

PRAGUE, 5 MAY 2022

# **KB GROUP RESULTS AS OF 31 MARCH 2022**

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According to IFRS, Consolidated, Unaudited

**THE FUTURE  
IS YOU**  **KB**

# DISCLAIMER

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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 March 2022, 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

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# HIGHLIGHTS AS OF 31 MARCH 2022

## Komerční banka – strong performance in a mixed environment

Loans (gross) \*



**CZK 750.7 bil. / +8.1% YoY**

Client deposits \*



**CZK 1,015.1 bil. / +3.0% YoY**

Non-bank  
assets under management



**CZK 206.9 bil. / +7.6% YoY**

Revenues



**CZK 9.5 bil. / +27.7% YoY**

Operating expenses



**CZK 4.8 bil. / +9.8% YoY**

Cost of Risk



**CZK 0.3 bil. / 15 bps**

Net Profit



**CZK 3.5 bil. / +75.9% YoY**

ROE / ROA



**11.3% / 1.1%**

Core Tier 1 /  
Capital adequacy



**19.8% / 20.2%**

Dividend



**CZK 8.3 bil. / 43.80 DPS**

KB Key users



**1,000,000**

KB Mobile banking users



**1,066,000**

Notes: \* excluding repo operations with clients

# REINFORCING RESILIENCE BY ACTING RESPONSIBLY ALSO IN 1Q 2022

## ENVIRONMENT

KB on path to carbon neutrality by 2026. Greenhouse gas emissions in 2021 down 32.5% v. 2019 to 23,090 tonnes CO<sub>2</sub> eq. (14.7 kg per client), audited by Preferred by Nature

KB has put into operation at its premises 89 charging stations for electric cars, on track to build a total of 170 across Czechia

KB signed contract to purchase 131 Skoda Enyaq iV battery electric vehicles. These will be shared by the management and employees for their business as well as private trips

The volume of loans provided by KB and SGEF with sustainable positive impact reached CZK 29.7 bil., up by 78% YoY. The newly contracted volume in 1Q 22 at CZK 5.0 billion

## SOCIAL

Supporting the civilian victims of the war in Ukraine (including approx. 300,000 refugees in Czechia, mostly women and children):

- CZK 20 million donated for humanitarian aid (incl. CZK 5 million from employees)
- KB lodging facilities made available for sheltering refugees
- Special account for refugees with CZK 2,000 signing bonus, telemedicine assistance etc.

Nadace KB Jistota's activities included:

- A grant call for support of single parents
- Support for planting of tree alleys across the country (together with KB Penzijní společnost and Nadace Partnerství)

KB bankers were again visiting schools with the seminars on improving financial literacy, within the CBA's "Bankers to Schools" project

## GOVERNANCE

On behalf of the Deposit Insurance Fund as of 30 April 2022, KB paid out CZK 22.7 billion compensation to 68,400 depositors (out of total 121,000 entitled) of the failed Sberbank CZ

On 20 April 2022, the Annual General Meeting approved all items of the agenda, including financial statements and dividend payment

KB consistently develops rigorous governance and compliance standards, incl. on AML & KYC

KB further enhanced cyber security protections and fraud prevention measures

KB updated its rules for asserting the Bank's interests with public authorities (lobbying). KB continues to follow a political neutrality and refrains from supporting any political organisations or activities

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# ECONOMY FACING A NUMBER OF DIFFICULTIES

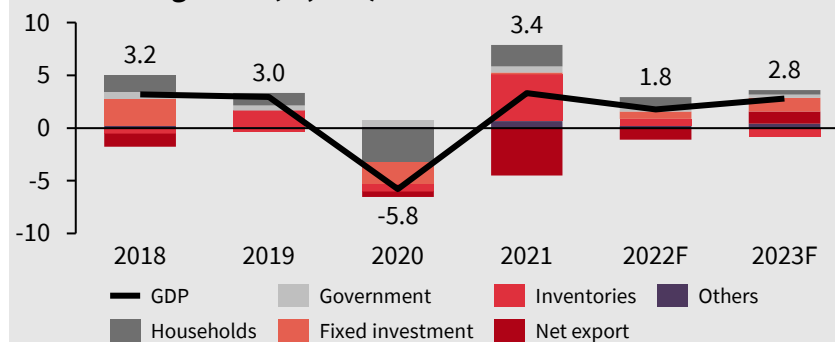
- GDP in 1Q 2022 +0.7% QoQ and +4.6% YoY, driven by household consumption and fixed investments<sup>1</sup>
- Manufacturing and construction affected by supply chain disruptions and inflation in input prices. Czech car production in 1Q2022 down by -19% YoY mainly due to shortage of semiconductors
- Labour market remains tight. Unemployment rate close to 2% (2.4% in February 2022).<sup>2</sup> Nominal wages in Q4 +4.0% YoY, -2.0% in real terms
- Consumer price inflation accelerated to 12.7% YoY in March (1.7% month over month). Inflation growth broad-based, housing-related costs (contribution: 0.4pp) and transport (contribution: 0.7pp) were the main drivers of the 1.7% MoM inflation
- As of 31 March 2022, CZK v. EUR QoQ stronger by 1.9%, and YoY stronger by 6.7%, at 24.4 CZK per EUR
- CNB rate hiking cycle started in June 2021, increasing 2W repo rate in 7 steps by cumulative 350 bps by 31 March 2022 to 5.00%. As of 31 March, 3M PRIBOR 5.06% (+98 bps Ytd), 10Y IRS at 3.87% (+62 bps Ytd) while IRS curve stays inverted (5Y at 4.44%, +60bps Ytd) and 10Y CZGB 3.72% (+99 bps Ytd)

Notes: Source of indicators Czech Statistical Office, CNB, unless stated otherwise.

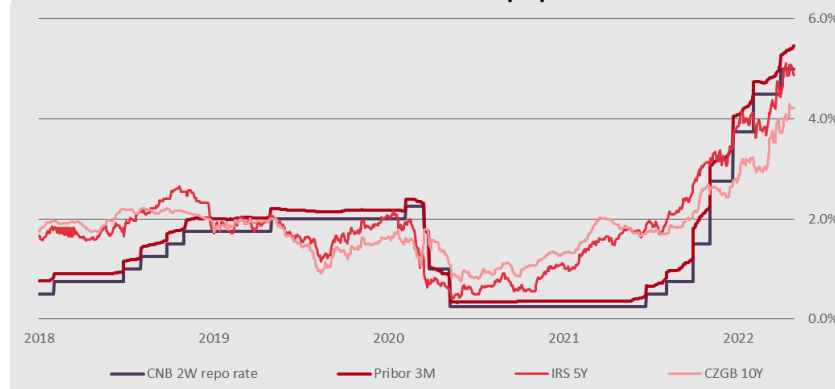
1) According to flash estimate of the Czech Statistical Office, published on 29 April 2022

2) According to Eurostat, seasonally adjusted

### Czech GDP growth (% YoY)



### Interest rate environment evolution (%)



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# MOBILE BANKING PREVAILING IN INTERACTIONS WITH CLIENTS

## Awards in 1Q 2022

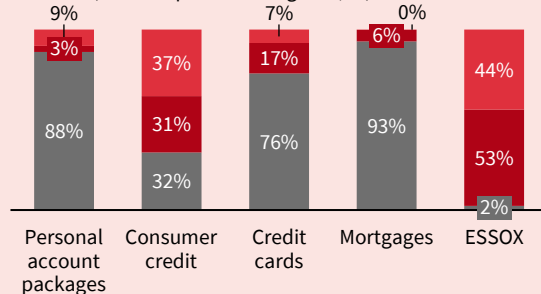
**Mastercard Awards** – The Best Innovation of the year – KB’s League of Legends Esport card

**Finparada.cz** – Bronze medal for MůjÚčet Plus in category of current accounts offered on Czech banking market

**TOP APP Award 2021** – Silver medal for KB’s mobile banking app on Czech and Slovak market by Bizkids

## Share of sales by channel\*

(selected product categories, %)

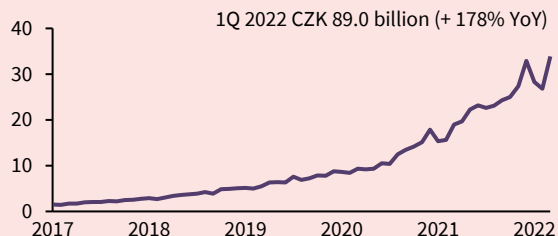


\* Share of sales by channel on total number of sold products in January to March 2022

■ End-to-end digital  
 ■ Partially digital  
 ■ Physical

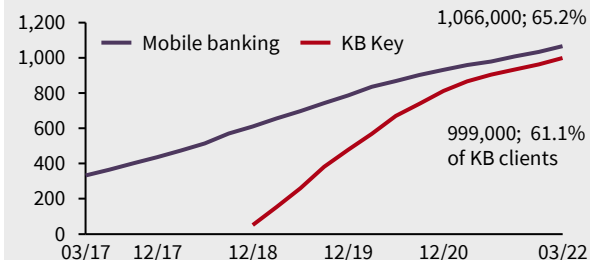
## Mobile banking – volume of payments

(CZK billion per month)



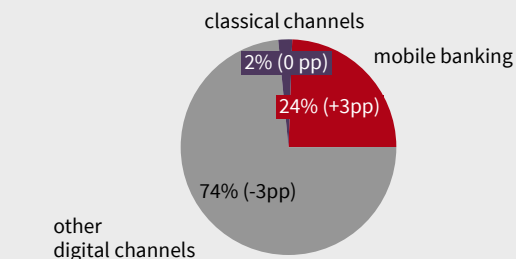
## Mobile banking and KB Key penetration

