

# Komerční banka Group

## Financial results as at 30 June 2012

According to International Financial Reporting Standards, consolidated, unaudited

Prague, 1 August 2012

NA PARTNERSTVÍ ZÁLEŽÍ



## 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 2012, 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

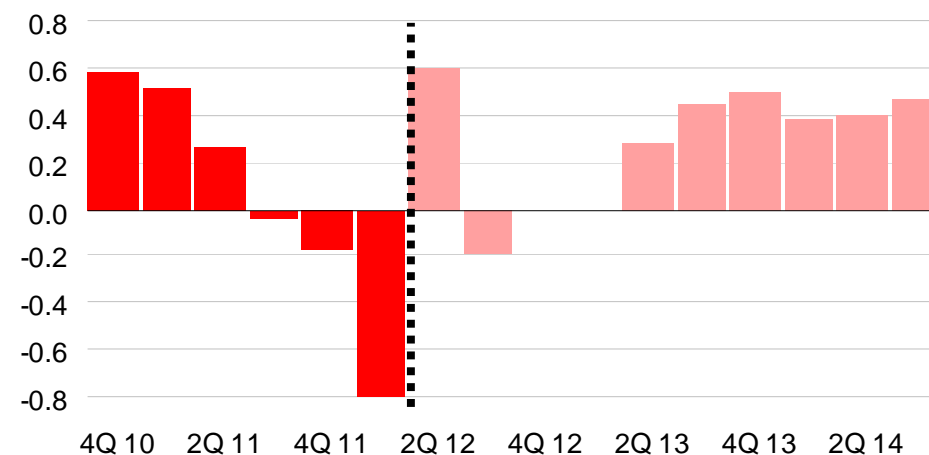
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# Czech economy

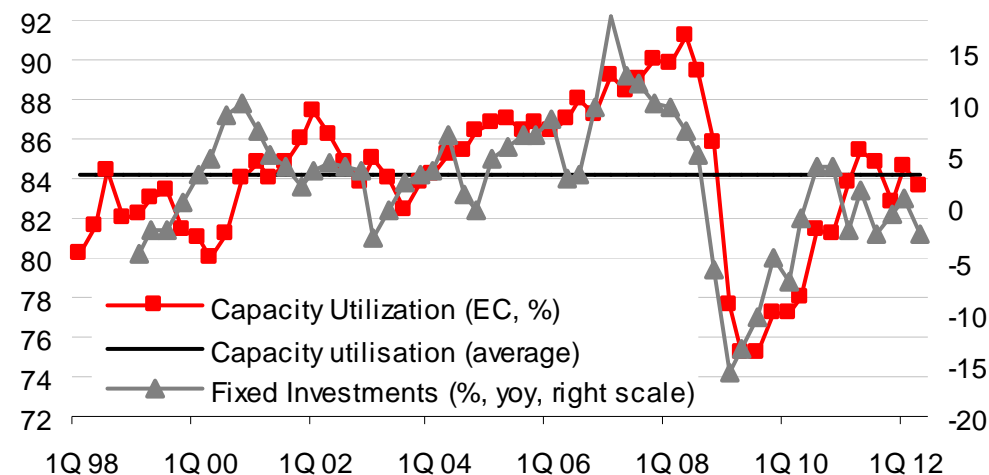
- Economy contracted in 1Q 2012 by 0.7% YoY. Net exports to remain positive contributor to growth in 2012 while domestic demand is decreasing. 2012f GDP -0.5%, 2013e +0.6%\*
- Unemployment rate decreased due to seasonal effects to 8.1% in June (-0.5pp YtD, flat YoY)
- Public finance under control. On 17 July, Moody's affirmed Czech Republic's A1 rating with Stable outlook. Public finance deficit in 2011 at 3.1% of GDP, Finance ministry expects 3.2% in 2012. Public debt/GDP at 41.2% (2011)
- Regulatory 2W repo rate cut in July by 25 bps to 50 bps, expected to stay on hold until 2013. QoQ decrease of long-term CZGB yields and credit spreads on Czech government bonds (on average)
- CPI high at 3.5% YoY in June predicted to decrease below 3 % late in 2012 as most price shocks have passed. CZK close to end-2011 levels (CZKEUR +0.6%, CZKUSD -2.1% YtD), influenced by EUR debt crisis and weaker macroeconomic frame
- Stable external position: C/A deficit to stay below 2% of GDP in 2012\* (2011: 2.9%) thanks to trading surplus

## Czech GDP outlook (QoQ, %)



Source: Economic & Strategy Research, Komerční banka, CSO

## Fixed Investments and free capacities



Source: Economic & Strategy Research, KB, EcoWin; 1Q 1998 – 2Q 2012

# Key results as of 30 June 2012

- Consolidated deposits rose by 6.5% to CZK 582.4 billion
- Volume of loans to clients expanded by 8.0% to CZK 456.2 billion (gross amount)
- Strong liquidity, net loans-to-deposits ratio 75.4% (79.5% excluding PF KB clients' assets)
- Basel 2 Core Tier 1 ratio at solid 14.6%
- Total revenues increased by 5.0% to CZK 16 927 million, affected by extraordinary items
- Tight cost management, OPEX reduced by 0.3% to CZK 6,529 million, operating cost-to-income ratio decreased to 38.6%
- Cost of risk excluding securities decreased by 6.0% to CZK 979 million underpinned by good portfolio quality. Total cost of risk decreased by 63.8% (to CZK 979 million), comparison being affected by first write-downs of Greek bonds recorded in 2Q 2011
- In 2Q, KB sold remaining government bonds issued by Greece and Portugal
- On 2 May 2012, KB sold its 13% stake in specialised Bohemian-Moravian Guarantee and Development Bank (to Czech government)
- Attributable net profit rose by 38.8% to CZK 7,603 million. Net profit excluding one-off items improved 3.9% to CZK 6,945 million

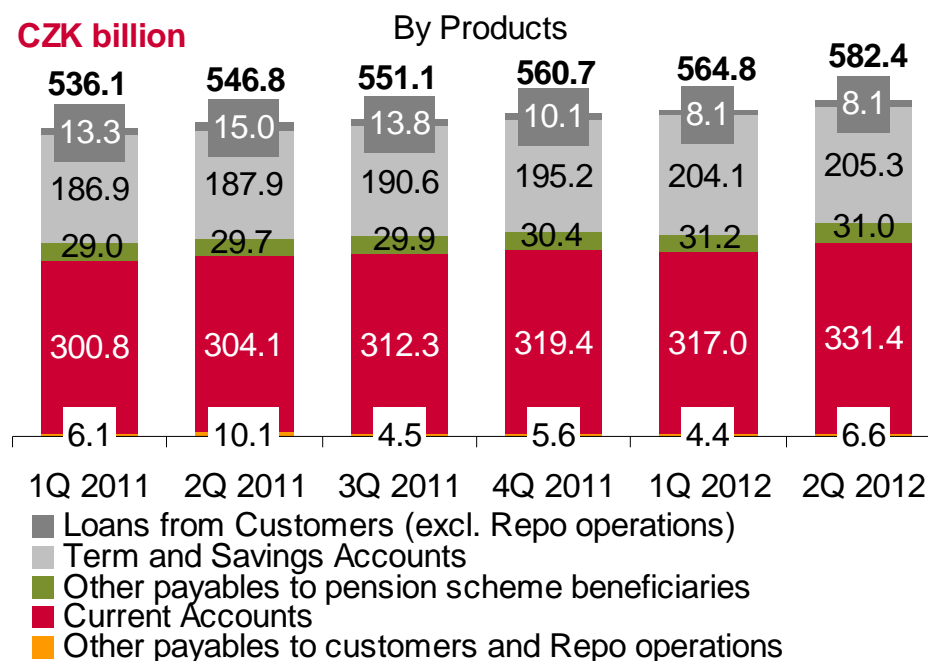
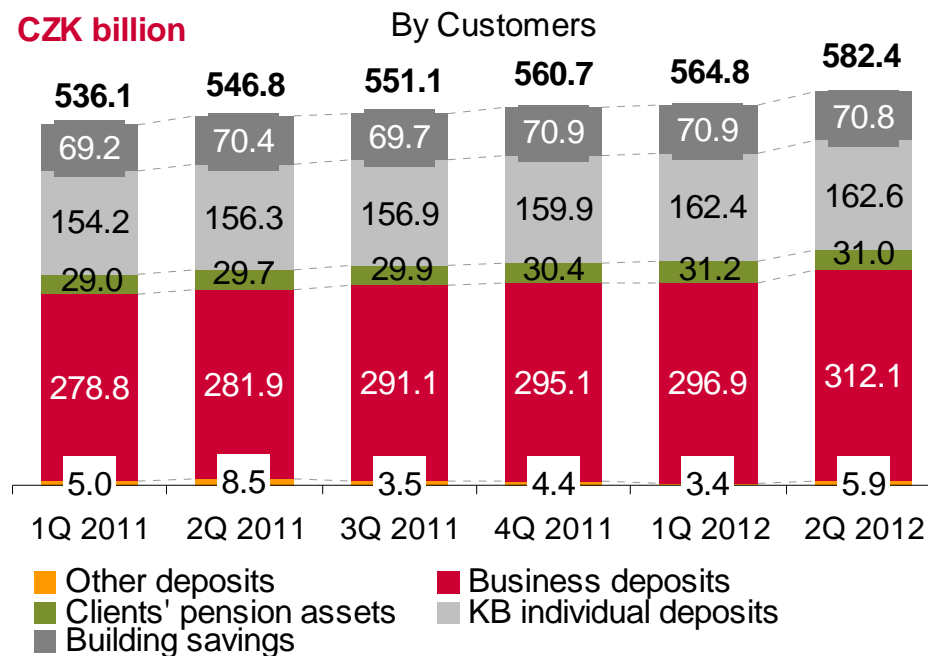
Note: year over year comparisons, results for the six months of 2012

# Business highlights

- Strong relationships maintained with KB Group's 2.5 million clients. Standalone KB served 1,601,000 clients (+1.5% year on year)
- Deposits volume growth accelerated with particularly dynamic development on current and savings accounts in business segments, albeit partly of short-term nature
- Market share in lending further increased due to long-term partnership with clients
- Demand for mortgages remained good thanks to low interest rates and decreased property prices; sales by distribution network of Modrá pyramida contributed to solid mortgage production
- A new generation of internet banking, MojeBanka, was launched. It brings advanced functionalities for administering KB Group products and arranging new services for its 892,000 users
- The new building in Prague-Stodůlky was completed to provide modern office space and environmentally efficient operations for a part of KB's head office as well as for other Group companies
- Komerční banka became the first bank in the Czech Republic to begin accepting payment cards issued by the UnionPay bankcard association from China

