



Registration No. 4154



Komu
Attention

**Securities and Exchange Commission,
Division of Corporate Finance, 450 fifth
Street, N.W. - Washington D. C. 20549**

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Od
From

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Kopie
cc

SUPPL

Datum
Date

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In case of missing pages please call

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Věc
Subject

Dislosure duty – liquidation of subsidiary

Dear Sirs,

Pursuant to Act 256/2004 Coll. subsection 120(1)(e) and Rules of Prague Stock Exchange part III annex Harmonogram subsection E(k) find enclosed announcement on arbitration decision.

Yours Sincerely,

Sylva Floriková
Head of Compliance

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PROCESSED

MAY 04 2006

**THOMSON
FINANCIAL**

Jestliže tento dokument není určen pro Vás, prosíme o jeho zničení, udrzte jej v tajnosti a informujte odesílatele. Děkujeme.
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In connection with fulfilling the Agreement on Guarantee signed at the end of 2000 pursuant to which the state, within preparation of privatization of Komerční banka, a.s. (KB), granted KB the guarantee for problematic portfolio in the amount of CZK 20 billion, a dispute started between Česká konsolidační agentura (ČKA) and KB on the way of allocation of fulfilment accepted by KB for the assigned claims to which the guarantee related. In 2005, ČKA filed an action against KB with the Arbitration Court of the Czech Republic Economic Chamber and the Czech Republic Agrarian Chamber (Arbitration court) on refund of the fulfilment overpayment from the guarantee in the residual amount of CZK 0.679 billion with ancillary rights from the totally paid amount of CZK 5.048 billion.

On 20 April 2006, KB was delivered an arbitration decision on 30.3.2006, by which the Arbitration met fully the complaint of ČKA to pay the accused amount.

In 2005, KB created a reserve of more than CZK 0.7 billion to cover the risk related to the above-mentioned arbitration dispute, therefore the impact on the financial results of the bank is zero.