

**Presentation of financial results
as at 31 December 2000**
(according to IAS in CZK million)

Prague, 29 March 2001

Content

- Main events of the year 2000
- Profit and loss account for the year 2000
- Balance sheet as at 31 December 2000
- Loan portfolio as at 31 December 2000
- Appendix

Main Events of the Year 2000



FEBRUARY - the increase in share capital to CZK 19 billion was finished and the Czech National Property Fund's proportion of Komerční banka's share capital rose to 60%

MARCH - transfer of selected loss, doubtful and written-off receivables in the nominal value of CZK 60 billion at an amount corresponding to 60% of the nominal value to KONPO, s. r. o., subsidiary of Konsolidační banka Praha, s. p. ú.

**APRIL -
JUNE** - new Board of Directors elected, which started the process of restructuring of Komerční banka

JULY - new organisational structure of the Bank implemented

SEPTEMBER - Information Memorandum distributed and the process of choosing a strategic investor of the Bank started

DECEMBER - on the basis of the resolution of the Government of the Czech Republic the Bank entered into a guarantee agreement with Konsolidační banka Praha, s. p. ú. , covering losses arising from lower quality assets of Komerční banka up to a maximum value of CZK 20 billion

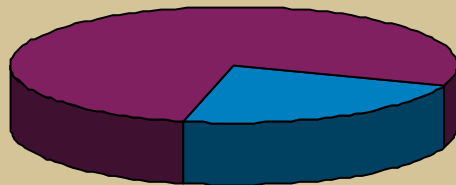
KB's Market Share



Client deposits

100% = CZK 1,242.8 bn

other banks
77.0%

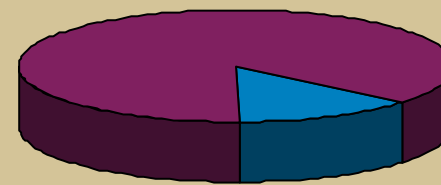


KB
23.0%

Total loans

100% = CZK 1,093.3 bn

other banks
86.5%

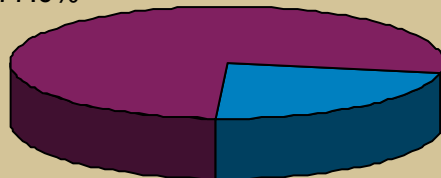


KB
13.5%

Mortgage loans

100% = CZK 43.7 bn

other banks
77.0%



KB
23.0%

Consumer loans

100% = CZK 32.8 bn

other banks
88.0%



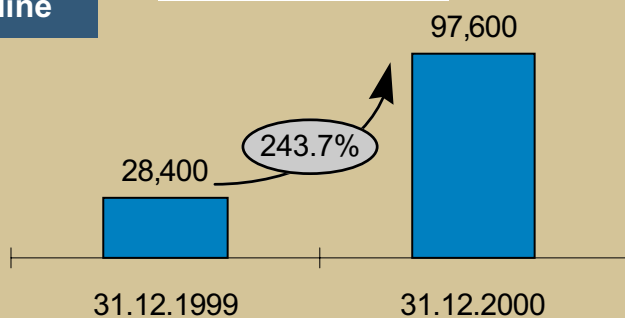
KB
12.0%

Note: data according to CNB methodology

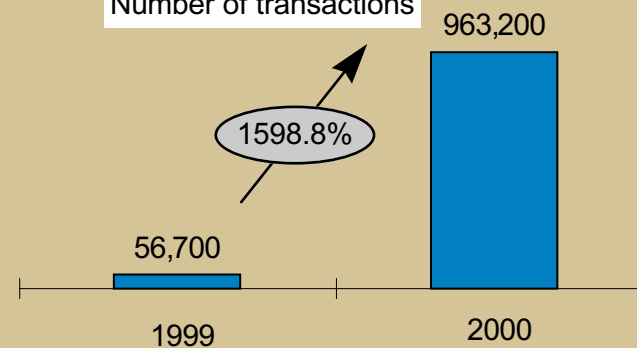
Business Results of KB

KB Express line

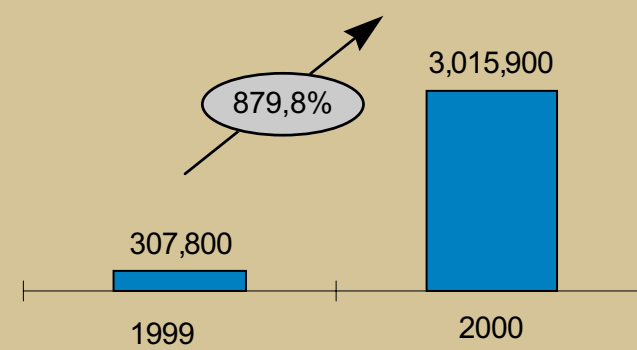
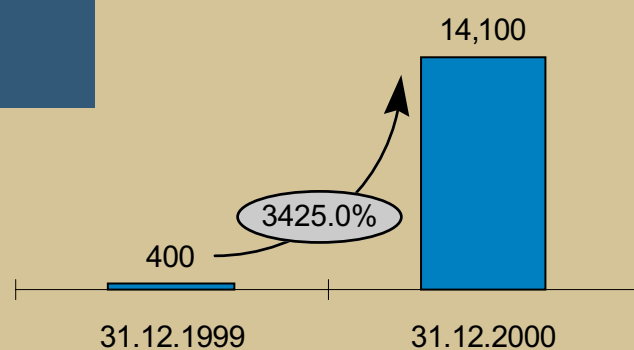
Number of clients



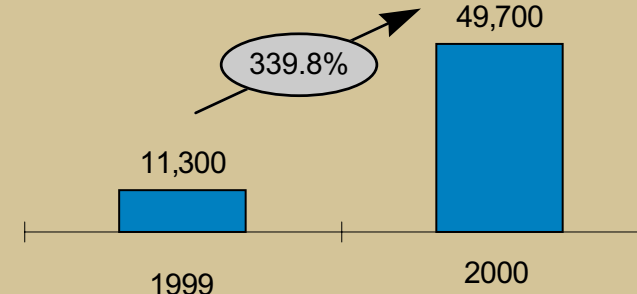
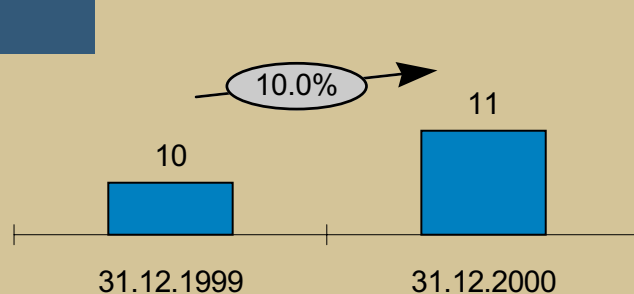
Number of transactions



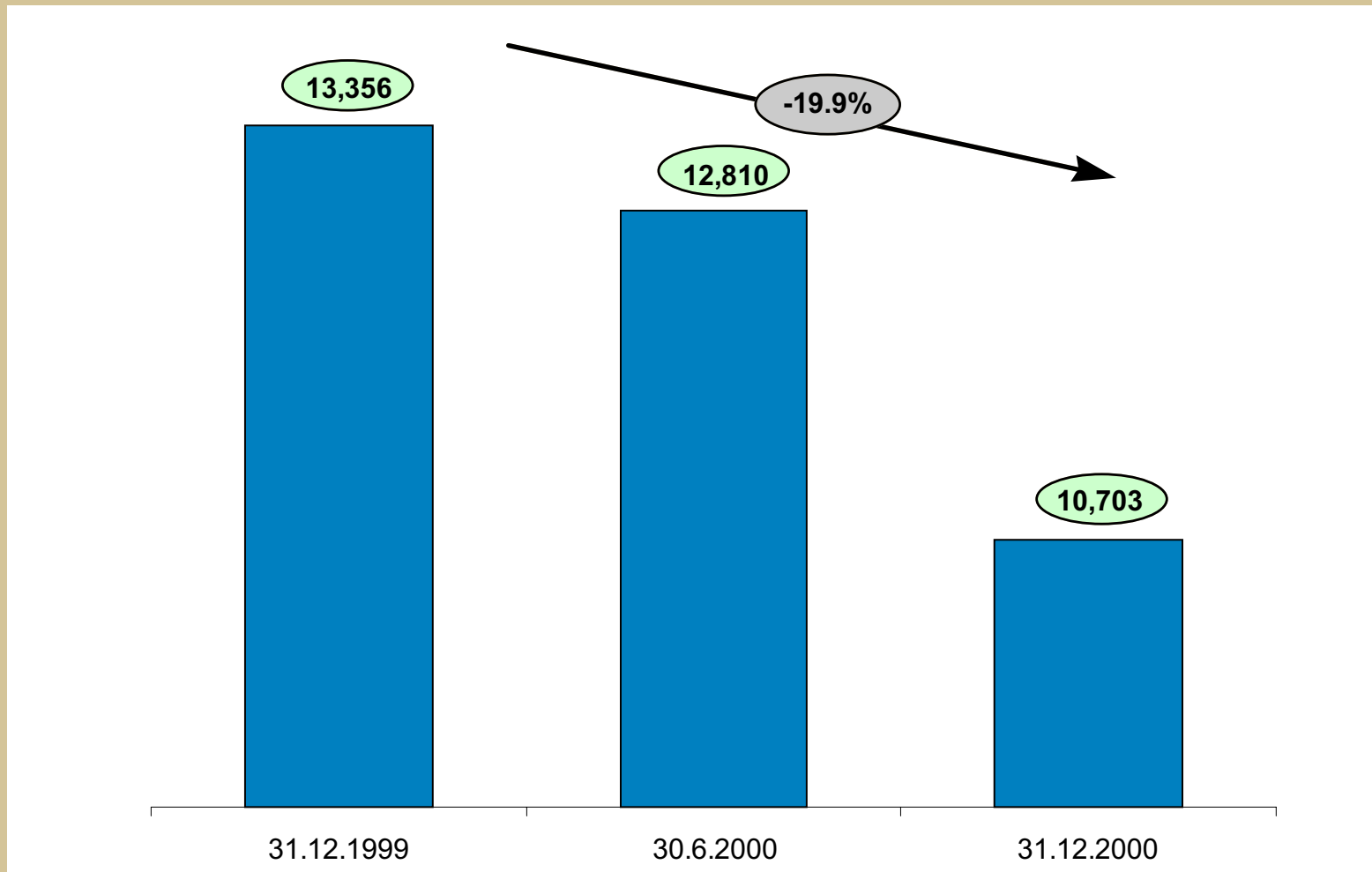
Best KB M-Best



EDI KB



Number of Employees



Note - total number of employees as at the date

Process of KB Privatisation



Due Diligence Process

Schedule

1. Management presentations for investors

completed

2. Study of documents in DATA ROOM

April 2001

3. One-to-one interviews and visits of branches

April 2001

4. Analysis of loan files and loan processes
in KB's branches

April 2001

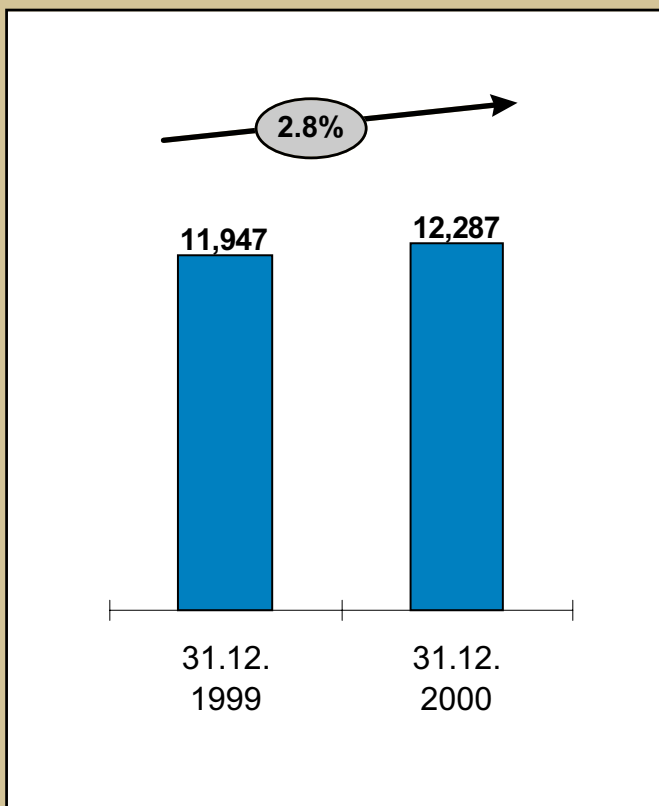
Profit and Loss Account for the year 2000

