

Komerční banka Group

Financial results as of 30 June 2017

According to International Financial Reporting Standards, consolidated, unaudited

Prague, 2 August 2017

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 June 2017, 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

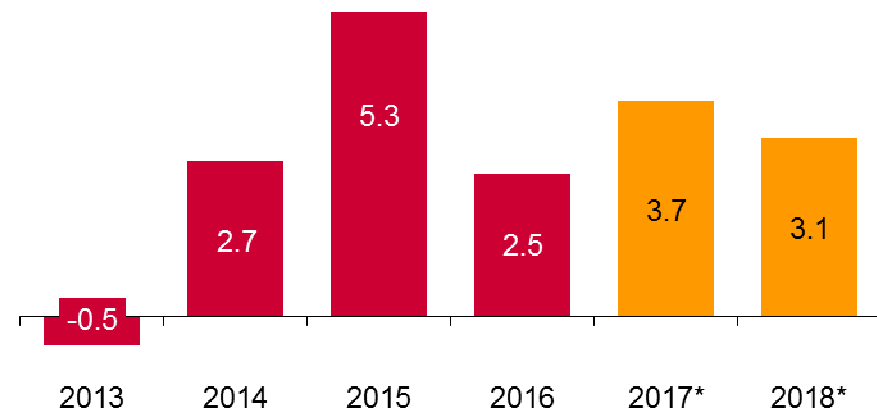
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Dynamic growth of the Czech economy

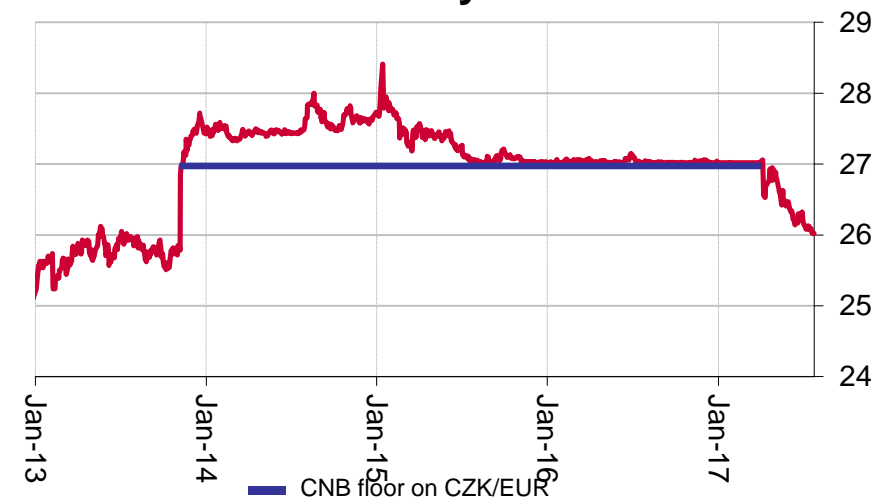
- GDP in 1Q17 up 1.5% QoQ, (+3.0% YoY) as private consumption and foreign demand remained strong. Investments contributed still negatively, due to delays in public infrastructure projects
- On the supply side, GDP was driven mainly by industry, growing at around 6% pace
- Unemployment (2.9% in June, according to Eurostat) the lowest in the European Union
- CPI inflation +2.3% YoY in June. Nominal wages up 5.3% in 1Q17
- On 6 April, CNB removed floor on CZK/EUR. Subsequently, CZK appreciated by 3.6% in quite a smooth trend¹
- Monetary policy 2W repo rate stays at 0.05% with hints of a hike approaching
- Market rates: 3M PRIBOR still at 30 bps. 10Y IRS increased to 1.3%, 10Y CZGB around 100 bps¹

Notes: Source of indicators Czech Statistical Office, unless stated otherwise
1) as of 31 July 2017

Real GDP outlook (YoY, %)



CZK appreciating smoothly following removal of the currency floor



Source: CNB, CSO, 2017-2018* KB Economic & Strategy Research forecasts

KB in first half 2017: strong and responsible participation to the Czech economic growth

Solid growth of business volumes

- KB Group's lending to clients expanded by 5.1% year on year to CZK 599.8 billion
- Total client deposits rose by 11.8% from year earlier to CZK 771.2 billion
- Assets of KB Group's clients in mutual funds, pension savings and life insurance climbed by 8.8% to CZK 157.3 billion

Improving commercial offer and tools

- SGEF has become a partner of the Expanze (Expansion) programme for financing SMEs' investments in equipment and fixed assets. It is supported by the Czech government's development bank CMZRB
- KB launched a new CRM front-end application in retail banking. It covers the full scope of KB's offer in this segment while upgrading the service level and quality of relationships with clients
- Clients showed great appreciation for limited edition payment cards featuring their favourite comic superheroes (Wonder Woman, Superman, Batman). In co-operation with Warner Bros., KB was the first bank on the Czech market to introduce such cards









Recognised for long-term partnerships with employees

- KB was awarded second place in the Employer of the Year 2017 competition for the category of companies with more than 5,000 employees. In Prague region, KB was named Employer of the Year 2017 in the same category

Important increase in bottom line result

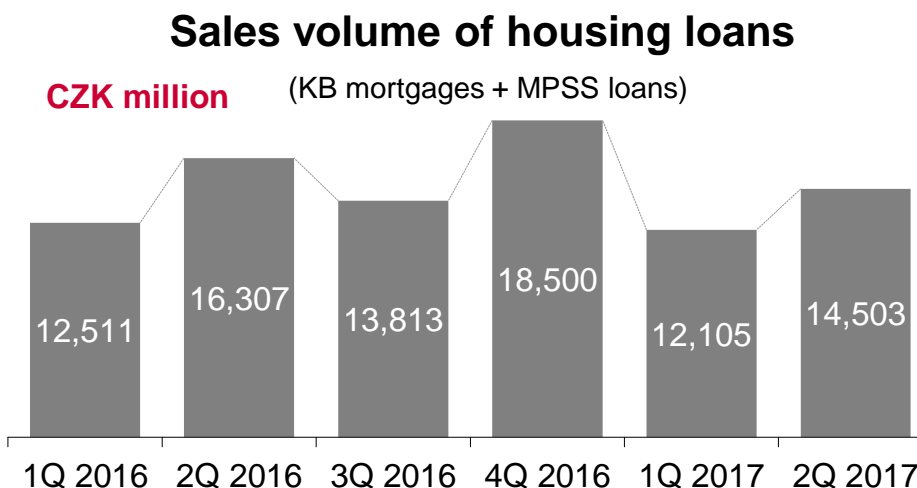
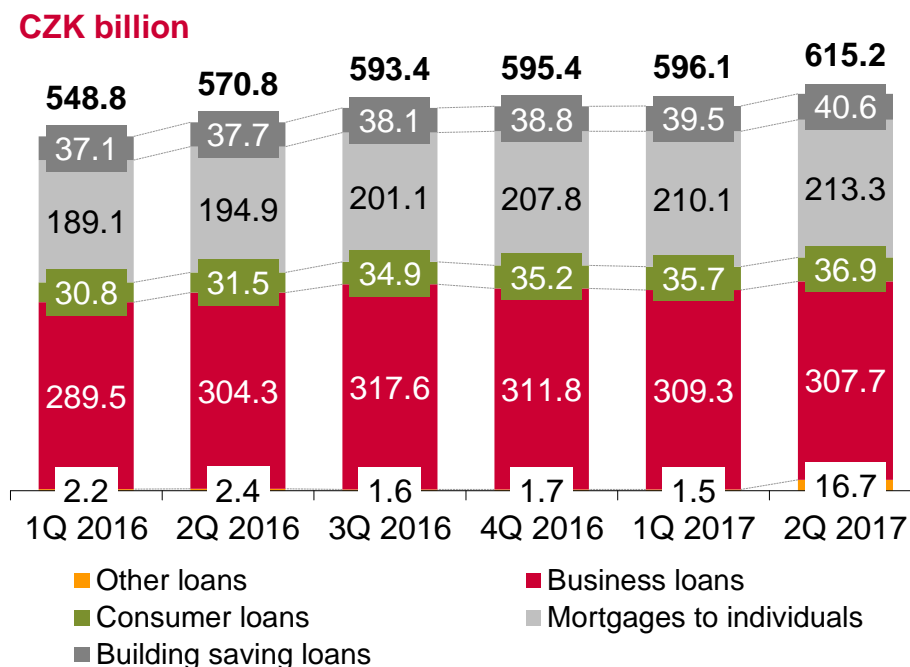
- Revenues reached CZK 15.6 billion. Recurring revenues were up by 2.0%, driven by gains from financial operations, boosted by extraordinary hedging activity of clients around removal of the currency floor. Net interest income and net fees slightly declined
- Recurring operating costs grew by 1.9%, less than the inflation
- Net release of provisions for loan losses amounting to CZK 0.1 billion, as a result of successful recovery performance and favourable economic conditions
- Net profit was up 15.0% both in reported as well as recurring view. Excluding extraordinary contributions related to restructuring of KB's portfolio of headquarters buildings it amounted to CZK 6.8 billion. Including this one-off item, reported net profit reached CZK 7.7 billion

