



## **KB Group**

Unaudited Financial Results as at 30 June 2010  
(International Financial Reporting Standards)

Prague  
4 August 2010





## 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 2010, unless stated otherwise.

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



# Agenda

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

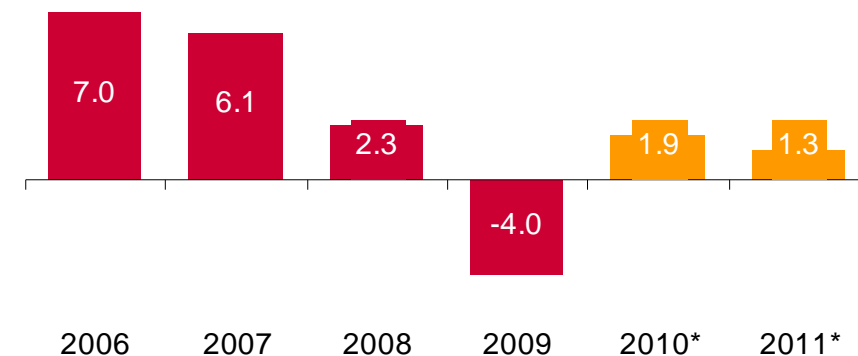


### Economy renewed growth but slight moderation expected

- Czech GDP expected to accelerate in Q2 to 0.9% QoQ. GDP growth in 2010 to be driven by net exports and inventories
- Short-term economic slowdown expected in second half 2010 and in 2011 due to only moderate growth in eurozone and domestic austerity measures
- Recently strong economic performance: Industrial production rose by 16.9% YoY in May underpinned by exports up 24.4% YoY. Unemployment rate declined to 8.5% in June from its peak of 9.9% in February
- Policy two-week repo rate at record low 0.75%, raising not expected before 2011
- Several reform projects announced by the newly elected government, including overdue pension and healthcare reforms. Increases in direct taxes not expected. No special banking tax contemplated.
- Public finance situation relatively favourable, deficit to remain below 6% of GDP this year, public debt below 40%. Private indebtedness significantly below West European benchmarks

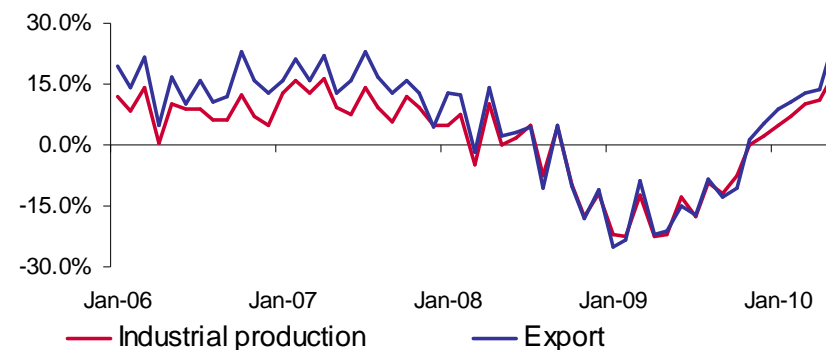
Source: Czech Statistical Office, Ministry of Finance, KB estimates

#### Real GDP growth (%)



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

#### Industrial production and exports - YoY development



Source: Czech Statistical Office, January 2006 - May 2010



### Improving macro development supported revenues and risk costs

- Revenues from commercial banking slightly up. Because exceptional income from trading recorded in 1H 2009 was not repeated, total revenues declined by 2.4% to CZK 16.1 billion
- Portfolio of client loans grew by 1.1% to CZK 385.6 billion
- Net interest margin slightly declined to 3.3%
- Excellent operational efficiency, cost-to-income ratio at 38.7%
- Average cost of credit risk down to 62 bps from 93 bps in 1H 2009 (71 bps if adjusted for non-recurring provision creation in 2009)
- Consolidated net profit CZK 6.5 billion, up 12.5%
- Strong liquidity, net loans-to-deposits ratio at 69.2%
- Return on average equity 18.8%
- Solid capital position, regulatory capital adequacy 14.7%, core Tier 1 ratio 13.5%



### Meeting client needs with comprehensive product range

- KB improved market share on new production of mortgages, outstanding volume of KB mortgages provided to individuals increased 8.3% to CZK 104.2 billion
- Komerční pojišťovna assumed #2 position in written premium on the Czech life insurance market with 15.1% share\*. Total written premium improved by 159.8% to CZK 5,360 million, growth driven mainly by new life insurance products with guaranteed yield
- Continued expansion of ESSOX on consumer finance market. Number of clients rose by 18% to 324,000. Volume of gross loans up 10.3% to CZK 9.6 billion. New sales declined by 16.5%, reflecting a slowdown of the market
- New KB Savings Account Bonus introduced with double-layer interest rate remunerating longer duration of savings
- Successful roll out of services of KB Private Banking. Expertise and portfolio of investment solutions strengthened by newly established cooperation with SG Private Banking

\* Source: Czech Insurance Association, data for first half of 2010



### Building stronger relationships with clients

- New initiatives aimed at improving advisory, high value-added services and a long-term reinforcement of KB's leading position among business clients
- Volume of loans to small business clients rated Standard flat. Volume of Standard loans provided to SME clients slightly up\*. Slight improvement in demand for financing of working capital needs
- Strong trade finance revenues underpinned mainly by increased demand for guarantees in domestic transactions and a seasonal pick-up in activity in construction sector
- KB jointly with KB Bratislava provided Slovenský plynárenský priemysel, a.s., the leading supplier of natural gas in Slovakia, with a five year syndicated loan facility totalling EUR 100 million for the financing of SPP's general corporate needs

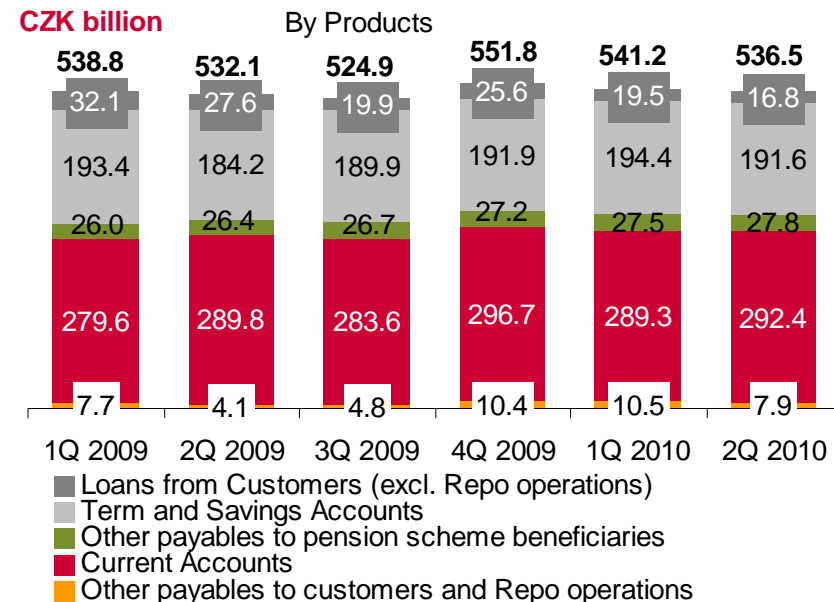
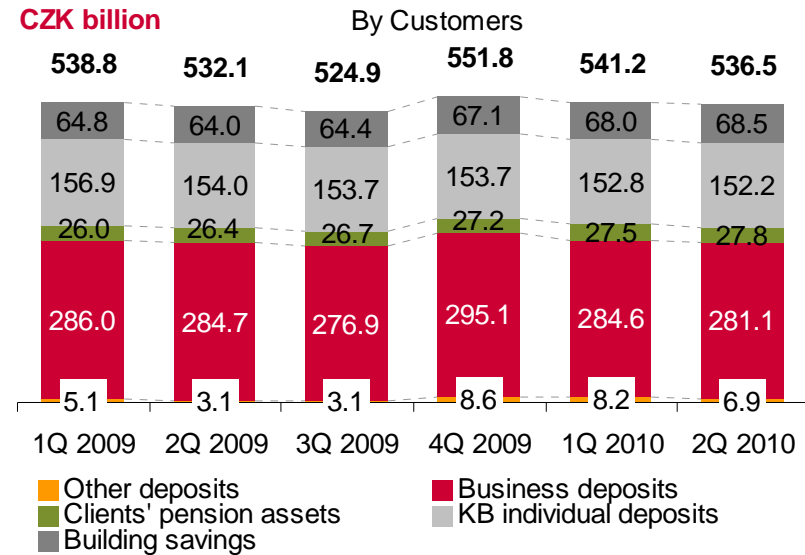
\* Comparison provided in order to adjust for accounting adjustment in NPL category



## Stable deposit base

- YoY group deposits increased by 0.8%, QoQ down by 0.9%
- KB represents 82% of CZK 536.5 billion of total depositary base, of which:
  - KB deposits from individuals declined by 1.2% to CZK 152.2 billion
  - KB deposits from business clients decreased by 1.2% to CZK 280.1 billion. Increases recorded by some corporate segments
- Clients' pension assets in PF KB grew by 5.4% YoY to CZK 27.8 billion
- MPSS deposits up 7.1% to CZK 68.5 billion
- Sales of non-banking savings products in 1H 2010
  - IKS sales through KB & MPSS CZK 1.8 billion (-54%), redemptions CZK 4.9 billion (+9%)
  - KP Vital life insurance written premium CZK 4.9 billion (+209%)

