



# **KB Group**

Unaudited Financial Results as at 31 December 2010  
(International Financial Reporting Standards)

Prague  
16 February 2011





## Disclaimer

This document contains a number of forward-looking statements relating to the targets and strategies of the Komerční banka Group. These statements are based on a series of assumptions, both general and specific. As a result, there is a risk that these projections will not be met. Readers are therefore advised not to rely on these figures more than is justified as the Group's future results are liable to be affected by a number of factors and may therefore differ from current estimates.

Readers are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document.

Results and ratios in this presentation are as of 31 December 2010, unless stated otherwise.

Komerční banka, a.s., public limited company with registered office: Prague 1, Na Příkopě 33/ 969; identification number: 45 31 70 54; registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, file 1360



# Agenda

- **Business Highlights**
- Consolidated Financial Results
- Loan Portfolio Quality and Development
- Appendix

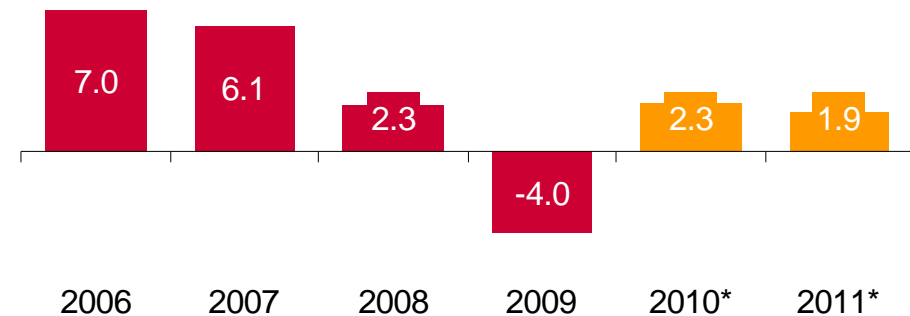


## Solid fundamentals but slight slowdown expected

- GDP growth in 2010 driven by exports and benefited from investments in solar energy sector
- First half 2011 to slow down due to austerity measures in the Czech Republic and abroad, lower sales of cars in Europe and reduced subsidies for solar energy
- Inflation in 2011 expected to remain close to the central bank's 2% target despite some upward pressure from imports
- Growth of the CNB rates expected to begin in the second half of 2011, albeit slow
- Labour market stabilizing, unemployment higher in winter but trend marginally positive
- CZK FX rate supported by stable macroeconomic environment

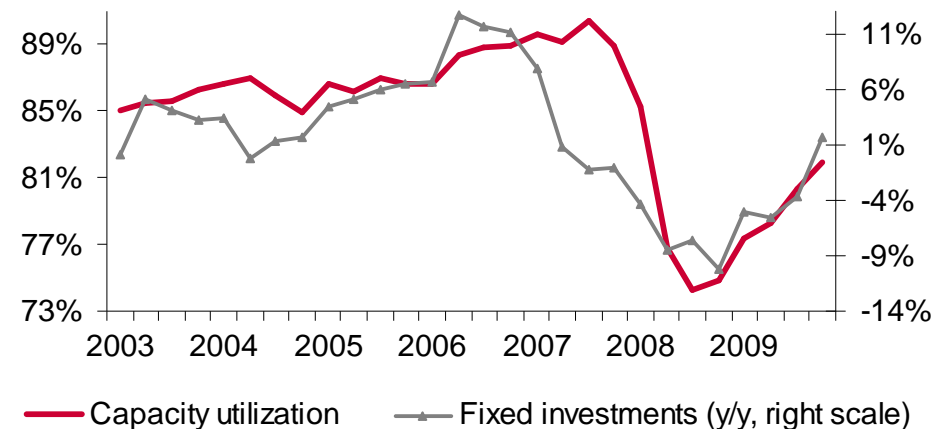
Source: Czech Statistical Office, Ministry of Finance, KB estimates

Real GDP growth (%)



Source: Czech Statistical Office; 2010\*, 2011\* KB estimates

Capacity utilisation in industry (2003 - 3Q 2010)



Source: European Commission, Czech Statistical Office



### **Strong growth of net profit along with development of business**

- Gross lending to clients up 3.5% to CZK 399.7 billion
- Total revenues increased by 1.5% to CZK 32.7 billion, all components contributed
- Stable net interest margin 3.3% despite low interest rate environment
- Operating cost-to-income ratio low at 39.6%
- Significantly reduced cost of risk, by 39.0% to CZK 3.1 billion
- Consolidated net profit up 21.1% to CZK 13.3 billion. Recurring net profit adjusted for one-offs up 20.6% to CZK 13.0 billion
- Higher return on average equity 18.7% (from 17.0% in 2009)
- Good liquidity, net loans-to-deposits ratio at 71.5%
- Strong capital position with total capital adequacy 15.3% and core Tier 1 ratio at 14.0%, allowing proposal of the dividend of CZK 270 per share, representing 77% payout



### Active development of lending and long-term savings

- In 2010, KB provided 12,000 new mortgages in the amount of more than CZK 21 billion. Overall volume of mortgages to individuals rose by 9.0% to CZK 109.3 billion
- With the total volume of loans to clients of CZK 49.7 billion, Modrá pyramida has become the second largest building society in the Czech Republic by this measure
- Modrá pyramida gained the “Building Society of the Year 2010“ title for the sixth time in a row
- Komerční pojišťovna has become #2 life insurer in the Czech republic according to written premium with 12.3% share\*. Premiums in life insurance at KP rose 90.5% to CZK 8.7 billion
- Number of pension scheme participants at Penzijní fond KB crossed half a million mark to reach 501,000
- Preparations of projects for increase in acquisition of new clients
- Number of KB direct banking users surpassed 1,000,000, representing 63% of clients
- MojeOdměny concept rewarding clients for their activity was launched as of 1 January 2011
- Strong growth in number of clients and volume of managed assets at KB Private banking

\* Source: Czech Insurance Association, data for full year 2010



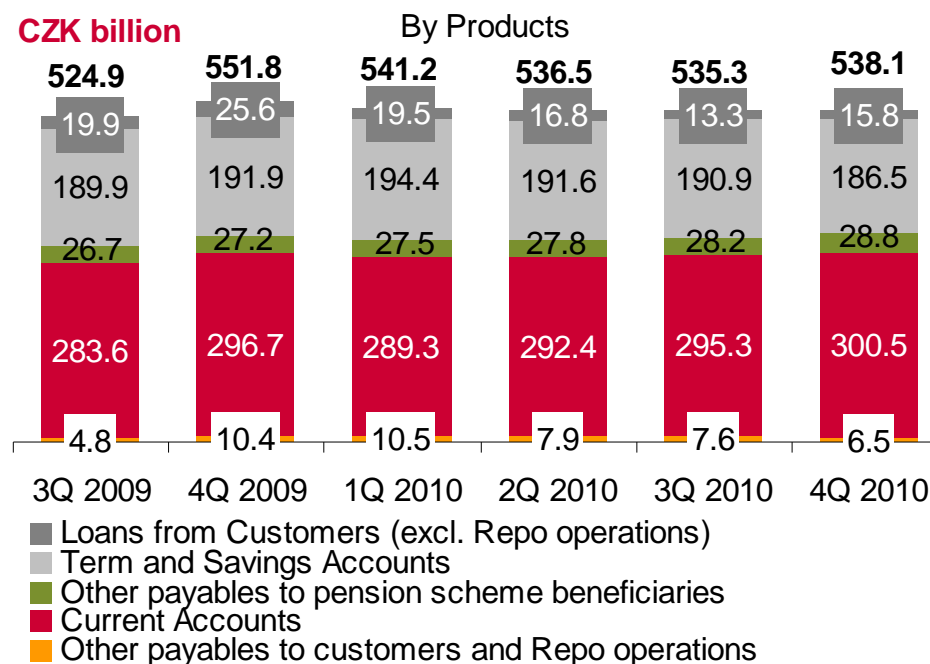
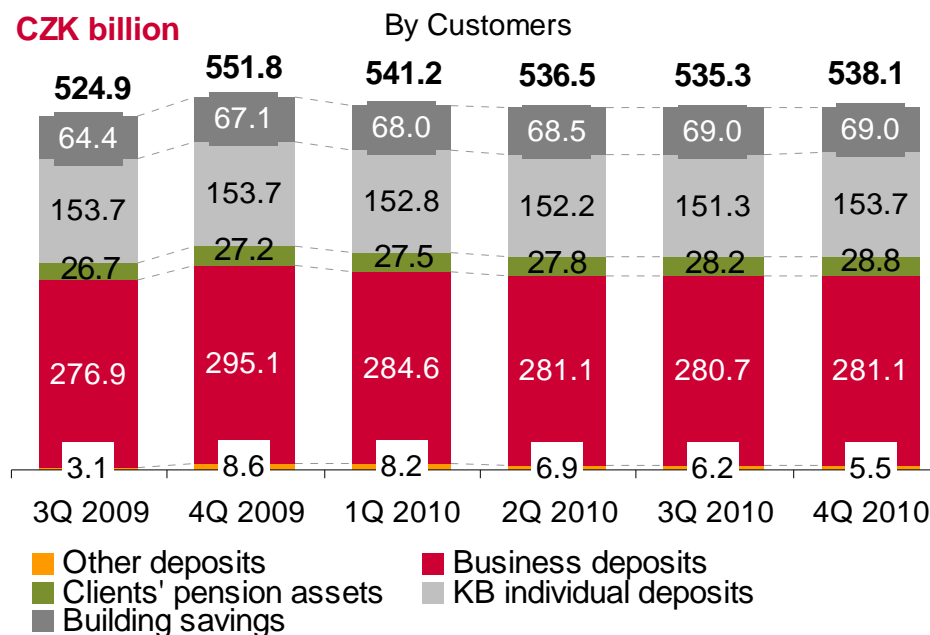
### Contribution to financing the Czech economy

- Strong capacity to finance the renewed growth of the economy
- Lending to corporations rose by 2.3% to CZK 183.5 billion
- Volume of loans to small businesses increased by 2.1% to CZK 25.6 billion
- Multiple initiatives commenced to reinforce advisory capacity, support sales of investment banking products, intensify relationships with the clients
- Leading position confirmed on debt capital markets with 21 structured and syndicated loan financings and four bond financings successfully executed in 2010
- After completed transformation, the branch in Slovakia will focus on providing first-class services to KB's corporate clients
- KB signed with Sungwoo Hitech s.r.o, manufacturer of automobile components for Hyundai Czech Republic and Kia Slovakia plants, a new frame agreement on working capital financing amounting up to EUR 18.5 million



