

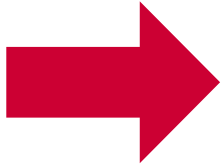


Financial Results

as at December 31, 2002

(Audited, International Financial Reporting Standards)

Prague - March 31, 2003



- **FY 2002 Performance**
 - Business Indicators
 - Financial Performance
- **Appendix**

KEY BUSINESS INDICATORS

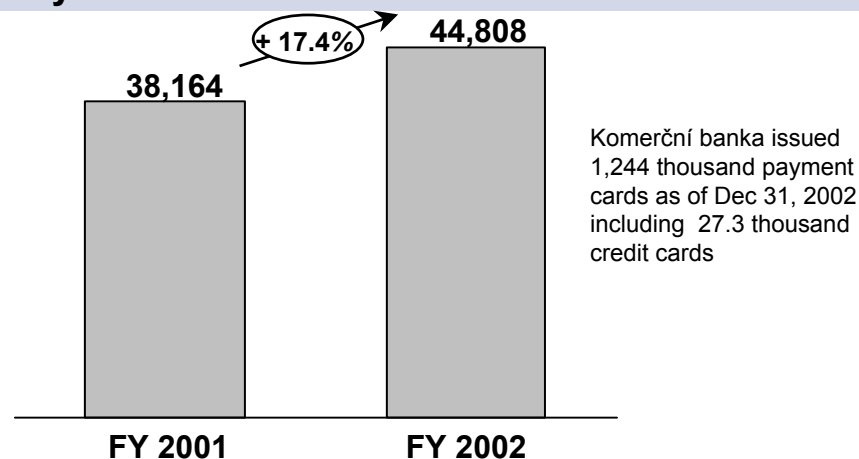
Clients

- **Client base slightly increased**, number of KB clients represents **1.26 million** of which:
 - Individuals 0.96 million
 - Corporates 0.30 million
- **Number of clients using direct banking increased** by 49% compared to YE 2001
 - **0.39 million clients using direct banking represent 31 % of the total client base**

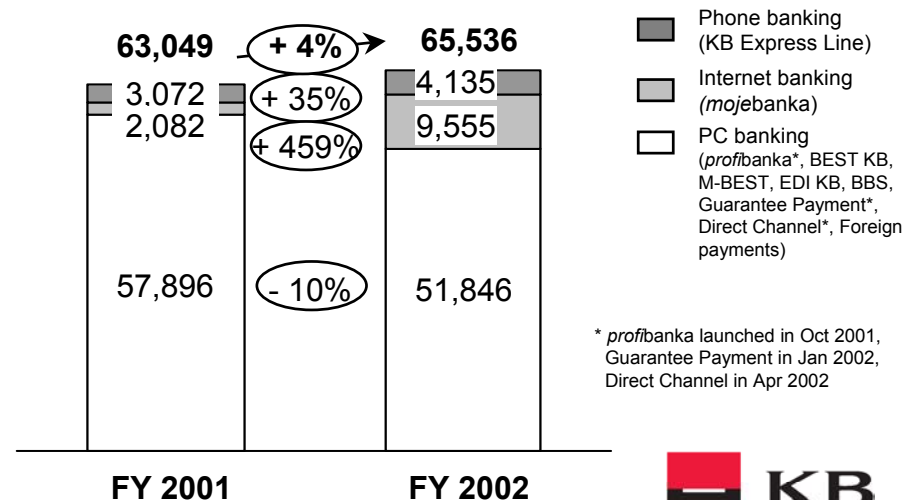
Services

- Sale network consists of **331 points of sale** - increase by 8 compared to YE 2001
- **Number of ATMs reached 440** representing an increase by 31% compared to YE 2001
- **New products and services launched**
 - Chip cards
 - PC Komplet

Payment cards - transactions thousand



Direct banking - transactions thousand



KEY BUSINESS INDICATORS

Increasing deposit base

Volume of deposits

CZK billion

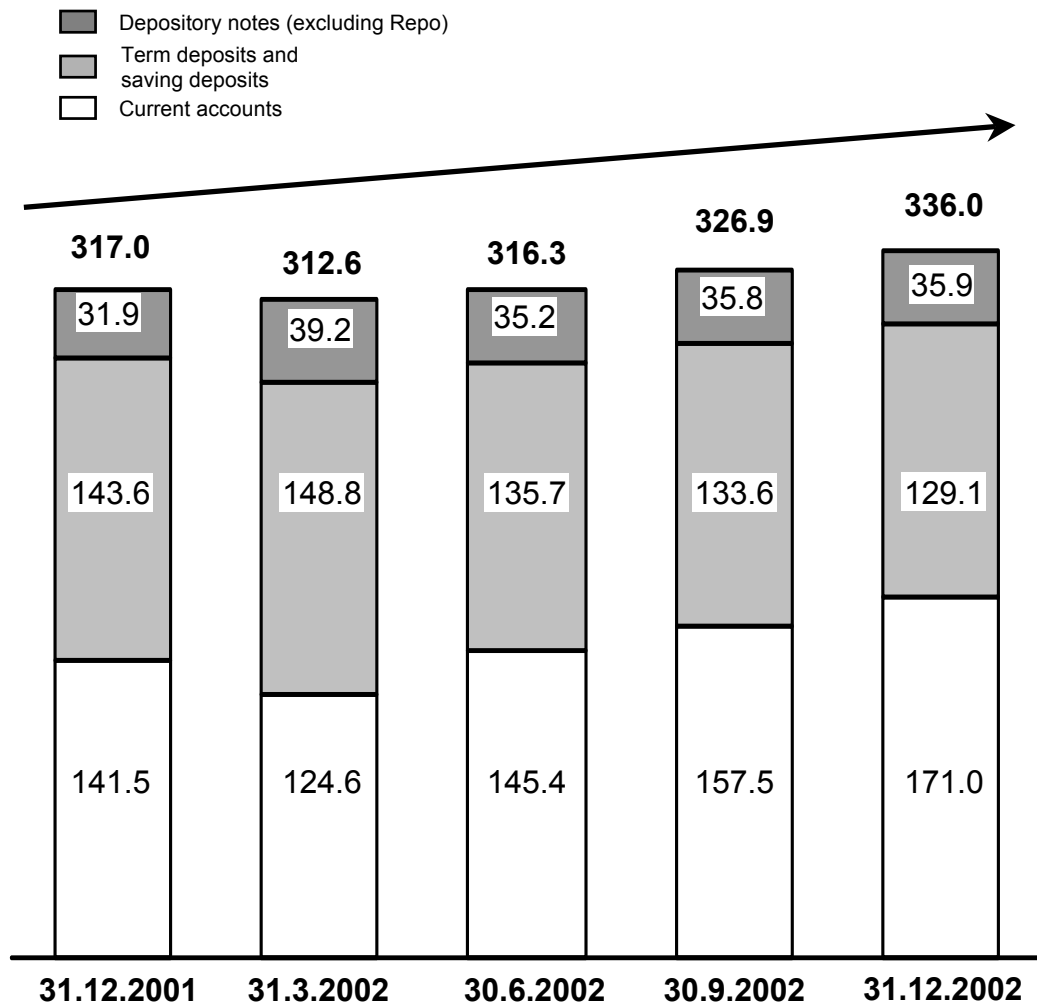
- + 6.1% growth year-over-year

- **Changes in the structure of deposits**

- Continues increase of current accounts deposits (51% of primary deposits)
- term and saving deposits make 38% of primary deposits

