

Ceska Sporitelna

1Q 2002 IAS Consolidated Results

May 21, 2002

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Summary

- CS Profit in 1Q 2002 was CZK 943 m
- ROE reached 15.1%; ROA was 77 bps
- With Transformation I completed as of 2001 yearend, CS is reaping the results with Profit just below CZK 1 bn for the Quarter and ROE over 15%
- Total Revenue has increased by 16%, while total expenses are down by 3%
- CS Team continues to meet our financial targets

1Q 2002 IAS Unaudited Consolidated Results

1Q 2002 Group Profit & Loss Highlights

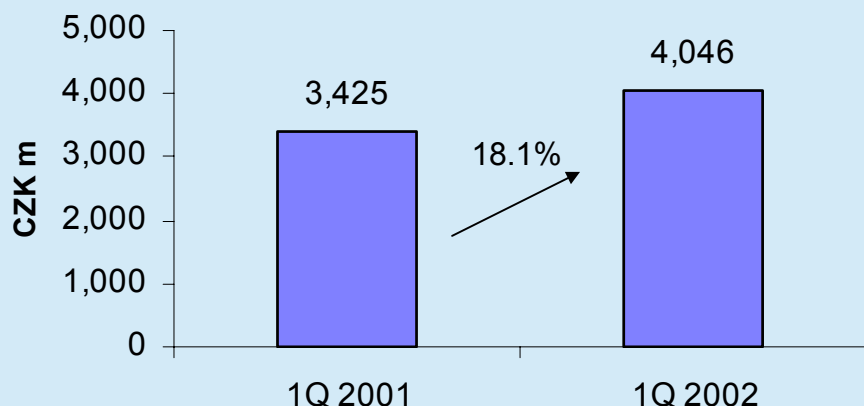
- Profit rose from CZK 346 million (1Q/01) to CZK 943 million (1Q/02)
- ROE reached 15.1%; ROA at 0.77%
- Net Interest Income grew by 18.1% to CZK 4,046 million
- Net Fee and Commission Income grew by 10.5% to CZK 1,529 million
- Operating Expenses decreased by 3.2% to CZK 3,640 million
- Cost/Income ratio declined to 63.5%

Group Profit & Loss Statement

IAS, Consolidated, CZK m	1Q 2001	1Q 2002	% Change
Net interest income	3,425	4,046	18.1
Provisions on losses on loans and advances	-581	-499	-14.1
Net fee and commission income	1,384	1,529	10.5
Net profit/(loss) on financial operations	128	153	19.5
General administrative expenses	-3,760	-3,640	-3.2
Other operating income/(expenses)	-106	-108	1.9
Profit/(loss) before taxes	490	1,481	202.2
Income tax expense	-111	-508	357.7
Profit/(loss) after taxes	379	973	156.7
Minority interests	-33	-30	-9.1
Net profit/(loss) for the year	346	943	172.5

Group Interest Income

Net interest income

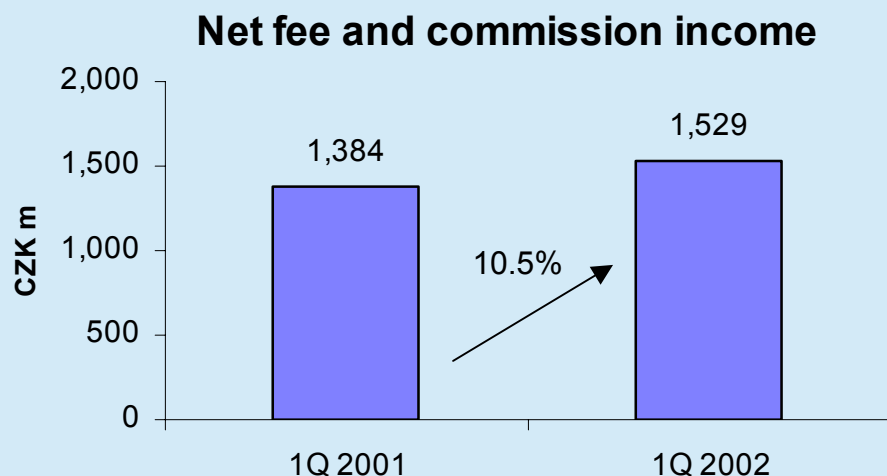


Main Drivers :

- Increase of low cost deposits
- Conservative pricing policy
- Transformation of Konsolidacni banka to CKA
- Maturity of bonds (CZK 5 bn) in Feb 2002

IAS, Consolidated, CZK m	1Q 2001	1Q 2002	% Change
Interest income	6,673	6,745	1.1
- from loans and advances to financial institutions	2,210	1,645	-25.6
- from loans and advances to customers	2,713	3,175	17.0
- from debt securities and other fixed income securities	1,580	1,792	13.4
- other interest income	170	133	-21.8
Interest expense	-3,248	-2,699	-16.9
- from amounts owed to financial institutions	-293	-320	9.4
- from amounts owed to customers	-2,480	-2,203	-11.2
- from bonds in issue	-219	-90	-58.8
- other interest expense	-257	-86	-66.5

Group Fee and Commission Income



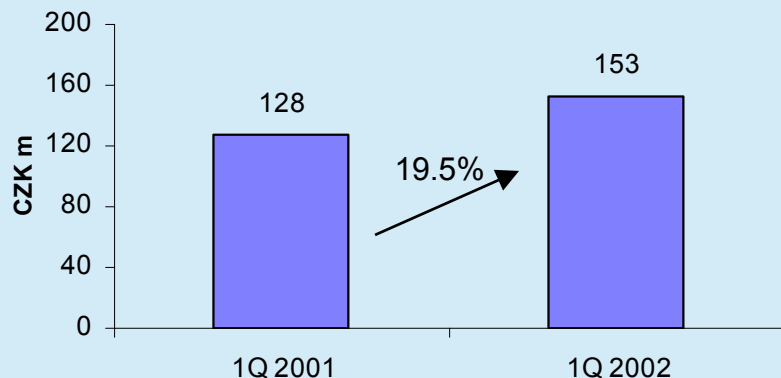
Main Drivers :