## Deposits stable overall but pressure on sensitive parts

- YoY group deposits decreased by 2.5%, QoQ up by 0.5%
- KB represents 81% of CZK 538.1 billion of total depositary base, of which:
  - KB deposits from individuals flat at CZK 153.7 billion
  - KB deposits from business clients decreased by 4.8% to CZK 280.0 billion, influenced by year-end volatility
- Clients' pension assets in PF KB grew by 5.6% YoY to CZK 28.8 billion
- MPSS deposits up 2.9% to CZK 69.0 billion
- Sales of non-bank savings products during 2010
  - IKS sales through KB CZK 4.0 billion (-34%), redemptions CZK 9.3 billion (+4%)
  - KP Vital life insurance written premium CZK 8.2 billion (+101%)

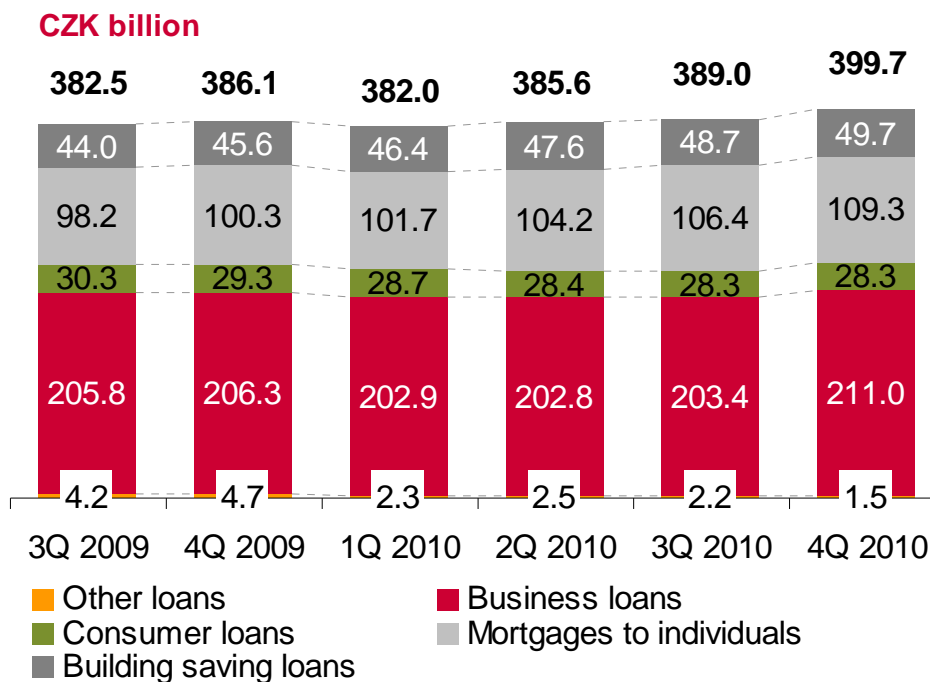




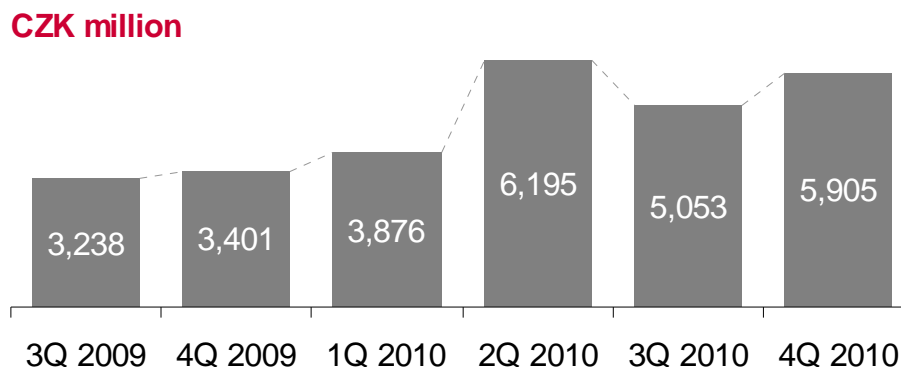


## Improved demand for new loans

- Gross loans rose 3.5% YoY, 2.8% QoQ
- Business loans increased by 2.3% YoY:
  - Small businesses (KB) +2.1% to CZK 25.6 billion
  - Corporations (KB+KBB) +2.3% to CZK 183.5 billion
- Consumer loans provided by KB and ESSOX declined 3.4% YoY to CZK 28.3 billion
- Mortgages to individuals up 9.0% YoY to CZK 109.3 billion (outstanding volume)
- Building loans (standard and bridging) provided by MPSS stood at CZK 49.7 billion, higher 9.0% YoY
- Irrevocable off-balance sheet commitments declined to CZK 158.3 billion (-9.8% YoY) due to increased utilisation of committed lines



## Sales volume of mortgages to individuals





## Priorities for 2011

- Significant investment into upgrade of direct channels and improvements in branch network
- Improve customer satisfaction, one of key KB targets, by reinforcement of high quality advisory approach seen as KB's strong competitive advantage
- Growth in lending, with primary focus on mortgages, consumer lending and SME segments
- Focus on long term savings and investments offer to KB clients, aiming at growth of total assets under management including deposits
- Penzijní fond KB – preparation of strategy for the pension savings market after expected implementation of the pension reform in the Czech Republic
- Modrá pyramida – diversification of business model to wider range of KB Group products sold, complementing other KB distribution networks
- KB in Slovakia – focus on growth in the corporate segment following successful restructuring
- Factoring KB – improved integration in KB Group's distribution platform



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## Consolidated financial results

### Profit and Loss Statement

(CZK million, unaudited)

	FY 2009	FY 2010	Change YoY
Net interest income	21,242	21,431	0.9%
Net fees & commissions	7,839	8,038	2.5%
Income from financial operations	3,024	3,098	2.4%
Other income	90	95	5.6%
<b>Net banking income</b>	<b>32,195</b>	<b>32,662</b>	<b>1.5%</b>
Personnel expenses	-6,434	-6,076	-5.6%
General administrative expenses	-5,619	-5,242	-6.7%
Depreciation, impairment and disposal of fixed assets	-1,468	-1,624	10.6%
<b>Operating costs</b>	<b>-13,521</b>	<b>-12,942</b>	<b>-4.3%</b>
<b>Gross operating income</b>	<b>18,674</b>	<b>19,720</b>	<b>5.6%</b>
Cost of risk	-5,083	-3,100	-39.0%
<b>Net operating income</b>	<b>13,591</b>	<b>16,620</b>	<b>22.3%</b>
Profit on subsidiaries and associates	24	75	212.5%
Share of profit of pension scheme beneficiaries	-65	-621	855.4%
<b>Profit before income taxes</b>	<b>13,550</b>	<b>16,075</b>	<b>18.6%</b>
Income taxes	-2,455	-2,665	8.6%
<b>Net profit</b>	<b>11,095</b>	<b>13,410</b>	<b>20.9%</b>
Minority profit/(loss)	87	80	-8.0%
<b>Net profit attributable to equity holders</b>	<b>11,007</b>	<b>13,330</b>	<b>21.1%</b>



## Consolidated financial results

### Profit and Loss Statement

(CZK million, unaudited)

	4Q 2009	3Q 2010	4Q 2010	Change YoY	Change QoQ
Net interest income	5,404	5,273	5,449	0.8%	3.3%
Net fees & commissions	2,033	2,015	2,095	3.0%	4.0%
Income from financial operations	285	852	797	179.6%	-6.5%
Other income	25	16	24	-4.0%	50.0%
<b>Net banking income</b>	<b>7,747</b>	<b>8,157</b>	<b>8,365</b>	<b>8.0%</b>	<b>2.5%</b>
Personnel expenses	-1,612	-1,613	-1,491	-7.5%	-7.6%
General administrative expenses	-1,612	-1,204	-1,506	-6.6%	25.1%
Depreciation, impairment and disposal of fixed assets	-358	-423	-458	27.9%	8.3%
<b>Operating costs</b>	<b>-3,583</b>	<b>-3,240</b>	<b>-3,455</b>	<b>-3.6%</b>	<b>6.6%</b>
<b>Gross operating income</b>	<b>4,165</b>	<b>4,917</b>	<b>4,911</b>	<b>17.9%</b>	<b>-0.1%</b>
Cost of risk	-1,185	-636	-698	-41.1%	9.7%
<b>Net operating income</b>	<b>2,980</b>	<b>4,281</b>	<b>4,212</b>	<b>41.3%</b>	<b>-1.6%</b>
Profit on subsidiaries and associates	-26	20	21	+/-	5.0%
Share of profit of pension scheme beneficiaries	265	-158	-164	+/-	3.8%
<b>Profit before income taxes</b>	<b>3,219</b>	<b>4,143</b>	<b>4,069</b>	<b>26.4%</b>	<b>-1.8%</b>
Income taxes	-632	-639	-685	8.4%	7.2%
<b>Net profit</b>	<b>2,587</b>	<b>3,504</b>	<b>3,385</b>	<b>30.8%</b>	<b>-3.4%</b>
Minority profit/(loss)	17	23	18	5.9%	-21.7%
<b>Net profit attributable to equity holders</b>	<b>2,570</b>	<b>3,481</b>	<b>3,367</b>	<b>31.0%</b>	<b>-3.3%</b>

**Balance Sheet**

(CZK million, unaudited)

	31 Dec 2009	31 Dec 2010	Change YoY
<b>Assets</b>	<b>695,076</b>	<b>698,014</b>	<b>0.4%</b>
Cash and balances with central bank	16,271	13,689	-15.9%
Amounts due from banks	131,271	112,179	-14.5%
Loans and advances to customers (net)	372,302	384,593	3.3%
Securities and trading derivatives	145,294	157,160	8.2%
Other assets	29,938	30,392	1.5%
<b>Liabilities and shareholders' equity</b>	<b>695,076</b>	<b>698,014</b>	<b>0.4%</b>
Amounts due to banks	18,739	29,073	55.1%
Amounts due to customers	551,808	538,051	-2.5%
Securities issued	18,172	17,431	-4.1%
Other liabilities	31,563	31,379	-0.6%
Subordinated debt	6,001	6,001	0.0%
Shareholders' equity	68,792	76,078	10.6%

