



# **KB Group**

Unaudited Financial Results as at 30 September 2009  
(International Financial Reporting Standards)

Prague  
4 November 2009





## 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 2009, unless stated otherwise.



# Agenda

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

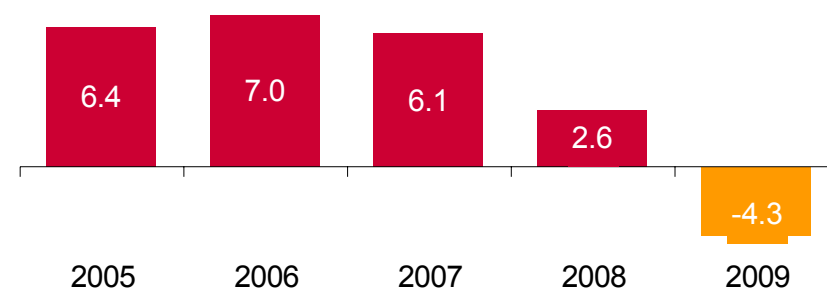


## Sharp fall in output caused by declined foreign demand

- 2Q 2009 GDP YoY down 5.5% but QoQ up 0.1%
- Final household consumption resilient (+1.6% YoY), government consumption still supportive (+2.7% YoY), but gross capital formation fell 24.9%, of which gross fixed assets formation down „only“ 7.2%. Net exports (at constant prices) down 7.8% despite increased trading surplus in nominal terms
- Reduction of inventories contributed 4.4 percentage points to 5.5% decline in 2Q GDP
- Some recent signs of improvement in industrial production. August 2009 industry down 8.4% YoY, but up 4.0% month-over-month.
- End of European countries' car scrapping subsidy schemes expected to negatively affect manufacturing output in 4Q 2009 and part of 2010. Share of car related industry on GDP estimated around 7%.
- The unemployment rate rose from 5.0% in mid-2008 to 8.6% in September 2009. The pace of increases slowing but peak in unemployment not expected before 2010

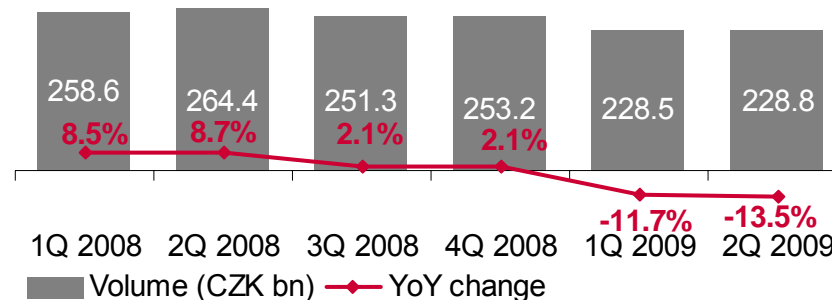
Source: Czech Statistical Office, Ministry of Labour and Social Affairs

### Real GDP growth (%)



Source: Czech Statistical Office, 2009\* KB Estimate

### Industrial production



Source: Czech Statistical Office - Constant Prices of 2000, Seasonally Adjusted



### **Solid profitability in a difficult environment**

- Total revenues up 2.7% to CZK 25.1 billion
- Continued lending, portfolio of client loans expanded by 5.3% to CZK 383.5 billion
- Net interest margin remains at a 3.5% level
- Outstanding operational efficiency, cost-to-income ratio at 41.2%
- Overall risk profile remains satisfactory given the economic circumstances. Average cost of credit risk at 97 bps, including non-recurring provision creation in 1Q 2009, up from below-the-average level of 38 bps in the comparable period of 2008
- Consolidated net profit at CZK 8.4 billion, down 14.5%
- Liquid balance sheet, net loans-to-deposits ratio at 70.2%
- Return on average equity 18.1%
- Strong capital position, regulatory capital adequacy at 13.9%, core Tier 1 ratio 12.6%



### Activity affected by rising unemployment, but KB capturing selected market opportunities

- Number of KB individual clients rose by 24,000 (1.8%) to 1,358,000
- Volume of gross loans provided by ESSOX up by 32% to CZK 9.3 billion, new sales volume rose by 30% to CZK 4.6 billion
- Outstanding volume of mortgages to individuals increased by 13.7% YoY to CZK 98.3 billion. Market share on new sales in 1-3Q 2009 at 24.7 %.
- Total number of active KB payment cards reached 1,707,000 (+1.4%), of which 247,000 were credit cards (+6.4%). The number of active ESSOX credit cards expanded by 55.0% to almost 160,000, driven by success of the co-branded card with T-Mobile
- Total premium written by Komerční pojišťovna rose by 101% to CZK 3.3 billion. Premium for life insurance increased by 123% to CZK 3.0 billion, driven by successful sales of policies with savings and insurance feature.
- In September, KB signed an agreement with Česká pojišťovna on strategic co-operation in mutual distribution of products. Property insurance of Česká pojišťovna will be available in the branch network of KB, as well as KB mortgages will be offered by ČP sales force.



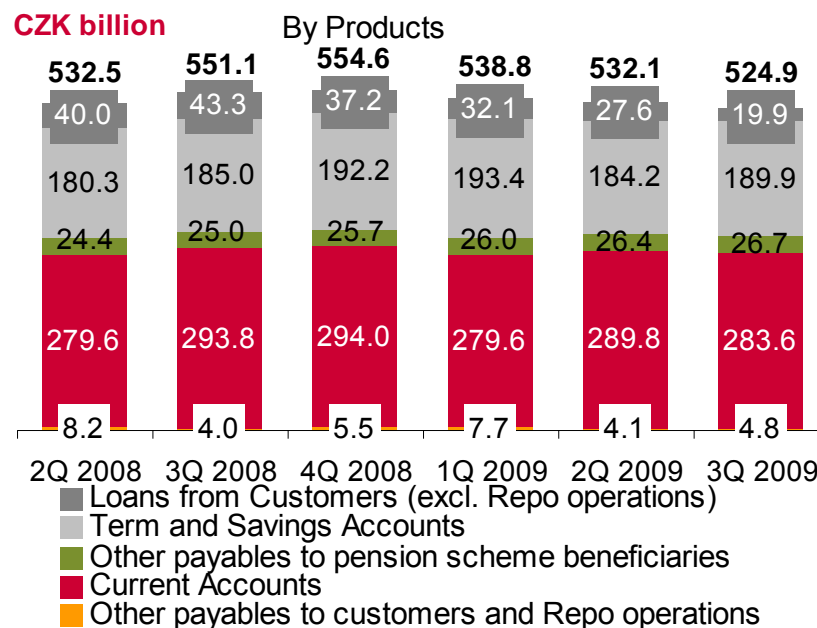
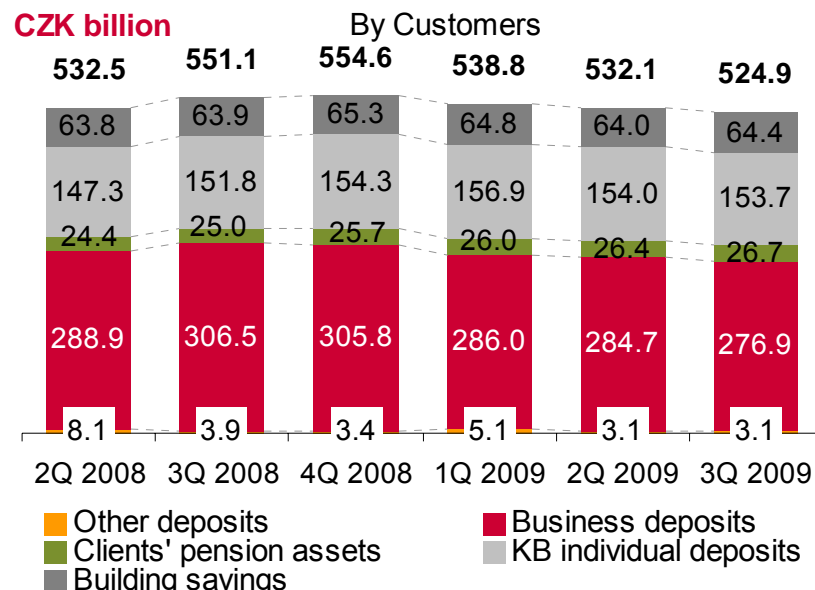
### **KB Group well placed to capitalize on the future economic recovery**

- Loans to small businesses rose by 9.6% to CZK 24.6 billion. Lending to corporations afflicted mainly by decreased investment activity in the economy. Loans to business clients declined by 1.3% to CZK 205.9 billion in line with the observed market trend
- Good result of investment banking activities generated mainly in proprietary trading in the first half 2009. Continuing demand from institutional clients and first signs of recovering demand from corporations for a new FX hedging
- Trade finance revenues grew by solid 6%, driven by continuous demand for guarantees by large enterprises
- KB co-financed construction of Strom Života spa resort in Lázně Bělohrad and advised on successful employment of EU funds in the project. Total project costs reached CZK 420 million, the subsidy from the EU's Regional Operational Programme Northeast amounted to CZK 160 million.
- KB issued on behalf of Škoda Power a.s., no. 1 manufacturer of power plant equipment in the Czech Republic, advance payment guarantees totalling CZK 1,200 million for its contract on upgrade of ČEZ power plants Ledvice and Počeradý



