

PRAGUE, 10 FEBRUARY 2021

KB GROUP RESULTS AS OF 31 DEC 2020

According to IFRS, Consolidated, Unaudited

**THE FUTURE
IS YOU**  **KB**

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 2020, unless stated otherwise.

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

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HIGHLIGHTS AS OF 31 DECEMBER 2021

Excess capital locked by dividend restrictions

- Total capital adequacy at 22.3%, excluding net profit of 2020, above the regulatory minimum of 16.2%.
- KB expects discussion with the CNB on the dividend proposal to begin in March, upon audited financial statements.

Lending copes well with the pandemic challenge

- Lending to customers expanded by 5.7% to CZK 691.4 billion. Growth recorded both in retail & corporate.
- KB has clearly led the market in lending to clients under Covid guarantee programmes. Within the COVID III programme, KB approved 1,700 client applications totalling CZK 12 billion, thereby achieving 53% market share by approved volume (59% by volume drawn). The Bank applies its standard risk assessment and underwriting process for these loans.
- Quality of assets remained very good. All payment moratoria expired by end of October, vast majority of clients returned to standard repayment schedule.

Resilient financial and business performance in the context of economic shock from the pandemic

- The standard client deposits increased by 9.4% to CZK 893.0 billion. Ample liquidity with the net loans to deposits ratio at 76.1%.
- Revenues reported a decline by 8.9%. Net profit attributable to shareholders reached CZK 8.2 billion, delivering Return on Tier 1 capital of 9.0%.

KB Change 2025 strategy implementation commenced

- Building up a new digital bank, with Temenos Transact platform at its core.
- KB has committed to make its operations carbon neutral by 2026
- KB has also acceded to the European Diversity Charter, committing itself to promote diversity and equal opportunities for its employees.

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CZECH ECONOMY PROVED HIGH LEVEL OF FLEXIBILITY AND ADAPTABILITY

- GDP in 4Q 2020 -5.0% YoY, +0.3% QoQ as per flash estimate. GDP in 2020 estimated to drop by 6% due mainly fixed investments and household consumption.
- Czech car production in 2020 lost 19.2% YoY, with biggest losses during the spring lockdown whereas production intact in the following waves.
- Unemployment still low at 3.1% in December¹ shielded by government's short-time work scheme. Nominal wage growth slowing down ahead of material personal income tax cut effective from 2021.
- CPI inflation decelerated to 2.3% YoY in December, back to 1-3% inflation tolerance band of the CNB, mostly due to volatile food and clothing, while core inflation remained around 3.5%.
- CZK against EUR stronger by 3.5% QoQ but weaker by -3.3% YoY.
- Short-term interest rates anchored since last 2W repo rate cut in May: 3M PRIBOR 0.36% (-182 bps YoY). Long-term rates gradually rising, 10Y IRS at 1.28% (-44 bps YoY) and 10Y CZGB 1.30% (-33 bps YoY) as of 31 Dec 2020.

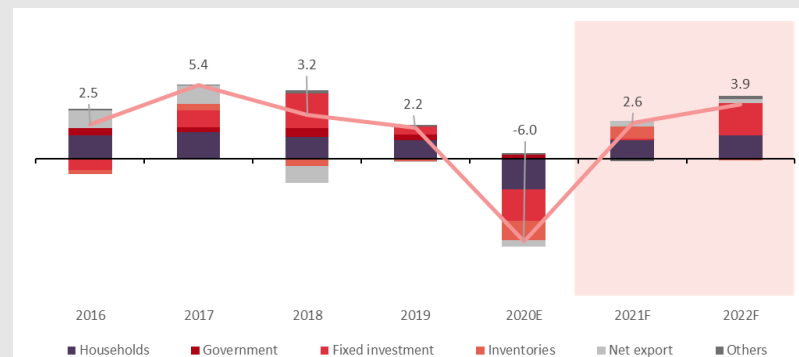
Notes: Source of indicators Czech Statistical Office, CNB, unless stated otherwise

1) According to Eurostat, seasonally adjusted

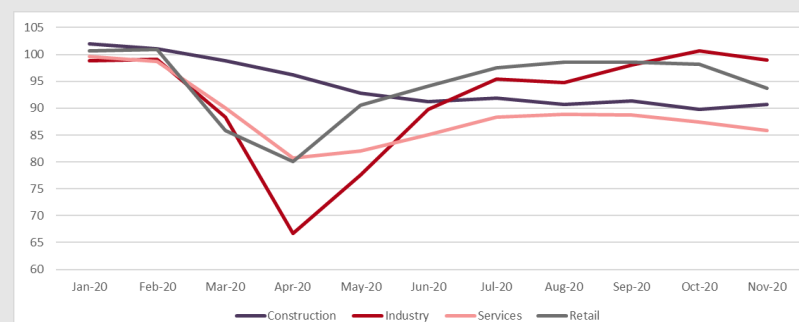
2) Source: KB Economic Research estimate

3) Source of historical data: Czech Statistical Office; 2020E, 2021F and 2022F: forecast of KB Economic Research

Czech GDP growth (% , yoy)³



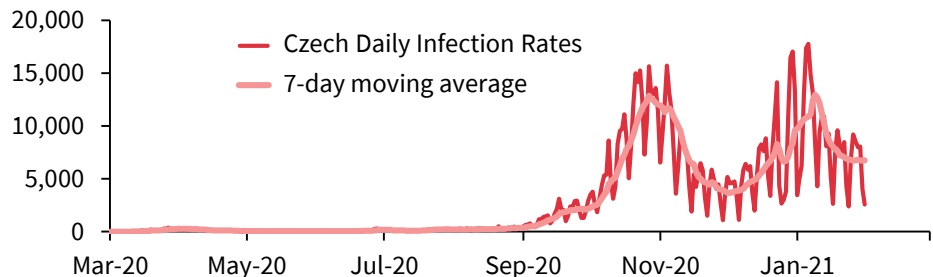
Economic sectors (seasonally adjusted, average 2019 = 100)



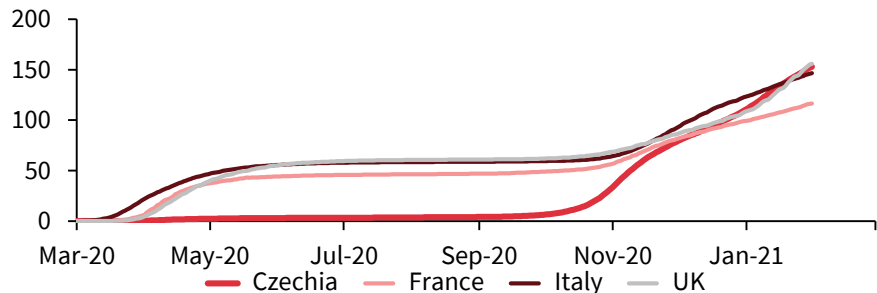
COVID-19 IMPACT AND MITIGATING MEASURES

The hospitality, retail, culture & sports sectors remain under lockdown, but industry fully operational

Czech Daily Infection Rates



COVID-19 Cumulative Deaths per 100,000 population



Source: <https://www.worldometers.info/coronavirus>, Ministry of Health of the Czech Republic.



- **Pandemic situation:** Strong 2nd and 3rd waves. Emergency state from 5th October 2020, prolonged so far until 14th February 2021, with major restrictions (distance learning, closure of hospitality, non-essential retail, events).
- **Public finance:** After record 2020 deficit (6.1% of GDP), the approved budget deficit and further tax changes aim for 6.5% GDP (CZK 400 billion) deficit in 2021, leading to est. 43.5% public debt/GDP in 2021. Stimuli comprise subsidies to wages, care-taker benefits, set of support programs for businesses, investments.
- **Next Generation EU recovery fund:** Czechia will receive approximately CZK172 bil. in the form of grants, 70% of grants must be committed by the end of 2022, the remaining 30% by the end of 2023. The amount of loans provided could reach up to CZK405 bil.
- **Covid guaranteed lending:** As of 31 December 2020, the banks on the Czech market granted CZK 41.5 billion in loans guaranteed by state's CMZRB bank and EGAP export insurance agency.
- **Loan moratoria:** all terminated by 31 October 2020. In total, Czech banks granted loan moratoria on total CZK 449 bil. exposure, (~12% of the sector loan book), o/w CZK 195 billion for non-financial corporates and CZK 253 billion to individuals.

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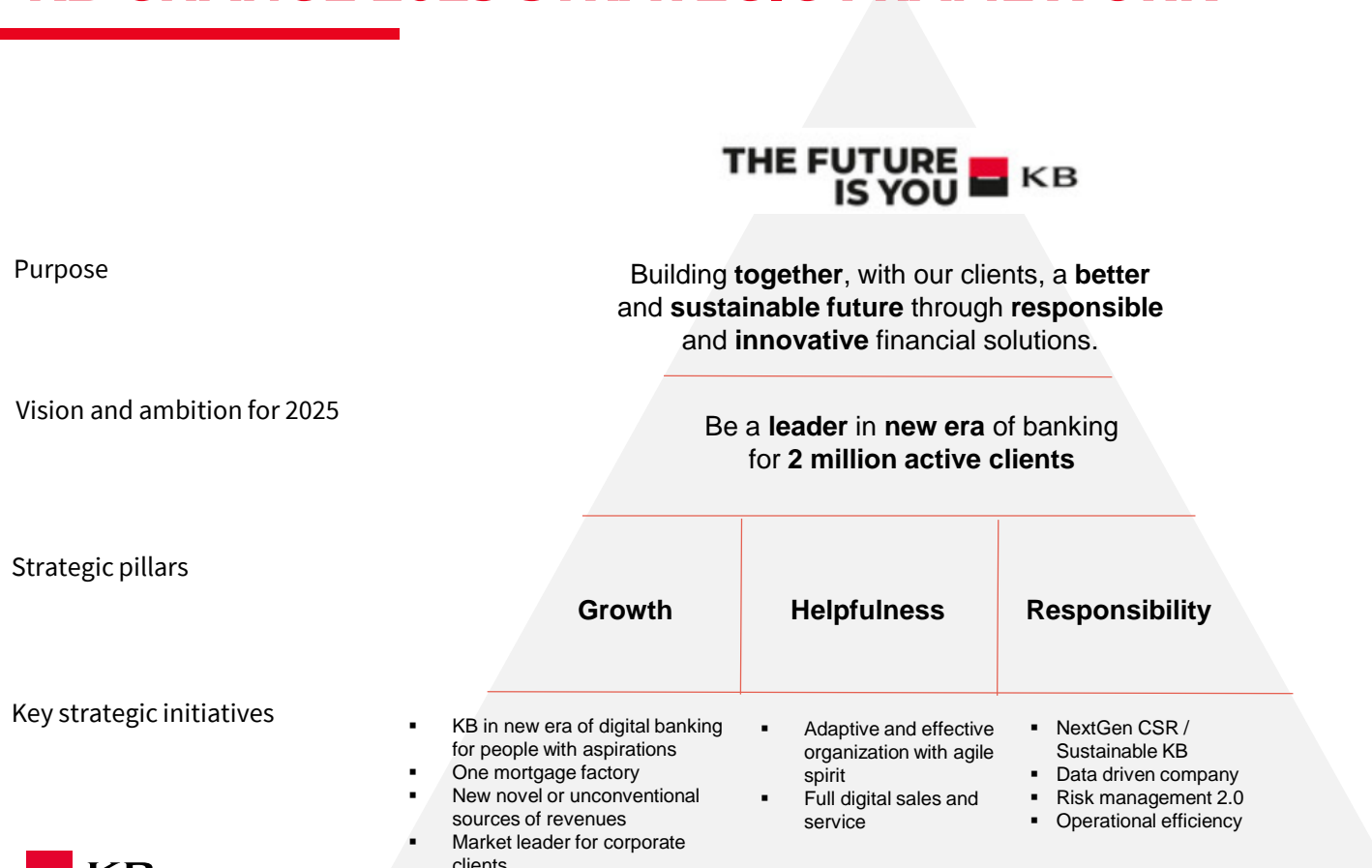
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KB CHANGE 2025 STRATEGIC FRAMEWORK



STRATEGIC STEPS AHEAD

CORE FOR THE NEW DIGITAL BANK

KB has selected Temenos Transact core banking platform in order to decrease time to market for innovative services as well as streamline straight-through-processing across its retail and corporate banking operations.

