

# Komerční banka Group

## Financial results as of 30 September 2015

According to International Financial Reporting Standards, consolidated, unaudited

Prague, 5 November 2015

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 2015, 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

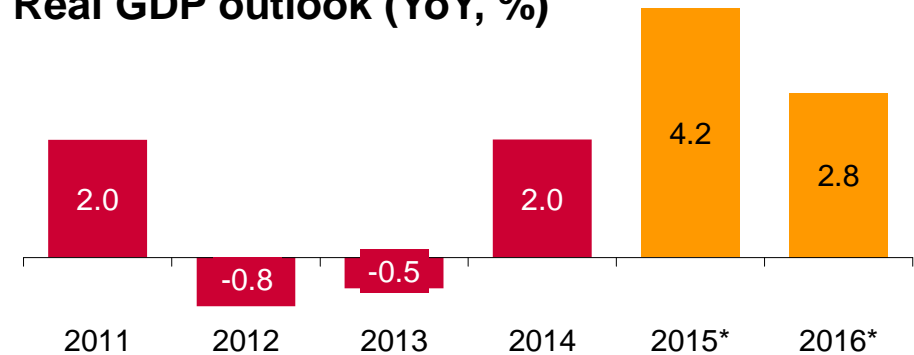
# Agenda

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# GDP boosted in 2015 by EU funds, domestic inflationary factors offset by global ones

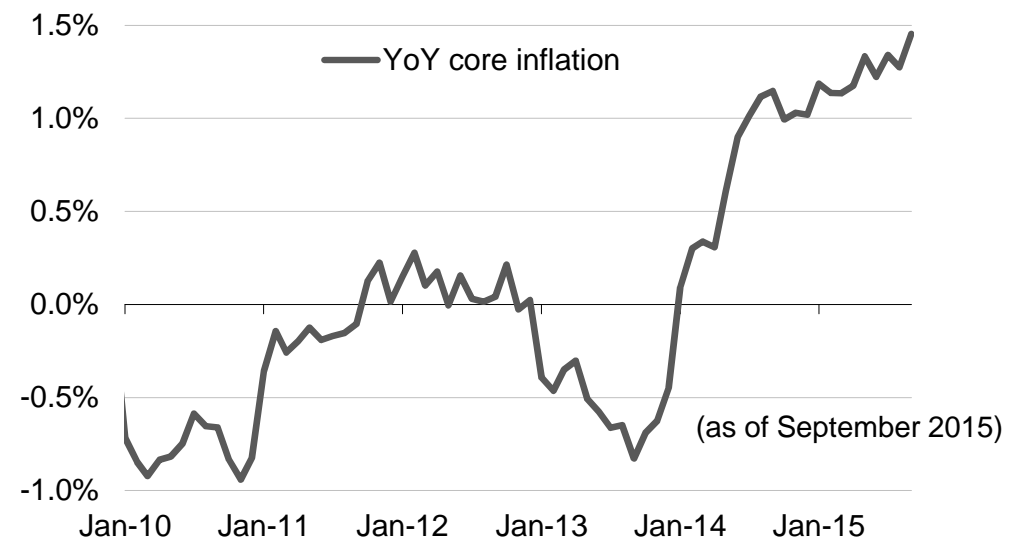
- Czech GDP in 2Q15 growing above trend at +4.6% YoY, +1.1% QoQ
- Strong domestic investment activity, housing market recovery, increasing household disposable income, fiscal stimulus and accelerated tapping of outstanding EU funds
- Retail sales rose 4.4%, industrial production +6.3%, construction +4.7% (all in August, YoY)
- Rapidly declining unemployment to 6.0% in September (-1.3 p.p. YoY), starting to generate wage-growth pressures
- CPI in September +0.4% YoY, below CNB prognosis, but mainly due to lower oil prices, while “core” inflation already increasing
- CNB commitment to keep CZK close to 27 to the euro until at least 2H 2016 maintained
- CZK yields reflecting developments in EUR

Real GDP outlook (YoY, %)



Source: CSO, 2015–2016\* KB Economic & Strategy Research forecast

Strong economy pushing up “core” inflation\*



\* Core inflation = CPI excluding food, fuels, regulated prices and effects of indirect tax changes

# Komerční banka in the three quarters of 2015

**Improving the service offer covering all needs of clients in lending as well as management of assets**

- Significant drop in number of malware and phishing attacks thanks to new protection of client devices provided for free by KB by an IBM tool
- KB the first bank to participate in a new scheme of European Investment Bank supporting energy efficiency investments mainly of SMEs
- KB launched a new fund for clients dedicated to investments in real estate

**Improving dynamics of lending growth**

- Number of KB bank clients continued growing in all segments, adding 21,000 customers year on year (+1.3%)
- Total loans expanded by 8.0% year on year, KB reinforced market share in most categories of lending
- Standard deposits rose by 4.6% year on year. Clients' assets in mutual funds increased by 21.4%

**Maintaining profit thanks to cost discipline and good portfolio quality**

- Consolidated revenues almost stable (-0.3%)\* despite margin pressures thanks to growing business volumes and careful pricing
- Cost of risk dropped by 59%, share of Loans under special review decreased to 4.5%
- OPEX up due to new duty to Resolution Fund. Underlying OPEX stable
- The attributable net profit grew by 2.4%

\* Adjusted for deconsolidation of the Transformed Fund

# Selected deals of the third quarter of 2015

## TELECOMMUNICATIONS



### Česká telekomunikační infrastruktura a.s.

Senior Secured  
Syndicated Credit Facility

**CZK 1,950,000,000**

Joint Coordinator, Bookrunner and Security Agent

**CZECH REP., 2015**

## REAL ESTATE



### Development Florentinum s.r.o.

Term Loan Facility

**EUR 150,000,000**

Mandated Lead Arranger, Facility and Security Agent

**CZECH REP., 2015**

## INFRASTRUCTURE



### Severomoravské vodovody a kanalizace Ostrava a.s.

Reg S Senior Unsecured Bonds.

**CZK 5,400,000,000**

Joint Coordinator, Joint Lead Manager, Fiscal & Paying Agent

**CZECH REP., 2015**

## INFRASTRUCTURE



### Správa a údržba silnic Jihomoravského kraje

Operational Financing

**CZK 300,000,000**

Complex bank services provider

**CZECH REP., 2015**

## ENERGY

### B.A.HÉLIOS spol. s r.o.

Investment Loan  
(Energy Financing)

**CZK 135,000,000**

Complex bank services provider

**CZECH REP., 2015**

## REAL ESTATE



### Obchodní a společenské centrum České Budějovice, s.r.o.

Real Estate Financing

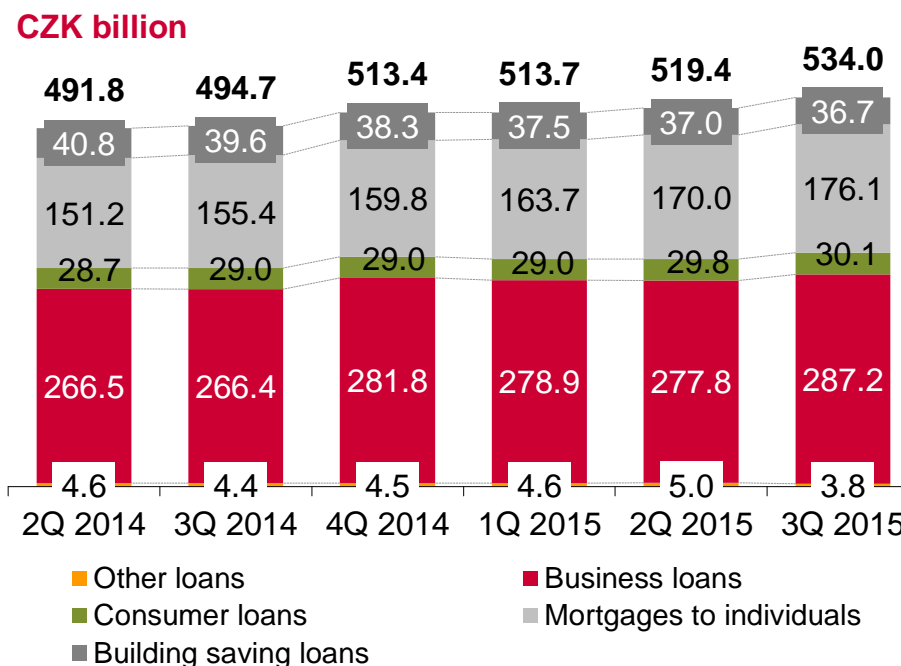
**CZK 336,000,000**

Complex bank services provider

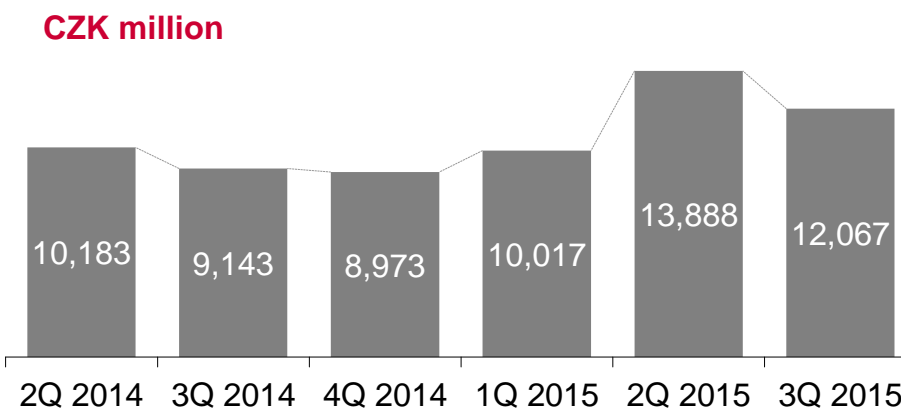
**CZECH REP., 2015**

# Dynamic growth of lending

- Gross loans up 8.0% YoY, +2.8% QoQ
- Group housing loans +9.2% YoY. Growth in mortgage lending accelerated to +13.4% YoY (to CZK 176.1 billion). Decline in the volume of Modrá pyramida's loan portfolio slowing down (-7.1% YoY to reach CZK 36.7 billion), new sales picked up
- Consumer loans (KB + ESSOX) up by 4.0% YoY to CZK 30.1 billion. KB's market share improving thanks to simplified granting procedures and ongoing investments in sales capabilities and advisory skills of relationship managers
- Business loans up 7.8% YoY, of which:
  - Small businesses (KB) +6.5% to CZK 30.1 bil.
  - Corporations (incl. Factoring KB) +7.9% to CZK 233.5 billion
  - SGEF (leasing) +8.5% to CZK 23.6 billion

