

# Komerční banka Group

## Financial results as of 30 September 2013

According to International Financial Reporting Standards, consolidated, unaudited

Prague, 7 November 2013

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 September 2013, 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

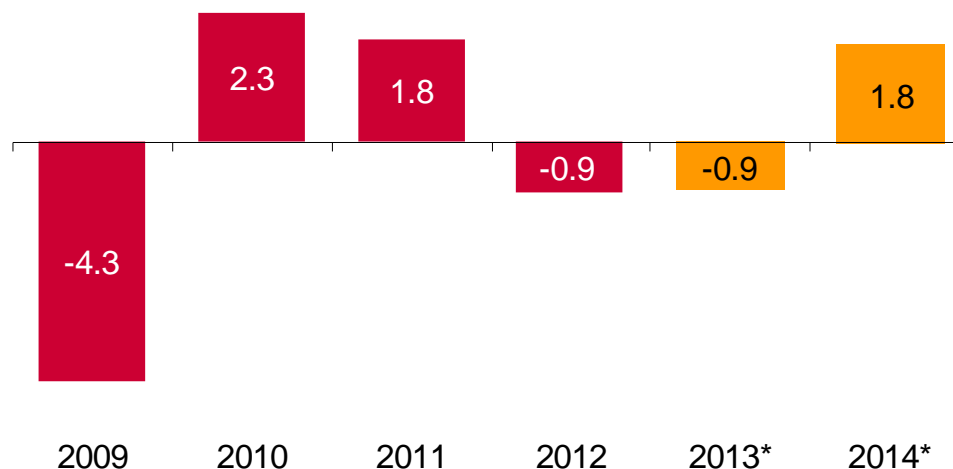
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# Czech economy

- The economy exited recession in 2Q 2013 (+0.6% QoQ) and the recovery should continue contributed by industry, construction and good harvest in agriculture
- Banking market has not observed yet notable acceleration in the volume growth of lending
- Future performance will continue to depend on the developments in major trading partner countries, as business investments are subject to sufficient foreign demand
- Unemployment rate stabilising (7.6% in Sept), positively influenced by stagnation in real unit labour costs
- Inflation declining potentially below zero at the beginning of the next year mainly due to energy prices will improve household incomes in real terms. On the other hand, probability of FX interventions by CNB thus remains high

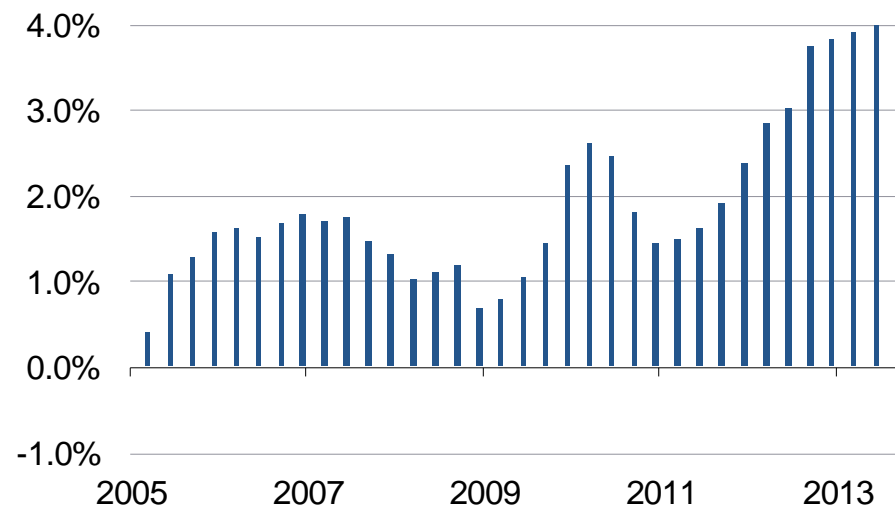
Sources of data: Czech Statistical Office, CNB, KB

### Real GDP outlook (YoY, %)



Source: CSO, 2013-2014\* KB Economic & Strategy Research forecasts

### Foreign trade balance to GDP



Source: CSO, CNB

# Key results as of 30 September 2013

- Gross volume of loans to clients expanded by 2.9% to CZK 475.7 billion
- Client deposits rose by 4.8% to CZK 592.0 billion (excluding repo operations with clients)
- Net loans-to-deposits ratio at 79.6% (excluding client assets in transformed pension fund)
- Basel II Core Tier 1 ratio at 16.7% solid in light of the new CNB capital requirements
- Revenues decreased by 5.8% to CZK 23,282 million. Excluding one-off impacts, underlying revenues declined by 3.8% mainly due to low market interest rates which limit returns from reinvested liquidity and lower prices for certain banking services
- Operating expenditures reduced by 1.7% to CZK 9,675 million. Cost-to-income ratio at 41.6%
- Cost of risk flat (-0.1%) at CZK 1,344 million
- Attributable net profit decreased by 12.5% to CZK 9,558 million. Net profit excluding one-off items was down 7.7%

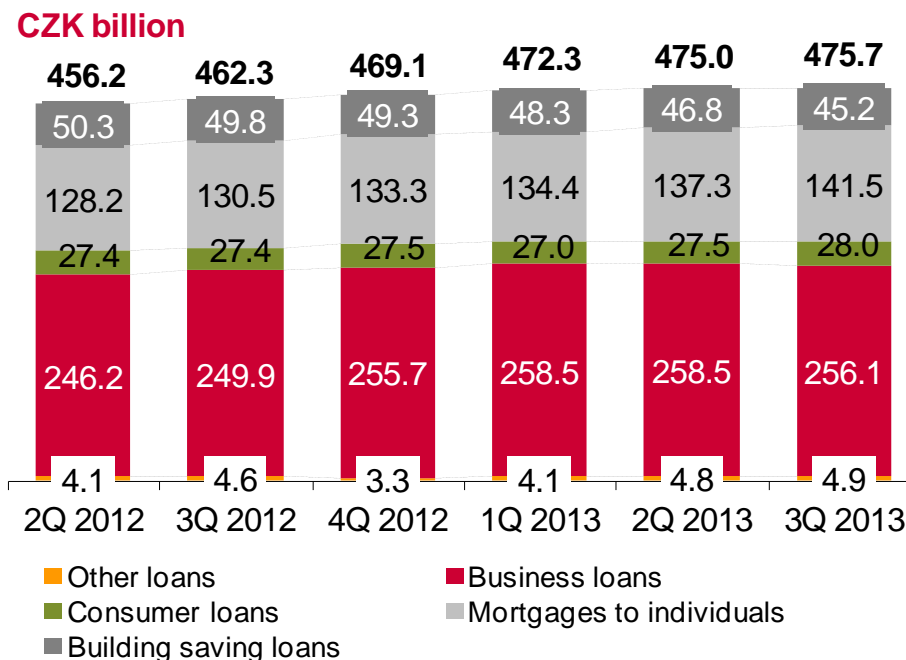
Note: year over year comparisons, results for the three quarters of 2013

# Business highlights

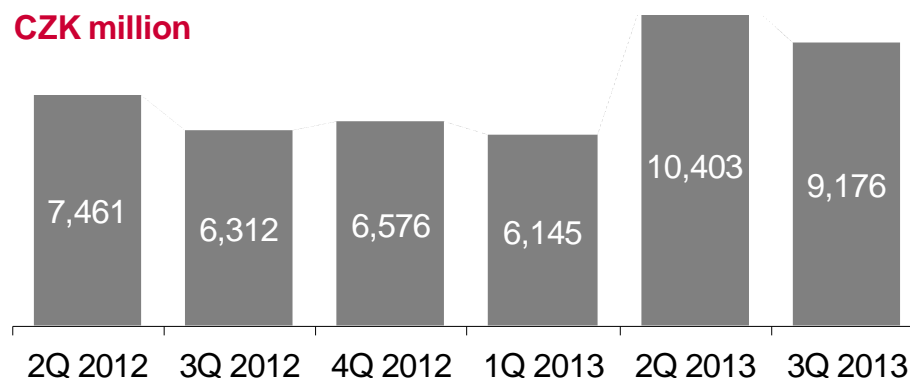
- Mortgage portfolio growth reached 8.4% year on year while unsecured consumer lending increased notably in the third quarter at both KB and ESSOX
- Growth in asset volumes in mutual funds, in life insurance reserves, and pension assets continued, underpinned by KB's strategic aim to offer clients appropriate long-term solutions for their savings even in the present environment of low interest rates
- KB Group unveiled several initiatives and innovations in the third quarter
  - The EKO Loan is a facility designed for the financing of projects focused on energy savings and renewable energy sources in residential housing. The product facilitates clients' access to subsidies newly available under the Czech government's New Green for Savings programme
  - Through its EuroMuni programme, KB offers financing at reduced rates for municipalities' development projects. This is made possible by KB's co-operation with the Council of Europe Development Bank
  - Komerční pojišťovna introduced a new risk life insurance policy, MojeJistota, with the broadest risk coverage on the market, including loss of income, injuries, death, and even provision of medical assistance services
- KB and the Chamber of Trade and Industry for Confederation of Independent States signed a co-operation agreement for 2014. The aim is to promote Czech companies' trade with CIS countries, and it will facilitate KB clients' utilisation of the CIS Chamber's extensive experience and contacts
- The Group made a good showing in a contest organised by the daily newspaper Hospodářské noviny. Komerční pojišťovna ranked first in the category The Most Client Friendly Life Insurance Company of 2013 and second in that for The Best Life Insurance Company of 2013. Komerční banka placed second in the category The Best Bank of 2013

