



## MINUTES

**of proceedings of the Annual General Meeting (hereinafter only the “the General Meeting”) of Komerční banka, a.s., with its registered office at Prague 1, Na Příkopě 33, building number 969, postal code 114 07, Corporate ID 45317054, (hereinafter referred to only as “Company” or „Bank”) held on 26<sup>st</sup> April 2012 from 13:00 in the Grand Hall of Slovanský dům, Na Příkopě 22, Prague 1**

Chairman of the Board of Directors of the Company Mr Henri Bonnet has welcomed persons present at the Annual General Meeting at 13.00 hr., he introduced himself to attendants at the Annual General Meeting and has said that according to the Articles of Association of the Company and based on authorisation granted him by the Board of Directors of Komerční banka, a.s., he would preside the General Meeting till the chairman of the General Meeting elected by shareholders undertook his or her duty. He has further said that the proceeding of today's General Meeting will be conducted in Czech and French languages with simultaneous interpretation and for those purpose shareholders were distributed at the attendance entry attendants' stations with headphone sets for listening of the interpreted speech, which are set for shareholders to channel 1 for broadcast in the Czech language and to channel 2 for the French language. Documents obtained by shareholders during attendance entry include brief service instructions. He asked the shareholders to return the complete equipment to the attendance recorders on leaving the meeting.

Chairman of the Board of Directors Mr Henri Bonnet then introduced members of the Board of Directors, namely Mr Vladimír Jeřábek, Mr Jan Juchelka, Mr Peter Palečka, Mr Patrice Taillandier-Thomas and Mr Pavel Čejka, Chief Financial Officer, Strategy and Finance. He has further stated that members of the Supervisory Board of the Bank headed by its Chairman Mr Didier Alix are also present at the General Meeting. He has further stated that JUDr. Lucie Foukalová, the notary public, who will execute the Notarial Record, is present at the General Meeting. He noted that in compliance with the Articles of Association of the Bank the Board of Directors invited to the General Meeting as guests the representatives of auditor company Ernst & Young Audit, s.r.o. and has announced that CENTIN, a.s. was entrusted by the Board of Directors of the Company with provision for attendance and voting. He has further noted that according to a valid Act on Banks the excerpt from the register of issuer approved by the Czech National Bank was used for today's Attendance List.

Mr Henri Bonnet has then announced that he obtained a report from scrutineers to which shareholders with shares of aggregate nominal value representing 79.28 % of the Registered Capital of the Bank are now present at the General Meeting. He has declared that according to actual wording of the Articles of

Association of the Company the General Meeting constitutes a quorum and is qualified to adopt resolutions, and that no protest has been claimed against exertion of voting rights.

He then asked shareholders to affix the KB logo, which they obtained during attendance recording, to a visible place for reason of their identification. Subsequently, he has opened the proceedings of the General Meeting.

Mr Henri Bonnet stated that he would acquaint the attendants with the Agenda of today's proceeding as it was published in the Notice of the Annual General Meeting in the Commercial Gazette, on the Komerční banka's notice board and on the website of Komerční banka and at the London Stock Exchange server on 21 March 2012.

He then read the points of the Agenda as follows:

1. Opening
2. Approval of the rules of order and of voting of the General Meeting, election of the General Meeting chairman, minutes clerk, minutes verifiers and scrutineers
3. Approval of the Report of the Board of Directors on the Bank's business activities and on the state of its assets and liabilities for the year 2011; discussion over the explanatory report on matters under S. 118 (5) (a) – (k) of Act No. 256/2004 Coll., on Business Activities at the Capital Market, as amended
4. Discussion about the Annual Financial Statements with the proposal for the distribution of profit for the year 2011, and about the Consolidated Financial Statements for the year 2011
5. Supervisory Board's position on the Annual Financial Statements for the year 2011, on the proposal for the distribution of profit for the year 2011, and on the Consolidated Financial Statements for the year 2011; Report of the Supervisory Board on the results of its supervisory activity; and Supervisory Board's position on the Report of the Board of Directors on relations among related entities in accordance with S. 66a (9) of Act No. 513/1991 Coll., the Commercial Code, as amended (hereinafter only the "Commercial Code")
6. Audit Committee's Report on the results of its activity
7. Approval of the Annual Financial Statements for the year 2011
8. Decision on the distribution of profit for the year 2011
9. Approval of the Consolidated Financial Statements for the year 2011
10. Changes in the composition of the Supervisory Board
11. Decision on the compensation of the Audit Committee's members
12. Approval of Contracts of Service on performance of office of the Audit Committee's members
13. Decision on the acquisition of the Bank's treasury stock
14. Appointment of a statutory auditor to prepare the statutory audit
15. Closing

He has then reminded that according to valid Articles of Association of Komerční banka, a.s., the voting is by ballots which all shareholders obtained after entry into the Attendance List, however if so asked by the Board of Directors, by chairman of the General Meeting or if the General Meeting so decides another method of voting may be applied. First vote is taken on the proposal of the Board of Directors. If the proposal of the Board of Directors is accepted, no vote is taken on other proposals. Voting on other proposals or counterproposals is taken in time sequence in which they were filed.

Mr Henri Bonnet has further explained the method of voting at the General Meeting, so that on voting the shareholder will separate the ballot paper with announced sequence number of the respective ballot. If the shareholder agrees with the proposal, she or he will separate the green ballot; if s/he does not agree, s/he will separate the red ballot; if s/he abstains, s/he will separate the yellow ballot and puts the ballot into the ballot-box with which scrutineers will go round the shareholders. He has reminded that shareholders have obtained also an attendance and acclamation card with designated number of their respective votes. He has pointed out that voting by this card will only be used when voting would be performed in another manner than by ballots.

He has further noticed that the space of the hall along with balcony and the lobby are considered as the premises for the proceedings of the General Meeting. After leaving these premises, the shareholders' attendance will be interrupted and it must be registered by means of presenting the attendance and acclamation card on their coming back. If they leave permanently the proceedings of the General Meeting, the ballots must be handed in at the attendance registration table.

Mr Henri Bonnet has further informed the shareholders that there is an information centre of the General Meeting in the rear section of the meeting hall in which employees of Komerční banka, a.s. are ready to answer questions or requests for explanations from shareholders. He has further asked the shareholders to hand there their written proposals, counterproposals, requests for explanations or, as the case may be, protests.

## **Agenda item 2 - Approval of the Rule of Procedure and the Rule of Voting of the General Meeting, election of its Chairman, Minutes clerk, verifiers of Minutes and scrutineers**

Mr Henri Bonnet has subsequently proceeded to the item 2 on the Agenda, i.e. "Approval of the rule of procedure and rule of voting of the General Meeting and election of its Chairman, Minutes clerk, verifiers of Minutes and scrutineers".

Mr Henri Bonnet has said that shareholders have obtained the document with the rule of procedure and voting, which only determines the technical aspect of voting right and negotiations of the General Meeting, as Document No. 1 upon registration in the Attendance List. Rules of procedure of the General Meeting including the method of voting at the General Meeting and legal conditions of exercising the voting right are provided in the Articles of Associations of the Bank and the technique of voting will be repeated before each ballot.

Mr Henri Bonnet has then raised a query whether there was or is being submitted any written request for explanation, or any proposal or counterproposal, or a protest relating to this item on the Agenda. This was not the case.

Mr Henri Bonnet has then raised query whether there is any oral request for explanation or any proposal or counterproposal, or protest relating to this item on the Agenda. This was not the case.

