

Komerční banka Group

Consolidated unaudited results as of 30 September 2023
and status of implementation of KB 2025 strategy



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 2023, 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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Highlights as of 30 September 2023

Macroeconomic environment

Business performance

Financial performance

Asset quality and cost of risk

Outlook for the rest of 2023

KB 2025 Year 3 delivery

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First nine months of 2023: Solid delivery amidst stagflationary economy

Nine months 2023

Group net income

CZK 12.4 billion

-4.9% year on year
CZK 65.40 per share

ROE

13.5%

13.8% IFRIC linearised

Cost/Income ratio

48.2%

47.0% IFRIC linearised

Third quarter 2023

Group net income

CZK 4.3 billion

-5.7% quarter over quarter
CZK 22.59 per share

ROE

14.2%

Cost/Income ratio

44.0%

Solid business performance

Client loans

+2.7% YoY **+1.7% QoQ**

Faster consumer lending

Deposits

+1.2% YoY **+2.8% QoQ**

Solid growth year-to-date

Other AUM

+14.7% YoY **+2.2% QoQ**

Loan to deposit ratio

79.3% (excluding repo operations)

Strong balance sheet

Liquidity coverage ratio

157%

Total capital ratio

20.2%

Core Tier I ratio

19.6%

Cost of risk

-16 bps Net release

- Following introduction of the 'New Era of Banking Written by KB' in April, more than 50,000 clients had enrolled in the new digital bank by September 2023

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Czech economy looking for growth impetus

GDP in 3Q 2023¹ down -0.3% QoQ and down -0.6% YoY. Economic activity hindered mainly by weak household consumption and investments, while net exports contribute positively YoY, but negatively QoQ

Industrial production supported by car production. Czech car production in 9M 2023 up by 11.7% YoY. Construction still sluggish due to higher cost of financing and overall economic uncertainty

Tight labour market. Unemployment rate at 2.5% in August 2023.² Wages in 2Q 2023 up +7.7% YoY nominal but down -3.1% YoY in real terms

Consumer price inflation at 6.9% YoY in September (-0.7 % MoM), retreating steadily. HICP (Eurostat) at 10.1% YoY in August

As of 29 September 2023, at 24.3 CZK per EUR, CZK v. EUR weaker by 2.6% QoQ but stronger by 0.9% YoY

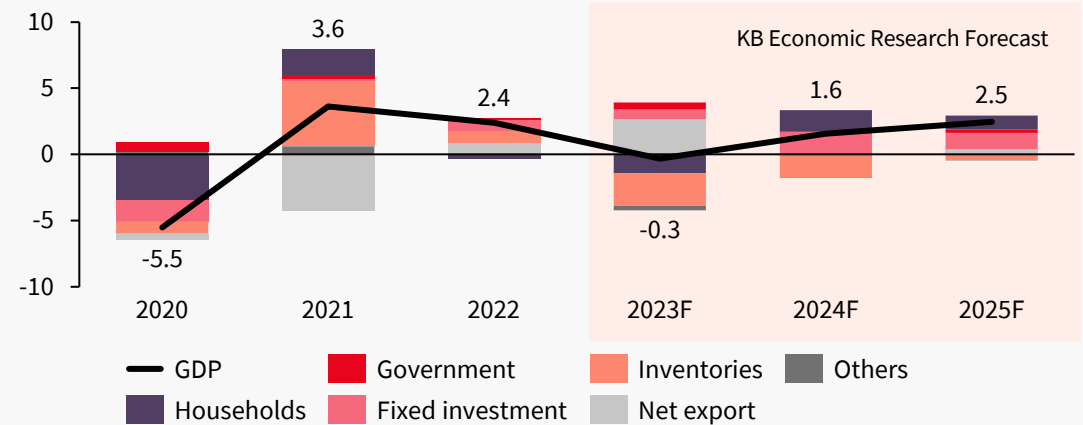
CNB's main policy rate (2W repo rate) at 7% since June 2022. As of 29 September 2023, 3M PRIBOR at 7.1% (-16 bps YoY). IRS curve stays inverted albeit 5y-10y spread has narrowed: 5Y at 4.6% (-91 bps YoY) and 10Y IRS at 4.5% (-56 bps YoY). 10Y CZGB at 4.9% (-39 bps YoY)

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

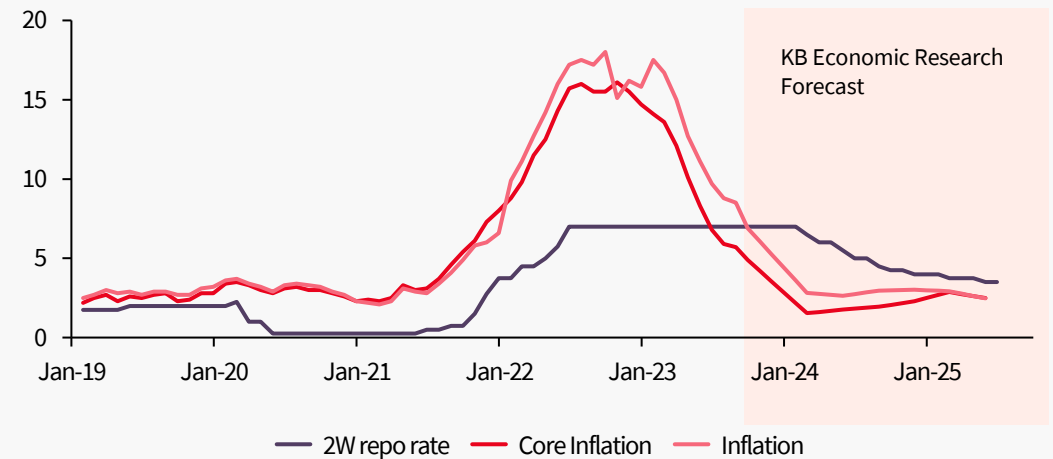
1) According to flash estimate of the Czech Statistical Office, published on 31 October 2023;

2) According to Eurostat, seasonally adjusted

Czech GDP development (% year-on-year)



Inflation and 2W repo rate development (% year-on-year)



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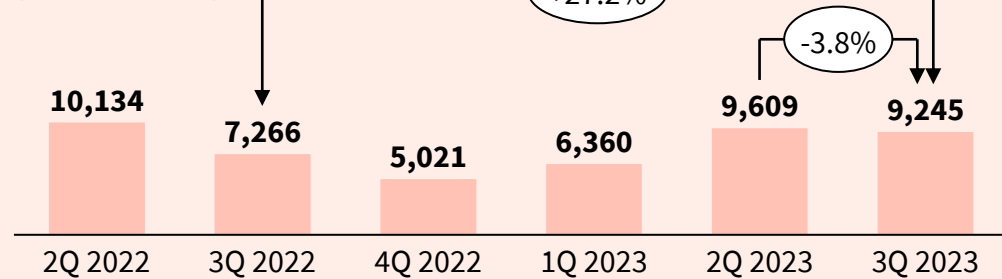
Total loans to clients up 2.7%

Net loans to deposits ratio at 79.3%. Liquidity coverage ratio 157%

Consumer lending driven by successful offer of flexible loans granted online and at branches, seasonal slowdown in summer

Housing loans (mortgages + building society loans) up 3.8%. New sales of housing loans stabilising before potential upcoming catalysts

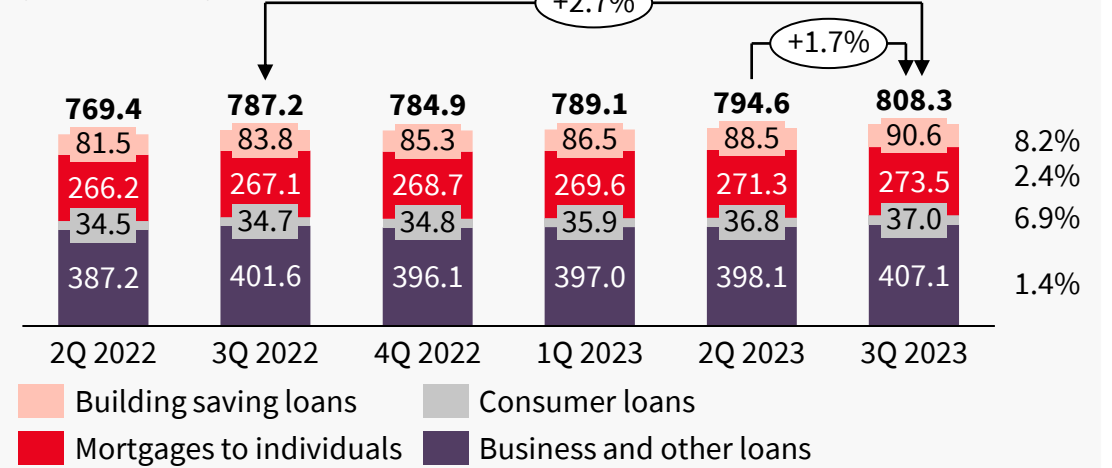
Sales volume of housing loans (KB mortgages + MPSS loans)
(CZK million)



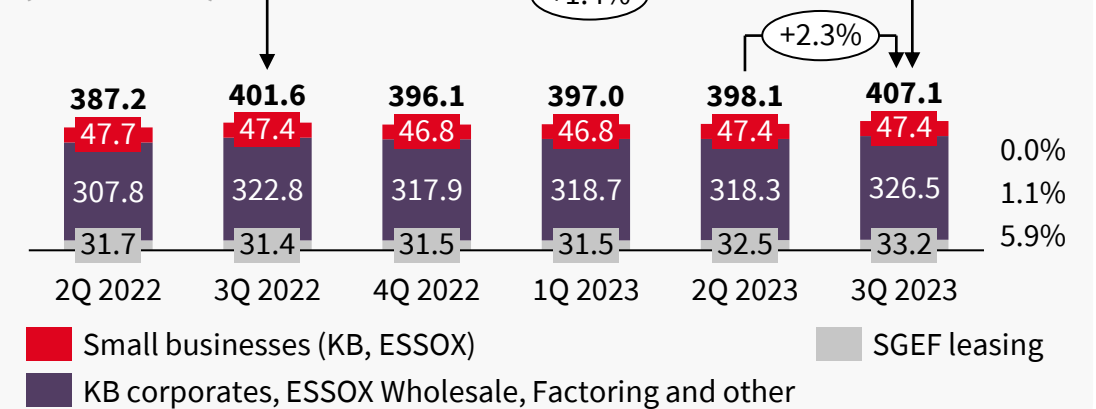
Business lending growth influenced by subdued investment activity of corporations, lower need for working capital financing, effects of FX rate fluctuations* on CZK value of EUR denominated business loans, and selective approach of the bank

* Negative contribution from 0.9% YoY appreciation of CZK v. EUR represents 0.2% of total lending. Positive contribution from 2.6% QoQ depreciation of CZK in 3Q 2023 represents 0.7% of total loans

Group lending (w/o repo, but incl. client bonds)
(CZK billion)

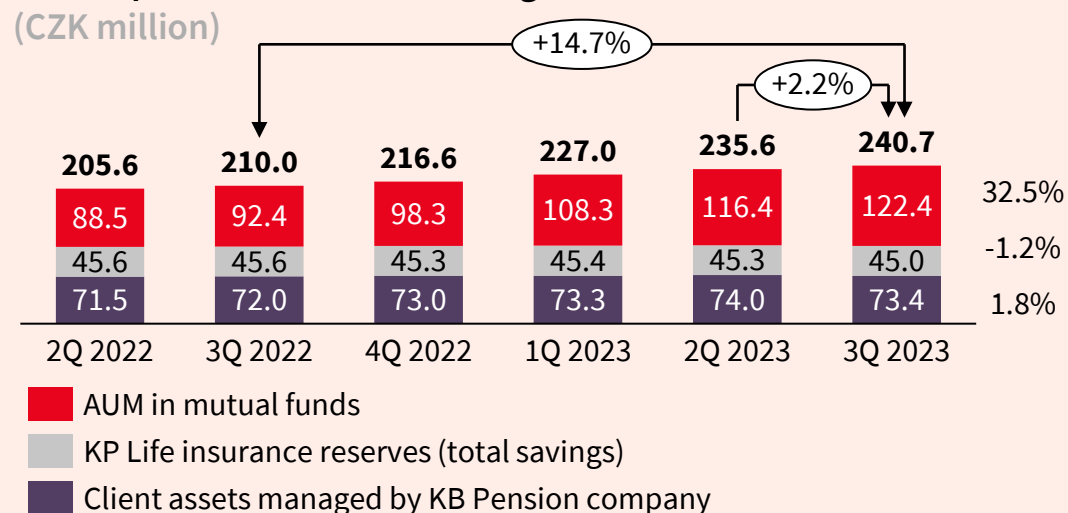


Group business and other loans (w/o repo, but incl. client bonds)
(CZK billion)

