

Komerční banka, a. s.

Board of Directors

Na Příkopě 33

PSČ 114 07

PRAHA 1

Prague, 14 April 2020

SHAREHOLDER'S COUNTERPROPOSAL FOR THE GENERAL MEETING OF THE COMPANY

to be held on 29 April 2020 or, as the case may be, for the postponed GM, if the GM is convened for another day

Dear Directors,

As a shareholder of the company, I am filing, in accordance with S. 361 of the Corporations Act, within the period specified by section V (2) of the Articles of Association of the company, the text of a **counterproposal in respect of items 4 and 8 of the agenda of the GM** convened by the Board of Directors for 29 April 2020.

In the reasoning for the draft resolution regarding the distribution of the profit of the company, the Board of Directors states without any further comments that, given the recommendation of the CNB, the Board of Directors does not propose paying the shareholders any dividend for 2019. However, in 2019, Komerční banka achieved rather interesting results. Having studied these results in the Annual Report for 2019, I decided to file this counterproposal. Let me mention just some of them:

- The bank issued 190,049,260 pieces of shares in a nominal value of CZK 100.
- As of 31 December 2019, the bank holds a total of CZK 1,193,360 pieces of its own treasury shares to manage its capital adequacy.
- For 2019, the bank reached a net result of CZK 14.8 billion after tax.
- The profit per one share represents CZK 78.90.
- The bank reports CZK 17.7 billion as immediately liquid assets.
- The share capital of the bank reaches CZK 108.635 billion and has grown by CZK 5 billion year-on-year.
- The net interest income has grown by CZK 0.9 billion year-on-year and the net operating income of the bank has grown too.

By failing to pay the dividend, the bank loses its attractiveness for investors, which is proved by its current price on the Prague Stock Exchange, and is also risking a capital outflow.

For these reasons, I propose that the GM would approve:

Resolution:

The general meeting approves the distribution of the profit of Komerční banka, a.s., for the year 2019 in the total amount of CZK 14,816,452,741.94 as follows:

Share in the profit to be distributed among shareholders (dividend):	CZK 11,402,955,600
Retained earnings	CZK 3,413,497,141.94

Reasoning:

The bank has a much higher capital adequacy than what is requested by the CNB, reports enough cash and a performance which may by no means be endangered by a potential payment of a dividend of CZK 60 per share. Under S. 6 of the Articles of Association, shareholders are entitled to a share of the bank's profit based on the financial result achieved by the bank. Moreover, one cannot expect a change in the credit policy, and the deferral of the instalments of the provided loans may thus by no way damage the bank's performance given the debtors' duty to continue to pay interest on their loans.

I request that the above counterproposal would be made public by the Board of Directors in the way used to convene the general meeting of the company in accordance with S. 362 of the Corporations Act.

Ing. Aleš Babor, MBA



322 00 Plzeň

The position of KB's Board of Directors on the counterproposal raised by Aleš Babor in respect of the distribution of profit:

As already stated by the Board of Directors in the reasoning of the draft resolution, the reason lies in the current pandemic-struck environment with its potential impacts on the economy and the relating stabilization recommendations issued by the CNB and accepted by the Board of Directors. This does not mean that the Bank could not pay out any dividend on the 2019 profit at all. It will all depend on the time needed to contain the virus and on the economic impacts of the coronavirus epidemic.