Thereupon he stated that according to data from persons authorised to count votes before voting on the proposal to be subsequently presented the General Meeting constitutes a quorum, and is qualified to adopt resolutions because shareholders are present who hold shares with their aggregate value representing 79.28 % of the Registered Capital of the Bank.

Mr Henri Bonnet has then read the proposal for a resolution as follows:

***“Resolution No. 1: “The General Meeting approves the Rules of Procedure and the Rules of Voting of the General Meeting of Komerční banka, a.s., in accordance with the proposal submitted by the Board of Directors.”***

He informed that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Subsequently, he called shareholders for splitting of the ballot paper with the serial number of the voting round 1 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting Mr Henri Bonnet has read the report from persons authorised to count votes the preliminary results of voting on the Resolution No. 1 expressed as percentage of votes as follows: for the time being over 76 % of votes of attending shareholders, i.e. the required absolute majority, are cast in favour of the resolution.

He stated that the Resolution No. 1 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders during further proceeding of the General Meeting.

The final percentage results of voting on the Resolution No. 1 were announced and read from the monitor by elected chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows: for approval of the Rules of Procedure and the Rules of Voting voted shareholders holding 29,943,739 votes, i.e. 99.996,911 % of the present number of votes; no votes, i.e., 0.000,000 % of the present number of votes, were cast against; shareholders holding 153 votes, i.e. 0.000,511 % of the present number of votes, abstained from voting; and shareholders holding 772 votes, i.e. 0.002,578 % of the present number of votes, have not cast their ballots. All votes cast were valid.

Document denoted as the "Rule of Procedure and Voting of the General Meeting of Komerční banka, a.s.", is enclosed to the Minutes as its Exhibit No. 5, as the Document No. 1.

Mr Henri Bonnet has presented a proposal of the Board of Directors of the Company relating to bodies of the General Meeting as follows: chairman of the General Meeting - Mr Pavel Henzl; Ms Marcela Ulrichová as Minutes clerk; Ms Marie Bartošová and Mr Jaroslav Hoch as verifiers of the Minutes; and persons authorised to count votes as scrutineers being Mr Antonín Králík and Mr Václav Novotný. He has informed that all these candidates are only elected for the proceedings of this Annual General Meeting and it will be their duty to ensure the due ordinary course of the meeting in accordance with requirements of the law and of the Articles of Association of the Bank. The Board of Directors suggests at the same time en bloc voting on these proposals.

Mr Henri Bonnet then questioned whether there was presented or is submitted any written request for an explanation, proposal, counterproposal, or objection to this item on the Agenda. This was not the case. Then he asked if there is presented any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Thereupon Mr Henri Bonnet stated that according to information of scrutineers as scrutineers, before voting on the proposal which will be presented the General Meeting constitutes a quorum and is thus competent to adopt resolutions, as shareholders are present at the General Meeting holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Thereupon he presented the draft resolution of the Board of Directors as follows:

***"Resolution No. 2: The General Meeting elects Mr Pavel Henzl as the chairman of the General Meeting, Ms Marcela Ulrichová as the Minutes clerk, Ms Marie Bartošová and Mr Jaroslav Hoch as verifiers of Minutes and Mr Antonín Králík and Mr Václav Novotný as scrutineers"***

Mr Henri Bonnet has announced that the voting on these proposals will be "en bloc", as is assumed by the Rule of Procedure and Voting of the General Meeting and that an absolute majority of attending shareholders is required for adoption of the proposed Resolution.

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 2 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting Mr Henri Bonnet read the preliminary results of voting on the Resolution No. 2 expressed as percentage of votes cast as follows: for the time being over 69.52 % of votes of attending shareholders were cast.

Mr Henri Bonnet stated that the Resolution No. 2 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders in the course of the General Meeting.

The final percentage results of voting on the Resolution No. 2 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the Annual General Meeting as follows: shareholders holding 29,907,816 votes, i.e. 99.876,946 % of the present number of votes voted for election of the chairman, the Minutes clerk, verifiers of Minutes and scrutinizers entrusted with counting votes; shareholders holding 84 votes, i.e. 0.000,281 % of the present number of votes, voted against; shareholders holding 35,645 votes, i.e. 0.119,036 % of the present number of votes, abstained from voting; shareholders holding 1,119 votes, i.e. 0.003,737 % of the present number of votes, have not cast their ballots. All votes cast were valid.

Mr Henri Bonnet has then handed over conduct of the General Meeting to its elected chairman Mr Pavel Henzl and asked all elected officials of the General Meeting to take up their offices.

**Agenda item 3 - Approval of the Report of the Board of Directors on business activities of the Bank and on the state of its assets and liabilities for the year 2011; discussion over the explanatory report on matters under S. 118 (5) (a) – (k) of Act No. 256/2004 Coll., on Business Activities at the Capital Market, as amended.**

Chairman of the General Meeting Mr Pavel Henzl has entered on the conduct of the General Meeting at 13:19 hours. He thanked for the trust shown and called attention of the shareholders to the fact that the quorum of the General Meeting and results of voting would be shown on the screens behind him in the hall.

He has further said that the report of the Board of Directors on business activities forms part of the Annual Report of Komerční banka for the year 2011, which the shareholders received together with documents for the proceedings of today's General Meeting. The Annual Report also includes the Annual Financial Statements for 2011, the Consolidated Financial Statements for 2011, and the Report on relationships between related entities for 2011. At the same time, as Document no. 2 an explanation report on facts required based upon the Act providing for Business Activities at the Capital Market was handed out to the shareholders. The Board of Directors must present this report annually to shareholders at the General Meeting and must explain therein the defence structures and mechanisms in case of a takeover bid.

Furthermore has stated that all documents relating to the agenda of the General Meeting were available for the shareholders on the web sites of Komerční banka as early as from the date of publishing the Announcement of the General Meeting on 21 March 2012.

Then the chairman of the General Meeting Mr Pavel Henzl has asked the Chairman of the Board of Directors Mr Henri Bonnet to bring forward a commentary on this item on the Agenda.

Mr Henri Bonnet mentioned that the whole report was part of the underlying documents for shareholders who had thus opportunity to read it. Therefore he only presents the most important items. (The report was accompanied by visual documentation – see Schedule No. 9)

He stated that he would pinpoint the most important issues in his report.

Referring to the client portfolio and distribution network, he said that the whole Komerční banka Group manages a portfolio numbering approximately 2.6 million clients. Last year, Komerční banka succeeded in increasing the number of its clients by 12,000, whereas subsidiaries Modrá pyramida /Blue Pyramid/ and Essox recorded a slight decline in the number of clients by 6 and 9 %, respectively, which reflects customers' dislike of using consumer credits as well as changes in legal regulations..

He stated that Komerční banka opened 2 new branches in Brno in 2011 and 3 branch units were relocated so as to get the bank near to its clients and to locate the branches to places with higher number of clients. 15 branch offices were renovated.

Also available are 20 commercial centres which administer accounts of small and medium sized businesses and municipalities, and 5 commercial divisions, of which 1 is located in Bratislava. The MPSS network preserves the same number of points of sale as in 2010 (219) in which it employs ca 1,470 sales representatives. The newest subsidiary within the Group, SG Equipment Finance, has at its disposal 7 branches in CR and 2 in Slovakia.

He reminded that 66 % of the bank's clients utilises remote bank services, especially the internet banking. Within several weeks the bank will implement an entirely new version of Mojobanka /My Bank/ application.

As to the situation in the field of deposits in KB Group as at the end of 2011 he stated that the overall deposits of the Group were up 4.2 % to slightly over CZK 560 billion. Increase was recorded in all segments and the volume of deposits on without fixed term grew 6 %.