## Group deposits





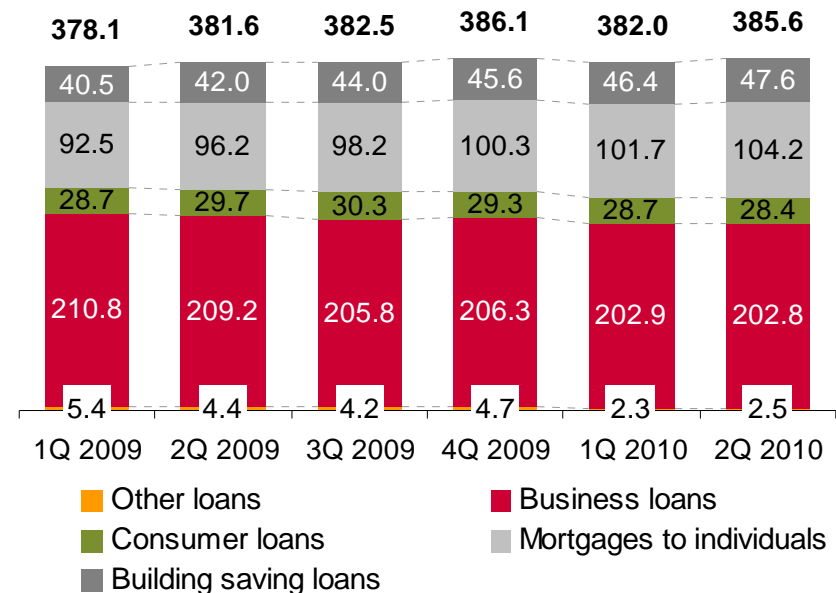


## Group lending activities

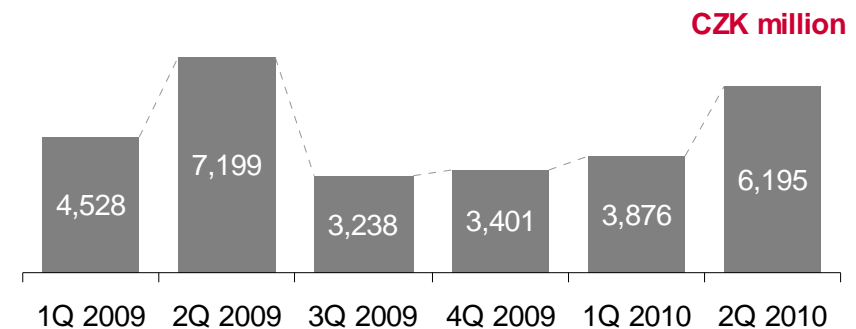
### Increasing demand for loans in certain segments

- Gross loans rose 1.1% YoY, 0.9% QoQ. CZK 1.2 billion of fully provisioned long overdue loans written-off from balance sheet in May 2009 (CZK 1.8 billion in Nov 09)
- Business loans declined by 3.1% YoY:
  - Small businesses (KB) -1.3% to CZK 24.6 billion
  - Corporations (KB+KBB) -3.0% to CZK 176.4 billion
- Consumer loans provided by KB and ESSOX declined 4.2% YoY to CZK 28.4 billion
- Mortgages to individuals up 8.3% YoY to CZK 104.2 billion (outstanding volume)
- Building loans (standard and bridging) provided by MPSS stood at CZK 47.6 billion, higher 13.4% YoY
- Irrevocable off-balance sheet commitments amounted to CZK 176.7 billion (-5.9% YoY)

CZK billion



### Sales volume of mortgages to individuals





# Agenda

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



## Consolidated financial results

<b>Profit and Loss Statement</b> (CZK million, unaudited)	1H 2009	1H 2010	Change YoY
Net interest income	10,579	10,709	1.2%
Net fees & commissions	3,862	3,927	1.7%
Income from financial operations	2,040	1,449	-29.0%
Other income	51	54	5.9%
<b>Net banking income</b>	<b>16,531</b>	<b>16,139</b>	<b>-2.4%</b>
Personnel expenses	-3,192	-2,971	-6.9%
General administrative expenses	-2,743	-2,532	-7.7%
Depreciation, impairment and disposal of fixed assets	-729	-743	1.9%
<b>Operating costs</b>	<b>-6,664</b>	<b>-6,247</b>	<b>-6.3%</b>
<b>Gross operating income</b>	<b>9,867</b>	<b>9,892</b>	<b>0.3%</b>
Cost of risk	-2,660	-1,765	-33.6%
<b>Net operating income</b>	<b>7,207</b>	<b>8,127</b>	<b>12.8%</b>
Profit on subsidiaries and associates	37	34	-8.1%
Share of profit of pension scheme beneficiaries	-201	-298	48.3%
<b>Profit before income taxes</b>	<b>7,043</b>	<b>7,863</b>	<b>11.6%</b>
Income taxes	-1,236	-1,341	8.5%
<b>Net profit</b>	<b>5,806</b>	<b>6,521</b>	<b>12.3%</b>
Minority profit/(loss)	45	39	-13.3%
<b>Net profit attributable to equity holders</b>	<b>5,762</b>	<b>6,482</b>	<b>12.5%</b>



## Consolidated financial results

<b>Profit and Loss Statement</b> (CZK million, unaudited)	2Q 2009	1Q 2010	2Q 2010	Change YoY	Change QoQ
Net interest income	5,350	5,294	5,415	1.2%	2.3%
Net fees & commissions	1,946	1,929	1,998	2.7%	3.6%
Income from financial operations	896	774	675	-24.7%	-12.8%
Other income	26	25	28	7.7%	12.0%
<b>Net banking income</b>	<b>8,218</b>	<b>8,022</b>	<b>8,117</b>	<b>-1.2%</b>	<b>1.2%</b>
Personnel expenses	-1,587	-1,457	-1,514	-4.6%	3.9%
General administrative expenses	-1,415	-1,222	-1,311	-7.3%	7.3%
Depreciation, impairment and disposal of fixed assets	-381	-348	-396	3.9%	13.8%
<b>Operating costs</b>	<b>-3,383</b>	<b>-3,026</b>	<b>-3,221</b>	<b>-4.8%</b>	<b>6.4%</b>
<b>Gross operating income</b>	<b>4,836</b>	<b>4,996</b>	<b>4,896</b>	<b>1.2%</b>	<b>-2.0%</b>
Cost of risk	-1,170	-951	-814	-30.4%	-14.4%
<b>Net operating income</b>	<b>3,665</b>	<b>4,045</b>	<b>4,082</b>	<b>11.4%</b>	<b>0.9%</b>
Profit on subsidiaries and associates	15	14	21	40.0%	50.0%
Share of profit of pension scheme beneficiaries	-125	-145	-154	23.2%	6.2%
<b>Profit before income taxes</b>	<b>3,555</b>	<b>3,914</b>	<b>3,949</b>	<b>11.1%</b>	<b>0.9%</b>
Income taxes	-612	-683	-658	7.5%	-3.7%
<b>Net profit</b>	<b>2,943</b>	<b>3,231</b>	<b>3,290</b>	<b>11.8%</b>	<b>1.8%</b>
Minority profit/(loss)	25	22	17	-32.0%	-22.7%
<b>Net profit attributable to equity holders</b>	<b>2,917</b>	<b>3,209</b>	<b>3,273</b>	<b>12.2%</b>	<b>2.0%</b>



## Consolidated financial results

<b>Balance Sheet</b> (CZK million, unaudited)	<b>30 June 2009</b>	<b>31 Dec 2009</b>	<b>30 June 2010</b>	<b>Change YoY</b>	<b>Change YtD</b>
<b>Assets</b>	<b>675,145</b>	<b>695,076</b>	<b>693,270</b>	<b>2.7%</b>	<b>-0.3%</b>
Cash and balances with central bank	12,718	16,271	9,333	-26.6%	-42.6%
Amounts due from banks	124,879	131,271	123,230	-1.3%	-6.1%
Loans and advances to customers ( <i>net</i> )	368,123	372,302	371,403	0.9%	-0.2%
Securities	141,758	145,294	153,428	8.2%	5.6%
Other assets	27,667	29,938	35,876	29.7%	19.8%
<b>Liabilities and shareholders' equity</b>	<b>675,145</b>	<b>695,076</b>	<b>693,270</b>	<b>2.7%</b>	<b>-0.3%</b>
Amounts due to banks	17,445	18,739	19,915	14.2%	6.3%
Amounts due to customers	532,123	551,808	536,528	0.8%	-2.8%
Securities issued	22,555	18,172	18,320	-18.8%	0.8%
Other liabilities	39,009	31,563	40,736	4.4%	29.1%
Subordinated debt	6,001	6,001	6,001	0.0%	0.0%
Shareholders' equity	58,011	68,792	71,770	23.7%	4.3%