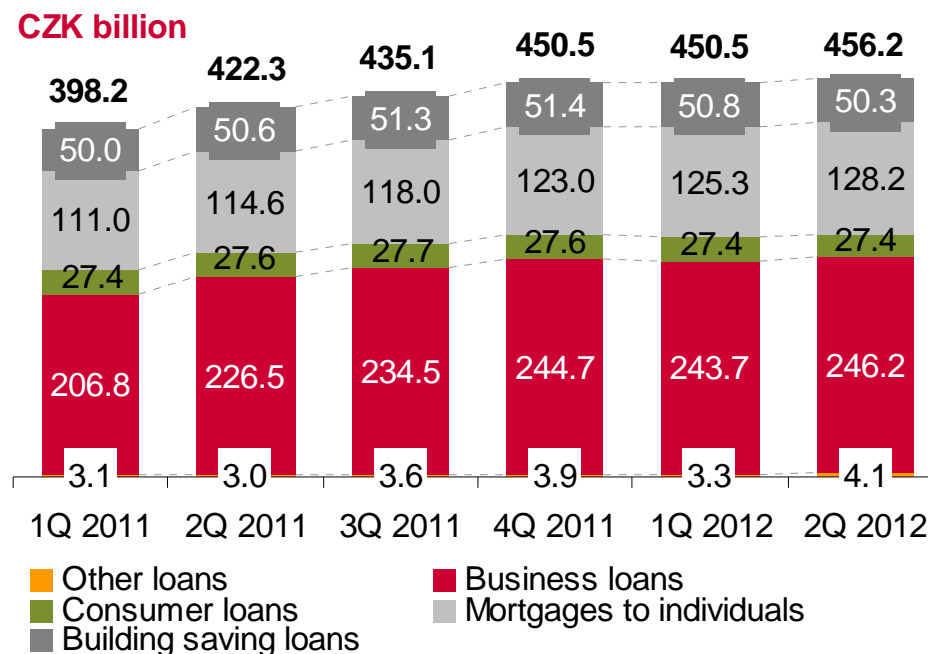
# Deposits and assets under management

- Solid growth of deposits by 6.5% YoY. QoQ up by 3.1%
- Volumes on current accounts rose by a strong 9.0% YoY to CZK 331.4 billion
- KB (bank) deposits from individuals increased by 4.0% YoY to CZK 162.6 billion
- Deposits from business clients increased by a significant 10.7% YoY to CZK 312.1 billion, boosted also by short-term placements
- Clients' pension assets in PF KB grew by 4.4% YoY to CZK 31.0 billion
- MPSS deposits up 0.5% YoY to CZK 70.8 billion
- KP life insurance technical reserves up 16.2% YoY to CZK 26.0 billion
- AUM in mutual funds (sold through KB) decreased by 12.7% YoY to CZK 25.0 billion

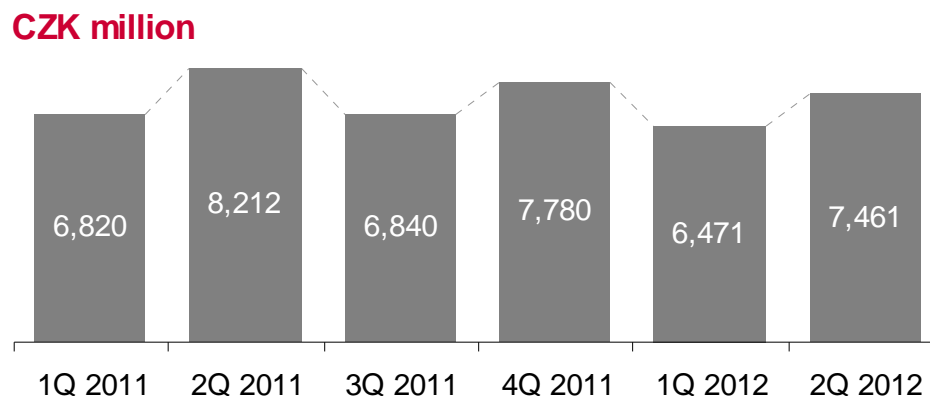


# Lending activities

- Gross loans rose 8.0% YoY, +1.3% QoQ
- Business loans up 8.7% YoY, of which:
  - Small businesses (KB) +5.9% to CZK 28.1 billion
  - Corporations (KB) +9.4% to CZK 195.2 billion
  - Factoring KB +35.5% to CZK 3.0 billion
  - SGEF +3.7% to CZK 20.0 billion
- Consumer loans provided by KB and ESSOX dropped by 0.6% YoY to CZK 27.4 billion
- Mortgages to individuals up 11.8% YoY to CZK 128.2 billion (outstanding volume)
- Loans provided by Modrá pyramida reached CZK 50.3 billion, down 0.8% YoY
- Irrevocable off-balance sheet commitments up 4.7% YoY, 2.6% QoQ (at CZK 168.0 billion)



## Sales volume of mortgages to individuals





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# Consolidated income statement

<b>Profit and Loss Statement</b> (CZK million, unaudited)	1H 2011	1H 2011 Pro forma	1H 2012	1H 2012 Pro forma	Change YoY	Change YoY Pro forma
Net interest income	10,941	10,834	11,045	10,828	1.0%	-0.1%
Net fees & commissions	3,748	3,732	3,580	3,571	-4.5%	-4.3%
Income from financial operations	1,385	1,390	2,246	2,253	62.2%	62.1%
Other income	44	43	56	56	27.3%	30.2%
<b>Net banking income</b>	<b>16,118</b>	<b>15,999</b>	<b>16,927</b>	<b>16,708</b>	<b>5.0%</b>	<b>4.4%</b>
Personnel expenses	-3,258	-3,239	-3,347	-3,287	2.7%	1.5%
General administrative expenses	-2,438	-2,419	-2,328	-2,296	-4.5%	-5.1%
Depreciation, impairment and disposal of fixed assets	-854	-853	-854	-852	0.0%	-0.1%
<b>Operating costs</b>	<b>-6,550</b>	<b>-6,511</b>	<b>-6,529</b>	<b>-6,435</b>	<b>-0.3%</b>	<b>-1.2%</b>
<b>Gross operating income</b>	<b>9,569</b>	<b>9,488</b>	<b>10,398</b>	<b>10,273</b>	<b>8.7%</b>	<b>8.3%</b>
Provisions for securities	-1,663	-1,663	0	0	n.a.	n.a.
Provisions for loans losses and other risks	-1,042	-1,027	-979	-923	-6.0%	-10.1%
<b>Cost of risk</b>	<b>-2,706</b>	<b>-2,691</b>	<b>-979</b>	<b>-923</b>	<b>-63.8%</b>	<b>-65.7%</b>
<b>Net operating income</b>	<b>6,863</b>	<b>6,797</b>	<b>9,419</b>	<b>9,350</b>	<b>37.2%</b>	<b>37.6%</b>
Profit on subsidiaries and associates	43	43	60	60	39.5%	39.5%
Share of profit of pension scheme beneficiaries	-326	-326	-396	-396	21.5%	21.5%
<b>Profit before income taxes</b>	<b>6,580</b>	<b>6,515</b>	<b>9,082</b>	<b>9,014</b>	<b>38.0%</b>	<b>38.4%</b>
Income taxes	-1,009	-993	-1,356	-1,345	34.4%	35.4%
<b>Net profit</b>	<b>5,571</b>	<b>5,522</b>	<b>7,726</b>	<b>7,668</b>	<b>38.7%</b>	<b>38.9%</b>
Minority profit/(loss)	94	69	123	94	30.9%	36.2%
<b>Net profit attributable to equity holders</b>	<b>5,478</b>	<b>5,453</b>	<b>7,603</b>	<b>7,574</b>	<b>38.8%</b>	<b>38.9%</b>

Note: Pro forma – excluding impact of SGEF acquisition

# Recurring financial results

<b>Recurring P&amp;L</b> (CZK million, unaudited)	<b>1H 2011</b> <b>Reported</b>	<b>1H 2011</b> <b>Recurring</b>	<b>1H 2012</b> <b>Reported</b>	<b>1H 2012</b> <b>Recurring</b>	<b>Change</b> <b>YoY</b> <b>Reported</b>	<b>Change</b> <b>YoY</b> <b>Recurring</b>
Net interest income	10,941	10,719	11,045	10,799	1.0%	0.7%
Net fees & commissions	3,748	3,732	3,580	3,599	-4.5%	-3.6%
Income from financial operations	1,385	1,390	2,246	1,586	62.2%	14.1%
Other income	44	43	56	56	27.3%	30.2%
<b>Net banking income</b>	<b>16,118</b>	<b>15,884</b>	<b>16,927</b>	<b>16,039</b>	<b>5.0%</b>	<b>1.0%</b>
Personnel expenses	-3,258	-3,239	-3,347	-3,287	2.7%	1.5%
General administrative expenses	-2,438	-2,419	-2,328	-2,344	-4.5%	-3.1%
Depreciation, impairment and disposal of fixed assets	-854	-856	-854	-855	0.0%	-0.1%
<b>Operating costs</b>	<b>-6,550</b>	<b>-6,514</b>	<b>-6,529</b>	<b>-6,486</b>	<b>-0.3%</b>	<b>-0.4%</b>
<b>Gross operating income</b>	<b>9,569</b>	<b>9,370</b>	<b>10,398</b>	<b>9,554</b>	<b>8.7%</b>	<b>2.0%</b>
Provisions for securities	-1,663	0	0	0	n.a.	n.a.
Provisions for loans losses and other risks	-1,042	-1,027	-979	-923	-6.0%	-10.1%
<b>Cost of risk</b>	<b>-2,706</b>	<b>-1,028</b>	<b>-979</b>	<b>-923</b>	<b>-63.8%</b>	<b>-10.2%</b>
<b>Net operating income</b>	<b>6,863</b>	<b>8,343</b>	<b>9,419</b>	<b>8,631</b>	<b>37.2%</b>	<b>3.4%</b>
Profit on subsidiaries and associates	43	43	60	60	39.5%	39.5%
Share of profit of pension scheme beneficiaries	-326	-326	-396	-230	21.5%	-29.6%
<b>Profit before income taxes</b>	<b>6,580</b>	<b>8,060</b>	<b>9,082</b>	<b>8,461</b>	<b>38.0%</b>	<b>5.0%</b>
Income taxes	-1,009	-1,304	-1,356	-1,422	34.4%	9.1%
<b>Net profit</b>	<b>5,571</b>	<b>6,756</b>	<b>7,726</b>	<b>7,039</b>	<b>38.7%</b>	<b>4.2%</b>
Minority profit/(loss)	94	69	123	94	30.9%	36.2%
<b>Net profit attributable to equity holders</b>	<b>5,478</b>	<b>6,687</b>	<b>7,603</b>	<b>6,945</b>	<b>38.8%</b>	<b>3.9%</b>