Funds in Penzijní fond KB /Pension Fund KB/ increased by 5.7 %. Changes in legislation relating to taxation of building savings and in particular the unconfirmed reports from the media affected the results of Blue Pyramid. Nevertheless the company succeeded in achieving results above market level.

The deposits of businesses and municipalities also grew, namely by 5 %. In the small businesses segment (entrepreneurs, small and medium sized industrial enterprises) the development was even more dynamic with an increase by 6 %.

In all segments of clients of the Bank a pressure of its competitors was apparent, in particular from those who newly entered the market and offered very attractive yield rates to prospective clients in an effort to increase their volumes.

As far as the credit granting activity of the Komerční banka Group is concerned, the overall volume was up 13 % as compared with previous year. For the sake of comparison (if SGEF acquisition is included) the increase was 10 %. The similar development was recorded by all client segments as well as by all products except for consumer credits.

The volume of credits granted to enterprises and municipalities grew 16 and 9 per cent, respectively, if SGEF effect is excluded. Here, too, the development in the small businesses segment was more dynamic. The volume of receivables managed by Factoring KB also recorded a very dynamic development.

In the private clientele segment the bank achieved very satisfactory results, in particular in an increase of volume of mortgages (+ 13.6 %) and of credits from building savings realised by Blue Pyramid (+ 3.4 %). This company was also one of the two building savings companies, which were able to preserve the growth in volume of credits. On the other hand, the volume of consumer credits was down 0.3 %, which, however, is still better than results recorded by the market.

As can be seen in main indicators of results consolidated in accordance with IFRS standards, the Komerční banka Group recorded net profit of CZK 9.48 billion, which represents decline by 28.9 % as compared to 2010. The net profit volume was in particular affected by drop in book value of Greek debentures to CZK 5.36 billion. If extraordinary items (Greece and SGEF) are included in the result, then the net profit grew 5.6 % to CZK 13.67 billion. Net revenue per share is CZK 250.

The international rating agencies evaluate Komerční banka among Czech banks at the top level. From their viewpoint, however, the rating agencies decreased the Bank's rating with regard to the evaluation of Société Générale Group.

As for priorities of development for 2012, the bank will continue to invest in the development of direct channels, in modernization of branch office network as well as in the development of its salespersons to strengthen satisfaction of clients.

In order to reinforce loyalty of clients, the bank intends to focus on mortgages and consumer credits. It also intends to develop credits for small and medium sized enterprises.

With a view of increasing the number of deposits it also wants to develop the saving products and long-term investments.

Two fundamental changes in the Czech legislation force the bank to adjust products and offer. In particular the pension fund and the building saving company are concerned. The change in the status of the pension fund will reflect itself, among other things, in the bank's balance.

Chairman of the General Meeting Mr Pavel Henzl has thanked the Chairman of the Board of Directors Mr Henri Bonnet for his report presented and asked whether there was or is submitted a written request for explanation, proposal, counterproposal or protest relating to this item on the Agenda.

Mr Pavel Henzl then he asked if anyone there presents any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Chairman of the General Meeting Mr Pavel Henzl noted that according to information of scrutineers, before voting on the proposal which will be presented, the General Meeting constitutes a quorum and is thus competent to adopt resolutions, as shareholders are present at the General Meeting holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 3: The General Meeting approves the Report of the Board of Directors regarding the business activities of the Bank and the state of its assets and liabilities for the year 2011 submitted and presented by the Board of Directors.”***

Thereupon the chairman of the General Meeting Mr Pavel Henzl stated that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution and subsequently, he called shareholders for splitting of the ballot paper with the serial number of the voting round 3 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, the chairman of the General Meeting Mr Pavel Henzl has read the preliminary results of voting on the Resolution No. 3 expressed as percentage of votes as follows: for the time being 76.610 % of votes of attending shareholders voted for the Resolution.

Thereupon the chairman of the General Meeting Mr Pavel Henzl stated that the Resolution No. 3 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders on closing of the General Meeting and will be included in the Minutes of proceedings of the General Meeting.

The final percentage results of voting on the Resolution No. 3 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the Annual General Meeting as follows: shareholders holding 29,944,116 votes, i.e. 99.997,065 % of the present number of votes cast, voted for the Resolution; shareholders holding 141 votes, i.e. 0,000,471 % of the present number of votes, voted against. Shareholders holding 69 votes, i.e. 0.002,234 % of the present number of votes, abstained from voting; shareholders holding 669 votes i.e. 0.002,234 % of the present number of votes, have not cast their ballots. All votes cast were valid.

The document denoted as the Explanatory Report relating to matters pursuant to Section 118 subsection 5 paragraphs a) through k) of Act No. 256/2004 Coll., on Business Activities at the Capital Market, as amended, is given in Exhibit 5 of these Minutes as Document No. 2.

**Agenda item 4 - Discussion about the Annual Financial Statements with the proposal for the distribution of profit for the year 2011, and about the Consolidated Financial Statements for the year 2011**

Chairman of the General Meeting Mr Pavel Henzl has stated that shareholders have obtained documents No. 3, 4, and 5 and the Annual Report to this item on the Agenda and that voting will be taken within points 7, 8 and 9.

He has further reminded the shareholders that the Annual Financial Statements, the Consolidated Financial Statements and the Report on relationships between related entities jointly with other documents had been available for shareholders from 21 March 2012 for inspection in the registered office of the Bank and accessible for download at respective web sites of the Bank. The shareholders have them available today as part of the Annual Report of the Bank. The main data of both the not consolidated and consolidated Financial Statements are part of the Notice of today's General Meeting.

Thereupon the chairman of the General Meeting Mr Pavel Henzl asked Mr Pavel Čejka, Chief Financial Officer, Strategy and Finance, to comment on this item of the Agenda.

Mr Pavel Čejka, Chief Executive Officer, Strategy and Finance, has in turn commented on the presentation screened in front of the meeting hall.

Mr Pavel Čejka stated that the consolidated economic result of Komerční Banka for 2011 showed increase in revenues by 1.2% as against 2010, growth of costs by 6.5 % as compared to 2010. The risk cost increase was significant owing to the write-off of the Greek governmental bonds. The Bank's net profit was 9,472 million, down 29% against the net profit of 2010. As far as economic indicators are concerned, the Bank still maintains very sound capital funds and adequacy. As at 31 Dec 2011 the capital measured by TIER 1 ratio was at 13.4 %, whereas the overall capital adequacy was 14.6 %. The Bank continues to have a very good liquidity position. The loan/deposit ratio was at 77.5% at the end of last year, and it also maintains a very good operating efficiency, whereas despite of slight growth of cost/income ratio, the efficiency is still at a very good level of 41 %, which is the level of the most efficient European banks. As to the net operating revenues with an increase by 1.2 %, the most dynamic portion of these revenues consist of interest income in particular thanks to a very dynamic growth in volume of loans granted. On the other hand, despite of increase in volume of deposits of clients, owing to a low interest environment and owing to the fact that it is not possible to reinvest these deposits for lower incomes, the interest incomes from deposits slightly decreased. Nevertheless, the overall interest income was up 3.5 %. By contrast, fees and provisions were down, which was caused by some one-off items on the one hand, e.g. acceleration of acquisition fees, amortization of acquisition fees in the pension fund, but also owing to the fact that incomes from fees for transactions and incomes from fees for current accounts are on the decrease, because our clients increasingly make use of services, which are covered by lump sum fees, as we grant discounts for activity etc. to our clients. Hence, the overall net incomes grew by the above mentioned 1.2 %.