# Lending to clients

- Gross loans rose 2.9% YoY, +0.1% QoQ. Most dynamic were mortgages and export credits
- Business loans up 2.5% YoY, of which:
  - Small businesses (KB) -0.8% to CZK 28.5 bil.
  - Corporations (KB) +2.4% to CZK 203.3 billion
  - Factoring KB +41.7% to CZK 4.0 billion
  - SGEF +2.1% to CZK 20.3 billion
- Mortgages to individuals up 8.4% YoY to CZK 141.5 billion
- Loans from Modrá pyramida down 9.4% YoY to CZK 45.2 billion, influenced by clients' preference for mortgages
- Consumer loans provided by KB and ESSOX up by 2.2% YoY to CZK 28.0 billion
- Irrevocable off-balance sheet commitments at CZK 126.8 billion

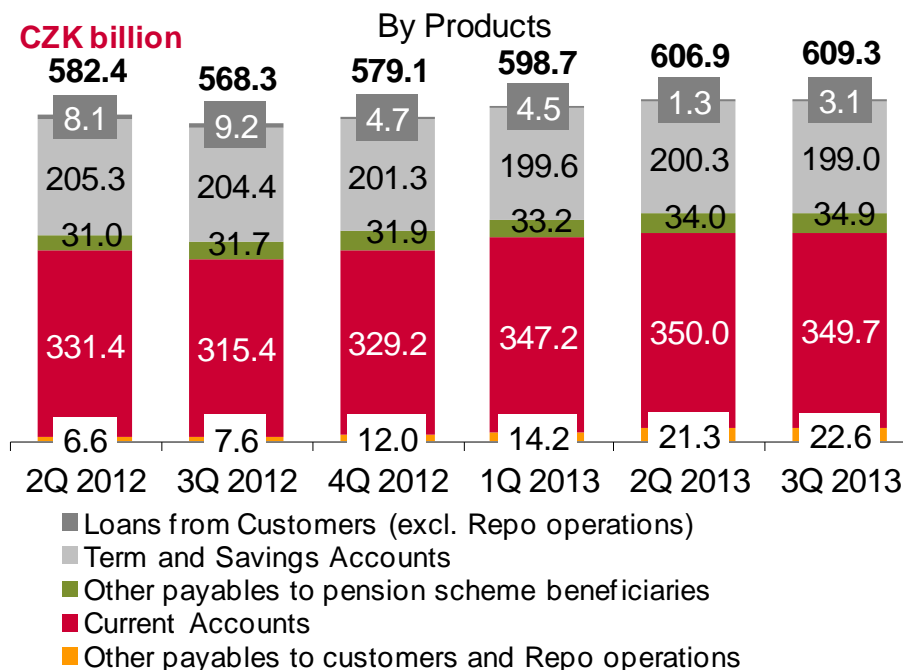
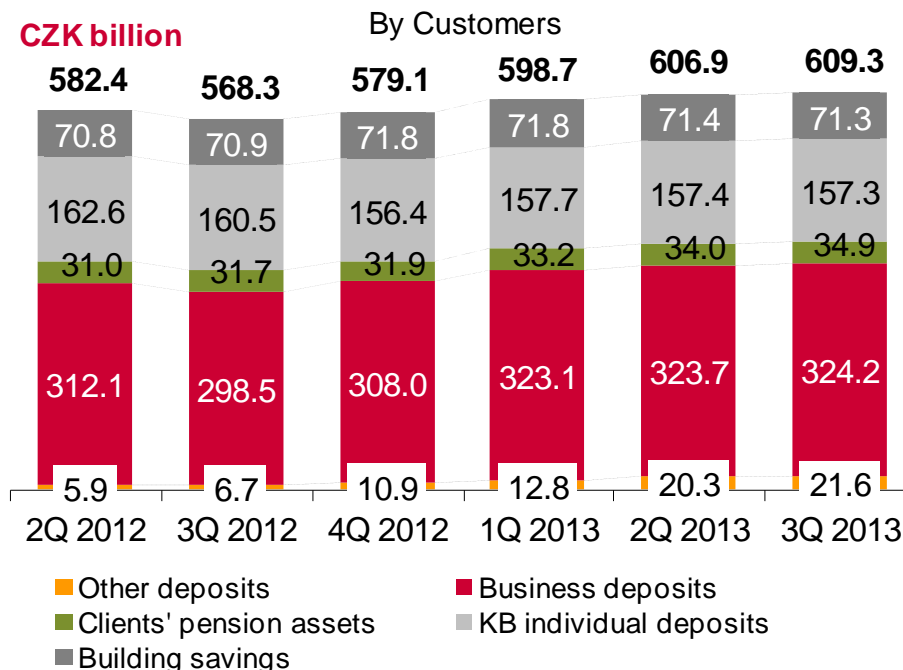


## Sales volume of mortgages to individuals



# Deposits and assets under management

- Group deposits up 4.8% YoY to CZK 592.0 billion, +0.2% QoQ (excluding repos with clients). Total amounts due from clients +7.2% YoY
- Volumes on current accounts rose by 10.9% to CZK 349.7 billion
- Deposits from business clients increased by 8.6% YoY to CZK 324.2 billion
- KB (bank) deposits from individuals decreased by 2.0% YoY to CZK 157.3 billion
- Clients' pension assets in Transformed Fund grew by 10.0% YoY to CZK 34.9 billion
- MPSS deposits up 0.6% YoY to CZK 71.3 bil.
- KP life insurance technical reserves up 19.5% YoY to CZK 33.0 billion
- AUM in mutual funds (sold through KB) increased by 13.8% YoY to CZK 30.5 billion





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# Consolidated financial results

<b>Profit and Loss Statement</b>	9M 2012	9M 2012	9M 2013	Change	Change
(CZK million, unaudited)	Reported	Recurring	Reported = Recurring	YoY Reported	YoY Recurring
Net interest income	16,517	16,517	15,879	-3.9%	-3.9%
Net fees & commissions	5,229	5,376	5,315	1.6%	-1.1%
Income from financial operations	2,870	2,203	1,986	-30.8%	-9.9%
Other income	96	96	101	5.2%	5.2%
<b>Net banking income</b>	<b>24,712</b>	<b>24,193</b>	<b>23,282</b>	<b>-5.8%</b>	<b>-3.8%</b>
Personnel expenses	-5,064	-5,064	-5,034	-0.6%	-0.6%
General administrative expenses	-3,496	-3,496	-3,356	-4.0%	-4.0%
Depreciation, impairment and disposal of fixed assets	-1,282	-1,282	-1,285	0.2%	0.2%
<b>Operating costs</b>	<b>-9,842</b>	<b>-9,842</b>	<b>-9,675</b>	<b>-1.7%</b>	<b>-1.7%</b>
<b>Gross operating income</b>	<b>14,871</b>	<b>14,352</b>	<b>13,607</b>	<b>-8.5%</b>	<b>-5.2%</b>
Cost of risk	-1,345	-1,345	-1,344	-0.1%	-0.1%
<b>Net operating income</b>	<b>13,526</b>	<b>13,007</b>	<b>12,263</b>	<b>-9.3%</b>	<b>-5.7%</b>
Profit on subsidiaries and associates	90	90	97	7.8%	7.8%
Share of profit of pension scheme beneficiaries	-427	-390	-372	-12.9%	-4.7%
<b>Profit before income taxes</b>	<b>13,189</b>	<b>12,706</b>	<b>11,989</b>	<b>-9.1%</b>	<b>-5.6%</b>
Income taxes	-2,075	-2,155	-2,167	4.4%	0.5%
<b>Net profit</b>	<b>11,114</b>	<b>10,551</b>	<b>9,822</b>	<b>-11.6%</b>	<b>-6.9%</b>
Minority profit/(loss)	195	195	264	35.4%	35.4%
<b>Net profit attributable to equity holders</b>	<b>10,919</b>	<b>10,356</b>	<b>9,558</b>	<b>-12.5%</b>	<b>-7.7%</b>

Note: "Recurring" results have been adjusted for the following one-off items: 9M 2013 - none, 9M 2012 – sale of bonds in PF KB (impact on net profit CZK 39 mil.), amortisation of client acquisition commissions in PF KB (CZK 37 mil.), sale of participation in ČMZRB (CZK 830 mil.), sale of Greek and Portuguese government bonds ( CZK -343 mil.)