Selected deals of the second quarter of 2017

<p style="text-align: center;">Manufacturing</p>	<p style="text-align: center;">Automotive</p>	<p style="text-align: center;">Energy</p>	<p style="text-align: center;">Transportation</p>
<p style="text-align: center;">  TRELLEBORG TRELLEBORG AB Revolving Credit Facility CZK 6,750,000,000 Mandated Lead Arranger and Bookrunner 2017 </p>	<p style="text-align: center;">  AAA AUTO INTERNATIONAL A.S. Syndicated term and revolving credit facility CZK 1,592,609,500 EUR 23,250,000 EUR 20,000,000 Lender 2017 </p>	<p style="text-align: center;">  OTE, A.S. Syndicated overdraft and revolving facility CZK 4,000,000,000 Mandated lead arranger, Facility Agent and lender 2017 </p>	<p style="text-align: center;">  Dopravní podnik města České Budějovice, a.s. Investment Financing CZK 500,000,000 Complex bank services provider 2017 </p>
<p style="text-align: center;">Consumer Financing</p>	<p style="text-align: center;">Energy</p>	<p style="text-align: center;">Public sector</p>	<p style="text-align: center;">Manufacturing</p>
<p style="text-align: center;">  HOME CREDIT B.V. Syndicated Term Facility EUR 650,000,000 Joint Mandated Lead Arranger and Joint Bookrunner / Original Lender 2017 </p>	<p style="text-align: center;">  NET4GAS, S.R.O. Multicurrency Financing EUR 347,100,000 Lender nad Facility Agent 2017 </p>	<p style="text-align: center;">  STATUTÁRNÍ MĚSTO PARDUBICE Municipal Loan CZK 1,000,000,000 Complex bank services provider 2017 </p>	<p style="text-align: center;">  AG FOODS Group a.s. + Biogena CB s.r.o. Acquisition Financing CZK 438,000,000 Complex bank services provider 2017 </p>

Dynamic retail lending, corporate borrowing affected by abundant liquidity

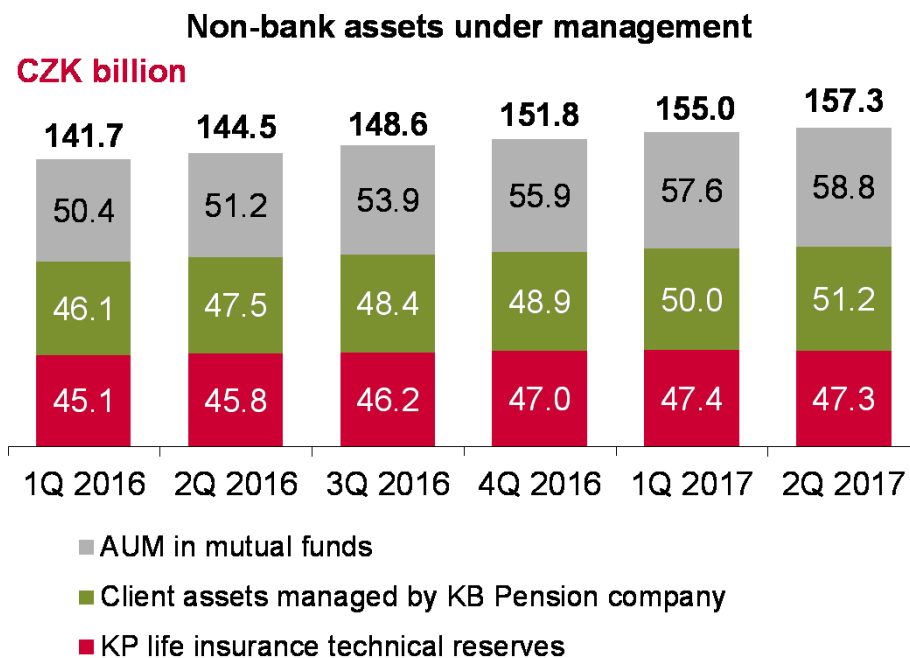
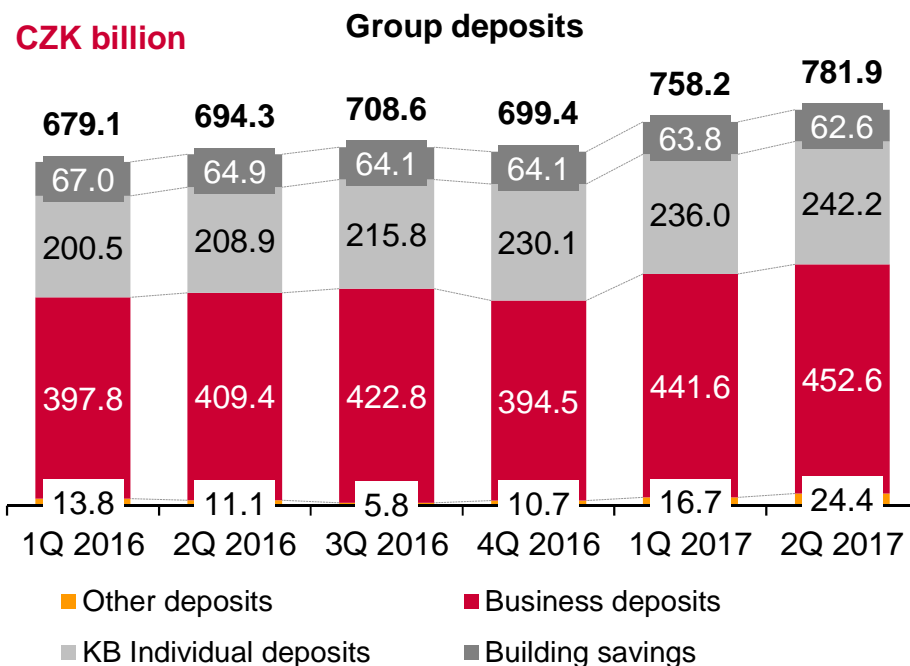
- Gross loans (excluding repo) up by 5.1% YoY¹, +0.6% QoQ to CZK 599.8 billion. Total Loans and advances to customers +7.8% YoY, +3.2% QoQ to CZK 615.2 billion
- Group housing loans +9.2% YoY, of which
 - Mortgages +9.5% YoY to CZK 213.3 billion
 - Modrá pyramida's loan portfolio +7.7% to CZK 40.6 billion
- Consumer loans (KB + ESSOX + retail lending by PSA Finance) up by 17.1% YoY to CZK 36.9 billion. Excluding retail financing by PSA, consumer loans expanded by 11.2%
- Business loans up 1.1% YoY, of which:
 - Small businesses (KB) +5.0% to CZK 33.2 bil.
 - Corporations (incl. Factoring KB) +0.4% to CZK 249.0 billion. Excluding wholesale financing by PSA, corporate loans down by 0.6%
 - SGEF (leasing) +3.3% to CZK 25.5 billion



Fast growth in deposits commensurate to inflow of liquidity onto the market

- Standard Group deposits (excluding repo) grew by +11.8% YoY to CZK 771.2 billion, +1.7% QoQ. Total amounts due to clients +12.6% YoY, +3.1% QoQ.
- Deposits from business clients +10.6% YoY to CZK 452.6 billion
- KB (bank) deposits from individuals +15.9% YoY to CZK 242.2 billion
- MPSS building savings -3.5% YoY to CZK 62.6 billion, influenced by repricing
- Current accounts +14.8% to CZK 570.3 billion, term and savings accounts +4.4% to CZK 193.6 billion
- Clients' pension assets +7.9% to CZK 51.2 billion
- KP life insurance technical reserves rose by 3.1% YoY to CZK 47.3 billion
- AUM in mutual funds (sold by KB+MPSS) increased by 14.8% YoY to CZK 58.8 billion