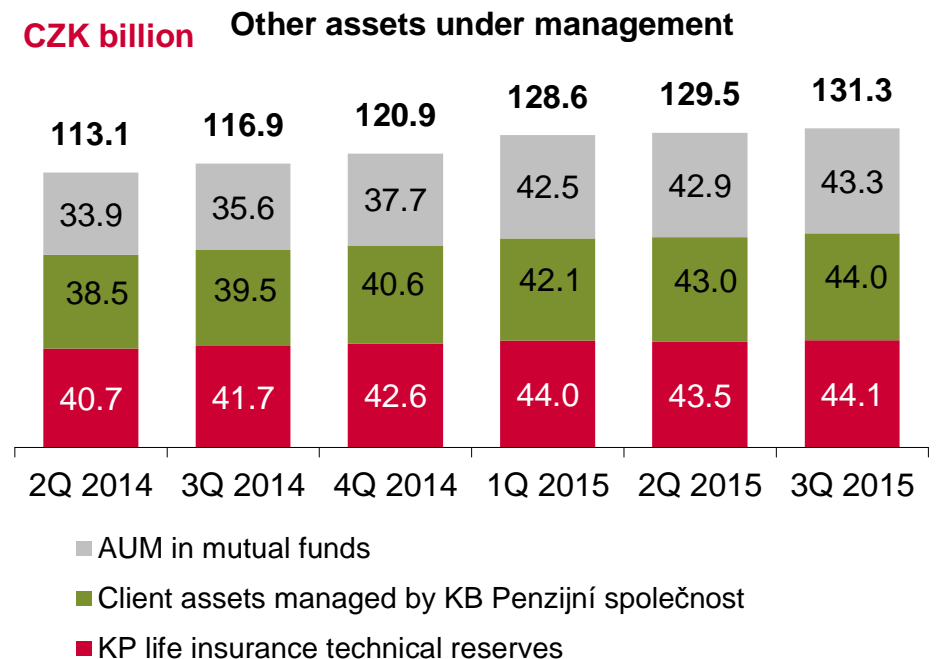
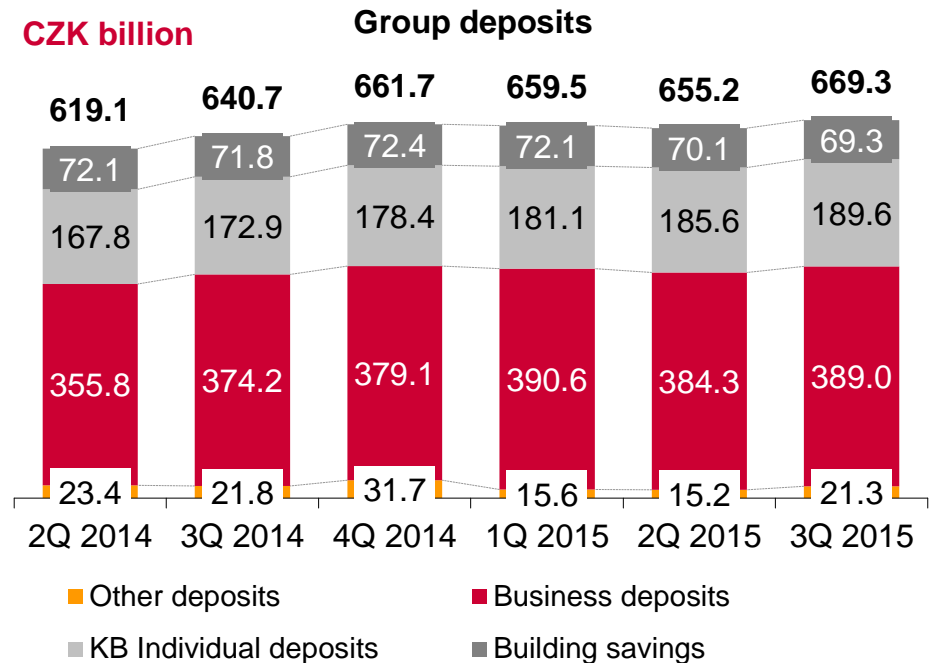


## Sales volume of mortgages to individuals



# Mild growth in total assets under management

- Standard Group deposits (excluding repo) grew by +4.6% YoY to CZK 653.0 billion, +1.1% QoQ
- Deposits from business clients +4.0% YoY to CZK 389.0 billion
- KB (bank) deposits from individuals +9.6% YoY to CZK 189.6 billion
- MPSS deposits down 3.4% YoY to CZK 69.3 billion
- Current accounts +9.7% to CZK 445.6 billion, term and savings accounts -4.5% YoY to CZK 189.5 billion
- Clients' pension assets grew +11.3% YoY to CZK 44.0 bil. (o/w Transformed Fund, deconsolidated since 1Q 2015, +9.1% to CZK 42.3 billion)
- KP life insurance technical reserves rose by 5.6% YoY to CZK 44.1 billion
- AUM in mutual funds (sold by KB+MPSS) increased by 21.4% YoY to CZK 43.3 billion





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# Stable revenues, costs higher due to regulation, provisions very low

<b>Profit and Loss Statement</b> (CZK million, unaudited)	9M 2014 Reported	9M 2014 Pro forma	9M 2015 Reported	Change YoY	Change YoY Like-for-like*
Net interest income	16,009	15,395	15,331	-4.2%	-0.4%
Net fees & commissions	5,049	5,294	5,194	2.9%	-1.9%
Income from financial operations	1,722	1,723	1,836	6.6%	6.6%
Other income	86	81	75	-12.8%	-7.4%
<b>Net banking income</b>	<b>22,866</b>	<b>22,493</b>	<b>22,436</b>	<b>-1.9%</b>	<b>-0.3%</b>
Personnel expenses	-5,067	-5,067	-5,093	0.5%	0.5%
General administrative expenses	-3,178	-3,179	-3,519	10.7%	10.7%
Depreciation, impairment and disposal of fixed assets	-1,334	-1,334	-1,335	0.1%	0.1%
<b>Operating costs</b>	<b>-9,580</b>	<b>-9,580</b>	<b>-9,947</b>	<b>3.8%</b>	<b>3.8%</b>
<b>Gross operating income</b>	<b>13,287</b>	<b>12,913</b>	<b>12,489</b>	<b>-6.0%</b>	<b>-3.3%</b>
Cost of risk	-1,085	-1,085	-442	-59.3%	-59.3%
<b>Net operating income</b>	<b>12,202</b>	<b>11,828</b>	<b>12,047</b>	<b>-1.3%</b>	<b>1.9%</b>
Profit on subsidiaries and associates	143	143	125	-12.6%	-12.6%
Share of profit of pension scheme beneficiaries	-362	0	0	n.a.	n.a.
<b>Profit before income taxes</b>	<b>11,982</b>	<b>11,971</b>	<b>12,172</b>	<b>1.6%</b>	<b>1.7%</b>
Income taxes	-2,034	-2,022	-1,981	-2.6%	-2.0%
<b>Net profit</b>	<b>9,949</b>	<b>9,949</b>	<b>10,192</b>	<b>2.4%</b>	<b>2.4%</b>
Minority profit/(loss)	295	295	308	4.4%	4.4%
<b>Net profit attributable to equity holders</b>	<b>9,654</b>	<b>9,654</b>	<b>9,884</b>	<b>2.4%</b>	<b>2.4%</b>

Note: \* On the same consolidation basis, ie. adjusted for deconsolidation of the Transformed Fund. (The provision charge for estimated contribution for 2015 to the Bank Resolution Fund recognised in OPEX in 2Q 2015 in the amount of CZK 409 million remains included).

Since 1 January 2015, the results of Transformed Fund (TF) managed by KB Penzijní společnost, a.s., have been deconsolidated from the consolidating group of Komerční banka. See slides nr. 23 and 24 for overview of the development of KB's financial statements on the like-for-like as well as reported basis.