## Deposit volume suffering from the economic headwind

- YoY group deposits decreased by 4.8%, QoQ -1.4%
- KB represents 82% of CZK 524.9 billion of total depositary base, of which:
  - KB deposits from individuals rose by 1.3% to CZK 153.7 billion, mainly in term deposits
  - KB deposits from business clients decreased by 9.0% to CZK 276.4 billion as corporations continue drawing upon their reserves
- Clients' pension assets in PF KB grew by 6.8% YoY to CZK 26.7 billion
- MPSS deposits up 0.8% to CZK 64.4 billion
- Sales of non-banking saving products in 1-3Q 2009
  - IKS sales through KB & MPSS at CZK 4.2 bn (-55%), redemptions at CZK 6.6 bn (-33%)
  - KP Vital insurance written premium at CZK 2.6 billion (+162%)



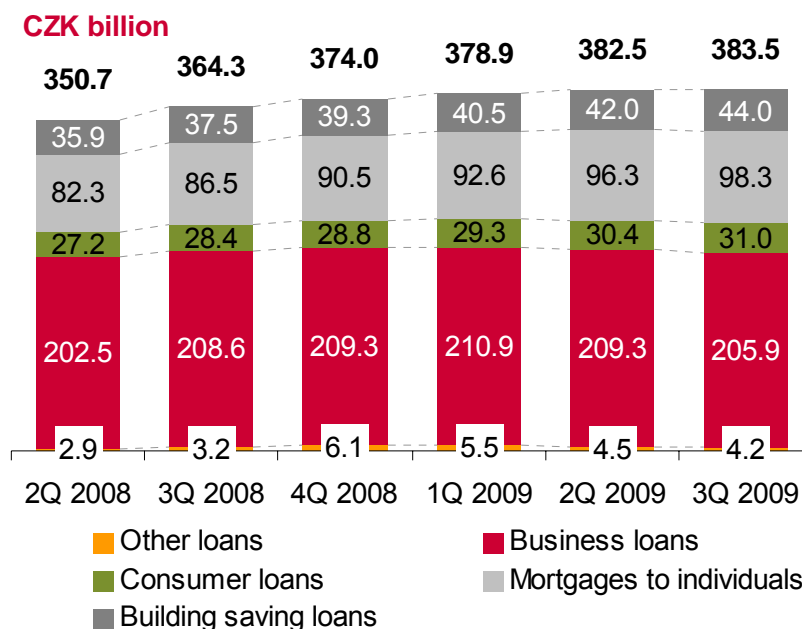




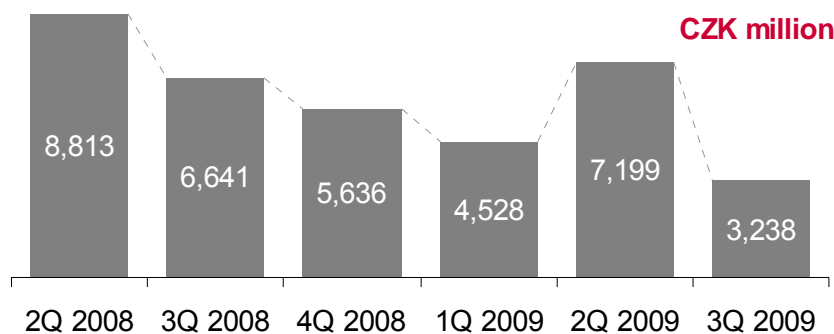
## Group lending activities

### Benefiting from diversification of the lending portfolio

- Gross loans rose 5.3% YoY, 0.3% QoQ
- Business loans declined by 1.3% YoY:
  - Small businesses (KB) +9.6% to CZK 24.6 billion
  - Corporations (KB+KBB) -2.2% to CZK 179.0 billion
  - Factoring KB -25.4% to CZK 2.4 billion
- Consumer loans provided by KB and ESSOX rose 9.1% YoY to CZK 31.0 billion
- Mortgages to individuals up 13.7% YoY to CZK 98.3 billion (outstanding volume)
- Building loans (standard and bridging) provided by MPSS stood at CZK 44.0 billion, higher 17.3% YoY
- Irrevocable off-balance sheet commitments amounted to CZK 173.8 billion (-12.2% YoY)



### Sales volume of mortgages to individuals





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## Consolidated financial results

### Profit and Loss Statement

(CZK million, unaudited)

	1-3Q 2008	1-3Q 2009	Change YoY
Net interest income	15,586	16,504	5.9%
Net fees & commissions	6,048	5,739	-5.1%
Income from financial operations	2,679	2,739	2.2%
Other income	132	132	0.0%
<b>Net banking income</b>	<b>24,445</b>	<b>25,114</b>	<b>2.7%</b>
Personnel expenses	-4,655	-4,821	3.6%
General administrative expenses	-4,775	-4,412	-7.6%
Depreciation, impairment and disposal of fixed assets	-1,227	-1,110	-9.5%
<b>Operating costs</b>	<b>-10,658</b>	<b>-10,343</b>	<b>-3.0%</b>
<b>Gross operating income</b>	<b>13,788</b>	<b>14,771</b>	<b>7.1%</b>
Cost of risk	-1,642	-4,160	153.3%
<b>Net operating income</b>	<b>12,145</b>	<b>10,611</b>	<b>-12.6%</b>
Profit on subsidiaries and associates	127	50	-60.6%
Share of profit of pension scheme beneficiaries	-83	-330	297.6%
<b>Profit before income taxes</b>	<b>12,190</b>	<b>10,331</b>	<b>-15.3%</b>
Income taxes	-2,253	-1,823	-19.1%
<b>Net profit</b>	<b>9,937</b>	<b>8,508</b>	<b>-14.4%</b>
Minority profit/(loss)	64	70	9.4%
<b>Net profit attributable to equity holders</b>	<b>9,873</b>	<b>8,438</b>	<b>-14.5%</b>



<b>Profit and Loss Statement</b> (CZK million, unaudited)	3Q 2008	3Q 2009	Change YoY
Net interest income	5,276	5,484	3.9%
Net fees & commissions	1,989	1,918	-3.6%
Income from financial operations	956	699	-26.9%
Other income	46	40	-13.0%
<b>Net banking income</b>	<b>8,267</b>	<b>8,141</b>	<b>-1.5%</b>
Personnel expenses	-1,602	-1,629	1.7%
General administrative expenses	-1,519	-1,400	-7.8%
Depreciation, impairment and disposal of fixed assets	-334	-381	14.1%
<b>Operating costs</b>	<b>-3,455</b>	<b>-3,410</b>	<b>-1.3%</b>
<b>Gross operating income</b>	<b>4,811</b>	<b>4,732</b>	<b>-1.6%</b>
Cost of risk	-729	-1,327	82.0%
<b>Net operating income</b>	<b>4,082</b>	<b>3,404</b>	<b>-16.6%</b>
Profit on subsidiaries and associates	91	14	-84.6%
Share of profit of pension scheme beneficiaries	98	-130	-232.7%
<b>Profit before income taxes</b>	<b>4,271</b>	<b>3,288</b>	<b>-23.0%</b>
Income taxes	-793	-587	-26.0%
<b>Net profit</b>	<b>3,479</b>	<b>2,702</b>	<b>-22.3%</b>
Minority profit/(loss)	18	26	44.4%
<b>Net profit attributable to equity holders</b>	<b>3,461</b>	<b>2,676</b>	<b>-22.7%</b>



## Consolidated financial results

### Balance Sheet

(CZK million, unaudited)

	30 Sep 2008	31 Dec 2008	30 Sep 2009	Change YoY
<b>Assets</b>	<b>688,330</b>	<b>699,044</b>	<b>657,317</b>	<b>-4.5%</b>
Cash and balances with central bank	8,793	13,961	11,246	27.9%
Amounts due from banks	167,530	146,098	105,768	-36.9%
Loans and advances to customers ( <i>net</i> )	355,084	364,040	368,540	3.8%
Securities	129,476	143,592	143,409	10.8%
Other assets	27,446	31,353	28,354	3.3%
<b>Liabilities</b>	<b>688,330</b>	<b>699,044</b>	<b>657,317</b>	<b>-4.5%</b>
Amounts due to banks	13,362	11,114	11,424	-14.5%
Amounts due to customers	551,125	554,570	524,874	-4.8%
Securities issued	24,930	24,128	18,787	-24.6%
Other liabilities	35,314	40,255	33,569	-4.9%
Subordinated debt	6,003	6,003	6,001	0.0%
Shareholders' equity	57,596	62,974	62,661	8.8%