(in thousands)



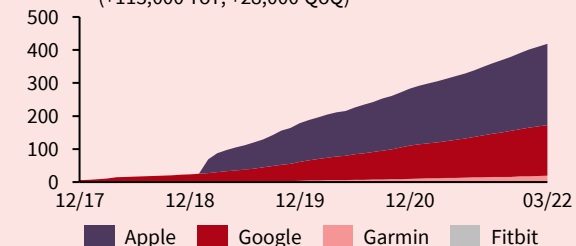
## Share of channels on number of transactions

(1Q 2022) (yoy change in brackets)

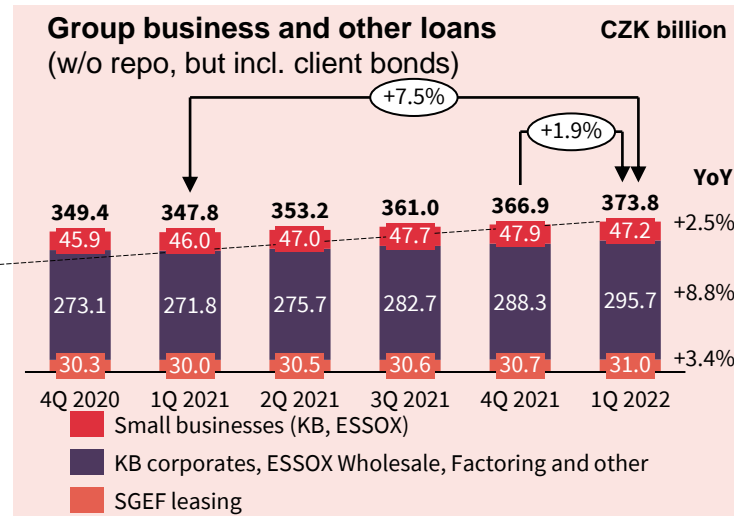
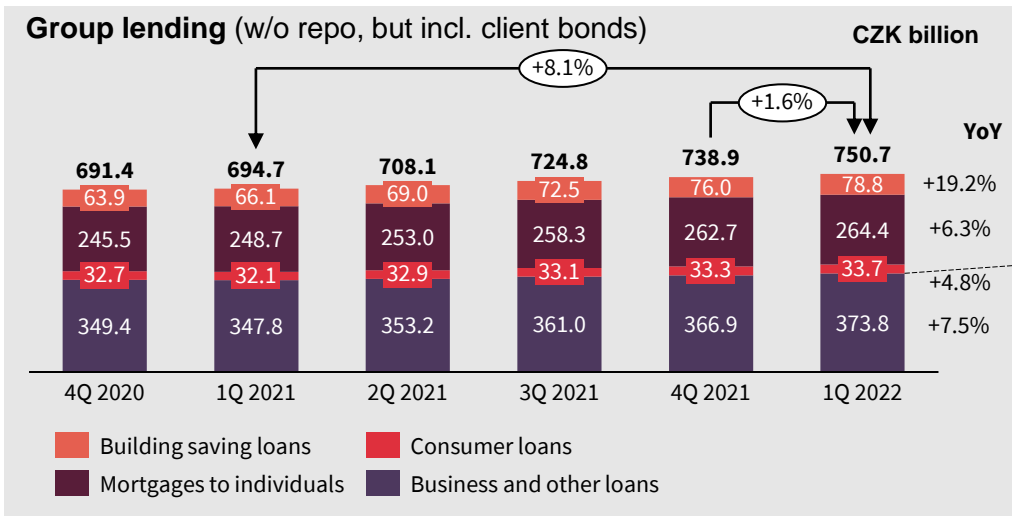


## Digital wallet use

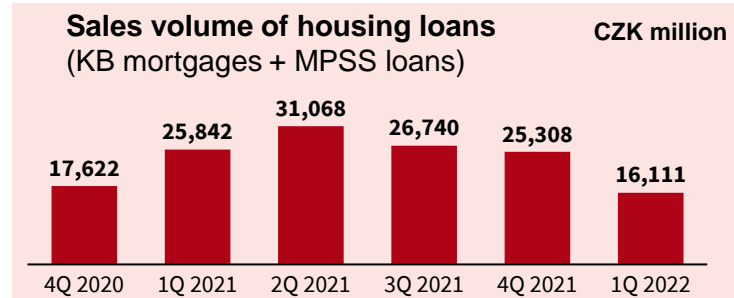
Number of tokenized payment cards 419,000 (+113,000 YoY, +28,000 QoQ)



# GROSS LENDING UP 8.1% YOY



- Gross amounts due from clients (including repo operations and debt securities issued by KB's corporate clients) +7.9% YoY, +1.6% QoQ to CZK 750.7 billion
- Net loans to deposits ratio at 72.8%. Liquidity coverage ratio 151%
- Sales of housing loans down from record 2021 levels but above 1Q 2020 production
- Growth in working capital financing boosted by higher inflation, inventories. Investment loans up too
- Negative contribution from 6.7% YoY appreciation of CZK v. EUR (to CZK value of EUR denominated loans to businesses) represents 1.2% of total lending



# SELECTED DEALS OF THE 1Q 2022

## GAMING



SAZKA Group a.s.

Guarantee Facility

GBP 380,000,000

Facility Coordinator, Bookrunner, Mandated  
Lead Arranger, Original Lender and Agent

2022

## WHOLESALE TRADE



EP Commodities

Comprehensive Financing Package

EUR 275,000,000

Lender

2022

## REAL ESTATE



CPI Property Group

8y Sustainability-Linked Bonds

EUR 700,000,000

SG: Joint Global Coordinator and Bookrunner  
KB: Relationship

2022

## REAL ESTATE



Accolade CZ 43, s.r.o., člen koncernu

Syndicated Financing

EUR 137,500,000

Lender, Agent, Security Agent

2022

## WHOLESALE TRADE



PRO-DOMA, SE

Acquisition Financing

CZK 4,400,000,000

Lender

2022

## MACHINERY

CZG - Česká zbrojovka Group SE  
(Colt CZ Group SE)Reg S, Senior Unsecured Floating Rate Bonds,  
Due January 2029

CZK 1,998,000,000

Joint Lead Manager, Fiscal and Paying Agent

2022

## OIL AND GAS



MND a.s.

Reg S, Senior Unsecured Floating Rate Bonds,  
Due 3 March 2027

CZK 2,202,000,000

Coordinator, Joint Lead Manager, Exchange  
Manager, Fiscal and Paying Agent

2022

## MUNICIPALITIES



Liberecký kraj

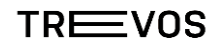
Investment Loan

CZK 1,300,000,000

Sole Lender

2022

## ELECTRICAL EQUIP. MANUFACTURING



TREVOS, a.s.

Acquisition Financing

EUR 17,665,000  
CZK 130,000,000

Lender

2022

## TRANSPORTATION

Plzeňské městské dopravní  
podniky, a.s.

Investment Loan

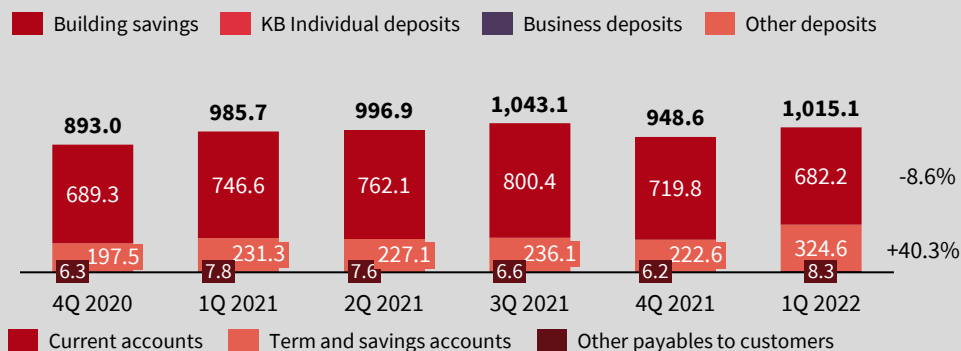
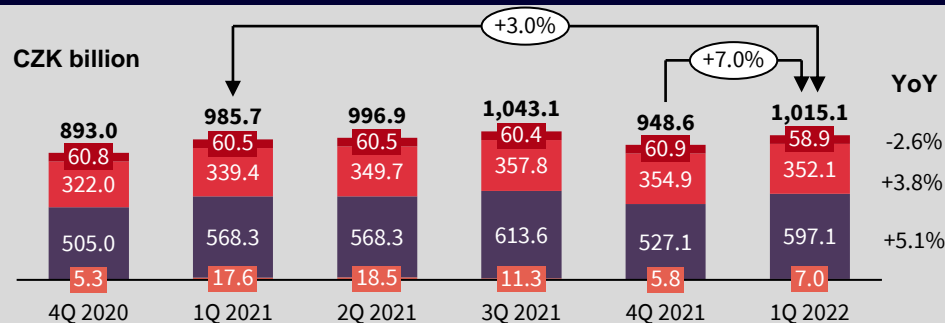
CZK 955,000,000