Deposits and other assets under management



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Net result boosted by clients' extraordinary hedging activity on CZK rate, release of provisions

Profit and Loss Statement

	Reported			Recurring		
	1H 2016	1H 2017	Change YoY	1H 2016	1H 2017	Change YoY
(CZK million, unaudited)						
Net interest income	10,446	10,313	-1.3%	10,446	10,313	-1.3%
Net fees & commissions	3,408	3,225	-5.4%	3,408	3,225	-5.4%
Income from financial operations	2,359	1,992	-15.6%	1,400	1,992	42.3%
Other income	65	100	53.8%	65	100	53.8%
Net banking income	16,279	15,630	-4.0%	15,319	15,630	2.0%
Personnel expenses	-3,429	-3,630	5.9%	-3,429	-3,630	5.9%
General admin. expenses (excl. regulatory funds)	-2,029	-2,089	3.0%	-2,029	-2,089	3.0%
Resolution and similar funds	-874	-854	-2.3%	-874	-854	-2.3%
Depreciation, impairment and disposal of assets	-864	60	+/-	-864	-757	-12.4%
Operating costs	-7,196	-6,513	-9.5%	-7,196	-7,330	1.9%
Gross operating income	9,083	9,116	0.4%	8,123	8,300	2.2%
Cost of risk	-788	103	+/-	-788	103	+/-
Net operating income	8,295	9,219	11.1%	7,335	8,403	14.6%
Profit on subsidiaries and associates	97	108	11.3%	97	108	11.3%
Profit before income taxes	8,392	9,327	11.1%	7,432	8,511	14.5%
Income taxes	-1,492	-1,446	-3.1%	-1,310	-1,525	16.4%
Net profit	6,899	7,881	14.2%	6,122	6,986	14.1%
Minority profit/(loss)	205	184	-10.2%	205	184	-10.2%
Net profit attributable to equity holders	6,695	7,697	15.0%	5,917	6,802	15.0%

Note for recurring figures:

1H 2016: Adjusted for the reimbursement for KB's stake in VISA Europe Ltd (CZK 959 mil. in NPFO, CZK -182 mil. in Income taxes)

1H 2017: Adjusted for net positive contribution from the sale and revaluation of KB's headquarters buildings (CZK 817 mil. in Depreciation, impairment and disposal of fixed Assets, CZK 79 mil. in Income taxes).

Balance sheet structure influenced by inflow of deposits

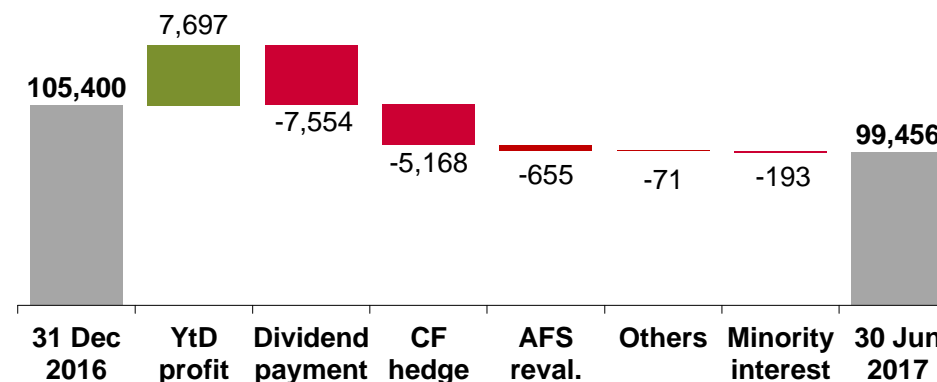
Balance Sheet (CZK million, unaudited)	30 Jun 2016 Reported	31 Dec 2016 Reported	30 Jun 2017 Reported	YoY	Ytd
Assets	939,782	922,737	1,039,362	10.6%	12.6%
Cash and balances with central bank	143,035	112,241	214,365	49.9%	91.0%
Amounts due from banks	55,151	51,771	61,452	11.4%	18.7%
Loans and advances to customers (net)	555,813	580,198	601,634	8.2%	3.7%
Securities and trading derivatives	135,723	134,591	123,974	-8.7%	-7.9%
Other assets	50,061	43,935	37,936	-24.2%	-13.7%
Liabilities and shareholders' equity	939,782	922,737	1,039,362	10.6%	12.6%
Amounts due to banks	61,773	54,124	88,165	42.7%	62.9%
Amounts due to customers	694,320	699,377	781,919	12.6%	11.8%
Securities issued	15,752	13,423	15,106	-4.1%	12.5%
Other liabilities	65,290	50,412	54,716	-16.2%	8.5%
Shareholders' equity	102,648	105,400	99,456	-3.1%	-5.6%

Shareholders' equity lower year-to-date due to impact of higher interest rates on revaluation of hedges

- Shareholders' equity declined year to date by 5.6% to CZK 99.5 billion
- Profit generation was offset by payment of the annual dividend in May of CZK 7.6 billion
- Higher market interest rates pushed down revaluation gains on cash flow hedges and available-for-sale securities (10Y IRS rate went up to 1.29% on 30 June 2017 from 0.89% on 31 December 2016)
- AFS revaluation gains also influenced by gradual amortisation of securities reclassified from the AFS to HTM portfolio in 2014
- Total regulatory capital = Core Tier 1 capital amounted to CZK 74.2 billion, up +12.6% YoY driven by accrual of retained earnings

As of 30 June 2017, CZK -1,511 million was transferred from Other comprehensive income (Cash flow hedging) to Net profit (net of tax)

Contributions to equity in 1H 2017



Shareholders' equity

(CZK million)	30/6/2017
Share capital & reserve funds	78,716
Current year attributable net profit	7,697
Others	425
Equity for adjusted ROAE calculation	86,838
Cash flow hedge	6,212
AFS securities' fair value changes	2,769
Minority equity	3,638
Total Shareholders' equity	99,456

