

KOMERČNÍ BANKA, a. s.

Presentation of financial results
for first half-year of 2000
(according to IAS)

Prague, 31 July 2000

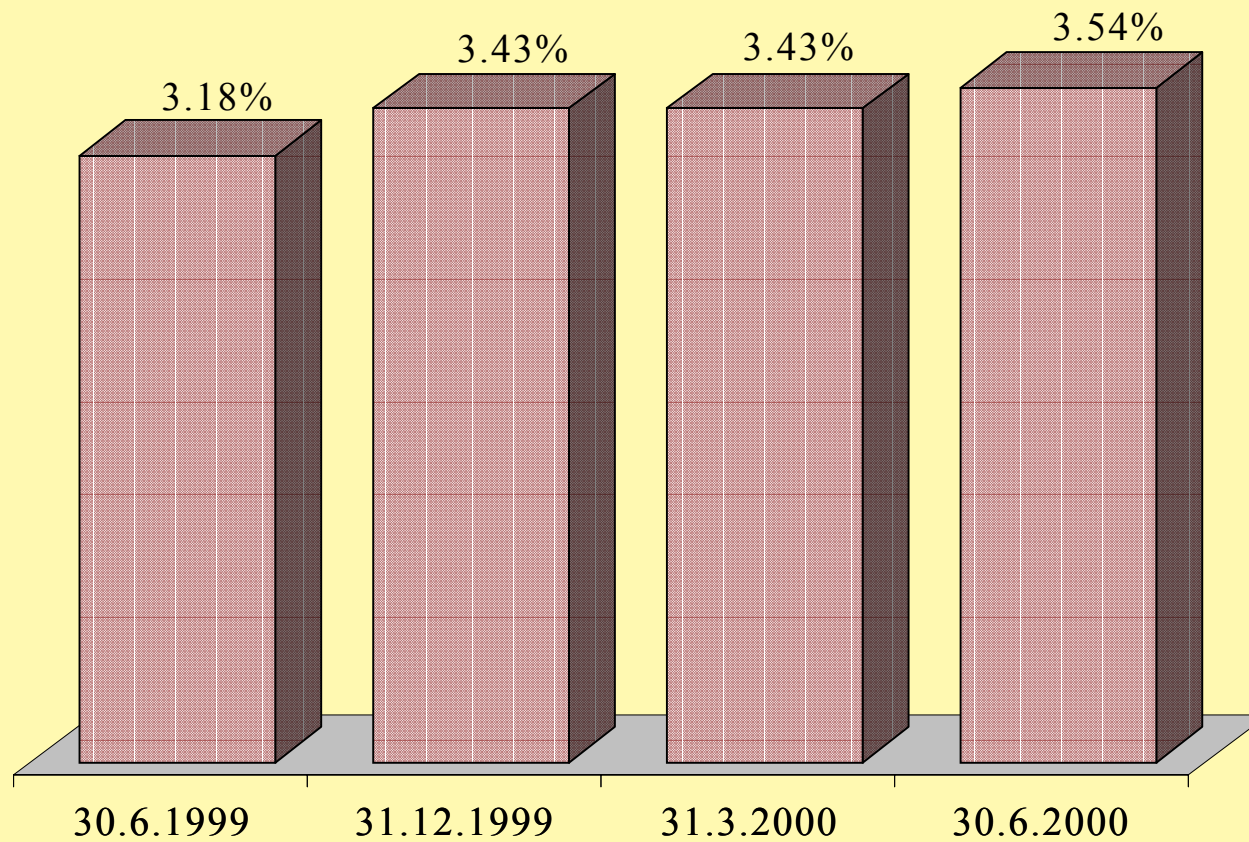
Profit and Loss Account

CZK million	30.6.2000	30.6.1999	change
Net interest income	6,050	5,620	7.7%
Net fees and commissions	1,661	2,199	-24.5%
Dealing profits	1,887	1,391	35.7%
Other income	935	760	23.0%
<i>Operating income</i>	<i>10,533</i>	<i>9,970</i>	<i>5.6%</i>
Administrative expenses	(4,633)	(4,657)	-0.5%
Depreciation and other provisions	(1,104)	(1,379)	-19.9%
Restructuring costs	(183)	-	
<i>Profit before provision for loan losses</i>	<i>4,613</i>	<i>3,934</i>	<i>17.3%</i>
Provision for loan losses	(3,895)	(9,050)	-57.0%
<i>Profit before income tax</i>	<i>718</i>	<i>(5,116)</i>	<i>-</i>
Income tax	(1,350)	(3)	-
<i>Net profit / loss</i>	<i>(632)</i>	<i>(5,119)</i>	<i>-</i>

Net Interest Income

CZK million	30.6.2000	30.6.1999	change
<i>Interest income</i>	14,555	17,699	-17.8%
- from securities	888	1,925	-53.9%
- loans and advances to financial institutions	5,587	4,958	12.7%
- loans and advances to customers	8,080	10,816	-25.3%
<i>Interest expense</i>	8,505	12,079	-29.6%
- on securities	1,172	1,710	-31.5%
- amounts owed to financial institutions	2,117	3,493	-39.4%
- amounts owed to customers	5,216	6,876	-24.1%
<i>Net interest income</i>	6,050	5,620	7.7%

Net Interest Margin



Net Fees and Commissions

CZK million	30.6.2000	30.6.1999	change
<i>Fee and commission income</i>	2,384	2,389	-0.2%
- from securities	47	25	88.0%
- from financial institutions	37	54	-31.5%
- from customers	2,300	2,310	-0.4%
<i>Fee and commission expense</i>	723	190	280.5%
- on securities	8	46	-82.6%
- on financial institutions	66	71	-7.0%
- on customers	649	73	789.0%
<i>Net fees and commissions</i>	1,661	2,199	-24.5%