Profit and Loss Account



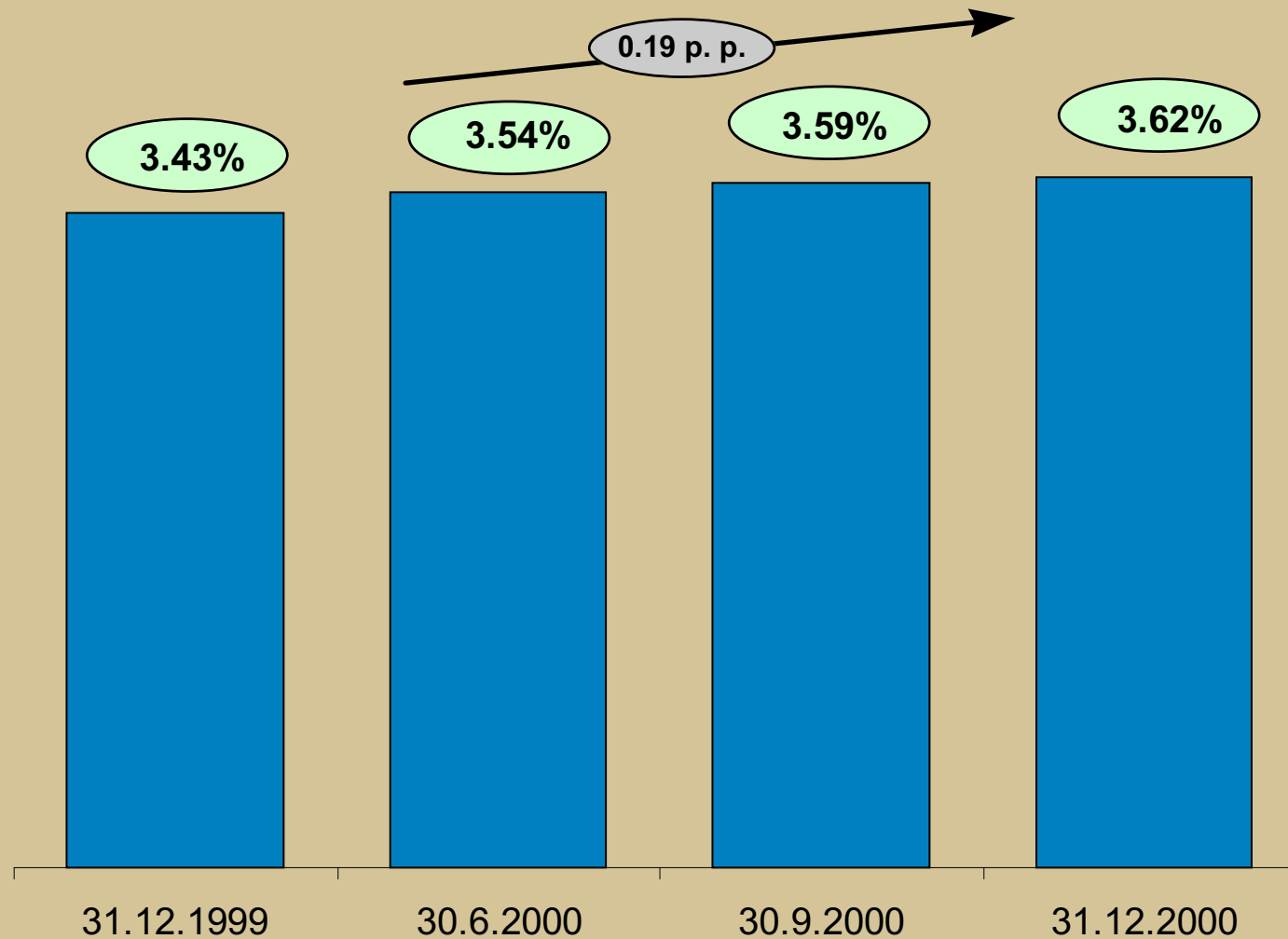
CZK million	31.12.1999	31.12.2000	change
Net interest income	11,947	12,287	2.8%
Net fees and commissions	4,350	4,422	1.7%
Dealing profits	2,571	3,143	22.2%
Other income	1,522	1,648	8.3%
Operating income	20,390	21,500	5.4%
Administrative expenses	(10,291)	(10,383)	0.9%
Depreciation and other provisions	(2,479)	(2,416)	-2.5%
Restructuring costs	-	(827)	-
Profit / (loss) before provision for loan losses	7,620	7,874	3.3%
Provision for loan losses	(17,378)	(7,876)	-54.7%
Profit / (loss) before income tax	(9,758)	(2)	-
Income tax	(24)	(17)	-29.2%
Net profit / (loss)	(9,782)	(19)	-

Net Interest Income



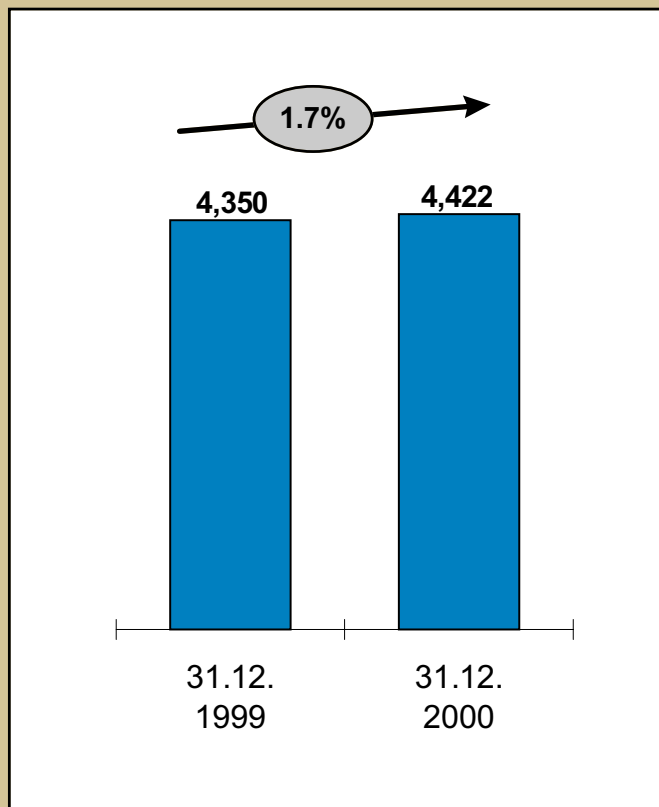
CZK million	31.12.1999	31.12.2000	change
Interest income	33,032	29,096	-11.9%
- from securities	2,175	1,608	-26.1%
- from financial institutions	9,887	12,705	28.5%
- from customers	20,970	14,783	-29.5%
Interest expense	21,085	16,809	-20.3%
- securities	2,859	2,082	-27.2%
- financial institutions	6,002	4,386	-26.9%
- customers	12,224	10,341	-15.4%

Net Interest Margin



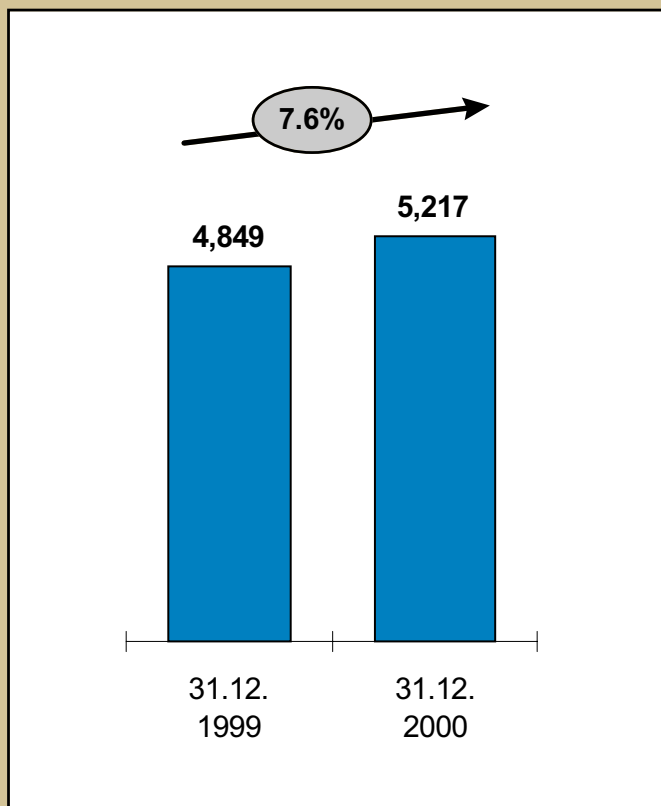
Note: p.p. = percentage points

Net Fees and Commissions



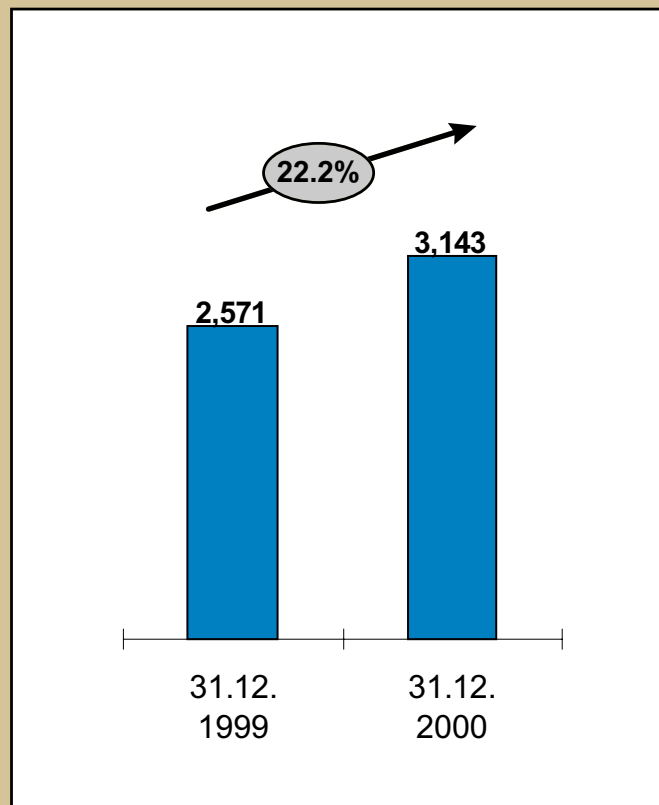
CZK million	31.12.1999	31.12.2000	change
Fee and commission income	5,043	5,427	7.6%
- from securities	84	130	54.8%
- from financial institutions	110	80	-27.3%
- from customers	4,849	5,217	7.6%
Fee and commission expense	693	1,005	45.0%
- securities	124	28	-77.4%
- financial institutions	170	140	-17.6%
- customers	399	837	109.8%

Fee and Commission Income from Customers



	1Q 2000	2Q 2000	3Q 2000	4Q 2000
loan maintenance	120	143	185	244
current account maintenance	184	181	319	304
accounting items	222	237	250	277
payments abroad	118	128	125	128
payments from abroad	63	73	70	65
payment cards	43	54	65	64