# Consolidated statement of financial position

<b>Balance Sheet</b> (CZK million, unaudited)	30 Jun 2011	31 Dec 2011	30 Jun 2012	Change YoY	Change YtD
<b>Assets</b>	<b>724,209</b>	<b>754,810</b>	<b>777,018</b>	<b>7.3%</b>	<b>2.9%</b>
Cash and balances with central bank	11,262	16,980	15,999	42.1%	-5.8%
Amounts due from banks	116,727	101,393	100,058	-14.3%	-1.3%
Loans and advances to customers (net)	406,387	434,386	439,272	8.1%	1.1%
Securities and trading derivatives	157,424	164,260	180,705	14.8%	10.0%
Other assets	32,410	37,791	40,983	26.5%	8.4%
<b>Liabilities and shareholders' equity</b>	<b>724,209</b>	<b>754,810</b>	<b>777,018</b>	<b>7.3%</b>	<b>2.9%</b>
Amounts due to banks	39,657	37,454	36,350	-8.3%	-2.9%
Amounts due to customers	546,774	560,700	582,384	6.5%	3.9%
Securities issued	18,789	18,338	18,767	-0.1%	2.3%
Other liabilities	38,029	50,465	52,669	38.5%	4.4%
Subordinated debt	6,001	6,002	0	n.a.	n.a.
Shareholders' equity	74,958	81,850	86,848	15.9%	6.1%

*Note: Pro forma – excluding impact of SGEF acquisition*

# Financial ratios

<b>Key ratios and indicators</b> (year-to-date)	<b>30 Jun 2011</b>	<b>30 Jun 2012</b>	<b>Change YoY</b>
Capital adequacy (Basel II)	16.1%	14.6%	▼
Tier 1 ratio (Basel II)	14.6%	14.6%	▼
Total capital requirement (CZK billion)	28.8	29.6	2.7%
Capital requirement for credit risk (CZK billion)	24.2	24.8	2.6%
Net interest margin (NII/Av. interest bearing assets)	3.3%	3.2%	▼
Loans (net) / deposits ratio	74.3%	75.4%	▲
Loans (net) / deposits ratio excl. PF client assets	78.4%	79.5%	▲
Cost / income ratio	40.6%	38.6%	▼
Return on average equity (ROAE), annualized	14.9%	18.6%	▲
Return on average assets (ROAA), annualized	1.5%	2.0%	▲
Earnings per share (CZK), annualized	289	403	39.5%
Average number of employees during the period	8,669	8,792	1.4%

# Shareholders' equity

Development year-to-date

Total shareholders' equity  
as at 31 December 2011

+4,997

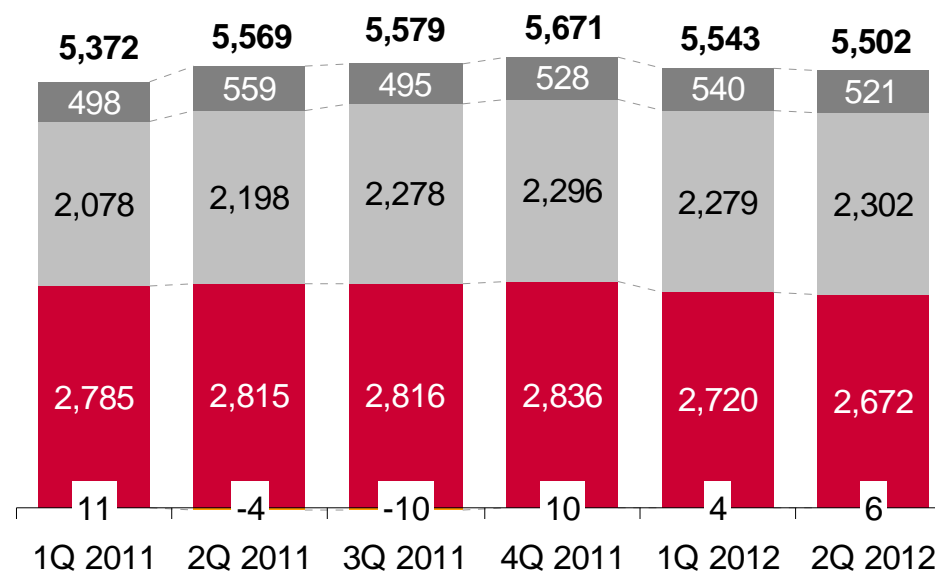


Total shareholders' equity  
as at 30 June 2012

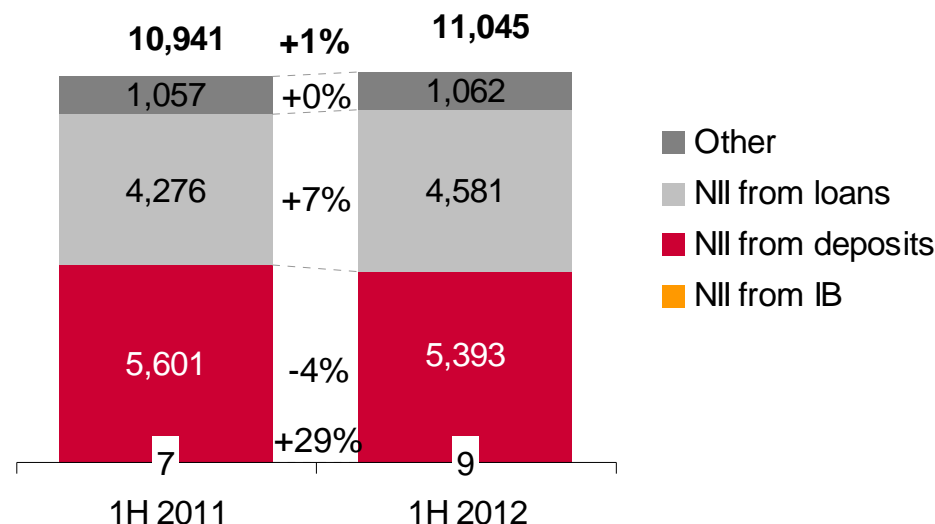
Shareholders' equity	31/12/2011	1/1/2012	Increase	Decrease	30/06/2012
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	38,693	48,168		-6,010	42,158
- Retained earnings, reserve funds and dividends	39,419	48,894		-6,010	42,883
- Treasury shares	-726	-726			-726
Attributable net profit	9,475	0	7,603		7,603
Hedging revaluation reserve	9,761	9,761	992		10,753
AFS securities' fair value changes	2,082	2,082	2,409		4,492
Others	201	201	22		223
Minorities	2,633	2,633		-19	2,614
<b>Total Shareholders' equity</b>	<b>81,850</b>	<b>81,850</b>	<b>11,027</b>	<b>-6,029</b>	<b>86,848</b>

# Net interest income

- NII in 1H 2012 up by 1.0% YoY (-0.1% adjusted for SGEF acquisition). 2Q down 0.7% QoQ
- NII from loans – driven by solid volume growth. Competition not easing, driving spreads slightly down
- NII from deposits – market interest rates declined further, impacting yield on reinvestment of liquidity. Downward trend continued into the 3Q, reflecting cut in regulatory 2W repo rate on 29 June. Spreads on saving accounts and term deposits still under competitive pressure
- From 2012, origination fees and costs on all lending and deposit products amortised through NII, with marginally positive impact
- NII from other – following sale of the stake in CMZRB KB did not receive the dividend from this bank in 2012. KB paid out CZK 6.1 billion dividend on 28 May

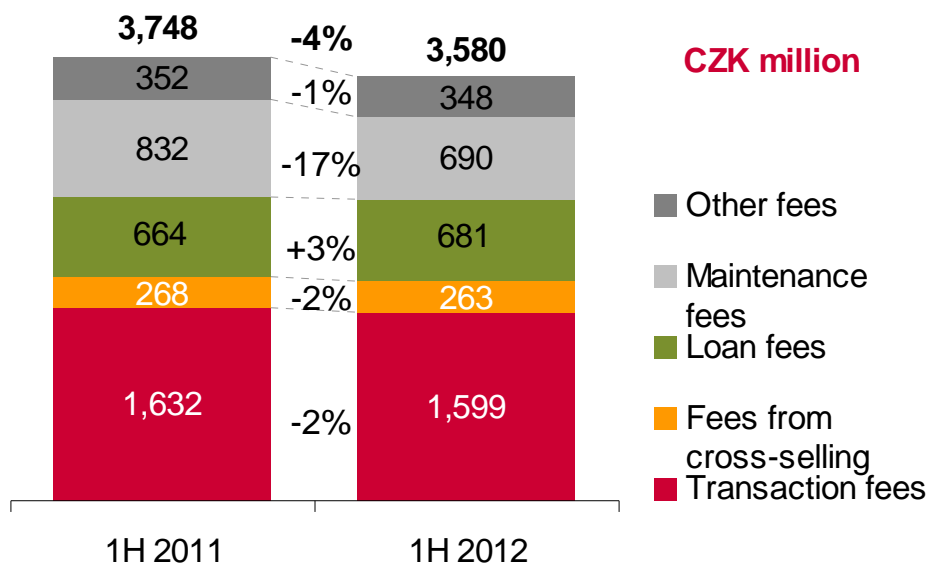
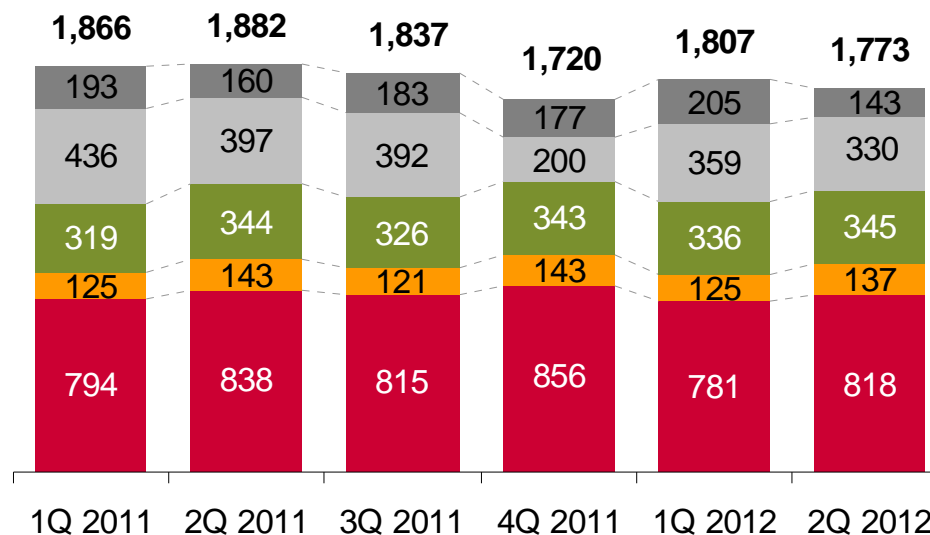