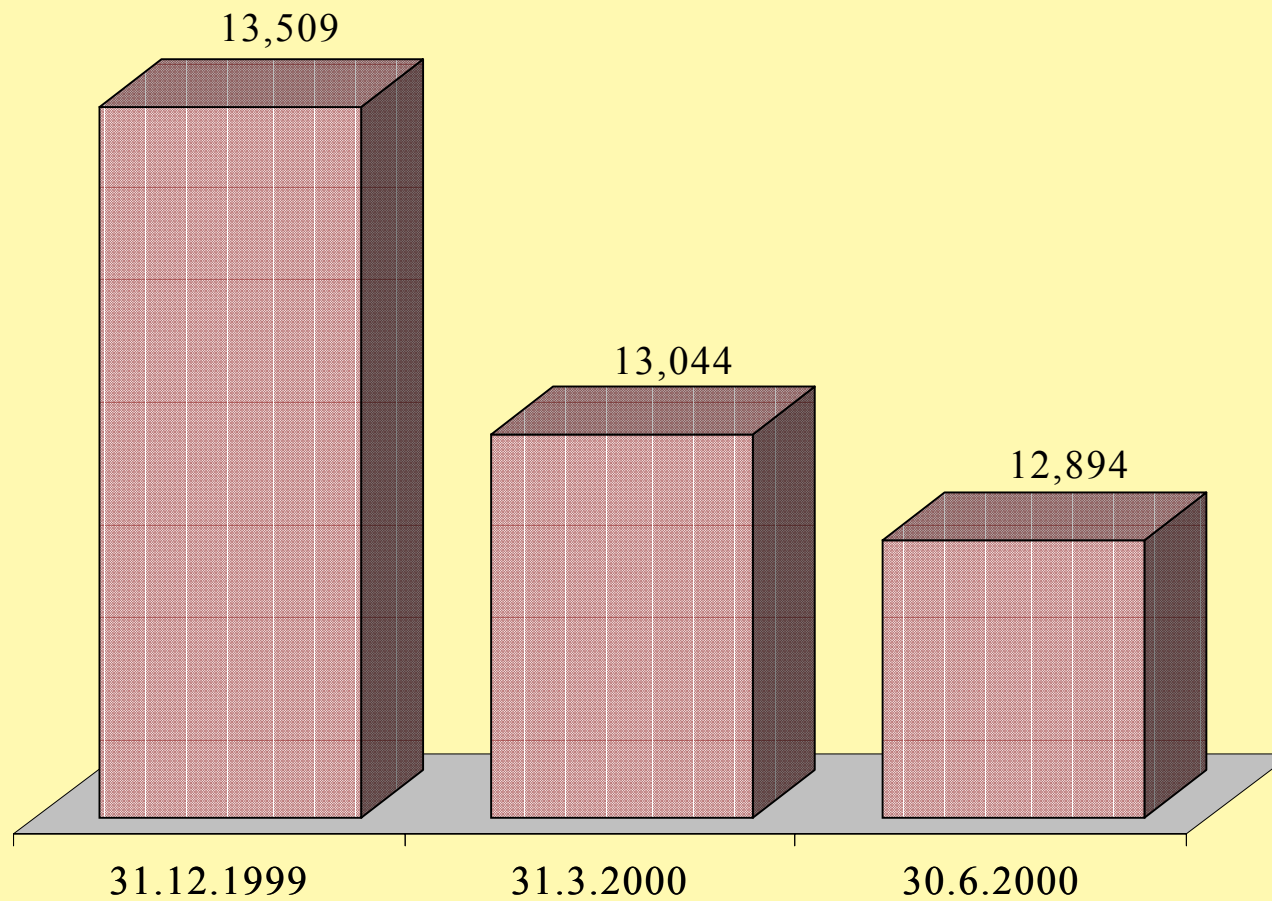
Dealing Profits

CZK million	30.6.2000	30.6.1999	change
<i>Realised and unrealised gains / (losses)</i>			
- on securities and bonds	1,071	68	1475.0%
- on interest rate of derivatives	(130)	(60)	-116.7%
- on foreign exchange trading	946	1,383	-31.6%
<i>Total dealing profits</i>	1,887	1,391	35.7%