# Consolidated statement of financial position

<b>Balance Sheet</b> (CZK million, unaudited)	<b>30 Sep 2012</b>	<b>31 Dec 2012</b>	<b>30 Sep 2013</b>	<b>Change YoY</b>	<b>Change YtD</b>
<b>Assets</b>	<b>771,470</b>	<b>786,836</b>	<b>804,125</b>	<b>4.2%</b>	<b>2.2%</b>
Cash and balances with central bank	8,557	28,057	50,280	487.6%	79.2%
Amounts due from banks	78,045	64,111	79,369	1.7%	23.8%
Loans and advances to customers (net)	445,428	451,547	457,301	2.7%	1.3%
Securities and trading derivatives	195,587	196,706	179,238	-8.4%	-8.9%
Other assets	43,853	46,415	37,937	-13.5%	-18.3%
<b>Liabilities and shareholders' equity</b>	<b>771,470</b>	<b>786,836</b>	<b>804,125</b>	<b>4.2%</b>	<b>2.2%</b>
Amounts due to banks	34,660	38,901	31,285	-9.7%	-19.6%
Amounts due to customers	568,329	579,067	609,284	7.2%	5.2%
Securities issued	19,217	19,624	23,502	22.3%	19.8%
Other liabilities	54,148	48,705	46,226	-14.6%	-5.1%
Subordinated debt	0	0	0	n.a.	n.a.
Shareholders' equity	95,116	100,538	93,829	-1.4%	-6.7%

# Financial ratios

Key ratios and indicators (year-to-date)	30 Sep 2012	31 Dec 2012	30 Sep 2013	Change YoY
Capital adequacy (Basel II)	14.5%	14.7%	16.7%	▲
Tier 1 ratio (Basel II)	14.5%	14.7%	16.7%	▲
Total capital requirement (CZK billion)	29.6	29.3	28.4	-4.1%
Capital requirement for credit risk (CZK billion)	25.0	24.7	23.9	-4.4%
Net interest margin (NII/Av. interest bearing assets), annualised	3.2%	3.1%	2.9%	▼
Loans (net) / deposits ratio	78.4%	78.0%	75.1%	▼
Loans (net) / deposits ratio excl. TF client assets	82.9%	82.5%	79.6%	▼
Cost / income ratio	39.8%	41.3%	41.6%	▲
Return on average equity (ROAE), annualised	17.0%	15.8%	13.5%	▼
Adjusted return on average equity (adjusted ROAE), annualised*	20.9%	19.6%	16.8%	▼
Return on average assets (ROAA), annualised	1.9%	1.8%	1.6%	▼
Earnings per share (CZK), annualised	385	369	337	-12.5%
Average number of employees during the period	8,776	8,758	8,618	-1.8%

\* Adjusted ROAE is computed as net profit attributable to equity holders divided by (average Group shareholders' equity w/o minority equity, cash flow hedging and revaluation of AFS securities)

# Shareholders' equity

Development year-to-date

Total shareholders' equity  
as of 31 December 2012

**-6,709**



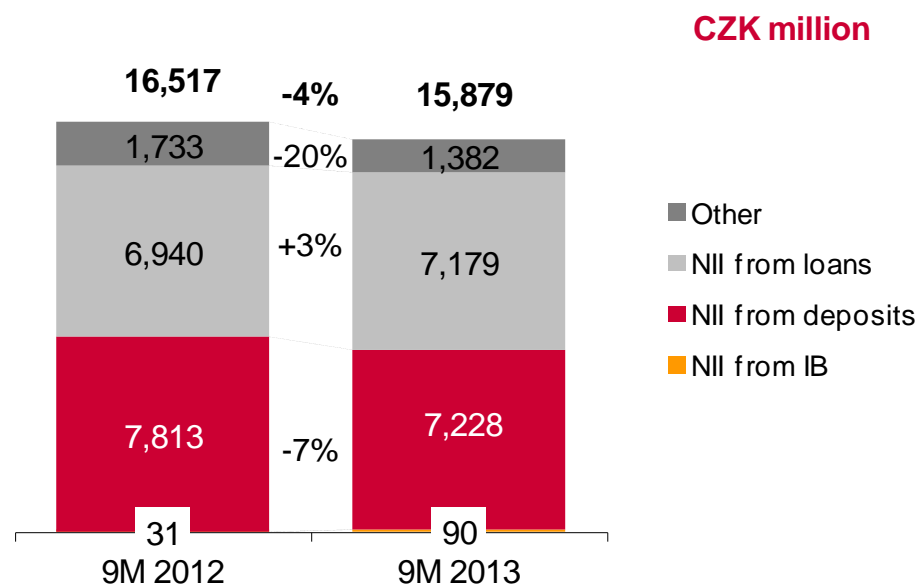
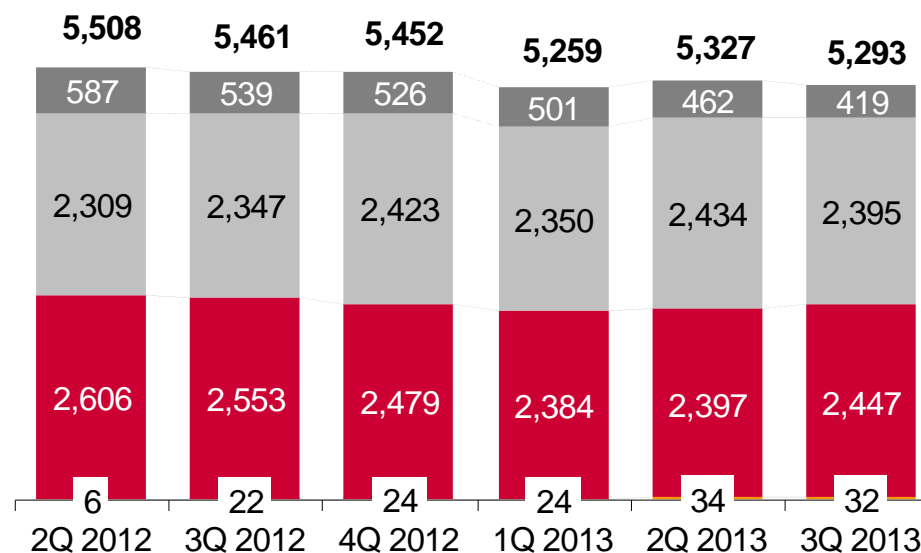
Total shareholders' equity  
as of 30 September 2013

Shareholders' equity	31/12/2012	1/1/2013	Increase	Decrease	30/9/2013
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	42,181	56,135		-8,698	47,437
- Retained earnings, reserve funds and dividends	42,906	56,861		-8,698	48,163
- Treasury shares	-726	-726			-726
Current year attributable net profit	13,954	0	9,558		9,558
Cash flow hedge	14,271	14,271		-5,981	8,290
AFS securities' fair value changes	8,118	8,118		-1,617	6,501
Others	240	240	34		274
Minority equity	2,769	2,769		-5	2,764
<b>Total Shareholders' equity</b>	<b>100,538</b>	<b>100,538</b>	<b>9,592</b>	<b>-16,301</b>	<b>93,829</b>
Equity for adjusted ROAE calculation*	71,362	71,362	4,465		75,827

\* Average Group shareholders' equity w/o minority equity, cash flow hedging and revaluation of AFS securities

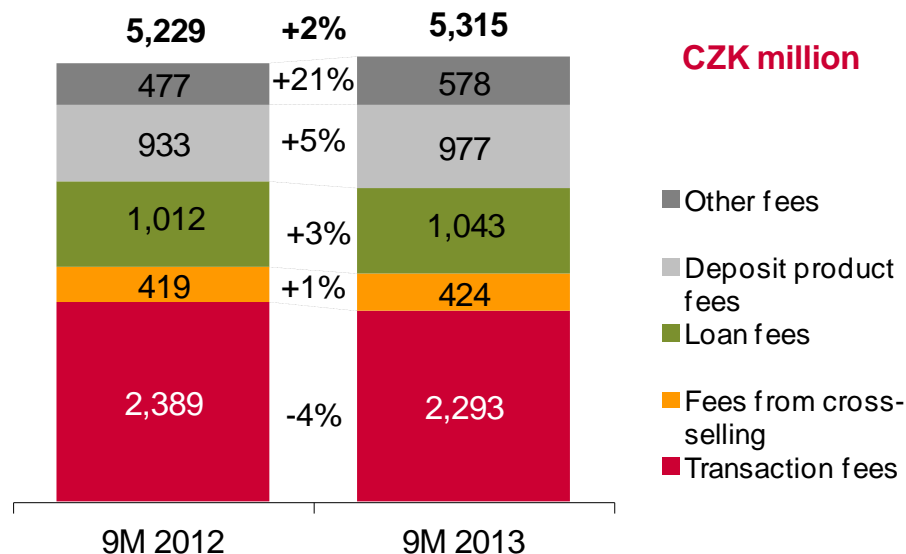
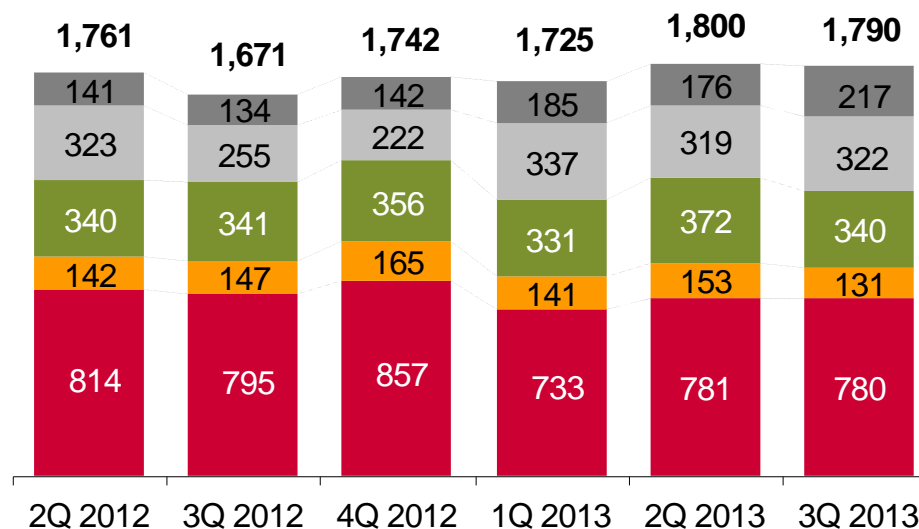
# Net interest income

