



KB Group

Unaudited Financial Results as at 31 December 2011
(International Financial Reporting Standards)

Prague
16 February 2012





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 31 December 2011, unless stated otherwise.

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



Agenda

- **Business Highlights**
- Consolidated Financial Results
- Loan Portfolio Quality and Cost of Risk
- Appendix



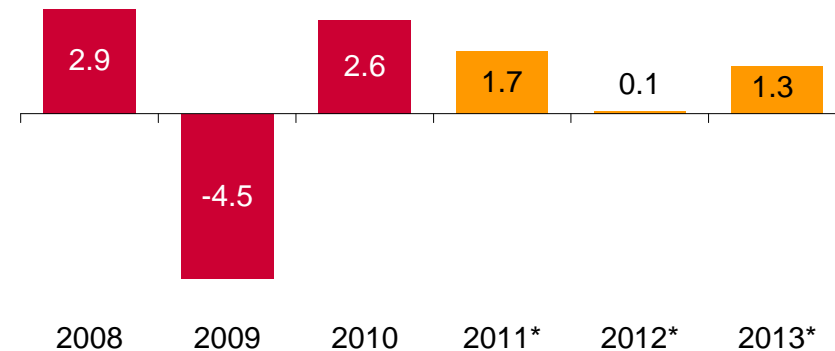
External factors drag down the Czech economy

- Industrial production resilient in 2011 (+6.9% YoY), average unemployment down by 0.4 p.p. (8.5%), both to be affected by declining orders in 2012*
- Government 2011 deficit 3.7%* of GDP below budgeted 4.6%. Public debt to GDP at 40.8%*
- Czech GDP growth in 2012 expected to be still driven by net exports
- Inflation (2.4% YoY in December) to be temporarily above CNB's 2 % target in 2012, driven by VAT increase and weaker CZK*
- Central bank's 2W repo rate expected to stay at 0.75% until 2013*
- Improving external balance thanks to surplus in trade with goods, 2011 CAD low 2.0% of GDP*
- Weaker CZK stimulating the economy, but KB expects slightly stronger CZK v. EUR on one-year horizon

* KB estimates

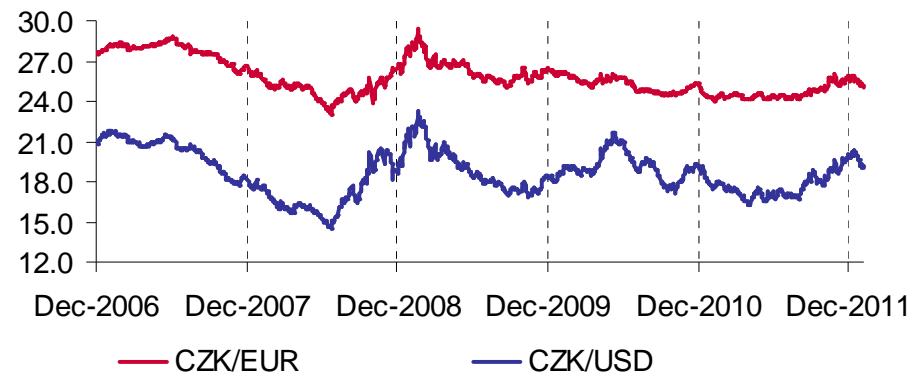
Source: Czech Statistical Office, Czech National Bank

Real GDP development (%)



Source: CZSO; 2011* KB estimate; 2012*, 2013* KB forecasts

Development of CZK exchange rate



Source: CNB; 31 December 2006 - 3 February 2012



Good business performance, solid capital and liquidity

- Number of bank clients increased by 12,000 to 1,602,000. KB Group attends to 2.6 million clients
- Consolidated deposits rose by 4.2% to CZK 560.7 billion
- Gross lending to clients up 12.7% to CZK 450.5 billion (+10.0% on like-for-like basis)
- Comfortable liquidity, net loans-to-deposits ratio 77.5%
- Safe capital base, total capital adequacy 14.6% and Core Tier 1 ratio at 13.4%
- Revenues increased by 1.2% to CZK 32.8 billion
- Operating cost-to-income ratio at 41.2%, OPEX up 6.5% (+ 3.0% excluding positive 2010 one-offs)
- Cost of risk of lending decreased by 36.2% to CZK 1,988 million
- Greek government bonds valued at 25% of the face value, following CZK 5,355 million impairment charge taken in 2011, of which CZK 1,056 million booked in 4Q. The residual value is limited CZK 2,071 million
- Attributable net profit down 28.9% to CZK 9,475 million. Net profit excluding extraordinary items (mainly Greece and SGEF) up 5.3% to CZK 13,632 million



Business achievements and initiatives in the fourth quarter of 2011 – Individuals

Year on year comparisons

Improving client numbers & volume trends

- Number of individual clients of the bank grew by 1.2% to 1,336,000
- Reinforcing position on the housing lending market. Outstanding volume of KB mortgages grew by 13.6% to CZK 124.1 billion. New sales increased by 41.0% to CZK 29.7 billion or 23.4% of market.* Gross loans provided by Modrá pyramida grew by 3.4% to CZK 51.4 billion.
- KB deposits from individuals rose by 4.1% to CZK 159.9 billion, driven by saving accounts. Client deposits at Modrá pyramida up 2.7% to CZK 70.9 billion, outperforming the market**
- Clients' pension assets in Penzijní fond KB grew by 5.7% YoY to CZK 30.4 billion. Penzijní fond KB is preparing its transformation during 2012 into a pension company active both in the second and third pillar of the reformed Czech pension system
- Technical reserves in life insurance at Komerční pojišťovna up 24.4% to CZK 23.9 billion
- KB private banking franchise strengthened by successful commercial cooperation with Commerzbank
- Komerční pojišťovna extended protection provided by Merlin insurance, covering payment card misuse and, for the first time, also the related loss or theft of personal property or cash
- KB won the “Bank of the Year 2011“ award in the financial services providers' contest organised by Fincentrum, for the fourth time in ten years
- Penzijní fond KB was named “Best pension fund in the Czech Republic“ by Global Banking and Finance Review
- Global Finance magazine named KB “The Safest Bank“ in emerging markets of CEE region

*Source: Ministry for regional development

**Source: Czech National Bank



Positive momentum in client flows

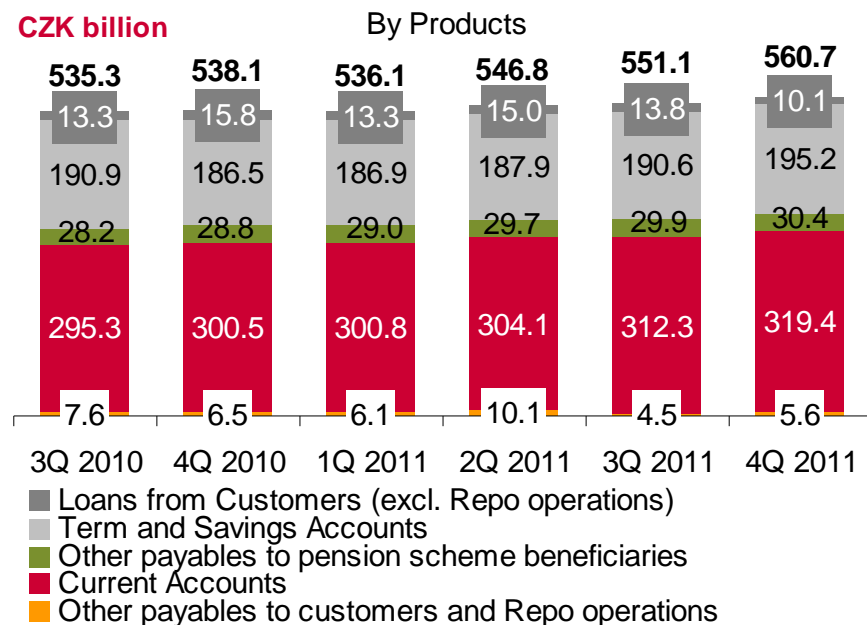
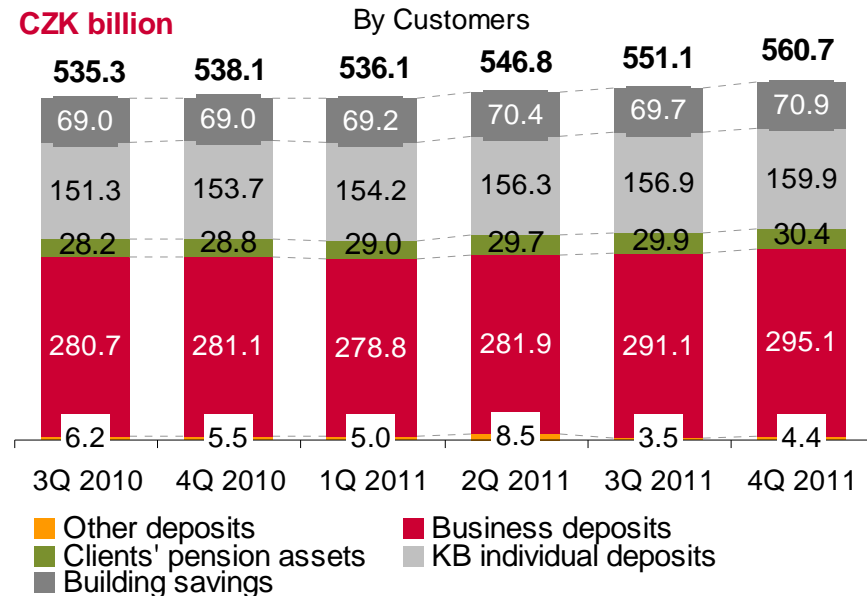
- Healthy growth of deposits from businesses by 5.0% to CZK 295.1 billion
 - of which bank deposits from small businesses increased by 6.0% to CZK 111.9 billion
- Accelerated lending dynamics in all business sub-segments
 - Bank loans to small businesses up 8.2% to CZK 27.8 billion
 - Bank loans to corporations rose 5.6% to CZK 193.7 billion, driven by investment loans
- Outstanding volume of financing by SGEF rose 6.2% in six months to December to CZK 20.4 billion (50.1% acquired in May)
- Factoring turnover at Factoring KB increased by 33.7% to CZK 16.1 billion
- As part of its long-term relationship with Stock Plzeň Božkov, the leading producer of spirits in the Czech Republic, KB provided EUR 20 million long-term financing in a syndicate facility to the parent Stock Spirits Group