# Size of the balance sheet driven mainly by development of business

<b>Balance Sheet</b> (CZK million, unaudited)	<b>30 Sep 2014</b> Pro forma	<b>31 Dec 2014</b> Pro forma	<b>30 Sep 2015</b> Reported	<b>Change YoY</b> Like-for-like*	<b>Change Ytd</b>
<b>Assets</b>	<b>874,967</b>	<b>911,829</b>	<b>911,302</b>	<b>4.2%</b>	<b>-0.1%</b>
Cash and balances with central bank	67,653	152,904	141,487	109.1%	-7.5%
Amounts due from banks	133,144	59,279	58,676	-55.9%	-1.0%
Loans and advances to customers (net)	475,522	494,706	517,666	8.9%	4.6%
Securities and trading derivatives	152,281	154,583	146,068	-4.1%	-5.5%
Other assets	46,367	50,357	47,405	2.2%	-5.9%
<b>Liabilities and shareholders' equity</b>	<b>874,967</b>	<b>911,829</b>	<b>911,302</b>	<b>4.2%</b>	<b>-0.1%</b>
Amounts due to banks	50,103	61,360	53,314	6.4%	-13.1%
Amounts due to customers	640,652	661,703	669,261	4.5%	1.1%
Securities issued	21,593	22,584	23,079	6.9%	2.2%
Other liabilities	59,848	58,176	61,656	3.0%	6.0%
Shareholders' equity	102,771	108,006	103,994	1.2%	-3.7%

Note: \* Adjusted for deconsolidation of the Transformed Fund. As of 1 January 2015, the Transformed Fund (TF) managed by KB Penzijní společnost, which gathers the funds of supplementary pension insurance with government contribution, was deconsolidated from the consolidating group of Komerční banka. The fund continues to be administrated by KB Penzijní společnost, a fully owned subsidiary of Komerční banka, whose own consolidation has not changed.

The deconsolidation of TF follows approval of a pertinent change in the Statutes of TF by CNB with effective date 1 January 2015. That change limits the discretion of KB Penzijní společnost for investments in variable income instruments (such as equity, real estate, etc.) Therefore, the probability of triggering the generic legal guarantee of KB with regard to potential negative annual yield of TF has been reduced. The three elements of control which must be met according to IFRS 10 in order to consolidate an entity in the parent's financial statements were not proven from that date.

# Equity driven by net profit, dividends and revaluation of IR hedging instruments

Development year-to-date

Total shareholders' equity  
as of 31 December 2014<sup>1</sup>

-4,012

Total shareholders' equity  
as of 30 September 2015

	31/12/2014	1/1/2015 <sup>1</sup>	Increase	Decrease	30/9/2015
<b>Share capital</b>	19,005	19,005			19,005
Capital and reserve funds	51,389	64,374		-11,746	52,629
- Retained earnings, reserve funds and dividends	52,115	65,100		-11,746	53,354
- Treasury shares	-726	-726			-726
Current year attributable net profit	12,985	0	9,884		9,884
Cash flow hedge <sup>1</sup>	15,980	15,919		-2,184	13,735
AFS securities' fair value changes <sup>1</sup>	6,660	5,233		-611	4,622
Others	344	344	25		369
Minority equity	3,131	3,131	619		3,750
<b>Total Shareholders' equity</b>	<b>109,494</b>	<b>108,006</b>	<b>10,528</b>	<b>-14,540</b>	<b>103,994</b>
Equity for adjusted ROAE calculation <sup>2</sup>	83,723	83,723	9,909	-11,746	81,886

1) Influenced by deconsolidation revaluation differences pertaining to the Transformed fund (CZK 1,427 mil. in AFS revaluation reserve and CZK 61 mil. in cash flow hedge as of 31 December 2014)

2) Group shareholders' equity excluding minority equity, cash flow hedging and revaluation of AFS securities

As of 30 September 2015, CZK -2,567 million was transferred from Other comprehensive income (Cash flow hedging) to Net profit (net of tax)

# Solid capital and liquidity

Key ratios and indicators (year-to-date)	30 Sep 2014	30 Sep 2015	Change YoY
Capital adequacy	17.1%	16.4% <sup>1</sup>	▼
Tier 1 ratio	17.1%	16.4% <sup>1</sup>	▼
Total risk weighted assets (CZK billion)	380.8	403.2	5.9%
Risk weighted assets for credit risk (CZK billion)	315.8	337.4	6.9%
Net interest margin (NII/Av. interest bearing assets), annualised <sup>2</sup>	2.6%	2.5%	▼
Loans (net) / deposits ratio <sup>2</sup>	74.3%	77.3%	▲
Cost / income ratio <sup>2</sup>	42.6%	44.3%	▲
Return on average equity (ROAE), annualised <sup>2</sup>	13.4%	12.8%	▼
Adjusted return on average equity (adjusted ROAE), annualised <sup>2,3</sup>	16.1%	15.9%	▼
Return on average assets (ROAA), annualised <sup>2</sup>	1.5%	1.4%	▼
Earnings per share (CZK), annualised	341	349	2.4%
Average number of employees during the period	8,533	8,416	-1.4%

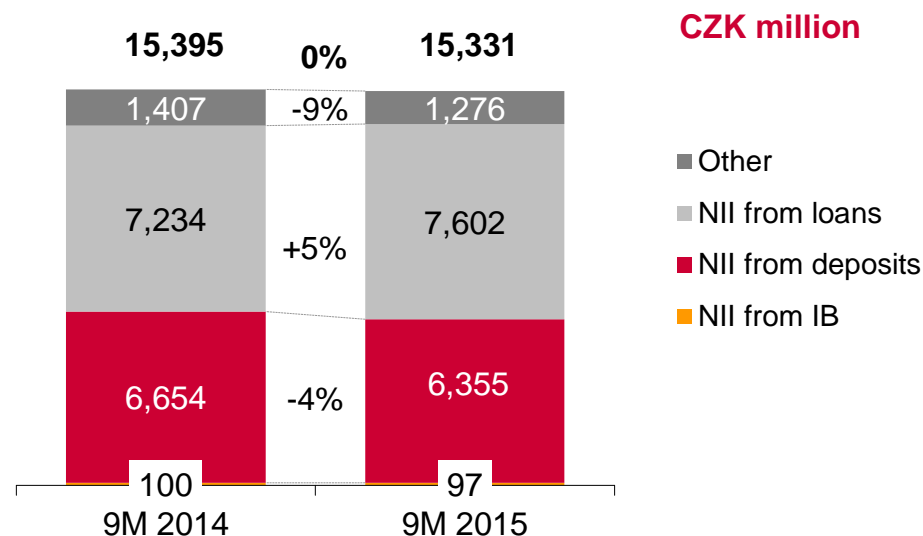
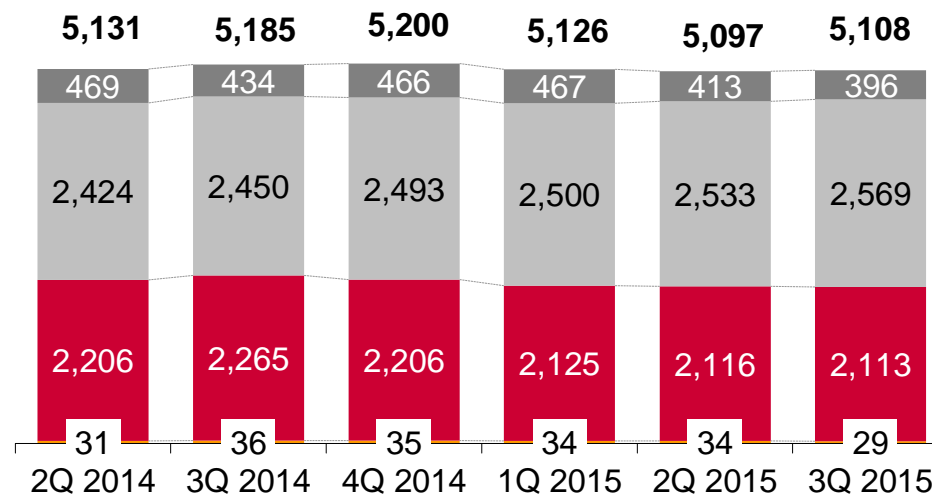
1) As part of gradual phase-in of Basel III rules, the regulatory capital from 1 January 2015 newly includes a part of the AFS revaluation reserve related to disposable securities in AFS portfolio. As a result, Total capital and Core Tier 1 adequacy is higher by 48 bps as of 30 September 2015

2) Adjusted for deconsolidation of the Transformed Fund

3) 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)

# Rising business volumes offset margin compression

- NII adjusted for impact of deconsolidation of Transformed Fund almost stable -0.4% YoY in 9M 2015, in 3Q 2015 increased by 0.2% QoQ
- NII from loans – rising due to growing volumes. Some decline in spreads in retail lending except for stable mortgages
- NII from deposits – down because of diminishing yields from reinvesting deposits, in spite of long-term hedging policy and growth in volume
- NII from other – gradual decrease in yield from reinvestment of capital moderated by long-term investment policy
- The net interest margin stable over the three quarters of 2015 (at 2.47%). Adjusted NIM for 9M 2014 was at 2.62%