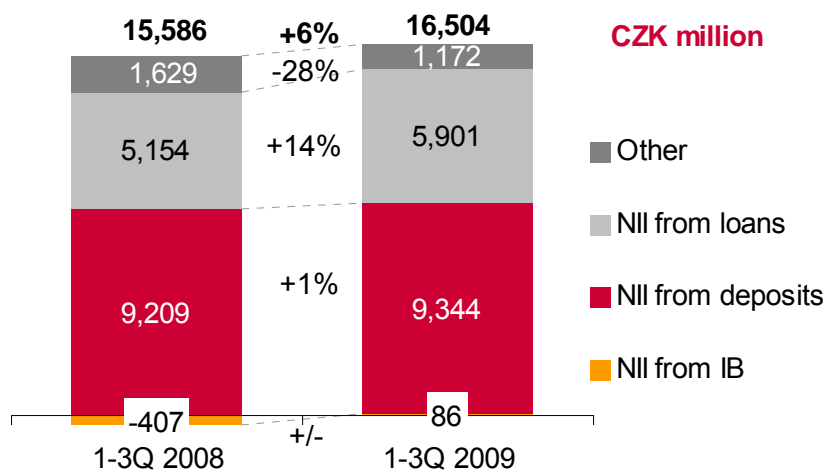
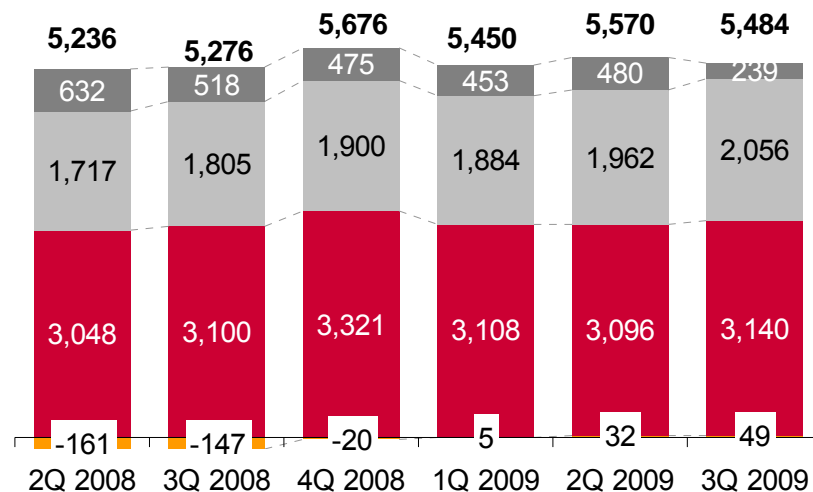


<b>Key ratios and indicators</b>	<b>30 Sep 2008</b>	<b>30 Sep 2009</b>	<b>Change YoY</b>
Capital adequacy	12.5%	13.9%	▲
Tier 1 ratio	11.1%	12.6%	▲
Total capital requirement (CZK billion)	26.2	27.1	3.8%
Capital requirement for credit risk (CZK billion)	22.1	23.2	5.0%
Risk weighted assets for credit risk (CZK billion)	276.5	290.4	5.0%
Net interest margin (NII/Av. interest bearing assets)	3.3%	3.5%	▲
Loans (net) / deposits ratio	64.4%	70.2%	▲
Cost / income ratio	43.6%	41.2%	▼
Return on average equity (ROAE), annualized	24.5%	18.1%	▼
Return on average assets (ROAA), annualized	2.0%	1.7%	▼
Earnings per share (CZK), annualized	346	296	-14.5%
Average number of employees during the period	8,788	8,843	0.6%



## Better asset spreads and reinvestment opportunities offset liability margin compression

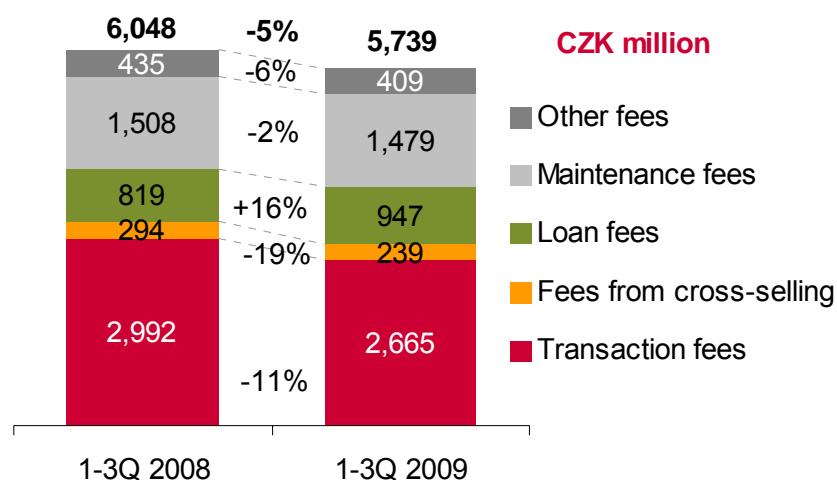
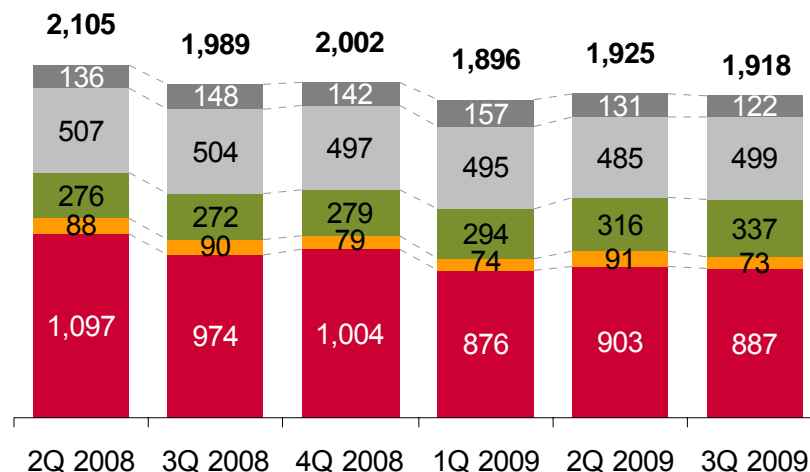
- YoY increase in NII of 5.9%, QoQ down 1.5%
- MPSS NII up 16%, ESSOX +28%, PFKB +15% YoY
- NII from loans – increased spreads on lending, still rising volumes
- NII from deposits – gradual shrinking of spreads on term deposits and savings accounts. Margin on current accounts partly protected by hedging. Impacts mitigated by transfer of liquidity premium charged on lending to NII from deposits to reflect the market conditions
- Interest margin also slightly benefiting from higher credit spread on bond portfolio
- NII from Other driven by yield on allocated capital and dividend income. KB dividends from 2008 profit paid out at the end of June (CZK 6.8 billion)





## Economic environment weighs upon fee income

- Fees down -5.1% YoY, -0.4% QoQ. Comparison influenced by positive one-off in 2008 (interchange fees settlement of CZK 205 million in 2008, of which CZK 178 million in 1-3Q). Adjusted fees -2.2% YoY
- Transaction fees – lower number of transactions of business clients. Lower usage of payment cards. Effect of the 2008 one-off on YoY comparison
- Fees from cross-selling – growing life insurance sales, still depressed sales of mutual funds
- Maintenance fees – continuing market pressure on pricing
- Loan fees - increasing income due to increased number of credit products in retail segments. Lower commissions paid for mortgages. Relatively strong growth in subsidiaries (Essox, MPSS)

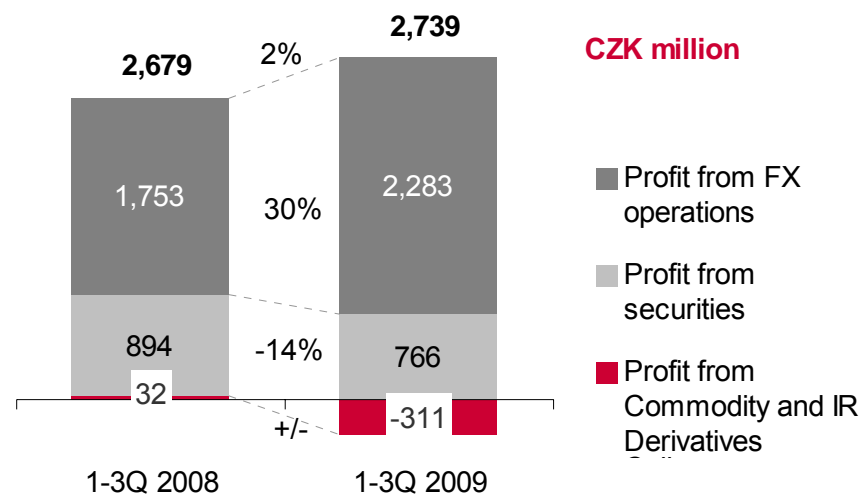
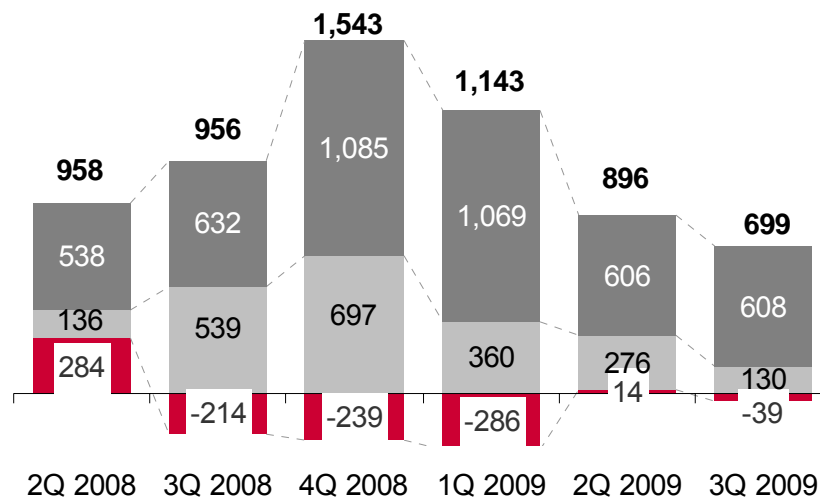