Improved dynamics of deposit growth

- YoY group deposits increased by 4.2%, QoQ up by 1.7%
- Volumes on current accounts rose by 6.3% to CZK 319.4 billion
- KB (bank) deposits from individuals increased by 4.1% to CZK 159.9 billion
- Deposits from business clients increased by 5.0% to CZK 295.1 billion
- Clients' pension assets in PF KB grew by 5.7% YoY to CZK 30.4 billion
- MPSS deposits up 2.7% to CZK 70.9 billion
- Sales of non-bank saving products in FY 2011:
 - IKS sales through KB CZK 3.7 billion (-8.6%)
 - KP life insurance reserves up 24.4% to CZK 23.9 billion

Group deposits

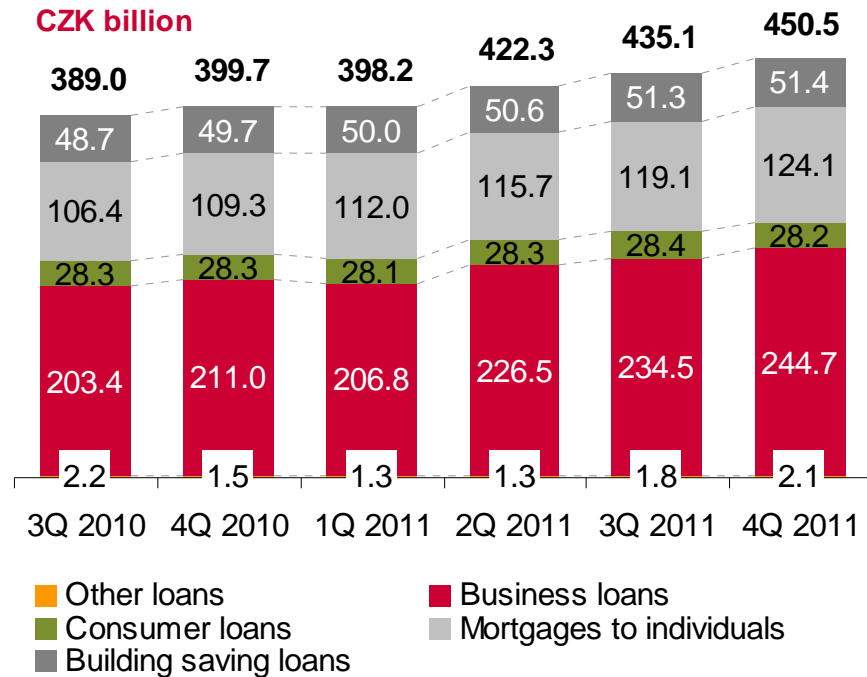




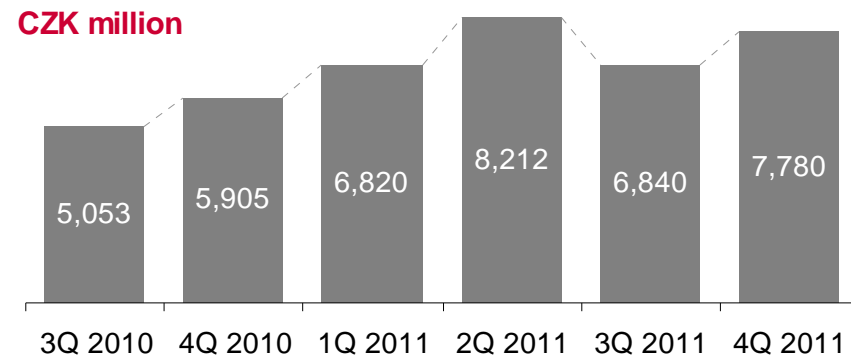
Group lending activities

Dynamic growth of lending

- Gross loans rose 12.7% YoY, 3.5% QoQ (adjusted for SGEF acquisition up by 10.0% YoY, 4.1% QoQ)
- Business loans up 16.0% YoY (+8.7% adjusted):
 - Small businesses (KB) +8.2% to CZK 27.8 billion
 - Corporations (KB) +5.6% to CZK 193.7 billion
 - Factoring KB +47.2% to CZK 2.8 billion
 - SGEF CZK 20.4 billion
- Consumer loans provided by KB and ESSOX slightly down 0.3% YoY to CZK 28.2 billion
- Mortgages to individuals up 13.6% YoY to CZK 124.1 billion (outstanding volume)
- Loans provided by Modrá pyramida stood at CZK 51.4 billion, up 3.4% YoY
- Irrevocable off-balance sheet commitments up 7.7% YoY and 3.7% QoQ (at CZK 167.3 billion)



Sales volume of mortgages to individuals





Priorities for 2012

- Delivering upgraded direct channels and improvements in the branch network, development of advisory competences and tools in the distribution network with a common goal of reinforcing client satisfaction and loyalty
- Development of lending activities, with primary focus on mortgages, consumer lending and SME segments
- Introduction of a complex long term savings and investments offer to KB clients, aiming at growth of total assets under management including deposits
- Development of a comprehensive solution for pension savings, reflecting approval of the pension reform in the Czech republic including transformation of Penzijní fond KB in a pension (management) company
- Modrá pyramida – diversification of business model to wider range of KB Group products sold, complementing other KB distribution networks
- SGEF, Factoring KB – integration of sales capabilities with KB
- KB in Slovakia – focus on growth in the corporate segment
- Further increased attention to cost management and efficient operating model
- Continuous improvements in risk processes, including underwriting, risk models, soft and hard collection



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Consolidated financial results

Profit and Loss Statement	FY 2010	FY 2011	FY 2011 Pro forma	Change YoY	Change YoY Pro forma
(CZK million, unaudited)					
Net interest income	21,431	22,190	21,848	3.5%	1.9%
Net fees & commissions	7,725	7,305	7,286	-5.4%	-5.7%
Income from financial operations	3,135	3,157	3,101	0.7%	-1.1%
Other income	95	111	114	16.8%	20.0%
Net banking income	32,386	32,764	32,348	1.2%	-0.1%
Personnel expenses	-6,076	-6,526	-6,443	7.4%	6.0%
General administrative expenses	-4,967	-5,155	-5,104	3.8%	2.8%
Depreciation, impairment and disposal of fixed assets	-1,624	-1,809	-1,806	11.4%	11.2%
Operating costs	-12,666	-13,490	-13,354	6.5%	5.4%
Gross operating income	19,720	19,274	18,994	-2.3%	-3.7%
Provisions for securities	8	-5,355	-5,355	+/-	+/-
Provisions for loans losses and other risks	-3,108	-1,969	-1,916	-36.6%	-38.4%
Cost of risk	-3,100	-7,325	-7,271	136.3%	134.5%
Net operating income	16,620	11,949	11,723	-28.1%	-29.5%
Profit on subsidiaries and associates	75	81	81	8.0%	8.0%
Share of profit of pension scheme beneficiaries	-621	-575	-575	-7.4%	-7.4%
Profit before income taxes	16,075	11,455	11,230	-28.7%	-30.1%
Income taxes	-2,665	-1,738	-1,716	-34.8%	-35.6%
Net profit	13,410	9,717	9,514	-27.5%	-29.1%
Minority profit/(loss)	80	243	141	203.8%	76.3%
Net profit attributable to equity holders	13,330	9,475	9,373	-28.9%	-29.7%

Note: Pro forma – excluding impact of SGEF acquisition



Recurring financial results

Recurring P&L (CZK million, unaudited)	FY 2010 Reported	FY 2010 Recurring	FY 2011 Reported	FY 2011 Recurring	Change YoY Reported	Change YoY Recurring
Net interest income	21,431	21,330	22,190	21,803	3.5%	2.2%
Net fees & commissions	7,725	7,725	7,305	7,446	-5.4%	-3.6%
Income from financial operations	3,135	3,105	3,157	2,912	0.7%	-6.2%
Other income	95	95	111	114	16.8%	20.5%
Net banking income	32,386	32,254	32,764	32,274	1.2%	0.1%
Personnel expenses	-6,076	-6,304	-6,526	-6,443	7.4%	2.2%
General administrative expenses	-4,967	-4,967	-5,155	-5,104	3.8%	2.8%
Depreciation, impairment and disposal of fixed assets	-1,624	-1,700	-1,809	-1,768	11.4%	4.0%
Operating costs	-12,666	-12,971	-13,490	-13,316	6.5%	2.7%
Gross operating income	19,720	19,284	19,274	18,958	-2.3%	-1.7%
Provisions for securities	8	8	-5,355	0	+/-	n.a.
Provisions for loans losses and other risks	-3,108	-3,150	-1,969	-1,916	-36.6%	-39.2%
Cost of risk	-3,100	-3,142	-7,325	-1,916	136.3%	-39.0%
Net operating income	16,620	16,142	11,949	17,042	-28.1%	5.6%
Profit on subsidiaries and associates	75	75	81	81	8.0%	7.9%
Share of profit of pension scheme beneficiaries	-621	-621	-575	-638	-7.4%	2.7%
Profit before income taxes	16,075	15,597	11,455	16,486	-28.7%	5.7%
Income taxes	-2,665	-2,575	-1,738	-2,713	-34.8%	5.4%
Net profit	13,410	13,022	9,717	13,773	-27.5%	5.8%
Minority profit/(loss)	80	80	243	141	203.8%	76.4%
Net profit attributable to equity holders	13,330	12,942	9,475	13,632	-28.9%	5.3%



Consolidated financial results

Balance Sheet

(CZK million, unaudited)