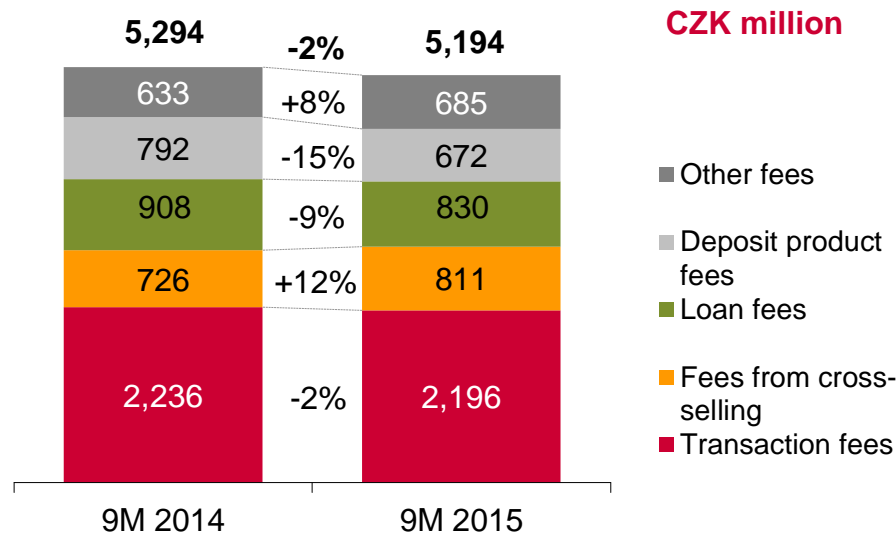
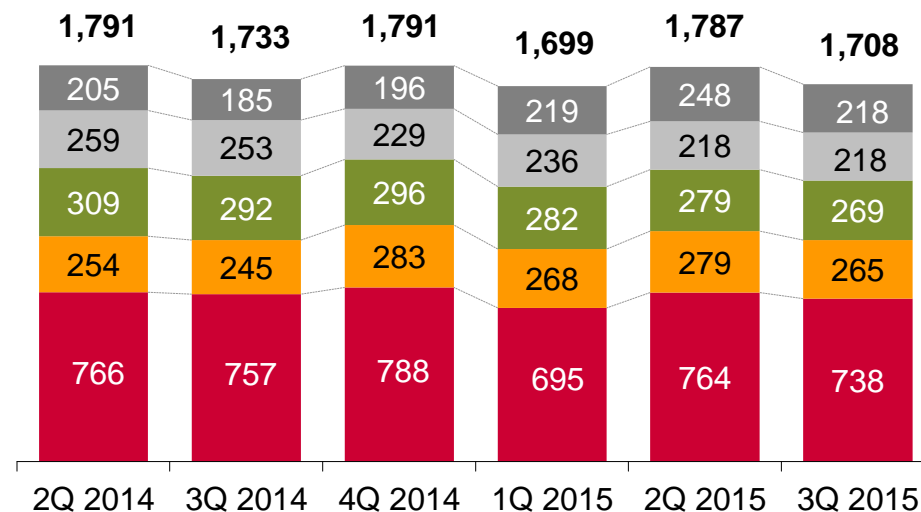


CZK million

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

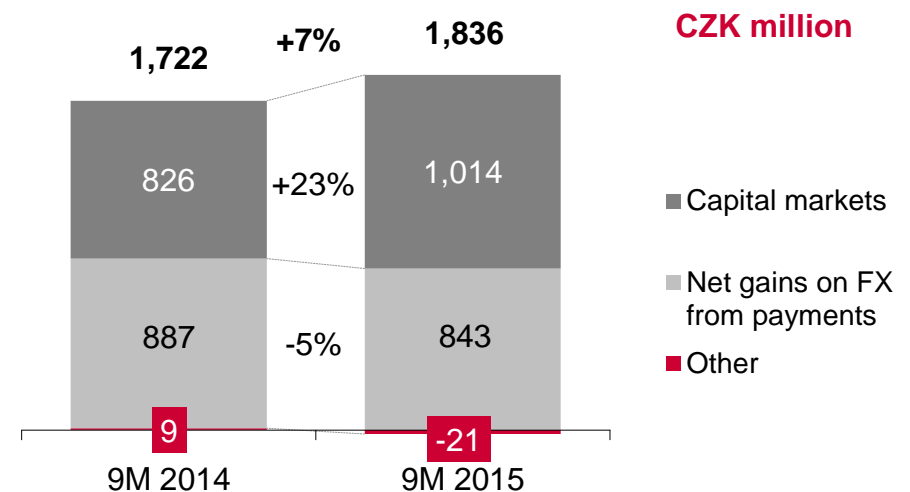
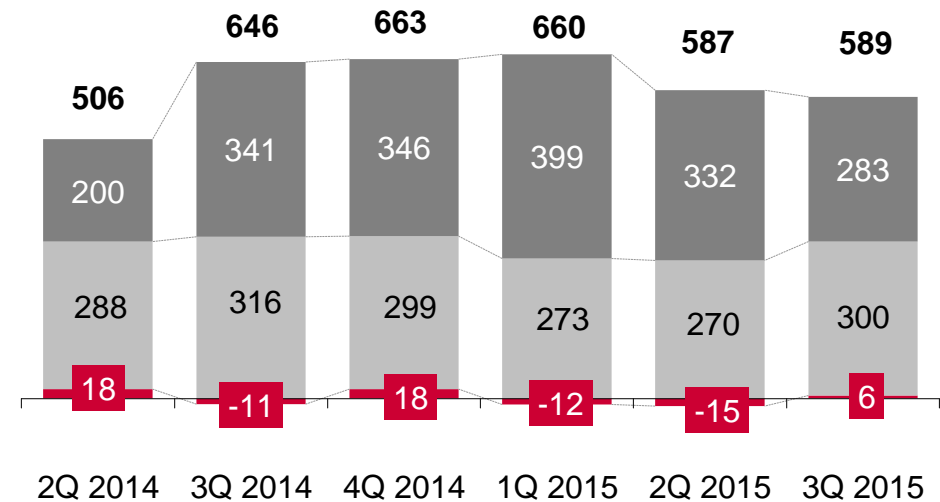
# Positive trend of client activity, expected hit from regulatory cut in interchange fees

- Like-for-like NFC in 9M 2015 declined by 1.9% YoY, 3Q15 down -4.4% QoQ influenced by summer seasonality
- Deposit product fees – stabilising as majority of clients already adopted packages providing rewards for activity (MojeOdměny)
- Loan fees – down, even if lending expanded, as the share of loans that does not charge administration fees increases, and higher commissions were paid out reflecting strong mortgage sales
- Fees from cross-selling – up due to growth in the volumes of client savings in mutual funds, life insurance policies as well as pension funds
- Transaction fees – gains in transaction activity, particularly in the number of card transactions. Pushed down by bigger share of transactions included in account packages, and clients also prefer lower-priced direct banking channels
- Other fees – solid activity in structured financing, private banking and other services for corporations



# Solid customer activity, lower spreads

- Net profit from financial operations in 9M 2015 increased by 6.6% YoY, in 3Q 2015 up by 0.3% QoQ
- Solid demand for financing and hedging solutions from corporate clients driven by improved economic activity
- KB active in structured financing and bond issuance for clients
- Growing trading volume through the new eTrading platform for FX trades and term deposits
- Continuing pressure on average FX spreads from payments due to preference of cheaper payment and conversion methods, as well as intense competition
- Income from FX payments and conversions positively influenced in Q3 by tourist season
- IR spreads affected by extremely low interest rates

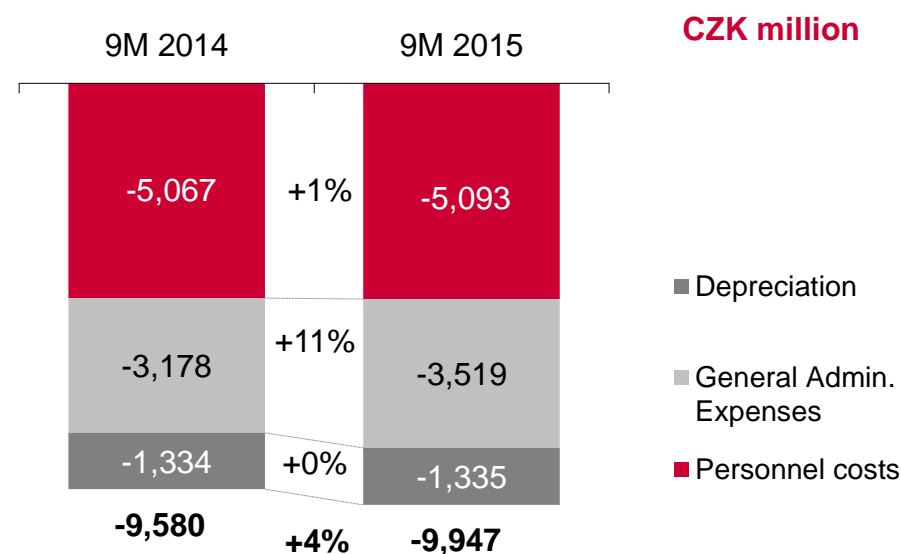
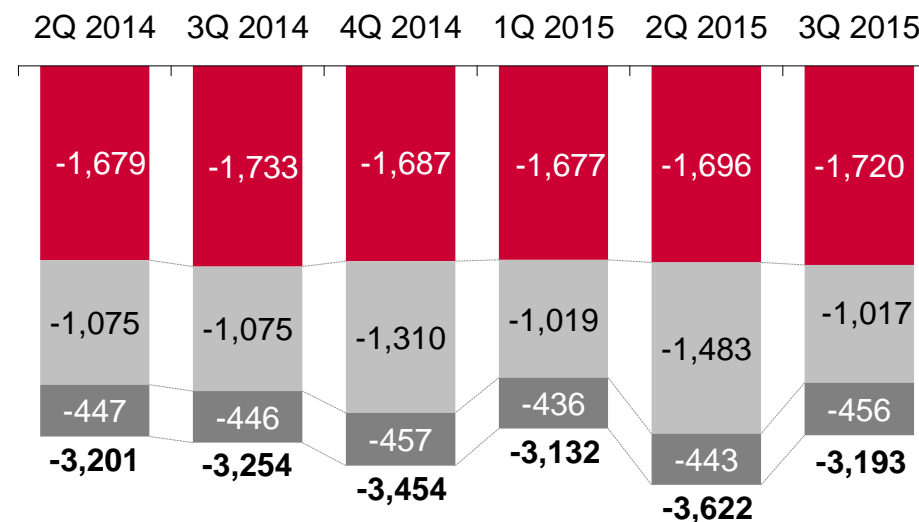




# Underlying operating costs slightly down

- OPEX in 9M 2015 excluding the provision for Resolution fund<sup>1</sup> declined by 0.4% YoY. 3Q15 excl. Resolution down 0.6% QoQ
- Reported OPEX in 9M 2015 +3.8% YoY. In 3Q 2015 -11.8% QoQ
- Personnel costs in 9M 2015 rose by 0.5% YoY. Average staff level declined by 1.4%
- Underlying GAE down 2.1% YoY, GAE including Resolution levy +10.7% YoY. The Group reinforced its IT support; savings achieved in remaining main cost categories
- Depreciation & Amortisation flat (+0.1% YoY)

1) Note: provision of CZK 409 million created in 2Q15 in GAE for estimated amount of the Group's 2015 duty toward the Banks Resolution Fund.

