



MINUTES

of the proceedings of the Ordinary General Meeting (hereinafter referred to as the “General Meeting”) of Komerční banka, a.s. with its registered office in Prague 1, Na Příkopě 33 LR no. 969, postal code 114 07, registration no. 45317054, (hereinafter referred to as the “Company” or the “Bank”) held on 24 April 2019 from 01:00 p.m. at the address náměstí Junkových 2772/1, Stodůlky, Prague 5, postal code 155 00

Mr Pavel Henzl opened the proceedings at 01:00 p.m. He welcomed those present and stated that he was appointed by the Board of Directors of the Bank to conduct the General Meeting until the election of its Chairman. He further stated that the proceedings of today’s general meeting will be conducted in Czech and English with simultaneous interpreting. For this purpose headphones were distributed to shareholders at the attendance registration for listening to the Czech interpreting on channel 1 and to the English interpreting on Channel 2. Materials obtained by the shareholders attendance registration include a short operation manual for the control. Mr Pavel Henzl also asked the shareholders to return the device to the attendance registration service staff.

Mr Pavel Henzl then introduced the attending Members of the Board of Directors headed by its Chairman Mr Jan Juchelka, and Messrs Didier Colin, David Formánek, Miroslav Hiršl, Vladimír Jeřábek and Margus Simson. He further stated that Members of the Supervisory Board of Komerční banka, a.s., headed by its Chairman Mr Jean-Luc Parer, are also present at today’s General Meeting. He further stated that JUDr. Lucie Foukalová, the notary public who will draw up the Notarial Record, was also present. He noted that in compliance with the Bank’s Articles of Association of the Bank, the Company’s Board of Directors invited as guests at today’s proceedings of the General Meeting representatives of the auditor company Deloitte Audit, s.r.o., and announced that the company AV Media was entrusted with the technical provision of the entire proceedings of the General Meeting, including the attendance and voting. He further noted that water and coffee was available to those present during the entire proceedings of the General Meeting in the lobby.

Mr Pavel Henzl then announced that according to the applicable Act on Banks for today’s attendance a listing of the issue of booked shares was provided as of the record date and was approved by the Czech National Bank. He also noted that according to the report of persons entrusted with the registration of attending shareholders, the shareholders holding with nominal value representing a total of 83.784541% of the Bank’s registered capital are present at the General Meeting.

He announced that based on the attendance registration information reported, in compliance with the valid Articles of Association, this General Meeting constitutes a quorum and is competent to adopt decisions, and that no objection against the exercise of voting rights has been submitted.

He then asked the shareholders to mark the **KB Identification Card** they received at attendance registration, as this identification card is also used when they leave or, as the case may be, return to the General Meeting.

Subsequently, he opened the proceedings of the General Meeting.

Mr Pavel Henzl stated that the Invitation to the Ordinary General Meeting was published in the daily Mladá Fronta DNES, on the KB notice board and on the KB website on 22 March 2019.

He further stated that the business on the agenda of this General Meeting is mentioned in the Invitation to the General Meeting received by the shareholders with other materials for this General Meeting. The proposed resolutions including the reasoning thereof form part of the Invitation to the General Meeting.

He reminded the shareholders that according to the valid Articles of Association of Komerční banka, a. s., the voting takes place using the electronic voting device that the shareholders received at attendance registration. The first vote taken is on the proposal of the Board of Directors. If the proposal of the Board of Directors is adopted by the required majority, no vote is taken on other proposals. Voting on other proposals or counterproposals is taken in the time sequence in which they were submitted. He then explained the method of voting using the electronic device to the shareholders. He stated that this information will always be displayed again on the screens in the hall before each voting on the individual resolutions.

The electronic voting device is operated by the buttons YES = "FOR" (marked with Y1) and NO = "AGAINST" (marked with N2). Shareholders can abstain from voting by not pressing any button when voting. They can change their decision up to such time before the Chairman of the General Meeting, Mr Pavel Henzl, ends the voting. If they want to change their choice before the end of voting, they can press the red button on the top of the device next to the display; this will result in cancellation of the last choice and they can vote again. If everything is done properly, a green diode will light up for the shareholders and the choice, i.e. 1 or 2, will light up on the display for 3 seconds. If anything is unclear, they can ask the present scrutineers for help. If the electronic voting device is faulty, they can ask the scrutineers for a replacement electronic voting device.

He then mentioned that the premises of this hall and the toilets are considered premises intended for the proceedings of the General Meeting. Once they leave these premises the shareholders will be deregistered and when they return they must be re-registered by presenting their identification card which they received at attendance registration. If they leave the General Meeting permanently, they must return this identification card and this voting device and interpreting device.

The quorum of the General Meeting and the results of the voting will be displayed on the screens in the hall.

Mr Pavel Henzl further informed the shareholders that there is an information centre of the General Meeting available to them at the back of this hall where employees of Komerční banka are ready to answer any questions or provide the relevant explanations. He asked the shareholders to submit any of their written requests for explanations and any objections at this information centre.

He then stated that this year for the first time shareholders can vote on proposed resolutions before the General Meeting using an electronic remote communications platform. The conditions of this voting are provided in the invitation. The results of the correspondence voting are included in the quorum of the General Meeting and in the results of the voting on individual resolutions.

Approval of the Procedure and Voting Rules of the General Meeting, and Election of its Chairman, minutes clerk, minutes verifiers and persons authorised to count the votes (scrutineers).

Mr Pavel Henzl then proceeded to the procedural matters on the agenda of the General Meeting, i.e. "Approval of the Procedure and Voting Rules of the General Meeting and on the election of its Chairman, minutes clerk, minutes verifiers and persons authorised to count the votes (scrutineers)".

He stated that at their attendance registration, shareholders received a document with the Procedure and Voting Rules marked as Material No. 1 which only determines the technical aspect of the voting right and proceedings of the General Meeting. The procedure rules of the General Meeting including the method of voting at the General Meeting and legal conditions of exercising the voting right are regulated by the Articles of Association of the Bank. He also reminded the shareholders that they had the method of voting explained to them and it is available on the screens.

Mr Pavel Henzl then asked whether any written request for an explanation, proposal or counterproposal, or objection relating to this item of the agenda had been submitted. This was not the case.

Then he asked whether there was any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

He then stated that before the voting on the proposal to be subsequently presented, the General Meeting represents a quorum and is competent to adopt decisions, as shareholders holding shares with the nominal value totalling 84.318048% of the Bank's registered capital are present.

Mr Pavel Henzl then read the proposal for the following resolution:

Resolution One:

The General Meeting approves the Procedure and Voting Rules of the General Meeting of Komerční banka, a. s., in accordance with the proposal submitted by the Board of Directors.

He announced that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution. Subsequently, he called on the shareholders to use the electronic voting device in **voting round 1** by pressing button Y 1 to express agreement. To express disagreement then should press button N 2. If they want to abstain from voting, they need not press either button.

After completion of the voting, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

He stated that the shareholders will see the exact results of the voting on the screens here in the meeting room and will be listed in the Minutes of the General Meeting and can also be seen on the screens in the lobby.

The final results of the voting on **Resolution One** were as follows:

Shareholders voting 'for' holding 159,207,806 votes which represent 99.980029% of the present number of votes, shareholders voting 'against' holding 2,300 votes which represent 0.001444%, shareholders abstaining holding 29,502 votes which represent 0.018527% of the present number of votes

Mr Pavel Henzl then presented a proposal of the Board of Directors relating to officers of the General Meeting as follows:

Mr Pavel Henzl as the Chairman of the General Meeting, Ms Petra Holečková as the minutes clerk, Ms Alena Krčilová as the minutes verifier and Ms Markéta Batalová and Ms Eva Novotná as the persons authorised to count the votes (scrutineers). He informed that all these candidates are only elected for the proceedings of this ordinary General Meeting and it will be their duty to ensure the due course of the meeting in accordance with the requirements of the law and the Articles of Association of the Bank.

Mr Pavel Henzl asked whether any written request for an explanation, proposal, counterproposal, or objection to this item on the agenda had been submitted. This was not the case.

Then he asked whether there was any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

He stated that before voting on the proposal to be subsequently presented, the General Meeting represents a quorum and is competent to adopt decisions, as shareholders holding shares with the nominal value totalling 84.318278% of the Bank's registered capital are present.

He then presented the proposal to the Board of Directors for the following resolution:

<p><u>Resolution Two:</u> The General Meeting elects Pavel Henzl as the Chairman of the General Meeting</p>
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He announced that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution. Subsequently, he called on the shareholders to use the electronic voting device in **voting round 2**.

After completion of the voting, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Two** were as follows:

Shareholders voting 'for' holding 148,382,192 votes which represent 93.181457% of the present number of votes, shareholders voting 'against' holding 0 votes which represent 0.000000%, shareholders abstaining holding 10,857,851 votes which represent 6.818543% of the present number of votes

He then presented the next proposal to the Board of Directors for the following resolution:

He stated that before the voting on the proposal to be subsequently presented, the General Meeting represents a quorum and is competent to adopt decisions, as shareholders holding shares with the nominal value totalling 84.318484% of the registered capital of the Bank are present.