	31 Dec 2010	31 Dec 2011	31 Dec 2011 Pro forma	Change YtD	Change YtD Pro forma
Assets	698,014	754,810	744,188	8.1%	6.6%
Cash and balances with central bank	13,689	16,980	16,980	24.0%	24.0%
Amounts due from banks	112,179	101,393	100,198	-9.6%	-10.7%
Loans and advances to customers (net)	384,593	434,386	424,238	12.9%	10.3%
Securities and trading derivatives	157,160	164,260	164,268	4.5%	4.5%
Other assets	30,392	37,791	38,504	24.3%	26.7%
Liabilities and shareholders' equity	698,014	754,810	744,188	8.1%	6.6%
Amounts due to banks	29,073	37,454	28,123	28.8%	-3.3%
Amounts due to customers	538,051	560,700	561,716	4.2%	4.4%
Securities issued	17,431	18,338	18,338	5.2%	5.2%
Other liabilities	31,379	50,465	49,448	60.8%	57.6%
Subordinated debt	6,001	6,002	6,002	0.0%	0.0%
Shareholders' equity	76,078	81,850	80,561	7.6%	5.9%

Note: Pro forma – excluding impact of SGEF acquisition



Consolidated financial ratios

Key ratios and indicators (year-to-date)	31 Dec 2010	30 Sep 2011	31 Dec 2011	31 Dec 2011 Pro forma	Change YoY	Change YoY Pro forma
Capital adequacy	15.3%	16.0%	14.6%	15.1%	▼	▼
Tier 1 ratio	14.0%	14.7%	13.4%	13.8%	▼	▼
Total capital requirement (CZK billion)	27.5	28.4	30.4	29.0	10.9%	5.7%
Capital requirement for credit risk (CZK billion)	23.3	23.6	25.8	24.4	10.8%	5.0%
Net interest margin (NII/Av. interest bearing assets)	3.3%	3.3%	3.3%	3.3%	▲	▼
Loans (net) / deposits ratio	71.5%	76.1%	77.5%	75.5%	▲	▲
Cost / income ratio	39.1%	40.3%	41.2%	41.3%	▲	▲
Return on average equity (ROAE), annualized	18.7%	12.2%	12.3%	12.2%	▼	▼
Return on average assets (ROAA), annualized	1.9%	1.3%	1.3%	1.3%	▼	▼
Earnings per share (CZK), annualized	351	247	250	247	-28.8%	-29.6%
Average number of employees during the period	8,619	8,688	8,735	8,657	1.3%	0.4%

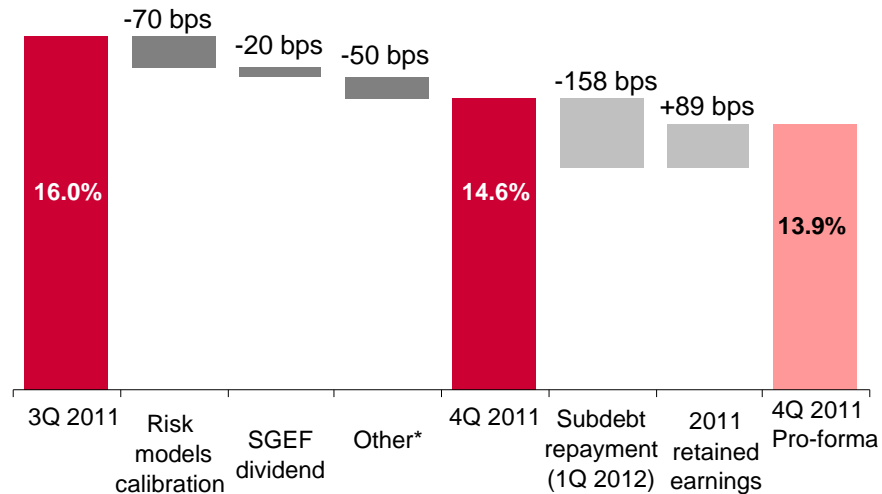
Note: Pro forma – excluding impact of SGEF acquisition



Proposed distribution of 2011 profit

Maintaining safe capital base

Capital adequacy development analysis
(Total CAD, CNB methodology, Basel II)



*Other: lower ratings of financial institutions; growth of business exposure; acquisition of own shares

- Board of Directors proposal is subject to approval by KB's Supervisory Board and by the Annual General Meeting of the bank
- Dividend payment of CZK 6,082 million, or CZK 160 per share, would represent a dividend payout of 64.2% from the consolidated attributable net profit of KB, and 4.8% gross dividend yield based on 2011's closing share price
- Retained earnings will facilitate growth of KB's business activities and assure full compliance of the Group with the future increased regulatory capital requirements

	2005	2006	2007	2008	2009	2010	2011
Dividend per share (CZK)	250	150	180	180	170	270	160
EPS (CZK, consolidated)	236	242	294	346	290	351	249
Payout ratio (%)	106.1	61.9	61.2	52.0	58.7	77.0	64.2
Dividend yield* (%)	7.3	4.8	4.1	6.1	4.3	6.1	4.8

* Calculated on the closing price at the end of the respective year



Shareholders' equity

Development year-to-date

Total shareholders' equity
as at 31 December 2010

+5,772

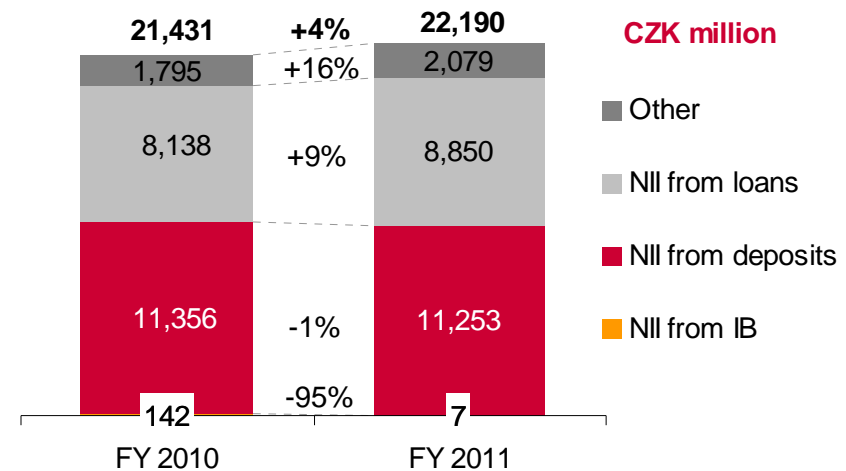
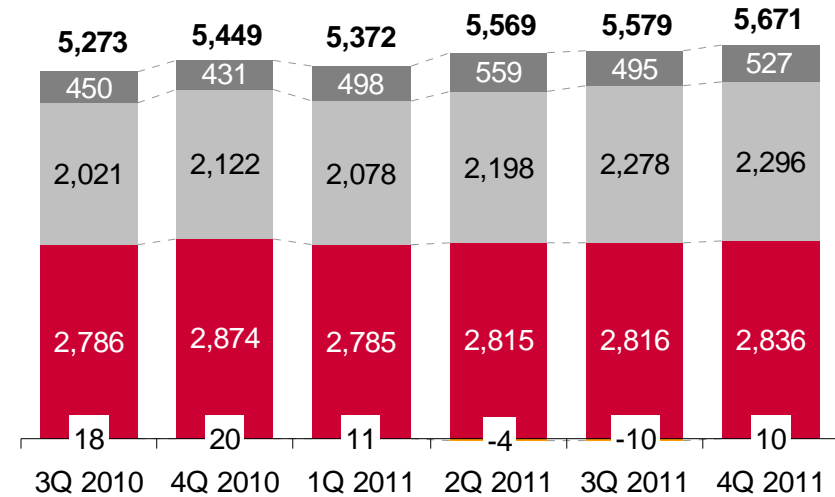
Total shareholders' equity
as at 31 December 2011

Shareholders' equity	31/12/2010	1/1/2011	Increase	Decrease	31/12/2011
Share capital	19,005	19,005			19,005
Capital and reserve funds	36,173	49,503		-10,810	38,693
- Retained earnings, reserve funds and dividends	36,324	49,654		-10,234	39,419
- Treasury shares	-150	-150		-575	-726
Attributable net profit	13,330	0	9,475		9,475
Hedging revaluation reserve	3,908	3,908	5,853		9,761
AFS securities' fair value changes	2,207	2,207		-125	2,082
Others	155	155	45		201
Minorities	1,299	1,299	1,334		2,633
Total Shareholders' equity	76,078	76,078	16,707	-10,935	81,850



Growth in interest income driven by business volumes

- NII in FY 2011 up by 3.5% YoY (+1.9% adjusted for SGEF acquisition). 4Q up 1.6% QoQ
- NII at subsidiaries – ESSOX +6%, Modrá pyramida +6%, PF KB +4%
- NII from loans – driven by volume growth. Average spread slightly lower due to shift in product mix toward lower-spread products
- NII from deposits – persistent low market rates affecting yield on reinvestment of liquidity. Continued competitive pressure on spreads on saving accounts.
- NII from Other driven by yield on reinvestment of capital and received dividends. CZK 10.2 billion in dividends paid on 23 May. CZK 90 mil. dividend income in 2Q 2011

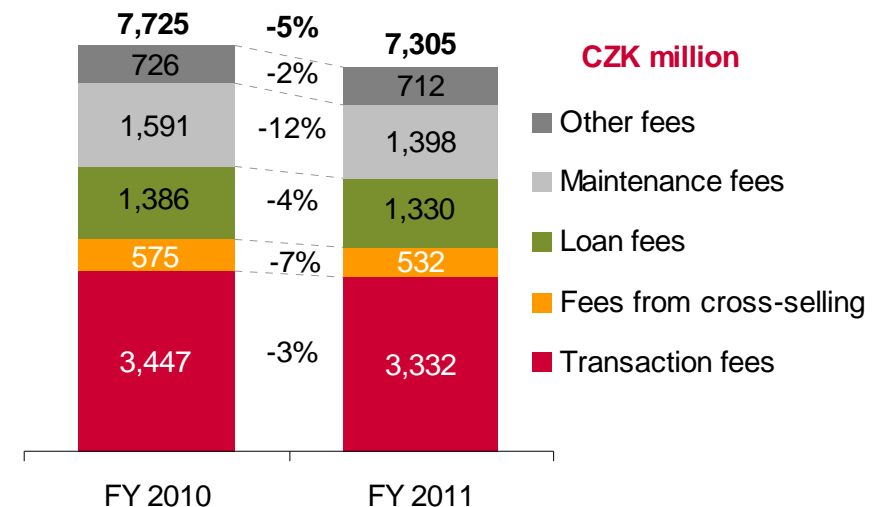
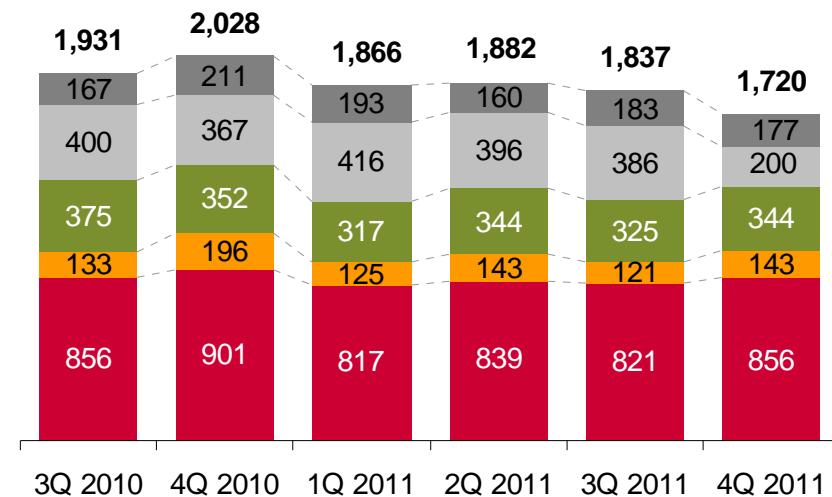