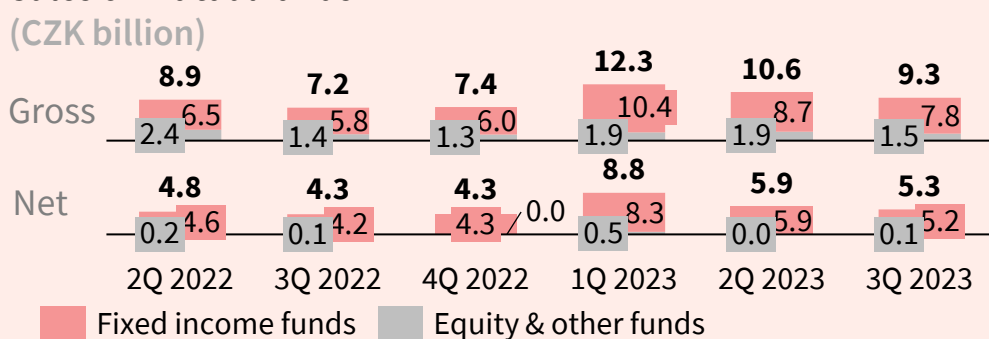


Deposits +1.2%, other AUM up 14.7% YoY

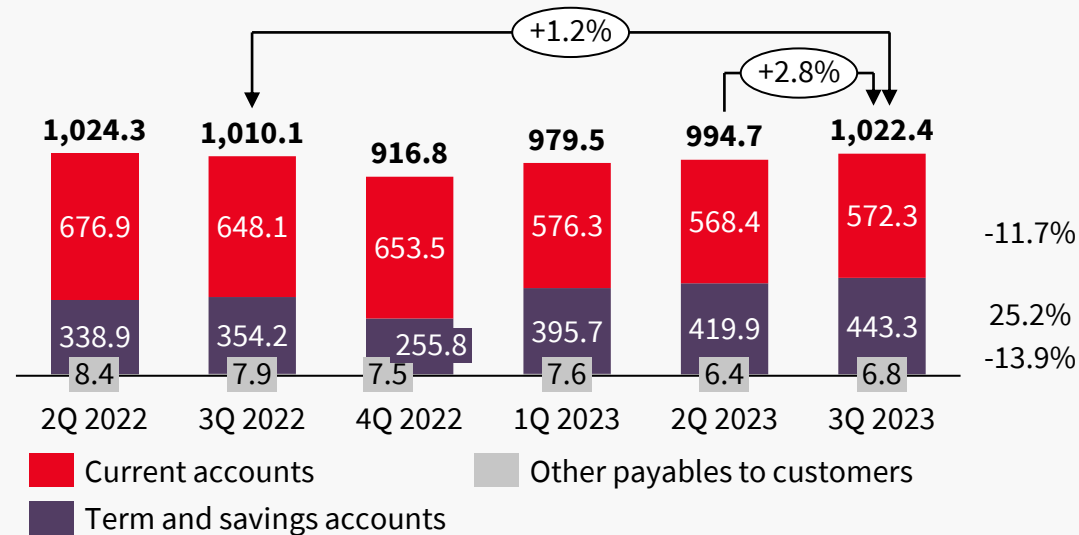
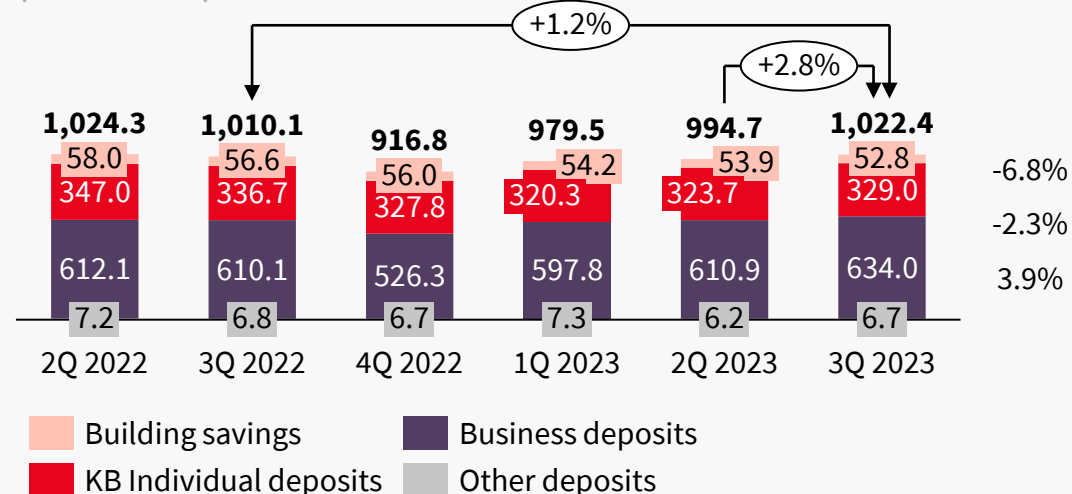
Non-deposit assets under management (CZK million)



Sales of mutual funds (CZK billion)



Group deposits (excluding repo operations) (CZK billion)



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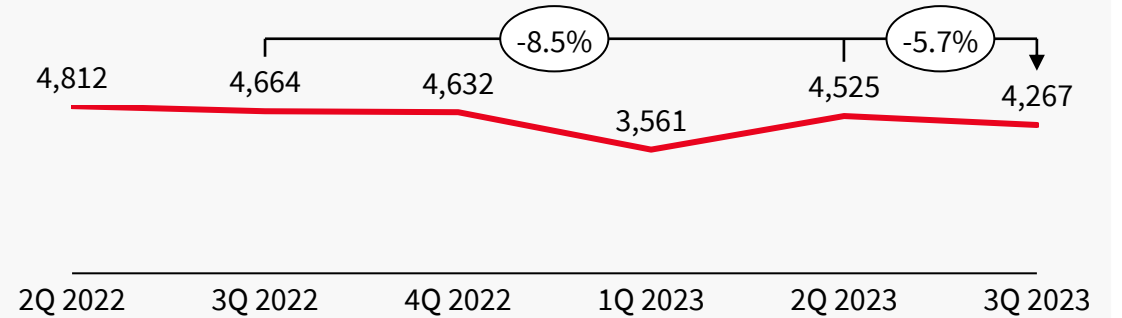
Outlook for the rest of 2023

KB 2025 Year 3 delivery

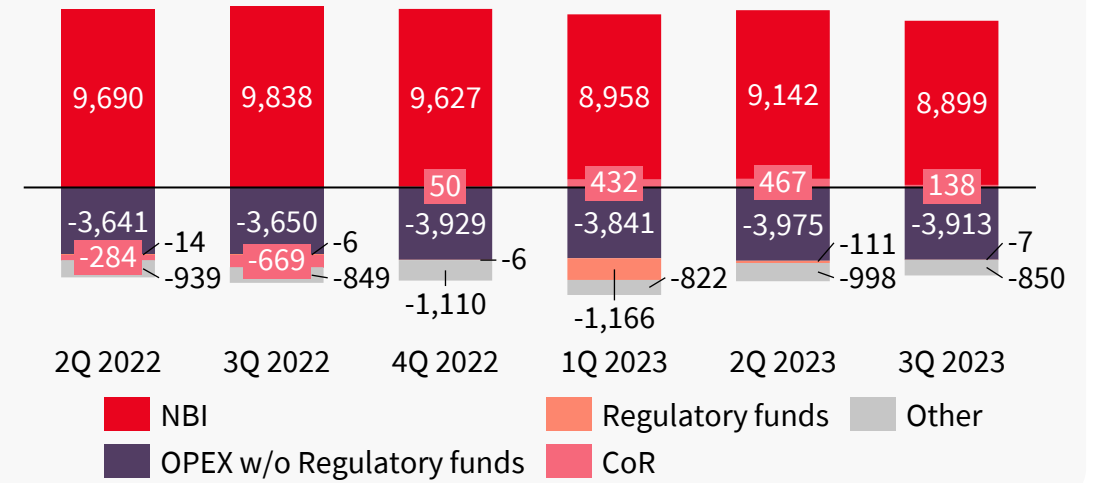
Appendix

Normalisation of NII, better non-interest revenues, non-recurring provision releases

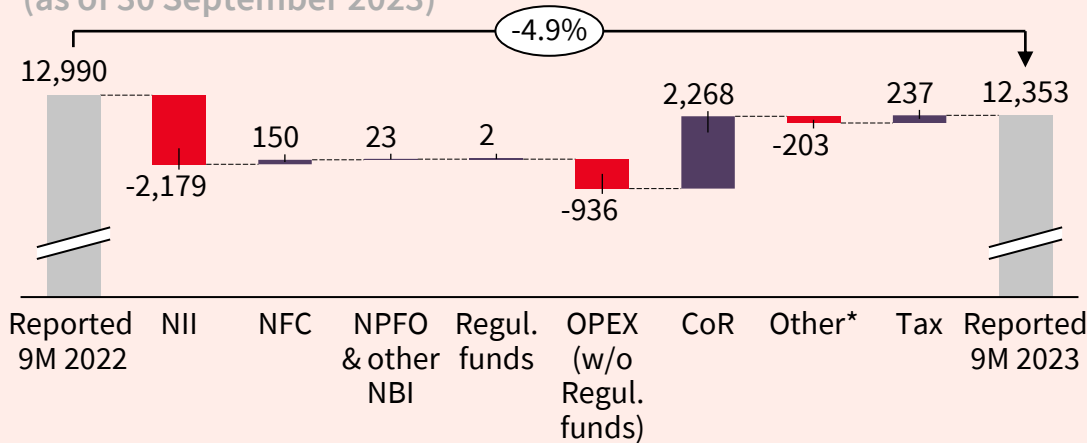
Development of quarterly net profit ... (CZK million)



... and its drivers (CZK million)



Drivers for year on year change in attributable net profit (as of 30 September 2023)



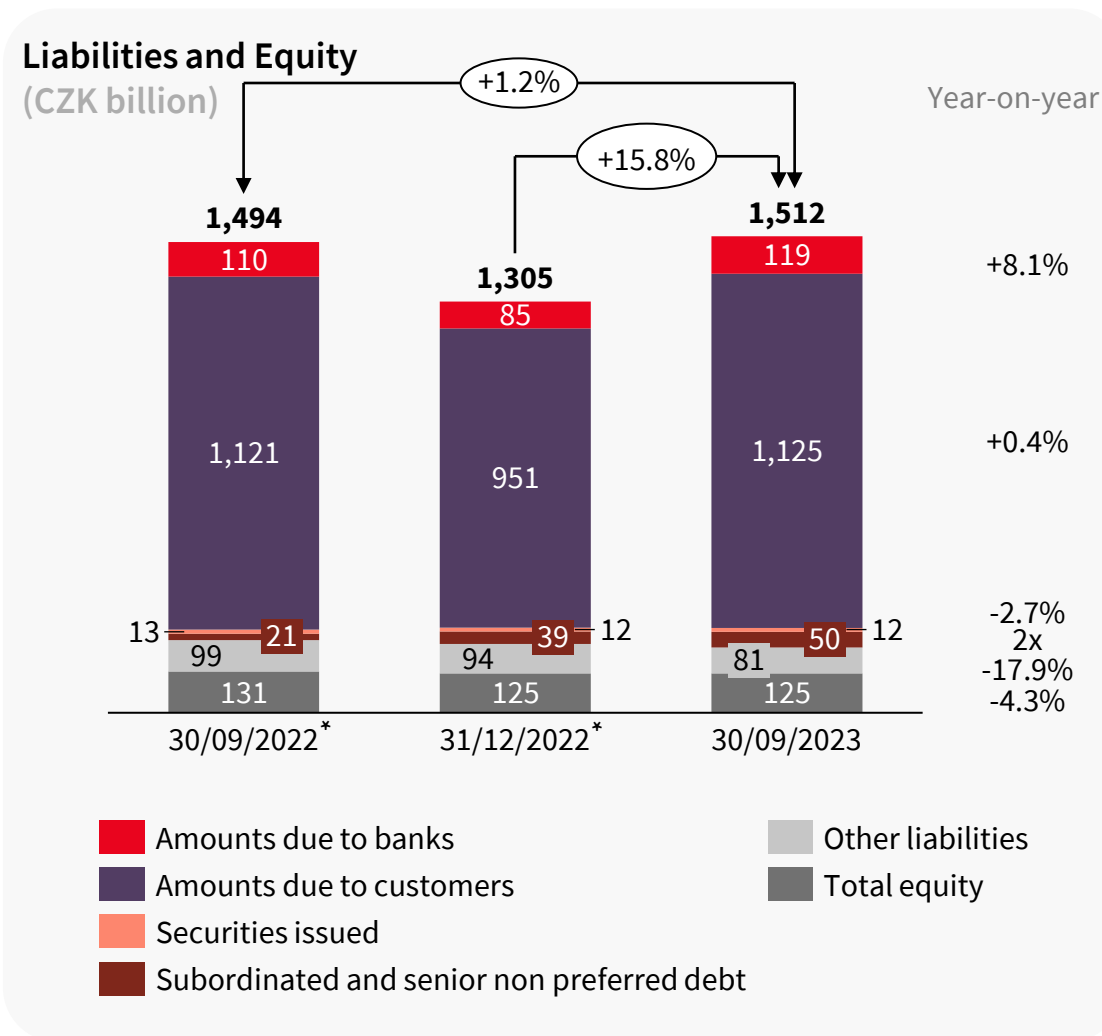
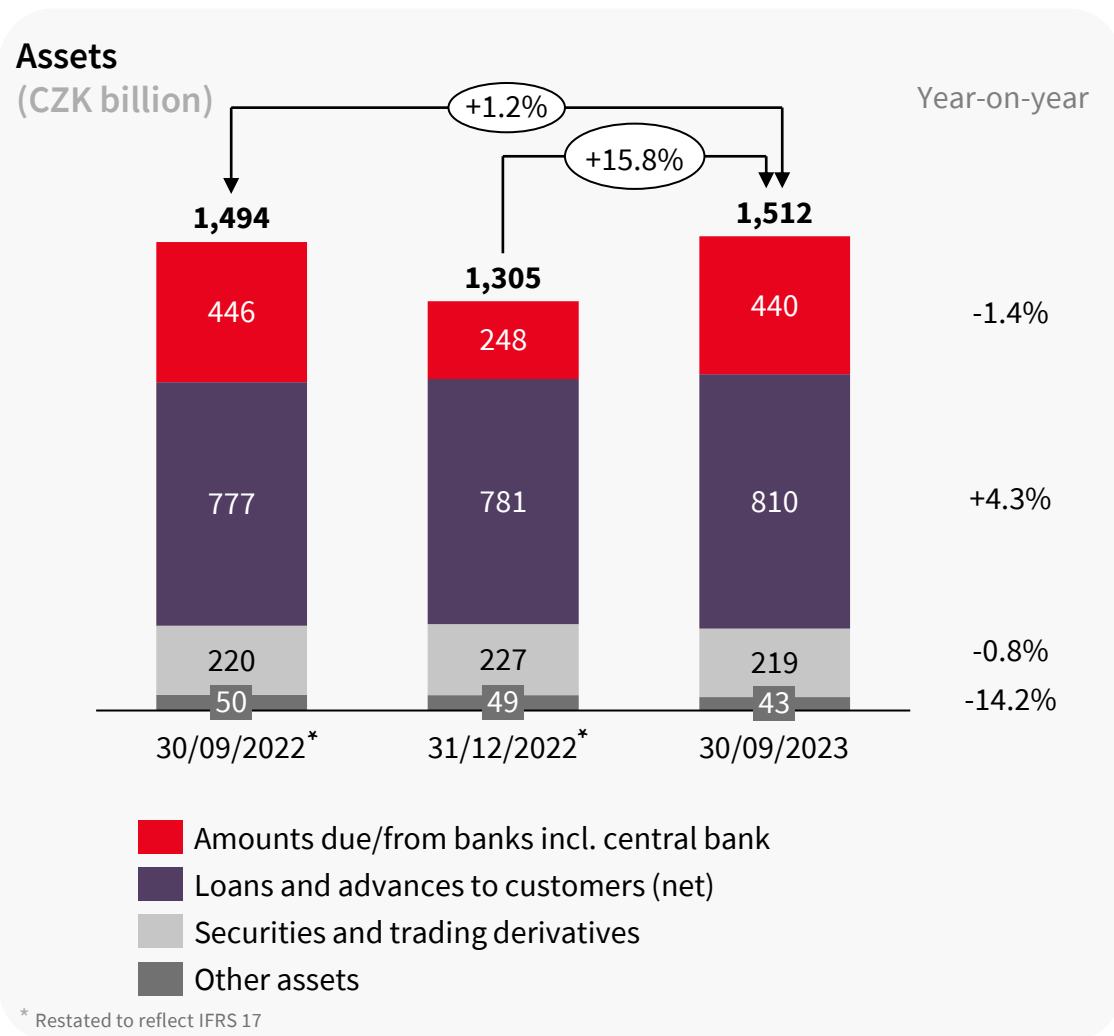
*Other includes: Income from share of associated companies, Net profit/(loss) on subsidiaries and associates, Net profits on other assets and Profit attributable to the Non-controlling owners