## Client business returning to prevail in the revenue mix

- Net profit from financial operations increased by 2.2% YoY, QoQ result down 22.0%
- Treasury operations – good result especially in the first half of 2009. In 3Q 2009 decreasing credit spreads, lower interest rates
- Client operations – solid demand for IR hedging, in 3Q 2009 first signs of corporate clients' recovering demand for FX hedging
- Net fees and commissions from FX transactions down 3.3% following decline in international trade
- 2Q 2009 Profit from securities influenced by CZK 64 million from sale of MasterCard shares



CZK million

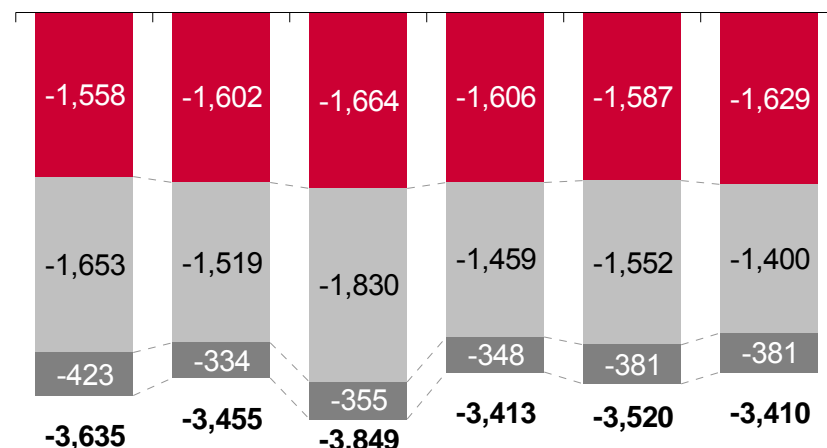
- Profit from FX operations
- Profit from securities
- Profit from Commodity and IR Derivatives



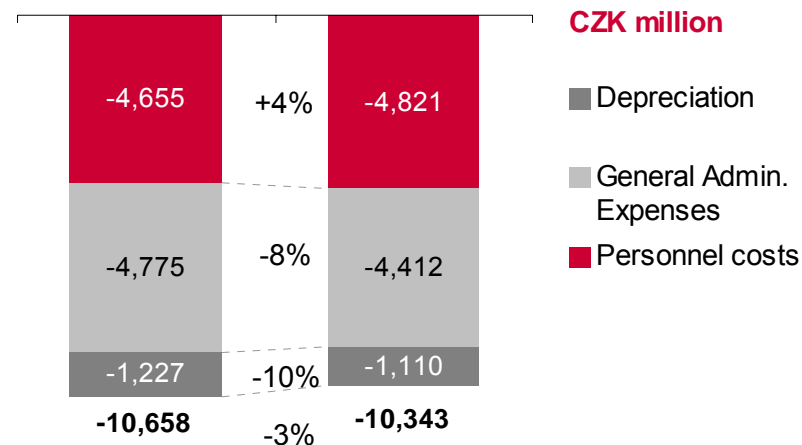
## Well controlled operating costs

- OPEX YoY lower by 3.0%, QoQ down 3.1%
- Personnel costs up 3.6% on year-over-year higher average headcount (+0.6%) and increase in average salary
- General Administrative Expenses managed tightly. Lower costs of sale, marketing expenditures, costs related to employees, telecommunications, IT, savings on procurement. Advancing back-office centralization, further long-term projects infrastructure optimisation
- Depreciation & amortization benefited from a higher contribution from sales of unused buildings in 1-3Q 2009 (CZK 71 million v. CZK 22 million in 1-3Q 2008)

2Q 2008 3Q 2008 4Q 2008 1Q 2009 2Q 2009 3Q 2009



1-3Q 2008 1-3Q 2009



CZK million

- Depreciation
- General Admin. Expenses
- Personnel costs



## Shareholders' equity

Total shareholders' equity  
as at 31 December 2008

**- 313**

Total shareholders' equity  
as at 30 September 2009

Shareholders' equity	31/12/2008	1/1/2009	Increase	Decrease	30/09/2009
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	25,203	38,364		-6,812	31,553
- Retained earnings, reserve funds and dividends	25,353	38,514		-6,812	31,703
- Treasury shares	-150	-150			-150
Attributable net profit	13,161	0	8,438		8,438
Hedging revaluation reserve	3,552	3,552		-2,481	1,071
AFS securities' fair value changes	767	767	485		1,252
Others	153	153		-12	141
Minorities	1,132	1,132	70		1,202
<b>Total Shareholders' equity</b>	<b>62,974</b>	<b>62,974</b>	<b>8,992</b>	<b>-9,305</b>	<b>62,661</b>



# Agenda

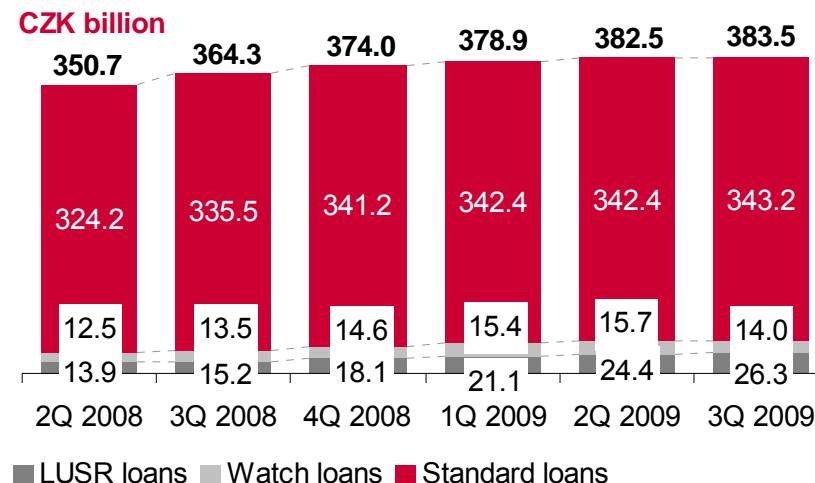
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## Continued impacts from the on-going economic recession on loan quality

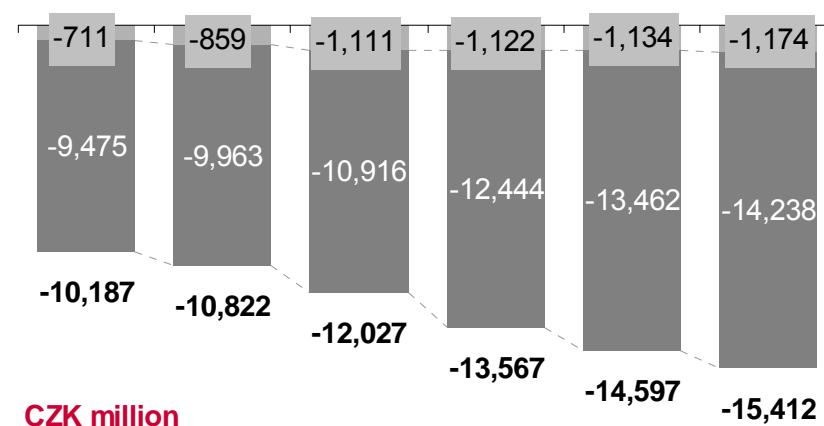
### Gross exposure

- +0.3% (+CZK 1 billion) overall QoQ increase in loan exposure (+1% in Q2 2009), with some segment disparities
- Stable share of standard loan exposure (89.5% of total loan portfolio versus 89.5% in Q2 2009)
- Improving trend in the share of watch loan exposure (3.7% of total loan portfolio versus 4% in Q2 2009)
- Some marginal rise in the share of defaulted loan exposure from 6.4% in Q2 2009 to 6.9% in Q3 2009



