



# Results Q1 2025

Regulatory information

# Komerční banka in 1Q 2025: higher number of clients and revenues, improved profitability

“The economic environment was more volatile in the first quarter of this year, with news of a new fiscal stimulus package in Europe together with plans for the introduction of protectionist measures by the United States. This information has had an impact on customer decision-making, particularly with regard to investment and hedging. We continue to believe that domestic economic growth this year will be driven mainly by domestic consumption. The Czech economy remains globally competitive and the sound state of public finances provides scope to mitigate potential external shocks,” remarked Jan Juchelka, Komerční banka’s Chairman of the Board of Directors and Chief Executive Officer.

“The results of the first quarter confirmed the upward trend in revenues, the disciplined management of operating costs and the high quality of KB Group’s asset portfolio. For the remainder of the year, we intend to further increase the number of the Bank’s customers, accelerate the growth of loans and deposits, and complete the migration of individual customers to the new digital bank with the KB+ app. We will continue to support all our clients in their projects and ambitions. Komerční banka’s results are in accordance with its strategic direction and its important role in the Czech economy,” Jan Juchelka added.

- KB Group’s lending to customers rose by 2.9% year on year to CZK 849.3 billion.
- Deposits from clients decreased by (1.0%) from a year earlier to CZK 1,038.9 billion.
- Volume of non-bank assets (mutual funds, pension funds, life insurance) under management expanded by 8.1% to CZK 283.0 billion.
- Standalone Komerční banka had 1,738,000 customers, up by 60,000 year on year. The Bank continued successfully to migrate clients from legacy systems to the new digital bank with the KB+ app. KB Group was serving 2,177,000 clients.
- Total revenues were up by a 3.5% year on year, at CZK 9.1 billion. Operating expenditures decreased by (4.4%) to CZK 4.6 billion. The Group reported a CZK (0.5) billion net release of provisions for credit risk. Income taxes reached CZK 0.9 billion. Net profit attributable to the Group’s equity holders, at CZK 4.2 billion, improved by 49.3% year on year.
- Volume of regulatory capital reached CZK 104.7 billion, capital adequacy stood at 18.7%, and the Core Tier 1 ratio was 17.7%.
- The Annual General Meeting held on 24 April 2025 approved an annual dividend payment of CZK 91.30 per share (before tax) to Komerční banka shareholders as of 6 May. The dividend will be payable from 26 May 2025.
- KB had 77,083 shareholders (greater by 2,668 year on year), of which 70,692 were private individuals from the Czech Republic.

Prague, 30 April 2025 – Komerční banka reported today its unaudited consolidated results for the first quarter of 2025.

**Business performance**

Lending to clients was up by 2.9% to CZK 849.3 billion.<sup>1)</sup>

The volume of housing loans outstanding grew by 3.5%. New production of housing loans was higher by 54.5% compared to the previous year’s first quarter. The growth in consumer lending reached 2.4%. Growth in lending to businesses, at 2.3%, was affected by prevailing economic uncertainty and increased share of financing for investment projects by bond issuance.

Deposits from clients were lower by (1.0%) year on year, at CZK 1,038.9 billion.<sup>2)</sup> Within this total, the volumes on current accounts expanded by 4.9%. Meanwhile, the volume of KB Group clients’ assets in mutual funds, pension savings, and life insurance had risen by 8.1% year on year to CZK 283.0 billion.

**Financial performance**

Total revenues reached CZK 9.1 billion, up by 3.5% compared to the first quarter of 2024. Net interest income improved slightly, mainly thanks to growing volumes of loans and despite that the Czech National Bank has doubled effective from January 2025 the amount of the so-called minimum reserve requirement that banks must deposit with the CNB without interest. Net fee and commission income was up, reflecting especially clients’ larger investments in mutual funds and greater demand among corporate clients for various financial services, such as bond issuance and loan syndications. Net profit on financial operations increased year on year, as well, due to solid client demand for financial risk hedging and higher income from currency conversions.

Operating expenses were down by (4.4%), at CZK 4.6 billion. Personnel expenses were 4.5% higher. The average number of employees decreased by 4.2% year on year, a reflection of ongoing digitisation and optimisation of operational processes and the distribution network. Administrative costs declined, with savings achieved in all major areas. The estimated full-year levy to the regulatory funds decreased markedly because the CNB adjusted downwards the aggregate contribution from Czech banks to the Resolution Fund. Greater depreciation and amortisation charges reflected the ongoing investments into digitalisation.

Cost of risk reached a negative CZK (0.5) billion. Net release of credit risk allowances related predominantly to successful resolution of an exposure in the large corporate client segment. This was partly offset by creation of a prudential reserve reflecting the possible macroeconomic scenarios. KB did not reduce the inflation overlay

reserve which had been created in 2021 and 2022. The overall credit risk profile remained stable and excellent.

Reported net profit attributable to shareholders for 2025’s first quarter increased by 49.3% year on year to CZK 4.2 billion. Income taxes came to CZK 0.9 billion.

**Shareholders, capital, and dividends**

KB’s capital adequacy ratio reached a strong 18.7%, and Core Tier 1 capital stood at 17.7%. During 2025, the reported capital ratios are adjusted for the ‘foreseeable dividend’ at the level of a 100% payout ratio. That is in accordance with management’s published intention.