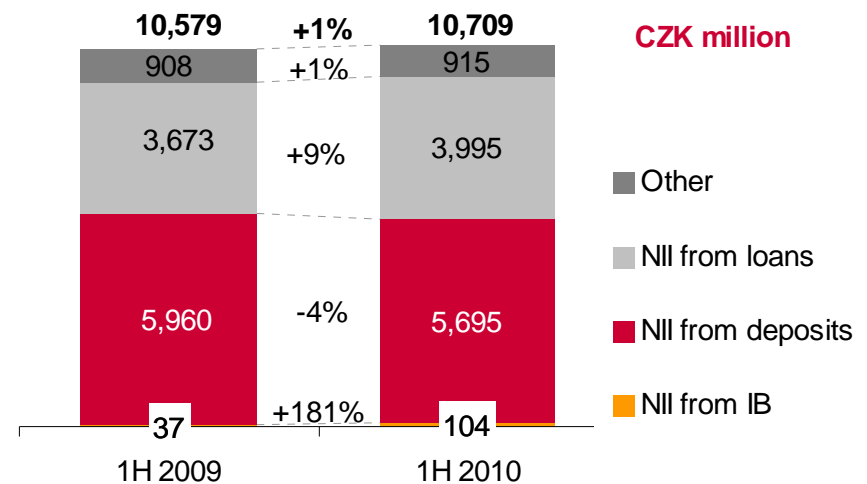
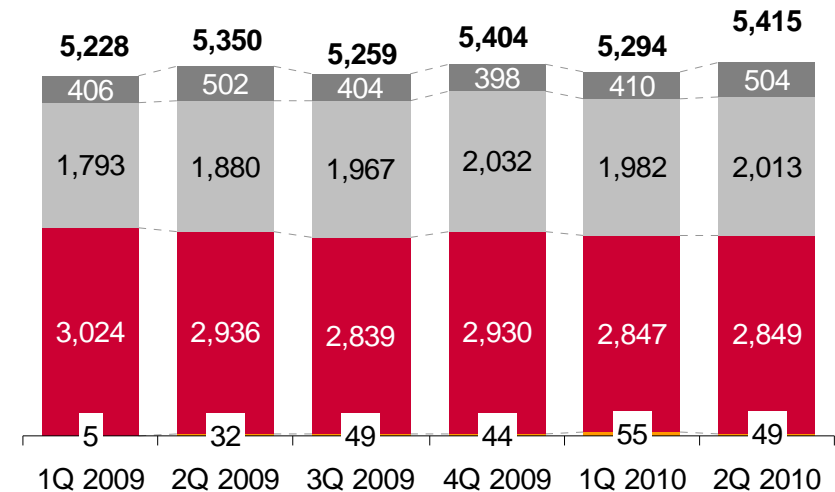
## Consolidated financial ratios

<b>Key ratios and indicators</b>	<b>30 June 2009</b>	<b>31 March 2010</b>	<b>30 June 2010</b>	<b>Change YoY</b>	<b>Change QoQ</b>
Capital adequacy	13.6%	14.1%	14.7%	▲	▲
Tier 1 ratio	12.4%	12.8%	13.5%	▲	▲
Total capital requirement (CZK billion)	27.3	27.2	28.4	3.9%	4.3%
Capital requirement for credit risk (CZK billion)	23.3	23.0	24.2	3.7%	5.0%
Net interest margin (NII/Av. interest bearing assets)	3.4%	3.3%	3.3%	▼	▲
Loans (net) / deposits ratio	69.2%	68.0%	69.2%	▲	▲
Cost / income ratio	40.3%	37.7%	38.7%	▼	▲
Return on average equity (ROAE), annualized	19.4%	18.5%	18.8%	▼	▲
Return on average assets (ROAA), annualized	1.7%	1.8%	1.9%	▲	▲
Earnings per share (CZK), annualized	303	338	341	12.5%	1.0%
Average number of employees during the period	8,889	8,659	8,624	-3.0%	-0.4%



## Solid interest income and sustained interest margin

- NII up by 1.2% YoY, 2.3% QoQ
- Negative impact of low interest environment on overall NIM mitigated by increased asset swap spreads on government debt
- Solid contribution from retail subsidiaries – ESSOX +24%, Modrá pyramida +15%, PF KB +10% YoY
- NII from loans – wider spreads, year-on-year rising volume of housing loans
- NII from deposits – continuing margin compression on deposit book
- NII from Other driven by yield on allocated capital and dividend income. CZK 6.5 billion in dividends paid out on 31 May

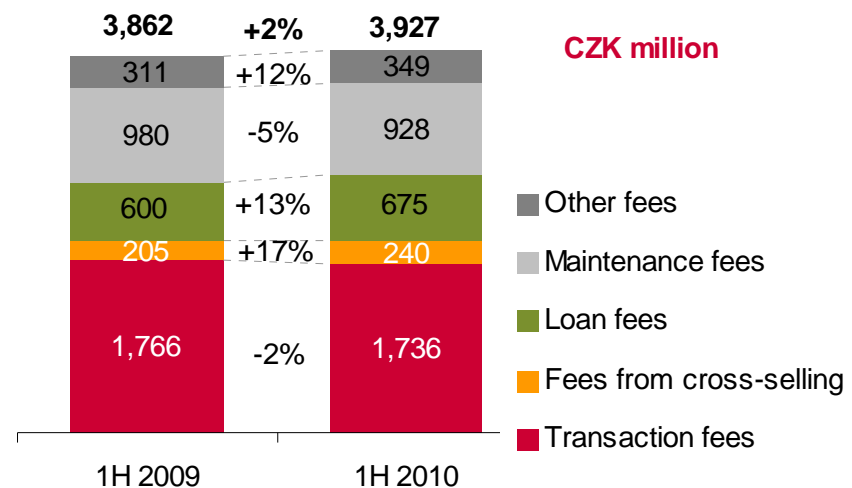
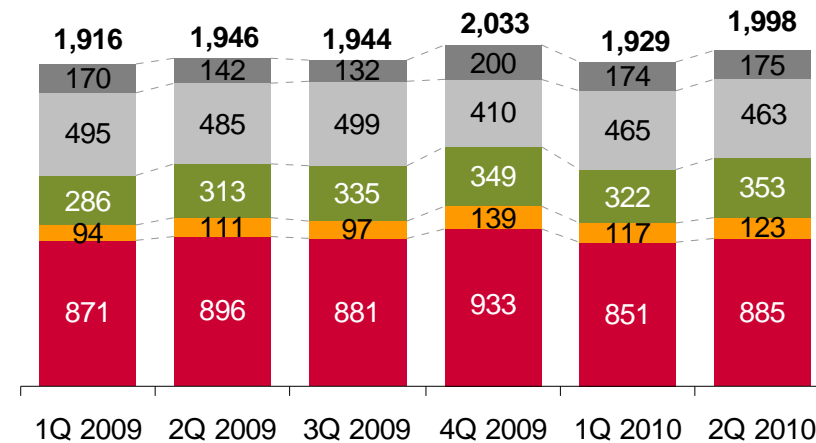




## Net fees and commissions

### Pick up in economic activity observed but pressure on pricing remains

- Fee income rose 1.7% YoY and 3.6% QoQ
- Transaction fees – transaction numbers higher from March, mainly of corporate clients
- Maintenance fees – continuing price erosion, slight decline in number of accounts
- Fees from cross-selling – up driven by strong sales of life insurance. Net sales of mutual funds negative
- Loan fees - higher income from loans to corporations, dynamic ESSOX, MPSS. Better sales of mortgages have short-term negative influence on income due to upfront commissions for intermediation
- Other fees – good trade finance revenues, loan syndication



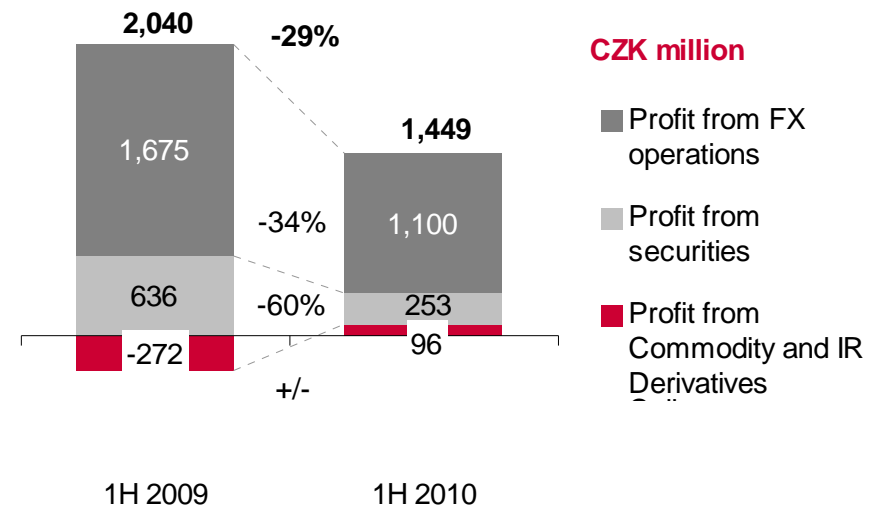
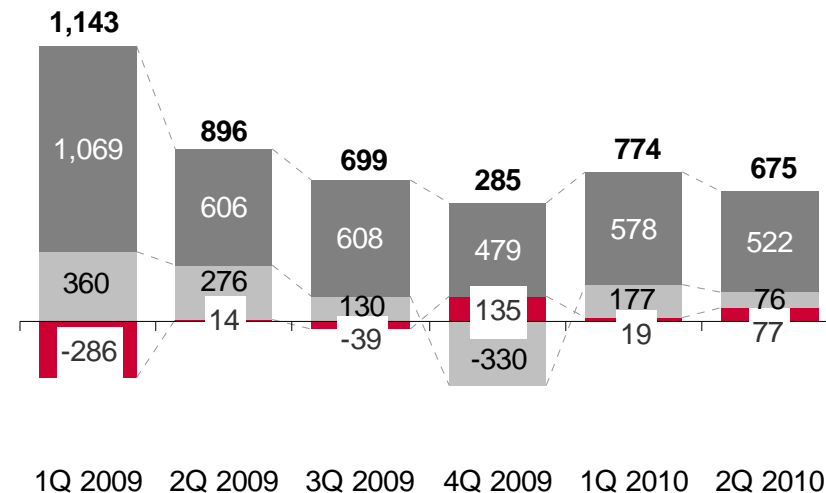




