

## MINUTES

**Of the Proceedings of the Regular General Meeting (hereinafter referred to as the  
“General Meeting”) of Komerční banka, a. s.,  
Held on 26<sup>th</sup> April 2006 from 1.00 p.m.  
In the Great Hall of Slovanský House, Na příkopě 22 , Prague 1**

At 1.02 p.m. the Chairman of the company's Board of Directors and Chief Executive Officer, Mr. Laurent Goutard (hereinafter referred to as the "Opening Chairman") welcomed those attending, introduced himself to those attending the regular General Meeting and stated that as of 6.10.2005 he is the Chairman of the Board of Directors of Komerční banka, a.s. and that according to the company's Articles of Association and the authorisation of the Board of Directors of the company Komerční banka, a.s., he would preside over the General Meeting until this task would be taken up by the chairman of the General Meeting appointed by the shareholders. He also stated that the proceedings of today's General Meeting shall take place in Czech and French simultaneously interpreted, and it was for this purpose that the shareholders, when registering their attendance, at the General Meeting were provided with earphones and controls that were set so that the shareholders could receive Czech on channel no. 1, and French on channel no. 2. The shareholders were also provided with brief instructions for operating the controls together with materials for the General Meeting when registering their attendance.

He also introduced to the shareholders the vice-chairman of the Board of Directors, Mr Philippe Rucheton, the members of the Board of Directors, Messrs Didier Colin and Peter Paleček and recalled the member of the Board of Directors, Mr. Matúš Púll, tragically deceased on 23.2.2006.

He acquainted the shareholders with the fact that on this day Mr. Jan Juchelka had been elected a member of the Board of Directors by the Supervisory Board after resigning as member of the Supervisory Board. The election comes into force as of 1.7.2006, because it is subject to approval by the Czech National Bank.

He also stated that the former Chairman of the Board of Directors, Mr. Alexis Juan, was appointed at his proposal as honorary Chairman of the Komerční banka, a.s. He stated that the members of the Supervisory Board and its Chairman, Mr. Didier Alix are also attending the General Meeting.

He also introduced to the General Meeting public notary, JUDr. Libuše Vildová, who would execute a notarial record of its proceedings.

The Opening Chairman informed the General Meeting that in accordance with the bank's Articles of Association, the Board of Directors had invited as guests to the General Meeting a representative of the auditing company Deloitte, s.r.o., and announced that the attendance and voting procedure would be ensured by the company CENTIN, a.s. as authorised by the Board of Directors. He also announced that in accordance with the current Banking Act, an extract from the share issuer register approved by the Czech National Bank was used for today's attendance of the shareholders.

The Opening Chairman also informed the General Meeting that the shareholders attending the General Meeting at its opening hold shares to the total nominal value of

64.39% of the bank's registered capital and declared that according to the company's current Articles of Association, the General Meeting is able to constitute a quorum and competent to adopt resolutions and no protest had been made against the exercise of voting rights.

The Opening Chairman then asked the shareholders to attach a sticker with the KB logo, which they received at the attendance registration in a visible spot as a form of their identification. Subsequently he opened the proceedings of the General Meeting.

The Opening Chairman informed those present of today's agenda of the General Meeting as it was published in the notice of the regular General Meeting in the Commercial Bulletin dated 22.3.2006, in the economic daily Hospodářské noviny dated 27.3.2006, on the company's official notice boards and also on the company's website [www.kb.cz](http://www.kb.cz).

He subsequently read out the agenda of the proceedings as follows:

1. Opening
2. Approval of the procedure and voting rules of the General Meeting, election of its chairman, minutes clerk, verifiers and scrutineers
3. Approval of the Board of Directors' report on the bank's business activities and the state of its assets and liabilities for the year 2005
4. Discussion of the regular financial statements with the proposal for the distribution of profit for the year 2005 and the consolidated financial statements for the year 2005
5. Opinion of the Supervisory Board on the regular financial statements for the year 2005, on the proposal for the distribution of profit for the year 2005, and on the consolidated financial statements for the year 2005, report by the Supervisory Board on the results of its supervisory activity, and opinion of the Supervisory Board on the Board of Directors' report on relations among related entities in accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code as amended
6. Approval of the regular financial statements for the year 2005
7. Resolution on the distribution of profit for the year 2005
8. Approval of the consolidated financial statements for the year 2005
9. Resolution on the acquisition of the Bank's own shares
10. Amendment of the Articles of Association
11. Conclusion

After reading the agenda of the General Meeting, the Opening Chairman informed the General Meeting that according to the current Articles of Association of Komerční banka, a.s., voting is cast with ballot papers that all the shareholders received at the attendance registration, however if the Board of Directors so requests, the chairman of the General Meeting or the General Meeting so decides, voting may take place in a different manner. First of all a vote is cast on the proposal of the Board of Directors. In case that the proposal of the Board of Directors is adopted by the required majority vote, no vote is cast on the remaining proposals.

Voting takes place on further proposals or counter-proposals in the time sequence in which they are submitted.

The Opening Chairman of the General Meeting informed the shareholders in more detail on the voting procedure. He stated that when casting the vote, the shareholder shall always separate the ballot paper with the announced consecutive number of the voting round and if he agrees with the presented proposal, he shall separate the green ballot paper, if he does not agree he shall separate the red ballot paper, if he abstains he shall separate the yellow ballot paper and shall place it in the ballot box with which

the authorised scrutineers shall go round the shareholders. He reminded the shareholders that that at the attendance registration shareholders also received an attendance and acclamation paper marked with the number of his votes. Voting by using this paper shall be applied only if a different voting method is used than that with ballot papers. He also stated that the conference hall with the balcony and vestibule are also considered part of the rooms for the proceedings of the General Meeting. When leaving these rooms, the shareholders shall be signed out and when re-entering then must sign in again and register their attendance with the attendance and acclamation paper. If a shareholder leaves the General Meeting permanently he must return the ballot papers at attendance registration.

The Opening Chairman also informed the shareholders that there is the General Meeting's information centre at the back of the conference hall in which employees of the company Komerční banka, a.s. are ready to answer any questions or explanation requests posed by shareholders. He also stated that some documents can also be examined relating to the agenda of today's General Meeting and asked the shareholders to present their written proposals, counter-proposals, explanation requests any possible protests at the centre.

After opening the General Meeting and its introductory part, the Opening Chairman proceeded with the discussion of **item 2** of today's agenda which was the "**Approval of the procedure and voting rules of the General Meeting, election of its chairman, minutes clerk, verifiers and scrutineers**".

The Opening Chairman stated that the shareholders had received on paper the procedure and voting rules which only determined the technical aspect of the exercise of voting rights and proceedings of the General Meeting at their attendance registration marked as material no. 1. He also stated that the rules for the proceedings of the General Meeting, including the voting procedure at the General Meeting and the legal conditions of the exercise of voting rights are regulated by the bank's Articles of Association. He also stated that the voting technique shall be repeated before each vote.

The Opening Chairman asked the question whether there are any proposals, counter-proposals or explanation requests requirements regarding the submitted procedure and voting rules.

This was not the case.

The Opening Chairman informed the General Meeting that prior to the actual vote on the submitted proposal the General Meeting had been able to constitute a quorum because the shareholders attending held shares of a total nominal value of 64.53 % of the registered capital of Komerční banka, a. s.

The Opening Chairman presented the draft resolution of the General Meeting hereunder.

**Resolution One:**

**The General Meeting approves the Procedure and Voting Rules of the General Meeting of Komerční banka, a. s. according to the proposal submitted by the Board of Directors.**

The Opening Chairman informed the General Meeting that an absolute majority of votes of the attending shareholders was required for the adoption of the resolution.

The Opening Chairman then called on the shareholders to cast their votes on the submitted draft resolution by separating their ballot paper with the consecutive number

of voting round 1 so that they could express their approval by separating the green ballot paper and disapproval by separating their red ballot paper. He pointed out to the shareholders that if they were to abstain from voting, they must separate the yellow ballot paper. He asked the shareholders to place the relevant ballot paper in the ballot boxes, and simultaneously asked the temporarily authorised scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The temporarily authorised scrutineers announced that voting had ended.

After the voting had ended, the Opening Chairman announced the preliminary results on resolution one expressed by a percentage of the votes. In favour were more than 93.00 % of the votes of the attending shareholders.

The Opening Chairman stated that the resolution had been adopted.