- **Deposits influenced by decreasing interest rates environment**

- ČNB repo rate fell from 4.75% to 2.75% during 2002



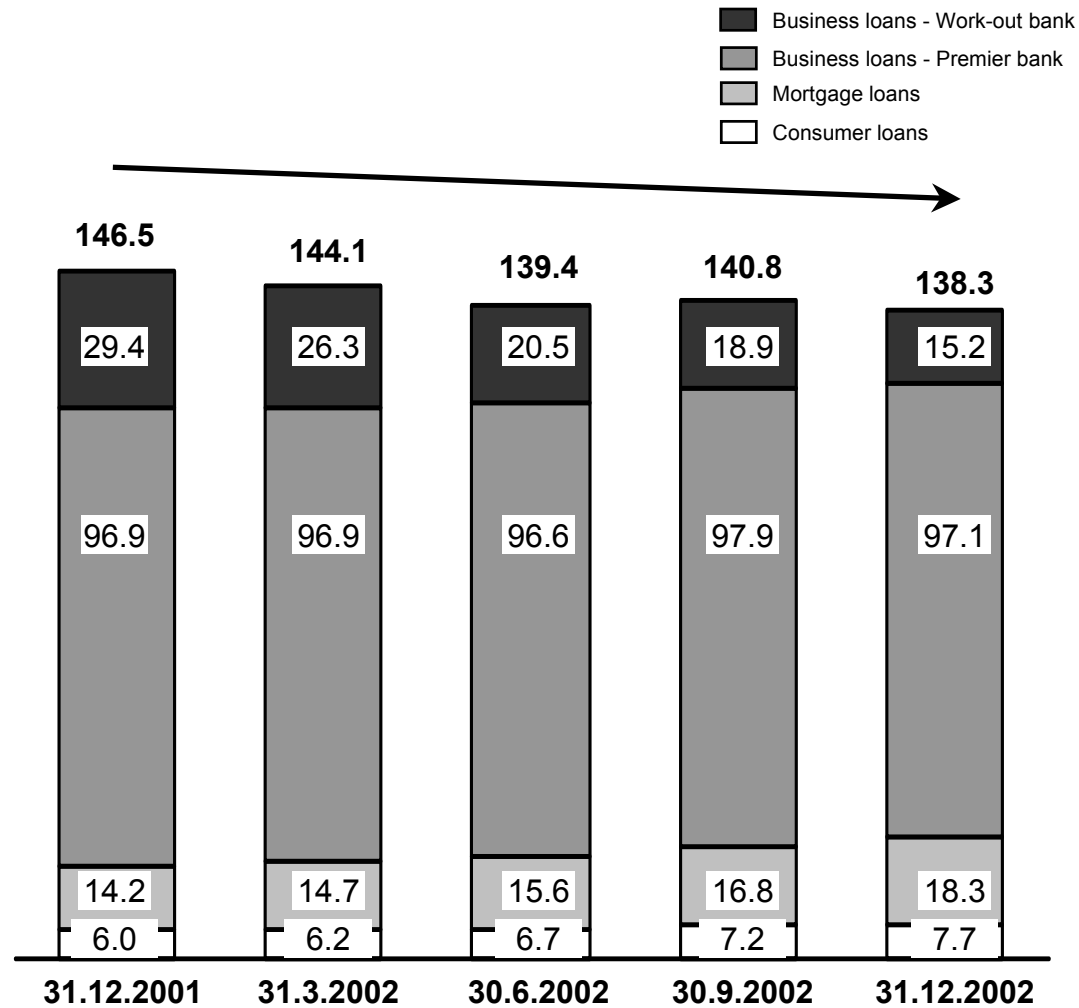
KEY BUSINESS INDICATORS

Ongoing positive dynamics in retail lending

Volume of loans (gross amount)

CZK billion

- Retail loans represent 19% of the loan portfolio (increase by 5 p.p.)
 - Volume of mortgages increased by 29% in 2002
 - Volume of consumer loans increased by 28% in 2002
- Decrease of business loans due to successful work-out of non-performing loans

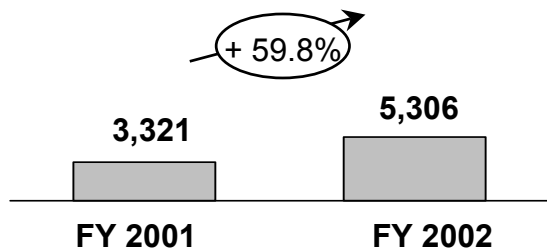


KEY BUSINESS INDICATORS

Retail loans development - focus

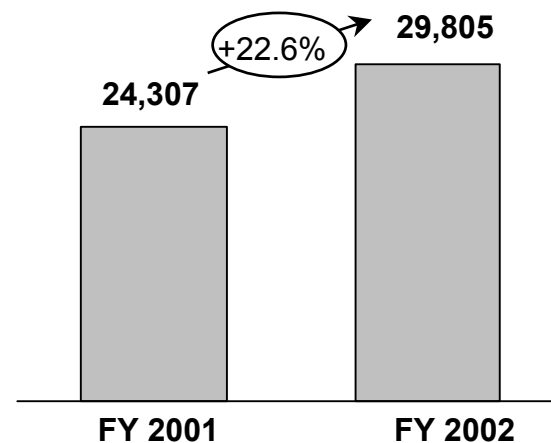
Mortgages

Number of mortgages granted during 2002



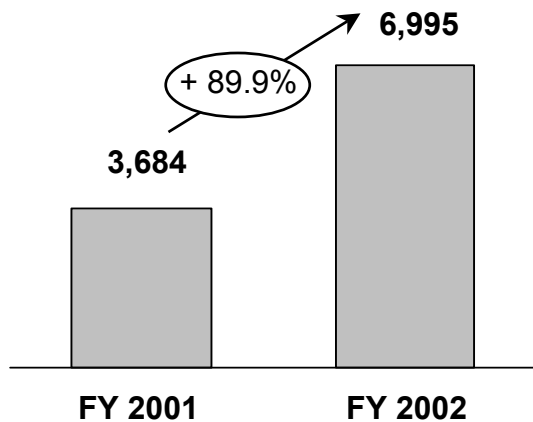
Consumer loans

Number of consumer loans granted during 2002



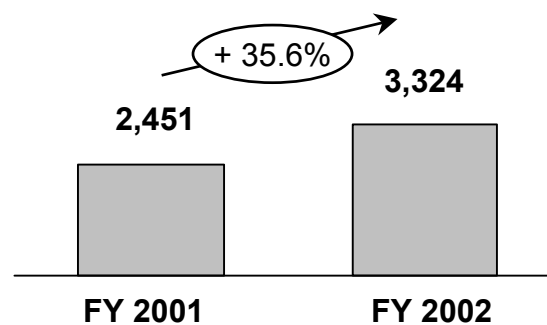
Volume of mortgages granted during 2002

CZK million



Volume of consumer loans granted during 2002

CZK million



FINANCIAL RESULTS AND RATIOS

Net operating income increased by 12.5%

CZK million, unconsolidated

Profit and Loss Statement	FY 2001	FY 2002	Change 02/01
Net banking income	23,809	22,597	- 5.1%
Operating costs	-15,065	-12,760	- 15.3%
Net operating income	8,744	9,837	+ 12.5%
Provisions for loan and investment losses	-5,333	1,434	-
Income taxes	-879	-2,508	+ 185.3%
Net profit	2,532	8,763	+ 246.1%

