



Conditions for the payment of the share in profit (dividend) for the year 2018

The Board of Directors of Komerční banka, a. s., with its registered office at Prague 1, Na Příkopě 33/969, postal code 114 07, registered in the Register of Companies maintained with the Metropolitan Court of Prague, in Section B, File 1360,

S E T S,

in pursuance of S. 120a (2) of Act No. 256/2004 Sb., the Act to Regulate Business Undertaking in the Capital Market as Amended, and of S. 6 (8) of its Articles of Association,

the following conditions and method for the payment of the share in profit for the year 2018:

I. The share in the profit for the year 2018 shall be payable on **27 May 2019** to shareholders of record registered as holders of shares of Komerční banka, a. s., with ISIN CZ0008019106, in the statement from the Issuer's Register kept by the Central Securities Depository as of the record date, which is **17 April 2019**. The share in profit shall be paid out as follows:

1. To shareholders – natural persons

1.1. **in cash**, upon presentation of the shareholder's ID card, at branches of Komerční banka, a. s., in the Czech Republic which allow making cash transactions. (The recent list of the branches of Komerční banka, a. s., including the information as to the possibility of cash withdrawals or, as the case may be, their limitations, can be found at <https://www.kb.cz/cs/pobocky-a-bankomaty>).

1.2. **by bank transfer** to a bank account:

- Upon written notification of bank account details by the shareholder; the notification may be handed in at all branches of Komerční banka in the Czech Republic until the due date for the payment of the share in profit, i.e., until 27 May 2019. Where the gross amount of the share in profit exceeds CZK 1,500, the signature on the written notification of the bank details must be attested either officially or by a competent employee of Komerční banka, a. s.
- Shareholders can, upon presentation of their ID card at branches of Komerční banka, a. s., in the Czech Republic, have their share in the profit transferred to their account, which they will indicate personally to the bank staff at the branch, from the due date for the payment of the share in profit, i.e., from 27 May 2019.
- On the basis of a written notification of the bank details for the payment of the share in the profit by the administrator of the shareholder's share account.

If represented by another person under a power-of-attorney, the shareholder's signature on the power-of-attorney must also be attested.

2. To shareholders – legal entities

When paying out a share in profit to legal entities by bank transfer, the bank transfers the share in profit no later than within 5 business days of the receipt of the required documents, however, no earlier than on the payment due date. The required documents include the application for the payment of a share in profit containing the relevant bank account details, and an officially attested recent statement from the relevant public registry or another document proving the legal entity's existence.

The signature of a member of the shareholder's governing body (or its representative) subscribed at the application for a share in profit must be attested. In addition, if a shareholder is represented by another legal entity or natural person, such representative shall be obliged to deliver officially attested powers of attorney from all entities so represented with the exception of the security administrator entered in the central register of uncertificated securities, and a recent and officially attested statement from the relevant public registry or another document proving the its existence. If the statement from the issue's register states only the information about the share administrator, the shareholder shall be

obligated to present a property account statement. The bank shall not assume responsibility for the accuracy and recentness of the data stated by the shareholder.

Please address your notification (application) to the head office of Komerční banka, a. s., or hand your notification (application) in at any sales point of Komerční banka, a. s.

3. Withholding tax rates

The withholding tax on the payment of shares in profit shall apply as follows:

- A The tax rate applied to payments made to Czech tax residents shall be 15%.
Shareholders shall prove their Czech tax residency by a signed “Declaration of real ownership and tax domicile”.
- B The tax rate applied to payments made to Czech tax non-residents from countries which have entered with the Czech Republic into the Convention for the avoidance of double taxation or into a convention or agreement regulating the exchange of information on tax matters who fail to provide documents under (C) below shall be 15%.
Shareholders shall prove their tax residency in any given state by a signed “Declaration of real ownership and tax domicile”.
- C The tax rate applied to payments made to Czech tax non-residents from countries which have entered with the Czech Republic into the Convention for the avoidance of double taxation shall be set in accordance with the applicable Convention for the avoidance of double taxation.
Shareholders shall prove their tax residency in any given state by a tax domicile certificate and a declaration of the real income owner.
- D The tax rate applied to payments made to Czech tax non-residents from countries which have not entered with the Czech Republic into the Convention for the avoidance of double taxation or into a convention or agreement regulating the exchange of information on tax matters and to shareholders who fail to provide the documents required under the points above shall be 35%.

If the gross amount of a shareholder’s share in profit fails to exceed CZK 10,000, the shareholder will be included into the A or B category based on the information stated in the issuer’s register kept by the central securities depository proving his residency in the Czech Republic or in a country which has entered with the Czech Republic into the Convention for the avoidance of double taxation or into a convention or agreement regulating the exchange of information on tax matters, and will not have the duty to provide the “Declaration of real ownership and tax domicile”.

Furthermore, the “Declaration of real ownership and tax domicile” does not need to be submitted by shareholders who have submitted the “Declaration of real ownership and tax domicile” to Komerční banka, a. s., in the past.

Shareholders have the duty to submit the above-listed documents assuring lower withholding tax rates no later than on 24 June 2019. Should the documents fail to be submitted by this date, the lower withholding tax rate will not be applied upon dividend payment. Shareholders are, nevertheless, entitled to apply for a tax refund within the following three years. The refund application will be handled within two months of its receipt subject to the delivery of the above-listed documents and the refund application.

II. Based on the resolution of the general meeting held in 2009, the Bank’s Board of Directors shall not plead the statute of limitations in order to bar by lapse of time the payment of any share in profit (dividend) claimed within 10 years from the date when the share in profit becomes payable. After the lapse of 10 years from the date when the share in profit becomes payable, the Board of Directors has the duty to plead the statute of limitations and to transfer any share in profit that will have not been paid out (taken over by shareholders) to the account of retained earnings from previous years for further decision of the general meeting.

III. For further information on the payment of a share in profit please call Komerční banka, a. s., at +420 955 534 139 - 143, or send an e-mail to jaroslav_zaruba@kb.cz.