During the proceedings of the General Meeting the subsequently elected chairman of the General Meeting announced the final results of round 1 hereunder as follows:  
**shareholders holding 99.69% of the present number of votes voted in favour**  
**shareholders holding 0.001% of the present number of votes voted against**  
**shareholders holding 0.31% of the present number of votes abstained**  
**shareholders holding 1203 votes did not vote.**

After announcing the results of the voting, the Opening Chairman of the General Meeting presented the proposal of the Board of Directors **for the election of the chairman, minutes clerk, minutes verifiers and scrutineers.** The Board of Directors proposed Mr. Pavel Henzl as chairman of the Board of Directors, Mr. Karel Kohout as minutes clerk, Mr. Jiří Matyášek and Mr. Jaroslav Hoch as minutes verifiers and Mr. Antonín Králík and Mr. Václav Novotný as authorised scrutineers.

The Opening Chairman pointed out to the General Meeting that all these candidates are elected only for the proceedings of this General meeting and their duties are to ensure its proper proceedings in accordance with the requirements of the law and the Articles of Association of Komerční banka, a. s.

The Opening Chairman also stated that the Board of Directors proposes that these proposals be voted on en bloc.

Then the Opening Chairman asked whether another written or verbal proposal, counter-proposal or explanation request had been presented on the submitted proposal for the election of the officials of the General Meeting. No other written or verbal proposal, counter-proposal or explanation request to the presented proposal had been submitted.

The Opening Chairman stated that according to the data from the persons authorised with the attendance of the shareholders that prior to the vote on the proposal, which will be presented, the General Meeting had been able to constitute a quorum because at this moment the shareholders attending hold shares of a total nominal value of 64.52 % of the bank's registered capital.

The Opening Chairman subsequently presented the proposal of the Board of Directors on the resolution as follows:

**Resolution Two:**

**The General Meeting elects:**

**Mr. Pavel Henzl as chairman of the General Meeting**

**Mr. Karle Kohout as minutes clerk**

**Mr. Jiří Matyášek and Mr. Jaroslav Hoch as minutes verifiers**

**Mr. Antonín Králík and Mr. Václav Novotný as authorised scrutineers.**

The Opening Chairman declared that the Board of Directors proposes that a vote is cast en bloc on these proposals and that an absolute majority of votes of the attending shareholders is required for the adoption of the proposed resolution.

The Opening Chairman subsequently called on the shareholders to separate their ballot paper with the consecutive number of voting round 2 and subsequently place the green, red, or yellow ballot paper in the ballot box. Simultaneously he asked the temporarily authorised scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The temporarily authorised scrutineers announced that voting had ended.

After the voting had ended, the Opening Chairman announced the preliminary results on resolution two expressed by a percentage of the votes: in favour were more than 93 % of the votes of the attending shareholders.

The Opening Chairman stated that resolution two had been adopted by the required absolute majority vote and the precise result of the voting shall be announced to the attending shareholders in further proceedings of the General Meeting.

The precise results of the voting on resolution two were announced and read from the paper received from the persons authorised with the attendance of the shareholders, and during the proceedings of the General Meeting its chairman announced them as follows:

**shareholders holding 98.66% of the present number of votes voted in favour**  
**shareholders holding 0.001% of the present number of votes voted against**  
**shareholders holding 1.33% of the present number of votes abstained**  
**shareholders holding 2691 votes did not vote.**

The Opening Chairman then handed matters over to the elected chairman of the General Meeting and simultaneously asked the other elected persons to assume their duties.

The chairman of the General Meeting assumed the running of the General Meeting at 1.21 p.m.

The agenda of the General Meeting continued according to the approved agenda with the discussion of item no. 3. The chairman of the General Meeting pointed out to the shareholders that they had received the material for this item at the attendance registration marked as material no. 2 – “Report of the Board of Directors on the Bank’s Business Activities and the State of its Assets and Liabilities for the year 2005” and that the Report of the Board of Directors on the bank’s business activities is part of the Annual Report of Komerční banka for the year 2005, which is available to the shareholders in the information centre at the back of the hall. The chairman of the General Meeting also stated that the Regular Financial Statements for the year 2005, the Consolidated Financial Statements for the year 2005 and the Report on Relations Among Related Entities are also available to the shareholders – all these documents are part of the Annual Report of Komerční banka for the year 2005.

The chairman of the General Meeting then asked the chairman of the Board of Directors and the Chief Executive Officer, Mr. Laurent Goutard to present a commentary for this item of the agenda.

The chairman of the Board of Directors and Chief Executive Officer, Mr. Laurent

Goutard, informed the shareholders as follows:

These were the main trends of the Czech economy last year. While economic activities in the Eurozone in 2005 were slightly subdued, the Czech economy experienced a good year. The growth in the gross domestic product of the Czech Republic exceeded the expectations of the economists and rose by 6 %. The strong economic growth can be explained by the vitality of foreign trade, growth of foreign investments, increase in labour productivity and positive reflection of the Czech Republic's entry in the European Union. Long-term interest rates remained low and annual inflation reached 1.9 %. The exchange rate of the Czech crown continued to appreciate in value against the Euro and USD, which had an important impact on reducing the growth of consumer prices. Household incomes grew by 4.8 % in comparison with the year 2004.

In these economic conditions Komerční banka, a.s. continued with the further development of its activities in 2005. The achieved good commercial and financial results confirm that our strategic objectives were right. Under its business model Komerční banka, a.s. is an universal bank which considers quality and client relations as the foundation for its business activities, whether this relates to individual clients, private businessmen, small and medium enterprises or large companies.

Apart from the dense network of 360 branches, Komerční banka, a.s., also provides services through more than 600 cash machines, its Call Centre and its constantly expanding internet banking services. Besides this, Komerční banka, a.s. also relies on its subsidiaries, which cover services in the spheres of consumer loans, factoring, pension funds and life insurance. Komerční banka, a.s. also makes use of the benefits of business synergy with other members of the Société Générale Group, which operate in the Czech Republic. Komerční banka, a.s. has also established effective cooperation with some other companies outside its own group such as with ALLIANZ indemnity insurance.

As has already been stated in the previous section, in the last year Komerční banka, a.s. continued to intensively develop its business activities.

Despite strong competition and increased quantity of banking services provided by other banks in the Czech Republic, Komerční banka, a.s. managed to acquire 60,000 new clients. This increase in the number of clients was achieved by the constant improvement of products, services and client relations. It must be stressed that of the three largest banks in the Czech Republic it was only Komerční banka, a.s. which increased the number of its clients in 2005.

In 2005 Komerční banka, a.s. launched many new products on the market. Among these was the Mobile Bank product which allows accounts to be managed by mobile phone and the extension of the offer of shares investment funds. Due to the success of the guaranteed MAX Fund, a new shares open fund was opened called FENIX.

Likewise the offer of bank cards experienced significant development. Komerční banka, a.s. was the first bank in the Czech Republic to introduce a credit card for businessmen which can be used to draw credit for the development of business activities from CZK 20,000 to CZK 200,000 without the need of security. Since 2005 Komerční banka, a.s. has also been able to offer its clients – businessmen the new MAKRO card which combines the possibility of making purchases in the MAKRO retail network and the benefits of a normal debit card.

In accordance with its strategy Komerční banka, a.s. opened 25 new branches and put 52 new cash machines into operation in 2005. Most of these new branches are located on the outskirts of Prague and other large conurbations. In these branches clients are provided with services from 2-3 banking advisors who can also provide cash services

depending on the conditions. In 2006 Komerční banka, a.s. expects to open 20 – 25 further branches so that the bank has a network of 400 outlets available by 2007.

Besides this, there was considerable growth in the use of Direct Banking channels. An example of this is that clients prefer to use Direct Banking services for more than 80% of payment orders within the Czech Republic or abroad rather than payment orders in paper form.

The objective of Komerční banka, a.s. is to continue to regularly improve the quality of its services. Komerční banka, a.s. was the first Czech bank to undertake to provide its clients with guaranteed services. This undertaking involves 4 fundamental principles: trust, speed, security and satisfaction.

In the same way Komerční banka, a.s. devotes great attention to the transparency of its business offers and services. It is on the basis of the approach that a new scale of charges containing a considerably simpler structure was issued to come into force as of 1.1.2006.

Increasing the rating of Komerční banka, a.s. by international rating agencies shows that the business results achieved in 2005 are also being well assessed in financial circles.

It is the second year running that Komerční banka, a.s. has been awarded the prestigious title of Bank of the Year 2005, which is granted in the Czech Republic.

Komerční banka, a.s., achieved good financial results last year. Total revenues were CZK 23,409 billion, operating profit CZK 11,798 billion and net profit achieved CZK 9,148 billion. There was a slight fall in net profit (-1.6%) in comparison with 2004, but what must be considered is that in 2004 certain exceptional transactions were implemented. If we only consider standard transactions, the bank recorded an increase of 6% last year as opposed to 2004.