- NII in 9M 2013 down by 3.9% YoY. 3Q down by 0.6% QoQ
- NII from loans – up thanks to growth of volumes. Average spread influenced by increased share of relatively lower-spread loans (mortgages, corporate loans) on the total portfolio
- NII from deposits – volumes increased but spreads on deposits continued decline due to low yield from reinvestment of deposits. Pricing of deposits gradually adjusted to reflect market interest rates
- NII from other – lower yield on reinvestment of capital due to low interest rates. Affected by payment of dividends at the end of May (CZK 8.7 billion) and divestments of government bonds from Southern Europe in 2012 and 2013



# Net fees and commissions

- NFC in 9M 2013 up by 1.6% YoY due to low base reflecting 2012 pension fund client acquisition costs. NFC in 3Q down by 0.6% QoQ
- Deposit product fees – marketing initiatives to deepen client loyalty and attract new clients by extension of the reward programme MojeOdměny. Year 2012 base impacted by client acquisition costs in the pension fund
- Loan fees – lower fees from loan origination and administration offset by higher income from fees for early repayment in MPSS
- Fees from cross-selling – better income from life insurance and mutual funds driven by growth in the volume of client savings. Sales seasonally slow in 3Q
- Transaction fees – declining average prices and continued clients' switch to cheaper payment means while the number of transactions rose slightly YoY
- Other fees – solid fees for loan syndications

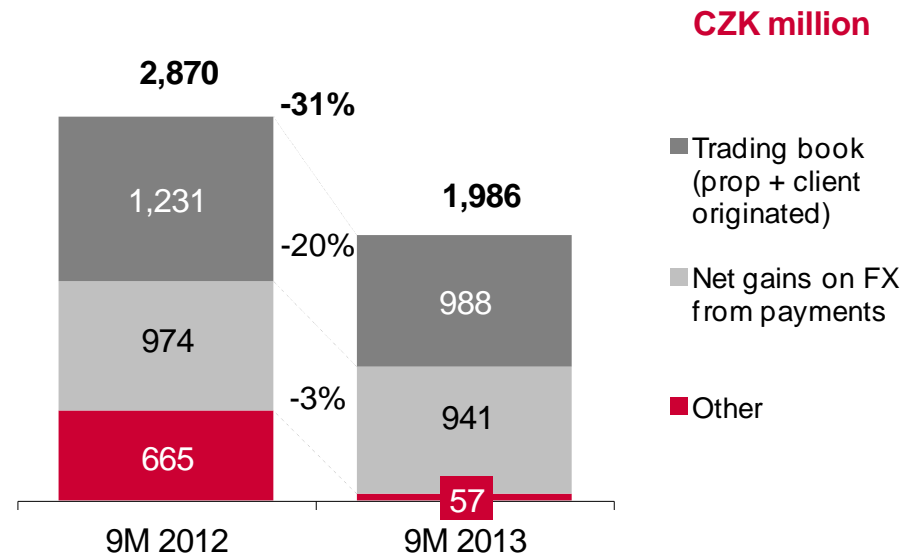
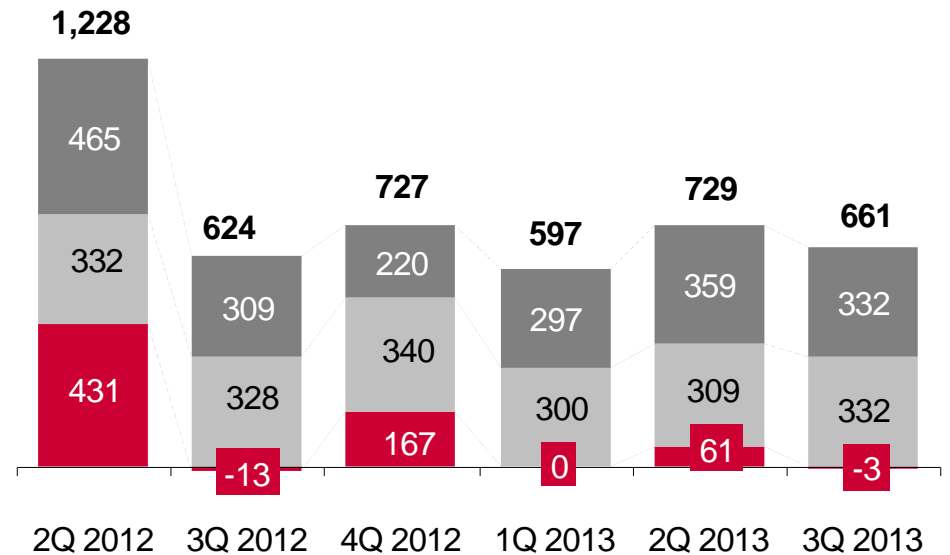


CZK million

- Other fees
- Deposit product fees
- Loan fees
- Fees from cross-selling
- Transaction fees

# Net profit from financial operations

- Net profit from financial operations in 9M 2013 down by 30.8% YoY affected by exceptional items booked in 2012
- 3Q 2013 down 9.3% QoQ due to gain from sale of Italian GBs in 2Q, underlying trend stable
- Improved client demand for exchange-rate hedging solutions reflected higher CZK volatility. Demand for IR hedging subdued in a low-yield environment with a limited volume of long-term financing transactions on the market
- Result of treasury operations improved YoY on capturing developments on the CZK yield curve
- Net gains from FX payments reflect lower average spreads



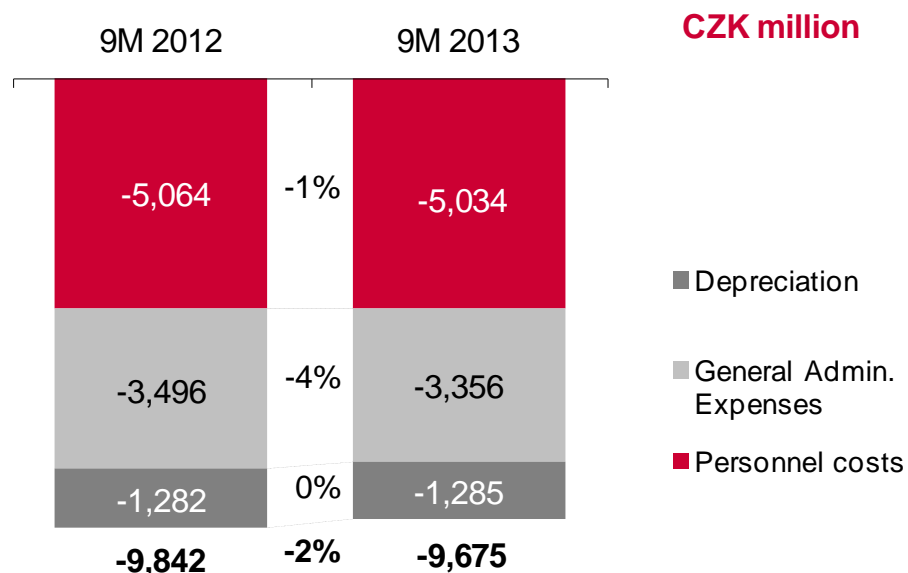
CZK million

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



# Operating costs

- OPEX in 9M 2013 down by 1.7% YoY. 3Q down by 0.8% QoQ
- Personnel costs in 9M 2013 decreased by 0.6% YoY. Average number of employees down 1.8%
- GAE dropped by 4.0% YoY
  - The main savings were achieved in mailing costs (relating to the switch to electronic account statements), marketing and telecommunications. Real estate expenses favourably influenced by the moving of certain functions into the new building
  - Higher expenditures related to rolling out of contactless payment cards and related infrastructure
- Depreciation & Amortisation in 9M 2013 flat (+0.2% YoY) on higher amortisation of software applications offset by lower depreciation of buildings and IT hardware