## Net profit from financial operations

### Solid demand for IR hedging, overall market activity subdued

- Net profit from financial operations decreased by 29.0% YoY. QoQ result down 12.8% due to CZK 30 mil. profit from sale of VISA shares in 1Q 2010
- Total revenues of investment banking down 34.0%
- Treasury operations – reduced share of proprietary trading on total revenues from investment banking
- Client operations – sales to corporate clients gradually improving. Solid demand for IR hedging in low interest rate environment.
- Some improvement in demand for FX hedging upon recovery in foreign trade, but hedging levels expected to remain below pre-crisis situation
- Slow activity of institutional clients in Q2
- Net fees and commissions from FX transactions down 14.1% YoY, QoQ up 9.7%



CZK million

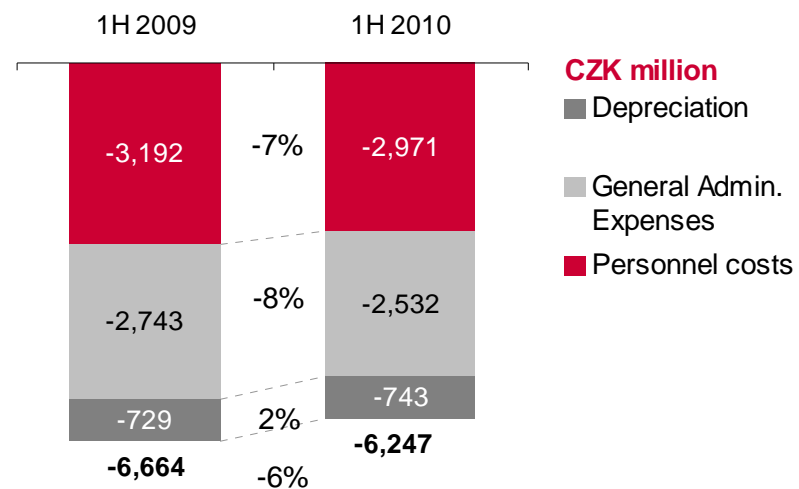
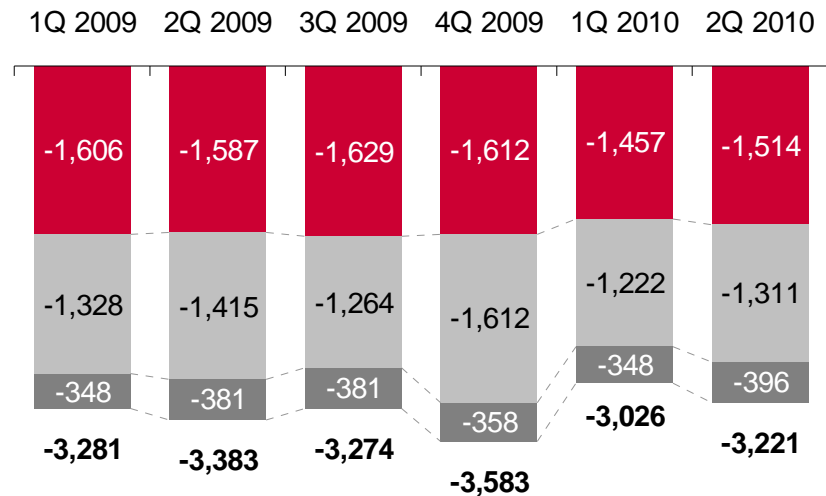
- Profit from FX operations
- Profit from securities
- Profit from Commodity and IR Derivatives



## Operating costs

### Sustained cost discipline

- OPEX lower by 6.3% YoY, QoQ up 6.4%
- Personnel costs down by 6.9% YoY, average number of employees down 3.0%
- General administrative expenses - improved efficiency of procurement and operations, lower marketing expenditures
- Depreciation & amortization up by 1.9% mainly due to new software equipment put in use. Positive effect from sales of unused building CZK 62 million (v. CZK 39 million in 1H 2009)



**CZK million**

- Depreciation
- General Admin. Expenses
- Personnel costs



## Shareholders' equity

Total shareholders' equity  
as at 31 December 2009

**+2,977**

Total shareholders' equity  
as at 30 June 2010

Shareholders' equity	31/12/2009	1/1/2010	Increase	Decrease	30/06/2010
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	31,621	42,628		-6,457	36,171
- Retained earnings, reserve funds and dividends	31,771	42,778		-6,457	36,321
- Treasury shares	-150	-150			-150
Attributable net profit	11,007	0	6,482		6,482
Hedging revaluation reserve	2,382	2,382	3,897		6,279
AFS securities' fair value changes	3,412	3,412		-985	2,427
Others	146	146	1		148
Minorities	1,219	1,219	39		1,258
<b>Total Shareholders' equity</b>	<b>68,792</b>	<b>68,792</b>	<b>10,420</b>	<b>-7,442</b>	<b>71,770</b>



# Agenda

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



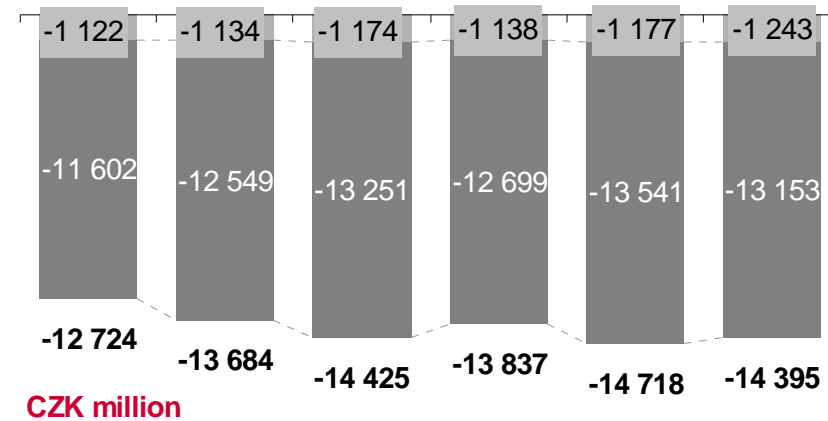
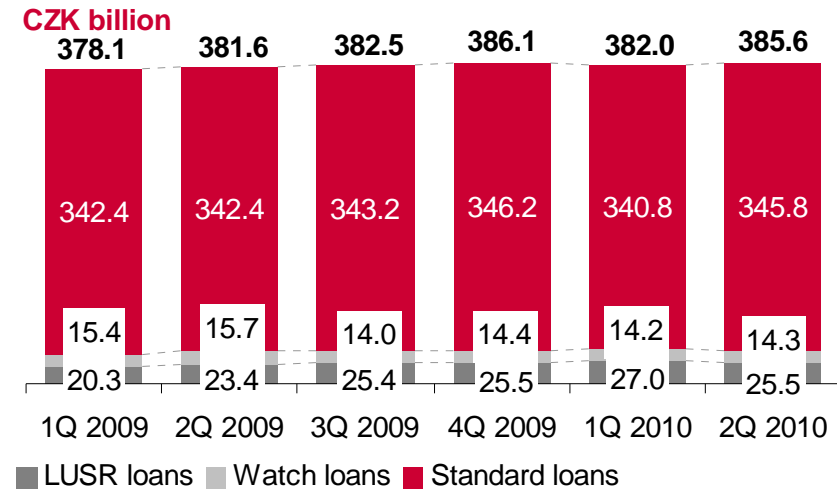
## Stable loan quality

### Gross exposure

- Limited QoQ increase in loan exposure by 0.9% (CZK 3.6 billion)
- Moderate increase in the share of standard and watch loan exposure (from 92.9% in Q1 2010 to 93.4% in Q2 2010)
- Moderate decrease in the share of LUSR exposure (from 7.1% in Q1 2010 to 6.6% in Q2 2010) driven by both retail and corporate segments:
  - ✓ decreasing intensity of inflows into LUSR compared to previous quarters
  - ✓ CZK 1.2 billion in write-off of NPL performed in Q2 2010