Costs grew 6.5 % year-on-year, nevertheless one-off items contribute to this grow, namely profitable sales of real property realised in 2010 or release of several estimated items in 2010. Exclusive of them, the cost growth was about 3 %, i.e. roughly 1 % above inflation. The risk costs grew in particular due to the already mentioned depreciation of the Greek governmental bonds, on the other hand the risk costs of credit portfolio dropped significantly from 3.1 billion in 2010 to less than 2 billion in 2011.

As far as unconsolidated economic results are concerned, trends are much similar: more or less stagnating or slightly decreasing operating incomes, growing operating costs by 5 %, and the already mentioned increase of risk costs. The net unconsolidated profit was down 34 % to the overall result CZK 7,951 million.

Similar trends exist also in performance indicators of unconsolidated economic results, i.e. a very solid capital adequacy, even stronger when looking at the whole group, the still very good liquidity situation and very good efficiency of the whole group and Komerční banka.

As far as proposed profit distribution for 2011, dividends were proposed at CZK 160 per share, i.e. overall dividends at CZK 6,082 billion, which represents dividend distribution ratio at 64 % of the consolidated profit, hence almost five per cent dividend revenue. In opinion of the Bank's management this is a good compromise between maintaining the solid capital funds of Komerční banka and Komerční banka Group and a solid revenue for shareholders and the payment ratio, which is one of the highest among European banks. As to the development of share prices and dividend paid it can be stated that the price of shares of Komerční banka fell almost by 25 % in 2011, slightly less than the overall Prague Exchange index, which dropped by 25.6 %. As to the value for shareholders – i.e. if we added dividend income to the price of shares, then the overall valuation is at a –19 % level, i.e. significantly better than the Prague Exchange index. For 2012 as of 20 April, the price of shares grew by 2.7 % as against the Prague Exchange index with increase by 1.7 %. With inclusion of the dividend income the income for overall valuation would be at 7.5 % for the first 4 month this year.

The Bank's market capitalization is now somewhere about CZK 130 billion level.

As to the purchase of own shares in 2011, it is a supplementary tool in own capital management and is an alternative to the return of capital to shareholders, i.e. an alternative to dividend distribution. Komerční Banka acquired own shares - treasury stock for CZK 575 million, which was 184,672 shares, in 2011. The average purchase price was CZK 3,114. The Bank has thus acquired almost 0.5 % of its own shares last year and overall it holds 0.63 % in the registered capital.

Chairman of the General Meeting Mr Pavel Henzl thanked Mr Pavel Čejka and asked whether a written request for explanation, a proposal, counterproposal, or objection to this item on the Agenda was submitted and continued noting that written requests were already submitted by shareholder Mr Martin Müller that he read:

Martin Müller has submitted a request for explanation:

- 1) what is the Bank's exposure in bonds of PIIGS (Portugal, Ireland, Italy, Greece and Spain) countries and when are they due;
- 2) what is their current market value;
- 3) what is the amount of adjusting items for individual bonds (in PIIGS countries);
- 4) whether some of them were sold before maturity;
- 5) whether it is the intent of the Bank to keep these bonds till they are due, as was earlier declared for the Greek bonds or whether it is considered exposure decrease and their partial or complete sale, and if so, of which ones;
- 6) in what quantity does the Bank plan to create adjusting items for bonds in its holding in 2012, and for which ones;
- 7) why does the Bank acquires back its treasury stock instead of distributing profit to shareholders through increased dividends payment;

- 8) whether the Bank plans to buy back its treasury stock in this year, too, and to what extent as compared to 2011;
- 9) whether the Bank plans to change the declared dividend payment ratio from the company's profit in the next year (in the past, 55-65 % of profit was declared for distribution)

Individual questions were replied by the CFO, Strategy & Finance.

In his reply to the first and second question Mr Čejka has said that the exposure towards Portugal is CZK 250 million, due in the first half of 2013 and in the second half of 2014; zero exposure in Ireland; no exposure in Spain; exposure of CZK 7.9 billion in Spain, with market value at CZK 7.6 billion. All of these bonds are in the so-called for sale portfolio; prices of all are then valued by their market value, whereas the revaluation has no impact on the Profit and Loss Account of the Bank but on its capital. As to Greece, the governmental bonds were devalued during 2011, or their depreciation at 75 % was considered, so that the book value is approximately CZK 700 million and their market value amounted to CZK 430 million at the end of March.

As to the third question – regarding adjusting items– the devaluation of Greek governmental bonds amounted to CZK 5,355 million in 2011; no other depreciation of other governmental bonds was considered as there was no reason to do so.

In his reply to the fourth question Mr Čejka stated that a minimum quantity of bonds were sold before maturity and the overwhelming majority of bonds are being held till due.

The answer to the fifth question was that Komerční banka continuously considers the correct solution for its and its shareholders exposure. During this year the Bank's management has considered and will continue considering whether it would be expedient to sell some of the governmental bonds.

As to the sixth question – about the volume of adjusting items planned by the Bank for creation in 2012 – Mr Čejka replied that adjusting items or depreciation was not planned as it followed from situation of individual issuers.

The answer to questions under numbers 7 and 8 was that for the Bank the buyout of treasury stock, i.e. its own shares is an alternative to dividend payment; it also means a return of capital to its shareholders.

A proposal is on the Agenda of the General Meeting; the bank wishes to retain this tool, but it is more like an occasional buyout or an acquisition than a specific plan.

In reply to the ninth question Mr Čejka answered that if the basic economic scenario, with which the Bank works this year, i.e. more or less zero economic growth, gross domestic product at zero level or between 0.1 and 0.3 %, interest rates at the current low levels and no substantial worsening of risks both in the Czech Republic and in the Eurozone one may assume that the payment ratio between 60 and 70 % will be preserved.

The presentation screened in front of the hall relating to the Bank's results and commented upon by Mr Čejka is enclosed in Exhibit 9 of these minutes.

Chairman of the General Meeting Mr Pavel Henzl has further asked whether there is presented any other oral request for explanation, proposal, counterproposal or protest relating to this item on the Agenda. This was not the case.

**Agenda item 5 – Position of the Supervisory Board on the Annual Financial Statements for the year 2011, on the proposal for the distribution of profit for the year 2011, and on the Consolidated Financial Statements for the year 2011; Supervisory Board's report on the results of its supervisory activity; and position of the Supervisory Board on the Report of the Board of Directors on relations among related entities in accordance with Sec. 66a (9) of Act No. 513/1991 Coll., the Commercial Code, as amended.**

Chairman of the General Meeting Mr Pavel Henzl has said that there will be no voting to this item 5 and asked Mr Didier Alix, the Chairman of the Supervisory Board, to Report on the Position of the Supervisory Board of the Bank.

Chairman of the Supervisory Board Mr Didier Alix has mentioned that based on the authorization by the Supervisory Board of Komerční banka, a.s., he presents the opinion of the Supervisory Board on the Annual Financial Statements for 2011, on the proposal for profit distribution for 2011, on the Consolidated Financial Statements for 2011 and on the Report of the Board of Directors on relationships between related entities pursuant to Section 66a subsection 9 of the Commercial Code, Act 513/1991 Coll., as amended, and presents an information on the controlling activity of the Supervisory Board for the period from the General Meeting held on 21 April last year to the today's General Meeting venue.

The Supervisory Board has examined the Annual Financial Statements of Komerční banka, a.s. in accordance with Section 12 paragraph 2 item d) of the Articles of Association of the Bank compiled as at 31 December 2011 according to the International Financial Reporting Standards (IFRS) and the Consolidated Financial Statements as at 31 December 2011, also compiled according to the International Financial Reporting Standards.