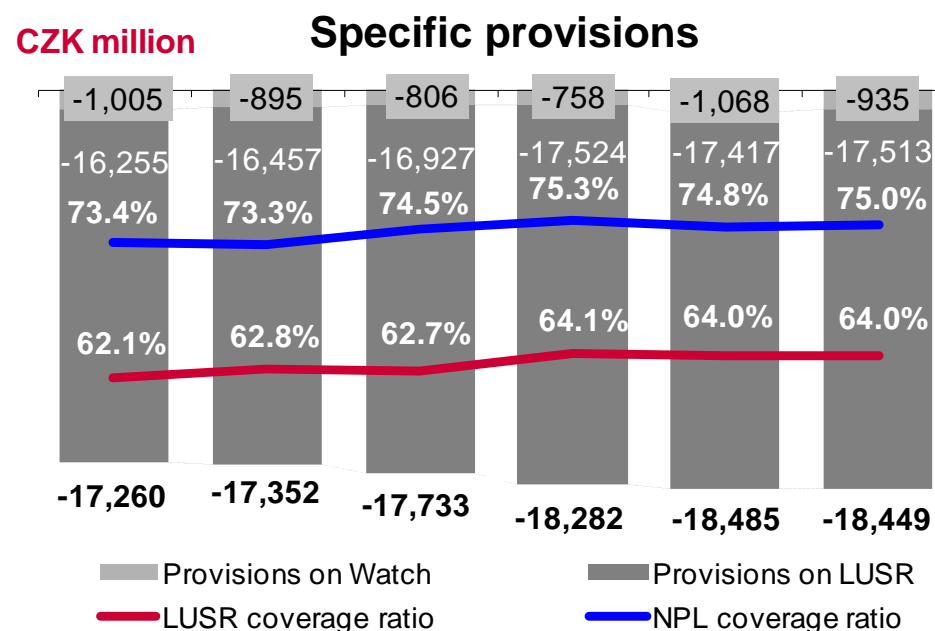
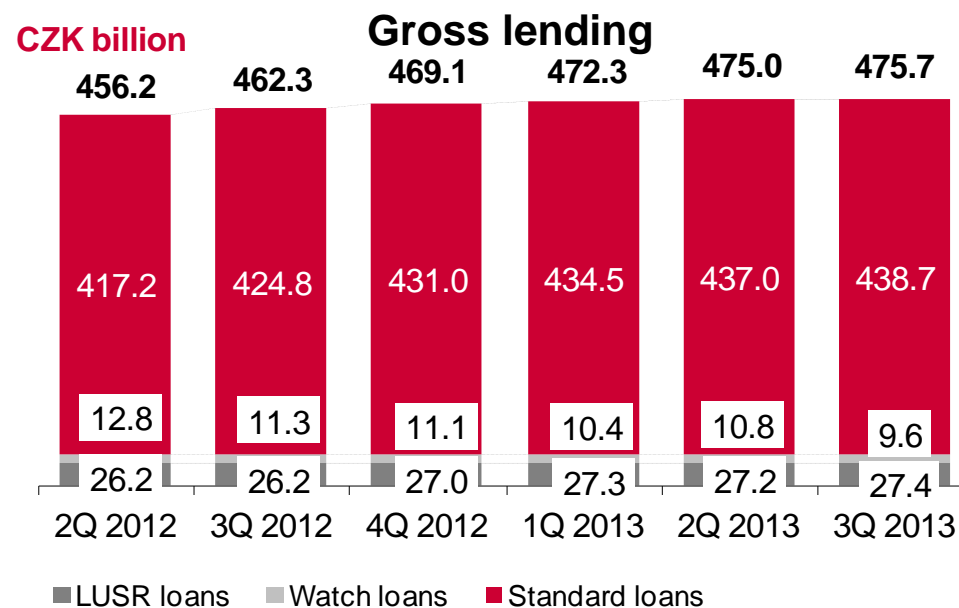


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# Loan quality

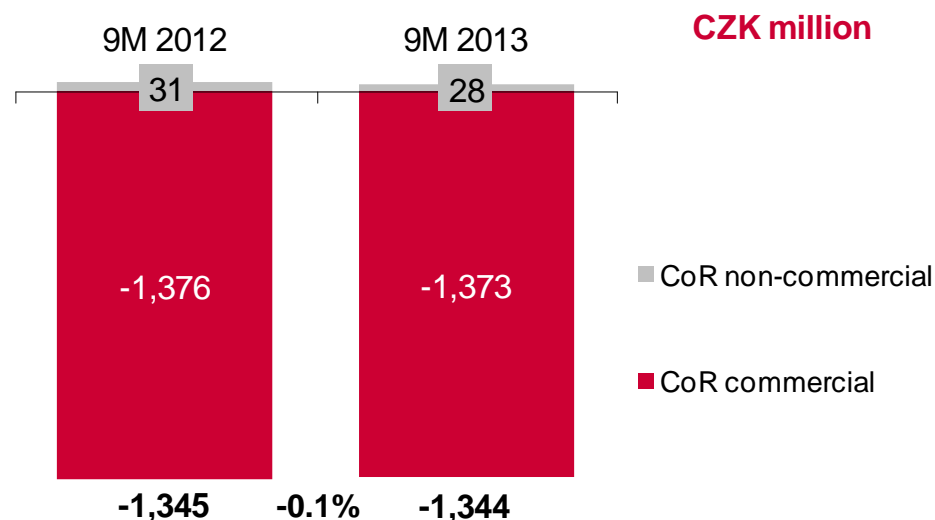
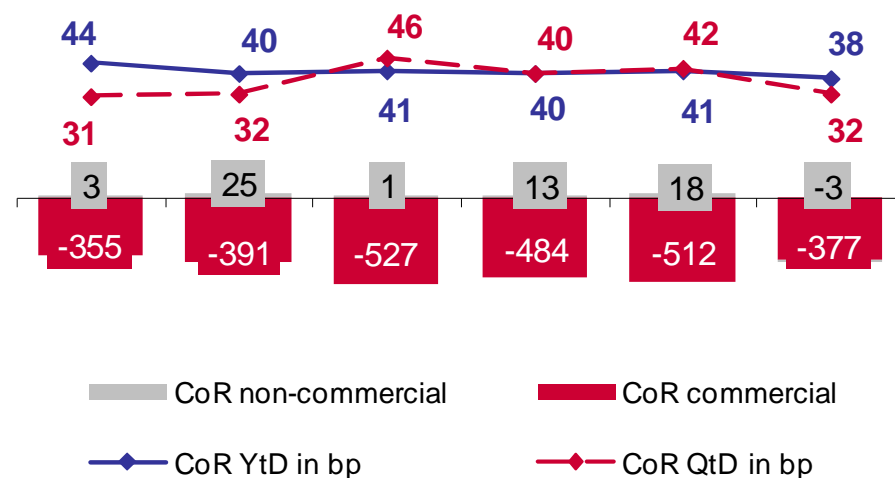
- Loan exposure +2.9% YoY, +0.1% QoQ
- Share of Standard and Watch loan exposure stable at 94.2% (94.3% in 2Q 2013)
- Share of LUSR exposure at 5.8% (5.7% in 2Q 2013)
- Share of NPL exposure at 3.9% (3.9% in 2Q 2013). QoQ NPL exposure stable at CZK 18.7 billion (CZK 18.6 billion in 2Q 2013)
- Provision coverage ratio for both LUSR and NPL portfolio flat QoQ at 64% resp. 75%



# Cost of risk

- 9M 2013 cost of risk stable YoY, 3Q 2013 cost of risk significantly lower by -23.1% QoQ
- YoY total cost of risk flat in 3Q 2013. QoQ decrease in total cost of risk driven by both Retail and Corporate segments
- 3Q 2013 contribution to cost of risk by KB group entities: KB 79%, SGEF 8%, ESSOX 8%, Modrá pyramida 4%, Factoring KB 1%

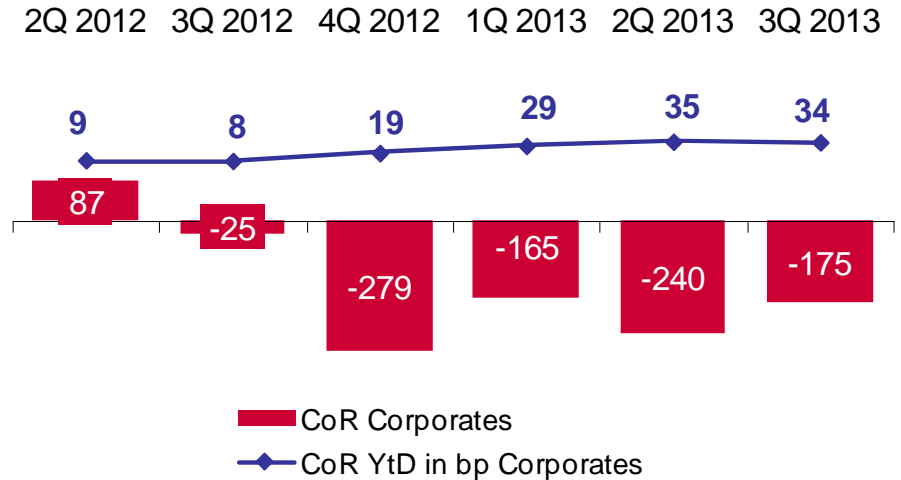
**Total Cost of Risk development**  
2Q 2012 3Q 2012 4Q 2012 1Q 2013 2Q 2013 3Q 2013



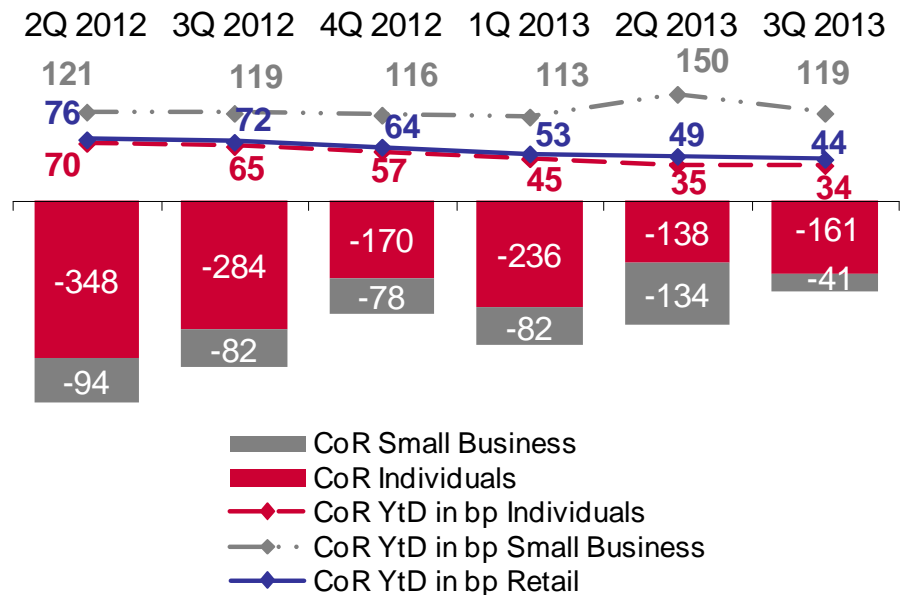
# Commercial cost of risk - zoom on client segments