Administrative Expenses

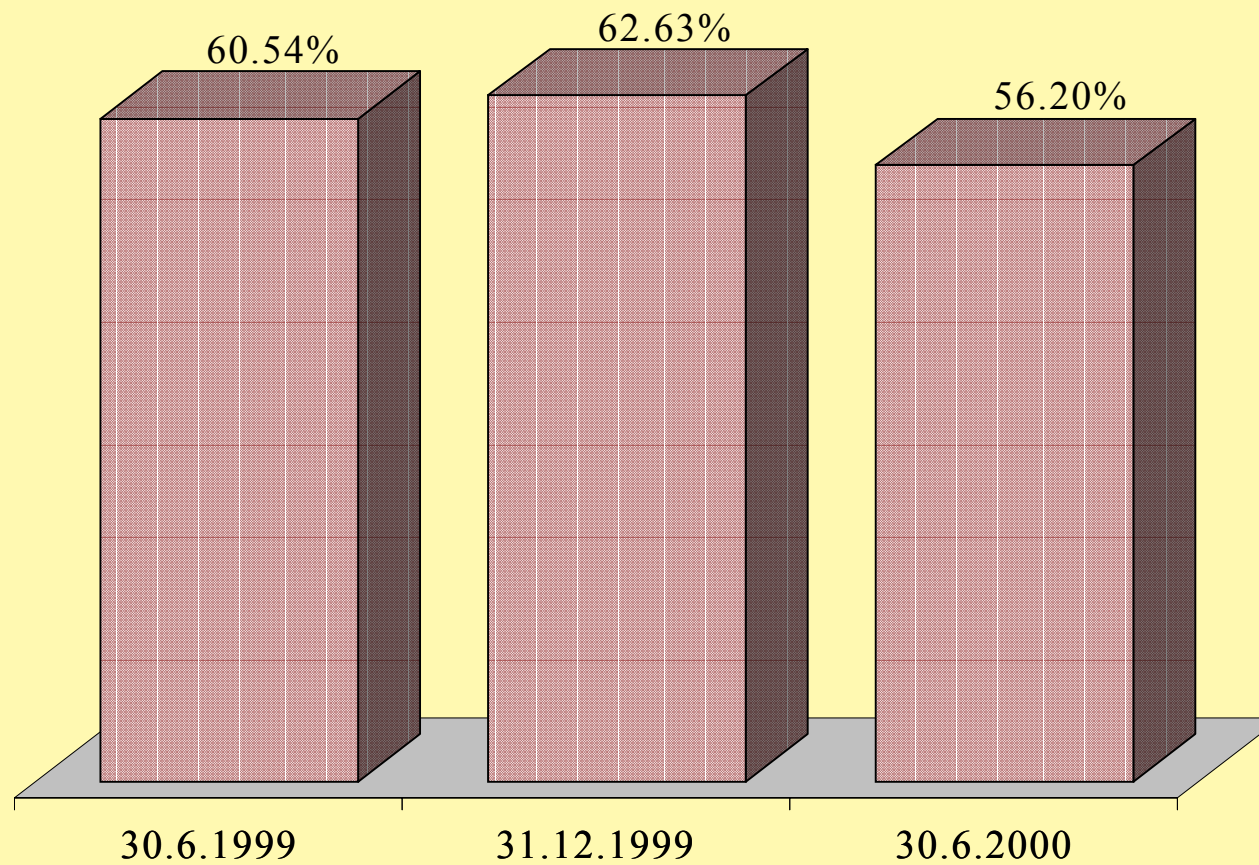
CZK million	30.6.2000	30.6.1999	change
Salaries and social costs	2,433	2,327	4.6%
Other administrative expenses	2,200	2,330	-5.6%
<i>Administrative expenses</i>	4,633	4,657	-0.5%

Number of Employees



Notice - average number of employees during the year

Cost / Income Ratio



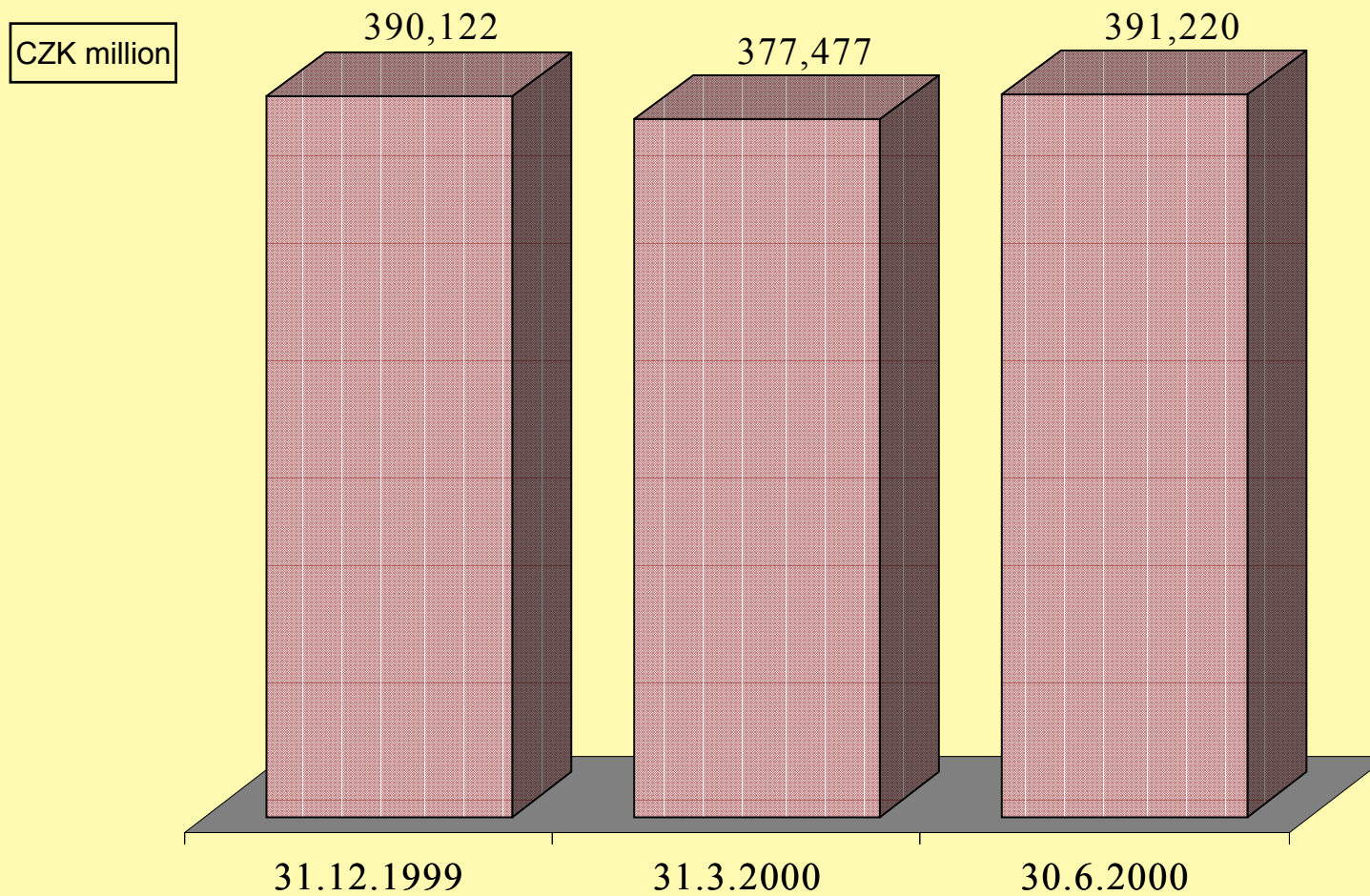
Provision for Loan Losses - main influences