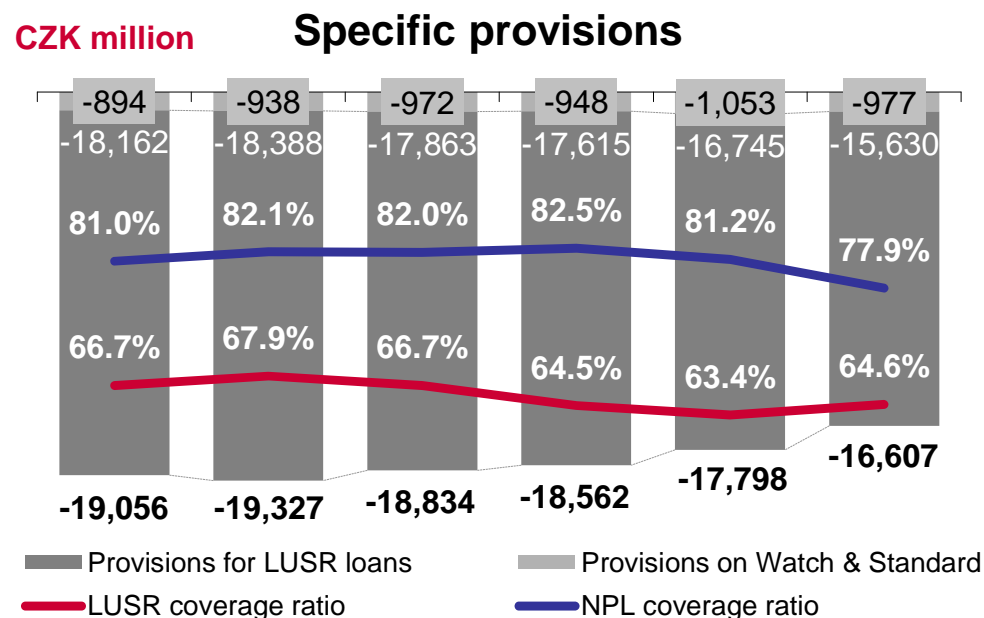
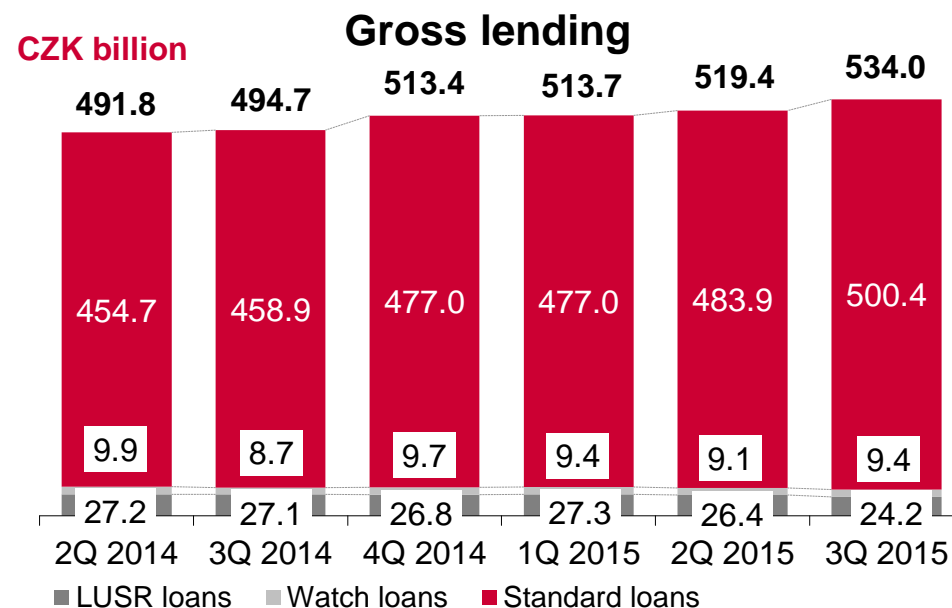


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# Exposure growth with persisting good loan quality

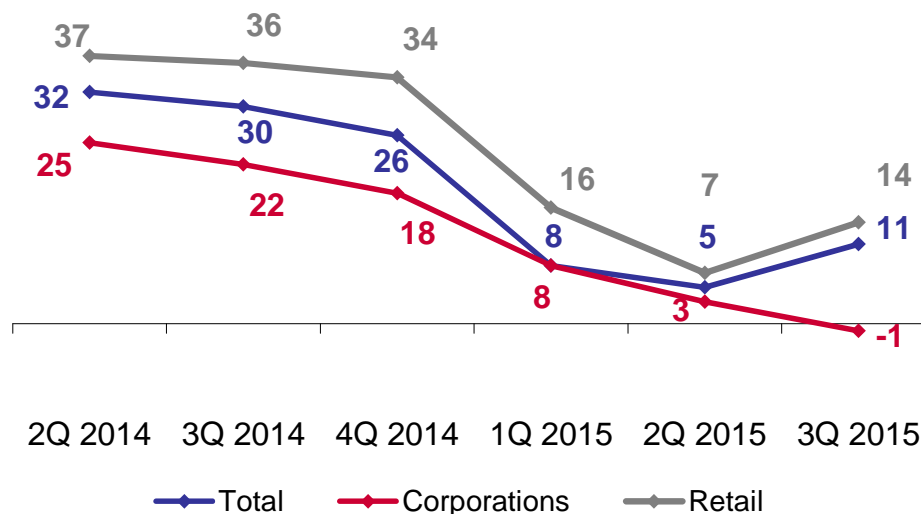
- Loan exposure +7.9% YoY, QoQ +2.8%
- LUSR exposure down to 4.5% (5.5% in 3Q 2014) and NPL exposure down to 3.2% (4.1% in 3Q 2014) driven by strong exposure growth, successful recovery and write-off of one legacy case
- Provision coverage ratio for LUSR portfolio down to 64.6% (67.9% in 3Q 2014), slightly up QoQ
- Provision coverage for NPL portfolio down to 77.9% (82.1% in 3Q 2014) driven by write-off of one legacy case



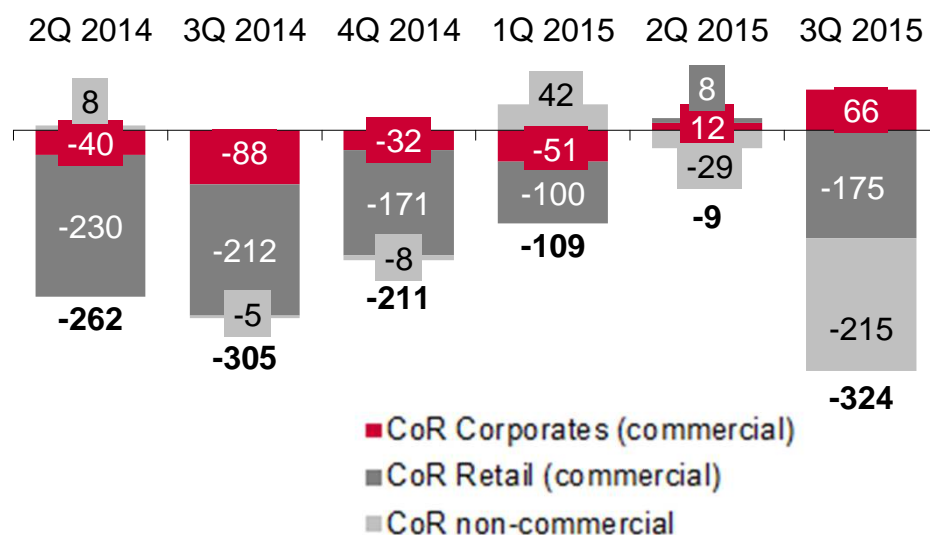
# Recurrent Cost of Risk remains at low level

- Cost of Risk in 9M 2015 decreased by 59% YoY
- Cost of Risk declined to 11 bps in 9M 2015 (v. 30 bps in 9M 2014) as a result of persisting low number of new defaults and successful recovery
- 3Q 2015 Cost of Risk influenced by upgrade of Retail provisioning model impacting non-commercial Cost of Risk and by regular model recalibration impacting Retail commercial Cost of Risk
- YoY decrease in Retail Cost of Risk driven by both Individuals (8 bp in 9M 2015 vs. 25 bps in 9M 2014) and Small Business (56 bps in 9M 2015 vs. 122 bps in 9M 2014)
- Cost of Risk on Corporates down to -1 bps in 9M 2015 from 22 bps in 9M 2014 thanks to low number of new defaults and successful recovery