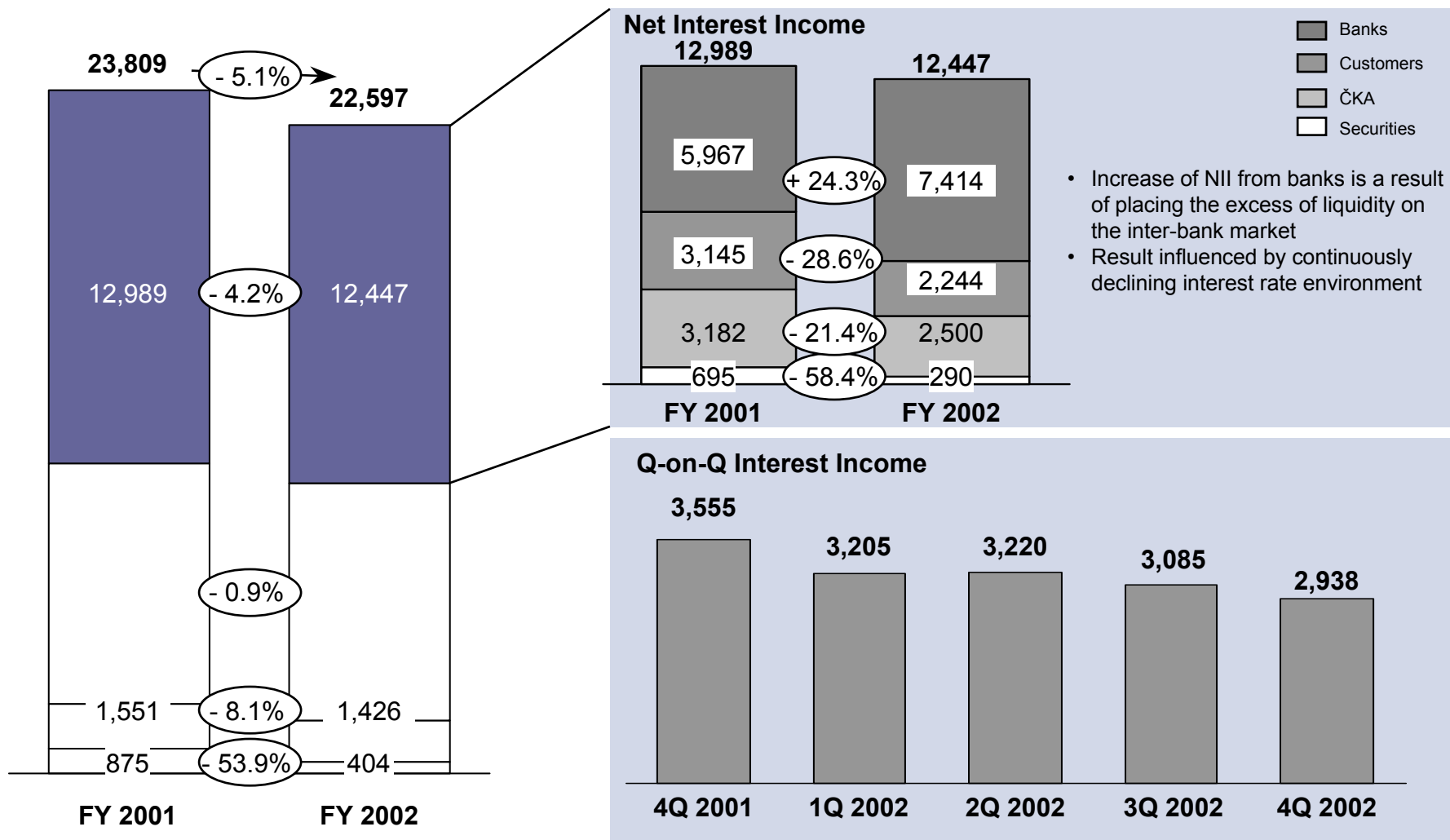
Key ratios and indicators	FY 2001	FY 2002	Change
Capital Adequacy - CNB	15.2%	13.4%	→
Tier 1 Ratio (IAS)	10.6%	11.5%	→
Net Interest Margin - NII/Av. Interest Bearing Assets	3.6%	3.3%	→
Cost / Income ratio including restructuring costs	63.3%	56.5%	→
Return on Average Equity (ROAE)	11.6%	30.6%	→
Return on Average Assets (ROAA)	0.6%	2.0%	→
Non-interest Income / Total Revenues	45.4%	44.9%	→
Number of employees (FTE)	9,238	8,788	- 4.9%



NET INTEREST INCOME

Changes in the structure of Net interest income

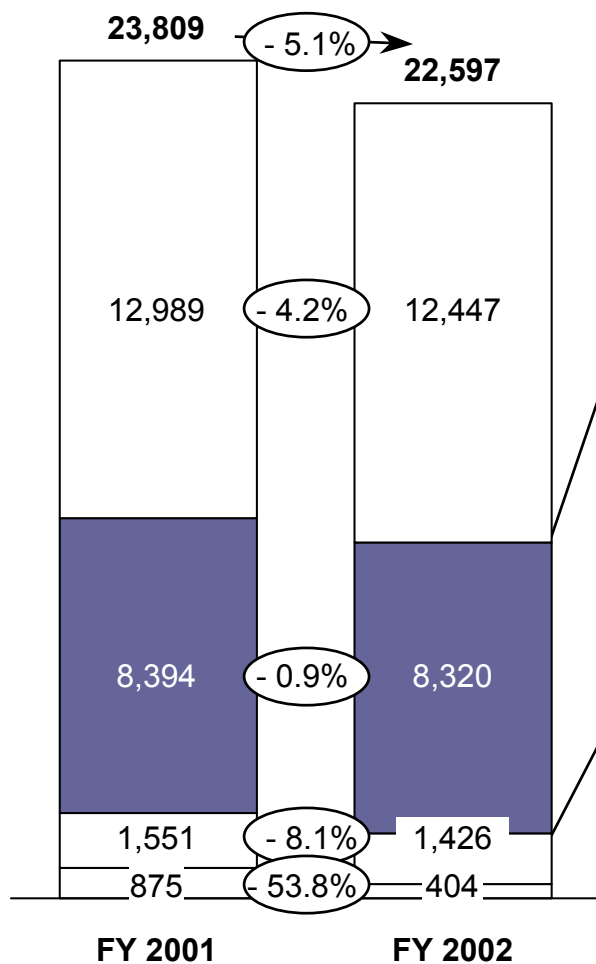
CZK million, unconsolidated



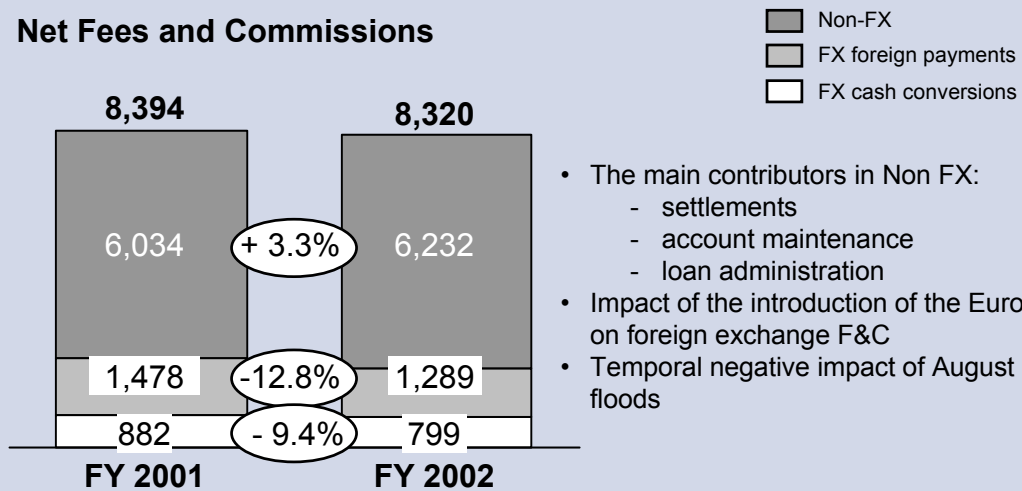
NET FEES AND COMMISSIONS

Decrease of foreign exchange fees and commissions

CZK million, unconsolidated



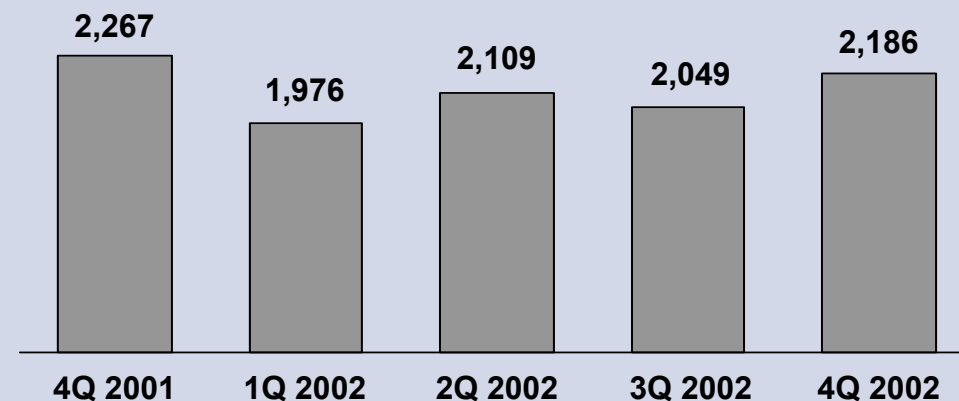
Net Fees and Commissions



Non-FX
 FX foreign payments
 FX cash conversions

- The main contributors in Non FX:
 - settlements
 - account maintenance
 - loan administration
- Impact of the introduction of the Euro on foreign exchange F&C
- Temporal negative impact of August floods