### Specific provisions

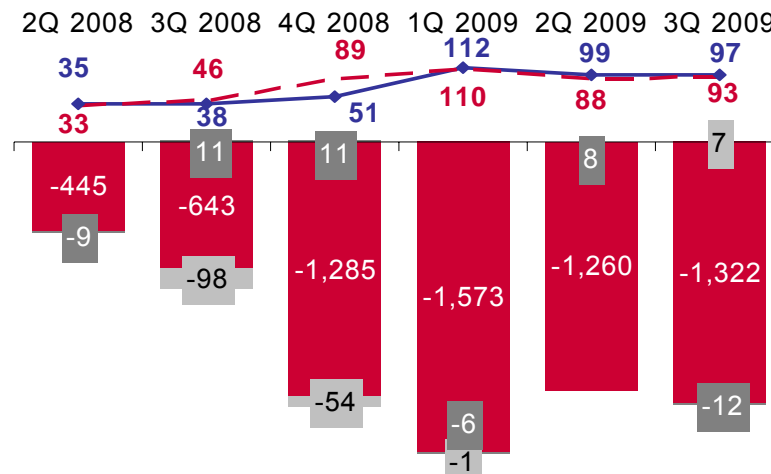
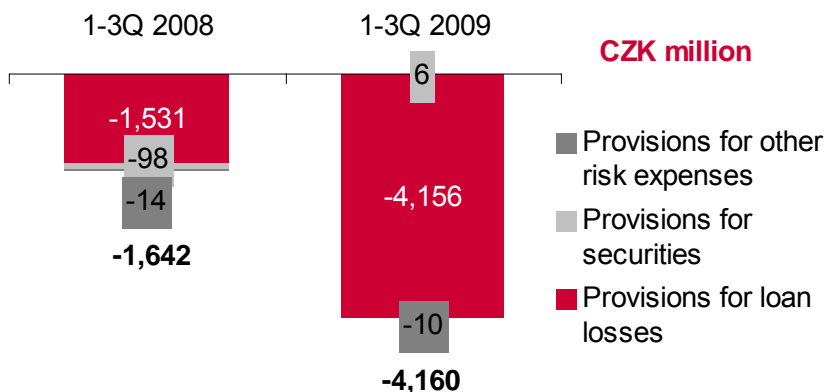
- Provision coverage ratios deemed at adequate levels:
  - ✓ 8.4% for watch loans (7.2% in Q2 2009)
  - ✓ 54.1% for defaulted loans (55.3% in Q2 2009)



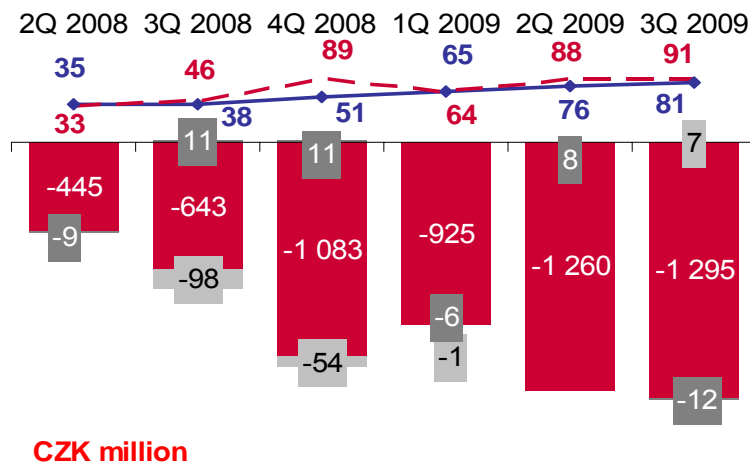


## Continued rising trend in cost of risk for all client segments

- QoQ provisions for loan losses increased from CZK 1 260 million in Q2 2009 to CZK 1 322 million in Q3 2009
- 3Q 2009 provisions for loan losses:
  - ✓ higher by 106% compared to Q3 2008 low levels
  - ✓ higher by 5% compared to Q2 2009
- YtD commercial cost of risk (excluding Q1 2009 one-off case) rising from 76 bp in Q2 2009 to 82 bp in Q3 2009
- Evolution driven by both corporate and retail client segments
- Confirmed expectations of increasing risk profile of mass retail activities



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



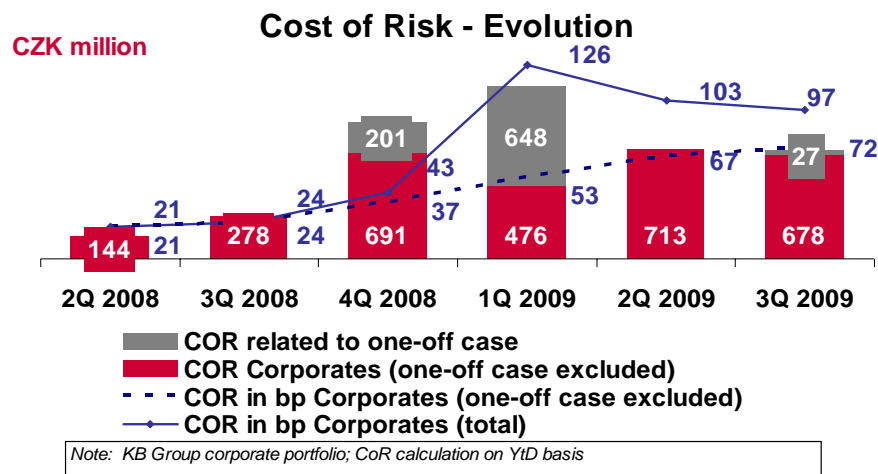
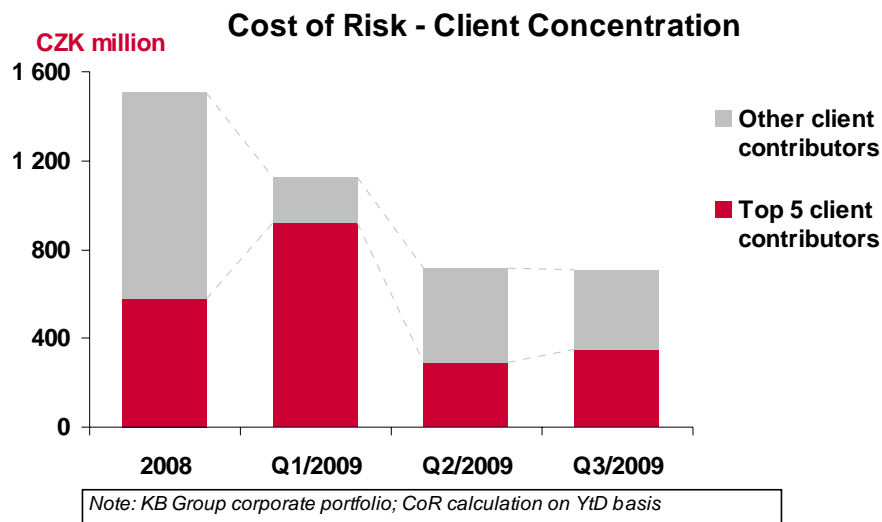
Note on cost of risk (CoR) calculation in Month N:

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



## Zoom on corporate client segments

- YtD cost of risk rising from 67 bp in Q2 2009 to 72 bp in Q3 2009 (excluding one-off case)
- No major shift of client concentration level:
  - ✓ top 5 contributors to net provisions at 50% of total net provisions in Q3 2009 (up from 40% in Q2 2009)
  - ✓ 2 insolvency cases in Slovakia contributing CZK 157 million in Q3 2009 net provisions
  - ✓ some stabilization of previously reported portfolio deterioration
- Sector diversification of exposures maintained at satisfactory levels (see slide 31 in the Appendix)
- Continued intensification of preventive risk management practices:
  - ✓ monitoring of early warning signals
  - ✓ close scrutiny applied to sensitive sectors
  - ✓ reinforced asset recovery capacities