Dealing Profits



Realised and unrealised gains / (losses)

CZK million	31.12.1999	31.12.2000	change
- securities *	103	1,281 **	1143.7%
- interest rate derivatives	(65)	(8)	-87.7%
- oreign exchange trading	2,533	1,870	-26.2%

* including dividends

** Note: - sale of bonds to KONPO CZK 273 million
- revaluation of participation certificates of IKS Globální fund CZK 966 million

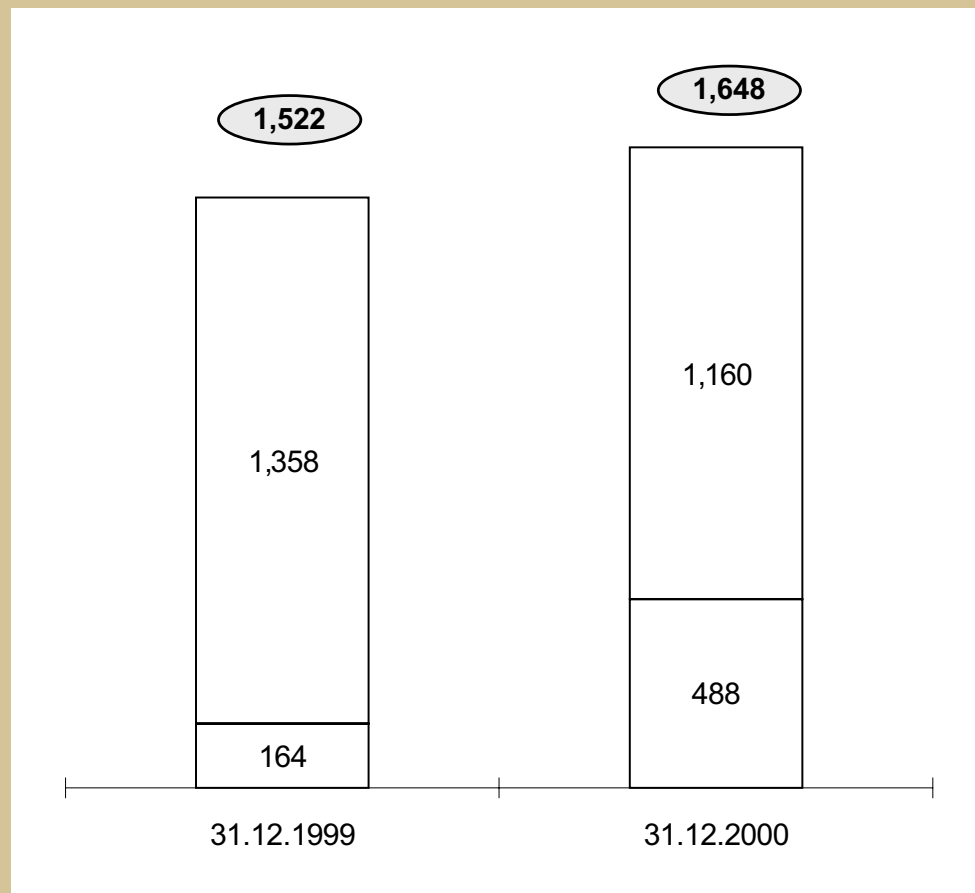
Other Income

change

8.3%

-14.6%

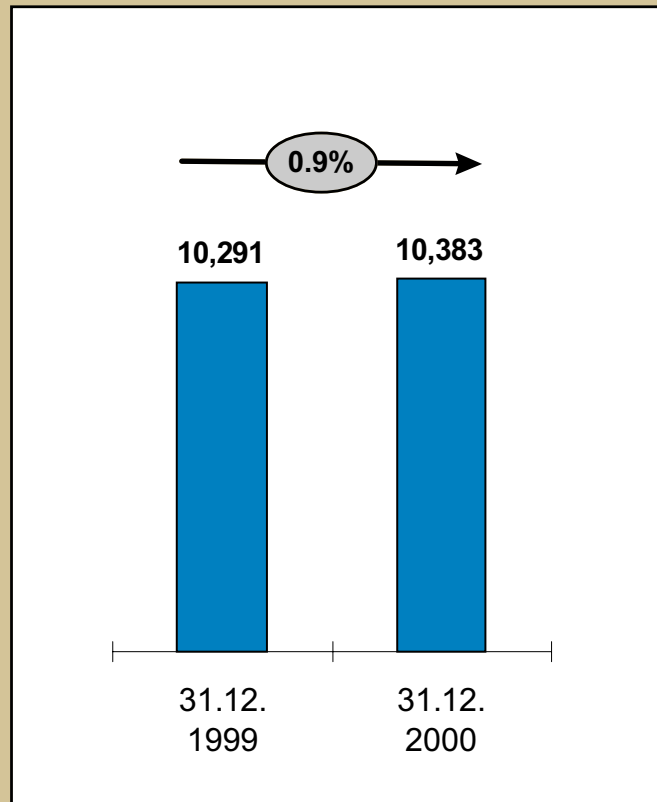
197.6%



**Net gain from foreign
currency translation**

Other income

Administrative Expenses



CZK million	31.12.1999	31.12.2000	change
Wages and salaries	3,778	3,869	2.4%
Social security costs	1,408	1,388	-1.4%
Other administrative expenses	5,105	5,126	0.4%
<i>of which:</i>			
- deposit insurance	968	1,048	8.3%
- property maintenance and rent	1,180	1,190	0.8%
- consulting, information and technical support	928	985	6.1%
- telecoms and post	309	322	4.2%
- marketing	302	344	13.9%
- other	1,418	1,237	-12.8%

Restructuring Costs

Total restructuring costs

CZK 827 million

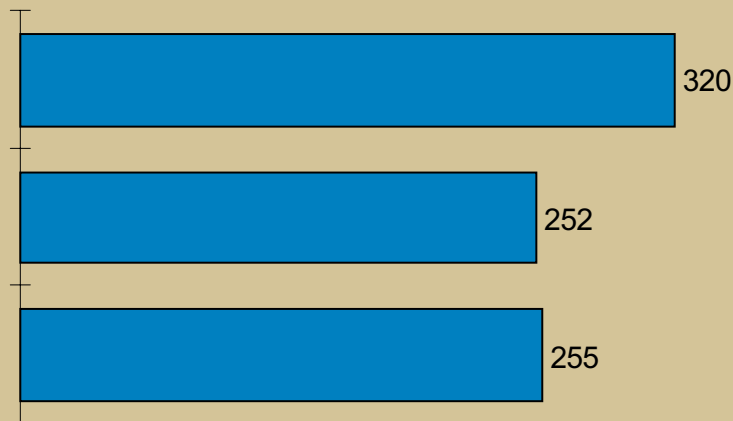
Cost

Comment

redundancy compensation costs

estimated loss on sale of vacant properties and termination of leases

other restructuring costs

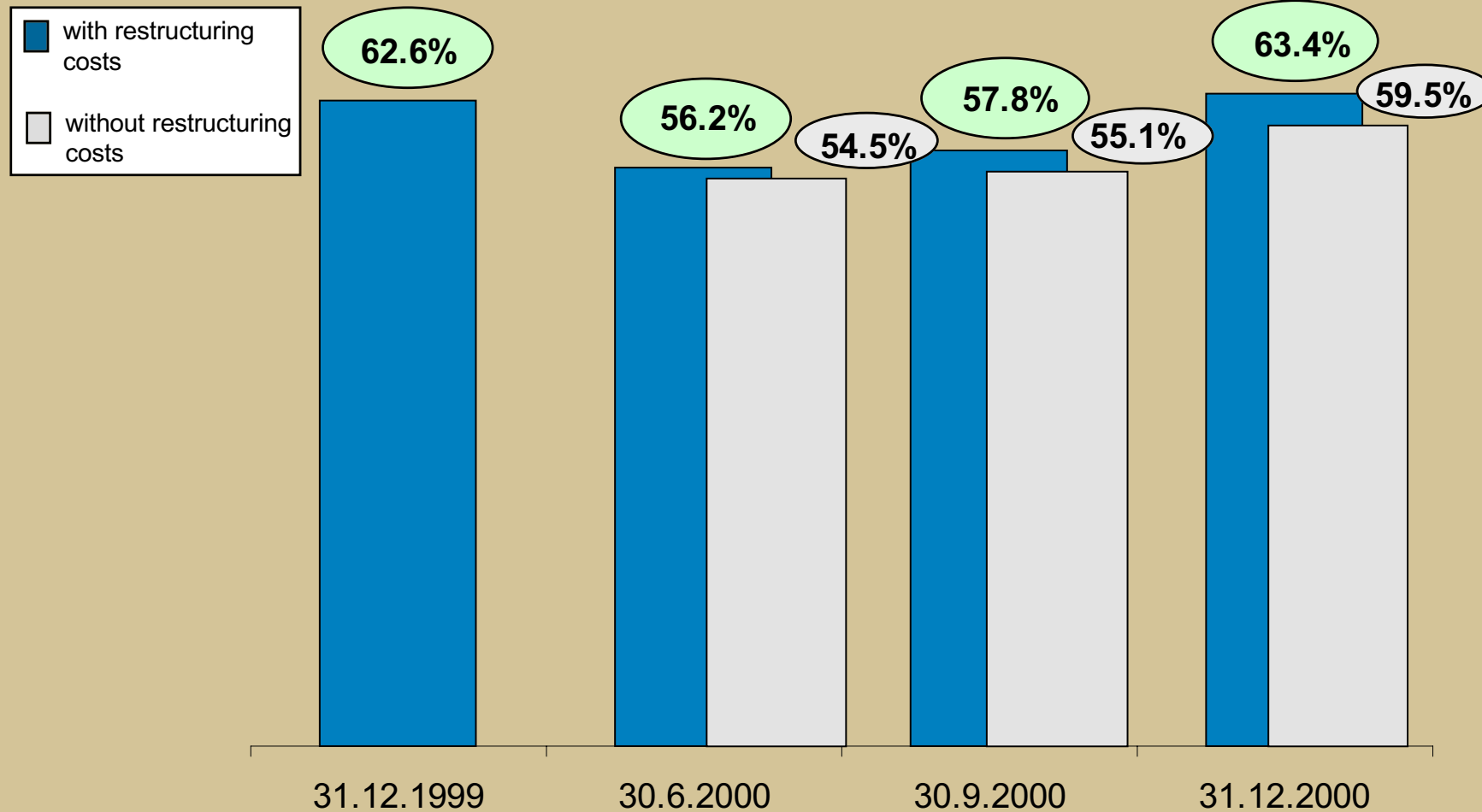


- staff reduction by 2,653 persons (by almost 20%)

- sale of property, termination of leases of offices left by the laid-off staff

- advisory services and other services connected with restructuring

Cost / Income Ratio



Provision for Loan Losses - Main Influences



CZK 0.9 billion

CZK (7.0) billion

CZK 2.5 billion

CZK 11.0 billion

CZK 0.5 billion

Increase as a result of the application CNB measure No. 193/98 relating to the real estate collateral

Decrease as a result of sale of receivables to KONPO effecting provisioning in 3/2000

Increase resulting from creation of general provisions

Increase as a result of creation of specific provisions caused by the change in loan portfolio quality and change in classification methodology

Increase resulting from more conservative policy in creation of provisions against loans to customers in bankruptcy in 4Q 2000

CZK 7.9 billion

Provision for loan losses for the year 2000

Income Tax

Final tax liability as at 31 December 2000 amounted to CZK 17 mil.

