths accounts)



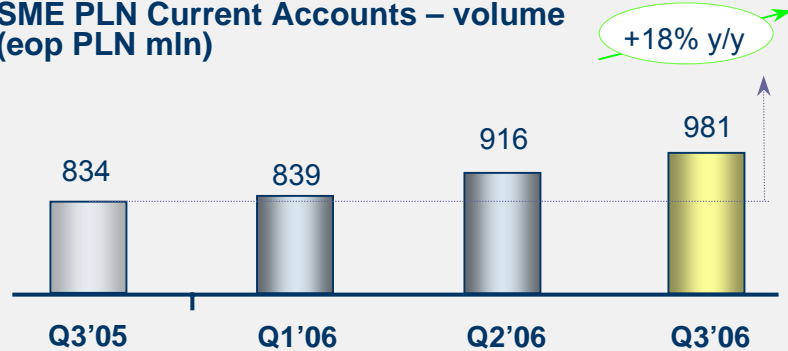
Saving Accounts – volume (eop PLN mln)



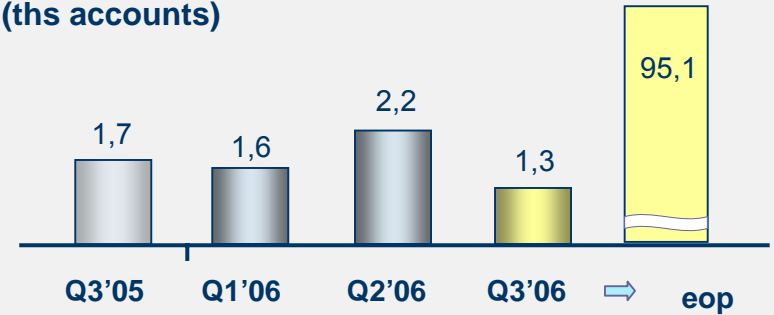
Saving Accounts of individuals – quart. growth (ths accounts)



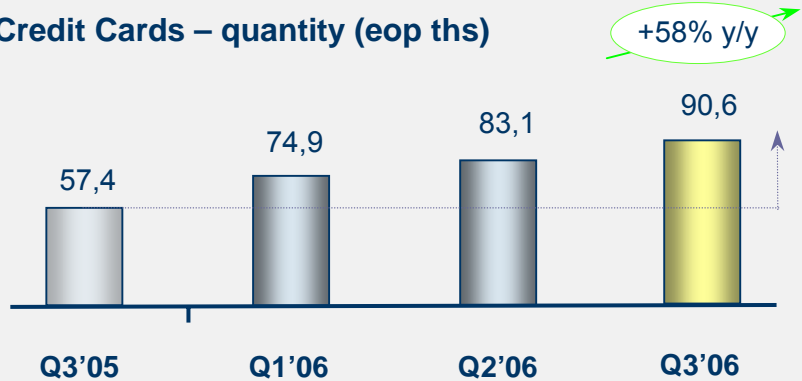
SME PLN Current Accounts – volume (eop PLN mln)



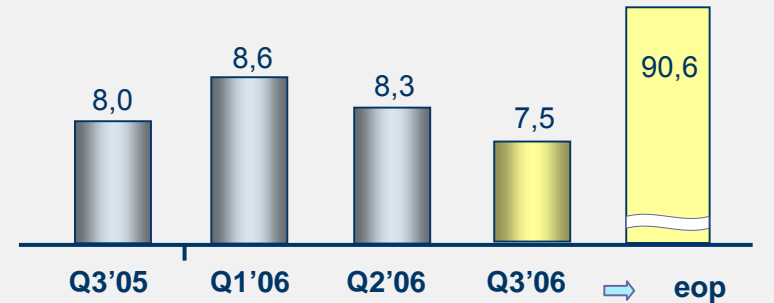
SME PLN Current Accounts – quart. growth (ths accounts)



Credit Cards – quantity (eop ths)

