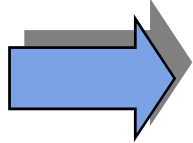




Komerční banka, a. s.

2001 Audited Financial Results and Strategic Perspectives

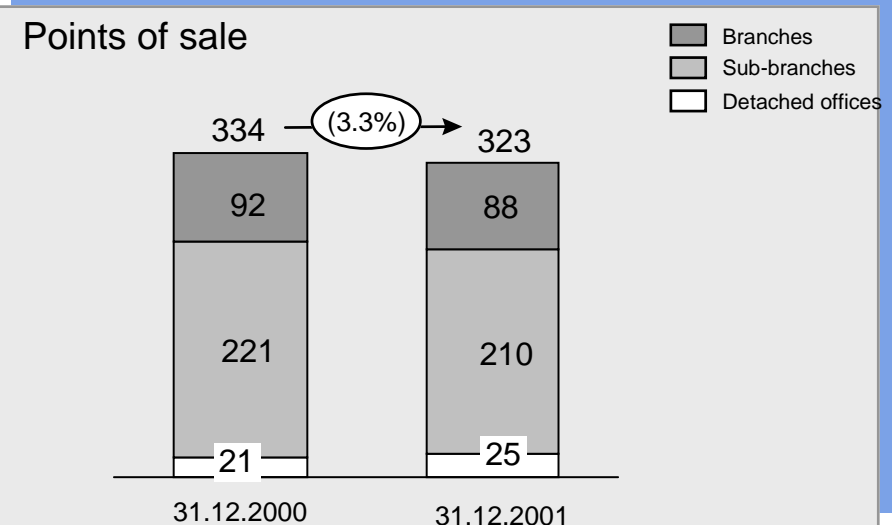
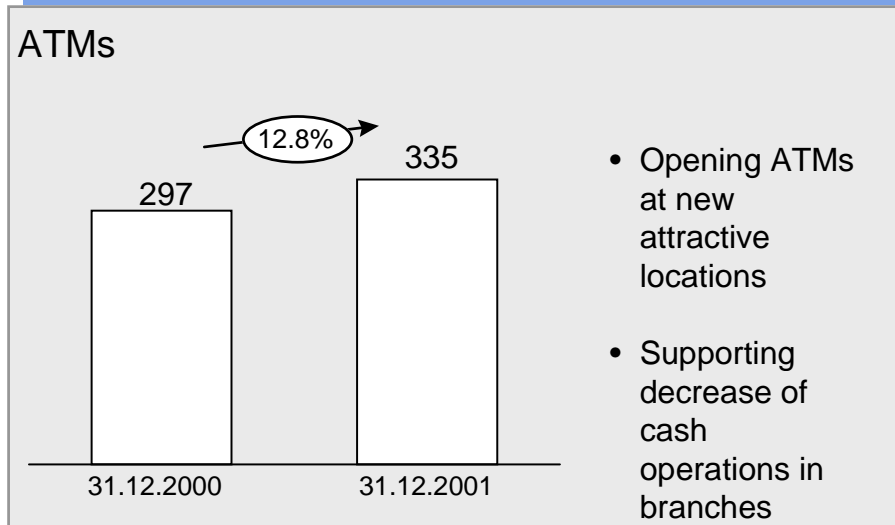
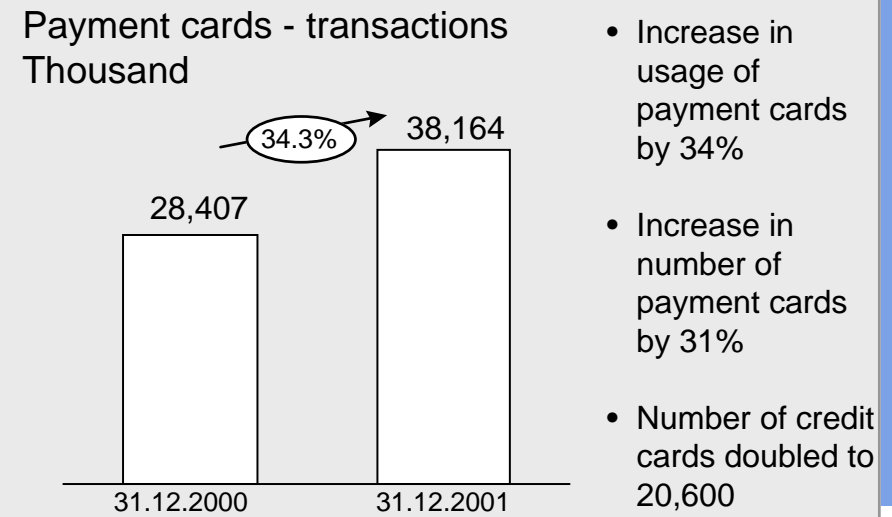
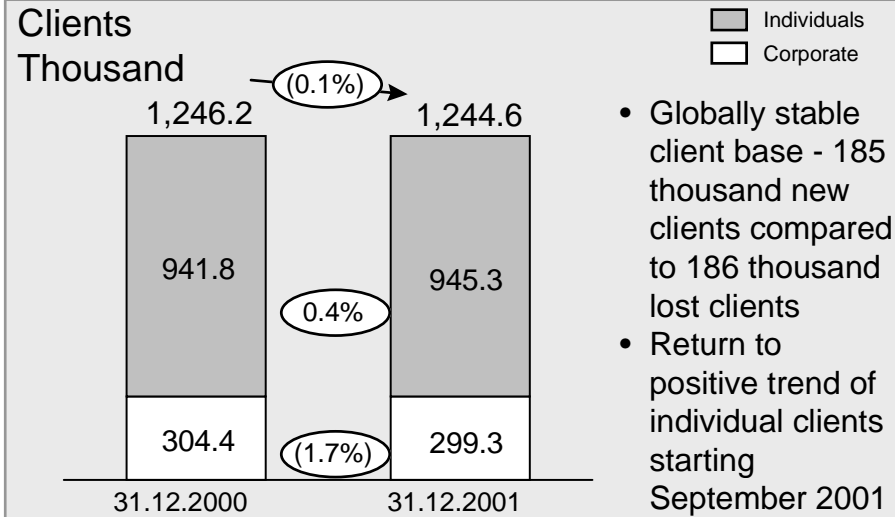
Prague, 29 March 2002