- 3Q 2013 QoQ decrease in cost of risk on Corporates influenced by prudential provisioning of Watch portfolio during 2Q 2013
- 9M Corporate cost of risk up to 34 bps from 8 bps in 9M 2012 driven mainly by one-off releases in 2Q 2012 and prudential provisioning of Watch portfolio in 2Q 2013
- 3Q 2013 QoQ decrease in Retail cost of risk thanks to lower cost of risk on Small business loans
- 9M 2013 retail cost of risk down to 44 bps from 72 bps in 9M 2012 driven by Individuals (mainly by mortgages)

## KB Group – Corporate Segments



## KB Group – Retail Segments



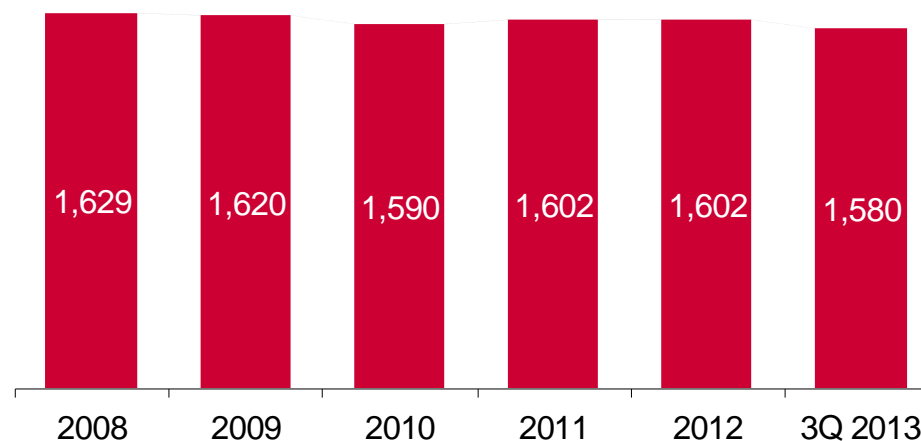
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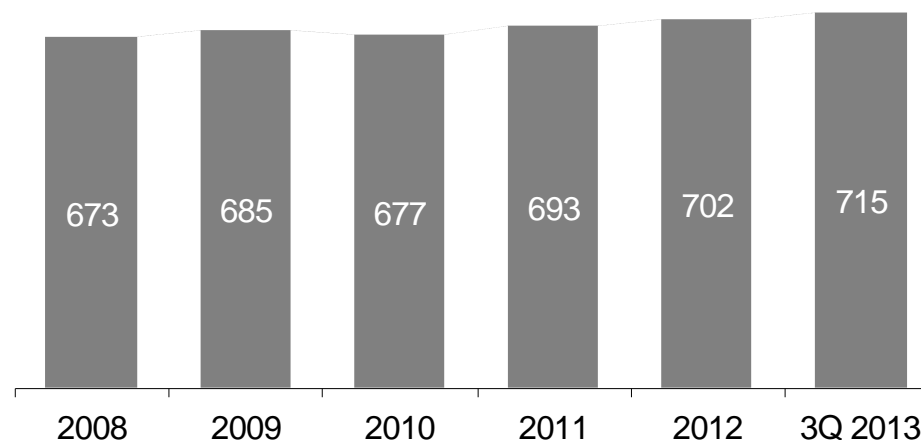
# Number of clients and distribution network

- KB Group's 2.5 million clients, of which
  - KB bank 1,580,000 clients (-2%)
  - MPSS 575,000 clients (-7%)
  - KBPS 563,000 clients (+8%)
  - ESSOX 274,000 active clients (+1%)
- Network
  - 398 branches for retail clients, 10 corporate divisions and 4 divisions for large corporate clients in CZ, 1 in Slovakia
  - 715 ATMs
  - MPSS: 205 points of sale; 984 sales agents (of which 568 full-time professionals)
  - SGEF: 7 branches in CZ, 2 in Slovakia
- Direct Channels
  - 1,141,000 clients (i.e. 72% of KB client base) using direct banking channels
  - Two call centres, internet and mobile banking

Number of bank clients (ths., CZ)



Number of ATMs



# Consolidated financial results

<b>Profit and Loss Statement</b> (CZK million, unaudited)	<b>3Q 2012</b>	<b>2Q 2013</b>	<b>3Q 2013</b>	<b>Change YoY</b>	<b>Change QoQ</b>
Net interest income	5,461	5,327	5,293	-3.1%	-0.6%
Net fees & commissions	1,671	1,800	1,790	7.1%	-0.6%
Income from financial operations	624	729	661	5.9%	-9.3%
Other income	40	38	30	-25.0%	-21.1%
<b>Net banking income</b>	<b>7,797</b>	<b>7,895</b>	<b>7,774</b>	<b>-0.3%</b>	<b>-1.5%</b>
Personnel expenses	-1,719	-1,681	-1,719	0.0%	2.3%
General administrative expenses	-1,179	-1,184	-1,128	-4.3%	-4.7%
Depreciation, impairment and disposal of fixed assets	-428	-428	-419	-2.1%	-2.1%
<b>Operating costs</b>	<b>-3,325</b>	<b>-3,293</b>	<b>-3,266</b>	<b>-1.8%</b>	<b>-0.8%</b>
<b>Gross operating income</b>	<b>4,471</b>	<b>4,602</b>	<b>4,508</b>	<b>0.8%</b>	<b>-2.0%</b>
Cost of risk	-365	-494	-380	4.1%	-23.1%
<b>Net operating income</b>	<b>4,106</b>	<b>4,108</b>	<b>4,128</b>	<b>0.5%</b>	<b>0.5%</b>
Profit on subsidiaries and associates	31	40	23	-25.8%	-42.5%
Share of profit of pension scheme beneficiaries	-31	-126	-113	264.5%	-10.3%
<b>Profit before income taxes</b>	<b>4,105</b>	<b>4,022</b>	<b>4,038</b>	<b>-1.6%</b>	<b>0.4%</b>
Income taxes	-719	-753	-710	-1.3%	-5.7%
<b>Net profit</b>	<b>3,387</b>	<b>3,269</b>	<b>3,328</b>	<b>-1.7%</b>	<b>1.8%</b>
Minority profit/(loss)	72	105	80	11.1%	-23.8%
<b>Net profit attributable to equity holders</b>	<b>3,315</b>	<b>3,164</b>	<b>3,248</b>	<b>-2.0%</b>	<b>2.7%</b>



# KB consolidated group

Pension insurance	KB Penzijní společnost (100%)	Management company for Transformed Fund (pension fund with 563,000 clients) and for new pension funds in 2nd and 3rd pillars of the Czech pension system
Building society	Modrá pyramida stavební spořitelna (100%)	#2 largest building savings bank according to loan volume with 575,000 clients and 984 strong agent distribution network
Consumer credit	ESOX (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%)	#3 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

		9M 2012	9M 2013	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	3,244	2,422	-25%
	Volume of total loans (gross, CZK million)	49,848	45,180	-9%
	Target volume of new contracts (CZK million)	16,563	19,779	19%
	Volume of deposits (CZK million)	73,836	72,092	-2%
	Average number of FTEs	360	341	-5%
	Number of points of sale	225	205	-9%
<b>KB PS</b>	Number of new contracts	65,256	26,377	n.m.*
	Number of clients	520,581	563,022	8%
	Assets under management (CZK million)	31,727	35,379	12%
	of which in transformed fund	n.a.	35,265	n.m.*
	Average number of FTEs	55	54	-2%
<b>ESSOX</b>	Volume of new contracts (CZK million)	2,012	2,764	37%
	Volume of total loans (gross, CZK million)	9,454	9,628	2%
	Average number of FTEs	344	345	0%

\* As part of the pension reform, entry into the old pension funds was possible until November 2012. Since January 2013, the clients may join the new funds of Individual savings (2nd pillar) and/or Supplemental pension savings (3rd pillar)

## Business performance of subsidiaries 2/2

		9M2012	9M 2013	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	13,877	18,749	35%
	Volume of total financing (gross, CZK million)	2,812	3,984	42%
	Average number of FTEs	40	43	8%
<b>KP</b>	Newly concluded policies (number)	644,112	591,039	-8%
	of which in life insurance	89,444	81,672	-9%
	of which in non-life insurance	554,668	509,367	-8%
	Premium written (CZK million)	4,838	6,373	32%
	of which in life insurance	4,588	6,108	33%
	of which in non-life insurance	250	265	6%
	Average number of FTEs	154	155	0%
<b>SGEF</b>	Volume of new loans (CZK million)	7,188	5,605	-22%
	Volume of total loans (gross, CZK million)	19,891	20,314	2%
	Average number of FTEs	118	118	0%