Net fees and commissions

Income impacted by decreasing prices and higher commissions paid

- Fee income in FY 2011 down 5.4% YoY (-5.7% adjusted for SGEF acquisition). 4Q down 6.4% QoQ
- Maintenance fees – lower income affected by new reward scheme aimed at increasing clients' loyalty and activity. Accelerated expensing of client acquisition commissions in PF KB, reflecting approval of pension reform. CZK 160 mil. impact offset in the line Share of profit of pension scheme beneficiaries.
- Loan fees – gross income growing thanks to higher production, more than offset by significant rise in commissions paid to third party sellers of mortgages
- Fees from cross-selling – declining AUM in mutual funds due to adverse environment, YoY lower sales of life insurance products
- Transaction fees – structural decline in average prices due to shift from classic channels and competition. Growing revenues from payment cards
- Other fees – growing income from trade finance, custody, offset by less revenues from loan syndication

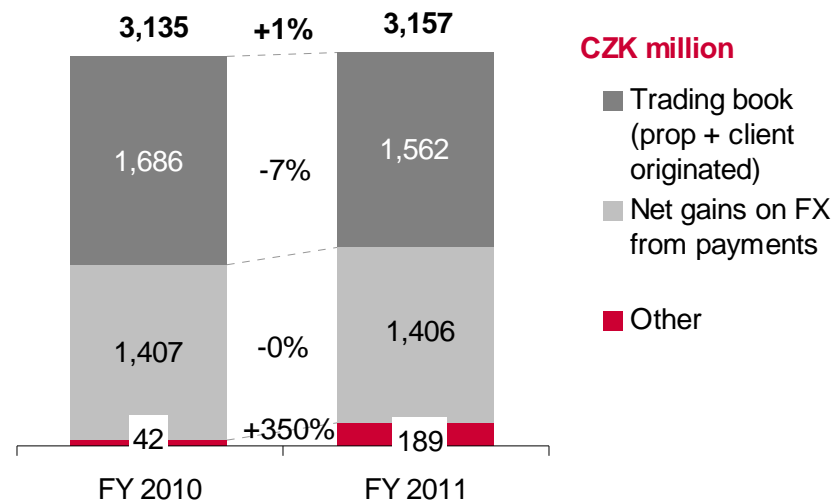
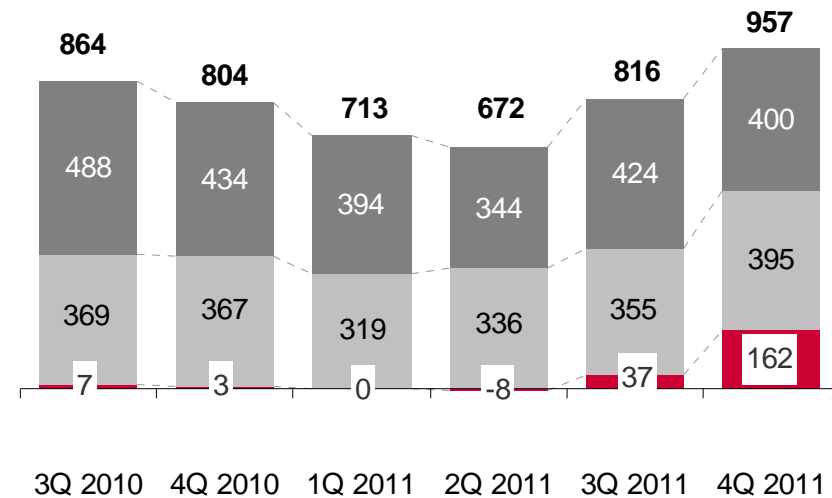




Net profit from financial operations

Improved results in the second half

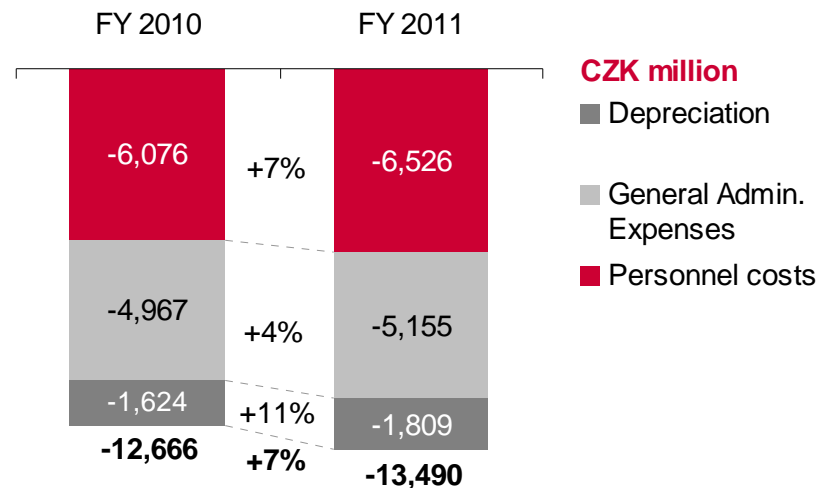
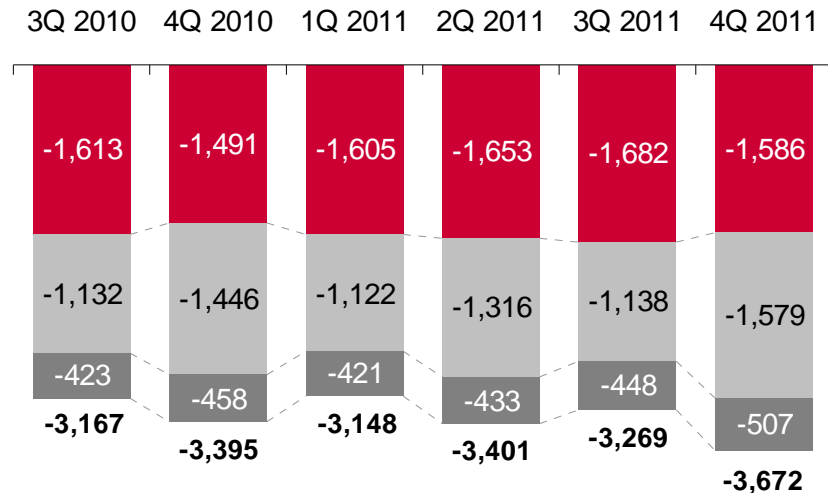
- Net profit from financial operations in FY 2011 increased by 0.7% YoY (-1.1% adjusted for SGEF acquisition). 4Q result up 17.3% QoQ
- Penzijní fond KB realised gains totalling CZK 189 million in 4Q11 from sale of bonds
- Treasury and Institutional Sales performance improved in 4Q, higher volatility on the markets brought more clients flow and more trading opportunities as well
- FX hedging – activity of clients and revenues improved in second half following increased CZK volatility
- Solid volumes of IR hedging for growing range of clients but at reduced margins. In 2010 activity was boosted by hedging related to large-scale investments in photovoltaic plants
- Income from FX payment transactions stable





Temporarily faster pace of costs development in 2011

- OPEX in FY 2011 rose by 6.5% YoY (5.4% adjusted for SGEF acquisition). OPEX in 4Q up 12.3% QoQ. Comparative base of 2010 affected by positive one-offs (CZK 64 mil. in 1Q10 and CZK 164 mil. in 4Q10 in Personnel and CZK 71 mil. in FY10 in D&A)
- Personnel costs in FY 2011 up 7.4% YoY (6.0% adjusted). 4Q down 5.7% QoQ due to lowered bonus accruals. YoY growth driven by a slight increase in remuneration and average number of employees (+1.3% YoY in FY 2011) and by one-offs in 2010.
- General administrative expenses in FY 2011 up 3.8% YoY (2.8% adj.) 4Q up 38.8% QoQ due to seasonally intense marketing, costs related to sales of banking products and those related to maintenance of real estate property and IT.
- Depreciation & amortization up 11.4% YoY (11.2% adj.) 4Q up 13.2% QoQ. Increase driven by software and direct channels upgrade and CZK 43 mil. negative result from sale of a building. In 2010 D&A benefited from sales of unused buildings.