CZK million



# Net fees and commissions

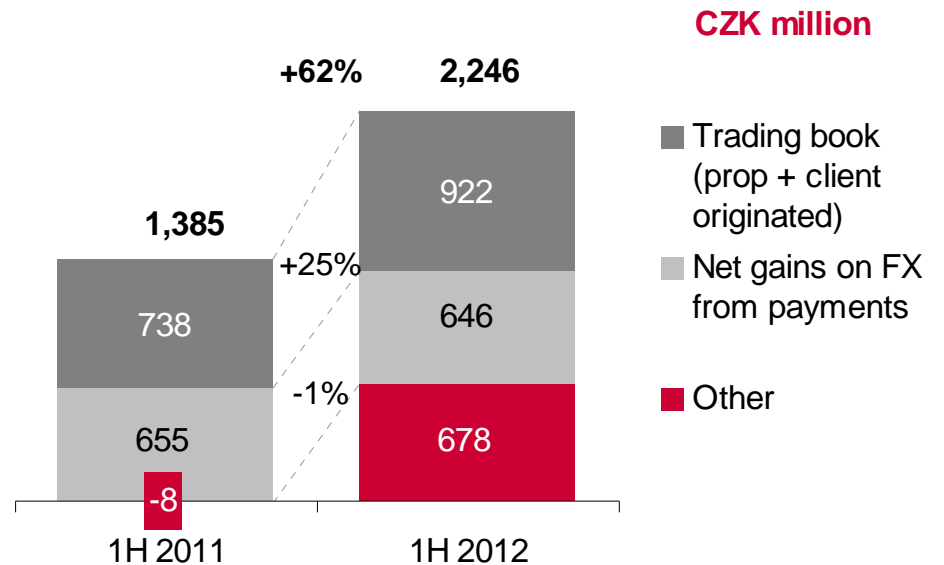
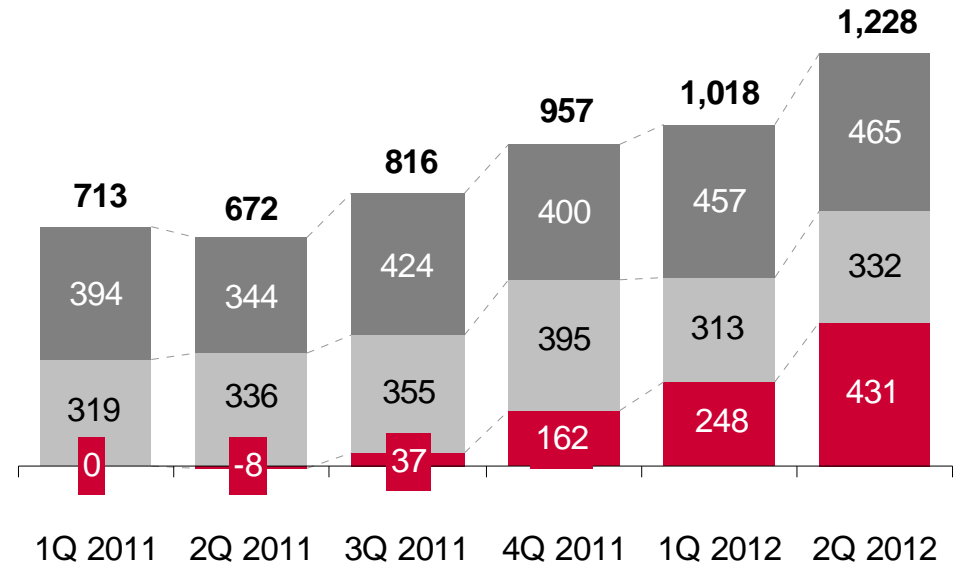
- Fee income in 1H 2012 down 4.5% YoY (-4.3% adjusted for SGEF acquisition). 2Q -1.9% QoQ
- Maintenance fees – reduction in charged fees due to client rewards scheme introduced in 2011. Impact from accelerated expensing of client acquisition commissions in PF KB offset in the line ‘Share of pension scheme beneficiaries’
- Loan fees – stable underlying development. Small contribution from newly amortising origination fees and costs on all lending and deposit products through NII (instead of booking as fee income/expense).
- Fees from cross-selling – slight decline due to lower sales and AUM in mutual funds, and lower premium written in KP life insurance. Mitigated by income from distribution of government retail bonds
- Transaction fees – higher number of transactions QoQ but declining trend in average prices due to shift from classic channels and competition. Income from card transactions up
- Other fees – strong trade finance. QoQ decline due to DCM deals in 1Q and seasonality





# Net profit from financial operations

- Net profit from financial operations in 1H 2012 increased by 62.2% YoY. 2Q up 20.6% QoQ
- One-off contributions comprised in 2Q12 gains from sale of 13% in CMZRB guarantee bank, and loss from sale of residual exposure in Greek and Portuguese government bonds with a combined impact of CZK 450 million
- Solid performance of proprietary trading due to successful positioning toward the yield curve movements
- Solid client demand for IR hedging, recovering activity with CO<sub>2</sub> emission allowances, partly offset by pressure on margins
- Marginal decline in income from FX payment transactions due to lower average prices

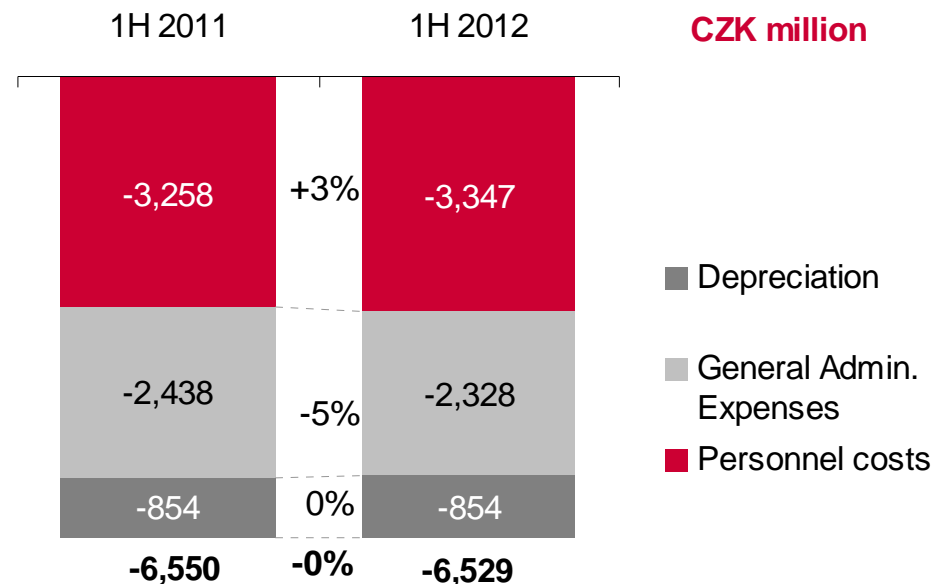
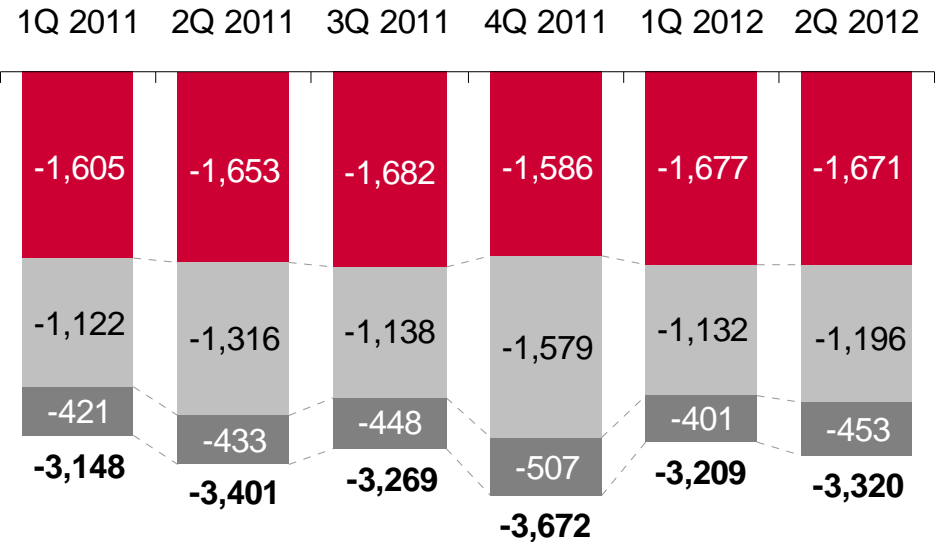


CZK million

- Trading book (prop + client originated)
- Net gains on FX from payments
- Other

# Operating costs

- OPEX in 1H 2012 decreased by 0.3% YoY (-1.2% adjusted for SGEF acquisition). OPEX up 3.5% QoQ influenced by seasonally stronger marketing
- Personnel costs in 1H 2012 up 2.7% YoY (1.5% adjusted). 2Q down 0.4% QoQ. YoY growth driven by increase in average number of employees (+1.4% YoY) and salaries
- General administrative expenses in 1H 2012 down 4.5% YoY (-5.1% adj.) 2Q up 5.7% QoQ. YoY decrease driven mainly by savings on ICT costs, reclassification of collateral valuation costs to NII from 2012 (CZK 49 mil. in 1H 2012)
- Depreciation & amortization flat YoY (-0.1% adj.) 2Q up 13.0% QoQ due to deployment of new software and allowances for cancelled projects

