

PRAGUE, 4 NOVEMBER 2022

KB GROUP RESULTS AS OF 30 SEP 2022 AND STATUS OF KB CHANGE 2025 IMPLEMENTATION

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 September 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

CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook update for 2022

KB Change 2025 Year 2 delivery

Appendix

HIGHLIGHTS AS OF 30 SEPTEMBER 2022

Solid business and financial performance, resilient asset quality, acknowledgements for sustainability

Loans (gross) *

CZK 787.2 billion

+8.6% YoY / **+ 2.3%** QoQ

Client deposits *

CZK 1,010.1 billion

-3.2% YoY / **-1.4%** QoQ

Non-bank assets under management

CZK 210.0 billion

+5.3% YoY / **+2.1%** QoQ

Revenues

9M 22: **CZK 29.0** bil. / **+28.2%** YoY

3Q 22: **CZK 9.8** bil. / **+25.8%** YoY

Operating expenses

9M 22: **CZK 12.1** bil. / **+6.4%** YoY

3Q 22: **CZK 3.7** bil. / **+3.8%** YoY

Cost of Risk

9M 22: **CZK 1.2** bil. / **21** bps

3Q 22: **CZK 0.7** bil. / **32** bps

Net Profit

9M 22: **CZK 12.9** bil. / **+51.1%** YoY

3Q 22: **CZK 4.6** bil. / **+34.3%** YoY

ROE / ROA

9M 22: **13.8%** / **1.3%**

3Q 22: **14.8%** / **1.2%**

Core Tier 1 / Capital adequacy

20.5% / **21.1%**

KB Group / KB clients

2,246,000 / 1,651,000

+9,000 / +28,000 YoY

Proposed catch-up distribution from
2019 + 2020 earnings, retained due to
pandemic restrictions

CZK 10.5 bil. / 55.5 per share, bef. tax

MSCI
ESG RATINGS



CCC | B | BB | BBB | A | AA | AAA

RATING ACTION DATE: October 21, 2022

S&P Global

S&P Global ESG
2022 Score

54



FTSE4Good

Notes: * excluding repo / reverse repo operations with clients

CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook update for 2022

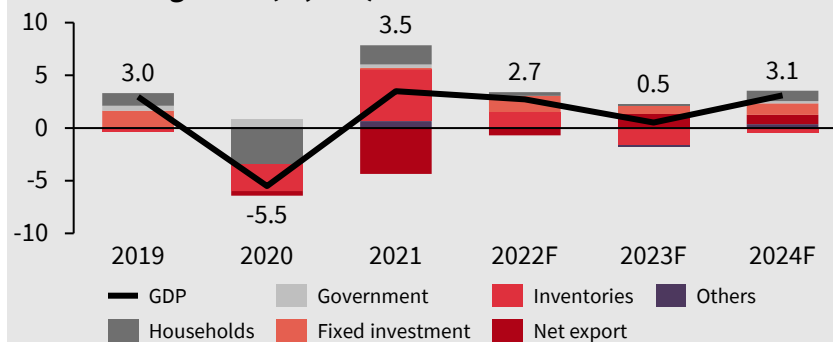
KB Change 2025 Year 2 delivery

Appendix

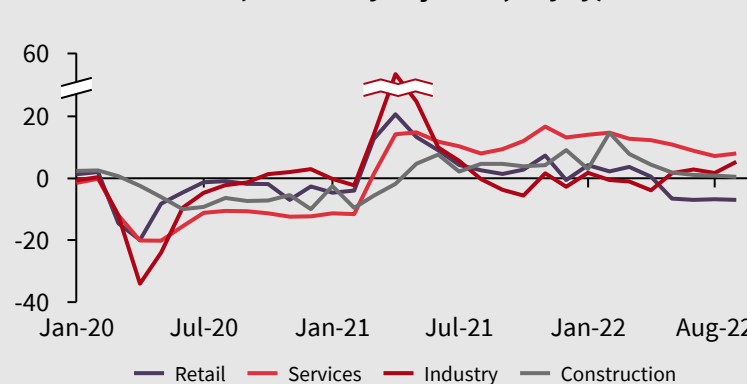
ECONOMY PULLED DOWN BY HOUSEHOLD CONSUMPTION, NET EXPORTS IMPROVING

- GDP in 3Q 2022 -0.4% QoQ and +1.6% YoY, YoY growth was driven by fixed investments and foreign demand, while consumption contributed negatively¹
- Manufacturing and construction still hindered by high commodity input prices including energies and episodic supply chain disruptions. However, Czech car production returned back on track during 9M2022 (up 9.8% YoY)
- Labour market remains tight. Unemployment rate 2.2% in September 2022.² Nominal wages in Q2 +4.4% YoY, -9.8% in real terms
- Consumer price inflation at 18.0% YoY in September (0.8% MoM). CPI growth mostly due to housing-related costs (contribution: 0.8pp). HICP (Eurostat) at 17.8% YoY in September
- As of 30 September 2022, at 24.6 CZK per EUR, CZK v. EUR QoQ slightly stronger by 0.8%, and YoY stronger by 3.7%
- CNB's main policy rate (2W repo rate) at 7% since 26 June 2022. As of 30 September, 3M PRIBOR rose to 7.3% (+317 bps Ytd), 10Y IRS at 5.1% (+183 bps Ytd) while IRS curve stays inverted (5Y at 5.5%) and 10Y CZGB 5.2% (+251 bps Ytd)

Czech GDP growth (% YoY)



Economic sectors (seasonally adjusted, % yoy)



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

1) According to flash estimate of the Czech Statistical Office, published on 1 November 2022;

2) According to Eurostat, seasonally adjusted



CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

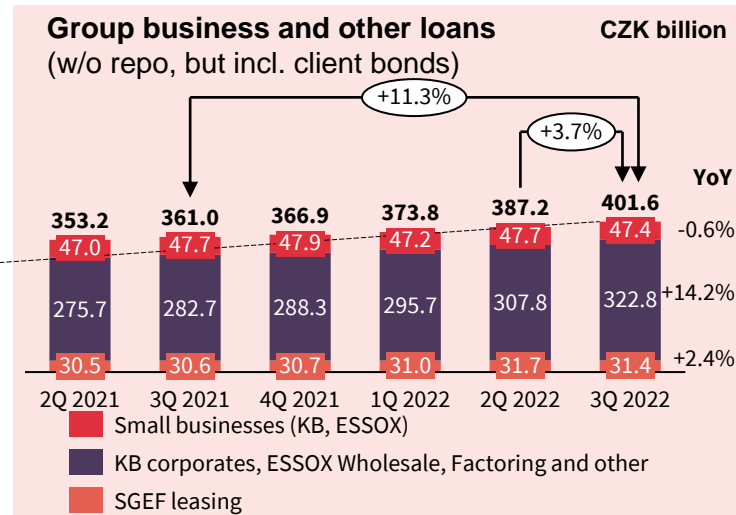
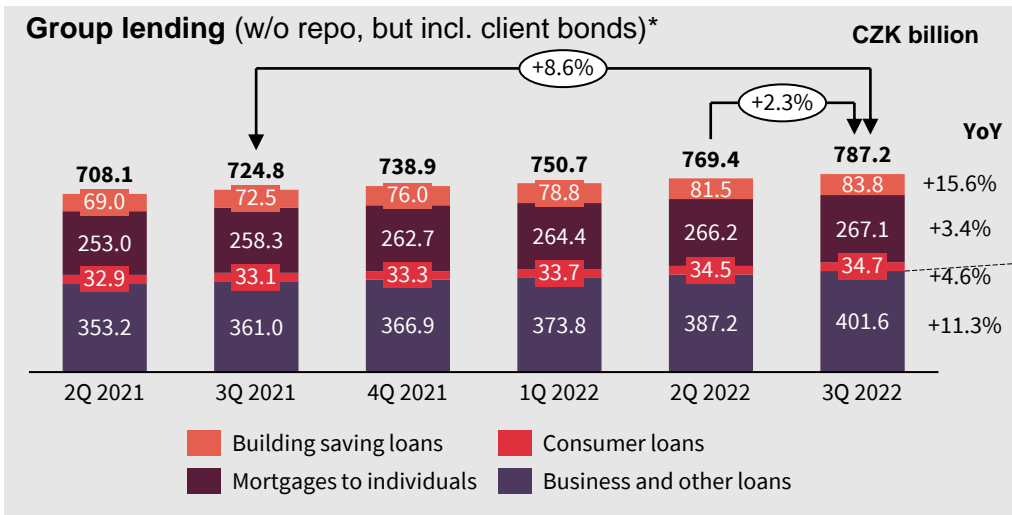
Asset quality & cost of risk

Outlook update for 2022

KB Change 2025 Year 2 delivery

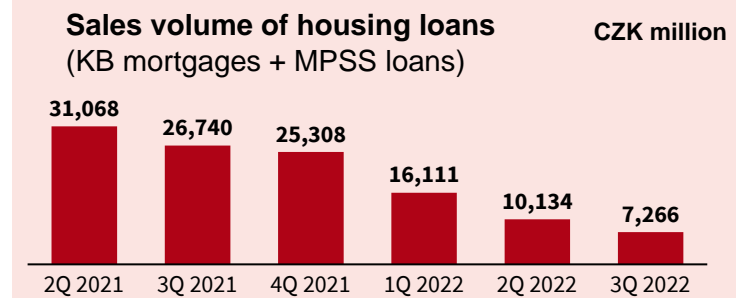
Appendix

GROSS LENDING UP 8.6% YOY



- Net loans to deposits ratio at 76.9%. Liquidity coverage ratio 159%
- Sales of housing loans in 9M 2022 down 59.9% from record 2021 levels. 3Q 2022 sales down by -28.3% QoQ.
- Growth in business loans recorded in working capital as well as investment financing
- Negative contribution from 3.7% YoY appreciation of CZK v. EUR (to CZK value of EUR denominated loans to businesses) represents 0.8% of total lending

