



Komerční banka, a. s.

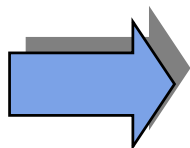
First Half 2002

Financial Results

(Unconsolidated, IAS)

Prague, 31 July 2002

CONTENT



- **1H 2002 Performance**
 - Main Events and Business Indicators
 - Financial Performance
- **Appendix**

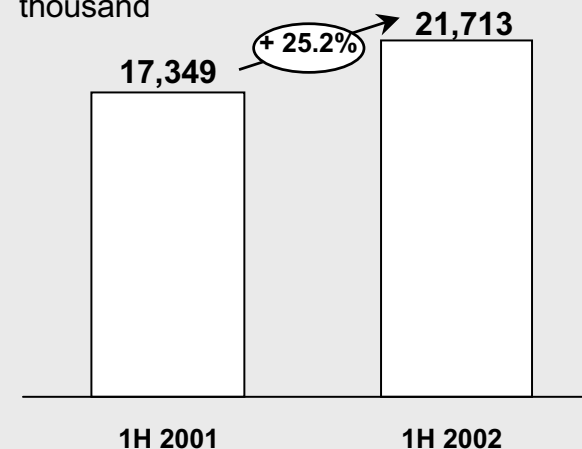
KEY BUSINESS INDICATORS

Clients

- **Globally stable client base**, number of KB clients remains at **1.2 million** of which:
 - Individuals 0.9 million
 - Corporates 0.3 million
- **Number of clients using direct banking increased** by 15 % compared to YE 2001
 - **0.3 million clients using direct banking represent 26 % of the total client base**

Payment cards - transactions

thousand



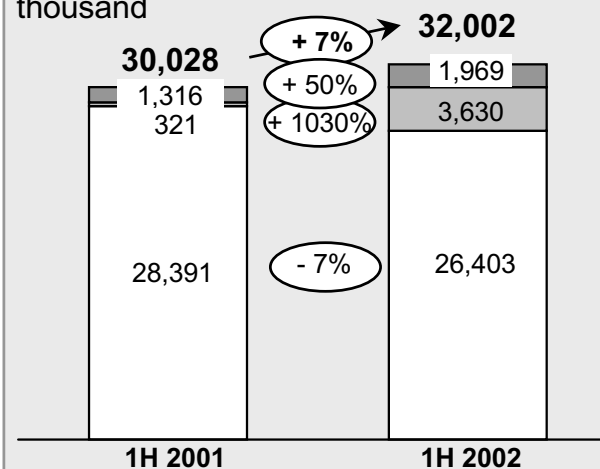
Komerční banka issued **1,089 thousand payment cards** as of 30. 6. 2002 including **25 thousand credit cards**

Services

- Sale network consists of **332 points of sale** - increase by 9 compared to YE 2001
- **Number of ATMs reached 380** representing an increase by 13.4 % compared to YE 2001; **KB plans further broadening of ATMs network until YE 2002**
- Dynamic growth in **utilisation of Internet banking**
- **New products and services launched during 1H 2002**
 - Guarantee Payment
 - Optimum Medicum
 - Premium Medicum

Direct banking - transactions

thousand



Phone banking (KB Express Line)
 Internet banking (*mojebanka**)
 PC banking (*profitbanka**, BEST KB, M-BEST, EDIKB, BBS, Guarantee Payment*, Direct Channel*)

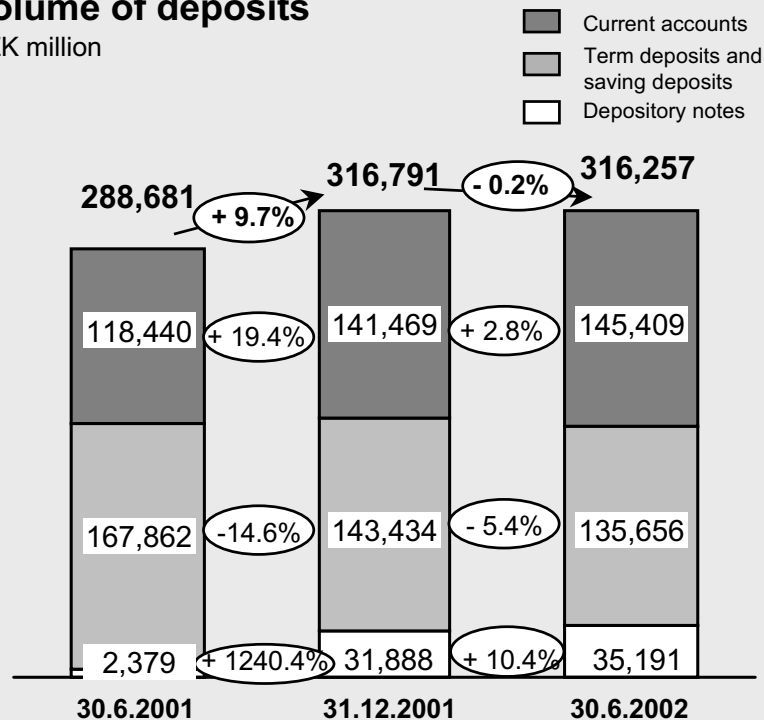
* *profitbanka* lunched in Oct 2001, Guarantee Payment in Jan 2002, Direct Channel in Apr 2002

KEY BUSINESS INDICATORS

Stable deposit base and ongoing positive trend in retail lending

Volume of deposits

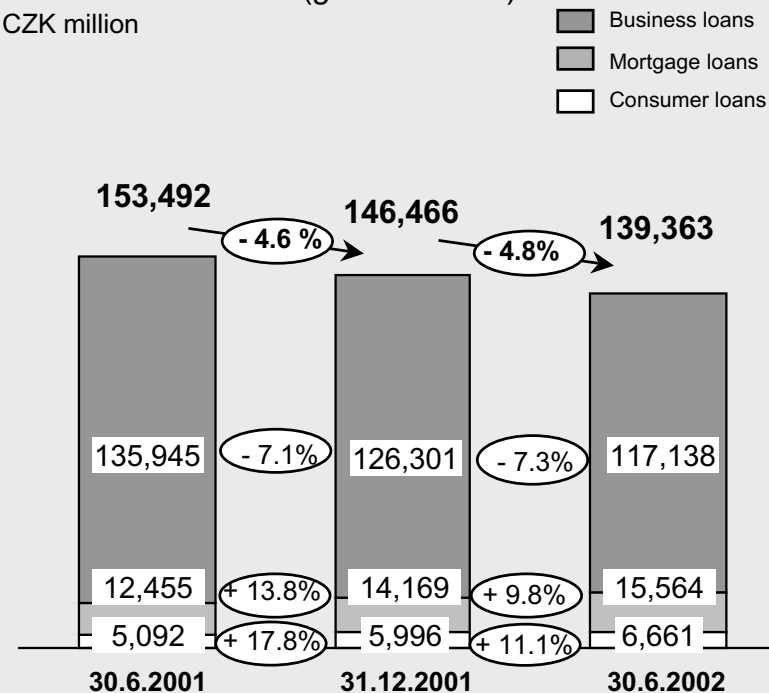
CZK million



- Primary deposits influenced by decreasing interest rates environment in Czech banking sector
- No significant changes in the structure of primary deposits
 - current accounts deposits make 46% of primary deposits
 - term and saving deposits make 43% of primary deposits