Direct impact of the CNB measure (without impacts of CZK 0.9 billion on loans transferred to KONPO)	CZK 0.6 billion
Positive impact of the transaction with KONPO effecting provisioning in 3/2000	CZK (7.0) billion
Provision for loans newly granted in first half-year 2000	CZK 0.2 billion
Creation of general provisions	CZK 6.1 billion
Use of general provisions	CZK (1.4) billion
Deterioration of the loan portfolio quality	CZK 5.3 billion
Methodological change in collateral (increase of discount from the value of real estate collateral)	CZK 0.1 billion
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Provision for loan losses for first half-year 2000	CZK 3.9 billion

Income Tax

Calculation of income tax (in CZK million)	1999	1998	1997
Profit / loss before tax	(9,218.1)	(9,794.9)	203.4
Non-tax deductible costs	32,077.2	15,790.4	4,579.3
Non taxable income	(21,430.1)	(5,435.1)	(7,515.4)
Tax loss			(2,732.7)
10% deduction of the newly acquired tangible fixed assets	(64.3)	(180.4)	-
Tax loss credit utilize	(1,355.6)	(378.4)	-
Tax base	9.1	1.6	(2,732.7)
Tax liability (tax rate x tax base)	3.1	0.5	0.0
Tax relief	(3.1)	(0.5)	0.0
Corporate income tax	0.0	0.0	0.0
Utilisation of tax loss (in CZK million)	Tax loss	Utilisation of tax loss	Balance
1997	2,732.7	0.0	2,732.7
1998		378.4	2,354.3
1999		1,355.6	998.7
2000		998.7	0.0