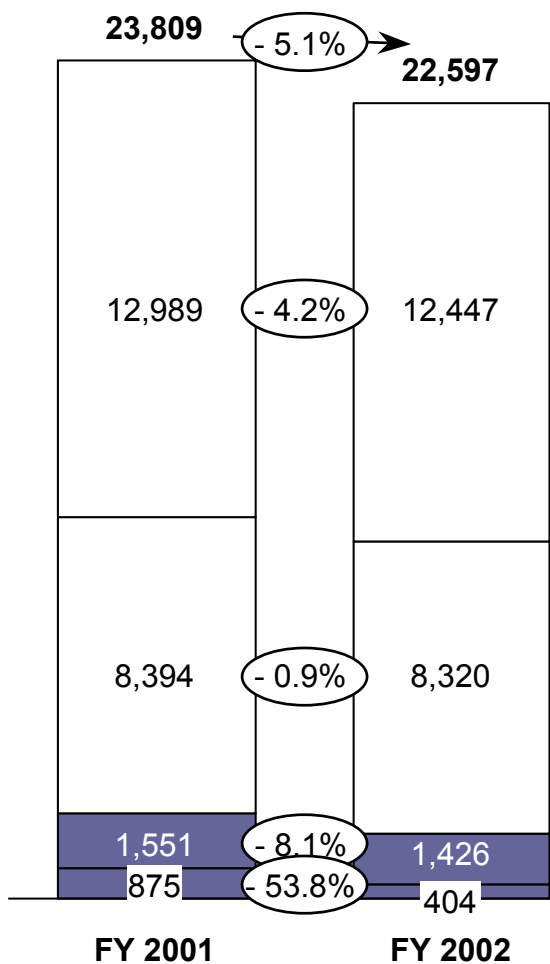
Q-on-Q Net Fees and Commissions



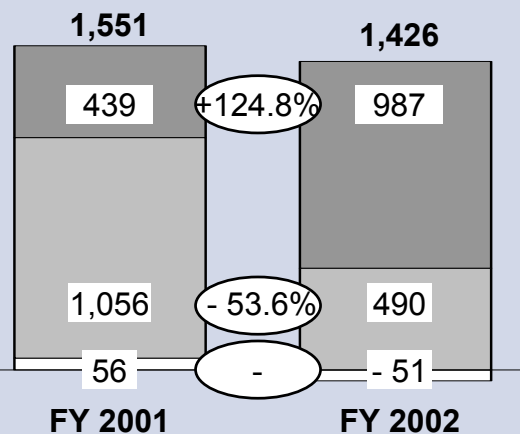
TRADING PROFITS AND OTHER INCOME

Satisfactory development of profit from financial operations

CZK million, unconsolidated



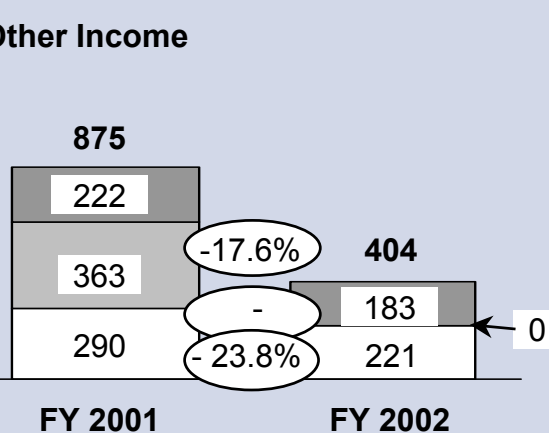
Net profit from financial operations



- FX operations
- Securities
- Interest and commodity Derivatives

- FX operations positively impacted by differences in CZK and USD interest and exchange rates
- The result in 2001 affected by one-off gain of CZK 567mil. from sale of share in Česká pojišťovna

Other Income



- Dividends from subsidiaries and associates
- Exceptional net income
- Miscellaneous

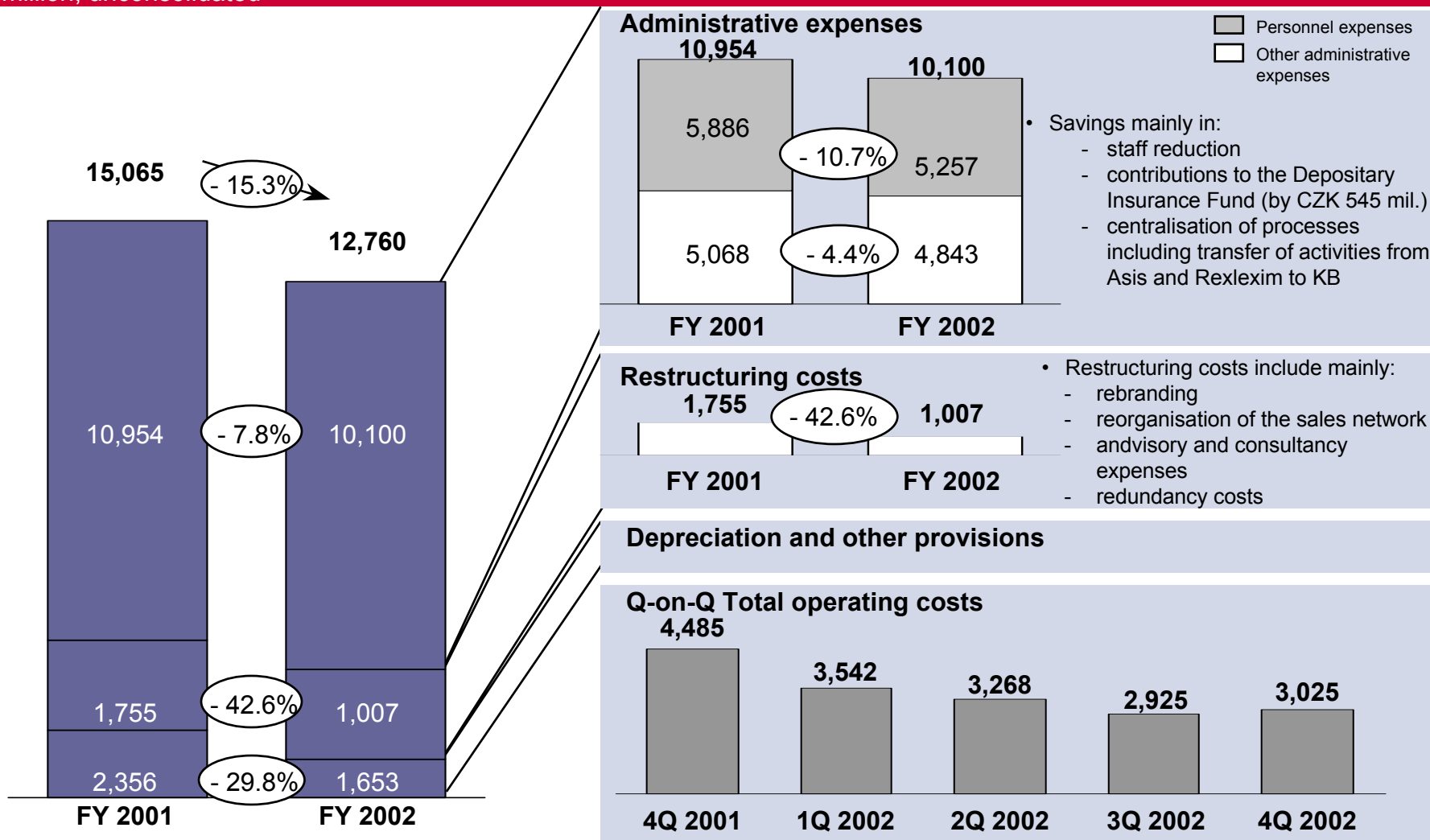
- Exceptional net income in 2001 mainly included non-recurring income:
 - write-off and write back of receivables and payables
 - change of the banking payment system at the beginning of 1990's