<p><u>Resolution Three:</u> The General Meeting elects Petra Holečková as the minutes clerk</p>
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He announced that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution. Subsequently, he called on the shareholders to use the electronic voting device in **voting round 3**.

After completion of the voting, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Three** were as follows:

Shareholders voting 'for' holding 148,382,468 votes which represent 93.181414% of the present number of votes, shareholders voting 'against' holding 310 votes which represent 0.000195%, shareholders abstaining holding 10,857,635 votes which represent 6.818392% of the present number of votes

He then presented the next proposal to the Board of Directors for the following resolution:

He stated that before the voting on the proposal to be subsequently presented, the General Meeting represents a quorum and is competent to adopt decisions, as shareholders holding shares with the nominal value totalling 84.318474% of the Bank's registered capital are present.

Resolution Four:

**The General Meeting elects
Alena Krčilová as the minutes verifier**

He announced that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution. Subsequently, he called on the shareholders to use the electronic voting device in **voting round 4**.

After completion of the voting, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Four** were as follows:

Shareholders voting 'for' holding 148,382,094 votes which represent 93.181179% of the present number of votes, shareholders voting 'against' holding 2,755 votes which represent 0.001730%, shareholders abstaining holding 10,855,564 votes which represent 6.817091% of the present number of votes

He then presented the next proposal to the Board of Directors for the following resolution:

He then stated that before the voting on the proposal to be subsequently presented, the General Meeting represents a quorum and is competent to adopt decisions, as shareholders holding shares with the nominal value totalling 84.318474% of the Bank's registered capital are present.

Resolution Five:

**The General Meeting elects
Markéta Batalová as a person authorised to count the votes (scrutineer)**

He announced that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution. Subsequently, he called on the shareholders to use the electronic voting device in **voting round 5**.

After completion of the voting, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Five** were as follows:

Shareholders voting 'for' holding 148,386,257 votes which represent 93.183793% of the present number of votes, shareholders voting 'against' holding 1,690 votes which represent 0.001061%, shareholders abstaining holding 10,852,466 votes which represent 6.815146% of the present number of votes.

He then presented the proposal to the Board of Directors for the next resolution:

He then stated that before the voting on the proposal to be subsequently presented, the General Meeting represents a quorum and is competent to adopt decisions, as shareholders holding shares with the nominal value totalling 84.318633% of the Bank's registered capital are present.

Resolution Six:

The General Meeting elects

Eva Novotná as a person authorised to count the votes (scrutineer)

He announced that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution. Subsequently, he called on the shareholders to use the electronic voting device in **voting round 6**.

After completion of the voting, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Six** were as follows:

Shareholders voting 'for' holding 148,382,569 votes which represent 93.181302% of the present number of votes, shareholders voting 'against' holding 250 votes which represent 0.000157%, shareholders abstaining holding 10,857,894 votes which represent 6.818541% of the present number of votes

Mr Pavel Henzl thanked the shareholders for the confidence shown and asked the other persons elected as officers of this General Meeting to take up their offices.

Consequently Mr Pavel Henzl, the Chairman of the General Meeting, announced that he will proceed with the agenda of the General Meeting.

Item 1 - Discussion and approval of the Report of the Board of Directors on the Business Activities of the Bank and the State of Its Assets for 2018

Chairman of the General Meeting, Mr Pavel Henzl, said that the Report of the Board of Directors on Business Activities is part of the Annual Report of Komerční banka for the year 2018, which the shareholders received together with the materials for today's General Meeting. The Annual Report was published together with the other documents for the General Meeting on 22 March 2019. The Annual Report also includes the Consolidated Financial Statements

for the year 2018, the Annual Financial Statements for the year 2018 and the Report on Relations between Related Entities for the year 2018.

He subsequently asked the Chairman of the Board of Directors, Mr Juchelka, to present his comment on this item on the agenda.

Mr Juchelka informed the shareholders about the Report of the Board of Directors on activities and results of the Komerční banka Group in the year 2018 as follows:

He said that the full report was the attachment of the shareholders' invitation and that he would focus only on the most important points of 2018. The financial results will be subsequently commented on by Mr Jiří Šperl, Executive Director for KS Strategy and Finance.

The Chairman of the Board of Directors, Mr Juchelka, then commented on the individual slides presented on the screens in the hall:

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Mr Juchelka stated that the activities of Komerční banka create a considerable value and will first illustrate how the Bank shares this created value to the benefit of all groups of partners and society. Clients and their needs are the focus of interest of Komerční banka and Mr Juchelka stated that he is very happy that the client base of Komerční banka grows every year despite very strong competition. The number of clients of Komerční banka thus reached 1,668 million in the previous year, and 2.4 million within the Komerční banka Group. He also stated that in 2018 the satisfaction of the Bank's clients measured by independent polls increased in all segments. He is particularly proud of the fact that Komerční banka had the most satisfied clients out of the many corporations on the entire banking market, and not just in the Czech Republic, but also in Slovakia. Proof of the quality of services of the KB Group is also seen with awards including the prize for the best private bank in 2018 which is awarded by the Financial Times, and the declaration of Komerční pojišťovna the best life insurance company in the Czech Republic.

He also stated that the objective of Komerční banka is to create value for clients, as well as for employees and obviously also for shareholders. With regard to its employees, the Bank proceeds with a number of changes last year which strengthen its corporate culture. This will enable it to remain in the long-term an attractive employer for talented co-workers, and improve its competitiveness. Total employee costs came to CZK 7.8 billion, while the Bank created job opportunities for 1,300 new colleagues during the year. As of this year, the Bank will enable employees to devote a full one working day to volunteer activities.

Komerční banka wants to be a responsible corporate entity of the Czech Republic. It demonstrates this by strictly adhering to ethical and regulatory rules, supports various activities beneficial to society such as improving the financial literacy of citizens, the already mentioned volunteer activity, grants for disadvantaged groups, or support of cultural and sports events. The total amount of tax and non-tax levies exceeded CZK 6 billion for last year.

Mr Juchelka stated that the Bank also contributes to environmental conservation and protection. Thanks to its savings measures, including moving into a new headquarters building, it reduces the consumption of gas, heat, electricity and other raw materials. Work meetings are held more often with the aid of video conferencing and the first seven electric cars have been introduced to the car fleet. Since last year the Bank has stopped using plastic containers and bottles.

Mr Juchelka then stated that he would deal with the question of creating values for shareholders in the next few minutes. He reminded the shareholders that the profitability of equity reached 15.3% in 2018, and that the Bank's growth of net profit by 5.8% without one-time items allowed it to propose a pre-tax dividend of CZK 51, i.e. in total CZK 9.7 billion before tax.

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Mr Juchelka reminded the shareholders that at this venue last year he had informed the shareholders of the intention to adjust the strategic direction of the Bank so it would remain successful in the changing environment. In an environment in which customers are changing their preferences in the sphere of financial services where competition is growing not just from other banks, but also from technology companies or from totally different sectors of the economy, and where the requirements of regulators are becoming stricter and increasing constantly.

The mission of Komerční banka is to be regarded as a real bank for real life and its intention is to strengthen the satisfaction of clients, employees and shareholders. The Bank wants clients to consider it their lifelong close partner and can provide them with solutions tailored to their needs, including quality advice, either through its employees or an appropriate digital channel.

He further stated that the Board of Directors want employees to perceive the purpose of their work positively and have sufficient room for career growth, therefore it is strengthening their importance, trust and responsibility.

The Board of Directors builds shareholder satisfaction on long-term profitability and mutual dialogue, therefore the Bank's management will behave towards this society with due responsibility.

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In accordance with this vision, the Board of Directors altered its strategic direction in 2018 and shaped a series of steps which are essential to maintain the success of Komerční banka. These steps are included in the agenda which internally we call KB Change and its introduction will contribute to the achievement of the objectives which the Board of Directors set for 2020: The Board of Directors wants the satisfaction of Komerční banka's customers to be at its highest level compared with its significant competitors in all target segments which particularly include groups of active individual clients, small and medium enterprises, as well as big corporations. It also measures employee satisfaction. All employees have the opportunity to express their opinion in regular anonymous surveys, and the Board of Directors wants employee satisfaction measured from these surveys to exceed 80%.

Mr Juchelka then stated that the Board of Directors proceeded to the major change in work organisation. In order to speed up the capability of introducing innovations and respond to the development of the rapidly changing market, improve corporate culture and increase the independence of employees, the concept of agility (agile@KB) was introduced at headquarters which is a major change to the method of work, when autonomous teams made up of professionals of various additional expertise are responsible for the development of products and changes in processes. The original objective was that 30% of headquarters employees would be working in the agile@KB concept, but to date 40% of headquarters colleagues have been introduced to the agile method.