# 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%	10,700	10.7%	81,829	-1.3%	714,888	5.5%
- o/w KB branch in Slovakia	IFRS	100%	29	-73.1%	18	n.a.	19,993	22.4%
ESSOX, s.r.o.	IFRS	50.93%	399	26.3%	3,190	4.2%	9,998	4.1%
Factoring KB, a.s.	CAS	100%	55	175.0%	1,615	2.5%	5,231	27.0%
KB Penzijní společnost, a.s.	CAS	100%	-7	n.a.	776	n.a.	992	n.a.
Bastion European Investments S.A.	IFRS	100%	64	-7.2%	3,137	1.0%	6,280	1.2%
Komerční pojišťovna, a.s.	IFRS	49%	199	8.2%	1,984	6.2%	38,749	20.8%
Modrá pyramida SS, a.s.	IFRS	100%	849	-3.1%	7,659	-2.6%	80,495	-2.7%
SG Equipment Finance ČR s.r.o.	IFRS	50.1%	207	16.9%	2,269	6.4%	24,047	9.0%
KB Real Estate, s.r.o.	IFRS	100%	-1	n.a.	494	n.a.	1,096	n.a.
Protos	IFRS	90%	193	-11.9%	13,716	-0.7%	13,771	-0.6%
Czech Banking Credit Bureau	CAS	20%	16	33.3%	18	38.5%	45	15.4%

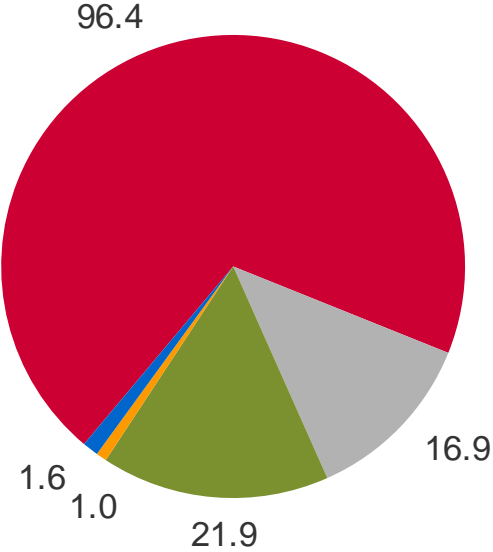
Note: Fully consolidated companies are: Essox, Factoring, KB PS, Bastion, Modra pyramida, SGEF CR, KB Real Estate and Protos. CBCB is not consolidated. In August 2013, NP 33, s.r.o. and VN 42, s.r.o. were established by KB as its 100% subsidiary. The objects of the companies are facility management and real estate activities.

# Securities portfolio in the banking book

CZK billion

Available-for-sale portfolio

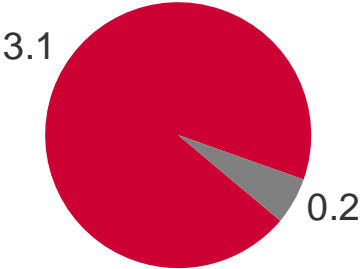
CZK 137.9 billion



- Czech sovereign
- Foreign sovereign
- Czech financial institutions
- Foreign financial institutions
- Others