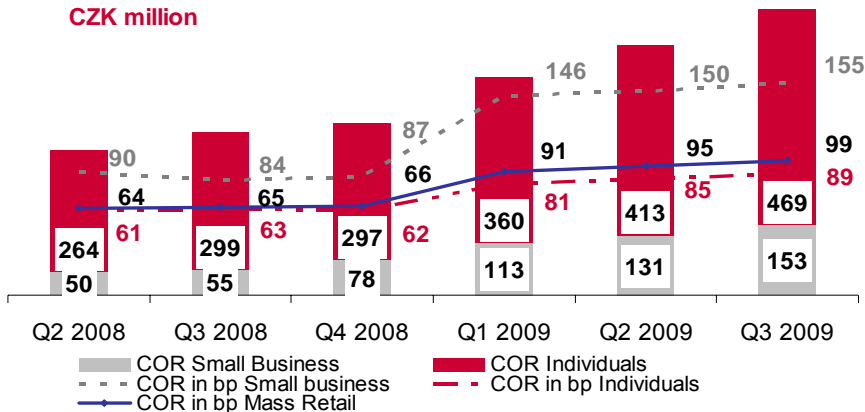




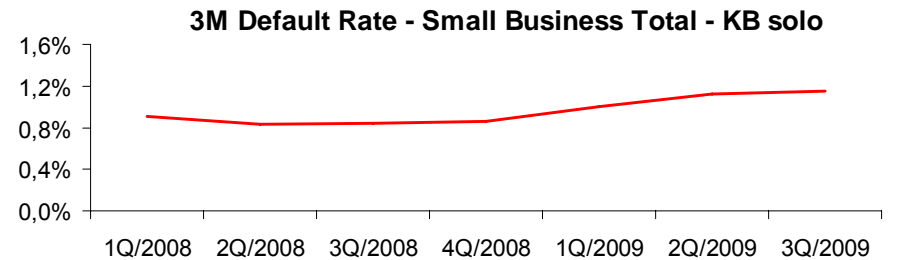
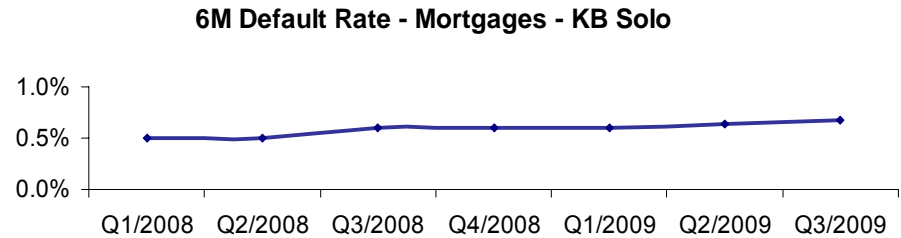
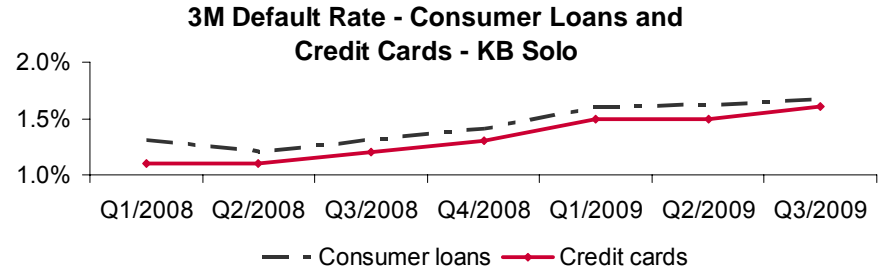
## Zoom on mass retail client segments

- YtD cost of risk up from 95 bp in Q2 2009 to 99 bp in Q3 2009
- Some moderate rise in early risk indicators of consumer loans, credit cards and small business exposures
- Risk profile of mortgage loans so far contained
- Intensification of preventive risk management measures:
  - ✓ extended usage of credit bureaus
  - ✓ reinforced collection capacities
  - ✓ recalibration and back-testing of granting models
  - ✓ permanent monitoring of product parameters and granting processes

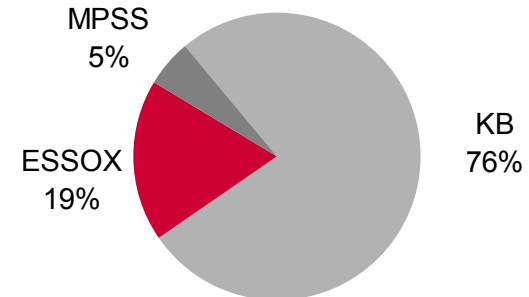
### Cost of Risk - KB Group



### Cost of risk



### Cost of Risk - Contribution by Main Subsidiaries







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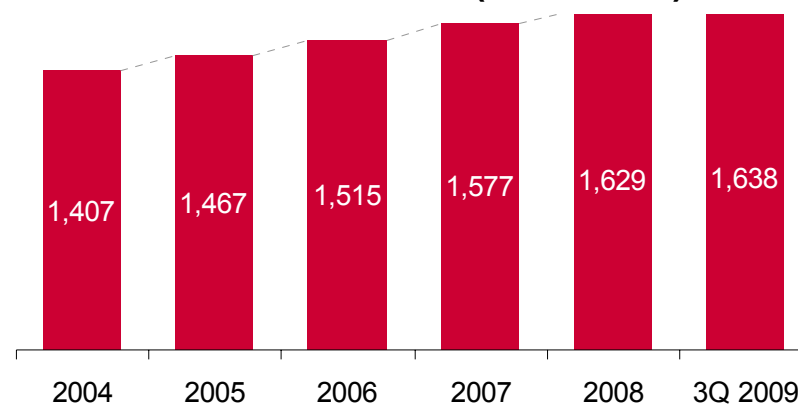
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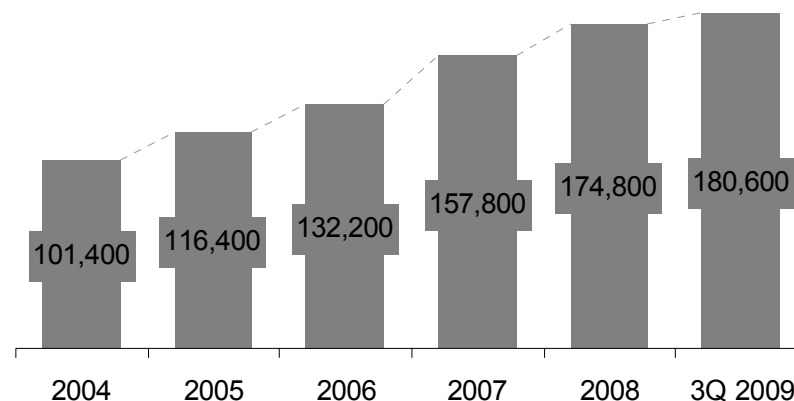
## Development of clients' portfolio and networks

- **Clients**
  - KB bank 1,638,000 clients (+1%)
  - MPSS 717,000 clients (-4%)
  - PFKB 493,000 clients (+2%)
  - ESSOX 294,000 active clients (+50%)
- **Network**
  - 398 branches for retail clients, 20 business centres for MEM, 4 corporate divisions for large corporate clients
  - 682 ATMs
  - MPSS: 252 points of sale; 1,599 sales agents (of which 420 full-time professionals)
- **Direct Channels**
  - Two call centres, internet and mobile banking
  - 972,000 clients (i.e. 59% of KB client base) using direct banking products

### Clients of KB bank (thousands)



### Number of student packages Gaudeamus





Pension insurance	<b>Penzijní fond KB (100%)</b>	Fourth largest pension fund in the Czech Republic offering pension insurance to almost 493 thousand clients.
Building society	<b>Modrá pyramida stavební spořitelna (100%)</b>	Third largest building society with 717,000 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

		1-3Q 2008	1-3Q 2009	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	8,159	7,746	-5%
	Volume of total loans (gross, CZK million)	37,500	43,992	17%
	Target volume of new contracts (CZK million)	26,636	25,518	-4%
	Volume of deposits (CZK million)	64,094	64,566	1%
	Number of FTEs	373	365	-2%
	Number of points of sale	241	252	5%
<b>PF KB</b>	Number of new contracts	52,098	50,247	-4%
	Number of contracts (stock)	485,589	493,382	2%
	Assets under management (CZK million)	25,048	26,683	7%
	Number of FTEs	60	63	5%
<b>ESSOX</b>	Volume of new contracts (CZK million)	3,539	4,609	30%
	Volume of total loans (gross, CZK million)	6,994	9,263	32%
	Number of FTEs	273	297	9%



## Business performance of subsidiaries 2/2

		1-3Q 2008	1-3Q 2009	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	12,945	9,832	-24%
	New contracts (number)	139	144	4%
	Number of FTEs	42	41	-1%
<b>KBB</b>	Total client loans (gross, CZK milion)	5,283	5,359	1%
	Total client deposits (CZK milion)	2,105	2,100	0%
	Number of clients	1,343	1,299	-3%
	Number of FTEs	76	80	5%
<b>KP</b>	Newly concluded policies (number)	384,080	316,440	-18%
	of which in life insurance	124,538	115,015	-8%
	of which in non-life insurance	259,542	201,425	-22%
	Premium written (CZK milion)	1,627	3,269	101%
	of which in life insurance	1,343	2,996	123%
	of which in non-life insurance	284	273	-4%
	Number of FTEs	145	149	3%



## 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	n.a.	7,891	-9.7%	58,363	7.5%	572,402	-4.9%
ESSOX, s.r.o.	IFRS	51%	143	9.2%	2,450	6.9%	10,491	23.3%
Factoring KB, a.s.	CAS	100%	45	2.3%	1,448	-2.2%	3,658	-19.3%
Komerční banka Bratislava, a.s.	IFRS	100%	-154	+/-	603	-21.5%	6,144	-10.9%
Penzijní fond Komerční banky, a. s.*	CAS	100%	386	302.1%	914	107.7%	27,722	8.5%
Bastion European Investments S.A.	IFRS	100%	115	6.5%	3,348	0.7%	6,659	0.6%
Komerční pojišťovna, a.s.	IFRS	49%	102	-21.5%	1,221	1.4%	13,497	10.9%
Modrá pyramida SS, a.s.	IFRS	100%	584	25.9%	3,840	27.5%	73,418	6.8%
Protos	IFRS	90%	405	5.5%	13,362	-2.5%	13,385	-2.6%
Czech Banking Credit Bureau	CAS	20%	14	40.0%	18	50.0%	43	34.4%