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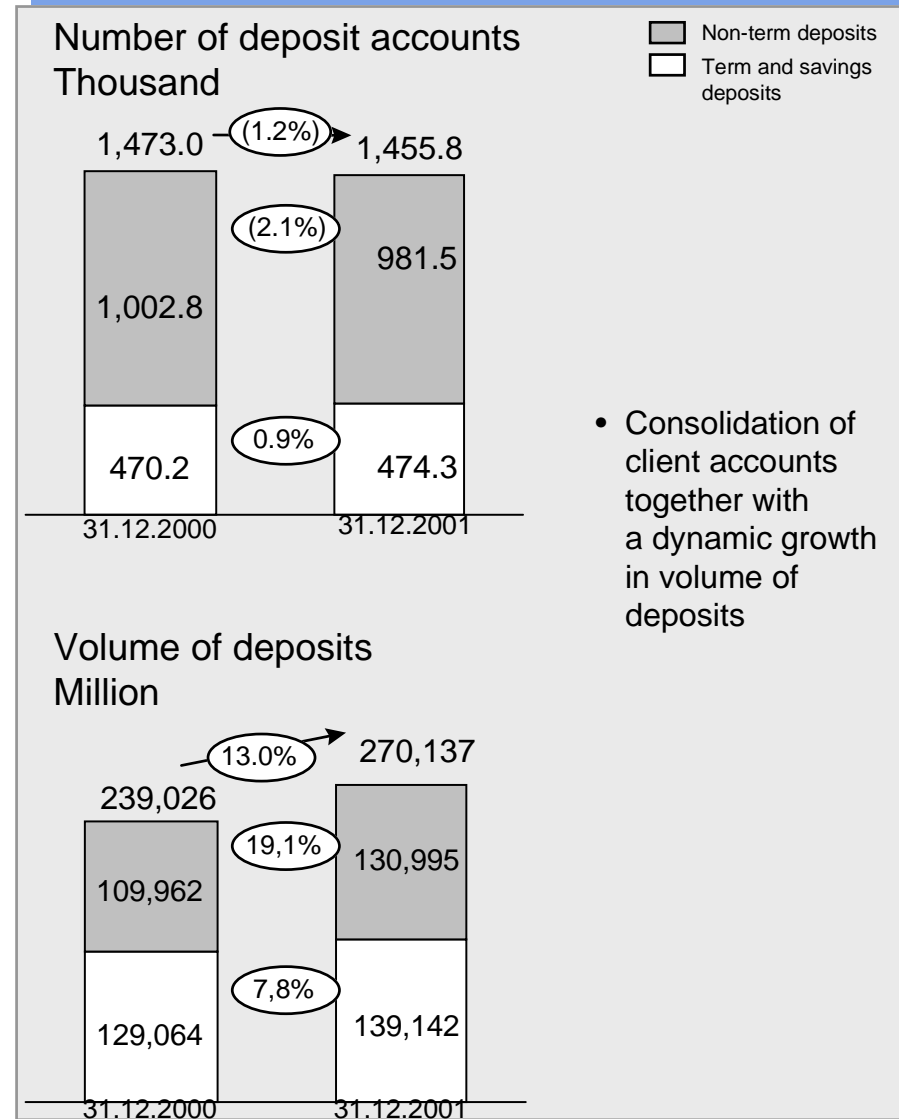
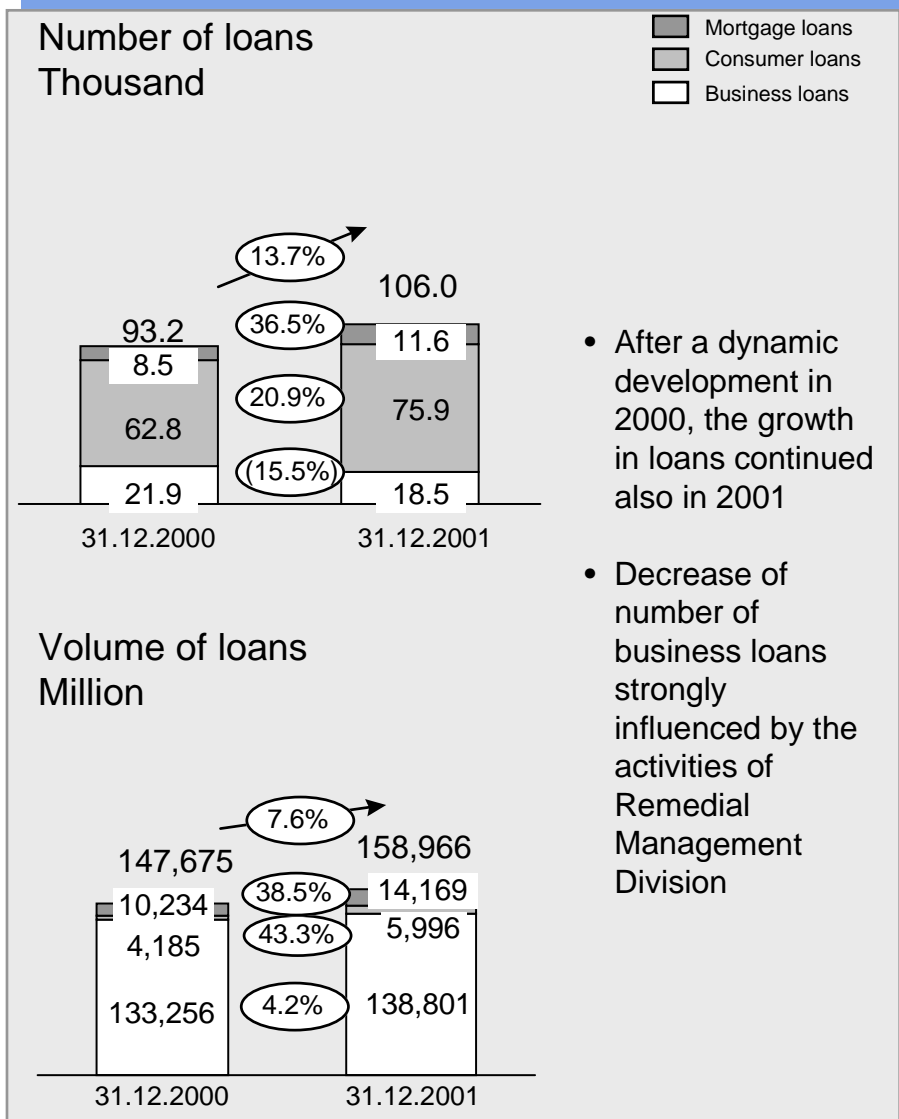
KEY BUSINESS INDICATORS

Sustaining solid client base



KEY BUSINESS INDICATORS

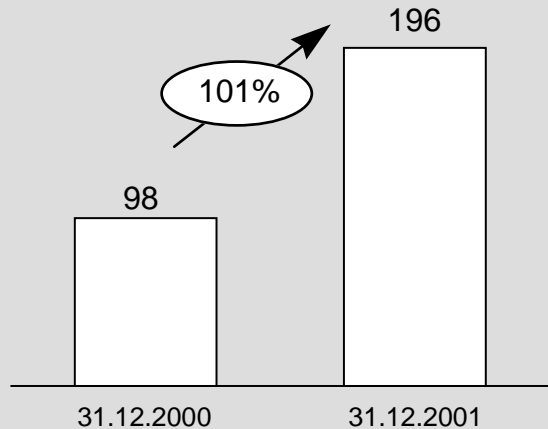
Steady growth in loans and deposits



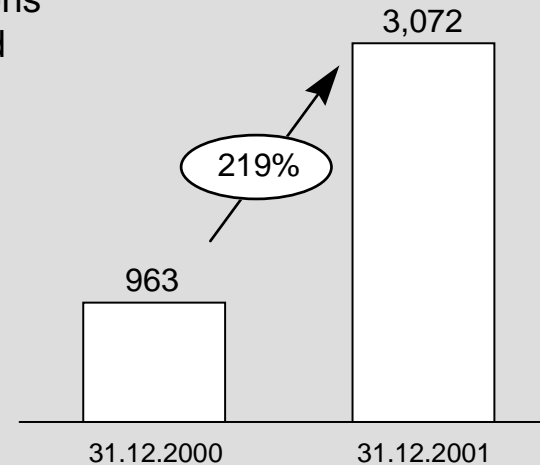
KEY BUSINESS INDICATORS

Dynamic trends in Direct Banking

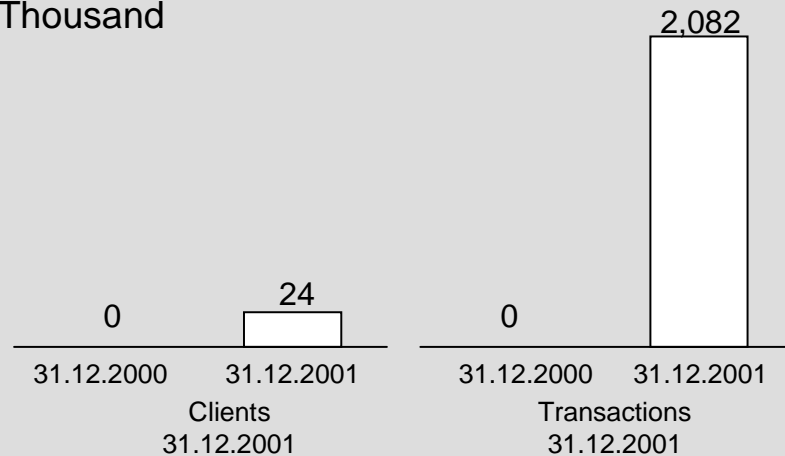
Phone Banking (ExpressLine) - Number of clients
Thousand