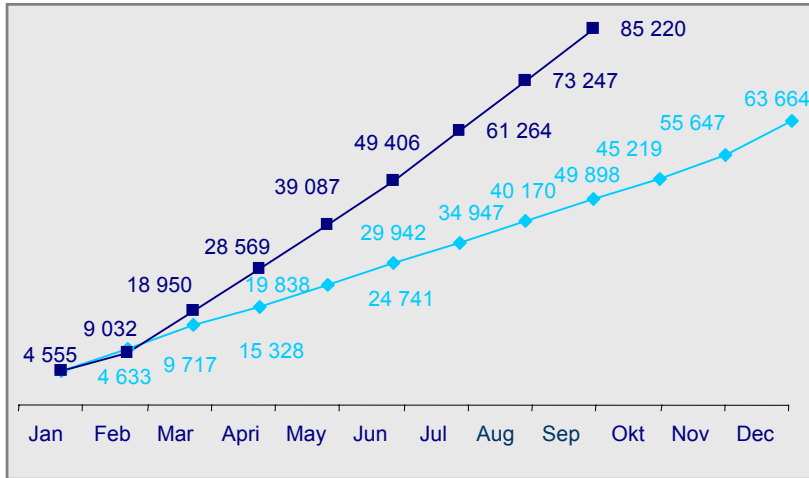


Credit Cards – quart. growth (ths)

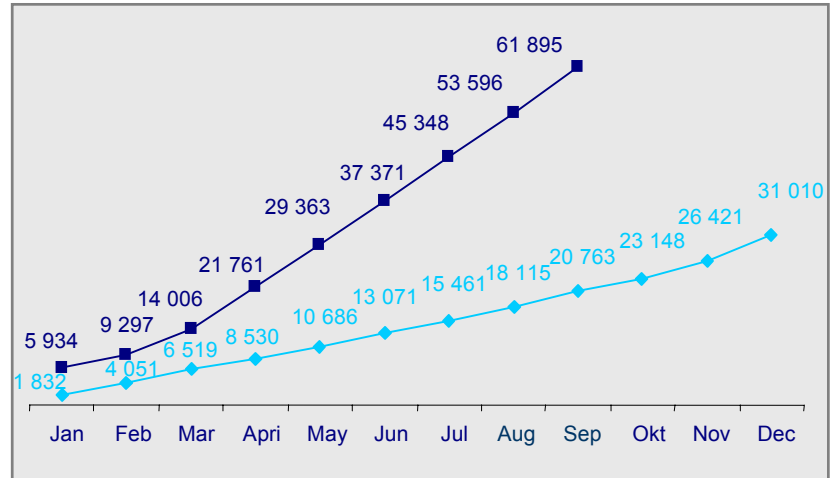


BANCASSURANCE – PRODUCT LINES (PLN ths)

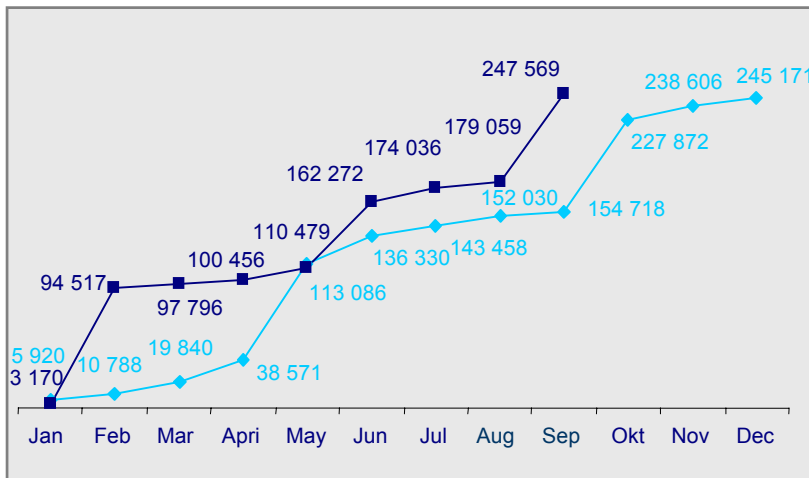
Linked insurance – premium written



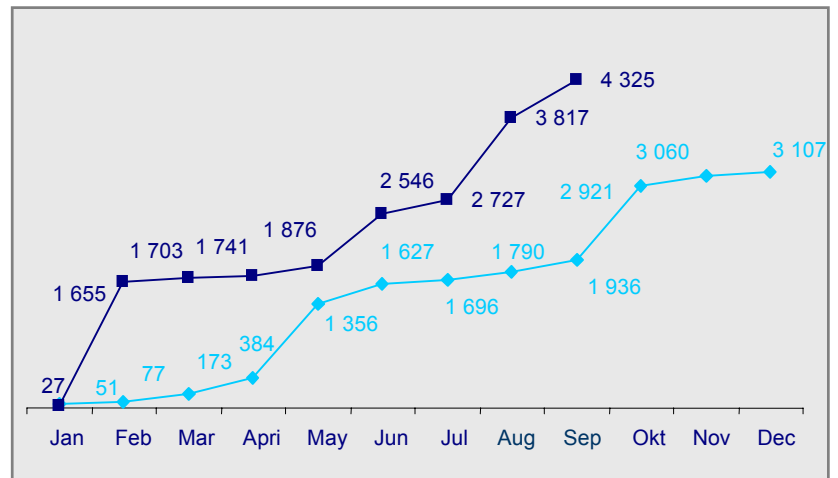
Linked insurance – income (on cash basis)