CZK million

- Depreciation
- General Admin. Expenses
- Personnel costs



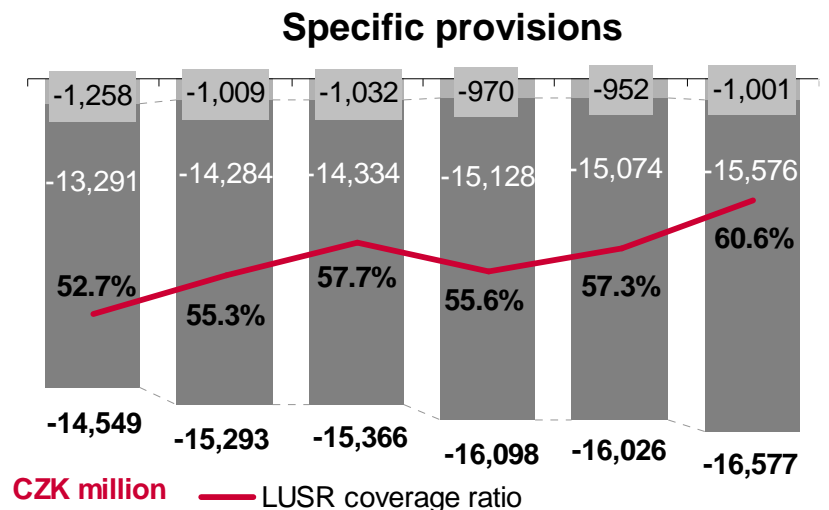
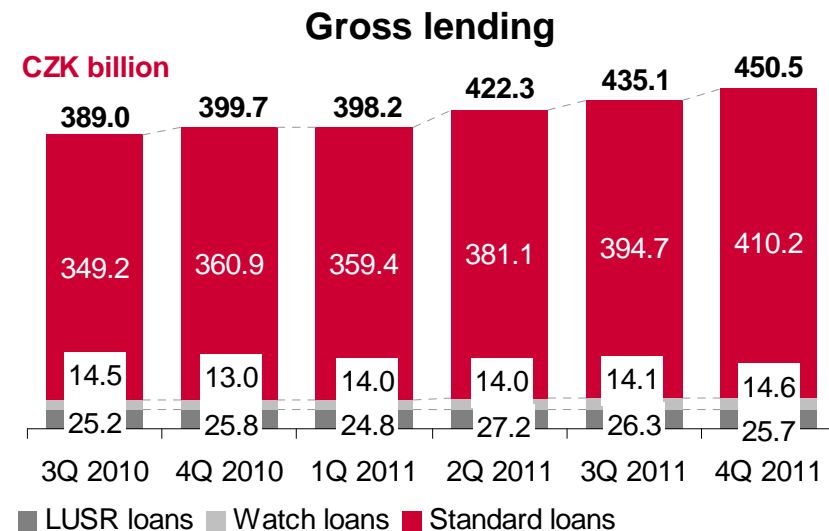
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Improving loan portfolio quality

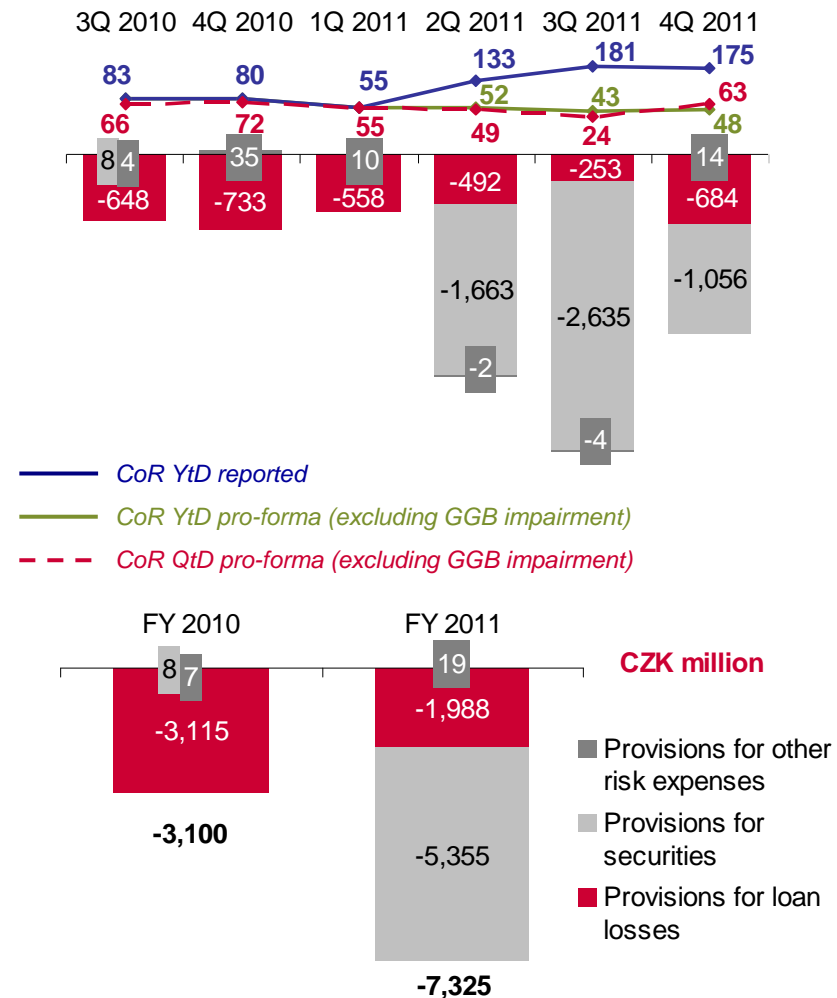
- Loan exposure +12.7% YoY (incl. SGEF acquisition), +3.5% QoQ driven by organic growth mainly thanks to corporate loans and mortgages to individuals
- Share of Standard and Watch loan exposure stable at 94.3% (94% in 9M 2011)
- Share of LUSR exposure slightly decreased to 5.7% (6% in 9M 2011) as a result of continued low intensity of inflow into LUSR combined with recurring write-offs
- Provision coverage ratio on LUSR portfolio further increased to 60.6%
- Total volume of NPL at CZK 16.9 billion, up by 4.2% QoQ driven by a single corporate client reclassified from performing to non-performing LUSR





Cost of risk negatively affected by Greek government bonds impairment

- 2011 cost of risk at CZK 7.3 billion compared to CZK 3.1 billion in 2010
- 4Q non-commercial cost of risk impacted mainly by additional impairment of Greek government bonds by CZK 1.1 billion
- 4Q provisions for loan losses up by CZK 0.4 billion, driven by additional provisions on commercial corporate portfolio and one-off collateral revaluation impact on mortgages to individuals (CZK 0.1 billion)
- YoY decrease in 2011 commercial cost of risk by 20% (down to 58 bps YTD from 87 bps in 2010) confirms improved trend of asset quality since the beginning of 2010
- Stabilized corporate and retail risk profiles

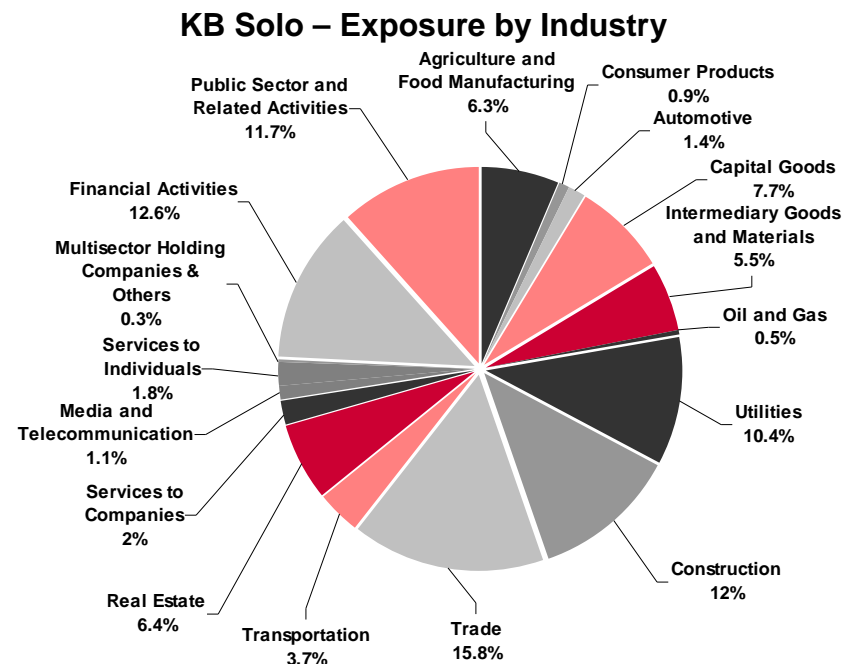
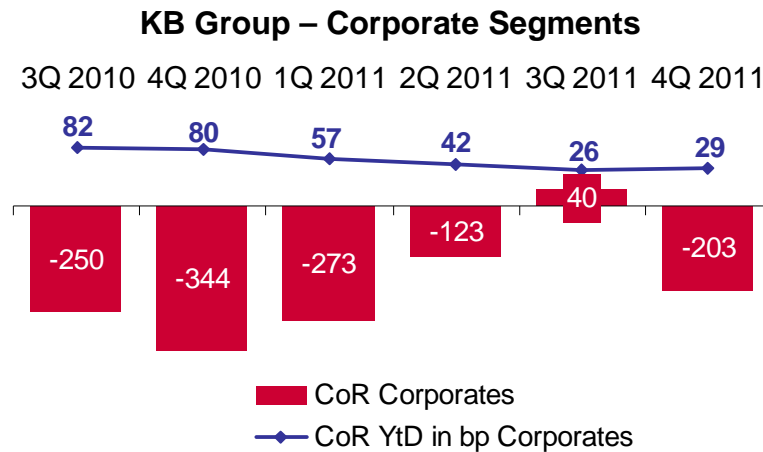




Commercial cost of risk - Corporates

Zoom on corporate client segments

- 2011 cost of risk down to 29 bps compared to 80 bps in 2010
- YoY decrease in provisioning confirms improving trend on corporates since the beginning of 2010
- Increase of cost of risk in 4Q 2011 is driven by a limited number of large enterprises impacted by global economic slowdown
- Stable and well diversified sector distribution of corporate exposures