- Re-pricing of products (April 2001)
- Lending business acceleration
- Higher ATM interchange fee (10/01)

IAS, Consolidated, CZK m	1Q 2001	1Q 2002	% Change
Fee and commission income	1,482	1,655	11.7
- from lending business	224	327	46.0
- from payment transactions	1,056	1,031	-2.4
- from security business	52	97	86.5
- other	150	200	33.3
Fee and commission expense	-98	-126	28.6
- from lending business	0	-1	n/a
- from payment transactions	-23	-31	34.8
- from security business	-11	-3	-72.7
- other	-64	-91	42.2

Group Trading Result

Net profit on financial operations



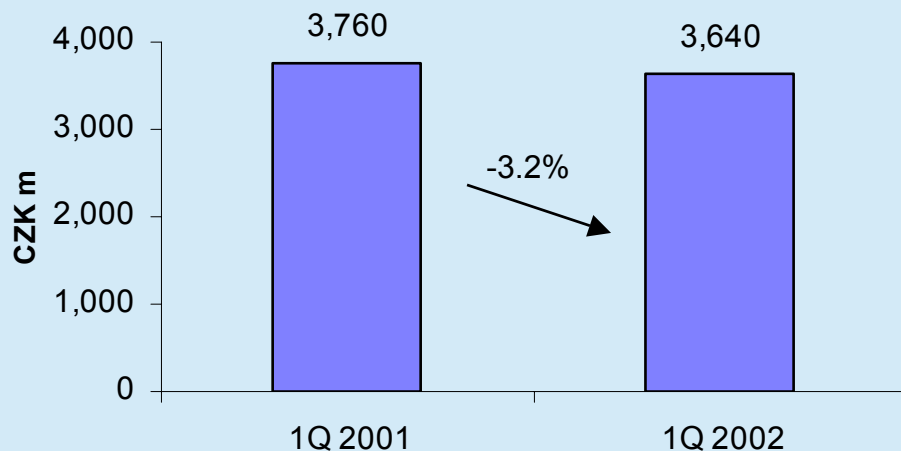
Main Drivers :

- Recovery on the capital markets
- Good results in FX trading
- Loss in derivatives is partially offset by higher yields on bonds

IAS, Consolidated, CZK m	1Q 2001	1Q 2002	% Change
Realised and unrealised profit on securities trading	22	44	100.0
Derivative instruments	-82	-133	62.2
FX gains	169	208	23.1
Other	19	34	78.9

Group Expenses

General administrative expenses



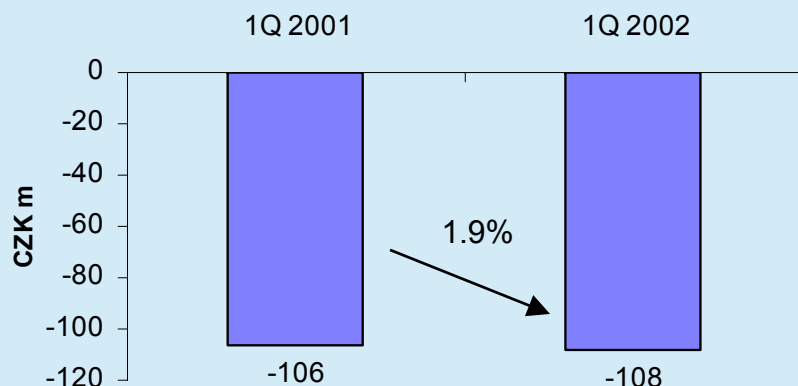
Main Drivers :

- Annualised impact from staff reductions throughout 2001
- Other administrative expenses are expected to be higher in 2H2002
- Results of Transformation Program causing 3.2% reduction in expenses

IAS, Consolidated, CZK m	1Q 2001	1Q 2002	% Change
Personnel expenses	1,501	1,417	-5.6
Other administrative expenses	1,567	1,561	-0.4
Depreciation	692	662	-4.3

Other Operating Result

Other operating income/(expenses)



Main Drivers :

- Lower contribution to Deposit Insurance Fund due to changes in banking law
- Improved performance of insurance company

IAS, Consolidated, CZK m	1Q 2001	1Q 2002	% Change
Other operating income	1,876	2,083	11.0
- other income of subsidiaries (insurance company)	1,607	2,079	29.4
- other income	269	4	-98.5
Other operating expenses	1,982	2,191	10.5
- other expenses of subsidiaries (insurance company)	1,703	1,877	10.2
- Deposit Insurance Fund contribution	177	96	-45.8
- other expenses	102	218	113.7

Restructuring Charge

CZK m	Balance as of 1. 1. 2002	Usage	Balance as of 31. 3. 2002
Closing branches	47	-2	45
Software changes	544	-89	455
Moving out of buildings early	228	0	228
Laying off employees	174	-60	114
Sale of unused property	690	-1	689
Total	1,683	-152	1,531

1Q 2002 Group Balance Sheet Highlights

- Total assets decreased by 0.1% to CZK 491 bn
- Gross loans to clients (excl. CKA) decreased by 5.2% to CZK 141.6 bn due to expiry of REPO operation (CZK 11 bn)
- Client deposits grew by 3.2% to CZK 400.5 bn
- Group capital adequacy according to BIS reached 16.6%

Group Balance Sheet (1/2)

IAS, Consolidated, CZK m	31/3/01	31/12/01	31/3/02	% Change 31/3/02 - 31/12/01
Total Assets	444,427	491,605	490,977	-0.1
Cash and balances with the CNB	12,091	22,930	17,767	-22.5
Loans and advances to financial institutions	155,078	120,104	146,227	21.8
Loans to Czech Consolidation Agency	n/a	37,182	35,436	-4.7
Loans and advances to customers	139,487	149,473	141,644	-5.2
Provision for losses on loans and advances	-23,979	-21,645	-22,189	2.5
Trading securities	22,955	24,186	18,509	-23.5
Securities available for sale	21,501	18,951	19,694	3.9
Investment securities	80,369	101,003	93,801	-7.1
Other assets	36,925	39,421	40,088	1.7