Sole Lender

2022

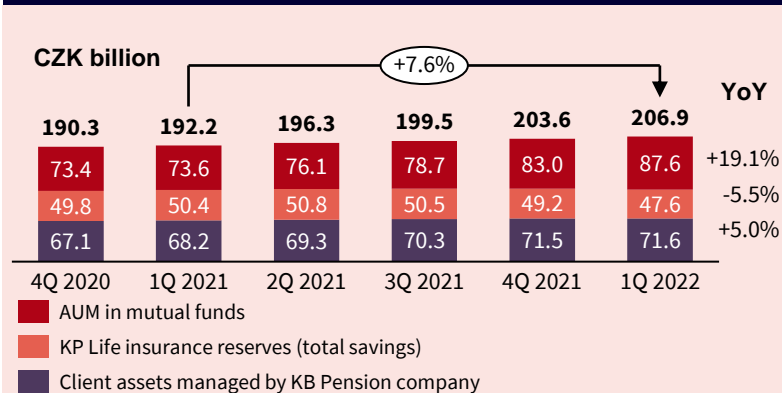
# CLIENT DEPOSITS UP BY 3.0% YOY, OTHER AUM +7.6%

## GROUP DEPOSITS (excluding repo operations) CLIENT

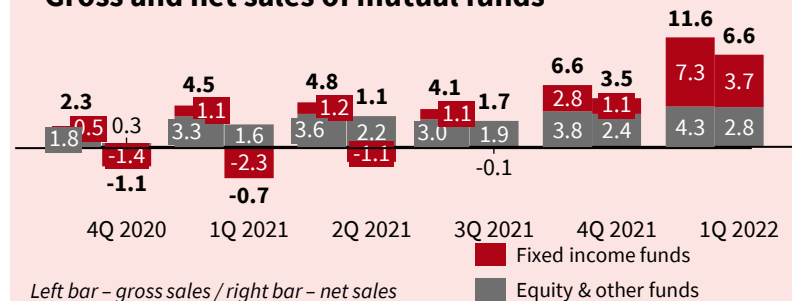


Total amounts due to clients (incl. repo op. with clients) +3.8% YoY, 9.9% QoQ to CZK 1,051.3 billion

## NON-BANK ASSETS UNDER MANAGEMENT CLIENT



## Gross and net sales of mutual funds



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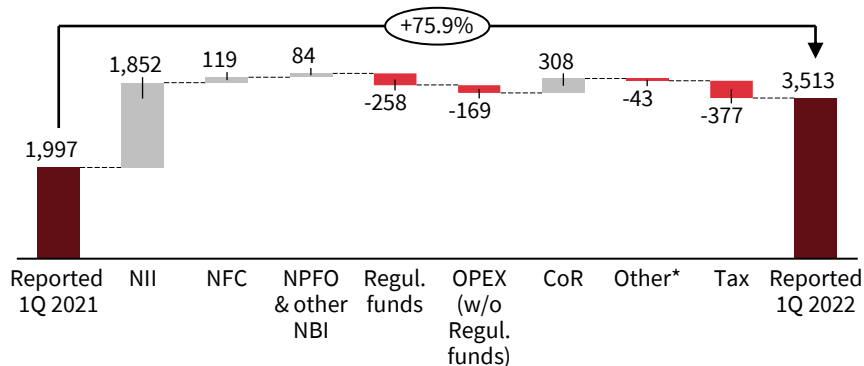
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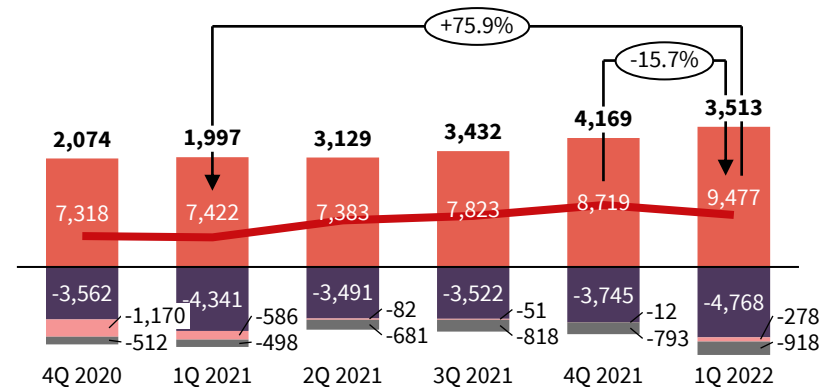
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# POSITIVE OPERATING JAWS, LIMITED INCREASE IN RISK COSTS

Drivers for year on year change in attributable net profit  
(as of 31 March 2022)



Development of quarterly net profit and its drivers



\*Other includes: Income from share of associated companies, Profit/(loss) attributable to exclusion of companies from consolidation, Net profits on other assets and Profit attributable to the Non-controlling owners

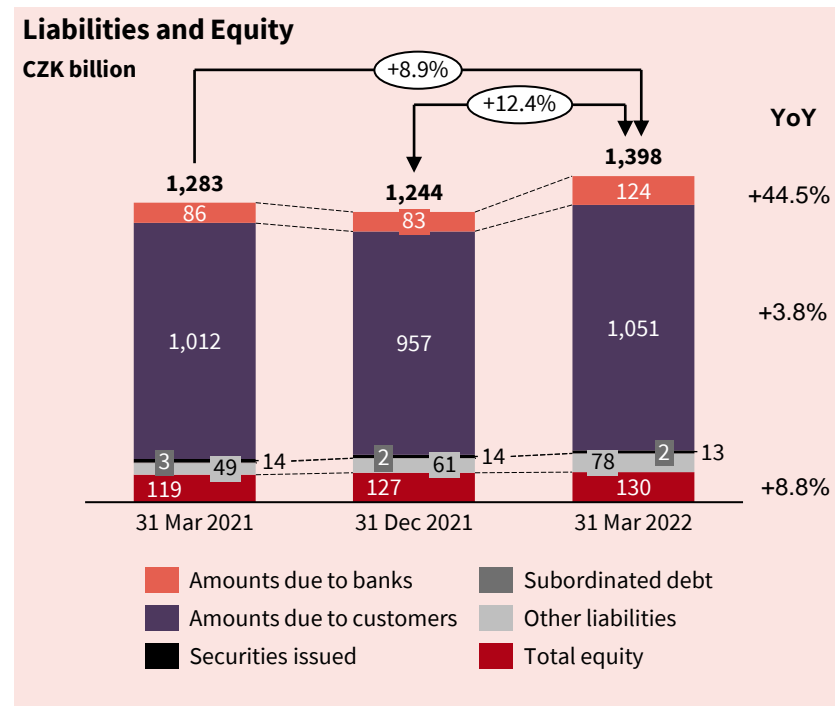
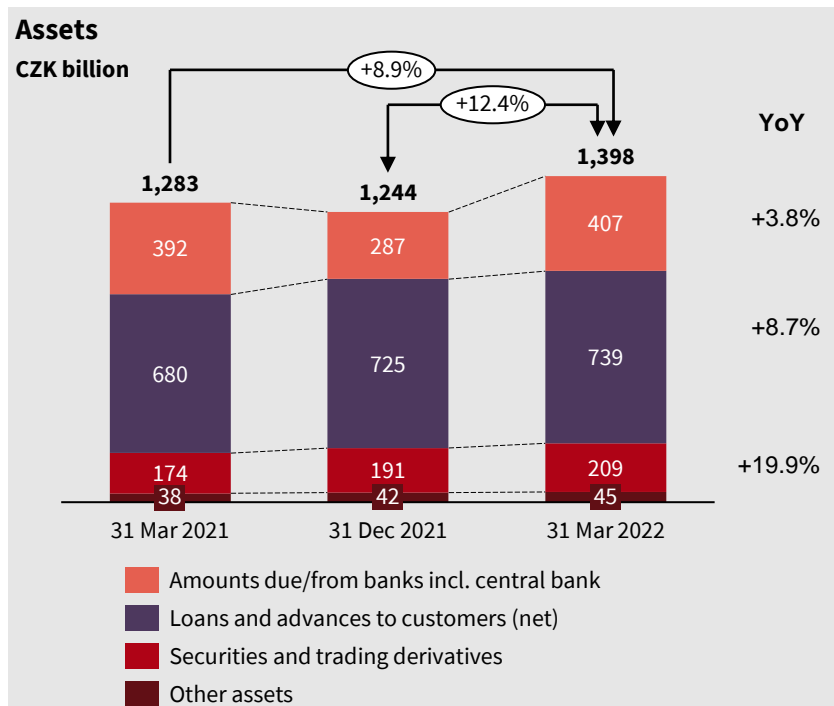
- Profit attributable to the shareholders
- NBI
- OPEX
- CoR
- Other

## Profitability indicators for 1Q 2022

Return on average equity	Return on average Tier 1 capital	Return on average tangible equity	Return on average assets
<b>11.3%</b>	<b>13.9%</b>	<b>12.4%</b>	<b>1.1%</b>
13.7%**	16.9%**	15.1%**	1.3%**

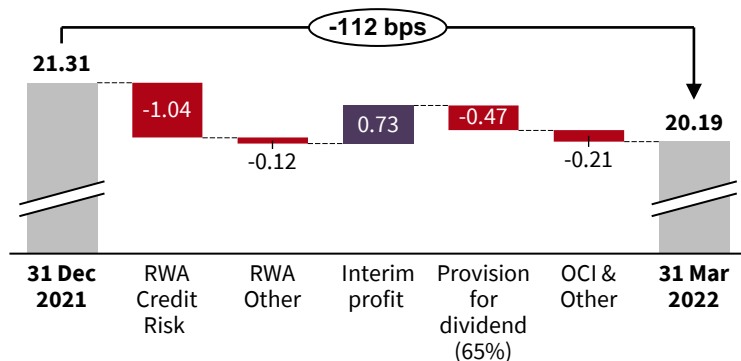
\*\* Assuming linear accrual of regulatory funds charges over the whole year (IFRIC 21 linearisation)