Profitability indicators for 9M 2023 (annualised)

| | Return on avg. equity (ROE) | Return on avg. Tier 1 capital (RoT1) | Return on avg. tangible equity (ROTE) | Return on avg. assets (ROA) |
|--------------------|-----------------------------|--------------------------------------|---------------------------------------|-----------------------------|
| Reported | 13.5% | 16.3% | 15.1% | 1.2% |
| Adj. for IFRIC 21* | 13.8% | 16.6% | 15.5% | 1.2% |

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

Balance sheet up by 1.2% year-on-year



Capital position strong

Total capital adequacy at 20.2% over the applicable minimum of 17.4%

CET 1 ratio at 19.6% over the required 12.7% (minimum T1 at 14.7%)

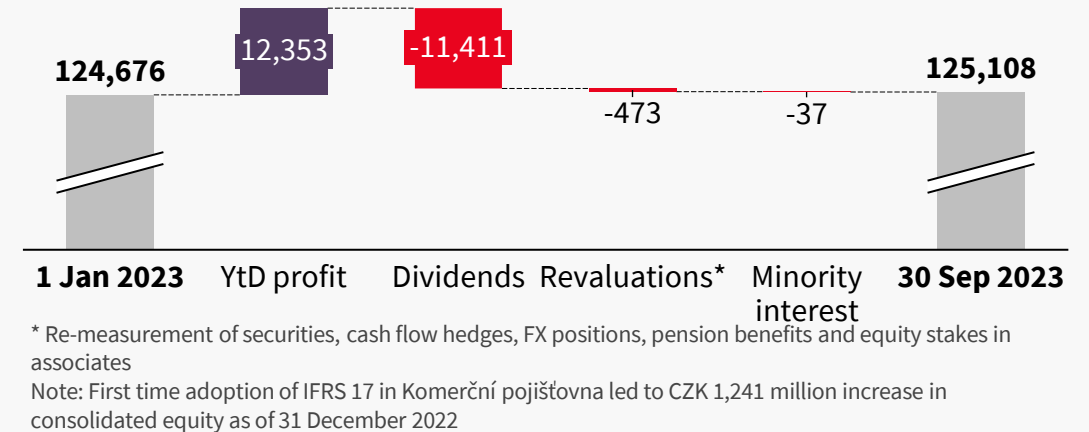
Dividend provision of 65% booked in 9M 2023 represents CZK 42.52 per share

By 30 September 2023, KB has taken EUR 1,950 million of senior non-preferred loans in order to gradually meet MREL target by 31 December 2023

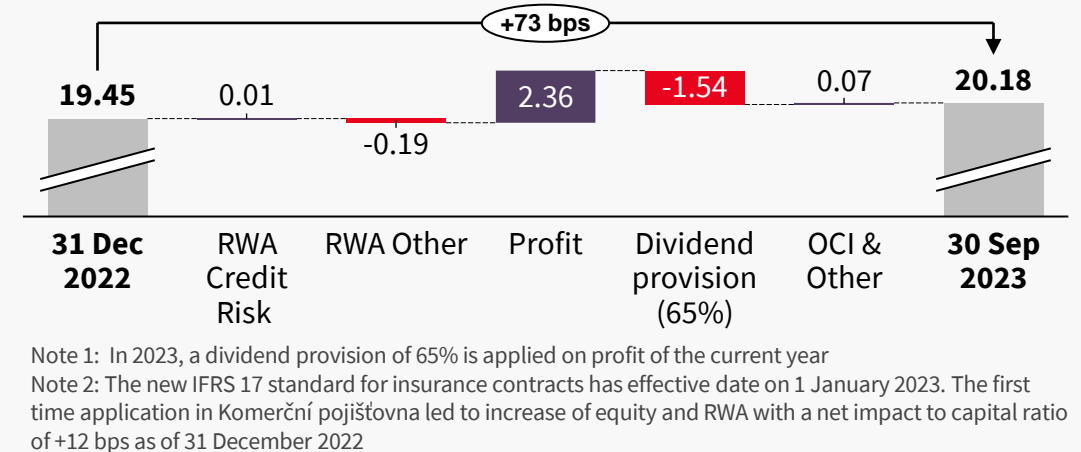
MREL adequacy at 29.2% (vis-à-vis 21.2% MREL requirement as of 31 December 2023, 27.7% expected total (MREL+CBR) requirement)

| | 30-Sep-22 | 31-Dec-22 | 30-Sep-23 |
|-------------------------------|--------------|--------------|--------------|
| Total capital adequacy | 21.1% | 19.5% | 20.2% |
| Core Tier 1 ratio | 20.5% | 18.9% | 19.6% |
| Total capital (CZK billion) | 110.7 | 101.7 | 106.5 |
| CET1 capital (CZK billion) | 107.6 | 98.6 | 103.6 |
| Total RWA (CZK billion) | 525.7 | 523.0 | 527.6 |
| Credit RWA (CZK billion) | 432.2 | 430.8 | 433.7 |
| RWA / Total assets | 35.2% | 40.1% | 34.9% |

Contributions to shareholders' equity in 9M 2023 (CZK million)

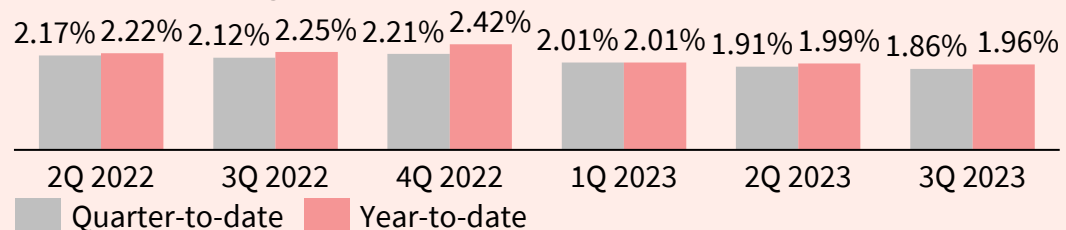


Contributions to capital adequacy ratio in 9M 2023 (%)



Stabilising deposit rates, mortgage spreads

Net interest margin (%)



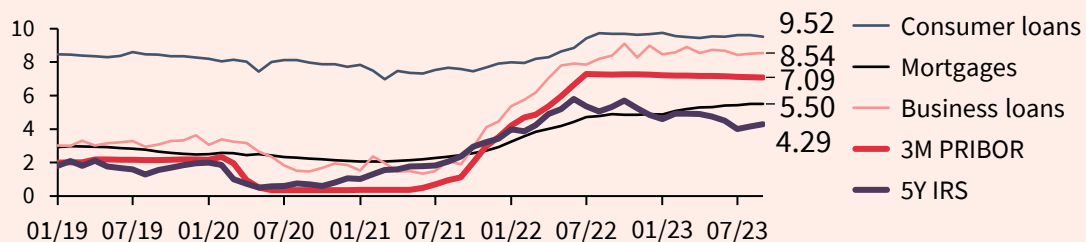
NII from deposits – lower spreads due to higher average cost of deposits offset by growth in volumes

NII from loans – average spreads drifted lower but mortgage spreads stabilising

NII from Investment banking – solid result, influenced by narrowed interest rate differential between CZK and EUR

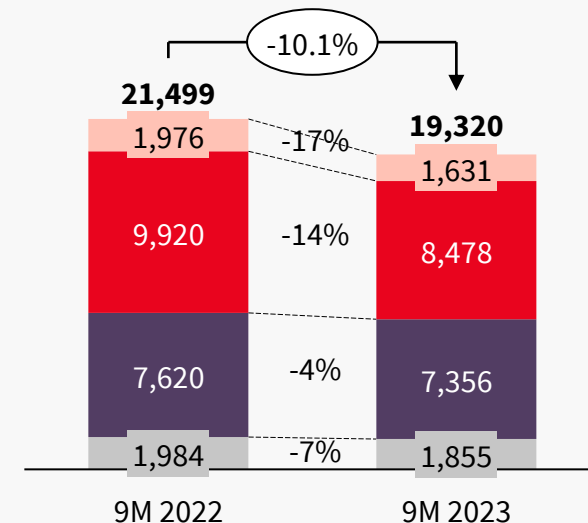
Other NII – affected by cost of MREL

Average market rates on new CZK loans (% , until September 2023)

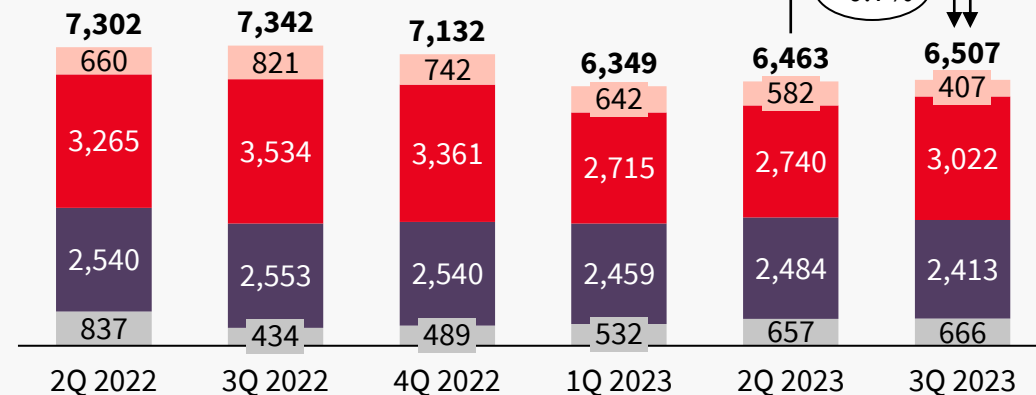


Year-to-date (CZK million)