Having examined both the Annual and Consolidated Financial Statements of the Bank for the period from 1 January till 31 December 2011 and based upon an opinion of external auditor the Supervisory Board states that the Company's books and records have been maintained in an accountable manner and in compliance with generally binding regulations governing bookkeeping of Banks and also in compliance with the Articles of Association of the Bank. Accounting records and books mirror the financial situation of Komerční banka, a.s. in all relevant aspects. The Financial Statements compiled based upon these accounting records provide a true and fair reflection of the subject matter of the accounting and financial position of the Bank.

The independent auditor – Ernst & Young Audit, s.r.o. - has verified both consolidated and not consolidated Financial Statements of the Bank prepared pursuant to international accounting standards with award "without reservation".

The Supervisory Board recommends that the General Meeting approve both the Annual Financial Statements and the Consolidated Financial Statements for 2011 as they are proposed by the Bank's Board of Directors.

Within the meaning of Section 12 subsection 2, paragraph d) of the Articles of Association the Bank has reviewed the proposal of the Board of Directors for distribution of net profit for the accounting period 2011 and inasmuch the proposal for profit distribution complies with both applicable laws and the Articles of

Association of the Bank, the Supervisory Board recommends that the General Meeting approve the proposal for its distribution as proposed by the Board of Directors of the Bank.

The Supervisory Board has examined the Report on relationships between related entities in 2011 prepared pursuant to Section 66a subsection 9 of the Commercial Code and states based upon documents presented that Komerční banka, a.s. has not sustained any loss or harm in connection with agreements and arrangements concluded between related entities in the accounting period from 1 January 2011 till 31 December 2011.

The Supervisory board was continuously informed about the Bank's activities in the past period. Reports and analyses were submitted to the Supervisory Board regularly. The Supervisory Board has assessed in particular the functionality and efficiency of the management and controlling system of the Bank. The Supervisory Board has stated that the management and controlling system of the Bank is functional and efficient. It has further discussed the internal audit events and audit results in individual quarters of the year and an internal audit statute was submitted to it for discussion. At the same time it expressed its positive opinion on the strategic plan of internal audit for 2012 - 2015 as well as to the annual plan of internal audit activity; it has been acquainted of risk exposure management compliance and with changes in Bank's ownership interests. The Supervisory Board has dealt with on a regular basis with quarterly operating results of the Bank and its position on the market regarding the development of macroeconomic environment. Another area discussed in detail was the portfolio of debentures held by the Bank, in particular Greek and other state debentures, and steps taken in that respect. It also dealt with the budget of the Financial Group of the Bank for 2012. It has also dealt with the draft budget of the Financial Group KB for 2012.

Four complaints and suggestions were also addressed to the Supervisory Board, which were duly examined by it and the Supervisory Board also followed-up the conclusions adopted and measures taken by the Board of Directors of the Bank. It also discussed an annual analysis of solution of all complaints served to the Bank as well as to its ombudsman. The Supervisory Board has further discussed the development in fluctuation of employees, sickness rate and overtime hour indices, training and development of the Bank's employees and results of research of their satisfaction. It has dealt with the Bank's principles of remuneration and with issues related to the new building of the headquarters in Stodůlky. Within its competences the Supervisory Board discussed election of members of the Board of Directors of the Bank and remuneration of Bank's managers - performing at the same time offices of members of the Board of Directors. It assessed fulfilment of the contracts of service on performance of the office of members of the Board of Directors and based on this evaluation set bonuses. The Supervisory Board took note of a report on the activities of the Board of Directors for 2011.

The Supervisory Board's activity was also supported by the Committee for Remuneration and Human Resources Issues. The Committee has dealt with issues associated with the choice of Directors and their remuneration, managers performing at the same time offices of members of the Board of Directors, as well as number of issues regarding staffing policy of the Bank and remuneration of its employees. The Committee also discussed the principles of remuneration, which were subsequently submitted also to the Supervisory Board. It has advised the Supervisory Board of its activity on a regular basis and suggested to the Supervisory Board subsequent procedures within its competences to be taken. At the same time, the

Supervisory Board at its meetings was always informed as well as on matters discussed and considered by the Audit Committee.

Individual members of the Board of Directors and executive officers and directors of the Bank commented directly at its meetings upon documents submitted to the Supervisory Board. Based on recommendations of the Committee for Remunerations and Human Resources Issues and information from meetings of the Audit Committee, the Supervisory Board then adopted its decision within competence established by law and by the Articles of Associations of the Bank.

He has further informed that Mr Vladimír Jeřábek and Mr Patrice Taillandier-Thomas were re-elected by the Supervisory Board as members of the Board of Directors of the Bank. The Supervisory Board, based upon the amendment of the Commercial Code in effect as of 1 January 2012, according to which remuneration of members of the Board of Directors for performance of their offices is in its competence, determined bonuses to members of the Board of Directors for 2011 in a total amount of CZK 18,244,000. In determining the bonuses, the Supervisory Board considered particularly overall results of the Bank, taking into account conformity of these results with the Bank's strategy, its goals, values, acceptable risk rate and exposure, and long-term interests. The Supervisory Board has assessed all of these indicators and set the bonuses attributable to members of the Board of Directors, whereas CZK 14,059,000 paid in 2012 represent decrease by 22 % comparing to 2010. The rest of the bonuses will depend on future financial results achieved.

The Supervisory Board has controlled due performance of tasks of the Board of Directors, supervised exertion of competencies by the Board of Directors, checked book-keeping records and other financial records of Komerční banka, a.s., as well as the efficiency of the management and controlling system, which it regularly evaluated. I can thus state that the business activity of the Bank was implemented in compliance with law regulations as well as with the Articles of Association of the Bank.

Chairman of the General Meeting Mr Pavel Henzl has thanked Mr Didier Alix, Chairman of the Supervisory Board of the Company, for the Supervisory Board's opinion of the Annual Financial Statements, proposed profit distribution for 2011, the Consolidated Financial Statements for 2011, Report on relationships between related entities for 2011 and the Report on results of controlling activity of the Supervisory Board for prior year, and has asked whether there was or is being submitted a written or oral request for explanation, proposal, counterproposal or protest relating to this item on the Agenda. This was not the case.

#### **Agenda item 6 – Report of the Audit Committee**

Chairman of the General Meeting Mr Pavel Henzl has said that no vote will be taken on this article and asked Mr Petr Laube to present the report.

Mr Laube has first stated that he appears before shareholders upon authorisation of the Audit Committee of Komerční banka, a.s. to present the Report of the Audit Committee on results of its activity for the period following the General Meeting held on 21 April last year till today's General Meeting.

Mr Laube stated that within its competence, the Audit Committee has in particular observed the procedure of compiling the Financial Statements and the Consolidated Financial Statements and examined consistency and suitability of accounting methods used by the Bank. The Committee has watched the course of the mandatory audit and stated that the management of the Bank follows recommendations of the external auditor. The Committee has also assessed efficiency of the internal controls implemented by the Bank, of the internal audit and of the risk management systems, and has concluded that the main risks and exposures of the Bank were duly identified and managed. The Committee further submitted to the Board of Directors recommendations regarding matters relating to the internal audit and monitored the form, how the Bank management addresses and responds to the findings and recommendations of this department, and has not found any relevant deficiencies.

The Committee has discussed the so-called Management Letter prepared by Ernst & Young Audit, s.r.o. dealing with findings of the external auditor during audit of financial statements including recommendations of corrective measures for their solution.

The Committee has further discussed regular reports of the Internal Audit on the state of performance of corrective measures in the Bank and has been notified on all its measures performed in individual quarters of the year.