Loan Portfolio

	31.3.2001		31.3.2002		Growth YoY	
	CZK m	%	CZK m	%	CZK m	%
1. Good bank	94,761	73.7%	110,261	66.9%	15,500	16.4%
1.1 Corporate Total	53,675	41.7%	58,897	35.7%	5,221	9.7%
1.2 Retail Total	41,085	32.0%	51,364	31.1%	10,279	25.0%
- Private individuals	14,934	11.6%	20,092	12.2%	5,157	34.5%
- Social loans	11,327	8.8%	9,578	5.8%	-1,748	-15.4%
- MSEs	4,778	3.7%	6,417	3.9%	1,638	34.3%
- Municipals	3,661	2.8%	3,687	2.2%	25	0.7%
- Mortgages	6,385	5.0%	11,591	7.0%	5,206	81.5%
2. CKA			35,436	21.5%	35,436	n.a.
3. Bad Bank	33,831	26.3%	19,218	11.7%	-14,614	-43.2%
3.1.a Ring fencing	15,775	12.3%	11,261	6.8%	-4,514	-28.6%
3.1.b Reclassification	8,792	6.8%	0	0.0%	-8,792	n.a.
3.2 100% provisioned items	9,264	7.2%	7,956	4.8%	-1,308	-14.1%
Total (GB + ČKA + BB)	128,592	100.0%	164,914	100.0%	36,322	28.25%

Group Balance Sheet (2/2)

IAS, Consolidated, CZK m	31/3/01	31/12/01	31/3/02	% Change 31/3/02 - 31/12/01
Total Liabilities and Shareholders' Equity	444,427	491,605	490,977	-0.1
Amounts owed to financial institutions	15,605	31,142	26,271	-15.6
Amounts owed to customers	361,520	388,252	400,548	3.2
Bonds in issue	5,165	10,988	7,561	-31.2
Subordinated debt	5,500	5,500	5,594	1.7
Other liabilities	32,505	30,178	24,527	-18.7
Minority interests	1,069	1,090	1,121	2.8
Shareholders' equity	23,063	24,455	25,355	3.7

Capital Adequacy

CNB Capital Adequacy

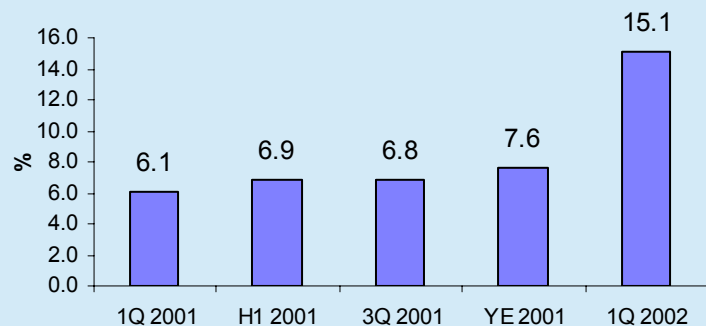
Parent Bank, CZK m	31/12/01	31/3/02
Tier I capital	20,184	20,187
Tier I + Tier II capital	26,244	24,135
Capital requirement A (to RWA)	12,641	12,642
Capital requirement B (to market risks)	1,302	1,244
Capital adequacy Tier I ratio	11.6%	11.6%
Capital adequacy Tier I+II ratio	15.1%	13.9%

BIS Capital Adequacy

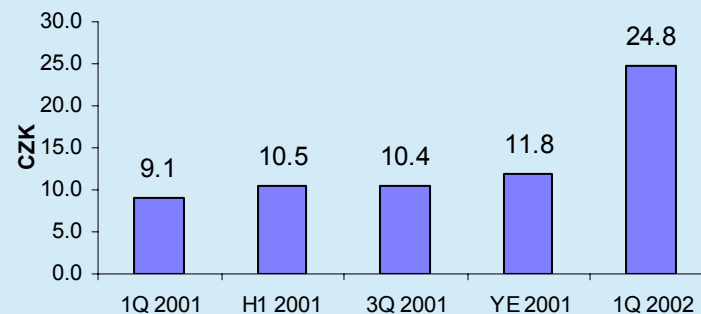
CS Group, CZK m	31/12/01	31/3/02
Tier I Capital	25,525	26,476
Tier I+II Capital	31,650	31,892
Risk Weighted Assets	175,782	177,064
Capital requirement to market risks	1,302	1,244
Capital adequacy Tier I ratio	13.3%	13.7%
Capital adequacy Tier I+II ratio	16.5%	16.6%

Financial Ratios Development

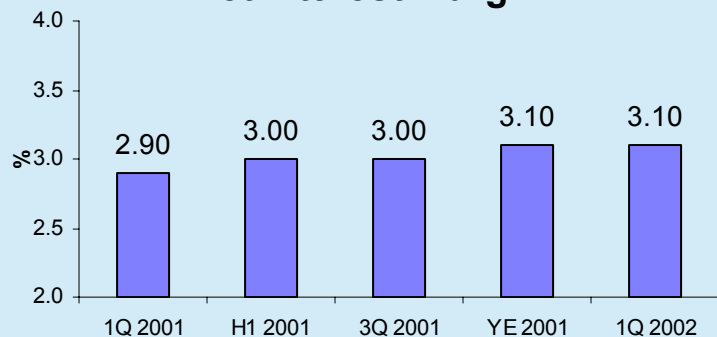
ROE



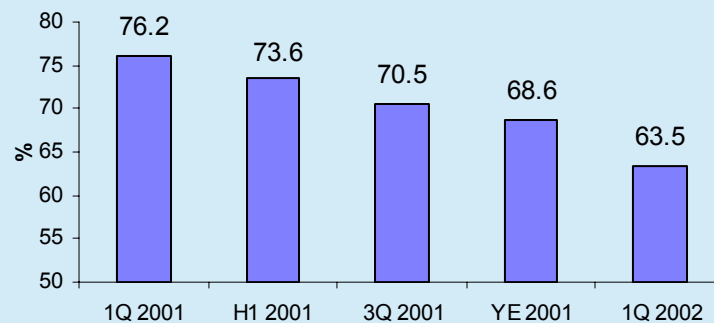
Earnings per Share



Net Interest Margin *



Cost / Income Ratio



* Net interest income to average gross assets

CS Credit Risk
Parent bank

Portfolio Highlights 1Q 2002

- Underlying growth of good bank +3.2 bn (+3%) – excl. expired repo
- Strong growth in key business segments of retail:

in % YTD	CS growth 1Q 2002	CS growth 1Q 2001	Market growth 1Q 2002*)
Retail Mortgage	15.2%	16.3%	8.0%
Private Loans	3.1%	-0.6%	1.3%