Thanks to expenses development management the ratio of expenses to revenues was maintained below 50 % and these results rank Komerční banka, a.s. among the most effective banks in Central Europe.

He also commented on last week's decision concerning the arbitration between Komerční banka, a.s. and Česká konsolidační agentura (Czech Consolidation Agency).

This arbitration concerned the method of paying state guarantees which were provided to Komerční banka, a.s. in 2000 and above all the method of allocating performance accepted by Komerční banka, a.s. for rendered claims. Komerční banka, a.s. has a different opinion about this method than Česká konsolidační agentura. The arbitration court decided that Komerční banka, a.s. is to pay Česká konsolidační agentura the sum of CZK 679 million and also CZK 25 million on interest.

This sum corresponds to the difference in the methods used by Komerční banka, a.s. and Česká konsolidační agentura and was paid in accordance with the arbitration decision.

The state guarantee in question was provided at the end of 2000 which means that the origin of this dispute applies to the period prior to the privatisation of Komerční banka, a.s.

Komerční banka, a. s. was provided with a state guarantee of CZK 20 billion and it used CZK 5 billion of this sum. The current payment of CZK 705 million represents only a negligible part of the original state guarantee provided.

In 2005 Komerční banka, a. s. created a reserve to cover the risk connected with the abovementioned arbitration proceedings, so the payment shall not have any effect on the bank's financial results in 2006.

He also informed the shareholders that detailed financial results shall be presented after his commentary by Mr. Philippe Rucheton, vice-chairman of the Board of Directors.

The shares of Komerční banka, a.s. are one of the most tradable securities in the Czech Republic and also have one of the best with regard to liquidity. Transactions with Komerční banka, a.s. shares represented 20% of all transactions at the Prague Stock Exchange in 2005. In 2005 the rate of shares increased by 5.2 % which represents an increase of CZK 169 whereby the value of shares at the end of 2005 reached CZK 3,441 per share.

The good results of Komerční banka, a.s. in 2005 are confirmed by the development model and growth strategy in a market environment marked for its high competition.

In 2006 Komerční banka, a.s. shall continue with the growth of our activities and rate of return.

In his opinion the key factors for the years to follow shall be an increase in the number of clients, client loyalty to the bank and the further development of cross-sales. Komerční banka, a.s. shall focus above all on fast growth which concerns individual clients, private businessmen, small and medium enterprises and large companies where it wants to maintain the current significant share of the market.

Komerční banka, a.s. also wants to increase the sale of products by simplifying its internal regulations and approach to the clients so that it gets to understand their needs better. It is for this reason that it will continue to increase its professionalism and the business skills of its employees and increase the quality of services for our clients.

He expressed the conviction that this strategy shall allow Komerční banka, a.s. to continue with its growth on the Czech market and shall continue to meet the expectations of the shareholders of Komerční banka, a.s.

At the end of his commentary he thanked the shareholders for their trust and support and expressed the assurance that the 7,500 employees of Komerční banka, a.s. is prepared to successfully fulfil future challenges and tasks.

Relevant related data was projected to the shareholders on a screen placed in the conference hall to accompany the presented commentary.

The chairman of the General Meeting thanked the chairman of the board of directors and chief executive officer, Mr. Laurent Goutard, for presenting the commentary, which supplemented the materials presented to the shareholders.

The chairman of the General Meeting asked whether a written explanation request, proposal, counter-proposal or protest to the item of the agenda had been submitted.

He also asked whether anybody had a verbal explanation request, proposal, counter-proposal or protest to the item of the agenda.

No written or verbal proposal, counter-proposal or explanation request to the presented proposal was submitted.

In view of this situation the chairman of the General Meeting stated that voting would follow on the draft resolution to item no. 3.

The chairman of the General Meeting stated that according to the data on the monitor the General Meeting is able to constitute a quorum and competent to adopt resolutions prior to voting on the proposal that shall be presented because at this moment the shareholders attending hold shares to the total nominal value of 64.53 % of the bank's registered capital.

The chairman of the General Meeting then presented the draft resolution as follows:

**Resolution Three:**

**The General Meeting approves the Report of the Board of Directors on the Bank's Business Activities and the State of its Assets and Liabilities for the year 2005 submitted and presented by the Board of Directors.**

The chairman of the General meeting stated that an absolute majority of the votes of the attending shareholders is required for the adoption of this resolution. He subsequently called on the shareholders to separate the ballot paper with the consecutive number of voting round 3 and subsequently place the green, red or yellow ballot paper in the ballot box. Simultaneously he asked the scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The scrutineers announced that voting had ended.

After the voting had ended, the chairman of the General Meeting stated that resolution three had so far been adopted by 96.95 % votes of the attending shareholders and the precise result of the voting shall be announced to the attending shareholders in further proceedings of the General Meeting and be entered in the minutes of the General Meeting.

The precise results of the voting on resolution three were announced and read from the paper received from the scrutineers by the chairman of the General meeting during the proceedings of the General Meeting as follows:

**shareholders holding 98.65% of the present number of votes voted in favour**  
**shareholders holding 0.001% of the present number of votes voted against**  
**shareholders holding 1.34% of the present number of votes abstained**  
**shareholders holding 3290 votes did not vote.**

The chairman of the General Meeting subsequently proceeded with the discussion of item 4 of the agenda of the General Meeting which was the **Discussion of the Regular Financial Statements with a proposal for the distribution of profit for the year 2005, and on the consolidated financial statements for the year 2005.** The chairman pointed out to the shareholders that they had received the material to this item during attendance registration as material no. 3, 4 and 5 and that the relevant vote shall be cast in items 6, 7 and 8. The chairman of the General Meeting recalled that the regular financial statements, consolidated financial statements and the report on relations among related entities had also been available to the shareholders from 27.3.2006 for examination in the bank's registered office and are available today in the General Meeting's information centre as part of the bank's Annual Report for the Year 2005. The main data of the unconsolidated financial statements and consolidated financial statements were part of the notice of today's General Meeting.

The chairman of the General Meeting asked the vice-chairman of the Board of Directors, Mr. Philippe Rucheton to present the commentary for this item of the agenda.

The vice-chairman of the Board of Directors, Mr. Philippe Rucheton briefly commented on the presentation projected at the front of the conference hall relating to the unconsolidated financial statements and the consolidated financial statements under the IFRS.

Firstly he commented on the unconsolidated profit and loss account for the year 2005. Total operating revenues rose by 8 %. The level of operating revenues was partly affected by risk expenses in 2005. Net profit after tax of CZK 9,148 billion represents only a minor fall against figures in 2004.

In the next part of his presentation he focused on the development of the main financial indicators and their increase, such as the ratio Tier 1, interest margin, average return on capital (Return on Assets and Earnings - ROAE) etc.

He also informed the attending shareholders of some of the more detailed information that applied to the achieved results, above all as far as interest revenues, fees and commission was concerned.

In 2005 there was an increase in net interest revenues by 10 % above all thanks to the revenues from credit where there was an increase of 13 %. As far as deposits are concerned, there is a weak rate of return reflected in the Czech banking market, but the volume of deposits increased which resulted in an increase in interest revenues by 4 %. This is a satisfactory result with regard to the situation on the market.

The results concerning commission are affected by strong competition and the fact that clients are using automated system to an ever greater extent such as making payment transactions resulting in a decrease in commission arising from these transactions. There was also a decrease in commission from bill transactions and, on the contrary, an increase in commission from credit activities.

As far as financial operations are concerned, the results were affected by the rate of risk of these operations, on the other hand there are operations in which Komerční banka, a.s. achieved good results.

The year-on-year development in dividends from subsidiaries and affiliated companies was affected for example by the sale of the subsidiary Investiční a kapitálová společnost, a.s.

Komerční banka, a.s. achieved a further decrease in operating expenses. The decrease in general operating expenses by 3 % and decrease in personnel expenses by 1 % contributed to this. The development of personnel expenses was affected on the one hand by an increase in remuneration per one employee, which was compensated by in expenses by a decrease in the number of employees thereby achieving the already mentioned decrease of 1 %. Komerční banka, a.s. continued with the policy of decreasing prices of services from external suppliers and it for this purpose it also used joint suppliers for the entire Société Générale Group.

Risk expenses were affected above all by dissolving the earlier created reserves which Komerční banka, a. s. could dissolve after a period of 4 years. 2005 was the last year when it was possible to make use of this operation. As far as risk expense items are concerned, the very low loan risk expenses must be pointed out which attain a substantially lower level than is usual. This situation arises from the good current economic situation in the Czech Republic. But it cannot be expected that in future this level of loan risk expenses shall remain the same.