Phone Banking (ExpressLine) - Number of transactions
Thousand



Internet Banking (mojebanka)
Thousand



- Total number of Direct Banking clients grew by 87%
- Total number of Direct Banking transactions grew by 12% compared to overall increase of transactions by 8%
- Internet banking mojebanka launched in April 2001
- New PC Banking product profibanka launched in October 2001

KEY BUSINESS INDICATORS

KB strong position in several key segments

Corporates - KB Market share (December 2001)

	Deposits	Loans
Total	28%	13%
Small	13%	13%
Medium	37%	14%
Large	49%	13%

- Strong position in medium and large enterprises
- Potential for future development in small enterprises

Consumer banking - KB Market share (December 2001)

	Deposits	Loans
Total	19%	19%
Mass Market	11%	16%
Affluent	55%	50%

- Very strong position in affluent segment



Source: KB Marketing Analysis

UNCONSOLIDATED FINANCIAL RESULTS AND RATIOS

CZK million; IAS

Profit and Loss Statement	31.12.2000	31.12.2001	Change
Total revenues	21,805	23,809	9.2%
Operating costs	(13,783)	(15,065)	9.3%
Profit before provisions for loan and investment losses	8,022	8,744	9.0%
Provisions for loan and investment losses	(8,024)	(5,333)	(33.5%)
Income tax	(17)	(879)	N/A
Net profit / (loss)	(19)	2,532	N/A

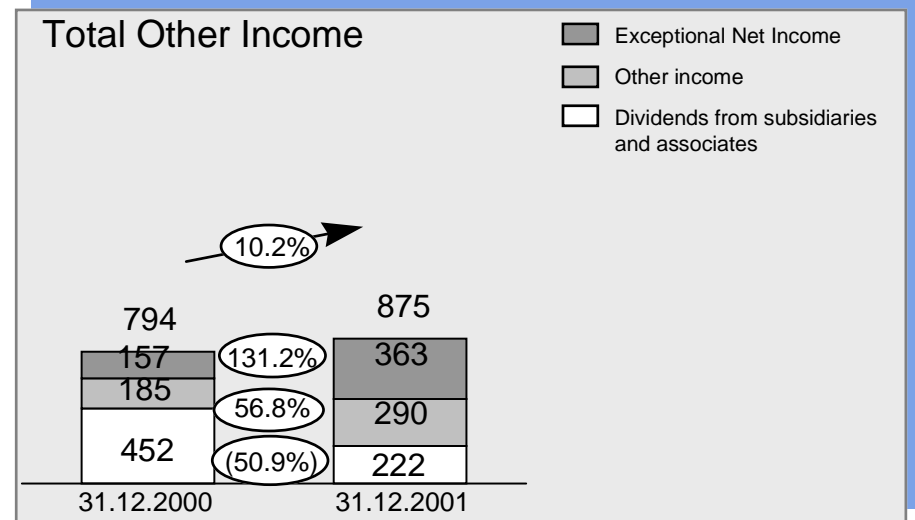
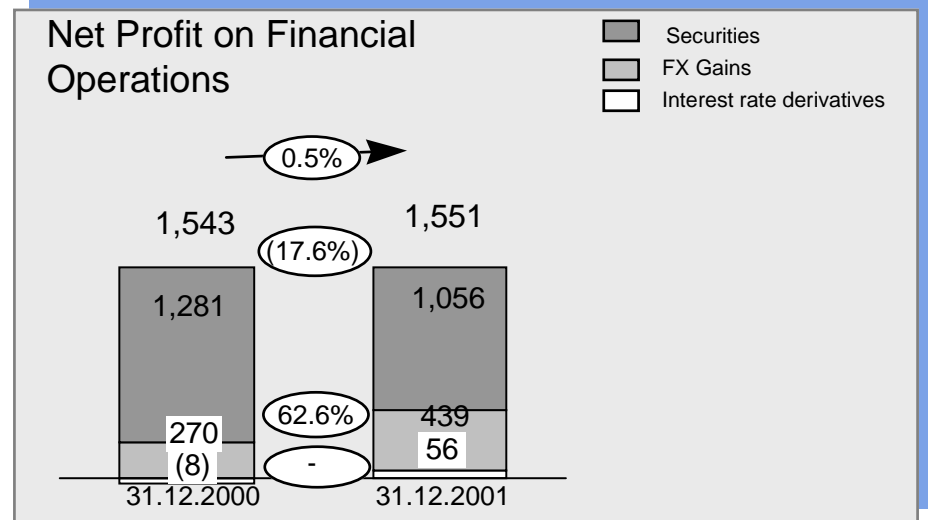
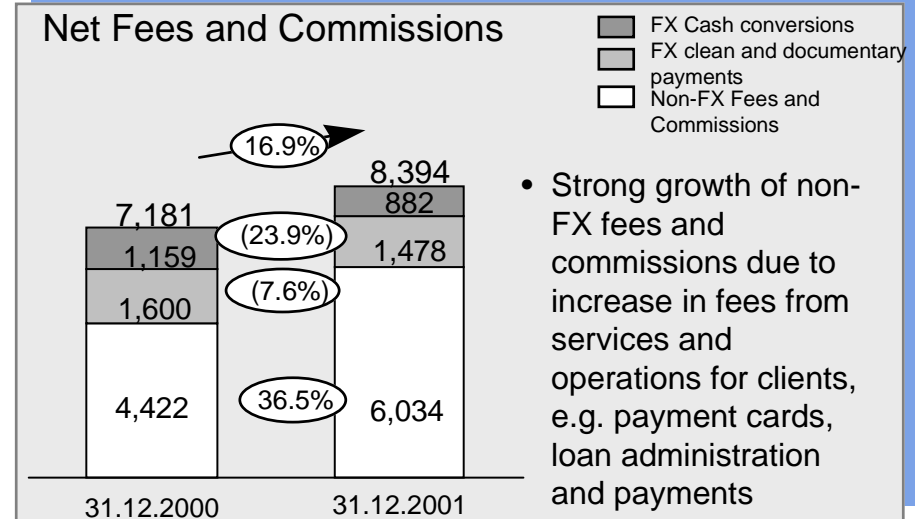
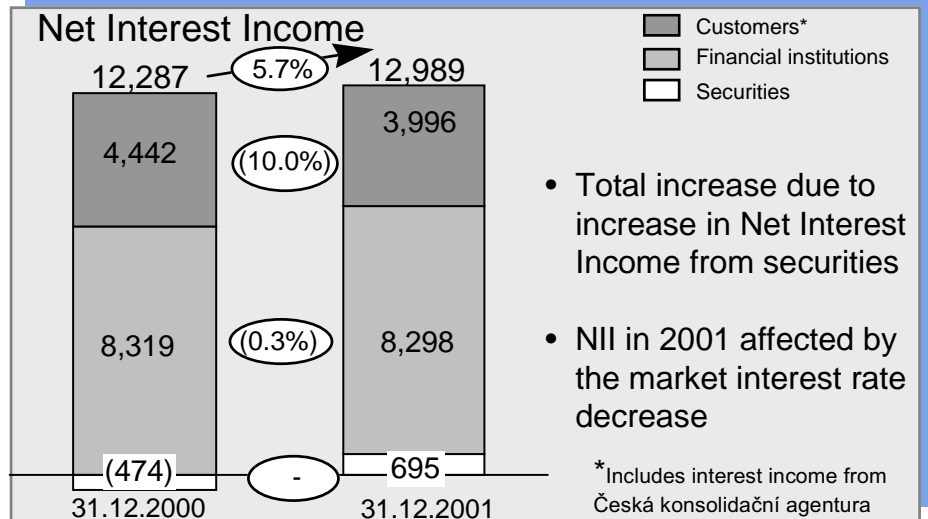
Key ratios	31.12.2000	31.12.2001	Change
CNB - Capital Adequacy	14.38%	15.18%	→
Net Interest Margin - NII/Average Interest Bearing Assets	3.62%	3.64%	→
Cost / Income ratio including restructuring costs	63.21%	63.27%	→
Return on Average Equity (ROAE)	(0.10%)	11.56%	→
Return on Average Assets (ROAA)	(0.01%)	0.61%	→
Non-interest Income / Total Revenues	43.65%	45.44%	→
Number of employees (FTE)	10,600	9,238	(12.8%)