Total Assets



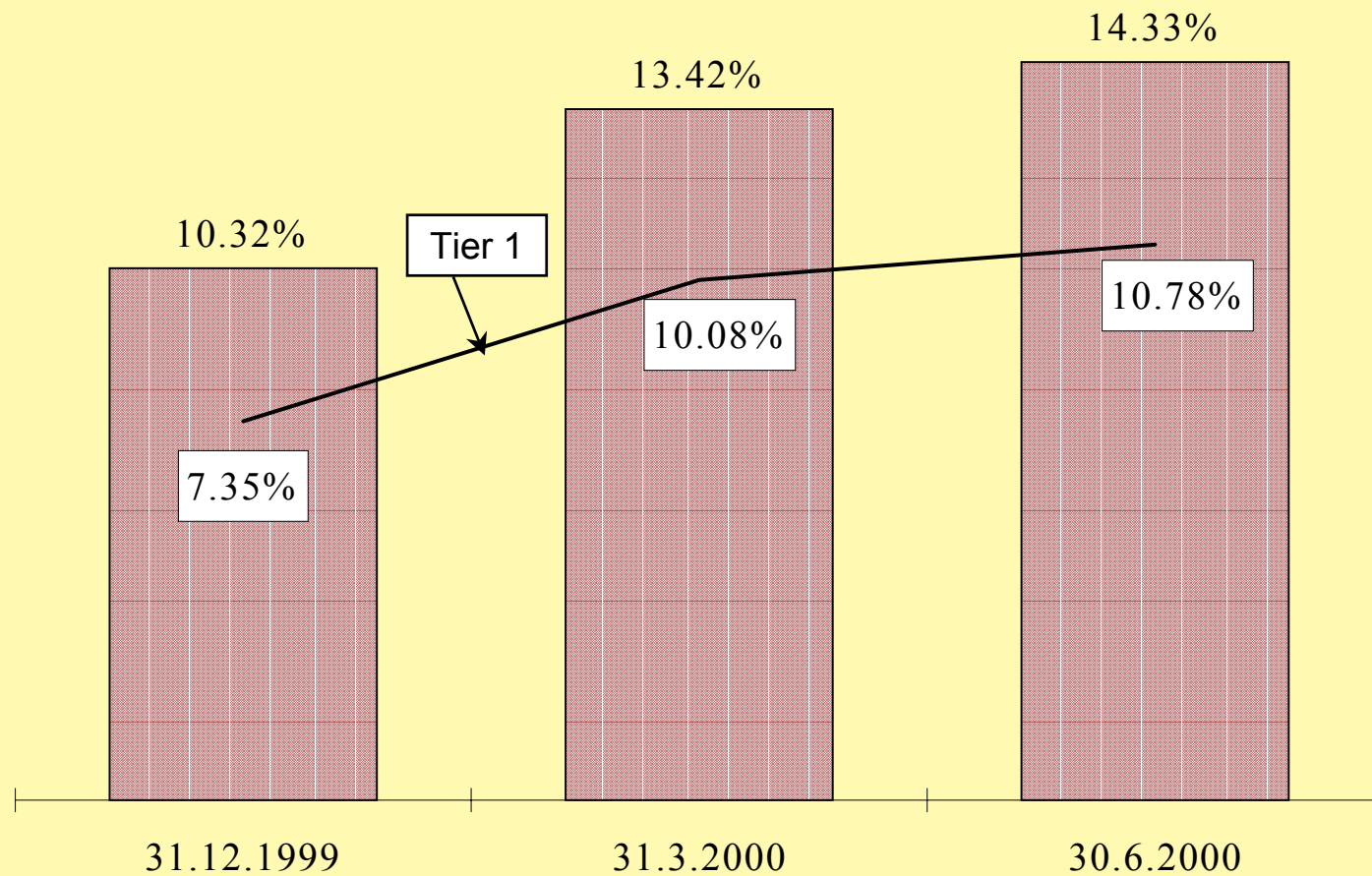
Assets

CZK million	30.6.2000	31.12.1999	change
Cash and balances with central bank	18,936	21,948	-13.7%
Due from financial institutions	193,315	131,778	46.7%
T-bills	1,319	4,397	-70.0%
Loans and advances to customers (net)	135,235	181,754	-25.6%
Dealing securities	3,572	11,701	-69.5%
Investment securities	16,022	10,680	50.0%

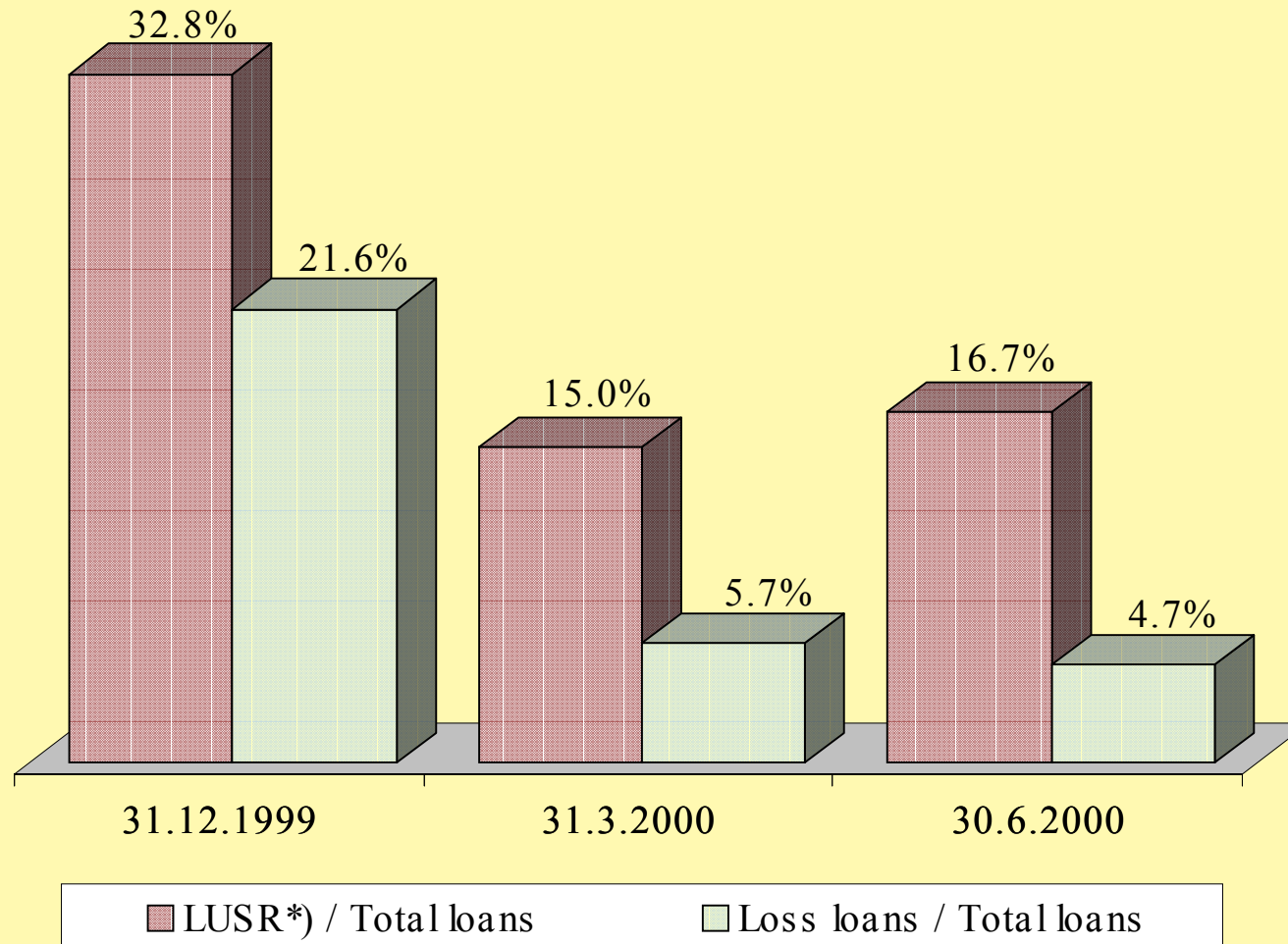
Liabilities

CZK million	30.6.2000	31.12.1999	change
Amounts owed to customers	271,314	259,191	4.7%
Amounts owed to financial institutions	45,301	58,394	-22.4%
Certificated debts	26,042	27,742	-6.1%
Subordinated debt	7,552	7,196	4.9%
Total shareholders' equity	19,545	17,776	10.0%

