

PRAGUE, 3 AUGUST 2021

KB GROUP RESULTS AS OF 30 JUNE 2021

According to IFRS, Consolidated, Unaudited

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

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 30 June 2021, 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 30 JUNE 2021 *

Accelerating loan growth, solid deposit growth

- KB Group's lending to customers up by 4.7% YoY, growth pick-up in retail as well as corporate segments. Record high sales of housing loans
- Standard client deposits increased by 11.0% YoY, growing both business and retail deposits. The volume of clients' non-bank assets under management (mutual, pension funds, life insurance) up by 4.3%

Improving revenue trends, disciplined cost management

- Revenues down -1.8% YoY due to NII (-8.2%) absorbing YoY drop in interest rates. NFC (+6.3%) rebounds on recovering activity and cross-sell. NPFO (+29.6%) boosted by large DCM deals and client hedging
- Operating expenditures down -1.5% in spite of increased Resolution Fund charges and transformation costs. Personnel expenses down -5.7% reflecting reduced staff levels

Benign asset quality development

- Share of NPL low 2.9%. Net creation of credit risk provisions reached CZK 0.7 billion, 19 bps of average gross loans

Increase in profitability

- Net profit attributable to shareholders improved by 15.5% to CZK 5.1 billion
- ROTC adjusted for IFRIC 21 linearisation at 10.5%, ROA 0.9%

Strong capital and liquidity

- KB Group's capital adequacy at 23.3% (22.7% CET1) high above the applicable regulatory requirements. Management intends to begin releasing the excess capital from 4Q21, subject to regulatory consent
- Net loans to deposits 69.5%, liquidity coverage ratio 203%

Taking action to mitigate climate change

- KB committed to reducing its carbon emissions and contribute to projects with a view to reach carbon neutrality by 2026. Carbon footprint reduced by 35% YoY in 2020
- KB Group progressively reducing exposure to the coal sector

*Year-to-date values

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FASTER GROWTH AND INFLATION

- GDP in 2Q 2021 +0.6% QoQ and +7.8% YoY as per flash estimate. In 2021, Czech economy expected to grow by 4.2%, to be driven by household consumption and investments
- Czech car production in 1H 2021 up by 31.7% YoY due to last years' outages, 0% QoQ due to global shortage of semiconductors
- Unemployment stagnates above 3%, at 3.3% in May¹ shielded by fading government's support programs. Nominal wage growth in Q1 reached 3.2%, 1% in real terms
- CPI inflation decelerated to 2.8% YoY in June (from 2.9% in May). The main reason for higher inflation is core prices excluding food and energy
- CZK stronger against EUR by 2.5% QoQ, +4.7% YoY
CZK stronger against USD by 3.8% QoQ, +10.2% YoY
- Short-term interest rates increased as CNB started rate hiking cycle at the end of June 2021: 3M PRIBOR 0.66% (+30 bps Ytd). Long-term rates gradually rising, continuing along the trend since 4Q 20, 10Y IRS at 1.85% (+57 bps Ytd) and 10Y CZGB 1.75% (+45 bps Ytd) as of 30 June 2021

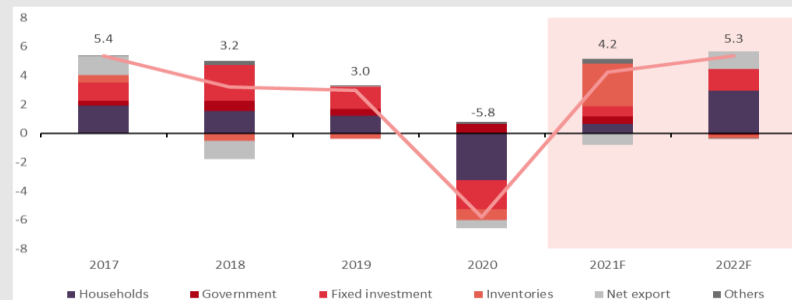
Notes: Source of indicators Czech Statistical Office, CNB, unless stated otherwise

1) According to Eurostat, seasonally adjusted

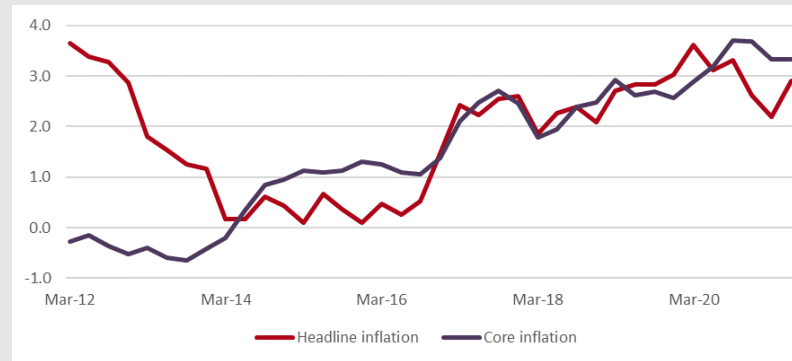
2) Source: KB Economic Research estimate

3) Source of historical data: Czech Statistical Office; 2021F and 2022F: forecast of KB Economic Research

Czech GDP growth (% , yoy)³



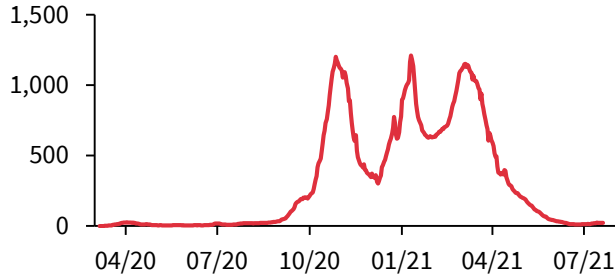
Inflation in Czech economy (% yoy)



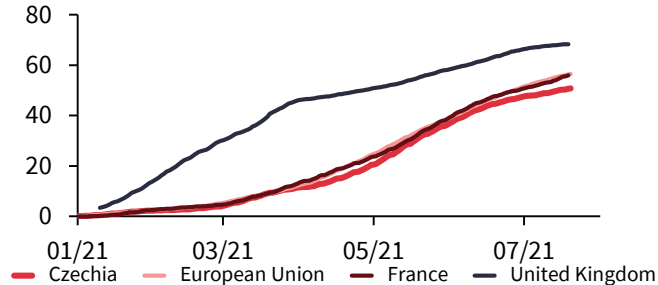
COVID-19 PANDEMIC UPDATE

Further re-opening on hold due to spread of Delta variant. Increasing vaccination, low hospitalisation rates

Czech Daily Incidence rate (smoothed, per 1M)



COVID-19 vaccinated per 100 inhabitants



Source: <https://ourworldindata.org/covid-vaccinations>, Ministry of Health of the Czech Republic.



- Pandemic situation:** Significantly declining numbers of infected people since April. In July, around 14 infected per week per 100,000 population. As of 23 July 2021, 40% of population fully vaccinated, 51% of population received at least one shot, 16% officially recovered from Covid-19
- Containment measures:** Emergency state terminated on 12 April 2021, followed by gradual re-opening. Restriction on events' capacity or attendance on certain premises when tested, inoculated or officially recovered from Covid-19 remain
- Public finance:** Public budget deficit in 2021 at 6.2% GDP (CZK 382 billion), leading to est. 41.7% public debt/GPD in 2021, driven by tax cuts, lower revenues due to the lockdown and higher spending for pandemic relief as well as increased retirement pensions, wages in public sector
- Next Generation EU recovery fund:** According to the plan approved by the EC, Czechia will receive EUR 7 billion (CZK 180 billion, 2.9% of GDP) in grants for projects protecting climate (42% of total allocation), digitalisation (22%). Pre-financing in 2021 to reach 13% of total amount, 70% to be committed in 2022, the rest by 2023
- Covid guaranteed lending:** As of 15 June 2021, the banks on the Czech market granted CZK 65.4 billion in loans guaranteed by state's CMZRB and EGAP agencies
- Dividend moratoria:** Czech National Bank extended bank dividend limitation for 2021, with the maximum limits at 100 bps RWA, 25% of cumulative 2019+20 profit, CAR higher than OCR+4 p.p., adjusted leverage ratio higher than 7%. Further individual limits to be set by Q3-21 upon SREP, ICAAP, ILAAP

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ON A PATH TO NET ZERO BY 2026

- **KB commits** to reducing its direct emissions (scope 1 and 2) in line with a 1.5°C scenario and will contribute to carbon removal projects with a view **to reaching carbon neutrality by 2026**
- In 2020, **KB reduced its carbon footprint by 35%** year on year, to 15 kilograms per client*. The reduction was driven both by pandemic restrictions but also by energy and water consumption optimization, waste reduction and sorting, moving out from inefficient buildings, plastic-free tableware, shift to paperless, digitalisation, recycling ATMs etc.
- KB is progressively **reducing its exposure to the coal sector**. For current clients with more than 25% of revenues linked to thermal coal, providing of new financing is subject to a public time-bound transition plan to exit coal-linked activities. No new services to clients with ≥50% of revenues from coal
- KB has implemented a **system for identifying and managing environmental and social risks** (ESRM) in financing of the corporate clients, which also takes into account requirements of Equator Principles for assessing larger projects and evaluates the Climate Vulnerability Indicators
- The **new products protecting climate** comprise discounted loans for household photovoltaic installations, ESG oriented mutual funds, preferential rates for loans with sustainable positive impact, solar energy as a service, etc.
- KB Jistota Foundation co-operates with INCIEN institute for **development of circular economy**, focused on upgrading public tendering and procurement

* certified by Preferred by Nature

FTSE4GOOD

Affirmed KB's participation to index of companies demonstrating strong ESG practices



O CO₂ JDE

Jde o udržitelnou budoucnost

KB's communication campaign promoting open discussion about sustainability, related risks, costs and solutions, as well as the role of banks

KB is chairing the Sustainable Finance Committee of the CBA and thus significantly contributes to creation of the ESG standards for the Czech banking industry