Draw attention to the item of reserves for other risks, which contains reserves created in connection with the already mentioned arbitration between Komerční banky, a.s. and

Česká konsolidační agentura.

The profits from the subsidiaries in 2004 were affected by single transactions such as the sale of the interest in MUZO. In 2005 Komerční banka, a.s. did not execute transactions of a similar extent, only the sale took place of the interest in the subsidiary Komerční pojišťovna a. s.

As far as income tax is concerned, this is being reduced. The total due tax is affected by deferred tax of CZK 466 million which applies to the BCL case. In view of the development in the case of Komerční banka, a. s., it is expected that this deferred tax shall remain a deductible item as part of tax liability.

In order to supplement the commentary he presented a chart which showed the development of profit without single effects according to individual years. This chart divides the development of net profit without single effects and some other single operations added such as the dissolution of reserves, sale of MUZO, deferred tax liability etc. This chart enables an estimate of the development which we must expect if no extraordinary effects arise. The chart shows a 6 % and more increase in individual years, which, in his opinion, is a very good development and reflects the potential of Komerční banka, a.s.

He also informed the attending shareholders of the extent of the products offered to our clients. This concerns a highly diverse range of services provided through the subsidiaries of the company Komerční banka, a.s. or the subsidiaries of the Société Générale Group, which operate in the Czech Republic. Komerční banka, a.s. wants to provide high quality services to its clients whether this concerns individual clients or businessmen at the same level as is usual in France or in other west European countries.

In the next part of his presentation he focused on the consolidated results and indicators within the entire Komerční banka Group.

He commented on the proposal of the Board of Directors submitted to the General Meeting about the level of dividends.

As regards this matter he stated that the Board of Directors of Komerční banka a.s. this morning proposed to the Supervisory Board, which approved this proposal, that the dividend shall be CZK 250 per share, while last year we paid out CZK 100. The sum of CZK 250 per dividend represents a total of CZK 9.5 billion for redistribution.

Even with this redistribution Komerční banka, a.s. retains a very solid financial structure. He also pointed out that in 2007 and 2008 banks would be subject to new banking laws and this shall probably result in an increase in equity claims. In view of the high profitability of Komerční banka the size will have to be increased of own resources at the request of the legislator. Apart from this fact, attention must be devoted to the bank's further development in the Czech Republic and abroad such as the subsidiary of Komerční banka, a.s. in Slovakia.

The chairman of the general meeting thanked Mr. Philippe Rucheton for presenting the commentary to item 4 and items 6 – approval of the regular financial statements, 7 – decision on the distribution of profit for 2005.

The chairman of the General Meeting asked whether a written explanation request, proposal, counter-proposal or protest to this item of the agenda had been submitted.

**The chairman of the General Meeting declared that he had been submitted a written proposal of a shareholder delivered to the information centre. He stated that this proposal had two parts and he read them out as follows:**

- 1) **Explanation request – annual minimum allocation of approx. 5 % of profit to the mandatory reserve fund which is being moved to such time when the mandatory reserved fund achieves 20 % of the registered capital. Explanation? So when shall this reserve fund reach 20 % of the registered capital (mandatorily) by what time horizon.**
- 2) **Draft dividend level: CZK 300 per 1 share.**

The chairman of the General Meeting declared that it would be good to take a five-minute break in order to answer this question precisely regarding the state of the reserve fund.

The shareholder who had asked the question subsequently appeared and asked for the Supervisory Board to meet during the break and discuss the proposal for a 300-crown dividend.

The chairman of the General Meeting announced a five-minute break at 2.05 p.m..

After the break at 2.13 p.m. the vice-chairman of the Board of Directors, Mr. Philippe Rucheton answered the question as follows:

“The question actually comes in two parts. How long will it take before the mandatory reserved fund reaches 20 %? First and foremost, this depends on the bank’s profits. At the present speed this should last about three years. The second part of the question concerned the level of dividends. Here it was proposed that the dividend should not be CZK 250 but CZK 300 – i.e. substantially more than what complies with the economic result. This is something I cannot comment on – I think that the proposal of dividends for CZK 250 is reasonable and a vote shall be cast on this proposal. If this proposal is not approved, a subsequent vote shall be cast on a dividend of CZK 300.”

The chairman of the General Meeting then asked whether anybody else still had a written or verbal explanation request, proposal, counter-proposal or protest to this item of the agenda. This was not the case.

The chairman of the General Meeting then proceeded with **item 5** of the agenda of the General Meeting, which was the **Opinion of the Supervisory Board on the regular financial statements for the year 2005, on the proposal for the distribution of profit for the year 2005, and on the consolidated financial statements for the year 2005, report by the Supervisory Board on the results of its supervisory activity and opinion of the Supervisory Board on the Board of Directors’ Report on relations among related entities in accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code as amended** and asked the chairman of the Supervisory Board, Mr. Didier Alix, on presenting an opinion of the Supervisory Board.

The chairman of the Supervisory Board, Mr. Didier Alix, presented the Supervisory Board’s opinion as follows:

“It is at the authorisation of the Supervisory Board of Komerční banka, a.s. that I am here to present to you the opinion of the Supervisory Board on the regular financial statements for the year 2005, the proposal for the distribution of profit for the year 2005, the consolidated financial statements for the year 2005, the Board of Directors’ report on relations among related entities in according with Section 66a (9) of the Commercial Code No. 513/1991 Coll. as amended and information about the supervisory activity of the Supervisory Board during the period since the General Meeting held on 28<sup>th</sup> April of last year until today’s General Meeting.

In accordance with Section 12 (2) d) of the bank's Articles of Association, the Supervisory Board examined the regular financial statements of the company Komerční banka, a.s. to 31<sup>st</sup> December 2005 according to International Financial Reporting Standards (IFRS) and the consolidated financial statements to 31<sup>st</sup> December 2005 also drawn up in accordance with International Financial Reporting Standards.

After reviewing the bank's regular and consolidated financial statements for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2005 and based on the opinion of the external auditor, the Supervisory Board states that the accounting entries and records were kept in a conclusive manner and in accordance with the binding regulations regulating bank accountancy and also in accordance with the bank's Articles of Association. The accounting entries and records describe the financial situation of Komerční banka, a. s., from all the important aspects. The financial statements drawn up on the basis of these accounting entries present a faithful and true picture of the subject matter of the accountancy and financial situation of the bank.

The auditor – the company Deloitte, s.r.o. has audited the bank's consolidated and unconsolidated financial statements drawn up under the International Financial Reporting Standards and expressed an opinion without any reservations.

The Supervisory Board recommends to the General Meeting to approve the regular financial statements and consolidated financial statements for the year 2005 as proposed by the bank's Board of Directors.

In accordance with the provisions of Section 12 (2) d) of the bank's Articles of Association, the bank's Supervisory Board reviewed the Board of Directors' proposal on the distribution of net profit for the 2005 accounting period and in view of the fact that the proposal for the distribution of profit complies with the legal regulations and the bank's Articles of Association, the Supervisory Board recommends to the General Meeting that it approve the proposal for its distribution as proposed by the bank's Board of Directors.

The Supervisory Board reviewed the Report on relations among related entities in accordance with Section 66a (9) of the Commercial Code and based on the submitted documents, he states that Komerční banka, a.s. has not incurred any loss in the accounting period from 1 January 2005 to 31<sup>st</sup> December 2005 in connection with the contracts and agreements concluded between the related entities.

I would not like to inform you of the supervisory activities of the Supervisory Board of Komerční banka, a.s. since the General Meeting held in April of last year until today's General Meeting.

The Supervisory Board was kept continuously informed during this past period of the bank's activities. It was submitted regular reports and analyses. The Supervisory Board especially appreciated the function and efficiency of the bank's internal management and supervisory system as a system meeting the bank's size and structure covering all the bank's activities and organisational units. It then recommended that greater attention be devoted in future to some identified problem areas, introduction of supervision at first level and agreed with the changes in the function of internal audit. The Supervisory Board also discussed and expressed its opinion concerning the annual plan of activities of the internal audit department, the personnel change for the job position of the internal audit manager and the selection of the external auditor the company Deloitte, s.r.o. Two complaints had also been addressed to the Supervisory Board which it had investigated and based on the results of the investigation it expressed its recommendations to the bank's Board of Directors.