BIS - Capital Adequacy



Loan Portfolio Quality



Analysis of KB's Loan Portfolio

Analysis of Loans by Credit Quality Classification	Loan portfolio as at 31. 12. 1999		Loan portfolio as at 31. 3. 2000		Loan portfolio as at 30. 6. 2000			
	CZK million		amount	provisions	amount	provisions	amount	share
Standard	103,859	0	99,660	0	94,203		62.8%	0
Watch	36,721	200	34,885	267	30,659		20.5%	257
Total standard and watch loans	140,580	200	134,545	267	124,862		83.3%	257
Sub-standard	14,103	622	10,411	435	10,925		7.3%	308
Doubtful	9,358	1,102	4,263	387	7,060		4.7%	501
Loss	45,186	23,659	9,032	6,118	7,064		4.7%	3,962
Total loans under special review	68,647	25,383	23,706	6,940	25,049		16.7%	4,771
Total customer loans	209,227	25,583	158,251	7,207	149,911		100.0%	5,028
Financial institutions	131,878	100	170,689	93	193,371			56
General provisions		1,890		8,496				9,648
Total exposure	341,105	27,573	328,940	15,796	343,282			14,732
Specific provisions/total customer loans		12.23%		4.55%				3.35%
Specific provisions for LUSR/total customer LUSR		36.98%		29.28%				19.05%
LUSR/total customer loans	32.81%		14.98%		16.71%			

Classification of Loans Granted from 1. 1. to 30. 6. 2000

	Total	Revolving	New
CZK million	31,159	19,032	12,127
share in %	100.0%	61.1%	38.9%
Standard	76.3%	66.2%	92.1%
Watch	16.1%	22.3%	6.3%
Sub - standard	6.5%	9.9%	1.2%
Doubtful	1.0%	1.6%	0.3%
Loss	0.1%	0.0%	0.1%
Total	100.0%	100.0%	100.0%

Results of Work-out Process

CZK million	30.6.2000	31.12.1999
<i>a) Realisation of collateral</i>		
- appraised value	121	722
- net income from realisation	48	197
- ratio of realised value	39.7%	27.3%
<i>b) Selling of debts</i>		
- amount of debts	48,434	17,250
- income from selling	29,334	11,071
- ratio of realised price	60.6%	64.2%
<i>c) Extraordinary income from previous write-offs</i>	7,117	7,661

Structure of Collateral

CZK million (discounted value)	As at 30. 6. 2000		As at 31. 12. 1999	
	amount	proportion	amount	proportion
Guarantees	10,072	9.9%	11,714	8.5%
Cash	1,121	1.1%	1,319	1.0%
Bonds	1,978	2.0%	3,268	2.4%
Real property	58,610	57.9%	79,589	58.1%
Other *)	29,492	29.1%	41,158	30.0%
Total	101,273	100.0%	137,048	100.0%