Volume of loans (gross amount)

CZK million



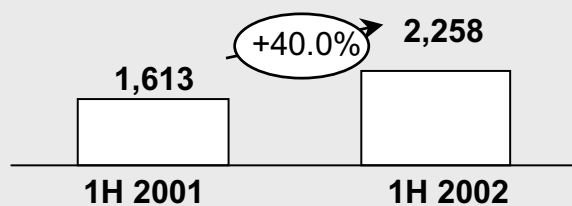
- Significant increase in consumer and mortgage loans in the first half of year 2002:
 - Increase in share in total customer loans from 14% to 16% compared to year end 2001
 - Increase in number of mortgages by 15% compared to year end 2001
 - Increase in number of consumer loans by 6% compared to year end 2001
- Decrease in business loans due to Remedial Management Division activities

KEY BUSINESS INDICATORS

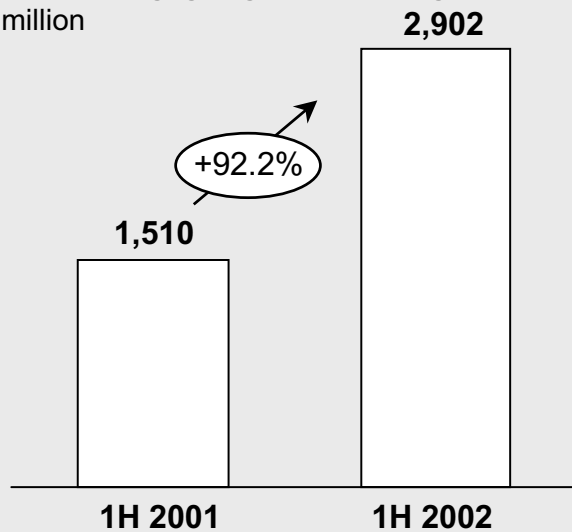
Retail loans development - focus

Mortgages

Number of mortgages granted during first half of the year

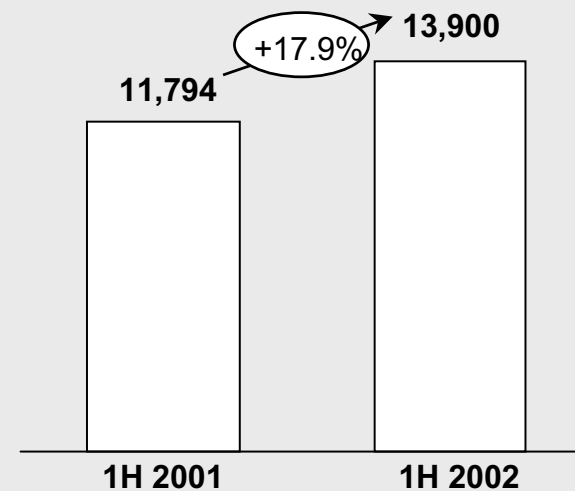


Volume of mortgages granted during first half of the year
CZK million

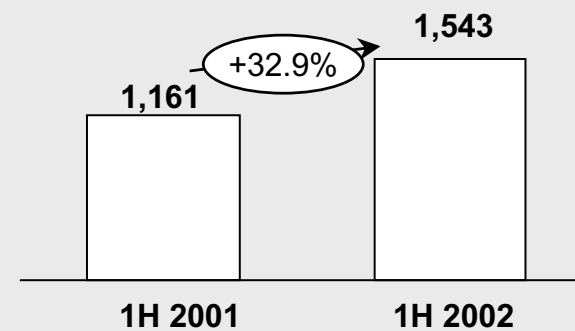


Consumer loans

Number of consumer loans granted during first half of the year



Volume of consumer loans granted during first half of the year
CZK million



SG PRAGUE BRANCH AQUISITION

SG Prague Branch

Key figures (CAS, YE 2001)

- Total assets CZK 22,208 million
- Loans to customers (net) CZK 4,697 million
- Deposits CZK 3,920 million
- Number of clients* 589
(of which corporates 521)
- Number of employees 128

Acquisition

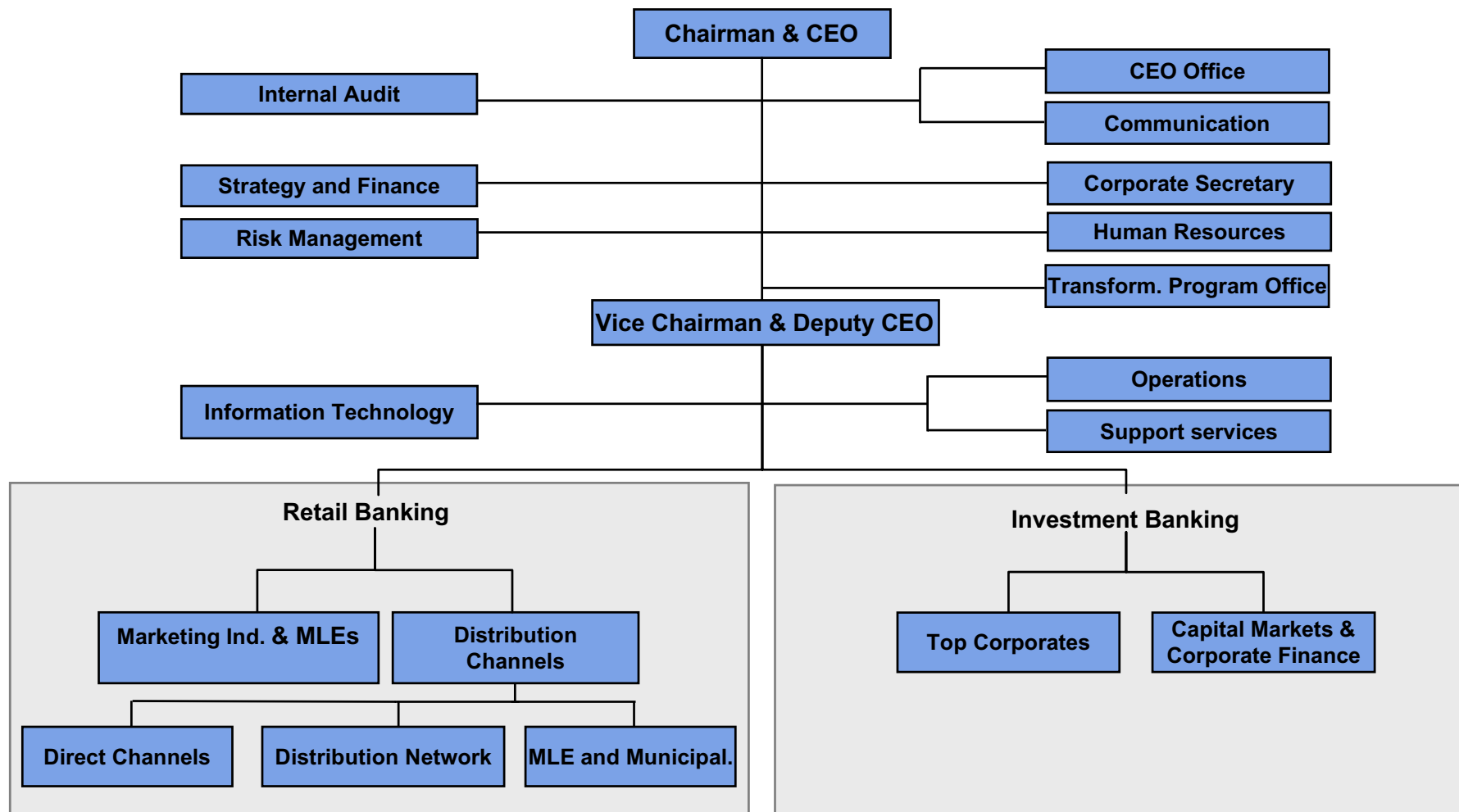
- Purchase price: CZK 1,030 million
- Executive date: 1 April 2002
- Migration of clients, products and employees into KB completed by the end of June 2002