*) Sources: Bankovní statistika ČNB, March 2002

Loan Portfolio Development

Loan Portfolio Structure & Development

	Dec 2001		Mar 2002		Growth Rate YTD	
	CZK m	%	CZK m	%	CZK m	%
1. Good Bank	118,033	67.4%	110,261	66.9%	-7,773	-6.6%
1.1. Corporate portfolio	68,681	39.2%	58,897	35.7%	-9,785	-14.2%
1.2. Retail portfolio	49,352	28.2%	51,364	31.1%	2,012	4.1%
2. Ceska Konsolidacni Agentura	36,782	21.0%	35,436	21.5%	-1,347	-3.7%
3. Bad Bank	20,251	11.6%	19,218	11.7%	-1,033	-5.1%
4. Total (1+2+3)	175,067	100%	164,914	100%	-10,152	-5.8%

- **Decrease of loan portfolio by CZK 10.2 bn (- 5.8% YTD)**

- **corporate portfolio CZK - 9.8 bn (-14.2% YTD)**

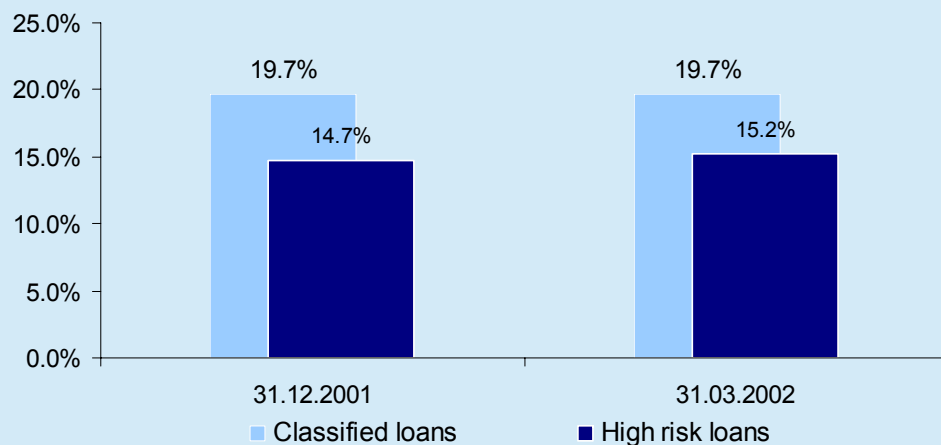
- expired repo operation CZK - 11.0 bn
- underlying growth CZK 1.2 bn driven by new corporate outstanding

- **retail portfolio CZK +2.0 bn (+ 4.1% YTD)**

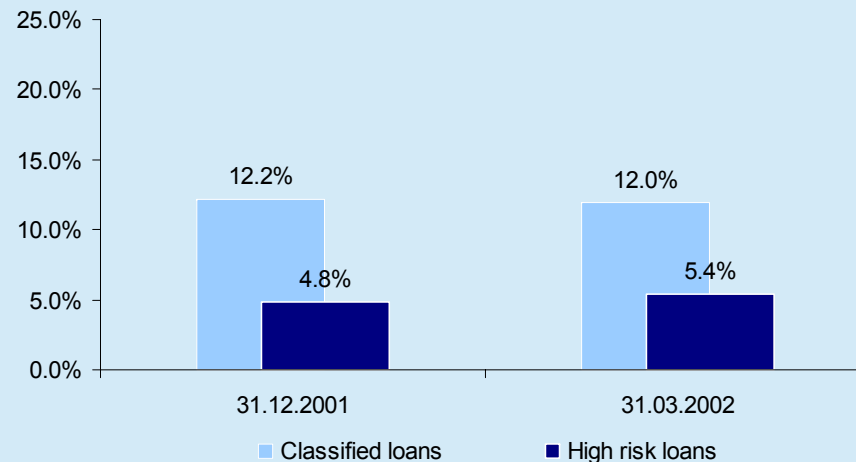
- driven by mortgages CZK +1.5 bn (+ 15.2% YTD)
- private individuals commercial CZK + 0.6 bn (3.1% YTD)

Quality of Loan Portfolio

Quality of Total portfolio



Quality of Good bank portfolio



- **No significant change of portfolio quality ratio**

- Decrease of classified loans 2.0 bn (- 5.8% YTD)
- Decrease of high risk loans 0.6 bn (-2.5% YTD)
percentage increase is result of portfolio reduction only.

- **Quality of Good Bank**

- Decrease of classified loans 1.2 bn (- 8.3% YTD)
- Moderate increase of high risk loans 0.2 bn
(classification of overdue overdraft for private individuals + 315 m)

Asset Protection of Good Bank

CZK m		31.03.2002			
		Exposure *	Collateral	Provisions	Cover Ratio**
Good Bank Total		110,261	61,647	3,472	3.1%
CNB classification	Standard	97,041	52,249	0	0.0%
	Watch	7,303	5,405	141	1.9%
	Non Standard	2,400	1,551	159	6.6%
	Doubtful	890	1,005	626	70.4%
	Loss	2,312	1,437	2,312	100.0%
Overdue overdrafts		315	0	234	74.1%

* without CKA

** Provisions to gross exposure

- The overall cover ratio increased from 2.8% (YE 2001) to 3.1% (1Q 2002).
- Overdue overdrafts in legal action are 100% provisioned

New Commercial Clients Statistics (2000 – 1Q 2002)