### Specific provisions

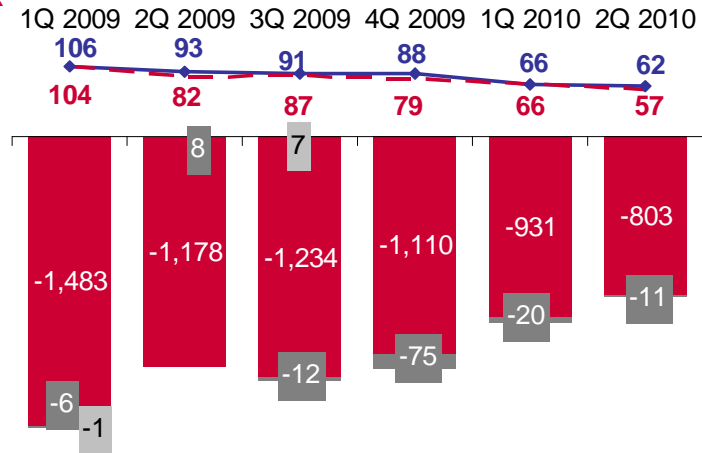
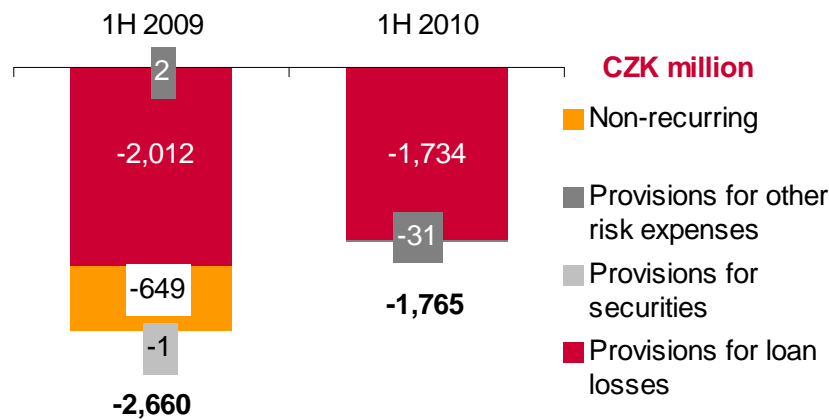
- Provision coverage ratios at stable levels:
  - ✓ 8.7% for watch loans (8.3% in Q1 2010)
  - ✓ 51.5% for LUSR loans (50.2% in Q1 2010)



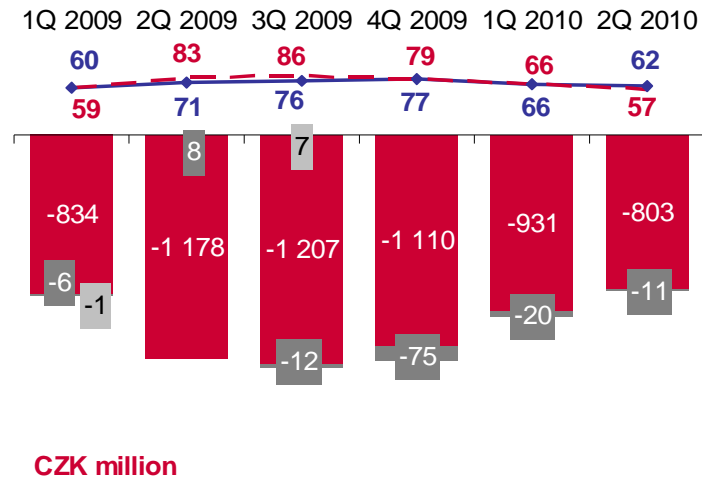


## Further gradual reduction in cost of risk

- Continued QoQ decrease in provisions for loan losses (from CZK 0.9 billion in Q1 2010 to CZK 0.8 billion in Q2 2010)
- YtD commercial cost of risk posted at 62 bp in Q2 2010:
  - ✓ lower by 14% compared to Q1 2010 level
  - ✓ lower by 32% compared to Q2 2009 level
- Some pressure on recovery levels for consumer and mortgage financing



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



Note on cost of risk (CoR) calculation in given month N:

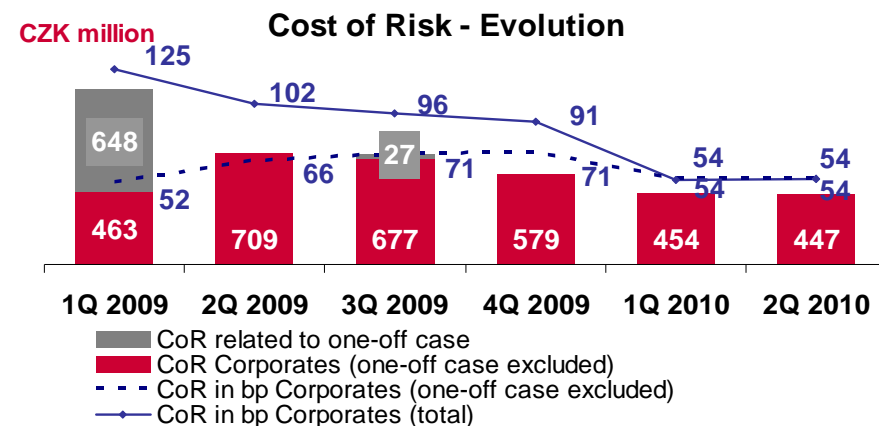
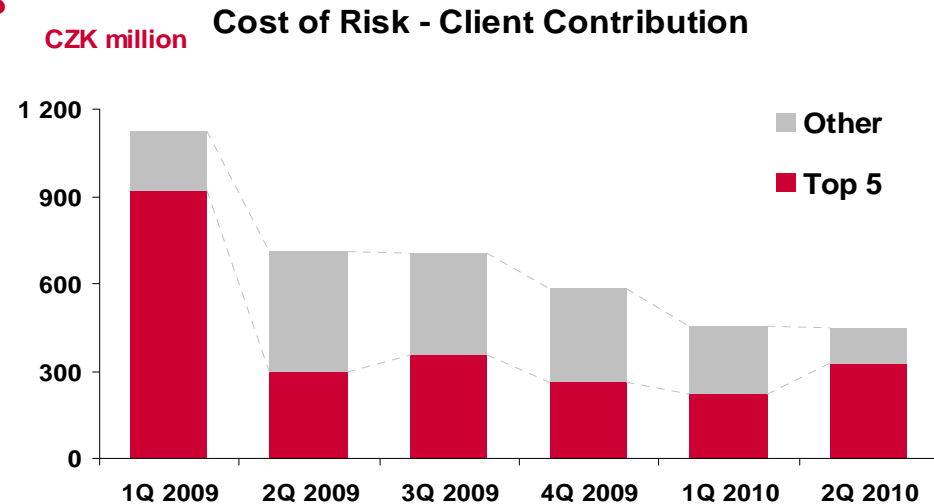
- YtD:  $ytd\ CoR / 12\ months\ moving\ avg.\ exposure \times 12/N \times 10\ 000$
- - - QtD:  $qtd\ CoR / 3\ months\ moving\ avg.\ exposure \times 4 \times 10\ 000$



## Cost of risk - Corporate

### Zoom on corporate client segments

- Stable situation in loan quality and provisioning:
  - ✓ no significant new inflow into default
  - ✓ some provisioning complements related to a limited number of watch and NPL client situations
- Resulting higher concentration of provisions (top 5 contributors to net provisions at 73% in Q2 2010 compared to 48% in Q1 2010)
- YtD cost of risk stabilized at 54 bp in Q2 2010
- Sectorial distribution of exposures maintained at stable and well diversified levels (see slide 32 in the Appendix)
- Commercial developments:
  - ✓ aimed at developing financing and capital market solutions for corporate clients
  - ✓ well supported by use of risk management best practices

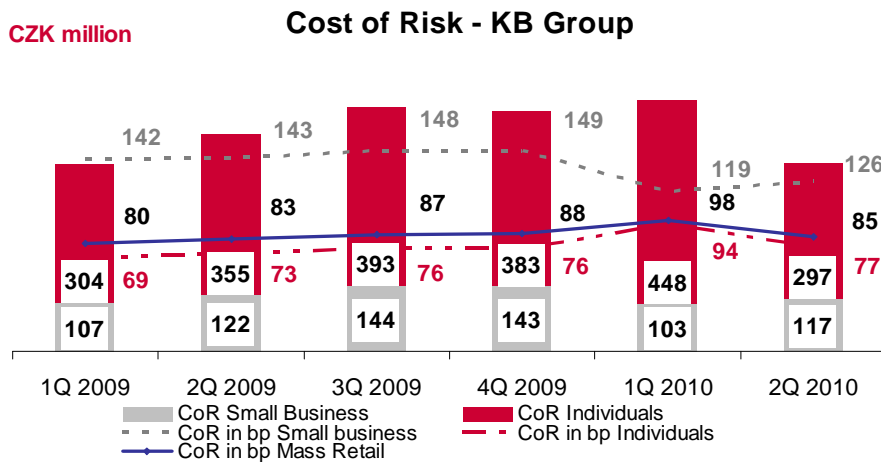


Note: KB Group corporate portfolio; CoR calculation on YtD basis



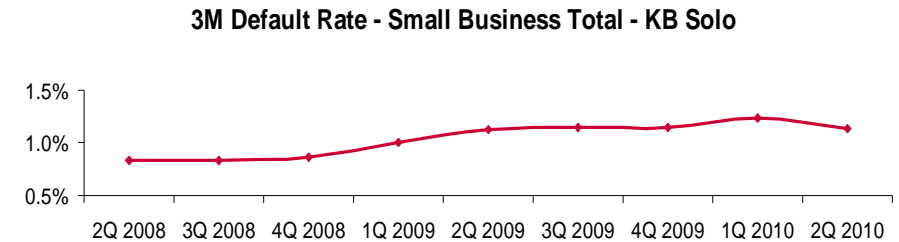
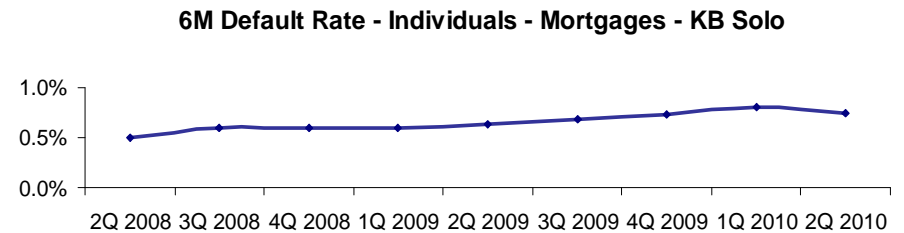
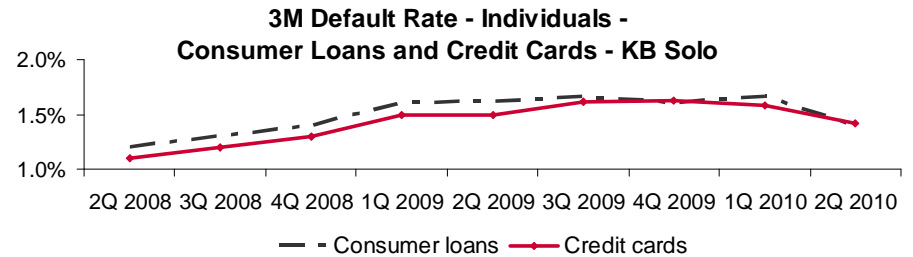
## Zoom on mass retail client segments