The liquidity coverage ratio was 154%, significantly above the regulatory minimum of 100%.

The Annual General Meeting held on 24 April 2025 approved a dividend payment of CZK 17.4 billion, or CZK 93.10 per share before tax. This represents 100% of attributable consolidated net profit generated by KB in 2024. The dividend can be claimed by every shareholder holding a Komerční banka share as of 6 May 2025. The dividend’s payment date is 26 May 2025.

The approved profit distribution is in line with the long-term capital management plan, which maintains capital adequacy at a level appropriate to the risks assumed and in view of the Bank’s business opportunities. The proposal also maintains adequate scope for the Bank’s future business growth and, in the opinion of the Board of Directors, provides shareholders with a fair share of profits.

<sup>1)</sup> Including debt securities issued by KB’s corporate clients and held by KB. The volume of reverse repo operations with clients as of 31 March 2025 as well as of 31 March 2024 was nil.  
<sup>2)</sup> Excluding repo operations with clients. The total volume of ‘Amounts due to customers’ moved down by 1.9% to CZK 1,204.9 billion.



Considering the current state of affairs, KB’s management intends for 2025 to maintain the dividend payout policy (foreseeable dividend) at an exceptional level of 100% of attributable consolidated net profit earned in the year.

As of 31 March 2025, Komerční banka had 77,083 shareholders (up by 2,668 year on year), of which 70,692 (greater by 2,669 from the year earlier) were private individuals from the Czech Republic. Strategic shareholder Société Générale maintained its 60.4% stake while minority shareholders owned 39.0% and KB held 0.6% of the registered capital in treasury.

**Selected achievements and initiatives in the first quarter of 2025**

Komerční banka continued to develop its client offer in the new digital bank with the KB+ application and to move retail banking clients from the original banking infrastructure. As of 31 March, the new digital bank already had 1,136,000 users.

KB was also the first bank in the Czech Republic to introduce the Tap to Pay payment method, which enables small traders and craftspeople in particular to accept contactless payments via a mobile phone with the PayPhone application and without the need for a payment terminal or special hardware.

On 26 February 2025, Komerční banka completed a transaction with Société Générale Equipment Finance, S.A. (SGEF SA) and its parent company Société Générale, S.A. to purchase the remaining 49.9% stake in SG Equipment Finance Czech Republic s.r.o. from SGEF SA. Acquiring 100% ownership in SGEF Czech Republic enables Komerční banka to build on the excellent results of the existing co-operation and to participate in further development of the domestic leader in non-bank corporate financing.

As of 10 March 2025, KB had successfully completed payouts of insured deposits under the mandate of the Financial Market Guarantee System to clients of the bankrupt Sberbank CZ. Nearly

91,000 former clients of Sberbank CZ were successfully paid through Komerční banka between 9 March 2022 and 10 March 2025, receiving a total of CZK 25.7 billion. KB thus once again proved its position as an important and reliable part of the Czech Republic’s financial infrastructure.

Given the growing number and sophistication of cyber attacks, KB launched a year-long campaign in March aimed at protecting clients’ finances and strengthening control over financial risks. The campaign builds on the visual concept of ‘monsters’, which symbolise the most common cyber fraud and threats to personal finance.

Komerční banka defended its recognition as the #1 sustainable bank in the 2024 VISA Awards. VISA also recognised Jitka Haubová in the category Woman in payment systems. Moreover, the first ever VISA Bank Branch of the Year 2024 award for the best bank branch in the Czech Republic went to Komerční banka. KB won the title for its modern branch in Prague’s Smíchov District. This competition was created with the aim of improving the customer experience in the banking industry.

In the Mastercard Awards, Komerční banka won the title in the SME Card Issuer category, reflecting its ongoing efforts to bring innovative financial solutions to entrepreneurs. In addition, ESSOX was recognised in the Responsible Innovation category.

# Market environment (in first quarter 2025)<sup>1)</sup>

Global financial markets experienced heightened volatility in the first quarter of 2025, driven primarily by escalating trade tensions following the U.S. administration’s announcement of sweeping tariffs on imports.

In contrast, the Czech Republic maintained a relatively stable economic environment. The forecast from our analysts indicates that the country’s GDP grew by 1.2% quarter on quarter in Q1 2025.

Inflation in the Czech Republic remained within manageable levels, with the annual rate holding steady at 2.7% in March 2025. While this is slightly above the Czech National Bank’s target, it reflects a controlled inflationary environment, especially when compared to the volatility in global markets.

Economic growth had been more robust in the preceding quarter, Q4 2024, with GDP rising by 0.7% quarter on quarter and 1.8% year on year. This acceleration was supported by increased household consumption and a positive change in inventories, despite challenges in gross fixed capital formation and external demand. In Q4 2024, nominal wages grew faster than inflation, leading to a 4.2% rise in real wages, though growth varied across sectors.<sup>2)</sup> The unemployment rate continued to be one of the lowest in the EU,

standing at 2.7% in February 2025 (as per the Eurostat methodology after seasonal adjustment).<sup>3)</sup>

In first quarter 2025, consumer prices in the Czech Republic rose by 1.3% quarter on quarter and 2.7% year on year, down slightly from the 2.9% in Q4 2024. Inflation was driven mainly by rising prices of food, beverages, and housing-related services. Energy prices dropped, on the other hand, as did those for clothing and footwear. The dynamics of core inflation grow to 2.5% in March.<sup>4)</sup>

On 6 February 2025, the Czech National Bank continued its monetary policy easing, reducing the two-week repo rate by 25 basis points to 3.75%. This decision reflected ongoing disinflationary pressures and alignment with the CNB’s inflation target. As of the end of 2025’s first quarter, the three-month PRIBOR rate stood at 3.72%, marking a slight decrease of 2 basis points since the beginning of the year. The 10-year interest rate swap remained virtually unchanged at 3.78%, while the 5-year IRS rate edged down by 1 basis point to 3.56%. Yields on 10-year Czech government bonds rose marginally by 0.7 basis point to 4.29%.