# OVERALL BALANCE SHEET GROWTH STEADY



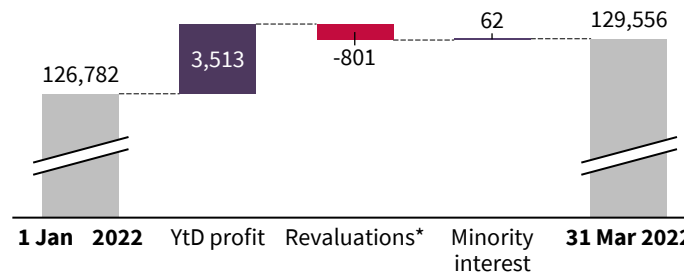
# STRONG SOLVENCY RATIOS

## Contributions to capital adequacy ratio in 1Q 2022 (%)



Note: The retained earnings from 2021 will be included in the capital base in 2Q 22, following approval of the accounts by the General meeting. In 2022, a dividend provision of 65% is applied on profit of the current year.

## Contributions to equity in 1Q 2022 (CZK million)



\* Re-measurement of securities, cash flow hedges, FX positions, pension benefits and equity stakes in associates

The Overall Capital requirement (OCR) is currently at 15.60%, the minimum required level of CET 1 is 10.96% and the minimum Tier 1 capital ratio stands at 12.95%.

• The OCR will increase by cumulative 200 bps in four steps in July 2022, October 2022, January 2023 and April 2023 due to pre-announced increases in countercyclical buffer requirement. As from 1 April 2023, minimum OCR will reach 17.60%, min. CET1 ratio 12.96% and min. Tier 1 will reach 14.95%.

## Regulatory capital indicators

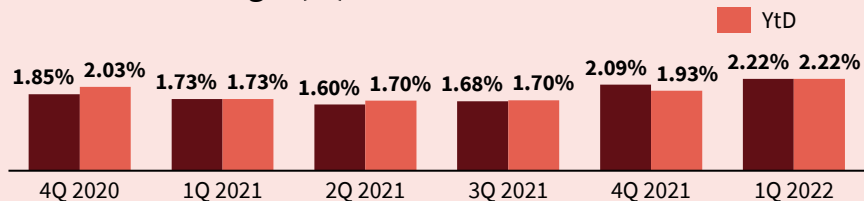
	Total capital adequacy	Core Tier 1 ratio	Total capital (CZK billion)	CET1 capital (CZK billion)	Total RWA (CZK billion)	Credit RWA (CZK billion)	RWA / Total assets
Current	20.2%	19.8%	103.4	101.4	512.3	425.8	36.6%
31 Dec 2021	21.3%	20.9%	103.2	101.1	484.4	400.2	38.9%
31 Mar 2021	22.5%	21.8%	100.5	97.7	447.7	374.3	34.9%





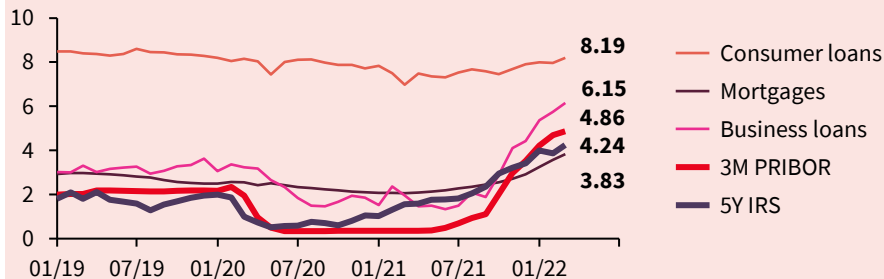
# INTEREST INCOME GROWTH DRIVEN BY RATES, VOLUMES

## Net interest margin (%)



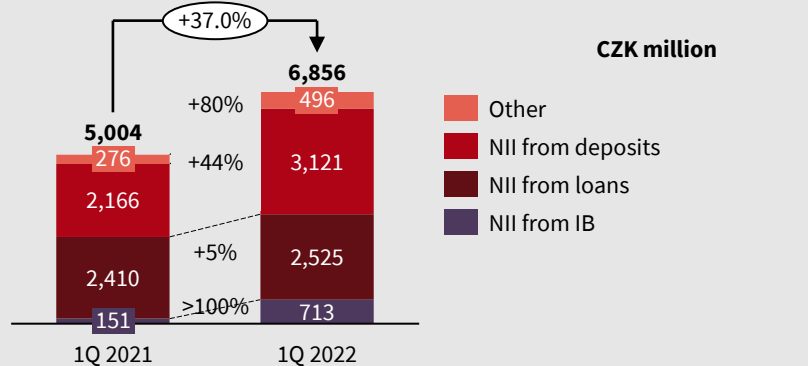
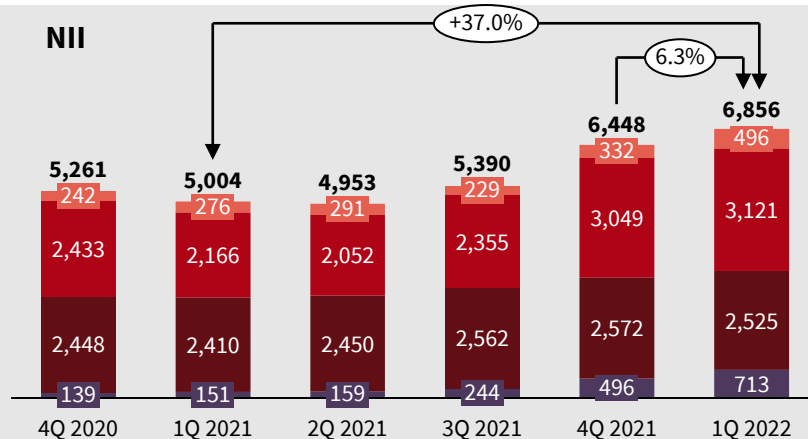
- NII from deposits – delayed reaction in 1Q22 of clients and deposit rates to increasing market rates
- NII from loans – retail spreads lower due to slower reflection of increased benchmark rates, stable spreads in corporate lending
- NII from IB – higher client demand for IB deposit solutions