A major role in the supervisory activities of the Supervisory Board was played by its Audit Committee, which closely cooperated within the bank particularly with the Internal Audit Department and Finance and Strategy Department, as well as with the external auditor, which continuously informed it of the ongoing audit in the bank. The Audit Committee conducted a detailed analysis of possible risks for the bank. It became acquainted in very great detail with the results of the audits and audit investigations conducted in the past period by the Internal Audit Department. The bank's economic results were discussed in detail at the meetings of the Audit Committee.

The second committee of the Supervisory Board on which it relied for its activities, was the Remuneration and Personnel Committee. The Committee discussed a number of issues relating to the bank's personnel policy, remuneration of its employees and provided the Supervisory Board with its recommendations as part of the scope of its powers. Both Committees regularly informed the Supervisory Board of its activities and recommended a number of further procedures to the Supervisory Board.

Individual members of the Board of Directors commented on the materials submitted to the Supervisory Board directly at the meetings. Based on the recommendations of the committees and commentaries, then as part of their powers by law and the bank's Articles of Association, the Supervisory Board adopted its decisions.

On 14<sup>th</sup> June 2005 the Supervisory Board elected Mr. Didier Alix as its chairman and Mr. Jean-Luis Mattei as its vice-chairman. The Supervisory Board also elected the members of the Audit Committee at this meeting: Mr. Severin Cabannes, Mr. Jan Juchelka, Mr. Petr Laub and the members of the Remuneration and Personnel Committee: Mr. Didier Alix, Mr. Jean-Louis Mattei and Mr. Christian Poirier.

A change arose in the Board of Directors since last year's General Meeting. On 6<sup>th</sup> October 2005 the Supervisory Board discussed the resignation from office of the member and chairman of the Board of Directors, Mr. Alexis Juan. On 7<sup>th</sup> October 2005 Mr. Laurent Goutard became the chairman of the Board of Directors and Chief Executive Officer and Mr. Philippe Rucheton the vice-chairman of the Board of Directors and deputy Chief Executive Officer.

I would also like to inform you that the Supervisory Board at its meeting discussed the resignation of the member of the Supervisory Board, Mr. Jan Juchelka, who on this day ended his office of member of the Supervisory Board.

In view of the death on 23.2.2006 of the member of the Board of Directors, Mr. Matúš Púll, the Supervisory Board elected at its meeting today Mr. Jan Juchelka to the vacated position of member of the Board of Directors of Komerční banka, a.s., effective as of 1.7.2006.

Ladies and Gentlemen, the Supervisory Board checked the fulfilment of the tasks of the Board of Directors, supervised the Board of Directors in the execution of its competences, checked the accounting records and other financial records of Komerční banka, a.s., the efficiency of the internal management and supervisory system, which it regularly assessed. I may therefore state that the bank's business activities were conducted in accordance with the legal regulations and Articles of Association of the bank."

The chairman of the General Meeting thanked the chairman of the Supervisory Board, Mr. Didier Alix, for the opinion of the Supervisory Board on the regular financial statements, the proposal on the distribution of profit for the year 2005, the consolidated financial statements for the year 2005, the report on relations among related entities and for the report on the results of its supervisory activities.

The chairman of the General Meeting asked whether there was still somebody who has a written or verbal explanation request, proposal, counter-proposal or protest with regard to this item of the agenda. No queries were raised.

The chairman of the General Meeting then proceeded with **item 6** of the agenda of the General Meeting which was the **Approval of the Regular Financial Statements for the Year 2005** and informed the General Meeting that the shareholders had heard the commentary of the vice-chairman of the Board of Directors, Mr. Philippe Rucheton, as part of item 4, and had received the document for approval marked as material no. 3.

The chairman of the General Meeting stated that according to the data on the monitor the General Meeting is able to constitute a quorum and able to adopt resolutions prior to voting on the proposal that shall be presented because at this moment the shareholders attending hold shares to the total nominal value of 64.52 % of the bank's registered capital.

The chairman of the General Meeting then presented the draft resolution as follows:

**Resolution Four:**

**The General Meeting approves the Regular Financial Statements of Komerční banka, a.s. for the year 2005 in the wording set forth in the Annual Report of Komerční banka, a.s. for the Year 2005.**

The chairman of the General Meeting stated that an absolute majority of the votes of the attending shareholders is required for the adoption of this resolution. He subsequently called on the shareholders to separate the ballot paper with the consecutive number of voting round 4 and subsequently place the green, red or yellow ballot paper in the ballot box. Simultaneously he asked the scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The scrutineers announced that voting had ended.

After the voting had ended, the chairman of the General Meeting read the preliminary results of the voting on resolution four expressed in a percentage of the votes as follows: preliminarily for 96.99 % of votes of the attending shareholders.

The chairman of the General Meeting stated that resolution four had been adopted by the required absolute majority of votes and the precise result of the voting shall be announced to the attending shareholders in further proceedings of the General Meeting and be entered in the minutes of the General Meeting.

The precise results of the voting on resolution four were announced and read from the paper received from the scrutineers by the chairman of the General Meeting during the proceedings of the General Meeting as follows:

**shareholders holding 97.13% of the present number of votes voted in favour**  
**shareholders holding 0.02% of the present number of votes voted against**  
**shareholders holding 2.85% of the present number of votes abstained**  
**shareholders holding 1019 votes did not vote.**

The chairman of the General Meeting subsequently proceeded to item 7 of the agenda of the General Meeting which was the **Resolution on the Distribution of Profit for the Year 2005** and informed the General Meeting that the shareholders had heard the commentary of the vice-chairman of the Board of Directors, Mr. Philippe Rucheton, as part of item 4, and had received the document for the approval of the proposal on the distribution of profit marked as material no. 4.

The chairman of the General Meeting also stated that according to the data on the monitor the General Meeting is able to constitute a quorum and able to adopt resolutions prior to voting on the proposal that shall be presented because at this moment the shareholders attending hold shares to the total nominal value of 64.52 % of the bank's registered capital.

The chairman of the General Meeting then presented the proposal of the Board of Directors on the resolution as follows:

**Resolution Five:**

**The General Meeting decided on the distribution of profit of Komerční banka, a.s., for the year 2005 to the total sum of CZK 9 148 377 021,83 and on retained earnings of previous years to the total sum of CZK 15 121 169 247,78 as follows:**

<b>Allocation to the reserve fund</b>	<b>CZK 57 418 851,09</b>
<b>Dividends</b>	<b>CZK 9 502 463 000,00</b>
<b>Balance of retained earnings from previous years</b>	<b>CZK 14 309 664 418,52</b>

**The level of a dividend converted to one share is CZK 250 before tax. A shareholder is entitled to a dividend who is an owner of a share of Komerční banka, a.s., with ISIN CZ0008019106 as of 26<sup>th</sup> May 2006. The dividend is due for payment as of 26<sup>th</sup> June 2006.**

**The General meeting has decided that part of the profit for the year 2005 for payment of a dividend on own shares held by Komerční banka, a.s., and held by the companies it controls shall be transferred to the account of retained earnings from previous years. The level of this part of the profit shall be determined by the number of own shares held by Komerční banka, a.s. and the companies it controls on the decisive day for the payment of dividends, i.e. on 26.5.2006.**

The chairman of the General Meeting stated that an absolute majority of the votes of the attending shareholders is required for the adoption of this resolution. He subsequently called on the shareholders to separate the ballot paper with the consecutive number of voting round 5 and subsequently place the green, red or yellow ballot paper in the ballot box. Simultaneously he asked the scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The scrutineers announced that voting had ended.

After the voting had ended, the chairman of the General Meeting read the preliminary results of the voting on resolution five expressed in a percentage of the votes as follows: preliminarily for 93.54 % of votes of the attending shareholders.

After the voting had ended, the chairman of the General Meeting stated that resolution five had been adopted by the required absolute majority of votes and according to the procedure and voting rules of the General Meeting and it is for this reason that voting would no longer take place on the counter-proposal of the shareholder on a dividend of CZK 300 per share.

The precise results of the voting on resolution five were announced and read from the paper received from the scrutineers by the chairman of the General Meeting during the proceedings of the General Meeting as follows:

**shareholders holding 99.29% of the present number of votes voted in favour  
shareholders holding 0.40% of the present number of votes voted against  
shareholders holding 0.30% of the present number of votes abstained  
shareholders holding 2604 votes did not vote.**

The chairman of the General Meeting subsequently proceeded to **item 8** of the agenda of the General Meeting which was the **Approval of the Consolidated Financial Statements for the Year 2005** and informed the General Meeting that the shareholders had heard the commentary of the vice-chairman of the Board of Directors, Mr. Philippe Rucheton, as part of item 4, and had received the document for the proceedings marked as material no. 5.