* Part of the SG Prague Branch client portfolio represented shared clients with KB

NEW ORGANIZATIONAL CHART

Valid from July 2002



FINANCIAL RESULTS AND RATIOS

CZK million

Profit and Loss Statement	1H 2001	1H 2002	Change
Net banking income	11,132	11,605	+ 4.2%
Operating costs	-6,801	-6,810	+ 0.1%
Net operating income	4,331	4,795	+10.7%
Provisions for loan and investment losses	-1,099	373	-
Income tax	-517	-932	+ 80.3%
Net profit	2,715	4,236	+ 56.0%

Key ratios and indicators	1H 2001	1H 2002	Change
Capital Adequacy - CNB	13.9%	14.2%	→
Tier 1 Capital (IAS; CZK mil.)	20,100	21,935	→
Net Interest Margin - NII/Average Interest Bearing Assets	3.5%	3.3%	→
Cost / Income ratio including restructuring costs	61.1%	58.7%	→
Return on Average Equity (ROAE), annualised	25.2%	32.8%	→
Return on Average Assets (ROAA), annualised	1.4%	1.9%	→
Non-interest Income / Total Revenues	45.0%	44.6%	→
Number of employees (FTE)	9,488*	8,893	- 6.3%

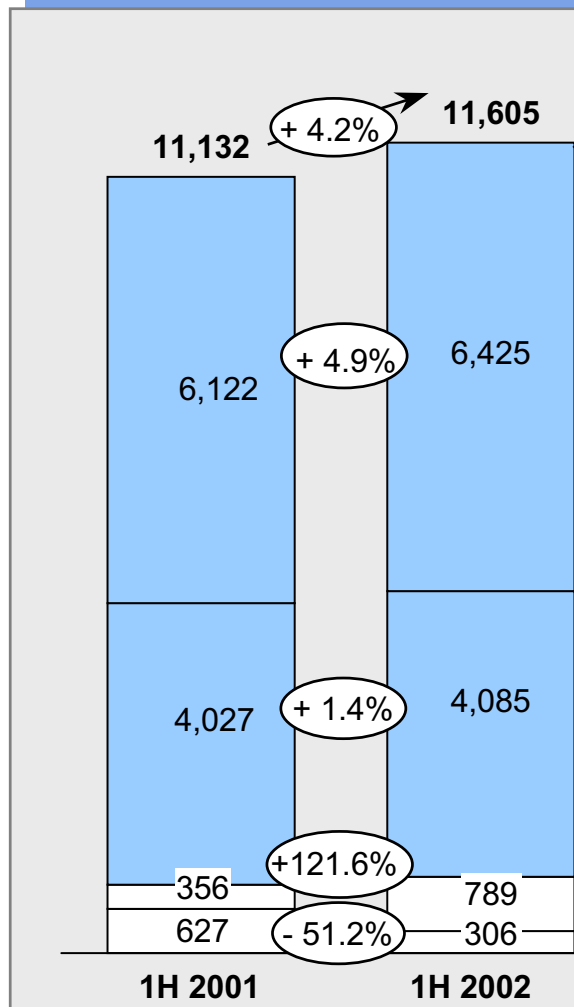
* Excluding 700 employees transferred to KB subsidiaries Reflexim and ASIS during second half of 2001.



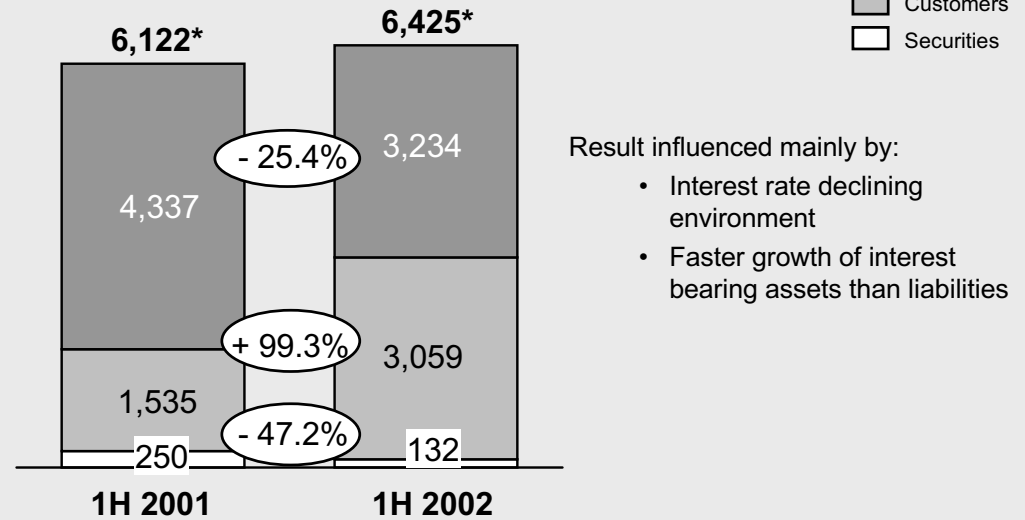
NET BANKING INCOME 1/2

Positive development in core banking activities

CZK million



Net Interest Income

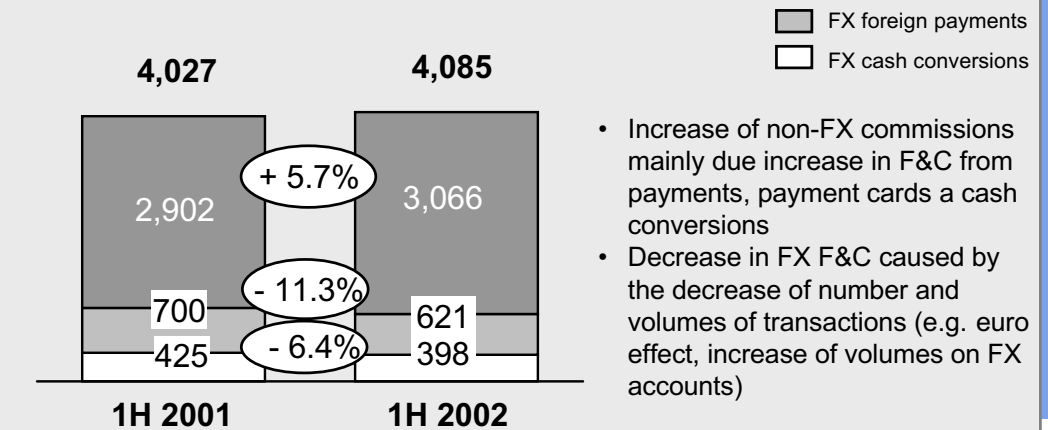


Result influenced mainly by:

- Interest rate declining environment
- Faster growth of interest bearing assets than liabilities

* NII from ČKA included in category banks until 9/2001

Net Fees and Commissions



- Increase of non-FX commissions mainly due increase in F&C from payments, payment cards a cash conversions
- Decrease in FX F&C caused by the decrease of number and volumes of transactions (e.g. euro effect, increase of volumes on FX accounts)

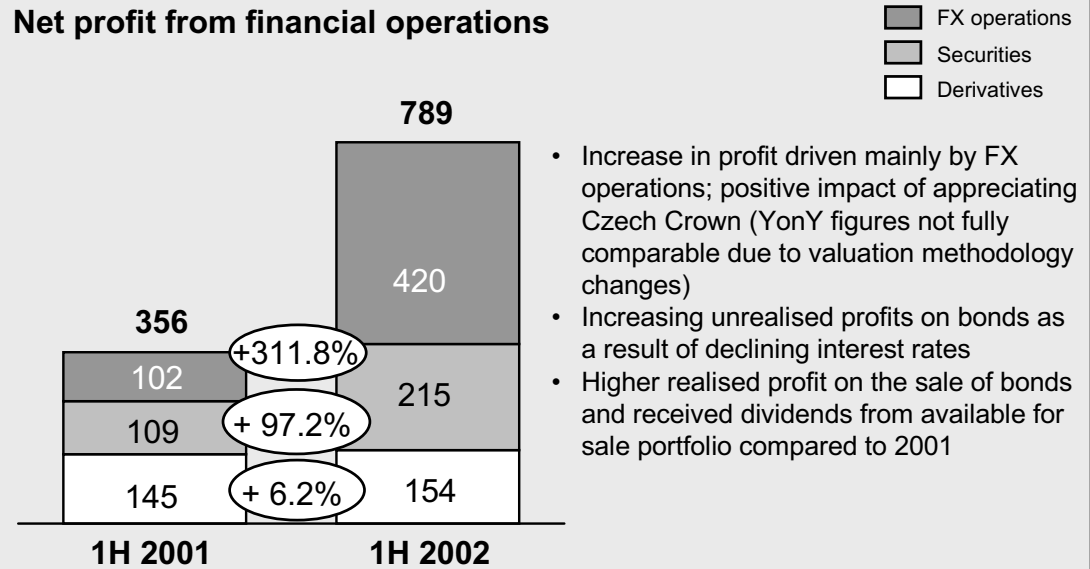
NET BANKING INCOME 2/2

Net profit on financial operations contributing to net banking income growth

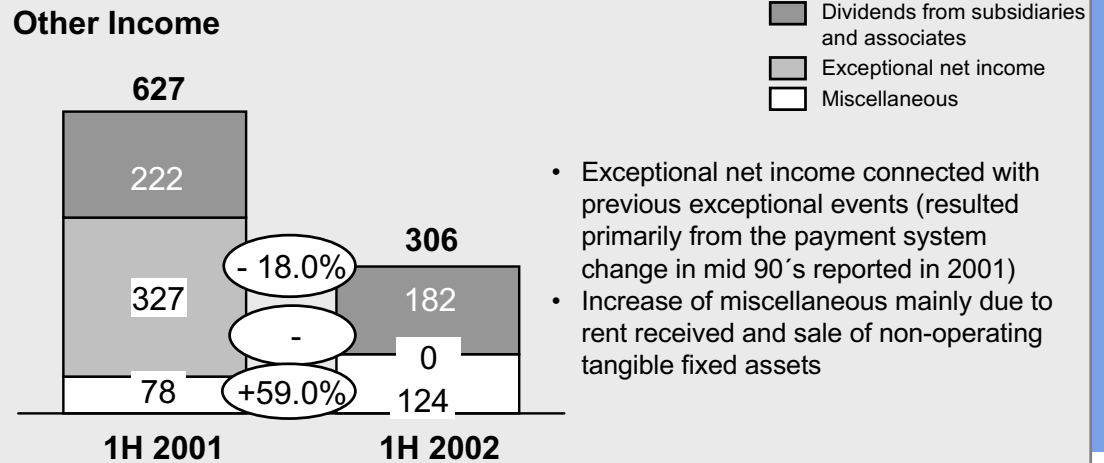
CZK million



Net profit from financial operations



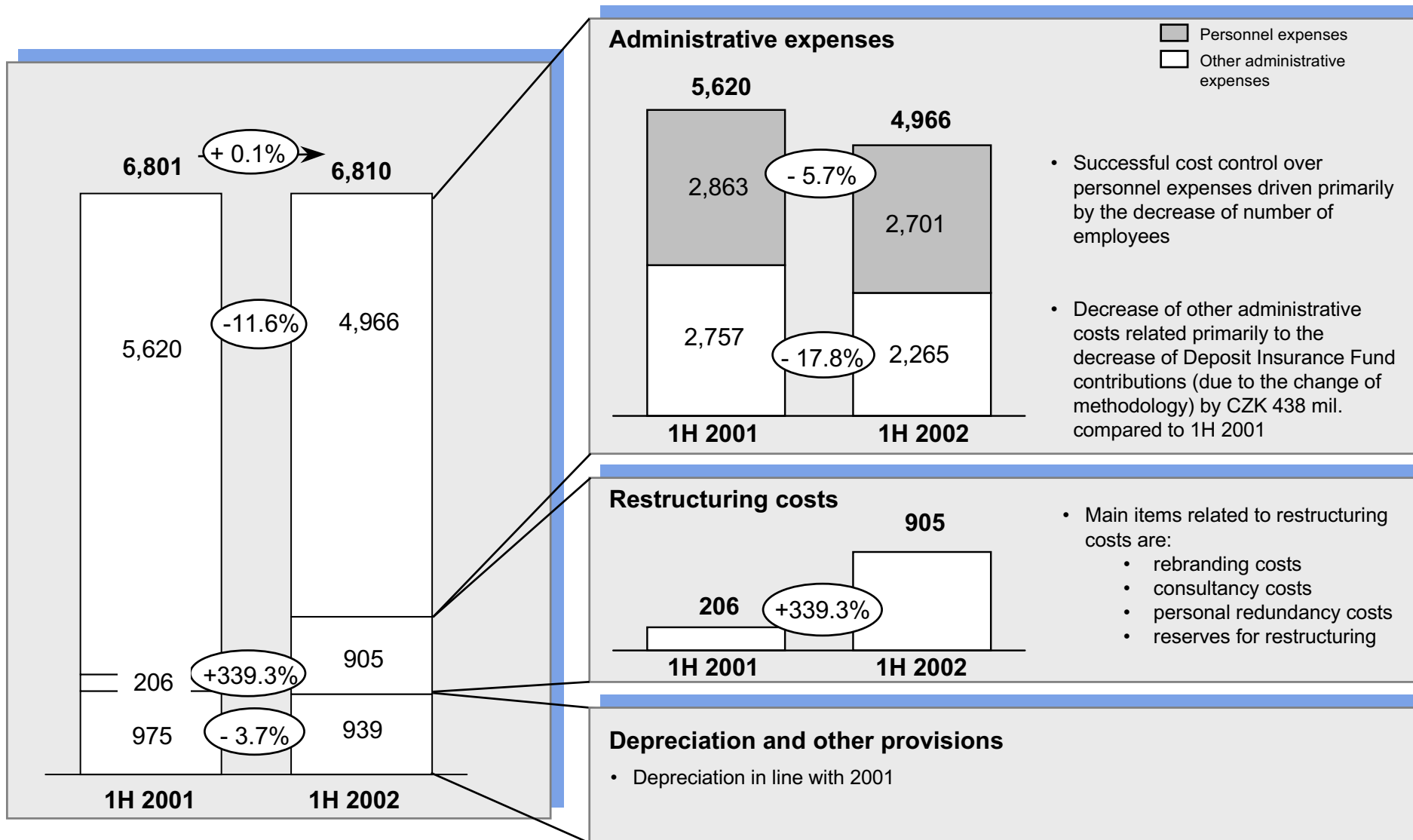
Other Income



OPERATING COSTS

Successful cost control and ongoing restructuring

CZK million

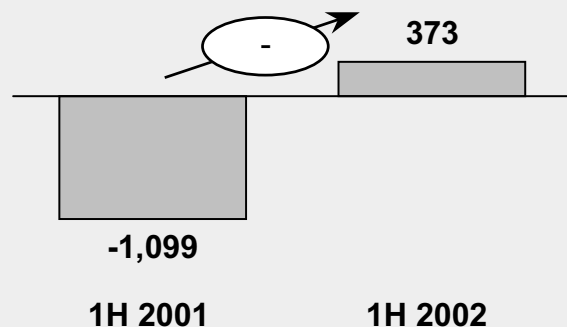


PROVISIONS FOR LOANS AND INVESTMENT LOSSES

Impact of increasing quality of KB loan book

CZK million

Total provisions

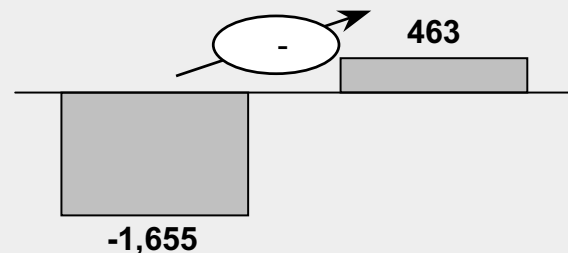


Comments

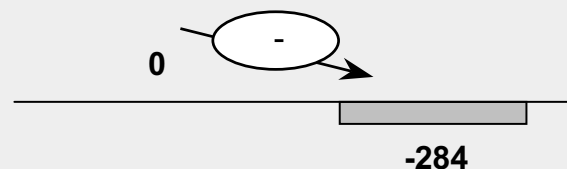
- Release of provisions for loan losses caused by an ongoing improvement of the loan book structure, good recoveries of non-performing loans and loan sales
- Release of specific provisions and reserves to participation in the State Guarantee effected by the guaranteed portfolio development