Syncordis will deliver and implement the system.

According to KB CHANGE 2025 programme, the gradual migration of clients and products to the new digital bank will be completed by 2025.

KB's EUR COVERED BOND PROGRAM

KB diversified its EUR funding sources, established yield curve and improved borrowing costs with its highly successful inaugural benchmark EUR 500 million 5-year mortgage covered bond issue, with AAA rating by Fitch, priced at MS + 12bp (re-offer yield of -0.315%).

ESSOX – PARTNERSHIPS WITH HYUNDAI & KIA

ESSOX has sealed exclusive financing partner for Hyundai and KIA, in a bid to become the number one on the Czech market in financing of new passenger cars.

CORPORATE CLIMATE POLICY

The new document sets out concrete measures in order to mitigate the climate change. In the document, the Bank announced its target to become carbon neutral by 2026.

EUROPEAN DIVERSITY CHARTER

KB acceded to the European Diversity Charter, formally committing itself to promoting diversity and equal opportunities for the staff, in accordance with the strategy of KB Group.



ENRICHING DIGITAL ECOSYSTEM

NEW SERVICES INTRODUCED IN 4Q20

BankID service – pilot operations started

Same day crediting of almost a half of all foreign payments

Open Banking portal – new generation of KB API portal bringing the bank's and partners' products/services to KB clients

Carolina – car administration in a mobile handset (for clients of ESSOX)

AWARDS IN 4Q20

TOP APP Award – the first place for KB Mobilní banka

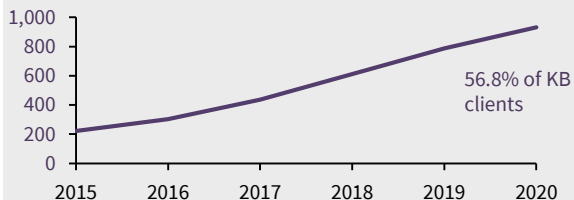
The best consumer non-purpose loan on the Czech market - KB Personal loan awarded by finparada.cz portal

Financial Product of the Year - bronze medal in the Housing Savings category for Modra Pyramida

CONTINUING SWITCH TO DIGITAL

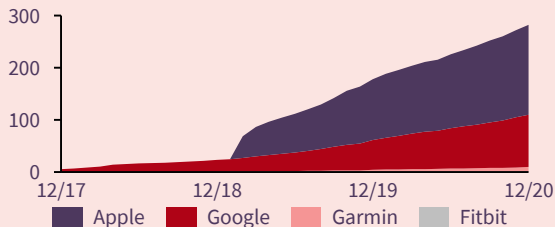
Steady growth in mobile banking penetration

Number of clients with mobile banking 932,000 (+146,000 YoY, +28,000 QoQ)



Digital wallet use still growing

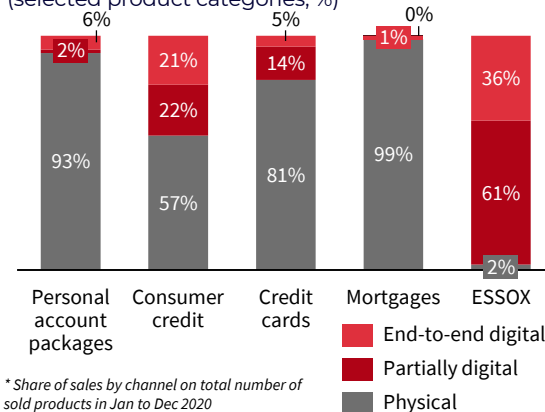
Number of tokenized payment cards 283,000 (+105,000 YoY, +30,000 QoQ)



CONSUMER LENDING AS FLAGSHIP OF DIGITAL SALES

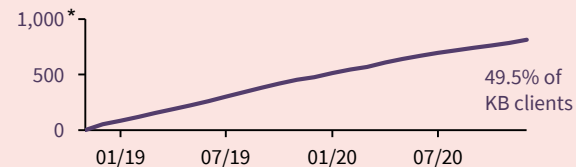
Share of sales by channel*

(selected product categories, %)



Authentication by KB Key embraced by clients

812,000 (+335,000 YoY, +72,000 QoQ)



* number of clients with active authentication via app, thousands



DIGITALISATION & SUSTAINABILITY IN CORPORATE BANKING



SUSTAINABLE CORPORATE BANKING

Dedicated funds for advantageous financing of projects with sustainable positive impact

Enhanced advisory capacity on financing, use of subsidies, organisation of tenders for private as well as public entities, and circular procurement

New financing product for energy savings in co-operation with CMZRB guarantee bank and EIB

Assistance to clients for EU Modernisation Fund supporting transition to climate neutrality

NEW SERVICES

MůjPodpis - signing and authentication via bank identity

SWIFT GPI – faster, transparent global payments

Expanded range of **digitally signed documents**, leading to 10x increase in traffic

CO-OPERATION WITH FINTECH

Acquired participation interest

Upvest - online real estate crowdfunding
Roger - digital factoring
Lemonero – financing for e-shops

Commercial co-operation

Direct Fidoo - app for processing and billing of corporate expenses
Fakturoid – invoicing and cost administration

Further partnerships in the pipeline



LEADERSHIP IN LENDING WITH COVID GUARANTEES

KB approved 1 700 applications for CZK 12 billion achieving 53% market share on approved volume in COVID III programme. Standard risk underwriting policies fully applied



2020
EUROMONEY
CASH MANAGEMENT

EUROMONEY MARKET LEADER IN CASH MANAGEMENT

KB retained top spot in the Czech Republic in annual global ranking of cash management providers

SELECTED DEALS OF THE SECOND HALF OF 2020

PHOTOVOLTAIC POWER PLANT



FVE CZECH NOVUM s.r.o.

Financing

CZK 1,100,000,000

Sole Lender

2020

REAL ESTATE



CTP Industrial Property CZ, spol. s r.o.

Real Estate Financing

EUR 215,500,000

Lender, Facility Agent

2020

MACHINERY



TEDOM a.s.

Club Financing

CZK 1,900,000,000

Participant

2020

TECHNOLOGY



Kiwi.com s.r.o.

COVID Plus - Syndicated Financing

EUR 45,000,000

Coordinator, Agent, Security Agent

2020

SPECIAL MACHINERY



CZG - Česká zbrojovka Group SE

IPO

CZK 893,200,000

Joint Global Coordinator and
Joint Bookrunner

2020

HEALTH CARE AND SOCIAL SERVICES



PROTON THERAPY CENTER

Club Financing

CZK 2,314,000,000

Arranger, Lender

2020

REAL ESTATE



Stavební bytové družstvo v Dobrušce

Investment Loan

CZK 136,000,000

Sole Lender

2020

MUNICIPALITIES



Město Český Krumlov

Investment Loan

CZK 210,000,000

Sole Lender

2020

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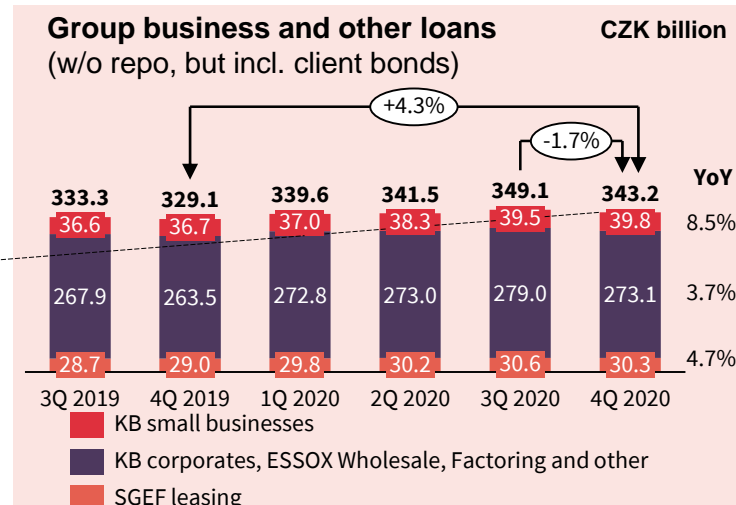
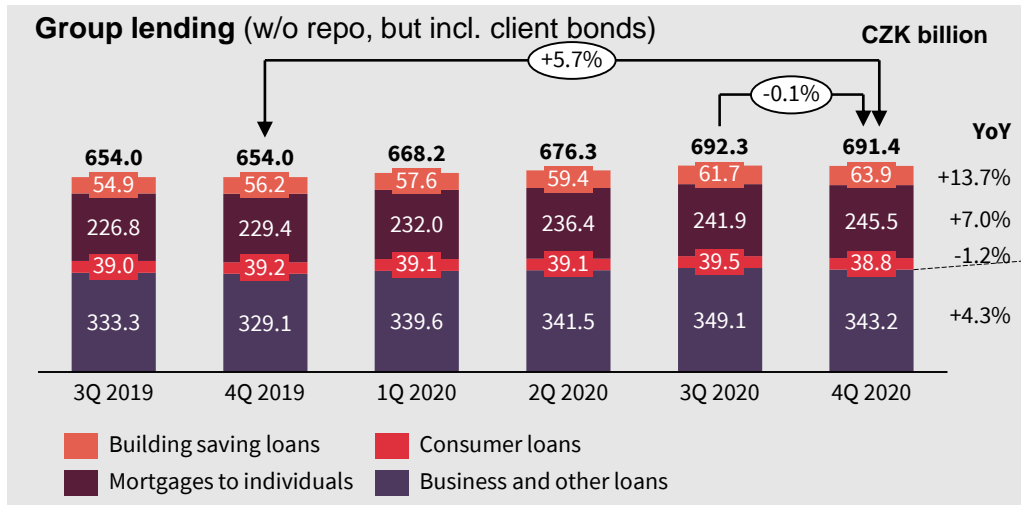
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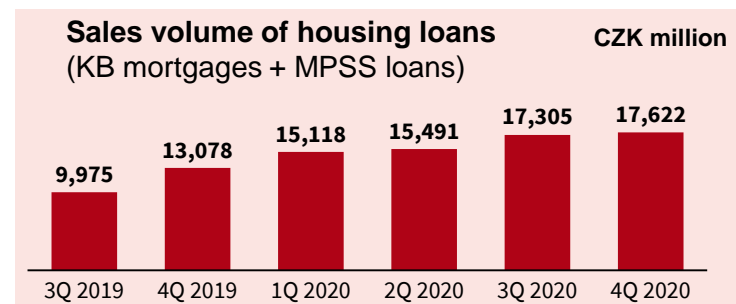
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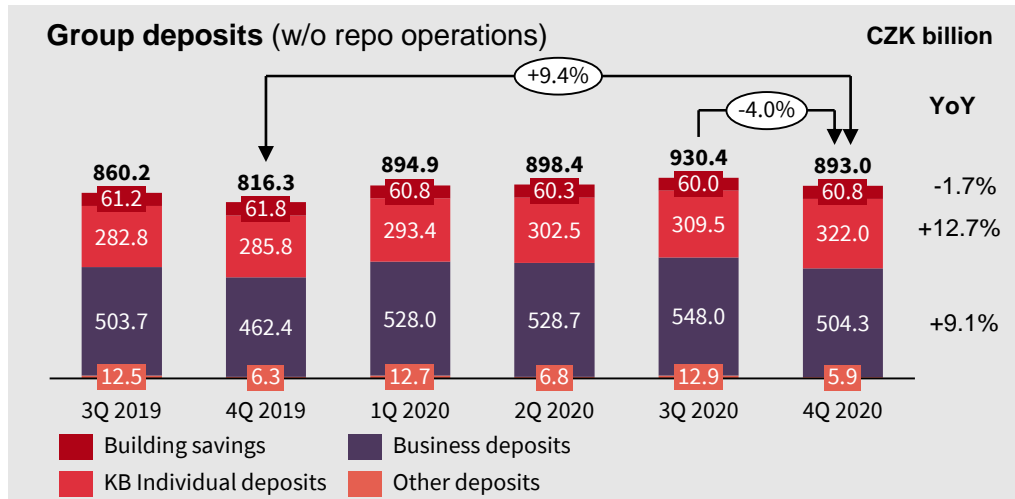
GROSS LENDING EXCLUDING REPO UP 5.7% YOY