Improved capital and profitability indicators

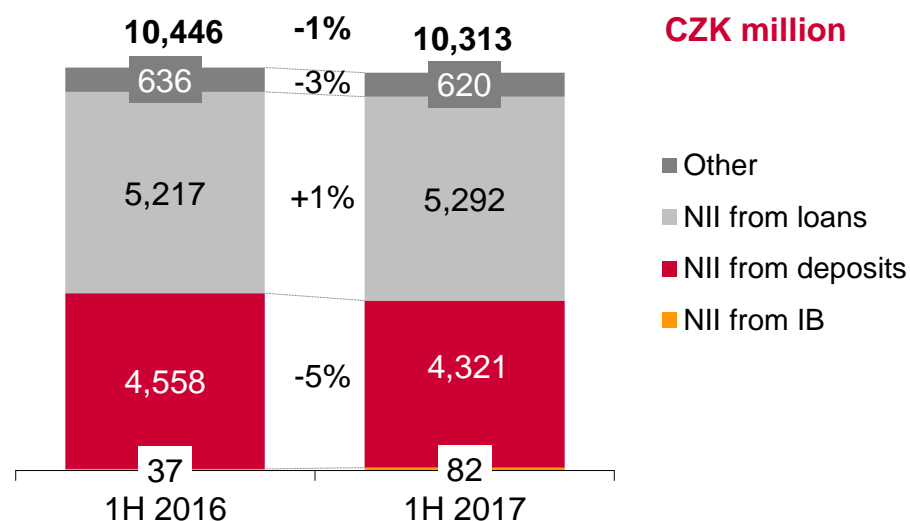
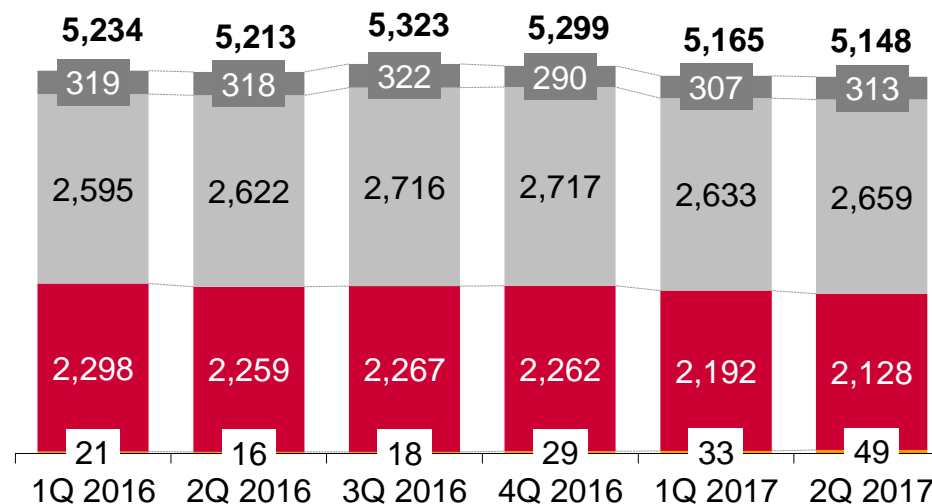
(year-to-date)	Reported			Recurring	
	30/6/2016	31/12/2016	30/6/2017	30/6/2016	30/6/2017
Capital adequacy (reported, comprising only Core Tier 1	15.3%	16.2%	16.5%		
Total risk weighted assets (CZK billion)	429.8	442.9	451.3		
Risk weighted assets for credit risk (CZK billion)	363.8	376.9	381.5		
Net interest margin (NII/Av. interest bearing assets), annualised	2.5%	2.5%	2.3%		
Loans (net) / deposits ratio (excl. repo operations with clients)	80.6%	83.6%	76.0%		
Cost / income ratio	44.2%	44.2%	41.7%	47.0%	46.9%
Return on average equity (ROAE), annualised	13.3%	13.4%	15.6%	11.8%	14.0%
Adjusted return on average equity (adjusted ROAE), annualised *	16.3%	16.0%	17.7%	14.4%	15.9%
Return on average regulatory capital	20.2%	19.8%	21.1%	17.9%	18.8%
Return on average assets (ROAA), annualised	1.5%	1.5%	1.6%	1.3%	1.4%
Earnings per share (CZK), annualised	71	72	82	63	72
Average number of employees during the period	8,434	8,458	8,455		

- Contribution to the regulatory capital from a part of the AFS revaluation reserve related to disposable securities in AFS portfolio amounted to 25 bps of Total capital and Core Tier 1 adequacy, as of 30 June 2017

*) 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)

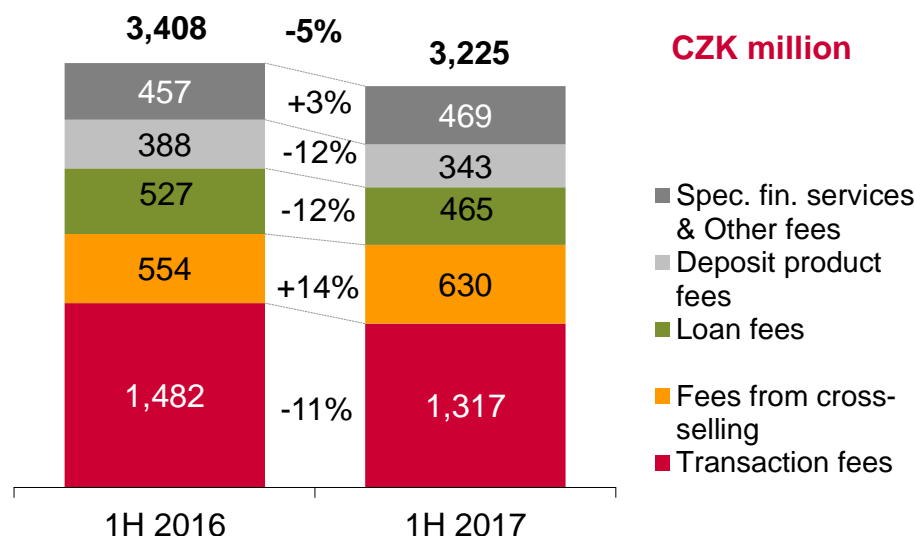
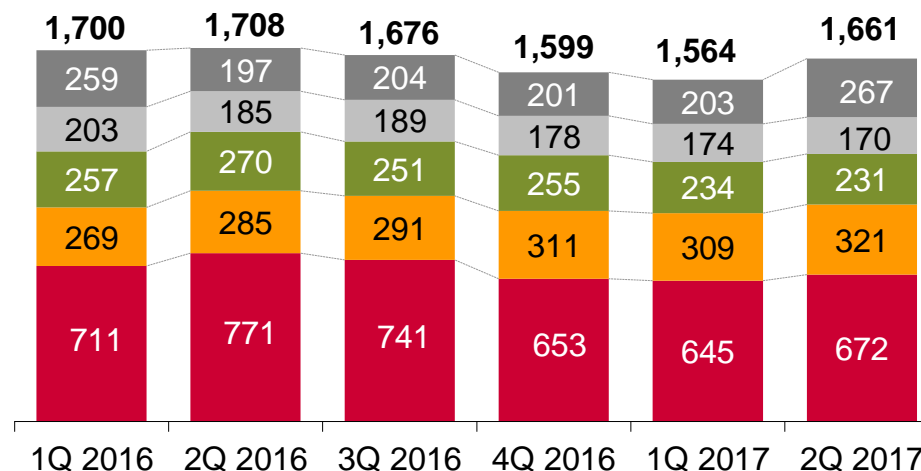
NII underpinned by volume growth

- NII in 1H 2017 -1.3% YoY. NII in 2Q 2017 -0.3% QoQ
- NII from loans – supported by volumes. Pressure on lending margin continued in the overliquid market
- Decline in spreads from consumer loans driven by competition and optimisation by clients (loan refinancing / consolidation)
- Current reinvestment opportunities on the market still yielding less than the average yields on existing and maturing placements
- The net interest margin narrowed to 2.3% in 1H 2017 from 2.5% one year earlier, affected by still low reinvestment yields and a strong inflow of deposits



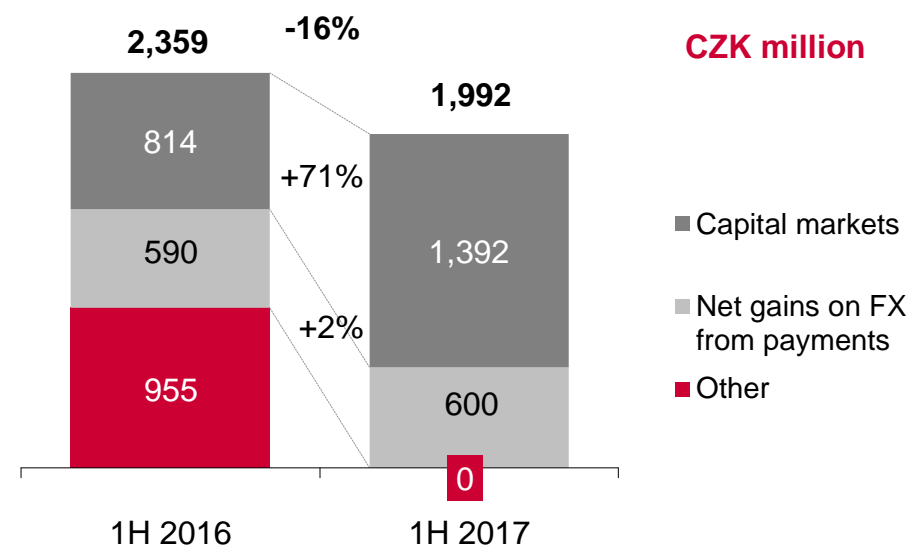
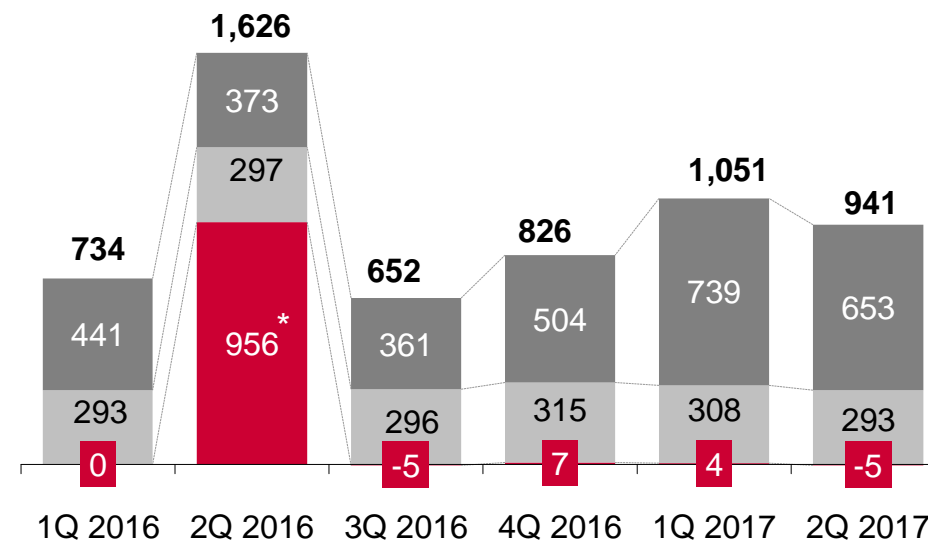
Positive trend in fees from cross-selling and for services with higher added value