Společně udržitelně

Web portal sharing best practices and practical advice on a sustainable business

PERSISTENT INNOVATIVENESS

The Covered Bond Report

 Awards for Excellence

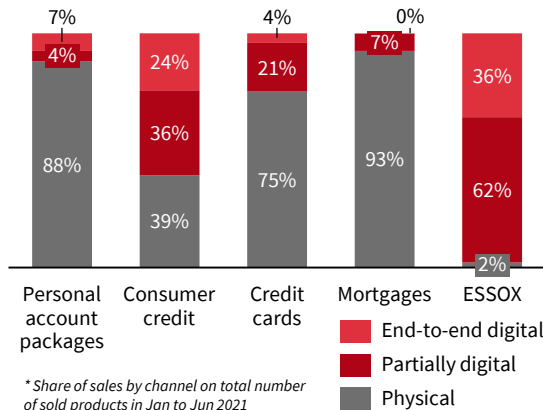
Award for Excellence 2021 - Pioneer category
 For KB's January issue of EUR denominated mortgage-backed securities that was one of the best in class and contributed to the development of the market by its difference from standard deals

UPVEST

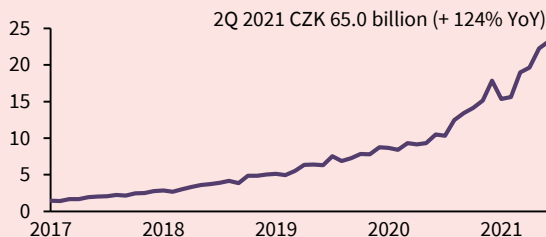
Via its KB Smart Solutions platform, KB increased its participation in Upvest real estate crowdfunding platform to 31.06%

Share of sales by channel*

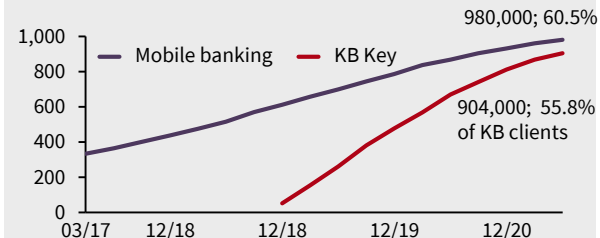
(selected product categories, %)



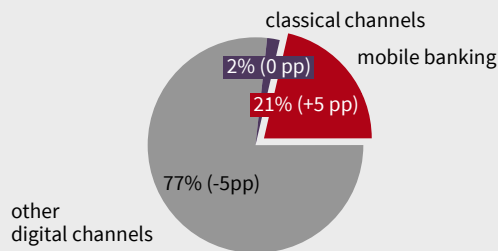
Mobile banking – volume of payments (CZK billion per month)



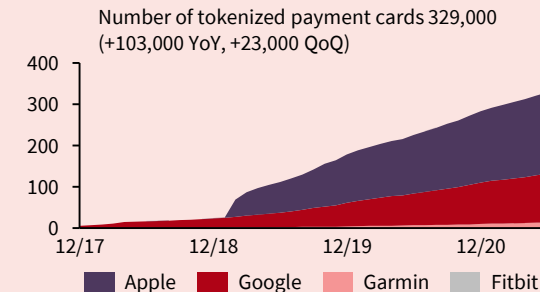
Mobile banking and KB Key penetration (in ths)



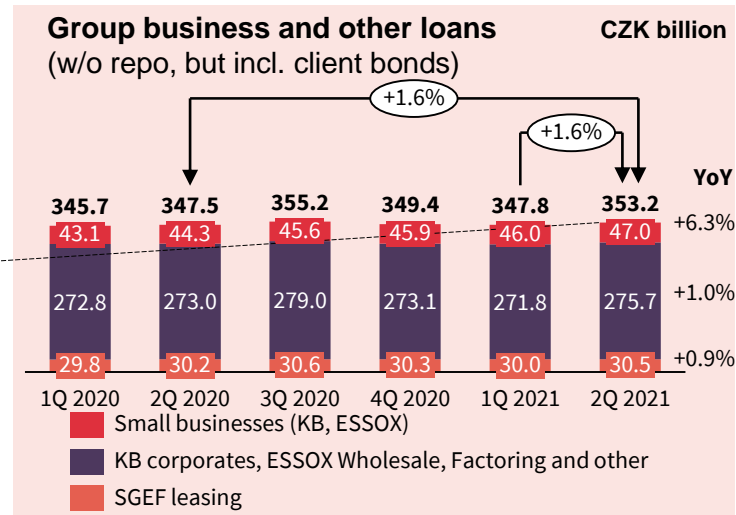
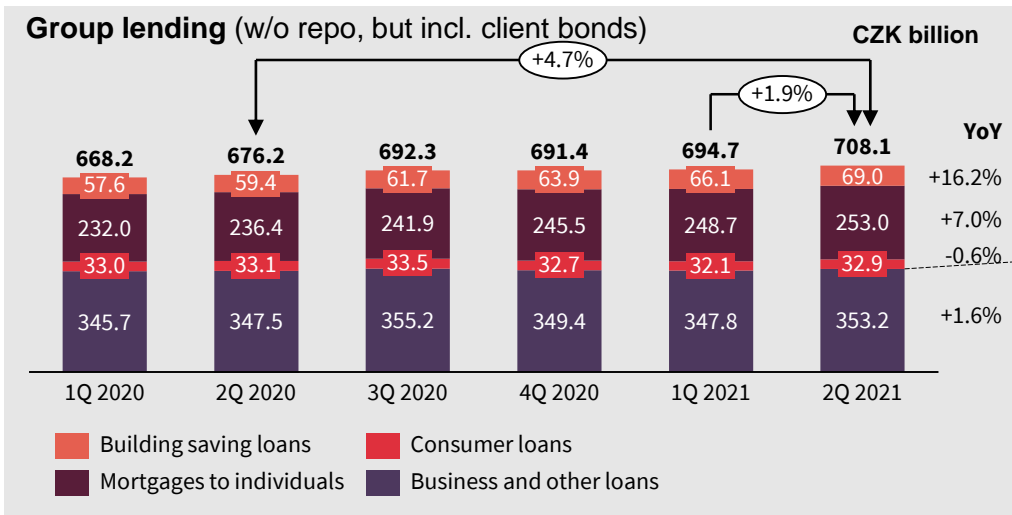
Share of channels on number of transactions (2Q 2021) (yoy change in brackets)



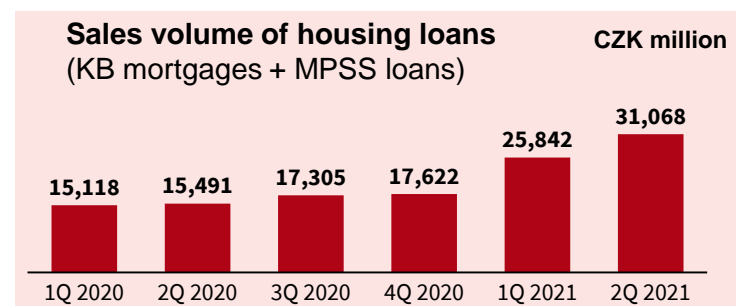
Digital wallet use



GROSS LENDING EXCLUDING REPO UP 4.7% YOY



- Gross amounts due from clients (including repo operations and debt securities issued by KB's corporate clients) +4.1% YoY, 1.8% QoQ to CZK 708.1billion
- Net loans to deposits ratio at 69.5%. Liquidity coverage ratio 203%
- Record high sales of mortgages in accordance with the market situation. Signs of a rebound in consumer lending
- Business lending YoY growth mainly driven by working capital financing, but also positive QoQ contribution from investment loans
- Negative contribution from 4.7% YoY appreciation of CZK v. EUR (to CZK value of EUR denominated loans to businesses) represents 0.7% of total lending



SELECTED DEALS OF THE 2Q 2021

MULTISECTOR HOLDING COMPANY

Energetický a průmyslový holding, a.s.

General Corporate Purpose Financing

EUR 1,000,000,000

Bookrunner, Mandated Lead Arranger, Original Lender, Agent

2021

CONSTRUCTION

DEK GROUP

Acquisition Financing

undisclosed

Coordinator, Arranger, Lender, Agent

2021

SERVICE COMPANIES

Czech Gas Network Investments
S.a.r.l.

Term Loan and RCF

undisclosed

Arranger, Original Lender, Agent

2021

REAL ESTATE

Avenir Business Park, s.r.o.

Real Estate Finance

EUR 41,600,000

Sole Lender

2021

REAL ESTATE

Aupark a.s.

Real Estate Finance

EUR 229,500,000

Participant

2021

MUNICIPALITIES

Statutární město Plzeň

Investment Loan

CZK 325,000,000

Sole Lender

2021

RETAIL AND REPAIR

DELIKOMAT s.r.o.

Investment Loan

CZK 140,000,000

Sole Lender

2021

MUNICIPALITIES

Městské vodovody a kanalizace s.r.o.

Investment Loan

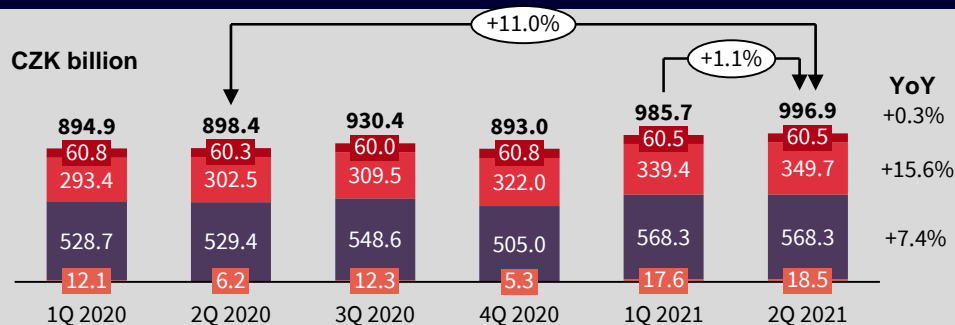
CZK 98,000,000

Sole Lender

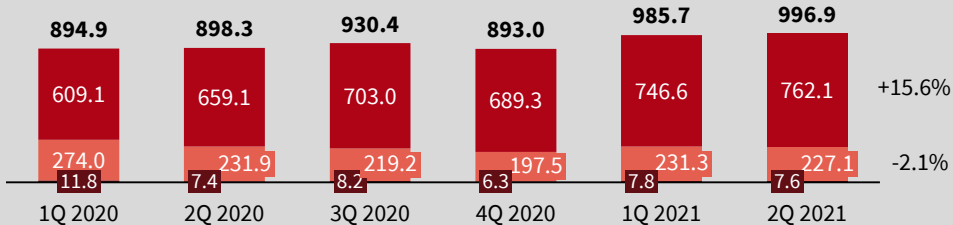
2021

CLIENT DEPOSITS UP BY 11.0% YOY, OTHER AUM +4.3%

GROUP DEPOSITS (excluding repo operations) CLIENT



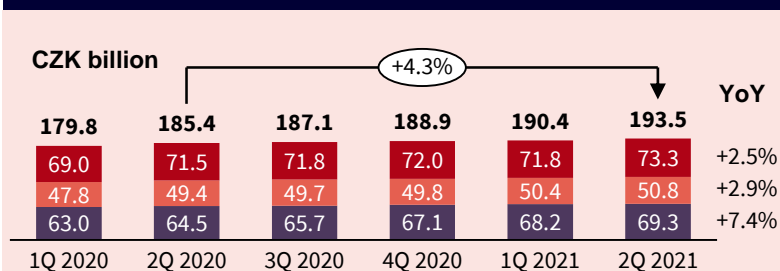
■ Building savings ■ KB Individual deposits ■ Business deposits ■ Other deposits