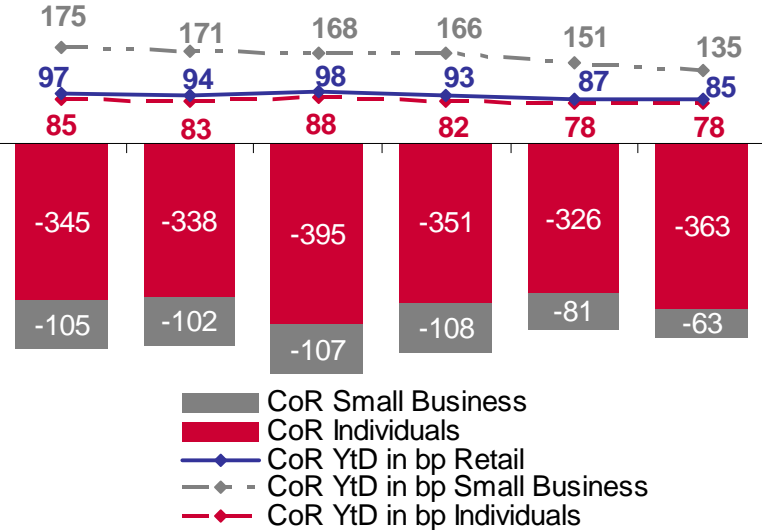


Commercial cost of risk - Retail

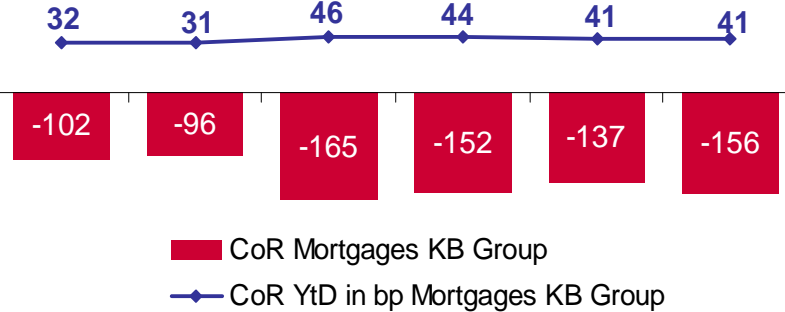
Zoom on retail client segments

- 2011 cost of risk down at 85 bps from 94 bps in 2010
- Stable QoQ overall retail cost of risk; slight deterioration on Individuals offset by improvement in Small Business
- Consumer lending risk profile shows improving trend since the beginning of 2010. YTD cost of risk down at 272 bp in 2011 from 324 bp in 2010
- Cost of risk on mortgages YoY up to 41 bps compared to 31 bps in 2010; driven mainly by continuing delinquency on old vintages and materialized pressure on recovery performance
- Contribution to cost of risk by main KB group entities: KB 63%, ESSOX 35%, MPSS 1%

KB Group – Retail Segments
3Q 2010 4Q 2010 1Q 2011 2Q 2011 3Q 2011 4Q 2011



KB Group – Mortgages
3Q 2010 4Q 2010 1Q 2011 2Q 2011 3Q 2011 4Q 2011





Agenda

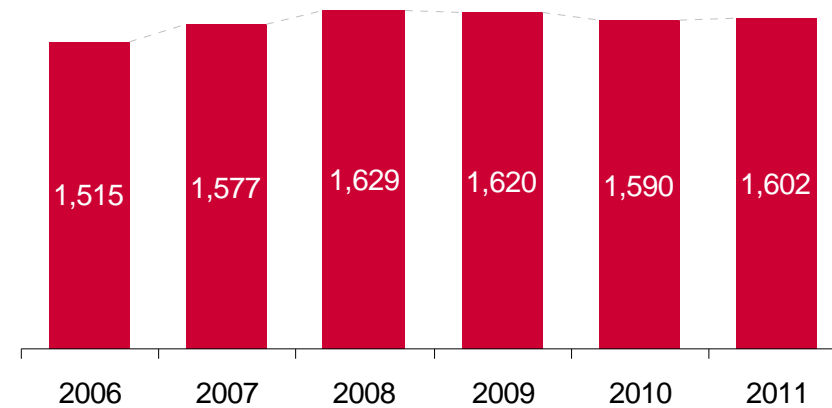
- Business Highlights
- Consolidated Financial Results
- Loan Portfolio Quality and Cost of Risk
- **Appendix**



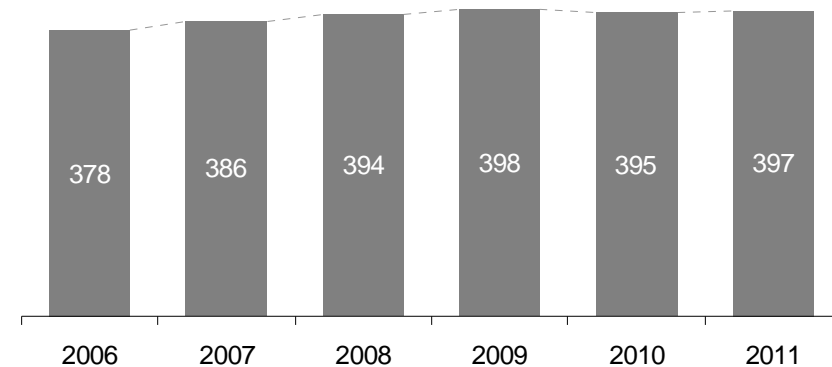
Evolution of clients' portfolio and networks

- KB Group's 2.6 million clients, of which
 - KB bank 1,602,000 clients (+1%)
 - MPSS 649,000 clients (-6%)
 - PFKB 508,000 clients (+1%)
 - ESSOX 288,000 active clients (-9%)
- Network
 - 397 branches for retail clients, 20 business centres for MEM, 4 corporate divisions for large corporate clients in CZ, 1 in Slovakia
 - 693 ATMs
 - MPSS: 229 points of sale; 1,298 sales agents (of which 373 full-time professionals)
 - SGEF: 7 branches in CZ, 2 in Slovakia
- Direct Channels
 - Two call centres, internet and mobile banking
 - 1,061,000 clients (i.e. 66% of KB client base) using direct banking products

Number of bank clients (CZ)



Number of KB branches





Consolidated financial results

Profit and Loss Statement	4Q 2010	3Q 2011	4Q 2011	4Q 2011	Change	Change
(CZK million, unaudited)				Pro forma	YoY	YoY
						Pro forma
Net interest income	5,449	5,579	5,671	5,574	4.1%	2.3%
Net fees & commissions	2,028	1,837	1,720	1,710	-15.2%	-15.7%
Income from financial operations	804	816	957	937	19.0%	16.5%
Other income	24	27	40	41	66.7%	70.8%
Net banking income	8,305	8,258	8,388	8,262	1.0%	-0.5%
Personnel expenses	-1,491	-1,682	-1,586	-1,553	6.4%	4.2%
General administrative expenses	-1,446	-1,138	-1,579	-1,560	9.2%	7.9%
Depreciation, impairment and disposal of fixed assets	-458	-448	-507	-506	10.7%	10.5%
Operating costs	-3,395	-3,269	-3,672	-3,619	8.2%	6.6%
Gross operating income	4,911	4,989	4,715	4,642	-4.0%	-5.5%
Provisions for securities	0	-2,635	-1,056	-1,056	n.a.	n.a.
Provisions for loans losses and other risks	-698	-257	-670	-658	-4.0%	-5.7%
Cost of risk	-698	-2,892	-1,727	-1,714	147.4%	145.6%
Net operating income	4,212	2,097	2,989	2,928	-29.0%	-30.5%
Profit on subsidiaries and associates	21	21	17	17	-19.0%	-19.0%
Share of profit of pension scheme beneficiaries	-164	-169	-80	-80	-51.2%	-51.2%
Profit before income taxes	4,069	1,949	2,926	2,866	-28.1%	-29.6%
Income taxes	-685	-309	-420	-448	-38.7%	-34.6%
Net profit	3,385	1,640	2,506	2,419	-26.0%	-28.5%
Minority profit/(loss)	18	76	73	29	305.6%	61.1%
Net profit attributable to equity holders	3,367	1,563	2,434	2,390	-27.7%	-29.0%

Note: Pro forma – excluding impact of SGEF acquisition



KB consolidated group

Pension insurance	Penzijní fond KB (100%)	#4 pension fund in the Czech Republic with 508,000 clients
Building society	Modrá pyramida stavební spořitelna (100%)	Second largest building society according to loan volume with 649,000 clients and 1,298 strong agent distribution network
Consumer credit	ESSOX (51%)	Consumer credit and car finance company. #4 consumer loan provider in CZ
Insurance	Komerční pojišťovna (49%)	Insurance company focused on life insurance
Corporate services	KB, branch in Slovakia	The Slovak business division focuses on serving large corporate clients
	Factoring KB (100%)	#4 on the Czech factoring market, offering domestic, foreign and reverse factoring
	SGEF Czech Republic (50.1%)	#3 on the Czech leasing market, specialised on vendor and equipment financing



Business performance of subsidiaries 1/2

		FY 2010	FY 2011	Change YoY
MPSS	Volume of new loans (CZK million)	9,025	7,785	-14%
	Volume of total loans (gross, CZK million)	49,700	51,369	3%
	Target volume of new contracts (CZK million)	33,208	25,008	-25%
	Volume of deposits (CZK million)	69,019	70,857	3%
	Average number of FTEs	358	359	0%
	Number of points of sale	219	229	5%
PF KB	Number of new contracts	53,634	58,394	9%
	Number of contracts (stock)	501,199	507,626	1%
	Assets under management (CZK million)	28,718	30,373	6%
	Average number of FTEs	60	59	-2%
ESSOX	Volume of new contracts (CZK million)	5,050	4,778	-5%
	Volume of total loans (gross, CZK million)	9,657	9,598	-1%
	Average number of FTEs	344	347	1%



Business performance of subsidiaries 2/2

		FY 2010	FY 2011	Change YoY
Factoring KB	Factoring turnover (CZK million)	12,035	16,096	34%
	Volume of total financing (gross, CZK million)	1,924	2,832	47%
	Average number of FTEs	38	38	0%
KP	Newly concluded policies (number)	482,435	823,480	71%
	of which in life insurance	120,353	123,201	2%
	of which in non-life insurance	362,082	700,279	93%
	Premium written (CZK million)	8,982	6,851	-24%
	of which in life insurance	8,683	6,588	-24%
	of which in non-life insurance	298	263	-12%
	Average number of FTEs	148	151	2%
SGEF (05–12/2011)	Volume of new loans (CZK million)	n.a.	7,413	n.a.
	Volume of total loans (gross, CZK million)	n.a.	20,430	n.a.
	Average number of FTEs	n.a.	118	n.a.