The KB Change Programme will contribute to increasing the Bank's revenues thanks to greater competitiveness, while the Bank's optimised organisational structure and work methods will bring an increase in operational efficiency in the long-term. The main ambition is the growth of the Bank's total revenues without one-time items to a value exceeding CZK 33 billion in 2020. The operational efficiency measured as a share of costs and revenues should remain below the limit of 45% and the return on equity without one-time effects should exceed 12%.

It is obvious that the banking business carries its own risks therefore it is good at this point to add that among the key risks for achieving the stated objectives is any significant slowdown of economic growth which could be caused by global factors, or an impact of potential new regulatory measures that are unknown as yet.

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Mr Juchelka stated that last year a series of steps of the KB Change strategic plan were already implemented. A number of new services and products were introduced which improve customer experience. The most important are instant payment, establishment of special points of sale for small and medium enterprises, or the expansion of the biggest network of cash deposit ATMs in the Czech Republic.

A priority is to maintain and strengthen the leading position in digital banking in the Czech Republic. KB has the highest number of mobile banking clients and highest volume of transactions made using mobile devices. The number of clients and volumes of transactions is growing by a remarkable rate. Last year the number of Mobile Bank customers rose by 175,000 to 611,000 and the rise continues this year at a similar rate. Clients were also able to use accounts at other banks via internet and mobile banking. Komerční banka is the first bank in the Czech Republic to offer access to accounts at other banks via the internet and in mobile banking.

KB clients can pay via digital items from the broadest spectrum of platforms in the Czech market. We gradually introduced Google Pay, Fitbit and Garmin Pay, and Apple Pay was added this year in a great drive. In this case KB was among the first banks in the market to do so.

Mr Juchelka noted that the Board of Directors is aware that digital banking also requires the client's safe authentication. Therefore the Bank launched the KB Key application which makes it possible to verify the client's identity using a smart phone. In the first 4 months we already have 200,000 clients with an activated KB key.

Mr Juchelka mentioned that the list of innovations is far longer than the time left to mention them. At least he added that Komerční banka is very open cooperation with new technology companies and further partners, proof of which is the new insurance products which were presented in 2018 and 2019 by subsidiary Komerční pojišťovna such as Mutumutu for life insurance and Cubiq for personal property insurance. A specialised platform called KB Smart Solutions has been created to simplify cooperation with start-ups and fintech companies.

The Bank also proceeded to simplify organisation, such as the introduction of the agile method. In addition, the management structure was also changed significantly and the number of senior positions at headquarters and management positions in the branch network reduced by 100.

In response to the growing preferences of customers to access the Bank via digital channels, the Bank reduced the number of branches by 22, i.e. by about 5%. This will continue at a similar rate this year. The number of employees at the end of 2018 was 3% lower compared with the previous year.

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Mr Juchelka stated that the satisfaction of Komerční banka clients is measured by the Net Promoter Score indicator which shows the difference between supporters and critics from among customers. Clients traditionally rate contact with bank advisors and mobile banking very positively. The Bank achieved a leading position on the market for corporate clients when the satisfaction indicator reached a respectable value of 59 positive points for big corporations in the Czech Republic and in Slovakia which shows that clients very positively rates the professionalism of advisory services and simplification of processes particularly the sphere of financing.

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At the end of December 2018 the KB Group had served 2,391,000 clients on a consolidated basis. KB alone had 1,668,000 clients (year-on-year by 0.2% more), of this 1,410,000 were citizens. A further 258,000 customers were businessmen, companies and big corporations (including municipalities and associations). The Modrá pyramida (Blue Pyramid) served 490,000 customers and the number of participants of supplementary pension insurance at Penzijní společnost KB reached 532,000. The services of the ESSOX group were used by 212,000 active clients.

The number of branches of Komerční banka fell (by 22) to 364. In the network of 776 ATMS, 320 already make it possible to deposit cash which is the most in the Czech Republic.

The popularity of digital channels in recent years has grown significantly and direct banking channels are currently already used by 87% of our clients. The number of clients that have access to a mobile application has increased year-on-year by 175,000 and now represents 37% of the total number of clients.

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Mr Juchelka then gave a brief description of the business results of the KB Group for 2018.

Despite the intensive competition on the market, the total volume of loans of the KB Group increased year-on-year by 4.8 %. Building savings loans rose year-on-year by 16.2%, mortgages by 2.3%. Consumer loans increased by 4.6% and business loans increased by 5.5%. The total volume of loans provided by the KB Group to businesses rose year-on-year by 5.0% to CZK 322.7 billion.

During the course of 2018 a new business loan of up to CZK 25 million was launched which is normally provided in 3-5 days after the receipt of an application as opposed to the former more than 20 days. The endeavour is to actively respond to the needs and expectations of clients.

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Here Mr Juchelka presented some of the interesting transactions that have been made with clients in various economic sectors ranging from the energy and processing industry, transport and real estate to the public sector. These examples demonstrate the diversity of the Bank's partnerships, which reaches all sectors of the Czech and Slovak economy, and the capability of Komerční banka to support, among others, innovative, socially beneficial and complex projects.

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The total volume of deposits in the KB Group increased year-on-year by 6.6% and reached CZK 812.5 billion. Citizens' deposits in KB increased year-on-year by a full 10.0% to CZK 276.6 billion. Deposits in Modrá pyramida fell by 1.4% to CZK 61.8 billion, which was affected by the termination of old agreements. Deposits of corporate and business clients rose by 5.9% to CZK 474.1 billion, including repo agreement operations.

The Group's liquidity expressed by the ratio of net loans and deposits (without repos with clients, but including bonds issued by the Bank's clients and held by KB) reached 77.9%.

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The volume of assets of clients of the KB Group in mutual funds, pension savings and life insurance rose by 2.1% to CZK 167.5 billion. The main contributor to the growth was client assets managed by KB Penzijní společnost, which rose by 8.0% to CZK 57.6 billion.

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Here Mr Juchelka stated that in 2018 KB was also presented with a number of awards such as the already mentioned Private Banking and Komerční pojišťovna. In addition to the award from an expert jury Komerční pojišťovna was also successful in the public vote. After twice winning the Bank of the Year award the Bank came second with the silver award last year. It was also pleasing to win the Bank without Barriers award in its efforts to make services as easy to access as possible to people with physical and mental disorders.

In conclusion he stated that this year the Board of Directors will continue with the strategic transformation of Komerční banka and focus on activities to improve customer experience and attractiveness of KB among clients. I hope that it will achieve further growth of the volume of client loans and deposits and strengthening of the position of KB on the market. Mr Jiří Šperl will later inform shareholders in more detail about financial performance. Mr Juchelka thanked them for their attention and gave the floor to Mr Henzl.

The Chairman of the General Meeting, Mr Pavel Henzl, thanked Mr Juchelka for his comment regarding the above item of the agenda and stated that written questions had been presented by shareholder Mr Martin Müller, as follows:

Question One:

Interest rates and income trend

How do you anticipate the trend of interest rates in 2019 and what is your outlook for 2020? CNB has declared 1 or no increased for 2019.

Mr Henzl asked Mr Šperl for an answer who stated the following:

He stated that the Bank's basic scenario for interest rates for 2019 is that CNB will again raise its Repo rate this year by 25 basic points. He confirmed that the trend of increasing interest rates is positive not just for Komerční banka in this environment, since all banks are positively sensitive to the increase of interest rates. To illustrate, he stated that in case of KB one increase of the Repo rate means better results in interest rate income by about CZK 200 million.

Question Two:

I expect that the current trend of increasing interest rates is positive for KB. What income trend in terms of growth or decline in the volume of loans, growth or decline in fees do you expect in 2019? What impact will this have on profit growth for 2019?

Mr Šperl answered as follows:

He stated that he works in the planning documents with the ambition that loans will increase by about 5 to 6 %, in case of KB this means slightly faster than he expects the market to grow where the expectation is of between 4 to 5%. The Bank anticipates that revenues from interest rate income will have a positive trend (5 to 6%), as will fees and commission (1 to 2%). On the other hand, income from financial operations will most likely be lower in 2019 than in 2018, when we recorded extraordinary positive effects.

Question Three:

Risk costs

We expect an increase or decline of risk costs in 2019? If you can also specify by category – mortgages, consumer loans, loan to big companies, businessmen,...

Mr Henzl asked Mr Didier Colin for an answer who stated the following:

As regards risk costs and outlooks he firstly stressed that these low risk costs are not just specific to Komerční banka, but applies to the entire banking sector. It is merely a reflection of the positive macro-economic environment where we see the default rate at historically low levels. This also means that we see a positive solution for some clients, above all big corporations. He also pointed out that the best is to look at the historic averages for loans in the last ten to fifteen years. Average risk costs were 20 to 30 basic points, thus some time from 2020 or 2021 we can expect that the situation will be similar to that of the last three years.