TOTAL REVENUES

Significant growth in Net Fees and Commissions

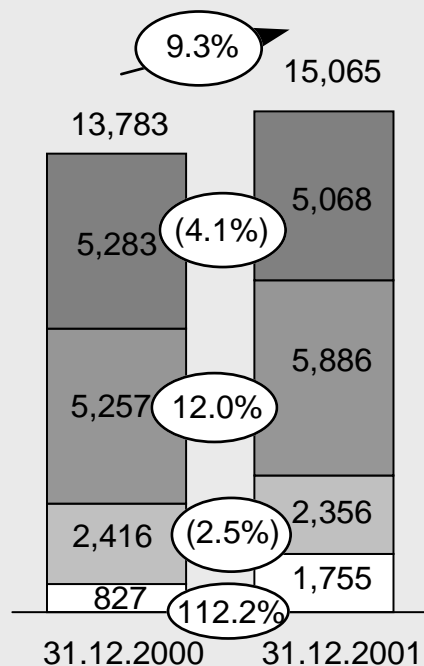
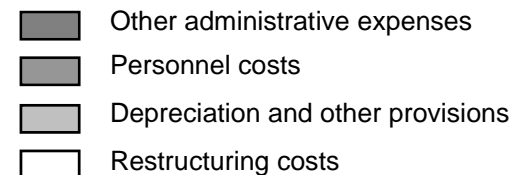
CZK million



OPERATING COSTS

Operating costs impacted by personnel costs increase and restructuring costs

CZK million



- Personnel costs increased by 12% due to:
 - Implementation of variable compensation scheme especially for Work-out division
 - Change of accounting methodology
- Restructuring costs include a charge of CZK 1.3 bil. for real estate optimization
- The number of employees fell by 1,362 to 9,238 (FTE) against the end of 2000 (including 700 employees transferred to Reflexim and Asis)

BALANCE SHEET

5% increase of the balance sheet

CZK million

Assets	402,205	421,720	Change
		18,211	(11.6%)
Cash and balances with central bank	20,607		
Due from banks	122,657	155,602	26.9%
Due from Česká konsolidační agentura	52,642	49,765	(5.5%)
Loans and advances to customers (net)	126,943	135,197	6.5%
Securities	56,274	38,123	(32.3%)
Other assets	23,082	24,822	7.5%
	31.12.2000	31.12.2001	

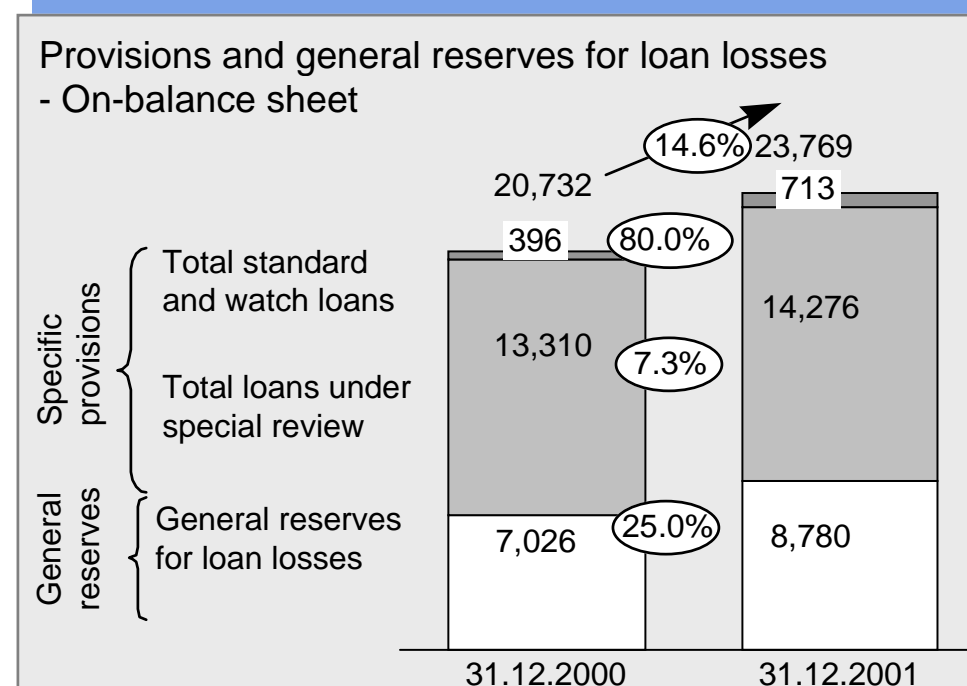
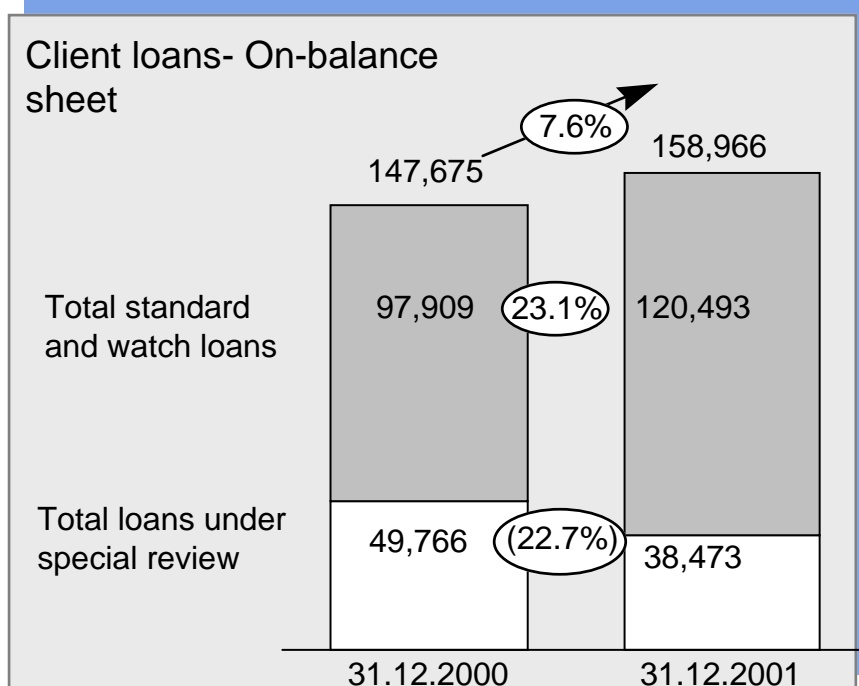
Liabilities	402,205	421,720	Change
		28,860	(26.7%)
Amounts owed to banks	39,378		
Amounts owed to customers	287,624	316,791	10.1%
Certificated debt	27,441	27,771	1.2%
Subordinated debt	7,563	7,252	(4.1%)
Other liabilities	19,988	17,448	(12.7%)
Shareholders' equity	20,211	23,598	16.8%
	31.12.2000	31.12.2001	