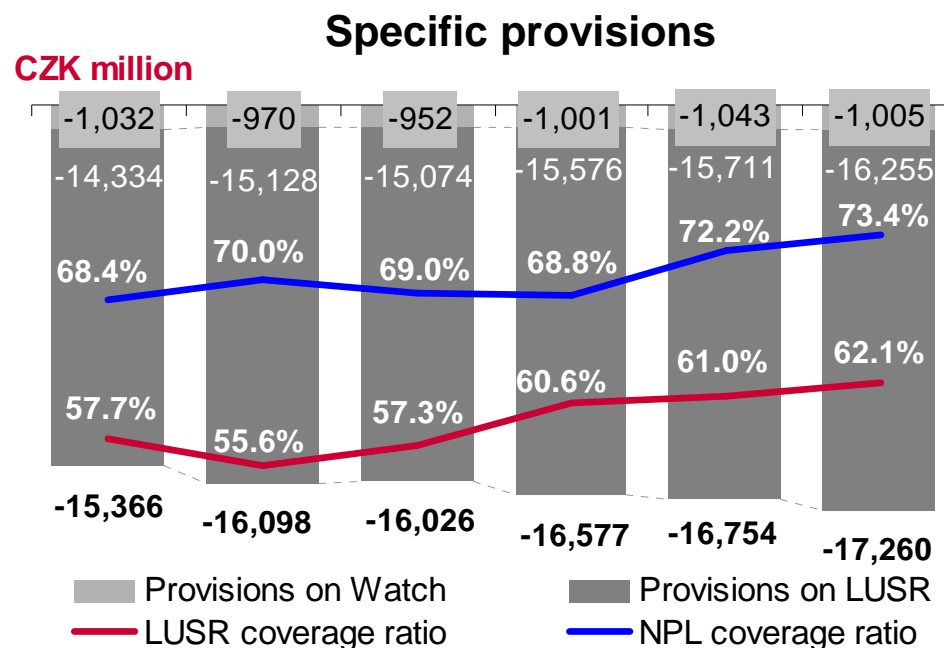
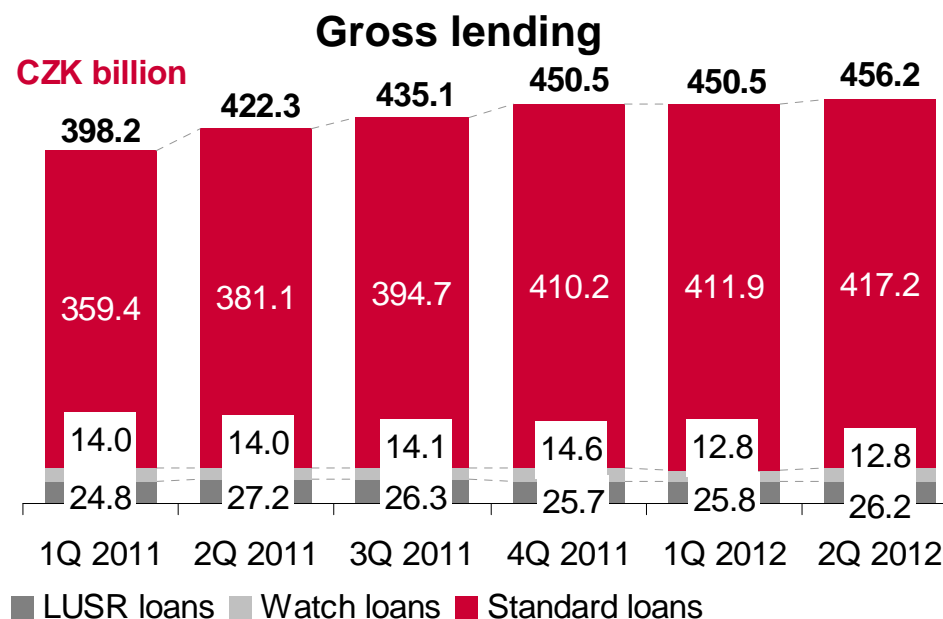


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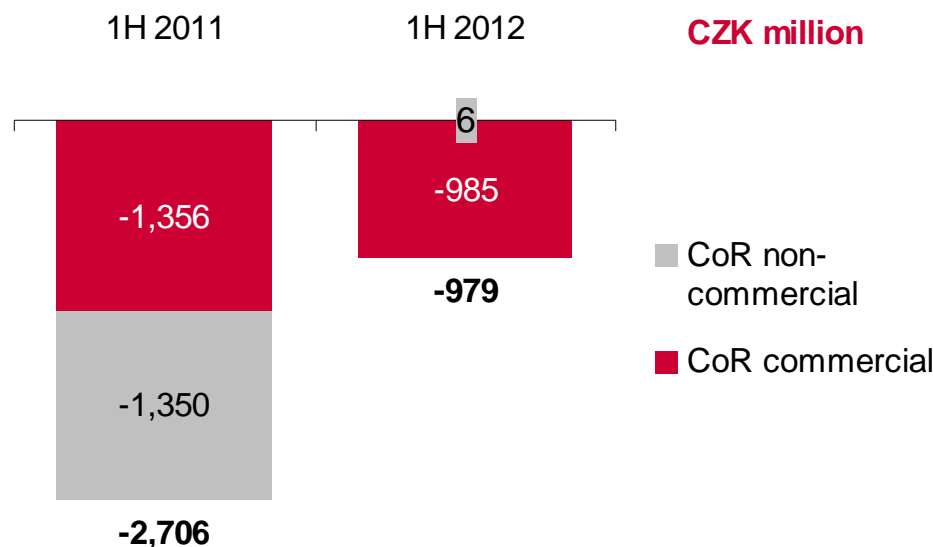
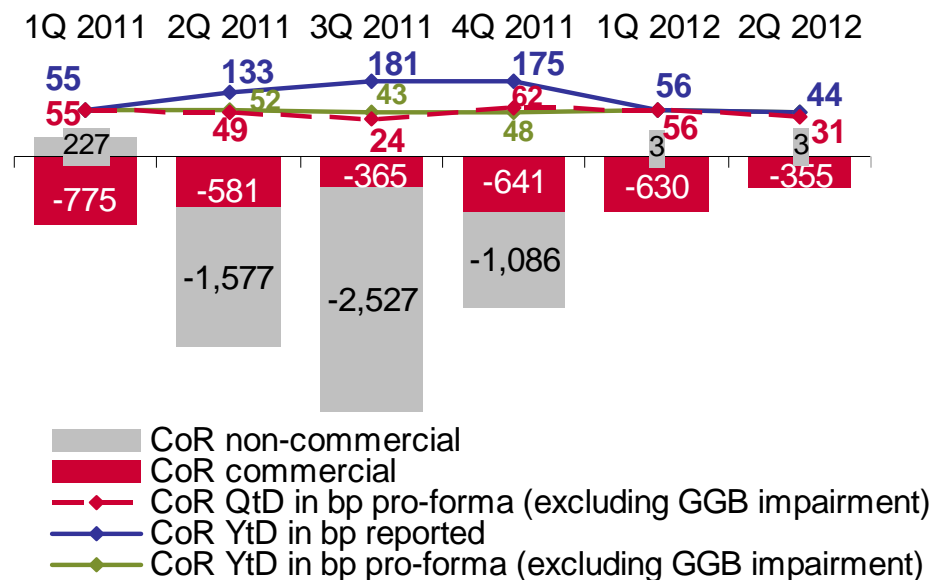
# Loan quality

- Loan exposure +8% YoY, +1.3% QoQ
- Share of Standard and Watch loan exposure stable at 94.3% (94.3% in 1Q 2012)
- Share of LUSR exposure stable at 5.7% (5.7 % in 1Q 2012) as a result of stable intensity of inflow into LUSR
- Stable share of NPL exposure at 3.8%. Total volume of NPL up to CZK 17.5 billion driven by a few corporate clients reclassified from performing LUSR to NPL
- Provision coverage ratio on LUSR portfolio stable above 60%, coverage ratio on NPL portfolio marginally up to 73.4%



# Cost of risk

- 2Q 2012 cost of risk at CZK 0.4 billion compared to CZK 2.2 billion in 2Q 2011
- YoY total cost of risk decreased by 83.7%; mainly influenced by write-downs of Greek government bonds in 2Q 2011
- YoY commercial cost of risk decreased by 38.9% driven by Corporate segment
- 2Q 2012 contribution to cost of risk by KB group entities: KB 66%, ESSOX 22%, SGEF 10%, MPSS 1%, FKB 1%

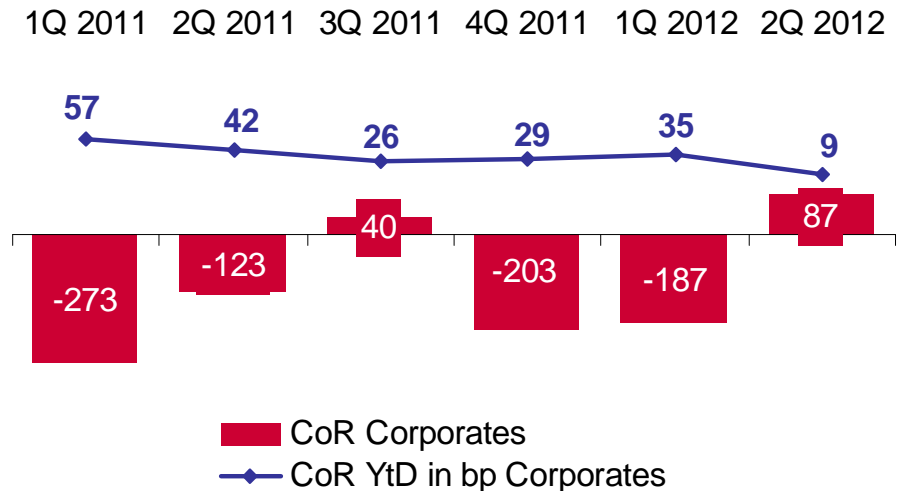


Note: income from write-off receivables with further recovery included into commercial cost of risk since 1Q 2012

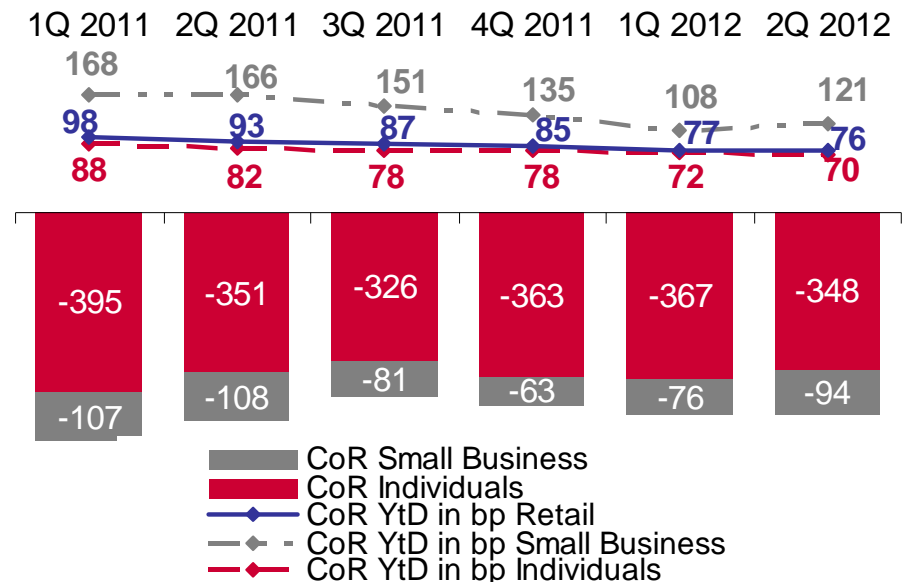
# Commercial cost of risk - zoom on client segments