At the meetings of the Audit Committee, economic results of the financial group of the Bank for individual quarters were discussed, including acquisition of interest by KB in SGEF, and the budget for year 2012. The Committee was also presented reports on economy situation of competitors and on the development of the Bank's market shares in individual areas. It was informed on results of transformation of the original subsidiary to a foreign branch of the Bank in Bratislava and on its current operation. Another area discussed in detail was the portfolio of debentures held by the Bank, in particular of Greek and other state bonds, and steps taken in that respect. The Committee was also regularly advised of the Bank's operation in the field of permanent control and supervision and of measures taken in the field of information safety. It was presented with results of inspection carried out by the Czech National Bank in 2011. Additional reports and information required by the Committee were continuously submitted to it.

The Committee has further dealt in detail with mapping the risks and exposures, with the annual plan of internal audit for 2012 and with the strategy plan for 2012 – 2015. It also discussed the statute of the Internal Audit Department.

The Committee has also discussed annual economic results of the Financial Group of the Bank for 2011 and Statements and Notes to the Consolidated and Unconsolidated Financial Statements of the Bank as at 31 December 2011 prepared pursuant to the International Financial Reporting Standards (IFRS) and proposal of the profit distribution for 2011. It has stated that the Bank has provided integrated financial information and used adequate and consistent accounting methods in compiling the Financial Statements. The Committee has assessed the summary of actions of the internal audit and its results for 2011. It has further discussed the overall function and efficiency of the management and control system of the Bank in 2011 concluding that this system covers all key risks of the Bank. The Committee has dealt with assessment of compliance risk in the Report for 2011; and has also discussed the annual assessment report for the year 2011 relating to the Komerční banka's system against legalization of revenues generated by criminal activity

(money laundering) and financing of terrorism. It has further discussed a document dealing with assessment of activity of the external auditor.

At all meetings of the Committee, documents submitted were commented upon by relevant members of the Board of Directors and by Executive Officers of the Bank. Representatives of the independent auditor were always present at the negotiations.

As far as selection of an external auditor for 2012 is concerned, the Audit Committee has assessed independence of the auditor Ernst & Young Audit, s.r.o. a, and of provision of supplementary services to the Bank and has stated that the auditor is independent. Consequently, the Committee recommended the Board of Directors of the Bank to submit to the General Meeting a proposal for approval of Ernst & Young Audit, s.r.o. as an external auditor of the Bank for 2012.

The Audit Committee has exerted all its competences in accordance with regulations and the Articles of Associations of the Bank.

Chairman of the General Meeting Mr Pavel Henzl thanked the Chairman of the Audit Committee for the report presented and asked whether any written or oral request for explanation, a proposal, a counterproposal or a protest to this point on the Agenda were or are submitted. This was not the case.

#### **Agenda item 7 - Approval of the Annual Financial Statements for the year 2011**

Chairman of the General Meeting Mr Pavel Henzl has mentioned that shareholders have listened to the commentary on this item within the explanations of item 4 and obtained the Document No. 3 and the Annual Report of the Bank as a basis for approval.

Thereupon he stated that according to data from persons authorised to count votes, the General Meeting before voting on the proposal to be subsequently presented, constitutes a quorum, and is qualified to adopt resolutions because shareholders are present who hold shares with their aggregate value representing 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented the draft resolution as follows:

***"Resolution No. 4: The General Meeting approves the Annual Financial Statements of Komerční banka, a.s., for the year 2011 in the wording contained in the Annual Report of Komerční banka, a.s., for the year 2011."***

Chairman of the General Meeting Mr Pavel Henzl stated that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 4 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the completion of collecting the ballots.

After completion of voting, the chairman of the General Meeting Mr Pavel Henzl has read the preliminary results of voting on the Resolution No. 4 expressed as percentage of votes as follows: for the time being 85.828 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 4 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders in the closing of proceedings of the General Meeting.

The final percentage results of voting on the Resolution No. 4 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for approval voted shareholders holding 29,943,827 votes, i.e. 99.996,093 % of the present number of votes, shareholders holding 69 votes, i.e., 0.000,023 % of the present number of votes, were against, shareholders holding 184 votes, i.e. 0.000,614 % of the present number of votes, abstained from voting, and shareholders holding 917 votes, i.e. 0.003,062 % of the present number of votes, have not cast their ballots. All votes cast were valid.

The document denoted as the Individual Annual Financial Statements of Komerční banka, a.s. for 2001 according to the International Financial Reporting Standards is enclosed in Exhibit 5 to these Minutes as the Document No. 3.

#### **Agenda item 8 - Resolution on the distribution of profit for the year 2011**

Chairman of the General Meeting Mr Pavel Henzl has said that the shareholders listened to the commentary within the item 4 and obtained the Document No. 4 as a basis for approval of the proposed profit distribution, including the document denoted "Conditions and way of dividend payment for 2011".

He stated that according to the information on the report of scrutineers, before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl has presented the proposal of the Board of Directors for a resolution as follows:

***"Resolution No. 5: The General Meeting resolved on distribution of profit of Komerční banka, a.s. for the year 2011 in the total amount of CZK 7,950,518,546.72 as follows:***

***Dividends CZK 6,081,576,320.00***

***Retained earnings from past years CZK 1,868,942,226.72***

***The amount of the dividend per share is equal to CZK 160 before taxes. The dividend can be claimed by each shareholder holding a share of Komerční banka, a.s., with ISIN CZ0008019106 as of 19 April 2012. The dividend shall be due on 28 May 2012.***

***The General Meeting resolved that the portion of the profit for the year 2011 reserved for the dividend corresponding to the treasury stock held by Komerční banka, a.s., and by the companies controlled by Komerční banka, a.s., would be transferred to the retained earnings account. The amount of this amount will be determined based on the number of the treasury stock held by Komerční banka, a.s., and by the companies controlled by Komerční banka, a.s., on the record date; that is, on 19 April 2012.***

Chairman of the General Meeting Mr Pavel Henzl stated that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 5 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After voting, the chairman of the General Meeting Mr Pavel Henzl has read the preliminary results of voting on the Resolution No. 5 expressed as percentage of votes as follows: for the time being 76.613 % of votes of attending shareholders voted for the Resolution.

Chairman of the General Meeting Mr Pavel Henzl stated that the Resolution No. 5 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders on closing of the General Meeting.

The final percentage results of voting on the Resolution No. 5 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the Annual General Meeting as follows:

for voted shareholders holding 29,907,547 votes, i.e. 99.875,604 % of the present number of votes cast; shareholders holding 36,333 votes, i.e. 0,121,333 % of the present number of votes, voted against; no shareholders abstained from voting; shareholders holding 917 votes, i.e. 0.003,062 % of the present number of votes, have not cast their ballots. All votes cast were valid.

The document denoted as the Distribution of Profit of Komerční banka, a.s. for the year 2011 is enclosed in Exhibit 5 to these Minutes as the Document No. 4.

#### **Agenda item 9 - Approval of the Consolidated Financial Statements for the year 2011**

Chairman of the General Meeting Mr Pavel Henzl noted that shareholders had listened to the commentary within the item 4 and obtained document No. 5 and the Annual Report as a basis for approval.

He stated that according to the information on the monitor, before voting on the proposal to be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present

thereat holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 6: The General Meeting approves the Consolidated Financial Statements of Komerční banka, a.s. for the year 2011 in the wording contained in the Annual Report of Komerční banka, a.s. for 2011.”***

Chairman of the General Meeting Mr Pavel Henzl noted that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 6 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

Upon completion of voting, the chairman of the General Meeting Mr Pavel Henzl has read the preliminary results of voting on the Resolution No. 6 expressed as percentage of votes as follows: for the time being 76.512 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 6 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders on closing of the General Meeting.