- Overall decrease in cost of risk from 98 basis points in Q1 2010 to 85 basis points in Q2 2010
- Stable trend observed on default rates for consumer and mortgage lending, somewhat off-setting deteriorating recovery levels
- Some higher volatility in the risk profile of small business credit exposure
- Targeted business developments supported by proactive risk management best practices

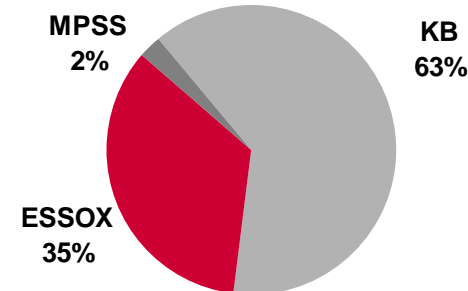


Note: CoR calculation on YtD basis

## Cost of risk - Retail



## Cost of Risk - Contribution by Main Subsidiaries







# Agenda

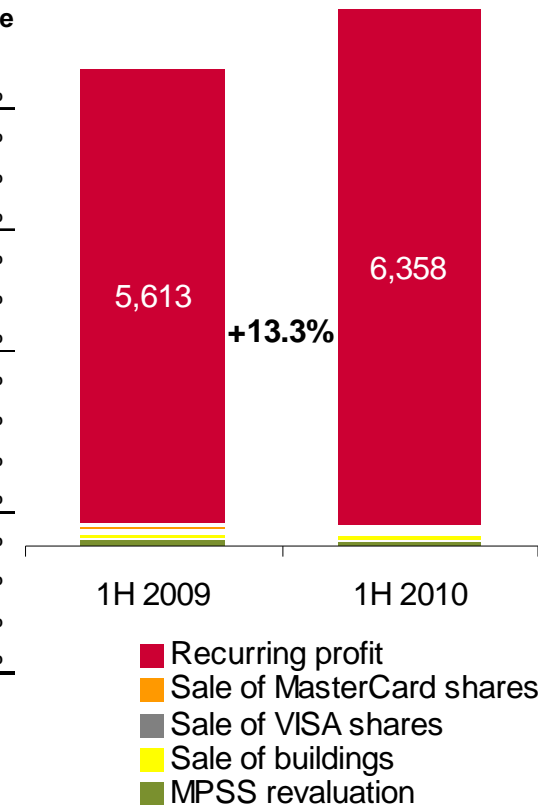
- Business Highlights
- Consolidated Financial Results
- Loan Portfolio Quality and Development
- **Appendix**



## Recurring profit

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

	1H 2009	1H 2010	Change YoY	2Q 2009	2Q 2010	Change YoY
<b>Net banking income</b>	16,387	16,050	-2.1%	8,116	8,088	-0.3%
Net interest income	10,499	10,650	1.4%	5,311	5,387	1.4%
Non-interest income	5,888	5,400	-8.3%	2,804	2,701	-3.7%
<b>Operating costs</b>	-6,706	-6,312	-5.9%	-3,402	-3,254	-4.4%
Personnel expenses	-3,192	-2,971	-6.9%	-1,587	-1,514	-4.6%
Other costs	-3,513	-3,340	-4.9%	-1,815	-1,740	-4.1%
<b>Gross operating income</b>	9,682	9,738	0.6%	4,714	4,834	2.5%
Cost of risk	-2,660	-1,765	-33.6%	-1,170	-814	-30.4%
Profit on subsidiaries	37	34	-8.1%	15	21	40.0%
Share of profit of pension scheme beneficiaries	-201	-298	48.3%	-125	-154	23.2%
<b>Profit before income taxes</b>	6,857	7,709	12.4%	3,433	3,887	13.2%
Income tax	-1,199	-1,312	9.4%	-588	-646	9.9%
<b>Net recurring profit</b>	5,658	6,397	13.1%	2,845	3,241	13.9%
Minority profit/(loss)	45	39	-13.3%	25	17	-32.0%
<b>Net profit attributable to equity holders</b>	5,613	6,358	13.3%	2,820	3,223	14.3%
<b>Reported net profit attributable to equity holders</b>	5,762	6,482	12.5%	2,917	3,273	12.2%



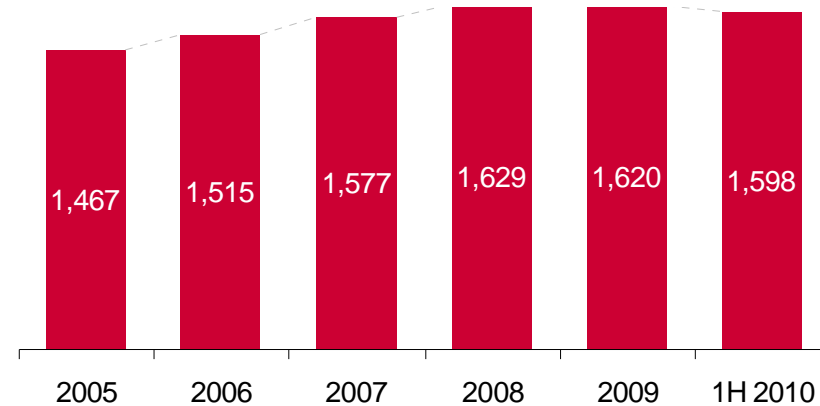


## Number of clients and distribution network

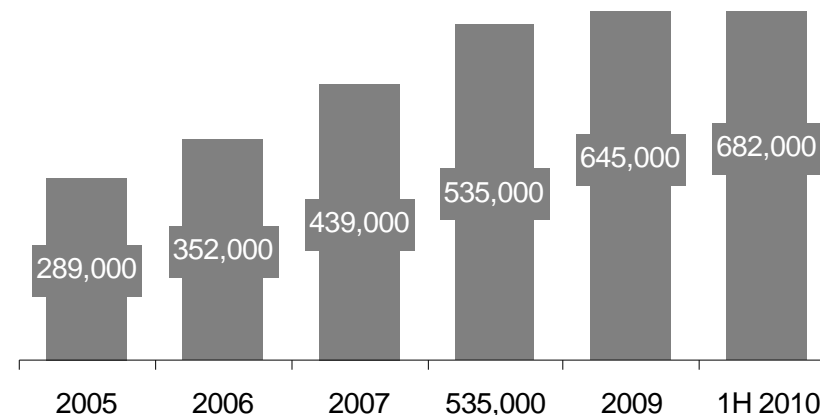
### Development of clients' portfolio and networks

- **Clients**
  - KB bank 1,598,000 clients (-2%)
  - MPSS 712,000 clients (-1%)
  - PFKB 500,000 clients (+1%)
  - ESSOX 324,000 active clients (+18%)
- **Network**
  - 395 branches for retail clients, 20 business centres for MEM, 4 corporate divisions for large corporate clients
  - 676 ATMs
  - MPSS: 255 points of sale; 1,509 sales agents (of which 412 full-time professionals)
- **Direct Channels**
  - Two call centres, internet and mobile banking
  - 989,000 clients (i.e. 62% of KB client base) using direct banking products

Clients of KB bank (thousands)



Mojobanka internet banking – number of clients





## KB consolidated group

Pension insurance	<b>Penzijní fond KB (100%)</b>	Fourth largest pension fund in the Czech Republic offering pension insurance to almost 500,000 clients.
Building society	<b>Modrá pyramida stavební spořitelna (100%)</b>	Second largest building society according to loan volume with 712,000 clients, offering state-subsidised building saving, bridging and building saving loans.
Corporate services	<b>KB Bratislava (Slovakia) 100%</b>	A small bank in Slovakia (1% market share) focusing mainly on services for corporate clients and trade finance and settlements between the Czech Republic and Slovakia.
	<b>Factoring KB (100%)</b>	One of top 5 companies in the market offering domestic, foreign and reverse factoring.
Consumer credit	<b>ESSOX (51%)</b>	A company focused on consumer lending and car financing mainly at retailers' outlets.
Insurance	<b>Komerční pojišťovna (49%)</b>	Insurance company focused on life insurance.