- Provisions for securities (CDO, CLN) reflect development of underlying assets
- Further provisioning of Komerční pojišťovna (CZK 165 mil. in 2002)

Detailed breakdown

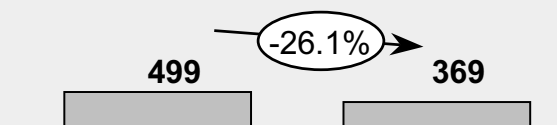
Provisions for loan losses



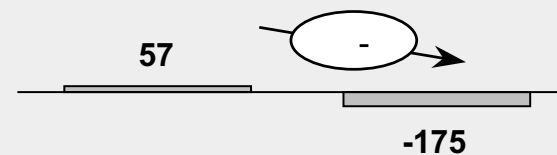
Provisions for impairment of securities



Income from fully written-off loans



Provisions for losses for investments in subsidiaries and associates



BALANCE SHEET

Increase of total balance sheet by 10%

CZK million

Assets	31.12.2001	30.6.2002	Change
	421,720	464,162	
Cash and balances with central bank	18,211	17,462	- 4.1%
Due from financial institutions	155,602	218,506	+ 40.4%
Due from Česká konsolidační agentura	49,765	44,703	- 10.2%
REPO with state institutions	12,500	0	-
Loans and advances to customers (net)	122,697	118,735	- 3.2%
Securities	38,123	31,321	- 17.8%
Other assets	24,822	33,435	+ 34.7%

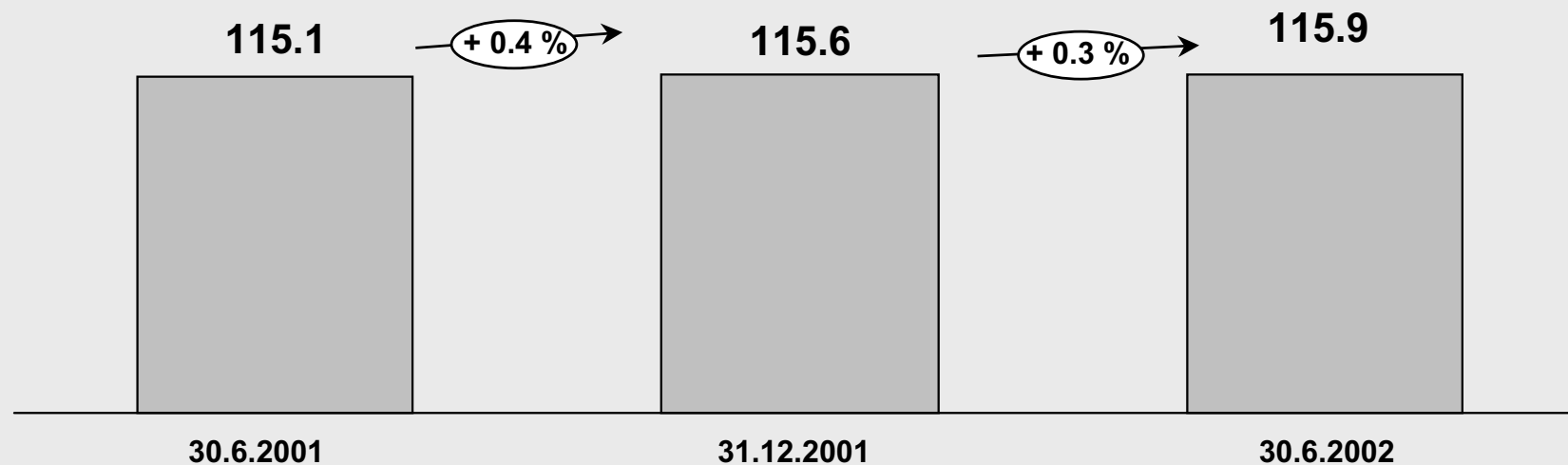
Liabilities	31.12.2001	30.6.2002	Change
	421,720	464,162	
Amounts owed to financial inst.	28,860	31,589	-
REPO with state institutions	0	0	
Amounts owed to customers	316,791	316,257	- 0.2 %
Subordinated debt	7,252	5,938	- 18.1%
Certificated debt	27,771	22,055	- 20.6%
Other liabilities	17,448	31,540	+ 80.8%
Shareholders' equity	23,598	28,073	+ 19.0%