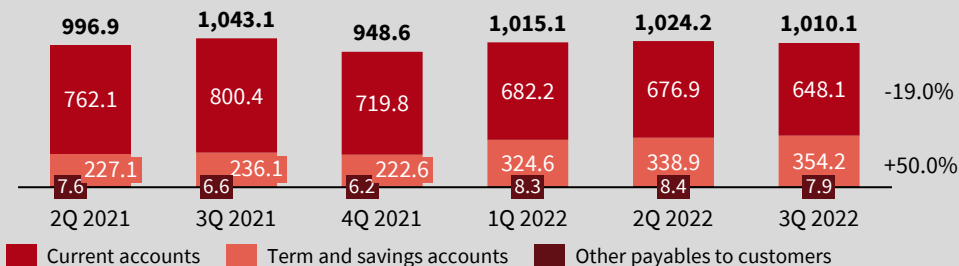
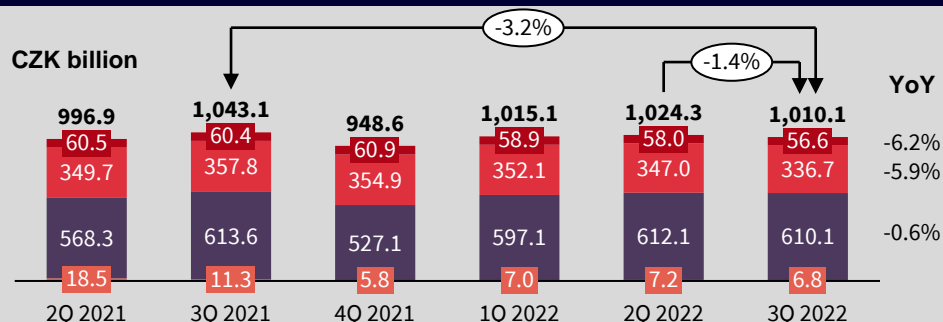
* Including debt securities issued by KB's corporate clients. There were no reverse repo operations with clients to report as of 30 September 2022 or 30 September 2021.



AUM UP BY +5.3%, CLIENT DEPOSITS DOWN 3.2% YOY, PRUDENT REMUNERATION POLICY MAINTAINED

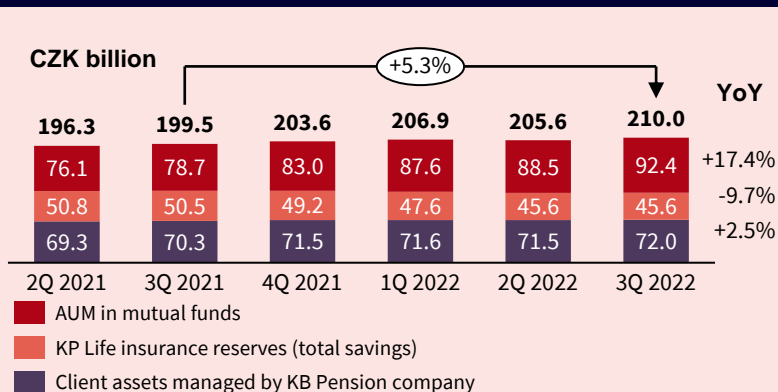
DEPOSITS AND
OTHER AUM

GROUP DEPOSITS (excluding repo operations) CLIENT

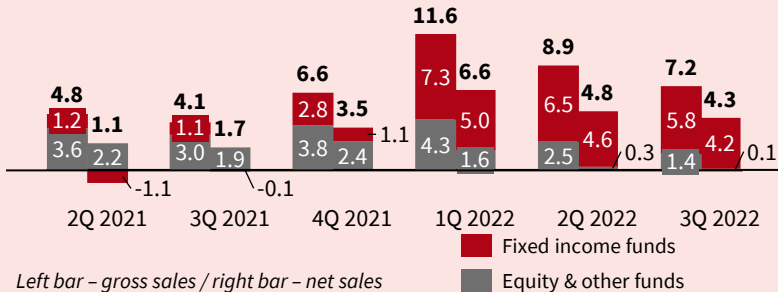


Total amounts due to clients (incl. repo op. with clients) +2.4% YoY, 1.5% QoQ to CZK 1,120.5 billion

NON-BANK ASSETS UNDER MANAGEMENT CLIENT



Gross and net sales of mutual funds



CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

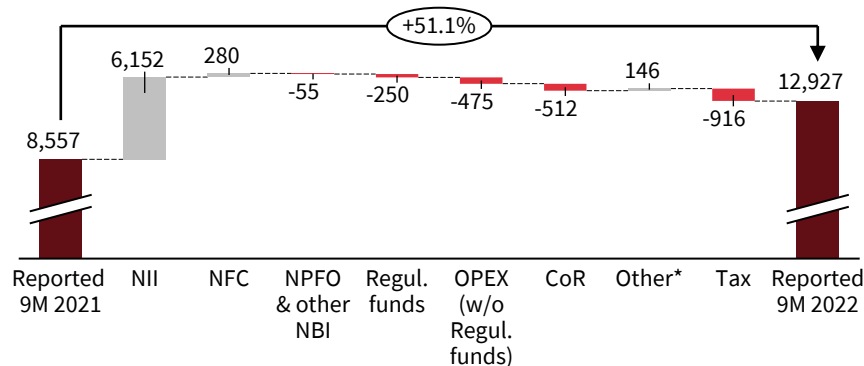
Outlook update for 2022

KB Change 2025 Year 2 delivery

Appendix

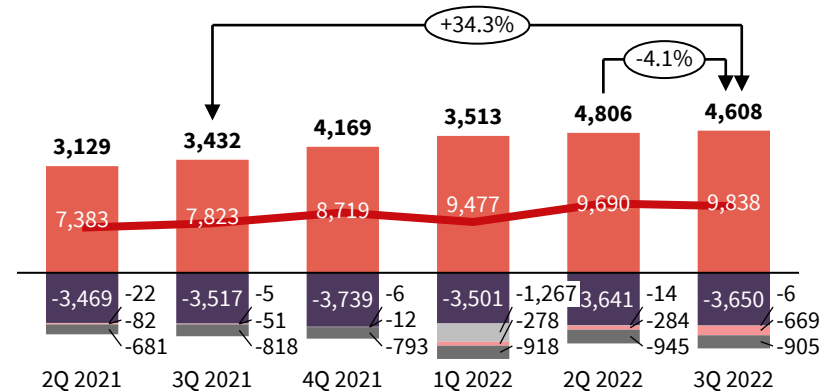
NET PROFIT INCREASE DRIVEN BY CORE REVENUES

Drivers for year on year change in attributable net profit
(as of 30 September 2022)



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

Development of quarterly net profit and its drivers



- Profit attributable to the shareholders
- NBI
- OPEX w/o Regulatory funds
- Regulatory funds
- CoR
- Other

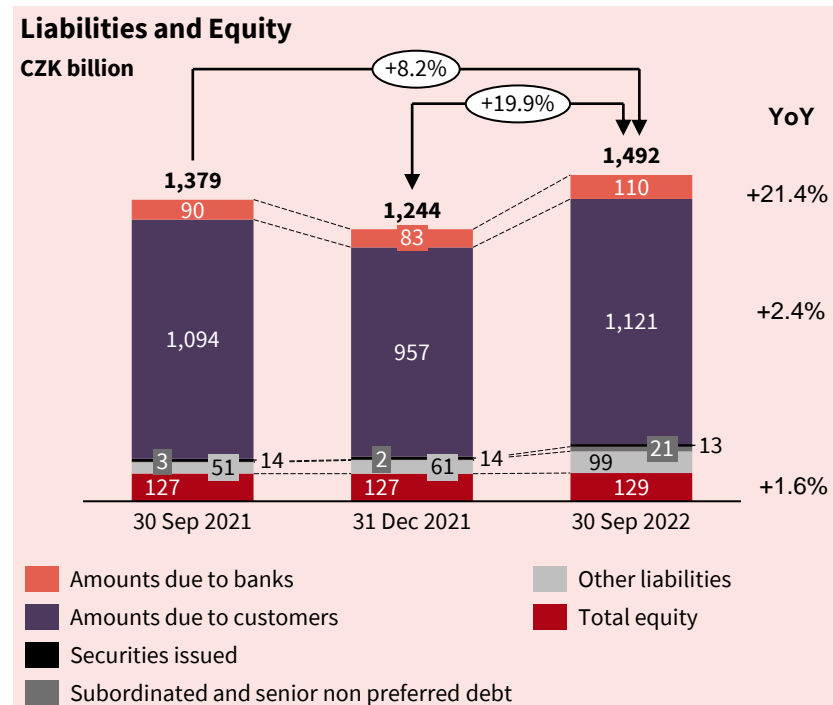
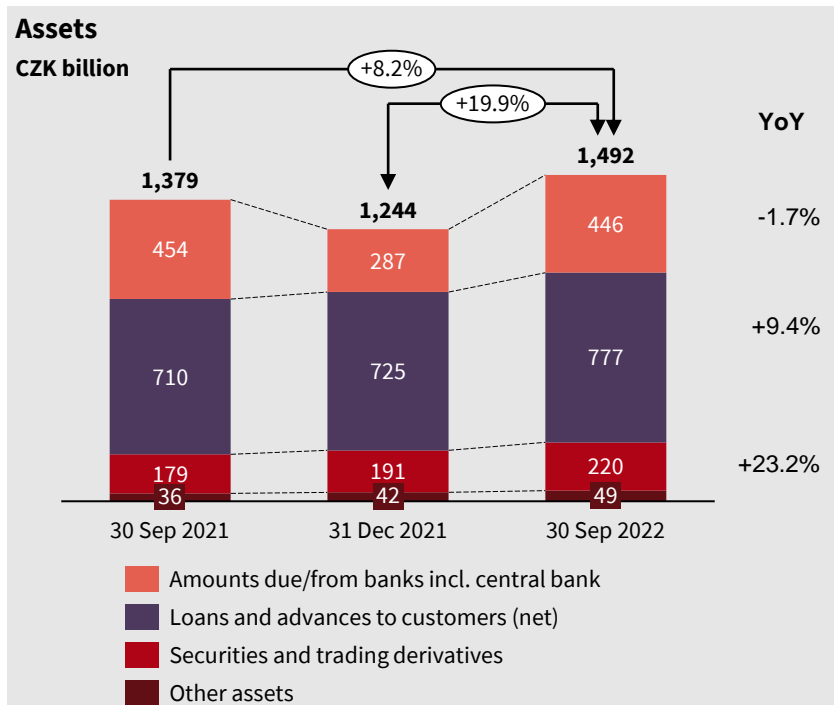
Profitability indicators for 9M 2022