■ Current accounts ■ Term and savings accounts ■ Other payables to customers

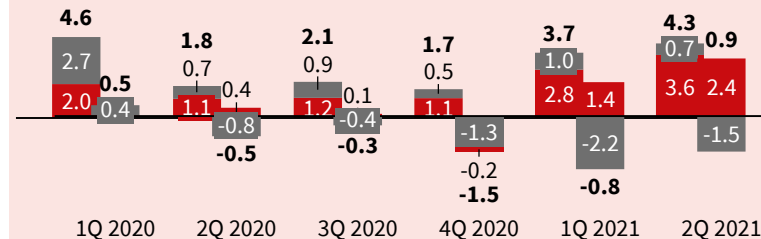
Total amounts due to clients (incl. repo op. with clients) +10.6% YoY, +2.0% QoQ to CZK 1,032.8 billion

NON-BANK ASSETS UNDER MANAGEMENT CLIENT



■ AUM in mutual funds
 ■ KP Life insurance reserves (total savings)
 ■ Client assets managed by KB Pension company

Gross and net sales of mutual funds



Left bar - gross sales / right bar - net sales

■ Fixed income funds
 ■ Equity & other funds

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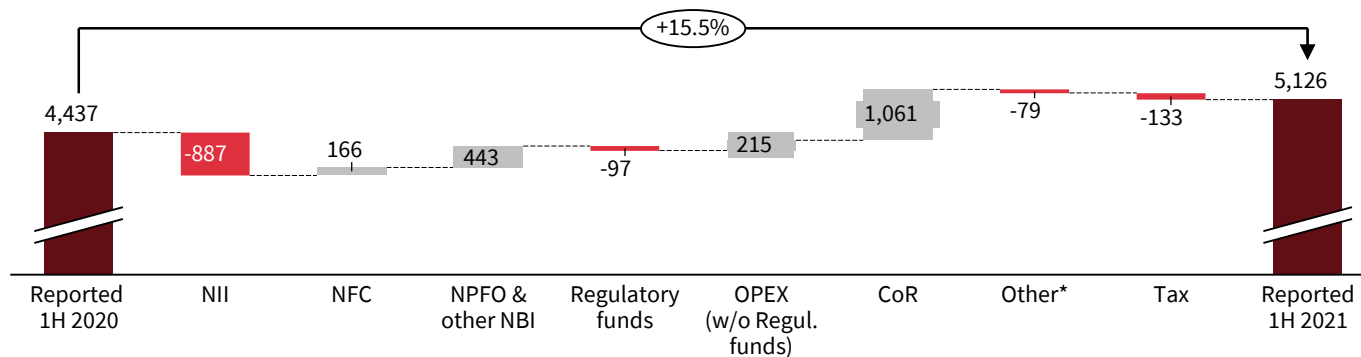
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PROFITABILITY RECOVERING FROM PANDEMIC HIT

Drivers for year on year change in attributable net income (as of 30 June 2021)



*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

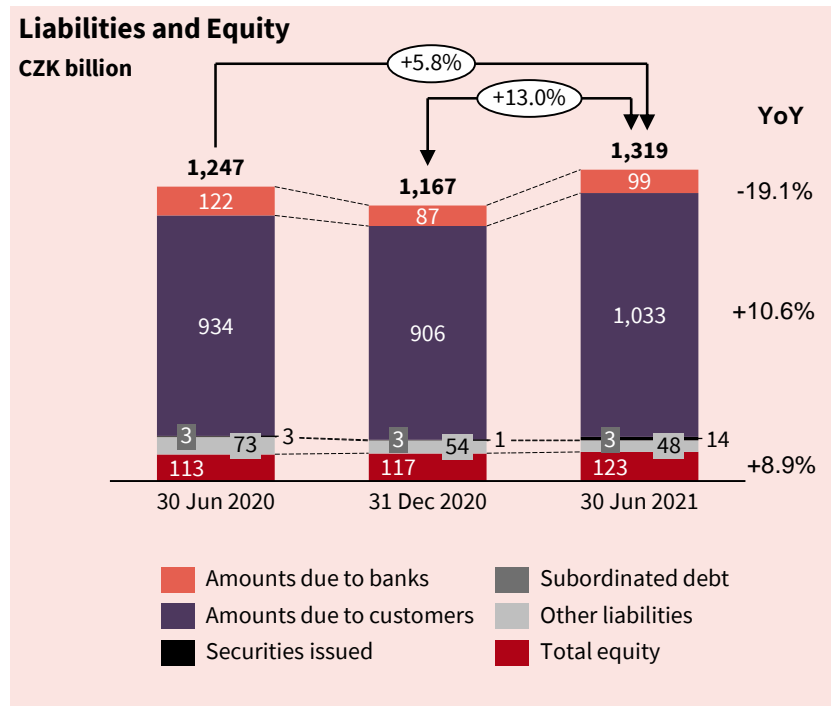
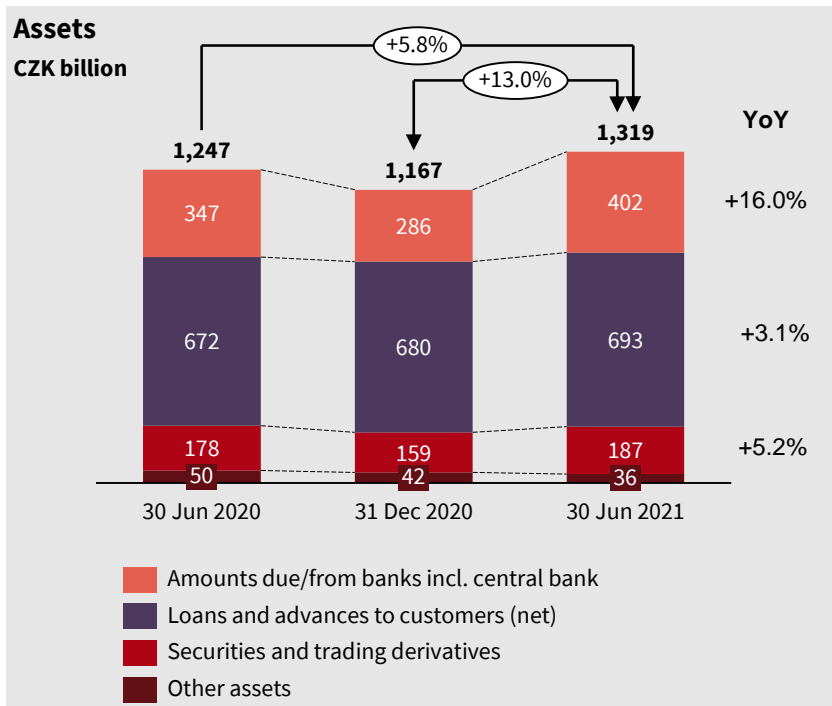
Profitability indicators for 1H 2021

Return on average equity	Return on average Tier 1 capital	Return on average tangible equity	Return on average assets
8.8% 9.5%**	10.0% 10.9%**	9.7% 10.5%**	0.8% 0.9%**

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

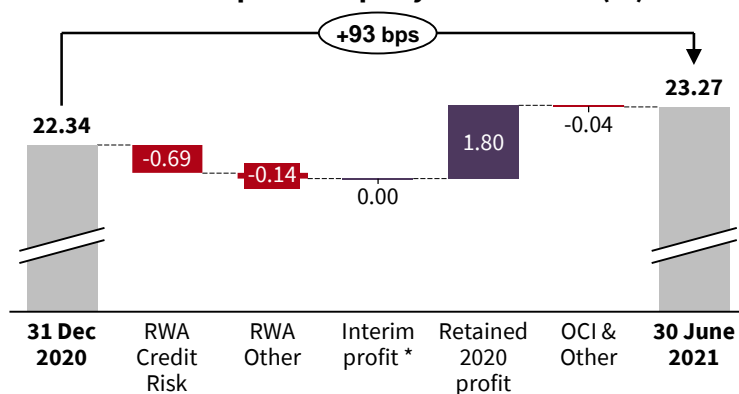
BALANCE SHEET GROWTH DRIVEN BY CLIENT DEPOSITS AND RETAINED EARNINGS

STATEMENT OF FINANCIAL POSITION



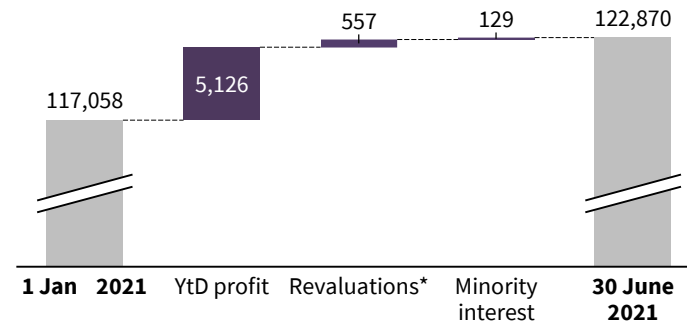
EARNINGS OF 2020 TO INCREASE CAPITAL BASE IN 2Q 21

Contributions to capital adequacy ratio in 2021 (%)



* In 2021, a dividend provision of 100% is applied on profit of the current year.