- Other
- NII from deposits
- NII from loans
- NII from IB



Quarterly (CZK million)



Positive trend in fees

Transaction fees

Transaction activity increasing for non-cash transaction categories, mainly for card payments

Deposit product fees

Stable client base overall, effect from commenced migration of clients to New Era subscription plans still immaterial

Loan fees

Growth driven by consumer and small business lending

Fees from cross-selling

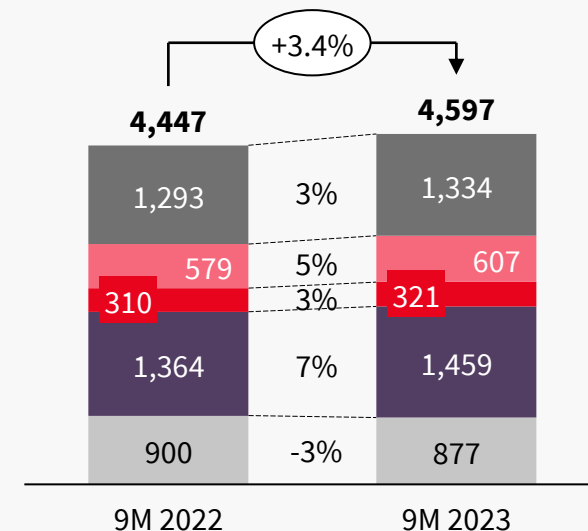
Better income from mutual funds and insurance products

Specialised financial services and other fees

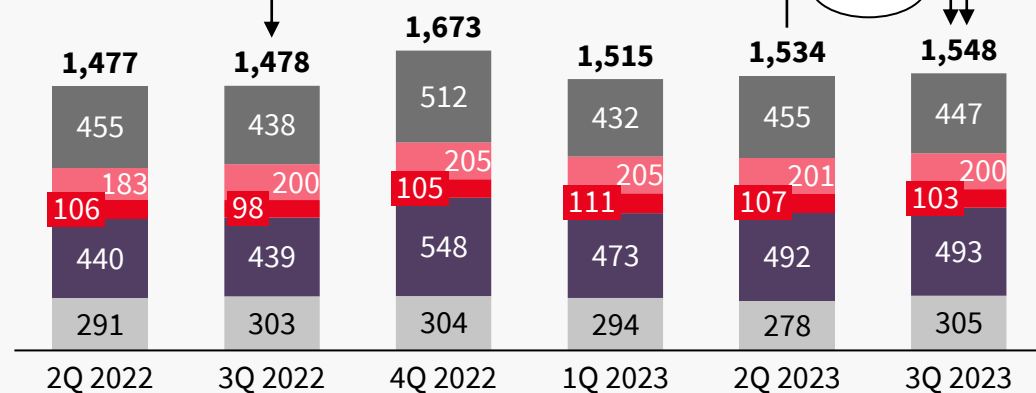
Lower YoY contribution from debt capital markets services, better income from bank guarantees

Year-to-date (CZK million)

- Transaction fees
- Deposit product fees
- Loan fees
- Fees from cross-selling
- Spec. fin. services & Other



Quarterly (CZK million)



Client activity in Q3 affected by soft real economy

Capital markets

Client activity in 3Q 2023 reflecting slower real economy, weak confidence levels and lower volatility of FX & interest rates

Successful offer of tailored hedging strategies for SME clients, particularly those based on FX options

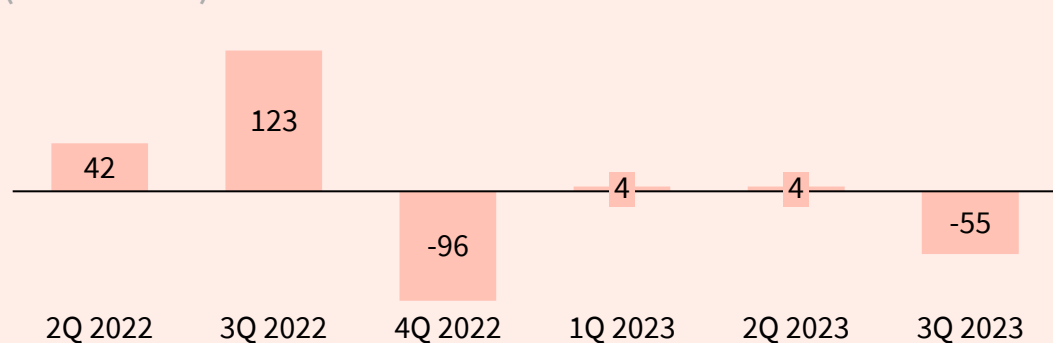
Net gains on FX from payments

Result from currency conversions reflecting seasonality of travelling, transaction activity and adjusted spreads

Other NPFO

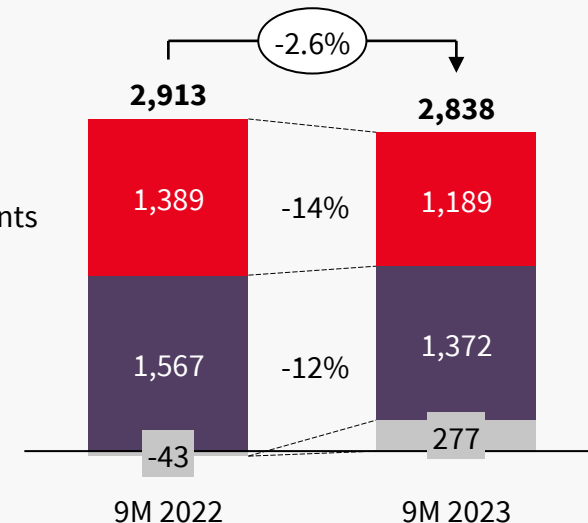
Contribution from sale of bonds from banking book

Quarterly DVA contribution to NPFO (CZK million)

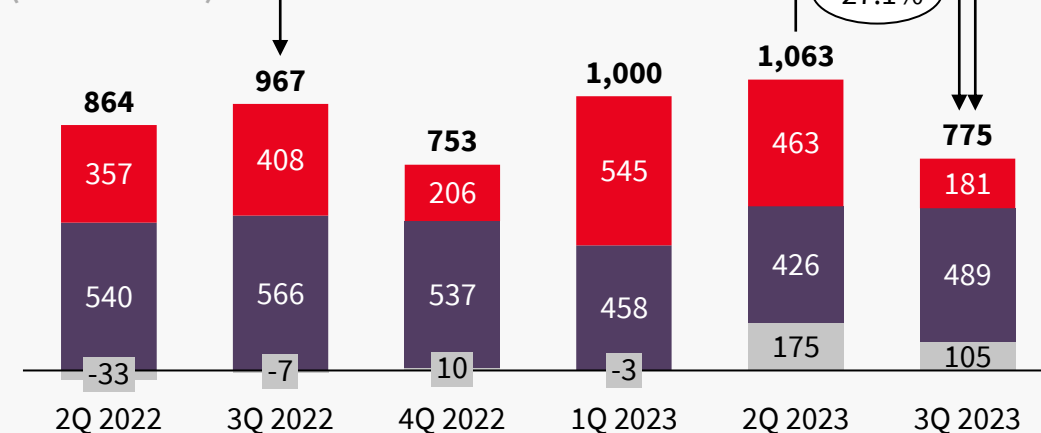


Year-to-date (CZK million)

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



Quarterly (CZK million)



Operating expenditures absorbing inflation and transformation costs

Personnel expenses - number of employees (average FTE) in 9M 2023: 7,541 (+0.6 YoY) as decreasing staff numbers in support functions and distribution were temporarily offset by hiring and insourcing of IT specialists

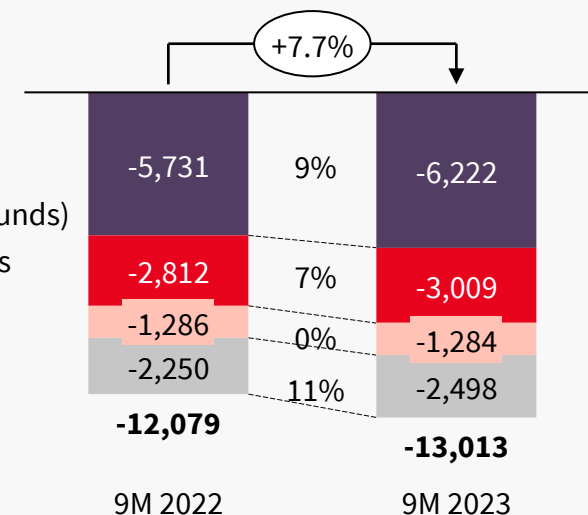
Administrative costs – YoY increase driven by IT support, marketing, real estate costs, IT support and overall inflation. GAE in 3Q 2023 lower due to marketing and some timing differences in recognition

Regulatory funds – Year-to-date volume including temporary increase in Deposit Insurance levy to 5.9 bps from 4.4 bps following failure of Sberbank CZ in 2022

D&A – growth in amortisation of intangible assets reflecting investments in digital transformation

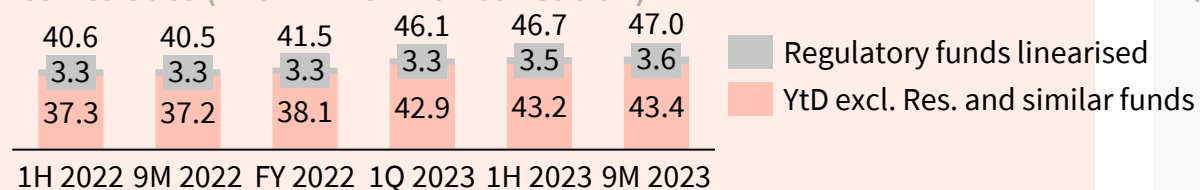
Year-to-date (CZK million)

- Personnel costs
- GAE (excl. Res. and similar funds)
- Resolution and similar funds
- Depreciation

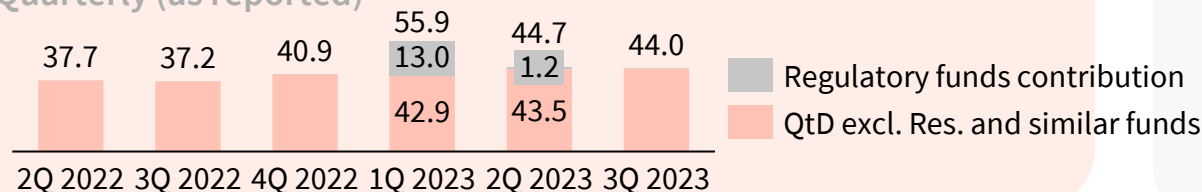


Cost to Income ratio (%)

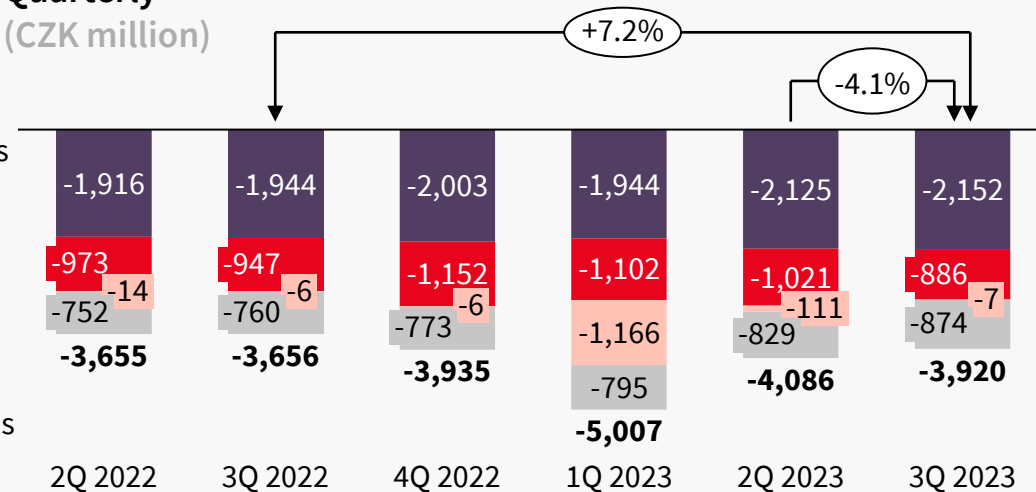
Year-to date (with IFRIC 21 linearisation)



Quarterly (as reported)



Quarterly (CZK million)



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3Q 2023 Asset quality

Loan portfolio up by 2.7% YoY and 1.7% QoQ

Resilient and stable credit risk profile

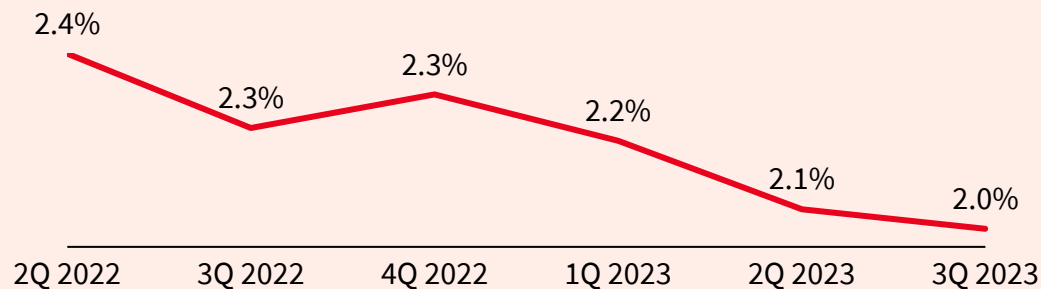
- Stage 2 share at 13%
- NPL ratio at 2%