The chairman of the General Meeting stated that according to the data on the monitor the General Meeting is able to constitute a quorum and able to adopt resolutions prior to voting on the proposal that shall be presented because at this moment the shareholders attending hold shares to the total nominal value of 62.71 % of the bank's registered capital.

The chairman of the General Meeting presented the draft resolution as follows:

**Resolution Six:**

**The General Meeting approves the Consolidated Financial Statements of Komerční banka, a.s. for the Year 2005 in the wording set forth in the Annual report of Komerční banka, a.s. for the Year 2005.**

The chairman of the General Meeting stated that an absolute majority of the votes of the attending shareholders is required for the adoption of this resolution. He subsequently called on the shareholders to separate the ballot paper with the consecutive number of voting round 6 and subsequently place the green, red or yellow ballot paper in the ballot box. Simultaneously he asked the scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The scrutineers announced that voting had ended.

After the voting had ended, the chairman of the General Meeting read the preliminary results of the voting on resolution six expressed in a percentage of the votes as follows: preliminarily for 93.54 % of votes of the attending shareholders.

The chairman of the General Meeting stated that resolution six had been adopted by the required absolute majority of votes and the precise result of the voting shall be announced to the attending shareholders in further proceedings of the General Meeting and be entered in the minutes of the General Meeting.

The precise results of the voting on resolution six were announced and read from the paper received from the scrutineers by the chairman of the General Meeting during the proceedings of the General Meeting as follows:

**shareholders holding 98.65% of the present number of votes voted in favour**  
**shareholders holding 0.01% of the present number of votes voted against**  
**shareholders holding 1.33% of the present number of votes abstained**  
**shareholders holding 4419 votes did not vote.**

The chairman of the General Meeting subsequently proceeded to **item 9** of the agenda of the General Meeting which was the **Resolution on the acquisition of the Bank's own shares** and pointed out to the shareholders that they had received the material for this item marked as material no. 6 and asked the vice-chairman of the Board of Directors, Mr. Philippe Rucheton, to present the commentary to this item of the agenda.

The vice-chairman of the Board of Directors, Mr. Philippe Rucheton, stated the following:

“As you know last year’s General Meeting approved the possibility of redeeming shares up to 10 % of the registered capital ranging from CZK 1500 to 3500 per share. The objective of the redemption of shares can be various – for the purpose of optimising the capital – decreasing the capital or the possibility of their further sale in order to secure the liquidity – shareholders want the chance to sell their securities. So this range must be calculated so that the people from Komerční banka, who are in charge of investment banking, are prepared for the interest of shareholders in the sale of shares. This range is determined at between CZK 2000 to CZK 4500 per share while the acquisition of own shares is possible only up to 10 % of the bank’s capital. Obviously this would only be used in case of need – it is not an obligation.”

The chairman of the General Meeting asked whether a written or verbal explanation request, proposal, counter-proposal or protest to this item of the agenda had been submitted. This was not the case.

The chairman of the General Meeting stated that according to the data on the monitor the General Meeting is able to constitute a quorum and able to adopt resolutions prior to voting on the proposal that shall be presented because at this moment the shareholders attending hold shares to the total nominal value of 64.55 % of the bank’s registered capital.

The chairman of the General Meeting then presented the draft resolution as follows:

**Resolution Seven:**

**The General Meeting consents to the acquisition of own ordinary shares under the following conditions:**

- **The highest quantity of shares that the bank may hold at any time is 3 800 985 ordinary shares,**
- **The acquisition price of shares must be at least CZK 2000 per share and no more than CZK 4500 per share,**
- **This resolution is valid for a period of 18 months,**
- **The bank may not acquire shares if it were to infringe the conditions set forth in Section 161a (1) b) and c) of the Commercial Code,**
- **The bank may, for the period that the consent is in force, repeatedly purchase and sell shares without any restrictions.**

The chairman of the General Meeting stated that an absolute majority of the votes of the attending shareholders is required for the adoption of this resolution. He subsequently called on the shareholders to separate the ballot paper with the consecutive number of voting round 7 and subsequently place the green, red or yellow ballot paper in the ballot box. Simultaneously he asked the scrutineers to assume their duties and report that the collection of the ballot papers had ended.

The scrutineers announced that voting had ended.

After the voting had ended, the chairman of the General Meeting read the preliminary results of the voting on resolution seven expressed in a percentage of the votes as follows: preliminarily for more than 93.74 % of votes of the attending shareholders.

The chairman of the General Meeting stated that resolution seven had been adopted by the required absolute majority of votes and the precise result of the voting shall be announced to the attending shareholders in further proceedings of the General Meeting and be entered in the minutes of the General Meeting.

The precise results of the voting on resolution seven were announced and read from the paper received from the scrutineers by the chairman of the General Meeting during the proceedings of the General Meeting as follows:

**shareholders holding 99.48% of the present number of votes voted in favour**  
**shareholders holding 0.38% of the present number of votes voted against**  
**shareholders holding 0.14% of the present number of votes abstained**  
**shareholders holding 612 votes did not vote.**

The chairman of the General Meeting subsequently proceeded to **item 10** of the agenda of the General Meeting which was **the Amendment of the Articles of Association** and stated that the Board of Directors submits a proposal for the amendment to the Articles of Association the substance of which is characterised in the notice of the General Meeting and was distributed to the shareholders as material no. 7.

The chairman of the General Meeting also stated that on 19.4.2006 Komerční banka had received a further proposal from a shareholder. The wording of this proposal together with the opinion of the Board of Directors was published on 21.4.2006 in the daily Mladá Fronta DNES as follows:

*Amendment to the Articles of Association to the Forthcoming General Meeting.*

***Voting on the proposal/s of the Company's shareholders:***

***Change of the VOTING procedure: Priority of the proposals of minority shareholders over the proposals submitted by the Board of Directors.***

***A) Priority of the proposal(s) of the Company's owners when voting at the general meeting, that is, when discussing the proposed remuneration of the authorized bodies of the Company (the Supervisory Board and the Board of Directors) over the proposal of the management, that is, of the body that will receive the remuneration...***

***B) ... also the Priority of the proposal(s) of the Company's owners also when voting on the proposal for the distribution of profit for the calendar year referred to as "the distribution of the dividend amount" over the proposal of the Company's management and supervisory bodies, as the current practice favours this proposal.***

***Model: Voting procedure –***

***The General Meeting will first vote on the following proposal:***

- 1) proposed remuneration and proposal for the distribution of the dividend amount for the calendar year **proposed by a shareholder*****  
*(be it the majority shareholder or a minority shareholder)*

***..and only then ...***

- 2) proposal/s – **scenario of the remuneration amount and the distribution of dividends for the calendar year submitted by the company's management, which was/were prepared and approved in advance*****

*Opinion of the Board of Directors on the shareholder's proposal for the amendment of the Articles of Association of Komerční banka, a. s.:*

The above shareholder's proposal does not state the specific wording of the amendment to the Articles of Association and therefore it is not suitable for voting at the General Meeting. The reason why the Articles of Association state (Section 5 (5) of the

Articles of Association) that the proposals of the Board of Directors are discussed before other proposals is the practicality: The General Meeting is usually convened by the Board of Directors, and the proposals submitted by the Board of Directors to the General Meeting must be in line with the Board of Directors' obligation to act with due care. If a shareholder files a proposal or counter-proposal, shareholders are informed of the proposal or counter-proposal before voting on the proposal of the Board of Directors. The Board of Directors is thus not going to recommend its approval at the General Meeting.

The chairman of the General Meeting stated however that this proposal, for its uncertainty, is not competent for voting because it does not contain the specific provision of the Articles of Association, which is to be amended, and therefore a vote cannot be taken on it. In case such a proposal were to be adopted, the Board of Directors would not be able to execute the full wording of the Articles of Association in accordance with it and therefore such a resolution would have no legal effect. Another reason is that the notarial record must contain the adopted text of the amendment to the Articles of Association, so it is essential that a specific proposal on the amendment to the Articles of Association, and not just a general suggestion, be presented in the presence of the notary at the general meeting. The proposal can no longer be made more specific at the general meeting because according to Section 181 (5) of the Commercial Code it must be delivered to the Company 5 working days prior to the general meeting. It is for this reason that we shall not vote for this proposal.

The chairman of the general meeting, stated that according to the data on the monitor, the general meeting is able to constitute a quorum and is able to adopt resolutions because shareholders are present at this moment of proceedings who hold shares to the total nominal value which represents more than 64.52% of the bank's registered capital and requested Mr. Peter Paleček to present a brief commentary regarding the proposal of the Board of Directors on the amendment to the Articles of Association and also read the proposed resolution of the Board of Directors.