DEVELOPMENT OF THE LOANS AND ADVANCES TO CUSTOMERS

Improvement of the structure and coverage

CZK million



- Decrease of loans under special review together with increase of healthy portfolio

- Conservative approach strengthened in Q4:
 - Total coverage rate (provisions and general reserves without the State Guarantee) grew from 14% to 15%
 - Coverage of loans under special review by specific provisions grew from 27% to 37%
 - Increase of general reserve including reserve for future risks

SUBSIDIARY AND ASSOCIATED UNDERTAKINGS RESULTS

CZK thousand; IAS (unless stated)

	Total Share of KB	Profit after tax	Equity	Assets
A-TRADE, s.r.o.*	100%	(14,681)	18,035	43,205
ASIS, a.s.	100%	6,820	7,970	41,618
Factoring KB, a.s.	100%	8,983	108,183	2,191,702
Investiční kapitálová společnost, a.s.	100%	36,515	206,495	255,682
Komerční Finance, B.V.	100%	762	1,342	7,309,805
Komerční banka Bratislava, a.s.	100%	43,003	445,147	4,633,753
Komerční pojišťovna, a.s.	100%	(708,736)	(429,583)	3,084,556
MUZO, a.s.	51.25%	118,566	406,145	1,118,007
Reflexim, a.s.	100%	4,275	5,931	41,511
Total subsidiary undertakings		(504,493)	769,665	18,719,839
CAC LEASING group	50%	291,373	1,821,480	N/A
Všeobecná stavební spořitelna KB, a.s.	40%	204,268	1,311,561	30,982,374
Total subsidiary and associated undertakings		(8,852)	3,902,706	-
KB share		(277,099)	2,205,029	-
ALL IN REAL ESTATE LEASING, s.r.o.* (CAS)	100%	4,462	32,707	83,288
ALL IN, a.s.* (CAS)	100%	110	21,041	22,184
Penzijní fond Komerční banky, a.s. (CAS)	100%	327,102	7,954,910	8,115,043

- After a detailed audit in Komerční pojišťovna substantial provisions for KP losses were reflected in KB results
- Komerční pojišťovna will be fully supported by KB, which will take all necessary measures to solve its present unfavorable situation. In January 2002 the first increase of capital amounting CZK 289 mil. has been already funded. On March 28, 2002 KB Supervisory Board approved second increase of capital up to CZK 800 mil..



* Companies in process of disposal or liquidation

CONSOLIDATED FINANCIAL RESULTS AND RATIOS

CZK million; IAS

Profit and Loss Statement	31.12.2000	31.12.2001	Change
Total revenues	24,215	26,433	9.2%
Operating costs	(16,627)	(18,302)	10.1%
Income from not fully consolidated companies	886	686	(22.6%)
Provisions for loan and investment losses	(8,574)	(4,927)	(42.5%)
Income tax	(121)	(986)	N/A
Net profit / (loss)	(221)	2,904	N/A

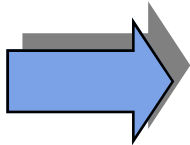
Balance Sheet	31.12.2000	31.12.2001	Change
Total assets	409,090	431,433	5.5%
Shareholders' equity	21,165	24,927	17.8%

Key ratios	31.12.2000	31.12.2001	Change
Cost / Income Ratio	68.66%	69.24%	→
Return on Average Equity (ROAE)	(1.10%)	12.60%	→
Return on Average Assets (ROAA)	(0.05%)	0.69%	→
Number of employees (FTE) including associated companies	12,291	11,712	(4.7%)



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 - Financial Performance 2001 Consolidated



- Strategic perspectives
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NEW STRATEGY FOR KB

Our mission is to become the leading financial institution in retail business (mass-market and corporate) and the core local provider of investment banking services to top corporates in the Czech Republic

- We will cover all three key customer segments of the market : Individuals, Small and medium business and large corporates
- We will tailor our product offer to the needs of respective customer segments
- We will enhance a multichannel distribution model, integrating direct channels with the branch network
- We will build a new image for KB by leveraging both the SG global image as well as the existing KB brand
- By aligning subsidiaries' strategic initiatives and focusing subsidiaries' activities on production, we will realize significant cross-selling opportunities



CURRENT SITUATION OF KB

OUR STRENGTH

- Large customer base
- Significant market share in some segments / products
- Successful initiatives in direct channels
- Subsidiaries in all other strategic financial segments to supplement the KB core banking activities

OUR CHALLENGES

- Service quality and customer care
- IT to support customer focused business model
- Development of our employees
- Organization, operational efficiency and risk management
- Optimization of distribution coverage and integration of all channels
- Strong and well recognized image