CZK m	# customers	Outstanding	Collateral	Provisions	# customers in %	Outstanding in %
CNB 1 Standard	1,549	6,434	3,870	0	92.6%	83.9%
CNB 2 Watch	94	1,107	627	10	5.6%	14.4%
CNB 3 Non Standard	17	82	74	1	1.0%	1.1%
CNB 4 Doubtful	6	10	7	1	0.4%	0.1%
CNB 5 Loss	7	37	5	33	0.4%	0.5%
Total 2000 - 1Q 2002	1,673	7,670	4,583	45	100.0%	100.0%
<i>Total: 2000-YE2001</i>	<i>1,496</i>	<i>8,662</i>	<i>4,626</i>	<i>33</i>		

- In 1Q 2002 high risk loans increased from 0.6% to 1.7% (+ 30 clients, CZK +74 m) due to downward migration as expected
- 1 client makes up 78% of CNB 5 new outstanding

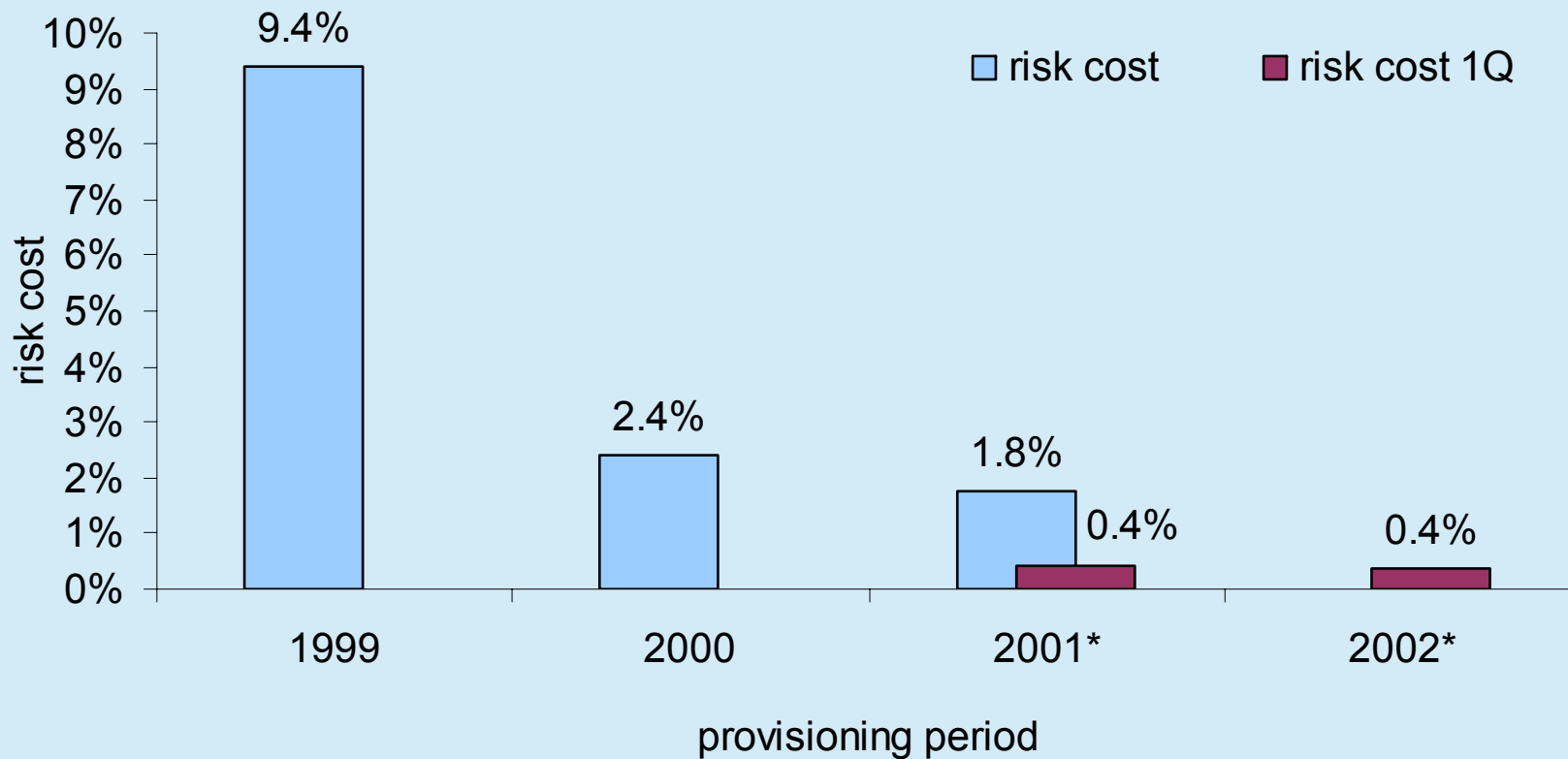
CS Provision for Credit Risk

Provision creation Jan-March 2002

IAS, CZK m	Balance 31.12.2001	Net creation	Use (write offs)	Balance 31.3.2002
Specific provisions	14,715	556	218	15,053
General provisions	6,711	-117	12	6,582
Specific + General Provisions	21,426	439	230	21,635
Others		30		
Total Provision Creation		469		

- Provision creation CZK + 469 m IAS (of which CZK 30 m is B/S neutral)
- Group provision creation in 1Q 2002 CZK + 499 m IAS (of which CZK 30 m subsidiaries).