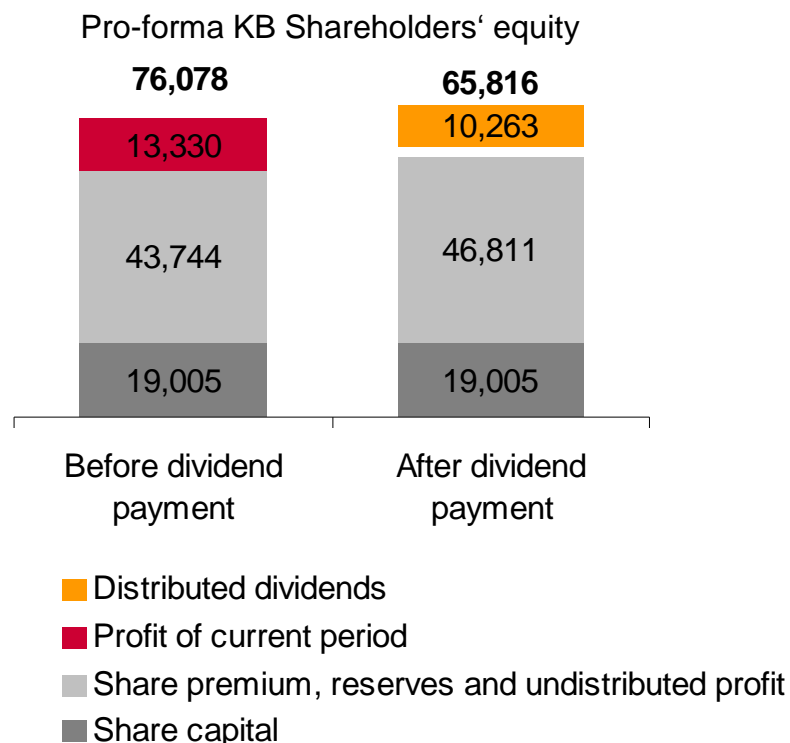


## Consolidated financial ratios

<b>Key ratios and indicators</b> (year-to-date)	<b>31 Dec 2009</b>	<b>30 Sep 2010</b>	<b>31 Dec 2010</b>	<b>Change YoY</b>	<b>Change QoQ</b>
Capital adequacy	14.1%	14.9%	15.3%	▲	▲
Tier 1 ratio	12.7%	13.6%	14.0%	▲	▲
Total capital requirement (CZK billion)	27.2	28.2	27.5	0.9%	-2.8%
Capital requirement for credit risk (CZK billion)	23.3	24.0	23.3	-0.2%	-3.2%
Net interest margin (NII/Av. interest bearing assets)	3.3%	3.3%	3.3%	▲	▼
Loans (net) / deposits ratio	67.5%	70.0%	71.5%	▲	▲
Cost / income ratio	42.0%	39.0%	39.6%	▼	▲
Return on average equity (ROAE), annualized	17.0%	18.4%	18.7%	▲	▲
Return on average assets (ROAA), annualized	1.6%	1.9%	1.9%	▲	▲
Earnings per share (CZK), annualized	290	349	351	21.1%	0.3%
Average number of employees during the period	8,815	8,624	8,619	-2.2%	-0.1%



## Attractive dividend yield and strong capacity to grow business



- Increased payout ratio reflects capital level sufficient for facilitating growth of the KB Group and accommodation of the proposed higher regulatory requirements
- Proposed dividend represents 6.1% dividend yield in a low interest rate environment
- Uncertainty on the final required level of capital under Basel III persists

	2004	2005	2006	2007	2008	2009	2010
<b>Dividend per share (CZK)</b>	100	250	150	180	180	170	270
<b>EPS (CZK, consolidated)</b>	236	236	242	294	346	290	351
<b>Payout ratio (%)</b>	42.4	106.1	61.9	61.2	52.0	58.7	77.0
<b>Dividend yield* (%)</b>	3.1	7.3	4.8	4.1	6.1	4.3	6.1

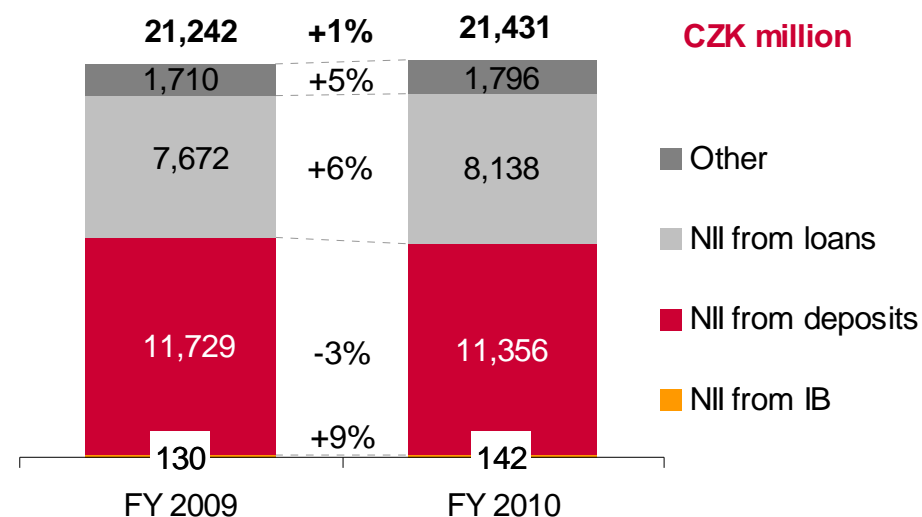
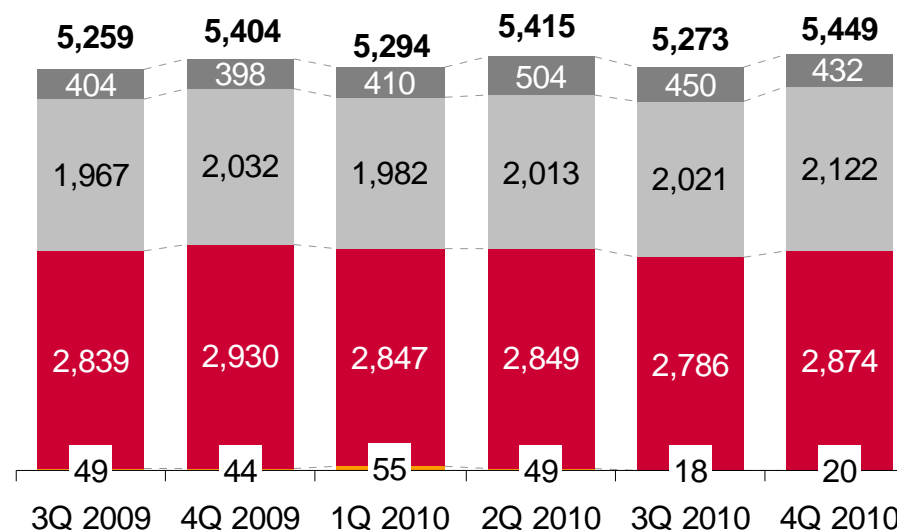
\* Calculated on the closing price at the end of the respective year





## Solid interest income in spite of low rates

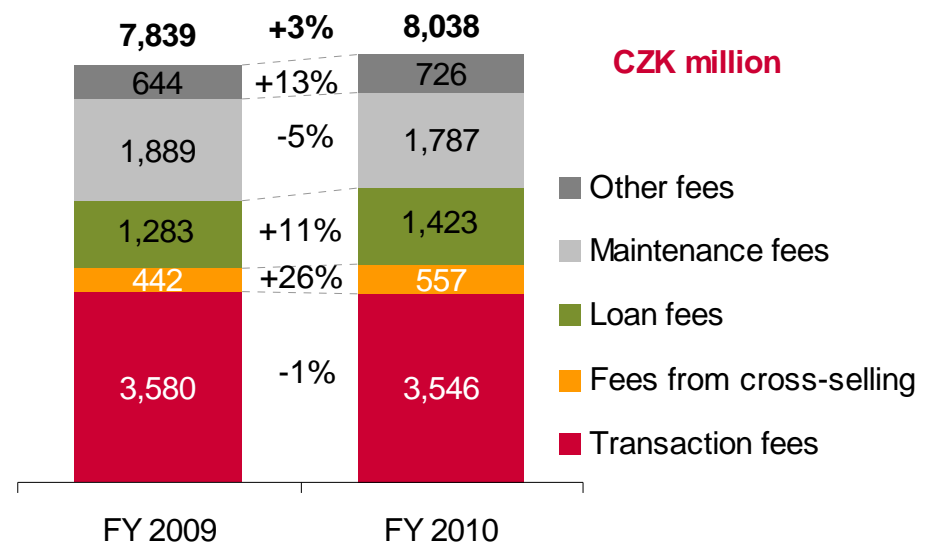
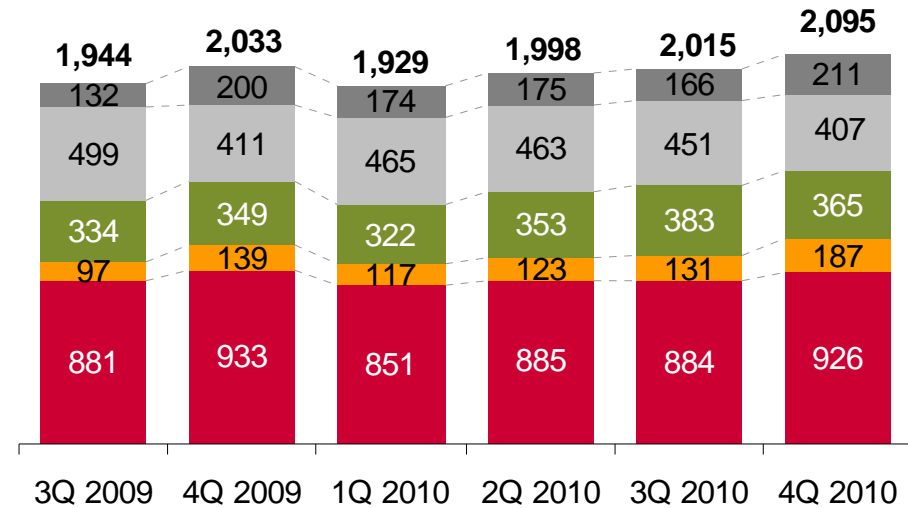
- NII up by 0.9% YoY, 3.3% QoQ
- Retail subsidiaries dynamic – ESSOX +14%, Modrá pyramida +10%, PF KB +10% YoY
- NII from loans – stabilising product spreads, volumes growing, rising share of housing loans in the portfolio
- NII from deposits – slightly improved reinvestment opportunities for free liquidity as inter-bank rates started increasing. Positive impact of higher volumes on current accounts with higher margins. CZK 60 mil. quarterly negative effect of increased Deposit insurance contribution since 3Q
- NII from Other driven by yield on allocated capital and dividend income (in Q2 2010)





