



Komerční banka, a.s., Na Příkopě 33, 114 07 Prague 1, Iden.numb: 45 31 70 54
obligatory published information pursuant to Act No. 256/2004 Coll. subsection 120b(1)
disclosed on 23 March 2010 at 4:00 p.m. CET

**GENERAL SHAREHOLDERS' MEETING OF KOMERČNÍ BANKA, a. s.,
HELD ON 29 APRIL 2010**

MATERIAL No. 2

**EXPLANATORY REPORT ON INFORMATION REQUIRED UNDER S. 118 (5) (a) – (k)
OF ACT NO. 256/2004 Sb., THE ACT PROVIDING FOR BUSINESS UNDERTAKING ON
THE CAPITAL MARKET AS AMENDED**

Based on the provisions of S. 118 (8) of Act No. 256/2004 Sb., the Act Providing for Business Undertaking in the Capital Market as Amended (hereinafter called "the Act"), the Board of Directors of Komerční banka, a. s., as the issuer of its shares, provides shareholders with an explanatory report on the below matters required by the Act.

1) Information about the structure of the shareholders' equity of Komerční banka, a. s., including the securities not admitted to trading on a regulated market with its registered office in an EU member state and possible designation of the different kinds of shares or similar securities representing an interest in the issuer and the proportion in the registered capital of each kind of shares or similar securities representing an interest in the issuer.

The information about the structure of the shareholders' equity is provided in the financial part of the Annual Report. The registered capital of KB is equal to CZK 19,004,926,000 divided into 38,009,852 ordinary listed shares, each of a nominal value of CZK 500. All the shares carry the same rights.

2) Information about any restrictions on the transferability of securities

The shares of Komerční banka, a. s., are bearer shares and can be transferred freely.

3) Information about significant direct and indirect stakes in the issuer's voting rights

The information about the direct and indirect share in the voting rights of Komerční banka, a. s., is stated in the Annual Report.

The biggest shareholders of Komerční banka, a. s., as of 31 December 2009 included Société Générale S.A. holding a 60.353 percent direct interest in the registered capital, Chase Nominees Limited holding a 5.713 percent direct interest in the registered capital, and the STATE STREET BANK AND TRUST COMPANY holding a 5.077 percent direct interest in the registered capital.

4) Information about the holders of securities with special rights and description of these rights

Komerční banka, a. s., issued ordinary shares and does not have any shares with special rights.

5) Information about any restrictions on voting rights

The voting rights attached to the shares of Komerční banka, a. s., are not restricted. The voting right can be excluded only for reasons specified by law.

Komerční banka, a. s., cannot exercise voting rights attached to its treasury shares.

6) Information about contracts between shareholders which may render the transferability of shares or voting rights more difficult, if known to the issuer

Komerční banka, a. s., is not aware of any contracts between shareholders that would render the transferability of shares or voting rights more difficult.

7) Information about special rules for the election and withdrawal of the members of the Board of Directors and for the revision of the Articles of Association of the company

Members of the Board of Directors of Komerční banka, a. s., are elected by the Supervisory Board upon nomination by its Remuneration and Personnel Committee. The nominee must obtain the absolute majority of votes of all Supervisory Board members. Members of the Board of Directors are elected for the term of four years. Only a person who meets the requirements to serve as a Board of Directors member specified by the Commercial Code and by the Banking Act may become a member of the Board of Directors. The professional skills, credibility and experience of the members of the Board of Directors is assessed by the Czech National Bank.

The Supervisory Board has a right to decide any time on withdrawing a member of the Board of Directors. The decision is carried if approved by the absolute majority of the Supervisory Board. The Supervisory Board's decision is based on the proposal of the Supervisory Board's Remuneration and Personnel Committee.

If the general meeting agenda includes a revision of the Articles of Association of Komerční banka, a. s., the notice of general meeting must give at least a characteristic of the draft amendments and the draft amendments to the Articles of Association must be available for shareholders' inspection at least at the Bank's headquarters for the period specified to convene a general meeting. Shareholders have a right to ask to be sent a copy of the draft Articles of Association at their cost and danger. These rights are notified to the shareholders in the notice of general meeting.

If a shareholder wishes to lodge counterproposals to the proposed amendments to the Articles of Association at the general meeting, he is obligated to deliver his proposal or counterproposal in writing to the Bank no later than 5 business days prior to the general meeting. The Board of Directors is obligated to publish the delivered proposal along with their position in the way specified for the convening of a general meeting, if possible, at least three days prior to the announced date of the general meeting.

Decisions on amendments to the Articles of Association are made by the general meeting and carried by two thirds of the votes of the attending shareholders upon proposal of the Board of Directors, of the Supervisory Board, of a shareholder or of shareholders made in accordance with the Commercial Code and with the Articles of Association. Decisions on amendments to the Articles of Association must be recorded in a notarial deed. Komerční banka, a. s., is obligated to report to the Czech National Bank its intention to make amendments to the Articles of Association relating to the facts that must be stated in the Articles of Association based on a requirement set forth by the Commercial Code or by the Banking Act.