Contributions to equity in 2021 (CZK million)



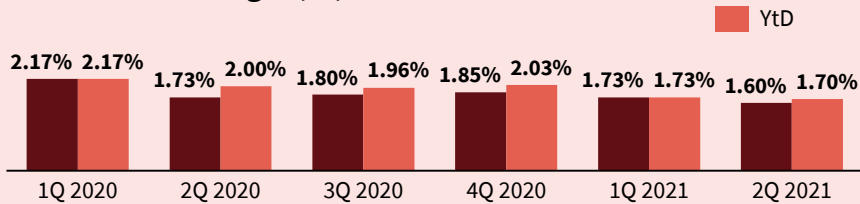
* Re-measurement of securities, cash flow hedges, FX positions and pension benefits

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	23.3%	22.7%	108.8	106.3	467.3	387.6	35.4%
31 Dec 2020	22.3%	21.7%	100.7	97.9	450.6	375.9	38.6%
30 Jun 2020	21.9%	21.3%	97.9	95.2	446.7	368.5	35.8%

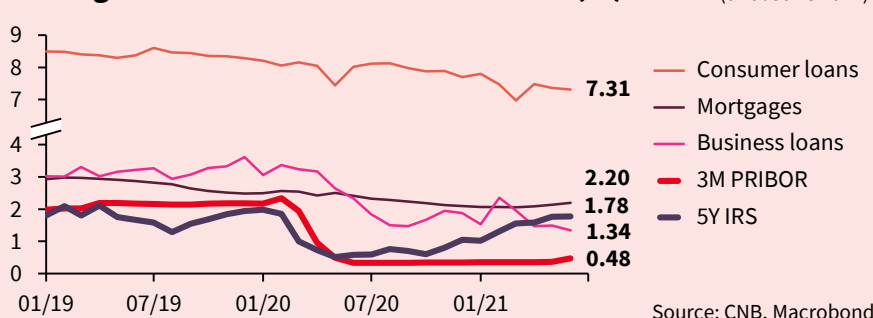
INTEREST INCOME BOTTOMED OUT

Net interest margin (%)

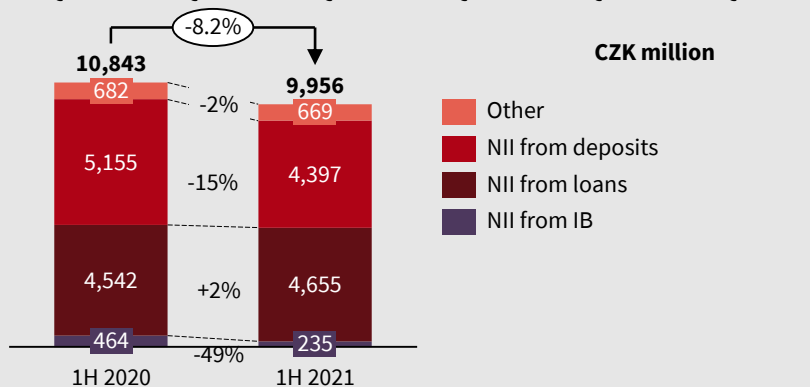
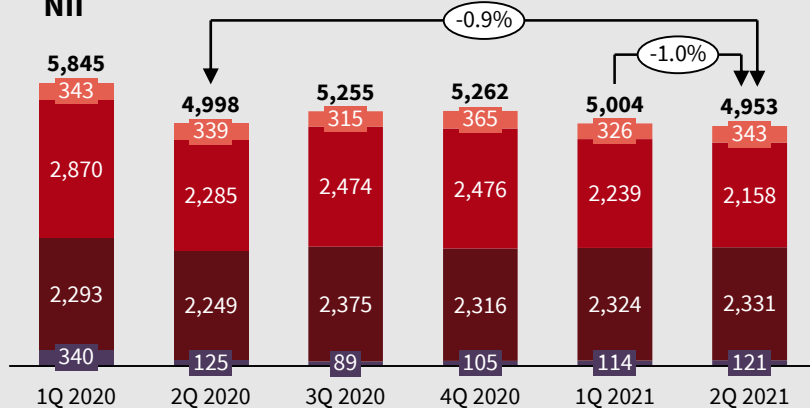


- NII from loans – positive volume effect, continued erosion of spreads in retail lending, stable spreads in business lending
- NII from deposits – residual effect from drop in reinvestment yields on maturing older reinvestments

Average market rates on new CZK loans (%)



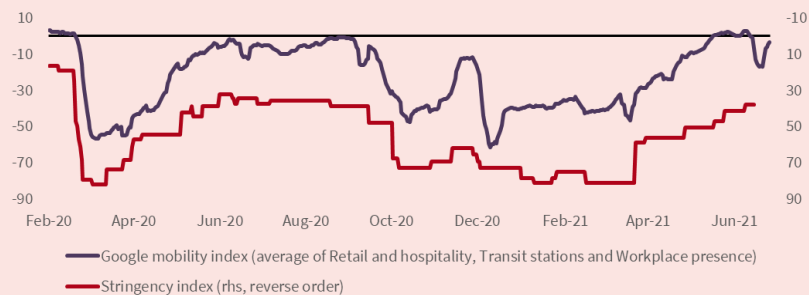
NII



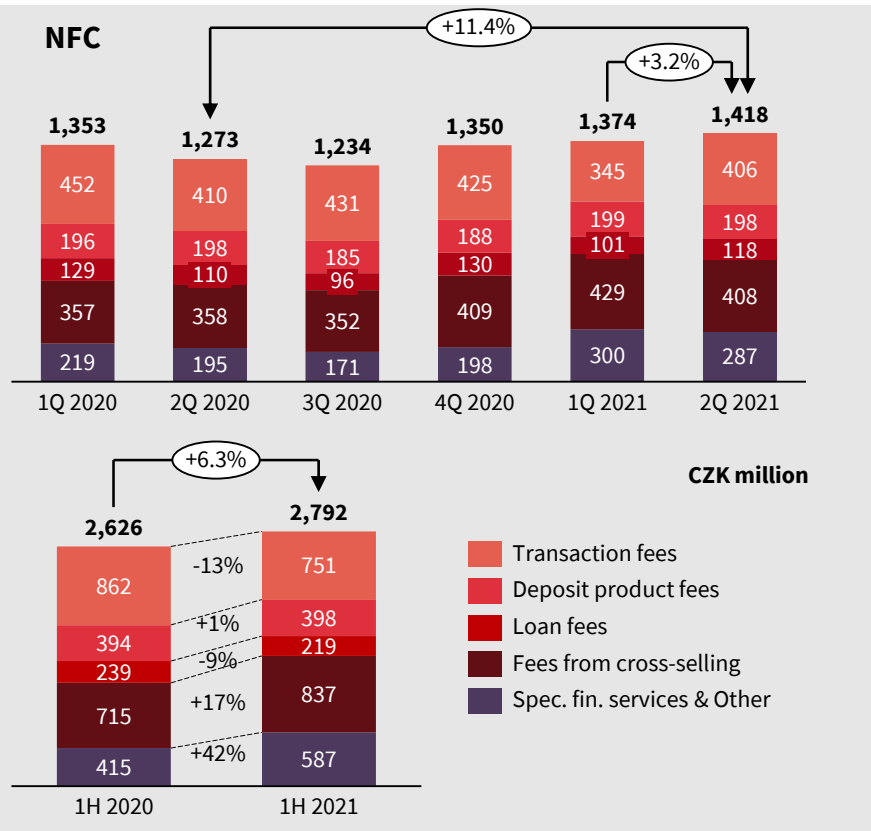
FEES BOOSTED BY RECOVERY IN ACTIVITY, SALES OF MUTUAL FUNDS, DCM SERVICES

- Transaction fees – rebound in activity in 2Q21 in card, non-cash, non-branch transactions

Google mobility indices vs. Stringency index



- Deposit product fees – reflecting number of accounts, clients upgrading their account packages
- Loan fees – affected by cost of guarantees for loans in COVID programmes
- Fees from cross-selling – up income from mutual funds, life insurance
- Specialised financial services and other fees – increase driven by several non-recurring large DCM and advisory deals

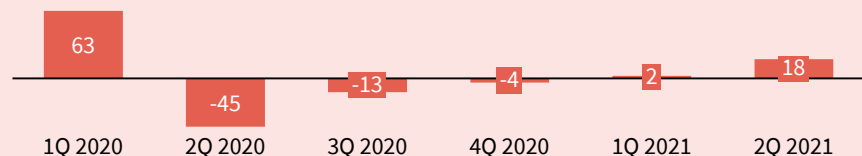


STRONG RESULT ON LARGE DEALS, VOLATILITY, HEDGING DEMAND

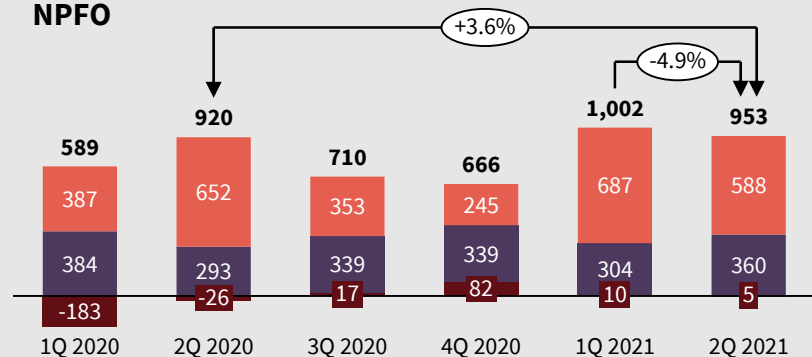
NET PROFIT FROM FINANCIAL OPERATIONS

- Base from 1H2020 affected by value adjustments of derivatives caused by the pandemic outbreak, mostly reversed in later quarters
- Appreciating CZK and expectations of a sooner CNB rate hike influenced client demand for IR and FX hedging
- Result supported by growing activity of SME clients via eTrading platform, successful development of hedging strategies for clients and correct inventory positioning
- Improvement in gains on FX from payments linked to partial recovery in travelling and related currency conversions