## Business performance of subsidiaries 1/2

		1H 2009	1H 2010	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	5,103	4,269	-16%
	Volume of total loans (gross, CZK million)	42,025	47,649	13%
	Target volume of new contracts (CZK million)	18,407	16,392	-11%
	Volume of deposits (CZK million)	63,973	68,512	7%
	Number of FTEs	361	361	0%
	Number of points of sale	250	255	2%
<b>PF KB</b>	Number of new contracts	35,200	30,019	-15%
	Number of contracts (stock)	495,866	499,983	1%
	Assets under management (CZK million)	26,413	27,779	5%
	Number of FTEs	61	59	-3%
<b>ESSOX</b>	Volume of new contracts (CZK million)	2,985	2,492	-17%
	Volume of total loans (gross, CZK million)	8,667	9,559	10%
	Number of FTEs	298	334	12%



## Business performance of subsidiaries 2/2

		1H 2009	1H 2010	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	6,561	5,341	-19%
	New contracts (number)	116	79	-32%
	Number of FTEs	41	39	-6%
<b>KBB</b>	Total client loans (gross, CZK milion)	5,412	4,408	-19%
	Total client deposits (CZK milion)	2,058	2,773	35%
	Number of clients	1,315	1,066	-19%
	Number of FTEs	79	75	-5%
<b>KP</b>	Newly concluded policies (number)	209,375	194,139	-7%
	of which in life insurance	75,278	58,690	-22%
	of which in non-life insurance	134,097	135,449	1%
	Premium written (CZK milion)	2,063	5,360	160%
	of which in life insurance	1,837	5,154	181%
	of which in non-life insurance	226	206	-9%
	Number of FTEs	153	148	-3%



## Standalone results of KB group companies and associated undertakings

CZK million	Account. standards	Share of KB	Net Profit	YoY	Equity	YoY	Assets	YoY
KB	IFRS	n.a.	6,298	14.2%	65,474	19.4%	601,110	1.7%
ESSOX, s.r.o.	IFRS	51%	80	-12.1%	2,564	6.9%	10,361	3.8%
Factoring KB, a.s.	CAS	100%	39	-23.5%	1,514	7.5%	3,112	-16.2%
Komerční banka Bratislava, a.s.	IFRS	100%	-159	+/-	672	-15.0%	5,267	-31.4%
Penzijní fond Komerční banky, a. s.*	CAS	100%	348	48.7%	1,636	320.6%	29,644	10.4%
Bastion European Investments S.A.	IFRS	100%	62	-20.5%	3,318	-2.6%	6,614	-2.4%
Komerční pojišťovna, a.s.	IFRS	49%	70	0.0%	1,291	10.1%	19,684	53.5%
Modrá pyramida SS, a.s.	IFRS	100%	478	31.3%	4,680	35.0%	76,529	6.5%
Protos	IFRS	90%	270	0.0%	13,796	6.7%	13,825	6.8%
Czech Banking Credit Bureau	CAS	20%	5	-44.4%	10	-23.1%	42	13.5%

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

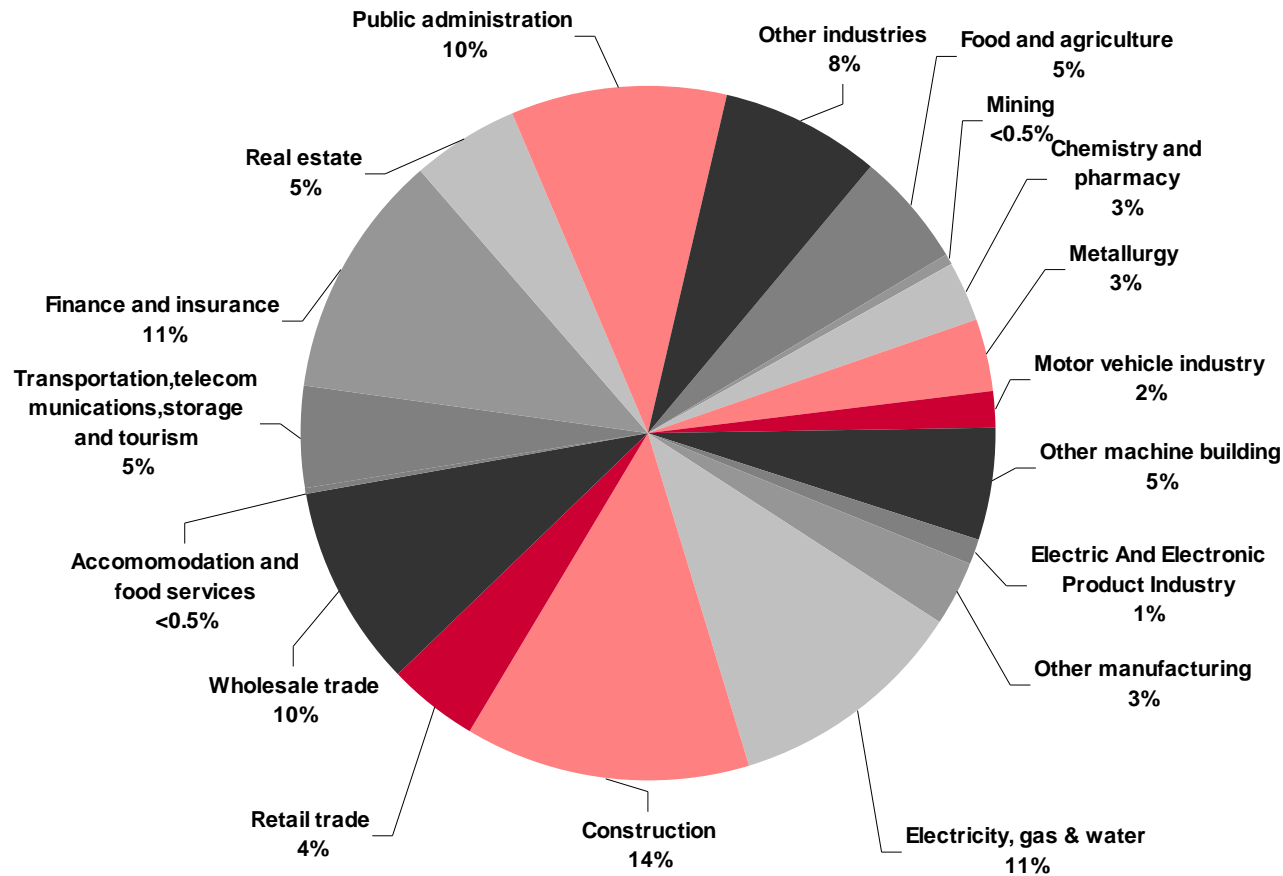
Note: Fully consolidated companies are: Essox, Factoring, KBB, PFKB, Bastion, Modra pyramida and Protos. CBCB is not consolidated.



## Diversification of corporate loan exposure by sector

### Zoom on corporate client segments - sector diversification

Exposure by industry as of June 30, 2010



\* As per Czech Statistical Office sector codes





## Revaluation of MPSS balance sheet

### Background

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

### Adjustments to provisional goodwill

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

### Main sources of adjustments

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

### P/L impact

- ▶ Impact from revaluation on consolidated P/L:

CZK million	2006	2007	2008	2009	1H 2010	2010	2011	2012
NII	94	387	267	149	59	102	45	20
NPFO	0	-19	-2	0	0	0	0	0
Depreciation	1	5	5	5	3	5	5	5
Tax	-23	-117	-57	-31	-12	-20	-9	-4
Net profit	73	255	213	124	50	87	41	21



## Czech Republic

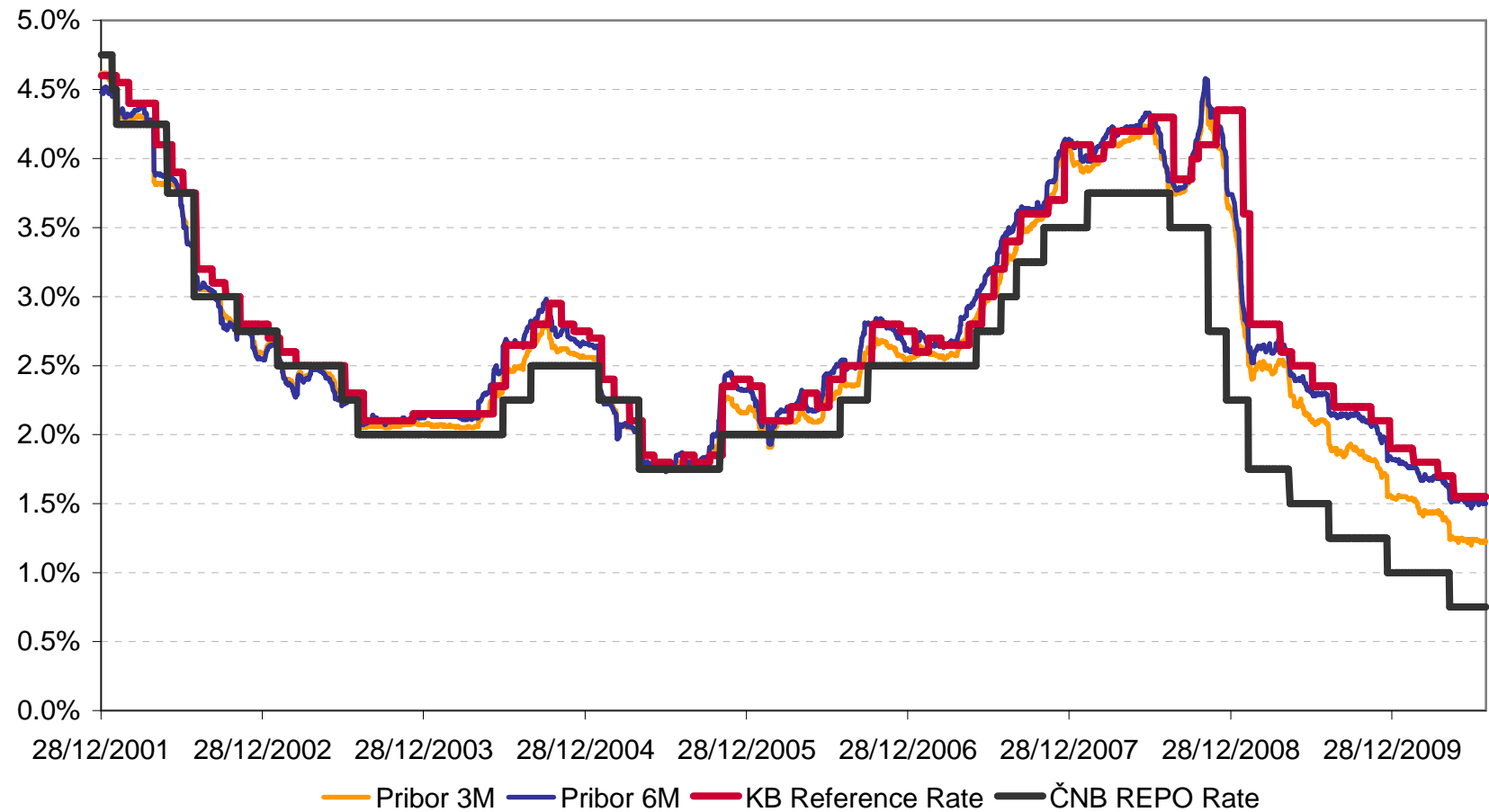
<b>Macroeconomic Indicators</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>	<b>2011*</b>
Real GDP (% , average)	7.0	6.1	2.3	-4.0	1.9	1.3
Inflation (% , average)	2.5	2.8	6.3	1.0	1.5	2.4
Household consumption (% , average)	5.2	4.8	3.5	-0.2	-0.1	2.0
Unemployment (% , av. , MLSA meth.)	8.2	6.7	5.5	8.0	8.9	8.2
M2 (% , average)	9.0	11.2	8.4	6.2	3.6	3.6
3M PRIBOR (% , average)	2.3	3.1	4.0	2.2	1.3	1.6
<b>Potential of the market **</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>	<b>2011*</b>
Loans / GDP (year-end)	43.8	50.4	56.3	57.9	59.7	61.8
Mortgages / GDP (year-end)	11.5	14.4	16.6	18.8	20.0	20.2
Deposits / GDP (year-end)	62.8	66.9	69.6	74.3	75.1	76.7
Household loans / GDP (year-end)	16.8	20.6	24.1	27.3	28.9	29.3