Question Four:

Mortgages

Last year CNB tightened the requirements for obtaining a mortgage last year. In addition, the growth of interest rates and real estate property prices is reducing the availability of mortgages. According to information from the media there was a marked slump in the mortgages provided at the end of last year. Mortgages were very interesting and a constantly growing segment for KB.

- 1) *How did the change in conditions specifically affect KB in terms of the number of mortgages provided and the volume?*
- 2) *Do you expect growth, stagnation or a slump in the mortgages provided for 2019 as compared with 2018?*
- 3) *What impact do you estimate this will have on income for 2019?*
- 4) *How do you plan to compensate a possible slump?*

Mr Henzl pointed out that the Bank is a company listed on the stock market, therefore he cannot comment on the results of the first quarter because these are the subject of a separate press conference in early May. So for this reason the answer will be limited.

Mr Hiršl answered this question briefly as follows:

Our ambition to gain a market share in the sphere of mortgages in 2019 and be one of the leading banks to provide mortgages has not changed.

Mr Henzl thanked him for the answer and read Mr Müller's next question.

Question Five:

Fintech

- 1) *Threat or opportunity? How does KB regard this?*

Mr Simson answered the question as follows:

Technology is always a threat and opportunity at the same time. Generally speaking, any liberalisation of the market and provision of new technologies is available to those who are at the forefront. This is a great opportunity to move forward, gain a market share and further business. It must also be noted that we must adapt quickly, understand technologies and know how to use them in the interests of our clients. Mr Simson stated that he personally sees Fintech as an opportunity. We can develop even more on the market, become more relevant and useful to customers.

Mr Juchelka added that as has already been said in his previous monologue, Komerční banka has set up a platform which is called KB Smart Solutions so KB on the one side is open to observing what is happening on the Fintech scene and on the other side to support new initiatives managed by KB employees – so-called startup initiatives.

Question Six:

ad Fintech

- 2) *Do you have an idea of what percentage of KB clients use third-party applications to manage their account at KB? What is the trend? Is there a decrease in the use of KB mobile application and KB internet banking?*

Mr Juchelka answered this question and stated that the entire regulation of PSD 2 tells banks that they should open their systems to further parties. KB wants to be on the side of those who will aggregate our applications (internet and mobile), and therefore both were made available and KB clients were able to aggregate accounts from other banks. However as yet it is too early for any statistics, nevertheless KB is one of the first banks that have placed this solution on the market.

Question Seven:

ad Fintech

- 3) *Can you monitor what third-party applications do KB clients use for access to accounts and who are the strongest and fastest growing players in this field? Can you share this with us?*

Once again Mr Juchelka answered by repeating that it is too soon for any statistics. No statistics are available, therefore it is difficult now to measure who is leading this imaginary race.

Question Eight:

ad Fintech

- 4) *How far has KB progressed with the possibility of managing accounts of other banks via the KB application? And how interesting is this for clients (% of people who use this + trend)?*

Mr Hiršl answered this question by stating that so far KB allows so-called passive aggregation (view via our application of client accounts of selected banks). Active aggregation has not yet been brought into operation, but is planned in 2019. The number of users of this passive aggregation is estimated at thousands of clients. For KB it is more an investment for the future.

Question Nine:

ad Fintech

- 5) *What share and trend do individual sales channels have (Mobile Application, Internet Banking, client staff at branches, telephonists,...)? Where do you see the biggest opportunities?*

Mr Juchelka answered this question. In his answer he referred to his Report on the Business Activities of the Bank and Its Assets in which he stated that the fastest growing platform is KB mobile banking. This is the most used mobile banking application in the Czech Republic. Nevertheless in this mixture of sites where transactions are concluded and where transactions arise, the biggest role is still played by the KB branch network. Therefore the Bank's management is not in any way aggressive in reducing the number of branches within the Czech Republic. It is proceeding very slowly and understandably since it considers this option to be a highly valuable sales channel.

Question Ten:

ad Fintech

- 6) *Are KB technologies able to compensate or partly replace the work that is carried out at the branch network?*

Mr Hiršl answered by stating yes and partly. An example is also activities without greater added value such as the assistance of software robots for opening accounts.

Question Eleven:

ad Fintech

- 7) *Are you planning the optimisation of the branch network? In what way?*

Mr Juchelka answered by referring to the already mentioned Report. He again repeated that the KB management had reduced the number of branches in 2018 by 22. The KB management

in 2018 announced as part of the strategic plan the intention to reduce the number of the branch network by 15% in total and this rate will continue.

Mr Henzl thanked him for the answer and read several of the next questions concerning Payment Cards and Credit Cards and ApplePay. He asked Mr Jeřábek for a summarised answer.

Question Twelve:

Payment and Credit Cards, ApplePay

I have seen the advert where KB offers payment terminals for the acceptance of payment cards with 0% fee. So it is likely that some flat fee applies. I assumed that the verification authority and payment card issuer charges some small % for individual transactions. Perhaps I was mistaken and things are different. What is interesting in terms of acceptance of payment cards is the charge of some small % for KB from the transaction. So what would apply would be the bigger the volume of transactions, the bigger the profit for KB. This is probably not the case.

- 1) *Can you tell me how this works please?*
- 2) *How interesting in terms of profit and in terms of profit growth is the segment of the issue and acceptance of payment cards?*
- 3) *Which segment associated with payment and credit cards is the most interesting and most prospective in terms of profit?*
- 4) *Has KB got any income for the introduction and use of ApplePay, or is it just a customer service? Where is the profit?*

Firstly Mr Jeřábek stated that such a scope of questions is for a small conference and he had finally answered the presented questions. He stated that the questioner is right and not mistaken that for the issue of cards during a payment card transaction there are certain fees that go to the association, the payment issuer. In case of KB the situation is different in that KB is the payment issuer, i.e. the issuer, is not the card acquirer, only the acquirer through ATMs. Komerční banka sold its acquiring business to the company Worldline, which means that the price strategy to which the questioner refers, that zero fee (this particularly applies to smaller retail traders) is there, but involves a fee of several hundred crowns. In other words, there is a flat fee. In terms of the segment it is usually the lower the segment – the higher the margin. However in higher segments this is compensated by volume. Nevertheless, in view of the lower penetration in segments such as for traders, there is somewhat greater room there in terms of profit. In answer to the question concerning income and ApplePay, Mr Jeřábek stated that KB was one of the first to have ApplePay. It must be realised that ApplePay are cards (VISA, EUROCARD, MASTERCARD associations), not a payment system. Fees connected with ApplePay are the same situation as if a customer used his card at a terminal. You just do not use a terminal, but have a card inserted in a mobile phone, in the case of ApplePay for Apple users. In other words, ApplePay is profitable for the Bank, nevertheless ApplePay is not a charity and charges a certain share for use from the fees that as standard are paid for card transactions.

Question Thirteen:

Dividend for the forthcoming years

- 1) *Do you expect that in the forthcoming years there will be stricter requirements for capital adequacy?*

- 2) *Can the possible stricter requirements threaten the long-term declared dividend payout ratio?*
- 3) *What dividend payout ratio do you expect for the dividend for 2020, paid out from profits for 2019?*

Mr Šperl answered the questions. He stated that he deals with this subject in his presentation nevertheless he answered the question in brief. He stated that currently the capital requirement for Komerční banka is at 16.35 but that the KB capital adequacy is at 18.5. We already know that the capital requirement from CNB will be increased and from 1 January 2020 it will be at 16.85 and from mid next year at 17.10. The increase relates to the requirement of the increase of the countercyclical capital buffer. As to the question of the dividend, he stated that in 2019 the Bank already announced to markets that it expects that at the General Meeting in April 2020 it will propose a payout ratio of 65% which means the same as this year.

Question Fourteen:

Bank tax

Voices are again being heard about the introduction of a bank tax.

- 1) *Have you looked at the possible impact and solutions in case that a bank tax is introduced?*
- 2) *In the Czech Republic I see a very strong competitive environment between banks. Would KB be able to adjust its products so that it would transfer part of the anticipated bank tax to clients?*
- 3) *Or would the entire part of the bank tax be charged to the shareholders? I understand that this is speculative, the bank tax is just an issue not a reality, nevertheless I am interested in your opinion. As a shareholder it is very important that I know you will act.*

Mr Henzl stated that that Mr Smutka asked the same question in writing. He had also asked about the introduction of a sector tax and its impact on the Bank.

Mr Juchelka again provided the answer. He stated that this really is a hypothetical matter. Although various statements are appearing in the mass media about the intention to introduce a sector tax which the KB management sees as any tax that could be imposed on any sector, no such item has been presented at proceedings of the Czech government and according to the information available is not being currently discussed. Thus it is purely hypothetical and speculative to present various scenarios because forms of taxation of various sectors in different countries vary. So it is not possible here to present endless potential scenarios. It can only be said that Komerční banka does not consider any introduction of a sector tax to be healthy. In terms of the fact that it could disrupt the relationships of the Bank's clients and shareholders with the Bank and that a single intervention of this kind could cause limit the capabilities of the entire sector to finance the Czech economy. Mr Juchelka is of the opinion that the system consequences of such a step could be negatively projected into the entire Czech economy. If there is something rare in the global perspective then according to Mr Juchelka it is stability and predictability of the banking market in the Czech Republic. The potential introduction of a sector tax could result in the disruption of this stability and predictability.