The final percentage results of voting on the Resolution No. 6 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for voted shareholders holding 29,943,808votes, i.e. 99.996,697 % of the present number of votes cast; shareholders holding 72 votes, i.e. 0,000,240 % of the present number of votes cast, voted against; no shareholders abstained from voting; shareholders holding 917 votes, i.e. 0.003,062 % of the present number of votes have not cast their ballots. All votes cast were valid.

The document denoted as the Consolidated Financial Statements of Komerční banka, a.s. for the year 2001 according to the International Financial Reporting Standards is enclosed in Exhibit 5 to these Minutes as the Document No. 5.

#### **Agenda item 10 – Personal changes in the composition of the Supervisory Board**

Mr Pavel Henzl has stated that the Board of Directors of the Bank proposes to re-elect Mr Bořivoj Kačena a member of the Supervisory Board, whose tenure will end on 29 April 2012. Mr Kačena’s Curriculum Vitae is given in Annual Report for 2011.

Chairman of the General Meeting, Mr Pavel Henzl then asked whether any written request for an explanation, proposal, counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

Then he asked if there is presented any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Ing. Pavel Dobranský, a shareholder, has asked whether the candidate meets the statutory prerequisites for discharge of the office and whether he agrees with his candidacy and if he is present. He has further asked whether this information could be given for each candidate.

Pavel Henzl has stated that Mr Kačena is member of the Supervisory Board, is present and there was no change relating to prerequisites for discharge of the office, and that he agrees with his candidacy.

Chairman of the General Meeting Mr Pavel Henzl stated that according to the information on the monitor, before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented a draft resolution as follows:

***Resolution No. 7: The General Meeting elects Mr Ing. Bořivoj Kačena, personal Id number 430224/105, resident at Vavákova 1486/4A, Prague 4, postal code 148 00, as a member of the Supervisory Board with effect from 30 April 2012.***

Chairman of the General Meeting Mr Pavel Henzl declared that an absolute majority of votes of shareholders attending is required for adoption of the proposed Resolution. Thereupon he called shareholders for splitting of the ballot paper with the serial number of the voting round 7 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, he has read the preliminary results of voting on the Resolution No. 7, expressed in the percentage proportion of votes as follows: at the time being for 79.181 % votes of attending shareholders.

Chairman of the General Meeting Mr Pavel Henzl stated that the Resolution No. 7 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closing of the General Meeting.

The final percentage results of voting on the Resolution No. 7 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for voted shareholders holding 29,940,189 i.e. 99.884,769 % of the present number of votes; shareholders holding 2,380 votes, i.e. 0,007,948 % of the present number of votes, voted against; shareholders holding 761 votes, i.e. 0.002,541 % of the present number of votes, abstained from voting; shareholders holding 1,437 votes, i.e. 0.004,498 % of the present number of votes, have not cast their ballots. Shareholders holding 73 votes, i.e. 0.000,244 % of the present number of votes, cast an invalid vote.

**Agenda item 11: Decision on remuneration of members of the audit committee.**

Mr Pavel Henzl has stated that an Audit Committee was formed based upon Act No. 93/2009 Coll., on Auditors, in 2009, which is a body of Komerční banka; its competence is determined by the above mentioned legislation and by the Articles of Association and it consists of three members, who are at the same time members of the Supervisory Board. The General Meeting has resolved in 2009 that discharge of this office will be without entitlement to remuneration. With regard to the demandingness of the office of the chairman of the Audit Committee, the Board of Directors of the Bank decided to propose to the General Meeting remuneration for Mr Petr Laube, the chairman of the Audit Committee, who is at the same time an independent member of this Committee

Chairman of the General Meeting Mr Pavel Henzl asked whether there was presented or is submitted any written request for an explanation, proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Further he asked if there is presented any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Chair of the General Meeting Mr Pavel Henzl stated that according to the information on the monitor, before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 8: The General Meeting has resolved on remuneration of the chairman of the Audit Committee Mr Petr Laube as follows:***

***The amount of payment is:***

- a) Fixed annual remuneration: CZK 240,000 i.e. CZK 20,000 monthly***
- b) Annual remuneration for attendance of the chairman of the Audit Committee Mr Petr Laube at the meetings of the Audit Committee: CZK 60,000, i.e. CZK 10,000 a month, and is granted for at most 6 meetings a year.”***

Chairman of the General Meeting Mr Pavel Henzl declared that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he called shareholders for splitting of the ballot paper with the serial number of the voting round 8 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, he has read the preliminary results of voting on the Resolution No. 8, expressed in the percentage proportion of votes as follows: at the time being for 87.561 % votes of attending shareholders.

Chairman of the General Meeting Mr Pavel Henzl stated that the Resolution No. 8 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closing of the General Meeting.

The final percentage results of voting on the Resolution No. 8 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for voted shareholders holding 29,906,224 votes, i.e. 99.871,343 % of the present number of cast votes; shareholders holding 876 votes, i.e. 0,002,925 % of the present number of cast votes, voted against; no shareholders holding 35,628 votes, i.e. 0.118,979 % of the present number of votes, abstained from voting; shareholders holding 2,022 votes, i.e. 0.006,752 % of the present number of votes, have not cast their ballots. All votes cast were valid.

**Agenda item 12: Decision on approval of Contracts of Service on performance of office of the Audit Committee's members.**

Pavel Henzl has stated that in connection with the decision of the General Meeting to grant remuneration for the performance of office of the Chairman of the Audit Committee the shareholders are presented with a draft contract of service on the performance of office of a member and the chairman of the Audit Committee, which they obtained as Document No. 6.

Chairman of the General Meeting, Mr Pavel Henzl then asked whether any written request for an explanation, proposal, counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

Then he asked if there is presented any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Chairman of the General Meeting Mr Pavel Henzl stated that according to the information on the monitor, the General Meeting constitutes a quorum before voting on the proposal that will be presented and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 9: The General Meeting approves: Contract of Service on performance of office of Mr Petr Laube, member and chairman of the Audit Committee, in the wording submitted to the General Meeting.”***

Chairman of the General Meeting Mr Pavel Henzl declared that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he called shareholders for splitting of the ballot paper with the serial number of the voting round 9 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, he has read the preliminary results of voting on the Resolution No. 9, expressed in the percentage proportion of votes as follows: at the time being for 76.612 % votes of attending shareholders.

Chairman of the General Meeting Mr Pavel Henzl stated that the Resolution No. 9 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders on further proceeding of the General Meeting.

The final percentage results of voting on the Resolution No. 9 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for voted shareholders holding 29,918,950, i.e. 99.919,110 % of the present number of votes; shareholders holding 891 votes, i.e. 0,002,976 % of the present number of votes, voted against; shareholders holding 22,016 votes, i.e. 0.073,526 % of the present number of votes abstained from voting; shareholders holding 1,314 votes, i.e. 0.004,338 % of the present number of votes have not cast their ballots. All votes cast were valid.

The document named Contract of Service on performance of office of member and chairman of the Audit Committee is given in Exhibit 5 as the Document No. 6

### **Agenda item 13 – Decision on the acquisition of the Bank’s treasury stock**

Chairman of the General Meeting Mr Pavel Henzl has called attention of shareholders to the fact that they obtained a document No. 7 to this item. Information to this item was presented by Mr Čejka during discussion of the Financial Statements.

Then he asked whether there was or is submitted a written request for explanation, proposal, counterproposal or a protest relating to this item on the Agenda. This was not the case.