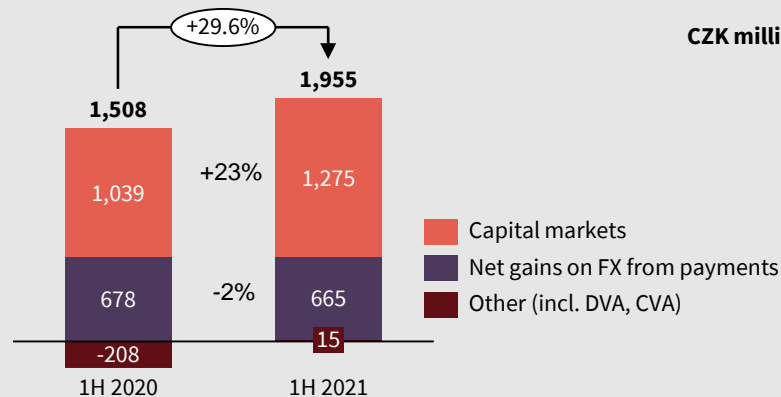
Quarterly DVA contribution to NPFO CZK million



NPFO

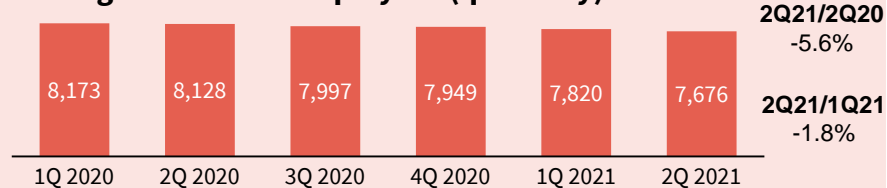


CZK million



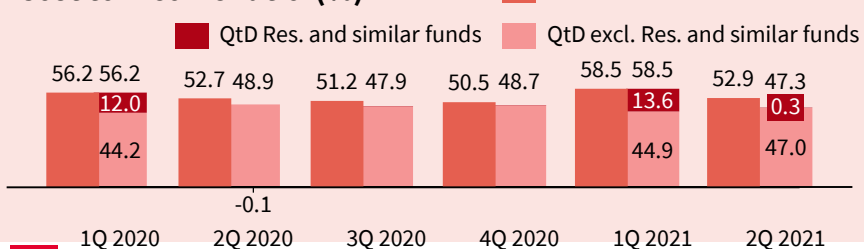
OPERATING COSTS FLAT

Average number of employees (quarterly)

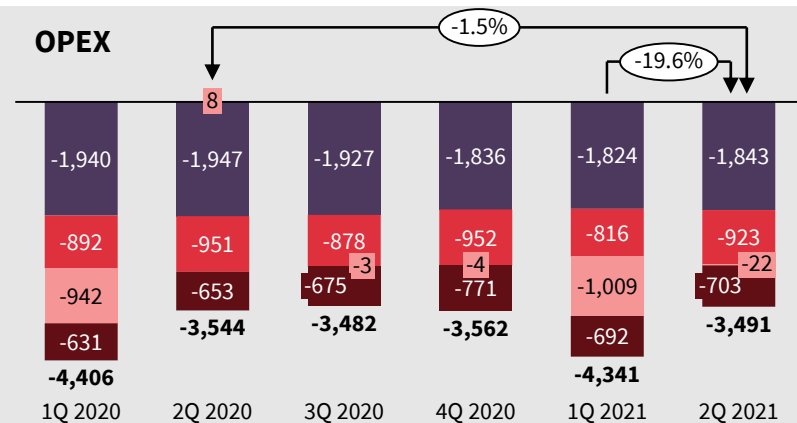


- Personnel costs – 1H 2021 average FTE -4.9% YoY at 7,748, stable salaries in 2021
- Administrative costs – stable underlying costs YoY, driven up by IT support, marketing offset by lower real estate costs. Comparison influenced by CZK 95 mil. transformation provision in 2Q20, utilised in 2H20. Higher IT and marketing QoQ
- Regulatory funds – Bank sector charge for RES fund up 15% YoY
- D&A increase driven by software and IT equipment

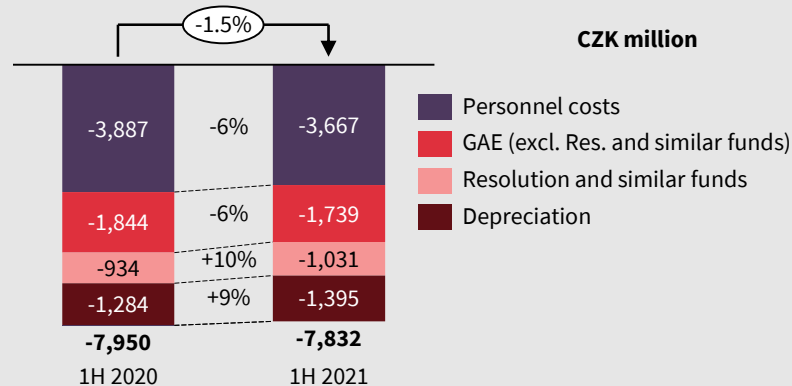
Cost to Income ratio (%)



OPEX



CZK million



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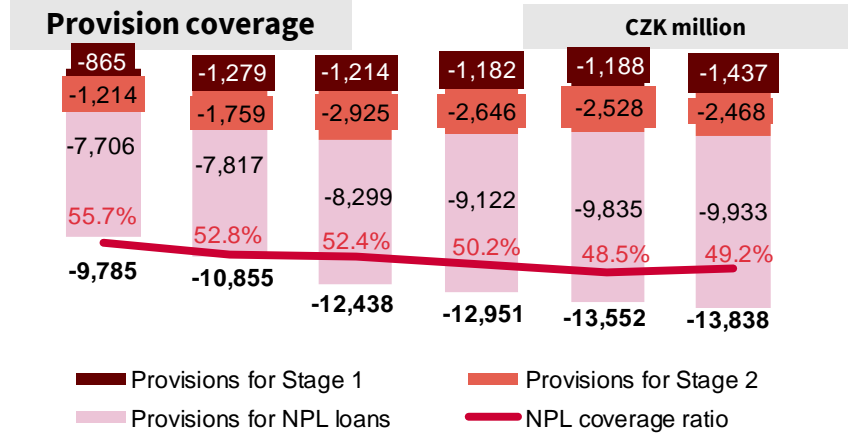
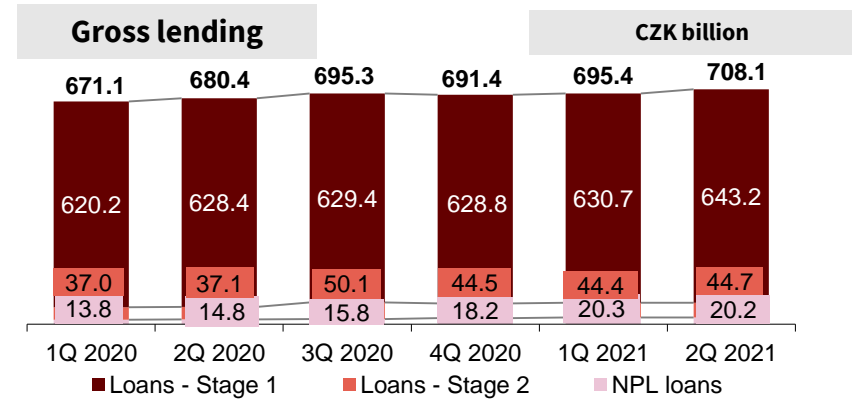
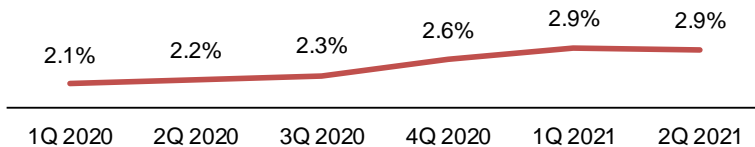
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2Q 2021 ASSET QUALITY

- Loan exposure up by 4.1 % YoY, up by 1.8% QoQ
- Continued resilience of KB loan portfolios
 - Stable share of Stage 2 exposures (below 6.5%)
 - Stable share of NPL exposures (below 3%)
- Stable NPL provision coverage ratio at 49%

Share of NPL exposure

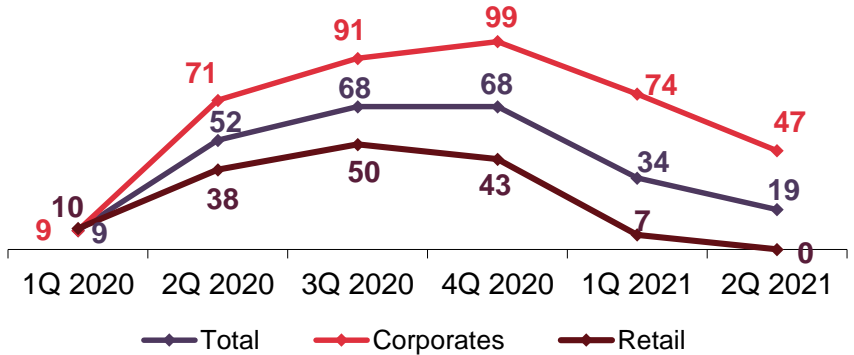


2Q COST OF RISK DEVELOPMENT

- 2Q 2021 CoR net creation at CZK 82 million
- CZK 138 million created on corporate portfolios
 - Portfolio provisions for selected Covid-sensitive sectors
 - Limited migration intensity into NPL
- CZK 63 million released on retail portfolios
 - Limited migration intensity into NPL
 - Good recovery performance levels
- IFRS9 provisioning models recalibration (from the latest macroeconomic outlook) with limited provision reversal impact

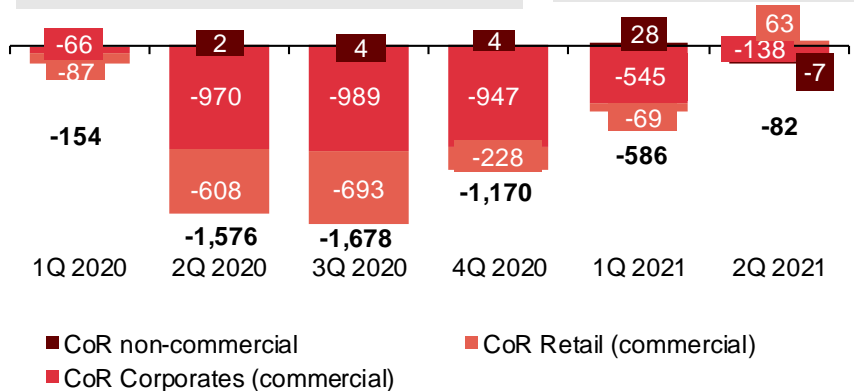
Total Cost of Risk

(Year-to-date, in basis points)



Total Cost of Risk development

CZK million



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BASELINE OUTLOOK FOR 2021 (UPDATE AS OF JULY)

Investors are advised to consider higher than usual level of uncertainty and risks

Macroeconomic assumptions

- Czech economy expected to grow by aprox. 4% after a sharp drop in 2020. Growth should be driven mainly by household consumption. Investments to pick up later in the year.
- Average consumer price inflation expected to reach 2.8%.
- Monetary policy normalisation expected to continue, a total of three hikes per 25 bps expected in 2021.