The Czech crown appreciated against the euro by 0.22% year to date, reaching CZK 24.97 per euro by the end of March.

The latest information on residential real estate prices, available for the fourth quarter of 2024 from the Czech Statistical Office, showed prices for second-hand homes in Prague had grown by 0.3% quarter on quarter and were up by 12.1% as compared to the previous year’s fourth quarter.<sup>5)</sup> Prices of second-hand flats in the rest of the country were up by 3.5% quarter on quarter and higher by 14.2% compared to the previous year’s fourth quarter. Prices of newly developed flats in Prague rose by 3.9% in the fourth quarter of 2024 and were up by 7.6% from the same quarter a year earlier. Czech residential real estate prices according to the European house price index<sup>6)</sup> were higher quarter on quarter by 2.3% but rose year on year by 8.4%.

As of February 2025 (latest available data), total bank lending on the overall market (excluding repo operations) had grown by 4.8% year on year.<sup>7)</sup> Lending to individuals climbed by 6.2%, with housing loans expanding 5.7% year on year mainly because interest rates were gradually declining. Lending to businesses and other corporations increased year on year by 3.4%.

The volume of client deposits in Czech banks had expanded by 4.6% year over year as of February 2025.<sup>8)</sup> Deposits from individuals had grown in total by 6.3% while the market deposits from businesses and other corporations were up by 2.9% year over year. Switching

<sup>1)</sup> Unless stated otherwise, data sources for this section: Czech Statistical Office, Czech National Bank, KB Economic Research. Comparisons are year on year.  
<sup>2)</sup> The latest available data for the fourth quarter showed wage inflation at 7.2% year on year (up by 4.2%) in real terms).  
<sup>3)</sup> Source: [https://ec.europa.eu/eurostat/databrowser/view/EI\\_LMHR\\_M/default/table?lang=en&category=euroind.ei\\_lm](https://ec.europa.eu/eurostat/databrowser/view/EI_LMHR_M/default/table?lang=en&category=euroind.ei_lm) Data as of February 2025.  
<sup>4)</sup> Source: [https://www.cnb.cz/arad/#/en/display\\_link/single\\_SCPIMZM09YOYPECNA](https://www.cnb.cz/arad/#/en/display_link/single_SCPIMZM09YOYPECNA) ARAD statistics of the CNB.  
<sup>5)</sup> Source: [https://csu.gov.cz/produkty/ceny\\_bytu](https://csu.gov.cz/produkty/ceny_bytu) Publication code 014007-23, released 7 April 2024.  
<sup>6)</sup> Source: [https://ec.europa.eu/eurostat/databrowser/view/prc\\_hpi\\_q\\_custom\\_10886471/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/prc_hpi_q_custom_10886471/default/table?lang=en)  
<sup>7)</sup> Source of data on banking market developments: ARAD statistics of the CNB, [www.cnb.cz/arad](http://www.cnb.cz/arad).  
<sup>8)</sup> Source of data on banking market developments: ARAD statistics of the CNB, [www.cnb.cz/arad](http://www.cnb.cz/arad).

from current to term and saving deposits moderated, but the volumes on current accounts were up by 4% while those on term deposits were down by (1.9%) year on year and saving accounts added 18.9% as compared to the same month a year earlier.

# Developments in the client portfolio and distribution networks

	31 Mar 2024	31 Mar 2025	Change YoY
KB Group's clients	2,195,000	2,177,000	(18,000)
Komerční banka	1,678,000	1,738,000	60,000
– Individual clients	1,436,000	1,496,000	60,000
– New Digital Bank users	281,000	1,136,000	855,000
Modrá pyramida	418,000	378,000	(41,000)
KB Penzijní společnost	463,000	413,000	(50,000)
ESSOX (Group)	116,000	106,000	(11,000)
KB branches (CZ)	210	204	(6)
KB Poradenství outlets	n.a.	199	n.a.
ATMs (KB network)	792	764	(28)
ATMs (Total shared network)	1,979	1,939	(40)
Number of active debit cards	1,520,000	1,612,000	92,000
Number of active credit cards	221,000	228,000	7,000



# Comments on business and financial results

The financial data published below are from unaudited consolidated results compiled under IFRS (International Financial Reporting Standards). Unless stated otherwise, the data are as of 31 March 2025.