## Successful products driving fee income

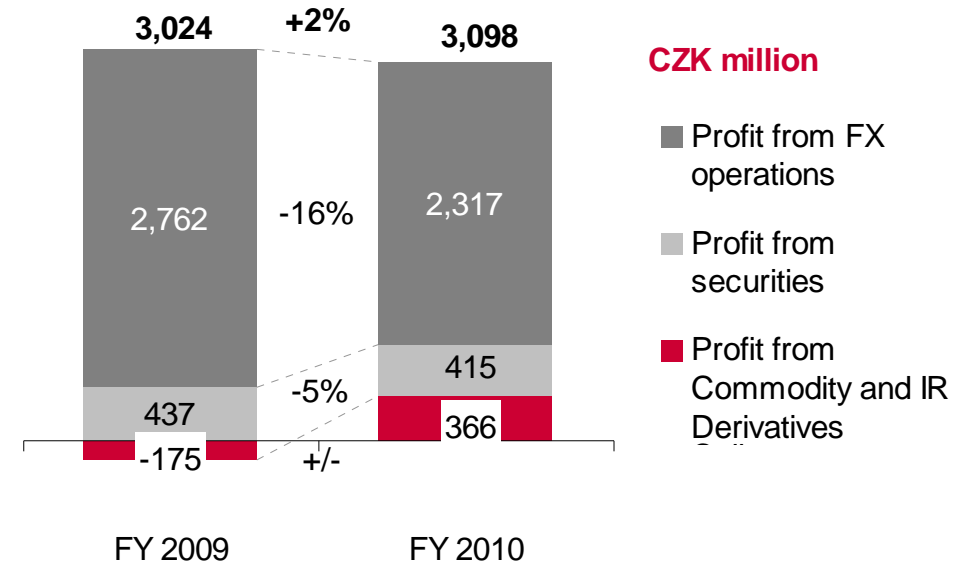
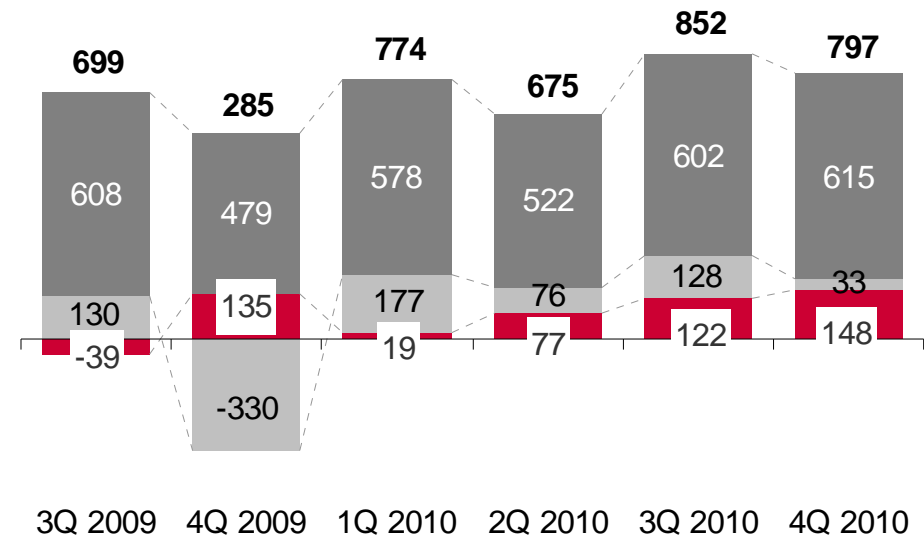
- Fee income rose 2.5% YoY and 4.0% QoQ
- Maintenance fees – continuing price erosion, slight decline in number of accounts
- Loan fees – growth driven by large deals with corporations and commitment fees at KB and by contribution from ESSOX
- Fees from cross-selling – up due to strong sales of life insurance. Net sales of mutual funds negative. Q4 influenced by sales-performance bonus from Komerční pojišťovna
- Transaction fees – positive trend in use of payment cards not fully compensated for overall price pressures
- Other fees – higher income from positive development in loan syndications, debt capital markets activities, private banking and from trade finance





## Partial improvements in client demand

- Net profit from financial operations increased by 2.4% YoY. QoQ result down 6.5%
- Treasury operations – environment of decreased volatility and low liquidity not supportive for proprietary trading
- Client operations reflected gradually improving confidence levels in the economy
- IR hedging demand boosted by record low interest rates
- Demand for FX hedging supported by development of CZK rate and foreign trade, but clients stay cautious
- Activity of institutional clients remained low
- Net fees and commissions from FX transactions decreased 6.0% YoY



**CZK million**

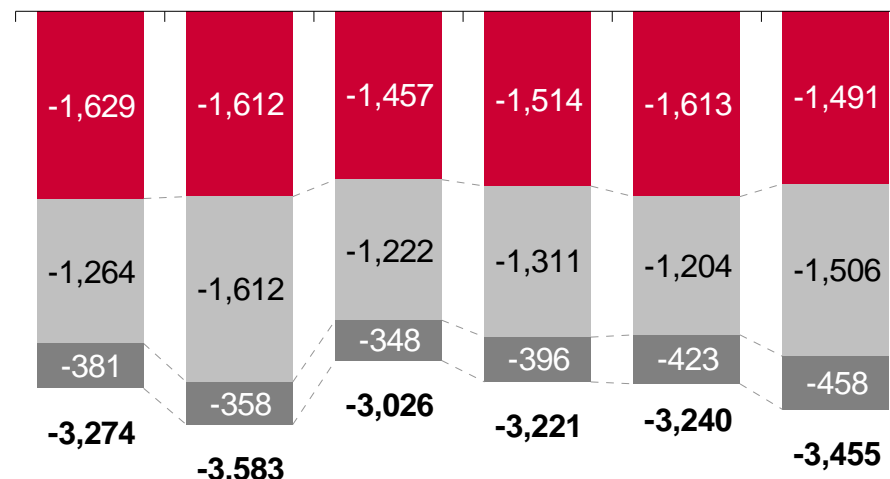
- Profit from FX operations
- Profit from securities
- Profit from Commodity and IR Derivatives



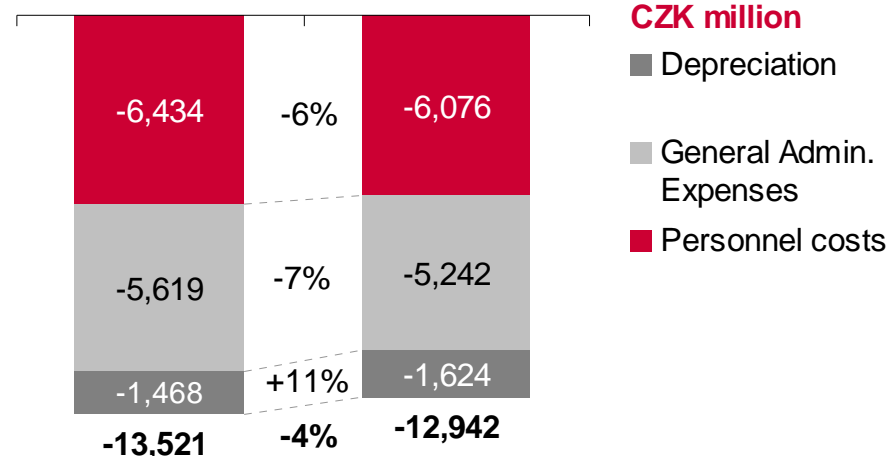
## Operational expenses decreased further

- OPEX lower by 4.3% YoY, QoQ up 6.6%
- Personnel costs decreased 5.6% YoY, average number of employees down 2.2%. CZK 164 million one-off positive impact in Q4 from releases of provisions for social and health insurance and for restructuring
- General administrative expenses – benefiting from improved efficiencies of procurement and operations. Seasonal increase in Q4 mainly in Marketing, but up also in IT spend and property costs
- Depreciation & amortization up by 10.6% mainly due to capitalization of software implementation projects and lower positive effect from buildings sales CZK 71 million v. CZK 122 million in 2009

3Q 2009 4Q 2009 1Q 2010 2Q 2010 3Q 2010 4Q 2010



FY 2009 FY 2010



CZK million

■ Depreciation

■ General Admin. Expenses

■ Personnel costs



## Shareholders' equity

Total shareholders' equity  
as at 31 December 2009

**+7,286**

Total shareholders' equity  
as at 31 December 2010

Shareholders' equity	31/12/2009	1/1/2010	Increase	Decrease	31/12/2010
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	31,621	42,628		-6,454	36,174
- Retained earnings, reserve funds and dividends	31,771	42,778		-6,454	36,324
- Treasury shares	-150	-150			-150
Attributable net profit	11,007	0	13,330		13,330
Hedging revaluation reserve	2,382	2,382	1,526		3,908
AFS securities' fair value changes	3,412	3,412		-1,205	2,207
Others	146	146	9		155
Minorities	1,219	1,219	80		1,299
<b>Total Shareholders' equity</b>	<b>68,792</b>	<b>68,792</b>	<b>14,945</b>	<b>-7,659</b>	<b>76,078</b>



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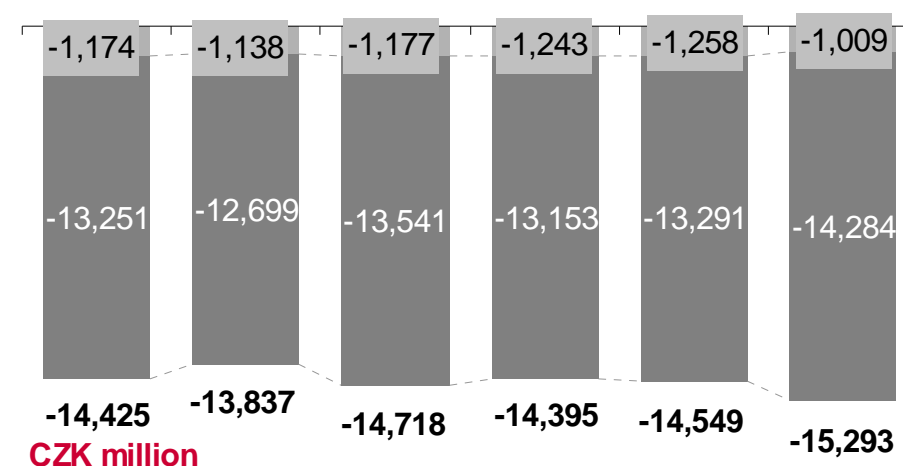
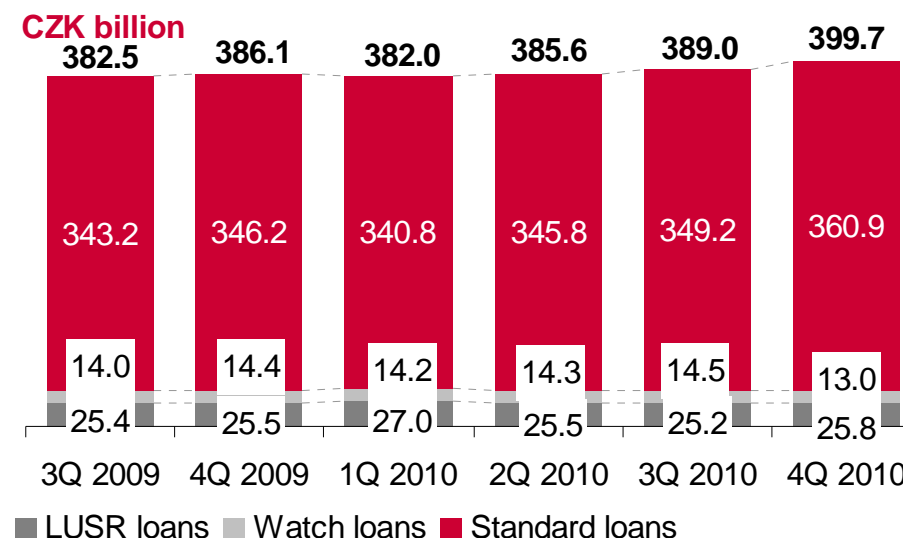
## Stable portfolio quality