Banking market outlook

- Lending market to grow at mid-single digit pace in 2021, with housing loans still relatively faster, while consumer lending and business lending to grow only slightly with possible acceleration later in the year.
- Bank deposits should grow again strongly, faster than loans, both in retail and corporate.

KB business outlook

- KB Group lending to grow at higher mid-single digit pace in retail, mid-single digit in corporate segments.
- Deposit growth at high-single digits, both in retail & corporate, except for flattish Modrá pyramid.
- Implementation of KB Change 2025 strategy, building of the new digital bank according to plan.

KB financial outlook

- Revenues flattish with slightly lower NII due to a sharp drop in interest rates in H1-2020 affecting reinvestment yields. NFC to rebound by mid-single digits on improved economic activity and cross-selling. NPFO should increase by low teen figure driven by hedging demand, return of travel related flows.
- OPEX to remain flattish, with higher costs related to digital transformation offset by lower personnel expenses, reflecting savings at headquarters and downsizing of branch network.
- Risk costs in FY 2021 to decrease significantly year on year, thanks to post-pandemic recovery and effective public support.

Potential risks to the outlook

- Insufficient vaccination results, worsening pandemic situation leading to recurring lockdowns.
- Worsening external environment, such as a due to major disruptions in global supply chains.
- Abrupt change in the fiscal policy, withdrawal of stimulus or low transmission of tax cuts to demand.
- Further decline in CZK interest rates, large shifts in FX rate.

CONTENTS

Highlights of 1H 2021

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook for 2021

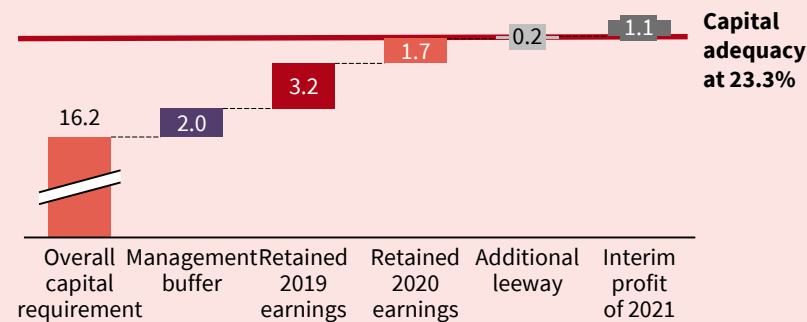
Appendix

RETURN TO NORMAL CAPITAL MANAGEMENT POSTPONED BY EXTENSION OF DIVIDEND RESTRICTIONS

- In March 2021, the CNB announced that it is setting the profit distribution restrictions in co-ordination with other regulators within the ESRB. The CNB has recommended that KB refrains from making any dividend distribution from its profits unless mutual consensus is reached through prior joint discussion between KB and the supervisory authority.
- The CNB has set limits for maximum dividends from the profits of 2019 and 2020, applicable for all banks under CNB's supervision.
- Among the announced limits, the lowest and thus most relevant for KB is the value of 100 bps of the total RWA as of 31 December 2020, which corresponds to approximately CZK 4.5 billion or CZK 23.86 per share.
- In the following step, the CNB will assess on an individual basis the risk profile and business model of the institutions, which assessment may lead to further decrease of the generally applicable limits.
- The CNB said it expected to be ready to communicate the results of the assessment of the proposals for dividend payments during 3Q 2021.
- Komerční banka's Board of Directors intends to call in 4Q 2021 an extraordinary general shareholders' meeting once the payment of dividends is validated by the regulator.

Limitations for dividend payouts as set by the CNB for all Czech banks	Corresponding payout (CZK million)	Corresponding DPS (CZK)	As % of 2019+2020 profit	Pro forma impact on CAR 4Q 2020
100 bps of RWA as 31 Dec 2020	4,506	23.86	19.50%	-1.00%
25% of cumulative 2019 + 2020 net profit	5,765	30.33	25.00%	-1.28%
≥ OCR + 4 p.p.	9,636	50.70	41.80%	-2.14%
Adjusted leverage ≥ 7%	21,763	114.51	94.40%	-4.83%

KB's capital position vis-à-vis regulatory requirement



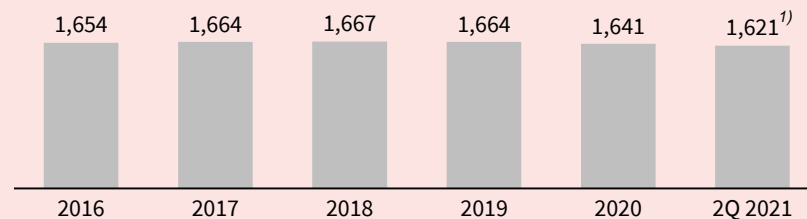
NUMBER OF CLIENTS AND DISTRIBUTION NETWORK

	2Q 2020	2Q 2021	YoY
Number of clients			
KB Group's clients	2,312,000	2,244,000	-68,000 ^{1), 2)}
Komerční banka	1,657,000	1,621,000	-36,000 ¹⁾
– individual clients	1,402,000	1,378,000	-24,000 ¹⁾
– internet banking clients	1,433,000	1,447,000	15,000
– mobile banking clients	868,000	980,000	112,000
Modrá pyramida	483,000	487,000	4,000
KB Penzijní společnost	527,000	523,000	-4,000
ESSOX (Group)	159,000	142,000	-17,000 ²⁾
Distribution network			
KB Retail branches	275	243	-32
Modrá pyramida points of sale	200	200	0
SGEF branches	9	9	0
ATMs	802	846	44
of which deposit-taking	406	477	71
of which contactless	268	552	284
Number of active debit cards	1,406,000	1,408,000	2,000
Number of active credit cards	181,000	183,000	1,000
Number of cards virtualized into payment apps	226,000	329,000	103,000
KB key authentication users	670,000	904,000	234,000

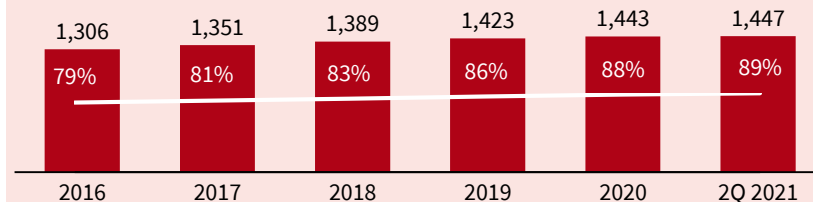
1) Year on year decline affected by termination of accounts as a result of Know-Your-Client remediation process.

2) Year on year decline influenced by termination of non-active credit card relationships.

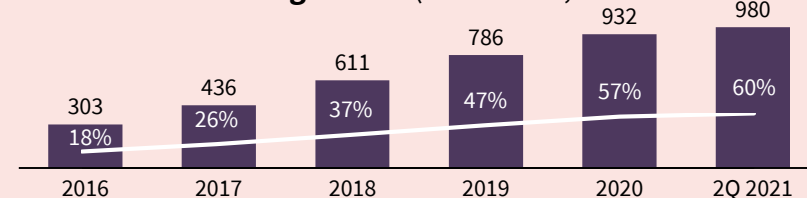
Number of bank clients (thousands, CZ)



KB Internet banking clients (thousands, % of total)



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



INCOME STATEMENT

Profit and Loss Statement

	Reported		
(CZK million, unaudited)	1H 2020	1H 2021	Change YoY
Net interest income	10,843	9,956	-8.2%
Net fee & commission income	2,626	2,792	6.3%
Net profit of financial operations	1,508	1,955	29.6%
Dividend and other income	106	102	-3.8%
Net banking income	15,083	14,805	-1.8%
Personnel expenses	-3,887	-3,667	-5.7%
General admin. expenses (excl. regulatory funds)	-1,844	-1,739	-5.7%
Resolution and similar funds	-934	-1,031	10.4%
Depreciation, amortisation and impairment of operating assets	-1,284	-1,395	8.6%
Total operating expenses	-7,950	-7,832	-1.5%
Operating profit	7,133	6,973	-2.2%
Impairment losses	-1,830	-693	-62.1%
Net gain from loans and advances transferred and written off	101	25	-75.0%
Cost of risk	-1,729	-668	-61.4%
Net operating income	5,404	6,305	16.7%
Income from share of associated companies	143	106	-25.9%
Profit/(loss) attributable to exclusion of companies from consolidation	0	25	n.a.
Net profits on other assets	2	25	>100%
Profit before income taxes	5,549	6,461	16.4%
Income taxes	-1,070	-1,203	12.4%
Net profit	4,479	5,258	17.4%
Profit attributable to the Non-controlling owners	42	132	>100%
Profit attributable to the Group's equity holders	4,437	5,126	15.5%