## BUSINESS PERFORMANCE

### Loans to customers

Total **gross volume of lending to clients** rose by 2.9% year on year to CZK 849.3 billion.<sup>1)</sup>

In **lending to individuals**, the overall volume of housing loans grew by 3.5% from the year earlier. Within this total, the portfolio of mortgages to individuals expanded by 3.1% to CZK 287.3 billion. Modrá pyramida’s loan portfolio volume increased by 4.7% to CZK 98.1 billion. New production of housing loans was higher by 54.5% compared to the previous year’s first quarter. The volume of KB Group’s consumer lending (provided by the Bank and ESSOX Group in the Czech Republic and Slovakia) was up by 2.4%, at CZK 39.1 billion.

The total volume of **loans to businesses** and other lending provided by KB Group was greater by 2.3% year on year, at CZK 424.7 billion. Growth in lending to businesses was affected by prevailing economic uncertainty and increased share of financing for investment projects by bond issuance. Lending to small businesses grew marginally, by 0.7%, to CZK 47.9 billion. The overall CZK volume of credit granted by KB to medium-sized, large corporate, and other clients in the Czech Republic and Slovakia<sup>2)</sup> climbed by 2.6% year on year to CZK 341.3 billion. At CZK 35.5 billion, the total credit and leasing amounts outstanding at SGEF were up by 2.1% year over year.

### Amounts due to customers and assets under management

The **volume of standard client deposits** across KB Group diminished by (1.0%) year on year to CZK 1,038.9 billion.<sup>3)</sup> Within the total deposit base, volumes on current accounts were up by 4.9%.

Deposits at Komerční banka from individual clients were flat, at CZK 337.1 billion. The deposit book at Modrá pyramida contracted by (5.4%) to CZK 48.6 billion. Total deposits from businesses and other corporations were down by (0.3%) , at CZK 644.4 billion.

The volumes in mutual funds held by KB Group clients grew by 15.7% to CZK 163.1 billion. Client assets managed by KB Penzijní společnost were down by (1.0%) to CZK 73.4 billion. Technical reserves in life

<sup>1)</sup> Including debt securities issued by KB’s corporate clients. There were no reverse repo operations with clients to report as of 31 March 2025 or 31 March 2024.

<sup>2)</sup> Inclusive of factor finance outstanding at Factoring KB and merchant and car dealers’ financing from ESSOX Group.

<sup>3)</sup> Excluding volatile repo operations with clients. The total volume of ‘Amounts due to customers’ decreased by 1.9% year on year to CZK 1,204.9 billion.

insurance at Komerční pojišťovna were smaller by (0.4%) year on year, at CZK 46.5 billion.

The Group’s liquidity as measured by the ratio of net loans<sup>1)</sup> to deposits (excluding repo operations with clients but including debt securities held by KB and issued by the Bank’s clients) stood at

81.9%. The Group’s liquidity coverage ratio ended the first quarter at 173% and the net stable funding ratio at 132%, both well above the regulatory limit of 100%.

# FINANCIAL PERFORMANCE

## Income statement

Komerční banka’s **revenues (net operating income)** reached CZK 9,135 million, up by 3.5% compared to the first quarter of 2024.

**Net interest income** was higher by 2.0%, at CZK 6,404 million, driven mainly by growing volume of loans and deposits and despite that the Czech National Bank has doubled, effective from January 2025, the amount of the so-called minimum reserve requirement that banks must deposit with the CNB without interest. The average deposit spreads were influenced by a changing mix of deposits. Lending spreads stabilised. Net interest margin for the 3 months of 2025, computed as the ratio of net interest income to interest-earning assets reported on the balance sheet, reached 1.7% a year earlier).

**Net fee and commission income** grew by 11.3% to CZK 1,768 million. This growth was mainly driven by cross-selling of mutual funds and insurance and by stronger demand of corporate clients for various financial services, such as bond issuance and loan syndications.

Transaction fees were lower year on year, in spite that a higher number of client transactions were executed but influenced by inclusion of transactions in subscription plans. Deposit product fees also were down, affected by transfer of clients to the new digital bank and a lower number of building savings contracts. Income from loan services decreased somewhat, as lower mortgage and overdraft fees were not fully offset by better income from loans to small businesses.

**Net profit on financial operations** increased by 11.8% from 2024’s first quarter to CZK 937 million. A volatile rates outlook boosted demand for hedging of financial risks, in particular from large corporate clients and financial institutions. Moreover, foreign exchange flows were generated by an expanded base of clients. The market demonstrated strong bond issuance activity. Gains from foreign exchange payments were higher year on year, reflecting both a higher number of transactions executed by clients and adjusted spreads.

**Dividend and other income** was lower by (78.2%) CZK 26 million. This line item primarily comprises revenues from property rental as well as ancillary services and dividends from associated companies.

**Operating expenses** declined by (4.4%) to CZK 4,595 million. The average number of employees decreased by 4.2% to 7,236<sup>2)</sup>, a reflection of ongoing digitisation together with optimisation of operational processes and the distribution network. Personnel expenses grew by 4.5% to CZK 2,226 million. The management agreed with the trade unions on increasing the average salary by 2.5%, with effect from April. General and administrative expenses (not including contributions to the regulatory funds) were down by (3.5%), at CZK 982 million. Savings were achieved in all main categories. The estimated full-year levy to the regulatory funds (Deposit Insurance Fund, Resolution Fund) was lower by (49.3%) year on year, at CZK 382 million, because the CNB adjusted downwards the aggregate contribution from Czech banks to the Resolution Fund after the Fund had reached its target volume. Depreciation, amortisation, and impairment of operating assets grew by 11.4% to

<sup>1)</sup> Gross volume of loans reduced by the volume of provisions for loan losses.  
<sup>2)</sup> Recalculated to a full-time equivalent number according to methodology of the Czech Statistical Office.