- NFC in 1H 2017 down by 5.4% YoY. 2Q +6.2% QoQ
- Deposit product fees - More rewards paid out in the MojeOdměny loyalty programme. Lower number of accounts in Modrá pyramida due to repricing of old contracts
- Loan fees – lower mortgage fees. Temporary drop in ESSOX linked to acquisition of PSA and the new consumer credit law. Lower prepayment fees in Modrá pyramida. Competitive pressure on service margins at Factoring KB
- Fees from cross-selling – driven by rising volume of client assets under management
- Transaction fees – rising number of transactions, mainly card and foreign. YoY impact from sale of merchant acquiring business from 4Q 2016
- Specialised financial services and other fees – higher fee income from syndications, custody and depositary services, while income from guarantees and trade finance products declined



Elevated client activity around end of currency floor

- NPFO in 1H 2017 down by 15.6% YoY due to last year's gain from VISA Europe share*. Excluding this one-off, NPFO was up by strong 42.3%
- In 2Q 2017, NPFO -10.5% QoQ because the clients' currency hedging activity had been exceptionally strong before the CNB removed its floor on CZK exchange rate on 6 April.
- Client demand for currency hedging calmed down after the CNB eliminated the floor
- Demand for IR hedging improves with expectations of interest rates starting to increase
- The fees and commissions from FX transactions grew along with increasing foreign transactions turnover

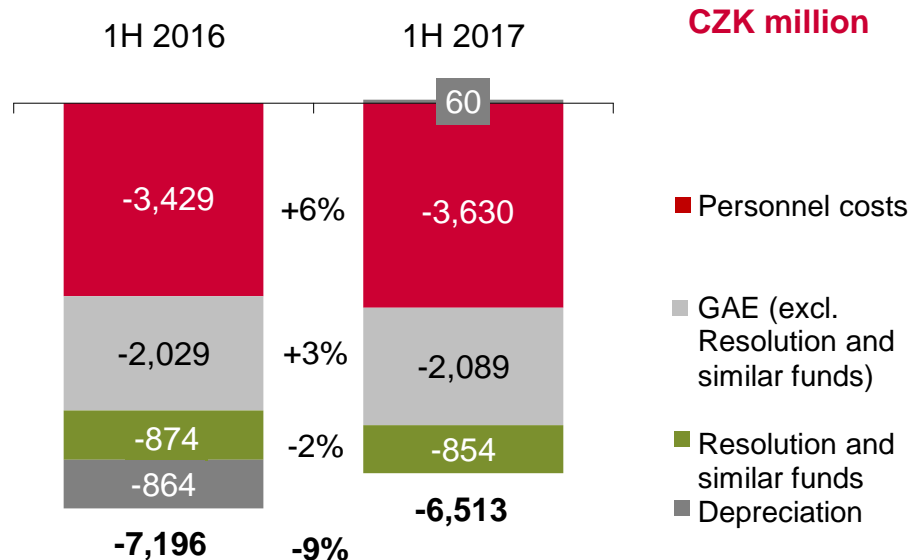
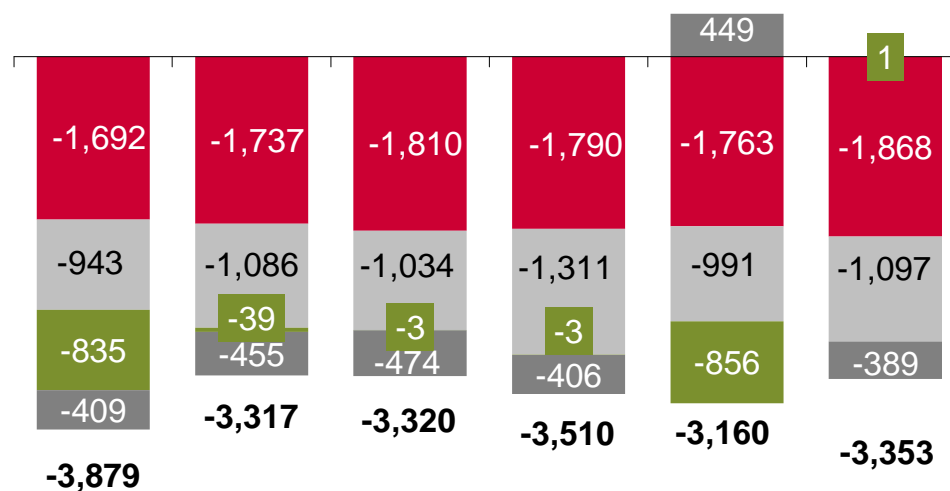


* One-off reimbursement of CZK 959 million (before tax) for KB's stake in VISA Europe, recognised in 2Q 2016

Cost increase responsible

- Recurring OPEX in 1H 2017 grew by 1.9% YoY, less than inflation. Recurring 2Q 2017 down by 15.7% QoQ due to recognition of full year cost of regulatory funds in the first quarter (IFRIC 21)
- Reported OPEX in 1H 2017 decreased by 9.5% YoY, 2Q 2017 +6.1% QoQ due to net gain from the sale and revaluation of KB's headquarters buildings¹
- Personnel expenses up 5.9% YoY. Average number of employees +0.3%. New contribution to employee share ownership plan. Increased bottlenecks on the labour market
- Higher investment in marketing, real estate costs linked to rationalisation of buildings portfolio
- Recurring D&A down mainly due to finished amortisation of certain software

1Q 2016 2Q 2016 3Q 2016 4Q 2016 1Q 2017 2Q 2017



CZK million

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

Notes:

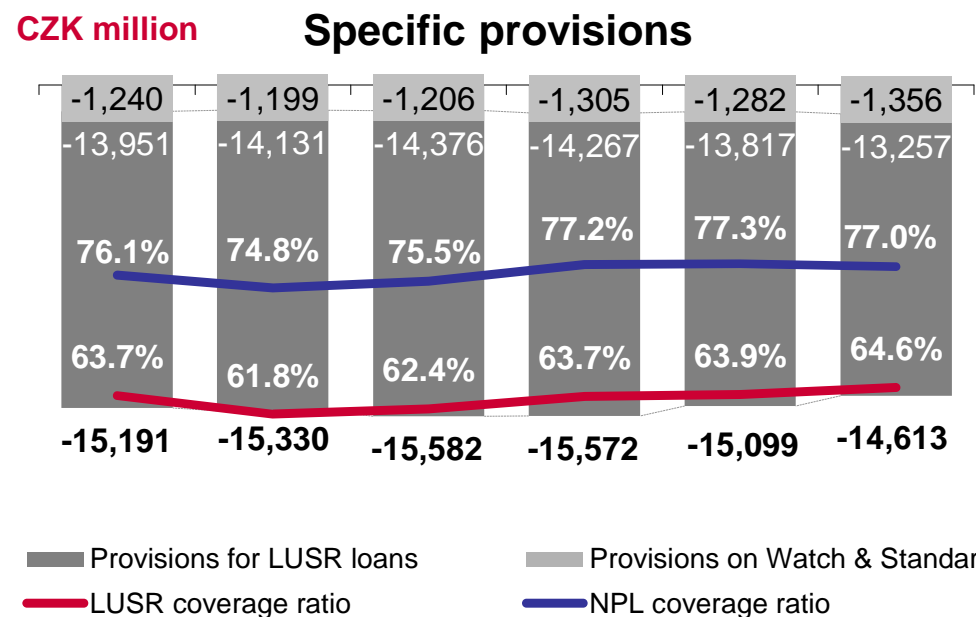
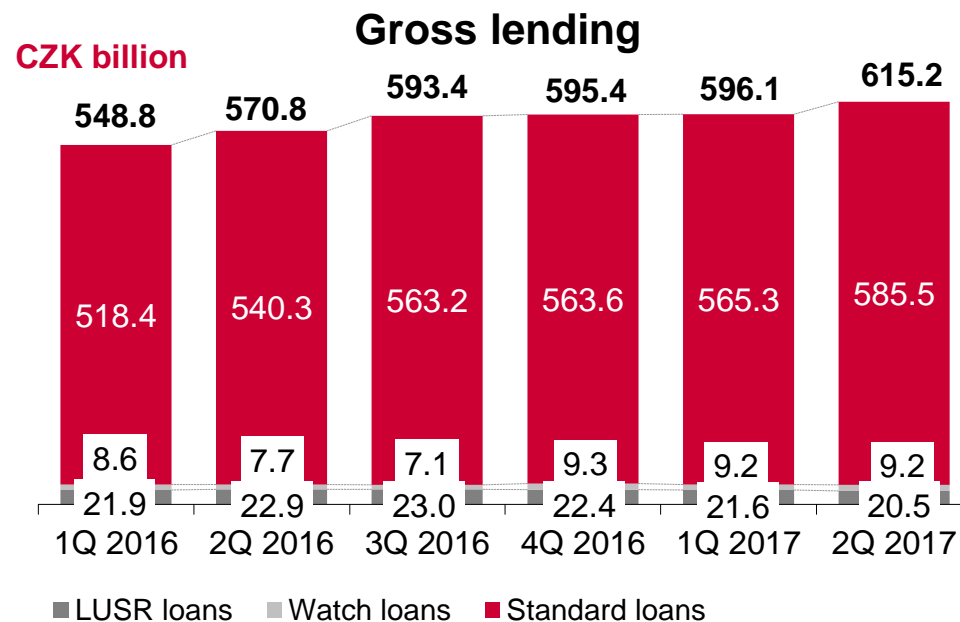
1) CZK 817 million in depreciation and CZK 79 mil. in taxes booked in 1Q 2017

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Persisting sound asset quality

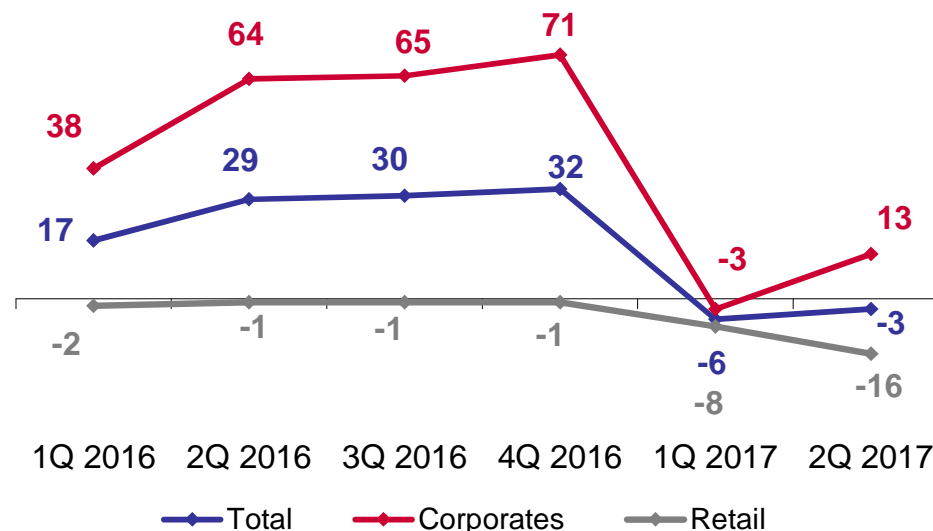
- Loan exposure +7.8% YoY, QoQ +3.2%
- LUSR exposure ratio down to 3.3% (vs. 4% in 2Q 2016) and NPL exposure ratio down to 2.2% (vs. 2.5% in 2Q 2016) driven by exposure growth, successful recovery, low default rates and write-offs
- Provision coverage ratio for LUSR portfolio slightly up to 64.6% (vs. 61.8% in 2Q 2016), for NPL portfolio slightly up to 77% (vs. 74.8% in 2Q 2016) both driven by additional provisions increase on a few defaulted Corporate clients. QoQ stable



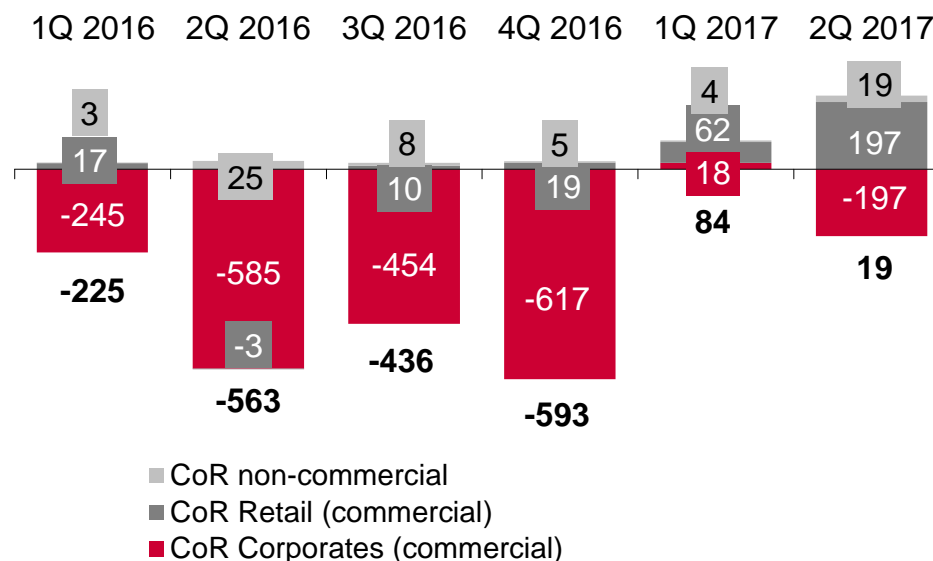
Cost of risk at exceptionally low level

- CoR in 1H 2017 at CZK 103 million in comparison with CZK -788 million in 1H 2016
- YtD Cost of Risk in 1H 2017 at exceptionally low level of -3 bps
- Cost of Risk on Corporates at 13 bps in 1H 2017 (vs. 64 bps in 1H 2016) driven by good recoveries and low number of new defaults without any single big exposure
- Very low Cost of Risk on Retail at -16 bps in 1H 2017 (vs. -1 bps in 1H 2016) driven by extraordinary good recoveries and low number of defaults. Individuals at -18 bps in 1H 2017 (vs. -7 bps in 1H 2016). Retail Small Business flat at satisfactory level of 47 bps in 1H 2017 (vs. 47 bps in 1H 2016)
- 1H 2017 Cost of Risk on Retail significantly influenced by income from sales of defaulted receivables

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 2.4 million clients, of which
 - KB bank 1,654,000 clients (0%)
 - MPSS 482,000 clients (-4%)
 - KBPS 533,000 clients (-1%)
 - ESSOX (Group) 212,000 active clients (+1%)

