

The Board of Directors of Komerční Banka will propose, for the approval of the Annual General Meeting, the payment of a dividend of CZK 200 per share.

During its meeting on June 16, the Supervisory Board of Komerční Banka considered and supported the proposal of the Board of Directors regarding the profit distribution of the 2003 result.

The Annual General Meeting to be held on June 17 will be proposed to approve the payment of a dividend of CZK 200 per share, compared to CZK 40 paid in 2003. The total amount of 7 602 million CZK represents 82.1 % of the unconsolidated CAS profit of last year of 9 262 million of CZK.

After the payment of this exceptional dividend, the capitalization of KB will remain one of the highest of the banks in Central Europe, with a tier one ratio above 14.5 %.

The Board of Directors will also propose to the General Meeting of Shareholders to increase the number of own shares that KB is authorized to hold, up to 10 % of the issued shares. This authorization might be used for capital adequacy management at the sole discretion of KB Board of Directors.

The purpose of the proposed decisions is to improve KB financial ratios, while keeping a level of capital base in line with the expected development of the business.