Standalone results of KB group companies and associated undertakings

	Account. standards	Share of KB	Net Profit	YoY	Equity	YoY	Assets	YoY
CZK million								
KB	IFRS	100%	7,951	n.a.	72,468	n.a.	660,279	n.a.
- o/w KB branch in Slovakia	IFRS	100%	55	n.a.	-20	n.a.	10,582	n.a.
ESSOX, s.r.o.	IFRS	51%	288	76.7%	2,938	11.0%	10,287	-2.0%
Factoring KB, a.s.	CAS	100%	70	677.8%	1,489	-1.1%	4,052	25.3%
Penzijní fond Komerční banky, a. s.*	CAS	100%	676	-7.0%	1,735	14.2%	32,603	6.5%
Bastion European Investments S.A.	IFRS	100%	105	-13.9%	3,323	0.8%	6,639	1.0%
Komerční pojišťovna, a.s.	IFRS	49%	166	8.5%	1,564	13.7%	26,791	21.0%
Modrá pyramida SS, a.s.	IFRS	100%	1,051	13.0%	6,591	16.7%	80,175	4.5%
SG Equipment Finance ČR s.r.o.	IFRS	50.1%	264	n.a.	2,054	n.a.	22,129	n.a.
KB Real Estate, s.r.o.	IFRS	100%	0	n.a.	101	n.a.	103	n.a.
Protos	IFRS	90%	-309	-157.3%	13,171	-5.9%	13,181	-6.0%
Czech Banking Credit Bureau	CAS	20%	5	-61.5%	7	-50.0%	28	-33.3%

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

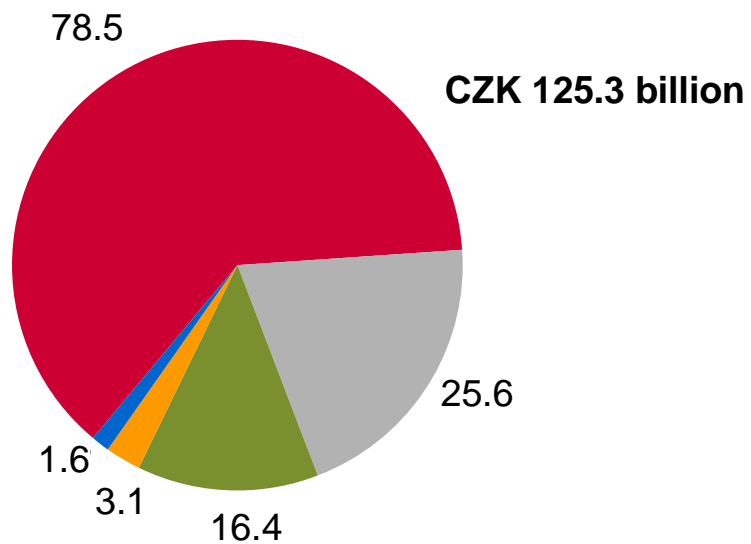
Note: Fully consolidated companies are: Essox, Factoring, PFKB, Bastion, Modra pyramida, SGEF ČR, KB Real Estate and Protos. CBCB is not consolidated.



Securities portfolio in the banking book

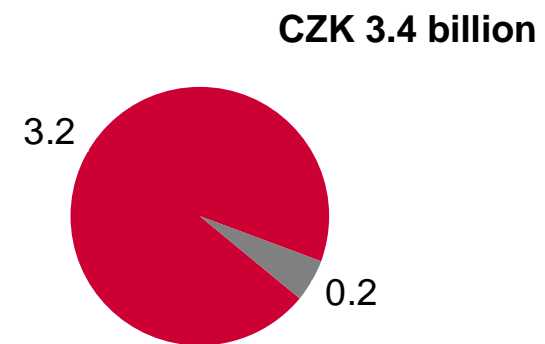
CZK billion

Available-for-sale portfolio



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

Held-to-maturity portfolio

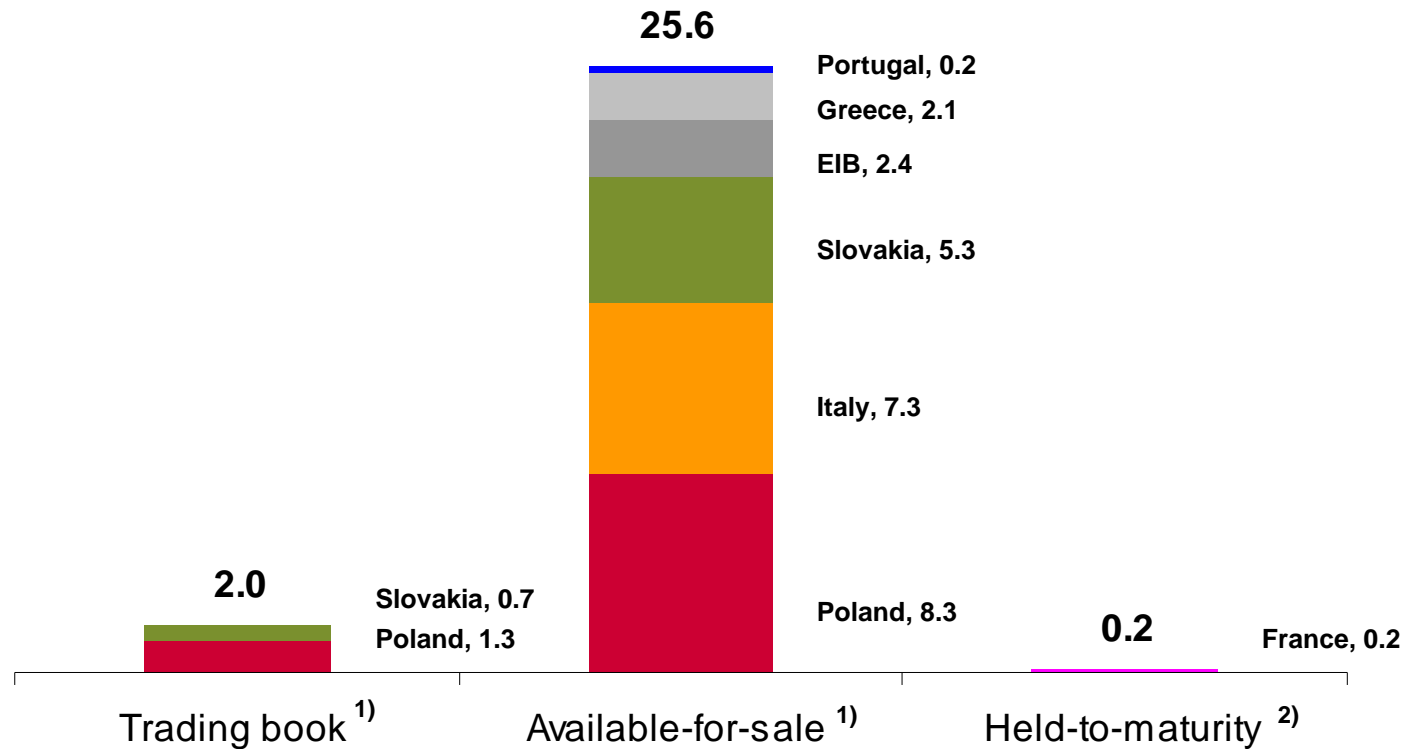


- Czech sovereign
- Foreign sovereign



Foreign sovereign bond holdings by country and portfolio

CZK billion



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



Revaluation of MPSS balance sheet

Background

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

Adjustments to provisional goodwill

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

Main sources of adjustments

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

P/L impact

- ▶ Impact from revaluation on consolidated P/L:

CZK million	2006	2007	2008	2009	2010	2011	2012	2013
NII	94	387	267	149	102	45	20	-10
NPFO	0	-19	-2	0	0	0	0	0
Depreciation	1	5	5	5	5	5	5	5
Tax	-23	-117	-54	-31	-20	-10	-5	1
Net profit	73	255	216	124	87	41	21	-4