Continued low default intensity in all segments

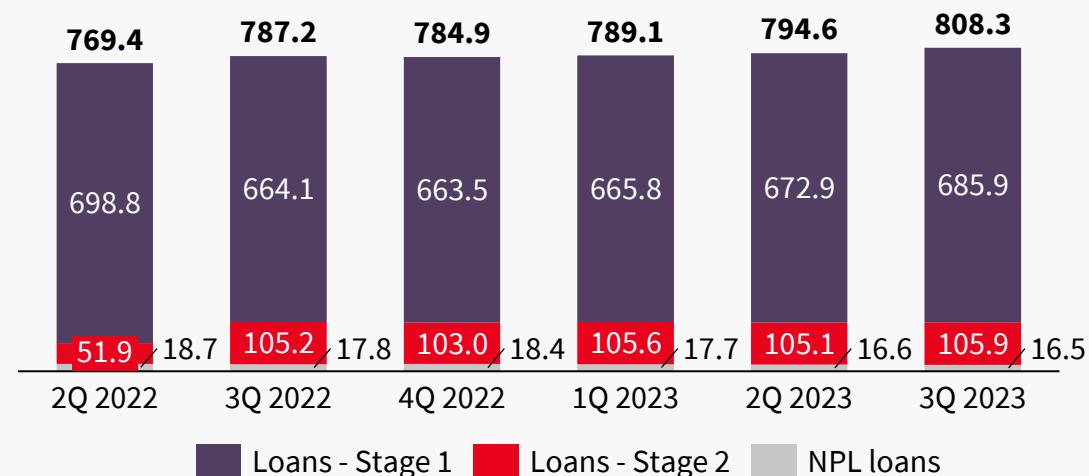
Continued strong recoveries levels, illustrated by the successful resolution of a few NPL corporate exposures across 2023

Stable NPL provision coverage (50% range)

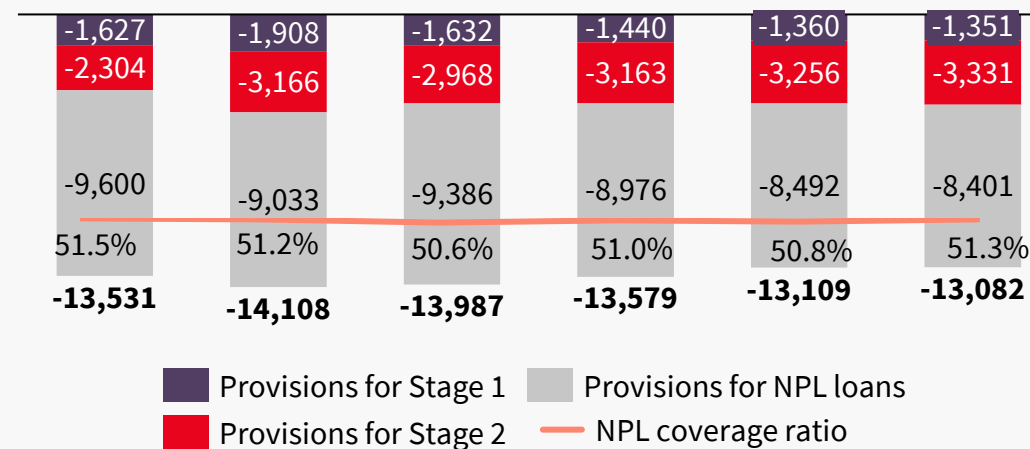
NPL ratio evolution



Group lending (CZK billion)



Provision coverage (CZK million)



3Q 2023 Cost of risk development

3Q 2023 CoR net release at CZK 138 million

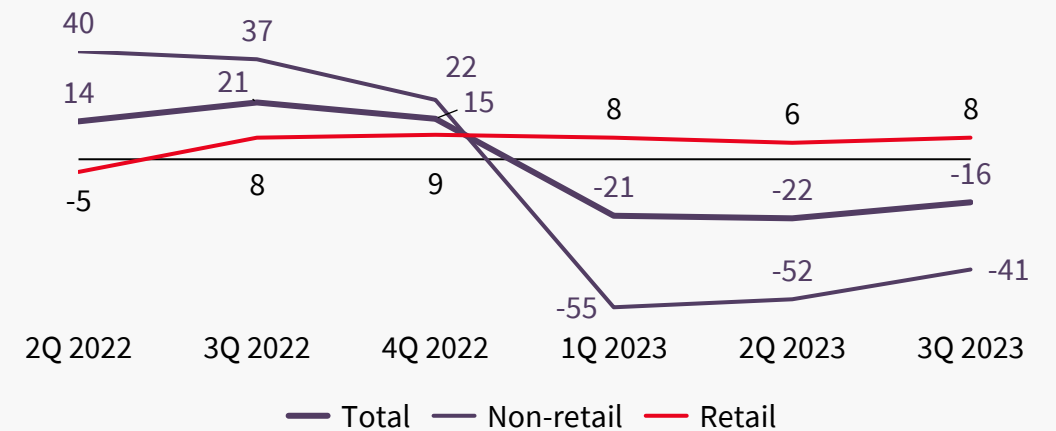
CZK 202 million net release recorded on non-retail exposures driven by resolution of a few corporate NPL exposures

Low net creation recorded on retail portfolios at CZK 144 million

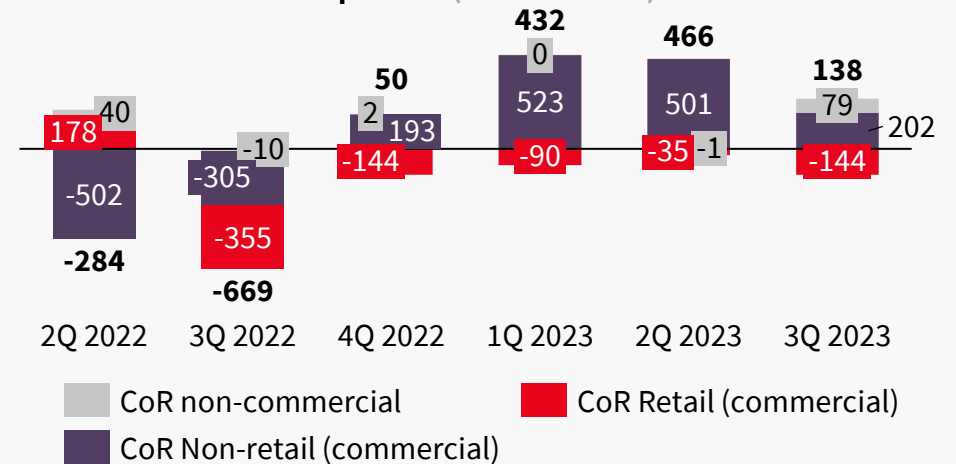
CZK 79 million net release thanks to income from bankruptcy proceedings of one legacy case

No reduction of the 2021-2022 inflation reserves in 3Q 2023

Total Cost of risk (Year-to-date, in basis points)



Total Cost of risk development (CZK million)



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Outlook for the rest of 2023

The below text updates and replaces outlook for 2023 first presented on 8 February 2023 alongside release of KB's full year 2022 results and updated on 12 May and 3 August 2023. Investors are advised to consider high level of uncertainty and risks when formulating their investment decisions

Macro-economic assumptions

- Czech economic output expected to contract marginally in 2023. A gradual recovery in household consumption should be underpinned by renewed growth in real wages. Unemployment will remain low
- Rapid disinflation to continue, despite comparison base effect from caps on energy prices in the last part of 2022. The average CPI for 2023 still to exceed 10%
- CNB's repo rate expected to remain at 7% for the rest of the year

Banking market outlook

- Lending market to grow at a mid-single-digit pace, both in retail and corporate segments, with relatively faster unsecured consumer lending
- Bank deposits market should grow at mid- to high- single digits pace, similar in retail as well as corporate segments

KB business outlook

- Group's lending should grow at a low- to mid-single-digit rate. The new sales of housing loans are not expected to accelerate further before potential upcoming catalysts expected in 2024. Consumer lending to increase faster. Corporate lending should expand at mid-single digits
- Total deposits expected to expand at mid-single-digit pace. Deposits of corporations may grow somewhat faster than volumes in retail. Term deposits to still grow faster than current accounts
- Implementation of KB 2025 strategy, accelerating migration of retail clients and new features in the new digital bank (NDB) for retail, launch of one mortgage factory, preparations for NDB rollout in small business and corporate segments

KB financial outlook

- Revenues should decline at a mid-single-digit rate compared to 2022 level, due to NII retreating by a tenth on lower spreads and termination of remuneration of mandatory minimum reserves. NFC should improve by mid-single digits, driven by volumes in mutual funds. NPFO should grow slightly
- OPEX to remain under tight control, to grow by high-single digits in spite of still high inflation and transformation costs. Increase in average salaries by 5%, optimisation of management and support functions across KB Group
- Cost of risk for the full year 2023 is expected around zero basis points, i.e. visibly below the expected through-the-cycle range

Potential risks to the outlook

- Further escalation of war in Ukraine; Worsening of external economic environment; Rapid decline in consumption; Abrupt changes to relevant interest or FX rates or to fiscal policy, including to government supported financial schemes; Shortages of energy or other key industrial inputs

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KB 2025 Strategic Framework

Purpose

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

Vision

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

Pillars

Growth

Helpfulness

Responsibility

Company objectives

- Digital bank for people with aspiration
- New sources of revenues
- One mortgage factory
- Market leader for corporate clients

- Agile, adaptive & effective organization
- Fully digital sales & services, data driven

- Next Gen CSR / Sustainable KB
- Risk management 2.0
- Operational efficiency

Deliveries in Year 3 of KB 2025 Plan



DIGITAL BANK FOR PEOPLE WITH ASPIRATIONS

- Marketable retail bank introduced in April; client proposition based on subscription plans; significantly simplified product catalogue; more than 50,000 clients enrolled by 30 September 2023
- New TSYS Prime payment card platform operational; payment processing centralisation into Valentic payment hub
- Development capacities being refocused on new digital bank for corporate clients



FULLY DIGITAL SALES AND SERVICES, DATA DRIVEN

- Total digital sales ratio (in Individuals segment) at 34.2% up by 11 pps, of which 26.5% end-to-end digital, up by 10 pps
- The digital acquisition share reached 13.7% in 3Q 2023 thanks to New Era roll out in April 2023
- End-to-end digital sales of consumer loans represents 70% of total sales. E2E sales of New Era tariffs at 59% of total sales



NEW REVENUE SOURCES

- Participation of KB's clients on senior financing or equity investments in real estate projects via **UPVEST** platform. Some 8,000 clients invested nearly CZK 8 billion
- Synergetic co-operation between **ENVIROS E**, KB Advisory and KB EU Point on energy & environmental advisory and financing, leading to 70% year on year growth in revenues
- Turnover of **roger** online factoring platform up 30% year on year
- International expansion of **Lemonero** provider of financing to e-shops to Benelux
- New direct payment service and top global payment gate operators as clients of **FIN BRICKS** open banking aggregation platform



ONE MORTGAGE FACTORY

- New core and front office system for KB Group housing loans being launched
- All housing loans specialists integrated in Modrá pyramida



MARKET LEADER FOR CORPORATE CLIENTS

- Ongoing digitalisation of communication with corporate clients
- New programmes from European Investment Fund administered by KB
- Development of new digital tools for investment banking front-office

Deliveries in Year 3 of KB 2025 Plan



ENVIRONMENT, SOCIETY, GOVERNANCE

- Scope 1+2 emissions in 2022 down by 44% compared to 2019, at 13.5 kg CO₂ eq. per client
- The outstanding volume of ESG compliant loans to corporate clients up by 32.7% YoY to CZK 53.3 billion
- MSCI ESG rating at AA, S&P Global CSA Score 54, FTSE4Good score 3.7
- KB car fleet comprising 211 battery electric vehicles and KB operating 210 EV charging stations
- Shared questionnaire on ESG prepared under Czech Banking Association, six major banks sharing data in a pilot run



AGILE, ADAPTIVE & EFFECTIVE ORGANISATION

- Insourcing of personnel with valuable development and analytical know-how
- Consolidated internal incubator programme in order to increase share of internal tech talent
- Gradual rollout of DevOps concept, increasing number of releases per year



RISK MANAGEMENT 2.0

- Climate risk measures – ESRM system in Corporate banking, Climate Vulnerability Indicator, building of data infrastructure
- Upcoming deployment of digital income verification and solvency assessment as enabler for stronger origination capacity in the area of consumer financing
- Stronger capabilities in the area of digital fraud risk management for retail segments