CZK 1,005 million, driven by higher charges reflecting investments in pursuit of KB’s digitalisation strategy.

The sum of profit before allowances for loan losses, provisions for other risk, profit on subsidiaries, and income tax (**operating profit**) was up by 13.0%, at CZK 4,540 million.

**Cost of risk** (impairment losses, provisions for loans, and net result from loans written off) reached CZK (496) million (i.e. a net release of provisions or –22 basis points in relative terms) compared to a net provisions creation of CZK 485 million a year earlier (or +22 basis points in relative terms). Net release of credit risk allowances related predominantly to successful resolution of an exposure in the large corporate client segment. This was partly offset by creation of a prudential reserve reflecting the possible macroeconomic scenarios. KB did not reduce the inflation overlay reserve which had been created in 2021 and 2022. The overall credit risk profile remained stable and excellent.

**Income from shares in associated undertakings** (i.e. Komerční pojišťovna) was up by 10.1% year on year, at CZK 76 million, influenced by interest rate developments, as well as creation and utilisation of the insurance reserves.

Net result on subsidiaries and associates was CZK 0. In the same period of 2024, this line had reached CZK (43) million due to impairment of a stake in a subsidiary of KB Smart Solutions.

Net profits on other assets reached CZK 16 million, mainly reflecting sales of buildings and disposal of some software. In the previous year’s first quarter, net loss on other assets had been CZK (30) million.

**Income tax** was higher by 33.3%, at CZK 892 million.

KB Group’s consolidated net profit for the first quarter of 2025 reached CZK 4,236 million, which was up by 48.1% in comparison with the year earlier. Of this total, CZK 50 million was profit attributable to the non-controlling owners of minority stakes in KB’s subsidiaries (down by 10.7% year on year).

Reported **net profit attributable to the Group’s equity holders** totalled CZK 4,186 million, which is 49.3% higher year on year.

**Other comprehensive income** reached CZK (127) million. This derived mainly from revaluation of some cash flow hedging positions and debt securities. Consolidated comprehensive income for the first quarter of 2025 totalled CZK 4,109 million, of which CZK 48 million was attributable to owners of non-controlling stakes.

**Statement of financial position**

*Unless indicated otherwise, the following text provides a comparison of the balance sheet values as of 31 March 2025 with the values from the statement of financial position as of 31 December 2024.*

**Assets**

As of 31 March 2025, KB Group’s total assets had grown by 3.2% year to date to CZK 1,585.7 billion.

Cash and current balances with central banks were up by 14.3%, at CZK 83.4 billion. Financial assets held for trading at fair value through profit or loss (trading securities and derivatives) increased by 1.6% to CZK 42.5 billion. The fair value of hedging financial derivatives declined by (6.8%) to CZK 6.4 billion.

Year to date, there was a (11.0%) drop in financial assets at fair value through other comprehensive income totalling CZK 10.1 billion.

This item consisted mainly of debt securities issued by government institutions.

Financial assets at amortised cost grew by 2.9% to CZK 1,412.1 billion. The largest portion of this consisted of (net) loans and advances to customers, which decreased year to date by (0.2%) to CZK 851.2 billion. A 98.0% share in the gross amount of client loans was classified in Stage 1 or Stage 2 while 2.0% of the loans were classified in Stage 3 (non-performing loans). The volume of loss allowances created for amounts due from customers came to CZK 12.5 billion. Loans and advances to banks climbed by 12.5% to CZK 377.9 billion. The majority of this item consists in reverse repos with the central bank. The value held in debt securities was flat, at CZK 182.9 billion, as of the end of March 2025.

Revaluation differences on portfolio hedge items totalled CZK (0.5) billion, lower by (19.2%). Current and deferred tax assets stood at CZK 0.5 billion. Prepayments, accrued income, and other assets, which include receivables from securities trading and settlement balances, increased overall by 0.6% to CZK 6.2 billion. Assets held for sale declined by (30.8%) to CZK 0.1 billion.

Investments in associates rose by 2.2%, to CZK 2.7 billion, compared to the 2024 year-end value.

The net book value of tangible assets decreased by (2.3%) to CZK 7.8 billion. Intangible assets grew by 0.1% to reach CZK 10.8 billion. Goodwill, which primarily derives from the acquisitions of Modrá pyramida, SGEF, and ESSOX, remained unchanged at CZK 3.8 billion.

**Liabilities**

Total liabilities were 3.4% higher in comparison to the end of 2024 and stood at CZK 1,453.6 billion.

Financial liabilities at amortised cost went up by 3.9% to CZK 1,331.5 billion. Amounts due to customers comprise the largest proportion of this sum, and these climbed by 2.6% to CZK 1,204.9 billion. This total included CZK 166.0 billion of liabilities from repo operations with clients and CZK 7.1 billion of other payables to customers. Amounts due to banks increased through the 3 months of 2025 by 21.8% to CZK 111.5 billion.