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



**Total Cost of Risk development (CZK million)**



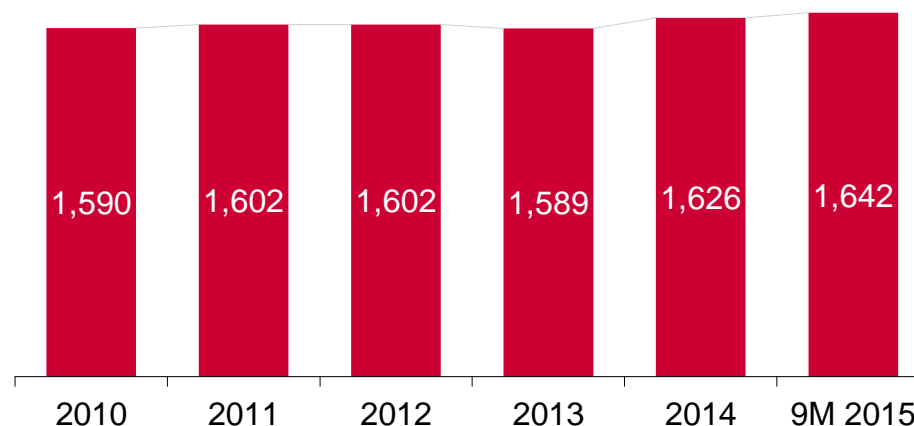
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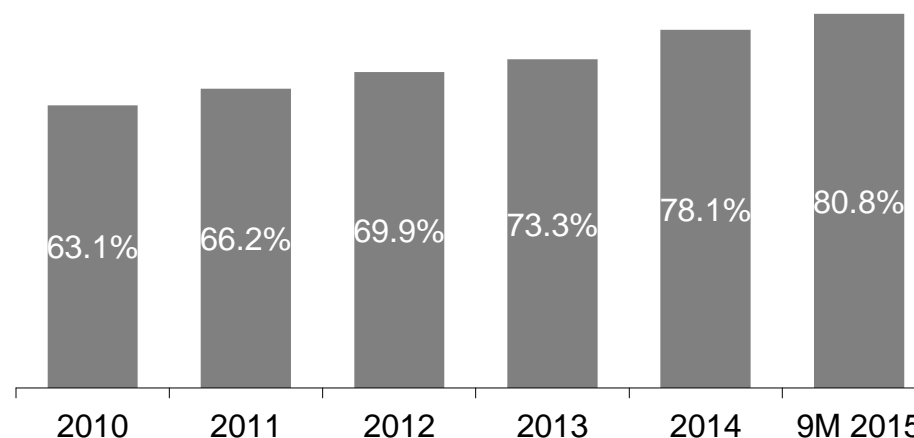
# Number of clients and distribution network

- KB Group's 2.5 million clients, of which
  - KB bank 1,642,000 clients (+1%)
  - MPSS 525,000 clients (-6%)
  - KBPS 547,000 clients (-2%)
  - ESSOX 234,000 active clients (-16%)
- Network
  - 396 branches for retail clients, 10 corporate divisions and 4 divisions for large corporate clients in CZ, 1 in Slovakia
  - 766 ATMs
  - MPSS: 217 points of sale; approx. 1,000 sales agents
  - SGEF: 6 branches in CZ, 2 in Slovakia
- Direct Channels
  - 1,326,000 clients (i.e. 81% of KB client base) using direct banking channels
  - Two call centres, internet and mobile banking

Number of bank clients (ths., CZ)



Number of clients – Direct Channels  
(% share of bank's client base)



# Consolidated income statement – reported and like-for-like

<b>Profit and Loss Statement</b> (CZK million, unaudited)	3Q 2014 Reported	3Q 2014 Pro forma	2Q 2015 Reported	3Q 2015 Reported	Change YoY Reported	YoY Like-for- like	Change QoQ Reported
Net interest income	5,395	5,185	5,097	5,108	-5.3%	-1.5%	0.2%
Net fees & commissions	1,647	1,733	1,787	1,708	3.7%	-1.4%	-4.4%
Income from financial operations	646	647	587	589	-8.8%	-9.0%	0.3%
Other income	24	23	29	24	0.0%	4.3%	-17.2%
<b>Net banking income</b>	<b>7,712</b>	<b>7,588</b>	<b>7,500</b>	<b>7,429</b>	<b>-3.7%</b>	<b>-2.1%</b>	<b>-0.9%</b>
Personnel expenses	-1,733	-1,733	-1,696	-1,720	-0.8%	-0.8%	1.4%
General administrative expenses	-1,075	-1,076	-1,483	-1,017	-5.4%	-5.5%	-31.4%
Depreciation, impairment and disposal of fixed assets	-446	-446	-443	-456	2.2%	2.2%	2.9%
<b>Operating costs</b>	<b>-3,254</b>	<b>-3,255</b>	<b>-3,622</b>	<b>-3,193</b>	<b>-1.9%</b>	<b>-1.9%</b>	<b>-11.8%</b>
<b>Gross operating income</b>	<b>4,458</b>	<b>4,333</b>	<b>3,878</b>	<b>4,236</b>	<b>-5.0%</b>	<b>-2.2%</b>	<b>9.2%</b>
Cost of risk	-305	-305	-9	-324	6.2%	6.2%	n.a.
<b>Net operating income</b>	<b>4,154</b>	<b>4,028</b>	<b>3,868</b>	<b>3,913</b>	<b>-5.8%</b>	<b>-2.9%</b>	<b>1.2%</b>
Profit on subsidiaries and associates	48	48	47	31	-35.4%	-35.4%	-34.0%
Share of profit of pension scheme beneficiaries	-115	0	0	0	n.a.	n.a.	n.a.
<b>Profit before income taxes</b>	<b>4,087</b>	<b>4,076</b>	<b>3,915</b>	<b>3,944</b>	<b>-3.5%</b>	<b>-3.2%</b>	<b>0.7%</b>
Income taxes	-729	-718	-637	-605	-17.0%	-15.7%	-5.0%
<b>Net profit</b>	<b>3,358</b>	<b>3,358</b>	<b>3,278</b>	<b>3,339</b>	<b>-0.6%</b>	<b>-0.6%</b>	<b>1.9%</b>
Minority profit/(loss)	90	90	94	94	4.4%	4.4%	0.0%
<b>Net profit attributable to equity holders</b>	<b>3,268</b>	<b>3,268</b>	<b>3,184</b>	<b>3,245</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>1.9%</b>

Consolidated income statement and balance sheet per quarters of 2014 in the format as reported and adjusted for the effects of deconsolidation of the Transformed Fund are available at [www.kb.cz/en/about-the-bank/investor-relations](http://www.kb.cz/en/about-the-bank/investor-relations)

# Consolidated balance sheet – reported and like-for-like

Balance Sheet (CZK million, unaudited)	30 Sep 2014	30 Sep 2014	31 Dec 2014	31 Dec 2014	30 Sep 2015	Change YoY	Change Ytd	Change YoY	Change Ytd
	Reported	Pro forma	Reported	Pro forma	Reported	Reported		Like-for-like	
<b>Assets</b>	<b>914,624</b>	<b>874,967</b>	<b>953,261</b>	<b>911,829</b>	<b>911,302</b>	<b>-0.4%</b>	<b>-4.4%</b>	<b>4.2%</b>	<b>-0.1%</b>
Cash and balances with central bank	67,653	67,653	152,903	152,904	141,487	109.1%	-7.5%	109.1%	-7.5%
Amounts due from banks	133,820	133,144	59,699	59,279	58,676	-56.2%	-1.7%	-55.9%	-1.0%
Loans and advances to customers (net)	475,522	475,522	494,706	494,706	517,666	8.9%	4.6%	8.9%	4.6%
Securities and trading derivatives	191,509	152,281	195,927	154,583	146,068	-23.7%	-25.4%	-4.1%	-5.5%
Other assets	46,120	46,367	50,026	50,357	47,405	2.8%	-5.2%	2.2%	-5.9%
<b>Liabilities and shareholders' equity</b>	<b>914,624</b>	<b>874,967</b>	<b>953,261</b>	<b>911,829</b>	<b>911,302</b>	<b>-0.4%</b>	<b>-4.4%</b>	<b>4.2%</b>	<b>-0.1%</b>
Amounts due to banks	50,103	50,103	61,361	61,360	53,314	6.4%	-13.1%	6.4%	-13.1%
Amounts due to customers	679,002	640,652	701,867	661,703	669,261	-1.4%	-4.6%	4.5%	1.1%
Securities issued	21,593	21,593	22,584	22,584	23,079	6.9%	2.2%	6.9%	2.2%
Other liabilities	59,776	59,848	57,956	58,176	61,656	3.1%	6.4%	3.0%	6.0%
Shareholders' equity	104,150	102,771	109,494	108,006	103,994	-0.1%	-5.0%	1.2%	-3.7%



# KB consolidated group

Pension insurance	KB Penzijní společnost (100%)	Management company for Transformed Fund (pension fund with 547,000 clients) and for new pension funds in 2nd and 3rd pillars of the Czech pension system
Building society	Modrá pyramida stavební spořitelna (100%)	#3 largest building savings bank according to loan volume with 525,000 clients and approximately 1,000 strong agent distribution network
Consumer credit	ESOX (50.93%)	Consumer credit and car finance company. #3 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	KB's branch in Slovakia focuses on serving large corporate clients. It operates as a locally well-established focused corporate bank.
	Factoring KB (100%)	#2 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 2014	9M 2015	Change YoY
<b>MPSS</b>	Volume of new loans (CZK million)	2,385	4,309	81%
	Volume of total loans (gross, CZK million)	39,553	36,749	-7%
	Volume of deposits (CZK million)	71,758	69,319	-3%
	Number of clients	557,159	524,578	-6%
	Average number of FTEs	341	332	-3%
	Number of points of sale	209	217	4%
<b>KB PS</b>	Number of new contracts	20,418	18,671	-9%
	Number of clients	557,566	547,400	-2%
	Assets under management (CZK million)	39,530	43,989	11.3%
	of which in Transformed fund	38,782	42,312	9.1%
	Average number of FTEs	49	47	-4%
<b>ESSOX</b>	Volume of new contracts (CZK million)	3,254	3,166	-3%
	Volume of total loans (gross, CZK million)	9,664	9,108	-6%
	Number of active clients	276,675	233,602	-16%
	Average number of FTEs	346	339	-2%