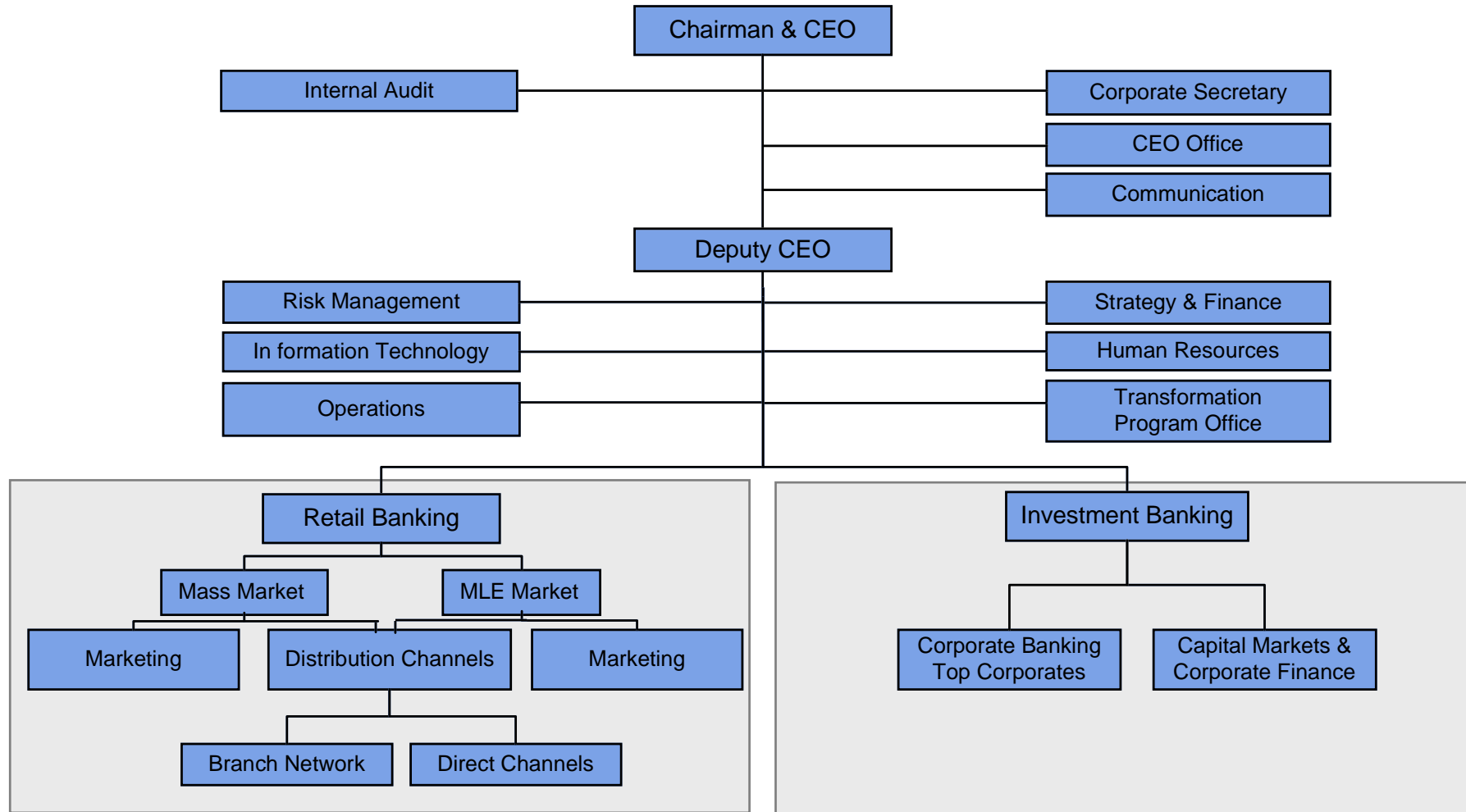


KEY IMPLICATIONS FOR KB

- Strengthen our position in retail banking while sustaining corporate and investment banking
 - Focus on high-value activities in branches
 - Standardize / simplify products & processes for retail mass market
 - Customize products for corporate and investment banking businesses
 - Optimize coverage by expanding point of sales in attractive locations
 - Utilize direct channels for simple transactions and customer care
- Build new customer-oriented mindset at KB
 - Implement new customer segmentation
 - Develop customer knowledge base
 - Sell proactively
- Become more efficient and effective
 - Increase the sales force
 - Streamline processes and activities
 - Optimize the number of employees
 - Develop cross-selling initiatives
- Develop and implement comprehensive HR policies



NEW ORGANIZATIONAL CHART



Top management composed of a mix of banking cultures and international experience



SG SUPPORT IN IMPLEMENTING THE STRATEGY

OUR CHALLENGES

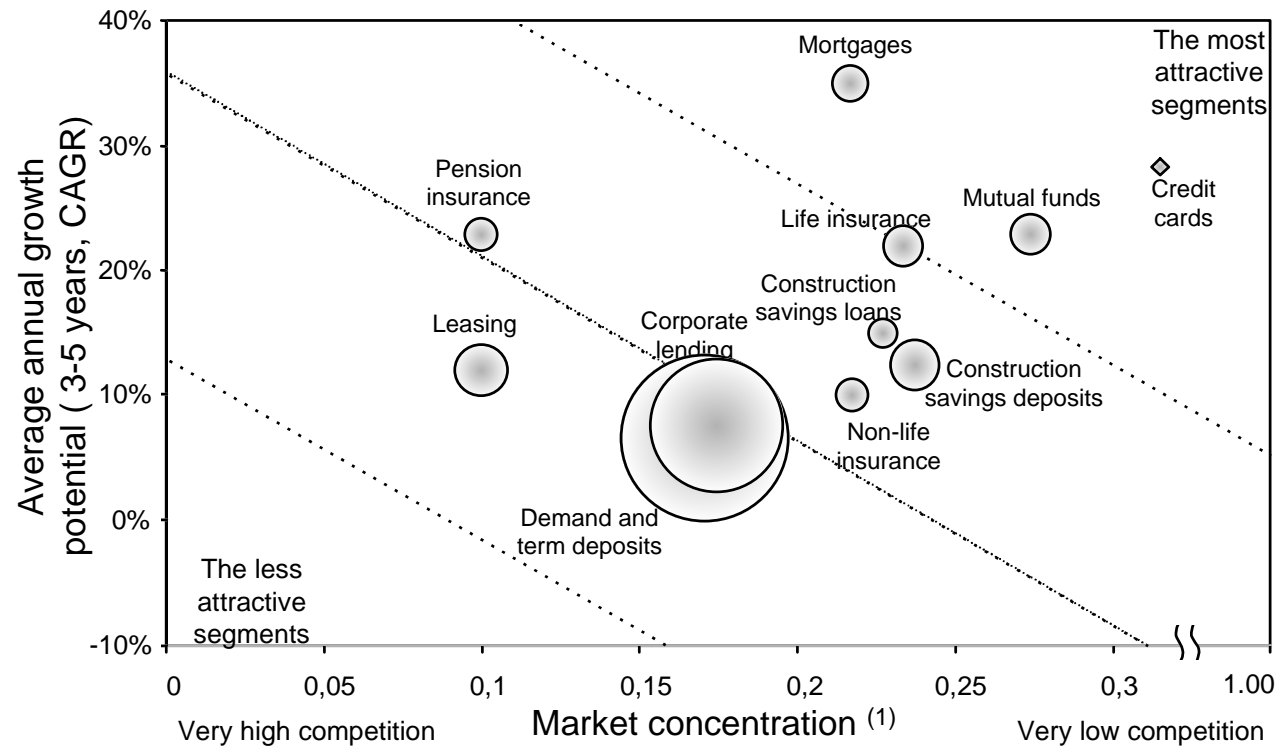
- Service quality and customer care
- IT to support customer focused business mode
- Development of our employees
- Organization, operational efficiency and risk management
- Optimization of distribution coverage and integration of all channels
- Strong and well recognized image

SG SUPPORT

- Sales processes and methodologies
- Leveraging expertise both through proven solutions and people's know-how
- Trainings on segmentation and risk management
- Participation in global SG exchange program
- Proven marketing / sales matrix organization
- Centralized back-office model
- Credit risk organization, systems and processes
- Investment banking expertise in Capital Markets and Corporate Finance
- Tested branch concept and multichannel management
- Geo-marketing implementation
- Introduction of SG brand and cultural values

SG GROUP SUPPORT TO FOCUS ON ATTRACTIVE SEGMENTS

Support of SG subsidiaries on attractive segments for KB



- **SGAM**
 - Asset management and mutual funds
 - Together with SG Private Banking - No. 3 in Europe for total assets under management
- **SoGeCAP**
 - Life insurance
 - No. 6 in France
- **Franfinance**
 - Consumer finance (incl. credit cards)
 - business finance and leasing
 - No. 6 in France in consumer lending
 - Among top 3 in Europe in leasing

○ Size proportional to the market volume in 2001; data for consumer lending not available
 (1) Herfindal index : sum of the market shares squared