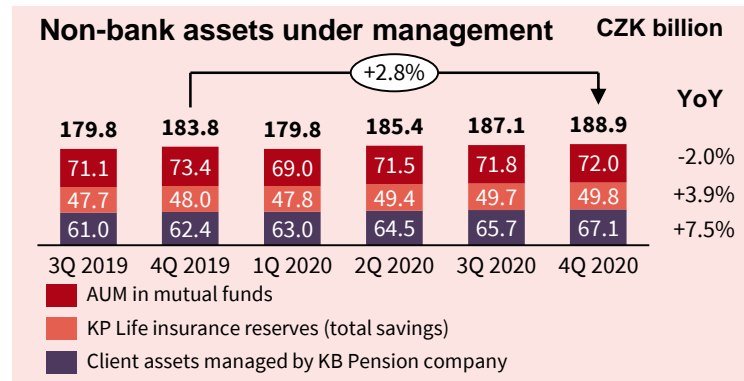
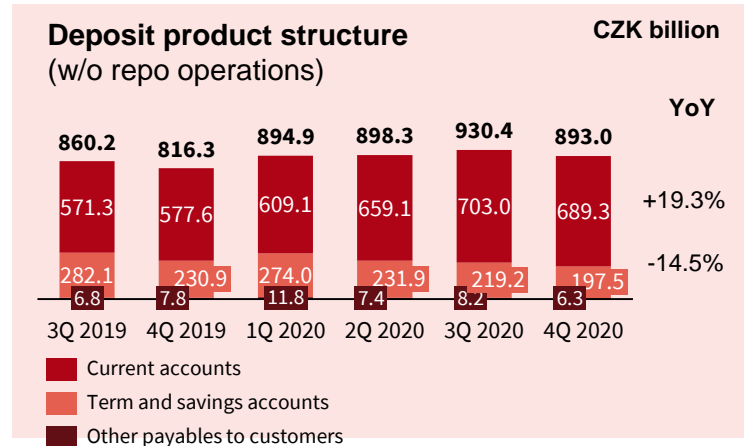
- Gross amounts due from clients (including repo operations and debt securities issued by KB's corporate clients) +5.3% YoY, -0.6% QoQ to CZK 691.4 billion
- Net loans to deposits ratio at 76.1%. Liquidity coverage ratio 200%
- Continuing strong demand for mortgages. Consumer loan sales weak
- Business lending growth mainly driven by working capital financing
- Contribution from 3.3% YoY depreciation of CZK v. EUR (to CZK value of EUR denominated loans to businesses) represents 0.5% of total lending



CLIENT DEPOSITS ROSE BY 9.4% YOY



- Total amounts due to clients (including repo operations with clients) +10.3% YoY, -6.2% QoQ to CZK 906.2 billion
- Contribution from 3.3% year on year depreciation of CZK v. EUR (to increased CZK value of EUR deposits) represents 0.4% of total deposits
- Sales of mutual funds lower YoY since March 2020
- Lower building savings linked to decreasing average remuneration. Increase in new sales of savings contracts.



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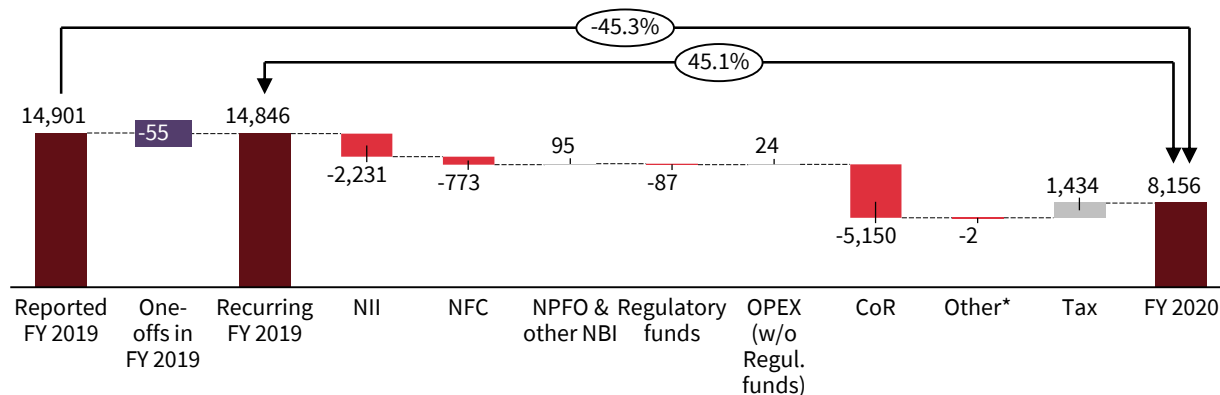
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RESILIENT RESULT DESPITE DEEP ECONOMIC DOWNTURN

Drivers for year on year change in attributable net income (as of 31 December 2020)



One-off items: FY 2019: Settlement of the sale price for Komerční pojišťovna sold in 2006 (CZK 55 million in Profit attributable to exclusion of companies from consolidation)

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

Profitability indicators for FY 2020

Return on average equity

7.4%

Return on average Tier 1 capital

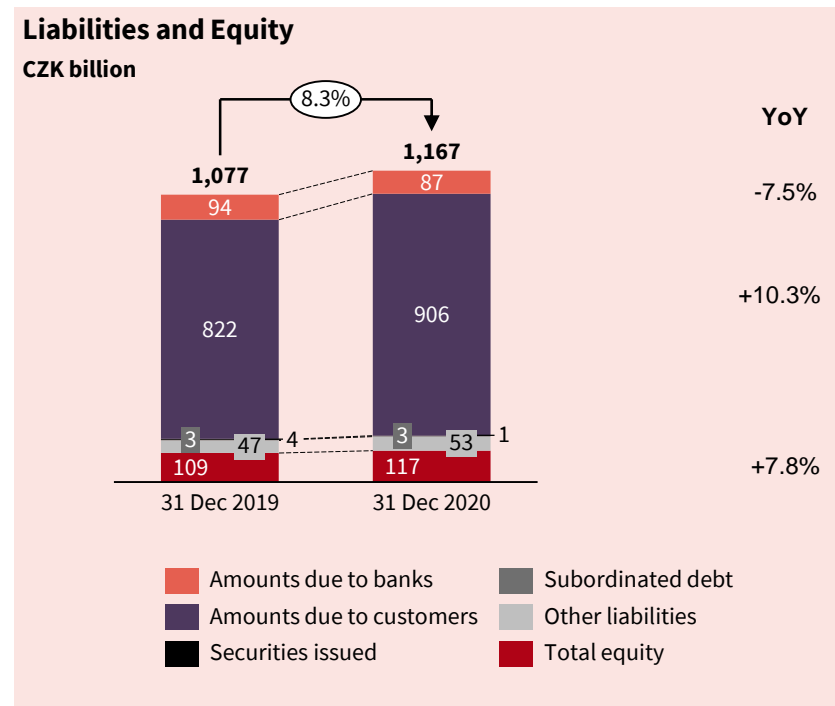
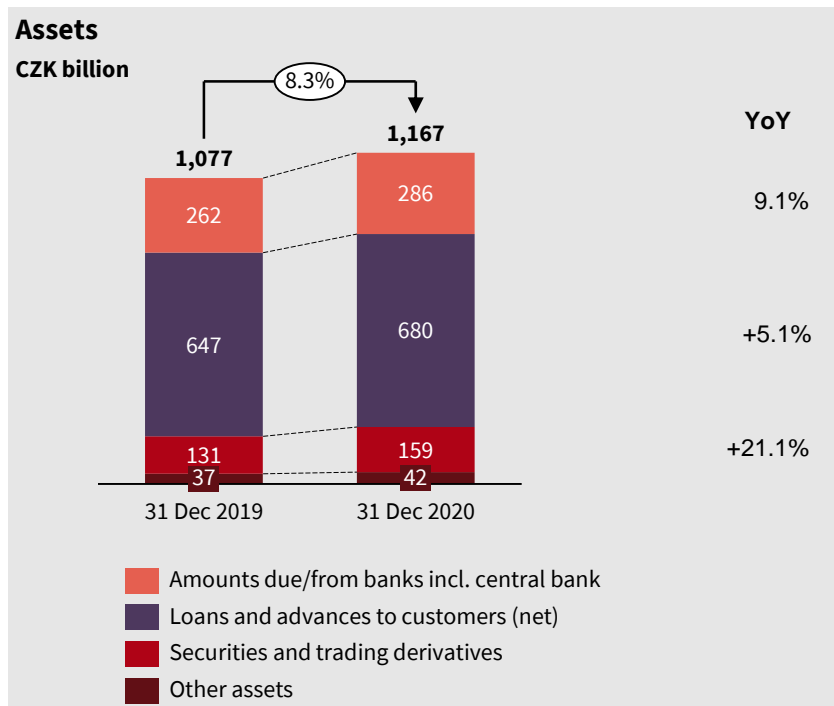
9.0%