Return on average equity	Return on average Tier 1 capital	Return on average tangible equity	Return on average assets
13.8%	16.5%	15.3%	1.3%
14.1%**	16.9%**	15.6%**	1.3%**

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

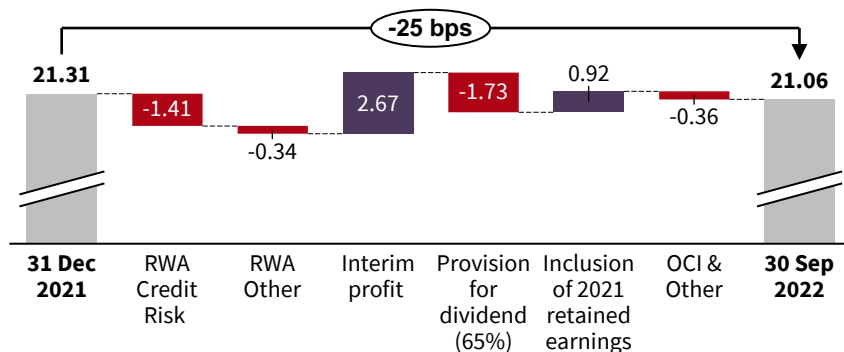
BALANCE SHEET GROWTH STEADY ADJUSTING FOR SEASONAL EFFECTS

STATEMENT OF
FINANCIAL POSITION



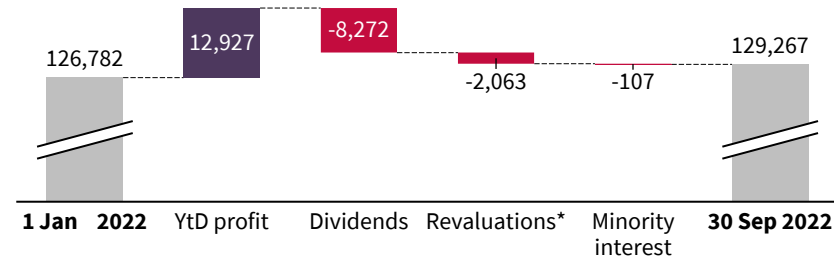
CAPITAL RATIOS TO BE OPTIMISED FROM 4Q 2022 WITH PROPOSED PAYMENT OF CATCH-UP DIVIDEND

Contributions to capital adequacy ratio in 9M 2022 (%)



Note: In 2022, a dividend provision of 65% is applied on profit of the current year

Contributions to equity in 9M 2022 (CZK million)



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

As of 1 October 2022, the Overall Capital requirement (OCR) is at 16.6%, the minimum CET 1 is 12.0% and the minimum Tier 1 ratio at 14.0%. The OCR will increase by 100 bps in two steps by April 2023 due to increases in countercyclical buffer.

By 30 September 2022, KB issued EUR 750 million senior non-preferred debt in order to gradually meet **MREL** target by 1 January 2024. In October, KB also renewed Tier 2 debt.

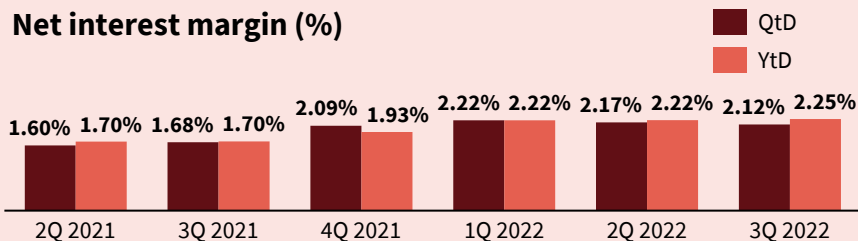
Regulatory capital indicators

	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	21.1%	20.5%	110.7	107.6	525.7	432.2	35.2%
31 Dec 2021	21.3%	20.9%	103.2	101.1	484.4	400.2	38.9%
30 Sep 2021	23.0%	22.5%	108.4	106.1	471.1	388.9	34.2%



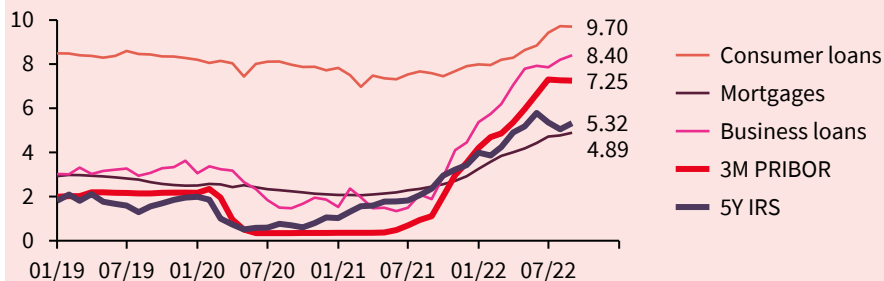
GROWTH SLOWING ON LOWER CONTRIBUTION FROM TRADING, HIGHER FUNDING COSTS

Net interest margin (%)



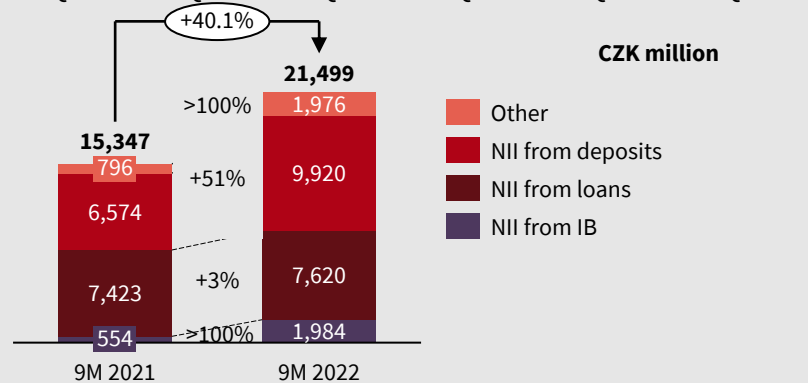
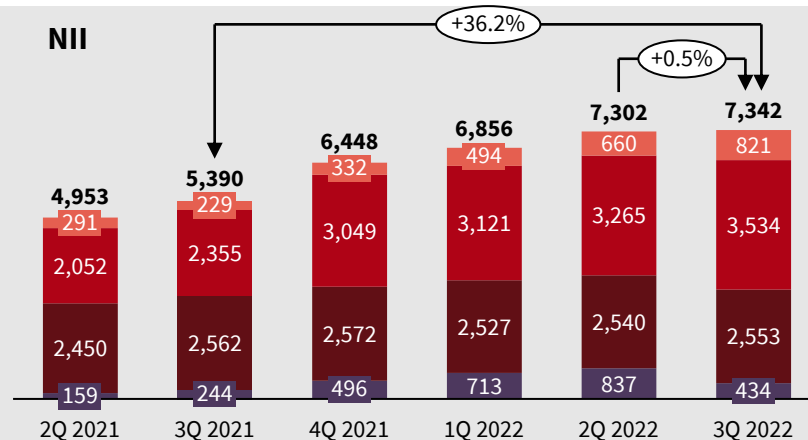
- NII from deposits – to peak in 2H22 as higher reinvestment yields gradually offset by effects of shift to paid deposits and higher average deposit costs
- NII from loans – retail lending spreads continue drifting lower, corporate spreads steady
- NII from IB – drop in Q3 due to lower IB result and its different allocation into NII & FO

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



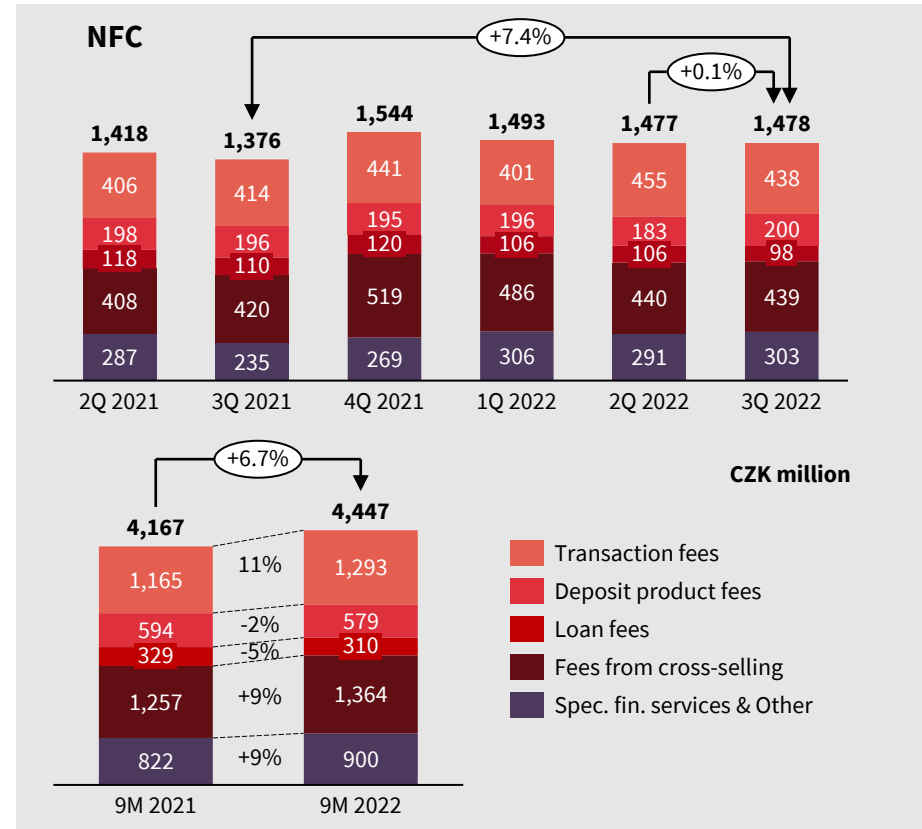
Source: CNB, Macrobond

NII



GROWTH IN TRANSACTIONS, MUTUAL FUNDS, GUARANTEES

- **Transaction fees** – All transaction types up compared to 9M21 (which had been affected by pandemic restrictions). Main contribution from fast increasing number of card payments
- **Deposit product fees** – stable client base, signing benefit for refugees from Ukraine mainly in Q2
- **Loan fees** – lower fees for loans to small businesses, consumer loans, credit cards, overdrafts. YoY better factoring and credit line agreements
- **Fees from cross-selling** – growth in 9M22 driven mainly by mutual funds and insurance products
- **Specialised financial services and other fees** – growth in fees from bank guarantees and advisory. Lower YoY contribution from DCM and loan syndications