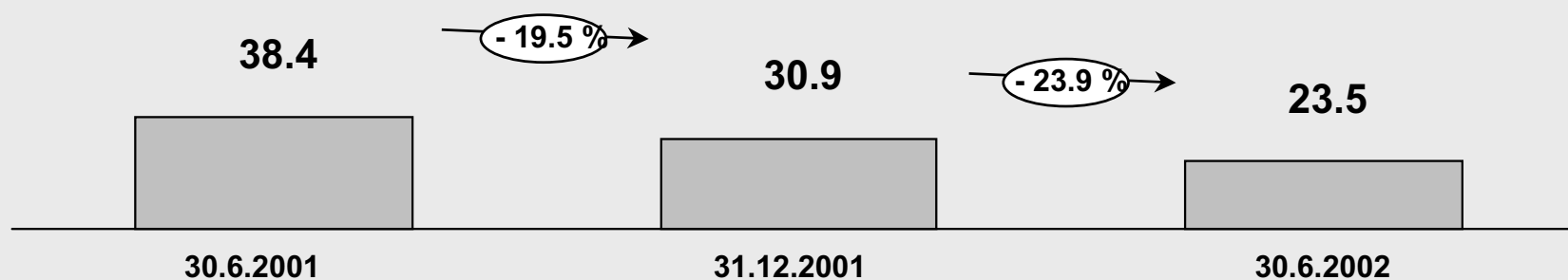
LOAN PORTFOLIO STRUCTURE

CZK billion

Non-guaranteed portfolio: On-balance



Guaranteed portfolio: On-balance

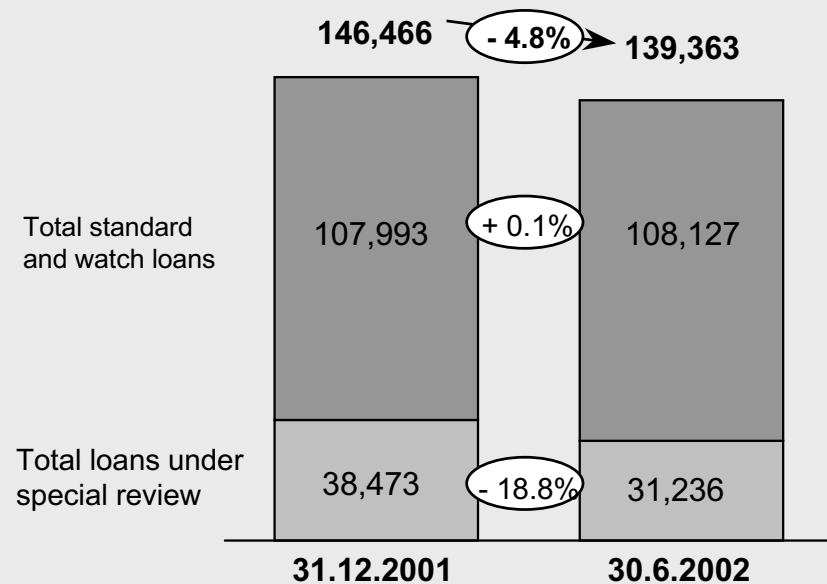


LOANS AND ADVANCES TO CUSTOMERS

Improved quality of loan book

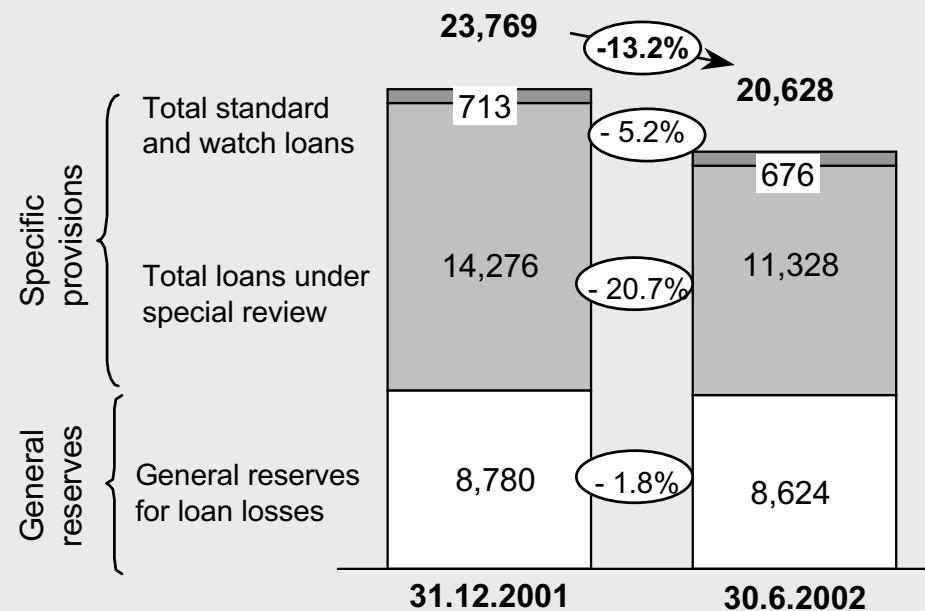
CZK million

Client loans On-balance sheet



- Quality improvement in the loan book structure during the first half of 2002
- Increase in the share of standard loans in the total customer loans from 56% to 63%
- Decrease in LUSR / Total customer loans from 26% to 22%
- Decrease in Loss loans / Total customer loans from 11% to 9%

Provisions and general reserves for loan losses On-balance sheet



- Total coverage rate (provisions and general reserves without the State Guarantee) fell from 16% to 15%
- Provisions, Reserves and Collateral without the State Guarantee cover 57% of the loan portfolio
- Coverage of loans under special review by specific provisions is 36%
- Coverage of CDO portfolio amounted to USD 62.7 mil. representing 15% of the purchase price