Mr Henzl thanked Mr Juchelka for his answer and announced that the Board of Directors has received yet another question from Mr Smutka concerning the Supervisory Board. He also announced that this question would be answered later with the opinion of the Supervisory Board concerning the Bank's results.

Mr Pavel Henzl asked whether any other written request for an explanation, proposal, counterproposal, or objection relating to this item of the agenda had been submitted. This was not the case.

He then asked whether anyone had an oral request for an explanation, proposal, counterproposal or objection to this item of the agenda.

Shareholder Mr Müller asked a question.

Mr Müller asked again for a more specific answer to the subject of mortgages and the announced slump in past years, for example, whether it was possible to compare Q4 2017 and Q4 2018.

In answer to the question Mr Hiršl stated that he recalls what happened on the market in past years when there was great frontloading. Clients were taking out mortgages beforehand if they knew that these rules would have a negative impact on them. Komerční banka was also part of this trend and the rules of the central bank were enforced gradually. So applications received before the declaration of the CNB were still processed in the old system. He also stated that personally the trend of the last quarter of 2018 was almost no indication of what is happening on the market in 2019. From information in the public domain we all see the market is experiencing a slump after three entire months by about 30%.

Mr Henzl thanked Mr Hiršl for the answer and asked whether anyone had an oral request for an explanation, proposal, counterproposal or objection to this item of the agenda. This was not the case.

He then stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.332673% of the Bank's registered capital are present.

He then read the proposal for the following resolution:

<p><u>Resolution Seven:</u> The General Meeting approves the Report of the Board of Directors on the Business Activities of the Bank and State of Its Assets for 2018 in the wording submitted by the Board of Directors.</p>

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that the adoption of this resolution requires an absolute majority of the votes of the present shareholders.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, asked the shareholders to use the electronic voting device in **voting round 7**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to information on the monitor the resolution was adopted.

He stated that the exact results of the voting are seen by the shareholders on the screens here in the meeting room and will be listed in the minutes of the General Meeting and also can be seen on the screens in the lobby.

The final results of the voting on **Resolution Seven** were as follows:

Shareholders voting 'for' holding 158,971,660 votes which represent 99.814419% of the present number of votes, shareholders voting 'against' holding 76,064 votes which

represent 0.047759%, shareholders abstaining holding 219,505 votes which represent 0.137822% of the present number of votes

Item 2 – Discussion of the Explanatory Report on Matters under Section 118 (5) a) to k) of Act No. 256/2004 Coll., on Capital Market Business Undertakings, as amended

The Chairman of the General Meeting, Mr Pavel Henzl, stated that as Material No. 2 the Explanatory Report on matters required under the Act on Capital Market Business Undertakings was distributed to the shareholders. This report must be submitted by the Board of Directors annually to shareholders at the General Meeting and must explain the defensive structures and mechanisms in the event of a takeover bid.

The Board of Directors presents this summary explanatory report to the shareholders and declares that it provides all information regarding the matters required by the aforementioned provisions of the Act on Capital Market Business Undertakings.

Then the Chairman of the General Meeting, Mr Pavel Henzl, pointed out that there will be no voting on this report.

The Chairman of the General Meeting, Mr Pavel Henzl, asked whether any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda had been submitted. This was not the case.

Then he asked whether there was any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Item 3 – Discussion on the Report of the Board of Directors on Relations between Related Parties for 2018

The Chairman of the General Meeting, Mr Pavel Henzl, stated that the Report on Relations is attached to the Annual Report which the shareholders received during the attendance registration. Under Section 84 (1) of the Act on Business Corporations, the Board of Directors is obliged to acquaint shareholders with the conclusions of the Report on Relations between Related Parties. The Board of Directors has reviewed all relations between the Bank and companies affiliated in the business group for the 2018 accounting period and has stated that the Bank did not incur any loss from any contract, agreement, other legal acts made or accepted by the Bank, or from any otherwise enforced influence on the part of Société Générale S. A. as the controlling entity.

The Chairman of the General Meeting, Mr Pavel Henzl, pointed out that there will be no voting on this report.

Then the Chairman of the General Meeting, Mr Pavel Henzl, asked whether any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda had been submitted. This was not the case.

Then he asked whether anyone had an oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Item 4 – Discussion on the Consolidated Financial Statements for 2018 and the Annual Financial Statements for 2018 with the proposal for the distribution of profit for 2018

The Chairman of the General Meeting, Mr Pavel Henzl, stated that the shareholders had received the Annual Report for 2018 to this item of the agenda, and that voting will take place within items 7, 8 and 9.

He reminded the shareholders that the Annual Report, which includes the Consolidated Financial Statements as well as the Annual Financial Statements, were available to the shareholders together with other documents at the Bank's registered office and available for downloading on the Bank's website since 22 March 2019. Today these are available as part of the Bank's Annual Report. The main data of both the Consolidated Financial Statements as well as the Annual Financial Statements are included in the invitation to today's General Meeting.

He then invited Mr Šperl, Executive Director for Strategy and Finance, to comment on this item on the agenda.

Mr Šperl informed the shareholders that Komerční banka managed in 2018 to repeat the record financial results of the previous year, without contribution to one-time positive effects. He reminded the shareholders that a year ago he stated that a one-time item contributed to the 2017 result, which was the sale of the headquarters building in the street Na Příkopě in order to optimise the buildings of KB headquarters. In 2018 the impact of one-time effects had been totally marginal, precisely CZK 1 million.

Mr Šperl focused, for better comparability of numbers, on the results minus the one-time item.

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The KB Group achieved a net profit after tax in 2018 of CZK 14.8 billion which means a year-on-year increase of almost 6%. Almost all categories contributed to the positive result, but particularly net operating revenues which year-on-year added CZK 1.1 billion, which is a 3.7% increase. Meanwhile, operating costs rose more slowly than inflation, only by 1.9%, by an absolute value of CZK 266 million. And risk costs also had a positive contribution bringing CZK 642 million to the total result which is one third more than in 2017.

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The Chief Executive Officer, Mr Juchelka had already talked about the key balance sheet categories, i.e. about client loans and deposits and Mr Šperl focused on the total development of this Group. Total assets rose year-on-year as by great coincidence by the same 5.8 % as the increase of net profit after tax without one-time items. It reached the value of CZK 1,060 billion which is the most in the Group's history. In absolute values this is an increase of CZK 58 billion which was mostly on the part of liabilities driven by client deposits at almost 90%. Half of these new sources were used to finance client loans that this is one of the Bank's great priorities, and the remainder, i.e. surplus liquidity, was deposited on the interbank market, particularly in repos with the CNB.

Slide 21

The Group's equity rose during 2018 by CZK 2.1 billion to CZK 103.3 billion thanks to the creation of net profit reduced by the paid out dividend. He reminded the shareholders that since 1 January 2018 the Group has implemented the new IFRS 9 Accounting Standard for financial instruments which replaced the previous IAS 39 standard. The IFRS 9 Standard brought a new approach to the classification and evaluation of financial assets, a new model for determining the decrease in the value of financial assets and new rules of hedge accounting. The details are explained in the Annual Report on page 117 and those following. As a consequence of the changes to the accounting methods for financial instruments, there was a total decrease of

equity by CZK 2.2 billion at the standard implementation date, i.e. at 1 January 2018. The impact on capital adequacy was totally negligible.

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He then presented some information about key accounting categories. Revenues rose year-on-year by 3.7% and achieved the value of CZK 32.2 billion. The main driving force was interest income which rose year-on-year by more than 7%. Besides solid results, the influence of the environment was also displayed here, specifically the gradual normalisation of monetary policy of the central bank which in 2018 proceeded to five increases of its basic interest rate. Income from fees and commission stagnated, year-on-year falling slightly by almost 1% particularly due to the high competitive environment in the banking service market. After the extraordinary year of 2017 there was a decline in profit from financial operations by about 8%. The year 2017 had improved the extraordinarily high demand of clients for hedging exchange rate risks before and shortly after the CNB terminated its exchange rate commitment regarding the rate of the CZK to the Euro in April 2017. Operating revenues in one sentence saw solid growth reinforced by the improvement of the quality of its mix to the benefit of more stable core revenues (interest revenues and revenues from fees and commission).

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Mr Šperl stated that operating costs rose year-on-year by 1.9%, i.e. less than inflation, and the main cost here was personnel costs which year-on-year added about 3.9% and achieved the value of CZK 7.3 billion CZK. It is a natural trend as average wages in the Czech Republic rose in 2018 by more than 8%. Other categories of costs, i.e. non-personnel costs, fell slightly. Cost discipline, efficiency and productivity are part of the DNA of Komerční banka.