Revaluation differences on portfolios hedge items were CZK (30.2) billion. Current and deferred tax liabilities ended at CZK 0.8 billion, down by (11.5%). Accruals and other liabilities, which include payables from securities trading and settlement balances, grew by 45.6% to CZK 20.1 billion.

The provisions balance was 11.0% higher, at CZK 0.8 billion. Provisions for other credit commitments are held to cover credit risks associated with credit commitments issued. The provisions for contracted commitments principally comprise those for ongoing contracted contingent commitments, legal disputes, self-insurance, and the retirement benefits plan.

Subordinated and senior non-preferred debt, at CZK 65.1 billion, was down by (0.9%) year to date, due to the Czech crown’s appreciated exchange rate vis-à-vis the euro. That is because minimum requirements for own funds and eligible liabilities (MREL) instruments are denominated in euro.

**Equity**

Total equity rose year to date by 1.6% to CZK 132.1 billion. The value of non-controlling interests reached CZK 1.6 billion. As of 31 March 2025, KB held in treasury 1,193,360 of its own shares constituting 0.63% of the registered capital.

**Regulatory capital and other regulatory requirements**

Total regulatory capital for the capital adequacy calculation came to CZK 104.7 billion as of 31 March 2025. Capital adequacy stood at 18.7%. Core Tier 1 (CET1) capital totalled CZK 99.5 billion and the Core Tier 1 ratio was 17.7%. Tier 2 capital summed to CZK 5.3 billion, which was 0.9% of risk-weighted assets.

As from 1 January 2025, Komerční banka’s overall capital requirements (OCR) were at approximately 16.6%. The minimum required level of CET1 was 12.0% and the minimum Tier 1 capital ratio stood at 14.0%.

As of 31 March 2025, KB Group’s Liquidity Coverage Ratio came to 173% and Net Stable Funding Ratio to 132%. The applicable regulatory minimum for both indicators is 100%.

Effective from 1 January 2024, KB Group has needed to comply with an MREL minimum requirement equal to 21.2% of the consolidated total risk exposure and 5.91% of the consolidated total exposure. The MREL requirement is defined as the sum of the amount of loss absorption and recapitalisation.

In addition to the MREL, expressed as a percentage of risk-weighted assets, the Group must also fulfil the combined capital buffer. This requirement stood at 6.25% as of 31 March 2025.

Pursuing the so-called “single point of entry” resolution strategy, KB intends to fulfil its MREL requirements by taking on senior non-preferred loans from Société Générale S.A. As of 31 March 2025, KB had accepted such loans in a total principal volume of EUR 2.4 billion.<sup>1)</sup> KB Group’s MREL ratio stood at 29.4%.

<sup>1)</sup> An overview of senior non-preferred tranches to meet the MREL requirements is provided in the Annex.



# Developments in the Group structure

In January, KB Smart Solutions, a fully owned subsidiary of Komerční banka, concluded a contract with Orbian Management Ltd., registered in the United Kingdom, on a sale of its 24.83% stake in the company Platební instituce Roger a.s., which connects investors with companies that seek fast financing of their long due date receivables. It also provides a supply chain financing platform for large customers. The closing of the transaction is subject to the fulfilment of several conditions precedent, including regulatory approvals, and is

expected during the first half of 2025. Komerční banka intends to continue its co-operation with Platební instituce Roger after closing of the transaction. The acquisition of Platební instituce Roger by Orbian, a leading global provider of supply chain finance services, will facilitate further international expansion and growth of Platební instituce Roger's services.

In March, KB concluded a transaction with the company Société Générale Equipment Finance, S.A. (SGEF SA) and its parent company Société Générale, S.A. (SG SA), the purpose of which was to acquire 49.9% of shares in SG Equipment Finance Czech Republic s.r.o. (SGEF CR) from SGEF SA. The intended transaction had been publicly announced in July 2024, when KB and SGEF SA had signed a memorandum of understanding. This step completed the entire transaction, whereby KB became the 100% owner of SGEF CR.

# Developments in corporate governance

In March, the Supervisory Board of Komerční banka elected Ms Katarína Kurucová as a member of the Board of Directors of Komerční banka, a. s. to replace, with effect from 1 June 2025, member of the Board of Directors Mr David Formánek, who from the same date will hold the position of Chief Executive Officer in SG Equipment Finance CR. It also elected Ms Anne Laure Véronique de Kouchkovsky as a member of the Board of Directors of Komerční banka, a.s. to replace, with effect from 1 September 2025, member of the Board of Directors Mr Didier Colin, who is returning to Société Générale.

and Mr. Alvaro Huete Gomez as a member of the Supervisory Board with effect from 4 May 2025 (upon expiry of previous terms of both members).

Monika Truchliková will replace Michael Pupala as CEO and Chairman of the Board of Directors of Modrá pyramida stavební spořitelna from 1 May 2025. Michael Pupala will move within the Société Générale Group to the position of Chief Executive Officer of BDK in Hamburg on the same date.