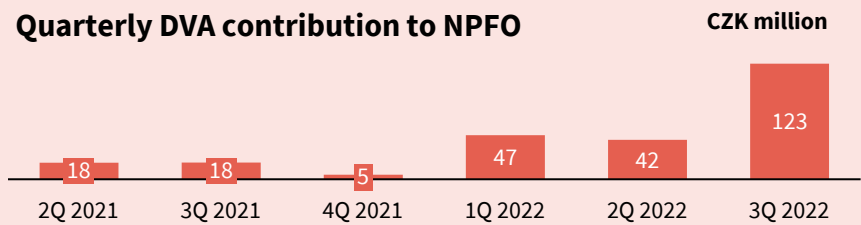


RECOVERY IN FX CONVERSIONS, HEDGING ACTIVITY REFLECTING MARKET CONDITIONS

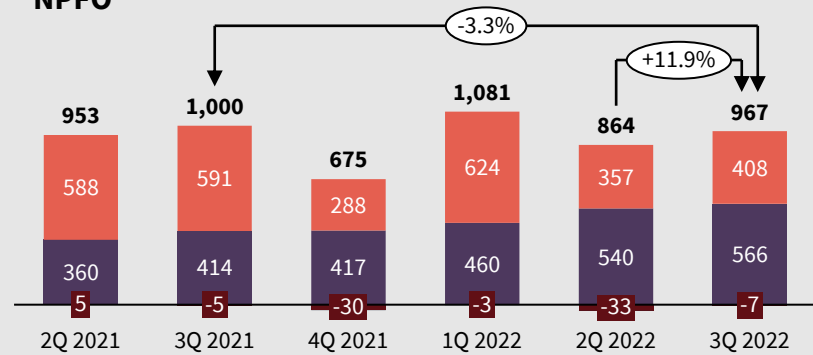
NET PROFIT FROM FINANCIAL OPERATIONS

- Solid client FX hedging activity, CZK volatility limited by CNB interventions
- Successful tailored hedging strategies for SME clients, particularly those based on FX options
- Demand for IR hedging declined during summer affected by higher rates and worsened confidence levels
- Net gains of FX from payments - driven by recovery in travel-related currency conversions upon lifted Covid-19 restrictions

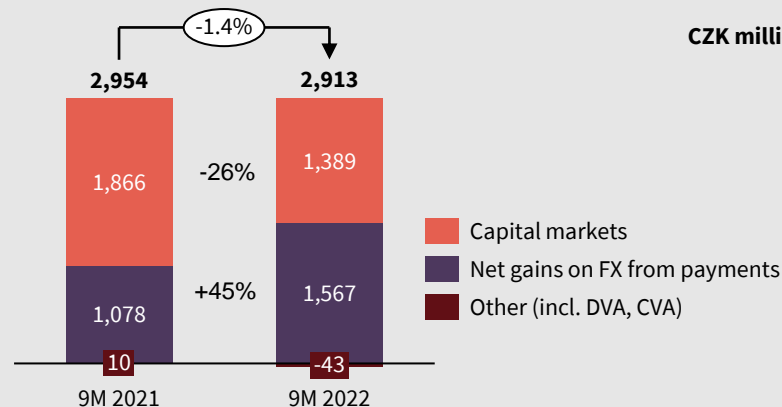
Quarterly DVA contribution to NPFO



NPFO



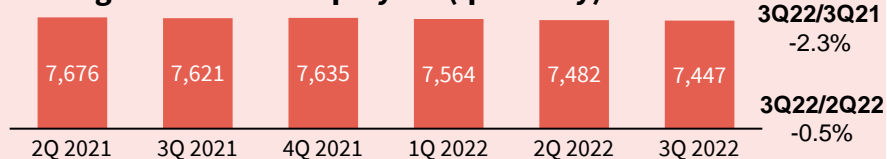
CZK million



- Capital markets
- Net gains on FX from payments
- Other (incl. DVA, CVA)

TIGHT COST CONTROL IN INFLATIONARY ENVIRONMENT

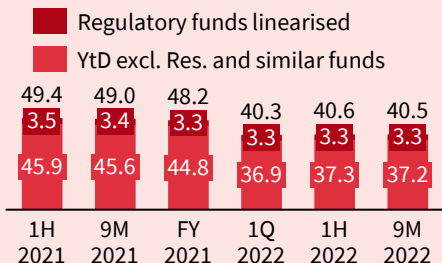
Average number of employees (quarterly)



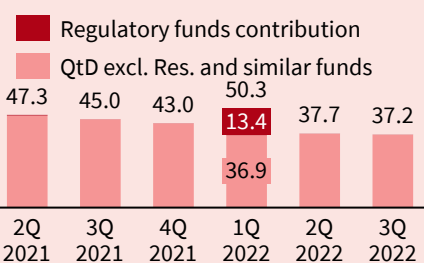
- **Personnel** costs – 9M 2022 avg. FTE–2.7% YoY to 7,496. Increase in average salaries by 3% from April '22 and additional 5% from Oct '22
- **Administrative** costs – growth in most categories, but slower than the inflation
- **D&A** increase driven by software in pursuit of digital transformation

Cost to Income ratio (%)

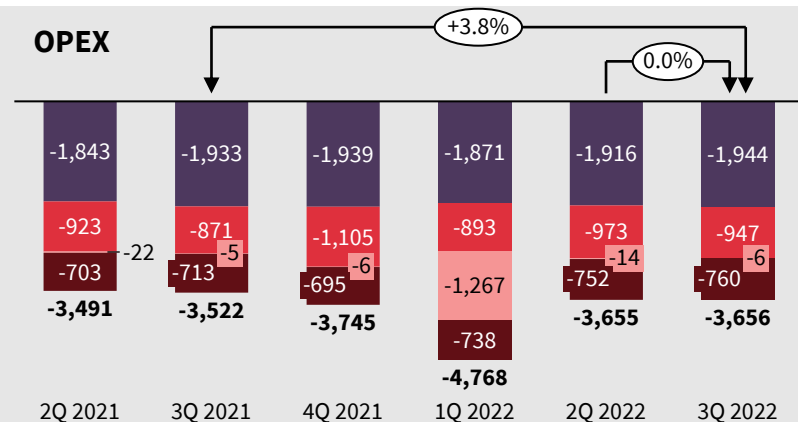
Year-to date (with IFRIC 21 linearisation)



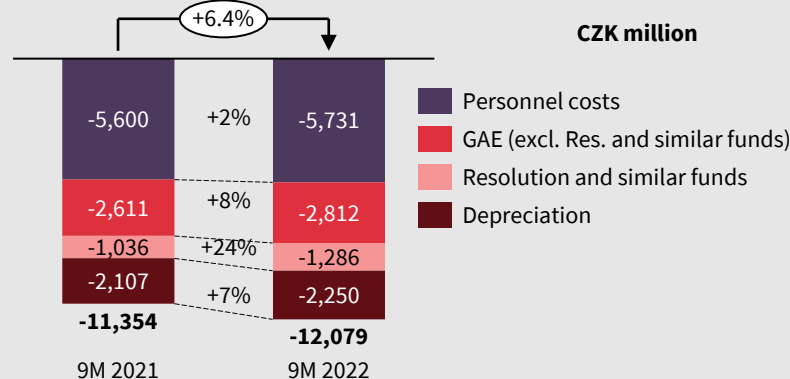
Quarterly (as reported)



OPEX



CZK million



CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook update for 2022

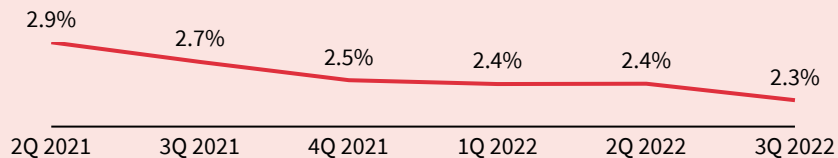
KB Change 2025 Year 2 delivery

Appendix

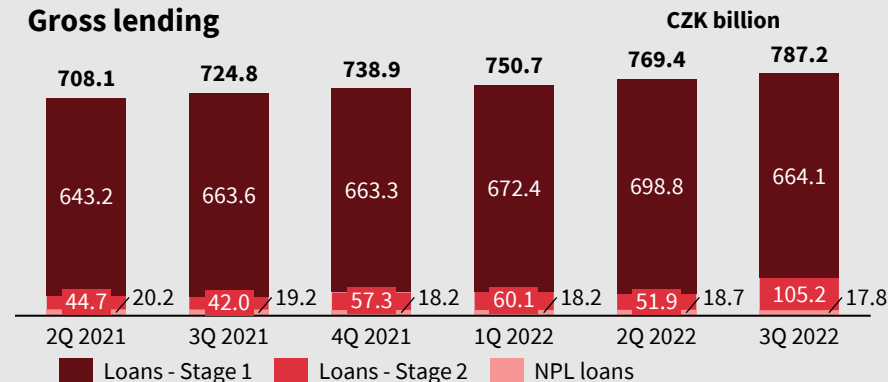
3Q 2022 ASSET QUALITY

- Loan portfolio up 8.6% YoY and 2.3% QoQ
- Resilient credit risk profile of KB loan portfolio and prudent approach to IFRS9 classification
 - Higher stage 2 ratio at 13.4% driven by the transfer of inflation-sensitive retail portfolio from S1 to S2 asset class
 - NPL ratio stable at 2.3%, reflecting low default migration intensity and continued strong recoveries
- Stable NPL provision coverage, fluctuating around 50%