Return on average assets

0.7%

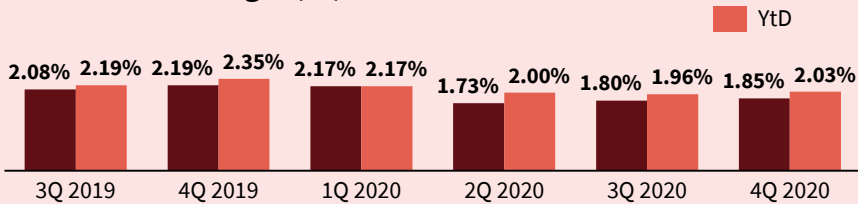
GROWING DEPOSITS AND EQUITY REINVESTED IN LOANS AND SECURITIES

STATEMENT OF FINANCIAL POSITION



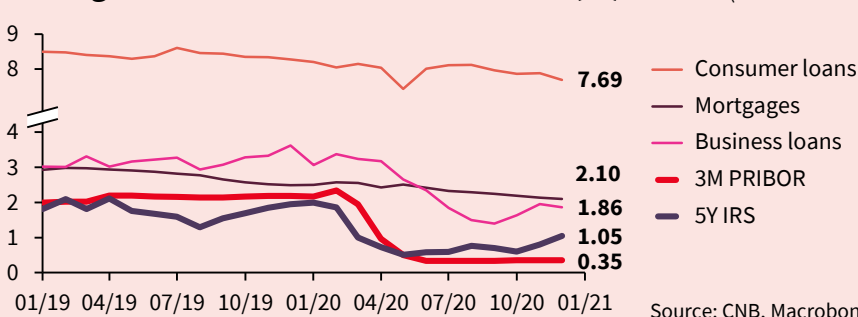
NII AFFECTED BY FALL IN INTEREST RATES

Net interest margin (%)

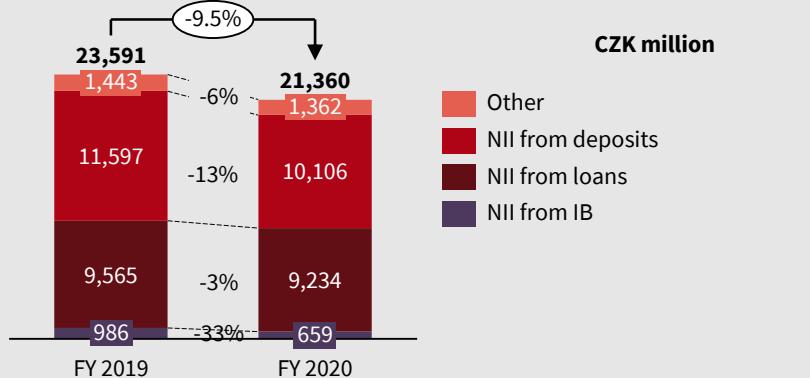
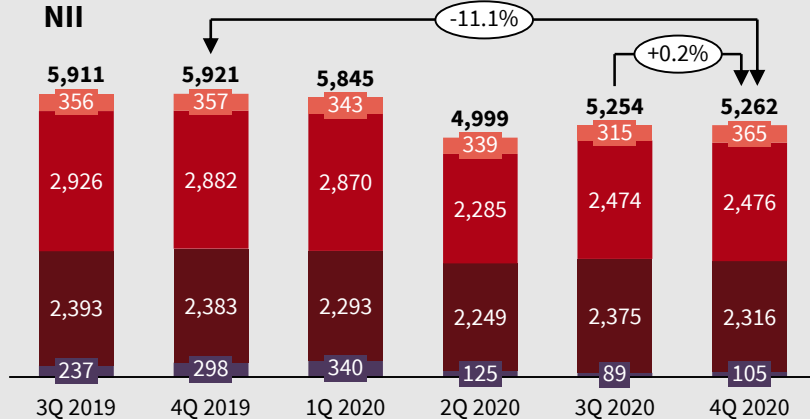


- NII from loans – credit spreads slightly down YoY on portfolio level, but spreads on new lending rebounded in 2020
- FY impact from modification loss on loan moratoria (CZK 177 million)
- NII from deposits – hit by fall in reinvestment yields

Average market rates on new CZK loans (%)



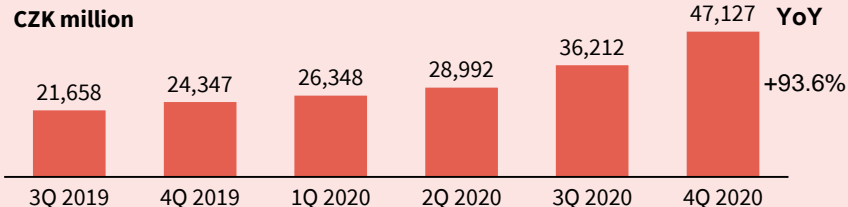
NII



FEE INCOME HIT BY DROP IN ACTIVITY AND REGULATION OF SEPA PAYMENTS

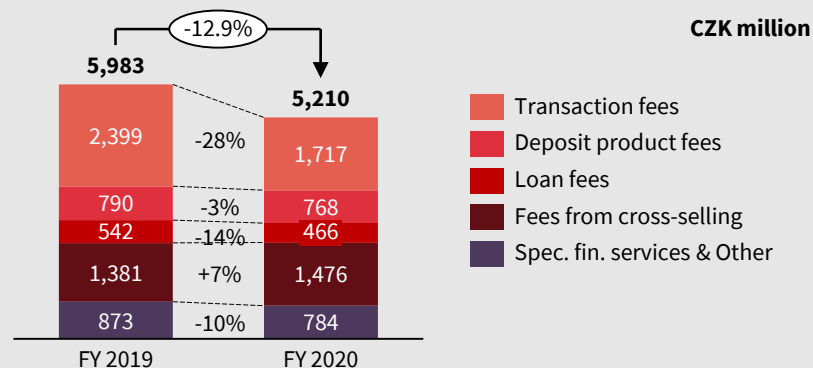
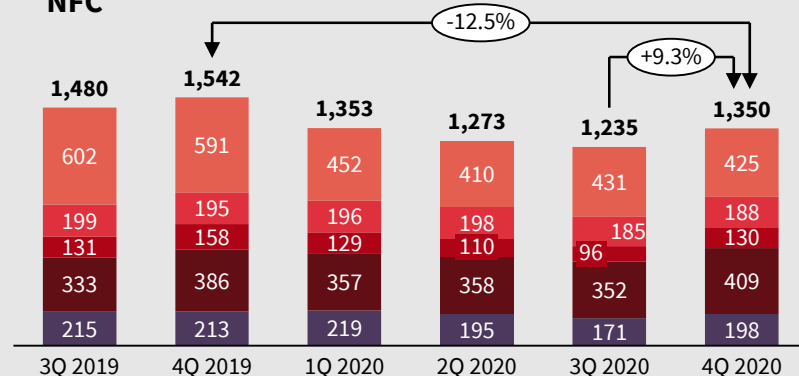
- **Transaction fees** – number of cash and at-branch transactions down significantly, slight increase in number of non-cash and card transactions. Rebasement in 2020 due to new regulation of fees for cross-border payments within SEPA

Volume of payments through mobile banking



- **Deposit product fees** – reflecting stable number of accounts, downpricing of small business packages in Q3
- **Loan fees** – lower fees from consumer and small business loans, commissions paid for mortgages up YoY. Improved production in Q4 in ESSOX, Factoring KB
- **Fees from cross-selling** – solid growth in income from life insurance and mutual funds, but sales lower YoY since Q2
- **Specialised financial services and other fees** – affected by lower loan syndication activity, custody and depository fees. Income from guarantees up

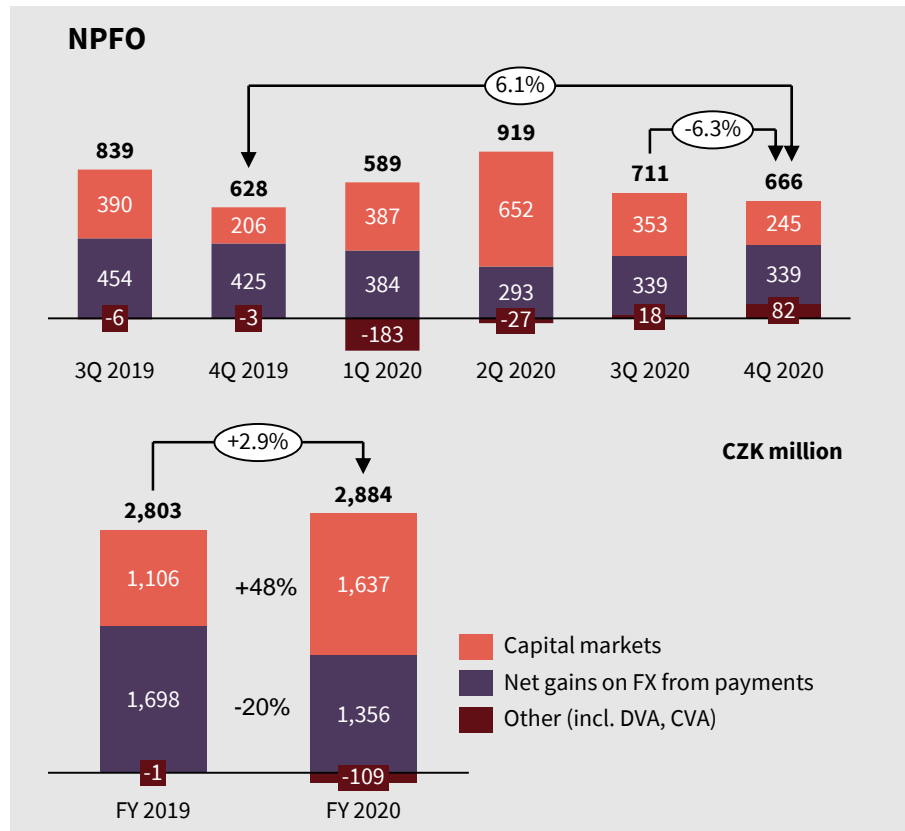
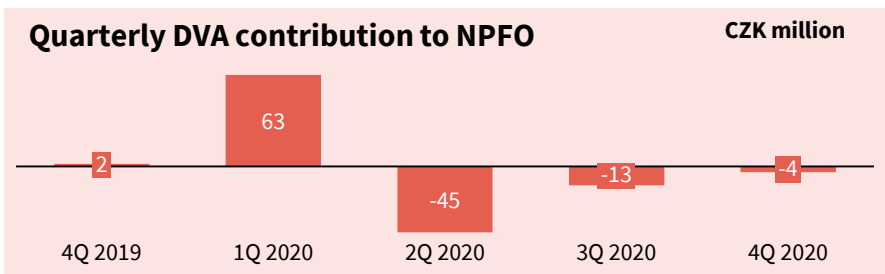
NFC