## Average market rates on new CZK loans (%) (until March 2022)



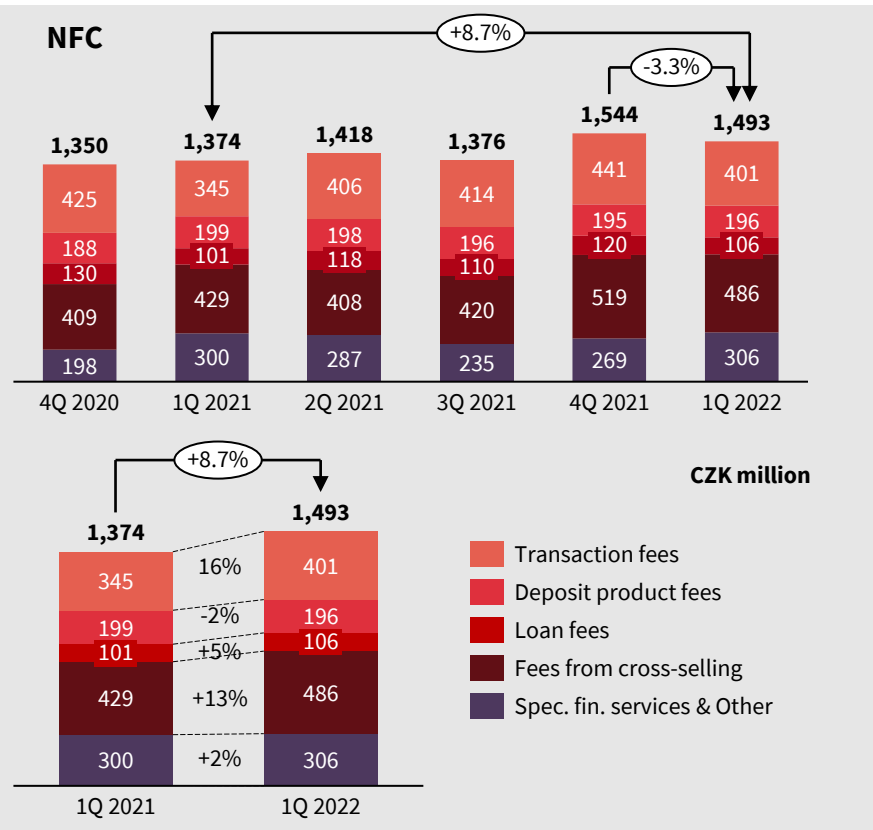
Source: CNB, Macrobond

## NII



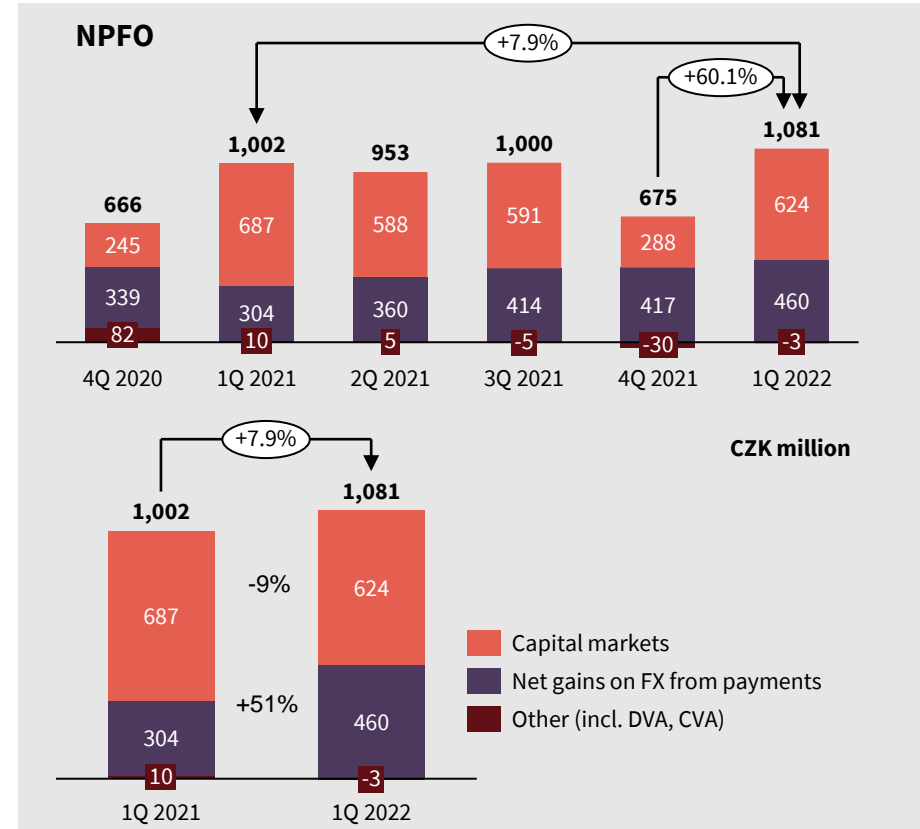
## UPTREND OF FEES

- **Transaction fees** – strong YoY recovery of all transaction types from locked down 1Q21. Seasonally weaker than 4Q21
- **Deposit product fees** – stable along with the client base
- **Loan fees** – lower fees for consumer loans, credit cards, loans to small businesses. YoY better factoring and overdraft fees
- **Fees from cross-selling** – growth driven mainly by mutual funds
- **Specialised financial services and other fees** – growth in fees from bank guarantees. Solid syndicated loans, DCM services. Trade finance fees down



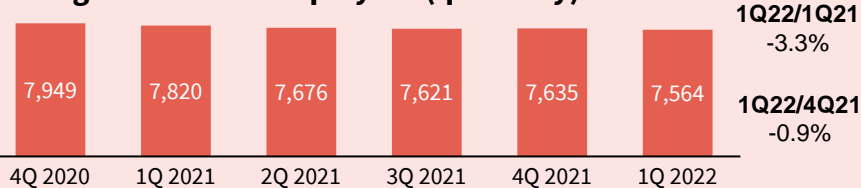
# STRONG DEMAND FOR HEDGING OF FINANCIAL RISKS

- Strong client hedging activity linked to high volatility of CZK FX and IR rates caused by the rapid CNB monetary tightening and by first implications of the Russian invasion to Ukraine
- Result supported again by correct inventory positioning ahead of rate changes
- Very successful offer of tailored strategies for SME clients. Several derivative transactions for corporate clients
- Net gains of FX from payments – strong growth driven by recovery in travelling and related currency conversions upon lifted Covid-19 restrictions



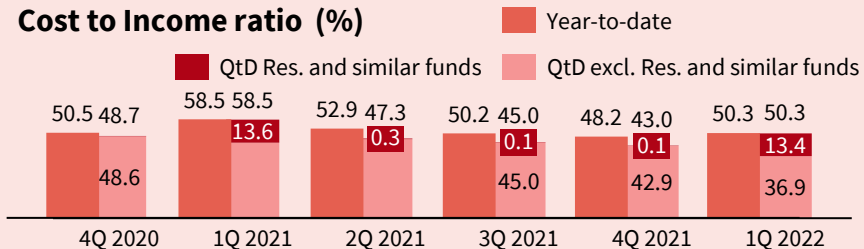
# OPEX GROWTH UNDER CONTROL DESPITE MUCH INCREASED REGULATORY LEVIES

## Average number of employees (quarterly)

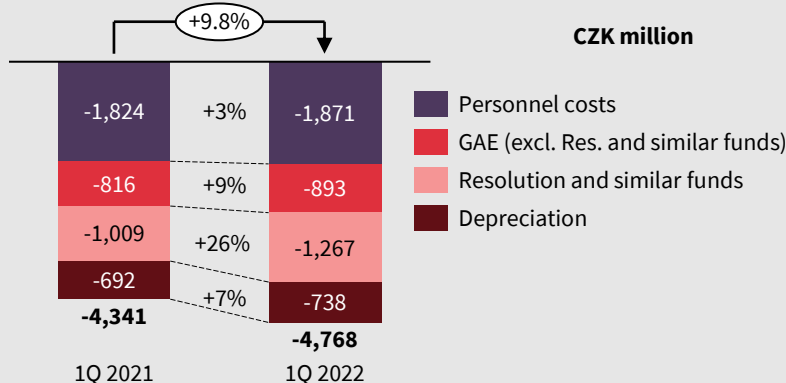
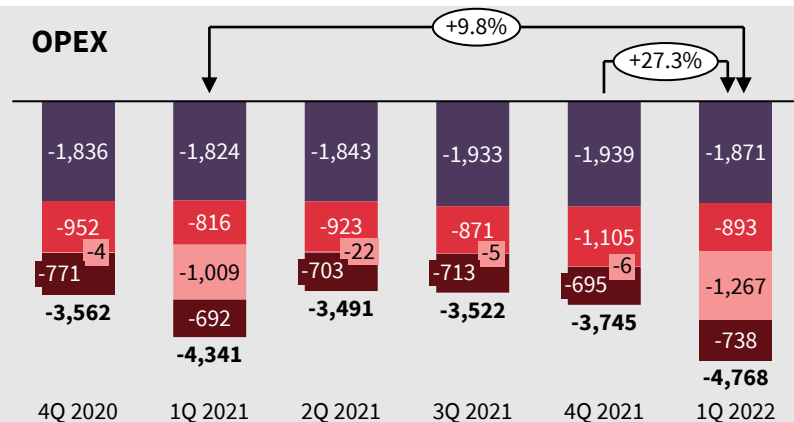


- **Personnel costs** – 3% increase in average salaries from April '22, lower bonus accrual in the comparative base of 1H 2021
- **Administrative costs** – higher IT support, marketing, other employee cost partly offset by lower real estate costs
- **Regulatory funds** – Total sector charge for RES fund up by 16% YoY
- **D&A** increase driven by software

## Cost to Income ratio (%)



## OPEX



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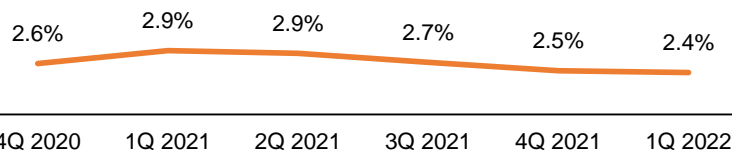
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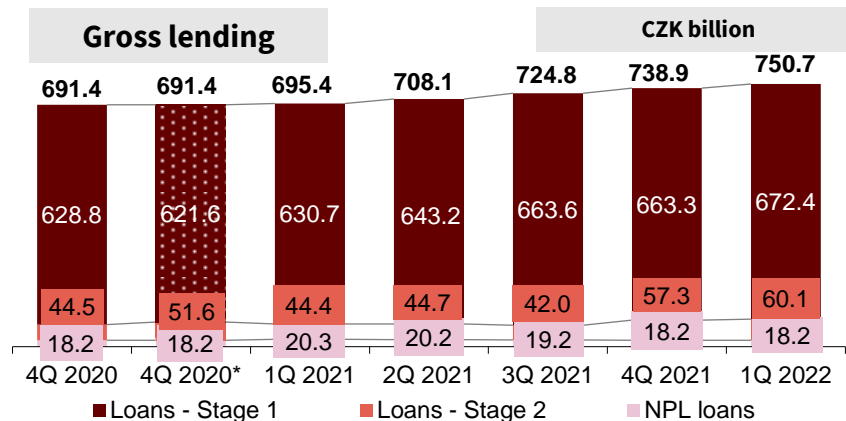
# 1Q 2022 ASSET QUALITY

- Loan portfolio up 8% YoY and 1.6% QoQ
- Stable credit risk profile of KB loan portfolio
  - NPL ratio slightly down to 2.4%, driven by low default intensity and strong recoveries on all segments
  - Stage 2 share stable at 8% (QoQ up by 0.2%)
- Stable NPL provision coverage (fluctuating around 50%)