OPERATING COSTS

Continuous cost savings together with further restructuring

CZK million, unconsolidated

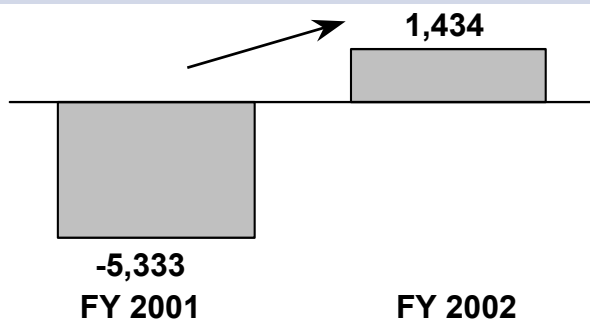


PROVISIONS FOR LOANS AND INVESTMENT LOSSES

Release of provisions and reserves boosted KB profit

CZK million, unconsolidated

Total provisions

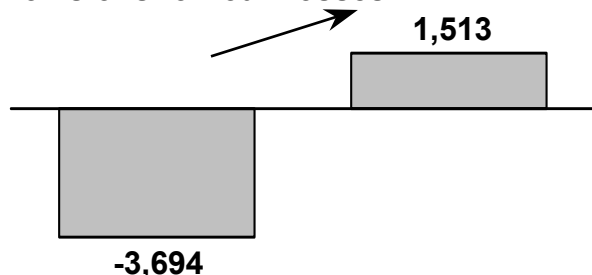


Comments

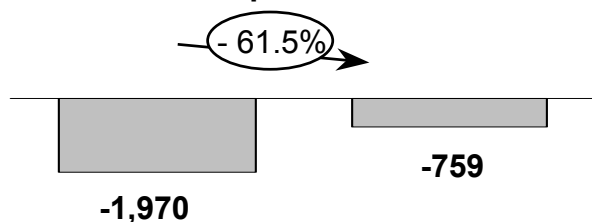
- The release of CZK 1,513 mil. include both release of specific provisions to loans as a result of improving quality of the Bank's loan portfolio and partial release of general provisions for loan losses in the amount of CZK 2,234 mil. following Czech legal requirements (please see page 16)
- Out of CZK -339 mil. provisions for subsidiaries CZK -325 mil. is dedicated to Komerční Pojišťovna

Detailed breakdown

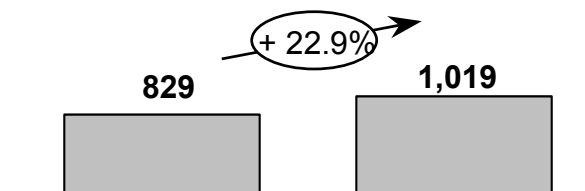
Provisions for loan losses



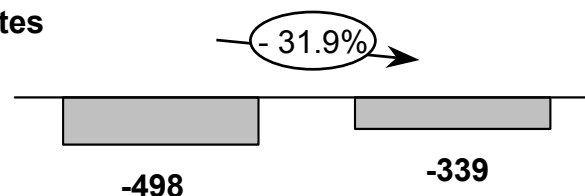
Provisions for impairment of securities



Income from fully written-off loans



Provisions for losses for investments in subsidiaries and associates



Deferred income taxes decreased total KB taxes charge

Unconsolidated

Return to the profitability of the Bank led to first posting of deferred income tax assets in 2002

P/L impact 2002

• Theoretical opening balance (related to previous years)	CZK + 1,325 mil.
• P/L movement of deferred tax assets in 2002	CZK - 423 mil.
• P/L movement of deferred tax liabilities in 2002	CZK + 172 mil.
• Total P/L impact of deferred taxes in 2002	<hr/> CZK + 1,074 mil.

BALANCE SHEET

Increase of total balance sheet by 4%

CZK million, unconsolidated

Assets

	421,720	439,753	Change
Cash and balances with central bank	18,211	14,377	- 21.1%
Amounts due from banks	155,602	199,729	+ 28.4%
Due from Česká konsolidační agentura	49,765	35,440	- 28.8%
REPO with state institutions	12,500	0	-
Loans and advances to customers (net)	122,697	121,154	- 1.3%
Securities	38,997	36,143	- 7.3%
Other assets	23,948	32,910	+ 37.4%
	31.12.2001	31.12.2002	

Liabilities and shareholders' equity

	421,720	439,753	Change
Amounts due to banks	28,860	22,549	- 21.9%
Amounts due to customers	321,345	341,114	+ 6.2%
Subordinated debt	7,252	6,100	- 15.9%
Certificated debt	27,771	18,267	- 34.2%
Other liabilities	12,894	17,965	+ 39.3%
Shareholders' equity	23,598	33,758	+ 43.1%
	31.12.2001	31.12.2002	