Credit Risk Cost Development of Parent Bank (IAS)



* Without CKA

Key Ratios

in %	ČS - good bank	
	2001	1Q 2002
<i>Share of High Risk Loans*</i>	4.8%	5.4%
<i>Non Performing Loans** / Total Loans</i>	2.9%	2.6%
<i>Loan Loss Reserves*** / Total Loans</i>	8.0%	9.1%
<i>Loan Loss Reserves*** / Non Performing Loans</i>	272.7%	305.5%

* defined as CNB 3-5 classification

** more than 90 days overdue in payments

*** specific & general provisions

- Increased share of high risk loans reflects decrease of total portfolio (= statistical effect)
- Continuing growth of asset protection of Good Bank

Total put/call

- Key dates

31.12.2001 Announcement to CKA to exercise put option

31.3.2002 Completion of analysis

31.5.2002 Final list for total put to CKA

30.6.2002 Transfer of assets

1Q 2002 Business Indicators

- Private mortgages rose in 1Q 2002 by 15.2% to CZK 11.5 bn
- Payment cards rose to almost 2.250 million
- CS Group clients reached almost 4.9 million
- 538,000 clients using direct banking facilities
- ATM network expanded by 2.3% to 976 ATM

2002 Milestones

- **EU: Euro introduction**
- **Card Business**
 - New Payment Cards
 - Mobile Recharging
 - Loyalty Programme
- **Client Information Centre Phase 2**
- **Information Technology**
 - Phase 2 Platform for Corporate/ Treasury
 - Intranet
 - PIN Verification
- **Human Resources**
 - Rigorous Performance Criteria
 - Improved Bonus Scheme

2002 Financial Targets

● **ROE** **18%**

● **C/I ratio** **< 65%**

Appendix

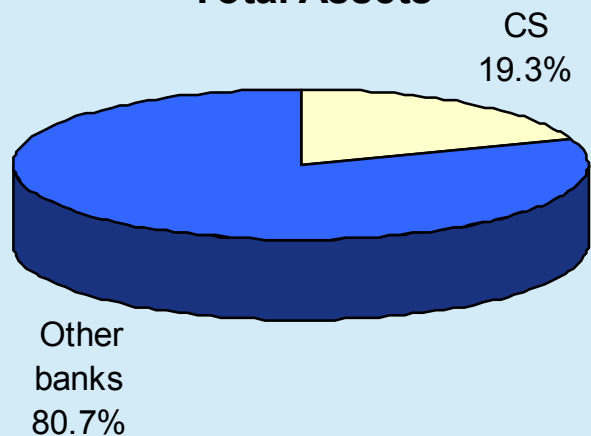
Macroeconomic Framework

	1999	2000	2001	2002f	2003f
Real GDP (growth y/y %)	-0.4	2.9	3.6	3.2	3.7
Household Consumption (growth y/y %)	2.3	1.7	3.7	3.6	4.0
Fixed Capital Formation (growth y/y %)	-0.6	4.2	7.0	6.5	7.0
Nominal Wages (growth y/y %)	8.2	6.6	8.5	8.0	7.5
Retail sales (average growth y/y %)	3.0	4.7	4.3	4.5	5.0
Industrial production (average growth y/y %)	-3.1	5.1	6.8	4.9	6.0
CPI (year-end%)	2.5	4.0	4.1	3.5	3.3
Unemployment (year-end%)	9.4	8.8	8.9	8.6	8.4
Exports (USD bn)	26.4	29.0	33.4	37.2	43.2
Imports (USD bn)	28.5	32.1	36.5	40.5	46.6
Trade balance (% of GDP)	-3.4	-6.2	-5.5	-4.9	-4.3
Foreign direct investment (USD bn; cum.)	18.69	23.3	28.2	36.7	41.7
Current account balance (% of GDP)	-2.9	-4.5	-5.1	-4.5	-4.0
Govt. budget balance (% of GDP)	-1.6	-2.4	-3.2	-3.3	-2.4
Repo-rate (year-end %)	6.73	5.3	4.8	3.8	4.3
Short term interest rate (3 months; average)	7.80	5.3	5.1	4.5	4.7
Long term interest rate (10 years; average)	8.1	7.0	6.4	5.5	6.0
Loc. Curr./USD average	35.8	38.6	38.0	34.2	30.5
Loc. Curr./USD year-end	36.9	38.7	35.6	31.9	30.6
Loc. Curr./EUR average	36.9	35.6	34.1	31.2	28.7
Loc. Curr./EUR year-end	36.2	34.9	31.7	30.3	29.1

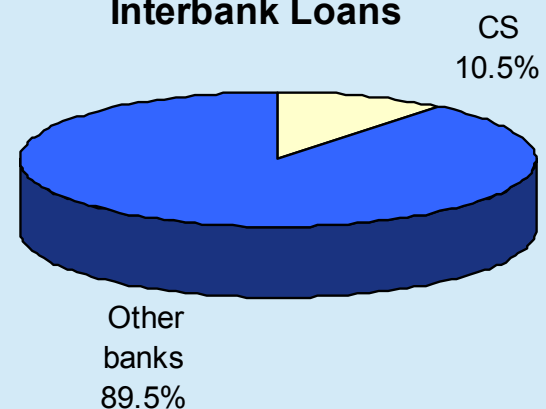
Bold figures represent the final data.

CS Market Shares (1/2)