### Gross exposure

- QoQ increase in loan exposure by 2.8% (CZK 10.7 billion)
- Share of standard and watch loan exposure unchanged from Q3 2010 (93.5%)
- Share of LUSR exposure stable (6.5%) both in the retail and corporate segments:
  - ✓ Continued low intensity of inflows into LUSR
  - ✓ QoQ increase driven by a limited number of reclassified corporate exposures
  - ✓ additional CZK 0.2 billion in write-off of NPL performed in Q4 2010

### Specific provisions

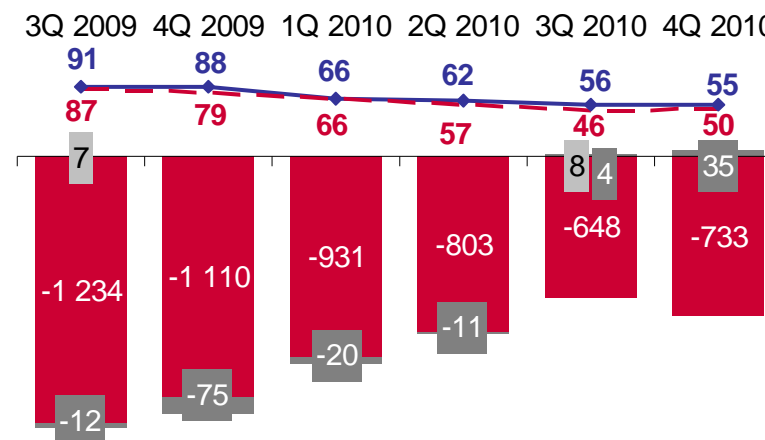
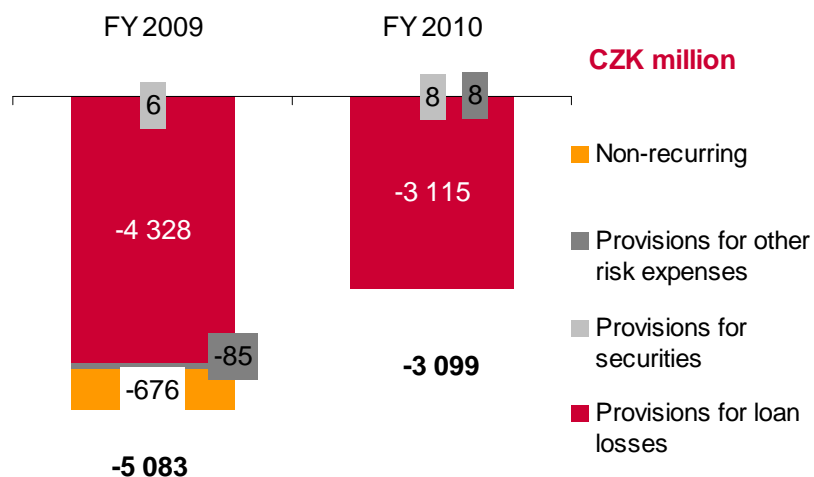
- Provision coverage ratios slightly increased on LUSR portfolio:
  - ✓ 7.7% for watch loans (8.7% in Q3 2010)
  - ✓ 55.3% for LUSR loans (52.7% in Q3 2010)



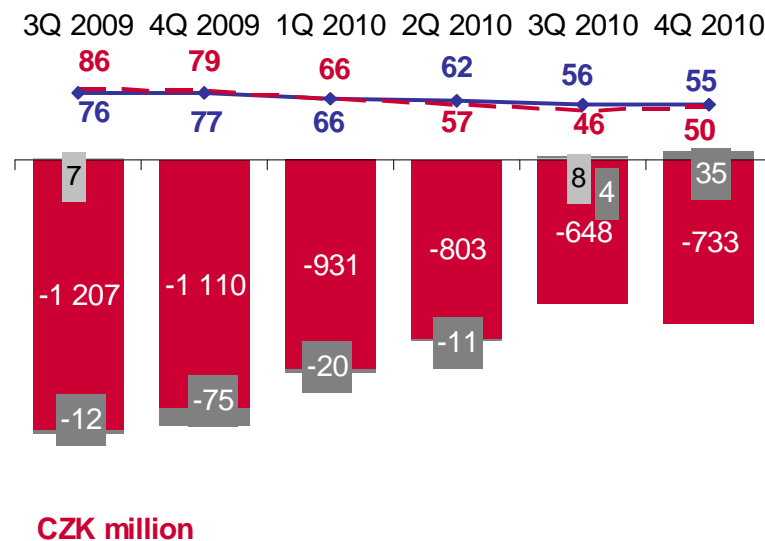


## Confirmed decline of cost of risk throughout the year

- YoY decrease in provisioning by 39% confirmed improved trend of asset quality in 2010
- Moderate QoQ increase in provision charges for loan losses driven by a limited number of corporate exposures
- Continued stability of mid size corporate and retail segments risk profiles
- YtD cost of risk marginally down on a QoQ basis at 55 bp in Q4 2010 from 56 bp in Q3 2010



### Pro forma cost of risk (excluding one-off case)

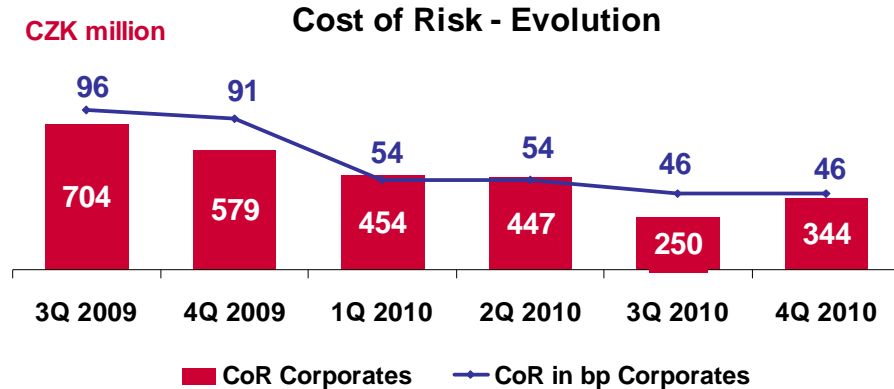


Note on cost of risk (CoR) calculation in given month N:  
 ——— YtD:  $ytd\ CoR / 12\ months\ moving\ avg.\ exposure \times 12/N \times 10\ 000$   
 - - - QtD:  $qtd\ CoR / 3\ months\ moving\ avg.\ exposure \times 4 \times 10\ 000$

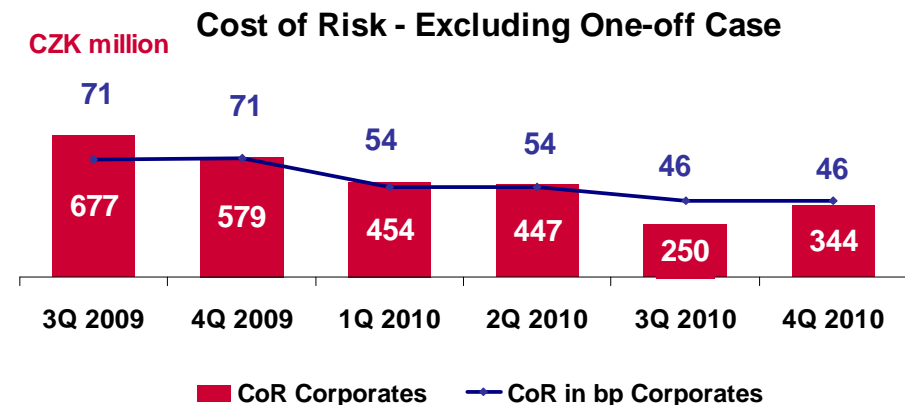


## Zoom on corporate client segments

- Increased QoQ cost of risk driven by a limited number of items:
  - Provision complements posted on already defaulted and previously provisioned cases
  - Prudent risk management in respect of a limited number of sensitive exposures
  
- Otherwise low cost of risk on mid- and small-sized corporate exposures
  
- YtD cost of risk at 46 bp unchanged from Q3 2010
  
- Stable and well diversified sectorial distribution of corporate exposures (see slide 34 in the Appendix)