Saving & Investment products – premium written



Saving & Investment products - income

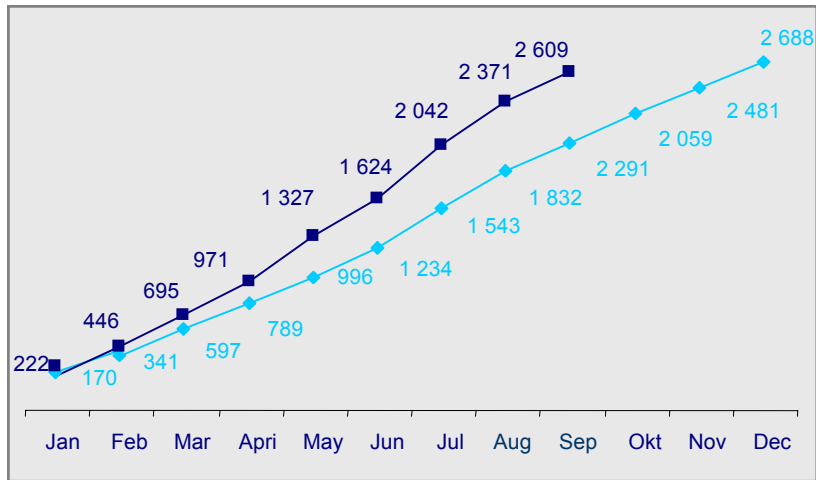


◆ 2006 ◆ 2005

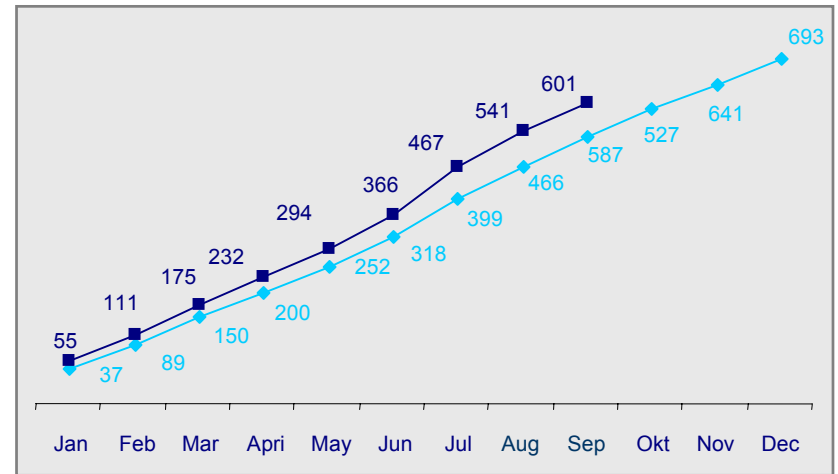
Source: KB MIS

BANCASSURANCE – PRODUCT LINES 2 (PLN ths)