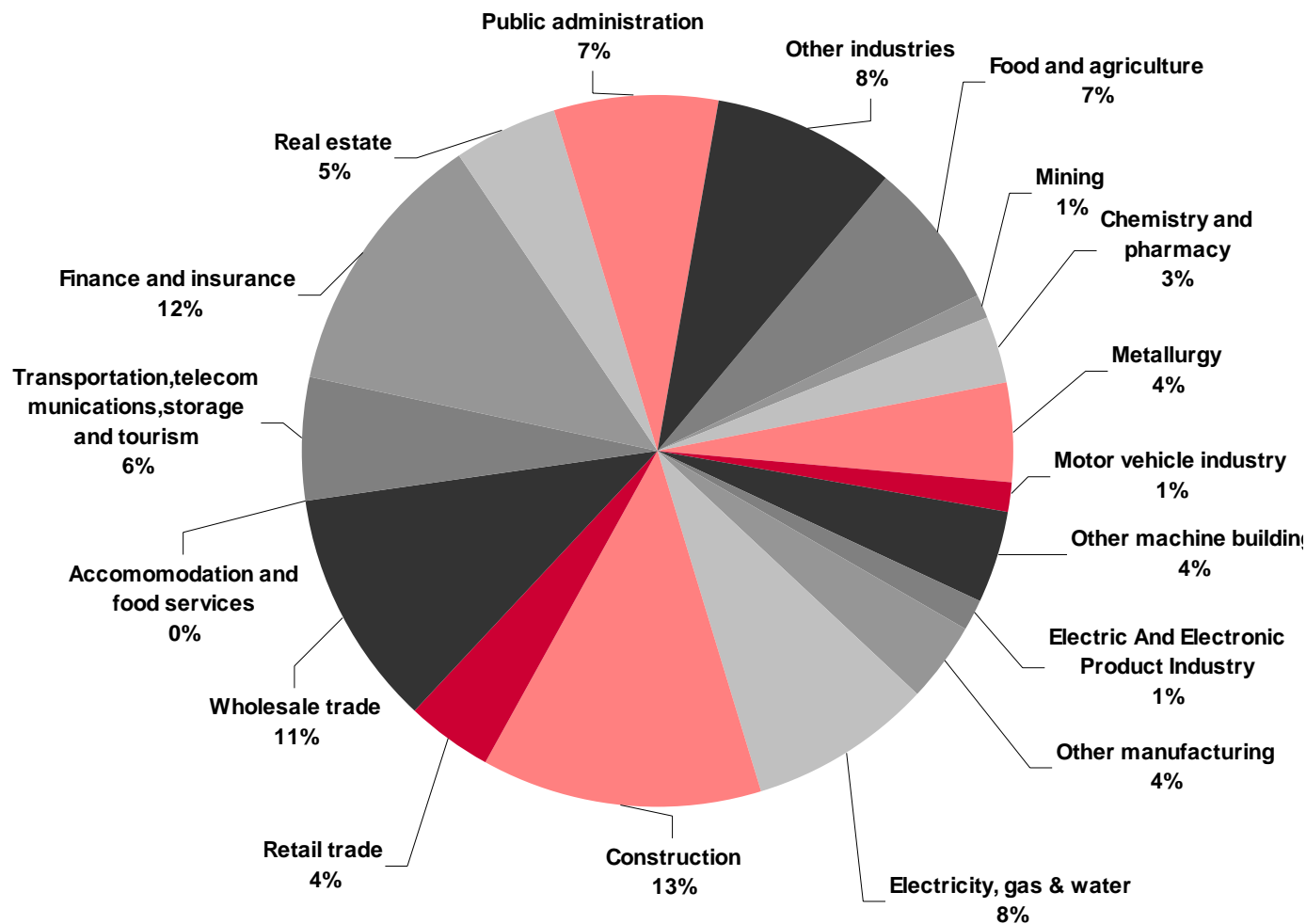
\* 85% of net profit must be distributed to pension scheme beneficiaries

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



## Zoom on corporate client segments / Sector diversification

Exposure by Industry as of September 30, 2009





## 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:

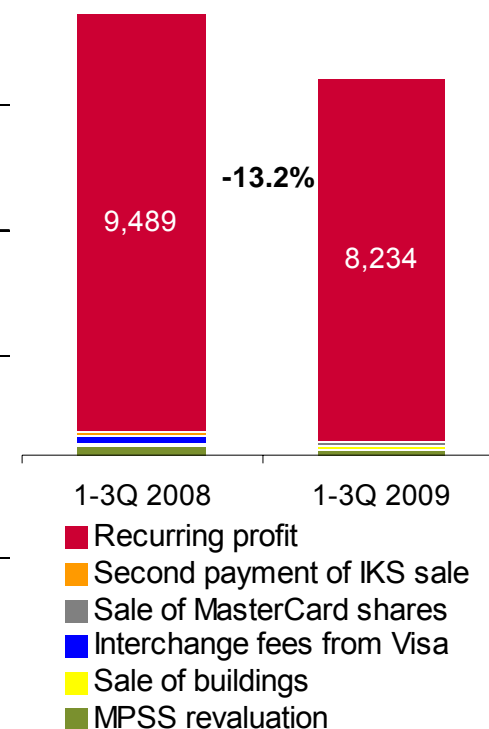
CZK millions	2006	2007	2008	1-3Q 2009	2009	2010	2011	2012
<b>NII</b>	94	387	267	116	149	102	45	20
<b>NPFO</b>	0	-19	-2	0	0	0	0	0
<b>Depreciation</b>	1	5	5	4	5	5	5	5
<b>Tax</b>	-23	-117	-57	-24	-31	-20	-9	-4
<b>Net profit</b>	73	255	213	96	124	87	41	21





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

	1-3Q 2008	1-3Q 2009	Change YoY	3Q 2008	3Q 2009	Change YoY
<b>Net banking income</b>	24,047	24,934	3.7%	8,193	8,105	-1.1%
Net interest income	15,365	16,388	6.7%	5,218	5,448	4.4%
Non-interest income	8,682	8,546	-1.6%	2,975	2,658	-10.7%
<b>Operating costs</b>	-10,683	-10,418	-2.5%	-3,536	-3,443	-2.6%
Personnel expenses	-4,655	-4,821	3.6%	-1,602	-1,629	1.7%
Other costs	-6,028	-5,597	-7.1%	-1,934	-1,814	-6.2%
<b>Gross operating income</b>	13,364	14,516	8.6%	4,657	4,662	0.1%
Cost of risk	-1,642	-4,160	153.3%	-729	-1,327	82.0%
Profit on subsidiaries	63	50	-20.6%	27	14	-48.1%
Share of profit of pension scheme beneficiaries	-83	-330	297.6%	98	-130	-232.7%
<b>Profit before income taxes</b>	11,702	10,076	-13.9%	4,053	3,219	-20.6%
Income tax	-2,148	-1,772	-17.5%	-757	-573	-24.3%
<b>Net recurring profit</b>	9,553	8,304	-13.1%	3,296	2,646	-19.7%
Minority profit/(loss)	64	70	9.4%	18	26	44.4%
<b>Net profit attributable to equity holders</b>	9,489	8,234	-13.2%	3,278	2,620	-20.1%
<b>Reported net profit attributable to equity holders</b>	9,873	8,438	-14.5%	3,461	2,676	-22.7%