## Business performance of subsidiaries 2/2

		9M 2014	9M 2015	Change YoY
<b>Factoring KB</b>	Factoring turnover (CZK million)	24,774	26,191	6%
	Volume of total financing (gross, CZK million)	5,993	5,855	-2%
	Average number of FTEs	42	43	2%
<b>KP</b>	Volume of technical reserves (CZK million)	41,726	44,078	6%
	Premium written (CZK million)	8,714	5,321	-39%
	of which in life insurance	8,425	5,024	-40%
	of which in non-life insurance	289	297	3%
	Average number of FTEs	158	168	6%
<b>SGEF</b>	Volume of new financing (CZK million)	6,322	7,937	26%
	Volume of total financing (gross, CZK million)	21,778	23,623	8%
	Average number of FTEs	118	121	3%

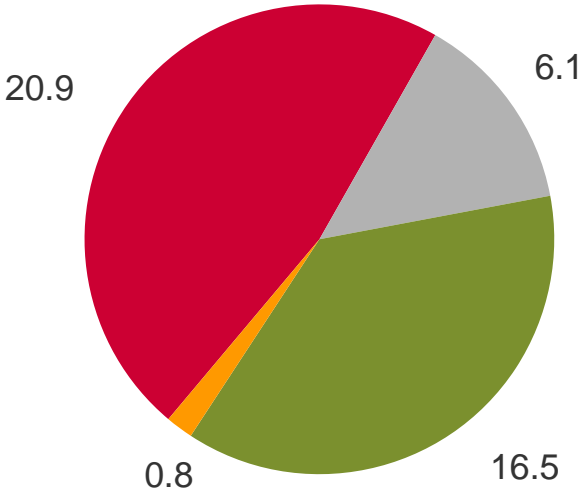
# Securities portfolio in the banking book