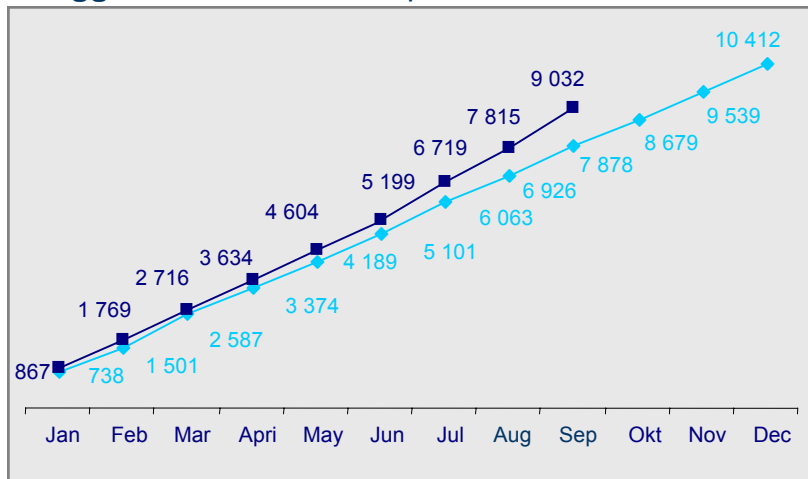
Stand alone products – premium written



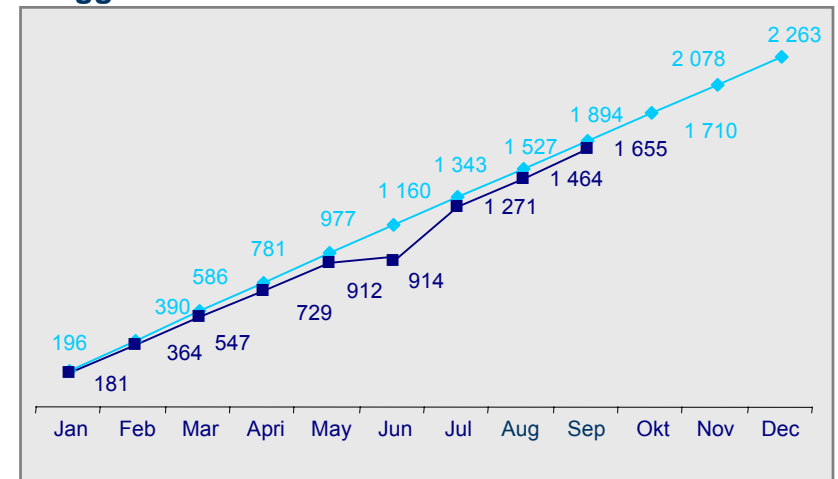
Stand alone products – income



Plugged – in insurance – premium written



Plugged – in insurance – income



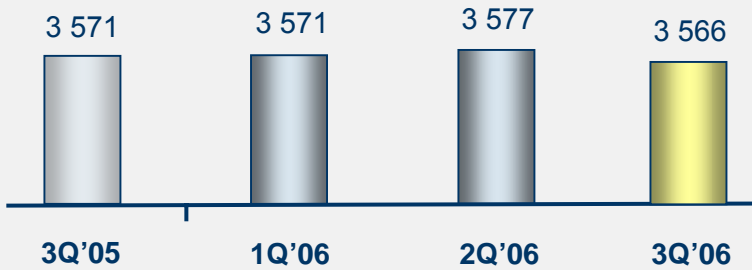
 **2006**
 **2005**

Source: KB MIS

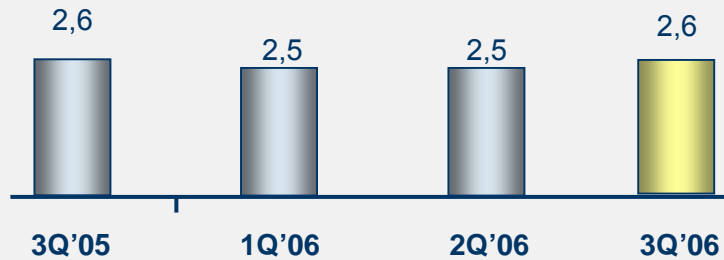
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Number of clients



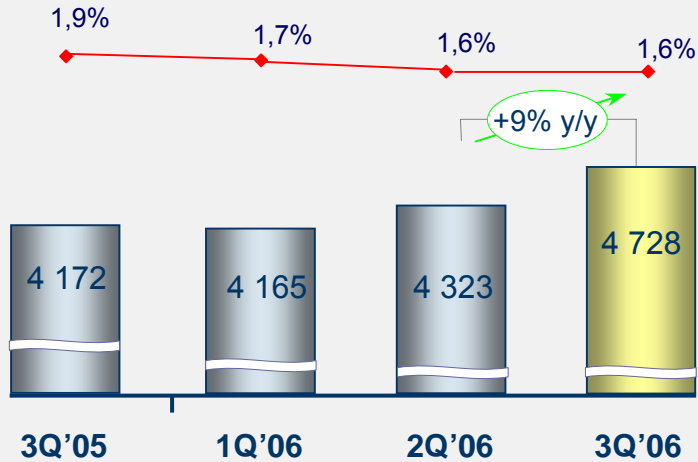
Customer Business per client (mln PLN)