EFFECTS OF HIGHER VOLATILITY GRADUALLY OFFSET BY LOWER ACTIVITY IN THE ECONOMY

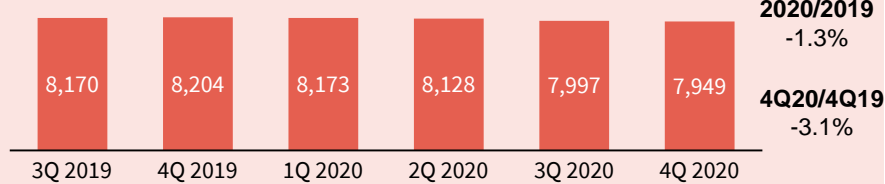
NET PROFIT FROM FINANCIAL OPERATIONS

- Gradually moderating clients' hedging activity of financial risks reflecting somewhat lower volatility, decrease in underlying activity (such as investment lending)
- Gradual normalisation of CVA/DVA valuation adjustments from the peak in March
- Lower gains on FX from payments due to decrease in foreign transaction volumes, less inbound and outbound travelling and related currency conversions



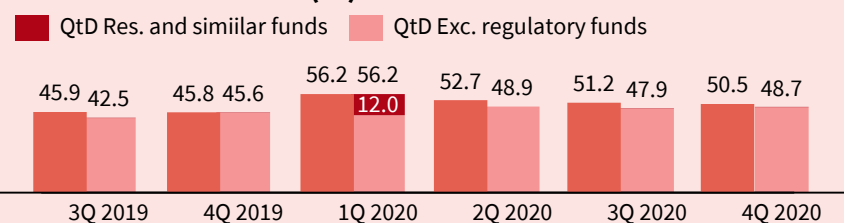
OPERATING COSTS FLAT INCLUDING TRANSFORMATION

Average number of employees (quarterly)

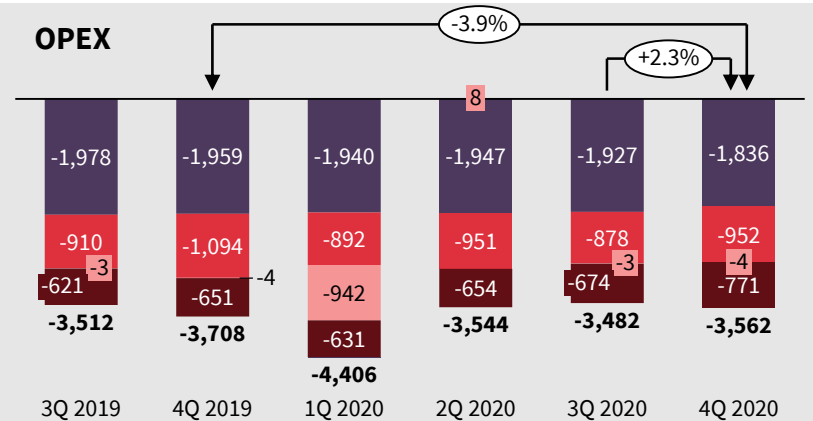


- Personnel costs – FY 2020 average FTE -1.3% YoY, variable remuneration. YoY higher base salaries in 2020. Additional staff reduction and flat base salaries envisaged for 2021
- Administrative costs – lower marketing, travel, events, partly offset by higher IT, telco, and protective equipment.
- D&A driven by new & upgraded software and IT equipment. In Q4, a charge for closed branches and some software decommissioning

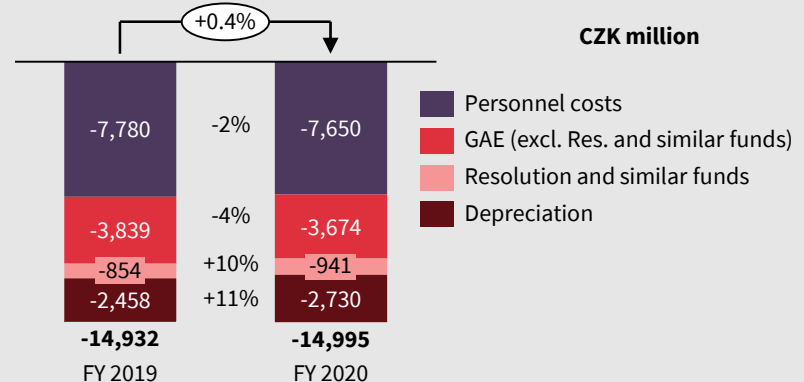
Cost to Income ratio (%)



OPEX



CZK million



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

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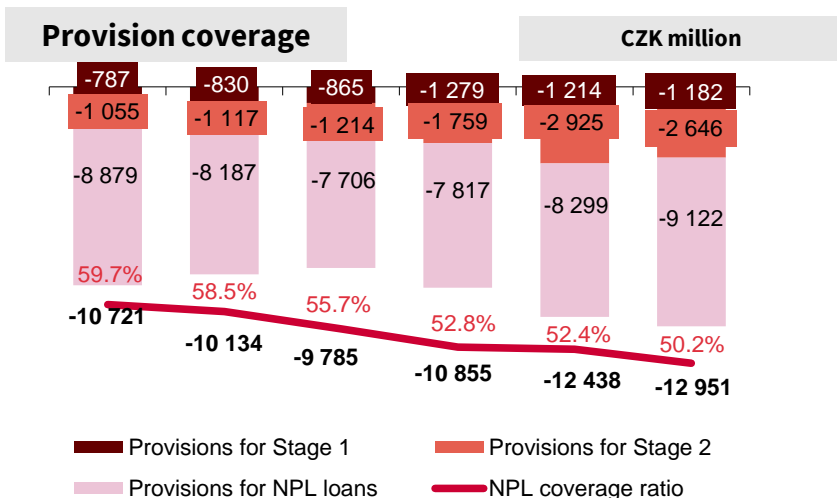
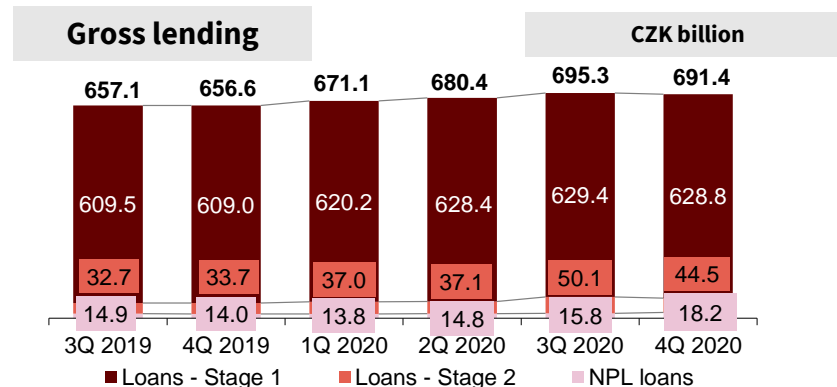
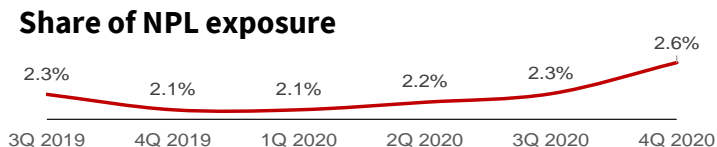
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4Q 2020 ASSET QUALITY

- Loan exposure up by 5.3 % YoY, down by 0.6% QoQ
- Stable share of stage 2 exposure at 6.4%
 - Limited migration intensity into default
 - Contained migration flows from stage 1 to stage 2 exposure categories
- Moderate increase of NPL ratio to 2.6%
 - Limited number of new corporate defaults
 - Low default migration rate on terminated retail loan moratorium portfolios
 - Moderate contraction of NPL provision coverage ratio to 50%



ZOOM ON TERMINATED LOAN MORATORIUM PORTFOLIOS

CZK billion	Terminated loan moratorium portfolio	o.w. defaulted exposure	% of defaulted exposure	o.w. non-defaulted exposure with DPD >10	% of non-defaulted exposure with DPD >10
Corporates	29.1	2.1	7.2%	0.2	0.6%
Mortgages	31.5	1.3	4.2%	0.3	0.9%
Other Retail	8.4	0.6	7.6%	0.2	2.2%
KB Group Total	69.0	4.0	5.8%	0.7	0.9%

Note: YE 2020 snapshot

- Terminated loan moratorium exposure at CZK 69 billion as of December 2020
 - 10% of total loan exposure
 - CZK 4.5 billion repaid in 4Q 2020 (from CZK 73.5 billion as of September 2020)
- Contained risk profile as of December 2020
 - Low share of defaulted exposure at 5.8%
 - Level of payment incidents rate below 1% (days-past-due measure)
- Good level of resilience recorded on corporate and mortgage portfolios (near 90% of terminated loan moratorium exposure)

FY 2020 COST OF RISK STRUCTURE

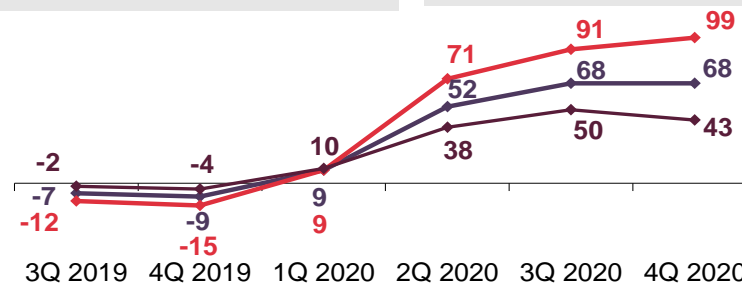
Key components	Detailed view	Contribution to FY CoR
Corporate NPL portfolio	2020 defaults	29 bps
	Reprovisioning of pre-covid defaults	-3 bps
Retail NPL portfolio	2020 moratorium defaults	5 bps
	2020 non-moratorium defaults	8 bps
	Reprovisioning of pre-covid defaults	-6 bps
S1-S2 transfers	Corporates	7 bps
	Retail	8 bps
Macroeconomic scenario for IFRS 9 prov. models		18 bps
Other statutory CoR (nDoD, S3 prov. models)		2 bps
TOTAL		68 bps

ZOOM ON 4Q 2020 COST OF RISK

- 4Q 2020 CoR net creation at CZK 1.2 billion
- 3 main risk components
 - CoR net creation at CZK 1.1 billion on corporate portfolios
 - CoR net creation at CZK 0.2 billion on terminated retail loan moratorium portfolios
 - Negligible CoR impact in 4Q 2020 from statutory updates of provisioning methodologies and models (implementation of EBA new definition of default, IFRS9 macroeconomic scenarios, etc.)