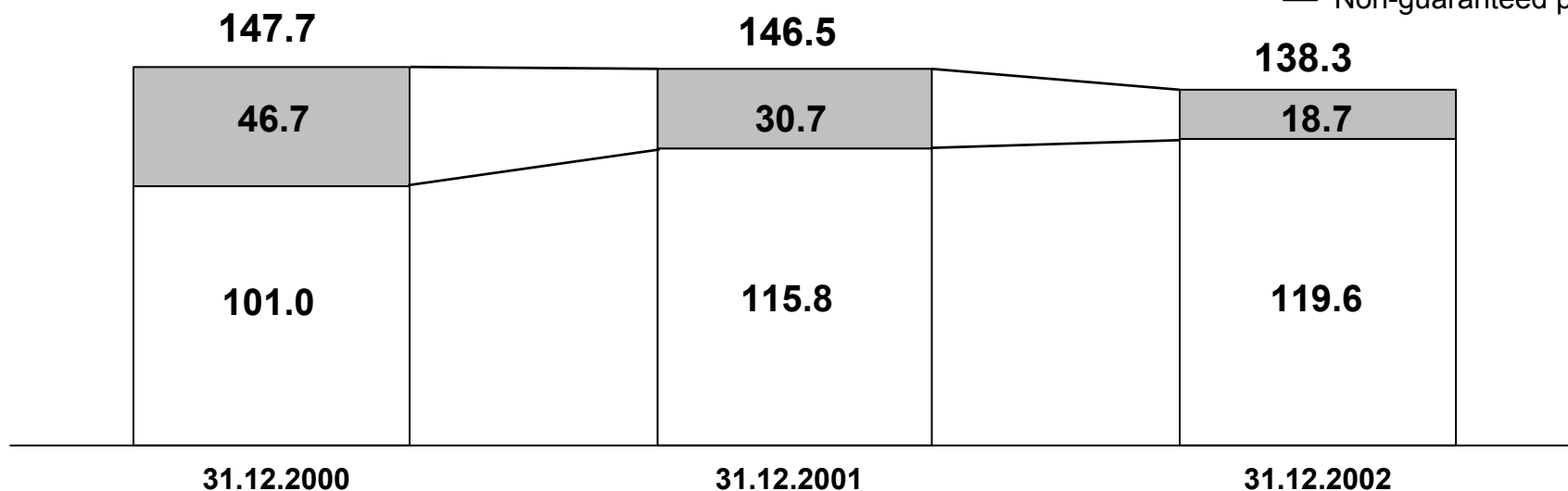


CLIENT PORTFOLIO DEVELOPMENT

CZK billion

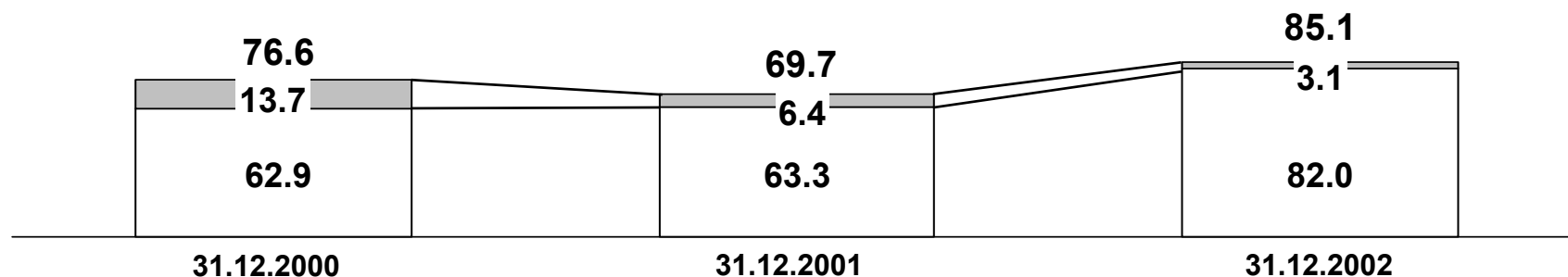
On-balance Sheet

Guaranteed portfolio
 Non-guaranteed portfolio



Off-balance Sheet

Guaranteed portfolio
 Non-guaranteed portfolio

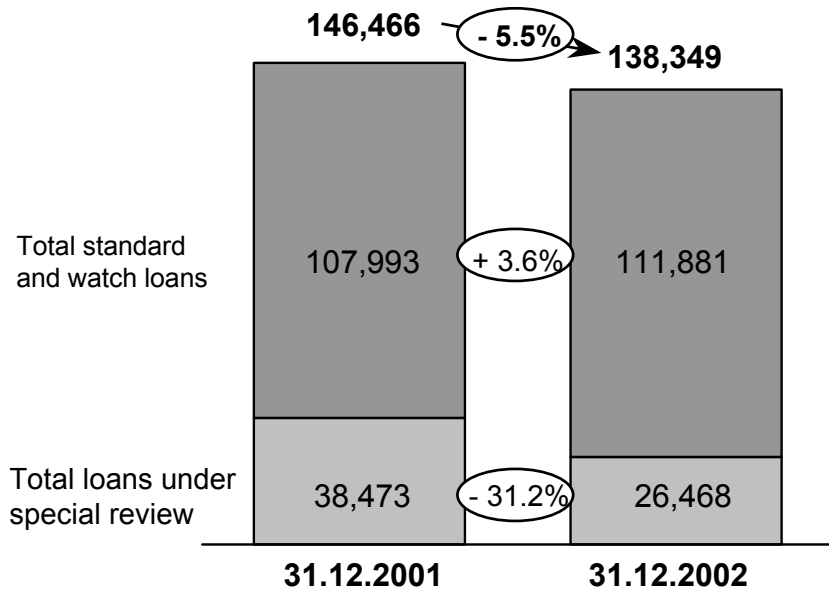


LOANS AND ADVANCES TO CUSTOMERS

Ongoing improvement in quality of the loan book

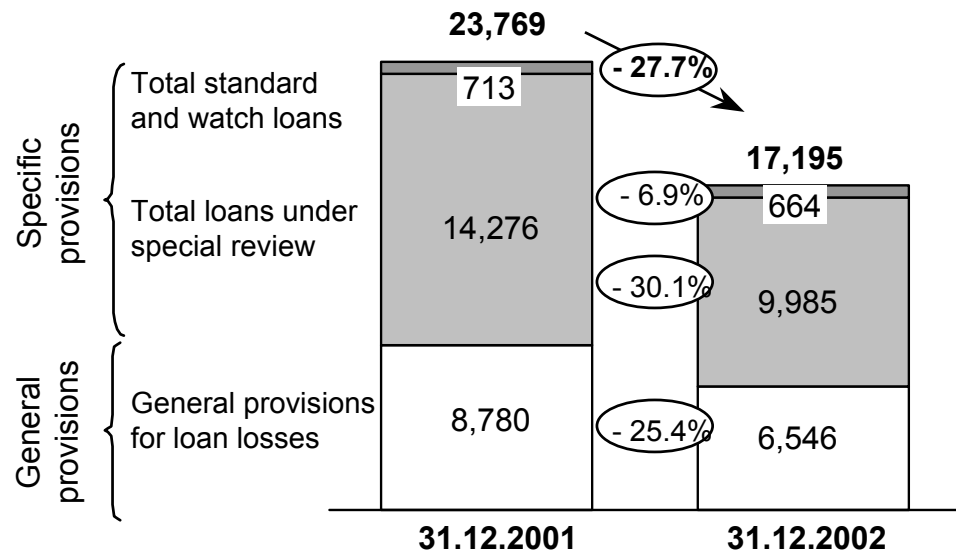
CZK million

Client loans On-balance sheet



- Significant improvement in quality of client loans in 2002:
 - Increase in share of standard loans in the total customer loans to 64% (56% in 2001)
 - Decrease in LUSR*/ Total customer loans to 19% (26% in 2001)
 - Decrease in Loss loans / Total customer loans to 8% (11% in 2001)

Specific and general provisions for loan losses On-balance sheet



- Decrease in volume of specific and general provisions due to:
 - obligatory release of general provisions
 - improvement in the loan book quality.
- Specific and general provisions and Collateral without the State Guarantee covered 54% of client loans
- Coverage of loans under special review by specific provisions was 38%



* LUSR = Loans under special review (sub-standard, doubtful and loss)

SALE OF THE PORTFOLIO OF NON-PERFORMING LOANS

Nonmaterial positive impact of the sale on P&L for 2002

- An **agreement** for the sale of the portfolio of non-performing loans was **signed with GE Capital Group** on 29 November 2002 and amended by further side agreements.
- The portfolio in **the nominal value of CZK 15,569 mil.** includes on balance sheet and off balance sheet exposures and fully written off receivables.
- **Selling price** in the amount of **CZK 2,659 mil.** was determined by reference to the balances of the loan exposures as of September 30, 2002.
 - All payments of principal amount and interest of the assigned loans collected by KB after September 30, 2002 will be passed to GE.
 - The relevant portion of costs incurred by KB in managing and recovering assigned loans after September 30, 2002 will be paid to KB by GE.
- The transaction is to be **realised in the first half of 2003.**
- **The impact of the transaction** recognised in the Bank's results **for 2002 was not material.**