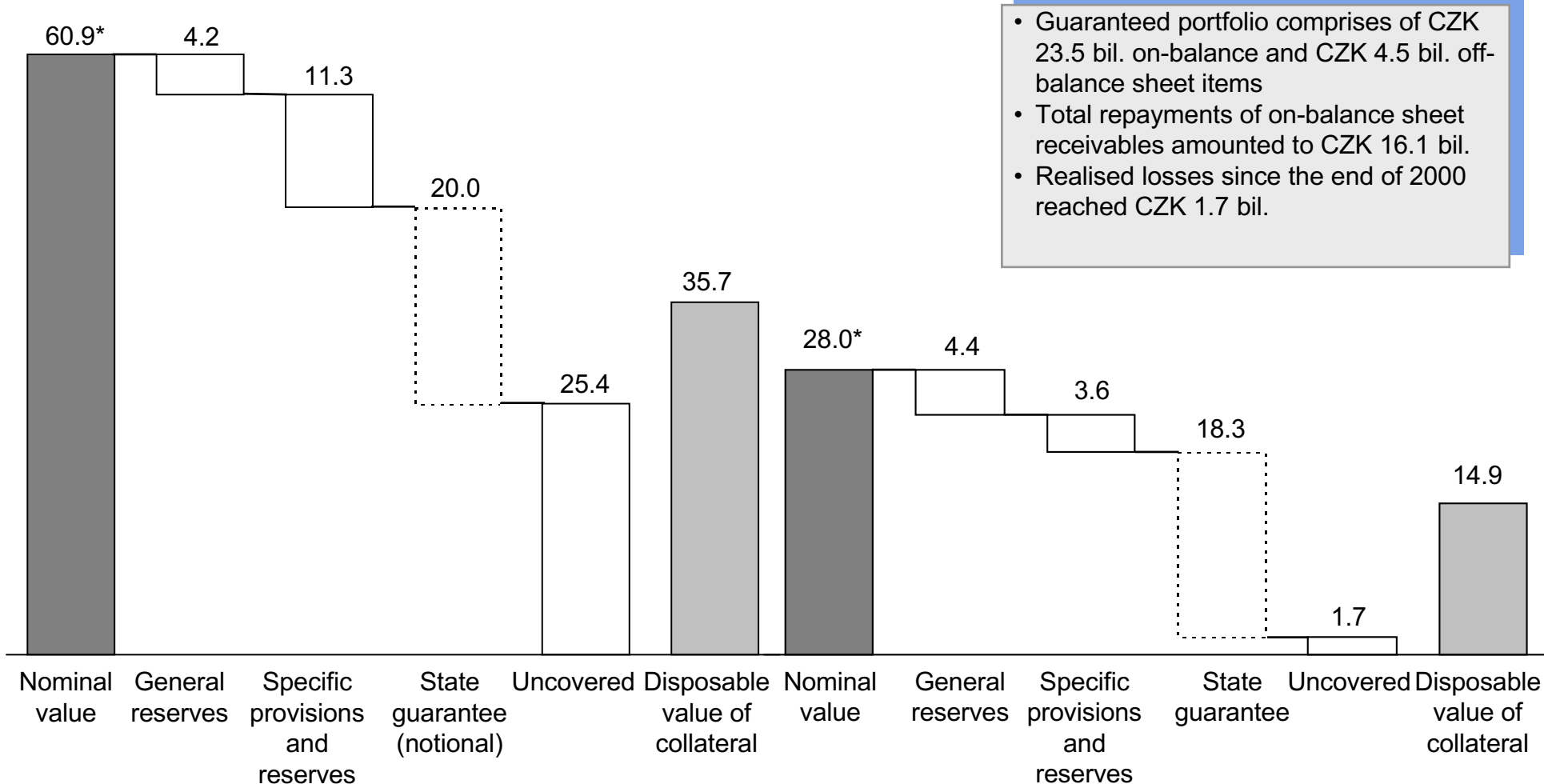
STATE GUARANTEED PORTFOLIO - FOCUS

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

CZK billion

31.12. 2000

30.6. 2002



- Guaranteed portfolio comprises of CZK 23.5 bil. on-balance and CZK 4.5 bil. off-balance sheet items
- Total repayments of on-balance sheet receivables amounted to CZK 16.1 bil.
- Realised losses since the end of 2000 reached CZK 1.7 bil.

* Includes On-balance and Off-balance sheet assets



SUBSIDIARY AND ASSOCIATED UNDERTAKINGS RESULTS

CZK thousand; CAS/SAS

	Total Share of KB	Profit after tax	Equity	Assets
A-TRADE, s.r.o.*	100%	- 1,479	16,556	23,981
ASIS, a.s.	100%	6,967	14,682	54,294
Factoring KB, a.s.	100%	2,473	110,464	1,986,838
Investiční kapitálová společnost, a.s.	100%	29,020	197,829	266,312
Komerční Finance, B.V.	100%	2,104	3,332	5,938,809
Komerční banka Bratislava, a.s. (SAS)	100%	16,979	387,311	3,922,922
Komerční pojišťovna, a.s.**	100%	- 121,822	- 266,536***	4,234,393
MUZO, a.s.	51.25%	125,802	409,977	1,061,525
Reflexim, a.s.	100%	1,249	7,027	48,750
Total subsidiary undertakings		61,293	880,642	17,537,824
CAC LEASING, a.s. (unconsolidated)	50%	47,788	598,657	19,491,682
Všeobecná stavební spořitelna KB, a.s.	40%	125,125	1,270,585	27,707,064
Total subsidiary and associated undertakings		234,206	2,749,884	64,736,570
KB direct share		72,581	1,478,668	37,828,672
ALL IN REAL ESTATE LEASING, s.r.o. *	100%	1,706	34,414	85,863
ALL IN, a.s.*	100%	258	21,299	21,322
Czech Banking Credit Bureau	20%	NA	NA	NA
Penzijní fond Komerční banky, a.s.	100%	140,413	454,007	8,826,303

- Komerční pojišťovna comments:
 - Recapitalisation completed; KB increased capital by CZK 989 mil. in 1H 2002
 - Restructuring plan settled; reduction and sale of industrial insurance under the process
 - Sale of MTPL insurance being finalized

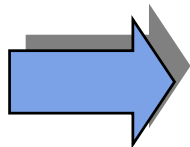
*Companies in process of disposal or liquidation