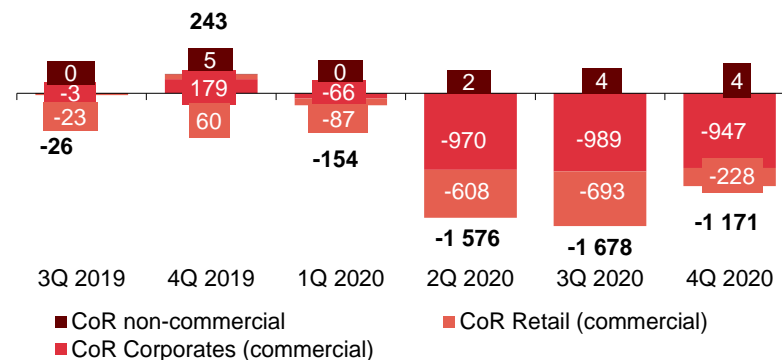
Total Cost of Risk

(Year-to-date, in basis points)



Total Cost of Risk development

CZK million

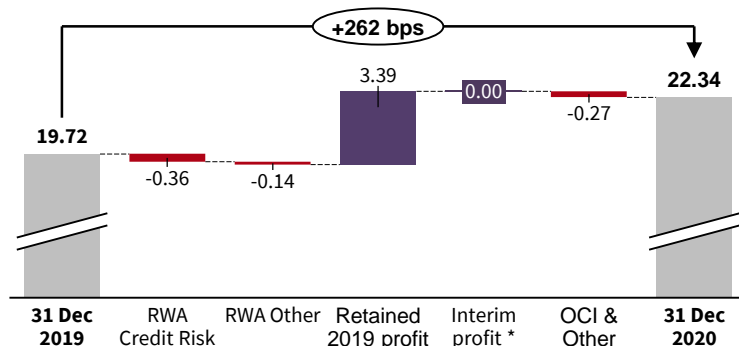


CONTENTS

- Highlights of 2020
- Macroeconomic environment
- Strategy implementation
- Business performance
- Financial performance
- Asset quality & cost of risk
- Capital, dividends, and outlook for 2021**
- Appendix

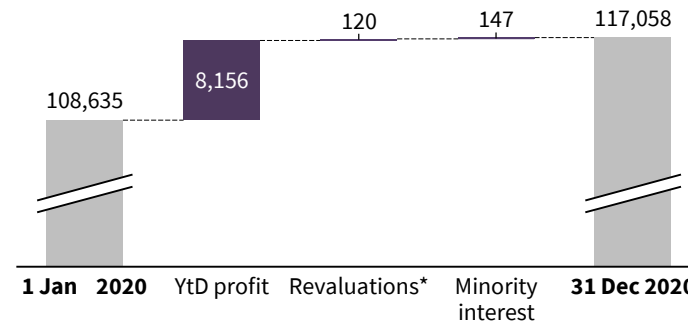
FURTHER INCREASE IN CAPITAL STRENGTH

Contributions to capital adequacy ratio in 2020 (%)



* In 2020, neither interim profit nor dividend provision have been included in KB's regulatory capital base.

Contributions to equity in 2020 (CZK million)



* Re-measurement of securities, cash flow hedges, FX positions and pension benefits

Regulatory capital indicators

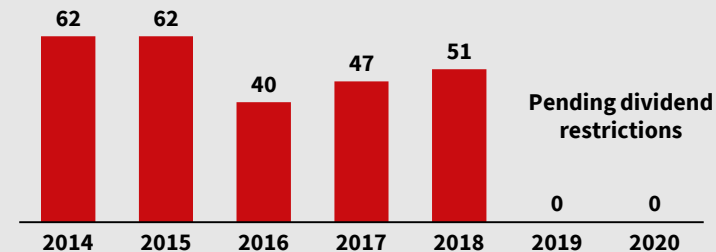
	Total capital adequacy	Core Tier 1 ratio	Total capital (CZK billion)	CET1 capital (CZK billion)	Total RWA (CZK billion)	Credit RWA (CZK billion)	RWA / Total assets
Current	22.3%	21.7%	100.7	97.9	450.6	375.9	38.6%
30 Sep 2020	21.6%	20.9%	98.0	94.7	453.2	375.2	35.9%
31 Dec 2019	19.7%	19.1%	86.6	84.1	439.2	367.6	40.8%

SURPLUS CAPITAL TEMPORARILY LOCKED BY REGULATORY DIVIDEND RESTRICTIONS

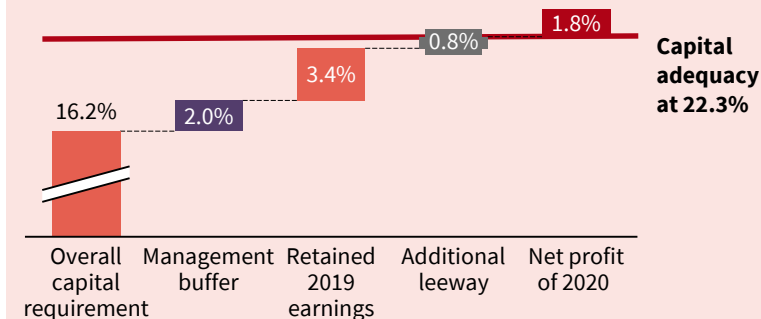
- KB's total capital adequacy at 22.3%, not including profit generated in 2020, is significantly above the applicable regulatory minimum of 16.2%, and even over the target range of 50 – 200 bps above the regulatory minimum.
- The CNB has announced that it is setting the profit distribution restrictions in co-ordination with other regulators within the ESRB. The CNB has recommended that KB refrains from making any dividend distribution from its profits unless mutual consensus is reached through prior joint discussion between KB and the supervisory authority.
- The Board of Directors has decided to propose to the Supervisory Board and the Annual General Meeting to accept the recommendation of the CNB and not to distribute any dividend until the mutual consensus between CNB and KB is reached.
- For the year 2021, the Board of Directors approves the dividend policy of 0-100% pay-out (i.e. applicable solely to the result of 2021).
- The Board of Directors intends, as soon as the regulators allow, to return to shareholders the capital surplus exceeding the volume needed in accordance with the outlook for organic and inorganic growth in risk-weighted assets (as envisaged in the KB Change 2025 strategic plan) and for capital requirements. It declares readiness to call an extraordinary general meeting during 2021.

Dividend history

(Dividend per share, in CZK)



KB's capital position vis-à-vis regulatory requirement



BASELINE OUTLOOK FOR 2021 (AS OF JANUARY)

Investors are advised to consider higher than usual level of uncertainty and risks

Macroeconomic assumptions

- Czech economy expected to grow slightly after a sharp drop in 2020, supported by proactive economic policy. Growth should be driven mainly by household consumption. Investments to pick up slightly.
- Average inflation expected to slow down to 1.8%, as the economy drives core inflation down.
- Monetary policy rates expected stable for most of the year, first hike possible during Q4.

Banking market outlook

- Lending market to grow a bit slower than in 2020 due to slightly decelerating housing loans. Consumer lending should keep the pace, business lending will recover only later with improved confidence.
- Bank deposits should grow slower than in 2020, but still faster than loans, both in retail and corporate.

KB business outlook

- KB Group lending to grow at higher mid-single digit pace, both in retail and corporate segments.
- Deposit growth at high-single digits, both in retail & corporate, except for flattish Modra pyramida.
- Implementation of KB Change 2025 strategy, beginning of gradual migration to the new digital bank.

KB financial outlook

- Revenues flattish due to continued pressure on NII from YoY lower interest rates affecting reinvestment yields. NFC to rebound by mid-single digits on improved economic activity and cross-selling. NPFO should increase by high-single digit figure driven by hedging of recovering investment loans, return of travel related flows.
- OPEX to remain flattish, with higher costs related to digital transformation offset by lower personnel expenses, reflecting savings at headquarters and downsizing of branch network.
- Risk costs will still reflect hit from the pandemic, but should somewhat decrease from the level of 2020.

Potential risks to the outlook

- Insufficient vaccination results, worsening pandemic situation leading to recurring lockdowns.
- Worsening external environment, such as a further recession in the Eurozone.
- Abrupt change in the fiscal policy, withdrawal of stimulus or low transmission of tax cuts to demand.
- Further decline in CZK interest rates, large shifts in FX rate.

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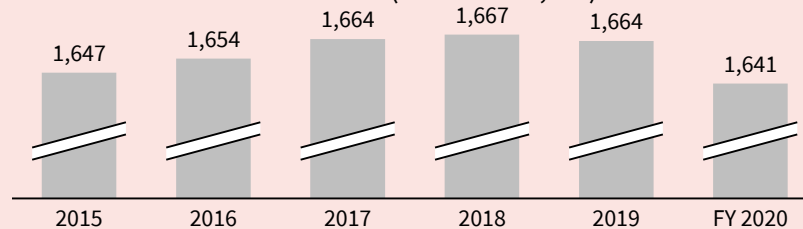
NUMBER OF CLIENTS AND DISTRIBUTION NETWORK

	2019	2020	YoY
Number of clients			
KB Group's clients	2,361,000 *	2,293,000 *	-68,000 **
Komerční banka	1,664,000	1,641,000	-23,000
– individual clients	1,407,000	1,389,000	-18,000
– internet banking clients	1,423,000	1,443,000	20,000
– mobile banking clients	786,000	932,000	146,000
Modrá pyramida	490,000	485,000	-5,000
KB Penzijní společnost	531,000	524,000	-7,000
ESSOX (Group)	202,000	151,000	-51,000 **
Distribution network			
KB Retail branches	342	242	-100
Modrá pyramida points of sale	205	201	-4
SGEF branches	9	9	0
ATMs	796	809	13
of which deposit-taking	389	429	40
of which contactless	241	304	63
Number of active debit cards	1,402,000	1,407,000	5,000
Number of active credit cards	180,000	181,000	1,000
Number of cards virtualized into payment apps	178,000	283,000	105,000
KB key authentication users	477,000	812,000	335,000

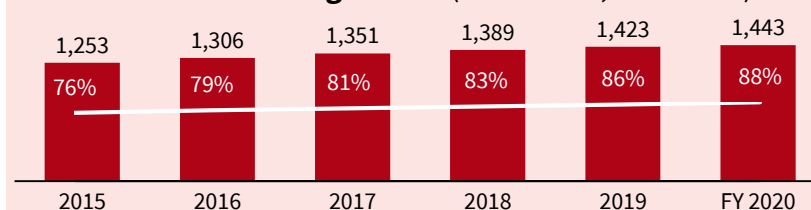
* Calculation methodology updated during Q3-20

** Influenced by termination of non-active credit card relationships at ESSOX

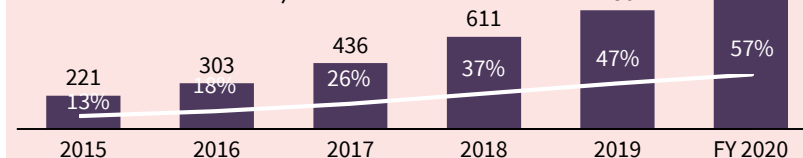
Number of bank clients (thousands, CZ)



KB Internet banking clients (thousands, % of total)



KB mobile banking clients (thousands, % of total number)