The Annual General Meeting held on 24 April 2025 newly elected Ms Anne-Sophie Chauveau-Galas as a member of the Supervisory Board with effect from 24 April 2025. It also re-elected Mr Petr Dvořák as a member of the Supervisory Board with effect from 4 June 2025



ANNEX: Consolidated results as of 31 March 2025 under International Financial Reporting Standards (IFRS)

Profit and Loss Statement			Reported			Recurring		
	1Q 2024		1Q 2025	Change YoY		1Q 2024	1Q 2025	Change YoY
(CZK million, unaudited)								
Net interest income	6,276		6,404	2.0%		6,276	6,404	2.0%
Net fee and commission income	1,589		1,768	11.3%		1,589	1,768	11.3%
Net profit on financial operations	838		937	11.8%		838	937	11.8%
Dividend and other income	119		26	(78.2%)		119	26	(78.2%)
<b>Net banking income</b>	<b>8,822</b>		<b>9,135</b>	<b>3.5%</b>		<b>8,822</b>	<b>9,135</b>	<b>3.5%</b>
Personnel expenses	(2,131)		(2,226)	4.5%		(2,131)	(2,226)	4.5%
General admin. expenses (excl. regulatory funds)	(1,018)		(982)	(3.5%)		(1,018)	(982)	(3.5%)
Resolution and similar funds	(753)		(382)	(49.3%)		(753)	(382)	(49.3%)
Depreciation, amortisation and impairment of operating assets	(902)		(1,005)	11.4%		(902)	(1,005)	11.4%
<b>Total operating expenses</b>	<b>(4,804)</b>		<b>(4,595)</b>	<b>(4.4%)</b>		<b>(4,804)</b>	<b>(4,595)</b>	<b>(4.4%)</b>
<b>Operating profit</b>	<b>4,018</b>		<b>4,540</b>	<b>13.0%</b>		<b>4,018</b>	<b>4,540</b>	<b>13.0%</b>
Impairment losses	(502)		488	+/-		(502)	488	+/-
Net gain from loans and advances transferred and written off	18		9	(52.3%)		18	9	(52.3%)
<b>Cost of risk</b>	<b>(485)</b>		<b>496</b>	<b>+/-</b>		<b>(485)</b>	<b>496</b>	<b>+/-</b>
<b>Net operating income</b>	<b>3,533</b>		<b>5,036</b>	<b>42.5%</b>		<b>3,533</b>	<b>5,036</b>	<b>42.5%</b>
Income from share of associated companies	69		76	10.1%		69	76	10.1%
Net profit/(loss) on subsidiaries and associates	(43)		0	n.a.		(43)	0	n.a.
Net profits on other assets	(30)		16	+/-		(30)	16	+/-
<b>Profit before income taxes</b>	<b>3,530</b>		<b>5,128</b>	<b>45.3%</b>		<b>3,530</b>	<b>5,129</b>	<b>45.3%</b>
Income taxes	(669)		(892)	33.3%		(669)	(892)	33.3%
<b>Net profit for the period</b>	<b>2,861</b>		<b>4,236</b>	<b>48.1%</b>		<b>2,861</b>	<b>4,237</b>	<b>48.1%</b>
Profit attributable to the Non-controlling owners	56		50	(10.7%)		56	50	(10.7%)
<b>Profit attributable to the Group's equity holders</b>	<b>2,804</b>		<b>4,186</b>	<b>49.3%</b>		<b>2,804</b>	<b>4,186</b>	<b>49.3%</b>

Statement of Financial Position	31 Dec 2024	31 Mar 2025	Year to date
(CZK million, unaudited)			
<b>Assets</b>	<b>1,614,499</b>	<b>1,585,663</b>	<b>(1.8%)</b>
Cash and current balances with central bank	23,044	83,380	>100%
Loans and advances to banks	493,726	377,916	(23.5%)
Loans and advances to customers (net)	838,935	851,197	1.5%
Securities and trading derivatives	217,961	235,468	8.0%
Other assets	40,833	37,701	(7.7%)
<b>Liabilities and shareholders' equity</b>	<b>1,614,499</b>	<b>1,585,663</b>	<b>(1.8%)</b>
Amounts due to banks	100,592	111,511	10.9%
Amounts due to customers	1,228,555	1,204,891	(1.9%)
Securities issued	12,713	12,509	(1.6%)
Subordinated and senior non preferred debt	66,070	65,116	(1.4%)
Other liabilities	75,518	59,535	(21.2%)
Total equity	131,051	132,100	0.8%
Key ratios and indicators	31 Mar 2024	31 Mar 2025	Change year on year
Capital adequacy (CNB)	18.8%	18.7%	▼
Tier 1 ratio (CNB)	17.7%	17.7%	▲
Total risk-weighted assets (CZK billion)	564.6	560.6	(0.7%)
Risk-weighted assets for credit risk (CZK billion)	448.7	443.7	(1.1%)
Net interest margin (NII / average interest-bearing assets) <sup>III</sup>	1.7%	1.7%	▲
Loans (net) / deposits ratio <sup>IV</sup>	79.9%	81.9%	▲
Cost / income ratio <sup>V</sup>	54.5%	50.3%	▼
Return on average equity (ROAE) <sup>VI</sup>	8.9%	13.0%	▲
Return on average Tier 1 capital <sup>VII</sup>	11.2%	16.8%	▲
Return on average assets (ROAA) <sup>VIII</sup>	0.7%	1.1%	▲
Earnings per share (CZK) <sup>IX</sup>	59.4	88.7	49.3%
Average number of employees during the period	7,557	7,236	(4.3%)