OPERATIONAL EFFICIENCY

- Average number of FTE in 9M 2023 down by -7.7% v FY2019. No. of branches in 9/2023 down by 130 (-38.0% v. 12/2019)
- Sharing of ATM networks for withdrawals with three other banks, contract signed by all four banks for deposit function in shared ATMs from 2024
- OneGroup project - outsourcing of Factoring KB's support functions to KB completed, selected functions from KB Penzijní společnosti (pension company) and Modrá pyramida to follow
- Group Consumer Lending project – simplification of KB Group product portfolio, harmonising omnichannel distribution, effective product development and marketing
- KB Poradenství – agent distribution network for KB Group based on the network of Modrá pyramida

Interim delivery on operational targets

| MAIN OPERATIONAL TARGETS * | 2019 | 2022 | SEP-2023 | TARGET 2025 | |
|---|-----------|-----------|-----------|--------------|--|
| CLIENT SATISFACTION (NPS) | | | | | |
| - INDIVIDUALS | 32 | 38 | 41 | 50 | <ul style="list-style-type: none"> Retail NPS: further improved satisfaction with services on the branch, continued excellent satisfaction with contact centres, day-to-day banking, card payments Corporate segments NPS: Leading market position maintained, measurement pending |
| - SMALL BUSINESSES | 32 | 31 | 33 | 50 | |
| - MID-SIZED CORPORATIONS | 35 | 42 | pending | 50 | |
| - LARGE CORPORATES | 58 | 59 | pending | 50 | |
| BANK CLIENTS (NUMBER) | 1,664,000 | 1,652,000 | 1,665,000 | >2,000,000** | <ul style="list-style-type: none"> Onboarding and migration of clients to new digital bank started in April 2023 |
| BANK BRANCHES | 342 | 219 | 212 | 200 | <ul style="list-style-type: none"> Remodelling branches in new design, switching part of network to cash-less, support by remote advisory |
| EMPLOYEES (FTE NUMBER) | 7,210 | 6,553 | 6,475 | 5,500 | <ul style="list-style-type: none"> Optimization through digitization and automation, branch reduction. Insourcing of IT & data know-how |
| EMPLOYEE ENGAGEMENT | 78 | 79 | 78 | 83 | <ul style="list-style-type: none"> Smart office, remote medical assistance, legal and life counselling, education portal, sick days and free volunteering day, car sharing for employees |
| ESG ASSESSMENT (FTSE4GOOD INDEX SCORE) | 3.3 | 3.6 | 3.7 | 4 | <ul style="list-style-type: none"> MSCI ESG rating 'AA' FTSE4Good Score 3.7 S&P Global ESG Score 51 |

* Bank only

** Including contribution from non-organic growth

Growth and financial targets for 2025

- Revenue growth expected to accelerate mainly from 2025 with the data driven digital sales & advisory model in the new digital bank, as well as new sources of revenues
- Operating expenditures in 2025 expected at similar level as in 2023 thanks to ongoing efficiency measures and lower number of employees, from 2025 also expected lower contribution to the Resolution Fund. Savings from decommissioning of some components of the legacy banking infrastructure to accrue mainly from 2026
- Profit growth potential in 2023-2025 limited by “windfall“ tax at incremental 60% rate. Corporate income tax to be increased to 21% from 19% from 2024
- Limited visibility regarding accretive non-organic growth opportunities by 2025
- Growth of risk-weighted-assets to be kept at optimum pace from the perspective of creating shareholder value
- Volume and structure of capital to be further optimised at the level surely and safely meeting actual and foreseen regulatory requirements
- Key risks include significant worsening of macroeconomic development, unexpected increase in regulatory requirements and bank levies, adverse competitive dynamics

| | 2019 | 2022 | 9M 2023 | AMBITION 2025 | |
|---------------------------|-------|-------|---------|------------------|---|
| COST-TO-INCOME * | 45.8% | 41.5% | 47%** | ~40% | ▪ Positive trajectory expected in 2024-25 with new revenues and savings from operating efficiency measures and lower regulatory charges |
| RETURN ON EQUITY * | 14.5% | 14.4% | 13.8%** | ~15% | |

* KB Group

** IFRIC linearised

Agenda

Highlights as of 30 September 2023

Macroeconomic environment

Business performance

Financial performance

Asset quality and cost of risk

Outlook for the rest of 2023

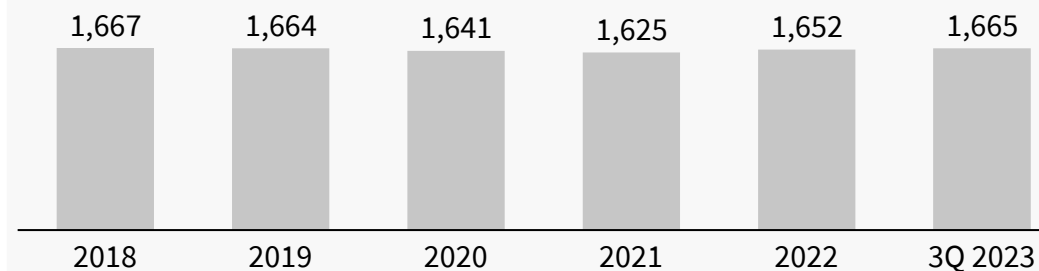
KB 2025 Year 3 delivery

Appendix

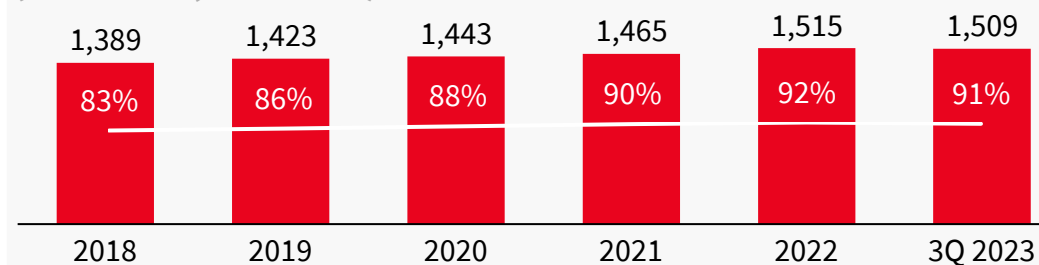
Number of clients and distribution network

| | 30-Sep-22 | 30-Sep-23 | YoY |
|---|-----------|-----------|---------|
| Number of clients | | | |
| KB Group's clients | 2,246,000 | 2,218,000 | -28,000 |
| Komerční banka | 1,651,000 | 1,665,000 | 14,000 |
| – individual clients | 1,407,000 | 1,421,000 | 14,000 |
| – internet banking clients | 1,509,000 | 1,509,000 | 0 |
| – mobile banking clients | 1,122,000 | 1,191,000 | 69,000 |
| Modrá pyramida | 464,000 | 438,000 | -26,000 |
| KB Penzijní společnost | 509,000 | 482,000 | -27,000 |
| ESSOX (Group) | 133,000 | 132,000 | -1,000 |
| Distribution network | | | |
| KB Retail branches | 218 | 212 | -6 |
| Modrá pyramida points of sale | 195 | 201 | 6 |
| SGEF branches | 9 | 9 | 0 |
| ATMs (KB network) | 862 | 821 | -41 |
| of which deposit-taking | 521 | 521 | 0 |
| of which contactless | 643 | 679 | 36 |
| ATMs (Total shared network) | 1,420 | 2,012 | 592 |
| Number of active debit cards | 1,464,000 | 1,499,000 | 35,000 |
| Number of active credit cards | 191,000 | 212,000 | 21,000 |
| Number of cards virtualized into payment apps | 480,000 | 636,000 | 157,000 |
| KB key authentication users | 1,065,000 | 1,166,000 | 100,000 |

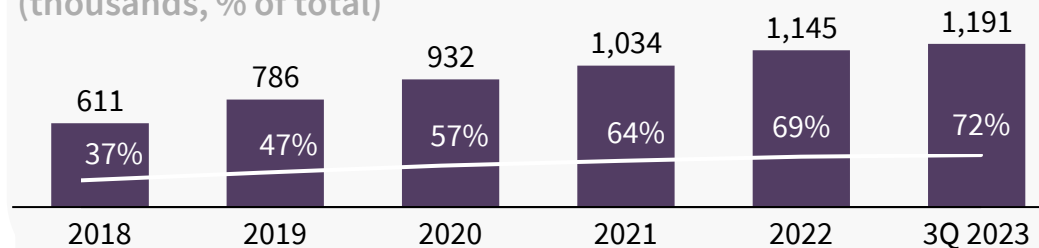
Number of bank clients
(thousands, CZ)



KB Internet banking clients
(thousands, % of total)



KB Mobile banking clients
(thousands, % of total)



Income statement

(CZK million, unaudited)

| | 9M 2022* | 9M 2023 | YoY |
|---|----------------|----------------|---------------|
| Net interest income | 21,499 | 19,320 | -10.1% |
| Net fee & commission income | 4,447 | 4,597 | 3.4% |
| Net profit of financial operations | 2,913 | 2,839 | -2.5% |
| Dividend and other income | 146 | 243 | 66.4% |
| Net banking income | 29,005 | 26,999 | -6.9% |
| Personnel expenses | -5,731 | -6,222 | 8.6% |
| General admin. expenses (excl. regulatory funds) | -2,812 | -3,009 | 7.0% |
| Resolution and similar funds | -1,286 | -1,284 | -0.2% |
| Depreciation, amortisation and impairment of operating assets | -2,250 | -2,498 | 11.0% |
| Total operating expenses | -12,079 | -13,013 | 7.7% |
| Operating profit | 16,926 | 13,986 | -17.4% |
| Cost of risk | -1,231 | 1,037 | +/- |
| Net operating income | 15,695 | 15,024 | -4.3% |
| Income from share of associated companies | 165 | 208 | 26.1% |
| Net profit/(loss) on subsidiaries and associates | 73 | 0 | n.a. |
| Net profits on other assets | 136 | -6 | +/- |
| Profit before income taxes | 16,069 | 15,225 | -5.3% |
| Income taxes | -2,930 | -2,693 | -8.1% |
| Net profit | 13,139 | 12,532 | -4.6% |
| Profit attributable to the Non-controlling owners | 149 | 179 | 20.1% |
| Profit attributable to the Group's equity holders | 12,990 | 12,353 | -4.9% |

* Restated to reflect IFRS 17

Income statement

(CZK million, unaudited)

| | 3Q 2022* | 2Q 2023 | 3Q 2023 | YoY | QoQ |
|--|---------------|---------------|---------------|---------------|--------------|
| Net interest income | 7,342 | 6,463 | 6,507 | -11.4% | 0.7% |
| Net fee & commission income | 1,478 | 1,534 | 1,548 | 4.7% | 0.9% |
| Net profit of financial operations | 967 | 1,063 | 776 | -19.8% | -27.0% |
| Dividend and other income | 50 | 81 | 69 | 38.0% | -14.8% |
| Net banking income | 9,838 | 9,142 | 8,899 | -9.5% | -2.7% |
| Personnel expenses | -1,944 | -2,125 | -2,152 | 10.7% | 1.3% |
| General admin. expenses (excl. regulatory funds) | -947 | -1,021 | -886 | -6.4% | -13.2% |
| Resolution and similar funds | -6 | -111 | -7 | 16.7% | -93.7% |
| Depreciation, amortisation & impairment of op. assets | -760 | -829 | -874 | 15.0% | 5.4% |
| Total operating expenses | -3,656 | -4,086 | -3,920 | 7.2% | -4.1% |
| Operating profit | 6,181 | 5,056 | 4,979 | -19.4% | -1.5% |
| Cost of risk | -669 | 467 | 138 | +/- | -70.4% |
| Net operating income | 5,512 | 5,522 | 5,118 | -7.1% | -7.3% |
| Income from share of associated companies | 57 | 65 | 81 | 42.1% | 24.6% |
| Net profit/(loss) on subsidiaries and associates | 73 | 0 | 0 | n.a. | n.a. |
| Net profits on other assets | 15 | -6 | 1 | -93.3% | +/- |
| Profit before income taxes | 5,657 | 5,581 | 5,199 | -8.1% | -6.8% |
| Income taxes | -950 | -999 | -861 | -9.4% | -13.8% |
| Net profit | 4,707 | 4,582 | 4,338 | -7.8% | -5.3% |
| Profit attributable to the Non-controlling owners | 42 | 57 | 72 | 71.4% | 26.3% |
| Profit attributable to the Group's equity holders | 4,664 | 4,525 | 4,267 | -8.5% | -5.7% |