INCOME STATEMENT

Profit and Loss Statement

	Reported			Recurring*		
	FY 2019	FY 2020	Change YoY	FY 2019	FY 2020	Change YoY
(CZK million, unaudited)						
Net interest income	23,591	21,360	-9.5%	23,591	21,360	-9.5%
Net fee & commission income	5,983	5,210	-12.9%	5,983	5,210	-12.9%
Net profit of financial operations	2,804	2,884	2.9%	2,804	2,884	2.9%
Dividend and other income	195	210	7.7%	195	210	7.7%
Net banking income	32,573	29,664	-8.9%	32,573	29,664	-8.9%
Personnel expenses	-7,781	-7,650	-1.7%	-7,781	-7,650	-1.7%
General admin. expenses (excl. regulatory funds)	-3,839	-3,674	-4.3%	-3,839	-3,674	-4.3%
Resolution and similar funds	-854	-941	10.2%	-854	-941	10.2%
Depreciation, amortisation and impairment of operating assets	-2,458	-2,730	11.1%	-2,458	-2,730	11.1%
Total operating expenses	-14,932	-14,995	0.4%	-14,932	-14,995	0.4%
Operating profit	17,641	14,669	-16.8%	17,641	14,669	-16.8%
Impairment losses	53	-4,701	+/-	53	-4,701	+/-
Net gain from loans and advances transferred and written off	519	123	-76.4%	519	123	-76.4%
Cost of risk	572	-4,578	+/-	572	-4,578	+/-
Net operating income	18,212	10,091	-44.6%	18,213	10,091	-44.6%
Income from share of associated companies	306	248	-19.0%	306	248	-19.0%
Profit/(loss) attributable to exclusion of companies from consolidation	55	-40	+/-	0	-40	n.a.
Impairment losses on goodwill	0	0	n.a.	0	0	n.a.
Net profits on other assets	17	-15	+/-	17	-15	+/-
Profit before income taxes	18,591	10,284	-44.7%	18,536	10,284	-44.5%
Income taxes	-3,419	-1,985	-41.9%	-3,419	-1,985	-41.9%
Net profit	15,172	8,299	-45.3%	15,117	8,299	-45.1%
Profit attributable to the Non-controlling owners	271	143	-47.2%	271	143	-47.2%
Profit attributable to the Group's equity holders	14,901	8,156	-45.3%	14,846	8,156	-45.1%

Items excluded in "recurring":

FY 2019

- Settlement of the sale price for Komerční pojišťovna sold in 2006 (CZK 55 million in Profit attributable to exclusion of companies from consolidation)

QUARTERLY INCOME STATEMENT

Profit and Loss Statement

	Reported				
	4Q 2019	3Q 2020	4Q 2020	Change YoY	Change QoQ
(CZK million, unaudited)					
Net interest income	5,921	5,254	5,262	-11.1%	0.2%
Net fee & commission income	1,542	1,235	1,350	-12.5%	9.3%
Net profit of financial operations	628	711	666	6.1%	-6.3%
Dividend and other income	45	63	41	-8.9%	-34.9%
Net banking income	8,136	7,263	7,318	-10.1%	0.8%
Personnel expenses	-1,959	-1,927	-1,836	-6.3%	-4.7%
General admin. expenses (excl. regulatory funds)	-1,094	-878	-952	-13.0%	8.4%
Resolution and similar funds	-4	-3	-4	0.0%	33.3%
Depreciation, amortisation & impairment of op. assets	-651	-674	-771	18.4%	14.4%
Total operating expenses	-3,708	-3,482	-3,562	-3.9%	2.3%
Operating profit	4,428	3,781	3,756	-15.2%	-0.7%
Impairment losses	98	-1,694	-1,177	+/-	-30.5%
Net gain from loans and advances transferred and written off	146	16	6	-96.0%	-62.1%
Cost of risk	244	-1,678	-1,170	+/-	-30.3%
Net operating income	4,671	2,103	2,585	-44.7%	22.9%
Income from share of associated companies	91	49	56	-38.5%	14.3%
Profit/(loss) attributable to exclusion of companies from consolidation	0	-41	1	n.a.	+/-
Impairment losses on goodwill	0	0	0	n.a.	n.a.
Net profits on other assets	2	-7	-10	+/-	42.9%
Profit before income taxes	4,764	2,104	2,632	-44.8%	25.1%
Income taxes	-889	-405	-510	-42.6%	25.9%
Net profit	3,875	1,698	2,122	-45.2%	25.0%
Profit attributable to the Non-controlling owners	35	53	48	37.1%	-9.4%
Profit attributable to the Group's equity holders	3,840	1,646	2,074	-46.0%	26.0%

BALANCE SHEET

Balance Sheet (CZK million, unaudited)	31 Dec 2019	31 Dec 2020	YoY rel.	YoY abs.
Assets	1,077,334	1,167,131	8.3%	89,797
Cash and current balances with central bank	17,744	23,547	32.7%	5,803
Loans and advances to banks	244,561	262,606	7.4%	18,045
Loans and advances to customers (net)	647,259	679,955	5.1%	32,696
Securities and trading derivatives	131,184	158,916	21.1%	27,732
Other assets	36,587	42,106	15.1%	5,519
Liabilities and shareholders' equity	1,077,334	1,167,131	8.3%	89,797
Amounts due to banks	93,581	86,572	-7.5%	-7,009
Amounts due to customers	821,506	906,217	10.3%	84,711
Securities issued	3,621	1,148	-68.3%	-2,473
Subordinated debt	2,546	2,629	3.3%	83
Other liabilities	47,445	53,507	12.8%	6,062
Total equity	108,635	117,058	7.8%	8,423
o/w Minority equity	3,095	3,242	4.7%	147

The item Other assets includes Right of used Tangible assets of CZK 3 billion as of 31 December 2020.

The item Other liabilities includes Lease liabilities of CZK 3 billion as of 31 December 2020

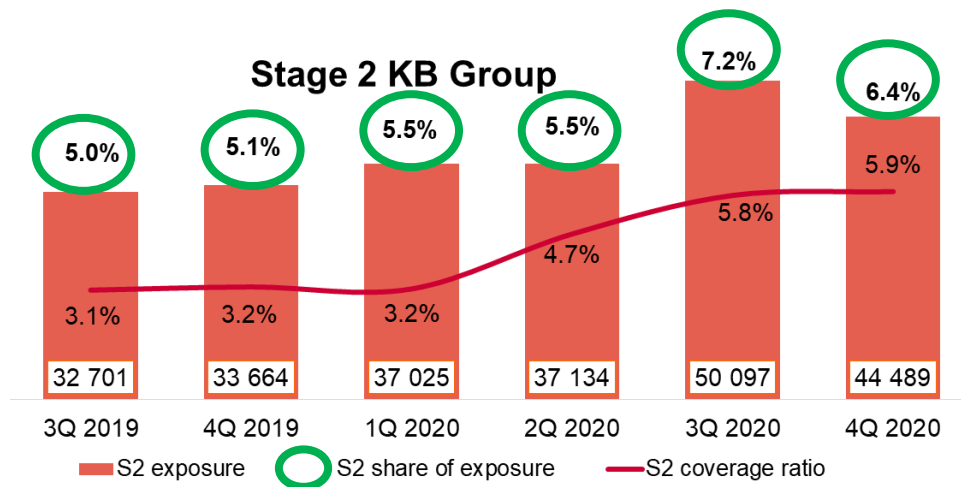
CAPITAL & PROFITABILITY INDICATORS

	Reported	
(year-to-date, IFRS 9)	31/12/2019	31/12/2020
Capital adequacy	19.7%	22.3%
Tier 1 ratio = Core Tier 1 ratio	19.1%	21.7%
Risk weighted assets for credit risk (CZK billion)	367.6	375.9
Net interest margin, annualised	2.4%	2.0%
Loan (net) / deposit ratio (excl. repo with clients)	79.0%	76.1%
Cost / income ratio	45.8%	50.5%
Return on average equity (ROAE), annualised	14.5%	7.4%
Return on average Tier 1 capital	18.1%	9.0%
Return on average assets (ROAA), annualised	1.4%	0.7%
Earnings per share (CZK), annualised	79	43
Average number of employees during the period	8,167	8,062

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

ZOOM ON STAGE 2 EXPOSURE EVOLUTION

- 4Q 2020 stage 2 share lower at 6.4%
 - QoQ decrease by CZK 5.6 Bn
 - Contained intensity (CZK 2.6 Bn) of migrations into default for both corporate and retail segments
 - Residual net migrations between stage 1 and stage 2 exposure categories, for both corporate and retail segments



- 4Q 2020 stage 2 provision coverage ratio stable at 5.9%
 - Prudent provisions of selected Covid-sensitive portfolios
 - Prudent approach to IFRS9 macroeconomic scenarios and related provisioning

LENDING WITH STATE COVID GUARANTEE

LENDING WITH GUARANTEES

GUARANTEED COVID LENDING	No. of clients	Signed (CZK million)	Outstanding exposure* (CZK million)
Covid II	895	3,918	3,698
Covid Prague	52	337	301
Covid III	1,726	11,851	11,247
Covid Plus	7	1,587	847
Total	2,680	17,693	16,093

* according to ČNB methodology

BUSINESS PERFORMANCE OF SUBSIDIARIES

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OVERVIEW OF KB SUBSIDIARIES

	FY 2019	FY 2020	YoY
Modrá pyramida (100%), #2 building savings & loans company			
Volume of new loans (CZK million)	10,110	18,767	86%
Volume of total loans (gross, CZK million)	56,247	63,938	14%
Volume of deposits (CZK million)	61,817	60,775	-2%
Number of clients	489,953	485,415	-1%
Average number of FTEs	328	327	0%
Number of points of sale	205	201	-2%
KB Penzijní společnost (100%), a manager of pension funds			
Number of new contracts	32,820	27,406	-16%
Number of clients	530,959	524,356	-1%
Assets under management (CZK million)	62,405	67,095	8%
of which in Transformed fund	54,898	57,319	4%
Average number of FTEs	48	48	0%
ESSOX (50.93%), #2 non-bank consumer lender and car financing company			
Volume of total loans (gross, CZK million)	17,438	17,716	2%
Number of active clients	202,321	150,834	-25%
Average number of FTEs	393	391	0%