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Risk costs were affected by positive macro-economic conditions in the Czech Republic, successful recovery results at the Bank and its subsidiaries, extraordinary revenues from sales of non-performing receivables and low volume of new loans in default. The result is the discharge of net provisions of CZK 642 million. Gradually over time risk costs will return to their normal levels, i.e. actual costs and not revenues as in 2017 and 2018. Positive financial results were projected in the profitability indicators and the capital power of the Group. Mr Šperl has already provided a comment on capital adequacy when answering shareholders' questions. He also mentioned the net interest margin which after many years of decline is stable year-on-year and at 2.3%, which the Bank's management considers a success particularly in a situation when the margins are still under great competitive pressure. On the other hand, the area of deposits was positive in the interest environment. The loan and deposit ratio has stayed at just below 80%, which means that the Bank's liquidity is at a very strong level and there is good potential and room here for further growth of loans. The cost and revenue ratio, in contrast to 2017, has fallen again slightly to 45.1%, thus the Bank confirmed its discipline in cost management and continues to be among the market leaders in this area. Mr Šperl also commented on the profitability of equity which rose year-on-year by 1% and is at a solid 15.3%.

The healthy financial and business position of the KB Group was also appreciated by international rating agencies as Standard & Poor's confirmed KB's rating last year and Moody's and Fitch even increased the rating. In their reports the rating agencies appreciated KB's conservative risk appetite, strong position on the market and in its capital, stable sources of client deposits and high liquidity.

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On the question of the Bank's capital position, Mr Šperl stated that most of this information had already been provided in an answer to a question of the shareholders. Therefore he just mentioned that currently the capital requirement is at 16.35%, from mid 2020 it will be 17.1% but that currently capital adequacy is at 18.5%.

He further stated that in view of the fact that the shareholder dividend is paid out by the parent company Komerční banka, here he mentioned this single result, i.e. the non-consolidated result of KB itself. The reported net profit after tax was about CZK 15.2 billion. Given that the Bank is the main contributor to the total result of the Group, the results here greatly correlate with the results of the KB Group. Logically the biggest deviations are dividends paid by the subsidiaries to KB, which are part of the revenues on an individual basis but not on the consolidated basis.

Mr Šperl then presented the draft dividend for 2018, which is fully in compliance with the intention made public at the General Meeting a year ago, i.e. 65% of the profit of the KB Group. In absolute figures this is CZK 9.7 billion, i.e. CZK 51 per share as opposed to CZK 47 in 2017. The Bank's management believes that this is a fair remuneration for the shareholders and the Bank is also maintaining adequate sources to ensure further growth.

Another good report according to Mr Šperl is that being aware of the Bank's strong capital position and in view of the anticipated trend of the volume of business activities and regulatory capital requirements, the Bank's management intends at the General Meeting early next year to propose dividends again at 65% of the net profit that the Bank's achieves for 2019.

The last information presented by Mr Šperl, given the positive experience and in accordance with regulatory requirements, was the proposal of the Board of Directors to again appoint as external auditor of KB in the Czech Republic and Slovakia, one of the leading auditor companies, Deloitte Audit. Mr Šperl then thanked the shareholders for their attention.

The Chairman of the General Meeting, Mr Pavel Henzl, thanked Mr Šperl and asked whether any written request for an explanation, proposal or counterproposal, or objection relating to this item of the Agenda had been submitted. This was not the case.

Then he asked whether anyone had an oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda.

Then he asked whether anyone else had an oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Item 5 – Statement of the Supervisory Board on the Consolidated Financial Statements for 2018, on the Annual Financial Statements for 2018 and on the proposal for the profit distribution for 2018, discussion of the report of the Supervisory Board on the results of its activities and information of the Supervisory Board on the results of the review of the Report of the Board of Directors on Relations between Related Parties for 2018

The Chairman of the General Meeting, Mr Pavel Henzl pointed out that there will be no voting on this report. He then called on the Chairman of the Supervisory Board, Mr Jean-Luc Parer, to take the floor.

Before Mr Parer's presentation, shareholder Mr Běhůnek repeated his request of last year's general Meeting concerning the lack of refreshments.

Mr Henzl answered that coffee and water was available in the lobby.

Consequently, Mr Parer took the floor. He greeted the shareholders and as authorised by the Supervisory Board of Komerční banka, a. s., presented the statement of the Supervisory Board on the Consolidated Financial Statements for 2018, on the Annual Financial Statements for 2018, on the proposal for profit distribution for 2018, on the Report of the Board of Directors on Relations between Related Parties prepared in compliance with the Business Corporation Act, and on information on the control activity of the Supervisory Board for the period from the General Meeting held on 25 April last year to the today's General Meeting.

The Supervisory Board has examined the Consolidated Financial Statements of Komerční banka, a.s. compiled as at 31 December 2018 according to the International Financial Reporting Standards (IFRS) and the Annual Financial Statements as at 31 December 2018, also compiled according to the International Financial Reporting Standards, in accordance with Section 13 (2) d) of the Bank's Articles of Association.

Having examined both the Bank's Consolidated and the Annual Financial Statements for the period from 1 January to 31 December 2018 and based upon an opinion of an 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 as well as in compliance with the Bank's Articles of Association. Accounting records and books mirror the financial position of Komerční banka, a.s. in all relevant aspects. The Financial Statements prepared and compiled based on these accounting records report a true and fair view of the object of the Bank's accounting and financial position.

The Supervisory Board recommends that the General Meeting approves both the Consolidated Financial Statements and the Annual Financial Statements for 2018 as they are proposed by the Bank's Board of Directors.

The Bank's Supervisory Board has reviewed the proposal of the Board of Directors for distribution of net profit for the accounting period 2018 within the meaning of Section 13 (2) d) of the Bank's Articles of Association and inasmuch the proposal for profit distribution complies with both applicable laws and the Bank's Articles of Association, the Supervisory Board recommends that the General Meeting approves the proposal for its distribution as proposed by the Bank's Board of Directors.

The Supervisory Board has reviewed the Report on Relations between Related Parties in 2018 and based upon documents presented states that Komerční banka, a.s. did not incur any harm from any concluded contract, agreement, other legal action taken or accepted by Komerční banka, or any other influence exerted by Société Générale in the accounting period from 1 January 2018 to 31 December 2018.

Mr. Parer further informed the shareholders of the control activities of the Supervisory Board of Komerční banka, a.s. from the General Meeting held on April last year until today's General Meeting.

The Supervisory Board was continuously informed about the Bank's operations and activities in the past period. Reports and analyses were submitted to the Supervisory Board on a regular basis. The Supervisory Board has assessed in particular both the functionality and efficiency of the Bank's management and control system. The Supervisory Board has stated that the management and control system is efficient and covers all the Bank's activities, but there are some areas that need improvement for which action plans have been adopted. The Supervisory Board has further discussed the Internal Audit events and audit results in individual periods of the year and at the same time it expressed its positive opinion on the

strategic plan of Internal Audit for 2019 - 2023 as well as to the annual plan of Internal Audit activity. It also discussed the internal audit strategy and the program to ensure its quality. It has been informed of risk exposure compliance management and has dealt regularly with the bank's quarterly financial results and its market position regarding the development of the macro-economic environment. It also dealt with the budget of the KB Financial Group for 2019 and took note of the report on activity of the Board of Directors for 2018.

The Supervisory Board discussed the annual analysis of solution of all complaints sent to KB as well as to its ombudsman. It was also informed of the employees' demography, sickness rate and overtime hours.

The Supervisory Board was regularly informed of all steps taken as part of the Bank's new strategy, KB Change, during 2018 and of the next development in this area in 2019. The Supervisory Board expressed its support for this transformation programme.

The Supervisory Board also supported its operation by four newly established committees. The Remuneration Committee has dealt with issues from the field of the deferred bonuses system and remuneration of the Bank's employees. At the same time, it dealt with and addressed issues associated with the remuneration of Members of the Board of Directors and informed of the updating of the remuneration principles. It was also informed of the results of collective bargaining.

In accordance with the KB Change policy, the appointment committee proposed personnel changes in the Board of Directors, including the re-distribution of the competencies among the Members of the Board of Directors. Also in accordance with the general Guidelines EBA/GL/2017/12 to assess the suitability of Members of the management body, it assessed the suitability of the Members of the Supervisory Board and Board of Directors for the execution of their office and collective suitability of the Board of Directors in its management role and the Supervisory Board in its control role.

The risk committee dealt with all issues regarding the Bank's risk management including its credit risk profile.

At the same time, the Supervisory Board was always informed of matters considered by the Audit Committee at its meetings. The Supervisory Board also approved the change in the Statutes of its committees. All committees regularly informed the Supervisory Board of their activities and recommended within its competencies subsequent procedures to be taken by the Supervisory Board.

Materials submitted to the Supervisory Board were commented directly at its meetings by individual Members of the Board of Directors and the Bank's executive officers and directors. The Supervisory Board then adopted its decisions based on the recommendations of its committees within the competence established by law and by the Bank's Articles of Associations.