## Share of NPL exposure development

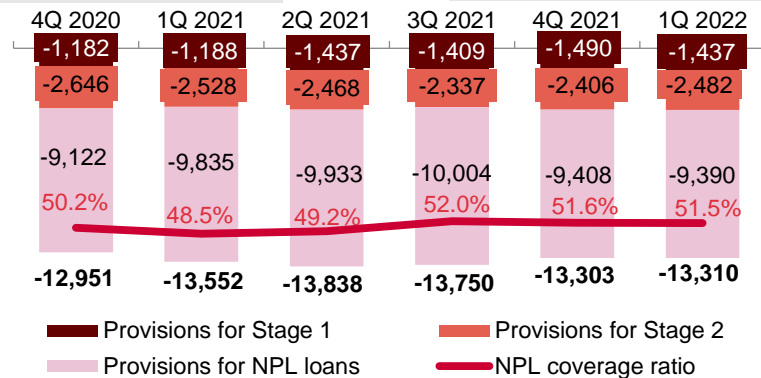


## LOAN PORTFOLIO QUALITY



\*Note: 4Q 2020 exposures in Stage 1 and 2 are restated considering adjustment to the IFRS9 classification methodology applied in 4Q 2021

## Provision coverage

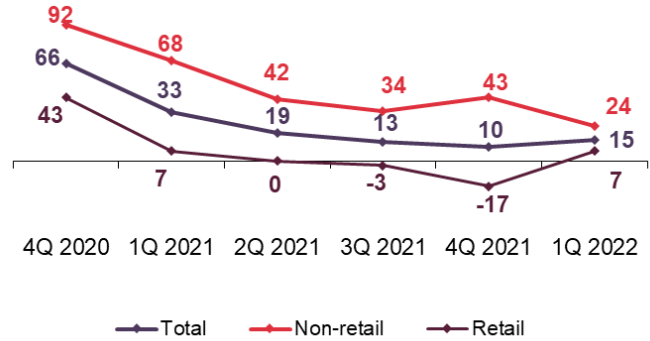


# 1Q 2022 COST OF RISK DEVELOPMENT

- 1Q 2022 CoR net creation at CZK 278 million
- CZK 206 million created on non-retail portfolios
  - New provisions on Russia-related exposures following selective line-by-line portfolio reviews
  - Continued resilient recoveries recorded on NPL portfolio
- CZK 78 million created on retail portfolios
  - Prudent provisioning of inflation-sensitive exposures
  - Low default intensity and strong recoveries on NPL portfolio

## Total Cost of Risk

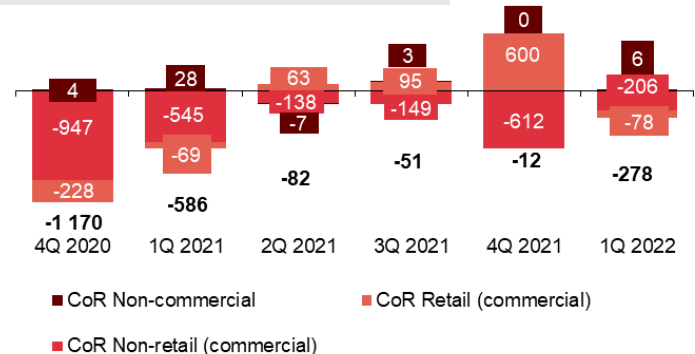
(Year-to-date, in basis points)



Note: CoR restated to present an all-in view of non-retail portfolios (including banks)

## Total Cost of Risk development

CZK million



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# UPDATED OUTLOOK FOR 2022

*This replaces the original outlook presented on 10 February 2022, mainly due to the effects of the Russian invasion of Ukraine. Investors are advised to consider higher than usual level of uncertainty and risks*

## Macroeconomic assumptions

- Czech GDP growth forecast for 2022 revised substantially lower (to 1.8% from 4.9%) due to the war in Ukraine, continued supply chain disruption and higher energy prices. Due to the supply-side shock and rise in core prices, the average CPI expected to reach 12.7%, peaking around 14% in May-June
- CNB expected to increase the two-week repo rate by 50 basis points to 5.5%, at its May meeting, where it should stay at least until the end of this year

## Banking market outlook

- Lending market to grow at upper mid-single digit pace in 2022, both in retail and corporate. Housing loans to decelerate, consumer lending to grow at mid-single digits, corporate demand boosted by working capital needs
- Bank deposits should grow at mid-single digits, slower than loans, as some clients' financial standing tightens

## KB business outlook

- KB Group lending to grow at mid-single digit pace in total, within that somewhat faster in corporate lending . Housing loans to grow more slowly than in 2021 as new sales drop from record 2021 levels
- KB total deposit growth in low-single digits, with switch to term deposits, mid-single digit drop in Modrá pyramida,
- Implementation of KB Change 2025 strategy, building of the new digital bank according to the plan

## KB financial outlook

- Revenues to grow at double-digit pace driven by NII up by more than a quarter, reflecting increase in rates and volumes, low single digit growth in NFC driven by cross-selling, and slight retreat of NPFO from record 2021
- OPEX to grow by mid-single digits in spite of double-digit growth in Resolution Fund charges, high inflation and transformation costs, reflecting further downsizing of branch network and savings in HQ
- Cost of risk to remain below normalised level (of around 30 basis points)

## Potential risks to the outlook

- Further escalation of the war in Ukraine; Shortages of key input materials for the Czech industry; Return of the pandemic situation with recurring lockdowns; Worsening of external economic environment, such as, a recession in the eurozone

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Financial performance

Asset quality & cost of risk

Outlook update for 2022

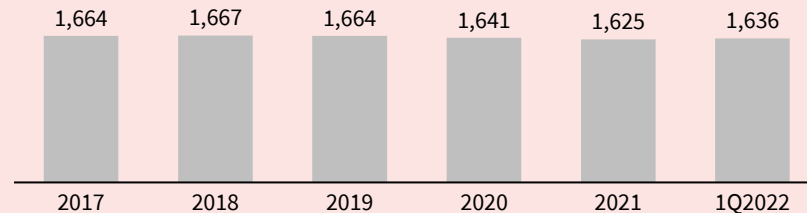
**Appendix**

# NUMBER OF CLIENTS AND DISTRIBUTION NETWORK

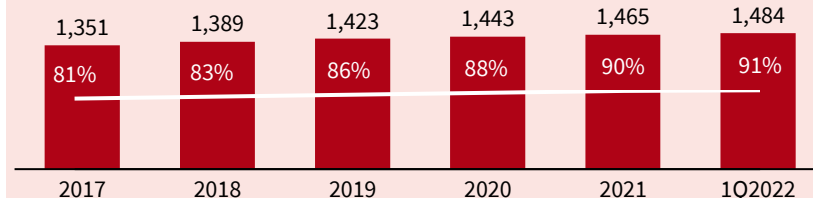
	1Q 2021	1Q 2022	YoY
<b>Number of clients</b>			
KB Group's clients	2,286,000	2,253,000	-32,000 <sup>1)</sup>
Komerční banka	1,641,000	1,636,000	-5,000 <sup>1)</sup>
– individual clients	1,391,000	1,393,000	1,000 <sup>1)</sup>
– internet banking clients	1,450,000	1,484,000	34,000
– mobile banking clients	959,000	1,066,000	107,000
Modrá pyramida	486,000	478,000	-8,000
KB Penzijní společnost	525,000	517,000	-8,000
ESSOX (Group)	145,000	136,000	-9,000
<b>Distribution network</b>			
KB Retail branches	242	240	-2
Modrá pyramida points of sale	199	203	4
SGEF branches	9	9	0
ATMs	823	861	38
of which deposit-taking	449	514	65
of which contactless	421	626	205
Number of active debit cards	1,413,000	1,445,000	32,000
Number of active credit cards	182,000	186,000	4,000
Number of cards virtualized into payment apps	306,000	419,000	113,000
KB key authentication users	867,000	999,000	133,000

1) Year on year decline affected by termination of accounts as a result of Know-Your-Client remediation process.

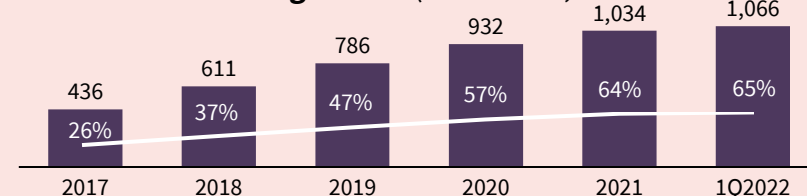
## Number of bank clients (thousands, CZ)