As of 30 September 2015

CZK billion

**Available-for-sale portfolio**

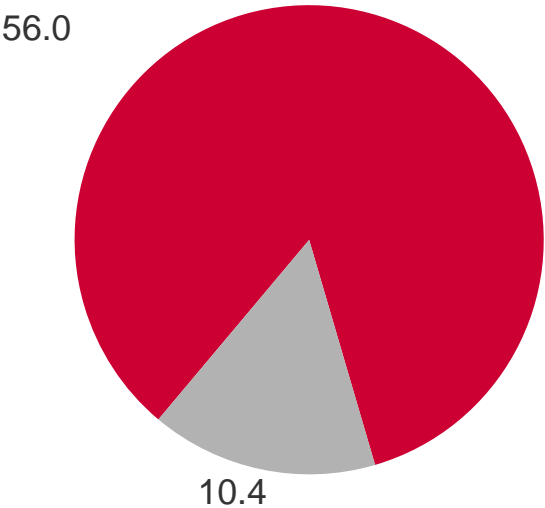
**CZK 44.3 billion**



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

**Held-to-maturity portfolio**

**CZK 66.4 billion**

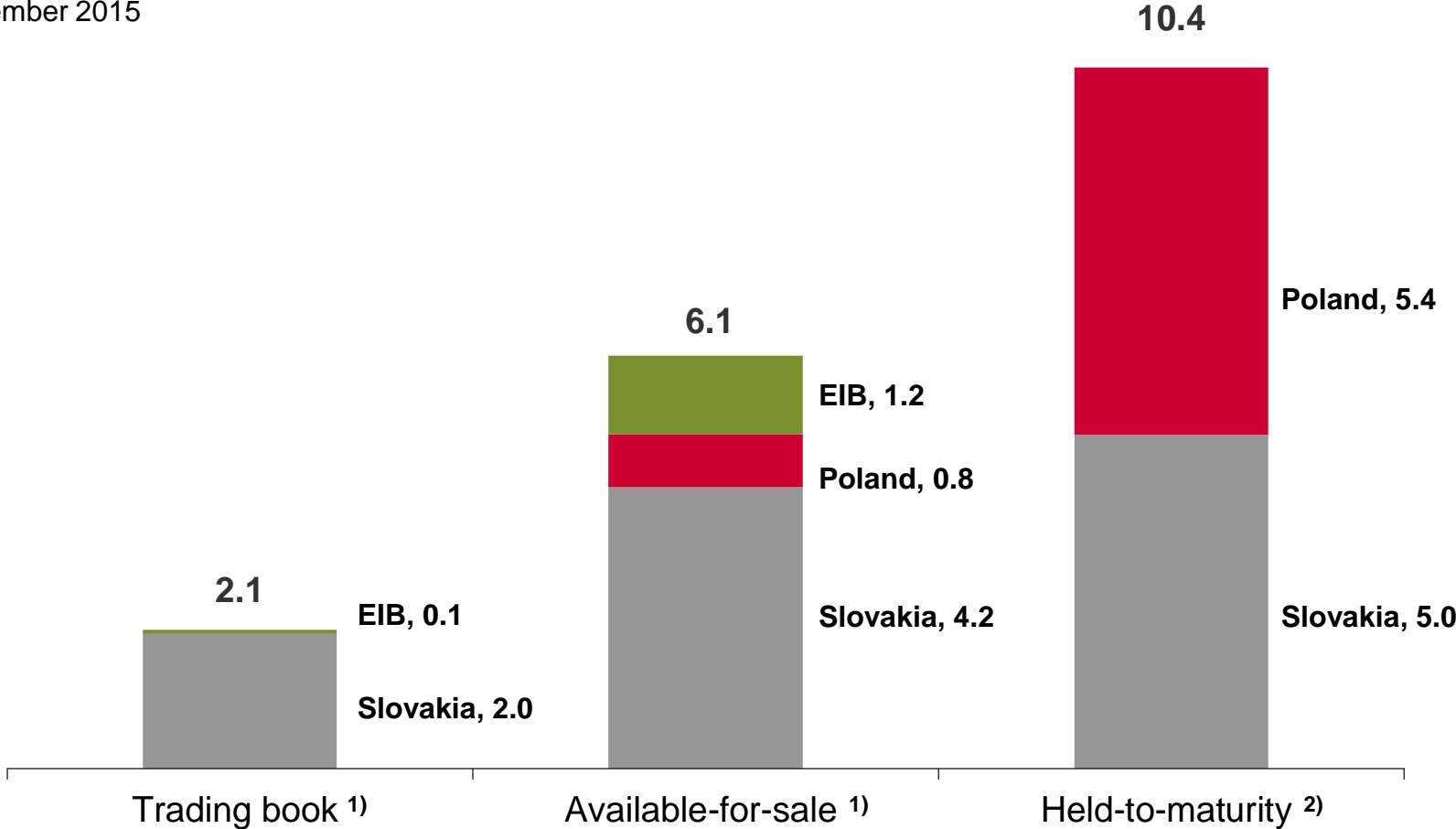


- Czech sovereign
- Foreign sovereign

# Foreign sovereign exposure

As of 30 September 2015

CZK billion



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

# Macroeconomic environment – Czech Republic

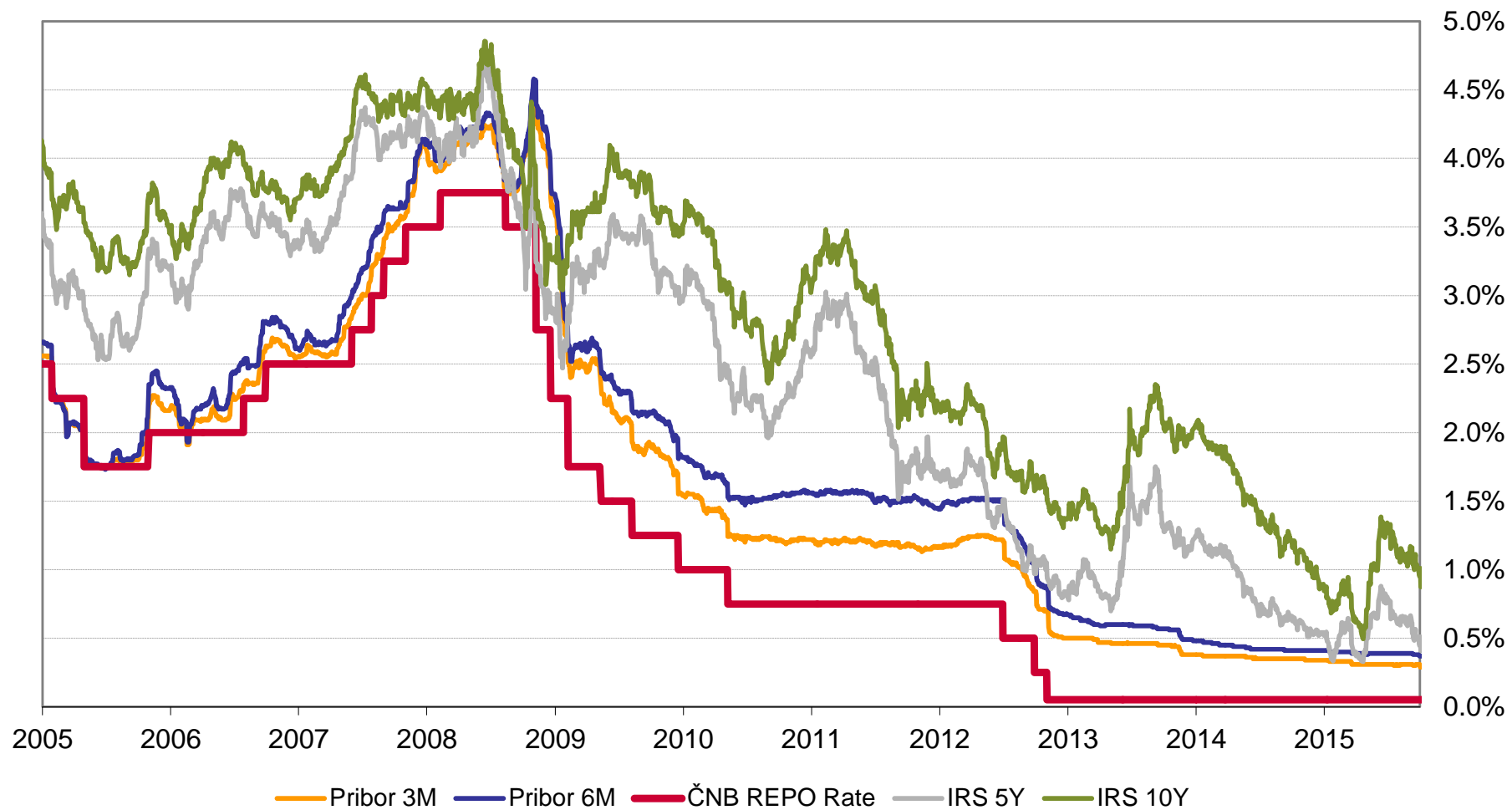
<b>Macroeconomic Indicators</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>	<b>2016*</b>
Real GDP (% , average)	2.0	-0.8	-0.5	2.0	4.2	2.8
Inflation (% , average)	1.9	3.3	1.4	0.4	0.5	1.6
Household consumption (% , average)	0.3	-1.5	0.7	1.5	3.2	2.9
Unemployment (% , av. , MLSA meth.)	6.6	6.8	7.8	7.6	6.5	6.0
M2 (% , average)	3.4	6.0	4.6	4.3	6.0	6.1
3M PRIBOR (% , average)	1.2	1.0	0.5	0.4	0.3	0.3
<b>Potential of the market **</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>	<b>2016*</b>
Loans / GDP (year-end)	57.3	58.4	61.7	61.8	62.9	63.7
Real estate loans / GDP (year-end)	19.2	20.0	20.9	21.1	21.6	22.4
Deposits / GDP (year-end)	72.5	77.4	81.9	80.6	79.2	79.3
Household loans / GDP (year-end)	25.1	25.9	26.8	26.8	27.6	28.4

\* KB estimate

\*\* Banking sector, year end

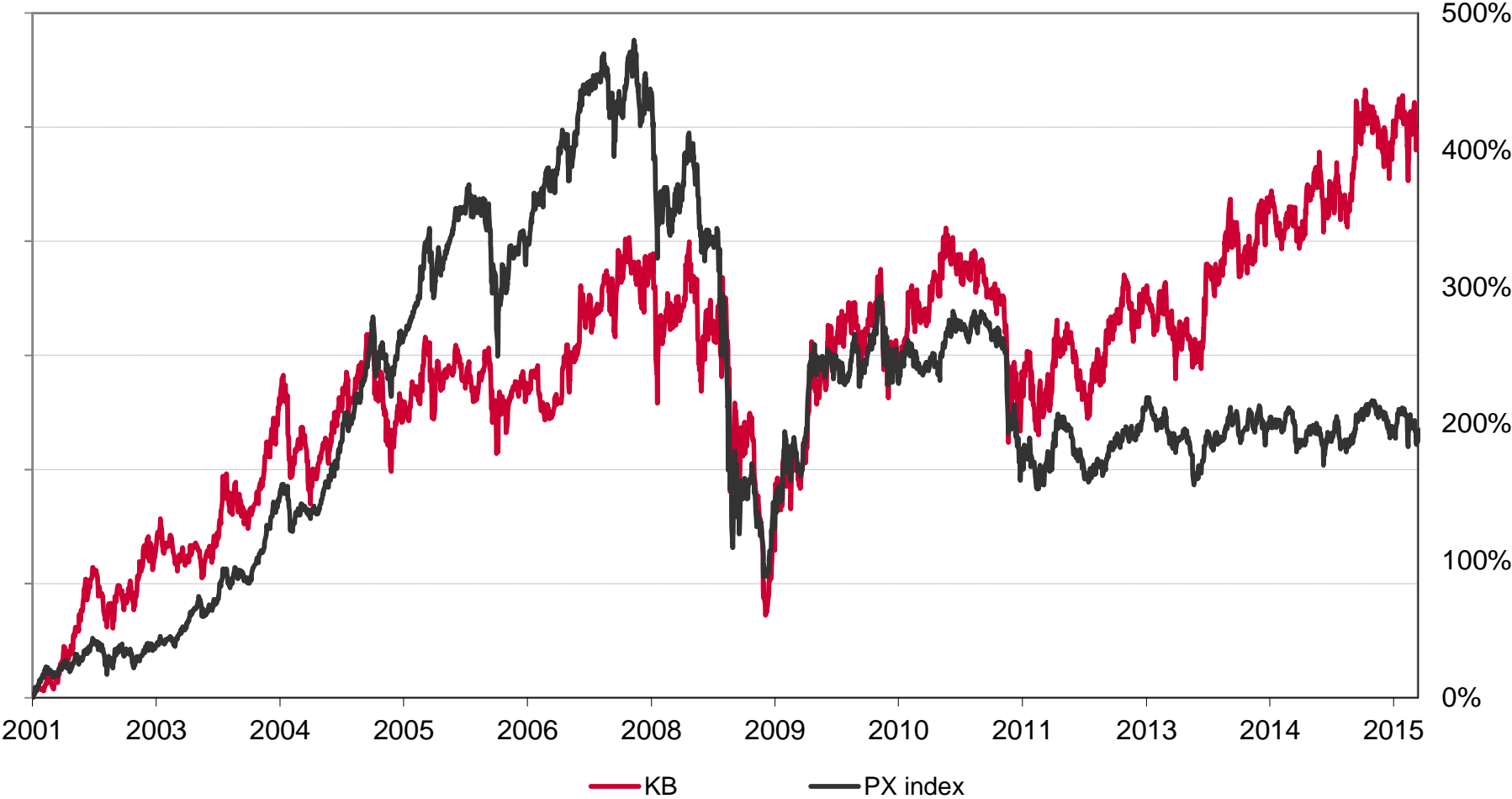
# Interest rates evolution

(for the period 1 January 2005 – 29 October 2015)



# Development of KB's share price and PX Index

(for the period 1 October 2001 – 29 October 2015)



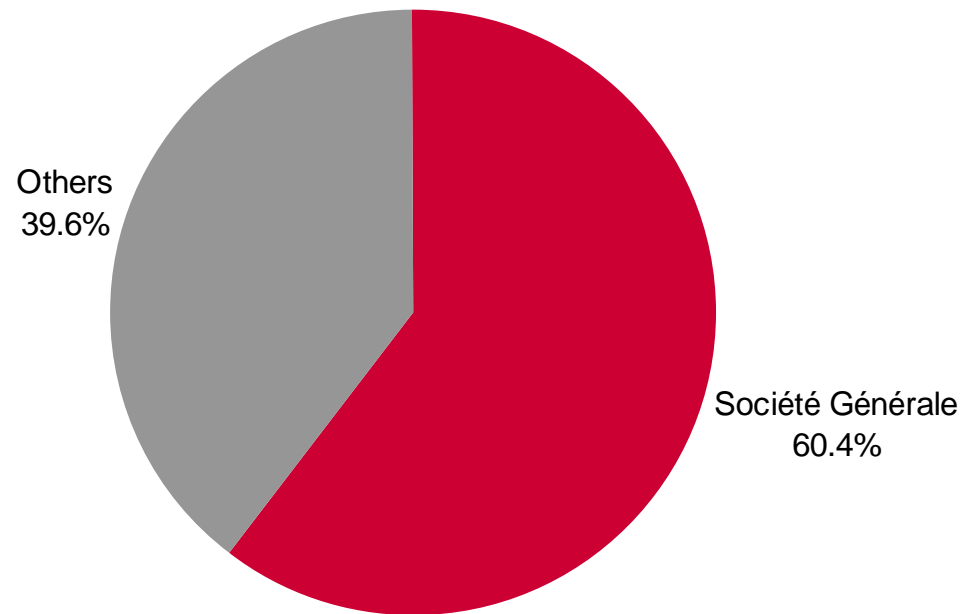


# KB shareholders

As of 30 September 2015

The number of shareholders comprised 42,990 corporate entities and private individuals.

Of the Bank's total share capital of CZK 19,004,926,000 divided into 38,009,852 shares with a nominal value of CZK 500 each, Société Générale S.A. holds 60.35%.



The Bank of New York Mellon ADR Department is, with the permission of the Czech National Bank, the holder of those shares for which Global Depository Receipts (GDRs) were issued and which are in the possession of a significant number of foreign investors.

KB held 238,672 own shares in treasury, representing 0.63% stake on registered capital.



## **Investor Relations**

Jakub Černý, Robert Janeček, Renata Swaczynová, Kamila Corbet

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

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