- QoQ cost of risk significantly decreased on Corporates and remained flat on Retail
- YoY corporate cost of risk down to 9 bps mainly thanks to successful recovery development on several big tickets in 2Q 2012 supported by continuous low inflow of small and medium size companies into default
- YoY retail cost of risk volume flat, YtD cost of risk down at 76 bps from 93 bps in 2Q 2011 as a result of higher cost of risk in 1H 2011 and continuously growing loan exposure driven mainly by mortgages

## KB Group – Corporate Segments



## KB Group – Retail Segments



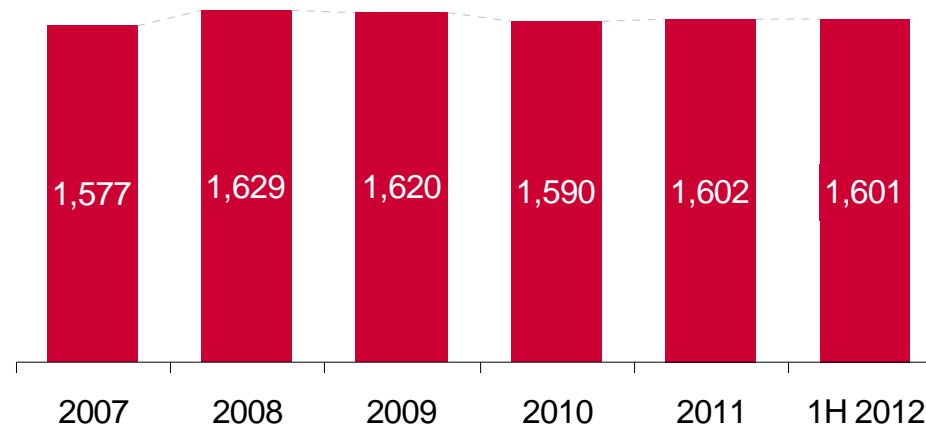
# Agenda

■ Business results	4
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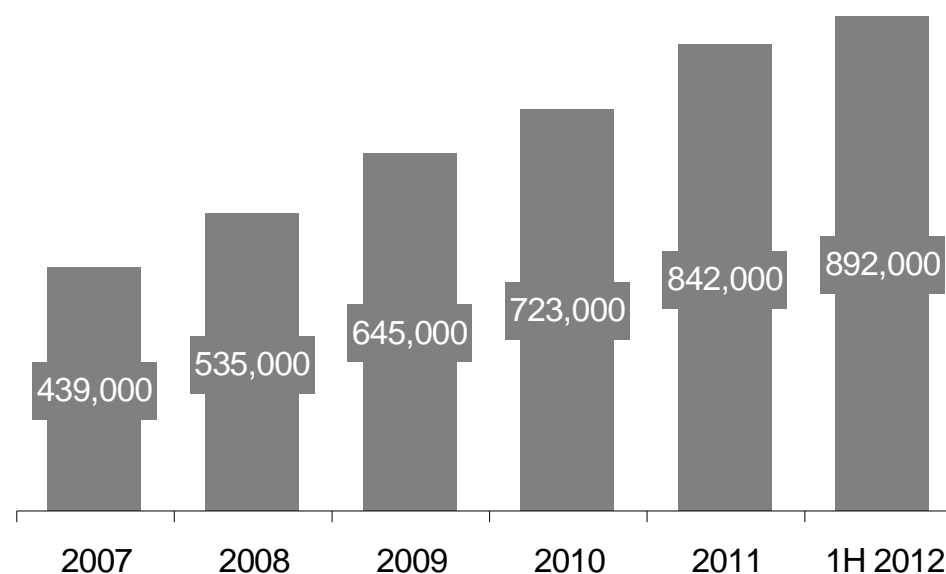
# Number of clients and distribution network

- KB Group's 2.5 million clients, of which
  - KB bank 1,601,000 clients (+2%)
  - MPSS 629,000 clients (-6%)
  - PFKB 519,000 clients (+4%)
  - ESSOX 278,000 active clients (-6%)
- Network
  - 399 branches for retail clients, 20 business centres for MEM, 4 corporate divisions for large corporate clients in CZ, 1 in Slovakia
  - 698 ATMs
  - MPSS: 224 points of sale; 1,239 sales agents (of which 298 full-time professionals)
  - SGEF: 7 branches in CZ, 2 in Slovakia
- Direct Channels
  - Two call centres, internet and mobile banking
  - 1,089,000 clients (i.e. 68% of KB client base) using direct banking products

Number of bank clients (CZ)



MojeBanka - number of clients





# Consolidated financial results

<b>Profit and Loss Statement</b> (CZK million, unaudited)	2Q 2011	1Q 2012	2Q 2012	Change YoY	Change QoQ
Net interest income	5,569	5,543	5,502	-1.2%	-0.7%
Net fees & commissions	1,882	1,807	1,773	-5.8%	-1.9%
Income from financial operations	672	1,018	1,228	82.7%	20.6%
Other income	29	27	29	0.0%	7.4%
<b>Net banking income</b>	<b>8,152</b>	<b>8,395</b>	<b>8,532</b>	<b>4.7%</b>	<b>1.6%</b>
Personnel expenses	-1,653	-1,677	-1,671	1.1%	-0.4%
General administrative expenses	-1,316	-1,132	-1,196	-9.1%	5.7%
Depreciation, impairment and disposal of fixed assets	-433	-401	-453	4.6%	13.0%
<b>Operating costs</b>	<b>-3,401</b>	<b>-3,209</b>	<b>-3,320</b>	<b>-2.4%</b>	<b>3.5%</b>
<b>Gross operating income</b>	<b>4,751</b>	<b>5,186</b>	<b>5,212</b>	<b>9.7%</b>	<b>0.5%</b>
Provisions for securities	-1,663	0	0	n.a.	n.a.
Provisions for loans losses and other risks	-494	-628	-352	-28.7%	-43.9%
<b>Cost of risk</b>	<b>-2,158</b>	<b>-628</b>	<b>-352</b>	<b>-83.7%</b>	<b>-43.9%</b>
<b>Net operating income</b>	<b>2,593</b>	<b>4,558</b>	<b>4,860</b>	<b>87.4%</b>	<b>6.6%</b>
Profit on subsidiaries and associates	24	26	34	41.7%	30.8%
Share of profit of pension scheme beneficiaries	-151	-316	-80	-47.0%	-74.7%
<b>Profit before income taxes</b>	<b>2,466</b>	<b>4,268</b>	<b>4,814</b>	<b>95.2%</b>	<b>12.8%</b>
Income taxes	-300	-719	-637	112.3%	-11.4%
<b>Net profit</b>	<b>2,166</b>	<b>3,549</b>	<b>4,177</b>	<b>92.8%</b>	<b>17.7%</b>
Minority profit/(loss)	64	61	62	-3.1%	1.6%
<b>Net profit attributable to equity holders</b>	<b>2,102</b>	<b>3,488</b>	<b>4,115</b>	<b>95.8%</b>	<b>18.0%</b>

# KB consolidated group

Pension insurance	Penzijní fond KB (100%)	#4 pension fund in the Czech Republic with 519,000 clients. PF will be transformed in a pension asset management company from 2013 and client assets will be deconsolidated
Building society	Modrá pyramida stavební spořitelna (100%)	#2 largest building savings bank according to loan volume with 629,000 clients and 1,239 strong agent distribution network
Consumer credit	ESSOX (50.93%)	Consumer credit and car finance company. #4 non-bank consumer loan provider in the Czech Republic
Insurance	Komerční pojišťovna (49%)	Universal insurance company focused on life insurance
Corporate services	KB, branch in Slovakia	The Slovak business division focuses on serving large corporate clients
	Factoring KB (100%)	#4 on the Czech factoring market, offering domestic, foreign and reverse factoring
	SGEF Czech Republic (50.1%)	Leading provider of asset-backed financing in the Czech Republic and also active in Slovakia

## Business performance of subsidiaries 1/2

		1H 2011	1H 2012	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	4,331	2,276	-47%
	Volume of total loans (gross, CZK million)	50,639	50,254	-1%
	Target volume of new contracts (CZK million)	13,443	11,484	-15%
	Volume of deposits (CZK million)	70,401	74,227	5%
	Average number of FTEs	355	362	2%
	Number of points of sale	239	224	-6%
<b>PF KB</b>	Number of new contracts	26,422	50,315	90%
	Number of contracts (stock)	498,399	516,022	4%
	Assets under management (CZK million)	29,681	30,982	4%
	Average number of FTEs	60	58	-3%
<b>ESSOX</b>	Volume of new contracts (CZK million)	2,455	2,297	-6%
	Volume of total loans (gross, CZK million)	9,726	9,523	-2%
	Average number of FTEs	355	343	-3%

## Business performance of subsidiaries 2/2

		1H 2011	1H 2012	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	6,929	8,962	29%
	Volume of total financing (gross, CZK million)	2,198	2,977	35%
	Average number of FTEs	38	39	3%
<b>KP</b>	Newly concluded policies (number)	408,430	448,747	10%
	of which in life insurance	65,043	62,547	-4%
	of which in non-life insurance	343,387	386,200	12%
	Premium written (CZK million)	4,211	3,234	-23%
	of which in life insurance	4,017	3,031	-25%
	of which in non-life insurance	195	204	5%
	Average number of FTEs	148	154	4%
<b>SGEF</b> (acquired in May 2011)	Volume of new loans (CZK million)	2,967	3,773	27%
	Volume of total loans (gross, CZK million)	19,246	19,961	4%
	Average number of FTEs	117	119	2%

# Standalone results of KB group companies and associated undertakings

	Account. standards	Share of KB	Net Profit	YoY	Equity	YoY	Assets	YoY
<b>CZK million</b>								
KB	IFRS	100%	6,831	35.0%	75,892	14.8%	683,962	10.6%
- o/w KB branch in Slovakia	IFRS	100%	76	216.7%	n.a.	n.a.	16,522	82.3%
ESSOX, s.r.o.	IFRS	50.93%	192	36.2%	2,938	5.3%	9,635	-7.7%
Factoring KB, a.s.	CAS	100%	14	-80.3%	1,541	-0.1%	4,258	22.1%
Penzijní fond Komerční banky, a. s.*	CAS	100%	466	21.4%	1,886	45.7%	33,380	7.3%
Bastion European Investments S.A.	IFRS	100%	46	-11.5%	3,178	3.0%	6,346	3.2%
Komerční pojišťovna, a.s.	IFRS	49%	122	38.6%	1,753	19.7%	29,802	16.9%
Modrá pyramida SS, a.s.	IFRS	100%	590	12.0%	7,433	21.4%	83,205	7.1%
SG Equipment Finance ČR s.r.o.	IFRS	50.1%	123	146.0%	2,081	-26.9%	21,870	2.9%
KB Real Estate, s.r.o.	IFRS	100%	-5	n.a.	506	n.a.	1,310	n.a.
Protos	IFRS	90%	141	-47.4%	13,544	-1.0%	13,574	-0.9%
Czech Banking Credit Bureau	CAS	20%	7	-12.5%	12	0.0%	41	5.1%