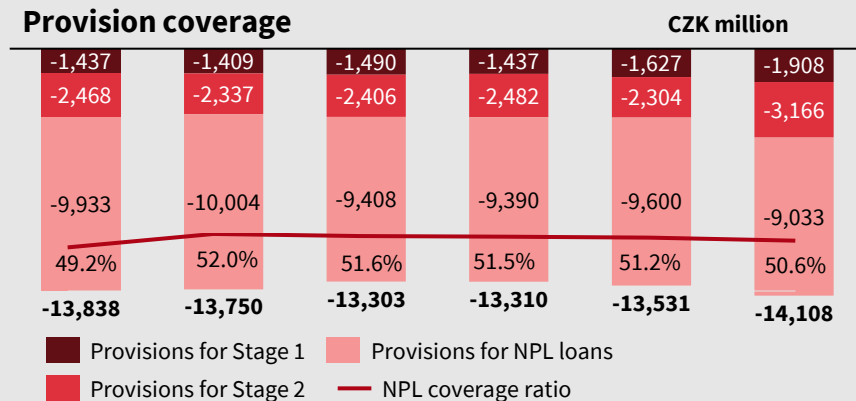
Share of NPL exposure development



Gross lending



Provision coverage



3Q 2022 COST OF RISK DEVELOPMENT

- 3Q 2022 CoR at CZK 669 million. 9M 2022 CoR at CZK 1,231 million.
- CZK 1,389 million in new provisions on the S1 and S2 portfolios (anticipation of future inflation impacts in line with the IFRS 9 forward-looking principles)
- CZK 578 million in releases booked on defaulted portfolios, reflecting a few material and successful resolutions in the corporate client segment
- Continued low level of new defaults across all client segments

Total Cost of Risk

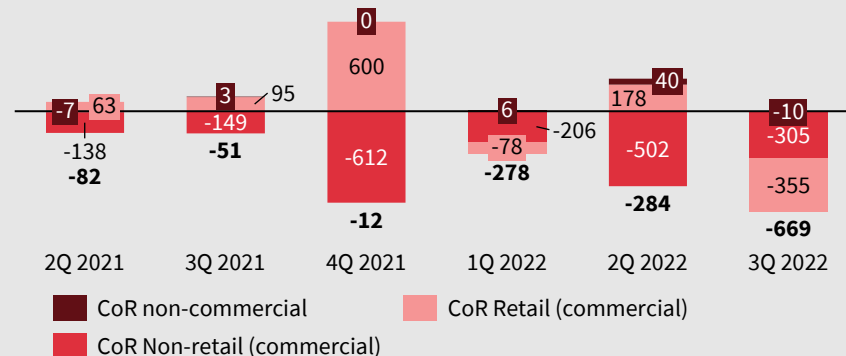
(Year-to-date, in basis points)



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

Total Cost of Risk development

CZK million



CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook update for 2022

KB Change 2025 Year 2 delivery

Appendix

UPDATED OUTLOOK FOR 2022

This is an update of the outlook presented on 3 August 2022. Investors are advised to consider higher than usual level of uncertainty and risks

Macroeconomic assumptions

- Czech GDP expected to grow by 2.7% in FY 2022, with a mild recession (GDP QoQ declining) in 4Q22 and 1Q23, due to decline in household consumption and lower investment activity
- Due to the shock in commodity prices and rise in core prices, the average CPI expected to reach 15.1%, peaking around 18% in 3Q22
- CNB expected to stay on hold with two-week repo rate at 7% by the end of 1H23, and to remain ready to intervene on FX in order to prevent significant depreciation of CZK

Banking market outlook

- Lending market to grow at upper mid-single digit pace in 2022 in total. Housing loans to grow at mid- single digits, consumer lending to expand at mid-single digits, corporate lending at high-single digits
- Bank deposits should grow at mid-single digits, relatively faster in corporate segments

KB business outlook

- KB Group lending to grow at upper mid-single digit pace in total, with faster corporate lending. Housing loans to grow by mid- single digits even as new sales drop from record 2021 levels
- KB total deposit flattish, as growth in corporate deposits offset by declining retail. Switch to paying deposits
- Implementation of KB Change 2025 strategy, building of the New digital bank according to the plan

KB financial outlook

- Revenue growth to exceed 20% driven by NII up by approx. a third, reflecting increase in rates and volumes, mid single digit growth in NFC driven by cross-selling, and slight retreat of NPFO from record 2021
- OPEX to grow by upper 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 for 2022 to remain below KB's through-the-cycle level of around 30 basis points

Potential risks to the outlook

- Further escalation of the war in Ukraine; Shortages of fuels or key input materials; Return of the pandemic situation with recurring lockdowns; Worsening of external economic environment; Abrupt changes to relevant interest or FX rates or to fiscal (incl. taxation) policy

CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook update for 2022

KB Change 2025 Year 2 delivery

Appendix

KB CHANGE 2025 STRATEGIC FRAMEWORK

Purpose

“Building together with our clients a **better and sustainable future** through **responsible** and **innovative financial** solutions.”

Vision

“Leader in **new era of banking**, for **2 million** active clients.”

Pillars

Growth

Helpfulness

Responsibility

Company objectives

- Digital bank for people with aspiration
- New revenue sources
- One mortgage factory
- Market leader for corporate services
- Agile, adaptive & effective organization
- Fully digital sales & services
- Next Gen CSR / ESG
- Data driven company
- Risk management 2.0
- Operational efficiency

DELIVERIES IN YEAR 2 OF KB CHANGE 2025 PLAN



DIGITAL BANK FOR PEOPLE WITH ASPIRATIONS

- New Digital Bank – pilot multi-channel operation with 3,000 users
- New card management system ready for deployment






FULLY DIGITAL SALES AND SERVICES

- Total digital sales ratio (in Individuals segment) at 22.9%, of which 16.8% end-to-end digital
- 9M 2022: End-to-end digital sales of consumer loans up 81 % YoY, representing 39% of total sales. E2E sales of current accounts up 67% YoY @ 8% of total sales



NEW REVENUE SOURCES

- Acquisition of controlling ownership in  **UPVEST** increased stake in  **Lemonero**
- Upvest: some 3,500 investors funded CZK 1.5 billion in 35 projects via real-estate crowdfunding platform
- Internal start-up  has become the leading provider of PSD2 services to Czech payment gateways



ONE MORTGAGE FACTORY

- Housing loans development and processing merged for both KB & MPSS brands



MARKET LEADERSHIP IN SERVICES FOR CORPORATES

- Market share in lending to businesses up by further 0.9 p.p. YoY to 18.2%
- New flatter organisation of SME & Public sector banking function with improved access of clients to the bank across the regions, reinforced expert assistance and support for deployment of digital solutions

DELIVERIES IN YEAR 2 OF KB CHANGE 2025 PLAN



ENVIRONMENT, SOCIETY, GOVERNANCE

- Carbon emissions from own operations in 2021 down 32.5% compared to 2019 to 23,903 tonnes CO₂ eq. (14.7 kg per client), certified by Preferred by Nature
- The outstanding volume of ESG compliant loans to corporate clients up 70.1% YoY to CZK 34.7 billion. New financing of CZK 28.7 billion signed over last 12 months
- Gender pay gap decreased to 3.9%, 2025 target 0% affirmed
- MSCI ESG rating improved to AA, S&P Global CSA Score 54, FTSE4Good score 3.6



AGILE, ADAPTIVE & EFFECTIVE ORGANISATION

- Introduction of DevOps model of team end-to-end responsibility for New Digital Bank client and banking journeys



RISK MANAGEMENT 2.0

- First deployment of digital fraud prevention solutions
- Successful pilot of an on-line and automated module for residential real estate valuation (key enabler to digital housing financing)
- Development of a new SOA-based credit risk management platform (key enabler to digital retail financing activities)



DATA DRIVEN COMPANY

- Data Academy open, courses completed by 332 colleagues in 6 months
- Voicebot / Chatbot platform development



OPERATIONAL EFFICIENCY

- Average number of FTE in 9M 2022 down by -8.2% v FY2019. No. of branches in 9/2022 down by 36.3% v. 12/2019
- Sharing of ATM networks launched with the first cooperation signed between KB and Moneta, further to follow
- Sharing HQ services (HR, legal, support functions) across KB Group

NEW DIGITAL BANK – ON TRACK TO BEGIN MIGRATION OF RETAIL CLIENTS IN 2023, CORPORATE CLIENTS FROM 2025

Komerční banka's New digital bank

Complete overhaul of banking infrastructure and client-facing as well as internal bank processes



Implementation timeline

2021 2022 2023 2024 2025 2026

Minimum viable bank development

Marketable retail bank

Completing migration

Delivered by October 2022

- Pilot operation on Temenos Transact core banking with 3,000 client-testers in mobile app, internet banking and relationship managers' dashboard
- Operational client onboarding, current account, savings account, investments, overdrafts, direct debit, SEPA payments, standing orders
- Simplified service offer for retail clients in a new concept of subscription plans. Fully omni-channel assisted and non-assisted sales process
- New TSYS Prime card processing platform ready for deployment in application outsourcing to Global Payments Europe, enhancing security, efficiency and card administration options

INTERIM DELIVERY ON OPERATIONAL TARGETS

MAIN OPERATIONAL TARGETS *	2019	2021	SEP-2022	TARGET 2025	
CLIENT SATISFACTION (NPS)					
– INDIVIDUALS	32	39	45	50	<ul style="list-style-type: none"> Retail NPS: further improved satisfaction with services on the branch, continued excellent satisfaction with contact centres, day-to-day banking, card payments Corporate segments NPS: Leading market position maintained, measurement pending
– SMALL BUSINESSES	32	41	33	50	
– MID-SIZED CORPORATIONS	35	44	pending	50	
– LARGE CORPORATES	58	60	pending	50	
BANK CLIENTS (NUMBER) **	1,664,000	1,625,000	1,651,000	>2,000,000	<ul style="list-style-type: none"> Positive trend in 2022 boosted by accounts opened by war refugees from Ukraine
BANK BRANCHES	342	242	218	200	<ul style="list-style-type: none"> Remodelling branches in new design, switching part of network to cash-less, support by remote advisory
EMPLOYEES (FTE NUMBER)	7,210	6,736	6,544	5,500	<ul style="list-style-type: none"> Optimization through digitization and automation, branch reduction. Insourcing of IT & data know-how
EMPLOYEE ENGAGEMENT	78	77	79	83	<ul style="list-style-type: none"> Smart office, remote medical assistance, , legal and life counselling, education portal, sick days and free volunteering day, car sharing for employees
ESG ASSESSMENT (FTSE4GOOD INDEX SCORE)	3.3	3.3	3.6	4	<ul style="list-style-type: none"> MSCI ESG rating 'AA' FTSE4Good Score 3.6 S&P Global ESG Score 54