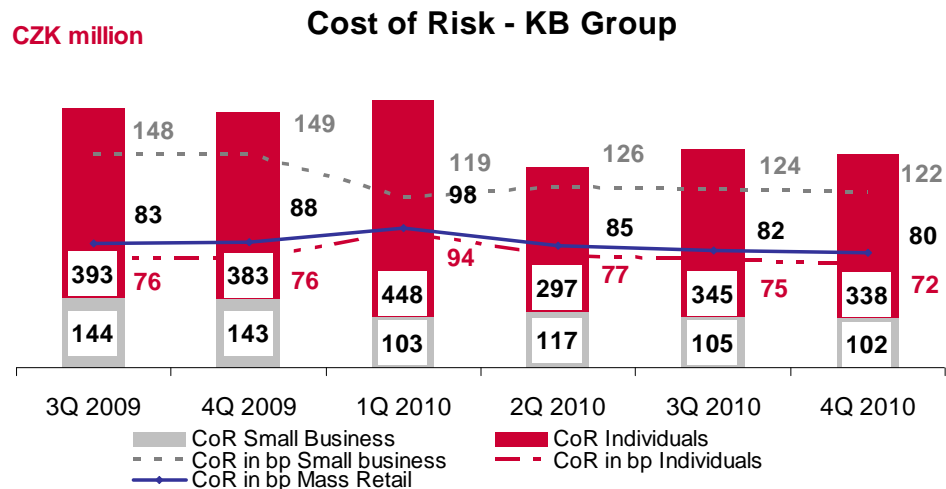
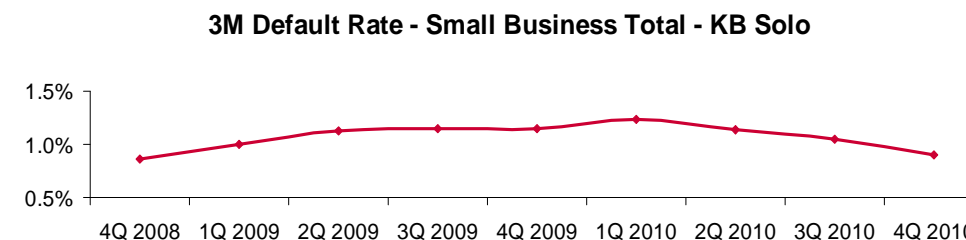
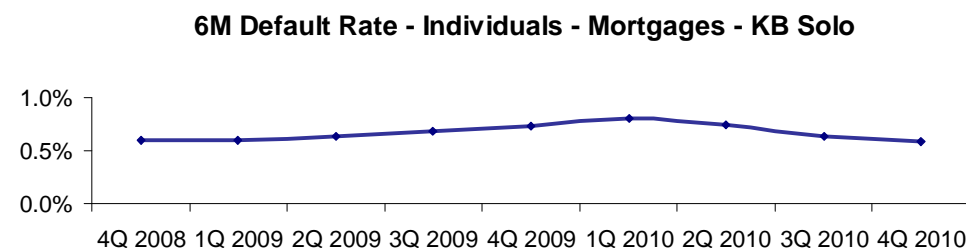
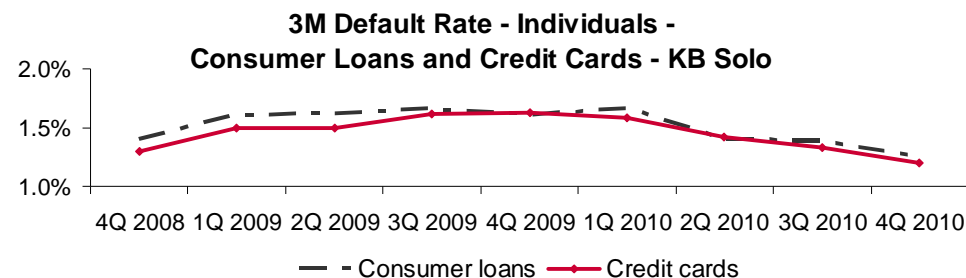
Note: KB Group corporate portfolio; CoR calculation on YtD basis



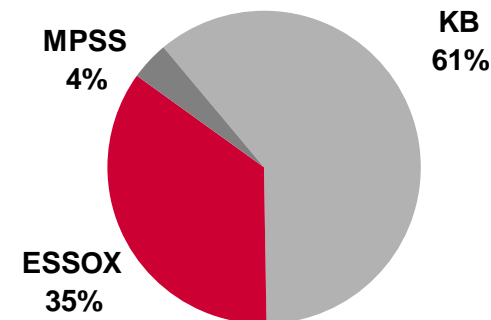
Note: KB Group corporate portfolio; CoR calculation on YtD basis

## Zoom on retail client segments

- Stable overall cost of risk in line with previous quarters
- Continued decreasing trend on default rates observed for both Small Business and Individual segments
- Continued pressure on recovery performance across all client segments and product types but with limited impact on cost of risk



**Cost of Risk - Contribution by Main Subsidiaries**



Note: CoR calculation on YtD basis

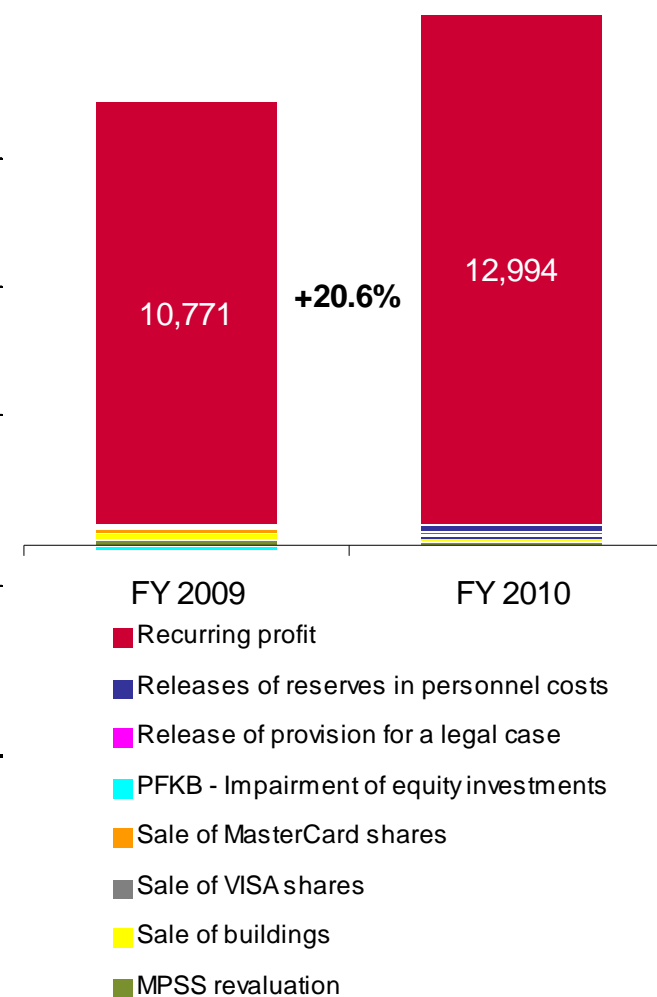


# Agenda

- Business Highlights
- Consolidated Financial Results
- Loan Portfolio Quality and Development
- **Appendix**

## Pro-forma Profit and Loss without one-offs

	FY 2009	FY 2010	Change YoY	4Q 2009	4Q 2010	Change YoY
<b>Net banking income</b>	32,221	32,530	1.0%	7,953	8,347	5.0%
Net interest income	21,093	21,330	1.1%	5,371	5,431	1.1%
Non-interest income	11,128	11,200	0.6%	2,582	2,916	12.9%
<b>Operating costs</b>	-13,648	-13,182	-3.4%	-3,635	-3,609	-0.7%
Personnel expenses	-6,434	-6,240	-3.0%	-1,612	-1,655	2.7%
Other costs	-7,214	-6,943	-3.8%	-2,022	-1,954	-3.4%
<b>Gross operating income</b>	18,573	19,348	4.2%	4,319	4,737	9.7%
Cost of risk	-5,083	-3,142	-38.2%	-1,185	-740	-37.6%
Profit on subsidiaries	24	75	212.5%	-26	21	+/-
Share of profit of pension scheme beneficiaries	-269	-621	130.9%	62	-164	+/-
<b>Profit before income taxes</b>	13,246	15,661	18.2%	3,170	3,854	21.6%
Income tax	-2,387	-2,587	8.4%	-615	-645	4.9%
<b>Net recurring profit</b>	10,858	13,074	20.4%	2,554	3,210	25.7%
Minority profit/(loss)	87	80	-8.0%	17	18	5.9%
<b>Net profit attributable to equity holders</b>	10,771	12,994	20.6%	2,538	3,192	25.8%
<b>Reported net profit attributable to equity holders</b>	11,007	13,330	21.1%	2,570	3,367	31.0%

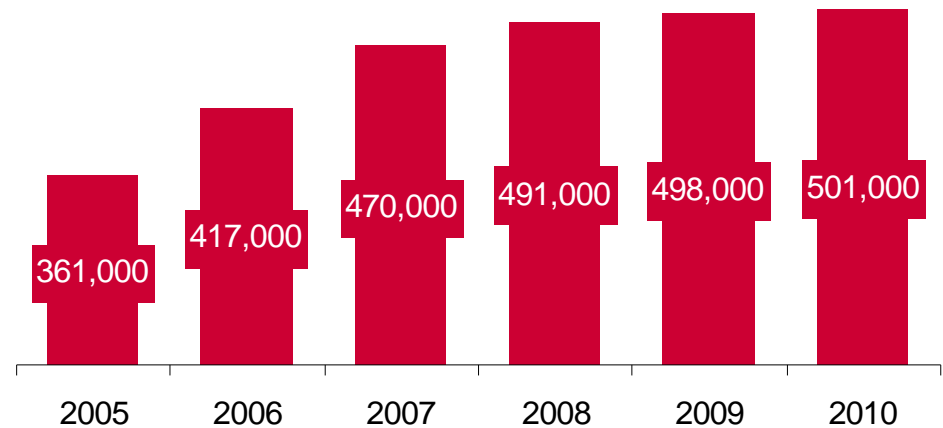




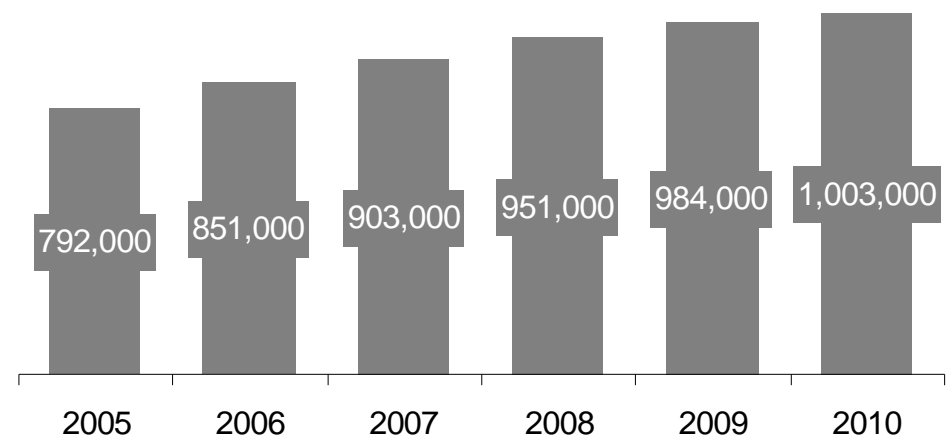
## Evolution of clients' portfolio and networks

- **Clients**
  - KB bank 1,590,000 clients (-2%)
  - MPSS 691,000 clients (-4%)
  - PFKB 501,000 clients (+1%)
  - ESSOX 316,000 active clients (+1%)
- **Network**
  - 395 branches for retail clients, 20 business centres for MEM, 4 corporate divisions for large corporate clients in CR, 1 in Slovakia
  - 677 ATMs
  - MPSS: 219 points of sale; 1,470 sales agents (of which 442 full-time professionals)
- **Direct Channels**
  - Two call centres, internet and mobile banking
  - 1,003,000 clients (i.e. 63% of KB client base) using direct banking products