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

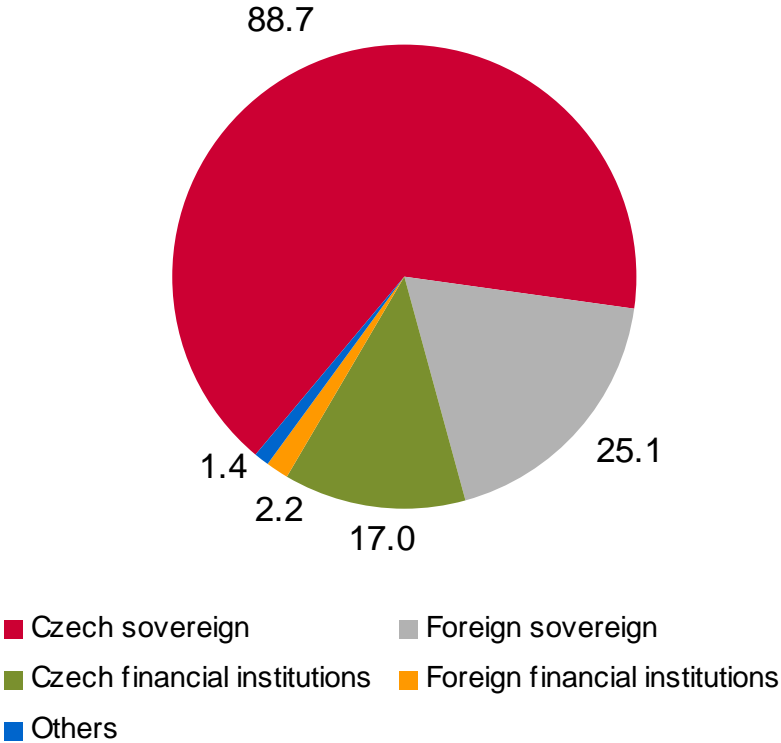
Note: Fully consolidated companies are: Essox, Factoring, PFKB, Bastion, Modra pyramida, SGEF CR, KB Real Estate and Protos. CBCB is not consolidated.

# Securities portfolio in the banking book

CZK billion

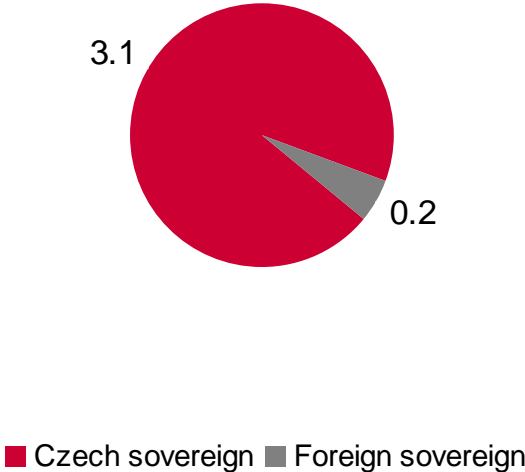
Available-for-sale portfolio

CZK 134.3 billion



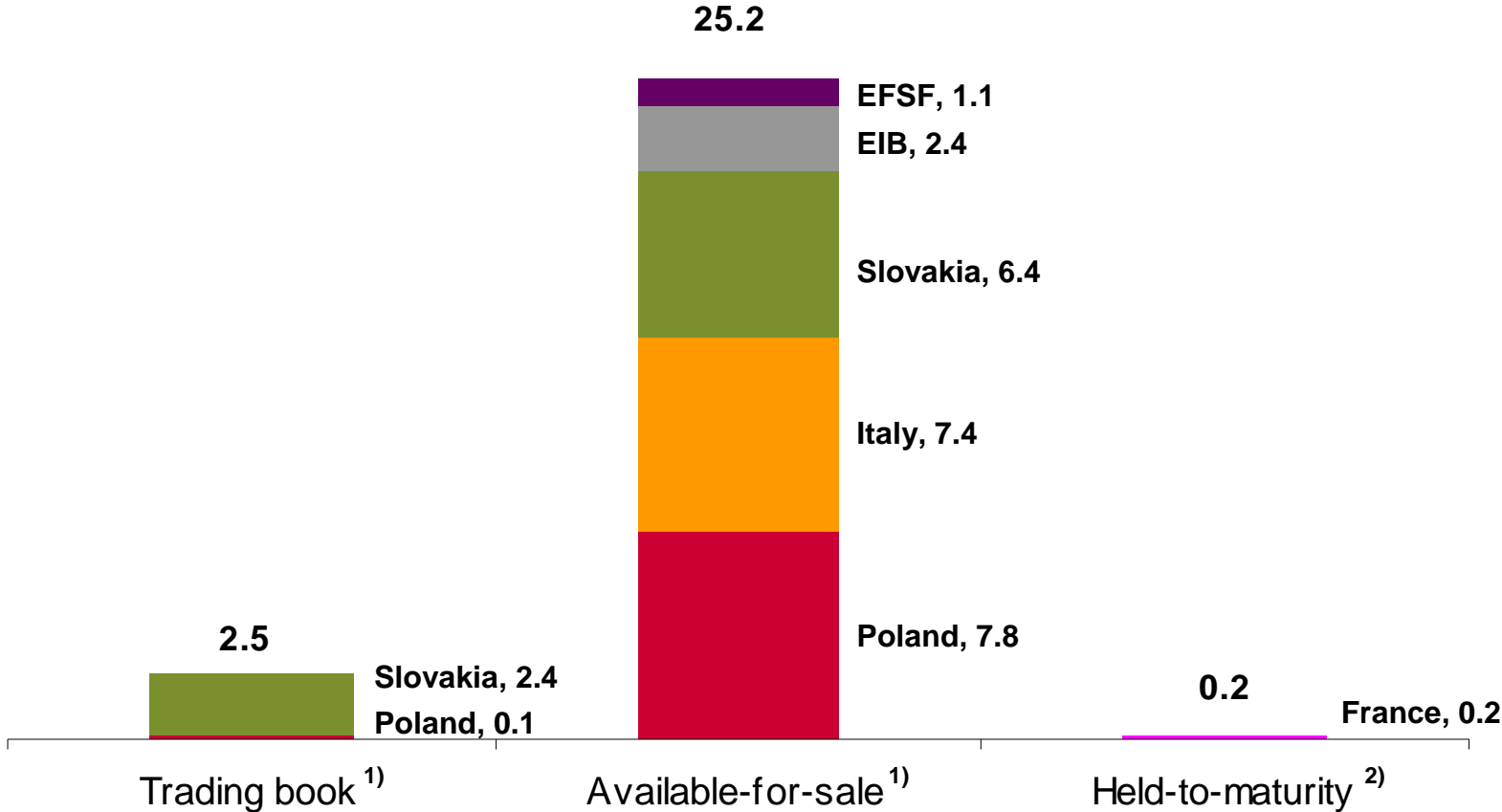
Held-to-maturity portfolio

CZK 3.3 billion



# Foreign sovereign exposure

CZK billion



Measurement at [1] fair value; [2] amortized cost

# Overview of items excluded in order to calculate recurring profit

## 1H 2012 (impact net of tax, KB Group share):

- amortisation of MPSS acquisition revaluation (CZK 14 mil.)
- SGEF acquisition (CZK 29 mil.)
- accounting change in amortisation of origination fees and costs (CZK 78 mil.)
- sale of bonds in PF KB (CZK 39 mil.)
- amortisation of client acquisition commissions in PF KB (CZK 12 mil.)
- sale of participation in ČMZRB (CZK 830 mil.)
- sale of Greek and Portuguese government bonds (CZK -343 mil.)

## 1H 2011 (impact net of tax, KB Group share):

- amortisation of MPSS acquisition revaluation (CZK 23 mil.)
- SGEF acquisition (CZK 25 mil.)
- impairment of Greek government bonds (CZK -1,347 mil.)
- dividends received from ČMZRB (CZK 89 mil.)



# Acquisition of SGEF – fair value assessment of assets and liabilities

## Background

- KB acquired on 4 May 50.1% stake in SG Equipment Finance Czech Republic, s.r.o. (SGEF) for a purchase price of CZK 1,800 million. SGEF has been consolidated in KB Group accounts using full consolidation method since May 2011
- KB followed IFRS 3 (*Business combinations*) acquisition method of accounting for this transaction, according to which all identified acquired assets and assumed liabilities have to be measured at their fair value as at acquisition date
- Fair values were calculated with objective to establish transaction prices that would have been reached in arm's length transactions in normal business circumstances

## Fair value adjustments

- The fair value adjustments to SGEF balance sheet amount to CZK 487 mil. and will be amortised until 2016. Adjustments stem from valuation of loans to clients and amounts due and from banks. No unrecognized intangible asset has been identified
- Recognized goodwill on the acquisition amounts to CZK 201 mil. and will be regularly tested for impairment

## Amortisation of adjustments - P/L impact

- Amortization corresponds to the contractual instalments of the revalued deals
- Impact of amortisation on reported consolidated P/L:

CZK million	2011	1H 2012	2012	2013	2014	2015	2016	Total
<b>NII</b>	-75	-81	-161	-116	-69	-43	-23	-487
<b>Tax</b>	14	15	31	22	13	8	4	92
<b>Net profit</b>	-60	-65	-130	-94	-56	-35	-18	-394
<b>Minority interest</b>	30	33	65	47	28	17	9	197
<b>Attributable net profit</b>	-30	-33	-65	-47	-28	-18	-9	-197