Acquisition of SGEF – fair value assessment of assets and liabilities

Background

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

Fair value adjustments

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

Amortisation of adjustments - P/L impact

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

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



Czech Republic

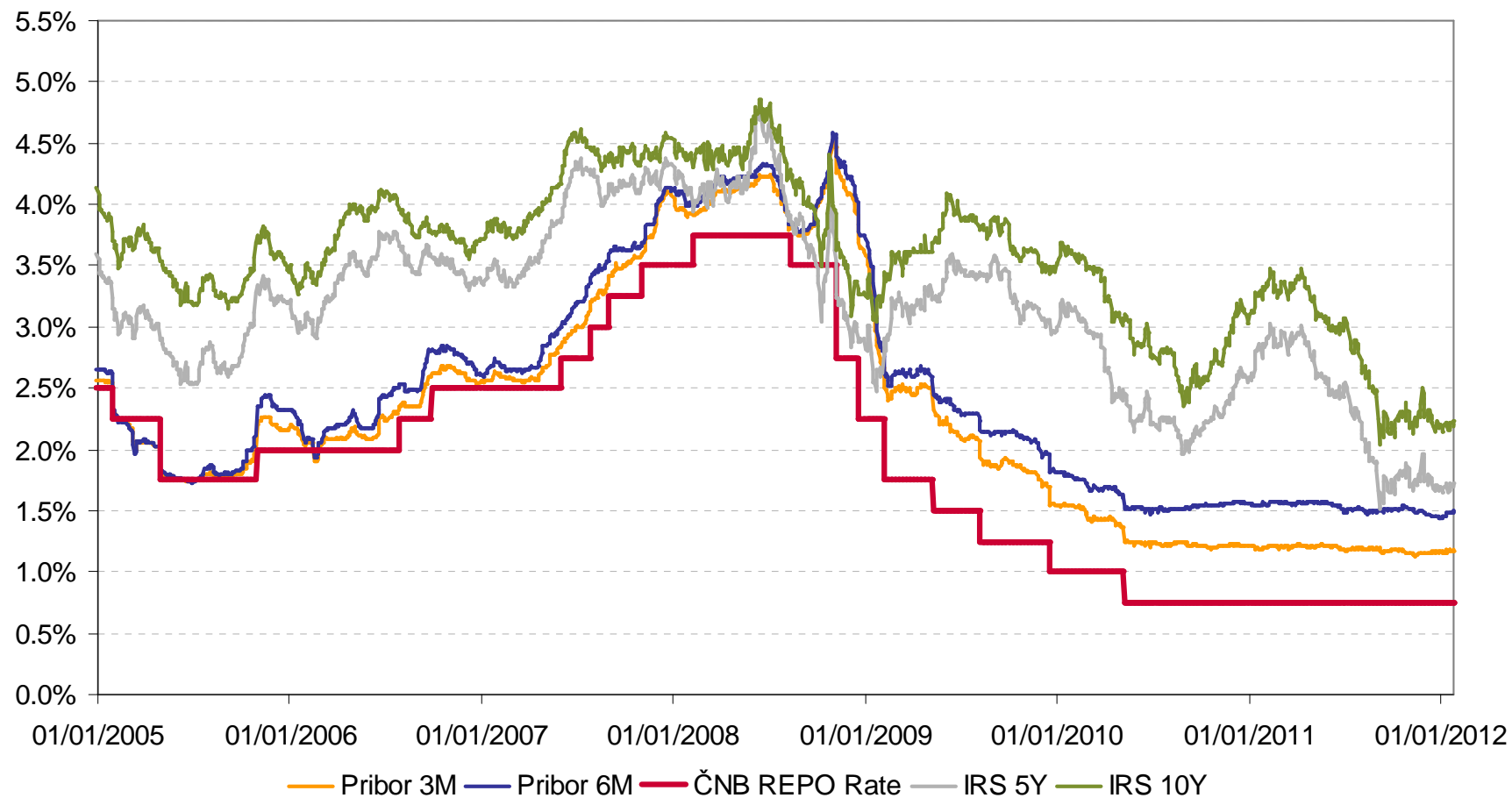
Macroeconomic Indicators	2008	2009	2010	2011*	2012*	2013*
Real GDP (% , average)	2.9	-4.5	2.6	1.7	0.1	1.3
Inflation (% , average)	6.3	1.0	1.5	1.9	2.9	1.6
Household consumption (% , average)	3.0	-0.4	0.5	-0.5	-0.9	1.2
Unemployment (% , av., MLSA meth.)	5.5	8.0	9.0	8.6	8.8	9.3
M2 (% , average)	8.4	6.2	4.0	3.4	3.5	2.8
3M PRIBOR (% , average)	4.0	2.2	1.3	1.2	1.2	1.1
Potential of the market **	2008	2009	2010	2011*	2012*	2013*
Loans / GDP (year-end)	54.0	56.2	57.6	60.2	61.5	62.0
Mortgages / GDP (year-end)	16.0	18.3	19.3	20.2	21.0	21.2
Deposits / GDP (year-end)	66.7	72.1	73.9	76.1	77.3	76.5
Household loans / GDP (year-end)	23.1	26.5	28.1	29.1	30.0	30.3

* *KB estimate*

** *Banking sector*

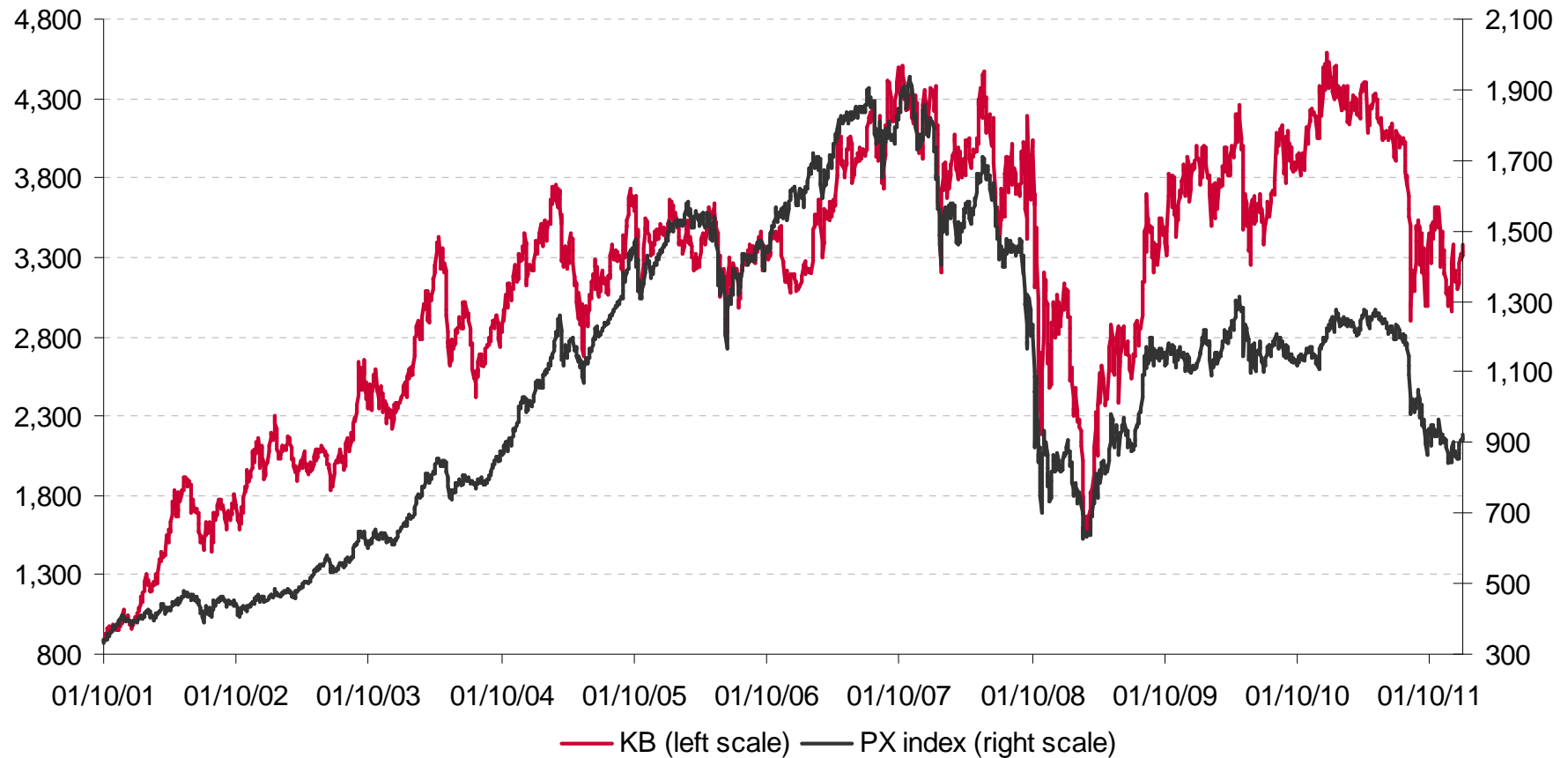


Interest rates evolution (for the period 28 December 2001 – 31 January 2012)





Development of KB's share price and PX Index (for the period 1 October 2001 – 31 January 2012)





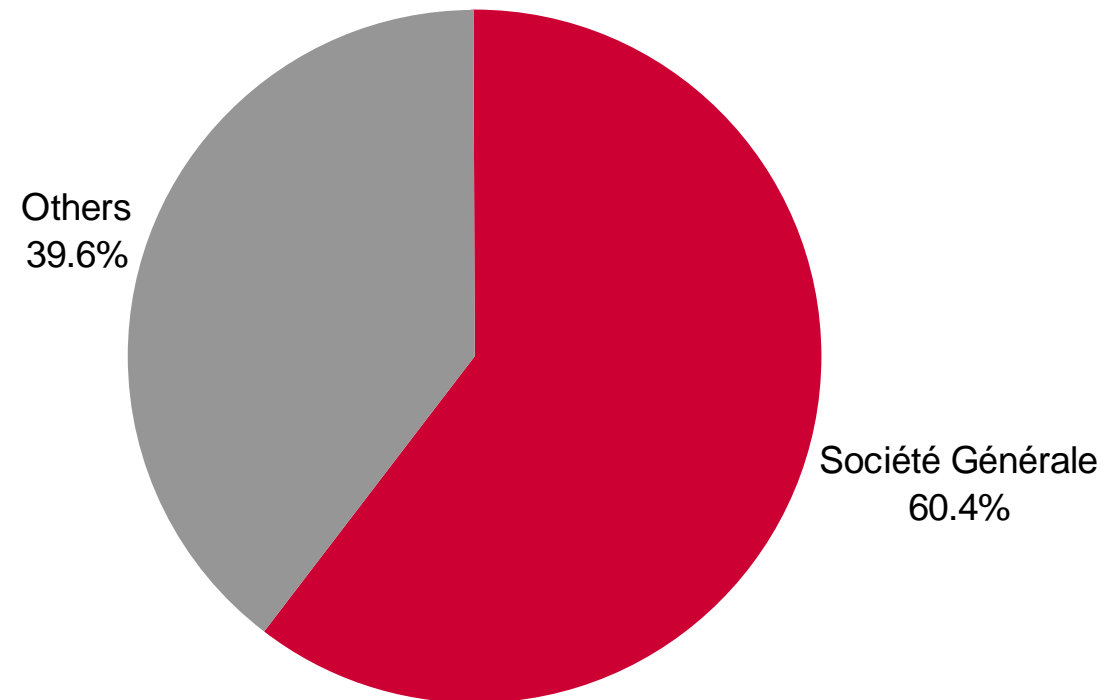
Overview of items excluded in order to calculate recurring profit

- FY 2011 (impact net of tax, KB Group share):
 - amortisation of MPSS acquisition revaluation (CZK 41 mil.)
 - impairment of Greek government bonds (CZK -4,338 mil.)
 - SGEF acquisition (CZK 102 mil.)
 - sale of bonds in PF KB (CZK 28 mil.)
 - amortisation of client acquisition commissions in PF KB (CZK 16 mil.)
 - sale of buildings (CZK -6 mil.)
- FY 2010 (impact net of tax, KB Group share):
 - amortisation of MPSS acquisition revaluation (CZK 87 mil.)
 - sale of VISA shares (CZK 24 mil.)
 - sale of buildings (CZK 58 mil.)
 - release of reserves in personnel costs (CZK 185 mil.)
 - release of provisions for a legal case (CZK 34 mil.)



As at 31 December 2011

Shares on registered capital according to excerpt from the Securities centre



As at 31 December 2011, KB held 238,672 own shares in treasury, representing 0.63% stake on registered capital.



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