## Czech Republic

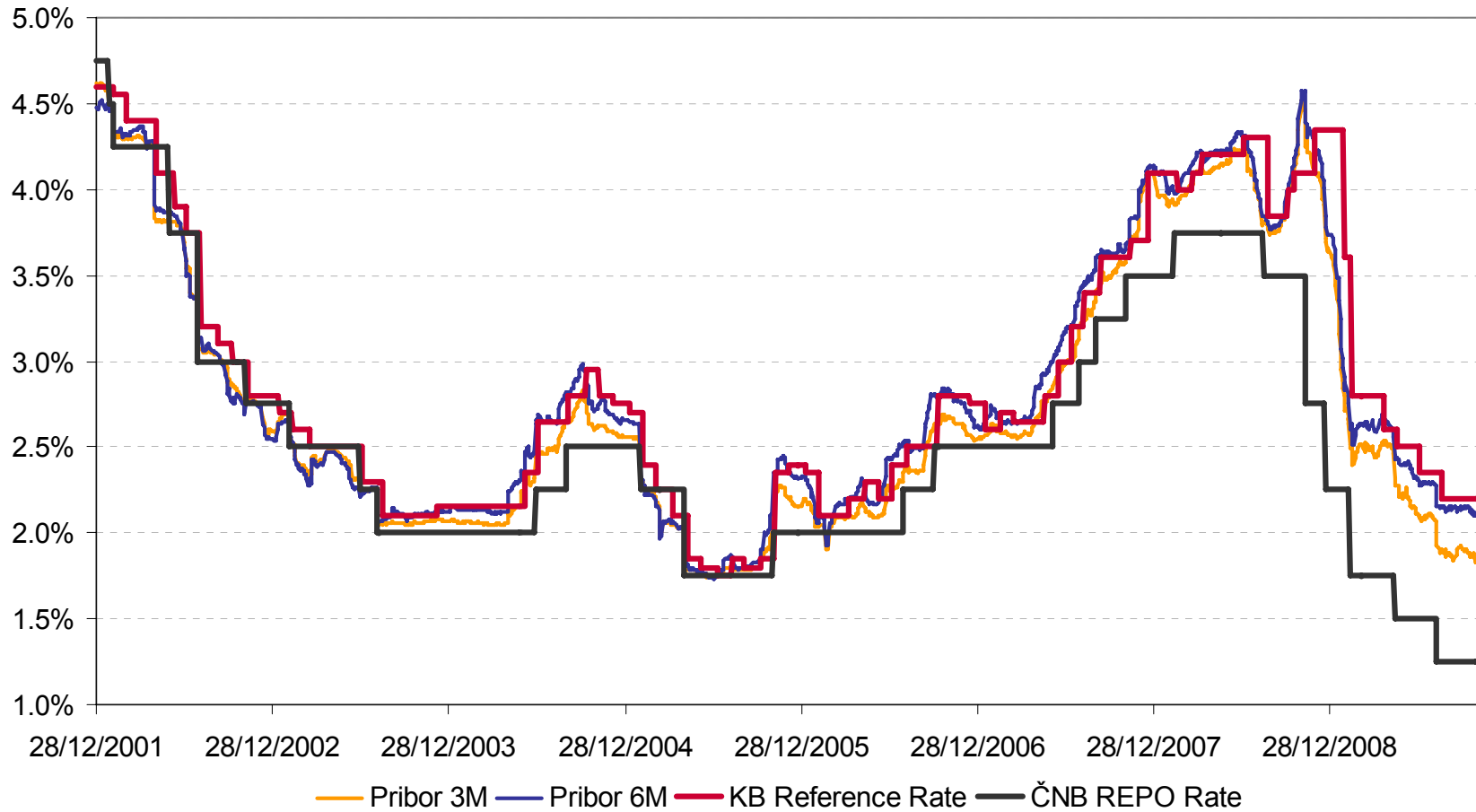
<b>Macroeconomic Indicators</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009*</b>
Real GDP (% , average)	6.4	7.0	6.1	2.6	-4.3
Inflation (% , average)	1.9	2.5	2.8	6.3	1.0
Household consumption (% , average)	2.5	5.1	4.8	3.3	1.2
Unemployment (% , av., MLSA meth.)	8.9	8.0	6.5	5.5	8.4
M2 (% , average)	5.3	9.0	11.2	8.4	6.1
3M PRIBOR (% , average)	2.0	2.3	3.1	4.0	2.2
<b>Potential of the market **</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009*</b>
Loans / GDP (year-end)	39.5	43.8	50.4	56.2	57.5
Mortgages / GDP (year-end)	9.4	11.5	14.4	16.6	18.8
Deposits / GDP (year-end)	62.0	62.8	66.9	69.5	72.6
Household loans / GDP (year-end)	14.0	16.8	20.7	24.1	27.2

\* *KB estimate*

\*\* *Banking sector*

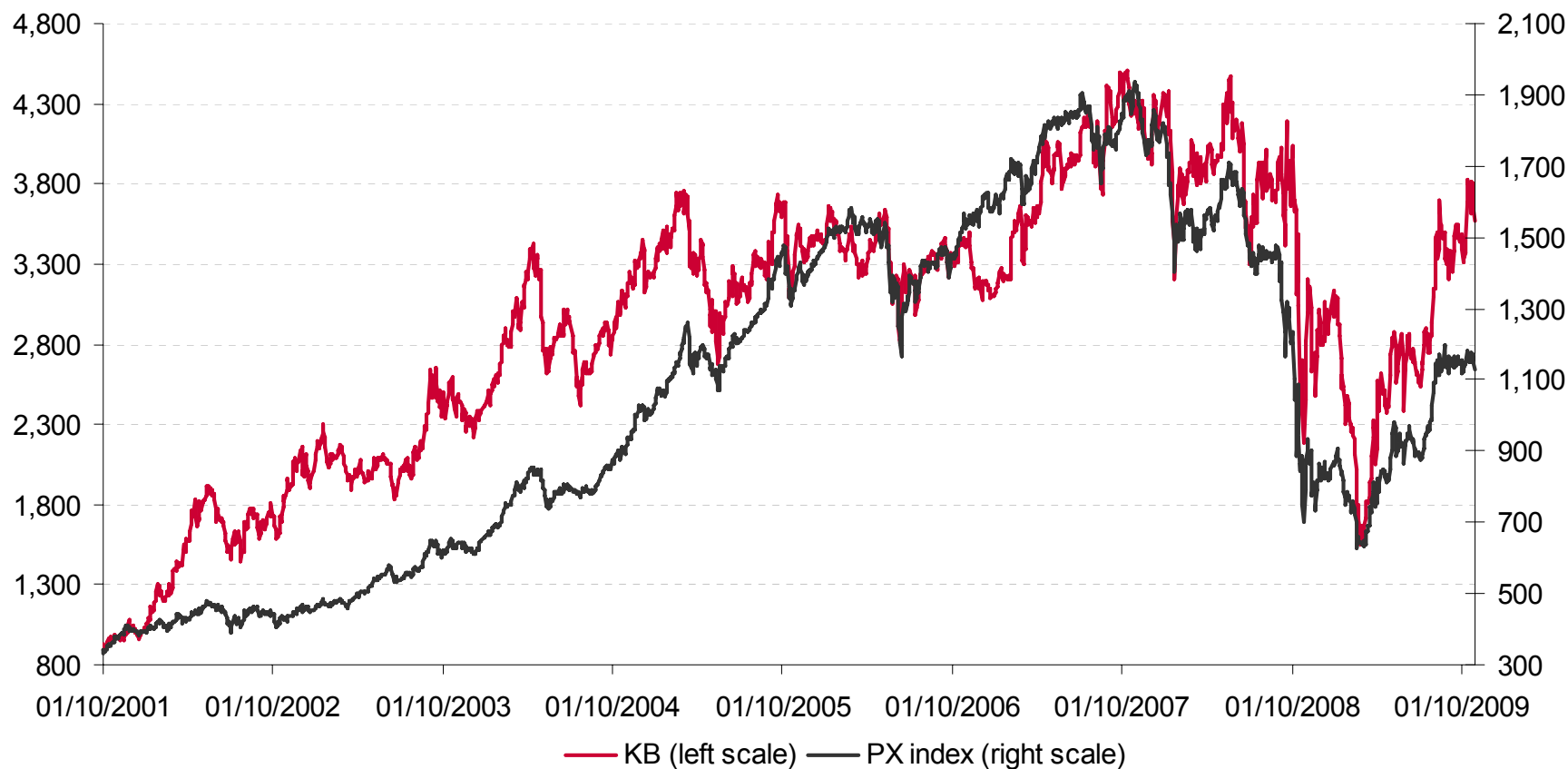


# Interest rates evolution (for the period 28 December 2001 – 29 October 2009)





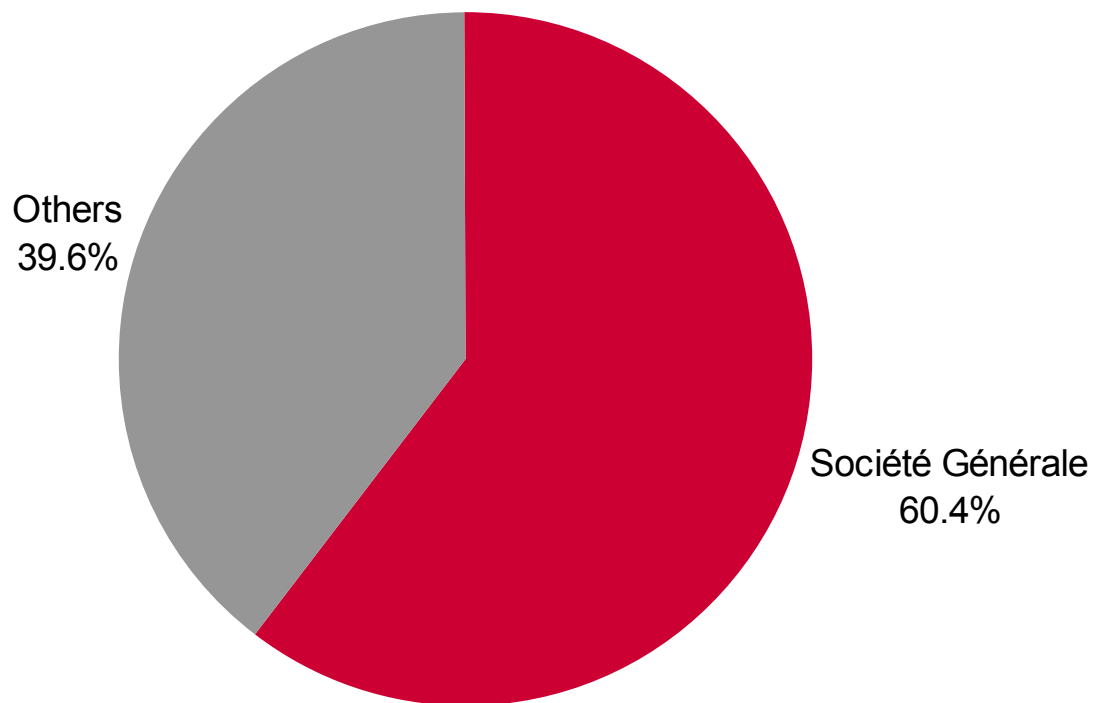
## Development of KB's share price and PX Index (for the period 1 October 2001 – 29 October 2009)





As at 30 September 2009

According to excerpt from the Securities centre





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