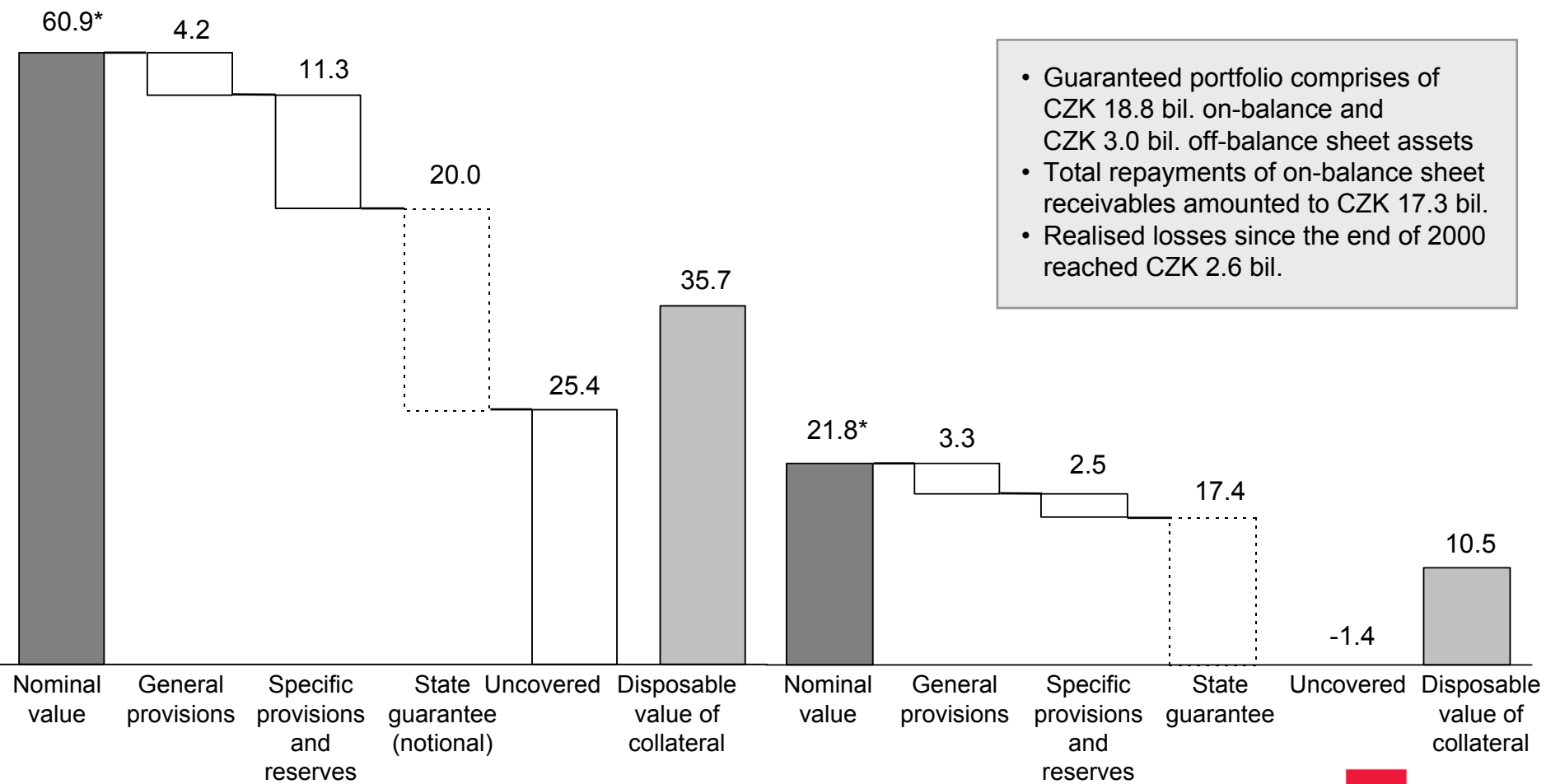
STATE GUARANTEED PORTFOLIO – FOCUS

Continuing reduction of non-performing loans covered by the State Guarantee

CZK billion

31. 12. 2000

31. 12. 2002



- Guaranteed portfolio comprises of CZK 18.8 bil. on-balance and CZK 3.0 bil. off-balance sheet assets
- Total repayments of on-balance sheet receivables amounted to CZK 17.3 bil.
- Realised losses since the end of 2000 reached CZK 2.6 bil.

* Includes receivables to banks (CZK 510 mil. as at 31.12.2000, CZK 50 mil. as at 31.12.2002)



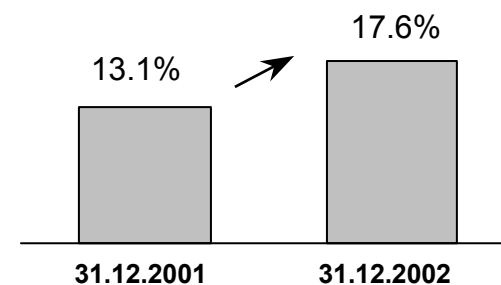
CDO PORTFOLIO

Increased coverage of the portfolio

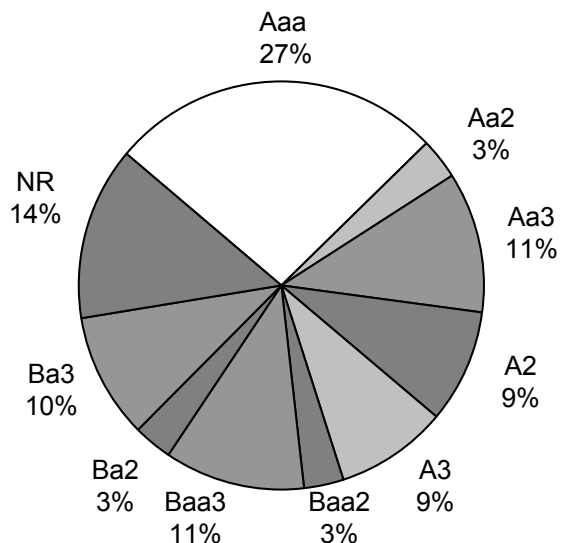
Date of acquisition: September 2000 - April 2001
Purchase price: USD 426 mil.
Total coverage (as at 31-Dec 2002): USD 75 mil.

Provisions and reserves based on a mark-to-model approach.

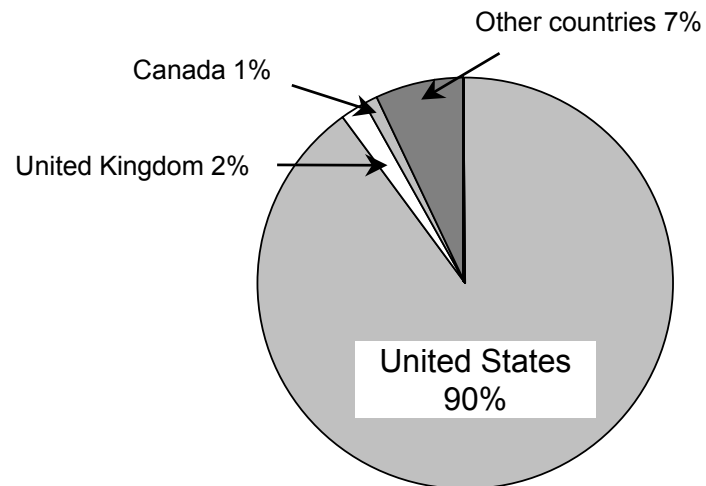
Specific provisions / Purchase Price



Rating of the CDO portfolio



CDO collateral by country

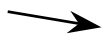




FINANCIAL RESULTS AND RATIOS - CONSOLIDATED

CZK million

Profit and Loss Statement	FY 2001	FY 2002	Change 02/01
Net banking income	26,433	25,920	- 1.9%
Total operating costs	- 18,302	- 15,917	- 13.0%
Income from not fully consolidated companies	686	-74	-
Provisions for loan and investment losses	- 4,927	1,758	-
Income tax	- 986	-2,661	+ 169.9%
Net profit / (loss)	2,904	9,026	+ 210.8%

Balance Sheet	FY 2001	FY 2002	Change 02/01
Total assets	431,433	446,092	+ 3.3%
Shareholders' equity	24,927	35,366	+ 41.9%

Key ratios	FY 2001	FY 2002	Change 02/01
Cost / Income Ratio	69.2%	61.4%	
Return on Average Equity (ROAE)	12.6%	29.9%	
Return on Average Assets (ROAA)	0.7%	2.6%	
Number of employees (FTE) including associated comp.	11,525	10,361	- 10.1%



SUBSIDIARY AND ASSOCIATED UNDERTAKINGS RESULTS

CZK mil., CAS/SAS

	Share of KB	Profit after tax	Equity	Assets
ASIS, a.s.	100%	4	12	65
Factoring KB, a.s.	100%	10	119	2,188
Investiční kapitálová společnost, a.s.	100%	79	247	336
Komerční Finance, B.V.	100%	7	8	6,105
Komerční banka Bratislava, a.s. (SAS)	100%	14	431	4,450
Komerční pojišťovna, a.s.	100%	- 41	534	3,826
MUZO, a.s.	51.25%	192	472	1,072
Reflexim, a.s.	100%	2	6	32
Total subsidiary undertakings		267	1,829	18,074
CAC LEASING, a.s. (unconsolidated)	50%	270	959	19,847
Všeobecná stavební spořitelna KB, a.s.	40%	205	1,350	34,075
Czech Banking Credit Bureau	20%	- 3	- 2	15
Total subsidiary and associated undertakings		739	4,136	72,011
KB direct share		387	2,612	41,094
ALL IN REAL ESTATE LEASING, s.r.o. *	100%	6	39	94
ALL IN, a.s.*	100%	3	24	24
Penzijní fond Komerční banky, a.s.	100%	420	788	9,692

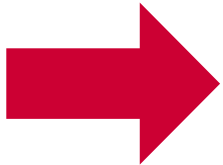
• **Komerční pojišťovna comments:**

- Sale of MTPL insurance completed and reflected in results for 2002
- Recapitalisation completed, KB increased capital by CZK 989 mil. during 2002