The Supervisory Board elected David Formánek, Miroslav Hiršl and Margus Simson as the new Members of the Board of Directors and approved their executive service agreements as Members of the Board of Directors.

The Supervisory Board received the resignation of membership in the Supervisory Board from Ms Šmídová and Messrs Jelínek and Kačena as of 13 January 2019. In the election of Members of the Supervisory Board for the Bank's employees, the Members of the Supervisory Board also elected were Ms Sylva Kynychová and Messrs Ondřej Kudrna and Vojtěch Šmajer, effective as of 14 January 2019. After the resignation of Ms Rémond, the Supervisory Board

coopted, effective as of 15 January 2019, to the office of Member of the Supervisory Board Ms Cécile Camilli, whose proposal for election and also the proposal of election of Ms Petra Wendelová, are on the agenda of today's General Meeting. Ms Wendelová replaced Mr Laube, who will end his membership in the Supervisory Board and in the Audit Committee as of today.

The Supervisory Board also extended the number of Members of the Remuneration Committee and Appointment Committee to four. Ms Kynychová and Mr Dvořák were newly elected to both these committees.

The Supervisory Board, as part of its competencies, determined bonuses for the Members of the Board of Directors for 2018, of a total of CZK 32,005,650. In determining the bonuses, the Supervisory Board based its conclusions on the Deferred Variable Remuneration Scheme and further in particular on the Bank's overall results, taking into consideration also the conformity of these results with the Bank's strategy, goals, values, acceptable exposure and risk rate, and long-term interests. The Supervisory Board has assessed all of these indicators and assigned the bonuses to Members of the Board of Directors.

Mr. Parer stated that the Supervisory Board has controlled due performance of the tasks of the Board of Directors, supervised the competencies exerted by the Board of Directors, checked book-keeping records and other financial records of Komerční banka, a.s., efficiency, general operability and the capacity of the Management and Control System which it regularly evaluated. Last but not least, he thus stated that the Bank's business activity was performed in compliance with law provisions as well as with the Bank's Articles of Association and thanked the shareholders for their attention.

Thereupon the Chairman of the General Meeting, Mr. Pavel Henzl, thanked Mr. Parer for the statement of the Supervisory Board and asked whether there were any written request for explanation, a proposal, a counter-proposal, or a protest relating to this item of the agenda had been submitted.

A question was asked by shareholder Mr Luboš Smutka. He asked whether the Supervisory Board had addressed any of the clients' complaints.

Mr Parer answered this question by stating that he had already mentioned it in his report, the Supervisory Board dealt with and addressed the report concerning complaints and examined it very carefully. We found that the number of complaints had increased because the volume of card transactions had increased and the ATM network had been extended. Nevertheless, the volume of complaints submitted to the ombudsman had fallen from the previous thirty to nineteen. So we can say that the processing procedure had improved above all due to the new instrument which allows the Bank to respond quicker to a complaint.

Mr Henzl thanked Mr Parer.

He also asked whether anyone had an oral request for explanation, a proposal, a counter-proposal, or a protest relating to this item on the agenda. This was not the case.

Item 6 – Discussion of the Report of the Audit Committee on the results of its activity

The Chairman of the General Meeting, Mr Pavel Henzl stated that the report was made public together with other documents for the General Meeting on 22 March 2019 and there will be no voting on this report. He then called on the Chairman of the Audit Committee, Mr Laube, to express his opinion on this topic.

Mr. Laube stated that he was authorised to present this report by the Audit Committee of Komerční banky, a. s., and that the report will relate to the results of activity of the Committee for the period from the General Meeting held on 25 April last year to today's General Meeting. During this period the Committee met for 7 regular meetings.

Within its competencies, the Audit Committee in particular observed the procedure of compiling the Financial Statements and the Consolidated Financial Statements, and examined the consistency and suitability of accounting methods used by the Bank. The Committee watched the course of the statutory audit and stated that the management of the Bank follows the recommendations of an external auditor. The Committee also assessed the 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 did not find any relevant deficiencies in this respect.

The Committee discussed the so-called Constructive Service Letter prepared by Deloitte Audit, s.r.o. advising on findings of the external auditor during the audit of the financial statements for 2017, including recommendations of corrective measures for their solution.

The Committee further discussed the regular reports of the Internal Audit on the state of performance of corrective measures implemented in the Bank and was informed of all its measures performed in individual periods of the year.

The income of the Bank's financial group for individual quarters was continuously discussed at meetings of the Audit Committee, and the budget for year 2019. At the same time, the financial position of competitors was discussed as well as the development of the Bank's market shares in individual areas. Attention was also paid to the Bank's capital adequacy and of the whole financial group, to its goals and to regulating impacts, including anticipated development of that indicator in the future period. Information on the Bank's credit risk profile was also submitted to the Committee.

The Committee was continuously presented with additional reports and information as requested.

The Committee was informed of the external audit activities in drawing up the closing financial statements for the year 2018, and subsequently on the progress of the external audit in this accounting period. At the same time the Committee discussed the agreement with the external auditor.

The Committee further dealt in detail with the mapping the risks, the annual plan of the Internal Audit for 2019 and the strategic audit plan for the period of 2019 – 2023. It also considered the strategy of the internal audit and the program for securing its quality and improvement.

The Committee also discussed the annual income of the KB Financial Group for 2018 and Statements and Notes to the Consolidated and Annual (individual) Financial Statements of Komerční banka, a.s. as at 31 December 2018 prepared according to the International Financial Reporting Standards and proposal on the distribution of profit for 2018. The Committee considers the results attained as positive and stated that in compiling its Financial Statements the Bank provided integrated financial information and used adequate and consistent accounting methods. The Committee also discussed the so-called "Extended Report of the External Auditor" on the results of the audit for 2018. It also discussed the overall functionality and efficiency of the Bank's Management and Control System in 2018, provided

that this system covers all key risks of the Bank while there are some areas that need improvement and for which action plans have been adopted.

At all meetings of the Committee the materials submitted were commented upon by respective Members of the Board of Directors and by the Bank's Executive Officers. Representatives of the external auditor were always present at these meetings.

As for the selection of the external auditor for 2019, the Audit Committee recommended to the Supervisory Board to submit a proposal to be approved by the General Meeting for Deloitte Audit, s.r.o. to be appointed as the Bank's external auditor for 2019. At the same time the Audit Committee assessed the independence of the auditor company Deloitte Audit, s.r.o. and of the provision of supplementary (non-audit) services to the Bank, and stated that the proposed auditor is an independent entity.

The Committee also discussed and submitted the report on its activity for the past period to the Public Audit Supervision Board.

In conclusion, Mr Laube thanked the shareholders for their attention and assured them that the Audit Committee had performed all its competencies in accordance with applicable law and the Articles of Associations of the Bank. He also said goodbye to the shareholders since after eighteen years he was ending his work on the Audit Committee and in the Supervisory Board of the Bank. He wished the Bank and all everyone else continued success.

Mr Juchelka thanked Mr Laube for his eighteen years of hard work to the benefit of Komerční banka and wished him all the best in the next stages of his professional and private life.

The Chairman of the General Meeting, Mr Pavel Henzl, also thanked Mr Laube for the report on the results of the Audit Committee activity and asked whether any written request for an explanation, proposal or counterproposal, or objection relating to this item of the Agenda had been submitted. This was not the case.

He then asked whether anyone had any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Item 7 – Approval of the Annual Financial Statements for 2018

The Chairman of the General Meeting, Mr Pavel Henzl, stated that the shareholders had listened to the comment as part of item 4 and received the Annual Report as a supporting document for approval.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.317674% of the registered capital of the Bank are present.

And then he presented the proposal of the resolution as follows:

Resolution Eight:

The General Meeting approves the Annual Financial Statements of Komerční banka, a. s. for 2018 in the wording submitted to the Board of Directors.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 8**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

He stated that the shareholders will see the exact results of the voting on the screens here in the meeting room and will be stated in the Minutes of the General Meeting and can also be seen on the screens in the lobby at the entrance into the hall.

The final results of the voting on **Resolution Eight** were as follows:

Shareholders voting 'for' holding 158,939,690 votes which represent 99.812099% of the present number of votes, shareholders voting 'against' holding 112,813 votes which represent 0.070845%, shareholders abstaining holding 186,399 votes which represent 0.117056% of the present number of votes

Item 8 – Decision on the distribution of profit for 2018

The Chairman of the General Meeting, Mr Pavel Henzl, stated that the shareholders had listened to the comment as part of item 4. The proposal of the resolution and its reasoning are stated in the invitation to the General Meeting. The shareholders had also received the conditions and method of payment of the share of the profit in the dividend for 2018 in the supporting materials. The share of the profit for 2018 attributed to shares owned by the Bank which will be transferred to the retained earnings account is CZK 60,891,360.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.317674% of the Bank's registered capital are present.