Held-to-maturity portfolio

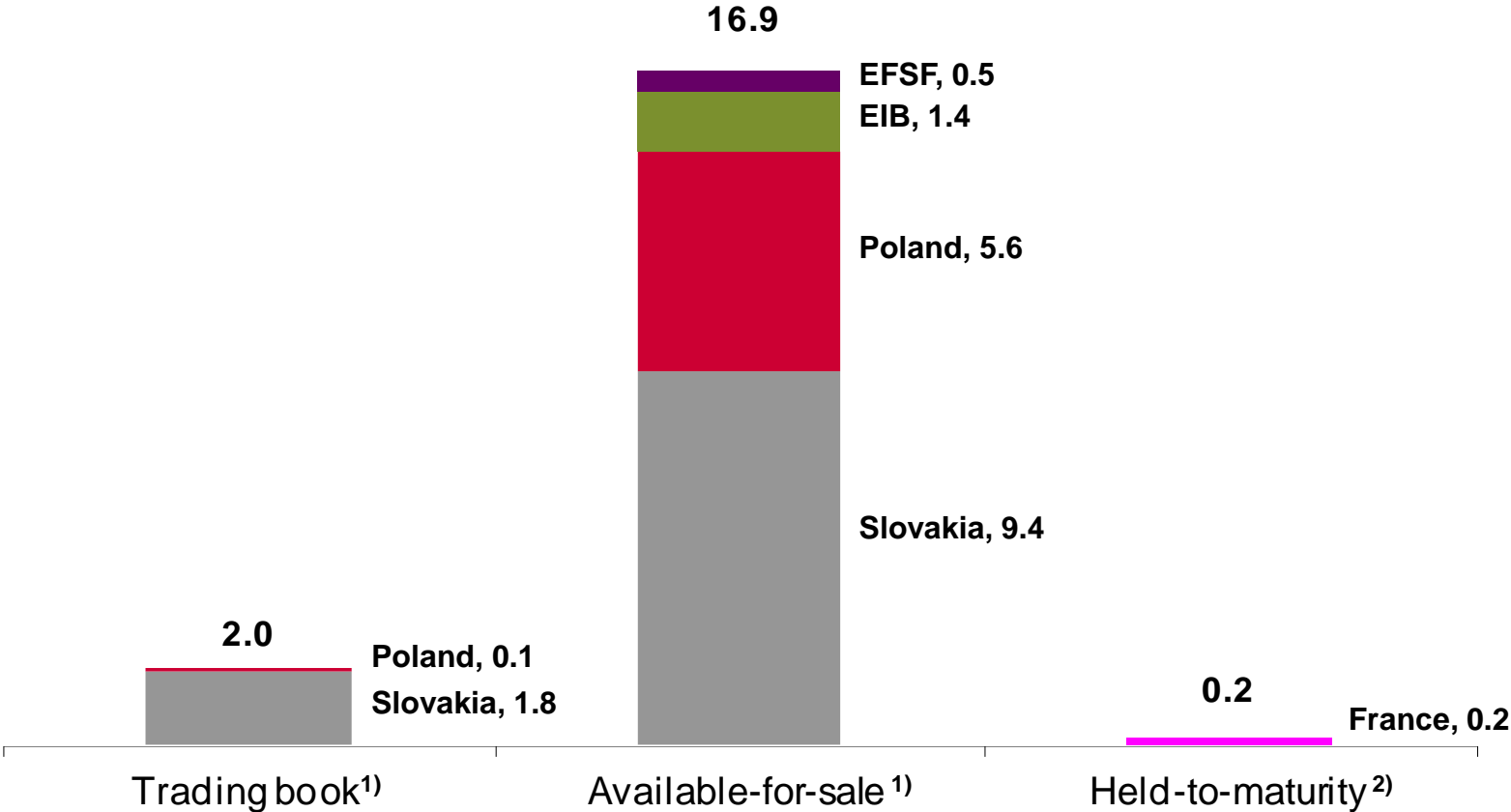
CZK 3.3 billion



- Czech sovereign
- Foreign sovereign

# Foreign sovereign exposure

CZK billion



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

# Macroeconomic environment – Czech Republic

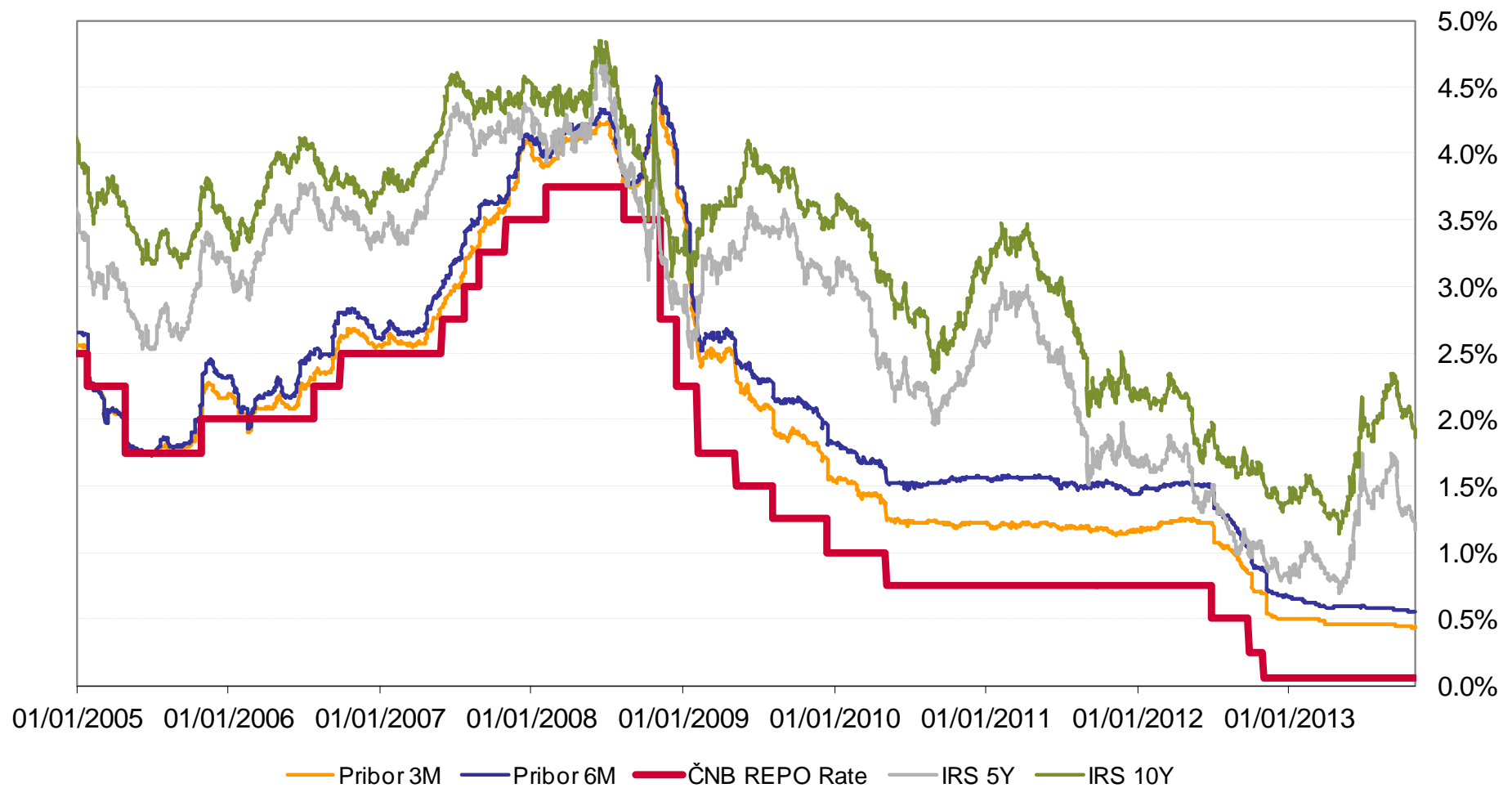
<b>Macroeconomic Indicators</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>	<b>2014*</b>
Real GDP (% , average)	-4.3	2.3	1.8	-0.9	-0.9	1.8
Inflation (% , average)	1.0	1.5	1.9	3.3	1.4	0.1
Household consumption (% , average)	0.3	0.9	0.5	-2.1	0.1	1.6
Unemployment (% , av., MLSA meth.)	6.4	7.0	6.6	6.8	7.8	7.9
M2 (% , average)	6.2	4.0	3.4	6.0	4.6	4.7
3M PRIBOR (% , average)	2.2	1.3	1.2	1.0	0.5	0.5
<b>Potential of the market **</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>	<b>2014*</b>
Loans / GDP (year-end)	55.9	57.4	60.3	61.4	64.3	65.8
Real estate loans / GDP (year-end)	18.2	19.2	20.2	21.1	22.0	22.6
Deposits / GDP (year-end)	71.7	73.6	76.3	81.3	83.8	83.2
Household loans / GDP (year-end)	24.3	25.8	26.8	27.6	28.6	29.3

\* KB estimate

\*\* Banking sector

# Interest rates evolution

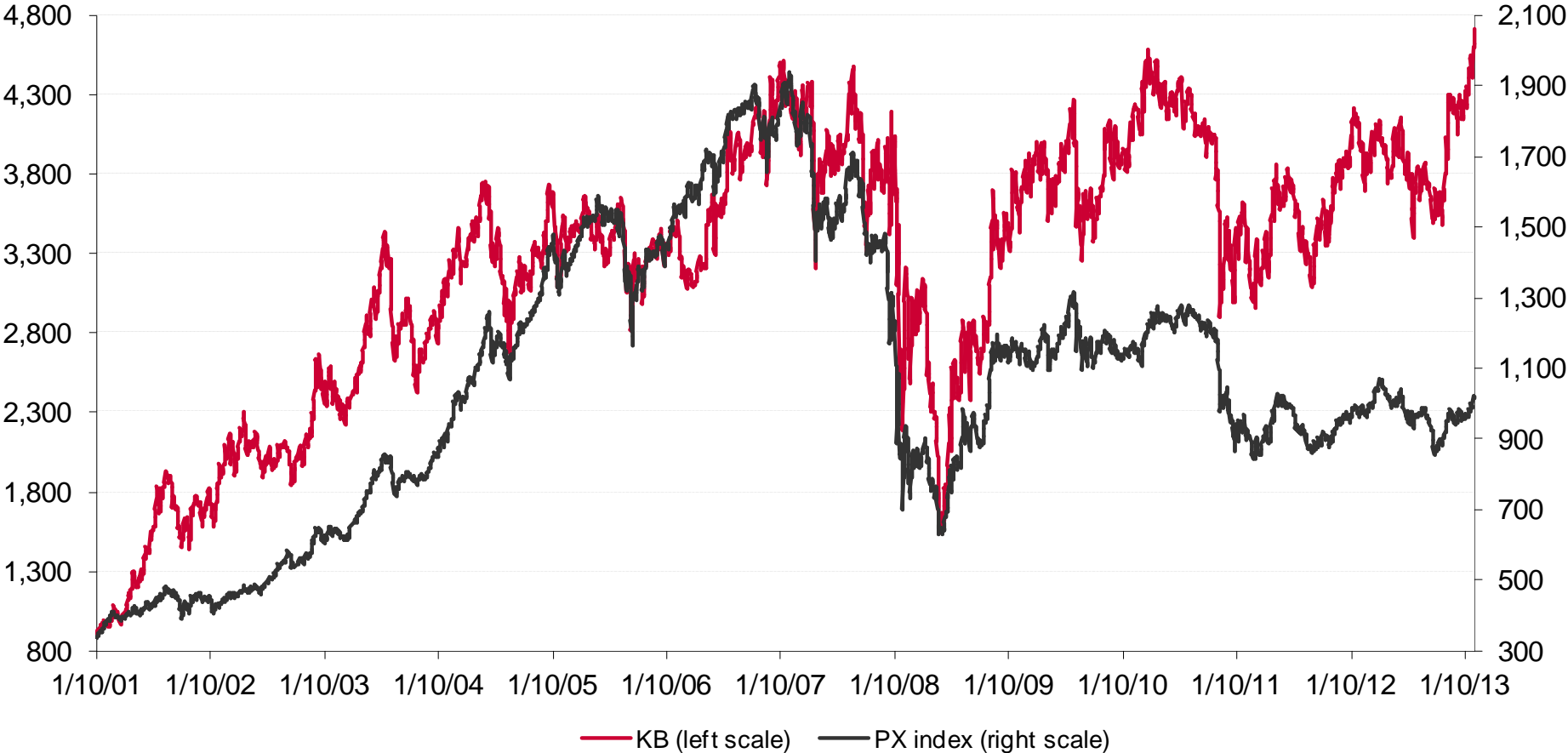
(for the period 1 January 2005 – 31 October 2013)





# Development of KB's share price and PX Index

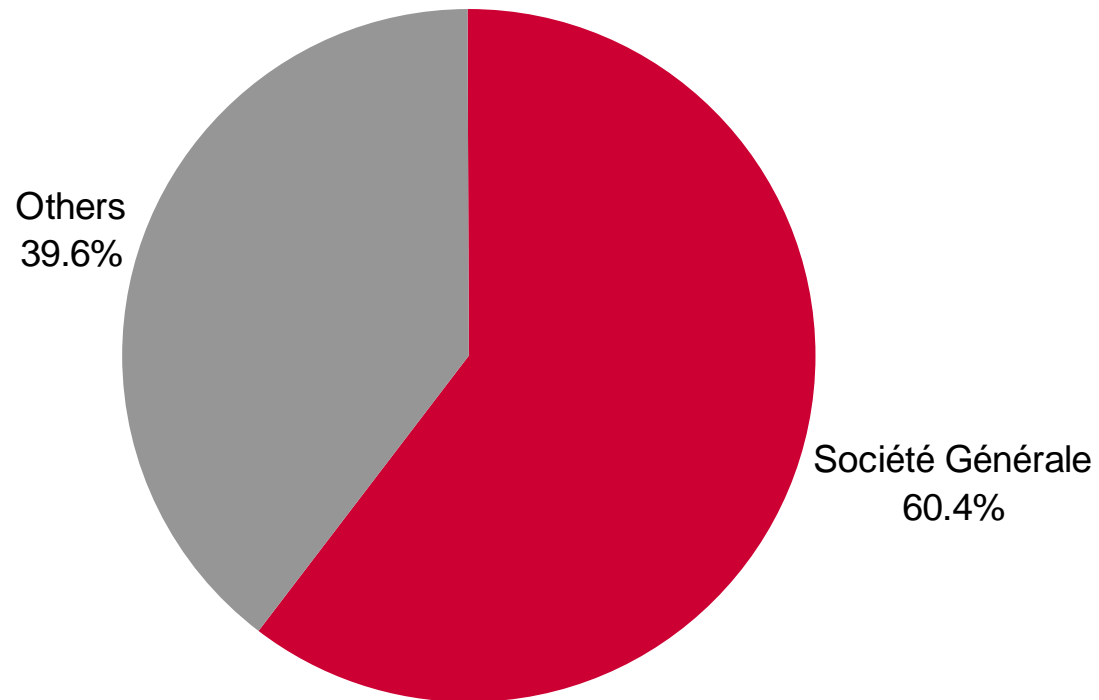
(for the period 1 October 2001 – 31 October 2013)



# KB shareholders

As of 30 September 2013

Shares on registered capital according to excerpt from the Securities centre



As of 30 September 2013, KB held 238,672 own shares in treasury, representing 0.63% stake on registered capital.



## **Investor Relations**

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