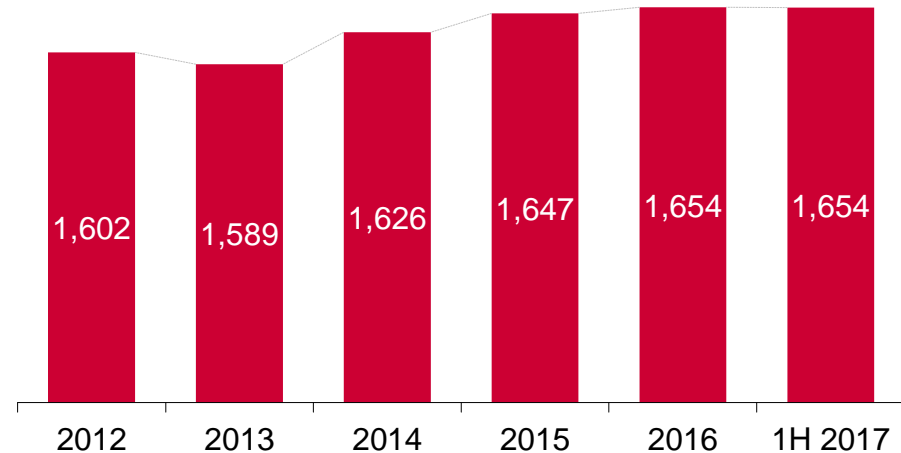
■ Network

- 390 branches for retail clients, 10 corporate divisions and 4 divisions for large corporate clients in CZ, 1 in Slovakia
- 769 ATMs (of which 201 deposit ATMs)
- MPSS: 216 points of sale; approx. 1,000 sales agents
- SGEF: 7 branches in CZ, 2 in Slovakia

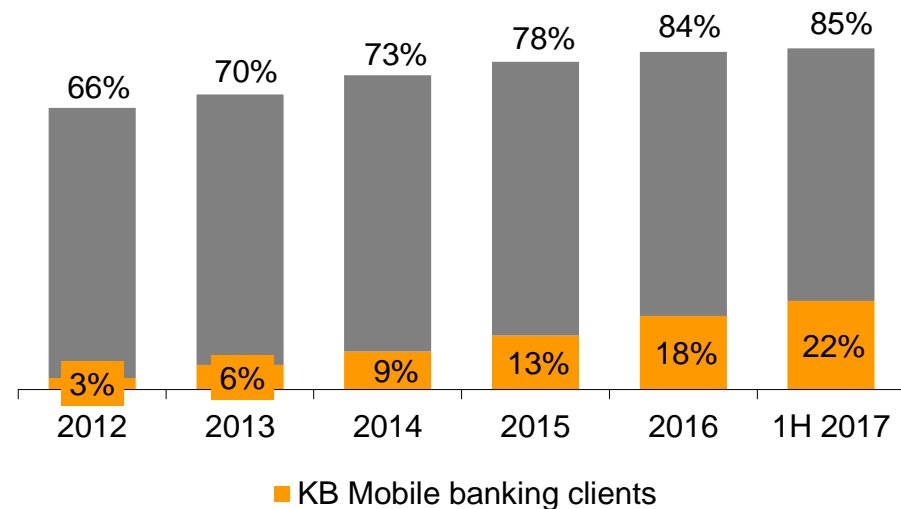
■ Direct Channels

- 1,400,000 clients (i.e. 85% of KB client base) using direct banking channels
- Two call centres, internet and mobile banking

Number of bank clients (thousands, CZ)



Number of clients – Direct Channels



Consolidated income statement – quarterly view

Profit and Loss Statement	2Q 2016	1Q 2017	2Q 2017	Change YoY	Change QoQ
(CZK million, unaudited)					
Net interest income	5,213	5,165	5,148	-1.2%	-0.3%
Net fees & commissions	1,708	1,564	1,661	-2.8%	6.2%
Income from financial operations	1,626	1,051	941	-42.1%	-10.5%
Other income	38	41	59	55.3%	43.9%
Net banking income	8,585	7,821	7,809	-9.0%	-0.2%
Personnel expenses	-1,737	-1,763	-1,868	7.5%	6.0%
General admin. expenses (excl. regulatory funds)	-1,086	-991	-1,097	1.0%	10.7%
Resolution and similar funds	-39	-856	1	+/-	+/-
Depreciation, impairment and disposal of assets	-455	449	-389	-14.5%	+/-
Operating costs	-3,317	-3,160	-3,353	1.1%	6.1%
Gross operating income	5,268	4,661	4,456	-15.4%	-4.4%
Cost of risk	-563	84	19	+/-	-77.4%
Net operating income	4,705	4,745	4,474	-4.9%	-5.7%
Profit on subsidiaries and associates	46	55	53	15.2%	-3.6%
Profit before income taxes	4,750	4,800	4,527	-4.7%	-5.7%
Income taxes	-839	-615	-831	-1.0%	35.1%
Net profit	3,911	4,185	3,696	-5.5%	-11.7%
Minority profit/(loss)	110	104	80	-27.3%	-23.1%
Net profit attributable to equity holders	3,801	4,081	3,616	-4.9%	-11.4%

Recurring P&L – quarterly view

Profit and Loss Statement	2Q 2016 recurring	1Q 2017 recurring	2Q 2017 recurring	Change YoY	Change QoQ
(CZK million, unaudited)					
Net interest income	5,213	5,165	5,148	-1.2%	-0.3%
Net fees & commissions	1,708	1,564	1,661	-2.8%	6.2%
Income from financial operations	666	1,051	941	41.3%	-10.5%
Other income	38	41	59	55.3%	43.9%
Net banking income	7,625	7,821	7,809	2.4%	-0.2%
Personnel expenses	-1,737	-1,763	-1,868	7.5%	6.0%
General admin. expenses (excl. regulatory funds)	-1,086	-991	-1,097	1.0%	10.7%
Resolution and similar funds	-3	-856	1	+/-	+/-
Depreciation, impairment and disposal of assets	-455	-368	-389	-14.5%	5.7%
Operating costs	-3,281	-3,978	-3,353	2.2%	-15.7%
Gross operating income	4,344	3,843	4,456	2.6%	16.0%
Cost of risk	-563	84	19	+/-	-77.4%
Net operating income	3,781	3,927	4,474	18.3%	13.9%
Profit on subsidiaries and associates	46	55	53	15.2%	-3.6%
Profit before income taxes	3,827	3,982	4,527	18.3%	13.7%
Income taxes	-664	-694	-831	25.2%	19.7%
Net profit	3,163	3,288	3,696	16.8%	12.4%
Minority profit/(loss)	110	104	80	-27.3%	-23.1%
Net profit attributable to equity holders	3,053	3,184	3,616	18.4%	13.6%

Notes:

2Q 2016: Adjusted for the reimbursement for KB's stake in VISA Europe Ltd (CZK 959 mil. in NPFO, CZK -182 mil. in Income taxes) and for difference between final amount of Resolution and similar funds for FY 2016 and the amount already booked in 1Q 2016.

1Q 2017: Adjusted for net positive contribution from the sale and revaluation of KB's headquarters buildings.

Business performance of subsidiaries 1/2

	1H 2016	1H 2017	YoY
Modrá pyramida (100%), #2 building savings & loans company			
Volume of new loans (CZK million)	4,723	7,054	49%
Volume of total loans (gross, CZK million)	37,698	40,602	8%
Volume of deposits (CZK million)	64,936	62,591	-4%
Number of clients	503,104	482,246	-4%
Average number of FTEs	332	330	0%
Number of points of sale	217	216	0%
KB Penzijní společnost (100%), a manager of pension funds			
Number of new contracts	16,224	16,636	3%
Number of clients	540,216	533,150	-1%
Assets under management (CZK million)	47,481	51,237	8%
of which in Transformed fund	45,022	48,174	7%
Average number of FTEs	47	47	0%
ESSEX (50.93%), #2 non-bank consumer lender and car financing company			
Volume of new contracts (CZK million)	2,390	3,621	52%
Volume of total loans (gross, CZK million)	9,406	14,709	56%
Number of active clients	210,090	212,185	1%
Average number of FTEs	344	393	14%

Business performance of subsidiaries 2/2

	1H 2016	1H 2017	YoY
Factoring KB (100%), #1 on the Czech factoring market			
Factoring turnover (CZK million)	17,402	20,252	16%
Volume of total financing (gross, CZK million)	6,647	7,437	12%
Average number of FTEs	45	45	1%
Komerční pojišťovna (49%), a universal insurance company			
Volume of technical reserves (CZK million)	45,841	47,255	3%
Premium written (CZK million)	3,788	3,518	-7%
of which in life insurance	3,537	3,241	-8%
of which in non-life insurance	251	276	10%
Average number of FTEs	182	187	3%
SGEF Czech Republic (50.1%), a provider of asset-backed financing in Czech Rep. and Slovakia			
Volume of new financing (CZK million)	5,542	5,413	-2%
Volume of total financing (gross, CZK million)	24,728	25,538	3%
Average number of FTEs	123	126	2%