* Bank only ** including contribution from non-organic growth

CONFIRMED GROWTH AND FINANCIAL TARGETS FOR 2025

- Slower growth of revenues after 2022 due to peaking interest rates, to accelerate again from 2025 with the digital sales, advisory model supported by data analytics in the New digital bank and new sources of revenues
- Operating expenditures to be kept under tight control even in the high-inflation environment of 2022-23. Savings from decommissioning of old components of banking infrastructure to accrue mainly from 2025
- Strong capital supported by potential Tier 2 issuance to allow sustaining 60-70% dividend payout in the context of higher mid-single digit growth of RWA driven by business growth, with some contribution of RW regulatory adjustments. The Group shall potentially pursue accretive non-organic growth opportunities if they arise
- Key risks include significant worsening macroeconomic development, unexpected increase in regulatory requirements and charges, new bank tax, adverse competitive dynamics

	2019	2021	9M 2022	AMBITION 2025 (incl. NON-ORG. GROWTH)	
COST-TO-INCOME *	46%	48%	42%	<40%	▪ Significant positive trajectory in 2024-25 with new revenues and savings from rollout of the New Digital Bank
RETURN ON EQUITY *	15%	11%	14%	>15%	▪ Assuming normalization in Cost of risk to 25 bps in 2025, contribution from non-organic growth

* KB Group, including contribution from non-organic growth

CONTENTS

Highlights as of 30 September 2022

Macroeconomic environment

Business performance

Financial performance

Asset quality & cost of risk

Outlook update for 2022

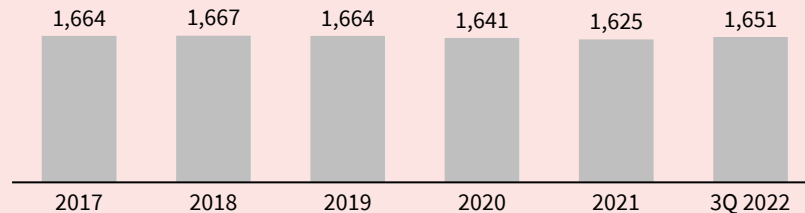
KB Change 2025 Year 2 delivery

Appendix

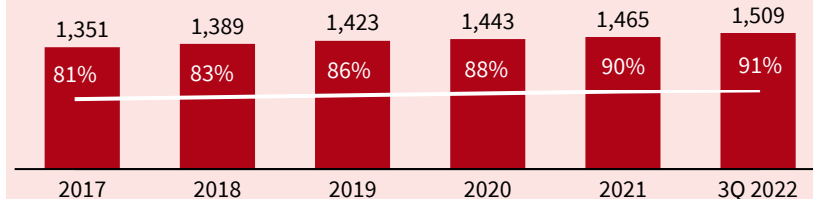
NUMBER OF CLIENTS AND DISTRIBUTION NETWORK

	9M 2021	9M 2022	YoY
Number of clients			
KB Group's clients	2,237,000	2,246,000	9,000
Komerční banka	1,623,000	1,651,000	28,000
– individual clients	1,380,000	1,407,000	27,000
– internet banking clients	1,457,000	1,509,000	52,000
– mobile banking clients	1,008,000	1,122,000	115,000
Modrá pyramida	484,000	464,000	-20,000
KB Penzijní společnost	522,000	509,000	-13,000
ESSOX (Group)	138,000	133,000	-5,000
Distribution network			
KB Retail branches	243	218	-25
Modrá pyramida points of sale	200	195	-5
SGEF branches	9	9	0
ATMs (KB network)	856	862	6
of which deposit-taking	494	521	27
of which contactless	579	643	64
ATMs (Total shared network)	856	1,420	564
of which deposit-taking	494	707	213
Number of active debit cards	1,415,000	1,464,000	49,000
Number of active credit cards	183,000	191,000	8,000
Number of cards virtualized into payment apps	359,000	480,000	120,000
KB key authentication users	935,000	1,065,000	131,000

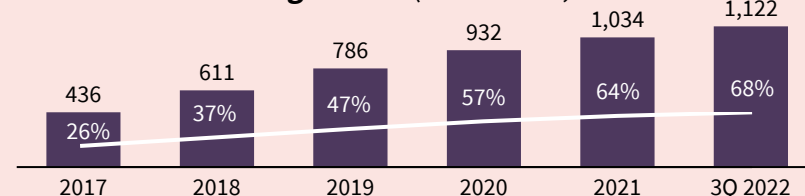
Number of bank clients (thousands, CZ)



KB Internet banking clients (thousands, % of total)



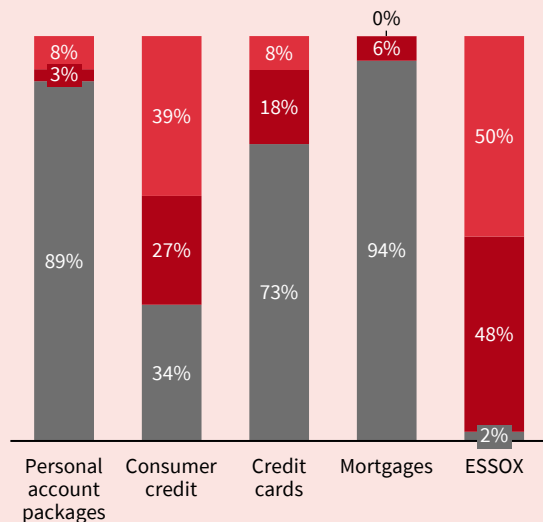
KB mobile banking clients (thousands, % of total number)



CONTINUED FAST ADOPTION OF MOBILE BANKING

Share of sales by channel*

(selected product categories, %)

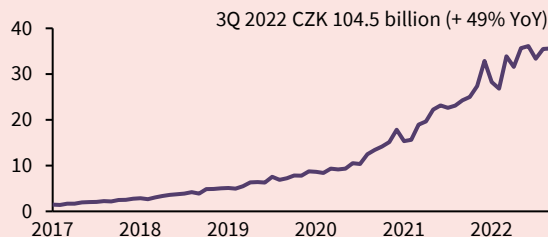


* Share of sales by channel on total number of sold products in January to September 2022

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

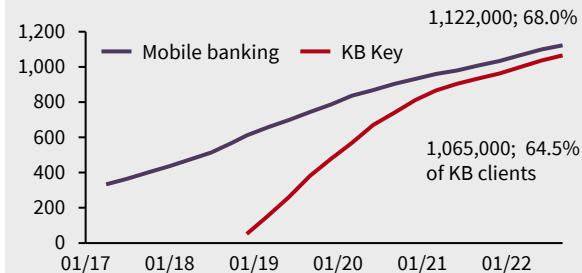
Mobile banking – volume of payments

(CZK billion per month)



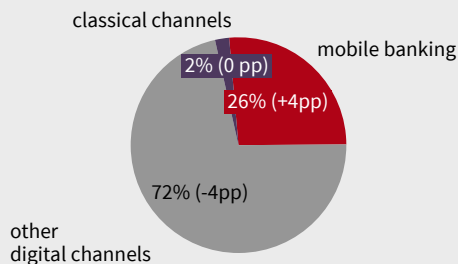
Mobile banking and KB Key penetration (in thousands)

(in thousands)



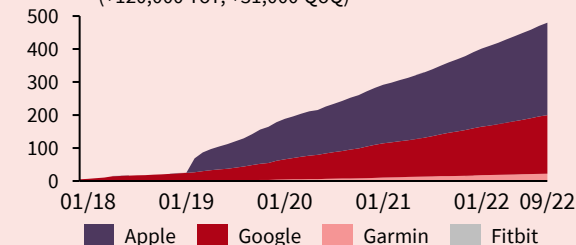
Share of channels on number of transactions

(3Q 2022) (yoy change in brackets)



Digital wallet use

Number of tokenized payment cards 480,000 (+120,000 YoY, +31,000 QoQ)



INCOME STATEMENT

Profit and Loss Statement

	Reported		
(CZK million, unaudited)	9M 2021	9M 2022	Change YoY
Net interest income	15,347	21,499	40.1%
Net fee & commission income	4,167	4,447	6.7%
Net profit of financial operations	2,954	2,913	-1.4%
Dividend and other income	160	146	-8.8%
Net banking income	22,628	29,005	28.2%
Personnel expenses	-5,600	-5,731	2.3%
General admin. expenses (excl. regulatory funds)	-2,611	-2,812	7.7%
Resolution and similar funds	-1,036	-1,286	24.1%
Depreciation, amortisation and impairment of operating assets	-2,107	-2,250	6.8%
Total operating expenses	-11,354	-12,079	6.4%
Operating profit	11,274	16,926	50.1%
Impairment losses	-754	-1,152	52.7%
Net gain from loans and advances transferred and written off	35	-79	+/-
Cost of risk	-719	-1,231	71.2%
Net operating income	10,554	15,695	48.7%
Income from share of associated companies	168	103	-38.7%
Net profit/(loss) on subsidiaries and associates	25	73	>100%
Net profits on other assets	28	136	>100%
Profit before income taxes	10,776	16,007	48.5%
Income taxes	-2,015	-2,931	45.5%
Net profit	8,760	13,076	49.3%
Profit attributable to the Non-controlling owners	203	149	-26.6%
Profit attributable to the Group's equity holders	8,557	12,927	51.1%