- income tax to be paid CZK 10 million
(income from foreign dividends)
- deferred tax arising from the difference in the accounting and tax depreciation of fixed assets CZK 7 million

Restatement of prior year tax returns resulted in additional tax losses which were used to eliminate 2000 tax liability

Balance sheet as at 31 December 2000

Assets

Cash and balances with central bank

Due from financial institutions

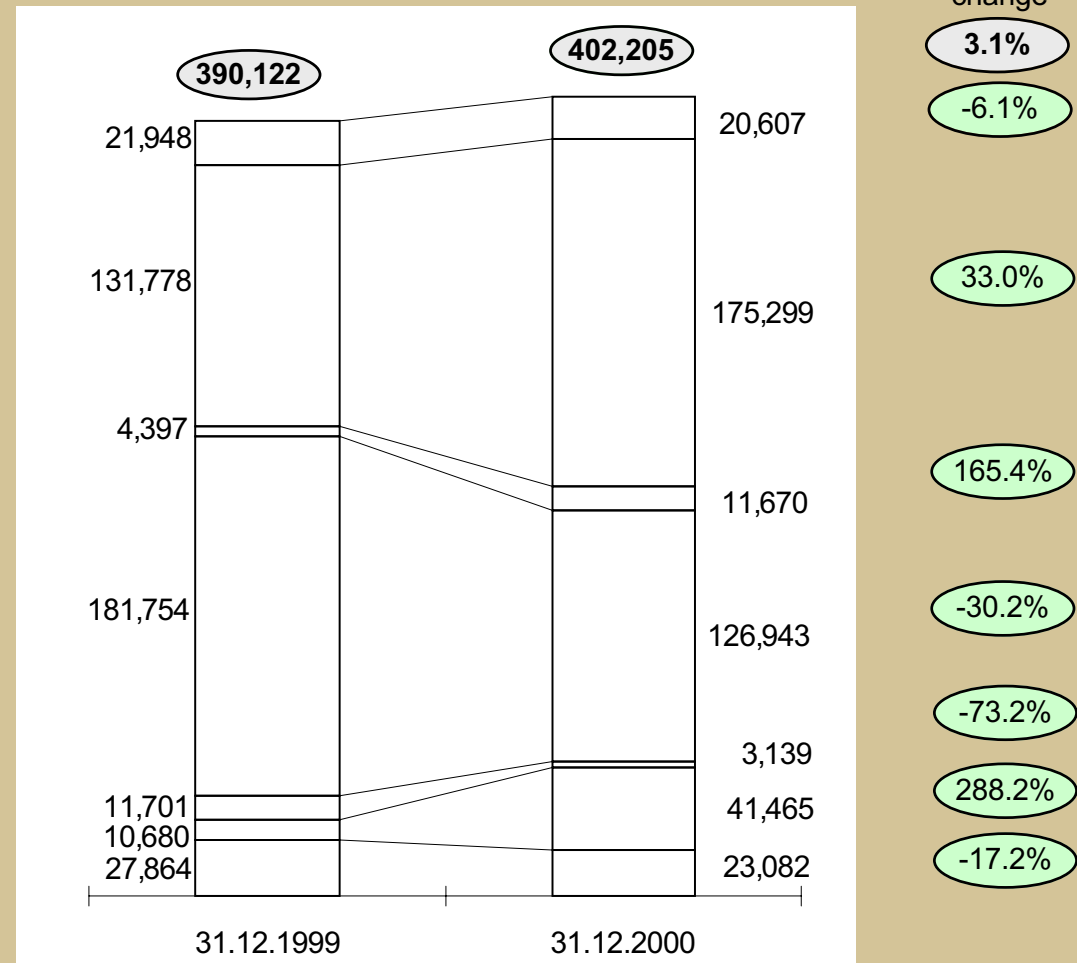
T-bills

Loans and advances to customers (net) *)

Dealing securities

Investment securities

Other assets



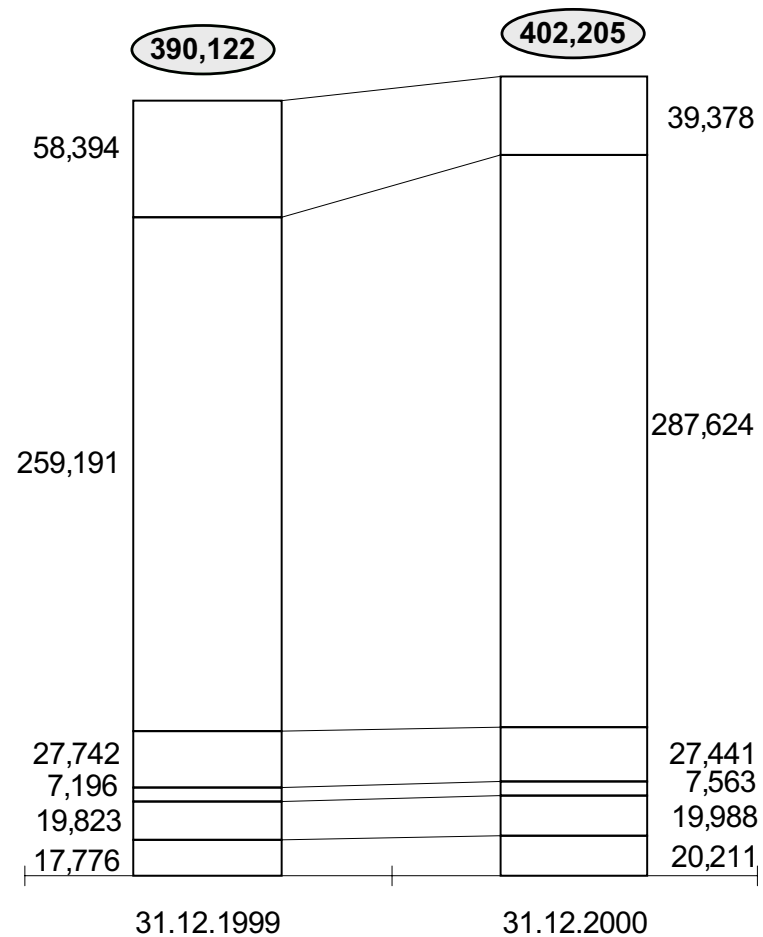
*) gross loans and advances to customers as at 31.12.1999 amounted to CZK 209,227 mil. and as at 31.12.2000 amounted to CZK 147,675 mil.

Liabilities

Amounts owed to financial institutions

Amounts owed to customers

Certificated debts
Subordinated debt
Other liabilities
Total shareholders' equity