And then he presented the proposal of the resolution as follows:

Resolution Nine:

The General Meeting approves the distribution of profit of Komerční banka, a. s. for 2018 totalling CZK 15,238,139,767.81 as follows:

The share of profit for distribution among the shareholders (dividends) CZK 9,692,512 260.00

Retained earnings CZK 5,545,627,507.81

The amount of the dividend per one share is CZK 51 before tax. Each shareholder is entitled to the dividend if he owns a share of Komerční banka, a. s., with ISIN CZ0008019106 as of 17 April 2019.

The dividend will be due on 27 May 2019.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 9**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Nine** were as follows:

Shareholders voting 'for' holding 159,230,338 votes which represent 99.994622% of the present number of votes, shareholders voting 'against' holding 5,333 votes which represent 0.003349%, shareholders abstaining holding 3,231 votes which represent 0.002029% of the present number of votes

Item 9 – Approval of the Consolidated Financial Statements for 2018

The Chairman of the General Meeting, Mr Pavel Henzl, stated that the shareholders had listened to the comment as part of item 4. The Consolidated Financial Statements are found in the materials received by the shareholders.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.317674% of the registered capital of the Bank are present.

And then he presented the proposal of the resolution as follows:

Resolution Ten:

The General Meeting approves the Consolidated Financial Statements of Komerční banka, a.s. for 2018 in the wording submitted to the Board of Directors

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 10**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted by the necessary majority of votes.

He stated that the shareholders will see the exact results of the voting on the screens here in the meeting room and will be stated in the Minutes of the General Meeting.

The final results of the voting on the **resolution** were as follows:

Shareholders voting 'for' holding 158,974,856 votes which represent 99.834182% of the present number of votes, shareholders voting 'against' holding 77,679 votes which represent 0.048781%, shareholders abstaining holding 186,367 votes which represent 0.117036 % of the present number of votes

Item 10 – Election of Members of the Supervisory Board

The Chairman of the General Meeting, Mr Pavel Henzl, stated that two proposals were submitted within this item. The CVs of the proposed candidates are stated in Material No. 3, which you received.

Ms Cécile Camilli, who is proposed for election and is present here in the hall, in accordance with the Bank's Articles of Association, was coopted for the vacant position on the Supervisory Board (after the resigning Sylvia Remond) as of 15 January 2019 to today's General Meeting. You received her CV as Material No. 3. The proposed candidate was assessed by the Appointment Committee and subsequently by the Czech National Bank and meets the requirements for the office of member of the Supervisory Board, is trustworthy and professionally competent.

He asked whether any written request for an explanation, proposal, counterproposal, or objection relating to this item of the agenda had been submitted. This was not the case.

Then he asked whether there was any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.317626% of the Bank's registered capital are present.

Then he presented the proposal of the resolution as follows:

Resolution Eleven:

The General Meeting elects Ms Cecile Camilli Member of the Supervisory Board, date of birth 9 July 1975, residing at 10, allée des Bocages, 78110 Le Vesinet, French Republic, effective as of 25 April 2019.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 11**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted by the necessary absolute majority of votes.

He stated that the shareholders will see the exact results of the voting on the screens here in the meeting room and will be stated in the Minutes of the General Meeting.

The final results of the voting on **Resolution Eleven** were as follows:

Shareholders voting 'for' holding 130,915,265 votes which represent 82.213164% of the present number of votes, shareholders voting 'against' holding 28,320,041 votes which represent 17.784635%, shareholders abstaining holding 3,506 votes which represent 0.002202% of the present number of votes

The Chairman of the General Meeting, Mr Pavel Henzl, further stated that the second proposal is the election of Member of the Supervisory Board Ms Petra Wendelová. In view of the resignation of Mr Petr Laube as Member of the Supervisory Board as of today Ms Petra Wendelová is proposed for the vacant position. Her suitability was assessed by the Appointment Committee and the Czech National Bank and the candidate meets the requirements for the office, is trustworthy, professionally competent and independent. Her CV is also stated in Material No. 3. Mrs Wendelová is also present here in the hall.

He asked whether any written request for an explanation, proposal, counterproposal, or objection relating to this item of the agenda had been submitted. This was not the case.

Then he asked whether there was any oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.317626% of the Bank's registered capital are present.

Resolution Twelve:

The General Meeting elects Ms Petra Wendelová member of the Supervisory Board, date of birth 3 June 1962, residing at Prague 1, Žatecká 16/8, postcode 110 00, effective as of 25 April 2019.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 12**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted by the necessary absolute majority of votes.

The final results of the voting on **Resolution Twelve** were as follows:

Shareholders voting 'for' holding 131,408,835 votes which represent 82.523119% of the present number of votes, shareholders voting 'against' holding 27,806,069 votes which represent 17.461867%, shareholders abstaining holding 23,908 votes which represent 0.015014% of the present number of votes

Item 11 – Election of Member of the Audit Committee

The Chairman of the General Meeting, Mr Pavel Henzl, stated that after the resignation of Mr Petr Laube as Member of the Audit Committee as of today and based on the result of the assessment of the Appointment Committee, Ms Petra Wendelová is proposed as candidate for the vacant position as she meets the requirements for the office, is trustworthy, professionally competent and independent.

He asked whether any written request for an explanation, proposal, counterproposal, or objection relating to this item of the agenda had been submitted. This was not the case.

Then he asked whether anyone had an oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the

shareholders holding shares with the nominal value totalling 84.315880% of the Bank's registered capital are present.

Resolution Thirteen:

The general meeting elects Ms Petra Wendelová Member of the Audit Committee, date of birth 3 June 1962, residing at Prague 1, Žatecká 16/8, postcode 110 00, effective as of 25 April 2019.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 13**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted by the necessary absolute majority of votes.

The final results of the voting on **Resolution Thirteen** were as follows:

Shareholders voting 'for' holding 131,054,770 votes which represent 82.302476% of the present number of votes, shareholders voting 'against' holding 28,176,253 votes which represent 17.694704%, shareholders abstaining holding 4,491 votes which represent 0.002820% of the present number of votes

Item 12 – Decision on the appointment of an auditor to perform the statutory audit

The Chairman of the General Meeting, Mr Pavel Henzl, stated that the information regarding this item was presented by Mr Šperl as part of the discussion of the Financial Statements. The proposal of the resolution and reasoning are part of the invitation.

He asked whether any written request for an explanation, proposal, counterproposal, or objection relating to this item of the agenda had been or is being submitted. This was not the case.

Then he asked whether anyone had an oral request for an explanation, proposal, counterproposal or objection relating to this item of the agenda. This was not the case.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that according to the information on the monitor before the voting on the proposal which will be presented, the General Meeting represents a quorum and is competent to adopt decisions, as the shareholders holding shares with the nominal value totalling 84.314027% of the Bank's registered capital are present.

Then he presented the proposal of the resolution as follows:

Resolution Fourteen:

The General Meeting appoints Deloitte Audit s.r.o., with its registered office at Karolinská 654/2, 186 00 Praha 8 – Karlín, Company ID: 49620592, as the external auditor of Komerční banka, a. s. for 2018, and Deloitte Audit, s.r.o., with its registered office at

Digital Park II, Einsteinova 23, Bratislava 851 01, for the branch of Komerční banka, a.s., located on the territory of the Slovak Republic.

Then the Chairman of the General Meeting, Mr Pavel Henzl, stated that an absolute majority of votes of the attending shareholders is required for the adoption of this resolution.

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, called on the shareholders to use the electronic voting device in **voting round 14**.

After completion of the voting, the Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the resolution was adopted.

The final results of the voting on **Resolution Fourteen** were as follows:

Shareholders voting 'for' holding 159,021,436 votes which represent 99.867754% of the present number of votes, shareholders voting 'against' holding 205,722 votes which represent 0.129196%, shareholders abstaining holding 4,856 votes which represent 0.003050% of the present number of votes

Subsequently, the Chairman of the General Meeting, Mr Pavel Henzl, stated that all the items of the agenda of today's General Meeting of the shareholders of Komerční banka, had been dealt with and therefore he was closing today's General Meeting. The voting protocols with the exact results of the voting on the individual resolutions of today's General Meeting are available on the screens in the lobby.

The Chairman of the General Meeting, Mr Pavel Henzl, informed the shareholders that the Minutes of this meeting will be drawn up within 15 days which the shareholders will find on the website of Komerční banka, and thanked the shareholders for their attendance and active approach to the proceedings of the General Meeting.

The Ordinary General Meeting of Komerční banka, a. s., ended at 03.06 p.m.

In Prague, on 24 April 2019

.....
Pavel Henzl
Chairman of the General Meeting

.....
Petra Holečková
Minutes Clerk

.....
Alena Krčilová
Minutes Verifier

List of Annexes:

Annex No. 1: Records on results of voting in rounds 1 to 14

Annex No. 2: List of shareholders attending the General Meeting

Annex No. 3: Documents for shareholders including notice of the General Meeting

Annex No. 4: List of persons attending the General Meeting