*) mainly third person guarantees

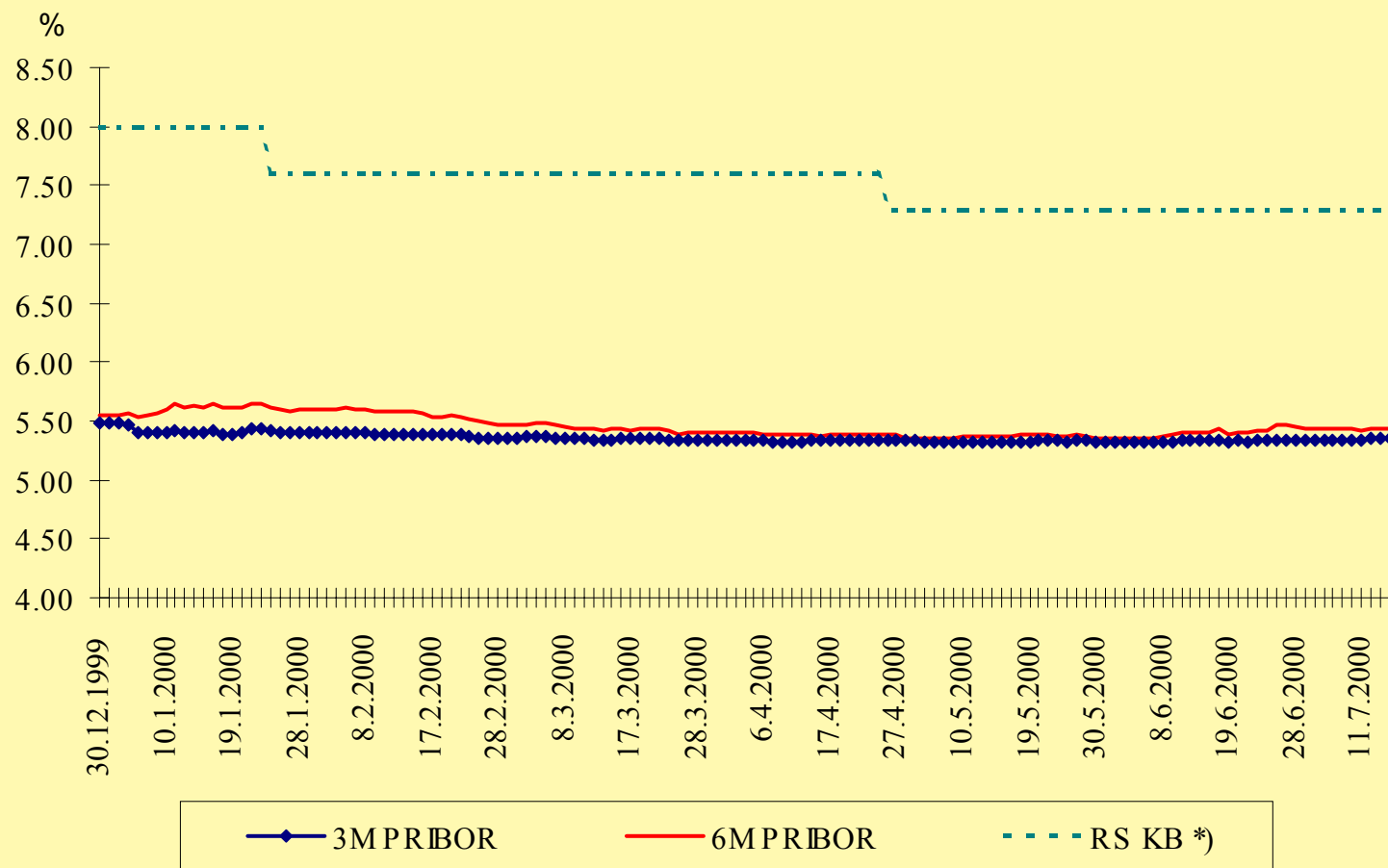
Analysis of KB's Loan Portfolio

CZK million	As at 30. 6. 2000		As at 31. 12. 1999	
	amount	proportion	amount	proportion
<i>Analysis of Loans by Currency</i>				
Domestic currency (CZK)	126,372	84.3%	175,058	83.7%
Foreign currencies	23,539	15.7%	34,169	16.3%
Total	149,911	100.0%	209,227	100.0%
<i>Analysis of Loans by Amount</i>				
Less than CZK 50 million	55,851	37.3%	78,461	37.5%
CZK 50 million or greater	94,060	62.7%	130,766	62.5%
Total	149,911	100.0%	209,227	100.0%
<i>Analysis of Loans by Maturity</i>				
On demand	456	0.3%	432	0.2%
Loans up to one year	55,547	37.1%	80,857	38.6%
Loans between one and four years	38,896	25.9%	65,065	31.1%
Loans four years or greater	55,012	36.7%	62,873	30.1%
Total	149,911	100.0%	209,227	100.0%