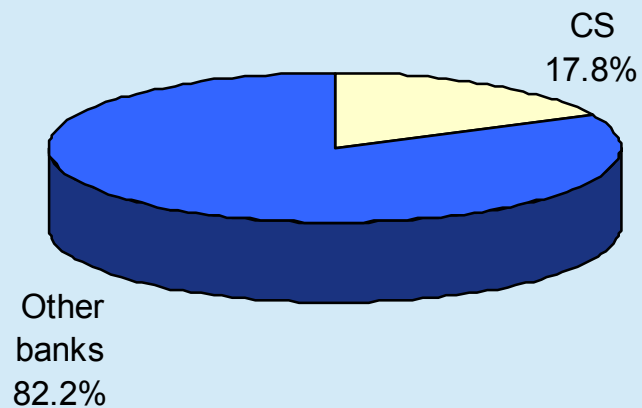
Total Assets



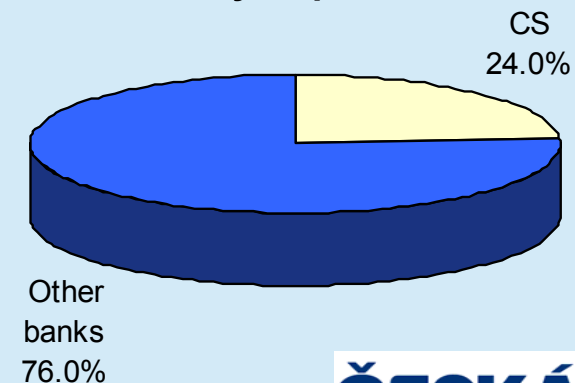
Interbank Loans



Loans to Customers



Primary Deposits

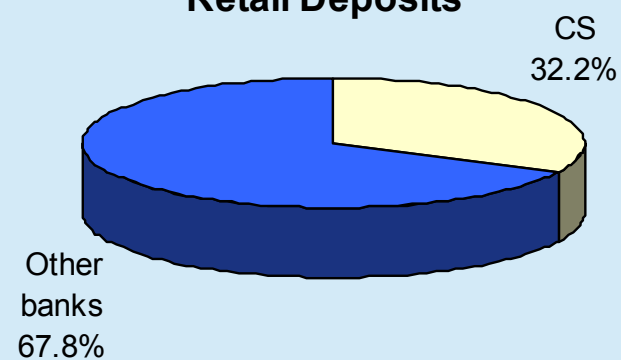


CS Market Shares (2/2)

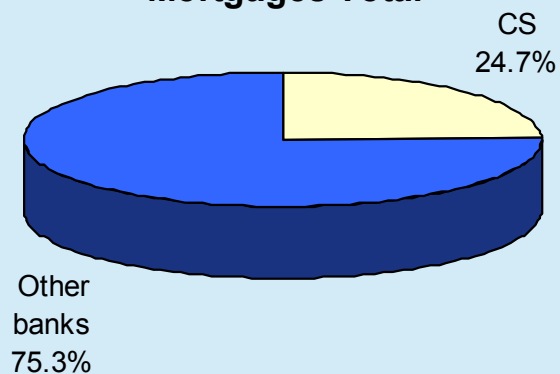
Retail Loans



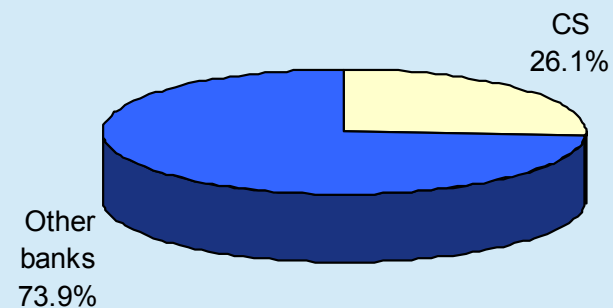
Retail Deposits



Mortgages Total



Mortgages to Individuals



Development of Loan Portfolio

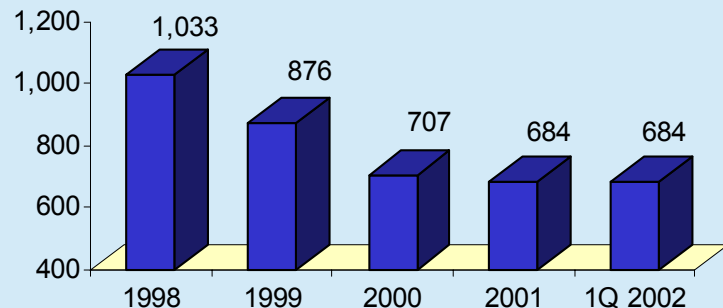
Period	Dec 2001		Mar 2002		Growth Rate YTD	
	CZK m	%	CZK m	%	CZK m	%
1. Good Bank of which	118,033	67.4%	110,261	66.9%	-7,772	-6.6%
1.1. Corporate portfolio of which	68,681	39.2%	58,897	35.7%	-9,785	-14.2%
- large corporates	47,352	27.0%	35,787	21.7%	-11,565	-24.4%
- medium corporates	15,808	9.0%	17,124	10.4%	1,316	8.3%
- municipals	2,936	1.7%	2,899	1.8%	-37	-1.2%
- mortgages	2,585	1.5%	3,086	1.9%	501	19.4%
1.2. Retail portfolio of which	49,352	28.2%	51,364	31.1%	2,013	4.1%
- private individuals	19,480	11.1%	20,092	12.2%	611	3.1%
- social loans	10,006	5.7%	9,578	5.8%	-427	-4.3%
- SMEs	6,035	3.4%	6,417	3.9%	382	6.3%
- municipals	3,769	2.2%	3,687	2.2%	-82	-2.2%
- mortgages	10,062	5.7%	11,591	7.0%	1,529	15.2%
2. Ceska Konsolidacni Agentura	36,782	21.0%	35,436	21.5%	-1,347	-3.7%
3. Bad Bank of which	20,251	11.6%	19,218	11.7%	-1,033	-5.1%
3.1. Ring Fencing	11,651	6.7%	11,261	6.8%	-389	-3.3%
3.2. 100% provisioned	8,600	4.9%	7,956	4.8%	-644	-7.5%
4. Grand Total (1+2+3)	175,067	100%	164,914	100%	-10,152	-5.8%

Parent Bank Portfolio Quality

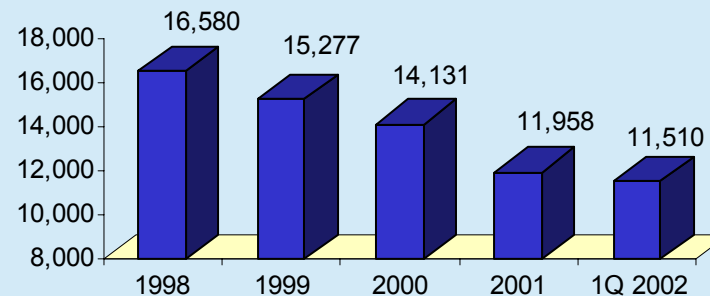
CZK m		31.03.2002				Cover Ratio YTD Change
		Exposure	Share	Provisions	Cover Ratio	
Parent Bank Total		164,914	100.0%	15,054	9.1%	0.7%
CNB classification	Standard	132,476	80.3%	0	0.0%	0.0%
	Watch	7,307	4.4%	141	1.9%	-0.3%
	Non Standard	7,734	4.7%	802	10.4%	0.1%
	Doubtful	3,239	2.0%	612	18.9%	3.1%
	Loss	13,843	8.4%	13,266	95.8%	5.2%
Overdue overdrafts		315	0.2%	234	74.1%	-25.9%