# Macroeconomic environment – Czech Republic

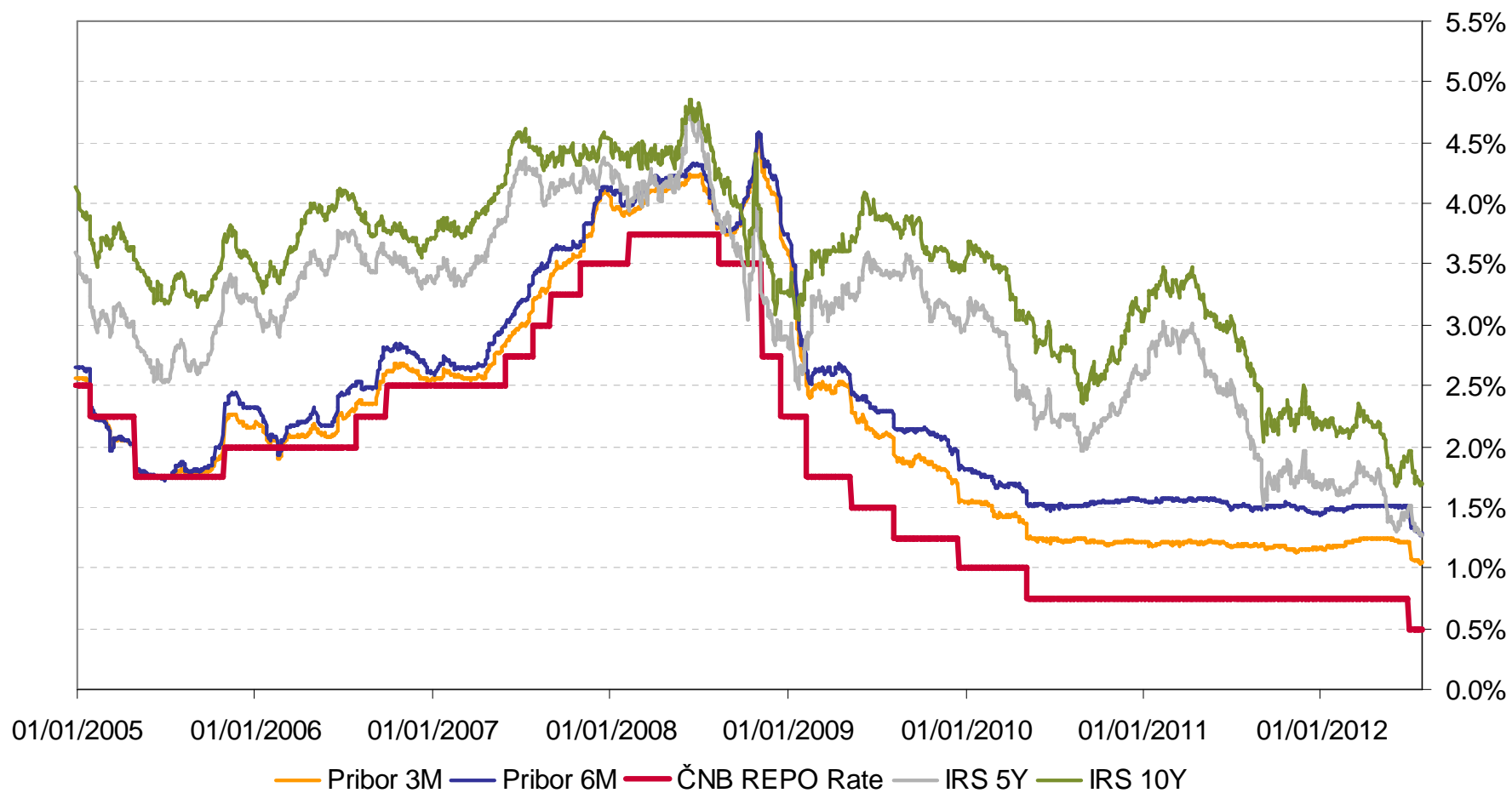
<b>Macroeconomic Indicators</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012*</b>	<b>2013*</b>
Real GDP (% , average)	2.9	-4.5	2.6	1.7	-0.5	0.6
Inflation (% , average)	6.4	1.0	1.5	1.9	3.6	2.7
Household consumption (% , average)	3.0	-0.3	0.5	-0.6	-1.9	1.3
Unemployment (% , av., MLSA meth.)	5.5	8.4	9.1	8.5	8.7	9.3
M2 (% , average)	8.4	6.2	4.0	3.4	5.6	3.2
3M PRIBOR (% , average)	4.0	2.2	1.3	1.2	1.1	1.0
<b>Potential of the market **</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012*</b>	<b>2013*</b>
Loans / GDP (year-end)	54.0	56.2	57.6	60.6	62.5	63.9
Real estate loans / GDP (year-end)	16.0	18.3	19.3	20.3	21.3	22.2
Deposits / GDP (year-end)	66.7	72.1	73.9	76.6	79.4	80.3
Household loans / GDP (year-end)	21.4	24.4	25.9	26.9	27.9	29.1

\* *KB estimate*

\*\* *Banking sector*

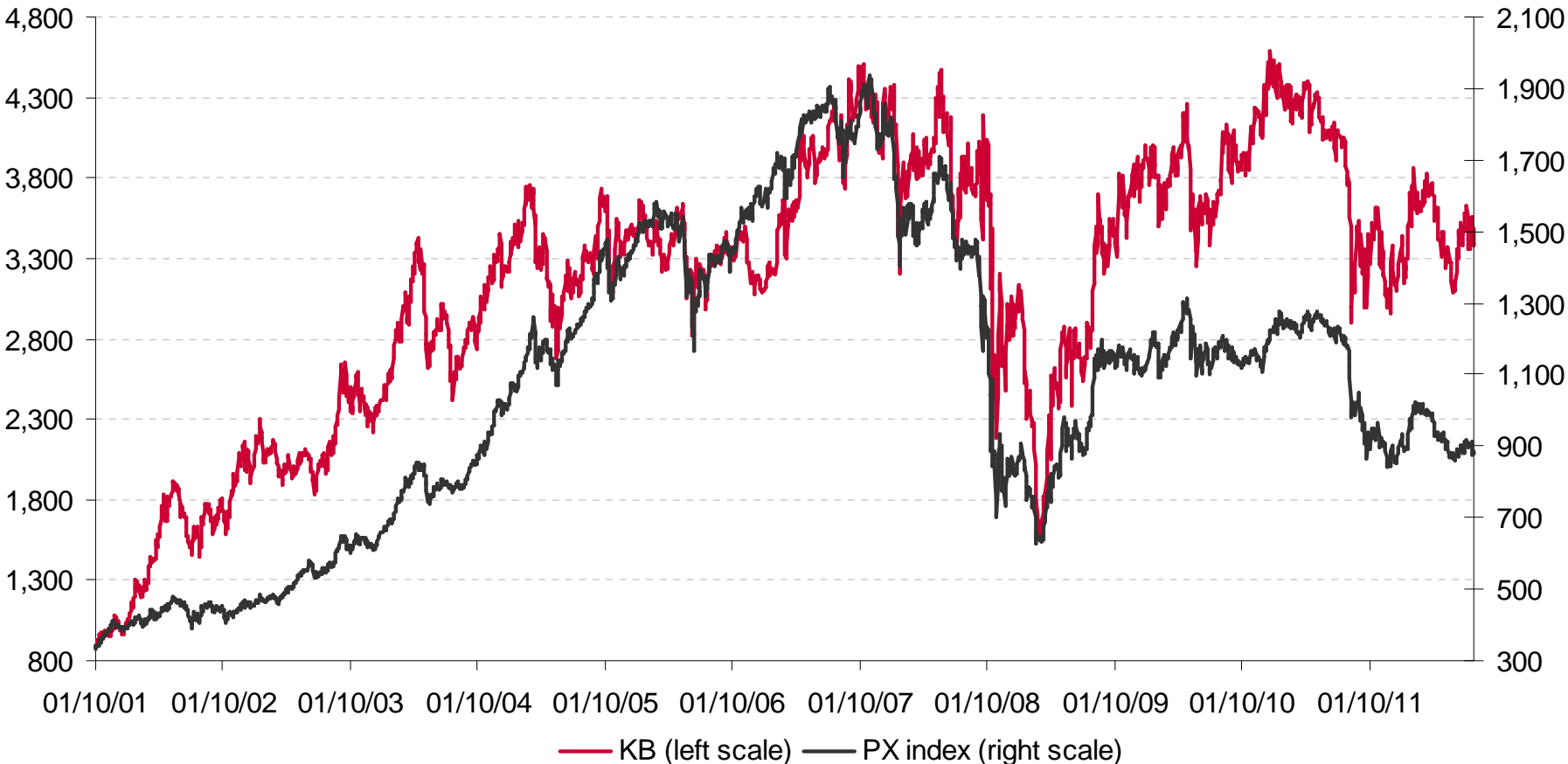
# Interest rates evolution

(for the period 1 January 2005 – 26 July 2012)



# Development of KB's share price and PX Index

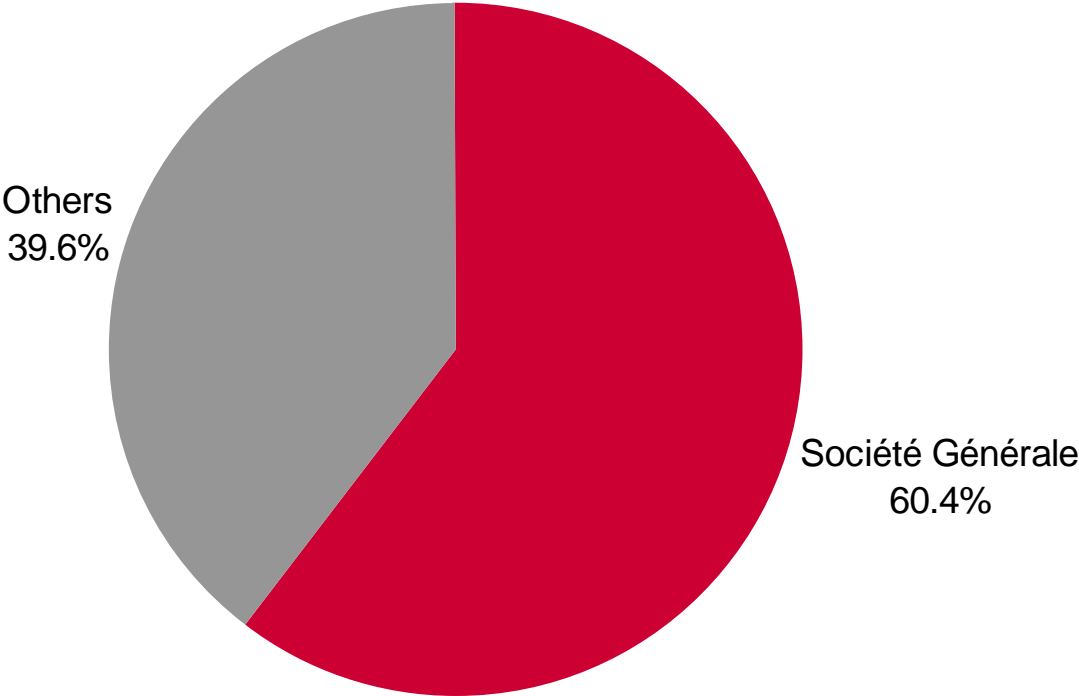
(for the period 1 October 2011 – 26 July 2012)



# KB shareholders

As at 30 June 2012

Shares on registered capital according to excerpt from the Securities centre



As at 30 June 2012, KB held 238,672 own shares in treasury, representing 0.63% stake on registered capital.



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