INCOME STATEMENT

Profit and Loss Statement

	Reported				
(CZK million, unaudited)	3Q 2021	2Q 2022	3Q 2022	Change YoY	Change QoQ
Net interest income	5,390	7,302	7,342	36.2%	0.5%
Net fee & commission income	1,376	1,477	1,478	7.4%	0.1%
Net profit of financial operations	1,000	864	967	-3.3%	11.9%
Dividend and other income	58	49	50	-13.8%	2.0%
Net banking income	7,823	9,690	9,838	25.8%	1.5%
Personnel expenses	-1,933	-1,916	-1,944	0.6%	1.5%
General admin. expenses (excl. regulatory funds)	-871	-973	-947	8.7%	-2.7%
Resolution and similar funds	-5	-14	-6	20.0%	-57.1%
Depreciation, amortisation & impairment of op. assets	-713	-752	-760	6.6%	1.1%
Total operating expenses	-3,522	-3,655	-3,656	3.8%	0.0%
Operating profit	4,300	6,036	6,181	43.7%	2.4%
Impairment losses	-61	-328	-665	>100%	>100%
Net gain from loans and advances transferred and written off	9	44	-3	+/-	+/-
Cost of risk	-51	-284	-669	>100%	>100%
Net operating income	4,249	5,752	5,512	29.7%	-4.2%
Income from share of associated companies	62	55	0	n.a.	n.a.
Net profit/(loss) on subsidiaries and associates	0	0	73	n.a.	n.a.
Net profits on other assets	3	153	15	>100%	-90.2%
Profit before income taxes	4,315	5,961	5,601	29.8%	-6.0%
Income taxes	-813	-1,111	-951	17.0%	-14.4%
Net profit	3,502	4,849	4,650	32.8%	-4.1%
Profit attributable to the Non-controlling owners	71	43	42	-40.8%	-2.3%
Profit attributable to the Group's equity holders	3,432	4,806	4,608	34.3%	-4.1%

BALANCE SHEET

Balance Sheet (CZK million, unaudited)	30 Sep 2021	31 Dec 2021	30 Sep 2022	YoY rel.	YoY abs.	Ytd rel.	Ytd abs.
Assets	1,378,937	1,244,353	1,492,210	8.2%	113,273	19.9%	247,857
Cash and current balances with central bank	79,070	29,947	25,497	-67.8%	-53,573	-14.9%	-4,450
Loans and advances to banks	374,771	257,196	420,753	12.3%	45,982	63.6%	163,557
Loans and advances to customers (net)	709,811	724,587	776,560	9.4%	66,749	7.2%	51,973
Securities and trading derivatives	178,914	190,924	220,415	23.2%	41,501	15.4%	29,491
Other assets	36,371	41,699	48,984	34.7%	12,613	17.5%	7,285
Liabilities and shareholders' equity	1,378,937	1,244,353	1,492,210	8.2%	113,273	19.9%	247,857
Amounts due to banks	90,385	83,372	109,738	21.4%	19,353	31.6%	26,366
Amounts due to customers	1,093,858	956,929	1,120,532	2.4%	26,674	17.1%	163,603
Securities issued	14,017	13,666	12,587	-10.2%	-1,430	-7.9%	-1,079
Subordinated and senior non preferred debt	2,554	2,490	20,885	>100%	18,331	>100%	18,395
Other liabilities	50,951	61,114	99,201	94.7%	48,250	62.3%	38,087
Total equity	127,173	126,782	129,267	1.6%	2,094	2.0%	2,485
o/w Minority equity	3,443	3,273	3,166	-8.0%	-277	-3.3%	-107

CAPITAL & PROFITABILITY INDICATORS

	Reported			Adjusted for IFRIC 21 linearisation*	
	30/09/2021	31/12/2021	30/09/2022	30/09/2021	30/09/2022
(year-to-date, IFRS 9)					
Capital adequacy	23.0%	21.3%	21.1%		
Tier 1 ratio = Core Tier 1 ratio	22.5%	20.9%	20.5%		
Risk weighted assets for credit risk (CZK billion)	388.9	400.2	432.2		
Net interest margin, annualised	1.7%	1.9%	2.3%		
Loan (net) / deposit ratio (excl. repo with clients)	68.1%	76.4%	76.9%		
Cost / income ratio	50.2%	48.2%	41.6%	49.0%	40.5%
Return on average equity (ROAE), annualised	9.6%	10.7%	13.8%	9.8%	14.1%
Return on average Tier 1 capital	11.2%	12.8%	16.5%	11.5%	16.9%
Return on average tangible equity (ROTE)	10.6%	11.8%	15.3%	10.8%	15.6%
Return on average assets (ROAA), annualised	0.9%	1.1%	1.3%	0.9%	1.3%
Earnings per share (CZK), annualised	60	67	91	62	93
Average number of employees during the period	7,705	7,687	7,496		

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

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

MREL TARGET AND FULFILMENT STATUS, TIER 2

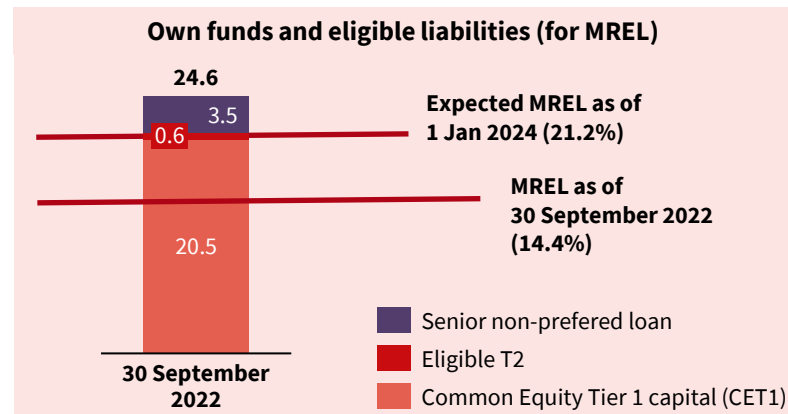
- As of 1 January 2022, KB Group is required to comply with a MREL equal to 14.4% of the consolidated total risk exposure and 4.46% of the consolidated total exposure. KB Group fulfilled the interim target thanks to its capital surplus
- As of 1 January 2024, based on the CNB general approach, MREL is expected to reach 21.2% of the consolidated TRE and 5.91% of the consolidated TE. In addition to the MREL, KB Group must fulfil the combined capital buffer requirement (at 6.0 % as of 1 October 2022)
- In Single Point of Entry concept applied within SG Group, KB will meet its additional requirements stemming from MREL (recapitalisation amount) by gradually taking senior non-preferred loans from Société Générale
- The Czech entities within the SG resolution group are Komerční banka and Modrá pyramida

Senior non-preferred tranches issues as of 30 September 2022

- Issue 27 June 2022, lender: Société Générale S.A., principal EUR 250 million, initial term 27 June 2028 (6Y), call option date 27 June 2027, interest rate at 3M EURIBOR plus 2.05% (ACT/360)
- Issue 21 September 2022, lender: Société Générale S.A., principal EUR 250 million, initial term 21 September 2027 (5Y), call option date 21 September 2026, interest rate at 1M EURIBOR plus 1.82% (ACT/360)
- Issue 21 September 2022, lender: Société Générale S.A., principal EUR 250 million, initial term 21 September 2030 (8Y), call option date 21 September 2029, interest rate at 1M EURIBOR plus 2.13% (ACT/360)

Subdebt parameters as of October 2022

- Issue 10 October 2022, lender: Société Générale S.A., principal EUR 100 million, initial term 11 October 2032 (10Y), call option date 11 October 2027, interest rate at 3M EURIBOR plus 3.79% (ACT/360)



Own funds and eligible liabilities (for MREL) maturity schedule*



* Call option exercise date is one year before the maturity date and in the case of Senior non-preferred five years before the maturity date.

WINDFALL TAX PROPOSAL

Proposal of the Finance Ministry for a windfall tax (WFT) submitted outside the standard legislation process as an amendment to an existing bill in second reading in the Chamber of Deputies on 24 October 2022, third reading planned for 4 November 2022.

If approved, the bill will go to the Senate for voting and subsequently to the President for signature .

The main characteristics (related to banks) of the windfall tax according to the government proposal:

- The windfall tax should be applied to profits of the years 2023, 2024 and 2025, but not 2022.
- First tax advances will be paid already in 2023 (i.e. the government would receive the cash already in 2023) and will be calculated from 2022 results.
- The WFT rate should reach 60% as a tax surcharge to the standard 19% tax rate, ie. effective tax rate for the „windfall“ part of profit would be 79%.
- The windfall is defined as a difference between the income tax base (profit before tax) of the respective year and the Base.
- The Base is defined as average profit before tax in four years 2018-2021, increased by 20%.
- The WFT should apply to (standalone) banks with NII exceeding CZK 6 billion in 2021.

The Finance ministry expects revenues from the affected banks of approximately CZK 33 billion in 2023.

Given the income tax base in 2018, 2019, 2020 and 2021 of standalone Komerční banka, the Base for the windfall tax according to the government proposal reaches CZK 15.8 billion.

9M 2022 COST OF RISK STRUCTURE

Key components	Contribution to YtD Q3 2022 CoR (bps)
Non-retail NPL portfolio	-3 bps
Retail NPL portfolio	-2 bps
Non-retail performing portfolio (Stage 1 & 2)	19 bps
Retail performing portfolio (Stage 1 & 2)	7 bps
TOTAL	21 bps