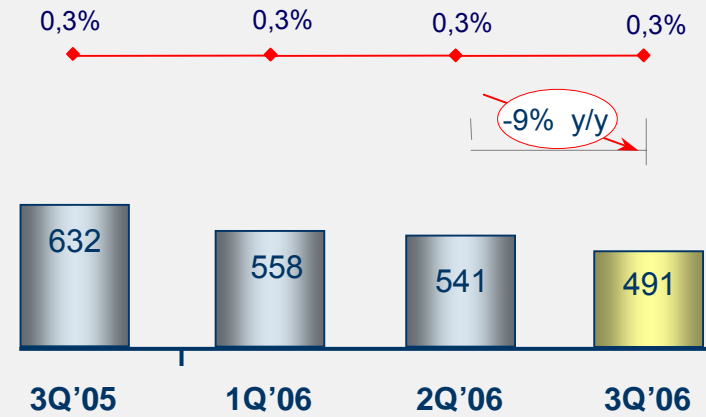
Client number change

	3Q'06/ 2Q'06	3Q'06/ 3Q'05
Corporate	15	45
General Government	-26	-50

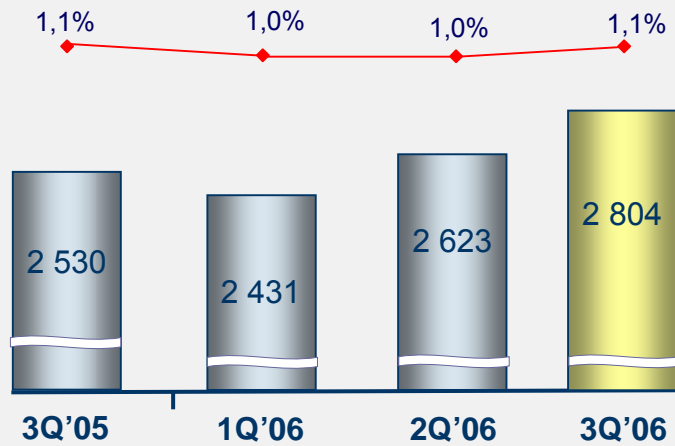
Corporate loans¹ – (eop, mln PLN); margins



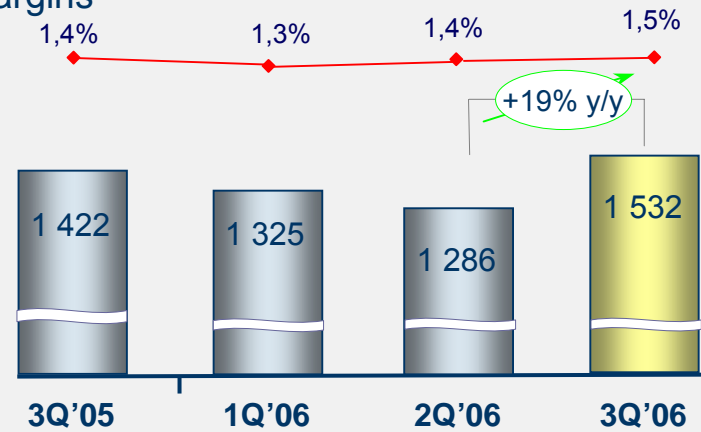
General Government loans¹ – (eop, mln PLN); margins



Corporate deposits – (eop, mln PLN); margins



General Government deposits – (eop, mln PLN); margins



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ASSETS

<i>(PLN m.)</i>	3Q'06 - eop	3Q'05 - eop	change
Cash and balances with Central Bank	418	685	-39%
Amounts due from banks and financial assets at fair value	3 220	3 424	-6%
Loans to customers	10 992	9 900	11%
Investments in securities	6 987	5 793	21%
Tangible fixed and intangible assets	519	512	1%
Other assets	325	317	3%
Total Assets	22 459	20 631	9%

LIABILITIES AND FUNDS

<i>(PLN m.)</i>	3Q'06 - eop	3Q'05 - eop	change
Amounts due to banks and held-for-trading financial liabilities	2 872	2 875	0%
Amounts due to customers	15 493	14 611	6%
Debt securities issued	1 299	573	127%
Total equity attributable to the Bank's shareholders (current net profit incl.)	1 992	1 603	24%
Subordinated liabilities	438	595	-26%
Other liabilities	365	374	2%
Total Equity and Liabilities	22 459	20 631	9%

INCOME STATEMENT

<i>(PLN mln)</i>	Q3'06	Q3'05	Q/Q ch
Net interest income	187	175	7%
Net fee and commission income	69	82	-16%
Dividend, net trading income, profit (loss) from investment activities	37	41	-10%
Other operating income and expenses	-4	-8	50%
Total income	289	290	0%
General and administrative expenses	222	220	1%
Operating profit¹	67	70	-4%
Net impairment charges for financial assets, other assets and provisions	35	-16	-
Share of profit of associates	1	1	0%
Profit before tax	102	55	85%
Income tax	-12	37	-
Net profit	90	92	-2%

¹ Total income minus General and administrative expenses