### Number of clients at Penzijní fond KB



### Direct channels – number of clients





Pension insurance	Penzijní fond KB (100%)	#4 pension fund in the Czech Republic with more than 501,000 clients
Building society	Modrá pyramida stavební spořitelna (100%)	Second largest building society according to loan volume with 691,000 clients and 1,470 strong agent distribution network
Consumer credit	ESSOX (51%)	Consumer credit and car finance company. #4 consumer loan provider in CZ
Insurance	Komerční pojišťovna (49%)	Insurance company focused on life insurance. #2 life insurer in CZ in 2010
Corporate services	KB, branch in Slovakia	The Slovak business division focuses on serving large corporate clients
	Factoring KB (100%)	One of top 5 companies in CZ, offering domestic, foreign and reverse factoring



## Business performance of subsidiaries 1/2

		FY 2009	FY 2010	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	10,392	9,025	-13%
	Volume of total loans (gross, CZK million)	45,611	49,700	9%
	Target volume of new contracts (CZK million)	40,063	33,208	-17%
	Volume of deposits (CZK million)	67,090	69,019	3%
	Average number of FTEs	367	358	-2%
	Number of points of sale	221	219	-1%
<b>PF KB</b>	Number of new contracts	64,571	53,634	-17%
	Number of contracts (stock)	498,168	501,199	1%
	Assets under management (CZK million)	27,177	28,718	6%
	Average number of FTEs	61	60	-2%
<b>ESSOX</b>	Volume of new contracts (CZK million)	6,128	5,050	-18%
	Volume of total loans (gross, CZK million)	9,564	9,657	1%
	Average number of FTEs	308	344	12%



## Business performance of subsidiaries 2/2

		FY 2009	FY 2010	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	12,233	12,035	-2%
	New contracts (number)	266	133	-50%
	Average number of FTEs	41	38	-7%
<b>(former) KB Bratislava</b>	Total client loans (gross, CZK milion)	5,220	3,871	-26%
	Total client deposits (CZK milion)	2,824	2,406	-15%
	Number of clients	1,227	301	-75%
	Average number of FTEs	80	72	-10%
<b>KP</b>	Newly concluded policies (number)	393,664	482,435	23%
	of which in life insurance	139,023	120,353	-13%
	of which in non-life insurance	254,641	362,082	42%
	Premium written (CZK milion)	4,824	8,982	86%
	of which in life insurance	4,558	8,683	90%
	of which in non-life insurance	265	298	12%
	Average number of FTEs	150	148	-1%





## Standalone results of KB group companies and associated undertakings

<b>CZK million</b>	Account. standards	Share of KB	Net Profit	YoY	Equity	YoY	Assets	YoY
KB	IFRS	n.a.	12,168	17.4%	69,137	10.3%	605,151	0.0%
ESSOX, s.r.o.	IFRS	51%	163	-7.9%	2,648	6.6%	10,496	-1.4%
Factoring KB, a.s.	CAS	100%	9	-67.9%	1,506	0.1%	3,235	2.1%
Komerční banka Bratislava, a.s.	IFRS	100%	-138	-59.1%	-123	+/-	4,639	-29.7%
Penzijní fond Komerční banky, a. s.*	CAS	100%	727	869.3%	1,519	20.1%	30,602	7.0%
Bastion European Investments S.A.	IFRS	100%	122	-19.7%	3,296	-7.4%	6,574	-7.1%
Komerční pojišťovna, a.s.	IFRS	49%	153	115.5%	1,376	11.9%	22,148	48.0%
Modrá pyramida SS, a.s.	IFRS	100%	930	25.8%	5,646	34.0%	76,715	0.9%
Protos	IFRS	90%	539	-0.4%	14,001	-0.5%	14,028	-0.7%
Czech Banking Credit Bureau	CAS	20%	13	225.0%	14	180.0%	42	90.9%

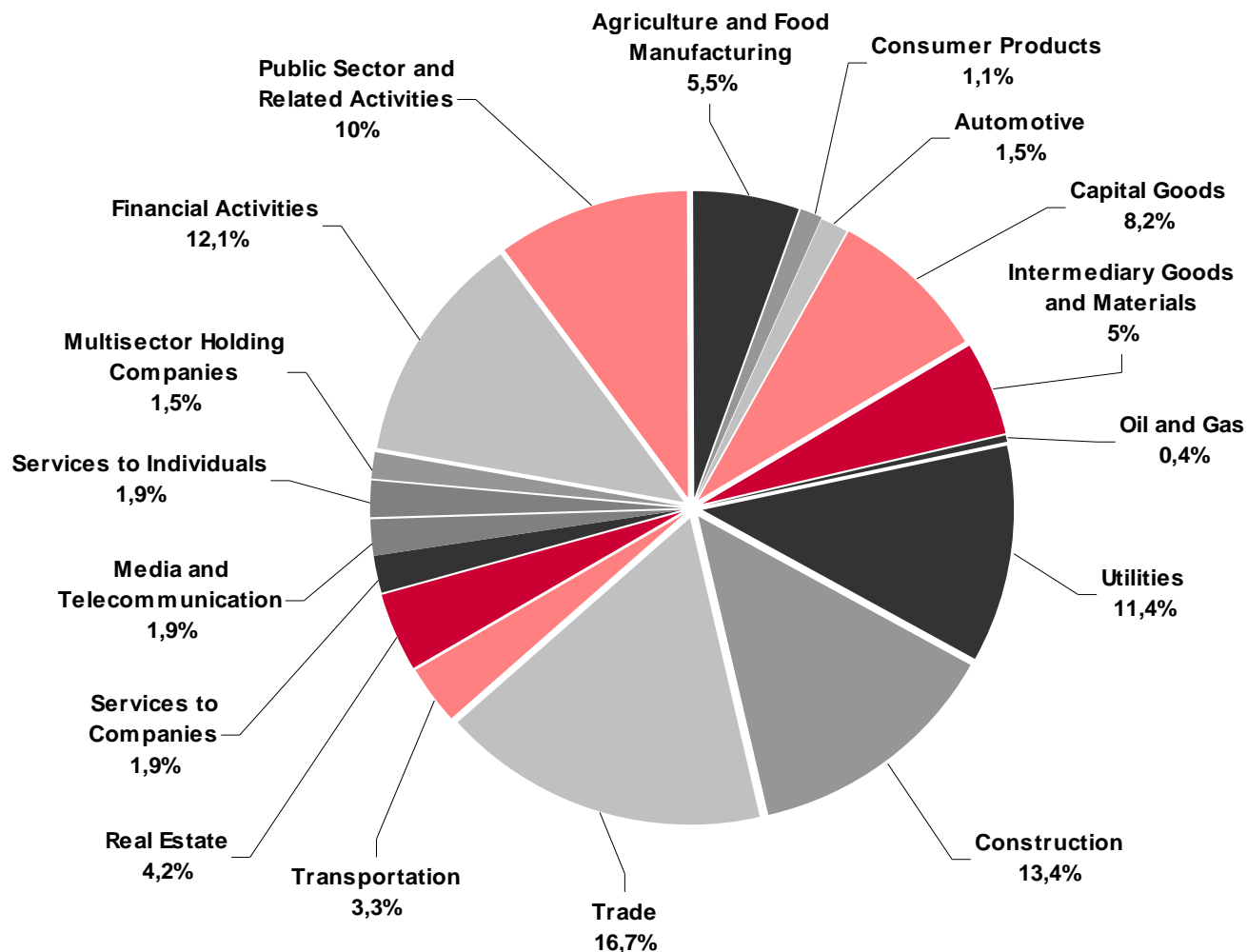
\* 85% of net profit must be distributed to pension scheme beneficiaries

Note: Fully consolidated companies are: Essox, Factoring, KBB, PFKB, Bastion, Modra pyramida and Protos. CBCB is not consolidated.



## Zoom on corporate client segments - sector diversification

### Exposure by industry as of December 31, 2010





### Background

- ▶ Remaining 60% in Modrá pyramida acquired in October 2006. Full consolidation of MPSS since 4Q 2006
- ▶ Preliminary goodwill on acquisition of Modrá pyramida at CZK 2,741 mil.
- ▶ In accordance with IFRS 3 A&L valuation to be completed within 12 months after acquisition
- ▶ Valuation based on detailed data on the contracts of Modrá Pyramida

### Adjustments to provisional goodwill

- ▶ The fair value adjustments of MPSS balance sheet relating to acquired 60% stake amount to CZK 647 mil.
- ▶ Recognized goodwill on acquisition stands at CZK 3,389 mil.

### Main sources of adjustments

- ▶ Valuation of client's deposits, buildings and securities

### P/L impact

- ▶ Impact from revaluation on consolidated P/L:

CZK million	2006	2007	2008	2009	2010	2011	2012
<b>NII</b>	94	387	267	149	102	45	20
<b>NPFO</b>	0	-19	-2	0	0	0	0
<b>Depreciation</b>	1	5	5	5	5	5	5
<b>Tax</b>	-23	-117	-57	-31	-20	-9	-4
<b>Net profit</b>	73	255	213	124	87	41	21