* Restated to reflect IFRS 17

Balance sheet

| (CZK million, unaudited) | 30-Sep-22 [*] | 31-Dec-22 [*] | 30-Sep-23 | YoY rel. | YoY abs. | Ytd rel. | Ytd abs. |
|---|------------------------|------------------------|------------------|-------------|---------------|--------------|----------------|
| Assets | 1,493,670 | 1,305,304 | 1,512,109 | 1.2% | 18,439 | 15.8% | 206,805 |
| Cash and current balances with central bank | 25,497 | 14,190 | 11,590 | -54.5% | -13,907 | -18.3% | -2,600 |
| Loans and advances to banks ³³ | 420,753 | 233,398 | 428,191 | 1.8% | 7,438 | 83.5% | 194,793 |
| Loans and advances to customers (net) | 776,560 | 781,463 | 810,314 | 4.3% | 33,754 | 3.7% | 28,851 |
| Securities and trading derivatives | 220,415 | 226,848 | 218,718 | -0.8% | -1,697 | -3.6% | -8,130 |
| Other assets | 50,444 | 49,404 | 43,296 | -14.2% | -7,148 | -12.4% | -6,108 |
| Liabilities and shareholders' equity | 1,493,670 | 1,305,304 | 1,512,109 | 1.2% | 18,439 | 15.8% | 206,805 |
| Amounts due to banks | 109,738 | 85,176 | 118,659 | 8.1% | 8,921 | 39.3% | 33,483 |
| Amounts due to customers | 1,120,532 | 950,692 | 1,124,553 | 0.4% | 4,021 | 18.3% | 173,861 |
| Securities issued | 12,587 | 12,156 | 12,246 | -2.7% | -341 | 0.7% | 90 |
| Subordinated and senior non preferred debt | 20,885 | 38,694 | 50,083 | >100% | 29,198 | 29.4% | 11,389 |
| Other liabilities | 99,201 | 93,910 | 81,460 | -17.9% | -17,741 | -13.3% | -12,450 |
| Total equity | 130,727 | 124,676 | 125,108 | -4.3% | -5,619 | 0.3% | 432 |
| o/w Minority equity | 3,166 | 3,232 | 3,195 | 0.9% | 29 | -1.1% | -37 |

* Restated to reflect IFRS 17

Capital & profitability indicators

| (year-to-date, IFRS 9) | Reported | | Adjusted for IFRIC 21 linearisation* | | |
|--|-----------|-----------|--------------------------------------|-----------|-----------|
| | 30-Sep-22 | 31-Dec-22 | 30-Sep-23 | 30-Sep-22 | 30-Sep-23 |
| Capital adequacy | 21.1% | 19.5% | 20.2% | | |
| Tier 1 ratio = Core Tier 1 ratio | 20.5% | 18.9% | 19.6% | | |
| Risk weighted assets for credit risk (CZK billion) | 432.2 | 430.8 | 433.7 | | |
| Net interest margin, annualised | 2.3% | 2.4% | 2.0% | | |
| Loan (net) / deposit ratio (excl. repo with clients) | 76.9% | 85.2% | 79.3% | | |
| Cost / income ratio | 41.6% | 41.5% | 48.2% | 40.5% | 47.0% |
| Return on average equity (ROAE), annualised | 13.8% | 14.3% | 13.5% | 14.0% | 13.8% |
| Return on average Tier 1 capital | 16.6% | 17.6% | 16.3% | 16.9% | 16.6% |
| Return on average tangible equity (ROTE) | 15.2% | 15.9% | 15.1% | 15.5% | 15.5% |
| Return on average assets (ROAA), annualised | 1.3% | 1.4% | 1.2% | 1.3% | 1.2% |
| Earnings per share (CZK), annualised | 92 | 93 | 87 | 94 | 89 |
| Average number of employees during the period | 7,496 | 7,503 | 7,541 | | |

* Adjusted for linearised IFRIC 21 charges for regulatory funds

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

9M 2023 Cost of risk structure

| Key components | Contribution to 9M 2023 CoR (bps) |
|---|-----------------------------------|
| Non-retail NPL portfolio | -21 bps |
| Retail NPL portfolio | 3 bps |
| Non-retail performing portfolio (Stage 1 & 2) | 1 bps |
| Retail performing portfolio (Stage 1 & 2) | 1 bps |
| Total | -16 bps |

Business performance of subsidiaries (1/2)

| | 9M 2022 | 9M 2023 | YoY |
|--|---------|---------|------|
| Modrá pyramida (100%) | | | |
| <i>#2 building savings & loans company</i> | | | |
| Volume of new loans (CZK million) | 13,361 | 7,541 | -44% |
| Volume of total loans (gross, CZK million) | 83,761 | 90,607 | 8% |
| Volume of deposits (CZK million) | 56,586 | 52,759 | -7% |
| Number of clients | 464,108 | 437,706 | -6% |
| Average number of FTEs | 338 | 462 | 37%* |
| Number of points of sale | 195 | 201 | 3% |
| KB Penzijní společnost (100%) | | | |
| <i>a manager of pension funds</i> | | | |
| Number of new contracts | 28,867 | 32,831 | 14% |
| Number of clients | 508,780 | 482,025 | -5% |
| Assets under management (CZK million) | 72,026 | 73,358 | 2% |
| of which in Transformed fund | 57,795 | 53,094 | -8% |
| Average number of FTEs | 49 | 51 | 4% |
| ESSOX (50.93%) | | | |
| <i>#2 non-bank consumer lender and car financing company</i> | | | |
| Volume of total loans (gross, CZK million) | 18,661 | 20,871 | 12% |
| Number of active clients | 133,115 | 131,857 | -1% |
| Average number of FTEs | 375 | 349 | -7% |

* Influenced by centralisation of housing loans production for KB Group in Modrá pyramida

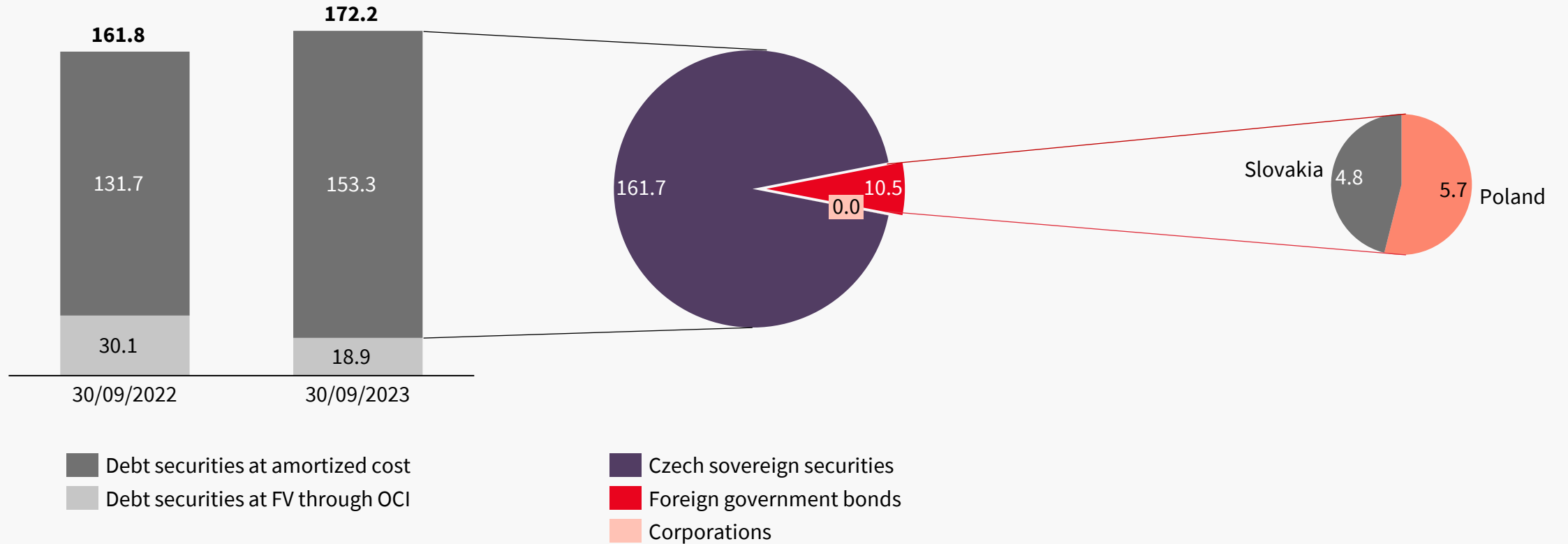
Business performance of subsidiaries (2/2)

| | 9M 2022 | 9M 2023 | YoY |
|--|---------|---------|-------|
| Factoring KB (100%) | | | |
| <i>#1 on the Czech factoring market</i> | | | |
| Factoring turnover (CZK million) | 56,582 | 53,856 | -5% |
| Volume of total financing (gross, CZK million) | 9,789 | 8,977 | -8% |
| Average number of FTEs | 42 | 14 | -67%* |
| KB Pojišťovna (49%) | | | |
| <i>a universal insurance company</i> | | | |
| Volume of technical reserves - Saving (CZK million) | 45,567 | 45,022 | -1% |
| Gross written premium (CZK million) | 5,733 | 4,824 | -16% |
| of which in life insurance | 5,090 | 4,036 | -21% |
| of which in non-life insurance | 642 | 788 | 23% |
| Average number of FTEs | 252 | 270 | 7% |
| SGEF Czech Republic (50.1%) | | | |
| <i>a provider of asset-backed financing in Czech Rep. and Slovakia</i> | | | |
| Volume of new financing (CZK million) | 10,796 | 11,614 | 8% |
| Volume of total financing (gross, CZK million) | 31,376 | 33,241 | 6% |
| Average number of FTEs | 142 | 141 | -1% |

* Influenced by outsourcing of support function of Factoring KB into KB

Debt securities portfolio in the banking book

(CZK bilion)



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

MREL status, Tier 2

As of 31 Dec 2023, KB Group has to fulfil final MREL 21.2% of the consolidated TRE and 5.91% of TE. In addition to the MREL, KB Group must fulfil the combined capital buffer requirement (CBR, at 6.5 % as from 1 October 2023)

In Single Point of Entry concept applied in SG Group, KB will meet its additional requirements from MREL (recapitalisation amount) by gradually taking senior non-preferred loans from Société Générale

The Czech entities within the SG resolution group are KB and Modrá pyramida

Senior non-preferred loans as of 30 September 2023

| Issue | Principal | Call option date* | Interest rate (ACT/360) |
|-----------|-----------|-------------------|-------------------------|
| 27-Jun-22 | EUR 250m | 28-Jun-27 | 3M Euribor + 2.05% |
| 21-Sep-22 | EUR 250m | 21-Sep-26 | 1M Euribor + 1.82% |
| 21-Sep-22 | EUR 250m | 21-Sep-29 | 1M Euribor + 2.13% |
| 9-Nov-22 | EUR 250m | 9-Nov-25 | 1M Euribor + 2.05% |
| 9-Nov-22 | EUR 250m | 9-Nov-27 | 1M Euribor + 2.23% |
| 9-Nov-22 | EUR 250m | 9-Nov-28 | 3M Euribor + 2.28% |
| 15-Jun-23 | EUR 250m | 15-Jun-26 | 3M Euribor + 1.70% |
| 15-Jun-23 | EUR 200m | 15-Jun-28 | 3M Euribor + 2.01% |

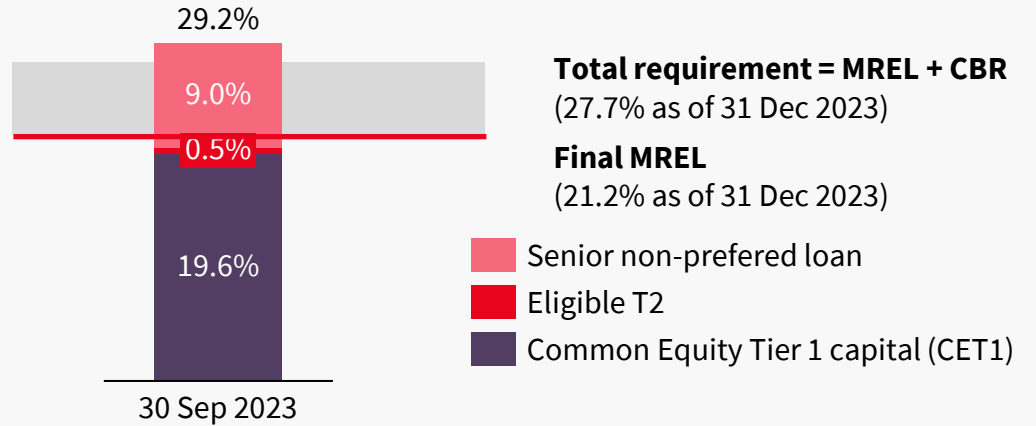
* Maturity date is one year after the call option exercise date.

Subordinated debt as of 30 September 2023

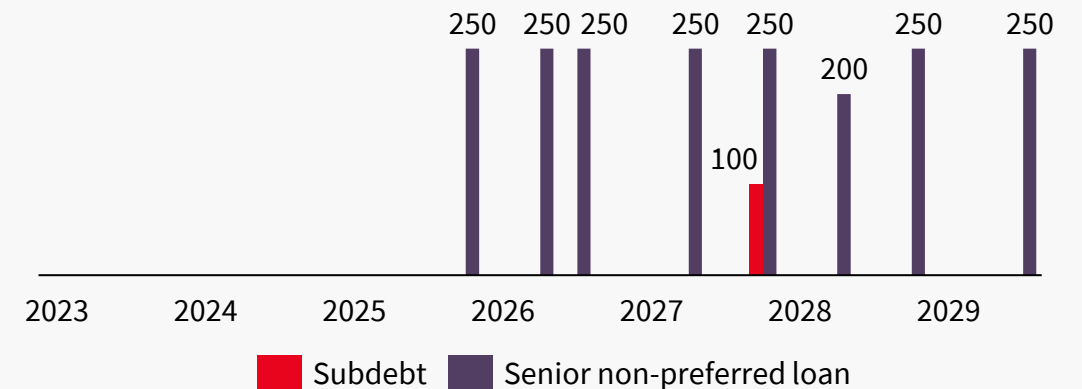
| Issue | Principal | Call option date* | Interest rate (ACT/360) |
|-----------|-----------|-------------------|-------------------------|
| 10-Oct-22 | EUR 100m | 11-Oct-27 | 3M Euribor + 3.79% |

* Maturity date is one year after the call option exercise date.