BUSINESS PERFORMANCE OF SUBSIDIARIES

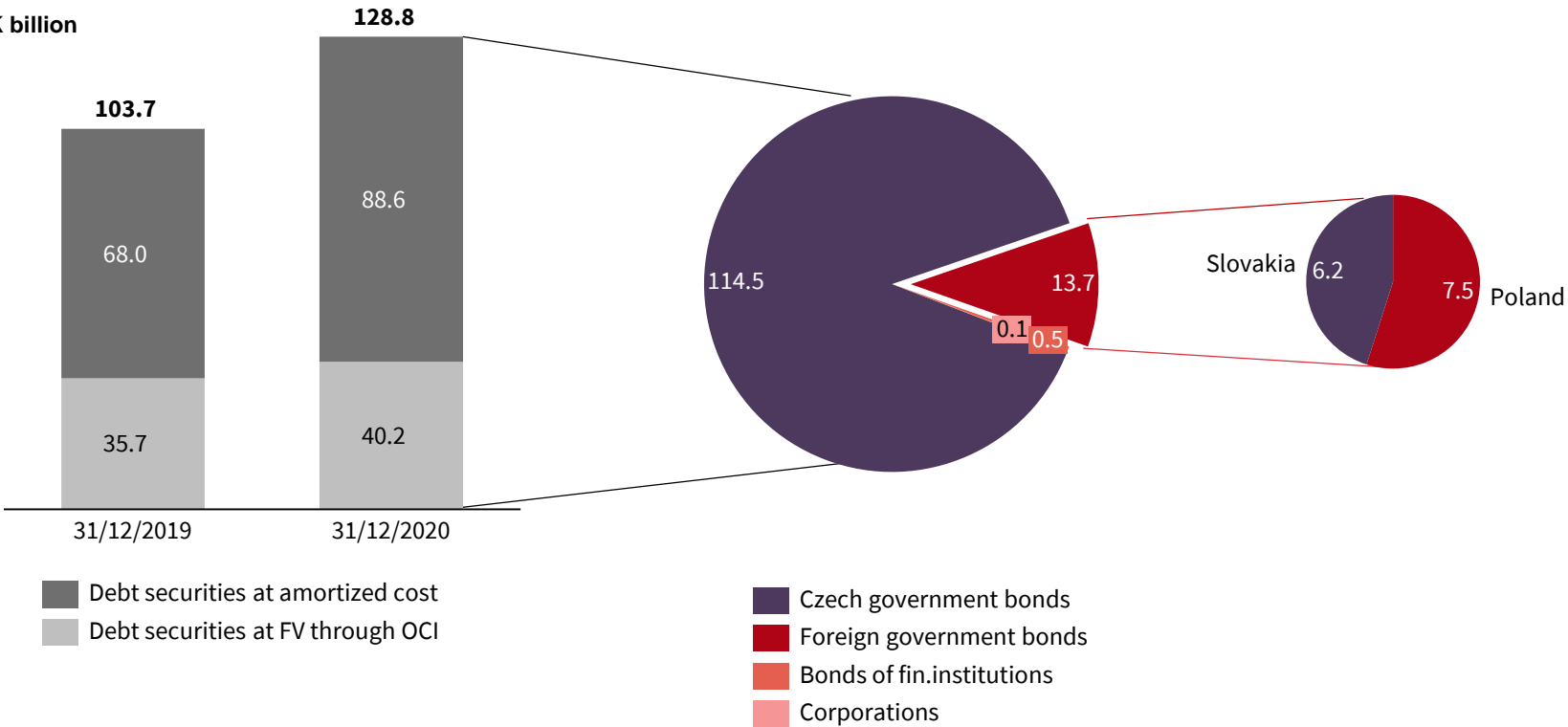
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OVERVIEW OF KB SUBSIDIARIES

	FY 2019	FY 2020	YoY
Factoring KB (100%), #1 on the Czech factoring market			
Factoring turnover (CZK million)	54,020	49,849	-8%
Volume of total financing (gross, CZK million)	9,360	8,309	-11%
Average number of FTEs	44	42	-4%
Komerční pojišťovna (49%), a universal insurance company			
Volume of technical reserves - Saving (CZK million)	47,984	49,843	4%
Gross written premium (CZK million)	8,310	7,500	-10%
of which in life insurance	7,794	6,936	-11%
of which in non-life insurance	516	565	9%
Average number of FTEs	221	235	6%
SGEF Czech Republic (50.1%), a provider of asset-backed financing in Czech Rep. and Slovakia			
Volume of new financing (CZK million)	13,376	12,413	-7%
Volume of total financing (gross, CZK million)	28,979	30,336	5%
Average number of FTEs	140	142	1%

DEBT SECURITIES PORTFOLIO IN THE BANKING BOOK

CZK billion



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

MACROECONOMIC ENVIRONMENT – CZECHIA

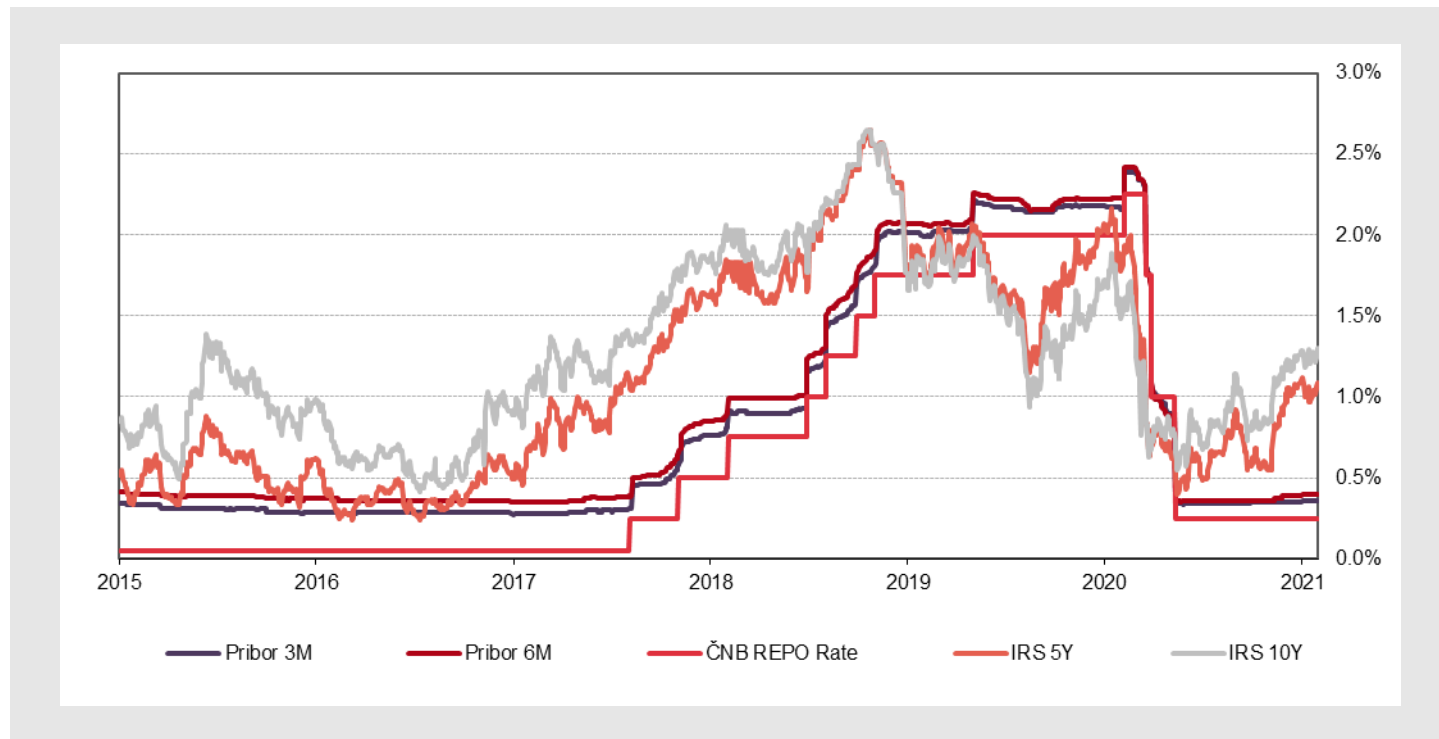
Macroeconomic Indicators	2016	2017	2018	2019	2020	2021*	2022*
Real GDP (% , average)*	2.5	5.4	3.2	2.2	-6.0	2.6	3.9
Inflation (% , average)	0.7	2.5	2.1	2.8	3.2	1.8	1.9
Household consumption (% , average)*	3.7	4.0	3.3	2.9	-4.8	2.8	3.5
Unemployment (% , av., ILO meth.)*	4.0	2.9	2.2	2.0	2.4	2.9	2.3
M2 (% , average)*	8.6	9.5	5.3	6.9	10.1	14.3	13.5
3M PRIBOR (% , average)	0.3	0.4	1.3	2.1	0.9	0.4	0.9
Potential of the market **	2016	2017	2018	2019	2020*	2021*	2022*
Loans / GDP (year-end)	61.9	60.9	61.5	60.7	63.3	64.8	64.5
Deposits / GDP (year-end)	80.9	84.9	86.4	86.6	95.0	102.9	100.8
Real estate loans / GDP (year-end)	22.0	22.4	23.0	23.1	25.5	25.8	25.6
Household loans / GDP (year-end)	26.5	26.8	27.4	27.6	30.1	30.5	30.3
Corporate loans / GDP (year-end)	20.6	20.1	20.2	19.7	20.3	20.4	20.7

* KB estimate (for selected indicators 2020, too)

** Banking sector

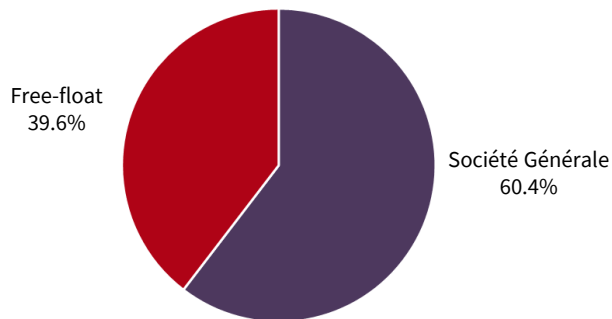
INTEREST RATES EVOLUTION

For the period 1 Jan 2006 – 31 January 2021

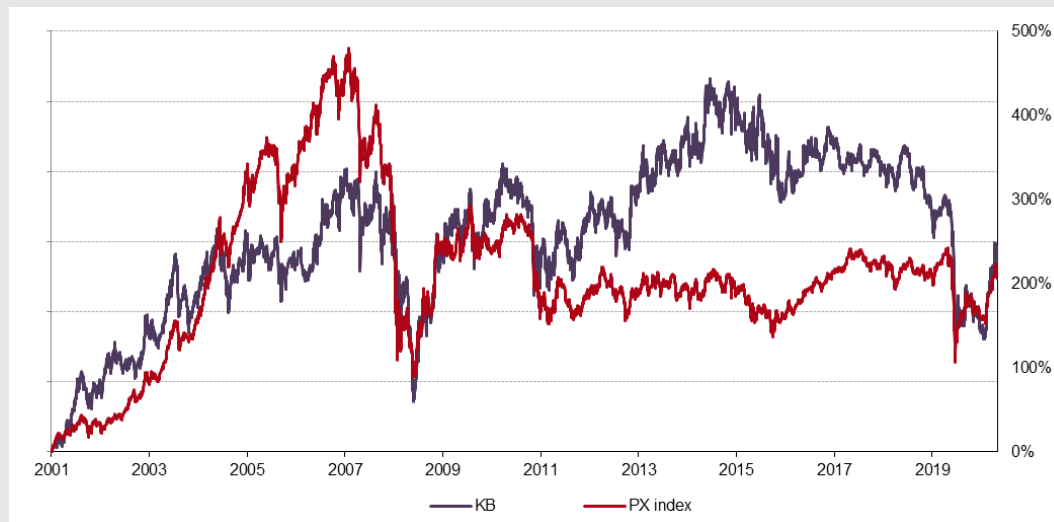


KB #1 LISTED CZECH BANK

Shareholder structure



Development of KB share price and PX index (1 January 2001 – 31 January 2021)



- The number of shareholders comprised 57,001 corporate entities and private individuals.
- 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, Soci t  G n rale S.A. held 60.35%.
- KB held 1,193,360 own shares in treasury, representing 0.63% stake on registered capital

INVESTOR RELATIONS



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