Notes : CAGR = Compounded annual growth rate

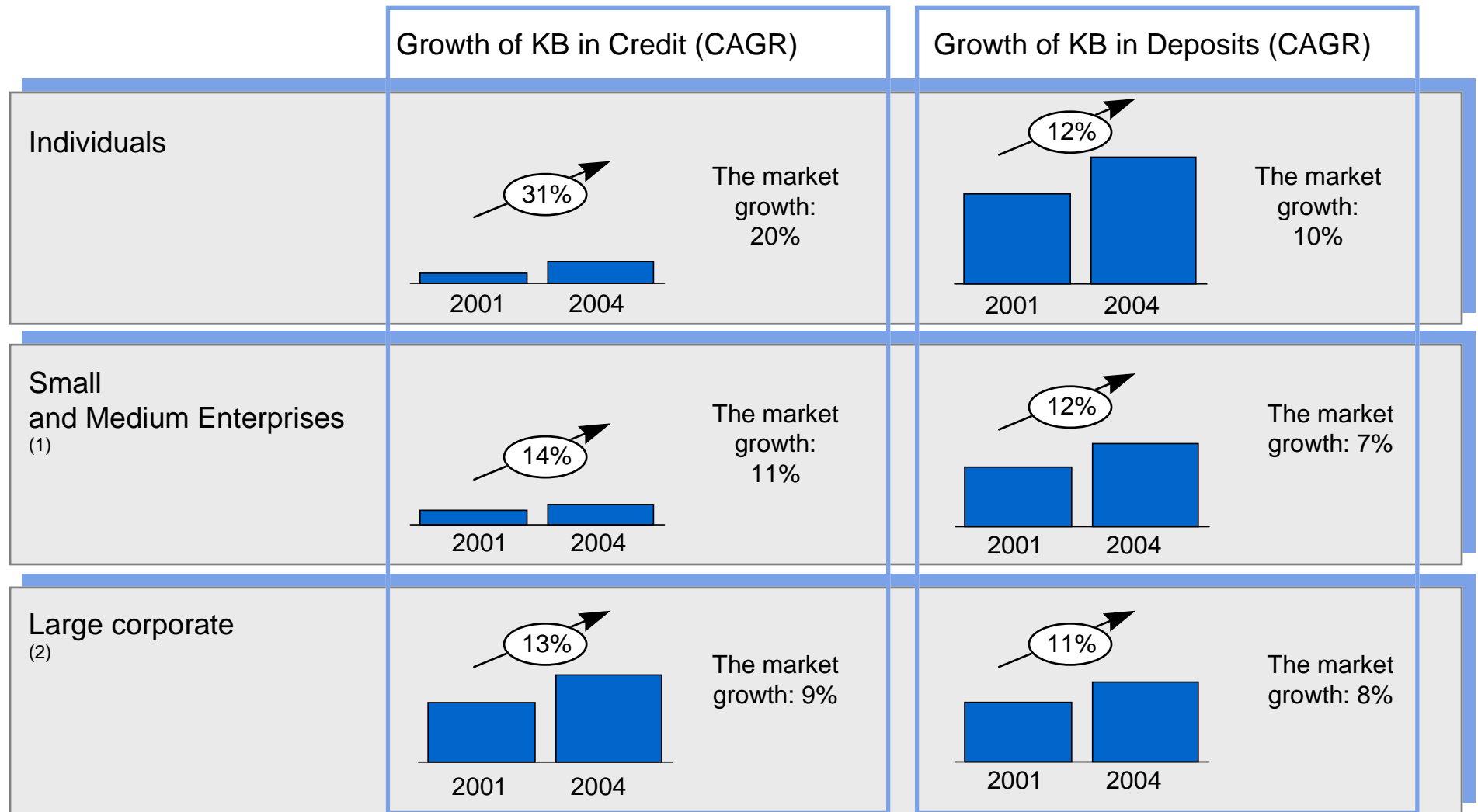


TRANSFORMATION PROGRAM TO SUPPORT THE STRATEGY IMPLEMENTATION

- Over 150 strategic initiatives identified and captured in a Transformation Master Plan covering each bank division. Initiatives divided into:
 - Quick wins (in terms of revenues and costs) to be realized by June 2002
 - Medium term initiatives to be executed by end of 2002
 - Long-term foundation initiatives to be executed in 2003
- CZK 5 bln. capital expenditure over 2002-2004 CAPEX for IT enhancement to support the new customer focused model
- Strong focus on training of KB employees (70% increase in training budget in 2002 compared to 2001)
- Involvement of SG experts to facilitate the implementation of SG model (over 200 man-months in 2002)
- Project teams composed of both SG teams and KB high potential employees

KB MARKET DEVELOPMENT

Development of credit and deposit volumes in 2001-2004



Notes : 1 Annual turnover between CZK 15 mil. – CZK 150 mil.
2 Annual turnover exceeding CZK 150 mil.



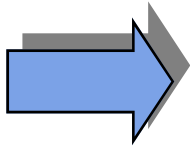
KEY INDICATORS

Positive development of key future ratios

IAS, unconsolidated		
Total revenue (CAGR, 2001-2004)	→	5%
Share of Fees&Commissions from Total revenues (Total growth, 2001-2004)	→	9%
Revenue per employee (CAGR, 2001-2004)	↗	15%
Total KB operating costs (CAGR, 2001-2004)	→	(5%)
Decrease in number of employees (Total decrease, 2001-2004)	↘	(24%)
Running costs per employee (CAGR, 2001-2004)	→	4%
Cost / Income ratio (2004)	→	low 50's %
Share of Individual loans from Total loans (Total growth, 2001-2004)	→	6%
Balance sheet (CAGR, 2001-2004)	→	8%
ROE (2004)	→	25%
Growth of Total number of individual clients (per year)	→	+50,000
Number of products per client (2004)	↗	6