Business performance in retail segment – overview	31 Mar 2025	Change year on year
CZK bil.		
Mortgages to individuals – volume of loans outstanding	287.3	3.1%
Building savings loans (MPSS) – volume of loans outstanding	98.1	4.7%
Consumer loans (KB + ESSOX + PSA Finance) – volume of loans outstanding	39.1	2.4%
Small business loans – volume of loans outstanding	47.9	0.7%
Insurance premiums written (KP)	0.0	0.0%

Senior non-preferred loans as of 31 March 2025:

Drawing date	Principal	Call option date*	Interest rate (ACT/360)
27 Jun 2022	EUR 250m	28 Jun 2027	3M Euribor + 2.05%
21 Sep 2022	EUR 250m	21 Jun 2026	1M Euribor + 1.82%
21 Sep 2022	EUR 250m	21 Sep 2029	1M Euribor + 2.13%
9 Nov 2022	EUR 250m	9 Nov 2025	1M Euribor + 2.05%
9 Nov 2022	EUR 250m	9 Nov 2027	1M Euribor + 2.23%
9 Nov 2022	EUR 250m	9 Nov 2028	3M Euribor + 2.28%
15 Jun 2023	EUR 250m	15 Jun 2026	3M Euribor + 1.70%
15 Jun 2023	EUR 200m	15 Jun 2028	3M Euribor + 2.01%
28 Nov 2023	EUR 250m	30 Nov 2026	3M Euribor + 1.51%
28 Nov 2023	EUR 200m	29 Nov 2027	3M Euribor + 1.61%

\* Call option exercise date is 1 year before final maturity date.



Subordinated debt as of 31 March 2025:

Drawing date	Principal	Call option date*	Interest rate (ACT/360)
10 Oct 2022	EUR 100m	11 Oct 2027	3M Euribor + 3.79%
29 Nov 2023	EUR 100m	29 Nov 2028	3M Euribor + 2.82%

\* Call option exercise date is 5 years before final maturity date

# Financial calendar

31 July 2025      1H and 2Q 2025 results

30 October 2025      9M and 3Q 2025 results

# Definitions of the performance indicators mentioned herein:

- |   |   |  |
|---|---|--|
| I. Housing loans: mortgages to individuals provided by KB + loans to clients provided by Modrá pyramida;  | other comprehensive income' (debt securities only), and 'Debt securities';  | quantity average group 'shareholders' equity' less 'Minority equity', year to date;  |
| II. Cost of risk in relative terms: annualised 'Allowances for loan losses' divided by the average of 'Gross amount of client loans and advances', year to date;  | IV. Net loans to deposits: ('Net loans and advances to customers' inclusive of debt securities held by KB and issued by the Bank's clients less 'reverse repo operations with clients') divided by the quantity ('Amounts due to customers' less 'repo operations with clients'); | VII. Return on average Tier 1 capital: annualised 'Net profit attributable to the Group's equity holders' divided by average group 'Tier 1 capital', year to date;                                 |
| III. Net interest margin (NIM): 'Net interest income' divided by average interest-earning assets (IEA) year to date. IEA comprise 'Cash and current balances with central banks' ('Current balances with central banks' only), 'Loans and advances to banks', 'Loans and advances to customers', 'Financial assets held for trading at fair value through profit or loss' (debt securities only), 'Non-trading financial assets at fair value through profit or loss' (debt securities only), 'Financial assets at fair value through | V. Cost-to-income ratio: 'Operating costs' divided by 'Net operating income';   | VIII. Return on average assets (ROAA): annualised 'Net profit attributable to the Group's equity holders' divided by average 'Total assets', year to date;   |
|   | VI. Return on average equity (ROAE): annualised 'Net profit attributable to the Group's equity holders' divided by the  | IX. Earnings per share: annualised 'Net profit attributable to the Group's equity holders' divided by the quantity average number of shares issued minus average number of own shares in treasury. |

Reconciliation of ‘Net interest margin’ calculation, (CZK million, consolidated, unaudited):

(source: Profit and Loss Statement)	1Q 2025	1Q 2024		
Net interest income income, year to date	6,404	6,276		
Of which:				
Loans and advances at amortised cost	13,671	19,194		
Debt securities at amortised cost	1,402	1,110		
Other debt securities	40	60		
Financial liabilities at amortised cost	(7,359)	(12,413)		
Hedging financial derivatives – income	9,420	11,688		
Hedging financial derivatives – expense	(10,769)	(13,364)		

(source: Balance Sheet)	31 Mar 2025	31 Dec 2024	31 Mar 2024	31 Dec 2023
Cash and current balances with central banks/Current balances with central banks	76,310	64,383	15,640	4,530
Loans and advances to banks	377,916	335,834	493,726	411,644
Loans and advances to customers	851,197	853,022	838,935	833,542
Financial assets held for trading at fair value through profit or loss / Debt securities	24,569	19,622	22,869	19,621
Non-trading financial assets at fair value through profit or loss / Debt securities	0	0	0	0
Financial asset at fair value through other comprehensive income (FV OCI) / Debt securities	9,993	11,258	14,966	16,729
Debt securities	182,940	182,874	152,646	152,238
Interest-bearing assets (end of period)	1,522,926	1,466,993	1,538,782	1,438,304
Average interest-bearing assets, year to date	1,494,959	1,488,543		
NIM year to date, annualised	1.71%	1.69%		