\* *KB estimate*

\*\* *Banking sector*

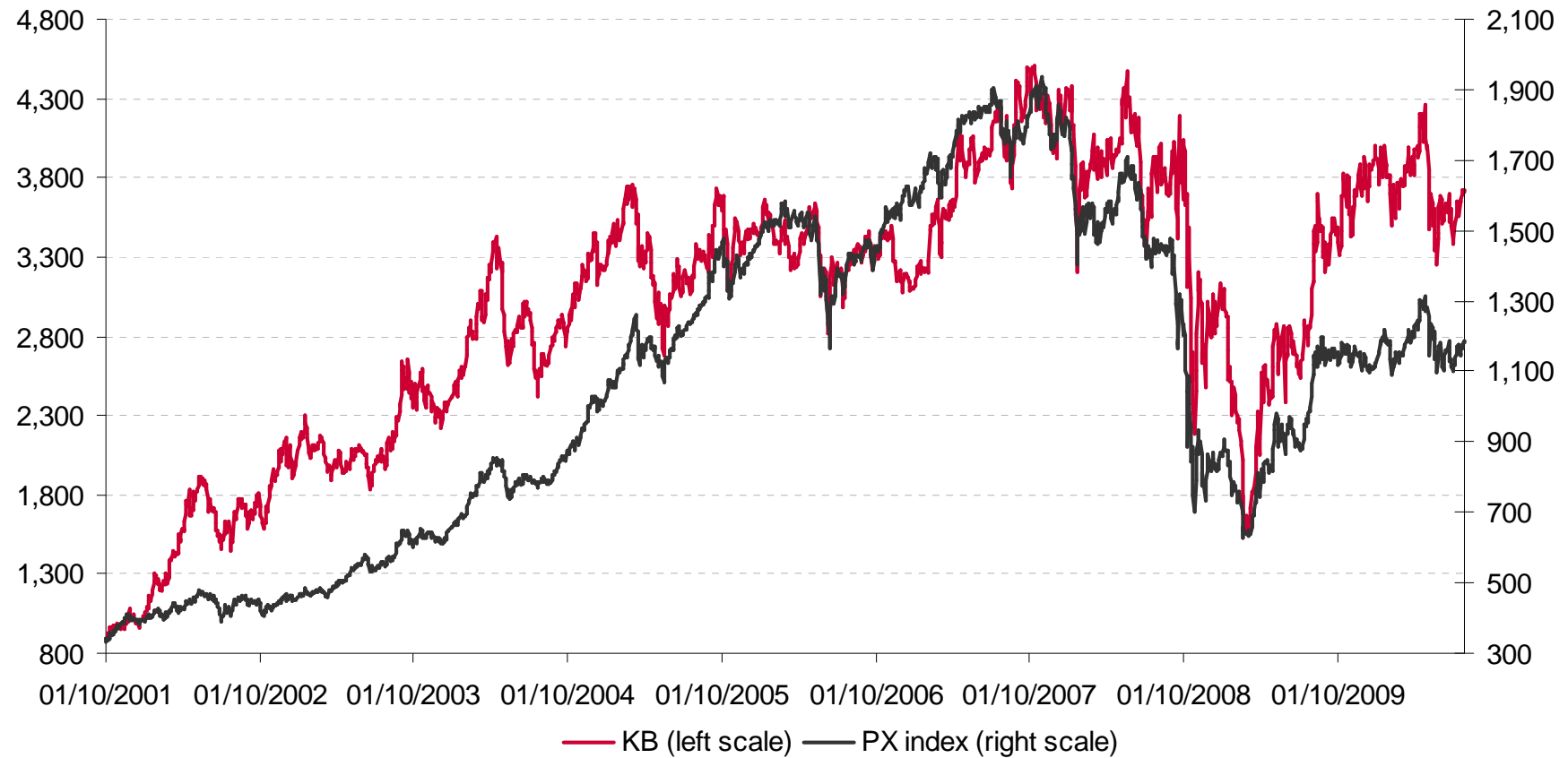


## Interest rates evolution (for the period 28 December 2001 – 28 July 2010)





## Development of KB's share price and PX Index (for the period 1 October 2001 – 28 July 2010)

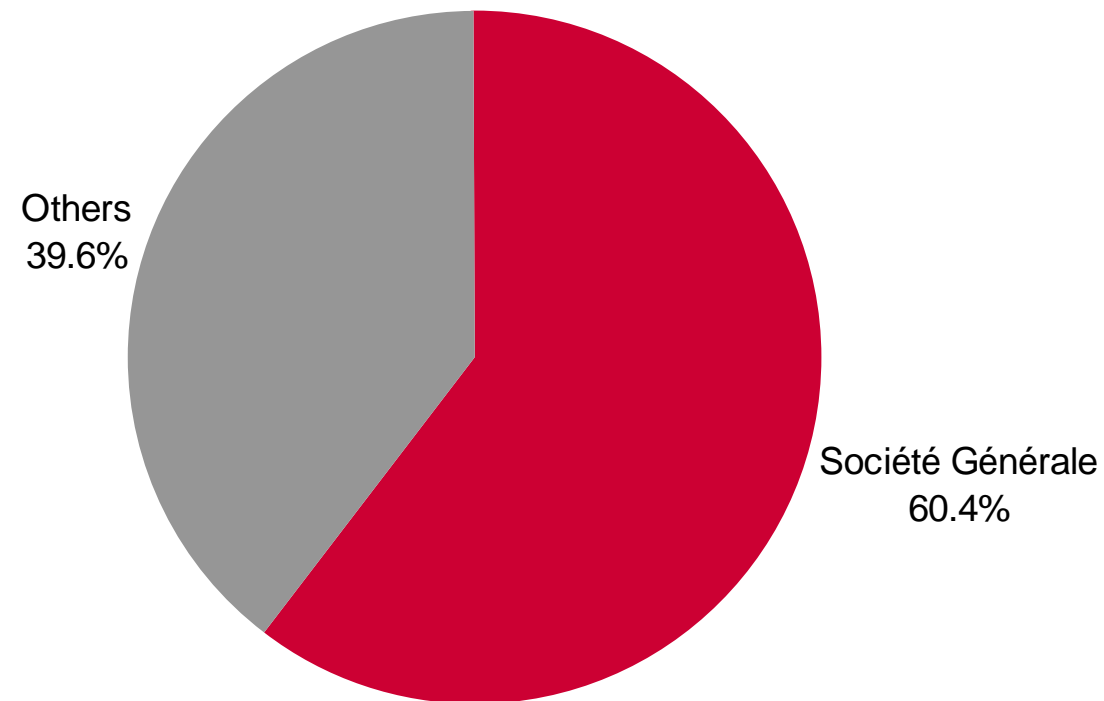




## KB shareholders

As at 30 June 2010

According to excerpt from the Securities centre





## **Investor Relations**

Jakub Černý, Renáta Buchtová, Georgina Olegrová

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

E-mail: [investor\\_relations@kb.cz](mailto:investor_relations@kb.cz) - Internet: [www.kb.cz](http://www.kb.cz)