QUARTERLY INCOME STATEMENT

Profit and Loss Statement

(CZK million, unaudited)	Reported				
	2Q 2020	1Q 2021	2Q 2021	Change YoY	Change QoQ
Net interest income	4,998	5,004	4,953	-0.9%	-1.0%
Net fee & commission income	1,273	1,374	1,418	11.4%	3.2%
Net profit of financial operations	920	1,002	953	3.6%	-4.9%
Dividend and other income	51	43	59	15.7%	37.2%
Net banking income	7,241	7,422	7,383	2.0%	-0.5%
Personnel expenses	-1,947	-1,824	-1,843	-5.3%	1.0%
General admin. expenses (excl. regulatory funds)	-951	-816	-923	-2.9%	13.1%
Resolution and similar funds	8	-1,009	-22	+/-	-97.8%
Depreciation, amortisation & impairment of op. assets	-653	-692	-703	7.7%	1.6%
Total operating expenses	-3,544	-4,341	-3,491	-1.5%	-19.6%
Operating profit	3,697	3,081	3,892	5.3%	26.3%
Impairment losses	-1,594	-598	-95	-94.0%	-84.1%
Net gain from loans and advances transferred and written off	20	12	14	-31.9%	16.4%
Cost of risk	-1,576	-586	-82	-94.8%	-86.0%
Net operating income	2,122	2,495	3,810	79.5%	52.7%
Income from share of associated companies	65	57	50	-23.1%	-12.3%
Profit/(loss) attributable to exclusion of companies from consolidation	0	0	25	n.a.	n.a.
Net profits on other assets	-13	5	20	+/-	>100%
Profit before income taxes	2,175	2,556	3,905	79.5%	52.8%
Income taxes	-424	-492	-710	67.5%	44.3%
Net profit	1,751	2,064	3,194	82.4%	54.7%
Profit attributable to the Non-controlling owners	-28	67	65	+/-	-3.0%
Profit attributable to the Group's equity holders	1,779	1,997	3,129	75.9%	56.7%

BALANCE SHEET

Balance Sheet (CZK million, unaudited)	30 Jun 2020	31 Dec 2020	30 Jun 2021	YoY rel.	YoY abs.	Ytd rel.	Ytd abs.
Assets	1,246,614	1,167,131	1,318,604	5.8%	71,990	13.0%	151,473
Cash and current balances with central bank	27,510	23,547	24,279	-11.7%	-3,231	3.1%	732
Loans and advances to banks	319,222	262,606	377,834	18.4%	58,612	43.9%	115,228
Loans and advances to customers (net)	671,698	679,956	692,813	3.1%	21,115	1.9%	12,857
Securities and trading derivatives	178,116	158,916	187,423	5.2%	9,307	17.9%	28,507
Other assets	50,068	42,106	36,255	-27.6%	-13,813	-13.9%	-5,851
Liabilities and shareholders' equity	1,246,614	1,167,131	1,318,604	5.8%	71,990	13.0%	151,473
Amounts due to banks	122,004	86,572	98,706	-19.1%	-23,298	14.0%	12,134
Amounts due to customers	933,635	906,217	1,032,789	10.6%	99,154	14.0%	126,572
Securities issued	2,583	1,148	14,014	>100%	11,431	>100%	12,866
Subordinated debt	2,680	2,629	2,553	-4.7%	-127	-2.9%	-76
Other liabilities	72,903	53,507	47,673	-34.6%	-25,230	-10.9%	-5,834
Total equity	112,810	117,058	122,870	8.9%	10,060	5.0%	5,812
o/w Minority equity	3,144	3,242	3,372	7.3%	228	4.0%	130

CAPITAL & PROFITABILITY INDICATORS

(year-to-date, IFRS 9)	Reported			Adjusted for IFRIC 21 linearisation*	
	30/06/2020	31/12/2020	30/06/2021	30/06/2020	30/06/2021
	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9
Capital adequacy	21.9%	22.3%	23.3%		
Tier 1 ratio = Core Tier 1 ratio	21.3%	21.7%	22.7%		
Risk weighted assets for credit risk (CZK billion)	368.5	375.9	387.6		
Net interest margin, annualised	2.0%	2.0%	1.7%		
Loan (net) / deposit ratio (excl. repo with clients)	74.3%	76.1%	69.5%	74.3%	69.5%
Cost / income ratio	52.7%	50.5%	52.9%	49.6%	49.4%
Return on average equity (ROAE), annualised	8.2%	7.4%	8.8%	8.9%	9.5%
Return on average Tier 1 capital	9.9%	9.0%	10.0%	10.7%	10.9%
Return on average tangible equity (ROTE)	9.1%	8.2%	9.7%	9.8%	10.5%
Return on average assets (ROAA), annualised	0.8%	0.7%	0.8%	0.8%	0.9%
Earnings per share (CZK), annualised	47	43	54	51	59
Average number of employees during the period	8,150	8,061	7,748		

* **Adjusted for** linearised IFRIC 21 charges for regulatory funds

Net interest margin = Annualised Net interest income / Average interest earning assets

1H 2021 COST OF RISK STRUCTURE

Key components	Contribution to 1H 2021 CoR
Corporate NPL portfolio	8 bps
Corporate performing portfolio (Stages 1 & 2)	10 bps
Retail NPL portfolio	4 bps
Retail performing portfolio (Stages 1 & 2)	-1 bps
IFRS9 models recalibration (latest macroeconomic outlook)	-1 bps
Statutory CoR (EBA new Definition of Default)	-1 bps
TOTAL	19 bps

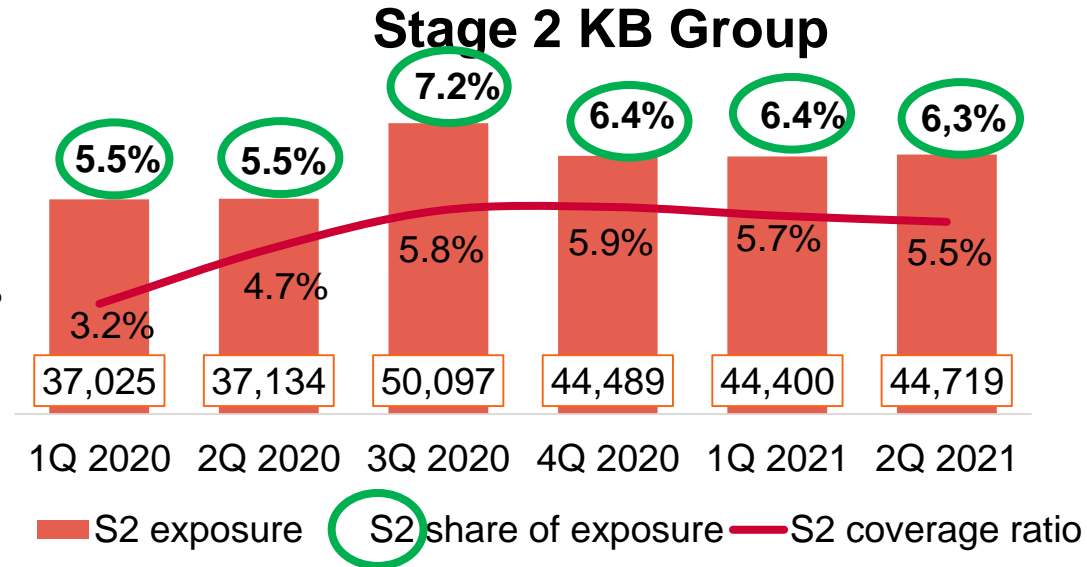
TERMINATED LOAN MORATORIUM PORTFOLIOS

CZK billion	Total moratorium exposure	o.w. defaulted exposure	% of defaulted exposure	o.w. non-defaulted exposure with DPD >10	% of non-defaulted exposure with DPD >10
Corporates	26.5	2.7	10.4%	0.3	1.3%
Mortgages	28.7	1.6	5.6%	0.1	0.5%
Other Retail	6.9	0.9	12.6%	0.1	0.9%
KB Group Total	62.1	5.2	8.4%	0.6	0.9%

- Terminated loan moratorium exposure at CZK 62.1 billion as of June 2021
 - 8.8% of total loan exposure
- Contained risk profile as of June 2021
 - Low share of defaulted exposure at 8.4% (vs. 7.9% as of 1Q 2021)
 - Level of payment incidents rate below 1% (days-past-due measure)

STAGE 2 EXPOSURE EVOLUTION

- QoQ stable Stage 2 share at 6.3%
- QoQ migrations between stages S1 and S2 reflecting active loan portfolio monitoring activities with marginal net impact on risk classification
- QoQ stable stage 2 provision coverage ratio at 5.5%
- Prudent provisions of selected Covid-sensitive portfolios
- Limited provision reversals from IFRS9 models recalibration (latest macroeconomic outlook)
- Prudent approach to IFRS9 macroeconomic scenarios and related provisioning



LENDING WITH STATE COVID GUARANTEE

As of 30 June 2021

GUARANTEED COVID LENDING	No. of clients	Signed (CZK million)	Outstanding exposure* (CZK million)
Covid II	938	4,013	3,478
Covid Prague	65	380	280
Covid III	2,298	15,675	14,576
Covid Plus	18	3,219	2,503
Total	3,319	23,287	20,836

** according to ČNB methodology*

BUSINESS PERFORMANCE OF SUBSIDIARIES

1/2

OVERVIEW OF KB SUBSIDIARIES

	1H 2020	1H 2021	YoY
Modrá pyramida (100%), #2 building savings & loans company			
Volume of new loans (CZK million)	8,318	17,271	108%
Volume of total loans (gross, CZK million)	59,374	69,013	16%
Volume of deposits (CZK million)	60,322	60,482	0%
Number of clients	483,072	487,211	1%
Average number of FTEs	330	321	-3%
Number of points of sale	200	200	0%
KB Penzijní společnost (100%), a manager of pension funds			
Number of new contracts	14,598	18,922	30%
Number of clients	527,134	523,422	-1%
Assets under management (CZK million)	64,531	69,337	7%
of which in Transformed fund	56,080	58,174	4%
Average number of FTEs	47	49	4%
ESSOX (50.93%), #2 non-bank consumer lender and car financing company			
Volume of total loans (gross, CZK million)	16,258	17,986	11%
Number of active clients	158,559	141,567	-11%
Average number of FTEs	390	393	1%