## KB Internet banking clients (thousands, % of total)



## KB mobile banking clients (thousands, % of total number)



# INCOME STATEMENT

## Profit and Loss Statement

	Reported				
	1Q 2021	4Q 2021	1Q 2022	Change YoY	Change QoQ
(CZK million, unaudited)					
Net interest income	5,004	6,448	6,856	37.0%	6.3%
Net fee & commission income	1,374	1,544	1,493	8.7%	-3.3%
Net profit of financial operations	1,002	675	1,081	7.9%	60.1%
Dividend and other income	42	50	47	11.9%	-6.0%
<b>Net banking income</b>	<b>7,422</b>	<b>8,719</b>	<b>9,477</b>	<b>27.7%</b>	<b>8.7%</b>
Personnel expenses	-1,824	-1,939	-1,871	2.6%	-3.5%
General admin. expenses (excl. regulatory funds)	-816	-1,105	-893	9.4%	-19.2%
Resolution and similar funds	-1,009	-6	-1,267	25.6%	>100%
Depreciation, amortisation & impairment of op. assets	-692	-695	-738	6.6%	6.2%
<b>Total operating expenses</b>	<b>-4,341</b>	<b>-3,745</b>	<b>-4,768</b>	<b>9.8%</b>	<b>27.3%</b>
<b>Operating profit</b>	<b>3,081</b>	<b>4,973</b>	<b>4,709</b>	<b>52.8%</b>	<b>-5.3%</b>
Impairment losses	-598	-21	-158	-73.6%	>100%
Net gain from loans and advances transferred and written off	12	9	-120	+/-	+/-
<b>Cost of risk</b>	<b>-586</b>	<b>-12</b>	<b>-278</b>	<b>-52.6%</b>	<b>&gt;100%</b>
<b>Net operating income</b>	<b>2,495</b>	<b>4,962</b>	<b>4,431</b>	<b>77.6%</b>	<b>-10.7%</b>
Income from share of associated companies	57	53	48	-15.8%	-9.4%
Profit/(loss) attributable to exclusion of companies from consolidation	0	0	0	n.a.	n.a.
Net profits on other assets	5	230	-33	+/-	+/-
<b>Profit before income taxes</b>	<b>2,557</b>	<b>5,244</b>	<b>4,446</b>	<b>73.9%</b>	<b>-15.2%</b>
Income taxes	-492	-1,012	-869	76.6%	-14.1%
<b>Net profit</b>	<b>2,064</b>	<b>4,232</b>	<b>3,577</b>	<b>73.3%</b>	<b>-15.5%</b>
Profit attributable to the Non-controlling owners	67	62	64	-4.5%	3.2%
<b>Profit attributable to the Group's equity holders</b>	<b>1,997</b>	<b>4,169</b>	<b>3,513</b>	<b>75.9%</b>	<b>-15.7%</b>

# BALANCE SHEET

<b>Balance Sheet</b> (CZK million, unaudited)	<b>31 Mar 2021</b>	<b>31 Dec 2021</b>	<b>31 Mar 2022</b>	<b>YoY rel.</b>	<b>YoY abs.</b>	<b>Ytd rel.</b>	<b>Ytd abs.</b>
<b>Assets</b>	<b>1,283,490</b>	<b>1,244,353</b>	<b>1,398,297</b>	<b>8.9%</b>	<b>114,807</b>	<b>12.4%</b>	<b>153,944</b>
Cash and current balances with central bank	23,612	29,947	57,491	>100%	33,879	92.0%	27,544
Loans and advances to banks	368,290	257,196	349,137	-5.2%	-19,153	35.7%	91,941
Loans and advances to customers (net)	679,531	724,587	738,500	8.7%	58,969	1.9%	13,913
Securities and trading derivatives	174,085	190,924	208,665	19.9%	34,580	9.3%	17,741
Other assets	37,973	41,699	44,504	17.2%	6,531	6.7%	2,805
<b>Liabilities and shareholders' equity</b>	<b>1,283,490</b>	<b>1,244,353</b>	<b>1,398,297</b>	<b>8.9%</b>	<b>114,807</b>	<b>12.4%</b>	<b>153,944</b>
Amounts due to banks	85,892	83,372	124,097	44.5%	38,205	48.8%	40,725
Amounts due to customers	1,012,479	956,929	1,051,287	3.8%	38,808	9.9%	94,358
Securities issued	14,353	13,666	12,626	-12.0%	-1,727	-7.6%	-1,040
Subordinated debt	2,619	2,490	2,442	-6.8%	-177	-1.9%	-48
Other liabilities	49,020	61,114	78,288	59.7%	29,268	28.1%	17,174
Total equity	119,129	126,782	129,556	8.8%	10,427	2.2%	2,774
o/w Minority equity	3,309	3,273	3,335	0.8%	26	1.9%	62

# CAPITAL & PROFITABILITY INDICATORS

(year-to-date, IFRS 9)	Reported			Adjusted for IFRIC 21 linearisation*	
	31/03/2021	31/12/2021	31/03/2022	31/03/2021	31/03/2022
Capital adequacy	22.5%	21.3%	20.2%		
Tier 1 ratio = Core Tier 1 ratio	21.8%	20.9%	19.8%		
Risk weighted assets for credit risk (CZK billion)	374.3	400.2	425.8		
Net interest margin, annualised **	1.7%	1.9%	2.2%		
Loan (net) / deposit ratio (excl. repo with clients)	68.9%	76.4%	72.8%		
Cost / income ratio	58.5%	48.2%	50.3%	48.3%	40.3%
Return on average equity (ROAE), annualised	7.0%	10.7%	11.3%	9.1%	13.7%
Return on average Tier 1 capital	8.2%	12.8%	13.9%	10.7%	16.9%
Return on average tangible equity (ROTE)	7.7%	11.8%	12.4%	10.0%	15.1%
Return on average assets (ROAA), annualised	0.7%	1.1%	1.1%	0.9%	1.3%
Earnings per share (CZK), annualised	42	67	74	55	91
Average number of employees during the period	7,820	7,687	7,564		

\* Annual charges for Resolution and Deposit insurance funds spread evenly across all four quarters

\*\* Net interest margin = Annualised net interest income / Average interest earning assets

# 1Q 2022 COST OF RISK STRUCTURE

Key components	Contribution to 1Q 2022 CoR
Non-retail NPL portfolio	10 bps
Non-retail performing portfolio (Stages 1 & 2)	1 bps
Retail NPL portfolio	-2 bps
Retail performing portfolio (Stages 1 & 2)	6 bps
<b>TOTAL</b>	<b>15 bps</b>

# BUSINESS PERFORMANCE OF SUBSIDIARIES

## 1/2

OVERVIEW OF KB SUBSIDIARIES

	1Q 2021	1Q 2022	YoY
<b>Modrá pyramida</b> (100%), #2 building savings & loans company			
Volume of new loans (CZK million)	7,264	6,548	-10%
Volume of total loans (gross, CZK million)	66,145	78,843	19%
Volume of deposits (CZK million)	60,511	58,943	-3%
Number of clients	485,781	477,975	-2%
Average number of FTEs	321	321	0%
Number of points of sale	199	203	2%
<b>KB Penzijní společnost</b> (100%), a manager of pension funds			
Number of new contracts	9,340	10,873	16%
Number of clients	524,728	516,716	-2%
Assets under management (CZK million)	68,200	71,631	5%
of which in Transformed fund	57,784	58,531	1%
Average number of FTEs	48	50	3%
<b>ESSOX</b> (50.93%), #2 non-bank consumer lender and car financing company			
Volume of total loans (gross, CZK million)	18,186	17,584	-3%
Number of active clients	145,089	135,751	-6%
Average number of FTEs	394	380	-3%



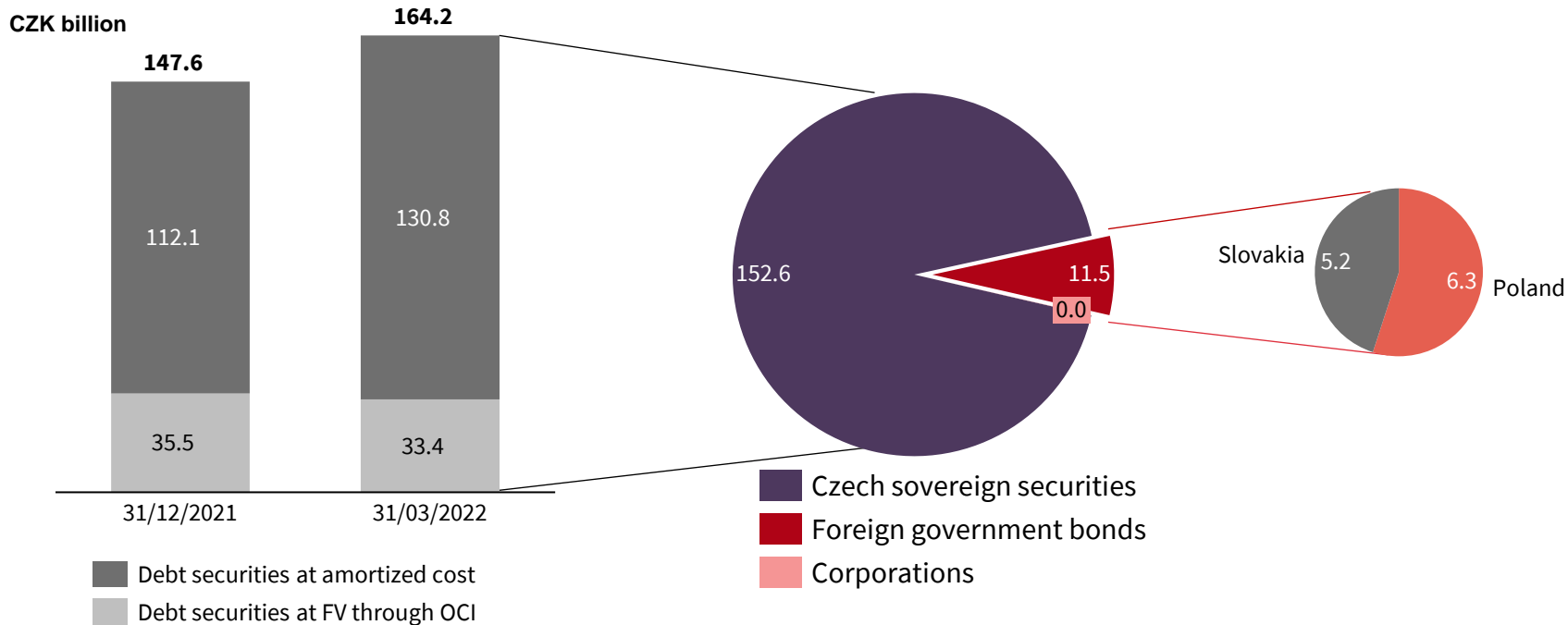
# BUSINESS PERFORMANCE OF SUBSIDIARIES

## 2/2

OVERVIEW OF KB SUBSIDIARIES

	1Q 2021	FY 2021	YoY
<b>Factoring KB</b> (100%), #1 on the Czech factoring market			
Factoring turnover (CZK million)	13,311	18,475	39%
Volume of total financing (gross, CZK million)	8,143	9,454	16%
Average number of FTEs	41	42	1%
<b>Komerční pojišťovna</b> (49%), a universal insurance company			
Volume of technical reserves - Saving (CZK million)	50,397	47,605	-6%
Gross written premium (CZK million)	2,689	2,217	-18%
of which in life insurance	2,430	1,922	-21%
of which in non-life insurance	258	295	14%
Average number of FTEs	233	234	0%
<b>SGEF Czech Republic</b> (50.1%), a provider of asset-backed financing in Czech Rep. and Slovakia			
Volume of new financing (CZK million)	2,870	3,908	36%
Volume of total financing (gross, CZK million)	29,959	30,989	3%
Average number of FTEs	141	141	0%

# DEBT SECURITIES PORTFOLIO IN THE BANKING BOOK



Note: Debt securities excl. debt securities issued by KB corporate clients.