8) Information about special powers of the members of the Board of Directors, especially about authorizations under Ss. 161a and 210 of the Commercial Code

The Board of Directors of Komerční banka, a. s. is an authorized body which decides about all matters of the Bank with the exception of the matters falling under the powers of the general meeting or of the Supervisory Board. It is within the Board of Directors' exclusive powers to:

- a) convene the General Meeting and implement its resolutions;*
- b) submit to the General Meeting for approval the ordinary, extraordinary and consolidated Financial Statements and the interim Financial Statements along with a proposal for the*

distribution of profit (the same must be available to shareholders for inspection at least thirty days prior to the date of the General Meeting) or a proposal for the coverage of loss;

- c) submit to the General Meeting proposals for amendments to and alterations of the Articles of Association as well as proposals for increasing or decreasing the Bank's registered capital;*
- d) submit to the General Meeting a Report on the Bank's Business Activities, the state of the Bank's assets and to do so at least once for each accounting period;*
- e) decide to grant and revoke procuration;*
- f) decide on the appointment, removal and compensation of selected managers of the Bank;*
- g) approve acts in connection with the realisation of security instruments for the Bank's claims whose price exceeded CZK 100,000,000 as at the date of the claim origin and whose presumed realisation price is lower than 50% of the security instrument price ascertained upon entering into the loan agreement;*
- h) submit to the Supervisory Board for information quarterly and semi-annual financial statements;*
- i) decide on acts which are outside the scope of common trade relations of the Bank;*
- j) define and make a regular evaluation of the Bank's overall strategy including the setting of the principles and targets for its fulfillment and arranging the continued and effective operation of the internal control system;*
- k) approve the Bank's annual plans and budgets as well as the strategic and annual plans of the legal entities controlled by the Bank under the Banking Act;*
- l) enter into the contract for the performance of the statutory audit or, as the case may be, for the provision of other services with the auditor;*
- m) inform the Supervisory Board of the General Meeting day no later than within the period specified by the Commercial Code for a general meeting to be convened;*
- n) decide on the issue of bonds of the Bank with the exception of decisions on the issue of bonds for which the decision of the General Meeting is required by the law;*
- o) decide on an increase in the registered capital if so authorised by the General Meeting;*
- p) enter into a collective agreement;*
- q) decide on providing loans to or securing obligations of persons with a special relationship to the Bank pursuant to the Banking Act;*
- r) approve the charter and the strategic and periodic plan of the activities of the Internal Audit;*
- s) approve the Annual Reports of the Bank;*
- t) approve and regularly evaluate the security principles of the Bank including the security principles for information systems;*
- u) decide on establishing other funds and on the rules governing the creation and usage thereof;*
- v) approve the report on relations among related entities within the intention of the Commercial Code;*
- w) approve and regularly evaluate the Bank's structure;*
- x) approve the principles of the personnel and compensation policy;*
- y) evaluate the overall functioning and effectivity of the management and control system at least once a year;*
- z) approve and regularly evaluate the risk management strategy, the strategy relating to the capital and to capital adequacy and the information systems development strategy;*
- za) approve and regularly evaluate the principles of the internal control system including the principles aiming to prevent any possible conflict of interest and the compliance-related principles;*
- zb) discuss the audit report with the auditor.*

In addition to the above mentioned, the Board of Directors shall especially:

- a) manage activities of the Bank and conduct its business affairs;*
- b) ensure the proper maintenance of the Bank's accounting including the due administrative and accounting processes;*
- c) exercise employer's rights;*
- d) exercise rights in respect of the Bank's property interests resulting from the ownership holdings of the Bank;*
- e) approve the acquisition or disposal of fixed assets of the Bank exceeding CZK 30,000,000 as a single case or as a total of related cases;*

f) *approve the plan for securing the continuity of business activities and the fire protection plan.*

Based on the consent of the general meeting held on 29 April 2009, Komerční banka, a. s., was authorized to acquire ordinary treasury stock of Komerční banka, a. s., under the following conditions:

- The maximum amount of shares that can be held by the Bank at any specific moment shall be 3,800,985 pieces of ordinary shares.*
- The share purchase value must be at least CZK 1,000 a piece and at most CZK 3,500 a piece.*
- The resolution of the general meeting shall be valid for the term of 18 months.*
- Shares may not be acquired by the Bank should such acquisition breach the conditions stipulated in S. 161a (1) (b) and (c) of the Commercial Code.*
- For the term of validity hereof the Bank can buy and sell shares repeatedly without any further restrictions.*

The report on the business activities of Komerční banka, a. s., and on the state of its assets for 2009 submitted to the general meeting contains information on the acquisition of the treasury stock by Komerční banka, a. s., in 2009.

The general meeting did not authorize the Board of Directors to take a decision on an increase in the registered capital.

9) Information about important contracts with the issuer as a contracting party which take effect, are altered or discharged if the person in control of the issuer changes as a consequence of a take-over bid, and about the effects thereof, with the exception of the contracts the disclosure of which would cause material harm to the issuer; this shall not affect the other obligations to disclose such information under this Act or under special legal regulations

Komerční banka, a. s., did not enter into any such important contracts.

10) Information about contracts between the issuer and the members of its Board of Directors or employees which stipulate the issuer's obligation to perform in the event that they cease to serve as members of the Board of Directors or cease to be employed in connection with a take-over bid

Komerční banka, a. s., did not enter into any such contracts.

11) Information about possible programs which allow the members of the Board of Directors and employees of the company to acquire company's securities, options on these securities or other rights under preferential conditions, and on the method used to exercise the rights attached to these securities

There are no such programs in Komerční banka, a. s.