Business Indicators

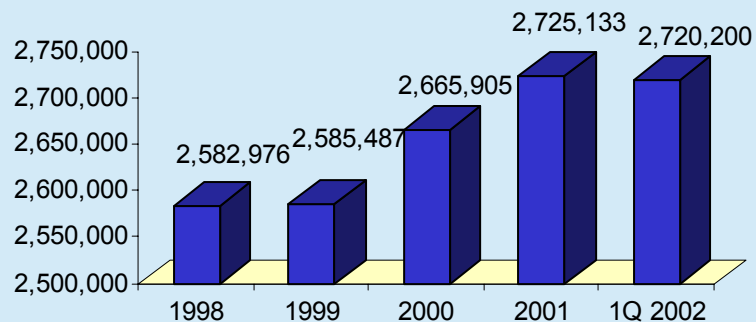
Number of Branches



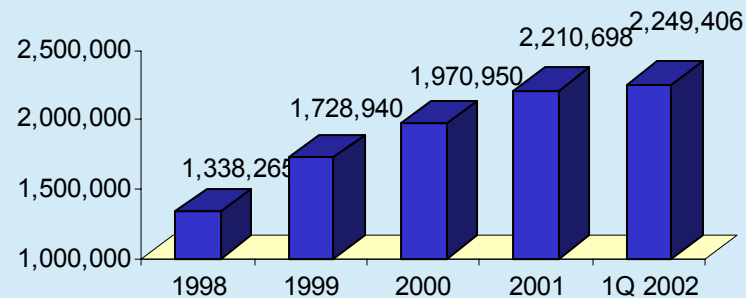
Number of Employees



Number of Sporoziro Current Accounts



Number of Issued Payment Cards



Alternative Distribution Channels

No. of clients	31.12.2001	31.3.2002	% Change
GSM banking	19,415	23,574	21%
Homebanking	13,436	16,958	26%
Servis 24 (Call centre)	83,268	124,613	50%
Sporotel (phone banking)	386,555	347,444	-10%
Internet, w@p and fax banking	14,614	24,978	71%
Total	517,288	537,567	4%

Net Profit of Selected Subsidiaries

IAS, CZK m	1Q 2001	1Q 2002	% Change
Stavební spořitelna CS - Building Society	53	51	-3.8
Investiční společnost CS - Asset Management	-58	-31	-46.6
Leasing CS - Leasing	42	31	-26.2
Penzijní fond CS - Pension Fund*	-13	4	n/a
Pojišťovna CS - Insurance Company	22	22	0.0
Factoring CS - Factoring	5	4	-20.0

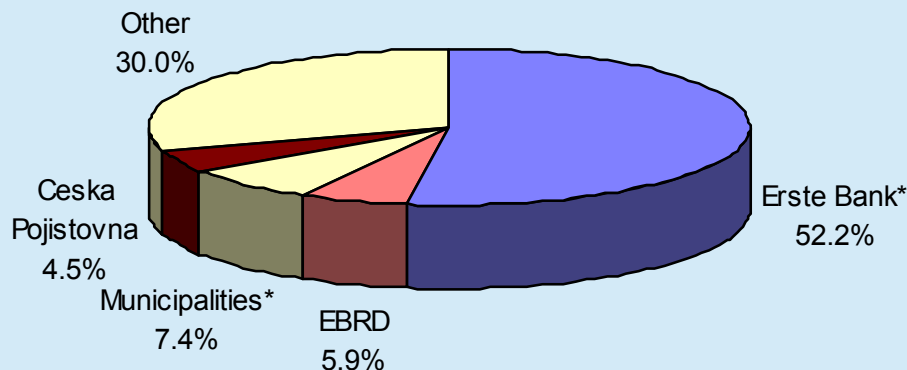
Note: Does not take into consideration fees paid to Bank by subsidiaries for services rendered.

*According to the Supplementary pension insurance Act min. 85 % of Czech Accounting Standards (CAS) net profit of pension fund is distributed to clients. Penzijní fond Ceske Sporitelny made CAS profit for 1Q 2002 in the amount of CZK 32 m.

Shareholder Structure

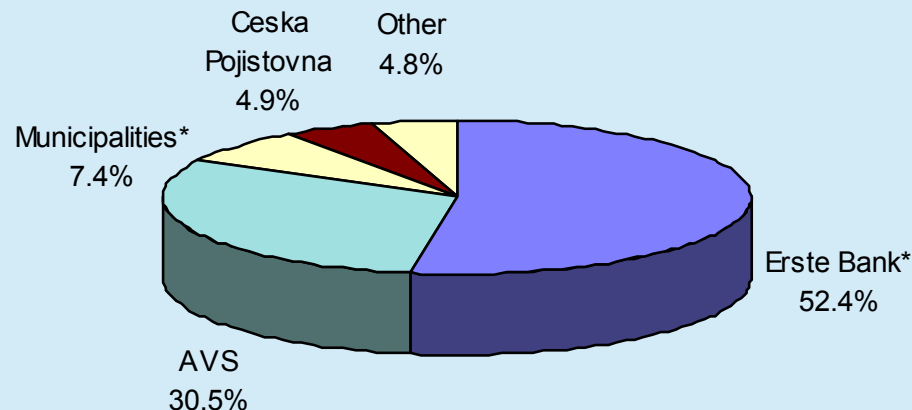
Shareholder Structure

Mar 31, 2002



Shareholder Structure

May 15, 2002



* During autumn 2001 Erste Bank offered to municipalities a buy-out for approximately 75% of their stake in Ceska Sportelna. The deal has not been settled yet.

AVS acting in concert with Erste Bank acquired 30.5% of share capital during April and beginning of May in voluntary tender offer. AVS stake will increase from 30.5% to 32.5% when all tendered shares are booked to AVS account.

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