change

3.1%

-32.6%

11.0%

-1.1%

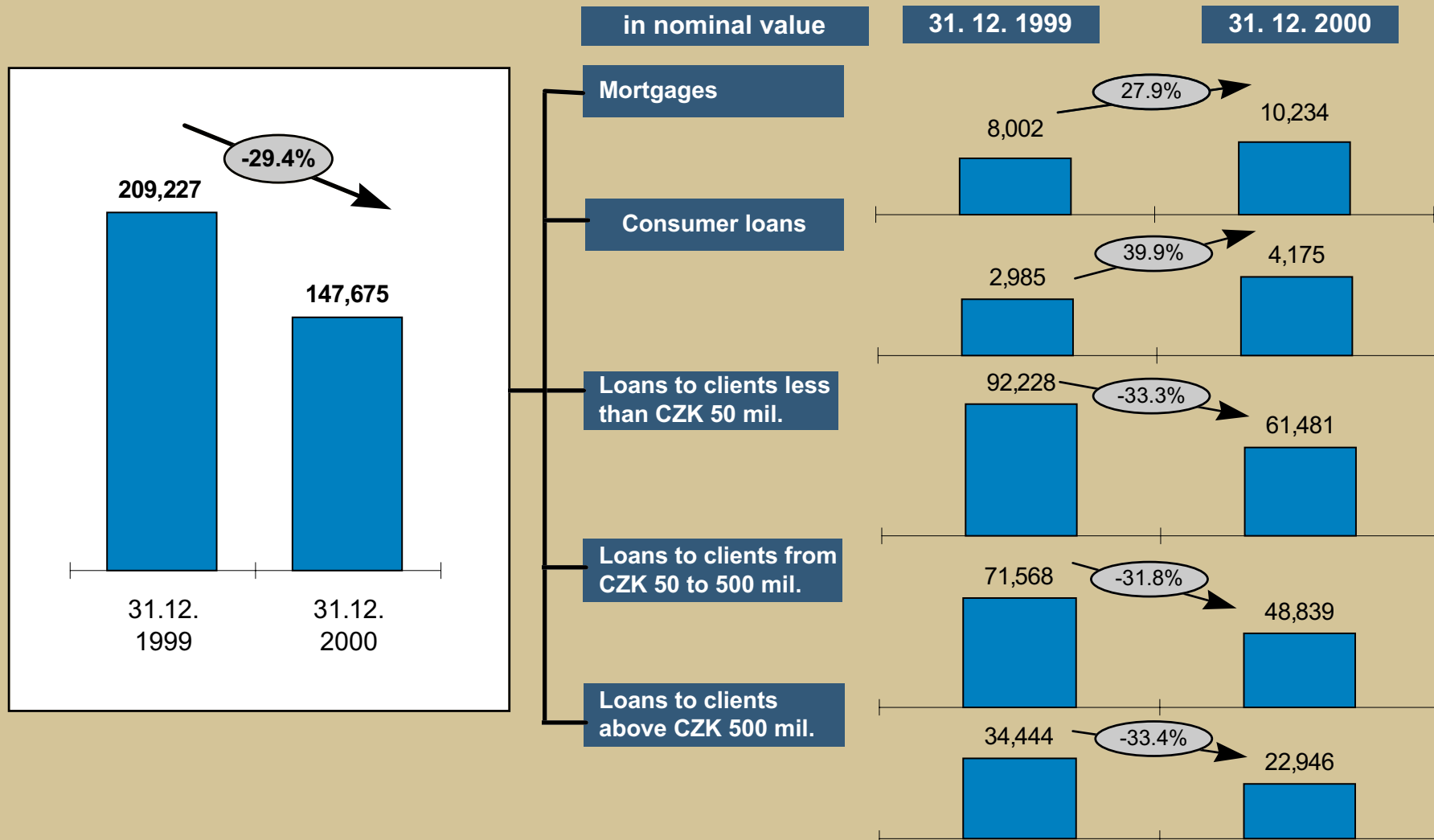
5.1%

0.8%

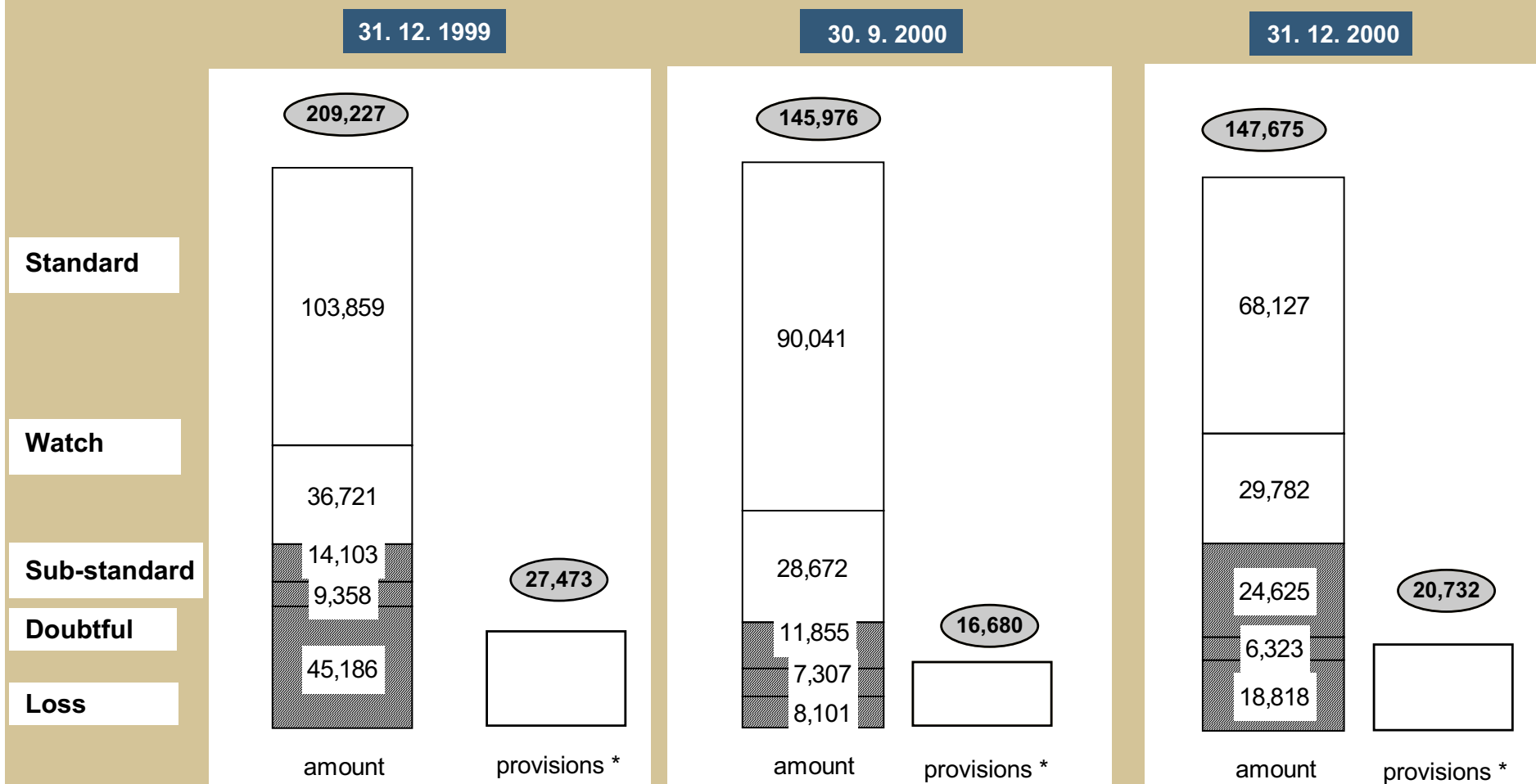
13.7%

Loan portfolio as at 31 December 2000

Structure of KB's Loan Portfolio by Segments



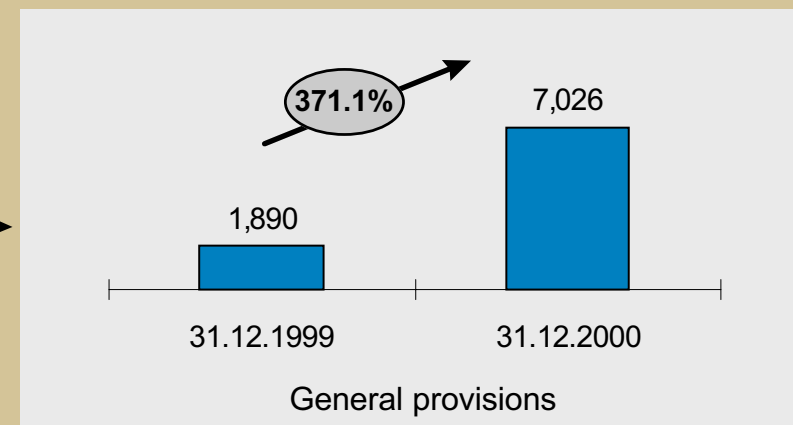
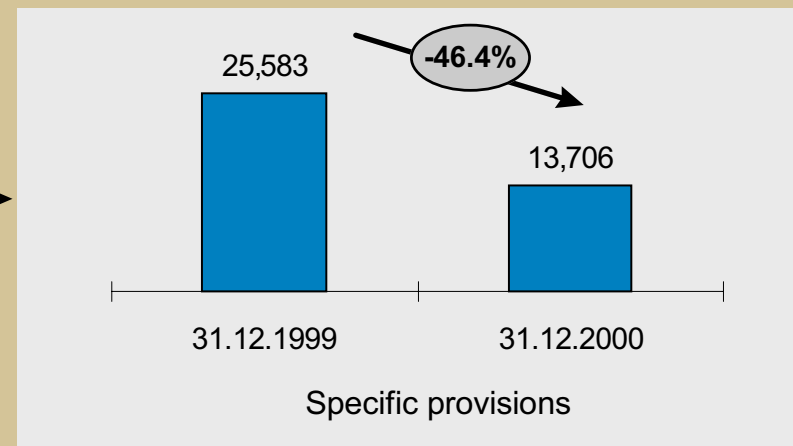
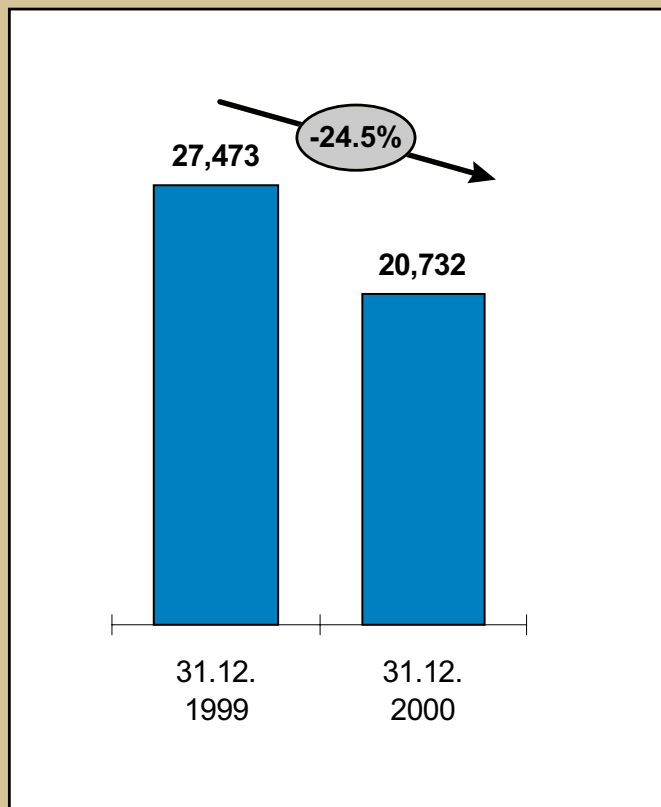
Structure of KB's Loan Portfolio by Classification



* including general provisions

▨ Loans under special review = Sub-standard + Doubtful + Loss

Development of Provisions



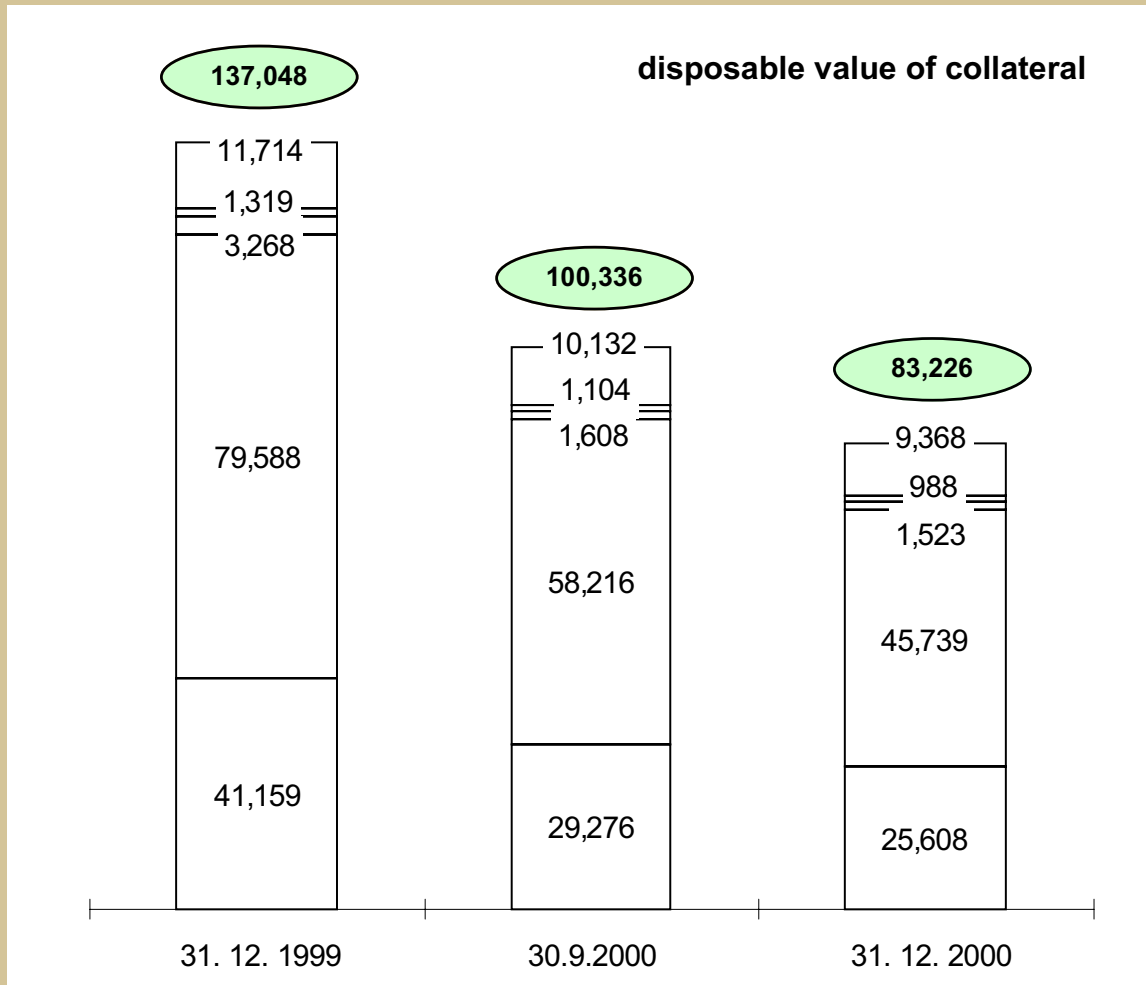
Structure of Collateral

Guarantees
Cash
Bonds

Real property

Other *)

*) mainly third person guarantees



Nominal value of collateral

356,887

257,864

247,461

Separation of KB's Portfolio in 3rd Quarter 2000



⇒ large portion of total assets requires differentiated processes and philosophy

⇒ ability to clearly manage „loss minimisation“ process of liquidation vis-a-vis strategic owner and provider of the guarantee

⇒ ability to compete within the „healthy“ credit market without the drag of the transformation legacy portfolio

⇒ set clear time horizon for resolution of the transformation legacy portfolio - 3 years to complete the Bank's reconvalescence period

Premier Bank



Focus on target customer segments

Improving asset quality through

- focused sales and origination procedures
- tighter risk management procedures
- more sophisticated monitoring and classification policies

Work out Bank

Strategy - reduce non-performing loan portfolio with highest collection / recovery

Activity

- restructuring
- collection
- liquidation

Process

- take over case from branch
- determination of workout strategy
- determination of optimal specific action
- implementation of specific action
- transfer back to branch or closure of case