**Preliminary results

*** Due to legal procedures this figure does not include the second share capital increase

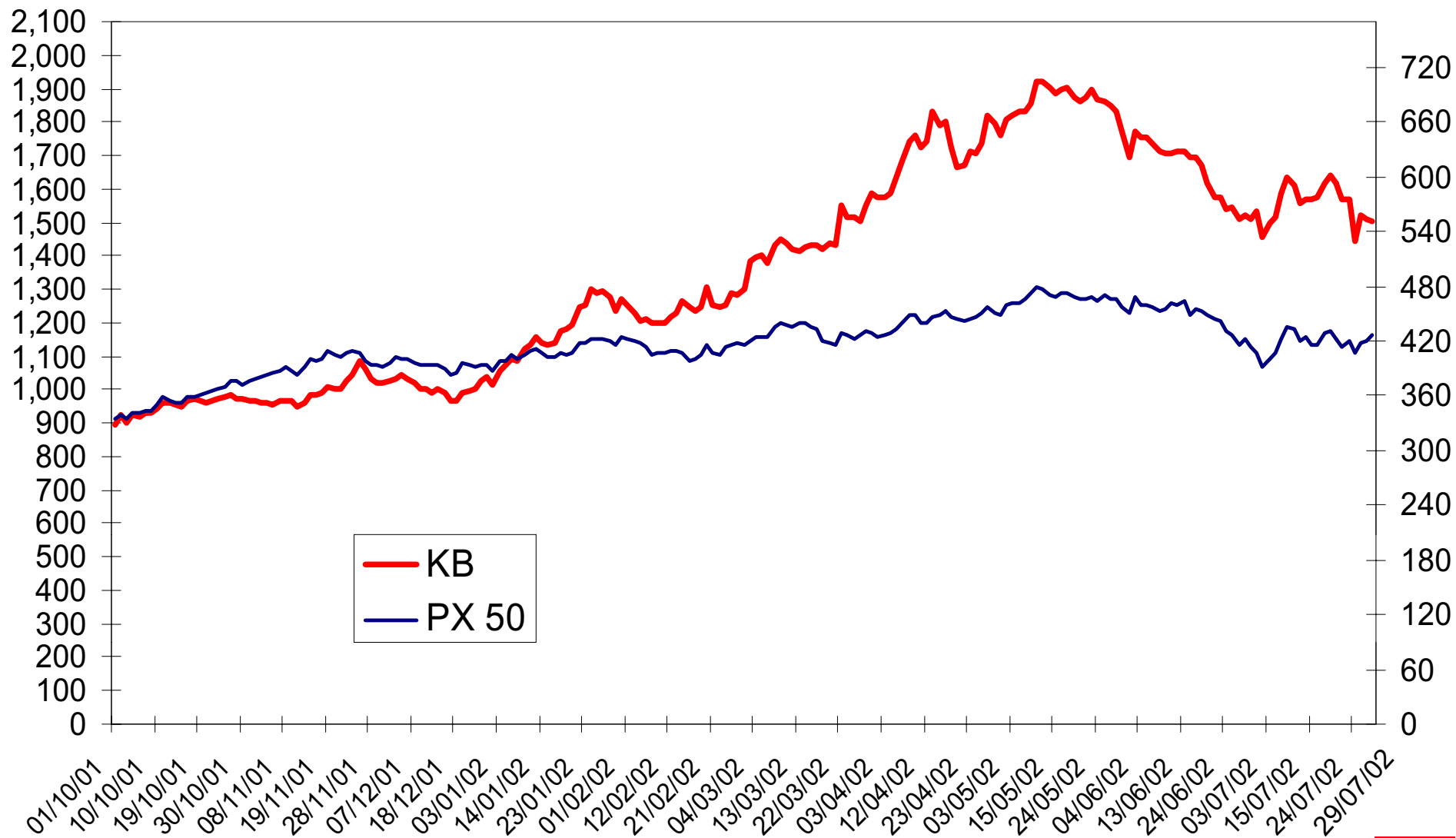


- **1H 2002 Performance**
 - Main Events and Business Indicators
 - Financial Performance



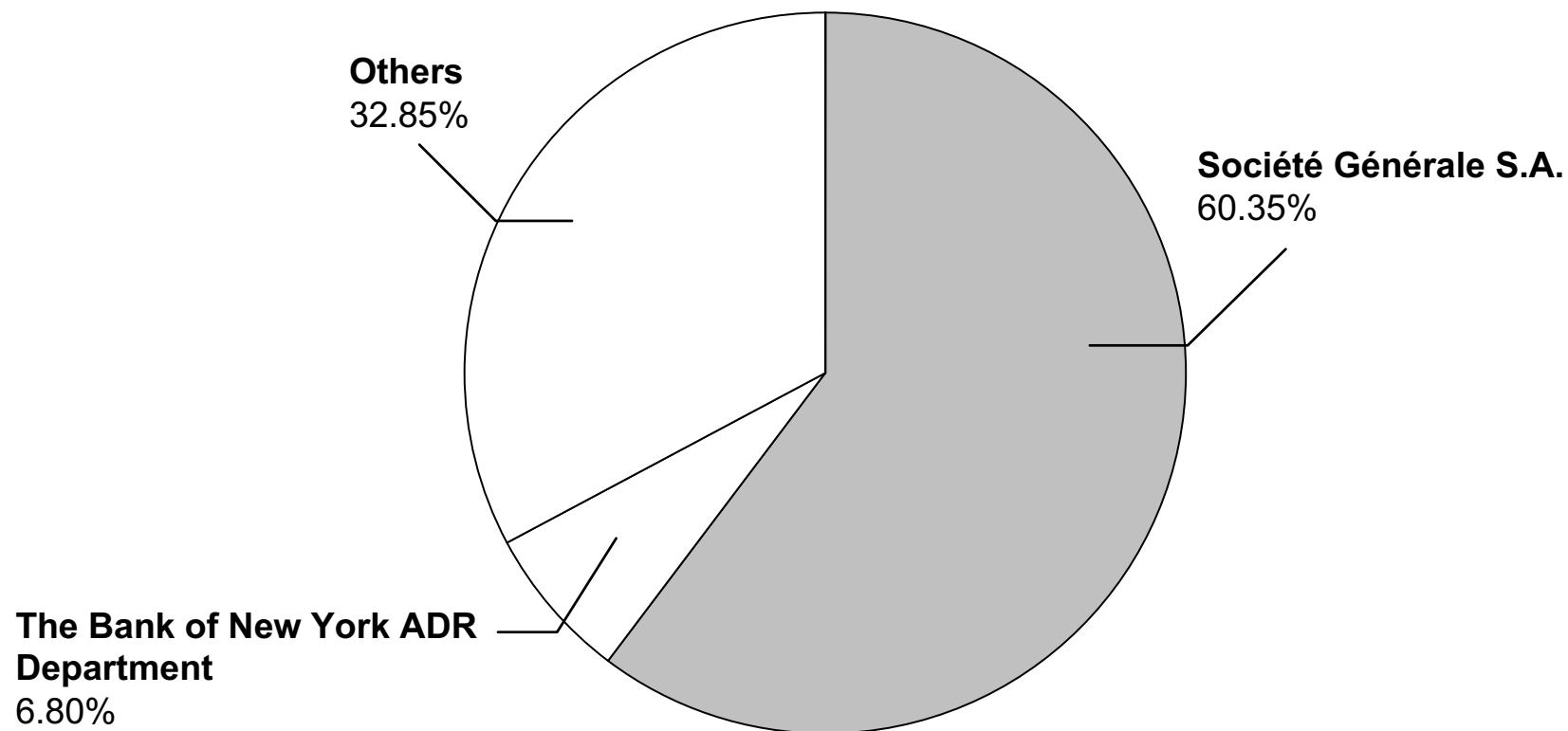
- **Appendix**

DEVELOPMENT OF KB'S SHARE PRICE AND INDEX PX50



STRUCTURE OF SHAREHOLDERS

**Major shareholders of Komerční banka, a.s.
with over 5 % of the share capital as at 19 June 2002**



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