Thereupon he asked whether there is presented any oral request for explanation or proposal, counterproposal, or objection raised to this item on the Agenda. This was not the case.

Chairman of the General Meeting Mr Pavel Henzl stated that according to the information on the monitor before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 79.28 % of the Registered Capital of the Bank.

Chairman of the General Meeting Mr Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 10: The General Meeting agrees with acquisition of own common shares (treasury stock) under the following conditions:***

- ***the highest number of shares which the Bank may hold at any moment shall be 3,800,985 pieces of common shares of stock, representing the aggregate nominal value of CZK 1,900,492,500,***
- ***the acquisition price shall be at least CZK 1.00 per one share of stock and at most CZK 6,000 per one share of stock,***
- ***this resolution will be valid for a period of 18 months,***
- ***the Bank must not acquire the shares if it would breach conditions provided in Section 161a subsection 1 paragraphs b) c) and d) of the Commercial Code,***
- ***for the period of consent the Bank may purchase and sell shares repeatedly without any other restrictions.”***

Chairman of the General Meeting Mr Pavel Henzl noted that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 10 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After voting, the chairman of the General Meeting Mr Pavel Henzl has read the preliminary results of voting on the Resolution No. 10 expressed as percentage of votes as follows: for the time being 87.526 % of votes of attending shareholders voted for the Resolution.

Chairman of the General Meeting Mr Pavel Henzl stated that the Resolution No. 10 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closure of the General Meeting and will be included in the Minutes of proceedings of the General Meeting.

The final percentage results of voting on the Resolution No. 10 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for voted shareholders holding 29,903,723, i.e. 99.868,257 % of the present number of votes; shareholders holding 37,815 votes, i.e. 0,126,289 % of the present number of votes, voted against; shareholders holding 133 votes, i.e. 0.000,444 % of the present number of votes abstained from voting; shareholders holding 1,500 votes, i.e. 0.005,009 % of the present number of votes have not cast their ballots. All votes cast were valid.

The document denoted "Acquisition of treasury stock of Komerční banka, a.s." form an Exhibit 5 of these Minutes as the Document No. 7

#### **Agenda item 14 – Determination of auditor for statutory audit**

Chairman of the General Meeting Mr Pavel Henzl has said that shareholders have obtained a document No. 8 to this item on the Agenda. Information to this item was presented by Mr Čejka during discussion of the Financial Statement.

Chairman of the General Meeting, Mr Pavel Henzl then asked whether there was presented or is submitted any written request for an explanation or objection to this item on the Agenda. This was not the case. Then he asked if there is presented any oral request for an explanation or objection to this item on the Agenda.

Ing. Pavel Dobranský, a shareholder, has asked for how long Ernst & Young Audit, s.r.o. is the auditor.

Mr Čejka replied that for two years. Now the same auditor is proposed for the third time.

Chairman of the General Meeting Mr Pavel Henzl has stated that according to monitor data before voting on the proposal the General Meeting constitutes a quorum and is qualified to adopt resolutions inasmuch shareholders holding shares with nominal value representing in aggregate 79,28 % of the Registered Capital of the Bank are present.

Chairman of the General Meeting Mr Pavel Henzl has read the draft resolution as follows:

***"Resolution No. 11: The General Meeting appoints the company Ernst & Young Audit, s.r.o., with its registered office at Karlovo náměstí 10, Prague 2, postal code 120 00, as the external auditor of Komerční banka, a.s., for the year 2012."***

Chairman of the General Meeting Mr Pavel Henzl noted that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 11 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot

paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After the end of voting the chairman of the General Meeting Mr Pavel Henzl has read preliminary results of voting on the Resolution No. 11 expressed as percentage of votes as follows: so far, over 76.613 % of votes of attending shareholders is for the Resolution.

He has stated that the Resolution no 11 was adopted by required absolute majority of votes and that the result of voting will be recorded in the Minutes of the General Meeting.

The final percentage results of voting on the Resolution No. 11 were announced and read from the monitor by the chairman of the General Meeting Mr Pavel Henzl on closing of the General Meeting as follows:

for voted shareholders holding 29,826,679, i.e. 99.610,596 % of the present number of votes; against voted shareholders holding 46,618 votes, i.e. 0,155,688 % of the present number of votes; shareholders holding 67,849 votes, i.e. 0.226,593 % of the present number of votes abstained from voting; shareholders holding 1,558 votes, i.e. 0.005,203 % of the present number of votes have not cast their ballots. Shareholders holding 467 votes, i.e. 0.001,560 % of the present number of votes, cast an invalid vote.

The document denoted as the "Appointment of auditor for statutory audit" is included in Exhibit 5 to these Minutes as the Document No. 8

Pavel Henzl informed the General Meeting on the final voting results.

Documents denoted as Records on results of voting on ballots 1 through 11 form Exhibit 8 of these Minutes.

#### **Item No 15 – Closing.**

Before the closing of the General Meeting a shareholder appeared who thanked the Board of Directors for its work and for the amount of the dividend and expressed his wish regarding the amount of dividend in the next period.

Chairman of the Annual General Meeting, Mr Pavel Henzl, read the voting results as they are listed for individual Agenda items of the Annual General Meeting

Subsequently shareholder Mr. Dobranský appeared with two questions regarding specification of the presented results of voting. These questions were answered by the chairman of the General Meeting Mr Pavel Henzl.

Chairman of the General Meeting Mr Pavel Henzl stated that all points on the Agenda of the Annual General Meeting have been dealt with; he thanked shareholders for their active participation and added that the Minutes of the proceedings of the General Meeting would be made within thirty days.

The Annual General Meeting of Komerční banka, a.s. has ended at 15:01 hours.

In Prague on 26 April 2012

List of Exhibits:

- Exhibit No. 1 Record on attendance (quorum of the General Meeting)
- Exhibit No. 2 List of shareholders – natural and legal persons – present at the General Meeting
- Exhibit No. 3 List of persons present at the General Meeting
- Exhibit No. 4 Announcement (Notice) of the General Meeting
- Exhibit No. 5 Documents for shareholders on selected items on the agenda of the general meeting (Nos. 1-8)

Itemization:

Document No. 1 – Rule of Procedure and Voting of the General Meeting of Komerční banka, a.s.

Document No 2 – Explanatory report on matters pursuant to Section 118 subsection (5) subparagraphs a) through k) of Act No. 256/2004 Coll., on the Business Activities at the Capital Market, as amended

Document No. 3 – Individual Financial Statements of Komerční Banka, a.s. for the year 2011 prepared pursuant to the International Financial Reporting Standards

Document No. 4 – Distribution of profit of Komerční Banka, a.s. for 2011

Document No. 5 – Consolidated Financial Statements of Komerční Banka, a.s. for the year 2011 prepared pursuant to the International Financial Reporting Standards

Document No. 6 – Contracts of Service on performance of office of member and chairman of the Audit Committee

Document No. 7 – Acquisition of treasury stock of Komerční Banka a.s. (hereinafter only “the Bank”)

Document No. 8 – Appointment of a statutory auditor to prepare the statutory audit

- Exhibit No. 6 Draft Resolutions
- Exhibit No. 7 Conditions and manner of dividend payment for 2011
- Exhibit No. 8 Records on results of voting from rounds 1 through 11
- Exhibit No. 9 Presentation of Bank’s results
- Exhibit No. 10 Written questions of shareholders

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Pavel Henzl  
Chairman of the General Meeting

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Marcela Ulrichová  
Minutes Clerk

.....  
Marie Bartošová  
Verifier of the Minutes

.....  
Jaroslav Hoch  
Verifier of the Minutes