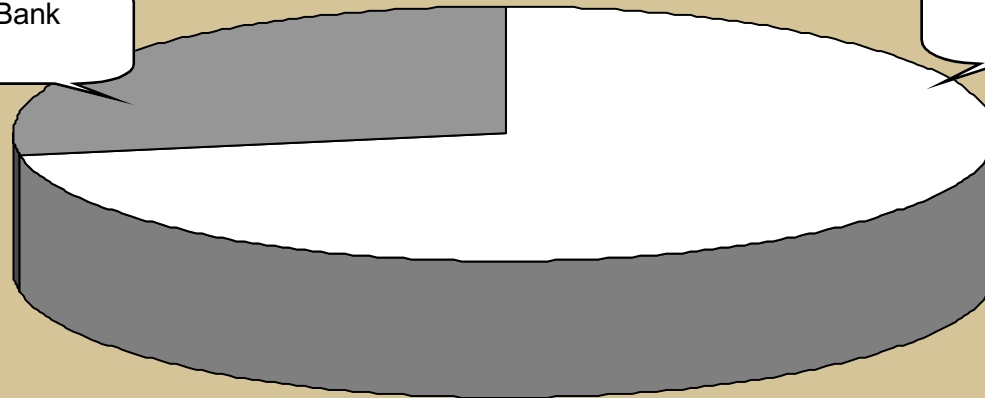
Structure of Loan Portfolio - Premier and Work out Bank

CZK billion

100% = CZK 147.7 bn

Work out Bank
40.9

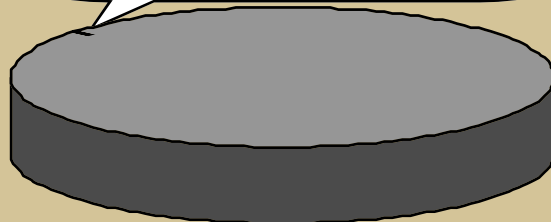
Premier Bank
106.8



Balance sheet

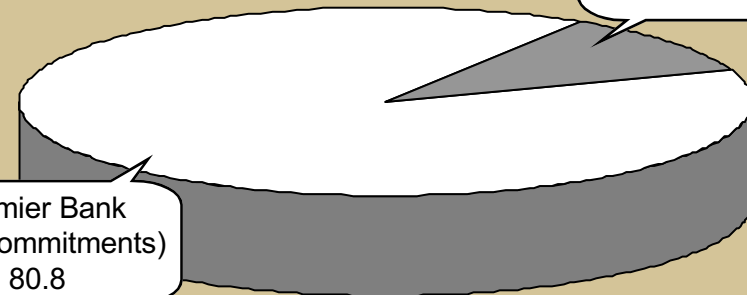
Off - Balance sheet

Work out Bank
(loans already written off to off-balance
sheet for further recovery)
24.0



Work out Bank
9.4

Premier Bank
(loan commitments)
80.8



Government Guarantee

- ↪ In December 2000 Czech Government decided to provide a guarantee of up to CZK 20 bn for selected classified assets of KB through Konsolidační banka.
- ↪ The guarantee applies to low quality assets classified as substandard, doubtful and loss *) based on 31 December 2000 status of KB loan portfolio.
- ↪ The Bank retains assets on its balance sheet and is incentivised to maximise recovery.
- ↪ Difference between net book value (as at 31 December 2000) and actual amount recovered (by 31 December 2003) is covered by the guarantee; payment would be made by June 2004.

*) according to CNB methodology

Participation Mechanism of the Guarantee



Final losses ^{*)}	Guarantee paid by Konsolidační banka	Participation of KB on final losses	Cumulative participation
CZK 0-10 bn	95%	5%	CZK 0.5 bn
CZK 10-20 bn	CZK 9.5 bn + 85 % of the amount above CZK 10 bn	CZK 0.5 bn + 15 % of the amount above CZK 10 bn	CZK 2.0 bn
CZK 20-25 bn	CZK 18 bn + 40 % of the amount above CZK 20 bn	CZK 2 bn + 60 % of the amount above CZK 20 bn	CZK 5.0 bn
Over CZK 25 bn	CZK 20 bn	CZK 5 bn + 100 % of the amount above CZK 25 bn	-

^{*)} the final loss will correspond to cumulative loss of individual receivables

Structure of Guaranteed Portfolio

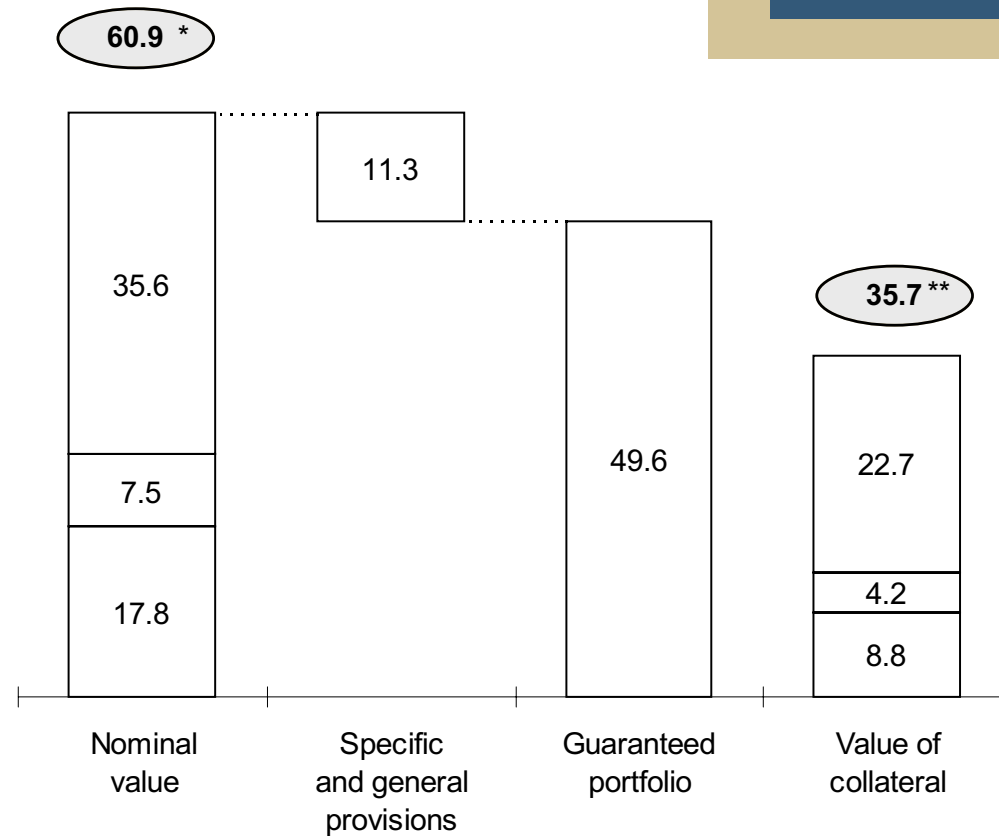
CZK billion

as at 31. 12. 2000

Sub-standard

Doubtful

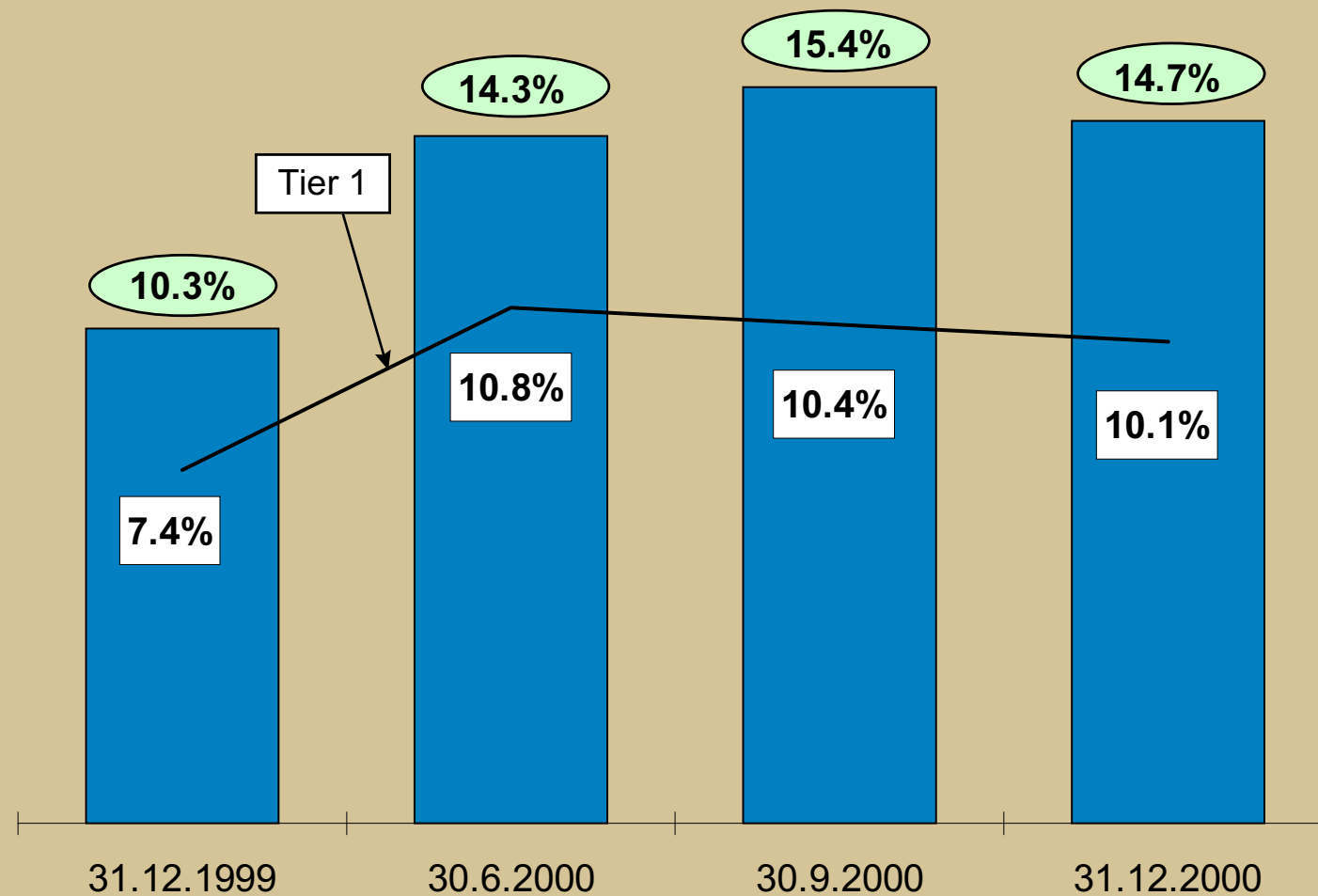
Loss



* balance and off- balance sheet assets

** in discounted value

BIS - Capital Adequacy



Appendix

KB's Highlights



Strong customer base

as at 31. 12. 2000

number of customers	1,246 thousand
- retail	942 thousand
- corporate	304 thousand

Extensive distribution network

branches and sub-branches	334
relationship managers	386
employees in call-centre	203
ATMs	297

One of the pioneers of the payment cards in CR

number of payment cards issued	730 thousand
- debit cards	720 thousand
- credit cards	10 thousand

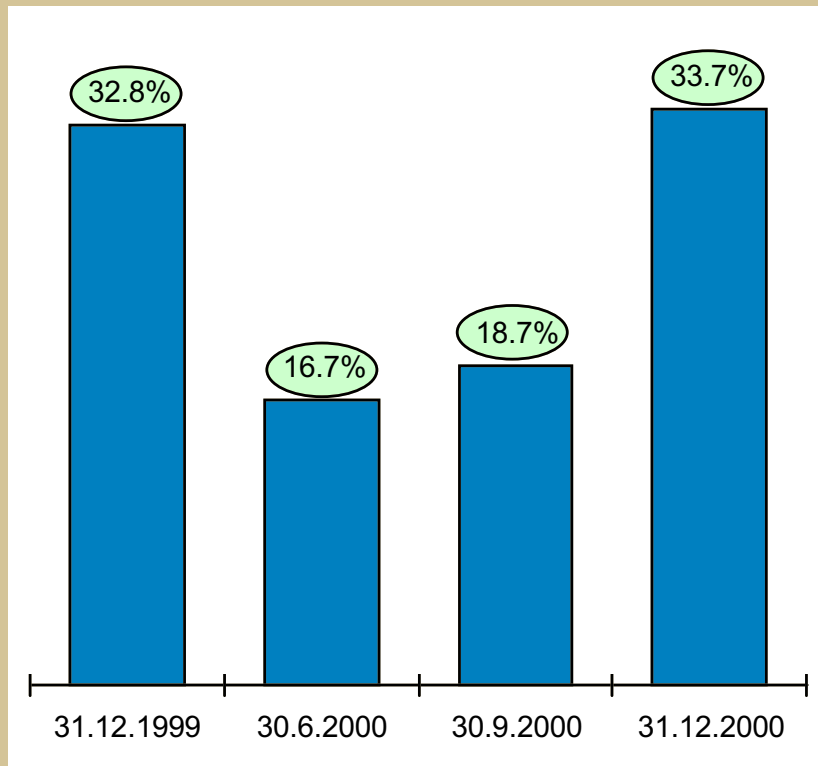
Global Depository Receipts are the most successfully traded Czech title on the U. S. capital market