# MACROECONOMIC ENVIRONMENT – CZECHIA

Macroeconomic Indicators	2016	2017	2018	2019	2020	2021	2022*	2023*
Real GDP (% , average)	2.4	5.4	3.2	3.0	-5.8	3.4	1.8	2.8
Inflation (% , average)	0.7	2.5	2.1	2.8	3.2	3.8	12.6	7.2
Household consumption (% , average)	3.7	4.1	3.3	2.6	-7.0	4.5	2.0	0.9
Unemployment (% , av., ILO meth.)	4.0	2.9	2.2	2.0	2.6	2.8	2.1	2.2
M2 (% , average)	8.6	9.5	5.3	6.9	10.0	9.6	4.6	2.6
3M PRIBOR (% , average)	0.3	0.4	1.3	2.1	0.9	1.1	5.4	4.3

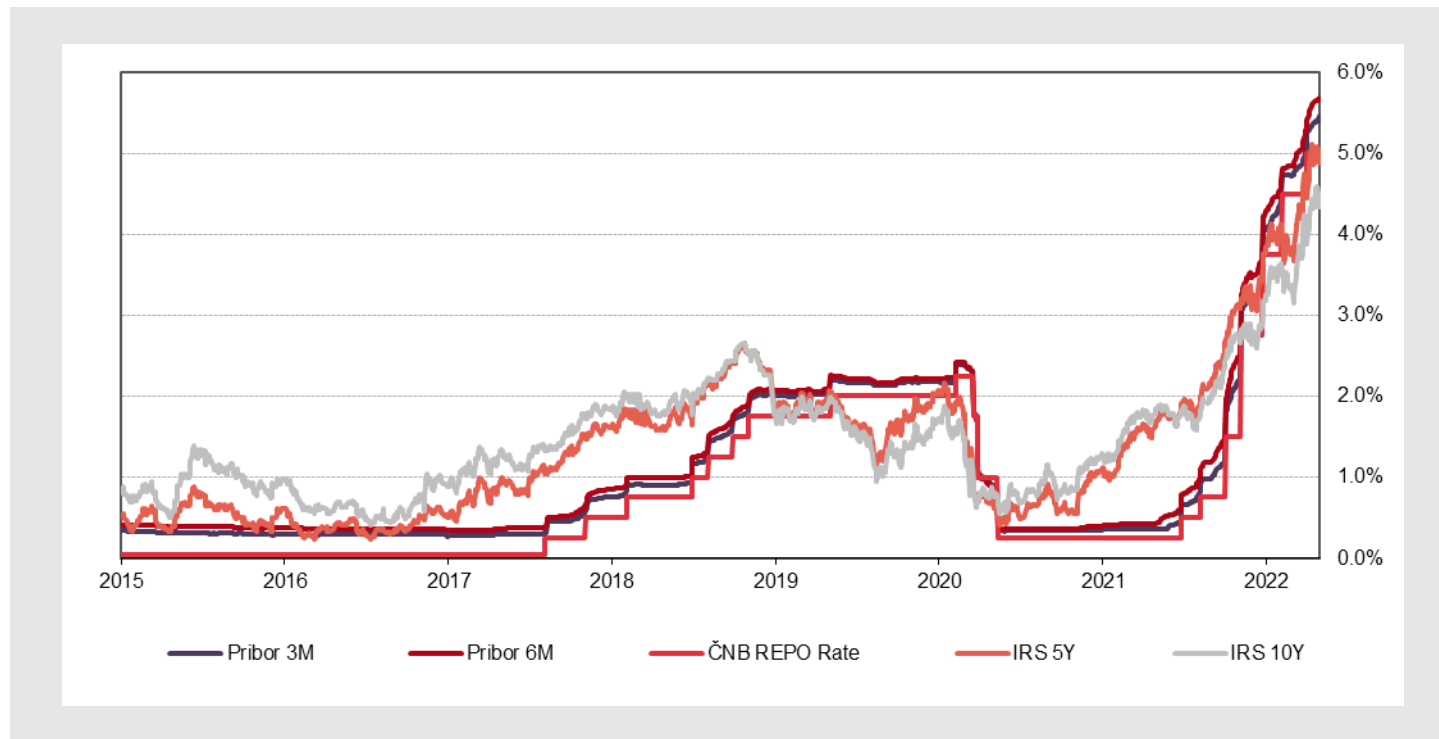
Potential of the market **	2016	2017	2018	2019	2020	2021	2022*	2023*
Loans / GDP (year-end)	60.3	61.0	59.6	63.1	62.9	63.2	62.6	63.0
Deposits / GDP (year-end)	81.5	82.1	81.8	90.6	89.9	89.6	88.6	89.1
Real estate loans / GDP (year-end)	22.4	23.0	23.0	25.2	26.1	25.6	25.1	25.3
Household loans / GDP (year-end)	28.1	28.6	28.5	31.0	31.8	31.4	30.8	31.1
Corporate loans / GDP (year-end)	32.2	32.4	31.1	32.2	31.0	31.8	31.8	31.9

\* KB estimate

\*\* Banking sector

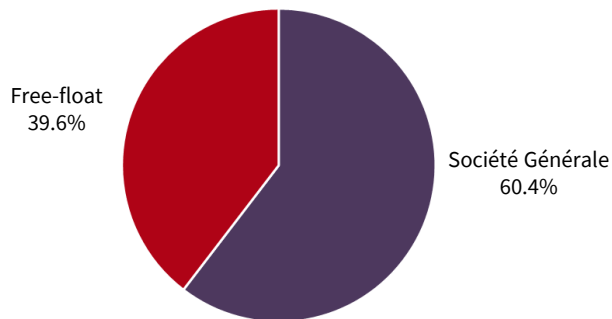
# INTEREST RATES EVOLUTION

For the period 1 Jan 2015 – 30 April 2022

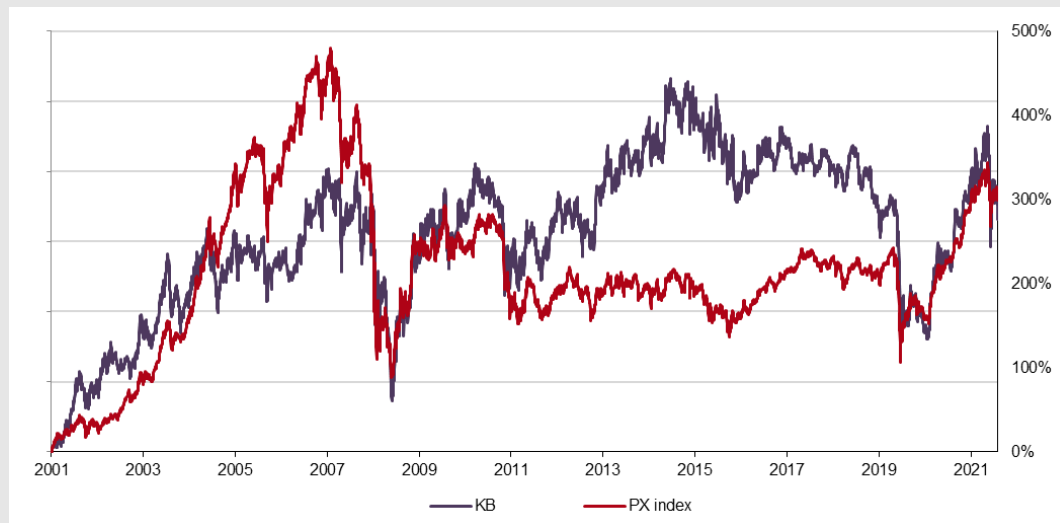


# KB #1 LISTED CZECH BANK

## Shareholder structure



## Development of KB share price and PX index (1 January 2001 – 30 April 2022)



- The number of shareholders comprised 60,857 corporate entities and private individuals.
- Of the Bank's total share capital of CZK 19,004,926,000 divided into 190,049,260 shares with a nominal value of CZK 100 each, Société Générale S.A. held 60.35%.
- KB held 1,193,360 own shares in treasury, representing 0.63% stake on registered capital

# INVESTOR RELATIONS

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