Macroeconomic environment – Czech Republic

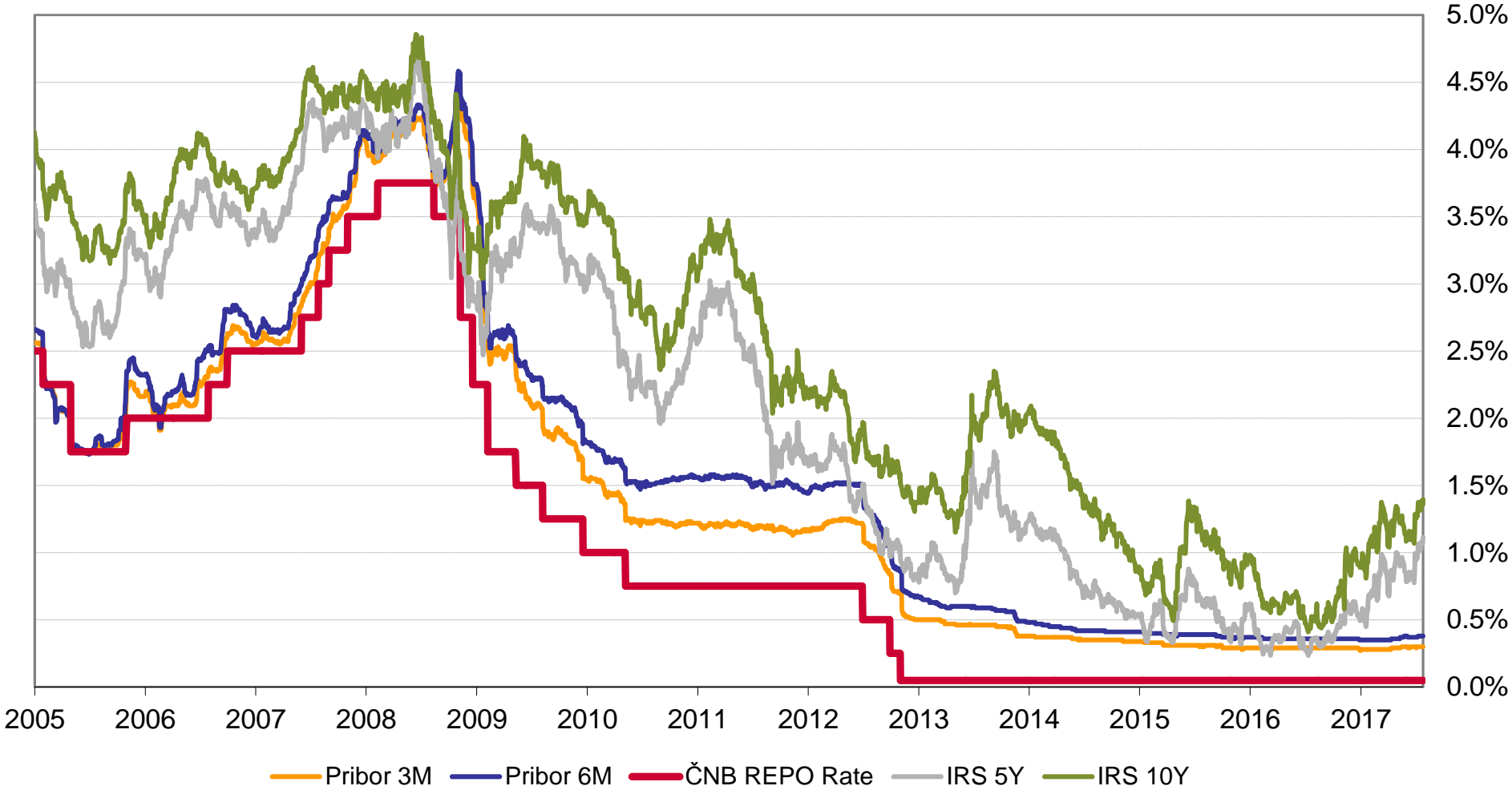
Macroeconomic Indicators	2013	2014	2015	2016	2017*	2018*
Real GDP (% , average)	-0.5	2.7	5.4	2.5	3.7	3.1
Inflation (% , average)	1.4	0.4	0.3	0.7	2.3	2.2
Household consumption (% , average)	0.5	1.8	3.8	3.6	3.5	3.5
Unemployment (% , av., MLSA meth.)	7.8	7.6	6.4	5.4	4.2	3.8
M2 (% , average)	4.7	5.4	7.9	8.6	10.3	9.5
3M PRIBOR (% , average)	0.5	0.4	0.3	0.3	0.4	1.0
Potential of the market **	2013	2014	2015	2016	2017*	2018*
Loans / GDP (year-end)	61.4	61.1	60.5	61.8	63.0	62.2
Real estate loans / GDP (year-end)	20.8	20.9	21.1	22.1	22.4	21.6
Deposits / GDP (year-end)	81.5	79.7	76.6	79.0	80.3	80.5
Household loans / GDP (year-end)	26.7	26.5	26.9	27.9	28.3	27.4

* *KB estimate*

** *Banking sector, year end*

Interest rates evolution

(for the period 1 January 2005 – 25 July 2017)

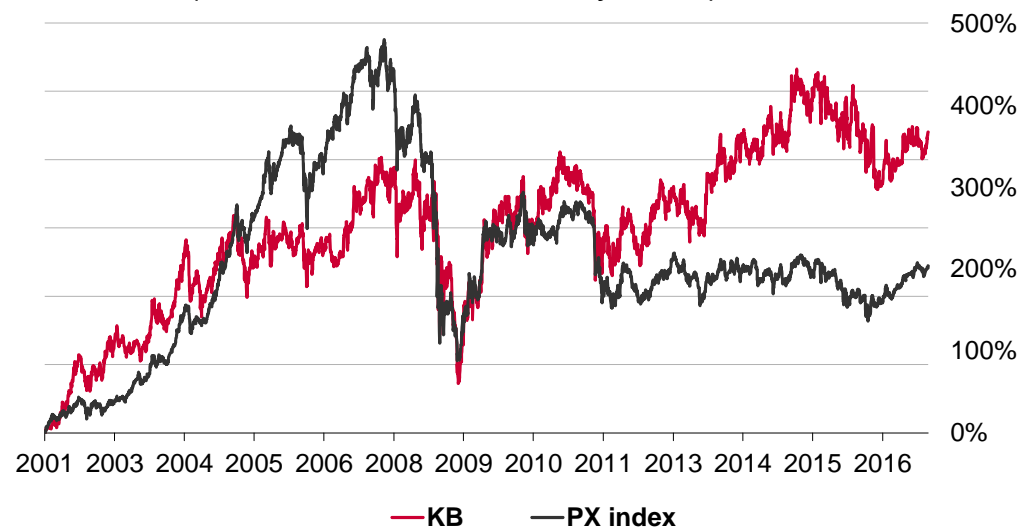


KB #1 listed Czech bank

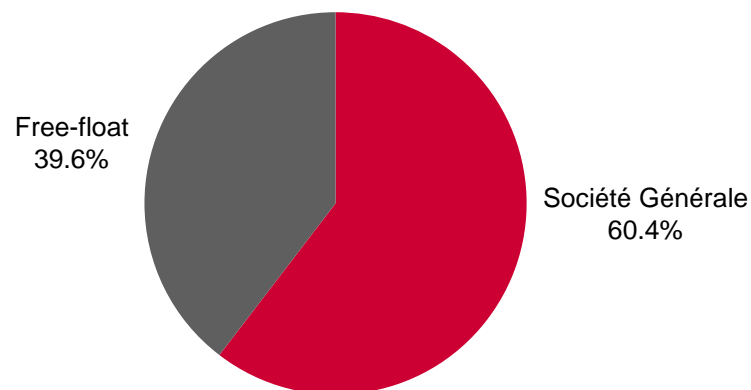
As of 30 June 2017

- The Bank had 46,224 shareholders as of the end of the quarter (+398 year on year), of which 41,215 were private individuals from the Czech Republic (+971 year on year).
- 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

Development of KB share price and PX index
(1 October 2001 – 25 July 2017)



Shareholder structure





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