## Czech Republic

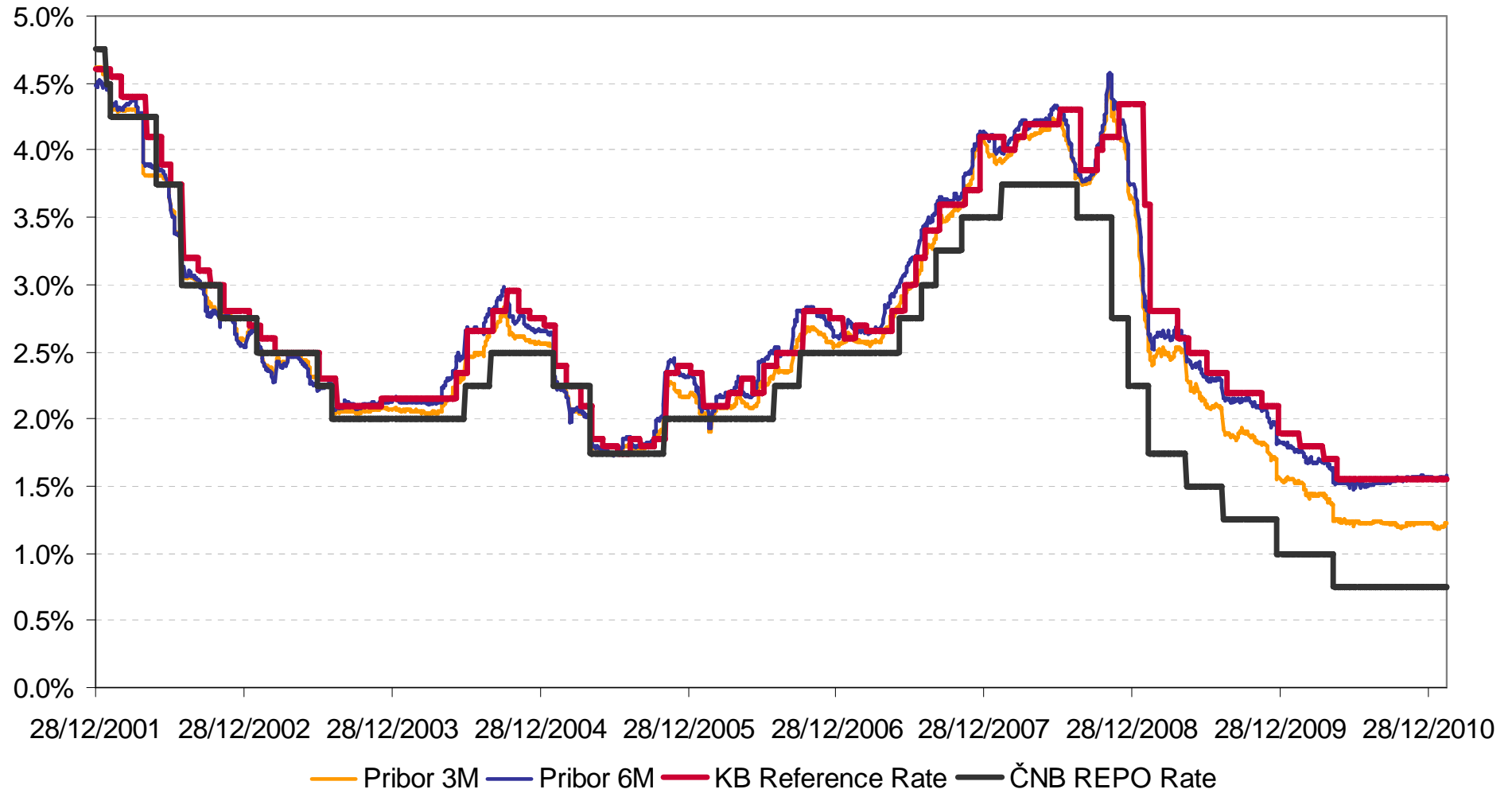
<b>Macroeconomic Indicators</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>	<b>2011*</b>
Real GDP (% , average)	7.0	6.1	2.3	-4.0	2.3	1.9
Inflation (% , average)	2.5	2.8	6.3	1.0	1.5	2.1
Household consumption (% , average)	5.2	4.9	3.4	-0.2	0.8	0.5
Unemployment (% , av. , MLSA meth.)	8.2	6.7	5.5	8.0	9.0	9.2
M2 (% , average)	9.0	11.2	8.4	6.2	4.0	3.8
3M PRIBOR (% , average)	2.3	3.1	4.0	2.2	1.3	1.2
<b>Potential of the market **</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>	<b>2011*</b>
Loans / GDP (year-end)	43.8	50.4	56.3	57.9	59.3	61.4
Mortgages / GDP (year-end)	11.5	14.4	16.6	18.9	19.8	20.1
Deposits / GDP (year-end)	62.8	66.9	69.6	74.3	76.0	77.7
Household loans / GDP (year-end)	16.8	20.6	24.1	27.3	28.9	29.5

\* *KB estimate*

\*\* *Banking sector*

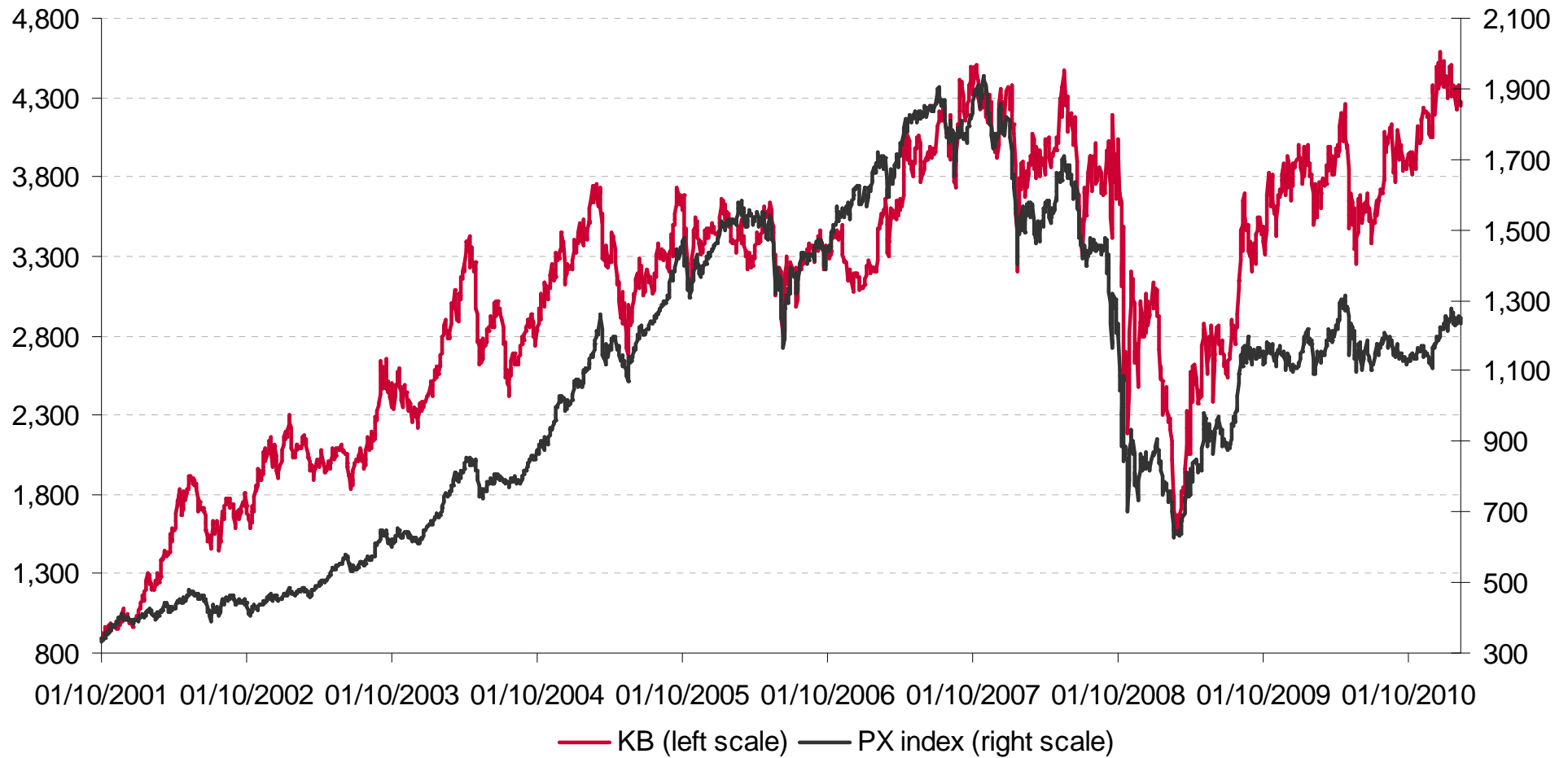


# Interest rates evolution (for the period 28 December 2001 – 10 February 2011)





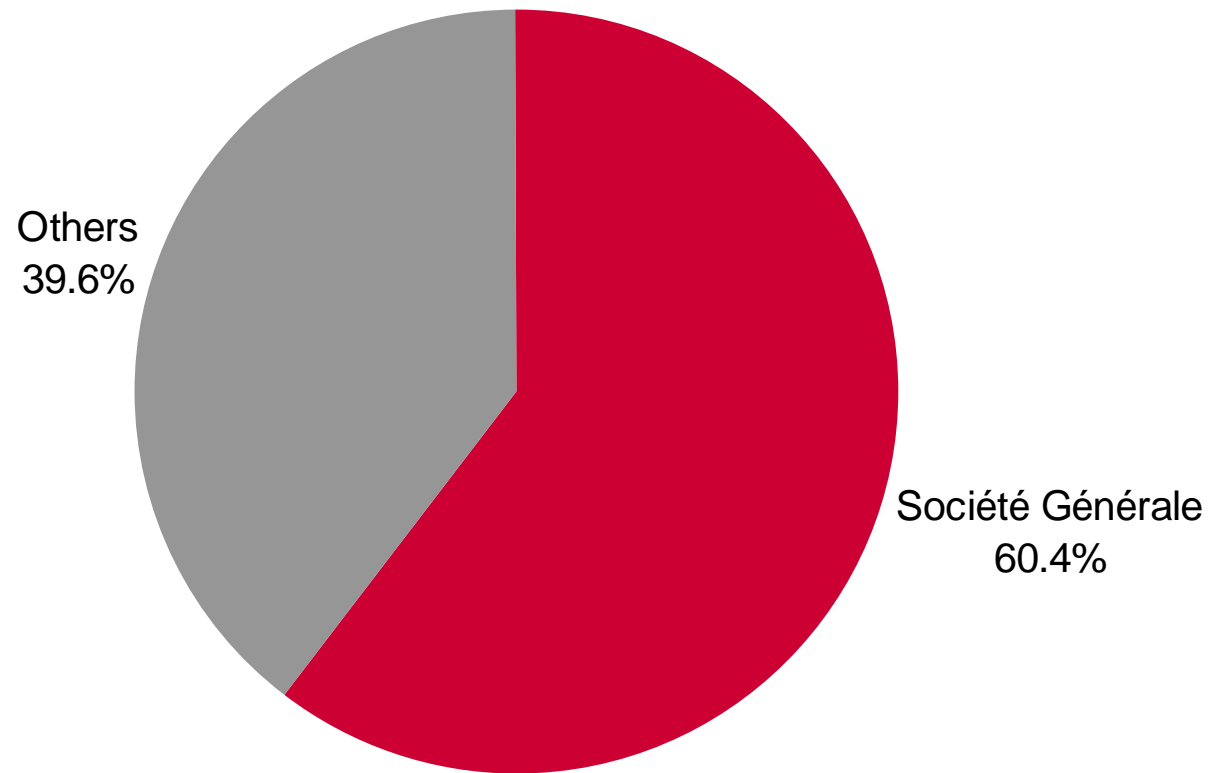
## Development of KB's share price and PX Index (for the period 1 October 2001 – 10 February 2011)





As at 31 December 2010

According to excerpt from the Securities centre





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