Structure of KB's Loan Portfolio

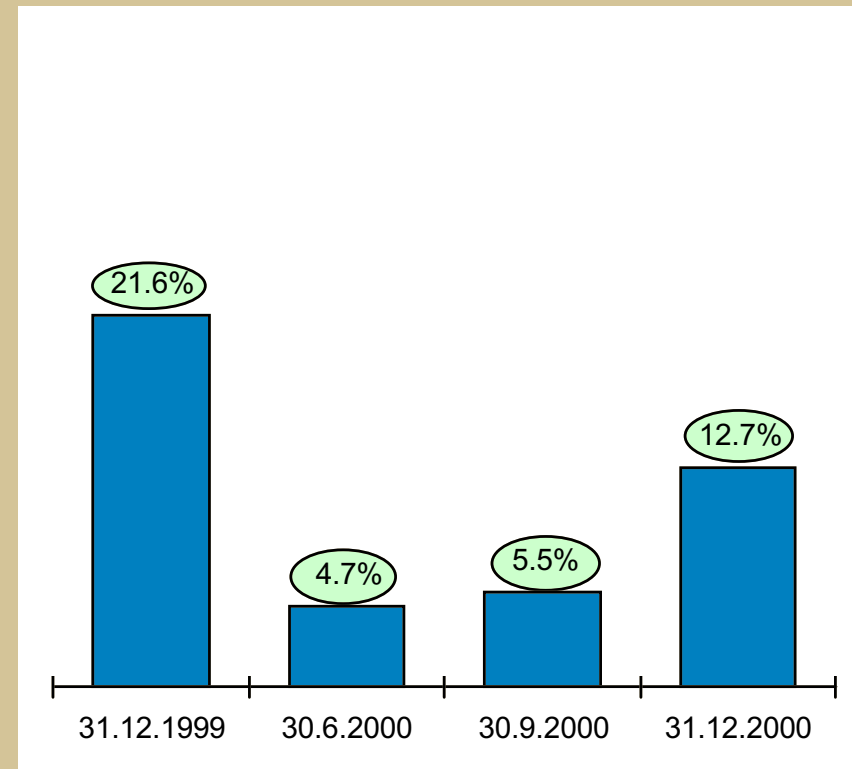
Analysis of Loans by Credit Quality Classification	Loan portfolio as at 31. 12. 1999		Loan portfolio as at 30. 9. 2000		Loan portfolio as at 31. 12. 2000	
	amount	provisions	amount	provisions	amount	provisions
CZK million						
Standard	103,859	0	90,041	0	68,127	0
Watch	36,721	200	28,672	194	29,782	396
Total standard and watch loans	140,580	200	118,713	194	97,909	396
Sub-standard	14,103	622	11,855	447	24,625	1,250
Doubtful	9,358	1,102	7,307	636	6,323	1,106
Loss	45,186	23,659	8,101	4,474	18,818	10,954
Total loans under special review	68,647	25,383	27,263	5,557	49,766	13,310
Total customer loans	209,227	25,583	145,976	5,751	147,675	13,706
Financial institutions	131,878	100	191,893	55	175,312	13
General provisions		1,890		10,929		7,026
Total loans	341,105	27,573	337,869	16,735	322,987	20,745

Loan Portfolio Quality

LUSR *) / Total customers loans



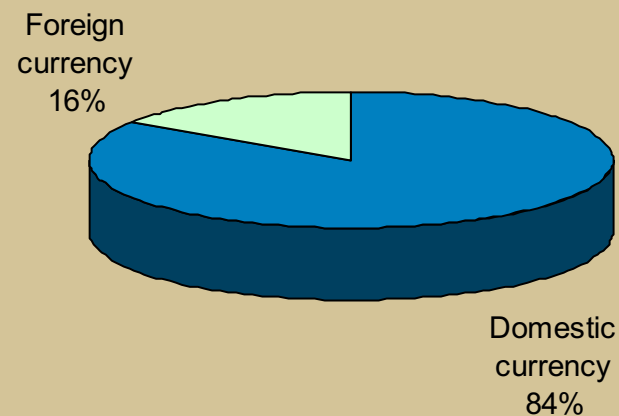
Loss loans / Total customers loans



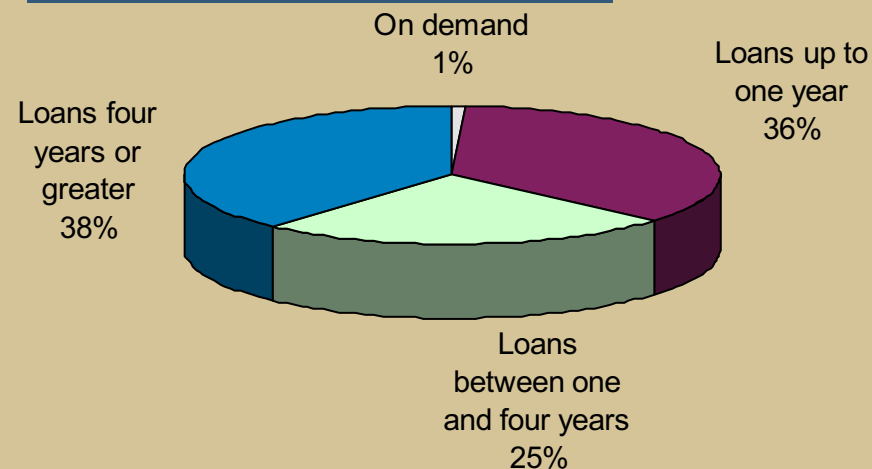
*) Loans under special review = Sub-standard + Doubtful + Loss loans

Structure of KB's Loan Portfolio

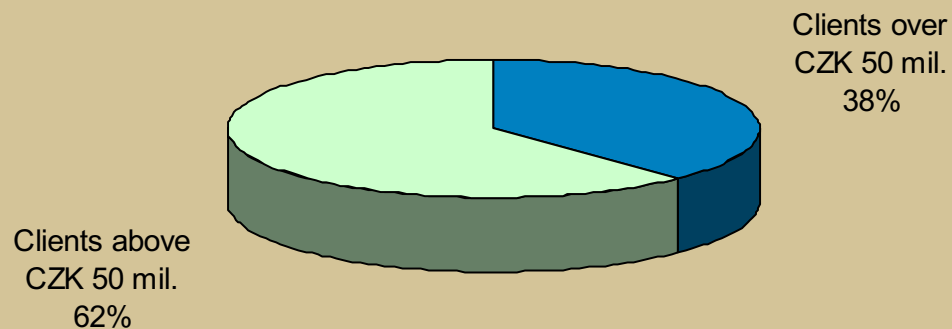
Structure by currency



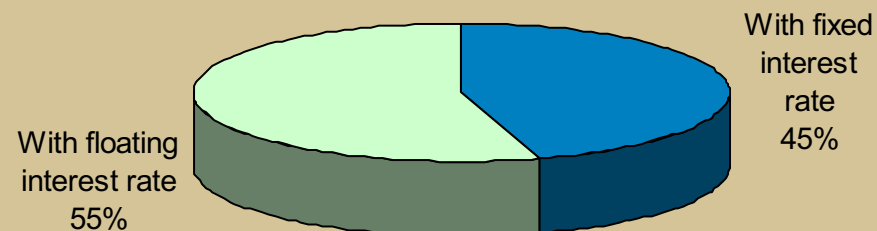
Structure by maturity



Structure by amount



Structure by interest rate

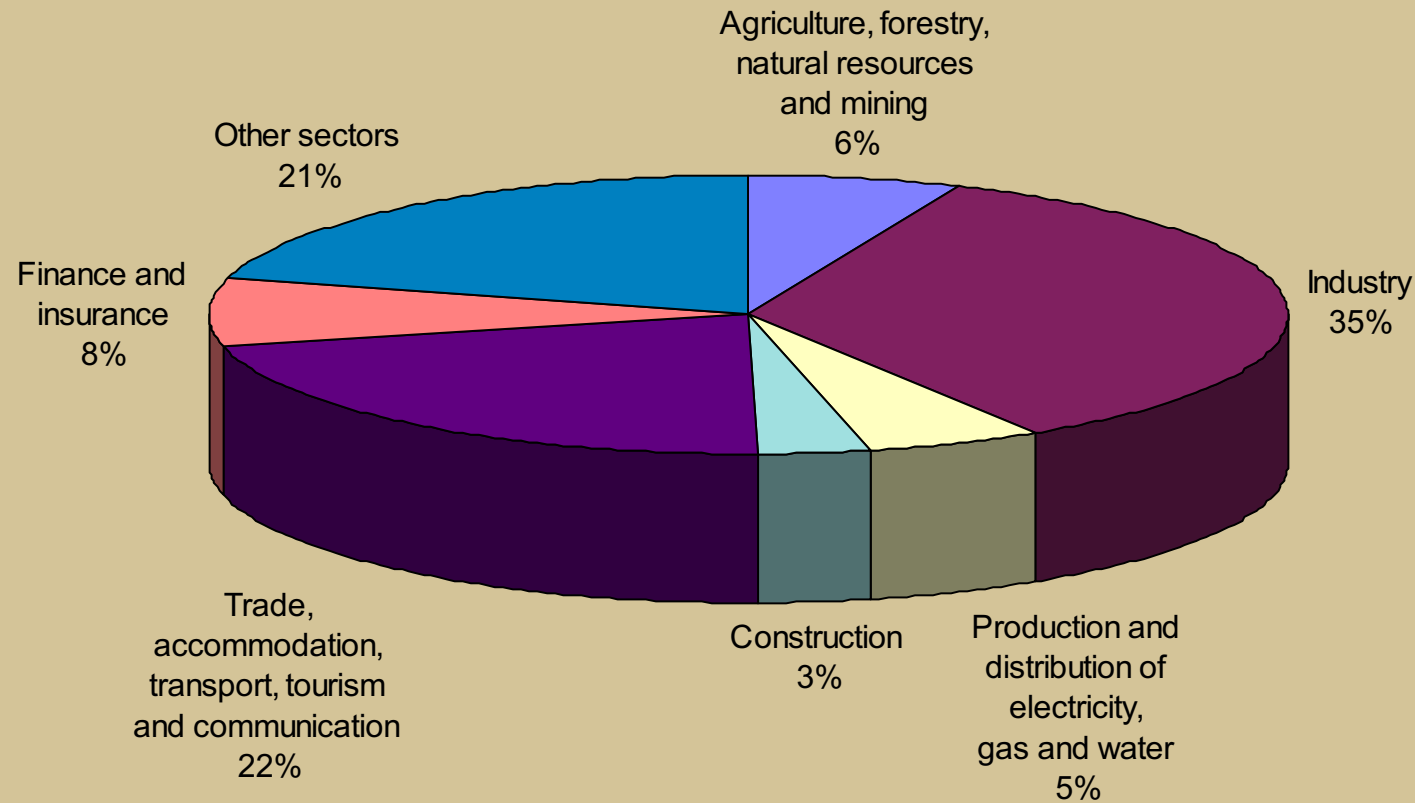


Total nominal value of customer loans: CZK 147,675 mil.