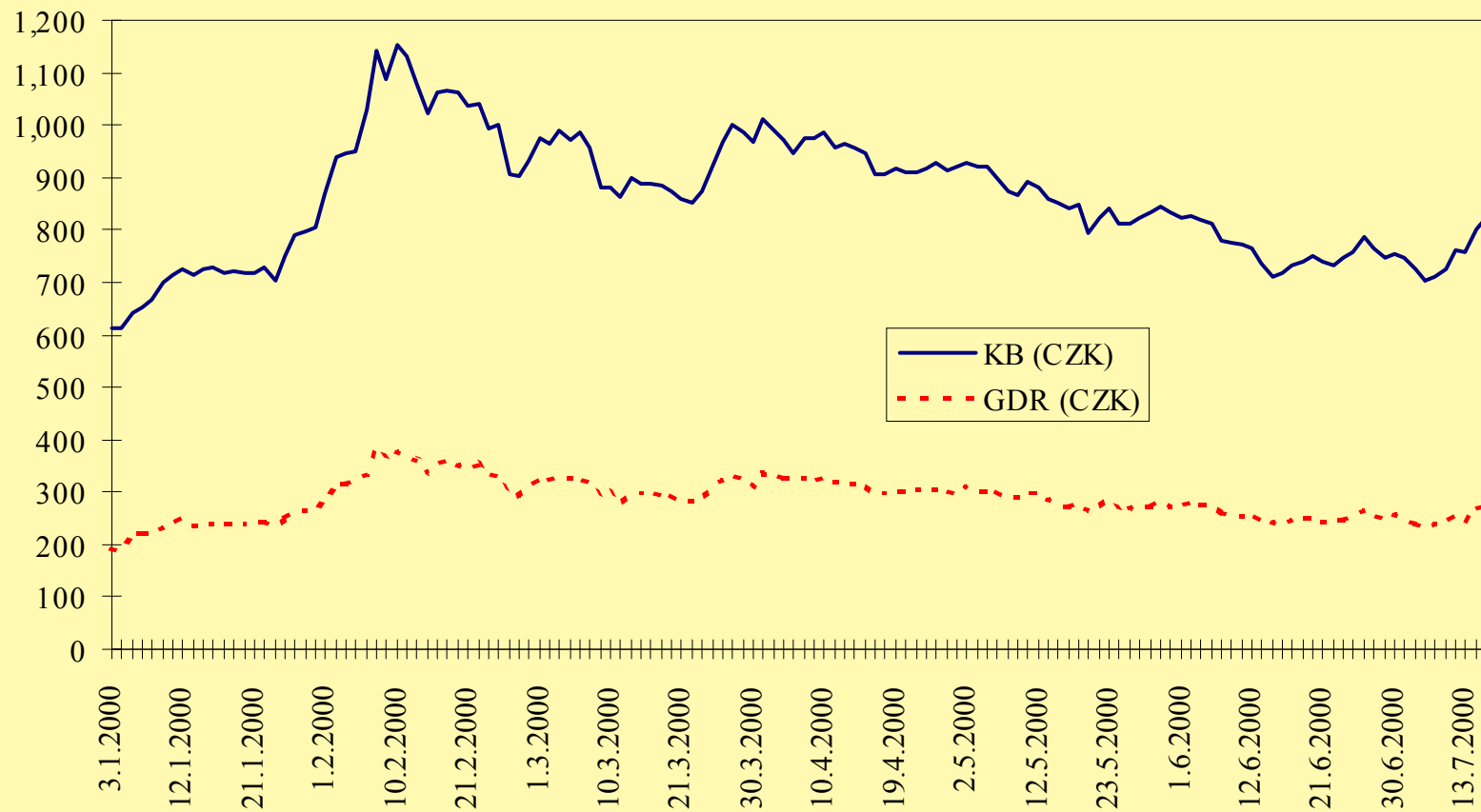
Structure of Loans by Industry

CZK million	Total loans as at 30. 6. 2000		Loans newly granted in first half-year 2000	
	amount	share	amount	share
Agriculture, forestry, natural resources and mining	10,834	7.2%	1,729	5.5%
Industry	54,280	36.2%	14,080	45.2%
Production and distribution of electricity, gas and water	8,301	5.5%	768	2.5%
Construction	5,930	4.0%	1,187	3.8%
Trade, accommodation, transport, tourism and communication	33,430	22.3%	8,705	27.9%
Finance and insurance	11,406	7.6%	1,707	5.5%
Other sectors	25,730	17.2%	2,983	9.6%
Total	149,911	100.0%	31,159	100.0%

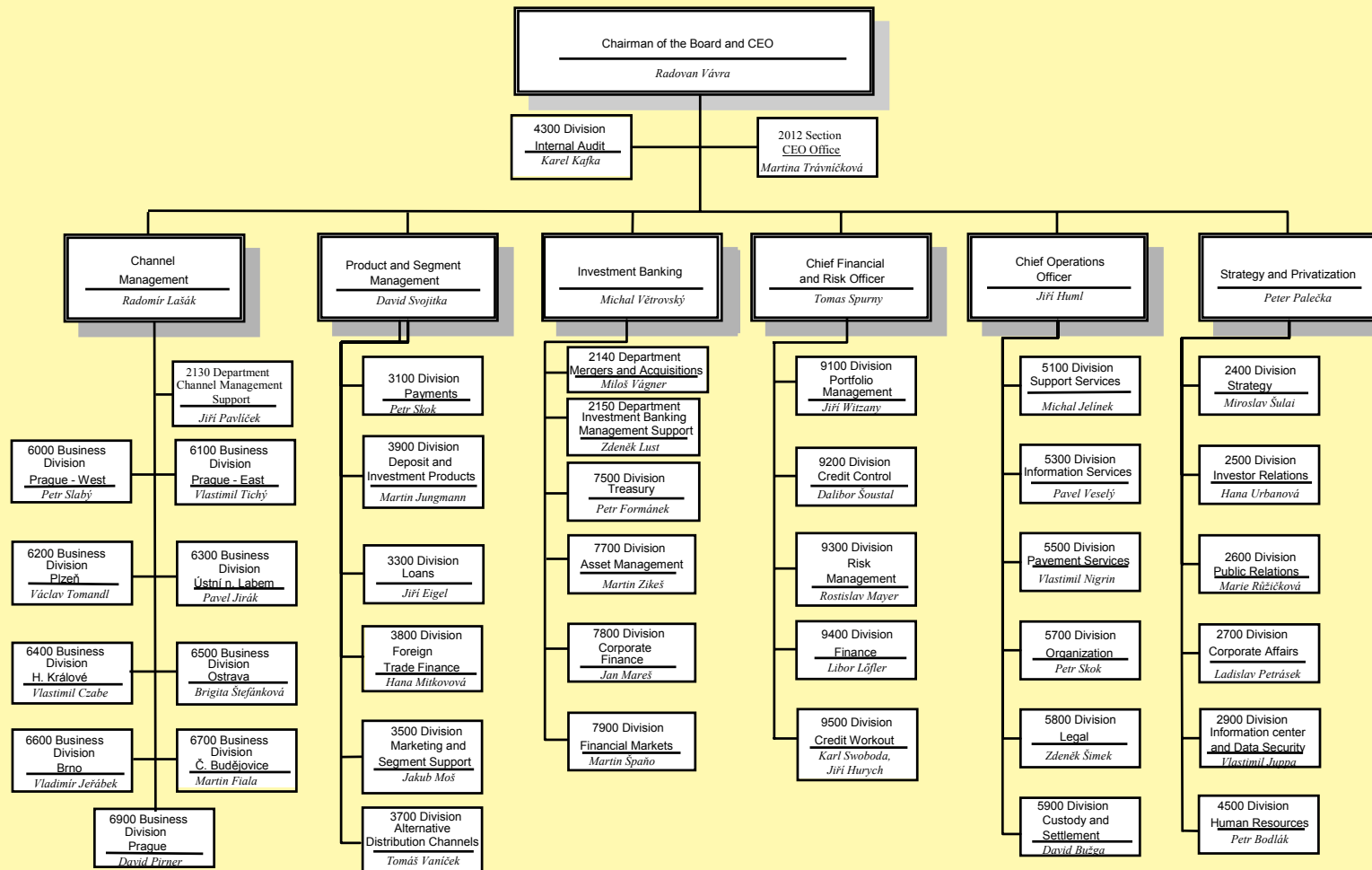
Development of 3M, 6M PRIBOR and the RS KB



Price of KB's Share and GDR KB



New Organizational Structure



Structure of Shareholders

	Number of shares	Proportion of equity
Fond národního majetku České republiky	22,806,227	60.00%
The Bank of New York ADR Department	4,216,794	11.09%
ČSOB, a. s. - Divize Investiční a poštovní banka	650,265	1.71%
State Street Bank and Trust Company	579,409	1.52%
Chase Nominees Limited	464,959	1.22%
Chase Ireland [Nominees] Limited	454,423	1.20%
<u>Other shareholders</u>	<u>8,837,775</u>	<u>23.26%</u>
Total	38,009,852	100.00%

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