BUSINESS PERFORMANCE OF SUBSIDIARIES

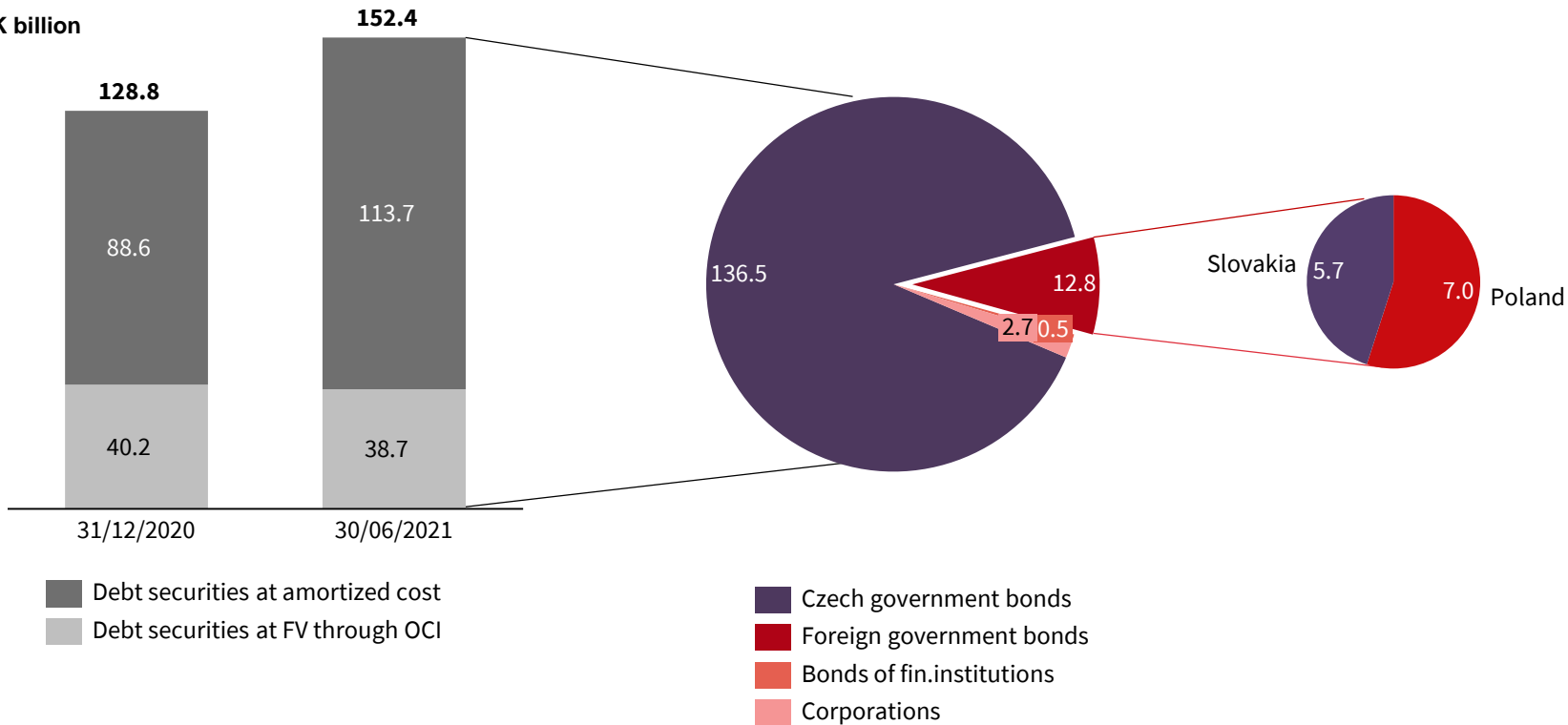
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OVERVIEW OF KB SUBSIDIARIES

	1H 2020	1H 2021	YoY
Factoring KB (100%), #1 on the Czech factoring market			
Factoring turnover (CZK million)	23,436	28,614	22%
Volume of total financing (gross, CZK million)	7,011	8,546	22%
Average number of FTEs	42	41	-3%
Komerční pojišťovna (49%), a universal insurance company			
Volume of technical reserves - Saving (CZK million)	49,400	50,848	3%
Gross written premium (CZK million)	4,765	5,196	9%
of which in life insurance	4,413	4,809	9%
of which in non-life insurance	352	388	10%
Average number of FTEs	232	237	2%
SGEF Czech Republic (50.1%), a provider of asset-backed financing in Czech Rep. and Slovakia			
Volume of new financing (CZK million)	5,744	7,202	25%
Volume of total financing (gross, CZK million)	30,204	30,471	1%
Average number of FTEs	142	140	-1%

DEBT SECURITIES PORTFOLIO IN THE BANKING BOOK

CZK billion



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

MACROECONOMIC ENVIRONMENT – CZECHIA

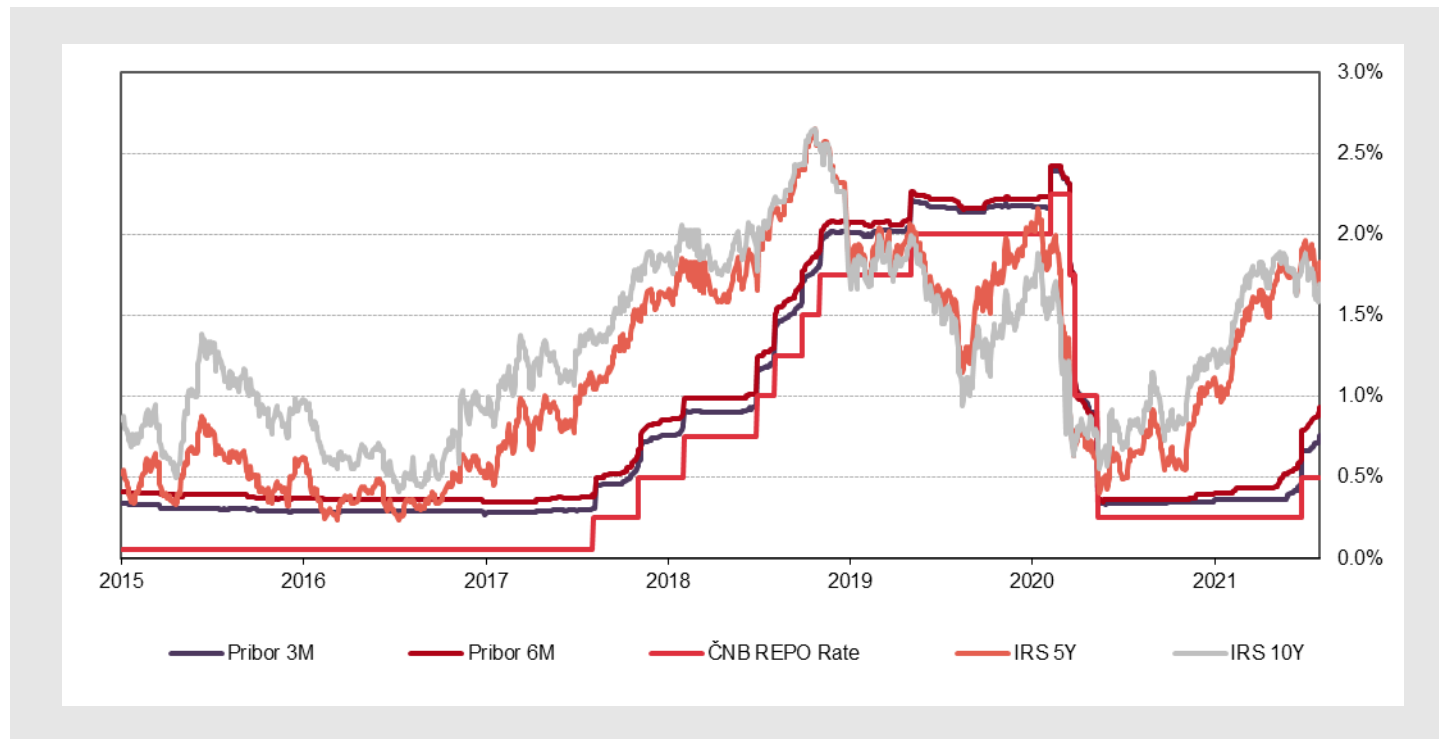
Macroeconomic Indicators	2016	2017	2018	2019	2020	2021*	2022*
Real GDP (% , average)	2.4	5.4	3.2	3.0	-5.8	4.2	5.3
Inflation (% , average)	0.7	2.5	2.1	2.8	3.2	2.8	2.4
Household consumption (% , average)	3.7	4.1	3.3	2.6	-7.0	1.4	6.5
Unemployment (% , av., ILO meth.)	4.0	2.9	2.2	2.0	2.6	3.4	3.1
M2 (% , average)	8.6	9.5	5.3	6.9	10.0	8.3	6.5
3M PRIBOR (% , average)	0.3	0.4	1.3	2.1	0.9	0.8	1.9
Potential of the market **	2016	2017	2018	2019	2020	2021*	2022*
Loans / GDP (year-end)	61.5	60.3	61.0	59.6	63.1	62.8	62.1
Deposits / GDP (year-end)	78.6	81.5	82.1	81.8	90.6	95.7	93.7
Real estate loans / GDP (year-end)	22.0	22.4	23.0	23.0	25.2	25.6	25.3
Household loans / GDP (year-end)	27.7	28.1	28.6	28.5	31.0	31.3	31.0
Corporate loans / GDP (year-end)	33.8	32.2	32.4	31.1	32.2	31.6	31.1

* KB estimate

** Banking sector

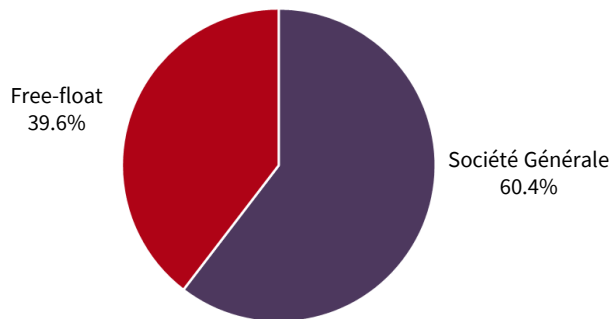
INTEREST RATES EVOLUTION

For the period 1 Jan 2015 – 30 July 2021



KB #1 LISTED CZECH BANK

Shareholder structure



Development of KB share price and PX index (1 January 2001 – 30 July 2021)



- The number of shareholders comprised 57,851 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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