Own funds and eligible liabilities (for MREL)



Own funds and eligible liabilities (for MREL) call option schedule*



* Maturity date is one year after the call option exercise date and in the case of subordinated debt five years after the call option exercise date.

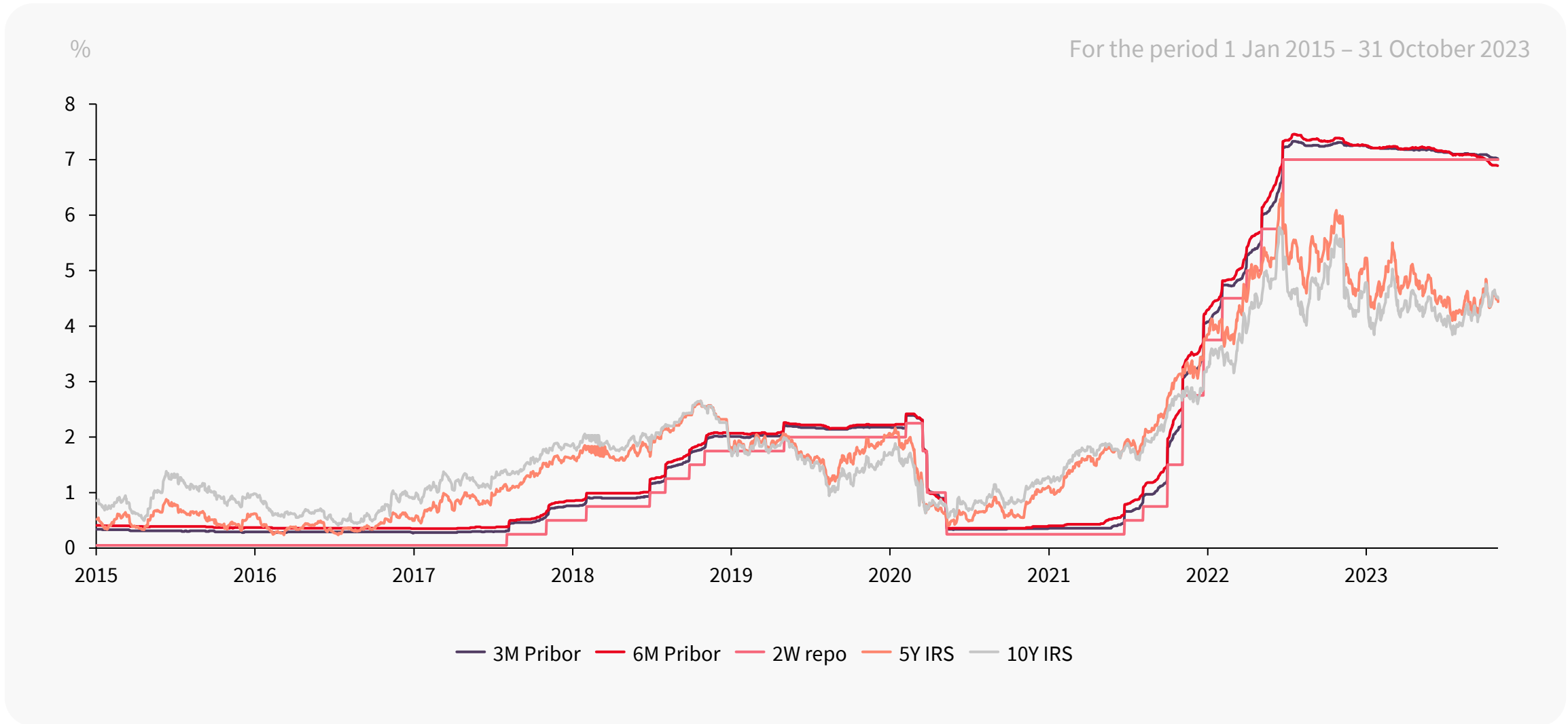
Macroeconomic environment – Czechia

| Macroeconomic Indicators | 2018 | 2019 | 2020 | 2021 | 2022 | 2023* | 2024* | 2025* |
|-------------------------------------|------|------|------|------|------|-------|-------|-------|
| Real GDP (% , average) | 3.2 | 3.0 | -5.5 | 3.6 | 2.4 | -0.3 | 1.6 | 2.5 |
| Inflation (% , average) | 2.2 | 2.9 | 3.3 | 3.8 | 15.1 | 10.8 | 1.9 | 2.4 |
| Household consumption (% , average) | 3.3 | 2.6 | -7.4 | 4.2 | -0.6 | -3.2 | 3.7 | 2.4 |
| Unemployment (% , av., ILO meth.) | 2.2 | 2.0 | 2.5 | 2.8 | 2.3 | 2.6 | 2.7 | 2.6 |
| M2 (% , average) | 5.3 | 6.9 | 10.0 | 9.6 | 5.3 | 7.2 | 7.3 | 5.2 |
| 3M PRIBOR (% , average) | 1.3 | 2.1 | 0.9 | 1.1 | 6.3 | 7.1 | 5.5 | 3.7 |

| Potential of the market ** | 2018 | 2019 | 2020 | 2021 | 2022 | 2023* | 2024* | 2025* |
|------------------------------------|------|------|------|------|------|-------|-------|-------|
| Loans / GDP (year-end) | 61.0 | 59.6 | 63.0 | 63.0 | 60.0 | 58.1 | 59.0 | 59.9 |
| Deposits / GDP (year-end) | 82.1 | 81.8 | 90.4 | 90.1 | 86.4 | 85.2 | 85.5 | 85.7 |
| Real estate loans / GDP (year-end) | 23.0 | 23.0 | 25.1 | 26.1 | 24.6 | 23.7 | 24.1 | 24.4 |
| Household loans / GDP (year-end) | 28.6 | 28.5 | 30.9 | 31.9 | 30.2 | 29.2 | 29.7 | 30.1 |
| Corporate loans / GDP (year-end) | 32.4 | 31.1 | 32.1 | 31.1 | 29.8 | 28.8 | 29.3 | 29.8 |

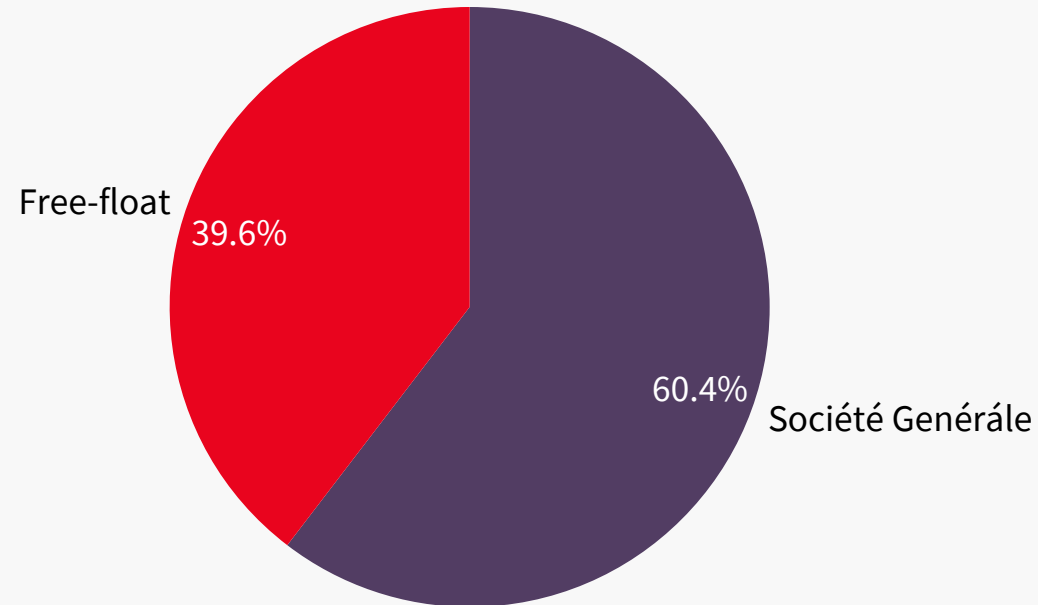
* KB estimate; ** Banking sector

Interest rates evolution



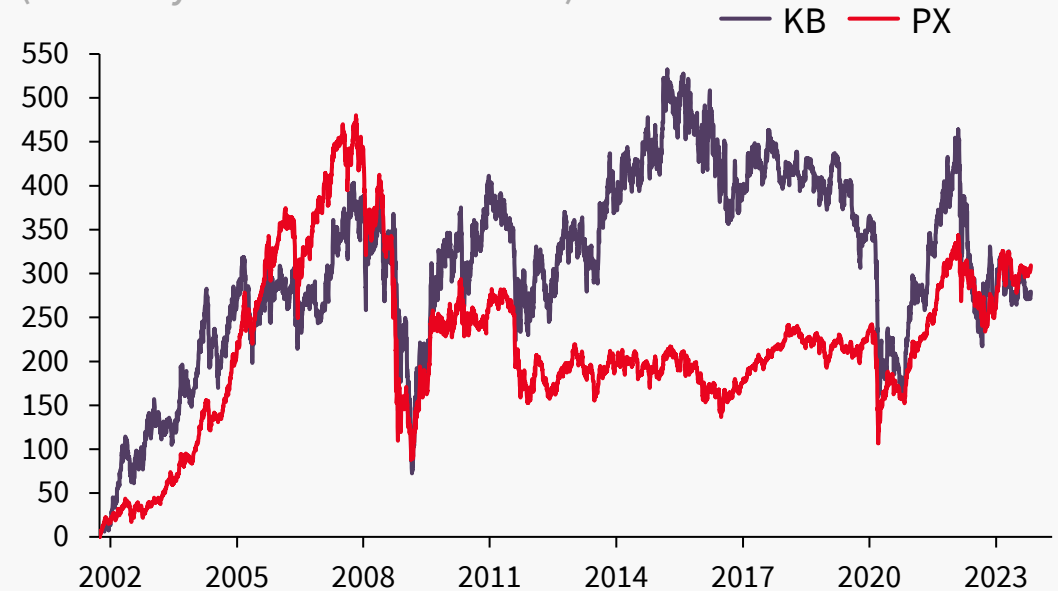
KB - #1 listed Czech bank

Shareholder structure

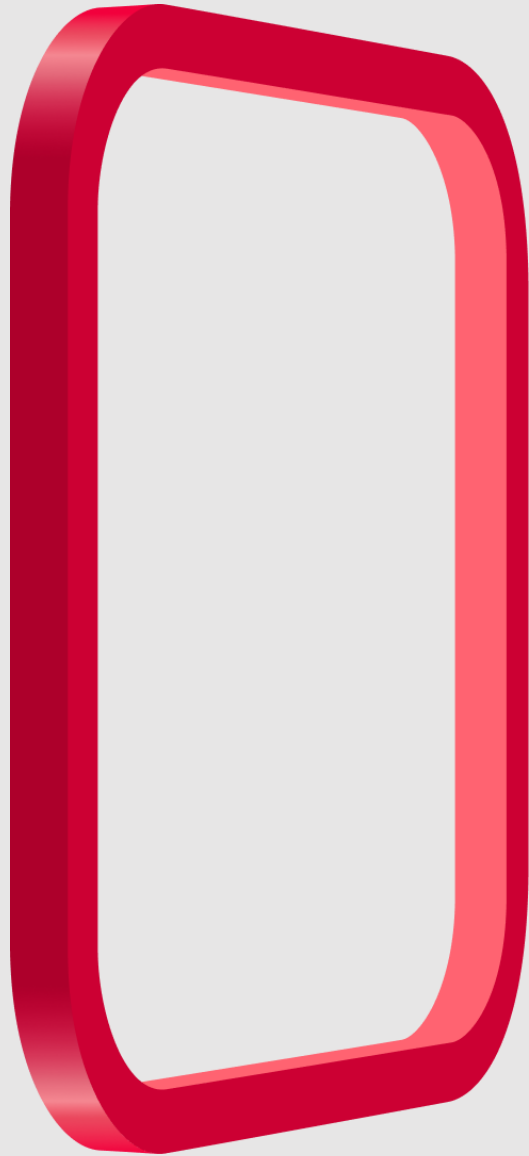


Development of KB share price and PX index

(1 January 2001 – 31 October 2023)



- The number of shareholders comprised 72,934 corporate entities and private individuals as of 30 September 2023
- Of the Bank's total share capital of CZK 19,004,926,000 divided into 190,049,260 shares with a nominal value of CZK 100 each, Société Générale S.A. held 60.35%
- KB held 1,193,360 own shares in treasury, representing 0.63% stake on registered capital



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Bloomberg: KOMB CP