BUSINESS PERFORMANCE OF SUBSIDIARIES

1/2

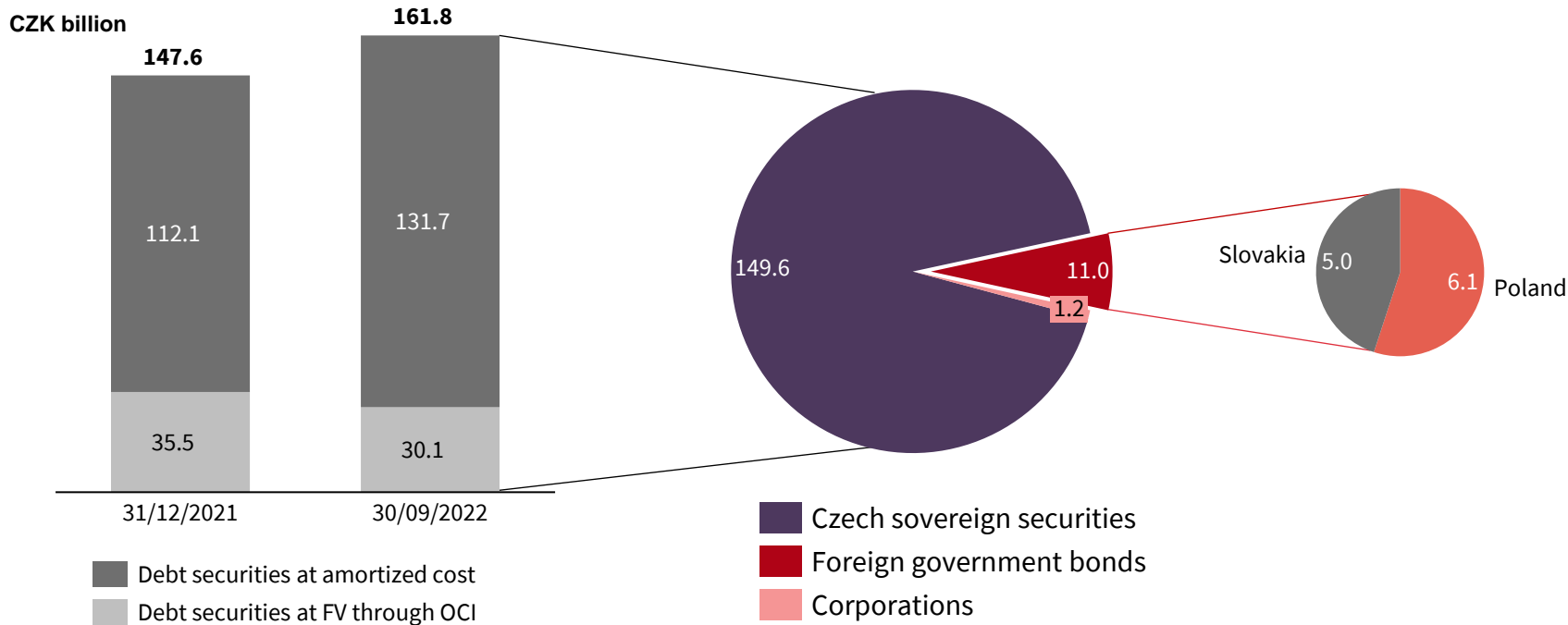
	9M 2021	9M 2022	YoY
Modrá pyramida (100%), #2 building savings & loans company			
Volume of new loans (CZK million)	26,268	13,361	-49%
Volume of total loans (gross, CZK million)	72,462	83,761	16%
Volume of deposits (CZK million)	60,352	56,586	-6%
Number of clients	483,723	464,108	-4%
Average number of FTEs	322	338	5%
Number of points of sale	200	195	-3%
KB Penzijní společnost (100%), a manager of pension funds			
Number of new contracts	26,465	28,867	9%
Number of clients	521,520	508,780	-2%
Assets under management (CZK million)	70,298	72,026	2%
of which in Transformed fund	58,434	57,795	-1%
Average number of FTEs	49	49	0%
ESSOX (50.93%), #2 non-bank consumer lender and car financing company			
Volume of total loans (gross, CZK million)	17,459	18,661	7%
Number of active clients	137,978	133,115	-4%
Average number of FTEs	391	375	-4%

BUSINESS PERFORMANCE OF SUBSIDIARIES

2/2

	9M 2021	9M 2022	YoY
Factoring KB (100%), #1 on the Czech factoring market			
Factoring turnover (CZK million)	43,604	50,370	16%
Volume of total financing (gross, CZK million)	8,890	9,789	10%
Average number of FTEs	41	42	1%
Komerční pojišťovna (49%), a universal insurance company			
Volume of technical reserves - Saving (CZK million)	50,488	45,567	-10%
Gross written premium (CZK million)	6,366	5,733	-10%
of which in life insurance	5,841	5,090	-13%
of which in non-life insurance	524	642	23%
Average number of FTEs	234	252	8%
SGEF Czech Republic (50.1%), a provider of asset-backed financing in Czech Rep. and Slovakia			
Volume of new financing (CZK million)	10,525	10,796	3%
Volume of total financing (gross, CZK million)	30,631	31,376	2%
Average number of FTEs	140	142	1%

DEBT SECURITIES PORTFOLIO IN THE BANKING BOOK



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



MACROECONOMIC ENVIRONMENT – CZECHIA

Macroeconomic Indicators	2017	2018	2019	2020	2021	2022*	2023*	2024*
Real GDP (% , average)	5.3	3.2	3.0	-5.5	3.6	2.7	0.5	3.1
Inflation (% , average)	2.5	2.1	2.8	3.2	3.8	15.1	12.0	2.8
Household consumption (% , average)	4.0	3.3	2.6	-7.4	4.2	0.8	0.4	2.2
Unemployment (% , av. , ILO meth.)	2.9	2.2	2.0	2.6	2.8	2.4	2.7	2.4
M2 (% , average)	9.5	5.3	6.9	10.0	9.6	4.7	1.7	-0.1
3M PRIBOR (% , average)	0.4	1.3	2.1	0.9	1.1	6.3	6.8	4.3

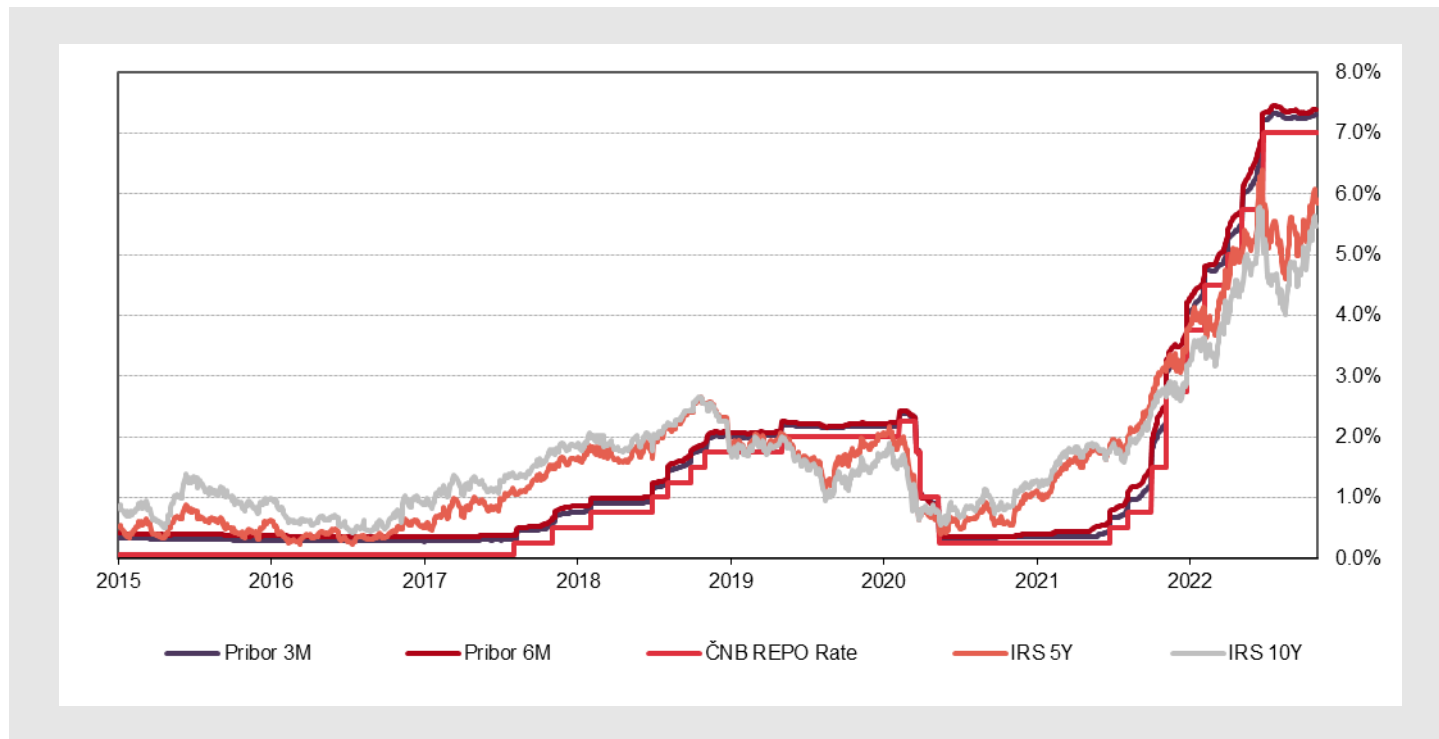
Potential of the market **	2017	2018	2019	2020	2021	2022*	2023*	2024*
Loans / GDP (year-end)	61.0	59.6	63.0	63.0	60.3	57.5	57.3	58.2
Deposits / GDP (year-end)	82.1	81.8	90.4	90.1	85.4	82.3	81.2	81.9
Real estate loans / GDP (year-end)	23.0	23.0	25.1	26.1	24.5	23.2	23.1	23.5
Household loans / GDP (year-end)	28.6	28.5	30.9	31.9	30.0	28.5	28.3	28.9
Corporate loans / GDP (year-end)	32.4	31.1	32.1	31.1	30.3	29.0	29.0	29.4

* KB estimate

** Banking sector

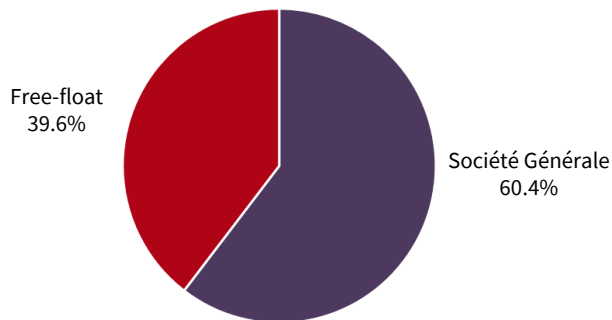
INTEREST RATES EVOLUTION

For the period 1 Jan 2015 – 31 October 2022



KB #1 LISTED CZECH BANK

Shareholder structure



Development of KB share price and PX index (1 January 2001 – 31 October 2022)



- The number of shareholders comprised 67,358 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, Soci t  G n rale S.A. held 60.35%
- KB held 1,193,360 own shares in treasury, representing 0.63% stake on registered capital

INVESTOR RELATIONS



Komerční banka, a.s.

Na Příkopě 33, 114 07 Prague 1

Email: investor_relations@kb.cz

Tel.: +420 955 532 156, +420 955 532 155, +420 955 532 734

Internet: www.kb.cz/investors

Twitter: @KB_investors

Reuters: BKOM.PR

Bloomberg: KOMB CP