The presentation made by the member of the Board of Directors of Komerční banka, a.s., Mr. Peter Paleček was as follows:

“Dear Shareholders, the amendments to the Articles of Association submitted to the general meeting consist of the following: First, it is the Czech National Bank's requirement for the formal completion of the Bank's line of business to include a list of the individual investment services provided by the Bank. Komerční banka holds (and has held) a full license to provide investment services, and, if the submitted draft amendments to the Articles of Association are adopted, the itemized list of the services will be included in the Bank's line of business (Section 2). Furthermore, the amendments reflect the amended Commercial Code and the Banking Act (Sections. 8, 9, 39), the need to specify certain aspects resulting from legal theory or from practical need (Sections 12, 15, 18 and 19), and the regulation of the powers of Supervisory Board Committees and especially of the Audit Committee, whose powers will derive from the powers of the Supervisory Board (Section 16).”

**The member of the Board of Directors, Mr. Peter Paleček, then presented the proposed resolution as follows:**

**Resolution Eight:**

**The General Meeting decided to amend the bank's current Articles of Association as follows:**

***The current wording of Section 2 Line of Business, (1) j) shall be amended as follows:***

## **Line of Business of the Bank**

### **Section 2**

- j) provision of investment services including:**
- main investment services provided by the receiver and transferor of instructions relating to investment instruments on the client's account relating to investment instruments,**
  - main investment services associated with the execution of instructions relating to investment instruments on other than the Bank's account relating to investment instruments,**
  - main investment services dealing with investment instruments on the Bank's own account relating to investment instruments,**
  - main investment services associated with the management of individual portfolios based on free consideration under contractual covenants made with the client, if the portfolio contains any of the investment instrument,**
  - main investment services associated with the subscription for an issue of Investment instruments or its placement relating to investment instruments,**
  - complementary escrow and administration investment services for several investment instruments relating to investment instruments,**
  - complementary investment services associated with the rental of safe-deposit boxes,**
  - complementary investment services linked with the provision of loans and credits for clients aiming at making deals with investment instruments, if the credit or loan provider is a party to this deal relating to investment instruments**
  - complementary investment consultancy services relating to capital structure, industrial business strategy and questions relating thereto, as well as consultancy and services relating to the fusion and purchase of businesses**
  - complementary investment services concerning issue subscription relating to investment instruments,**
  - complementary investment consultancy services concerning investments in investment instruments relating to investment instruments,**
  - complementary foreign exchange transactions relating to the provision of investment services,**

**The current wording of Section 8 Powers of the General Meeting, k) and p) shall be amended as follows:**

### **Section 8**

#### **Powers of the General Meeting**

**It is within the powers of the General Meeting to:**

- k) decide on the financial remuneration of members of the Board of Directors and the Supervisory Board, and approve the contracts for the exercise of office of Supervisory Board members;**
- p) approve contracts serving as a basis for a transfer of the business or a part thereof, contracts for the lease of the business or a part thereof; contracts for the pledge of the business or a part thereof,**

**Section 9 Convening the General Meeting shall be amended as follows:**

**Section 9**

**Convening the General Meeting**

**(1) The regular general meeting is held at least once a year, however no later than 4 months from the last day of each accounting period. The general meeting shall be convened by the Board of Directors or, as the case may be, by a member of the Board of Directors if the Board of Directors fails to agree without undue delay on its convening and the law stipulates a duty to convene the same or if the Board of Directors lacks a quorum in the long term, unless the generally binding legal regulations specify otherwise.**

**The current wording of Section 12 Powers of the Supervisory Board, (2) c) and k) shall be amended as follows:**

**§ 12**

**Powers of the Supervisory Board**

**(2) The Supervisory Board shall, in particular:**

- c) approve contracts for the exercise of office of members of the Board of Directors and unenforceable consideration provided to members of the Board of Directors, evaluate fulfilment of the contracts for the exercise of office concluded with members of the Board of Directors,**
- k) provide the Board of Directors with its prior position on the status and on the strategic and annual plan of the activities of the Internal Audit Unit,**

**Section 15 Meetings of the Supervisory Board shall newly contain subsection (2), which reads as follows:**

**Section 15**

**Meetings of the Supervisory Board**

**(2) The Chairman or Vice-Chairman of the Supervisory Board may resign from their position of chairman or vice-chairman by written notice delivered to the Supervisory Board. The exercise of the function of chairman or vice-chairman shall terminate as of the day when the resignation is discussed by the Supervisory Board at its closest meeting unless the written notice of resignation specifies a later date. The Supervisory Board shall be authorized to recall the Chairman or Vice-Chairman of the Supervisory Board from their office. Should the Chairman or Vice-Chairman cease to be members of the Supervisory Board, their office of chairman or, as the case may be, vice-chairman is terminated at the same time.**

**Furthermore, the wording hereunder of the subsections in Section 15 shall be amended and read as follows:**

**(3) The Supervisory Board shall constitute a quorum if at least five members of the Supervisory Board are present at the meeting. Resolutions of the Supervisory Board are adopted if approved by the absolute majority of all members of the Supervisory Board.**

**(4) Meetings of the Supervisory Board shall be held at least once in three calendar months and shall be convened in writing. All members must receive an invitation with documents to be discussed no later than seven calendar days prior to the scheduled date of the meeting.**

**(5) No member of the Supervisory Board may be represented by another person in the performance of their duties.**

**(6) Minutes shall be taken of the meetings of the Supervisory Board. The minutes shall be signed by the Chairman and by the minutes clerk. The minutes shall also contain opinions of a minority of members, if they so require; a divergent opinion by the members of the Supervisory Board elected by the employees shall be always included in the minutes. The minutes must be archived throughout the existence of the Bank. The minutes shall specify the proceedings of the meeting and all resolutions taken.**

**(7) The Supervisory Board shall exercise its powers over the bodies of the Bank by means of its resolutions.**

**(8) A meeting of the Supervisory Board may, in exceptional cases, be convened by means of communication media or in another suitable manner. The convening of such a meeting of the Supervisory Board must be communicated to all members of the Supervisory Board. In such an event, the seven-day time limit for the submission of documents shall not apply and the documents may be submitted at the meeting itself.**

**(9) The chairman or, in his absence, the vice-Chairman, or, possibly, an authorized member of the Supervisory Board may request that members of the Supervisory Board cast vote off-session either in writing or by means of communication media on condition that all members of the Supervisory Board agree thereto in advance. The possibility of voting off-session applies to the absent members of the Supervisory Board if the Supervisory Board meets in session, or to all members of the Supervisory Board if the Supervisory Board does not meet in session. All voting members of the Supervisory Board are considered present. If the Supervisory Board does not meet in session and votes are cast by means of communication media, the voting shall be recorded in minutes.**

**(10) Details of the conduct of the meetings shall be set forth in the Rules of Procedure of the Supervisory Board.**

**The current wording of Section 16 Committees of the Supervisory Board shall be amended as follows:**

## **Section 16**

### **Committees of the Supervisory Board**

**(2) The Remuneration and Personnel Committee, as well as the Audit Committee, shall each have at least two members.**

**(4) The Remuneration and Personnel Committee shall:**

- b) provide the Supervisory Board with its opinion of the proposal by the Board of Directors regarding the contracts for the exercise of office made with the Board of Directors members and the unenforceable consideration paid to the Board of Directors members,**
- f) make recommendations to the Supervisory Board on the principles of the Internal Audit Director's remuneration.**

**(5) The Audit Committee shall:**

- a) make recommendations to the Supervisory Board about its opinion on the appointment and recall of the Director of Internal Audit,**
- b) make recommendations to the Supervisory Board about its opinion on the status and on the strategic and annual plan of the activities of the Internal Audit Department,**
- c) monitor and assess the fulfilment of the measures taken by the Board of Directors to deal with the findings and recommendations of the Internal Audit and of the external auditor,**
- d) make recommendations to the Supervisory Board about its opinion on the selection of an external auditor,**
- e) cooperate with the external auditor,**
- f) check the accounting methods used by the Bank, the soundness of book-keeping and the accuracy of accounting records in particular,**
- g) check the internal control and risk management system.**

**The new Subsection (13) is being introduced to read as follows:**

**(13) The Supervisory Board Committees shall provide the Supervisory Board with regular reports on their activities and, regarding the areas in their scope of powers, submit to the Supervisory Board their recommendations focusing on the preparation of decisions to be adopted by the Supervisory Board.**