* Companies in process of disposal or liquidation



- **FY 2002 Performance**
 - Business Indicators
 - Financial Performance

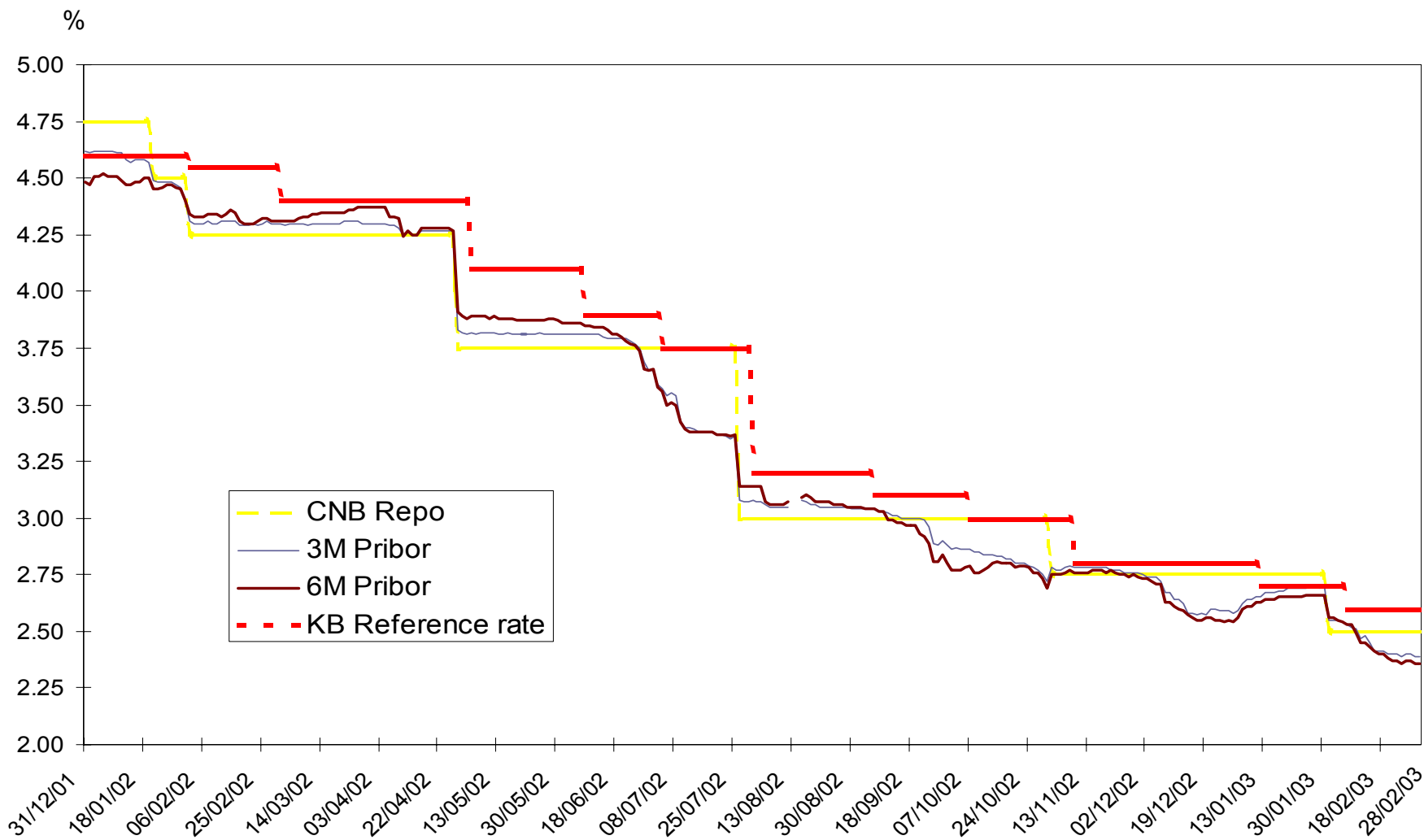


- **Appendix**

DEVELOPMENT OF KB's SHARE PRICE AND INDEX PX50

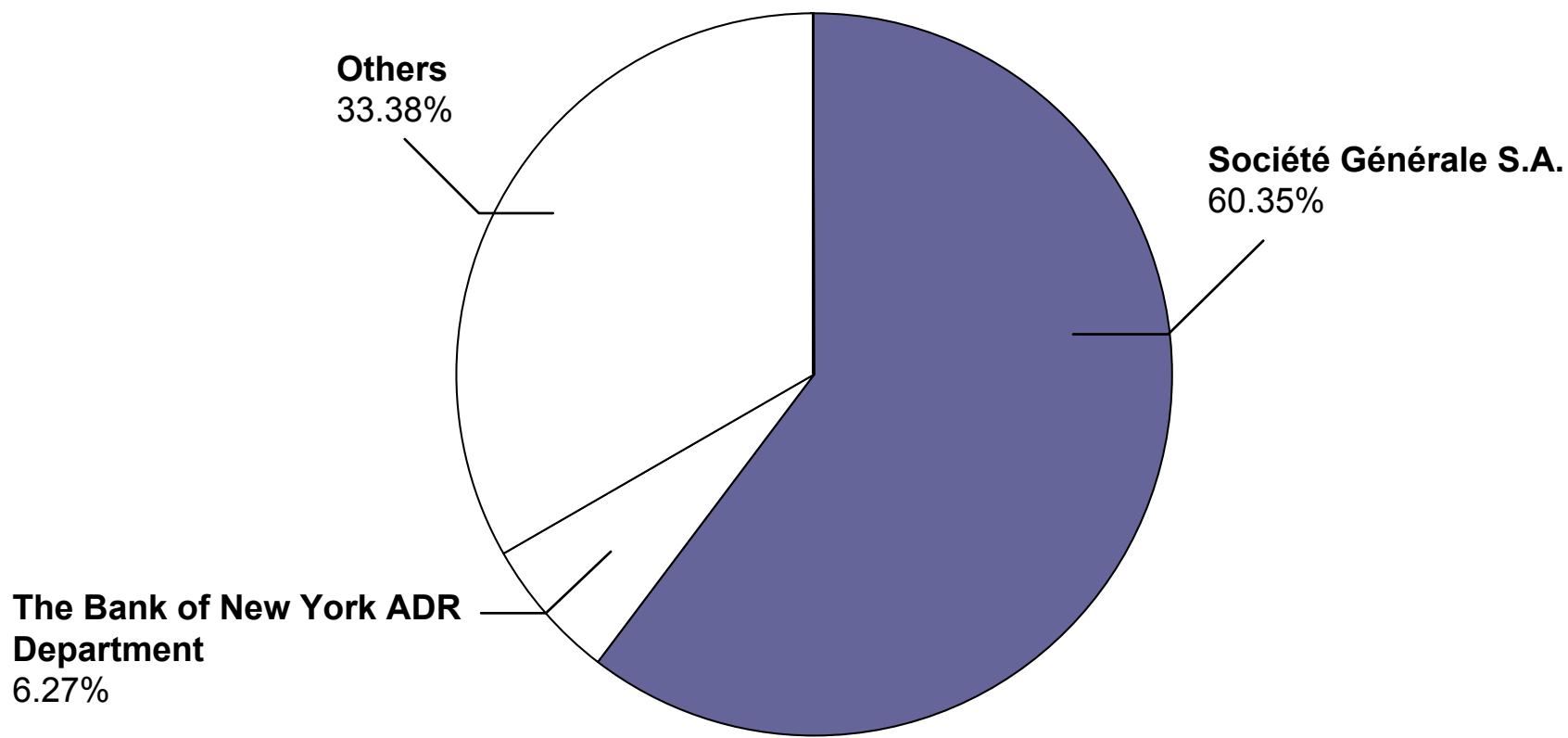


DEVELOPMENT OF INTEREST RATES



STRUCTURE OF SHAREHOLDERS

**Major shareholders of Komerční banka, a.s.
with over 5% of the share capital as at December 31, 2002**



CONTACTS

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