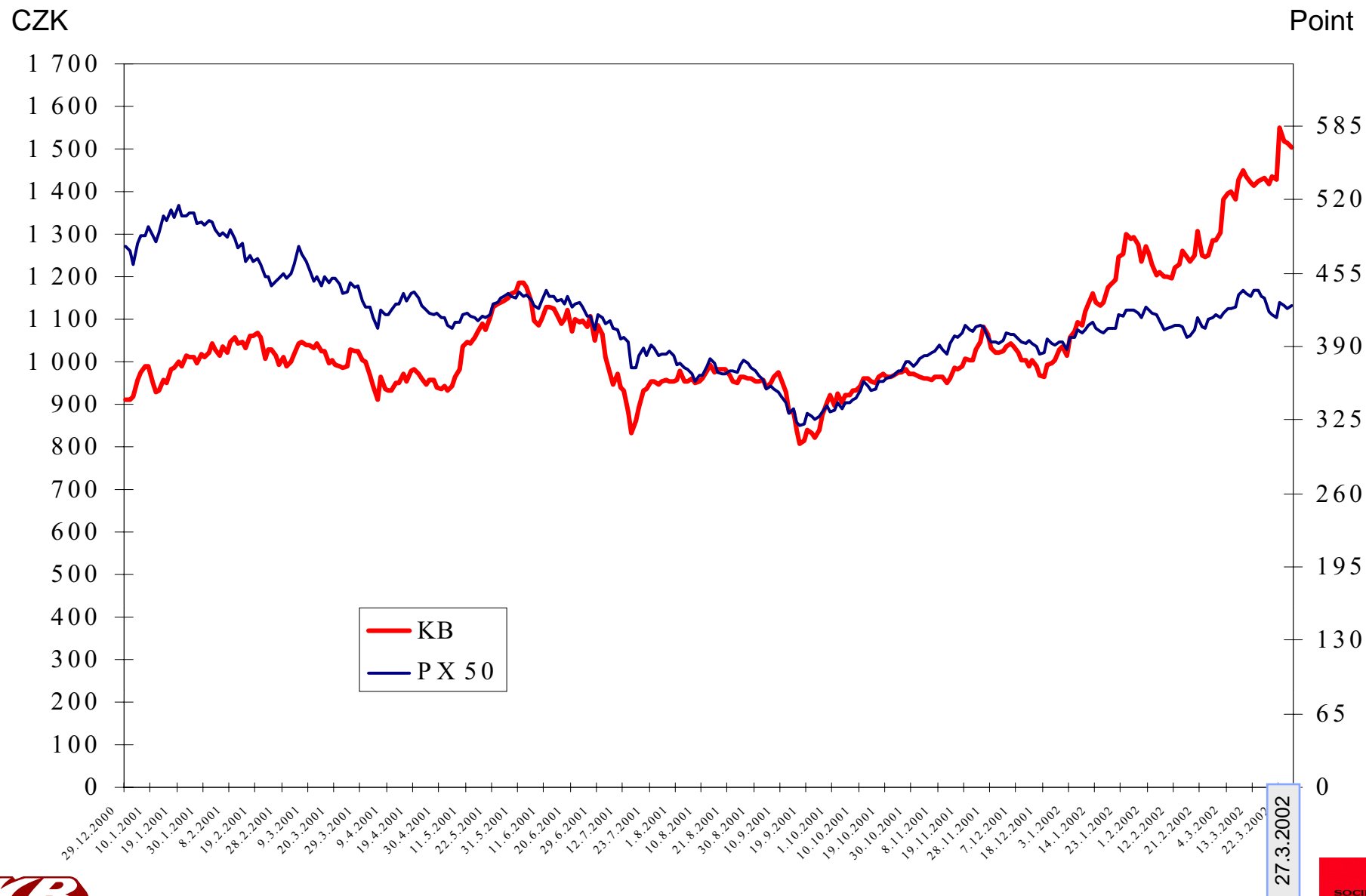
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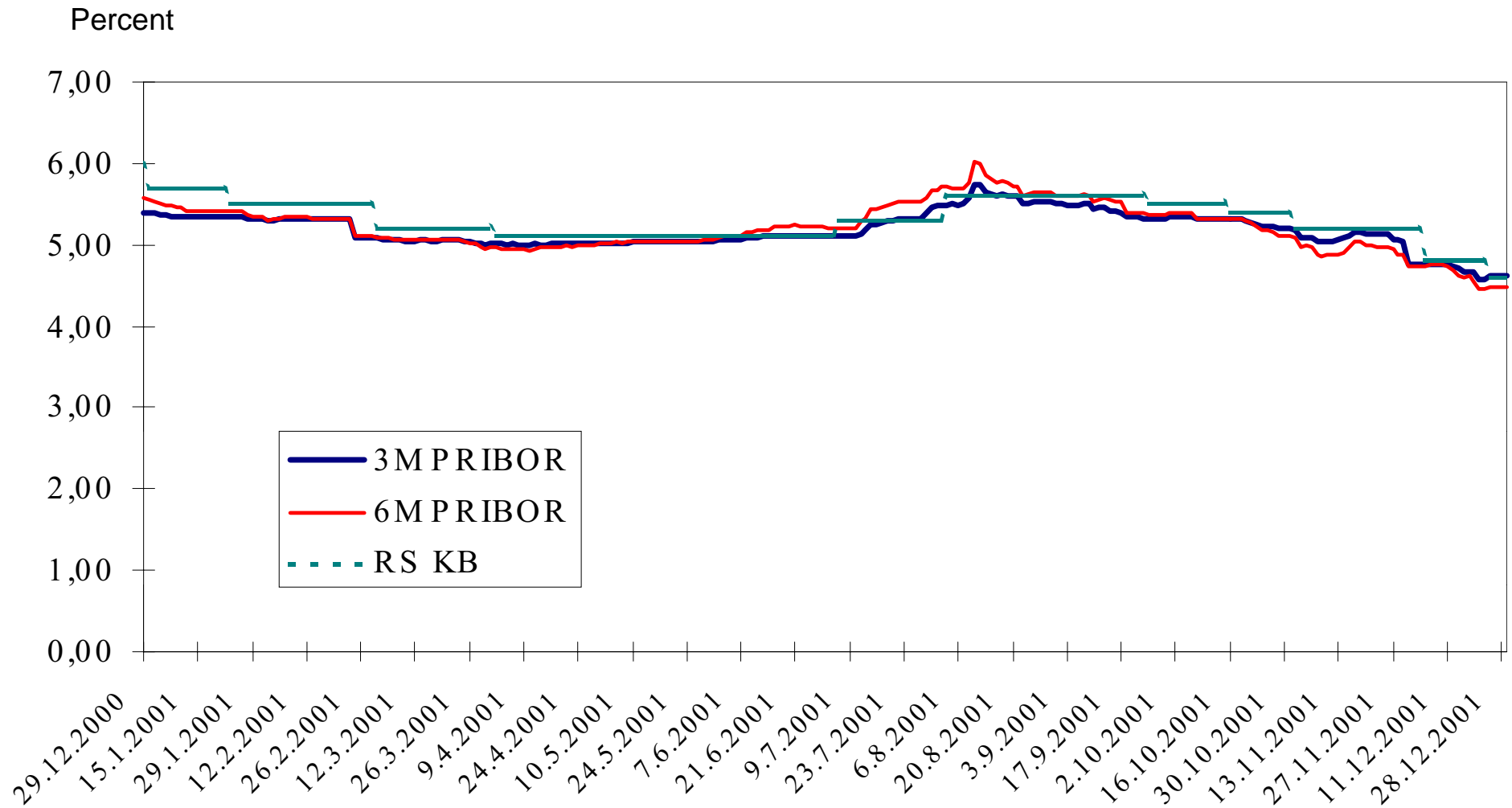


- Appendix

DEVELOPMENT OF PRICE OF KB'S SHARE AND INDEX PX50 IN 2001

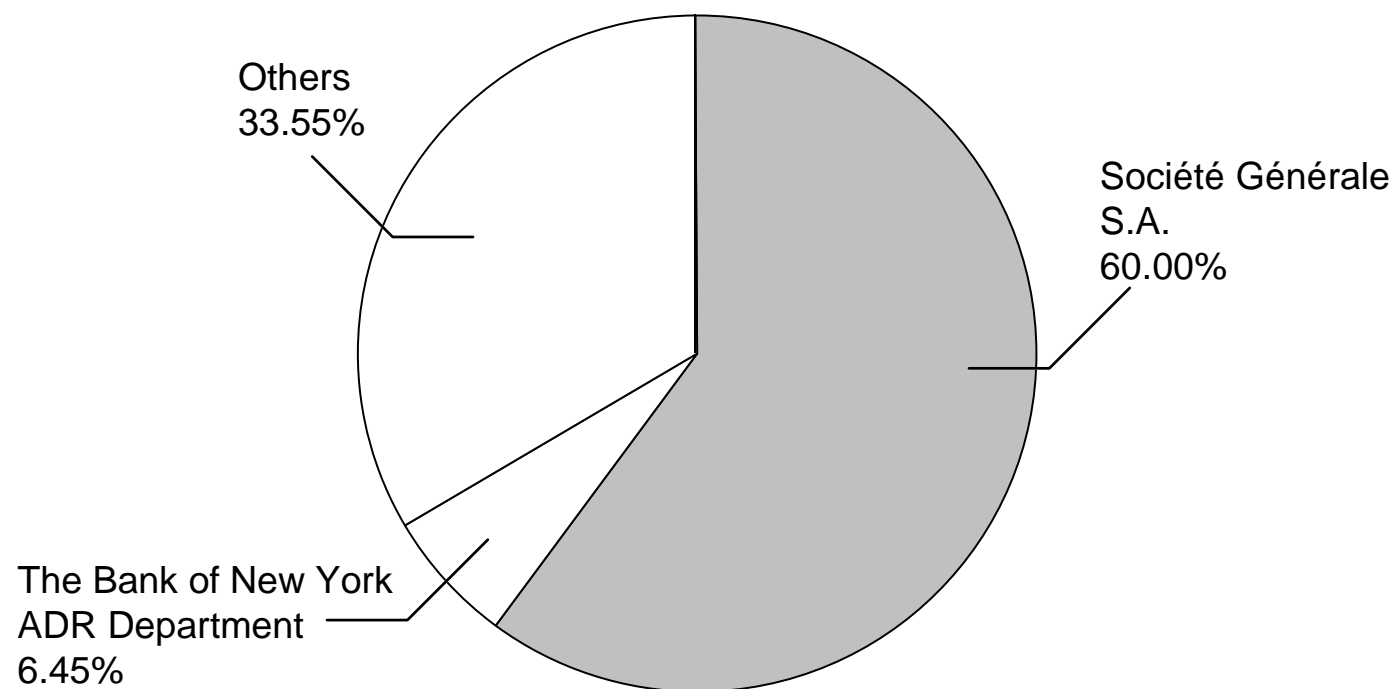


DEVELOPMENT OF 3M, 6M PRIBOR AND THE RS KB IN 2001



STRUCTURE OF SHAREHOLDERS

Major shareholders of Komerční banka, a.s. with over 5% of the share capital as at 31.12.2001



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