Structure of Loans by Industry

100% = CZK 147.7 bn

as at 31. 12. 2000

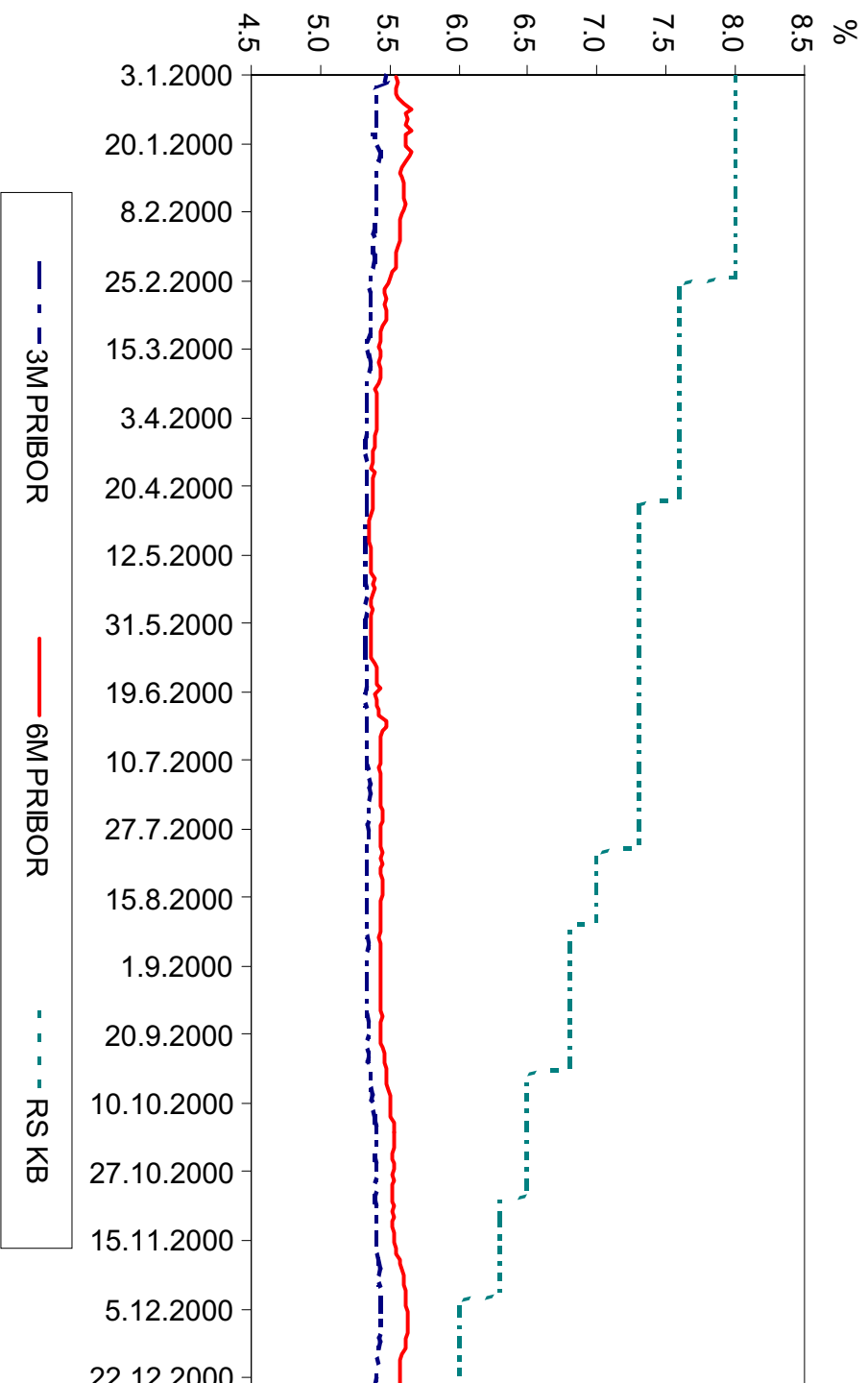


Guaranteed Portfolio

Assets by Classification	Nominal value CZK million	Provisions CZK million	Net book value CZK million	Collateral CZK million	Number of cases
<i>Balance sheet</i>					
Sub-standard assets	27,629	1,420	26,209	17,489	4,314
Doubtful assets	7,402	1,136	6,266	4,100	1,203
Loss assets	16,578	7,837	8,741	8,051	7,768
<i>Total</i>	<i>51,609</i>	<i>10,393</i>	<i>41,216</i>	<i>29,640</i>	<i>13,285</i>
<i>Off - balance sheet</i>					
Sub-standard assets	8,000	455	7,545	5,197	182
Doubtful assets	132	8	124	107	31
Loss assets	1,209	487	722	722	55
<i>Total</i>	<i>9,341</i>	<i>950</i>	<i>8,391</i>	<i>6,026</i>	<i>268</i>
Total	60,950	11,343	49,607	35,666	13,553

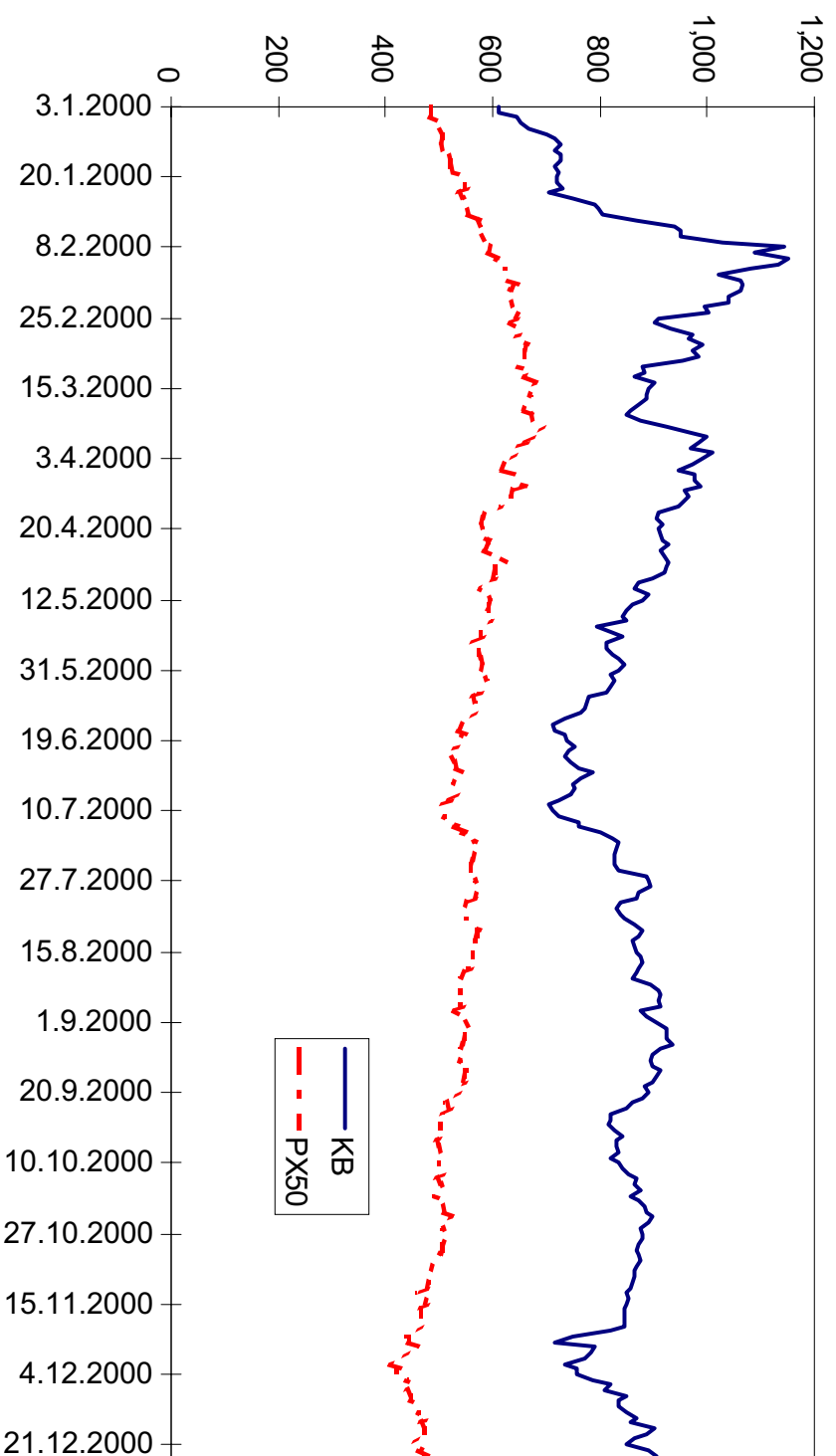
Note: nominal value of assets includes undrawn credit commitments + financial institution receivables

Development of 3M, 6M PRIBOR and the RS KB



*) RS KB = reference rate of Komerční banka

Development of Price of KB's Share and Index PX50

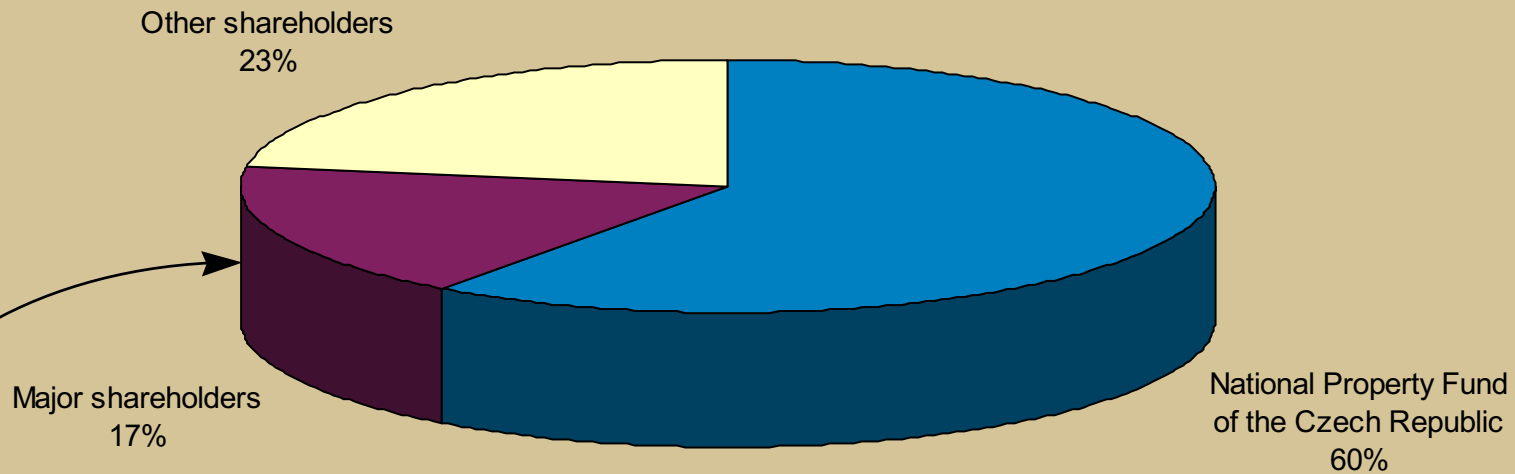


Structure of Shareholders



Total number of KB's shares amounts to 38,009,852

as at 31. 12. 2000



Shareholder	Percentage
The Bank of New York ADR Department	11.97%
Chase Ireland [Nominees] Limited	1.58%
Chase Nominees Limited	1.55%
Raiffeisen Zentral Bank Österreich AG	1.19%
State Street Bank and Trust Company	1.14%

Contacts



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