**The current wording of Section 18 shall be amended as follows:**

#### **Section 18**

**(1) The Board of Directors consists of five members, natural persons, who meet the conditions provided in legal regulations and who are elected by the absolute majority of all Supervisory Board members at the proposal of the Remuneration and Personnel Committee. The term of office of the members of the Board of Directors shall be four years.**

**Section 18 shall contain new subsection (6) reading as follows:**

**(6) The chairman or vice-chairman of the Board of Directors may resign from their position of chairman or vice-chairman by written notice delivered to the Board of Directors. The term of the chairman or vice-chairman shall terminate as of the date on which their resignation is discussed by the Board of Directors at its closest meeting, unless the written notice of resignation specifies a later date. The Board of Directors shall be authorized to recall its chairman or vice-chairman from their office by the absolute majority of all members of the Board of Directors. Should the chairman or vice-chairman cease to be members of the Board of Directors, their office of chairman or, as the case may be, vice-chairman of the Board of Directors is terminated at the same time.**

Furthermore, the following subsections of Section 18 shall be amended to read as follows:

**(7) Meetings of the Board of Directors shall be regularly convened, (at least 20 times a year), and presided over by the chairman or, in his absence, the vice-chairman of the Board of Directors. If the chairman and vice-chairman are not present, the meeting shall be convened and presided over by a member of the Board of Directors authorized by the Board of Directors. Any member of the Board of Directors may ask that the Board of Directors meeting be convened provided that such member gives reasons for such a meeting. If the meeting is not convened within a period of five days as of the delivery of the request to the chairman or vice-chairman of the Board of Directors, the said Board of Directors member shall be entitled to convene and preside over the meeting himself.**

**(8) The meeting of the Board of Directors shall be convened in writing. Each member of the Board of Directors must receive an invitation with the documents to be discussed at least three calendar days prior to the date of the meeting. The invitation shall contain the place, date and agenda of the meeting. Members of the Board of Directors may not be represented by any third party in the discharge of their duties. A matter not included in the agenda of the meeting of the Board of Directors shall be discussed by the Board of Directors only if all members of the Board of Directors agree.**

**(9) A meeting of the Board of Directors may exceptionally be convened by means of communication media or in another suitable manner. The convening of such a meeting of the Board of Directors must be communicated to all members of the Board of Directors. In this case, the three-day time limit for the presentation of documents shall not apply and the documents may be submitted at the meeting itself. Members of the Board of Directors may agree to hold regular meetings of the Board of Directors on dates as agreed.**

**(10) The Board of Directors shall constitute a quorum if an absolute majority of the Board members is present.**

**(11) Resolutions of the Board of Directors shall be adopted by an absolute majority of members of the Board of Directors present. The chairman's vote shall be decisive in the event of a tie in accordance with Section 18, subsection 6.**

**(12) The chairman or, in his absence, the vice-chairman, or, possibly, an authorized member of the Board of Directors may request that members of the Board of Directors cast vote off-session either in writing or by means of communication media on condition that all members of the Board of Directors agree thereto in advance. The possibility of voting off-session applies to the absent members of the Board of Directors if the Board of Directors meets in session, or to all members of the Board of Directors if the Board of Directors does not meet in session. All voting members of the Board of Directors are considered present. If the Board of Directors does not meet in session and votes are cast by means of communication media, the voting shall be recorded in minutes.**

**(13) Minutes shall be taken of all meetings of the Board of Directors. The minutes shall be signed by the Chairman, by another member of the Board of Directors as a verifier, and by the minutes clerk. The minutes of the meeting shall contain the names of the members of the Board of Directors who voted against the resolutions of the Board of Directors or abstained from voting. Unless documented otherwise, members not listed shall be deemed to have voted in**

favour of the resolution. The minutes shall not be destroyed and must be archived throughout the existence of the Bank. The minutes shall describe the proceedings of the meeting and all adopted resolutions.

(14) Details of the conduct of the meetings of the Board of Directors shall be set forth in the Rules of Procedure of the Board of Directors.

The provisions of Section 19 Powers of the Board of Directors (1) q) shall be amended as follows:

#### **Section 19**

##### **Powers of the Board of Directors**

(1) It is within the exclusive powers of the Board of Directors to:

q) approve the strategic and annual plan of activities of the Internal Audit Unit and submit the same to the Supervisory Board for review,

The current wording of Section 39 shall be amended as follows:

#### **Section 39**

##### **Disclosure and Publication Duty**

If publication of certain data is required by the Commercial Code, Part Two, or by the Articles of Association, such data must be published both in the daily *Hospodářské noviny* and on the Bank's official notice boards (marked as "Information for Shareholders") in the registered office of the Bank. In addition, the notice of general meeting shall also be published in the Commercial Bulletin ("*Obchodní věstník*"). Should generally binding legal regulations require that some data be published in the Commercial Bulletin, the Bank shall release said data therein.

The chairman of the General Meeting thanked the member of the Board of Directors, Mr. Peter Paleček for the presented commentary and presented draft resolution and asked whether a written request had been submitted as an explanation. This was not the case. Furthermore, he asked whether anyone wished to make a verbal explanation request. This was not the case.

The chairman of the general meeting stated that according to the data on the monitor, the general meeting is able, prior to the actual voting on this item of the agenda, to constitute a quorum and is competent to adopt resolutions because shareholders are present at this moment of proceedings who hold shares to the total nominal value which represents more than 64.49% of the bank's registered capital.

The chairman of the General Meeting announced that a two-third majority of votes of the present shareholders is required, that the preliminary results of the voting would not be announced, but the General Meeting shall wait for the precise results of the voting. The chairman of the General Meeting called on the shareholders to separate their voting paper with the consecutive number for voting round no. 8 and subsequently place the green, red or yellow ballot paper in the ballot box. He also stated that no protest had been made against the exercise of voting rights.

Simultaneously he asked the scrutineers to assume their duties and report that the collection of the ballot papers had ended.

At the time between the end of voting and the presentation of the final results, the chairman of the General Meeting stated that a written question from a shareholder had been delivered to him, which he presented as follows:

"I would like to ask the gentlemen of the Board of Directors whether the dividend proposed today means a change to the dividend policy for the next few years. If possible would they be able to provide some idea about the future strategy of the dividend policy. Thank you."

The chairman of the General Meeting stated that although the item relating to dividends had already been discussed, neither the Articles of Association nor the procedure rules limit any query concerning a certain item of the agenda even after this item has been discussed.

The Chairman of the Board of Directors and the Chief Executive Officer, Mr. Laurent Goutard, subsequently responded to the question by stating:

"I would like to recall what Mr. Rucheton has already said - the paying out of the dividends amounting to 105 % of the result, is an exceptional event. The amount of dividends in the next few years shall obviously depend on the consent of the shareholders, on the bank's future results, the bank's investment strategy on the market and its adjustment to the legal requirements. I stress that the dividends for the year 2005 are truly exceptional."

After voting was terminated the chairman of the General Meeting read from the paper submitted to him by the scrutineers, Mr. Antonín Králík and Mr. Václav Novotný, of the company CENTIN a.s. authorised to organise the attendance of the shareholders and the vote count, the results presented in percentages were as follows:

**shareholders holding 99.72% of the present number of votes voted in favour**  
**shareholders holding 0.00% of the present number of votes voted against**  
**shareholders holding 0.27% of the present number of votes abstained**  
**shareholders holding 2473 votes did not vote.**

The chairman of the regular General Meeting stated that the resolution on the amendment to the Articles of Association proposed by the Board of Directors was adopted.

In view of the fact that all the items of the agenda were discussed, at the close of the General Meeting its Chairman thanked the shareholders for their active attendance and stated that the minutes of the proceedings of the General Meeting would be executed within thirty days as of the date of today's General Meeting.

The Chairman of the General Meeting terminated the regular General Meeting at 3.15 p.m.

In Prague on 26<sup>th</sup> April 2006

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Pavel Henzl  
Chairman of the General Meeting

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Karel Kohout  
Minutes Clerk

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Jiří Matyášek  
Minutes Verifier

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Jaroslav Hoch  
Minutes Verifier

- Appendix No. 1: Record of the Situation Regarding the Quorum of the General Meeting
- Appendix No. 2: Attendance List of the General Meeting
- Appendix No. 3: Proposals relating to the Individual Items of the Agenda of the General Meeting, Submitted to the General Meeting for Its Approval  
(Materials no. 1, 2, 3, 4, 5, 6, and 7)
- Appendix No. 4: Records of the Results of the Voting
- Appendix No. 5: Notice of the General Meeting
- Appendix No. 6: Explanation Requests